



The State of the Project Management Profession *Growth, Excitement, and Challenge!*

Presented by:
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Project Management Institute
Board of Directors





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“His real expertise is making
sure we execute well.”

*Louis Gerstner outgoing CEO, IBM,
describing his replacement, Samuel
Palmisano.*



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Execution is . . .

- a discipline, and integral to strategy.
- the major job of the business leader.
- must be a core element of an organization's culture.

From *Execution, The Discipline of Getting Things Done*,
Larry Bossidy and Ram Charan, pg.21.





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Execution is

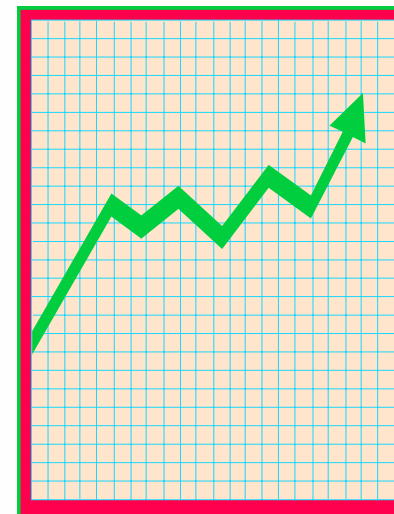
- ***All about Mature, Enterprise-Wide, Project Management.***



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The Most Important Benefit of Project Management for the Organization:

IMPROVED ABILITY TO EXECUTE STRATEGY!





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So, the three questions that come to mind are...

- How and to what level are organizations realizing the benefits of project management?
- **What is the potential for growth for both the application and profession of project management?**
- How is PMI helping project management realize its potential?





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Let's Look at the Next Question...

***How and to what level are
organizations realizing the benefits
of Project Management?***

Evidence of Improvements in Management of Projects



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Categories	1994	2001
Project time overruns (over original estimate)	222%	63%
Project cost overruns	189%	49%
Project success rate (on time, on budget, within scope)	16%	28%
Failed	31%	23%

Standish Group International – *CHAOS Chronicles*, 2001
(Findings from the study of 30,000 IT projects)



Keys to More Successful Projects:

Organizational Structure



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1980s research on project performance in relation to organizational structure

- More *projectized* is better
- 100% gain from project-based organization versus functional organization
- Gains along entire organizational matrix continuum from functional to fully *projectized*

Proving the Profits, Bud Baker, *PM Network*® Magazine, December 2000, 19; *The Barriers Affecting Project Success*, Erik Larson and David Gobelli, PMI Seminars & Symposium Proceedings, 1986

Keys to More Successful Projects:



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Quantifying the Value of Project Management

Companies that are **more mature** in project management have:

-Better project performance (estimating accuracy)

- **Less** mature – miss **budget** by **20%**
- **Less** mature – miss **schedule** by **40%**

-Better cost/schedule predictability (precision) and lower project management direct costs

W.Ibbs, J.Reginato, *Quantifying the Value of Project Management*, PMI 2002



Keys to More Successful Projects: *Top Project Success Factors*



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- 1. User (customer) involvement**
- 2. Executive support**
 - Shows increasing demand from the top
- 3. Experienced project manager**

Standish Group International – *CHAOS Chronicles*, 2003
(Findings from the study of 40,000 IT projects)



Keys to More Successful Projects: *Value of Project Management Offices*



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Project management offices (PMOs) can provide beneficial financial impact

- Provide standard methodology for managing projects
- Have responsibility for process and project reporting and tracking
- Ensure that similar projects are executed in a similar way
- Have information needed to speed up or slow down a process

2003 PMO Survey by PMI and *CIO* Magazine

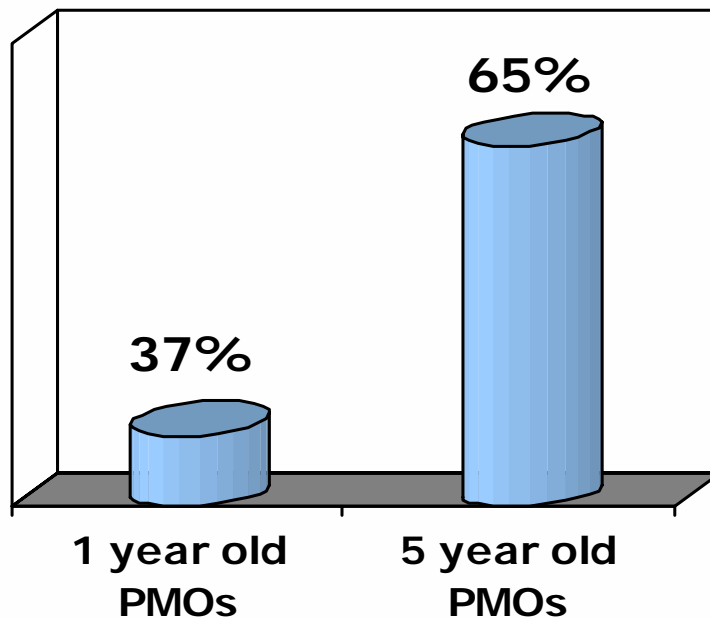


Keys to More Successful Projects: *Mature Project Management Offices*



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Percentage of PMO's that report increased project success



The age of a PMO has an increasing effect on project success improvement.

Furthermore, the longer a PMO is in existence, the more likely the company will track project success.

2003 PMO Survey by PMI and CIO Magazine



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Now for the Next Question...

What is the potential for growth for both the application and profession of Project Management?



Dimensions of a Project Management Profession



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PMI estimates...

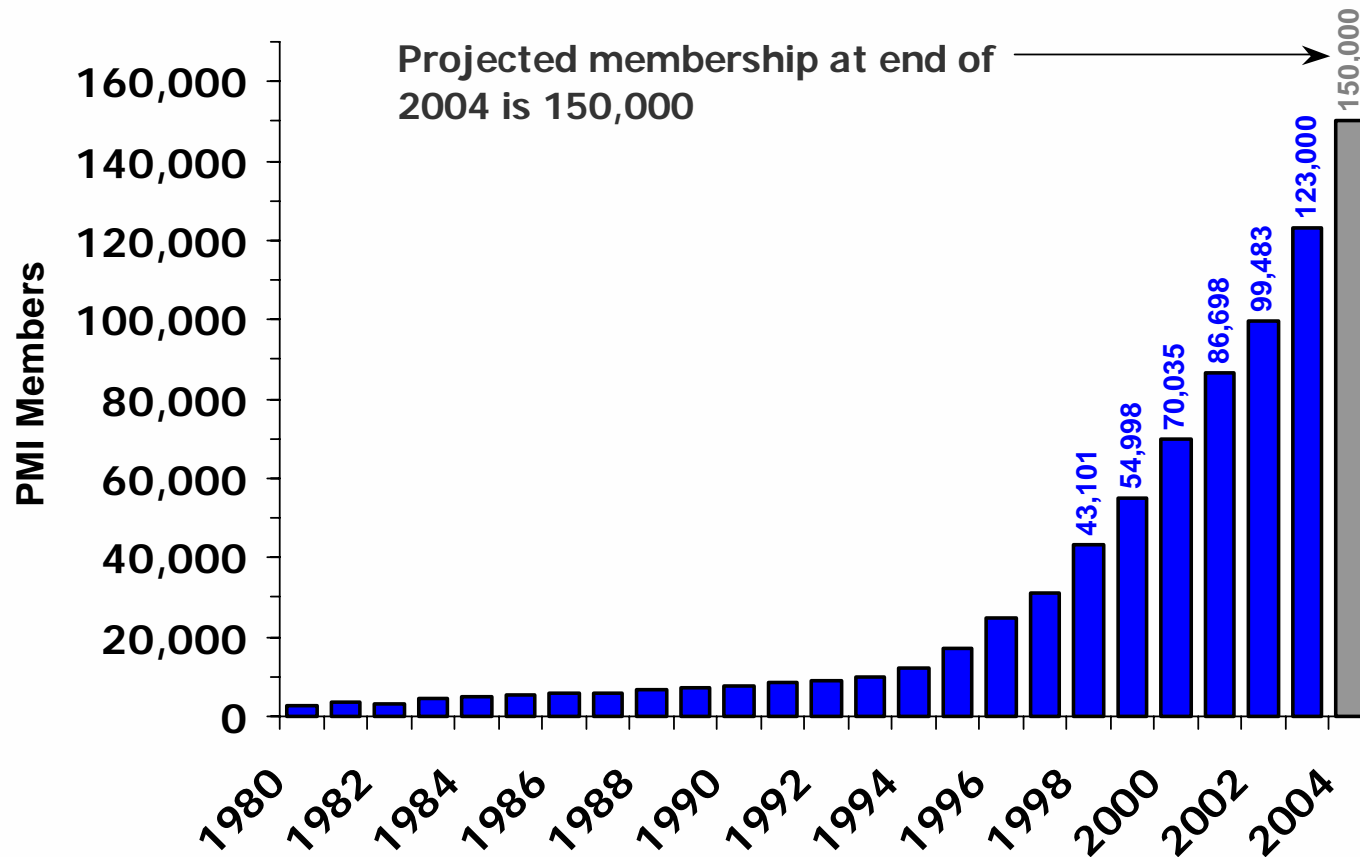
- **4.5 million** potential U.S. practitioners
- **16.5 million** potential global practitioners
- **\$10 trillion (U.S.)** spent globally on projects yearly



Interest in Project Management: *PMI Membership Growth Since 1980*



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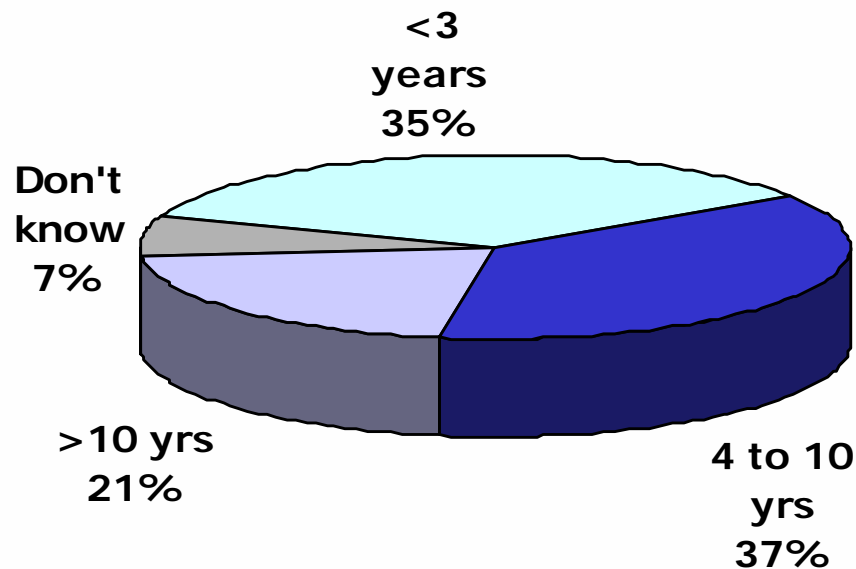


Compared to the Rate of Introduction of Project Management



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When was project management first introduced to your organization?



Over a third of those who use project management say that it was introduced in their company within the past three years.

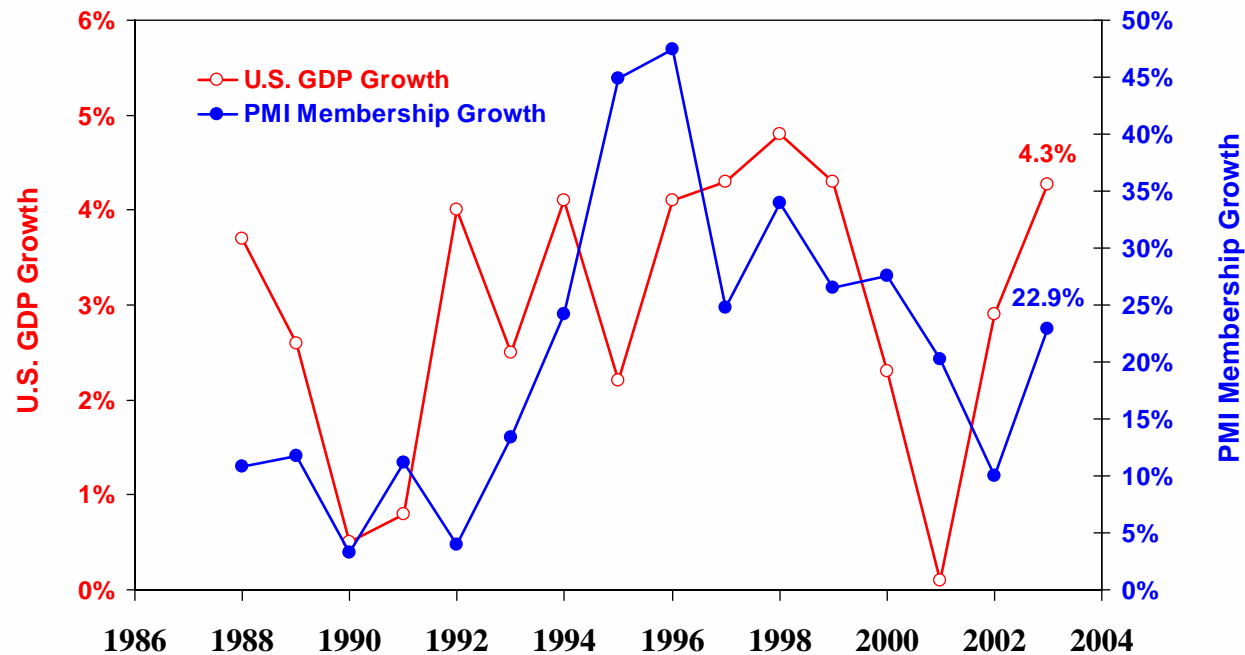
2003 Project Management World Study, University of Bremen, PMI, and others

Interest in Project Management: *Impact by Economy*



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PMI U.S. membership versus U.S. Gross Domestic Product



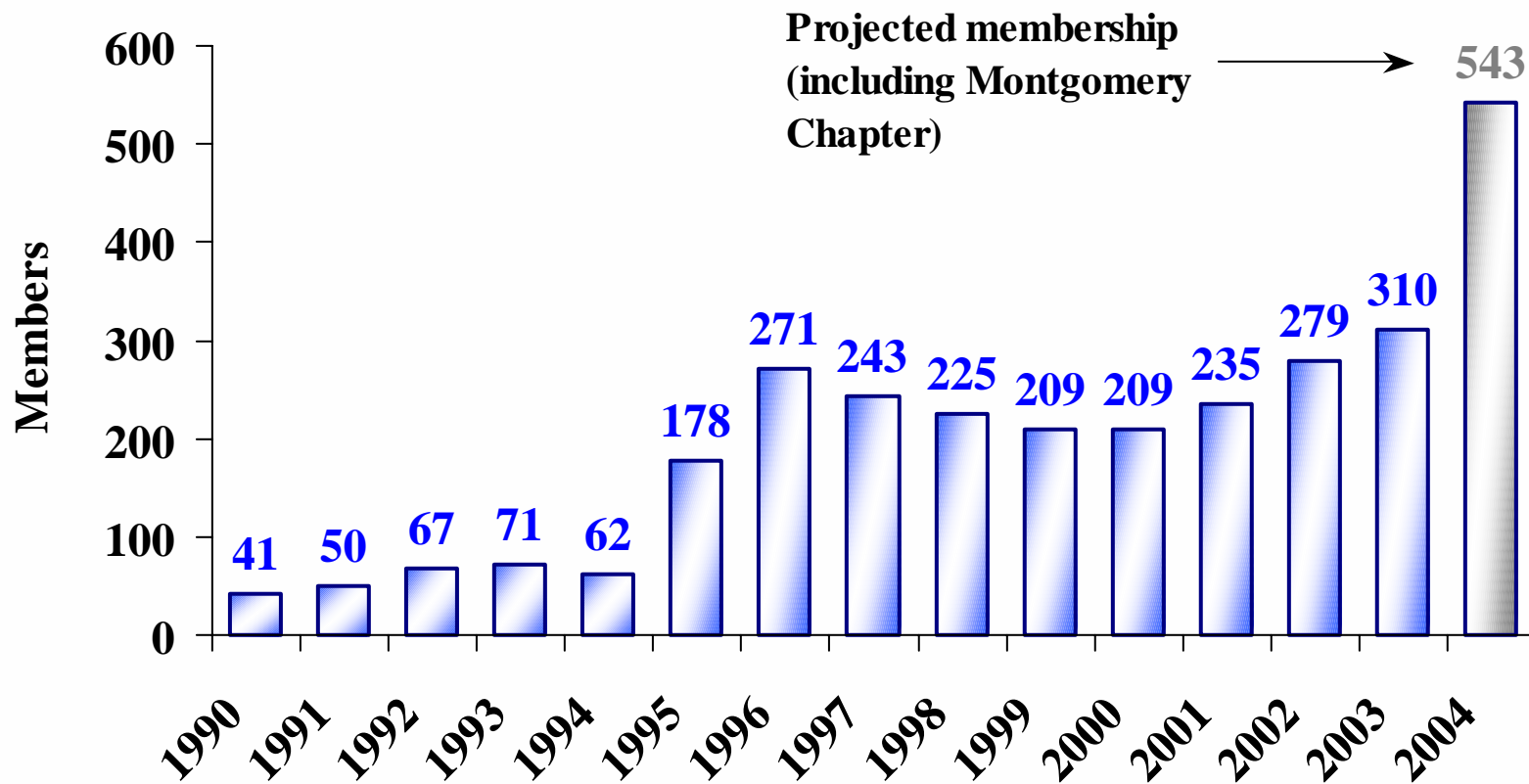
PMI growth continues even during economic downturns since 1992



Membership Growth in PMI's Alabama Chapters



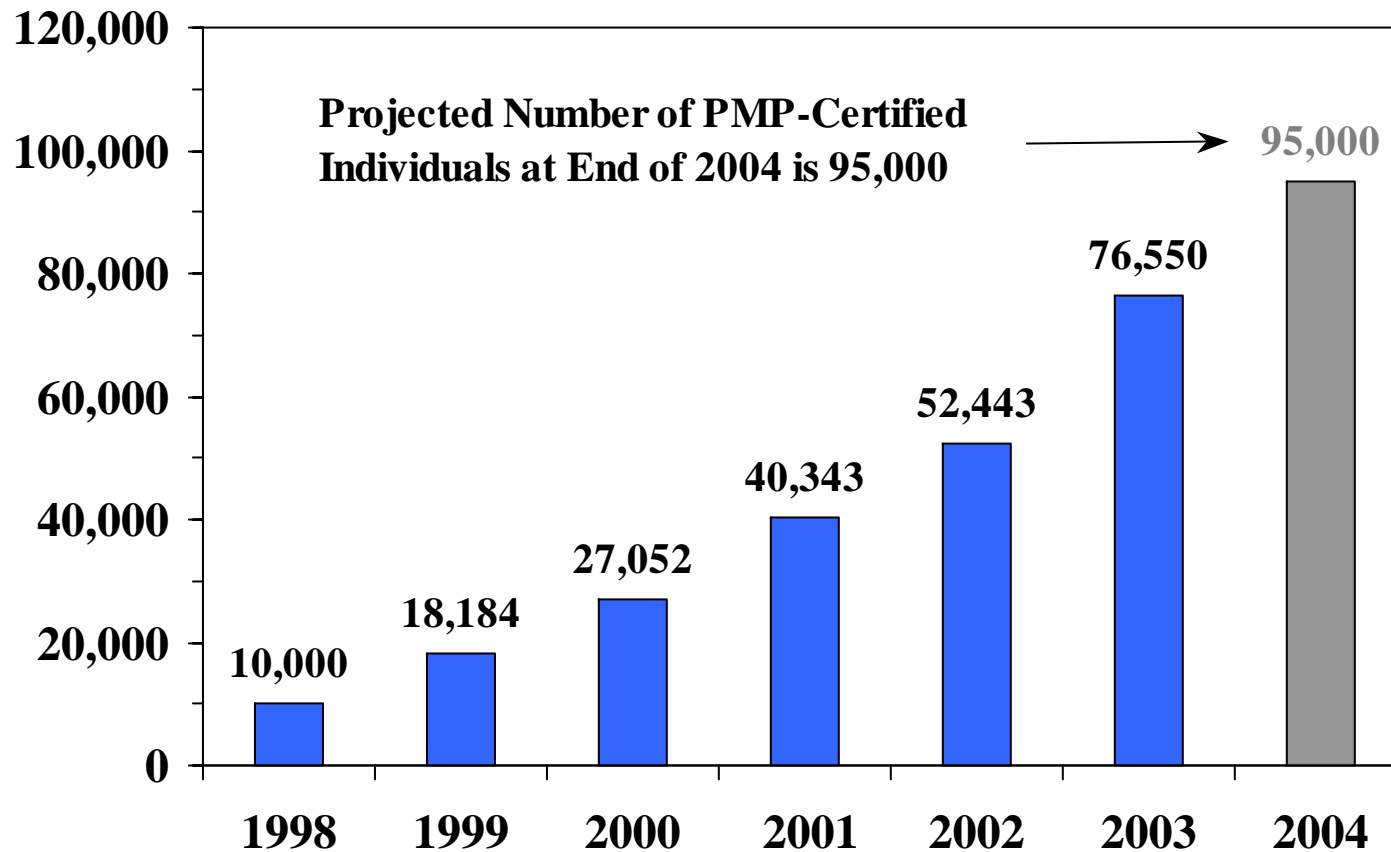
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Interest in Project Management: *Growth in PMI PMP[®] Certification*



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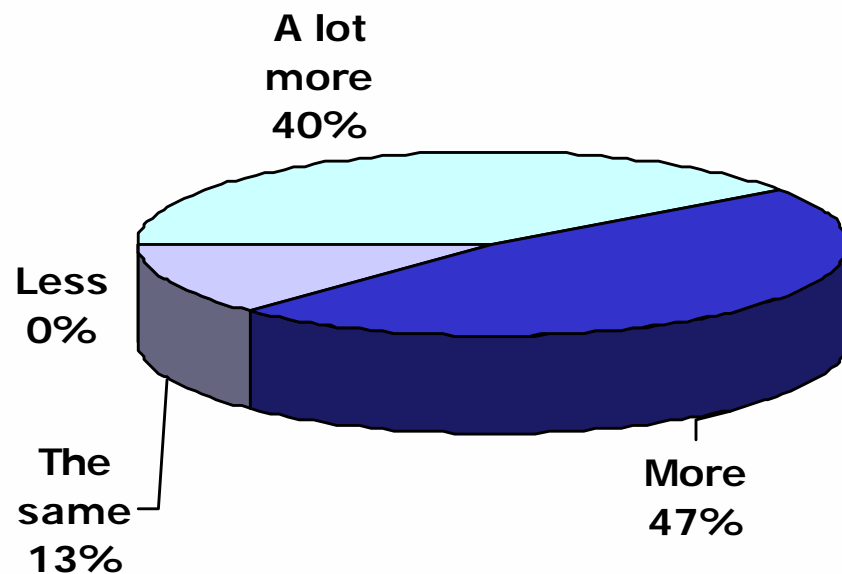


Future Acceptance of Project Management



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Do you believe that greater/less use of project management will become necessary in your organization in the future?



Over 85% feel that project management will become more necessary in the future.

2003 Project Management World Study, University of Bremen, PMI, and others





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A question of relevance...

*How is PMI helping Project
Management realize its potential?*





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The Answer...

***By Being the Global
Advocate for the Project
Management Profession***



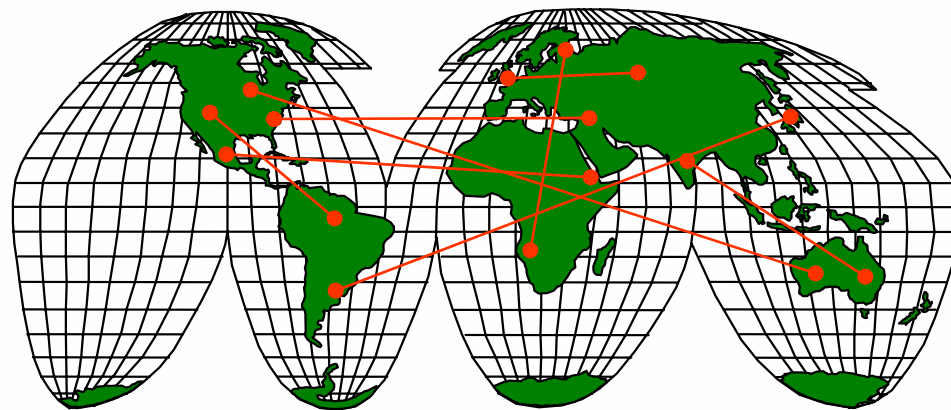
Long Term Goal

10–30 Years into the Future



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





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PMI Strategic Goals

- **Superior Practice of Project Management**
- **Global Acceptance of Project Management**

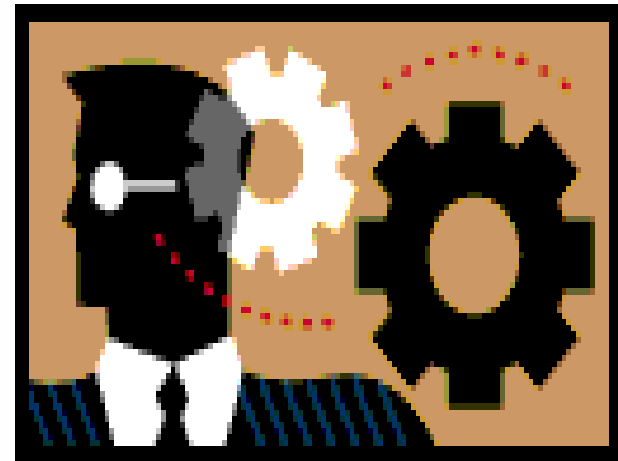




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Strategic Themes

- **Thought Leadership**
- **Profession Enablers**
- **Partnering**
- **Advocacy**



Thought Leadership



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- **PMBOK® Guide – Third Edition**
 - Translations in 12 languages
- **Practice Standard for Earned Value Management**
- **Program Management and Portfolio Management Standards**
 - Standards development team concluded that we will produce a **separate** standard for Program Management and Portfolio Management

Thought Leadership



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- **“Value of Project Management” Research**
 - Baseline executive survey
 - Quantitative research on the value of project management
- **Third Biennial Research Conference**
 - London, United Kingdom – July 2004
- **Market Research on Specialist Roles**
 - Roles of individuals supporting project managers
- **Updating CAPM™ Credential**
 - Revised CAPM will be available 31 December 2004

Profession Enablers



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- ***Organizational Project Management Maturity Model (OPM3[®])***
- **Role Delineation Study for Project Management Professionals**
- **Certification translation activities**
 - Updating translations in nine languages



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Profession Enablers



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- **Integrated initiative related to career development framework**
- **Registered Education Provider (R.E.P.) Program enhancements**
 - Rigorous review of all existing and new providers
 - Reviews conducted on three-year cycle
- **Launch mini-conference based on SeminarsWorld®**
 - 28 unique seminars offered at one location
 - Two similar mini-conferences in 2005; three in 2006



Partnering



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- **Status and Trends of Project Management World Study (w/University of Bremen)**
 - Variation in Maturity across industry sectors
 - Uniformity of training, executive commitment, etc.
- **Joint Research with APM**
 - Addressing cultural differences on project teams
 - Global study
- **Human Side of Project Management**
 - Leadership skills
 - Eastern vs. Western Culture
- **Global Branding of PM Profession (with IPMA)**

Advocacy



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- **Expanded and enhanced communications plan**
- **U.S. Federal Project Management Working Group**
- **Expanded EU activities**
- **Executive forums with PMI Components, business and government**
- **CEO presentations worldwide**





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Agenda for Change

**Bringing extraordinary service,
leadership to PMI**



Internal Capabilities



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Make PMI a Member/Customer Centric Organization

- **Create Customer Care and Technology Operating Group**
- **Accelerate opening of Asia Pacific Service Centre**
- **Create integrated processes for access, service and delivery of PMI's programs products and services**
- **Develop and track satisfaction metrics based on customer satisfaction surveys**
- **Design technology based on member/customer needs**





Make Market and Business Development a Strategic Competency

- **Created Market and Business Development Operating Group**
- **Integrate PMI research and development**
- **Develop processes for scanning, surveying, information gathering, interpretation and development**
- **Develop integrated product development cycles**



Make Leadership a Strategic Competency

- **Global volunteer leadership development initiative**
- **Design and implement staff leadership program**

We are convinced that...



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- **Project management is advancing**
- **Professional recognition is increasing**
- **Demand for professional development is increasing**
- **Organizational PM maturity is improving**
- **Financial reward is increasing for those in PM**
- **Applied knowledge is being created and shared**



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In closing, I am reminded of a description of visions and the future..

The Future is already here...it is just unevenly distributed.

Seth Kahan,
*Thought Leader, Community
Development*



Join PMI in ensuring that...



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



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