

GLOSSARY

A

Accountability – being responsible for the timely and correct execution of a certain task

Activity – task of a project which consumes time

Activity Duration – estimate of time (hours, days, weeks, months) necessary to complete a project task

Activity on Arc – see Activity on Arrow

Activity on Arrow – a technique representing the precedence and interdependence of activities in order to schedule projects

Actual Cost of Work Performed – the sum of the costs incurred for accomplished work packages

Attitude – a learned tendency to respond in the same way to the same situation, based on values

Authority – having the decision-making power

B

Balanced Matrix – a matrix structure in which the project manager and functional manager share roughly equal authority over a project

Balanced Score Card – approach to strategic management integrating four major fields: the financial perspective, the customer's perspective, the internal business processes, and the learning and growth perspective

Behaviour – is the action based on attitudes and values

Budgeted Cost of Work Performed – see Earned Value

Budgeted Cost of Work Scheduled – is the curve of the planned cost

C

Central and Eastern Europe – commonly, the following countries make up this area: Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, Slovenia

Check Point – see milestone

Chunking – to break down activities according to their logic and sequence for a Work Breakdown Structure

Communication – is modelled as a process where an idea travels from the sender through a channel to a receiver. The sender encodes the idea into a message in verbal or non-verbal language, and the receiver decodes the message

Completion Phase – also called the termination phase or project closing; it is the fourth and last phase of the project management lifecycle

Conflict – form of tension between two or more interdependent parties based on incompatible goals, needs, values, or attitudes

Constraints – actions or decisions that limit the decision-making power of the project manager and team members

Context – the interrelated conditions in which something occurs or exists. Can be divided into physical, social, and situational contexts.

Contingency Plan – planning for alternatives and solutions should the risk occur

Contingency Reserves – additional project funds in terms of time, or resources, to offset any unavoidable threat that might occur to the international project

Contractor – organization (sub-unit, or individual) using the capital of the owner in

order to produce the product/service or result the owner wants to have. Term is typically used for inter-organizational relations

Corporate Culture – see Organizational Culture

Cost Performance Index – as part of the Earned Value Analysis, the earned value is divided by the actual cost

Cost Plus Fixed Fee Contract – a special form of cost reimbursement contract. On top of the reimbursement for costs incurred with product or service delivery, the contractor is paid an additional fixed fee

Critical Path – the longest duration of tasks in the project network. It reflects the overall duration of the project

Culture – refers to functional, organizational and national cultures

D

Deliverables – pre-defined outcome of a project task (or a whole set of project tasks)

Diversity – differences in experience, age, gender, expertise, personality, culture (national, organizational, functional), background, etc., of stakeholders of an international project. But also differences in time zones, currencies, jurisdictions etc., within one international project

Dummy Activity – an activity which does not consume resources (including time). It is marked as a dotted arrow in the activities on an arrow network diagram. A dummy activity is used to ensure a unique identification for parallel activities and to maintain dependencies among activities on the network

E

Earned Value – the value of the work completed at a certain point of time based upon the planned or budgeted value for that work

Earned Value Analysis – is a method to evaluate more accurately the performance of a project in terms of both schedule deviation and cost deviation

Emergent Risk – risk that cannot be planned for

Emerging Market – this term is now more than 25 years old. Originally, it defined countries undergoing rapid economic change, typically fast growing economies in South-East Asia and Eastern Europe, later also in Latin America, China, India, and Russia. Today, a variety of countries are subsumed under this term causing it to lose meaning. There is no commonly accepted definition

Estimate – is a prediction of the time required to complete a task or activity. It could also refer to a cost estimate

Estimate Allowance – additional financial resources added to the total budget to cover oversights and unknowns

Ethnocentrism – the attitude of people who (unconsciously) operate from the basic assumption that their ways of doing things are best

Ethnorelativism – the attitude of people who accept cultural differences, and adapt to them or integrate them in their own behaviour

Event – a point in time when an activity is started or completed. Typically, it does not consume time

Explicit Knowledge – knowledge that is easy to formalize such as figures, words, scientific formulas, or product specifications. It can be transmitted to other individuals systematically

F

Fixed Price Contract – contractor is supposed to deliver a product or service at a fixed price, even if a loss is incurred

Float – buffer time between the earliest finish time and latest finish time of an activity which is non-critical for on time project delivery

Force Majeure – natural disasters such as earthquakes, volcanic eruptions, pandemics, but also man-made catastrophes like terrorist attacks

Functional Culture – refers to a certain methodology, standards, and ethics prevalent in a certain profession, like accountants, or organisational functions, such as Marketing & Sales

Functional Structure – also called traditional or classical structure, in which people are grouped by discipline and their level of authority in a top-down hierarchy

G

Gantt Chart – a graphic presentation of project activities shown as a time-scaled bar line (also called a bar chart)

Gate – see milestone

Goal – the end towards which effort is directed

H

Heterogeneity – in the context of this book used in the same way as diversity

HTS – Harmonized Tariff Schedule of the United States

I

Impact – the expected consequence of a risk on the project's objectives

Implementation phase – also called the execution phase. It is the third phase of the project management life cycle

Individualism – with regard to Hofstede's model this dimension refers to the relationship between the individual and the groups to which he or she belongs

Initiation Phase – first phase of the project management life cycle

K

Knowledge – if certain rules or heuristics are applied to information, knowledge is created

Knowledge Management – the process of creating value from an organization's intangible assets

Known-unknown – risk that can be anticipated and planned for

L

Learning – comprises cognitive refinement as well as behavioural adjustment. It is a process embedded in culture

Learning Histories – a learning history aims at capturing project experience with as much context as possible. It is a document comprising between 20 and 100 pages that narrates the story of a project chronologically

Local Culture – see national culture

M

Magic Triangle – to deliver projects on time, to budget and within scope with an agreed quality level

Management by Projects – managerial approach adopted by an increasing number of organizations. It extends project management to activities in the area of ongoing operations that are redefined as projects

Matrix Structure – any organizational structure in which the project manager shares authority over a project with the functional manager

Micro Article – a summary of approximately half a page of a special experience gained in a given project, distributed electronically or in an organization's magazines, with the purpose of learning from past project experiences

Milestone – an event which represents a significant, measurable accomplishment towards the project's completion

Mitigation – a risk response strategy that reduces either the impact and/or the probability of the risk

N

National Culture – in this book synonymously used with local culture. It is the set of values, attitudes, customs and beliefs of a group of people. Culture is learnt during the socialization process. There are various sub-cultures of one national culture due to regional differences

Negotiation – a process in which participants communicate to identify alternatives to move towards outcomes that are individually and mutually beneficial

O

OECD – organization with 30 member countries as of August 2007: Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, South Korea, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Spain, Sweden, Switzerland, Turkey, United Kingdom, United States

Open System Theory – an organization is viewed as an open system getting input from its environment transforming it into throughout, which will be returned to the environment as output

Organizational Culture – system of shared values, norms, and beliefs held by an organization's members. It tends to be less deeply ingrained in an individual rather than national or local culture

Organization Breakdown Structure – shows all the people who are going to do the work in a project

P

Planning Phase – second phase of the project management life cycle

Power Distance – the degree to which a society accepts that power is distributed unequally

Probability – likelihood of the occurrence of a risk

Professional Culture – see Functional Culture

Program – is a bundle of projects serving the same purpose

Program Director – provides overall leadership and has ultimate responsibility for the successful implementation of the project program

Program Evaluation and Review

Technique – also Project Evaluation and Review Technique. It is a tool to simplify the planning and scheduling of complex projects

Program Governance – the whole process of managing and directing the project program

Program Manager – individual responsible for a successful delivery of the program on the behalf of the project owner

Program Owner – individual responsible for ensuring that a program meets its objectives and delivers the projected benefits to the customer (internal or external)

Project – is a unique and time-limited endeavour to turn an idea into a result that is beneficial to the organization (under organizational constraints)

Project Charter – an official, written document acknowledging the existence of a project and authorizing the project manager to assign resources to the project

Project Governance – see Program Governance

Project Management – project management defines the process by which projects are initiated, planned, implemented, and completed in such a way that the benefits for the organization are delivered

Project Management Life Cycle – typically consists of four phases, namely initiating,

planning, executing/controlling and completing the project

Project Management Maturity Model –

model that describes the different levels an organization achieves on its way to effective project portfolio management

Project Management Office – central organizational unit which supports multiple project management on a high level with input and infrastructure

Project Management Team – group of sub-project managers who have their own areas of responsibility. They report to the project manager

Project Master Plan – plan that comprises all the details regarding the time, cost, quality, and structure of a project

Project Owner – provides the resources to deliver the project results

Project Phase – each phase within a project is separated from another by a decision-making point called the ‘gate’ or ‘milestone’. The classical project management life cycle comprises four project phases, namely initiating, planning, implementing/monitoring, and completing

Project Proposal – also referred to as an investment proposal or business case. It functions as the basis for a go/no-go decision regarding project implementation

Project Scope – extent of the project outlining which activities are included in the project

Project Sponsor – typically a high-ranking manager who champions and supports a project. Often used synonymously with project owner

Project Stakeholder – see Stakeholder

Projectized Structure – describes a structure according to a product line, programme or project in which employees are typically collocated

Project Support Office – see Project Management Office

Project Team Members – all members of the project team. They are directly

involved in the project and contribute to its completion

R

Responsibility Chart – a chart which shows the relationship between an activity or work package and the person or group being responsible for its completion – used synonymously with a responsibility matrix

Responsibility Matrix – a matrix which shows the relationship between an activity or work package and the person or group being responsible for its completion

Risk – an event which, if it occurs, can be a threat or an opportunity for a project

Risk Audit – a method to assess the effectiveness of the risk management process of a project at the end of the project

Risk Owner – a person responsible for the analysis and monitoring of a certain risk

Risk Register – list of identified project risks indicating the causes of risk and uncertain project assumptions

Risk Trigger – event that warns of impending risk

S

Scope Acceptance – a document which is usually part of the scope statement signed by the project owner and manager to indicate their agreement on project objectives

Scope Statement – a document which clearly contains what is part of the project, and also what is not part of the project

Schedule Performance Index – as part of the Earned Value Analysis the Earned Value is divided by the budgeted cost

Sensitivity Analysis – often referred to as ‘what-if-analysis, this aims to test how sensitive a predicted performance or outcome is to the assumptions made

Slack – the length of time an activity can be delayed by before the delay results in an overall delay of the project – see also Float.

South Eastern European Countries – commonly, the following countries: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, the former Yugoslav Republic of Macedonia, Montenegro, Serbia

Stage – see Project Phase

Stakeholder – individual or organization that is actively involved in a project or that has an interest in the positive or negative outcomes of the project

Steering Committee – group of people, typically senior executives, who will form a platform or body of authority within an organization in order to take the final decisions on behalf of lower ranking units within the organization, like a project

Strategy – set of long-term goals of an organization and the plan as to how to achieve those goals

Strong Knowledge – includes true beliefs backed up by valid justification and the systematic exclusion of alternative possibilities. The focus is on strong verifiability, and super-objectivity. It tends to be explicit knowledge

Strong Matrix – a matrix structure in which the project manager has more authority over a project than the functional manager

T

Tacit Knowledge – knowledge that is deeply ingrained in an individual's actions and experience. It is highly context specific, not visible and hard to formalize

TARIC – ten digit code to be used in the EU for trade with third countries (customers and statistical declarations)

Trust – the belief by one person that another's motivation towards him or her is benevolent and 'honest'

U

Unbundling – see Chunking

Uncertainty Avoidance – is the degree to which a society is willing to accept and deal with uncertainty

Universalism – in a universalistic society it is the ideal to govern business relationships with contracts and clear rules which are applicable under any circumstances to anyone

Unknown-unknown – risk that emerges during a project and cannot be planned for. Also referred to as unk-unk

V

Value – beliefs deeply ingrained in an individual, such as the importance of seniority or freedom

W

Weak Knowledge – subjective knowledge focusing on consensus and the perceived use value. It tends to be tacit knowledge

Weak Matrix – a matrix structure in which the functional manager has more authority over a project than the project manager

Work Breakdown Structure – a hierarchy of activities or work packages which are grouped around the final deliverable or objectives of the project. It can be considered as the 'to-do list' of a project