

REGIONAL REPORT – ARGENTINA



What to Expect in Argentina in 2007 for the Project Management Profession?

By Ana María Rodríguez

During 2006, Argentina totally proved that the bad times of the 2001 economic crisis were in the past: the growth of its economy (8.5 annual rate according to United Nations' Economic Commission for Latin America and the Caribbean - ECLAC¹) places the country in the group of Latin American leading countries, behind Venezuela (10%) and Dominican Republic (10%). This year Argentina has registered an 11% annual growth in industry production, led by the textile, metal mechanical and construction industries. This growth has generated a 5.5% increase in job positions². The growth of Argentina during 2006 is undeniable, and it has been translated to an explosion of projects. Will this growth continue during 2007? What to expect for the Project Management Profession in Argentina during 2007?

¹ ECLAC- <http://www.eclac.cl/default.asp?idioma=IN>

² Ministry of Economics, Argentina – www.mecon.gov.ar



Most economical analysts agree Argentina will maintain its growth during 2007: The International Monetary Fund (IMF) considers that Argentina will have an 8% annual growth during 2007, leading the growth of the Latin American Region which is expected to present a 4.8% rate during 2007³. ECLAC, the leading economic

observer in the region, expects to see a 7.5% growth in Argentina's economy during 2007: ECLAC also considers Argentina, Venezuela and Peru will lead the 4.7% expected growth for the Latin American economy.

Looking at the economic data, Argentina will keep growing. Looking around for projects, it is obvious that we will see more: Most industries are considering making important investments during 2007 to increase production levels, or to improve their production processes. Just in the Rosario Region: Acindar (steel producer) will invest in a new laminar train; Sipar Gerdau (steel producer) is considering changing its production oven; Celulosa Argentina (paper and pulp producer) will revamp its recovery boiler, change its wood clarifying process, and improve the residual liquor treatment. Cargill, Dreyfus and Vicentin, leading actors in the cereal export industry, will also make important investments in their plants during 2007. So Project Managers will have, for sure, enough work. How could we participate in these projects?

In my personal opinion and based on what I have seen during 2006, this sudden increase in the number of projects and the size of investments have been faced by local actors without having enough Project Management skills; most of the companies have a strong technical background, and face projects based on these skills. Projects are "trusted" to teams that have demonstrated leadership skills, and that are willing to work hard for the project, but PM techniques are not yet considered a key factor for project success. Many local companies are not aware that their projects' performance will be highly improved by PM techniques, although they do feel the need for improving the way they manage projects. **But the need for improving projects results is slowly leading companies to Project Management:** many of them are now looking for professionals with PM skills; many are developing in-company PM training.

There is a notorious growing need for experts in MS Project or Primavera since many companies consider these tools as the fastest way to improve their projects. This is obviously not entirely true since the use of these tools should be supported by a PM culture and knowledge that most of the companies have not developed yet. But they will be interested on this knowledge. **During 2007 we will see an increased interest in Project Management. It will be a year of opportunities for PM who accompany the development of all the projects Argentina will face during 2007.**

³International Monetary Fund - <http://www.imf.org/>



Foreign investors are having an important role on the growth of PM in Argentina. The growth of the country and of its production levels has led to a return of investors: many leading Argentinean companies have been bought by international companies. **These companies are expecting projects to be managed following world-class standards, and local companies are being forced to adapt these practices.**

Brazilian investors are a good example of this trend: they are now part of many of the largest companies in Argentina, and are bringing their long-time tradition in Project Management to these companies. For example, Petrobras, a leading Brazilian petrochemical company bought Pecom, a leading Argentinean petrochemical company. Now Petrobras is implementing in Argentina PM practices that the company has previously followed in other countries. The company is making an important investment in training their professionals on PM skills: for instance Dr. Michael Pappas (Professor at the Construction Engineering and Project Management Program at the University of Texas at Austin) was invited by Petrobras to Buenos Aires to offer a professional development short course to Petrobras Project Managers⁴.

Even though the trend is clearly on an increase of interest for Project Management, there is also a large resistance to it that we should reduce during 2007. **Many companies train their people in PM skills, hire PM consultants, but at the end of the day, they do not apply what have been learned, or the implementation of PM in their projects is not done systematically.** Prices are also a big issue yet: Companies still see PM as expensive, without considering the benefits and savings that it will bring to them.

Many times PM trainers and consultants contribute to this situation: PM is shown as expensive, selective and too theoretical, far away from a practical approach. During 2006 I trained a group of Project Managers in an important company of the region. The same group of project managers had attended several PM training courses, both in-company and at important educational institutions. They had also had experience with international consultants who had come to teach them how to manage projects. When I first met them I found a group of people almost convinced that almost nothing could be done to improve the way projects are managed, and with an important level of frustration from attending other PM courses. It was challenging: I am much younger, less experienced and less famous than most of their former PM trainers. How could I convince them of something all of my predecessors had not been able to convince them?

The course turned out to be very successful. I enjoyed working with them and sharing my experiences. They gave their very

⁴ CEPM Newsletter / Fall 2006, The University of Texas at Au



best grades to the course, and they showed their satisfaction with all that I had shared. Most important of all: they opened a door for my company to be part of their projects, not just as trainers but supporting their PM tasks. Why do I think I got so many results? Because I shared my personal approach to projects with them: PM should not be complicated, should not require sophisticated and expensive tools, should not fight against existing cultural issues in the company. Around Rosario, companies are just welcoming PM, the approach to it should not be aggressive but should instead be sensitive to the needs and situation of companies.

There is a clear trend of growth for the PM profession in Argentina. The potential is enormous, since the country will be full of projects. Foreign investors are expecting companies to apply world-class standards, and companies are feeling the need for better projects performance. So we PM professionals and leaders will play an important role in Argentina in 2007. But the challenge is there: we should bring PM practices to companies being conscious of their needs, their culture, and their resources. The resistance to PM can be overcome by results, at affordable costs!



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