Project Management

11. Contemporary issues
week 11
Current issues in project management
Gray & Larson, 2006, Ch 16.
Current Trends
Future Trends
Organizing Principles
Project Management Challenges
Unresolved Issues
Career Issues
Five forces
Global competition
Knowledge explosion
Innovation
Time to market
Shortened product life cycles
Figure 2: GLOBALISERS GROWING FASTER
Decadal Average Annual GDP Growth for Rich, Globalising Developing and Non-Globalising Developing Countries

Globalisation

Integration of Economies
Accountability
Equality/Inequality
Communication
Recognition
Trade versus Aid
Outsourcing
Brands
Exploitation
Growth
Poverty
Environment
Monopoly Power
Capitalism
Culture
Free Trade?

Shrinking World
Technology/ The Internet
Terrorism
Global competition

Knowledge explosion

Innovation

Time to market

Shortened product life cycles
Global competition
Knowledge explosion
Innovation
Time to market
Shortened product life cycles
Brand Camp

Lifecyle of Innovation

The Idea

Capital Constraints

Technical Feasibility

Legal Review

Management Indecision

Development

Final Product

Stubbornly Marketed as Original Idea

Eureka!

CHOMP

Rejigger Reprioritize Puree

New! Applesauce

www.skydeckcartoons.com
What is desirable to users?

What is possible with technology

What is viable in the marketplace

Innovation
Global competition
Knowledge explosion
Innovation

Time to market
Shortened product life cycles

Effect Of Delayed Time To Market On Sales In The Presence Of Competition

<table>
<thead>
<tr>
<th>Agile</th>
<th>Lean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality</td>
<td>Quality</td>
</tr>
<tr>
<td>Cost</td>
<td>Lead time</td>
</tr>
<tr>
<td>Lead time</td>
<td>Service level</td>
</tr>
<tr>
<td></td>
<td>Cost</td>
</tr>
</tbody>
</table>

Market Qualifiers | Market Winners

Source: Mason-Jones et al., 2000
Effect Of Delayed Time To Market On Sales In The Presence Of Competition

The graph illustrates the impact of delayed time to market on sales in the presence of competition. It shows the difference in sales between being first to market and being late to market by 3 years (1.5 sales per year). The sales are depicted on a logarithmic scale, showing exponential growth. The green area represents the sales for the company that is first to market, while the shaded area represents the sales for the company that is late to market. At 10 years, the sales for the late to market company are almost 8 times lower than those of the first to market company.
<table>
<thead>
<tr>
<th>Agile</th>
<th>Lean</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Quality</td>
<td>• Quality</td>
</tr>
<tr>
<td>• Cost</td>
<td>• Lead time</td>
</tr>
<tr>
<td>• Lead time</td>
<td>• Service level</td>
</tr>
<tr>
<td>• Service level</td>
<td>• Cost</td>
</tr>
</tbody>
</table>

| Market Qualifiers | Market Winners |

**Source:** Mason-Jones *et al.*, 2000
Global competition
Knowledge explosion
Innovation
Time to market

Shortened product life cycles
Green zone represent the 'best bang for your buck'. That is, you spend enough time polishing your app so it leaves the zone of suckiness aka 'lets see if it sticks zone', careful that you don't overshoot and end up taking to long.
Five forces

Global competition
Knowledge explosion
Innovation
Time to market
Shortened product life cycles
The focus of projects has shifted from tactical to strategic

Enterprise Project Management (EPM)
Project Management Office (PMO)
Enterprise Project Management (EPM) is a centralized management of a portfolio of projects to ensure that the allocation of resources to projects is directed and balanced toward the strategic focus of the organization.
The Project management office (PMO) is the unit responsible for support of standards, processes, and information system that defines project management for the organization.

**Organizational Performance by Level of PMO Maturity**

- **Performance Rating**
  - 4.0
  - 3.5
  - 3.0
  - 2.5
  - 2.0

- **Measures of Performance**
  - Organization financially successful
  - Shareholders satisfied
  - Projects aligned to strategy
  - Project customers satisfied
  - Organization works on the right projects
  - Strategy executed to plan
  - Projects on schedule & budget
  - Resources allocated optimally
  - Overall performance

Project Management Office (PMO)
There is increasing discipline in the way projects are managed.
Training

Uniform training across team makeup, team culture, outside partners, and organization support allows for standardization in practices and processes related to projects.
Organization Culture

A system of shared beliefs supports organizational flexibility in meeting the challenges of managing projects in globalized competitive environments.
Organization Culture

A system of shared beliefs supports organizational flexibility in meeting the challenges of managing projects in globalized competitive environments.
Multicultural Projects
Cultural differences and gaining trust among team members are major hurdles to overcome
Information Technology

- web-based management of projects continues to increase as outsourcing does
- virtual teams continue to increase
- advances in technology such as wireless communication provide new avenues
Risk Management

More attention now turning to managing risk on projects.

Organizations need to balance choice of projects with variety of low, medium and high risk projects across their portfolio.
Outsourcing

A common strategy is to outsource standard work or parts and reserve inside work that is complex and deemed proprietary.

Companies need to consider contract management, RFP’s, change control and partnering.
Multicultural Projects

Outsourcing

Training

Organization Culture

Multicultural Projects

Risk Management

Information Technology

Project Management Discipline
Current Trends
Future Trends
Organizing Principles
Project Management Challenges
Unresolved Issues
Career Issues
This section

The 5th discipline
Business Processes
Communities
Virtual worlds
Emergent design

Adaptable v stable (and the impact on planning)
Distributed v central
The 5th Discipline
=
The Learning Organization
Most organizations only last 40 years.

Organizations that can learn faster than their competitors will survive longer.
To create new learning and thinking behaviors in its people an organization must follow 5 basic principles:

- personal mastery
- mental models
- shared vision
- team learning
- systems thinking
Business Process Re-engineering
Processes Rather Than Functions

A process-centered organization is a company whose perspective has shifted from tasks to processes; an approach to designing an organization where the business processes are the driving structures.

Advantages:
employees are self-managed
virtually every department is involved
customer perspective encourages professionalism
Communities Rather Than Groups

Communities form of their own volitions. Groups are formed by design; their members are designated by a project manager.

Advantages:

- people do the work
- helps build tacit knowledge for the organization
- change agent; communities are webs of participation, when a pattern changes the organization changes
Virtual Rather Than Physical
Uses computer and telecommunication technologies to extend capabilities by working with employees or contractors located throughout the world.
Eg. e-mail, instant messaging, and videoconferencing
Time and space are no longer main organizing foundations

Advantage:
globalization
Self-Organizing Rather Than Designed

Nature provides a good model for future organizations; organizations must deal with complexity, share information and knowledge, and cope with continuous and discontinuous change—centered around chaos theory, ecology and biology.

Advantage:
adaptability; can adapt to natural phenomena
Adaptable Rather Than Stable

Successful organizations will be structured to naturally support volatility and continual surprises. IT is causing the world to become connected and connectivity increase volatility. To keep pace, companies will need to adapt quickly.

**Advantage:**
evolution; organizational models will be built around networks, and will be designed to evolve.
Manifesto for Agile Software Development

We are uncovering better ways of developing software by doing it and helping others do it. Through this work we have come to value:

Individuals and interactions over processes and tools
Working software over comprehensive documentation
Customer collaboration over contract negotiation
Responding to change over following a plan

That is, while there is value in the items on the right, we value the items on the left more.
Distributed Rather Than Centralized

*Distributed Capitalism*
key features; deep support unique to each individual supported by IT, individuals may own aspects of the means of production, distributed production and ownership

*Market-Based Organizations*
key features; markets supported by IT communication facilities, decentralized workforce; democratic structures
Current Trends
Future Trends
Organizing Principles
Project Management Challenges
Unresolved Issues
Career Issues
Understanding Users

Value Management
Aligning business and IT

User Centric Design
Putting the user first

Adoption of new technology
Innovation diffusion
Understanding Users

How do users adopt to new technology?
Understanding Users

How do users adopt to new technology?

Innovation Diffusion Theory.

This model suggests that technologies are adopted at rates that follow a normal distribution.
Figure 7.2 Innovation Diffusion Theory
(Luftman, 2004, p182)
Increasing Executives’ Understanding of Information Technology
Increasing Executives’ Understanding of Information Technology

*You tell them*

What are Executives Leadership Roles?

What are the Current, Existing and Upcoming IT Issues

What this deeper understanding of projects means for Executive Learning
Educating Information System People about Business

Train the business
Move into the business
Lead with the business
Attend business programs
Current Trends
Future Trends
Organizing Principles
Project Management Challenges
Unresolved Issues
Career Issues
How far can virtual project management evolve?

How do we manage projects under high levels of uncertainty?
Career Paths

Professional Training and Certification

Mentors

Temporary Assignments

Pursuing a Career

Gaining Visibility

Success in Key Projects
Review

Current trends in IT include; global competition, knowledge management, innovation, marketing and product life-cycles.

Future trends affecting IT project managers include; scope change, system integration, and a more disciplined approach.

Organization principles include; learning culture, process-centred, communities, virtual businesses, self-organizing, adaptable, and distributed business.

Challenges for project managers include; increasing executives understanding of IT and increasing IT’s business savvy.

Project management is the career of the future, however it is not all smooth sailing.
References

