

Specialist project management

The engine of successful economic recovery

As COVID-19 disruption continues to put pressure on our economy and heightens uncertainty in the marketplace, Australia's federal and state governments are kicking off the recovery process using multiple economic levers, including fast tracking shovel ready projects. As governments strive to deliver results under significant pressure, the project management profession has a valuable role to play in ensuring projects achieve their strategic goals of supporting economic growth, generating jobs, and creating resilient infrastructure that is fit-for-purpose.

In this article from the Australian Institute of Project Management (AIPM) and Aurecon, we highlight the importance of project management expertise to help revive our economy and leave a legacy not just for our country and communities, but also for the project management profession itself.



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to life*

Across the world, governments' fiscal recovery plans are setting new spending records as they seek to inject momentum into economies that are facing great strain in the face of COVID-19.

Australia's response is unprecedented, with the Federal Government budgeting \$213.6 billion for the response (as of 31 March 2020), in addition to state and territory government measures of approximately \$15 billion. With early measures such as JobKeeper focussed on lessening immediate economic impacts, recent announcements have turned to other more traditional recovery measures, including a raft of shovel ready projects.

The volume of projects commissioned across every state and territory aim to "bust congestion, increase productivity, improve safety, and boost jobs at a time we need it most." As governments bring forward billions of dollars-worth of shovel ready infrastructure projects, there is a huge opportunity for our country as well as future communities, if we get it right.

Never before have the stakes been so high to ensure timely and accurate execution of these projects in an uncertain economy. Never before has there been a more critical time to ask: 'What is needed to be successful through this infrastructure stimulus package?' and 'How do we navigate the wave of spending and ensure we leave a legacy of money well spent on projects that make a change and solve long term problems?' Never before has there been such an opportunity to learn from the past, test our assumptions and trial new solutions.

History reminds us that the pressure to deliver large volumes of shovel ready programs can exacerbate weaknesses in the structure and processes adopted by organisations, contractors, construction, and the engineering, architecture and design industry as a whole. Agencies with significant increases in capital spend often need a significant uplift in governance, skills and expertise to deliver that spend in a strategic and diligent way to achieve the best outcomes.

This is not a new issue, but if the project management profession can tackle this collaboratively with government, we could reshape the future of project management, and the value of programs delivered.

What are the key areas for the project management profession to focus on to support best practice delivery?

The need for specialist expertise

Significant capital spend drives a great need for:

- highly structured projects, strong leadership and governance
- increased capacity and capability in the market to deliver
- experience of the challenges in delivering complex programs in a high-pressure environment.

There is a pressing need for competent and qualified project managers to deliver projects to a high standard, as efficiently and effectively as possible, to deliver on the government's stimulus strategy.

Critical success factors

On budget, on time, delivers scope, is safe, good culture around the project ... government and professional project managers know what good 'looks like' when it comes to project outcomes and the key elements of managing shovel ready projects. It's how we get there that is challenging; how we transition to best practice and how we do that on a widespread, consistent basis, nationally.

We are seeing an evolution where organisations are now more aware of the benefits of increased structure around the need for, and establishment of, professional project management. Those leading the way have several critical factors in common, they:

- Get the basics right and make sure the fundamentals are done well. Pause, consider and assess processes to ensure they are robust, and ready.
- Make sense of uncertainty with a scalable methodology and diversity of expertise and perspective, such as that of a multidimensional Capital Program Assurance solution that adopts a structured, risk-based solution to manage risk, reduce ballooning project costs, and safeguard the value of assets.
- Embrace [digital technology and tools](#) to move success measures beyond time, cost and quality; and towards real-time insights, data analytics and asset performance.
- Move away from process/procedure project management to a more human centred management culture.
- Elevate project management to a more strategic level to create a professional legacy, community legacy and government legacy.

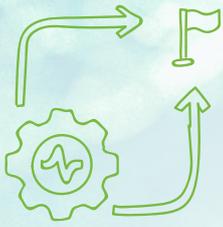


Project planners are under pressure too

In the current climate, many government agencies – the source of a large amount of recovery funding – are forced to move quickly. When we are forced to move so fast to push go, how do we ensure we are making the right decisions? How do we make sense of what's important?

There is a risk that in the current climate of uncertainty and rapid momentum, the temptation to pause major capital investments will create the risk of missed opportunity down the line. For others who are looking to progress projects, there is a risk that unsustainable assumptions will be made about their readiness and capability, the ability of their systems to work at scale, or if their systems and processes will be appropriate for the size of the portfolio they are about to deliver.

Before pushing go or pressing stop, critically assess your circumstances and ask: are we ready to grow? Are we ready to do this? Do we have existing weaknesses in our systems and processes? Can we fix these issues before we take on this new project work?



Scaling up through uncertainty

In answering these questions - and deciding whether to press pause on a project, progress as is, or replicate what has been successful - taking an evidence-based approach to decision making can make all the difference. It can help navigate uncertainty and underpin success. It provides assurance.

Independent global analysis indicates 30%-60% of projects fail by more than 25% cost and/or schedule overrun. However, this can be avoided. With a structured, risk-based, adaptable methodology that assesses every aspect of a project - from external factors such as COVID-19, to internal issues such as governance and people - boards and senior executives can be provided with assurance that their capital programs are set up for success.

However, increasingly across industry is an inability for project managers to properly assess risk alongside other drivers. Therefore, those realising success combine specialist project management expertise, with capital project assurance expertise, to identify, communicate and mitigate program and project risk, reduce ballooning costs and safeguard the value of assets. They adopt [scalable methodologies](#) linked to project risks, which highlight gaps in program and project processes, systems, capabilities and risk management and provide pragmatic recommendations and implementation support.

Best practice assessment frameworks should be tailored to each organisation's specific concerns and known project risks, such as: governance, commercial and contractual performance, schedule management, risk management, organisation and people. Additionally, current market conditions dictate that COVID-19-specific risks must be addressed, namely: staff, contractor and community safety, workforce availability, security of supply chain and contractual obligations.

Fundamental to the success of this approach is diversity of expertise, and project management is a critical part of this mix. A multidisciplinary skillset of deep real-world experience - in legal, project management, procurement, risk, finance, stakeholder management and governance - can better pinpoint the root cause of potential, current and future issues and provide robust solutions.

Diversity of thought generates a cross-pollination of different expertise and personalities that can ultimately contribute to a broader range of solutions for a broader range of problems. Now, more than ever, this helps frame decision-making, and provides a clear understanding of how a project is tracking, what is likely to impact it, what is actually impacting it and how to get it back on track ... or achieve success from the outset.



Embrace digital technology and tools to move success beyond time, cost and quality

Most of the recent evolution of project management thinking has been around the idea of *time, cost, and quality* as defining success. This is now an accepted and expected part of project management and everything beyond that is what makes a project successful.

Part of the driving force behind time, cost and quality being the base level of what success looks like, is the increasing prevalence of smarter project management tools and systems.

While many have been investing in technologies to progress from manual to automated processes, in this new environment where everyone is rushing to get started, there is a risk that investment is stopped in favour of the 'brute force' option, regressing to older ways of working and minimising what can be achieved long term.

The current raft of shovel ready projects presents an opportunity to invest in digital ways of working and use stimulus funds to not only inject construction money into the economy, but also to leap forward in the technology space, and create a responsiveness that will enable the project management profession to rapidly and flexibly respond to future challenges and disruptions.



From process and procedure to a more human centred management environment

A combination of racing to the finish line and a commonly adopted focus on process/procedure type project management can create negative impacts for the people at the centre of these projects.

In this fast paced, everchanging COVID-19 environment, there are fears around job security and great pressure to rush and push teams to deliver faster than ever, under the guise of an 'emergency'. There is a risk these behaviours will deliver a sub-optimal outcome and be viewed as a trade-off for increased employment in the project management sector. As Benjamin Franklin said: "those who would give up essential liberty, to purchase a little temporary safety, deserve neither liberty nor safety." And in our current context, accepting these behaviours inevitably leads to poor culture on projects, poor decisions and ultimately failings in project outcomes.

Our current situation presents an important opportunity to deliberately step towards developing a human centric management culture which moves away from process/procedure project management and directing/controlling style of leadership. By shaping the human environment of a project we will achieve better outcomes - for the people at the centre of managing these projects, and for our communities who are the ultimate beneficiaries.



Elevating the profession to the more strategic level

Projects are designed to deliver on their strategic objectives, however there is often no voice at the highest level of organisations to ensure that project execution is actually on track to deliver those strategic outcomes.

In instances where project managers have more input at a strategic level, improvements are made and better outcomes are achieved, highlighting an increased importance for project managers to have a voice at the top table. Having an equal voice at this level is an important part of the solution for achieving the best possible outcomes for projects, and for the future of the profession.

By elevating the project managers to the senior, strategic level ensures that decisions on these projects are being driven by a broader spectrum of expertise and thinking. By moving from doer to advisor and making sure project managers are heard and supported at all levels, will see projects become the vessel for delivering strategic change and strategic outcomes.

With many industries looking for a voice at the executive table, balancing the organisational structure against having the right people solving problems, is a challenge. However, it's a critical factor to consider and the project management profession must back itself in this make or break moment.

Learning from past recovery projects

In addition to the key areas, outlined above, for the project management profession to focus on to support best practice delivery, we must also learn from past recovery projects. These moments in history do not come around very often - it's a once in a generation response to a once in a generation pandemic - which makes it even more critical to get this right and learn from the experience of stimulus packages over the past few decades.

Looking back at the centrepiece of Australia's Global Financial Crisis stimulus response - Building the Education Revolution - what did we learn? Have we improved our industry, our organisations? Did we change what we do as a profession?

The \$16.2 billion Building the Education Revolution program aimed at supporting employment and economic recovery through delivery of school infrastructure. The program saw over 50,000 jobs protected and around 24,000 infrastructure projects funded - for 9,500 primary and secondary schools across Australia.

The speed of delivery was unprecedented, and within two and a half years of the program announcement, over 90% of projects were complete, but not without much publicised speedbumps along the way.

The Building the Education Revolution Implementation Taskforce report, released in July 2011, provided some pertinent insights into the Australian construction and project management industries and capacity to manage infrastructure projects of this kind.

The report specifically called out project management as a problem area, with lack of coordination at a national level in terms of qualification and structure. It highlighted inconsistencies in work performance and quality control issues in tradesmanship and on-site project management. However, these issues were not present when efficient project management was in place, resulting in many good quality buildings.

“The Building the Education Revolution program has been notable for negligible industrial disruption, and we have observed the benefit of the BER streamlined planning approval process. We have however witnessed deficiencies in the quality of workmanship, in project management, in public works capacity and in the framework of private certification.”

- *“...the construction industry is employing many project managers with little building experience amidst a trend to more generic project management training. The Taskforce believes that this lack of technical knowledge has impacted on their capacity to adequately and reliably manage risk and procure works across the program.”*
- *“Recommendation 10: The Taskforce has observed a wide range of project management and building contracts, across the implementation of BER P21. Establishing consistency with respect to future contracting arrangements would enhance clarity and pricing of risk and lead to better value for money outcomes.”*

The report made a case for governments to strengthen their project management capability, increasing the skillset in the public sector. It also noted a need for a consistent approach to qualification in the market.

This consistent approach to certification and qualification has been taken by AIPM and its members for many years, consisting of a standard set of competencies and assessment which can achieve the level of assurance the Building the Education Revolution report asks for.

“While money needs to be spent on projects that will boost the economy, at the same time we want to ensure that the money is spent efficiently. I urge governments to call on specialist project managers that have qualifications and experience behind them to ensure the projects that are brought forward achieve what they are designed to achieve.”

- Elizabeth Foley, CEO, AIPM.

“An immediate way to strengthen project management capability on projects is to stipulate in the tender process that they must be registered and qualified, just as we do with engineers. This is a change that can be made rapidly, and one which would drive significant positive impacts, with specialist, experienced project managers managing complexity and delivering exceptional outcomes for government, community, and the country at large.”

- Nathan Agnew, Managing Principal, Program Advisory, Aurecon.

These learnings from past stimulus projects can help inform how we can apply different approaches to this current round of economic stimulus and infrastructure and construction investment.

A cautionary tale

If we don't take this opportunity to learn from the past, get the basics right, assess projects holistically, take a human centred approach and elevate our profession to a more strategic level, there will inevitably be downsides for both the public and private sectors.

When projects aren't set up for success or procurement processes are underweight in relation to the need for well credentialed project managers, there are a range of implications – reputational damage, loss of votes for a government, impacts on people and on the economy. There are also significant health and safety implications exemplified by the home insulation program, known as Pink Batts, where the royal commission into the program found four people died, many suffered third degree burns and over 90 house fires were linked to the scheme. The implications of not getting this right are serious and far reaching.

But when we get this right, when we deliver these projects in the right way - with accountable governance, making sure an organisation's systems and methodologies are aligned to operation, risk and internal capabilities – we can deliver the best outcomes for Australia.

It's our role as project managers to make this happen.

This is a profound moment in history where the decisions we make will impact our way of life for generations to come. The projects delivered will shape our economic future and be remembered as a formative period for the professionals that deliver them. If we use this moment in history to proactively step up and embrace our new role - not just in driving process and procedure but also in shaping and developing the human side and the strategic side – we can shape our destiny as a profession.

Let's not wait for disruption to take us there.

About the author:

Lachlan Waite is a progressive and intuitive Program Manager who is currently working in Aurecon's Global Advisory Business. He has established himself as an intelligent and forward-thinking Program Manager who has provided leadership and management advice to commercial and government organisations globally.



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For more information please visit
www.aurecongroup.com

Melbourne office

Level 8, 850 Collins Street,
Docklands, Victoria 3008

T +61 3 9975 3000

F +61 3 9975 3444

E melbourne@aurecongroup.com