THE INCREASING IMPORTANCE OF DEALING WITH STRATEGIC TOPICS IN PROJECT MODE

LOUISE JOSEPHINE

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....
Ms. Louise Josephine
Candidate

....
Assoc. Prof. Nathasit Gerdsri,
Ph.D.
Advisor

....
Assoc. Prof. Astrid Kainzbauer,
Ph.D.
Chairperson

....
Asst. Prof. Duangporn Arbhasil,
Ph.D.
Dean
College of Management
Mahidol University

....
Boonkiart Iewwongcharoen,
Ph.D.
Committee member

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Louise Josephine

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LOUISE JOSEPHINE 6149150

M.M. (GENERAL MANAGEMENT)

THEMATIC PAPER ADVISORY COMMITTEE: ASSOC. PROF. NATHASIT GERDSRI, Ph.D., ASSOC. PROF. ASTRID KAINZBAUER, Ph.D., BOONKIART IEWWONGCHAROEN, Ph.D.

ABSTRACT

During my past and present internships, I had the opportunity to work on projects that were newly developed in those companies. It has raised my curiosity and interest to explore and learn more about project management, strategy, and their correlation. That is why, in this paper, I will explore the following statement: the increasing importance of dealing with strategic topics in project mode. I will also point occurring impacts and describe how it was implemented based on a real case situation (I was asked by the company to keep confidential some elements, but still feel that we can understand the process). I will also underline some challenges linked to the implementation.

Defining the terms of strategy, project management and strategic project management is an important prerequisite to set the context in which the case study that follows is based on. This analysis should allow to explore in a real business context, how those companies (and probably many other groups) manage and deal with those key subjects and how each decision taken may have serious impacts on the success or failure of their strategic vision.

KEY WORDS: Strategy/ Project Mode/ Management/ Strategic project Management/ Challenges

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CHAPTER I
INTRODUCTION

Strategy is a word that can mean everything and nothing at the same time. Nowadays, people and organizations are using it for various reasons; so, people get lost in what strategy really is. Understanding its meaning, nature and goals are essential and a perquisite to every strategic analysis and to comprehend the business world. It is as essential as understanding what a project really is. Project and project mode seem to become increasingly active and influential in modern organizations. We read and see most organizations dealing with: Project transformation, IT projects, R&D projects … So, understanding how, what is covered, when they are used and why they are needed. It is a key prerequisite and asset to be well understood by all managers (for new ones of course but also for the ones used to traditional business management tools)

This paper is organized in six chapters. After a quick introduction, the second chapter is a presentation of the company Bureau Veritas, where I Work presently for my internship (see Appendix E). Most of the examples and the case study will come from my experience in that group. The three following chapters are dedicated to the definition and clarifications of the three main themes of this paper: Strategy, Project Management and Strategy Project Management. The sixth chapter aim, the case study is meant to illustrate the subject and organized as a set of question and answers. The objective is to better understand what Strategic Project Management (SPM) means and cover and how, by an example, it is concretely implemented within a multinational group like Bureau Veritas.

I will dig in the subject by exploring three key questions:

- Are projects developed within Bureau Veritas, like SPM based on the principle of aligning their specific business purposes to the business level strategy plan?
- Does Bureau Veritas succeed to implement their projects by being aligned with the 3 intrinsic methods of SPM?

- What are the different challenges of strategic project management in general and what are the specific ones that Bureau Veritas BV faces today?

In order to facilitate the analysis and the understanding, the two first questions will be based on BV Marine & Offshore (M&O) business line and BV M&O China.

It is a fact that today probably more than ever in the past, words like strategy, project, programs, transformations, change, and project teams... are more and more used in organizations and even in society. It is key to understand the reason why and what they mean. When not clearly understood, communication won't be as effective and objectives will not be achieved. In an era where collaboration and cooperation are main keys to bring change quickly in order to meet the growing challenges of operating in international complex contexts and to apply them successfully, it is important to understand those concepts.

CHAPTER II
INTERNSHIP & CASE STUDY COMPANY

2.1 Bureau Veritas Group

Company figure:

- Headquarter in Paris, France
- 190 years of expertise
- A network of 1400 offices and laboratories
- Present in 140 countries
- 76.000 employees
- More than 400.000 customers
- Recognized by 900 states and accreditation organization

The company Bureau Veritas S.A (BV), created in 1828, is recognized as a global leader in TIC (Testing, Inspection, and Certification). The main purpose of this multinational is to help its clients to meet the new and diverse challenges of quality, health, safety, environmental protection, and social responsibilities. The core of their services is to comply with the laws, regulations, standards, specifications and/or client requirements.

"We pride ourselves of global mindset and domestic action to provide the best possible services, ensuring that our clients move forward with confidence"

The organization is providing services in terms of auditing, classification, certification, consulting, inspection, outsourcing, quality assurance & quality control, testing & analysis and training.

The company is worldwide present in business lines which are:

- Automotive & Transport
- Commodities & Agriculture
- Financial Services & Public Sector
- - Power & Utilities
- Buildings & Infrastructure
- Consumer Products & Retail
- Marine & Offshore
- - Cross-Market Services
- Chemicals
- Foods
- Oil & Gas

As explained below, this paper and the case study will mainly focus on one specific business line: Marine & Offshore (M&O).

2.2 Marine and Offshore Division (M&O)

"Bureau Veritas services cover the entire life cycles for ships and offshore projects from design to the ultimate operation"

The international Marine & Offshore division is divided into four operational zones:

- North Asia Zone (include China)
- South Asia Zone,
- South Europe & Middle East & Africa Zone and North,
- Central Europe and North America Zone
- The services provided by the division:
- Classification of ships and offshore division and offshore units
- Statutory certification of ships and offshore units, quality and security system certification and certification of Marine equipment & Material
- Services for all types of ships regardless of classifying society

2.3 Marine & Offshore – Shanghai, China

China offices and more specifically the Shanghai Office is the world biggest "bureau" of the Marine & Offshore business line. It is also one of the most profitable unit, within the four operational zones, in term of profits and costs and also in term of future business opportunities.

Today, many international organizations are coming to China to benefit from Chinese expertise of shipbuilding and quick developing capacities of shipyards, quick curve of learning new methods to improve quality, and to take advantage of their lowest production cost prices...

CHAPTER III
STRATEGY

3.1 What is Strategy?

The concept of strategy has been long discussed over the last centuries. Its concept and definition are in perpetual evolution. Etymologically, the term Strategy comes from the Greek ("*Stratos*": army and "*Ageîn*": driving) and has its origin in the military texts of famous war generals such as G. Von Clausewitz (1780-1831) which defines it as "*the use of battle for the purpose of war.*"

It's in the 1960s that the concept was first introduced in business economics through Strategic Analysis Models developed in the United States. And since, the definition of Strategy has been evolving. Three of the most influential definitions are from:

- A.D. Chandler (1963) defines it as "*the determination of the long-run goals and objectives of an enterprise and the adoption of courses of action and the allocation of resources necessary for carrying out these goals*".
- M. Porter (1996) defines it as a "*competitive strategy is about being different. It means deliberately choosing a different set of activities to deliver a unique mix of value".*
- Henry Mintzberg (2007) defines it as *"a pattern in a stream of decisions".*
- In each definition, three main characteristics are put in the spotlight:
- The long-term orientation: Strategies are measured and defined for years. It is a long-term objective that the company wants to reach.
- The direction: The direction that organizations want to take to attain their long-term objectives. It can be profits, market share, positioning…

- The organization: The complex organization, the relationships (internal or external) that the company has. Many stakeholders are influencing the company: they are the heart of any company and will influence the strategy and how the company will be.

3.2 The different global approaches overtime

Overtime, the concept of strategy has been developed and evolves through different perspectives and approaches. The strategic model of Richard Whittington (2000) can help to define it and gives a clear vision of the different concepts that have appeared overtime. Even when some new, mix or adapted approaches have appeared over time linked to the environment and the needs of a company at a T moment.

His model firstly categorized the different approaches of strategy in four main categories (See appendix A):

3.2.1 The Classical Approach

The "*Classical Companies*" achieve their profit-oriented goal through long-term process planning and by using resources effectively: they are guided by maximizing their return on investment. They have attributes like "*rational analysis, the separation of conception from execution, and the commitment of profit maximization*" (Whittington, 2000).

The top managers are formulating and controlling the strategy while the operational managers will implement it. "*Responsibility for that control and consciousness must rest with the chief executive officer: that person is the strategist*" (Mintzberg, 1990). It is a formal process of analyzing, planning and commanding through a straight top-down leadership approach.

This approach has appeared, over time, to be the most appropriate one for stable and mature industries in the 90s and even if this approach is now ancient and seems inapt today, many organizations still function like that.

3.2.2 The Processual Approach

The "*Processual Companies*" believe in the value of rational long-term planning. Their strategy plans are based on the process of learning and adapting. While the classical approach is based on rational analysis, the processual approach tends to follow rules and processes that already exist. It tends to emphasize internal development rather than external. Knowledge is the key and is gained by experience or by learning.

As Jay Barney (1991) explained it, the objective is to "*use the valuable and non-imitable resources in the best way to outperform the competitors*". Knowledge has to be personal and difficult for competitors to copy or imitate. This approach has emerged from basic everyday operations and market processes.

3.2.3 The Evolutionary Approach

The evolutionary approach is based on the fact that the economic environment is continuously changing and is unpredictable. It believes that "*evolution is nature's cost-benefit analysis*" (Einhorn & Hogath 1988): the market will decide whatever the strategy the manager will put in place. So, companies have to develop their strategy to respond to the environment for survival.

Indeed, the competitive environment will choose the fittest for survival; the other competitors, if they are not quick enough, will tend to disappear: it's a process of natural selection. In other terms, organizations are more dependent on their environment than on their managers. So, the "*Evolutionary Companies*" objectives are to try to keep the costs as low as possible, to increase the efficiency and to try to keep all options opened.

This approach is relevant to industries that are in flux and/or are in the early growth stage.

3.2.4 The Systemic Approach

The systemic approach has been developed in complexed networks and is culturally defined. This approach depends on the social systems in which the "*strategy-making*" takes place. According to Whittington, this strategy needs to be "*socially sensitive*": the company needs to play by the local social systems rules. That approach is not based on a unitary outcome like profit maximization in the classical approach but on pluralist outcomes related to the social, political and economic context in which those organizations operate.

This approach is the one used by Bureau Veritas group. As it will be explained in more details below (in chapter four: Strategic statement - page 17), the main scopes of the group are not only linked to profitability. It is also about market expenditure, global footprint, productivity improvement…

This thinking is similar to Mintzberg's culture school strategy approach (1998): strategy is a collective process and a reflection of the corporate culture. The strategy has to meet cultural and societal needs while creating and maintaining sufficient profit.

3.3 The different levels of Strategy

Inside most of the organizations, there are 3 levels of strategy: corporate-level strategy, business-level strategy and operational business strategy. Those levels have to be aligned when an organization wants its strategy to be efficient.

3.3.1 Corporate-Level Strategy

This level of strategy is the highest one: it's the scope of the overall organization. It's at this level that organizations define the geographic scope, products and/or services diversity, business acquisitions and how resources will be allocated.

E.g. at Bureau Veritas, this strategy level is held by the headquarter in Paris. It's the international overall strategy for all businesses and acquisitions the Veritas share with all business line. The corporate level strategy only counts 10 persons out of more than 76 000 employees. The really key decisions and orientations are very centralized but from that most of the decisions are taken at a business-level strategy.

3.3.2 Business-Level Strategy

It's at that level that decisions and strategies are taken for each business units of a company on their specific market. This level can also be called the Competitive Strategy level.

E.g. this strategy level could be related to the business line level, which corresponds in the frame of the internship to BV - Marine & Offshore Bureau. As Bureau Veritas is an international multinational organization that has a very broad activity portfolio, this unit level is also responsible for developing the geographic scope, products and/or services diversity, business acquisitions and how resources are allocated to their business line.

3.3.3 Operational Business Strategy

The objective of this level of strategy is to define how all the components (people, resources and processes) are going to effectively deliver Corporate and Business-level strategy.

E.g. Operational business strategy and level are decided, for the Marine & Offshore bureau, inside the operational zone. As explained in the Chapter 1, China is part of the North Asia Zone.

3.4 Strategy Statements

To create a mental image of where the company's goal is and that can be understood by each stakeholder, the easiest and normative way is to define and share a strategy statement. It is most of the time discussed and developed at a corporate-strategy level and sometimes also at a business-level strategy depending on the company's organization.

The strategic statement can be divided into 3 main themes:

- Goals: This objective is divided into 3 contributing elements:

The mission: *In what field the organization play?* The mission is the overriding objective of the organization; defining it will help each stakeholder to focus on what is central for their organization.

The vision: *What the company wants to achieve?* The vision is related to the future and desired goals of the organization. The vision needs to inspire the stakeholders to do their maximum to achieve it. It has to be: brief, clear, abstract, challenging, future-oriented, stable and inspiring.

The objectives: *What does the company want to achieve in the coming period?* Objectives are the result of mission and vision but in quantifiable and precise statements. It has to refer to market share targets and profitability (for business).

E.g. for Bureau Veritas

- *Mission: "We pride ourselves of global mindset and domestic action to provide the best possible services, ensuring that our clients move forward with confidence"*
- *Visions: "Become the leader in our industry and a major player in each of our market segments and key geographical markets.*
- *Objectives: "Deliver economic value to customers through QHSE (Quality, Health, Safety and Environment) management of our assets, projects products, and systems resulting in license to operate risk reduction and performance improvement."*

Scopes: The scopes are the opportunities through which the company will attain its vision, mission, and objectives. The scope needs to be defined through three dimensions: the geographical location, the clients or customers and the vertical integration (extend of all internal activities).

E.g. for Bureau Veritas

- *Expand market coverage through key growth initiatives*
- *Become the partner of choice of large international corporations*
- *Further, deploy an efficient operating model to improve their agility and productivity*
- *Balance their global footprint*
- *Playing a leading role in market consolidation*

Advantages: The advantages describe by which ways the scopes will be achieved. It can be, for example, in terms of competitive environments and/or competitive advantages.

3.5 Strategic position

To define a coherent strategy, the organization needs to understand its position in terms of strategic potential and organizational ambitions.

3.5.1 Strategic potential

Knowing it`s environment is the key to develop the strategic potential of any organization. It is the way to find the best opportunities and to prevent threats. When an organization doesn't have a clear vision of what is happening in its environment, it will not be able to survive. The environment can be divided into 3 parts:

- The macro-environment: The economy as a whole, all firms in the market.
- The industry (sectors): Organizations that produce the same sort of goods and services.
- Competitors: Organizations that are in the same market segments, that have the same characteristics, strategies and that compete in similar fields.

The second important factor that needs to be analyzed, as a strategic potential, is the strategic capability of an organization. Knowing their strengths in terms of people, resources, skills, and capacities will help organizations to develop their competitive advantages.

3.5.2 Organizational ambitions

On one hand, defining the organizational ambitions is done through the analysis of the strategic purpose of the organization. This purpose, which is linked to the strategic statement, helps to understand where it wants to go. They need to define its mission, visions, values, and objectives (strategic statement) as it will affect and will give clear direction to every stakeholder (see Appendix B).

On the other hand, an important factor in the organizational ambitions is culture. The corporate culture represents all the values, beliefs, behaviors and taken-for-granted assumptions that a company adopted to interact with the stakeholders (employees, vendors, partners, clients…). It will influence how people will respond and behave during the implementation and development of a business strategy. It is often called brand positioning. Culture is a driving force of organizations.

Knowing it`s environment, capabilities, purposes, and culture is necessary to develop a coherent strategy that will help to develop and to attain the organizational objectives.

3.6 Strategic choices

The strategic choices are all the decisions that are taken to fulfill the positioning in its market. Those decisions, which need to be in correlation with the strategic statement, can be differentiated into four categories: business strategy, strategic options, strategic directions, and strategic methods (See appendix C).

3.6.1 Business strategy

The business strategy decisions are all the business positioning choices that are related to the competitors. In other words, it's all the decisions that are taking in the different *Business Units*[1] of a company to face competition.

Under those business units, there is to different types of strategies:

3.6.1.1 Generic strategies

Generic strategies are based on how a company will attain a competitive advantage. The main generic strategies are:

- Cost leadership: Having lower costs than competitors in a specific domain of activities.
- Differentiation: Having unique added values or dimensions that are sufficiently valued by customers to allow them to have a premium price.
- Focus: Targeting a narrow segment or domain and tailor/create products and services to the specific need of this segment.
- Hybrid: It's a mix of different strategies.

3.6.1.2 Interactive strategies

Interactive strategies have to be put in place most of the time in a hypercompetitive environment (when competitors' moves are interdependent).

In this environment, to be competitive, organizations need to choose between two types of interactive strategies between cooperative strategies and competition strategy (Game theory).

- Cooperation: In some cases, being too competitive can become dangerous to all competitors, when for example, each competitor bases its strategy on cost differentiation at some point price could be too low and none of the competitors would be able to make profits. Cooperation between some competitors or some actors that have complementary activities can be an advantage over other competitors or new entrants. It exists two types of collaboration: formal agreement or tacit agreement in terms of informal mutual understanding. *E.g. BV-Marine & Offshore Bureau is associated with the company CEA technology to develop solutions, procedures, rules, and certifications in the context of cybersecurity for their or their client ships and offshore units.*

- Game theory: The game theory strategy is based on the consideration of competitor's likely moves and on the implications of that move. The objective is to respond to strategic messages or signals sent by the competitors to stay competitive. *E.g. for Bureau Veritas, Game theory is part of their daily activity. They are doing a lot of benchmarking to understand their competitors' strategy and to follow their results. Thanks to the benchmark, they will decide if they need to put resources in action or not*.

3.6.2 Strategic options

Organizations can choose different options in the context of growth and development. These strategic options can have a significant impact on the performance of the company (usually on sales or market share). Organizations will most of the time pursue one or more types of strategic options. The 3 main options are:

- Diversification: expand the operation by adding markets, stages of production, products or services to the existing. It`s objective is to allow the organization to enter a new business line. *E.g. when the company started, Bureau Veritas was only doing classification and certification for Marine. Now they have added new business* *lines to their portfolio (as food, agriculture, transport…) and are providing services in terms of auditing, consulting, outsourcing, training, analysis…*

- Internationalization: the process of involving the organization at an international level by entering new markets or by developing its worldwide strategy through new angles. *E.g. In 1828, Bureau Veritas was created in Anvers in Belgium and since then growth has been worldwide. They today are present in not less than 140 countries.*

- Innovation: a plan created to encourage advancement in terms of technology or services are usually done by investing in research and development. *E.g. in 1962, BV - Marine & Offshore Bureau was a pioneer in the LNG industry transport (Liquefied natural gas). Since they are developing solutions to transport it from the production site to customers. They are the company that have classified the today's largest vessel of LGN worldwide. The industry is today in tremendous growth bringing a lot of business opportunities to Bureau Veritas.*

3.6.3 Strategic directions

The company chooses which product or service, in which market and which industries to pursue and compete in. Nowadays companies tend to diversify their offers and are not only focusing on one market, one product, one industry.

Organizations need to define and strategize the effective allocation of resources for each business activity.

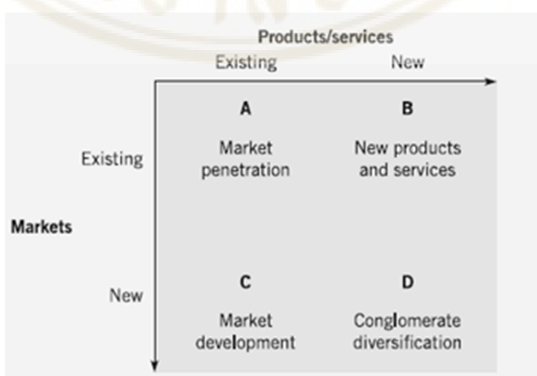

Figure 3.1 Strategic direction scheme retrieved from Johnson G., Whittington R., Scoles K., Angwin D., Regner P. (2014). Exploring the Strategy, 10th edition

3.6.4 Strategic methods

There are different key ways to pursue strategic options and direction: the most common option is the organic development but they are alternatives that can be applied like mergers & acquisitions and strategic alliances.

- Organic development: The strategy relies on the organization's resources and capabilities.
- Merger & Acquisitions:
    - An acquisition is the purchase of a majority of shares of another organization
    - A merger is a combination of two separate organizations which will become one
- Strategic alliances: A strategic alliance happens when two or more companies share some resources and capabilities to attain a common strategy.

3.7 Implementation of strategy

Once the strategy has been formulated, it needs to be implemented in different businesses: when tactics are transformed into actions and actual performances. All functions will participate in a way or another to the implementation. The basic activities of a strategic implementation are:

- Establish annual objectives
- Formulate policies
- Allocate resources
- Actual performance of activities and tasks
- Lead and control the performance at all level

3.7.1 Implementation steps

To ensure the good and effective implementation of a strategy, the organization can follow five different steps:

Table 3.1 Essential Steps to a Successful Strategy Implementation Process retrieved from cleverism.com

STEP#1: *Communicate & Evaluate the strategic plan*	• Align the initiative with the strategy (examine if it's aligned with defined strategic goals and missions) • Align budget and make sure it will meet the annual goals and objectives • Communicate all members the goals, objectives, and strategy
STEP#2: *Develop a structure*	• Create links and communication between the departments and implementation of strategic teams • Formulate work plan and procedure • Determine the managerial key, responsibilities, and qualifications needed • Assign the tasks to the appropriate members • Evaluate the current staffing system (check the resources and prepare training, recruitment or outsourcing when needed) • Communicate the details to the members
STEP#3: *Develop support policies and programs*	• Develop performance and monitoring tracking systems • Create a performance management system • Create feedback and information systems • Communicate the details to members
STEP#4: *Budget and resources allocation*	• Allocate resources by department according to the needs • Distribute the needed resources to the department • Maintain a checking system to monitor it
STEP#5: *Discharge of functions and activities*	• Provide training and reorientation • Enforce the application control measures in the performance • Evaluate the performance at every level

3.7.2 Factor of success

Those five factors are in agreement with the seven factors of success that are presented McKinsey 7s framework which support the coordination over structure: how strategic implementation will involve the overall organization.

- Strategy: needs to be long term and clearly defined – must indicate the direction, orientation, and objectives

- Structure: needs to be identified and must be visible and understood by everyone - lines of authorities and accountabilities also need to be established.
- Systems: should guide and indicate how the activities and operations are carried out – it includes all the processes, procedures, tasks and flow of work that are implemented.
- Style: how the management and leadership style is in the company at any level from top management to managers in small units. The most efficient one during the implementation of a strategy is the participative leadership style.
- Staff: as the most important asset of an organization, the human resources process needs to be well done in terms of hiring, recruitment, selection, and training.
- Skills: employees need to have the right skills, competences, and capabilities to implement the strategy.
- Shared values: (*the heart of the framework above*) refers to the culture, the standard values, norms and accepted attitudes and behaviors that will influence the employees; driving force of the organization.

Those factors need to be effectively aligned with each other's to make the strategy implementation effective in the overall organization.

3.7.3 Causes of failure

Fortune magazine has conducted a study that revealed that nine out of ten strategies are unsuccessful and have for most important causes: the weak application of it (Waterman, et al. 1988). Heracleous (2003) defined ten main reasons failure:

Table 3.2 Ten Reasons why Strategy Implementation Efforts Can Fail (Heracleous, 2003)

1. The so-called "strategic plan" is nothing more than a collection of budgets and vague directions that do not provide clear guidelines for action.
2. The strategy does not correspond to market realities as it has been developed by strategic planners with no grassroots input.
3. The strategy does not enjoy support from and commitment by the majority of employees and middle management because they do not feel consulted in the development of the strategy.
4. Middle management does not think the strategy is the right one or does not feel it has the requisite skills to implement it, so it sabotages the implementation.
5. Insufficient top management time is spent on communicating about, selling the new strategic direction, and managing the organizational changes involved.
6. No provision is made for developing the new skills and competencies required by the employees successfully to make the transition and operate within the new strategic direction.
7. No provision is made for instituting the appropriate organizational systems for the selection, motivation, and reward of people in accordance with the new strategy.
8. No provision is made for creating a close fit or coherence between the business-level strategy and the various functional-level strategies that can operationalize it.
9. There are factions in the organization who disagree with the strategy because if implemented it would reduce their power and influence, so they sabotage it by deliberate actions or inactions.
10. No attempt is made to analyze the culture of the organization and identify which aspects would be barriers and facilitators to change and manage change accordingly.

CHAPTER IV
PROJECT MANAGEMENT

A project can be defined as: "*A unique set of activities that are meant to produce a defined outcome, with a specific start and finish date, and a specific allocation of resources*" (ISO10006, 1997). A project is always characterized by some specific requirements, agreed on schedules and agreed costs. In other words, to be valuable and named as a project (not as an activity), a project needs to have specific characteristics like:

- Specific objectives, results, and outcome
- A start and finish date
- A limited budget, some staffs, and equipment
- Typically does something that hasn't been done before
- Usually, it involves many departments

A project can be many things; it can vary a lot. E.g. the construction of a bridge, the implementation of a new tool in an organization, planning a birthday party.

4.1 Project mode cycle, dimensions and reporting

A project could be part of a program, which is a group of projects that are following the same main objectives. Project/Program is developed to address and coordinate activities that cannot be included within the operational limits and/or when it involves more than one department (transversal activities).

To be successful, a project needs to have a clear path, definition, and objectives. This approach is a powerful management tool focusing on planning and controlling.

4.1.1 The life cycle of the project

As a project has a start and finish date, it has a project life cycle that can be modeled:

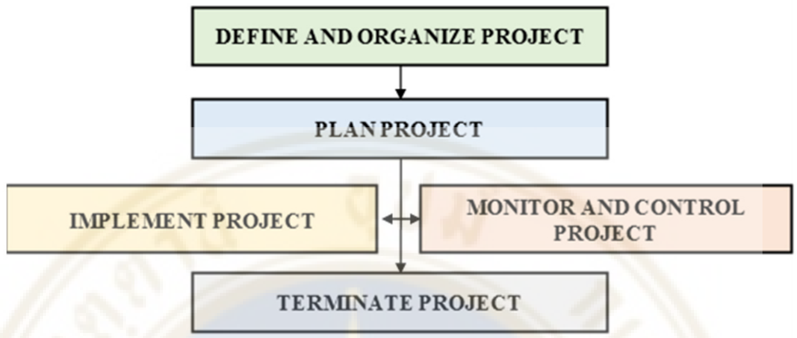

Figure 4.1 Life cycle of a project retrieved from Project Management courses, Dr. Nathasit Gerdsri, Mahidol University 2019

- Define & Organize project: The objective of this phase is to develop the global project definition, to establish project priority, to identify major work areas and to establish the responsibilities of each stakeholder.
- Plan project: This phase objective is to break down the project into smaller tasks (Work Breakdown System - WBS). This breakdown will help to prepare the project schedule and to build the team that will be working on it. The project manager has to make sure that each task is achievable with the time frame and that it fits the budget. It is also during this planning phase that risks need to be identified and adequate resources need to be put in place to prevent any future problem.
- Implement project: After defining and planning, it's time to execute the project: start to "really" work it. At this stage, the required tools, materials and resources are transformed to reach the project objectives.
- Monitor and control: During all the project life and the implementation, the project manager will control the execution. This monitoring can be done during team meetings. The project manager will check the advancement of the project by comparing the progress report with the project plan and will then manage when needed to bring the

project back on the original track. He will in some cases report the advancement of the project to the sponsor or other stakeholders. Some results could have to be analyzed and validated afterwards in some cases.

- Terminate project: In this last step, the project manager will provide the final deliverables and will then release the project team from its functions. It's also the moment where success or failure factors will be analyzing and documented to be shared for the success of further projects.

4.1.2 Dimensions of project

In each project management, two main dimensions need to be taken into account (Technical and Sociocultural dimensions) by the stakeholders and the project manager. Under those two dimensions, the main points are:

- Technical : scope, WBS (Work Breakdown Structure), schedules, resource, allocation, baseline budgets and status reports
- Sociocultural: leadership, problem-solving, teamwork, negotiation, politics, customer expectations.

4.1.3 The different reporting documents

To be well organized and be able everyone to follow the implementation, it needs to be documented. Nine project reports are generally requested:

During the *Define & Organize Project* phase

1) Business case: it's a document that kicks off the overall project. It's written to explain why this project and to summarize the objectives and goals to be reached.

2) Project charter: it's the most important document, it mandates allocated owners and agreement on funding. This document will be the foundation of the project, without it, the project does not formally exist. It should also include all that needs to be known before starting the project (restriction, deadline, scopes…).

During the *Plan Project* phase

3) Project management plan: also called "*the Plan*" – this plan covers all the steps and activities that will be performed during the overall project.

It includes information like variance, quality assessment, management of project tolerance, the control change approach, risks…

4) Project schedule: (which can be done in software like GANTT) set out all the tasks that have to be done when they need to be done and by whom. It also tracks the dependencies.

During the *Implement Project and Monitor & Control* phases

5) Project RAID log: (*RAID = Risk, Actions and/or Assumptions, Issues and dependencies and/or Decision*) – this document regroups all the logs related to the project; all the RAID that can occur in the project. This document helps to keep track of every project move.

6) Project status reports: a critical set document – a folder that contains all the progress reports of the project like formal project board reports, weekly information team update, reporting to the PMO (Project Manager Officer), Ad hoc report for stakeholders…

7) Project budget trackers: the document needs to show the forecast and what has been spent to see the variance. It will help to identify when there is overspend or to see if it is possible to add new elements to the scope (depending on its flexibility).

During the *Terminate Project* phase

8) Lesson learned review: this document refers all the lessons that the team has learned during the implementation of the project – it will be kept after the closure of the project as a reference and could be useful to other project teams if they have to do a similar project or if they have similar issues.

9) Project closure document: this document is a summary of the deliverables, the project performance, the outstanding (risks, issues and, actions), location of project files and handovers.

4.2 Team project management

When a project is put in place in a company many stakeholders will be involved. Some of them can be internal or external to the company. It will depend on the scope, objectives, and targets of the project.

- **Project team:** could be only internal members or consultants. The project team works on the project and bring their specific skills into it.
- **Project managers:** as same as for the project team, he can be an internal or external manager. His role is to orchestrate the completion of the project to induce the right people at the same time to address the right issues. His main job is:
    - To lead, to co-ordinate team members with different knowledge, skills, and temperament in which he is not, most of the time, a technical expert.
    - To make sure stakeholders are on the same page; each team member and stakeholder need to know exactly what is happening, what they need to do and on what others are working on.
    - To manage the expectation of his team and the stakeholders: he needs to arbitrate the wishes and feasible expectations.
- **Clients:** Depending on the objectives of the project, the client can be internal or external to the organization. If internal, the client can be the Executive Board or another specific department that has needs. They define the scope of the project and they buy the result of the project. The project needs to answer their needs in terms of requirements, cost and time. They are at the heart of the project and they have the role of final approval.
- **Sponsor(s):** (*maybe also called Business sponsor, project sponsor or executive*) the sponsor can be one or several persons that are responsible for the project delivery and its day-to-day management. He is also responsible to secure all the financing and the resources and he owns the opportunities and the risks linked to financial its outcome.

The main differences between the project manager and the sponsor are:

- The sponsor identifies and defines the project whereas the project manager is in charge of the execution.

  - The sponsor is responsible for the business case and can change the scope and/or cancel the project if the project is no longer needed.

- **Corporate management:** Corporate management depending on the project can have a big role. They will take the major decision concerning the project and the scope. Their role is to validate, evaluate and help the project manager and his team to achieve their objectives.
- **Team members' managers:** team members, internal and external, can be part of different departments so they will also need to report to their managers. This person will be able to help them with the project but it is also the person that will allocate their dedicated time to the project.
- **Consultants:** They can be fully included as a team member or they can just act on specific matters.
- **Contractor:** for some project companies may work with contractors (e.g. installation of the pack office in a company). The project team and project manager will work closely with the contractors.
- **Other interested parties:** it can be Government, another company… that can be impacted and that can impact the project.
- **The Project Management Office (PMO)** is an *"organizational body or entity assigned various responsibilities related to the centralized and coordinated management of those projects under its domain. The responsibilities of the PMO can range from providing project management support functions to actually being responsible for the direct management of a project"* (Aubrey & Hobbs, 2007).
- **Auditors/reviewers:** Auditors and reviewers have the role of supervisor; they are here to see if the project is going in a good direction and if requirements are followed (technical or not). They can also provide help to come back on track when it has been identifying what went wrong.

4.3 Types of project management

Different project management styles have been developed over the years to meet the specific needs of organizations and projects. Today we find three main types in addition to the traditional methods and organization seen above. Those methods are Waterfall project management, Agile project management, and Lean project management. But many more methodologies have been created and developed in the organizations according to their needs, culture and wishes.

4.3.1 Waterfall project management

The method is similar to traditional project management, the main difference is that each task needs to be completed before the one after. All the steps are linear and progress like a waterfall (chart below).

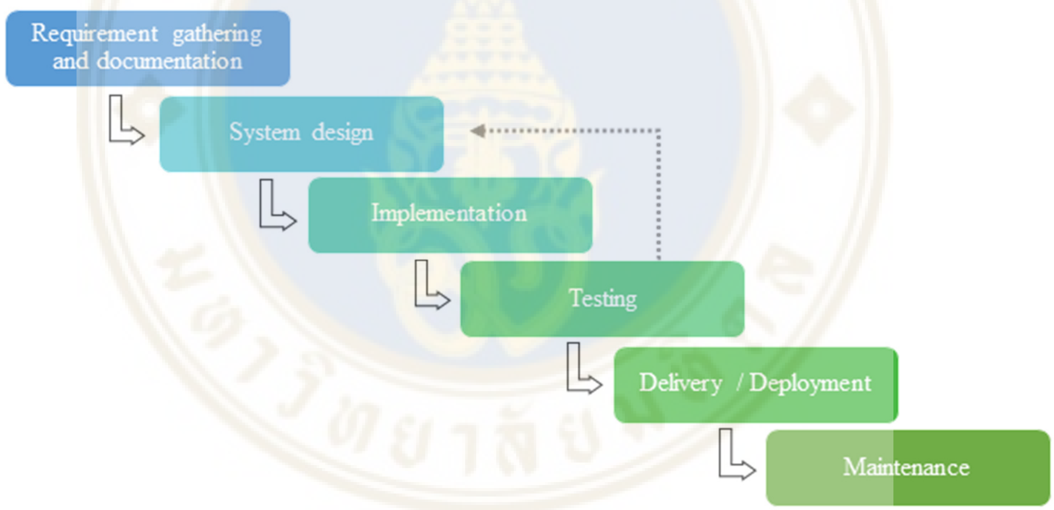

Figure 4.2 Waterfall project management chart retrieved from Lucid Chart content team (2018)

Attention to time lines and progress flows are really important to achieve positive results in that method. Often, as a consequence, the number of persons in the project team increase or decrease according to the size of the next coming task.

This method is often used in non-software industries like manufacturing and building. A report written by Liquid Planner (2017) showed that 25.5% of the manufacturing companies are using that method.

The benefits of this method:

- Keeps training simple: this method emphasizes thorough documentation. So, it is easy to add someone to the project if anyone can do it or if someone needs to be replaced. In that method, everything is recorded and documented so it is easy to follow up and to catch up.
- Shows progress: with this methodology, it's simple to see the progress of the project thanks to the clear milestones.
- Make the project easy to manage: thanks to its sequential system, everyone knows at which point the project is. The manager will not focus on the whole project team but only on the persons involving in that phase.

4.3.2 Agile project management

The computer software industry was the first to use this method. It is based on 12 principles of the Agile Manifesto (See appendix D)

To sum up, this methodology is an interactive process that focuses on the continuous monitoring, implementation, and improvement of the deliverables. It focuses on providing value to the customer, team interactions and adaptation to business circumstances.

This approach, on the contrary to the Waterfall method, doesn't follow a stage-by-stage approach. Instead, different phases are completed in the same time line in a parallel way by separate project team members. This methodology allows to identify errors and to bring corrections without having to restart the entire project.

The benefits of that method are:

- Stakeholder engagement: the method is really good for collaboration between the client and the project team. It provides opportunities for both parties to truly understand each other and to be able to make changes during all the project processes. Working this close also helps to create engagement.

- Transparency: allows the client to be involved throughout the project so he knows what is happening during all duration; he can have an eye on everything.
- Early and predictable delivery: with this method, it's easy to deliver beta version and then do improvements and new developments after these phases.
- Changes are possible: the project team can easily refine and reprioritize the project backlog. Changes are easy to be planned because of the structure of the project.
- Focuses on business value: it allows the client to determine what the priorities are and can deliver features that provide the most business value.
- Improves quality: because the project is separated into manageable business units, teams can focus on quality, testing, and collaboration.

4.3.3 Lean project management

This methodology focuses on avoiding time and resources waste in all business process. The main idea is to create more value for the customer with fewer resources. This methodology was, firstly, created and developed by a Japanese manufacturing organization Toyota through its program called TPS (Toyota Production System). This methodology is based on 5 core principles:

- Specific values in the eyes of customers
- Identify the value stream of each product
- Make value flow by eliminating waste
- Let the customer pull the flow
- Continuously improve in the pursuit of perfection

The benefits of this method: "*Lean manufacturing uses less of everything compared with mass production - half the human effort in the factory, half the manufacturing floor space, half the investment in tools, half the engineering hours to develop a new product in half the time. Also, it requires keeping far less than half the needed inventory on-site and results in fewer defects.*" (Womack, and al. 1990)

Nowadays, it is often not only considered as a toolset or a method but as a business philosophy.

4.4 Challenges of project management

The primary challenge of a project is to achieve its objective and respecting its constraints. It exists two types of constraints:

- **Primary constraints:** Scope, time, quality and budget
- **Secondary constraints:** optimize the allocations of the inputs and apply them to meet the objectives.

To reduce and to avoid problems, it needs to:

- Clearly define the project and its goals, scopes, and objectives, as it is key to success. When stakeholders don't know where to go, what to do, when and why they are doing it creates confusion and chaos and the project will never be a success so the project will be doomed to fail. During the project, if there is a failure to continuously monitor and communicate the project milestones and budget performance it could also make the project fail as no one will know exactly at which stage of the project we are.
- Have a clear and well-defined project is key to reduce slippage, problems, and risks. The different documents seen above can help to clarify the project and to be sure to have all the information needed.
- Manage the risk is a key prerogative to project success. Risk management, which can be defined as the "the identification, assessment, and prioritization of risks followed by coordinated application of resources to minimize, monitor and control the events" (Wikipedia), has to be evaluated and managed extra-carefully.
- Make sure to have the good qualifications in the team - to be able to manage and to implement a project, team members and some other stakeholders need to be qualified and need to know what they are doing – a team is as good as its team members. If some members don't know what they are doing or if they are not trained enough to perform their

tasks it will put the project in a risky spot. It’s up to the project manager to identify it and to find some solutions that can sometimes be challenging if there are not enough resources. Today, they rarely have enough resources to work on all their current projects, so team members are working on several projects at the time. The project manager and his teams have to be careful of bottlenecks.

- Communicate well is key - miscommunication or poor communication is one of the biggest threats. Twenty-five percent of projects are failing due to lack of communication within the team and/or with the stakeholder.

4.5 Project failure

The main reason for project failure comes most of the time from the different challenges that the project has to support. Even so, the reason for failure can vary, the most common failures are listed in the table:

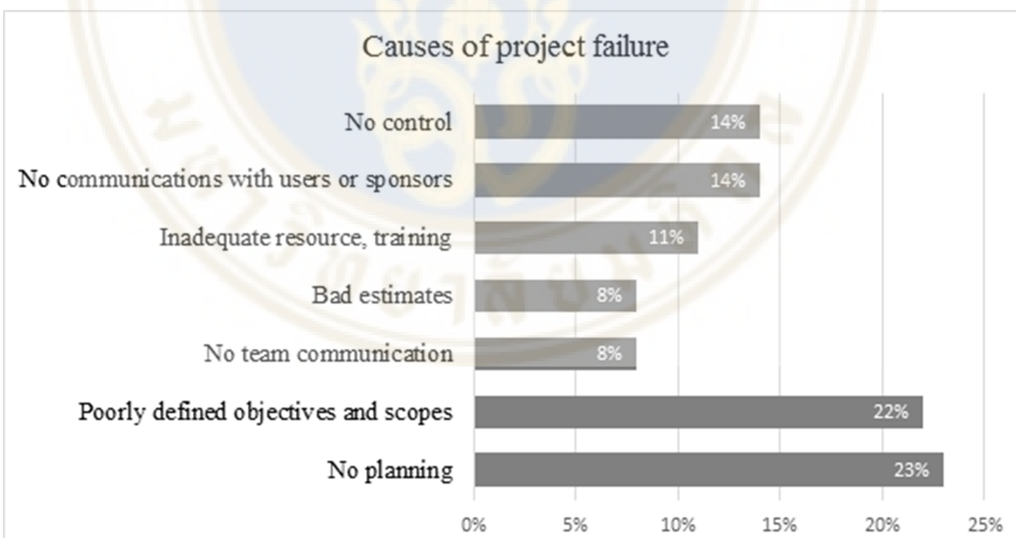

Figure 4.3 Cause of project failure retrieved from Project Management courses, Dr. Nathasit Gerdsri, Mahidol University 2019

CHAPTER V
HOW THE PROJECT MANAGEMENT CAN SERVE THE STRATEGY? HOW CAN IT BE IMPLEMENTED IN THE STRATEGY?

5.1 The use of project in strategy

A strategy implementation occurs when an organization "*adopts organizational policies and practices that are consistent with its strategy*" (Barney & Hesterly, 2006). To implement it into actions two main characteristics, need to be taken into account:

- Structuring the organization
- Enable success through different resources (people, finance, IT, information…)

It exists today 2 main wide-used approaches to organize and guide the strategizing activity:

- Project workshops can also be called "*strategy away-days*" or "*retreats*", it involves groups of executives which will be working on organizational strategy (for one or two days) often away from the office. It is often used to, on the one hand, formulate or reconsider the strategy that is already put in place in the company or, on the other hand, review the progress of the current strategy, to address implementation issues and/or to communicate strategic decisions. Workshops contribute to strategy development and are a valuable part of the strategy making-activity of an organization.
- Strategy projects *(see SPM page 39)* involve groups of people assigned to work on specific strategic issues over a determined period.

Deciding between doing some workshops or projects management will depend on urgency and discontinuity as we can see on the graph below:

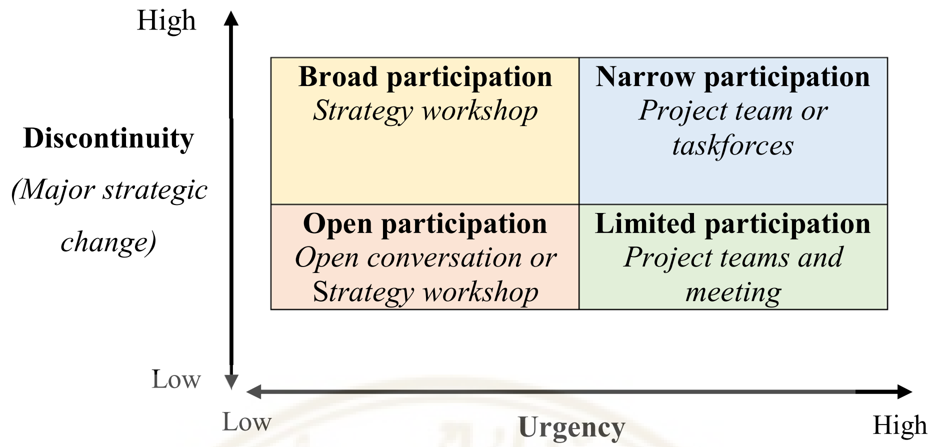

Figure 5.1 The use of project management retrieved from Johnson G., Wittingtonm R., Scoles K., Angwin D., Regner P. (2014). Exploring the Strategy, 10th edition

5.2 Strategic project management

5.2.1 What is SPM – Strategic Project Management?

SPM or Strategic Project Management is the name given to strategy project that has intents on organizational strategy. Heerkens (2007) defined it as *"a series of practices, procedures, processes, tools, and behaviors which, when considered collectively, characterize the extent to which an organization creates effective linkages between excellent project management practices and excellent business practices – all in the name of advancing the overall strategic objectives of the organization*"

Many theorists, like Wessels (2007), believe that using SPM to manage, support and select projects will give better chance to the organization as it will keep it vibrant in the marketplace and that it will return maximum values to the shareholders. It will also provide the necessary business intelligence to identify and dismiss (as early as possible) the projects that are misaligned and that cost money, resources, and customers when not needed. SPM is based on aligning business with business-level strategy plans, by including:

- Communication of the strategy throughout the overall organization through the different level strategies by doing initiatives aligned to culture, measures, and policies.
- An analysis of the possible value of each project of the company.
- Implementation of projects at various levels that reflect the vision of the organization.
- Integration of a wide range of capabilities, competencies and project management leadership.

5.2.2 Strategic Project Management model

Today, theorists have developed four main models that assist organizations in linking gaps between strategic objectives and SPM. Grundy (2000) defined it as "*the process of managing complex projects by combining business strategy and project management techniques to implement the business strategy and to deliver organizational breakthroughs*".

The four models are:

5.2.2.1 Model #1: Heerkens (2007) (See appendix E)

The Heerkens model comprises the four main aspects of project management practices:

- Strategic alignment of projects – ensures that the project tied to the strategy.
- Project portfolio management – prioritizes projects or programs that are aligned to the strategy.
- Program management - The Project Management Institute (2004) defined it as "the centralized coordinated management of groups of projects to achieve the program's strategic objectives and benefits"
- The business results of the projects – as money is spent on projects, organizations need to measure and estimate the impact of the project.

After defining the strategic intent, five steps are required according to the model:

- The identification of the optimal solution
- A comprehensive evaluation by using some financial and non-financial metrics
- A comparison of the project within the portfolio
- A project prioritization
- The definition of the project portfolio and its execution by project managers.

5.2.2.2 Model #2: Green (2005)

Managers are identified as strategic implementers and cross-functional project-teams are considered as a source of sustainable competitive advantages. It is based on the notions that "*project management skills and leadership skills are scarce, firm-specific and highly valuable* [so that SPM] *promotes them and the tacit knowledge which they engender*". (Green, 2005)

According to the model, project managers contribute to generate competitive advantages thanks to their skills in relationship management, their organizational willingness and their abilities to learn from others. Thanks to it, it will construct competitive advantages, strategic capabilities, and some tacit knowledge management within a resource-based view of strategy.

5.2.2.3 Model #3: Wessels (2007)

For Wessel, the business strategic objectives will actualize value to the organization's needs to be converted into program initiatives and supporting projects. He identifies major characteristics of SPM such as:

- Alignment of the key business process (strategy planning, goal settings, and enterprise project management)
- Need to have some functions as a well-managed portfolio investment, like, an effective use of the constrained resources, a high return on investment, projects need to be aligned to each other in short, medium and long-term.
- Creation of a new management process to embedded strategy planning and project execution (that manage project investments) and combines business planning and

management with the best practices of other projects already completed.

In alignment with the model #2, project managers are implementers of solutions and have a major role as key manager of the strategy implementation. It will require managers to have "*broad skills that encompass all aspects of business management*" (Green, 2005). In other words, their competencies and capabilities are key, so organizations need to invest in their development through training, certifications, mentoring, compensation and advancement opportunities.

5.2.2.4 Model #4: Naughton (2007)

According to this model, project management is a source of competitive advantage when organizations outperform their competitors thanks to their experiences and knowledge built through managing projects.

Naughton's model shows that project portfolio management is essential and the prioritization should be based on competency building (rather than on financial analysis). The selection should be done according to an understanding of what are the capabilities of the company regarding to other firms.

By comparing the four different models, we can see that it all underlines the fact that competitive advantages are essentials. It also agrees on the fact that the theory of SPM is based on aligning organizational business strategy with project management and that Project Portfolio Management (PPM) is critical for the implementation of project management strategy.

5.3 Implement Strategic Project Management

To operate a successful SPM, organizations need to:

- Adopt a Project Portfolio Management (PPM) methods to maximize value and to ensure that programs and projects are well aligned.
- Develop a Strategic Project Leadership (SPL) approach through project management competencies and capabilities to help organizations to develop sustainable competitive advantages.
- Put in place an Implementation Process to define, articulate, manage and

align project and business strategy as it has to be done for any type of project management.

5.3.1 PPM- Project Portfolio Management

The Project Management Institute (PMI - 2006) defined the project management portfolio as "*centralized management of one or more portfolios, an approach to achieving strategic goals by selecting, prioritizing, assessing, and managing projects, programs, and other related work based upon their alignment and contribution to the organization's strategies and objectives. Portfolio management combines (a) the organization's focus of ensuring that projects selected for investment meet the portfolio strategy with (b) the project management focus of delivering projects effectively and within their planned contribution to the portfolio*".

Portfolios have different drivers that can be applied in any type of organizations:

- Where organizations want to go and what it needs to do to achieve it.
- Tactical concerns like improvement of individual department projects to make them more effectives and efficient.
- Issues that require projects or programs.
- Needs to contribute to the portfolio strategic intents.
- Needs for organizational changes project that moves people to the desired direction in the company.
- Strategic intents and prioritization should provide the direction to determine the financial resources that need to be assigned to it.

5.3.2 SPL - Strategic Project Leadership

Strategic project leadership (SPL) is an approach that focuses on the business result by competitive advantages, values and some winnings in the market place. It combines business-related aspects, operational needs and leadership aspects.

As "*the essence of project management is to support the execution of an organization's competitive strategy to deliver a desired outcome*" (DyReyes, 2008), project managers are becoming leaders and need to deal with the different aspects of project leadership (operational, strategic and human). According to SPL, project managers should not only "*get the job done*" they should also:

- Be responsible to achieve the business results.
- Inspire and motivate the project team.

This approach is different through several aspects listed below:

Table 5.1 Difference from Project Management and Strategic Project Leadership retrieved from project management to Strategic Project Leadership (Shenhar, 2000)

	Project Management	Strategic Project Leadership
Focus	Efficiency	Effectiveness and Efficiency
Perspective	Operational	Strategic, Operational, Human
Manager's role	Getting the job done – on time, budget, specifications	- Getting the business results - Winning in the market place
Project definition	- Project Scope - What need to be done	Product, Competitive advantage, Strategy, Scope
Planning	Activity, Schedule, Budget	End result, success dimensions, Activities
Project Reviews	Progress, Status, Milestones, Budget	Customer needs, Strategy, Success dimensions, Status
Human Side	Teams, Conflict resolution	Leadership, Visions, Spirit, Meaning, Motivation

5.3.3 The process

The implementation of strategic project management is the same as for a "normal project". It goes through the same cycle, steps and process.

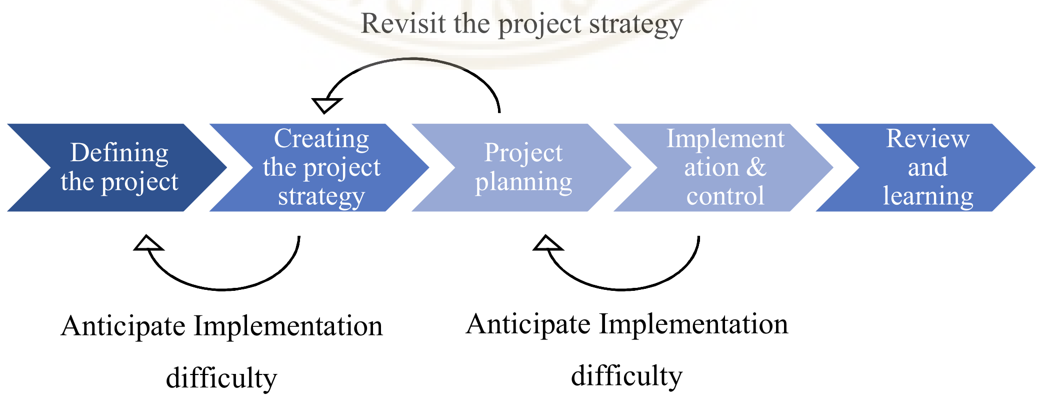

Figure 5.2 The project life cycle retrieved from Johnson G., Wittingtonm R., Scoles K., Angwin D., Regner P. (2014). Exploring the Strategy, 10th edition

CHAPTER VI
CASE STUDY (QUESTIONS & ANSWERS)

The objective of this case study is to illustrate with a real example what SPM can be like and how it is concretely implemented in a multinational group like Bureau Veritas. In order to ease the analysis and for a better understanding, the 2 first questions will be treated in the more general context of BV M&O business line and BV M&O China.

6.1 Are projects developed within Bureau Veritas, like SPM based on the principle of aligning their specific business purposes to the business level strategy plan?

In chapter four, it is stated that: to be effective SPM needs to be aligned with business and business-level strategy plans. In order to do so, Bureau Veritas has to take into account four different aspect and points:

- *Communication of the strategy throughout the overall organization to the different level of strategies by choosing initiatives aligned to specific culture, measures, and policies.*

In the Shanghai office, communication within the organization is most of the time on Strategy. As in China, there is a strong culture of repeated communication and using a lot of communicating tools, the company shares its strategy through all those means: several channels like TV spots on key strategic areas (waiting rooms, corridors…), screensavers of each employee's computer and emails, flyers (cafeteria, rest area, toilets…). It is also expressed regularly during the meetings and in conversations …

Communication focus on those key matter but of course they underline different aspects as new policies (*e.g. GDPR compliance*), measures (*e.g. security*) and others on the group culture, vision and global strategy. They are regularly updated to keep the interest to look at them.

- *An analysis of the possible value of each project of the company.*

Inside BV M&O department, most of the projects are developed by and within the International Head Quarters as most of the projects need to be implemented in all countries where the M&O are present. The needs and the value of each project is then analyzed in a specific department called IT-IS Operational Excellence.

Their main objectives are:

- To analyze the needs and wishes of each department (within M&O)
- To optimize the processes and measures put in place
- To evaluate the value of the project they want/have put in place

That team is mainly constituted of project managers and business analysts.

Despite there are based in Paris, their main goal is to stay close to the business and to involve them right from the beginning of each project. To do so, they are travelling a lot around the different offices in order to create a good relationship that helps trust and good input both sides.

- *Implementation of projects at various levels that reflect the vision of the organization.*

Inside BV and in many other organizations, when a project is put in place, steering committees and project sponsors are specifically dedicated to it.

- BV Steering committees: it includes people like a senior manager, the chief executive, financial controllers, zone managers, zone executives…
- BV Project sponsors: mainly senior managers or department executives.

Those 2 functions will have as one of their main aim to ensure the success of the project (according to their specific role) but also to assure that it is aligned to the company vision and to the business model.

- *Integration of a wide range of capabilities, competencies and project management leadership*

The IT-IS Operational Excellence department is often hiring external consultants and external companies when they don't have the needed capabilities and specific required competencies inside the company for some new projects requiring new skills or temporary means.

Furthermore, they follow a project management leadership approach. They try to motivate their project managers and managers not just to their job but to also try to achieve business results and to inspire and motivate others (*more details described in question 2*).

6.2 Does Bureau Veritas succeed to implement their projects by being aligned with the 3 intrinsic methods of SPM?

In order to have a more accurate vision of how BV M&O implements the SPM approach within its organization, we will take the example of the ABC project.

6.2.1 Project definition

For confidentiality reason, the real name of the project will not be given in this case study.

The ABC project has for main objective to implement a common global financial tool to harmonize the financial processes and system across the Bureau Veritas group. The project is developed within the IT-IS Operational Excellence department (on the M&O side) with the help of an ERP company and external consultants.

The main scope of the project is to:

- Implement successfully the new global financial tool in 74 countries
- Use an ERP solution that will allow future scalability of financial functions
- Develop a tool that will become an interface for Financial and non-financial applications
- Help to process Purchase Orders and Time & Expenses

The expected benefits of this harmonization will be to:

- Improve project visibility and understanding
- Define and apply clear rules, thanks to standardized & optimized purchasing processes
- Provide better understanding on savings potential for optimized negotiations

- Improve Financial control, thanks to better visibility on month-end accruals
- Improve the benefits on each operating group assessed (from qualitative point of view)
- Create potential economic impacts like :
    - Saving from application decommissioning,
    - Finance corporate tools cost re-allocation
    - Finance function efficiency gains and scalability

The project has started in 2017 and is following a road map and implementation of the tool to be done gradually in the 74 countries in which Bureau Veritas is present. The deployment for China is planned to be completed for end of 2019 (second deployment wave).

6.2.2 How is the ABC project aligned with the three intrinsic methods?

The three intrinsic methods of the implementation of SPM are:

6.2.2.1 Strategy Portfolio Management (SPM)

The project ABC is part of a more global strategy which is called Horizon 2020. Within this strategy, one of the objective is to standardize all the processes within the organization. This project is tactical for BV as it will make them more efficient and effective and it will bring staff actions in the planned direction the organization wish to develop.

6.2.2.2 Strategic Project Leadership (SPL)

According to the Strategic Project Leadership approach definition, project managers should not only "*get the job done*" they should also:

Be responsible to achieve the business results: the ABC project objective is to maximize the benefit and to be more efficient and effective at each employee or business unit level; so they are held responsible to achieve the expected business result and to provide accurate data (It is key at the group level for many reasons: for instance, when the system does not provide accurate data to the system, the overall company accounting and results could be false and lead to big trouble of knowing and providing relevant global accounts).

Moreover, the steering committee and the sponsors are also asked and held responsible to check really regularly the progress of the project as it has a huge importance because it's linked to finance.

Inspire and motivate the project team: the project team is trying to do it within the organization, but because of its size and geographical dispersion it is not always easy to put it into place. That is the reason why they try to come as often as possible in the different locations to better understand what is at stake, where they can give support or adjust... They also have local ambassadors whose role is to help and inspire other stakeholders and teams. This network of ambassadors is regularly having information meeting to allow them to share feedbacks and to enhance their implication in the project – which is a factor of motivation and inspiration.

6.2.2.3 Project implementation

The project is following all the project cycles, steps and processes that we could have seen in Chapter two. A common data base and shared space (online/offline in Paris) has been created to help the project team and all the stakeholders to communicate/share/give feedbacks on what is happening within the project.

6.3 What are the different challenges of strategic project management in general and what are the specific ones that Bureau Veritas faces today?

Organizations are not perfect and none of them are acting in a perfect world. Challenges linked to strategy, strategic project management, and project management do appear every day.

Interview methods of data collection: This list of challenges hereunder comes both from the interviews that Mr. Claude Maillot (Bureau Veritas Senior-Vice President Marine & Offshore North Asia zone) and Mrs. Catherine Querné (Strategic Director at Brittany Ferries International Group – see appendix G) kindly granted me, and from my researches and personal experiences. The method used fort the interviews was unstructured and indirect. All the questions were open and only general instructions on the type of information desired was given. This exploration and the data collected has been analyzed and divided in five main categories. This categorization has for main objective to organize the different thinking and to facilitate the understanding and the links between the different challenges.

6.3.1 Challenges linked to shareholders

Most of large organizations are owned by shareholders whose aim is to make as much profit as possible in short-term period. In order to achieve their goals, they do look mainly at annual profit and want as much visibility as possible on short-term future profits.

When companies change their strategies, they need their shareholders to trust their plans and have to present them with clear expected results. To bring that change which is complex and which needs consequent financial and human resources, it takes time and the pressure from the shareholders can be very high. Negative factors of success are often coming on the way due to complexity and stress. As a matter of fact, there is often a chaotic step during the process and the need to decide urgently can bring wrong decisions.

6.3.2 Challenges linked to the human factor

6.3.2.1 Resistance to change

The human role in Strategic Project Management is undeniable and unavoidable. As humans are unpredictable, influenced by others and often focused on their operational jobs or their lives, it could be tough to put in place new tools and/or strategic changes. Employees are often resistant to change.

Employees don't always agree on new organizational changes and even when they approve it as a principle, they fear the consequences of the change and don't trust totally the ability of the organization to do so. They don't understand why the change is needed. They have no clear future visibility on the success and see first the problems they will themselves have to face (new skills, new tools, new organizations, unknown situations...). It is necessary to build trust, which is not always easy as trust is often built on past experiences and not on presenting new strategies... From Mr. Maillot opinion, ninety-five percent of employees are resistant to change.

The Change Curve model describes the stages most people go through as they adjust to changes:

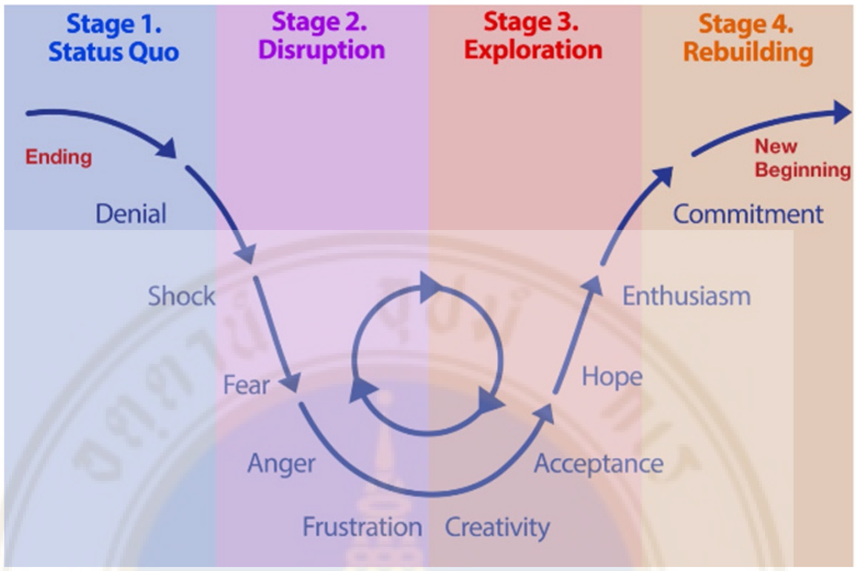

Figure 6.1 The Change Curve model retrieved from How to Make a Change Management Strategy (and Defuse the Growth Time Bomb) (2017, July 17)

People need to be prepared to change and organizations need to acknowledge that, to be agile about it, to allow time for mourning of the past that suddenly looks like the good old days. Clear regular information about the evolution of the project, good communication between managers and their team, good project teams engaged positively on the project, trust created through participation are some key aspect to help people accept and contribute to change. They must feel that they are listened to and that their concerns are addressed. The top management needs to be project ambassadors. Staff will quickly know when the organization is convinced.

6.3.2.2 Theory versus reality

It often happens that employees affected by changes may not see the new projects/programs to be connected to their realities. *E.g. senior executives, who are usually the propagandists of the changes, may not be seen to be credible in terms of understanding the operational changes*. Or perhaps new systems and initiatives put in place seem to be out of line with the intentions of the envisioned changes. New tools are not at the state of Art from the beginning and staff meets difficulties and bugs. Catherine

Querné, explained that sometimes organizations listen and trust more the consultants than their own teams. It is quite normal as the consultants' findings and solutions are right on a theorical basis. It sounds good, is easy to buy and it clings positively intellectually. Unfortunately, most of the time reality is not as written in books and consultants are not aware of the operational and day-to-day situations faced by employees. That is true that there are habits and even bad habits and processes to be changed. But an in-depths study of the strength and weaknesses of the existing teams are needed. When not listened too, the staff will feel that they are not trusted, that their work is not valued. As a consequence, they don't tend to do what they are asked to leaving the consultants to lead the change process and it can create lack of commitment. As a matter of fact, positive engagement is a key factor to success.

6.3.2.3 Strategy implementers

To successfully translate business strategies into projects, the organizations need to create an institutionalized Project Portfolio Management (PPM) and to integrate an extensive range of capabilities and competencies. To transfer strategy and projects to a business level, highly skilled people need to develop company-wide processes and practices. "*Strategic implementers*" and cross-functional project teams are strategic assets to implement strategies. Organizations need to train or hire employees that have good capabilities and competencies to implement successfully the projects. When not, it's almost sure that the project and the strategy will be a failure. People with right professional and technical skills are quite easy to find but to create a good working team is a big challenge! Some pursue their own career objectives and want to be successful for themselves, temperament and ways of thinking are quite different...

6.3.2.4 Communication

Communication, a powerful and impactful tool, is key to project successful implementation and strategy. As people are key of strategic transformation and changes, communication needs to be upstream and downstream to maximize satisfaction rates from all the stakeholders. The objectives of communication are not the same for all stakeholders:

- For project key employees: they need to know the project aim, to see and follow the progress, how they are implicated and impacted in order for them to become the change.
- For the other employees: they need to understand clearly the objectives of the project to make the change happens in their daily work.
- For the project team: they must have the good information and to give feedbacks, on how the project is going and on how to improve it and how to implement it successfully. To create a team spirit where help can be found internally.
- For the consultants: their request is to have the appropriate information and means and time to help them do the best job possible including creating trust.
- For the sponsors and the project board: it is compulsory to keep them informed of everything that is happening during the project to allow them to make the best decision possible regarding the project and the strategy.
- For the executive board: they need to be aware of the project progress and to know how the strategic program implementation is going and if it works or not.

Communication can/have to be different for the different shareholders but the main objectives are the same: let them know the progress, the objectives and how it will impact them. Non-efficient communication is the main cause of project failure. Having ambassadors is a good asset when they have real skills and power to bring information both sides (from the project side and from the impact on the staff impacted) and to be listened to.

6.3.3 Resources challenges

6.3.3.1 Collaborative tools

Applying new strategies will bring a lot of changes in terms of working methods, processes, organizations and skills. Employees are more and more interconnected and work more and more on a collaboration mode. In a study published in The Harvard Business Review in 2016, we learn that “*over the past two decades the* *time spent by managers and employees in collaborative activities has ballooned by fifty percent or more*." So new collaborative tools need to be implemented (thanks to project management in most of the cases) to answer those needs. It could be challenging:

- As some employees could have difficulty understanding how it works and/or others that don't want to change their working methods. Training and processes have to be provided to reduce it. Some will need more time and support but it is key that it becomes a shared tool by all.
- In terms of choosing the right tool or developing a tool that will be in line with the project budget and needs. Previous existing systems may be in place and answer in a better way to some specific needs of some units. Resistance may come from not wishing to have a global tool that is less specific.
- In most International Western organizations, the common language used is English. And people can find it hard to express specific subject when it is not in their native language. The challenge here again is not to disengage the staff contribution but to reinforce it as success needs to come from a shared common implementation of the strategy.

6.3.3.2 Financial

Increasing profitability and bringing more revenue are key aspects of most projects. Organizations will be reluctant to put in place a project or a program if it is not helping them to be more profitable and to gain money. So, if profitability is not viewed as imminent and consistent, projects can be brought to an end too early.

Profitability needs to be in the center of the strategic project management. Sometimes it could be better to keep old methods and old processes than to try to impose new tools or processes. As it could become too complicated to put in place and it will have cost more than it will have brought in.

E.g. the company Bureau Veritas is trying to implement a common financial tool to all its services and countries, which is a headache for the project team as each country has different needs and desires for the new system. Of *course, the group needs to have a clear perspective and its detailed finances by business units but in a big international structure it can become a real challenge.*

Organizations need to take into account all the possible costs, risks, complexity, regulations and effects before putting in place a strategic project.

6.3.3.3 Time

In the context of major transformations and strategy projects, in addition to the operational habitual work, extra time must be found by managers and teams to implement and adopt the change.

Also, organizations need to implement solutions to be quickly operational and to communicate quickly on it, if they want to be profitable. When projects/programs are too long to be implemented, employees' loose interest as they don't see any tangible results.

Most of the time in order for a project to be accepted, the expected time is undervalued. Big projects all encounter unexpected problems but it is difficult to include that in the scope of the project. In most projects at a critical stage you have to choose between respecting the budgeted time and accept to reduce the scope of the project or its level of quality or to lengthen the time allowed which also include extra costs. Disappointment is experienced: trust decrease and criticism increase.

6.3.4 Performance challenges

6.3.4.1 Planning & Analysis

Planning

Managing strategy is always going through a planning phase as it is a long-term direction that the organization is following. But sometimes confusion happens between budgetary processes and strategic planning processes. Both came to be perceived in the same way so that strategic planning gets reduced to the production of financial forecasts rather than thinking through the sort of issues that it is solving. It may be important to add the output of strategic planning into the budget process, but they are not the same. Differences need to be made during the strategy, projects and programs definition.

Moreover, there is a risk that the process of strategic planning may be so complicated and that it takes too long to implement or that it is too difficult to understand. It may happen too that some individuals or groups which contribute to only part of the strategy do not understand the whole picture. As a result, the realized strategy at one level (*e.g. the business level*) does not correspond with the intended strategy of the above level (*corporate strategy*). It could be particularly problematic in companies like Bureau Veritas as it is a large multi-business firm where corporate level strategy is very broad.

Analyzing

Project or even strategy can sometimes get bogged down by analysis, exchanges of analytical based report (between different parties) that do not agree or do not prioritize the same issues. Strategic planning can also be over-detailed, concentrated in extensive analyses that will not highlight the major strategic issues. It is not unusual that organizations find a huge amount of information with little clarity. As a result, there is an overload of information with no clear outcomes. Organizations need to be extra-careful with their data and need to use them in the most efficient ways. Having good data analysts are key to strategy success.

6.3.4.2 Lack of alignments

Lack between projects and corporate strategy

Recent studies showed that organizations are losing billions of funds in wasted projects (Stanleigh, 2006) due to a lack of alignment between projects and corporate strategy. Organizations need to be reliant on the effective and efficient management of projects. As the "*Chaos survey*" develop by The Standish Group shows that since 1995 the overall success rate of IT project is only sixteen percent while canceled project represent thirty one percent and while impaired projects represent fifty three percent.

Lack between project and business strategy

Stanleigh research, in 2006, also indicates that only thirty-two percent of organizations have a process of prioritization of projects and that only sixty percent of their strategy potential is realized due to defect breakdown in planning and execution.

Implementing Project Portfolio Management (PPM) has improved project success rates by thirty-five percent over the last few years. The cascade through portfolios, programs, and projects enables organizations to maintain strategic coherence as it provides a mechanism of prioritization, resources and activities allocations. But to be operational and effective, portfolios need to be created according to the strategy and must include projects that are profitable for organizations.

6.3.4.3 Desired versus achieved performance

There could be a gap between the desired, the achieved and projected performances (see the graph below). This fact needs to be taken into account by project managers and needs to be communicated clearly to the stakeholders to avoid deceptions and irrational expectations.

6.3.5 Environmental challenges

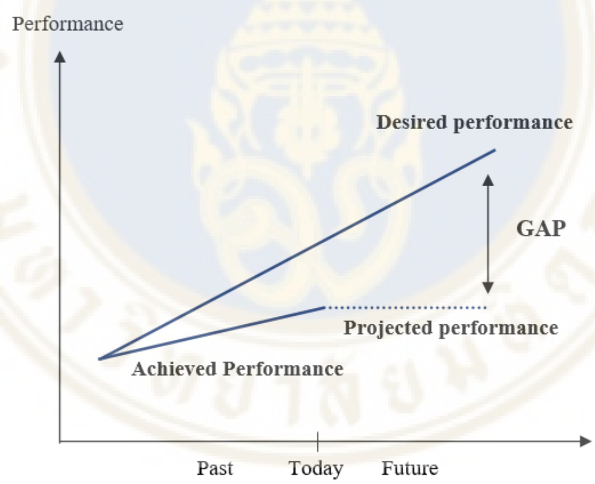

Figure 6.2 Difference between Desired performance and Achieved performance retrieved from Johnson G., Wittingtonm R., Scoles K., Angwin D., Regner P. (2014). Exploring the Strategy, 10th edition

6.3.5.1 Company environment

Environments can be difficult to understand as organizations are evolving in complex situations and environments most of the time. As for Bureau Veritas, its environment is complex because of its diversity: they operate in so many different markets and have large range of services. The "*easiest way*", as they did is to divide the company is different business units or lines to comprehend better the environment. But even if the environment is dynamic, there is always some uncertainty. It is not always feasible for managers to understand all the influences that will impact their future strategy. Organizations need to be extra careful and aware of it in the deployment and implementation of projects.

6.3.5.2 International strategic project management

Another big challenge for international multinational firms is to find which place to attribute to the local and global strategy. It can be really difficult in some cases to implement global projects as culture, organization, needs, legal rights, politics… are different from one country to another. It could be sometimes more productive and profitable to keep specific procedures and processes rather than to try implementing global tools and projects. International projects need to be clearly analyzed and studied before implementation.

A challenging question that organizations need to ask themselves: how to maintain a collective vision by being agile and fast while taking into account resources, measures, and cultures? The answer is not straight forward. The consequences on the implementation of the strategies will be quite different; it is important that a clear choice is made.

6.3.5.3 Environmental changes

Innovation

Innovation and adaptation are key to remain and/or become more sustainable. Many organizations put in place projects to work on it but they need to take into account the obsolescence factor. Product and services are becoming obsolete quicker and quicker. So, challenges could be to know: do I need to go further or is it too late or do I need to change my objectives or deadlines? Projects need to have key holding points to check it.

Organizations and strategies need to be based on long-term objectives that will need to involve environmental innovation or in-house innovations. Everything can change in the future, for example, perhaps in 10 years, artificial intelligence will be fully implemented, in the case of Bureau Veritas providing certifications can become obsolete as “machine” will be able to do it (better and quicker at low cost); so some jobs will need to evolve or will disappear. Strategy has to take those types of elements into account in order to adapt when requested. Environmental innovation is to be followed and watched with great attention. Appropriate technology and good solutions to innovations need to be investigated and implemented when appropriate.

Trend overtime

Investors and stakeholders are concerned with performance improvement and decline over time. It may suggest:

- Performance improvement: good strategy has been put in place and increasing momentum into the future.
- Declined performance: poor strategy and need for strategic and project changes.

But it is important to analyze a relevant period for comparing the different trends (except in very fast-changing markets). It is useful to examine it over several years to smooth out, for example, short-run cyclical effects. Performance trends are rarely sustained: some surveys have shown that only about 5 percent of firms can sustain superior performance for ten years or more.

Furthermore, market changes and variations can take place in some markets so organizations need to understand those future changes and trends to be able to adapt. Projects need to be put in place to anticipate those future trends.

CONCLUSION

Today, the global business environment evolves quickly which creates uncertainty, dramatic complexity and challenges for organizations. It demands a lot of attention to reveal and perceive competitive threats and forces. Organizations need to plan and control endeavors today to survive tomorrow.

Projects are considered to be appropriate mechanisms to stimulate the learning environment, to enhance creativity and to manage changes to deliver complex products or services. As the theorists, Anderson D. and Merna A. (2005) says: "*Organizations depend upon initiating and executing projects that are derived from and aligned with corporate strategy and that ultimately create the projects and project strategies that produce the required strategic objectives.*" Understanding how strategy and project are linked together and how to successfully implement it, is critical for high-performance, sustainability, and competitive positioning.

Through this paper, we have been able to better understand and see how important it becomes to deal with strategic topics in project mode. Strategy project management is a key tool for organizations but challenges linked to it, need to be explored and analysed deeply by managers and strategy creators and implementers should they want it to be successful. Organizations need to be agile and flexible in their ways of doing things and need to keep in mind the essentials if they don't want to get lost in the process. They need to be extra careful in the definition of their strategy and need to choose wisely which projects to implement. Profitability is crucial for survival. Quality, engagement, professionalism of the teams involved in the process are a very important aspect no to neglect.

Due to our fast-growing environment, something that was true today can be false tomorrow. Organizations have to be cautious in the way they interpret data and need to monitor, evaluate and re-direct project as often as needed when they want to survive and to progress in the right direction.

What did I learn from this analysis?

So much! And more than anything else it helped me to realize how complex organizations are and how uncertain and moving environments become. Decisions are not easy to take and to implement. There is not one winning way to be found. Big challenges have to be addressed simultaneously! Many situations, good and bad, definitively occur when organizations evolve and even when they try to maintain their current activities. There is not just one side on a coin.

Strategy and strategic project management are complex subjects. It needs vision, agility and flexibility, stability despite the uncertain environment, open mind, collaboration, humility and decisiveness… I really wish to keep on exploring and applying those themes of business management in my coming career. Being at Bureau Veritas, right now, is such a unique opportunity to learn more about those fascinating subjects.

My dream is to contribute to a world where Companies Strategies will be set for the common interest of shareholders (profitability), employees (great place to work) and at the same time keeping in mind human rights and the global environment (sustainability). I am convinced that such Strategies will be successful and profitable as it brings strong meaning to actions at every level of the organization. They will be implemented with less fear, more confidence and much more positive collaboration as it will be clear for all that it is common interest and goal to work and live for mutual wellbeing (employees, customers, shareholders, inhabitants, governments...)

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APPENDICES

Appendix A: The Four Perspectives On Strategy From Whittington (2000)

The Four Perspectives on Strategy				
	Classic	**Processual**	**Evolutionary**	**Systemic**
Strategy	Formal	Crafted	Efficient	Embedded
Rationale	Profit maximization	Vague	Survival	Local
Focus	Internal (plans)	Internal (politics/cognitions)	External (markets)	External (societies)
Processes	Analytical	Bargaining/Learning	Darwinian	Social
Key influences	Economics/military	Psychology	Economics/biology	Sociology
Key authors	Chandler; Ansoff; Porter	Cyert & March; Mintzberg; Pettigrew	Hannan & Freeman; Williamson	Granovetter; Whitley
Emergence	1960s	1970s	1980s	1990s

Appendix B: Stakeholders Map Of A Large Organization

Adapted From R.E Freeman, Strategic Management: A Stakeholder Approach, Pitman, 1984

Appendix C: Summary Table Of The Strategy Choices

1) BUSINESS STRATEGY– *link to the environment and competitors*	
GENERIC STRATEGY *Cost Leadership, Differentiation, Focus, Hybrid*	INTERACTIVE STRATEGY *Cooperation & game theory*

2) STRATEGIC OPTION – *link to growth and development*		
DIVERSIFICATION	INTERNATIONALIZATION	INNOVATION

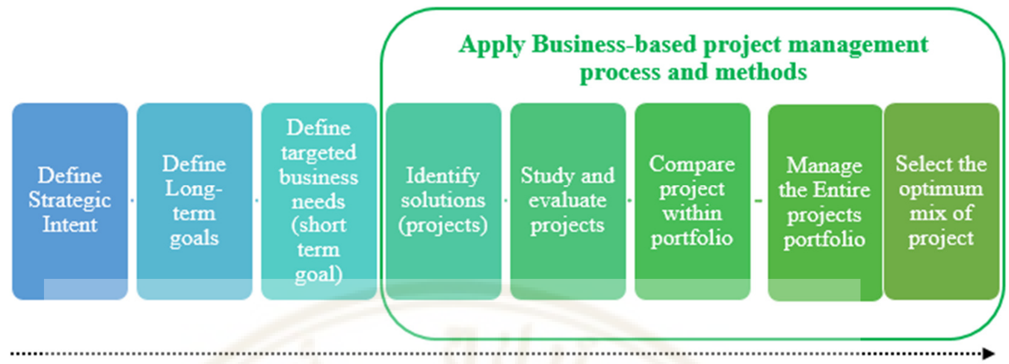
3) STRATEGIC DIRECTIONS – *link to which market, which product to compete it*			
MARKET PENETRATION	NEW PRODUCT & SERVICE	MARKET DEVELOPMENT	CONGLOMERATE DIVERSIFICATION

4) STRATEGIC METHODS – *link to pursue strategic options and direction*		
ORGANIC DEVELOPMENT	MERGER & ACQUISITIONS	STRATEGIC ALLIANCES

Appendix D: The 12 principles of the Agile manifesto (2016)

1. Our highest priority is to satisfy the customer through early and continuous delivery of valuable software. **2.** Welcome changing requirements, even late in development. Agile processes harness change for the customer's competitive advantage. **3.** Deliver working software frequently, from a couple of weeks to a couple of months, with a preference to the shorter timescale. **4.** Business people and developers must work together daily throughout the project. **5.** Build projects around motivated individuals. Give them the environment and support they need, and trust them to get the job done. **6.** The most efficient and effective method of conveying information to and within a development team is face-to-face conversation. **7.** Working software is the primary measure of progress. **8.** Agile processes promote sustainable development. The sponsors, developers, and users should be able to maintain a constant pace indefinitely. **9.** Continuous attention to technical excellence and good design enhances agility. **10.** Simplicity--the art of maximizing the amount of work not done--is essential. **11.** The best architectures, requirements, and designs emerge from self-organizing teams. **12.** At regular intervals, the team reflects on how to become more effective, then tunes and adjusts its behavior accordingly." *http://agilemanifesto.org/iso/en/principles.html*

Appendix E: Strategic Project management process from Heerkens, 2000



Appendix F: Bureau Veritas – Internship Company

"I'm currently doing my internship in the company Bureau Veritas at in their offices in Shanghai, China in the ***Marine & Offshore division*** *in their* ***Finance and Application department.****"*

Bureau Veritas - China

In China, Bureau Veritas is operating in eight dedicated businesses:

- Marine and offshore
- Inspection & In-service verification
- Construction
- Certification
- Government service & International trades
- Consumer product
- Commodities
- Industry

The BV - China office creates value in the country for industry like : *aerospace, agriculture and food, automotive, chemical and petrochemicals, construction and real estates, electrical and electronics, government and public organization, industrial and manufacturing, marine and offshores industries, information technology, telecommunications, electronic products, mining, oil and gas, power generation, retail and consumer goods, services, supply chain, transport and infrastructure.*

BV - Marine & Offshore Bureau – China

Services provided by the offices in Shanghai - China:

- Design review
- Material and equipment inspection and certification
- New ship and offshore units' classification and statutory certification
- In-service ships and offshore units' classification & statutory certification
- Consulting and Outsourcing

Finance and Application Department

The Finance and application department is a support department which:

▪ On the application side: helps to integrate, implement and manage the company's tools.

▪ On the Financial side: supports managers in the forecast, financial reports and financial tools of all North Asia Zone (China, Korea, Taiwan, Japan, and Hong Kong)

Internship Scope

The scope of the 6 months internship, in the Finance and Application team, is:

▪ Assist Finance Global system upgraded and perform UAT 1 ("ABC project") - *This project will be used to develop our case study.*

▪ Assist to implement Global compliance GDPR2 in China

▪ Assist IT application manager to improve local application design and training materials and guidelines

▪ Participate in O365 Outlook migration preparation and coordinate between Corporate and Local operation

▪ Assist the Financial Closure and Forecast for Korea

▪ Assist the Finance team for ad-hoc projects

Appendix G: Brittany Ferries – company presentation

"During my GAP year, I've being working 14 months in the company Brittany Ferries International group, on a program called Connexion. Its main goal was to contribute to an efficient and fast implementation (internally) of the new organizational strategy and digital transformation."

Brittany Ferries is one of the leading sea transporters on the Channel Sea and is the largest employer of French seafarers. Due to strong partnerships, the company has a strong impact on the social and economic growth of the Atlantic regions it serves.

Since 1973, 70 million passengers have trusted the company. The ships browsed 700 000 miles every year, which is equivalent to 35 world tours and is employing in 2018: 2800 employees and is creating 4 500 indirect jobs. Due to the number of people they employ, Brittany ferries is the leading maritime French company. Purchases, supplies and maintenance operations benefit from 81% to Brittany, Normandy, Pays de Loire and Ile de France regions.

Denomination	BAI – Bretagne Angleterre Irelande *(Brittany, UK, Ireland in French)*
Activities	Passenger & Freight Transportation / Holidays
Legal form	French Société Anonyme governed by an executive board and a supervisory board
Workshop	2500 employees
Consolidate Turnover (oct.2018)	442.2 million Euros
Share capital	22 831 056 Euros
Chairman	Christophe MATHIEU
President of the supervisory board	Jean-Marc ROUE
Head office	Port du Bloscon CS 60 072 29688 ROSCOFF Cedex
Shareholders	5 with 2 majors : SOPARFI & CCI