



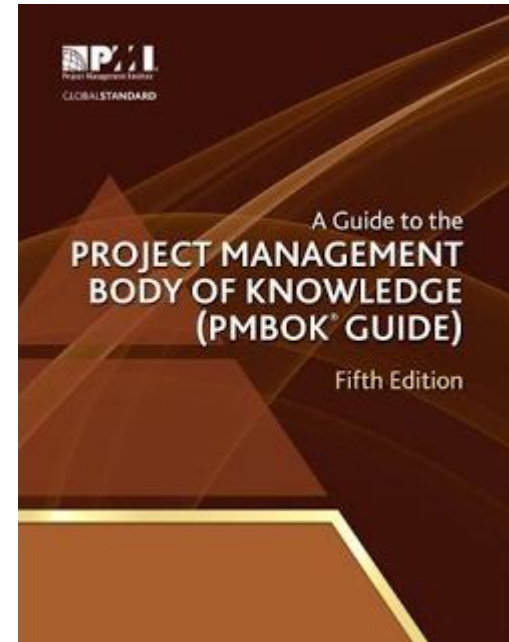
Changes to the PMBOK® Guide, 5th Edition, and What You Should Know

Toronto, Ontario
January 17, 2013

ROBUST *Project Management
Training & Consulting*
Presented by: **Alexander Stanisic**

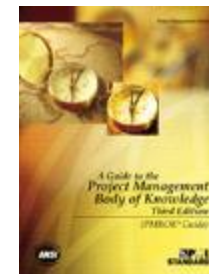
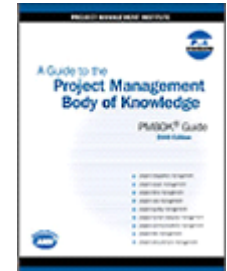
Agenda

- **Presentation of changes introduced in the PMBOK® 5th edition**
- **How the differences between the PMBOK® 4th and 5th editions will affect project management practitioners**
- **How the differences between the PMBOK® 4th and 5th editions will affect those studying for the PMP® and CAPM® exams**
- **Q & A**



History

- 1969 PMI founded
- 1983 PMI Ethic, Standards and Accreditation Report (Standards section - PMBOK)
- 1987 Revised PMBOK
- 1996 PMBOK® Guide First Edition
- 1998 PMI officially accredited by ANSI as a Standards developer
- 2000 PMBOK® Guide Second Edition
- 2004, Dec 31 PMBOK® Guide Third Edition
- 2008, Dec 31 PMBOK® Guide Fourth Edition
- 2012, Dec. 31 PMBOK® Guide Fifth Edition



Note: PMI Standards are updated at least every five years in accordance with ANSI Guidelines

The PMI Standards



New standards for multi-project environments:

- **The Standard for Program Management - Third Edition**
- **The Standard for Portfolio Management - Third Edition**

- **Organizational Project Management Maturity Model (OPM3) - Third Edition will be published in Q4 2013**

The PMI Standards



- **Practice standards – no current changes**
- **PMBOK® Guide Extensions (Construction and Government) – no current changes**

- **Software Extension to the PMBOK® Guide**
 - The intent is to build a bridge between the PMBOK and Agile
 - The purpose is to discuss differences in predictive vs. adaptive approaches and the pros and cons of each
 - PMI anticipates gradual alignment of this new Software Extension with the PMI-ACP Exam over time
 - The public exposure draft of the Software Extension is available, and publication is scheduled for September 30, 2013



PMI Statistics

As of November 30, 2012:



- **500,082 Project Management Professionals (PMP)**
- **19,849 Certified Associates in Project Management (CAPM)**
- **823 Program Management Professionals (PgMP)**

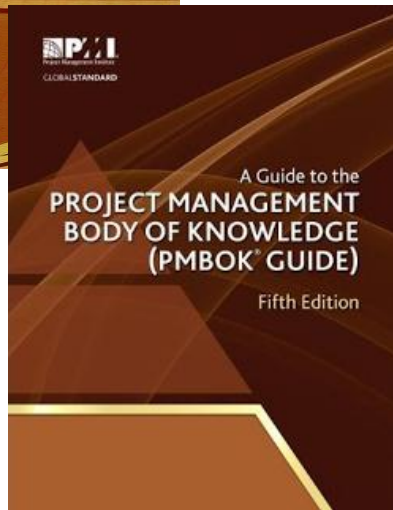
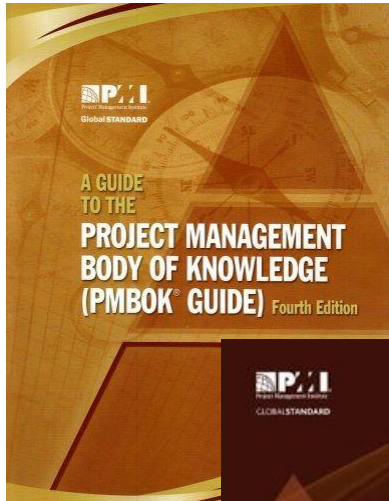
- **Close to 400,000 members of PMI worldwide**

- **PMI will officially publish 10 translations of the PMBOK® Guide - Fifth Edition, which are scheduled for release in Q4 2013: Arabic, Chinese (Simplified), German, French, Italian, Japanese, Portuguese (Brazilian), Russian, Spanish, Korean**

Between the PMBOK® 4th and 5th Editions

- PMBOK® 4th Edition: 345 pages + Appendices

- PMBOK® 5th Edition: 461 pages + Appendices



33% more knowledge?

- The content from the PMBOK® 4 - Section 3 has been moved to the new Annex A called “The Standard for Project Management of a Project” (ANSI/PMI standard 99-001-2013)

- The PMBOK® 5th is now completely aligned with the brand new ISO 21500 global project management standard

PMBOK® Guide Editions Changes

		1 st	2 nd	3 rd	4 th	5 th
Number of Processes		37	39	44	42	47
Knowledge Areas	Integration	3	3	7	6	6
	Scope	5	5	5	5	6
	Time	5	5	6	6	7
	Cost	4	4	3	3	4
	Quality	3	3	3	3	3
	Human Resource	3	3	4	4	4
	Communications	4	4	4	5	3
	Risk	4	6	6	6	6
	Procurement	6	6	6	4	4
	Stakeholder	0	0	0	0	4
	Total	37	39	44	42	47
Process Groups	Initiating	1	1	2	2	2
	Planning	19	21	21	20	24
	Executing	8	7	7	8	8
	Monitoring	7	8	12	10	11
	Closing	2	2	2	2	2
		Total	37	39	44	42

PMBOK® Guide 5th Edition Changes

- **Can be grouped into three general categories:**
 - **Harmonization**
 - **Additions**
 - **Reorganization**

PMBOK® Guide 5th Edition Changes

- **Harmonization**
 - **DIKW model used to reshape the definitions:**
 - **Work Performance Data** – The raw observations and measurements (from Direct & Manage Project Work)
 - **Work Performance Information** – The performance data collected from controlling processes, analyzed and integrated (i.e. status information and forecasts)
 - **Work Performance Reports** – The physical or electronic representation of work performance information (available to some processes to create items like Change requests, Project plan or other updates)

PMBOK® Guide 5th Edition Major Changes

- More realistic and slightly easier to read
- Predictive mindset is still dominant **Agile?**
- New knowledge area: Stakeholder Management
- Management plans for all knowledge areas
- New concepts: Business Value, Prematurely Terminated Projects, Risk Appetite, Risk Threshold and Risk Attitude
- Changed concepts: PM, Stakeholder, Sponsor
- Significantly expanded and improved glossary

Project Management Processes Changes

Knowledge area	Discontinued processes	Changed (name) processes	New processes
Integration		<ul style="list-style-type: none"> Direct and Manage Project Work <i>Direct and Manage Project Execution</i> 	
Scope		<ul style="list-style-type: none"> Validate Scope <i>Verify Scope</i> 	<ul style="list-style-type: none"> Plan Scope Management
Time			<ul style="list-style-type: none"> Plan Schedule Management
Cost			<ul style="list-style-type: none"> Plan Cost Management
Quality		<ul style="list-style-type: none"> Plan Quality <i>Plan Quality Management</i> 	
		<ul style="list-style-type: none"> Control Quality <i>Perform Quality Control</i> 	
Human Resource		<ul style="list-style-type: none"> Plan Human Resource Management <i>Develop Human Resource Plan</i> 	
Communications	<ul style="list-style-type: none"> Identify Stakeholders 	<ul style="list-style-type: none"> Plan Communications Management <i>Plan Communications</i> 	
	<ul style="list-style-type: none"> Distribute Information 		<ul style="list-style-type: none"> Manage Communications
	<ul style="list-style-type: none"> Manage Stakeholder Expectations 		
	<ul style="list-style-type: none"> Report Performance 		<ul style="list-style-type: none"> Control Communications
Risk		<ul style="list-style-type: none"> Control Risks <i>Monitor and Control Risks</i> 	
Procurement		<ul style="list-style-type: none"> Plan Procurement Management <i>Plan Procurements</i> 	
		<ul style="list-style-type: none"> Control Procurements <i>Administer Procurements</i> 	
Stakeholder Management			<ul style="list-style-type: none"> Identify Stakeholders
			<ul style="list-style-type: none"> Plan Stakeholder Management
			<ul style="list-style-type: none"> Manage Stakeholder Expectations
			<ul style="list-style-type: none"> Control Stakeholder Engagement

Chapter 1 - Introduction Changes

- **Subprograms and Subportfolios**
 - *Higher Level Programs -> Programs (Portfolios)*
 - *Lower Level Programs -> Subprograms (Subportfolios)*
- **Project Management Office**
 - Supportive PMOs (consultative)
 - Controlling PMOs (supportive + compliance)
 - Directive PMOs (directly managing)
- **Strategy and Governance**
 - **Project Manager has to know the organizational governance and strategy to be successful and understand if the organization is mature enough to provide them**

Chapter 1 - Introduction Changes

- **Business Value**
 - Introducing and explaining the *Business Value* concept
- **Project Manager**
 - PMBOK® 4: “... the person assigned by the performing organization to achieve project objectives”
 - PMBOK® 5: “... assigned to lead the team that is responsible for achieving the project objectives”
- **Enterprise Environmental Factors**
 - Moved to the Chapter 2

Chapter 2 - Stakeholder, Success, Team and Phase Changes

■ Stakeholder

- PMBOK® 4: “... persons or organizations, who are actively involved in a project or whose interests may be positively or negatively affected by the performance or completion of a project”
- PMBOK® 5: the same as above plus “... if you perceive yourself affected by a decision, activity or the outcome of a project”

■ Stakeholder types

- Added: Business partners, project team, PMOs
- Removed: Portfolio and program managers

■ Sponsor

- Defined as “... accountable for enabling project success”

■ Project Governance

- More detailed Project Governance Framework included

Chapter 2 - Stakeholder, Success, Team and Phase Changes

■ Project Success

- Defined as the completion of a project within the scope, time, cost, quality, resource and risk boundaries agreed on between project and senior managements
- No customer satisfaction - yet

■ Project Team

- Now responsible for achieving the project objectives
- Dedicated and part-time

Chapter 3 - Project Management Processes Changes

- **Complete removal of all the ITTO (inputs, tools & techniques, outputs) diagrams**
 - Part of the Annex “*Standard of Project Management of a Project*”
- **Monitoring and Controlling Process Group**
 - Described as “background” process group for all other processes
 - New “agile” term: Incremental deliverables
- **Initiating Process Group**
 - Business case
 - Project vision
- **Closing Process Group**
 - Projects can be terminated prematurely

Chapter 4 – Project Integration Management Changes

- **Develop Project Charter**
 - Contracts replaced with Agreements as the input (LoA, Lol, SLA, e-mail, verbal agreements, etc.)
- **Facilitation techniques**
 - Summarizing tools and techniques like brainstorming, conflict resolution, problem solving and meeting management
- **Every process diagrams now include the processes which consume outputs from that process**



Chapter 5 - Scope Management Changes

- **Plan Scope Management**



- **Collect Requirements**

- Business requirements
- Stakeholder requirements
- Solution requirements (functional and non-functional)
- Transition requirements
- Project requirements
- Quality requirements

- **Define scope**

- New iterative approach to allow progressive elaboration

- **Validate instead of verify scope**

Chapter 6 - Time Management Changes

- **Plan Schedule Management**



- **Sequence Activities**

- **PMBOK® 4: “... mandatory, discretionary and external dependencies”**
- **PMBOK® 5: “... mandatory, discretionary, external and internal dependencies” (a team planning to test a machine which has to be internally assembled first)**
- **Triangular Distribution: $tE = (tO + tM + tP) / 3$**
- **Reserve Analysis (Contingency, Management) well explained**

Chapter 7 - Cost Management Changes

- **Plan Cost Management**



- **Estimate Costs**

- Rough order of magnitude example changed from **+/- 50%** to **-25% to +75%**
- Definite Estimate changed from **+/- 10%** to **-5% to +10%**

- **Determine Budgets**

- Management reserve now included in the cost baseline

- **Control Costs**

- Earned Value Management – new summary table

Chapter 8 - Quality Management Changes

■ Overview

- A new table maps the Initiating, Planning, Executing, Monitoring & Controlling, Closing Process groups to Deming's PDCA (Plan, Do, Check, Act), and other models developed by others and used in Quality Assurance and Quality Control

■ Plan Quality Management

- Cause-and-effect diagrams, flowcharts, checksheets, Pareto diagrams, histograms, control charts and scatter diagrams are now summarized as the new term *"7 basic quality tools"*

■ Perform Quality Assurance

- Affinity diagrams, process decision program charts, interrelationship digraphs, tree diagrams, prioritization matrices, activity network diagrams and matrix diagrams are summarized as *"7 Quality Management and Control Tools"*

Chapter 9 - Human Resource Management Changes

- **Plan Human Resource Management**
 - Known in PMBOK® 4 as “Develop Human Resource Plan”
- **New tool: Multi-criteria decision analysis**

Including team member selection criteria based on:

 - Availability
 - Cost
 - Experience
 - Ability
 - Knowledge
 - Skills
 - Attitude
 - Internal factors

Chapter 10 - Communications Management Changes

- **Communication loop**
 - Transmitting a message from the sender to the receiver + acknowledgement of the message by the receiver + getting a feedback
- **More detailed processes**
 - “Manage Communications” and “Control Communications” renamed from “Distribute Information” & “Report Performance”
- **Manage Stakeholder Expectations**
 - Moved to the new knowledge area together with the “Identify Stakeholders” process

Chapter 11 – Risk Management Changes



- **Risk Appetite, Risk Threshold, Risk Attitude**
 - ***Risk Appetite*** is the degree of uncertainty an entity is willing to take on, in anticipation of a reward.
 - ***Risk Threshold*** is a measure of the level of uncertainty or the level of impact at which a stakeholder may have a specific interest. Below that risk threshold, the organization will accept the risk. Above that risk threshold, the organization will not tolerate it.
 - ***Risk Attitude*** is a chosen response to risk influence by perception.
- **Process update**
 - “Control Risks” renamed from “Monitor and Control Risks”

Chapter 12 – Procurement Management Changes

- **Processes update**
 - “Plan Procurement Management” renamed from “Plan Procurements”
 - “Control Procurements” renamed from “Administer Procurements”

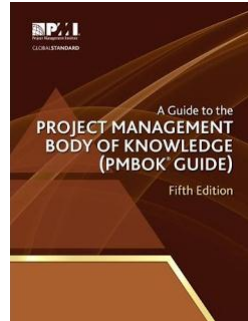


Chapter 13 – Stakeholder Management

- **Identify Stakeholder – no changes**
- **Plan Stakeholder Management** 
 - Stakeholders Engagement Assessment Matrix to analyze current and desired levels of engagement presented as the following categories:
 - Unaware
 - Resistant
 - Neutral
 - Supportive
 - Leading
- **Manage Stakeholder Engagement – no changes**
- **Control Stakeholder Engagement** 
 - For monitoring overall stakeholder relationships with strategies and plans for engaging them

Major Glossary Terms Changes

- **Project Management Plan**
 - The definition not require to be formal or approved anymore
- **Project Life Cycle / Project Phase**
 - The definitions do not require to be sequential anymore
- **Baseline**
 - Defined as an approved project plan AND as an approved version of a work product
- **Removed**
 - Critical Activity, Slack, Subphase



How the differences between the PMBOK® 4th and 5th editions will affect those studying for the PMP® and CAPM® exams?

Credential Examinations Changes

Credential	Exam Updated	If you take your Exam BEFORE this date	If you take your Exam ON or AFTER this date
PMP®	31 July 2013	Use <i>PMBOK® Guide</i> 4th Edition	Use <i>PMBOK® Guide</i> 5th Edition
CAPM®	31 July 2013	Use <i>PMBOK® Guide</i> 4th Edition	Use <i>PMBOK® Guide</i> 5th Edition
PMI-SP®	31 August 2013	Use <i>PMBOK® Guide</i> 4th Edition	Use <i>PMBOK® Guide</i> 5th Edition
PMI-RMP®	31 August 2013	Use <i>PMBOK® Guide</i> 4th Edition	Use <i>PMBOK® Guide</i> 5th Edition
PgMP®	31 July 2013	Use <i>PMBOK® Guide</i> 4th Edition	Use <i>PMBOK® Guide</i> 5th Edition

- Only a small percentage of examination items/questions require updates that directly address actual changes in the standards
- As a regular part of the examination update process, PMI would add new questions that replace older questions on a periodic schedule
- The most recent significant change was on 31/08/2011 for about 30% of the PMP exam questions

Q & A



Thank You!

alexander.stanistic@globalknowledge.com