

ANALYSIS OF INVESTMENT PROJECT MANAGEMENT METHODS AND STAGES OF ITS PRACTICAL APPLICATION

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Abstract: *The development performance literature has traditionally focused on post-project analysis. Although this is a valid way to measure benefits, a good evaluation requires a preliminary step: measuring the effectiveness of the implementation of investment projects. This paper aims to identify the factors of good performance. Unlike previous studies, the current study analyzes performance using a project life cycle approach. The main condition is that the duration of the investment project, that is, the days from its approval to the final payment - factors related to preparation and implementation are taken into account. There is evidence that a healthy macroeconomic and fiscal environment in countries is important for good performance. In addition, the authors find that delays in project planning and implementation can significantly prolong project life. These findings highlight the need to continue to improve performance in these areas.*

Key words: *project plan, risk management, resources, budget, data analytics.*

Introduction

Any enterprise or company should develop a competent investment program. But managing investment projects is a complex and multifaceted process. Investment project management refers to the process of planning, implementing and controlling a specific investment initiative or project to achieve financial goals and objectives. This type of project management is particularly focused on projects that involve the allocation of resources to generate revenue or profit over a period of time. These projects can vary widely, including areas such as real estate development, infrastructure projects, technology investments, and more. Key aspects of investment project management include:

1. **Project Planning:** This involves determining the scope, goals and objectives of the investment project. It includes an assessment of the financial stability, risks and potential returns associated with the investment.

2. **Allocation of resources:** Effective allocation of financial, human and other resources is very important in the management of investment projects. This includes budgeting, determining staffing needs and ensuring optimal use of resources to achieve project objectives.

3. **Risk Management:** Identifying, assessing and managing risks is an important aspect of investment projects. This involves analyzing the obstacles that may affect the success of the project and developing strategies to reduce or manage these risks.

4. **Financial analysis:** It is essential to conduct a thorough financial analysis to determine the feasibility of the project and the potential return on investment (ROI). This includes cost estimates, revenue projections, and other financial metrics.

5. **Implementation and Monitoring:** Once a project is implemented, project managers must monitor its implementation to ensure that it is on schedule and within budget. Continuous monitoring allows for corrections if necessary.

6. **Stakeholder Communication:** Effective communication with stakeholders, including investors, regulators and other relevant parties, is critical to project success. This includes providing updates, resolving issues, and maintaining transparency.

7. **Compliance:** Compliance with legal and regulatory requirements is important in managing an investment project.

This includes obtaining necessary permits, complying with environmental regulations and meeting other legal standards. Effective management of investment projects requires a combination of financial acumen, strategic thinking, and project management skills. This is essential to maximize return on investment and minimize risks associated with complex projects.

Methods

All businesses require money to invest in equipment and people to start a business, support customers or clients, run a business, and grow a business. The success of this business requires investment. Many companies only look at the hard business assets they have invested in. One of the most overlooked investments is project management processes. As a business practice, project management is an investment. We need staff who have the skills to be project managers and provide training to these people. It takes time to develop a methodology, policies, procedures and templates that

work within the company culture. It also takes time to ensure that the relevant personnel in the company are on board with the concept that project management is a way to improve overall performance. Project management involves overseeing and managing a project from start to finish. Successful project management requires attention to various key elements. Some important aspects to consider in project management are:

Project objectives and scope: Clearly define the objectives and scope of the project. Ensure that all stakeholders have a common understanding of what the project is trying to achieve.

Stakeholder Engagement: Identify and engage with all stakeholders. Regular communication is critical to managing expectations, gathering feedback, and addressing concerns.

Project Planning: Develop a comprehensive project plan that includes timelines, milestones, tasks, and resource allocation. This plan serves as a road map for the project team.

Risk Management: Identify potential risks and develop strategies to reduce or manage them. Regularly evaluate and update the risk management plan throughout the life of the project.

Resource Management: Effectively allocate resources, including personnel, budget, and materials. Ensure resources are available when needed to avoid delays.

Communication: Establish clear and effective communication channels. Regularly update stakeholders on project progress, changes and issues. Develop open communication in the project team.

Quality Management: Establish quality standards and ensure that products meet those standards. Implement quality assurance and quality control processes throughout the project.

Change Management: Anticipate and plan for change. Have a structured change management process to evaluate, approve and implement changes while minimizing disruption.

Monitoring and control: Regularly monitor project performance according to plan. Use key performance indicators (KPIs) to assess progress and identify areas where adjustments may be required.

Team Dynamics: Create a positive team environment. Encourage collaboration, resolve conflicts promptly, and recognize and reward team members for their contributions.

Customer/Customer Satisfaction: Check in regularly with clients or customers to make sure their needs and expectations are being met. Ask for feedback and make adjustments as needed to improve satisfaction.

Documentation:

Maintain complete documentation throughout the project. This includes project plans, meeting minutes, decisions and any changes made. Proper documentation facilitates accountability and learning for future projects. Flexibility: Be adaptable to changes in the project environment. Projects often face unexpected challenges, and the ability to adjust plans accordingly is critical to success. By focusing on these aspects, project managers can improve their ability to deliver successful projects on time and on budget while meeting or exceeding stakeholder expectations. Effective project management is a dynamic process that requires constant monitoring, adaptation and improvement.

Discussion

Investment project management involves the use of various methods and approaches to ensure the successful planning, implementation and completion of projects aimed at generating returns on investments. Some of the commonly used methods for managing investment projects are: Payback Period: The payback period is the time required to generate sufficient cash flows to cover the initial cost of the investment. Shorter repayment periods are often preferred because they indicate faster returns. Cost-Benefit Analysis (CBA): CBA compares a project's costs with its benefits, usually expressed in monetary terms. This helps to assess whether the benefits outweigh the costs. Risk Management: Various risk management techniques such as risk identification, assessment and mitigation planning are crucial in managing an investment project. This includes analyzing potential risks and implementing strategies to minimize their impact. Scenario analysis: This involves evaluating how different scenarios or changes in variables (such as market conditions, costs, or demand) might affect the project. It helps in planning for uncertainties and making informed decisions. Agile project management: Agile methodologies, often associated with software development, are increasingly used in investment projects. Agile emphasizes iterative development, flexibility, and responsiveness to changing requirements. Earned Value Management (EVM): EVM integrates cost, schedule, and scope to evaluate project performance. Compares the planned cost of work to the actual cost of work performed to measure project progress and identify variances. Stage-Gate Process: The Stage-

Gate model involves dividing a project into stages, each stage ending with a gate at which a decision is made whether to continue, modify, or stop the project based on its performance and alignment with goals. will be done. Quality Management Systems: Implementing quality management systems ensures that project deliverables meet predetermined quality standards. It includes quality planning, assurance and control processes. Project Portfolio Management (PPM): PPM involves managing a portfolio of projects together to achieve strategic goals. This helps in prioritizing and optimizing the allocation of resources across multiple projects. Lean Project Management: Lean principles focus on eliminating waste, optimizing efficiency, and continuously improving processes. Applying lean concepts to project management can increase value delivery and reduce unnecessary costs. Procurement Management: Effective management of the procurement process is essential for projects that involve the purchase of goods or services. This includes supplier selection, contract negotiations and ongoing vendor management. The choice of methods depends on the nature of the investment project, best practices of the industry, specific objectives and constraints of the project. Combining several methods and approaches often provides a more comprehensive and effective strategy for managing investment projects.

Results

In order to attract more investments to the management of investment projects, it is necessary to create a favorable environment for the implementation of such initiatives. Here are some key steps that can be taken to encourage and channel more investment in investment project management: A clear regulatory framework: A clear and transparent regulatory framework that provides a stable and predictable environment for investors. creating a transparent legal framework. Clarity of rules helps reduce uncertainty and encourages investment. Incentive programs: Implementation of incentive programs to attract investors. This may include tax credits, grants, subsidies or other financial incentives that make investment in project management more attractive. Infrastructure development: Invest in infrastructure development, including technology and communication networks. A well-developed

infrastructure can facilitate project management activities and attract investors looking for efficient operations. Education and skills development: Invest in education and training programs that produce a workforce with project management expertise. A skilled workforce is essential for the successful management of complex investment projects. Public-Private Partnerships (PPPs): Encourage and promote public-private partnerships in which the government partners with private organizations to develop projects. PPPs can bring private investment and expertise to public projects. Risk Reduction Strategies: Develop and communicate effective risk reduction strategies. Investors are more likely to participate if measures are in place to manage and mitigate the potential risks associated with investment projects. Showcase successful projects: Highlight successful investment projects that have been effectively managed. Case studies and success stories can inspire confidence in potential investors and demonstrate potential for positive returns. Technology Adoption: Encouraging adoption and adoption of modern project management technologies. This includes project management software, data analytics, and other tools that improve efficiency and effectiveness in managing investment projects. Networking and Collaboration: Create a collaborative environment by encouraging networking opportunities for investors, project managers and other stakeholders. Partnerships can lead to shared insights, expertise and potential joint investment ventures. Market research and demand analysis: Thorough market research and demand analysis to identify potential areas for investment. Understanding market trends and demands helps direct investments to projects with the highest potential for success. Sustainable practices: Consider incorporating sustainable practices into project management. Investors are increasingly interested in projects that meet environmental and social responsibility goals. By addressing these factors, governments, organizations and stakeholders can create an environment that attracts and directs more investment into investment project management. This requires a holistic and collaborative approach involving the public and private sectors.

Conculation

Several factors can significantly influence the management and attraction of investment projects. These factors can be diverse and multifaceted, impacting the decision-making process of investors and the overall success of investment initiatives. Here are some key factors:

Political Stability: Political stability is crucial for attracting and retaining investments. Investors prefer environments with stable political conditions, as political instability can lead to uncertainties and increased risks.

Infrastructure: The availability and quality of infrastructure, including transportation, energy, and communication networks, play a vital role in attracting investments. Well-developed infrastructure facilitates efficient project management.

Labor Force and Skills: Access to a skilled and educated workforce is critical. Investors are attracted to regions with a labor force that possesses the necessary skills for project management and innovation.

Cost of Doing Business: The cost of doing business, including factors like taxation, labor costs, and overhead expenses, influences investment decisions. Lower costs may attract investors looking for cost-effective project management.

Technology and Innovation: Access to technology and a culture of innovation are increasingly important. Investors often seek opportunities in regions that encourage technological advancements and innovation in project management.

Natural Resources: The availability of natural resources can attract investments in industries related to extraction, processing, and utilization of these resources.

Security and Safety: A safe and secure environment is crucial for both the investment itself and the well-being of the workforce. Political stability, law enforcement, and overall safety contribute to a favorable investment climate.

Market Access and Trade Agreements: Access to international markets and favorable trade agreements can attract investments. Being part of larger economic blocs or having preferential trade agreements can enhance the appeal of a region.

Proactive government measures, such as tax breaks, grants, and supportive agencies, can attract investors. Understanding and addressing these factors can contribute to the effective management and attraction of investment projects, creating an environment conducive to successful and sustainable investments.

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