

Global Project Strategy (011) (603) 862-3374

Special Interest Articles:

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Project Leaders and Project Managers

Several months ago we undertook a major renovation of our 1780 house. The architect, Robert Rodier, was known for his creative integration of the new with the old (The local historic District Commission, HDC, also made sure we did not go too far astray). The architect's plans, after several rounds with the HDC, were finally approved. Shortly thereafter, the contractor took over and construction began.

The contractor's job was to execute the plans laid out in the drawings.

But in an old house that is easier said than done. Let me give you an example. Demolition of the interior kitchen walls was necessary for many reasons including the need to provide access for new wiring, plumbing, heating and much needed insulation. After studying and measuring the available space between the old wall studs, the

contractor concluded that there was not enough room to insert the heating vents.

His solution was quite simple and straightforward. The walls would be closed and a new chase would extend outward from the wall leaving plenty of room for the vents. He assured me that this new structure "would hardly be noticeable" once it was painted. *See Page 2*

Can Top-Level Support Kill a Project?

Top management support is often cited as a Critical Success Factor (CSF) in project management. Without it, according to conventional wisdom, the project is unlikely to succeed.

What about too much support from the top. Is that equally as threatening?

Consider the purchase of Freescale Semiconductor acquired by Blackstone Group, Carlyle Group, TPG, and Permira Advisers.

When it was purchased the new owners had followed a strategy used by many private equity firms: identify the target company, arrange financing, make the takeover move, downsize management, reengineer for higher profits, and sell the company at a considerable profit.

The purchase is often paid for by increasing the debt of the target company. In this case Freescale was saddled with \$9.5 billion to pay for the deal.

Now the company must come up with \$375 million every six months just to service the debt.

It's no surprise to conclude that management was behind every cost cutting and financial restructuring project. There was no doubt about top level support. What was missing ... you guessed it... was bottom level support.

Now, according to a Business Week article, the company is on the brink of failure. (See Page 2)

Project Leaders and Project Managers

This was not exactly how Rodier reacted when he arrived for his 'quality control' check the next morning.

He quickly concluded that an outside chase was out of the question. Its protrusion into the room he argued would interfere with the clean architectural lines he had worked so hard to achieve.

Meanwhile, the contractor insisted that in this old house there was no other way. Later he "confided" in me that architects have "no clue" how to build a house.

Rodier wouldn't give up. He measured, made calls, measured again and made more calls. By three o'clock of the next day he had solved the problem and met with the contractor.

Lot's of lessons here. First, contractors need to be good *managers*, while architects need to be *leaders*.

The role of a leader is to address the technical and human challenges necessary to meet or exceed business and project objectives. Almost all strategic projects need leaders. Some tactical projects can get by with managers.

Thinking inside the chase is thinking outside-the-box!

Can Top Level Support Kill a Project?

Let' look at other examples. Merck was convinced from early in the drug trial process that they had a winner in Vioxx. The project failed not because the teams failed to deliver a successful project but because overzealous top management was unwilling to pull the plug on a project that would end billions in revenue.

Consider also the Challenger and Columbia

Space Shuttle disasters. While one could point to the failure of technology in both of these tragedies, the real root cause was tied, by both investigation boards, to the philosophy of top management that emphasized Faster, Better and Cheaper project processes.

Meanwhile, at or near the top of any list of critical success factors (CSF) we find "top management support."

To the contrary "top management support" can doom a project to failure.

What we really need, and this is especially true for strategic projects, is not only their support but their engagement. They need to understand the project, understand the cost/quality/time tradeoffs, understand the customer's needs, understand the challenges with suppliers, and work with the project team through the life cycle of the project.

"Top level management support is not enough. We need their engagement as well "

Project Challenge of the Month

A manufacturer of small AC/DC and DC/DC power products has sales in the range of \$20 million. Sales volume and production runs for each model are low.

Many of the component parts, however, for each model must be purchased in large quantities. In one

model and for one part, the minimum order quantity is 1,000 but only 200 are needed to accommodate the production schedule. As you can imagine this has resulted in large inventories.

The company has tried to work with the suppliers to

purchase in smaller quantities but they have had no luck.

Design a project to address and solve this problem. Identify the activities and a timeline to reach a solution.

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What Can We Do About Resistance to Change

If a project is worth doing, if it addresses process or products that require change, we all know that we can depend on one response with certainty. We all know that sooner or later we will have to face resistance to change.

There are many alternative ways to deal with this. The first is to refrain from listening to the complaints and keep

your eyes on the deadline. The second is to acknowledge the concern, listen politely and then defend the system. The third is to listen to those who are resistant to the change, try to understand the precise nature of their concern, and do your best to help them understand why the changes are necessary.

Most people just want to

be involved and listening to them and understanding their concerns will go a long way in breaking down the barriers to change.

We all now, however, that the best way to head off resistance to change is to involve constituents early in the project.

Projects as Partnerships

A former CIO of a Fortune 500 insurance company complained to me that the IS department was getting it wrong. "They continually solve the wrong problem," he said. I asked what he meant by that. "They do a good job interviewing the client, then they go back to their IS group and work on the project. Sometimes there are return visits to the client. Weeks or months later they install the software," he replied. "But seldom is it what the end-user wants."

This insurance company

is enduring a common problem with IT projects.

Isolating design, development and implementation by giving the IT department either implicit or explicit control of the project introduces a risk that is seldom considered when underrating risk analysis. Indeed the records show a very high rate of IT project failure; in the range of 25 to 50 percent. This process of isolation may be one of the contributing factors.

The solution to this problem, for IT or any other project, is simple but very difficult for some organizations to initiate. The solution is to create a partnership between the project team, customers and even suppliers. When done correctly there will be no surprises to any constituency; they will all have collaborated and resolved many of the issues that lead to dissatisfied clients. Obviously you cannot avoid all the problems following this strategy, but many can be avoided.

Managing the Client's Expectations

It's the client that must be pleased with the outcome of a project. It's as simple as that. Not the project team, not the suppliers, not necessarily top management, but the client.

So at the very beginning of a project we need to identify the client. Sometimes this is not so

easy. The real client may send another person to the project meetings and then it's the real client who passes judgment on the project after it is done. It's a project "bait and switch." By that time we figure it out it may be too late. We may be meeting the needs of the wrong person or constituency

Once we identify the real client then we need to manage his or her expectations. Yes, it takes time from the project, but this is an important step.

How do you manage expectations? For starters communicate and listen. Invariably changes will be necessary. Both sides need to be flexible.