

## REGIONAL REPORT – PORTUGAL



## The Impact of Project Management on Business Performance in the Portuguese Market

*By Alexandre Rodrigues*

Project Management is nowadays a competitive advantage that no organization can spare, being recognised as the main factor influencing productivity in an increasingly global economy. But why is this emergent management discipline so important to countries like Portugal?

The answer is simple: modern business models are based on the on-going implementation and management of *change*. The Portuguese economy is composed by a small set of large economic groups, some of which of international origin, and by a large number of small-medium enterprises (SMEs), to whom it is mandatory – more than ever before – that they respond effectively to the challenges of change.

Whilst the globalization of the international market brings competitors closer together, the growing and continued technology innovation delivers the potential for them to continuously improve their products and services, as well as the efficiency of their production structures. One can immediately identify the two main types of *projects* that our organizations are compelled to execute on an on-going basis: (1) projects aimed at developing and deploying new and more competitive products and services, better adapted to the specific demands of customers in our market, and (2) the continuous improvement of the working processes, in particular cost reduction, shorter time-to-market response periods, and higher quality levels; in other words: the so acclaimed need for higher productivity of Portugal within the European Union.

Projects are therefore our preferential vehicle to implement and manage change through these two main lines of action: growing competitiveness in the range of offer, and productivity improvement. Faced with this inevitable reality, most organization around the globe, and in particular in the Portuguese market, spend over half of their annual budget in the execution of projects (both internal and Client driven). The success of projects is therefore essential and therefore the *Project Management* discipline takes on a crucial role in the performance of the business models of our companies, in particular for the SMEs.

Although this reality might look more evident in the private sector, it is equally a growing challenge for the government sector in Portugal: severe cost reduction with government expenditure in public services and the growing need to face the citizen as

a “Client”, as the basis for improving the quality of the services delivered, poses the challenge to the public sector to run their organizational activities by projects.

Successful projects depend primarily on the Project Management *competency*, much more than on the product-related or technological competencies. Whereas the latter are a requirement to be present in a certain business, Project Management offers the necessary competitive advantage for faster growth and prosperity. Developing competency, processes and maturity in Project Management is therefore a major priority for successful organizations. In Portugal, over the last five years companies have been increasingly recognizing this need and Project Management popularity has grown considerably.

Hard facts of this continued success of Project Management are the growth of PMI members, PMI Portugal Chapter members, the growth of REP training organizations, as well as, and of course, the growth of PMI certified Project Management Professionals (PMP®). Finally, it is also worth noting another very positive sign of this success, which has to do with the fact that many influential large organizations in our economy are establishing or have established career paths for Project Managers within their organizations (e.g. Microsoft, IBM).

In summary, the nowadays reality of business demands that our organizations develop high levels of maturity in Project Management. Whilst Portugal has not yet won this battle, it is on the right path towards success, a fact certainly not unrelated to the active intervention of the PMI Portugal Chapter over the last five years in our country.



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