

The Project-based Organization



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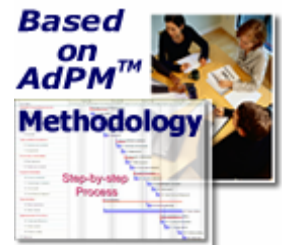
We have some fun with the Saga of the Project from Hell and our superhero(ine) Chris Pimbock.

Organizational Change . . . Customer Focus

We hear these words all the time, particularly in organizations facing increasingly competitive environments. Yet often when you get beyond the talk, the organization is not focusing on its customers or their needs.

The focus is still on the management hierarchy, bureaucratic procedures and interdepartmental politics. They "talk the talk" and fill out new forms to track cycle time and quality levels. However, the talk and the paperwork do not change the organization's focus or increase the attention paid to delivering what the customer wants. Developing a stronger emphasis on customer focus requires a change in the organization's culture. We need to change the reward systems, the rituals for bestowing them and the criteria used to identify heroes and heroines.

An organization-wide approach to project management can drive this change effort through cross-functional projects aimed at better meeting customer needs. An emphasis on cross-functional projects diminishes the orientation to hierarchy and procedure and strengthens cross-functional orientation. It aims project teams at delivering measured results to the customer. The Project-based Management (PbM) approach changes the way the organization uses projects; it makes project management a tool both for getting things done and for changing the organization.



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The Project is Launched

in a Different Organization

This project does not belong to one department and the PM does not have to shanghai people from their "real" jobs. Instead the PM selects the people he needs and "owns" the time for which he has contracted. The PM evaluates the people on the project team and that evaluation affects their compensation and promotions. The project team is an organizational entity with its own budget, staff and performance criteria. This entity cuts across departmental lines. People commit to the project

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success measure because it is worthy of commitment and because their pay will be affected by the project's success.

by a Different Kind of Manager

The PM assigned this big project may not be a technical expert in information systems, training or customer service. The PM is an expert at running cross-functional projects. He takes his assigned measure of success and breaks it down into smaller achievements which he then assigns to teams or individuals.

The training department does not just conduct classes. Their assignment is to teach the customer service reps to diagnose a customer's problem in the first 15 seconds of the conversation. The PM might assess the training department's performance by testing the reps after the course. The information systems department does not just write software for accessing customer history. Their assignment is to give the reps access to the relevant portion of the customer's history in 20 seconds.

The PM controls the scope, budget and duration by evaluating each change request from the perspective of whether or not the change contributes to reaching the assigned achievement.

The Project-based Organization is Different

Over time, this approach changes an organization. The hierarchy and bureaucracy become weaker. Career success depends on the results of the projects on which you work, not just time on in a position or politics. The organization develops executives who manage projects. They are not necessarily technical experts, they are experts in running many different kinds of projects. Last, the organization becomes more agile, able to respond to changing customer needs.