

STRONG LEADERSHIP AND MANAGEMENT SKILLS



Increasingly in the mainstream, what does the future hold for project management? John Osborne finds out

FUTURE

Project managers are used to juggling competing priorities, but now they are expected to go far beyond the traditional role of balancing the sometimes conflicting needs of different disciplines. In the past this has meant ensuring that a building was not only aesthetically stunning, but also a living, functional structure.

Architects and engineers are used to the fast-track method of working in which some aspects of the design are worked out while the structure is being built. However, in a tough economic climate, construction is getting harder because there are now usually so many stakeholders involved.

Tony Marks, managing director of 20|20 Business Insight, a project management consultancy, has worked on high capital value projects with clients including Centrica Energy, AMEC, Magnox and Lloyds Register.

"Significantly more effort has to be put into specific areas of project management, such as stakeholder management and risk management," he says. "One of the biggest pitfalls is a version of the 'too big to fail' banks scenario in projects. Typically, once politicians commit to a project and back it, it then becomes political suicide to cancel it and admit failure – even if the projected budget, timescale or reduced scope means the original business case is now invalid."

A good example is the Edinburgh Trams project, says Mr Marks. It has been widely criticised with claims including that it is years late and millions of pounds over budget. Edinburgh Council says that snow and sub-zero temperatures have

hampered work, but that it is confident trams will be running in the Scottish capital by next summer.

"From experience," says Mr Marks, "it is the politically supported projects that are most likely to fail because they have deadlines, budgets and scope expectations often set for political expediency, rather than against measured estimates and properly evaluated risk-analysis plans."

Another pertinent project is The Shard near London Bridge. Hamish McKenzie, development director for Sellar Property Group, says: "The Shard presented one of the toughest project management challenges of any building in the world. Not only is the building extremely tall – 75 metres taller than any other building in London – but it's also built on one of the capital's major transport hubs, London Bridge Station. And The Shard had over 12,000 workers on site, a feat that required its own degree of project management."

Increasingly, project managers will have to keep a vast amount of financial, legal and technical information at their fingertips to ensure they can keep projects on track.



An increasing focus on leadership and management skills will result in better performing projects over time

Project management is set to become a profession of note

Daniel Henn, a partner at building consultancy Tuffin Ferraby Taylor, explains:

"The planning system increasingly requires financial contributions from developers [community infrastructure levy], stipulates proportions of affordable housing on commercial projects and demands that projects meet stringent sustainability standards. As a result, these projects are often difficult to manage, negotiations can become pro-

tracted and project viability ends up hanging in the balance."

One of the challenges project managers face is keeping buildings flexible enough so they can accommodate the needs of different tenants in the future. Stephen Simister, director of project and programme management at Henley Business School, says it is critical to take a strategic view.

"You often find that the project requirements are static, but the business [the client] has moved on.

OPINION

INFORMATION AND GOOD JUDGMENT



Project management as a standalone discipline is barely half a century old, but it has more than made up for lost time. It is now taught to Masters-degree level, and practitioners have studied and analysed every aspect, says **Steve McGuckin**, UK managing director of global programme managers Turner & Townsend, whose projects have included The Shard and Heathrow Airport's Terminal 5. But the most important element of the job – good judgment – cannot be taught. It is learnt through experience. Behind every successful project is good judgment, and the best project manager is the one who gives the client the information and advice they need to make good decisions.

That fundamental role – of equipping the client with the tools they need to make the right decision – is getting harder as projects have to navigate evermore complex economic and socio-political conditions. In future, successful project managers will be those who remember the mantra of "great information plus great people equals great decisions". The goal for us all will be to reduce this greater complexity to a few clear options for decision-making. For a long time, project management was all about providing defined services; project managers concentrated on quantifying and managing assets, systems and time. But in future we will focus as much on behaviour as on output and deliver much broader services to our clients.

The traditional approach is to lock down the project and not allow for any changes," says Dr Simister, who adds that greater flexibility will be needed in future.

However, the biggest challenge likely to affect project management is professional. AMEC is a major engineering and project management company. Peter Bailey, its director of project management, believes "recognition that project management is itself a profession with a specific skill-set will continue to grow in the coming years".

He says: "Project management people have had to spend their working lives in the industry 'learning the ropes' to qualify as project managers, with technical knowledge being seen as more important than good management skills.

"The salient requirements for good project management going forward are strong leadership and management skills. After all, assembling, leading and managing a team of several hundred or thousand people over a three to five-year period can often offer more challenges than being a chief operating officer of a mid-size company. That is why an increasing focus on leadership and management skills will result in better performing projects over time."

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