

# **Future directions in Project Management**

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## **Abstract**

A review of recent history shows a definite change in focus. Ten years ago conferences like this would focus on Planning and Controls with themes on Tools, Earned Value, Risk etc. Five years ago the focus was on Governance, Methodology, Balanced Scorecard and Accreditation. We are currently more focused on Soft skills, Benefits, Enterprise tools and the value of PMOs.

So where to in the future? Obviously technology will continue to evolve, the never ending focus on tools will see improvements mainly at an enterprise level. Business will choose realistic maturity levels to aim for and will have higher expectations on their Project Managers. Business will choose Project Managers with greater ability to influence people and manage stakeholder expectations. A new generation of Project Managers will come through, from “Generation Y”, who will challenge the established Project Management practitioners and change training and thought processes. Specialist professions of planning and estimating are being lost. Ironically it is these skills which the enterprise reporting tools are completely reliant upon.

Beyond that there will likely be a recession, a shift in global economic power to Asia, further technology innovation, climate change focus and changes in government. The future will certainly be interesting.

## **Keywords**

Future, Generation Y, Soft skills, Technology, Project Management

## **Introduction**

Predicting the future is never easy. The approach taken for this paper was to discuss current observed trends and future insights with a number of experienced and qualified practitioners and then structure them into a logical discussion piece. It includes insights of my own and is by no means definitive or comprehensive. The intent of this paper is to be a starting point for discussion and debate and hopefully provide a structure for future planning. Observations are just that, personal opinions. They are open to debate.

I'd invite any comment, discussion or differing perspectives via Email [martin.vaughan@coreconsulting.com.au](mailto:martin.vaughan@coreconsulting.com.au) or in person at the AIPM conference in Hobart.

## **Recent History**

Project Management evolved in a formal sense out of the 1950s US Defence industry, although the principles had been with us for years. PMI was formed in 1969 and AIPM in 1976, but the profession really didn't mature until the 1980s where we saw the development of the PMBOK and the advent of personal computers. During this time the focus of the Project Management profession as well as software vendors was very much on defined planning and controls techniques.

The 1990s saw the PMBOK evolve and the Project Management community broaden its focus away from just controls. A focus on Governance and Business Cases by industry and government saw the PRINCE2 methodology become more popular. Risk Management became more defined and Australian Standards were established for it. Accreditation became available for the first time, on a competency basis with AIPM and exam/experience basis with PMI.

The late 1990s saw industry focus on Quality Assurance and Capability Maturity, particularly the need for repeatable processes. As a result we saw Project Management processes become quite well defined in a number of larger organisations. New process improvement techniques such as 6Sigma blurred the line between business improvement and Project Management while ITIL sought to standardise various aspects of technology delivery.

At the same time organisations struggled with structure – where should Project Managers live within the organisation? There was a shift away from functional organisation structures to matrix structures. Meanwhile Project Managers seemed to get lost between the two. Organisations fluctuated, and continue to fluctuate, between Project Managers reporting to the customer, the supplier or to dedicated Project Management groups. Meanwhile the same organisations recognised that they were fundamentally project-based organisations.

Tools matured and became more and more capable although organisations started to seek broader program and/or portfolio reporting from them. Dashboard style reports became highly sought after as it was realised that there were many other success criteria for projects to report on than just time and cost. Into the early 2000s organisations saw that despite projects being delivered, business benefits were often not realised. As a result Project Managers started focusing on defining and tracking business benefits as part of Project Management. Sadly, often because many Project Managers are contractors so they are not retained beyond implementation, they never get to review benefits delivery.

Recently we have seen the evolution of browser-based enterprise systems aimed at centralising project information and making it available on demand to a wide audience. They are often used for collecting task actuals/forecasts. Going hand in hand with these tools we are seeing PMOs (Project/Program/Portfolio Management Offices) becoming more popular as a vehicle for providing and enforcing standards, training and quality assurance. Some say that tools are “dumbing down” Project Management, others say they are simply changing the focus. To a large extent these changes have made the Project Manager more accountable with project performance metrics being available to the organisation and not just a localised group of stakeholders.

One of the most interesting trends of late is the realisation of the need in Project Managers for soft skills such as communication and leadership skills. The last update of PMI’s accreditation has certainly focused on these soft skills, as I’m sure will the next update by AIPM. Training courses are changing and embracing these key skills, which are lacking in many Project Managers today.

Change Management is also evolving as a niche management area, indicating that it is extremely important but perhaps done badly in the past. There has been some debate of late as to whether Project Management is a subset of Change Management or vice versa. While not getting into that argument it does show that Change Management is gaining an increased focus and is becoming a fundamental skill set of Project Managers who focus on business outcomes.

### **Industry trends/observations**

*“We have seen a continuing trend toward permanent employees” says Simon Noonan a project management professional, managing around 60 Program and Project Managers, “we have gone from around 50/50 (permanents to contractors) to about 70/30 over the last couple of years.”*

Project Management has been heavily contractor based in the past so many Project Managers have not focused enough on their own personal development. They tended to be so busy finding work and delivering projects that they seldom got time to consider their own development.

*“I believe we are seeing a sustained trend to in-source Project Managers more and more in industry” agrees Brenda Treasure who is active with PMI’s Women in Project Management Special Interest Group, “This means organisations can once again invest in their people”*

After a sustained 15 year economic boom, a downturn in the economy and hence project investment will be inevitable.

*“A recession has to come eventually” Doug Treasure, an active member of the PMI stated, “that may well reverse the in-sourcing trend”.*

Such a recession will certainly shake up the market and will affect the contractors more so than permanents. It may well see a reduction in investment in people as well as inevitable cost cutting.

*“Our projects are becoming more global, requiring a whole new set of skills” says Simon Noonan. “It’s about building relationships and making personal connections in a different form, finding common ground with that virtual team member and articulating their role in the overall project delivery.”*

Virtual projects are requiring new skills, a blend of technical skills and communication skills. The ability to effectively communicate across time zones, across cultures and across organisations is quite a challenge for many people. The global project requires much more discipline in documentation and requires elimination of assumptions and visual cues taken for granted in face to face discussion.

*“With global projects we don’t have the luxury of co-location, therefore we need to invest more time in planning our projects, have greater cultural awareness and devise new ways to communicate and collaborate. It is essential that the requirements and scope are clearly documented” says Simon Noonan*

Trends toward internationalisation and virtual teams will continue, although I believe the pendulum may well be swinging back from the extensive off shore outsourcing of the early 2000s. Off shore call centre and application development have met with mixed success and costs of outsourcing are increasing without the benefits necessarily being delivered. We should see international Project Management skills evolving as niche highly sought after skills.

*“Some organisations are already clearly defining the Business Project Manager vs Technical Project Manager” stated Joanne Hurley, a specialist Project Management educator and AIPM assessor.*

The difference between them is the Change Management and Stakeholder Management skills, necessary for effective change. While it is recognised that leading a team and managing tasks is important, managing the stakeholders is critical. While some organisations split these responsibilities, others are placing higher and higher expectations on their Project Managers. Part of the reason for this appears to be the “focus” technical Project Managers have in the past put into getting the technology right rather than getting the organisation ready to receive it.

The popularity of PMOs (Project/Program/Portfolio Management Offices) are seeing Project Managers being required to follow more standardised processes, use standard document templates and to report in a defined manner. While this can be a little unsettling for inexperienced Project Managers, experienced Project Managers usually accept the requirement (although sometimes somewhat reluctantly). Experienced Project Managers also embrace standardised processes for gaining new project approval and defined governance in particular. It is interesting to observe that the increase in visibility and accountability for project performance proves challenging for some. Organisation as a whole as well as individual sponsors and delivery leads are now forced to face the unpleasant consequences as a result.

### **Government trends**

Government projects will continue to be unique, partly due to the unique skill set to get things done in a government environment (mainly soft skills together with patience), the unique needs of policy delivery projects plus a subtle shift toward openness and transparency.

*“It will be a challenge” says Fiona Dunn who has worked extensively in government as a PMO specialist, “Technology is improving rapidly which is opening up data and hence visibility of performance, but the desire to be truly open is perhaps not moving as quickly”.*

Also unique to government, and present in some large organisations, is the focus on funding cycles and need to spend agreed funding. This at times clashes with project cost reporting needs. This issue has been with us for a number of years and will continue as a challenge no doubt.

*“It is a dilemma if a project performs well and under spends, there is a reluctance to give money back” says Fiona Dunn, “the government needs to consider performance measures, funding mechanisms and rewards which focus on performance rather than spending”.*

Government is embracing the need for standards and qualified Project Managers. One only needs to look at how the Defence Materiel Organisation has embraced the accreditation of Project Managers along with their “Improved Scheduling and Status Reporting” initiative to see there is a willingness to develop internal capability and improve performance. I believe this trend by government will continue and that the government, both state and federal, may well lead the way in embracing qualifications for Project Managers as well as adopting Project Management standards. Project Management will improve in government but gradually, it will take time.

### **The next generation of Project Managers**

Through the 1990s quest to cut costs there was a significant drop in graduate programs and training programs for Project Managers. In some respects the Project Management profession mirrored the industrial trades where apprenticeships were cut and we are now seeing an aging workforce and acute shortage of qualified tradespeople. Most of the focus of training throughout the 1990s was on inexperienced but older “accidental”

Project Managers, those who found themselves in Project Management roles but were not sufficiently skilled. Many of these people have now moved on within the profession or have changed to other general management or business roles.

A quick look at the job ads on the Internet and papers shows there is an extreme shortage in Project Management support roles, such as planning, scheduling and cost controllers. At the same time Enterprise tools are requiring sound schedules and cost estimates for their reporting. Interestingly these roles are attracting extremely high remuneration due to supply/demand economic factors despite they being support roles to Project Management. With an aging workforce plus a resources boom, experienced planners are few and far between. Many are working as contractors on very high rates.

Obviously it is dawning on industry that programs will need to be put in place for the next generation of Project Managers. Our company has run such a program this year and this has been extremely successful with two young and extremely bright future Project Managers starting their career. The program has highlighted the next challenge for the Project Management profession, the needs of “Generation Y”.

There is much written about Generation Y and in fact there is a separate paper being presented by Stuart Guest-Smith on this topic. Without generalising too much, us “older” folk are observing behaviour we believe to be unique to this generation:

- Delayed maturity/responsibility – staying at home for longer, putting off marriage and children
- An extension of the prosperity in which they have been brought up in - the desire for a “good life”, “high pay”
- A “never fail” mentality which leads to confidence, sometimes overly so, arising from schooling assessment based on competent or not yet, never a fail
- What we perceive as a sloppy “Does it matter?”/“whatever” mentality where poor spelling/grammar is ok and there is no incentive for thoroughness or even acceptance that things are incorrect
- Extreme technology awareness and thought processes so integrated to technology that us older generations cannot comprehend
- Impatience and an expectation of immediate reward/decisions/outcomes – everything now, no need to plan. eg. Socially, unorganised but capable of organising a gathering within an hour by broadcast SMS.

*As Fiona Dunn, observed. “Maybe these behaviours aren’t so new, our parents would probably have said similar things about us. Maybe it is just that their youth is extended beyond their 20s and into the 30s”.*

I would argue that the “Generation Y” have yet to be taught the importance of correct data, thoroughness and attention to detail. I would also argue that they have never been allowed to fail and hence haven’t had the opportunity to learn from their mistakes. They need to be given the opportunity to make mistakes to learn.

My observation from working with our own graduates includes being extremely impressed with their grasp of technology and potential innovations as a result. Their

social skills and intellectual capability is of a very high order. Interestingly there is a level of impatience present as well as an instinct for the best way to get things done. I'm not sure these are such bad attributes for a Project Manager. In short I am extremely optimistic that the next generation of Project Managers will be very effective. I am less optimistic about our generation changing to cater to their needs or providing them with the freedom to perform.

## **Project Management Education**

Education providers are very much structured around traditional Project Management skills. Some of the specialist providers are realising the change in focus to soft skills and are restructuring their courses to include topics of leadership, teamwork, communications and stakeholder management.

We may also see a separation of Project Management skills due to industry needs. While defined industries such as Construction and Defence will continue to need high end planning, estimating and contract skills, technology and business projects will require greater focus on consulting, stakeholder management and leadership skills.

*“But soft skills are very hard to teach” says Joanne Hurley, “they need innovative approaches and time. You generally learn from your mistakes so coaching/mentoring is a better approach”*

Rapid change and rapid delivery projects will require rapid decision makers.

*“A shift is coming” says Simon Noonan, “the time taken for decision making is getting shorter and shorter, Project Managers of tomorrow will need to work with shorter timeframes”.*

The focus can possibly swing too far however. We cannot all be the high end senior business Project Managers straight from university. Like many professions we must “do our time”, that is learn to walk before we learn how to run. Traditional Project Management skills such as planning and cost control are once again in short supply and these areas are ideal for people starting a Project Management career. Educators must pick up on this and once again teach these fundamental skills.

*“Planning is a dying art” stated Joanne Hurley, “although there are a heap of Microsoft Project courses around they don't teach you how to plan”*

These domains (Planning and Estimating/Cost control) were once professions in their own right. In the Defence industry and in mining/refining (construction) these skills are still highly valued and recognised but the pool of capable people is shrinking and the demand remains high. In other industries such as IT, these skills are being “dumbed down” and have been wrapped into general Project Management knowledge. As a result most Project Managers working in IT have a passing knowledge of scheduling but are unable to form complex plans or cost models let alone run projects using Earned Value techniques. The high demand for these skills, especially with Enterprise tools needing sound plans and estimates will see these areas being a focus of education providers I believe.

*“The dilemma will be in the impatience and lack of interest in these areas shown by younger people plus the lack of skilled people to teach them” says Joanne Hurley*

## **Technology trends**

Technology is probably the hardest area to predict although obviously technology will continue to evolve at a rapid pace. The most likely area where technology will continue to evolve will be through the use of Enterprise wide browser based solutions. Other change will involve geographically dispersed teams being able to share information and facilitate discussions through alternative mediums such as corporate messaging, shared desktops, discussion boards etc)

*“Microsoft is without doubt the dominant player in the stand alone planning tool market” says Craig Pope, CEO of Bijingo (an Enterprise PM tool vendor) “but in the Enterprise space, it is a different story. Technology is moving so fast, it is very much about content, authority and immediate access”*

Browser based technology is moving to “mashed” displays of content pulled together from various sources. These displays are evident in many tools from SAP Self serve screens to collaborative workspaces to Google Gadgets. They should provide immediate, accessible and visual data but still the question remains, will they be accurate ?

*“The challenge will be data quality” says Professor Leon Sterling, from Melbourne University who lectures on Project Management, “Technology in the future will involve data validation agents. There will be processes going on in the background the user won’t even be aware of”*

There is an interesting trend whereby people are forming data solutions not so much from tools “out of the box” but through innovation using customisation capability within those tools plus some lateral thought processes.

*“We are also seeing the need to make our tools more open, flexible and adaptable” says Craig Pope, “it certainly opens up huge potential to expand our capability into areas we haven’t touched on before. There will be ways of visualising data we haven’t even thought of yet.”*

So using such new capability we will most likely see consolidation of other project information such as Requirements Management, Test Management, Configuration Management traditionally contained in high end tools. These new functions and others will allow the systems to be adapted to varying project needs and even to non project business needs.

*“Rapid implementation is the key” says Craig Pope, “it is no use having extensive functions if it takes you months and a huge amount of work to get them. That means tool implementation must be quick and easy, next day access, that’s the key”*

The complexity associated with implementing Enterprise Project Management solutions has led many organisations to avoid or delay such implementations. There are not many success stories and it is fair to say their implementations are generally not done very well.

Providers of such tools will need to simplify their implementation needs and provide alternate solutions such as hosted/managed service models.

Despite optimism relating to where technology is headed, I would anticipate that many Project Managers will continue to avoid enterprise solutions, and will instead use their tried and proven stand alone tools in the short to medium term.

### **Summary**

So what do we make of these various thoughts and opinions?

The future looks good as long as we, as a profession, embrace change. We will need to work globally using new communications technology. We will need to embrace “Generation Y” and their different approach to doing things. We will need to embrace enterprise reporting and the openness and transparency that comes with it. We will need to work and report in consistent ways to help our organisations mature. We will need to relearn old skills and perhaps learn new skills. We will need to educate young people and accept that they will ultimately change the way we do things. In short we will need to adapt like never before.

### **Acknowledgements**

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### **References**

For an unvetted but interesting video on the future, have a look at <http://www.youtube.com/watch?v=pMcfrLYDm2U>