

# The Value of Project Management for Organizations

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WV Technology Conference  
November 5, 2009

“We have managers.  
Sometimes they run  
projects. What’s so  
special about ‘project  
management?’ ”





**A project is a temporary endeavor undertaken to create a unique product, service, or result**

## Temporary

Defined goal, schedule, cost

*Not* routine operations (although result may become so)

## Unique

Requires learning and adaptation

Often assembles a team that hasn't worked together before

## Progressive elaboration

Develops in steps, continues by increments

Scope is refined as specifications evolve

**Projects are how organizations manage *change*.**

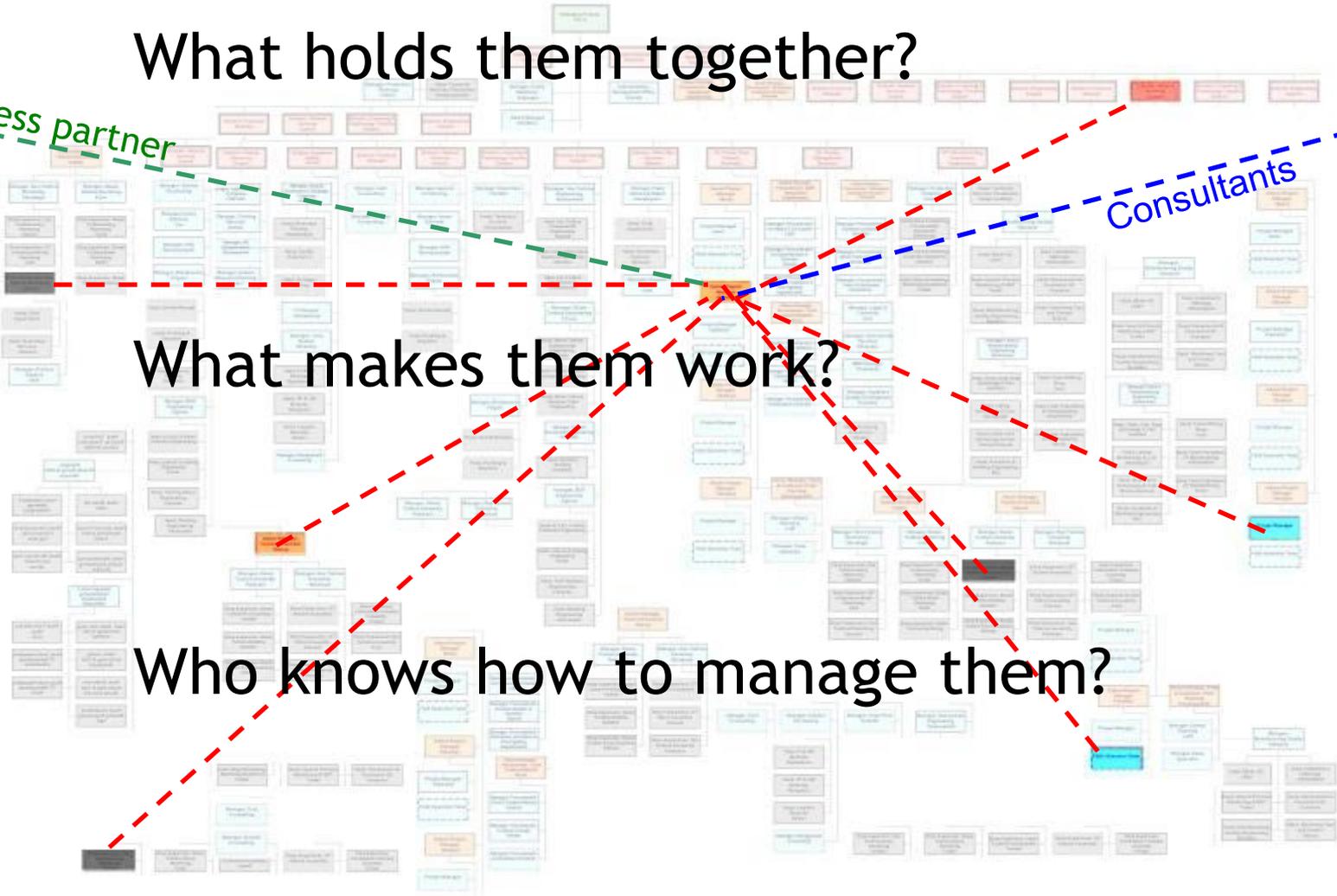
What holds them together?

Business partner

Consultants

What makes them work?

Who knows how to manage them?





Long established in “projectized” fields  
Construction, heavy engineering, oil & chemicals, transport  
Public infrastructure  
Research, consultants, entertainment/IP  
Teams formed and dissolved for projects  
Need for shared framework for cost estimation and scheduling  
As cost and complexity increased, formal methods evolved  
Too much for anyone to “keep in his head” or “learn on the job”

New techniques from:

Operations research

Cold War defense projects

1960s space race

Information technology both *served* project management...

Software for critical path & network analysis, PERT, etc.

And *drove* project management

As IT transformed business, it became a major field for project management itself



Task Name	Aug 13, '06	Aug 20, '06
	S   M   T   W   T   F   S	S   M   T
0 - <b>PMI Process</b>		
1 Read this note to understand the context and numbers (n.n.)		
2 Process Groups and Knowledge Areas		
3 - <b>Initiation Processes</b>		
4 - <b>Review Inputs to Initiation</b>		
5 Review Contract		
6 Review Project Statement of Work		
7 Review Enterprise Environmental Factors		
8 Review Organizational Process Assets		
9 - <b>Produce Outputs from Initiation</b>		
10 Develop Project Charter (3.2.1.1)		
11 Develop Preliminary Project Scope Statement (3.2.1.2)		
12 Initiation Processes COMPLETE		
13 - <b>Planning Processes (3.2.2.1)</b>		
14 - <b>Scope Management Processes</b>		
15 Perform Scope Planning (3.2.2.2)		
16 Complete Scope Definition (3.2.2.3)		
17 Create WBS to level of Work Packages (3.2.2.4)		
18 - <b>Activity Planning</b>		
19 Define Activities (3.2.2.5)		
20 Determine Activity Sequence (3.2.2.6)		





Common needs and principles

Across industries

Across organizations

Across types of projects

PMI founded 1969 by working  
project managers

## Global Not-for-Profit Professional Association

450,000 members and credential holders in 171 countries

## Global Standards

11 standards provide a common framework and language for projects across industries and regions

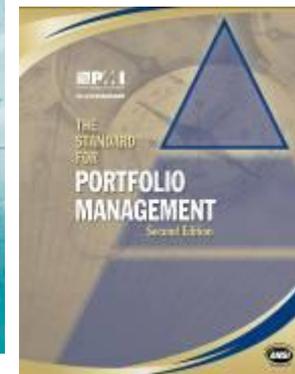
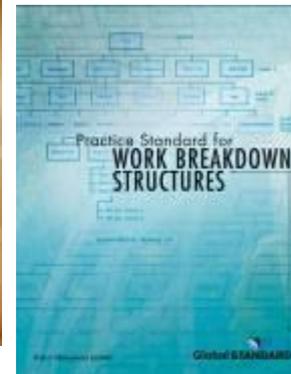
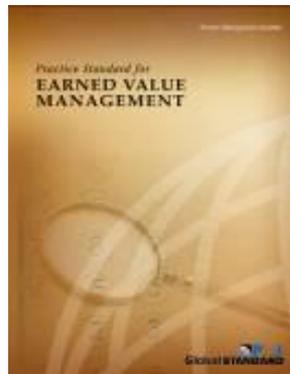
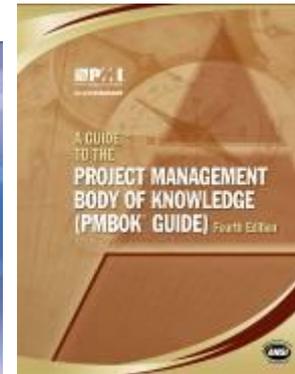
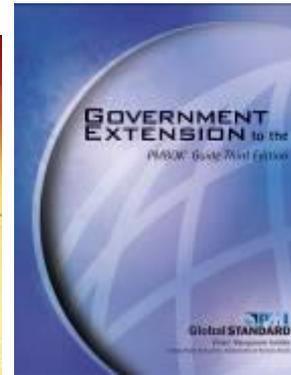
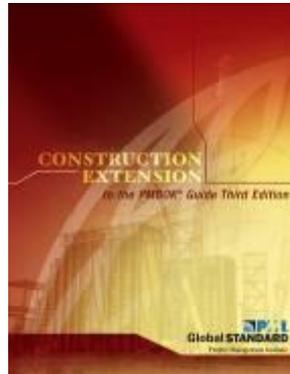
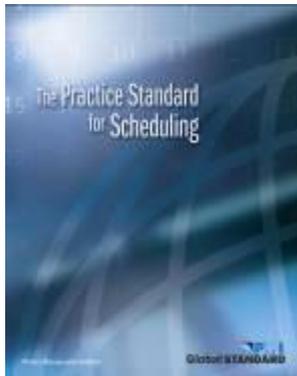
## Credentials

5 specialized credentials based on both knowledge and work experience

## Research

Accreditation of academic programs, registration of other training providers (REPs)

- 
- **20% of gross global product -- \$12 trillion per year - spent on fixed capital projects worldwide**
  - **Trillions more in projects for IT, new product and service development, entertainment/IP, NGOs**
  - **Project, program, and portfolio management**





- Certified Associate in Project Management (CAPM®)
- Scheduling Professional (PMI-SP®)
- Risk Management Professional (PMI-RMP<sup>SM</sup>)
- Project Management Professional (PMP®)
- Program Management Professional (PgMP®)





3-year, \$2.5M study completed in 2008

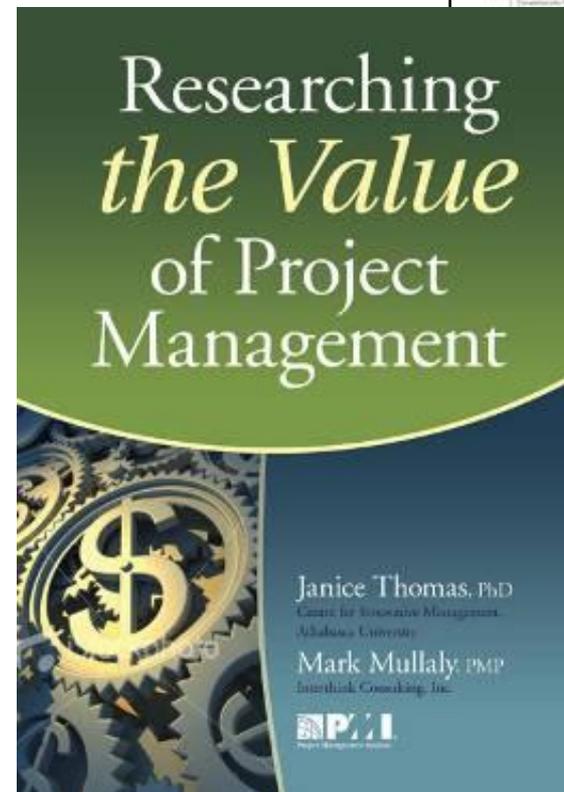
65 organizations, 418 projects, 447 interviews

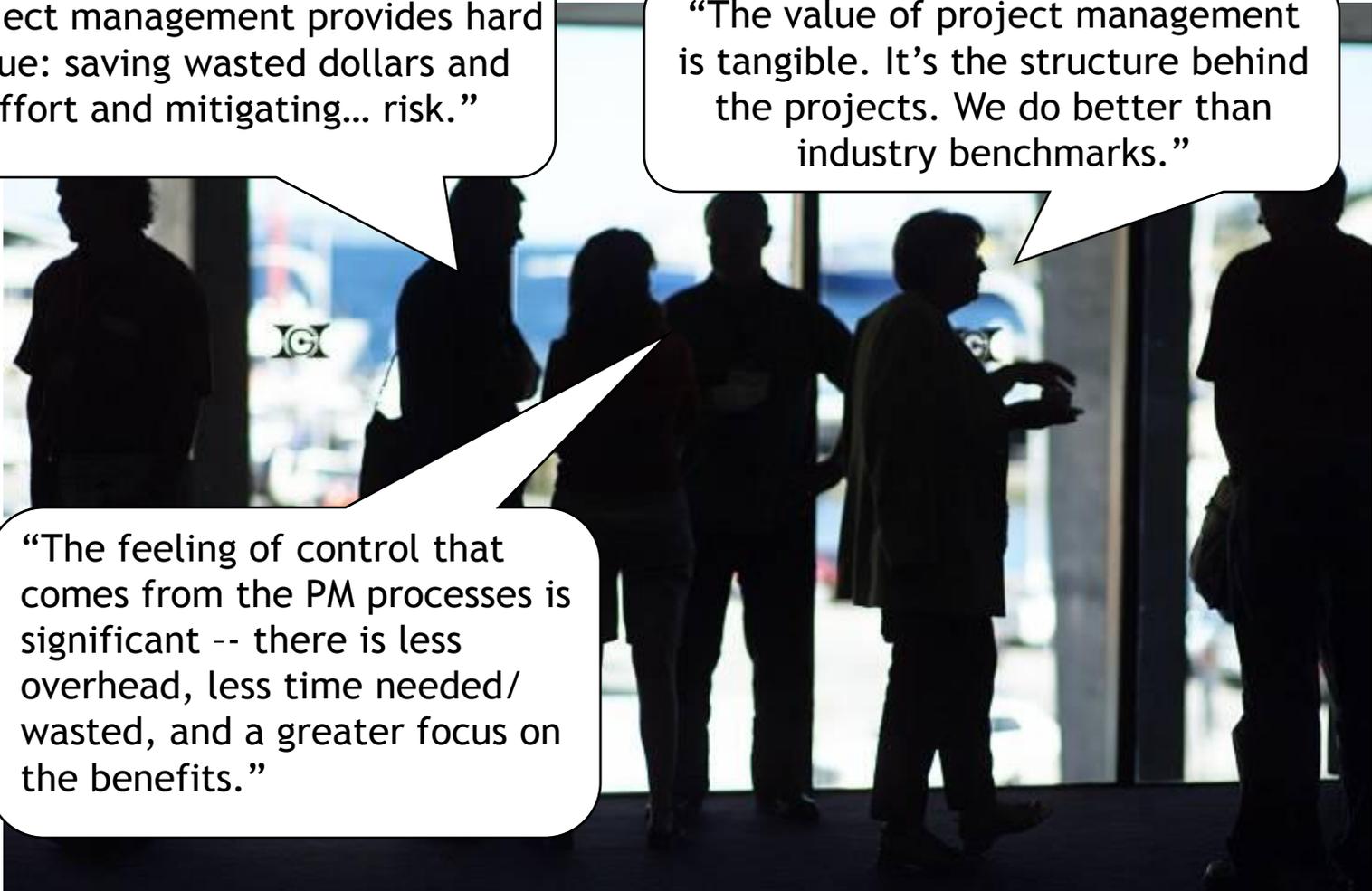
Identified project management factors linked to

Business **results** (stakeholder satisfaction, ROI)

Organizational **learning** (performance)

**Communication** (breaking down “silos,” strategic alignment)





“Project management provides hard value: saving wasted dollars and effort and mitigating... risk.”

“The value of project management is tangible. It’s the structure behind the projects. We do better than industry benchmarks.”

“The feeling of control that comes from the PM processes is significant -- there is less overhead, less time needed/ wasted, and a greater focus on the benefits.”

All quotations from interviews in *Researching the Value of Project Management*

# Results: Fluor Corporation



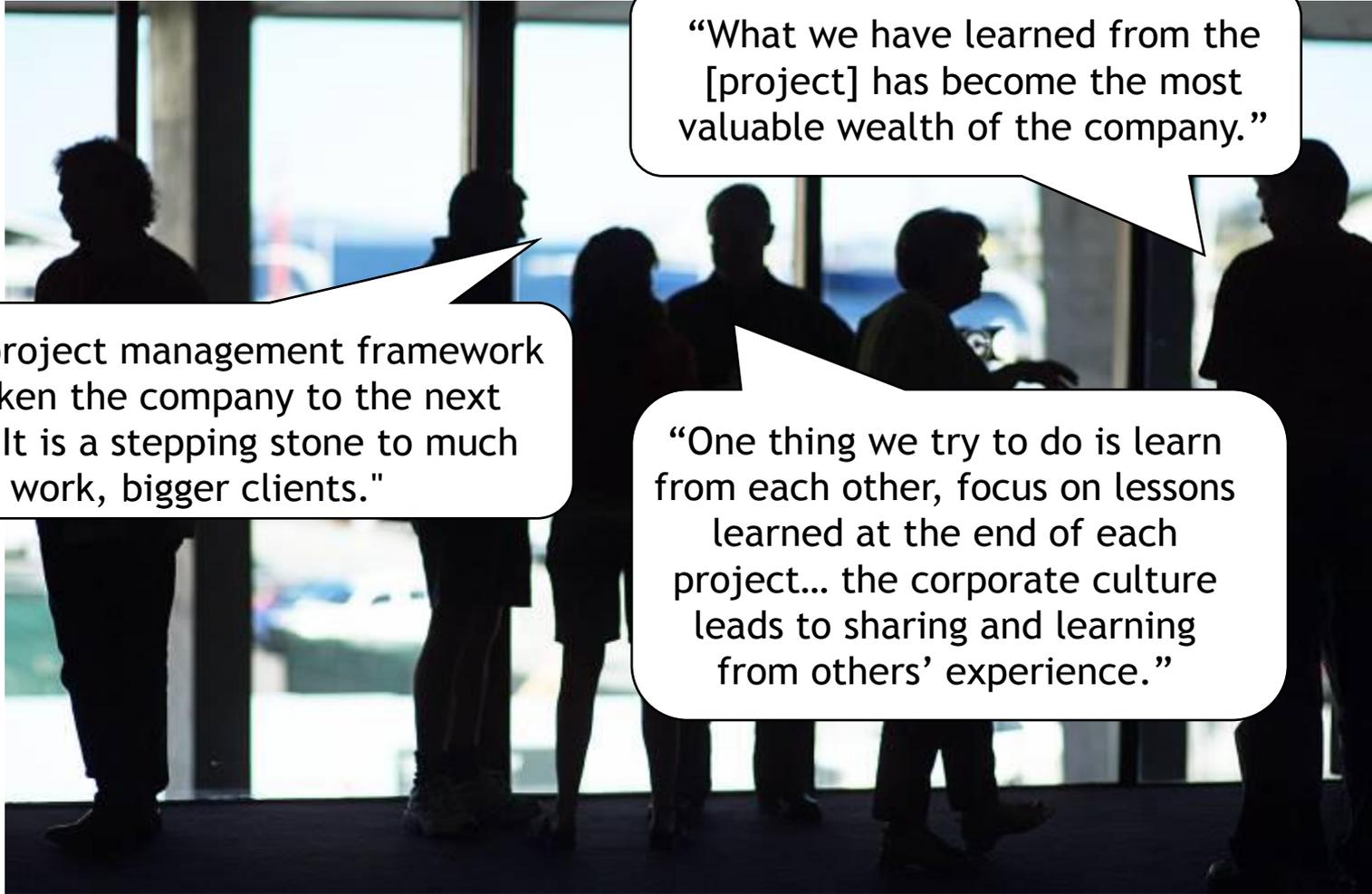
Cleanup of nuclear plant site  
in Ohio, USA

12 years ahead of schedule

\$7.8 billion below initial  
estimates

Used PM standards and  
methodology





"The project management framework has taken the company to the next level. It is a stepping stone to much bigger work, bigger clients."

"What we have learned from the [project] has become the most valuable wealth of the company."

"One thing we try to do is learn from each other, focus on lessons learned at the end of each project... the corporate culture leads to sharing and learning from others' experience."

Chinese manufacturer serves 35 of the world's top 50 telecom/networking operators

Sales grew from \$2.6B in 2002 to \$15B in 2007

83,000 employees

48% of employees involved in R&D

More than 20,000 projects every year



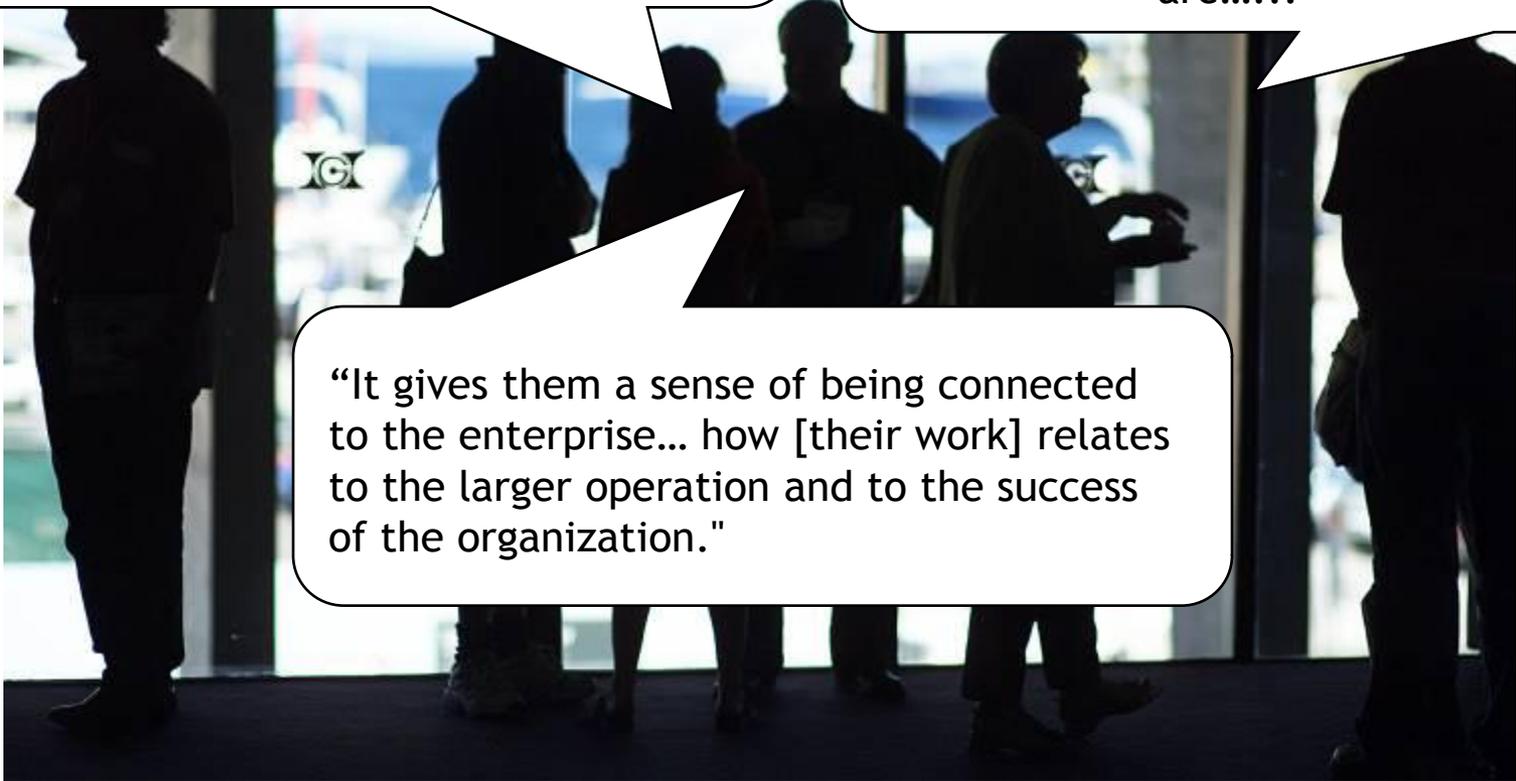
“Project management training and development is essential for frontline managers growing toward business leaders at Huawei.”

Zhengfei Ren  
CEO, Huawei Technologies, April 2007

“Project management contributes to team building and co-ordination. It greatly improved work efficiency and customer satisfaction.”

“Implementing formal project management has allowed the company to put people where their passions are.....”

“It gives them a sense of being connected to the enterprise... how [their work] relates to the larger operation and to the success of the organization.”



## Urban revitalization in Montreal

Reunite neighborhoods divided by expressway

Overhaul infrastructure

Create attractive pedestrian and cultural amenities

Intensive communication with stakeholders



Results + Learning + Communication =

- Real business value
- Real organizational value
- Real strategic value

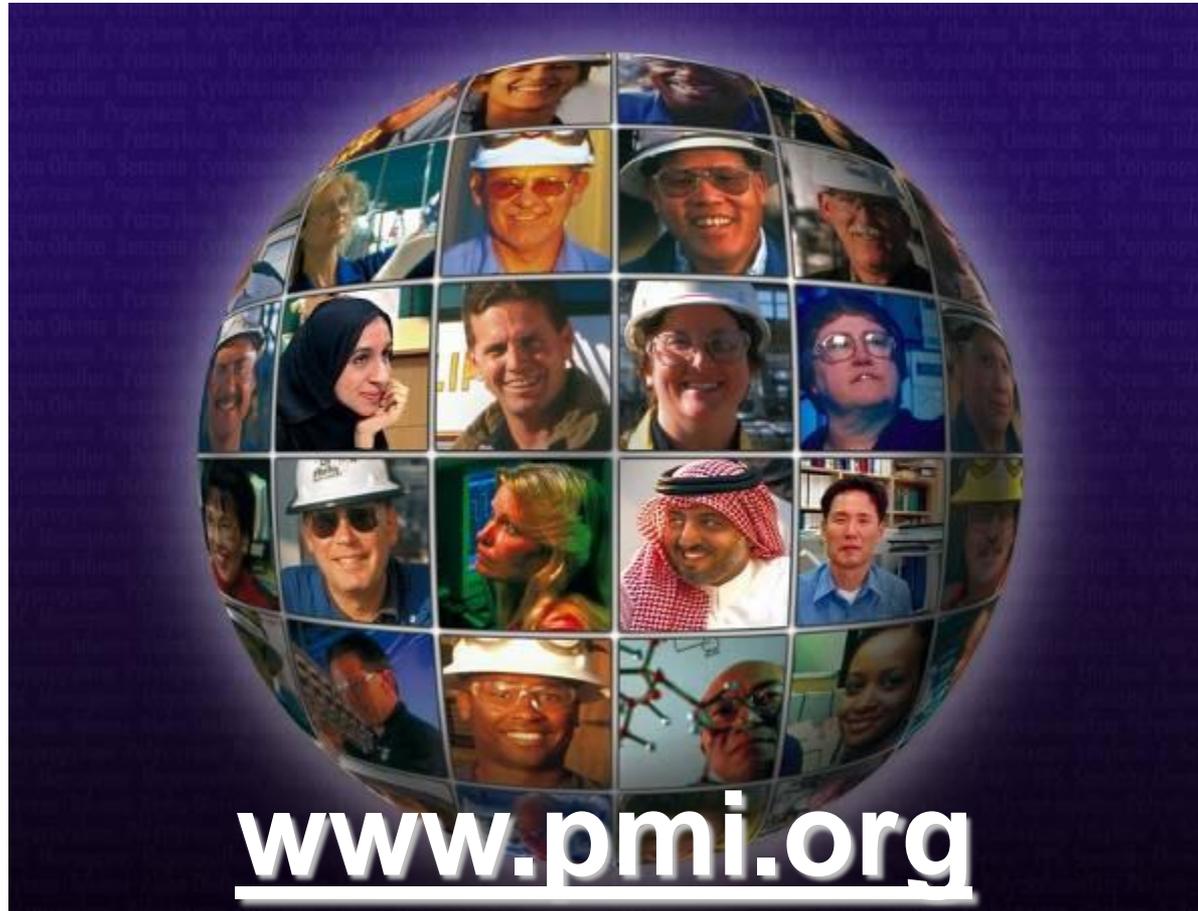
**Worldwide, organizations will embrace, value and utilize project management, and attribute their success to it.**



## *PMI West Virginia / Ohio Valley Chapter*

- 100+ Members
- Certification Prep Courses
- Source of experience and networking
- Partner with other chapters in Region 5

- Columbia Gas - WM/ERP
- CDI Shared Services - 1099s & W-2s
- New River Gorge Bridge
- Road Construction



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