



PROJECT MANAGEMENT THEORY IN THE FINNISH MUSIC  
INDUSTRY

DEGREE PROGRAMME IN  
MUSIC MANAGEMENT

Karl Joel Hypén

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JYVÄSKYLÄN  
AMMATTIKORKEAKOULU

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Abstract  <p>The term project is a widely used phrase in today's working life. This thesis explains what project management theory is, how it has evolved through history and how it is applied in managing modern business projects in the contexts of the Finnish music business sector. The literature review contains a description of the key phases a project is typically organised in as well as the terms and tools used to plan and run a successful project.</p> <p>Through qualitative research means the thesis investigates how and to what degree Finnish music companies employ project management theory. A comparison between academic theory and the perspective gleaned from the gathered data reveals whether the organisations interviewed use project management theory in its right context or merely the terminology related to it. The discussion section strives to find prospects for improving the management of Finnish music and media projects.</p> <p>The results show that only 50% of the organisations interviewed run projects in the academic contexts that pertain to formal project management systems and approaches, meaning that they are separated from their normal functional work. As well, the research shows that Finnish music video producers have employed a concise project management tool in the form of the <i>video treatment</i>.</p>		
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<p>Tiivistelmä</p> <p>Projekti-termi on yleisesti käytetty aikamme työelämässä. Tämän opinnäytetyön tavoitteena on selvittää mitä projektihallinta on, mitä teoria pitää sisällään ja kuinka se on muovautunut nykyiseen muotoonsa. Kirjallisuusarvio sisältää esittelyn projektihallintateoriasta, yleisimmistä projektihallinnan vaiheista ja käytetyimmistä projektihallintatyökaluista. Tutkimuksessa pohditaan luovaa alaa projektijohtamisen erityisalana ja esitellään miten projektihallintaa voitaisiin soveltaa suomalaisessa musiikkiteollisuudessa.</p> <p>Opinnäytteen tutkimusosa sisältää kvalitatiivisen tutkimuksen, jossa tutkitaan miten projektihallintateoriaa sovelletaan suomalaisessa musiikkiteollisuudessa. Tutkimuksessa on haastateltu neljää suomalaisen musiikkialan organisaatiota heidän työmetodeistaan. Tutkimuksessa selvitetään käyttävätkö onko haastatelluissa organisaatioissa projektihallintateorian mukaisia johtamistapoja vai käytetäänkö niissä omia projektihallintatapoja. Keskusteluosiossa selvitetään voisivatko yritykset parantaa tuloksiaan käyttämällä alan kirjallisuudessa hyväksi todettuja metodeja. Tutkimuskysymykset ovat: Mitä projektihallinnan apuvälineitä haastateltavat organisaatiot käyttävät työssään? Korreloiko projektihallintateorian soveltaminen projektien tulosten ja tehokkuuden kanssa millään tapaa? Näkevätkö haastateltavat projektiteorian hyödyntämisen tarpeellisena omissa projekteissaan?</p> <p>Opinnäytetyön tutkimus osoittaa, että vain puolet haastateltavista organisaatioista käytti projektiteorian mukaista vaihejakoa ja suunnittelua työssään. Tutkimuksessa esitellään myös organisaatioiden käyttämiä projektihallinnan työkaluja.</p>		
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# 1 INTRODUCTION

Throughout history large tasks have to some extent been organised as projects, even if they were not thought as such. Today, *project work* is a frequently and widely used phrase and organisations of all types and in every field of work use it. Studies have shown that the number of project structured organisations has increased within the past few decades and that companies have generally become more project-oriented (Whittington, *et al.*, 1999, Bahrami, 1992, Nohria & Ghoshal, 1997). Never before has there been as much emphasis in getting things done effectively in business through concise, well planned endeavours (Walfisz, *et al.*, 2006, 1). Increasingly more companies are coming to understand the benefits of project management, including better use of resources and increased productivity (Pinto & Kharbanda, 1996, 1). The music industry is no exception in this trend and the “one-time” nature of project work offers benefits to many music business processes. But when any term becomes this popular it is inevitably used out of context making the terminology more ambiguous. This research project began through a personal appreciation of academic project management theory but was also driven by an interest in finding out how Finnish music and media organisations understand project management concepts and theories and whether room for improvement exists in their project management and working habits. The research project includes interviews performed with representatives of four companies in the Finnish creative industry each, working in very different businesses, but all describing their work as being project based.

## 1.1 Project work in the music industry

The benefits of project based work in achieving goals efficiently has also been well noticed in the international music industry and why not, as many efforts, be it arranging a festival, a concert tour, recording an album or releasing it to the public are easier to manage as projects. Projects are efforts that are planned, have a beginning and an end and a clear goal – the release of the final product or service. The three largest creative sectors – movies, video games and music have been well established business fields for over a decade and represent larger industries than many traditional industries (Walfisz, *et al.*, 2006). Despite this, many creative businesses still suffer when it comes to efficient project management. Many seem to regard efficient management and creativity to be contradicting concepts. Another typical characteristic in the cultural and music industry is the simple fact that many people work part time or have numerous jobs. Thus many people find themselves juggling multiple projects as freelancers or entrepreneurs to make a living.

## **1.2 Research aims**

This research will investigate to what extent Finnish music industry organisations apply project management theory in the management of their business processes. The primary research question addresses whether the companies fully understand the discipline of project management or if they are merely using project terminology and confusing it with actual project work. A natural follow-up question is, whether companies incorporating project management theory, perform better.

Additional insight is sought regarding what project management tools the researched organisations use and does the use or lack of project management theory correlate with the projects' results and success. The companies are also queried about whether they perceived the need for more structured management of their projects and do they see pitfalls in their present approaches.

This research includes a foundational literature review of project management theory and a series of qualitative interviews conducted with executives from four music industry organisations in order to establish how they implement management theory into their practical project activities. The companies function in different fields of the music industry and are each quite different in nature, but the research aims to evaluate if the companies have similarities and if their methods can be explained through project management theory

## **1.3 Methodology**

The research in this thesis is carried out principally using qualitative means for collecting primary data.. This method typically consists of fewer participants compared to the quantitative research method which employs a more statistical based data collection and analysis approach and much more participants. Qualitative methods have had a long history within the social sciences and have made a significant contribution to management research (Cassel, *et al.*, 2006, 162). It could be argued that quantitative research method would result in smaller margins of error in the analysis, but the qualitative method conducted through interviews creates much more room for open-ended questions, and thus hopefully shedding more light to the answers given by the interviewees.

# **2 LITERATURE REVIEW**

## **2.1 What is a project?**

The term *project* originates from the Latin words *projectum* from *projicere*, which literally means "to throw something forwards" and translates further to a proposition or a plan (Ruuska, 2001). The

shortest modern description available is that a project is “a temporary endeavour undertaken to achieve a particular aim” (Heerkens, 2001). Additionally projects have a fixed budget and schedule (Ruuska, 1999, 9). Heerkens (2001) emphasises the functional motive of starting projects by stating that “a project is actually the response to a need, the solution to a problem”. It answers the question *what*. This is important to remember as explained later in chapter 2.6 - many unsuccessful projects lose focus on the reason to their existence.

Ruuska (2001) explains that almost any endeavour can be examined as a project. “A pack of wolves catch prey only through well planned team work lead by a team leader” (Ruuska, 1999, 9). The now everyday use of the word project is most likely the cause of its ambiguity – resulting in different views of its nature. Naturally as now being a much studied field of business management and leadership, *project management* – the art of leading projects is an acknowledged part of economics and efficient business management. This research will refer to the terms *project* and *project management* in their academic context.

## **2.2 What is project management?**

To understand how to make project work more efficient, we must first also understand the discipline of business project management. Project management is the discipline of organising and managing resources (e.g. people) in such a way that the project is completed within defined scope, quality, time and cost constraints. It is a set of principles, methods, and techniques that people use to effectively plan and control project work. Project management “establishes a sound basis for effective planning, scheduling, resourcing, decision making, controlling, and replanning”(Richman, 2002, 9). So one could describe project management with one word - logic. And in a sense project management is the task of making projects run logically and efficiently. The difference being that even in its short history with an actual title, project management in our time is highly evolved in planning, progress, task division and budgeting.

It could be stated that like strategy - another trendy business term in our age, project management has existed for hundreds of years, it has just never been thought about and studied as academically as today. Richman (2002) and Ruuska (1999) agree that the pyramids of Egypt stand today because of a long history of projects and hundreds of project managers. And although there have been brilliant project managers through out history, project management has not been recognised as a formal management concept until operations research in the 1950's and 1960's pioneered methods and specialised tools to manage expensive, high-profile aerospace projects (Richman, 2002, 4-5). By the end of the millennium both companies and non-profit organisations



realised that the size and complexity of their activities were unmanageable without adopting formal project management processes and tools. In its modern sense the function of project management is to optimise project cost, time, and quality (Richman, 2002, 4-6).

Like any discipline, project management stems from a need— in this case, a need to officially determine a series of activities that are typically performed in a less formal and incoherent fashion (Springer, 2001). Many companies have found that adopting sound project management methods allows them to introduce products faster in to the market than their competitors. Formal project management becomes a regular way of working, where innovation and new product development are the primary activities (Springer, 2001).

One reason for organising a task as a project is because it is a unique, one-time task. If it is a task that will be performed repeatedly, it is left with the base organisation to perform. The problem with a unique task is that no one has performed it previously.

Andersen, 2004, 10

Andersen's explanation fits well in to the music industry, where many projects are started to finish or release a product to the market for the first and only time. It could never become a routine task because it is only performed once, without possibility for improvement afterwards. Thus it has to be focused and efficient to achieve a good end result.

The rapid evolution of technology, global markets and labour and most importantly the western world's transition from industrial to information society are significant changes. Few companies are able to consistently sustain good results in a changing business environment (Lewis and Wong, 2004, 4-6). Many companies have won the race for one or two products but were then left behind. To be successful in the new competition, where product life cycles have become shorter, companies need to reform from past decades. Many companies have found that efficient project management lets them streamline product development thus shortening product life cycles. This time spent on reconstructing working methods is often well worth while for companies as studies show that the first product on the market typically gains a 60-70% market share (op. cit. p. 1-9).

Like any human undertaking, “projects need to be performed and delivered under certain constraints” (Ruuska, 2001). Most researchers identify the key constraints as *scope*, *time*, and *cost*. These together decide the quality of the end product. These constraints can be illustrated in the *Project Management Triangle*, where each side represents a constraint. One side of the triangle cannot be changed without impacting the other sides. The surface area of the triangle can be thought of as the quality of the project which is always transformed if the dimensions are changed (Atkins, 2001, 37-39).

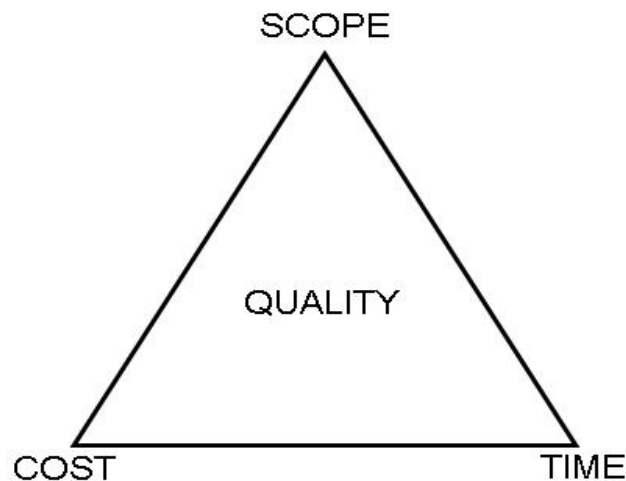


FIGURE 1 Project management triangle (adapted from Atkins, 2001, 37)

It is of great importance to understand the *project management triangle's* dimensions and that they are interrelated. Realistic planning and decision making is based on understanding that forcing a constraint will either affect quality or change another constraint. A study at the University of Arizona states that unrealistic optimism in the planning phase of a project was likely to result in under achievement. Insufficient planning was a higher risk to the projects success than technical problems (Atkins, 38-39).

For example, if a project manager leading the design of a new automobile continuously accepts additions to the scope of the project at hand in the form of new features in the vehicle, it will either lower the quality of the product, raise development costs or postpone the release date. Thus, whatever type of mode is chosen for a project the decision has to be conscious, not accidental (Ruuska, 2001).

Ruuska (1999) establishes three classes of projects:

**Normal projects:** Sufficient time has been reserved for the project. The plan takes into account the disposable resources and the aimed quality level by which the project has been then scheduled.

**Express projects:** Projects that buy time changing the triangle above. Injecting more funds or lowering the quality are ways of finishing the project faster.

**Catastrophe projects:** Almost anything goes to save time. Everything should be “finished yesterday”. Quality defects and working overtime is acceptable as long as time is saved.

Ruuska, 1999, 11

### 2.3 Functional work vs. project work

Project work differs substantially from functional work and it is important to understand the differences between the two to be able to evaluate their characteristics. This will help investigate

whether the researched companies use project work or merely work in a *project-like* fashion.

Functional work is routine, ongoing work. Each day, secretaries, financial analysts, and car salesmen perform functional work that is routine, even if their activities vary somewhat from day to day. A manager assigned to the specific function gives them training and supervision and manages them according to standards of productivity in terms of typing speed or sales quotas.

Richman, 2002, 6

Functional work is typically ongoing routine work, where the manager leads the task team and provides technical direction. Employees and resources are assigned separately to each department of the company. These departments are responsible for meeting with requirements and objectives set for them e.g. performance and efficient use of resources (Richman, 2002, 7).

In contrast to on-going functional work, “a project is a temporary endeavour undertaken to create a unique product or service” (Richman, 2002). Projects are distinctly temporary because they have a beginning and an end. Project teams are typically not organised in the same hierarchical structure as functional groups. This relates to the function of a project. Large companies for example, are often considered slow and bureaucratic due to their vast personnel, numerous stakeholders and rules. Creating a project for a certain product or creative push aims at slim-lining these characteristics to bring more focus to the actual task at hand. This seems to work well, both psychologically for the members of the team and in terms of efficiency (time, product quality and monetary-wise) (op. cit).

### Comparison of project and functional work.

	<i>Functional</i>	<i>Project</i>
Type of work	Repeated, on-going.	Unique, no rehearsal. Often involves change.
Focus	Operations, accomplishing effective work.	Completing the project.
Management responsibility	Managing people.	Managing work.
Budgets	On-going operational budgets.	Project budgets to fund specific projects.
Responsiveness to customers and changing environments	Less responsive. Longer response time.	More responsive. Shorter response time.
Consistency and standards	Industry standards.	May have few standards because work is unique.
Cross-cultural relevance	Varies across cultures.	More constant across cultures.
Risk	On-going work is stable and less risky.	Higher risk because work is unique and unknown.
Visibility	May have little visibility if standards are not met.	Obviously noted when project objectives are not met.

*Table 1: Comparison of project and functional work (Richman, 2002, 4)*

#### 2.4 Project management tools

Various project management tools exist to help structure the management of projects. Although the terminology between them differs, the most common rational is to split a project into phases, tasks and resources. The most well known application for this is probably the Gantt chart, a horizontal representation of tasks on a timeline. This chart can also show the relations of the tasks and resources they are planned to take up. Figure 2 illustrates the painting of a house planned using a simple Gantt chart. The different tasks inside the general project of painting the house are written in rows on the left. The visual aid helps to quickly think up of different tasks and how much time and resources they are going to need. It also helps to figure out issues that could be dismissed without proper planning. For example, even though painting the house is planned to take only five working days, planning, shopping and cleaning will take up another five days. The weekend will also delay the project two days in between. This plan was made with one worker in mind so he is the only resource in the project. Naturally two men could work on this project and the Gantt chart would be a good help in their task division. Then the tasks could be overlapped more which should decrease

the time it takes the project to finish. When the house is painted the project is over.

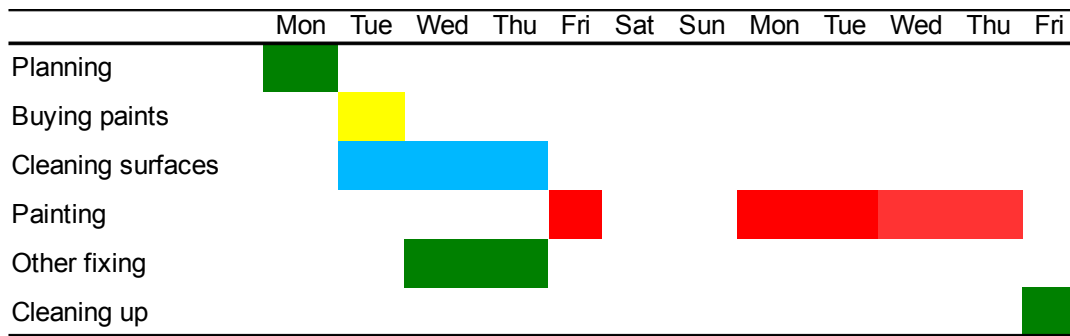


Figure 2: Gantt chart example (Ruuska, 1999, 136)

Another typical project management tool is the *milestone plan*. Newell (2003) explains that in the early days of project management, project managers made up Gantt charts for their projects. These Gantt charts could be quite large when projects contained over a hundred activities. It was not practical for the project manager to duplicate the Gantt chart for her manager, and if the supervisor of the project had several project managers, it was not practical to display all of the projects' Gantt charts unless there was quite a lot of wall space. This is said to be the reason that milestones came into use.

In the project management context, a milestone is a terminal element that marks the completion of a task or phase, typically marked by a high level event such as completion of a phase or a high level review meeting. The review is a global plan for project progress, with checkpoints in the form of milestones to be achieved. In addition to signalling the completion of a key deliverable, a milestone may also indicate an imperative decision or the descent of a vital piece of information, which affects the future of a project (Andersen, 2004, 3-4). In this sense, a milestone does not only signify the *distance travelled* (key stages in a project) but also indicates the *direction of travel* since key decisions made at milestones may alter the route through the project plan (op. cit.). There is no 'right' amount of milestones to be set for a project, but experts agree that too many milestones will degrade their importance and too few will hinder efficient monitoring of the project. Newell (2003) continues that the milestone chart was devised to save space on the project manager's supervisor's walls.

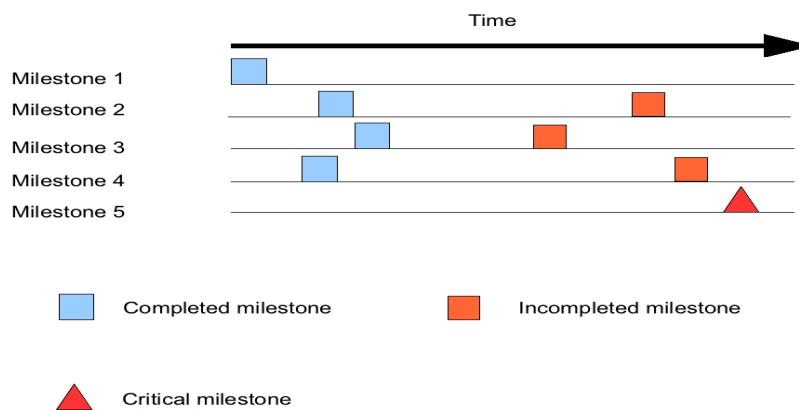


Figure 3: Milestone chart example

Each project manager collected related groups of activities in the project and assigned a milestone to each group. A milestone was placed on the project schedule representing the group. Another milestone was placed on the project managers' supervisor's milestone chart as well. If there were changes in the schedule that affected the completion date of the milestone, the project manager had to visit the supervisor's office and move the milestone. In all likelihood the project manager gave an explanation of the schedule slide at this time as well.

Newell, 2003, 106

This anecdote is of importance in understanding the etiquette of project management. Once a milestone is set for the project, any changes (schedule, budget or scope-wise) should always be approved by both the project manager and the project's supervisor. As explained earlier, in the *Project Management Triangle*, changing the scope or lagging on the schedule will also ultimately effect the quality or cost of the project. Ruuska (2001) explains that the further a project is the more hesitant a project manager should be in accepting changes and adding goals to the project as this will make the goals harder to accomplish. "This is why the project manager is often considered as a stubborn and narrow minded leader" (Ruuska, 2001).

Various other project management tools exist and appear all the time and only the most used ones were introduced. The point here is to evaluate how the researched companies employ, useful tools to monitor their project activities and progress. Ruuska (2001) points out that because new tools and models are designed and used all the time, a worst case scenario is when project members

replace common sense with these tools. This meaning that the project tools themselves should not have a self value. A tool is used to forecast how a project should proceed and within what boundaries. If a tool or report is made and not used at some later point it should be removed. This is only bureaucracy and an unneeded burden for the project.

## **2.5 Project phases**

Projects are sliced into phases to clarify the important milestones of each time of the project. Although the terminology and number of phases used differs slightly between sources the same basic elements can be found (Ruuska, 1999, 13). This research will use a project structure that divides projects into five phases and refers to these phases as; *P1 – Initiation, P2 – Planning, P3 – Execution, P4 – Controlling and P5 – Closing.*

### **2.5.1 Initiation – A talented leader needed**

The project initiation phase is the first phase of the project management life cycle. It is the start of a process that takes the project brief, as developed, selected and prioritised through to the delivery of the project's outcomes back into the business. The most important objective of this phase are to ensure that a project manager is selected to lead the project. The project manager has to be briefed on the project and he or she must accept accountability for the project. The manager must also be given authority to deliver the project and all parties involved must be made aware of the manager's authority (Frigenti, 2002, 137).

The major outcome of this phase will be an authorised and briefed project manager who can take the process further. The project report prepared during the project definition phase provides the overall view of what needs to be planned (Frigenti, 2002). Richman (2002) describes the project manager as the person assigned to manage a specific project and is expected to meet the approved objectives of a project, including project scope, budget, and schedule. The project manager leads the project and provides vision, direction, and encouragement. The project manager's job is to ensure that the project is realistic, necessary, and well defined. Richman (2002) introduces a graph of the skills needed by a project manager (see Picture 4). Researchers disagree on the depth of technical knowledge that a successful project manager needs to possess about the project. Richman states that the more knowledge a manager has in the technical area of the project, the greater his effectiveness in managing the project. Ruuska (2001) on the other hand emphasis people skills more by stating that field expertise is often overrated when searching for a suitable project manager candidate. Ruuska goes as far as stating that too much in depth knowledge of the topic can actually hinder

leadership, as the project manager cannot withhold from meddling with content detail. This takes the managers focus from the actual project management. Napoleon has supposedly said “*I would much rather send an army of rabbits led by a lion to battle, than an army of lions led by a rabbit*”. This of course means that a successful project depends more on good leadership than expert team members. The stronger a project managers people skills are, the greater the chance of successfully leading the project team. Richman (2002) adds that the project manager needs to be a master of communication and have the skills to manage conflict and change.

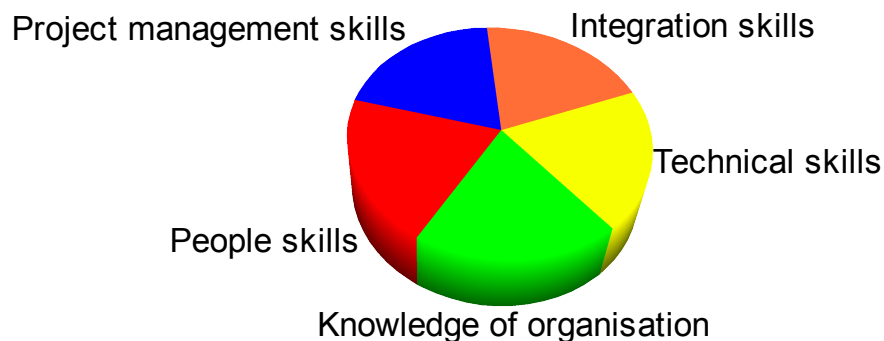


Figure 4: Needed project manager skills (adapted from Richman, 2002, 31)

### 2.5.2 Planning

The project definition or planning phase follows the project initiation phase, and is probably the most important stage in the life of a project, as it is during this time that the foundations of the project are laid. It is in this phase that the foundations for a successful project are laid (Ruuska, 1999, 115). Poor definition of the goals on the other hand often leads to project failure with inevitable stake holder dissatisfaction since the aim and scope of the project remains unclear. Ruuska (2001) agrees that the planning-phase is important, but most of all it must exist for a reason. According to Andersen (2004) there must exist one level where decisions are made upon what results the project is to deliver, and one level that describes how the results are to be achieved. It should be obvious that concentrating on planning *what* should be accomplished before discussing *how* this will be accomplished is extremely important (Andersen, 2004).



The project manager is responsible for the plan (Ruuska, 2001). The project definition phase is not the time to make hasty decisions or imprudent promises. Rather, it is the time to apply rational, broad and clear thinking to produce an initial definition of the project. This is probably why many consider making project plans burden, even repulsive. No wonder as forecasting the future, as we know is always a difficult task. It is comforting to know that there are few projects in the world which live up to their initial schedule and work schedule (Ruuska, 2001). On the other hand this does not remove the necessity of planning, as leaving it out would make all good results purely accidental (Ruuska, 2001). The main functions of the planning phase are describing how the goals of the project will be achieved. The plan then acts as a tool for monitoring the project and the organisation's more general operative planning (Ruuska, 2001, 120). Andersen (2004) sees the key purpose of planning as to achieve a common understanding within the team of the task at hand and how the project will meet its goals. The plan acts as an overview of the work that is to be carried out and gives an estimate or budget of the resources that will be used to meet the goals (Andersen, 2004, 67)

Researchers emphasise slightly different things in project planning, but they all notice the importance of planning properly. Planning can be divided into two fundamentally different levels. This is essential to draw up plans that will be effective in implementation and monitoring as well as getting the involvement of the personnel concerned. There must be one level where decisions are made upon what results the project is to deliver, and one level that describes how the results are to be achieved.

Planning should provide everyone involved with a common understanding of the project. It should encourage project members for the task and grant them with a platform for co-operation. The process should stimulate the involvement of interested parties in the planning stages as well as in the successive implementation of the plans (Andersen, 2004). The openness of the planning of course depends on the team involved in it.

We strongly emphasise the motivational and inspirational aspects of planning. They are often neglected in practice so that planning becomes a tedious chore carried out on the project manager's desk or PC. This results in a lack of ownership of the plan by the parties involved in the project and consequently the plan is never actively used. This is one reason for the failure of so many projects.

Andersen, 2004, 68

Planning at these two levels is a prerequisite for success because it means that planners and all those involved in the project are forced to discuss the challenges of the project in a logical order. Further, it makes it possible for those interested in the project to become involved in discussions

and to obtain information at the level their needs and fields of knowledge dictate. This differentiation of planning levels makes it easier for different categories of interested parties to contribute to the process (Andersen, 2004). Being in a hurry is a typical explanation for inadequate planning. If a project manager works for a week he can work for five work days, but if he spends a week planning the project, he can prevent problem that could set back the project months (Ruuska, 2001). Normally, detail investigations, designs and analyses, specifications, cost and price estimates, contractual documentation, and any other functional work required to fully develop the integrated project plan baseline and to specify the project deliverables are carried out in this phase (Frigenti, 2002).

#### **2.5.2.1 Budgeting**

For any project to function properly, funding is an important factor. Funding and cash flow are an organisation's backbone — they must be monitored and controlled (Lewis & Wong, 2004). When the business case of a new project is first presented, it should cover all major investments, capital equipment, salaries and facilities, together with the estimated schedule. Once it is approved, the project team prepares a detailed cash flow schedule during the project planning stage. Once approved, this budget should be used as a baseline for the project team to follow (op. cit.). The project team should be held accountable for the budget and cash flow, with the allowable deviation from target of roughly 10 percent. This system will empower the team to control its own budget and reduce any unnecessary control for cash flow while still providing the financial system with a clear and proper cash flow projection (Lewis and Wong, 2004).

The major deliverable from this phase is the project plan created by the project manager, sponsor and other project participants together. This lays out the different components of the project. The aim of the project definition report is to obtain approval to continue with the detailed project planning phase. This approval constitutes a major control and verification point in the life of the project (Frigenti, 2002). The major input into the project definition phase process is the business case and any supporting documentation. These documents will contain most of the information required to define the project (Frigenti, 2002).

#### **2.5.2.2 Team structure**

Teams can be split into two main groups, determined by their formality. *Formal Groups* are created as mechanisms within the formal structure of the firm. That is, they are official and supported by positional power or authority. Their functions are usually clearly specified, their membership

restricted, their control over resources limited, often in writing. ”*Informal groups* are looser, more erratic in their behaviour and often much more fun” (Hunt, 1992). Planning should be an opportunity to think in new ways and form different perspectives to test ideas in a stimulating environment (Andersen, 2004). In analysing group behaviour we need to distinguish between the tasks or what the group is doing (its *content*) and the interactions between members (the *process*). Or as Hunt (1992) states “often it is the process which is more important in explaining group performance than the content, even though it will usually be the content that we assess in measuring its performance”.

### 2.5.3 Execution

For any project, the project team will spend at least 80 percent of their time implementing the plan. Management should not spend much time monitoring the project, as this is the role of the project manager. However, “this doesn’t mean that the management team should treat the project team like mushrooms— leave them alone, keep them in the dark, and feed them rubbish” (Lewis and Wong, 2004). But it does mean that the management team should empower the project team and appoint the right project manager to the job. Upper management should use time on a project only to get progress updates, evaluate team, or provide additional support when the project is stumbling or falling behind schedule (op. cit). The key management focus areas at the project execution stage include:

1. Project progress against the committed milestone schedule: Is the project team progressing according to the approved plan? Any major obstacles ahead? Will the project team be able to complete the project on time and on budget?
2. Project human resources: Have adequate resources been allocated? Any additional resources required?
3. Project budget: Is the project team spending within the approved budget? Any new funds required? Would any additional project spending accelerate the project so that it can be completed ahead of its original schedule? Would this investment be worthwhile?
4. Recognise and celebrate even small successes: Do not forget to reward the team and recognise even their small success. Remember that “success breeds success”.

Lewis and Wong, 2004, 31

At the end of the project planning phase, a project plan is produced and agreed upon, and authority is given to proceed with the project execution phase.

#### **2.5.4 P4 – Monitoring the project**

Calling Monitoring a project phase is slightly misleading as it more like a management function that runs simultaneously within the execution phase. A good project manager will monitor the project's progress frequently, but still give the project members leash for minor changes. During this phase and the following phase (Closing), the planned project objectives must be achieved. The integrated project plan baseline provides the strategies, tactics and approaches to get there. A poorly developed plan will result in a poorly executed project with accompanying loss of time, cost and quality. The project execution phase has to do with monitoring and control, and applying corrective responses as necessary. This is achieved through a constant, consistent review, reporting and revision; until the project is fully executed (Frigenti, 2002, 210-212).

#### **2.5.5 P5 - Project closing**

Being temporary, a project by definition has a limited life – which means that it must end at some planned point. The fact that a project produces some product, service or outcome means that there is some event that makes the project end recognisable. A project must be formally terminated. If not, it will keep living a life of its own, turning an otherwise victorious project into a failure. Formal project closure is performed during the project close-out phase (Frigenti, 2002).

A review meeting should be held to evaluate how the project was pulled through compared to the initial plan. This meeting should be held between the project supervisor, project manager and external clients if any were involved. The stake holders should evaluate the end result of the project, be it a new product or service. Often in the music industry the review of a project is not elaborate enough, meaning that it could only be an e-mail from the client that they got the CD and it sounded good. This does not really allow for criticism. A proper review meeting is necessary for all parties to establish how the project went and what could be improved.

### **2.6 Project pitfalls**

There are several factors leading to the success or failure of a project. Ruuska (2001) notes that only a few dozen percent of problems arising in projects are related to the technology, tools or the actual end product's contents. Andersen complies with this by stating that the most common failing in project work is to focus too strongly on the technical content. Lewis continues that successful projects depend on more than just improving project execution. Both internal and external factors influence a project, and many are beyond the control of the project team.

Studies have found that the most common causes of project failure are:

1. Frequent change of specifications/ project scope (not understanding the project management triangle)
2. Unclear project goals.
3. Unclear roles and responsibilities.
4. Inadequate estimation of required human resources and efforts
5. Inadequate project monitoring and control.
6. Inadequate project management skills.
7. Inadequate risk management.
8. Poor project planning.
9. Staff turnover that affects the project.

Lewis, 2004, 9

Smaller projects take up fewer resources and are focused on the value-added deliverables. Due to the short life span there is considerably less time for changing any specifications made in the planning phase, this results in the tasks and requirements of the project teams remaining more clear making the team more committed to pulling the project through successfully. Due to higher group moral the team is easier to manage and delivers better results making the out come of the project a greater success (Lewis & Wong, 2004, 16-17). Often the malfunction or poor management of music industry projects is blamed on either the fact that there is not enough money to employ professional staff for the needed time or that the content is so creative that the scope of the project evolves through time.

## **2.7 Managing Creativity in Projects**

Defining creativity as a term in itself can be weary. Because of its abstract and emotional nature it is difficult to put to words. "I can't tell you what it is, but I'll know it when I see it" (Boehm, 1988, *Walfisz, et al.*, 2006, 1). In psychology, creativity usually refers to the production of an idea, action, or object that is innovative and appreciated (Csikszentmihalyi, 2000). Creativity is the process of bringing something original into being by becoming aware to gaps in human knowledge and subsequently taking steps to fill those gaps and communicate the success (*Walfisz, et al.*, 2006, 1). Creative thinking can be defined in terms of the cognitive processes that lead to an original and adaptive insight, idea, or solution (Runco, 1994). Both *procedural* knowledge and *declarative* knowledge are important for creative thinking; that is, creative thinking requires knowing how to do things, as well as how things are. In other words, it requires structures that allow for new combinations, associations, and possibilities with known information (*Walfisz, et al.*, 2006). Often creativity is also seen as something that can't be rushed or if it is, the results will be of worse quality. Efficient project management does not rule out creativity – it does not even necessarily rush

it. The key notion is that brainstorming content ideas in a project should be limited to the initiation phase. The planning phase then explains *how* these ideas and in the execution phase these planned ideas are then executed. This keeps the projects scope locked to what was planned and is a major key to success in keeping the project on time and in budget.

Hunt (1992) explains that brainstorming on creative tasks have been a major activity in the advertising business where it began in the 1930's and was famously coined brainstorming. Maybe it is due to longer tradition, but the advertising industry is a good example of combining very creative on demand ideas with punctual project scheduling. This proves that to a certain extent creativity can be harnessed on a short notice to serve on functional terms.

### **3 RESEARCH QUESTIONNAIRE**

Four professional music industry representatives were interviewed concerning their project management and concerning challenging issues they may have encountered. Personal interviews would then create the opportunity to follow up on the participants' answers and enable more detailed findings. The projects, be it festival production or a record release, are always carried out on a very individual product specific basis and the project procedures reflect the working teams' vision and work ethic to a large extent.

At its core, applied project management recognises five process groups, initiating, planning, executing, controlling and closing. This research evaluates these phases in different organisations, how they are carried out and what kind of project management tools are used in the management of the projects.

The research questionnaire was drawn up to target the five project phases, their key deliverables and typical project tools used in them. The interviewees were then asked a series of questions on the five project phases, requested to evaluate the importance of formal written project tools and describe the most important and hardest aspects of each phase. The research questionnaire is included in Appendix A.

The organisations who were interviewed for the research project work in different fields of the Finnish music industry. All of the companies are professional companies in the sense that they employ at least one person full time. Most organisations also have external stake holders meaning that they are also responsible to a third party for their actions, of which the most important is their financier. These criteria had to be fulfilled to enable at least some level of objective comparison. The organisations and their field of business is described shortly below. The identity of the organisations that participated in the research and the people interviewed are non disclosed in the internet publication version of this thesis. A full description of the participants is available in the printed copy of this thesis archived in the JAMK University library.

#### **Festival**

An urban music festival started in 2004 by a music collective. The festival has since grown exponentially from an event with a few thousand festival guests at its original venue to 2009's audience being over 41'000 people. The festival is managed by a co-operative society and it employs one person full time and two people six months a year. During the summer over a hundred people work at the festival. The director of the festival was interviewed for the research.

### **Music Industry Organisation**

An export association that represents the entire Finnish music industry. It was started in 2002 as an export group to initiate and facilitate the marketing, promotion and sales of Finnish popular music abroad.

The primary target market for the organisations work is Europe, especially the EU, but export initiatives also include North America and Japan. The organisation employs three people full time, but they also have a regular work practice position and use numerous outsourced services. One of the producers of the organisation was interviewed for the research who was titled production assistant in 2007.

### **Record Company**

A Tampere based indie record label which is one of Finland's front most indie labels. The company employs five people full time. They also use major distribution deals to distribute their album releases. Company management is also involved in running music organisation activities and are involved in the mobile media business. The CEO of the company was interviewed for the research.

### **Video Production Company**

A video production company that has been involved in numerous music video and documentary film productions since 2001. The company has mostly outsourced production manager services for Finnish music videos for artists such as Viikate, Uniklubi, Tiktak and Vesku Loiri.



## **4 RESULTS**

The companies interviewed are from very different fields in the music industry making a fully objective and fair comparison difficult if not impossible. There are obvious differences in the management of these organisations' projects and their work. On the other hand it is possible to examine if organisations "pick and choose" different project management tools to apply in their work. This research will also try to establish if these tools chosen by the companies are closely related to the type of projects they work in.

### **4.1 P1 – Project initiation**

#### **4.1.1 Concept design**

The music video production company was the most customer orientated in its planning as it is – along with the music industry organisation, a business-to-business company. Their projects start with writing a script for a song sent to them by a record company. The producer said that their client might not have a clue about the contents of the video at this concept point. The music video producer then makes a budget estimate based on the script. Around 65% of the videos planned end up in production. The biggest reason cited for dropping projects in the planning phase is cost. The production manager also stated that because merely requesting a script does not cost anything for the client, they "fish" for ideas without any obligation to proceed to production with the same production company. The company also found it hard to get video air time in the Finnish media, making it difficult for record companies see the benefit of accepting even four figure total budgets. This sum is very low compared to international music video production budgets so it sets obvious limitations on the duration and extent of the project.

The festival, being an annual repeating project, has had its initial concept been made several years ago, but naturally the concept evolves due to venue and artist changes. The concept is brainstormed during the winter and planning for the actual infrastructure starts during spring.

#### **4.1.2 Initiation challenges**

The organisations saw very different challenges in their planning. The music export organisation representative stated that focusing on gaining important exposure as the main challenge. The festival manager saw creating feasible ideas as the main challenge. "It is a lot easier to come up with good ideas, than to implement them", commented the festival director on project initiation challenges. The video producer stated that communicating the script idea to the customer to be the most challenging. "Often the customer doesn't even know what he wants", the production manager

continued. From there, the production company must source an interesting script that can be made in to a feasible production and create a plan for it to stay in budget.

## **4.2 P2 – Project planning**

### **4.2.1 Choice of project manager**

All the organisations participating in the research planned their projects within the core of their organisation, meaning that only three to six people were engaged in the actual planning and concept design of the product or service. Most organisations had a clear idea of the project manager, who was the same person in each of their projects. This points out how the projects are actually also the organisations' functional work as it is all the business does.

The choice of who acts as the project manager in the interviewed companies was highly influenced by the ownership or management of the organisation in general. This differs from management theory which emphasises separate roles between project supervisor and manager simply because the supervisor, the person ordering the project must evaluate the results of the project. If this is one and the same person, objective evaluation; at least according to theory cannot be made. This practical choice is naturally explained by the small size of all the organisations interviewed, but it does suggest that the interviewed companies use a mixed model of functional and project work. This will be addressed more in the conclusions chapter. On the other hand this choice is a simple practicality in small organisations, as all the companies interviewed had a core personnel of under 10 people making them very small organisations in general. Large corporations have thousands of employees which are split into smaller groups by departments or projects. The music export organisation was the only organisation, which had a project manager that did not participate in the actual implementation of the project.

Using a core team in the planning phase of projects can be explained by the entrepreneurial nature of many music industry companies. As entrepreneurs, the project managers consider the concept design and planning to be part of their initial vision and will often want to hold on to all the strings themselves to be comfortable running the project. In essence it is often the company founders ideas that the projects are started upon. Secondly, a more practical explanation is that the profit margins these companies operate on are small and thus the business only employs its owners full time. More personnel or outsourced services are hired only in the execution phase of the project to help the running of the project.

#### **4.2.2 Team structure: Project responsibilities and task division**

Most organisations used a mixture of expert task division and core member planning, meaning that different areas of the projects were planned by the experts who were also responsible for the actualisation of that specific task. This enables the plans to more realistically reflect the actual task and how much time is needed for the actual execution of a particular task. All interviewees had a clear idea of the task division within their project. Surprisingly, the music video production company had the most vague task division based on former projects, making the task division a sort of silent agreement. On the other hand they had the most concise plan of the task division in the actual video production phase. This came in the form of the *video treatment*, which is a standardised plan of making a music video, including the script, direction plan, schedule, a resource plan including when each team member is needed on location and what hardware is needed at what time. However, the music video producer said, that problems occur from the fact that a very tight schedule is made by producers who do not necessarily implement the actual work, resulting in schedule times that the production crew can't live up to. Video production also calls for high technical expertise, so a natural task division is made by profession e.g. a camera man will hardly be consulted about sound or lighting and vice versa.

The festival had the most people working on the actual implementation of the project, as over a hundred people work on organising the festival annually. It also gives the festival the smallest ratio between planning members and the whole production task, which means that a lot of people working in the actual building part of the festival have not been engaged in the planning at all. This calls for very efficient communication so that the information from the plan can be put into reality. The festival also has the most work force working for free, which makes motivating staff harder.

#### **4.2.3 Budgeting and funding**

The music export organisation was naturally the most restricted of the participant companies as regards to their ability to acquire public funding. They apply for public funding from Finnish government organisations, such as the Ministry of Trade and Industry, and could only start projects that fulfilled the criteria for their funding. Even though having the highest annual budget together with the festival, the organisation still only involved three to four people in the planning of their projects, although a lot of expertise work like graphic design and local public relations work is outsourced.

The festival aims at a theoretical 1/3 funding rule between public-, sponsorship- and sales income, which they were still far from and relied more on ticket sales. The producer verified that

there is pressure to raise ticket prices more than they believe that the audience would be willing to pay, resulting in a compromise with the artist line up. The festival has obviously found its audience though, because their budget had an annual increase of 75%, making it a remarkably quickly growing company compared to any new business. On the other hand the budget for the festival is made break-even in mind, not by an aimed profit margin, which proves that, even today, many big cultural projects in Finland are done, more due to cultural than financial motives. The festival director commented that a lot of the expenses, for example electricity, cleaning and damage repairs only appear after the festival.

The music video production company had the most straight forward budgeting logic, as the product was priced by customers' choice and the contents was simply produced with what could be afforded, making the company the most function orientated. This naturally results as very minimal risk in the case of project failure and exceeding the production budget can only then be explained by a miscalculation by the producer.

#### **4.2.4 Project schedule**

The music video production company had the shortest projects and the most accurate schedules (in terms of hourly time resolution) which are naturally interrelated. The average length of their projects was three weeks, with a daily schedule for planning and negotiating and a two hour resolution schedule for the actual production. The music export organisation had the longest running projects ranging from nine months up to two years. They were still detailed with timing though, having daily schedules. The festival had a total project length of around ten months, of which five months are not very precisely scheduled except for media relations and releasing the artist line up to the public. The last two months before the festival are planned with more rigorous detail and the last weeks of building the festival are planned by the hour.

#### **4.3 P3 – Project execution**

The researched companies naturally differed most in the execution of their projects being very different in size and nature. The festival involves over one hundred workers in the high point of its execution; most of the labour are comprised of volunteers, as is common in Finnish festivals. This of course introduces problems with workers not being as trained and experienced as experts would be expected to be in the same field. It also produces less motivation and sense of obligation in the workers. Naturally, a team of a hundred people is also very large to control and hence the festival personnel split into middle managers that manage different areas or the building and running of

different stages and these middle managers then delegate orders to the workforce.

The music industry organisation recognised the most problems in communication. The organisation had the most international activity together with the festival and foreign languages and different working cultures were found as the problem. The assistant stated that “often it feels like the message isn't going through” when working on an international level. The festival director did not mention international communication as a problem, which is he thought might be due to the fact that artist booking today is quite standardised within the industry. The music organisation representative also mentioned the lack of time as a problem. This suggests that the small three to four persons in the staff of the organisation either has too many projects running simultaneously, the scope of the projects is too large, or that the organisation should have more people working on their projects. This is a typical problem for small enterprises in general, and the barrier to recruit for new employees is usually high due to cost savings so that when operations grow, the team is more strained by new work brought by the growth.

#### **4.4 P4 – Project controlling**

##### **4.4.1 Teamwork**

When asked how closely the teams work together in the projects the interviewees had very different answers. From a scale of 1-10 (1= very loosely and 10=very closely) the whole scale was used in describing the different companies' project teamwork. Naturally the scale itself is relative, but it does illuminate that the interviewees had very different kinds of views on their projects or that the projects themselves are different in nature. The music organisation assistant answered 10, which was naturally influenced by their small personnel and small office. The music video production representative also answered 10 in the intensity question even though their project teams are only formed for the actual video shoot for the time span of one or two days. This implies that their work in the actual execution phase is very intense and that everyone has a good idea of their role in the execution of the project. This again implies that video production is a step ahead in the distribution of project team roles. Every person is hired to handle a particular task and the roles are locked throughout the project. Team members know this task well and the other members' tasks are linked to it, providing a strong base for efficient teamwork.

	Festival	Music industry organisation	Record company	Music video production house
Teamwork intensity	1-2	10	7	10
Level of communication	0-1	7	7-8	2

*Table 2: Participant communication & team work self assessment (research questionnaire)*

The festival gave lowest scores in its teamwork self evaluation, blaming its lack of dedicated office space as being the biggest problem. The director of the festival also stated that they have problems fitting peoples' work roles and timetables together because the festival is “everyone’s one in ten projects”, which implies that the personnel’s time and thoughts are scattered between multiple freelance jobs. Many of the team members also know each other well, making the communication casual and spontaneous. This may be beneficial in brainstorming ideas for the festival in the beginning but can hinder the actual management of the team as lack of authority strains the project team's hierarchy. Also, with the festival having the largest project in length (with the music organisation), and considering the customer contact base and budget, the equation seems slightly chaotic. The director recognises this and stated that there is a need to get formality into the project reporting - “even if it is only superficial”, the director stated. The source of the problem may also partially exist in budgeting as the festival director mentioned that the budget is controlled by him and the assistant producer. While this is normal protocol, every purchase decision is basically bounced between middle managers and the producer because no budget outlines are given.

#### **4.4.2 Reporting**

The music organisation assistant said that they report project progress in weekly meetings. They were the only organisation to employ a trained financial controller in monitoring their budget. The three workers inform the controller of budget changes, who then communicates them to the CEO of the organisation who accepts the changes. The assistant thought of the controller’s expertise as “very important in the monitoring of the budget”. The record company CEO said that their project team reports frequently via e-mail, internet calls and meetings, and the festival director said that their team reports to him via e-mail and weekly meetings.

The record company CEO introduced an interesting diagram which portrays the dilemma of

managing projects or any series of tasks. The diagram is called the *Time Management Matrix* (Sheppard, et al., 2006, 52) and it displays tasks differentiated by their urgency and importance in the form of four blocks [Figure 5]. The x-axis displays tasks sorted by their urgency and the y-axis by their importance. The record label CEO describes that too often the focus of a project manager or any team member for that matter is on the critical block displayed in red in Figure 5. Even though it might seem that the most important and urgent tasks should be dealt with first, the record executive begs to differ. “That’s when it’s already too late to fix the problem”. stated the CEO. “The key to successful time management is to organise work so that the tasks that are most important are taken care of before they get urgent” the CEO continued. And even though this might seem like common sense, the label CEO sees that too many people work too close to their deadlines or critical milestones, as the literature review indicated. This finding is introduced in the Project controlling chapter because it is the project manager’s responsibility to evaluate whether his or her team members are leaving critical issues unresolved too late, but ultimately a concise project plan will have laid the project's milestones on hierarchical and realistic intervals so that most critical goals are reached on time. It also much easier for the project management to identify possible pitfalls while comparing the execution of the project to a well produced plan.

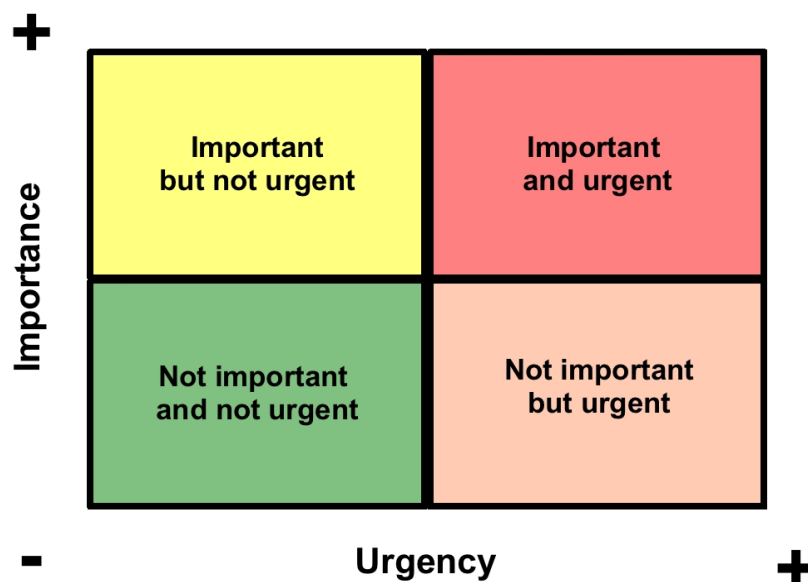


Figure 5: Time Management Matrix (Sheppard, et al., 2006, 52)

#### 4.5 P5 – Project Closing

The music video production company had the shortest running projects with an estimated average of two to three weeks. The festival had the longest running projects at almost a full calendar year with the planning of the next festival starting already in the autumn right after the current festival. The record company had the most ambiguous running lengths for its projects. The record company CEO said that “their projects are buried when there is no need for further efforts”. This is a classic example of how projects drag on in companies. It is easy to understand that with a record release it is hard to estimate how it will be accepted by the press and general public. Follow up actions are made based on this acceptance and the team sort of “play it by ear” making up the plan as they go. Project management theory suggests that the organisation could function more efficiently if the aims, follow up actions and project end review were planned in advance. This could save on costs, free up team members for new tasks and give a psychological feeling of accomplishing and ending a process or task and beginning something new, though making these statements without knowing what the reality is within the organisation is hypothetical.

This highlights how the record label is actually using project-like working methods instead of running actual projects in the way they are explained in management theory. The CEO continues that a verbal review meeting on the other hand is held to establish what was accomplished in the project, what went well and what could have been done better.

The festival director answered that he makes written project reviews to three to five stake holders, consisting of public funders and associates. He does admit that this area needs improvement, but it seems that due to public funding the organisation has to do written self evaluation. The music video production manager on the other hand stated that they do not make written reviews to any stake holders about the execution of their projects. The only review is the handover of the finished music video to the client.

The music industry organisation had the most sophisticated project closing protocol. The assistant explained that at the closing phase of each project they make a follow-up round of how the product succeeded in its aims. All major music industry magazines and releases are searched for article information on the related artists and companies. During MIDEM - the largest music industry convention, a French press clippings company is hired to handle article tracing for the artists promoted by the organisation. “This enables the organisation to measure the effects of its efforts of which visibility in the media is one the most significant meters”, stated the assistant. It is important for the organisation to be able to explain its costs and actions to its stakeholders and the report acts as proof that the efforts made were worthwhile and measurable.

A common mistake in the creative and music industry seems to be that the project closing time



is set on the product handover date. For example, the festival which takes place over one weekend has support work (cleaning, repairs and billing) and the deconstruction of the actual facilities (stages, tents and field office) that only start after the conclusion. When the whole team has their mind set on finishing work right after the handover of the project's deliverables, it can be hard to organise the closing of the project.

#### **4.6 Pitfalls**

In short, the biggest pitfall recognised by the interviewees was timing. This means timing, both in the deadline and scheduling sense, which could to some extent be interrelated. Both the music industry organisation and festival representatives said that organising efficient meetings is difficult because their team members have such different weekly schedules. When questioned about the reason behind such different schedules, both replied that people have too many projects running simultaneously. The music organisation representative suggested that maybe the general manager of the organisation should focus on planning future projects instead of managing the projects that are running. This is also strongly supported by project management theory as explained earlier about separating project supervisor and manager roles. He also saw need for another team member.

Besides scheduling, the music video producer saw problems in budgeting. “The product is designed to fit the price accepted by the client, “it's like a person ordering a new house made an offer to which a house should be built”. Of course, to some extent this can be done, but the producer's statement can be understood as the production company having too little bargaining power in their prices. This is how the festival producer also saw their pricing. “Ticket prices to well established festivals and events are much higher elsewhere in Europe and the United States”. Agencies' prices for booking performers are getting higher, but event organisations are afraid to pass the increase along to the end customer – the festival audience. In a sense there is no news here as time and money are always scarce. When asked if the interviewees saw their problems as being typical in their field of work the music organisation assistant agreed that most organisations struggle with the very same problems.

## 5 DISCUSSION

Comparing the interviewed companies in an absolute and objective manner in terms of their project management was challenging because of their very different structure. The companies operate in different fields of business, and they are differently set up and vary in staff size. Their projects are also very different in terms of size and duration. On the other hand certain characteristics related to the relation of the music industry and academic project management theory was found. All the organisations referred to their actions as projects. This could naturally be affected by the fact that they were informed that the interview was related to project management. On the other hand it does emphasize how popular project management theory is, at least on a superficial level. Most of the key terminology has crossed over to common language. This also creates terminological ambiguity as expected in the introduction. The meaning applied to terms change slightly from the academic context when used by the general public and spoken language.

### 5.1 Project Management Tools

The most well implemented project management tool identified through the interviews used by the companies was the music video treatment. All of the important information was packed in a concise, standard form in the treatment. This shows that music video production, although being a new field of business in Finland, had efficiently incorporated highly punctual project management tools into their work. This could be due to the short time span in which a music video is typically shot, the high costs of renting the video equipment and the business-to-business function characteristic of the music video production business. The video production manager also brought up a concept dilemma: "The market is extremely customer driven. The product [music video] can be judged only by its quality, but the pricing is done only by the customers' affordability". This is by no means an isolated case as this is basically a dilemma in the commercialisation of popular culture – is it art or is a product. As a business-to-business company though, it can be said that the video production company is more a provider for a product than an artist. The Time management matrix was an interesting acquaintance and even though a search for literature on the topic proved it to be more time- and self management related it proved that interviewees had tools of their own employed in project management.

In all likelihood the organisations employ an array of tools that were not mentioned by the interviewees in the research and most will probably be so familiar and natural to the user that they cannot pinpoint the use of it as a management tool. Even the most typical answer of using e-mail in

the planning and monitoring the projects' execution can withhold so many types of use. Checklists, calendars and post-it notes can all be project management tools even if not mentioned in the research.

## **5.2 Functional project work – The best of both worlds?**

Many projects were closer to being the companies' functional work which they were founded upon, motivated and run with project-like terminology and characteristics. Of course there is nothing wrong with this – quite the opposite. The point is that the projects are probably not as efficient as they could be in terms of monetary, time and other resource consumption. In the long run this can affect the efficiency of the company if projects are never formally ended, but instead just fade away over time.

The record company and festival organiser stated themselves that they did not see their work as projects, but used project-like methods to give working more dynamics and to maximise their work efficiency. This is an interesting commonality as the record company and festival were very different as organisations. The festival organisation had dropped all other projects and now only concentrated on the annual organising of the festival, thus also having the longest project length of eleven to twelve months at a time, although the emphasis was on a month long last push every August before the festival. The music video production house fulfilled most project characteristics, having the most restrictions to budget, time constraints and aims.

## **5.3 Team structure**

Lack of clear roles affects task division, communication and end revision. As found in the research, the only interviewee (the music industry organisation assistant) not acting as both the project manager and supervisor was ironically the only person to find internal shortcomings in their project performance. All the managers only blamed external pressure for their threats. This is of course natural, as people are rarely capable of objective self evaluation at the end of an intensive project endeavour. But it does highlight the problem of one person being in multiple positions especially in a large project.

The participants in general saw their project pitfalls largely as a result of external problems rather than internal shortcomings. The festival and music video producers noted the lack of financing to be among their biggest problems. The festival producer stated that they are not meeting their target ratio of attendance and sales income, and that pressures against raising ticket prices are too high for them to raise prices to a financially healthy level. This results in fewer people being

hired for the entire length of the project and “adding” personnel closer to the actual festival weekend. This explains a lot of noise in their internal communication, as new project members should be constantly briefed during the already running project. Most of their workers also juggle numerous projects resulting in more communication problems, less personal availability at even critical points of the project, and a lot of work related stress.

#### **5.4 Scheduling**

As reported in the Pitfalls-chapter the biggest common problem between companies was the schedule of the projects and more specifically finishing before the deadline. Most interviewees blamed team structure for this, stating that the people involved juggle so many projects that when a project deliverable has to be changed the person responsible might not be available or is too absorbed by other tasks to finish the first task. The key issue here is that the scope of the projects often changes after the initiation phase. Unlike project theory which states that after the *plan* for a *concept* is made, it should be *executed*; many projects end up redesigning and replanning too much. Naturally, surprises occur when engaging in a project for the first time, but as mentioned in the literature review only 20% of project failures are related to technical problems. Most of the critical problems occur within the task parameters of a project, its scope and resources. Understandably, many people become greedy when executing a creative project. At some point (usually the beginning) of the execution phase it may seem that a project has kicked off so well that only the sky is the limit for the project’s goals. The reality may be very different for the team when the actual deadlines start to appear from the horizon. This is why many experts appreciate a well structured and realistic – even pessimistic project manager. Ruuska (1999, 127) agrees, stating that humans have a tendency to be optimistic rather than realistic. If the project manager is contemplating whether a task will take a day or two he or she should reserve two days for it. This is naturally no news for those familiar with Murphy's Law. It is always necessary to take into account that things rarely go as planned.

The scope in the earlier mentioned *project management triangle* is then stretched too much without understanding that it will, without doubt have an effect on the cost and schedule of the project. With set deadlines and very little profit marginal from which to inject additional cash in to the budget, projects strain human resources to accomplish their goals on time.

## 6 CONCLUSIONS, LIMITATIONS AND FUTURE RECOMMENDATIONS

The most important finding made by this research is that the music industry organisations studied used a mixed model of functional and project work in their management. This is proved by the lack of theoretical project characteristics, including the lack of an independent project budget, combined project manager and supervisor roles, and even an undetermined ending time for the project.

Negative effects of under utilising project management theory would probably be most apparent within large scale projects such as the festival. When a project grows exponentially year by year, efficient management becomes increasingly difficult without well defined goals. This can lead to emphasising wrong areas of work, people working towards different goals or focusing more on *how* to accomplish, instead of the actual aims. This is naturally why project management theory has evolved in to such an academic field – not to bore people with theoretical project characteristics, but to emphasise the most important task any project has – to meet its goal.

The scope of this qualitative research is naturally very limited. Four projects do not supply enough data to give a fully accurate image on how music projects are managed in Finland. Gaining accurate and informative data about the interviewed companies was also challenging, mainly due to the managers' practical involvement in the work and lack of complete objectivity. Being able to ask the right open-ended questions based specifically on each organisation's field of work was also challenging. It was also difficult to measure the use or lack of project management practises. How can it be proved that the participants could benefit from more structured project management? A research with more homogenous data as in more similar projects could provide more opportunities for comparing the results. This could provide more measurable results also for the interviewees. The most important future research recommendation is for a broader quantitative research on project management and its correlation between efficiency and success.

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## 9 APPENDICES

### 9.1 Appendix A: Research questionnaire

#### Tutkimuskysely

#### Projektihallinta suomalaisessa musiikkiteollisuudessa

Tutkimuksessa tutkitaan organisaationne projektimuotoista työskentelyä, sen eri vaiheita ja verrataan käytännön työtä projektinhallintateoriaan. Projektiksi voidaan katsoa hyvin moninaiset, rajoitetun kestoiset, selkeän päämäärän omaavat ponnistukset joihin kootaan tekijäryhmä ja omat resurssit. Kysymykset on jaettu P# -vaiheisiin projektin kronologisen etenemisen mukaan.

#### 1. Yleistä

- 1 Onko organisaationne käyttänyt paljon projektimaista työskentelytapaa?
  - 1.1 Miksi olette päätyneet projektiluontoiseen työskentelyyn?
- 2 Mitä aikaisemmat projektinne ovat käsittäneet?
- 3 Minkälaisella henkilöstöllä projektit on toteutettu?
  - 3.1 Ovatko työntekijät olleet organisaationne työntekijöitä vai ulkoistettuja tahoja/työntekijöitä?
- 4 Miten aikaisemmat projektinne ovat mielestänne onnistuneet?

#### 2. P1 - Projektin käynnistäminen (Initiation)

- 5 Kuinka monta henkilöä organisaatiossanne on mukana projektin ideoinnissa?
  - 5.1 Onko näillä työntekijöillä nimetyt roolit eri osa-alueiden suunnittelussa?
  - 5.2 Toteuttavatko samat henkilöt suunnittelemansa työn?
  - 5.3 Ovatko suunnittelijat organisaationne sisältä vai ulkoistettuja?
  - 5.4 Miten
- 6 Miten projektijohtaja valitaan?
- 7 Mikä on mielestänne tämän vaiheen tärkein yksittäinen asia?
- 8 Mikä on mielestänne tämän vaiheen haastavin/vaikein asia?
- 9 Toteutatteko kaikki projektit joiden käynnistys-vaihe käydään läpi?
  - 9.1 Jos *ette*, millä perusteilla päätätte projektien käynnistämisestä?

#### 3. P2 - Projektin suunnittelu (Planning)

- 10 Mitä projektinne suunnittelu käsittää?
- 11 Kuinka monta henkilöä organisaatiossanne osallistuu projektin varsinaiseen suunnitteluun?
- 12 Tehdäänkö ideoiden pohjalta kirjallinen suunnitelma?
  - 12.1 Tehdäänkö projektisuunnitelma pääasiassa jotain ulkoistatahoa varten (esim. julkista rahoitusta, pankkilainaa, sponsoreita, kaupunkia)
- 13 Tehdäänkö projektista kirjallinen aikataulu?
  - 13.1 Kuinka pitkä projektinne on kestoaltaan?
  - 13.2 Kuinka tarkka projektinne aikataulu on (kuukausi-, viikko-, päivä-tarkkuudella)?
  - 13.3 Kuinka moni jäsen voi seurata aikataulua?
  - 13.4 Päivitetäänkö aikataulua reaaliaikaisesti projektin edetessä?
- 14 Mikä on mielestänne tämän vaiheen tärkein yksittäinen asia?
- 15 Mikä on mielestänne tämän vaiheen haastavin/vaikein asia?

#### **4. Budjetointi**

- 16 Kuinka merkitykselliseksi arvioisitte omassa projektitoiminnassanne tarkan kirjallisen budjetin (asteikoilla 1-10)
  - 16.1 perustelkaa arviointinne
  - 16.2 kelle teette budjetin? (rahoittajille, organisaationne johdolle, kaupungille, projektiryhmän jäsenille?)
- 17 Laativatko projektisissa eri osa-alueista vastaavat työntekijät kulubudjetin oman osa-alueensa kuluista?
- 18 Päivitetäänkö budjettia projektin varsinaisen käynnistymisen jälkeen?
- 19 Mikä on mielestänne budjetin tärkein tehtävä?
- 20 Mikä mielestänne budjetoinnin vaikein osa-alue?

#### **5. P3 - Toteutus (Execution)**

- 21 Kuinka monta henkilöä työskentelee yhteensä projektin varsinaisessa toteutusvaiheessa?
- 22 Kuinka useasti käynte läpi suunnitelmaa itse toteutusvaiheessa?
- 23 Minkä nimeäisitte projektin toteuttamisen tärkeimmäksi asiaksi?
- 24 Mikä on mielestänne projektin toteuttamisen vaikein osa-alue?

#### **6. P4 - Projektin kontrollointi (Controlling)**

##### **Ryhmätyöskentely**

- 25 Toimivatko projektiryhmän jäsenet tiivisti yhdessä (asteikolla 1-10 1= hyvin väljästi esim.

Kaikki työskentelevät kotoaan ja tapaavat harvoissa palavereissa 10= hyvin tiivisti esim.

Työskentelevät koko projektin ajan samassa toimistossa)

26 Kuinka viralliseksi arvioisitte projektinne ryhmätyöskentelyn (1= ryhmän jäsenet tuntevat toisensa henkilökohtaisesti ja tapaavat toisiaan myös työn ulkopuolella. 10= kaikki ryhmän jäsenet ovat oman alansa eksperttejä ja tapaavat vain projektin parissa)

26.1 Luuletteko, että kaksi edellistä vastaustanne vaikuttavat projektityöskentelyynne?

26.1.1 Onko sillä positiivisia vaikutuksia projektin toteutumisen kannalta?

26.1.2 Onko sillä negatiivisia vaikutuksia?

### **Kommunikaatio**

27 Miten projektin jäsenet kommunikoivat keskenään projektin aikana?

27.1 Kuinka usein jäsenet kommunikoivat?

28 Tapaatteko projektissa työskenteleviä henkilöitä säännöllisesti?

28.1 Kuinka usein?

### **Raportointi**

29 Raportoivatko jäsenet projektijohtajalle säännöllisesti oman osa-alueensa...

29.1 edistymisestä?

29.2 budjetti muutoksista?

29.3 aikataulumuutoksista?

29.4 Miten ja kenelle kaikille raportti annetaan?

### **7. P5 - Projektin päättäminen (Closing)**

30 Kuinka pitkä projekti on?

31 Mikä on projektinne päättymisajankohta? (Tuotteen julkaisu, projektin loppupalaveri, projektin purku?)

32 Tehdäänkö projektin päättymisestä kirjallinen raportti jollekin? (rahoittajille, asiakkaalle, yrityksen johdolle tai medialle?)

33 Mikä mielestänne projektinne päättämisen tärkein asia?

34 Mikä haastavin?

### **8. Ongelma-alueita**

35 Millä osa-alueilla projektillanne on eniten ongelma-alueita?

- 36 Mistä luulette tämän johtuvan?
- 36.1 Näettekö ongelmat tyypillisinä organisaationne toimialalle?
- 36.1.1 Luuletteko, että kilpailijanne kärsivät samoista ongelmista?
- 36.2 Ovatko ongelmat esteenä projektin onnistumiselle?
- 36.3 Luuletteko, että näihin ongelmiin tulisi keksiä ratkaisu?
- 36.3.1 Mikä ratkaisu voisi olla?
- 37 Ovatko ongelmat toistuneet aikaisemmissa projekteista?