

## 

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## Topic 5 PERT AND CPM NETWORKS

## History

- Late 1950s
- Program Evaluation and Review Technique (PERT)
- U.S. Navy, Booz-Allen Hamilton, and Lockeheed Aircraft
- Probabilistic activity durations
- Critical Path Method (CPM)
- Dupont De Nemours Inc.
- Deterministic activity durations


## The Language of PERT/CPM

- Activity
- task or set of tasks
- use resources
- Event
- state resulting from completion of one or more activities
- consume no resources or time
- predecessor activities must be completed


## The Language of PERT/CPM continued

- Milestones
- events that mark significant progress
- Network
- diagram of nodes and arcs
- used to illustrate technological relationships
- Path
- series of connected activities between two events


## The Language of PERT/CPM concluded

- Critical Path
- set of activities on a path that if delayed will delay completion of project
- Critical Time
- time required to complete all activities on the critical path


## Building the Network

## Sample Set of Project Activities and Precedences

| Task | Predecessor |
| :---: | :---: |
| a | -- |
| b | -- |
| d | a |
| e | b |
| f | b |
| g | c, d |

## Stage 1 of a Sample AON Network



## Stage 2 of a Sample AON Network



## A Completed Sample AON Network



## Stage 1 of a Sample AOA Network



## Stage 2 of a Sample AOA Network



## A Completed Sample AOA Network



## A Completed Sample AOA Network Showing the Use of a Dummy Task


cc) © (1)(2)

# Sample Problem for Finding the Critical Path and Critical Time 

| Activity | Predecessor | Duration |
| :---: | :---: | :---: |
| a | -- | 5 days |
| b | -- | 4 |
| c | a | 3 |
| d | a | 4 |
| e | a | 6 |
| f | b, c | 4 |
| g | d | 5 |
| h | d, e | 6 |
| i | f | 6 |
| j | g, h | 4 |

## Stage 1 of a Sample Network



## A Complete Network



## Information Contents in an AON Node

| EST | EFT |  |
| :--- | :--- | :--- |
| Activity <br> name | Activity <br> duration | EST-Earliest start time <br> EFT—Earliest finish time <br> LFT-Latest start time <br> LFT-Latest finish time |
| LST | LFT |  |

## The Critical Path and Time for Sample Project



## Calculating Activity Slack

- Slack or Float
LST - EST = LFT - EFT = Slack


## An MSP Version of PERT/CPM Network



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## PROJECT UNCERTAINTY AND RISK MANAGEMENT

## Calculating Probabilistic Activity Times

- Three Time Estimates
- pessimistic (a)
- most likely (m)
- optimistic (b)


## The Statistical Distribution of all Possible Times for an Activity



## Activity Expected Time and Variance

$$
\mathrm{T}_{\mathrm{E}}=\frac{(a+4 m+b)}{6}
$$

$$
\sigma=\frac{(b-a)}{6}
$$

$$
\operatorname{Var}=\sigma^{2}=\left(\frac{(b-a)}{6}\right)^{2}
$$

## 95 Percent Level

- Task will be a or lower 5 percent of the time
- Task will be bor greater 5 percent of the time

$$
\sigma=\frac{(b-a)}{3.3}
$$

## 90 Percent Level

- Task will be a or lower 10 percent of the time
- Task will be bor greater 10 percent of the time

$$
\sigma=\frac{(b-a)}{2.6}
$$

## 95 Percent Level (Alternative Interpretation)

- Task will be between a and b 95 percent of the time

$$
\sigma=\frac{(b-a)}{3.92}
$$

## 90 Percent Level (Alternative Interpretation)

- Task will be between a and b 90 percent of the time

$$
\sigma=\frac{(b-a)}{3.29}
$$

## An AON Network



## An MSP Version of a Sample Problem Network



| Name |  |
| :---: | :---: |
| ID | Duration |
| Start | Finish |

$\square$
$\square$
$\square$
Noncritical Summary

## A Pert/CPM Network for the Day Care

## Project



| Project: Day Care Service Investigation | Name |  | Critical | Milestone | Subproject |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | WBS | Duration | Noncritical | Summary | Marked |
|  | Start | Finish |  |  |  |

PERT view

## An MSP Calendar for the Day Care Project, 4/16/00 to 5/27/00


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## The Probability of Completing the Project on Time

$$
Z=\frac{(D-\mu)}{\sqrt{\sigma_{\mu}^{2}}}
$$

$$
=\operatorname{NORMDIST}\left(D, \mu, \sigma_{\mu}, \text { TRUE }\right)
$$

## The Statistical Distribution of Completion Times of the Path a-b-d-g-h



## Selecting Risk and Finding D

$$
D=\mu+Z \sqrt{\sigma_{\mu}^{2}}
$$

NORMINV (probability, $\mu, \sigma_{\mu}$, TRUE)

## SIMULATION

## Traditional Statistics Versus Simulation

- Similarities
- must enumerate alternate paths
- Differences
- simulation does not require assumption of path independence


## THE GANNT CHART

## A Gantt Chart of a Sample Project

| WBS | Task | Duration | Predecessors | Month 1 | Month 2 | Month 3 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 1 | a | 10.67 days |  | $\mathrm{a} \square \mathrm{~b}$ |  |  |
| 2 | b | 12.17 days | 1 |  |  |  |
| 3 | c | 12.33 days | 2 |  |  |  |
| 4 | d | 6 days | 2 |  |  |  |
| 5 | e | 14.33 days | 2 |  |  |  |
| 6 | f | 9.33 days | 3, 4 |  |  |  |
| 7 | g | 10.33 days | 4 |  |  |  |
| 8 | h | 7.83 days | 5,7 |  |  |  |

## A Gantt Chart of Sample Project Showing Critical Path, Path Connections, Slack, EST, LST, EFT, and LFT



## A Gantt Chart of a Day Care Project Showing Expected Durations, Critical Path, Milestone, and Resource Requirements

| Day Care Service Investigation Project Plan |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  | April | May | June | July | August |
| ID | Task Name |  | Predecessors | TE Duration |  |  |  |  |  |
| 1 | Develop employee survey to assess need and desire |  |  | 2 wks |  |  |  |  |  |
| 2 | Send survey out to staff |  | 1 | 0 days |  |  |  |  |  |
| 3 | Develop ad campaign to get staff to participate in survey |  | 1 | 1.67 wks |  |  |  |  |  |
| 4 | Surveys returned |  | 2, 3 | 11.67 days |  |  |  |  |  |
| 5 | Analyze results |  | 4 | 1.27 wks |  |  |  |  |  |
| 6 | Meet with YMCA to assess and verify proposal service |  |  | 3 wks |  |  |  |  |  |
| 7 | Identify other centers in the area (usage, fee structure, etc.) |  |  | 5.83 wks |  |  |  |  |  |
| 8 | Cost/Benefit analysis complete |  | 6, 7, 5 | 7.5 days |  |  |  |  |  |
| 9 | Go/No Go decision |  | 8 | 1.07 wks |  |  |  |  |  |
| 10 | If Go - develop implementation action plan |  | 9 | 3 wks |  |  |  |  |  |
|  |  |  |  |  |  |  |  | HR, Project Mgr, Marketing |  |
| Critical path, slack, and resources sho |  | Task | Critical task |  | Milestone $\diamond$ Slack |  |  |  |  |
| Project start date: 04/21 Project finish date: 07/20 |  |  |  |  |  |  |  |  |  |

## A Progress Report on a Day Care Project Showing Actual Progress Versus Baseline

| Day Care Investigation |  |  |  |  |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| ID | Task Name |  | Actual Dur. | Baseline Dur. | Start | Finish | Baseline Start | Baseline Finish | 04/02 | 04/30 | 05/28 | 06/25 | 07/23 |
| 1 | Develop employee survey to assess need and desire |  | 2 wks | 2 wks | 04/21 | 05/04 | 04/21 | 05/04 |  |  |  |  |  |
| 2 | Send survey out to staff |  | 0 days | 0 days | 05/04 | 05/04 | 05/04 | 05/04 |  |  |  |  |  |
| 3 | Develop ad campaign to get staff to participate in survey |  | 1.67 wks | 1.67 wks | 05/05 | 05/17 | 05/05 | 05/17 |  |  |  |  |  |
| 4 | Surveys return |  | 2.33 wks | 11.67 wks | 05/19 | 06/05 | 05/17 | 06/01 |  |  |  |  |  |
| 5 | Analyze results |  | 0.2 wks | 1.27 wks | 06/09 | 06/19 | 06/02 | 06/12 |  |  |  |  |  |
| 6 | Meet with YMCA to assess and verify proposal for service |  | 2 wks | 3 wks | 04/21 | 05/04 | 04/21 | 05/11 |  |  |  |  |  |
| 7 | Identify other centers in the area (usage, fee structure, etc.) |  | 5.83 wks | 5.83 wks | 04/21 | 06/01 | 04/21 | 06/01 |  |  |  |  |  |
| 8 | Cost/Benefit analysis |  | 0 days | 7.5 days | 06/19 | 06/28 | 06/12 | 06/21 |  |  |  |  |  |
| 9 | Go/No Go decision |  | 0 wks | 1.07 wks | 06/28 | 07/06 | 06/21 | 06/29 |  |  |  |  |  |
| 10 | If Go - develop implementation action plan |  | 0 wks | 3 wks | 07/06 | 07/27 | 06/29 | 07/20 |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Project start date: 04/21 Project current date: 10/04 |  |  |  | Baseline task Completed milestone |  |  | Milestone |  |  |  |  |  |  |
| Progress shown |  |  |  |  |  |  |  |  |  |  |  |  |  |

## EXTENSIONS TO PERT/CPM

## Precedence Diagramming

## Finish-to-start linkage

## Start-to-start linkage

## Finish-to-finish linkage

## Start-to-finish linkage

## Precedence Diagramming Conventions



## Other Methods

- Graphical Evaluation and Review Technique (GERT)
- combines flowgraphs, probabilistic networks, and decision trees
- allows loops back to earlier events and probabilistic branching


## Reference

- Meredith, R. J. \& Mantel, J. S. (1995). Project Management - A Managerial Approach. John Wiley \& Sons, 5th Edition.

