

# Improving Your Business through Project Management

**Tatjana Lukić**  
**Senior Industry Advisor, ICT**  
**USAID Serbian Competitiveness**  
**Project**



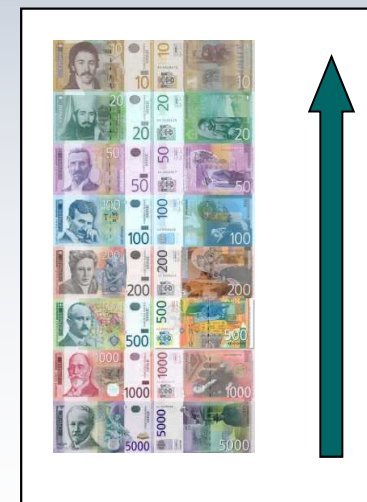
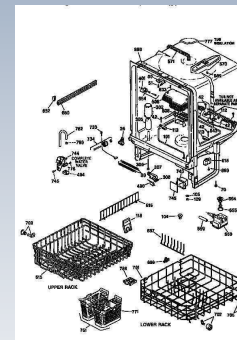
# Why is Project Management Competence Important ?

- Economies of the Western Balkans are moving away from agriculture and heavy industry towards **service-oriented sectors**, such as ICT, construction, transport, tourism and trade, which are largely project-based and require PM competence to ensure success
- **Major infrastructure and technology upgrading projects** implemented by governments in the region need skilled and qualified Project Managers to ensure that public funds are spent transparently and projects executed in time and on budget
- EU funded projects in support of **EU accession** require conformity with the highest PM standards in project design, implementation and supervision
- To compete in both global AND local markets, regional firms need **globally recognized standards and certifications** as proof of credibility and service quality
- **Global demand** for Project Managers is on the rise – 1/5 of the world's GDP is being spent on projects this year



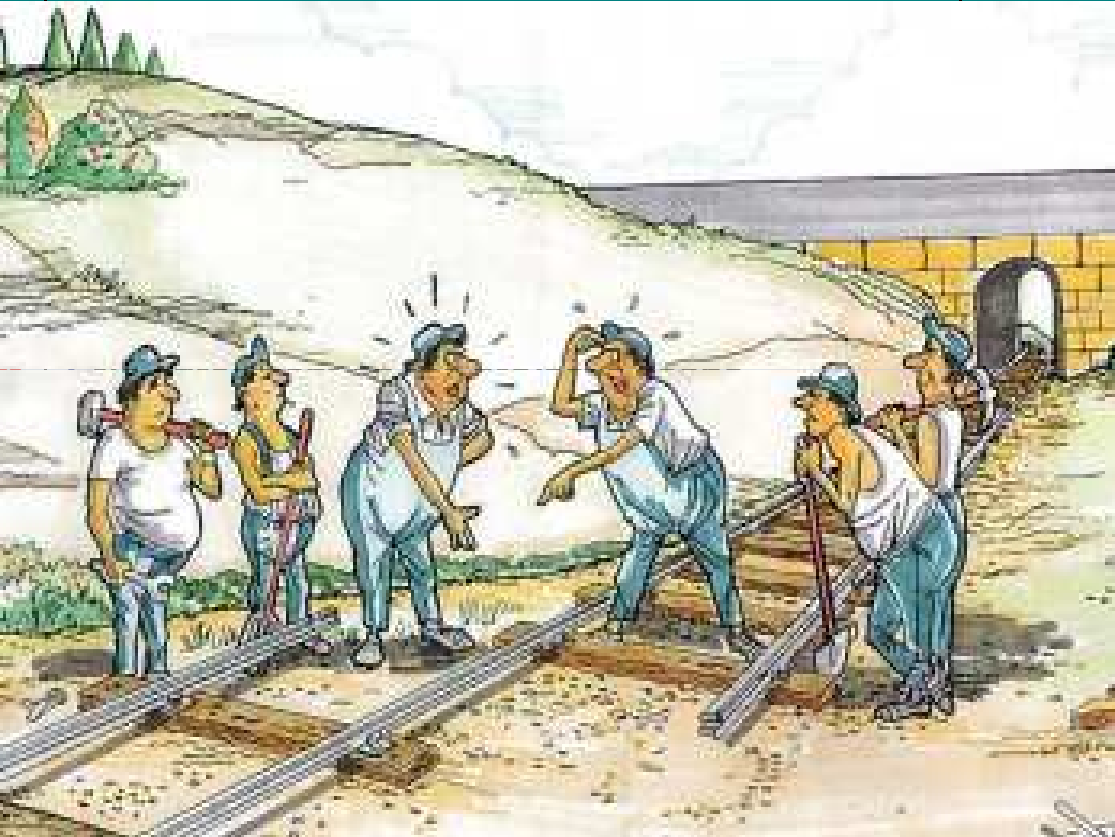
# When projects are delivered correctly they can:

- **Expand product/services portfolios**
  - Faster product to market cycle
- **Reduce production and operating costs**
  - Document and automate processes
- **Improve employee productivity**
  - Doing more in less time
- **Improve customer satisfaction**
  - Build to customer requirements
- **Increase revenue**
  - Win new business/contracts



# Typical project management issues

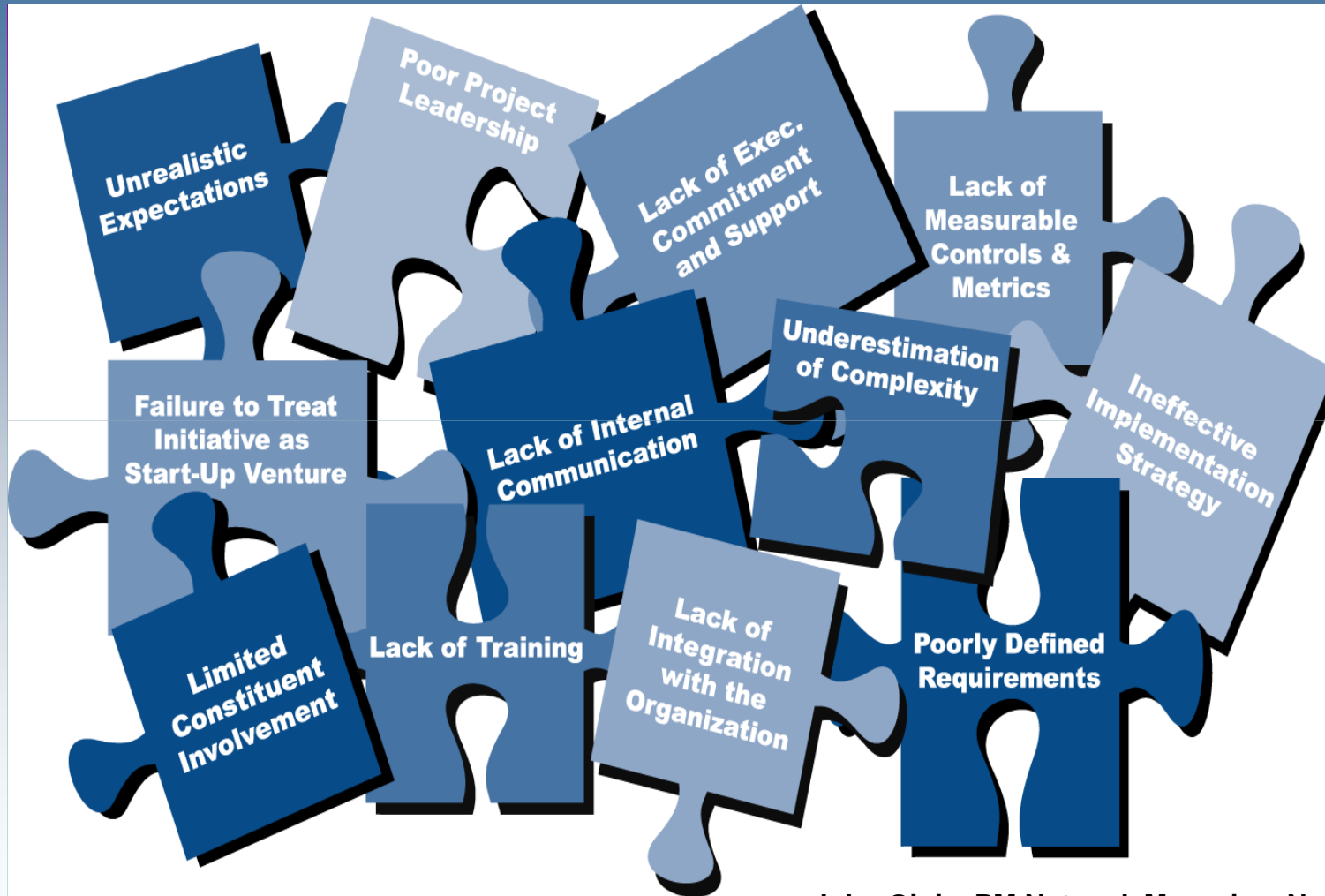
Stakeholder Feedback	Project Discipline
<p><b>You are late!</b></p>	<p>Project Planning                      Resource Management                      Risk Management</p>
<p><b>This is not what I asked for!</b></p>	<p>Project Planning                      Resource Management</p>
<p><b>You spent too much money!</b></p>	<p>Resource Management                      Risk Management</p>
<p><b>This does not work!</b></p>	<p>Project Planning                      Resource Management                      Quality Management</p>



- ▶ Failure to incorporate changes
- ▶ No quality management plan

- ▶ Quality Management

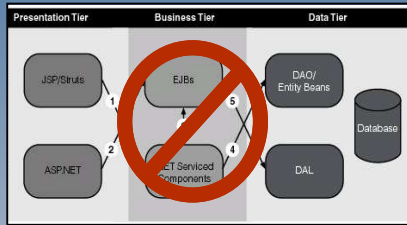
# Most project failures can be tied back to similar root causes



John Gioia, PM Network Magazine, November 1986

# Poorly managed projects can have greater impacts to the overall organization

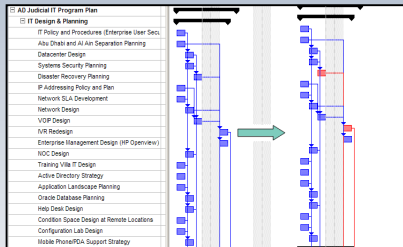
## Visible Impacts



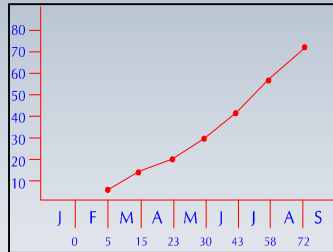
Technical Interoperability Issues



Poor Quality Infrastructure



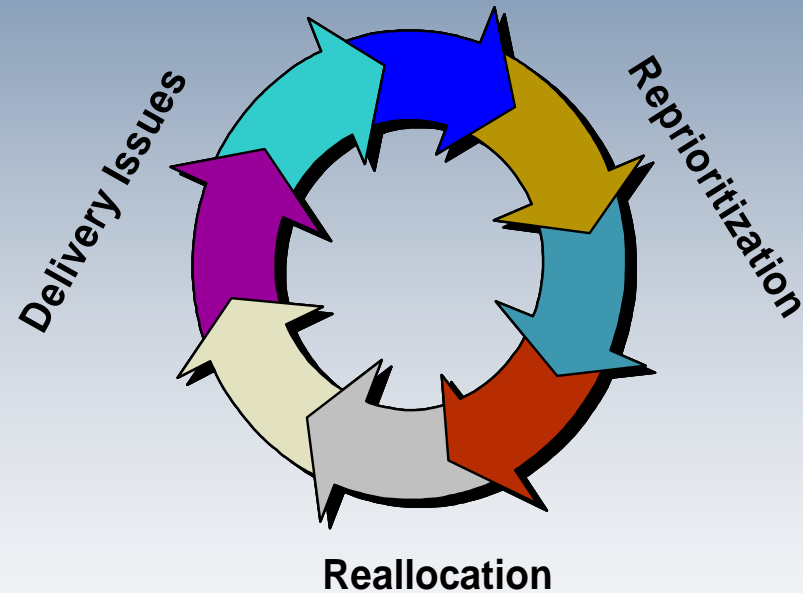
Slipped Schedules



Escalating costs

## Behavioral Impacts

New Request

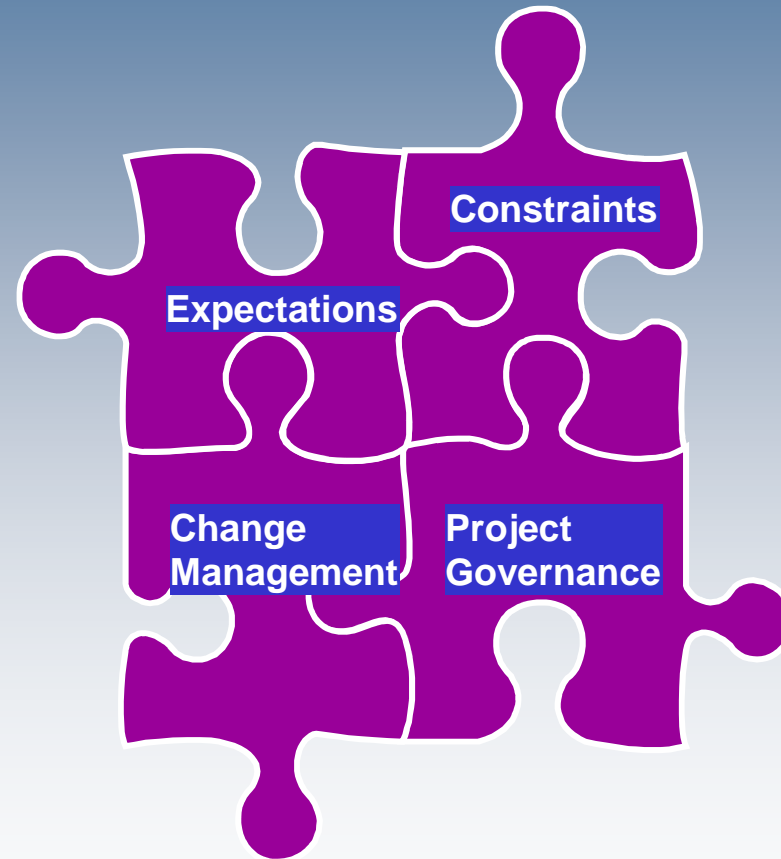


***The combined impact can reduce productivity, increase costs, reduce market share and divert an organization from its business strategy***

# So how do organizations fix their Project Management problems?

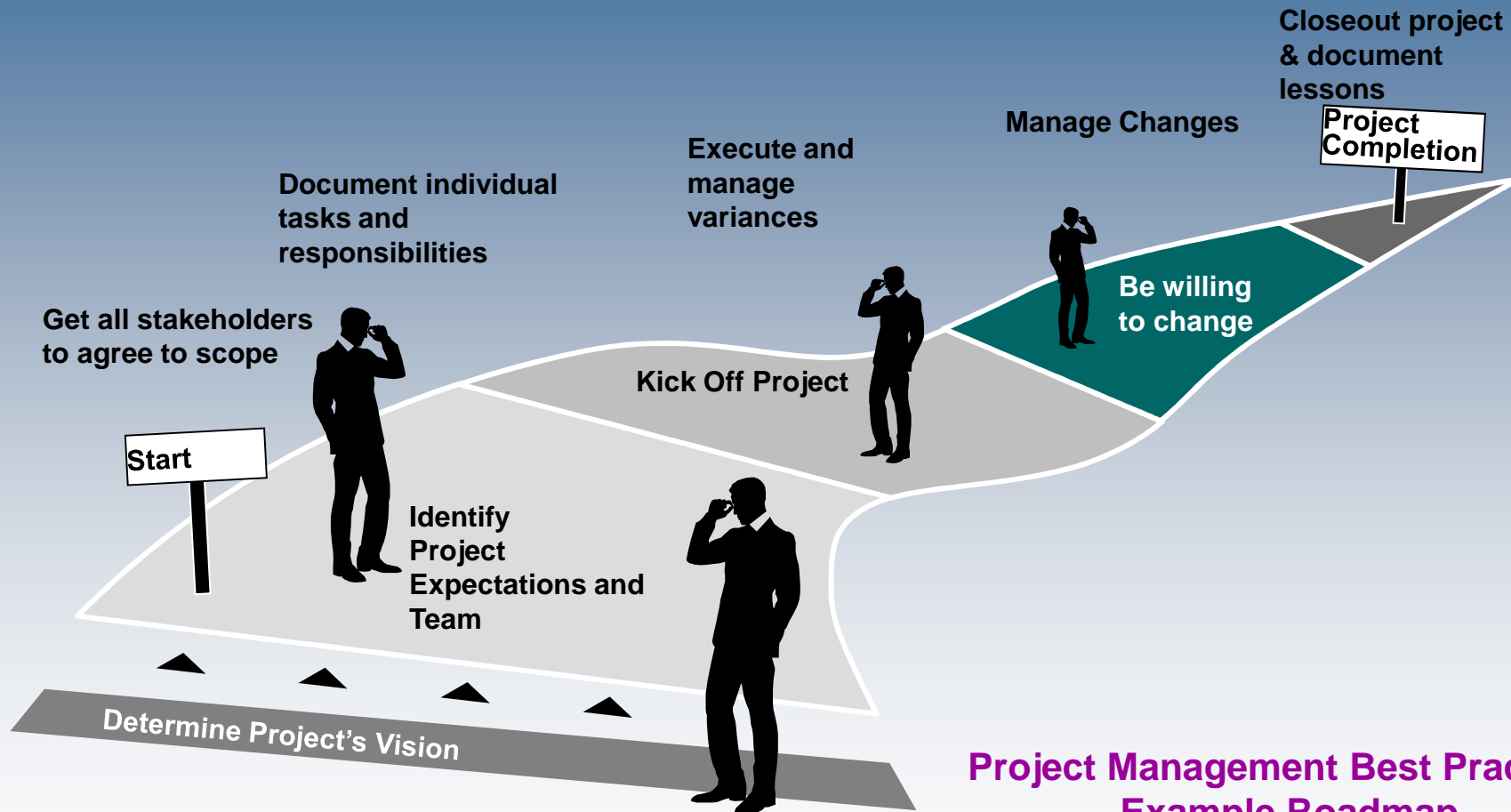


**Project Managers**



**Executive Leadership**

# They also adhere to project management lifecycles



# Adopting project management is an investment

- **Initial investment**
  - Modifying your organization to enable project management
  - Paying for training and software programs to help create project managers
  - Additional up-front work to document scope, schedules, costs, project teams, etc.
  - Customizing project management to fit your specific company
- **Return on Investment - the benefits of project management**
  - Reduction in the number of labor hours to complete similar projects - cost savings
  - Ability to release products/services faster - increased revenue
  - Reduced amount of rework - cost savings
  - Reduced amount of leadership involvement - opportunity and cost savings
  - Increased productivity per employee (measured in effort per task) - opportunity cost savings
  - Increased quality of services and customer satisfaction

Company X develops document management software for banks and insurance companies. It has 15 employees, 3 executives and no project managers.

- 5 projects per year \* €100,000/project = € 500,000 revenue
  - € 90,000 cost/project = €450,000 costs = €50,000 in profit (10%)
- Company X invests in project management
  - €2,000 in project management training & certifications for 2 key employees
  - €5,000 for project management strategy consulting
  - 75 executive hours and 200 employee hours building PM capabilities
- What does Company X get for its investment?
  - 5% Improvement = €22,500 cost reduction
  - 1 additional project = €10,000 profit

**Consider that typical benefits run between a range of 5-15%**

# Recommendations to gain control of your projects

- ▶ **Identify all your projects**
  - Document your scope
  - Identify delivery dates
  - Develop budgets
  - Evaluate performance
  - Communicate to your Team(s)

- ▶ **Understand your Project Managers**
  - Project Management expertise?
  - How are their projects performing?
  - What challenges are they facing?
  - Determine what they need from you

- ▶ **Seek out professional help**
  - Consultants/staff with deep skills
  - Join PMI & build your knowledge
  - Train your best staff
  - Push staff to achieve certification

- ▶ **Review your organization**
  - Organization support this?
  - Clear project authority?
  - Stakeholders involved?
  - Repeatable processes in place?
  - Identify the gaps

# Questions?

**Tatjana Lukić**  
**Senior Industry Advisor**  
**Booz Allen Hamilton**  
**USAID Competitiveness Project**  
**[tlukic@compete.rs](mailto:tlukic@compete.rs)**