



PROJECT MANAGEMENT IN ASIAN CAR COMPANIES

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ABSTRACT

Purpose – This paper intends to present personality traits of successful project managers that tend to restrain standardization efforts within organizations yet contribute heavily to success. The paper also determines analyses and recommends various new and existing project management techniques which are used in Asian car companies.

Design/methodology/approach - The paper has analyzed the present and future strategies of Asian car market conditions based on interviews and other findings of the company. The project and interview analysis also employed to defines a set of recommendation which these companies can follow as a general project management office (PMO) unit.

Findings - Low cost Vehicles are driving the growth of automotive industry in emerging economy, such as China & India. It offers immense opportunities for global players in these economies. Asian countries, such as Thailand, Philippines, Indonesia, Malaysia, are expected to be the potential markets for automotive industry due to AFTA (ASEAN Free Trade Area). From long-term perspective, cheap financing and prices discounts, rising income levels, and infrastructure developments will drive the growth in majority of Asian automotive market. Thailand is emerging as a manufacturing hub for foreign automotive players, due to AFTA under which export tariff are very less.

Originality/value - Based on the Asian market, their strategic planning and organizational objective, the paper provides a clarified view of how these automobile companies in Asia work with Project Management Strategies. This contribution is unique for project managers to fit their manufacturing industry needs with the PMO strategies.

Keywords: Project/ Program management, Asian car market, Project/Program management office, Strategic planning

Classifications: Research paper

PROJECT DESCRIPTION

The project examines, determines, analyses and recommends various new and existing project management techniques which are used in Asian car companies. The information of various popular brands of Asia are collected and are analyzed to perform a survey and a list of interviews to get the best known tools and skills in Asia. Every company has its own project management skill set and its own organizational structure. This project focuses on study of individual company and learns their tools and differentiates them.

The analysis is done to create affair line of difference among these organizations. No matter how similar the product is, or how its structure is complicated. Every organization follows its own project management rules. Type of Project management teams may vary from company to company or maybe even project to project.



Project management skills remain in high demand within Asian organizations. Ironically, project management methods and practices remain inconsistent even though numerous templates, methodologies and repositories are available for use in improving consistency in project management practices (e.g., PRINCE2, PMI BOK).

The paper shows:

1. The personality traits of successful project managers tend to constrain standardization efforts within organizations yet contribute heavily to success. Such characteristics include individual determination, focus, and ability to influence, drive to deadline / key performance indicators;
2. The demands of business sponsors play a major part in subverting initial project objectives;
3. The involvement of external suppliers and system integrators in particular, tends to skew project management within large-scale projects.

Asia has always been popular for its new concepts and for bringing new platform products for the world. Asian car companies have shown a tremendous success rate in the previous years. Now and from the past, they have been innovative and succeeding in newer ventures by following their project management strategies and making changes to them as per the requirements.

China, India & ASEAN countries are the major driving markets for Asian automotive industry. "Asian Automotive Industry (2007)" report provides objective analysis on Asian Automotive industry to explore the potential opportunities and challenges faced by the industry.

The key findings for this paper:

1. Low cost vehicles are driving the growth of automotive industry in emerging economy, such as China & India. It offers immense opportunities for global players in these economies.
2. Asian countries, such as Thailand, Philippines, Indonesia, Malaysia, are expected to be the potential markets for automotive due to AFTA (ASEAN Free Trade Area).
3. From long-term perspective, cheap financing and prices discounts, rising income levels, and infrastructure developments will drive the growth in majority of Asian automotive market.
4. Thailand is emerging as a manufacturing hub for foreign automotive players, due to AFTA under which export tariff are very less.

Poor infrastructure affecting the growth pattern in Asian automotive industry e.g. commercial vehicles dominates Indonesian and two wheelers in Sri Lankan automotive market due to the poor roads.

Key Issues and Facts Analyzed

1. Automotive Industry performance of major Asian countries.
2. What opportunities exist for the automobile players in Asian automotive industry?
3. Major challenges and driving forces for Asian automotive industry.
4. Who are the major competitors in Global Passenger car industry?



Key Players Analyzed

This section covers the key facts about major players currently operating in the Asian automotive industry, such as General Motors, Toyota Motor, Ford, Nissan, Honda, and Hyundai.

THE BACKGROUND OF PROJECT MANAGEMENT

To start this section, one must be understand what a project is. A project is defined by Project Management Institute (PMI) Standard committee in “A guide to the project management body of knowledge” as “A temporary endeavor undertaken to create a unique product or service” (Institute, 2004). A project is a one-time activity with the following attributes (Meredith and Mantel, 2006).

1. A well-defined purpose
2. A life cycle starting slowly, reaching peak, then declining
3. Interdependencies and system interactions within the organization, the industry, and environment in which it exists
4. Uniqueness about its objectives, operational characteristics and outputs
5. Deliberate conflict built into it.

A project can also be considered that (Nicholas, 1990):

- Involve a definable purpose and end result specified in terms of cost, schedule, and performance requirements.
- Cut across organizational lines and utilize skills and talents from multiple disciplines and organizations.
- Involve unfamiliarity, uncertainty, and risks. Given that a project differs from what was previously done, it also involves unfamiliarity.
- Encompass new technology, which, for the organization undertaking that project, possess significant elements of uncertainty and risk.
- Are temporary activities with personnel, material, and facilities assembled to accomplish as goal within a scheduled time frame. Once the goal is achieved, the project ceases to exist. The project resources may be reconfigured to begin work on a new goal.
- Is the process of achieving a goal, going through distinct phases, called the “*PROJECT LIFE CLYCLE*”.

A project includes any series of activities and tasks. Those activities and tasks should be:

- ✚ Definable in terms of a specific, finite objective
- ✚ Infrequent, unique, or unfamiliar to the existing organization
- ✚ Complex with respect to organizational interdependence in detailed task accomplishment
- ✚ Critical to the company in terms of extent of commitment in resources, market potential or some other aspect that has significant impact on the company’s business position.

The key elements of project management are classified as follows:

Table 1: The elements of project management

Elements	Issues
Project participants	Bring people to frontier Manage people in team
Project organization	Manage organization in multi-function environment Manage people of different functions
The project itself	Start, executed, and control a project Manage the process
Project resources	Manage the resources such as financial resources, supplier, internal resources, etc.
Project system interactions	Interface with external organization Link to outside world
Strategic fit of the project	Manage strategic issues for the project Must have strategic fit in a project

STRATEGIC VIEWPOINT OF THE PROJECT

Projects are building blocks in the design and execution of organizational strategies (Cleland, 1999). This is because a good management of projects can identify a project's priority and have a clear link to the strategic plan of organizations. Strategy is also viewed as its implementation can be made possible by projects (Gray and Larson, 2006a). The accomplishment of strategy is mostly planned to meet the future needs of the organizations' customers so that the projects of those organizations should contribute value to their strategies. For example, a desired outcome could be fast time-to-market, high quality, and low-cost products (Milosevic, 2003; Milosevic and Srivannaboon, 2006). The organization can determine its strategic purposes such as the ability to deliver competitive products and provide services or the ability to support organizational processes through the following components (Cleland, 1998a).

Table 2: Modern project management's viewpoint

The components of strategic management to achieve the organization's purposes	Explanation
Organizational Design	It is "the alignment of people, specialized activities, and resources of the enterprise through a process of decentralization of authority, resources of the enterprise through a process of decentralization of authority, responsibility, and accountability (Cleland, 1998b)." Organizational designs use various structures such as organizational chart to "portrays the alignment of resources within the enterprise (Cleland, 1998b)."
Roles	Organization roles are "the individual and collective parts played by the members of the organization."

Table 2: Modern project management’s viewpoint (cont.)

The components of strategic management to achieve the organization’s purposes	Explanation
Style	The manager and follower style is “the manner in which knowledge, skills, and attitudes are expressed by the people who play roles in the company.”
Supporting Systems	The supporting systems are “those associated with the organizational processes, such as manufacturing, finance, marketing, and R&D.”
Resources	The resources are “the basis of the ability of companies to be successful and the bottom line of organizational performance.”

A successful project is strategic in nature because when a project is planned, its concept should (Cleland, 1999):

- Contribute to the organizational objectives, goals, and mission
- Standard in the way that the project can be managed
- Handle the market and other environmental factors, which have an impact on the project and the organization.

There are two reasons why project managers need to understand strategy (Gray and Larson, 2006b). Those reasons are illustrated as follows:

1. Project managers can make appropriate decisions and adjustments
2. Project managers can be effective project advocates.

Those reasons support the needs for project managers to understand the strategic management. The strategic management is “the process through which organizations analyze and learn from the stakeholders inside and outside of the organization, establish strategic direction, create strategies that are intended to help achieve established goals and execute those strategies, all in an effort to satisfy key organizational stake holders (Harrison and St. John, 1998).” The strategic management process for project management is described in the following sequence and shown in figure 2-6 as a schematic of major activities required (Gray and Larson, 2002; Gray and Larson, 2005).

- A. Review and defined the mission of the organization
- B. Set long-range goals and objectives
- C. Analyze and formulate strategies to reach objectives
- D. Implement strategies through projects

PROJECT ANALYSIS

1. General Motors

General Motors in Asia has common processes across all four regions in General Motors. Units within each region implement local programs to enhance the model to fit business needs. GM had recently bought Saab and part of Fiat Auto and held stakes in three Japanese carmakers. Ford Motor Co. had looked at Daewoo and walked away. Now called GM



Daewoo Auto & Technology, the South Korean automaker has emerged as an engine for GM's fast-growing Asian operations. With its ability to turn out well-finished cars at low cost, Daewoo supplies GM with affordable cars for more than 150 markets around the world. GM has been pushed back by aggressive Asian rivals; it is a predator here in the Far East. Unfettered by legacy costs and image problems, GM is clawing market share from others. It expects its Asian operations, including Australia and India, to increase its regional market share by more than half, to 10 percent by 2010.

2. Ford

Ford has three best practices for project management. The first type of best practice is the Ford's executive sponsorship of an electrical/electronic systems engineering project management office. This office standardizes project management and engineering team that is aligned with the vehicle programs. It also acts as a single governance board for the project management office framework. The department's director, chief's and the electrical business planning and technology office participate in the governance board through weekly project management meetings to provide support and shift priorities as required.

Additionally, professional project managers consult on the implementation, execution and maintenance of the project management office as well as assisting with the transfer of project management knowledge for the organization. The electrical /electronic systems engineering departments has also internalized project management as a discipline in the engineering roles and responsibilities and provided training to the entire organization, with follow-up auditing processes in place for implemented projects. It has always been Ford's intent for engineers to develop competencies in the area and build an in-house project management discipline.

Transferring the leadership and ownership of project management from professional project managers to the engineering division is one of the recent changes in project management that Ford has implemented with positive results. This transfer has allowed further entrenching of the organization's goal of increasing project management maturity.

Ford Motor Co. differentiates between projects and programs. The electrical/electronic systems engineering project management office acts as the central project manager to standardize projects. The office engages defines projects that usually have a short frame with a clearly defined scope and clear allocation of resources. Whereas the whole organization focuses on program management, specific projects are managed as programs.

3. Hyundai

Hyundai has been making huge strides in quality improvement. In survey after survey, Hyundai has made important gains, impressing the industry and our owners alike. Did you know that Hyundai has over 900 engineers dedicated solely to quality? The support of talented and visionary suppliers is another key component. Hyundai major component of any project is quality assurance.

4. Toyota

There has been a change in Toyota Organizational structure since 1990s. The new organization is aimed at multi-project management. It has three vehicle development centers



in which multiple projects are grouped together, in contrast to either traditional single-project-oriented or function oriented organizations.

Toyota has often been considered a leader in adopting new organizational structures and managerial processes in both manufacturing and product development. Toyota production system, symbolized by its JIT and Kanban systems, has been targeted as one of the best practices in manufacturing by many firms, not only in automobile industry but also in other industries. With respect to product development organization, Toyota led in establishing a project-based management system, which aimed at coordinating activities in different functional areas into a well-integrated new product.

Many Japanese leading automobile companies and Toyota have been developing new product lines or replace existing products using their new and unique project management skills. At Toyota, project management system that assigns too much autonomy to each product manager may concentrate too heavily on developing multiple new products through autonomous Project-oriented organizations. For example, Chrysler's project team approach, used LH and Neon Projects, might only appropriate for optimizing the development of one product at a time. In contrast, Toyota managers have considered that a project team approach is not an efficient way for large firms to develop many products concurrently that could share similar technologies and components.

Asian automobile firms started changing around 1995. There were two interrelated issues. First, rapid growth in production levels at the Japanese firms virtually ended. The aggressive product strategy of Japanese automobile firms in the 1980's, such as frequent new product introductions and replacements, had been partially based on their assumption of continuous rapid growth. The new environment seemed to require some changes in strategy, as well as in company organizations. Second, the importance of cost reduction became even more critical for international competition than before. In addition to the appreciation of the yen, Japanese advantages in development and manufacturing productivity have been diminishing. Both factors have had a strong negative impact on the cost advantages they had been enjoying.

5. Honda

Honda has a reputation for innovative product designs and advanced engine technology. The reputation has required an effective mix of project management skills and functional skills in engine R&D. With regard to project management, Honda tends to assign most engineers full time to specific product teams. In contrast, at other Japanese firms and at most other firms and at most other auto makers in Europe and United States, component engineers usually take responsibility for two or three vehicle projects at the same time. Spreading technical expertise across multiple project is one of the major characteristics of a matrix organization, as opposed to independent product or project teams, such as Chrysler's. When it starts work on a new product, Honda forms a temporary project team that resembles a task force of engineers from different functional areas.

Honda does have strong managers, which it calls Large Project Leaders(LPLs).Although top management has slightly reduced their authority in recent years ,the LPLs are still more powerful than project managers in traditional matrix organizations such as Renault and Mitsubishi. Therefore, they have been really close to the ideal heavyweight project manager.



INTERVIEW ANALYSIS

1. Interview Analysis from Project Manager from General Motors

The interview helped to mark some standards and the project management strategies the general motors have used and tend to implement in Asian market. GM is currently in the implementation phase of several critical projects. Their strategy allows them to move closer to global systems, and help them eliminate additional unique systems and reducing cost. Their project management team which is hired from all over the globe to meet the competitive Markey globally and establish its standing in Asian market develops a semi-annual check to enhance the ordering/selling of the vehicle.

General Motors project management office trains its manufacturing unit executives to have an aggressive plan of continuing training the people in each division of the unit. The Pm team makes sure that each person has technical skill enhancement plan which the company needs to complete. The project management team also has been focusing on Structural cost reduction IN Asian manufacturing units for their cars. Project Management team in General motors portrays a never-ending focus on I/T organization-not just internally ,but how can they, I/T ,help the business be more efficient, productive and responsive.

One very important strategic change that Asian GM is looking for is Globalization. They want to maintain the agility to leverage GM'S globalization and take advantage of opportunities as quick as possible in the Chinese, Japanese and Indian markets. General motor project management team has come up with third generation model of me I/T sourcing, so that they can effectively manage new suppliers and foster their partnerships in Asia.

The manager also explained how the company was striving to achieve growth and more success in their future venture. The manager also shared their top priority list strategic changes and tools for their current management. They want to drive revenue growth .Due to the weak market, they are go in to emphasize the extent of the challenges the company makes and translate their improvements in products quality and manufacturing into better financial results. They plan to cut almost \$9 million in fixed costs through plant consolidation.

2. Interview Analysis from Team Manager from Honda

The team Manager shared more of a general view rather than any particular project details. This has been Honda's common dialogue by reaching the public in a common manner instead of generalization. The team manger informed that the project management group in their company often are maintained and run by the top executive .Except the manufacturing plants and marketing the projects are managed by top executives which act as a project manager. The Project Management and the strategic planning team recently viewed various changes around them due to the continuous Asian car competitive market. Asia has seen a never before competition by massive and small sized company in the previous years.

Manager very deeply explained the project management group which is trying to continue to develop the growth opportunity in China and India. These are the two most fast growing car industry markets in Asia currently. The Asian Honda PM team is trying to collaborate



themselves with Brazil, UK to get the best available tools and methods to perform the right activities and grow rapidly.

The management team has attracted various young members and retained the old ones.

The content management team is planning to develop internal systems that can facilitate the acquisition, management and control of all technical content and intellectual property. The meetings held in Honda for Project managers and team managers, project light and expand the offerings of SAE meetings and conferences outside Asia. In Honda the team manager mentioned that engineers are the winners and the project manager is the guidance to their success. Honda project management tools do an about-face on everything from decision-making to design. Honda is one of the Auto companies in Asia showing a profit. Honda team manager says it is determined to maintain its presence in Asia -- awaiting the accomplishment of various new tools and technical approaches used by Project Managers. The company bought out its Thai partners, taking a 93% stake in the company. It is relatively easy for Honda to change its mind, unlike other Asian companies, such as Nissan or Mitsubishi Motors. Its manufacturing line is flexible. The number of platforms is small. In the case of the Accord, Honda has only one platform, but five lines. Production is different in each market. This level of flexibility is quite unique.

3. Interview Analysis from Executive from Toyota

The executive from Toyota India gave some insight on the company's past and current corporate plans and the development which will take place in Toyota by its Program Managers.

The executive before being interviewed that all their company strategies related to the idea" Toyota does: building quality, reliable cars with good value and taking care of customers". He was keen on making us understand the need of newer techniques and certified PMs in Toyota in Asian centers. Toyota's program managers are focusing more on the business plans at the moment. He also stressed on the fact that their company makes every quarter a milestone instead of a year. The executive was very enthusiastic on mentioning their success of surpassing General Motors in the world last year in April. Toyota as a company continues to grow and expands our footprint; it is more incumbent on us to re-double our efforts to improve the things that got them at this peak.

The project management team has worked hard towards quality ,efficiencies getting better, cost-saving efforts, innovation and technology investments pay off and have been able to cycle those into production...customer service at the dealership improves. All the things that are the factors of success continue to become more important as you the company gets bigger.

Toyota is not in a state of constantly confronting problems and changing directions but is executing a strategy and plans that have been envisioned in the past. The approach the company takes is a more conservative decision-making process that tries to avoid wrong decisions and therefore it takes longer to make decisions. But once a decision is made, the quality is better and the organization is aligned with it. Execution is then painless, quick and accurate. Ten years ago, the company made a significant change by investing in hybrids and



fuel-efficient vehicles. Nobody else did it or was doing it. That has really paid off the last couple of years. They made the change not in a crisis or because of a problem but because it was the appropriate time and the future dictated that for good business. Toyota has grown globally and become a global organization and is deriving the bulk of the volume no longer in Japan.

4. Interview Analysis from Chief Manager from Suzuki

Chief Manager of engineering department was interviewed to pour some light on the insights and ongoing projects in the company. He clarified that unlike rumors Suzuki had a very strong project management cell and which is in accordance to the company's organizational objective. The manger talked about the initiative it has taken in the Asian market.

At Suzuki Japan, young recruits are never put in the shop floor straightaway to handle production and workers because this is a job they would be least fit to do with their level of maturity. On the other hand, they would be fit to do technical related work because they would have just come out of engineering colleges. They come with fresh minds and they are given fresh projects.

Rapid product development using concurrent engineering is our next best practice wherein the lead-time is shortened. Suzuki has have also adopted TQC and TQM practices. Our growth since 1990 can be attributed to the TQM approach. TQM basically has three aspects. It is a system of excellence to sustain the best results through the best process. Respect for people is the other component of TQM. Right from the level of the workmen, we have various forums for employees to participate in self-improvement activities. We have suggestion schemes, quality circles, cross- functional teams, and supervisory improvement.

Suzuki has a skill matrix for engineers and managers. Based on it, they identify training needs of their engineers in a project. They prepare modules, some of which are also provided by overseas and indigenous faculty. The top two quality circles are sent to Japan, Singapore, and Thailand to participate in the QC conventions there. The candidates are then sent to auto fairs in Europe. Training is also provided at Suzuki. Suzuki is one of the most reliable sources of automobile engineers and technical team projects to come from Japan.

Suzuki has been the center source of product for middle size market. It has mostly very affordable cars. The engineering manager stressed on the fact that the company was trying to figure out new strategies to mend their team in such a manner that they can compete with the higher end car sat a lower price.

5. Interview Analysis from Senior Manager from Hyundai

Hyundai Motor is pursuing a policy of global expansion. Its current objective in the Asian car manufacturing market is to win over car buyers in the world's biggest market is crucial to the company's hopes of building a globally recognized brand. The executive explained their strategy for breaking into the industry's top five by 2011 .The Company relies on a rapid buildup in two of the world's fast-growing markets: China and India. According the senior executive their vice president recently declared "The Company's resources will be focused on expanding our presence in emerging markets this year."

Hyundai very important project Management strategy which is being used in almost all its projects is to identify the changing technology strategy of Asian companies in response to



changing business/technology such. Hyundai is hiring special Project Manager to mark its name in the big market effectively. Hyundai till now has hired more than 60 exclusive project managers to assist their venture for next two years. Hyundai is collaborating with external Project management allocators like it did in 2004 to expand its scope and get more knowledgeable about newer methods and a strong project management team.

RECOGNIZED STRATEGIES

1. Collaboration

Companies in Asia have collaborated their Project management resources and other teams to get better exposure and more perfect tools to enhance their strategies in Asia and go global. A company like Toyota Motor Corp. developed long-standing social and economic relations with a network of suppliers. Higher levels of trust and less fear of opportunistic behavior than was normal in the U.S. characterized both sides of these relations. Toyota relied far less on formal contracts than a company like General Motors Corp. (GM). The result was that Toyota and its suppliers felt able to undertake more joint development work, to exchange sensitive potentially vulnerable information, and to operate a tighter just-in-time component delivery system. A further illustration of the positive contribution trust makes concerns knowledge creation through intercultural teams. Each team was composed of members who came from different national units, either within a multinational corporation or its alliance network. Five of the six teams were operating from the outset within a formal (contracted) context; their members also came from middle hierarchical levels (such as senior engineer).

Honda also developed a similar collaboration with a Europe based company for cost effective management. The Program managers at Honda researched and found the most suitable model for their company and hired the Europe base company for this purpose. Honda's cost-modeling process extends well beyond simply determining the cost of a part or component. It is an integrated process that takes into consideration every factor that contributes to the total cost.

2. Green Business Strategy

More companies are leading the charge to develop and invest in environmentally friendly technology -- not just because its good for nature, but it's also good for the bottom line. Honda and Toyota, rocket along with soaring oil prices, and this has force them to respond quickly and make some major changes in their projects. Ford has already brought technology from Toyota for its Explorer SUV hybrid. Hyundai in Asia have projects ready for hybrid cars. The project Management teams in various companies have trained themselves in the green manner and differentiating the option in the project which are not sustainable to the environment.

3. Expansion

GM has signed a framework pact for the sale and export of approximately USD \$1 billion worth of vehicles, components, machinery and equipment to our flagship joint venture in China. Meanwhile, Ford has signed a similar deal worth more than USD \$800 million. That deal includes the sale of more than 30,000 North American-built vehicles to China starting from 2009. Additionally the blue oval will sell transmission components and parts (starting



this year) to its joint venture in China. Not to be outdone, Toyota has announced plans to build a second production line in China, which will cost \$380 million in investments. The new production line will build more Toyota Camry.

4. International Market place

General Motors, Ford Motor Company, and Chrysler Corp. (now part of DaimlerChrysler following its merger with Daimler-Benz AG) – accounted for 68% of the passenger cars produced in the United States in 1997. The remaining 32% of U.S.-made cars came from Asian and European “transplant” firms. Along with these giant assemblers, the automotive commodity chain also includes parts manufacturers. The auto parts industry is fragmented, consisting of thousands of suppliers ranging in size from small shops to large multinationals. The auto parts segment of the chain is divided between original equipment manufacturers (OEMs) and the replacement market.

5. Supplier Based Technology

Selection of supplier based on technology has become important for the project management offices for manufacturer whose focus is on product and launch flexibility. However, quality becomes strategically important when the manufacturer is focusing on volume flexibility. Inventory management and technology roadmap are very important project management strategies with robust influence on all three forms of manufacturing flexibilities, namely product flexibility, launch flexibility, and volume flexibility. In sum, the manufacturer needs to understand clearly which flexibility of its operation is required, and then adopt a working supplier selection and management strategy.

CONCLUSION

1. A number of project management tools/templates have been developed, however there are no documented processes around how and when to use them.

Result: Utilization of project management tools is not consistent.

2. There is no structure or unified approach to the management of team projects: Individual project managers within the department apply different approaches to the overall management of their projects (i.e., everyone has a different method of working). Project managers have had to learn how to “work around” each other. A number of Project Management (PM) processes, such as risk management, issues management, and project staffing, are performed on an informal basis.

Project schedules are maintained by project managers on an individual basis (i.e., “off-line).

Result:

1. Project management processes are not consistent or repeatable across team projects.
2. Little or no opportunity for information sharing/learning between project managers/teams.
3. Extremely low probability of configuring the Project Management Office (PMO) to effectively and efficiently support the organization’s project community



3. There are several types or categories of project plans implemented within the department that serve differing company objectives.

Result: Several off shoot plans are being created to accommodate cross project reporting and dependency management.

4. Project managers within the new business team are forced to wear many hats (i.e., project manager, technical lead, as well as ongoing maintenance and operations responsibilities).

Result: Many projects are not completed in a timely manner. No distinguishable difference in approach to “project” work vs. “day-to-day” operations.

5. A number of “individual” project management challenges were also identified:

Project Management Challenges/Pain Points

1. No existing templates to provide adequate guidance: How and when to use them, where to access them, how to complete them, etc.

2. There is no way to identify the availability of department resources for project work.

3. Business owners set unrealistic time-frames for completing projects. There is no realistic validation of date.

4. Individual project managers within the department do not know what other project managers are working on, making it difficult to identify and support the information requirements of other projects.

5. Current project management tools and templates are not centralized. Impossible to create a complete end-to-end project plan.

6. Project prioritization process unclear, making it difficult to determine which projects to focus on and apply resources to.

7. Individual project managers do not follow the same project management process.

Assessment

Projects should be segmented across functional groups within the organization. Each function should develop “Project Plans” for its own work independent of other functions and thus no end-to-end project plans should exist. To help alleviate this problem a system of milestone “hand-offs” should be developed to identify the cross function work dependencies. This however, can necessitate the need for a consolidated master milestone plan that requires additional effort to support and maintain.

While most of the approaches taken by the team’s project managers are implemented out of a need to “get the job done”, they are indicative of an organization with no structured approach to executing projects. This has led to inconsistencies and inefficiencies across the organization.

It is possible to address each of these findings on an individual basis and develop individual project team solutions. However, such an approach, without consideration of the enterprise as a whole, will lead to minimal success with mediocre results .In Asia ,such an approach is



very common ,many car companies fall in this pit unknowingly .Thus, newer strategies can resolve this problem.

These issues are really symptomatic of a larger issue within the organization. There is no formal recognition of “Project Management” as a viable management concept. It is at best an afterthought, and not seen, nor used as an effective management concept. Though no fault of the organization, this is indicative of an immature project management organization.

Value Proposition

The ability of a car company business to succeed is driven by it’s effectiveness in implementing strategic change in a rapidly changing environment. Asia has a very rapid dynamic environment. The competition has to be dealt with a lot of vision. Developing an organizational project management framework for the systematic management of projects, programs and portfolios in alignment with the organizations strategic goals is a proven means of implementing strategic change and achieving business success.

Implementing organizational project management involves embedding skills, knowledge, process, tools and organizational structures within an organization to support this framework to deliver strategic change. An organization’s effectiveness in delivering business strategy can therefore be called its organizational project management capability. Most organizations are at a low level of maturity. Building this maturity iteratively is the key to more effectively delivering the organization’s strategy.

Project management technology is a major component in enabling project management capability. It provides a means of automating the analysis of project scope, cost and time, and the complexities of managing this across multiple projects. Any technology implementation needs to assess the business processes that will be required to support it, the skills and knowledge that needs to be in place within the user base, and what organizational changes are necessary. All this needs to be in line with the organizations project management maturity. Focusing on the technology leads to trying to leapfrog maturity levels, and the associated cultural challenges that come with this.

Lack of project management adoption is typical because the organization tried to implement toolset functionality that required a higher level of maturity than the organization was actually at. An organizational project management toolset should be deployed at an appropriate level of maturity, and be capable of evolving over time in line with your processes and people.

To achieve increasing levels of project management capability it requires greater sophistication in terms of tool usage, and therefore increasing maturity in terms of processes and people in place. When it comes to implementing project management technology it is important is to walk, skip then run.



Recommendation

Based on the findings outlined above:

In order to add value to the organization, project management must support the team in the achievement of its corporate objectives. Project management strategies provide this support by ensuring that the company pursues, and effectively manages; only the projects that contribute to the attainment of their goals and strategies. This level of Value-Added Project Management can only be attained within the business through the implementation of a structured Project Portfolio Management (PPM) Program. Effective implementation of a structured PPM Program, in turn, can only be accomplished through a strategically functioning PMO. Thus, the PMO serves as the mechanism or conduit through which a structured PPM Program is established and maintained within the organization.

To this end, a three phase approach to creating a strategically positioned PMO that will be used to develop and implement a structured PPM Program for the organization.

Phase 1. Develop Project Management Strategy for Your Organization - The objective of this Phase is to identify goals and strategies and define Project Management objectives based on the company's goals and strategies and demographic location. A Project Management Sponsor should be identified to drive the overall development and implementation of the Project Management objectives. A Project Management Governance Committee should be created to ensure that the PPM Program developed achieves its established Project Management objectives.

Phase 2. Create a Project Management Office (PMO) for PPM Program - The goal of this Phase is to determine the level of maturity required of the PMO to achieve your Project Management Objectives. Establish the charter for the PMO and to setup and staff the PMO.

Phase 3. Develop and Implement the PPM Program - The intent of this Phase is to assess the team against its required level of maturity identified in Phase 2 and establish a baseline.

Future Research

The further study could extend the finding to other regions of car companies. The comparison between Asian car companies and European car companies can be the interesting topic. The role of foreign car companies playing in domestic markets can also be the valuable study.

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