Project Communications Management

See Chapter 10 in the PMBOK ® Guide.

Pages 273 to 288 in Project Management, A Systems Approach to Planning, Scheduling, and Controlling, Seventh Edition by Harold Kerzner, PHD has some great information. E.g. See Fig 5-13 on page 275.

Toastmasters, Dale Carnegie and Negotiation classes are also highly recommended. Good Negotiation books and tapes include those by Roger Dawson, Effective Negotiating by Dr. Chester L. Karrass and Getting Ready to Negotiate, the Getting to Yes Workbook by Roger Fisher and Danny Ertel.

The WBS on Page 118 of the PMBOK ® Guide is as follows:

1. Communications Planning
2. Information Distribution
3. Performance Reporting
4. Administrative Closure

Comments:
Most of the material in this Chapter is self explanatory.

However we find in our classes that many people still have problems with Performance Reporting, Earned Value, etc. This section is so important in real life and in the exam. Please see the PMBOK ® Guide definitions in the Glossary starting on page 195 and the explanations on pages 123 and 124. It is easy to remember the formulae if you understand the following:

Earned Value, EV (formerly BCWP) – What's in the baseline budget * % complete.
(Once you update your schedule, the project management software will calculate this for you and give you a free invoice, etc. Many sophisticated clients and banks now insist that the invoice be prepared this way. It doesn't make sense to do it twice, once for time and once for cost!)

Planned Value, PV (formerly BCWS) – The physical work scheduled.
(The project management software will calculate this for you but don't forget to resource level your schedule first or this may be hopelessly optimistic!)

Actual Cost, AC (formerly ACWP) – From invoices and timesheets.

Schedule Variance: SV = EV - PV (negative $=trouble)

Cost Variance: CV = EV - AC (negative $=trouble)

Schedule Performance Index: SPI = EV/PV (<1=trouble)

Cost Performance Index: CPI = EV/AC (<1=trouble)

Hints for remembering the formulae:

There are only three terms and the EV always comes first or on top in the equation.

If you're asked for SV the answer is EV minus the schedule term, PV.
If you're asked for CV the answer is EV minus the cost term, AC.
If you're asked for SPI the answer is EV divided by the schedule term, PV.
If you're asked for CPI the answer is EV divided by the cost term, AC.
Please also remember that negative and less than one, means trouble.

We are passionate believers in EV because it allows us to "manage by exception" just the tasks that go wrong. For example, we set the filters in the project management software to find the activities that have total float less than five and SPI less than 1.0. We then move resources from activities that have large amounts of float onto these activities to catch up.

Earned Value is magic because it works at all levels in the schedule. In the example in the PMBOK ® Guide on page 124 you can tell by looking at the summary that the project is 13% behind schedule and 7% over budget. You can then dive down in the WBS to find which activities are causing the problem.

Conversely, you can go up in the WBS to see how the company is performing. The following example is a client's whole organization with all 84 projects plotted over a six month period, shown months 1 to 6. Ideally, if all projects were perfectly on schedule and perfectly on budget you wouldn't deviate from the bull's eye. Your goal is to stay on the bull's eye or in the upper right hand corner. The new version of Microsoft Project handles Earned Value quite well after you customize it using the Numbers fields. We cover this in great detail in our classes because it is so important. See also our PMMP Checklist.