

Animation 11.6

A project is a temporary endeavour with a defined beginning and end using pre-determined resources. However as it is a unique event then it is also highly subject to uncertainty both in terms of inputs and outputs.

Most projects are planned using the best information available at the time and this information is agreed upon and communicated to all project team members and stakeholders. In this diagram we are representing this known plan by a series of blue triangles.

However over time any number of unpredictable events can take place which may mean that the plan has to change. Examples of this could be changes to requirements by the customer, so-called 'scope creep', breakdown of key equipment or even sickness to a number of personnel.

In most instances this means changing the plan to take into account the new information which can be accommodated by adding more resources, equipment, personnel or time. Here a number of activities have had to change which is denoted in our model by a random assortment of shapes.

Unpredictable events may significantly impact on project performance. In the extreme, these risks may turn into a crisis that may threaten the success of project itself. If it remains unmanaged then a crisis may develop into a disaster from which a recovery is not possible.

How many of the financial 'experts' predicted the recent worldwide financial crisis and the effect that it would have on the economies of many leading countries? In addition natural disasters, such as Tsunamis, floods and earthquakes do happen, leading to projects needing to be set up rapidly with ever-changing requirements.