

2016

Pulse of the Profession[®]
8th Global Project Management Survey

- Craig Killough, VP of Organization Markets
- For U.S. Department of Energy



2,428

Project Management
Practitioners

192

Senior Executives

282

PMO Directors

In addition to tracking the annual trends in project management, we also spoke directly to executive leaders and PMO directors to capture their perspectives on why we aren't seeing higher project success rates. This year's report draws on our global survey of 2,428 project management practitioners, 192 senior executives, and 282 PMO directors from a range of industries, and interviews with eight corporate leaders and 10 PMO directors and directors of project management.

2016 Pulse of the Profession®

The Challenge

- Little to no change in key points
- Fewer projects meeting goals, more projects failing, more budget lost when failed
- More money wasted due to poor performance

Focus on driving results

- Look beyond technical project management skills
- Recognize the strategic role of an EPMO and ensure it is aligned to the organization's strategy
- Get executive sponsors on projects

Make the difference together

- Gaps in perception between executive leaders and PMO directors
- A bright future with a shift in thinking

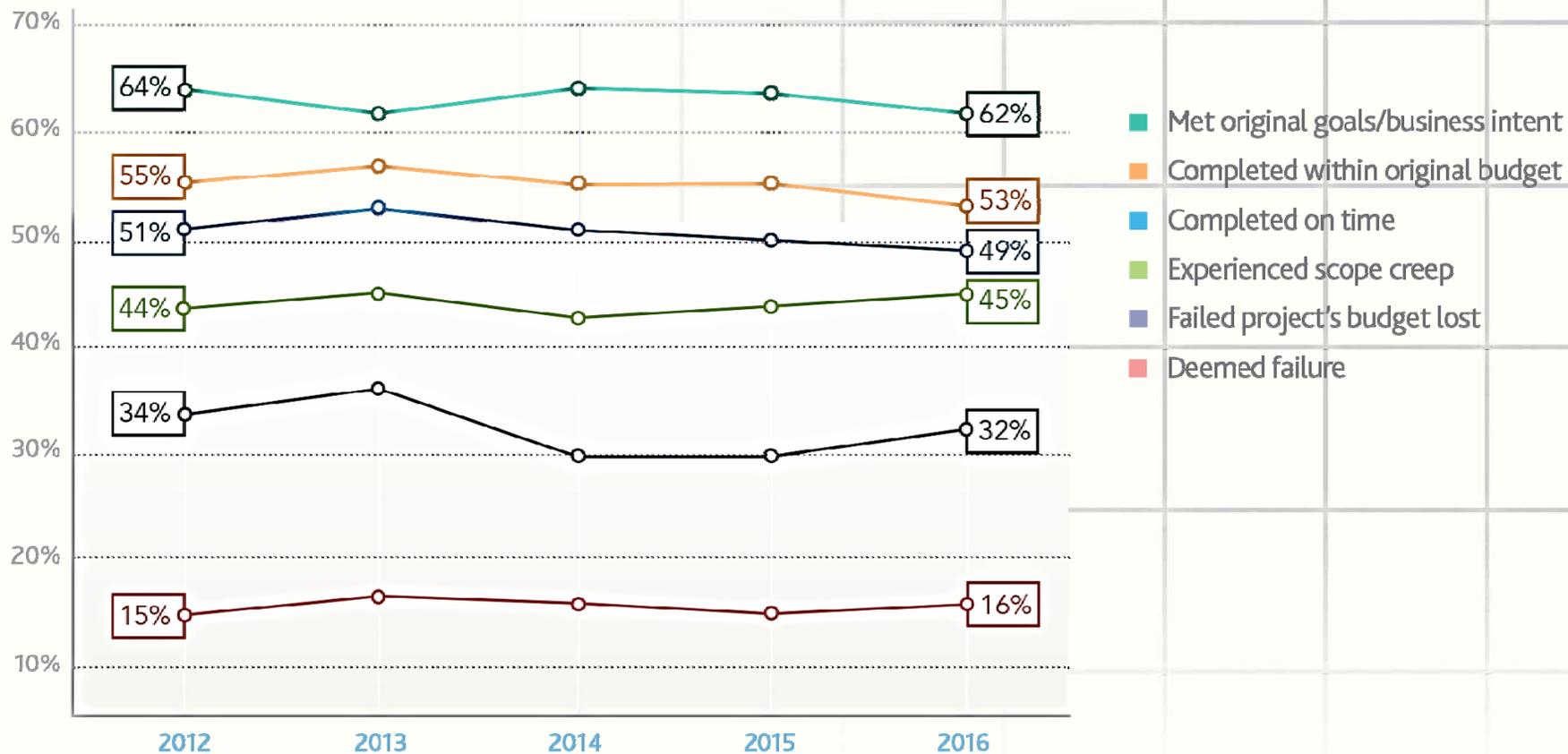
Drive Better Results with Project Management

“Until leaders throughout organization hierarchies trust that projects deliver strategy, I fear we will continue to see stagnant progress. And that means organizations will be less successful than they should be.”

– Mark A. Langley
President and CEO
PMI

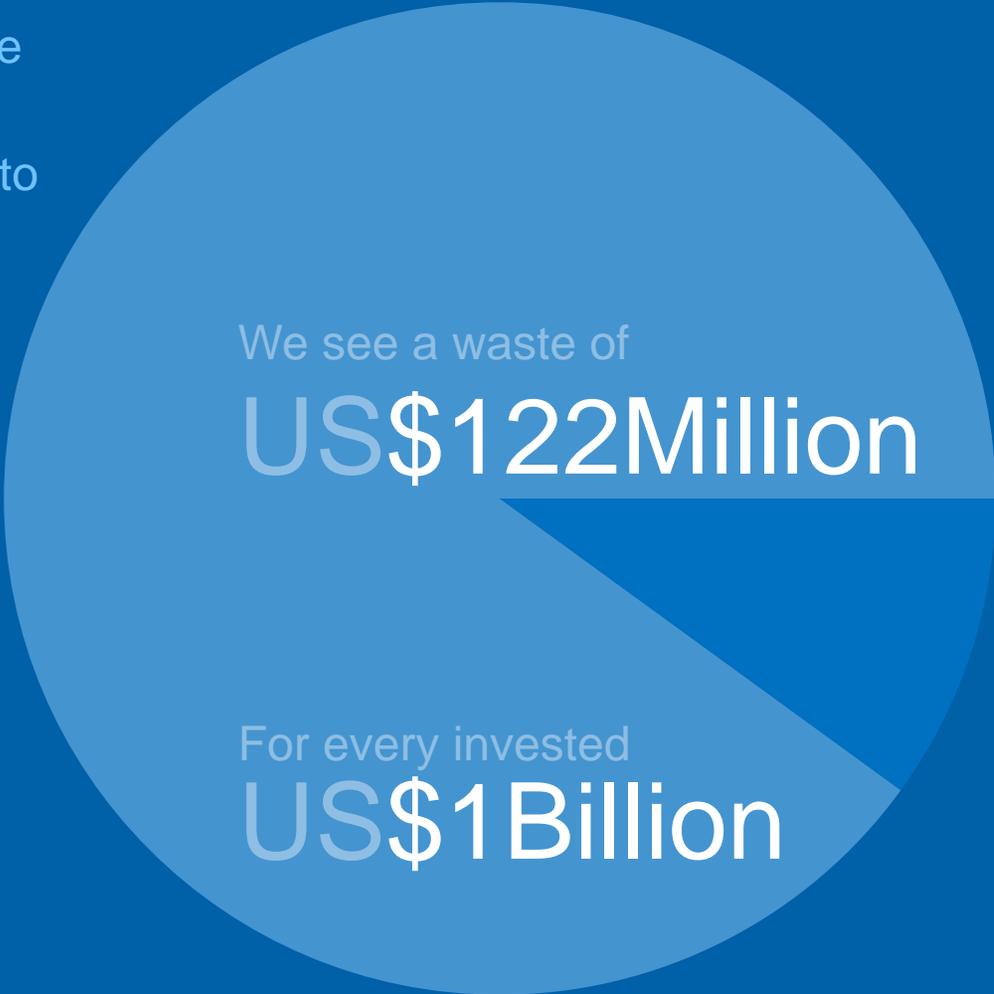


The Challenge



More critical is the money that continues to be wasted when projects aren't managed well. We see US\$122 million wasted for every US\$1 billion invested due to poor project performance, a

12% increase over last year



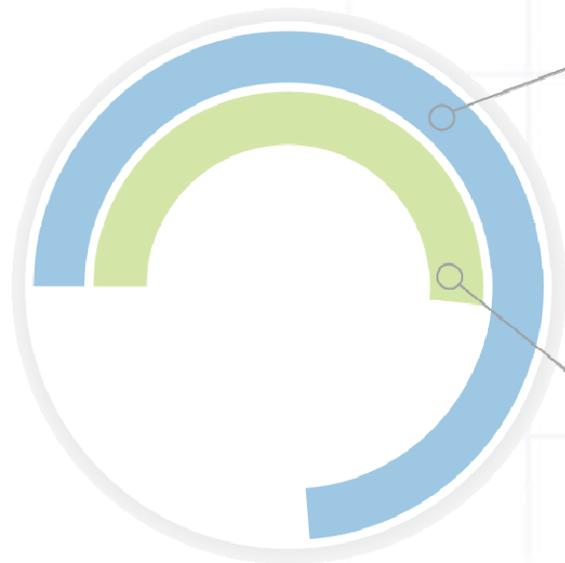
Trends that will have an impact on project management include:

Cost of energy is falling as new shale oil and gas deposits are discovered, developed, and exploited with advanced extraction technologies, once again making the development of new oil and gas fields a project-rich environment.

Globalization has improved business conditions in emerging and advanced economies, triggering investments in infrastructure development projects in many low- and middle-income economies.

Climatic processes are approaching tipping points, and scientists and engineers are beginning to assess the feasibility of several geoengineering “quick fixes.” This will lead to the proliferation of a vast array of new projects.

Reinforcing the Importance of Project Management



71%

of projects meeting original goals and business intent when project management culture is high priority

52%

of projects meeting original goals and business intent when project management culture is low priority



“Project management has been one of the linchpins of our turnaround over the last couple of years. The discipline has made our product and technology deployments faster yet less impactful to customers.”



Peter Stern / *Executive Vice President,
Chief Product, People and Strategy Officer*
Time Warner Cable

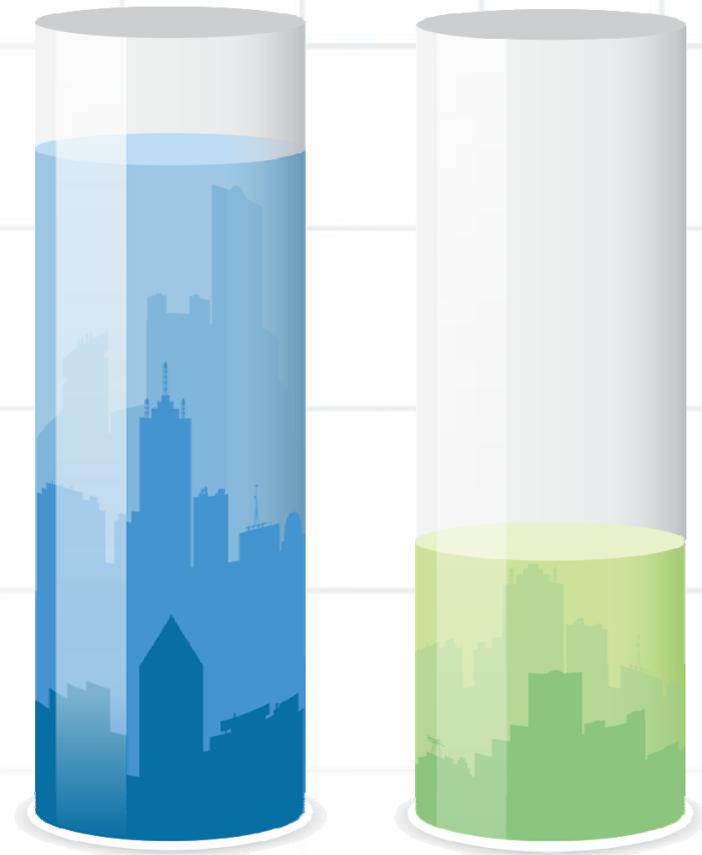
Reinforcing the Importance of Project Management

Projects are

2.5x

**MORE
SUCCESSFUL**

when proven project management practices are used



89% vs. 34%



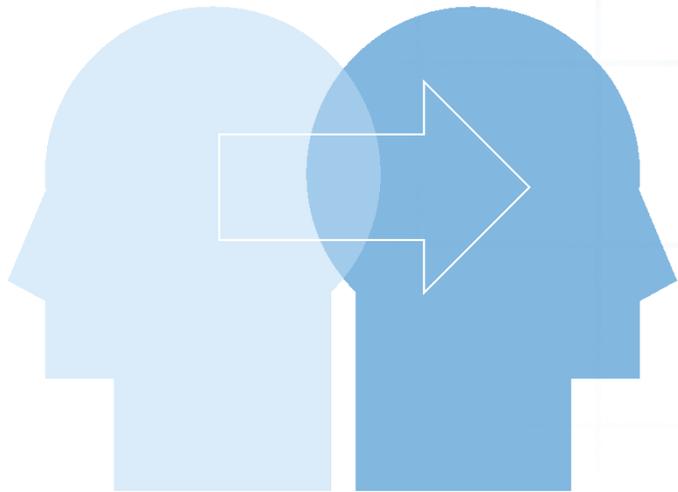
I think all of you are totally convinced that if we do not up our game in terms of management and performance, we are not going to be successful in accomplishing those missions. And I have to come back to some of the specific actions we have taken to implement that.”



Secretary Moniz's Remarks on Project Management Reform at the National Academy of Public Administration

A Shift in Thinking

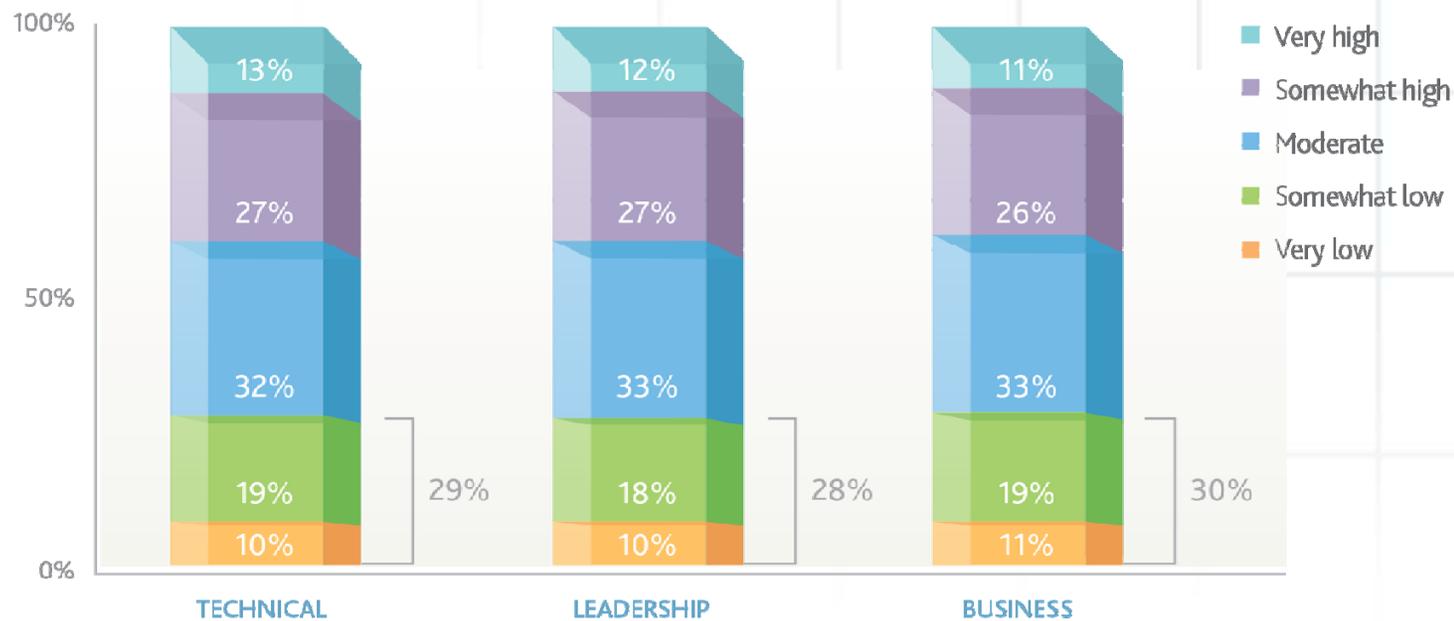
Why isn't this value being realized in project outcomes and reflected in this year's findings?



As we work to strengthen the conversation and encourage new thinking among organizations less advanced at project management, we can pinpoint the following elements that distinguish more mature organizations that achieve better results.

Look Beyond Technical Skills

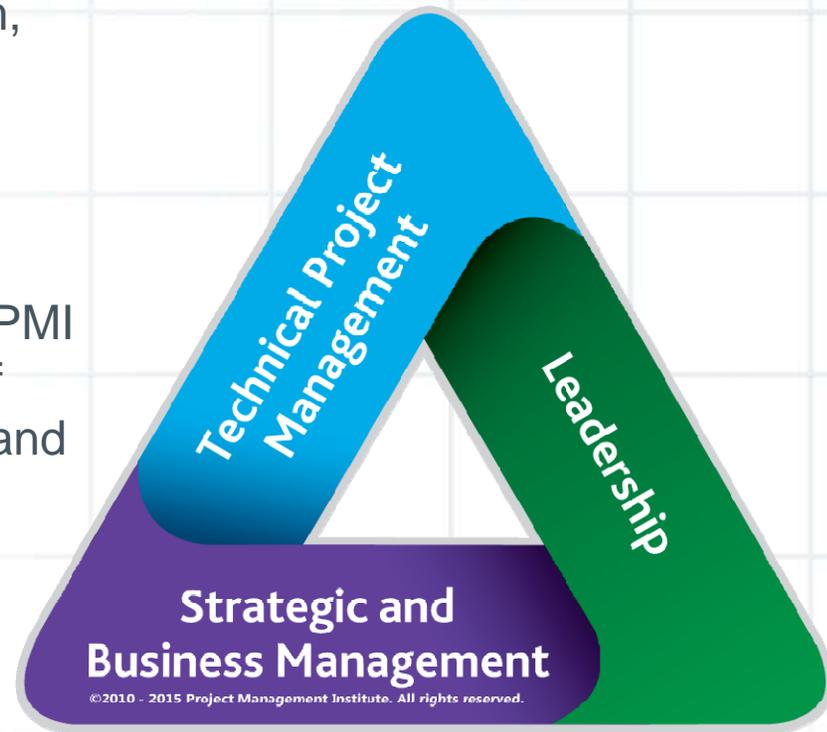
Organizations can help develop project and program managers who are versatile, experienced, and skilled. Yet less than one in three currently prioritize the development of technical, leadership, or business skills; only 25 percent consider all three skills a priority.



Look Beyond Technical Skills

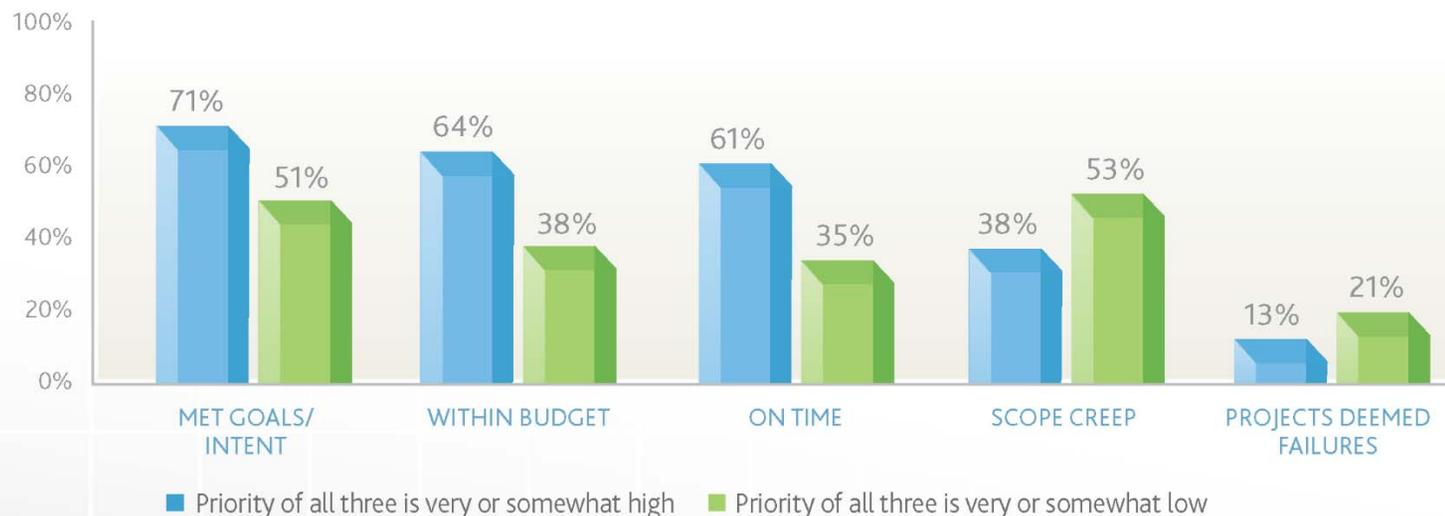
Organizations want project, program, and portfolio managers with a broad range of skills to support long-range strategic objectives.

The ideal skill set is depicted in the PMI Talent Triangle™—a combination of technical, leadership, and strategic and business management expertise.



Look Beyond Technical Skills

When organizations focus on all three areas, 40 percent more projects meet original goals and business intent. Additional improvements are realized in managing budget, time, scope creep, and projects deemed failures.





“We recognize [project management] as a career path that people can take all the way up ... a very important skill that is critical to our success as an organization.”



Norm Fjeldheim | *Senior Vice President and CIO*
Qualcomm

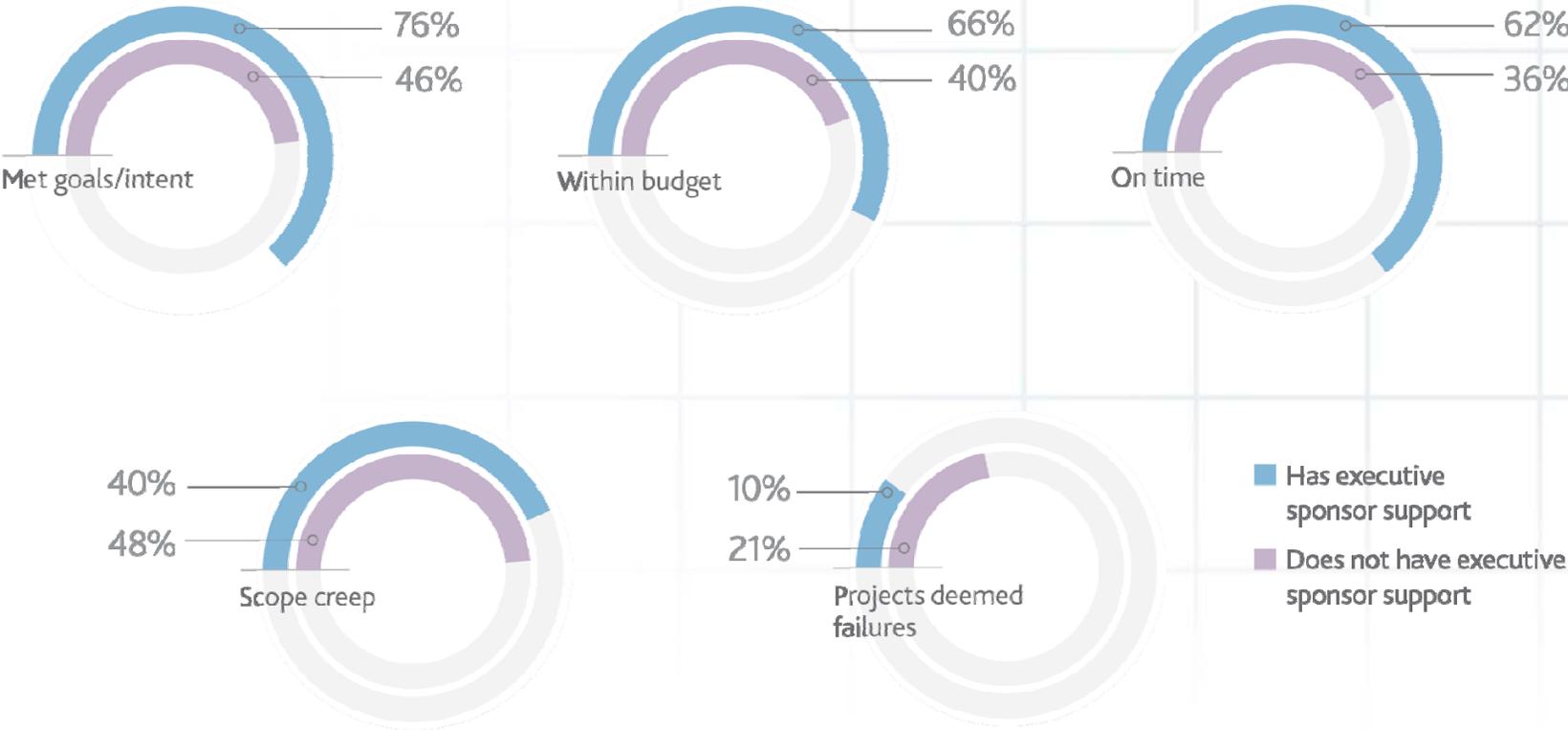
Recognize the Strategic Role of an EPMO and get it Aligned to Strategy

Improve Project Outcomes with an Aligned EPMO



Drive Success with Executive Sponsorship

Improve Project Outcomes with Active Sponsors





I continue to place a priority on improving project management across the Department of Energy (DOE) and removing all Departmental organizations from the Government Accountability Office's (GAO) High-Risk List for contract and project management. This goal requires us to make fundamental changes to our project management approach and your personal leadership will be essential.

Secretary Moniz in June 8, 2015 memo on Project Management Policies and Principles



Make the Difference Together

Strong project management comes from **leaders**—at all levels—who foster an environment that encourages flexibility and innovation.



DOE's Key Factors to Project Management Success:

“The Contract and Project Management Working Group identified four key factors that contribute to project management success or failure at DOE:

- Ownership, accountability, responsibility and alignment
- Front-end planning
- Funding
- Independent oversight”

- November 2014 report from the DOE Contract and Project Management Working Group on "Improving Project Management."

Key Takeaways



SHIFT THE THINKING

Embrace project and program management as a strategic competency that reduces risks, cuts costs, and improves success rates; and recognize that effective project and program management is vital to surviving the continuing economic uncertainty.



STRENGTHEN THE CONVERSATION

Advance the thinking internally, including with the C-suite, around three issues essential to Improving both project and business results:

INVEST in leadership and strategic and business management skills for project managers, in addition to technical skills.

ENGAGE executive sponsors and ensure they can commit to meaningful support of project teams.

ALIGN the EPMO to organizational strategy and recognize that all strategic initiatives are projects and programs.



WORK TOGETHER TO MAKE A DIFFERENCE

Close the gaps between how executive leaders, PMO directors, and project managers perceive organizational investment in project, program, and portfolio management—and the business value they deliver.



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The High Cost of Low Performance

How will you improve business results?



PMI.org/Pulse

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