MOBILISING GLOBAL RESOURCES TO DELIVER MAJOR PROJECTS

Summary of seminar 158 held on 9th September 2010
at Savoy Place, London

SUMMARY

KEY CONCLUSIONS

• Rationalisation of one business to deliver global services has achieved significant benefits, including schedule reduction, reduction of costs through less travel, better workforce and workload balance, quicker response times and access to specialist skills. Key challenges though are to keep everyone using specific processes and constantly realigning support, thus ensuring consistent execution globally.

• Communication and motivational techniques have to be adapted to suit different cultures. Leadership has to be culturally open.

• Another company's business model has found that separation of production from the client-facing teams can lead to difficulties in managing expectations. Conference calls do not always resolve conflict, resulting in the need for face-to-face meetings.

• A third business places great emphasis on its people and expects to change the team as the project evolves. People issues are critical risks and project language requires careful attention.

• This theme was developed in tracking a greater acceptance of virtual teams, where research has shown that most barriers are now overcome, with the exception of decision making. Many different cultures were explored and training of all team members in global virtual teams was felt to be necessary to educate everyone in the different team environments that could be expected. One of the key concerns for relocated staff is their feeling of isolation. It is critical to engage regularly and help them manage their careers.

• A significant problem for global teams is the location of information and access to it. 85% of information is unstructured and teams spend 30% of their time researching that information. Hence there should be a single version of the truth and building this database should be treated as a project in its own right. Correct and up to date information can then drive efficiencies.

• Global charities have very limited funds and with on-going projects often operate in locations with no continuous supply of power or good hygiene. Experience has shown that unfocused energy becomes activity with sometimes damaging outcomes. For emergency disaster reaction it is necessary to give attention to the stages of the responses which may require different approaches and changes of personnel. Keys to success are recruitment of the right people, communication, and absolute shared clarity of purpose, trust and governance. They cannot afford for willing people to get things wrong.

These are the views of Malcolm Noyce, Executive Director, MPA

In the UK we have a history of British engineering consultants and contractors working internationally and delivering major projects. In today's global economy the resources required to execute a major project can be spread across the world: the client could be headquartered in Europe, the site could be in Australia or China or both, and the supply chain might be similarly dispersed.

Given the UK economy and current market conditions a global approach will assist in maintaining business resilience – but only if resources can be deployed successfully and cost-effectively and delivered to wherever the need may be.

Chaired by Ian Gardner, Director of Arup, this seminar looked at how the best resources can be mobilised from around the world to meet the challenges of today's advanced economy. It drew on the experience of global players to explore business models, tools and technology enablers and organisational solutions. Risks and pitfalls were considered, as well as exemplars where best practice has been used to deliver outstanding results.

MANAGING A COMPLEX PORTFOLIO – GLOBALLY

Fluor is one of the world's largest engineering procurement and construction contractors, with offices in more than 30 countries, and over 36,000 employees worldwide. For many years the organisation has ensured effective utilisation of the strength and depth of its global resources, regardless of their physical location, through distributed execution of its projects.

In this first presentation of the day, Fluor provided an overview of their distributed execution model, explaining how it enables the company to provide world-class solutions and handle large complex projects in challenging geographic locations.

Distributed execution is not merely a work-share, but a multi-office distribution on a global basis of all aspects of a project over different locations, different time zones and different cultures. This entails 24-hour working, with a 'virtual' project team existing in multiple offices and locations across the world.

The presentation provided an insight into the key technologies, practices and processes employed to take account of project execution factors such as communication, culture and operational consistency. For instance, a dedicated lead office takes control of the key elements of a project, and ensures continuous alignment of common procedures and processes across the globally distributed support offices. On the IT front, sharing information and reviewing design requires an efficient, robust and consistent IT infrastructure in terms of common systems, hardware and software.

Distributed execution delivers a number of benefits. For example, the workload and workforce flexibility ensures that the project portfolio is balanced across the corporation. Urgent requests can be responded to quickly, seasonal or contractual labour peaks smoothed over, and specialist skills accessed at any time regardless of their location.

The key drivers in making distributed execution projects a success include:

- Global alignment and consistency across all distributed project offices.
- The ability to overcome communication barriers.
- The ability to encourage awareness of different cultures.
- Efficient information technology.
- A collaborative team mentality.

DELIVERING THE TEAM TO DELIVER THE PROJECT

The presentation from Mott MacDonald focused on the importance of the team in successful project delivery: systems, procedures, processes and IT tools are vital, but setting up and motivating the right team is fundamental.

Drawing on experience, and lessons learned from major projects around the world, the presentation considered strategies for establishing and developing teams to deliver major projects in a global business working in the global marketplace.

The 'people' aspect of all the stages of the project process was emphasised, from initiation and planning through to execution, monitoring and controlling, and finally to closing. Some of the personal motivation issues were noted, such as the provision of a sound working environment.

The fundamentals of what constitutes a good team were outlined: for example, whether a team is co-located, distributed or a combination of both, its operation should be seamless, with roles clearly defined. The team should have the ability and willingness to share problems and seek common solutions, and its members should be professional in their approach to the workload with a mutual respect for all other contributing parties.

Perhaps most importantly of all, the leadership of a good team will maintain a clear line of sight to the project objective, so that team members understand and feel that they are all going in the same direction towards delivery.

In essence, members of a project team need to have the same vision, the same mission and the same core values, supported by effective systems, good relationships and an understanding of different cultures.

The presentation from IBM looked at the ways in which the world is becoming instrumented, interconnected and intelligent. It considered how tools and techniques could be used to benefit major programmes and outlined the guiding principles for implementing better IT systems for global operations.

Some current problems that can constrain or inhibit collaborative working and affect operational performance were highlighted. For example, only a very small percentage of people in an organisation hold the knowledge needed by the majority, and information is often unstructured, with poor accessibility. Recent IBM research found that 60% of chief executive officers want to do a better job in capturing and understanding information rapidly in order to make swift business decisions. However, 79% of companies have two or more repositories for information and 25% have more than 15.

The aim is to establish a source of accurate and relevant information which can be trusted: a 'single version of the truth' system. There are a number of benefits of such a system for product and project life cycle management. For instance it reduces the problems of managing major projects on a global basis by giving tighter control and traceability between global suppliers when ordering for the programme.

Achieving this system includes ensuring that data and knowledge are structured in a central location, and setting up an electronic 'War Room' to drive information sharing and informed decision making throughout the project programme. This shared working environment is a digital asset that will provide information on demand – for instance information is fully integrated throughout the process and accessible on site.

Implementing a business driven IT transformation includes aligning the change to business initiatives, making the business case, and engendering a culture of change and buy-in.

This presentation from Cranfield University shared some of the findings arising from research into a major project carried out by an international banking corporation.

The aim of the project was to standardise software applications, and was an exercise in global branding, implementing technology infrastructure and data support.

The research brief was to examine the impact of cultural differences in the Europe, Middle East and Africa (EMEA) region. The presentation looked at the findings of differences between Greece, the UK and Singapore – each with a mix of their own and standard software applications. Significant differences were apparent between these three countries, and it was noted that many more would be apparent in a wider comparison of cultures.

In particular some of the differences in attitudes and values between West and East were highlighted. One example was the concept of a leader: in the West the leader must often lead by example and expects to be judged as to whether what he or she did was right. In the East the leader is a much bigger figure of authority.

It was found that in an age where individuals are used to international travel and working with colleagues across the globe, cultural differences still matter: they can directly impact on team cohesion, quality of decisions and project outcome, including the willingness to collaborate again in the future.

While many multinationals offer their managers and employees cultural awareness training, this addresses only 'observable' traits and preferences such as customs and habits, language use and communication styles. Using the analogy of peeling an onion, it was explained that core values and attitudes are deep and enduring characteristics, requiring individuals to develop real empathy with their team members – to be able to see and feel as others do.

The presentation concluded by offering some of the lessons drawn from the study, for example, managers and individuals should be self-aware of the implications of their own attitudes and values on team cohesion and performance. They should also understand and accept that multiple perspectives exist, and be willing to compromise.

REINVENTING THE FIRM

This presentation from Aedas looked at how a small surveying firm in Huddersfield, dating back to the mid-1860s, has grown over the last decade to become one of the world's largest architectural practices, with over 2,000 staff and over 40 offices worldwide.

The rapid step changes involved in the process required continual evolution of the firm's structure and organisation in order to make the most effective use of its skills and resources. For instance, its activities have spread across the world, and a pattern of offices has emerged which comprise full-service regional and branch offices; small representative offices; design centres; production centres; and centres of specialist expertise.

Offices can be 'promoted' or 'demoted' to suit market conditions – for example a branch office might grow to become a regional office if workload permits. Similarly, production centres and design centres are not mutually exclusive. Some of the pitfalls and practical considerations in allocating the human resources involved in a project were discussed, such as the importance of having locally based client-facing teams.

Understanding the skills within the group in order to match the skills in one area with opportunities in another has been essential – for instance exporting rail skills from Hong Kong to secure the Dubai Metro project. It was pointed out that none of this would have been possible without a robust back office capable of providing central management support in areas such as finance and IT.

Part of the development strategy has been for the organisation to be seen as a more innovative practice, for example through the recruitment of more design talent and sector specialists. It has also involved the creation of a research and development group, to help drive innovation in the business through collaboration with other organisations and links with academia. The group has grown significantly over the past five years and has developed specialisms in sustainability, advanced modelling and computational design.

Computational design techniques are beginning to revolutionise working practices, by creating new opportunities for design and innovation and enabling a digital workflow to be developed throughout the entire supply chain.

The presentation concluded by posing the question of how to keep the different parts of the global 'reinvented' firm aligned when it is involved in a wide variety of work in a changing global market.

THE ULTIMATE CHALLENGE – MOBILISING FOR CRITICAL WORLD ISSUES ON A BUDGET

The final presentation, from Oxfam, looked at the issues of mobilising global resources from the perspective of non-governmental organisations (NGOs), focusing on the context and complexities of international development projects. There is no such thing as a typical project – for instance Oxfam could be working on livelihood issues such as health, education, human rights or gender discrimination and the project might involve an emergency response or making sure that people are prepared for an emergency.

With an endless list of needs and finite financial and human resources, the way in which charities go about prioritising scarce resources was outlined. It was explained that the key is to understand the resource skill base in terms of country analysis, decide the strategy on national and local outcomes and then look at what activities are needed to achieve those objectives. Having prioritised activities, it is an iterative process of working backwards and forwards through outcomes, outputs, activities and budgets to get the best 'fit'.

Good professional project management is an integral part of effective development programmes, and it was explained how the sector has developed an accessible, affordable and appropriate certification scheme for NGO project managers.

Some of the factors which enable aid programmes and projects to succeed in difficult environments were discussed:

• Recruitment – employing people who have a strong empathy with the values of the organisation.
• Communication with remote teams – remote does not mean distant.
• Cultural awareness – suggesting changes in a way that is culturally acceptable, realising that a 'one size fits all' approach will not work.
• Shared clarity – over objectives, deliverables and contractual requirements.
• Trust – and avoiding micro-management.
• Effective governance – with a clear sense of values prioritising the needs of project beneficiaries.

CONCLUSION

The day's presentations and discussions provided delegates with a number of messages to take away from the seminar.

For instance, beware the status quo: with the global environment evolving very quickly, such rapid change affects the capability of businesses and NGOs to function successfully. To perform well in a global market a flexible approach and clarity of vision is essential, and it is vital to take account of cultural differences across the world.

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