

Developing a Robust Offshore Program Management Model

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ABSTRACT

One of the challenges of manufacturing globally is managing culturally diverse teams. Achieving consistency in program management can be particularly challenging because there can be wide variance in the experience, management style, perceptions and English fluency among countries. This presentation looks at typical issues that can arise and discusses team-building strategies to address problems before they occur.

INTRODUCTION

Program managers are the face of an EMS company to their customers. A skilled program manager can grow business, handle the dual role of providing customer service and driving account profitability, and motivate the project team to support aggressive goals. Conversely, a poorly performing program manager can create money-losing accounts or drive away business. In a single facility, it is relatively easy to determine levels of competency within the program management team. It is also easy to instill a strong corporate culture and consistent processes within that team.

However, developing consistent processes and uniform levels of competency at a multinational level can be much more difficult. In addition to the challenge of distance, there are often differences in cultural perceptions, education/experience of available candidates and English-language fluency skills that can create communications breakdowns or inconsistencies in account management styles.

Typical problems that can arise in a multinational environment where program management evolves in each facility include:

- Communication disconnects based on lack of English proficiency
- Mismatched assumptions on program manager's level of responsibility within the organization
- Program managers who accommodate all customer requests, even when the request is unachievable or will impact account profitability
- Program managers who are inflexible to customer requests for schedule changes or specific reporting requirements
- Program managers who overpromise, but offer really good excuses for why the delivery was missed

- Personality conflicts driven by a lack of understanding of cultural differences.

Avoiding these issues requires a strong vision of the role of program management throughout the company. There can be differences in the way programs are managed facility-to-facility to accommodate regional differences in the way operations are run. However, end customers should see a unified program management process.

The keys to developing this unified vision include:

- Consistent processes
- Acceptance of cultural differences
- Well-defined team structure
- Cross pollinating mechanisms
- Focused communications strategy.

CONSISTENT PROCESSES

One of the major challenges in building program management consistency across multinational facilities is that there can be significant variation in the skills sets among labor markets. For example, program managers in emerging labor market countries tend to be tactical and administrative in focus. In some cases, lesser skilled people are hired as a cost control strategy and in other cases there simply are not experienced personnel available in that labor market.

Clearly written policies and procedures can help ensure that all program managers follow a consistent process. This is critical because customers working with multiple facilities want a seamless interface. While there may be slight internal differences among regions, there should be a standard program management handbook which outlines basic processes that are common to all facilities. There can be value in having a multinational team review the manual to ensure it adequately addresses regional variations.

Special attention should be paid to documentation policies, as not all program managers may have the same understanding of the importance of documenting project changes and getting written commitments from customers.

Regional perceptions based on past work experience should also be addressed. Program managers in offshore operations do not always have the breadth of industry knowledge found in their U.S. counterparts because they may not have as much access to information on industry practices beyond their immediate area of focus. For example, Chinese EMS manufacturers focused on consumer products have much more flexibility in BOM composition than would a mid-tier company in the same region that was focused on medical products. A program manager coming from a consumer products environment would need to be trained in the differences between acceptable practices in consumer projects and the highly regulated world of medical device manufacturing.

An orientation class or classes followed by some on-the-job shadowing also helps ensure that new team members quickly integrate into the system.

ACCEPTANCE OF CULTURAL DIFFERENCES

At some level we are all bigots because we are conditioned to view the societal behavior patterns and values we grew up as the “right” way to do things. Travel and expatriate assignments can broaden our acceptance of new ways of doing things, but there is still a preference for one’s home culture. Societies can be high context or low context in terms of behavior standards. In the U.S., immigration patterns tend to drive a very low context culture where a wide range of behavior is considered acceptable. Comparably, a homogenous country such as Japan tends to have a very high context culture where there are very rigid rules for appropriate behavior that are widely understood.

Diversity training is one way to address the issue of potential culture clash. A good diversity training program will educate team members on the value of appreciating differences and also on ways to better recognize and bridge differences when working multinationally. This can be particularly important in negotiation strategy and account management because cultural “mismatch” can drive negotiating impasses or undesired concessions. This is very true in regions where disagreeing with or disappointing a customer is considered rude. For instance, in Mexico when a program manager says, “I’ll get that done,” the translation may really be, “I’ll try my best and if I can’t do it, I’ll have a really good reason for why it wasn’t done.”

Most EMS customers would prefer to have a program manager immediately say no to an unachievable request and offer a range of achievable alternatives, as opposed to that really good reason offered on the day the delivery gets missed. Diversity training is one good way to address these types of issues because it creates an open forum where program managers can discuss why they behave in certain ways and ultimately broaden their repertoire of acceptable negotiating strategies.

WELL-DEFINED TEAM STRUCTURE

Multinational team structure needs to address organizational strengths and weaknesses and customer preferences. In EMS, it is important that the customer’s decision team can interface with someone available in their time zone who speaks their language.

Some models have global account managers who support larger customers in multiple facilities. The global account manager is normally located in the same region as the customer’s decision team and is usually supported by a tactically-focused program administrator at each build site. In other cases, build-site based program managers may work directly with their multinational customers, but work extended hours that allow overlap with the customer’s time zone. Either model works if there is a good customer service focus and a culturally fluid program team.

Some companies take the additional step of informally assigning a member of executive management to each customer account. The executive touches base with the account one or two times a year, and the key decision maker at the customer can call the executive if there is an unresolved issue that needs attention at a higher level. In other cases, a member of the sales team may continue to have a relationship with the key decision maker at the customer. Either of these options provides an added layer of more localized oversight and gives the customer an informal communications channel where he or she can discuss any potential issues before they become hard to resolve. While these informal communications can be occasionally abused, they can be valuable in addressing the more subtle points of dissatisfaction that can occur when there is culture or expectation clash between a customer and an offshore program manager. When executive or sales contacts are used as a pressure relief valve, it is important to have a good internal problem resolution mechanism that allows the issue to be addressed in a way that doesn’t make the offshore program manager or facility management team feel they are losing face or being micromanaged from headquarters.

CROSS POLLINATING MECHANISMS

Periodic program management strategic planning meetings and foreign short-term assignments are a good way to transfer best practices among facilities. While these activities carry a cost, they facilitate a level of assimilation and relationship-building that won’t happen through emails and conference calls alone. Planning meetings should include account strategy discussions and training on potential areas of weakness such as negotiation skills and conflict resolution.

Another good option is industry-standard training. IPC’s EMS Program Manager Certification Program is one good example. In those classes, program managers get formal training plus discussion opportunities with program managers from different companies and different countries.

Third-party training should not be regarded as a total training solution. A blend of process-specific internal

training and standardized industry training will create a far stronger team than either option alone.

FOCUSED COMMUNICATIONS STRATEGY

The final area of focus is perhaps the most important. In most EMS companies, the program manager is the central point of contact between the customer and the EMS provider. In a strong program management relationship, the program manager is the first person a customer calls when he or she has a concern about something happening at the company. For that reason, it is important to have well-defined communications policies so that a program manager either has the necessary information to discuss the issue or can immediately refer the customer to a contact who can answer questions appropriately. In some cases, this may be as simple as issuing likely question and answer sheets on likely “hot topics” for program managers to have as a reference file. In other cases, it may be setting up a central point of contact for inquiries on a short-term issue like swine flu impact on operations. In some other cases, there may be intranet resources that allow a program manager to quickly look up a wide range of company-specific information on topics of likely customer concern. The end goal is to have customer concerns addressed rapidly, accurately and consistently, even when those concerns are related to issues not directly associated with production status.

Communication training should also address customer service focus, email etiquette, and the role of email and other written communications in documenting customer commitments. In regions where arguing is considered rude, there may be a need to discuss polite ways to manage disagreement with a customer request. When this issue is not addressed there is a tendency for program managers in those areas to simply ignore emails they disagree with, or agree to the request while doing nothing.

CONCLUSION

The end result of addressing these areas is a cohesive team capable of rapidly addressing issues and growing business globally. While it is easy to measure travel and training cost and question the value of spending that money during times of economic downturn, that cost is likely to be far less than the annualized revenue lost by even a single poorly performing program manager.

REFERENCE

[1] S. Mucha, “Building a Robust Multinational Program Management Team”, [EMT Worldwide](#), June 2009.