

Week 3 – Starting a Project

Peter Helen, what do you do when you start a new project in your organization?

Helen Assuming we have the money for the project how we really then start the project is by assigning the project manager, we then decide who should be assigned to work on the project. What are the skill sets that are needed for this specific project? Who does what? What kind of roles and responsibilities does each person have? Do we have the skills in house or do we have to go outside and bring in the skill? A specific expert to do a specific job that I don't have in the team. So, we assess all of those components and decide who the right people are. And then probably again, at a very high level, the next piece is just organizationally how will we manage this project time-wise? Is it broken down into multiple phases because it's a very large project? Will we have a steering committee that will help to steer the project? So, it's dependent on how big or how complicated the project is. So, without going into a lot of details, it is about organizing the right people, making sure they know what we want to achieve, understanding the timelines and then moving forward from that perspective.

Peter Thank you. Bruce, how do projects start in your organization?

Bruce Well, first of all, there's high-fiving because we got the job and then there's the great trepidation that follows that. But then there's a whole bunch of mechanical steps that take place. You've got to assemble up a team. Granted, most of our projects we start off believing they are going to make money so it's not an issue of getting them going, it's a question of how we're going to actually start the project in motion, assigning a team. The large measure on most projects, they're large and so we've got some history with them and so we've already tentatively put together a project team – want to see if they're still available but then assemble them up. And then it's a process of handing off from the people who got the job and depending on whether or not it's a lump sum job and you bid the work and I guess the people who will be watching this and you folks have probably heard about general contracting or lived that experience, right? There's a fixed price arrangement where you say the low guy and then you take the low guy and hope for the best, right? Or maybe it's a different model where you are actually asking as a consultant and not taking on the direct risk of the project. In any case there's somebody who procured the work.

Let's take the example of the parking garage in the airport. It was a construction management project – so there's a team that successfully procured the work – they've got to hand off all that knowledge to the

project team, who will be the ones doing the work. They have to get the competency up then plan it in detail and then procure the special contractors who do the work. So there's a whole bunch of mechanical steps – and I can tell you we have checklists for doing that. And checklists cover a certain amount, and then there are the rules of the road that you have to organize with your consultants or sub-contractors, meaning the procedures are all well-defined but who in that organization are you going to interact with on this particular process? So if you have a question can you ask the person directly or does the communication have to funnel through certain people? So it's setting the rules and procedures in the road with these outside organizations that we interact with to get the project done.

Peter Thanks Bruce. Hao, at Toyota, how do you start a project?

Hao It's quite similar to what Helen and Bruce described that you need to develop a business case, you need to convince a senior manager on how good the case is. The only one fine point that we do a bit different is after we have picked the team and started the project, we start it in two phases. We start what we call "planning and requirements" and then we stop right after that to do one more check on the case. What we find out, what we experienced in the past is that sometimes as you dig into a new project, new areas of business, you don't understand it as much and as you spend the time going through that you may have different insight on how to do it or if you do it at all. So we stop it at that point in time and do one more check. Are all of the executives on board? Are the goals realistic? But also we start challenging the project team from the perspective of 'can you do it for less?' Are you really asking for a Yaris or are you asking for a Lexus here when you know that you only need a Yaris. So, to get from point A to point B do you really get the premium version of it or you want something simpler? We want that check point there to start going through that one more time before we let it go. This is kind of a fine line that we draw there.

Peter Thank you very much.