10–6 Should a client have the right to communicate directly to the project staff (i.e., project office) rather than directly to the project manager, or should this be at the discretion of the project manager?

10–7 Your company has assigned one of its vice presidents to function as your project sponsor. Unfortunately, your sponsor refuses to make any critical decisions, always "passing the buck" back to you. What should you do? What are your alternatives and the pros and cons of each? Why might an executive sponsor act in this manner?

CASE STUDIES

THE PRIORITIZATION OF PROJECTS

Background

The directorates of Engineering, Marketing, Manufacturing, and R&D all had projects that they were working on and each directorate established its own priorities for the projects. The problem was that the employees were working on multiple projects and had to deal with competing priorities.

Prioritization Issues

Lynx Manufacturing was a low-cost producer of cables and wires. The industry itself was considered as a low-technology industry and some of its products had been manufactured the same way for decades. There were some projects to improve the manufacturing processes, but they were few and far between.

Each of the four directorates, namely Engineering, Marketing, Manufacturing, and R&D, had projects, but the projects were generally quite small and used resources from only its own directorate.

By the turn of the century, manufacturing technologies began to grow and Lynx had to prepare for the technology revolution that was about to impact its business. Each directorate began preparing lists of projects that it would need to work on, and some of the lists contained as many as 200 projects. These projects were more complex than projects worked on previously and project team members from all directorates were assigned on either a full-time or part-time basis.

Each directorate's chief officer would establish the priorities for the projects originating in his or her directorate even though the projects required resources from other directorates. This created significant staffing issues and numerous conflicts:

- Each directorate would hoard its best project resources even though some projects outside of the directorate were deemed more important to the overall success of the company.
- Each directorate would put out fires by using people that were assigned to projects outside of its directorate rather than using people that were working on internal projects.
- Each directorate seemed to have little concern about any projects done in other directorates.
- Project priorities within each directorate could change on a daily basis because of the personal whims of the chief of that directorate.

The only costs and schedules that were important were those related to projects that originated within the directorate.

Senior management at the corporate level refused to get involved in the resolution of conflicts between directorates.

The working relationships between the directorates deteriorated to the point where senior management reluctantly agreed to step in. The total number of projects that the four directorates wanted to complete over the next few years exceeded 350, most of which required a team with members coming from more than one division.

QUESTIONS

1. Why is it necessary for senior management to step in rather than let the chiefs of the directorates handle the conflicts?
2. What should the senior management team do to resolve the problem?
3. Let's assume that the decision was to create a list that included all of the projects from the four directorates. How many of the projects on the list should have a priority number or priority code?
4. Can the directorate chiefs assign the priority or must it be done with the involvement of senior management?
5. How often should the list of prioritized projects be reviewed and who should be in attendance at the review meetings?
6. Suppose that some of the directorate chiefs refuse to assign resources according to the prioritized list and still remain focused on their own pet projects. How should this issue now be resolved?

THE IRRESPONSIBLE SPONSORS

Background

Two executives in this company each funded a "pet" project that had little chance of success. Despite repeated requests by the project managers to cancel the projects, the sponsors decided to throw away good money after bad money. The sponsors then had to find a way to prevent their embarrassment from such a blunder from becoming apparent to all.

Story Line

Two vice presidents came up with ideas for pet projects and funded the projects internally using money from their functional areas. Both projects had budgets close to $2 million and schedules of approximately one year. These were somewhat high-risk projects because they both required that a similar technical breakthrough be made. There was no guarantee that the technical breakthrough could be made at all. And even if the technical breakthrough could be made, both executives estimated that the shelf life of the products would be about one year before becoming obsolete but that they could easily recover their R&D costs.

These two projects were considered pet projects because they were established at the personal request of two senior managers and without any real business case. Had these two projects been required to go through the formal process of portfolio selection of projects, neither project would have been approved. The budgets for these projects were way out of line for the value that the company would receive, and the return on investment would be below minimum levels even