Glossary

Project Management

Terms and Definitions

Course 3

B

Backward pass: Refers to starting with a final task or milestone and moving backwards through the schedule to determine the shortest path

Baseline: The dollar amount used to measure against to find out whether a project is on track or not and to measure the success of the project

Baseline a budget: The act of creating a fixed reference point of spending to measure and compare a project's progress against

Bottom-up approach: Thinking about all the parts of a project from the beginning to the end--including making a list of anything that comes with an associated cost--and adding all of it together

Budget: The estimated monetary resources needed to achieve the project's goals and objectives

Budget pre-allocation: A situation where a budget is set before the project begins

Budget risk: The possibility that the costs of a project will increase due to poor planning or expanding the project's scope

Buffer: Extra time added to the end of a task or project to account for unexpected slowdowns or delays in work progress

C

Capacity: The amount of work that the people or resources assigned to the project can reasonably complete in a set period of time

Capacity planning: Refers to the act of allocating people and resources to project tasks and determining whether the necessary resources required to complete the work on time have been acquired

CAPEX: Capital expenses; refers to expenses which businesses incur to create a benefit in the future

Cash flow: The inflow and outflow of cash on a project

Cause-and-effect diagram: A visual that shows the possible causes of an event or risk; also known as a fishbone diagram

Communication: The flow of information; includes everything that's shared, how it's shared, and with whom

Communication plan: A document that organizes the process, types, and expectations of communications for a project

Contingency budget: Money that is included to cover potentially unforeseen events that aren't accounted for in a cost estimate

Contingency reserves: Money added to the estimated project cost to manage identified risks

Cost of quality: Costs that are incurred to prevent issues with products, processes, or tasks

Cost performance index (CPI): The ratio of the percentage complete to the actual costs

Cost variance (CV): The difference between the amount of budget expected to be spent on versus what is actually spent for work completed at a point in time

Critical path: The list of project milestones that must be reached in order to meet the project goal on schedule, as well as the mandatory tasks that contribute to the completion of each milestone

D

Decision tree: A flowchart that helps visualize the wider impact of a decision on the rest of a project

Dependency: A relationship between two project tasks, where the start or completion of one depends on the start or completion of the other

Dependency graph: A visual representing the dependencies in the flow of work during a project

Direct costs: Costs that occur directly in a project

E

Earliest start date: In the critical path method, the earliest possible date on which a task (or the project itself) can begin

Earned value management (EVM): A technique where a project's performance or actuals for budget and schedule are regularly monitored against the planned budget and schedule

Effort estimation: A prediction of the amount and difficulty of active work required to complete a task

Empathy: A person's ability to relate to the thoughts and feelings of others

Ethical trap: An issue that may cause a person to make unethical choices

F

Finish-to-finish (FF): In this type of dependency relationship, the first task must be completed before the second task can be completed

Finish-to-start (FS): In this type of dependency relationship, the first task must be completed before the second task can start

Fishbone diagram: A visual that shows the possible causes of an event or risk; also known as a cause-and-effect diagram

Fixed contract: A contract that is paid for when certain milestones are reached

Fixed costs: Costs that won't change over the course of a project

Fixed start date: The date on which work on a task must start in order to achieve a goal

Float: The amount of time that can be waited to begin a task before it impacts the project schedule and threatens the project outcome

Forecast: A cost estimate or prediction over a period of time

Forward pass: Refers to starting at the beginning of a project task list and moving forward towards the end of the project

G

Gantt chart: A horizontal bar chart that visually maps out a project schedule and tasks, with clear breakdowns of who's responsible for the work and when those tasks are due

H

High-level risk: A risk that is serious and can affect the overall success of a project; requires direct communication with stakeholders to go over plans to mitigate and address

I

Impact: The damage a risk could cause, if it occurs; determined on a scale of high, medium, or low

Indirect costs: Costs that can't be linked directly to a project

Inherent risk: The measure of a risk, calculated by its probability and impact

Issue: A known and real problem that can affect the ability to complete a task

K

Kanban board: A visual tool used to manage tasks and workflows

Kickback: A corruption scheme where a certain percentage of an awarded contract is offered to an official who can ensure that their company wins the bid

Knowledge management: A way of ensuring that project data can be accessed in the future by others who need it for informing decisions or planning similar projects

L

Latest start date: In the critical path method, the latest possible date on which a task (or the project itself) can begin

Leverage experts: Refers to gathering experts' insights to do something more effectively

Low-level risk: A risk that may not greatly impact the project and may have a low probability of occurring, so a project manager may or may not communicate it to stakeholders

M

Management reserves: A percentage of the budget set aside for unknown risks

Medium-level risk: A risk that requires direct communication with stakeholders and should be treated as urgent, as it will most likely impact the project

Milestone: An important point within the project schedule that indicates progress and usually signifies the completion of a deliverable or phase of the project

N

Need-to-know basis: Telling someone facts they need to know at the time they need to know them, and nothing more

Network diagram: A visual that sequences project tasks in order of dependencies

Non-disclosure agreement (NDA): Document that keeps confidential information within the organization

O

Open-ended question: A question that cannot be answered with a yes or no

OPEX (operating expenses): Refers to expenses which are required for day-to-day tasks

within the company

Optimism bias: When a person believes that they are unlikely to experience a negative event

P

Parallel tasks: Tasks that can happen at the same time as other tasks

Personally identifiable information (PII): Information that could be used on its own to directly identify, contact, or precisely locate an individual; includes email addresses, mailing addresses, phone numbers, precise locations, full names, and usernames

Planning fallacy: Describes people's tendency to underestimate the amount of time it will take to complete a task, as well as the costs and risks associated with that task

Planning phase: The second phase of the project life cycle; includes the schedule, the budget, and the risk management plan

Probability and impact matrix: A tool used to prioritize project risks

Probability: The likelihood that a risk will occur

Procurement: Obtaining all of the materials, services, and supplies required to complete the project

Project budget: The estimated monetary resources needed to achieve the project's goals and objectives

Project buffer: Extra time tacked onto the end of a project

Project kick-off meeting: The first meeting in which a project team comes together to ground everyone in a shared vision, gain a shared understanding of the project's goals and scope, and understand each person's individual roles within the team

Project management baseline (PMB): A clearly-defined fixed starting point for your

project that includes the scope, budget, and schedule

Project plan: A document that records the scope, tasks, milestones, and overall activities of a project; generally contains these five basic elements: tasks, milestones, people, documentation, and time

Project task: An activity that needs to be accomplished within a set period of time

R

Reforecast: Creating a separate revised budget based on how a project is tracking

Request for proposal (RFP): Document that outlines the details of a project

Reserve analysis: A method to check for remaining project resources

Resource cost rate: The cost of a resource

Risk: A potential event which can occur and impact a project

Risk appetite: The willingness of an organization to accept the possible outcomes of a risk

Risk assessment: The stage of risk management where qualities of a risk are estimated or measured

Risk management: The process of identifying and evaluating potential risks and issues that could impact a project

Risk management plan: A living document that contains information regarding the identified risks, estimates of their probability and impact, and the mitigation plans for those risks

Risk register: A table or chart that contains a list of risks

Root cause: The initial cause of a situation that introduces a risk

S

Schedule: The project timeline, which includes the start date, the end date, and dates for events in between

Schedule performance index (SPI): The ratio of the percentage of work complete to the planned budget for the planned work

Schedule variance (SV): The difference between the amount of work expected to have been completed and the amount actually completed at a given point in time

Scope risk: The possibility that a project won't produce the results outlined in the project goals

Sequential tasks: Tasks that must be completed in a specific order

Single point of failure: A risk that has the potential to be catastrophic and halt work across a project

Slack: The amount of time that a task can be delayed past its earliest start date without delaying the project

Soft skills: Personal characteristics that help people work effectively with others

Sole-supplier sourcing: When a company restricts the bidding process to one supplier, preventing competition

Start-to-finish (SF): In this type of dependency relationship, the first task must begin before the second task can be completed

Start-to-start (SS): In this type of dependency relationship, the second task can't begin until the first task begins

Statement of work (SoW): A document that clearly lays out the products and services a vendor or contractor will provide for the organization

Subtasks: Smaller tasks that are required to complete a larger task

Subject matter expert (SME): A team member with a deep understanding of a particular job, process, department, function, technology, machine, material, or type of equipment

Summary task: A header at the top of a project plan that describes a collection of subtasks

T

Task buffer: Extra time tacked on to a specific task

Time and materials contract: Contract paid monthly based on the hours worked and other fees associated with the work, like travel and meals

Time estimation: A prediction of the total amount of time required to complete a task

Time risk: The possibility that project tasks will take longer than anticipated to complete

Time-phase a budget: The act of spreading budget items out over the duration of a project

Total cost of ownership (TCO): The total cost of a project, from the initiation phase through completion

V

Vendors: Individuals or businesses who provide goods and services to the project

W

Work breakdown structure (WBS): A tool that sorts the milestones and tasks of a project

in a hierarchy, in the order they need to be completed