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## Integration of Russia into the Global Project Management Community (SOVNET 15+1-th anniversary)

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### 1. Introduction

In February 2007, SOVNET celebrated its 16 year anniversary. On February 1, 1991 SOVNET was registered in Moscow city hall as a non-profit, professional, international organization. On February 2, 1991 it became a member of the International Project Management Association (IPMA, formerly called INTERNET), and was registered in Zurich, Switzerland as a National Association. These important steps signified an official beginning of Russia's integration into the global project management community. Many years of isolation came to an end. We were accepted into the vast world of project management.

Sixteen years passed by. From a historical prospective, it is not very much time; yet from an organizational perspective, 16 years is an ample period of time to reach a certain level of maturity. It is now time to conduct a retrospective analysis, assess achievements, and define our future. To do so, some simple questions need to be answered:

- Why did we choose this way?
- Where did we come from and what did we bring with us?
- Where are we today, and what did we achieve?
- Where do we go from here and how do we do it?

This article offers a retrospective analysis of formation and development of professional project management (PM) in Russia and abroad, and the process of PM integration into the global community. The authors also attempt to answer a number of pressing questions concerning the essence, special features, and expansion of practical applications of PM in business, society, and government structures:

- How did project management develop in Russia?
- How can the experiences in Russia be used in the global PM community?
- What can be done to foster more dynamic development of PM in Russia?

### 2. The place and role of Project Management in the modern world

Project management is one of the most important branches of management in the modern world and market economy. Today, the philosophy and methodology of project-based management are generally accepted and being used in all developed countries of the world. In those countries, project management is on the frontier of management in business, government,

and society. The very use of project management ensures the dynamic development and robust competitive ability of those countries.

In the course of the last 40 years, project management molded itself into a new culture of management and became a cultural bridge in the world of civilized business, aiding in collaboration between various countries from different continents - all with very different histories, traditions, economies, and cultures. It is already difficult to name at least one project of global or national importance accomplished outside of the contemporary approaches embodied in project management. It is also difficult to name at least one well-known company which does not practice project management methods and where PM tools are not being used to drive innovation and successful business management. Today, maturity and competitive ability of societies and economies are assessed, among other criteria, by their level of maturity in project-based management.

The scope and goal of project management in today's world can be characterized by the following statistics. Based on assessments by global experts, currently there are more than 25 million specialists and practitioners worldwide involved in project-based management with the objective of improvement in various areas and development of new products and services. Microsoft announced that in the end of 2006, over 20 million Microsoft Project licenses were registered. About 30% of the world budget, many billions of US dollars, is spent annually on projects and programs.

As of 01.01.2007, the professional global community includes about 350,000 project management specialists. They are involved in practically all areas of project activity and belong to the global network of international and national organizations. About 220,000 are members of PMI, 60,000 are members of IPMA, and 70,000 are members of some other professional organizations. 305,000 of them are certified project management specialists: 215,000 with PMP certifications from PMI, 70,000 - with 4-level certification program from IPMA, and about 25,000 – from certification programs of Japan and Australia.

### **3. Status of Project Management in Russia**

Overall, the development of professional project management in Russia, as well as in other countries, is rooted in the industrialization of 1920 - 1940's. The development of Russian project management generally followed the flow of the global PM development, but lagged somewhat behind the west. Unfortunately, as a professional and complex discipline, project management was not in demand during the period of centrally planned economy, which was characterized by the dominance of administrative planning methods of management. Yet, during the period from 30s through 90s, significant experience was accumulated in the area of organizational management, and there were some scientific and practical achievements in the following areas:

- Scientific Organisation of Work (1920 – 1940)
- Organization of production lines (1930 – 60),
- Application of economical and mathematical methods (1960– 80),

- Network flow planning and management (1940– 80),
- Techno – economical planning and multi-project management (1970– 90),
- Management information systems (MIS) and computer-aided design (CAD) (1970-1990),
- Program Management (1980 – 90),
- Management information systems (MIS) (1980 – 91).

During that time, the above achievements were neither broadly implemented nor left a mark on the Russian national economy. Notably, all those trends are constituents of the modern project management, so many Russian achievements from earlier years, especially scientific ones, are still relevant. Russian project managers did not come into this professional world empty handed. It is important to study the previous achievements, treasure them, and use them intelligently in the new Russian economic environment.

The overall situation changed dramatically during the historic period of Perestroika in the beginning of the 90s, when the *Iron Curtain* was finally lifted and Russia at last took its well-deserved place in the global community of professional project management. The first formal step in this direction was taken when, in February of 1991, the Russian Project Management Association SOVNET was formed and began its professional activity. This historical moment marks the beginning of Russia's integration into the global professional community of project management.

A lot was accomplished in the course of the last 16 years. Unfortunately, in Russia, the general culture and methodology of project management are still not widely accepted on a national level. Switching to professional project-based management has not yet become a national necessity as it has in Japan, USA, Australia, and many other technologically-advanced countries. However, there are gleams of hope on the horizon. Russian President defined a new course toward realization of national priority projects, and this initiative entailed nationwide awakening of interest towards project-based approaches. Today, with four of those projects at work in all regions of Russia, it is especially important to create, along with financial support, the essential infrastructure for professional project management. This infrastructure should include educational, training and certification programs for professionals as well as the means for creating project management teams equipped with modern methods and tools. It is already evident that administrative-bureaucratic methods alone are not sufficient if projects of such magnitude are to be successfully realized.

#### **4. Where we are now and what did we achieve?**

The mission and major objectives of SOVNET focus on development and broad implementation of professional project management in Russia with consideration of both national and global experience.

The achievements in this area need to be assessed in historical context of global development of organizational management and production, starting from primitive use of natural resources and following its forward movement through natural economy, feudal

autocracy, monarchical absolutism, democratization, and creation of industrial, and later, post-industrial society, with its highly developed information, computerization, and high technologies. The development of organizational management was following the same scenario, moving from primitive to highly professional. We live in the fast - paced world of high technologies, in the world of professional rule in all areas of human activity. Our world has already entered an era of **professionalism** with its cut-throat competition. In order to be successful in those tough circumstances, switching to modern professional management is essential; it is not a luxury, but simply a matter of survival. Project-based management with its rich arsenal of methods, tools, and technologies is one of the most effective modern trends of management. This is why the movement toward project management is a historical necessity, and it is unavoidable.

The achievements of our Association also need to be assessed from historical prospective. So, what are our achievements? What did we accomplish?

- “Opened the door” for Russia to enter the world of project management, and initiated the process of our country’s integration into the global community;
- Established secure long-term contacts with the global PM community, and continue developing and promoting international cooperation.
- Chose our own road upon taking into account both current situation in Russia and global aggregated experience, and initiated development and implementation of professional project management in our country;
- Ensured that this process is irreversible on a national level, and long-term.
- Helped to develop and implement PM infrastructures in a number of countries, such as: The Ukraine, Kazakhstan, Azerbaijan, Latvia, Belarus, Tajikistan, India, China, Serbia, and Bulgaria. All those countries are now our partners.
- Established contacts with government entities, business, science, education, and public organizations, as well as the global community of project management, and continue maintaining those contacts;
- Contributed to the development for project management theory and methodology in transitional and market economy;
- Developed the basis for professional community and project management infrastructure in Russia in many areas, among which are education, training and certification of specialists, project management consulting, information and publishing (books, magazines, journals, professional Web sites, etc.)

- During the last 16 years we held out against all odds. We prevailed, and we matured. Our strategy is not about survival any more. Instead, we are going to continue with our forward development and success!

We needed to accomplish all of the above, and we did it! Notably, we did it on our own, without any support from the government bodies, businesses, and international financial institutions. So, what are our core accomplishments?

- We took on the mission of pioneers and pathfinders. In this sense, nobody will be able to do more than we have already done.
- In Russia, we are now recognized as a robust, healthy, and influential organization. Our authority continues to grow and become stronger in the professional community and in all areas of project activity.
- We are recognized in the Commonwealth of Independent States (CIS) and in the near abroad.
- We are recognized and respected in the global community of project management.
- And finally, as a result of all the factors outlined above, the name of our organization SOVNET has become a highly-rated brand name.

We have a lot of accomplishments to be proud of. And now let us recall how it all started....

## **5. Short History of IPMA**

In 1965, INTERNET became the first international project management organization; in 1995, when a computer network also called Internet started its rise towards becoming a household name, the international project management organization changed its name to IPMA. Today, IPMA consists of over 40 national project management associations and about 60,000 members from practically all developed countries of the world, including Russia, USA, China, India, and many more.

In 1965 in Paris, two well-known project managers Ronald Gutsch (Dornier Company, Germany) and Pierre Koch (France) gathered together a group of five project management experts from Europe and the Northern America. This historic session led to the founding of INTERNET. Ronald Gutsch was elected the organization's first president, and for many years he remained its devoted leader. From that moment on, INTERNET was continuously developing, and today under the name of IPMA, it is a leading international professional organization which supports and promotes project management all over the globe.

The first project management congress was held in 1967 in Vienna (Austria), and it attracted four hundred specialists from all over the world. The next global congress will be held in June 2007 in Krakow, Poland. It will be the 21st IPMA Global Project Management Congress.

At the time when the first congress was held, specialists from the USSR had very scanty information about INTERNET, its biannual Project Management World Congresses, and its published proceedings. For a long time, only one or two specialists from the USSR participated in some of those Congresses (at best, in every other Congress). For example: SOVNET Vice – President, prof. V. Burkov, then a PhD student at the Institute of Automatics and Tele-Mechanics of Academy of Science (IAT AN USSR), participated in the first Congress in Vienna in 1967; that Congress was devoted to “Network methods”. Professors from Kiev (Ukraine) I. Sytnik and V. Rybalsky were registered as participants of the third Congress in Stockholm (Sweden) in 1972. They submitted a paper entitled “Network Methods and Automation of Construction Management”. The paper was published in the proceedings of the congress, but the authors were not able to attend due to lack of funding.

One of the authors of this article also made an attempt to participate in the fourth congress in Paris in 1974, held under the motto “Project Management in the Seventies”. He sent his application and his paper to the organizing committee. As he found out much later, the organizing committee never received anything from him, which came hardly of any surprise as at that time the Russian government exercised a tight control over communications with the “outside world”. Had the committee even received the items, there would have been no money (in hard currency) available for such a trip. Nevertheless, in the former USSR, there were still a number of organizations with sufficient funds, so occasionally lonely representatives of our vast country were seen at some congresses and forums. Historians and researchers are yet to recover a total list of names of Soviet participants in INTERNET activities.

Ronald Gutsch, the founder and established long-time leader of INTERNET, told the author that from the very first days of INTERNET its administration was striving to engage Soviet specialists and receive a Soviet corporate member. They believed that without the Russian representation the European Association could not fully represent Europe. However, all of the INTERNET efforts in this direction were fruitless until 1991, the time when Russia experienced major political changes. Before 1991, there was not a single organization in the former USSR that was able to accept the duties and responsibilities of a national association member of INTERNET; the government bodies authorized to make such a decision were simply not interested. Today, it is impossible to assess the tremendous losses incurred by Russia as a result of its forced 25-year isolation from the world of project management.

Now let us return to our **chronicle of SOVNET**. In the autumn of 1989, the first author together with a group of specialists from Central Research Institute of Construction (B. Lebed, PhD, M. Kositskii, PhD) participated in a regional seminar on network analysis held by the Czechoslovakian branch of INTERNET in Marianovy Lazni. We presented two papers at the seminar. This is where we first met Ronald Gutsch, then the acting president of INTERNET, and its future president Klaus Pannenbacker. They both were members of the German Project Management Association (GPM) Board. After an exchange of information on project management status in Europe and USSR, we proposed to conduct an international seminar in Moscow in 1990 and invited our colleagues to participate. The offer was accepted enthusiastically. Wasting no time and demonstrating brilliant project management skills, our colleagues completed a rough draft of pilot projects for the seminar.

In the course of our conversation, Mr. Gutsch complained about scarce contacts with Soviet specialists and indicated that INTERNET would support project management development initiatives in the USSR and would like to have a corporate member from our country. At the time, we were not ready yet to take such a step.

Inspired by creative and friendly atmosphere of the seminar – we were yet to find out that it was a common characteristic of all INTERNET forums – and armed with the published proceedings of the last World Congress (Glasgow, 1988) given to us by Ronald Gutsch as a present, we went back to Moscow to prepare for the pending forum with European project managers.

Our fateful meeting with Ronald Gutsch in 1989 left an unforgettable impression and awakened many hopes. The first author shared the results of the trip and possible scenarios for future project management events with his old colleague and co-author of many books on project management, Dr. Mark Scheinberg. At that time, Dr. Scheinberg already was one of the leading project managers in construction, experienced in organization and construction of metallurgical plant abroad. After a thorough discussion of the current situation, we decided that the time has come to establish our Soviet Project Management Association and join INTERNET as a corporate member. The recent changes in our country and the new legislation gave us the legal ground for such a step. Needless to say, that the professional necessity was there for a long time. We decided to take it upon ourselves and actively seek founders and “brothers-in-arms” for our future organization.

In June of 1990, the 10<sup>th</sup> INTERNET World Congress was going to be held in Vienna, Austria. Our colleagues M. Scheinberg and V. Ivanov “got lucky”: they were able to convince the top management of “Tyazhpromexport”, an organization involved with a few international projects, to send them to the Congress. That Congress was the last INTERNET Congress with such a small number of representatives from Russia. At the next one, the 11<sup>th</sup> Congress in Florence, Italy in 1992 Russian delegation was already one of the largest - 25 people; the 12<sup>th</sup> Congress in Oslo saw 35 Russian delegates, and at the 13<sup>th</sup> Congress in Paris there were about 50 delegated from the countries of former USSR.

The administration of Central Research Institute of Construction Economy and management (CNIIEUS) empowered M. Scheinberg to represent their interests and conduct negotiations with the INTERNET president Mr. Gutsch. During the meeting in Vienna, the idea of founding a project management association in the USSR received full support of INTERNET and started shaping up.

In August 1990, a seminar on project management in construction, organized by CNIIEUS (Russia), INTERNET, and GPM (Germany), was held in Moscow. Among the participants were R. Gutsch (INTERNET), K. Pannenbacker, K. Shtark (GPM), V. Makova (INTERNET Chekhoslovakia), future core members and nucleus of SOVNET, and a number of leading Soviet researchers and specialists in the area of construction management. It was during those days in Moscow with R. Gutsch and his colleagues that the final organizational issues of the future Association were discussed and negotiated. The first practical step in this direction was declaring CNIIEUS a corporate member of INTERNET.

The idea of founding the Association was supported by many professionals. Leading Soviet researchers and specialists, namely V. Burkov, V. Pozdnjakov, L. Golub, V. Klimov, U. Etkind, A. Nemchin, S. Bushuev, U. Avdeev, J. Rekitar, V. Rybalsky, N. Ilyin, O. Dukrskii, O. Mikhnenkov, and many others were ardent supporters of this project. Many of them have later joined the Board and the Council of SOVNET and became very active within the Association. The chain reaction had started: the group was now looking for founders and potential new members of the Association.

In the autumn of 1990 the group completed the constituent documents and prepared the meeting of the founders.

In September of 1990, the anticipated foundation of SOVNET was announced at the Construction Management Conference held in the City of Ljubertsy. Right away, many originations and specialists supported this idea and declared their intent to become founders and members of SOVNET.

The above is a brief chronicle of events preceding the foundation of SOVNET, imprinted in our memory and reflected in the original founding documents.

## 6. Establishment of SOVNET

The Russian (former Soviet) Project Management Association (SOVNET) was founded on October 25, 1990 and officially registered on February 1, 1991 as a voluntary non-profit association of state and public organizations, private companies, firms, enterprises, as well as individual specialists engaged in management of projects in various areas of human activity.



Fig.1. INTERNET in Moscow: Ronald Gutsch and Vladimir Voropaev in Red Square after introduction of SOVNET into INTERNET 02.02.1991

A very important role in establishment of the Association was played by CNIIEUS and personally by its director V. Klimov, who not only supported this idea and became one of the founders of SOVNET, but even more importantly – provided “the roof over our head” and all the necessary facilities for our work to begin. As noted earlier, invaluable and significant help and assistance, were provided by Ronald Gutsch and other INTERNET executive officers. Among the first Sovnet founders were nine research and design institutes, centers, and associations; four industrial and construction associations; and two higher education institutions.

SOVNET was established as an international public professional non-profit organization, to function on Russian territory in accordance with the Russian legislation and the regulations of the Association. SOVNET is engaged in international collaboration with various foreign countries, some of which are from former USSR, and has many international members. Since February 1991, SOVNET is a collective member of IPMA (former INTERNET) based in Zurich, Switzerland, where it represents Russia.

## **7. SOVNET today**

Considering that during all these 16 years we did not receive a single ruble from our government to fund an endeavor of strategic importance, that we started from zero, and that we were practically working on our enthusiasm only, we did accomplish a lot.

Most importantly, thanks to the activity of SOVNET, the process of integration into the global community of PM, development, and application of professional methods of project management in Russia have gained widespread application, reaching a “critical mass” and becoming irreversible. However, there is still not enough force to move forward our entire cumbersome post-communist economy. This observation is an important point, and we will return to it later. So, what exactly were we doing during all those years and what did we accomplish?

First of all, we initiated the development of professional project management community in Russia and its international integration. This community now consists of about 25,000 members who actively practice project management; more than 10,000 of them went through special programs in various institutions of higher education, academies, learning centers and courses, such as courses provided by the World Bank; about 1,500 at different times were members of professional organizations (SOVNET/IPMI, PMI), more than 1,000 hold SOVNET/IPMA, or PMI certificates. Those certificates improve professional competency of those specialists, and they are accepted globally.

We kept building and expanding our organization. Today, the total number of SOVNET members, including the ones who are corporate members and regional branches, is about 600. The research potential of SOVNET is presented by 25 members of various academies; approximately 200 professors, doctors, and PhDs.

Our Association has developed many educational programs for training of specialists in the area of project analysis and project management, and acted on a number of educational initiatives by the Institute for Economic Development of the World Bank. About 1,600 specialists (jointly with SOVNET and other Russian organizations), participated in the training programs.

The professional PM community has prepared and published about 100 titles, focused on education and methodologies of project management in Russian language, including those translated from overseas publications.

We prepared “Project Management: Foundation for professional knowledge. National Competence Baseline, or NCB. It has become a sort of “Bible” for PM, a basis for accreditation of institutions of higher education and certification of specialists in project management.

Our Association participated in the development and contributed to the success of over 60 new consulting, engineering, and management companies in Russia. Over 70 institutions of higher education in Russia and the countries from the former USSR boast programs for project management

specialists. First project managers graduated in 1999 from the Ural State Technical University in Yekaterinburg, and in 2001 from the State University of Management in Moscow.

We are supporting the growth of the software applications market in Russia. Many software applications have been developed in Russia. Many foreign software application packages have also been adopted, examples include: Project Expert, Microsoft Project, Welcom’s Open Plan Professional/Enterprise + Cobra + WelcomHome, Primavera, P3e, Artemis Views, Spider, and others.

Thanks to the efforts of our Association over the last 16 years, project management methods and tools have been used more and more extensively in the fields of energy, investment, construction, innovation, information and telecommunication systems, production, transportation, military, the press, space programs, nuclear energy, banking, trade, and others. Lately, due to its recent focus on the implementation of the national priority and government programs, the Russian government has displayed considerable interest in project approach and project management.

In 1999, SOVNET initiated and successfully launched the National Program of Project Management Certification. The program is based on the IPMA 4- level International Certification System, and was officially validated by the global PM community. To-date more than 700 specialists have been certified in this program, and their credentials are accepted internationally.

SOVNET initiated an accreditation program for the educational institutions and certification centers. Three organizations - GASIS, TEKORA and IT Academy - have already received our accreditation certificates, and two more will soon go through the accreditation process.

SOVNET organized and conducted a number of international project management symposia in Russia (Moscow – 1991, 1993, 1994, 1999; St. Petersburg – 1997, 2005, Nizhnii Novgorod - 2007). Altogether, over 2000 Russian delegates and about 700 overseas delegates attended those forums.



Fig.2.1- International Project Management Symposium in Moscow, SOVNET1991



Fig.3.1- International Project Management Symposium in St. Petersburg – 1997

The 17<sup>th</sup> IPMA World Congress on Project Management, titled: “Project – Based Business and Society” was successfully hosted by SOVNET in Moscow, June 4-6, 2003.



It was a huge success and became one of the finest achievements of the Association. The following main and additional events took place during the Congress:

- Plenary and parallel sessions on Congress themes
  - Exhibition (June 4-6)
  - Global Forum (June, 4)
  - Youth and student conference and seminar
  - Training and certification of project managers
  - Social program events
- Presentation of awards to selected Project Management specialists and Companies (on SOVNET nomination)

The World Congress program included 2 plenary sessions and 7 parallel sessions. 184 papers were presented (81 by Russian and CIS speakers and 103 from other countries). 5 key notes were presented at the plenary sessions. 351 delegates from 40 countries officially registered in the Congress, including about 100 Project Management specialists from 43 countries who took part in the Global Forum, 15 companies specializing in project management took part in the exhibition and about 1000 people visited the exhibition.

The Young Crew Workshop was held in the GASIS training centre from 31 May to 2 June. The 15 workshop participants were chosen from young Project Management specialists of Russia, Poland and the Ukraine.

About 120 participants took part in a youth conference under the title of “Innovative Approach to Project Management in the XXI Century”, which was held in the State University of Management (3 June 2003).

Overall, over 1,000 delegates from 40 countries participated in various events during the Congress. At the closing plenary session a Memorandum - an appeal to the Governments of all Countries and Nations - was approved by the Congress participants. The congress participants called upon all the governments to accept the project management methodology and technology as important factors of increasing the State Project and Program Management effectiveness.

The feedback received from a sample of participants indicated that all Congress events were rated favorably compared to international standards, and that the papers presented were found useful and of a high quality. Due to the multilateral advertising campaign with initiatives such as various mass events held before the official start of the Congress, exposure of the Congress themes in the press, publications of reports on the results of the Congress after its completion, and dissemination of the information in government organizations, there was a notable rise of public interest in project management. As a result, approval rating of SOVNET and IPMA as professional organizations went up.

All along, the Association actively participated in many international PM collaborations, integrating Russian project management into the global PM community. The main goal of this professional collaboration was the speedy utilization of global experience, further development of

Russian project management on the basis of the aggregated global experience, and entering the global community as a valuable partner. SOVNET always paid special attention to this global aspect of its professional activity. The Association has recognized the importance of the global integration processes long before Russia as a country became an active member of the global community. As a part of its international activity, SOVNET is developing and maintaining its global network of contacts with practically all national project management associations from all five continents. SOVNET has become a competent active member of IPMA and has earned widespread respect and authority.

The Association representatives actively participate in the governing bodies of IPMA, its Global Congresses, and other international Forums; they participate in working groups and committees, and help to develop IPMA normative documents; they are members of International Editorial Board of IPMA Journal of PM ; they are active participants of the journal, members of Global Advisory Panel, Contributing Authors of World Web portal PMForum.org and eJournal PM World Today.

SOVNET has agreements on long-term collaboration, and works closely with the following organizations: PMI – North American-based Project Management Institute; CEPM – Centre of Excellence in Project Management (India); PROMAT – Korean Institute of Project Management and Technology; Project Management Association of Serbia and Montenegro (YUPMA); Azerbaijan Project Management Association (AZPMA).



Fig.4. The first SOVNET contacts with PMI, Moscow, 1992 David Pells, Vladimir Voropaiev, Vatcheslav Pozyiakov, Mark Scheinberg



Fig.6. The introduction of China into the INTERNET, Xian, 1995



SOVNET Delegation in PMI, Chicago, 1997, Fig.8 The 1-th Steering Committee of the Global Forum.



Professor Voropaiev at Global Project Management Forum New Delhi, India 2005



International Symposium JPMF, Tokyo.

SOVNET has an agreement of four presidents for long-term collaboration, signed on December 4<sup>th</sup>, 2002: Adesh Jain, PMP and the first assessor of IPMA for India and the Honorary President of the Project Management Associates, India - PMA; Professor and Doctor Vladimir Voropaev, the first assessor of IPMA for RUSSIA, and Chairman of the Russian

Project Management Association - SOVNET; Professor Fupei Qian the founder and currently Vice President, Project Management Research Committee, China; and Hiroshi Tanaka, the National President of Japan Project Management Association – JPMA.

SOVNET also maintains contacts and collaborates with a number of international and Russian organizations: Russian Academy of Natural Sciences (In 2006, SOVNET participated in creation of “Project Management” department as a part of “Information Science and Cybernetics” section.); International Academy of Investments and Economy of Construction; International Academy of Information World Band; Global Project Management Forum, Japan Project Management Forum (JPMF), Latvian National Project Management Association, the World Bank of Reconstruction and Development; a number of Russian government structures and organizations; and leading consulting, engineering, and IT companies.

Members of SOVNET participated in most official IPMA and PMI functions, and they are actively involved in the activities of those organizations. SOVNET receives regular updates on all international happenings in the area of project management, distributes this information to its members, and encourages them to participate in those events. Over 500 Russian specialists attended the IPMA Global Congresses, annual PMI and APMI symposia and seminars, as well as other international project management forums held abroad (about 40 forums in total) including: Vienna,

1990 – 2; Florence, 1992 – 25; Oslo, 1994 – 35; Paris, 1996 – 45, Ljubljana, 1998 – 25, London, 2000 – 6; Berlin, 2002 – 10; Moscow, 2003 – counting the Youth Forum and the Exhibition – 1,000; New Delhi, 2005 – 8; Shanghai, 2006 – 7.



Leaders at IPMA Global Congresses, Shanghai, China, 2006.

A monthly SOVNET Seminar “Theory and Practice in PM”, which is free and open to general public, has been a success for 12 years. Around 2,000 participated in these seminar series. Project management is being integrated with other modern techniques in the area of management, such as strategic management, corporate management, crisis prevention management, business process re-engineering, etc. In 2005, the Cabinet of the Russian President and the Russian government structures started using PM methods and tools with the purpose of successful realization of priority national projects.

Major national organizations, such as Russian Atomic Energy Complex (Rosenergoatom), the Russian Railways (RZD), Aluminum of Siberia and Ural (SUAL), United Energy System (UAC), Information Business System (IBS) and regions of the Russian federation (the Volga region, Ural) now have training and certification programs for PM specialists.

And finally, one of the Association’s finest achievements is the founding of the official SOVNET journal, the first professional Russian language PM scientific and technical scholarly journal. This endeavor is as a result of a joint effort of SOVNET and the Grebennikov Publishing house. The first issue of the journal was published in January 2005. Since then, the journal has earned the reputation of a modern project management knowledge source. Several distinguished authors and leading professional practitioners are among members of the journal’s International Editorial Board. The Journal has become a means for Russian integration into the PM global community.



INTERNATIONAL SYMPOSIUM  
“Project Management: State, Society, Business”.  
“Competent Project Management – Key Factor for  
Efficacy, Development and Prosperity”  
Nizhnyi Novgorod, Russia, February 2007.



## **8. The Future of Project Management in Russia**

In the last 16 years, all necessary prerequisites for the large-scale development and implementation of project management in Russia have been created. So, what needs to be done for the successful realization of the long terms goals of SOVNET?

To begin with, the society and the press still provide a very weak support base for project management. Therefore, a major short-term goal is to create a system of motivation and stimulation for the broad development and implementation of project management. This system will then serve as the foundation for innovative development and reconstruction of our economy and society as a whole.

In the rest of the civilized world, project management has long become an accepted professional activity and a career choice for many. In Russia, it has not happened yet. This is why it is especially important for our lawmakers to support PM initiatives. Project management needs to be entered as a profession of its own in the list of recognized occupations and, specifically, in the list of qualifying professional occupations maintained by the Ministry of Education and Science of Russian Federation and the High Assessment Committee (VAK). Right now, those organizations only recognize project management as a specialization, not as a separate profession. It is already done in the Ukraine, where there are professional project management degrees (Bachelor, Project Management Specialist; Master, PhD and Doctor of Science in Project Management and Organizational Development).

In Ukraine, the following three professional groups were included into the State classified list of professions: project and program managers, project management researchers, and project and program management professionals. This important step ensured official recognition of the profession of project management by the State. The list embraces practically all fields of PM knowledge. For instance, there is a director of program management in investment, in construction, in innovation, in health industry, and so on. All together, there are 164 titles for project management specialists. In Russia, we have none. Our legislators should follow in the footsteps of their Ukrainian counterparts.

Professional project management cannot exist without professionally trained specialists. Qualified personnel play the most important role in the future development of project management. Therefore, the goal of advancing PM higher education and PM qualifications should become our next priority. Based on our estimation, by 2010 we will need approximately 25,000 young specialists. In addition, approximately 175,000 personnel from other industries should be taught project management. Those individuals can enter re-training programs aimed at improvement of their professional skills, or they can enter project management as a new career field. For instance, the officers who just completed their service in the army are ready-made managers: they are leaders, they are experienced in managing personnel, and many of them have solid technical education. They only need to be taught how to manage projects! Currently, there is a very high demand for project managers. For instance, the Russian construction industry comprises more than 220,000 organizations, and each of them needs a number of project managers. This means that the construction industry alone has a need for at least a million PM specialists! As we all know, various

projects are being implemented in all other industries, even in the show business! Thus, Russia needs a minimum 3.5 million PM specialists! In order to see a real effect of professional PM, Russia needs roughly 150,000 professionally certified project management specialists.

We estimate that about 40% of socially beneficial activities in the country is achieved through various projects and programs. At the same time, all managers more or less have to deal with projects or programs that have to do with change management and organizational reengineering. Hence, all of the engineering - economic staff and the management specialists should be familiar with the basics and possibilities of project management. This knowledge will allow them to realize the full potential of PM as a new management profession, culture, and essential toolbox that can substantially improve their ability to manage projects successfully. In order to achieve substantial results in project-based activity and provide effective social and economical development, approximately 40% of all managers should be project management professionals. Therefore, to be effective, the Russian economy needs hundreds of thousands of managers who specialize in this new profession and know how to use PM methods and tools.

One of the lessons that modern history taught us is that welfare of any society, along with its healthy economical development, depends on the quality of its managerial culture. Today, there are about 100,000 specialists in professional project management field in the USA, while in Russia - only 1,000! In the US, there are about 80,000 certified project managers, in Russia – only 700! Interestingly, the corresponding state of our economies is similarly proportionate!

Further social, economic, and innovative development of Russia in many ways will depend on the level of development and implementation of professional project and program management throughout the vertical axis of government, business, and society, and hence, on the number of professional managers and specialists armed with project management knowledge, methodologies and tools.

Project management can become our country's national property and bear valuable fruits, but it will not happen by itself. It is necessary to obtain the full support of our government, society, business structures, and build the governmental and professional PM infrastructure, starting from education and ending with implementation of PM methods in practice.

## **9. The Future Challenges**

The most important priority directions for further development of project activity are:

- Develop a system of motivation and support of project management among legislative and executive branches of the government, business circles, society and the press. Project management needs to be recognized as a priority profession capable of providing the most important directions for socio-economical development of Russia.
- Develop the necessary legislative, normative and legal bases for expansion and implementation of project and program management.

- Enter project management professions into the list of qualifying professional occupations maintained by the Ministry of Education and Science of Russian Federation and the High Assessment Committee (VAK).
- Intensify the professional higher education in PM, including creating a theoretical base and developing distant learning programs.
- Organize mass training programs, such as retraining to improve the existing professional skills and teaching PM as a new career, for managers of all levels in all branches of the state government and, most importantly, its executive organs, with the purpose of helping them master PM methodology and tools. This will ensure that modern management techniques are used for the execution of national priority projects, as well as federal and regional projects and programs.
- Develop and put into action a set of national standards for program management.
- Conduct a mass certification of PM specialists. This initiative will require intensification of activities of the national certification program for PM specialists, with the involvement of the regional network of SOVNET. Prepare and publish educational literature for training and certification of PM specialists.
- Support formation of a network of regional SOVNET branches and PM learning centers throughout the Russian territory.
- Encourage active participation in international collaboration on all aspects of PM, such as collaboration with international professional organizations and institutions, as well as national organizations and project-based transnational and national companies.

The complex implementation of project-based management and its support by legislative and executive organs, business circles, general public, and the press is now one of the priority directions for social-economical development of Russia. Therefore, project management should become one of the most important themes of the state politics.



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