Chapter Milestone: Over 500 Members!

**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!
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:

\[ t_e = \frac{\text{Opt} + 4\text{M} + \text{Pess}}{6} \]

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:

\[
\begin{align*}
t_e &= \frac{3 + 4(7) + 23}{6} \\
&= \frac{(3 + 28 + 23)}{6} \\
&= \frac{54}{6} \\
&= 9
\end{align*}
\]
However, the 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.]
In essence, my recommended procedure is to add two standard deviations to the PERT formula, to obtain a “Realistic” time, thus:

\[ t_r = \frac{\text{opt} + 4 \text{ M} + \text{pess} + 2 \text{ ESD}}{6} \]

Where a “quick and easy” estimated Standard Deviation (ESD) = \( \frac{\text{Pess} - \text{Opt}}{6} \)

For example:

In the previous situation, where \( \text{Opt} = 3; \text{M}= 7 \) and \( \text{Pess} = 23; \) and the \( t_e \) was calculated as 9

The estimated Standard Deviation is: \( \frac{23 - 3}{6} = \frac{20}{6} = 3.3 \)

So Two ESDs = \( 3.3 \times 2 = 6.6 \)

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

\[ t_r = 9 + 6.6 = 15.6, \text{ or } 16 \text{ rounded} \]

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?

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**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 worldwide. 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 committees. 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!
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
Benjamin Yuan
Bill Stiles
Brian Evans
Bryan Ishii
Casey Brown
Chancy Hopper
Chris Orlando
Christopher Hart
Curtis Bruce
Dana Saylor
Dana Schreiber
David Oda
David Sundberg
Debby Shin
Denduang Chevaviroj
Derek Fukunaga
Donald Jones
Donald Savage
Gabriel Kwiatkowski
George Haia
Gopala Bunga

Heidi Metcalfe
Ian Hogan
Jake Lancaster
James Wood
Jamie Hannmann
Jan Burns
Jared Morris
Jerry Bodnar
Joelle Dantin
John Draude
Katherine Ray
Kathleen Vong-Rioseco
Kyle Watari
Leah DeMar
Lee Brightwell
Len Gambla
Lisa Harmon
Loren Jerlow
Margaret Brown-Berthiaume
Margarette Martinson
Maria Webley
Martin Wolf

Marvin Kerby
Matthew Chang
Melissa Pescatore
Michael Omohundro
Mun-Won Chang
Nohealani LenWai
Olivia Passinetti
Phineas Vang
Robert Hetzer
Samuel Batista
Stephen Wood
Susan Evatte
Terrene Uehira
Thomas Aukai
Thomas Moszkowicz
Todd Hauser
William Huynh
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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 Baldrige  
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 Baldrige, Organizational Project Management Maturity Model (OPM3), and the Capability Maturity Model (CMMI). Crosby, Juran and Deming are quality champions, not process improvement models. Malcolm Baldrige 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
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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

2014 Professional Development Day Sept 17, 2014

Newsletter Staff: Lead Writer - Stephanie Lum; Contributing Writer - Ken Smith; Membership Corner - Yoh Kawanami; Newsletter Layout & Photography - Ed Tsang; Editors - Tobias Koehler, John Higuchi, Ed Tsang. Acknowledgement to Cornelius Fichtner for the "Test Your PMP Knowledge" content. Earlier newsletter editions are available at our chapter website www.pmihnl.org

GOT NEWS or an ARTICLE? For newsletter inquiries, submissions & newsletter volunteering opportunities, please contact Ed Tsang, Publicity Director, at publicity@pmihnl.org