



2010 Symposium
 The Evolution of a Profession
 Project Management: Past, Present and Future

Have PMP- Will Travel

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Globalization

- **Economic globalization refers to increasing economic interdependence of national economies across the world through a rapid increase in cross-border movement of goods, service, technology and capital**



Globalization

- **We have all heard the stories-**
 - “ World borders are disappearing...”
 - “ We are competing with China, India, Ireland, Poland ...”
 - “ Customer Service is being provided out of Guatemala ...”
 - “ My plant was shut down and moved to Brazil ...”
 - “ The most amazing construction projects are being built in Dubai”
- **Are we participants in Globalization or simple bystanders?**
- **Why am I asking these questions in a PMI conference?**



Globalization

- **Project Management is a natural role in Globalization**
 - Working across geographical and political boundaries, time zones, languages and customs requires leadership, planning and communication skills, same as a Project Manager
- **Working with international teams either in person or through virtual project teams requires expert knowledge typically found in PMPs**
 - Project Integration
 - Project Communications
 - Project Human Resources

Globalization

- **David L. Pells, Managing Editor of PM World Today shared the following statistics on overall growth for the PM Sector back in December of 2008**
 - **When the aerospace, construction, defense, energy, petrochemical and transportation industries are considered, PM may now be a \$100B industry worldwide.**
 - **Hundreds of millions of dollars are being spent on PM services in UAE and other Middle Eastern locations**
 - **The same is true in China where 100,000+ project managers have been trained in the last few years**
- **More companies are adopting the Hollywood model for a larger percentage of their workforce. In this model a project team is quickly assembled to execute a well-defined objective; the team is just as quickly discharged once the project has been completed.**

Globalization

- **Puerto Rico project managers have several key advantages that can be exploited**
 - **Ability to work in highly formal (USA, Canada, Northern Europe, Japan) corporate environments, as well as more informal settings typical of Latin America and Emergent Economies**
 - **Bilingual**
 - **Have a higher level of tolerance to situations with general lack of resources and planning**
 - **Our culture conditions us to develop personal relationships with our prospective clients before we conduct business**



Globalization

- **Are we sure that we are part of Globalization?**
 - Does any of our workday resemble the video we saw earlier?
 - Are we interacting on a daily basis with persons from other countries, specially outside the United States?
- **If our product is Project Management expertise, how are we selling it outside of Puerto Rico?**
 - How does an international company know how good we (you) are and that you are available for work?

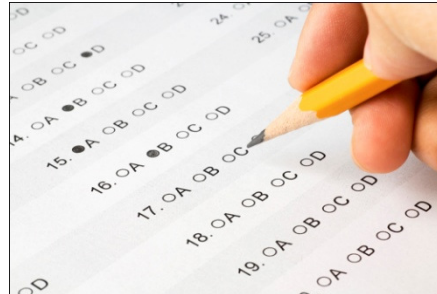
At the end of the day business is about relationships, and project management is about trust

- To reach out into the world we need to start with those who know us
- You have to communicate to everyone that you are willing to live abroad if you want to be a part of Globalization

Globalization

- **Let's take a Quiz-**

- How many people in audience are not from Puerto Rico?
- Who in the audience travels to an international destination (not USA) at least once a quarter on business?
- How many of you are running virtual international (not USA) projects right now where you have never met face to face with at least 50% of your team?
- Show of hands for people who have worked internationally (not USA) for at least a year in their lifetime? How about 5 years?



- **OK I get it! How do I become part of the Globalization?**

Globalization

- **Multinational companies (MNCs) provide a natural platform into Globalization**
 - They are always looking for professionals who can work effectively with people of various backgrounds
- **Project Managers are uniquely positioned to take advantage of Global opportunities**
 - Project Coordination across national boundaries, cultures, language requires
 - Leadership
 - Organization
 - Communication
- **I'm in. Where do I start?**



MNCs

- **There are many MNCs operating in Puerto Rico**
 - US or International companies doing business in Puerto Rico
 - Puerto Rico based companies with overseas presence
- **There are also many other MNCs that are no longer in the Island**
 - In one way or another, most of these companies failed to adapt to Globalization and they provide valuable lessons we should all heed
- **Not all Puerto Rico branches of MNCs are integrated with the parent company**
 - This is a competitive disadvantage as Puerto Rico talent can not be seen from levels above local management
 - Puerto Rico personnel is not exposed or privy to the “big picture” and as such can not formulate plans or ideas to help the parent company solve its problems and/or bring additional business to Puerto Rico

MNCs

- **Crater Lake Group interviewed managers for 2
MNCs operating in Puerto Rico**

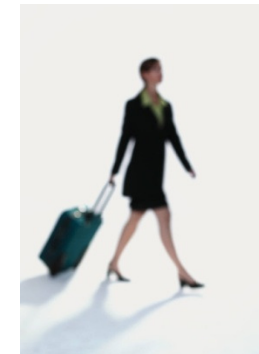
- Hewlett Packard Aguadilla
- Pharma Bio-Serv



- **In addition ex employees of Intel were interviewed, including myself, to review the entire lifecycle of Intel Las Piedras and the lessons it left us with**
- **Sadly, I was not able to secure an interview for this presentation with Ethicon San Lorenzo, but a short insight is provided based on past experiences as an ex-employee**

Pharma-Bio Serv

- **Pharma-Bio Serv is a Puerto Rico based company doing business or with presence in Asia, Europe, United States and Puerto Rico**
 - Pharma-Bio Serv expanded to the United States and then Europe at the request of one of its main customers
 - *Trust and Competency* were quoted as the main reason Pharma Bio-Serv was invited to do work overseas
 - Each Overseas office has a high level executive that is native to that region
- **Puerto Rico based talent had to travel extensively or move overseas in order to serve its clients**
 - It was difficult for Pharma-Bio Serv to recruit talent to live overseas



Pharma-Bio Serv

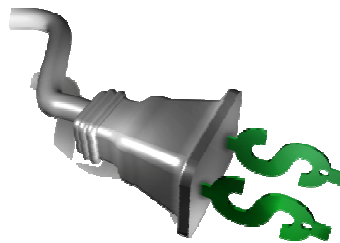
- **Leaders of Pharma-Bio Serv actively participate in industrial associations at home and abroad**
 - “It is through associations that we can detect the pulse and trends of the industry”
 - Allowed Pharma-Bio Serv to detect pharmaceutical industry slowdown early and Puerto Rico’s deteriorating position versus Ireland
- **Pro-actively identified decline trend in industry and expanded to new business areas**
 - No blockbuster drugs meant reduced opportunities and increased competition
 - Identified new growth areas in related fields: analytical laboratories and project management (with our very own Enid Vargas!) to keep company growing
- **In Globalization if its not broken, break it!**
 - Cost, Quality, Innovation are the rules for staying alive in a Global environment

Hewlett-Packard

- **Hewlett-Packard Aguadilla was recently awarded a Design Center charter for electronics components**
 - This achievement is atypical in Puerto Rico's manufacturing centric industry
 - However it started from an established manufacturing base and track record
- **The 3 factors that enabled HP-Aguadilla winning this internal competition were:**
 - Tax benefits that support a competitive cost structure for Engineering R&D Services
 - HP Aguadilla track record of innovation, patents and intellectual property generation
 - Puerto Rico skillful engineering resources

Hewlett-Packard

- **Hewlett-Packard Aguadilla is always under cost, quality and innovation competition**
 - Electronics industry does not allow for complacency
 - Competition is both internal and external
- **When asked what keeps HP-Aguadilla from being able to bring additional business functions to the Island it shared the following:**
 - A solid hub of local suppliers that provides materials and services at a competitive cost and therefore optimizing the logistics and transportation cost for HP Aguadilla businesses
 - High cost of real-state and storage in comparison to continental US and Asia
 - High cost of utilities



Hewlett-Packard

- **Hewlett-Packard Aguadilla is Hewlett-Packard period**

- *There is no HP-Aguadilla, no “us” and “them”*
- *HP Puerto Rico is exporting professionals to many management and engineering position through the World including EMEA, APJ, Latin America and US.*



- **HP Aguadilla is being included in the Globalization aspects of Hewlett-Packard the multinational by design**
 - **HP Aguadilla is directly connected to HPs global objectives and is given full participation to propose the solutions**

Hewlett-Packard

- **HP has many PMO's implemented at all levels within its many businesses**
 - In general, the main goal of these offices is to drive strategies and programs to achieve world class operational excellence in alignment with the businesses objectives
 - HP Puerto Rico is part of the ESSN Americas Supply Chain PMO
- **HP recognizes Project Management as a profession and encourages their program managers to become certified**
- **Furthermore, HP offers businesses Portfolio, Program and Project Management Training as a revenue generating business unit**

Ethicon San Lorenzo

- **Ethicon, a Johnson & Johnson (J&J) company has been in San Lorenzo since the late 80's**
 - It has survived many industry challenges, constantly re-inventing itself and the products it manufactures
 - The current facility actually started as IOLAB with some of its original members still working there
- **The most compelling story of this location is its ability to place professionals outside of Puerto Rico and the incredible success of these persons within J&J and beyond**
 - I believe that the constant leadership renewal at Ethicon San Lorenzo is one of the key attributes that have allowed it to thrive and succeed over two decades
 - It allows for new ideas and management styles to come in and flourish, keeping the company flexible and open to new concepts

Ethicon San Lorenzo

- From a strategic perspective Ethicon San Lorenzo is a provider of talent to Ethicon Worldwide and Johnson and Johnson as a whole
- Distinguished Ethicon San Lorenzo Alumni
 - Lesbia Blanco- Executive VP, Chief Administration Officer, Doral
 - Jorge Rivera- VP Operations, J&J Pharmaceutical Group
 - Francisco J. Aponte- VP Operations, Ethicon Worldwide
 - Tony Lopez- General Manager/Senior Vice President, Respiratory Systems at CareFusion
- Ethicon San Lorenzo's senior staff has had the willingness to relocate and grow outside of San Lorenzo
- **Have PMP*- Will Travel!!**

**Not sure they had PMP but you get my point!*

Intel Puerto Rico

- **The story of Intel Puerto Rico can be summarized with the title of one of my favorites books: *Who Moved My Cheese?***
 - Intel Puerto Rico was the leading manufacturing center launching Intel's cutting edge motherboards in support of the latest and greatest processors
 - From the late 80's and into the 90's Intel employed 3,500 people with a monthly payroll of \$17MM.
- **Puerto Rico's location was considered prime for many years**
 - Superior shipping and air connections for cargo with competitive prices
 - A motivated and productive workforce
 - Low utility costs



Intel Puerto Rico

- **So what happened?**
 - Intel Puerto Rico success was so massive during the early and mid 90's that the organization failed to see and anticipate the changing board manufacturing landscape with respect to low cost Asia sub contractors
- **Intel's Puerto Rico Cost Gap was identified in the late 90's versus low cost Asia sub contractors**
 - Equipment utilization lagged Ireland, Malaysia and sub contractors
 - Key factor: $5 \times 8 = 40$ hours work week versus $3 \times 12 = 40$ hours in Malaysia
 - Utility costs started to rise- electricity and water
 - Asia region reaches critical mass in terms of components manufacturing
 - Why ship to Puerto Rico only to send right back to Asia
- **Motherboards became commoditized**
 - Engineering advantage vanished over the years as Intel transferred knowledge from Puerto Rico to Intel Malaysia and Asia sub contractors

Intel Puerto Rico

- **What could have been done?**
 - Hindsight is always 20/20, but there is general agreement now that several opportunities were missed to move Intel Las Piedras away from board manufacturing and into other areas
 - Motherboard and component failure analysis
 - Motherboard electrical and mechanical design
 - Back office operations: Finance, IT, Finished Products Logistics, Call Centers
- **Puerto Rico executive presence at Intel Corporate could have helped identify new business opportunities for the Island**
 - Intel Las Piedras despite all of its successes, did not have any executive in Senior positions at Intel Corporation or its Systems Division
- ***You have to be at or have visibility to the forum where decisions are being made!***

The Lone Ranger

- **“Ok Victor, this is all fine and dandy but I don’t work at a MNCs, heck I don’t work for anyone right now”**
 - Trying to get noticed by a MNC or a regional corporation in another country by yourself is very hard but not impossible
- **I am no expert in international relocation, but I can share three methods for obtaining a position overseas**
 - **Electronic Job Posting Boards**
 - **Monster**
 - **Career Builder**
 - **English Teacher**
 - **Social Networks**
 - **Facebook**
 - **LinkedIn**



The Lone Ranger

- **English Teacher**
 - English is the most studied second language in the world
 - There is always a need for English language teachers across the globe
 - Many of the international students of the English language are either business people or their children
 - This provides a natural networking environment to seek a sponsored position with a local company
- **There are many sources of information and advice in the Internet for this type of work**
 - GoAbroad.com- <http://www.jobsabroad.com/>
 - BUNAC- Working Adventures Worldwide- <http://www.bunac.org/usa/>
 - Just Landed- <http://www.justlanded.com/>
- **Recent college graduates have additional opportunities tailored to them**
 - Low pay but high potential to network and land a job

The Lone Ranger

- **Facebook**

- Companies are using Facebook to provide all manner of information about their organizations
 - Calendar of Events
 - Job Postings
 - Discussion Boards
- For example Pharma-Bio Serv has some job postings in its Facebook page: <http://www.facebook.com/pages/Pharma-BioServ-Inc/137374054738>

- **LinkedIn**

- LinkedIn is a business-oriented social networking site
 - The purpose of the site is to allow registered users to maintain a list of contact details of people they know and trust in business
- It combines the key ingredients necessary for identifying opportunities overseas:
 - Network of people who already trust you
 - Current job positions of people in your network

Final Words

- **Project Managers are uniquely suited to work and benefit from Globalization**
 - Globalization requires that companies outside of Puerto Rico recognize our talents and hire us
 - Must be willing to travel and work abroad if we want to be full participants in the Global Economy
- **Puerto Rico needs a diaspora of business decision makers across the world helping bring business to the Island**
 - Need to establish Puerto Rico as high performance professional center similar to Singapur or Hong Kong
 - Will require living abroad and establishing credibility away from home
 - You can always come back!
- **Its all about Trust and Competency!**

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Questions and Comments?