

Harmonizing Relationships among Clients and Vendors through Project Management

22nd November 2018

Welcome

PMI Belgium Chapter

Renuka Ayri
Director of Marketing & Communication



Chapter Event – 22nd of November 2018

Host: Engineering International Belgium (www.eng.it)



Agenda:

- 18:30 - Registration
- 19:00 - Introduction (PMI Belgium Chapter + Engineering)
- 19:20 - Keynote speaker: Adrian Taggart – “Harmonizing the Project Owner to Supplier Relationship”: one project vs more projects
- 19:50 - Q&A session
- 20:00 - Panel session with EU/EP representative (Laurent Kummer), Engineering (Maria- Cristina Barbero) and Adrian Taggart to discuss the advantages of having on both sides (Owner and Supplier Organizations) the methodologies that address the procurement relationship in projects
- 20:45 - Conclusions (Engineering)
- 20:50 - Board Messages - PMI Belgium Chapter
- 21:00 - Italian aperitif with light dinner + Networking

Welcome

Maria Cristina BARBERO



- Head of the Center of Excellence of Project Management
- Member Advisory Group of PMI on Standards
- Corporate Ambassador

Project Management in Engineering

- 11.000 Employees - 800 Project Managers
- 500 PMP® (started 2006)
- A Quality System ISO9001 integrated with PMI / ISO21500 / CMM processes
- A Center of Excellence of PM
- Post-PMP classes: Agile, Prince2, ISO
- PMI Corporate Ambassador



Welcome

Domenico VACCARO



Engineering International Belgium
Managing Director



www.eng.it

Who is Engineering

HIGHLIGHTS



A global player

Business Integration,
Consulting, Outsourcing,
Products & Solutions



10,300

Professionals



10%

Market share
in Italy



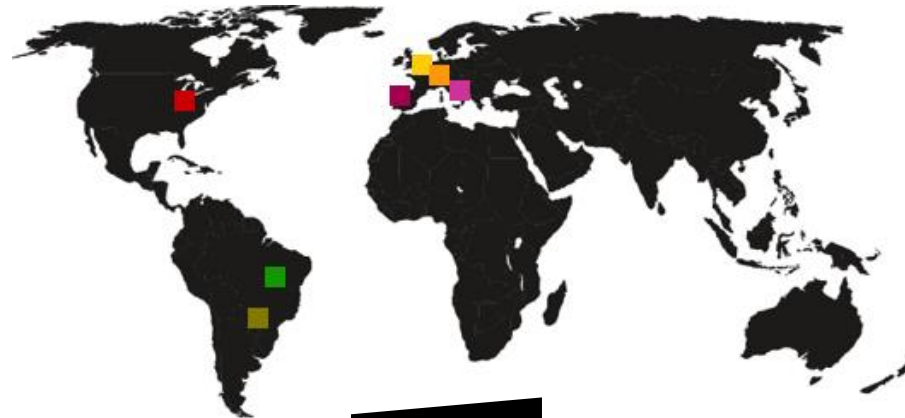
1,000

Large accounts
in all markets



1,028.8_{mln€}

Total revenues



over **50 cities** in Italy and abroad

Who is Engineering

A DATA CENTER NETWORK TO DIGITAL TRANSFORMATION

INNOVATION Areas

- Augmented Reality
- Big Data
- Border Security
- Cloud Computing
- Content & Media
- Cyber Security
- Digital Economy
- eHealth
- Energy & Green IT
- Future Internet
- Internet of Things
- Open Data
- Open Public Service Innovation
- Payment Systems
- Smart & Social Enterprises
- Tourism & Culture
- Transportation, Logistics & Infrastructures



RESOURCE

- 6 laboratories R&S
- 250 researchers
- 70 live projects

MARKETS

- PA and Health
- Telco & Utilities
- Finance
- Industry & Services

Engineering International Belgium

As a result of the Group internationalization strategy, Engineering International Belgium was founded in 2009.

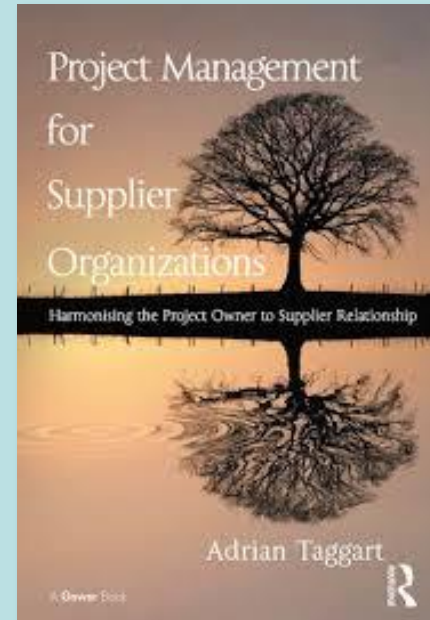
The market focus is on International and local Public Sector



Keynote Speaker

Consultant and Project Management Expert

Adrian TAGGART



Author of the book:

**“Project Management for Supplier Organizations –
Harmonizing the Project Owner to supplier Relationship**

Chapter Event
22 November 2018

Harmonizing Relationships Among Clients and Vendors Through Project Management

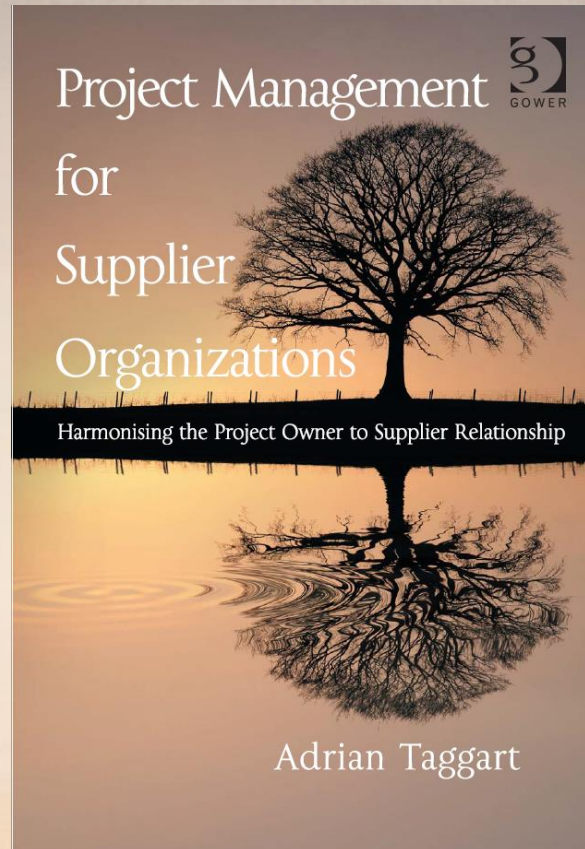


Adrian Taggart
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Introductions

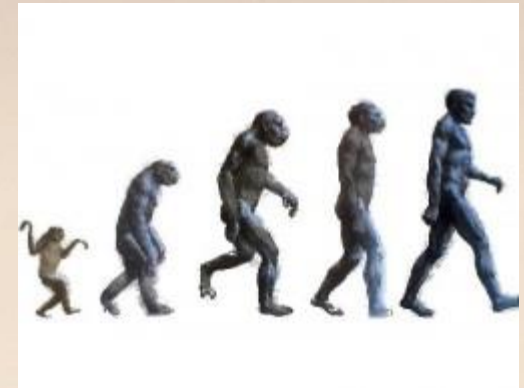


Me



My Book

Smoothstone Consultancy Ltd.



My Hopes

A Book in Four Parts

- 1. The Challenge of Projects**
- 2. The Perspective of Supplier Organizations Upon Projects**
- 3. Aligning Interests of Owner & Supplier Organizations**
- 4. Selected PM Techniques for Supplier Organizations**



The Challenge of Projects

- What is a Project & Why Project Management?
 - Unique, Temporary, Transient, Complex Outcomes
 - Continuum of Creative Endeavours
- Organizational Structure
 - Matrix Organization
 - Culture Clash
- Project Lifecycles
 - Phases & Gates
 - Strategic Control



The Culture Clash

Task Orientated Culture

Project teams are temporary and transient groups of individuals brought together to create something that is unique, and their ethos can be summarised as 'deliver and disband'.

Function Orientated Culture

Mass manufacturing organizations, by contrast, are permanent and stable institutions that produce (preferably) identical products and whose ethos is all about survival.

What are the implications of this contradiction for organizations with matrix structures?

The Perspective of the Supplier Organization (SO)



- Contrasting Predicaments of Owner & Supplier Organizations
- Supplier Organization's Project Lifecycle

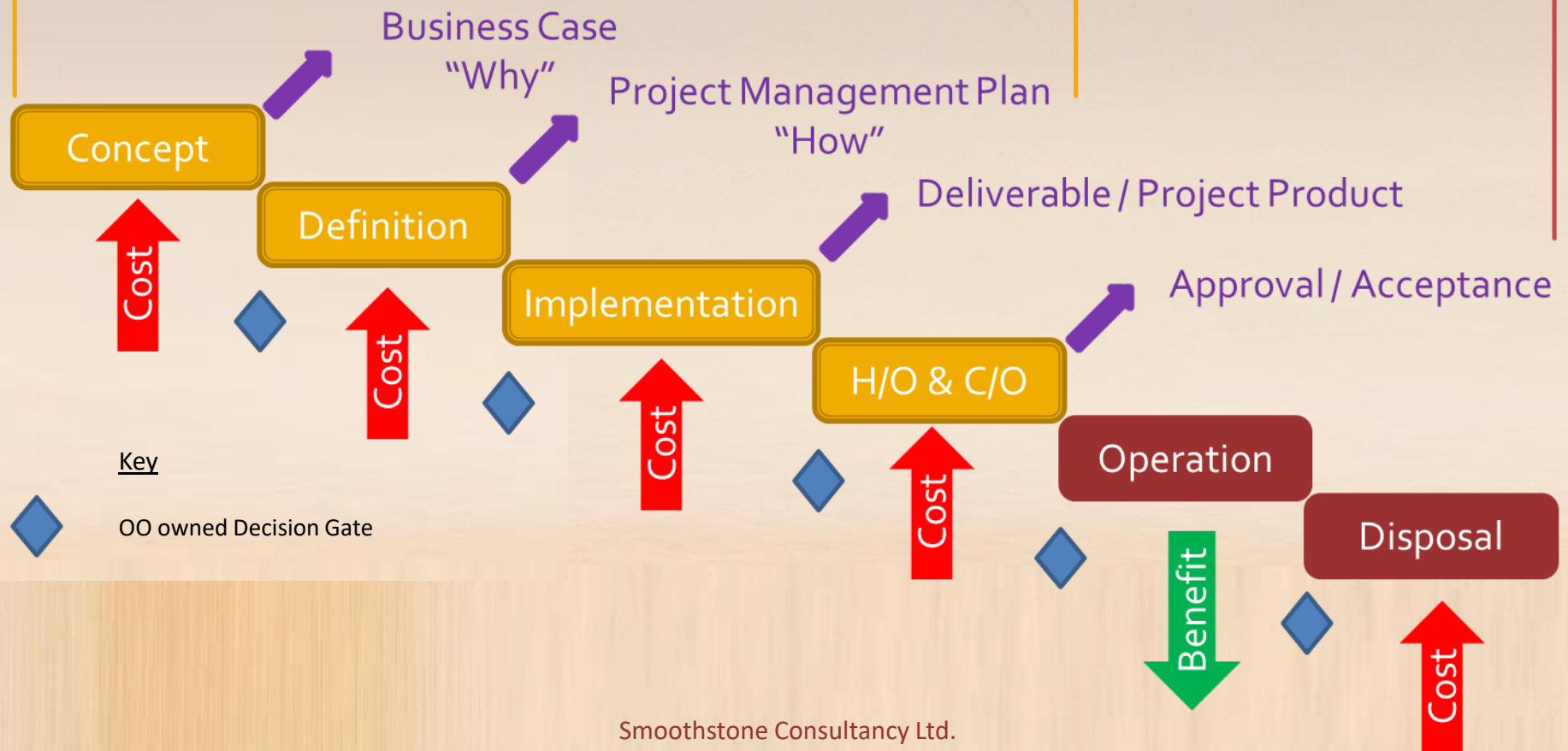
The Contrasting Predicaments

	<u>Owner Organization</u>	<u>Supplier Organization</u>
Why get involved in project	Benefits of ownership of the final product	The payment received by selling the product (or part thereof)
Principal controlling document	Business Case	Contract
Risk exposure	'Business Case' Risks Miss specification Supplier default	Product based risks Sales & Marketing Owner default
Option for premature termination	Available	Not available (post contract)
Impact of change	Predominantly negative	Potentially hugely positive

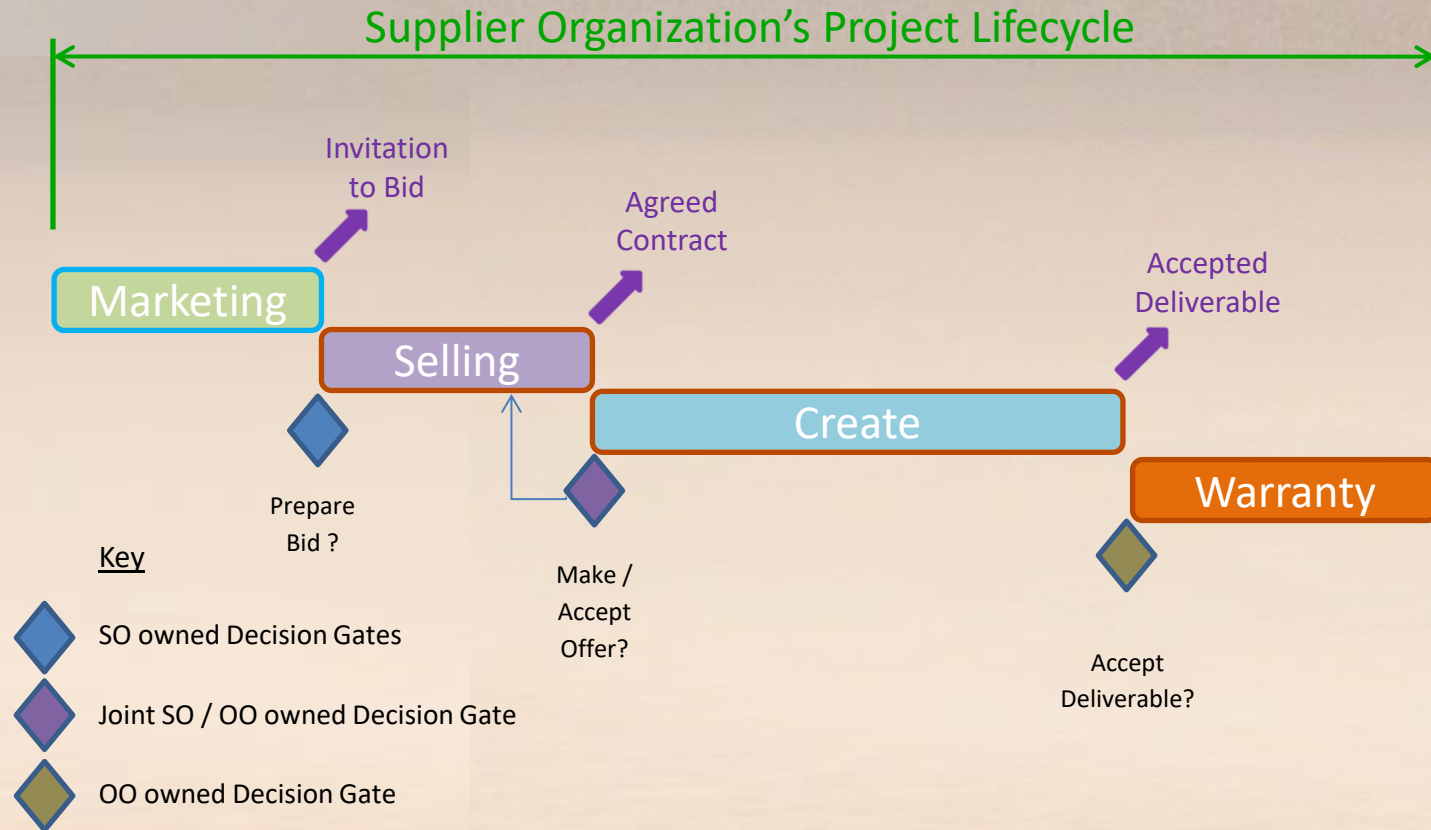
Owner Organization Lifecycle

Extended Project or Product Lifecycle Lifecycle

Project Lifecycle



Supplier Organization Lifecycle

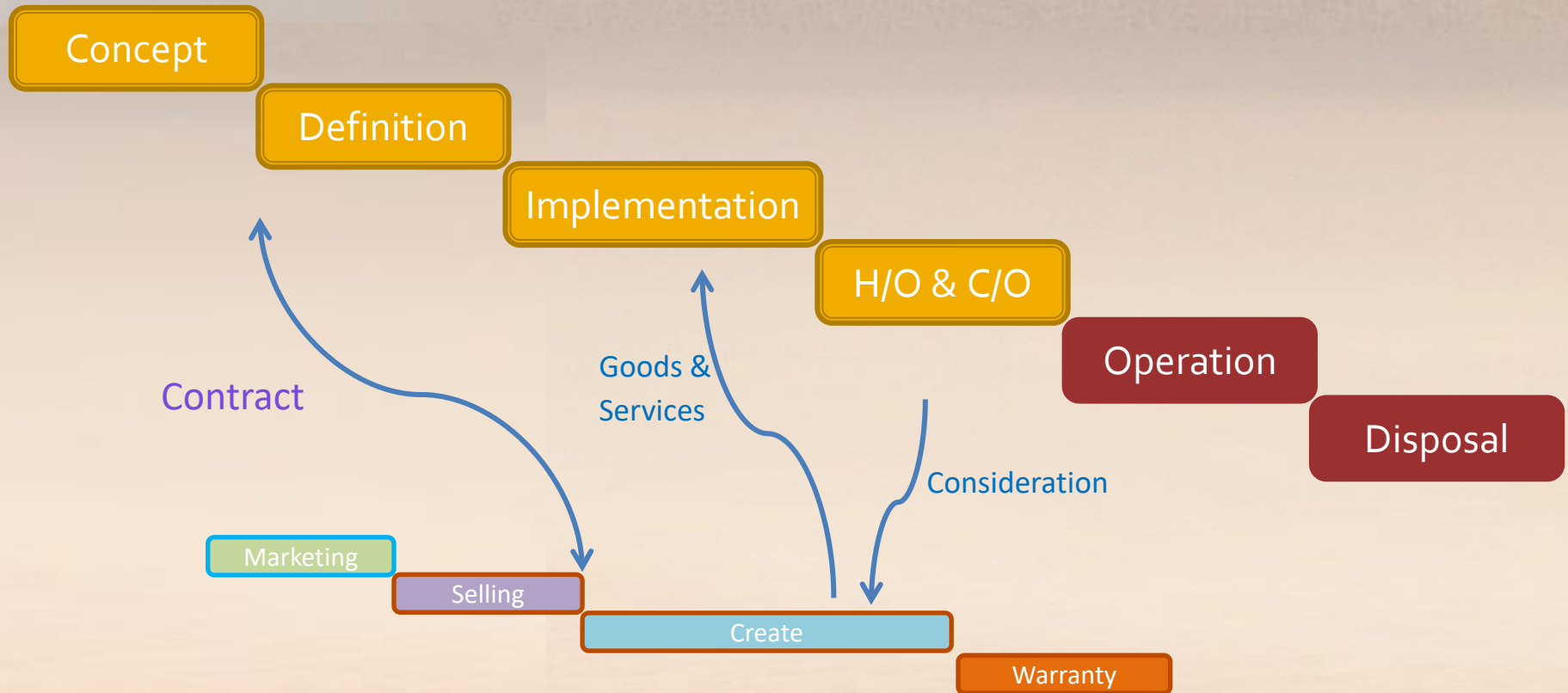


Aligning Interests of OO & SO Organizations



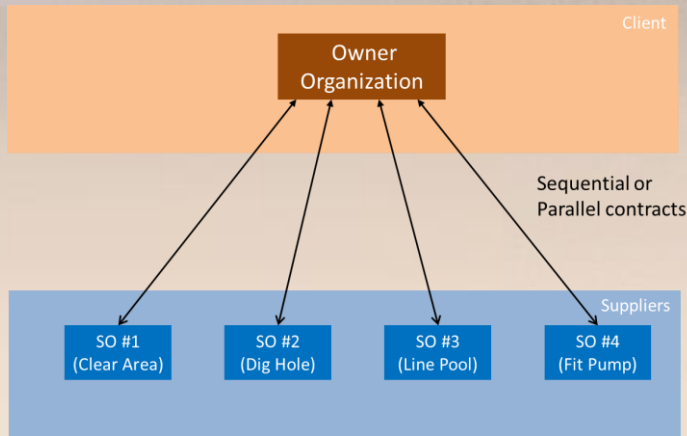
- Hard Coupling
 - Procurement Chain
 - Reimbursement Types
 - Degree of Definition
- Management of Changes*

Bringing Owner & Supplier Together

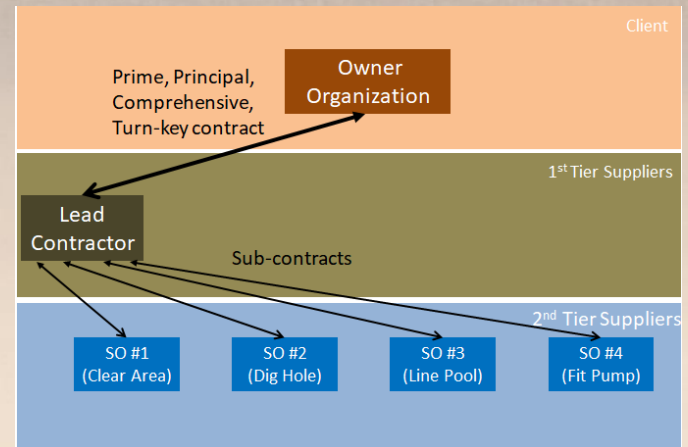


Procurement Chain Options

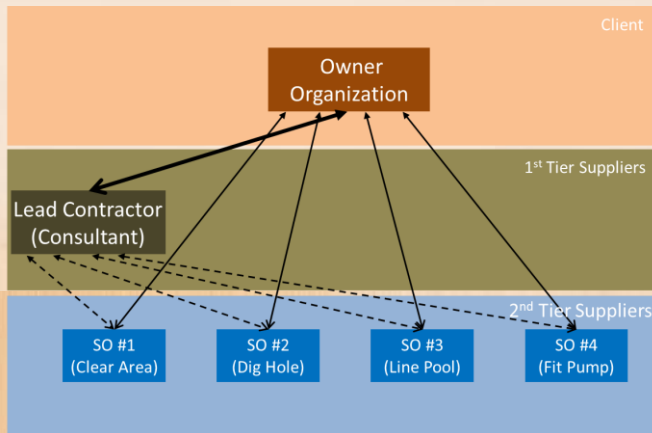
OO / SO Relationships: Simple



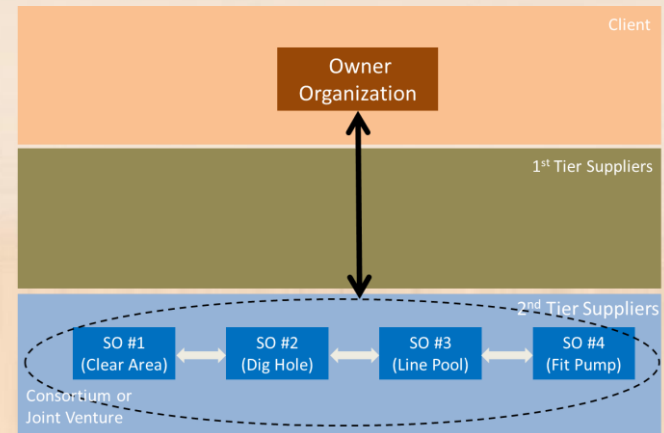
OO / SO Relationship: Lead Contractor



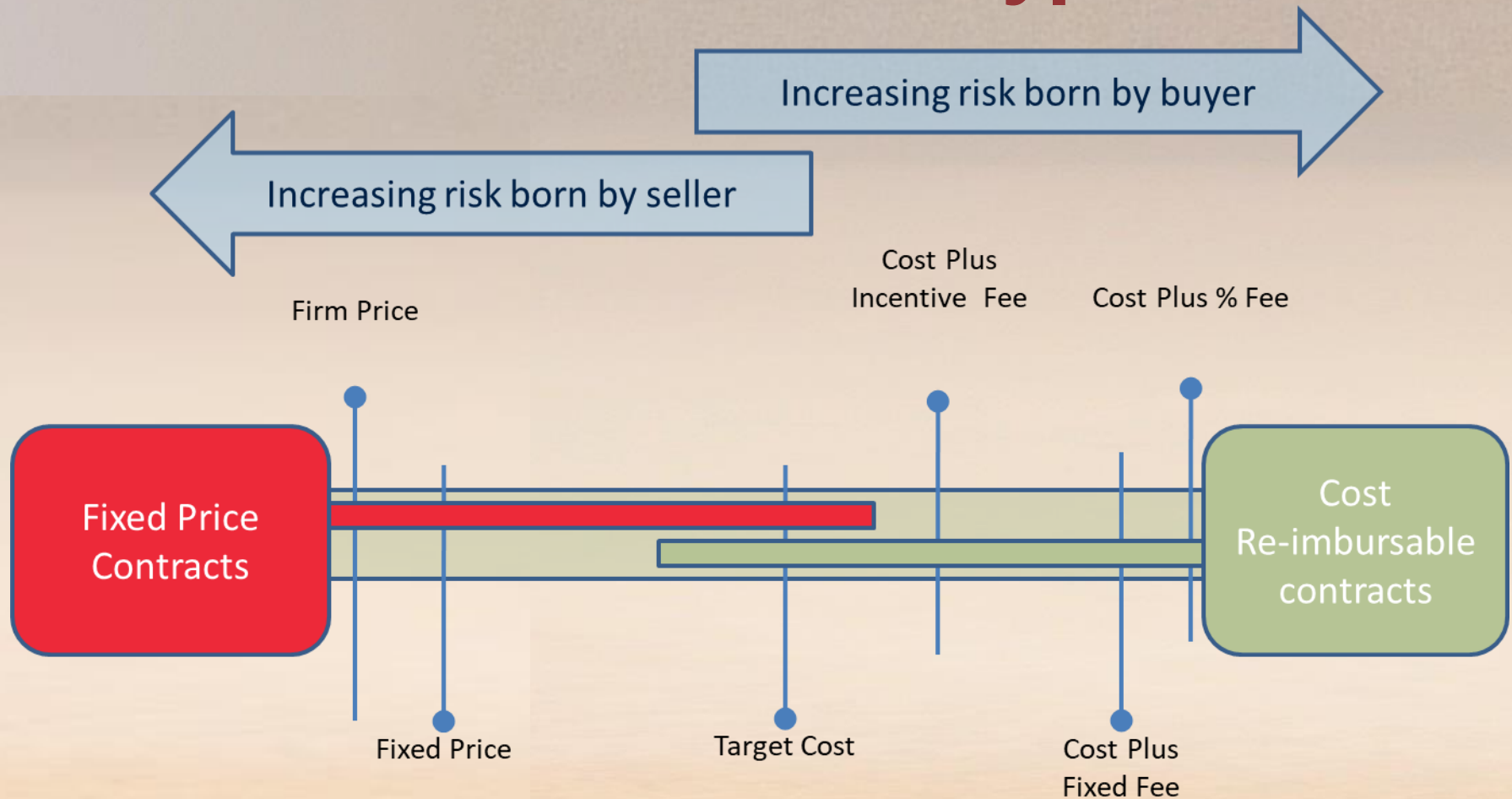
OO / SO Relationship: Consultant



OO / SO Relationship: Consortium



Reimbursement Types



Reimbursement Types: Considerations

- Risk & reward
- Supervision and incentivisation
- Likelihood of change
- Clarity of scope definition
- Administration burden / capability
 - Establishing contracts
 - Administration of changes
- Environmental
 - Tradition
 - Market

Changes

- Enormous negative potential for both parties
- Well advised to reduce likelihood for, by
 - Diligent planning
 - **Clear definition of scope** (3 Golden Rules)
- Enormous positive potential for SO
- Need for SO to have commercially astute PM
 - Contract law
 - Selling
 - Marketing

Selected PM Techniques For Supplier Organizations



- **Marketing in a Project Environment**
- **Selling in a Project Environment**
- Project Planning for SO
- Management of Resources
- Project Control
- Management of Information
- **Warranty & Post Project**

Marketing in a Project Environment

Putting the right product in front of the right customer at the right time.

‘If you haven’t got a market then you haven’t got a business, and this holds true regardless of the technical excellence of the product or indeed the quality of the endeavour’s management team.’

Marketing in a Project Environment

Challenges of

- Small number of high value contracts
- Bespoke equipment
- Lack of repeat business
- New & immature relationships
- 'Dumb clients'
- The need for supplier aggregations

Selling in a Project Environment

Persuading the customer to buy your
offered product on terms most favourable
to you

Selling in a Project Environment

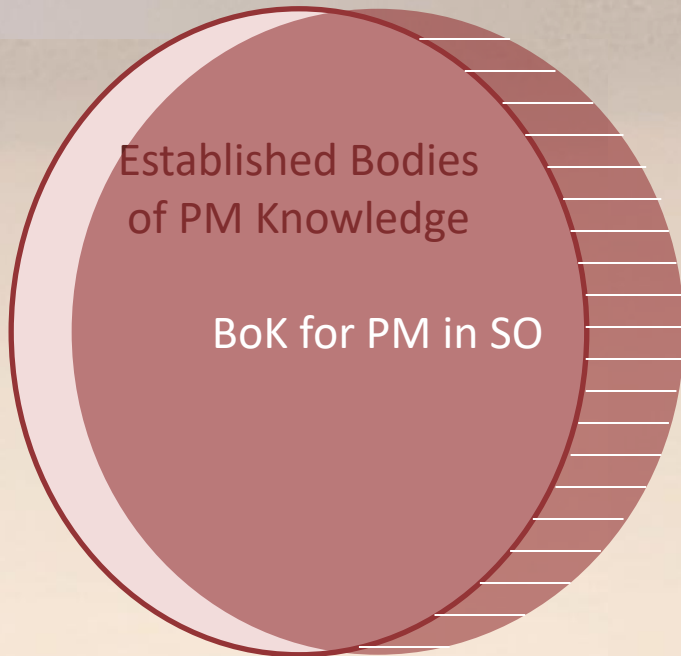
Challenges of

- The sale before the product's creation
- Degree of definition (duty v. detail spec.)
- Estimating
- The handover to PM

The enormous benefit of

- 'Farming' over 'Hunting'

To the Future



- Process
 - Business Case versus Contract
 - Dedicated Lifecycle including Selling & Marketing
 - Risk acceptance
- Sharp focus on key skills
 - Selling
 - Marketing
 - Commercial acumen
 - Change management

Since most project practitioners work in SO* there is a huge incentive for the BoKs to address this.

Adrian Taggart

Consultant and Project Management Expert



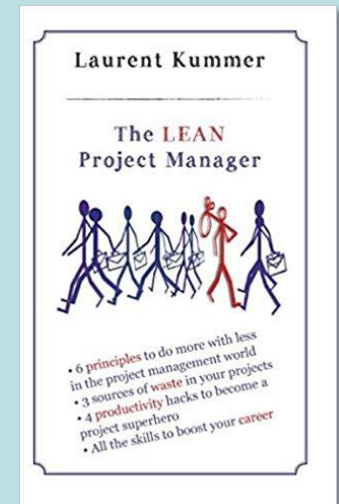
Panel Specialist

Laurent KUMMER



Author of the book: **“The LEAN Project Manager”**

and co-author of **PM² - the Official Methodology of the European Institutions”**.



Panel Session



**Adrian
Taggart**



**Laurent
Kummer**



**Maria Cristina
Barbero**

Panel Session



**Adrian
Taggart**



**Laurent
Kummer**

Panel Session

Question #1

What are the benefits for buyer organizations in dealing with vendors who have developed their own Project Management methodology?

Panel Session

Question #2

**Do Supplier Organizations distinguish
their own project from the Buyer's
project and manage it accordingly?
Is this a benefit?**

Panel Session

Question #3

How open are the Supplier Organizations to adopt the methodology of the Owner Organizations or vice-versa?

Panel Session

Question #4

Could an initiating session be useful before starting a project where terminology and methodologies (buyer's and suppliers') are harmonized?

Panel Session



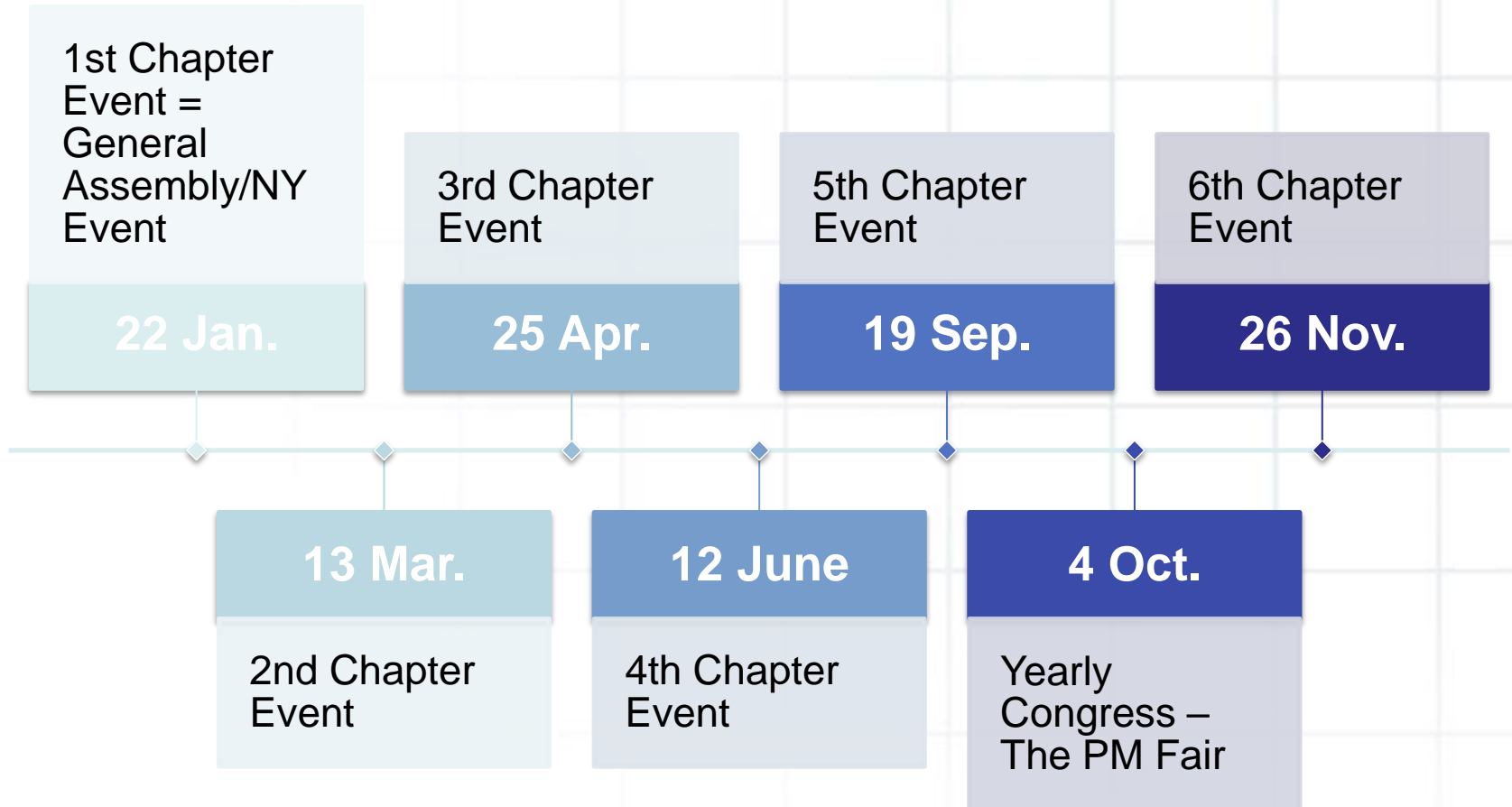
Board Messages

22nd November 2018

PDU Codes for Chapter Events

- PDU code for today's event is C133OSYPMA
- PDU codes for all chapter events of 2018 are available on:
<https://pmi-belgium.be/events/pdu-codes-events-2018>

Chapter Events: Agenda 2019



General Assembly – NY Event

- Date: 22nd of January 2019
- Venue: Rezidor Park Inn Hotel – Leuven
- Access: public parking + next to Leuven station



Yearly Congress – The PM Fair 2018



Facilitation: the Ultimate PM Skill?



Presentations
of PM Fair 2018
are now available for
download
at
PMFair.org



- Pictures available on the website of PMI:
pmi-belgium.be/events/event-pictures/event-pictures-2?pm-fair-2018



PM Fair 2018: Volunteers

Event Region 8 2019

- Organised by PMI EMEA
- 48 chapters
- Board Members meet together for sharing experiences and best practices to develop further the chapter activities and find synergies.
- Belgium Chapter selected
- When: 2nd weekend of November 2019
- Contributors:
 - Volunteers
 - Sponsors: immediate visibility with all the chapters of Europe



Would you like to be a volunteer?

- Chapter Events
- Satellite Events
- PM Fair: in the Core Team (10 months) or in the Running Day Team (day of event)
- Region 8: social dinner or Running Day Team
- Open positions are available on <http://vrms.pmi.org>
- Contact Director of PM Fair & Events at: events@pmi-belgium.be or volunteering at volunteering@pmi-belgium.be



one extra
networking opportunity
for your attendance in
Chapter event
carpooling



- We have launched the Carpooling initiative this year to help our members.
- The success of this initiative will depend on your participation.
- Carpooling is not only beneficial to those who do not have the convenient means of transportation, it is also a way to help our environment and to increase your network.

Networking – Eat & Drink

