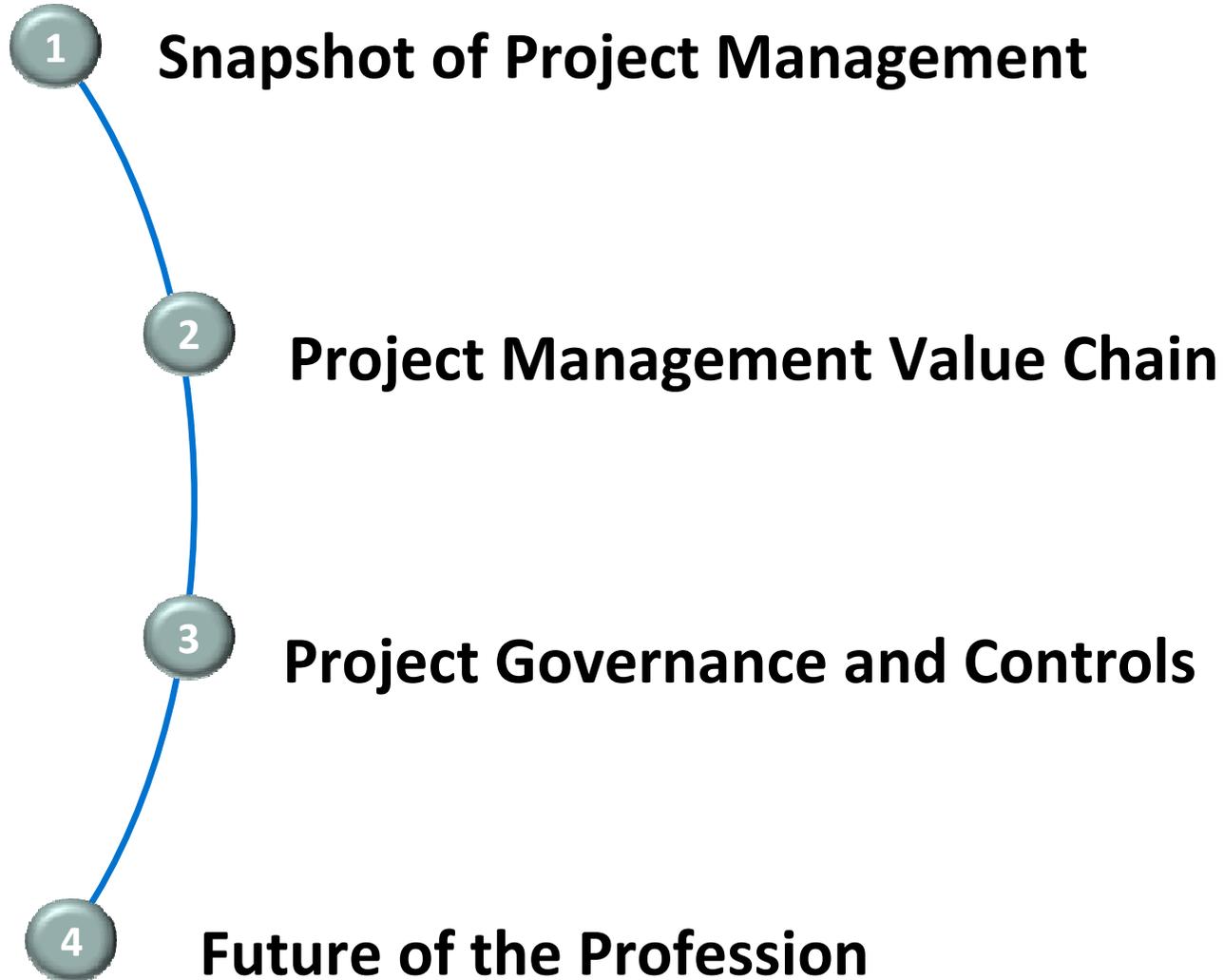


The Future of the Profession: Strategic Project Management will Deliver Greater Business Value

Yvonne Butler
Chief Executive Officer
6 May 2015





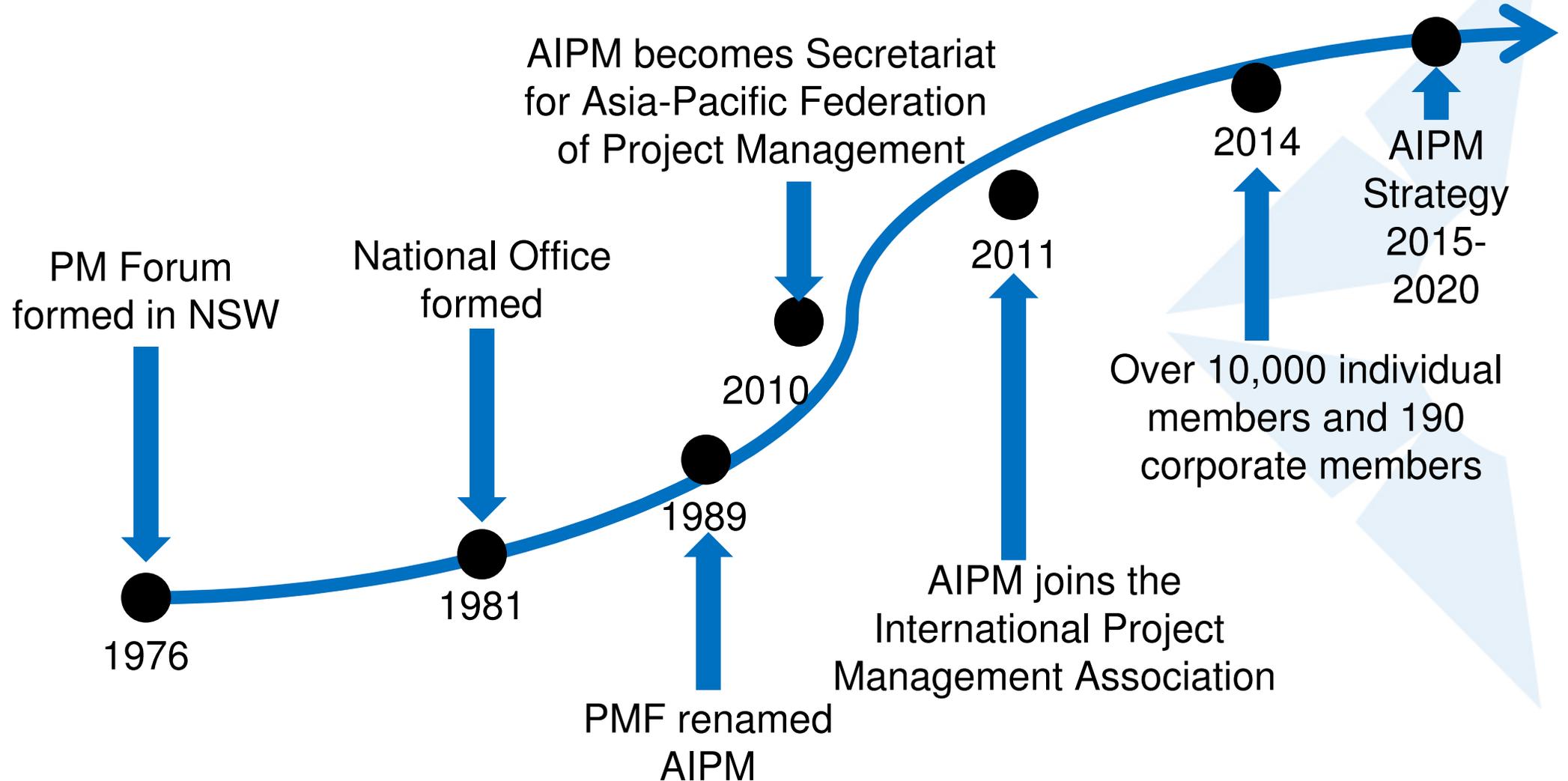
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Snapshot of Project Management and AIPM

AIPM Timeline



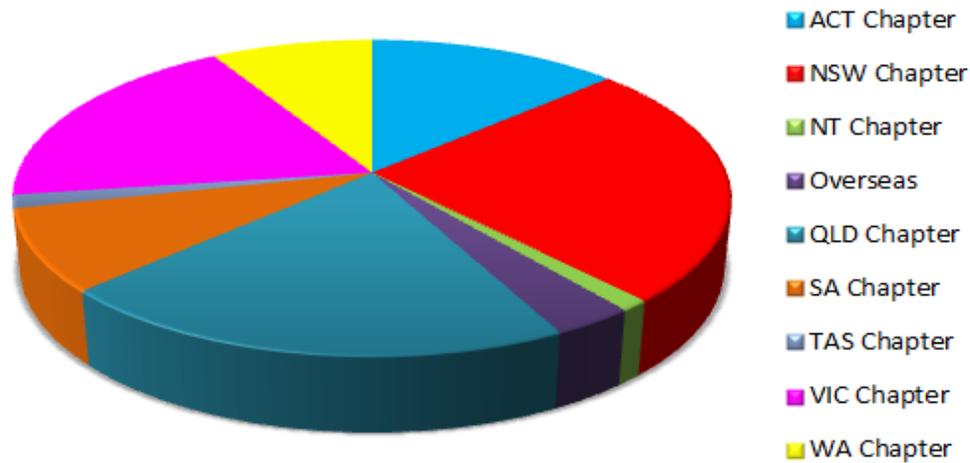
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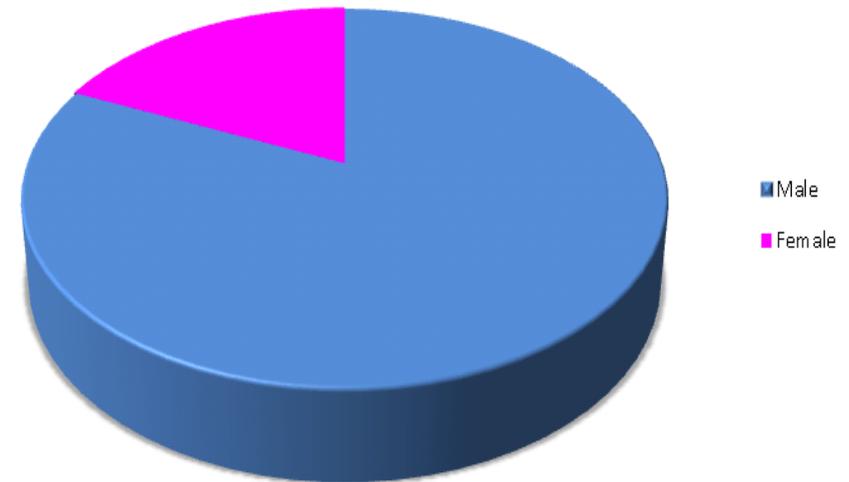
The Stats...



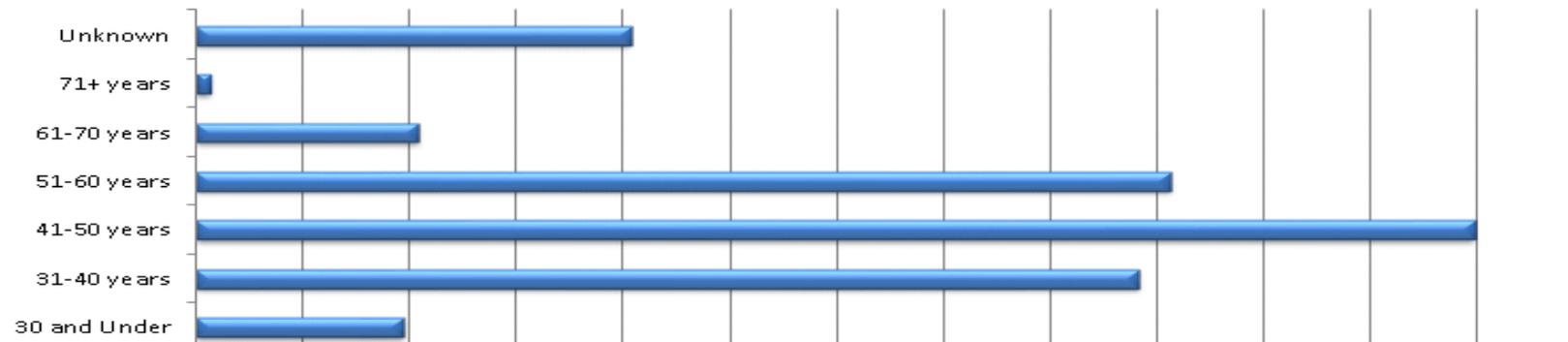
Total Membership by Chapter



Membership by Gender

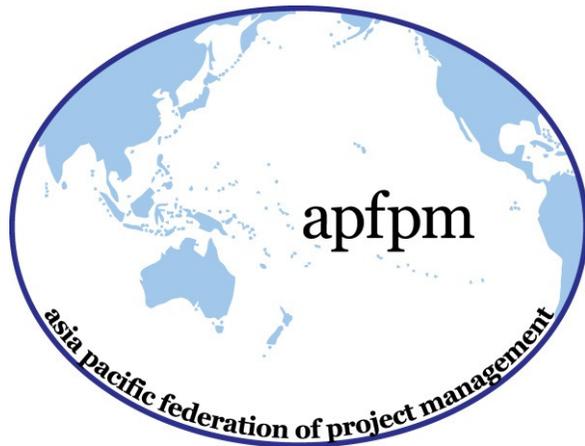


Membership by Age Range



International Presence

Founding Member of the Asia Pacific Federation of Project Management



- **Key driver and secretariat for APFPM encompassing the APEC associated countries**
- **Countries include Japan, China, India, Hong Kong, India, Indonesia, Peru, USA, Mexico, Singapore, Nepal**

2nd Largest Member of the International Project Management Association

IPMA >>

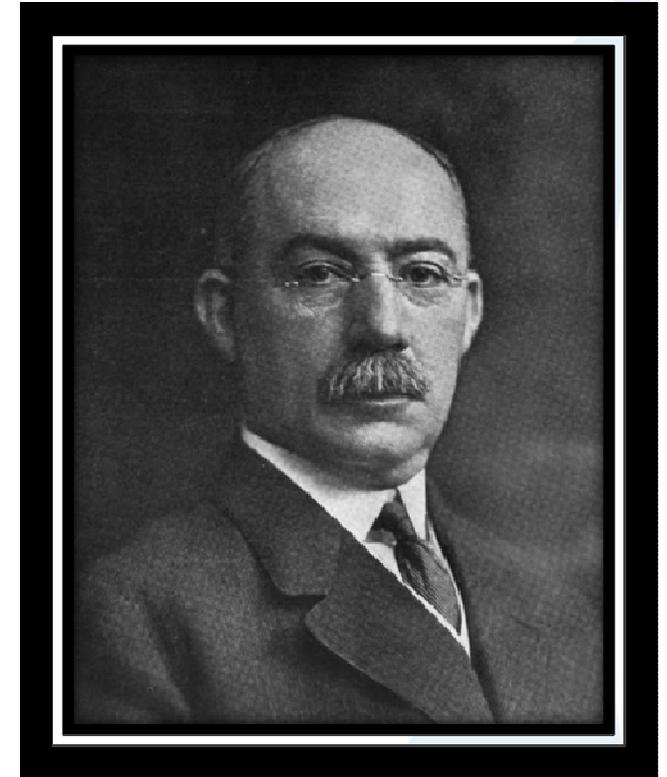
international
project
management
association

- **Only Australian Member Association**
- **40,000 members from over 50 countries from Europe, UK, Canada, Europe, Middle East, USA, Africa, China and other Asian nations**

Origins of Project Management



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Henry Laurence Gantt
1861-1919
Mechanical Engineer

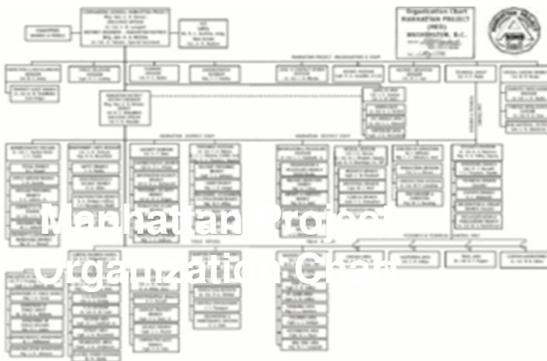
1950s: Origins of Project Management



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Manhattan Project



Civil & Civic: established processes to manage design & construction - State Library of NSW collection



Bechtel Corporation (USA) uses the term 'project manager' for the first time

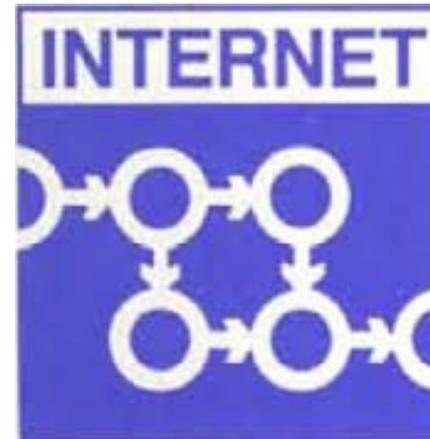
1960s: Before an Australian Network



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Civic & Civic appoints discrete project managers for work, including the Sydney Opera House



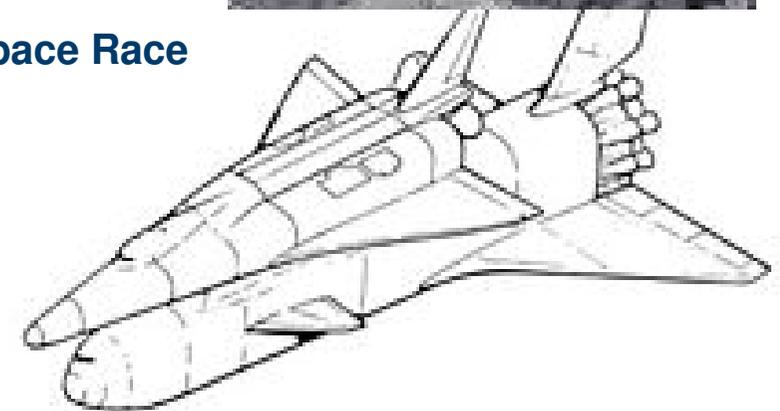
IPMA formed, 1965



Space Race



PMI formed, 1969

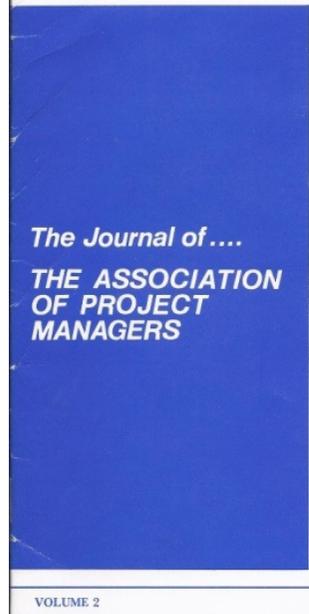
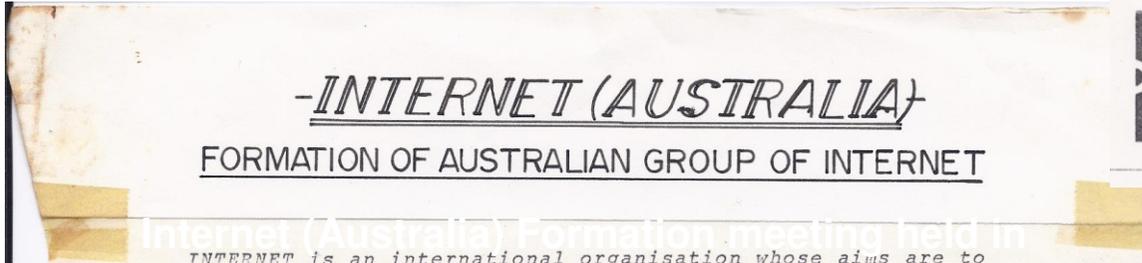


North American Rockwell Shuttle, 1969

1970s: Project Managers Come Together



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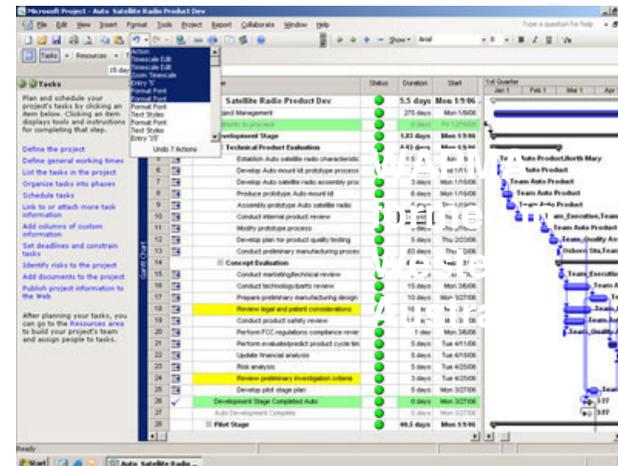
PMF Chapters formed



1980s: PM Systems & Software



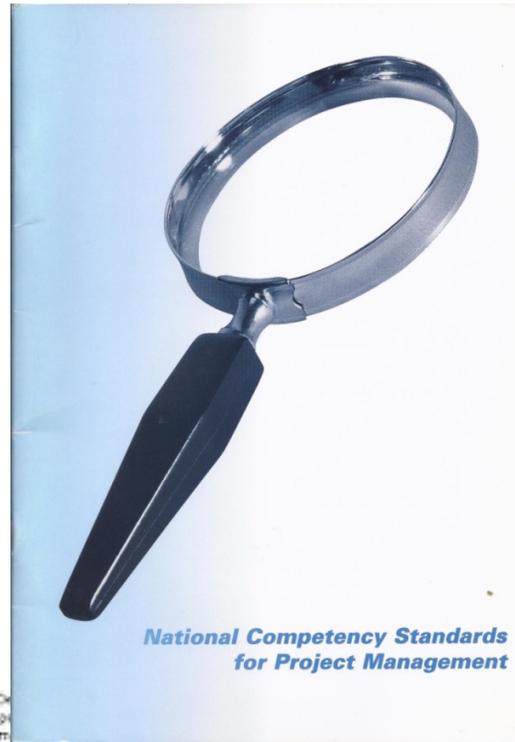
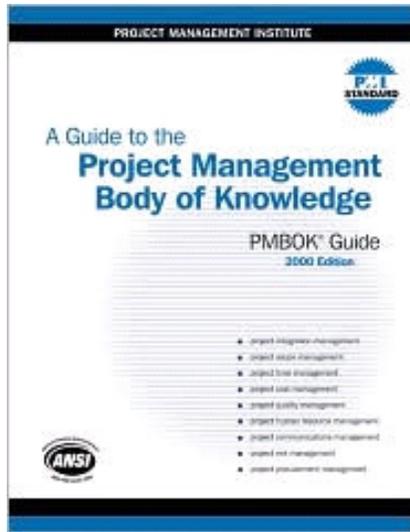
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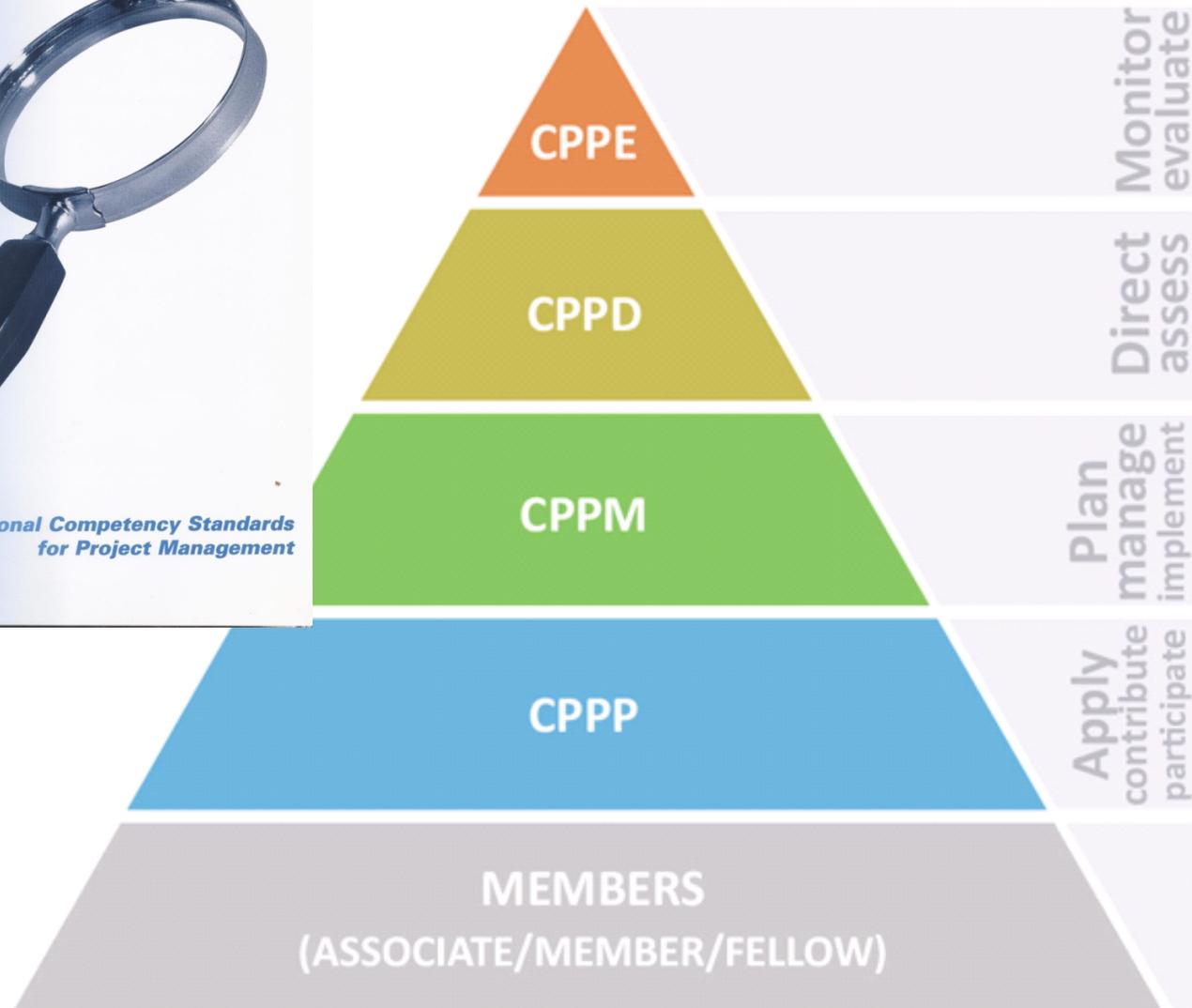
1990s: Standards



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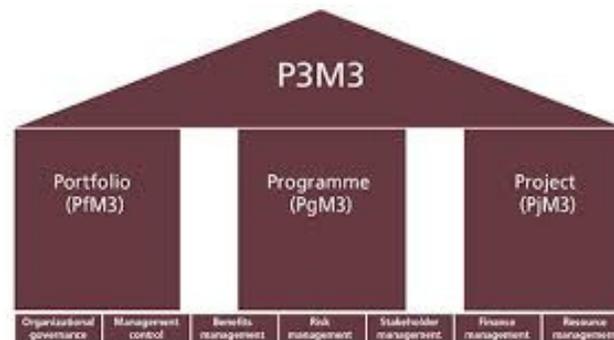
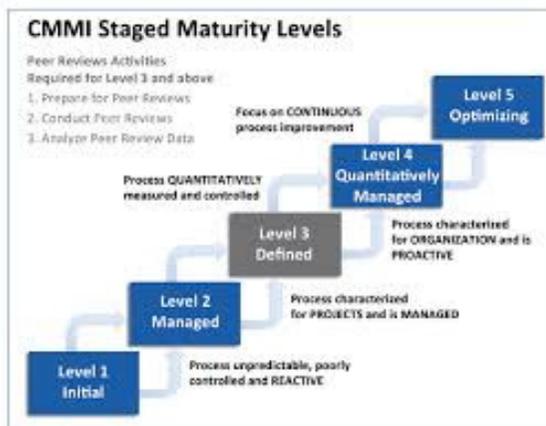
From Computer De
Reproduced with pe
© 1990 Apple Com



2000s: Organisation Maturity, Professional Recognition



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2015 and Beyond: Future Vision



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Driving professional practice throughout the Project Management Value Chain as a key enabler of sustainable economic and social outcomes for the national benefit



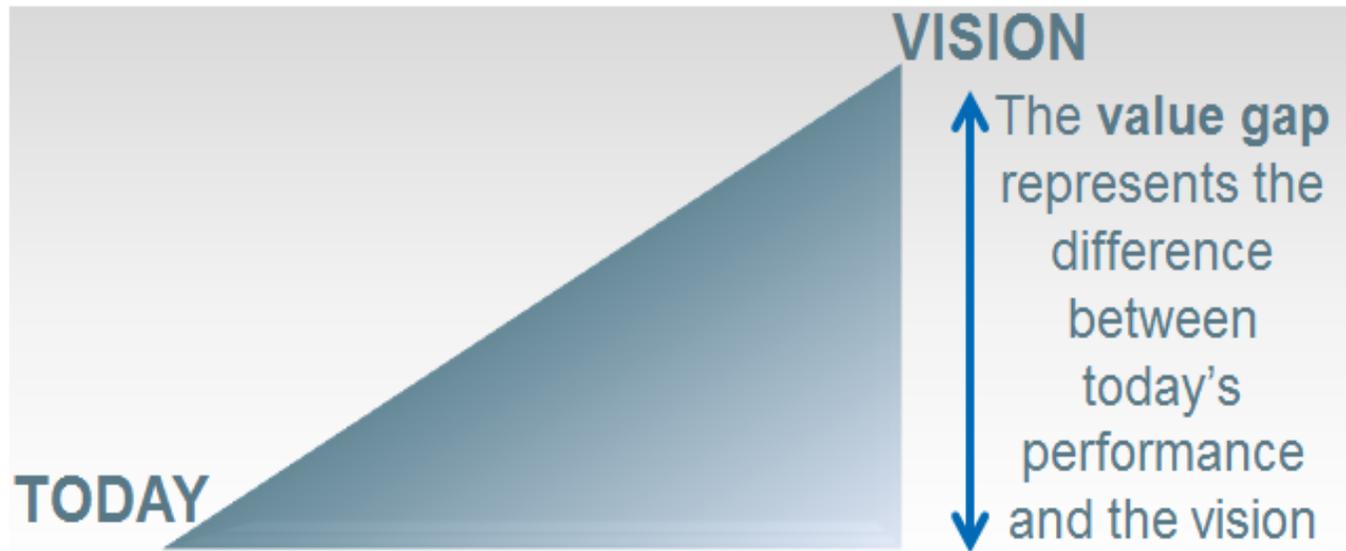
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Project Management Value Chain

A well governed, project enabled and risk managed organisation with a relentless focus on benefits delivers sustained value for its shareholders or stakeholders in accordance with agreed strategic objectives.

These organisations are good for our economy and must be encouraged.

Creating and Protecting Value

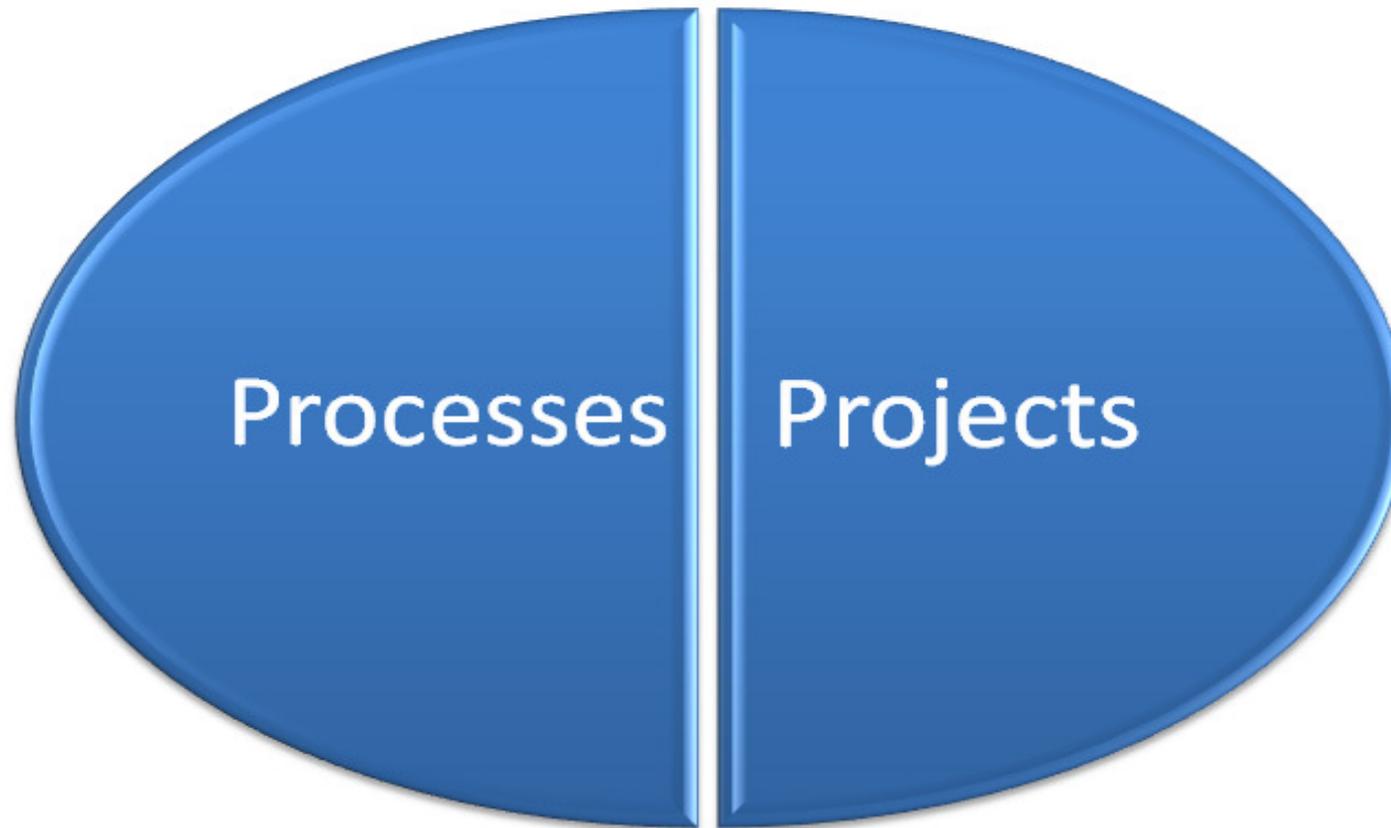


From	To

Most Organisations do Two Things:



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Ongoing day to day operations

Discrete activities with a start and finish

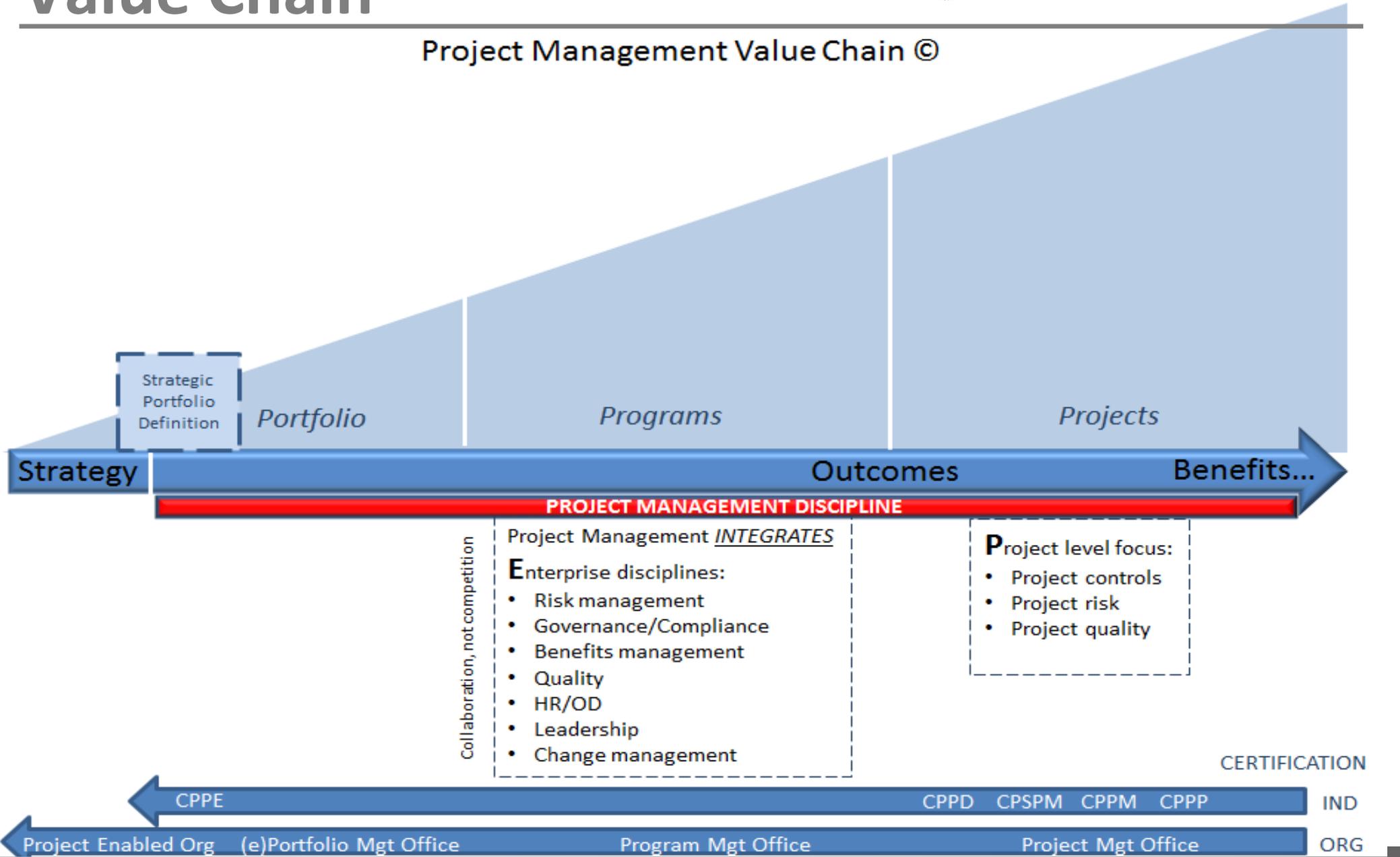
- The Latin word projectum means, "to throw something forwards"
- The word "project" originally meant "something that comes before anything else is done"
- **When the word was initially adopted, it referred to a plan of something, not to the act of actually carrying this plan out**
- Perhaps the literal usage of "project" changed in the 1970s and 1980s when project management was overtaken by tools, techniques and software...

Project Management Value Chain

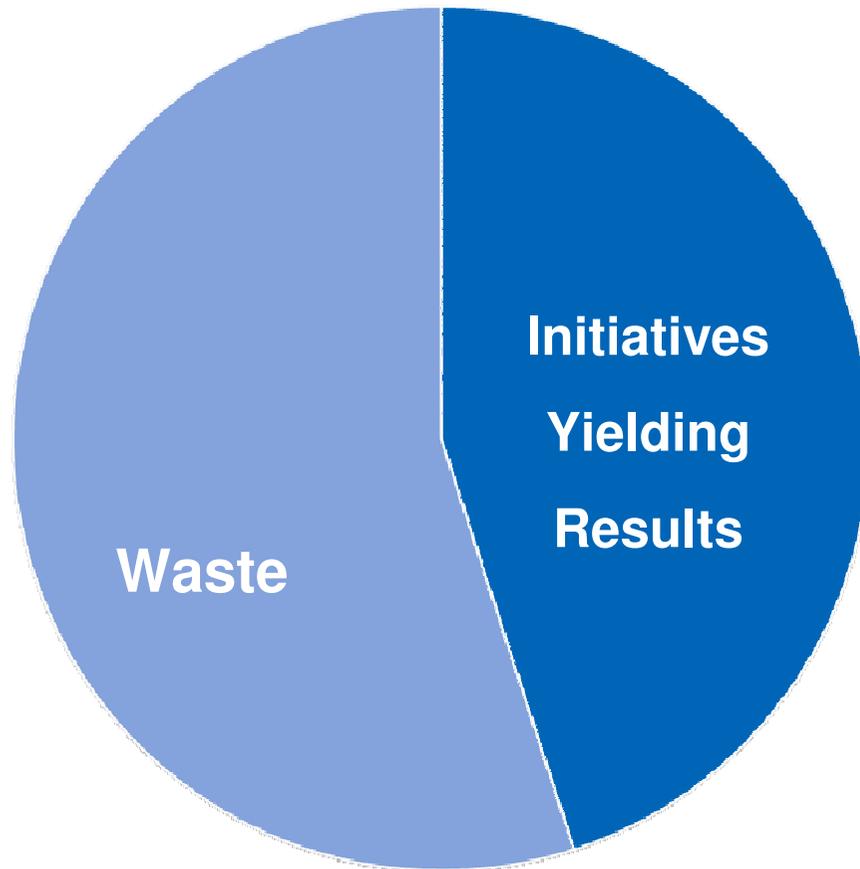


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Project Management Value Chain ©



Return on Initiatives



- Companies spend billions every year on the “wrong” projects
- Less than half of all projects are truly aligned to a company’s strategy
- Only 1 in 7 projects add value beyond “staying even” (ie enhance competitive position or differentiate products and services)

“Half of my initiatives deliver benefits. I just don’t know which half.”

Source: Jamie Diamond Chase Manhattan

2015 and Beyond: Future Vision



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Driving professional practice throughout the Project Management Value Chain as a key enabler of sustainable economic and social outcomes for the national benefit



I3

Information, Innovation & Influence

- Be the authoritative voice for project management in Australia (reform, inquiries)
- Drive national project management research agenda
- Enable social and business networks



Professional Advancement



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- Competency standards
- Certification – individual and organisational
- Project management curricula – alignment and accreditation
- Professional development workshops and conferences



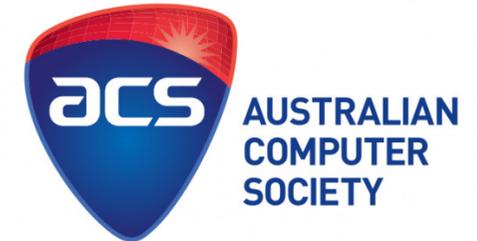
Some Collaboration Partners



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REALISE YOUR POWER.





AIPM

- Technical standards and quality assurance
- Status and recognition
- Career pathways
- Custodian of project management discipline
- Curator of project management knowledge and research



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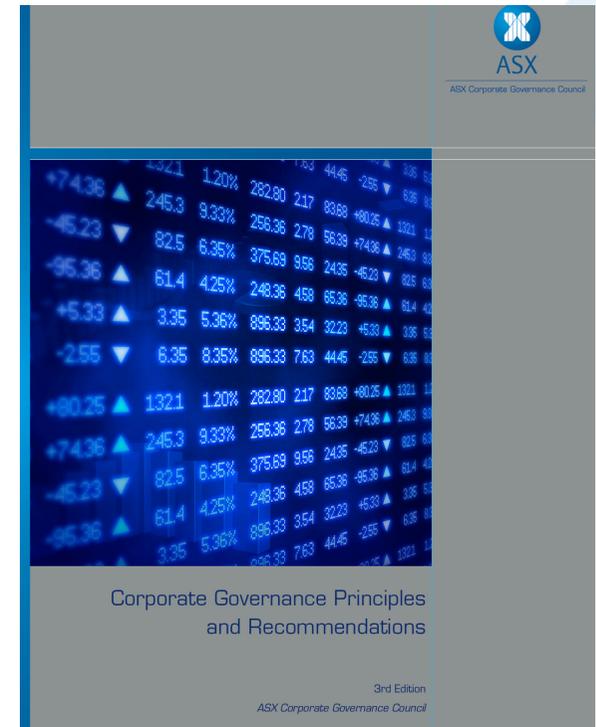
Project Governance and Controls – The Australian Perspective

Corporate Governance

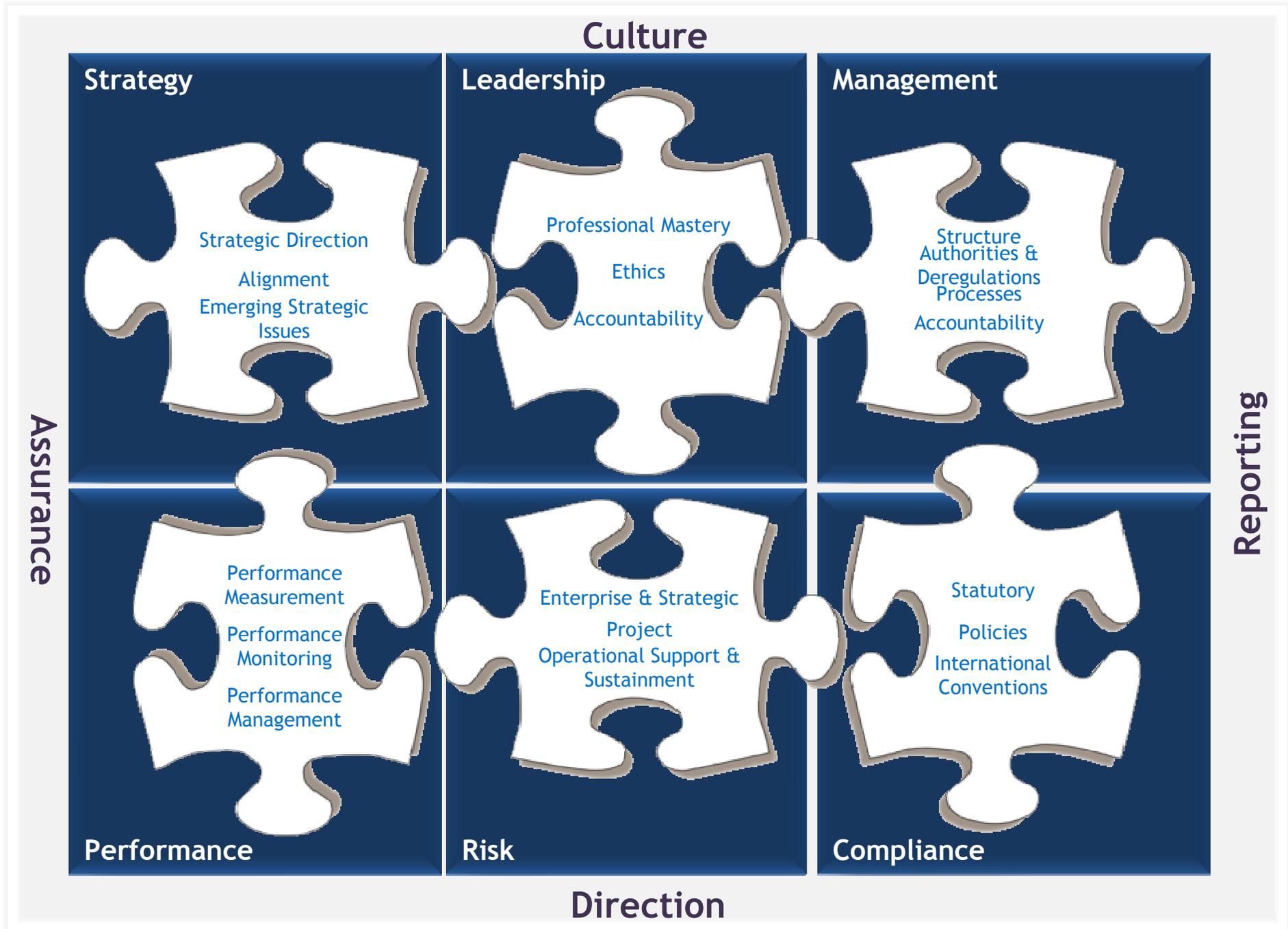


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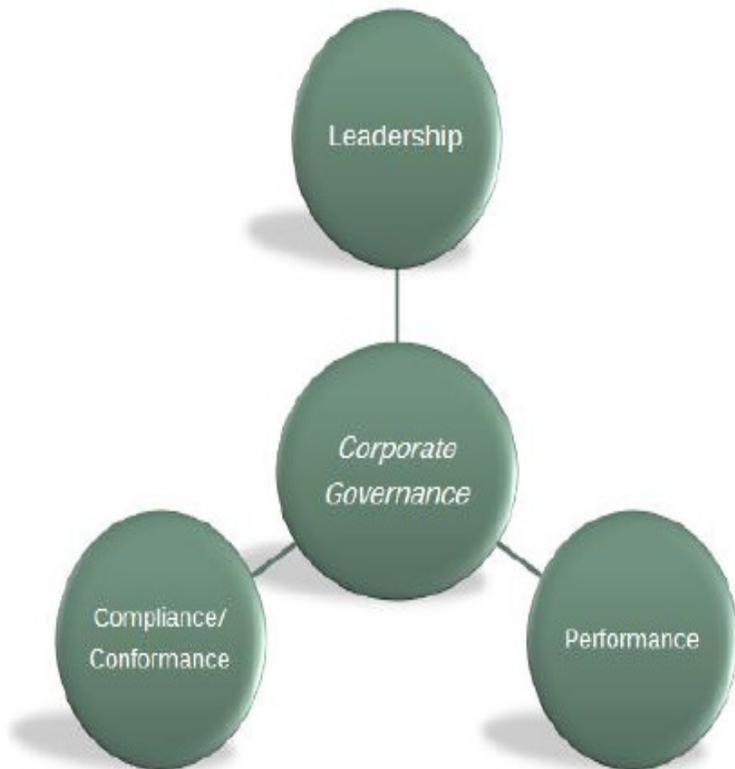
“The framework of rules, relationships, systems and processes within and by which authority is exercised and controlled within corporations. It encompasses the mechanisms by which companies, and those in control, are held to account.”



Elements of Good Governance



Governance Enables Strategy

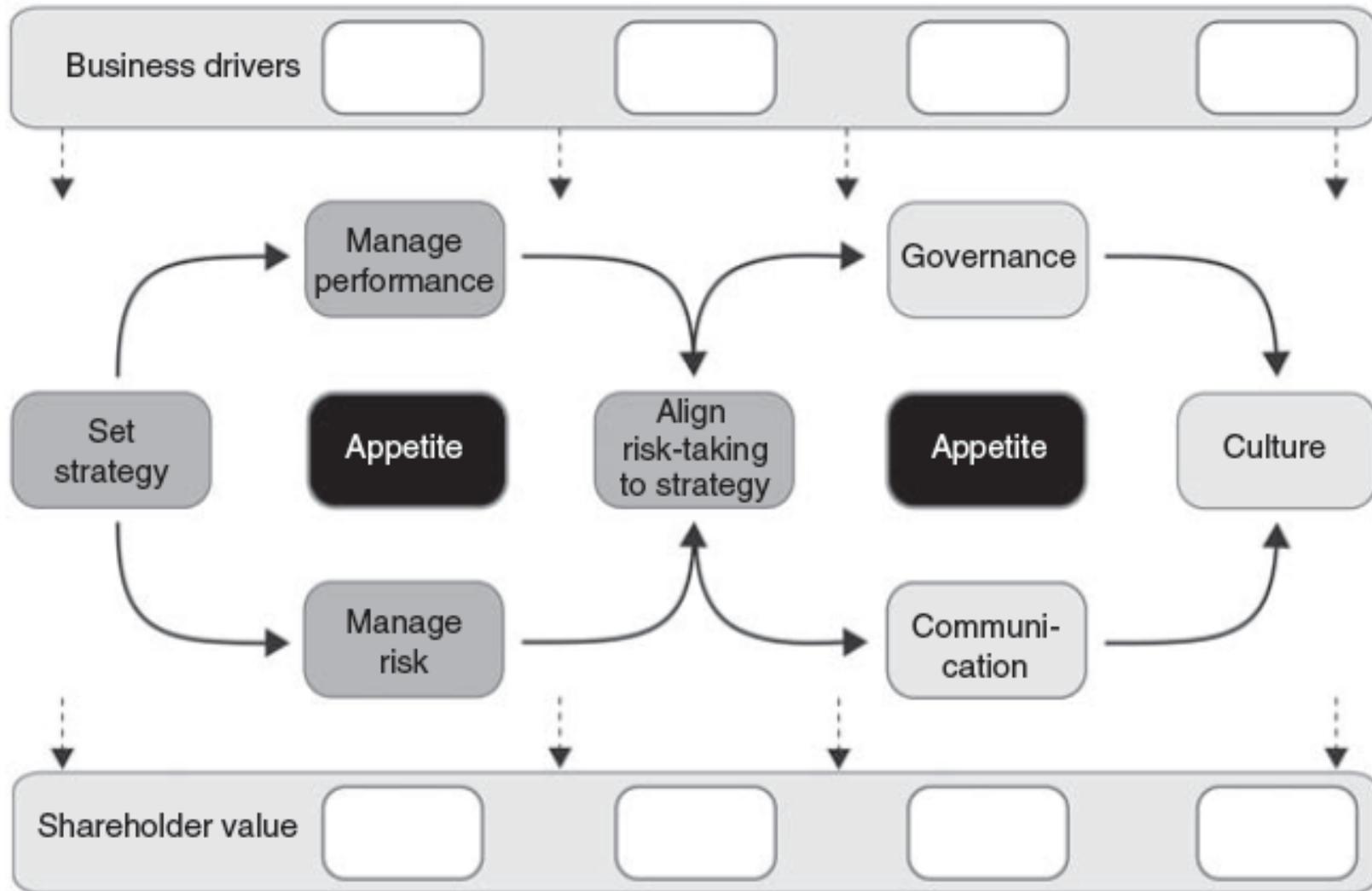


- Structure follows strategy
- Balance between compliance and performance
- Ensures right decisions can be made at the right time at the right level
- Aligns to risk appetite

Governance Enabled Performance



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Project Governance



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“Governance refers to the set of policies, functions, processes, procedures and responsibilities that define establishment, management and control of projects, programmes and portfolios”.

APM Body of Knowledge, 6th ed



Project Governance

- **Project Management** is largely about "what" (management processes, artefacts, deliverables etc) gets done "when" and "how" in what order to carry out the project.
- **Project Governance** is an oversight and decision making model/framework that describes "who" does "what" and reports to "whom". What level of authority each team member has, escalation paths, signing authority, success criteria decision and role etc.



- It is a controlling mechanism so project priorities and project execution are in alignment with organisational priorities and strategy
- While PM is by and large, for each industry vertical, a standardised set of practices and processes, the Governance model/frame work is the performing organisations asset, and is unique to each organisation depending on its structure, culture, style of execution, control needs, internal policies, past history with similar projects etc



- The reason you want governance is because it enables organisations to manage projects in a consistent manner, across all projects and project managers
- Governance is effectively the use of the outputs from your monitoring and controlling processes to make decisions that impact the project, but in alignment with the performing organisations priorities and strategy

ANAO 2010



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Planning and Approving Projects
– an Executive Perspective

SETTING THE FOUNDATION FOR RESULTS



Better Practice Guide

June 2010

“The increasing expectation by governments and the community that the public sector will provide in a more integrated and efficient manner means that the success of program delivery and business project will continue to be a high priority for many senior executives”

Ian McPhee Auditor General



Better Practice results: All elements of project proposals undergo competent review, and there is clear accountability for review and decision-making. Both of these contribute to subsequent implementation success.

Victoria 2012



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Key principles for effective project governance:

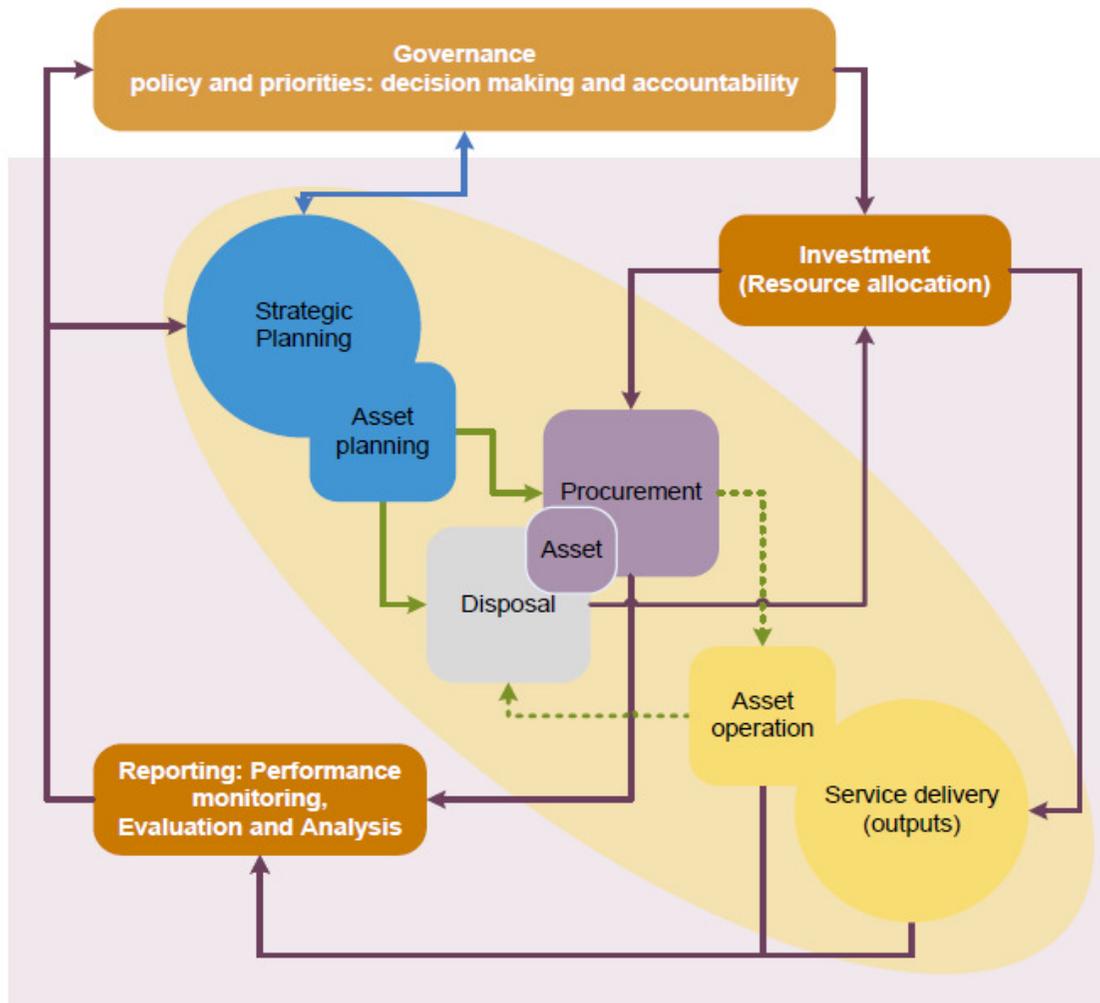
1. Establish a single point of overall accountability.
2. Service delivery ownership determines project ownership.
3. Separate project decision making from stakeholder management.
4. Distinguish between project governance and organisational structures.

Department of Treasury and Finance

Project Governance



Investment Lifecycle and
High Value/High Risk Guidelines



Guiding and monitoring the process of converting investment decisions into value for the organisation, delivering the anticipated benefits – the business outcomes to intended beneficiaries

Infrastructure 2013



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A Review of Project Governance Effectiveness In Australia

March 2013



“A recent survey of Industry and Government senior executives found that on average 48% of projects failed to meet their baseline time, cost and quality objectives.

The inconvenient truth is that, despite the massive effort expended by industry and Government, it is estimated that only a 10% improvement has been achieved in 20 years.”



Governance Basics: Summary Compliance Level		
Success Criteria	Yes	No
Approved Governance Plans Exist	13%	87%
Governance Team Member Positions Descriptions Have Project Governance KPI's	17%	83%
Governance Team Member Performance is Measured	6%	94%
Governance Team Performance Measured	9%	91%
Project Governance Skills Adequate	20%	80%
Governance Team Members Have no Conflicts of Interest	30%	70%
Governance Team and Project Team Have Adequate Financial Authority	45%	55%
Governance Team Members Exhibit Proper Corporate Behaviour	45%	55%
Governance Team Understand Difference Between Business Consultants, Solution Subject Matter Experts (SME) and Project Delivery SME's	30%	70%

“A major cause of project failure in Australia has its roots in Project Governance or lack thereof...the delivery of Project Governance in Australia is highly dysfunctional.”

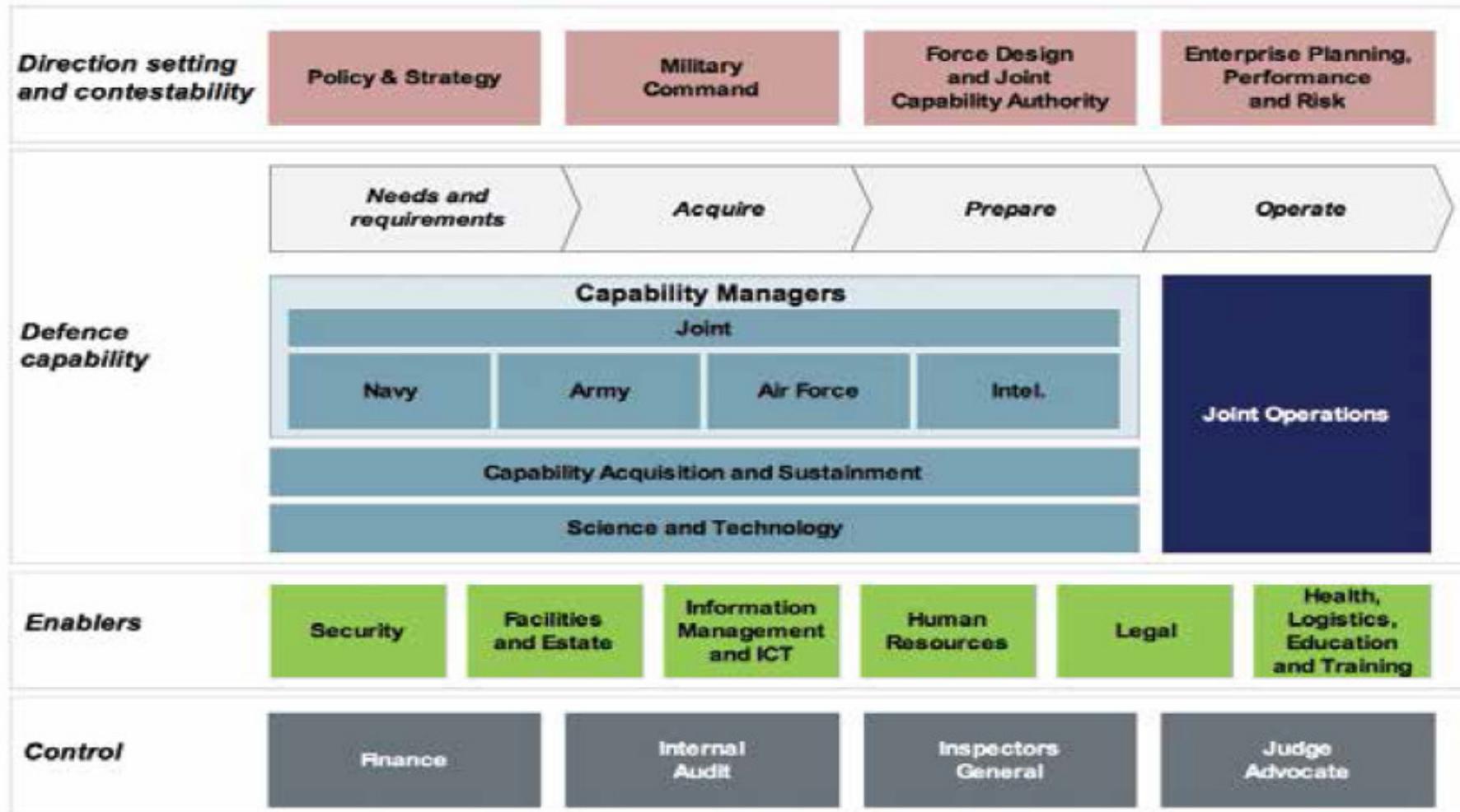


1. Establish a strong, strategic centre to strengthen accountability and top level decision making
2. Establish a single end-to-end capability development function within the Department to maximise the efficient, effective and professional delivery of military capacity
3. Fully implement an enterprise approach to the delivery of corporate and military enabling services to maximise their effectiveness and efficiency



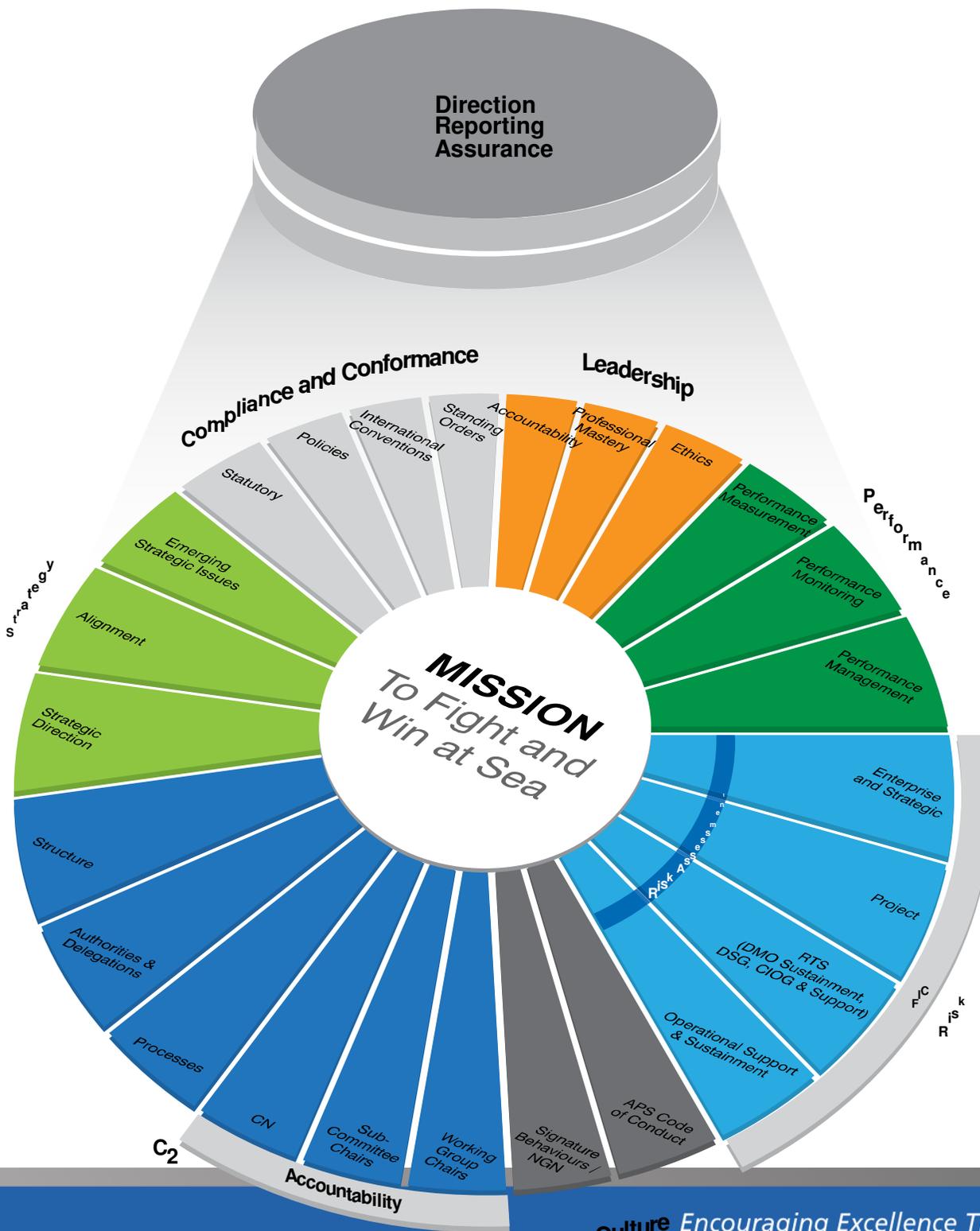
4. Ensure committed people with the right skills are in appropriate jobs to create the One Defence workforce
5. Manage staff resources to delivery optimal use of funds and maximise efficiencies
6. Commence implementation immediately

Business Model





A forerunner of the
FPR, an example of
good practice in place
that embodies the
spirit and intent of
Peever



Elements of Good Project Governance



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1. A compelling business case aligned to strategy
2. Mechanisms to assess conformance and compliance
3. All stakeholders identified
4. Defined methods of communication
5. Agreed business level requirements
6. Agreed specification
7. Appointment of project manager
8. Clear roles and responsibilities assigned
9. Up to date project plan
10. Project reporting systems
11. Process for managing and resolving issues
12. Processes for reporting and managing risks



Future of the Profession

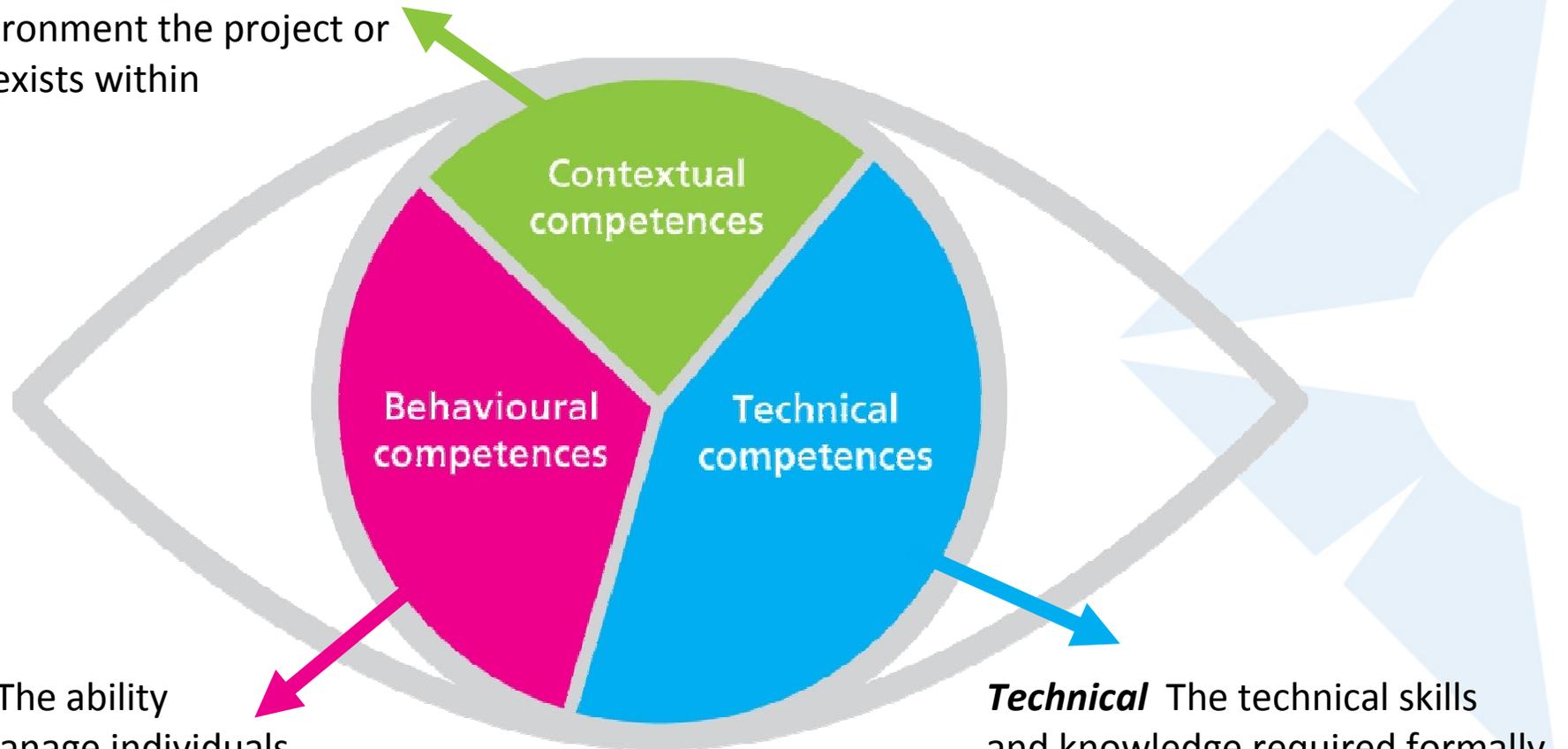




1. Leadership, not just management
2. Competency
3. Governance and risk management
4. Social and business networks
5. Outcomes and benefits focus
6. Strategy to action
7. Professional recognition

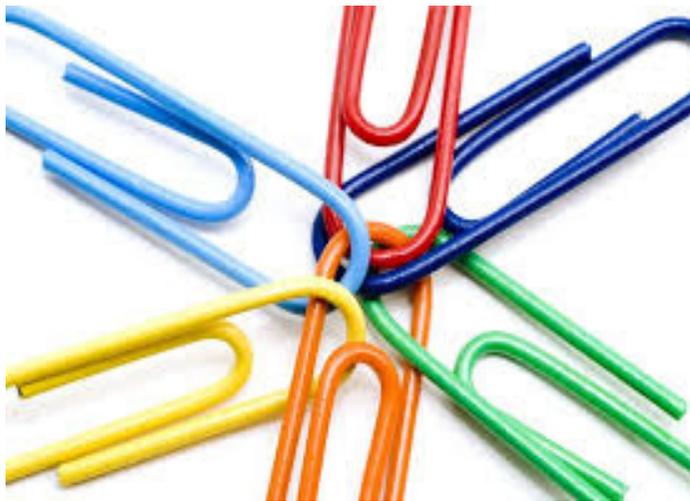


Contextual The understanding and management of the organisational and external environment the project or programme exists within



Behavioural The ability to lead and manage individuals, teams and organisations on projects and programmes

Technical The technical skills and knowledge required formally to manage a project or programme through to completion



- We are on the verge of a revolutionary change not seen since the 1970's
- We are leading that change and want you to rally others be part of it
- Government also needs to recognise the criticality of project management as a critical enabler of sustainable organisational outcomes and 'join up'



Thank You

Yvonne Butler

ybutler@aipm.com.au

