

# Chapter 1

## Introduction

International project management is the leadership of projects that are conducted in multiple countries and cultures. Projects may include:

- An international Swiss-based nonprofit organization providing humanitarian assistance to people in Somalia; with a local political partner; a value chain in Kenya, Egypt, and India; and funding from multiple donor countries.
- A Singaporean for-profit organization building a new manufacturing facility in Cambodia; with a Chinese partner; value chain organizations in Germany, Morocco, Vietnam, and Brazil; and a government agency in Cambodia.
- A U.K. multinational organization with partners in South Korea, the United States, and Japan that is performing a public private partnership project in Botswana. Funding is being provided by a consortium of organizations, including private equity from the United Kingdom, bonds issued in the United States, and a government guarantee. The project will be operated by a joint venture of organizations from Botswana, South Africa, Spain, and Germany.
- A Russian charitable organization providing emergency medical and food services for people in various countries in the Balkans and the Persian Gulf. Pharmaceuticals and food sourced and delivered from value chain organizations in 10 different countries, physicians from all over the European Union and Russia, and donations from Central Asia and the subcontinent.

- A global organization that will launch a new information technology platform. The platform will be used in the Mexican division, and the architecture and code is being provided from Finland, Estonia, and India. The concept was developed from lessons learned, or best practices, in Russia.
- An Italian organization constructing a new prison facility for the U.S. government.
- A transnational organization that markets through divisions in 82 countries. The products are designed in Italy, Sweden, and France, with customization done in each country. The product components are manufactured in Ukraine, Sri Lanka, Laos, and Pakistan; are shipped to Malaysia for subcomponent assembly; then shipped on for final assembly in China. The organization is preparing to develop a new product line as a project.

International projects differ from domestic projects by their complexity of culture, politics, law, local practice, language, time zones, holidays, processes, resources, and more. As you can see from the list, they can be incredibly complex even if internal to a single organization. This is one reason many global organizations have embraced project management as a way to increase quality and decrease price. Projects that are conducted with multiple organizations are truly fascinating undertakings. International projects are similar to domestic projects in that they share basic project management processes, but it does not follow that a project manager with only domestic experience can lead an international project. For example, stakeholder management is required on both domestic and international projects.

On international projects, attitudes are influenced by culture. Think of changes in scope in a culture that values long-term relationships (the Chinese) compared to one that places more importance on the contract itself (the United States). Project success can be jeopardized by failing to account for such cultural differences. This is part of leadership, and thus the title of the book. Project management is a profession, so we use that term to refer to the profession. However, we must be clear from the beginning that *managing* an international project only will greatly diminish the probability of success; *leading* an international project requires a different set of skills and a different attitude, and is the focus of this book. We discuss the differences between leadership and management later.

International markets are places of rapid change and severe economic pressure; the pressure today is to drive quality up and prices down. To manage change effectively requires a foundation of leadership first, then processes, and metrics. Taken together, they provide a platform for imbuing a culture of change within organizations. When firms and organizations become flatter (less distance between the chief executive and a worker), there is a greater need for people to enter the workplace fully trained, especially for international project managers. The project management profession has responded with professional certifications that include practical experience, project management training, and a code of ethics. For these reasons, many firms and organizations are seeking project management professionals (PMPs), including governments, nongovernmental organizations (NGO's), United Nations groups, development banks, and of course private industry. Many firms and agencies are requiring that suppliers of project management services name a PMP in their tender documents as a prerequisite for bidding.

International business and project management practice have converged in the last 10 years. Organizations are tending toward hiring multitasking people who are self-motivated, intelligent, and willing to take responsibility. Some of the reasons are:

- The need for leaner and flatter organizations to reduce costs
- The need for leadership skills throughout the organizational food chain from top to bottom—lead one day, follow the next, and be comfortable personally in either role
- The need for knowledge workers throughout the organization
- Globalization and the need to improve quality while reducing cost
- Kaizen to keep quality high while reducing cost
- Diversity

This book is designed to describe the confluence of theory and practice for international projects and to highlight the need for leadership skills in such environments. It is written for these groups:

- International project and program management practitioners who wish to enhance their skills and broaden their understanding of international project management.
- Domestic project and program management practitioners who need to learn how to lead international projects.

- Academics who want to extend the research into topics that impinge on international project management and techniques.
- Students of project or program management. From our experience, few projects now have only a domestic component, and so the broader view of leading international projects will serve students well in domestic settings as well.

To meet the needs of these groups, we have incorporated a wide range of material taken from the literature on project management, leadership, business management, conflict management, psychology, sociology, anthropology, the arts, religion, history, geography, political science, and more. Successful international project managers need to be inquisitive and need to have a broad range of interests and capabilities. These attributes are inherent in cross-cultural leadership intelligence (XLQ), and key to the success of international project managers. XLQ combines the concepts of intelligence quotient (IQ), emotional intelligence (EQ), and cultural intelligence (CQ). It is a measure of the leadership attributes possessed by a project manager. We describe it XLQ detail in Chapter 4, but for now think of it as the ability of an international project manager to inspire the desire of others to follow her/him regardless of their societal, organizational, or group cultures.

The structure of the book mirrors the *Project Management Body of Knowledge* (PMBOK 2004), so that project and program managers with that credential can relate back to this standard. The fourth edition of the PMBOK was available in early 2009, but the differences between the third edition that we refer to in this book and the fourth edition are not important for our purposes. We selected the PMBOK knowledge areas as the standard because far more people belong to the Project Management Institute (PMI) than the other international project management organizations combined. The book is therefore organized around the nine knowledge areas—integration, scope, time, cost, quality, human resources, communication, risk, and procurement—and includes discussion of the process groups—initiating, planning, execution, monitoring and control, and close-out.

The PMBOK provides a generic process, written from an internal organizational view, and, presumably, for both domestic and international projects. To validate this, in 2006 the PMI offered a grant to determine how “internationalized” the PMBOK truly is. Our answer to this question lies in the pages of this book.

We should make perfectly clear one more item about the *PMBOK*. This book, as you will see, is not intended to expand on or explain the *PMBOK* or the International Competence Baseline (ICB) of the International Project Management Association (IPMA). We do not favor one over the other, and we refer to them to enable our readers to connect their knowledge back to these established standards. That is the *only* reason these works are mentioned here. In fact, we see both as works in progress and in need of significant adjustment to meet the needs of international projects.

International projects managers have the same requirement, in our view, as do physicians, and that is to stay current with the knowledge base. International project management requires people to be curious and adventuresome. To that end, and others, this book is approximately 80% focused on professional best practices and 20% academic. In some sections, the reader will find more references, or citations, to other sources. The reason is to provide those of you who are curious about the topic and want more information a place to begin your search and to provide those who need to hone their skills references that will provide you with more detail. Although the book is a blend of practice and theory, it is also our hope that it exposes the reader to more than just project management thinking, for that is what international project managers must possess.

What exactly is an international project? The *PMBOK* defines a project as “a temporary endeavor undertaken to create a unique product, service or result” (p. 368). This distinguishes a project from the ongoing operations of a business. Starting with this definition as a basis, we need to add that an international project is one that utilizes resources from or provides services in more than one country, physically or virtually. At one extreme, a project performed in a single country utilizing local people that have international backgrounds is an international project. At the other extreme, a project that utilizes resources from, and provides services in, multiple countries is also an international project. One common denominator is the need for XLQ. This book provides processes and techniques for managing international projects across this spectrum of possibilities; we recognize that many will not be able to reach the transparency goal we suggest.

What you will find in these pages is a description of a goal. Leaders of international projects have different levels of expertise, and their organizations have different cultural norms. Countries have different cultural, political, and legal systems. Some countries have a higher quality

of life, some have corruption issues, some have civil strife, and some face refugee challenges. Some government agencies have strict regulations regarding procurement of goods and services, and in some countries, the rule of law is not yet fully established. It is a wonderfully challenging and complex environment. For this reason, each project will be unique and will have its own set of challenges. The processes that we describe in this book are a goal that must be modified to fit the conditions encountered. The processes are not *the* way but rather *a* way to increase the probability of success. The measure of an expert international project leader in our view is the ability to adjust the processes we describe to fit the conditions.

The book uses “we” rather than “I,” simply because a team of people are required to complete an international project successfully. So in our examples—some of which are true, some a composite of our experience, and some hypothetical—we use “we” to recognize the many people who may have participated in the projects we were associated with. “We” here means the author’s view of the composite. Actually, I recommend that project managers consciously limit their use of the word “I” and replace it with “we.” In this book, the teams on the projects in my experience are speaking through me. The use of “we” is my way to recognize them.

The book uses the *PMBOK* knowledge areas as chapter headings. The chapters are, however, in a different order from those in the *PMBOK* for a reason. The chapters in this book follow the sequence we suggest in practice for planning a project or program. A brief description of each is presented next.

Chapter 1, “Introduction,” provides basic considerations for international projects, such as sustainability, ethics, laws, compensation, culture, knowledge management, and of course project structures. The sustainability section includes more references than in the remainder of the book. We feel this is a critical topic for international project managers, and currently the literature for project management is thin on this topic.

Chapter 2, “Framework,” provides some basics for international projects, such as the stakeholders, participants, project life cycle and contracting methods. These first two chapters lay the groundwork for the remainder of the book.

Chapter 3, “Project Basics,” discusses the first of the *PMBOK* knowledge areas: integration management. Beginning with this chapter, the book discusses the international project requirements of each *PMBOK* knowledge area. We have not internationalized the *PMBOK* but rather have organized our ideas on international project management using

the *PMBOK* format. Integration management spans all of the *PMBOK* process groups starting with initiation, through planning, execution, monitoring and controlling, and ending with close-out of the project. It also connects these process groups to each of the knowledge areas—the thread binds the quilt of project management. In this chapter, we discuss the foundation concepts for successful international project management. We cover cross-cultural issue from an enterprise point of view and introduce societal culture.

We consider Chapter 4, “Leading Diversity,” to be the most important aspect of international project management. Leading people is the first job of a project manager, followed closely by communication skills. Managing the project takes third place in our experience. In this chapter, we address cross-cultural leadership in detail and provide our model for XLQ. We also discuss teambuilding, motivation, values and ethics, knowledge sharing, and education and discuss communication management. For international projects, there are the obvious language issues that must be addressed, but perhaps more important are the cultural, sociological, and psychological aspects of communications. As with sustainability and risk, the project management literature is not deep in the area of communications, and we need to look to other disciplines for help in honing these skills. We present ways that international project managers can improve their effectiveness when communicating across cultures, business or cultural.

In Chapter 5, “Integration Management,” covers the purchase order structure, charter, planning, and ethics.

In Chapter 6, “Scope Management,” we discuss the considerations for scope management, including development of a scope split document, a change management plan, and a dispute resolution process.

In Chapter 7, “Cost and Progress Management,” we discuss the issues of cost and progress. For international projects, this knowledge area can be quite a challenge. We provide, as in all of the chapters, the challenges and our suggestions on how to meet them more effectively.

Chapter 8 is called “Risk Management.” On international projects, the key is to select the most critical project risks and actively manage them, for in today’s world there are many risks indeed. This chapter presents techniques to assist in focusing on the critical project risks.



Chapter 9, “Time Management,” addresses the issues relating to time management, float, and transparency. On international projects, addressing this issue requires a basic understanding of time zones, religions, cultures, and customs. It also enables a 24-hour view of project planning.

Chapter 10 is titled “Quality Management—Customer Satisfaction.” On all projects, quality has both a service and product component. On international projects, establishing standards for these components and developing quality plans and dashboards is complex. As we show, there are at least four major international standards for project management: those promulgated by the Project Management Institute (U.S.), the International Project Management Association (Swiss), Association for Project Management (U.K.), and Projects In Controlled Environments, the second version (PRINCE2) (U.K.). In addition, multiple technical standards exist. In this chapter, we provide guidance on how to manage this diversity.

Chapter 11 is titled “Procurement Management.” In a global economy, most international projects take advantage of international value chains. Suggestions on how to manage these systems better and how to integrate them into the project are provided.

Chapter 12 provides a summary review of the concept of the collaborative project enterprise and some final thoughts about leading international projects.

The book offers a blend of theory, practice, and example projects from our personal experiences. As noted, where the project management literature is thin, we have provided more references to point to theory that can be used to improve the knowledge of international project managers. On the practice side, we have translated our experience into the format of the *PMBOK*, but with a close eye toward the other international standards. Where we find non-*PMBOK* standards to be more effective, or where we find no information in the *PMBOK*, we have used the other international standards. We have used short stories of our experience, throughout the book, to provide a frame of reference for the reader. People have always used stories to communicate with one another, and they are a powerful medium, along with metaphors, to convey complex ideas in a short time frame. Perhaps most important, stories are simply enjoyable.

In conclusion, the book takes the view that international project managers need to be leaders with high cross-cultural intelligence, creative communication skills, the ability to establish and maintain dependable project management processes, and compelling curiosity.