SCENARIO - THE SAMPLE ORGANIZATION
MANAGING PROJECTS IN
A MULTI-VENDOR ENVIRONMENT

THE SCENARIO SAMPLE ORGANIZATION

The PMI EEF research adopted the automotive industry as a representative industry to illustrate the changed requirements and the need to address any project management challenges and competency gaps. Automotive companies are becoming networked organizations that need a supportive ecosystem of partners. As a frontrunner of digital transformation, the industry has felt the impact of managing projects in a multi-vendor, complex, and dynamic environment. It also makes a strong case for developing domain knowledge in project managers.

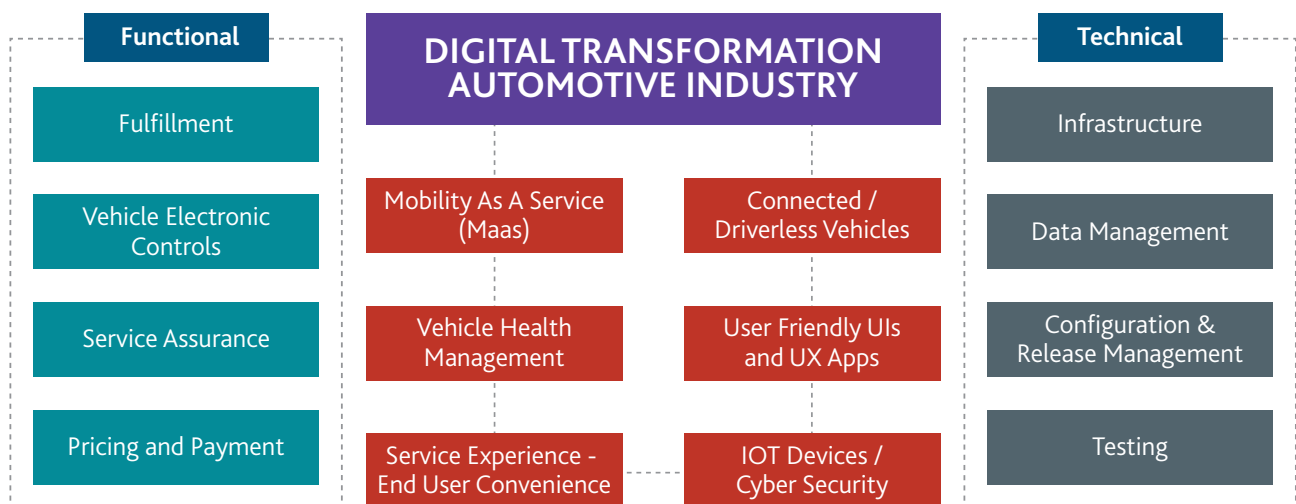| Functional	DIGITAL TRANSFORMATION AUTOMOTIVE INDUSTRY		Technical
Fulfillment	Mobility As A Service (Maas)	Connected / Driverless Vehicles	Infrastructure
Vehicle Electronic Controls	Vehicle Health Management	User Friendly UIs and UX Apps	Data Management
Service Assurance	Service Experience - End User Convenience	IOT Devices / Cyber Security	Configuration & Release Management
Pricing and Payment			Testing

Figure 1: Techno-functional representation of an automotive company undergoing digital transformation

For the sake of the white paper, the team has created scenarios to bring to life the complexities that organizations face and the bearing those complexities have on business models, processes, and project team selection. The scenarios have been created for a sample organization, a fictitious global automotive company named HonotoMerbmvol Forge (HMF).
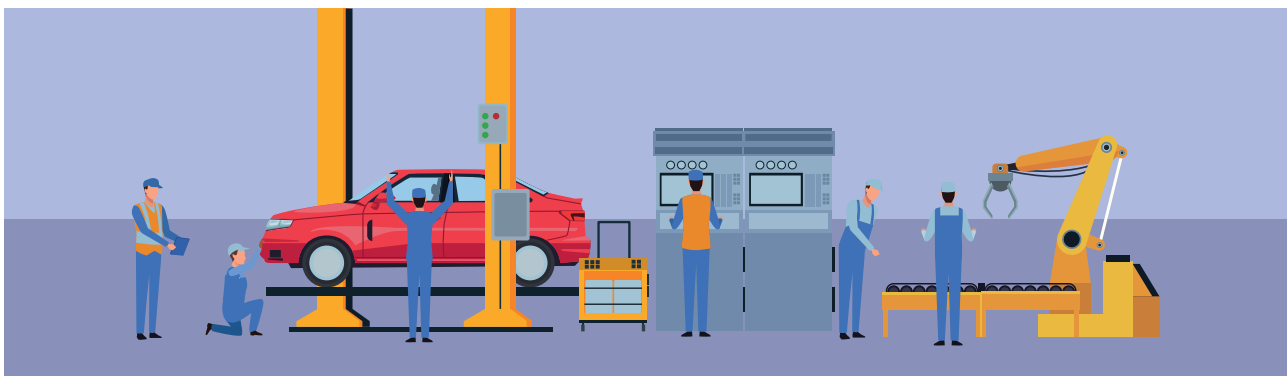
Disruptive changes

HMF was experiencing disruption at various levels, thus necessitating changes in its business model, product features, and organization culture.

With the rise of mobility-as-a-service, the demand for vehicles was dipping and the company was experiencing changes in vehicle fulfilment. A customer and industry survey conducted by HMF showed that the company needed to enhance the user experience with infotainment features and enable automated alerts about vehicle health through sensors. The latter also meant a major change in service assurance. The vehicles also needed smart payment features. Overall, there was a visible shift towards digital services and an obvious need for HMF to align to the same.

Business scope redefinition leads to different managerial challenges. Culture is a key factor behind successful digital transformation. It requires everyone in the organization - from leaders to frontline employees – to work in an open and transparent way, without any silos.

HMF now needed to upgrade its infrastructure to support advanced features and digital services, and develop data management capabilities since the company would now need to be process and analyze large volumes of data that its vehicles would generate. HMF needed to adopt faster time-to-market for test, release, and change management cycles.

The company recruited G.V. Rao as the head of digital transformation, who had a track record of successfully leading digital transformation initiatives in other large manufacturing companies.

The Digital Transformation Office (DTO) adopted two key initiatives for the next three years - driverless cars and mobility-as-a-service.

Organization structure of scenario organization

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                    │           G.V. Rao               │
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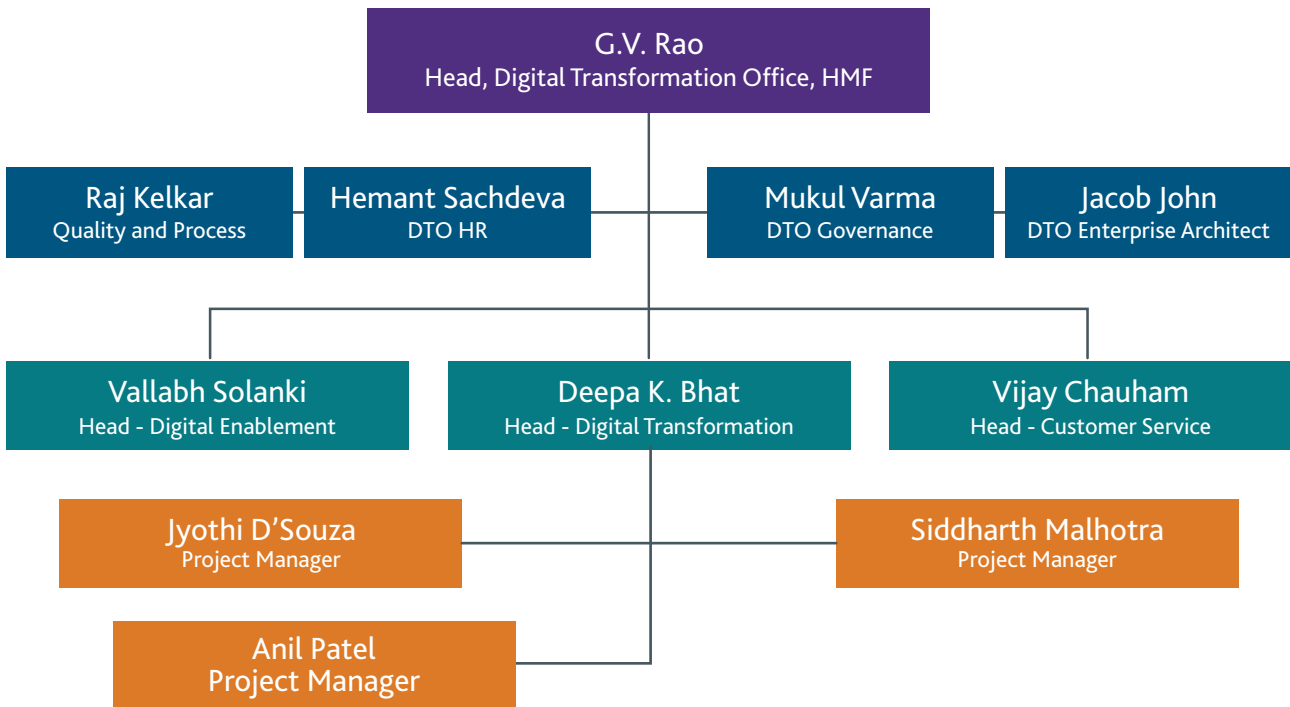| Jyothi D'Souza	Siddharth Malhotra
Project Manager	Project Manager

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Project Manager

Figure 2: Organization structure

Managing Projects in a Multi-Vendor Environment

The digital transformation initiative headed by GV Rao at HMF required a variety of competencies that were not available in-house. Mr. Rao scouted for both traditional automotive industry competencies and niche expertise in digital infotainment, connected services, predictive and preventive maintenance infrastructure, and in-vehicle digital ecosystem. The project also needed a technical infrastructure that would tie all these aspects together and security for a data-driven environment.

Besides the existing vendors, the project needed vendors with knowledge in the niche digital areas and specialized teams to deliver the program seamlessly.

Mr. Rao was aware of challenges associated with a multi-vendor environment because of his experience of leading a hybrid car project in the past. In that project, communication posed a major bottleneck across the globally distributed team. The team struggled with different time zones; it was difficult to bring them all on one common platform or discussion forum. During the planning stage, there were multiple design workshops around the globe for which team members needed to travel. However, during the development phases, when information exchange was primarily on emails, there were gaps in communication.

Moreover, since the teams belonged to different business lines, there was no agreement among them on the expected outcome. The teams faced difficulties in integrating their components with the rest of the project.

The lack of an effective governance framework and standards posed another challenge. There was no single program level governance meeting where status, risks, and issues could be discussed.

Each vendor was looking to maximize their business, which led to lack of trust and transparency across the program team. Minor issues were blown up, thus creating an environment of blame game. The program management team spent a significant amount of unproductive time, trying to resolve these issues.

HMF introduced a collaboration tool that helped the global teams to exchange information, share work in progress content, and exchange messages.

The program design team came up with an interface exchange guideline which outlined the information exchange protocol between the various components of the program.

Mr. Rao instituted a governance review with the key members of the component teams. These meetings were pre-scheduled with a clearly laid out agenda. Issues that impacted multiple projects and had a direct bearing on the program were discussed and resolutions made during this meeting.

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