

PROJECT MANAGEMENT

**Stakeholders, Procurement &
Organization**

AGENDA

Stakeholders

- management

- attributes

- classes

Procurement

- contracts

- criteria

Organizational structure

STAKEHOLDERS

PART I

STAKEHOLDER: WHAT IS AND WHO CAN BE?

- SH is any group or individual who can affect or is affected by the achievement of the organization's objective (Freeman, 1984, Strategic Management: a Stakeholder Approach)

SH MANAGEMENT

Identify people, groups or organizations impacting or are impacted by project



Analyze stakeholder **expectations** and develop **strategies** for engagement

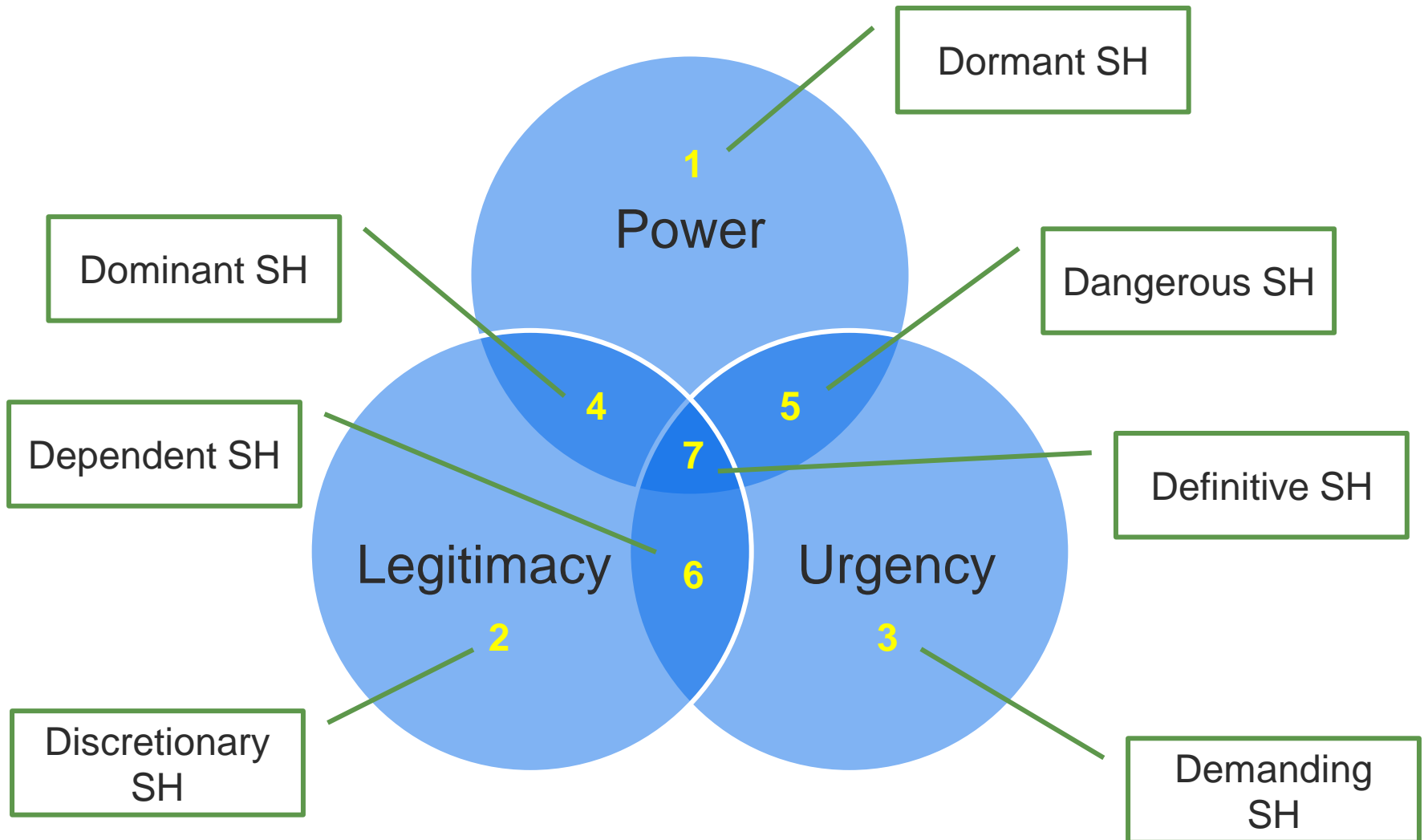


Managing expectations, addressing issues, **resolving** conflicts



Monitor and **maintain** stakeholder relationships and strategies

SH CLASSES

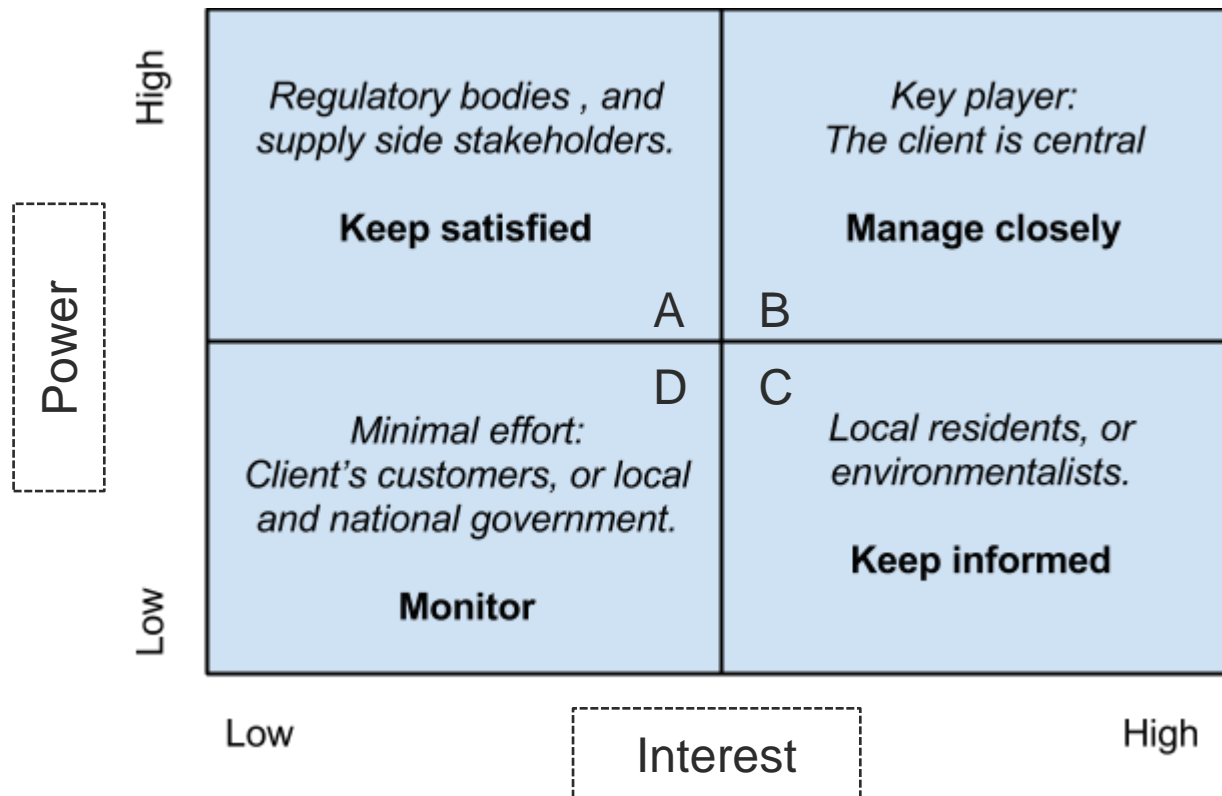


More in:

Mitchell, R. K., Agle, B. R., & Wood, D. J. (1997). Toward a theory of stakeholder identification and salience: Defining the principle of who and what really counts. *Academy of Management Review*, 22(4), 853-886.

And another approaches ...

INTEREST/POWER MATRIX



DTU, Stakeholder management as a contractor

http://apppm.man.dtu.dk/index.php/Stakeholder_Management_as_a_Contractor

INTEREST/POWER MATRIX

SH may join the project or leave project in different project phases

SH may increase or decrease its interest and/or power during the entire project life cycle

INTERNAL / EXTERNAL SH

Internal stakeholders		External stakeholders	
Demand side	Supply side	Private	Public
Client	Architects	Environmentalism	Local authorities
Financers	Engineers	Insurance companies	National authorities
	Principal contractors	Researchers*	Government
	Subcontractors	Educational institutions*	
	Operators	Trade and industry	
	Consultant	Social organizations	
	Fabricators	Media*	
	Facility manager		
	BIM manager		
	PM		
	Developers		

Table 2. Internal and external stakeholders

*It can be both private and public

PROCUREMENT

PART II

PROCUREMENT MANAGEMENT

Purchase or acquire products or services outside of project team

Development, administration and closure of **contracts** and purchase orders

Contract is a mutually binding agreement that obligates seller to provide and buyer to pay for product/service

Complex projects contain multiple contracts or subcontracts managed simultaneously or in sequence

Make-or-buy analysis and market research to start with

Statement of Work (SoW)

- Defines part of project scope included in contract; Specifications, quantity and quality levels; Work location and delivery period

CONTRACT PROCUREMENT

Fixed Price

- Lump sum where contractor carries the risk
- There is no bill of quantities or does not change during project

Cost Reimbursable

- Contractor is reimbursed on actual costs + additional fee
- For uncertain scope, price is not know until work is completed

Time & Material

- parties agree to pay predetermined unit rates
- Used when an accurate estimate is impossible or where the schedule cannot be defined
- highest risk for the owner and the most secure way for a contractor.

CRITERIA

Lowest bid price

Overall costs or LCC

References and technical capability

Quality and warranty for product

...

Qualification requirements and selection criteria must be distinguished!

CONTRACT VARIABLES

D&B, DBB and others

<http://aakash407.blogspot.cz/2015/02/design-bid-build-vs-design-build.html>

PROS AND CONS

(CMAA)

See CMAA:

http://www.cmaasc.org/pdfs/article_archives/project_1j.pdf

ORGANIZATIONAL STRUCTURE

PART III

ORGANIZATIONAL STRUCTURE

Functional

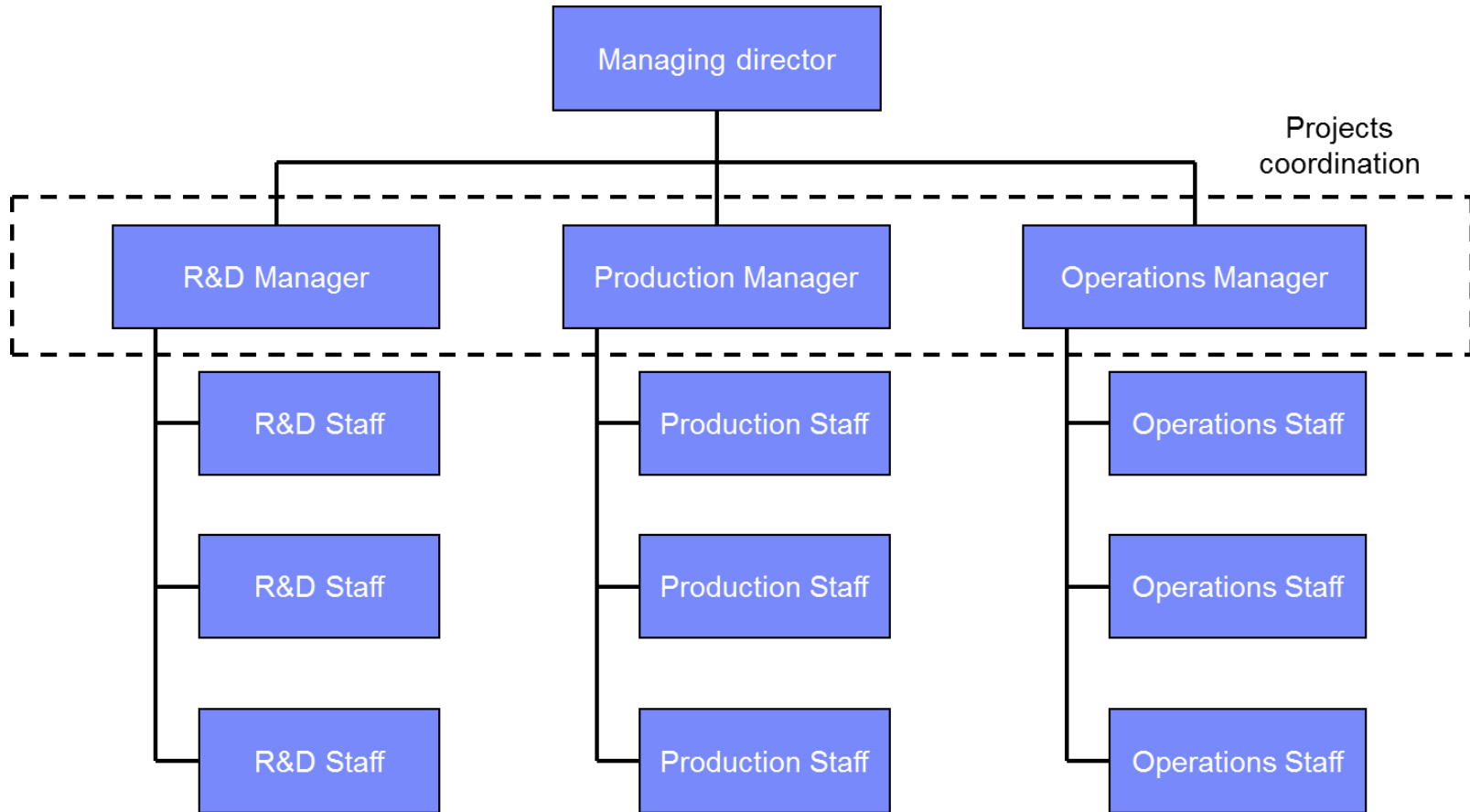
Projectized

Matrix

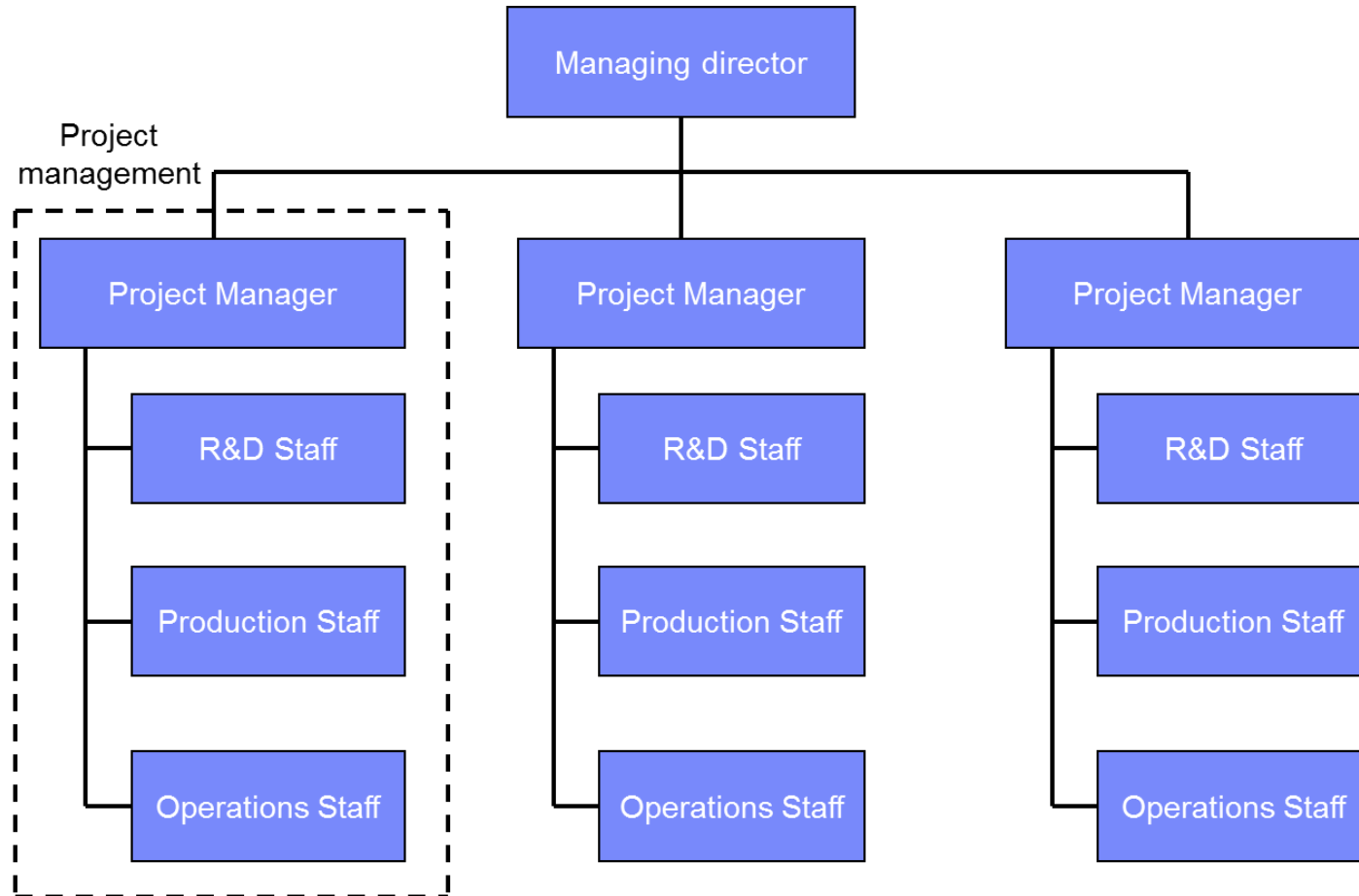
Differ from each other in several aspects

(Source: M .Hrubý. Presentations for Project Management of Building Constructions I)

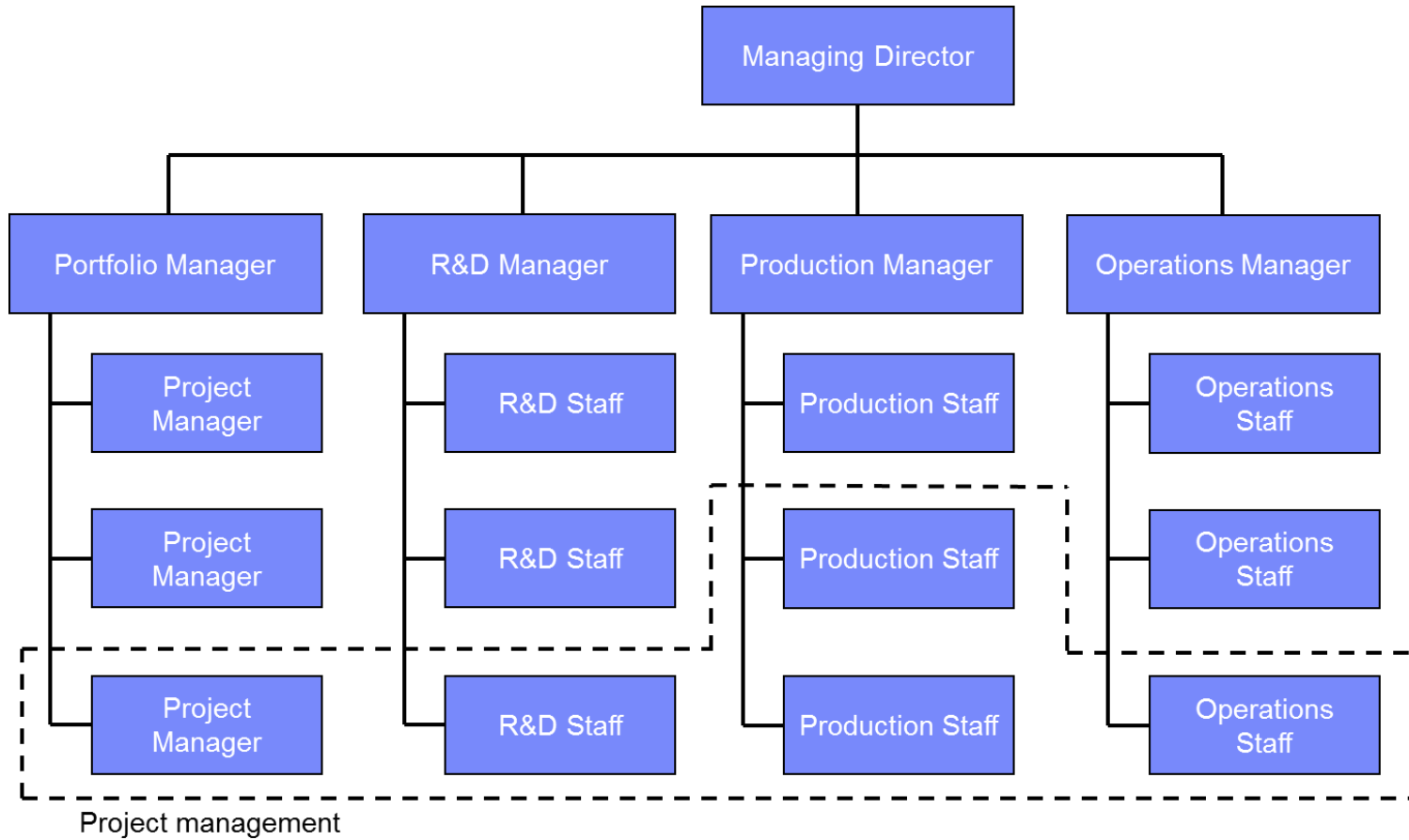
FUNCTIONAL OS



PROJECTIZED OS



MATRIX OS



NAME OS BY THEIR FEATURES

Organizational structure	Functional	Projectized	Matrix
PM's authority	Low	High	Balanced
Resources	Low	Dedicated	Shared
Budget	Functional Manager	Project Manager	Shared PM/FM
PM's engagement	Partial	Full	Full
Processes	Organizational	Project	Balanced

RECOMMENDED REFERENCES

- CMAA: Project Delivery Systems
http://www.cmaasc.org/pdfs/article_archives/project_1j.pdf
- Freeman: Strategic Management: a Stakeholder Approach
- Mitchell, et al.: Toward a theory of stakeholder identification and salience: Defining the principle of who and what really counts.
- Olander, S., & Landin, A. (2005). Evaluation of stakeholder influence in the implementation of construction projects.
- Travaglini et al. (2014). BIM and Project Management: Stakeholder Perspective
- Littau, P. et al. (2015). Managing Stakeholders in Megaprojects
- Stakeholder Management as a Contractor, DTU