Teaching Note

Need for Project Management

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TEACHING NOTE

SUMMARY

Projects are different from processes in many ways. Projects are carried out in an uncertain environment and project managers have to manage many external and internal factors that are ignored while managing a process. Caselet 01 highlights the need to adopt a project management approach to cater to the diverse needs of customers. Caselet 02 focuses on the need to manage the interests of various stakeholders to implement a project successfully. This case also introduces the readers to various project roles and the reporting relationships that exist in a project organization.

TEACHING OBJECTIVES & TARGET AUDIENCE

The case is structured to enable students to understand

- the difference between a process and a project
- the need for management projects in a way that is different from managing processes.
- the influence of a project’s stakeholders on the success of the project
- the need for managing the interests of a project’s stakeholders for the successful implementation of the project
- the role of project sponsor as a link between the project and the organization

The caselets are aimed at MBA/PGDBA students and is intended to be a part of the Project Management or Operations Management curriculum.

TEACHING APPROACH & STRATEGY

The case can be used effectively for classroom discussions as well as written assignments. It can also be used in distance learning programs. The moderator can provide background information on the following topics:

- The concept of project management
- The difference between projects and processes
- Types of stakeholders of a project
- The role of stakeholders in the successful implementation of a project
- Techniques for managing stakeholders

If the class size is large, the students can be divided into small groups of 7-8. Each group can discuss the case and choose one member of the group to present its analysis to the class.
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ANALYSIS

Case 01

1. Bharathi Heat Exchangers was doing well for a long time as it was manufacturing a single product with a standard design. The management might have had definite cost and time estimates for manufacturing these industrial boilers. The company started facing problems only when it started manufacturing boilers according to customer specifications.

The case clearly points out that the company had the required technical expertise to manufacture customized boilers. So, the reason for cost and time overruns could be due to poor planning. From Dutta's statement it appears that the company did not have any project management expertise. The time and cost overruns might have occurred because the managers applied traditional management practices to manage the projects.

2. Many experienced functional managers like Singhal, consider processes and projects to be the same. But, in reality, both differ in many ways and both require different skills to execute. Some of the differences between a project and a process are as given in the table.

<table>
<thead>
<tr>
<th>Project</th>
<th>Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>This is a temporary activity. A project has a defined start and end time.</td>
<td>This is a continuous activity. Similar activities are repeated.</td>
</tr>
<tr>
<td>Results in a unique product/service</td>
<td>Results in a same or similar outcome whenever the process is run</td>
</tr>
<tr>
<td>It will not have a predetermined work assignment</td>
<td>It has a predetermined work assignment.</td>
</tr>
</tbody>
</table>

Some unique characteristics of a project are:

- Set of unique activities
- Attainment of a specific goal
- Sequence of activities
- Specified time
- Inter-related activities

3. Yes, Dutta's suggestion to implement project management in the company is feasible. The manufacturing of boilers at Bharathi can be considered as project as it is a temporary endeavor undertaken by the company to create a unique product (custom-made boilers). Therefore, the company should adopt project management practices to manage these projects.

Project management is a system of procedures, practices, technologies and know-how that enables the planning, organizing, staffing, directing, and controlling necessary to successfully manage a project.

Case 02

1. Project stakeholders are 'individuals and organizations who are actively involved in the project, or whose interests may be positively or negatively affected as a result of project execution or successful project completion.' According to this definition, the stakeholders of this project would be:

- The nomadic tribes
- NGOs
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- Environmental Groups
- Employees
- Government
- Project manager
- Sponsor

Since this project will destroy the meadows used by the local tribe, the tribals will be forced to relocate. Naturally, they will oppose the project. NGOs and environmental groups will also oppose the project since the pollution caused by it will harm the environment. The project manager must address the concerns of these groups. The concerns of the government are also to be looked into since the project has to obtain many clearances from it. Employees play a major role in the success of the project. So, they have a major say in the project. Since the project manager and the sponsor are responsible for the success of the project, they must also be regarded as stakeholders of the project.

2. As soon as George takes charge of this project, he should analyze the situation to find out why various stakeholders are opposing the project. Then he should design a plan to address their concerns. In this case, the major problem faced by the company is the case filed by the NGOs. George should therefore explain them the precautions the company would take to decrease the project's harmful effect on the environment. These measures could be the use of environmental friendly extraction processes to reduce dust and the rehabilitation of tribals. The company can also promise to provide a safe working environment and free health checks for employees.

3. Emmanuel's role is to act as a link between the project and the parent organization. He must arrange resources for the project, monitor the progress of the project, and interact with the project manager on a regular basis to find out the resource requirements of the project.

George should develop a cordial working relationship with Emmanuel, the project sponsor.

Since Emmanuel has direct access to top management, George requires his services to persuade management to allot more resources to the project. George needs more resources to carry out plans like the rehabilitation of tribals, provision of better working conditions, etc. but to get Emmanuel's help in this matter; he must convince Emmanuel of the need to address the concerns of the project's stakeholders.