

EXPERT SERIES

The “Expert Series” is a collection of articles, papers and writings by PM Solutions’ associates and other industry experts that provides insight into the practice and value of project management.

Challenges to the Virtual Organization

by Debbie Bigelow Crawford, PMP

THERE HAS BEEN MUCH WRITTEN ABOUT VIRTUAL TEAMING... but what about the new trend of Virtual Organizations-companies that have either no or limited brick and mortar? Why would a company want to be virtual and how can they achieve success?

Undoubtedly, the primary benefit of a virtual organization is that it can unite highly qualified people without location restrictions. Other reasons that an organization would want to consider being virtual rather than traditional are the ability to:

- » Leverage skills throughout the organization
- » Provide customers with the “best and brightest”
- » Balance work/home relationship
- » Save organization overhead costs

Virtual teams and virtual organizations obviously face many of the same opportunities and challenges. However, a virtual organization is at greater risk of failure, with more at risk as well. The high degree of interdependence required by virtual teams results in a higher degree of performance. A virtual organization, however, will be somewhat more diluted in being specifically interdependent, since there will be multiple teams working on multiple projects, and requires even more work at making all teams (including administration, marketing, sales, as well as the numerous project teams) feel more connected.

A virtual organization is not “business as usual”. It requires a new management approach and an incredible awareness of the issues and challenges that could cause its demise. In a recent focus group represented by twenty members of a single virtual organization, but located at numerous site locations, the following challenges were recorded:

- » Communication
- » Leadership/management
- » Knowledge transfer
- » Processes
- » Infrastructure

As you might guess, good communications must evolve into excellent communications and become a core competency. For this particular organization, there is actually a Communication Manager who has developed numerous communication vehicles, including: an intranet with the capability of sharing files, a weekly electronic newspaper, a monthly newsletter, an electronic Newsblast and Company Current, and monthly “brown bag” knowledge sharing sessions, as well as face-to-face group, team, and leadership meetings.

In addition to all of the extra programs and vehicles provided by the organization, virtual employees must “go the extra mile” to keep others informed. It is a culture shift for many and critical to their personal and professional growth in a virtual organization. The organization and employees need to become active and constant communicators.

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This leads to this focus group's second challenge - Infrastructure. Issues within infrastructure included:

- » Lack of proper backup and tools
- » Wasted administrative time (no on-site IT support)
- » Knowledge sharing (loss of "water cooler" effect)
- » Need for corporate connectivity

As you can see there is overlap in the two areas, specifically wasted administrative time and corporate connectivity. Bottom line is that a virtual organization needs to invest in technology and training. It must provide its employees with the proper tools and support to foster success.

At this particular company a Virtual Help Desk was available to all of the members of this focus group. Yet, less than half were even aware of it. Thus, turning my attention to what I believe is the MOST critical success element of a virtual organization - active and constant communication.

It will be interesting to see the evolution of the virtual organization in the new millenium. From my personal experience, a virtual organization can be a wonderful alternative to the traditional organization with multiple benefits to its employees provided management recognizes the challenges and leadership approach that is required for its success!

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