

Chapter 1

The PMP Certification Exam

In This Chapter

- ▶ Examining why project management is important
 - ▶ Getting ready for prime time with PMP certification
 - ▶ Obtaining your PMP credential
 - ▶ Taking a look at the exam
 - ▶ Tracking your study plan as a project
-

This chapter introduces you to the Project Management Professional (PMP) Certification Exam. Our goal is to enable you to pass the certification exam and be recognized in your organization and in the business world as a certified PMP. This chapter gives you an overview of the exam, introduces you to the organization behind the exam, and discusses the generally accepted principles and methods of modern project management. You discover why project management is important, how project management differs from general management, and how having the project management (PM) skills described in this book can help you pass the test and enhance your career. You find out about a formal methodology for leading a successful project team in the real world — all the while picking up tricks for passing the exam.

As a sample project, you find out how to prepare a study plan that matches the methodology you need to know to pass the exam. We strongly recommend that you develop your own study plan and monitor your progress by using these tools and techniques. Putting theory into practice helps you master the core principles that are covered on the exam.

Although taking a professional certification exam may seem intimidating, we simplify the process for you. We give you a secret road map to the process.

How the PMP Certification Gets You Ready for Prime Time

The PMP certification is proof that you have the ability to manage a project. The exam was designed specifically to measure the knowledge, skills, tools,

10 Part I: PMP Certification Exam and PM Overview

and techniques that are utilized in the practice of project management. In today's competitive job market, white-collar managers need a way to differentiate themselves.

The recent boom-bust cycle in dot-com companies is a good example. Not so long ago, anyone who could create a simple Gantt chart with Microsoft Project called himself a project manager. These were typically project leads, or senior programmers, for small- to medium-sized development teams. Most of these "project managers" had little practical experience in projects and practically no formal PM methodologies. They're called accidental project managers. When the dot-com bubble burst, their resumes poured into human resources (HR) departments. How could an HR staffer know the difference between a battle-scarred project manager with hard-won PM experience and an accidental project manager with a similar title and no real experience? The answer is that HR recruiters *couldn't* tell the difference. Nor could the actual hiring managers make the distinction. The accidental project managers flooded the IT market, and corporations were swift to take advantage. Employers dropped the rates they were willing to pay for project managers' salaries by 25 to 45 percent.

The best way to distinguish yourself from the growing list of project managers is to become a certified Project Management Professional — the coveted PMP designation. According to recent salary surveys, achieving PMP certification brings an average salary increase of 8 percent across all industries — as high as 14 percent for IT managers. To employers who hope their projects aren't among the 83 percent that fail, PMP certification is now a preferred risk-reduction tool for screening job seekers and making promotion decisions.

Why PMI is the PMP overlord

The profession of project management is becoming a formal discipline. To ensure that project managers have a core level of professionalism, project management has its own rigorous certification exam — much as accountants have their Certified Public Accountant (CPA) exam.

The Project Management Institute (PMI) is the nonprofit organization that develops and administers the Project Management Professional Certification Exam. Just consider PMI as project management's indispensable trade association. PMI is dedicated to the advancement of high standards and methods in the field of project management. PMI not only grants you entrance to the profession by way of its certification, but it can also help you in your long-range career plans.

The PMP is the most widely accepted PM certification in the world. Currently, PMI has 100,000 members worldwide and expects that number to reach 200,000 by 2005. Membership rose about 16 percent last year. Among PMI

members, about 50,000 have passed its certification exam. That's about 50 percent of the members, a percentage that varies widely among local chapters. PMPs are a small fraction of all project managers.

PMI's Certification Board Center, a special group within the institute, handles all matters relating to the exam and certification. It has authority over credentialing activities for PMI, the profession, and individuals. The Certification Board Center's mission is for the global PM community, and its programs are the best in the world. In fact, the PMI Certification department is the first professional certification department in the world to obtain ISO 9001 recognition, a corporate quality-assurance program promulgated by the International Standards Organization.

Focusing on practical PM skills

PMI's Certification Board designed the exam to measure the knowledge, skills, tools, and techniques involved in the practice of project management. So everything that you learn for the exam could be applied to one of your future projects. Naturally, you won't use all these skills on every project; you'll use large portions of the methodology on every project.

The best way to prepare for the exam is to use all these methods on a project. That's why we encourage you to create a sample study plan as a project, as described later in this chapter.

Getting a handle on PM jargon

The practice of project management requires knowledge of many disciplines. Each discipline comes with its own jargon. For example, you need to know about the discipline of finance for justifying projects and performing cost/benefit analysis. You need to shine at budgeting and comparing actual costs to budgeted costs. You must develop mastery of technical disciplines such as quality and risk management, as well as softer ones centered on communications management and people skills. How a project moves through its life cycle phases and how each step affects these competencies will become second nature to you. We cover these topics in later chapters. We explain the terms and definitions that you'll have to master for the exam — and for practicing PM in the real world.

From an extensive, enterprise-wide basis, the terms and definitions of multiple disciplines will become part of your basic vocabulary. You need to know these definitions because you'll deal with stakeholders and staff who use them on a daily basis. In fact, much of the core exam material requires you to memorize the terms and definitions of project management. As we explore next, the core study material for the exam contains lots of definitions, lists, and charts that you need to memorize.

12 Part I: PMP Certification Exam and PM Overview

Introducing the PMBOK

On the exam and throughout your career as a PMP, you'll hear people refer to the *PMBOK Guide*. The *Guide to the Project Management Body of Knowledge* is the PM bible according to PMI. It includes the generally accepted practices and methods of PM and provides the core study material for the exam. Don't expect this book to be a page-turner. If it were interesting or easily understandable, you wouldn't need this book. The *PMBOK Guide* is full of dry lists and explanations. (Pete reads the book aloud to get his colicky baby back to sleep after night-shift feedings.)

Don't confuse the *PMBOK Guide* — a single book — with the PMBOK itself — everything you always wanted to know *or will ever know* about project management. The PMBOK is an idea, not a thing. It includes all the knowledge ever collected about project management. That body of knowledge includes all books, articles, lectures and speeches, recordings, coffee-shop conversations — anything now or yet to be written or said about project management.

The *PMBOK Guide* is the main source material for the exam. Although it's not the only reference, it is the main one. Like it or not, you'll probably end up reading it three times for the exam; we help you to be selective and effective in your reading. The current *PMBOK Guide 2000* version was updated by several PMI committees with subject-matter experts. If you have the 1996 version, there have been some changes in methodology in the 2000 version. *These changes are on the new exam*, so get the latest *PMBOK Guide* version. Another updated *PMBOK Guide* is expected to be released in 2004.

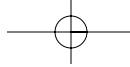
Finding Out about PMI

In addition to being the sponsor of the exam, PMI is an extremely helpful organization that offers many other services. We urge you to find your local chapter and join. In the next few sections, we explain what PMI is, how you can become involved, and how PMI can help your career.

Those influential people who wrote the test

PMI developed the first PMP certification exam in 1984. The initial exams were handwritten tests, eight hours long. PMI's current exams are four hours of multiple-choice questions, with automated scoring.

After you pass the exam, you have to satisfy continuing education requirements to keep your certification active. Attending local chapter meetings helps you satisfy some of the requirements. So does attending the annual seminars and



symposium. These trade conventions are national meetings for the profession. These yearly events have exhibitions; provide opportunities for networking and contacts, and provide world-class seminars from top business leaders, consultants, and scholars on all topics relating to PM.

Getting in contact with PMI

PMI has an online presence for the national organization at www.pmi.org. PMI also has many local chapters that you can join. Or if you're just looking for PM information to pass the exam, attend a meeting. There are more than 180 chapters, 9 student chapters, and approximately 50 international chapters in 45 countries. The United States has 71 percent of the members, Canada has 11 percent, and the International division has 17 percent. To find out more information about a local chapter in your area, check out the chapter location page at www.pmi.org/chapterinfo/.

The U.S. chapter locator page is at www.pmi.org/chapterinfo/acp_us.htm. Grouped by state and city, the chapter contact information tells when the chapter was chartered and lists an officer's name, phone and e-mail contact information, and annual chapter dues.

Studying the right materials

The core material for the exam is in the *PMBOK Guide*, but even if you commit all of it to memory, you won't be assured of passing the test. Project management covers many disciplines, and your study materials for the exam will encompass many of them. Some overlap with general management; others are specific to project management. We summarize those other sources for you, and we make sure you know all the topics the test covers.

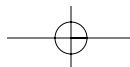


The *PMBOK Guide* is an *abridged* overview of all existing material on project management: books, lectures, academic notes and studies, and so on. Because the entire body of knowledge (a notion called the PMBOK) couldn't fit into one book, the guide is not comprehensive; it's a survey or standards manual.

Only 70 percent of exam is derived from the *PMBOK Guide*. In the following chapters, we tell you where to find the other 30 percent and what to concentrate on in your test preparation.

Getting PMP Certified

Before you can take the exam, you have to qualify for it. PMI verifies and qualifies your background experience. You start by submitting an application.



14 Part I: PMP Certification Exam and PM Overview

In the next few sections, we detail various exams and background requirements, and help you with the application.

Understanding exam requirements

PMI gives three types of exams, and each has different requirements. PMP certification — the subject of this book — is the senior-level project management exam. CAPM is an entry-level project management exam. CAQ is an additional, industry-specific exam. Before you can take the CAQ, you need to be PMP certified.

The PMP is the major league exam for project managers. There isn't any other PM exam as widely recognized. The exam is a grueling four-hour-long marathon. It starts with an optional 15-minute tutorial, which explains how the exam works; it does not count as part of the four hours. (If you start the tutorial and the rundown clock shows 3:45, immediately let the proctor know and have him or her reset the clock.) The PMP Certification Exam has 200 multiple-choice questions. Each question has four options, and you must select the best one. It might not really be the best one in your opinion or even in your experience, but the best one according to the PMI mindset.



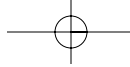
The test is pass or fail. To pass, you must score at least 137. A score of 138 or 200 gets the same passing grade as 137. So, don't sweat the numbers; you'll get no extra credit for a perfect score!

CAPM

The *introductory level* CAPM (Certified Associate in Project Management) exam is aimed at people who do not have enough job experience to answer situational questions. These questions take the form, "What would you do in this situation?" (These experiential questions account for about 40 percent of the *advanced level* PMP exam.) It's an easier test than the PMP, but it covers the same topics. Just about everything you'll read in this book will help you pass the CAPM exam as well as the PMP exam. The major differences are that the CAPM exam has only 150 questions, and it's less situational. It also requires shorter periods for both project experience and training, so the application form is different. To determine if you meet these requirements, see the CAPM Handbook. You can download it from pmi.org/info/PDC_CAPMHandbookFile.asp.

CAQ

Don't worry about taking the CAQ exam just yet. Just added in 2002, the Certificate of Added Qualification (CAQ) is an additional exam that you take after you've passed the PMP exam. It ensures PMPs have industry-specific knowledge and skills. There are exams for specializations in IT, automotive,



and project management offices. Future exams for other industry segments are planned. There are some different eligibility requirements for taking these new exams.

Applying to take the exam

The next few sections take you through the application process.



PMI membership entitles you to a discounted exam rate of \$405 instead of the full \$555 rate. Membership costs equal the membership discount for the exam. So join PMI! You can pay PMI for membership and the exam with your credit card online at secure.pmi.org/add/memberinfo1.asp. You'll get a member ID number and password for accessing the PMI member's areas.

Go to the PMI certification Web site

You can apply online for the exam at <https://certificationapp.pmi.org>. This is a secure Web page that encrypts all your information. You'll get a CE Number (for Certification Exam) and a password. Write the CE Number and password down and keep them handy. The CE Number permits you to complete the entire application in multiple sessions. You can submit your application in sections by returning to the exact place where you left off. That's a great timesaver for you, especially if you forget something or have to gather additional information.

The Certification Handbook is a PDF file that you can use as a reference for the application process. Download the Certification Handbook at pmi.org/info/PDC_PMPHandbook.pdf.

Fill out the application

The application differs slightly depending on your background. There are two sets of educational and experiential requirements called Category 1 (if you have a BA/BS degree) or Category 2 (if you don't have a BA/BS degree). These experiential requirements distinguish the PMP from other certifications.

- ✓ **Category 1** requires a baccalaureate degree, as well as a minimum of 4,500 hours of project management experience in the five PM process groups (initiation, planning, execution, control, and closure; see Chapter 3). The project dates must show three years (36 non-overlapping months) of project management experience within six years. You also need 35 hours of PM training.
- ✓ **Category 2** is for candidates without a baccalaureate degree. You must have a minimum of 7,500 hours of project management experience, at least five years of PM experience within eight years. You also must indicate at least 60 unique (non-overlapping) months of PM experience.

16 Part I: PMP Certification Exam and PM Overview

Both categories require 35 hours of PM education in a classroom setting. There is no time limit on when you take these classes.

Wait for your eligibility letter

After PMI completes your application, you get an eligibility letter in the mail. If you applied online, you also get an e-mailed version. This letter contains your magic PMI ID number that confirms your eligibility to take the exam. You need this number to apply for the exam, and you must show the letter at the exam site. Save this letter! The eligibility letter expires after six months.

Schedule your exam

After you get your eligibility letter, you have to contact Prometric Test Center (the exam contractor) to schedule an exam appointment. Schedule the exam sometime within the six-month window. To verify your identity, the test center requires your PMI ID number. Because you have already paid PMI for taking the exam, you don't have to pay anything at the Prometric Test Center. Everything is covered in the PMI application fee.



The exam is given via computer at Prometric Test Centers throughout the United States and Canada, and in other countries. Prometric doesn't offer the PMP exam at all of its locations. For a list of testing locations, check www.2test.com. Here is a shortcut to the Test Center Locator page: www.2test.com/tcl/ZipCode.jsp?pts=1026763528353.

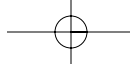
We suggest that you use the Prometric Web site because its automated telephone response system is difficult to navigate. But if you want to call, here are the numbers:

- ✓ In the United States and Canada, dial 800-755-EXAM.
- ✓ In all other countries, dial the U.S. country code and then 410-843-8000.

Inspecting the test question structure

Your exam is prepared from 200 questions that are randomly selected from PMI's question database. Each question has four response choices. You select the *best* answer — best according to the PMI methodology. Your answers are all single choices. (The test no longer offers possible answers that are combinations such as "A and B" or "all of the above.")

Some of the questions refer to the same information. Answering one question in a set might help you determine the answer to another question. The group of questions might be in a random order, so you might have to go backward or jump forward. Mark these questions so you can check on them later.



The biggest single reason people miss questions is that they go too fast and don't read the question carefully. Some of the questions are simple definitions of PM terms. About 40 percent of the questions relate to situations (given a set of facts, what would you do?). There are also some questions where you apply your knowledge of commonly used PM formulas.

What percentage of questions relate to each exam section?

The following list shows the breakdown of questions. Planning, Execution, and Control comprise the bulk of the exam. Initiation and Closing have the least number of questions. Plan your study time accordingly!

Initiation	17 questions
Planning	47 questions
Execution	47 questions
Control	46 questions
Closing	14 questions
Professional Responsibilities	29 questions

During each of the phases, you'll repeat steps and functions, and the processes overlap and integrate. You'll see questions on managing *Integration, Scope, Time, Cost, Quality, Human Resources, Communications, Risk, and Procurement*.

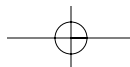
Criteria for passing the exam

A passing score is 68.5 percent — 137 correct answers. This exam is pass or fail. Scoring 137 is the same passing grade as a perfect 200.

If you score less than passing, you can retake the exam. You can't take the exam more than twice in a six-month period.

What the Exam Measures

We work on breaking down the important things for you as the book proceeds. The next section starts off showing a few things to keep in mind as you think about the scope of the material that you'll have to study.



18 Part I: PMP Certification Exam and PM Overview

Creating a study plan

Check out our sample study plan on the CD. You must personalize any study plan to suit your individual skills, experience, and needs, but we give you some general tips throughout the book and on the CD.



The study plan is your *project plan* for taking the certification exam. You are the project manager.

Memorizing key lists

To answer many of the exam questions, you have to know definitions, terms, jargon, formulas, and various lists of processes. Here are five major lists to memorize (we help you master them, starting in Chapter 2):

- ✓ Five project management processes
- ✓ Nine knowledge areas
- ✓ 39 component processes
- ✓ Component process interactions
- ✓ Formulas

Study tips

Throughout this book, we give you some tips on how to master the material. We suggest mnemonics, give you study tips and memorization tips, and point out traps.

Deciphering repeated patterns

PMPs excel at discovering and learning repeated patterns. It's what makes the methodology so useful. The material has lots of repeated patterns that you'll discover in each chapter.

Color-coding process groups as an aid to memory

Relationships among the process groups are broken into *core* and *facilitating* processes. Each of the 39 component processes is either a core or facilitating process.

Consider coding these with different-colored markers. Use more garish colors for the single initiating process and the two closing processes. The bulk of the processes are in the other three — planning, execution, and controlling.

Tracking Your Study Plan by Using PMI Methodology

The exam requires a serious commitment. Most of the people we know from local PMI chapters take an unpaid week off before the exam and cram for the last 40 hours. Additionally, the average study plan calls for at least 180 hours of preparation time. That's about 4½ weeks. So, we're going to set up a study plan for you to customize. Although the study plan contains some accelerated tools to help you, you must use it consistently throughout the book. Remember, it's the same methodology that will be on the exam. The best way to pass the exam is to use the methodology on sample projects.

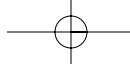
Your exam is the product of your project

You are now being assigned to a new project. We'll call the project by a catchy name: (insert your name here)'s PMP Exam Prep Project, or your own personal *PEPP*. You are the project manager for the PEPP project and are accountable for achieving a successful outcome. You have all the power necessary to make things happen. The product of your PEPP project is passing the exam. The distinction between the project and the product of the project is fertile exam question material; see Chapter 2 for details.

Project scheduling tools to plan your exam baseline

The sample study plan on the CD uses a few of the included tools to create a project plan. That's a project plan in the *PMBOK Guide* sense. According to the modern PM definition, a *project plan* contains all the information about the project; it's not just the schedule. We'll start with creating a *project charter*, or defining document, from a simple template. Then you'll master how to create a *work breakdown structure* — an organizational hierarchy chart for your project. You find out how to *decompose* tasks and activities by using WBS Chart software. You'll set some key dates by using the Milestones Professional application. Print these milestone charts and keep them at your desk for motivation. We'll use a template for Microsoft Project Schedule to tie all this together and chart your progress.

As you move forward, you'll set up a network diagram. Network diagrams were formerly called PERT charts, so you may be familiar with them. You'll calculate the *critical path*. You can expect some critical path types of questions on the exam.



20 Part I: PMP Certification Exam and PM Overview

We show you how to set up and graph the schedule and the budget for the PEPP project.

Project controls on your study progress

After you have a baseline, you'll get to study the material and track your progress. The project controls that you'll master include variances from time and cost baselines. We'll be charting your progress along the way so you can graphically see how to control your exam study plan and manage your time and effort. The Gantt chart tools are a great aid for this.

Measuring your earned value

Earned value analysis (EVA) tells a project manager about the "health" of the project. EV analysis is an elegant method showing how budgets and schedules work in unison. You'll see how your earned value plots out on a graph.

