January 11th Meeting

USING WIZARDS AND CLAIRVOYANTS IN YOUR DECISION MAKING

By Ray Stratton

THE FUTURE IS SELDOM CERTAIN (except for those infamous two). But every day you make personal and professional decisions in the face of uncertainty. Do you change jobs or stay put? Do you select vendor A or vendor B? Is it going to be Cabo or Cozumel next summer? Of course, only time will tell if your decision is the right one. However, using formal decision analysis will help you make the best possible decision. Ray will take you through constructing an influence diagram and drawing a decision tree to fully understand the uncertainties and the possible outcomes. From the tree you'll learn how to value the possible outcomes and how to estimate the degree of uncertainty. If you're unsure about the range of uncertainty, how much research should you do? Should you hire an expert? Should you just refine your guess? Or should you concentrate on a different uncertainty? Ray will show you how to compute the "value of perfect information." This is the practical spending limit for further research on a specific uncertainty.

Can you possibly influence or control an uncertainty through political or other means? If so, what is the upper limit you should spend to exert your influence? The "value of perfect control" will define your practical spending limit to exert that control. See where wizards and clairvoyants play a role in defining your personal value model and the uncertainties that concern you. Before you go home you'll know how decision analysis can reduce your next serious decision from a roll-of-the-dice to a carefully thought out decision.

Ray Stratton has over 25 years experience in engineering and project management. Seven years ago he founded Management Technologies to bring this experience in the hard skills of project management to the project management community. Since that time he has educated and addressed project management professionals throughout the U. S. and Mexico on various topics to increase the objectivity in project management. He recently provided two-day seminars for PMI (Atlantic City) and Project World '99 (San Jose), and will be conducting public seminars this spring in Atlanta, Washington, Dallas, and San Diego. He also teaches project management for UCI, and CSULB Systems and Software Engineering Forum for Training (SSEFT). Ray is a member of PMI, the Defense Systems Management College Alumni Association, and the Cal Poly Computer Science Industry Advisory Council. To keep his triple constraints under control, he can be found flying from Fullerton airport or working as a volunteer FAA Aviation Safety Counselor.

ORANGE COUNTY CHAPTER **PMI**™

Christina Lee
AIM

Howard Clarke
Daly Commerce, Inc.

Robin Goncher
Ericsson Inc.

Kent Messersmith
GTE

Randy Renk
Boeing North America

Nicholas Kozma

Gerald Crain

Teresa Bonner
Authomatic Data Processing, Inc.

Maria Mancuso
Entex Information Services

David Pessoa
Real Enterprise Solutions

Diane Sagey

Samer Dajani
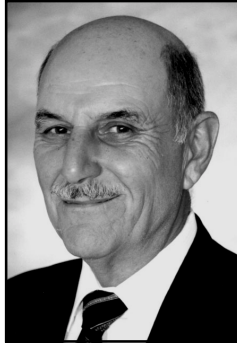Verteq, Inc.

Jaymee Jusko

Hamid Madjidi

Vanessa Moody

Elizabeth Lowerison
Caltrans

Kevin Dudley
Cap Gemini America

Sandra Kleinpeter
Gemini Consulting

Douglas Stockdale

THE PRESIDENT'S COLUMN

IN MY COLUMN FOR THE DECEMBER, 1999 ISSUE, I highlighted our chapter's accomplishments for the last 12 months. It is now time to address what we plan to accomplish for the first year of the new century and millennium. This is a preliminary charter which I will submit to your new Board of Directors for their advice and council at the next board meeting. Upon its approval we will then submit the final charter within the "Request For Chapter Charter Renewal" to PMI Headquarters, which we are required to do at the beginning of each year. The final version will then become our *Future Objectives & Goals*.

Membership
- Increase our membership by 30 percent. This is the same goal we established and achieved last year.
- Continue with our effort to improve the membership database and seamlessly merge it with PMI HQ's Data Exchange Program (DEP). Improve the retrieval capability from the membership database to extract useful reports in order to be of better service to our membership.
- Improve our effectiveness in retaining former members to the extent of our success in recruiting new members.

Continue Our Mutually Beneficial Collaboration With The Los Angeles Chapter
- Planning and implementation of our joint PMP Exam Workshop starting in January, 2000 is well underway. We expect this to be a successful program. *(Thanks to Warren Nogaki and Charlie Lopinsky)*.
- Planning has started to develop a two-day conference in project management, targeted for early 2001.

Programs
- Plan for speakers for at least the next six months, including a forum of PM experts for discussing salient topics of interest.
- Establish and implement a more efficient procedure for registering members and guests for our monthly dinner meetings. Refine methodologies for dinner meeting activities, including collecting monies, reservations, cancellations as well as follow up efforts to recruit new members from guest attendees.
- Design and reinstate a new questionnaire to obtain and evaluate feedback on the quality of the speakers' presentations, the food and other pertinent items that could aid us delivering better service to our attendees.

Finance
- We are going to start this year using new financial software to greatly improve our ability handle our budgeting, cash flow, net worth reporting, and tax filing.
- We must process the necessary papers for incorporating our chapter as mandated by PMI headquarters. Incorporation is required for all chapters and SIG's.

Operations
- Continue to update our Chapter Operating Manual, including officer and committee job descriptions, transition plans, operating and budget planning procedures, to reflect the reorganization of the board as mandated by our revised chapter constitution.

Professional Development
- Plan and implement the chapter's PMP workshop scheduled to commence in mid-April, 2000.
- Plan and track PMP re-certification

Corporate Relations
- Our revised chapter constitution created this new board position, headed this year by past president, Marty Wartenberg, to develop a corporate outreach program targeted to local companies to increase awareness and benefits of PMI, by creating publicity programs and promoting corporate membership and sponsorship.

Communications
Over the past two years we greatly expanded our media from a mailed newsletter to now include the e-mail list server and the PMI-OC website. We will continue to improve the quality of content and format in all media.

As you can readily discern, this is a full plate! Your chapter and your board would sincerely welcome your involvement in taking our chapter to new heights of excellence. I would love to hear your comments on this agenda.

Dave Jacob

Project Management Institute (PMI)
Orange & Los Angeles County Chapters

Project Management Professional (PMP)
2000 Certification Workshop

"…. Building Professionalism in Project Management…"

Be recognized for working in Project Management. Apply for a PMP Certification.

Purpose of Workshop: The purpose of this workshop is to help PMI Members prepare for the PMP Certification Exam by providing the materials and guidance for members to prepare for the exam. The sessions are conducted by PMI members from the Southern California area who are PMP's, or are recognized as experts in the subject matters being instructed.

Location: Computer Science Corporation
2100 E. Grand Avenue
El Segundo, California

Saturdays 8 am-5 pm

Date:	Time:	PMBOK Area
29 Jan	(8-12)	Overview/Study Prep and Integration
	(1-5)	Scope
12 Feb	(8-12)	Time
	(1-5)	Communications and Human Resources
26 Feb	(8-12)	Cost
	(1-5)	Contracts
11 Mar	(8-12)	Risk
	(1-5)	Quality
25 Mar	(8-5)	Comprehensive Review

Certificates of completion will be provided for students completing all sessions.
Certificates of attendance will be given for hours attended to all others.

Workshop Registration:
Please refer to the Orange County homepage (below) for registration directions.

Workshop Fee: Must be paid prior to registration acceptance.
PMI Members. .... **$450**   Non-PMI Members. **$700**

Ensure your education and work experience will qualify you for the PMP. Review PMP Certification Handbook requirements via http://www.pmi.org/certification/certbrochure.htm#in

A copy of the PMBOK will be provided to all students at the workshop.

Refer to our homepage for the most current registration information on: (http://www.pmi-oc.org/)

The Institute of
Project
Performance
Improvement
In association with SynerProject, Inc.

Planning and Managing Information Technology Projects

A Practical 4-Day Workshop that will help you learn Project Management Concepts, Skills, and Techniques needed for Success on an Information Technology Project!

You will be provided with…

….A workable plan of action for managing IT <u>projects</u> <u>effectively</u>!

….Strategies for enhancing quality and <u>reducing</u> <u>risk</u>!

….A process that <u>reduces</u> project <u>cycle</u> <u>time</u> and <u>costs</u>!

<u>Workshop Dates and Locations</u>

<u>Irvine, CA</u>	<u>San Diego, CA</u>
Feb. 29 - March 3, 2000	March 6-9 2000
April 4-7, 2000	April 11-14, 2000
May 30 -June 2, 2000	June 6-9, 2000

<u>REGISTRATION FEE</u> *of $1495.00 INCLUDES ALL WORKSHOP MATERIALS AND REFRESHMENT BREAKS.*

<u>TO REGISTER:</u> **Phone 1-800-847-2851   FAX: 949-474-3004**
Website: www.synerproject.com

NEED MORE INFORMATION?   **Call us at 949-474-2332**

Knowledge - your competitive advantage!

4

As David Jacob pointed out in the President's Column, membership has three goals for the year 2000:

- Increase our membership by 30 percent. This is the same goal we accomplished last year.
- Continue with our effort to improve the membership database and seamlessly merge it with PMI HQ's Data Exchange Program (DEP). Improve the retrieval capability from the membership database to extract useful reports in order to be of better service to our membership.
- Improve our effectiveness in retaining former members.

In addition, we have accepted an additional responsibility in support of our newest board position, Corporate Relations. We will build and maintain a new PROJECT SPONSOR database. This database will contain information about individuals who:

- work in Orange County
- sponsor projects
- employ or might employ project managers
- should know more about PMI

Our initial use of the database will be to add these people to the distribution for MILESTONES. We will also use this information in connection with the Corporate Relations program. The names will remain under the control of the chapter board and will not be used for personal or commercial purposes.

You probably know people who should be in this new database. We are asking that you submit their information by faxing the form below, by sending an E-mail, or by preparing your own list and mailing it to us. If each member does his or her part, we'll do a lot to increase awareness of PMI among the people who most need to know. If you don't have all the information, please submit what you have. Thank you very much for your help.

Date: _____ Submitted by: _____

Sponsor's Name: _____ Title: _____

Company: _____ Telephone: _____

Address: _____

City: _____ State: _____ Zip: _____

Fax: _____ E-mail: _____

Business/Industry _____

Number of projects/year _____ Number of project managers employed _____ Number of employees _____

PMI Member? Yes _ No _   Attended a PMI meeting? Yes _ No _   May we use your name? Yes _ No _

Please submit to: Edward J. (Ed) Fern
Project Management Institute   E-mail: edfern@time-to-ɪ
Orange County Chapter   Fax: (949) 458-8976

Thank you,
Ed Fern

PMP EXAM QUESTIONS

TRY YOUR KNOWLEDGE ON PMP EXAM QUESTIONS (answers are on page 7)

Here is a sample of some questions:

1. The four key stakeholders on every project are:
   a. Senior managers, customer, sponsor and functional managers
   b. Project manager, project team, senior managers and customer
   c. Project manager, customer, performing organization and sponsor
   d. Project manager, functional managers, senior managers and customer
   e. Suppliers, contractors, customers and sponsor

2. Life-cycle cost estimates consider the:
   a. Costs of the project for the concept, planning, implementation and closeout phases
   b. Expected profits measured by subtracting total costs from estimated gross revenues
   c. Cost of ownership, including the costs of operation and disposal
   d. Project costs at the time of customer acceptance
   e. Acquisition costs only

3. In bottom-up estimating, accuracy is enhanced:
   a. With smaller work items
   b. By using accurate historical information
   c. If previous projects are similar in fact, not just in appearance
   d. If the individuals or groups preparing the estimates are fully qualified
   e. Through the use of computerized tools

4. The Kanban technique is an approach that supports the:
   a. Taguchi method
   b. Just-in-time concept
   c. Use of control charts
   d. Development of Pareto diagrams
   e. Development of Ishikawa or fishbone diagrams

1. c. **Project manager, customer, performing organization and sponsor.**
    The project manager manages the project; the customer uses the project product; the performing organization performs the project work; the sponsor within the performing organization provides the resources, in cash or in kind, for the project. Although the other groups or individuals mentioned are important, the four given as the correct answer are the ones responsible for bringing the project to fruition.

2. c. **Cost of ownership, including the costs of operation and disposal**
    Life-cycle cost represents the total cost of ownership, which includes the cost of the project as well as the cost of operating, maintaining and disposing of the product after it has been turned over to the customer and placed in service.

3. a. **With smaller work items.**
    Bottom-up estimating entails estimating the costs of individual work items and then summarizing these estimates to obtain a project total. Accuracy is enhanced because estimating costs is easier for smaller work items than for larger, more complex ones.

4. b. **Just-in-time concept.**
    The Kanban technique helps to control the flow of material. It uses tags, status display boards, small designated material-transfer spaces, dedicated containers, and similar mechanisms to give better visibility and control to the flow of material. It reinforces the just-in-time demand-based system for material flow by limiting the quantity of material that may be held to the amount calculated for just-in-time processing.

ORANGE COUNTY CHAPTER PMI™

MONTHLY MEETING
TUESDAY, JANUARY 11, 2000

Program: USING WIZARDS AND CLAIRVOYANTS IN YOUR DECISION MAKING

Location: Holiday Inn, 2726 Grand Avenue, Santa Ana
Next to the 55 Freeway next to the Dyer Road Exit.
(The Dyer Road exit from the __northbound__ 55
is closed until further notice.)

Time: 5:30 - 7:30

Cost:

In Advance	Members	$25.00
	Non-Members	$27.50
At the Door	$30.00	

Please register online at __http://www.pmi-oc.org__

__PLEASE NOTE:__ PMI of Orange County has a new address:

Or mail your check to:
PMI - Orange County
P. O. Box 15743, Irvine, CA 92623-5743

WHAT IS PMI?

THE PROJECT MANAGEMENT INSTITUTE
is a non-profit professional organization dedicated to advancing the state-of-the-art in project management. Anyone involved or interested in project management, regardless of industry or discipline, is encouraged to attend the monthly meeting to find out more about PMI and the Orange County Chapter.

E-MAIL
If you would like to make an E-mail announcement to all PMI members, contact **RStein@PTSStaffing.com.**

ORANGE COUNTY WEB SITE
Visit our web site at:
http://www.pmi-oc.org
to reserve your place at the meeting and to stay informed of events that are important to members and to project management.

PMI/OC   MILESTONES

Project Management Institute
Orange County Chapter
PO Box 8026
Newport Beach CA 92658-8026

ADDRESS CORRECTION REQUESTED