HONOLULU, HAWAII CHAPTER

Chapter Milestone: Over 500 Members!

Chapter President Tim Sprowls recognizes the 500th member, Christopher Hart. Tim hands Christopher a Certificate of Appreciation while the Board of Directors witnesses this momentous event. The chapter marks its 15th anniversary in 2013.

IN THIS ISSUE

Introducing Our 500th Member: Christopher Hart
by Ed Tsang - Publicity Director

Please welcome Christopher Hart for becoming the five hundredth member to join our PMI Honolulu Hawai'i Chapter as of September 2013! Our chapter has grown from less than 100 members during the initial years the chapter formed in 1997 to about a peak of 320 members 3 years ago.

Christopher Hart is a project manager in Honolulu's healthcare industry with TeamPraxis since 2011. He also worked in San Diego in the Information Technology industry on such products as games, websites, and video production. Christopher choose the Honolulu, Hawaii Chapter as part of his pursuit of the PMP certification, to increase project management knowledge and study towards his PMP. He views PMP as the industry standard and persons with this credential are in demand. His passion for project management is fueled by diversity in organizations and clients, and experiencing the full product development life cycle. Outside of project management, Christopher enjoys water sports including surfing, snorkeling, and fishing. Fun fact: Christopher was once a pilot, serving as a captain for commercial airlines flying routes over Hawaii (via Mokulele) and on North America.

Aloha, Christopher !

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OUR PROJECT MANAGEMENT DISCIPLINE, OUR CHAPTER, & OURSELVES

Contributing Writer: Realistic Time Estimating - A Critical Problem
by Ken Smith, PMP

Realistic time estimating and scheduling is particularly critical for both when:

- Contractors with Firm Fixed Price (FFP) contracts, as well as
- Clients/Donors awarding Cost Plus Fixed or Incentive Fee (CPFF & CPIF) -type contracts.

However, participants in my seminars pinpoint the difficulty of developing realistic time estimates as one of their major concerns.

Experienced project managers unanimously acknowledge that -- for one, or more, reasons -- schedules were typically over-optimistic. However even those using the standard "PERT" three-time method to estimate activity & project duration said that in practice both the "Most Likely" and the subsequently-calculated "Earliest Expected" times were over-optimistic & unrealistic!

As a bit of background, the PERT 3-time technique is a statistical probability-based time estimating technique that has been around since the early 1960's – back when I was a management intern on the U.S. Navy's Polaris Project (*I was shocked when visiting Pearl Harbor with some of my grandkids to see a Polaris Missile as a museum piece on exhibit near the Bowfin !*) – and today is a standard industry tool, incorporated into many scheduling softwares for use when there is uncertainty with individual activity time duration estimates. The formula is:

$$t_e = \frac{Opt + 4M + Pess}{6}$$

Where: t_e = **expected time estimate** i.e. a weighted average or "mean" of the range of possibilities

        Opt   = optimistic time estimate
        M   = most likely time estimate
        Pess   = pessimistic time estimate
        4   = a constant weight
        6   = a constant divisor

For example, where Opt = 3; M= 7 and Pess = 23:

$$\begin{aligned} t_e &= [3 + 4(7) + 23] / 6 \\ &= [(3 + 28 + 23)] / 6 \\ &= 54 / 6 \\ &= 9 \end{aligned}$$
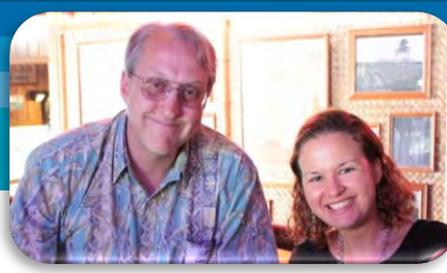
However, the underlined fundamental flaw in using this formula to estimate an Activity (activities, and project schedule) duration, is that the resultant te is -- by definition -- a weighted average. Hence the probability for completing the Activity (activities, and project schedule) on time is only 50%. In other words, at the outset, the Project Activity duration is under-estimated at least half of the time, so if used runs **a very high risk that the schedule will be overrun**. Although seemingly more statistically sophisticated than the **simple 3 point estimate** – which is an arithmetic mean -- both approaches are no better than tossing a coin to determine the success or failure of an outcome! Indeed, using either the simple 3 point estimate or the PERT formula is even worse than playing Russian Roulette (RR) . In RR, the probability of being killed is "only" 17 % (i.e. 1 chance in 6) and the probability of surviving is 83%.

So what can you do to increase *your* chances for success?

PERT Formula — My Work-Around Solution

The PERT formula is based on probability theory, so we can also augment it to determine a more comfortable (i.e. less risky) probability for a successful outcome -- such as 95% -- or a 20 to 1 success rate. [*For those of you who are interested in the derivation of the theory, see the diagram below that illustrates this concept. Otherwise skip the diagram and go to the discussion that follows*.]

NORMAL CURVE, RANGE, STANDARD DEVIATION, and RELATED PROBABILITIES
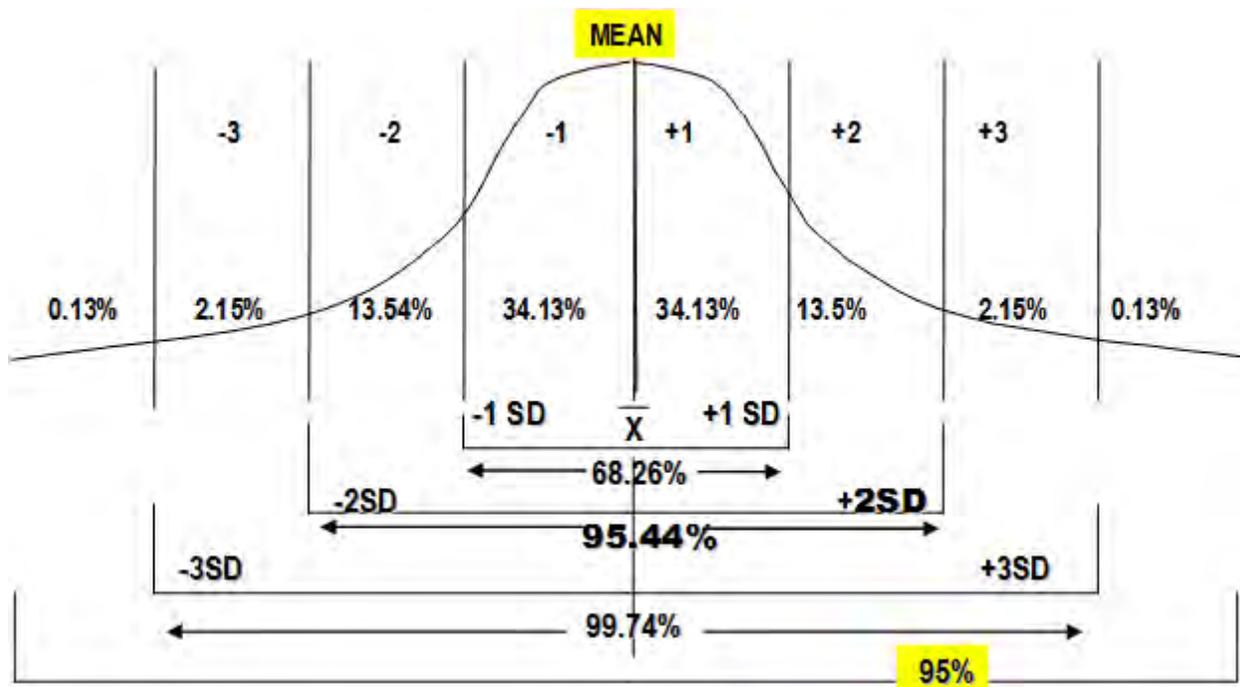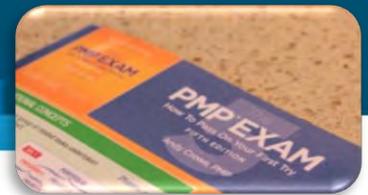
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In essence, my recommended procedure is to <u>add two standard deviations</u> to the PERT formula, to obtain a "Realistic" time, thus:

$$t_r = \frac{opt + 4\,M + pess + 2\,ESD}{6}$$

Where a "quick and easy" estimated Standard Deviation (ESD) $= \dfrac{Pess - Opt}{6}$

For example:

In the previous situation, where Opt = 3; M= 7 and Pess = 23; and the t_e was calculated as 9

The estimated Standard Deviation is: $\dfrac{23-3}{6} = \dfrac{20}{6} = 3.3$

*So Two ESDs = **3.3 x 2 = 6.6***

And the "Realistic Time" (with a 95% probability of attainment) is

t_r = 9 + 6.6 = 15.6, or 16 rounded

Admittedly this "realistic" time is considerably higher than either the "most likely" or the PERT "expected" time. However if the client – or your boss – still insists on using something less than the calculated realistic time, ask them directly if they would play Russian Roulette with one bullet (to which they will most likely answer "No"). Then rejoin by asking why they want to put their project schedule at risk by playing "PERT Project Management" -- the equivalent of Russian Roulette with three (or more) bullets?

About the Contributing Author:

Ken Smith is an independent project management consultant, semi-retired, working part-time primarily in Asia supporting PMI's Philippines Chapter (which he helped establish in 1998), and various public & private sector organizations in the Philippines, Thailand & Malaysia. Ken has been appointed as Adjunct Professor in Project Management for the EXCELL (Executive Education & Lifelong Learning Center) Program of the Asian Institute of Management (AIM) in Makati, Metro Manila, Philippines for the Academic Year 2013-2014.

Ken is a retired Senior Foreign Service Officer (Project Manager) for the U.S. Agency for International Development Washington, Vietnam, Philippines, Indonesia, and internal project management consultant world wide. Ken is also a consultant for the World Bank, Asian Development Bank, African Development Bank, and various UN Agencies.

Ken served as a US Air Force Reserve Colonel, he is a Korea & Vietnam Veteran. He received his B.A., M.A. from University of Connecticut; S.M. from MIT; Dr.PA from George Mason University; & PMP since 1993. Ken has been a PMI member since 1979, Wash DC Chapter, & Honolulu Chapter since 2009. He is also a member of the International Project Management Association (IPMA), American Society for the Advancement of Project Management (ASAPM).

Snap Shots of Project Management

by Stephanie Lum, PMP

My three year old started school last month and they're learning about what people do for their work. My mom asked him if he wanted to be an engineer like his dad or a project manager like his mom when he grew up. He said he wanted to be a project manager. My older son then asked "What does a project manager do?"

I thought about my seat mates at the last PMI monthly meeting I attended and how we were trying to come up with our 30-second elevator speeches for being a project manager and we talked about how we had to get people from different backgrounds to do work toward a common goal without any authority over them. I realized that sounded a little like getting a 5th grader to be organized when he doesn't want to be organized.

This year at my older son's parent orientation we were told that we were not supposed to help them with their homework anymore. If they didn't understand anything and could not complete an assignment we should just write a note so the child could get additional tutoring in school. This was welcome news to me, however I still wanted my son to be more organized and wanted to stop nagging him about it all the time.

So I put together a chart that listed all his tasks and chores for the week so he could track his progress on a checklist – just we have status reports. I would monitor this and only intervene if something fell behind. This is how I like to manage my projects. Providing tools to the team to show their tasks and progress and monitor exceptions, which makes everyone feel like they're being treated as adults.

I told my son that a project manager "helps people get their jobs done by providing the tools and information they need to get things done right and on time." And we do it every day at work and at home.

About the Contributing Author

Stephanie Lum is a certified Project Management Professional and active member of the PMI Honolulu Hawaii Chapter. Stephanie is a Process Analyst at Servco Pacific, Inc and has served as the chapter's Special Projects Director as well as being a member of the Program and Finance committeees. Stephanie holds a Bachelor of Arts degree in Physics from Colorado College and a Masters in Library and Information Studies from the University of Hawai'i at Manoa.

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Vignettes from the 2013 Professional Development Day

Note: A special release mahalo/thank-you flyer will be issued in November 2013 in appreciation of our 2013 PDD sponsors!

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to follow the latest stories, photos and videos.*

VOTE

Membership Corner

As described in the cover story, the Honolulu chapter reached a membership milestone and welcomed its 500 member at the September 2013 luncheon meeting. The Honolulu chapter has one of the best sustained membership growth rate in the PMI Region 7 chapters that include California, Nevada, New Mexico, Arizona, and Hawai'i. Our chapter membership has about 50% certified PMPs! Mahalo (thank you) for your support and interest in PMI Honolulu Hawai'i Chapter.

New Members (June - Sept 2013)

Anil Singh	Heidi Metcalfe	Marvin Kerby
Benjamin Yuan	Ian Hogan	Matthew Chang
Bill Stiles	Jake Lancaster	Melissa Pescatore
Brian Evans	James Wood	Michael Omohundro
Bryan Ishii	Jamie Hannmann	Mun-Won Chang
Casey Brown	Jan Burns	Nohealani LenWai
Chancy Hopper	Jared Morris	Olivia Passinetti
Chris Orlando	Jerry Bodnar	Phineas Vang
Christopher Hart	Joelle Dantin	Robert Hetzer
Curtis Bruce	John Draude	Samuel Batista
Dana Saylor	Katherine Ray	Stephen Wood
Dana Schreiber	Kathleen Vong-Rioseco	Susan Evatte
David Oda	Kyle Watari	Terrene Uehira
David Sundberg	Leah DeMar	Thomas Aukai
Debby Shin	Lee Brightwell	Thomas Moszkowicz
Denduang Chevaviroj	Len Gambla	Todd Hauser
Derek Fukunaga	Lisa Harmon	William Huynh
Donald Jones	Loren Jerlow	
Donald Savage	Margaret Brown-Berthiaume	
Gabriel Kwiatkowski	Margarette Martinson	
George Haia	Maria Webley	
Gopala Bunga	Martin Wolf	

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New PMPs (June - Sept 2013)

Aaron Kreitzer	Frederick Werner	Steven Mazur
Bert Kawahara	Jaclyn Cabralda	Terry Tonkin
Brian Grace	James Coudeyras	Thomas Gerrish
Chancy Hopper	Peter Sanchez	Thomas Jansson
Charles Coleman	Randall Shiro	Tyler Hegy
Curt Kanahele	Richard Knaggs	Van Tran
Daniel Gormley	Richard Wang	Wain Iwaki
Dell Epperson	Scott Baron	Wesley Miller
Frank Trinacty	Stacey Fineran	William Huynh

TEST YOUR PMP KNOWLEDGE

Question #1: In a project, several risk response strategies are used to effectively manager project risks. The strategy or mix of strategies should be used when planning for risk responses. Which of the following statements best describes an 'accept' strategy for negative risks or threats?

A) Adopt less complex processes in an accept strategy.
B) Use of insurance is part of an accept strategy.
C) Use of contingency reserve is part of accept strategy.
D) Extending schedule is part of an accept strategy.

Hint: A risk acceptance strategy is adopted because it is seldom possible to eliminate threats from a project. One of the risk acceptance strategies is performed in the early stages of planning. Find the option which is performed during planning.

Question #2: Which of the following relates to a quality excellence award and also to a quality improvement model ?

A) Philip Crosby
B) Joseph Juranx
C) Malcolm Baldridge
D) Edwards Deming

Hint: This is the only formal recognition of the quality performance excellence of the U.S. organizations given by the President of the United States.

Our PMI Honolulu Hawai'i Chapter Values:

VISION

The PMI Honolulu, Hawai'i Chapter will be recognized as an organization of Professional Project Managers dedicated to serving the business and educational communities of Hawai'i through the advancement of Project Management.

MISSION

The Honolulu Chapter will provide a forum for Project Managers to promote the principles of the Project Management Institute through networking with other project managers, sharing of project experiences, training, education, and certification as a Project Management Professional.

ANSWER & EXPLANATION TO "TEST YOUR PMP KNOWLEDGE"

Answer to #1: The correct answer is **C**.

Explanation: The most common risk acceptance strategy in a project is to establish contingency reserves.

Answer to #2: The correct answer is **C**.

Explanation: Process improvement models include Malcolm Baldridge, Organizational Project Management Maturity Model (OPM3), and the Capability Maturity Model (CMMI). Crosby, Juran and Deming are quality champions, not process improvement models. Malcolm Baldridge is the only formal recognition of the quality performance excellence of the U.S. organizations given by the President of the United States.

Source: Cornelius Fichtner, PMP; President, OSP International LLC - http://www.project-management-prepcast.com


NOW, THEREFORE, I, NEIL ABERCROMBIE, Governor, and I, SHAN S. TSUTSUI, Lieutenant Governor of the State of Hawai'i, do hereby proclaim September 10, 2013, as

"PROFESSIONAL DEVELOPMENT DAY"

in Hawai'i and ask the people of the Aloha State to join us in welcoming the participants of this conference and extending congratulations to the Project Management Institute, Honolulu, Hawai'i Chapter for hosting the 2013 Professional Development Day.

DONE at the State Capitol, in the Executive Chambers, Honolulu, State of Hawai'i, this fifteenth day of July 2013.
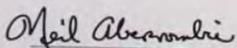
NEIL ABERCROMBIE
Governor, State of Hawai'i
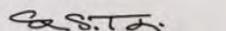
SHAN S. TSUTSUI
Lt. Governor, State of Hawai'i

PROFESSIONAL DEVELOPMENT DAY

in appreciation of PMI Honolulu Hawaii Chapter for hosting this annual event and providing its valuable services to our community, and to extend best wishes to all participants for a successful and productive conference.

Done this 28th day of June, 2013, in Honolulu, Hawaii.
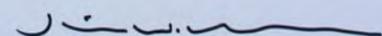
KIRK CALDWELL

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2013-2014 CALENDAR

Annual Chapter Elections

Nomination period	Oct 14 - 22, 2013
Candidate Biography submission period	Oct 23 - 31
Election period	Nov 4-11
Notification	Nov 15
Installation of New Chapter Board of Directors	Nov 22 (Annual Dinner)

2014 PMP Exam Preparation (Spring, Summer, and Fall classes)

Spring class	Feb 18 - Mar 29
Summer class	Jun 3 - Jul 15
Fall class	Sept 9 - Oct 18

Monthly Meetings (Luncheons held 3rd Wednesday each month, @ Plaza Club)

October 2013 Luncheon	Oct 16, 2013
January 2014 Luncheon	Jan 15, 2014
February 2014 Luncheon	Feb 19
March 2014 Luncheon	Mar 19

> **Stay Tuned:**
> - Evening Meeting @ 7 Palms (2014)
> - Breakfast Roundtable Meetings @ 2nd Tuesdays (Jan - Oct 2014)
> - Pau Hana Networking Mixer @ 4th Thursday (Jan - Oct 2014)

Events

2013 Annual Dinner, Honolulu Country Club	Nov 22, 2013
2014 Professional Development Day	Sept 17, 2014

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