

# THE CRITICAL PATH

# THE CRITICAL PATH METHOD

- Analyzes a complex project
- Identifies necessary resources
- Focuses on the essential activities
- Prioritizes activities
- Schedules and monitors progress
- Sets the time for completion
- Provides a graphic view of the plan

# ACTIVITIES

- Sequential activities are dependent on other activities being completed first
- Each must be completed, or near completion, before starting the next activity in the sequence
  - EXAMPLE: Planting a crop
- Parallel activities are not dependent on completing a previous activity
  - EXAMPLE: Making a land payment

# ESTIMATING THE TIME NEEDED FOR AN ACTIVITY

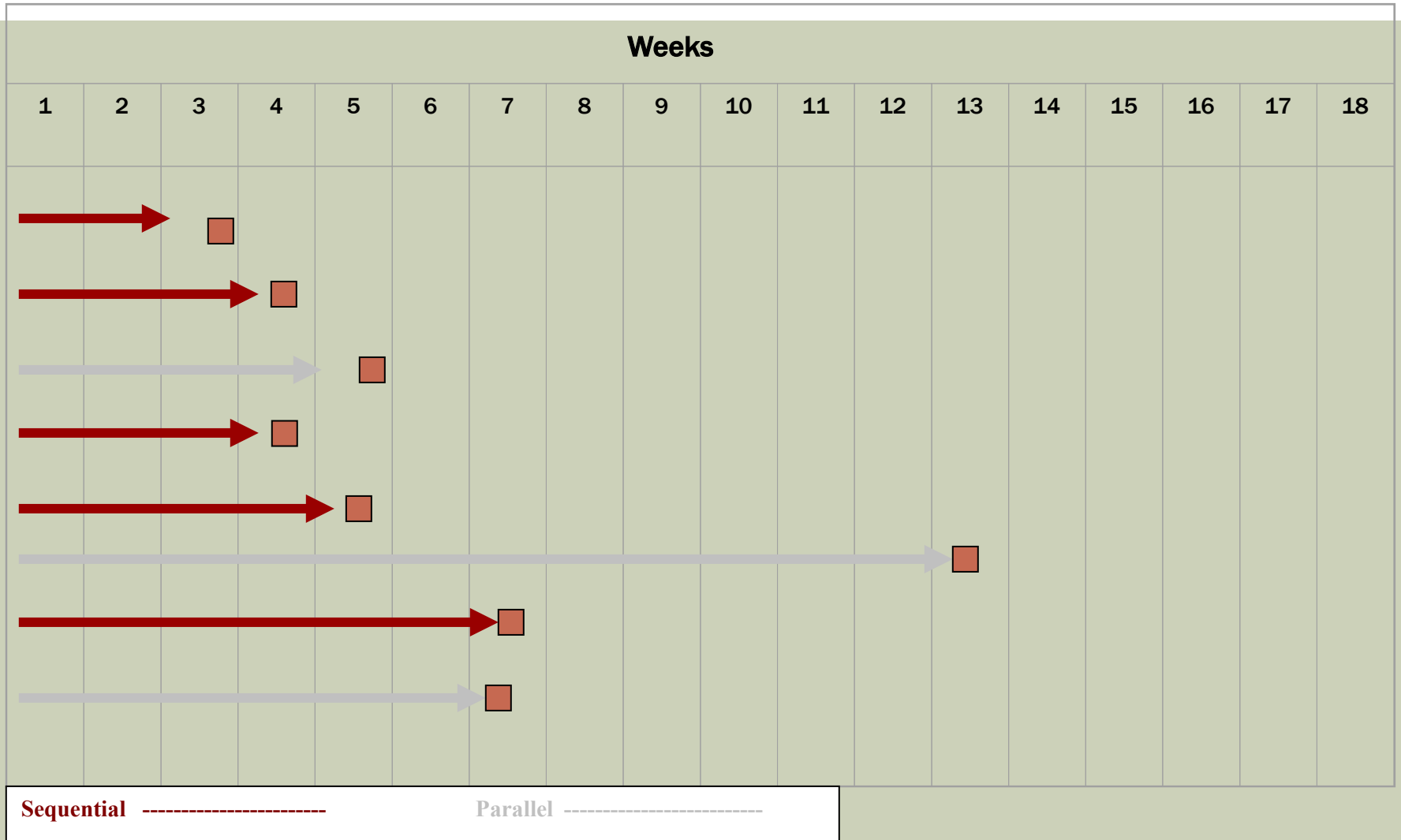
- It is difficult to estimate the length of time for a new activity and normal to underestimate the time
- High priority activities must be carried out before immediate activities
- There will be unexpected or unscheduled high priority work
- There will be...
  - Accidents and/or emergencies, meetings, holidays, sickness, break downs in equipment, delays, interruptions, rejections due to quality or quantity
- Develop a systematic approach to include these factors
- Rely on your experience

# METHODOLOGY

- List all activities required in plan
- The context will determine if an activity is parallel or sequential
  
- Activity \_\_\_\_\_
- Start date \_\_\_\_\_ Time to completion \_\_\_\_\_
- Sequential & dependent upon \_\_\_\_\_
- Who is responsible for the activity \_\_\_\_\_
- How will progress be reported? \_\_\_\_\_
- To whom will progress be reported \_\_\_\_\_

**USE WEEKLY, MONTHLY, OR ANNUAL  
WORKSHEET NEEDED TO COMPLETE THE  
PLAN**

# CRITICAL PATH METHOD CHART



# COPY THE ACTIVITIES IN THE APPROPRIATE TIME PERIODS

- Start with the activities with the earliest start dates
- Draw and label each activity as an arrow that ends with a box
- Remember to denote whether the activity is sequential or parallel



# SCHEDULING ACTIVITIES

- Remember to schedule sequential activities so they are carried out in the proper sequence
- Remember to schedule parallel activities so they do not interfere with the sequential activities

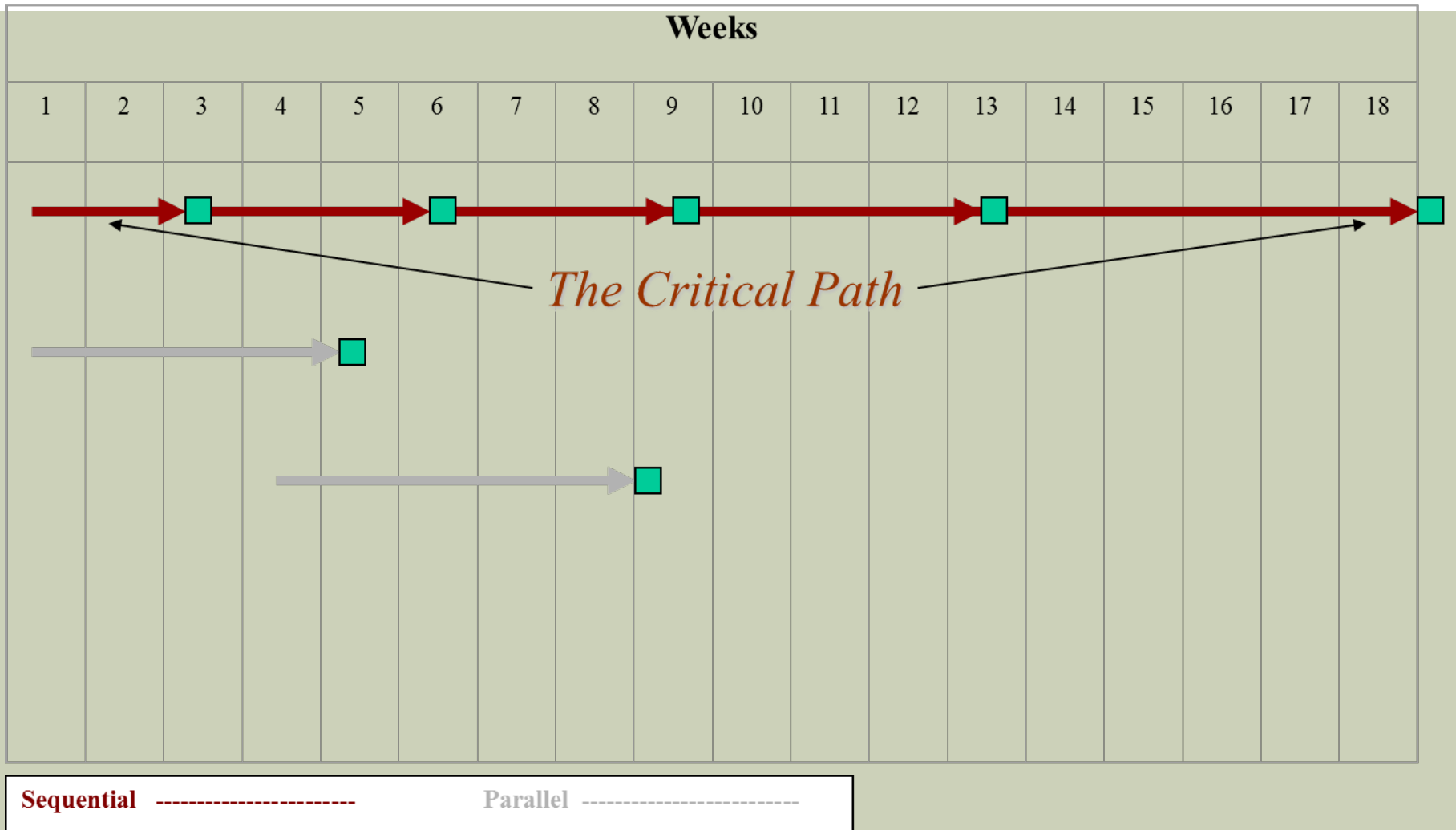
# PREPARE A FINAL COPY

- Time is marked out across top of the chart
- Activities are drawn as arrows ending with boxes
- The length and positions of the arrows show the start date and duration of the activity

# CRITICAL PATH

- The longest sequence of sequential activities leading to the completion of the plan
- Any delay of in the start or completion of an activity on the critical path will delay the completion of the whole plan... or
- The time allowed for future sequential activities will need to be shortened

# CRITICAL PATH METHOD CHART



# SUCCESSION PLANNING ACTION LIST

**Hold a family meeting**

**Define your goals and objectives**

**Identify potential successors**

**Seek commitment from all family members**

**Establish a timeline for succession**

**Inventory all assets and ownership status**

**Schedule meeting with advisor team**

**Create a multi-generational business plan**

**Form appropriate business entities**

**Determine insurance needs**

**Complete estate planning**

**Establish a retirement plan**

**Create appropriate legal agreements (operating/buy-sell, etc.)**

**Establish business systems, policies, and procedures**

**Develop successor training plan**

**Create an ownership transition plan**

# ACTIVITY

- Complete description of four activities on the critical path worksheet

**THANK YOU!**