



Stakeholder Management Pty Ltd

## Case Study: Paradise Island

The Paradise Utilities Corporation (PUC) is the monopoly power company for Paradise Island, an autonomous island nation in the tropics: the Paradise Island Government owns 51%, and a consortium of the wealthy families of the Island owns the remaining 49%. PUC had made a modest profit over the past five years, but a change of government has led to a requirement to generate higher profits and provide a more efficient service to the citizens of Paradise Island.

In response to the Government's latest requirement for more efficiency, the Board of Directors made a decision to focus on improvements in managing the PUC's projects. The Board commissioned a report on ways to achieve these improvements in project management: the report recommended that a company-wide Program Management Office (PMO) be established to provide support to all projects, but did not recommend the structure of the PMO.

There are two PMOs already in existence in PUC:

- The PMG is part of the Organization Renewal Division (OR) and has had success over the past two years in supporting OR projects to the extent of increasing the number of projects delivering to budget and schedule by 30%;
- The Innovation Support Office (ISO) a part of the newly-formed Engineering Projects Division led by the King's son Prince Herbert. The ISO has been set up to support the innovative theory of *Creative Individualism* which allows creativity and instinct to replace the restrictions of management practices. The Prince was awarded a PhD based on his development of this theory.

Magic Consultants has been selected to develop the new company-wide Program Management Office (PMO). Justine Tempus will manage the project assisted by Michael Green, both employees of Magic. The Board has seconded Matthew Brown from the PMG and Tony White from the ISO to assist the project team as Subject Matter Experts (SMEs).

The Board has issued two media releases:

<b>News Release #1 - Paradise Utilities Corporation</b>	April 2
Mr Charles Billingsworth, CEO of Paradise Utilities Corporation (PUC) announced today that Prince Herbert, the eldest son of His Royal Highness, King Sebastian, is to join the company as the head of the newly formed Engineering Projects Division. The Prince has recently returned to Paradise Island from the prestigious School of Engineering at Fortesque University, with a PhD awarded for his research into innovative engineering management theories. Mr Billingsworth is reported as being "delighted to provide His Highness the Prince with the opportunity to gain some hands-on industry experience".	

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## News Release #2 - Paradise Utilities Corporation

April 22

Mr Charles Billingsworth, CEO of Paradise Utilities Corporation (PUC) announced today that his company is set to embark on a new drive for efficiency in the power monopoly. Having had success in making PUC operations more cost effective through process improvement, he has commissioned a reputable consulting firm to investigate options for improvement in the project delivery areas of the company, by implementing a Program Management Office to support all of PUC's projects.

These initiatives are in response to the election promises of the Paradise Island Government to increase the productivity of the electricity giant and reduce its operating costs. Whilst meeting the Government's key objective to provide more reliable power supplies to all PUC customers, who have been complaining about blackouts during the monsoon season. Martha Hunt, Secretary of the VOCAL (Victims Of power Cuts And Lies) expressed support of this initiative, saying, "It's about time something was done!"

The PUC Leadership team strongly supports the initiative and will provide total support for the implementation of the PMO.

When the Board's plan was outlined to the PUC Leadership Team at a meeting on the 23<sup>rd</sup> April, it did not meet with universal support. The MDs of Power Generation and Power Distribution stated that they had no intention of being part of this plan, and the MD of the Retail Division immediately announced plans to establish their own PMO for managing the IT projects within that Division.

## Memo

August 1,

**To: CEO, Paradise Utilities Corporation**

**From: MD ,Organizational Renewal**

Charles,

I am writing to inform you that Matthew Brown, formerly Manager of the PMG has resigned. He has stated that his brief to deliver PMG support services to all PUC projects has been untenable, with the Engineering Projects Department being particularly difficult to deal with. He has been advised by his doctor to leave the company and Paradise Island.

I have asked Magic Consultants to provide an additional consultant to manage Matthew Brown's role while until a replacement can be found: Joan Blue will start on Monday.

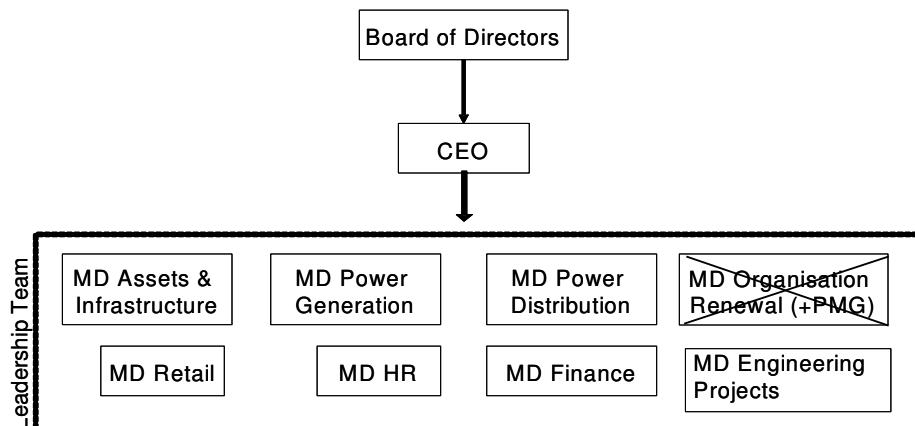
On a more personal note: I am disappointed with your decision to downgrade the position of MD Organizational Renewal, to reporting directly to the Prince. My experience and management ability are not recognized within the Engineering Projects Department.



## News Release #3 - Paradise Utilities Corporation December 22,

General Sanders, the leader of the coup of December 18, and President of Paradise Island announced today that the Paradise Utilities Corporation will, under the leadership of Caroline O'Grady, maintain its focus on efficient power generation and continue trimming unnecessary administrative overheads. As part of this initiative, and in the interest of enhanced operational efficiency, the Engineering Projects Division has been merged with the Power Generation Division.

## PUC Structure



## Paradise Island Utilities Corporation

MD = Managing Director



## Timeline for the Project

- April 2:** Announcement of initiative to improve project delivery in the company.
- April 22:** Announcement of the formation of the Engineering Projects Division and arrival of Prince Sebastian, the King's son
- April 23:** Project is approved and first workshop identifies 20 stakeholders of PUC Leadership Team
- Aug 1:** Manager PMO Resigns
- Joan Blue appointed new PMO Manager
  - Caroline O'Grady's division is moved into Engineering Projects Division; she is now reporting to the Prince and has lost her power and influence.
  - This causes the MDs of Retail, Power Generation and Power Distribution to decide to support the project
- Dec 22:** PUC restructured after Military coup
- The President encourages the Royal Family to leave the Island.
  - The CEO is seen to be a Royalist Supporter and is fired
  - Caroline O'Grady is promoted to CEO
  - And the Manager of the rival Retail PMO decides to join the company-wide PMO implementation.

*The above case study is entirely fictional – any resemblance to real people or organisations is entirely coincidental.*