



# MAXIMUM FLOAT

## Michigan Capital Area Chapter Newsletter

Volume IX, Issue II October – November 2007



### ***Program Meeting Announcement***

**Tuesday, November 20, 2007**

Program Meeting at 6:00 PM  
Clarion Hotel and Conference Center  
3600 Dunckel Drive, Lansing, MI

**Dinner Speaker: Eaton County Prosecuting Attorney Jeffrey Sauter**

**Topic: " Paperless Office Project"**

To Register go to : <http://www.pmi-mcac.org/>  
And use the Monthly Program Meeting Link

Special Reduced Rate for Only Attending Speaker Portion of Meeting  
at 7:00 PM

See the above link for details!

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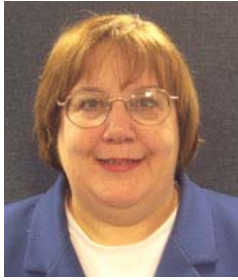
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## Message from the President

### Amy J. Piper, Ph.D, PMP

After becoming President, we needed to find a new VP of Professional Development to complete my term in that office. Our new VP of Professional Development is Marjorie Greer McIntyre. Take a look at our website at [www.pmi-mcac.org](http://www.pmi-mcac.org) to find out more about her. We also have a new web master. His name is Ashok Kumar. Please welcome these individuals to their new positions in the chapter. They play very important roles!

Our fifth Professional Development Day, "Project Management: Overcoming Project Obstacles", was Monday, October 8, 2007. I want to thank everyone who made this day successful, not only the committee and sponsors, but all of you who attended the event. We sincerely appreciate your support for these types of events!

Here is a take away from each speaker:

- Dr. Harold Kerzner in his presentation "Managing Projects under Long-Term Uncertainty: The Iridium Project" indicated that every project needs an Exit Champion. This role is someone who impartially reviews the project to be sure it should still be in existence.
- Dennis Stauffer, "Thinking Clockwise: Tools of an Innovative Leader" indicated that sometimes expertise slows down the problem solving process. The next time you are trying to solve a problem think about what assumptions are you making that are holding you back.
- Lou Russell in her presentation, "Troubled Projects – Robbing Peter to Pay Paul" mentioned that 80% of IT projects go RED when they can't be lied about anymore. She referenced David Ford and John Sterman's research: "The Liar's Club: Concealing Rework in Concurrent Development". It's interesting reading, look for it on [www.google.com](http://www.google.com).
- Dr. John Hollenbeck, "Leadership and Team Building: Composing Effective Work Groups" convinced me that I WANT that one disagreeable person on my team.
- Steve Hegele, "Burn your Canoe: A Presentation about Commitment and Being Decisive!" indicated that the building blocks of being decisive are relationships, communication, energy and commitment. To decide is to eliminate the alternative. Ask someone at the next dinner meeting what burn your canoe has to do with it.

As you can imagine these events take a lot of planning and to give the Board an opportunity to focus on more strategic activities we will be establishing a permanent committee to begin planning the next Professional Development Day, which will take place in October, 2008. If you are interested in taking part in this committee, contact me at [amy.piper@eds.com](mailto:amy.piper@eds.com). I'd like to work with you on the next event. We will be offering some single speaker Professional Development events prior to our next Professional Development Day. We will be announcing those as the details are solidified.

*Vice Presidents Reports continued on page 4*



## Message from the Past-President

**John LeTourneau, Ph.D, PMP**

Greetings to all! It was great seeing so many of you at the recent PDD day, it reminded me of how much our local chapter of PMI helps all of us to network. Did you see Brian Jennings presentation last year on "Your Career as a Project"? If you saw it, you know how important Brian thought that professional networking is to new career opportunities. Quite often, it gets us that next job. Sadly, I'll be missing all of our chapter meetings over the next program year. But it's for a good reason. Just as networking is important to our own personal continuous improvement, so is life-long learning. That's not something that I need to tell you, I think our chapter membership has close to an 80% certification rate as PMPs. My life-long learning in this case is that I've gone back to school to get a PhD. In many of our work environments there are certain educational norms to be achieved; sometimes it's a graduate degree, at others it's a certification. Working in an academic environment as I do, with the high educational expectations and the close availability of the instruction, it was too strong of a pull to resist (or maybe it was a push).

An unpleasant side-effect of the program I'm in is that I will have to miss the program meetings this year. I have classes most every Tuesday evening through May. So that's my excuse if you notice that I am not around the chapter program meetings this year. I hope to see you again soon at a PMI or other professional event, but in the meantime keep networking and keep learning.

## Vice President – Communications

**Amita Das, PMP**

Hello everyone!

I transitioned to the role of VP Communications from David Smith in September 2007. I have been serving on the MCAC board since 2004. I am very impressed with the professionalism of all the Board members and their dedication towards the chapter and very pleased to be part of this group.

As a VP Communications for MCAC, I am also thrilled to work with all of you. If there is any room for improvement, I would love to hear from you

In the beginning of 2007 the board was putting together a committee of volunteers to get ideas for speakers for our monthly meetings. It will run from the Fall 2007 through Spring 2008 program year and meet on a monthly or bi-monthly basis. Send your email address and phone number to [communications@pmi-mcac.org](mailto:communications@pmi-mcac.org) if you are interested in being on the committee or if you have ideas for speakers.

## Vice President – Logistics

**Pam Sawatzki, PMP**

At the moment that I am writing this we are experiencing an extremely warm fall day. It is hard to believe I am going to talk to you about the November meeting for our PMI Chapter! We are going to try something different for the November meeting, we are going to be offering a reduced rate for simply attending the speaker portion of the event. If you are interesting in attending please log on to the website and select that option. If you are attending this portion of

*Vice Presidents Reports continued on page 5*



the program, please plan to arrive at 7:00pm. If you chose this option you will be unable to attend the bonus program.

. We will be meeting Tuesday, November 20th. Our November meeting will be held at the Lansing Clarion Hotel on Dunckel Road. The bonus program will begin at 5:15, registration opens at 6pm with networking from 6pm to 6:30pm

## ***Vice President – Programs***

### **David Smith**

Our last dinner meeting featured Rudolf Melik, CEO and one of the founders of Tenrox. He gave a great presentation on Empowering Your Project Workforce. During his presentation he mentioned how business is changing due to globalization, workflow tools, outsourcing, off shoring, and the internet. Mr. Melik discussed ways to avoid MESS (Meetings Email & Spreadsheets) to increase productivity. On a personal level he recommended committing to projects, de-commoditizing your job, leveraging other individuals, keeping up with innovations, and using 21<sup>st</sup> century tools.

Due to our Professional Development Day there will not be an October dinner meeting. We hope to see you in November for a presentation by Eaton County Prosecuting Attorney Jeffrey Sauter who will be speaking on his "Paperless Office" project.

## ***Vice President – Professional Development***

### **Marjorie Greer McIntyre**

I had a great time at Professional Development Day! I have heard this statement resonate from attendee to attendee; and I wholeheartedly agree. PDD was packed with great speakers, relevant topics and exuberant attendees. It was truly an innovative day.

The Board is in the process of planning future events for our members. If you have any specific needs or suggestions, please let us know. Your suggestions will aid in providing events that will be more conducive to your needs.

Check it out! We have updated our library with new study guides to aid you in taking the PMP Exam. We have audio tapes, electronic test simulations, flashcards and guides. MCAC members are welcomed to check out any of these items for a duration of two weeks. Hurry, requests are coming in. Contact us to reserve the study guides of your choice.

*Vice Presidents Reports continued on page 6*



## **Vice President – Special Projects**

Karl Meier

### **PM Eye on Cathie Coens**



Cathie Coens is a Project Management/Information Technology Manager with the Legislative Service Bureau. September was Cathie's first program meeting with the MCAC. Please introduce yourself to Cathie at a future meeting, as she is the latest winner in the "free dinner" drawing! By the way, Cathie patiently posed for two photos, one of which to be used with this article. However, due to the complete lack of photography skills by the picture taker, the photos have been destroyed. Sorry Cathie!

## **Vice President – Finance**

Alireza Namvar

### **Michigan Capital Area Chapter PMI Balance Sheet As of September 30, 2007**

Assets		
Current Assets – Checking/Savings		\$27,029.75
Total Assets		<b>\$27,029.75</b>
Liabilities & Equity		
Liabilities		\$0
Equity		
Retained Earnings		\$20,414.81
Net Income		\$6,614.94
Total Equity		<b>\$27,029.75</b>
Total Liabilities and Equity		<b><u>\$27,029.75</u></b>

The above Balance Sheet is generated from the Chapter's accounting system and does not suggest audited information.

If you have any questions regarding the finances of the Chapter, please feel free to contact me at any time.

*Vice Presidents Reports continued on page 8*



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Oct 29-30, 2007 Grand Rapids, MI

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Nov 29-30, 2007 Sterling Heights, MI

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## CONTACT

For more information on these programs, please contact Kathy Tchernychova at 212.515.5125 or [Kathy.Tchernychova@iil.com](mailto:Kathy.Tchernychova@iil.com)  
For queries on onsite/group training, please contact Michael Connolly at 212.515.5161 or [Michael.Connolly@iil.com](mailto:Michael.Connolly@iil.com)



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## Vice President – Membership

**John Oldham, PMP**

I would like to take this opportunity to welcome the following members... New to the Chapter since our September meeting:

**Randy Banks, PMP**

**Nicholas Burwell**, Lansing Board of Water and Light

**Ms Catherine Coens**

**Julie Wagester**, Central Michigan University

The following Chapter members have recently attained their Project Management Professional (PMP) certification:

**Ryan Brookes, PMP**

**Suzette Compton, PMP**

**Alexis Kinter, PMP**

**Teresa Knapp, PMP**

Please join me in congratulating our newest PMPs!

The Michigan Capital Area Chapter includes 139 PMPs in the 204 total membership count.

I am looking forward to seeing you during our next Chapter Program Meeting on Tuesday, November 20<sup>th</sup>.

## Project Management Corner

### Contracts 101 – Introduction and Type of Contracts

**Arun Sampath**

**Abstract:** This is the first of a three part series intended to educate Project Managers on contracts. The first part provides an overview of why knowing about contracts are essential for project managers and some of the common types of contract.

Increasingly Project Managers (PMs) are put in a role that requires them to review and/or negotiate contracts. A contract is defined as a legally binding exchange of promises or agreement between parties (customer/ owner and vendor/contractor) that the law will enforce.

Before we get to the details of the types of contract and how to determine which type of contract is appropriate, let's look and why a PM should know about the contracts. As more and more PMs act as independent consultants or operate small businesses (without a full time lawyer) contract is valuable tool to gain or establish business relationship. The other more important purpose for a contract is risk management. A well drafted and executed contract is an effective risk transference tool.

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The most common contract types are as follows.

1. Fixed Price (or Lump Sum)
2. Time and Materials (T&M)
3. Cost plus Fee (fixed or percent)
4. Guaranteed Maximum (G-Max)

A Fixed Price contract provides for a price that is not subject to any adjustment on the basis of the contractor's cost experience in performing the contract. This contract type places upon the contractor maximum risk and full responsibility for all costs and resulting profit or loss. It provides maximum incentive for the contractor to control costs and perform effectively and imposes a minimum administrative burden upon contracting parties.

A T&M contract is the other extreme of the Fixed Priced contract. It reimburses the vendor/contractor on actual costs with no upper limit. A time-and-materials contract may be used only when it is not possible at the time of placing the contract to estimate accurately the extent or duration of the work or to anticipate costs with any reasonable degree of confidence.

Cost-reimbursement type of contracts provide for payment of all allowable incurred costs, to the extent prescribed in the contract. Contractor's profit can either be a fixed fee or a percent of the contract value.

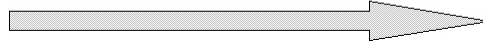
Guaranteed Maximum or more commonly G-Max contract is a hybrid between a T&M and Fixed Price. This allows the contractor to get reimbursed on actual costs for the time and materials cost until an upper limit or a ceiling is reached.

Part 2 of this article will look at what is the right form of contract under various circumstances.

About the Author: The author, Arun Sampath PMP, is a Senior Project Manager at Emergent BioDefense Operations, Lansing. He has been involved in negotiating contracts for over five years. He is NOT a lawyer. Arun can be reached at [outreach@pmi-mcac.org](mailto:outreach@pmi-mcac.org).

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Michigan Capital Area Chapter Newsletter



**Published Monthly prior to Chapter Meetings**

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Karl Meier	Contributor	Arun Sampath	Contributor
Marjorie Greer		Alireza Namvar	Contributor
<b>McIntyre</b>	Contributor		



## ***Monthly Program Meeting Information***

The MCAC Chapter Program Meetings are held at the Clarion Hotel and Conference Center, 3600 Dunckel Drive, Lansing, MI 48910

MCAC Chapter Program Meetings are held on the third Tuesday of each month, September through May, excluding December. Bonus Programs are often held prior to the Program Meeting (normally from 5:15 to 6:00). Please go to <http://www.pmi-mcac.org> for additional information.

**Costs:** \$25 for members and \$30 for non-members. Anyone who does not register in advance will be charged an additional \$5 at the door. If you are not pre-registered, we may be unable to accommodate you due to restaurant limitations. Note: At the November Meeting, those wishing to attend just the presentation by the main speaker can register at the chapter website.