Projectification in a Chinese Firm

Derek Yang
Yongxia Chen
About the speakers

Derek Yang
- Head of Department of Management
- Director Assistant of Project Management Center

Yongxia Chen
- Senior consultant in project management
Today’s topics

- Why it’s a new hot topic in China?
- What’s it?
- How did it work in a Chinese firm?
Projectification in TASLY

2006, winner of Silver of IPMA International Project Management Award
Two best-selling books
Projectification: Literature review

- In China: about 50 papers
- Most of them are non-academic ones
- International: about 10 papers by key words
An old topic?

Since the mid-1960s it has often been claimed that the societies are becoming increasingly projecticized – organized in terms of time-limited sequences of (inter)action.

• Packendorff, J. (2002) The temporary society and its enemies: Projects from an individual perspective
• Beyond Project Management: New Perspectives on the Temporary-Permanent Dilemma.
  • Ed. by K. Sahlin-Andersson & A. Söderholm
  • Malmö, Liber, pp 39-58
Seminal paper

- 1995, Christophe Midler
- Projectification of the Firm: the Renault Case
The definition of Projectification

By Midler

A process which took place in a series of changes in the structures for organizing new product development at Renault for a 30-year period as they moved from a functional to a heavyweight project form.
Projectification

Function-based organization

Projectification

Project-based, led, oriented, projectisized organization
How to make this transition process managed or controlled?

Is there any answer in any early body of knowledge of PM in mainstream works?

PMI/IPMA?
The theory of temporary organization

- PM is a problem of organization

- Embedability of so many temporary project teams into permanent functional departments

- Legitimacy of these teams?
Organizational Changes in Renault!

- First stage: in 1960’s
  Functional and informal project coordination

- Second stage: from 1970 to 1988
  Centralized project coordination

- Third stage: in 1989
  Empowerment and autonomy of the project management structure
Projectification—causing extensive organizational changes

- Concentration from functional depart., process to projects
- High level project directors
- Empowerment
- From the application of process to a more entrepreneur and adaptive approach
- Governance structure
Drivers of such changes

- Car industry: traditional manufacturing industry
- Benchmarking: TPS-Toyota production system
- Functional structure, pull system, efficient, eliminate waste...
Drivers of such changes

NPD—new product development

- Quick response
- Flexibility and Customization
- Team-working networking
- Flat structure
- Quality control
- Learning: from one project to another one
Expended Projectification
The levels of projectification

- **Societal projectification** is a change in governance structures to increase the primacy of the processes of projects in whole society;

- **Organisational projectification** is a change in organisational and governance structures to increase the primacy of the processes of projects within a central organisation and its supply networks;

- **Personal projectification** is a change in person’s work relations and/or private life to increase the primacy of participation in projects.
Your future success

- Comes from smooth running of functional and routine process/works
- Comes from doing more and more cross-functional project teams
- Which is getting more and more critical?
The possible trend

Figure 1. The levels of projectification.
How did it start in TASLY

❖ NPD—faster, faster and faster

❖ Normally 5 years or even more
❖ General manager’s promise: 2-3 years
❖ The boss: NO! just 1 year

❖ Result: 8 months—it’s so damn good!
The TASLY way of projectification-1

It’s a series of projectification of

1. People
2. Task or activities
3. Organization
4. Strategy
5. Culture
The roadmap of TASLY’s projectification

- **training**
  - People projectification
    - basic
    - Good
    - excellent

- **projects**
  - Activity projectification
- **structure**
  - Organization projectification
- **execution**
  - Strategy projectification
- **innovation**
  - Culture projectification

- **Project management**
  - Multi-project management
  - Integration
The TASLY way of projectification-2

To do the projectification

1. Target
2. Organization
3. Path
4. Regular pattern
5. Result
6. Difficulties or challenges
Target1-3 key issues

- Bottleneck
- Project professionals
- Teamwork spirits
Target 2

- A new type of organization
- A new type of team
- A new type of performance and review
- A new type of business model
Organization

- PMO-PMC
- General manager’s office
- High authority
- Planning and direct supervision
- Reward and punishment
Path-change step by step

- People
- Task and activities
- Organizational structure
- Performance review
- Strategy execution
- Firm culture
Path-change step by step

- **Horizontal (time)**: feasibility study, planning, do, assessment

- **Vertical**: change people in thought, knowledge and ability, operation

- **Comprehensive system**: projectification strategy and a series actions
Regular pattern when doing projectification

- Be afraid of doing projects—don’t know
- Be crazy to do project—with curiosity and motivation
- Be cautious of doing projects—high failure rate
- Intangible projects—with project thinking
Results and performance

1. Faster speed
2. Better motivation-for knowledge workers
3. More effective control
4. More effective objective management and execution
5. More innovative, collaborative, and challenge-facing culture
6. More integrated and systematic management model
Difficulties or challenges

1. Role change—role ambiguity, role conflict ...
2. Activity change—project way
3. Skill change—project manager
4. Planning and documentation change—schedule report
5. Team change—cross function
6. Core structure change—inertia?
7. Control change—more constraints
8. Performance change—functional and project
9. Culture change—tolerance of failure
10. Organization change
Solutions

1. Start with a small step
2. Step by step
3. Short-term effect
4. Tolerance of failure
5. Standardize PM
6. Resource allocation
7. Inertia estimate
8. Role and task conflict
9. Communications
10. Clear and proper target
11. A good mentor
12. Support of high level
有人在怀疑事情的发生
There are those who wonder what happened,
有人在任凭事情发生
those who let things happen,
而我们要促使积极的事情发生！！！
And those who make things happen.
The end. Thanks.

Q &A