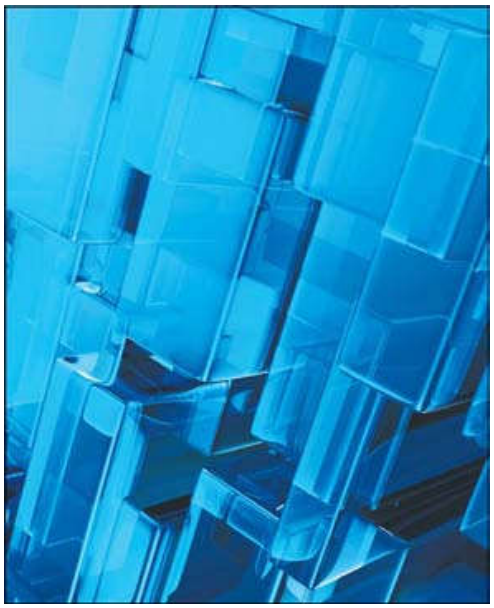


Ferris HealthCare, Inc.

In July of 1999, senior management at Ferris recognized that its future growth could very well be determined by how quickly and how well it implemented project management. For the past several years, line managers had been functioning as project managers while still managing their line groups. The projects came out with the short end of the stick, most often late and over budget, because managers focused on line activities rather than project work. Everyone recognized that project management needed to be an established career path position and that some structured process had to be implemented for project management.

A consultant was brought into Ferris to provide initial project management training for 50 out of the 300 employees targeted for eventual project management training. Several of the employees thus trained were then placed on a committee with senior management to design a project management stage-gate model for Ferris.

After two months of meetings, the committee identified the need for three different stage-gate models: one for information systems, one for new products/services provided, and one for bringing on board new corporate clients. There were several similarities among the three models. However, personal interests dictated the need for three methodologies, all based upon rigid policies and procedures.

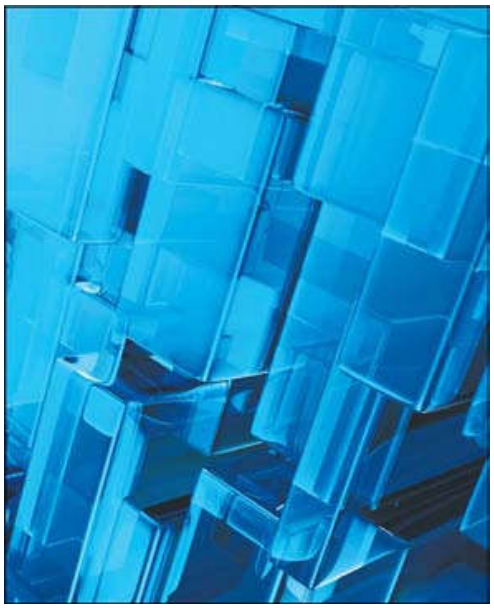
After a year of using three models, the company recognized it had a problem deciding how to assign the right project manager to the right project. Project managers had to be familiar with all three methodologies. The alternative, considered

impractical, was to assign only those project managers familiar with that specific methodology.

After six months of meetings, the company consolidated the three methodologies into a single methodology, focusing more upon guidelines than on policies and procedures. The entire organization appeared to support the new singular methodology. A consultant was brought in to conduct the first three days of a four-day training program for employees not yet trained in project management. The fourth day was taught by internal personnel with a focus on how to use the new methodology. The success to failure ratio on projects increased dramatically.

QUESTIONS

1. Why was it so difficult to develop a singular methodology from the start?
2. Why were all three initial methodologies based on policies and procedures?
3. Why do you believe the organization later was willing to accept a singular methodology?
4. Why was the singular methodology based on guidelines rather than policies and procedures?
5. Did it make sense to have the fourth day of the training program devoted to the methodology and immediately attached to the end of the three-day program?
6. Why was the consultant not allowed to teach the methodology?



Macon, Inc.

Macon was a fifty-year-old company in the business of developing test equipment for the tire industry. The company had a history of segregated departments with very focused functional line managers. The company had two major technical departments: mechanical engineering and electrical engineering. Both departments reported to a vice president for engineering, whose background was always mechanical engineering. For this reason, the company focused all projects from a mechanical engineering perspective. The significance of the test equipment's electrical control system was often minimized when, in reality, the electrical control systems were what made Macon's equipment outperform that of the competition.

Because of the strong autonomy of the departments, internal competition existed. Line managers were frequently competing with one another rather than focusing on the best interest of Macon. Each would hope the other would be the cause for project delays instead of working together to avoid project delays altogether. Once dates slipped, fingers were pointed and the problem would worsen over time.

One of Macon's customers had a service department that always blamed engineering for all of their problems. If the machine was not assembled correctly, it was engineering's fault for not documenting it clearly enough. If a component failed, it was engineering's fault for not designing it correctly. No matter what problem occurred in the field, customer service would always put the blame on engineering.

As might be expected, engineering would blame most problems on production claiming that production did not assemble the equipment correctly and did not maintain the proper level of quality. Engineering would design a product and then throw it over the fence to production without ever going down to the manufacturing floor to help with its assembly. Errors or suggestions reported from production to engineering were being ignored. Engineers often perceived the assemblers as incapable of improving the design.

Production ultimately assembled the product and shipped it out to the customer. Oftentimes during assembly the production people would change the design as they saw fit without involving engineering. This would cause severe problems with documentation. Customer service would later inform engineering that the documentation was incorrect, once again causing conflict among all departments.

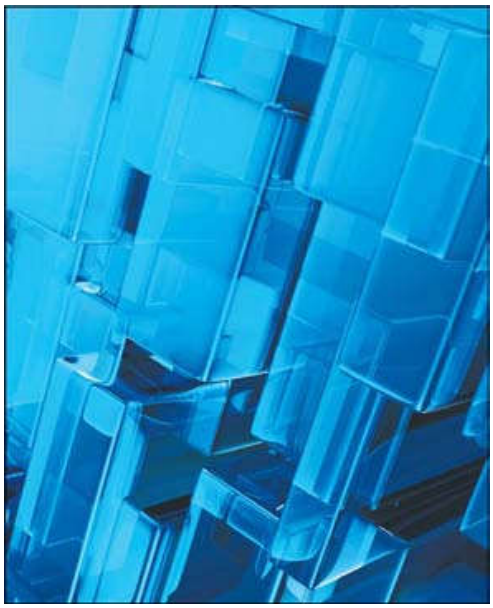
The president of Macon was a strong believer in project management. Unfortunately, his preaching fell upon deaf ears. The culture was just too strong. Projects were failing miserably. Some failures were attributed to the lack of sponsorship or commitment from line managers. One project failed as the result of a project leader who failed to control scope. Each day the project would fall further behind because work was being added with very little regard for the project's completion date. Project estimates were based upon a "gut feel" rather than upon sound quantitative data.

The delay in shipping dates was creating more and more frustration for the customers. The customers began assigning their own project managers as "watchdogs" to look out for their companies' best interests. The primary function of these "watchdog" project managers was to ensure that the equipment purchased would be delivered on time and complete. This involvement by the customers was becoming more prominent than ever before.

The president decided that action was needed to achieve some degree of excellence in project management. The question was what action to take, and when.

QUESTIONS

1. Where will the greatest resistance for excellence in project management come from?
2. What plan should be developed for achieving excellence in project management?
3. How long will it take to achieve some degree of excellence?
4. Explain the potential risks to Macon if the customer's experience with project management increases while Macon's knowledge remains stagnant.



Apache Metals, Inc.

Apache Metals is an original equipment manufacturer of metal working equipment. The majority of Apache's business is as a supplier to the automotive, appliance, and building products industries. Each production line is custom-designed according to application, industry, and customer requirements.

Project managers are assigned to each purchase order only after the sales department has a signed contract. The project managers can come from anywhere within the company. Basically, anyone can be assigned as a project leader. The assigned project leaders can be responsible for as many as ten purchase orders at one time.

In the past, there has not been enough emphasis on project management. At one time, Apache even assigned trainees to perform project coordination. All failed miserably. At one point, sales dropped to an all-time low, and cost overruns averaged 20–25 percent per production line.

In January 2007, the board of directors appointed a new senior management team that would drive the organization to excellence in project management. Project managers were added through recruitment efforts and a close examination of existing personnel. Emphasis was on individuals with good people and communication skills.

The following steps were implemented to improve the quality and effectiveness of the project management system:

- Outside formal training for project managers
- Development of an apprenticeship program for future project managers

- Modification of the current methodology to put the project manager at the focal point
- Involvement of project managers to a greater extent with the customer

QUESTIONS

1. What problems can you see in the way project managers were assigned in the past?
2. Will the new approach taken in 2007 put the company on a path to excellence in project management?
3. What skill set would be ideal for the future project managers at Apache Metals?
4. What overall cultural issues must be considered in striving for excellence in project management?
5. What time frame would be appropriate to achieve excellence in project management? What assumptions must be made?