



Management Services

Management Solutions
performance + results

(206) 388-5209

info@mjsmanagement.net

www.mjsmanagement.net

Management Consultants to the Precast Industry

RESULTS IMPROVEMENT BULLETIN

PRECAST BUSINESS RESULTS IMPROVEMENT BULLETIN

Precast Business Results Improvement Bulletins are published by MJS Management Services. Additional bulletins that summarize current management challenges and solutions for the precast industry can be found at www.mjsmanagement.net.

MJS Management Services is a consulting firm that works exclusively with clients in the precast industry to improve business performance and results. For assistance with this or other management challenges please call 206-388-5209 or contact us by email. Visit our web site for a full description of the services we provide.

Please email info@mjsmanagement.net to be added or dropped from the distribution list.

ORGANIZATION CHALLENGES – IMPLEMENTING ENHANCED PROJECT MANAGEMENT

A trend in the industry is to upgrade the role of project management, moving from a task and coordination orientation (drawing approval, schedule preparation, progress reporting) to a business approach. The business oriented project manager is expected to provide the following benefits:

- Increased customer satisfaction by better meeting commitments and by better management of customer expectations.
- One person accountable for an entire project
- Improved project control leading to more profitable projects
- Single contact source for resolving major issues
- More focus on project wide management of scope, deliverable and cost
- Internal and external stakeholders held accountable to their commitments
- A more entrepreneurial approach that results in revenue opportunities through additional change orders and minimizing back charges.

Management Consultants to the Precast Industry

RESULTS IMPROVEMENT BULLETIN

PRECAST BUSINESS RESULTS IMPROVEMENT BULLETIN

If you have made this transition or are planning to, some questions to ask are:

- Have you thoroughly defined the role of project manager and determined the related responsibility and accountability? Have the operating departments (engineering, production, construction) changed their processes to accommodate a different level of project management responsibility?
- Have you determined the reporting structure for project management (standalone department, engineering, sales)?
- Do you have an appropriate project management methodology?
- Do you have candidates with the right skills for enhanced project management?
- Has the increase in responsibility allocated to project management created friction in other departments?

If you are not certain of the answers to these questions, MJS Management Services can assist with implementing enhanced project management and clarifying the role of project management.

Management Issues in Implementing Enhanced Project Management

To be successful in implementing enhanced project management, proper groundwork is required.

- Role clarity – project management responsibility can be defined from relatively junior (coordination) to very senior (full project accountability, strong negotiating skills to deal with senior level customer representatives, entrepreneurial to generate change order opportunities, experienced to sense and react to early signs of difficulties). Your project needs and the skill set available in your organization will influence how you define the role of project management. This choice is critical and must be well understood and communicated.

Management Consultants to the Precast Industry

RESULTS IMPROVEMENT BULLETIN

PRECAST BUSINESS RESULTS IMPROVEMENT BULLETIN

- Skill set – the enhanced project manager role requires a wide skill set. Because of the need for stronger business acumen and negotiating skills, task oriented project managers may not be successful in this role.
- Organization structure – as the project manager takes on more accountability for the overall success of the project, conflicts and confusion can arise between the project management function and other operating departments (production, engineering, construction). A key decision is whether to assign the project management function authority over the other departments or to have project management provide observations and recommendations for solving problems
- Reporting framework – as the project manager role evolves, different reporting frameworks can be considered such as a separate project management department or combining project management with sales to facilitate hand-offs
- Methodology – more senior level and business oriented project management can require more formal approach or methodology. A methodology will also help to ensure uniformity in the approach to project management across projects.

Some keys to success in upgrading the project management function:

- Define the target role for project management
- Understand the skill set required
- Clearly define the responsibility and authority level of project management
- Determine the responsibility shifts required in other departments to accommodate the authority of project management
- Determine where in the organization structure project management will report, separate department, engineering, sales
- Set performance measures for project management
- Develop or hire qualified project managers
- Develop or upgrade your project management methodology

RESULTS IMPROVEMENT BULLETIN

PRECAST BUSINESS RESULTS IMPROVEMENT BULLETIN

The benefits of a more senior level, business oriented approach to project management or many. However, organizations have to watch for:

- Duplication of effort between the project manager and other operating departments (for example, site meetings that may have been attended by a representative from the construction department may now require representation from both construction and project management)
- Project managers taking on tasks that are better handled by less senior individual in other departments (for example drawing approval coordination).

To avoid this duplication, the project manager must work in coordination with other departments and delegate appropriately.