Title of the Paper

Name of presenter

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Executive Summary

Megastar Telecommunications Inc. is working on its strategic project to implement its network operations center in India.

To achieve broader objective of its strategy, Megastar is looking to enter Asia Pacific market and set up a Network Operation Centre (NOC) in India. The primary purpose is to outsource trouble shooting and remote commissioning operations for VSATs. Later on this facility will be used as base for worldwide sales and after technical support center.

The project implementation will involve planning, execution and controls. The key learning, from the simulation has been used to write the project overview.

Background

Megastar Telecommunications Inc. also known as MTI is Virginia based Internet broadband and VoIP service provider Company set up in 2002. The company utilizes Internet Protocol (IP) over satellite as its mode of communications. The company intends to grow, capitalize and draw strength from the current upsurge in the Internet boom.

Mission & Vision Statement

MTI's mission is to be the strategic broadband infrastructure solutions partner to communications service providers by delivering the solutions, products, and services needed to accelerate business growth and maximize their share of an increasingly competitive marketplace. In the pursuit of its mission, MTI has distinguished itself by introducing a 'one-box' solution to meet its customer's needs.

Compliance with the industry standards, which allows MTI to seamlessly and easily integrate into most environments, reduces deployment and operating costs in

addition to enhancing the return on existing infrastructure investments. MTI's proven technology and products combined with extensive industry expertise and service leadership complement the customer's technical resources to accelerate time to market and simplify systems management.

As a part of broader Strategy to enter new markets in Asia Pacific and provide quality customer satisfaction for its existing customer base in Africa and Middle East, MTI has decided to set up a network operation centre (NOC) in India. This will help in cutting down the cost and will provide an opportunity to explore and further enter into telecom sector in India.

MTI has also identified an Indian Outsourcing Partner- M/s Infinity Ventures (India) Pvt Ltd., as a partner in India to help set up the following services and making them operational in a phased manner:

1. Setting up NOC

2. Setting up sales/marketing/customer care operation as an extension of NOC.

3. Further penetrating Indian Market in VoIP and VSAT.

To help achieve these objectives, the management plans to utilize an experienced project management team to provide a phased implementation.

Therefore, for implementation of the broader objective, MTI is taking up its first project as under:

Title of the Project

Setting up of Remote Network Operation Centre (NOC) in India

Objective

To set up of Remote Network Operation Centre (NOC) in India to support customers and field technicians in trouble shooting and VSAT commissioning operations.

Problem Statement

MTI clients span across three continents-America, Middle East and Africa and thus require customer service from 22:00 EST to 16:00 EST. This means two shifts needed in existing NOC operations in VA. By setting up a NOC in India and outsourcing one shift operations to India (from 22:00 EST to 10:00 EST), will cut down cost and provide better services to customers in other time zones.

Relation with the Company Mission

MTI is committed to customer satisfaction. This round the clock customer support facility will reduce the network down time and fast response to customers and field technicians needs.

Relation with Strategy (High Level Scope)

Better customer service with lower costs and looking towards, entering in the Indian Market, are the twin objectives in the long run. The immediate and primary objective is to set up the NOC. The facilities can further be used as a base for the broader objectives of entering into Indian VoIP and VSAT market for providing broadband services.

Time span

We plan to start our pilot operations in the first quarter of 2005 and the first remote commissioning should be done within duration of approximately two months.

Measurement of success of Project

The majority of existing and new customers are from Middle East and Africa. Most of the time, the support technicians work as per customer's convenience, which means that the commissioning operation normally happens in the night shift using the Virginia NOC operations. These costs run high as the commissioning engineer have to be paid overtime and go through inconveniences as well. The first phase of the project should be completed within 2 months of time at a cost not to exceed the budget (numbers not to be disclosed). After completing the first phase, we can then proceed to the second and the third phase of project.

Best Practices:

Best practices show the ways Organizations have worked to achieve key success factors (Pinnacle Group LLC).

Examples of best practices in project management include:

- Recognize and broadcast the need for change

- Executive-level support

- Cooperation by using effective communication

- Put together quality teams

- Customer's needs and wants

- Goals related to organization's strategic plan

- Measure outcomes accurately

- Risk management appropriately

- Plan for improvement

The first step in investigating the interdependence between the managerial influence and project success is to establish what the success means (Shenhar et al,).

Practice used in simulation

Friar truck International is a hospitality service chain that manages 35 entertainment, cuisines business and corporate entertainment.

Project selection, funding, resource allocation and prioritization are important issues, which need to be dealt with, while implementing the broad organizational strategy. These are influenced by organizational and individual politics. The political activities escalate when the resources are scarce and the competition for snatching those resources is high among the individuals.

When in doubt the project selection should be done by key officials together, who understand the company objectives and the strategic requirements. The management consultant can also be part of the project selection committee (PSC), to help them understand the nuances of their decisions, its implication on the strategy implementation and various tradeoffs. For example the Project selection committee consisted of CEO, VP sales, VP Hospitality, Business development Manager, Senior HR Manager and management consultant.

Members may have different agenda in their minds depending upon their priorities. There are three issues like investments, breakeven period and forecasted revenue. Each project will have different level of these parameters.

When PSC finally selects projects, there is a need to frame happiness index of all the people involved as the power/ relationship equation gets affected after the decision. This is very much needed, as the project manager will be required to get some inputs support from the unhappy lot also. Once s/he has map a unhappiness of others in mind s/he can try to take care of it during the execution. Sometime the Happiness Index and

Power Meter forewarn the project manager or impending stumbling blocks and s/he may have a second thought on his/her choices before final decision. The tradeoff between choosing the projects of one's choice and projects, which keeps most of the people happy, may help during execution.

The prime consideration should be to see that which project finally aligns with the overall strategy of the company. The critical success factors should be listed out with their weights and then all short listed projects should be evaluated. The project, which will have highest score, will have highest power meter rating.

After selecting the project the next step is to execute the project. The project may be executed by in-house resources or can be outsourced. In both cases, personnel or outsourcing vendor is selected meticulously for success of the project. The various parameters for selecting personnel or vendor are, schedule, cost, previous experience in similar project, skill levels, technology/ methodology adopted, previous experience with the organization. The financial stability of the vendor and maturity of processes is yet another important parameter for selection of right vendor.

Specific Tasks (Deliverables)

- Agreement with Indian vendor for support services

- Short-listing and visiting various option for office space

- Hiring a office space

- Hiring Administration and HR personnel

- Procurement of office equipment

- Hiring of NOC Network-Engineer

- Procurement of Hardware and Software

- Commissioning of Call centre

- Hiring of Call centre employees

- Training on Commissioning and Trouble shooting

- First test installation from remote site

Milestones Required

1. Agreement with Indian Vendor- 1 Aug. 2005

2. Hiring of Office space- 8 Aug. 2005

3. Recruitment of Network Engineer- 16 Aug. 2005

4. Procurement and commissioning of hardware and software-10 Sept. 2005

5. Completion of recruitment process of call centre executives- 17 Sept.2005

6. First test installation – 27 Sept. 2005

7. Going Live- 30 Sept. 2005

Specific Project Risks (when plan is implemented)

The process of managing risk consists of identifying risk, quantifying risk, taking steps to mitigate risk and monitoring and control of risk management plan (Pyra & Trask, 2002). Taking steps for risk mitigation means a set of responses for each identified risks to be written down, so that without wasting time, risk can be managed at the time of occurrence.

External Risks

1. Inflation

2. Market acceptance

3. Exchange Rates

4. Govt. Regulations

Internal Risks

5. Poor Estimates

6. Shipping delays

7. Hardware malfunctioning

8. Employee Attrition/ poaching by competitors

9. Skill and competency gap

10. Lack of team spirit

Assessment of each Risks impact on Project Outcome and mitigation strategies

Inflation: Due to changes in inflation the cost of living will be affected and thus will have an impact on the salary structure of the employees, cost of office space and services. The cost will effect the entire industry in this sector thus will not have much impact. The cost estimation should have a cushion for limited rise in inflation. Any unprecedented regular change should be monitored regularly and if it goes beyond a ceiling, efforts should be made to relocate the centre to an alternate place.

Market Acceptance: The remote call support, with people having different accents may not be liked by customers in Middle East and Africa, who are at present used to hearing American Voice on the Call Support. The employees should be selected from good institutes so as to have a basic training on call centre operations and training on accents.

Exchange Rates: The Indian Rupee is gaining ground against USD and thus may have high pressure on Dollar expenditure. It is to be seen upto exchange rate the operation will be viable from India or else and alternate location to be chosen outside

India. The other option could be cost cutting in Indian Operation to meet the Ceiling on Dollar expenditure.

Govt. Regulations: Any harsh step taken by Indian Government of US Government due to political consideration may have far reaching impact on the Out sourcing business as a whole. The Industry will be redefined. Such Chances are remote as both the economies are getting benefited out of this new BPO industry.

Govt. of India, if suddenly changes it VSAT policy, Telecom policy may have impact on our business. The NOC is working on the backbone of Internet and the costs of services are dependent on cost of Internet bandwidth.

Poor Estimates: The cost of services has been estimated based on current market prices. Any steep difference in local services, or the higher salaries, higher duties or taxes may have adverse impact. The budget should have an element of flexibility absorb such changes, by way of contingency funds.

Shipping delays: The Shipping delay of goods may put the entire project cycle on hold. It is therefore important to choose good performance vendors to be chosen for delivering of hardware and software.

Hardware malfunctioning: Any malfunctioning of hardware will delay the commissioning of set up and thus will delay the entire project and therefore proper replacement and liquidated damages clause should be worked out with the vendor. Vendor should immediately provide standby machines so that progress of job is not affected.

Employee Attrition/ poaching by competitors: Lot of work is being done from India and many companies are opening their offices and look for trained employees at a

higher salary to avoid training cost and time investment in training. The salary structure should have provisions for bonuses and incentives for longer stay. Poaching of employees can affect the business severely.

Skill and competency gap: The effort to minimize the gap in skill and competency level should be done. It is better to take a fresh employee (for call centre executive) and train him for the specific job for our company. There are call centre employee training institutes who train the employees for accents and domain specific basic knowledge on call centre jobs. The initial recruitment can be done through campus interview from these institutes.

Lack of team spirit: The commissioning jobs at times require a team effort. If employees do not form a team and lack team spirit their efficiency levels will go down and may have impact on output. The employees can be given incentives to go on outings and picnics in a group during off days to develop a character of a team.

The probabilities/ likelihoods attached with each risk event can be tabulate and a weight on the scale of 1-5 can be allotted depending upon the impact of that risk can be tabulated in risk assessment form.

Risk Event	Likelihood	Impact
Inflation	1	4
Market acceptance	2	2
Exchange Rates	1	3
Govt. Regulations	1	5
Poor Estimates	2	3
Shipping delays	3	2

Hardware	2	2
Employee Attrition	4	3
Skill gap	4	3
Team spirit	3	2

Table -1

Risk Assessment Form

On the basis of tabulated data a Risk Severity Matrix can be made. The Red Zone shows the major risk. The yellow zone shows the moderate risk and the Green Zone shows the minor risk (Gray & Larson, 2003).

Likelihood					
High			Employee Attrition Skill Gap		
		Team Spirit Shipping Delay			
		Hardware Market Acceptance	Poor Estimate		
Low			Exchange rates	Inflation	Govt Regulations
	Low				High

Impact

Figure -1

Risk Severity Matrix for the Project

A change Management Plan

The internal management processes and existing hierarchy is required to be restructured. VP (India Operations) will independently handle the Indian Call centre Operations. Indian partner will manage the operations of call centre on day-to-day basis and will report to VP (India Operations). This has to be suitably communicated to all the offices of Megastar to as to have a clear flow of instructions between the various offices.

Communications Plan

The Project Manager and the team both will be using MS Project as a communication tool. The Project manager will use Gantt chart for communicating scheduling of activities, milestones and scheduling of resources.

The team will provide the completion of task status to project manager on daily basis. This will reduce chances of ambiguity in flow of instructions or reporting structure. The communication plan sets the ground for proper functioning and flow of information.

Forecast of time required, Budget Estimates

The company has one more network operation centre in Middle East, which was set up an year ago. Based on the past experience and learning from that, following work breakdown structure has been decided:
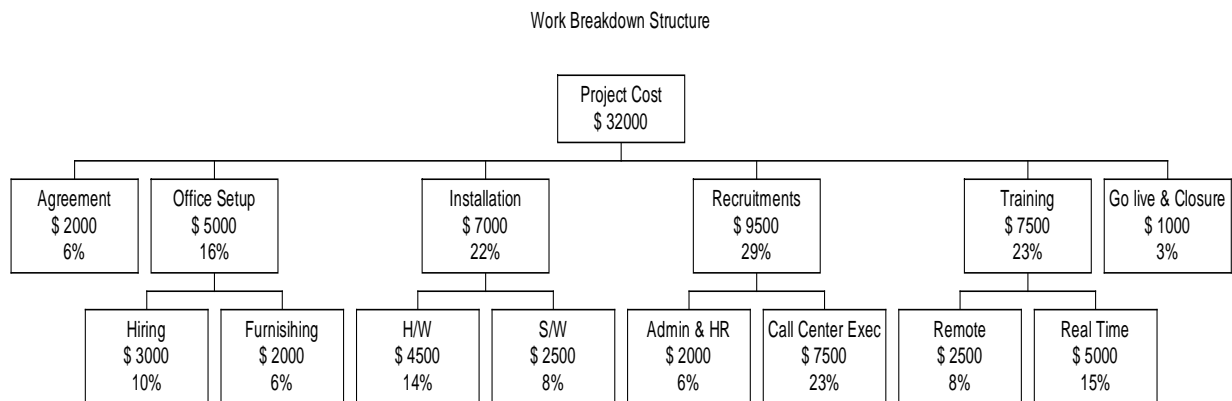
Work Breakdown Structure

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                          Project Cost
                          $ 32000

Agreement   Office Setup       Installation      Recruitments        Training    Go live & Closure
$ 2000      $ 5000             $ 7000            $ 9500              $ 7500      $ 1000
6%          16%                22%               29%                 23%         3%

            Hiring  Furnisihing  H/W   S/W      Admin & HR  Call Center Exec  Remote  Real Time
            $ 3000  $ 2000       $4500 $ 2500   $ 2000      $ 7500            $ 2500  $ 5000
            10%     6%           14%   8%       6%          23%               8%      15%
```

Figure -2

Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8
Agreement with Indian Vendor ($ 2000)							
$ 2000							
Office space ($ 5000)							
$ 2000	$ 1500	$1500					
Recruitment of Admin & HR ($ 2000)							
$1000	$1000						
Procurement and commissioning of h/ware and s/ware ($7000)							
			$ 5000		$2000		
Recruitment of call center executives & network engg. ($ 7500)							
			$ 2500	$ 2500	$ 2500		
Training ($7500)							
						$ 2500	$ 5000
Going Live ($ 1000)							
							$1000
Total Weekly Budget							
$ 5000	$ 2500	$ 1500	$ 7500	$ 2500	$ 4500	$ 2500	$ 6000
15%	8%	5%	23%	8%	14%	8%	19%

Table- 2

Project Closure Process

The total project duration is just two months and does not involve shifting of resources or equipment from site to elsewhere. The project closure therefore is a simple process here. Since people get emotionally attached with each other during implementation of project, the project will be wrapped up with throwing a party for people engaged in project directly or indirectly. The Megastar resources from US office or Middle East office will return to the parent place of work.

Project Audit process

The Last project did not have a project audit process; therefore there was no opportunity to learn from the successes or failures of the processes. This Time the audit process should be employed at each milestone. The feedback from resources should be sent to project manager, who will prepare a list of events or factors, which lead to success or any delay in the activity. Any special problems, encountered should be given a mention.

The audit process is important as it will help in entire project planning for the next two projects which are in the pipeline, viz setting up of call centre for sales support and back office operations for accounting.

Three-Key Learning from the simulation 1

The entire project selection, screening and initiation process involves three important issues:

1. Formation of a balance selection committee. Negotiating personal preferences and organization politics for screening of the projects.

2. Critical success factors for the organization are to be kept in mind while finally selecting the project.

3. Selection of vendor or team members for execution of the project.

Three Key Learning points from Simulation

"If anything can go wrong, it will." Captain Edward A. Murphy Jr. The Project managers use this Murphy's Law to identify, evaluate and monitor, project risk and avoid undesirable project outcomes.

A project risk represents an uncertain event or condition that if it occurs could have an undesirable effect on a project objective.

The simulation deals with Project Integra, which has primary objective of integrating First American Financial service (FAFS) of American Bank of Indiana (ABI) with the service delivery network. All the resources are not dedicated, but part-timers are also team members. CEO is the project sponsor. The objective is to complete the project-on schedule, within the estimated cost and effort.

The project committee discusses the probability of occurrence of each risk and the resultant impact. The time is the first concern and additional resources may not be available. The project manager makes an assessment of the potential risks and assigns the counter strategies to contain that risk.

Some of the general risk involved could be:

- Technology obsolescence,

- Dependency on design inputs

- Infrastructure problems

- Resource constraints

- Change in Management priorities

- Legacy systems and standards

- Nature and man made disasters

- Skills and competency Gaps

- Lack of team synergy and commitment

The first step is to identify the risks involved, the probability of occurrence and the impact of occurrence on the entire project. Some risks can be critical and some non-critical. The product of probability and impact will give the exposure value of the risk. The items, which have higher exposure value, are critical risks and with low exposure value are non-critical risks. Different organization will have different risk matrix.

After studying the risk matrix, next step is to prepare the Risk Response Plan or risk mitigation strategy. For each critical risk a separate plan is required. Managing risk on a project is a bit like walking through a minefield. A single wrong step can lead to disaster.

Three Key-learning points from simulation 3

It all starts with a small approval, which means identifying the project and getting the approval to start it. The project involves, identifying, planning, execution and delivery.

To initiate a project planning is required. The first step is to break the project into smaller activities, which depend on each other. This dependency sets the chain the events and thus required resources and time can be calculated.

The forecast process involves, scheduling activities, defining milestones, allocating resources to tasks, handling resource shortages and handling last minute changes.

Some of the activities, which go into animation process, are as under:

- Beta delivery

- Story boarding

- Integration

- Production boarding

- Audio creation

- Character sketches

- Editing, integration testing and alpha delivery

- Preliminary Character profiling

- Signoff and project closure

- Profile scripting

- Inking and painting cells

Identifying the right milestones is an important step in a project because is ensures to show the work done to the client at regular intervals and thus enable the project manager to make changes as he goes along the project, leading to saving of time, cost and effort.

In the design phase, close sharing of output and data with the client saves lot of time and effort later on. The approval of client of the design specification will help freeze the requirement at an early date.

For measuring the progress of the project, project performance index can be defined, which will have a ceiling on the cost, time variance.

Certain unexpected problem like, key people leaving the job may come in between and therefore entire schedule will required to be changed and corrective

measures to be taken. This is unavoidable in any project and therefore project manager has to be ready for this.

The project sponsor owns the project after completion. Hence changes from the sponsor have to be accommodated even if they are more than anticipated.

The closure of the project is also important. It involves:

1. Getting delivery acceptance from the client

2. Shutting down resources and releasing to new ones.

3. Reassigning project team members

4. Closing accounts and seeing all bills are paid.

5. Evaluating the project team, project tem members and the project manager.

Closure usually takes place in an emotionally charged atmosphere- a mixture of happiness (at the success of project) and sadness (members are moving away from each other). It might be good idea to close a project with a little celebration.

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