

Project Management

Need of the hour skill set

By

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Abstract :

Project is any endeavor undertaken to create a unique product, service, or result. Project Management (PM) is the application of knowledge, skills, tools, and techniques to project activities to meet project requirements. Complexity of projects due to cross-functional organizational structures and ever shrinking size of the world are increasing by the day. To manage such complex projects, PM skills beyond mere charts or software tools are warranted. Some of these skills are those involving PM processes, PM knowledge areas, tools & techniques to add value within each PM process etc. PM is a relatively new management profession. It is fast catching-up, not only in IT industry, but also in a host of other industries like Construction, Petro-chem., Pharmaceutical, Shipping, Energy, Auto, Manufacturing, Banking, Financial Services, etc and Government & Public Sector Units.

Indian Ministry of Statistics & Programme Implementation and Project Management Institute (PMI, USA) & It's Chennai Chapter, have made wake-up calls & emphasized the importance of PM education and implementation in all fields. Demand for PM trained professionals is drastically going up in India, as well as globally. PM education, training and implementation would certainly bring-in several benefits to the corporations, executives and students. It's time to join the band-wagon of PM Education & Implementation!

1.0 Introduction

Useful products and services offered by successful companies have totally changed the life style we lead today; the way we think, work, communicate and travel. Time to market, with effective project management is key decisive force that could make or shake organizations. It is all about speed and innovation, offering right, reliable and top quality products at affordable cost at the right time.

Projects drive businesses and project management as a management discipline underpins much economic activity in various industries. IT companies earn their revenues by solving their clients' problems through a series of projects. It is effective project management that translates political leaders' promises of creating infrastructures from roads to air travel, hospitals to schools, etc a reality. When projects of State and Central Governments are implemented through scientific project management, there will be a substantial addition to the GDP of the country.

The discipline of Project management is becoming increasingly popular amongst business, industry and governments. The demand for professionals with project management skills is expected to increase many fold due to the several benefits they bring to the organizations they work for.

This paper introduces project management fundamentals, emphasizes the need for embracing and implementing project management practices and the relevance and benefits of structured project management to corporations, executives and students.

2.0 What is a Project?

Project is any endeavor undertaken to create a unique product, service, or result. Whatever is attempted without previous certainty of success may be considered as a project. In a business sense though, a project is any activity or process done for a "beneficial change." A project is directed at achieving a specific result and it involves the coordinated undertaking of interrelated activities within a limited duration with definite beginning and end.

3.0 What is Project Management (PM)?

Project Management Institute (PMI) USA definition of project management (PM) is: “the application of knowledge, skills, tools, and techniques to project activities to meet project requirements” PM is fundamentally the science of implementation, to get things done in a faster, better, and more economical manner.

“Management-by-Projects” approach has been successfully used in engineering, construction and aerospace projects for years. The trend is to use PM methods in pharmaceuticals, telecom, software development, manufacturing, and myriad educational and service organizations, including government agencies. Hence, the increased demand for people with PM knowledge.

4.0 Need of the Hour: To Embrace and Implement Project Management

Project Management, as a specialized profession is fast catching-up world-wide. A survey conducted in UK points out that with better project management, an innovative outcome will be reached more quickly, having consumed fewer resources. Innovative businesses are more successful, grow faster, are more competitive, more productive, and have a better long-term future.

In India, over the next five years, with an estimated \$500-billion worth of infrastructure projects in the pipeline, PM best practices can hardly be put on the backburner. Estimates suggest that cost savings on account of innovative PM can often add up to 10% of project costs. As PMI’s CEO Balestrero adds, “given the magnitude, scope and sense of urgency, Project Management is critical for growth and dynamism “Indian Corporations and Employees should hurry to be part of that band-wagon, so as to bring-in overall productivity and effectiveness, with a view to bring-in prosperity to the nation and her people.

4.1 Wake-up Call from Ministry of Statistics (*Hindu* May 22, 2009)

Realizing the utmost importance of structured Project Management, Mr. Pankaj Jain, Additional Secretary, Ministry of Statistics and Programme Implementation made a wake-up call to IIMs, Nation’s Leading Business Schools, to start MBA Course in Project Management.

Since, Sep09, Ministry of Statistics is monitoring 937 Projects costing INR 6,27,420 Crores; 308 projects reported cost over-runs. Cost over-run which was at 62% in 1991 has come down to 12%; With better project management, cost over-run could be lowered further. What is more important is that the quality of outcome can be controlled by using best PM practices. Another major benefit of timely completion of infrastructure projects is the multiplier effect it will have on the overall productivity and hence on the GDP.

4.2 Importance of Project Management, by PMI – Chennai Chapter (*Hindu*, July 5, 2010)

- Planned project execution can bring down cost and time over-run to a great extent.
- Not just IT companies, but all industries like Construction, Petro-Chemicals, Energy, Manufacturing, Automobiles, Shipping, Pharmaceuticals, etc require employees with formal Project Management Education/ Training/ Certification.
- Blue Chip companies that hire project management professionals include L&T, Infosys, Wipro, TCS, Punj Lloyd, ONGC, Microsoft, Intel, Oracle, Mahindra, Deloitte, KPMG and many more.

4.3 Result of Study on Project Management Practices In India

(Report Unveiled at National Meet on Project Management organized by Ministry of Statistics and Program Implementation (MoSPI) / Pune, Maharashtra, June 24, 2010 / India PRwire)

- The highlight of the conference was the release of a report titled, "**Project Management Practices in India**," by Shri Sriprakash Jaiswal, Hon. Minister of State for Coal and MoSPI
- Major benefits achieved through Project management practices include timely completion of projects within the original budget and business impacts, indicated by revenue growth following the successful implementation of projects.
- A 25% increase in the demand for PMPs is expected in the Infra sector by 2011-12 while PMPs in the IT sector are set to double from their 2008 figures of 98,573 to 184,402 by 2012.

4.4 Build business acumen to handle projects better (*Hindu, 15Sep, 2010*)

- Until recently, Technical Competency was considered more than enough for Project Managers. But, not any longer. The project management landscape is fast changing. Today, projects are increasingly being recognized as financial investments and therefore financial analysis from business perspective is assuming importance. Now, project managers are not only asked to execute projects within a given scope, budget and deadline, they are also asked to be part of strategic planning, financial analysis, project evaluation, selection as well as portfolio management.
- Technical expertise when coupled with business acumen will help design better project management processes, critical path analysis, risk mitigation plans and resource utilization plans and enable one to give high value technical solutions to meet ones client's business needs.

5.0 Increasing Demand for personnel with PM skills

The Gross budgetary support to the plan (GBS) was Rs. 1,72,500 crores for just one year 2005-06. The private investment was also of comparable size. Inference from this statistics: for sure, there would be projects in all industry segments. With such large number of mega projects in the pipeline, formal, efficient and effective management of projects assumes great importance.

ITES sector, which earlier employed 1 million people, got almost doubled by 2008. According to a recent article published in Asian Business, the biggest worry for most in the ITES is the shortage of managers. Currently, the industry needs 15% to 20% more mid-level executives than it can muster.

At the same time there is a need to train a good number of existing project managers to improve their PM capabilities. A senior manager in a leading Indian IT firm points out, "Most Project Managers in IT industry are glorified technologists, who have become PM's by accident." An urgent course correction is needed in this area. This means there is a very good career prospect for people with PM skill set. More importantly, customers of IT companies have started insisting that professional project management practices must be deployed using qualified Project Managers. Obviously, no one wants things to be left to chance.

As predicted by Fortune magazine, project management will be among the top professional careers in the 21st century in China. Reliable statistics indicate that China will need nearly 600,000 well-trained project management practitioners and some 100,000 certified project management professionals in the coming three years in order to meet the huge demand of talents in this regard. It will be safe to assume that at least half these numbers will be needed in India.

6.0 Need for PM Education & Certification

PM, as a profession is relatively new (40 Years Old) and PM education has not penetrated that much, when compared to scientific and management professions, which have been around for more than a century. Multi-disciplinary, multi-departmental, multi-company, multi-national dimensions, associated with modern / complex projects arising out of globalization of businesses, definitely warrant structured project management to be employed. Doing right at the first instance is of paramount importance, for project viability & business profitability.

As the responsibility changes from merely managing time, to ensuring project success and profitability, a large volume of knowledge, tools, techniques and practices are needed for effective project management. There is more to PM than just CPM/ PERT Gantt chart of sequencing and managing mere tasks.

PM is process intensive and covers five process groups namely, initiation, planning, execution, control and closure. PM would have to lend effective management of nine knowledge areas namely, scope, cost, time, quality, human relations, communications, risk, procurement and project integration.

Mapping of five of the process groups onto nine of knowledge areas yields over forty PM processes, which need a host of tools & techniques to add value within each of the PM processes. This complex need to understand and use the PM processes necessitates a formal, high quality PM education and certification.

Good PM Education should in effect focus on courses like:

i) **Framework for Project Management:** The course should focus on

- High technology project management, highlighting major causes of project failure to aid in understanding where the management process typically breaks down.
- Supporting roles in the project management process, such as human relations, risk, quality, procurement, communication, and other general control aspects of the project life cycle.
- Tutorial sessions in the use of project management software like Microsoft Project.
- Contemporary topics that have emerged in organizations over the past few years. Examples of these are the Project Management Office (PMO), Portfolio Management (PPM), Governance, and PMI's PMBOK (Project Management Body of Knowledge).

ii) **Project Leadership & Team Building:** The course should focus on :

- Dynamics of project leadership from the individual, team, and organizational perspective while achieving improved performance in the workplace.
- Understanding roles that leadership, assessment and evaluation play in developing world class project teams.

Certifications in courses similar to the above mentioned, offered by world class universities, will add tremendous value to final year UG/ PG students and young executives (upto 4 Years experienced) who want to move up the corporate ladder. It will add lot of credibility and value to the curriculum vitae's (CV) of students and professionals. The certification in PM will help in tremendously when securing employment with Blue-Chip Companies. As for executives, it will help in achieving accelerated career growth/ promotions to leadership/ management positions, within their respective companies.

PM certification is the final step. Once, the learner has completed PM education and successfully acquires 4500 hours of PM practices on multiple projects (covering the entire life cycle of those projects), the learner can then take Advanced PM certification prep training and choose to get certified by one of a host of International Certifying Bodies, such as, Association of Project Managers (APM, UK), International Project Management Association (IPMA, Finland), Australian Institute of Project Managers (AIPM), Project Management Institute (PMI, USA), etc.

7.0 Benefits of Structured Project Management to Companies :

Companies that successfully implement Project Management, as part of their Management Systems, could deliver Competitive and Quality Projects/ Products/ Services:

- Within agreed costs
- On Time, Every Time
- Winning Stakeholder / Customer delight
- With increased creativity and innovation, in terms of new products
- With a definite competitive advantage for marketing
- Better planning and allocation of resources, to achieve organizational goals and profitability.
- With a better handle on managing relationships and interface management, even within complex global team structures
- With enhanced professional ethics, as advocated by respective professional bodies
- With the confidence to see project changes as continuous improvement and project conflicts, as benefits when managed well.
- Even up their benchmarks, in their field of operation

8.0 Benefits of Project Management Education to Students / Executives :

Irrespective of the position of the executive in the company, project management education/ training/ certification would certainly :

- Enhance executive productivity and personal effectiveness.
- Inculcate great sense of ownership and commitment to deadlines and cost.
- Motivate to be creative and innovative
- Enhance team spirit and leadership skills
- Improve client handling abilities and help muster customer delight
- Add real weight to one's profile and improve career growth
- Imbibe professional ethics/ values
- Enable minimizing work related stresses, through better planning skills
- Impart the traits of a successful project manager
- Turn a candidate into a successful entrepreneur, as PM means ownership for success and profitability; as normally project manager acts as the CEO of a given project.

Students and Executives who have aspirations to move up the organizational ladder quickly, will find PM knowledge as an invaluable addition to their CV.

9.0 Summary:

It is clear that corporations and Governments have to embrace scientific project management techniques to deliver cost effective products and services on time, every time. People with PM skills will be needed not only in India but worldwide. To meet these needs leading Institutions offer certificate and degree courses in collaboration with leading US Universities and Institutions. Sooner the Indian companies deploy PM professionals the better it would be for all stakeholders.

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26 Years of Industrial, Consultancy, Teaching and Training, in Prestigious Government of India Establishment, US MNC in Singapore and B-Schools.

- Project Design, Engineering and Management, O&M Technical Services
- Project Management under Factory, Facilities and Operations environment
- Training and Mentoring to support company-wide Learning Program
- Project Management and Operations Management Subjects for MBA