CRITICAL PATH METHOD

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PMGT 690

JANUARY 2016

Critical Path Method (CPM) Example

5.9 - Deliverable: International Capital, Inc. Case Study

How does this project stack up with the average projects?

The average duration for sourcing a capital project is 70 days. The estimated duration of the critical path of this project is 72.67 days. There is a 31.93 percent chance of completing the project on or before the 70 day average. Therefore, the analysis is saying this project doesn't stack up well against the average project.

Z value = 70 – 72.67 / 5.73 = - 0.47 Z, therefore probability = 31.92 %



What would the average have to be to ensure a 95 percent chance of completing the project in 70 workdays?

The average must be 60.55 days in order to ensure a 95% chance of completing the project in 70 workdays.

A 95% probability equals a Z value of 1.65, therefore working to achieve a 1.65 Z value you would need a Te of 60.55.

Z = 70 – 60.55 / 5.73 = 1.65, Z = 1.65

References

Larson, E. & Gray, C. (2014). *Project Management: The Managerial Process* (6th ed.). New York, NY. McGraw Hill Education.