Moving forward

Project Controls in an Enterprise Context

- David Hudson, Vice President IPMA

IPMA international project management association

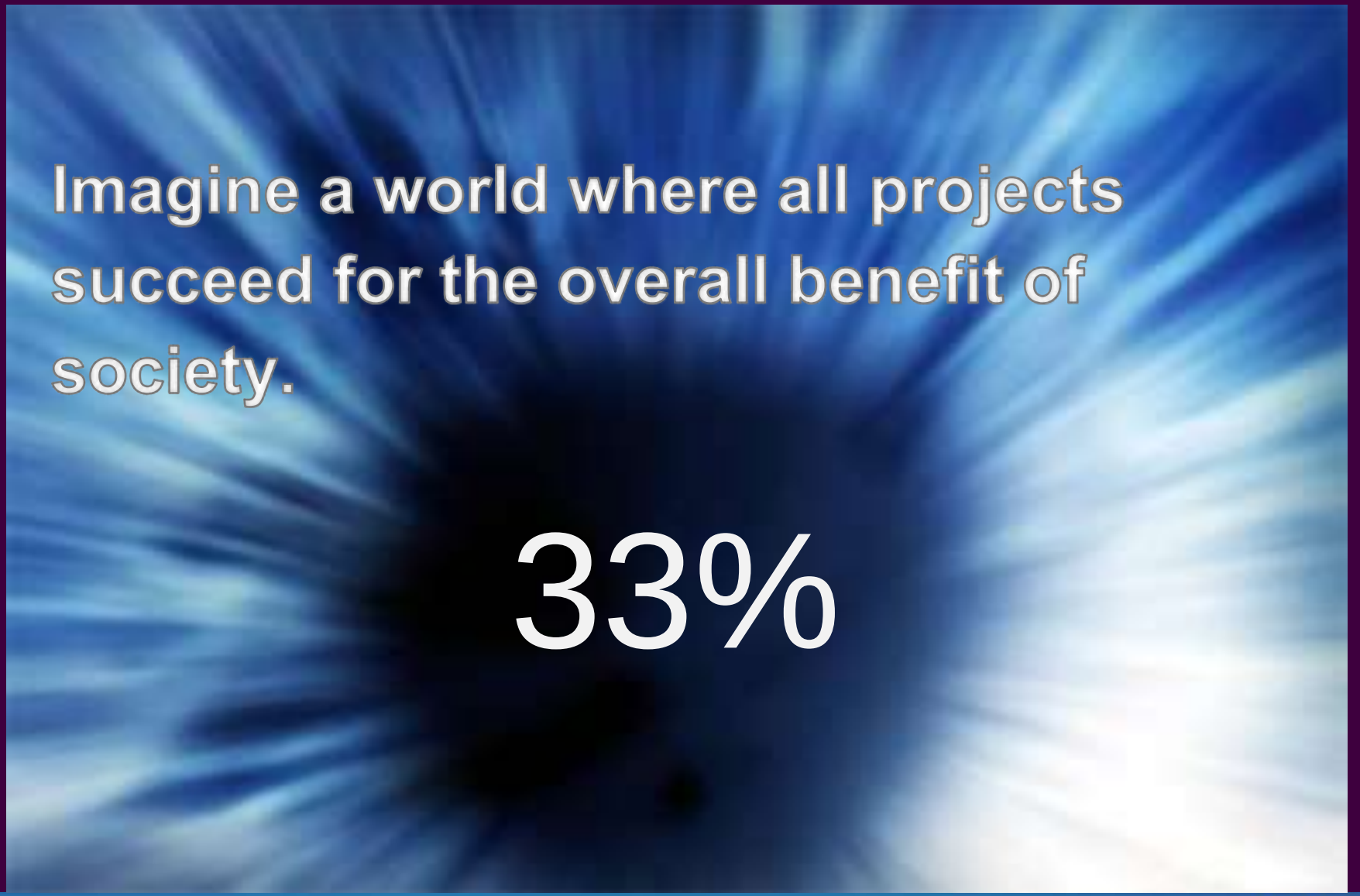
Moving forward

IPMA Overview

Our way forward

IPMA
international
project
management
association

IPMA's vision



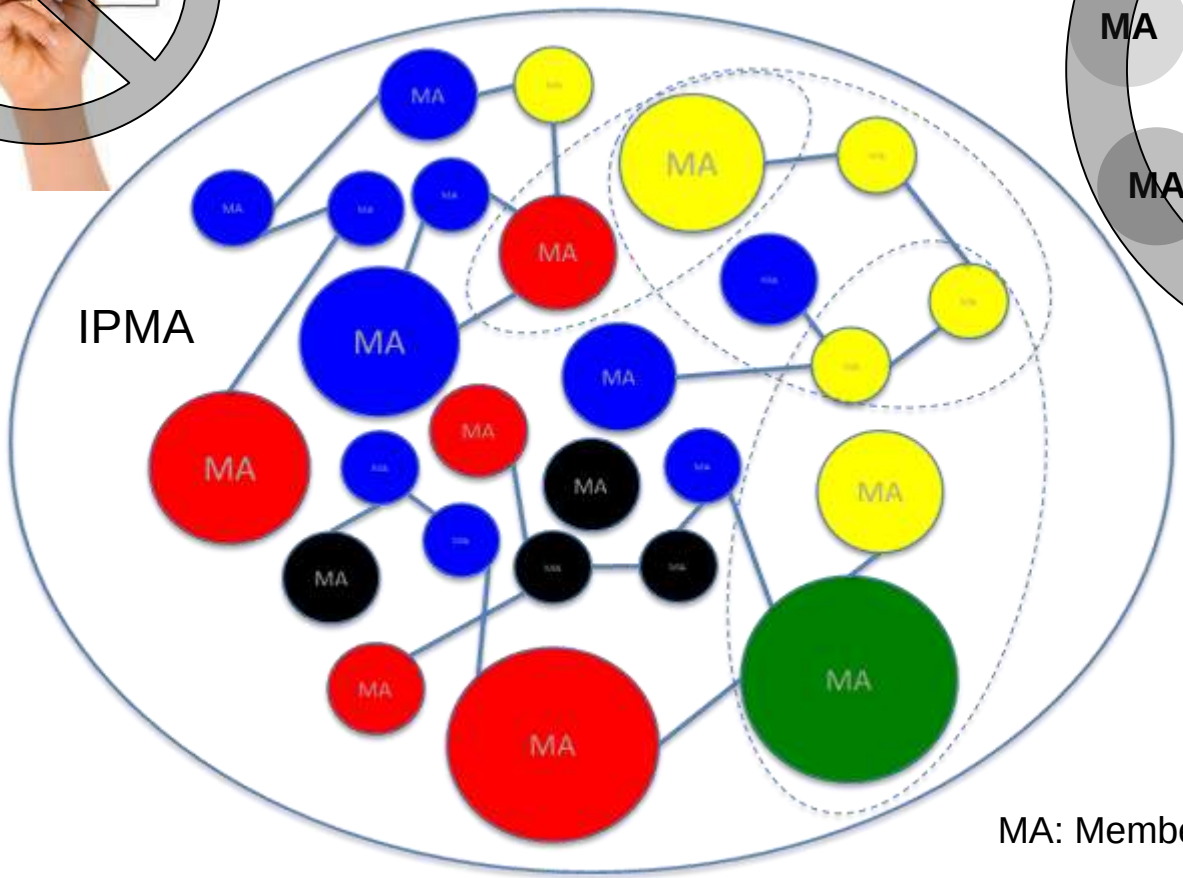
IPMA: In a nutshell

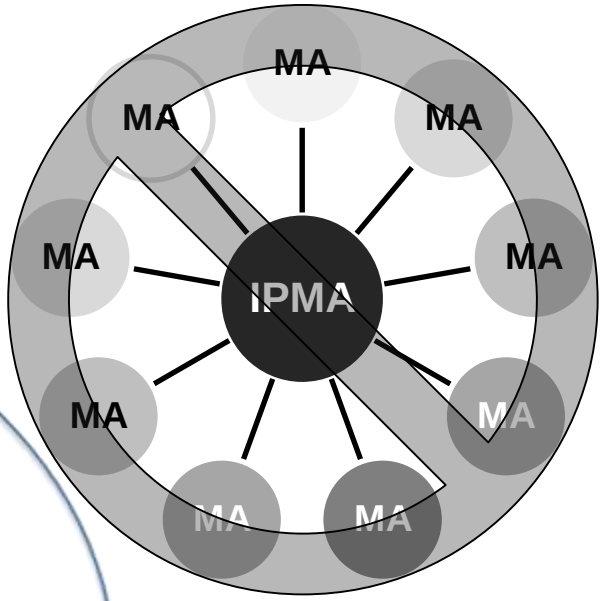
- World's first international project management association (1965)
- Federation of indepent associations
- Role-based, competence-assessed PM certifications
- Standards addressing practitioners, organisations and projects
  - ICB, OCB, PEB
- Training and development frameworks
- International events & networking

IPMA – a vibrant organism

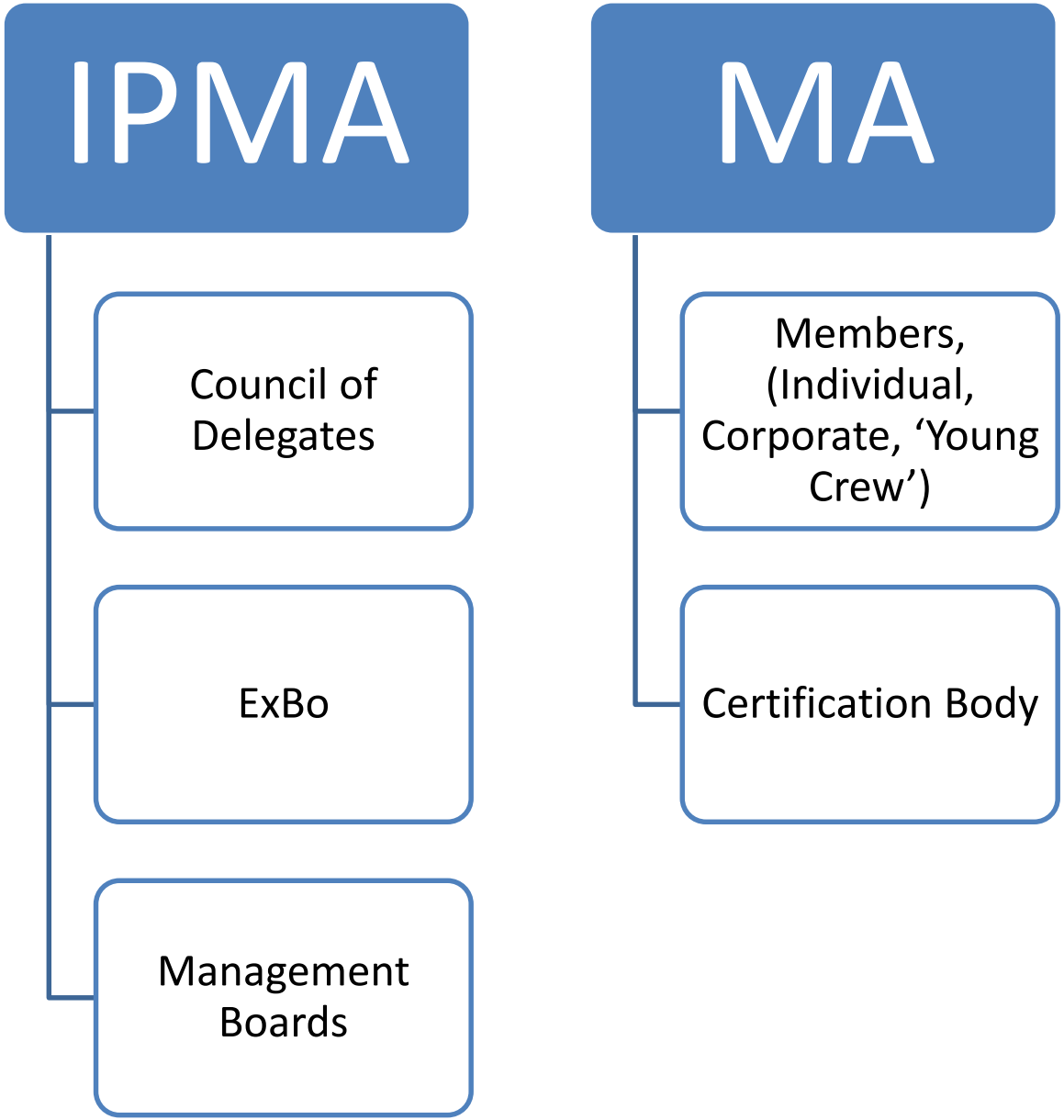
IPMA

IPMA





MA: Member Association


IPMA
Council of Delegates
ExBo
Management Boards
MA
Members, (Individual, Corporate, 'Young Crew')
Certification Body

General future scenarios

- Global key trends (source: www.kjaer-global.com)

THE GLOBAL BRAIN

As physical and virtual borders dissolve, seamless transitions and self-defined boundaries will be the norm. By 2020, the Internet of Things could connect to 50 billion devices. This 'World Brain' is a library of knowledge enabling fast accurate decoding of **'Big Data Networks'** and meaningful analytics' **'Deep Learning'**, inspired by artificial neural networks and evolved 'augmented reality', presents huge opportunities in everything from education to commerce, leisure and health. Tracking 'Real-Time' sentiments will enable better services and experiences.

TALENT MOBILITY

Culturally open and mobile, Global Citizens set new standards in society and business. **'Geopolitical Change'** and an increasingly affluent **'New Middle Class'** drive higher education structures and, by 2025, half of the world's population belong to the 'consuming classes'. The right talent is critical to business growth, say 97% of CEOs, and currently only 26% of the European workforce has a degree. But by 2020, 35% of jobs in the EU will probably require a higher education qualification. By then, Millennials will form 50% of the workforce and handle most international assignments.

BETAPRENEURS

Entrepreneurship is key to personal autonomy, as well as the welfare state, jobs, innovation and competitiveness, and the EU promotes entrepreneurship to drive an **'Autonomy Economy'**. While currently only 30% of European entrepreneurs are women, by 2020, 2 in 3 graduates in advanced economies will be women. Today, females with MBAs see a 55-65% pay increase within 5 years, but new thinking becomes key to the future of the MBA and to fuel **'Creative Communities'**. There's recognition that learning must drive innovation and improvisation, evolving like a jazz jam session – a landscape that fuels Betapreneurs.

THE GOOD LIFE

The definition of 'The Good Life' goes public, as we start to question conventional ways of measuring success. Harvard Business School's course on **'Positive Psychology'** as The Catalyst for Change' is already shaping tomorrow's business leaders. Purpose fuels great leadership and is central to happiness. Happy people are more productive, engaged, creative and focused – increasing productivity up to 40-50% in service and creative industries. That's an awful lot in terms of business revenue, so it becomes inevitable that **'New Economic Models'** at least consider data measuring happiness.

DISRUPTIVE INNOVATION

Cloud Culture inspires new business models where agility and scalability rule. Codecademy turns tech consumers into **'Empowered Code Builders'**, while Singularity University collaborates with entrepreneurs, technologists and global leaders to guide the evolution of new technologies. The growth of dedicated social media MBA programmes and **'Disruptive Technologies'** is already transforming education. MOOCs (Massive Open-source Online Courses) like Coursera, with 3.5 million users, act as a powerful mechanism for cost reduction. Meanwhile, mEducation is valued at US$70 billion by 2020.

RADICAL OPENNESS

46% said they would not recommend their organisation in a recent survey of 97,000 people, while globally, 65% of people believe **'Total Transparency'** and honest business practices are key to **'Brand Reputation'**. But growth of digital communication forces organisations to work harder to be noticed, and trusted. Freedom of information explodes and smart organisations embrace 'Total Transparency' and collaboration, as described by Dan Tapscott and Anthony Williams in the TED book Radical Openness. This new philosophy affects everything in society, from how we do business to who we choose to govern us.

BETTERNESS

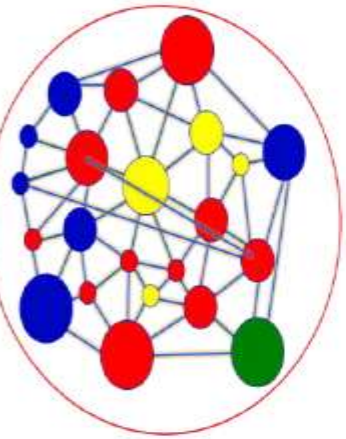
'Social capital' is not just the sum of the institutions that underpin a society, it is the glue that holds them together. Betterness – Economics For Humans – rethinks the future of human exchange as leaders consider fundamental questions like: *'why we exist and why people will choose to engage and invest with us'*. 62% of global employees prefer to work for companies **'Making a Positive Difference'**, so 'Smart & Agile' makes good sense for business, as it improves productivity by rewarding ideas and output, not just time. Environmental and social topics are incorporated into a holistic core curriculum.

NO AGE SOCIETY

The UN predicts 2 billion people will be 60+ by 2050 – 22% of the world population. Already, Singularity University offers an optional wellness program to explore ways of living a better life. The 'Four Generation' workplace requires **'Inclusive Thinking'** to view the ageing population as an opportunity. A flexible labour market creates opportunities for 'fit seniors' and encourages **'Lifelong Learning'**. 'Social structured' becomes key to attracting people to the growing flow of learning resources, where organisations like Coursera offer an intimate forum with leading thinkers from over 69 top universities.

This is IPMA's growing World!

64 Member Associations



...growing since 1965

The competence standard

The ICB standard proves its value to PM practitioners and our stakeholders.

It highlights PM knowledge, *and* the key ***competences*** expected from managers of:

- Projects
- Programmes
- Portfolios

ICB In a Periodic Table of project management competence elements

IPMA PM Competence Element Groups

- Contextual Competence Elements
- Technical Competence Elements
- Behavioral Competence Elements

3.01 **P** Project orientation								2.02 **M** Engagement & motivation	2.03 **Sc** Self-control
3.02 **Pg** Program orientation	3.03 **Pf** Portfolio orientation						2.04 **As** Assertiveness	2.05 **R** Relaxation	2.06 **O** Openness
3.04 **Pp** Project, program & portfolio implemen.	3.05 **Po** Permanent organization	1.01 **Ps** Project management success	1.02 **Ip** Interested parties	1.03 **Rq** Project requirements & objectives	1.04 **Ri** Risk & opportunities	1.05 **Q** Quality	2.07 **Cy** Creativity	2.08 **Ro** Results orientation	2.09 **E** Efficiency
3.06 **Bu** Business	3.07 **Sa** Systems, products & technology	1.06 **Po** Project organization	1.07 **T** Teamwork	1.08 **Pb** Problem resolution	1.09 **St** Project structures	1.10 **Sd** Scope & deliverables	2.10 **Co** Consultation	2.11 **Ne** Negotiation	2.12 **Cc** Conflict & crisis
3.08 **Pe** Personnel management	3.09 **Hs** Health, security, safety, & environment	1.11 **Tp** Time & project phases	1.12 **Re** Resources	1.13 **C** Cost & finance	1.14 **Cn** Procurement & contract	1.15 **Ch** Changes	2.13 **Rl** Reliability	2.14 **Va** Values appreciation	
3.10 **Fi** Finance	3.11 **Le** Legal	1.16 **Cr** Control & reports	1.17 **In** Information & documentation	1.18 **Ca** Communication	1.19 **Su** Project startup	1.20 **Cs** Project closeout	2.15 **Et** Ethics		

2.01 **L** Leadership

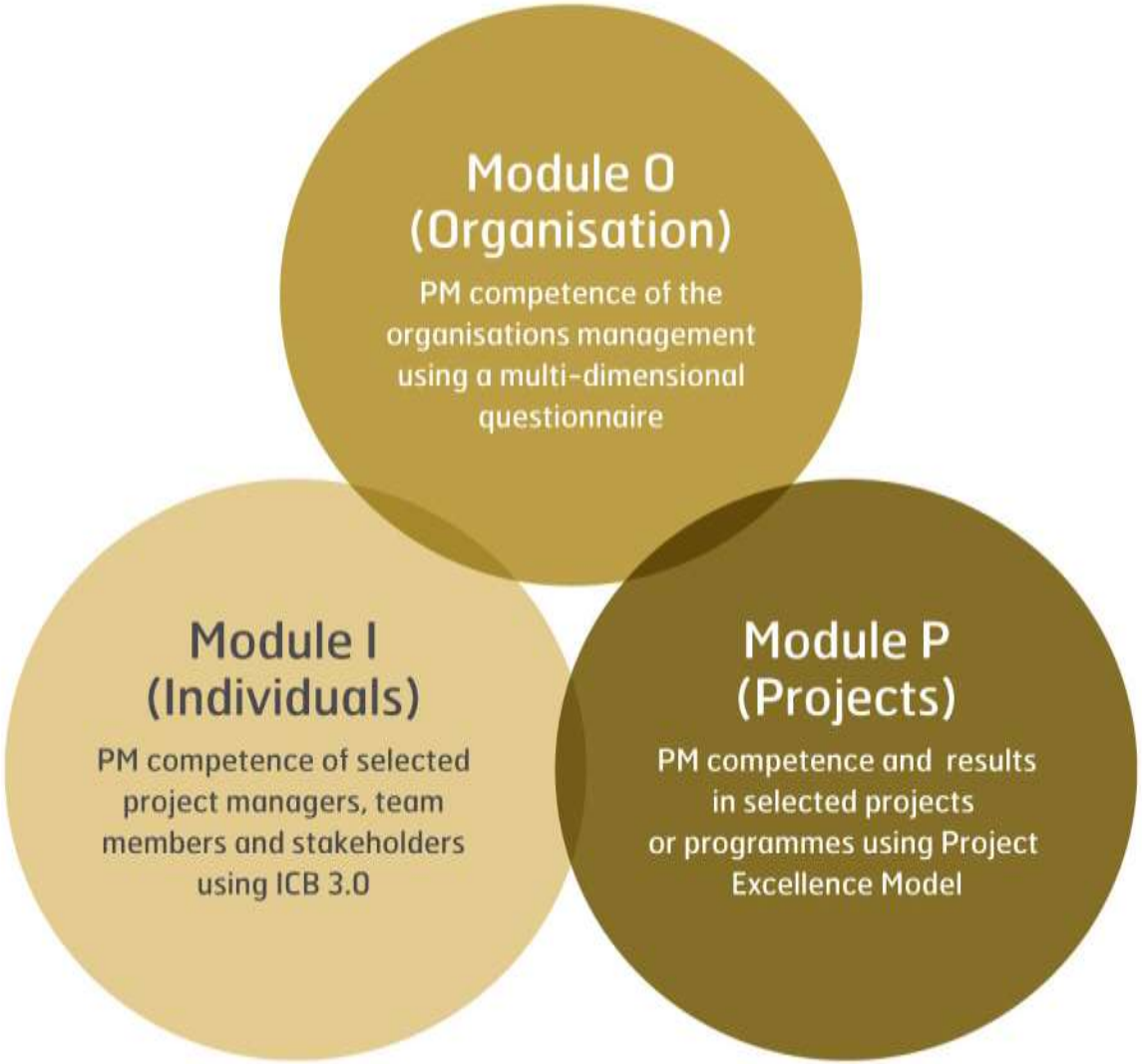
ICB: IPMA Competence Baseline

© 2008 Stacy Goff

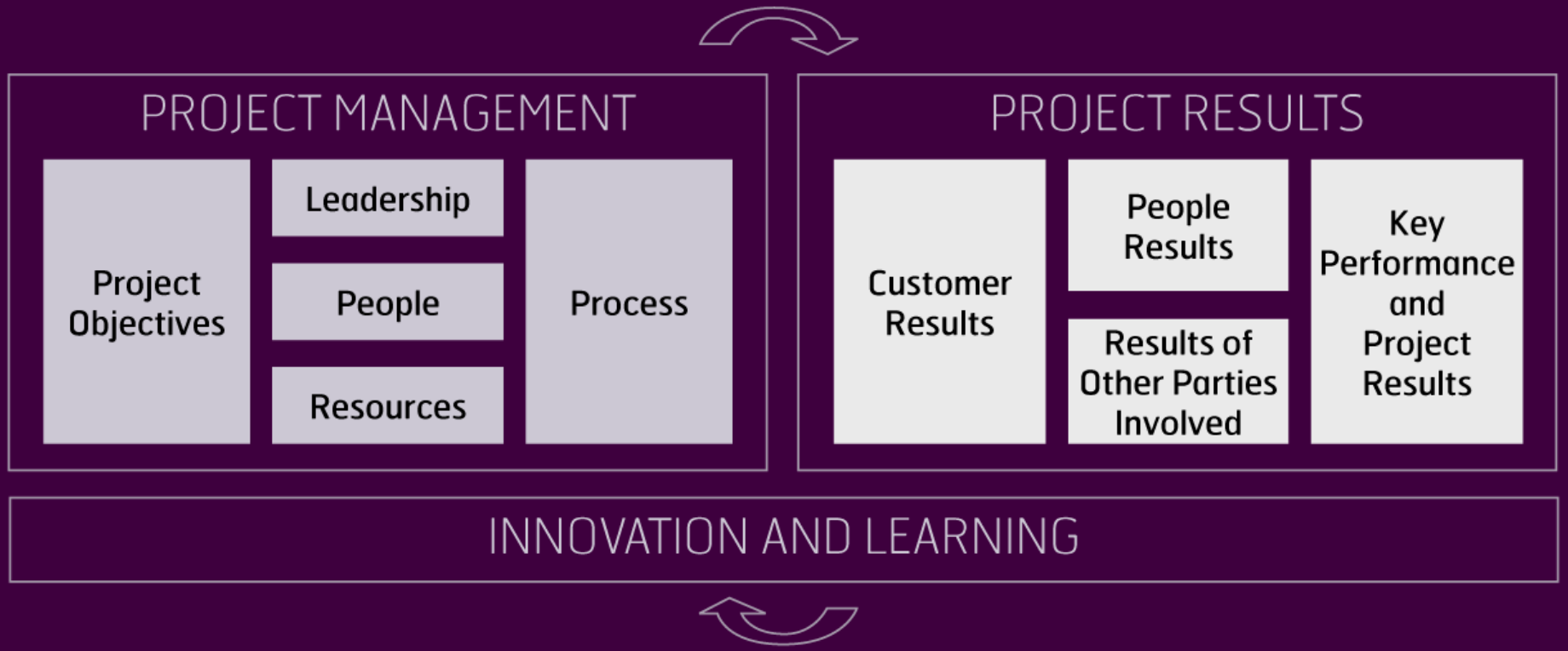
PM assessment for organisations

a product of IPMA» international project management association

The IPMA Delta® Model (I/P/O-Modules)



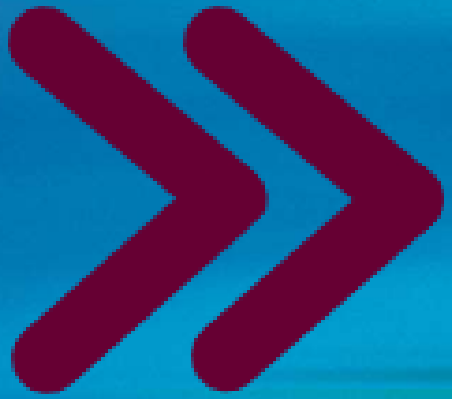
Based on the EU Excellence Model



- Evaluates Project Processes and Results
- Awards offered in several categories
- Award offers prestige for the project, the recipient organization, and the nation

IPMA Young Crew programme

- **Target: Up to 35 years**
- **Unrivaled Networking,** chapters in 20 nations
- **Signature Events:** Coaching4Development
- The CreACTivity Workshop
- IPMA Young Project Manager Award
- IPMA Global Young Crew Workshop @ the IPMA Congress



IPMA Research

Moving PM practice forward

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The Lifestyle of an IPMA Director

- 40 Countries
- 70 Country visits
- Every continent
- 24 Board meetings
- 16 Conferences
- 10 weeks offshore/year
- 240 Airport Security Checks

Visit our website: www.ipma.world

IPMA: Moving *you* forward

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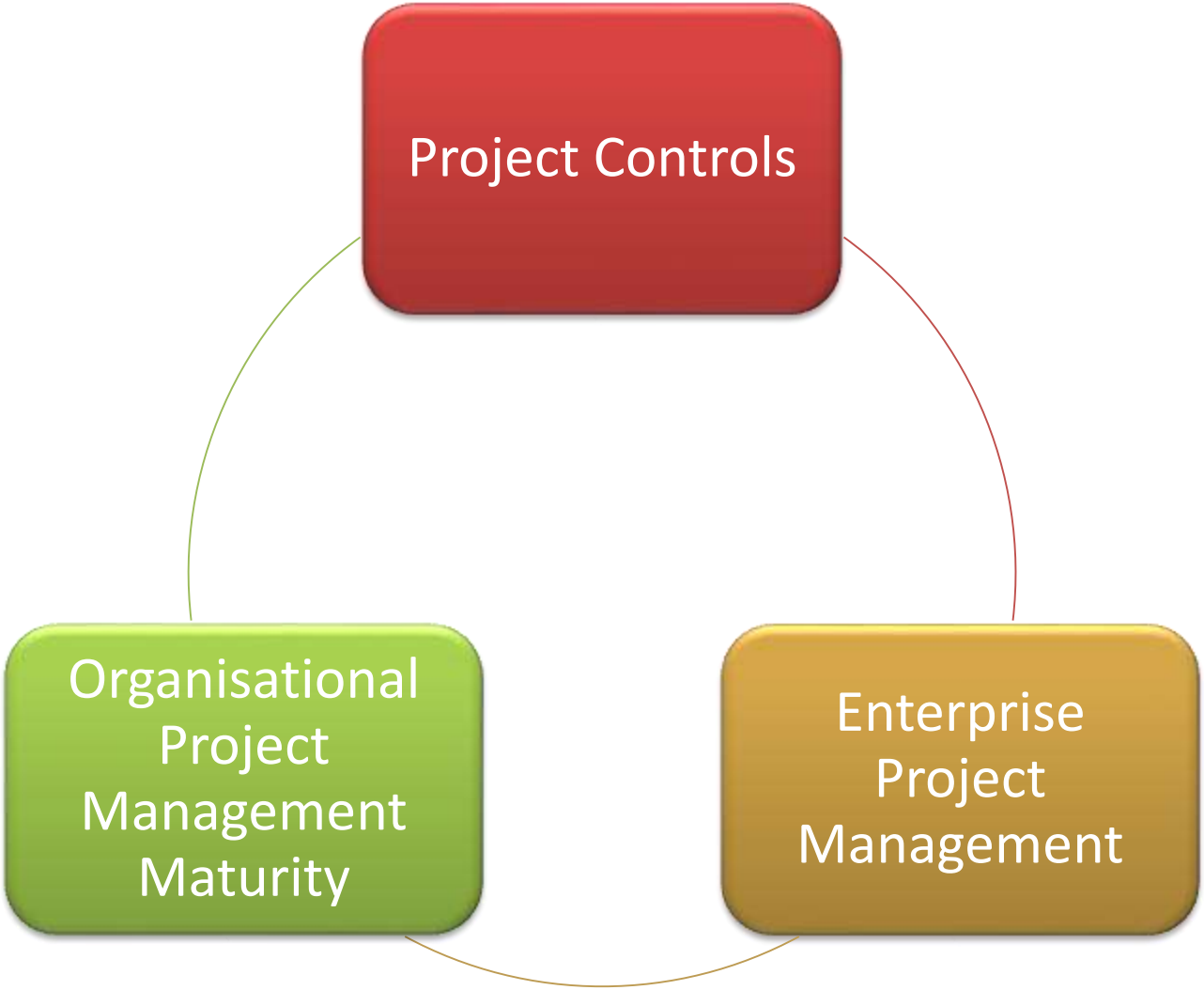
Three Main Themes



Project Controls

- ….the data gathering, management and analytical processes used to predict, understand and constructively influence the time and cost outcomes of a project or program; through the communication of information in formats that assist effective management and decision making.

- IPA identified that good Project Control practices reduce execution schedule slip by 15%.
- Project Controls cost range from 0.5% to 3% of total project, (including cost accounting).
- Therefore, to break even, Project Control needs to improve cost effectiveness by around 2%.

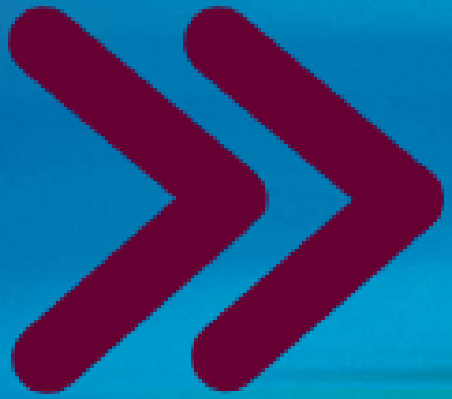
"The fact that one failed project can potentially wipe out an entire year's profit helps put the value of Project Controls into perspective."

A Proposition

- The concept of project controls just as a system is too limiting.

- Our organisations will start to truly benefit when we adopt a concept of project controls as an organic characteristic, evident in and impacting pervasively across our total project organisation, systems and behaviours.

Moving forward



Enterprise Project Management (EPM)

Project Governance and Controls Symposium

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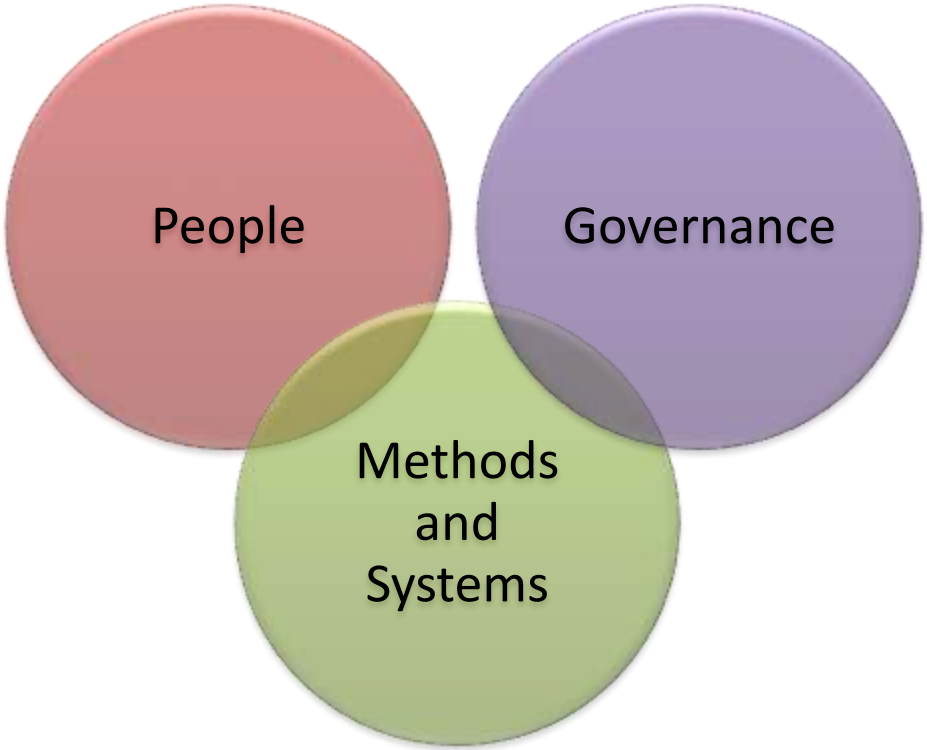
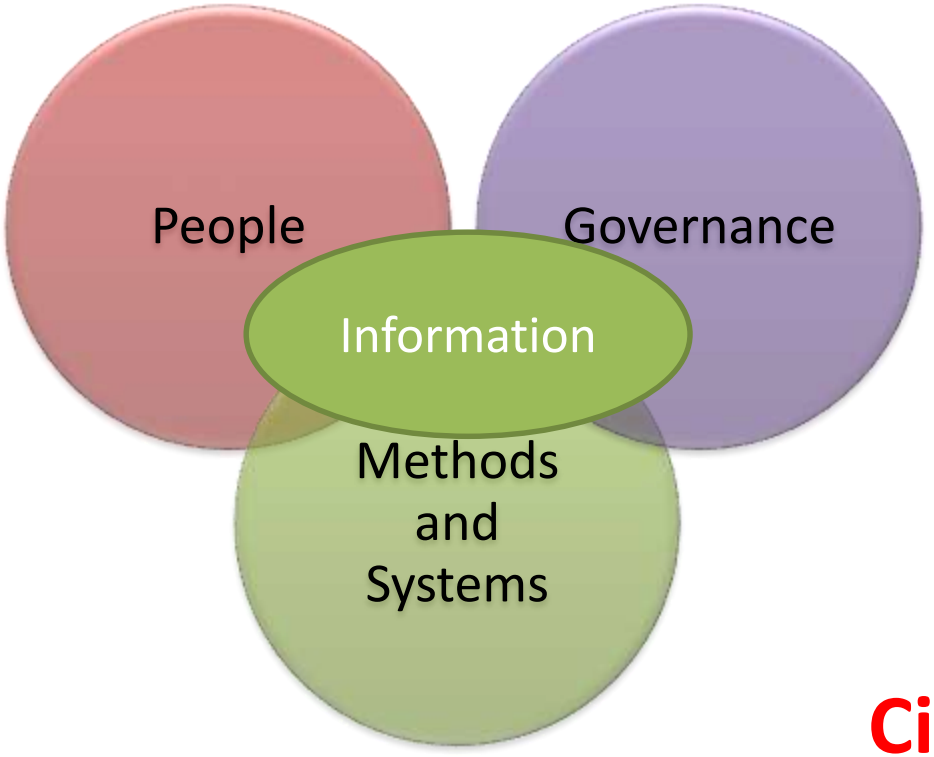
Enterprise Project Management



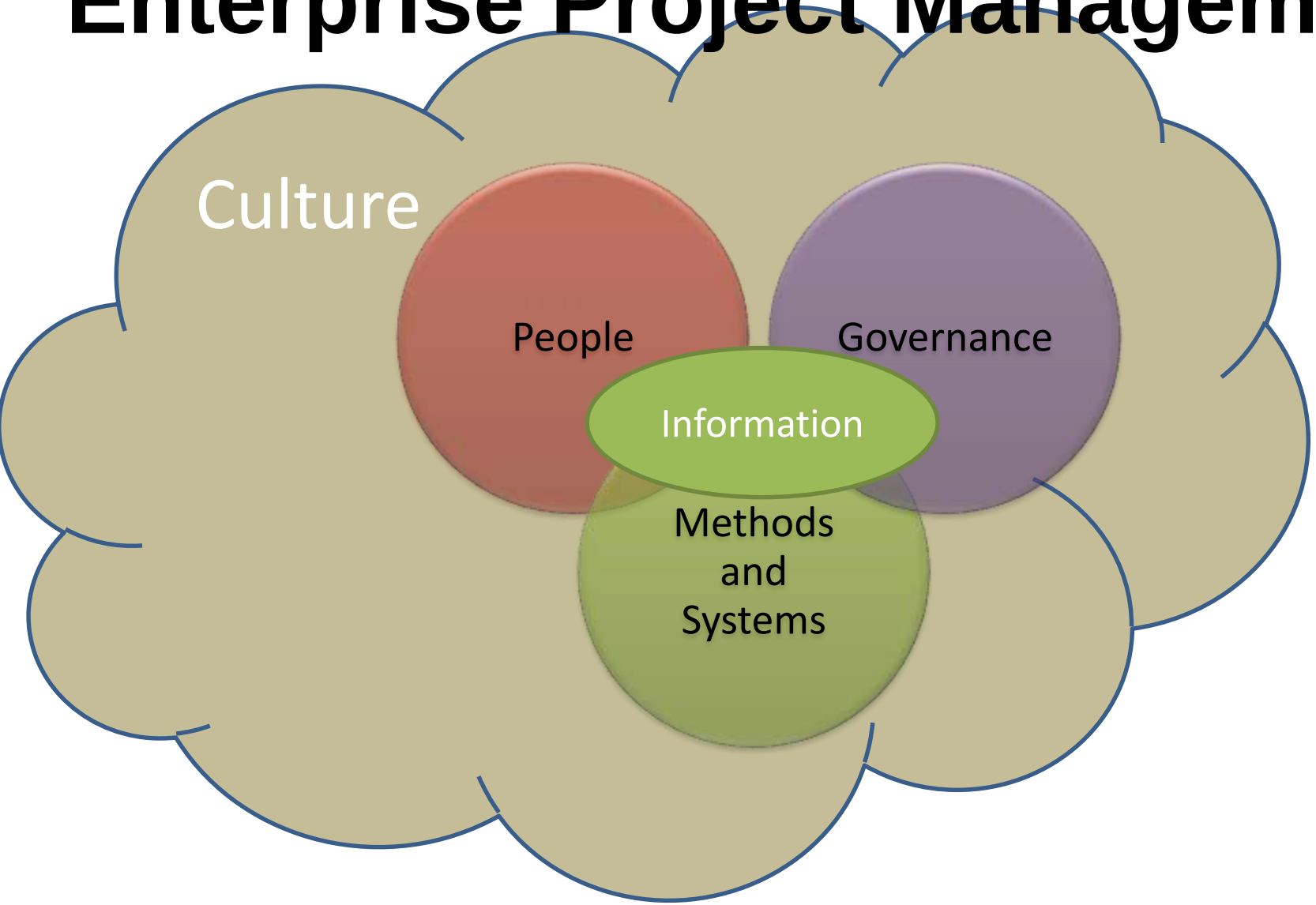
Circa 2005

Enterprise Project Management



Circa 2010

Enterprise Project Management



Strategic Drivers

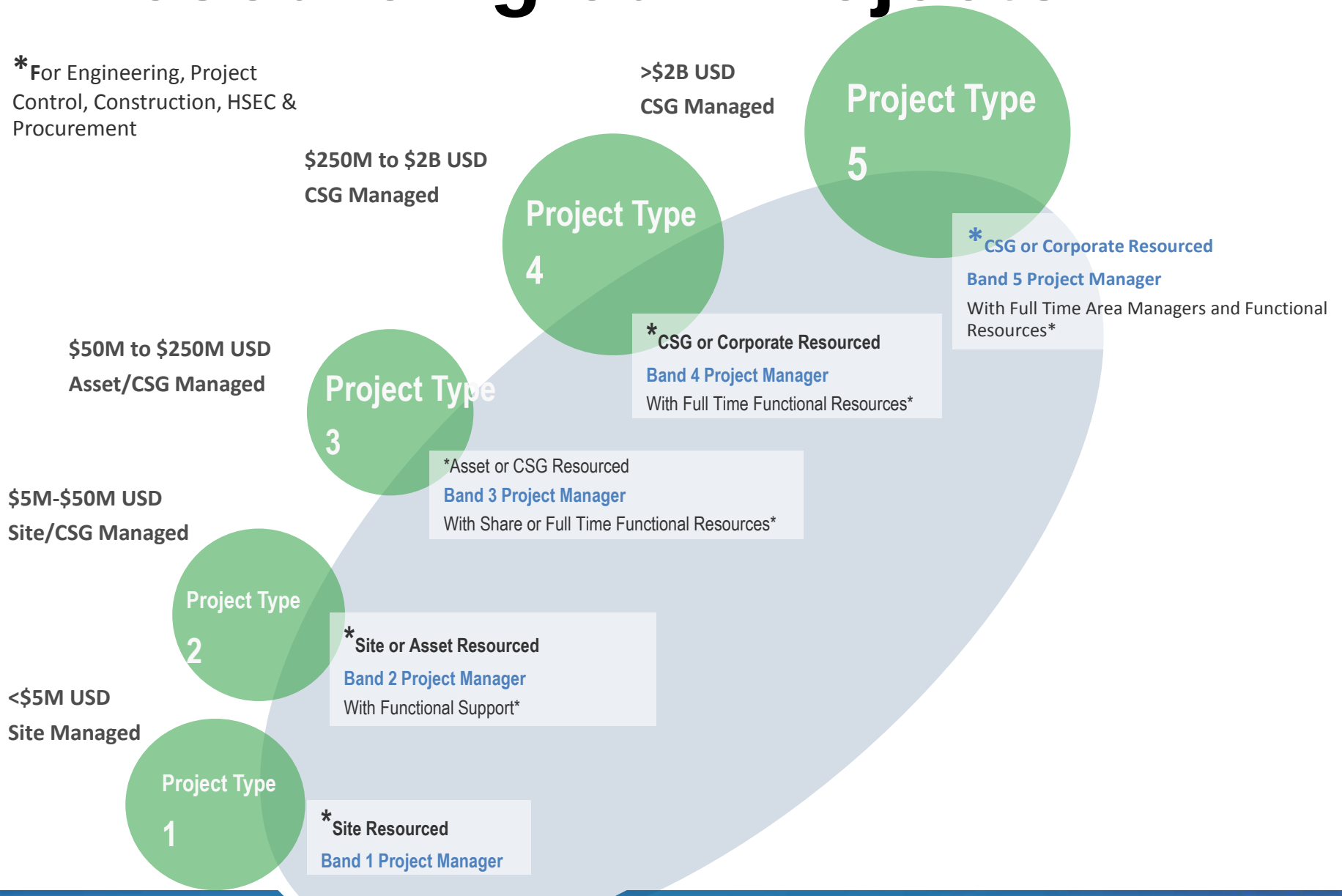
"Delivering value through the project pipeline"

Marius Kloppers, CEO BHP Billiton

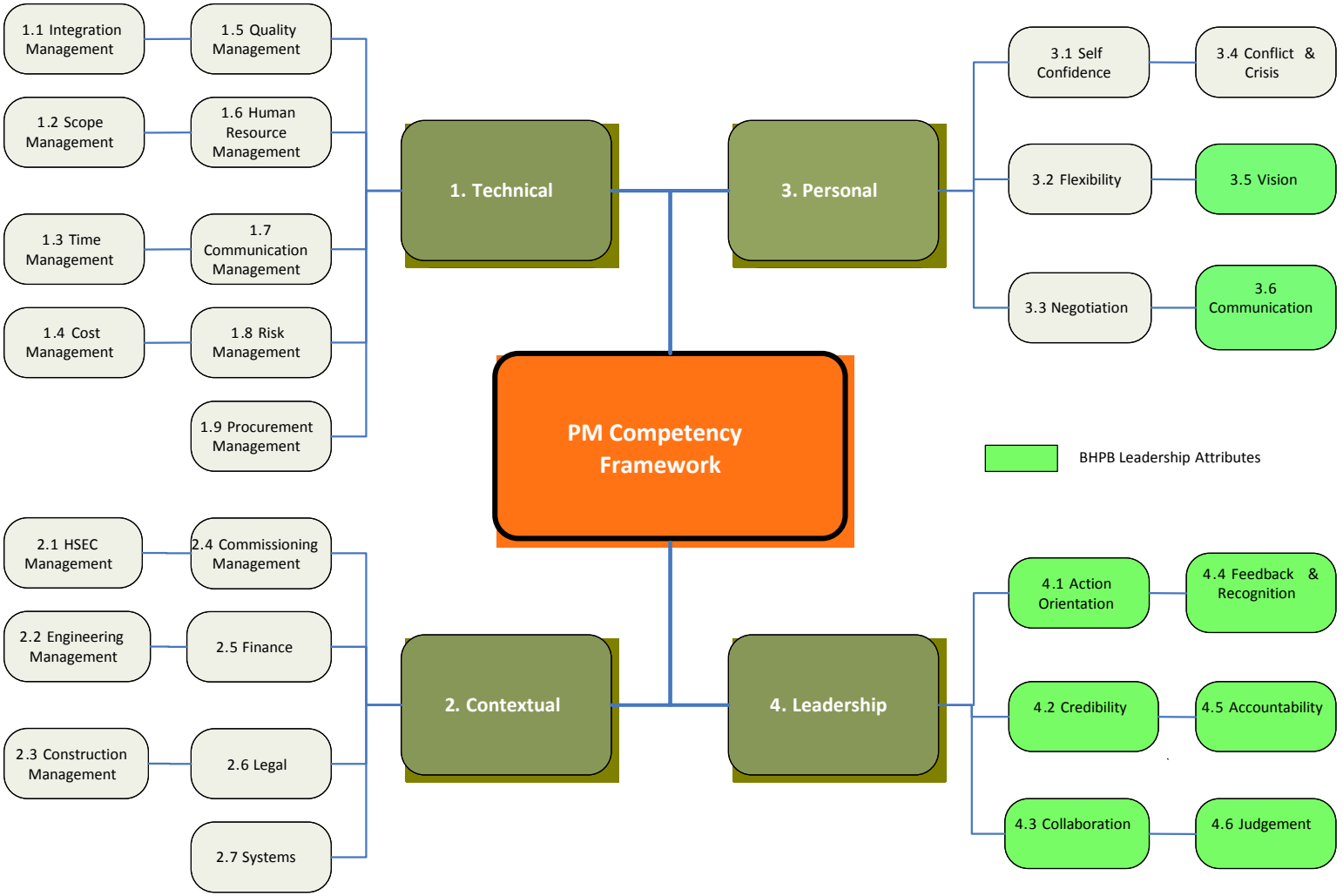
"Acute shortage of experienced project staff"

Marc Vogts, VP Project Management Services

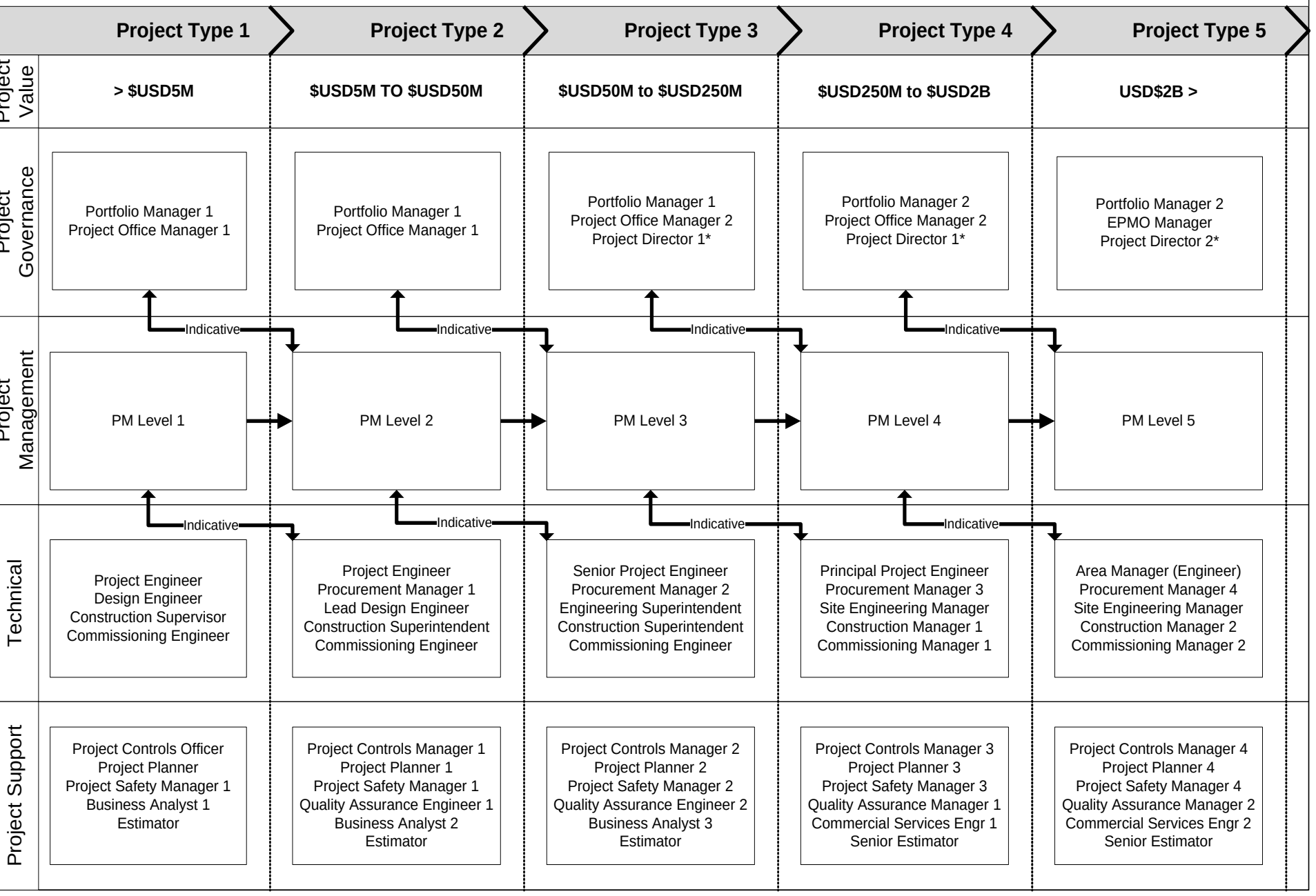
Resourcing our Projects



Competency Clusters



BMA/BHPB PROJECT MANAGEMENT CAREER MODEL



Olympic Dam Project Management Office, May 2010

Example of Assessment Report by Competency

Survey Statistics: BMASelf-2008

March 08

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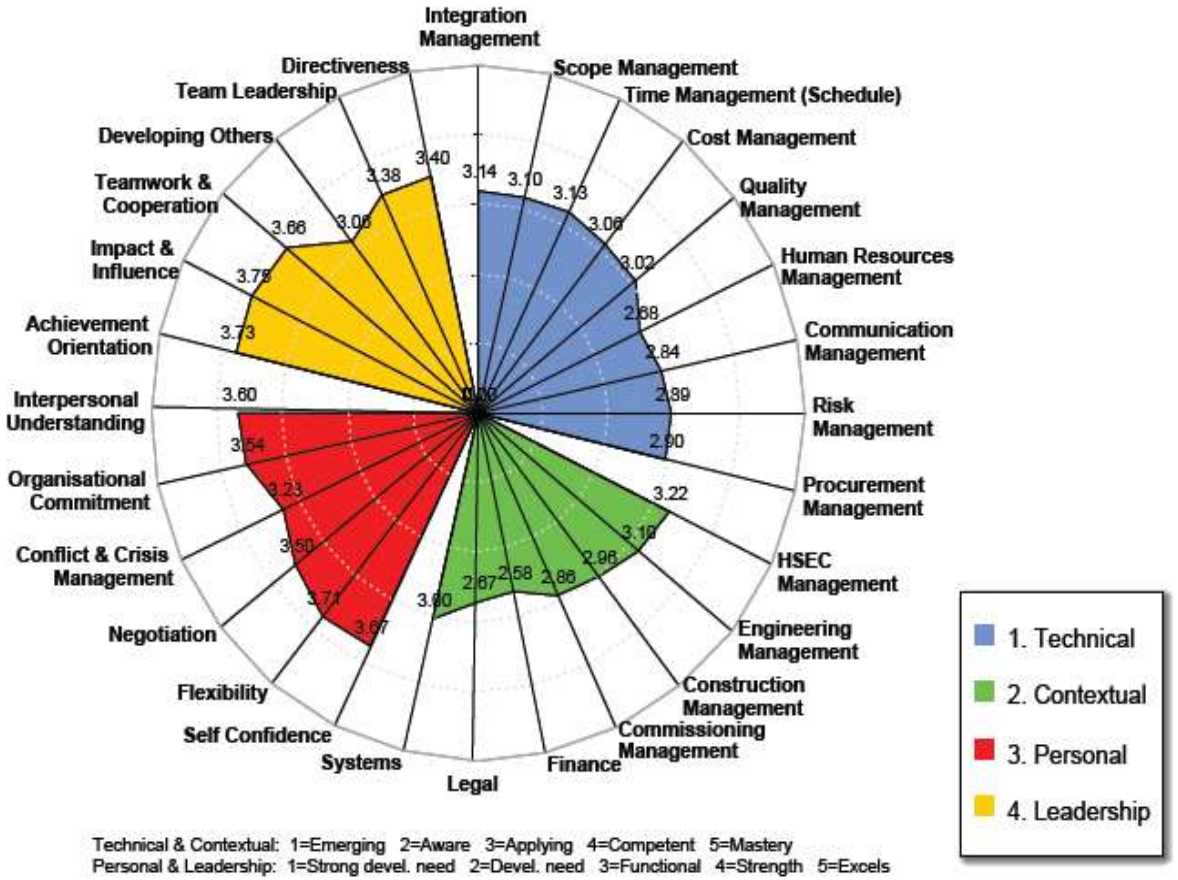
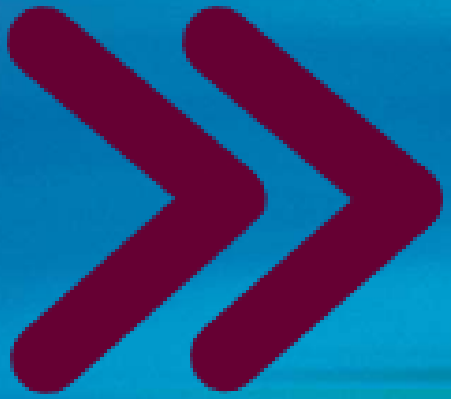
BMA SELF ASSESSMENT - MAP



Technical & Contextual: 1=Emerging 2=Aware 3=Applying 4=Competent 5=Mastery
Personal & Leadership: 1=Strong devel. need 2=Devel. need 3=Functional 4=Strength 5=Excels

Moving forward



Organisational PM Maturity

Project Governance and Controls Symposium

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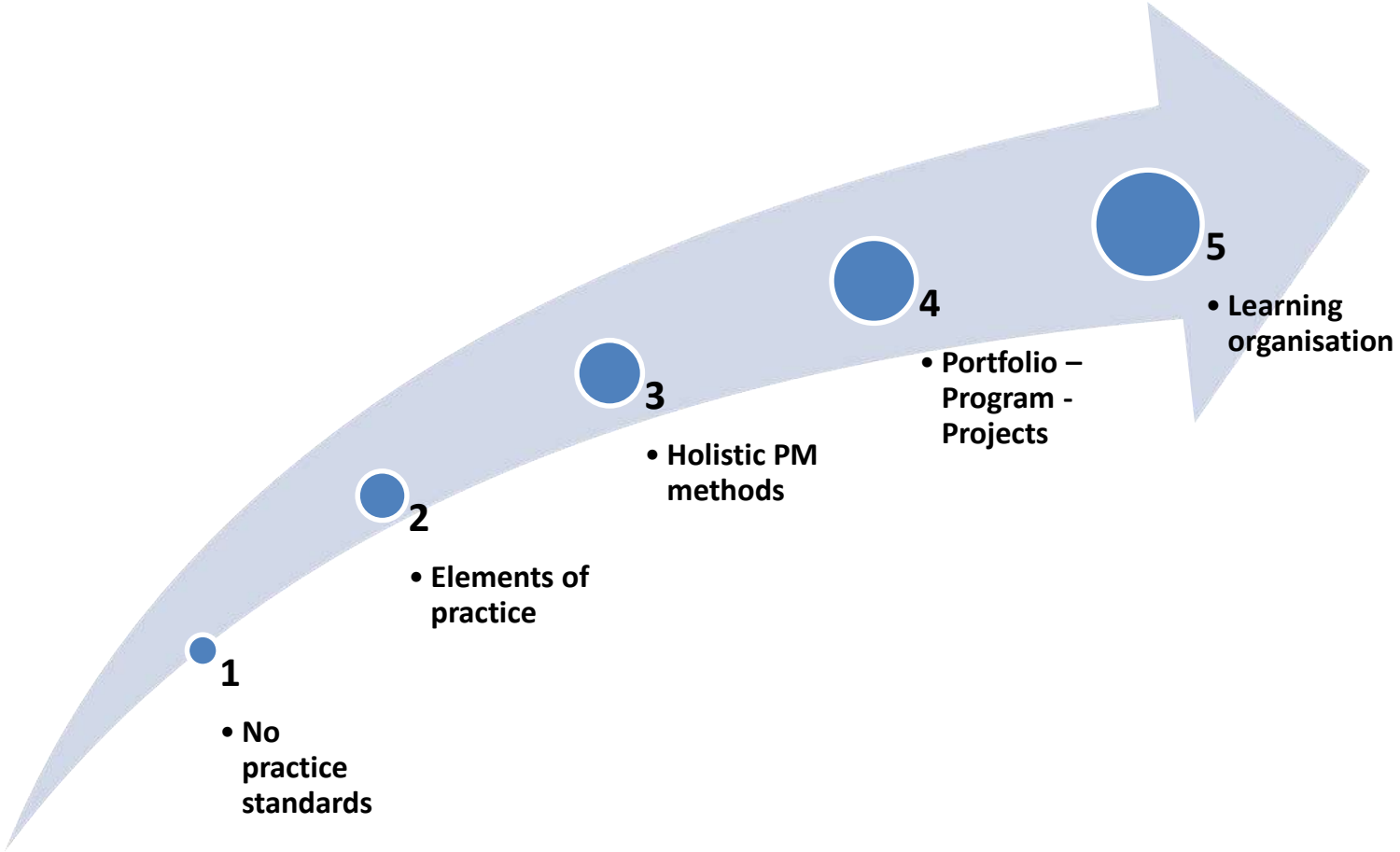
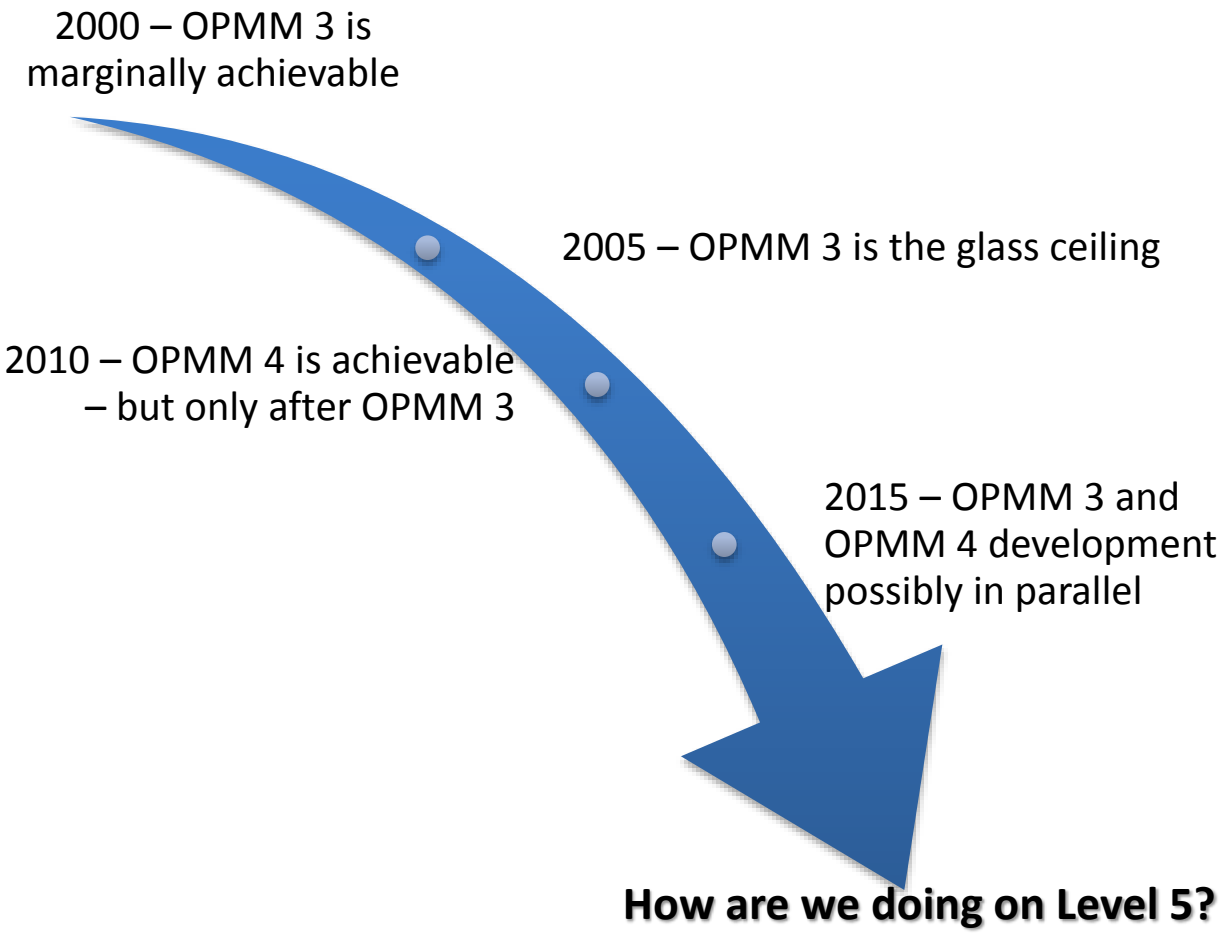
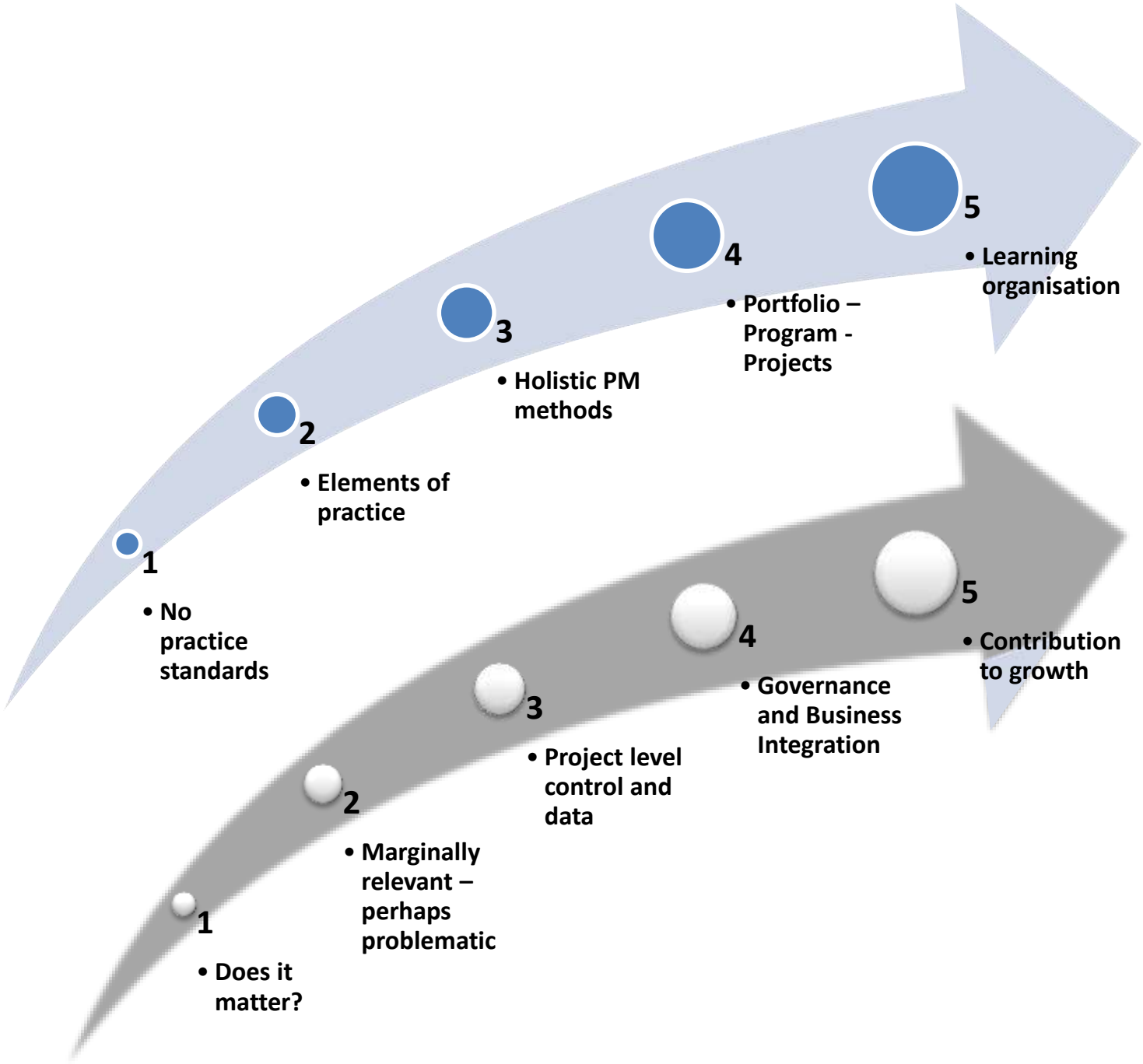
Organisational PM Maturity



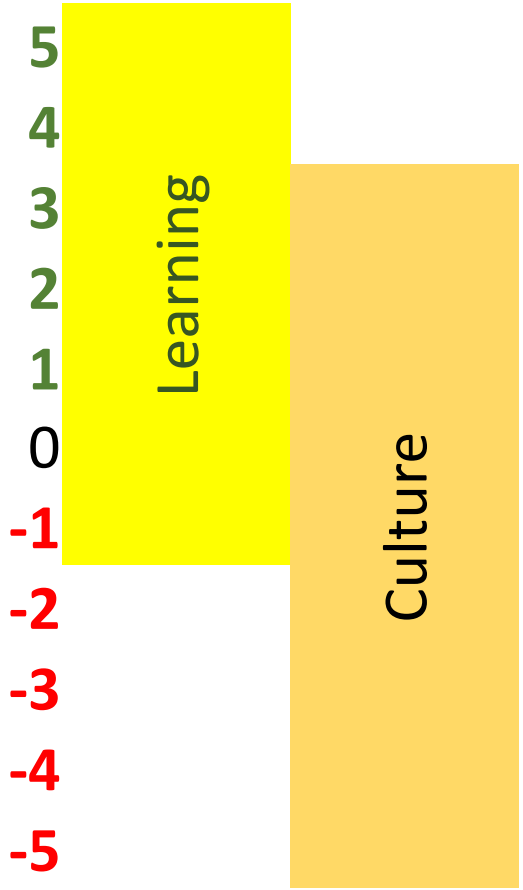
Changing Paradigms



The Frustrating Reality

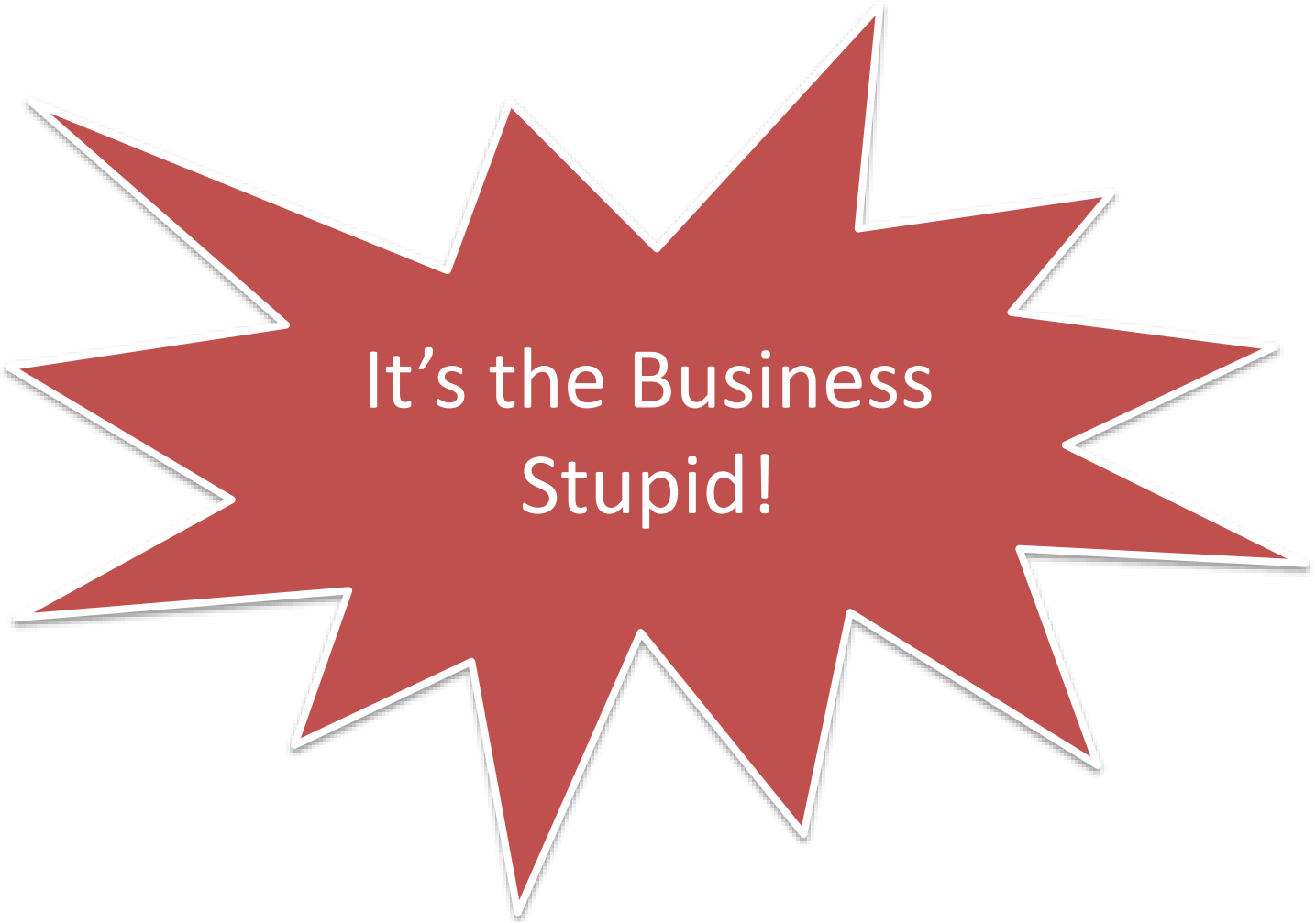

1
• No practice standards
2
• Elements of practice
3
• Holistic PM methods
4
• Portfolio – Program - Projects
5
• Learning organisation
1
• Does it matter?
2
• Marginally relevant – perhaps problematic
3
• Project level control and data
4
• Governance and Business Integration
5
• Contribution to growth

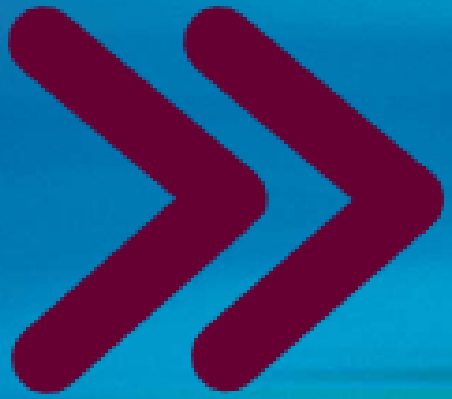
Support or Retard?



PMO/Controls Review Model

The Bottom Line





Thank you for listening!

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