

PM-Club Seminar 24.01.2008

“Project Management challenges when dealing with MNC's or other big companies”

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Agenda

- Presentation of Citec
- Project Management challenges when dealing with MNC's or other big companies

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Our customers are the stars – we do the stunts!

Behind the scenes Citec's experts take on tasks that are not our customers' main activities.

Citec – The one for the job!

the one for the job



Citec in general

- Established 1984
- Turnover 2006 38 MEUR
- Personnel 900
- Operates in both domestic and international markets
- ISO 9001:2000 quality system certification



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The Citec companies

- **Engineering for Industry**
Citec Engineering
- **Technical Information**
Citec Information
- **Environmental Consulting**
Citec Environmental



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Market segments

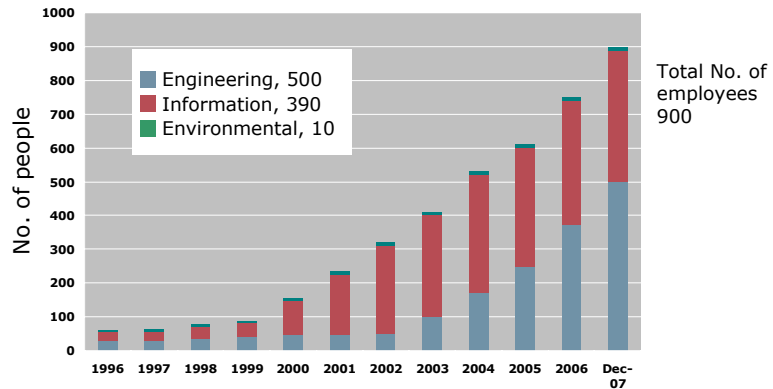
- Power industry
- Vehicle industry
- Industrial and commercial buildings
- Telecom and software
- Manufacturing industry
- Healthcare
- Defence
- Environmental industry
- Public entities



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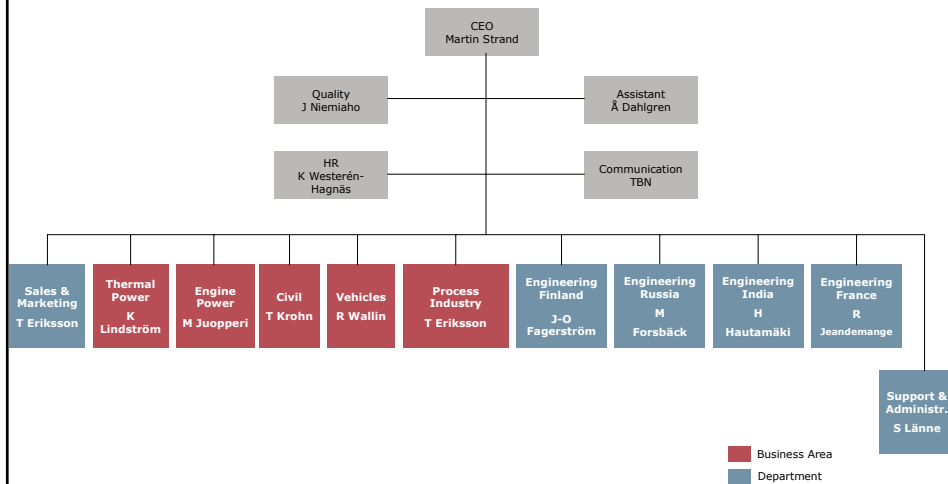
Growth history



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Citec Engineering Group



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Citec offices



Vaasa (headquarters)
 Helsinki
 Jyväskylä
 Oulu
 Pietarsaari
 Rauma
 Tampere
 Turku
 Vantaa

 Stockholm
 Växjö
 Malmö

 London

 Contrexéville

 Moscow

 Bangalore
 Hyderabad
 Mumbai

 Hangzhou

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Some customer references



ABB
 Foster Wheeler
 GE Healthcare
 Kemira
 Kvaerner Power
 Metso (Valmet)
 Nautor
 Nokia
 Patria
 Polar Electro
 Rolls Royce
 Ruukki
 Talgo
 Vacon
 Winwind
 Wärtsilä
 YIT



Aker Kvaerner
 IKM
 Rolls Royce
 Vetco



Abetong
 Alstom Power
 Ericsson
 FMV
 TetraPak
 Kalmar Industries
 KMW Energi
 Kockums
 Rolls Royce
 Ruukki



Areva
 Biodegma
 Kraftanlagen München
 Siemens



ESG
 Meldan



Ruukki
 YIT
 Wärtsilä



Lucent Technologies
 Nokia
 Sasken
 Wipro
 Wärtsilä



Huawei
 Nokia



Boeing

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Our customer is the star – We do the stunt



Project Management challenges when dealing with MNC's or other big companies

- What type of relation ship is there?
- Understanding the organization
- What are the stakeholders (in the MNC) for the project.
- What is the Quality system requiring?
- How is the Project Management Process implemented in the MNC?
- What is the contract saying
- Certified Project Managers
- Project mgmt as part of an offered scope

Project Management challenges when dealing with MNC's or other big companies

RELATIONSHIP

- The type of relationship (or contractual setup) has an impact on Project Management
 - Subcontract, new customer (case by case)
 - Partnership (governing agreement), or repeat orders
 - 'Buying market shares'
- Challenges in case-by-case Subcontracts
 - Unknown customer => higher risk
 - Everything is new: persons, process to work, etc..
 - 'More important than usual' to keep track on what happens (logbook, written changes, etc..)

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Project Management challenges when dealing with MNC's or other big companies

RELATIONSHIP

- Challenges in Partnership / old customers (repeat orders):
 - KPI's needs to be met, developing the cooperation (challenge from both sides)
 - If there is a 'steering group' it is important that correct feedback is available
 - Is the governing contract known (by both parties?)
- Challenges when 'Buying market shares'
 - Can be costly, normally margin is "red"
 - Normally followed very closely by the smaller companies management (Stakeholders are more 'active' than normal)

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Project Management challenges when dealing with MNC's or other big companies

RELATIONSHIP

Understanding the relation ship between two companies is an important success factor for a project

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Project Management challenges when dealing with MNC's or other big companies

ORGANISATION

- **All companies have different type of organisations.**
 - **There are companies that are project oriented and there are companies that are manufacture oriented.**
- **Even if you are dealing with a big company it does not automatically mean that they have a PM or a project organisation.**
- **It is important to establish clear rules of communication between the companies ('communication plan')**

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Project Management challenges when dealing with MNC's or other big companies

ORGANISATION

- In many big companies there are often one department that is ordering the project and another that is the counterpart during the execution.
- In some cases can the ordering / execution party even be in different countries (= cultural differences)

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Project Management challenges when dealing with MNC's or other big companies

ORGANISATION

Understanding the MNC's organisation (and who will be your counterpart) is another important success factor for a project

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**Project Management challenges when dealing
with MNC's or other big companies**

STAKEHOLDERS

Who are the stakeholders?

Here some example's:

- **MNC Project organisation**
- **MNC Management**
- **MNC Owners**
- **MNC Purchaser**
- **MNC Site organisation**
- **etc**

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STAKEHOLDERS

By understanding the expectations from different stakeholders (both internal and external) it gives the PM possibility to be pro-active and for example deliver information about a project, in time and with the content that a stakeholder expect.

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Project Management challenges when dealing with MNC's or other big companies

QUALITY SYSTEM

MNC's are normally quality-certified.

This might put requirement on the Project:

- **Need of specific reporting**
- **Need to deliver Certificates**
- **Need to have special certified knowledge in the team**
- **Etc...**

If these are not noticed in the sales stage these requirements' might be costly

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Project Management challenges when dealing with MNC's or other big companies

PROJECT MGMT PROCESS

- **It is not always easy to get information about Project mgmt processes in another company.**
- **It is normally possible when you have partnership agreements or when you have repeat customers.**
- **If there is a new customer it is always possible to ask if there are any special requirements (for example reports) that this company needs.**

If you know how projects are handled in a company it is easier to adopt your own process to meet the expectations.

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Project Management challenges when dealing with MNC's or other big companies

CONTRACT

- With MNC's there are normally a 'thick' contract.
- The contract normally has a lot of 'general terms and conditions'
- MNC's are used to make big contracts with other big companies. Other big companies also have their requirements so MNC's are used to make changes.
- If there is a clause that is not suitable for your company suggest a change or suggest to delete it. If there is a mutual interest to make a contract a solution is normally found.

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Project Management challenges when dealing with MNC's or other big companies

CONTRACT

- General terms and conditions needs to be studied carefully.
- A small comment such as "Reports / forms / documents to be provided as per Company directives / Company quality directives" can be very costly.
- References to norms or legislations, that you are not familiar with, should be specified better.

Contracts are something that shall serve both parties

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Project Management challenges when dealing with MNC's or other big companies

CERTIFIED PROJECT MGR

- A certified PM does not guarantee that a project is well managed
- A Certified PM grants however that the person has been trained and has passed the test.
- To have a Certified PM can be a benefit, if there are two offers that are financially equal. It is more likely that a company that can provide a certified PM has a benefit in that comparison
- The trend is that MNC's / bigger companies might require certified PM's for specific projects

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Project Management challenges when dealing with MNC's or other big companies

PROJ MGMT AS PART OF THE SCOPE

- Project management is a natural part of a project scope
- Reserve enough time and money for Project management

Remember that a good Project Manager is of value for the end-customer. With a good Project Manager is the project in time, in budget and in the quality that is expected.

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**Project Management challenges when dealing
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THANK YOU

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