

Case Study 3

Case Study – Lawair Vehicle

Introduction

During a business development meeting of the 'Starry Eye Company' (SEC) an idea for a breakthrough product was discussed. SEC is in the process of being transformed from a rigid, risk averse and conservative company to one which is innovative and seeking to become a market leader in the manufacturing sector.

Following the resignation of George Buck, as a result of a scandal involving conflict of interest, a new CEO (Arnold Negger) has been appointed to get SEC back on it's feet. Arnold has progressively introduced changes to SEC's culture including a move to self-managed teams.

The University of Sydney has been invited to extend an invitation to (student) teams for the purpose of preparing expressions of interest in response to SEC's brief.

Project Context

The business environment in which SEC operates, is characterized by factors such as rapid technological / product development cycles, increasing levels of competition and greater levels of consumer choice. SEC recognizes the importance of strategic thinking and planning to sustain their growth. They recognize that 'leading edge' companies need to take risks in order to remain competitive. SEC focus is primarily benefit, rather than cost driven i.e. the realization of greater benefits is of a higher priority than minimizing cost. Clearly, this is in the context of maximizing 'whole of life' value. As the project evolves, it is expected that increasingly diverse stakeholders with potentially conflicting interests will become involved.

SEC is engaged in high-level consultations with government. The government's overt agenda being the delivery of economic and community benefits. It's rumoured that their covert agenda is to win votes in the next election. It's expected that there are a number of stakeholders opposing projects such as 'this' one including car manufacturers and oil companies.

Given that the planned product / project is innovative and unproven, SEC is also developing a number of other 'less innovative' / more predictable projects.

An innovative product

SEC's plan is to develop an innovative product, a vehicle that travels on land, in water and through the air. The project has been named 'Lawair'. No firm decision has been taken with respect to the capacity of the vehicle i.e. number of passengers or whether it would be aimed at private or public transport or both. Preliminary research undertaken by SEC suggests that the product is feasible from a technical, financial, environmental and social perspective.

The Company recognizes the importance of social responsibility and environmental sustainability. Although options involving private transport and use of petroleum or similar fuels will not be ruled out, those based on public transport and usage of 'alternative' (wind, solar etc) energy will be more favourably considered. Both project and product success is important to the future prosperity and perhaps even survival of SEC.

Client involvement

Arnold's direct involvement with the project is expected to be minimal. Hillary Clinton has been appointed as the SEC client. Hillary will be responsible for developing briefs, contracts and the like. Arnold and Hillary expect an SEC team to be regularly involved with the project at all stages. Reasons include a desire to increase SEC staff capability in new product development, building product ownership and to tap into their knowledge and skills in vehicle manufacture. SEC has limited project management expertise and thus would welcome guidance but not in the form of standard 'text-book' approaches which they could obtain by reading books on the subject. However, SEC is not well disposed to a sycophantic (i.e. attempting to win favour from influential people by flattery) form of relationship but one based on 'sound values'.

Agile Project Management

Arnold Negger having been exposed to the benefits of agile project management (APM) and is keen to apply the principles and tools to the 'Lawair project'. However both Arnold and Hillary are flexible and do not expect the project / team to slavishly follow any particular model or paradigm.

It should be noted that the project encompasses all three APM pre-requisites (Highsmith 2003) i.e.:

- high exploration-factor projects
- projects in which customer responsiveness is paramount
- organizations with innovative cultures

"Agility is the ability to both create and respond to change" (p. 3). "In APM, the project manager's primary role is to create a vision of the product to be produced and guide the team toward making that vision a reality" (p. 5).

Project phases

SEC have not yet 'locked-in' project phase names and are still considering whether to use a traditional approach such as **initiation, planning, implementation and commissioning / handover**

or one based on agile project management (Highsmith 2003 p.9) i.e.

1. **Envision** — determine the product vision, who is going to do the work, and how the team will work together.
2. **Speculate** — develop a feature-based release, milestone, and iteration plan.
3. **Iteratively deliver features** — deliver tested features in short time frames.
4. **Monitor and adapt** — review the delivered results, the current business environment,
5. and the team's performance — and adapt as necessary.
6. **Close** — conclude the project, wrap up loose ends, and celebrate.

Proponents may adopt either approach or propose another, suited to the project / situation.

More importantly, SEC recognizes the value of managing the whole of life project cycle. Thus, proponents are encouraged to look beyond (just) the project life cycle. Approaches to procurement and the timeframe (below) are indicative only. SEC seeks solutions likely to produce optimum benefits, to the organisation and community, rather than adhere rigidly to plans.

Procurement

Tenders are being called for phase 1 of the project. The scope of Phase 1 is to:

- Undertake market research to assess the need for the product
- Assess technical feasibility
- Develop options covering both public and private transport vehicles
- Prepare a business case
- Recommend a preferred option
- Scope phase 2, being a detailed feasibility study for the preferred option

Timeframe

An indicative timeframe is as follows:

4 weeks	Preparation of expression of interest
26 weeks	Phase 1 - Research and option development
40 weeks	Phase 2 - Detailed feasibility study
32 weeks	Phase 3 - Design
26 weeks	Phase 4 - Build prototype
TBA	Phase 5 - Production

Expression of Interest (EOI) Submissions

Submissions may respond directly to specified criteria in this brief or alternatively in any other way to maximize organizational, product and / or project value and benefits. It's not necessary to submit a 'conforming' bid plus alternatives. A single proposal will be acceptable; this may involve one or more options for SEC consideration.

Evaluation Criteria

In assessing submissions, SEC will concentrate primarily on the qualitative project management capability of the team. As submissions are primarily required to address qualitative criteria, the evaluation process will focus on considerations such as:

- Responsiveness to client needs and expectations
- Demonstration of progressive team development and building
- Maximisation of benefits, value and resourcing
- Optimisation of system, product and project life-cycles
- Planned approach to communication and procurement management
- Approach to risk including legal exposure
- Creative and pro-active problem solving
- Ability to create an environment for project and product success
- Flexibility / adaptability to rapid change

SEC has decided not to weight the criteria. Proponents are also invited, but not 'compelled' to recommend additional evaluation criteria. Although not a firm decision, SEC may consider inviting proponents to join them in a collaborative, perhaps unique, exercise to evaluate EOI submissions.

Conclusion

SEC welcomes a mature and constructive relationship with proponents. The CEO and Sponsor do not expect their brief to necessarily be accepted at face value. For example, SEC is open to any constructive ideas and suggestions. Likewise, any assumptions made by SEC can be challenged.

References:

Highsmith, J. 2003, 'Agile Project Management: Principles and Tools', *Agile Project Management*, Vol. 4, No. 2, Cutter Consortium.
Thomsett, R. 2002, *Radical Project Management*, Yourdon Press

Postscript:

It should be noted that this case study is purely hypothetical. Reference to 'real' people, organisations, products and the like is purely co-incidental.