



MAXIMUM FLOAT

Michigan Capital Area Chapter Newsletter

Volume IX, Issue III November 2007



Program Meeting Announcement

Tuesday, November 20, 2007

Bonus meeting at 5:00 PM

Topic: Visual Composite Applications: Leveraging your data investments

Speaker: Dan Shaver, Business Development Manager for IDV Solutions

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

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

See the above link for details!

Inside this Edition

Message from the President	3
Vice Presidents Corners	3-6, 8-9
Financials.....	6
Contracts 201 Selecting the Right Contract Type.....	8-9
Monthly Program Information	9



Executive Development Programs

Update your MBA skills and bring world-class learning experiences through executive education.

www.bus.msu.edu/execed
(800) 356-5705

The Weekend MBA

Gain essential tools for business leadership and complete your degree in only 17 months.

www.bus.msu.edu/wmba
(800) 746-6781

PMI Michigan Capital Area Chapter Officers

President

Amy Piper, PhD, PMP
President@pmi-mcac.org

Past President

John LeTourneau, PMP
pastpresident@pmi-mcac.org

VP Membership

John Oldham, PMP
membership@pmi-mcac.org

VP Finance

Alireza Namvar, PMP
Finance@pmi-mcac.org

VP Communications

David Smith
Communications@pmi-mcac.org

VP Professional Development

Marjorie Greer McIntyre, PMP
ProfessionalDevelopment@pmi-mcac.org

VP Programs

Amita Das, PMP
Programs@pmi-mcac.org

VP Publicity

Charlie Kidd, MA, PMP
Publicity@pmi-mcac.org

VP Logistics

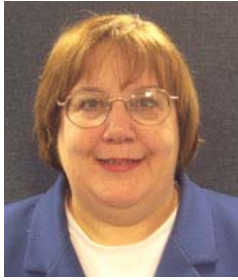
Pamela R. Sawatzki, PMP
Logistics@pmi-mcac.org

VP Outreach

Arun Sampath, PMP
Outreach@pmi-mcac.org

VP Special Projects

Karl A. Meier
Specialprojects@pmi-mcac.org



Message from the President

Amy J. Piper, Ph.D, PMP

So much has happened since our Professional Development Day that it's hard to believe that it was just last month. We have reached our last program meeting of the calendar year and the holidays are upon us. On top of all that I personally have accepted an extended assignment in Argentina. I'm actually writing this letter from Cordoba, Argentina. It's hard to believe! I arrived here for approximately two weeks and then I was off to fulfill a prior commitment to team teach some classes in Singapore, Wellington, and Sydney; so, since PDD I've literally traveled around the world.

I will be back in Lansing for the holidays and our January Board meeting; however, I will miss our dinner meeting in January.

I want to thank Dave Smith for his active participation in the MCAC Board over the last several years. He has been a valuable addition to the team and served us in several roles. Dave has resigned from the Board; since he is moving to the Detroit area to take on a new job. We will miss his enthusiasm and wish him "good luck" in his new endeavor.

Most recently Dave has been in the role of VP of Programs. We are looking for a replacement for him on the Board. If you are interested in this position, please send me an email at President@pmi-mcac.org. Dave is leaving us in good shape for the next few meetings, so let me know if you are interested in joining the MCAC Board.

Since this is the last newsletter of the year, I'd like to wish all of you a happy and safe holiday season!

Vice President – Logistics

Pam Sawatzki, PMP

Happy Thanksgiving! As we are all approaching the holiday season, I hope you have taken an evening to network at the November dinner meeting, while learning something and earning PDU's (a triple score!). This might also be a last opportunity to say goodbye to David Smith, our VP of Programs. He is leaving the area and moving on to the Detroit area. I understand his new office will be in the RenCen. We will miss him and all the wonderful contributions that he has made to our chapter and board of directors. Best of luck in your new endeavors Dave.

Vice Presidents Reports continued on page 4



After the break over the Holiday's we will be starting the year off with Sid Henkin who's topic will be "It's not how you do the work, It's how you work together". It should prove to be an interesting presentation. Registration opens on December 15, 2007 for the January 15, 2008 presentation.

Have a wonderful Holiday Season!

Vice President – Programs

David Smith

This November's program meeting will have Mr. Dan Shaver from IDV solutions demonstrating Geographic Information Systems (GIS) and explaining how GIS can be used to analyze and present your companies data. His presentation will be followed by Eaton County Prosecuting Attorney Jeffrey L. Sauter speaking about his office's transition to Paperless File Management.

Our chapter is seeking a new Vice President of Programs. I'll be moving to Detroit at the end of this month because I've accepted a job with Urban Science in the Renaissance Center. It has been a great pleasure working with the PMI-MCAC chapter.

Vice President – Professional Development

Marjorie Greer McIntyre

Ask and it shall be given! Professional development activities are really ramping up this month. The PMI-MCAC will kick off our first PMP Exam Prep Study Group. This Group will be informal and primarily self-directed. Participants will meet one hour each week at a time and location collectively agreed upon by the group at large. The role of the PMI-MCAC will be to facilitate with an overall objective of providing a venue to promote learning and networking opportunities. If you are interested in signing up for the PMP Exam Prep Study Group, please contact me at professionaldevelopment@pmi-mcac.org.

Don't forget...the PMI-MCAC Library has study materials for your use. These materials range from audio tapes, test simulations, and study guides. Contact me to reserve your selection today.

Vice Presidents Reports continued on page 5



Vice President – Special Projects

Karl Meier

In October I attended PMI's North American Leadership Institute Meeting in Atlanta. PMI holds four of these each year just prior to the Global Congresses, each on a different continent. The last Leadership Institute meeting for 2007 is this month in Cancun, Mexico, and the first one scheduled in 2008 is in Sydney, Australia. Each Chapter has been expected to send a representative to a Leadership Conference each year. I felt very privileged to be allowed to attend this year.

Beginning in 2009, attendance will not just be expected, it will be mandatory as PMI implements a number of changes; changes that revolve around the strategic mission of PMI and its Chapters. We as a Chapter and Board of Directors will be evaluating how the MCAC fits into PMI's strategic plan, including what we need to do to bolster any areas where we may fall short. This will be very important come 2009 as PMI implements the Performance Management Framework or PMF. The PMF will establish certain minimum levels of "service" that each Chapter must provide its members. The main idea is to improve the experience for members and ensure consistency across Chapters. We will have more information for you regarding the PMF as we begin to assess how our Chapter is currently aligned with PMI's strategic plan. Look for a Bonus Program in 2008 where you can learn the specifics of the PMF and how it affects our Chapter.

Also, there was much conversation at the meeting regarding Virtual Communities. Those of you that are members of SIGs have probably already heard about Virtual Communities, as you are the most directly impacted. In the near future, Virtual Communities will replace SIGs. We will have more information on this topic as well. In the mean time, if any of you are members of SIGs and haven't heard about Virtual Communities yet, see me at the next program meeting and I'll tell you what I know.

Vice President – Membership

John Oldham, PMP

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

Kristina N. Kinnie, PMP Covansys

Beth Ann Wilson

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

Kristina N. Kinnie, PMP

Please join me in congratulating our newest PMP!

The Michigan Capital Area Chapter includes 140 PMPs in the 201 total membership count.

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

Vice Presidents Reports continued on page 6



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	\$27,029.75
Liabilities & Equity	
Liabilities	\$0
Equity	
Retained Earnings	\$20,414.81
Net Income	\$6,614.94
Total Equity	\$27,029.75
 Total Liabilities and Equity	 <u>\$27,029.75</u>

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

MAXIMUM FLOAT

Michigan Capital Area Chapter Newsletter



Published Monthly prior to Chapter Meetings

Charlie Kidd	Managing Editor	Amy Piper	Contributor
John Le Tourneau	Contributor	John Oldham	Contributor
Pam Sawatzki	Contributor	John LeTourneau	Contributor
Karl Meier	Contributor	Arun Sampath	Contributor
Marjorie Greer		Alireza Namvar	Contributor
McIntyre	Contributor		



International Institute for Learning, Inc.

MICHIGAN CLASS SCHEDULE

To view full course schedule visit www.iil.com

Earn PDUs and Advance Your Career!

The Project Management Certificate Program: The Kerzner Approach® to Project Management Excellence

Project management certification demonstrates to current and potential employers that you possess a solid foundation of experience and education in project management that can have a positive impact on bottom-line results. Join the thousands of project managers who have taken this course on their way to PMP® certification!

\$2,895.00 | 46 Hours | CEUs: 4.6 PDU's: 46
Oct 15-16, 2007 Sterling Heights, MI

Stakeholder Relationship Skills for Project Managers

This 2 day course is designed to provide project managers with the ability to analyze the complexities of major stakeholder relationship categories, apply the most appropriate interpersonal relationship skills to the different categories of relationships and align the dynamic needs of the stakeholders with a project's objective throughout the project life cycle.

\$1,295.00 | 14 Hours | CEUs: 1.4 PDU's: 14
Nov 12-13, 2007 Dearborn, MI

The Project Management Professional PMP® Exam Preparation

This intensive exam prep workshop will prepare you to pass the Project Management Professional (PMP®) examination. The workshop is kept up to date with the framework of knowledge outlined by the Project Management Institute's PMBOK® Guide. IIL's instructors (PMP® certified) will use and identify test-taking tips and strategies and review materials that will assist you with passing the PMP® exam. The course includes a comprehensive workbook and a sample examination.

\$1,295.00 | 14 Hours | CEUs: 1.4 PDU's: 14
Oct 29-30, 2007 Grand Rapids, MI

WBS - The Keystone of Project Management

It's amazing how often project managers begin the project planning process by making an outlined list of every task they believe will be required to complete a project and then proclaim they have created the work breakdown structure (WBS) for the project. The result is a list of hundreds, or even thousands of tasks, many of them having durations of a few days or a few hours. Join us for this exciting program and learn how to use the WBS to make better-informed business decisions.

\$1,295.00 | 14 Hours | CEUs: 1.4 PDU's: 14
Nov 29-30, 2007 Sterling Heights, MI

Project Orange Belt® 2007

Prepares you to be a Microsoft® Certified Technology Specialist (MCTS) in Microsoft Office Project 2007 Standard and Professional. Gain the knowledge and skills to: create a well-formed project schedule, manage multiple projects, understand task types and the schedule formula and customize and format Microsoft Project view.

\$1,595.00 | 21 Hours | CEUs: 2.1 PDU's: 21
Oct 29-31, 2007 Sterling Heights, MI

Effective Negotiating Skills for Project Managers

The goal of this course is to equip participants with knowledge and practice of successful negotiation tips and tactics with emphasis on when, how, and why these techniques apply to project management.

\$1,295.00 | 14 Hours | CEUs: 1.4 PDU's: 14
Dec 10-11, 2007 Dearborn, MI

APMC®

www.iil.com/apmc

Advanced Project Management Certification The Kerzner Approach® to Best Practices (APMC™)

Your Potential. Your Company's Bottom-line. We Connect the Two.

A huge part of your company's success is your success as a project manager. Increased efficiency and productivity in project management bring increased return on investment for your company. So go ahead, propel your career and help your company reap rewards!

The APMC™ live eLearning curriculum is designed to help you learn how to control complex project management issues—from managing risks and quality to managing scope and budgets.

- Take from 3-12 months to complete the 70-hour online program
- Earn 70 PDUs when you attain your APMC™
- Complete two required courses, a self paced simulation and three elective courses

Find out if you qualify! New Program Series begins Quarterly.



Advanced Project Management Certification
Kerzner Approach® to Best Practices

FEATURED PRODUCT!

www.iil.com/elibrary

The Project Management eLibrary: The Project Management Certificate Program

Web-based, on-demand PM training for the Individual or Enterprise

Individual License (270 days): \$1,750
11 Modules/28 Lessons
45 hours/45 PDU's

- Self-directed, dynamic, interactive, PMBOK® Guide - Third edition aligned content available right from the desktop
- Includes assessments, engaging graphics, interactive activities, knowledge checks, PMP® Exam Tips, scenario-based simulations, helpful hints and more

Take a FREE program tour at www.iil.com/pm/eLibrary.

If your organization has a group to train, please contact Kathy Tchernychova at 800.325.1533, ext-5125 or email elibrary@iil.com for more information on our enterprise pricing.

CONTACT

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



APMC™ is a trademark and Kerzner Approach® is a registered trademark of International Institute for Learning, Inc.
PMI®, PMP®, OPM3® and PMBOK® are registered trademarks of the Project Management Institute, Inc. registered in the United States and other nations.
International Institute for Learning, Inc. 110 East 59th Street, New York, NY 10022
Phone: 800.325.1533 or 1.212.758.0177 | Fax: 1.212.755.0777 | Email: learning@iil.com
IIL is a PMI® Chartered Registered Education Provider and a member of the PMI® Corporate Council and Platinum Alliance Circle

Vice President Reports continued on Page 8



Project Management Corner

Contracts 201 – Selecting the Right Contract Type

Arun Sampath, PMP

During Part 1 of this series we looked at various common types of contracts. In part 2 we will address the next big question for Project Managers which is what type of contract to use when. It should be noted that contract is like a tool and choosing the right tool makes the job so much easier. However there is no such thing as a bad tool either.

The answer to this important question is RISK. The customer wants to be guaranteed of a quality product within the stipulated time while paying the minimum money. The contractor on the other hand was to minimize his risk while meeting customer's expectation and maximizing his profit. Both customer's and contractor's expectation to take minimum risk possible is in direct conflict with each other and this is where negotiations process comes into play.

Before we look at the factors that influence the level risk, let's re-visit the various types of contract with reference to risk level.

Time & Material: In this form of contract customer carries ALL the financial risk while contractor has NONE. The customer does not know the level of his financial commitment until the task is completed as he is obligated to pay the contractor for all his time and material and there is NO upper limit.

Cost Plus: Depending on the form of contract, customer carries MAJORITY of the financial risk while contractor carries MINIMAL. In case of a cost plus fixed fee, the profit of the contractor is capped so there is some level of incentive for the contractor to fulfill his obligation fast to maximize his margin. The level of risk for the contractor is further diminished in case of cost plus percentage where the contract gets a percent of the cost as his fee.

G-Max: In this form of contract the level of risk is SHARED by customer and contractor. The customer knows his financial obligations at the start. It should be noted while the risk is shared the contractor's share is higher and he often tries to mitigate it through contingency.

Fixed Fee: In this form of contract the customer carries MINIMAL financial risk while the contractor carries the MAJORITY.

Now we know the level of risk with each contract, it is easy to see how some of the following factors drive the contract selection / negotiation process.

- a) level to which the scope is detail
- b) quality or project complexity needs
- c) Owner's budget

Scope:

A well defined scope means that both customer and the contractor know what exactly is expected of each other. More well defined the scope the easier it is for the contractor to give his best price and hence a fixed fee contract. If the scope is vague and ill defined Time and

Vice President Reports continued on Page 9

Materials would better suited. One other factor relating to this is scope changes – fixed price contracts are least flexible when it comes time for changes to scope while it's most flexible with a T&M.

Quality:

T&M allows for contractors to perform their best since they are under no cost pressures. While with fixed price the contractors need to maximize profit drives them to perform the bare minimum while meeting the scope/specifications.

Budget:

If for the owner the budget is the primary project driver, having a fixed price contact is most beneficial since this minimizes his risk. With all other forms the contractor is under no pressure to keep the costs low.

During Part 3, the concluding part, we will review some of the key ingredients of a contract.

About 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 . Arun is the Vice-President of Outreach for the Michigan Capital Area Chapter of the Project Management Institute.

Monthly Program Meeting Information

January 15, 2008 Dinner Meeting

Speaker: Sid Henkin:

Topic: It's Not How You Do the Work, It's How You Do the Work Together

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.