Project Management in Engineering HW8

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Q1) Project manager is to blame in this situation. However, according to structure of management in the company, Structures manager could warn directly upper management that, analyses is not completed, and something might go catastrophic.

Q2) Structures manager should not continue the work on his own, since there is a formal order in the company. Continuing work on his own would break command chain in company and cause far bigger problems in whole company rather than causing a big problem in a project.

Q3) Functional manager who consider his organization as strictly support, can not be dedicated to total project success.

Is It Fraud

Q1) Paul have final cost information on the contact, planning of the project and similar previous projects’ planning and budgets. Paul believes that Welton proposed longer times than required on purpose to finish project early and earn early finish bonus while most of the overrun costs paid by the Navy.

Q2) I don’t believe that sufficient information exists for a possible lawsuit, since there is no evidence that labor overrun costs was artificial. Another possibility is that Welton gained access to extra labor force and used that labor force to finish the project early.

Q3) I think Welton was not charged with any kind of fraud if they did not play with account books. By play with account books I mean creating non-existing cost overruns on paper just to get bonus. Everything seems like going according to the contract between Navy and Welton. Agreeing to cover %90 percent of overruns and aggreging on bonus if the project finishes early is not a very smart movement. It is obvious that any company that has access to extra work force will utilize that work force to finish project early.