

INTRODUCTION TO INTERNATIONAL PROJECT MANAGEMENT **1**

LEARNING OBJECTIVES

After studying this chapter, you will be able to:

- grasp the concept of a project
- comprehend the main characteristics and components of project management
- identify the major project stakeholders
- understand the concept of a program
- know the historical development and theoretical underpinnings of project management
- assess the constraints of project management methods
- differentiate between a 'standard' project and an international project
- elucidate the characteristics of international projects
- discuss the key success criteria for the management of international projects.

INTRODUCTION

1.1 For three decades globalization has been increasing at an ever faster pace. The huge economies in Asia, China and India have opened up and become very successful competitors to the Western world and the Japanese. Russia, Brazil, and the Gulf region are following suit. Organizations need to become increasingly cost efficient due to fiercer global competition. Global markets were deregulated, allowing for production capabilities to be shifted to low-wage countries. The realignment of global business forces was enabled by advances in technology that had an enormous impact on how business is done. Most significant were the innovations in telecommunications and computing. Organizations now have the ability to replicate their infrastructure in many different locations. One internationally operating retail chain boasts that it can build up a new outlet on each continent within 60 days (Lientz and Rea, 2003). Organizations also can control remote locations on a real time basis. Thanks to the internet, all entities of an organization scattered around the globe can exchange information easily – at least in theory – due to standardized hardware and software.

Globalization has brought us a more integrated and interdependent world economy. To adapt to this new environment and to thrive in it, organizations need to undergo major changes. All kinds of organizations initiate a whole range of different international projects in order to implement the necessary adaptations to a changed environment.

Although ubiquitous, international projects are not necessarily leading to organizational success. In 2004, PriceWaterhouseCoopers analysed a broad range of industries, large and small, in 30 different countries, which carried out 10,640 projects with an overall value of 7.2 billion US\$. They found that only 2.5 per cent of global businesses achieved project success (Stanleigh, 2006). The measure of project success may be debatable, but this is still an alarming number. More needs to be done to make project management more efficient and effective on a global scale. This book aims at providing advanced students and practitioners with hands-on knowledge to enable them to contribute to future successes of international projects.

I will start laying the foundation with explaining the relevant terminology, defining a project, project management, and the main project stakeholders. I will also discuss the relationship between a project and a program. We will have a look at the historical and theoretical roots of project management to help us to assess the global applicability of project management. Based on this foundation, we will dive into the topic of international project management, starting with a differentiation between a ‘standard’ project and an international project. The emphasis of this chapter is a detailed discussion of the main characteristics of an international project as project management methods need to be attuned to those characteristics. We will also have a look into the major critical success criteria for international projects. I will wrap up the chapter with an outline of the structure of this book, following a project management knowledge area approach and an open systems approach.

WHAT IS A PROJECT?

1.2 There is a variety of definitions regarding what exactly a project is. For the purpose of this book, I will follow Turner's definition. He sees a project as 'an endeavour in which human, material and financial resources are organized in a novel way, to undertake a unique scope of work, of given specification, within constraints of cost and time, so as to achieve beneficial change defined by quantitative and qualitative objectives' (1993: 8).

In contrast to the routine work in an organization, which also could be called processes or operations management, the objective of a project usually is a new state different from the usual work. Operations typically are ongoing and repetitive, whereas projects are temporary and unique.

Within the family of projects, however, there are big differences, for instance in size. A project can involve only two people and a relatively small amount of money, like a honeymoon trip to Hawaii. Or it can be a so-called mega-project like one of the biggest cross-national infrastructure projects of the world, the 15.5 kilometres long Oresund coast-to-coast link connecting Denmark (Continental Europe) with Sweden (Scandinavia) which was opened in the year 2000 and built at a cost of roughly 2 billion Euros (Flyvberg et al., 2003).

Projects can also differ in the kind of organization initiating the project, the industry the project belongs to, the purpose and the scope of the project. There can be different stakeholders and customers. Project duration can be long or short. The project can be part of primary activities like Research and Development, Manufacturing, Marketing and Sales, or it can belong to secondary activities of the value chain such as Information Technology (IT), or Human Resources (HR). You find a systematic overview of different types of projects on the companion website.

Regardless of the type of project, each project has three main characteristics in common, although these characteristics may be of different weight for different projects as can be seen in Figure 1.1. Accordingly, projects are limited, unique, and risky. In the following, I comment on each criterion.

LIMITED

A project is intended to have a temporary character, which in reality may take a very long time. According to the research of Cooke-Davies (2002), a project, or at least a well-defined part of the project, should not exceed three years. In general, each project should have a clearly defined beginning and end. A project produces an output which usually is clearly defined, for example a new tangible or intangible asset. This may be abstract like a higher competence level of managers, or more concrete like the development of a new drug which has the potential for a blockbuster. A project typically delivers beneficial change. The value of the outcome of the project should justify the resources invested in the project.

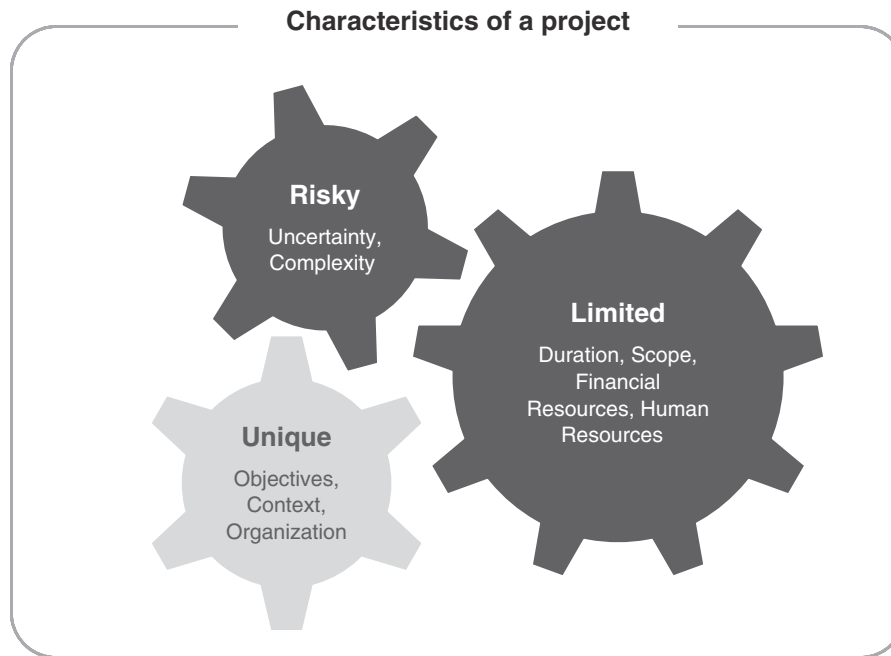


FIGURE 1.1 The main characteristics of a project

UNIQUE

Different projects can have different objectives, are embedded in a different context, and usually are launched by different organizations or different entities of the organization. In general, the uniqueness is based on the fact that projects are non-routine endeavours. This is even the case with projects which seem to be repetitive like the establishment of new outlet of a retail chain. They all give customers the same brand feeling; however, the establishment of each outlet is different, needs to be planned with the legal requirements of the respective country in mind, for instance regarding hygiene regulations and safety standards.

RISKY

Since projects comprise non-routine work, they do involve uncertainty. This means risk which has to be managed. For instance the requirements of consumers can change quickly. Nowadays, mobile phones without a camera are hard to sell compared to the beginning of this decade. Giving another example, a competitor might launch a similar product earlier at a lower price, as it happened with Nintendo's home video game console 'Wii' which was launched in December 2006, much to the grief of Sony whose launch of PlayStation 3 had been delayed to spring 2007. To give yet another example,

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a pharmaceutical company may discover dangerous side-effects of a newly developed drug after nine years of research. Hence, it has to abandon the whole project.

WHAT IS PROJECT MANAGEMENT?

1.3 Section 1.2 defined projects as bringing beneficial change to an organization. In other words, the results of projects should bring value to the organization, rather than destroying value. Consequently, the organization needs to manage the resources used for projects carefully. Project management deals with what it takes to manage projects to create value for the organization. The Association of Project Management (APM) (2006a: 3) defines project management as ‘the process by which projects are defined, planned, monitored, controlled and delivered such that the agreed benefits are realised’. This definition indicates that project management takes a staged approach to reduce complexity and ensure efficiency. Several phases connect the beginning of a project with its end. This is also known as project life cycle or project management life cycle. According to the Project Management Institute (PMI) (2004: 20), ‘There is no single best way to define an ideal project life cycle.’ Depending on the organization and the nature of business it is operating in, there may be sub-phases such as the development of prototypes, the approval of prototypes and the ramp up for mass production for a manufacturing project. Frame (2002) postulates that the project life cycle should by default include after sales service in order to increase customer satisfaction with the outcomes of projects and to smooth the interface between projects and operations management. Typically, the project life cycle consists of four main phases as depicted in Figure 1.2. Let me briefly explain the main tasks of the four phases.

PHASE 1 INITIATING

The initiating phase is also often called the front-end or kick-off phase. The need or the opportunity is confirmed. The project concept is developed after the overall feasibility of the project has been carefully considered and determined. In this phase, the business case for the project is developed. I will discuss the details of this phase in Chapter 3.

PHASE 2 PLANNING

The essence of project planning is to decide what needs to be done in order to deliver the project objectives within the given organizational constraints. As a result of this phase, the so-called project management plan or project master plan is delivered, along with the identification of resources required for the implementation of the project. You find more details of this phase in Chapters 3, 4, 5, and 6.

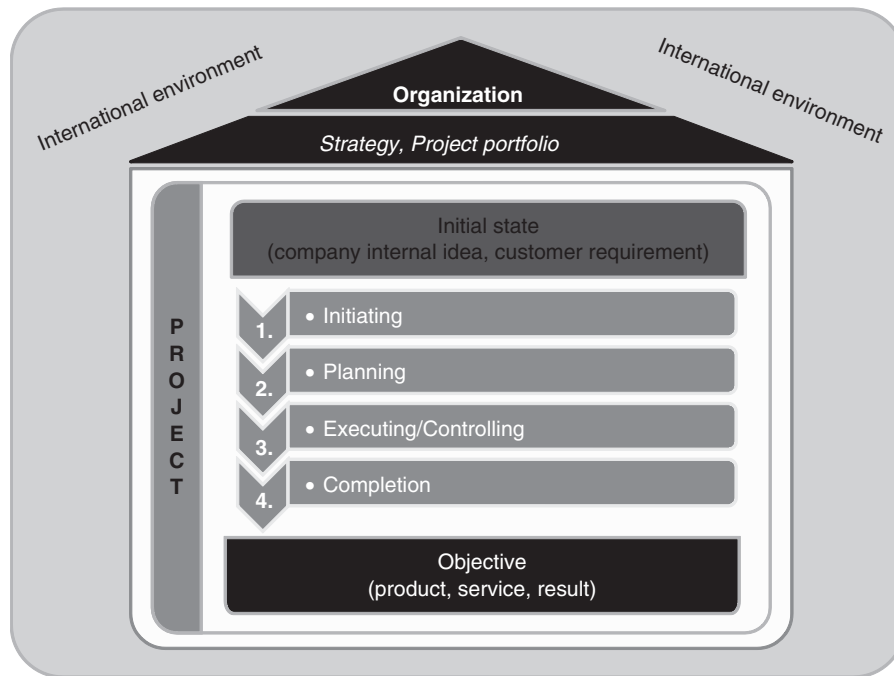


FIGURE 1.2 The project management life cycle

PHASE 3 EXECUTING/CONTROLLING

During the execution or implementation phase, the project plan is implemented, monitored and controlled. In the case of a product, the product design is finalized in this phase and used to build the deliverables of the project. Chapter 7 will provide you with further explanations.

PHASE 4 COMPLETION

The completion, termination or closeout phase consists of the handover of the product or service to the internal or external customer. Moreover, a final review of the whole project is done in order to learn from past mistakes and successes. The project team will be redeployed. Refer to Chapter 11 for more details.

Projects are part of an organization which is endorsed with limited resources only. We speak about organizational constraints. It is the purpose of project management to deliver projects on time, in budget and to scope with an agreed on quality level. This is also called the 'Magic Triangle'. The constraints emerge because on one hand, only limited resources in terms of time, financial and human resources are available. On the other hand, a pre-defined scope has to be delivered with an acceptable quality level.

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Project management should ensure that the project is carried out effectively (that the result of the project ‘works’) and efficiently (that the work is done at minimum effort and cost).

WHO ARE THE MAIN PROJECT STAKEHOLDERS?

1.4 Now we know what project management is. But who are the main players within the context of project management? They are the stakeholders.

Project stakeholders are individuals, groups, or organizations that are either actively involved in a project, or whose interests may be affected positively or negatively as a result of project completion. Stakeholders may have different interests and perspectives. For the sake of efficiency and to ensure accountability, it is important to clearly identify the responsibilities and authorities of each stakeholder.

Project owner and project sponsor: While the project owner provides the resources to deliver the project results, the project sponsor has the responsibility to channel the resources to a project on the owner’s behalf. However, there is no standardized definition in the literature. Both terms are frequently used synonymously. According to the Project Management Institute (2004), the project sponsor is the person that provides the financial resources. Kerzner (2006) portrays a project sponsor as a senior executive of the organization who champions and supports the project. The sponsor, for instance, can function as the executive–client contact point or as the final escalation point for project conflicts. Some organizations do not work with one single sponsor, but with a group of sponsors who are structured in a steering committee.

Sometimes, the word ‘investor’ is used synonymously with project owner or sponsor. But the investor can also be a separate stakeholder, namely the financier, like a bank.

In the case of an inter-organizational project, there can be several project owners in different organizations involved.

Contractor: The contractor is the group (or individual) using the capital of the owner in order to produce the product/service or result the owner wants to have. In the case of an internal project, the contractors can become the users. Often, the term is used for organizations in a consortium working together to deliver a product or service for another organization, the project owner or customer.

Customer/User: Another role is the customer who takes advantage of the project outcome. The customer also provides the resources for the project (project owner). The users are the individuals benefiting from the project result without directly providing resources for the project.

Project manager: This is the individual responsible for planning, organizing, implementing and controlling the work to ensure that the customer (owner) gets the intended benefits of the project.

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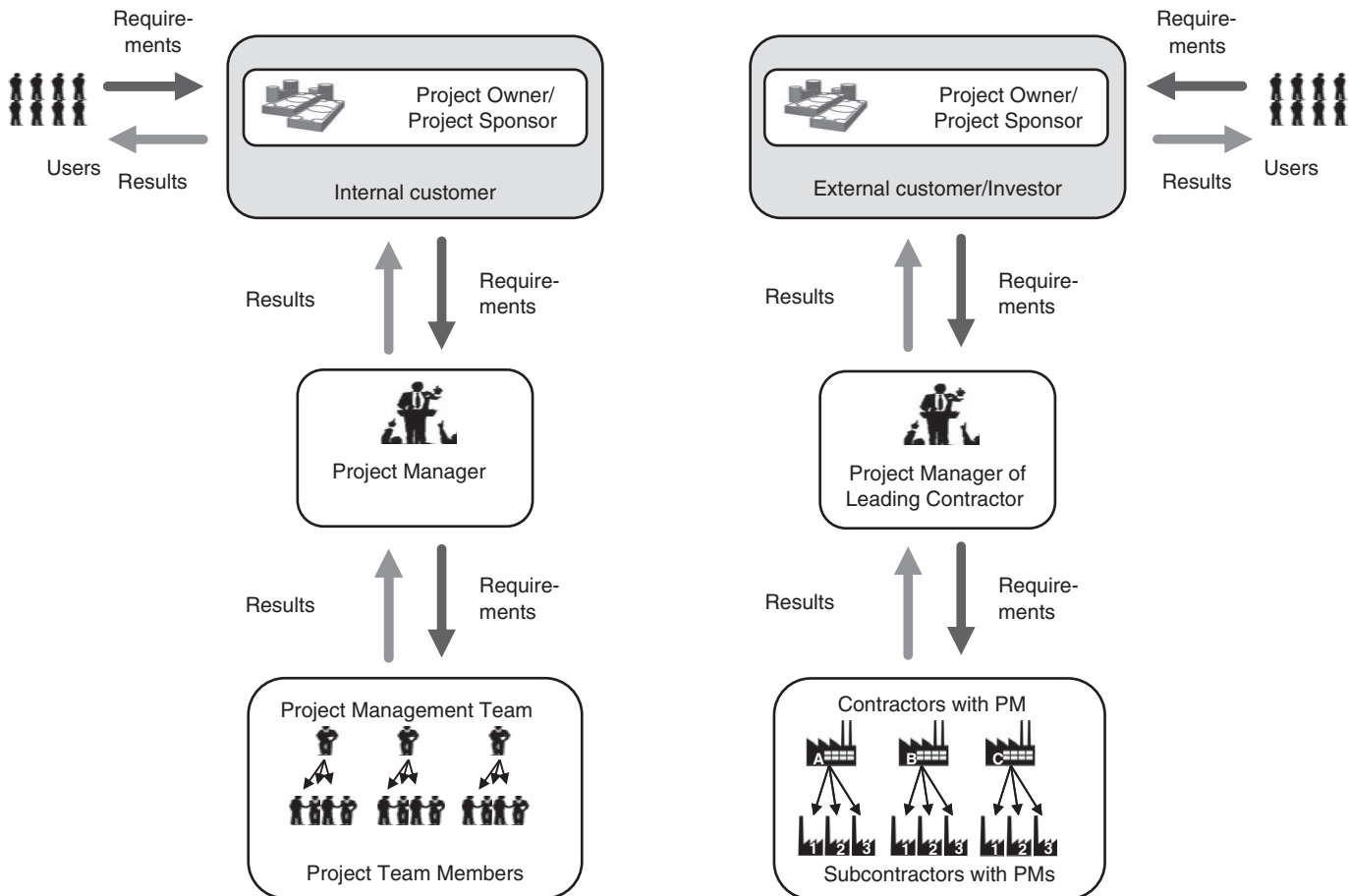


FIGURE 1.3 Main project stakeholders in intra- and inter-organizational projects

Project management team: In a consortium or in complex projects, there usually are sub-project managers, like team leaders with dedicated areas they manage on behalf of the project manager. However, they report to the project manager who is responsible to the customer.

Project team members: The members in the project team who are directly involved in the project and who contribute to its completion.

Figure 1.3 sets out the main stakeholders and their interaction in two kinds of projects: intra-organizational and inter-organizational.

Apart from those main groups of stakeholders, there can be industry lobbies or environment protection groups who support or fight the project. In general, the interests of all stakeholders need to be taken into consideration to ensure successful project management. In the international context, the identification and integration of stakeholder interests is especially complicated, as we will see in Chapter 3.

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We have learnt what a project is, what project management is, and who the main actors within a project are. When we have a look at organizations, though, we can't help noticing that they are dealing not with one single project, but with a whole plethora of projects. In order to better co-ordinate projects and not to lose control, organizations create so-called programs.

WHAT IS A PROGRAM?

1.5 A program is a bundle of projects pursuing the same purpose. A program has the same main characteristics as a project (cf. Figure 1.1). However, it usually has a longer duration and requires more resources. Apart from co-ordination benefits, programs allow for the realization of synergy effects between projects. An example of a program is the implementation of a new integrated IT-system in a multinational corporation after the acquisition of a former competitor comprising the following single projects:

- project of stock taking with the purpose of enlisting all relevant information systems in company A and company B
- project of designing the most efficient, new cross-functional processes in the new integrated company
- project of evaluating which existing information systems can support the newly designed processes
- project of benchmarking with other information systems based on criteria like cost, quality, etc.
- project of running a pilot of the new information system in a designated subsidiary
- project of rolling out the new information system worldwide.

'In contrast to project management, program management is the centralized, coordinated management of a group of projects to achieve the program's strategic objectives and benefits' (PMI, 2004: 16). I will further discuss the role and importance of programs related to the implementation of an organization's strategy in Chapter 2.

To complete the basic knowledge about project management, I will outline the history and theoretical underpinnings of project management in the next section, 1.6.

WHERE DOES PROJECT MANAGEMENT COME FROM, AND WHERE DOES IT GO TO?

1.6 Accomplishments of mankind like the pyramids in Egypt or the Great Wall of China can be regarded as early projects. On an international level, Alexander the Great can be viewed as an early project manager conquering a huge part of the known world.

The relevant management thought underlying project management was already developed in the late 19th and early 20th century by people like the French Henri Fayol, and the US-Americans Frederick Taylor, and Henry Gantt. Fayol was one of the first thinkers putting management on a broader theoretical basis. His philosophy revolves around optimization of an organization in order to achieve its objectives most efficiently. Taylor, the father of the so-called scientific management, emphasized the optimization of the production process. In contrast to Taylor who focused on repetitive work, Gantt studied the management of navy ship construction that meant work with a beginning and an end. As a result he developed a scheduling tool in the 1910s which carries his name and is used until now, the Gantt chart.

While these early thinkers laid the ground, general systems theory emerging in the 1950s has provided project management with its theoretical foundation. General systems theory attempts to analyse and solve issues by assuming a holistic view rather through analysing the single components of the issue. General systems management implies the creation of a management technique that can cut across many organizational disciplines such as Research and Development, Purchasing, Manufacturing, Logistics, Marketing, Sales, Finance, etc., without losing the overview, co-ordinating and managing the whole (Kerzner, 2006). The systems approach and the project management approach both target facilitating change from an initial starting point to a defined final position (Harpum, 2004).

Between 1945 and 1960, the development of project management was pushed by the US-American Department of Defense and NASA, who requested one point of contact for its various arms and weapon projects and space programs. The US government had entered the Cold War and had a strong interest in winning the race to rapidly build weapons of mass destruction. It also had a strong interest in controlling those complex projects with new standards such as project life cycle planning (see Figure 1.2) and time and cost monitoring tools. With the growing dynamics of technological development, private industry, mainly in the US, started to look for management approaches able to deal with a changing environment entailing greater complexity. In the 1960s, the aerospace, defence and construction industry applied project management methodology. During the 1970s and 1980s, more companies, for example in the pharmaceutical or consulting domain, decided to use a formal project management approach to cope with the bigger and more complex tasks resulting from the following trends (Kerzner, 2006):

- technology developments increasing fast
- product development becoming more resource intensive
- availability of more information
- increasing time pressure on new product or service development.

In the 1990s up to 2008, the organizations' environment has become even more complex and more dynamic due to the ongoing globalization process. Organizations in all industries, with different ownership structures, apply project management to cope with an environment that is increasingly international or global.

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At the beginning of this section, I introduced the general systems theory. Coming back to this school of thought, I would like to specify that project management of today needs to be built on the open system theory. An organization is regarded as getting input from its environment, transforming it, and then returning it to the environment as output. The key feature of the open system approach which makes it useful as the theoretical basis for project management is that the theory combines the holistic approach of the general systems theory with the context the system is interrelated with. Open system theory ensures that all relevant factors, inputs or influences on the system, namely the organization, are taken into account (Katz and Kahn, 1969).

If a project is a system, it has to be seen as a sub-system in the light of programs or a whole bundle of programs. These in turn are part of the biggest system in this context, the organization. To view a project as an open and complex system is the basis for effective project management in an international context as I shall outline in sections 1.9 to 1.11.

The growing popularity and maturity of project management should not let us forget its origins, namely the US military sector. Project management as a kind of applied general systems management was developed by researchers and theorists. Hofstede (1993: 82) argues that '[theorists] grew up in a particular society, in a particular period, and their ideas cannot help but reflect the constraints of their environment.' Project management is engrained in certain values of a certain age. It assumes a normative approach mirroring the values of the Anglo-American world.

The whole approach of project management is based on the assumptions of economic rationality and analysis of means-end chains, for example: the project management life cycle is based on the assumption that project managers are rational problem solvers working in a sequential way (Muriithi and Crawford, 2003). Project management literature seldom questions the overall validity of those values and the resulting classical project management orthodoxy. If this methodology is transferred to a context with a different set of values, it might be at least partially inappropriate and result in project failure. Milosevic (1999) considers project management as culture-bound. Project members from different cultural backgrounds interpret project management practices differently. He calls this the 'silent project management language'.

It could be argued, though, that values are globally converging towards a Western or even Anglo-American set of values in the wake of a country's economic development towards industrialization. Japan and other East Asian countries demonstrate that there are trends of convergence, but many cultural differences still prevail.

What does this mean for project management in an international context? Cultural differences and their impact on project management tools and techniques need to be taken into account for all international projects. Depending on the (cultural) differences between the parties involved in the project, and depending on the nature of the project, modifications or extensions of the classical project management methods might be needed that I will explore further in this book, concurring with Engwall's (2003: 790) view that 'projects have to be conceptualized as contextually-embedded, open systems'.

WHAT ARE THE MAIN DIFFERENCES BETWEEN A 'STANDARD' AND AN INTERNATIONAL PROJECT?

1.7 Before we turn to the differences between a 'standard' and an international project, let me first clarify how I use the term 'international'. I use the word in a very broad sense, i.e. reaching beyond national boundaries, usually in terms of the project purpose or nationality of stakeholders. International projects can be global, involving the entire world, but this is only a sub-group of international projects. International projects typically are simultaneously multicultural projects relating to diverse cultures, be it national, organizational, or functional cultures. In the following, I will use the terms 'international' and 'multicultural' synonymously. 'Virtual' projects or 'virtual' teams are often a part or sub-group of international projects due to the fact that stakeholders of international projects typically are geographically dispersed.

International projects are not too different from standard projects when it comes to the nature of organization, industry, location in the value chain, and duration. There are obvious differences, however, regarding:

- purpose
- scope
- the main stakeholders
- risk intensity.

When I talk about differences, I don't imply cardinal differences. Project management tools and techniques that apply for standard projects also apply for international projects. What I am rather referring to are differences in dimensions and magnitude: the management of international projects simply requires *more* – more disciplines need to be taken into account, and more skills are needed as I will explain in the following paragraphs.

MAIN PURPOSES OF INTERNATIONAL PROJECTS

In the following, I will outline the main purposes of international projects providing selected examples for each purpose.

Search for new geographical presence or new international stakeholders

Non-profit organizations have an interest in gaining new supporters on an international level, thus broadening their fund-raising base. With more international members, acquired by new local offices, non-profit organizations usually also have a greater influence on different governments or supranational decision-makers which are

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important in their respective areas. An example is Greenpeace, founded in Canada in 1971. In 1979, it became a centralized international organization. Today, Greenpeace is present in 40 countries across Europe, the Americas, Asia, and the Pacific with approx. 2.8 million supporters. The organization's strong international presence was accompanied by an increase in its global lobbying power which is necessary to achieve its stated organizational purpose: to change attitudes and behavior in order to protect and conserve the environment and to promote peace (Greenpeace, 2006).

Increase of global market share, market power, global political power or global effectiveness

International projects run by governments often have the purpose to increase the political power of one government on a global level. There are manifold motives: examples are wars led by super powers against smaller countries, for instance to ensure the supply of natural resources. International projects of governmental agencies can also have the purpose of helping other countries to recover from natural catastrophes, like the tsunami in South-East Asia in 2004, by teaming up and joining forces. There are also plenty of projects initiated by governmental agencies of industrialized countries to improve living conditions in poorer regions of the world. An example is a project financed by the German Ministry for Economic Collaboration to help Egyptian peasants to manage irrigation more efficiently (GTZ, 2006).

Realization of efficiency gains

To reduce manufacturing costs, US car manufacturers have transferred factories from the USA to Mexico, where the output of assembled cars for the American market has increased steeply in 2006 in contrast to the shrinking output in the home market.

According to a report of the market research firm iSuppli from 2006, 82.6 per cent of PC notebooks sold by multinationals like Hewlett Packard or Dell Corporation are manufactured by Taiwanese companies that in turn have their production sites mainly in the People's Republic of China (The *Inquirer*, 2006).

Access to scarce and unique resources

An increasing number of organizations try to develop new products and services with an international workforce. In so-called transnational projects involving members from several corporate units located in different countries, including the headquarters and subsidiaries, companies like the European aeronautics corporation EADS develop new products, for instance satellite equipment.

Many non-profit organizations short of financial resources seek volunteers from all over the world to get talented and committed staff. An example is a small orphanage in Brazil, close to Rio de Janeiro, where a multinational team of volunteers is working together with the local employees to improve the education of the children.

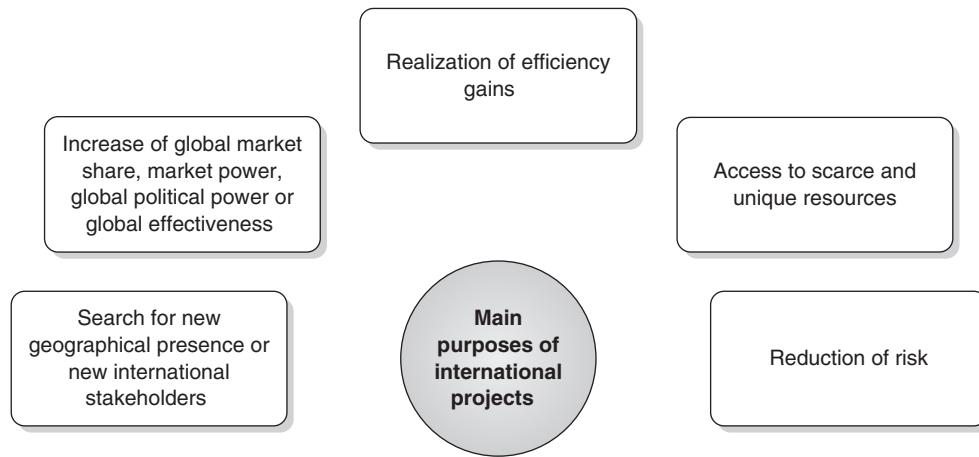


FIGURE 1.4 Main purposes of international projects

Reduction of risk

An example for risk reduction by international risk sharing is Boeing's development of the new aircraft 787, the so-called Dreamliner. Several 'risk-sharing partners' scattered around the globe deliver 75 per cent of all parts and components of the aircraft. The central fuselage sections, for instance, are built in Southern Italy. From there, they are flown with special 747 machines to another supplier in the US located in South Carolina, before the components are assembled by Boeing near Seattle (*The Economist*, 2007a).

Figure 1.4 summarizes the main purposes of an international project.

SCOPE OF INTERNATIONAL PROJECTS

Another substantial difference between standard and international projects lies in the area of scope. By definition, the scope of an international project goes beyond the usual conditions of the home market of any given organization. For instance, there are several locations involved, which usually are in different countries. In many international projects, several different entities of an organization are involved, for example headquarters, regional headquarters, and local offices. Due to their strategic importance, many international projects are more visible within an organization. The survival of an organization may depend on the successful management of a single international project, for instance a cross-border merger or acquisition.

Bigger scope usually entails greater complexity, assuming that volume increases complexity in terms of the increase in the number of interfaces, and that organizations and their members have greater difficulty comprehending something 'big' in terms of parties involved, countries involved, budget involved, etc.

STAKEHOLDERS OF INTERNATIONAL PROJECTS

In contrast to standard projects, international projects typically involve non-domestic stakeholders. Especially customers are very often non-domestic and heterogeneous regarding their nationality. Moreover, there tend to be more stakeholders outside the organization as collaborative international projects are increasing. A US-based IT consulting company had to work together with 14 subcontractors from Austria, Germany, Lebanon, Dubai, Greece, and Cyprus to deliver an IT-infrastructure project for a bank in the Gulf region.

RISK INTENSITY OF INTERNATIONAL PROJECTS

International projects usually bear greater risks and uncertainty than other projects. I will discuss the details in Chapter 4. One of the reasons is the complexity of an international environment which is difficult to analyse. Changes are often sudden and unpredictable. Another reason is the complexity of the organizational set-up with the multitude of interfaces and the large number of stakeholders involved.

Let us close section 1.7 with a Mini Case on Tata Motors covering the main differences between international and standard projects we have discussed above.

Mini Case 1.1: Tata Motors

According to the New Delhi-based National Council of Applied Economic Research over 56 million Indians earn over 4,400 US\$ annually as of 2006. Against this background, a car priced at half annual income could be very popular. Hence, Tata Motors, a division of the country's second largest and oldest conglomerate, the Tata Group, wants to launch a US\$2,200 car in 2008. In December 2006, the government of West Bengal approved the construction of a new factory near Kolkata. In less than 18 months, the first prototypes of a new low-cost car are scheduled to leave the production line. Tata plans to mass-produce parts and to ship partially or fully knocked-down kits to entrepreneurial-run garages. There, the cars will be assembled, and sold. This 'People's Car', by 2008 known as the 'Nano', will have a rear engine, four or five doors and four wheels. To lower weight and cost, more composite materials will go into the body. The CEO, Mr Tata, wants to achieve his new goal by sourcing technology and materials from 'wherever it makes sense'.

The engine management system will come from the US-automotive supplier, Delphi. Italian design help is coming from the Institute of Development in Automotive Engineering (I.D.E.A) Institute (which helped Tata develop its popular Indica sedan). The car project may be joined by the Italian auto manufacturer, Fiat, too.

Due to increased raw material prices, the forecast price of the People's Car has risen to approximately 3,000 US\$ before taxes in 2008. In addition, in 2008, Tata Motors

was forced to transfer its first Nano production plant from West Bengal to Gujarat due to violent peasant protests.

In the last couple of years, Tata Motors acquired Daewoo Commercial Vehicles of South Korea. It purchased the Spanish automotive manufacturer, Hispano, and announced a joint venture with Marcopolo, a Brazilian bus manufacturer.

Source: Kremer (2006); *The Economist* (2006); *AutoAsia* (2006); *Financial Express* (2006); Tata Motors (2006); *The Economist* (2008)

Questions and tasks

- 1 Identify the purpose of the international projects mentioned above.
- 2 What main stakeholders can you identify in the various projects?
- 3 Which risks can you identify?

WHAT ARE THE CHARACTERISTICS OF AN INTERNATIONAL PROJECT?

1.8 We have discussed the main differences between ‘standard’ and international projects. I will now provide you with a systematic overview of the characteristics of an international project that is more multifaceted than a ‘standard’ project. Figure 1.5 depicts all characteristics of an international project at one glance.

Before I comment on the single characteristics, I would like to emphasize that they are interrelated. For instance, uniqueness is amplified by diversity, dynamics, risk propensity and complexity. Complexity and limited resources further contribute to risk, and dynamics and diversity increase complexity.

Let me start with one of the most decisive characteristics, namely complexity, followed by the other characteristics anti-clockwise.

COMPLEXITY

This means that there is a huge variety of factors the project manager has to deal with. Complexity in this context has mainly organizational and geographical causes. Complexity from an organizational perspective refers to many intra- and inter-organizational links existing in an international project. Multiple stakeholders with partially conflicting interests, located in different entities of the organization or outside the organization at collaborators’ or the client’s organizations result in a huge number of interdependent interactions which lead to a very complex project set-up. It is vital for the project manager of an international project to find an adequate structure and system to cope with multi-interdependencies. It is also crucial to get to know the different ‘hidden agendas’ of organizations involved and to include them in the planning of the project. Without the true buy-in of all parties involved, failure is likely to occur.

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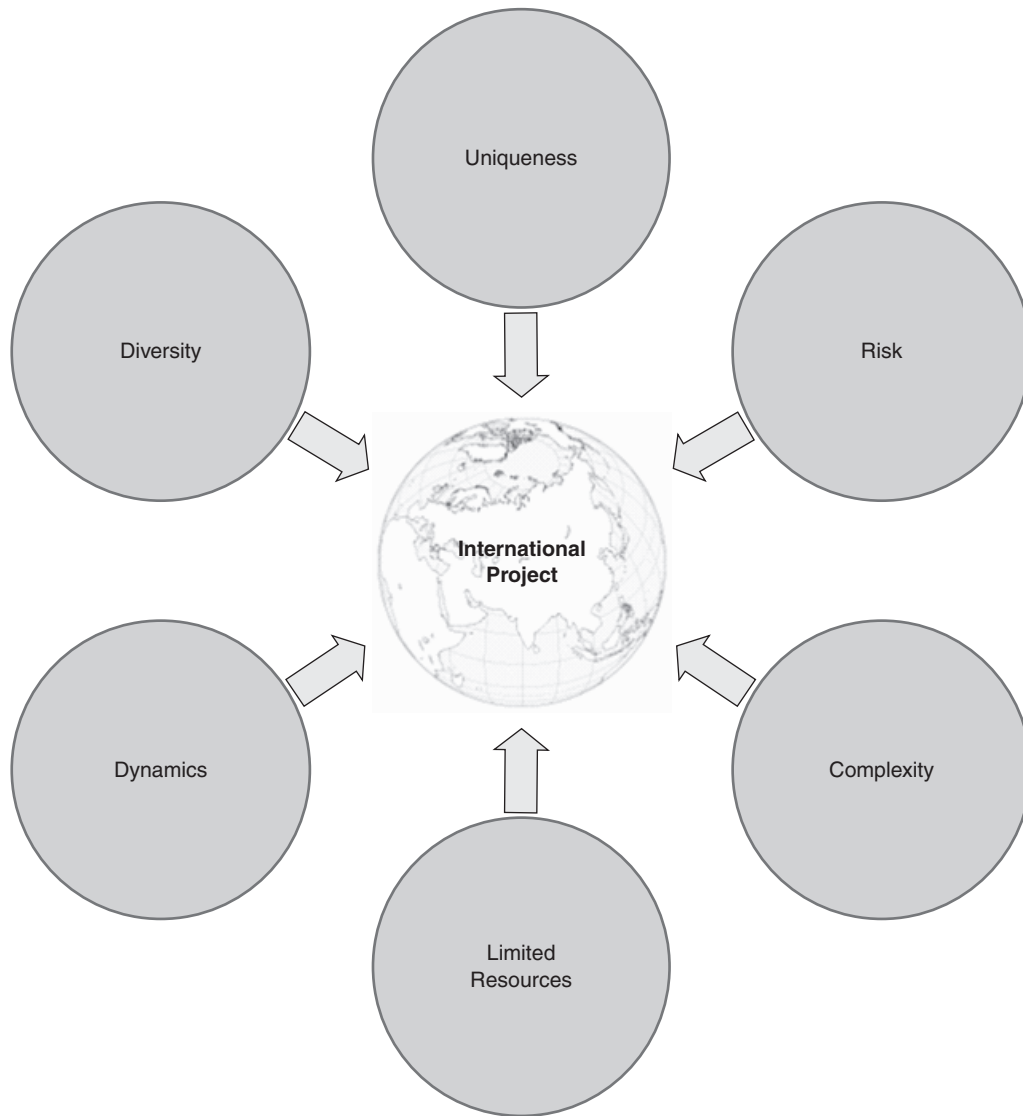


FIGURE 1.5 Characteristics of an international project

Complexity from a geographical point of view resides in stakeholders being scattered around the globe. The organization and the project manager need to establish systems and policies to enable smooth communication and co-operation across different time zones. This is a particular challenge with the Americas and Oceania or East Asian countries simultaneously involved in a project, spanning time zones with a difference of more than ten hours.

RISK

Due to their complexity, many international projects see budget and time overruns, although this is not unusual with standard projects either. The international environment bears further uncertainty, like sudden political instability. Part of the project team might be physically endangered due to guerrilla unrest in a country it is operating in, or members of the team might get hijacked. After a change in political power, the new government might expropriate foreign companies as has happened recently in Venezuela. Western and Japanese oil companies nowadays face huge risks with their international projects like oil and gas exploration, for instance on the Russian island Sakhalin (North-East Asia) because the Russian government wants to regain full control of its natural resources. Different currencies along with local inflation rates, profit repatriation problems, taxation issues, etc. can further add to the risk.

UNIQUENESS

By definition a project is unique. International projects have unique objectives. Daimler acquired Chrysler in 1998 in order to gain market presence in Northern America, grow bigger and benefit from economies of scale and scope. The biggest Chinese PC-manufacturer Lenovo purchased the Personal Computing Division of IBM in 2005 to get access to IBM-technology, to the US-market and to benefit from the well-established IBM-brand they obtained the right to use for five years.

International projects are also unique when it comes to the organizations involved, like an international network of organizations, international alliances, international joint ventures, etc.

The context international projects are operating in is also unique. Countries have different economic and political systems, and different societal structures and cultures. They have attained different technological development levels, have different attitudes and laws regarding the environment, and are governed by different regulatory regimes.

DIVERSITY

Bennett and Bennett (2004:150) define diversity as ‘cultural differences in values, beliefs, and behaviors learned and shared by groups of interacting people defined by nationality, ethnicity, gender, age, physical status, education, profession, religion, organizational affiliation, and any other grouping that generates identifiable patterns.’ In the context of this book, diversity stemming from differences in culture, education, and profession are most crucial. I will use diversity and heterogeneity as synonymous terms throughout this text-book. Different national cultures have a pervasive influence across all project management phases from definition to completion of the project. Managers and members of international projects need to be aware of this fact. Cultural differences need to be bridged and managed in an efficient way. Project managers have to face a situation where

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their project members might work in entities with different organizational cultures. They might speak different languages. Hence, misunderstandings are the order of the day. Even among English native speakers, the question is: What is 'standard' English? Project stakeholders have gone through different educational systems which lead to different skills – some might have accumulated a wealth of knowledge but are not capable of transferring their knowledge to new issues and problems, others might have learned different models or are used to different processes and procedures. Diversity is an important characteristic of international problems and a theme throughout this textbook, comparable to complexity.

DYNAMICS

International projects frequently face numerous and sudden changes. The reasons are fierce competition on global markets, and the fact that there are many parties involved in the project with self-interest which might not be obvious. Besides, the complex environment offers plenty of new opportunities and risks which need to be acted upon swiftly. An example would be the emergence of a new competitor on the global market, like the Korean manufacturer Samsung in the consumer electronics business in the 1990s.

LIMITED RESOURCES

The bigger scope implies a greater amount of resources needed to carry out an international project. More time is needed for proper planning, more money is needed due to higher transportation and co-ordination efforts. Moreover, it is a challenge to recruit staff with the language and intercultural skills needed in an international project.

Mini Case 1.2 will provide you with the opportunity to analyse an international project in the light of the characteristics we have just discussed.

Mini Case 1.2: One laptop per child

In January 2005, Nicholas Negroponte, co-founder and former Director of the MIT Media Lab, founded the One Laptop per Child (OLPC) non-profit association. With the help of other MIT faculty members as well as companies such as 3M, Advanced Micro Devices (AMD), Google, News Corporation, Nortel, Red Hat and others, OLPC aims at designing, manufacturing and distributing laptops at a target price of 100 US\$. These laptops shall be sold to governments in developing countries and distributed specifically by schools on basis of *one laptop per child*. The idea is that these laptops are free to these children. OLPC's objective is to produce a vital educational tool to transform the content and the quality of these children's education.

Considering that 60 per cent of the cost of a laptop resides in marketing, sales and distribution which do not occur at OLPC, experts from both academia and industry have come together to provide these ultra-low cost, flexible, power efficient, responsive and durable machines. As of 2007, initial discussions have been held with countries such as

Brazil, Thailand, India, Argentina and Egypt. Each country will get versions specific to their local language. OLPC has chosen Quanta Computer Inc. of Taiwan as their original design manufacturer (ODM) for the \$100 laptop project. Manufacturing was said to begin when 5 to 10 million machines have been ordered and paid for in advance. As of the beginning of 2007, countries like Nigeria and Libya have committed each to one-million plus units. The preliminary schedule has been met, and in November 2006, the first 875 B1-Test machines left the assembly line. In February 2007, the B2 Test machines were deployed to the chosen launch countries: Brazil, Argentina, Nigeria, Libya and Thailand. To make them useful in their environment, the laptops are equipped with devices to load their batteries manually. Their colour display can be switched to a high resolution monochrome display that is better to read in plain sunshine. However, things turned out to be more difficult than anticipated. As of May 2008, only some 100,000 units were sold. The cost of the laptop is twice as high as planned.

Source: Laptop.org (2007a, 2007b, 2007c); TED (2006); OLPC Wiki (2007); dpa (2008); Surowiecki (2007)

Task

Identify the main characteristics making the initiative 'one laptop per child' an international project.

With the main characteristics of an international project in mind, we cannot help recognizing that managing such a multifaceted thing is a daunting task that requires special knowledge and skills. And this is the purpose of the international project 'writing the textbook on international project management': providing you with the relevant knowledge and skills. Let us have a look at what is necessary to lead an international project to success.

WHAT DETERMINES THE SUCCESS OF INTERNATIONAL PROJECT MANAGEMENT?

1.9 First we have to clarify what success means. For the purpose of this book, I will define success as the extent to which the pre-defined project purpose will be attained. We have to be careful, though, not to confuse successful project management with the success of a project. The former might be measured according to the 'Magic Triangle', i.e. in terms of cost, time, and quality. The latter can be subdivided into two questions:

- 1 What factors contribute to a successful project?
- 2 What factors lead to consistently successful projects?

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Both questions are related to the overall success of the organization. Can an organization develop project management as a competitive advantage? Can it repeatedly use projects as a means to position and reposition itself successfully in the (global) market place? We will deal with the above mentioned questions in Chapters 2 and 11.

In the following, we will focus on what has to be done to achieve the purpose of the project within the given constraints.

We have to distinguish between ‘success criteria’ and ‘success factors’. According to Lim and Mohamed (1999) success criteria are generic assessment standards independent of the type of project whereas success factors are more specific to a concrete project and directly influence project results. Success factors are easily confused with the measurement of success which is done with so-called key performance indicators (cf. Chapter 7).

The literature offers a variety of lists of criteria that are critical for project success (Cooke-Davies, 2004; Pinto and Slevin, 1988). I have selected the most relevant in the context of international projects and will interpret them in the light of the particularities of international projects. The order of the points does not imply decreasing importance.

GOAL COMMITMENT OF PROJECT TEAM AND INITIAL CLARITY OF GOALS

Due to the great diversity prevailing in international projects, it is extremely challenging to formulate a goal in a way that all project members feel strongly committed to. Another challenge is maintaining the commitment over a longer period of time which often is necessary due to the long duration of international projects.

ESTABLISHMENT OF SMOOTH COMMUNICATIONS AND SUPPORTING INFRASTRUCTURE

It is critical for success to be able to communicate quickly and effectively across temporal, organizational, functional, geographic and cultural boundaries. This requires a common language and intercultural communication skills. All project members need to be able to communicate sufficiently in a common language such as English, Spanish, Mandarin, Arabic, or any other world language. All project members have to be able to use modern communication technology. This might sound like stating the obvious. Due to different technological development levels of the project sites, ICT and the level of PC literacy might differ hugely between members of the international project.

ADEQUATE PROJECT TEAM CAPABILITIES

In international projects, project members need to have sufficient technical capabilities to perform well, including the communication capabilities outlined above. Moreover,

the project members or at least the leaders of the international project need to have more interpersonal competences, namely in the area of intercultural management and languages. Leaders of international projects have to be aware of the nature of cultural differences, and have to be trained in efficiently working in and with diversity. Ideally, they can turn differences into greater creativity (cf. Chapter 10).

CONSIDERATION OF CONTEXT

Project managers have to pay special attention to the diversity and complexity of international projects, partially due to differences in context. The international project has to deal with a variety of heterogeneous stakeholders. It also has to put up with differences in infrastructure, jurisdiction, and, of course, culture.

RIGHT BALANCE BETWEEN COMMON METHODOLOGY AND FLEXIBILITY

Risk propensity and the need for changes in a dynamic environment is high in international projects. Hence, the project manager and his or her team need to allow for flexible and swift responses. At the same time, they have to maintain cohesion among the heterogeneous stakeholders with a common project management methodology like a project master plan. The project manager needs to be willing and able to take the risk to depart from the original plan, though, in order to cope with a dynamic and complex environment.

SUPPORTIVE PROJECT CULTURE

A crucial critical success criterion which is rarely mentioned in classical models is the project culture. Any culture of an international project needs to be ethno-relative. Based on an attitude of open-mindedness, responsiveness and flexibility, no preferences are given to any national (or organizational) culture. No culture should be regarded as superior to another. A supportive project culture allows for fusing customs, habits or behaviours from various cultures if it serves project success. The prerequisite of such an ethno-relative culture is the acknowledgement of differences and their respect. Open-mindedness and respect enable the creation of trust among diverse stakeholders, which in turn is the prerequisite for effective learning in and from projects, as will be explained further in Chapter 11.

Ideally, the project culture supports the achievement of the given tasks and simultaneously functions as a common reference frame in terms of behaviour and communication to all parties involved in the international project. We will discuss project and organizational culture in detail in Chapter 2.

Knowing the criteria for success as summarized in Figure 1.6 is important for efficiently working in and managing international projects.

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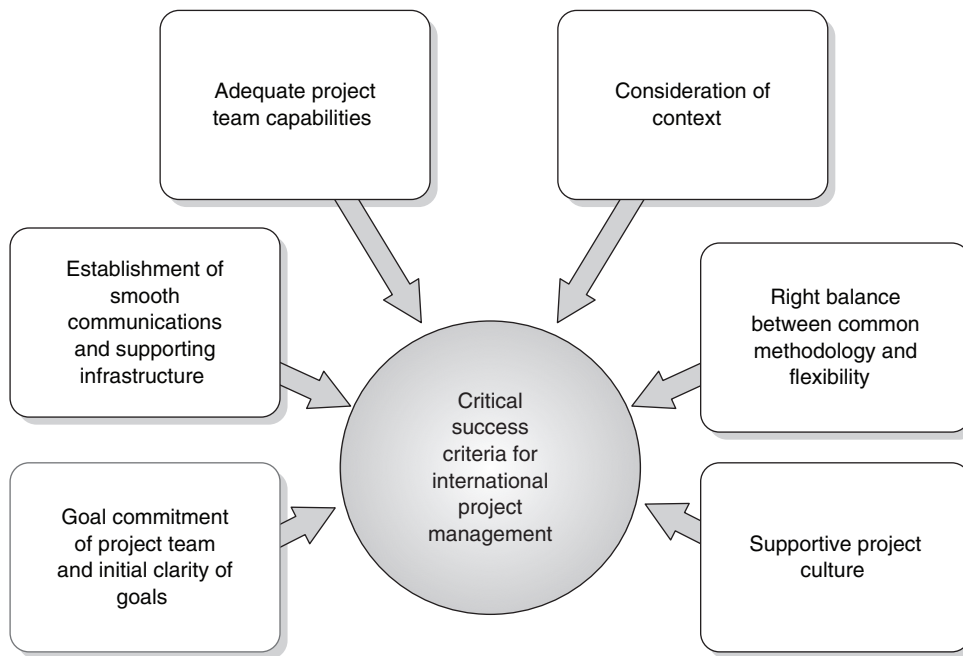


FIGURE 1.6 Key success criteria for international project management

WHAT IS THE STRUCTURE OF THIS TEXTBOOK?

1.10 I will wrap up this chapter by outlining the structure of this book. I have selected two reference frames to explain the main topics, and to indicate the areas which are out of scope. First, this book's structure is described from the perspective of the APM Body of Knowledge in its 5th edition (APM, 2006b). Second, the structure of this book is explained from an open system theory perspective.

APM KNOWLEDGE AREAS PERSPECTIVE

Figure 1.7 illustrates the seven APM knowledge areas with their headings. Below the titles of each knowledge area, you find the numbers of the chapters of this textbook that chiefly deal with the respective knowledge area.

The APM knowledge areas four and five are only marginally dealt with, whereas knowledge area seven is deeply analysed in this book, with one chapter for each knowledge sub-area. Reflecting the requirements of successful international project management as explained above, I have dedicated special attention to:

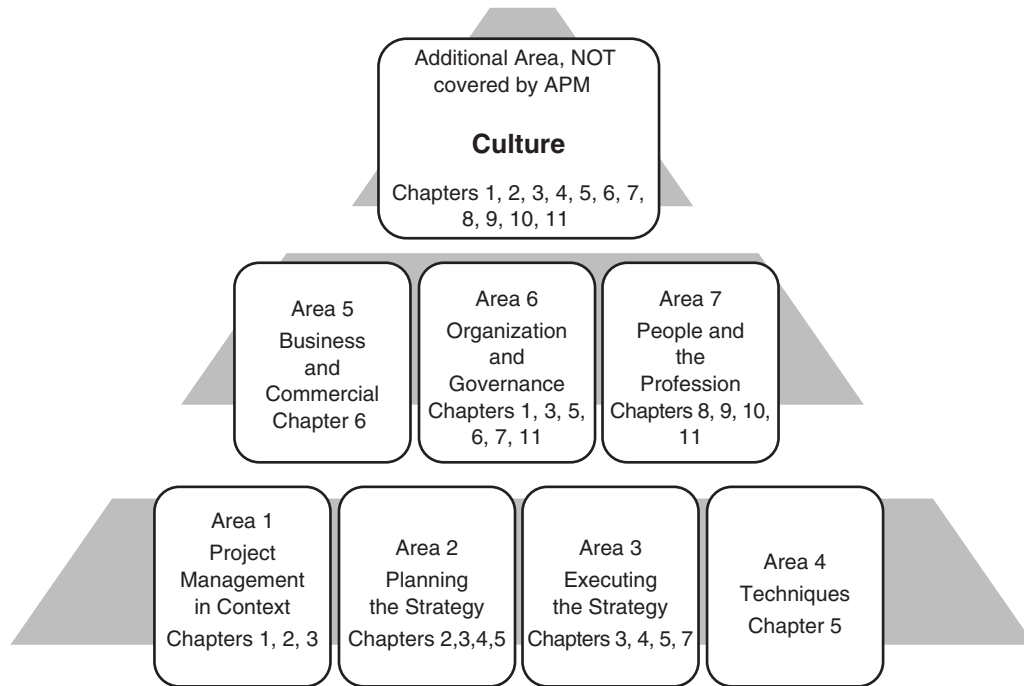


FIGURE 1.7 Coverage of APM knowledge areas in this book

- management methods suitable for a dynamic, complex, fast changing environment
- context management (externalities)
- peoples management
- culture Management.

In the following I relate the content of each knowledge area of the APM Body of Knowledge to the content of the chapters of this book.

1 Project management in context

Comprises project management, program management, portfolio management, project context, project sponsorship, and project office.

This knowledge area is discussed in Chapters 1, 2, and 3 with special emphasis on project context due to its importance for international projects.

2 Planning the strategy

Comprises project success and benefits management, stakeholder management, value management, project management plan, project risk management, project quality management, health, safety and environmental management.

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Project success and benefits management is discussed in Chapter 2. Stakeholder management is discussed in Chapter 3, project management plan in Chapters 3 and 5, and project risk management in Chapter 4. Project quality management is only touched on in Chapter 5 regarding the particularities of an international project. The other areas are out of scope.

3 Executing the Strategy

Comprises scope management, scheduling, resource management, budgeting and cost management, change control, earned value management, information management and reporting, and issue management.

Scope management is discussed in Chapters 3. Chapter 5 gives an overview of scheduling, resource management, budgeting and cost management. Chapter 7 introduces change control, earned value management, reporting and issue management.

4 Techniques

Comprise requirements management, development, estimating, technology management, value engineering, modelling and testing, and configuration management.

Due to the international focus of the book and the constraints regarding space, the technical areas are only marginally discussed in Chapters 3 and 5. This does not mean that 'techniques' are not important. On the contrary, much more research is needed in that area. I have listed further literature for the interested reader at the end of this chapter.

5 Business and commercial

Comprise business case, marketing and sales, project financing and funding, procurement, legal awareness.

Here again, I have only partially touched on procurement issues and legal awareness issues in Chapter 6, all other areas are out of scope. For a detailed analysis, further reading is recommended.

6 Organization and Governance

Comprise project life cycles, concept, definition, implementation, handover and closeout, project reviews, organization structure, organizational roles, methods and procedures, and governance of project management.

Project life cycles are discussed in Chapter 1, concept and definition in Chapter 3, implementation in Chapter 7, handover, closeout, and project reviews in Chapter 11, organization structure, organizational roles, methods, and procedures and governance of project management in Chapter 6, and communication governance in Chapter 8.

7 People and the profession

Comprise communication, teamwork, leadership, conflict management, negotiation, human resource management, behavioural characteristics, learning and development, and professionalism and ethics.

The people-related area is the most important when it comes to international project management, especially due to the fact that people cannot be separated from the other areas described above: 'It is not as if there are some factors that involve processes, and others that involve people – people perform every process, and it is the people that ultimately determine the adequacy' (Cooke-Davis, 2002: 189).

I focus on 'People and the Profession' in this book, discussing communication and negotiation in Chapter 9, leadership, behavioural characteristics, and human resource management in Chapter 8, conflict management in Chapter 10, and learning and development in Chapter 11.

Additional knowledge area: culture

People and their actions are heavily influenced by culture. Thus, culture is an important factor impacting on people's behaviour, and also in projects. However, culture is not mentioned in the APM Body of Knowledge. As culture plays a decisive role in international project management, special attention is given to it throughout the entire book. In each chapter I will point the reader towards the cultural particularities standard project management methodology may need to incorporate.

Another area which is not explicitly mentioned in the APM Body of Knowledge is 'learning' in the sense of a learning organization. It is argued that the continuous enlargement of the capabilities of an organization becomes a strong competitive edge, especially in a globalizing world. Hence, Chapter 11 is dedicated to 'learning in and from international projects', touching on individual learning as covered in the APM Body of Knowledge, but also on organizational learning.

Project management standards are useful to provide the student and practitioner with a framework of relevant knowledge in the field of project management. However, you have to be sensitive to not cutting and pasting this standard without further reflection about applicability in an international context.

OPEN SYSTEM PERSPECTIVE

Let us switch perspectives, turning away from project management standards and looking at international project management from the angle of an open system, the organization. Across sectors and geographical borders, an increasing number of organizations use project management to implement their strategy. As project management becomes an overarching theme in the management of organizations, it should be more closely tied to the main elements of an organization, rather than be viewed as a separate 'thing' existing in parallel to the organization. I think that project management should be integrated in how the organization determines and implements its strategy, how the organization is structured, how the organization ticks, which systems and processes it is based on, how the organization's staff is led, what knowledge the staff has, and what the organization's capabilities are. As projects are managed within the context of an open system, the organization, we have to keep all those organizational

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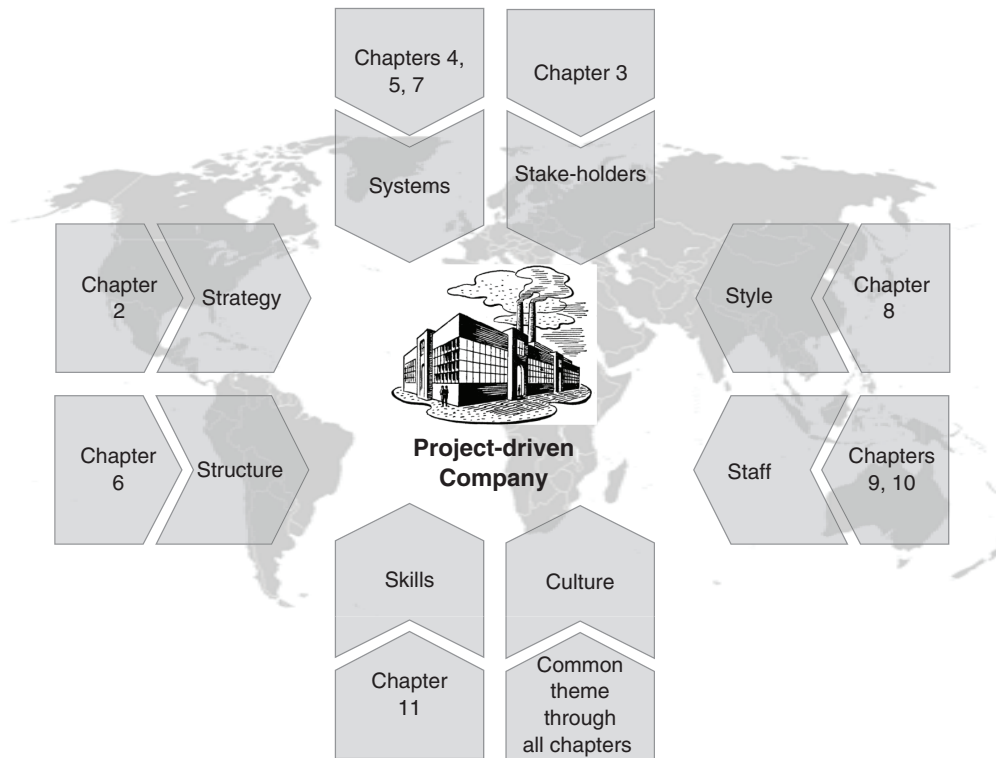


FIGURE 1.8 The content of this book from an open system's perspective

areas attuned to the needs of efficient and effective project management and vice versa. This book aims at providing the reader with a holistic view on project management.

To illustrate this approach, I have adapted (see Figure 1.8) the well-known McKinsey Seven-S-Model comprising 'hard' and 'soft' areas of an organization: Style, Staff, Shared Values (Organizational Culture), Skills, Structure, Strategy and Systems (Bate, 1994). I have extended the Shared Values to Culture in a broader sense, including national and functional cultures, and supplemented the model by another 'S' for 'Stakeholders' to properly reflect the main areas of importance in international project management.

SUMMARY

An international project is typically more complex, dynamic, and riskier than a 'standard' project. It has to address the diversity of its stakeholders mainly in terms of national cultures, organizational cultures, functional cultures, languages, and educational background. The context of international stakeholders and an international environment with

its heterogeneous jurisdictions plays an important role in the management of international projects. Project management emerged from the US military. Hence, it is rooted in Anglo-American values. When applied in other countries and contexts, the methodology might need to be modified. Key criteria for successfully managing international projects are goal commitment of the project team and absolute clarity of goals, the establishment of smooth communications and general infrastructure, the consideration of context, adequate project team capability and project members' sensitivity to local cultures, the right balance between flexibility and project management methodology as a common reference frame, and the establishment of an ethno-relative project culture reflecting open-mindedness, respect, and trust.



KEY TERMS

Project, project management, project management life Cycle, stakeholder, project owner, project sponsor, contractor, customer, user, project manager, project management team, program, general systems theory, open system, international project, complexity, risk, uniqueness, diversity, heterogeneity, dynamics, limited resources, success criterion, Success Factor.

REVIEW TASKS

Questions

- 1 Where do you see the main differences between a 'standard' and an international project?
- 2 In your opinion, what can impede the successful management of an international project?
- 3 How helpful are global standards for international project management?

EXERCISE

- 1 Work in groups of five or six people, if possible from different cultures (national, organizational or functional) or with different (educational) backgrounds.
- 2 First, you individually think of your personal experience in the last five years. What would you classify as an international project?
- 3 Use Figure 1.5 to characterize the project you have in mind and explain it to your fellow students in your group.

CHAPTER END CASE: THE WORLD BANK'S GLOBAL PROGRAM FOR AVIAN INFLUENZA CONTROL AND HUMAN PANDEMIC PREPAREDNESS AND RESPONSE

EMERGENCE OF HIGHLY PATHOGENIC AVIAN INFLUENZA

In 1997, the avian influenza virus or bird flu first surfaced in Hong Kong. Since then, it has remained largely a disease affecting birds with sporadic infections of humans who had contact with infected fowl. Hundreds of millions of birds have died or been culled because of the virus since 2003. Until January 2007, 163 people were reported to have been killed by the virus, mostly in Indonesia, Vietnam, Thailand, and China. In 2006, the virus became deadlier: 70 per cent of the infected persons died from it.

Between 2003 and 2005, avian influenza was reported from 15 countries, mainly in South-East and Central Asia. By May 2006, the highly pathogenic avian influenza (HPAI), also called H5N1, had spread to 45 countries. In some countries, it was only found in wild fowl, in other countries and regions, like in India, Africa, the Middle East, and Europe, the virus was identified in domestic and commercial poultry populations. Between 2003 and early 2007, the virus had caused estimated economic losses to the Asian poultry sector of around 10 billion US\$. It has destroyed the livelihoods of hundreds of thousands of poor livestock farmers. It jeopardizes commercial poultry production, and is an increasing obstacle to regional and international trade.

RISK OF A PANDEMIC?

The fact that there has been a recent continual increase in the number of known cases of avian influenza transmission has raised concerns over the potential appearance of a human pandemic which could have extremely harmful effects on the health and livelihood of all human beings. However, it is extremely uncertain whether or when a pandemic will emerge. Since the sixteenth century, three pandemics were recorded on

average per century. In the last 100 years, pandemics occurred in 1918, in 1957, and in 1968. The most severe one was the one in 1918, the so-called Spanish influenza, with an estimated rate of 50 million deaths within 18 months. A pandemic today would travel faster, given the improvements in transportation. Experts forecast a death toll between 2 to 50 million for an avian influenza pandemic. This would not only put high requirements on countries' health systems, but would also result in unprecedented social and economic impact. According to World Bank estimates, the cost of a pandemic could amount to 1.5–2 trillion US\$ in a severe pandemic scenario.

GLOBAL PROGRAM FOR AVIAN INFLUENZA

MAIN PLAYERS

In the light of the unprecedented potential harm incurred by an avian influenza pandemic, the World Bank, along with other agencies of the UN system (Food and Agriculture Organization (FAO), World Health Organization (WHO), together with the World Organization for Animal Health (OIE), a globally operating intergovernmental organization, started to design a Global Program for Avian Influenza (GPAI) in 2005. Why those organizations? The World Bank has the infrastructure and ability to work across sectors, to raise funds, and to mobilize technical assistance and knowledge sharing activities at the regional and global levels. The World Health Organization specializes in public health on a global level. The Food and Agricultural Organization and the Organization for Animal Health are the experts in agricultural issues and animal health.

The program is scheduled to be implemented over three time-frames: immediate to short (1–3 years), short to medium (4–6 years) and medium to long-term (7–10 years).

It involves numerous players, namely in the areas of health, agriculture, economics, finance, and planning. Apart from the international organizations mentioned above, the world's governments, together with many non-governmental bodies, private entities and international scientific, developmental, humanitarian and security organizations are involved in the program. Some 25 countries received financing under this program by the end of 2006, including Vietnam, Bangladesh, India, Nigeria, Ethiopia, Turkey, and Romania. In the infected countries and the non-infected at-risk countries, governmental agencies committed to controlling trans-boundary animal diseases are part of an integrated, multi-sector response to the threat posed by the deadly disease. In some countries, the military has also to be considered because it plays a major role in emergency cases.

OBJECTIVES

The long-term objectives of the program are:

- diminishing the global threat of a human pandemic
- stabilizing poultry production
- supporting a robust regional and international trade in poultry and poultry products
- increasing human and food safety
- improving the livelihoods of the rural poor.

What concrete activities lead to the accomplishment of these objectives? Simply put, it is the careful adherence to basic public health and infection control measures, for instance contact investigation, and

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infection control at healthcare facilities. Given the uncertainty and the lack of knowledge regarding the spread and persistence of H5N1, the program also supports further research and investigations into avian influenza. Yet, it will not be easy to achieve the goals due to the complex interface between farming systems, livestock trade, food safety and public health.

The activities described need to be embedded into a strong common vision. It is also important to adapt the global measures to local contexts, tailoring the various activities to local needs. The countries have a great variation in capacity to deal with the outbreak of a serious disease. The global program consists of many single projects which are dedicated to realize the above mentioned objectives with measures that are adapted to local conditions.

ISSUES

There are different sources of financial resources: internal resources of the infected and at-risk countries, funding provided by international organizations, but also funding through a so-called multi-donor trust fund which mainly supports countries that lack financial resources, for example in Africa. By April 2006, the economic heavyweights like China, the EU countries, Japan, Russia, and the USA, but also smaller countries like Saudi Arabia, Singapore, South Korea and Thailand, together with the European Commission, the Asian Development Bank and the World Bank, had provided an overall sum of almost 1.9 billion US\$ for the program. Yet, too few financial resources are available for the program as of the end of 2006. Another issue is the lack of support for communications. People need clearer and more comprehensive information regarding the risk and outbreak of the disease.

Recently, more difficulties have emerged as reflected in the following example of Indonesia.

Indonesia is the country worst affected by bird flu. It has recorded 85 cases, of which 64 had been fatal. To protect the world's population from a pandemic, WHO wants to develop a vaccine against the virus. Consequently, it needs samples of the virus. In February 2007, the director-general of WHO gave a written guarantee to the Indonesian health minister stating that no avian influenza samples were passed on to companies for commercial use. However, Indonesia wants a legally binding agreement before it will share samples with WHO. The Indonesian government is afraid of the use of samples for commercial purposes without its permission. The deputy health minister for research feels that Indonesia has been cheated by WHO before, as it allegedly had passed on samples to companies. He says that good relationships can be restored quickly, but only if WHO respects Indonesia.

International avian influenza experts consider the withholding of the samples as a great risk to global health because Indonesia is considered not to have the expertise to determine whether the virus is mutating into a form which could trigger a global pandemic. Other experts understand the tough stance of the Indonesian government as it would have to pay millions of dollars for vaccines to pharmaceutical companies which would have obtained the samples for free. They feel that it is only ethical to share risks and benefits.

As of May 2008, Indonesia and other countries reluctant to share information about their viruses have started to share information using a freely accessible global database. Until then,

WHO had kept crucial information in a private database at a USA government laboratory in Los Alamos, USA, with limited access for 15 other laboratories only.

Source: AP (2008); Financial Times (2007); The Economist (2007b); The World Bank (2005); The World Bank (2006a); The World Bank (2006b); The World Bank (2006c); The World Bank (2006d); The World Bank (2006e); The World Bank (2006f); The World Bank (2007)

Questions

- 1 Assuming that the same characteristics apply to a program and project: what are the characteristics of the Global Avian Influenza Program which make it an international program?
- 2 Who are the main stakeholders of the Global Program on Avian Influenza?
- 3 What are the key success criteria of this international program?

FURTHER READING

Thamain, Hans J. (2005) *Management of Technology. Managing Effectively in Technology-Intensive Organizations*. New Jersey: John Wiley & Sons. (This book gives very detailed insights into project management knowledge areas that are out of scope of this book.)

Turner, J. Rodney (ed.) (2003) *Contracting for Project Management*. Aldershot: Gower. (This books covers very well the commercial project management knowledge area that is omitted in this book.)

Cleland, David I and Roland Gareis (eds) (2006) *Global Project Management Handbook. Planning, Organizing, and Controlling International Projects*. 2nd edition. New York: McGraw-Hill. (This reader covers many aspects relevant for managing international projects in great detail. Part 5

provides interesting insights into project management in Austria, China, Australia, Romania, and Japan.)

Murphy, Owen Jay (2005) *International Project Management*. Mason: Thomson. (For those readers who miss a defence industry perspective. The US-American author has a military background.)

In addition, the following journals publish interesting articles about the topic:

- *International Journal of Project Management* (Journal of the European International Project Management Association)
- *European Management Journal*
- *PM Network*
- *Project Management Journal* (Journal of the Project Management Institute PMI)