

2002 salt lake city olympics

Countries



Section II: Case StudyII - The Salt Lake Organising Committee: 2002

Olympics Our analysis of the case study had the following objectives: 1. To focus on the role of the new management in redesigning the organization to ensure successful execution of the 2002 Winter Olympics; 2. To identify the practices involved in the various stages of the project life cycle; 3. To discover how testing and validation reduce risk and uncertainty when planning a one-time event such as the Olympics.

The bribery scandal and how it underpins the sequence of events The bribery scandal had a huge impact on the planning of the Olympics as the financial viability of the games depended on the involvement of various stakeholders and their reaction to the scandal could define the ultimate success of the event, for example: •The SLC Olympics were originally budgeted at \$ 1. 55 billion, as \$ 751 million was expected to materialize from sponsorships. At the time, this figure meant that SLOC would sign up sponsors far in excess of what had been done in prior Winter Games.

In the wake of the scandal one delicate negotiation withhealth-care giant Johnson & Johnson was broken off followed by withdrawals from other sponsors. •After the scandal the federal government, which was meant to provide funds for transportation and security, pulled back; •The impact of the scandal on the general public should also be taken into consideration, as people would be expected to purchase tickets and turn the Games into a profitable business venture.

After the scandal SLOC recognised the need to separate the tainted committee of the past from its future; therefore, Mitt Romney was brought in as CEO and Fraser Bullock as COO. The challenges were correctly identified

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right from the start of their appointment: \$400 million budget deficit, knowledge gap, lack of relevant experience, dysfunctional organisation, staff operating in silos, inexperienced volunteer staff, no operational plan in place.

Effective action plans were implemented in order to tackle the above challenges: tiered level of importance expense categorisation was introduced, new revenue generating areas were identified, people with significant international event experience were brought in and meld with those that had no such prior experience, the organisation was flattened to shorten the distance between Romney and Bullock and some key functional areas, staff was empowered by top management to come up with own solutions to challenges, an organisational culture was built up to give all staff the sense of common purpose. Hugely optimistic budget As a result of the scandal, the budget given to Romney when he joined SLOC reflected millions of revenue dollars unlikely to materialize. Due to the existing challenges, the financial strategy became the core project strategy. The objective of the new financial strategy was to restore confidence by creating a validated budget while keeping the books wide open. The entire system of managing the project is therefore, severely impacted by this strategy. Cash flow rules with support from the bottom

In order to cut unnecessary costs, Bullock categorized all expenses into what he called a “ tiered level of importance”. The classification took care of a lot of overheads automatically. Bullock also developed further Romney’s idea of identifying new revenue generating areas: sponsors were approached to fill in as many gaps in the budget as possible – for example, SLOC convinced

Microsoft to develop and host the website as a sponsor. To secure the necessary cuts, Bullock realized he had to win the trust of Olympic staffers.

Bullock made sure the staff knew the ‘lack of choice’ scenario behind the strategy of cost cuts, but more importantly he wanted his staff to feel comfortable with the cost cuts philosophy and incorporate it into their own decision making. He let the functional managers decide on their own lists of priorities when suggesting cost cuts. In this sense, the focus of SLOC was to empower its management teams to come up with their own solutions to challenges rather than enforcing decisions using top-down authoritative approach.

Restructuring the dysfunctional organization, bringing in experienced managers and building organizational culture Along with the assessment of the budget, Romney and Bullock reviewed the inherited organization and discovered a number of issues: •The organization was poorly structured as the staff operated in silos and some key functions were 2-3 steps away from Bullock and Romney, when they should have reported directly to one or both of them.

The fix was to flatten the organization by elevating 18 positions to the managing director level, each responsible for overseeing several functions and venues and reporting directly to Romney and/or Bullock. •There was no transfer of knowledge between Games, although held regularly since 1896. The solution for this was to bring in at least one person with prior Olympics experience to work in each functional department. This enabled the little formal knowledge transfer between Olympics •Most of the staff would

consist of inexperienced volunteers who needed to be integrated with the few staff who had significant international event experience.

As one of the managing directors elaborated – people with different job histories who cannot be promoted are doing the same job for a fixed period of time. What therefore sets the Olympics apart from a typical business is the lack of corporate culture, history, and future. To compensate for the lack of experience in running international events of enormous complexity like the Olympics, and to give all staff a common purpose, Romney developed a list of 5 core principles, which he and Bullock held as SLOC's guiding principles and which they consistently communicated to all staff to give a sense of common purpose.

Developing the operational plan and switching to venue-based management
Although the technical side of the project was on track (building the facilities for the Olympics), there was no operational plan in place as to how to run the venues during the game. Matt Lehman was hired as project manager responsible for the action plans. A year before the games the management process was changed from functional responsibility to venue responsibility, which meant that the operational plans could be tested and validated.

Testing of Operational plans

The commitment to a defect-free Winter Olympics resulted in the testing of plans prior to the starting of the games, the following verification and validation approaches took place: venue testing, gaining insights into major customers' experience reviews, operations simulations, test events, and dress rehearsals. Learning outcomes: The SLOC case study contains many DO's with regard to project management and the role of the project leader.

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The new management had successfully turned an underbudgeted project into a profitable one. Leadership and the ability to delegate were very well performed by the COO Fraser Bullock and the CEO Mitt Romney.

They managed to bring back sponsors and restored confidence within the organization. The success of the programme is based on the following factors:

- Despite the lack of previous relevant experience, the Romney/Bullock tandem perfectly understood that results are delivered by people within a validated budget.
- The right people were identified and hired.
- By securing the budget, restructuring the organization, and empowering the staff to come up with their own solutions to daily challenges the tandem managed to balance the trade offs among cost, time, scope, quality and risks and deliver the Games. Both possessed the skill sets that allowed them to manage the processes and lead the staff by applying ‘technical’ and ‘adaptive’ approaches to solving project challenges. Issues were correctly identified right from the start; correct remedies were applied to tackle the issues rather than just the symptoms.
- Bullock’s previous experience in turning money losing companies into profitable businesses provided him with a set of skills quite relevant to his SLOC appointment.

He had previously done the same financial makeover the Salt Lake City Games needed to other companies, providing him with the confidence that he could enter an unfamiliar industry and become conversant with it after a short assessment period.

- Operational success was ensured by hiring a professional project manager (Matt Lehman) to overview the creation and execution of the operational plans.
- Risks were identified and tested 6 months prior to the Olympics; the operational plans were tested, amended (if

required), and validated. SLOC planned, executed and implemented the successful Salt Lake Winter Olympics through following the methodology of Concurrent Engineering - an integrated approach which defines a project model, divides the project into major systems accordingly and delivers the project in a single phase. Each part or system is entrusted to a team consisting of experts. This approach helped to reduce project delivery times and costs despite increased uncertainties, ambiguities, and complexities that surrounded the project. My organization is a functional one and doesn't have a dedicated project management team.

Projects are managed within the existing functional hierarchy of the organization. Once management decides on a particular project, the different parts of the project are delegated to the respective functional units. The fact that project participants come from different functional backgrounds often makes projects difficult to co-ordinate and execute. For this reason projects are often viewed as an additional burden to which functional managers could be reluctant to allocate resources. Ultimately, staff is not truly motivated to participate as projects are seen as something outside the scope of their usual responsibilities.

The SLOC case study represents a good example of how to create a cohesive environment in which a cross-functional team could best use the creativity and capabilities it can provide. The case study shows that it is not enough just to manage a cross-functional team, it needs a true leader. On another hand, the case study provides an excellent example of how the project manager should be aware when to use the "project manager hat" versus the "technical specialist hat" as ultimately, the project manager

should focus on their role as the leader and let the team handle their tasks according to their experience and expertise.

The case study demonstrates how the project manager's role on the outside should be building support and sponsorship from key stakeholders and building trust and creating an environment of open communication within the project team. Projects in my organisation would be more successful if these ideas are better incorporated in practice.