

# Project Management: The Supply Chain View

© 2007 Morgan Henrie PhD, PMP; President MH Consulting, Inc.

... Weltanschauung, our view of the world. (Ackoff 1999)

## Weltanschauung

Have you ever considered what your project weltanschauung is? Would you be surprised to find out that your weltanschauung may in fact assist or hinder your ability to manage the project? Additionally, you might discover that your weltanschauung may alter or change as your project maturity or competence level changes. So what is this weltanschauung anyway?

Merriam-Webster dictionary defines weltanschauung as "a comprehensive conception or apprehension of the world especially from a specific standpoint." Weltanschauung is commonly referred to as your view of the world or 'world view'. From a project manager's perspective, it is proposed that your weltanschauung, or your world view, is associated with your approach to managing the project. This paper also suggests that we might, in fact, be able to enhance our ability to be great project managers by expanding our world view. The application of other disciplines, such as supply chain management, may in generally enhance our weltanschauung.

## A Project Manager World View

Project managers, regardless of discipline, location, or national origins share a common trait, experience. Each project manager may view their experience level as a unique entity that is fully based on their personal experience, training and background. This belief is probably valid as the experience commonality trait can be viewed as a continuum that starts from an initial point in time, where the role of project manager was thrust upon you or you developed a desire/interest in project management.

It extends to other end of the spectrum as the sage, battle hardened survivor senior project manager that everyone looks to for advice. Movement along this experience line occurs as we expand our project knowledge base through training and hands on experience.

Merging of theoretical knowledge, gained through formal training and self learning, with applied personal experience broadens the project manager's management tool sets and creates their project management world view.

Maintaining a broad world view provides senior project managers the ability to be flexible in how they manage projects. As Stacy Goff states "...there are a variety of ways to meet the time : cost : scope : quality tradeoffs presented by business needs" (Goff 2007). From the project management discipline, a prime source that assists in attaining this flexibility can be found in;

...*asapm's* USA National Competence Baseline (NCB) for Program and Project Management. Each Technical Competence (and many of the Behavioral ones) has a role in establishing flexibility and manageability...as identified by the NCB elements:

2.1 *Project Success Criteria*: you must agree how you and your stakeholders will measure success.

2.2 *Stakeholders and Interested Parties*: you must know who they are and the roles they commit to fill.

2.5. *Project Quality*: [what is an acceptable level of quality?]

2.10 *Product Scope*: [what is the true project scope of work? Is the stated scope equal to the stakeholder unstated scope?]

2.12 *Schedules*: [what is the real schedule driver?]

2.13 *Resources*: [where and how can the resources be effectively managed?]

2.14 *Cost*: [are there benefits from escalating/deescalating the financial burn rate?] (Goff 2007)

Understanding when and how to apply specific project management tools, techniques and methods, occurs as the project manager's competency advances. Yet, project managers should not limit their weltanschauung to the exclusive set of project management competency attributes. Expanding weltanschauung to other disciplines, such as supply chain management, includes tools, techniques, and methods providing additional information sets that can be drawn on during project implementation.

**Supply Chain Management, What is it?**

Supply chain management (SCM) is one of the newest management disciplines within business. SCM can be traced to 1958 when Jay W. Forrester "...introduced a theory of management that recognized the integrated nature of organizational relationships in distribution channels" (Mentzer 2001).

Supply chain management is a management philosophy as well as a set of processes. As a philosophy, SCM is a systems based management approach. This systems view seeks to integrate the divergent parts into a cohesive whole. Each part is linked to all other parts in a synchronized manner to achieve overall system optimum performance. This philosophy can be viewed as:

1. A systems approach to viewing the channel as a whole, and to managing the total flow of goods inventory from the supplier to the ultimate customer,
2. A strategic orientation towards cooperative efforts to synchronize and converge intra-firm and interfirm operational and strategic capabilities into a unified whole, and
3. A customer focus to create unique and individualized sources of customer value, leading to customer satisfaction.(Mentzer 2001)

Within projects, the stakeholder and/or client is equivalent to the SCM philosophy customer. In each case, the objective is to produce a unique output of increased customer value, leading to customer satisfaction.

Springing from the SCM philosophy is a set of management processes. These processes are "...a structured and measured set of activities designed to produce a specific output for a particular customer..." (Mentzer 2001) which is exactly what the project is trying to achieve in producing a unique (specific) output for a particular stakeholder and/or client (customer).

"SCM is the process of managing relationships, information, and materials flow across enterprise borders to deliver enhanced customer service and economic value ... [by implementing] a specific ordering of work activities across time and place, with a beginning, an end, clearly identified inputs and outputs, and a structure for action" (Mentzer 2001).

Project management is also the structured process of managing work flow in a specific order across time and place with a defined beginning, end, and specific outputs/outcomes.

**How does Supply Chain Management Apply to Project Management?**

When you consider the holistic project, an expanded world view is one that includes supply chain management. As noted in the previous section, supply chain management is the process of integrating the flow of material from the raw source to final delivery (Gourdin 2001). A major project activity is the management of material flow from obtaining the raw components through the added value transformation process to delivering the final product. There are direct parallelisms between supply chain management and project management.

Expanding your project management (PM) weltanschauung to include SCM is a natural extension and project function. Table 1 PM and SCM Comparison demonstrates there are several similarities between PM and SCM.

Project Management	Supply Chain Management
Defined beginning	Defined beginning
Defined Ending	Defined Ending
Defined scope	Defined scope
Time associated	Time associated
Defined cost	
Defined inputs	Defined inputs
Systems view	Systems view
Customer focused	Customer focused

**Table 1 PM and SCM Comparison**

The close similarities provide a firm foundation to expand the PM discipline specific world view to include SCM. This new weltanschauung enhances the project manager's tool sets and knowledge base. With a broader view of the world greater project flexibility is achieved. Flexibility is critical to project success as each unique project requires adaptation to changing events.

These changing events may fall within the known-unknown or they may arise from the unknown-unknowns. When the project encounters the unknown-unknown, having an expanded world view provides alternatives and options that may provide the required flexibility.

## Conclusion

Project management is a systems based discipline that relies on project manager's competencies to implement a project within the time : cost : scope : quality success criteria. The competence maturity level is obtained through the merging of theoretical knowledge, training, and hands on experience. These project manager events create a common but individual specific Weltanschauung or 'world view.'

It is this world view that allows the project manager the ability to apply specific project management tools, methods and applications in a flexible approach best suited for the unique project in process. To assist in enhancing the project manager's flexibility capabilities, their world view should be expanded to include SCM.

While the youngest of management disciplines, SCM shares many PM similarities. Each is built on a systems view where the whole must work as an integrated and cooperative unit. SCM processes add to the PM tool chest which increases the project manager's options during changing project environments.

From systems theory it is shown that a system can only respond to changing events if they have the requisite variety to do so (Heyhlighten and Jsolyn 2001). Expanding the project manager world view increases the overall project requisite variety.

Ultimately, the greater the project manager's requisite variety, the greater the project's flexibility. This improved flexibility enhances the project's ability to respond to those unknown-unknown project impacts.

## References:

- Ackoff, R. L. (1999). Ackoff's best: his classic writings on management. New York, John Wiley & Sons, Inc.
- Goff, S. (2007). Tight, Inflexible Deadlines: Scourge of Projects. 2007.
- Gourdin, K. N. (2001). Global Logistics Management: A competitive advantage for the new millennium. Oxford, Blackwell Publishers Ltd.
- Heyhlighten, F. and C. Jsolyn (2001). The Law of Requisite Variety. 1993.
- Mentzer, J. T., Ed. (2001). Supply Chain Management. Thousand Oaks, Sage Publications', Inc.