

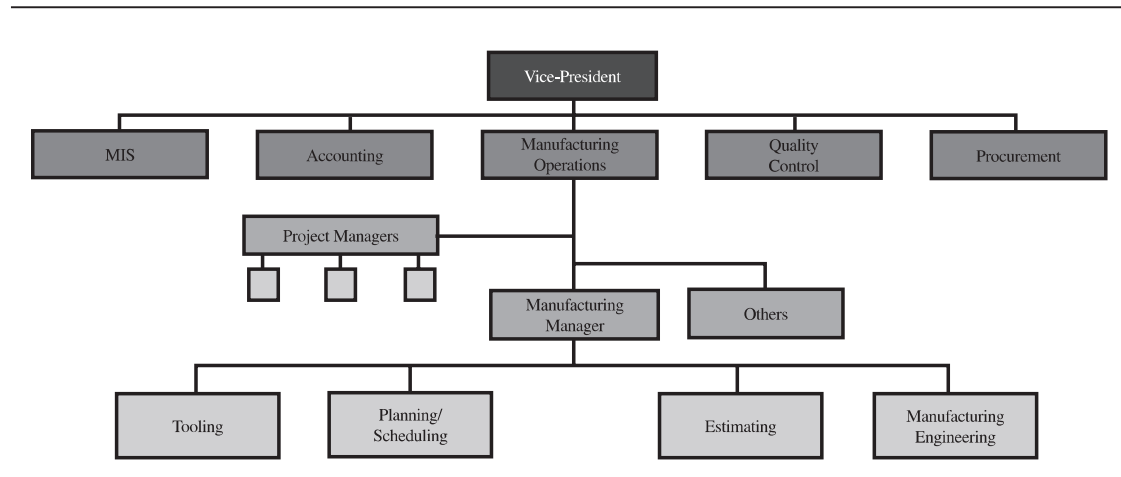


## **White Manufacturing**

In 2004, White Manufacturing realized the necessity for project management in the manufacturing group. A three-man project management staff was formed. Although the staff was shown on the organizational chart as reporting to the manufacturing operations manager, they actually worked for the vice president and had sufficient authority to integrate work across all departments and divisions. As in the past, the vice president's position was filled by the manufacturing operations manager. Manufacturing operations was directed by the former manufacturing manager who came from manufacturing engineering (see Exhibit I).

In 2007, the manufacturing manager created a matrix in the manufacturing department with the manufacturing engineers acting as departmental project managers. This benefited both the manufacturing manager and the group project managers since all information could be obtained from one source. Work was flowing very smoothly.

In January 2008, the manufacturing manager resigned his position effective March, and the manufacturing engineering manager began packing his bags ready to move up to the vacated position. In February, the vice president announced that the position would be filled from outside. He said also that there would be an organizational restructuring and that the three project managers would now be staff to the manufacturing manager. When the three project managers confronted the manufacturing operations manager, he said, "We've hired the new man in at a very high salary. In order to justify this salary, we have to give him more responsibility."

**Exhibit I. White Manufacturing organizational structure**

In March 2008, the new manager took over and immediately made two declarations:

1. The project managers will never go “upstairs” without first going through him.
2. The departmental matrix will be dissolved and the department manager will handle all of the integration.

## QUESTIONS

1. How do you account for the actions of the new department manager?
2. What would you do if you were one of the project managers?



## Ducor Chemical

In the fall of 2000, Ducor Chemical received a research and development contract from one of their most important clients. The client had awarded Ducor with a twelve-month, sole-source contract for the R&D effort to create a new chemical that the client required for one of its future products. If Ducor could develop the product, the long-term production contract that would follow could generate significant profits over the next several years.

In addition to various lab personnel who would be used as needed, the contract mandated that a senior chemist be assigned for the duration of the project. In the past, the senior chemists had been used mainly for internal rather than external customer projects. This would be the first time a senior chemist had been assigned to this client. With only four senior chemists on staff, the project manager expected the resource negotiation process with the lab manager to be an easy undertaking.

*Project manager:* “I understand you’ve already looked over the technical requirements, so you should understand the necessity for assigning your best senior scientist.”

*Lab manager:* “All of my senior scientists are good. Any one of them can do the job. Based upon the timing of your project, I have decided to assign John Thornton.”

*Project manager:* “Just my luck! You assigned the only one I cannot work with effectively. I have had the misfortune of working with him before. He’s extremely arrogant and unpleasant to work with.”

*Lab manager:* “Perhaps so, but he got the job done, didn’t he?”

*Project manager:* “Yes, he did. Technically, he is capable. However, his arrogant attitude and sarcasm produced a demoralizing atmosphere for my team. That project was about three months in length. This project is at least a year. Also, if follow-on work is generated, as I expect it to be, I’ll be stuck with him for a long time. That’s unacceptable to me.”

*Lab manager:* “I’ll talk to John and see if I can put a gag in his mouth. Anyway, you’re a good project manager and you should know how to work with these technical and scientific prima donnas.”

*Project manager:* “I’ll never be able to maintain my sanity having to work with him full-time for at least one year. Surely you can assign one of the other three senior chemists instead.”

*Lab manager:* “Because of the nature of the other projects I have, John is the only senior chemist I can release for one full year. If your project were two or three months, then I might be able to give you one of the other senior chemists.”

*Project manager:* “I feel like you are dumping Thornton on me without considering what is in the best interest of the project. Perhaps we should have the sponsor resolve this conflict.”

*Lab manager:* “First of all, this is not a conflict. Second, threatening me with sponsor intervention will not help your case. Do you plan on asking for my resources or support ever again in the future? I’m like an elephant. I have a long memory. Third, my responsibility is to meet your deliverable in a manner that is in the best interest of the company.

“Try to look at resource assignments through my eyes. You’re worried about the best interest of your project. I have to support some twenty projects and must make decisions in the best interest of the entire company. Benefiting one project at the expense of several other projects is not a good company decision. And I am paid to make sound *company* decisions, whereas you are paid to make a *project* decision.”

*Project manager:* “My salary, promotion, and future opportunities rest solely on the success of this one project, not twenty.”

*Lab manager:* “Our relationship must be a partnership based upon trust if project management is to succeed. You must trust me when I tell you that your deliverables will be accomplished within time, cost, and quality. It’s my job to make that promise and to see that it is kept.”

*Project manager:* “But what about morale? That should also be a factor. There is also another important consideration. The customer wants monthly team meetings, at our location, to assess progress.”

*Lab manager:* “I know that. I read the requirements document. Why are the monthly meetings a problem?”

*Project manager:* “I have worked with this customer before. At the team meetings, they want to hear the technical status from the people doing the work rather than from the project manager. That means that John Thornton would be directly interfacing with the customer at least once a month. Thornton is a ‘loose cannon,’ and there’s no telling what words will come out of his mouth. If it were not for the interface meetings, I might be agreeable to accept Thornton. But based upon previous experience, he simply does not know when to shut up! He could cause irrevocable damage to our project.”

*Lab manager:* “I will take care of John Thornton. And to appease you, I will also attend each one of the customer interface meetings to keep Thornton in line. As far as I’m concerned, Thornton will be assigned and the subject is officially closed!”

## THE PROJECT CONTINUED . . .

John Thornton was assigned to the project team. During the second interface meeting, Thornton stood up and complained to the customer that some of the tests that the customer had requested were worthless, serving no viable purpose. Furthermore, Thornton asserted that if he were left alone, he could develop a product far superior to what the customer had requested.

The customer was furious over Thornton’s remarks and asserted that they would now evaluate the project performance to date, as well as Ducor’s commitment to the project. After the evaluation they would consider whether the project should be terminated, or perhaps assigned to one of Ducor’s competitors. The lab manager had not been present during either of the first two customer interface meetings.

## QUESTIONS

1. How do we create a partnership between the project manager and line managers when project manager focuses only on the best interest of his/her project and the line manager is expected to make impartial company decisions?

2. Who should have more of a say during negotiations for resources: the project manager or the line manager?
3. How should irresolvable conflicts over staffing between the project and line managers be handled?
4. Should an external customer have a say in project staffing?
5. How do we remove an employee who is not performing as expected?
6. Should project managers negotiate for people or deliverables?