Delphi approach

She obviously presented him with the opportunity after seeing that he was capable. This technique can be used in two alternative ways in assessing project risks [or In this case, building a new project, which always takes on considerable risk]. The more quantifiable method, commonly referred to as the Delphi approach, collects and consolidates the judgments of isolated anonymous respondents.

For Delphi to be used effectively, some preliminary screening of potential contributors is usually necessary. The collective " wisdom" of the set of experts is then used as the basis for decision making.

The simpler, more intuitive method for using expert Judgments is based on the principle that " experience mounts. " You simply identify and consult people within the organization who have had similar experiences In running projects In the past or who have been with the firm long enough to have a clear grasp of the mechanics of project risk analysis. As obvious as this may seem, this opportunity may not be clear to everyone, particularly if management shifts recently have taken place in a firm or if new employees are not aware of the firm's project history" (Pinto 304).

Expert opinion does not have to be within the company.

And estimate can also be requested from a third party. B. Past history Joe knows that he isn't the first one to take on a project, or the second, or third. There is lots of documentation of past projects; many successes and many failures. Joe has an abundance of information to follow to help get on track and avoid disaster. He can use these past project for estimates by comparing

size, the amount of time they took, resources consumed, cost, and many other data points.

Joe must keep In mind when comparing these projects, when they were completed. Standards are frequently changing. Even though a past project may be a good template to start with, it is not a cookie-cutter fit. This approach is relatively easy; we simply call upon past examples of similar projects and use them as a baseline. The main drawback to this approach is that it assumes what worked in the past will continue to work today.

Projects are affected by external events that are unique to their own time.

Therefore, In using experience, we must be aware of the potential for using distorted or o AAA EAI International" c. Mathematical derivation- If Joe would like to take the estimates of all possible outcomes of the project into consideration, Mathematical derivation would be the approach Joe would want to go tit. " This method consists of developing duration probability based on a reasoned analysis of best-case, most likely case, and worst- case scenarios" (Pinto 291). These scenarios would present Joe with the most pessimistic and most optimistic outcomes, it would also give him a well balanced medium.

The following formula can be used to estimate the amount of time for project activities: The formula is broken down into the following parts: TEE = estimated time for activity a = most optimistic time to complete the activity m = most likely time to complete the activity, the mode of the distribution b = most simplistic time to complete the activity By combining the both

extremes, Joe can find a estimated midpoint at which he can expect the project to take to be completed.

In this calculation, the midpoint between the pessimistic and optimistic values is the weighted arithmetic mean of the mode and mid-range, representing two-thirds of the overall weighting for the calculated expected time. The additional weighting is intended to highlight the clustering of expected values around the distribution mean, regardless of the length of both pessimistic and optimistic tails" (Pinto 292).