PROJECT
MANAGEMENT
via
NETWORKS

This Hypercard stack was prepared by:
Dennis L. Bricker,
Dept. of Industrial Engineering,
University of Iowa,
Iowa City, Iowa 52242
e-mail: dbricker@icaen.uiowa.edu
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Project:

a set of complex interrelated tasks directed toward the accomplishment of an objective

Project Management

A system of procedures which provides for

- planning
- scheduling
- control

of a project
Important characteristics of Project Management

- forces detailed planning
- improves communications
- identifies potential problem areas
- provides management with timely progress reports
- offers ability to simulate effects of alternate decisions
- assists in long-range planning
Network Models of a Project

**AOA:** Activity on Arrow model
the tasks (activities) are represented by arcs (arrows) in the network

**AON:** Activity on Node model
the tasks (activities) are represented by the nodes in the network
Example

A company is about to introduce a new product (#3). One unit of product #3 is produced by assembling one unit of product #1 and one unit of product #2.

Before production begins on either product #1 or #2, raw materials must be purchased and workers must be trained.

Before products #1 & 2 can be assembled into product #3, the finished product #2 must be inspected.
## Tasks required for completion of project

<table>
<thead>
<tr>
<th>task</th>
<th>predecessors</th>
<th>duration (days)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A = train workers</td>
<td>none</td>
<td>6</td>
</tr>
<tr>
<td>B = purchase raw mat'ls</td>
<td>none</td>
<td>9</td>
</tr>
<tr>
<td>C = produce product #1</td>
<td>A,B</td>
<td>8</td>
</tr>
<tr>
<td>D = produce product #2</td>
<td>A,B</td>
<td>7</td>
</tr>
<tr>
<td>E = test product #2</td>
<td>D</td>
<td>10</td>
</tr>
<tr>
<td>F = assemble product #3</td>
<td>C,E</td>
<td>12</td>
</tr>
</tbody>
</table>
**AOA model**

![AOA model diagram]

**AON model**

![AON model diagram]

**Tasks**
- A = train workers
- B = purchase raw materials
- C = produce #1
- D = produce #2
- E = test #2
- F = assemble #3
GANTT Chart

Each activity is represented by a bar, which specifies the beginning and ending of the activity.
What is the shortest time required for the production of product #3?

If the durations are known with certainty, the project completion time can be found using the Critical Path Method (CPM).

If the durations of the tasks are random, the project completion time can be estimated using the Program Evaluation & Review Technique (PERT).
CPM – Critical Path Method

PERT – Program Evaluation & Review Technique

SLAM – Simulation of project

"Crashing" – Reducing project completion time