

## Advanced Study of Project Ownership Challenges in Research Organisation

MATTI KUTILA, MARIA JOKELA  
VTT Technical Research Centre of Finland  
P.O. Box 1300, FI-33101 Tampere  
FINLAND

matti.kutila@vtt.fi, maria.jokela@vtt.fi www.vtt.fi

SERENA FRUTTALDO, ROBERTO MONTANARI  
ICOOR  
Via Amendola 2, pad.Morselli, 42122 Reggio Emilia  
ITALY

serena.fruttaldo@icoor.it, roberto.montanari@icoor.it      www.icoor.it

NEREO PALLARO  
Centro Ricerche Fiat S.C.p.A.  
Strada Torino, 50, 10043 Orbassano (TO)  
ITALY  
nereo.pallaro@crf.it      www.crf.it

*Abstract:* - This study focuses on discussing and analysing the results of the project steering group maturity review executed at VTT in 2012 and 2013. The first survey was conducted for 50 projects whose complexity level varied between medium and high. One of the major outcomes of the study is the definition and role of the project owner in multi-national projects co-funded by more than one organization. These types of projects typically include a large consortium in which project manager needs to be competent to lead both internal and external people. The results of this study promote the development of communications between line organization and project managers, which is also valid when managing the consortiums including external partners.

The second study was performed by interviewing 3 project managers, Chief Financial Officer, 2 line managers and project procedure developer at VTT. The results were benchmarked against 7 other organisations in Europe. One major outcome of the study was that VTT should pay more attention on project life-cycle planning. In overall, the analysed methodologies are well competitive with the counter organisations.

The results of the review lead us to consider ways to develop and try out new project management practices on the DESERVE-Artemis project. The project has a multi-national feature, including 25 European automotive manufacturers and their suppliers and research organisations working together. One example is the method of mentoring young talents in a project management career with close collaboration between the steering group representative of VTT and the young project manager. In this article, the role of the project owner as a supervisor and mentor of a project manager has been examined.

*Key-Words:* -project manager, consortium, project owner, communication, management, steering group, DESERVE, ADAS

### 1 Introduction

This study discusses experiences in improving project steering groups working at the VTT Technical Research Centre of Finland, which is the third largest European applied research organisation. The internal questionnaire was circulated in 2012 in order to cross-review the opinions of the current

project managers, line managers and steering group representatives concerning project steering group processes at VTT. The development programme was initiated in 2005 in order to improve the competence of project managers in dealing with the most demanding and riskiest projects at VTT. In addition, more attention was paid to the work of the











ICOOR, as the DESERVE Quality Manager, is in charge of the coordination of activities required for disseminating target project results to stakeholders. Responsibilities of the Dissemination Manager include i) defining a dissemination plan, ii) managing an operational plan for dissemination activities, iii) soliciting and coordinating with project partners for collecting contributions, iv) organizing workshops and dissemination events (with direct support of project partners); supporting partners in presenting the project in different contexts (scientific and business events), v) producing material and spreading it through the website, newsletters, articles, and other dissemination material and tools.

The particular attention is paid to interaction with stakeholders: DESERVE will organise three major workshops at early/intermediate/final stages of the project. They will involve major actors from OEMs, suppliers, research institutes, public authorities, user representatives and other stakeholders from different European countries. These events will focus not only on the dissemination but also the evaluation of the concept, vision and preliminary outcomes of the DESERVE project.

#### **5.4 Improved cooperation between line organisation and project management**

One of the outcomes of VTT's internal project survey is that co-operation between line organisation and project manager is sometimes challenging. The main issue is not personal relationships, but the problem is that the line managers do not have a sufficient amount of time to support project managers in their duties. Therefore, project managers feel they are on their own when encountering problems. On the other hand, at the same time line managers are worried about the balance of the resource allocation in their department and expect better communication in order to adjust resources between project portfolios.

VTT decided to try a new way of dividing management work in the DESERVE project which was categorised in the demanding class. One more experienced project manager took over the role of being VTT's steering group representative and also coordinator of the whole consortium. The young talent was nominated to be project manager who is in charge of steering all technical and internal

administrative work. During vacation periods one of them took over both the roles.

The trial has been successful so far since both steering group representative and project manager have a person to turn to in all cases when support is needed. This also responds to the problem raised by Gerbault[13], namely that someone should have the big picture in mind in the project and some other people should focus more on details and technical challenges.

## **6 Discussion**

Managing and working in the international consortiums in order to have common business benefits is challenging since all partners also have their company interests. The international projects are not traditionally the best alternatives to start learning the management procedures in projects. However, experience from DESERVE of having both senior people in the project steering group and an internal/technical project manager working together is encouraging. The benefits can be summarised as:

- mentoring young talents to be in charge of managing the projects
- minimising the company risk due to experience of the senior manager
- internal communication channel to the company top management
- new challenges for young professionals without leaving them to deal with the problems on their own

The main benefit gained from the DESERVE experiences is clarification of the expected business benefits. VTT as the biggest Northern European applied science research organisation executes annually about 4,200 projects. VTT belongs to the administrative sector of the Ministry of Employment and the Economy which has given it the mission "to produce research and innovation services that enhance the international competitiveness of companies, society and other customers". The feedback from the project manager has been that ownership of the project is not clear, which also influence to strategy implementation of organisation. VTT's strategy is realised with a project due to its nature of being a project-based organisation. If the ownership and business benefits are not clear, people cannot align the project to the company level strategy.

The large international project has certainly not been an ideal starting point for a young project manager to begin learning project management. However, having worked earlier on large EU projects and thus gained experience from them is undoubtedly an asset. However, due to the previous main role as a working member, the knowledge gained from the administrative and management side of the projects has remained scarce and perhaps insufficient when faced with the role of a project manager. Having earlier led some smaller project or a work package of a larger project would most likely have been helpful and built self-confidence in one's own work and decisions.

Starting as project manager of the DESERVE project has been somewhat confusing since the project had been prepared by others. Becoming familiar and gaining the experience of project management with the project and finding out what VTT's role and tasks in it are has taken some effort. Also, dividing and defining the tasks of the trainee project manager and the senior steering group representative could have been more clearly discussed at the beginning. Nevertheless, having a senior mentor has been an advantage. When one is faced with a problem, it has been very easy to go and ask one's mentor how it should be dealt with. Overall, discussing the project issues with someone who is as familiar with the project as oneself has been rewarding and a relief.

## 7 Conclusions

One of the results concerning strengthening the collaboration between project managers and line management is the introduction of the internal steering group for EU funded projects. The unofficial steering committee is a kind of support group for project managers, so that they do not feel alone if problems arise. On the other hand, the support group is represented by people from the line organisation which enables a stronger connection to monitor the fact that internal strategic guidelines are followed properly at the project level.

The other major conclusion of the internal project review study was that the project owners have too many projects to follow, which limits their time to the selected projects representing only about 10% of the whole project portfolio, leaving too many projects without attention. Therefore, decision has been made in VTT to share project ownership with larger number of managers in order to improve

the situation and achieve better root for the project portfolio management.

The second study conducted by the external reviewer investigated project management methodologies in VTT. The recommendations for future are quality orientated by enhancing the project life-cycle definition and the dashboard of project execution process. On the other hand, the financial management systems are in good level with being 14 % better than the other benchmarked organisations. Sales and business attitude also supports turning organisation from the governmental research body to an independent business driven technology house.

In order to obtain more business benefits from the project, proper communication and dissemination have been under special attention in the experimental DESERVE project. Even if this is not directly reported in the steering group study, the indirect message is that the steering group is responsible for taking care that the project results are well communicated both internally and externally.

The ownership study indicated that the overall situation is relatively good, but also that some remarks concerning improper communication and the unclear responsibilities of these representatives emerged. In fact, in 29% of the cases the steering group did not exist at all, which raises the question of who is able to make decisions concerning deviations in the project plan and monitor the business benefits of the project. In some cases the project was so small that the customer's contact had a mandate for decision-making by himself, without an official steering group meeting.

Some of the results of the project ownership study have already been deployed experimentally in the DESERVE project, and now further steps are under consideration. VTT has changed its operation model, and one these topics is addressing project ownership and project management procedures in order to improve exploitation of the project outcomes, boost competence development and improve customer satisfaction.

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