

# If Only Everyone Were as Perfect as Me! The Modern Project Manager

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*HIC (Health Insurance Commission) delivers a range of high profile government health programs to the Australian community. These include Medicare, the Pharmaceutical Benefits Scheme, the Australian Childhood Immunisation Register and the Australian Organ Donor Register. HIC has embarked on a self improvement agenda to re-engineer its core business processes. This is aimed to improve the delivery of health services to the community, the health industry and better support the health of all Australians. Its annual turnover is in the order of some \$14 billion and it employs approximately 4,500 staff nation-wide. It conducts many large and complex operational and business improvement projects.*

## Introduction

Project management has changed in today's world and with it so has the project manager. Today's Project Manager is expected to possess a blend of business and personal skills along with project environment credibility and the competence to deliver projects. The environment in which the project manager operates has changed too, with demands on planning and implementation that reflects greater operational engagement, increased scrutiny of stakeholders and tougher margins.

In many organisations, technical or subject matter specialists are often selected to deliver projects, projects scrutinised by an ever increasing range of expectant and more critical stakeholders, including clients and regulatory authorities. The first question that any prospective business project manager must ask when thrust into this position is "do I want to be a Project Manager or remain the operational specialist?" The second question to ask is "am I equipped to do the project management job successfully?"

In today's world the project manager is no longer the technical expert delivering a technical solution 'as per specification', but someone representing all stakeholder interests in ensuring the expected business benefits are achieved, sometimes at odds with the original perceptions of project scope. This is a big ask for any manager, but one that is being insisted on in more and more businesses and public enterprises, across Government, Banking and Finance, Engineering and Construction, IT, Telecommunications, the Utilities, and Public Works. It is usually in the context of requirements for 'more business and less technical project managers', or 'we need people with business acumen and an understanding of both what our business is about and what the client needs'. Fundamentally, it is about people who can deliver the best value outcomes, allow real benefit realisation, and the best possible return within the constraints of fewer resources; tighter budgets; higher expectations and the need to 'achieve more with less'.

Above all other things, the trend is towards a project management 'professional' and the project 'streaming' of individuals, someone who has measurable competencies in project management and a track record of good results. This is also spawning a

growing project support structure and project related career growth with the emergence of professional support staff such as Project Coordinators, Business Analysts and Project Officers. This trend is occurring because of a changing project environment and trends in the make up of projects themselves. By way of illustration I will draw on some observations and issues in my current work environment at the National Office of the Health Insurance Commission (HIC) in Canberra. I am largely responsible for project management at HIC and the process of moving a largely traditional vertically structured public organisation to a project managed matrix environment is an ongoing challenge. As HIC attempts to gain better benefits from its large portfolio of health application projects, much more is expected of its project managers and support staff.

### **Changing Environment**

The environment in which today's project managers find themselves has changed markedly - especially over the past decade. Some of the environmental issues include:

- Competition. Time to market has contracted significantly. Globalisation and Telecommunications has allowed more to compete in a single marketplace. Differentiation and quality have become more important.
- Professionalism. There has been a growth in project and program management as a professional competency. In all business and technical streams, the expectation is for accredited skills and competencies, educational and professional awards, and resumes highlighting achievement and real experience.
- Workforce. Today we see lesser numbers in flatter structures and 'deregulated', 'downsized', 'commercialised' organisations. The workforce in these leaner organisations is generally better educated, better informed, has higher aspirations, is more transient and is sceptical of bureaucratic 'do as has been done before' directives.
- Technology. Technology has allowed more to be available, sooner. Rapid change and innovation has marked the last decade, and there is now an imperative to harness technology to suit business outcomes, and not deliver technology/smart technical solutions for their own sake. Technology is now driven by much greater consumer expectations, and is subject to change within the lifecycle of many projects. Some increasing cynicism has emerged over the costs of technology and IT and their real benefits to business.
- Customer Demands. Consumer demands are greater and increasingly complex. More is expected, sooner and with greater transparency. A diverse range of requirements, often across several stakeholders is becoming normal.

### **Changing Face of Projects**

**Once** there were mainly very big projects, with dedicated, structured teams allocated to ensure unity of purpose and teamwork. **Now** there are smaller, shorter duration projects, as more and more new initiatives are identified as projects, 'softer' or less tangible projects have emerged and matrix teams working across several projects the norm.

**Once** there was singularity of purpose with the focus on THE PROJECT. This would produce the major benefit or change for the organisation, a new product, a new market, an enhanced weapon system, the moon shot, or the upgraded transport network. **Now** there is multiplicity of purpose, with portfolios of related 'hard' and 'soft' projects, program and sub-program managers and related project objectives, risks and dependencies, which together bring about the required change.

**Once** there were skilled resources, allocated to the team full-time to perform when required. **Now** there are multi-skilled resources in thinner, flatter workforces allocated to tasks across multiple-project programs.

**Once** the project schedule would be a 200 page GANTT chart. **Now** durations are shorter in smaller Work Breakdown Structures (WBS) which are given to smaller part-time teams to complete; and techniques like critical path analysis (theory of constraints) seek to capture opportunities to reduce those durations even further.

**Once** the attention was on the achievement of the ultimate project objective. **Now** the project serves broader strategic, business and client goals often associated with improving processes or providing enabling objectives for other projects.

**Once** you could always identify the outcome - it had hard edges, the design was well known, it was built and tested to specification and you could always take it for a test-drive. **Now** the outcomes are described in business benefits terms, measurable and linked to KPIs.

**Once** project achievement was cause for celebration in itself. **Now** it serves a broader purpose in a much wider set of global objectives, measured against its contribution to program or business or corporate goals.

**Once** you sought a supplier to provide a product or service as a once-off engagement. **Now** there are alliance contracts, partnering charters and shared client/supplier visions and goals.

### **Today's Project Manager**

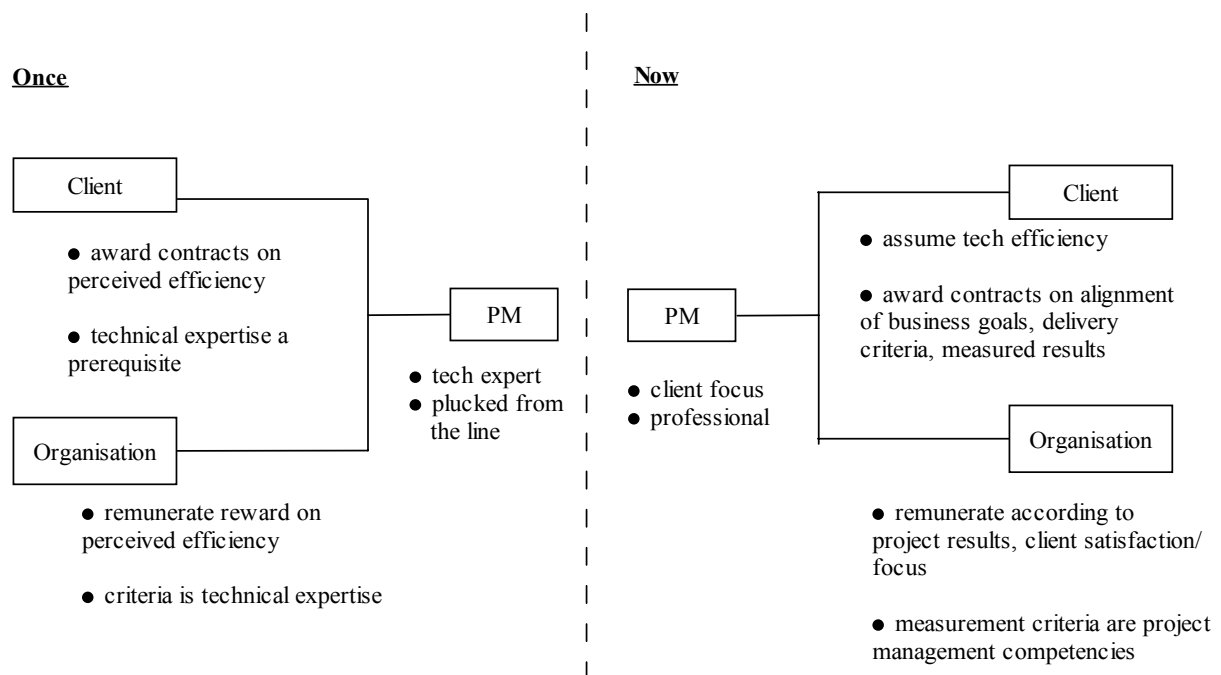
The modern project manager has grown and developed with these changes and environmental challenges. Today we see a professional, someone multi-skilled (an engineer, architect, IT Manager etc AND a project management professional). The new project manager is genuinely a new breed. Once he/she was a technical specialist delivering a technical solution. Now he/she is a representative of the business aspirations of the organisation in which he/she operates: business 'savvy', a confident, convincing communicator, solid technical background, and a person who can produce expected results.

Surveys (for example; T.W. Zimmerer and M.M. Yasin: Leadership Profile of American Projects Managers, Project Management Journal, PMI Vol 29 No 1 Mar.98) have revealed a ranking of characteristics of today's effective project manager:

1. leadership by example - a team leader and example. Honest, fair, firm and friendly with an eye on what needs to be done but not at all costs - cooperation.
2. visionary - one who can see the end result and not get distracted by trivia
3. technically competent - enough to get the best out of other tech staff

4. decisive - makes decisions and sticks to them
5. good communicator - confident, convincing, good salesperson, well written and engages stakeholders
6. good motivator - all projects have rough times - gets them through
7. capable of standing up to senior management when necessary - sometimes management need to get the facts and options
8. supportive of team members - mutual respect and teamwork
9. encourages new ideas - gets the best from team members

Even in the design of modern organisational structures, the modern project manager's changing focus and role is making other impacts. Now the day-to-day processes and mechanics of project management are increasingly taken up by a Corporate Projects Office or like entity. This leaves the project manager to be across the politics, manage the stakeholders, be the leader, visionary, motivator etc as above. This marriage of client expectations and roles, organisational design, and the characteristics of the new project manager must be seen in context, and is perhaps best described as:



## Future Trends

As more organisations tend to do more aspects of their business "by projects", and become 'project driven', it is again notable that some organisations are deciding that two other players should join the modern project manager.

One is the senior or 'super project manager', and the other is the Project Portfolio Manager or Program Manager. The first is already evident. He/she is a real professional, and always gets the most complex, 'must deliver/must succeed' projects. These project managers have refined the 'art' of project management, and are much in demand. Sometimes they cannot avoid line management appointments. At times they resist this because they genuinely enjoy the 'challenge and reward' of complex, high-risk projects that simply must work for business success. Some become managers of the corporate Projects Office, and still delve in key projects by

acting as mentor to other project managers. Such people, at the absolute peak of a new profession, are hard to find.

Harder to find are Project Portfolio Managers or Program Managers. For organisations that use project management as a business discipline central to the functioning of the corporate body, and provide project management services as a commodity, it is surprising that executives within the business do not have structures, process and tools to manage portfolios of like projects, arranged in client sectors. The intent is there, but supportive mechanisms and even job descriptions have not caught up. A perception lingers that project management is something that project managers in the organisation do, and not what the whole organisation actually do. But the trend towards this role is there, and is becoming more defined.

## **Summary**

This short discussion so far has addressed the changing environment, and the changing nature of projects, which has created the requirement for a different type of project manager. The modern project manager is a leader, business and client focused, and across the technical functions of the project delivery environment. He/she delivers results to stakeholder expectations, not just a technical solution. And as the changing environment continues to impact on demands made on project managers, the super project manager has emerged, along with the manager responsible for consistency in the project management environment: Project Portfolio Managers.

## **Example for discussion**

### **Experience in the public sector- HIC (Health Insurance Commission)**

HIC is a medium sized government agency of around 4500 staff. It essentially provides claims, payments and information for the health sector. This amounts to nearly 100 significant projects - from traditional government type activities and projects to complex application development. Its main publicly known functions are the provision and administration of Medicare and PBS along with Organ Donor Register and Immunisation Register functions.

My role in HIC is two fold - one to run the Projects Office and to also run the Program Operations for the Business Improvement initiative - an initiative worth around \$180m over 4 years. Business Improvement in essence is moving HIC from a mainframe and manual system to a more automated and Internet orientated system. This Business Improvement program is being used as a vehicle for change and the organisation has hopes that the program will deliver several organisational benefits (including those on the slide).

The program of projects created therefore have a defined and definite benefit expectation as Internet delivery reduces the need for manual and mainframe interventions program and administrative costs and staff are expected to reduce. So this has spawned a great impetus for project management discipline - luckily with some senior mandate.

### **Today's environment - Project Managers in Government**

Government organisations are quickly catching up to private enterprise in the profession of project management. Although some outstanding progress has been made in some government departments and agencies (usually when a strong

mandate exists) the general government situation can still be defined as in the early stages of project management maturity.

#### General Observations:

##### Project Managers in Government

- Wide range of skills, competence and experience
- Often taken from Business lines and have operational background
- Friction between project and line reporting
- Increasing trend to 'buy' rather than 'make'
- Contractors and Consultants -role confusion?
- Often IT origins for Project Managers

##### The government project environment is often:

- Unclear in project governance and controls
- Poor with project management training and development
- Lacks process, reporting or policies for projects
- No handbook, templates, mentoring, or guides
- Often controls on budget but little for quality, risk, scope and schedule

..... Sound familiar?

##### Result - This can lead to:

- Budget and schedule blowouts
- Wide variations in performance and quality
- Poor cooperation between projects and dependency management
- Scope confusion and expectation mismatches
- Poor morale and bad behaviour
- Inappropriate resource management and waste

HIC is currently grappling with these issues now after embracing a project orientation around 18 months ago. The main challenges experienced have been:

1. Relationship between line and project organisations.
2. Setting up suitable, effective and workable governance
3. Inexperience and resistance from management and staff
4. Difficulty in acquiring suitable staff and training load
5. Benefit realisation - proving project outcomes against their Business Case.

My general views and observations about the modern project manager very much support the issues flagged in my earlier general discussion.

1. Success seems to come to those who : Treat the introduction of project management as a 'work in progress'
2. Trend toward streaming - Project Management as a 'career' Project Managers. Project Coordinators, Business Analysts, Project Directors are all becoming legitimate and in most cases full time roles in government.
3. More Project Governance - evolution of new ways of control and management. Increased government scrutiny, stiffer punishments, the impacts of technology and changing environments have all contributed to making government projects more visible and accountable. Project Outcomes are now increasingly expected to be demonstrated and new technologies benefits proved. At HIC we have an increasing project orientation that works under a created project governance structure. Although plenty of chafing still exists between the old line structures and the new project structures the trend is defined.

4. Project Office - will become a mainstream unit in organisations
5. High calibre project managers - and project staff are difficult to find and hard to keep. They demand increasing reward for performance, training, development and opportunity for growth. Increasingly they expect Project Office functions including agreed methodologies, templates, governance arrangements and clear scope directives.

As an ex-project manager in both private and public environments and now in a Project Office and Program role I have learned a few key lessons around project management and an organisations approach to project management:

1. Define the roles clearly - new versus BAD (Business as Usual) - line structure versus project structure
2. Don't just look at projects - Need Project, Program and Portfolio structures in organisations. Governance structure will slowly and perhaps painfully emerge in all public enterprises to govern projects and programs. Line structures will co-exist to run the business as usual.
3. More focus on benefit realisation - measuring and actioning the project outcomes against their business case
4. Use of consultants and contractors for 'showing' and mentoring - skills transfer and knowledge rather than 'doing'
5. Training and skills development really does work and legitimises the profession
6. Treat Project Staff like IT staff - a valued resource
7. Project streaming is here to stay - Just as in the private sector, Project Director, Project Manager, Project Coordinator, Business Analyst, Project Officer and others will become mainstream and legitimate positions in the public service. Training and development will complete this as a new professional career.
8. Project Office entities will become mainstream to service projects and governance.
9. There will be a continuing tendency to treat all new work as a project or set of projects and handover procedures and arrangements between project and the business will emerge in every organisation.