

MILESTONES

1991, 1992, 1993, 1995 & 1997 CHAPTER OF THE YEAR

FEBRUARY 2000, Volume 12, Number 2

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Tel: (310) 371-7495 Fax: (310) 376-3246
E-mail: lopinsky@aol.com

February 8th Meeting

STUPID THINGS ARCHITECTS/ENGINEERS AND CONSULTANTS DO

By James G. Zack, Jr.

A/E AND CONSULTING CONTRACTS often go bad. That is, at the end of the project, clients don't pay, or they demand additional work with no additional money. Sometimes legal action is initiated by the client against the A/E or consultant, or sometimes legal action is filed against the client, and the client looks to the A/E or consultant to indemnify them. When situations like this arise, it is frequently easy to look back and say, "If only we had done . . .," but, it's too late. This practical presentation discusses ten of the most common ways architects, engineers and consultants "shoot themselves in the foot." Mistakes, and their ramifications, will be identified and discussed. In the course of discussion, advice on how to prevent such mistakes on future projects will be offered.

James G. Zack, Jr. is a Vice President of PINNACLEONE and Director of the PINNACLEONE Institute, an educational institute established for the purpose of providing professional development seminars in the areas of project management, claims mitigation and claims management. He has, for 27 years, worked on public construction projects and is a recognized expert in mitigation, analysis and resolution or defense of construction claims. Mr. Zack has worked on behalf of clients throughout the nation and overseas. He has been involved in more than 2,500 claims, and has been designated as an expert witness in mediation, arbitration and litigation. Mr. Zack is a Certified Construction Manager through CMAA and a Project Management Professional through PMI. Mr. Zack is a nationally known author, speaker and trainer concerning the management, mitigation and resolution of construction claims on public works projects.

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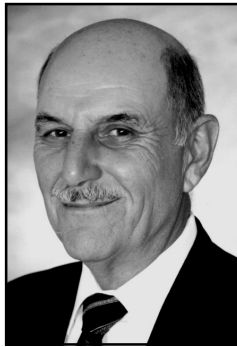
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THE PRESIDENT'S COLUMN



IT HAS BEEN MY CUSTOM to occasionally deviate from chapter affairs and use this column to express my thoughts on subjects pertaining to our profession. Well, here's one of those times. I recently took an informal poll of several individuals, whom I consider to be qualified project managers. I posed the following three questions to them:

1. Do scope changes occur in most of your projects?
Typical answer: Yes, scope changes are a way of life on my projects.
2. Does it take effort and time to develop change proposals?
Typical answer: You bet, and the effort is directly proportional to the impact they have on the original project baseline.
3. Where and how do you obtain funding for these change proposals?

When confronted with the third question, the responses were quite varied: shoulder shrugs, rolled eyes and attempts at coherent answers, like the following:

"Gee, I dunno, I guess I bootleg it. I do whatever works," or
"I usually have the team charge their effort to existing authorized Work Packages," or
"I try to get the functional organizations to absorb the costs in their overhead," or
"I try to get Marketing to pick up the tab," or whatever!

At best, these answers show a definite inconsistency in how change proposal costs are handled. At worst, funding these proposal activities is too often treated as if it were some *ad hoc* endeavor, entailing the re-invention of the proverbial wheel each time a change proposal is needed.

There is a way out of this quandary. I first used it some 17 years ago when I was confronted with a major change proposal directed by my customer. It eventually became an integral part of every WBS template in the organization I worked for at that time. It's simply this!

When you develop the original WBS for your project, create a Level 2 WBS element and entitle it, "Change Proposal Activities." I call this a "dormant" WBS element, since it contains no additional information at the outset. However, it is there, ready to be *activated* whenever a change proposal is required. You now have the mechanism to initiate a separate cost proposal account under this WBS element, including all of the subordinate Work Packages necessary to identify the effort and collect the costs for creating the change proposal. Each time a change proposal is required, you can open a new cost account under this element with its own set of Work Packages.

There are several tangible benefits in using this technique:

- It keeps proposal costs segregated from mainstream project work.
- Segregating proposal costs maintains the integrity of the project's historical records for the benefit of future projects. Change history is now easily identified and retrieved, providing useful knowledge for future projects, especially if the new projects are similar.
- It establishes a consistent methodology from project-to-project for change proposal activities.
- It alerts all stakeholders to the fact that there are two types of costs for scope changes, the cost for implementing the scope change and the often-overlooked costs for preparing the scope change proposal.
- Having the "dormant" element embedded in the WBS, whether it is used or not, sends an "alert" signal to all external stakeholders that *this project will address all scope changes systematically and proactively.*
- If, for some accounting reason, change proposal costs collected within the project are disallowed, they can be easily identified, collected, and journalized to another account external to the project.

In the final analysis, we need to recognize that a change-of-scope proposal is a project unto itself, albeit a mini-project affecting the main project. As in any project it should invoke all five of the process groups in the PMBOK™, in varying degrees: initiating, planning, executing, controlling and closing. As in any project it creates a set of deliverables, and those deliverables are the changes to the project's baseline.

Dave Jacob

ANNOUNCEMENT

Project Management Institute (PMI) Orange County Chapter

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 assist PMI Members to prepare for the PMP Certification Exam by providing them with study materials and guidance. The sessions are conducted by Southern California PMI members who are PMP's, or are recognized as experts in the subject matter being taught. Refer to the PMI-OC homepage for current location information.

Saturdays 8 am-5 pm

<u>Date:</u>	<u>Time:</u>	<u>PMBOK Area</u>
8 Apr	(8-12) (1-5)	Overview/Study Prep and Integration Framework
22 Apr	(8-12) (1-5)	Scope Communications
6 May	(8-12) (1-5)	Time Human Resources
20 May	(8-12) (1-5)	Cost Contracts
3 Jun	(8-5) (1-5)	Risk Quality Communications
17 Jun	(8-5)	Comprehensive Review

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

Workshop Registration:

Please refer to the Orange County homepage (below) for registration instructions.

Workshop Fee: Must be paid prior to registration acceptance.

PMI Members. \$450 Non-PMI Members. \$600

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>

Refer to our homepage for registration information on: (<http://www.pmi-oc.org/>)

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UCR Extension Project Management Courses

Spring Quarter

Project Risk Management and Analysis

Date/Time: Tuesdays, 6:30-9:30 pm, April 11-June 13

Location: UCR: UCR Extension Center,
1200 University Ave.

Fee: \$255 EDP 94B29

Project Management Simulation/Practicum

Date/Time: Thursdays, 6:30-9:30 pm, April 6-June 8

Location: UCR: UCR Extension Center,
1200 University Ave.

Fee: \$255 EDP 94B27

For more information, contact UCR Extension at
(909) 787-4111 or check out our Web site:
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PMP EXAM QUESTIONS

TRY YOUR KNOWLEDGE ON PMP EXAM QUESTIONS
(answers are on page 6)

Here is a sample of some questions:

1. Which of the following is the primary objective of establishing a quality assurance process?
 - a. Completed checklists
 - b. Process adjustments
 - c. Quality improvement
 - d. The quality management plan
2. The method of calculating the EAC by adding the remaining project budget (modified by a performance factor) to the actuals to date is used most often when the:
 - a. Current variances are viewed as atypical ones
 - b. Original estimating assumptions are no longer reliable because conditions are changed
 - c. Current variances are viewed as typical of future variances
 - d. Original estimating assumptions are considered to be fundamentally flawed
3. Unlike bar charts, milestone charts show:
 - a. Schedule start or completion of major deliverables and key events
 - b. Activity start and end dates
 - c. Expected durations
 - d. Dependencies
4. The tool or technique used for communication planning is:
 - a. Stakeholder analysis
 - b. Communication skills
 - c. Information retrieval systems
 - d. Information distribution systems

ABOUT MEMBERSHIP

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.

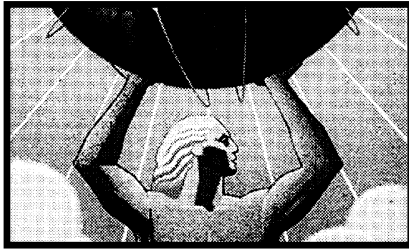
Date: _____	Submitted by: _____	
Sponsor's Name: _____	Title: _____	
Company: _____	Telephone: _____	
Address: _____		
City: _____	State: _____ Zip: _____	
Fax: _____	E-mail: _____	
Business/Industry _____		
Number of projects/year _____	Number of project managers employed _____	Number of employees _____
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
Orange County Chapter
PO Box 15743
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*Thank you,
Ed Fern*

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ANSWERS TO PMP EXAM QUESTIONS

1. c. **Quality improvement**
This process increases the effectiveness and efficiency of the project and provides added value to the project stakeholders
[Executing] PMBOK '96, pg. 89
2. c. **Current variances are viewed as typical of future variances**
Past performance is indicative of future performance; therefore, using a performance indicator to modify the remaining project budget yields the more accurate estimate.
[Controlling] PMBOK '96, pg. 81
3. a. **Schedule start or completion of major deliverables and key events**
Milestones are singular points in time, such as the start or completion of a significant activity or group of activities
[Planning] PMBOK '96, pg. 70
4. a. **Stakeholder analysis**
Stakeholder analysis is used to analyze the information needs of the stakeholders and determine the sources to meet those needs. The analysis should include consideration of appropriate methods and technologies for providing the information needed.
[Planning] PMBOK '96, pg. 106\

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BOOK REVIEW

HOW COME EVERY TIME I GET STABBED IN THE BACK MY FINGERPRINTS ARE ON THE KNIFE?

AND OTHER MEDITATIONS ON MANAGEMENT

by Jerry B. Harvey

176 pages (August 1999)

Jossey-Bass Publishers; ISBN: 0787947873

JERRY HARVEY TELLS GREAT STORIES, and he tells them very well. I know he tells them well because, as I read them, I find myself thinking and feeling at the same time . . . just like being really alive. I know they are great stories because, when I finish them, I know I got something important for my investment of time and effort.

The point of this new book is that we often (maybe always) play an ACTIVE role in setting ourselves up for what we later call getting stabbed in the back. If we believe that, and we can learn to recognize how we are doing it, maybe we can avoid doing it and not get stabbed. Somehow that seems like a worthwhile goal to me.

Whether you avoid back stabbing or not, I think you'll enjoy reading this book a lot. It's certainly well worth the \$16.80 at Amazon.

PMP CERTIFICATION EXAM CENTERS

Candidates can now schedule their computer-based PMP certification examinations at Assessment Systems, Inc. (ASI).

To schedule an appointment for the examination, eligible candidates should call ASI at 877-244-1688. Candidates may also register with ASI via the Internet at www.asivcs.com.

Detailed scheduling information will be provided in the candidates' eligibility letters. Questions regarding exam scheduling should be directed to the Certification Program Department.

For information on paper/pencil-based certification examinations, please contact the Certification Program Department. e-mail to: certasst1@pmi.org

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.



MONTHLY DINNER MEETING

TUESDAY, FEBRUARY 8, 2000

Program: STUPID THINGS ARCHITECTS, ENGINEERS AND CONSULTANTS DO

Location: Holiday Inn, 2726 Grand Avenue, Santa Ana
Next to the 55 Freeway next to the Dyer Road Exit.

Time: 5:30 - 9:00 p.m.

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 92658-8026

E-MAIL

If you would like to make an E-mail announcement to all PMI members, contact RStein@PTStaffing.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 Orange County MILESTONES

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PMI-Orange County Chapter

MILESTONES is published for the members of the Orange County Chapter of the Project Management Institute for the purpose of notifying members of meetings, Chapter activities, member accomplishments, and to provide information regarding project management in local business and government agencies. Advertising is welcome. However, its publication does not constitute endorsement by the Chapter or the Project Management Institute.

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Orange County Chapter

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