



# News Letter

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## President's Corner

Hello and welcome to the April newsletter, I hope this finds you all hale and hearty and not too full of chocolate after the Easter break. It has been a busy couple of months since I last put my fingers to the keyboard, though I am glad to report my load has been lightened a little as I have now fully transitioned the Communications Director role to Ommara Hussain, who was the successful winner of the election at end of February. Our thanks go to Ian McAllister who also stood and was narrowly beaten. Speaking of Ommara, she, along with Kate Popay (Marketing Director) and I recently went to visit Pixl8, our web site provider to investigate ideas for making the site a bit fresher and add some more functionality. If you have any ideas of what you'd like to see then please drop her a note or tweet her. You'll have probably noticed that our use of social media is increasing, probably because we don't have a dinosaur like me looking after Communications anymore!

You have been aware of the work some of our volunteers are doing in schools, teaching project management as a life skill. I was delighted to attend Mill Chase school in Hampshire with Simon Robertson to act as part of the judging panel and present the prizes. If I thought presenting at the AGM was daunting, talking to about 90 odd 7 year old children was even more so!

The AGM was held alongside with the London event on 7th March. I have been trying to get a round robin with the regions to do a mini AGM briefing, for those who can't make the London event. I was in the South West (Cardiff) in March and also the South (Basingstoke), so Scotland and Midlands are the next on my list – watch out for a president appearing near you soon!

I was disappointed not to be able to make the March UK Corporate Council meeting (if only I didn't have to work!) to join the discussion on PMOs, but I have already booked the day off to go to the next meeting at Jaguar Landover at Gaydon to discuss Risk Management.

Martin Robinson (Professional Development Director) is making progress with help from Yohan Abrahams (Volunteer Director), Syed Shakeel (Member Networks Director) and Simon Robertson with the University Outreach initiative. He has also been involved in setting up the Research conference at Cranfield in May.

On the admin side of things, Andy Wright (Administration Director) and Nick Lake (Corporate Outreach Director) have been helping me get the Chapter Charter renewed, something that has to be done every year, and Yohan, Nick and I worked on an NDA agreement which will be required from all volunteers. Neil Coutts (Membership Director) has been working with PMI GOC to encourage PMI members who are not part of the Chapter to join, which will hopefully help us meet our target of increasing membership to 3500 by the end of the year. Nick also recently met Hannah Carmichael (PMI Corporate Relations Representative – UK) when we invited her to talk about what PMI GOC were doing in the Corporate Outreach space in the UK at the March Board meeting.

Rajiv Dua (Commercial Events Director), Kate and I have been working with Steve Wake on moving [Synergy 2012](#) forward, the Early Bird tickets have been available since early March, they are starting to move, so please book now to avoid disappointment.

I have been working with Andrew Delo from the PM Channel and if you want to see what happened at Synergy last year, please login to the members area on the PMI UK web site and take a look at this link :-

<http://www.pmi.org.uk/en/membership/members-area/memberoffers.cfm>.

Click the Synergy 2011 event and you will have the opportunity to watch all the speakers.

I've also been trying to help set up an event in Oxford with Penny Farrar, we are trying to tie down a venue in central Oxford for the first event, though we do have an offer of a venue near Abingdon. Look out for the event appearing in the Midlands & North section on the web site in the next month or so.

Most of the Board and Regional chairs will be attending the Leadership Institute Meeting in Marseille 4<sup>th</sup>-6<sup>th</sup> May, no doubt we'll pick up some more ideas to bring back to the UK PMI community, and it will be good to catch up with our PMI colleagues from further afield again. Seems I've gone on a bit again, but as I said it has been a busy couple of months. I wish you all well in your endeavours, so until next time..... Duncan Chappell, PMP President



[www.pmi.org.uk](http://www.pmi.org.uk)  
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## Calendar of Events 2012

The next London event will be on Wednesday 2nd May at the Grange Hotel, Holborn. Peter Cresswell – Head of Professional Services, ESI International will present "The Role and the Value of the PMO" For further information and to book a place visit <http://www.pmi.org.uk/en/events/london.cfm/Lon2May>

The next Midlands and North afternoon event will be on Monday 14th May at Jaguar Landrover, Gaydon. This exciting and experiential event will be co-delivered by Andy Taylor (People Deliver Projects) and Didi Hopkins (Skirting the Boards) and supported by the People Deliver Projects team made up of professional actors. For more information and to book a place visit <http://www.pmi.org.uk/en/events/midlands-and-north.cfm/MN14May>

The next Scotland event will be on Thursday 9th May at Hewlett Packard, Bishopton. An afternoon event consisting of three speakers:-

- Procurement in Project Management, Michael Young, HP
- Perception & Impact of a Project Manager, Kirsty Baker, Firefly Coaching
- Agile or Waterfall? Stephen & Irwin, Colquhoun Consulting

For more information and to book a place visit <http://www.pmi.org.uk/en/events/scotland.cfm/Scot9May>

There is still time to register to attend PMI's 2012 EMEA Leadership Institute Meeting (LIM) in Marseille, France. We invite you to [review the dynamic programme](#) and register today to secure your spot at this year's exciting event. To book a place visit <http://registration3.experient-inc.com/showPMI124/Default.aspx?HTTPSProxyDetectIteration=2&HTTPSProxyDetectStamp=634707559777106531> Remember to enter the special code JRBR5X

## BOOK COMPETITION

Gower Publishing, have kindly donated two sets of the following two books "[Integrated Cost-Schedule Risk Analysis](#)" and "[Practical Schedule Risk Analysis?](#)" by David Hulett (worth £99). If you would like to win a copy of one of the sets please send your name and address on a postcard to PMI UK, 21 Redford Close, Feltham, TW13 4TA. Closing date for entries 20th March 2012. First out the bag wins a set of the books.

If you wish to purchase a set and are a Member of PMI UK then please visit the Membership section of [www.pmi.org.uk](http://www.pmi.org.uk) and visit the Gower Bookstore (quote reference G9BWV25)

Alternatively Gower are offering a short term special offer of 40% discount on all David Hulett books until 30 April 2012 (quote reference G12GFZ40). To order a set of both David's above books (discounted book bundle) visit: <http://www.gowerpublishing.com/isbn/9781409437673>



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## PMI UK Chapter AGM

By Duncan Chappell, PMP

The PMI UK Chapter AGM was held on 7<sup>th</sup> March 2012 at the PWC offices in More London Riverside. Members of the PMI UK Board in attendance were, Duncan Chappell, Nick Lake, Kate Popay, Rajiv Dua, Yohan Abrahams and Syed Shakeel. Most of whom are pictured here, walked from the Board meeting venue to the AGM venue that afternoon.



Yohan, Nick, Sandra, Kate, Duncan & Rajiv, en-route to the AGM

I felt slightly nervous at facing a crowd of 85 seasoned PMs and opened the AGM by thanking Sean and the other speakers for giving me the time in the London event, and also thanking PWC for the use of their venue. Before getting into the AGM agenda proper, we had the presentation for the three 2011 PMI UK Chapter Volunteers of the Year, who were Ian McAllister, Kate Popay and Rajiv Dua. All were given their awards for their work on Synergy 2011, and it was also recognition of Rajiv's efforts for running the webinars last year. It was a shame that Anne Boundford (previous Marketing Director) wasn't there as she would have been especially pleased to have seen two of her protégés deservedly picking up the awards.



Rajiv Dua, Kate Popay, Duncan Chappell & Ian McAllister

I then presented the objectives of the Board for 2012, which are purposely more holistic than in previous years, these are to:

- Increase PMI UK Chapter members to 3500 by end of 2012
- Give 95% of PMI UK Chapter members the opportunity to attend at least one local member encounter every 2 months
- Hold 50+ member encounters in 2012.

Rather than have each Director creating their own objectives, the idea is for them to work together to reach the overall objectives. In the past, the Board members have been too focussed on what they want to achieve singularly and have worked in silos. For example, for us to deliver the University

Outreach program, this will require the Professional Development, Member Networks, Volunteer, Marketing and Communications directors to work together.

The University Outreach program is one of the key items in the Professional Development portfolio. Other key items are helping set up the Research conference at Cranfield in May, and also the Teaching Project Management as a Life Skill in schools.

When talking about the Volunteering portfolio, it was noted that Yohan was busy with arranging volunteers for Project Challenge, and was also looking at setting up a mentoring scheme, after a suggestion by the Sydney Chapter.

The UK Chapter was now starting to use the Volunteer Relationship Management System (VRMS), which all Chapter members who wish to volunteer are encouraged to login to and enter their details. The Board needs our members to get involved, as things can't be done without teams of volunteers, something that I had stressed to the Board as we are normally good with coming up with things to do, but not so good at building the teams to do them!

The Marketing goals for 2012 are around building better brand awareness and presence for PMI UK and getting a better understanding of PMI within the UK, from Global and Local perspective. All this involves building better relationships with media, training, organisation partners within the UK and creating information material for PMI UK, e.g. brochures, calendars, posters. Also understanding our target market better, who are our current members, who would we like to be our members, why should they become our members?

There is also a need for Kate to work closely with the Omara, the Communications Director to ensure communications and marketing initiatives are closely aligned and build the social media base to create an easy reach tool for marketing and communications purposes.

I thanked Nick for his Corporate Outreach efforts, he had dealt with some major companies e.g. AstraZeneca, Credit Suisse, Cap Gemini, Shell, Honeywell, Thomson Reuters, EADS, PwC, Plastic Omnium, Siemens (CF) and had good success, having spoken at some internal company events and secured some further venues for PMI events. I also recognised Nick's role as "fixer" when dealing with the PMI GOC, with one of his successes being getting the PMI web site fixed so when you joined PMI, the component section was more visible, and another getting the group billing process simplified.

Of course I couldn't miss the opportunity to remind everyone about the Synergy 2012 event, which is taking up rather a lot of Kate's, Rajiv's and my time at present. Please put 1st November in your diaries, and get your Early Bird ticket now it's only £99. [www.synerggy.co.uk](http://www.synerggy.co.uk)

Closing the AGM, I thanked ESI for their continued support and sponsorship and mentioned that about 50 UK Chapter members had benefited from the additional discount available on ESI courses.

# How Understanding Project Schedule Risk is Key to Understanding Cost Risk

by David T. Hulett, Ph.D., Hulett & Associates, LLC

We have always heard that “time is money.” That is true for projects that are conducted, in part, using resources like labor or rented equipment that will cost more if they work longer. However, this fact has not been well implemented in project cost estimating until recently. In fact, many cost estimates assume that the project schedule is engraved in stone, whereas the schedule may be the most risky component of the project.

A risk analysis of the cost estimate is conducted using the resource-loaded project schedule where the project budget (without any embedded contingency amounts) is assigned to the schedule activities they support. Then, the schedule is simulated using Monte Carlo techniques wherein:

- The time-dependent costs, cost more if their activities take longer because of risks to schedule. These include labor-type resources assigned to the activities and supporting resources such as the project management team that work until the schedule is complete. These resources are often placed on hammock tasks rather than work tasks in the schedule.
- Time dependent costs may be uncertain even if the schedule is fixed since the daily “burn rate” may vary for reasons of hourly rates or uncertain resource loads
- Time independent costs such as purchased equipment or raw materials may be uncertain but not because of time.

Using this framework the Monte Carlo simulation of resource-loaded and costed schedules will produce estimates of completion dates and costs that are internally consistent. This means that any iteration will assume the same configuration of risks (whether they occur and the degree of their impact) to calculate the dates and total project cost.

The main benefit of calculating the costs with the same assumptions that drive schedule dates is that cost uncertainty is now determined by uncertain time. It is interesting to see the degree to which cost risk is driven, even dominated, by risks that are usually thought of as affecting project schedule. In some cases the so-called “schedule risks” are more important in determining project cost risk than are those risks (like market forces) that are usually thought of as determining project cost. An illustrative simple case study resulted in the table below, which shows that in this instance so-called schedule risk is actually responsible for \$103 million of the cost risk while traditional risks to cost contributed only \$78 million:

Decompose the Cost Contingency at the P-80		
	P-80	Marginal Impact
	(\$ millions)	
Contingency-Free Cost Estimate	624	
All Risks	793	
Cost Risks Only	702	78
Schedule Risks Only	727	103
Total Contingency All Risks	169	
Note: Amounts do not add at P-80, only at means		

It is also true that we can identify the specific risks that lead to project schedule or cost risk. In this case study, the risks that influence the risk to total project cost are shown below. Their designation of “S” or “C” indicates whether they are typically thought of as risks to schedule or cost. Confirming the importance of the schedule risks shown in the table above, it is interesting to see that there are several “S”-designated risks that are important to project cost risk

Continued .....

## How Understanding Project Schedule Risk is Key to Understanding Cost Risk—continued.....

Priority Cost Risks			
Risk ID	Risks	P-80 Cost	Contribution to the P-80 Contingency
	ALL RISKS INCLUDED	829.5	
Risks Removed			
7	C - Cost Estimate is Inaccurate	788.3	41.2
9	S/C - May have Problems during Commissioning	750.4	37.9
8	S/C Key Engineering Personnel may be Unavailable	719.1	31.3
2	S -Site Conditions / Site Access may Slow Logistics	687.7	31.4
6	S - Activity Duration Estimates is Inaccurate	664.6	23.1
3	S/C-Equipment Suppliers may be busy	641.7	22.9
4	S - Capable Management may not be Assigned	632.6	9.1
1	S/C - Design Complexity may Challenge Engineers	625	7.6
5	S -Environmental Agency May be Slow	624.2	0.8

The software (Primavera Risk Analysis, aka Pertmaster) shows that there is almost no chance of meeting both cost and schedule objectives, a 95% chance of overrunning both of the objectives, and it calculates that time and cost are 77% correlated. Simply put, the high correlation of this simple made-up case study indicates how important the schedule risk is in determining cost risk. Not all real projects display such a high time-cost correlation.

We need to analyse costs within the context of a project schedule in what has become known as “integrated cost-schedule risk analysis” because:

- The time-cost correlation is not small, and
- The risks to cost usually contain risks that drive costs because they drive schedule.

*David T. Hulett is the author of [Integrated Cost-Schedule Risk Analysis](#) and [Practical Schedule Risk Analysis](#) both published by Gower.internationally. He is recognised as a leading expert in risk management, leader in risk management activities of the Project Management Institute.*

## PMI® UK South West Committee Roundtable workshop at Leadbitter, Cardiff

23<sup>rd</sup> February 2012

By Eric Deeben, PMP, MBCS, CITP, PMI UK Chapter South West Chair

The PMI South West committee decided at the end of 2011 during the annual planning session, to do something new in the South West. Agreement was to try a series of workshops during the year; The first event that was set for 23<sup>rd</sup> of February in Cardiff. Finding a venue and a sponsor are always the biggest challenge in organising an event, fortunately, Mike Baynham, a Senior Framework manager at Leadbitter was keen to be engaged on this. After meeting up with Mike and sharing my idea, Leadbitter was willing to offer the venue and lunch, with the venue sorted and decided on the topic:

**“Is a PM versatile enough to manage projects across the industry?”** - Can a good IT PM really manage a Construction project, or can PM's specialised in Shipping and Docks projects, manage an NHS project?

The evening started well as over 85% of people who booked turned up on the night.

In choosing this topic we were hoping to attract people from a variety of industries in order to encourage a thought provoking discussion. We split the group in two, one group lead by Mike and the other by myself. We had people from the Healthcare industry, IT, Defense, Commercial procurement, the Automotive industry, ERP systems, Languages, Business Management, Building and Construction and finally, Scientific research.

We addressed five areas during the evening:

- Stakeholders
- Cost
- Project Success
- Risk
- Programme

The interactive discussion was excellent, everyone was fully engaged and seemed focused on putting their specific message/experience across, whilst listening eagerly to the experience of others.



Some participants engaging in the discussions.....

After discussing and presenting our findings back to the other group we concluded that PM's do have a lot of overlapping skills that can be used in other areas, however, we must not underestimate the fact that there is some very specific knowledge required to run a project well.

Everyone was very enthusiastic, and we had to extend the meeting by an extra 30 minutes. We received some excellent feedback with an average score of over 4.1 out of a possible 5.0. There were further feedback by e-mail after the event by the participants and among the two quotes received are:

- “With regards to yesterday it was a fantastic event (location, venue, organisation, F&B. etc.)... The round table involved everyone and people were open to talk of their experiences and for me it was great session.... Please do more of it.”
- “Since it was my first involvement with the PMI, has certainly set my expectations very high for future events. It was fascinating to get a chance to learn about how other sectors approach project management, and the difficulties and hurdles they face. Equally fascinating was the similarity in the approach to the solution, providing (in my mind) that the majority of a project manager's competencies are transferable cross- industry.”

The directive the PMI UK Chapter set for 2012 was to deliver more quality events locally, and believe we made a good start in South Wales! Our next round table workshop is penciled in for the end of May in the Chipping Norton area.



## Earn 30 PDUs in Your Car. For Free

By Cornelius Fichtner, PMP

You worked hard to earn your Project Management Professional (PMP)<sup>®</sup> certification. Studied relentlessly, passed the exam, and put in your hours. Surely you'll do whatever it takes to keep that PMP behind your name once it's there. But who has time to complete those recertification requirements--60 Professional Development Units (PDUs) every three years? You're probably not jumping to register for a night class on earned value management at the local college. Is there time between kids' soccer practice and swim lessons to write a paper for the local Project Management Institute (PMI)<sup>®</sup> chapter? Is tonight the night to sit down and author a book on project management? Is there the bandwidth to volunteer services as the project manager for the new neighborhood park?

That's why we've made it easy to earn those required PDUs when you're on the go - or, just as likely - when you're stuck in traffic. You can earn half of your PDU recertification requirements - 30 Category C PDUs - from the comfort of your car - or anywhere else. The best part is... it's completely free and you won't need to take an exam, make any presentations, write a novel, or deal with strong-willed neighbors.

Using your iPod, your tablet, your smart phone, or any MP3 player, you can listen to a Podcast anytime, anywhere - you literally can have your PDUs in the palm of your hand no matter where you go! A Podcast is an audio or video file (usually in mp3 format) that you download onto your portable media player - just like you'd download your favorite music from iTunes. Once it's downloaded you can listen to or watch the Podcast whenever and wherever you like. You could listen in during the swim meet, or brush up on your PM skills on your way to the local chapter meeting. And actually, you don't even have to have a portable media device to access a Podcast - just click "play" on the website from your computer, then listen and learn.

Don't know where to start? Check out some of our three favorite project management-related Podcasts:

The Project Management Podcast ([www.pm-podcast.com](http://www.pm-podcast.com)), brings you weekly interviews with project managers on many aspects of the profession. It covers topics such as tips and tricks, PMO setup, soft skills, methodologies, risk management, leadership, virtual teams, best practices, book reviews, and much more. The PM Podcast started in August 2005 and was the first Podcast to focus on project management. It continues to publish one episode every week and it's completely free.

The PMO Podcast ([www.thepmopodcast.com](http://www.thepmopodcast.com)), hosted by Mark Price Perry, provides short, 10 to 15 minute episodes aimed at helping organizations of all shapes and sizes set up business-driven PMOs. It covers a wide variety of PMO topics and features interviews with PMO managers, PMO product and service providers, and thought leaders in both plan-driven

project management approaches and complex adaptive systems. The PMO Podcast started in August 2006 and has more than 200 episodes to date. The PMO Podcast is also free and invites PMO enthusiasts to share their perspectives.

The People and Projects Podcast ([www.peopleandprojects-podcast.com](http://www.peopleandprojects-podcast.com)), hosted by Andy Kaufman, PMP, provides interviews and insights to help you deliver projects and lead teams. Andy is a project management and leadership keynote speaker, author, and executive coach who works with companies around the world. His podcast puts a strong emphasis on the people and leadership side of a project manager's role. Andy publishes two episodes a month, which are also available for free.

Aside from the personal/professional development benefits you'll see from tuning in, Podcasts do help you fulfill your [PMP PDU](#) renewal requirements. But you'll need to maintain a record of the Podcasts you listen to so that you can submit them when you're ready to renew.

Tracking your Podcasts is easy. Use this free log file to record your Category C podcasts: [http://traffic.libsyn.com/pm-podcast/Category\\_C\\_PDU\\_Log.pdf](http://traffic.libsyn.com/pm-podcast/Category_C_PDU_Log.pdf). Use it to keep track of the episode number, the title of the episode, the date you listened to the podcast, its duration, the interview guest, and the topic. When it comes time to submit your PDUs, your log file will simplify the process. You'll already have the information you need to submit at your fingertips. Remember that all podcasts you submit for Category C PDUs must correspond to specific *PMBOK<sup>®</sup> Guide* Knowledge Areas. We suggest you listen to at least 30 hours of Podcasts before you submit your PDU claim, and your log file will provide a one-stop shop for all the information you need to submit.

The PM Podcast will get you half way to your 60 PDU requirement for recertification—all for free. But because these 30 PDUs are not enough to fulfill the recertification requirement, we also suggest you check out The PDU Podcast, [www.pducast.com](http://www.pducast.com), which will allow you to earn PDUs in Category A. (It's true. Insert your own silent gasp here.) Category A PDUs are courses or training events provided by PMI Registered Education Providers - and ONLY these providers. The PDU Podcast is currently the only PMI R.E.P. created podcast available through which you can earn unlimited Category A PDUs. Besides that...there's just good stuff out there.

So even if you don't have free time, you can make the most of your "busy" time with something free. Are you ready to get started? Go to [www.pm-podcast.com/pdu](http://www.pm-podcast.com/pdu) (or any of the project management-related websites mentioned above) and start earning your free PDUs.

*Cornelius Fichtner, PMP is a noted PMP expert. He has helped students prepare for the [PMP exam](#) and offers one of the [best PMP exam simulators](#) on the market.*