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Unit 1

Projects

Learn business

Reading: Up, up and away
BIZ knowledge: Life cycle of the project
Listening & Speaking: 1 Project management
2 Schedule for a project

Do business

Career skills: Setting goals
Culture at work: Attitudes to risk
Dilemma & Decision: Test crisis

Mission to accomplish

Keynotes

A project is a complex series of tasks that have to be completed within a specific **time period** and with limited financial resources. Successfully **managing a project** involves **estimating** and **controlling** the resources, **budget** and **time schedule** for a positive outcome. Starting with the **specifications** of a project, **project managers** put together a **project plan** which will enable them to complete the work **on time** and **on budget**.

Learn business

Reading

Preview

1 What makes a project successful? Work with a partner and make a list.

1 a good team leader
2 good communication
3 _____
4 _____
5 _____
6 _____
...

2 A project can be a corporate task like preparing for an exhibition, developing a new product, launching a new marketing campaign, or moving offices. It can also be an individual task such as arranging a holiday or moving house. Think of a project you've ever run or been part of. Work in groups and share your review about it.

- What are the time, cost and quality objectives of it?
- How successful is it?
- What are the main problems and difficulties you encountered? How did you manage them?
- What lessons did you learn from it?

Tony Douglas is redefining how to run massive construction projects.

1 To the west of London is a vast building site. In the midst of a landscape of mud and men rises a vast glass-fronted box that will soon be Britain's largest free-standing building. This is Heathrow Airport's fifth terminal, destined to cater for 30m passengers a year. It will include not just a terminal but also connections to the transport network run by Transport for London.

2 Big construction projects are always tricky, but airports bring special problems: tricky building techniques, and the need to interface with other transport links and to install sophisticated electronics to handle passengers and baggage.

3 The man in charge of this logistical nightmare, Tony Douglas, came to British Airports Authority (BAA) via stints in the car and the commercial jet industries, and at Kenwood, a domestic appliance firm. For three years, he ran BAA's supply chain. He took over as project manager for T5 (as the project is known) after the last boss left suddenly. The risks attached to this huge project are so great that BAA has been forced to tackle it in novel ways. If this giant endeavour is not completed on time and budget, it could take the whole company down.

4 First, BAA is unusual in running the project itself. Mr Douglas insists that outsourcing to a big project management group such as Bechtel would cost more, not less. Second, as much as possible of the construction is taking place off-site. This reflects the site's physical constraints: It has only one entry point. And the site has capacity for no more than two days of storage. The solution, he says, has been some "car industry logistics" — a large investment in computing and training that no individual supplier would have made.

5 But the biggest novelty is the T5 Agreement. This is a contract with the project's main suppliers, which aims to minimise the conflicts

and cost-cutting that usually plague big building works.

6 Usually, contractors hold a beauty parade and take on the suppliers who bid lowest. The suppliers rely on glitches and delays to bump up the cost. Every time something goes wrong, legal haggling breaks out among suppliers and between them and the contractor, and work shuts down for weeks on end. With construction behind schedule, time runs short for the final installation and testing of the electronic systems.

7 Under the T5 Agreement, BAA carries the risk, putting a precautionary sum into a fund that will be shared out among all its suppliers if the project finishes on time and budget. The effect, says Mr Douglas, has been to change the whole pace and culture of the project, allowing teams of employees from different suppliers to work together.

8 As one example, he cites the elegant steel air traffic control tower. When the first two sections were engineered, they were out by 9mm. "Normally," says Mr Douglas, "the manufacturers would have blamed the structural engineers, who would have blamed the steel fabricator." At first, they did just that. Then Mr Douglas said, "Guys, this is my problem," and sent them off to find a collective solution.

9 Passing risk to suppliers chosen by beauty parade increases the risk of corner-cutting. As T5's suppliers are partners who will work on future projects, they have an incentive to do a good job. If something goes wrong later, there may be a debate about negligence, but not about which supplier is to blame.

10 T5's success will point to a spin-off business that can build other big projects safely and cheaply. ■

Glossary

free-standing *adj.* （建筑物等）独立的，非附属的
Heathrow Airport （伦敦）希斯罗机场
cater for 为……提供服务
Transport for London 伦敦交通局
interface *vi.* 相互联结
logistical *adj.* 安排协调方面的
British Airports Authority 英国机场管理局（现已更名为 Heathrow Airport Holdings Limited）
via *prep.* 凭借
stint *n.* （做某项工作或活动的）时期
tackle *vt.* 处理；对付
novel *adj.* 新颖的
endeavour *n.* 努力
plague *vt.* 使苦恼
beauty parade *n.* 竞标
glitch *n.* 小故障；差错
bump up 提高；增加
haggling *n.* 讨价还价
precautionary *adj.* 预防的；防范的
engineer *vt.* 建造
out *adj.* 错位的
fabricator *n.* 制造者
corner-cutting *n.* 偷工减料
incentive *n.* 刺激；动力
spin-off business 衍生业务

Managing a project

Up, up and away

The Economist

Comprehension

1 Read the text and answer the following question.

How has the T5 agreement facilitated the management of the T5 project?

2 Read the text again and find the information to complete the following lists (1-4).

1 principal problems related to building airports
- A _____
- B _____
- C _____

2 BAA's options for managing the project
- A _____
- B _____

3 specific constraints imposed by the nature of the construction site
- A _____
- B _____

4 major risks usually involved in managing a project like T5 (Para. 6)
- A _____
- B _____
- C _____

Vocabulary

1 Find the words and phrases in paragraphs 6 and 9 that are used to refer to the following problems.

Para. 6

_____ 1 a minor error
_____ 2 a situation where sth. is late
_____ 3 an argument over the price of sth.
_____ 4 stop
_____ 5 late
_____ 6 be not sufficient

Para. 9

_____ 7 not happen as planned
_____ 8 failure to take enough care over sth. that you are responsible for
_____ 9 a state of doing sth. less carefully than you should because you want to save time or money

2 The verb *take* is used several times in the text. Which collocations with *take* have the following meanings?

_____ 1 become responsible for a job after sb. else has stopped doing it (Para. 3)
_____ 2 make sth. fail (Para. 3)
_____ 3 occur (Para. 4)
_____ 4 employ, hire (Para. 6)

Speaking

1 What do you think are the advantages and disadvantages of the T5 Agreement?

2 Look at some of the headlines of news reports about the T5 project and put them in chronological order. What do you think the reports were about?

Planning enquiry clears T5 for takeoff

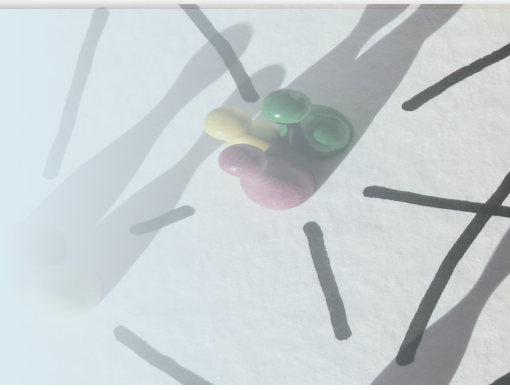
T5 COMPLETED ON SCHEDULE

Vacon wins T5 contract

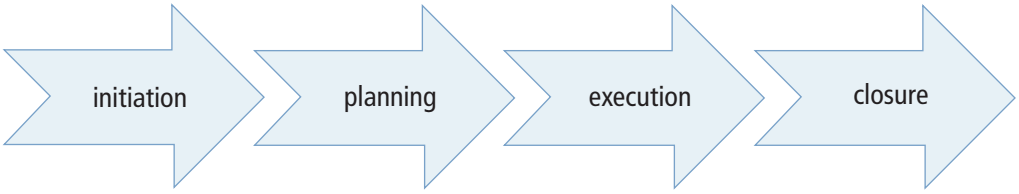
BAA publishes tenders for T5

T5 protesters occupy crane

Life cycle of the project



A project is a task or set of tasks undertaken with specific timescales and cost constraints in order to achieve a particular result. Each project has certain phases of development. Though projects vary enormously in size and complexity, a typical project usually has a life cycle of four phases: initiation, planning, execution, and closure, which represent the path a project takes from the beginning to the end.



Project initiation

This is the start of the project, and the goal of this phase is to define the project at a broad level. This phase usually starts with a business case which addresses a business problem or opportunity and recommends optional solutions. A feasibility study is then conducted to investigate whether the recommended solutions can meet the project objectives and analyse whether the project is feasible and whether it should be undertaken.

Once the project is justified and approved, you need to create a project charter or a project initiation document (PID) that outlines the objectives, structure, requirements etc of the project. Then you should appoint a project manager and set up the project team based on their experience and skills.

Project planning

This phase is where the project is broken down into manageable tasks in terms of time, cost, resources etc. It involves creating a number of plans to ensure that the project will stay on track.

- a project plan outlining the objectives, tasks, deliverables, stakeholders, roles and responsibilities, timeframes and implementation plans
- a resource plan that lists the labour, equipment and materials required
- a financial plan that identifies the labour, equipment and materials costs
- a quality plan which sets quality targets and specifies quality control methods
- a risk plan that identifies potential risks and suggests how to manage them
- an acceptance plan that specifies the criteria to be met to gain customer acceptance

- a communications plan which states how to keep stakeholders informed of project progress
- a procurement plan identifying what to be sourced from external suppliers

Project execution

During this phase the plans created during the project planning phase are implemented, controlled and monitored. Tasks to be completed during this phase include: mobolising the team members to carry out the tasks, allocating resources and monitoring the use of them, managing changes and risks, modifying the plans as needed, measuring the performance of the project activities in terms of cost, schedule and quality, reporting progress to stakeholders etc.

Project closure

During the final phase of the project life cycle, the project is completed and deliverables are transferred to the client. Other work to be done during this phase includes releasing remaining resources to other projects, reviewing the project and developing lessons learnt for future improvement, notifying the closure of the project to all stakeholders etc.

Projects usually follow a life cycle which has four phases:

initiation → planning → execution → closure

In which phase would each of the following tasks be included?

_____ 1 review the results
_____ 2 evaluate the risks
_____ 3 forecast costs
_____ 4 select the project team
_____ 5 deliver the project
_____ 6 update the schedule
_____ 7 prepare status reports
_____ 8 validate the project
_____ 9 allocate resources
_____10 prepare a project charter

Listening & Speaking

Listening 1 Project management

New words
fluid *adj.* 不固定的；可改变的
allocate *vt.* 配给
contingency *n.* 意外事件
specifications *n.* 详细计划书；规格说明

1 Listen to Helen Jenssen of MacroPlan talking about project management and decide whether the following statements are true (T) or false (F).

_____ 1 There are golden rules for all the project managers to follow.
_____ 2 Initiating and planning are more critical phases than executing and closing.
_____ 3 A project overview lays out the purpose and the strategy behind the project and helps determine whether the project is feasible and whether it will add value.
_____ 4 The most important factor in planning is setting the time schedule and selecting the project team.
_____ 5 To make the executing phase go smoothly, you have to think through the potential problems and develop contingency plans.

Listening 2 Schedule for a project

New words
kick off 开始
pilot *adj.* 试验性的

1 Listen to a talk about the schedule for the AS 90 project and fill in the scheduled time for each task.

Time	Task
during the first week of _____	discuss the needs analysis questionnaire
by _____	submit the software specifications and manpower requirements
at the end of _____	start the pilot programme
in _____	train hotel staff
by _____	hand over the complete project

2 Think of a project you worked on or are currently involved in. Prepare a short report and give it to the class.

You can prepare the report by considering the following questions.

- What are the objectives of the project?
- What is the schedule for the project?
- What measures did you take / are you taking to ensure the smooth progress of the project?
- What problems did you encounter? How did you solve them?

Do business

Career skills Setting goals

One of the contributors to managing a project successfully is to set clear goals for everyone who is involved so that they know exactly what they have to achieve and by what time. Look at some of the phrases and sentences that can be used when setting goals.

A What's the schedule for this?
B How much are you budgeting for ... ?
C I think we should aim to ...
D What will you need in the way of resources?
E So what exactly would be involved?
F When do I have to get this in by?
G Is that feasible?
H Does that sound reasonable / doable?

1 Listen to two dialogues between a project manager and members of her team. Does she respect the following advice in each dialogue?

When you set goals you should always make sure that they are realistic, precise and timed.

New words
specifics *n.* 详情; 细节
provisional *adj.* 临时的; 暂时性的

2 Listen again and complete the following statements.

Dialogue 1

1 Sylvia is to take on the _____ of a project of the company.
2 The company is planning to create a new range of _____ for women in the Asian and Arab World markets.
3 Her task is to conduct some _____ to find out what sorts of products they need to design and prepare _____.
4 She insists that it'll take at least _____ to finish the work rather than _____ weeks.

Dialogue 2

1 Alex is happy to do the _____.
2 Once the _____ for a full range of beauty products are drawn up, he will have everything ready for production in _____ months.
3 He will get a provisional budget which will cover the _____ and _____ of a full range of samples. And he needs to report the full details of _____.

3 Listen again and underline the phrases and sentences in Career skills box that the speakers use.

4 Work in pairs. Take turns to play the roles of senior manager and project leader. Set goals (time, resources and budget) together for each of the projects below.

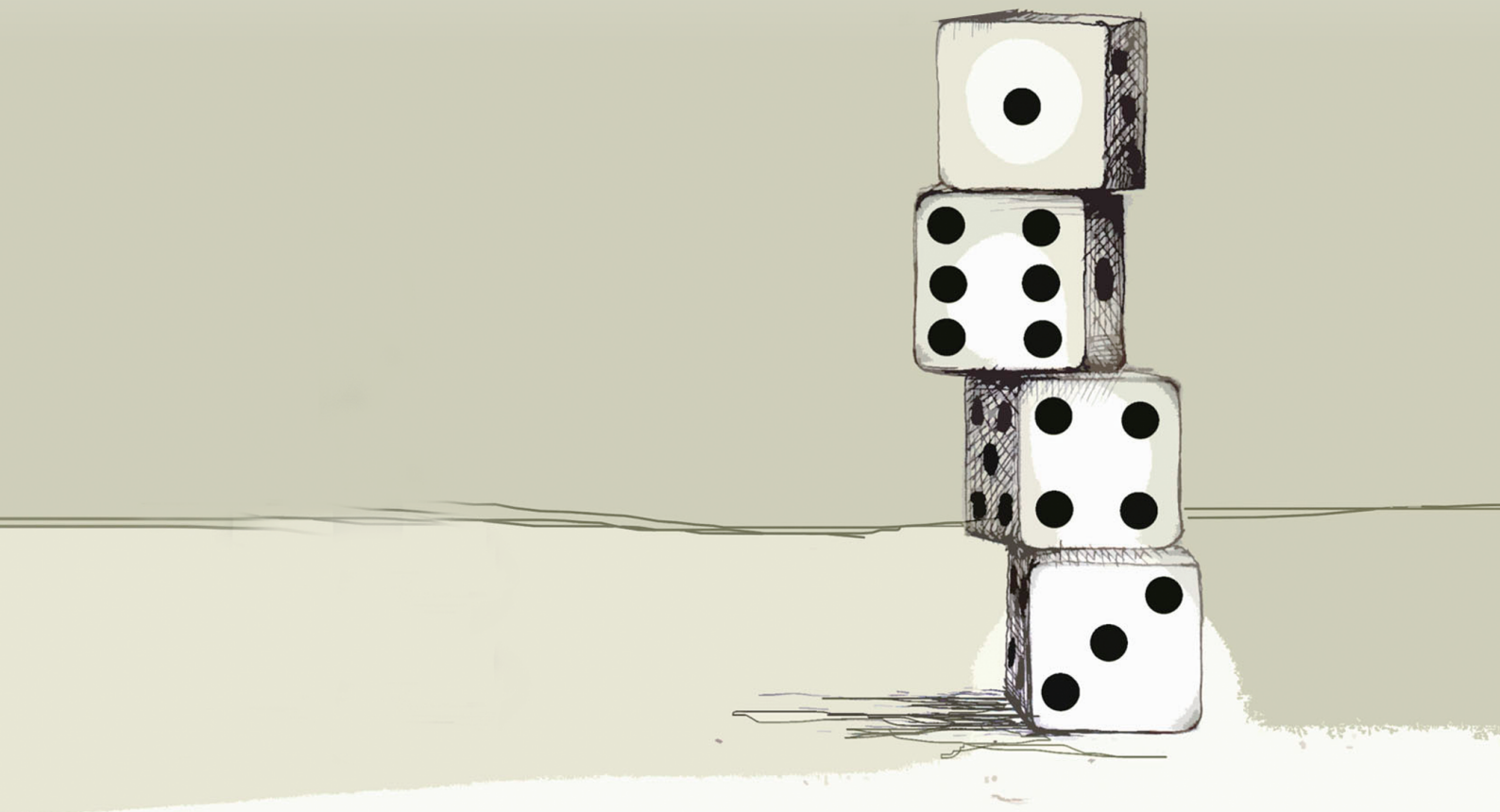
The senior manager has asked the project leader to:
1 take responsibility for transferring the company's headquarters to a new location
2 prepare a one-week training course for senior executives
3 create a new company website

Culture at work Attitudes to risk

Different people approach problem-solving in different ways, according to their attitude to risk. In cultures with high uncertainty avoidance, people prefer to avoid risk. In cultures with low uncertainty avoidance, people are more likely to take risks.

High uncertainty avoidance	Low uncertainty avoidance
People prefer to avoid risk, and so will have detailed plans in place, in case things go wrong.	People are more likely to react to circumstances than plan in advance.
People may feel threatened by uncertain or unknown situations and they avoid circumstances which could cause uncertainty.	Unknown situations and changes do not usually cause stress or anxiety.
Rules, regulations and controls are introduced to reduce the amount of uncertainty.	Rules, regulations and controls are avoided and kept to a minimum: Flexibility is preferred.

What is the attitude to risk in your culture?



Dilemma & Decision

Dilemma: Test crisis

Brief

Infineon is an international semiconductor manufacturer which manufactures semiconductor chips at its five plants in Europe and Asia. Each Infineon plant traces incoming orders and then plans its production. All the chips are then tested internally at each site before delivery.

At the monthly production meeting at the plant in France, managers are worried. It looks as if they have identified a serious problem that could impact on deliveries. Production levels will have to be increased during the coming months to deal with an increase in orders, but that is not where the problem lies. It is with the testing equipment. The production planning and supply chain managers and quality controllers can see quite clearly that they will not have the capacity to test the increased production with their existing machines. They have six months before the situation becomes critical. By that time they must find and implement an effective solution.

An emergency meeting has been called to decide what action to take and to set up a project group to deal with the implementation. The four managers who will be attending the meeting are each going to propose a solution and they will then decide together on which solution should be adopted. They will then set up a project team and implement the solution.

Task 1

Work in groups of four. Student A turns to page 117. Student B turns to page 120. Student C turns to page 122. Student D turns to page 119. Prepare the arguments that you will use in favour of your solution.

Task 2

Take turns to present your solution. Then, as a group, agree on the course of action that you would choose and appoint a project manager to implement the solution.

Task 3

Present the solution to another group. Did they choose the same solution?

Write it up

Turn to pages 131-133 for writing guide.

Write the minutes of your meeting to circulate to senior management.

Decision:

Listen to Oliver Heller explaining how Infineon approached the problem.