

Boeing Spares Distribution Center: A World-Class Facility Achieved through Partnering

John R. McMichael, Lockwood Greene

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SYNOPSIS

This case describes the design and construction of the Boeing Spares Distribution Center at Sea Tac, Washington. This project helped to achieve rapid customer support—a key element of Boeing's relationship with its clients. The case presents the project scope, time, quality, cost, contract, procurement, communication, and risk management. The author also describes the creation of a team culture and stresses its contribution to the project's success.

LEARNING OBJECTIVES

This case will help the students to comprehend the following issues:

- the role of change in today's organizations
- key elements for successful projects
- the broad areas of project management applicability
- scheduling methods.

DISCUSSION QUESTIONS AND POSSIBLE ANSWERS

1. Boeing's new Spares Distribution Center (SDC) project was very successful. From the case and your experience what are the key elements that contributed to the project's success?
 - a. A number of factors contributed to the success of this project—many of which are listed directly in the case. Some of the more important elements include effective stakeholder management, good teamwork, and good communications.
 - b. W. A. Randolph and B.Z. Pasner (1988), *What Every Manager Needs to Know about Project Manager*, *Sloan Management Review* Vol. 28, pp. 65-73, as referenced in O. Kharbanda and J. Pinto, *Successful Project Managers: Leading Your Team to Success*, Chapter 6, A Generalist, Not a Specialist, present ten elements that project managers should follow in order to increase the probability of a project's success: set a clear goal; determine the project objectives; establish checkpoints, activities, relationships, and time estimates; draw a picture of the project schedule; direct

people individually and as a project team; reinforce the commitment and excitement of the project team; keep everyone connected with the project informed; build agreements that vitalize team members; empower yourself and others on the project team; and encourage risk taking and creativity.

2. The case states: "As early as 1985, the Spares organization recognized that to be responsive to the changing demands of their customers, they would have to change the way they were doing business." Change is inherent to today's organizations and business environment. Discuss some of the major changes that companies are facing today.
 - a. In answering this question, the discussion might focus on the increased involvement of customers in determining project and product requirements, increasing use of automation and new technologies, and increasing competition in world markets.
 - b. B.T. Barkeley and J.H. Saylor in *Customer-Driven Project Management*, Chapter 1, Introduction to Customer-Driven Project Management, present the changes organizations have to undergo to be successful in today's global environment, among others:

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| From: If it is not broken, do not fix it. | To: Continuous improvement |
| From: Functional orientation | To: Systems view |
| From: Inspection of defects | To: Prevention of defects |
| From: Accept current processes | To: Reengineer processes |
| From: Development | To: Innovation |
| From: Many rigid organizational levels | To: Few levels and flexible structures |
| From: Compete | To: Cooperate |
3. The management of this project used a very effective method to deal with arising conflicts in the project. Describe the method.
 - a. When conflicts were identified, they were promptly addressed and mutually beneficial solutions were developed. Solutions were evaluated according to their compliance with the mission and objectives of the project.
4. This case discusses the use of "partnering" to manage relationships with customers. Describe what is meant by partnering and discuss its benefits.
 - a. The basis for partnering is found in the sidebar, "Five Manageable Truths: A Path to Partnering," in the case. The purpose of partnering is to promote better relationships between buyers and sellers. Partnering also increases flexibility, provides additional value to customers, and creates long-term relationships.
5. The schedule on this project was managed using the critical path method (CPM). Define CPM and discuss its strengths and weaknesses.
 - a. The book, *Comprehensive Project Management*, Chapter 4, Project Scheduling, contains a description of the method.
 - b. The *PMBOK Guide* glossary defines CPM as: "A network analysis technique used to predict project duration by analyzing which sequence of activities (which path) has the least amount of scheduling flexibility (the least amount of float). Early dates are calculated by means of a forward pass using a specific start date. Late dates are calculated by means of a

backward pass starting from a specified competition date (usually the forward pass's calculated project early finish date)."

ADDITIONAL DISCUSSION POINTS:

The instructor might ask students to locate a reference to an unsuccessful large project similar to this one and draw comparisons between the management of the two projects.