PROJECT MANAGEMENT:
The Power of The Profession

By
Dr. Harold Kerzner
# Changing Views of Project Management

## Role and Responsibility

<table>
<thead>
<tr>
<th>Historical View</th>
<th>1990’s</th>
<th>Today</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monitor and Control during Execution</td>
<td>Planning for Project Execution</td>
<td>Strategy Development and Project Selection Input</td>
</tr>
</tbody>
</table>

## When Brought on Board

<table>
<thead>
<tr>
<th>Historical View</th>
<th>1990’s</th>
<th>Today</th>
</tr>
</thead>
<tbody>
<tr>
<td>After Contract Award and at End of Initiation</td>
<td>During Proposal Preparation</td>
<td>During Concept Development and Input in the Bid/No-Bid Decision</td>
</tr>
</tbody>
</table>

## Knowledge Requirements

<table>
<thead>
<tr>
<th>Historical View</th>
<th>1990’s</th>
<th>Today</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical Knowledge (Command of Technology)</td>
<td>Mostly Technical but Some Business Knowledge</td>
<td>Mostly Business but Some Technical Knowledge (Understanding of Technology)</td>
</tr>
</tbody>
</table>

## Customer Expectations

<table>
<thead>
<tr>
<th>Historical View</th>
<th>1990’s</th>
<th>Today</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deliverables</td>
<td>Deliverables</td>
<td>Business Solutions</td>
</tr>
</tbody>
</table>

## Definition of Success

<table>
<thead>
<tr>
<th>Historical View</th>
<th>1990’s</th>
<th>Today</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meeting the Triple Constraint</td>
<td>Meeting the Triple Constraint</td>
<td>Multiple Success Criteria (Both Project and Business Success)</td>
</tr>
</tbody>
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Other critical issues in today’s view of project management include:

- Program management (and its relationship to project management)
- Portfolio management of projects
- Global project management
- Total solutions project management
Categories of Project Success

- Financial Success
- Future Success
- Internal Success
- Customer-Related Success
“Internal” Project Success

- Clear understanding of the objectives (end-user involvement)
- Mutually agreed upon scope changes
- Without disturbing the main flow of work
- Adherence to schedule, budget and quality/scope (triple constraint)
  - Maintaining the timing of sign-offs
- Execution without disturbing the corporate culture
- Building internal working relationships
- Respecting each others opinions
- Searching for value-added opportunities
“Financial” Project Success

- Integrating program and project success
- Maintaining ethical conduct
- Adherence to regulatory agency requirements
- Adherence to health, safety and environmental laws
- Maintaining or increasing market share
- Maintaining or improving ROI, NPV, IRR, payback period, etc...
- Maintaining or improving net operating margins
“Customer-Related” Project Success

- Keeping promises made to the customer
- Maintaining customer contact and interfacing
- Focusing upon customer satisfaction
- Improving customer satisfaction ratings
- Using the customer’s name as a reference
- Measuring variances against customer-promised best practices
- Maintaining or improving on customer delivery requirements
- Building relationships between organizations

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Improving the processes needed for commercialization
Emphasizing follow-on opportunities
Maintaining technical superiority
Protecting the company image and reputation
Maintaining a knowledge repository
Retaining pre-sale and post-sale knowledge
Aligning projects with long-term strategic objectives
Informing the teams about the strategic plans
Team members willing to work with this PM again
## Recognizing Project Management Value-Added Opportunities

<table>
<thead>
<tr>
<th>Value-Added Factors</th>
<th>YES</th>
<th>NO</th>
<th>?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meet Triple Constraint More Often</td>
<td>✔</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greater Customer Satisfaction</td>
<td>✔</td>
<td></td>
<td></td>
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<tr>
<td>Better Customer Relations</td>
<td>✔</td>
<td></td>
<td></td>
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<tr>
<td>Fewer Scope Changes Year after Year</td>
<td>✔</td>
<td></td>
<td></td>
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<tr>
<td>Improved Efficiency/Effectiveness</td>
<td>✔</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business Solutions (Not Deliverables)</td>
<td>✔</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Success has a Business Component</td>
<td>✔</td>
<td></td>
<td></td>
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<tr>
<td>On Board During Project Initiation</td>
<td>✔</td>
<td></td>
<td></td>
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<tr>
<td>EPM Supports Business Processes</td>
<td>✔</td>
<td></td>
<td></td>
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<tr>
<td>PM Can Make Business Decisions</td>
<td>✔</td>
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Are these value-added opportunities restricted solely to projects or are they also business-related opportunities?
Conclusions

- Project managers must think beyond just the project.
- Success must be defined and measured in terms of both project and business success factors.
The Executive-Level View of Project Management (But Perhaps Not All Executives)

- We are managing our business by projects
- Project managers must recognize that they are now managing part of a business rather than merely a project
- Project management and business management are inseparable
The project manager is now a business leader and must be capable of making both project and business related decisions.
Perhaps the greatest value-added contribution by project managers has been the creation of a streamlined delivery system for projects:

- Multiple project management methodologies
- Singular enterprise project management methodology (EPM)
EPM systems link together both project management processes and business processes.
For continuous value-added opportunities to exist, the processes and linkages must fall under the guidance of a project management office (PMO).
One of the activities of the PMO is the seeking out of value-added opportunities by capturing and analyzing lessons learned and best practices in both project management processes and business processes.
Proj. mgt. = intellectual property