

DELTA CORPORATE SERVICES, INC.

# WHITE PAPER

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## PROJECT MANAGEMENT IN A MIXED TEAM ENVIRONMENT

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# White Paper

## PROJECT MANAGEMENT IN A MIXED TEAM ENVIRONMENT

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### INTRODUCTION

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Integrated project teams consisting of team members from the client organization as well as one or more consulting firms is a commonplace occurrence. Usually, the arrangement calls for the client to designate an employee as the overall manager and for each consulting organization to have a defined role. In cases where one firm sub-contracts some of its assigned tasks to one or more firms, the relationship is still fairly simple. Even in situations where one firm is the prime contractor, and provides a project manager, the relationship still tends to be a traditional model where the consulting project manager reports into the organization, and is clearly defined from the organization.

The changing landscape of the last few years has helped to give rise to a different situation, in which one firm plays the role of the client and is tasked with managing a team consisting of people from the client organization, as well as from their own and other consulting organizations. It is different from a quality assurance role, which is primarily passive in nature. It is a more active role in that the client is looking to the engaged firm and assigned individuals to take on the role of organizational management and essentially drive the solution using the resources needed from many sources.

This paper provides insights into how a consulting firm tasked with this role needs to define the engagement and work with the client to structure a team and environment that leads to a successful engagement for both the consulting firm as well as the client.

The first two sections of the paper discuss why the organizational management role will likely become more prevalent and about focusing on the basics. The subsequent sections will talk about:

- ▶ Establishing the ground rules with the client
- ▶ Establishing the teams and the project
- ▶ Day-to-day management
- ▶ Common issues

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**WHY THE ORGANIZATIONAL MANAGEMENT ROLE IS BECOMING MORE PREVALENT**

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**LEANER ORGANIZATIONS LACK THE SKILLS OR DO NOT WANT TO HIRE THEM**

The restructurings, mergers, and staff reductions that have occurred over the last several years have often left companies without individuals possessing the skills and experience needed to manage complex projects. Given the transitory nature of complex projects, companies may hesitate to hire people into these roles, since there will often be no real career path for them once the projects are completed. In this environment, organizations will often turn to a consulting organization with experience in managing large projects. This provides the company with the expertise it needs, while keeping it from making a long-term commitment that might not be beneficial to the company or the employee. The difference here is that the consulting project manager will have more autonomy and, in some cases, even authority than they would have in an environment where they are working within a more defined organizational structure.

**CLIENTS WANT CONSULTANTS WHO CAN BOTH DEFINE A STRATEGY AND DELIVER IT**

Clients are looking for consulting firms that can help define a strategy, as well as, help in delivering it. There is a clear increase in credibility when the same people who were able to work with senior management to construct and articulate a strategic plan are also prepared to take the pre-eminent role in developing and driving the ensuing tactical plans and projects that evolve from a strategy.

**PROJECTS NEED MORE SPECIALIZED SKILLS TO BE COMPLETED**

With all of the technologies available, implementations often require many specialized components in order to be completed. Specialized teams will play a defined role. Often, the client may be concerned about its ability to manage these specialists, and while wanting to maintain the overall relationships with these companies, they may feel unqualified to properly evaluate their performance.

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**THE BASICS DO NOT CHANGE**

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There are some specific challenges that come into play from managing a mixed project for a client, but it is important to remember that the basics of project management and application development do not change. Ultimately, the project manager needs to maintain firm control of the scope, schedule, and budget for the project, and work with all involved parties to make deliverables and systems available on time and within budget.

Later in this paper, we will discuss some of the specific issues that arise when you are responsible for a user's budget, or how to address issues when clients who may be reporting to you do not perform. But in general, the basics apply here just as much as they do in any other project management environment.

**ESTABLISHING GROUND RULES WITH THE CLIENT  
AT THE START OF THE ENGAGEMENT**

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As with any project assignment, it is important to set ground rules at the start of the project. This is the first time that one of the most important balancing acts of this role will come into play. You will likely be asked to take on many of the stewardship roles normally performed in the organization, yet, you are still a consultant, looking to try and leverage business for your company as much as possible.

There are three key areas that need to be addressed in establishing yourself in this role with the client. These areas are:

- ▶ Agreeing what parts of the project are available to your firm
- ▶ Determining the actual level of authority that you will be provided
- ▶ How the financial relationships with other organizations involved in the project will be managed

**AGREEING WHAT PARTS OF THE PROJECT ARE AVAILABLE TO YOUR FIRM**

You and your consulting firm were picked to play the role of the client manager because of your respective experiences in managing projects, people and functions. It is very likely that the client may have set a rule that the firm involved in managing the project may not be involved in any operational, technical or functional role. Or, they may leave the door open to your firm being involved in some of these areas, assuming that your firm is qualified to fill these roles.

If the client has set firm guidelines that you will only be involved in managing the project, it is fairly straightforward. But realistically, what will often happen is that holes will be identified, and you as both a conscientious consultant and also a loyal employee will see opportunities for your firm. The bedrock here is honesty. There is nothing wrong in proposing your own organization to perform certain tasks, but it is critical that you are honest about your firm's strengths and qualifications. You need to satisfy yourself that you would engage your own firm, and the people being proposed, even if they were from another company. If you cannot do that, you should not recommend your firm to do the work.

One firm rule should be that your company is not involved in any competitive bidding that may occur on the project. When there are areas going out to bid, it will be very difficult to convince other bidders that it is a fair game if your company is one of the bidders. It will also create a potentially compromising situation with the client, and should be avoided.

**DETERMINING THE ACTUAL LEVEL OF AUTHORITY THAT YOU WILL BE PROVIDED**

No matter how good a relation you have with the client, it is important to remember that you are still not an actual part of their organization. It is therefore important to determine up front just how far your authority boundaries go. Some of the areas that will need to be addressed include:

- ▶ Addition or removal of staff (whether from the client or a consulting firm)
- ▶ Approval of work products
- ▶ Involvement in the different procurement processes around the project

## PROJECT MANAGEMENT IN A MIXED TEAM ENVIRONMENT

- ▶ Review and approval of invoices from the different firms
- ▶ Budgetary responsibility
- ▶ Participation in any organizational meetings or groups while the project is going on

This job is a balancing act. On the one hand, you will likely be given a lot of latitude from your client to act on their behalf as if you were a fairly visible manager in their organization. Yet at the same time, you still need to remember that you are a ‘guest’, and that you need to be sensitive of both the realities and perceptions of stepping over lines while you are filling this role.

If you have a good and open relationship with your client, this can be a somewhat dynamic area. Your role and authority can change over time as appropriate. Also, remember that as time goes on, if your authority in some of these areas decreases, it is not necessarily bad. If the client has established enough strength to take over some of these roles, you may have played a key part in helping them grow organizational skills.

### HOW THE FINANCIAL RELATIONSHIPS WITH OTHER FIRMS WILL BE MANAGED

This role is not the situation where a firm bids on a project as prime contractor and is engaging sub-contractors. Because of that, it is best that the actual financial relationships are between the different firms being engaged and the client. While you will likely have a role in determining both the pricing and billing strategies to be used, it is best that the actual relationships exist between each firm and the client.

Once again, your role should be established up front with the client and communicated clearly to each firm. The client may want your input into approval of invoices for these firms (whether based on time or deliverable schedule), and once again, here is where the element of fairness crops up again. You need to be the honest broker. On the one hand, avoid the temptation to be the bad guy and to run these firms through wringers that you may have been run through in the past. By the same token, avoid the pitfall of being too understanding. If there are issues that may impact the payment to a firm, do not be too sympathetic. Agreements should be in place around payments and the rules need to be administered fairly.

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## ESTABLISHING THE TEAMS AND THE PROJECT

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To this point, we have discussed internal client issues. This section deals with the crucial area of identifying the other companies and groups to be involved, and establishing the project and team.

In this section, we will discuss:

- ▶ Creating an environment where all can succeed
- ▶ Establishing ground rules during the RFP Process
- ▶ The importance of compatibility
- ▶ Acting in the best interest of the client
- ▶ Developing a clear project organization model
- ▶ Participating in negotiations

## PROJECT MANAGEMENT IN A MIXED TEAM ENVIRONMENT

### CREATING AN ENVIRONMENT WHERE ALL CAN SUCCEED

One of the basics of any situation where more than one party is involved is that true success can only occur when every group involved can draw success from the endeavor. A project like this is no different. Do not tell people what they want to hear. For instance, the client may believe that the only way to do a project is as a fixed-price project. However, if it is clear that the organization is not prepared to deal with the disciplines involved in a fixed price project, then you are only fostering an environment that will lead to unhappiness on all sides if you do not persuade your client into a more achievable scenario.

You must craft a project that will benefit everyone involved. Avoid the temptation to either be too hard on other firms being engaged, or too easy on them. Understand what drivers exist in the environment that will either draw firms to your engagement, or might cause them to hesitate becoming involved. If it appears that the latter is the case, you need to work with the client to examine why this is the case, and then take the necessary steps to correct it.

### ESTABLISHING GROUND RULES DURING THE RFP PROCESS

Assuming that the reason you are being engaged is that the project is complicated enough to warrant an RFP; this is a critical part of the process. First, it gives you, as the project manager, an opportunity to determine the working relationship that will develop with the client. To the extent that you are or are not portrayed as a key player and essentially the voice of the client goes a long way in determining how effective you will be in managing people who do not directly work for you. Second, it helps to establish you in the eyes of the other firms. To the degree that you are quickly seen to be part of the client management team, and not just another vendor will help you especially at the start of the project when it is so critical to get the project underway.

Lastly, it is an opportunity to get a read on the proposing firms. If they do not appear to want to work with you in the RFP process, or if they 'back door' you in situations where you have been identified as the point person, then this is probably a good firm to stay away from.

### THE IMPORTANCE OF COMPATIBILITY

Do not underestimate this area. Be honest about yourself and the client. Pick firms that will fit the culture of the client and the project. Do not let your ego get in the way in either direction. Do not pick a major firm just so you can have the opportunity to manage a 'big' player if they are not the best choice. By the same token, do not pick a firm because you think that they are malleable.

Use the time during the meetings and conversations of this process to help pick firms that you believe will fit into the project. If you have discomfort, go with your instincts. There is probably validity to your concerns.

### ACTING IN THE BEST INTEREST OF THE CLIENT

Remember, you are there to achieve a successful outcome for your client. This should be more important than how this project fills out your resume, or provides a great qualification or reference for your firm. You must put the interest of the client first in picking firms. This is an area where you must be very honest about your own firm. If there are areas that your firm may fill on the project, you need to be very upfront about whether your firm is right for the job.

## PROJECT MANAGEMENT IN A MIXED TEAM ENVIRONMENT

Ultimately, one of the key success factors on these projects is your ability to establish and maintain credibility with the client. The client should always remember that you work for a company and you obviously have loyalties and responsibilities to them. At the same time, you must be prepared to say no to your company. There is a natural tendency for consulting firms to try and fill opportunities. But if there is a risk to your credibility and to the overall project team, then you need to push back on your own company.

### DEVELOPING A CLEAR PROJECT ORGANIZATION MODEL

Developing a clear project organization model will avoid problems right away. Everyone has to know where they sit in the project and who they will be working with and for. Let the bidding firms know that you have a key role and need to be seen as a part of management. At the same time, be prepared to be flexible. There will be times that one of the bidding firms may suggest a slightly different structure. Do not be afraid to adjust your plans if it makes sense.

### PARTICIPATING IN NEGOTIATIONS

Participating in negotiations is a key part of the role. The client will likely be depending on you in this area (you were brought in because the client lacks experience in these projects). Being part of this process helps you to quickly establish yourself. During this process, be mindful of overall winning situations and do not let pride or ego impede your judgment. Do not attempt to show the client how tough you are by trying to negotiate an agreement that is not advantageous to both sides. But also, you may have situations where some of these firms may have billing structures that are higher than your own (they are using specialists, or you may be at a lower rate because you are local, or on a long term retainer). Recommend to the client, or if you are part of the negotiations, help craft an agreement that will be fair to all parties.

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## DAY TO DAY MANAGEMENT

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Now that the preliminaries are out of the way, it is time to start the real work of managing the project on a day-to-day basis. As we said earlier, the basics still apply. You need to make sure that there is a solid plan, the client is in your corner, and that the schedule and scope are adhered to. This section will focus on a number of items that will be somewhat unique to this environment, and provide suggestions for addressing them. These will include:

- ▶ The team building process
- ▶ Serving two masters
- ▶ Keeping project issues from being organizational issues
- ▶ Sharing credit and exposure to the client
- ▶ Mutual learning opportunities
- ▶ Keeping perspective on the other firm's work

## PROJECT MANAGEMENT IN A MIXED TEAM ENVIRONMENT

### THE TEAM BUILDING PROCESS

Even with successful teams, it is always reasonable to expect the *'forming-storming-norming'* process to take place. Basically, when a team is formed, there is usually a short period of enforced politeness and feeling out. This is followed by a period of storming, when there are a number of conflict points (hopefully not too many or severe) as people understand their roles, leaders emerge, and the rules of the group become clear to everyone (whether they like it or not). Assuming that the team makes it through this stage (and some do not), the *'norming'* phase comes in. At this point the team is hopefully functioning in an effective manner. Since this is not a paper on team building, we will not delve any deeper into this area. The main point is that it is perfectly normal to expect this process to occur and it is your responsibility to guide the team through it fairly, with the goal of getting to the *'norming'* phase as quickly as possible.

### SERVING TWO MASTERS

There is a natural conflict in this role. While any good consultant is always watching out for the best interest of the client, they also work for a company whose stated goal is to increase its own billable opportunities. If you are being asked to assume a management-type role in the client organization, there may be situations where you will feel conflicted. For instance, there may be a situation where a team member from your company is no longer necessary to the project. If you are wearing your client hat, you might want to take this opportunity to preserve the project budget. As a member of your company, however, you may be tempted to extend the individual. Do not confuse this with situations where a team member is not performing as expected. In these cases, it is simple; the person needs to go (this is no different from any other assignment). In the gray area described above, you need to do what is right for the project and the client. If the person is really dispensable, they should be released from the project. Your organization needs to be business savvy enough to understand that for the long term benefit of this relationship you need to make decisions that are not exactly beneficial to your company in the short term.

The area of budget management is implied above. If you are asked to manage the budget, the client is putting extreme trust in your judgment and integrity. You need to take a fiduciary responsibility. You need to do as much to protect that budget as you would if it were your own company's budget. You should not hold a person or increasing the team because you know that the budget will support it.

At the same time, you must remember the interests of your own company. Along with your responsibility to protect the client's interests, you are still employed by your company. It is perfectly acceptable for you to attempt to increase or augment your company's role on the project or at the client site. While you should never compromise your integrity, it is perfectly appropriate for you to advance your company's ability to increase its presence. Avoid conflicts of interest, but do not hesitate to advance people from your company to be on the project team as long as the roles were agreed to as belonging to your firm and there is a definable need for these people to be on the project.

### KEEPING PROJECT ISSUES FROM BEING ORGANIZATIONAL ISSUES

Inevitably, issues arise on any project and these projects will be no different. Part of the *'forming-storming-norming'* process is attempting to depersonalize the issue, that is, deal with issues from a team and not an individual company perspective. While there will always be a natural tendency, on everyone's part, to protect their turf, the issue must be kept from being one company against another. It is not necessarily bad for it to be a conflict between two project teams (i.e. the development team

## PROJECT MANAGEMENT IN A MIXED TEAM ENVIRONMENT

and the functional design team). It is healthy for there to be some level of discourse among the different groups so that a stronger solution is hammered out. But, refer to teams by their functional name. If company ABC is filling the role of Application Development, and DEF is doing Business Change activities, use the team labels and not the company labels as much as possible. When the project team is meeting with members of the client organization, the client should see one project team, not a number of disparate organizations trying to work together.

### SHARING CREDIT AND EXPOSURE TO THE CLIENT

This paper has talked a lot about the need to create a seamless team. However, just as you want to advance your companies' interest, the other partnering firms will want to advance theirs. We are not talking about sub-contracting firms. The firms we are talking about have been engaged by the client and you are managing their activities on the client's behalf. You need to make sure that they are allowed to exercise their strategy also. Where they are clearly the experts, or have clearly been the group to provide a substantial win, they should be allowed to get their opportunity to be recognized by the client.

### KEEPING PERSPECTIVE ON THE OTHER FIRM'S WORK

A major reason why you have been engaged for this type of assignment is that you have a lot of experience in similar projects. What you need to avoid doing is skewing too far in either direction. On the one hand, given your knowledge and experiences, you might be tempted to be tougher on the other firms, since you are familiar with what they are doing, and might be able to determine situations where they are maybe struggling with an issue and do not necessarily want to surface it yet. Or, you might be more sympathetic to them, since you are aware of the issues and occasional problems they face in trying to get their work done. Once again, fairness and good judgment are the keys. Obviously, if people are not performing as expected, or are not acting in a manner beneficial to the project, they need to be dealt with. Keep your perspective. Your goal is to accomplish the project. Do not let how you may have been treated at a previous client or in a previous project affect your ability to deal fairly and rationally with the situations that you face in this project.

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## COMMON ISSUES

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In any project there are issues, both of a functional or technical nature around the solution, and also around team dynamics, or client relationships. This section will focus on just two areas that are more likely to arise because of the nature of the team being managed. These include:

- ▶ Turf and Culture
- ▶ Performance Problems

### TURF AND CULTURE

As much as you try to find compatible firms and develop a seamless organization it is inevitable that, in a common environment where you have any group of people coming together, you will have turf and culture issues. No matter what you do, you will never avoid them completely.

## PROJECT MANAGEMENT IN A MIXED TEAM ENVIRONMENT

Your job, when they happen, is to keep from letting it become a company vs. company or a consultant vs. the client situation. If you have laid out a clear model for the project, and have agreed as you should on any project on the ground rules up front then dealing with these issues should not become a project threatening event.

Culture is another area where issues may arise. For example, if one firm has a 7x24 mentality and another does not there is clearly room for frustration. If one or more firms have people traveling in for the project and other firms are local, they may have different views on work schedules; firms where people are traveling often try and compress their work weeks, while firms that are local will probably adhere to a more normal 5 day cycle.

To the degree that it is practical, these items should be addressed up front. None of them are insoluble, but they can all become sources of frustration. A key point here is flexibility. Everyone needs to give a little, and to do so understanding the interests of each party. Your key role here is to figure out when to be the mediator and when to be the rule giver.

### PERFORMANCE PROBLEMS

In any project or work situation, there will be performance issues. For project managers in a 'one to one' relationship with the client, performance problems either with a team member or with a member of the client staff are among the stickiest problems any consulting firm faces.

In cases where you are managing another firm's activities as well, the potential issues are obviously increased. However, this is probably more straightforward than a lot of other situations. The same basics that you would consider in a situation where you were only dealing with your team and the client apply. The one major point here is fairness. You cannot be seen to have two sets of rules, one for people from your organization and one for everyone else. Beyond that, the same rules of common sense that would be used should suffice to deal with situations that come up.

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### CONCLUSION

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There are no silver bullet answers, nor should you look upon these situations as being especially more complicated or less capable of being handled successfully than other management situations. The following four points summarize what leads to success in these areas:

1. **A defined and trusted relationship between the client organization and the company providing the project management** - As with any business relationship, the parameters of the relationship need to be in place. But just as important, you need to feel that you can act independently in the best interest of the client organization and know that you will be supported as if you were an internal member of the organization.
2. **Clear definitions of goals, objectives, and timelines** - The basics of project management still apply. Everything else becomes secondary and will not lead to success unless there is a clear mission understood and being followed by all of the groups involved.
3. **Understanding of the level of authority that the project management group has** - You need to understand how far you can go and how far you should go. As important as you and the client understanding these boundaries, so must the other firms involved. If you are being asked by the client to manage these resources, they must see that you have the support of the

## PROJECT MANAGEMENT IN A MIXED TEAM ENVIRONMENT

client. At the same time, you need to understand when to 'say when'. There will obviously be boundaries, but the presence of these boundaries does not prevent you from being successful.

4. **The project management group being seen as a fair arbiter in disputes** - When issues arise people should assume that you will deal with it based upon the interests of your organization. They need to trust that you will deal with it fairly and impartially. No one expects that you will forget your own corporate allegiance. To be successful in this environment however, you need to be seen as someone who does not allow these allegiance to unfairly tailor your decisions and actions.