

# **Project Management: Planning, Execution, Evaluation and Control**

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Welcome to the course Project Management Planning, Technology and Technology, I am Professor Sanjeev Choudhury from Indian Institute of Technology, Kharagpur. In continuation with module 11 that is outsourcing and managing inter-organizational relations, in this lecture we will discuss about partnering and traditional approaches for managing relations. The concepts that will be covered in this lecture are partnering and traditional approaches, then strategies for communicating with outsourcers. These two topics we will be covering and the rest of the topics we will be covering in the subsequent lectures.

Now, what are the differences between partnering approach and traditional approach for managing contracted relationships? You know, so you can also tell the difference between these two are basically because one is the trust. The trust is the basic things for any relationships, you know, trust for a family if there is no trust you know the family is broken, it is a fragmented family.

So, trust is the basic thing. Similarly, for a partnering approach the trust is the basic thing, trust and mutual respect to each other that is the basic, but for the traditional approach both the parties look at each other suspiciously. So, and everybody is wary of others motives that sort of culture things goes on. For partner another is the goals and objectives, although goals and objectives are the same for both the parties that contractor and the client both the parties to complete the project in the scheduled time within budgeted cost with that specified quality and specification.

But even then you know goals and objectives even though same each party wants how much I can get more than the other party, they are wary of that. So, for the traditional approach, but the partnering approach it is both are synchronized and both work for the maximum or the win-win situations of the of their causes and the goals.

Then project team for a partnering approach project teams comprise of comprises both the both the clients and the and the contractors team, they work in tandem, they work in hand in hand and coordination are better. But for traditional approach there are two

separate teams, one is the contractors teams and another is the clients team, they look at each other with suspicion.

Then communication like for a partnering approach communication is open, communication is free, they can talk very openly and can get the information very quickly, but the communication in the traditional approach of contracted relationship is guarded and it is not it comes through a structured way with permissions from different levels it has to be it has to be done.

Commitment and improvement like for partnering approach that the since it is a both the parties are committed to the their goals and objectives, commitment is found to be more and they can also for the continuous improvement of the project systems they are involved in, but traditional approach commitment and improvement are not as effective as the partnering approach.

Then objectivity the in partnering approach they can be objective critic, they can criticize each other's move, each other's performance, so in a positive manner, so that they can improve it further this way, but objectivity objective critic is not in traditional approach for the fear of reprisal, senior management may come down heavily. So, objectivity is not that is not very positive way.

Then resource accessibility like in partnering approach each party can avail the others resources rather easily, it not be so much of formalities say resource of material manpower equipment or any other thing, but for the traditional approach is it is resource availability access is not that easy it is limited and you have to take permissions and all those formalities has to be done. Then involvement, involvement in partnering approach, involvement in all levels of the organization and involvement of the senior management is also there and it flows down, but for the traditional approach involvement is restricted only with the project team both project teams involvement it is not beyond that.

Then the risk for the partnering approach risk are generally shared by both the parties in say 50 50 percent or whatever the agreed terms, but for the traditional approach risk is always transferred to the other party. So, these are the basic differences between partnering and traditional approaches for managing contracted relationships.

Then long term partnership limitations of long term partnership relations there are also it has a limit you know what are the limitations of it can you tell that. See trust binds and also trust blinds. So, if you are dependent and these relationships is there then sometime what happen there may be complacency from the other side and they may not be their output may be say sub optimal or therefore information search specially for information searching say technology scanning market environment scanning external environment scanning what is happening outside and all those things there may be many agile companies may come in and they may be more effective, but you for these reasons and

all you know certain hiccups and all you have to absorb you cannot for a long term partnership relation for a one deficiencies or sub optimal things you cannot just break the break the relationships.

So, these are the some of the limitations of partnerships approaches. Then there is another question is why project partnering efforts fail? Many times you must have observed that project partnering efforts fail what are the reason? One reason is lack of involvement of senior management. If senior management is not involved and that is it is the partnering effort will probably fail and also senior management should empower the project team if that empowerment or the delegations of powers is not there then the project is likely to fail. Then another is the cultural differences, cultural differences not adequately dealt with we have talked about those team building then extensive training and all those are required because different partners comes from different culture different organization culture, different value system, different things. So, there has to be a common culture that has to be developed between both the parties.

Then there may be the no formal evolution of the process that is in that evolution must be the current state of the partnering approach must be evaluated that should be there and also lack of incentive for continuous improvement, lack of incentive for innovation all these contribute to the failure of the partnering approach. So, you must take a guard on this.

Then there is a what should be the strategies for communicating with outsourcer? Communications is a very important thing and these communications should be dealt with delicately you must have a communication plan best companies, good companies what they do they have a communication plan to deal with the outsourcer that what is this communicate how do you do it there are four strategies, four stages or the strategy is there.

The strategy one is you recognize the cultural differences of the two parties. Suppose I will give you example suppose the cultural difference you know if you meet any American, European or the other that Asian countries many Asian countries and all you met a lady executive or specialist and all you that handshake is very common it is nothing, but if you go to the Arab world Middle East and all you are handshaking with a lady is forbidden.

So, you cannot do that and it is looked as an orphan. So, these are the cultural differences I have seen in some culture you know if you smile and all that is construed as you are not serious you are taking it very lightly. So, you cannot smile before your superior, before your boss you should always be very grim faced. So, these are the cultural differences. So, you so different country have different cultures and all.

So, you must be sensitive to that. Next is the choose the right word you should always communicate with very clearly and the right word should be there you know like I will give you an example. I have heard of a story that say one software company in India they were one North American had come there and all and that North American when landing in India and all in that company and facing some problems you know they must be having the adjusting or those you know that initial that teething problems and all. So, one software engineer he genuinely wanted to help him and he asked him what is your problem you know. So, it is an and he took it as offensively and he wrote a to pay email to the CEO and this people this guy who wanted to help him and all he had a tough time.

So, this is the choose the right words for those. So, you have to be very careful. So, I am reminded of another story that in lighter vein. So, in one gentleman he is he was hosting a party in his house and he was not a North Indian and his most of the people were the North Indians and all though he was come trying to communicate with Hindi and the Hindi version he is has limited he has limited vocabularies and all. So, in his house so the when the guest came so his friends and all he wanted to tell wanted to tell but what he told she is not very adept in Hindi he told.

So, it is the choose the right words it is a different connotations. Then third is confirm your requirements like as I told you your deliverables your scope of work will be very specific and it should not have any ambiguity it will be clearly specified your say date of delivery not to exceed value your deliverables it should be measurable and specify in clear terms. So, if there is your the if there is any ambiguity it will create problem for you. So, that is that you set deadlines and not to exceed value those things are very clear. These are the some of the strategies for communicating with the outsourcers.

Now to summarize what we have discussed in this session is that we have elucidated the difference between partnering approach and traditional approach for managing contracted relationship, the benefits and limitations of partnership relations. We have further illustrated the strategies to be followed for communicating with the outsourcer such as recognizing cultural differences choose the right words confirm your requirements and set deadlines. These are some of the reference books you must go through and enhance your knowledge further. Thank you very much for attending this lecture.