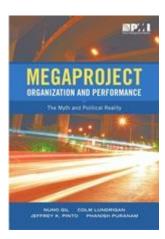
PM WORLD BOOK REVIEW



Book Title: Megaproject Organization and Performance:

The Myth and Political Reality

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Introduction

This book sheds light on a seldom encountered job opportunity; The MEGAPROJECT. Few project managers are ever afforded the opportunity to manage a megaproject, let alone play a small part as maybe a PM assistant or a Project Manager for one of the secondary or even tertiary players. MEGAPROJECT outlines, from start to finish, high points and low points (and all the in-betweens) of the Project Management process. The very beginning of the megaproject is a GRAND idea described between 2 or 3 people. If it has merit, it can grow into a conglomeration of political figures, financial backers, real estate developers, geographic planning and design experts, suppliers, contractors and the general public.

The book is a 3 year study on megaprojects, project based organizations formed for the sole purpose of developing capital intensive, large-scale infrastructure systems. The authors intend to show that megaprojects act at Meta-Organizations, a group of independent actors collaborating under an identifiable system-level goal. The megaproject is divided into 2 parts, the CORE and the PERIPHERY. Core members control strategic choices for the project, whether political, financial, regulatory power, knowledge of need and land. The periphery is the group of suppliers and ancillary players needed to complete the project.

Overview of Book's Structure

The book provides good background material and numerous citations, indicating a well researched report.

Chapter 1 describes the process the authors are using to defend and prove their hypothesis. They describe in detail the core of the megaproject, or the organizational

structure that defines the megaproject. They describe the periphery as a vast supply chain providing knowledge and labor for the project.

This study focuses on 4 multi-year and multi-billion pound projects undertaken in the United Kingdom.

- Crossrail rail project; a high capacity train connecting the east and west ends of London.
- High Speed 2 railway; a national high speed railway network meant to increase rail traffic between London and the northern regions of the U. K.
- London 2012 Olympic Park; an infrastructure project to host the 2012 Olympics.
- Heathrow T2; a project to develop a new terminal campus at Heathrow Airport.

The study also examines megaprojects in developing economies as well, to look for similarities or differences from projects in developed countries.

 The Dedicated Freight Railway Corridor aims to connect first tier cities in India with a railroad line dedicated to freight.

3 transportation projects in Africa include:

- Modernization of the transport network in Lagos, Nigeria (soon to be Africa's largest population center).
- Modernization of the road network of Kampala, Uganda's capital city.
- The Kampala-Entebbe Expressway, Uganda's first toll highway.

All projects are designed to deliver infrastructure critical to urgent societal needs.

Chapter 2 explores the opportunity to qualitatively distinguish megaprojects from other interorganizational forms of work. The authors explore the characteristics that drive megaprojects, primarily the system-level architect, the central-founding actor whose passion and willpower drive the project. Along with other founding members, an interorganizational core sets the system level goals and design requirements.

Once the megaproject is ready for further development, more players are brought on board, each with their own specialty but also their own demands. Resource rich actors are enticed to join in on the megaproject, and depending on what they have to offer and depending on their price, they can act as major influences of additional scope, which raises costs and increases timelines.

Chapter 3 discusses the organizational and managerial skills and techniques that have proven successful (or moderately so) over the course of the megaproject. With research covering more than 50 years, the authors offer examples, similarities and stark

differences in project formation that can mean the difference between success and failure. The chapter also describes the project as it works through all its phases of development, and shows how each level of need can bring about another demand, which could lead to yet another player into the mix, and yet another demand. All of these factors play into the precieved success or failure of the project.

Chapter 4 outlines the front end management process during the early development and organization of the megaproject, as new actors are introduced to the planning process. Early estimates of scope, cost and time are constantly growing as new demands are put in place, so public perception is that the project organizers have no control of the project, which to a certain degree may be true. Political demands and resource allocation are major drivers of change from the original scope. The authors compare the various projects using charts, graphs and tables in an easy to read format that take the reader through the decision making process that leads to scope revisions.

Chapter 5 looks closely at projects in developing areas and compares the early organizational structure to that in the U.K., and there are many stark differences. Political realities and instabilities are always at play as these projects are undertaken, so there is not always the option for compromise. Although there are urgent infrastructure needs in developing economies like India and Uganda, the scarcity of resources and the lack of a fair decision making process can tip the scales too heavy toward certain actors, and away from the best possible solution to solve the infrastructure need.

Highlights

4 projects in the UK provide detailed descriptions and explanations of organizational structure, with a summary of project performance and how it's success (or failure) can be tracked back to it's organizational structure. In the case of Crossrail, the original plan was a high speed rail project to connect the east and west ends of London. What is being undertaken is a series of rail stops throughout the city, with each added stop increasing scope, cost and timeline. Heathrow T2 had a new major player added after many key decisions were made, so there was backtracking to satisfy the demands of this new player.

By contrast, Olympic Park was a time sensitive project, because the Olympic games have a definate start date, and there is no option for missing it. Once the decision was made to hold the 2012 Games in London, everything had to focus on completing the projects before the opening ceremony. With every increase in scope, and no option for extending the timeline, cost was the one variable that would need to rise in order to meet the deadline. This obviously added significantly to the original costs estimated for the project.

The authors do a good job of relating new players and new demands with increased scope and budget. They outline specific decision making processes common to all

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project, including those in the developing economies, but they also detail specific differences, especially from developed economies to developing economies.

Highlights: What I liked!

The in-depth research into the UK projects; London Olympic Park; Heathrow Airport Terminal 2; Crossrail and High Speed 2 railway projects. I liked the easy to interpret charts and tables for comparison from project to project, comparing early and later phases of the projects. Constant referral to previous studies, papers and reports provide overwhelming documentation to support the conclusions of the authors.

From a purely acedemic standpoint, it is a wonderful study of the Project Management process, from conception and business case (the Grand Idea), to the planning processes including risk management and resource allocation; just a couple of the critical components that factor into the success or failure of any project.

Who might benefit from the Book?

Any PM who has felt overwhelmed and ill-equipped for the task of managing a project with multiple stakeholders, each wanting their own ideas adopted. This book talks about strategies and opportunities to minimize these impacts, or to plan for the inevitable demands and start your project expecting to have changes that will affect the overall planning of the project.

Even if you are managing small or medium sized projects, there are takeaways from the research done by the authors that can shed light on your project planning strategies, and by recognizing some of the factors that can influence the process; the PM can proactively adjust their planning to reflect opportunities for change.

Conclusion

More of a research paper than a book, it is definitely a case study for large scale development. By reviewing 8 distinct megaprojects in different parts of the world, the reader is taken into board rooms and work trailers to see how decisions are made, or sometimes forced. Footnotes and references offer the reader extensive opportunities for additional research, and they provide ample justification for many of the conclusions drawn by the authors.

For more about this book, go to:

http://marketplace.pmi.org/Pages/ProductDetail.aspx?GMProduct=00101602101

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Mark Loiselle has over twenty years of construction experience and is a certified Project Management Professional. Prior to joining the City of San Antonio as a Capital Projects Officer in 2011, he had worked as Project Manager for several companies including LGI Homes, Lord and Taylor Department Stores and Barry Better Menswear. Since joining the San Antonio Public Library system, he has been working in capital projects and facilities management, including the opening of 3 Branch Libraries and numerous renovation projects at 30 locations. Mr. Loiselle earned his Bachelor's Degree in Architecture from Lawrence Tech University and his Master's Degree, with honors, in Management from