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## BACK DOWN JUST ABOVE THE SCRATCH THE RECOIL OF PROJECT MANAGEMENT AT EVERY LEVEL

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There is no success story guaranteed that, embracing the knowledge, culture, techniques, methodology and standards, one will make a major breakthrough on the career path. The external environment and outside forces should accept and buy into the philosophy of Project Management in its definition given by the forerunners.

Simple statements are probably the most difficult to be understood, and this mainly due to the human inclination to complicate the facts beyond any rationale.

When coming down to the project management, the simple statements like “a project is a unique endeavor apart from repetitive and routinely operations” and “each project needs a project manager” are not quite well understood. Besides semantic interpretation, the fact is the economic contraction hit the profession in a moment when it was on the wave’s crest. Now it is almost all gone and an army of project management professionals trained at high standards with provable credentials are forced to transition to other places where there is demand for their experience and expertise. Those stubborn to persist in finding a project management position might find themselves stuck for months in a free falling economy.

Coming down from over 9 % p.a. economic growth to slightly over 3 % in a half a year is, beside the steep ramp down, a painful social problem.

Unemployment is reportedly as high as 15 % in some areas of Romania, especially in the North-East and South-West and the forecasts are not happy for the remaining months in this year.

Projects were cancelled or in the best case deferred to a later moment in many sectors: construction, real estate, telecom, and banking.

The main attributable contributor to this general standstill is constantly the lack of financial support in place either on front end with the Project sponsors, promoters or at the back end on demand side, at the end users. While two-three months ago confidence was higher and there were voices saying that projects in the pipeline would be starting by the summer time, today we are completely stuck.

Many hopes were placed on the energy sector and they are still alive after top players posted their expression of interest for greenfield and brownfield projects on fossil or nuclear sector. While many projects in this industry are moving ahead extremely slowly, the 5 billion Euro project for the construction of Units 3 and 4 at Cernavoda Nuclear Power Station makes the first steps on its way: the project company Energonuclear has been established by a combination of owner's participation along with some other key players. It is probably meant to start this fall and when complete to the final profile, 4 units by 700 MW each in average will "clean" the energy market from the ineffective generation capacities.

The fossil fuel power station at Isalnita is now the subject of bid process with three companies on the shortlist: AES (USA), EDISON (Italy), and CEZ (Czech republic) for the construction of a new 500 MW coal fired unit.

It is at least questionable how feasible these investments will prove in the end at the horizon of few years from today. It is today certain that the energy demand curve has dropped with 13 % in the Q1 of the year.

Real estate, construction sector in all of its components, residential, retail-shopping centers, office buildings, etc. is probably in the worst shape when looking at the entire economy as a whole. Nothing moves on sites all over the country, the cranes, concrete trucks, and army of workers are all gone from the scene since developers and contractors have stopped and cancelled their ongoing projects.

The fortunate who have secured the business back in the summer of 2008 when the financial crisis was not so evident have managed to complete and deliver their projects on the market, mainly office "A" class state-of-the-art buildings. They have even succeeded with securing the tenants in with firm pre-contracts and thus in a full financial storm reputed companies acting in Romania open new office locations in newly established and commissioned office buildings in Bucharest area.

Not all were so lucky in the end; many ambitious projects were put off or even cancelled.

Today the construction and real estate sectors are both hardly breathing, thanks to the past commenced and still viable projects; others that are not sustainable in terms of cash income and feasibility were abandoned in place.

In the Agriculture sector, the National Irrigation System revitalization meant to restore the abandoned in-place, old fashioned designed, Russian-type pumping stations could be the star for attracting major funds during the next period. The Government has already announced that major disbursements are to be mobilized for a Design stage in a first run aimed to outline the technical needs for a nation-wide irrigation system. The dry season, recorded between June and August in almost every summer in a row in the last years, has led to major losses of crops and the result was significant rises of food prices or the boost of cereals imported. If the Government would start the program then it will be a huge opportunity to see many projects kicked off involving design, engineering and manufacturing for the pipelines, pumps, transformer units and water transportation systems. In the first stage an Integrated Engineering Study is to be designed by a selected Design entity which shall compile the requirements from Ministry of Environment, Romanian Water Authority, Romanian Forestry Authority, Ministry of Agriculture and National Institute for Meteorology and Hydrology. Romania has currently only 176,000 hectares irrigated while the need is for 560,000.

The entire economy has received a major blast and the quake is propagated throughout the entire society, both horizontally and vertically affecting large and small businesses that not long ago flourished due to the interconnecting channels in the economy.

As in times of recession, the cutting cost reflex has made thousands of unemployed in almost every corner of the national economy. The Construction and Real Estate as well as automotive and car parts makers were by far the worse hit.

And so were the Project Managers in these sectors too.

Public events involving project management topics have dropped significantly over the period, as attention is focused on immediately sensitive issues like keeping the job or finding another one when laid off. The recurrent gatherings and events such as sessions, conferences and roundtables have not been organized as in the past. The PMI Romanian Chapter held its session in Brasov City sponsored by a local construction company in a salutary attempt to shift the attention from IT to construction sector within the PMI Chapter.

Roland Gareis alone keeps the PM flag waving with his constantly held Happy Projects conferences and roundtables; but the deeper the crisis, the larger the gap between his highly fashioned message and the cruel reality in the real economy.

Old times when there were abundant job offers for project management positions within these sectors are gone, for every single position offered being automatically enlisted hundreds of applicants! Many of the top recruiting companies now complain that the massive amount of applications, resumes and letter of interests have incapacitated those screening the

application documents due to the intense effort to read through. Applications from many possible candidates who well fit the positions go unread due to the piling up of unemployed applicants.

There is no sign of recovery recorded so far and the seems endless. Due to the lack of major investment programs in infrastructure projects, there will be no alleviation for pain felt in these months.

When speaking about the project managers forced to shut down their skills for now, the major impact however on long term is the likelihood that gained capabilities, experience and expertise accrued in years of training and on the job interaction will now be wasted. This is due to the transition to other professions which could offer a subsistence salary.

As Alfonso Bucero PMForum correspondent wrote a few months ago suggesting the project managers to save funds for three to four months idle period, then the three months savings for a distress period might prove insufficient if the recovery delays.

## About the Author



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