INTRODUCTION: 25 Project Management Terms Defined (excerpt)

The dictionary excerpt starts on the following page.

What This Is

Context and definitions for 25 project management terms, excerpted from the *Dictionary of Project Management Terms* (3rd ed.), by J. LeRoy Ward, PMP, PgMP, and Executive Vice President at ESI International.
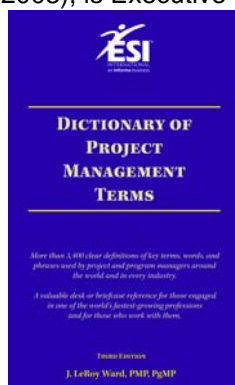
Why It's Useful

No matter how long they've been in the profession, and whether or not they use the formal title, project managers are often bombarded with new and ambiguous terms like *sunk costs*, *RACI matrixes*, and *time boxing*. Wading through these technical terms and acronyms can cause confusion and miscommunication if not everyone attaches the same meaning to them. This excerpt highlights these and other ubiquitous business and project management terms, as defined by a widely recognized project management expert, to help you ensure everyone is speaking the same language.

How to Use It

- **Browse the list for definitions of common project management terms** and see if your understanding matches up against the textbook definition. (Do you really know who your *Benefits Manager* is?)

- **Consider running a Term of the Week conversation with your teams.** Even if you're not planning to actually *do* it, you may be surprised at the conversations and insights that result from talking about what *Agile Project Management* or *ISO 21500* really means.

- **For more information** about the *Dictionary of Project Management Terms*, visit http://www.esi-intl.com/Register/gcppub.asp?ProductCode=PR57.

About the Author

J. LeRoy Ward, PMP, PgMP, author of *Dictionary of Project Management Terms* (3rd edition, October 2008), is Executive Vice President at ESI International, a global learning company helping people and organizations improve the way they manage projects, contracts, requirements and vendors. Complementing a 17-year career with four U.S. federal agencies, Mr. Ward is responsible for, among other things, ESI's product offerings worldwide. He is a noted author and speaker, appears frequently at project management gatherings around the world, and has more than thirty-three years in the industry.

Dictionary of Project Management Terms, now in its third edition, shows how the field of project management has exploded in the last few years. With over 3,400 terms, up from 1,800 in 2000, this book includes not only traditional project management terms, but also broader business terms to help seasoned managers as well as their successors navigate the ubiquitous language of project-speak more easily.

The dictionary excerpt starts on the following page.

25 Project Management Terms Defined

This guideline is excerpted from "Dictionary of Project Management Terms," authored by J. LeRoy Ward (3rd edition, October 2008), and published by ESI International. Copyright 2008 J. LeRoy Ward.

AGILE PROJECT MANAGEMENT

Value-driven approach to managing a project that combines elements of traditional project management with a wide variety of tools, techniques, methods, approaches, and perspective to better and more efficiently deliver products and services to users. Agile project management has six principles and five phases. The six principles are—

- Deliver customer value
- Employ interactive, feature-based delivery
- Champion technical excellence
- Encourage exploration
- Build adaptive (self-organizing, self-disciplined) teams
- Simplify

The five phases are—

- Envision: determining the product vision, scope, and community and how the team will work together
- Speculate: developing a feature-based release, milestone, and iteration plan to deliver the product vision
- Explore: delivering developed, tested features in a short time frame to gain feedback from the users
- Adapt: reviewing the delivered results and making modifications based on user feedback
- Close: officially concluding the project and conducting lessons learned

Adherents of agile project management assert that it is more than a narrow set of methods; rather, it is a cultural phenomenon whose tenets are more based on chaos theory than didactic project management techniques.

BENEFIT-COST ANALYSIS

Process of estimating tangible and intangible costs (outlays) and benefits (returns) of various project alternatives and using financial measures, such as return on investment or payback period, to evaluate the relative desirability of the alternatives.

BENEFITS MANAGER

In program management, the individual assigned the single responsibility of ensuring that the identified benefits are achieved to the greatest degree possible.

BROOKS'S LAW

The complexity and communications cost of a project rise with the square of the number of developers such that the number of communications channels increases geometrically while the work expands only linearly. Expressed as $n2 – n / 2$ where n equals the number of developers. The "law" does not suggest a ban on adding people to a project but calls for proper division of labor to reduce the chaotic effect of having too many communications channels. Advanced by and named after Dr. Fred Brooks, father of the IBM Operating System 360, and popularized in his now-classic work *The Mythical Man-Month*.

CASH-FLOW STATEMENT

Report that measures the flow of cash into and out of a business, most commonly on a monthly basis. One of four financial statements found in the annual report, it categorizes a company's cash receipts and disbursements for a given fiscal year by three major activities: operations, investments, and financing.

COMPARATIVE RISK RANKING (CRR)

Method to help a group of individuals determine the most important risks facing a project when they cannot agree on what those are when faced with a list of risks that same group identified. CRR uses a multivoting approach combined with pairwise comparison.

DRILL DOWN

(1) Act of moving from a summarized view of data into a lower level of detail.

(2) To obtain a greater level of detail and information on any topic or issue by a variety of techniques such as analysis, interviews, questionnaires, and so forth.

ISO 21500

New and in-progress international guide to project management that will use BS 6079-1, Guide to Project Management (British Standards Institute), as its base document. The new ISO 21500 will be published sometime after 2010.

KÜBLER-ROSS FIVE STAGES OF GRIEF MODEL

Model developed by Swiss psychoanalyst Elisabeth Kübler-Ross to describe the five stages of grief an individual goes through when confronted with his or her mortality. The stages are denial, anger, bargaining, depression, and acceptance. This model often forms the underpinnings of modern organizational change models.

PATH CONVERGENCE

Point at which parallel paths of a series of activities meet. Notable because of the tendency to delay the completion of the milestone where the paths meet.

PROGRAM

(1) Group of related projects managed in a coordinated way to obtain benefits not available from managing the projects individually; may include an element of ongoing activities or tasks that are not within the scope of the individual projects but that contribute to the program's intended benefits.

(2) In the U.S. DOD, a major acquisition program.

(3) As a verb, to schedule funds to meet requirements and plans, or to write computer code.

(4) Major, independent part of a software system.

(5) Combination of program elements (PEs) designed to express accomplishment of a definite objective or plan.

MIND MAPPING

Nonlinear, radial diagramming of words, ideas, or topics around a main concept. Popularized by educational consultant Tony Buzan, who reportedly studied the notebooks of Leonardo da Vinci while developing the concept.

NORMATIVE FORECASTING

Method for assessing the future in terms of what is required to reach a particular objective. Used in gap analysis for determining the contents of a project portfolio to ensure that the objective can be achieved.

OPERATING MARGIN

Ratio of operating income to sales revenue, usually expressed as a percentage.

OPERATING PROFIT

Gross profit minus operating expenses, usually expressed in monetary terms.

POUND OF FLESH

Something which is owed that is ruthlessly required to be paid back.

RACI MATRIX

Tool used to identify the various stakeholders in a project, or operating process, and their roles in it. The matrix divides project or process tasks into four responsibility types, which are then assigned to the different roles. RACI stands for—

- Responsible—Those who actually perform the task
- Accountable—The person(s) ultimately in charge of ensuring the task is completed correctly
- Consulted—Those whose opinions will be solicited
- Informed—Those stakeholders who need to be kept apprised of project developments

S-CURVE

Graphic display of cumulative costs, labor hours, or other quantities, plotted against time. The curve is flat at the beginning and end and steep in the middle. Generally describes a project that starts slowly, accelerates, and then tapers off.

SCRUM

Analogy for how product development teams should operate to improve efficiency and overall outcomes. First described by Hirotaka Takeuchi and Ikujiro Nonaka in their Harvard Business Review article "The New New Product Development Game" (1986). In 1996, Ken Schwaber detailed how the scrum approach could be applied in the systems development process, making it one of the more widely used agile methods that accepts that the development process is unpredictable. The term is borrowed from the game of rugby: Scrum occurs when players from each team huddle closely together in an attempt to advance down the playing field. Scrum projects are split into iterations (sprints) consisting of the following three phases:

- Pre-sprint planning—The features and functionality to be developed are selected from a backlog of features.
- Sprint programming—Teams are assigned their sprint objectives and they begin development.
- Post-sprint meeting—Team members gather to discuss project progress and demonstrate the current system.

SERVICE LEVEL AGREEMENT (SLA)

Agreement or contract between two parties that precisely details the level of service and technical support to be provided to the buyer by the seller, as well as the consequences for failure. Often used in IT contracts, SLAs spell out the obligations of the seller regarding response time, uptime of computer systems, maintenance requirements, and other technical and business services.

SEVEN TOOLS OF QUALITY

Originally identified by Kaoru Ishikawa for use with quality circles. They include—

- Mapping
- Pareto Analysis
- Fishbone Diagram (or Ishikawa Diagram)
- Histogram
- Run Diagram
- Correlation and Stratification
- Check Sheets

SUNK COSTS

Costs that once expended can never be recovered or salvaged. Current thinking strongly suggests that sunk costs should not be considered a factor in deciding whether to terminate a project or allow it to continue to the next phase.

TIME BOX

Defined period of time in which an activity, task, iteration, or other effort must be completed. Used in agile software development methods to fix the amount of time devoted to developing a particular iteration. Once the time is exhausted, work stops and whatever was developed is used for the next step in the process. Sometimes called "time boxing."

TRUE-UP

To make level, square, balanced, or concentric. Used in project and program management as an expression meaning to bring into alignment with predetermined criteria or processes.

UNKNOWN UNKNOWNS

Risks that are not foreseen and therefore have not been planned for during the risk management process. Called unk-unks.