

**Case 11.3****Franklin Equipment, Ltd.***

Franklin Equipment, Ltd. (FEL), with headquarters and main fabrication facilities in Saint John, New Brunswick, was founded 75 years ago to fabricate custom-designed large machines for construction businesses in the Maritime Provinces. Over the years its product lines became strategically focused on creating rock-crushing equipment for dam and highway construction and for a few other markets that require the processing of aggregate. FEL now designs, fabricates, and assembles stationary and portable rock-crushing plants and services its own products and those of its competitors.

In the 1970s, FEL began to expand its market from the Maritime Provinces to the rest of Canada. FEL currently has several offices and fabrication facilities throughout the country. More recently, FEL has made a concerted effort to market its products internationally.

Last month, FEL signed a contract to design and fabricate a rock-crushing plant for a Middle East construction project, called Project Abu Dhabi. Charles Gatenby secured this contract and has been assigned as project manager. This project is viewed as a coup because FEL has wanted to open up markets in this area for a long time and has had difficulty getting prospective customers to realize that FEL is a Canadian firm and not from the United States. Somehow these customers view all North American vendors as the same and are reluctant to employ any of them because of international political considerations.

A project of this scope typically starts with the selection of a team of managers responsible for various aspects of the design, fabrication, delivery, and installation of the product. Manager selection is important because the product design and fabrication vary with the unique needs of each customer. For example, the terrain, rock characteristics, weather conditions, and logistical concerns create special problems for all phases of plant design and operations. In addition, environmental concerns and labor conditions vary from customer to customer and from region to region.

In addition to the project manager, all projects include a design engineer; an operations manager, who oversees fabrication and on-site assembly; and a cost accountant, who oversees all project financial and cost reporting matters. Each of these people must work closely together if a well-running plant is to be delivered on time and within cost constraints. Because international contracts often require FEL to employ host nationals for plant assembly and to train them for operations, a human resource manager is also assigned to the project team. In such cases, the human resource manager needs to understand the particulars of the plant specifications and then use this knowledge to design selection procedures and assess particular training needs. The human resource manager also needs to learn the relevant labor laws of the customer's country.

FEL assigns managers to project teams based on their expertise and their availability to work on a particular project given their other commitments. This typically means that managers without heavy current project commitments will be assigned to new projects. For instance, a manager finishing one project will likely be assigned a management position on a new project team. The project manager typically has little to say about who is assigned to his or her team.

* Courtesy of John A. Drexler Jr., Oregon State University.

Because he secured Project Abu Dhabi and has established positive working relationships with the Abu Dhabi customer, Gatenby was assigned to be project manager. Gatenby has successfully managed similar projects. The other managers assigned to Project Abu Dhabi are Bill Rankins, a brilliant design engineer, Rob Perry, operations manager with responsibility for fabrication and installation, Elaine Bruder, finance and cost accounting manager, and Sam Stonebreaker, human resource manager. Each of these managers has worked together on numerous past projects.

A few years ago, FEL began contracting for team facilitator services from several consulting firms to help new project teams operate effectively. Last month, FEL recruited Carl Jobe from one of these consulting firms to be a full-time internal consultant. A number of managers, including Gatenby, were so impressed with Jobe's skills that they convinced FEL top management of the need to hire a permanent internal facilitator; Jobe was the obvious choice.

Because Gatenby was instrumental in hiring Jobe at FEL, he was excited at the prospect of using Jobe to facilitate team building among Project Abu Dhabi team members. Gatenby was very proud of having secured this project and had expected to be appointed project manager. He knew that this project's success would be instrumental in advancing his own career.

Gatenby told Jobe, "This project is really important to FEL and to me personally. I really need for you to help us develop into a team that works well together to achieve the project's goals within budget. I've observed your success in developing teams on other projects, and I expect you'll do the same for Project Abu Dhabi. I'll take care of you if you help me make this work."

Jobe outlined for Gatenby how he would proceed. Jobe would begin by interviewing team members individually to learn their perceptions of each other and of the promises and pitfalls of being involved in this project. Meetings of the entire team would follow these interviews using the information he collected to help establish a team identity and a shared vision.

Jobe interviewed Bruder first. She expressed skepticism about whether the project could succeed. During the interview, Bruder appeared to be distant, and Jobe could not figure out why he had not established good rapport with her. Bruder intimated that she expected a lot of cost overruns and a lot of missed production deadlines. But not knowing Jobe well, Bruder was reluctant to identify any specific barriers to the project's success. While she would not directly say so, it was clear to Jobe that Bruder did not want to be a part of Project Abu Dhabi. Jobe left this interview confused and wondering what was going on.

Jobe's next interview was with Perry, the operations manager. Perry has worked at FEL for 15 years, and he immediately came to the point: "This project is not going to work. I cannot understand why upper management keeps assigning me to work on projects with Rankins. We simply cannot work together, and we don't get along. I've disliked him from day one. He keeps dropping the fact that he has earned all these advanced degrees from Purdue. And he keeps telling us how things are done there. I know he's better educated than I am, and he's really smart. But I'm smart too and am good at what I do. There's no need for Rankins to make me feel like an idiot because I don't have a degree. Jobe, I'll be honest with you. Rankins has only been here for five years, but I hold him personally responsible for my problem with alcohol, and for its resulting effect on my marriage. I got divorced last year, and it's Rankins's fault."

Jobe next talked with Rankins, who said, "I don't care what you do. Perry and I simply can't work closely together for the nine months it will take to get it done. One of us will kill the other. Ever since I arrived at FEL, Perry has hated my guts and

does everything he can to sabotage my designs. We usually worry about customers creating change orders; here it's the fabrication and operations manager who is responsible for them. Perry second-guesses everything I do and makes design changes on his own, and these are always bad decisions. He is out of control. I swear he stays awake at nights thinking up ways to ruin my designs. I don't have this problem with any other manager."

Jobe left these interviews thoroughly discouraged and could not imagine what would come up in his interview with Stonebreaker. But Stonebreaker was quite positive: "I enjoy these international projects where I get to travel abroad and learn about different cultures. I can't wait to get started on this."

Jobe asked Stonebreaker about the ability of various team members to work together. Stonebreaker replied, "No problem! We've all worked together before and have had no problems. Sure, there have been ruffled feathers and hurt feelings between Rankins and Perry. Rankins can be arrogant and Perry stubborn, but it's never been anything that we can't work around. Besides, both of them are good at what they do—both professionals. They'll keep their heads on straight."

Jobe was even more bewildered. Gatenby says this project's success rides on Jobe's facilitation skills. The finance manager appears to want off this project team. The design engineer and operations manager admit they detest each other and cannot work together. And the human resources manager, having worked on projects with Perry and Rankins before, expects a rosy working relationship and anticipates no problems.

Jobe had a second meeting with Gatenby. Before discussing the design of the team-building sessions, he asked questions to learn what Gatenby thought about the ability of team members to work together. Gatenby admitted that there has been very bad blood between Perry and Rankins, but added, "That's why we hired you. It's your job to make sure that the history between those two doesn't interfere with Project Abu Dhabi's success. It's your job to get them to work well together. Get it done."

Their dialogue toward the end of this meeting progressed as follows:

- Jobe:** "Why do you expect Rankins and Perry to work well together, given their history? What incentives do they have to do so?"
- Gatenby:** "As you should know, FEL requires formal goal setting between project managers and functional managers at the beginning of each project. I've already done this with Bruder, Stonebreaker, Perry, and Rankins. Perry and Rankins have explicit goals stating they must work well together and cooperate with each other."
- Jobe:** "What happens if they do not meet these goals?"
- Gatenby:** "I've already discussed this with top management. If it appears to me after two months that things are not working out between Perry and Rankins, FEL will fire Rankins."
- Jobe:** "Does Perry know this?"
- Gatenby:** "Yes."

1. Evaluate the criteria FEL uses to assign managers to project teams. What efficiencies do these criteria create? What are the resulting problems?
2. Why is it even more important that project team members work well together on international projects such as Project Abu Dhabi?
3. Discuss the dilemma that Jobe now faces.
4. What should Jobe recommend to Gatenby?