

Problem Solver – Sales Managers

Problem

You are heading up a project team that is building medium-density apartments for the construction arm of a real estate group. You are up to stage four of a 10-stage project when the sales manager asks to add a feature to the architectural plans to show a potential investor to commit to a similar construction project for several months and believes showing the plans with this new feature will close the deal.

To meet this request, resources will be taken away from the current project and could impact timeframes. How would you respond to the sales manager's request?

Solution

In formulating this response I presume that the sales manager concerned also has an interest in the current project.

Having clarified the request and estimated

(a) the effort required; and

(b) the impact on the current project

I would respectfully point out to the sales manager that if the diversion of resources resulted in a delay to the delivery of the current or future stages of the current project:

- ☞ the real estate group could be subject to liquidated damages and/or compensation claims from clients of the current project for delayed completion of works;
- ☞ the real estate groups reputation to deliver on-time will be tarnished and its ability to attract investors, including the investor the sale manager is currently courting, will be negatively impacted;
- ☞ similarly, due to the delay the real estate group will be making delayed payments to the sub-contractors on the current project. This will affect their cash-flow and their willingness to be engaged by the real estate group on future projects, including the project the sales manager is currently spruiking. As a result the terms on which these sub-contractors are engaged on future projects may result in terms less

favourable or costly to the real estate group.

This would increase the cost of future projects;

- ☞ the real estate group will incur additional costs for the current project associated with paying for resources that lay idle whilst the architects develop the revised set of plans

Having laid this all on the table I would then offer some options that might still make it achievable to meet the sale manager's request without the negative consequences I had just outlined. These options could include:

- ☞ allowing the architectural team to bill overtime to undertake the re-drafting of the plans to include the additional feature sought;
- ☞ contracting in resources to support the architectural teams whilst they are diverted to meet the request;
- ☞ contract out the re-drafting of the plans to another arm of the real estate group or to an outside firm

The cost of any option adopted should come out of the sales manager's pre-sales budget rather than the budget for the current project.

If the sales manager became recalcitrant I would remind them that they are risking the current and possibly future projects for a long-shot sale that they have not been able to land for over seven months.

Failing that I would escalate the request to the real estate group's management committee highlighting the impact of the request and the options you have suggested to the sales manager. Let the management committee adjudicate and make the decision as to which is more important (i) completion of the current project or (ii) a potential sale on a long-shot project.

This is P3 Management Solution's take on the Problem Solver published in the Oct/Nov 2011 edition of the *Project Manager* magazine