

Contemporary Projects Module

Ok, So Why Do a Project?

Start Here

- Context
- Temporary endeavour of a project v 'permanence' of an organisation
- 'Problem' or 'solution'?
- How do organisations deal with projects? - Implications

Some Sources

PESTLE

- Political
- Economic
- Social
- Technological
- Legal
- Environmental
- But Most Importantly.....

CHANGE

Organisation Structure

- Functional
 - Resources controlled within the functional unit
- Project
 - Resources are allocated to a project and controlled from the project
- Matrix
 - Resources are controlled functionally by the function head and concerning project requirements by the Project Manager

Organisations can be Structured:

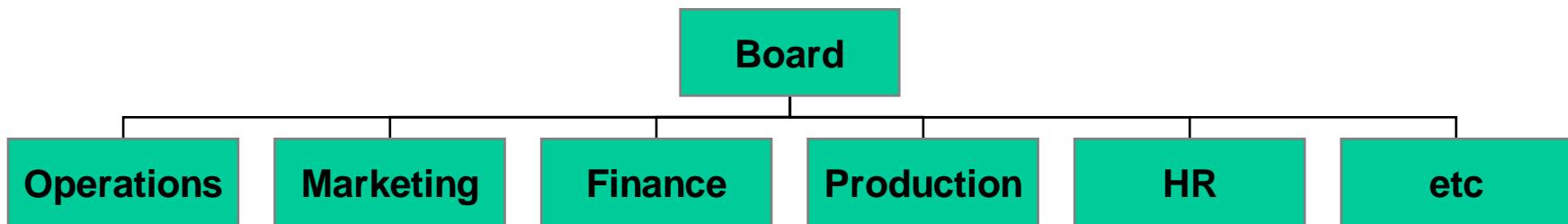
By Function - This divides the organisation up into the major functional areas of management such as personnel, production and marketing

By Product - This is commonly found in large organisations. Instead of combining people who share a common functional specialism, this form of departmentalisation unites people engaged in the production of a particular product or product range

By Territory - Geographically dispersed organisations - for example retail chains are often departmentalised on a territorial basis - regions of the UK

By Market Segment or Customer - Where the needs of distinct groups of customers are widely different there is a strong argument for departmentalisation by customer - ladies wear, men's wear

Functional Structure



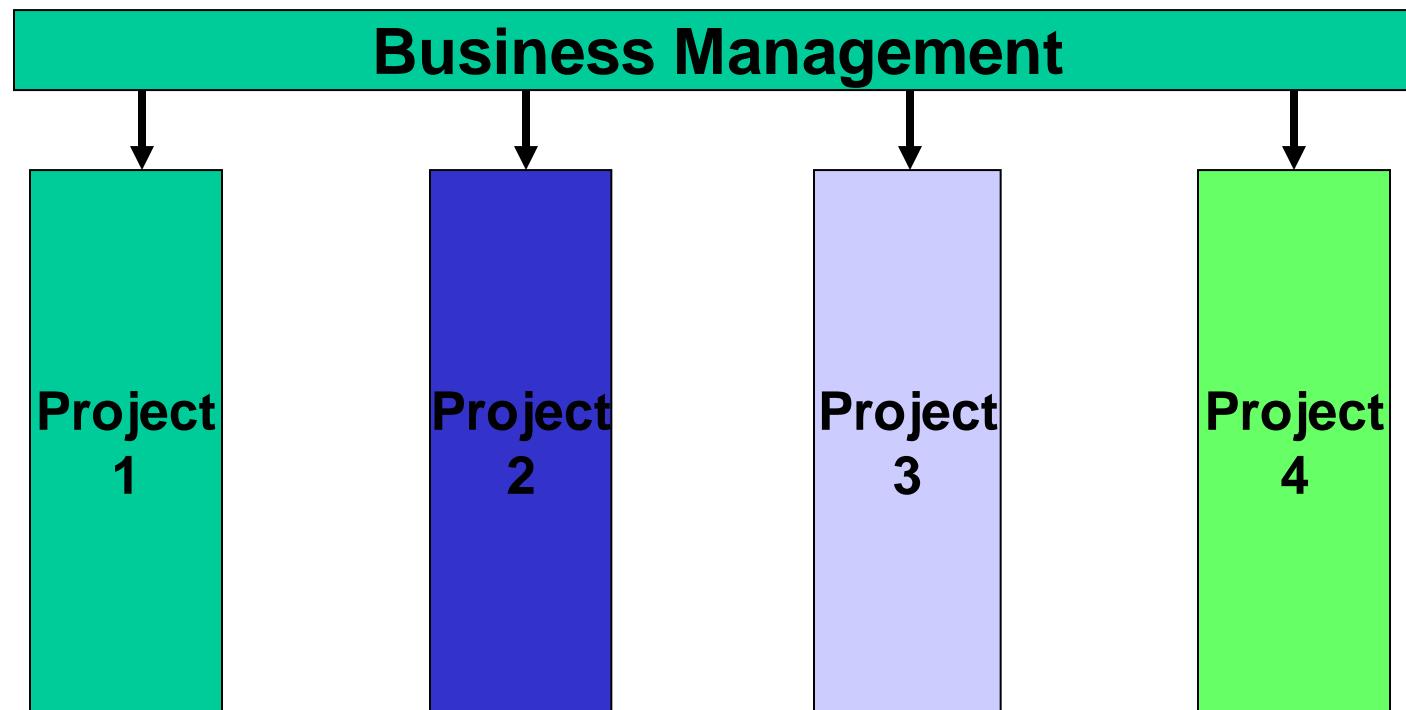
Functional Organization

- Advantages :
 - Maximum **flexibility** in the use of staff
 - Individual experts can be **utilized by many** different projects
 - Specialists in the division can be grouped to **share knowledge and experience**
 - The functional division contains the normal **path of advancement** for individuals whose expertise is in the functional area

Functional Organization

- Disadvantages :
 - The client is **not the focus** of activity and concern
 - The functional division tends to be oriented toward the activities **particular to its function**
 - Occasionally, no individual is given **full responsibility** for the project
 - There are often several **layers of management** between the project and the client
 - **Weak motivation** of people assigned to the project

Project Structure



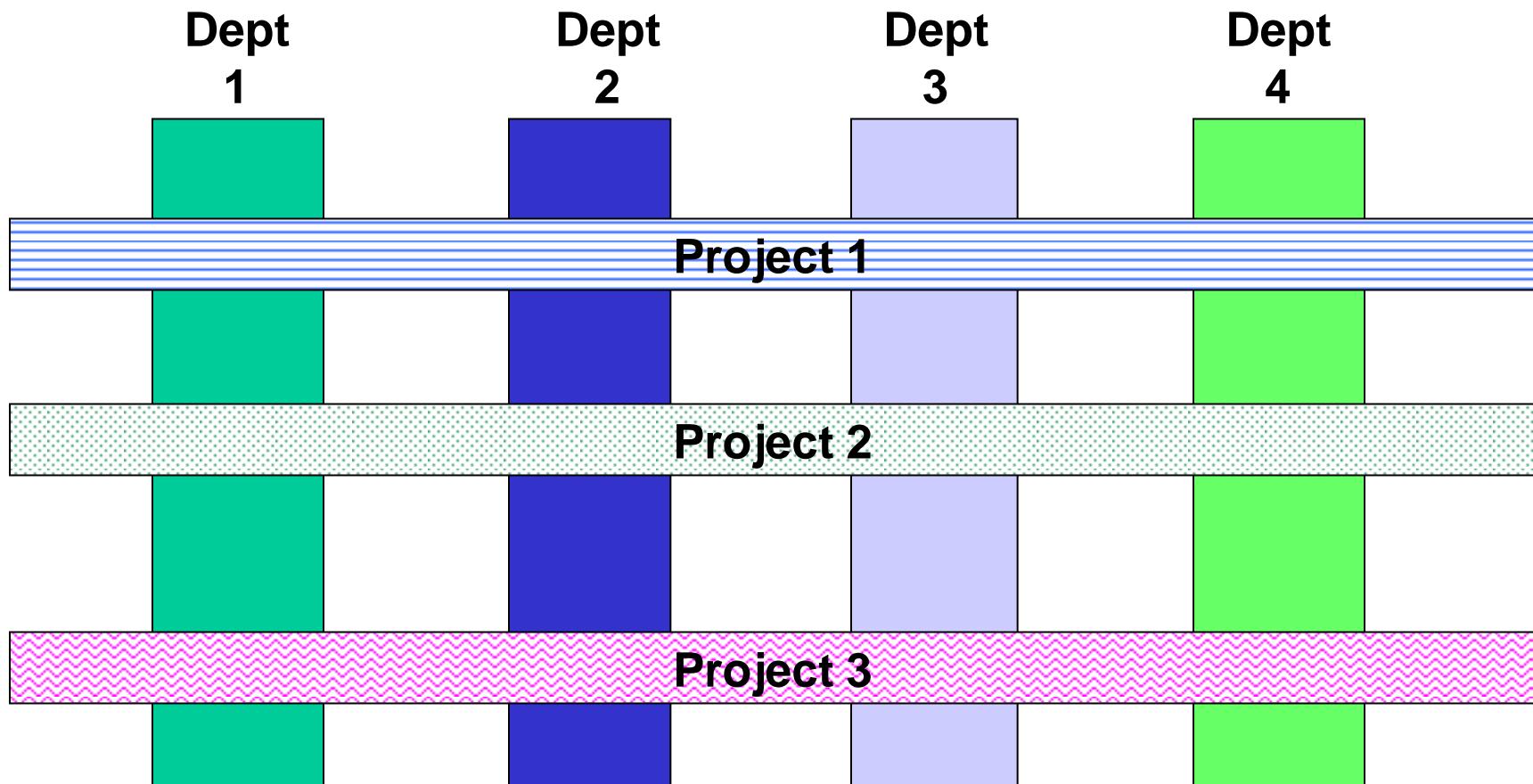
Project Organization

- Advantages :
 - The project manager has **full line authority** over the project
 - All members of the project work force are **directly responsible** to the project manager
 - When the project is removed from the functional division, the lines of **communication are shortened**
 - A project team that has a strong and separate identity and develops a **high level of commitment** from its members
 - Because the **authority is centralized**, the ability to make a swift decision is enhanced
 - Pure project organizations are structurally **simple and flexible**, which makes them relatively easy to understand and implement

Project Organization

- Disadvantages :
 - Each project tends to be fully staffed which can lead to a **duplication** of effort in every area from clerical staff to technological support
 - There is a need to ensure **access to technological knowledge and skills** that results in an attempt by project managers to stockpile equipment and technical assistance
 - Pure project groups seem to foster **inconsistency** in the way in which policies and procedures are carried out
 - The project takes on a **life of its own**
 - There tends to be concern among team members about "**life after the project ends**"

Matrix Structure



The Matrix Organization

- Advantages:
 - The project is **the point of emphasis**
 - There is **less anxiety** about what happens when the **project is completed**
 - **Response to client's needs** is as rapid as in the pure project organization
 - Matrix management gives the project access to representatives from the administrative units of the parent firm
 - The matrix organization allows a **better company-wide balance** of resources to achieve goals
 - There is a great deal of flexibility in precisely how the project is organized within the matrix

The Matrix Organization

- Disadvantages :
 - The **balance of power** between the project and functional areas is **very delicate**
 - The movement of resources from project to project may **foster political infighting**
 - Problems associated with shutting down projects can be as severe as in a pure project organization
 - The **division of authority** and responsibility in a matrix organization is **complex, and uncomfortable** for the project manager.
 - Matrix management **violates the management principle of unity of command**. Project workers have at least two bosses, their functional heads and the project manager.

The Strategic Framework

Business

Project

Risk

Strategy — — — → **Programme** — — → **Business risk**



Objectives



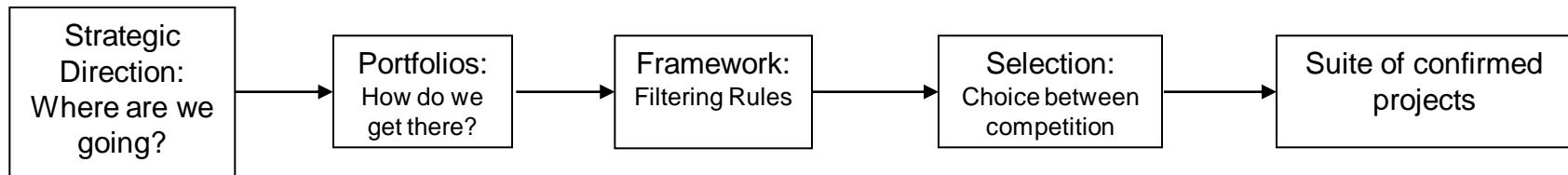
Projects



Project risk

A Prioritisation Process?

A Proposal:



So, who owns the process and why?

But Why Bother Prioritising?

- Because senior management say so?
- Because it is good practice?
- Or is it because we can't do everything we might want to - Limited resources, which need to be effectively and efficiently deployed

The ‘Myth’ of ‘Priority 1’

- 64 projects in 200 days – a real example
- Is everything really priority 1?
 - What happens to the stuff that is just ‘important’?