

In a recession projects are extremely vulnerable

It is usually best to support management not a failing project

Complex project management structures are difficult to implement but often avoid disappointing results

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

Projects Suffer as Economy Falters

The housing bubble, which started to collapse last year, has spread from Wall Street to Main Street. And it's getting nasty!

What can we expect?

Unless the economy can absorb the credit crisis that is unfolding, and it is doubtful it can, the crises will certainly affect projects, both ongoing and planned.

First, look for management to carefully scrutinize existing projects. If they are seen as having trouble contributing to the bottom line, expect these projects

to be cut altogether or pared back. Then look for management to cancel future projects if the economy continues to falter.

Recessions are always tough on projects. Only those that show signs of promise will be supported.

This means that every project needs to have strong sponsorship, a strong record of meeting its targets, and strong profit potential. One without the other may not work.

This brings us to a very important question:

Should project managers defend the project at all costs or should they cooperate with management and be willing to take an objective view of its pluses and minuses.

This is a tough question to answer, but in an environment where companies are engaged in reducing their work force, the best strategy is to be honest and support management if the project must go. Your support may save your job and reputation, but in many cases there is nothing you can do to save the project.

Project Management Structure

Project management structure is key to project success, especially when projects get large.

But project management structure is often neglected.

Does the organization support the creation of a steering committee for each project? Program Office? Project Management Office or

Project Sponsor?

While many organizations will respond that these functions are represented in the organization, a closer inspection suggests that they are often present in name only.

The reason they may be neglected is often political.

Some project managers see this as threatening or

diminishing their power.

Indeed, Complex project management structures inevitably lead to the kind of conflicts that could undermine the potential of the project, but without them projects can go unchallenged and fail to deliver on their promises.

On balance, Most organizations are turning to complex structures.

No One Bailed Out From Bad Projects

Bailout or no Bailout?

What a mess! Congress doesn't know what to do. If they bailout Detroit it sends a bad message: we privatize profits and socialize losses.

While public opinion is against the bailout, what policymakers are worried about is the consequence of job losses on the US economy. Let the Big Three fail and unemployment will spike upward.

So on the one hand we don't want to reward bad management, but on the other we don't want to punish autoworkers and

scores of others who indirectly work for the Big Three..

Here's the bad part.

For years Detroit has bet their fortunes on large gas-guzzling cars. But at the same time, it was well known that oil reserves were not increasing, we were continually supporting political regimes that were not in our interest, and the demand, especially in China has been increasing at a very rapid pace.

So, how did top management approve project after project that

emphasized the wrong kind of cars. How did Toyota and Honda do it right?

The real issue is not so much wages as it is bad project decisions. Where was the Program Management Office? How did the sponsors continue to support gas-guzzling projects?

The hard part is to feel confident that after a loan of \$15 billion, Detroit will change. Many feel this is not possible as long as the same managers continue to make bad project decisions?

91 South Street
Portsmouth, NH 03801
USA

PHONE:
(603) 862-3374

MOBILE:
(603) 767-0480

E-MAIL:
bshore@globalprojectstrategy.
com

We're on the Web!

See us at:

www.globalprojectstrategy.com

Keeping Control Over Your Future During the Recession

This is proving to be the worst recession we have had in over 50 years. In fact, the world has suffered 16 serious financial crises in the last 200 years. And the important point to remember is that we (or our ancestors) survived them all.

But that is little consolation to those whose jobs are at risk, and that includes almost everyone.

What really helps is to maintain some control over an otherwise uncontrollable situation.

Five things can be done.

First, you need to remain flexible. That means if it looks like your project is

not strong enough to stand up against the erosion in corporate revenues and budgets, then work with management to develop the best possible and least damaging exit strategy.

Second, be truthful with those on the project team. Let them know what you know. Hold regular communication meetings and try to keep the rumor mill to a minimum.

Third, try your best to maintain a positive attitude. It's easy to become discouraged, but this will only fuel the path to despair.

Fourth, be proactive. Attend professional meetings and do your best to network as much as

possible. No one likes to dwell on the prospect of losing a job, but it can happen. If you maintain your professional network, you will have the kind of contacts it takes should you need to find new employment. Indeed too many people wait until it's too late.

Remember that not everyone loses his or his job and that companies still hire. There are currently jobs in health care and the pharmaceutical industry. Look for organizations that are less susceptible to the damage of the recession. Consider a career shift.

Fifth, it goes without saying that you should consider paying down your debt and saving as much as possible.