

VIEWPOINT – AUGUST 2007

Project Management A Key Contributor to National Competitiveness!

By Ed Naughton

(Editor's note: This article was published in the Sunday Business Post in Dublin, Ireland in late June and suggests the adoption of project management as a strategy at the national level to improve productivity and global competitiveness. Modified and republished here with permission.)

Project management as a management discipline underpins much economic activity - it has become an essential reality for business and government. Societies are becoming more & more project oriented. Nowadays, it is hard to imagine an organization that is not engaged in some kind of project activity.

Projects are not just capital investments in infrastructure or information technology. "Project Management" is a mindset, to cope with the increasing dynamics and complexity in our business life. Work practice changes, process and service delivery improvements, new product introductions, acquisitions, disposals, introduction of new standards for learning and certification are all examples of projects covered by this mindset.

Considering the impact that successful project management has on productivity, the discipline should get the recognition it deserves in helping to make organisations more innovative and successful. We cannot afford to ignore its real value. A research study at University of California at Berkley to benchmark the Value of Project Management documented that, on average, companies that have low maturity in their project management processes miss

Schedule targets by 40 %
Cost estimates by as much as 20 %

Who can afford to leave this potential cost savings untapped?

Project management helps us to ensure that our expenditure of resources on projects is effective. Effective, in the project context, means looking at the traditional performance measures of schedule, cost and resource effort against baselines, and seeing whether the project was delivered on its expected scope and outcomes. We want to get to where our projects come in on budget, on time and work having only consumed minimal resources. Imagine if every one of our organization's projects performed in this manner – what a difference that would make to our productivity!

Ireland's economic development will depend to a large degree on knowledge which is essential in making the transition to higher value activities that support economic growth and wealth creation. As the pace of domestic and global outsourcing

accelerates, the quality of our project managers will become increasingly important for national competitiveness and, in particular, for meeting the needs of enterprise as it faces global competition.

Our aim should be for Irish project managers to be among the best in the world. This will require that the quality of Irish certification of project managers be benchmarked internationally. There is a discernible trend afoot in the marketplace as employers move towards certification that is “competence based as opposed to knowledge based”. The use of maturity models to assess an organization’s overall capability in the application of project management is further reinforcing the belief that “competence at all levels of the project team” is a key requisite for good governance and ultimate project success.

From the broad perspective, the “world of project management” is now clearly visible. Reflecting globalization trends in the world at large, in terms of economies, communications and technology, we now have much more visibility of project management worldwide.

For example, in the area of project management education, China is now growing more rapidly than anywhere else, as thousands of students, engineers, scientists, government employees and business professionals are enrolling in local, foreign and web-based PM education programs. Project management training and education have become a big business across the world.

Professional project management has matured and been broadly embraced by industry, especially in high technology organizations, in Australia, Europe, North America and the United Kingdom. This is reflected in both industry and professional organizations.

From a national perspective, “Project Management” should become part of our national strategy, to cope with the increasing dynamics in the business and personal environment. A mature project oriented society has significant competitive edge internationally. Its characteristics include the widespread positive use of project management education and practical training, project management and project portfolio management.

If we are to become a knowledge based economy and move up the value chain, we must consistently “*do the right projects and to do the projects right.*” *Project management is the vehicle that cuts across and delivers new infrastructure, information technology, innovation, logistics and social change.* Through its diligent application, we can succeed in the competitiveness stakes.



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