Project Management – Case Study # 10

PROJECT EXECUTION

The best-prepared plans can result in a project failure because of poor execution. Project execution involves the working relationships among the participants and whether or not they support project management. There are two critical working relationships: the project–line manager interface and the project–executive management interface.

Other factors can affect the execution of a project. These include open communications, honesty, and integrity in dealing with customers, truth in negotiations, and factual status reporting. Execution can also be influenced by the quality of the original project plan. A project plan based on faulty or erroneous assumptions can destroy morale and impact execution.

Quantum Telecom

In June 2013, the executive committee of Quantum Telecom reluctantly approved two R&D projects that required technical breakthroughs. To make matters worse, the two products had to be developed by the summer of 2014 and introduced into the marketplace quickly. The life expectancy of both products was estimated to be less than one year because of the rate of change in technology. Yet, despite these risks, the two projects were fully funded. Two senior executives were assigned as the project sponsors, one for each project.

Quantum Telecom had a world-class project management methodology with five life-cycle phases and five gate-review meetings. The gate-review meetings were go/no-go decision points based on present performance and future risks. Each sponsor was authorized and empowered to make any and all decisions relative to projects, including termination.

Company politics always played an active role in decisions to terminate a project. Termination of a project often impacted the executive sponsor's advancement opportunities because the projects were promoted by sponsors and funded through the sponsors' organizations.

During the first two gate-review meetings, virtually everyone recommended the termination of both projects. Technical breakthroughs seemed unlikely, and the schedule appeared unduly optimistic. But terminating the projects this early would certainly not reflect favourably on the sponsors. Reluctantly, both sponsors agreed to continue the projects to the third gate review in hopes of a miracle.

During the third gate review, the projects were still in peril. Although the technical breakthrough opportunity now seemed plausible, the launch date would have to slip, thus giving Quantum Telecom a window of only six months to sell the products before obsolescence would occur.

By the fourth gate review, the technical breakthrough had not yet occurred but still seemed plausible. Both project managers were still advocating the cancellation of the projects, and the situation was getting worse. Yet, in order to save face within the corporation, both sponsors allowed the projects to continue to completion. They asserted: "If the new products could not be sold in sufficient quantity to recover the R&D costs, then the fault lies with marketing and sales, not with us." The sponsors were now off the hook, so to speak.

Both projects were completed six months late. The sales force could not sell as much as one unit, and obsolescence occurred quickly. Marketing and sales were blamed for the failures, not the project sponsors.

QUESTIONS

1. How do we eliminate politics from gate-review meetings?
2. How can we develop a methodology where termination of a project is not viewed as a failure?
3. Were the wrong people assigned as sponsors?
4. What options are available to a project manager when there exists a disagreement between the sponsor and the project manager?
5. Can your answer to question 4 be outlined as part of the project management methodology?

For the Exclusive Use of FPT Academy Students

Student Name:	Student ID:
Date:	Case Study #1: