

Corwin corporation analysis assignment

[Business](#), [Management](#)



Company was strained because of Corrine's failure to follow their management policies. A fixed-price contract was signed without proper risk analysis, there was no evidence of a project plan and the situation was made worse by the lack of support from management. This report discusses the failures in project selection, lack of executive support and communication breakdown, all of which lead to the project being terminated by the client.

INTRODUCTION Corning Corporation accepted a project which was outside their scope of work from Peters Company to develop a specialty product.

They accepted the assignment based on a rough draft and without analyzing the risks and thus leading to the project being later terminated by Peters Company and jeopardizing their long-standing good relationship with the client. The project started before the contract was signed. Corrine's failure could be attributed to a number of errors that were made on accepting this assignment. A number of important factors like the management policy, were completely ignored. Corning agreed on a fixed-price 5-year contract based on a rough draft, no proper analysis was done and the scope was unclear.

This meant that Corning would be responsible for any cost overruns incurred. It is never whether or not they are achievable. Corning failed to assign the right person to manage the project. An inexperienced Project Manager was tasked to lead the project and although one of the senior managers had doubts about the project manager's capabilities to lead such a project, his concerns were ignored. Effort Corning allowed an in-house representative direct access to the lab which ultimately left the employees unhappy and

disgruntled. The lack of management support also played a major role in the project's failure.

Management was dealing with the issues raised by the project manager passively and hoped the “ situation would correct itself”. The requirements were poor and the schedule was unrealistic. Poor project selection, lack of support from top management, non-existent change management control and communication issues were identified as areas of concern within the Corning Corporation. For the purpose of the case study, the researcher will be discussing how these project management principles/concepts, if followed properly could have prevented Corning from accepting this project. CASE ANALYSIS 1 .

Project Selection Project Selection should not be perceived to be a tedious and unnecessary exercise but as an important exercise that would be beneficial for the customer and the annotator. A number of factors such as production consideration, marketing consideration, financial consideration, personnel consideration and administration consideration, need to be taken into consideration to ensure that the project is in line with the organization's strategic objectives. 1. 1 Poor Project Selection Corning established a management policy that governed the project selection process for the evaluation of specialty product requests. Burke: 67) states that “ The selection of the right project for future investment is a crucial decision for the long-term survival of a company’. Frill's failure to follow the management put the company's reputation at risk. Following the project selection process assists companies in deciding which projects to pursue and which to let go.

Most of the executives were away on vacation which means that the project was not evaluated using the company's selection method and without the executives' consultation.

It is important to note that during the evaluation process, individuals with different with backgrounds and subject-matter experts should been involved to make an informed decision whether or not to take on Peters Company offer. In this case, the major session-makers were away on holiday. Peters Company came across as bullying and threatening in their requests thus this might have led to Corning accepting the project to save their business relationship. This project was outside Corrine's scope and should have never been accepted.

It answered " NO" on the first criteria of the management policy therefore it wasn't viable. A proposal is a response document to the RAP (Request for Proposal), it includes a plan of action, states why the action is necessary and persuades the customer to approve the implementation of the recommended action. The proposal should also include a plausible management plan and technical approach. To create winning proposals, it is important to have resources with relevant skills and expertise e. G. Subject matter experts, to help prepare a quality proposal.

Royce used inappropriate and unskilled resources to prepare the proposal. He had reservations about selecting West; despite his lack of experience in dealing with external projects, as the Project Manager without DRP. Redder (R&D Manager) input but he ignored his instincts. The proposal preparation was conducted by contracts man who was not familiar with fixed-price

contracts. Royce was overly optimistic in estimating the cost and didn't include contingency to cover unexpected situations that may arise during the project. Clement & Good, 5th Edition: 69) states that " if the estimated costs are overly optimistic and some unexpected expenditures arise, the contractor is likely to either lose money (on a fixed-price contract) or have to suffer the embarrassment of going back to the customer to request additional funds to cover cost overruns". Corrine's final proposal to Peters was a technical document as it contained engineering intent and cost summaries which were also not properly done. This later in the project resulted in scope creeps which saw Corrine's profit on the project diminish.

1. Contract Negotiation Fixed-price contracts are beneficial to the customer but not the contractor. Before signing this type of contract, the customer should have a detailed scope work from the customer. There are risks associated with this type of contract for contractors, I. E. The customer is liable for any cost overruns should the project run beyond schedule, budget and time. Agreeing to a fixed-price contract was also one of the contributing factors that led to the project's failure. Although the profit margins sounded appealing on the phone during Delia and Frill's conversation, they looked different on paper.

The disadvantages of such a contract for Corning far outweighed the advantages for Peters Company. (Clement & Good, 5th Edition: 76) states that " Fixed-price contracts are most appropriate for projects that are well defined and entail little risk". It is good practice to start working on a project after the contract has been signed. Corning worked first and signed later. 1.

4 Risk Management Ignored Royce made a commitment to assess the risks once he got hold of the specification sheets.

Looking at the Cost Summary in the proposal, one can conclude that he never kept to his commitment since it didn't even include the contingency amount. " Some level of risk planning should be done during the initiation phase of the project life cycle to make sure, for example, that the contractor understands the risks involved assessment therefore is an important aspect of project initiation because it helps the contractors make better decisions, negotiate fair contracts and create risk mitigation methods.

A good risk assessment takes into consideration anything that could go wrong with the project and determines what it would cost. Accepting a project outside Corrine's scope area of expertise was a risk, appointing an inexperienced scientist from the R&D department was a risk, agreeing to a fixed-price contract was a risk and procurement of all materials was a risk. Corning resorted to risk aversion. 1. 5 Project Kickoff Meeting West solicited support from other groups after sending the proposal to the customer.

This left his colleagues unhappy because of the lack of communication about the project objective. It is the project manager's duty to involve the project team at the early stages of the project to clearly define the project objective, gather support from the departments affected by and involved in the project and define each member's role and responsibility. " The project manager spearheads development of a plan to achieve the project objective.

By involving the project team (Clement & Good, 5th Edition: 303) in developing this plan, the project manager ensures a more comprehensive plan than he or she could develop alone”. Project kickoff meetings provide a good platform for the project manager to deliver a presentation about the meeting and its importance to the organization. Clear roles and responsibilities of each project team member must be discussed. An understanding of each member’s role in a team reduces communication issues and late deliverables.

This will not only help him gain commitment from the team but it will also assist in accomplishing the project objective on time, within budget and of the right quality. 1. 6 Change Management At the start of the project, a change control system needs to be established to define how changes will be documented, approved and communicated” (Clement & Good, 5th Edition: 320). The project manager did not have proper change control procedure in place. The in-house representative made changes to the scope, which resulted in scope creep.

His changes were not documented and communicated and were not within the budget. When he requested an additional five tests beyond the agreed scope, the project manager should have evaluated the request and provided Peters Company with a proposal outlining the costs to add the tests to the scope. Uncontrolled change exposed Corning to unnecessary risk. A change control process is significant to the successful delivery of a project and ensures that each change introduced to the project environment is appropriately defined, evaluated and approved.

The project manager in this case struggled to control changes in the project because he didn't have proper process in place and that he lacked project management experience. Top management support is the most important critical success factor for project success. Many projects fail because they have only passive senior management support. In mature organizations, executives act as project sponsors. In this case, Royce (UP of Engineering) should have been the project sponsor.

The role of a sponsor is to “ ensure that the correct information from the contractor's organization is reaching executives in the customer's organization, that there is no filtering of information from the contractor to the customer, and that someone at the executive level is making sure that the customer's money is being spent wisely’ (Serener, 7th Edition: 475). The project failed to achieve an enthusiastic approval from the president, there was little hope of it being successful. Projects need some involvement by executive management to allocate needed resources appropriately to the projects.

The executives set strategic goal for organization and uses projects to meet those goals. They need to provide guidance to project managers that is in line with the organization's strategic objectives and track the alignment of those objectives to the project objectives. Firmer, after initiating the project, distanced himself when he handed full responsibility over to Royce and went on vacation. Firmer had experience in these types of projects because his department was the decision maker for the specialty products. He should

have acted as project sponsor and supported Royce but instead, left him to fail.

During the first meeting in which the project was discussed, DRP. Reedy (R&D Manager) expressed his dissatisfaction about the choice of project manager Royce had made. . 7 Organizational Structure and Culture “ The organizational culture, style, and structure influence how projects are performed” (MAMBO, 4th Edition: 27). Corning has maintained a functional organizational structure for more than 15 years. In functional structures, project managers do not full control over the project teams. One of the disadvantages with this type of structure is the competition among functional departments.

Corrine’s Marketing department made almost all the decisions, project managers for specialty products came out of marketing. The Engineering department as stated in the case duty, “ was considered merely as a support group”. The Vice President for engineering mentioned at some point that his vote never appeared to carry any wait. The morale was very low in some departments as they felt that they were not as valued as the other departments. Reedy did not give much support to the project manager and later contradicted himself that the project manager “ kept him in the dark”.

His unbecoming behavior can be attributed to the fact that the Vice President failed to heed his call about his reservations towards the choice of the PM thus, he became so reluctant to assist the PM. A healthy organizational culture encourages accountability and personal responsibility. Denial, blame and excuses harden relationships and intensify conflicts. 2

Poor Communication blessing”. “... Phone conversations allow the listener to hear the tone, inflection, speed, volume and emotion of the voice” (Clement & Good, 5th Edition: 371).

A reluctant voice sounds differently from an enthusiastic voice on the phone. The project manager failed to communicate timely to the executives about the representative’s interfering behavior, he thought he could handle it. The situation spiraled out of control when the representatives started giving orders to the project anger about removing functional employees on the team. Providing the customer with progress reports frequently, keeps the customer in the loop and informed about the status of the project.

Communication skills are one of the most important skills every project manager should possess, it very important that the project manager communicates with the stakeholders and project team. The project manager should have escalated problems as they occurred and scheduled meetings to resolve them. He should know what needs to be communicated to who and when. CONCLUSIONS Corning Corporation failed to follow its own management policy, took on a project, and selected to apply the proper management principles. The executives were not part of the contract acquisition and failed to develop and nurture the project manager.

The organizational culture was such that all departments were equal but some were equal more than the others were. This resulted in people wanting to prove themselves worthy by taking on big projects even though they lacked experience. The project manager was set deliberately set to fail, the manager knew his strength and weaknesses but was unavailable to assist

until the last minute. Corning did not have a house rules in place with regards to in-house representatives. Corning didn't work the plan and therefore couldn't plan the work.