# CHAPTER 4

# Project Scope Management

# Hand Out # 4

# Learning Objectives

When you have completed this chapter you should be able to:

1. Understand the importance of good project scope management
2. List the reasons why most firms invest in information technology projects
3. Describe the strategic planning process and how it relates to information technology project selection
4. Apply different project selection methods such as a weighted scoring model and net present value analysis
5. Explain the purpose of a project charter, scope statement, and work breakdown structure
6. Construct a work breakdown structure
7. Describe tools and techniques to assist in scope verification and change control on information technology projects

# Chapter Outline

**What is Project Scope Management?**

**Project Initiation: Strategic Planning and Project Selection**

Identifying Potential Projects

Methods for Selecting Projects

Focusing on Broad Organizational Needs

Categorizing Information Technology Projects

Net Present Value Analysis, ROI, and Payback Analysis

Weighted Scoring Model

Project Charters

Scope Planning and

the Scope Statement

The Scope Statement

###### Scope Definition and the Work Breakdown Structure

The Work Breakdown Structure

Approaches to Developing Work Breakdown Structures

Using Guidelines

The Analogy Approach

The Top-Down and Bottom-Up Approaches

###### Scope Verification and Scope Change Control

Suggestions for Improving User Input

Suggestions for Reducing Incomplete and Changing Requirements

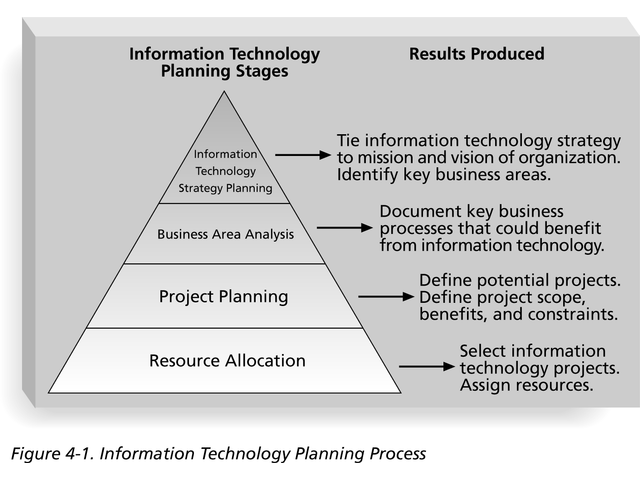
# Lecture Notes

## What is Project Scope Management?

**Scope refers to all the work involved in creating the products of the project and the processes used to create them. Project scope management includes the processes involved in defining and controlling what is or is not included in a project.** Many projects fail due to poor scope management. Scope management is difficult because people have different understandings of what should be done on projects. It is very important to ensure that the project team and stakeholders have the same understanding of what products will be produced as a result of a project and what processes will be used in producing those products.

## Project Initiation: Strategic Planning and Project Selection

Some may confuse strategic information systems with strategic planning; only strategic information systems projects should be done. Not all projects produce strategic information systems, and a lot of strategic planning does not refer to information technology. Figure 4-1 provides a good summary of the relationship between strategic planning and project selection.

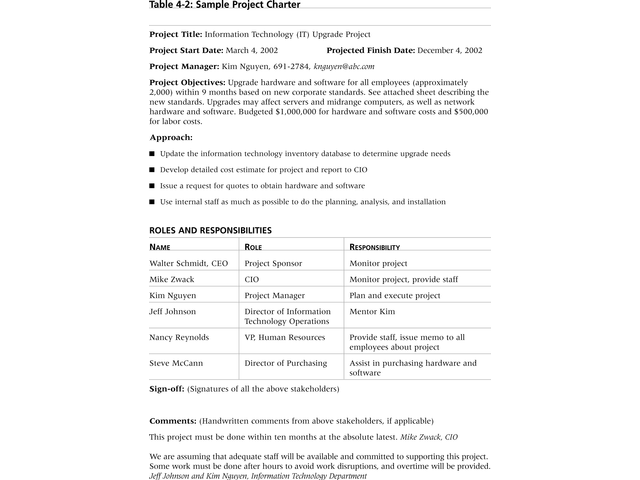


An important part of ensuring project success is to pick important projects to work on in the first place. Table 4-1 shows the main reasons why firms invest in information technology projects. Even though many have heard of the importance of addressing business needs, the fact that information technology should support explicit and implicit business objectives and provide strong financial returns. The least cited reason firms invest in information technology projects is to introduce new technology. The information technology should support business needs first and foremost.



**Project charter**

Project Charter is a very important tool in project management. The purpose of a charter ⎯ to formally recognize the existence of a project and provide direction on the project's objectives and management, see Table 4.2.

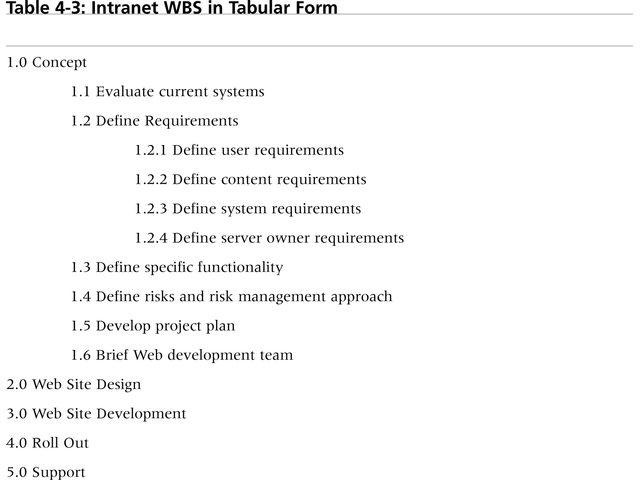


## Scope Planning and the Scope Statement

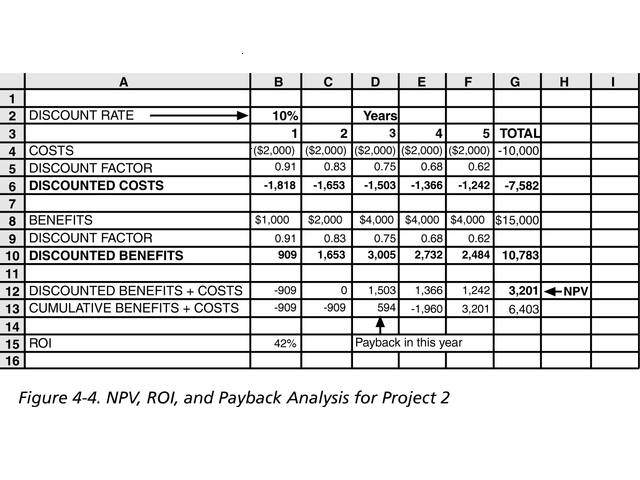
After a project charter is done, many projects require additional documentation to determine the scope. **A scope statement is a document used to develop and confirm a common understanding of the project scope. A Statement of Work (SOW) is a type of scope statement used in many government projects. Scope statements vary depending on the nature of the project.**

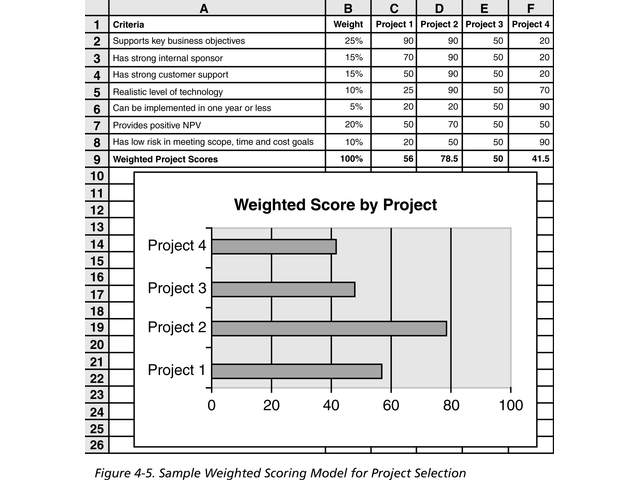
## Scope Definition and the Work Breakdown Structure

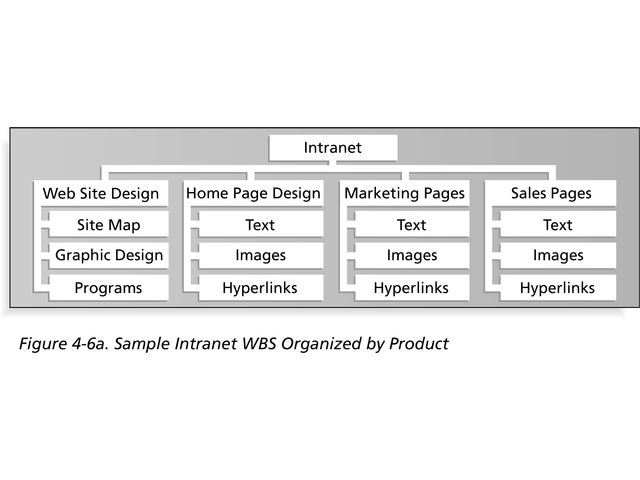
Understanding and creating **work breakdown structures (WBS)** are a very important part of project scope management. The sample files in MS Project to show the WBSs. The tasks you enter in MS Project should follow a WBS format.

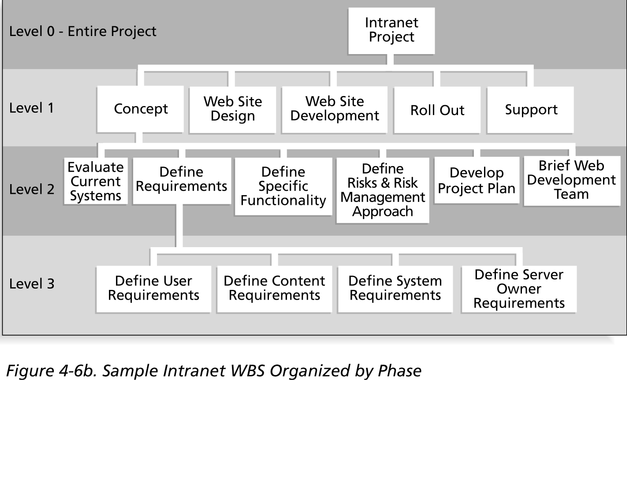


Different approaches to developing WBSs, and include the fact that there are different ways to create WBSs for the same project. The fact that it is difficult to create a good WBS, see Tables 4.3 & 4.4 and Figures 4.5, 4.6(a & b) & 4.7 below.









**Scope Verification and Scope Change Control**

Table 4-4 shows the first three factors causing information technology project problems:

* lack of user input,
* incomplete requirements and specifications, and
* changing requirements and specifications

All relate to scope verification and change control.

