Introducing Project Management

The manual for beneficiaries
of the UMBRELLA project

The UMBRELLA project aims at building capacity of local actors. We believe that this is the most effective way to deliver better and more sustainable policies at the local level. The projects and smaller bottom-up initiatives initiated at that level enable the achievement of the overarching objectives set by the "top-down" framework provided by the EU, called the **European Union Strategy for the Baltic Sea Region (EUSBSR)**. That is why the EU funding programmes and organizations that use the resources to support their initiatives are important. And that is why the UMBRELLA project is important—because we help to boost this process.

One of the primary objectives of the UMBRELLA project is to provide specific knowledge and skills in the implementation of goals and cross-border cooperation for local and regional entities in the South Baltic Region. As part of this objective, we have initiated the project to develop a set of educational materials on the subject of **project management**, consisting of:

- **Beneficiary Manual**
  a handbook for beneficiaries of the UMBRELLA project that introduces them to the subject of project management

- **Trainer Manual**
  a handbook for trainers of the UMBRELLA project, who conduct courses and workshops based on Beneficiary Manual

- **Multimedia Presentation**
  available at the UMBRELLA project Website and intended for use during such courses and workshops as well as for self-education of the beneficiaries
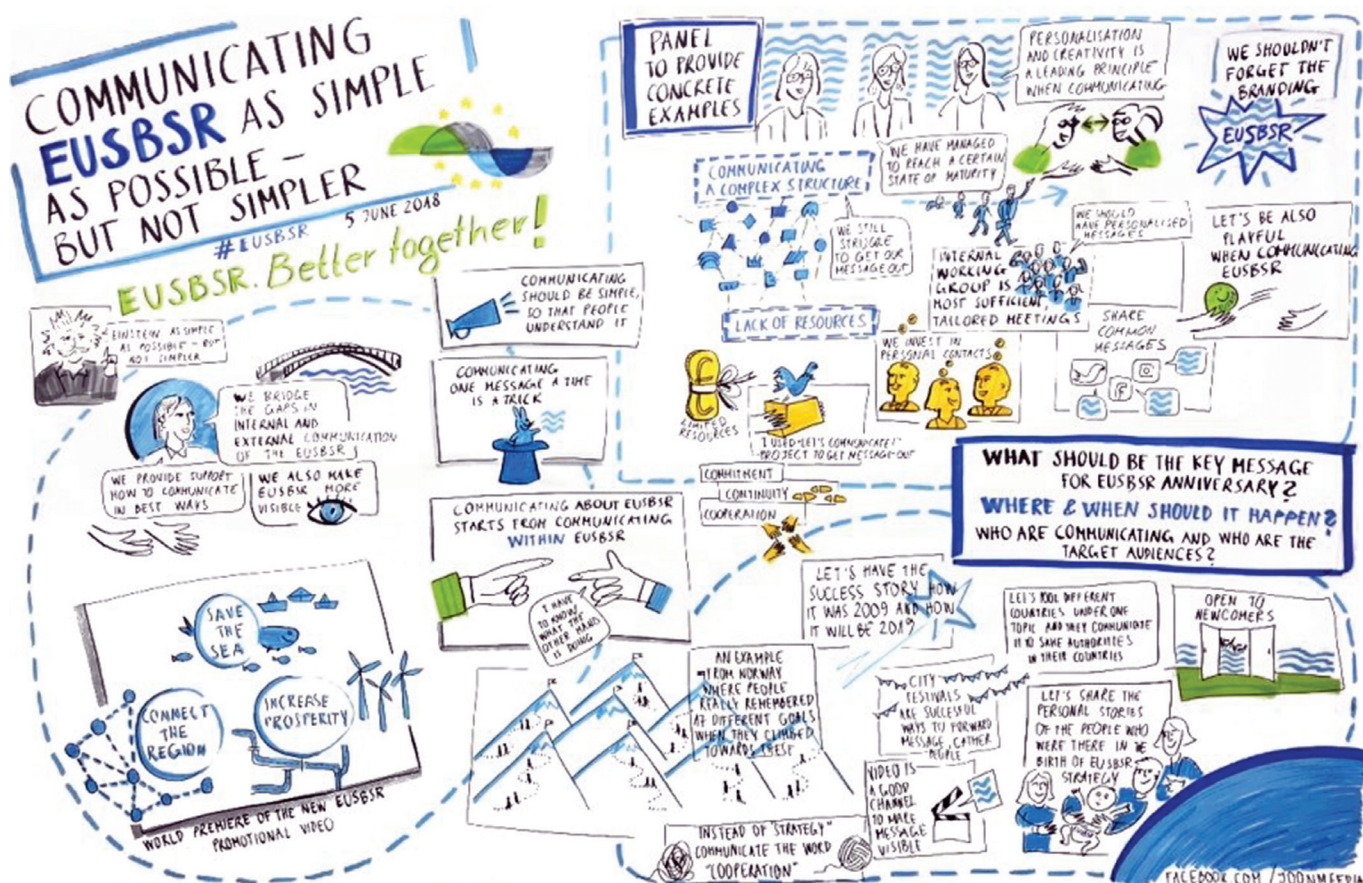
Basic facts on EUSBSR

What The European Union Strategy for the Baltic Sea Region (EUSBSR) is the first Macro-regional Strategy in Europe. It was approved in 2009. The Strategy focuses on three key objectives, which represent the region's common challenges: saving the sea, connecting the region and increasing it's prosperity.

Why The Strategy is an agreement between the EU Member States and the European Commission to strengthen cooperation between the countries bordering the Baltic Sea in order to meet the common challenges and to benefit from common opportunities facing the region.

Who The EU Member States involved in the EUSBSR are Sweden, Denmark, Estonia, Finland, Germany, Latvia, Lithuania and Poland. The EUSBSR implementation is closely coordinated with the European Commission and all relevant stakeholders. The Strategy is also welcoming cooperation with EU neighbouring countries (Russia, Iceland, Norway and Belarus).

How The EUSBSR is implemented in concrete joint projects and processes. Projects and processes named Flagships demonstrate especially well the progress of the Strategy. However, no new funding or institutions have been founded to support the implementation of the Strategy. Instead, the EUSBSR is based on effective and more coordinated use of existing funding sources, and the promotion of synergies and complementarities.

Find more information on EUSBSR at: http://www.balticsea-region-strategy.eu

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For more information on the UMBRELLA Project look at: http://umbrellaproject.eu
For more information on Stowarzyszenie "Pomorskie w Unii Europejskiej" look at: https://pomorskieregion.eu/en

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1. Introduction

1.1. Purpose of the book

This is a book about project management written for a very special purpose. We know about many people and groups with great ideas that could contribute to the sustainable development of the South Baltic Region. However, we have found out that they give up when it comes to implementing these ideas because they lack knowledge and experience in project management. They are also concerned about the paperwork and requirements associated with successfully acquiring the funding for their projects. Apparently, these are the two major root causes of abandoning great initiatives that we could all benefit from. The intent of this book is to overcome these obstacles and provide you the support that you need to go ahead with your great projects.

1.2. Audience of the book

Although anyone interested in project management may benefit from this book, it was written specifically for the beneficiaries of the UMBRELLA project. In other words, the primary audience of this book includes individuals engaged in implementation of goals and cross-border cooperation between local and regional entities in the South Baltic Region, such as:

- Local and regional authorities and their associations;
- Non-Governmental Organizations (NGOs);
- Chambers of commerce;
- Business support organizations;
- Local governments;
- Local activists;
- Other institutions for i.e. nature protection, culture and national heritage.

In general we would like to say that this is a book for project managers. However, we realize that quite often you may not even be aware that you actually play such a role. From our experience we know that a clear definition and understanding of project roles is one of the key factors that lead to a successful completion of a project. On the other hand, both research and our experience indicate

that the lack of clear roles is one of the major root causes of all many project problems and challenges. Therefore, we have decided to address the topic of project roles in the first section after this introduction. When you read it, we hope you will understand that, in fact, you are a project manager!… even though you may not have this role printed on your business card.

1.3. Our guiding principles

The vast majority of organisations define their **vision** (what they want to achieve), **mission** (what they are doing), and **strategy** (how they should achieve it and how they will know that they have achieve it). Perhaps we could even say "all organisations", but we are cautious and rather used to the fact that in project management there are very few situations you can safely use words such as "all", "none", "always", or "never". Most of these organisations undertake projects to increase their **value production capability** in alignment with that strategy. We are deeply convinced that in the case of your projects there are three major sources that outline the vision, mission, and strategy and define their value:

- The European Union Strategy for the Baltic Sea Region. It was approved in 2009 as the first Macro-regional Strategy in Europe! It is quite significant, because historically this region was not always a scene of cooperation and collaboration. However, over the last several decades it became a leading and model region of how to effective act together for mutual benefits. The Strategy focuses on three key objectives, which represent the region's common challenges: saving the sea, connecting the region and increasing its prosperity. You can read more on this Strategy at: http://www.balticsea-region-strategy.eu.

- The Baltic 2030 Action Plan. It is a general call for all countries and all actors in the Baltic Sea Region to work together and a recommendation to take initiative to help realize a common vision of sustainable development in the Region, grounded in the global agreement on the 2030 Agenda. This Action Plan offers a framework to support macro-regional, national, and sub-regional implementation of the 2030 Agenda. The summary of the Action Plan is shown in Figure 1-1. Notice, that the Action Plan addresses 16 out of the 17 of the United Nations Sustainable Development Goals referred to in the next bullet of this list. You can read more on it at the web site of the Council of the Baltic Sea States: https://www.cbss.org.

Figure 1-1. Summary of the Baltic 2030 Action Plan

- [The United Nations Sustainable Development Goals](). They are a universal set of 17 goals with 169 corresponding targets that were agreed upon by UN member countries to solve some of humanity's biggest challenges within 15 years. They aim to end poverty and hunger, increase access to education, address migration, combat climate change, and reduce inequality. They are increasingly being embraced the world over, not just by governments, but also by civil society, academia, and the private sector, as a way to break down silos and effectively collaborate around a common and universal development agenda. You can read more on them at Sustainable Development Goals Knowledge Platform web site: https://sustainabledevelopment.un.org.

1.4. How to use this book?

The structure and the content of this book is organised around the project management framework that was designed specifically for the beneficiaries of the UMBRELLA project. In section two, "Projects and Project Roles", we define what are projects, why we undertake them, and what is project management. We also address one of the most important aspects of a successful project management—the definition of distinct project roles. **We recommend that, regardless of your level of advancement in the discipline of project management, you read this section very carefully**. It creates the foundation for effective communication and understanding of the whole content of this book. In section three, "UMBRELLA Project Management Framework", we introduce the approach to managing projects that we recommend to our beneficiaries and the subsequent four sections address each of the four framework main phases. Section four, "Phase 1: Identify Idea", begins at the roots of any project—identification of needs and potential responses to those needs and related benefits. Then, it explains how you should confront your dreams with reality and not get discouraged but actually increase the probability of your success with various funding programmes and financial instruments available for beneficiaries based in the South Baltic Region, and with the lessons that others learned in their projects. Section five, "Phase 2: Define Project", includes the guidelines on how to convert your idea into a robust project that will convince the decision makers, who can provide you with funding, to support your mission. In section six, "Phase 3: Execute Project", we get to the essence of managing cross-border projects and provide you the tools, techniques, and hints on to plan, execute, control and close your project to maximise your benefits and to meet the requirements of your funding programme. Finally, in section seven, "Phase 4: Follow-up Project", we will go beyond your project and focus on how to confirm and stabilize its benefits, share your experience with others, and find inspirations for new initiatives and projects.

Our aim is to provide support for the readers at two levels:

1. **Fundamental**—individuals without previous experience in cross-border projects and looking for basic knowledge on available programmes and funds as well as managing cross-border projects;

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2. **Advanced**—individuals with previous experience in cross-border projects looking for enhancing their knowledge and improving skills associated with effective applying for European funds and managing projects.

Consequently, we have introduced a colour-coded format to distinguish the content intended for each of these levels:

- The content intended for readers at **Fundamental** level is marked with a light-red background and an "F" icon on the margin;   **F**

- The content intended for readers at **Advanced** level is marked with a light-yellow background and an "A" icon on the margin;   **A**

- Any other content is intended for readers at both levels.

Throughout the text, you will find various additional resources related to the current content. They may include tools, questionnaires, templates, tests, recommendations, guidelines, and examples of good and bad practices. Those that are very strongly related with a specific step in our framework will be included in a related section. However, as many of them could be applied in various steps, we have decided to collect them in section eight, "Additional Materials". We have marked such references with an "R" icon on the margin. The referenced resource (and at the same time the title on a related sub-section) will be additionally marked with a dark-green colour and a dotted underline, just as in this example: RASCI Matrix. If you are using an electronic version of the book, it will hyperlink you to a related sub-section.   **R**

We have also collected all important definitions, both related with generic project management and cross-border projects and funding programmes, in section nine, "Glossary of Terms". Note that in many situations there could be some differences in the way specific terms are defined by various sources. As a result, we had to choose a definition from the source that in our opinion was the most adequate or develop our own definition that was essentially consistent with the majority of sources. We would indicate and explain some of these situations throughout the text of this manual. Whenever a given definition is introduced in the text or is discussed for the first time, we indicate it with a "D" icon and a similar text formatting as in the case of the references mentioned above. The only difference is that these are in dark-blue colour, for example: Stakeholder. It also works as a hyperlink in the electronic version of this book.   **D**

Finally, we have included a collection of other resources such as books, articles, or web sites that may help you in getting more knowledge and understanding of specific subjects addressed in this book. Whenever we address a topic that is associated with such recommended resource, we add an icon that will link you with such a resource. This will work as a link in an electronic version of this book. In a printed version it will just indicate "check the list of resources for more stuff". The icon looks like an open book and it is shown on the left. This particular one should link you to a UN web site devoted to sustainable development goals.

1.5. How we use the word "business" throughout this book

There is one word that can become a source of confusion and misunderstanding. We have decided that it deserves a separate section with a good explanation. This naughty word is "business" used mainly as an adjective in such combinations as: "business needs", "business context", "business justification", "business case", "business environment"' "business organisation", "business objectives", "business decisions", "business success, "business analysis", "business purpose", "business rationale" "business requirements", "business changes", etc. Sometimes we also use it as a noun. In the whole book the word "business" is used more than 110 times. The thing is that often it is equated with the "commercial activity". However, when you look in the Cambridge English Dictionary, you will find that one of the meanings of this word is **"the things that you do or the matters that relate only to you"**. Our "mission" here is to demystify the meaning of the word "business". We want you to stop associating it ONLY with commercial activity oriented at making profit. We call "business" whatever you do, regardless if it is selling insurance policies or increasing the awareness of global warming and climate change. We would appreciate if you try to accept this. If you do not like it, that is fine too. Just remember that whenever you see the work "business", pretend it is not there. Or replace it with any other word that you like. For example, "social needs" or "environmental needs" or "civilisation needs" are just as good as "business needs"…

1.6. Key messages from this section—self-check

1. With two words define the audience of this book.
2. Name the three most important sources that outline the vision, mission, and strategy and define the value of your projects.

2. Projects and Project Roles

Although people have been undertaking projects almost from the beginning of the civilisation, it was not until the mid-20th century when project management began to emerge as a distinct discipline. Many concepts and tools introduced in those days are still in use. At the same time, project management is one of the fastest growing professions.

In this section we introduce the basic concepts associated with project management that will form the foundation for an effective communication and a better understanding of this subject.

2.1. What are projects?

We define a project as a **temporary organisation** established to deliver a **unique output** within certain **constraints** that enables introducing a **change** resulting in expected **benefits** measured in terms of a degree to which they respond to an identified **need**. This definition includes several keywords elaborated below:

- People engage in various activities of different nature (such as: commercial, social, environmental, educational, artistic, cultural, etc.). We will refer to all of them as "business activities". Note that we do not limit the use of "business" to commercial activities. To be more effective, people establish or join the existing organisations. They could be more **formal** (such as: companies, associations, governments, etc.) or **informal** (such as movements, interest groups, etc.). Some may be created only for specific purposes or timeframe. Others will be of a more permanent nature. In all of them, some of the key defining elements include: the structure (how the roles are defined and related), the norms and processes defining how their members interact, the goals, etc.

- One of the most common bad practices is perceiving a project and its success without its business context. Keep in mind that projects make sense and are justified only if they result from and can be fully related to a specific business need. Moreover, a project is not undertaken for the sole purpose of delivering its output. In fact, the project output is only an enabler for a change that results in an outcome quantified by the measurable improvements referred to as benefits. Business justification and benefits should be documented in the form of a business case that becomes one of the key project baselines.

- The **temporary** nature of projects (and the organisations established to carry them out) means that there should be clear and verifiable start and end points (set of conditions). The end is typically associated with a delivery and acceptance of the project output. However, in most of the projects this is not the only possible end point. As a result of changes, materialised risks or other events during the project, you may find out that its output is no longer capable to provide such benefits. In such case, you should take some actions to regain business justification or consider a decision to put the project on hold or even cancel it. Another example of a possible end point is a major change in your business environment that makes the previously desired benefits unattractive.

> **GOOD PRACTICE**
>
> A comprehensive assessment of project success must take into consideration the achievement of business benefits. So, in your approach to managing project you should always:
> - Define a role accountable for the business dimension of a project;
> - Identify a stakeholder who plays or should be assigned this role;
> - Ensure that this person is aware of their role and performs it effectively;
> - Document business justification and benefits in a form of a business case;
> - Monitor and update the business case throughout the project;
> - Use it as a baseline for all project decisions and assessments (related to changes, risks, issues, etc.).

> **EXAMPLE**
>
> Your local community started a project to create an environmental education centre. You expected that it will attract visitors and tourists, increase the environmental awareness, and provide jobs for local residents as well as income for the community. You are well advanced with the planning stage of your project when you hear that a very similar centre was open by another community, just 20 km away. Should you continue with your project?

D

- A project's output may be a product (such as: a new application for mobile devices, a new system of regional tourist signage, a revitalized historic building, etc.) or a service (such as: a conference on cross-border cooperation, a training programme for environmentally friendly agriculture, etc.).

- The **uniqueness** of an output means that it has not been created before. In fact, the uniqueness may apply to any aspect of a project (such as: schedule, project team, different legal regulations, etc.) but ultimately we undertake project to deliver their outputs. Therefore, various dimensions of uniqueness will always impact the project output. In general, we may expect that an increasing level of uniqueness will result in an increasing level of project uncertainty and risk.

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- All projects operate within various specific constraints or factors that limit your options or abilities to execute a project. The most obvious and typically the most important constraints relate to mandatory requirements, time restrictions, and available financial or other resources. They are often modelled and referred to as the "triple constraint" or "project triangle" (Figure 2-1). However, you should also consider other external or self-imposed constraints.
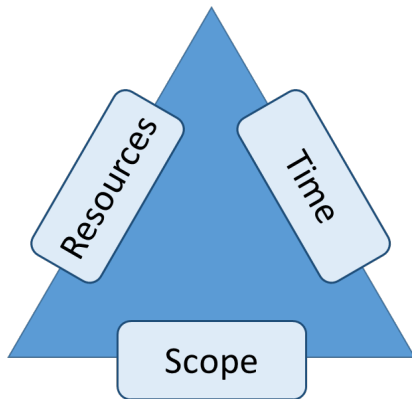
Figure 2-1. "Project Triangle"

GOOD PRACTICE

Project constraints could be associated with a different importance from the project and stakeholders perspective. To enhance your flexibility in managing a project you should always:

- Identify the key project constraints;
- Express them in terms of measurable parameters defined as acceptable range rather than single points;
- Prioritize them based on input from key stakeholders;
- Align progress monitoring and reporting system with them;
- Identify specific risks associated with individual constraints.

2.2. Project stakeholders

Projects result from actions and interactions of people. You may argue that in many projects we have to deal with formal or informal organizations (such as industry regulator, funding provider (bank), a local community, etc.), systems (such as IT system, data warehouse, Internet, etc.) or other entities (such as endangered animal species, a historic building, a religious site, archaeologic excavations, etc.) involved in projects, but ultimately all these entities are represented by specific individuals playing specific roles. You need to interact with these individuals: communicate with them, collaborate with them, involve them, meet their expectations, address their concerns, influence them, etc. In general, we refer to all individuals who can affect, be affected by, or believe to be affected by the project or anything associated with the project as project stakeholders.

2.3. Project roles

Defining and implementing the temporary project organisational structure is one of the most important prerequisite of the ultimate project success. Throughout this book we will often refer to the key project roles, so we have decided to address this topic in this section.

When you define any role, you have to take into consideration the four components presented in Figure 2-2, that we applied as model to our key project role definitions. The structure proposed is limited to the most essential project roles only, that need to be recognised and assigned in every project. In many projects of an increased complexity you may need to introduce additional roles.

The structure presented below includes only the main roles associated with managing the project. In your project, you will also need to define other roles related to both—managing and technical responsibilities. From the project management perspective, you may define five distinct levels that should collaborate to achieve the project success:
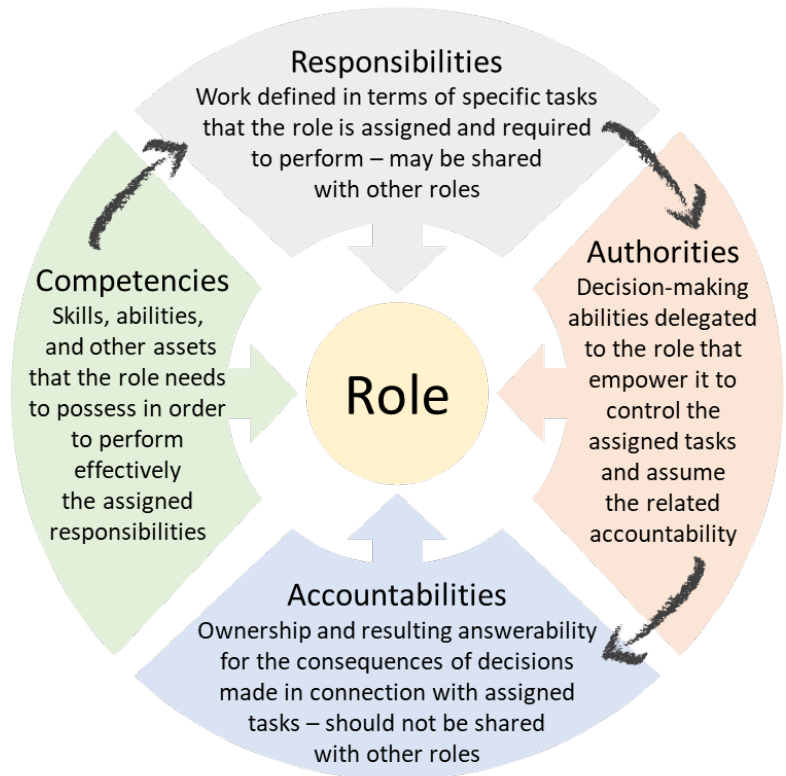
Figure 2-2. Components of a role definition

- **Governing Level**—This is the level where projects originate. Usually, it is associated with a permanent business organisation (such as: a company, an association, a local government, etc.) that operates within a specific long-term vision and strategy. However, in many cases it could be an informal organisation (such as: a local community, an environmental movement, an ad hoc movement, etc.) united by a common goal. In response to a specific need identified at this level, the organisation decides to undertake a project. The role associated with this level is Project Initiator. Although, this role is not actually part of the Project Team, it is very important to recognise who is actually playing it. The most important accountabilities of this role include: starting a project, defining project priorities, making investment decisions, providing and allocating resources for the project and assigning the Project Owner.

- **Directing Level**—This is the first level within the Project Management Team. It is represented by Project Owner, who serves as a formal interface between the project and the outside world. In less complex projects this role may be played by a single individual.

However, more complex projects typically require a group that represents the interests of various project stakeholders. The most important components that define the role of Project Owner are presented in Table 2-1.

- **Managing Level**—This is the second level within the Project Management Team represented by Project Manager, who is accountable for ongoing, operational project management. Typically, the Project Manager is assigned by and reports to Project Owner. The most important components that define the role of Project Manager are presented in Table 2-1.

- **Performing Level**—This is the third level within the Project Management Team consisting of Team Leaders or individuals that manage different technical teams involved in project execution. Team Leaders report to Project Manager. In less complex projects, Project Manager may also serve as one of the Team Leaders or even interface directly with members of the Project Delivery Team. The most important components that define the role of Team Leader are presented in Table 2-1.

- **Technical Level**—This is the level including all members of the Project Delivery Team who are performing the technical tasks leading to a delivery of project output. Project Delivery Team consists of many technical roles specific to a given project, which is beyond the scope of this book.

The above levels and associated roles are summarized in Figure 2-3. It also includes an additional optional role called Project Support Team. It is not tied to any of the levels as it may provide various support services to different other project roles. Depending on the project nature and needs it may be established within a temporary project organisation (typically by the Project Manager) or may be part of a permanent business organisation and may provide its services to many projects.
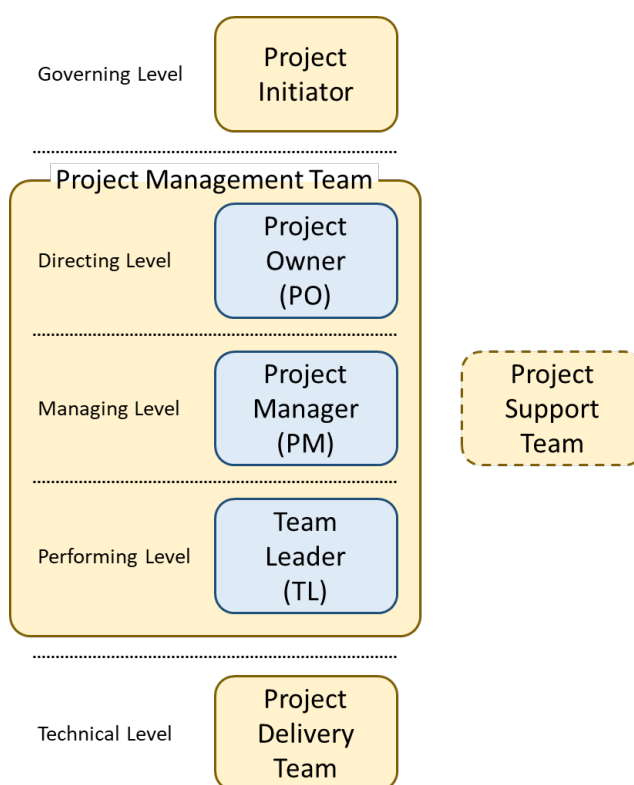
Figure 2-3. Project roles

Table 2-1. Summary of project roles with key competencies, responsibilities, authorities, and accountabilities

	Project Owner	Project Manager	Team Leader
Competencies	Business and strategic management.	Operational management.	Team management; Technical expertise.
Responsibilities	Provides general project direction and guidance to Project Manager; Sets and keeps a project focused on business objectives; Accepts and owns the business case for a project; Monitors project progress; Ensures the availability of resources needed in a project; Owns the business risks; Approves the project baselines and other important management documents; Approves project changes.	Develops and executes project plans according to baselines; Coordinates the efforts of Project Delivery Team through Team Leaders, ensuring the effective use of the allocated resources; Monitors and controls the project status and adequately addresses project risks, issues, and changes; Reports project progress to project stakeholders; Manages expectations of project stakeholders; Creates most of project management documents and secures their approval.	Participates and supports Project Manager in project planning activities; Manages technical aspects of execution of project tasks assigned to the team; Ensures deliverables are produced in accordance with the agreed project plan; Provides the information on progress of the assigned tasks to Project Manager; Escalates the risks, issues, and changes originating at the Technical Level.
Authorities	Makes business decisions within the tolerances defined by Project Initiator.	Makes operational decisions within the tolerances defined by Project Owner.	Makes operational decisions within the tolerances defined by Project Manager.
Accountabilities	Ensuring a business success of a project (realizing expected benefits).	Ensuring an operational success of a project (coordination of a delivery of project output).	Ensuring a successful completion of technical tasks (providing deliverables assigned to a team).

2.4. Communication and promotion throughout the project

When you benefit from financial support provided by a funding programme you have the right but also the obligation to inform about this. Project communication and promotion ensures transparency and feedback concerning how the funds are spent. You will be obliged to create a website, install and use appropriate signing and information at the project's site, provide regular reports and communications to various stakeholders, etc. You will find all relevant details in the programme manual. However, we would like to encourage you here NOT to perceive the project promotion as a painful duty. It is actually in your best interest and effective project promotion is

most probably the best way to a successful project outcome. First of all, you should realise that communication is the essence of project management profession. Anything you do in this role involves communication. According to Project Management Institute research, project managers should spend more than 90 percent of their working time on communicating with other people. The way you communicate about your project and your expected benefits resulting from this communication will be different depending on the stage and current situation in your project. For example, when you consider various possible ideas addressing the business need that you have identified, your communication will aim at finding potential allies or partners that would also be interested in responding to such need. When you develop your project proposal in response to a call, your communication may be focused on collecting lessons from those who can help in this process or promoting your idea so it received a positive attention from the decision-makers. During project execution your will most probably focus on effective progress reporting. And after the project completion your main objective will be to ensure long-term sustainability of project outcomes. Note, that regardless of the nature of a project and its strategic goals, values, and significance, the ultimate beneficiaries of ALL projects are… people. So it is fair to tell them what you do!

Whenever we are asked what is the most important aspect of project manager's work we consistently answer that it is communication. It often surprises the others who expect to hear it is scheduling, budgeting, risk management or any other aspect commonly associated with project management. Obviously, they are all important, but without effective communication they will not help you a lot in achieving your objectives.

2.5. Key messages from this section—self-check

1. Why is it important to relate projects with their business context?
2. What does the temporary nature of projects mean?
3. Name the three most important constraints in most of the projects.
4. Define four components of a role definition.
5. What are the accountabilities of the three key roles in the Project Management Team?
6. Why could communication be perceived as the most important aspect of project manager's work?

3. UMBRELLA Project Management Framework

With the support from the subject matter experts in project management, the UMBRELLA project has developed a framework that will guide you through the process of creating, initiating, and conducting your project. Unlike any generic project management standard, procedure, or methodology, this framework has been designed considering the specific needs of the beneficiaries of the UMBRELLA project who operate and undertake their projects in the South Baltic Region area and who would like to support them by funding programmes. Still, you may find this framework useful for any other project that you undertake! In this section we will present an overview of the UMBRELLA Project Management Framework.

3.1. Sources of Inspirations

The UMBRELLA Project Management Framework is based on best practices included in the standards, methodologies, and approaches used worldwide by commercial and non-commercial organizations. However, we have adjusted these best practices to take into consideration your specific needs and the nature of the projects you will undertake. We have also expanded them with steps associated with finding the appropriate source of funds to finance the project, conducting a successful application process, and fulfilling the obligations resulting from the support provided by funding programs. The most important sources of inspirations for this framework include:

- The two most recognized references in the discipline of project management: the project management standard developed and published by the Project Management Institute (PMI®) and the project management methodology Prince2® owned by Axelos;
- The project management methodology PM^2 developed and published by the European Commission;
- The European Union Strategy for the Baltic Sea Region, Baltic 2030 Action Plan and the Sustainable Development Goals;
- Other resources included in the list of reference materials;
- Good and bad practices collected by the UMBRELLA project team;

- Personal professional experience of the authors of this book.

3.2. Structure of the Framework

The framework covers the whole project life cycle—from identification and understanding of your need, to converting your ideas on how to address these needs into specific project, to planning and executing this project successfully, and finally to ensuring that the benefits expected from the project are actually achieved and sharing the lessons you learned in your project.

We have equipped our framework with the complete set of additional materials that will help you in managing your project successfully. They include:

- important definitions associated with international projects;
- tools and techniques used to manage a project at different stages of its lifecycle;
- templates and examples of useful project documents;
- exercises, questionnaires, checklists, guidelines, tests, case studies, and a comprehensive list of useful resources (books, papers, websites, etc.).

The framework is shown in Figure 3-1. Although it has been visually represented in the linear and sequential form you should take into consideration that:

Identify Idea

Analyse needs, generate ideas, and estimate long-term effects

Review available funding programmes

Learn the programme requirements and application procedure

Search and acquire lessons learned from others

Decision on pursuing the idea

Define Project

Conduct initiation and high-level planning

Identify partners

Prepare and submit the application for funding

Decision on approving the funding

Execute Project

Conduct detailed planning

Conduct project work and report project status

Close and settle down project

Decision on refunding project expenses

Follow-up Project

Confirm and stabilize project benefits

Summarize and share lessons learned with others

Identify new needs, ideas, and long-term effects

Figure 3-1. The UMBRELLA Project Management Framework

- It is of a cyclic and repetitive rather than linear and one-off nature—new iterations of the cycle naturally emerge from the final steps of the flow;

- In many cases the steps presented as a sequence in the flow may be performed concurrently, or in a different sequence—in rare situations some of these steps may be even omitted;

- The model is a simplification and many of the steps are inherently complex which may lead to numerous loops and additional activities.

Well, as a British statistician George Edward Pelham Box noticed: "All models are wrong, but some are useful". We hope that these simplifications are a decent price for the usefulness of our model.

3.3. UMBRELLA Framework vs. Generic Project Life-Cycle

Every generic project management standard or methodology provides its model of the project life-cycle. Most of these models are similar and consist of four stages, usually called: Initiating, Planning, Executing, and Closing. (Note that in some sources these names could be different). The main difference between these generic models and UMBRELLA framework is that the latter was developed specifically for projects that look for financial support from financing programmes and is addressed specifically to beneficiaries based in the South Baltic Region. Another important difference results from the fact that our framework is not limited to the duration of a project (from its start till its end). It also addresses activities undertaken before a project's start (concerned with project origin and related to business analysis rather than project management) and after a project's finish (concerned with benefits verification and the origin of potential new projects). As a result it provides a more holistic approach to projects and a better understanding of their context. However, we will sometimes refer to the generic project life-cycle (especially when we discuss Phases 2 and 3 of our framework). To give you a better understanding of this concept and increase your confidence of using other resources that use it, we have added the Figure 3-2 that shows the stages of the generic project life-cycle, maps them to their equivalent steps in our framework, and summarizes the purpose and main activities of each stage. This should help you easily distinguish between the two models and at the same time enable you to use them interchangeably.

Initiating

UMBRELLA equivalent:
Phase 2: Define Project;
Step: Conduct initiation and high-level planning

Purpose: Conduct the minimum necessary work to decide if the project should continue into detailed planning.

Activities:
- Documenting project justification in the Business Case. (In some approaches this is conducted as a pre-project activity).
- Conducting high-level project planning and documenting it in the Project Charter.

Planning

UMBRELLA equivalent:
Phase 3: Execute Project;
Step: Conduct detailed planning

Purpose: Conduct detailed planning to create the basis for project communication and control.

Activities:
- Developing a workable Project Plan that will enable to achieve project objectives and meet its success criteria. It should address all important aspects of the project.

Executing

UMBRELLA equivalent:
Phase 3: Execute Project;
Step: Conduct project work and report project status

Purpose: Manage completion of project deliverables and the project output.

Activities:
- Monitoring and controlling work on project deliverables.
- Distributing project information.
- Managing project team, resolving conflicts and issues.
- Conducting ongoing risk management.
- Managing changes.
- Managing stakeholder engagement.
- Ensuring final acceptance of project outputs.

Closing

UMBRELLA equivalent:
Phase 3: Execute Project;
Step: Close and settle down project

Purpose: Conduct an effective project closure.

Activities:
- Conducting financial settlement of the project.
- Conducting final communication concerning the project.
- Conducting project retrospective and summarizing lessons learned.
- Conducting administrative closure and archiving project documents.

Figure 3-2. A generic model of project life-cycle

3.4. Key messages from this section—self-check

1. What are the four phases in the UMBRELLA Project Management Framework?

2. What is the nature of the flow within the UMBRELLA Project Management Framework?

3. Can the sequence of steps within the UMBRELLA Project Management Framework be changed?

4. What is the relationship between the UMBRELLA Project Management Framework and a generic project life-cycle?

4. Phase 1: Identify Idea

In this section we will go into more details concerning the first phase in our project management framework. If you are eager to learn about things that are typically associated with project management, such as schedule of budget, you may be a little disappointed. In this phase you will not have many opportunities to deal with these things. And the reason for that is quite simple—your project has not started yet. So, in this phase you will play the role of Project Initiator rather than Project Manager. However, that does not mean it is less important for your project. Quite the contrary, the four steps included in this phase enable you to build a solid foundation for its success.

4.1. Analyse needs, generate ideas, and estimate long-term effects

This step is absolutely essential in any project. In fact, when you disregard it your project literally becomes invalid because it will have no business justification. Even if you are lucky and such project would serve some business purpose, you will have no reference to make conscious decisions concerning your project. The good news is that in most of the cases people actually perform this step even if they are not aware of that. We would like to help you to do it more effectively.

In larger organisations this step is often performed by a dedicated role, team or unit. Their job is to facilitate articulating organisation's needs and the rationale for change, as well as designing and describing solutions that can deliver value to stakeholders, and as a result to enable introducing changes in an organisation. This practice is called business analysis. Each of the three components of this step is part of business analysis.

4.1.1. Analysing needs

In general, business needs may be associated with:

- **Problems** that occur in your environment or business and may have negative impact on them;
- **Opportunities** that emerge in your environment or business and may bring positive impact if you take them.

The way you define the need will drive the whole process: ideas addressing the need that you generate, how you compare and assess them, how you identify and assess stakeholders, what you consider as long-term effects, and how you value them.

Analysing business needs may be handled as a four-step process consisting of:

- **Elicitation**—Collecting and capturing input from various stakeholders by asking them open-ended questions concerning their perspectives, observations, and findings.
- **Analysis**—Elaborating on the input elicited from stakeholders to gain a better understanding of it.
- **Validation**—Confirming that the stakeholders agree with the results of your analysis.
- **Documentation**—Recording the results of all previous steps in the most appropriate form. Depending on the nature of a given situation it could range from formats as simple as a Problem Statement (you can easily create a similar format for opportunities) to comprehensive multi-page documents.

4.1.2. Generating ideas

This is the creative part of the first step in our framework. Do not try to make any assessments or evaluations of a feasibility or attractiveness of your ideas at this point. Do not get attached to any of them. It may be quite challenging as we tend to jump to solutions as quick as possible, because we do not like unresolved problems. However, such behaviours typically decrease your creativity.

There is an almost unlimited number of resources on creativity with various tools, techniques, and methods. However, a technique that we would like to recommend here, because it combines analysing needs and generating ideas, is SWOT Analysis. Based on identified strengths and weaknesses of your business as well as opportunities and threats that you face in your business environment, you may develop a strategy that addresses the needs resulting from this analysis. The technique is very flexible and easily scalable, so you can use it in many situations from planning your personal development to conducting strategic planning in a large corporation.

Though you should not assess or select ideas of possible responses to your business needs, keep in mind that these responses should provide you with at least one of the following characteristics:

- Capability to generate outcomes that you or other stakeholders perceive as benefits;
- Capability to enable you or other stakeholders to avoid losses that you would otherwise incur.

Therefore when you consider an idea, try to associate it with a specific example of these capabilities. Do not go into details or numbers as this is the purpose of the next stage. Just indicate the connection. And do not reject ideas if you do not see such connection as you may discover it later in the process.

In the box you will find an example of the format that we recommend.

4.1.3. Estimating long-term effects

> **EXAMPLE**
>
> The main business need identified in the case of CaSYPoT project (one of our Success Stories) was:
>
> **A high percentage of young people in the Euroregion Baltic move from their home region, leaving many places at risk of depopulation.**
>
> Surely this problem may be addressed in many ways. However, the idea that finally led to CaSYPoT project could be expressed as follows:
>
> **Creating a platform that would enable collecting information about the young people living in the region through the designed surveys as this information may be used by governments and other organisations to focus on initiatives increasing the attractiveness of the home region in the eyes of young people and decrease the scale of depopulation.**

In this final part of the first step you elaborate and quantify the ideas that you have generated. When you think of long-term effects keep in mind that the way they are perceived and valued depends on a perspective of a given stakeholder. What is strongly desired by some stakeholders may be perceived as an extremely negative effect by the others. A good example is how nature protection and establishing a national park is perceived by environmentalists versus companies operating in lumber industry. Even if stakeholders agree that a specific effect has positive impact, they may associate it with a different priority. A revitalisation of an old industrial district would enable to preserve it for future generations and create an attractive residential or commercial space. Most probably, both will be perceived as positive effects by historians or national heritage organisations and by investors. However, when it comes to details each of these stakeholders may have a different visions of revitalisation and different preferences and priorities on how to handle restoration of old details, how to conduct construction works, how to use the ground floor space, how to arrange the surroundings, etc.

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An important aspect of estimating long-term effects is ensuring that they are verifiable. In other words, we need a mechanism enabling to check that the expected effects have actually been achieved. In general, the project effects may belong to one of two groups: **tangible** (material) or **intangible** (immaterial). Tangible ones are those that can be objectively quantified—you can count the number of items; measure dimensions or duration; calculate value in some currency; etc. In most of the cases you should be able to associate tangible effects with **quantitative indicators** that can be a pure number, an index, ratio or percentage. These indicators are typically relatively easy to monitor and measure. They are also numerically comparable. Intangible effects are subjective in nature and as such are not so easily quantifiable. They may be concerned with things such as: satisfaction, awareness, empowerment, aesthetic experience, etc. Usually, they are associated with **qualitative indicators** that depict the status of something in a descriptive rather than numeric way. As such they are prone to individual feelings or judgements. To facilitate the analysis of qualitative indicators they can be expressed in a semi-quantitative way by connecting qualitative assessments with a predefined scale.

> **EXAMPLE**
>
> Municipalities and tourist boards from Sweden, Lithuania and Poland are involved in the DUNC project, which was launched in 2017 to develop an effective and sustainable tourism strategy for the UNESCO sites in the Baltic Sea region. DUNC also seeks to preserve and promote heritage by encouraging ownership within the local communities.
>
> - An example of tangible effect of this project is:
>   **Creating long term and holistic management strategies and action plans for the partner sites**
>   The indicator that can be used here could be number of sites provided with such strategy and action plans.
> - An example of intangible effect of this project is:
>   **Securing genuine and joint stakeholder participation in planning processes**
>   The indicator would be based on subjective assessment if stakeholders were genuinely engaged in planning process and have the feeling of joint participation.

Though financial indicators are not so commonly used in project proposals submitted to EU funding programmes there is a good reason to introduce some of them here. Regardless of the type, purpose, and ultimate goal of projects they require financial decisions that enable optimisation of the use of project budget. Some financial indicators that may help in these decisions include:

- **Net Present Value (NPV)**—It is the difference between the present value of cash inflows and the present value of cash outflows over a period of time. (Present value is the worth

of a future cash flow expressed in today's money, in other words adjusted for interest, inflation, and other factors that may change the value of money in time). A positive NPV indicates that the analysed scenario creates value (and therefore is financially attractive).

> **GOOD PRACTICE**
>
> - Define **tangible long-term effects** and associate them with relevant quantitative indicators.
> - Define **intangible long-term effects** and think of qualitative indicators or verification methods based on surveys, questionnaires, etc. that could be associated with these effects.
> - Estimate the **timing** of long-term effects: when will they occur and how long will they last—emphasise the **sustainability** of these effects.
> - Identify **preferences and priorities** of each long-term effect for specific stakeholders.
> - NOTE! Each generated idea may be associated with different long-term effects.

- **Payback Period**—It is the time it takes to recover the invested money (or the time when an investment reaches a breakeven point). Payback Period is a good measure of investment risk. The shorter it is, the more attractive is the investment.

- **Return on Investment (ROI)**—It is used to evaluate the efficiency of an investment and compare it with other investments. To calculate it, divide the return (or the difference between the inflows and the outflows) of an investment by the cost of the investment (the outflows). The result is expressed as a percentage or a ratio.

4.1.4. Putting It All Together—Outcome of This Step

The outcome of the first step in our framework should be a set of information that enables you to: Ⓐ

- Have a full understanding of your need, how you can potentially address it, and what you can expect as a result;
- Identify and select the most appropriate funding source for your endeavour;
- Gather useful and necessary additional information; and
- Make a decision to select the most appropriate idea and convert it into a project.

It is a good idea to document this set of information in a clear and useful format. One of such formats is supported by the Business Analysis Core Concept Model developed and published by the International Institute of Business Analysis. The model defines six fundamental concepts used to perform the business analysis effectively. It also shows the interrelationships between these concepts. It is easily scalable, so it can be used in all types of situations, from very simple initiatives Ⓡ

undertaken by informal groups of people with a common goal to very complex endeavours pursued by large formally established organisations and involving numerous stakeholders. The most important advantages of using this model include:

- Facilitating communication between stakeholders by introducing clearly defined basic terms;
- Providing the analytical tool that helps to collect all relevant information;
- Defining the basis to document this information, elaborate on it in later phases, and make decisions based on it.
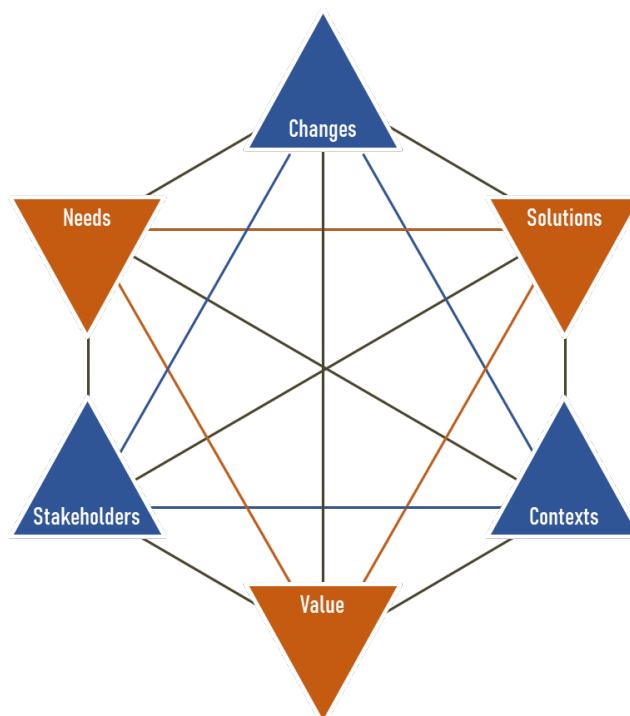
Figure 4-1. The Business Analysis Core Concepts Model

Figure 4-1 shows the simplified version of the model. It is described in more details in "Additional Materials".

4.2. Review available funding programmes

Every project undertaken in response to an identified need requires various resources including the financial ones. Due to the nature of your projects, we assume that you are interested in finding a funding programme that could support you with such resources. That is why we have included steps two and three in our framework. The two steps are very closely related and you will often conduct them together. However, there is a very important reason to treat them as two distinct activities. This step is an initial high-level screening, while the next one involves a detailed verification. Before you go into such a time and effort consuming activity, it is wise to filter out those funding programmes that do not align with your project (or vice versa).

There is also a very important reason that in our framework this step comes **after** analysing needs and not the other way round. We strongly believe that you should pursue your projects because

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GOOD PRACTICE

- **Identify keywords** that will describe the key characteristics of your need, your project idea, the nature of your organisation, the sector or industry of your business, the geographic location impacted by your project idea or business, etc.
- Familiarise yourself with **funding programme search engines** and the way they categorise and describe funding programmes—use them to identify potential programmes that may be applicable in your case.
- Use this step to **identify as many potential funding programmes as possible** and to filter out those that definitely will not suit your purpose (for example because of the fact that they only provide funding to a very specific type of organisations).
- If you are not sure whether a given funding programme is applicable in your case, **do not eliminate** it from the list at this stage—you may often find out that you can meet programme requirements if you slightly adjust the scope of your potential project or find a partner that will provide some capability or characteristic that you do not have.
- Remember that at this stage you still **consider various ideas of initiatives** that address your business need—a funding programme may be unsuitable for some of these ideas, but available for the others, so try to create yourself as many options as possible before you make your final decision on which idea you want to pursue.
- If in doubt, **contact UMBRELLA project partners** (http://umbrellaproject.eu/)—our mission is to provide you the best assistance in this domain.

you have specific needs and not because there are funds available. In some circumstances, you may get started with a long-waiting initiative because you hear that a specific fund can support it. In other cases, the information about a specific funding programme may trigger you to realise that you have a need that could be addressed with this fund. But in all of these examples, the reason and business rationale for your project is rooted in your needs, not in availability of funds.

European Union funding programmes are the most obvious candidates to look for. Indeed, the EU provides funding through nationally managed programmes as well as through grants managed directly by the European Commission. Funding is available to all kinds of entities, including: micro, small and medium-sized enterprises (SMEs), NGOs, young people (individuals), youth organisations or other stakeholders working with young people, researchers, farmers, and public bodies. It is also available in different forms, including grants, loans and guarantees, subsidies, prizes and public contracts. For a more comprehensive discussion on how EU funding works, we recommend the brochure published by European Commission: "A Guide to EU funding. 2017 Edition".

Table 4-1 summarizes the basic information on some of the funding programmes available to the beneficiaries based in the South Baltic Region. For a more comprehensive summary of available funding programmes we recommend the report published by Deloitte: "A quick guide to EU Funding. 2014-2020".

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Umbrella | Interreg South Baltic | European Regional Development Fund

Table 4-1. Basic facts on selected funding programmes available for beneficiaries based in the South Baltic Region

Interreg South Baltic

https://southbaltic.eu

About the Programme

It aims at unlocking South Baltic's potential for blue and green growth through cross-border cooperation between local and regional actors from Denmark, Germany, Lithuania, Poland and Sweden. Building on the maritime character of the Programme, "blue growth" addresses the economic potential of the Baltic Sea for growth and jobs across the shores of the South Baltic. At the same time, "green growth" underlines the need to pursue the path of economic growth in balance with the environment, in particular by utilising South Baltic's rich natural and cultural heritage in a sustainable and preserving manner.

Areas of Support

- Strengthening international activeness and innovation capacity of the South Baltic blue & green economy
- Exploiting the environmental and cultural potential of the South Baltic area for blue and green growth
- Improving cross-border connectivity for a functional blue and green transport area
- Boosting human resource capacities for the area's blue and green economy

Interreg Baltic Sea Region

https://www.interreg-baltic.eu

About the Programme

It supports integrated territorial development and cooperation for a more innovative, better accessible and sustainable Baltic Sea region. Partners from countries around the Baltic Sea work together in transnational projects on common key challenges and opportunities. The Programme is an agreement between EU member states Denmark, Estonia, Finland, Latvia, Lithuania, Poland, Sweden and the northern parts of Germany as well as partner countries Norway, Belarus and the northwest regions of Russia. The Programme is funded by the European Union and approved by the European Commission.

Areas of Support

- "Capacity for innovation"—development of innovation infrastructures, implementation of smart specialisation strategies, and development of non-technological innovations
- "Efficient management of natural resources"—more efficient management of natural resources, resource efficient blue growth, renewable energy sources, energy efficiency, and clear waters
- "Sustainable transport"—interoperability, accessibility of remote areas, maritime safety, environmentally friendly shipping, and urban mobility
- Funding to Seed Money projects of the EU Strategy and supporting the coordination of the EU Strategy for the Baltic Sea Region

Table 4-1. Basic facts on selected funding programmes available for beneficiaries based in the South Baltic Region

Interreg Central Europe
https://www.interreg-central.eu

About the Programme

It improves capacities for regional development in innovation, carbon dioxide reduction, the protection of natural and cultural resources as well as transport and mobility. With its funding, it supports transnational cooperation like yeast supports baking. It is a small but important ingredient that helps innovative yet isolated ideas grow: into jointly developed, tested and accepted solutions for a better central Europe.

Areas of Support

- Making Central Europe more innovative and competitive by addressing socio-economic challenges and needs related to smart growth
- Reducing the carbon footprint in Central Europe by increasing the use of renewable energies and improving energy efficiency
- Valuing the environment and culture in Central Europe by protecting and sustainably using natural and cultural heritage and resources
- Better connecting Central Europe by reducing gaps between peripheral, less accessible regions and well-connected centres

Erasmus Plus
https://ec.europa.eu/programmes/erasmus-plus

About the Programme

It supports education, training, youth and sport in Europe. Its budget of €14.7 billion provides opportunities for over 4 million Europeans to study, train, and gain experience abroad. The programme doesn't just have opportunities for students. Merging seven prior programmes, it has opportunities for a wide variety of individuals and organisations. In the case of individuals the programme has opportunities for people of all ages, helping them develop and share knowledge and experience at institutions and organisations in different countries. In the case of organisations it has opportunities for a wide range of entities, including universities, education and training providers, think-tanks, research organisations, and private businesses.

Areas of Support

- Reducing unemployment, especially among young people
- Promoting adult learning, especially for new skills and skills required by the labour market
- Encouraging young people to take part in European democracy
- Supporting innovation, cooperation and reform
- Reducing early school leaving
- Promoting cooperation and mobility with the EU's partner countries

Table 4-1. Basic facts on selected funding programmes available for beneficiaries based in the South Baltic Region

LIFE

https://ec.europa.eu/easme/en/life

About the Programme

It is the EU's funding instrument for the environment and climate action. Available to anyone registered in the EU: public bodies operating under a national government's authority, private commercial and non-commercial organisations. In contrast to other programmes LIFE projects are very flexible in terms of how they are set up. You can decide if you want to run a project on your own, or if you prefer to join forces with partners from your own or another country.

Areas of Support

- Environment sub-programme—traditional projects (nature and biodiversity; environment and resource efficiency; and environmental governance and information); integrated projects (primarily concerning areas of nature); preparatory projects (addressing specific needs for the development and implementation of EU environmental policy and law); and technical assistance
- Climate action sub-programme—traditional projects (climate change mitigation; climate change adaptation; and climate governance and information); integrated projects (primarily concerning areas of climate change mitigation and adaptation); preparatory projects; and technical assistance

Europe for Citizens

https://eacea.ec.europa.eu/europe-for-citizens_en

About the Programme

It aims at contributing to citizens' understanding of the EU, its history and diversity and to encourage the democratic participation of citizens at EU level. The programme is open to the public bodies or non-profit organisations with a legal personality from the EU Member States.

Areas of Support

- European Remembrance—activities inviting reflection on European cultural diversity and on common values: reflecting on causes of totalitarian regimes in Europe's modern history, commemorating the victims of their crimes, and concerning other defining moments and reference points in recent European history; preference is given to projects encouraging tolerance, mutual understanding, intercultural dialogue and reconciliation
- Democratic engagement and civic participation—activities covering civic participation, focusing in particular on European Union policies and developing opportunities for mutual understanding, intercultural learning, solidarity, societal engagement and volunteering at EU level; emphasizing: town twinning; networks of towns, and civil society projects
- Operating grants—the permanent, usual and regular activities of organisations, with European outreach, contributing to the objectives of the programme

Table 4-1. Basic facts on selected funding programmes available for beneficiaries based in the South Baltic Region

Horizon 2020
https://ec.europa.eu/programmes/horizon2020/en

About the Programme

It is the biggest EU Research and Innovation programme promising more breakthroughs, discoveries and world-firsts by taking great ideas from the lab to the market. It is open to everyone, with a simple structure that reduces red tape and time so participants can focus on what is really important.

Areas of Support

- Excellent science (Future and emerging technologies; Research infrastructures, including e-Infrastructures)
- Leadership in enabling and industrial technologies (Nanotechnologies, advanced materials, biotechnology, and advanced manufacturing and processing (NMBP); Information and communication technologies)
- Innovation in SMEs
- Access to risk finance
- Societal challenges (Health, demographic change and wellbeing; Food security, Sustainable agriculture and forestry, marine, maritime and inland water research and the bioeconomy; Smart, green and integrated transport; Climate action, environment, resource efficiency and raw materials
- Spreading excellence and widening participation

Employment and Social Innovation (EaSI) programme
https://ec.europa.eu/social/easi

About the Programme

It is a financing instrument at EU level to promote a high quality and sustainable employment, guaranteeing adequate and decent social protection, combating social exclusion and poverty and improving working conditions. EaSI is managed directly by the European Commission. It brings together three EU programmes managed separately between 2007 and 2013: PROGRESS, EURES and Progress Microfinance. Each of them is open to different entities.

Areas of Support

- Employment, in particular to fight youth unemployment (PROGRESS)
- Social protection, social inclusion and the reduction and prevention of poverty (PROGRESS)
- Working conditions (PROGRESS)
- Transparency of job vacancies, job applications and any related information for applicants and employers (EURES)
- Development of services for the recruitment and placing of workers in employment (EURES)
- Cross-border partnerships (EURES)
- Microcredit and microloans for vulnerable groups and micro-enterprises (Microfinance)
- Social entrepreneurship (Microfinance)

Table 4-1. Basic facts on selected funding programmes available for beneficiaries based in the South Baltic Region

Creative Europe
https://ec.europa.eu/programmes/creative-europe/node_en

It is the European Commission's framework programme for support to the culture and audiovisual sectors. Following on from the previous Culture Programme and MEDIA programme, Creative Europe, with a budget of €1.46 billion (9% higher than its predecessors), supports Europe's cultural and creative sectors.

Rights, Equality and Citizenship Programme
https://ec.europa.eu/justice/grants1/programmes-2014-2020/rec/index_en.htm

It funds activities which promote gender equality and combat all forms of discrimination. It also provides funding for Roma inclusion and helps citizens and consumers to exercise their rights. The promotion of children's rights and fighting violence against women, young people and children are also funded by this Programme. The financial envelope for the period 2014-2020 is EUR 439 million.

Swedish Institute
https://si.se/en/

It is a public agency that promotes interest and trust in Sweden around the world. It works in the fields of culture, education, science and business to strengthen international relations and development. It builds lasting relations between Sweden and other countries in order to increase interest in Sweden. To this end, it shares information, develops skills, promotes cultural exchange and cooperation, and provides funding and grants. It supports and collaborates with businesses, universities, cultural institutions and Swedish embassies around the world.

EEA & Norway Grants
https://eeagrants.org/

The EEA Grants and Norway Grants represent the contribution of Iceland, Liechtenstein and Norway to reducing economic and social disparities and to strengthening bilateral relations with 15 EU countries in Central and Southern Europe and the Baltics. This improves the functioning of the internal market, and contributes to building a stronger Europe. In total, Iceland, Liechtenstein and Norway have provided €2.8 billion in the 2014-2021 funding period. Their support is mostly channelled through individual programmes covering a range of different sectors.

POWER (Polish programme)
https://www.power.gov.pl/en/

It provides support aimed at activating young unemployed people under 30, at supporting higher education, developing social innovations, mobility and transnational cooperation, as well as the reforms in the area of employment, social inclusion, education, health and good governance. The Programme is financed from the European Social Fund (ESF) and from a special budget line of the Youth Employment Initiative (YEI). KED budget is over €5.4 billion.

Table 4-1. Basic facts on selected funding programmes available for beneficiaries based in the South Baltic Region

Nordic Council of Ministers funding
https://www.norden.org/en

It provides funding to projects that benefit the Nordic countries, the Faroe Islands, Greenland, and Åland. Projects must generate Nordic synergies and have a strategic purpose. Most of them are run by a particular administrative body. Nordic co-operation is based on the vision "Together we are stronger" and its four pillars: freedom of movement, innovation, visibility, and international engagement. The various councils of ministers draw up plans, strategies and programmes that reflect their political priorities. The Nordic Council of Ministers also has three intersectoral strategies: for sustainability, gender equality, and children and young people. The country holding the Presidency each year also has a "priority budget". Projects applying for funding should comply with the Nordic Council of Ministers' vision, the various co-operation programmes, the annual programmes for the Presidency, and the inter-sectoral strategies.

CBSS-PSF (project support facility)
https://www.cbss.org/psf/

The main purpose of the CBSS-PSF is to co-finance the development and implementation of Baltic Sea Region (BSR) cooperation projects contributing to CBSS long-term priorities, which would bring added value for the Baltic Sea Region, show impact in regional cooperation and foster sustainable partnerships. The total amount of the CBSS-PSF for three years is one million euro. The CBSS-PSF is an instrument to finance project preparation and implementation in relation to the 3 long-term priority areas of the CBSS: Regional Identity, Sustainable & Prosperous Region, and Safe & Secure Region.

URBACT
https://urbact.eu/

For about 15 years, it has been the European Territorial Cooperation programme aiming to foster sustainable integrated urban development in cities across Europe. It is an instrument of the Cohesion Policy, co-financed by the European Regional Development Fund, the 28 Member States, Norway & Switzerland. The programme is organised around four main objectives: Capacity for Policy Delivery, Policy Design, Policy Implementation, and Building and Sharing Knowledge.

EU Maritime and Fisheries Fund
https://ec.europa.eu/fisheries/cfp/emff_en

It is one of the five European Structural and Investment (ESI) Funds focusing on EU's maritime and fisheries policies. The fund: helps fishermen in the transition to sustainable fishing, supports coastal communities in diversifying their economies, finances projects that create new jobs and improve quality of life along European coasts, supports sustainable aquaculture developments, makes it easier for applicants to access financing.

4.3 Learn the programme requirements and application procedure

(F) The outcome of the second step of our framework is the list of funding programmes that are potentially aligned with your need and the nature of idea that you consider to turn into a project. The following step is a more thorough and comprehensive review of the requirements and application procedure of the programmes included in that list. You should always conduct such a detailed review BEFORE you decide to pursue the idea and start planning and looking for partners.

(D) One of the most common root causes of disappointments and wasting lots of time and efforts is making an assumption that you will get the funding from a given programme and going into the next phase without properly studying the programme details. Making assumptions is one of the key ways of dealing with project uncertainty, but do not make assumptions in the areas where you can easily check the facts!

(D) Your most important source of information at this step would be a document called programme manual or programme guide. It is the main guidance document on a programme. Usually it is available in the "Download" or "Documents" section of the programme website along with other useful documents concerning the programme. Most of the information contained in this document is also available in other sections of the website, so it is a good alternative source of reference. Make yourself familiar with both the layout and content of the manual and website as every programme may have a slightly different approach to them.

Some of the information you should look for when reviewing programme details include:

- General information about the programme—its goals, strategy, geographic area covered, subjects or themes included in the programme, etc.
- Rules and requirements concerning programme budget and financing—cost eligibility, taxes, cost reporting, etc.
- Formal requirements concerning project organisation—project partners, lead partner, geographical location, legal status, etc.

GOOD PRACTICE

- **Use programme manual** (programme guide) or programme website as a basic reference document concerning a given programme.
- If you have any problems with understanding or finding information, **ask the programme representatives** (i.e. national, regional contact points)—the relevant contact information is always given in the manual or at the website.
- If you still need assistance **contact UMBRELLA**—we will help you resolve your

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- Application procedure and requirements—stages of the procedure, deadlines, documents or information required, etc.

- Selection process—how the applications are evaluated, who is doing that, how and when you are notified about the decision, what may happen if your application is not selected, etc.

- Requirements related with project management and reporting

All above details may impact your final decision on choosing a particular funding programme and initiating the application preparation.

In our framework we have modelled the review of funding programmes as two distinct steps. In reality, you may find out that you merge the two steps into one. This may happen in situations when it is quite obvious that only one or two programmes may be suitable. On the other hand, there could be situations when you have a relatively long list of potential programmes. Going into a very detailed review for all of them may not be the most efficient approach. In such cases be more flexible and narrow down your list as soon as you find out that some of the programme requirements do not suit you.

4.4. Search and acquire lessons learned from others

Step four seems to be a logical part of any endeavour. After all, you do not want to spend your precious resources in reinventing the wheel or making the same mistakes that the others made in previous projects. You may also be willing to apply the approach, tools, or methods that proved to be particularly effective. However, you will be surprised, how many mature and well-established organisations do not perform this step properly or disregard it completely.

Learning from experience is an important part of every project management approach. Most of them emphasise the need and benefits of searching for previous lessons that may be used in your project and sharing your lessons with the others. To make it most effective you should base it on knowledge management cycle. It is based on two basic premises:

- Learning should be a continuous process and as such should occur before we start an activity, during the time when we perform it, and after we complete it;
- To manage knowledge effectively we need to plan, monitor, and control it.

It is rather unlikely that the activities associated with knowledge management will take place if you do not include them in your plan. In very complex projects, knowledge management plan may be a separate multi-page document. In smaller projects introduce it at two levels:

- As specific activities that need to be performed by someone in your team (for example: in the "Identify Idea" phase you may plan a half-day workshop on how to acquire and best use the funding for a project concerning the promotion of cultural heritage in your region);
- As part of your project management routines (for example: you may decide to conduct brief lessons learned sessions as part of every regular status meeting of your project team).

Knowledge management cycle is presented on Figure 4-2 and discussed in more details in "Additional Materials" section.

Ⓐ Knowledge management uses many great tools. The one that we find particularly useful in the first phase of our framework is a facilitated workshop focusing on exchanging the knowledge and experience of other organisations that conducted similar projects or used the funding programme that you want to benefit from. It is nice just to meet, talk and socialise. But if you wish to make such a

Figure 4-2. Knowledge management cycle

workshop really productive and valuable prepare it well. Some of the things that you should do as part of these preparations include:

- Clearly defining the **goal** (e.g. "Learning from others how to prepare and run a project supported by funding programmes.") and specific verifiable **outputs** you expect from the meeting (e.g. "A collection of proceeding from all activities planned during the workshop in easily editable.")
- Detailed **agenda** of all activities planned for a workshop, with allocated time and expected output. The activities and their nature will be driven by the subject, the expected outputs,

the amount of time you can dedicate for the workshop, available budget, participants you wish to invite, and many other factors.

- A well-thought list of **participants** who will contribute to produce your expected outputs and at the same time will be adequately motivated to fully engage in your workshop. Do not invite people "just in case". They will not be interested in the subject and will negatively impact other participants.

- Tools and methods of interaction between the participants. In other words, the **process** that they need to follow to achieve the outputs within the planned agenda.

As you may have noticed, all the aspects of preparations are very strongly interrelated. In fact, conducting such a workshop requires good facilitation skills that you can provide by yourself or outsource.

> **GOOD PRACTICE**
>
> - **Search for success stories** of similar projects from your region, from other parts of Europe, and from all over the world—do not limit your inspirations.
> - **Use social media** to contact people and organisations that have similar interests or are engaged in similar activities—share your experiences and ideas for mutual benefit.
> - **Consult experts** both on a subject that you are interested in and on acquiring financial support from funding programmes—they will help you avoid many traps.
> - **Engage your stakeholders**—you will gain their expertise, their commitment, and turn the group of individuals into a collaborating team.
> - **Meet with people**—organise workshops, seminars, conferences, and other meeting to exchange experience with the others.
> - **Use resources**—read books, articles and online content related with all aspects of your initiative.
> - **Listen**—you will surprised how many things you can learn only by listening to other people, even if they do not seem to be related to your initiative.

4.5. Decision on pursuing the idea

At this point you should have the following outputs:

- A thorough understanding of your business need and a list of potential ideas addressing the need with related long-term effects and their value in the eyes of various stakeholders.

- A review of available funding programmes and a comprehensive understanding of the requirements and application process of the programme that you have selected (in some cases you may consider different programmes depending on the idea that you finally decide to pursue).

- A repository of lessons gathered from various sources and associated both with your intended project and with the selected funding programme.

Based on that you should make your first important decision within our framework. It would include answering several major questions:

- Do you wish to continue with your initiative? If you give it up, it is worth documenting why. Perhaps, the circumstances change in future or you will gain some missing capability that will enable you to meet the requirements and you will be able to reconsider your idea.

- If so, which of the identified ideas do you wish to pursue and why? Note, that your justification may result from various factors such as: business rationale, stakeholders' preferences, alignment with funding programme requirements, etc. It is very important to realize why you undertake a specific project because this will be your reference for all future decisions concerning the project itself.

- What would you do when situation changes? At this point it is good to think of your backup plans for situations when things change or work differently than you expected. Think about potential risks to your chosen scenario and ask yourself a question what you can do to address these risks. A more detailed discussion on risk management is included in "Additional Materials" section.

4.6. Key messages from this section—self-check

1. What are the two basic types of business needs that may lead to projects?

2. Describe the four steps of analysing business needs.

3. What are the two general features that should characterise a response to the identified business need that you may consider as a potential project?

4. What is the main difference between tangible and intangible project effects?

5. Define the six core concepts in the business analysis model of the International Institute of Business Analysis. What are the key relationships between these concepts?

6. Why you should conduct a review of available funding programmes after analysing your business needs?

7. What should typically be considered as the basic reference document concerning the requirements of a given programme?

8. Describe the three steps of the knowledge management cycle.

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5. Phase 2: Define Project

In this section we will discuss the second phase in our project management framework that is essentially about converting the most attractive idea you have identified in the previous phase into the project. The first step ("Conduct initiation and high-level planning") is applicable to any project. The tools and practices described there are recommended by various project management standards and methodologies and actually used by organisations. The following two steps address the specific needs of projects that are looking for support from funding programmes. They include guidelines and recommendations that will help you in a successful application for such support.

5.1. Conduct initiation and high-level planning

5.1.1. The importance of proper project initiation

As you know from the definition, project are temporary endeavours. As such, they require clearly defined **start** and **end** points (or set of conditions). On page 12 we have addressed the latter. It is time now to explain when and how projects start. It does not happen on its own. One of the most important aspects of project control is making a conscious decision to begin the project and using a consistent mechanism that records and communicates this decision to all interested parties. This is equally applicable to all types of organisations that undertake projects from large and complex corporations with many projects in their portfolio to small informal non-commercial organisations. In our framework we associate the responsibility of making a decision to start the project with the role called Project Initiator. (Note that in larger organisations this mechanism may be more complex and involve several roles). A formal document (such as "project initiation request" or "project mandate") may be used with this decision. However, it is a lot more important that as part of this decision specific individuals are effectively assigned the two essential project management roles: **Project Owner** and **Project Manager**. When we say "effectively assigned" we mean that: the right people are selected, they understand the responsibilities associated with their roles, and accept these responsibilities. This point in time is usually considered as a formal start of the project and the first stage of its life-cycle called **Initiation**. One of your first major tasks in the role of the Project Manager is to create a document called Project Charter that contains all critical information about

your project. The specific content and form of this document may vary depending on several factors such as the nature and complexity of your project, your business context, the organisation(s) involved in the project, etc. However, usually the Project Charter includes the following information:

- The business need behind the project and the related context;

- Measurable project objectives and associated success dimensions and criteria;

- A summary of project output requirements (do not copy the entire requirements documentation here—just include a high-level description of major features);

- A list of key project deliverables;

- A high-level project schedule (major milestones) and estimated project budget;

- Identification of major risk factors affecting the project;

- Initial stakeholder identification and assessment;

- Role descriptions of Project Owner and Project Manager with the names of assigned individuals.

Although the Project Charter is developed by the Project Manager it needs to be authorised by a role at a higher level. Usually it is the Project Owner. The main purpose of the Project Charter is to establish the common understanding of the project, formally initiate it, and provide the Project Manager with the authority to play their role. It seems obvious that such a document is essential in larger and more formal organisation. However, you may wonder if it is also useful and needed in smaller and less formally operating organisations. Our experience proves that it is equally important in such cases. It will be extensively used as a reference document and starting point for your planning activities and for development of your proposal and application. It is very likely that you will involve other entities as partners in your project. In such cases a well-prepared Project Charter is an excellent mean of communication about the project with any stakeholders. In more formal circumstances these concerns are addressed by the contract or some other legally binding agreement. But in fact Project Charter serves the same purpose in any other situation.

5.1.2. How detailed is the high-level planning?

A generic model of the project life-cycle was introduced on page 21. We have indicated there that planning at this stage should provide the minimum necessary information to decide if the project should continue into detailed planning. It is a very efficient and effective approach in organisations

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that finance projects from their own resources because it enables to decrease the level of uncertainty associated with the project with a relatively low level of effort. As a result organisations gain a higher decision-making flexibility. However, in our framework the purpose of this step has to be defined in a slightly different way than in a generic model. Since our aim is to acquire financial support from a selected funding programme, the content and format of your plan will be driven by the requirements of the funding programme that you have chosen. These requirements may differ, but in the majority of cases you will be required to prepare a relatively detailed plan to be considered and ultimately granted the financing.

> **GOOD PRACTICE**
>
> - Acquiring financial support from funding programme is the **critical enabler** for of your project success, so your approach to planning MUST be driven by the requirements of your chosen programme.
> - When designing your approach to high-level planning consider how you translate it later to detailed plans. Keep in mind that it must effectively serve two purposes: effective **communication** and **control**.
> - Before you engage in planning, **analyse the programme criteria** to see if you are eligible.
> - Preparing the plan that meets requirements of the funding programme you have chosen may be a time-consuming process. **Ensure that you give yourself enough time** to prepare your proposal before the deadline specified in the call.

5.1.3. Start planning from the scope

Another very important aspect of planning is to align the format and content of the planning in this step with a detailed planning that you will do in the next phase (see page 57). While the planning perspective here is mainly associated with showing how project activities and their outputs contribute to achieving expected benefits, the detailed planning is oriented at operational and technical aspects of conducting the work and delivering the outputs in the most efficient and effective way. The tool that helps to align these two perspectives and successfully manage the project is the work breakdown structure (WBS). The essence of this tool is applying decomposition (the one from computer sciences, not from biology) to better understand, plan, and execute the project. Decomposing a complex multidimensional scope into smaller chunks helps to define and estimate resources, durations, expenses, risks, and other aspects of the work. It also makes assigning and controlling the work easier. The idea is to decompose the work to the level of work packages for which you are able to easily assign a single individual whom you can make accountable for completing this work and achieve the associated deliverable. In order to make this happen, when developing your WBS **always** follow the principles defined in the box on the next page.

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In the "Additional Materials" you can find more information about the work breakdown structure (WBS) and work packages and an example that illustrates the use of this tool.

Once you develop your WBS you can then use it as an input to all other aspects of planning including schedule, budget, resources, and other components of the plan required for your application.

The work breakdown structure is used as a primary tool to manage a project **throughout its whole life cycle**. It is progressively elaborated as project progresses and more information is known about it. Apart from being used as a basic input for other aspects of planning, it also helps to assign and control work, manage project risk and changes, and conduct project closure. The use of WBS is most consistent and effective if it is regularly validated with the requirements documentation. Some of the examples of such validation include:

GOOD PRACTICE

- **Always** follow the following three principles:
  - **100 Percent Principle**—The sum of efforts of all child WBS components resulting from decomposition of a parent component must be identical with the effort of that parent component.
  - **Discreteness Principle**—As a result of decomposition of a parent component, its effort must be allocated to child components in such a way that they are distinct from each other (there is no overlapping effort).
  - **Verifiable Deliverables Principle**—Each WBS component should be associated with a delivery of a specific set of discrete and verifiable outputs. The effort of a given component is completed when the completion of these outputs is confirmed against the defined acceptance criteria.
- Use the requirements from **project output description as a reference** point for the decomposition of WBS. Let them drive how you select decomposition criteria.
- A set of child components created as a result of decomposition of a given parent component should **consistently reflect a specific and clear criterion**. For example, if you decide to decompose a component based on chronological sequence of associated work, do not mix this criterion with a criterion based on the type of performed work and associated competences.

- When you approach WBS development for the first time use the description of the project output included in the Project Charter (or a similar document) as a reference to define the first level of decomposition. For example, it may reflect the major project deliverables listed in the Project Charter.

- Whenever you elaborate requirements documentation ensure that your WBS is consistent and defines project scope at a similar level of detail. Verify if the deliverables associated with WBS components can be linked with specific requirements. Avoid both situations when the features of these deliverables cannot be traced to requirements and the situations when you have requirements that cannot be traced to any deliverables. Both

will ultimately lead to project outputs that may fail to meet the acceptance criteria which will result in rework, project delays, and increase of expenses.

- Repeat this process whenever changes are submitted in the project. If project requirements are changed ensure that relevant adjustments are made in the WBS and other project plans. If changes are introduced in project activities verify that they will not result in missing any requirements or that the change at requirements level is acceptable to the stakeholders. You will find more information on managing project changes on page 64 and in section on change management included in "Additional Materials".

5.1.4. Stakeholder identification and analysis

Another important aspect of planning at this stage that cannot be overestimated is identifying and analysing project stakeholders. When people think about project management they tend to associate it mainly with schedule and budget. Even experienced project managers often neglect the importance of this domain. And yet we can safely say that stakeholders are at the root cause of everything related to projects. They are the source of a business need that triggered the idea to start the project. They are the source of any requirements concerning the project output. They define perspective to identify, value, and prioritise project benefits. They define project objectives, and constraints. They provide project resources and make decisions related to the project. Without understanding and engaging appropriate stakeholders in an appropriate way the project has no chance to succeed.

We recommend here a simple three-step approach to this process. It consists of:

- **Identifying and segmenting stakeholders**. This step does not only provide the list of stakeholders, but also a very generic guidelines on how to address them most effectively;
- **Analysing stakeholders more thoroughly**. This step provides a better insight into the power, level of interest, attitude, and other characteristics of the stakeholders, which can be built as an input to develop a more customised strategy of managing their engagement;
- **Developing stakeholder management strategy**. Based on the results of the previous step, you plan how to approach each stakeholder, respond to their needs and concerns, influence their engagement, manage their expectations, and provide them the information they require.

In the most basic form we recommend conducting this process with the use of a tool called stakeholder radar combined with CPIG segmentation model. You will find more details about them in "Additional Materials".

Your analysis of stakeholders may be a lot more comprehensive than stakeholder radar. It would be particularly valuable in projects with a large and very diverse communities of stakeholders who may have different and conflicting interests, perspectives, and attitudes. In such projects you not only need to provide some benefits to as many stakeholders as possible, but often you have to actively involve your stakeholders in project activities. There is a large variety of methods and tools that you can use in an advanced stakeholder identification and analysis. Rather than trying to list many of them we would like to give you five ideas on how you can enhance your stakeholder analysis:

1. **Identification with an advanced tool.** In complex projects you may facilitate stakeholder identification with more advanced tools. They usually provide some form of a guided approach based on checklists or predefined categories. In most of the cases the process is not limited to the sole identification, but includes categorisation, prioritisation, definition of relationships between stakeholders, and interpretation of the final results. A good example of a whole
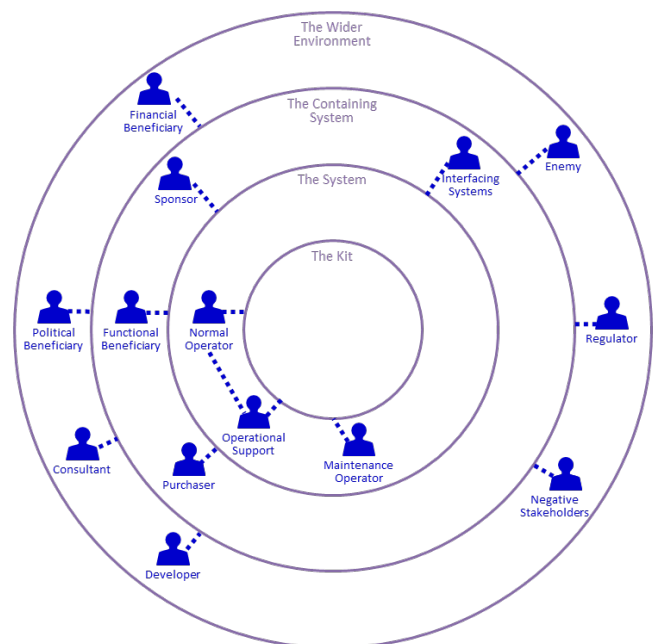
Figure 5-1. Example of an onion diagram template

group of methods that provide these features are so called onion diagrams. One of the many available templates of such diagram is shown on Figure 5-1.

2. **Systematic assessment with checklists.** If you would like to make the assessment more consistent and less biased you may introduce checklists that are used by the assessors to arrive with a specific rating in each dimension. A simple example of such checklist for "Power" could be the following list of questions (note that this list is not exhaustive):

   o **Does the stakeholder make any critical decisions related with a project?** (Examples: go/no go decision, budget approval, acceptance sign-off, etc.)

o **Does the stakeholder own or control any resources critical to complete project activities?** (Examples: owner of a licence or a patent needed in a project, functional manager of employees with skills needed in a project, owner of a piece of equipment needed in a project, etc.)

o **Does the stakeholder need to provide any critical requirements that have to be met in a project?** (Examples: a regulating authority that enforces laws that need to be followed by a project; a subject-matter expert who defines technical requirements associated with development of an important component of the project output; a representative of the group that will maintain the project output when it is used after project completion, etc.)

Once you develop such a list of questions you then need to provide guidelines on how to actually arrive with a rating when answering these questions. For example, in the case of the above list you may define these guidelines as follows: "If the answers for all three questions are 'NO' the rating is 'low'; if the answer for one of them is 'YES' the rating is 'medium'; if the answer for more than one question is 'YES' the rating is 'high'".

GOOD PRACTICE

Even advanced tools and methods can and should be as simple as possible. Do not try to make them overly sophisticated. It will not add value but definitely make their use more difficult. For example, a checklist that contains 100 detailed questions taking into consideration every possible scenario is not necessarily a better tool than a checklist with three questions and simple interpretation guidelines.

3. **Additional dimensions of the assessment.** In most of the cases it is sufficient to asses in the two basic dimensions: power and level of interest. However, sometimes it is worth to consider other dimensions. Below we suggest some examples:

o **Awareness—**Assessment of a stakeholder's knowledge about the organisation, project, technology used in the project output, etc.

o **Availability—**Assessment of a stakeholder's ability and willingness to commit their time for a project.

o **Legitimacy—**Assessment of the organisation's/project's perception of a stakeholder's activity and its relationship with the project as desired, legitimate, and appropriate.

o **Urgency—**Assessment of the importance of the relationship with the project to a stakeholder.

4. **Formula-based calculation of stakeholder's importance.** When you use more than one dimension of stakeholder assessment you can introduce a numerical scales to express your ratings. The simplest example is: "high" = 3, "medium" = 2, and "low" = 1. Then you can develop a formula that incorporates all your assessments and calculates the "total" ranking of each stakeholder. Weights may be used in order to put more emphasis on specific dimensions that are of greater importance to you. Again, a simple example is:

Stakeholder Importance = 3 × "Power" + 2 × "Level of Interest" + "Awareness"

If your assessments are: Power = "high" (3); Level of Interest = "low" (1); and Awareness = "high" (3), then the Stakeholder Importance total rating will be: 3 × 3 + 2 × 1 + 3 = 14. Notice that the number 14 on its own is rather meaningless. When documenting and using the results of such "semi-quantitative" approach you need to take into consideration the fact that the highest possible rating in this formula is 18 and the lowest possible rating is 6. Most importantly, you need to define some guidelines on how to interpret the results and what does a specific score mean to you. The advantage of such approach is that numbers can be easily compared and presented on a diagram or a chart.

5. **Planning strategies based on stakeholder resistance analysis.** One of the very effective approaches to developing effective stakeholder engagement strategies is to understand the nature and sources of stakeholder resistance. The approach uses two matrices to model: the actual and desired attitudes (for each stakeholder) and the type of resistance shown (only for stakeholders with negative current attitude). Three possible types of resistance include:

   o **Technical**
   o **Political**
   o **Cultural**

To address the negative attitude effectively, the actions you plan for stakeholders must be driven by the nature of their resistance.

Stakeholders' attitude towards the project

Stakeholder	Attitude towards the project					Strategy
	− −	−	0	+	+ +	
Name	− − ──────────→			+		Actions
Name		− ──────→		+		Actions
Name			0 ──────→		+ +	Actions

Analyse drivers of negative stakeholders' resistance

Stakeholder (− − / −)	Type of Resistance			Strategy
	Technical	Political	Cultural	
Name	×			Actions

Change pattern

Technical – "I'm not able to do it" = Equip, organise resources, provide training, give time, divide into phases
Political – "I'm not allowed to do it" = Remove formal obstacles, find and tackle root causes of the problem
Cultural – "I don't want to do it" = Consider motivators (prestige, profit, safety, comfort), use unique selling points, consider change pattern

Figure 5-2. Planning strategies based on stakeholders' resistance analysis

5.2. Identify partners

Most EU-funded projects involve collaboration between organisations from different EU countries or associated countries. This was the main reason for us to make this activity a distinct step in our framework. We strongly recommend that you approach this step with a special attention. After all, it will lead to building a coalition of entities that are genuinely interested in making your idea happen. The stronger this coalition, the higher the probability of your project success. Your partner could be any company, research organisation or non-governmental organisation, regardless of where they are based, provided they are financially viable and qualified to perform the tasks specified in the project proposal. Remember, that you will be required to provide a proof of such operational and financial viability. When conducting this step ensure that you include the following activities:

- Developing a **strategy** of identifying and engaging partners;
- Translating the strategy into specific **action items** that would result in involving other entities in your project. Every action item should include: what needs to be done, who is responsible for doing this, and when a given action should be completed;
- Ensure that the actions are completed successfully—this is simply **implementation** of your plan prepared in the two preceding activities.

GOOD PRACTICE

- Use the **Partner Search** function of the European Commission Funding & Tenders Portal. It allows to:
  - Look for organisations which received funding in the past;
  - Create and check partner search requests narrowed down by various criteria.
  Remember, that any use of the Funding and Tenders Portal for a commercial purpose is forbidden.
- Look for support from **National Contact Points** or other local or international organisations that provide partner search tools and services i.e. Regional Offices in Brussels (there are many regional and Country offices based there offering their support in searching for project partners or consortia to join).
- Another source of support in finding new project partners and building new consortia may be **capacity building projects**—UMBRELLA project is one of them.
- **Participate** in meetings, seminars, conferences, and other events organised to contact people and organisations that have similar interests or are engaged in similar activities.
- **Learn from others**—get familiar with case studies of projects that were both successful in finding appropriate partners and unsuccessful or disrupted because of failure to involve key partners
- Think of any means that **increase the visibility** of your idea to those who may be interested in collaboration. Be creative with possible channels for promotion of your idea. Assume that everyone is potentially interested in your idea.

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EXAMPLE

The history of International Model Forest Network starts in the early 1990s, when the Government of Canada first developed and implemented the Model Forest concept in 10 sites across the country. It was a response to a period when environmentalists, governments, indigenous peoples, communities and forest workers were engaged in a persisting conflict on how to manage forest resources sustainably. The idea was to move away from valuing forests for timber alone towards a vision where social, environmental, economic and cultural benefits would be considered equally. From the beginning, Model Forests promoted forming partnerships under a neutral forum enabling representation of different values and interests. The partners could experiment with new ideas and find common solutions under a shared goal of sustainable development. Each site was intended to be a dynamic "model" from which others could learn, and, together, advance their sustainability goals in forests and the larger landscapes that surround them.

In 1992, the Government of Canada decided to scale up the lessons learned from the local success of Model Forests and provide a platform to share its experiences with international partners. During the United Nations Conference on Environment and Development (UNCED) in Rio de Janeiro it announced the development of an International Model Forest Network.

The effective collaboration of very many diverse partners resulted in a global network of more than 60 Model Forests in 37 countries on five continents, encompassing over 65 million hectares of diverse forest ecosystems and landscapes.

Just as with the content and form of your plan, you need to check for the specific requirements concerning project partners in the programme documentation. These requirements may greatly influence your strategy and the approach to this step. Although you are free to find the partners on your own, you may consider looking for support from organisations specialising in providing services that can help you find organisations wanting to participate in proposals, or publish your own offers of collaboration.

5.3. Prepare and submit the application for funding

Depending on the programme the application procedure may involve one or two stages. In the case of one-stage procedure, you need to prepare and submit a full application at the outset of the process. The two-step procedure is intended to save resources for all involved parties including the applicants, assessors, and decision makers. It makes the application process looking more like the first two phases in a generic project life-cycle—a quick and relatively low-effort first step, and a more comprehensive and time-consuming second step. In the case of two-stage procedure, you must first submit an initial summary proposal. If your proposal is shortlisted, you will be invited to submit a full application in the second phase.

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EU calls for proposals generally use a similar template for the application form and most of them use an online application tool. However, in some cases a printed version of the documentation may also be required on top of the online application. The proposal should describe the following aspects of the project:

- **Aim of the project.** What will be implemented, when (the timeframe) and for how much (the budget). Use quantifiable statements that can be assessed to determine whether the project has been successfully implemented.

GOOD PRACTICE

- The most important components of the application are: description of the **action**, expected **outcomes**, and the **budget** and the **work plan** reflecting the actions and expected results.
- Ensure that you convincingly present a **long-term sustainability** of project benefits as this aspect is highly valued when evaluating proposals.
- Carefully check **which costs are eligible** in a call to which you respond. If you have any doubt verify that with the funding programme to avoid confusion or unpleasant surprises later in the project.
- We recommend that when you study the requirements of a given call, you develop your own **checklist of all the items** that must be included in the application. This will help you understand the whole process, clarify any steps that you do not understand, and prepare a complete and successful application later in the process.

- **Project actions.** Specific measures that will be implemented in the course of the project. Examples include: awareness campaign, publication, conference, etc.

- **Results.** The tangible or intangible effects that you intend to achieve from your actions.

- **European added value.** The social, cultural, economic or other advantages created by the project for participating countries or regions.

- **Sustainability.** How the project benefits will be stabilised and maintained when the funding period ends.

The main tools that are typically required to document the proposal are: Problem Tree Analysis, Objectives Tree Analysis, Logical Framework (Logframe) and Gantt Chart. We describe these tools in more details in respective sections of "Additional Materials". One of the most challenging elements of preparing a sound proposal is **developing the project budget**. At a detailed level the budget will be impacted by numerous factors including but not limited to:

- The form of funding provided by a given programme;

- Whether the funding is managed directly by the European Commission or indirectly by other authorities inside or outside the EU;

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- What types of costs are considered eligible;

- What are the co-financing rates;

- How is financing made available;

- What are the tax considerations.

In general, you need to ensure that the estimated expenses are consistent, balanced, and reasonable. Include only the costs that are eligible in a given call. Eligible costs are those costs directly related to the proposed project, for which an actual expense is incurred and an actual payment is made. Remember that most of the funding programmes define a specific percentage of the overall costs that will be financed. The rest must be covered by the applicants. Ensure that you understand a mechanism of providing the funds and for example that you will not expect an up-front payment in the call which uses the approach based on reimbursement of actually made expenses. We have developed a simple checklist of items that should be considered when developing the project budget based on the requirements of Interreg South Baltic Programme 2014–2020 ("Example" box on the following page). However, make sure that it is consistent with requirements of the programme that you select.

Finally, make sure that you prepare and attach all legal documents required by the programme. Legal documents that are typically needed include: legal entity form, financial identification form, declaration on honour, and letters of mandate. The calls specify which of these documents you need to prepare and where you can download their templates. In addition to that, organisations often have to provide a copy of their statutes and VAT certificates as well as a copy of their budget summaries of preceding years.

5.4. Decision on approving the funding

At this point you should have the following outputs:

- A completed initiation and high-level planning of your project documented in the form of the Project Charter and all the tools that you have applied as part of the planning at this stage (work breakdown structure, stakeholder analysis, etc.).

- A coalition of partners that will collaborate with you in this project.

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EXAMPLE

The following checklist is based on the Programme Manual of Interreg South Baltic Programme 2014–2020. It may help you in developing the budget for your project.

- **Cost eligibility.** Do the cost items in your budget incurred by all types of partners follow the rules for eligibility:
  - **At EU level**—all general rules concerning eligibility of expenditure regarding structural funds;
  - **At Programme level**—additional rules on eligibility described in the Programme Manual;
  - **At National level**—concerning matters not covered by eligibility rules laid down in the above mentioned EU and the Programme rules.
- **Project budget structure.** Is your project budget structured according to the following budget lines:
  - **Staff costs**—the costs of staff employed by the lead partner or project partner for implementing the project (the project partner must choose from two options of direct staff costs calculation and the chosen option cannot be changed during project contracting or implementation);
  - **Office and administration**—indirect costs for operating and the administrative expenses of partners who support delivery of project activities (the Programme uses a flat rate for calculating and reporting indirect costs of office and administrative expenditure);
  - **Travel and accommodation**—costs of (domestic and foreign) travel, necessary to reach the objective of the project and made by persons directly involved in the project implementation;
  - **External expertise and services**—external expertise and services provided by a public or private body or a natural person outside of the project partner organisation;
  - **Equipment**—equipment: purchased, rented, leased or already in possession by the project partner which is essential for the implementation of the project (the costs of depreciation/lease/rental/tenancy of the equipment that is used for project management purposes should also be reported under this budget line);
  - **Infrastructure and works**—the infrastructure and works required for project implementation; any costs for infrastructure and works will be clearly justified in the project application and necessary for the effective implementation of the operation.
- **VAT.** Does the project budget include only non-recoverable VAT?
- **Cost sharing.** Are the tasks and budget items fairly divided among the partnership in such a way that the cost sharing (a pro rata allocation of certain project expenditures incurred by a partner to other project partners) is avoided? This is the major difference between the current and previous Programme period, so special attention should be paid by the project partners to the new rule.
- **Competition and public procurement.** Is preparing and conducting public procurement, as well as awarding a contract within the project carried out in a manner that guarantees compliance with the principle of transparency, fair competition and equal treatment of contractors, including potential contractors? Is the principle of sound financial management complied with when awarding all contracts within the project, regardless of their value, the manner of selecting a contractor and awarding authority?
- **Contractual obligations.** Does the nature of project activities require the project partners to contract an external provider in order to successfully implement some of the activities in the project? If so, are all requirements regarding quality and delivery of the activity/service/item in the contract adequately described?
- **State aid.** Does the proposed project involve state aid (as defined by the European Commission) and does that impact the eligibility of project costs?

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- A submitted application describing your project proposal developed in response to a specific call published by the funding programme.

You have no direct influence on the decision to approve the funding as it is made by the authority specified in a given call. However, by properly conducting the three steps included in this phase, you may increase the probability of a favourable decision to almost 100 percent. Finally, if things have changed between submitting your application and the notification that it was accepted make sure that these changes do not impact your obligations to financing programme.

5.5. Key messages from this section—self-check

1. What is the role and a typical content of the Project Charter?
2. What is the process of a decomposition of the work breakdown structure?
3. Name and describe the three fundamental principles that should be followed when developing WBS.
4. What are work packages and why are they important?
5. What three steps should you conduct as part of the stakeholder identification and analysis?
6. How can the stakeholder resistance analysis be used in the development of an effective stakeholder engagement strategy?
7. Why is identifying and looking for appropriate partners one of the key success factors in international projects?
8. Why is long-term sustainability one of the most highly valued elements when evaluating project proposals?
9. Describe the four main tools used in planning and documenting a project for the purpose of developing and submitting the application for funding.

6. Phase 3: Execute Project

We have built a solid foundation for the success of our project in Phase 1 and ensured the financial support from financing programme in Phase 2. This section will focus on the heart of project management discipline. We will introduce additional tools used to plan the project and then address the most important aspects of Execution stage in a generic project life-cycle. Finally, we will get to the topics associated with a proper project closure. All of the concepts, tools, and methods presented here are applicable to any project, regardless of its source of financing. However, we will also address some additional concerns related to projects using the financial support from financing programmes.

6.1. Conduct detailed planning

This step in our framework can be perceived as an equivalent of **Planning** stage in the generic project life-cycle (see page 21). When you think about planning as an activity, you could define it as "providing useful answers to any relevant questions concerning a project in a systematic and documented way". If you ever wondered what should a good project plan include and how detailed it should be, the two keywords in this definition which address this are **relevant** and **useful**. Some of the plans such as the schedule and the budget are almost certainly needed in every project. But do you need to prepare the configuration management plan or the testing plan? Some of you will vividly node your heads with absolute certainty that these plans are critical to the success of your project. Others will bluntly oppose saying it is a waste of time. Be flexible and only develop the plans that are relevant to your project. In our experience we came across projects that did not need the budget to be planned. On the other hand, we observe that the communication plan is missing in many projects though it is one of the most relevant plans. The usefulness criterion is applicable when it comes to a decision concerned with the form, level of formalisation, and level of detail of the plan. Keep in mind that the two main applications of any plan are communication and control. Whenever you have doubts, seek for input from those who will be using plans as a source of information and as a basis for monitoring and controlling the project. The most effective way of doing that is by actively involving these stakeholders in the planning process. You will gain access to their expertise and create a sense of a mutual ownership of the plan.

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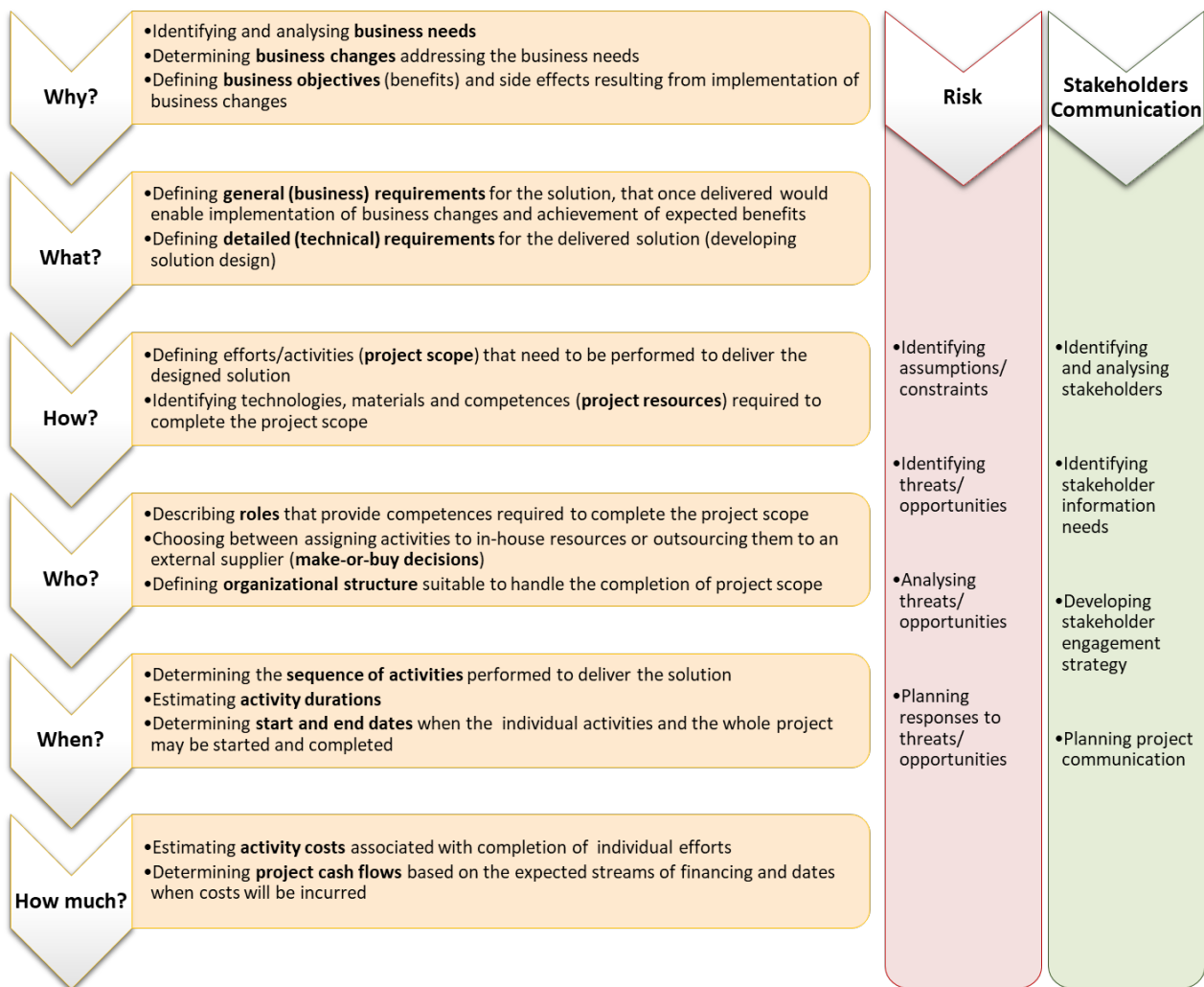
Figure 6-1. The logical sequence of planning activities

6.1.1. The logic of planning

F Figure 6-1 shows the logical sequence of the most important planning activities that tend to be relevant in the majority of projects. In our opinion it is one of the most important visuals in the whole book. Remember that the diagram models a single iteration of the planning process. Throughout the whole project life-cycle, for many different reasons, you will most probably perform tens if not hundreds of such iterations. You do some initial planning when you conduct business analysis part of your pre-project activities (Phase 1 in our framework). Then you conduct at least several iterations of high-level planning in Phase 2. The first step in Phase 3 is planning again—this time at a detailed level. You will re-plan your project every time a risk materialises or a change needs to be implemented. You may want to do some adjustments in you plan when you find it is not fully effective or when the assumptions you made earlier change. However, regardless of the

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circumstances, you should always follow the same logic. Notice that the majority of planning activities (marked with a yellow colour) should be performed in a specific sequence. It may happen that you can skip certain step, do couple of them in parallel, combine them into one activity or even change their order. However, in most of the instances the depicted sequence will be the most effective one. Planning activities associated with risk (red colour) as well as stakeholders and communication (green colour) are shown differently. They also have their own internal sequence, but they should really be an integral part of any other planning step. For example, when you define your business requirements, as part of this activity you should identify the risks associated with such requirements. Such approach has at least three major benefits. Firstly, you think about the risks in a specific context which makes it easier and more effective. Secondly, it lets you involve in risk identification the other stakeholders who participate in defining requirements and who are the experts in this field which makes risk identification more competent. Thirdly, by doing this you make risk identification a natural part of project planning and it is no longer perceived as "extra work". It also changes the perception of risk management as pessimistic nit-picking and non-productive behaviour. People become more open in revealing their concerns and fears. If you combine that with the principle "when you identify a risk always come up with your suggestion of a response to it", then you are one step away from a very effective risk management. By the same token, each planning step should involve related conclusions concerning stakeholders and their implications to how we plan communication in a project.

When we discuss the logic of planning presented in Figure 6-1, some people argue that it is wrong because—according to their words—"the budget is planned as the first step not the last one". Unfortunately, such a statement results from misunderstanding project management basic concepts. People often confuse the project budget with a budgetary (or funding) constraint. When bosses, clients, or project initiators tell the project manager "our budget is only one hundred thousand", they should really say "our budgetary constraint is one hundred thousand". The difference in not only in semantics. In fact, misusing the fundamental concepts and terms is a very dangerous mistake that may lead to consequences such as:

- Creating a perception that whatever is requested will be done for "one hundred thousand" because this is our whole budget and it is completely unrelated with scope, schedule and other project dimensions;

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- Creating a temptation for those who set the budgetary constraint that if something can be done for "one hundred thousand" than maybe it can be done for ninety too;
- Imposing the accountability for successful completion of a project on the project manager who has no impact on what was used as critical success criterion which focuses their attention on doing whatever necessary not to exceed "one hundred thousand".

There could be other biases associated with this situation. The most effective way to address them is to maintain your assertiveness and educate stakeholders about the logic of planning process and ensure a proper use of the project management terms. So when you hear "we have only one hundred thousand" do not accept it immediately as project budget and—what is more important—do not even call it a "project budget". Rather than that refer to the concept of "triple constraint" (see page 13) and explain that your job is to understand all existing project constraints and listen to all expectations of project stakeholders. Based on that, you develop a feasible project plan (including the project budget) that will enable to meet as many of those expectations as possible (based on their priority) within the existing constraints. You may include several options in your plan. Just make sure that you emphasise the dependencies between project dimensions (such as: if you increase the scope we will need more time and/or additional resources) and the logic of your planning steps.

6.1.2. Planning tools and techniques

In the previous sections we have introduced some of the planning tools such as the work breakdown structure (WBS) or Gantt chart. In detailed planning you will use the same tools and techniques. You will do that virtually in the same way; however, your outputs will be increasingly more elaborated and usually will go into a more detailed level. To execute and control the project effectively, you need to define activities at the level that enables you to assign the accountability for each activity completion to a single individual. What was sufficient in the application process may not be detailed enough to manage the project. A simple example illustrating this is provided in the box on the following page. Notice that the WBS included in this example is just one of many possible versions. Another project manager could prefer to organise decomposition based on a different criterion and as a result different contracts that appear in several branches could be grouped in one branch under the parent component called "Contracts". In other words, project managers always selects the

approach to decomposition that most effectively facilitates their efforts and suits the nature of a project. Similarly, the final level of decomposition depends on how much control over the activities does the project manager want. The more detailed level of decomposition, the more detailed will the schedule be, the more detailed and precise will the cost estimates be, the more detailed risks could be identified in a project, and… the more time and effort will the project manager have to spend to control that. Moreover, the more freedom and flexibility you leave to team members, the more motivated they will be to assume accountability for what they do. More control does not necessarily mean a more motivated team.

EXAMPLE

In a potential project that aims at increasing the awareness about the history of a region among children in primary and secondary schools, one of the activities defined in the logframe submitted with the application for funding could be:

"To organise 3 historical summer camps for each of the three defined age groups, each with capacity for 50 children"

Originally this activity could be represented in the WBS as a single component "Summer Camps".

In the detailed planning step you may realise that in order to manage this activity effectively you need to decompose it to more detailed activities based on the nature of work involved. The resulting WBS may look like this:
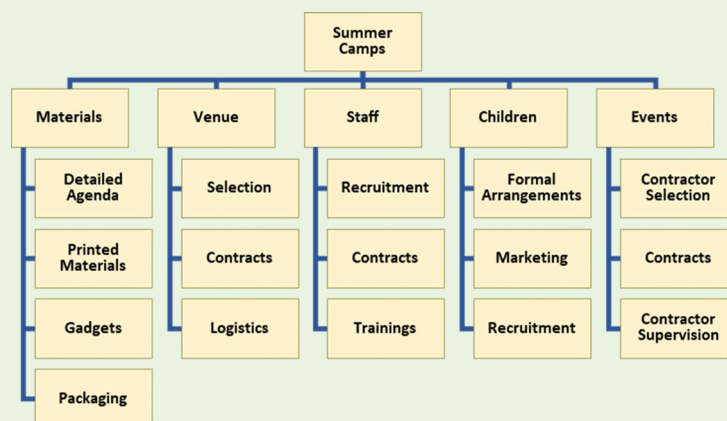
Additionally it may be duplicated if for example summer camps for different age groups are handled by different teams.

When you elaborate your WBS, you may continue with other planning activities. A detailed discussion of all these activities and associated tools is beyond the scope of this book. However, we would like to show how some of the recommended planning tools are linked with each other. It is illustrated in Figure 6-2. As you may see, the components at the lowest level of WBS become activities that are planned in project schedule. In the diagram, the schedule is represented with the Gantt chart, but in fact it could also be any other scheduling tool. In general, the schedule is supposed to provide information associated with time (such as duration or the start and end dates of each activity and often the logical relationships between activities). However, quite often, additional information concerning specific resources assigned to each activity is also depicted on the schedule. On the other hand, for each WBS component at the lowest level you may define specific requirements concerning skills and competences necessary to complete the effort related
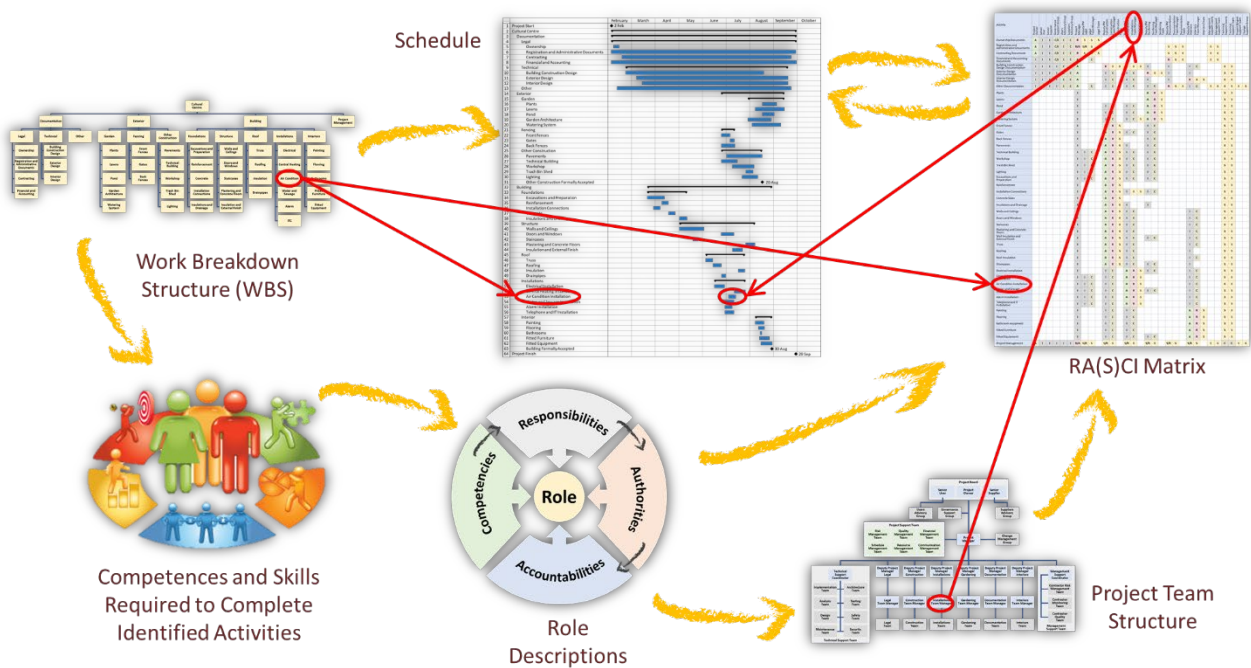
Figure 6-2. Interrelationships between the main planning tools

to such component. They become the basis to develop descriptions of roles needed in the project team. Once you have the roles defined you can determine the reporting relationships between them in the form of the project team organisational structure. Every role should be included in that structure. Finally, the tool that integrates all project team roles with all project activities and indicates how is a given role engaged in a given activity is RA(S)CI Matrix. Note that when specific individuals are assigned to project roles their names can be added to the matrix.

In previous sections we have mentioned Gantt chart as one of the tools used to represent the project schedule. Quite possibly, it is the most popular way of doing this. However, there are other scheduling tools that are extensively used. In this section we would like to outline two of them: **milestones** and **network diagram**.

In project management, a milestone is a significant point or event in a project. It is usually represented with a diamond-shape icon and has a zero duration since a milestone itself consumes no effort or resources. Milestones are usually associated with the completion of an important deliverable or achievement of an important state or result. In general, they can be used in two ways:

- **Mandatory milestones**—they represent externally imposed obligations that must be met by the project and could result from links with other projects or stakeholders' decisions;

- **Optional milestones**—they represent internal project decisions or events and are used primarily for controlling the project progress by project managers or reporting project progress to external stakeholders.

A very high-level schedule that presents only important project milestones positioned on a timeline is called **milestone chart**. Conceptually it is the same as Gantt chart, but shows the milestones instead of the bars representing activities.

The second important scheduling tool is a network diagram. It is an advanced modelling tool that, when combined with a good scheduling software, offers countless benefits. The most important of these benefits include:

- Conducting so called Critical Path Analysis that enables identification of the areas or sequences of activities in the project that have the most impact on its overall duration;
- A comprehensive analysis of how changes in activity duration, logical relationships and various assumptions concerning the schedule may impact the project;
- Using advanced risk analysis tools (such as simulations or sensitivity analysis) both related with the project schedule and budget;
- Modelling various scenarios and observing how various schedule optimisation techniques impact the timeline of the project;
- Optimising the resource utilisation with so called resource levelling.

The list of potential benefits may be continued but the full coverage of network diagrams goes far beyond the scope of this book. What we would like to emphasize here is that despite all these advanced applications the technique in its basic form is relatively uncomplicated. Undoubtedly, the most challenging part is modelling the network logic in the way that

GOOD PRACTICE

- **Consistently apply the planning process logic**. In most of the situations it is the most effective approach to planning.
- Do not look for fancy tools and techniques just for the sake of using them. **Keep it as simple as possible**, but when it is justified do not be afraid to apply advanced tools.
- Always **engage team members and other stakeholders** in project planning. This will give you access to their expertise and increase their sense of ownership of the project plan.
- Project plans are primarily used for communication and control. The needs of stakeholders who use the plan should drive its form, content, level of detail and level of formality. **Do not spend more time or effort on planning than it is actually needed**.
- **Use a rolling-wave approach to planning**. Plan in detail the nearest manageable time horizon and maintain a high-level plan for the whole project.

adequately represents the real situation. It is at the same time the decisive factor that drives the validity of all the applications of this tool. However, the difficulty of this step is not associated with the method itself but rather with technical competences needed to understand the true dynamics of a given project. Again, the best response to this challenge is to involve the team members or other stakeholders with a necessary expertise in a process of developing the schedule model.

6.2. Conduct project work and report project status

This step in our framework can be perceived as an equivalent of **Executing** stage in the generic project life-cycle (see page 21). The most important activities of the project manager in this step are associated with:

- **Ongoing monitoring and controlling** of project progress and ensuring that project deliverables are completed in accordance with the approved plans;
- **Managing project changes** and resolving project issues;
- **Reporting project progress** to stakeholders and maintaining other communication related to the project.

We will briefly discuss each of these responsibilities in the following sections.

6.2.1. Monitoring and controlling the project

The terms "monitoring" and "control" tend to be used as synonyms, when in fact they represent two distinct but closely interrelated activities. Project **monitoring** is a collection of project performance data, producing performance measures, and disseminating performance information. It is conducted in an ongoing fashion, often in an informal way, through observation and conversations, but also with some more formal procedures and tools that are especially useful in complex projects with many participants or with geographically dispersed teams that work in a virtual mode. On the other hand, project **control** comprises of comparing actual performance with planned performance, analysing variances, assessing trends that enable project improvements, evaluating possible alternatives, and recommending appropriate corrective and preventive actions when they are required. As such, control is a more analytical activity that uses information gathered in monitoring process and results in specific actions often involving a new iteration of planning

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activities. Unlike monitoring that is a continuous activity, control is usually performed with some regular frequency driven by the plan or whenever specific conditions are met.

A very important aspect of monitoring and controlling the project is related with the project team. It consists of two closely interrelated dimensions:

- **Developing project team**, that includes: improving team members' **skills and competences**; instilling the **atmosphere of trust and agreement** that increases team morale and promotes teamwork; creating a **collaborative team culture** that increases team productivity and synergy and enables an exchange of knowledge and experience; and **empowering the team members** to participate in project management.

- **Managing project team**, that includes: tracking **team members performance**; providing **feedback** to team members to enhance their effectiveness; resolving **conflicts and issues** between the team members; and ensuring that **changes in team members** do not deteriorate team performance.

Both of these dimensions require well-developed interpersonal and team skills. They include but are not limited to the following skills:

- **Active listening.** The ability to receipt and respond to communication from other people. It involves elements such as acknowledging and comprehending messages; clarifying and confirming their meaning; and adequately responding to the messages depending on the purpose of listening.

- **Conflict management.** The ability to understand and effectively resolve conflicts that arise between the team members. It involves the application of appropriate techniques and approaches that will improve working relationships and increase team's productivity.

- **Cultural awareness.** The ability to understand differences between individuals, groups, and organisations and adapting the project communication to account for these differences.

- **Emotional intelligence.** The ability to identify, assess, and manage the personal emotions of oneself and other people, as well as the collective emotions of groups of people.

- **Facilitation.** The ability to effectively guide a group to a successful decision, solution, or conclusion. It involves providing the elements of the process required for a given situation

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and ensuring that the group members effectively participate in this process and contribute to its content.

- **Influencing.** The ability to convince others to take actions or behave in a specific way. It involves: being persuasive; clearly articulating points and positions; effective listening skills; awareness of various perspectives; and gathering relevant information to address issues and reach agreement.

- **Leadership.** The ability to lead a team and inspire them to do their job well. It involves a wide range of interpersonal skills, abilities, and actions.

- **Meeting management.** The ability to ensure that meetings meet their intended objectives effectively and efficiently. It involves elements such as: meeting planning and preparation; time management; maintaining the appropriate meeting participants; managing expectations, issues, and conflicts; and recording the conclusions from a meeting.

- **Motivation.** The ability to provide a reason for someone to act. It involves understanding that person's needs and expectations; and providing an incentive that will incline them to engage.

- **Negotiation.** The ability to lead a discussion aimed at reaching an agreement. It involves understanding of the interests, positions, rights, and obligations of both parties; and capability to work out a solution that meets their material, psychological, and procedural needs.

- **Political awareness.** The ability to plan project communications based on the project environment and the organisational political environment. It involves the recognition of power relationships and the willingness to act within these relationships.

- **Team building.** The ability to conduct activities that enhance social relationships between team members and build a collaborative working environment.

6.2.2. Managing project changes

Some people claim that the only certain thing about the projects is that there will be changes in each project that you undertake. It does not seem to matter that you created extremely detailed plans with all possible scenarios that came to your mind. Actually, in such cases the amount of change appears to be even bigger. Perhaps the reason for that is a larger volume of documentation

to manage. In theory you may announce that changes are not allowed in the project after the planning is completed and the baselines are approved. Unfortunately, it does not decrease the willingness of the stakeholders to introduce changes. The only difference is that they are being submitted in an informal way and as a result become a lot more difficult to manage. In fact, sometimes project managers completely lose control over changes and they end up with massive delays and cost overruns. In most of the cases, when you conduct the root cause analysis of these variances you find that the main contributor is so called "scope creep". It is a gradual increase of project scope resulting from uncontrolled changes. We have witnessed projects that experienced 30–50 percent cost overruns and/or schedule delays only because of scope creep related with very small changes that accumulated to monstrous consequences. So we strongly recommend that you do not disallow making changes in your project. Rather than that introduce a clear and simple process of managing changes and do your best to follow this process. Scope creep will still survive in your project but it will be a rather domesticated beast.

GOOD PRACTICE

- Introduce and follow a **clear and simple change management procedure**. Promote well-prepared changes that introduce real value and have convincing justification.
- Ensure that the procedure will define:
  - How a change should be submitted?
  - How a change will be evaluated?
  - Who will make final approvals concerning changes?
- Do not aim at preventing the changes from occurring. They will come back to you in the form of **scope creep** that you will have no control over.

6.2.3. Reporting project progress

The main purpose of reporting project progress is to ensure an honest assessment of the current situation in a project and to provide the forecast concerning its probable final result. Various stakeholders may have different expectations concerning the content of progress reports that they would prefer to

GOOD PRACTICE

- Every progress report should include at least the following information:
  - Comparison of **actuals and the plan** for a given period;
  - Explanation of **reasons of variances**;
  - A **forecast** of future performance.
- Ensure that your **reporting format is fully aligned with the format of your plan**. This will make the whole process a lot easier. Ideally, you should use the same tool for project planning, monitoring, and reporting.
- Preparing **well-designed dashboards** may be a little time-consuming but worth the effort as it may streamline communication about the status of your project.
- Ensure that the format and content of your reports to the financing programme authority meets the requirements of the programme. Communicate with the controlling institution—they should be eager to help you and make the reporting process faster.

receive. On the other hand, you have to set-up this process in such a way so it does not become a burden on its own. And remember about your reporting obligations to financing programme!

6.3. Close and settle down project

(F) This step in our framework can be perceived as an equivalent of **Closing** stage in the generic project life-cycle (see page 21). The most important activities of the project manager in this step are associated with:

- Ensuring that all project deliverables have successfully gone through the **acceptance process** and that they meet the criteria set at the beginning.
- Close all agreements and contracts with external parties—verify if the mutual obligations were met, resolve pending issues, update and archive as-build documentation, settle down the agreements, make final payments.
- **Settle down the financials** to go smoothly through the reimbursement of project expenses. Study the financing programme requirements upfront and manage your financials in an appropriate manner throughout the whole project to make this step a formality.
- **Conduct administrative closure**—inform all stakeholders that the project is completed, close all project structures, transfer the remaining resources to other projects or to organisation, archive the project documentation, and document final lessons learned. Share it as your success story with UMBRELLA and the rest of the world!
- Last, but not least—**celebrate your success**!

6.4. Decision on refunding project expenses

At this point you should have the following outputs:

- A completed project in terms of its deliverables.
- A prepared financial settlement for your funding programme.
- A closed down project in terms of its administration.

It is time to await a reimbursement of your expenses. If you did your job well it should be a formality.

6.5. Key messages from this section—self-check

1. What is the recommended logical sequence of planning activities? What potential threats may result from changing this logic?

2. What is the recommended level of detail and decomposition criterion when you develop your work breakdown structure?

3. How can the network diagram help you in a more effective management of your project?

4. What are the two basic dimensions of managing project team during the project execution?

5. What are the most important interpersonal and team skills that can help you in effective project management?

6. What are the five steps of a recommended approach to managing changes in a project? Who should be accountable for each of these steps?

7. What are the three mandatory components of a good progress report?

8. What should the project manager do as part of an effective project closure?

7. Phase 4: Follow-up Project

The project has been completed and settled down. Most likely, a busy and successful project manager is already working on a new assignment. But is our project really finished? Well, the answer to this question is a very conscious "yes, and…" (as opposed to a declining and resistant "yes, but…"). If the project manager and the stakeholders did a good job what happened during the project was just the first step towards a new reality, with new capabilities, and new perspectives. Now it is time to realize all the benefits for which we have been working so hard.

7.1. Confirm and stabilize project benefits

Traditionally, successful project management was perceived as an efficient delivery of the project output. If it finished within schedule and budget the project manager could celebrate success regardless of what happened after that. Realisation of benefits was a challenge for a programme or organisation that originally initiated the project. It was a bit like asking a cook with an excellent record of working for a famous chain of fast-food restaurants to come to your house and prepare your wedding anniversary dinner for the whole family. And becoming a bit concerned at the moment when the guy has just left for his night shift in the downtown outlet. By no means we are trying to suggest that the food is not going to be tasty. It is just that fast and cheap is not necessarily the most beneficial approach in each situation. Benefits-led project management is a little bit different. Here, delivering outcomes and realising benefits are perceived as integral part of a project. One of its success criterion.

GOOD PRACTICE

- Benefits management should be undertaken **throughout the project life cycle** and into operations/business-as-usual, not just during investment decision-making
  - **Identify** benefits before a project is even initiated.
  - **Think about** benefits and start project with the end in mind to ensure the most adequate and suitable solution is developed.
  - **Consider the impact** on benefits throughout the project life cycle to reassure the project's viability.
  - **Plan for benefits activities to continue** after project close to collect information regarding benefits, performance management, assumptions, and lessons learned.
  - **Manage dis-benefits** and follow similar activities and processes as with benefits management.

The approach that we present in this book is embracing that wider perspective. Notice that we have been talking about benefits from the very start of our journey—one of the six core business analysis

concepts was "Value". If you need more, you may wish to use another tool that can help you a lot in linking drivers, enablers and business change to the benefits, and linking the benefits to objectives and goals—the **Benefit Map**. Typical objects included in such a map are shown in Figure 7-1.

Another important aspect of our approach that contributes to maximising benefits resulting from a completion of

Typical objects	
Strategic objective	• The ultimate end goal of the project • Should align to departmental policy / strategy
End benefits	• The final benefits that arise from delivery of the project • Collectively prove that strategic objective has been met
Inter-mediate benefits	• The benefits arising directly out of changes in practice enabled by the delivery of the project • Collectively inform the end benefits
Enabling changes	• The changes in practice (either business or in the wider public) that have been enabled by the successful delivery of the project outputs
Project outputs	• The immediate tangible deliverables of a project • Essential to ensure their delivery, but are by themselves insufficient to count as project "success"
Drivers	• The business needs of the project • Can be both opportunities and problems

Figure 7-1. Typical objects within a Benefit Map.
This figure is reproduced from: Infrastructure and Projects Authority: *Guide for Effective Benefits Management in Major Projects. Key benefits management principles and activities for major projects*

the project is taking into consideration **change management**. We are referring to another of the six core business analysis concepts, not to be confused with managing changes in a project addressed in the previous section (see page 66) and in "Additional Materials" (see page 78). They are two different things that appear to have the same and perhaps a bit confusing name. Change management that we talk about now is how we manage the resistance of stakeholders to a new reality they are going to face after the project. How we prepare them to be fully capable of realising

their own benefits. Again, there are various tools and models that address this topic. One that we can recommend is ADKAR model summarised in Figure 7-2.

A	D	K	A	R
» What is the nature of the change? » Why is the change needed? » What is the risk of not changing? » Objective: "I understand why ..."	» What's in it for me? » A personal choice » A decision to engage and participate » Objective: "I have decided to ..."	» Understanding how to change » Training on new processes and tools » Learning new skills » Objective: " I know how to ..."	» Demonstrated capability to implement the change » Achievement of the desired change in performance and behaviour » Objective: " I am able to ..."	» Actions that increase the likelihood that a change will be continued » Recognition and rewards that sustain the change » Objective: " I will continue to ..."

Figure 7-2. A summary of ADKAR model for change management.
This model is a registered trademark of Prosci

7.2. Summarize and share lessons learned with others

In this step we return to the concept of ongoing knowledge management. Before we started our project we have made some efforts to confront out great ideas with experiences of those who dared to have a try earlier (see page 39). We were so eager to ask them hundreds of questions and draw from their experience to avoid making the same mistakes. Now it is our turn to play the role of "the Elders" and help those who follow us in their journey. The idea of knowledge management is truly effective when it is based on "total" unconditional collaboration. What may be perceived as a little bit naïve in the commercial world is one of the ground rules in the type of projects that you deal with. So, reveal all your tips and tricks, all your secrets that made the difference, and tell us about all your silly mistakes that did not seem to be so silly when you made them and had to incur all the costs involved.

7.3. Identify new needs, ideas, and long-term effects

The real "litmus test" of how much you have got "infected" by project management will be how soon you will come up with a new idea for a new project. Our experience shows that some people are particularly susceptible. Or perhaps we should not use this medical terminology with rather unpleasant connotations. Maybe we should just say that you have fallen in love with project management? We wish you do. And when it happens you will start it all over again. Good luck!

7.4. Key messages from this section—self-check

1. How can you use benefit map in confirming and stabilizing project benefits?
2. What are the key components of ADKAR model for change management?

8. Additional Materials

This section includes various resources applicable to various aspects of managing projects addressed throughout this book. The resources that we recommend are just a small part of all tools, techniques, methods, and publications on the subject. However, in our opinion they represent a great starting point in mastering competencies of being an effective project manager.

8.1. Tools

Note: The tools in this section are presented in alphabetical order.

Some of the tools discussed in this section show the examples based on the common illustrative case study. A brief description of this case study is included in the following box and the examples will have a clear reference to it.

> **EXAMPLE**
>
> The potential project that we use as a basis for some of the tools assumes that we have identified a need: **to increase the awareness of the history and traditions of a specific region both among the residents who live there and the visitors and/or potential visitors who may come there for tourist, business or other purposes**. Ultimately, our aim is to undertake a wide variety of activities targeted at different groups. However, at this stage (and for the purpose of simple illustration) we assume that the current project is about **building a cultural centre that will become the main venue for events and further activities related with this long-term goal**. Note, that in this book this example serves educational purposes associated with explaining some of the project management tools and techniques. A full feasibility and technical correctness are not a priority.

8.1.1. Business Analysis Core Concepts Model

The model is developed by the International Institute of Business Analysis and this section is fully based on its published standard: *A Guide to the Business Analysis Body of Knowledge, Version 3*.

The model is based on six fundamental concepts of the effective business analysis. They are defined as follows:

- **Change**—The act of transformation in response to a need.
  Change is introduced to improve the performance of organisation. Note, that this phrase is used in a very wide meaning. For example it can mean: an improvement of financial results of a commercial company, a decrease of greenhouse gas emissions in a region, a

reduction of unemployment level in a community, a creation of educational programmes for young people, etc.

- **Need**—A problem or opportunity to be addressed.

  Needs can cause changes by motivating stakeholders to act. Changes can also cause needs by eroding or enhancing the value delivered by existing solutions.

- **Solution**—A specific way of satisfying one or more needs in a context.

  A solution satisfies a need by resolving a problem faced by stakeholders or enabling stakeholders to take advantage of an opportunity. Solution is also the mean to introduce change. In this model it is a synonym for the term project output used in this book.

- **Stakeholder**—A group or individual with a relationship to the change, the need, or the solution.

  Stakeholders are often defined in terms of interest in, impact on, and influence over the change. Stakeholders may be grouped based on their relationship to the needs, changes, and solutions.

- **Value**—The worth, importance, or usefulness of something to a stakeholder within a context.

  Value can be seen as potential or realized returns, gains, and improvements. It is also possible to have a decrease in value in the form of losses, risks, and costs. Value can be tangible or intangible. Tangible value is directly measurable. Tangible value often has a significant monetary component. Intangible value is measured indirectly. Intangible value often has a significant motivational component, such as a company's reputation or employee morale. In some cases, value can be assessed in absolute terms, but in many cases is assessed in relative terms: one solution option is more valuable than another from the perspective of a given set of stakeholders.

- **Context**—The circumstances that influence, are influenced by, and provide understanding of the change.

  Changes occur within a context. The context is everything relevant to the change that is within the environment. Context may include attitudes, behaviours, beliefs, competitors, culture, demographics, goals, governments, infrastructure, languages, losses, processes,

products, projects, sales, seasons, terminology, technology, weather, and any other element meeting the definition.

Figure 8-1 shows the most important detailed relationships between the core concepts.
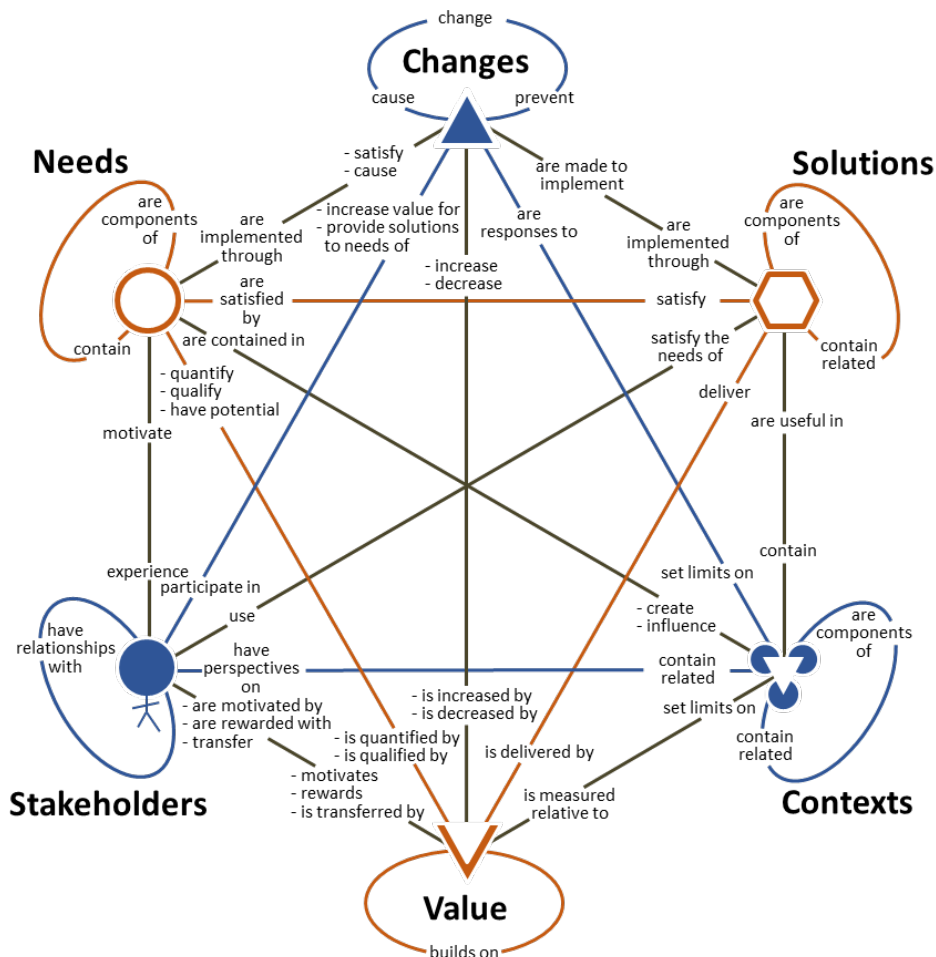
Figure 8-1. Business Analysis Core Concepts Model (BACCM).
This model is a registered trademark of the International Institute of Business Analysis

From the perspective of this book, the model has three most important applications:

- Improving communication and understanding by introducing clear and common terminology;

- Facilitating the process of analysing needs; generating, describing, and assessing ideas of potential initiatives (solutions and changes); identifying long-term effects of these initiatives (value); and taking into consideration all the impacting factors associated with the business environment (context) and stakeholders;

- Helping to create templates for capturing the information needed to convert the selected idea into a project and then manage it successfully.

EXERCISE

Use the Business Analysis Core Concepts Model to organise and describe your initiative. You may start from any concept and use the defined interrelationships to identify and describe other concepts. However, in our opinion it is best to start with a description of Context.

8.1.2. Change Management

Changes in a project are inevitable as they result from a very nature of projects. They may arise from different sources and for different reasons. Rather than trying to prevent the changes from occurring, project management approach should provide a process of systematically addressing them as they may lead to improving project output and increasing project benefits. An effective change management approach should ensure that:

- Changes are submitted in a documented form that at a minimum includes a description of a change, its justification, and an initial assessment of its severity and priority;
- Submitted changes are analysed in terms of their impact on project and business objectives;
- A relevant role decides what course of actions should be taken in the case of each submitted change;
- A selected action is implemented accordingly.
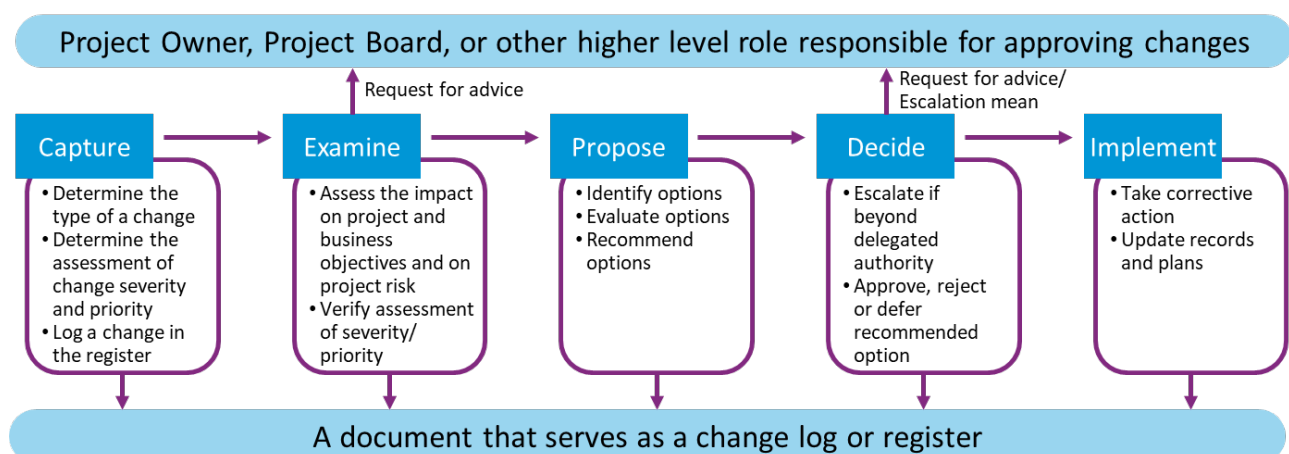
Figure 8-2. Recommended approach to managing project changes.
This approach is based on issue and change control procedure presented in Prince2 method.

Each of these actions should be assigned to a specific role (or roles) and the necessary ways of documenting the results of this process should be created in a project.

Most of the approaches to managing project change are quite similar, but in this book we recommend a procedure that is based on issue and change control procedure included in Prince2 method. In our opinion it is a simple, easily scalable and yet complete approach that can be effectively used in all projects. We present it in Figure 8-2. The amendments that we introduced in this procedure were only related with management products that are defined in Prince2 and are not part of our framework. The aim of these amendments was not to confuse the readers of this book with terms they may not be familiar with.

EXERCISE

Compare the approach to managing changes in your current project with the presented model. Does your approach serve its purpose effectively? Are there any important elements missing in your approach? Think how you could implement them.

8.1.3. CPIG Stakeholder Segmentation Model

Segmenting and prioritising stakeholders facilitates developing a stakeholder engagement strategy that is appropriate to a given groups of people. CPIG Model is a simple segmentation approach that includes the following four categories:

- **Customers**—Stakeholders who will be impacted by the project and/or its outcome;
- **Providers**—Stakeholders who will supply different resources (such as technologies, materials, know-how, financing, competences, etc.) needed to complete the project and/or achieve its outcome;
- **Influencers**—Stakeholders who are outside of the direct project scope but may still have impact on the project and/or its outcome;
- **Governance**—Stakeholders (both internal and external to the project) who make decisions related to the project and/or its outcome.

The model may be easily used with other tools and methods (such as Stakeholder Radar) and provides an additional insight into stakeholder assessment, prioritization, and engagement strategy planning.

8.1.4. Gantt Chart

Gantt chart is a simple bar chart representing a project schedule. It is named after its inventor, Henry Gantt, who was using this tool to schedule activities at Ford Motor Company in the beginning of 20th century. The chart presents project activities as horizontal bars with the length reflecting their duration. The bars are plotted on a horizontal timeline and labelled with names placed on the left side of the chart. In its simplest form the chart contains only activities from the lowest level of the work breakdown structure. However, it may also include several levels of activities. In such case the Gantt chart integrates with the WBS. Typically the summary higher-level activities are shown with a different notation. Additionally, the chart may also include milestones defined in a project. Current scheduling tools often enable adding logical relationships to show dependencies. However, we do not recommend this approach as the resulting chart may become unclear. We recommend that logical relationships are managed with a network diagram. Similarly, the more advanced schedule analysis is a lot more effective, when you do it with network diagrams rather than Gantt chart.

We recommend to use the Gantt chart as the basic format for presenting schedule and reporting project progress in the schedule dimension. In the same chart you can present both the planned dates and durations of project activities and their actual data. As a result you can quickly review the project status and recognise variances from the plan. The tool is very easy to comprehend and you can flexibly add comments and labels with additional information, highlight specific areas or activities, use different colours for different activities (i.e. critical ones), change the level of detail of the presentation, etc. All these functions are available in the majority of the scheduling software and even if you do not have such software, you can easily find a tool that will enable you to create Gantt chart in Excel or PowerPoint.

The example shown in Figure 8-3 is based on the case study introduced at the beginning of this section and on the work breakdown structure presented in a relevant section of "Additional Materials".

EXERCISE

Develop a Gantt chart schedule for your current project. Think about notation that you may use to show the plan and the actuals as well as other information that you consider important.

#	Task	February	March	April	May	June	July	August	September	October
1	Project Start	◆ 2 Feb								
2	Cultural Centre									
3	Documentation									
4	Legal									
5	Ownership									
6	Registration and Administrative Documents									
7	Contracting									
8	Financial and Accounting									
9	Technical									
10	Building Construction Design									
11	Exterior Design									
12	Interior Design									
13	Other									
14	Exterior									
15	Garden									
16	Plants									
17	Lawns									
18	Pond									
19	Garden Architecture									
20	Watering System									
21	Fencing									
22	Front Fences									
23	Gates									
24	Back Fences									
25	Other Construction									
26	Pavements									
27	Technical Building									
28	Workshop									
29	Trach Bin Shed									
30	Lighting									
31	Other Construction Formally Accepted							◆ 20 Aug		
32	Building									
33	Foundations									
34	Excavations and Preparation									
35	Reinforcement									
36	Installation Connections									
37	Concrete									
38	Insulations and Drainage									
39	Structure									
40	Walls and Ceilings									
41	Doors and Windows									
42	Staircases									
43	Plastering and Concrete Floors									
44	Insulation and External Finish									
45	Roof									
46	Truss									
47	Roofing									
48	Insulation									
49	Drainpipes									
50	Installations									
51	Electrical Installation									
52	Central Heating Installation									
53	Air Condition Installation									
54	Water and Sewage Installation									
55	Alarm Installation									
56	Telephone and IT Installation									
57	Interior									
58	Painting									
59	Flooring									
60	Bathrooms									
61	Fitted Furniture									
62	Fitted Equipment									
63	Building Formally Accepted								◆ 30 Aug	
64	Project Finish									◆ 29 Sep

Figure 8-3. Example of a Gantt chart.

8.1.5. Knowledge Management

Knowledge management is the process of creating, sharing, using, and managing the knowledge and information of an organisation. It is a discipline on its own, and in this book we only present a limited view on knowledge management from the perspective of project management.

Most of the projects and project management methodologies or procedures struggle with this task. At best they attempt to generate some form of a lessons learned collection at the end of a project,

usually in the form of a final project report. The problem is that at that point in time, quite often most of the project lessons are gone to other projects with the team members who experienced them. As a result the preparation of the final project report becomes a very challenging task tackled solely by project managers, and impacted by their individual perspective and limited memory. A remedy to that could be the approach presented in Figure 8-4, where we recommend a simple three-step cycle assuming that:

Figure 8-4. Knowledge management cycle with sample tools.

- Knowledge management is **part of the project plan** which results in specific activities that need to be performed, roles that are assigned to these activities and accountable for the related outputs, etc.

- **Before** the work is actually planned, lessons from previous projects are collected and incorporated in the plan. Additionally, **Peer Assists** are used to transfer the knowledge to the project from external sources and Peer Reviews are used to judge the work performed in the project and use the knowledge of other stakeholders.

- **During** the work is executed, upon completion of a certain step of stage, **After-Action Reviews** are used to bring together the team that is closest to the activity and discuss successes and failures in an open and honest fashion.

- **After** the work is completed, the team is participating in a facilitated **Retrospective** to discuss the positive aspects of the work approach and the areas that would require improvement in the future.

The use of these basic knowledge management tools would not only improve the knowledge management itself but provide additional value to the project team members and the organisation.

8.1.6. Logical Framework (Logframe)

Logical framework is the tool that originated from a planning approach used by the US military and was later adopted by the United States Agency for International Development in the 1960s for development projects. Currently it is a de facto standard approach required by most of the funding programmes as a format of summarizing project proposals. In the simplest form it is a table with 16 cells, in which you record specific information about your project. A standard logframe is divided into four rows, which are your long- to short-term objectives ranging from top to bottom:

- Goal (overall aim).

- Outcome/Purpose (what will be achieved, who will benefit, and by when).

- Outputs (specific results the project will generate).

- Activities (what tasks need to be done in order for the output to be achieved).

These are achieved and measured by the headings from left to right:

- Project summary (explaining the objectives).

- Objectively verifiable indicators (how you will measure the achievements).

- Means of verification (how you will collect the information for the indicators).

- Risks and assumptions (external conditions needed to get results).

There is no imposed way to complete the table and you should work out the approach that is most convenient to you and suitable for a given project. However, we recommend to start with the overall goal and then fill the following boxes in the first column down to the lowest one. At each level ensure that the entry is logically related with a level above it and that you consider all your stakeholders' expectations. When you complete the first column add entries in the following ones. Think how can you measure the progress of the project against the defined objectives (this is the content of columns 2 and 3). Ensure that the indicators are relevant and that you will be actually able to conduct the measurement. Optimise the costs associated with measurements and analysis and assign them to specific dates. Finally, fill column 4 which is essentially devoted to risk analysis.

An example is shown in Table 8-1. It includes selected possible information related to the case study introduced at the beginning of this section. Note that it is only a partial logframe, as we include just one entry in each row of the table.

Table 8-1. Example of the logical framework.

	Project Summary	Indicators	Means of Verification	Risks / Assumptions
Goal	20% increase of the awareness of the history and culture of the region among the resident population of the region within 3 years from opening the centre	Percentage of survey respondents that provide satisfactory answers in the annual survey	Comparison of the survey results	N/A
Outcomes	Organisation of at least 6 events per year that focus on history of the region	Number of events belonging to category "Historical"	Confirmation of an event and an appropriate categorisation based on content	Events will not attract local residents
Outputs	The infrastructure of the cultural centre with a capability to organise historical events	Number of staff members qualified to organise a historical event	Cultural centre employee records	Qualified personnel will not be interested in relocation
Activities	Construction of a building that will be the seat of the cultural centre	Formal acceptance of the completed construction	Inspection and review of formal documentation	Delay of construction due to unfavourable weather conditions

EXERCISE

Think about a new idea that comes to your mind and develop the logframe for this idea (with at least two-three entries at lower levels of the table.

8.1.7. Network Diagram

A network diagram is a graphical representation of the logical relationships among the project activities. There are various types of notations and standards used to construct such diagrams. The one that we use here is called **Precedence Diagramming Method (PDM)**. In this technique activities are represented by nodes (or boxes) and the logical relationships indicating the sequence in which the activities are to be performed are represented by arrows.

Your goals. Our support.

Umbrella
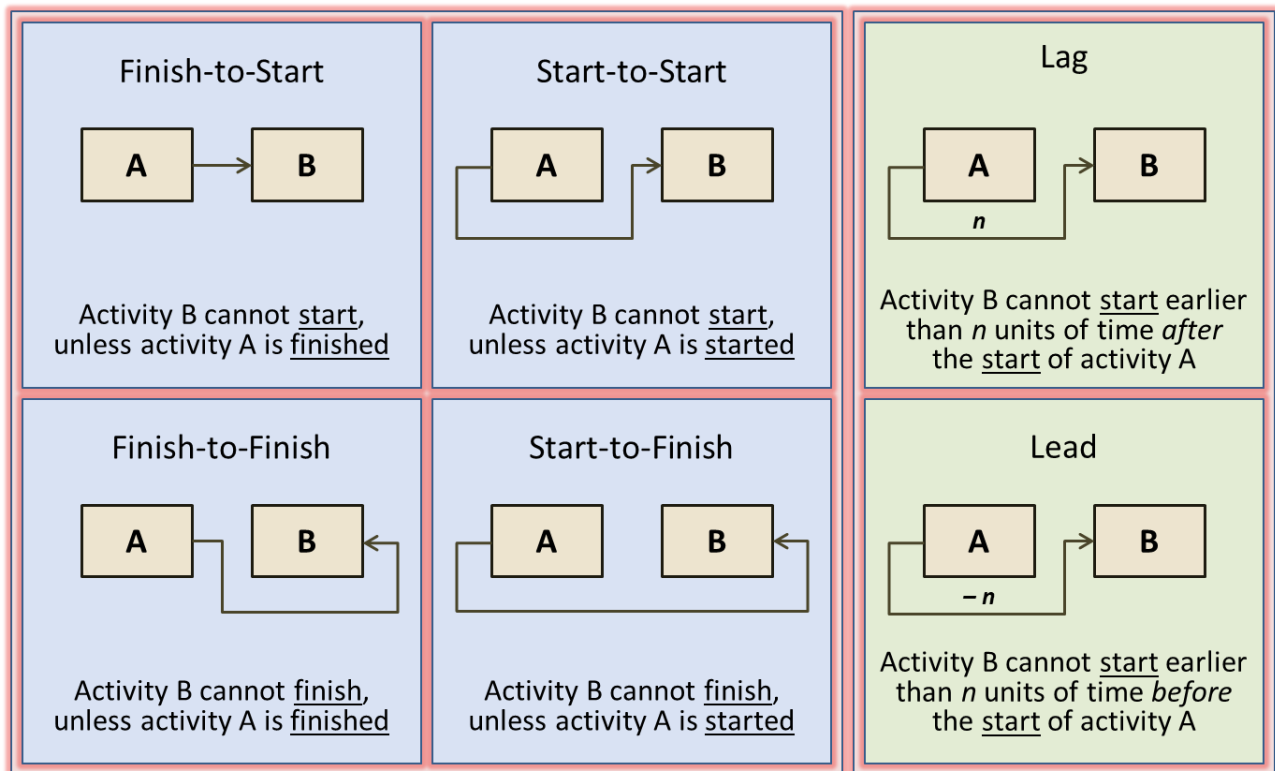
Figure 8-5. Logical relationships and their modifications that can be represented in PDM network diagrams.

In PDM network diagrams you can use four basic types of logical relationships and some basic modifications of these relationships. They are shown in Figure 8-5. A correct PDM network diagram must meet the following two rules:

- It must include only activities that have at least one logical **predecessor** (resulting in at least one incoming arrow) and at least one logical **successor** (at least one outgoing arrow). In order to meet this rule all activities that start sequences of project activities are connected to a "Start" milestone as a predecessor, and all activities that end sequences of project activities are connected to a "Finish" milestone as a successor.
- The relationship shown in the diagram must not create loops.

The boxes representing activities are usually filled with important scheduling information about a given activity. The most commonly used layout of this information is presented in Figure 8-6. Note that Early Start (ES), Early Finish (EF), Late Start (LS) and Late Finish (LF) can be shown as dates or as points on a timeline. When you use the latter, you usually take into consideration working days only. However, you have to take into account that when you add lags between activities, they often relate to calendar days, which could be a bit confusing.

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Figure 8-7 shows a simple example of a complete network diagram with some explanation of the associated calculations. They include two set of calculations:

Figure 8-6. Typical notation of activities in PDM network diagrams.

- **Forward pass**. It enables calculating early start and finish dates of all activities and the earliest possible finish of the whole project. It requires walking through all the sequences of activities from the start to finish and adding activity durations to calculate the dates. If an activity has more than one
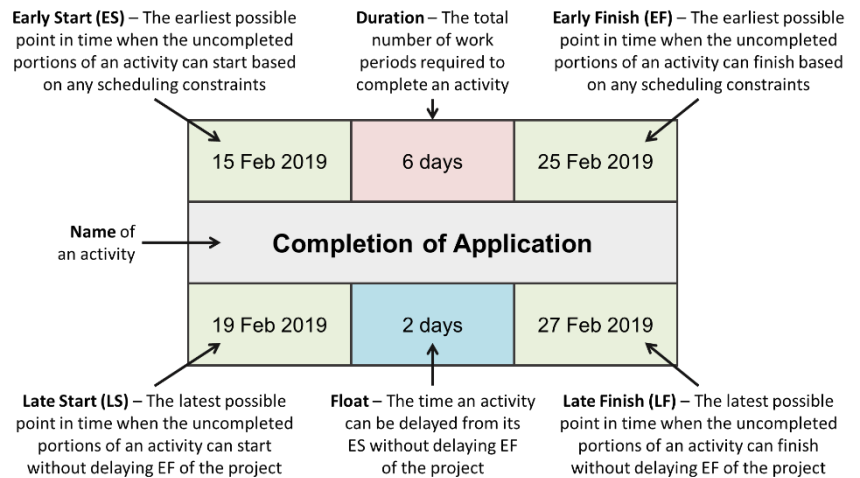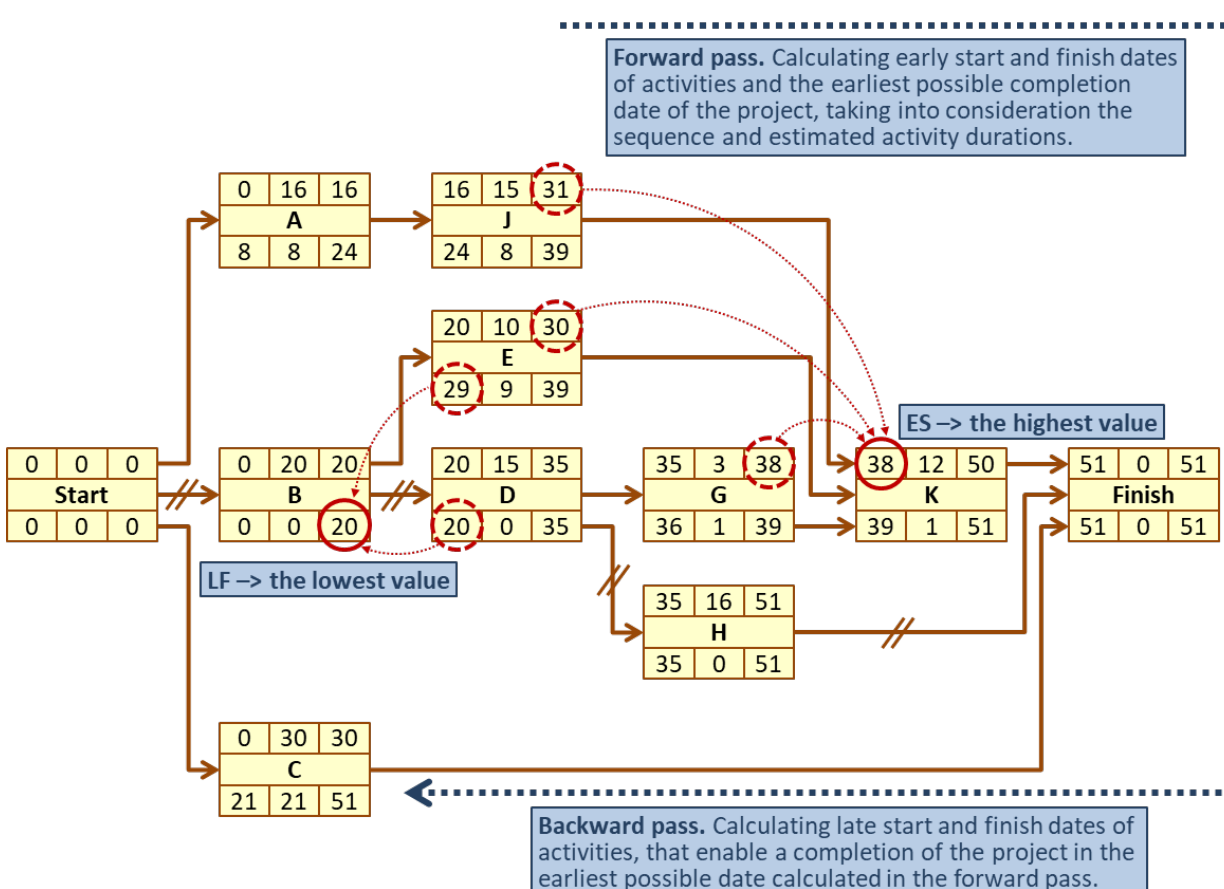

Figure 8-7. Example of a complete network diagram.

This Figure is reproduced from: Lockyer, Keith and Gordon, James 2005: *Project Management and Project Network Techniques, Seventh Edition*, Harlow: Prentice Hall.

immediate predecessors you always select the latest of the early finish dates of these predecessors as the early start of such activity.

- **Backward pass**. It enables calculating late start and finish dates as well as the float of all activities. It requires walking through all the sequences of activities from the finish to start and deducting activity durations to calculate the dates. If an activity has more than one immediate successors you always select the earliest of the late start dates of these successors as the late finish of such activity.

When these calculations are completed a **critical path** (or paths) may be determined in the diagram. By definition, the critical path is:

- The longest of all paths in the network in terms of the total duration of all activities on the path.

- The shortest time that is required to complete the whole project.

- The path that consists only of the activities with zero float (any delay in these activities will result in a delay of the whole project).

The network diagram may be constructed for the whole project or for a selected part of the project. The tool is particularly beneficial when it is used for projects where many activities can be conducted in parallel, and as a result you have a relatively large number of concurrent (and sometimes interrelated) sequences of activities. Many scheduling tools support creation and basic analysis of the network diagram. However, the more advanced are supported only in the most advanced tools.

EXERCISE

In your current project identify an area where you have 10–15 activities to perform, with some of them conducted in parallel. Develop a network diagram and do all calculations. Is the critical path where you expected?

8.1.8. Objectives Tree Analysis

This method is a continuation of Problem Tree Analysis. When you complete your problem tree, you can easily convert it into an objectives tree. Every statement concerning the problem needs to be rephrased into a positive desirable outcome resulting from addressing a given aspect of a problem. The focal problem is converted into the overarching goal. Root causes and determinants become

objectives taken care by specific solutions that should be implemented or delivered through projects. Finally, consequences and effects become long-term impact (or benefits) resulting from successful completion of those projects. When you convert problems into objectives do not just change the words into their antonyms. Rather than that, try to understand the essence of a problem in a specific context and state the objective in a way that adds value and effectively resolves the problem. For example, if the consequence of a problem was "outflow of young residents", would "inflow of young residents" be a good objective? It could be, but it is also likely that what we would like to achieve is to encourage young residents to plan their future in their home region by creating them attractive opportunities and effectively "prevent outflow of young residents". Even if they temporarily leave to gain education or experience, in the long term they would like to come back

and use their potential locally. Another important aspect of defining objectives is their usefulness and quality. A good way to ensure that is to check if your objectives are "SMART": Specific, Measurable, Available, Relevant, and Time-bound. (Note, that this acronym may be defined differently. For example "A" often stands for Approved upon and "R" for Realistic).

Figure 8-8 presents an example of an Opportunity Tree. It is based on the case study introduced at the beginning of this section and on the Problem Tree created as an input (see Figure 8-9). The example is

Figure 8-8. Example of Objectives Tree Analysis.

simplified for illustrative purposes. In the normal situation the structure of a tree may be a lot more complex and will include many layers and interrelationships (similarly as in the Problem Tree).

EXERCISE

Based on the Problem Tree Analysis conducted in section "8.1.10. Problem Tree Analysis" conduct Objectives Tree Analysis for your current project.

8.1.9. Problem Statement

A Problem Statement is a concise document that explains the problem addressed by the project. It is a simple way of capturing the results of analysing needs. As a minimum it should contain the following information:

- Description of the identified problem;

- Stakeholders affected by the problem;

- Impact of the problem on each of these stakeholders;

- Characteristics of the change that needs to be introduced to address the problem.

You may document this information in the tabular format presented in Table 8-2.

Table 8-2. Template of problem statement.

The problem of:	[*Describe the problem in an objective way—do not take the perspective of any specific stakeholder*]
Affects:	[*Identify stakeholders affected by the problem—include both the entities suffering a negative impact (they are likely to support a change) and experiencing a positive impact (they are likely to oppose a change)*]
Has impact of:	[*Identify areas and nature of impact of the problem and relate them to specific stakeholders*]
Can be addressed by:	[*Describe what should change in the current state in order to address and resolve the problem—express that in terms of components, aspects, or characteristics of the change, not in terms of any specific solution*]

Notice, that this template enables you documenting the needs associated with problems. You may easily create a similar format for the needs associated with opportunities.

EXERCISE

Identify some of your current needs (think both about problems and opportunities). Document them using the Problem Statement template.

8.1.10. Problem Tree Analysis

Problem tree analysis is one of the basic tools used to plan the project at a stage when the proposals are developed to acquire financial support from funding programmes. The method helps find solutions of a problem by mapping out its anatomy and identifying its root causes and determinants as well as consequences and effects. It helps to focus on actual and current issues rather than past

or future ones. Dividing a problem into smaller components facilitates their understanding, prioritisation, and management. It also gives more insight into the internal structure of a problem and the interdependencies between its components which helps to collect appropriate data and involve appropriate stakeholders. The problem tree analysis consists of the following steps typically conducted by a small team in a form of a facilitated workshop:

The group discusses and agrees the problem or issue to be analysed. At this stage it can be defined very broadly. It does not matter that group members have different perception considering the details of a problem as long as they can agree on its high-level definition statement ("the focal problem"). It is recorded in the central part of the flipchart and becomes the "trunk" of the tree.

Next, the group identifies the root causes and determinants of the focal problem (recorded as the "roots" of a tree) as well as its consequences and effects (recorded as the "branches" growing from the "trunk"). Each new item should be recorded on a separate sticky card. While the group identifies new causes and consequences it may discover that they create a cause-and-effect logic that can easily be represented on a tree.

The process continues until all perspectives are discussed and included in a tree. It may also include ideas of potential solutions or related points and issues that could be recorded on separate flipchart papers.

The problem tree can be an input to Objectives Tree Analysis that is often a next step in developing a project proposal.

Figure 8-9 presents an example of a Problem Tree. It is based on the case study introduced at the beginning of this section. The example is simplified for
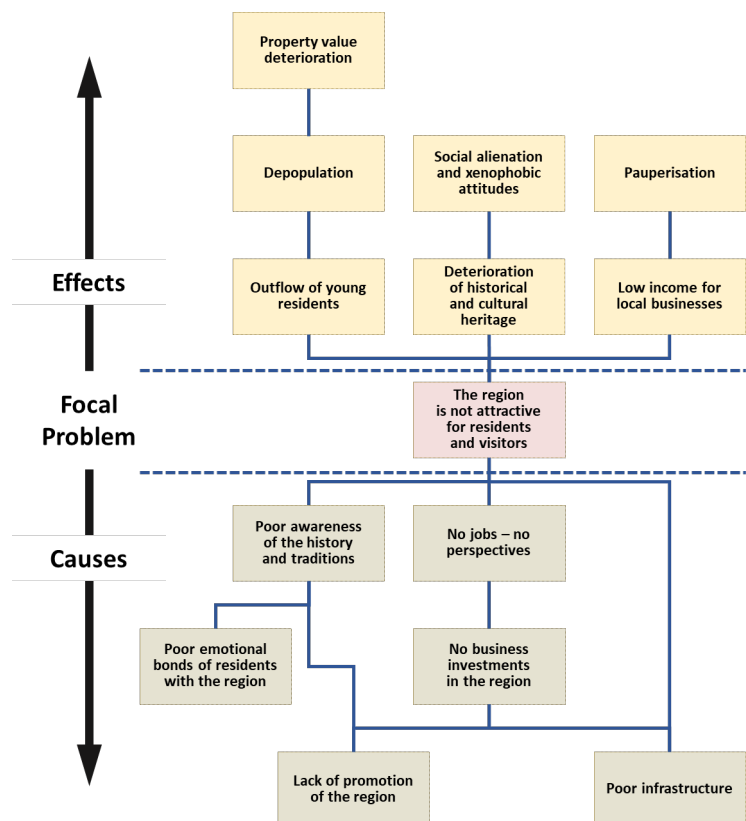
Figure 8-9. Example of Problem Tree Analysis.

illustrative purposes. In the normal situation the structure of a tree may be a lot more complex and will include many layers and interrelationships (similarly as in the Objectives Tree).
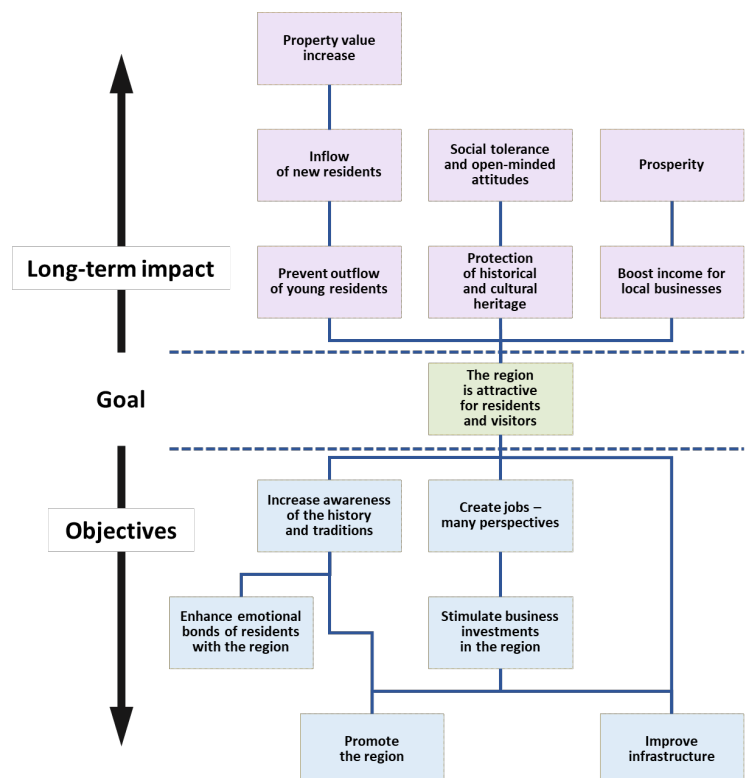
8.1.11. RASCI Matrix

RASCI matrix (also known as RACI matrix, responsibility assignment matrix—RAM, or linear responsibility chart—LRC) is a table describing how different members of the project team (or different roles in the project team organisation) are involved in completion of the activities and deliverables planned in a project. RASCI is an acronym derived from the five types of engagement typically used in the table:

- **R = Responsible.** The person who is held accountable for the result of an activity. Each activity must have one and only one person assigned as "R".

- **A = Approver.** The person to whom the "R" of a given activity reports and who is finally accepting the result of an activity. Each activity must have one and only one person assigned as "A".

- **S = Support.** The person who is participating in the work on a given activity. There could be any number of "S" assigned to an activity (including zero). If no individuals are assigned to an activity as "S" the whole work must be completed by "R".

- **C = Consulted.** The person whose input must be provided upon request from someone performing an activity (usually "R"). There could be any number of "C" assigned to an activity (including zero). Providing a required input is an obligation for "C" (not an option).

- **I = Informed.** The person who should be provided specific information about the activity or its progress (usually by "R"). The details of required communication are usually provided in the communication plan. There could be any number of "I" assigned to an activity (including zero).

Note that other sources may provide various interpretation of the RASCI notation. Actually there are many different versions of this and alternative notations for these tables. If you prefer, you can

also easily create your own notation that suits best your purposes. If you decide to do this ensure that the nature of engagement in a given task is clear and brings value to your analysis.

Activity	Project Owner	Senior User	Senior Supplier	Governance Support Group	Users Advisory Group	Suppliers Advisory Group	Project Manager	Deputy PM Legal	Legal Team Manager	Legal Team	Deputy PM Construction	Construction Team Manager	Construction Team	Deputy PM Installations	Installations Team Manager	Installations Team	Deputy PM Gardening	Gardening Team Manager	Gardening Team	Deputy PM Documentation	Documentation Team Manager	Documentation Team	Deputy PM Interiors	Interiors Team Manager	Interiors Team	Management Support Coord.	Management Support Team	Technical Support Coord.	Technical Support Team	Project Mngmt Support Team	Change Support Group
Ownership Documents	A	I	I	C/I	C	C	R	S	S	S																					
Registration and Administrative Documents	A	I	I	C/I	C	C	R/A	S/R	S	S										S	S	S						S	S		
Contracting Documents	A	I	I	C/I	C	C	R	S	S	S										S	S	S						S	S		
Financial and Accounting Documents	I	I	I	C/I	C	C	A		C											R	S	S						S	S		
Building Construction Design Documentation	I	I	I	I	C	C	A				R	S	S	S	S	S	I			I			I	C				S	S		
Exterior Design Documentation	I	I	I	I	C	C	A				I	C		I	C		R	S	S	I								S	S		
Interior Design Documentation	I	I	I	I	C	C	A				I	C		I	C		I			I			R	S	S			S	S		
Other Documentation	I	I	I	I	C	C	A		C		I	C		I	C		I	C		R	S	S	I	C		S	S	S	S	S	S
Plants							I										A	R	S									S	S		
Lawns							I										A	R	S									S	S		
Pond							I				I	C		I	C		A	R	S									S	S		
Garden Architecture							I				I	C		I	C		A	R	S									S	S		
Watering System							I				I	C		I	C	S	A	R	S									S	S		
Front Fences							I				A	R	S	I	C													S	S		
Gates							I				A	R	S	I	C								I	C				S	S		
Back Fences							I				A	R	S															S	S		
Pavements							I				A	R	S	I									I	C				S	S		
Technical Building							I	I	C		A	R	S	I	C								I	C				S	S		
Workshop							I	I	C		A	R	S	I	C								I	C				S	S		
Trash Bin Shed							I	I	C		A	R	S	I	C								I	C				S	S		
Lighting							I	I	C		A	R	S	I	C								I	C				S	S		
Excavations and Preparation							I	I	C		A	R	S	I	C								I	C				S	S		
Reinforcement							I				A	R	S															S	S		
Installation Connections							I				A	R	S	I	S	S							I	C				S	S		
Concrete Slabs							I				A	R	S															S	S		
Insulations and Drainage							I				A	R	S	I						I								S	S		
Walls and Ceilings							I				A	R	S	I	C								I	C				S	S		
Doors and Windows							I				A	R	S	I	C								I	C				S	S		
Staircases							I				A	R	S	I	C								I	C				S	S		
Plastering and Concrete Floors							I				A	R	S	I	C								I	C				S	S		
Wall Insulation and External Finish							I				A	R	S	I	C								I	C				S	S		
Truss							I				A	R	S	I	C								I	C				S	S		
Roofing							I				A	R	S	I	C								I					S	S		
Roof Insulation							I				A	R	S	I	C								I	C				S	S		
Drainpipes							I				A	R	S	I	C								I					S	S		
Electrical Installation							I				I	C		A	R	S							I	C				S	S		
Central Heating Installation							I	I	C		I	C		A	R	S							I	C				S	S		
Air Condition Installation							I	I	C		I	C		A	R	S							I	C				S	S		
Water and Sewage Installation							I	I	C		I	C		A	R	S	I	C					I	C				S	S		
Alarm Installation							I	I	C		I	C		A	R	S							I	C				S	S		
Telephone and IT Installation							I	I	C		I	C		A	R	S							I	C				S	S		
Painting							I				I	C		I	C								A	R	S			S	S		
Flooring							I				I	C		I	C								A	R	S			S	S		
Bathroom equipment							I				I	C		I	C								A	R	S			S	S		
Fitted Furniture							I				I	C		I	C								A	R	S			S	S		
Fitted Equipment							I				I	C		I	C								A	R	S			S	S		
Project Management	A	I	I	I	I	I	R/A	S/R	S		S/R	S		S/R	S		S/R	S		S/R	S		S/R	S		S	S	C	C	S	S

Figure 8-10. Example of RASCI Matrix.

Figure 8-10 presents an example of RASCI Matrix. It is based on the case study introduced at the beginning of this section and on the work breakdown structure presented in a relevant section of "Additional Materials". The example is simplified for illustrative purposes. In the normal situation you would like to have a matrix that shows each individual project team member (and sometimes also selected external stakeholders) in a separate column to avoid confusion concerning project roles. Development of this tool may be time-consuming in some projects but it well-justified as this is one of the most powerful tools that clarifies an extremely important aspect of managing a project.

8.1.12. Risk Management

Risk management is commonly perceived as one of the most critical aspects of effective project management. At the same time, attempts to introduce risk management often result in resistance and avoiding this topic. The reasons are deeply rooted in organisational cultures that tend to perceive those who try to address risk subject openly as "troublemakers" or "pessimists". Throughout this book we have promoted a proactive and positive approach to risk management and recommended making it an integral part of any project management activity. This makes the discussion on risk more natural and as a result it is no longer perceived as an additional and uncomfortable effort. When approaching risk management keep in mind that:

- The term "risk" applies to all kind events that may occur in the future and impact the project objectives—both in a negative ("threats") and positive ("opportunities") way.
- Risk management is most effective when you approach it proactively. If you wait until the risk materializes the impact is usually more intense than if you took some actions upfront. Even if these actions were only associated with increased awareness of the risk.

The models of project risk management in all methodologies and standards are very similar to each other. Though we have decided to recommend the one that is part of Prince2 method, you can actually apply any other model as its steps will be essentially the same. The recommended approach to risk management is summarized in Figure 8-11.
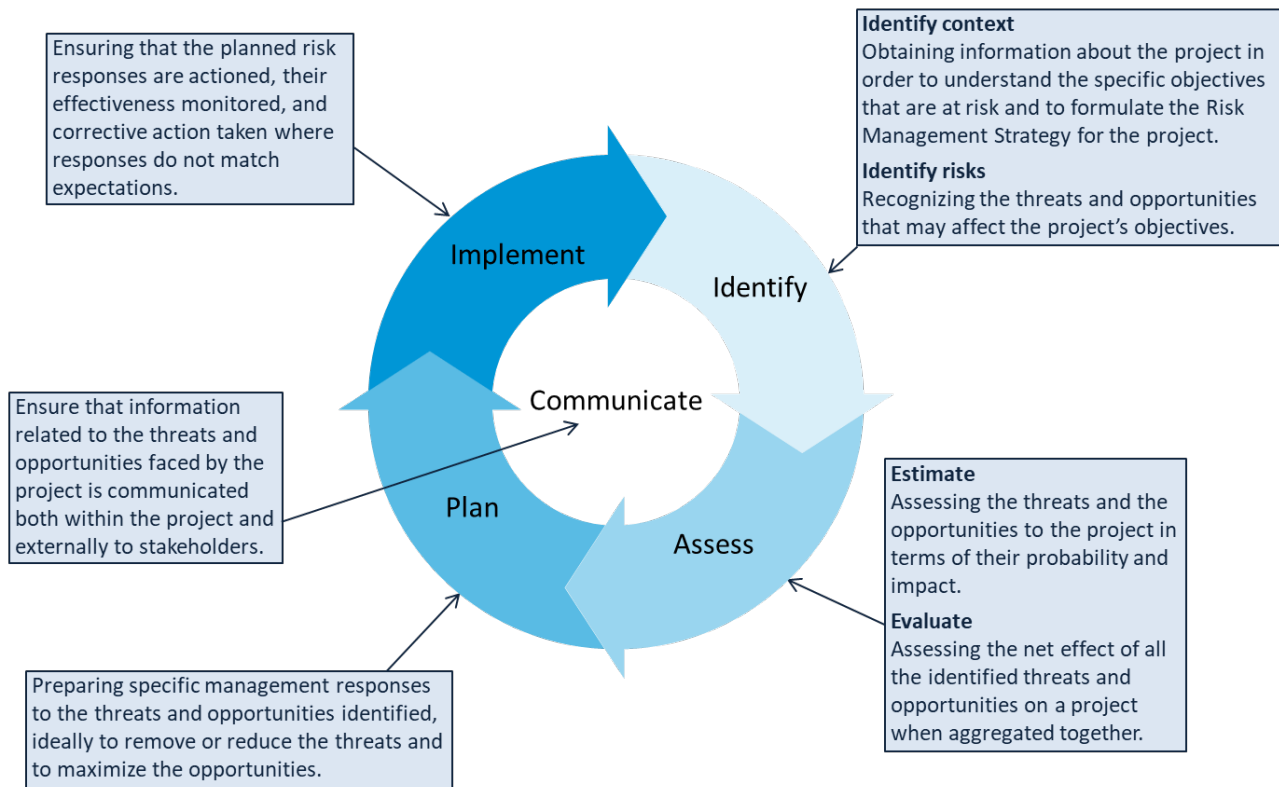
Your goals. Our support.

Ensuring that the planned risk responses are actioned, their effectiveness monitored, and corrective action taken where responses do not match expectations.

Identify context
Obtaining information about the project in order to understand the specific objectives that are at risk and to formulate the Risk Management Strategy for the project.
Identify risks
Recognizing the threats and opportunities that may affect the project's objectives.

Implement

Identify

Communicate

Ensure that information related to the threats and opportunities faced by the project is communicated both within the project and externally to stakeholders.

Plan

Assess

Estimate
Assessing the threats and the opportunities to the project in terms of their probability and impact.
Evaluate
Assessing the net effect of all the identified threats and opportunities on a project when aggregated together.

Preparing specific management responses to the threats and opportunities identified, ideally to remove or reduce the threats and to maximize the opportunities.

Figure 8-9. Recommended approach to managing project risk.
This approach is based on risk management procedure presented in Prince2 method.

8.1.13. Stakeholder Radar

Stakeholder Radar is a simple and quick method of assessing the stakeholders of your project. We recommend that you conduct this assessment together with your team as part of your high-level planning workshop. All you need to prepare are markers and sticky notes preferably in three different colours (we usually use yellow, red and blue, but you may go for other colours that you prefer). A roll of painters tape may also be useful. The method consists of the following steps:
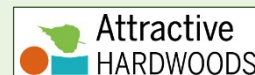
- **Step 1: Conducting stakeholder identification.** You may use any method for that step from a simple brainstorming, to a more structured approach that combines identification with CPIG stakeholder segmentation model, to other more sophisticated methods. If you applied Business Analysis Core Concept Model at earlier stages, the stakeholders identified in the model could be your input to a more detailed identification. When you identify stakeholders assess what is the attitude of each stakeholder towards the project and record each of them on a separate sticky note using: red sticky notes for stakeholders with

negative attitude (*critics*), blue sticky notes for stakeholders with positive attitude (*supporters*), and yellow sticky notes for stakeholders with neutral or unknown attitude (you may denote the latter with a question mark). You may add a brief explanation of reasons or root causes for stakeholder's attitude and a symbol of the CPIG category of each stakeholder.

EXAMPLE

Attractive Hardwoods (one of our Success Stories) is a project that aims at developing the hardwoods tourism in Lithuania, Poland and Sweden addressing measures to increase business opportunities through a sustainable tourism. Some possible results of stakeholder identification in this project could include:

C **?**
Local communities
(may be supporters or critics depending on various factors: cultural, economic, awareness, etc.)

G
State authorities managing public forests
(project strongly aligned with their goals)

P
Traditional tourist operators
(lack of understanding of ecotourism, low interest in offering it as a service, threat of losing clients)

- **Step 2: Preparing radar chart.** Using the painters tape, create a two-axis chart on the whiteboard or on the wall (you may want to put large sheet of paper as a background that will protect the wall). If you do not have the painters tape just draw the chart on a flipchart or whiteboard. Divide each axis in three equal segments and the following labels:

  - Horizontal axis represents the "interest in the project"—its segments should be labelled as: high interest, medium interest, and low interest;

  - Vertical axis represents "influence on the project"—its segments should be labelled as: high power, medium power, and low power.

- **Step 3: Conducting stakeholder assessment.** As a team, assess each stakeholder in terms of their interest in the project and influence on the project using the three defined levels. You may agree upfront to use common criteria for each level. They usually depend on the various specific characteristics of your project. When you are done with the assessment of a given stakeholder put their sticky note in the chart. Finally, using the whiteboard marker you can also draw three zones dividing areas of different assessment. An example of the complete stakeholder radar from actual project is presented in Figure 8-12.

- **Step 4: Conducting stakeholder analysis.** You can now analyse the complete chart and decide on a strategy for your stakeholders. Some of the guidelines for this step include:

  - Stakeholders in the "High" zone must receive your highest attention. If they belong to "critics" think how can you influence them to make their attitude positive or at least
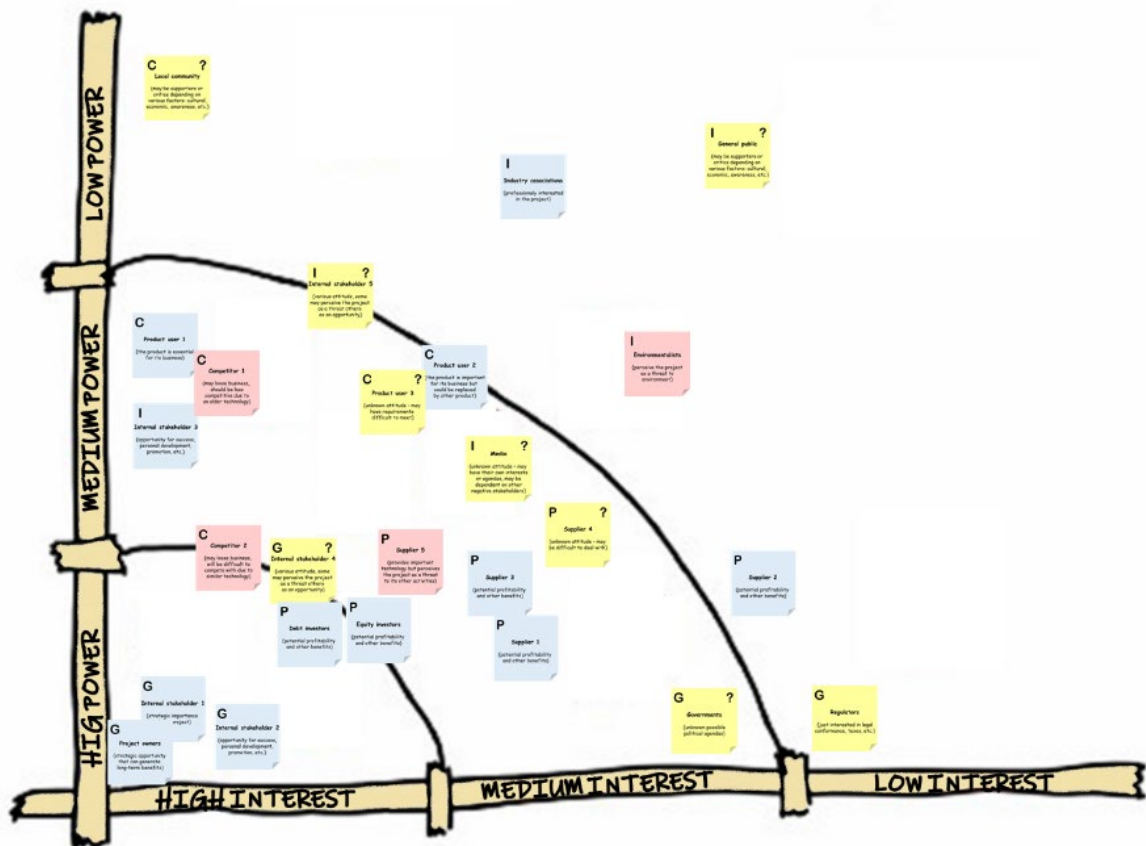
Figure 8-12. Example of stakeholder radar.

neutral. If they belong to "supporters" think how can you best benefit from their positive attitude. If you do not know their attitude you should urgently find out what it is and act accordingly. Ensure that you provide timely regular status reporting to these stakeholders. Consider engaging them in various project activities.

- Stakeholders in the "Medium" zone are less critical. In the case of those with a higher Power and lower Interest, think how can you convince them that they can also benefit from the project, so they will treat it with an adequate priority. In the case of those with a higher Interest and lower Power, think how can you make the project transparent to them, so they will not become concerned about its impact.

- Stakeholders in the "Low" zone are least important. Usually it is sufficient just to monitor them.

EXERCISE

Conduct stakeholder assessment and analysis for your current project with the Stakeholder Radar.

Your goals. Our support.

8.1.14. SWOT Analysis

SWOT Analysis is a technique that helps understand the strengths and weaknesses of your business, identify opportunities and threats that you face in the business environment you operate, and develop a strategy to respond to this situation. Conducting SWOT Analysis consists of three major steps:

1. Identifying strengths, weaknesses, opportunities, and threats, and capturing them in the following matrix. It includes some questions that may help you in this step. Note, that depending on the nature of your business you may need to rephrase some of them or ask yourself other similar questions.

Table 8-3. Template of questions for SWOT Analysis.

Strengths	Weaknesses
• What do you do well? • What unique resources, skills, capabilities you control? • What is perceived as your strengths by other stakeholders?	• What could you improve? • What important resources, skills, capabilities you lack or have no access to? • What is perceived as your weaknesses by other stakeholders?
Opportunities	**Threats**
• What characteristics, events, or trends in your business environment would help to achieve your strategy or meet your expectations? • What characteristics, events, or trends in your business environment could result in outcomes that will positively affect your situation?	• What characteristics, events, or trends in your business environment would hinder to achieve your strategy or meet your expectations? • What characteristics, events, or trends in your business environment could result in outcomes that will negatively affect your situation?

2. Conducting the analysis of the items identified in each of the four sections of the matrix. It may include:

    o   Assigning priorities to each item based on its importance,

    o   Translating items into specific business needs that you should address,

    o   Understanding potential relationships between items, such as:

        ▪   Can any of the identified strengths enable you to develop other important strengths?

        ▪   Are any of the identified weaknesses resulting from other weaknesses?

        ▪   Can you balance some of your weaknesses with some of your strengths?

- Can your strengths help you to take any of the identified opportunities or address any of the identified threats?
- Can your weaknesses prevent you from taking any of the identified opportunities or increase the impact of the identified threats?

3. Developing your strategy based on the results of the previous steps.

EXERCISE

Develop lists of at least five more detailed questions that could help you identify strengths , weaknesses, opportunities, and threats specific to your business. An example of such question in the case of an organisation operating in a very regulated environment would be: "What specific changes in legal regulations would result in opportunities/threats to my business?".

8.1.15. Work Breakdown Structure (WBS)

Work breakdown structure is often referred to as the most important tool of project management. It is a deliverable-oriented decomposition of project effort into smaller components that enables a better understanding of the project scope facilitates other aspects of project management including:

- Assigning project activities to individuals who will be accountable for completion of the related deliverables;
- Developing project schedules (regardless of the tool used for scheduling);
- Estimating project activity durations, resources, and expenses;
- Identifying and managing project risks;
- Monitoring and controlling project progress;
- Conducting the acceptance of project deliverables;
- Closing the completed activities.

This above list includes only the most important project management activities that use WBS as one of the most important inputs.

WBS is usually decomposed to the level at which the work is scheduled, estimated, assigned to teams, monitored and controlled, and ultimately closed when the deliverables are formally accepted. The WBS components defined at such level are called **Work Packages**. This term is widely

and quite consistently used by various project management methodologies and approaches (there could be minor differences in the way it is defined). In general, you can think of a work package as a "mini-project" that has its own scope, deliverables (outputs), budget, deadlines, risks, resources, etc. The main difference is that the result of a work package is only one of the many components of the whole project output. On its own it does not have a capability to provide the expected project benefits. Work packages are collections of similar tasks that could be interrelated because of the nature of the work involved, geographic location, timing, technology, specific stakeholders, or any other common characteristic that helps to manage them as complete "units of work". The choice of decomposition criteria and the definition of work packages in a project is essentially a decision of the project manager. Objectively, there are no better or worse solutions here. The creation and use of WBS was addressed in details in several parts of this book. We will not repeat this discussion here. In this section we only provide an example of WBS created for the case study introduced at the beginning of this section. It is shown in Figure 8-13 (see next page).

EXERCISE

Think about your current project:

1. How could you organise your work breakdown structure for this project? What would be your choice of the decomposition criteria?

2. At what level would you define your work packages in this project? (Remember, this is the level of detail at which you will effectively be managing your project!)
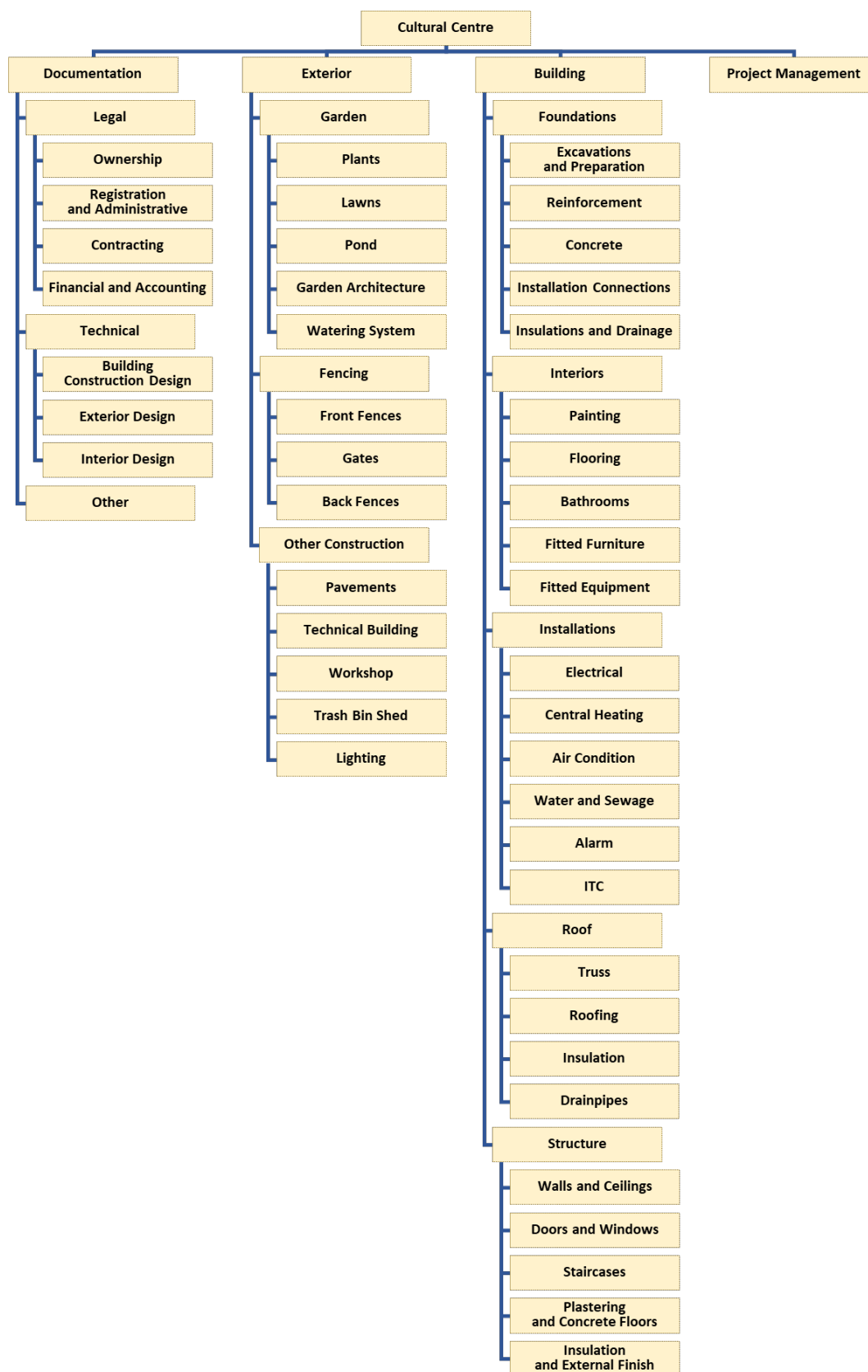
Figure 8-13. Example of work breakdown structure (WBS).

8.2. Reference Materials

8.2.1. Publications

8.2.1.1. Books

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Bens, Ingrid 2017: ***Facilitating with Ease! Core Skills for Facilitators, Team Leaders and Members, Managers, Consultants, and Trainers, Fourth Edition*. Hoboken, NJ: John Wiley & Sons.** Great introduction into facilitation as a profession and as a skillset used by people in various roles. Very practical—includes numerous tools, applications, examples, templates, and other ready-to-use resources.

Buchtik, Liliana 2013: ***Secrets to Mastering the WBS*. Newtown Square: Project Management Institute.** A comprehensive book on work breakdown structure (WBS). There are other titles on this tool (not bad either) but of all those that we came across this one was really the most reader-friendly.

Clarkson Centre for Business Ethics 1999: ***Principles of Stakeholder Management*. Toronto: The Clarkson Centre for Business Ethics.** A concise book on ethical principles that summarise the key features of stakeholder management and related examples. (Available for free download at: http://www.rotman.utoronto.ca/FacultyAndResearch/ResearchCentres/ClarksonCentre/CCBEpublications)

Coleman, Harvey J. 2010: ***Empowering Yourself: The Organizational Game Revealed, Second Edition*. Bloomington, IN: AuthorHouse.** Highly readable practical guide on how to be effective in a politically complex environment.

European Commission, Centre of Excellence in Project Management (CoEPM²) 2018: *PM² Project Management Methodology, Guide 3.0*. **Brussels – Luxembourg: European Commission.** A handbook of the project management methodology published by the European Commission. It is inspired by other recognised standards and methods in this domain. (Available for free download at: https://publications.europa.eu/en/publication-detail/-/publication/ac3e118a-cb6e-11e8-9424-01aa75ed71a1/language-en/format-PDF/source-83307127).

Friedman, Andrew L.; and Miles, Samantha 2006: *Stakeholders. Theory and Practice*. **Oxford: Oxford University Press.** Probably the best handbook on stakeholder management. You will find there everything on this subject. Written very competently and at the same in a readable style, which is not always such an obvious couple. In our opinion a must for anyone who wants to study this subject thoroughly.

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Herold, Cameron 2016: *Meetings Suck: Turning One of The Most Loathed Elements of Business into One of the Most Valuable*. **Austin, TX: Lioncrest Publishing.** The author claims that this is "a book to everyone, with easy-to-implement tools to run high-impact meetings so you can avoid wasting time, money, and resources". In our opinion he is absolutely right!

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Hofstede, Geert; Hofstede, Gert Jan; and Minkov, Michael 2010: *Cultures and Organizations: Software of the Mind, Third Edition*. **New York, NY: McGraw-Hill.** The revolutionary study of how the place where we grew up shapes the way we think, feel, and act—how the culture and cultural differences impact nations and organisations.

Hubbard, Douglas W. 2014: *How to Measure Anything: Finding the Value of Intangibles in Business, Third Edition*. **Hoboken, NJ: John Wiley & Sons.** A very practical book explaining how

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you can approach measuring things that are not tangible and not associated with any popular indicators.

International Institute of Business Analysis 2015: *A Guide to the Business Analysis Body of Knowledge (BABOK Guide), Version 3.0.* **Toronto: International Institute of Business Analysis.** The world's most recognised standard defining business analysis profession and a collection of generally accepted best practices in this domain.

Kendrick, Tom 2012: *Results Without Authority: Controlling a Project When the Team Doesn't Report to You.* **New York, NY: AMACOM.** There are many fantastic books on influencing, persuasion, and convincing others. Some of them are written in a more entertaining style and as such may be easier to read. However, there is something that makes this book our recommended choice here—the book is addressed specifically to project managers and takes into consideration all the nuances of project management.

Kerzner, Harold 2017: *Project Management Metrics, KPIs, And Dashboards. A Guide to Measuring and Monitoring Project Performance, Third Edition.* **Hoboken, NJ: John Wiley & Sons.** One of the most comprehensive books on monitoring and controlling projects with special emphasis on visual reporting illustrated with numerous examples.

Lencioni, Patrick 2002: *The Five Dysfunctions of a Team: A Leadership Fable.* **San Francisco, CA: Jossey-Bass.** This book, a fictional fable, outlines the positive and negative ways teams interact and engage in conflict both healthy and unhealthy.

Lockyer, Keith; and Gordon, James 2005: *Project Management and Project Network Techniques, Seventh Edition,* **Harlow: Prentice Hall.** A comprehensive book on using network diagrams for project scheduling. With lots of examples and applications.

Madsen, Susanne 2015: *The Power of Project Leadership: 7 Keys to Help You Transform from Project Manager to Project Leader.* **London: Kogan Page.** The book that truly helps project managers transform into proactive, accountable project leaders.

Morreale, S.P.; Spitzberg B.H.; and Barge, J.K. 2007: *Human Communication: Motivation, Knowledge and Skills, Second Edition.* **Belmont, CA: Thomson Wadsworth.** A comprehensive textbook on different aspects of communication between people. A bit academic but includes

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numerous practical examples, exercises, and application. Very interesting chapter on the skill of listening (chapter 6).

Parmenter, David 2011: *Key Performance Indicators: Developing, Implementing, and Using Winning KPIs, Third Edition*. **Hoboken, NJ: John Wiley & Sons.** An insightful book on how to define indicators that you can use to control your projects and measure their success.

Patterson, Kerry; Grenny, Joseph; McMillan, Ron; and Switzler, Al 2011: *Crucial Conversations Tools for Talking When Stakes Are High, Second Edition*. **New York, NY: McGraw-Hill.** This is… not a typical book on negotiating. It is about effective communication, but it is the reason why it is perfect for the people who are not really professional negotiators. It will tell you how to prepare to handling difficult situation, create a safe environment to speak and listen, and finally transform unpleasant emotions into effective dialogue.

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Senge, Peter M. 2006: *The Fifth Discipline: The Art & Practice of The Learning Organization Revised & Updated Edition*. **New York, NY: Doubleday.** A classic book on how organisations can make use of the knowledge and learn in a most effective way.

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9. Glossary of Terms

Accountability—Ownership and resulting answerability for the consequences of decisions made in connection with the assigned task; should not be shared with other roles.

Assumption—A hypothesis or unconfirmed information that is considered to be true, real, or certain in order to proceed with an activity for which it is required.

Authority—Decision-making ability delegated to a role that empowers it to control the assigned task and enables to assume the related accountability.

Baseline—The approved value or level of a project parameter, plan, or document that can only be changed through appropriate change management process and serves as a basis for comparison to actual results.

Benefit—A measurable effect resulting from a project that is perceived as positive by one or more stakeholders; in EU funded projects often referred to as Impact.

Business Analysis—The practice of enabling change in an enterprise by defining needs and recommending solutions that deliver value to stakeholders.

Business Case—A documented justification for initiating a project.

Business Change—*see:* Change

Business Need—*see:* Need

Change—The act of transformation in response to a need.

Context—The circumstances that influence, are influenced by, and provide understanding of the change.

Competence—Skill, ability, or other asset needed to be possessed by a role in order to perform effectively the assigned responsibility.

Constraint—A limiting factor that affects the execution of a project.

Decomposition—Breaking a complex problem or system into parts that are easier to conceive, understand, program, and maintain.

Eligible Costs—The costs directly related to a proposed project.

Impact—(1) The measure of the consequences of an occurrence of a risk, issue, or change in a project; (2) *see:* Benefit.

Iteration—A repetition of an activity or process, usually conducted to improve the output of that activity or process.

Milestone—A significant point or event in a project.

National Contact Point (NCP)—An independent organization of different nature (ministry, academy of science, research agency, etc.) that act as information provider to applicants in their native language.

Need—A problem or opportunity to be addressed.

Network Diagram—A graphical representation of the logical relationships among the project activities.

Organisation—A group of people interacting within a defined structure (roles and their interdependencies) and agreed norms to achieve specific goals.

Organisational Structure—*see:* Organisation

Output—A product or a service delivered as a result of the execution of a project.

Programme Guide—*see:* Programme Manual

Programme Manual—The main guidance document concerning a funding programme, its requirements, application process, etc.

Project—A temporary organisation established to deliver a unique output within certain constraints that enables introducing a change resulting in expected benefits measured in terms of a degree to which they respond to an identified need.

Project Charter—A concise document developed in project Initiation stage that summarizes all important information about project and formally authorises its existence as well as defines and assigns the role of the Project Manager. Note that in other methodologies or approaches this term may be defined differently.

Project Initiator—From the perspective of project management a role that makes a decision to undertake a project.

Project Life-Cycle—The series of stages or phases that a project passes through from its start to completion.

Project Manager—A role defined from the perspective of project management, accountable for an operational success of a project (coordination of a delivery of project output).

Project Output—*see:* Output

Project Owner—A role defined from the perspective of project management, accountable for a business success of a project (realizing expected project benefits).

Project Stakeholder—*see:* Stakeholder

Responsibility—Work defined in terms of a specific task assigned to and required to be performed by a role; may be shared with other roles.

Solution—A specific way of satisfying one or more needs in a context.

Stakeholder—Any individual (or a group typically represented by a specific individual) who can affect, be affected by, or believe to be affected by the project or anything associated with the project.
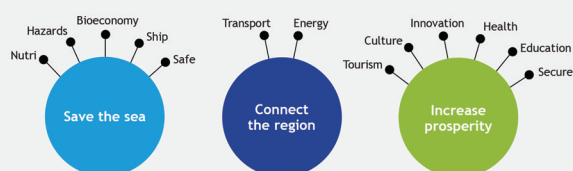
Team Leader—A role defined from the perspective of project management, accountable for a successful completion of technical tasks (providing deliverables assigned to a team).

Value—The worth, importance, or usefulness of something to a stakeholder within a context.

Work Breakdown Structure (WBS)—A deliverable-oriented hierarchical decomposition of the project work that needs to be carried to complete the project output.

Work Package—The component at the lowest level of decomposition in a work breakdown structure.

Objectives and Policy Areas

How you can benefit?

There is no better illustration of potential benefits than the actual successfully completed projects. Here are some of them:

South Coast Baltic—attractive modern tourist destinations and marketing opportunities

BUDGET: 2,516,732.99 EUR
PROGRAMME CO-FINANCING: 2,127,223.04 EUR
DURATION: October 2016 – March 2020
South Coast Baltic is a joint marketing initiative that promotes the boating region of the south eastern shores of the Baltic Sea, including Vorpommern (DE), Bornholm (DK), Zachodniopomorskie (PL), Pomorskie (PL), Klaipėda region (LT) and Kaliningrad region (RU). The goal is to attract more tourism by building a strong recognized umbrella brand and increasing the quality of services and products offered by the operators. The SCB provides courses, market research, networking opportunities, etc. Every year it organizes a boating rally to explore and promote the historic, cultural and natural gems. Find out more about this project at:
https://southcoastbaltic.eu

Biking South Baltic—increasing the sustainability of tourism in the South Baltic Region

BUDGET: 988,036.69 EUR
PROGRAMME CO-FINANCING: 807,982.52 EUR
DURATION: January 2017 – December 2019
Biking South Baltic goal is to promote and develop the Baltic Sea Cycle Route (EuroVelo 10 – Velo Baltica) in Denmark, Germany, Lithuania, Poland and Sweden. The project aims at increasing the cycling tourists safety and satisfaction from the regional tourism offer while protecting the nature from the devastation by the increasing number of tourists. Find out more about this project at:
https://www.prot.gda.pl/biking-south-baltic

Attractive Hardwoods—connecting nature and people

BUDGET: 1,493,252.65 EUR
PROGRAMME CO-FINANCING: 1,189,875.44 EUR
DURATION: July 2016 – June 2019
How can we bring people closer to nature, and boost ecotourism in the South Baltic Region? This is the question connecting the many different partners who are involved in this project led by the Swedish Forest Agency. The solution? Promote best practice by sharing challenges. Find out more about this project at:
https://www.skogsstyrelsen.se/en/attractive-hardwoods

Potential sources of funds

One of the most challenging steps in the process of EUSBSR intervention is finding and successfully applying for a financial support from a funding programme. Examples of funding sources available for project undertaken in South Baltic Region include:

- Interreg South Baltic
- Interreg Baltic Sea Region
- Interreg Central Europe
- Erasmus +
- Life
- Europe for Citizens
- Horizon 2020
- EASI (PROGRESS and EURES)
- Creative Europe
- Rights, Equality and Citizenship work programme
- Swedish Institute funding
- EEA & Norway Grants
- POWER (Polish programme)
- Nordic Council of Ministers funding
- CBSS-PSF (project support facility)
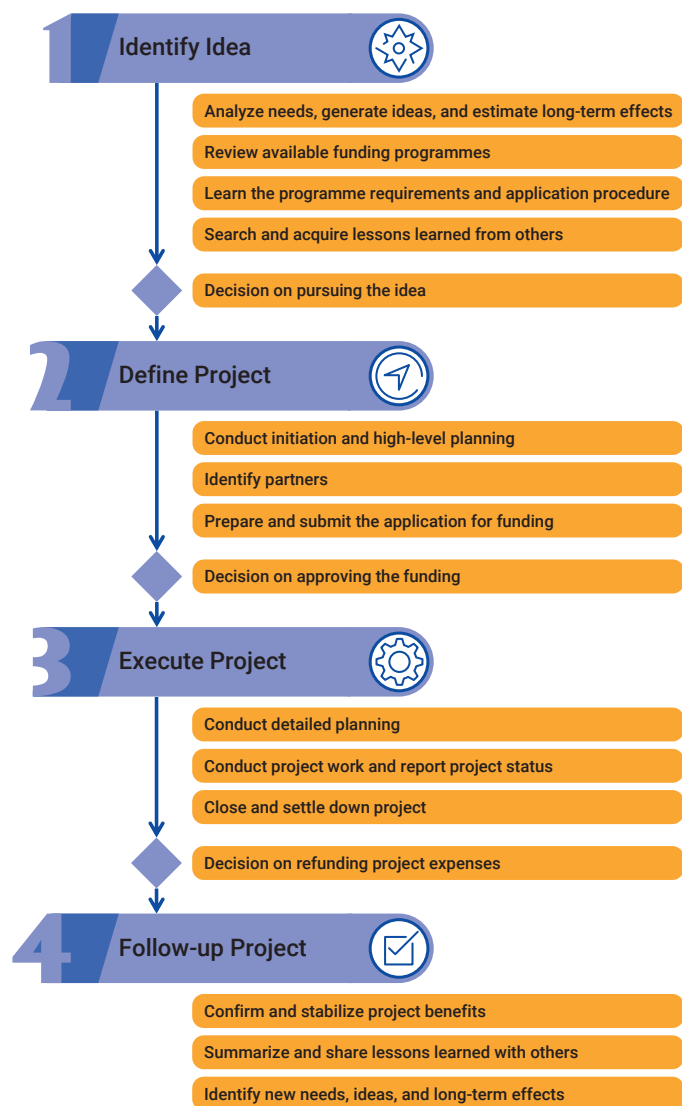- URBACT
- EU Maritime and Fisheries Fund

Our educational materials will help in the process of identifying and selecting the most appropriate funding programme and will guide you.

Tips & Tricks

- **Cooperation must be valuable for both sides**. Offering new business contacts or opportunities is attractive but just offering "know-how" is not enough for companies. (BioBigg)
- To begin a cooperation with companies, **you must be able to offer something**. Companies are not non-profit institutions and they care about money. (BioBigg)
- **Be open**, and try to understand the other culture's point of view. (CaSYPoT)
- **Accept the differences**—sometimes there is no one optimal solution for all the countries. (CaSYPoT)
- **Communication and willingness to cooperate** is the most important factor to success. (Attractive Hardwoods)
- **Do what you promise to do** and do not avoid taking responsibility. (Attractive Hardwoods)
- Misunderstandings may result from cultural differences. With time you will understand each other better with the partners. **Learn to compromise**. (Biking South Baltic)
- The **established relationships with the partners bring benefits**—for you, the project and your future undertaking. (Biking South Baltic)
- Acknowledge **the power of social media communication**—it is really the tool that the majority of your will get to know you project and its initiatives. (South Coast Baltic)
- **Build strong ties with the stakeholders** by regular updates, sending the materials and face-to-face meeting so the networks continue after completion of the project. (South Coast Baltic)

UMBRELLA Project Management Framework

1 Identify Idea

- Analyze needs, generate ideas, and estimate long-term effects
- Review available funding programmes
- Learn the programme requirements and application procedure
- Search and acquire lessons learned from others
- Decision on pursuing the idea

2 Define Project

- Conduct initiation and high-level planning
- Identify partners
- Prepare and submit the application for funding
- Decision on approving the funding

3 Execute Project

- Conduct detailed planning
- Conduct project work and report project status
- Close and settle down project
- Decision on refunding project expenses

4 Follow-up Project

- Confirm and stabilize project benefits
- Summarize and share lessons learned with others
- Identify new needs, ideas, and long-term effects

With the support from the subject matter experts in project management we have developed a framework that will guide you through the process of creating, initiating, and conducting a project supported by funding programmes. In fact, you may also use this framework for any other project that you undertake!

It is based on best practices included in the standards, methodologies, and approaches used worldwide by commercial and non-commercial organizations. However, we have adjusted these best practices to take into consideration your specific needs and the nature of the projects you will undertake. We have also expanded them with steps associated with finding the appropriate source of funds to finance the project, conducting a successful application process, and fulfilling the obligations resulting from the support provided by funding programmes.

The framework covers the whole project life cycle—from identification and understanding of your need, to converting your ideas on how to address these needs into specific project, to planning and executing this project successfully, and finally to ensuring that the benefits expected from the project are actually achieved and sharing the lessons you learned in your project.

We have equipped our framework with the complete set of additional materials that will help you in managing your project successfully. They include:

- important definitions associated with international projects;
- tools and techniques used to manage a project at different stages of its lifecycle;
- templates and examples of useful project documents;
- exercises, questionnaires, checklists, guidelines, tests, case studies, and a comprehensive list of useful resources (books, papers, websites, etc.)

With our framework and our assistance, you can successfully convert all your great ideas into tangible results!

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