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Project Management Update from Romania

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PROJECT MANAGEMENT STATE OF AFFAIRS IN 2009

Ending a golden period spanning over 5 years of continuous and sound growth in almost every sector Project Management, Romania has also experienced severe recoil without a rebound all over 2009. From major layoffs of PMs' to cancellation of ongoing projects or hundreds of applications posted for one single position offered as Job offer for Project Manager, all these have been seen in the past year.

Even the interest in the academic exposure of the profession, seminars and conferences, roundtables and other gatherings, has decreased. Many of the authors known who run business in training for professionals have gone down with their affairs due to the lack of interest or lack of financial support, given the low priority posted to training and educational activities. The syndrome of cutting all costs except the surviving salaries hit badly.

The hit came in a bad moment when the profession was on a consolidation course, defining its frame and culture and when many young professionals were on a course of embracing project management as a profession. People had started to understand the concepts outlined by PMBoK and PMI as well as IPMA documents. Companies, mostly in IT or banking, adopted the PMBoK Guide as starting point document for defining the PM culture, tools, concepts.

Firms in the construction industry, even though a bit slower than other blue chip companies, were following behind the front wave of PM landscaping sectors up until the beginning of 2009 when the collapse began.

All at once, the signs of recession occurred in the beginning of 2009 and could be briefly summarized as follows:

- Many projects cancelled either in the pipeline or ongoing with different rates of progress
- Many Project Managers lost their jobs and posted massive numbers of resumes on the job recruiting web sites
- Hundreds of applications presented for single PM positions offered
- Local Chapter of PMI experienced a low interest for the positions within the Board with the upcoming elections in January.

In the middle of turmoil there is an ardent desire from everyone to see the economical crisis over and growth to start without figures in brackets. It is probably the most asked question of the season: when will it be over?

Speculations displayed by the media or simple beliefs of the ordinary people accredits that there is no clear perceptions based on economic forecasting mechanisms with a reasonable accuracy when and how the sign of recovery will occur. The figures officially released by the Government as to GDP, unemployment rate, specific sector contraction, etc are worse from one month to another, and the decline is still far from ending. Analysts of any political color forwarded different models of recovery depicting mentally the strange shapes of economic indicators during downturn and recovery such as U shape, V shape, W shape or, strangely, X shape.

One thing can be predicted with sufficient accuracy after all: Romania cannot get out of this unless EU countries and U.S. will manage to come out of recession first. An important highly profiled businessman predicted that Romania could recover from the crunch at 6 months period after US will turn back on positive figures.

We are likely to see not a complete and total rebound for the entire country or major regions in the country; but surely the national capital Bucharest City area and the nearby surrounding areas and western parts of the country where massive amounts of cash are available will be the first to revive. This will be thanks to the projects in the pipeline, there before the crunch and other projects on standby waiting for authorization. Capital city has always attracted investment funds due to the presence of companies' headquartered in the City or projects being implemented in the City.

The west side of the country is the region where many western EU companies act in many industries from IT to automotive spares and accessories. They all suffered major losses and experienced severe contractions in the last two years, but the core knowledge and continuous presence during this period should ensure a smooth start.

Lessons learned out of this painful experience and the benefit of Project Managers could be extremely important for the next short future. Imagine that the golden period of massive cash for investment in almost every sector of the economy has gone and that it is very unlikely to see that again. With every dollar or euro more costly than in the past, the process of projects authorization will go on a longer and more sinuous road rather than straight forward as previously.

It is also expected that Risk Management as a process in Project Management will see an increased importance; the crunch hit with some warning signs no one deciphered at early stages. We do need better early warning tools and better risk response planning. At macro and micro levels as well. For the companies it might turn out they need a more apprehensive attitude when doing business; for the individual it might be necessary to enhance survival capabilities - learning new things, adapting and, why not saving more money for periods of idleness and unemployment.

At each individual level Project Managers should run lessons learned sessions, prepare for the worse in the future, learn new things, and study in depth Project Management because this discipline is going to be extensively used in the future. For the problems that occurred during the decline and stagnation, the companies will respond with many projects. There will be good opportunities for good, experienced, certified or non certified project managers. Firms should not be willing to run a risky project by an inexperienced Project Manager. For the same reason as when exposing company to a risky environment, playing the game with shareholders' money will be a more difficult job for Project Managers because the money will be harder to get and very expensive.

The Local Chapter of PMI has held elections, the President has been re-elected for the second term in row. There is a time for consolidation and a re-instated chance for advocating for the profession from the high level of representation. The Chapter should not only represent a platform for the members, a club gathering the very same figures, but an open association for all those with interest or whose jobs have something to do with project management. The younger are very interested to participate and associate and many of them find the profession captivating, even though they are at their inception on career paths. The Chapter should run and maintain the role as entrusted by PMI and more, to find ways to attract younger or experienced individuals who stood up through the last period and continued working in the project management field.

They surely have something valuable to say as our lessons learned cycle. We all should take the learning concepts from the period as individuals and use them in the next challenges. Not in the least, the Chapter should do networking better than in the past:.

project managers unemployed could have been better served and they should be better kept informed about the vacancies, openings, temporary or permanent in every sector. This is part of the profession too.

Projects will always be everywhere and whenever a problem seeks for an answer, that's how a project is born: Governmental Companies will be willing to display a highly social behavior and they would probably run projects meant to hire thousands of unemployed: construction, highways, public buildings, waste water, etc. It is known these projects always attract massive labor force and materials moving as in a big horizontal quake shaking an entire piece of economy, industry by industry. Funds will be taken from WB, EBRD, IMF or other private development financing institutions.

Private companies will resume the frozen projects first and then will think twice when authorizing new projects because of the shareholders' risk averting inclination following the economic crisis.

Projects will go with the need for cutting costs, either for the companies in manufacturing or services companies.

Firms will be more focused on the cost dimension of their economic life, more than in the past and therefore many problems dedicated to the slogan "cutting cost" will be turned into future projects.

2009 is about to be gone and the lack of clarity still persists in Romanian economy. Project Management should make a great turn now and find ways to better promote the profession, with more visibility. This amid lack of interest and people being pushed down to lower levels of Maslow's pyramid.

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