Organization Structures are ways of breaking a company down into manageable groups. Project Organizational Structures are a way of creating manageable groups based on projects. There are basically three structures:

1. Functional-This structure is best used for routine projects. Projects are assigned to teams using two methods.
	1. Assign to a functional manager who then coordinates with each department to do its part of the project.
	2. Project is moved to each department, similar to an assembly line. Each department manager is in charge of assuring that its department performs the function.

The problem with the functional structure is that it does not work well with complex projects.

1. Project Organization-This framework is built specifically around working on projects. A team structure is established specifically for the project and then disbanded when the project is completed. The problem with this structure is that it is inefficient. Oftentimes, by the time the team begins functioning effectively, the project is over.
2. Matrix-This model was designed to overcome the weaknesses of the other two models. In this model, a functional manager is assigned and oversees all of the staffing, training and assignment of project personnel, as well as evaluations. Specialists are then assigned to one or more projects and then oversee these individual projects. One possible drawback with the matrix model is that a specialist may have to report to two or more managers, which can cause confusion and conflict.

Out of the three referenced herein, choosing the Matrix model is probably best even though it is geared for more complex projects. It assigns resources most efficiently and is best for handling multiple projects.

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| **Method** | **Pros** | **Cons** |
| Task Completion/Project Progress: Just go out and buy whatever supplies are needed whenever. | * In the planning phase, no budget details are worked out.
 | * Overall expenditures exceed budget expectations since no planning was initially done in the planning phase
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| Experience: The project manager buys everything based on the project manager’s experience. | * Realistic budget based on project manager’s forecast.
 | * Project manager’s inexperience in tasks that are not in project manager’s area of expertise could lead to mishaps with the project plan budget. Also, there is no input from any stakeholder since the project manager is in complete control of the budget and more room for error.
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| Duration of each task: For every task, there is a guess estimate of how much of the budget will be spent.  | * Time spent for each task results in dollars spent out of the budget so relatively easy.
 | * Do not know how many hours each task will entail; therefore, there is the possibility of overspending.
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| Man-hour cost: How many people required to do each task which results in budget expenditure. | * An easier method to figure out budgeting.
 | * Resources identified and rate of pay needs to be done the planning phase of budget.
* May need to plan some degree of outsourcing and provide a cushion.
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