TOP 10 PROJECT MANAGEMENT TRENDS FOR 2013

PROJECT LEADERSHIP IS A SIGNIFICANT GAP IMPACTING PPM PERFORMANCE

Project, program, and portfolio leadership is in short supply as organizations struggle to implement Agile methods, complete large projects, manage vendors, and create more value through their project management offices (PMOs). Leadership is one of the key themes throughout many of the 2013 top 10 trends for project management, which were identified by a global panel of ESI International senior executives and subject matter experts.

1. **Organizations will continue to call for strong project leaders but will focus on investments in hard skills**
   The training focus will remain on hard skills, even though many organizations will continue to assert that their project managers lack leadership skills such as communications, negotiations, organizational change management, and customer relationship management. The reason is simple: most companies would prefer to send their project managers to targeted training in the specifics of "project" and "program" leadership rather than generic leadership training that is so commonplace. Organizations will need to seek out alternatives to develop leadership skills because waiting for the ideal program will only result in perpetuating the existing unsatisfactory situation.

2. **Agile implementation will be viewed in some organizations as a failure, but for the wrong reasons**
   When compared to traditional methods, studies show that Agile methods can reduce costs, speed time to market, and improve quality; however, in 2013, many organizations will continue to fall short in realizing the promise of Agile. Why? Because the professionals assigned to Agile projects aren't trained in Agile methods and their organizations are not culturally ready to embrace its principles. It's not sufficient to train just a handful of Scrum masters. The Scrum team, including developers, testers, and product owners, needs to know how to apply Agile practices. In particular, the organization's executives need to understand how they can help break down the cultural barriers to adoption, which is crucial. Providing training to only those who lead these efforts will undermine overall Agile adoption, resulting in poor or failed implementations.

3. **Project management is not just for project managers anymore**
   For decades "project manager" was a role, not a title. People claimed to have come to the position by accident. That's all changed in the past 20 years. Organizations developed project manager career paths and hundreds of thousands became certified. While the professionalism of project management will continue, organizations will require individuals outside of those who carry the PM title to perform the role of project manager. Business units such as HR, sales, marketing, and legal services need their employees trained in project management as well. It might not be a classic view of those roles, but each corporate discipline manages projects, even if they do not view their work through that lens. The point is, there are not enough project managers to go around and these groups have projects that need to get done.

4. **Large projects pose unique challenges that are increasingly tough to overcome**
   Size does matter, and when it comes to large projects—the ones that run into the hundreds of millions of dollars—the impact and interplay of downsizing, complexity, and outsourcing are the "one, two, three strikes you're out" challenges that organizations face. Projects in engineering procurement and construction

management (EPCM), oil and gas exploration, major weapons systems development, and large transportation initiatives often involve major outsourcing of work. Many of these projects include thousands of people as well as impressive levels of technical complexity that few companies are successful in managing. Organizations that engage in such outsourcing struggle because they have lost the in-house expertise to monitor the level of quality being delivered. Contractors are calling the shots because they both design and develop/construct their own work. As a result, in 2013 we will see more organizations build up their in-house expertise to ensure their contractors are doing the job right.

5. **PMOs will focus on proving their worth and driving innovation**

   Gone are the days when just implementing a methodology and creating a project dashboard convinced corporate executives that the PMO was pulling its weight. More organizations are conducting PMO "audits" to identify areas where the PMO can accelerate its evolution and provide higher levels of value to the organization. PMO directors who understand that their roles involve not just delivering projects, but also contributing to the overall performance of the business, will, if they haven't already done so, identify key business metrics and begin a process of measurement to baseline themselves against those metrics. Each PMO head will need to be able to answer the question, "What have you done for me lately?"

6. **The U.S. government will upgrade its PM certification in the face of rising criticism**

   Having a certified project manager is mandatory for agencies in the civilian side of government in order to receive funding for major IT projects. However, existing policy that sets the minimum training hours to earn a PM (known as FAC P/PM) certification has been interpreted by a few agencies as guidance only. A reduced number of training hours has been accepted by the Federal Acquisition Institute (which oversees the certification) as meeting the goals of the policy. And, there has been a veritable "land rush" to implement shorter training programs just to earn these mandatory certifications. Many note deteriorating quality in the training provided, causing criticism from some sectors claiming that a U.S. government employee who has earned such certification may not be the best person to run the project. After all, there is a big difference between certified and qualified. In 2013 we will see the federal government, through the Office of Federal Procurement Policy (OFPP), take action to bolster the quality of the PM certification.

7. **Improving vendor management practices will top the list of skills for project managers**

   Ask people in any organization that outsources its projects or large components of them, and they'll tell you they have "vendor management" problems characterized by contract scope creep, poor quality, missed deadlines, and blown contract budgets. And, with outsourcing on the rise, these problems will only multiply if their root causes are not addressed. First, many of the issues found with vendor management have to do with how requirements for outsourced projects were written in the first place. Unclear, incomplete, and inaccurate requirements create uncertainty and confusion. Mandating that a contractor provide deliverables against a set of confusing requirements is asking for trouble. Second, organizations often select the wrong contract type based on these requirements. And third, they assign people with the wrong skill sets to work with contractors. Smart organizations will seek to understand the nature of their outsourcing needs and assign highly qualified professionals to write requirements and manage relationships. We will see more organizations addressing this critical need in 2013.

8. **Continued poor project performance in many organizations will result in more PMOs being terminated**

ESI research shows that the average life span of the PMO is about four years. That number is likely to drop if project performance continues to underwhelm executives and stakeholders. PMOs are created to improve project performance; yet, few organizations give the PMO enough resources and authority to do the job. Poor project performance has its root causes in many areas — poor training, lack of adoption of practices, unrealistic expectations, too many projects, and the like. Blaming the PMO for poor project management is an easy way out, but it doesn't solve the problem. Nonetheless, the PMO is in the crosshairs and project sponsors, irritated by poor performance, indicate that if project performance doesn't improve, PMO directors may be looking elsewhere for gainful employment.

9. **Portfolio management will take on a greater role as funding continues to tighten and the number of projects grows**

Portfolio management is more than a prioritization exercise. It is the culminating activity in competitive strategy where executives have identified the programs and projects that will turn their intentions into reality. We are witnessing more companies investing in IT and process improvement to get a better handle on all of the project-based investments occurring across their business. And they are tweaking — and in some cases overhauling — their portfolio management approach to make sure it is the best it can be. Many organizations will continue to develop a portfolio hierarchy at the division, business unit, regional, and corporate-wide levels. This will require substantive expertise in portfolio management principles and practices, and a healthy dose of diplomatic and political skills to get everyone headed in the same direction. Will PMI develop a certification in Portfolio Management? We shall see.

10. **Organizations will adopt Agile to accelerate time to market but what they ultimately achieve may be a different story**

Agile methods, when practiced by trained professionals on the "right" projects in the "right" organizations, have the potential to boost performance in a variety of ways. However, the top benefit derived from adopting Agile (i.e., ability to manage changing priorities) is not the same top reason organizations adopt Agile in the first place; they do so to accelerate time to market. Should this cause an organization to rethink its use of Agile? Not at all. A recent study by VersionOne showed that accelerating time to market came in fifth in a rank order of benefits. So, even though accelerating time to market is not number one in outcomes, there's still plenty of evidence Agile can do what its proponents claim it does. With more and more organizations adopting Agile, their expectations will simply need to be in line with reality.