

Starting a Global Project: What is Different Compared to a “Normal” Project?

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Introduction

The environment in which projects are executed is constantly changing. For example an obvious trend lately is the ongoing globalization of many businesses. Deregulation and privatization of business and resources are forcing this on a large scale (Ibrahim, 2001). Another important reason for the globalization is the merger activity in many industries, which results in an increase of global players serving global markets (Juhre, 2001). The globalization has had a tremendous impact on companies that are developing and delivering complex system. These companies should perform in a constantly changing business environment of global customers, partners and competitors (Bergman, 2001). The company ends up in a situation with several organizations within the company. Further, an organization that one day is a competitor, can the next day be part of the company. Together they need to perform at their excellence in order to stay competitive. Nevertheless, these organizations are supposed to work efficiently together, and the project manager has the task to manage the work.

It is not only multinational corporations that trigger the use of international projects and the involvement of international resources. In a time where highly skilled technical resources are in demand, global staffing becomes an essential issue, and a critical success factor for projects (Juhre, 2001). Therefore, many project managers are finding their project teams staffed with resources from across the country and possibly between countries (Miller, 1999).

Globalization of the project management profession requires an increased understanding of global trends, and changing conditions in various geographic areas, countries and industries. Still, the knowledge about how geographically dispersed teams function is currently at an early stage and remains fragmented in a number of academic and professional disciplines (Evaristo, 2000). It is almost for sure that multinational project management will become the major challenge for the next decade (Kerzner, 2001). At least for those corporations that want to survive.

Challenges

Whatever the reason is for globally distributed projects, the challenges are the same. The members of a global project team usually do not

know each other and will most likely not meet face to face (Miller, 1999). Further, the involved organizations will have a huge impact on the project management and the project manager need to be able to handle the intra-political issues among the involved organizations. In the beginning, but also during a global project there will always be political discussions within the organization, which is closely related to communication. The reason can be everything from that the involved organizations have different goals to that the involved organizations prefer their solutions before the other organizations. Thus, even though project management involves political issues normally, it involves it even more in global projects (Juhre, 2001).

There are a lot of other challenges that are essential in a global project, the literature are stressing key challenges such as:

- Geographical distance (different time zones)
- Organizational and personal cultural differences
- Language differences
- Infrastructure for information
- Control
- Commitment
- Different goals in different organizations
- Management support
- Documentation standards.

Challenges such as managing scope, schedule, and the other project management functions are important but secondary to ensuring that global project team members can work well together. The key lessons learned by project managers in several case studies are that communication is truly the critical success factor in a global project environment (Miller, 1999; Juhre, 2001).

Communication Strategy in a Global Project

Starting up a global project that is spread between several different physical locations demands a communication strategy in order to handle the challenges mentioned above. Further, a successful communication strategy can create a feeling of belonging to the same team within the project and bridge cultural and geographical distance. Nevertheless, when the project management team is developing the communication strategy during the start up phase the following aspects needs to be considered.

Distance between the different project locations creates complication in communication. There is, as always, a need to establish efficient communication channels. But, if there is a physical distance, the communication channels will not work if there is no trust between the project members. Nevertheless, in distributed projects the opportunities to build trustfully relations between the stakeholders are fewer than in a single location project.

Another thing is the *amount* of information that is possible to exchange between a transmitter and a receiver. The amount is depending on how the information is communicated. Most information can be transmitted in face-to-face meetings, being physically in the same room gives both the verbal as well as body language. Only verbal connection gives the opportunity for the receiver, beside the words, to include the frame of mind of the speaker, but leave out the body language. Written information includes the least information, but it can often be well prepared instead.

Something that is absent in distributed projects is the *small talk* among the members in the project. The small talk by the coffee machine or water fountain is an important information carrier and knowledge transfer in projects. If the project is at one physical location, i.e., one office, the members in the project will meet each other considerably more and small talk will happen. In a global project, the opportunities to small talk doesn't almost exist, beside at regular project meetings. Nevertheless, the influence of small talk for project success is little investigated.

Further, an additional obstacle that distance between the project locations can cause is *time differences*. In some projects this can be used in a positive way, the time difference gives the project an opportunity to use the time more efficiently. For example, in software projects, where the activities programming and testing need to be separated in time implies that the programming can be done in one time zone, and the testing can be done in the next. However, most often the time difference reduces the opportunities for real time communication within the project, which effects the management of a global project and the communication strategy.

The *cultural* differences among the involved stakeholders have effects on how the information management has to be managed in a global project. The possible opportunities to misunderstand the transmitted information should be minimized. There is a need of using different information channels depending on the different ways of expressing meanings, using language, accessing information, etc. Simple and straightforward communication is preferred in projects.

The management in different cultural environments has different views on co-workers access to information. In some organizations the amount of available information is a measure on position in the hierarchy. In some cultures there is a strict top-down information flow, which effects the information management inside the organization significantly, while some cultures allow free and open information flow within the project.

The *infrastructure* for information sharing is important when establishing a global project organization. The necessary communication channels must be identified, making sure that all involved stakeholders in need of information really get access to it. Some examples on technologies for communication and information sharing are databases, conference calls, videoconferences, e-groups (www), emails, file sharing, etc.

Management must recognize that there are different *types of information* to be communicated within a global project. It is important to consider these types in the communication strategy. It must be decided upon whom in the organizations that are responsible for different types of information. The responsibility for different types of information must be clearly assigned within the organization. Standardization and consistency are extremely important, which means that templates and frameworks should be used as much as possible. Using templates will make the information easy to understand and give the receiver a sense of familiarity. All this concludes down to that information *content management* is of great importance in the project.

Experiences

Even though global projects have many challenges and specific problems, it is recognized that "once settled," multicultural teams outperform mono-cultural teams (Levene, 1999). Many problems can be avoided if the project manager identifies the specific needs of the global project and its stakeholders. Setting up an infrastructure for communication based on the needs of the stakeholders is critical to a global project, since the project management team needs to over-bridge different cultures and communicate important information to the different stakeholders within the organization.

In the research project, following aspects have been identified as crucial to handle in the project start-up phase. Some of them need to be handled by the corporation and some by the project manager.

Communication

In many projects it easily happens that communicated information is quantitative instead of qualitative. Communication is a matter of decisive importance for any project, but especially difficult to handle in a global project. Communication among project members within a global project is often reduced to a form of written communication, such as email, various documents and databases. In written communication all subtle information that usually is expressed with voice, gestures, and body language is lost. Further, the writers have little knowledge about the information's receiver. The result is usually a wrong amount of the information, more often too much, but sometimes too little. Misdirected information is often identified as a problem, and communication as an area that should and could be improved in the next project. Since the quality of communication has a direct impact on the project outcome, the development of an appropriate communication strategy becomes very important.

A global project usually face a situation where the project members or parts of the project team are dispersed on locations belonging to different time zones. For example, there is a time difference between Central Europe and the U.S. East Coast of six hours. Assuming that the average working day is from 8 am to 5 p.m., it leaves an overlapping time frame of three hours. However, the project might be more global than that. Imagine there is another project site on the U.S. West Coast or in Australia as well, then it becomes obvious that there is only very limited time or no time at all for global project conference calls (Juhre, 2001). Such situations are considered one of the advantages of global projects. Theoretically, the project can go on nonstop, and

therefore be executed very effective. A typical example is the already mentioned software project. However, in project reality, this method does not work as well as it could do, often due to the lack of a communication strategy. Simply, the result of the daily work must be communicated correctly, both from implementers to testers and vice-versa, in order to avoid misunderstandings. Just transferring the outcome of the daily work is not enough.

It is shown that the number of misunderstandings is directly related to the number of locations and the distance in-between. Experience also show that many communication tools cannot be used as intended if the persons using them have not met face to face. But there are other solutions, some project managers stress that a competition in the beginning of the project, where the geographically dispersed teams have to put together the other team members and guess their hobbies, etc. out from a list, can bridge the distance and actually create some kind of commitment among the project members. One commonly accepted experience is that the project management team has to create trust and commitment between the involved key persons first. Thereafter, communication tools can be used in a more efficient way (Zeitoun, 1998).

In some project the accessibility to information can be a sensitive question. To store all information in a database that is open to every one involved in the project can in some cases be possible. In other projects there exist sensitive information that only can be made public to a few key persons. The guidelines for information accessibility is that as much information as possible should be made available to as many of the team members as possible. Accessibility to information gives the involved team members a feeling of belonging, and also gives the opportunity to get the "whole picture" of the project to as many as possible.

Culture

In order to make the information exchange work, the project management team need to shortcut organizational hierarchies by making the information available to everyone at all organizational levels. This can be achieved with a common project database, where all project relevant data and documents is collected. This experience is also supported by for instance Juhre, who suggest the use of some of the many web-based tools on the market in order to bridge distances and gain efficiency (Juhre, 2001). However, it can take a while before a common database becomes an effective tool if the project members are unfamiliar to use it. Thus, it is important that the global corporations decide on a world wide database and documentation standard so the project members are familiar with the interface and the project don't have any communication barriers due to new interfaces in every project.

Another important issue project management needs to take care of in the start-up phase of a global project is how to control the project. The project manager has the responsibility to measure the status of the project and make the progress obvious to everyone involved. It has also shown that frequently repeated status reports on different management levels are necessary to get things done in a global project. Otherwise, important information could easily get stuck or filtered on different levels in the involved organizations.

It has also shown that it is difficult for the project management team to control the project and see what is behind the figures in the progress reports. Therefore, the experience in one studied project was

that the economical control should be separated from the time and task control. It was better to transfer budget control to the local companies, and focus on a few qualitative measurable outcomes on a global level.

In a global project it can be successful to simplify the project control, when communicating and reporting project status. In one of the studied projects, it was shown that instead of compromising on which common tool for project management that should be used when reporting project status between the involved organizations. A simple method such as "traffic light" reports were preferred to more advanced methods. By using "traffic light" reports in a common presentation tool as Power Point, the project status was obvious to everyone regardless of reporting culture in the different organizations. These reports were well structured, and presented a clear overview of all issues in need of immediate action and support from top management. The key issues, milestones, and decision points were highlighted in different colors in accordance with their status. The scale itself was green for issues running according to schedule, yellow for issues with high risk to be late, and red for issues running behind schedule. Together with a dependency diagram, this simple presentation made it clear to everybody what action was the most urgent to discuss at the meeting.

Creating a common understanding for cultures is difficult but necessary. The cultural differences can be organizational and individual. It is important that management handle the cultural issue early in the project. For instance it is important to understand the greeting habits and expressions. Misunderstandings in the project can lead to rework, significant cost overruns, and missed schedules. For instance, an expression such as: "as soon as possible," can have different meanings in different cultures. In one culture the meaning is that the task should have been done yesterday, and in another it means that the task can wait until there is time to do it. Many of these possible communication problems or language differences can and need to be anticipated in a global project.

Organizational

It is not only the earlier mentioned communication and cultural aspect a multi-organizational company has to put extra attention into when performing a global project. Another important aspect to consider in a global project in a multi-organizational environment is that formal contracts is often not used to regulate the co-operation between the involved organizations within the corporation. Nevertheless, it is often only one organization that will have the responsibility toward the customer while the other organizations' involvement are based on trust and not contracts.

When the involved organizations are globally dispersed, the requirements engineering process need to be finished before the different teams start their work. Normally, issues not defined in the requirement specifications can be discussed within the project. But, since the project members in a global project meet seldom, or not at all, bad requirement specifications either slows down the project's process or causes unnecessary costs. Therefore, requirements engineering creating qualitative requirements specifications needs to be done before starting the execution phase of the project in order to reduce costs and minimize the risk for misunderstandings.

A direct consequence of the lack of contracts is not only the need of qualitative requirements specifications, but also a need to filter the project goal and to focus on "the right things" such as internal

deliveries between subprojects, deliveries to the customer, and the time frame. The project management needs to create these clear goals for all the involved organizations in order to get their commitment. It is also important to make clear what the organizations get out of the project. If the end product of the project is a comprehensive system solution, some of the involved organizations might be “forced” into the project. It is important that the project manager identifies these organizations and make sure that they are committed to the project. One example from a successful project showed that if the involved companies were committed to the project, and had the same understanding of project goals and importance to be ready in time, then the involved organizations can use different project working processes. As long as the different organizations have the same understanding of the project goals and the project progress, different project processes will not have significant impact on the outcome of the project.

In organizations of organizations trying to develop and deliver a system solution under the corporations name without using internal contracts, the steering committee does not work as intended. The steering committee easily gets stuck in internal political discussions regarding different solutions, and have problem to focus on the projects best. Thus, the project manager cannot use steering committees as in normal projects since organization managers want to be part of the steering committee in order to influence the project. Therefore there is a need to create a supporting instance, to help the steering committee prepare technical decisions in order to focus on critical decisions.

Conclusions

Starting a global project implies some challenges different compared to a local project. This paper have been focusing on those differences compared to a normal project, of course all the aspects that is important in a normal project is also important in a global project.

So far, the research have showed that communication is the most important single aspect in a global project, but there are also some other aspects to consider. The most important aspects identified, which the line organization needs to contribute to handle is:

- Provide an infrastructure for information exchange, such as a common database.
- Create a supporting instance to help the steering committee prepare technical decisions. Otherwise the steering committee easily gets stuck in political discussion.
- Use simple methods such as traffic light control instead of more advanced methods in order to over bridge cultural difference when reporting project status.

Besides the specific organizational requirements, the project manager needs to focus on the following aspects:

- The ability to filter project goals and make them clear and accepted by all the involved organizations.
- Create commitment between the involved organizations and stakeholders.
- Create trust between the involved project members. Thereafter, communication tools can be used in a more efficient way.

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