Setting up PMO Processes in China in Three Months

Tariq Shaikh, PMP

Before We Start – A Quick Survey

Before We Start - A Quick Survey

- Industry Background
  - IT
  - Defense
  - Construction
  - Healthcare
  - Manufacturing
  - Oil & Gas/Petrochemical
  - Other

- Project & Program Management Background
  - PMP
  - PgMP
  - Other

- PMO & Process Experience
  - Part of PMO
  - Setting up PMO
  - Setting up PM Processes

Before We Start - A Quick Survey

- Global Experience – Physical Location
  - North America
  - South America
  - Africa
  - Europe
  - Middle East
  - South Asia
  - China & East Asia
  - Australia

- Global Experience – Teams
  - Virtual Teams
  - Physical Teams

Before We Start – Group Exercise

- Global Experience
  - Pluses

  - Negatives

My Introduction to Global Projects

From Engineering to Project Management

- Graduated as an Electronic Engineering

- First "Major" Project As A Young EE

- Transition to Project Management
  - Project Management By Accident
  - Global Project
    - $12M
    - A Foreign Government
    - US Air Force
    - Hughes Aircraft Systems International

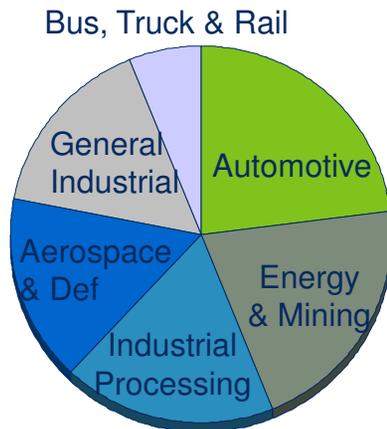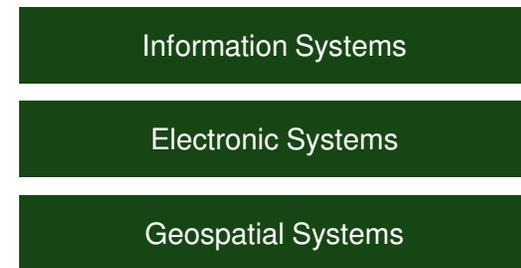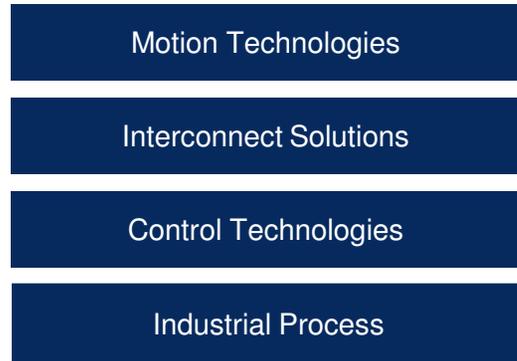# From Engineering to Project Management

- ## 2 Days of Project Management Training and then….
  - ### Gas Field Development Project
    - One Year Project
    - 80 Miles From the Nearest Water Hole
    - Day Temperatures in Excess of 120°F
    - Over 1,200 People at the Peak of Project
    - Led Project Team from 3 Countries and Multiple Partners
    - First Taste of "Real" Global Experience
    - First "Serious" Use of Project Management Software & EVM

Client:	Foster Wheeler, USA
Location:	Qadirpur & Pirkoh Gas Fields, Pakistan
Owner:	Lasmo Oil, UK
Description of Works:	180 mmscfd green-field gas processing plant
Major Quantities :	Rotary Equipment : 500 Tons
	Stationary Equipment : 1,900 Tons
	Steel Structure : 500 Tons
	Piping : 2500 Tons
	Pipe Support : 220 Tons
	Painting : 30,000 Sq.M
	Insulation : 4,000 Sq.M
	Tanks : 200 Tons
Total man-hours :	1.2 million
Peak DL Force:	900
Project Start Date:	Jul-94
Completion Date:	Sep-95

From Engineering to Project Management

- **Other Petrochemical & Construction Projects**

- **Project Audits & PMO**

- **$2 B Power Generation Project**
  - 3 Year Project
  - Extensive use of Project Management Software
  - Consortium of 6 Companies From 5 Countries
  - PM Standardization Across 6 Partners & Customer

- **Telecom Infrastructure Projects**
  - EMEA Region
  - Team Across Asia, Europe, Africa & America
  - 10 Time Zones
  - Americans, British, Germans, Poles, Russians, South Africans, Pakistanis, Indians, Israelis, Arabs, Poles, Hungarians, Turks, Spaniards

ATS: Setting Up A PMO In China

Industry Background

ITT

Annual Revenue $12.5B

Motion Technologies	Flow Control	Information Systems
Interconnect Solutions	Water & Wastewater	Electronic Systems
Control Technologies	Residential & Commercial Water	Geospatial Systems
Industrial Process		

Bus, Truck & Rail

Automotive, Energy & Mining, Industrial Processing, Aerospace & Def, General Industrial

ATS: Setting Up A PMO In China

Industrial Process

Leading Products:

ITT has the most complete portfolio of pumps, valves and control systems for industrial markets, providing specialized technology for challenging environments, reduced maintenance and energy-saving solutions.

- Pumps
- Valves
- Oil and gas offshore reverse osmosis units
- Intelligent control systems
- Plant Performance Services

Leading brands: Goulds Pumps, Pure-Flo, A-C Pump, Fabri-Valve, C'treat, PumpSmart and PRO Services

Enduring Demand Drivers:

Customers in oil and gas, mining, power generation, chemical, paper and biopharmaceuticals markets

Control Technologies

Leading Products:

ITT provides technologies for a broad range of industrial and aerospace segments

- Valves, actuators, pumps and switches
- Regulators and diaphragm seals
- Electro-mechanical actuators, servo motors, computer numerical control systems and motion controllers
- Shock absorbers, buffers, rate controls, dampers and vibration isolators

Enduring Demand Drivers:

Best-in-class component and subsystem provider for commercial, military and general aviation, rail, alternative fuel vehicles, power generation, fluid power and chemical processing markets

Leading brands: Aerospace Controls, Enidine, Enivate, Burny, Kaliburn, Cleveland Motion Controls, Compact Automation Products, Turn-Act, Neo-Dyn® and Conoflow

Motion Technologies

Leading Products:

Automotive. Brake pads and shock absorbers for cars, trucks, trailers

Mass Transit. Comprehensive portfolio of bogie and wagon link safety solutions for rail and bus customers

- Integrated Bogie System (IBS): dampers, air-springs and brake friction materials
- Rolling Stock Link (RSL) through "ITT Rail" common front end: buffers and couplers, interconnectors, pressure switches and pumps

Leading brands: **KONI** and **Galfer**

Patents: *FSD*, *CVD* Technologies

Enduring Demand Drivers: An integrated transportation platform, world leader in **safety** solutions ranging from passenger cars up to high speed trains.

Interconnect Solutions

Leading Products:

ITT products make it possible to connect with our electronic world, with connectors and contacts that perform in harsh-environment, power and deep space applications.
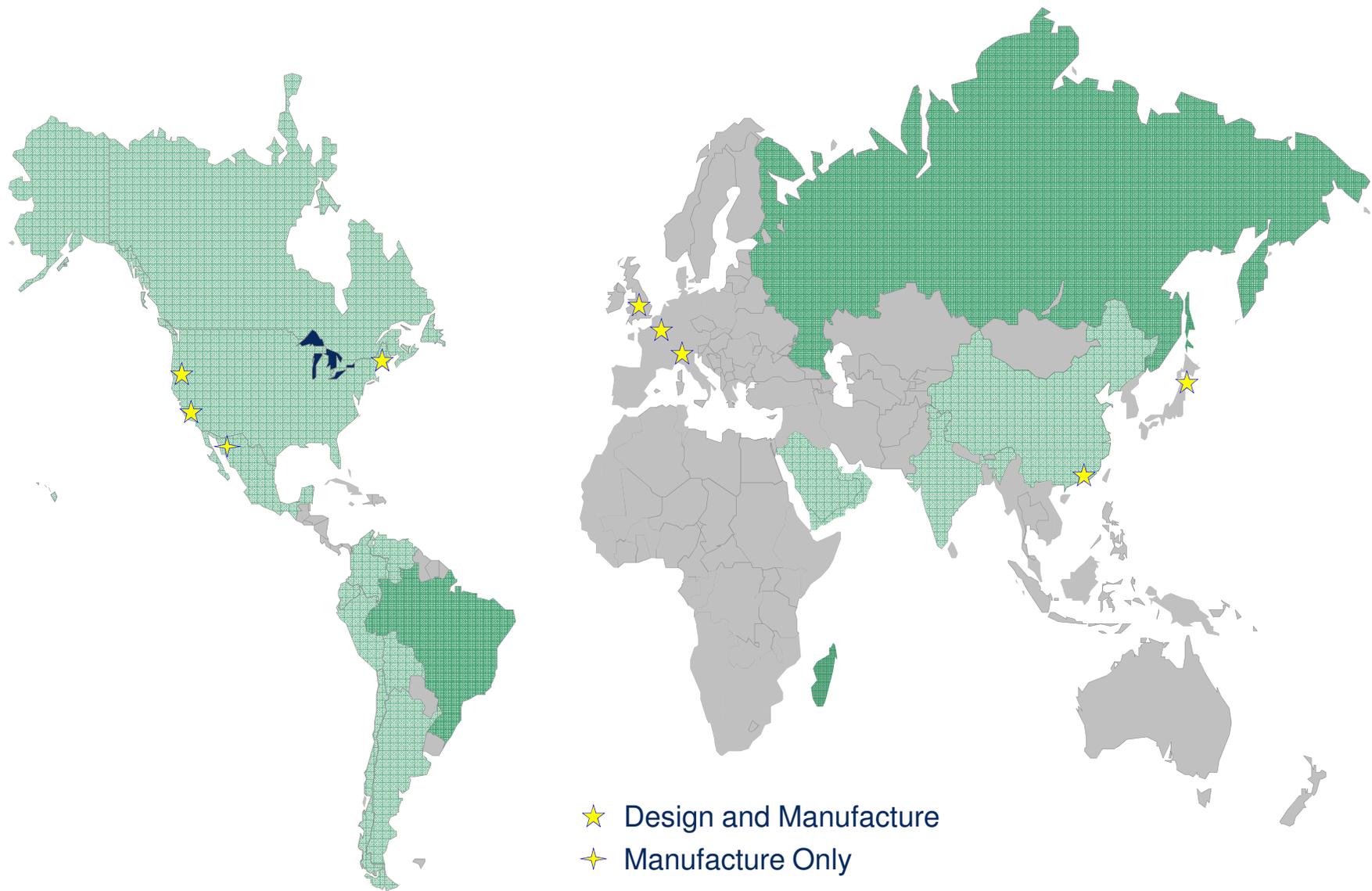
- Connectors
- Contacts

Leading brands: Cannon, VEAM and BIW

Enduring Demand Drivers:

Customers in defense, aerospace, industrial, oil and gas, medical, handheld electronics, alternative energy and transportation markets
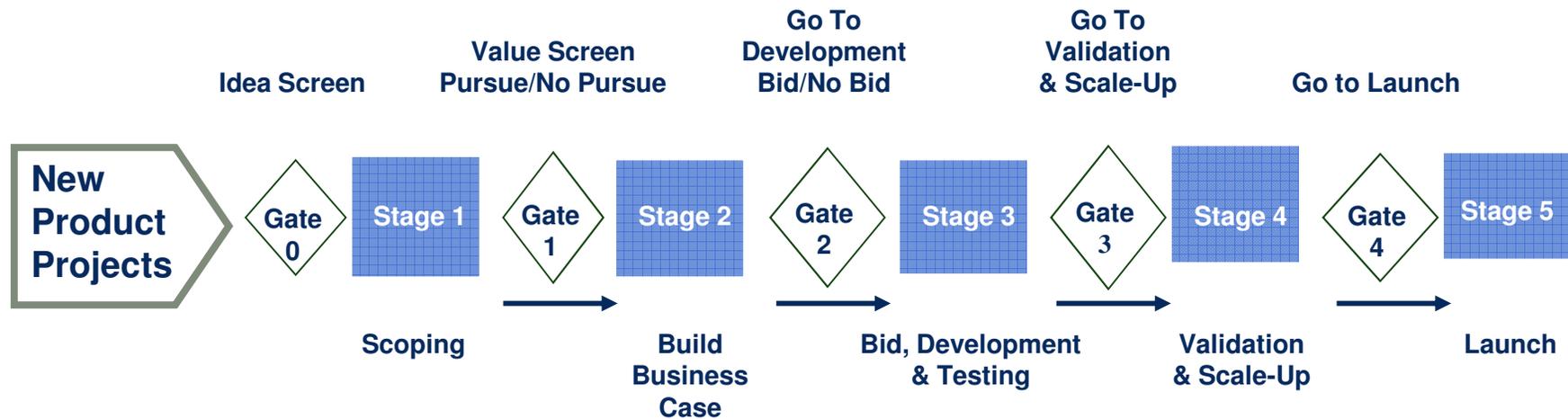
ITT Interconnect Solutions

Design and Manufacture
Manufacture Only

ATS: Setting Up A PMO In China
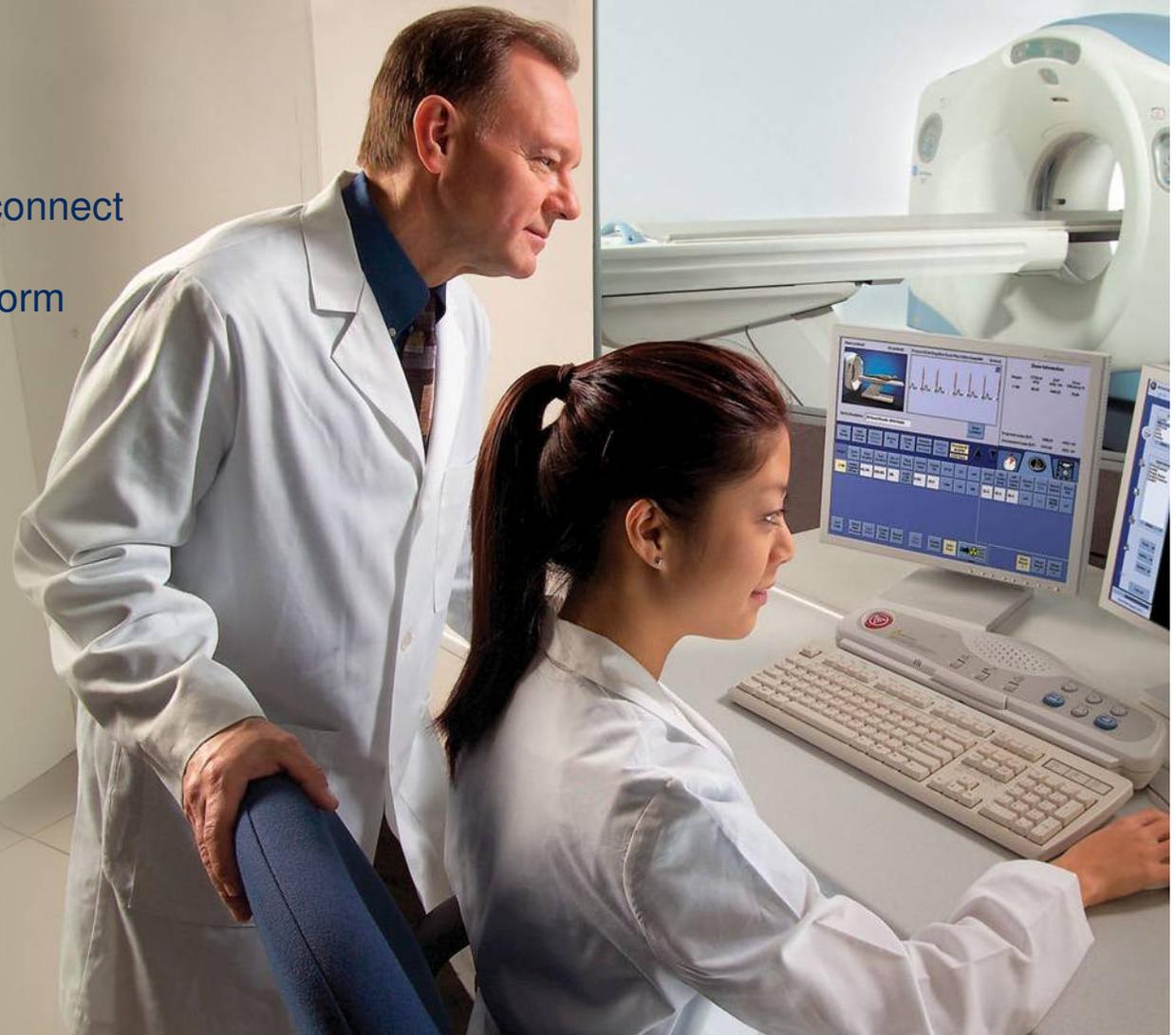
Why China?

Stage Gate New Product Development Process

New Product Projects

Idea Screen — Gate 0 — Stage 1 — Scoping

Value Screen Pursue/No Pursue — Gate 1 — Stage 2 — Build Business Case

Go To Development Bid/No Bid — Gate 2 — Stage 3 — Bid, Development & Testing

Go To Validation & Scale-Up — Gate 3 — Stage 4 — Validation & Scale-Up

Go to Launch — Gate 4 — Stage 5 — Launch

5 Stage - 5 Gate VBPD Process

Why China?

Quality Issues

- Major Product Recall
- Root Cause Analysis for Quality Failures

Findings

- Lack of Ownership for VBPD Process

Thought Process

- US Program Manager for 18-24 Month Expatriate Assignment
- Implement, Embed & Return
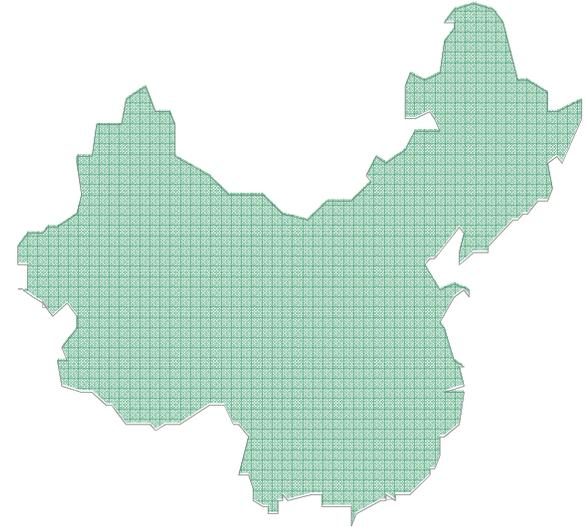
Why Me?

Why Me?

- Why Do You Think I Was Assigned?

- What Would Have Been Your Recommendations?

- What Would You Have Done?

- How Would you Have Done It?

- What Challenges Would you Have Anticipated?
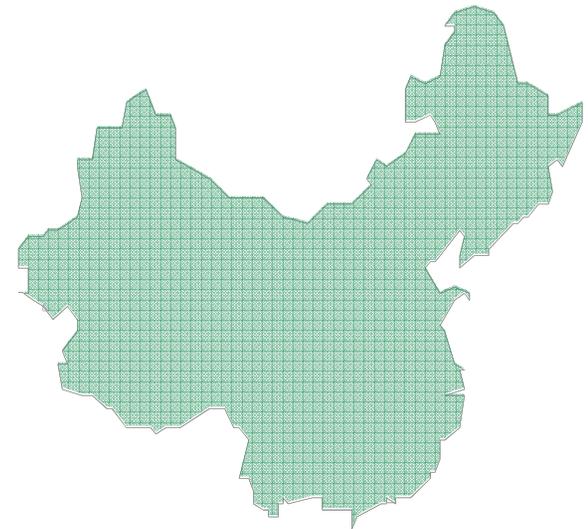
Why Me?

- **Participation in Successful Implementation of 3 ½ PMO's!**
  - ITT - NPD Programs - Assisted
  - Motorola – Telecoms Infrastructure Projects - Assisted
  - Descon Engineering – Construction/EPC Projects - Responsible
  - Belkin - NPD Programs [½!] – Tried!

- **Global Experience**
  - Successful Overseas & Expatriate Assignments – Asia, Europe, ME etc.
  - Managing Multi-cultural, Multi-lingual, Multi-racial Teams
  - Broad Industry Experience

- **Voluntary Participation in "Solution" Process**

- **Can You Think of Any Other Reasons?**

Why Me?

- **Voluntary Services Beyond "Job Description"**
  - VBPD Process Implementation – USA
  - SharePoint Portal Project – Global Development Team
  - Cross Functional Training on VBPD – Global Teams
  - Italy Assignment – April 2010

- **PMI & PMI-OC Affiliation**
  - PMP Certification
  - Volunteer Experience with PMI-OC
    - Dinner Chair – 1 Year
    - Board of Directors – 2 Years
    - Board Of Governors – 1 Year
    - PMP Workshop Instructor – 5 Years

- **Networking**
  - LinkedIn
  - Twitter
  - Relationships

How China?

Success Factors

What in your opinion is the

SINGLE MOST Important Success Factor

**For Such A Global Project?**

Success Factors

Communication!

Geert Hofstede Cultural Dimensions

- **Professor at Maastricht University**
- **Comprehensive study on Influence of Culture in the Workplace**
  - Analyzed employee values scores across 74 countries
  - Commercial airline pilots, students, civil service managers, 'up-market' consumers and 'elites'
  - Model identifies 4 Dimensions to assist in differentiating cultures:
    - Power Distance - PDI
    - Individualism - IDV
    - Masculinity – MAS
    - Uncertainty Avoidance - UAI
  - Surveyed Chinese employees & managers for a 5th Dimension
   - Long-Term Orientation - LTO

Power Distance Index [PDI]

- **Low PDI [USA: 40]**
  - Greater equality between societal levels, including government, organizations, and even within families
  - Cooperative interaction across power levels
  - More stable cultural environment

- **High PDI [China: 80]**
  - Expect & accept unequal distribution of power
  - High level of inequality of power and wealth within the society.
  - Not necessarily forced upon the population, but rather accepted by the society as their cultural heritage.

- **World Average: 55   [Norway 31; Russia 93]**
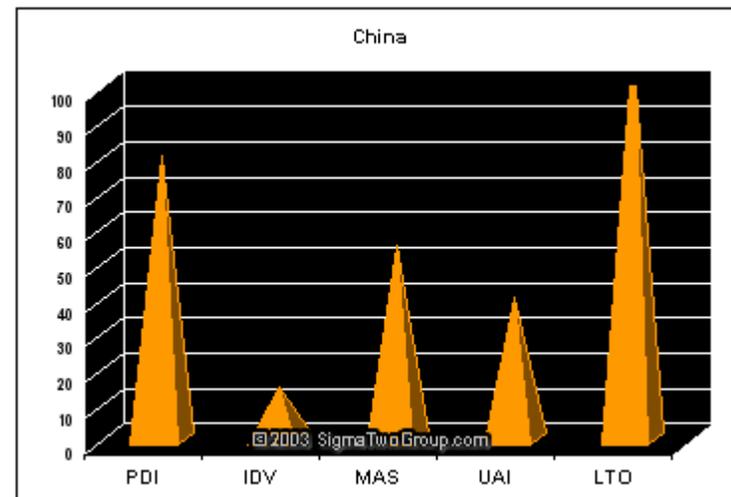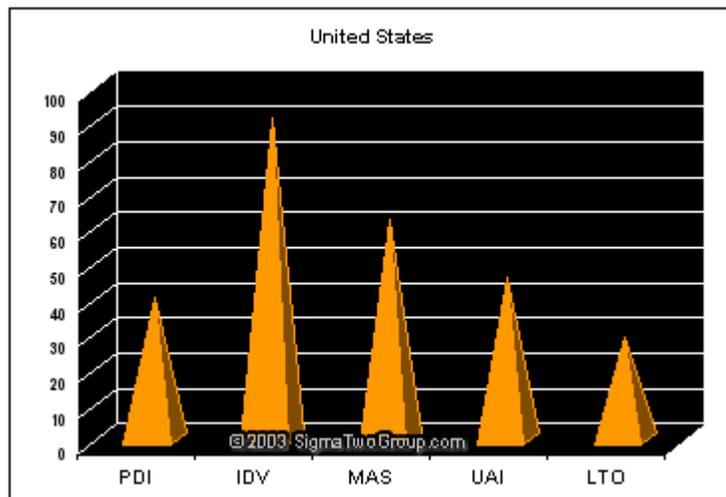
Individualism [IDV]

- **High IDV [USA: 91]**
  - Society with a more individualistic attitude
  - Relatively loose bonds with others.
  - More self-reliant
  - Look out for themselves and their close family members
- **Low IDV [China: 20]**
  - Collectivist society [Communist rule]
  - Close and committed member 'group'
  - Loyalty is paramount.
  - Society fosters strong relationships where everyone takes responsibility for fellow members of their group.
- **World Average: 43**
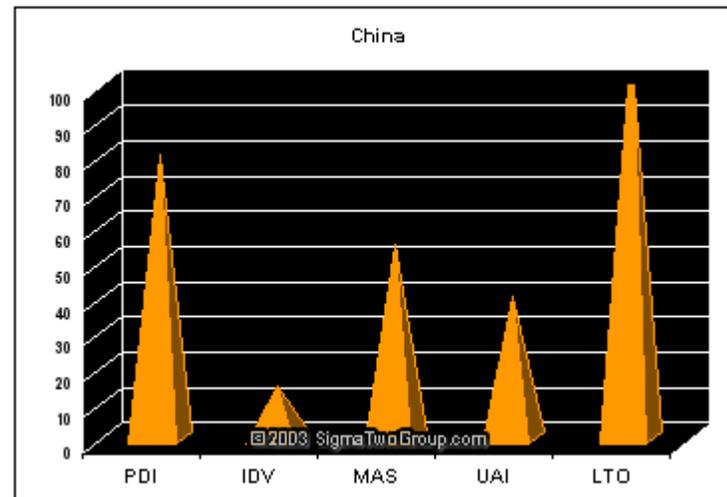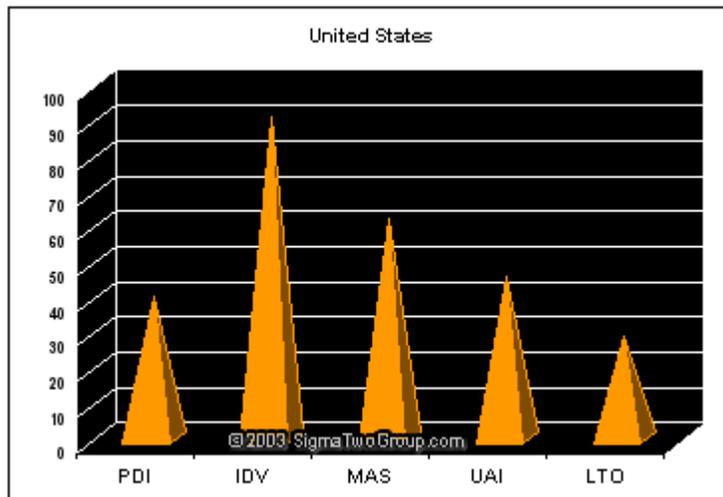
Masculinity [MAS]

- **High MAS**
  - Male dominates a significant portion of society and power structure.
  - Female population becomes more assertive and competitive
  - Women start shifting toward the male role model & away from their female role.
- **Comparison:**
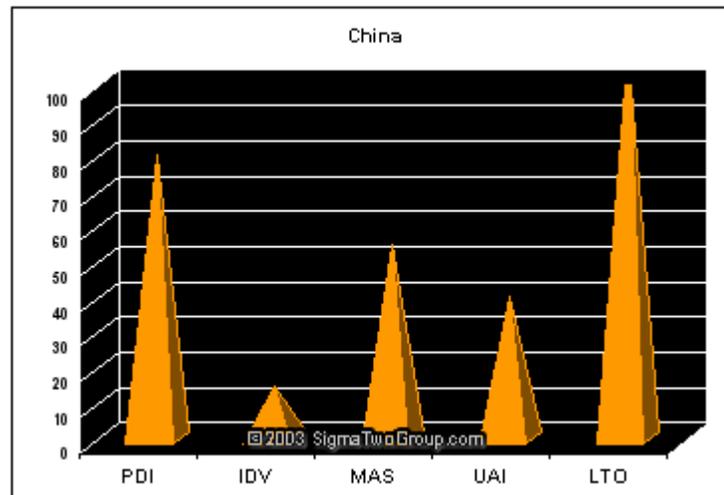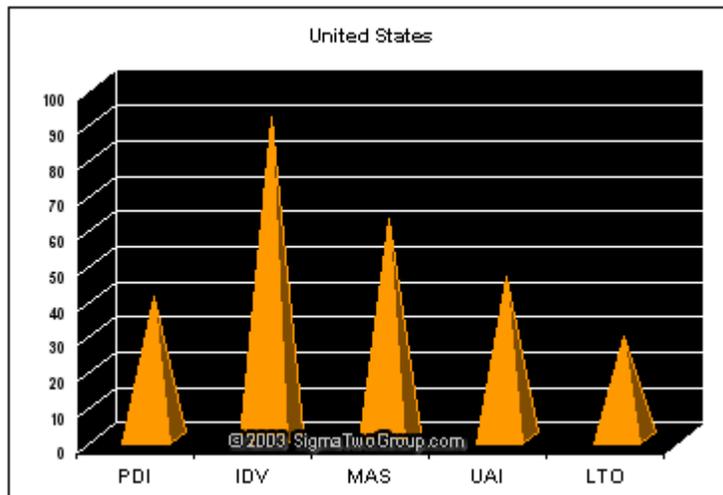 - USA   62
  - World 50
  - China 50
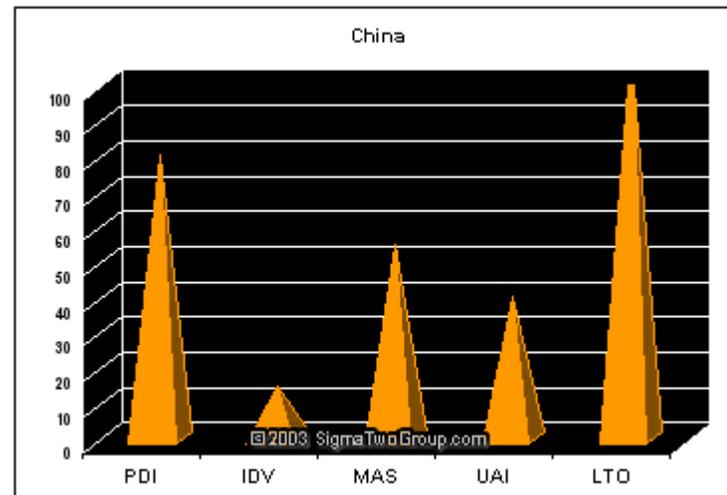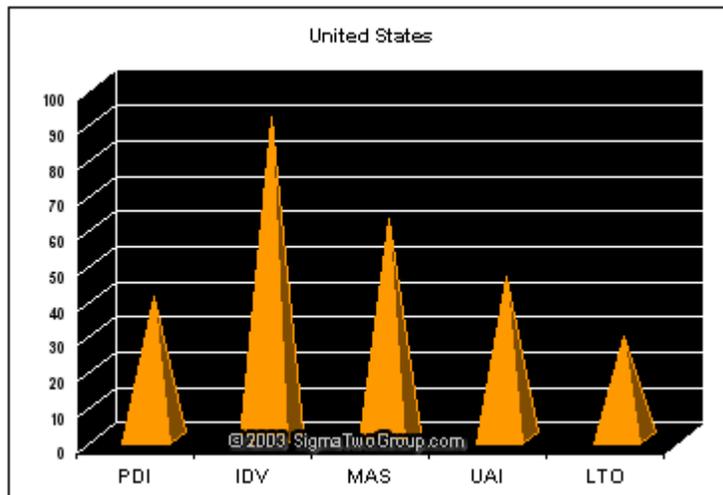
Uncertainty Avoidance Index [UAI]

- **Low UAI [USA: 46; China: 38]**
  - Society has fewer rules
  - Does not attempt to control all outcomes and results [Society – Not State]
  - Greater level of tolerance for a variety of ideas, thoughts & beliefs
- **World Average: 64   [Turkey: 80]**

United States
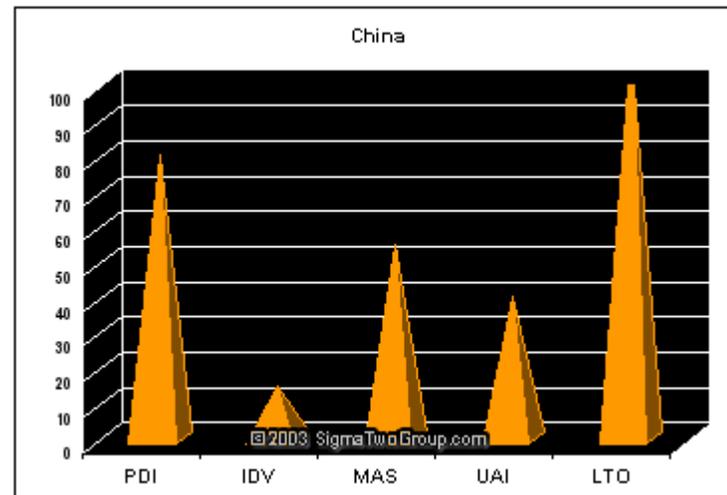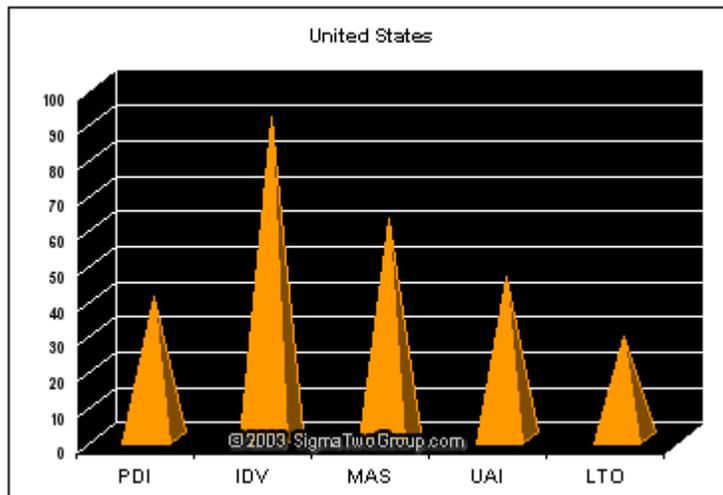
China

Long Term Orientation [LTO]

- **Low LTO [USA: 19]**
  - Belief in meeting Society's obligations
  - Appreciation for cultural traditions
- **High LTO [China: 118]**
  - Society's time perspective and an attitude of persevering
  - Overcoming obstacles with time, if not with will and strength
- **World Average: 45**

Preliminary Decisions – Group Exercise

- What kind of PMO would work best in that environment?

- What do you need to consider when setting up a PMO?

Preliminary Decisions – When Setting up a PMO

- Mission, Strategy, Objectives

- Sponsor, Clients, Stakeholders

- Products & Services

- Transitional Activities

- Methodology: build, adapt & customize (processes, procedures, templates, best practices, standards, guidelines, policies)

- Audit/measure/report on project and process/organizational compliance (timeliness, accuracy, completeness) and benchmark

- Train all staff, coordinate a common resource pool, and define the role of contractors

- Set up an effective document repository

The Game Plan

Original Plan

- **Initial Thought Process**

  - 18-24 Month Expatriate Assignment

  - Get Ongoing Programs and Projects Under Control

  - Train Cross Functional Teams

  - Push Each Major Project Through At Least One VBPD Stage/Gate

  - Conduct Several Global Program Reviews

- **Rationale for "Expatriate Solution"**

  - Long, "Full Time" Program Management Presence

  - Unavailability of Multi-lingual, Local Program Managers With Necessary Industry Experience

  - Greater Chance of "Instilling" VBPD Culture

The Project Plan

- **Plan**

    - 3 Month Short Term Assignment - Extendable

    - 2 Weeks/Alternate Month Over Next 6 Months

    - Use Lead Engineers as Interim Program Managers

    - Hire, Train & Empower Competent Local Program Managers

    - Audit, Kill, Recycle Projects/Programs

    - Conduct Mandatory Training For All Functions

    - Transition Programs From Interim to Full Time Program Managers

    - "Empower" New Program Managers

    - Conduct At Least 1 Global Program Review

    - Return

    - Follow up with Bi-Monthly Visits For up to 6 Months

Risks

- **Risks**

    - Failure to Get Program Managers on Board

    - Ability of New Program Managers to Maintain Change

The Project Charter

- **Project Charter**
    - "Executive" Communiqué
    - "Authority" to Stop, Kill or Recycle Projects/Programs
    - "Empowered" to Influence Hiring Decisions

Execution

Execution

- **Execution**

    - Networking – Talent Search

    - Authorization - Communiqué

    - Training – Interim Team of Program Managers

    - Relationship Building – Key Stakeholders

    - Training Functional Team Members

    - Training Key Stakeholders

    - Mentoring Interim Program Managers

    - Program Audits, Action Items, Deadlines

    - Hiring & Selection Process – New Program Managers

    - Transition & Mentoring

    - Program Review

Challenges

Challenges – Group Exercise

- What challenges do you think we faced in the following categories and why?

  - Cultural

  - Professional

  - Support

Challenges

- **Cultural**

  - Language Barriers

  - Getting Attention & Attendance

  - Nap Time

  - Hospitality & Cultural Expectations

- **Professional**

  - Introducing "Outlook" Culture

  - Managing "Accidental" Program Managers

  - "Adopting" Product Development Processes

  - Hiring New Program Manager

  - Obtaining Cross functional "Buy-In"

  - Accountability & Responsibility

  - Bridging the "Cultural" Divide

Challenges

- **Support**
    - IT Support
    - Applications – MS Project & SharePoint
    - Internet & Censorship

Outcome & Achievements

Achievements

- **Achievements**

  - Success in 3 Months… With no follow up visits!

  - Great Team

  - Relationships

Rewards

- **Professional**
    - Respect
    - Authority
    - Team Building & Support
    - Work Flexibility
    - "Guru" Status
- **Personal**
    - Friendships & Networking
    - Trust
    - Hospitality
    - "Confidante"
    - Food & Exploration
- **Monetary**

Lessons Learned

Lessons

- Respect Social & Cultural Differences

- When in Rome….

- Learn About Cultural Sensitivities

- The Power of Social Networking

- Different is NOT necessarily Wrong

- Respect begets Respect

- The Power of Encouragement & Empowerment

- The Importance of Training & Mentoring

Questions?