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A *Project Business Healing Day*
by Oliver F. Lehmann
Series Article

Project Business Management[1]

A Project Business Healing Day

Oliver F. Lehmann

"Imbalanced systems, whether internal or external, will tend to polarize."
— Richard C. Schwartz, Psychologist and family therapist

Summary

A Project Business Healing Day can be a powerful tool to turn quarreling project parties into project partners and bring the project back on track. However, as a facilitator, one should understand the dynamics of the event and how one can contribute to its success.

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[1]*Editor's note: This series of articles is by Oliver Lehmann, author of the book "Project Business Management" (ISBN 9781138197503), published by Auerbach / Taylor & Francis in 2018. See full author profile at the end of this article.*

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Healing A Project Business Relationship

This case study goes back to the year 2017, when a Scandinavian company, let's call them Western Software Service (WSS)[2], performed a software development and implementation project under contract for a customer located in an Arabic country, which we will call here Middle East Asset Administration (MEAA).

The Scandinavian company had three subcontractors involved with the project, and all parties were frustrated about the project's slow progress.

Figure 1 shows the structure of this relatively small Project Supply Network.
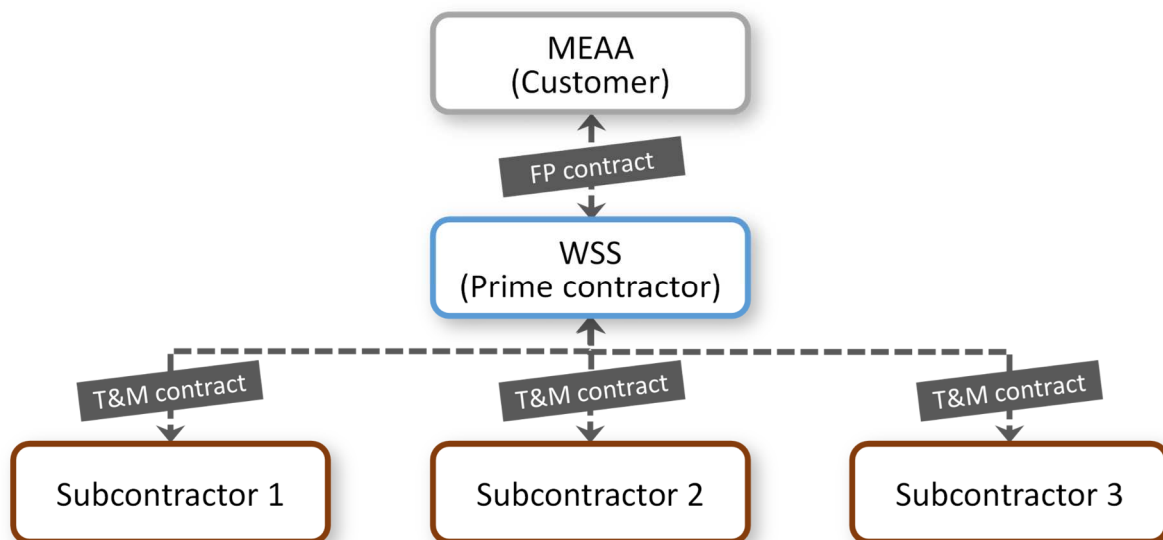
Figure 1: The case study's Project Supply Network (PSN).

During the project, friction grew between the organizations, slowing down the project and jeopardizing the project's success. I was called for help, and we agreed on a joint Project Business Healing Day, a one-day workshop to bring the project back on track.

Here is what I learned during the preparation of the workshop and while it was carried out:

1. For the customer, it took longer to get the software finished and running.

2. For the prime contractor, the delays came with negative cash flow – the customer made incremental payments based on achievements during the project (milestones). Still, the subcontractors expected monthly payments from the prime contractor. As

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[2] All names changed

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the milestone came late, the outlays made by the prime contractor more and more stretched its credit line.

Another problem for the contractor was the diminishing profitability of the project. The subcontractors were paid on a time-and-material (T&M) basis, and the delays increased the costs for the prime contractor.

3. For the three subcontractors, the hostile atmosphere was frustrating, destroying the morale of their teams.

   They also had to plan how to reassign their resources when their project work was finished, which was difficult without a reliable forecast of when this would happen. They found it hard to win new business when they could not promise availability by a specific date.

Sponsored by MEAA, the project customer, we agreed on a date for the workshop, and all five organizations came together. My job was to prepare and facilitate the workshop, moderate the conflict and mediate to find a solution. A temporary retainer was also agreed upon after the healing day to help when new problems arise.

The "Venting" Phase

Mutual allegations commonly drive the first part of the Project Business Healing Day. Each party is given some time to speak about its frustrations without interruption by the other parties. During this time, the facilitator's job is to let people talk but ensure that everyone sticks to the rules.

During the venting phase, he or she helps develop an understanding of the root causes of the conflict, identify common interests of the parties that help them overcome conflicts, and build a basis for the afternoon session, when the parties will find a solution on their own or when the facilitator develops with them a solution that all can agree on.

In the case study, it turned out that the root causes were cultural diversity, poor communications, and a lack of planning.

- The contractors came from a cultural environment, where contract parties consider themselves project partners on eye level. Instead, the customer regarded the contract parties as a hierarchy characterized by a significant power distance. In their understanding. The customer is superior, and contractors have to follow their direction:

  The common complaint of the customer was that the prime contractor and the subcontractors performed poorly and lacked "respect." The contractors complained that the customer ignored their technical, making it impossible to do an excellent project for the customer, leading to dissatisfaction.

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- An expression of this conflict about power distance was poor communication. The contractors complained that they asked the customer questions about details of their work but did not get immediate answers. Once these answers were given, often after the second repetition of the question, they lacked the clarity and conciseness that the contractors needed to do their work as expected.

  Another element impacting communications was the customer's rejection of talking directly with the subcontractors. Instead, they made it a requirement that those questions from subcontractors get relayed through the prime contractor and insisted that the same would be true for their responses.

  At the same time, however, the customer expected the Project Supply Network's high degree of agility to meet their changing wishes, whether they were communicated or not.

- Another problem in the project was poor planning on the side of the prime contractor. They had not made it sufficiently clear for the subcontractors what they were expected to do and what not, and at which points work results had to be handed over to other subcontractors and in what condition.

  This led to rework and project work being done twice, while no one felt responsible for other activities.
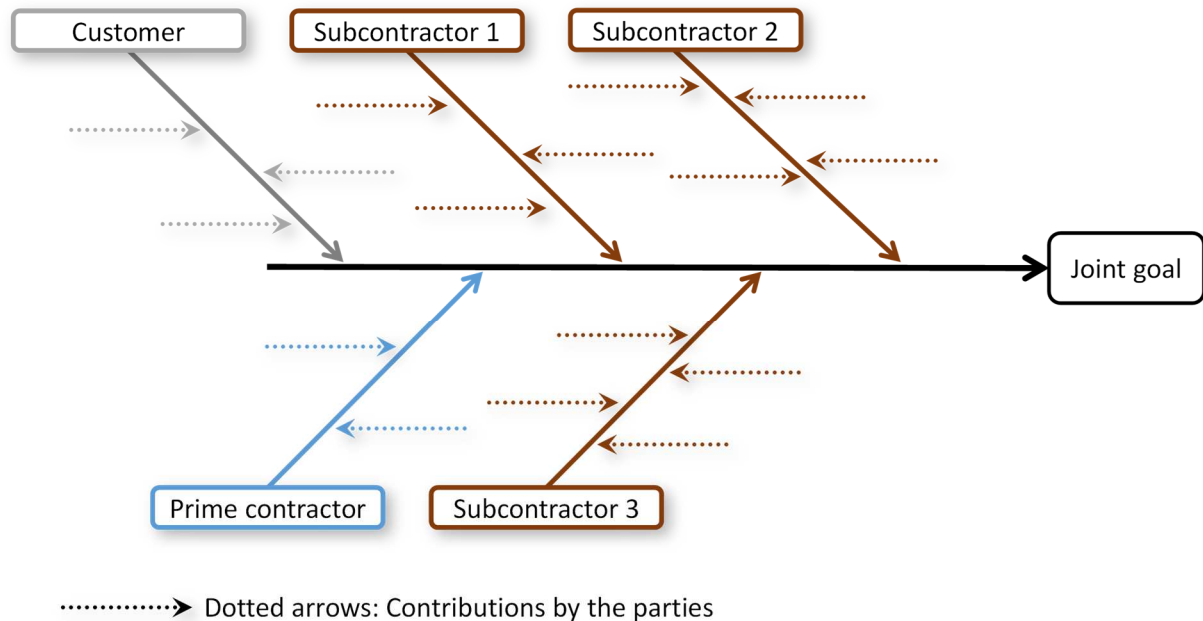
The Mission-Success-First Phase

Before lunch, all parties were heard and were allowed to vent steam, taking the pressure out of the system. This built the foundation to identify what a solution could look like and how it could be implemented.

Several team techniques can help mediate cross-corporate team conflicts. Some of the methods that I found most effective are:

- DeBono's Six Thinking Hats
- Ishikawa's Cause-and-Effect Diagraming
- Kano Modelling
- Kawakita's Affinity Diagramming
- Lipman-Blumen's Achieving Styles
- Schulz v. Thun's Four Communication Channels

In the specific case, we identified several criteria that the parties involved would jointly consider criteria for success, or at least for the absence of failure. Then we used Cause-and-effect diagramming (see Figure 2) to brainstorm what all parties could do to help achieve these goals and turn into project partners.

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Dotted arrows: Contributions by the parties

Figure 2: Using a Cause-and-effect diagram to agree upon parties' contributions to joint project goals

The result of this second phase of the Project Business Healing Day led to some practical solutions for the project:

- A definition of what constitutes "Mission success," turning contract parties into project partners.

- Introduction of a project-wide data-driven virtual information radiator that allowed all parties easy cross-corporate access to project data and visualizations.

- Definition of ground rules for direct customer-subcontractor communications without circumventing the prime contractor.

- A definition of a time contingent that each party reserved for communications with the other parties to develop trust and rapport.

Recommendations

There are some recommendations that I would like to give colleagues when they want to step into the role of a facilitator:

1. Begin with a discovery phase.

   It is beneficial when the facilitator has identified the context of the conflict and its root causes in 1:1 sessions before the workshop begins. Getting access to the contracts and reading their legaleze can also be helpful.

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2. Allow the parties during the first phase to vent their steam.

   This means giving the participants a high degree of freedom to take the pressure out of the system and step in when damage is about to be made that can no more be repaired. And, of course, brawling would be a problem.

3. Take care of your neutrality and your respect to all parties. Be careful when you feel you should side with one party because the other one is just wrong. This may be factually right but can impact your role in the session.

4. Have a toolkit of team methods prepared for the second part to define joint mission success criteria. Make sure you have tried the techniques in other sessions and understand how to utilize their strengths and keep off their limitations.

5. After the Project Business Healing Day, be prepared to be available for the parties again. Even with the best intentions, things may turn sour again, and you may be needed to lead the parties and with them the project back on track.

6. Accept and communicate that there are situations when the Project Business Healing Day may fail. It builds on the goodwill of the people and organizations involved, and the facilitator acts more like a catalyst than a powerful force.

   Without this goodwill, a solution may be impossible to find.

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Project Business Foundation (2020) *Project Business Healing Day* [Online]. Available from: https://www.project-business.org/programs/project-business-healing-day (Accessed: 25 February 2022).

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About the Author

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Oliver F. Lehmann, MSc, ACE, PMP, is a project management educator, author, consultant, and speaker. In addition, he is the President of the Project Business Foundation, the home association for professionals and organizations involved in cross-corporate project business.

He studied Linguistics, Literature, and History at the University of Stuttgart and Project Management at the University of Liverpool, UK, where he holds a Master of Science Degree (with Merit). Oliver has trained thousands of project managers in Europe, the USA, and Asia in methodological project management, focusing on certification preparation. In addition, he is a visiting lecturer at the Technical University of Munich.

He has been a member and volunteer at PMI, the Project Management Institute, since 1998 and served as the President of the PMI Southern Germany Chapter from 2013 to 2018. Between 2004 and 2006, he contributed to PMI's *PM Network* magazine, for which he provided a monthly editorial on page 1 called "Launch," analyzing troubled projects around the world.

Oliver believes in three driving forces for personal improvement in project management: formal learning, experience, and observations. He resides in Munich, Bavaria, Germany, and can be contacted at oliver@oliverlehmann.com.

Oliver Lehmann is the author of the books:

- "Situational Project Management: The Dynamics of Success and Failure" (ISBN 9781498722612), published by Auerbach / Taylor & Francis in 2016

- "Project Business Management" (ISBN 9781138197503), published by Auerbach / Taylor & Francis in 2018.

His previous articles and papers for PM World Journal can be found here:

- https://pmworldlibrary.net/authors/oliver-f-lehmann/