

Optimization of Global Project Management and the Required Tools¹

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Abstract

The classic approaches and methods of project management being used so far in most industrial applications were developed in the Western world. Thought and behavior patterns were shaped by uniform Western characteristics. The nature of these schools is homogenous. Contrary to that Global Project Management (GPM) is shaped by diversity. However the conflicts in practice revealed the inadequacy of classic theories. The research of GPM is in progress. This paper contributes to the topic of optimizing the existing PM-approaches to meet the requirements of GPM. The real case study shows how to apply the newly introduced tools to projects abroad.

Key words

Cultural Management, Intercultural Relationship, Global Project Management, Globalization, Project Execution, GPM-Toolbox

1. Introduction

For a longtime global business environment and its daily routine requires the cooperation of people from two or more different cultural environments. One feature of global project management is its diversity – a cooperation of experts from various countries, who contribute different values, ideologies and opinions to the process. Therefore a multinational team and its group dynamics determine the result, a very effective force to increase the aggregate productivity.

¹ Paper published in the Proceedings of the IPMA Expert Seminar 2014 in Zurich Switzerland (2014)

1.1 Characteristics of Actual PM-Schools

So far the approaches and methods applied in project management (PM) are designed for Western corporate management. The key elements of the classic schools are shaped by its uniform characteristics of Western thought and behavior patterns.

Industrialization in Europe started in the 18th century with the focus on optimal usage of materials to achieve maximal output. In the mid-20th century human resources gradually gained more attention. This newly developed cultural awareness together with the general globalization created a new trend, see graphic 1.



Graphic 1: the three steps of industrial development

On the other hand industrialization in Asia and South America didn't start until the mid-20th century following the previous steps of Western countries. In the 21st century Asian and South American nations not only became world factories but at the same time turned into important global sales markets. However, the entrepreneurs of these regions focus their main attention on profit, the core of classic capitalism. Human resources and cultural components are considered minor factors to be exploited relentlessly once they serve the purpose of profit maximization.

Furthermore although PM-standards like ICB, PMBOK, Agile and PRINCE2 are introduced into local industries, there are subtle differences from country to country when it comes to implementation. The implementation techniques are often adjusted to country-specific business practices, which presents Western project managers with a challenge. Different concepts of time and work habits result in additional tension between business partners.

Which is the best approach when different industrial cultures meet?

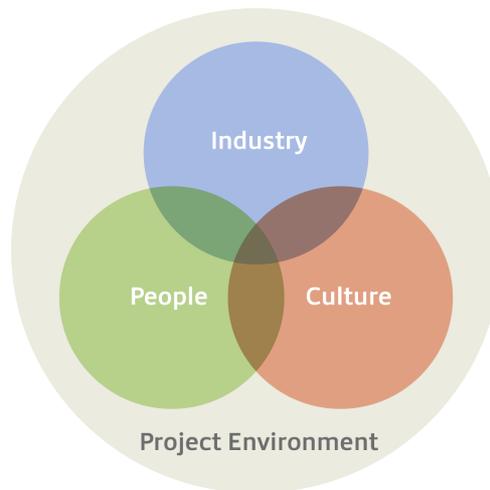
How is it possible to achieve and maintain an effective cooperation in the “global village”?

The classic PM-approaches set the priority on national project management. This by itself is not sufficient to meet GPM-requirements. International project execution e.g. between European and Asian countries is prone to a number of conflicts mainly caused by cultural, personal and environmental factors (Wilhelm 2004, Dülfer 2011). Binder, Gardiner and Ritchie (2010) examined the key success factors of PM-standards for international projects and determined the percentage of the perspective fields of PMBoK responsible for a successful project outcome: communication (43%), risks (38%) and staff (26%). In the ICB the key elements of success are the PM-Behavioural Competences such as leadership, engagement and motivation, creativity, negotiation, conflict and crisis.

Taking into consideration cultural factors and maximizing the management and communicative skills in GMP results in an improvement of productivity. Cultural differences must be bridged and managed efficiently according to Köster, 2010. It is therefore important to include the topic of cultural risks as part of the risk management of projects abroad. (Li Shuying, 2009). Tools to close cultural gaps are required („*Cultural gap tools*“, Ranf 2010).

2. Concept: Professional, Intellectual and Cultural Handling of Global Projects as Conflict-free as Possible

This study takes into account the entire cultural environment of all parties involved in a project. An innovative GPM-approach has to take three influencing factors equally into consideration: “industry”, “people” and “culture” (see graphic 2). The concept assumes that in GPM a harmonious cooperation with a simultaneous integration of different professional, intellectual and cultural factors is definitely possible. The objectives are a successful project outcome, an increase of productivity, a controllable time frame and budget as well as a satisfied and balanced project team.



Graphic 2: the three influencing factors of global project management

Cultural Know-How

Cultural knowledge includes the values, attitudes and preferred behavior patterns of a nation. Persons are basically a product of their cultural environment. Thinking and behavior patterns reflect directly the cultural background. Persons with this specific cultural knowledge have already a head start and are also able to apply the correct communication technique. Cultural know-how is an additional tool to increase the efficiency of global business transactions.

Integration of the Systemic Approach

The world of global business transactions is similar to an unfamiliar playing field. Someone who instantly and single-mindedly plunges into work without taking the time to familiarize with the “unfamiliarity” stumbles about like a blind man on unknown grounds. It is necessary to keep a general view of the entire project environment at home as well as abroad. It ensures a holistic project management and a lasting effect of all project results.

How is it possible to cope with the complexity of a foreign (business) culture in the very short time frame of professional project work? A timesaving method is to establish an emotional connection between one’s own and the foreign culture. A systemic approach in

global business management offers an interface. In the global business world partners are often far apart, geographically as well as emotionally. This is the source of many conflicts which are avoidable.

Cultural differences cannot be minimized in the short time available but it is definitely possible to establish some sort of interpersonal closeness. The systemic approach regards the working place as a social system. A global project expands the social environment of everybody involved from a closed to an open system. By establishing a certain interpersonal relationship the working environment of the partner abroad comes closer to home and specific foreign work dynamics will be easier to understand.

3. Optimization of the Executive Process and Expansion of the GPM-Toolbox

3.1. Culture as an Addition to GPM-Expertise

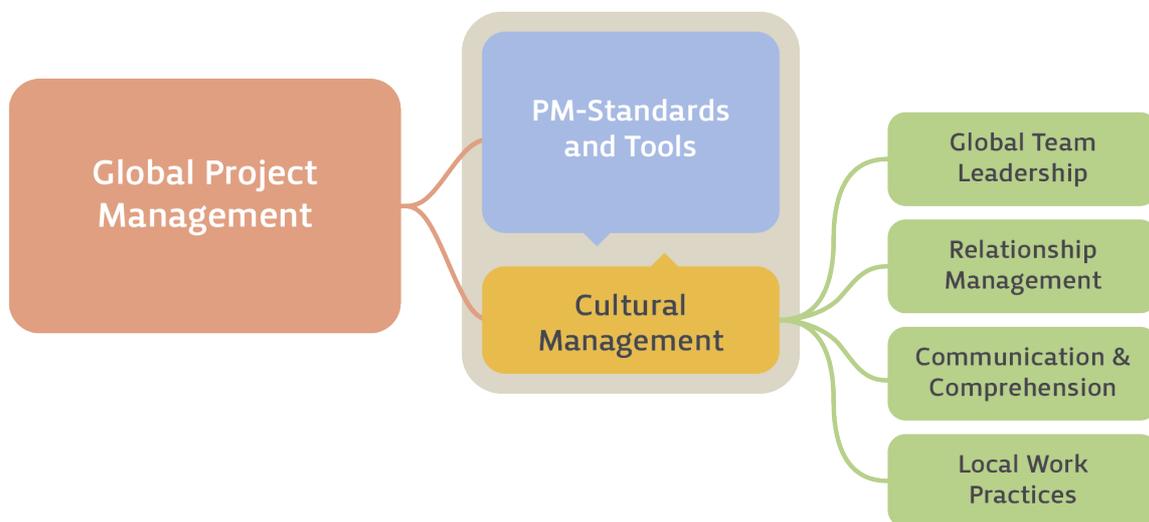
Right from the start of project planning it is important to take into consideration all business cultures involved to achieve the desired objective. A well developed strategy on the executive and operative level serves as a guideline for the project members concerning all further actions (Schmidt/Preuschoff, 2006). It also ensures a greater mobility. The set-up of a suitable GPM-toolbox will optimize the project execution. Hence the existing GPM-toolbox has to be expanded by adding the field of cultural knowledge. The integration of culture into the GPM-toolbox and the practical implementation is shown below.

In GPM it is of utmost importance to understand and control the dynamics of daily business routine. This skill requires the integration of cultural management into all project processes and subject areas. The existing methods for projects abroad have to be redesigned accordingly. Cultural management as shown above can be integrated into each PM-toolbox regardless of PM-standards. Each field of knowledge of the PMBoK and each competence area of the ICB might have a cultural context. Cultural management serves as an active interface to provide all knowledge and competence areas with a holistic and systemic

support. Preventable cultural conflicts can be minimized and the executive process facilitated.

Cultural management covers four areas of responsibility (graphic 3):

- Global team leadership
- Relationship management
- Communication & comprehension
- Local work practices

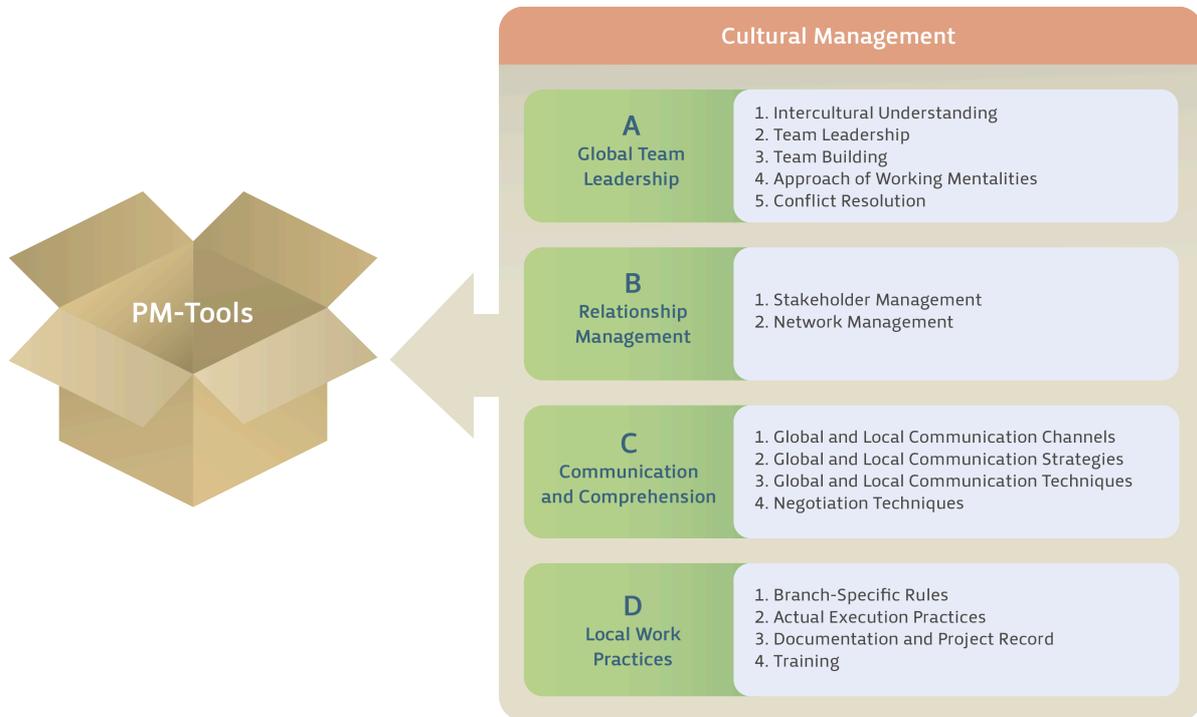


Graphic 3: Cultural management of global projects

3.2. Cultural Management and its Tools

In practice there are no standardised recipes of application in cultural management. The differences between specific cultures have always to be taken into consideration. The “soft skills” listed in graphic 4 show ways and possibilities how to manage cultural factors. Suitable methods and tools are applied according to the context of each situation and the makeup of the groups involved. One has to keep an eye on ongoing occurrences and the dynamics of the entire environment at all times. A successful project manager keeps things firmly in hand

and never loses track of any events. Those who master cultural management well, ensure a successful project outcome and an expansion of the resources abroad.



Graphic 4: Toolbox of cultural management

(A) Global Team Leadership

1. Intercultural Understanding

Intercultural qualification has to be part of global management to manage projects abroad successfully. It goes with the knowledge of certain cultural thought and behaviour patterns. Each everyday culture has its specific routines, patterns and rules. There is indeed a reason for the German “culture of constructive debate” and for the special need of Asians to establish a conflict-free work environment. Better cultural understanding helps identify specific problems based on cultural differences and avoid misunderstandings. This qualification can be attained by working experience and training classes.

2. Team Leadership

“Intercultural Management” often applies the models of cultural dimensions by Hofstede and Trompenaars, which is indeed a useful basic orientation for the cultural differences of countries. Based on these models Binder (2007) developed the empiric application possibilities in global project management. However when applying Hofstede’s cultural model one has to consider that the cultural comparisons presented date back to the 70s and are therefore outdated. The world undergoes a continuous change and cultures are influenced by the current zeitgeist. People today are different from several decades ago due to more freedom, visits abroad and the presence of the Internet. A “black and white” mindset and a strict separation of e.g. universalism and pluralism are outdated.

Skillful Handling of Hierarchy and Liberalism

Global human resource management requires knowledge of the hierarchic structure in each country. It is irrelevant whether one deals with flat or strict hierarchies. Fact is that hierarchies always have a wide influence on the behavior and expectations of employees and on the way of dealing with others. Liberal project managers may of course apply the Western leadership style but they should also be able to assert their authority as a boss if need be. It is important to have a flexible and open mindset combined with the selective leadership of employees.

Different Socio-Cultural Expectations on the Leading Role

In some societies such as Germany all team members are equal. They expect that the team leader coordinates the project. In other societies such as China the team leader is also the highest-ranking personality. The team members expect that he leads the team. Both expectations are fundamentally different. A capable project management should be aware of the expectations connected to the respective social role and be able to act accordingly.

Exchange of Values

Prejudices caused by misunderstandings and misinterpretations develop frequently during an international cooperation process. It happens a lot that in case of a conflict the partner's behavior is secretly judged morally and not only objectively. Results of a survey surprised Chinese and Germans equally by stating that both cultures have similar values and that „the other people“ are equally „moral“. A functioning project team needs ethically oriented guidelines acknowledged by all parties involved. In GPM this is of utmost importance because moral values in connection with interpersonal relationships between all parties involved create binding agreements and commitments.

3. Team Building

Team spirit

It's not easy to bind group members together and form a team – not even if the members have the same nationality. The first step is to create a team spirit to reduce the mutual unfamiliarity.

For other cultures the following might be of minor importance but especially Asians need to feel a certain emotional closeness to be able to perceive a group of persons as their own team.

In the Far East the method applied is getting to know each other. The best way to achieve this goal is to organize an icebreaker session right at the beginning of the initial phase so that all group members can share some personal information. Such icebreaker sessions should take place during the entire duration of the project. Showing an interest in the other person has a mutual effect and at the same time initiates a feeling of solidarity.

Trust and Familiarity

Good cooperation is based on mutual trust but building up trust takes a lot of time which is not available during a project. Hence it is of utmost importance to create a certain familiarity between all team members to bridge the lack of time and to ensure a good cooperation. This includes certain knowledge of the work methods and work rhythm of others. Familiarity is

the basis of appropriate judgments of the partners and results in a more harmonious cooperation.

A variety of methods can be used: a part from small talk and brainstorming one could go for a drink or dinner after work as well as outings or sporting activities to name just a few.

Motivation

All people no matter where they come from wish for money, success and future prospects. But there are quite a lot of other experiences which might grant satisfaction such as being the member of a good team, a fair leadership, or to create and learn something new to name just a few. Such personal wishes and expectations are often revealed during an informal chat.

4. Approach of Working Mentalities

Production and work processes worldwide are standardized although different countries have different work environments and work practices. In addition there are diverse ideas about working conditions, deadlines, quality standards and others. One should pay particular attention to the different priority grading of other nations. Which of the three golden criteria “cost, time and scope” is prioritized if a project doesn’t go according to plan? Is it the strict adherence to a deadline without regard to quality? Is it rather a compromise where all criteria are applied evenly? It is therefore imperative that the project management informs all team members and business partners about the required priority.

5. Conflict Resolution

The reason of conflicts during project work has three aspects which all have to be considered: the factual, cultural or personal aspect. A conflict is not necessarily always connected to a cultural background. The reason might simply lie in the personality of somebody concerned. It might be a purely professional reason and one could deal with it factually.

(B) Relationship Management

1. Stakeholder Management

Sometimes it is difficult to identify all stakeholders. In Asia for example some powerful personalities prefer to hide behind a front man but backstage they pull all the strings. Sometimes even “small” stakeholders are able to block projects. When is money and profit involved? At what point do interpersonal relationships come into play? This type of background knowledge makes it easier for a project manager to deal efficiently with the relevant persons at the right time. In addition to a list of stakeholders the organization charts of the companies involved are useful. One should not only pay attention to the persons within an organization charts but also to those positioned outside. Taking the time to draw up a graphic display of all the different personalities involved might shed light on power relations and other mutual important relationships in the project environment.

2. Network Management

Interpersonal relationships in Asia are admittedly much more complicated than in Western countries. Apart from the stakeholder management one should basically pay close attention to people and things which don't seem to be linked to the project. As mentioned above the project manager finds himself on an unknown playing ground. Until he is familiar with the local rules he should pay increased attention to the entire environment. In this way he might identify and prevent possible danger.

The broadening of one's mind can be achieved by the maintenance of a cross-cutting departmental and corporate social network. All gained contacts can be treated as resources one can resort to if necessary.

It's easy to cross the line between a constructive network and corrupt nepotism. However there are differences. It would be counterproductive or even destructive to throw both types of networking into the same pot or yet reject networking completely. One should try the positive approach by managing and controlling all contacts actively and purposely to safeguard against danger. In some countries “small” kickbacks are expected. They ensure

that the business doesn't fail due to minor or unexplainable obstacles. The search for alternatives is only possible when one has gained a better overview. However there is one thing one should always keep in mind: although corruption in some countries is a fact it doesn't mean that the citizens of this country approve of it. Hence one has to proceed with a lot of caution and tact.

(C) Communication and Comprehension

Communication is more than just the exchange of information and doesn't mean necessarily that there is comprehension. The listener and not the speaker determine the meaning of a statement according to von Foerster, 1997. How certain can one be that own words and gestures are interpreted exactly the same way as one intended them to be understood in a different culture? Is it possible that they are understood in a completely different way? The risk of loss of communication exists right there. Persons of the same cultural background often talk past each other. The probability that this happens with foreign partners is much higher.

According to Tomaschek, 2009, the communication process is not based on definiteness but on diversity. He holds the opinion that we can never be sure which significance other persons attribute to each stimulus. Communication patterns differ more or less from culture to culture. Competence in intercultural communication is therefore an indispensable part of intercultural qualification.

1. Global and Local Communication Channels

Middle- and North Europeans usually talk about business at official occasions such as meetings. Asian and Middle Eastern countries on the other hand deliberately create opportunities to communicate unofficially outside of the work environment. These external feedback channels are of great significance because all partners have the possibility to converse informally and come to an agreement upfront. Location and time for a consensus in the West and the East are completely different. Unlike Europeans Asians start the process of consensus-building much earlier, even before the start of a project.

2. Global and Local Communication Strategies

As soon as the list of stakeholders is complete and all interpersonal communication channels have been identified the time has come to develop appropriate communication strategies on a global and local level. Basically it means to determine the best time when to talk to certain people about specific topics. In Asia for example it is important to choose an ideal time because it conveys a message about the extent or lack of appreciation towards the other person.

It is quite helpful to have an emergency plan ready which could facilitate communication with the help of own networks just in case all normal communication techniques fail.

3. Global and Local Communication Techniques

A sensitive handling of different cultural communication patterns facilitates the stakeholder management. One should distinguish between communication with low context (direct and open) or with high context (indirect with many hidden messages). Four official communication levels (Bolten, 1997) are the appropriate tools to receive verbal and non-verbal messages. The four levels consist of verbal, non-verbal (body language and facial expression), paraverbal (rhetoric) and extra-verbal communication (entire behaviour, appearance and environment etc.). Every culture has its preferred level of communication. The Germans like direct and open communication. The French have their so called “salon culture”. Asians like to use the indirect and extra-verbal communication to convey a message with the help of a specific location or gesture.

A good example is the seating plan in a restaurant in China. The host shows his respect to the highest ranking guest by assigning him the best seat at the table. In that case the guest needs the specific cultural knowledge to interpret the seating arrangement correctly.

4. Negotiation Techniques

Negotiation techniques concerning a project differ as well in the West and in the East. While Europeans deal exclusively with factual aspects of a matter, Asians take a lot of care to preserve a harmonious working climate. Therefore a “no” in the Asian culture is never directly verbalized but paraphrased. People of Western cultures might think that, as long as the word “no” is not openly verbalized there is still hope for further negotiations. So they press on. Both parties don’t want to prolong the discussion unnecessarily. The Western partner puts even more pressure on the Asian partner. The Asian partner might give the impression to comply but nevertheless the negotiations get nowhere. Tensions frequently develop exactly at this point.

(D) Local Work Practices

1. Branche-Specific Rules

The project management should gather information as early as possible about the branch-specific rules of business negotiations on the country where the project takes place. They should be kept in mind when planning the project. Unforeseeable risks could be minimized or taken into consideration even from the start. This specific type of knowledge can be obtained e.g. by personal experience which could be a long and painful process. A more effective way is the communication with local business partners and independent consultants.

2. Actual Execution Practices

From experience country-specific work methods and habits have a vast influence on any project result. German and Swiss engineers for example are used to a holistic approach and work according to a plan. The Chinese and East Indians on the other hand prefer the completion in phases. Chinese and East Indians are accustomed to react fast in the event of unforeseen situations. European colleagues however need more time to do so. Also at this point conflicts could ensue.

3. Documentation and Project Record

Different countries attribute different degrees of importance to documentation and project records. While for the Germans and the Swiss correct record keeping is of utmost importance the Chinese and Taiwanese have a tendency to be neglectful of this business aspect. An appropriate method and additional motivation techniques are needed to enforce a consistent documentation and diligent filing.

4. Training

The main focus of a training course is often the passing on of techniques and processes. Work habits and mentality are frequently disregarded. This approach doesn't have a lasting effect. If need be the Chinese are capable to work very fast to produce results. In that case however they often neglect the quality of work. It can also happen that they are too fastidious when it comes to quality control. Products which differ only minimally from the required quality standards are then rigorously discarded. On the other hand employees who think for themselves might just put in some extra work to improve the rejects and in that way lower the production costs. Foreign employees who must internalize other quality and work requirements have to be convinced mentally. Otherwise there is always the risk of a relapse into traditional methods.

Taking into consideration China-specific learning methods one could for instance use the "master-apprentice" approach. A training plan shouldn't focus solely on the problem how to overcome the passive attitude of Chinese participants during a training session. One can also make constructive use of the relationship between coach and participants which is similar to a "father-son" relationship.

4. Examples of Application – an Empirical Report

In this section the authors present authentic conflict cases which took place in China/Taiwan and Europe. They analyze each specific situation and its background. Last but not least they

make suggestions of possible actions and reactions according to the tools of cultural management. The ultimate objective is the improvement of cross-cultural cooperation in a true working environment.

Case study 1

Background:

Since more than 30 years Taiwan's IT industry plays an important role in the global supply chain mainly as OEM and components sub-supplier. Due to the vast experience in product management and in dealing with Westerners the Taiwanese are acknowledged by their Western partners as reliable business partners. But for all that there are still some inconsistencies in the cooperation. Communication during the after-project review meeting could get awkward especially if topics such as schedule delays and project results have to be addressed.

To perfect further and lasting implementation however it is necessary to analyse the production process, determine the flaws and work out suitable solutions. The meeting often starts professionally and some problems are highlighted. But the more both parties try to explain their own point of view, the more communication could turn into an argument. Review meetings frequently end with mutual recriminations.

What to do to avoid this situation and to ensure a constructive discussion?

Conflict Analysis:

1. The method to list all critical points and to discuss each separately could prove counterproductive due to cultural differences. The participants might unintentionally get caught up in a discussion about every little detail at great length which alienates both sides. When all topics are treated as if they were equally important, very soon everybody starts arguing in a circle and in the end there is no progress.

2. In case the project result turns out to be less satisfactory than expected it might help to take a closer look at the execution process. It is important to understand the decision-making of Asian project managers. The business environment in Asia isn't always as structured as in Central Europe and the States. An Asian project manager frequently has to deal with emergency situations e.g. delayed delivery of material, failure of test samples due to malfunctioning or quality issues, insufficiently prepared logistic procedures etc. On the other hand the customer puts pressure on the management to meet a preset schedule. The project manager is caught in the middle and has to prioritize. When meeting the schedule is a top priority he might for example rush the colleagues in the production. The colleagues in turn will probably overlook some details they consider less important. They might e.g. use materials from another source which is not part of the sub-supplier list without informing the customer.

3. Under time pressure some project managers simply tend to use their previously gained experiences without consulting the European customer first. These experiences might have worked e.g. for American clients. However if Europeans don't agree with these methods the ensuing discussions could be rather troublesome.

There exist of course a vast variety of different situations but for our practical purposes those mentioned above serve the purpose.

Solution:

The objective of this case study is the improvement of communication between the partners to achieve a constructive and successful project result. The following methods from the toolbox of cultural management could be applied:

1) Approximation of Work Mentalities (A4)

Take the following important factors as a basic orientation how to manage a project successfully. It is best to outline the priorities at the beginning of any cooperation with the emphasis on strategies of problem handling.

1. Target schedule & timing of mass production
2. Cost & expense
3. Performance & quality
4. Logistics & other supporting factors

Keep the communication channels open during the entire process and encourage the partner to contact you at any time with arising questions. Responsiveness on your part will be much appreciated.

2) Team leadership (A2)

Get to know your partner and observe his working methods. Make sure to explain your expectations in detail, also repeatedly if necessary. A consensus eliminates possible delays upfront and ensures project quality.

3) Negotiation techniques (C4)

Asians are accustomed to explain what happened. Europeans on the other hand are used to focus on the result and how to achieve it. Hence leave space for explanations but also make sure that you stick to the main subjects (improvement and priorities).

4) Stakeholder-Management (B1)

Always make sure to keep up a positive atmosphere during discussions. Even in the event of an argument you should by all means be able to go out and have a beer together after the meeting.

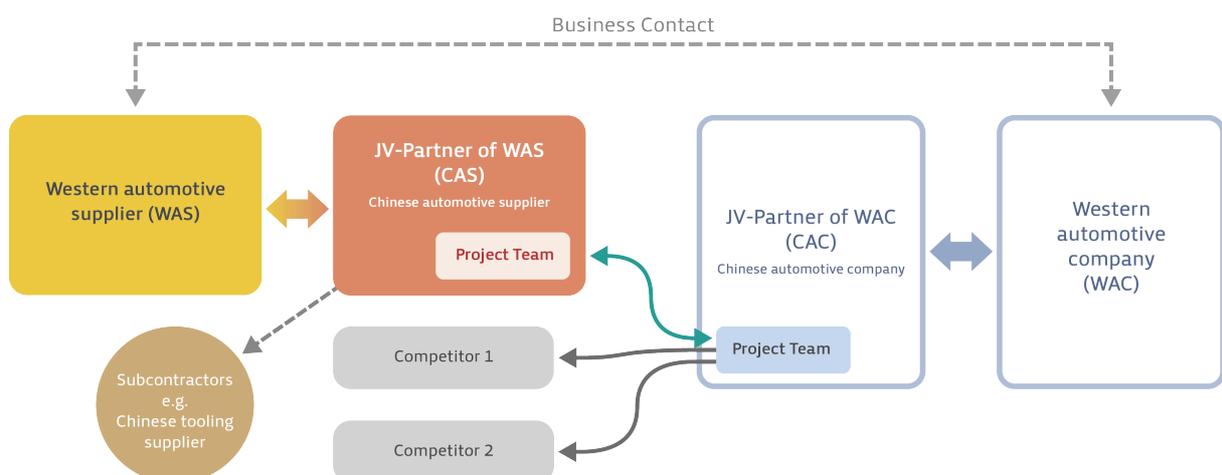
<Case study 2>

Background:

The automotive industry in China has been the largest in the world since 2009. Not only its huge domestic market but also its cheap production facilities in the global market attract investors around the world. Currently almost every major American, Asian and European automotive manufacturer as well as parts suppliers cooperate with Chinese businesses and run Joint Venture (JV) companies. Intercultural cooperation however doesn't always work so well. Quite often it is affected by conflicts and mutual dissatisfaction. Case study 2 deals with the situation that a Western automotive supplier harshly criticizes its JV-partner who allegedly didn't take the preset project schedule seriously and covered up information about the delay.

Conflict Analysis:

The Chinese automotive industry built up a unique and complex business model. There are dozens of reasons which could have led to the "project delay". Let's pinpoint a few scenarios. For a better understanding it helps to comprehend the real work practices in China. Graphic 5 outlines the general business relationships inside a supplier chain in the automotive industry.



Graphic 5: Supplier Chain in the Automotive Industry

1. According to local laws in JV-partnerships in China the Chinese JV-Partner (CAS) holds more business shares and is usually responsible for the customer acquisition, the foreign partner (WAS) assists with the technical and production know-how. When bidding for a project the Chinese deploy a team which consists mainly of Chinese engineers and salesmen with usually one functional representative of WAS as the contact person for the Western partner. This business model generates a disadvantageous situation as the WAS is heavily dependent on the CAS providing any information about the business development.

2. In addition the complex system of branch-specific rules and execution practices complicate the situation. Chinese automotive companies (CAC) are powerful entities and take advantage of project assignments. Normally they need a lot of time to process internal communication and to survey the bidders. At the same time they will ask the supplier to stick precisely to the original schedule set by their partner, WAC. In other words the bidders are expected to prepare everything well and then wait for an “OKAY”.

Furthermore it is sometimes expected that the bidders provide the samples of the molding tool in advance. The company which can provide the tool first has a good chance to get the order.

A Chinese CAS under pressure is inclined to run some tasks even before the project is awarded. He pretends that the process is well under way and everything will be settled quite fast. He might not tell the Western partner an outright lie but the general attitude could indeed create the impression of a closed deal.

3. Moreover corruption is an open secret in China. Not only Westerners but also many Chinese are personally against this bad practice. However to be honest a bribe is often the only way to stay in the game or to be able to keep a deadline or a schedule. This is certainly not an excuse, but people simply have to deal with it.

4. An additional problem is the selection of tooling suppliers in China, a choice which is seldom based on criteria such as costs, meeting deadlines, competence and quality. The investment in tooling is in fact a very profitable business with many parties involved such as the buyer, the designer, the producer and others. Personal preferences are key factors in this business. It could result in poor quality of the tools produced or difficulties in changing the subcontractor.

5. Last but not least communication with foreign partners is for the Chinese quite complicated. Besides the language problem the typical Western way of discussing issues straight forward frequently over stresses the Chinese counterpart. Western partners (WAS) tend to ask too many uncomfortable questions and insist on a strictly accurate report. The Chinese (CAS) on the other hand prefer to keep some information to themselves which leaves them more personal space to maneuver. They hold back and leave the Western partner in the dark. Due to physical distance and lack of direct contact it's difficult for the WAS to be updated in time on the real progress of the project.

Solution:

We introduce the methods from the toolbox of cultural management and apply them to solve these problems. It will improve the management ability and helps to be updated on the real project status. The amount of project delays can be reduced and any possible delays perceived much easier and in advance.

1) Branch-specific Rules (D1)

Each partner who is about to plan a business project should have some knowledge about the existing local business habits. For instance, a project kick-off doesn't automatically mean that the project has been awarded. Information about this fact will help reduce the potential project risk. In case the Western partner has doubts about being informed correctly about the project development, there is one thing he can do – he should ask for the mechanical

tooling CAD-file. After the project is granted and the order is placed the project owner (CAC) must then issue the conventional CAD-file. If the Chinese JV-partner cannot forward this file the project assignment is not yet finalized.

It's not easy to do business in China. The more information you gather about local rules, the better. It increases your level of confidence and enables you to manage the project properly.

2) Network Management (B2)

The Western partner (WAS) shouldn't rely on one communication channel from the JV-partner (CAS) only. Try to build up an expansive direct connection network including the relevant organizations in WAC and CAC. Optimize any possible contact to the WAC existing in the region of the parent company. Due to a direct channel between WAC and CAC they might know at an earlier stage about the final decision concerning the award of the contract. A similar channel can be created to get more information about the formation of the CAC project team.

3) Global and Local Communication Channels (C1)

Try to get some information by communicating with local team members in informal surroundings outside of the company. It might take some effort and patience but it has proven to be fruitful as it's the local way of obtaining information.

4) Stakeholder Management (B1)

The mechanical tooling process as already mentioned is the crucial part of a project schedule in the automotive industry. The Western partner is used to be informed of the project status according to the schedule on paper. However it might be difficult to know the real status even if massive delays already occurred.

It is of utmost importance to identify the relations between stakeholders and the main stakeholder of the mechanical division. Pay attention to the fact that not only the mechanical engineer of the project team but also the senior manager or director of the

technical department of CAS, the so called “tooling father”, often is a key figure. He is usually the supervisor for all technical matters and surveys the final tooling result. A close connection to these key figures can help to obtain more accurate information about the real progress.

5) Actual Execution Practices (D2)

Finally the authors strongly recommend keeping a very close eye on the different “milestones” of the project e.g. the tooling development to ensure the process and product quality. Don't rely solely on the report of your partner but inspect personally the molding samples of each project stage (T0, T1, T2, ..). Take time to talk with your partner about the quality requirements so that he is able to comprehend your expectations.

Pay attention to all these topics especially in the beginning of a cooperation. It helps to execute the entire project with fewer surprises and ensures the project success.

This Paper is published in the Proceedings of the IPMA Expert Seminar 2014 in Zurich Switzerland (2014)

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