Case: Mission Breakdown Structure

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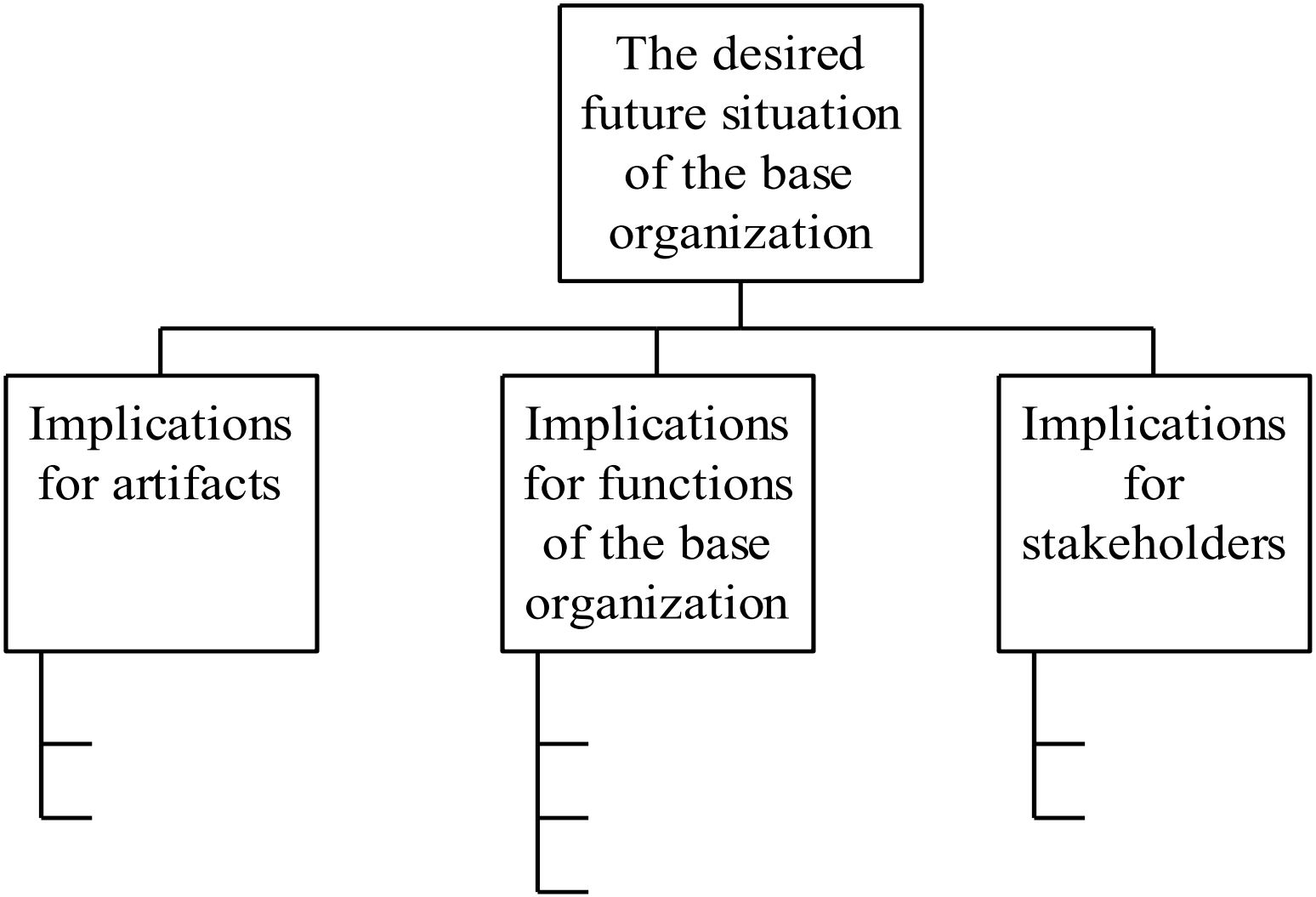
Mission Breakdown Structure (MBS)

- MBS helps to set up a project with a clearly defined mission
- Mission achievement depends on what the project delivers, but is also dependent on actions of others
- MBS shows what the project should do and what others (including external stakeholders) have to do


The desired future situation of the base organization
Implications for artifacts
Implications for functions of the base organization
Implications for stakeholders

Case: Setting up a Web-shop

- Base organization: Wholesaler, selling its international products through local retailers
- Have had a successful business for several years. Suddenly international web-shops were appearing. Some customers found it more convenient and cheaper to buy from these web-shops
- The solution for the wholesaler would be to set up its own web-shop. Project was established
- Management saw it as an IT project and felt it should be left to the IT people
- The project started by making a MBS

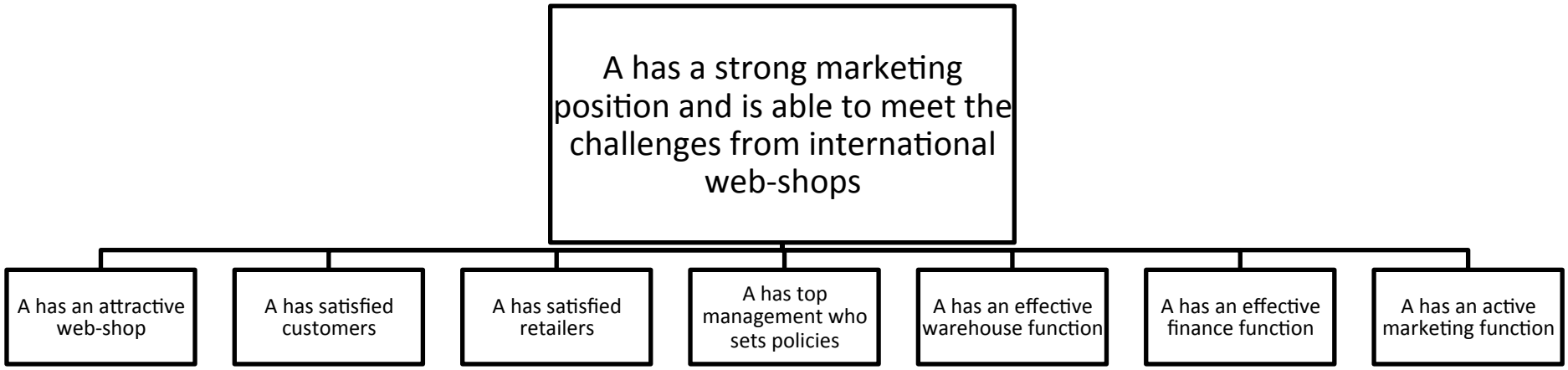
Starting Point: Mission of the Project

- The first discussion was on the mission of the project (we also use the term purpose, because it is easier to comprehend for most people)
- There was general agreement that the most important thing was not the web-shop. The group rather quickly agreed that this project was about how the company should compete and meet the challenges from its competitors
- This is reflected in the mission of the project

A has a strong marketing position and is able to meet the challenges from international web-shops

Next step:
Who is affected or can affect the mission

- The artefact (the main deliverable): The web-shop
- The most important external stakeholders: Customers, Local retailers. (Could have been competitors and international web-shops, but in this case they would probably not react to a new web-shop in a foreign country)
- Functions of the base organization: Top management (had to set the policy), Warehouse (covering storage and transport), Finance department, Marketing department

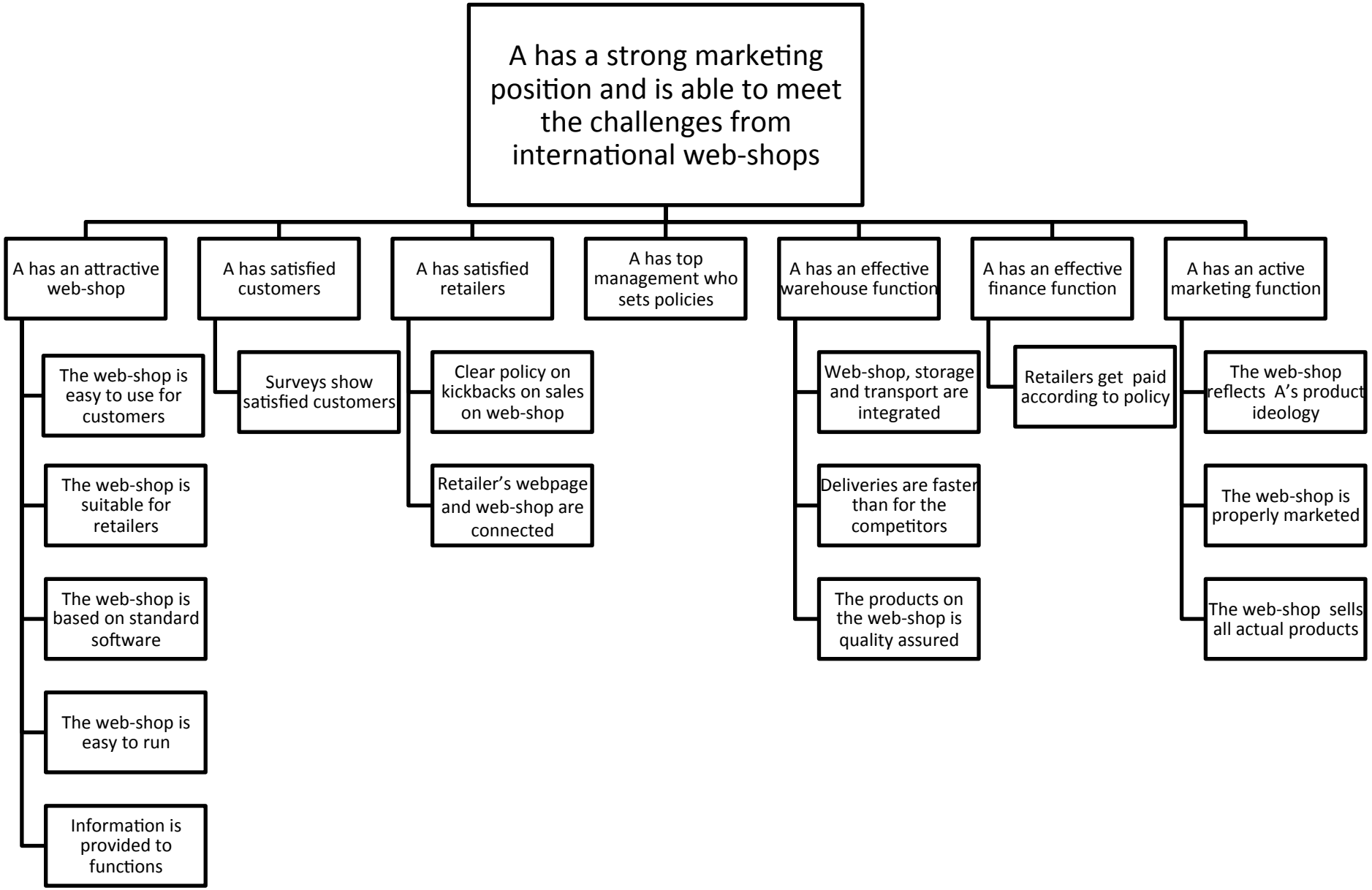

A has a strong marketing position and is able to meet the challenges from international web-shops
A has an attractive web-shop
A has satisfied customers
A has satisfied retailers
A has top management who sets policies
A has an effective warehouse function
A has an effective finance function
A has an active marketing function

Next step:
Discuss in more detail what the affected should do to secure success

- The artefact (web-shop): Easy to operate for the wholesaler, easy to use for customers, easy to change, provides relevant information to all functions of base organization, promotes retailers
- Customers: Happy!
- The retailers: Must not react negatively to the web-shop, but even see it as an advantage to them
- Top management: Should develop a policy for how to treat the retailers

Affected (cont.)

- Warehouse: Ensure that orders on the web-shop are executed swiftly and delivered quicker compared with competitors' deliveries
- Finance: Arrange for payments to retailers
- Marketing: Make the web-shop known to potential customers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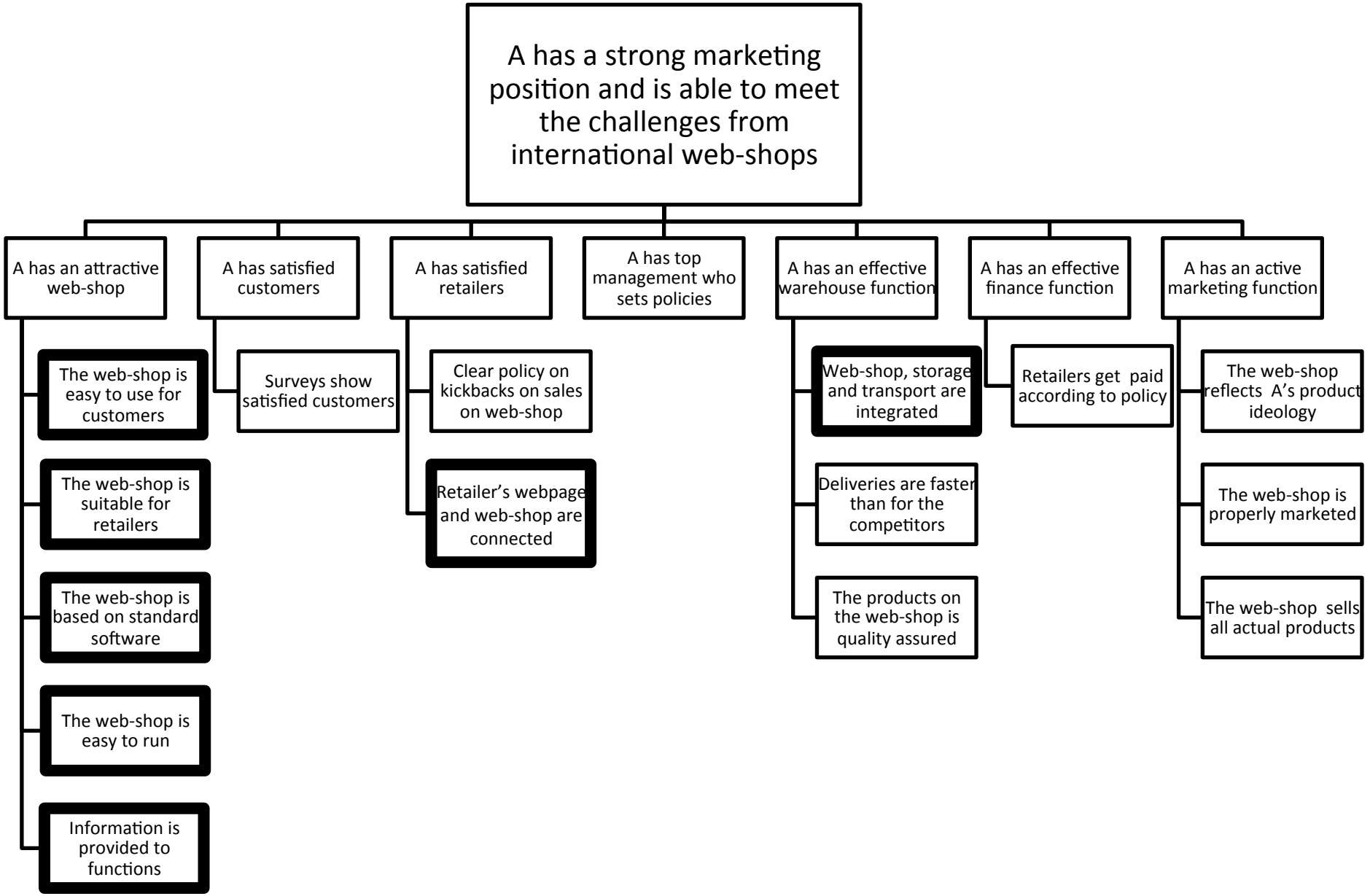
A has an active marketing function
The web-shop is easy to use for customers
The web-shop is suitable for retailers
The web-shop is based on standard software
The web-shop is easy to run
Information is provided to functions
Surveys show satisfied customers
Clear policy on kickbacks on sales on web-shop
Retailer's webpage and web-shop are connected
Web-shop, storage and transport are integrated
Deliveries are faster than for the competitors
The products on the web-shop is quality assured
Retailers get paid according to policy
The web-shop reflects A's product ideology
The web-shop is properly marketed
The web-shop sells all actual products

Next step:
Decide specifically what should be the responsibilities of the project

- What is within the scope of the project and what is going to be taken care of by others?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Final stage:
Set the goals of the project

- For each of the boxes, which are the responsibility of the project, goals must be determined
- The project is responsible for getting the web-shop up and running. The goal had to specify when it should be in operation and the budget
- It was also necessary to specify what was meant by saying that the web-shop should be easy to operate
- The other boxes also asked for specified quality criteria that the web-shop would have to meet

Lessons Learned

- The participants: A fruitful and valuable process. Provided a much better understanding of the job ahead, especially that it required involvement and decisions by several managers
- They also found it very valuable that we had insisted that the CEO should take an active part in the work

Reference

Erling S. Andersen: Value creation using the mission breakdown structure. *International Journal of Project Management* 32 (5), 2014, pp. 885-892.