



APPLIES TO ACADEMIC YEAR 2013/2014

## **BLU 2140/2141/2142/2143 Aker Solutions - Business Manager Development Programme**

### **Programme**

Final Master of Management Program, Business Adapted Master of Management Program

### **Responsible for the course**

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### **Department**

Department of Leadership and Organizational Behaviour

### **Term**

According to study plan

### **ECTS Credits**

30

### **Language of instruction**

English

### **Introduction**

A key role is the business manager and the associated BM organization.

BI Norwegian Business School has designed a program proposal with particular focus on the role of the Business Manager, and on the demand for enhancing the competences and skills related to commercial aspects of project management, from bidding to execution and handover to client. The program is tailored and developed for Aker Solutions offering our field, applied research, teaching and advice expertise.

The proposed development program for Business managers consists of the following elements:

A Problem and action based program with extensive case work, project assignments and 6 physical plenary modules.

The 6 physical modules proposed and designed briefly are:

The commercial Mindset in project management & project execution

The commercial baseline and risk Management

Contract Management

Change Control & negotiations

The role of the business manager & BM organization

Leadership Navigation in light of commercial mindset

### **Learning outcome**

The objectives of the programme are to fill the competence needs of business managers in particular, but also other middle managers in Aker Solution to better qualify them to handle the internal and external complexity connected to commercial dimensions in the projects we see today and to turn increased competence into further business value opportunities for Aker Solutions. The programme is of particular relevance to Aker Solutions, but will also give a state-of-the art view of leadership and management within different subjects like risk management, project management, and contract management.

The objectives are related to dialogue and reflection upon:

- The Competence needs in the role as business manager
- The role clarification between project manager, business manager and planning manager
- Greater knowledge of the driving forces and trends applicable to Aker Solution.
- The ability to perform effective and balanced risk management with focus on preventive approaches and problem solving actions
- The ability to develop forms and systems of communication of commercial aspects of project execution, and improved project execution models to contribute to long-term and organisational learning, and sustainability.
- Translate the impacts of various tools and methodologies into strategies, leadership and organisational design, with particular focus on application in the role as business manager.

### **Prerequisites**

Bachelor degree or equivalent and 4 years work experience. Please read our Student regulations.

### **Compulsory reading**

#### **Books:**

Charan, Ram, Stephen Drotter, James Noel. 2001. The leadership pipeline : how to build the leadership-powered company. San Francisco, Calif. : Jossey-Bass

Collins, Jim. 2001. Good to great : why some companies make the leap - and others don't. London : Random House Business Books

Drucker, Peter F. 2007. Management Challenges for the 21st Century. Rev. ed. Amsterdam: Elsevier : Butterworth-Heineman

Hall, Kevan. 2007. Speed lead : faster, simpler ways to manage people, projects, and teams in complex companies. London : Nicholas Brealey Pub  
Kotter, John P. 1996. Leading change. 978-0-87584-747-4. Boston, Mass. : Harvard Business School Press  
Lowe, David. 2006. Commercial management of projects : defining the discipline. Oxford : Blackwell Pub  
Pryke, Stephen, Hedley Smyth. 2006. The Management of complex projects : a relationship approach. Oxford : Blackwell Publishing  
Schwartz, Peter. 1998. The art of the long view : planning for the future in an uncertain world. Chichester, West Sussex : Wiley

#### **Journals:**

Harvard Business Review on Managing Projects ( Part of it ). 2005. Harvard Business School Press

#### **Recommended reading**

#### **Course outline**

##### **Module 1**

##### **The Commercial mindset in Project Management and Project Execution**

A commercial mindset is core attitude for any manager in all delivery projects to external clients, but is particularly critical in complex EPCI projects.

##### ***The commercial mindset must be reflected in the following dimensions :***

Business & Project Execution strategy  
Cost estimation, contingency planning, and uncertainty estimation  
Risk management and risk mitigation  
Contract management, contract process and compensation formats  
Change processes, dispute resolution and in negotiation with client  
Resource planning and associated Man Power Projection  
In all manager roles in the project and supporting roles in line/base organization  
In selection of management to core team in the project  
The sub contract management and strategies  
Elements connected to procurements, long lead items and risk strategy  
Optimal utilization of material resources and design of high performance teams  
Module 1 is designed with 3 days consisting of the following proposed topics in the respective sessions:  
Commercial management In projects - an overall view  
Functions of the Vommercial Managers  
Commercial Management in the context of managing complex projects  
Interface Management - a critical element in commercial Management  
Risk and Contract Mangement - the basic building blocks for commercial management and mindset in projects - an introduction  
A fully commercial project culture - Is it achievable in technology environments ? What is the impact on the leadership style and priorities ?

##### **Learning goals for module 1**

*Achieve the necessary knowledge and awareness of the importance of a commercial mindset in all management perspective in project execution*

##### **Syllabus for module 1**

Charan, Ram, Drotter, Stephen and James Noel.  
The Leadership Pipeline: How to Build the Leadership-Powered Company. John Wiley, 2001(Parts of it)  
Collins, Jim. Good to Great. Random House, 2001  
Drucker, Peter F. Management Challenges for the 21<sup>st</sup> Century. Harper Business, latest edition.  
Harvard Business Review on Managing Projects (Parts of it)

##### **Module 2**

##### **The Commercial Baseline & Risk Management**

The Commercial Baseline in projects must reflect the necessary integration between the following dimensions:

Commercial Solutions  
Technical Solutions.

This can be further elaborated under the perspectives of necessary overlapping areas of :

Commercial Management  
Integrated systems and services  
Project Process Management

##### **Core themes**

During this module of 2 days, we consider the following sessions will cover the essential elements in the commercial Baseline :  
Commercial Project Governance & Commercial Baseline  
Cost Schedule Estimation including commercial risk mangement and strategies in the estimates and contingencies established  
Revenue Estimation and Cash flow management with client and subcontractor perspectives.  
Impact og Quality and product solution and generation methodology on cost & schedule Estimates.

##### **Learning Goals for module 2**

Achieve knowledge of the commercial baseline in projects  
Obtain an understanding of the importance of and impact of the commercial baseline on all activities and deliveries in the

project

Textbook:

Hall, Kevan. Speed Lead. Faster, Simpler Ways to Manage People, Projects and Teams in Complex Companies. Nicholas Brealey Publishing, 2007.

Harvard Business Review on Managing Projects.

Harvard Business School Press, 2005.

David Lowe, editor: Commercial management of Projects – Defining the Discipline, Blackwell Publishing.

### **Module 3**

#### **Contract Management**

Performing excellent Contract Management requests that everybody involved in contract work understands in depth what a contract process is. Furthermore the core project management team must know in detail what the strategic, tactical considerations to be done by the contractor are towards the clients. When producing the bid documentation, the contractor must incorporate its strategic and tactical consideration in the solution to be derived. Contract Management Excellence therefore, in the role of the contractor, means that the strategic and tactical aspects must be the basis for how to respond towards the requirements given in the specifications in the client request. This must focus on both the general requirement specifications and on the special requirements specifications. It should reflect the contractor's abilities by using its resources in a commercially viable way.

#### **Core themes**

Module 3 is planned lasting 2 days, in which we consider the following sessions will cover the essential elements in the

Contract management :

Contract management & Contract process

Contract strategies, contract types and Risk management

Sub Contract management and project supply Chain

Roles in contract management

#### **Learning Goals for module 3**

Achieve an overall understanding of the contract management process

Achieve a thorough understanding of the various roles connected to contract management

Achieve knowledge in managing sub contractors

Achieve a thorough understanding of the risk sharing between client and contractor under different contract regimes

#### **Syllabus for Module 3**

Harvard Business Review on Managing Projects.

Harvard Business School Press, 2005. (Parts of it)

The Management of Complex Projects. A Contract and Relationship Approach.

Edited by Stephen Pryke and Hedley Smyth. Blackwell Publishing, 2006.

Commercial Management of Projects- defining the Discipline, edited by David Lowe, Blackwell Publishing, 2006.

### **Module 4**

#### **Change Control and negotiations**

The majority of projects undergo changes during their life cycle, from the business case through to handover and closing of the project. Key aspects in this context are the change process in it self and the roles associated with the change process.

Changes are however of different nature and have a wide variety of impact on the project execution. When changes may have impact on performance with respect to quality, costs and schedule, the identified change must be handled in a joint board between client and contractor. This has become a successful practice over the last two decades however everybody in the organization should be aware of its basic function.

#### **Core themes**

Module 4 is planned of 2 days with the following main topics:

Change Control Basics

Roles in Change Control

Negotiations

Conclict and Dispute Resolutions

#### **Learning Goals for module 4**

Achieve an understanding of the necessity for professional and structured approaches for handling changes in a project

Achieve an understanding of formal roles and split of authorities associated with Change Control

Obtain a basic level of understanding of negations and associated roles

Achieve an understanding of a structured approach related to Conflict management and Dispute Resolutions

#### **Syllabus for Module 4**

Commercial Management of Projects- defining the Discipline, edited by David Lowe, Blackwell Publishing, 2006.

Kotter, John P. Leading Change. Harvard Business School Press, latest edition

### **Module 5**

#### **The Role of the Business manager and the BM Organization**

The business manager role must include on the following topics and based on the commercial baseline for the project:

Commercial value management of the project

Value forecasting and prognoses

Establish a project specific contract strategy, and manage according the contract work according to the established strategy

Identify and assess new business opportunities in the planning and execution phases of the project

Identify and assess any business threats that may appear during project execution.

Manage the performance system in the project, including derivation of appropriate key performance indicators and prognoses. Communicate the derived performance figures inside the project organization and towards other management functions with the contractor.

The business manager must also handle the single point contact information towards the client regarding commercial performance parameters as settled in the commercial baseline for the project.

#### **Core themes**

On this basis, module 5 includes the following topics:

The role of the commercial manager

The role of the BM organization

The purchaser role of other manager roles in the project

Derivation of performance and prognoses on commercial issues

The business manager has a business management organization that shall handle all commercially related issues in the project, towards the client, towards the base organization and towards the respective sub contractors and suppliers.

#### **Learning Goals**

Achieve a basic understanding of the role as Business Manager

Achieve a basic understanding of the role to the BM organization in the project

Achieve an in depth understanding of the analysis work and performance reporting and control related to the commercial baseline

Achieve an understanding of how to balance risk and opportunities during project execution

#### **Syllabus for Module 5**

Charan, Ram, Drotter, Stephen and James Noel.

The Leadership Pipeline: How to Build the Leadership-Powered Company.

John Wiley, 2001

Commercial Management of Projects- defining the Discipline, edited by David Lowe, Blackwell Publishing, 2006.

#### **Module 6**

##### **Leadership Challenges in light of the Commercial Mindset**

The leader role undergoes a paradigm shift in future organizations. This happens also in complex project organizations, as future project challenges to a larger extent than ever request specialist competences in the various functions in the project.

In this context the project management must be able to derive, plan, implement and communicate the commercial strategies and tactics settled for the respective projects.

The project management must act as an integrated management team, in which the project director and business manager are the two functions that shall ensure that a commercial mindset is fully in place in the project.

The ultimate result of such a mindset change shall lead to enhanced results on the project based on a higher precision level on all aspects of commercial management of projects.

#### **Core themes**

On this basis we recommend a 3 day module with the following topics covered:

The leadership Challenge in light of commercial mindset for Fundamental Mindset Change, Business manager % BM org.part project manager and planners

The leadership Challenge in light of commercial mindset for the project Director

Commercial leadership challenges in an international environment

Summary of program.

#### **Learning Goals for module 6**

Achieve an awareness of the leadership navigation in light of the commercial mindset

Achieve an awareness and an understanding for the need of a cultural paradigm shift towards an integrated commercially driven organization and leadership culture and attitude.

#### **Syllabus Module 6**

Jim Collins. How the mighty ones fall and the good ones keep in. 2009.

Commercial Management of Projects- defining the Discipline, edited by David Lowe, Blackwell Publishing, 2006.

Schwartz, Peter. The Art of the Long View. John Wiley, latest edition

#### **Computer-based tools**

#### **Learning process and workload**

#### **Examination**

The students are evaluated through a term paper, counting for 18 credits hours and a 72-hours individual home exam counting for 12 credits hours. Both evaluations must be passed to obtain a certificate for the program. The term paper may be written individually or in groups of maximum three persons.

For students taking this program as the final Master of Management Program the following applies:

The students are evaluated through a term paper, counting for 24 credit hours and a 72-hours individual home exam, counting for 6 credit hours. The term paper is to be written individually or in groups of up to maximum two

persons. Both evaluations must be passed to obtain a certificate for the program. The term paper must be written individually.

**Examination code(s)**

BLU 21401 - term paper, 18 credits; counts for 100 % to pass the program BLU 2140.

BLU 21411 - 72 hour individual home exam, 12 credits; counts for 100 % to pass the program BLU 2141.

Both evaluations must be passed to obtain a certificate for the program.

For students taking this program as the final Master of Management Program the following applies:

BLU 21421- individual term paper, 24 credits; counts for 100 % to pass the program BLU 2142.

BLU 21431- 72-hours individual home exam, 6 credits; counts for 100 % to pass the program BLU 2143.

Both evaluations must be passed to obtain a certificate for the program.

**Examination support materials**

**Re-sit examination**

**Additional information**