PROJECT MANAGEMENT CONCLAVE, 2018

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Structured project management – the key to project success

Intertwined Project Management Methodology – A key success factor

Partha S. Ghose, PMP; President & Chief – Projects
Kalyani Steels Limited, Pune

To understand and strategize where to go, we must know where we stand and why we stand where we stand !!!

To find an answer to this, we shall pick certain key numbers from *'Pulse of the Profession'* – a premier global survey of project professionals and which is generally corroborate with findings of other surveys, e.g.,*4PM, PwC, Capterra, Harvard Business review, Geneca* etc.

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About *Pulse of the Profession®*

• Conducted since 2006 by Project Management Institute, who provide project, program, or portfolio management services within global organizations.

• The *Pulse* charts the major trends for project management now and in the future. It features original market research that reports feedback and insights from project, program, and portfolio managers, along with an analysis of third-party data.

Talent, Process and Management Capabilities

	2018	Manufacturing Comparison		
Organisational Attributes	**Global count**	**Manufacturing count**	**Construction**	**Fin Services**
Percentage organisations with a process to develop project management competency	45%	45%	47%	51%
Percentage organisations with PMO	68%	61%	60%	83%
Percentage organisations that use project management practices throughout the organisation	23%	19%	28%	27%
Percentage organisations with formal process to mature project management practices	45%	47%	43%	54%
Percentage organisations with high project management maturity	39%	32%	31%	37%

Source: Pule of the Profession 2018

Where we stand – Key Counts (2/2)

Project Performance and dollars wasted

PMI's PULSE of the PROFESSION® — 2018 | Manufacturing Comparison

Organisational Attributes	Global count	Manufacturing count	Construction	Fin Services
Percentage of projects meeting goals and business intents	69%	66%	69%	68%
Percentage of projects completed on time	52%	49%	53%	50%
Percentage of projects completed within budget	57%	56%	56%	56%
Percentage of projects with scope creep	52%	52%	50%	53%
Percentage of projects deemed failure	15%	16%	16%	14%
Dollars wasted	**$99 Mi/Bi**	**$118 Mi/Bi**	**$86 Mi/Bi**	**$106 Mi/Bi**

Source: Pule of the Profession 2018

Let us analyse the implications of the **RED Alert** for a *3 million* ton integrated steel project

Approximate cost of the project : Rs 18000 Cr = $2770 mi (say 2.8 bn)   *(1$ = INR 65)*
Loss   : $(2.8x118) mi =$330 mi = Rs.2145 Cr

This means, a **INR*18000*** Cr project has become a **INR*20145*** Cr project just because of lack of Project Management
maturity!! *Can we afford this???*

- *Bad news* is that this is not the end of the misery because the increased cost may upset the DSCR, extend PBP, pay higher interest rates on the extra borrowing etc. which may lead the project into complete infeasibility and closure.

- The reasons are glaring from the survey reports of the earlier slides which says, amongst other parameters, low project management maturity as high as 60% !!

- *Good news is* – *there lies a solution to this huge problem which is to improve the organisation's maturity level in* **Project Management and inculcate Project management culture**

Improve *whose* **PM Maturity ???**

Answer is - For *all project partners … Client, Consultants & Contractors and for a level play, get certified*

Also, *Synchronise Project Management processes across them…*

Synchronise???

Each partner is blindfolded from the other and ignorant about…

? *The real status of the part of project other partner is doing*

? *The schedule the other partner is following*

? *The issues other partner is facing*

? *The risks that are in store for other partners including disruptive and disastrous ones*

? *The quality that has gone into the work and the rework being done*

Partners are Compartmentalised !!!

Client

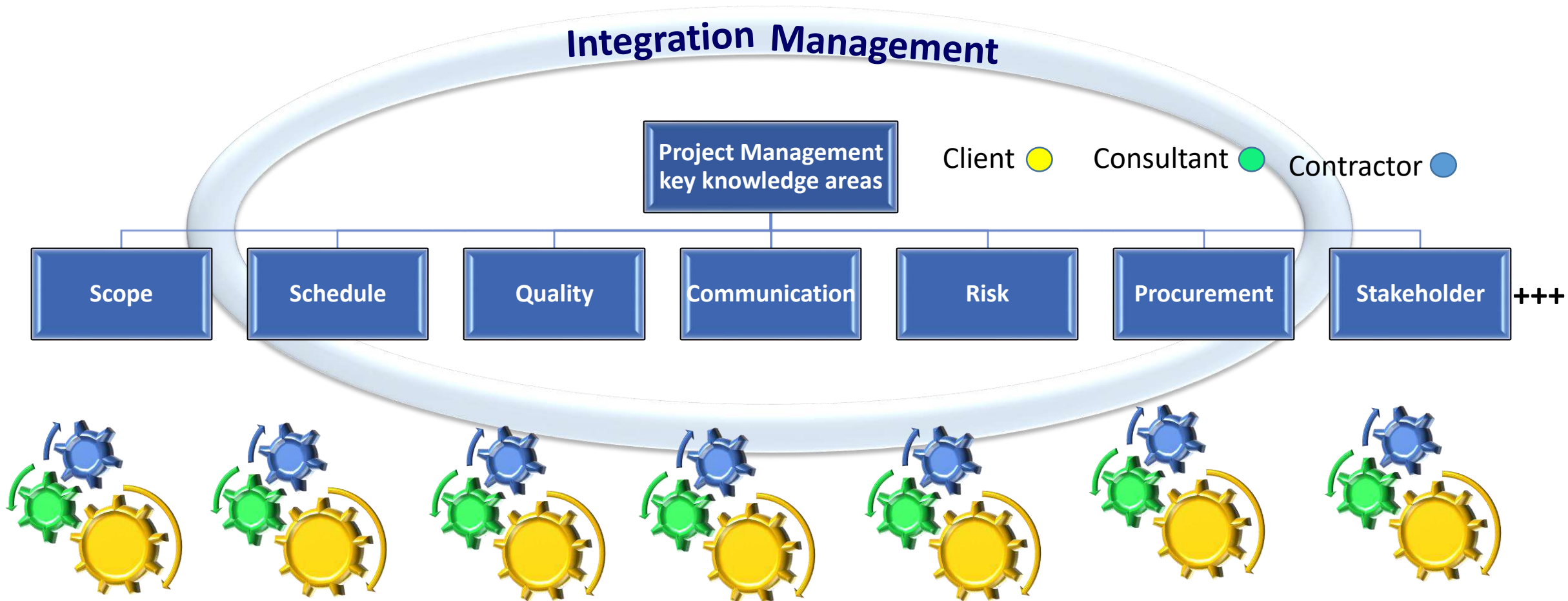***We consider, everything is hunky-dory at the other end….***

- We do not recognise that issues, failures, risks, quality non-conformity and rework etc. may occur with our partners as much as it can occur with us

- We do not recognise that if all the unfortunate events listed above occur simultaneously and with many of the project partners, the project is bound to fail – no matter how much project management maturity we have !!!

Because we have a insane notion that …..

- Contract clauses will take care…

- We shall invoke LD or Penalty clause or Risk purchase clause etc. and deduct money in case of bad contract performance

- We shall go scot free finding fault with other partners with respect to one's scope affecting other

Often we fail to realize that none of these can Save the project but Project Management principles across partners can !!!

Integrate functions and processes across board

Processes in key knowledge areas must be drawn from Project Management master plan, focused on Project Objectives

Integration Management

Project Management key knowledge areas

Client ● Consultant ● Contractor ●

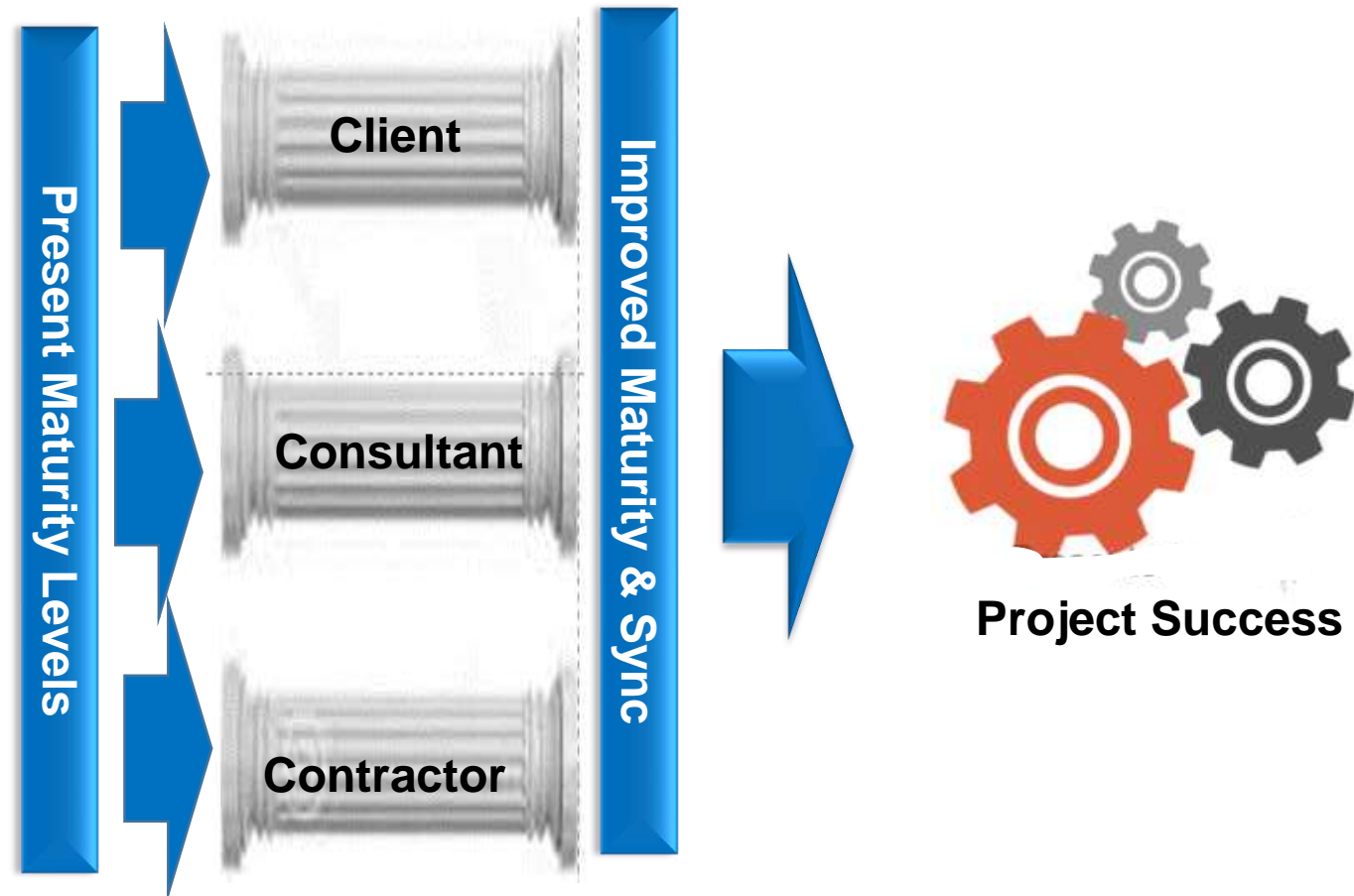| Scope	Schedule	Quality	Communication	Risk	Procurement	Stakeholder	+++

Other knowledge areas may also interface as far as possible

◘ *Each partner should be conversant with project management framework, knowledge areas and processes*

◘ *Processes must interact across partners to bring in transparency*

◘ *A robust common communication protocol shall trigger an early alert of any variance and issues of a partners to adjust process plans of others minimising negative impact on the project*

◘ *Process templates and formats should carry minimum common information required by other partners and standardised as far as possible*

◘ *Progress and variance reporting should be with respect to common master baselines even if it is at a higher hierarchical level of the WBS*

◘ *Periodic variance reconciliation and risk review meetings amongst all partners must be held to resolve issues with project objectives*

◘ *Such meeting should be different from periodic progress review meetings*

◘ *Issues crippling the delivery prospects of the partners must be viewed empathetically with a commitment to reach the best possible resolution under the circumstances.*

Project yield success when all the key stakeholders have reasonable Project Management maturity which is a learnable subject and work in sync

Client Consultant Contractor

Thank you

PMI's PULSE of the PROFESSION®
10th Global Project Management Survey
2018 | Manufacturing Comparison

	Global Total	Manufacturing
TALENT		
Percentage of organizations with a process to develop project manager competency	45%	45%
Percentage of organizations with ongoing training for staff on project management tools and techniques	59%	53%
Percentage of organizations with a defined career path for those engaged in project or program management	43%	40%
Percentage of organizations with a formal knowledge transfer process	47%	44%
Percentage of organizations where development of technical skills is a high priority	41%	39%
Percentage of organizations where development of leadership skills is a high priority	39%	38%
Percentage of organizations where development of business skills is a high priority	34%	29%
PROCESSES AND PROJECT MANAGEMENT CAPABILITIES		
Percentage of organizations with a PMO	68%	61%
Percentage of organizations with a PMO that is an EPMO	49%	48%
Percentage of organizations with high alignment of the EPMO to strategy	41%	41%
Percentage of organizations that use standardized project management practices throughout the organization	23%	19%
Percentage of organizations with a formal process to mature project management practices	45%	47%
Percentage of organizations with high project management maturity	39%	32%
Percentage of organizations with high program management maturity	33%	28%
Percentage of projects using hybrid/blended project management approaches	23%	25%

PMI's PULSE of the PROFESSION
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Percentage of projects with scope creep	52%	52%
Percentage of projects deemed failures	15%	16%
Percentage of project budget lost if a project fails	32%	35%
DOLLARS WASTED		
Dollars wasted*	$99M on $1B	$118M on $1B
PERFORMANCE		
Percentage of organizations considered champions		
Percentage of organizations considered underperformers	7%	7%
	12%	15%
PRIMARY CAUSE OF PROJECT FAILURE		
Primary cause of project failure	Top mention is change in org priorities 39%	Top mention is change in project objectives 37%

*Figures are U.S. dollar amounts, but represent a percentage that applies to any currency.
Note: Numbers in red indicate a significant difference compared to the Global Total at a 95% confidence level.

Organizations in Manufacturing waste an average of 11.8% invested in projects due to poor project performance, compared to the global average of 9.9%*.