Return of Experience
PMS “Project Management Support”
A new function Implement in Alcatel-Lucent

Editor : Gilles Bousquet
Presentation : Christophe Corlier & Gilles Bousquet
Agenda

1 - SECTOR presentation
2 - Origin / Alcatel-Lucent requirement
3 - Project management diagnostic
4 - PMS (Project Management Support) solution
5 - Implementation of the PMS function
   5.1 : Communication Plan
   5.2 : PMS Tool Box - Training
   5.3 : Operational Assistance / ROI (Return of Investment)
6 - Conclusions
7 - Key of success
8 - Some customers

Lesson learnt on a global approach to implement a new Project Management function
I - Sector presentation - Some figures

- Independent structure created in 1990
- Specialized on:
  - Risk Management
  - Project Management
  - Reliability on functioning
  - Maintenance engineering

- Turn over 2010: 11,2 M€
- 130 employees, comprising 120 engineers and consultants
- 2500 national and international projects
- ISO 9001: 2008 quality certification
- Training Organization officially registered

It’s human sized Company which can customized solution
I - Sector presentation - Our position

Independent French group leader on:

- Risk Management
- Probabilistic and Deterministic Nuclear Safety
- Reliability of functioning
- Maintenance engineering

Improvement of the performance
Behavior of the change
Project Management

Process validation
Test engineering

An independent French group with a global approach on the V cycle
I - Sector presentation - Geographical presence

National location

Head office: Les Ulis
Agencies: Paris, Lille, Lyon
Offices: Bordeaux, Marseille

Local presence for a greater ability to react
In the past Projects were simpler by nature and organization. Now projects are very often Turn Key projects in a subcontracting or multi-vendor environment.

The Direction of Operations requested to us a study focused on 3 main objectives:

- Analyze and optimize the Project Management function
- Purpose a solution to improve the project margin and maintain the planning customer commitment
- Put in place of the request solution with ROI (Return of Investment) commitment.
- Improve the direction visibility of the progress & margin project

Allow ALCATEL LUCENT to be a performing project supervisor
III - Project management diagnostic - Introduction

- The subcontracted work packages volume increase involves a reinforcement of Alcatel-Lucent position as a project supervisor of telecommunication systems architecture and design.

Excellence in terms of project management and technical integration is the fundamental basis of a performing project supervisor.
III - Project management diagnostic - first insight

Based on SECTOR experience and Alcatel-Lucent projects typology, the pre requisites for a performing project management are :

- A project steering schedule managing internal and external (subcontractors) work packages
- Risk monitoring to consider the specific local constraints (customer communication, regulations, local subcontracting context...)
- A strong contractual commitments management allowing to monitor claims and upscopes

Those pre requisites are key success factors
III - Project management diagnostic - Evaluation method

Methodology proposed was structured around:

- Interviews of operational actors on Project Management in EMEA area (RPM, GPM (Project Manager), PM and PMO)
- Audits on 3 representatives projects in term of geographical constraint, organization and critical technology
- Analyse of the organization and the job descriptions of project management teams.
- Evaluations grid are structured on best practices of the Project Management (lessons learnt in 20 years of experience)

Systematic evaluation of the organization, process, tools, and operational performance in Project Management
III - Project Management diagnostic - Performance Evaluation

- During our diagnostic we noticed some ways of improvements on:
  - Project framing (PBS - WBS - OBS - CBS ...)
  - Risks & opportunities management
  - Schedule management
  - Customer contract management (clear scope of work & management specifications)
  - Subcontractor contract management (integrating customer constraints)
  - Dashboard / lessons learnt

Process and tools exist but the GPM (Project manager) cannot always apply it efficiently
IV - Project Management Support (PMS) - Solution concept

To improve the project management efficiency:

- Put in place an operational Project Manager Support (PMS):
  - focused on deliverables (scheduling, risks, changes management)
  - optimizing resources for the operational teams

- Create a strong link between operational actors and PMO central (in charge of process & tools monitoring) function enabling:
  - A better procedures application improvement
  - Lessons learnt to upgrade those procedures

A new structured assignment is thus defined: the “Project Management Support” (PMS).
IV - Project Management Support - Organization roles and responsibility

Three essential actors to maintain this function at an optimal level

- **EMEA Direction**
  - QA & CC Direction
  - Regional PMS
  - Cluster NWCA Management
  - Cluster ME Management
  - Cluster SEA Management

- **Regional PMS**
  - Position
    - QA & CC direction operational attachment
    - QA & CC direction and PMO functional attachment
  - Main assignments
    - Ensure and promote PMS assignment within EMEA.
    - Develop PMS skills
    - Optimize PMS resources
    - Apply and update EMEA project management processes

- **Cluster PMS**
  - Position
    - Cluster head operational attachment
    - RPMS functional attachment
  - Main assignments
    - Ensure and promote PMS assignment within the Cluster
    - Ensure operational mission on strategic project
    - Develop the Cluster PMS skills, and optimize the Cluster PMS resources
    - Apply and update EMEA project management processes (organize lessons learnt)
Roles and responsibilities of the GPM (Project manager) & PMS:

- **GPM as a “pilot”:** decision-maker and business oriented
- **PMS as a “co-pilot”:** provides support for decisions and standard operational tools.
V - PMS function Implementation - Project Plan

- Direction of operations decided to implement this new PMS function: first area concerned by this implementation is MEA (Middle East Africa).

  QA&CC Top Management is the “Project Sponsor”

- We deliver a “project plan” in order to:
  - secure implementation within MEA area
  - create a shared vision of the project strategy and objectives for Project teams and managers of entities involved in the project.

  PMS implementation will be monitored as a project.
V.1 - Communication plan - Objectives

- Implement this new and sensitive PMS function naturally involves questions, resistance to change by impacted people.

- The PMS implementation team proposes a communication plan to provide adapted answers on normal questions.

- We expect to get an interactive communication

- This plan’s target is to get the operational teams to embrace the project (key success factor).

We will organize this communication plan to give on time adapted answers to the involved people.
## V.1 - Communication plan - Target Groups / Analysis

<table>
<thead>
<tr>
<th>Operational target group</th>
<th>High Impact</th>
<th>Impacted</th>
<th>Low impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clusters and Central Directions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RPM's</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GPM's</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal project actors (Pm's, Roll out manager, CTO ...)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PMO's Central services</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### About 200 operational people are impacted by this mission

### The good information to the target people at the right time

<table>
<thead>
<tr>
<th>Operational target group</th>
<th>What are we expecting from them ?</th>
<th>What are the main change resistances ?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clusters and Central Directions</td>
<td>- Important sponsorship</td>
<td>- Additional costs / added value of the PMS</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Capacity to manage the change</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Geographical PMS localisation</td>
</tr>
<tr>
<td>RPM's</td>
<td>- Operational sponsorship and management of GPM's mission evolution</td>
<td>- Capacity to manage the change</td>
</tr>
<tr>
<td></td>
<td>- Propose strategic projects to be staffed with PMS</td>
<td></td>
</tr>
<tr>
<td>GPM's</td>
<td>- Evolution of their mission: business and pre-sales implication</td>
<td>- Additional costs / added value of the PMS</td>
</tr>
<tr>
<td></td>
<td>- Embrace the new project methodology</td>
<td>- Capacity to manage the change</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Develop new skills (business development &amp; pre-sales)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Competition between PMS and GPM</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- New project methodology (reviews, …)</td>
</tr>
<tr>
<td>Internal project actors (Pm's, Roll out manager, CTO ...)</td>
<td>- Collaborate with PMS</td>
<td>- Competition between PM and PMS</td>
</tr>
<tr>
<td></td>
<td>- Respect new methodology (reporting, reviews, schedule …)</td>
<td>- New project methodology</td>
</tr>
<tr>
<td>PMO's Central services</td>
<td>- Collaborate on new tools and processes</td>
<td>- Competition with PMS</td>
</tr>
</tbody>
</table>
V.2 - Tool Box / Adapted Training

- PMS Implementation Team developed a “Toolbox” for the PMS. This toolbox provides tools for the daily tasks of the PMS
  - Schedule, Risks, costs and change management
  - Project Dash Board and lessons learnt organization

This material is in accordance with the CIP and PMP (Corporate process and tools issued from PMI reference)

- PMS Implementation Team developed the associated training which will be referenced by Alcatel-Lucent University.

PMS must have the adapted profile to be trained (“Accredited”) in order to succeed in his mission
V.3 - Operational Assistance / ROI

- The direction objectives is to improve projects profitability through the PMS implementation.

- The fundamental key of success is to obtain a positive ROI (Return Of Investment) in 2010 through a reduction of 2/3 CONQ in 2009.

- The PMS implementation Team puts in place a measurement of this profitability improvement and its corresponding CNQ (Cost Of Non Quality) reduction.

The CNQ (Costs of Non Quality) reduction is an Alcatel-Lucent strategic objective.
V.3 - Operational Assistance / ROI

- We proposed and decided with the customer to bring down CNQ around 3 axes:
  - Change of scope
  - Presales difference between IPIS (Commercial budget) / RPIS (Realization budget)
  - Contract Execution

- We put in place operational assistance to the GPM’s of 5 strategic project
  - Professional & external resource
  - Resource trained on “Tool Box”

- PMS Implementation Team measured the improvement induced by the PMS missions.

Results after one year of operational assistance

ROI measured = 3 X cost of the mission
VI - Conclusions

- Quick improvement on project performance

- Roles and responsibilities clarification:
  - Project manager as a “pilot”: decision-maker and customer oriented
  - PMS as a “co-pilot”: decision support

- The Top Management have a clearly & really vision of the project progress & margin.

- GPM have more time to develop business with the Customer in accordance with Alcatel-Lucent strategy.

- Alcatel-Lucent image improvement at customer

This new PMS function will allow optimised management decreasing GPM stress and improving profitability
VII - Keys of Success

- Have a strong sponsoring by the Top Management
- Professional high level team to structure and organize the communication plan
- Define a mixed implementation team with complementary internal and external skills.
- Validate a performing system measurement of the ROI (support on an efficacy communication).
- Operational project management support insure by external people who are not stuck in bad habits

The methods and process are often simple and known, The difficulties just comes from people that we have to convince by the example
I - Some customers

- 20 year experience
- On + 2500 projects
- At + 400 customer