

Best Practices in Project Management

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Abstract

Project management has evolved over time, becoming the principal mean of dealing with change in modern organizations. Best practices have occurred as a result of business evolution and of practicing project management at a global level. Best practices in project management, if followed, increase the chances of success in achieving goals when dealing with projects.

In this article we present the concept of best practice, the advantages of using best practices in project management, which are the best practices used today and also a comparison between two of the mostly used best practices methodologies in project management, Project Management Body of Knowledge and Project Cycle Management Guidelines.

Keywords: *project, project management, best practice, standard, guideline*

JEL classification: M10

I. Introduction

Projects, as a way to attain objectives, have been used since ancient times, generating important results to society and culture like The Great Wall of China, Ancient Roman roads, the first steam engine and many others. A project is a new, unique and temporary set of activities, with a defined beginning and end, which uses resources in a planned and organized way with the purpose of reaching certain objectives. The temporary nature of projects stands in contrast with repetitive or permanent activities.

The characteristics of a project require a specific type of management. Project management is the application of knowledge skills, tools and techniques to project activities. Project management is accomplished through the application and integration of the project management processes of initiating, planning, executing, monitoring and controlling, and closing (Project Management Body of Knowledge, 2004, pp. 38). Project management is recognized to be the key enabler of business change and a vital contributor to future business success (Whitty, Maylor, 2009, pp. 304).

Project management has evolved over time to a sophisticated and complex process, becoming the principal mean of dealing with change in modern organizations. As projects developed and knowledge was gained in this field, standards have occurred. Organizations and project management associations all over the world started to develop and follow these standards in order to optimize the project management activity.

In this article we are presenting the following issues regarding best practices in project management:

1. The concepts: best practice, guideline and international standard in project management;
2. Advantages of using best practices in project management;
3. Best practices methodologies used today in project management;
4. Comparison between two of the mostly used best practices methodologies in project management.

II. Best practices, guidelines or international standards in project management?

A best practice is a technique, method, or process that is believed to be more efficient and effective in achieving a goal than any other techniques, methods and processes, when applied to a particular condition or circumstance.

Best practice is based on experience and is used to describe the process of developing and following a standard way of doing things. In project management, best practice is a general term that includes:

- Guidelines;
- International standards.

Both standards and guidelines are looking to improve project management. In practice most project managers do not make any difference between the two concepts, reason why we decided to write this article about both international standards and guidelines in project management, as methods that can contribute to goal achievement when dealing with projects, as best practices.

Whereas standards are expected to be objective, definitive and robust, guidelines issued by professional bodies are open to interpretation (Ahlemann, Teuteberg, Vogelsang, 2009, pp. 293). But, standards issued by specialized organizations are usually based on best practices and guidelines given by professional bodies. However, sometimes guidelines become standards, such as

PMI's project Management Body of Knowledge, which became an ANSI norm in 2004 (Ahlemann, Teuteberg, Vogelsang, 2009, pp. 293).

III. Advantages of using best practices in project management

Historically, in the 1950s project management was first recognized as a separate management method, different from other management methods employed in government or corporate business (Nielsen, 2006, pp. 61).

Nowadays, project management has reached a global level, the methods of project management evolving in guidelines and international standards, generally accepted and employed. The attributes for global standards are: relevant, useful, acceptable, applicable, meaningful, used and valued, according to The Global Working Group (Nielsen, 2006, pp. 62, www.aipm.com).

The advantages of using international standards and guidelines in project management are (Figure 1):

a. Transfer of knowledge: Project management is the most widely found cause for failure to meet project objectives and goals (Nielsen, 2006, pp. 61). A standardized approach of project management comes to support the project manager when dealing with multiple projects with different competency needs, reducing the management risk and maximizing the achievement of goals;

b. Better communication: Communication is a key element in project management, being a major factor that influences the success or the failure of a project. Standards are also expected to help harmonize divergent terminology and different understandings of processes and methods (Ahlemann, Teuteberg, Vogelsang, 2009, pp. 292);

c. Time and cost savings: Projects are time dependent, so time management is part of project management. It's only when you measure time when you see how precious resource is spent reinventing the wheel (Ford, 2008, pp. 31). Best practices in project management bring the benefit of saving time and money in dealing with projects, goals that all project based organizations must strive toward, particularly in time of economic recession;

d. Better process quality: Standards and guidelines improve quality by reducing failure and maximizing the achievement of goals;

e. Better team work: The team will be better organized, the tasks will be clearly defined and the team work will be more efficient;

f. Better position on the market: Applying international standards and best practices in project management contributes to a better position of the business on the market, as it will prove high project management competence to all stakeholders;

g. An international approach of labor: A standard approach of knowledge, competence and processes facilitates working in an international environment;

h. Better monitoring and controlling of projects: In a global economy, standards are needed to improve the efficiency of monitoring and controlling international projects;

- i. A more efficient and objective audit: Standards are essential in auditing projects. Following international standards will increase the efficiency of the auditing process.



Figure 1 The advantages of using best practices in project management

Since projects are generally perceived to be unique, it cannot be expected that the same set of processes and methods will foster the success of each and every project (Ahlemann, Teuteberg, Vogelsang, 2009, pp. 294). Best practices in project management contribute to the achievement of goals, but project managers need to determine which project management methods can be generally applied and which are appropriate in specific situations. Project managers also need to be able to adapt the international standard to the cultural differences which appear in different areas or countries.

IV. Best practices methodologies used today in project management

A wide range of best practices is currently available for project management, issued by diverse organizational bodies, such as the large national and international official standard-giving organizations (e.g. ISO, ANSI), project

management associations all over the world and other associations that promote industry-specific standards (Ahlemann, Teuteberg, Vogelsang, 2009, pp. 292).

The organizational bodies that have the most significant activity in developing project management are: American National Standardization Institute (ANSI), the International Standardization Institute (ISO), the Project Management Institute (PMI), the International Project Management Association (IPMA).

Due to this diversity, the selection and application of project management guidelines and standards is a complex problem for organizations. The challenge is to identify a guideline or standard that:

- Is widely used among project partners and stakeholders so that a consensus can be established;
- Is applicable for this type of organization and the type of projects so that it can be implemented efficiently;
- Unfolds real benefits for the organization so that it is effective (Ahlemann, Teuteberg, Vogelsang, 2009, pp. 292).

For a best practice to be really beneficial it is important that the group of stakeholders accepting it to be as large as possible. Here, an important role is played by the leader who should be able to send powerful messages to the stakeholders (Nastase, 2009, pp. 1036). This may be explained by the network effect theory, since each additional stakeholder applying a standard or guideline makes it more useful for the rest of the community (Ahlemann, Teuteberg, Vogelsang, 2009, pp. 293).

In the following table we are presenting some of the project management standards and guidelines that are better known and mostly used.

Project Management Standards and Guidelines

Table 1

International Standard/Guidelines	Description
ICB	International Competence Baseline issued by the International Project Management Association (IPMA)
ISO 10006	Standard for quality management in project management issued by the International Standards Organization (ISO)
OPM3	Organizational Project Management Maturity Model issued by the Project Management Institute (PMI)
PMBOK	PMBOK Guide to the Project Management Body of Knowledge issued by the Project Management Institute (PMI); at the same time ANSI standard for project management (an American national standard)

International Standard/Guidelines	Description
PRINCE	Project management standard developed and issued by the British Office of Government Commerce (GOC)
P2M	A Guidebook of Project & Program Management for Enterprise Innovation issued by ENNA
PCM	Project Cycle Management Guidelines issued by the European Commission

We decided to make a comparison between the Project Management Body of Knowledge (PMBOK) and the Project Cycle Management (PCM), as both are well-known guidelines and the first one has also become an international standard.

a. The American point of view - PMBOK

The Project Management Institute (PMI) published the PMBOK Guide for the first time in 1987, in an attempt to standardize generally accepted project management information and practices. The PMBOK Guide was edited for the 4th time in 2008 and it is now one of the most widely used standards in project management.

The Project Management Body of Knowledge (PMBOK) is a collection of processes and knowledge areas generally accepted as best practice within the project management discipline. The PMBOK Guide it is also an internationally recognized standard that provides the fundamentals of project management as they apply to a wide range of projects. Specialized standards were developed as an extension to PMBOK, in order to suit special industries for example PMBOK Construction Extension and PMBOK Government extension.

b. The European point of view - PCM

In 1992, the European Commission (EC) adopted the “Project Cycle Management” (PCM), a set of project design and management tools based on the Logical Framework method of analysis. The manual was subsequently updated in 2001 and 2004.

The PCM Guidelines are targeted at EC Project Managers, their official partners in third countries, and other stakeholders such as non-state bodies and consultants who are engaged in the design and delivery of EC supported projects and programs (PCM Guidelines, 2004, p. 3).

The comparison will focus on the following elements:

1. Publication: PMBOK was first published six years before the production of PCM in 1993. The last edition of the guideline was published in 2008 for PMBOK and in 2004 for PCM.
2. Status (guideline vs. standard): Both PMBOK and PCM are guidelines, but the first one also became an ANSI norm in 2004.

3. Utilization: PMBOK is utilized in United States of America and in organizations all over the world, being the most widely used standard in project management. PCM is used especially in Europe, being the guideline adopted by the European Commission.

4. Approach of project management methods: The PMBOK Guide is process-based, as the PCM Guidelines is based on the Logical Framework method of analysis.

Content: PMBOK is general and it can be adapted to any organization, on the other hand PCM is specific, focused on the European Commission's Development Policy. PMBOK identifies five process groups when dealing with a project and PCM identifies five phases. There can be identified some common element between the two guidelines, as planning is similar to programming, executing to implementation and controlling and monitoring is similar to evaluation and audit.

PMBOK vs. PCM

Table 2

PMBOK	PCM
First publication: 1987 - The Project Management Institute ¹ (PMI) published the PMBOK Guide;	First publication: 1992 - The European Commission (EC) adopted the "Project Cycle Management" (PCM). The first PCM manual was produced in 1993;
Number of editions published: Four editions - The English-language PMBOK Guide - Fourth Edition was released on the 31st of December 2008;	Number of editions published: Three editions – The third edition PCM 'Guidelines' was released in 2004;
Status: Guideline and at the same time an ANSI standard for project management;	Status: Guideline;
Utilization: United States of America and organizations from all over the world;	Utilization: European Union and third countries, as PCM is a guideline used especially by the European Commission;
Approach: The PMBOK Guide is process-based, meaning it describes work as being accomplished by processes;	Approach: PCM is based on the Logical Framework method of analysis;

¹ The Project Management Institute was founded in 1969, in United States of America and is recognized to be the largest project management professional organization, with a world wide activity in this field.

PMBOK	PCM
<p>Content: POBOK Guide describes processes in terms of:</p> <ul style="list-style-type: none"> • Inputs; • Tools and Techniques; • Outputs. <p>The PMBOK Guide recognizes 44 processes organized in five basic process groups and nine knowledge areas.</p> <p>The five process groups are: Initiating, Planning, Executing, Controlling and Monitoring, and Closing.</p> <p>The nine knowledge areas are: Project Integration Management, Project Scope Management, Project Time Management, Project Cost Management, Project Quality Management, Project Human Resource Management, Project Communications Management, Project Risk Management, and Project Procurement Management.</p>	<p>Content: The PCM Guideline is structured in two parts:</p> <p>Part 1:</p> <ul style="list-style-type: none"> • The EC Development Policy; • The role of projects as an EC aid delivery mechanism; • PCM operational guidelines - This section provides an overview of Project Cycle Management and an operational description of each stage of the project cycle. <p>Part 2:</p> <ul style="list-style-type: none"> • A detailed description of the Logical Framework Approach and references to a number of other complimentary tools used to support structured analysis and informed decision-making at various stages of the project management cycle. <p>The PCM has five phases: Programming, Identification, Formulation, Implementation, Evaluation and Audit.</p>

Conclusions

The evolution of project management has determined the appearance of guidelines and standards in this field. We consider both guidelines and standards to be best practices, based on experience. In this article, we presented the advantages of using best practice methodologies in project management.

In this article, we also presented the best practices methodologies used today in project management, focusing on two of the mostly used guidelines in project management - PMBOK and PCM Guidelines.

The general nature of PMBOK makes the guideline applicable in all types of organizations, from all over the world. On the other hand, the PCM Guidelines is adapted to the European Commission's Development Policy and probably better in this specific case.

As a conclusion to the comparison, we think that PCM will probably never become an international standard, as PMBOK is, because of its specific nature.

Although it cannot be said which best practice is better, we consider that the number of stakeholders accepting it should be the criteria when choosing the

guideline or standard to be applied. As a future research in this field, we will analyze the process of choosing a standard in organizations from all over the world.

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