



The Value of Project Management

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How do we know
that society values
project management?



How can we make
project management
even more valuable?



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

PMI Thought Leadership Survey: Growth in Size and Acceptance



Since 2004 benchmark survey

- Companies that employ full-time professional project managers rose from 73% to 76%

IMPLICATION: Demand for project managers is growing

PMI Thought Leadership Survey: Growth in Size and Acceptance



Since 2004 benchmark survey

- More projects managed using a common methodology

IMPLICATION: Acceptance of PM processes is growing

PMI Thought Leadership Survey: Growth in Size and Acceptance



Since 2004 benchmark survey

- Leaders of project management divisions almost always have access to top management

IMPLICATION: Executive sponsors are more involved in projects and acknowledge PM's role in organizational strategy

PMI Thought Leadership Survey: Growth in Size and Acceptance



Since 2004 benchmark survey

- Senior executives significantly more likely to assign trained, certified, full-time project managers to change initiatives

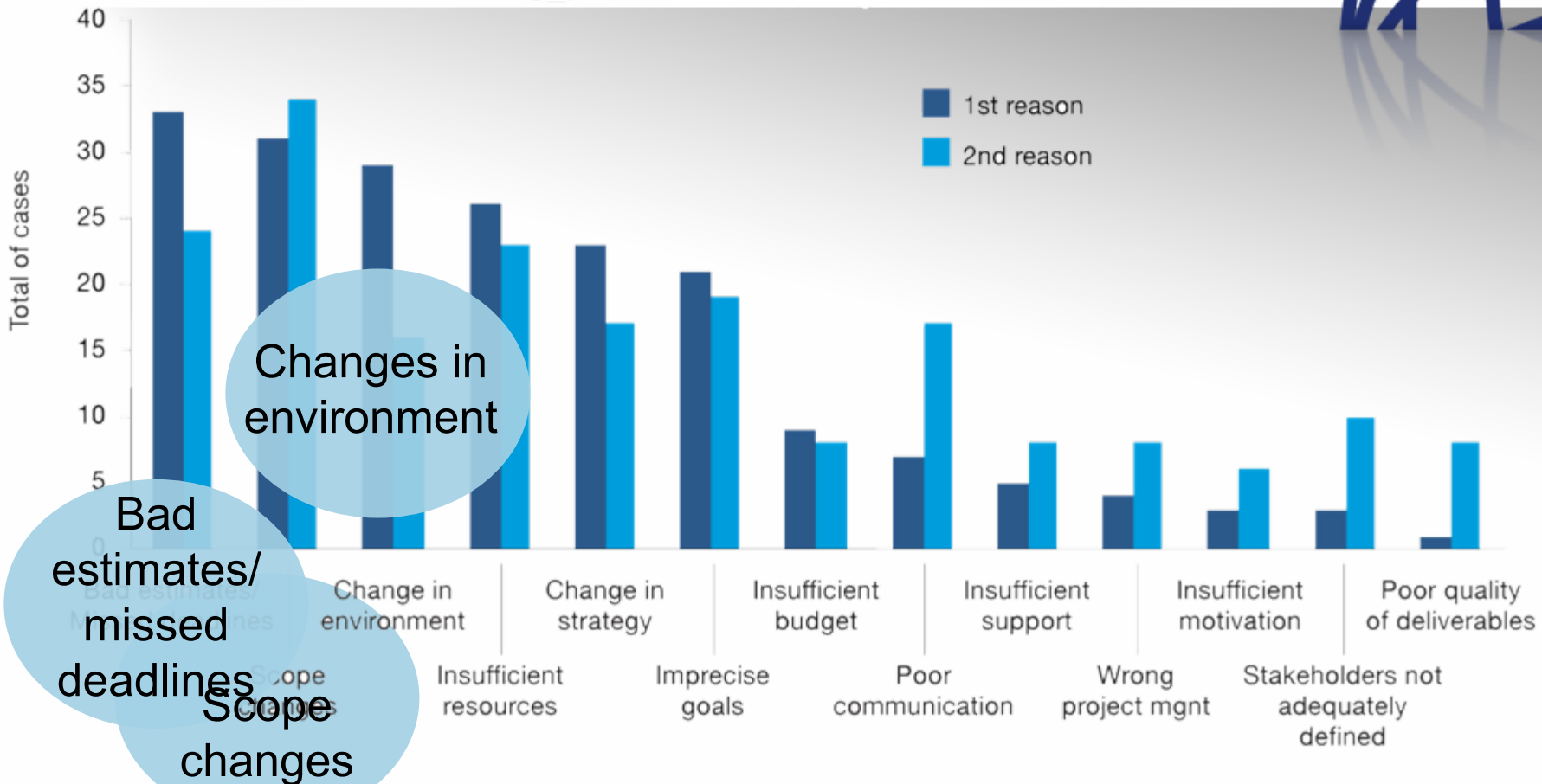
IMPLICATION: Trust in PM process and professionals for high-stakes projects is growing

Annualized Salary by PMP® Status in Canada (\$C)



Status	25 th Percentile	75 th Percentile	Mean
Have PMP® Certification	\$71,000	\$100,000	\$89,965
<2 yrs	65,000	92,500	81,403
2-4 yrs	73,200	107,000	96,200
5-9 yrs	85,000	121,250	107,513
10-19 yrs	100,000	130,000	108,455
No PMP® Certification	65,000	95,000	86,506

Reasons for Project Failure



Bad estimates/missed deadlines

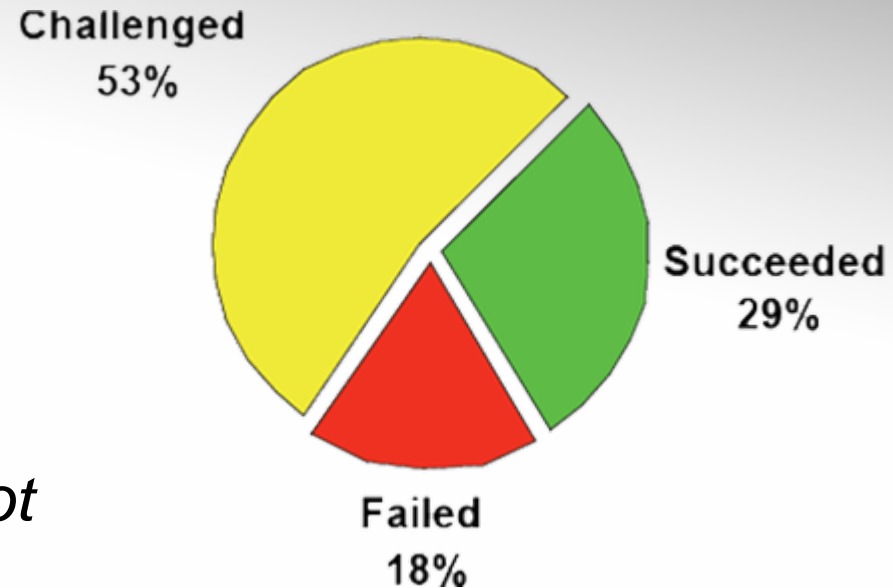
Changes in environment

Scope changes

Vulnerable Software Projects



- 33% of software investment used to repair projects (*Atlantic Systems Guild*)
- 56% of projects have cost overruns of >50%*
- 84% of projects have time overruns*
- 63% of organizations do *not* operate PMO*

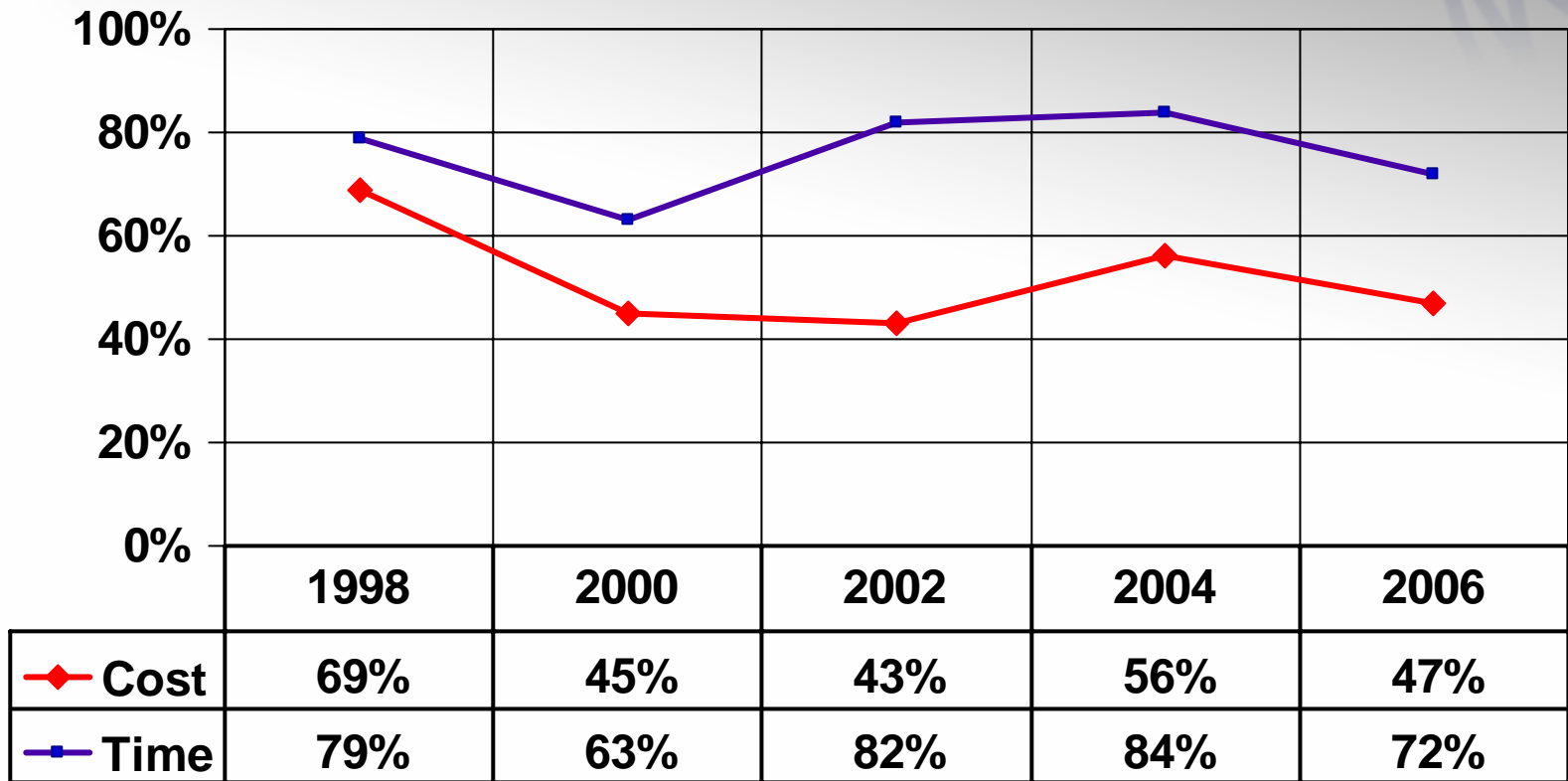


Evidence of Improvement in Software Projects

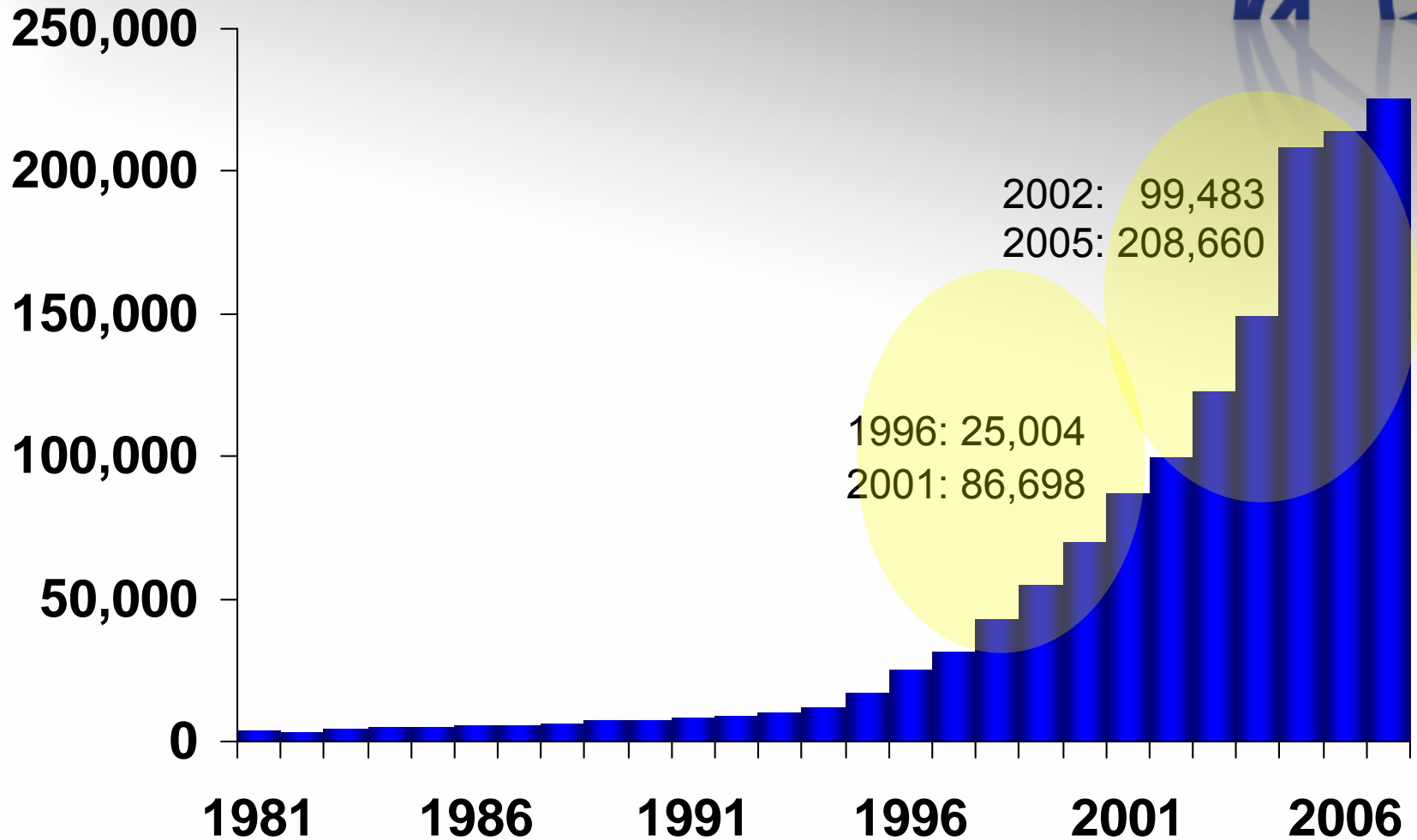


Categories	1994	2004
Average time overruns	164%	84%
Average cost overruns	180%	56%
Success rate (on time, on budget, within scope)	16%	29%
Failed	31%	18%

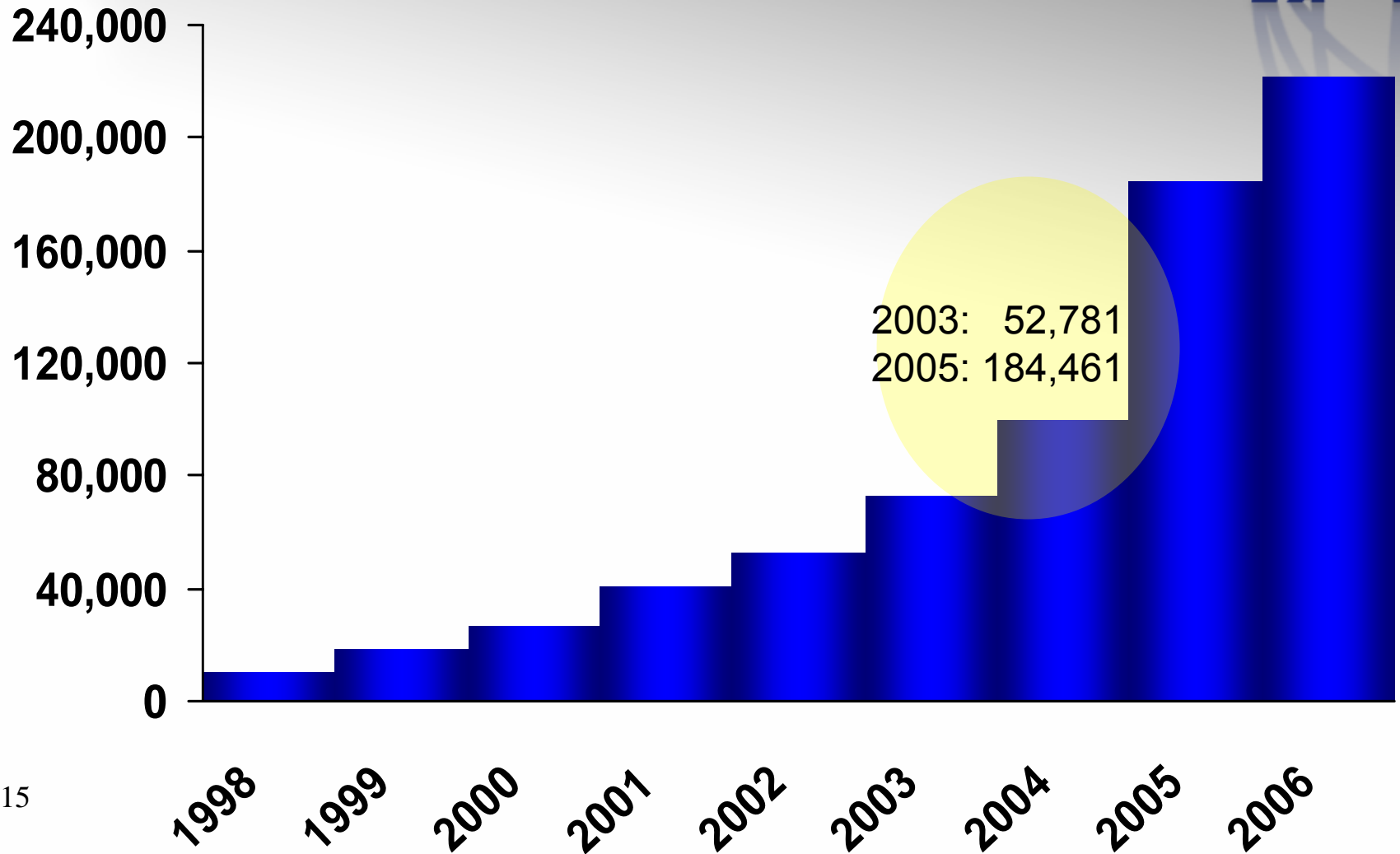
Time & Cost Overruns



Membership Is Growing



Growth in PMP® Certification



PMI Global Thought Leadership Survey: Key Findings



- Top-of-mind benefits
 - Efficiency (60%)
 - Budget (30%)
 - Timing (24%)
- Common methodology used more
- Professional project managers used and valued more

KPMG: PM Essential to Success of Corporate Initiatives



Effective Project Management
and Quality Assurance
is critical to
the successful implementation
of any major corporate initiative.



KPMG: PM Essential to Success of Corporate Initiatives



- Establish processes that help manage risks associated with large-scale projects
- Manage critical, complex projects
- Assure senior executives of effective program/ project management controls
- Enhance an organization's program management office



Higher profile for project management



These trends are encouraging, and will continue to positively influence organizations' project management competencies, capabilities and successes



2005 Global IT Project Management Survey shows

- ≥87% of organizations report projects to their Board of Directors
- More PMOs, with 17% now reporting to CEO
- HR processes recognize the specialized project management skills required to be effective

Top 10 Success Factors

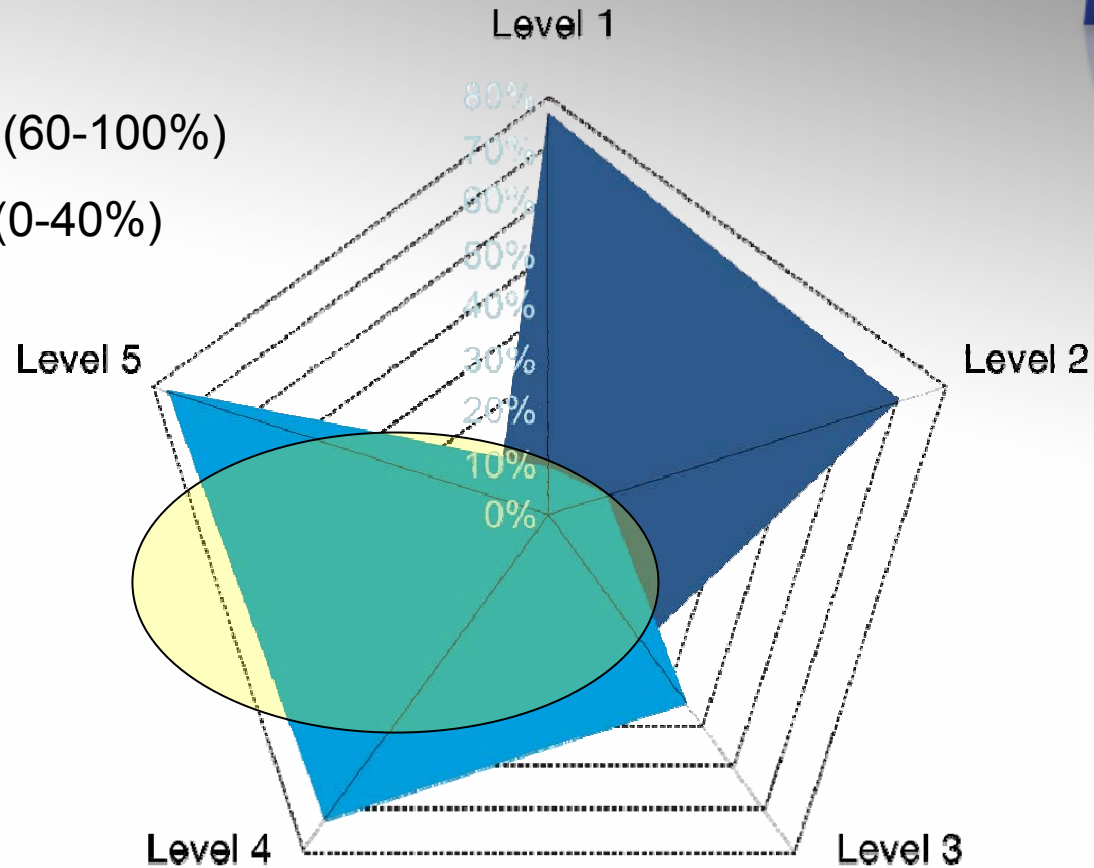


User Involvement	20
Executive Management Support	15
Clear Business Objectives	15
Agile Optimization	10
Emotional Maturity	10
Project Management Expertise	10
Financial Management	5
Skilled Resources	5
Formal Methodology	5
Tools and Infrastructure	5

Performance Rises With Maturity



- High performance (60-100%)
- Low performance (0-40%)



Value of Project Management Maturity



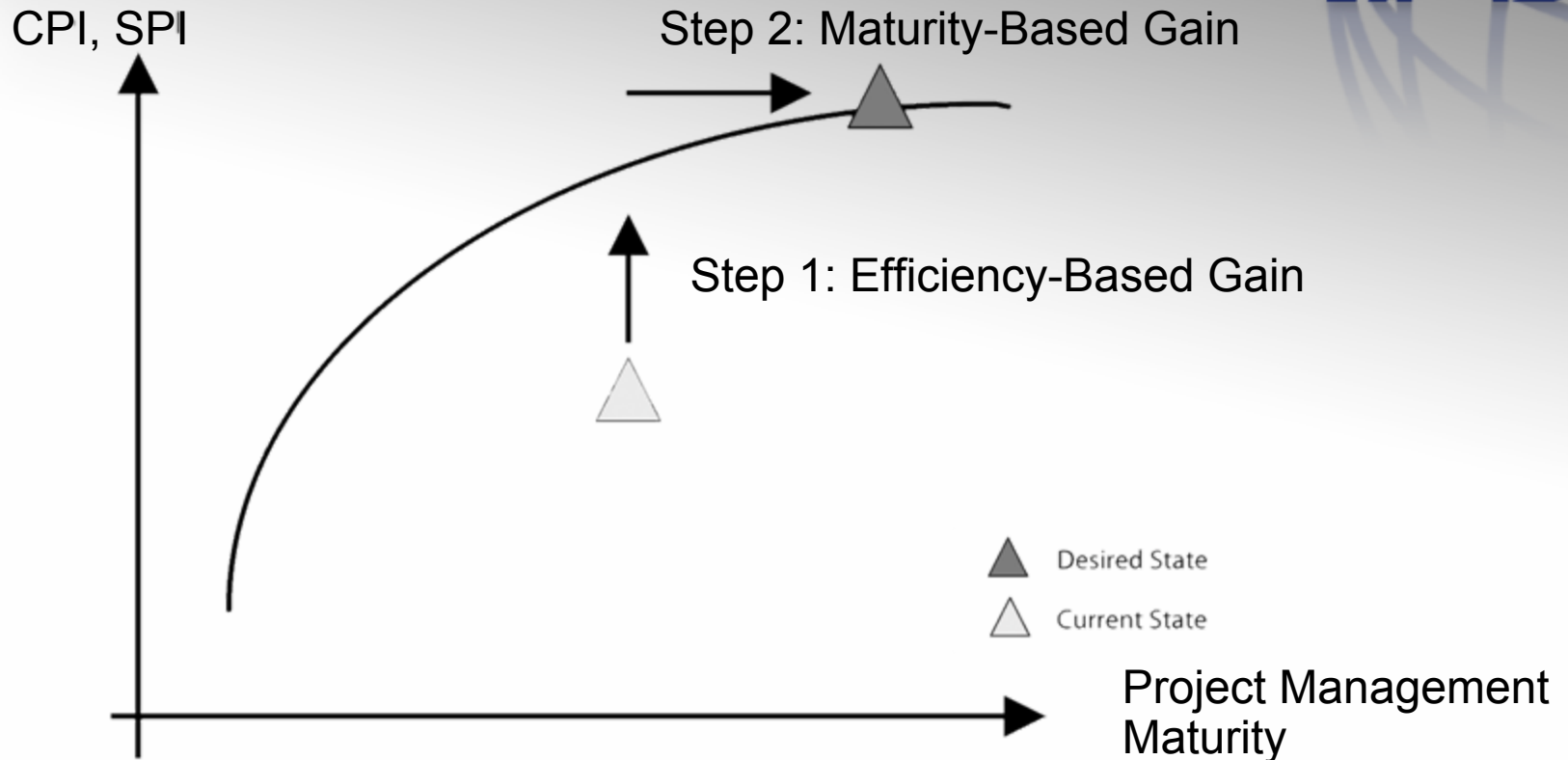
Organizations with more mature PM boast

- Better cost/schedule predictability
- Lower project management direct costs

Organizations with less mature PM

- Miss budgets by 20%
- Miss schedules by 40%

Greater PM Maturity = Better Project Performance



Two-Step Project Management Maturity Improvement

Microsoft: PM Maturity and Business Strategy



↓ Worldwide Operations/**Program & Project Management**



Turn Your Ideas into Reality

...transform business imperatives into action and results

...you'll be involved in making Worldwide Operations better, faster, and cost-effective.

...Previous experience in project, product, and program management will serve you well in this fast-paced environment.

The professionals in Worldwide Operations transform business imperatives into action and results.

Why Project Management Maturity Matters



- Increases project alignment with strategic goals
- Increases project performance
- Improves project cost management
- Focuses on performance
- Identifies most strategic areas for improvement



Thank you

Questions?

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