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Virtual Project Managers for Global Projects

Theme:

Leveraging India's skilled population for competitive edge

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Abstract:

More and more companies are relying on a geographically dispersed workforce. This helps multinational companies compete in the current business environment. Companies, this way, have access to cost effective talent with the specialist knowledge. One such case study is showcased in this paper, where, a team of virtual project managers has been formed in our shared services centre, in India, to manage the global projects across the company. The diverse project management knowledge, domain expertise and the learnings, each of the project managers got along with them is invaluable. Not only is this model cost effective, but, the knowledge sharing and harvesting within the team reflected increased projects success.

Team of Virtual Project Managers co-located in India provides cost-effective and efficient organizational entity that would facilitate the achievement of better business results through managing projects.

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Introduction

Today's world is interrelated; Globalization led to increased integration and interdependency in the Corporates. New technologies are enabling workplace innovations such as remote working, co-working spaces and teleconferencing. Multinational companies, with the use of enhanced technology are embracing cross border transactions. Organizations now have talent spread across multiple geographies, different time zones and various cultures.

Changing work environments and flexible working arrangements are the top drivers of change in the global employment landscape. In addition to managements' desire to establish an international presence, extract operating efficiencies, and reduce costs through distributed teams, additional factors making distributed teams more common in organizations [3]. Organizations are emerging with virtual teams of full-time employees for fixed functions, backed up by colleagues in other countries and external consultants and contractors for specific projects [10]. Virtual Project Managers for Global Projects Management' is a case study shared to demonstrate this structure in Project Management space, its implementation process, challenges and benefits.

Background

Organizations are losing an average of \$97 million for every \$1 billion invested, due to poor project performance [9]. Projects and programs are the core of any organization's strategic initiatives—they are how change happens. Having the talent to implement those initiatives successfully is the critical capability that gives organizations a competitive advantage to navigate through necessary change [8].

Talent in project management is available across the globe. However, highly talented project management professionals are available in India at a very low cost. The median salary (when converted to U.S. dollars using normal exchange rates) for someone in the project management profession varies widely from country to country. The country with the highest median salary (\$130,000 USD) is

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Switzerland, whereas the country with the lowest median salary is Egypt (\$19,602 USD), whereas, India takes the place of second lowest median salary of \$25,840 USD (Ref fig 1). [1]

Annualized Salary (in USD) by Country

Country	n=	Median salary exchange rate
Switzerland	375	\$130,000
Australia	716	\$108,546
United States	9,677	\$108,200
United Kingdom	561	\$92,221
New Zealand	505	\$90,442
Netherlands	331	\$89,482
Belgium	215	\$88,364
Germany	559	\$87,245
Qatar	346	\$82,314
United Arab Emirates	417	\$81,663
Ireland	438	\$78,297
Canada	2,546	\$77,562
Sweden	399	\$72,702
Hong Kong	254	\$70,923
South Africa	544	\$68,016
Singapore	549	\$65,986
Saudi Arabia	370	\$63,970
France	454	\$63,533
Japan	398	\$58,450
South Korea	177	\$58,240
Italy	666	\$55,927
Spain	734	\$50,334
Brazil	596	\$48,171
Turkey	333	\$41,580
Poland	293	\$38,966
Colombia	289	\$37,440
Mexico	513	\$37,318
Malaysia	389	\$35,032
Peru	272	\$34,557
China	677	\$31,610
Nigeria	212	\$28,679
Taiwan	179	\$28,638
India	1,197	\$25,840
Egypt	166	\$19,602

Fig 1 [1]

Process

Organizations talk a good game about strategy and strategic projects. But, without the right talent and its placement to execute the projects, even the most forward-thinking strategies fail. To help bridge the chasm between high-level strategic vision and projects performance, many organizations turn to a project management office (PMO). Centralized project management aligned to PMO enables sharing of best

practices and maintains high standards across projects that transform into result oriented delivery with speed, efficiency and value. There may be numerous ways to setup a team of virtual project managers.

Case Approach taken from existing business:

1. Fit-Gap Analysis: Perform gap analysis to identify the gap between current project performance and expected performance, and prioritize the shortcomings that need to be overcome
2. Strategy Formulation: Formulate the strategy by setting goals to address the prioritized shortcomings, determining actions, and estimate the funding needed for the execution
3. Organizational Design: Design the fitment of the virtual project managers in the organizational structure
4. Executive sponsorship: Obtain executive sponsorship on the organizational change and actively engage the executive sponsor
5. Bundled Solution: Team of Virtual project Managers may not be the only solution for overcoming the shortcomings, solution may also include process reengineering, improved project assurance, etc. If virtual project managers is a part of the solution, proceed to next step
6. Partner Selection: Identify the resourcing partners for hiring project managers
7. Hire Project Managers: Select and onboard the top skilled project managers to form the 'Virtual Project Managers Team'
8. Align to projects: Assign the project management skilled staff to collaborative projects in a timely manner
9. Continuous Improvement: Setup a process to identify and/or conduct ongoing skill building opportunities

The virtual project management team size estimation primarily depends on the size and complexity of projects in the organization. Historical data may be used for forecasting the team size. Following the industry standards, each project manager can manage 1-2 complex major projects or 3-5 minor complex projects [5].

Framework

PMOs are well-placed to be the conduit for executing an organization's portfolio of projects and strategic initiatives [9]. Virtual project managers strategically fit into the PMO delivery function.

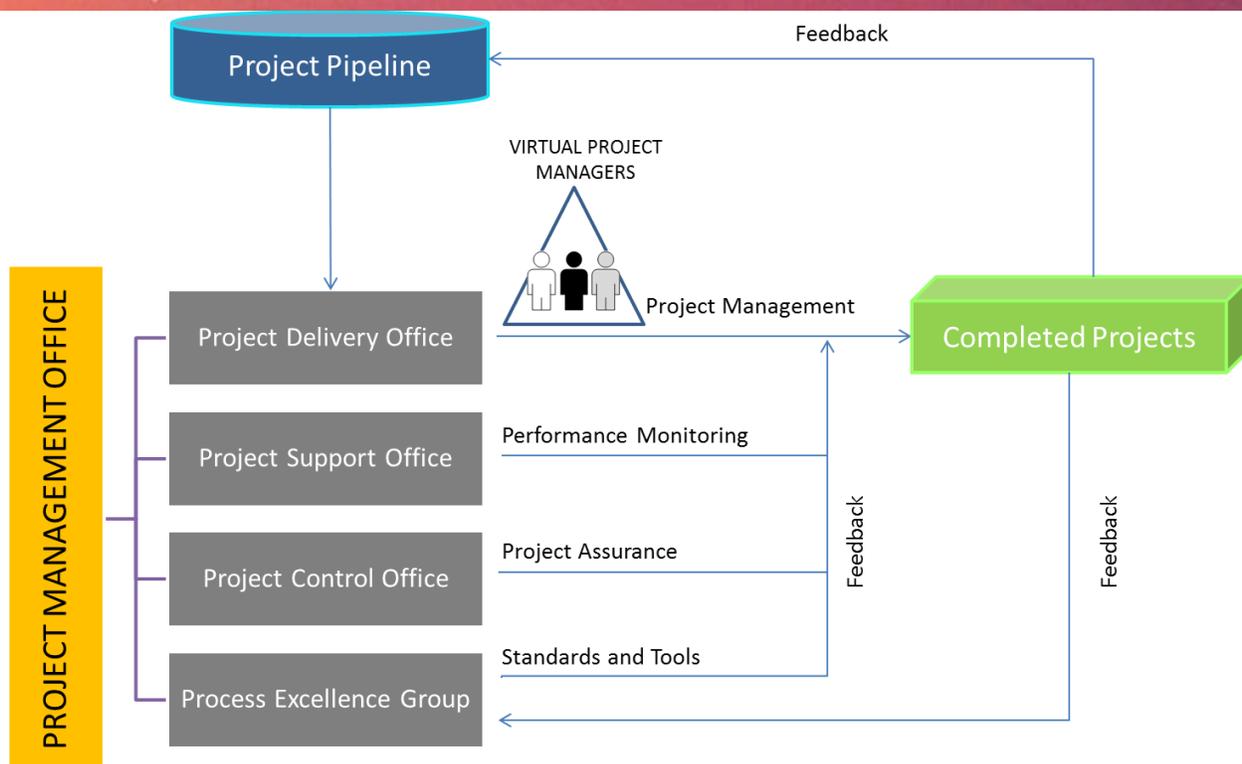


Fig 2

Figure 2 shows 4 wings of Project Management Office(PMO)

- Project Delivery Office with Virtual Project Managers managing the projects
- Project Support office monitoring the portfolio performance and data fed back to the project managers for preventive and corrective actions
- Project Control Office ensuring compliance with the standards and feeding back the data to the project managers for compliance adherence
- Process Excellence Group providing the standards and tools for project management and continuously improving the processes to improve the execution efficiency

For efficient management of the team of virtual project managers, the pipeline demand visibility and project managers availability is critical. Fig 3 reflects the demand vs supply and availability of the project managers for optimal utilization.

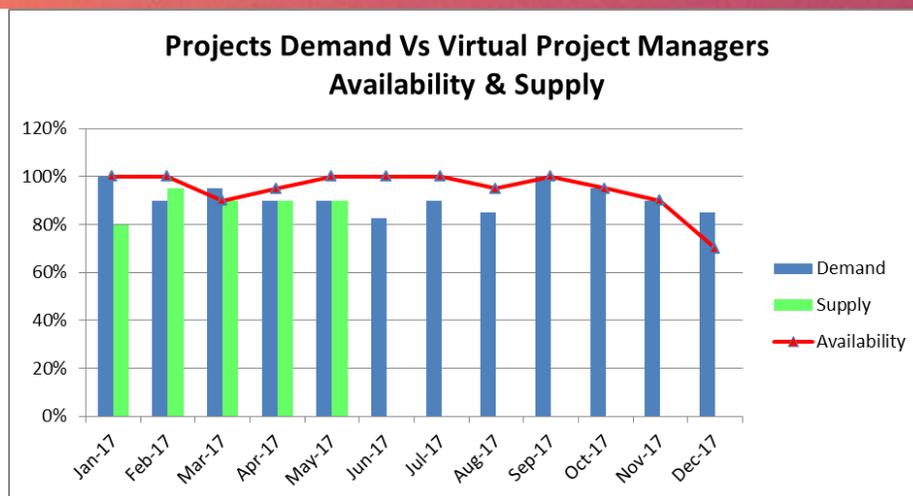


Fig 3

Challenges, Lessons Learnt and Best Practices

The challenge primarily begins at convincing the executive sponsor for change in mindset from collocated project management to virtual project management. Secondly, the traditional stakeholder generally prefers local project manager to a virtual project manager.

All project managers face obstacles to success. It is observed that the virtual project managers of global projects are especially challenged as communication and collaboration process is inhibited due to the team distribution across time, distance, and organizational boundaries. A common by product of social distance is misattribution. Team member with a language barrier may be unfairly attributed incompetence. Team members from different cultural backgrounds interact and behave in different ways. Interpretation of the statements or body language may lead to communication misunderstandings. It's harder to gain trust and confidence of the team members due to social distance and, teams feel lack closeness and congeniality with the virtual project manager. The difference in the time zones gives shorter interaction interval. With verbal communication channel, the team may reach a false consensus, without their knowledge, because of missing physical gestures. And, if the technology communication resources are limited, this becomes a larger challenge. Project meetings may become calcified, without personal connect Also, project compliance with laws and regulations of different geographical locations needs to be given additional attention.

Lessons learnt and best practices revolve around the following to make diversity an asset and not a liability,

- Establish and facilitate an influential process for engaging within the project team
- Ensure the team understands the working environments and cultures
- Emphasize on the group level identity of the project and its goal that binds the team members together. This bridges the diversity and motivates the team to work towards a common goal.
- Minimize the need for extensive team coordination by standardizing project processes
- Actively observe and listen in on the behaviors of team members to identify any conflicts, and, solve the interpersonal conflict before it erodes trust among the team members.
- Encourage synchronous interactions of project team members for maintaining the richness of information, building trust and reaching true consensus
- Share enriched communications with charts, pictures and diagrams, instead of text-only
- Build a culture of acknowledging each other's efforts and empathizing with the situations
- Shape unstructured time through informal meetings by encouraging team members to openly convey their thoughts
- Solicit participation of team members with language barriers and provide necessary support

Benefits

Following benefits have been observed post centralizing project management with the team of Virtual Project Managers under the umbrella of PMO,

1. 27% saving in the project management overhead costs i.e. from 36% of the total project cost to 9% of the total project cost.
2. Improved projects alignment to the organizational strategy
3. Process improvements feedback from the implementations
4. Optimizing inbuilt processes, institutionalizing them across projects
5. Easy access to Project Management subject matter experts
6. Optimized project manager utilization
7. Reusability of project lessons learnt, best practices and risks in similar projects
8. Improved delivery agility
9. Leveraging economies of scale
10. Parallel execution of multiple projects
11. Increase in number of projects on time and within budgets
12. Transparency of projects status through single source of truth

13. Accurate information for effective decision making

Conclusion

Highly talented project management professionals are available in India at a very low cost. Team of Virtual Project Managers co-located in India provides cost-effective and efficient organizational entity that would facilitate the achievement of better business results through managing projects. Though there are challenges due to time zone, distance, and organizational boundaries, with absolute commitment to project management methodologies and with a little extra effort to overcome communication barriers, the benefits will outweigh the challenges. The major advantages of the collocated team of virtual project managers are easy access to subject matter experts, optimized project manager utilization, reusability of project and process assets, improved delivery agility, leveraging economies of scale, parallel execution of multiple projects and improved productivity.

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