

Project Management

Topic 2.3

Project Organization Structures

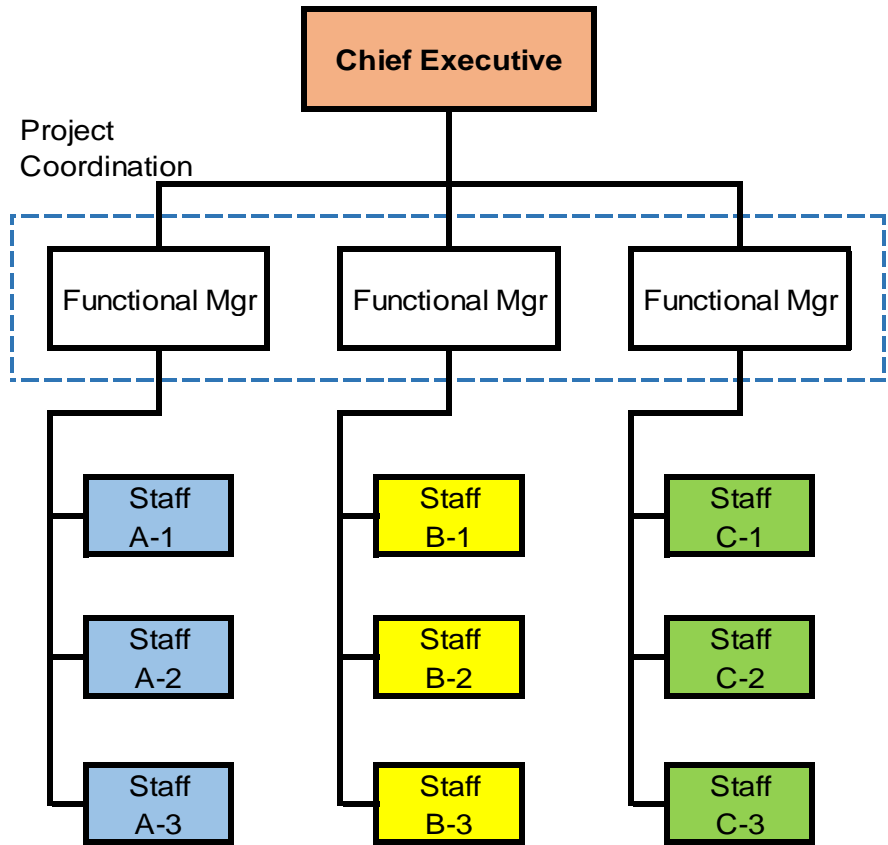


FULCRUM *EDGE*, INC.

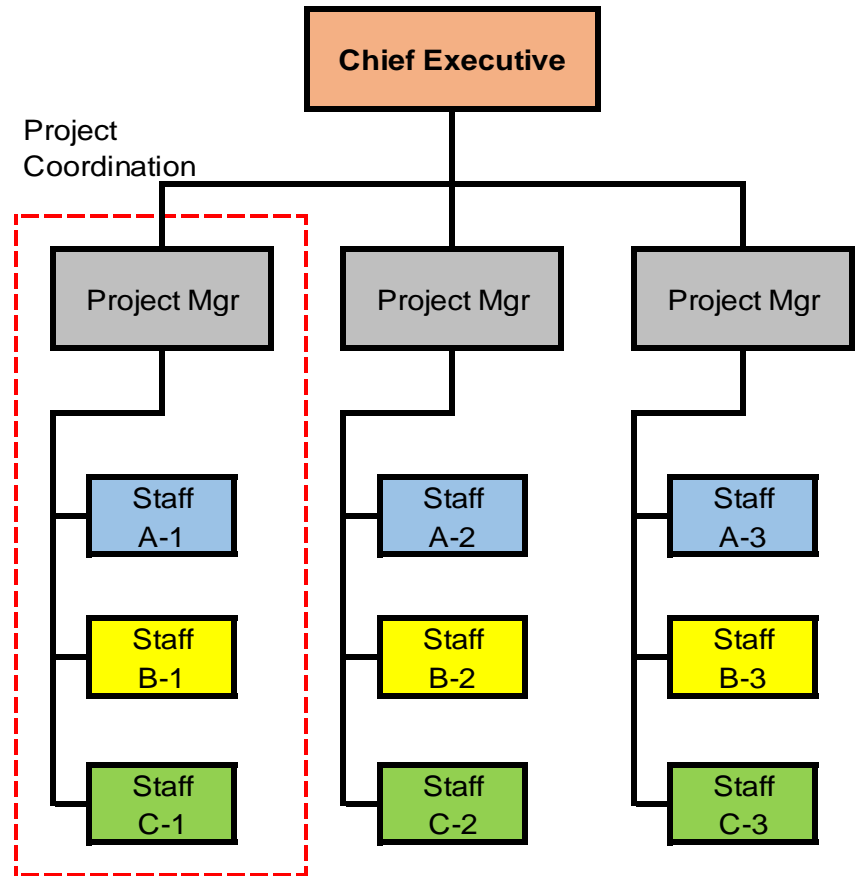
Organization Structures

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Organizational Structure Extremes



Functional Organization



Project Organization

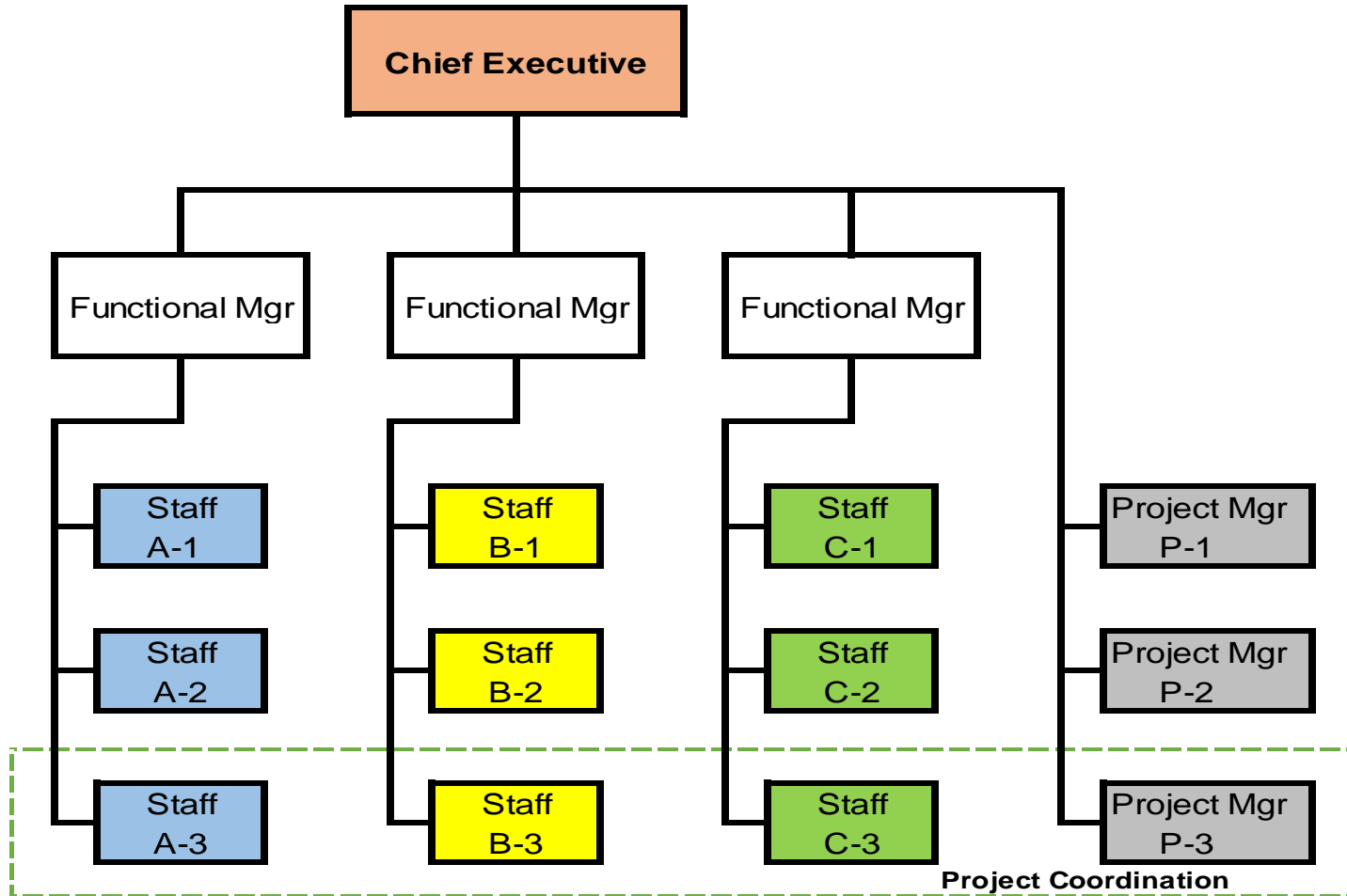
Functional Organization Characteristics

- Typical of businesses that sell and produce standardized products.
- Groups consist of individuals performing the same function.
- Periodically undertake in-house projects.
- Team members can be assigned to the project.
- Team members continue regular functional jobs.
- Project manager does not have complete authority over team.

Project Organization Characteristics

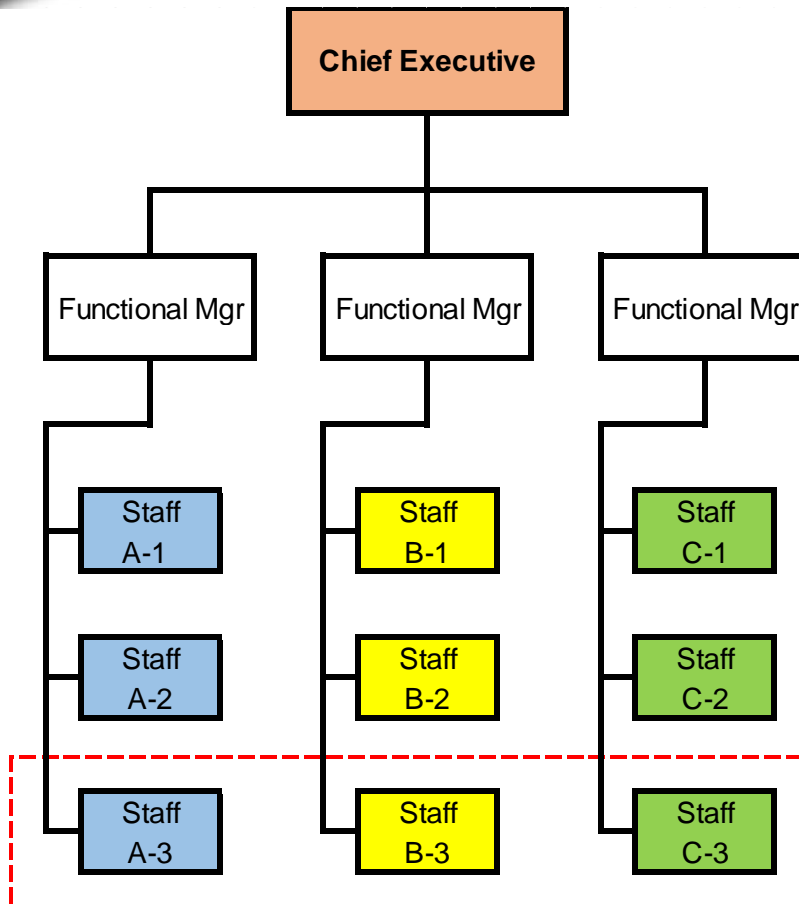
- Typical of businesses that sell and produce customized products.
- Typical of companies providing project services, not selling products.
- Work on multiple projects at a time.
- Project team is dedicated to one project.
- Project manager has complete authority over team.
- Each project team tends to be isolated.

Strong Matrix Organization



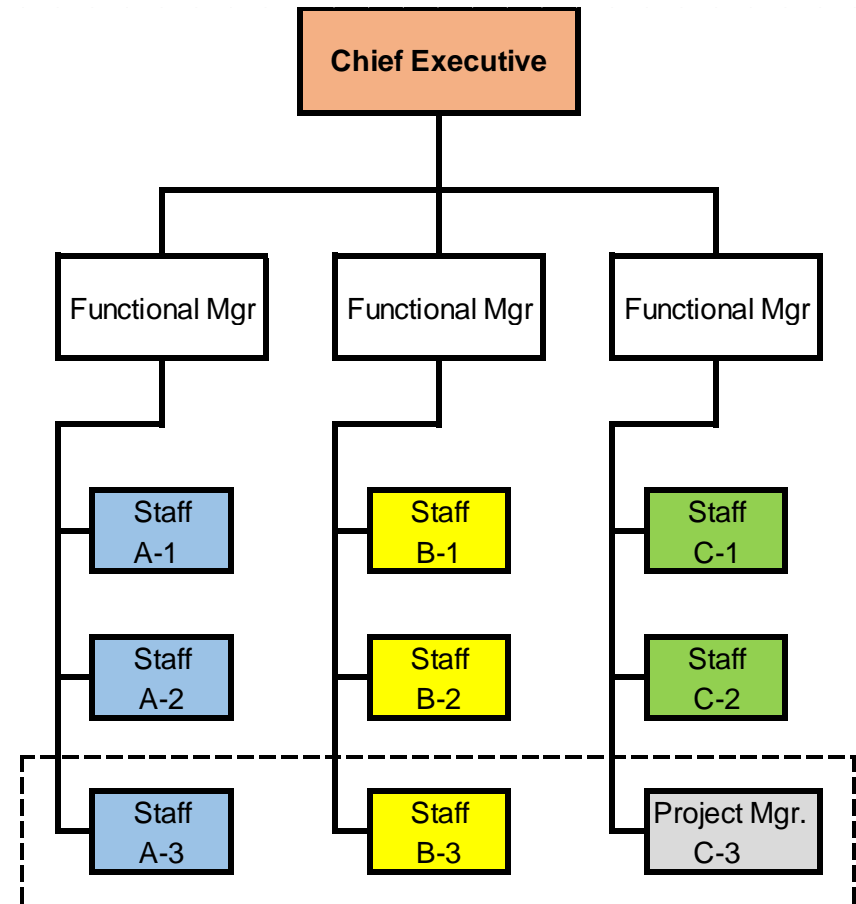
Strong Matrix

Other Matrix Structures



Weak Matrix Organization

- Staff coordinates among themselves
- One staff member is designated either by management or internally to coordinate



Balanced Matrix Organization

- Project Manager appointed with specific project authority
- Project Manager may also provide technical expertise

Matrix Organization

- A mix of functional and project organization structures.
- Used in companies that work on multiple projects at a time.
- Provides project and customer focus.
- Retains functional expertise.
- Individuals can be assigned to various types of projects.

Matrix Organization (cont'd)

- Both *project managers and functional managers* have responsibilities.
- The *Project Manager* is the intermediary between customer and company.
- The *Functional Manager* decides how tasks will be accomplished.

2.3.1 Team Exercise



Organizational Structures

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Pages 34-35

Multi-company Project Structures

- Tend to be large projects covering many functional areas and requiring high levels of technical expertise.
- Matrix is the predominate mode
- A strong matrix with effective project managers minimizes leadership intervention and decision making.

2.3.2 Roundtable Exercise



Project Structures

1. How is your company organized to handle projects?
2. Which structure best fits your organization?
3. What can a project manager do to be successful in each of these structures?

Share your thoughts in roundtable discussion

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