Project Management in Team Extension [1]

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Synopsys

This article talks about project management challenges in the Team Extension outsourcing model and recommended solutions.

In a Team Extension model, the vendor project team becomes an extension of the customer project team. All the explanations and examples provided in this paper are taken from an IT (Information Technology) outsourcing experience. The problems and solutions presented here are looked at from a project management standpoint.

Impact on 3 project management knowledge areas is analyzed in this article - Communication Management, People Management, and Quality Management. Scope and Time management are subtly touched upon while talking about Quality Management.

Benefits

Reading this paper will give an insight into:

- project management nuances in the light of team extension and how these issues can be addressed
- how to recover projects (executed in team extension model) that are going through rough times
- the steps to take, while setting up team extension engagements, for achieving guaranteed success

Some of the solutions presented here are tried out during executing the projects and have resulted in project success. Understanding the issues and solutions presented here will alleviate problems faced in outsourcing engagements adopting team extension, will help a great deal in minimizing the teething problems while setting up extended teams and will enable moving towards more successful project executions.

[1] How to cite this article: Lanka, R. (2022). Project Management in Team Extension, *PM World Journal*, Vol. XI, Issue II, February.

Introduction

Team Extension is a type of outsourcing engagement model. This paper talks about some of the Project Management challenges which come up in team extension and recommends few solutions.

In a Team Extension (TE) model, vendor organization becomes an extended arm of the customer organization. Usually, team extension model will have geographically distributed teams. This model works on the principle of enabling the distributed teams to work in tandem, from multiple locations worldwide, to achieve a common goal.

In most cases, the Project Manager (PM) will be from the customer team. But there are also instances where the development team belongs to the customer and project management is outsourced to a service provider. Vendor and Service Providers are used interchangeably in this paper.

This paper is written for project managers who want to take up management of extended teams, managers who are part of the extended team, customers, and service providers who want to move towards team extension. Reading this paper will: give an insight into project management nuances looked in the light of team extension, help alleviate some of the issues faced in outsourcing engagements adopting team extension, provide tips on how to recover projects (executed in team extension model) which are going through rough times, help minimize the teething problems while setting up extended teams and in turn achieve successful engagements.

The reader should not try to distinguish if the problems and challenges are presented from a service provider viewpoint or customer viewpoint. The intent is to see project planning, execution, and project monitoring aspects in the context of an extended team working for a project, understand why and what project management nuances arise in team extension, and how to solve the issues, together as a team.

What is Team Extension

In terms of the project team: As mentioned above, in a TE project, members belonging to the vendor organization will become an extended team of the customer organization. Project Managers (PM), subject matter experts, analysts, designers, architects, etc., could be from the customer firm. Developers and test engineers could be from the vendor organization. Basically, for a single project, team members will be distributed across the vendor and customer organizations. Project delivery will be combined accountability, driven by a common Project Charter.

Contractually: PM (Project Manager) and the associated team members belong to separate organizations tied by different contractual terms.

Communication: Every developer/team member will have direct contact with the customer PM. Vendor and customer organizations will be in different physical locations and most likely in different time zones.

PM Roles and responsibilities: The Customer/Vendor project manager will be responsible for project scope, schedule, and time management. However, if the team is provided by the vendor, then at the vendor organization there will be one Operational Manager. Role of whom will be mostly operational in nature – ensuring the smooth functioning of the project contractual obligations, staffing, logistics & infrastructure management, escalation management, etc. Success of project delivery becomes a not so strongly-stated, but required expectation for Vendor PM.

Work planning and tracking: In non-team extension outsourcing models, the unit of work exchanged between a vendor and customer will be at a milestone level in case of a development project, or in a production support scenario it will be at an application SLA level. The WBS level of planning and tracking will be completely owned by the vendor organization. However, in the case of team extension, work transfer between the customer and vendor happens at this lowest WBS level. The example illustrated in Figure 1 explains this concept better.

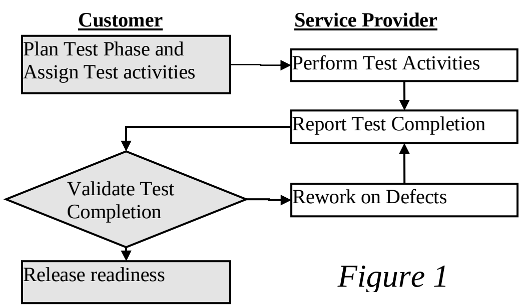

Figure 1

Illustrates how tasks are interwoven between customer and vendor firms in Testing Phase: Planning the test phase, assigning test activities will be done by customer PM. Actual testing and reporting of test results will be done by vendor team. Giving a go ahead for release will be controlled by the customer.

In the case of a maintenance project, incident/ticket management will be handled by the customer PM. This would involve, monitoring the queue, prioritizing requests and assigning the tickets to different team members, tracking progress, reprioritization, and closure of tickets. The vendor team will be involved in providing technical support to resolve the tickets.

If it is a development activity, the project life cycle phases get tightly coupled and distributed between two organizations. The project plan will be maintained by the customer PM.

Why do Customers go for Team Extension?

Some of the reasons why customers go for Team Extension over other models like Managed Services, Total Outsourcing, Life Cycle Outsourcing:

1. In team extension, the customer manages the team 100%, which can minimize project risks that arise due to lack of outsourcing/offshoring proximity.

2. Team extension enables quick ramp-up of the team, with less turnaround time for starting the work on outsourced projects. Knowledge retention is also high, as subject matter experts in the existing team are retained.

3. Vendor mainly provides resource augmentation services, providing the client the ability to rapidly ramp up/down.

4. Team extension facilitates the utilization of expertise available across global locations, for the benefit of the project. It also facilitates the involvement of specialist groups like Architects, User Experience experts, Business Analysts, Quality Catalysts, and such, from different organizations who can together form a Virtual Team to deliver the product.

5. The Extended Team Model results in cost optimization by leveraging lower-cost locations.

From a risk profile point of view, customer organization feels project execution risks are minimized because project management, subject matter expertise, technical analysis/design have not changed hands.

Comparison of team extension with other models:

	Project Management by Customer	Task Ownership of Customer	Risk in Outsourcing	Project Management by Vendor	Task Ownership of Vendor	Value proposition to Customer
TE	High	High	Low	Low	Medium	Low
MS	Medium	Medium	Medium	High	Medium	Medium
TO	Nil	Low	High	High	High	High
LCO	High	Low	High	Medium	High	High

TE - Team Extension; MS - Managed Services; TO - Total Outsourcing; LCO - Life Cycle Outsourcing

Impact on Project Management

Impact on 3 Project management knowledge areas is analyzed in this article:
- Communication Management
- People Management, and
- Quality Management. Scope and Time management are subtly touched upon while talking about Quality Management.

Issues and Challenges

Some of the questions addressed in this paper are listed below. These are but a limited number of issues and challenges faced during the execution of projects in team extension.

1. How communication management issues can be overcome when communication barriers come up among different members of the same team?
2. How cultural differences between the two teams can be addressed?
3. How to establish quantitative metrics capture and analysis between customer and service provider?
4. Someone is managing and someone else is accountable for metrics? How is this possible?
5. What are the challenges in conducting root cause analysis of problems?
6. How to address schedule slippages and cost impact due to slippages?
7. What is the role of a PM in selecting the right set of people?
8. Why should the PM worry about the aspirations of the team members belonging to the service provider organization?
9. How is the PM aware of the career paths at the vendor organization?
10. Attrition control is the responsibility of customer PM or the service provider? What role does the PM have in controlling attrition?

Integrated project management gets difficult to do in a team extension model. Every one of these challenges may not be faced in every team extension engagement. Similarly, the solutions will have to be tailored to the specific engagement.

1. Challenges in Communication Management

Offshoring can deliver work round the clock, along with significant financial savings. One of the most important challenges in making offshoring work is to have an effective communication protocol. How is this more challenging in team extension?

For any successful project, team members' proximity (or) collocation is very important. Close to 90% of the project manager's time gets spent on communication. In a team extension model, various communication hurdles come between members of the same project team.

Challenges out here:

a) PM is monitoring and controlling the work remotely.
b) There is little scope for quick, ad-hoc status checks. Meetings are usually virtual & formal.

c) Normally there will be geographically distributed teams - different time zones, varied cultural backgrounds, differences in accent & expression of words will at times lead to misinterpretations.

Scenario 1: Teams spread across EST and IST time zone. PM, technical and business analysts will be lagging a business day (approx. 10 hrs.) in relation to the project team members. Instead of PM thinking/acting ahead of the team, here PM will be lagging a day or two at any given point in time.

Scenario 2: Production support project for an application supported in the US time zone. Support team working in IST time zone. The team always has free time on Mondays as India-Monday is still Sunday in the US. If the ticket queue is empty, then the project will lose a day's effort as the team will not have anything to work on.

d) There will be utmost an hour or two overlap between the teams. Overall communication within project teams reduces to 12-15%, considering email communication as well.

e) There will be many one-one interactions between the vendor teams and customer teams. Ex: Each developer has to update the status to the PM. In a normal project scenario, every individual in a project team will not interact directly with the customer.

Does it mean that there are no ways of working around communication issues in this model?

Not really. Following solutions are recommended, which yield good results in terms of overcoming communication challenges:

1. Establish a **good communication protocol**.
    a. Introduce daily standup meetings between onsite and offshore, where the team members would join the call from their workstations. This ensures that time is not wasted in attending the calls from a conference room.
    b. Use Chat tools and other collaboration tools as the medium for informal/quick talk among team members.
    c. Introduce of a Common work tracking system across teams: for task assignment, status updates, percentage completed updates. These would flow back into the project plan.
    d. Instead of every developer having a one-one communication with the onsite team, introduce a "lead" as a single point of contact for the customer PM. This reduces communication overheads, eases communication barriers.

2. Educate the teams on working **in a global development team**. When the teams are coming from different cultural backgrounds, it is better to conduct explicit sessions on cultural differences creating a better understanding between the two teams. Some suggestions:
    a. Conduct sessions on Best Practices in Global Development. Present the global picture, strategic considerations to offshore, lessons learned from successful teams, traps to avoid, and why communication is the #1 challenge.
    b. Share photographs of team members so that there is a face attached to a name, conduct video calls frequently.
    c. Share photographs of the events held onsite/offshore, to get the feeling of one team.
    d. Conduct virtual team building activities.

3. Train the PM to do the **planning in a more forward-looking manner**. The project plan should be maintained in good detail and shared and understood by all team members. Some solutions which work in Team Extension engagements:
    a. Install project planning tools on the developer machines and train the team members on how to update the plan.
    b. Explain the issue of slack time (usually on Mondays in this case), and have the PM plan for 3 types of activities:
        i. The tactical day-to-day work
        ii. Longer-term tasks spanning multiple weeks. Could be long-pending application wish list items. These tasks will not have any fixed timelines. However, say at the end of 2-3 weeks, users will have a pleasant surprise that one of the wish list items got completed.
        iii. Activities such as application documentation, creating small utilities (ex; code-builder, troubleshooting guide, etc.), building domain knowledge, taking technical trainings, conducting quizzes, etc. These help in building knowledge management portals, enhancing subject matter expertise.
    c. Assign all the above types of activities to Team members with respective priorities and floating end dates as applicable. This will result in effective utilization of team bandwidth.

2. Challenges with People Management

As the Customer PM is managing vendor team members, aspects of people management that can be looked at could be:

a) Staffing the project with the right set of the people
b) Managing leaves and time-offs
c) Performance appraisals of team members

d) Dealing with aspirations and career opportunities
e) Handling team member trainings and organizational activities

Some of the questions to ponder include:

1. With the vendor organization handling procurement and staffing of team members, what is the role of the PM in selecting the people for the project? Once a person is staffed, can the customer PM re-assess and confirm whether the person fits the role?

   Situation 1: When the service provider PM had to manage the customer team, PM had no say in choosing the people. This led to issues in meeting the timelines and testing the quality of the product.

   Situation 2: While managing an extended team, the customer PM insisted on interviewing the people identified. Cycle time to source the right profile became 1.5 times more than the usual time taken.

2. How to handle the sensitive aspects involved in asking/granting/rejecting vacations and time-offs of people. If the leaves get rejected, who will be the point of escalation? If too many leaves are being asked for, again who will be the point of escalation, how to quantify the impact of the same on the project. Especially if the Vendor PM is managing the customer team, it gets very difficult to not grant time-offs to team members, because team members are part of customer organization.

3. It is the PM who approves the leaves of team members. In this case, as the PM is at the client's place sitting in a remote location, the turnaround time for getting leave approval will be more, especially for short/unplanned leaves.

   Situation 3: Managing a Service Provider team resulted in an interesting issue of who should approve the leave and what should be the approval workflow: Should the service provider manager first approve and then the customer PM will approve or vice-versa. On what basis can the service provider manager approve/reject leaves? This person is not handling the day-to-day activities of the project. For short unplanned half-a-day leaves, how many approvals to seek?

4. Why should the customer PM worry about the aspirations of a team member? What are the limitations of the PM in fulfilling these aspirations?

   Situation 4: Team member wanted to go for a 5-day training on a technology that was not relevant to the application being supported but is required for career growth.

5. During performance appraisals, how to account for the time customer PM spends on assessing and providing feedback to the team members? Who at the vendor side will

be able to validate this feedback? If customer PM cannot provide feedback, who is involved at the vendor organization to monitor the day-to-day tasks and subsequently validate/assess how the team member is performing? Does it mean that most of the time, feedback will get biased towards customer perceptions – appreciations or frustrations?

If service provider PM is managing the customer team, then how to give a lower rating of a team member, who is your customer?

6. How is the PM aware of the career paths provided at the vendor firm?
   Question: Should the customer PM release someone from the project, for them to pursue a better opportunity?

7. How will the customer PM know of the trainings being conducted in vendor organization? At whose cost should people be sent for these trainings?

As seen above, these situations and questions sound very complex and pessimistic. People management is the most difficult aspect in a Team Extension model. But these are practical issues that surface and if not addressed adequately, will result in escalations, dissatisfaction among team members, followed by increase in attrition, again leading to escalations. This vicious cycle continues.

Well, as always there are some solutions which can be explored:

1. Define the job profile of the people in a pre-defined format, with as little subjectivity as possible, while providing the details of the kind of person required for the task. This will increase the chances of best-fit candidate placement.

2. Share holiday calendar and Leave policy with the customer. Sensitize on certain times of the year when more people tend to take leave. Ex: Diwali, Thanksgiving. People would be planning to go to their native places. So, finalize leave plans beforehand with adequate backups.

3. Define ad hoc/unplanned leaves and backup plan.

4. Make it the responsibility of customer PM to provide team member feedback. Set the expectation that feedback should be justified with data and should be based on mutual consensus.

5. Plan for People Managers at vendor organization, handling manageable size. E.g.: Do not plan for 1 person handling 70 people. This person will collaborate with the customer PM on people management aspects and will be responsible for ensuring people satisfaction in the vendor organization. In consultation with the customer, the

People Manager can also plan for team member rotations across projects or outside projects, to handle career aspirations.

6. Plan special on-boarding sessions for people joining team extension model projects.

3. Issues faced in Quality Management

Though the heading states quality management, scope and schedule management challenges get subtly covered in this section. The details are covered under 3 headings: Peer Review and Tracking, Metrics Capture, and Root Cause Analysis.

3a. Peer Review and Tracking

***Peer Review*:** Peer Review is a practice where-in code developed will be reviewed by the peers in the group. This is to leverage the subject matter expertise of other team members, enhance code quality and bring in holistic solutions to requirements.
In extended teams when tasks get directly assigned by the customer PM, team members may not be fully aware of what other members in the team are working on. Also, customer PM might not have the awareness of this process. So peer reviews may not happen for the work done, possibly resulting in poor quality deliverables. This might also be perceived as poor quality of developers in the development team.

***Tracking*:** Customer PM will be getting the status update from developers. Usually, the PM is expected to probe, discuss, and then arrive at the progress update for the task. Sometimes developers will not have sufficient expertise to provide the percentage of work completed. Since the status update is happening to the customer, there could be a little hesitation to give an update on delays/issues. If too many details are asked for, teams may feel they are being micro-managed. When the status update is happening, scope management must be handled well: a check on scope creep by customer should be done, scope adherence by vendor teams should be looked in an unbiased way. Project timelines must be modified accordingly. If the PM is only taking the status updates at the face value, then the project progress tracking may not be effective. This will lead to PM not being able to take mitigation steps at the right time, potentially leading to escalations.

Solutions:

1. Introduce Daily stand-up meetings and common work tracker. Make sure status calls have all team members updated on what everyone in the team is working on.

2. Educate the customer PM to allocate explicit time for doing reviews. Task assignment to include a review by subject matter experts. If the vendor PM is handling the customer team, the team should be educated about peer reviews not

to be considered as blame game or intrusion in other person's work. The peer review task should be explicitly budgeted in the project plan.

3. Do a progress check rather than take the status update at face value. This way, in case of delays/slippages, the project manager can do a proactive problem resolution, rather than an after-the-fact escalation.

4. Introduce outcome-based metrics instead of just output-based metrics, to measure project success.

5. Come up with a process to tie individual status updates to the overall project update.
   In a development project scenario, say the customer PM must send the status update on Monday. Team members being offshore would have worked on Monday resulting in some updates to the status of tasks. The customer status report will end up not being current/up to date. A simple solution is to change the reporting to Friday. So Monday morning when customer PM sends out the update, it will have details of work completed on Friday at offshore.

3b. Metrics capture happens at the unit of work exchanged between the customer and the vendor. Metrics captured usually are schedule & effort variances of milestones, SLA compliance of tickets, and the like. However, in the case of team extension, since the work exchange happens at a WBS level (or) at a ticket level, reporting vendor performance metrics becomes a challenge:

a) Unclear goals for metrics capture. Questionable data accuracy.
   Scenario: Schedule variance gets reported as zero, but the user community will escalate on service quality. The vendor will calculate the variance from the time ticket gets assigned to the team member. The vendor cannot be responsible for tickets not getting prioritized in the queue because that activity is handled by customer PM. But for the end-user, time starts ticking from the time issue gets reported.

b) Metrics are to be measured and tracked by service providers. In the case of the Team Extension model, the project manager doesn't belong to the same organization as the project team, and PM will not be collecting/analyzing the metrics. So, someone is managing the project and someone else is accountable for metrics analysis? Showcasing project performance improvement by working on the action items of metrics analysis will become the responsibility of the service provider. But project planning itself will be controlled by the customer.

c) It becomes difficult to leverage vendor organization process maturity.

Solutions:

1. Define the goal of collecting metrics and identify responsible persons for metrics capture and analysis.
   Identify a Quality Specialist, who will be responsible for auditing the metrics goals and will be instrumental in getting metrics captured on time.

2. In TE, unit of work exchanged between teams is only at the individual level - that too is a very small unit of work and sometimes not clearly defined. So, define very clearly the unit of work to be used for metrics analysis enabling unambiguous metrics capture. Otherwise signing up for SLA-driven contracts will not be very effective in team extension models.

3. Use the same tools across the teams and clearly define processes to enable accurate metrics collection. Make sure status reports have the same format, as used for metrics capture.

4. Educate the customer PM and the vendor team on the importance of metrics collection, what to collect and how to collect, how to validate the data collected. Make metrics analysis a combined activity and not just a vendor responsibility and the customer only getting an update of the analysis. Some of the solutions:
   a. Weekly Status Report to capture the same detail that will be used for monthly metrics roll-up.
   b. Metrics analysis to be done together as a team, ensuring mutual consensus on the issues and resolutions.

5. Identify Process consultants to leverage vendor organization process maturity. When starting a new Team Extension engagement, conduct quality process convergence summits. Convergence summits capture the best practices from both organizations and define the life cycle process to follow as part of a unified process manual.

3c. Root Cause Analysis (RCA)

Look at this scenario on root cause analysis done with “Principle of 5 Why’s”.

1. Why did the deployment fail?
   Answer: Because the release readiness was not effectively done by the **customer** team.
2. Why?
   Answer: Because the test report sent by the **vendor** team was not accurate.
3. Why?
   Answer: **Customer** PM did not plan for enough time for testing.

4. Why?
   Answer: The **vendor** team did not complete development on time, resulting in crunched testing timelines.
5. Why?
   Answer: Because the **customer** requirements kept changing.

The point to be observed here is, every time the reason given is questioned, the **cause of failure toggles** between customer and vendor teams. Also depending on who is doing the RCA, the outcome changes.

The point to note here is, depending on where the questioning ends and who has the most power to defend, the root cause will be finalized. Hence, root cause may not always result in identifying the real cause of the failure.

Solutions:

1. Educate both groups on the spirit and process of doing RCA – to improve project performance and not a blame game.

2. Have an unbiased arbitrator moderating the RCA discussions.

3. Award teams who have been able to take corrective actions. So, the fear of getting blamed will reduce and the focus will get shifted to getting incentives on showcasing improvement.

4. Do not tie RCA to an individual's performance. Make it a team activity.

Conclusion

For customer firms, IT (Information Technology) department will be an enabling function. However, for software consulting firms, IT will be their core competency. Care should be taken to ensure a smooth landing for both firms, without which the chances of projects getting into firefighting mode, lack of clarity on roles and responsibilities resulting in blame games, increased people dissatisfaction levels, etc., will surface. Leadership teams at customer and vendor organizations must think through the right set of processes, tools, and people practices being in place before starting the engagement.

This will ensure the best practices from both firms are leveraged. Also, adequate training and timely checkpoints must be planned for the long-term success of the team extension engagements.

The key for TE model success:

- Have a common goal and ensure that there is the spirit of one team.
- Imbibe mutual trust and ownership among the team members.
- Focus on communication aspects and people management aspects.
- Provide enough education on project practices. Achieve cohesive planning and tracking between the two teams involved in project execution.
- Define strong processes and achieve 100% process compliance.
- Plan for the right kind of investments from both firms, in terms of processes, tools, and relevant roles, training etc., The investment may be more at the beginning of the engagement but will result in long-term relationships.
- Try to win over problems by creating more reward-recognition schemes.
- Plan for operational management at the vendor organization.
- Define customer satisfaction measures with both the teams and plan for two-way feedback.

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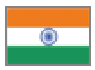 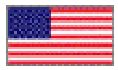

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