**Case Study 3**

This case is an exploratory study of a project executed globally, across three countries: Australia, the United States of America (USA), and India. The three countries had multiple and distributed teams, as shown in the table below. The two participating organizations are offshoring two functions, namely enterprise testing and software development. The offshored functions are core activities in the project that are subject to this study.



The final objective of the project was the implementation of a commercial arrangement. The client wanted to sign the contract with one service provide who could provide required technology for a payment platform used on bank’s mobile payment products. The detailed requirements of the project mission were:

i. To develop and customize the Bank’s systems’ functions to support the new product.

ii. To integrate the bank’s systems with the payment platform provided by the service provider. Each party has formed a special team for the execution of the project. The two teams are not combined, and the structure and hierarchy of two teams are different. In addition, both parties have set up their own standard project plan. Communication channels include phone conferences, video conferences, and emails.

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**More information about participants**

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|  | Australian Bank | American Service Provider |
| Company Overview | An Australian bank. It is ranked in the top 5 listed companies by market capitalization on the Australian Securities Exchange Limited (ASX). Started trading in early nineteenth century. The bank is servicing around twelve million customers and employing approximately 36,000 people and had global assets of AUS$675 billion. | An American vendor that provides end-to-end payment solutions. The vendor provides the infrastructure and core expertise for electronic payment solutions. The company is a technological venture with a vision to offer “innovative” global payment solutions. |
| History | Australia’s first and oldest bank was established in the early nineteenth century. The bank’s major expansion began in response to the gold fever in 1851 in Australia, when it saw an opportunity to set up gold-buying agents in response to the needs of miners and merchants. It had grown from a single office in Sydney to a network of 37 branches by 1861. Currently, the bank has over 600 branches. The bank survived the 1929 financial crisis and the financial crisis of 2007–2008. Recently, the bank has done major mergers and acquisitions, resulting in a much larger multi-brand Group. | Founded in 2008. A project manager describes it as “a high-growth start-up company.” “Our business doubled from last year and seems like it will do so again,” a project manager stated. |
| Organizational Culture | The bank has robust policies and structures in place. Risks are heightened and conscientiously manage. A participant states,“The bank regards managing risks that affect its business as a fundamental activity, as they influence its performance, reputation and future success.”A project manager describes the bank culture as “sycophant”. The bank is a hierarchical organizational culture. It values standardization, control, and defined structures for authority and decision making. This culture drives a personal behaviour of obedience. | Very little bureaucracy with a casual attitude. Freedom is encouraged, and talent are recognized and rewarded. A participant states, “You are recognized without having to be a brownnoser.” The management style is extemporaneous; self-management is encouraged. A participant states, “This is a work environment that is not systematic.” |
| Project Management Process | The bank follows a disciplined project execution and governance framework. Projects have to comply with a pre-defined execution path and set of deliverables. Each deliverable and phase of the project is subjected to rigorous process of review and approvals. | Lightweight project management approach. Absence of a structured process to execute project. A participant notes, “In many projects, the team members are expected to do the analysis, planning and research. They are discouraged from simply taking orders from their manager.” |
| Outsourcing Arrangements | The bank adopts a strategy of domestic and offshore outsourcing. Enterprise testing is located in India, and call centers services are located domestically. | The company is outsourcing software developing functions to India. |

1. Can you specify challenges of this project based on the information above especially regarding a) organization culture, b) communication and coordination and c) power and relationships?
2. Can you provide any solution to overcome the challenges of this project?