KPMG **Australian Institute of Project Management** **IPMA®** international project management association

The Future of Project Management: Global Outlook 2019

KPMG, AIPM and IPMA
Project Management Survey 2019

November 2019

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KPMG.com.au
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ipma.world

A Connected Future

The demands of connected and digital organisations operating in disrupted and rapidly changing landscapes, dominated by challenges of speed of integration, are applying new levels of challenge to project and program management across the world.

This 2019 joint research survey reveals that the future of project management lies in how the profession responds to these challenges. This will involve how project management leaders adapt to increasingly agile delivery approaches and effectively utilise and leverage the powerful benefits promised through data analytics, advanced collaboration tools and the use of artificial intelligence and robotics to drive traditional PMO functions.

The truly successful future Project Manager (PM) will be more strategic than tactical with increased focus on working with business leaders to rapidly and incrementally deploy benefits to support the overall business strategy. They will have well-rounded business skills and be well-versed in change management, negotiating and presenting clear communications to their stakeholders. They will be connected and understand how projects impact the wider business they serve.

Nonetheless, we also see consistent and traditional challenges continuing to present in the form of governance and project financial management practices that impair project delivery performance.

However we see strong signs of positivity with an overwhelming sense the future remains bright for those individuals who develop strong project delivery leadership skills. Business continues to have strong demands on responding to change with projects. The nature of these projects will be increasingly connected with traditional boundaries between business areas and projects dissolving.

Accordingly, we see future Project Managers needing to be more collaborative and engaging rather than process bound. Able to respond to uncertainty and handle complexity, the future Project Manager will be able to lead change and be genuine partners to their project business owners in striving to deliver strategic benefits rather than mere products.

Contents

Introduction

The community surrounding the practice of project and program management remains a key support for professional practitioners. IPMA, and associated regional partners such as AIPM, are committed to helping professionals increase and improve their competences in project, programme and portfolio management. KPMG are regularly involved in helping clients to deliver complex and significant projects that transform the way they work.

Accordingly, there is natural synergy in IPMA, AIPM and KPMG coming together collaboratively to undertake this research survey to identify and highlight the challenges to the future of project management.

The survey has built on a collaborative research survey undertaken in Australia in 2018. In 2019, with the assistance of IPMA and AIPM, the survey was extended to the global membership base of IPMA and associated regional partners along with select KPMG client representatives. As such, the survey results reflect a broader view (beyond Australia) of those project practitioners at the coalface of delivery and provides insights into what is working, and what is not, in the project management market globally today.

We have sought to highlight the key findings as they apply across the survey responses.

The survey results reveal several key themes that are emerging or continuing to grow. These are:

— Project management is being increasingly used to drive organisational strategy and success and has moved beyond merely delivering outcomes for the business to pick up and adopt;

— The overall sense of success rates of projects continues to be low when viewed through the lens of cost, time, scope and stakeholder satisfaction;

— The importance of sponsorship in the project eco-system continues to be a key factor in project success;

— Collaboration software usage is increasingly being recognised as important in assisting in complex and large projects and has a link to success;

— Opinions remain divided about the effectiveness of enterprise wide PMOs;

— The use of Agile approaches is becoming more widespread;

— Change management is an increasingly important skill and knowledge area for PMs; and

— Project management as a skill continues to grow in importance.

"The survey results reflect a broader view of those project practitioners at the coalface of delivery and provides insights into what is working, and what is not, in the project management market globally today."

Key Findings

Clearly, organisations globally continue to find it difficult to deliver projects that meet all objectives around the iron triangle of time, cost and scope, along with achieving stakeholder satisfaction. While this bottom line is consistent with numerous other studies, the survey results point to challenges in applying consistent governance oversight, focus on managing benefits and managing change through the project lifecycle.

19%
Of organisations deliver successful projects, at least most of the time

58%
Of organisations feel that project success rates, in relation to achieving stakeholder satisfaction, have improved over the past two years

35%
Of organisations completed more than 50 projects in the last year

44%
Of organisations are likely to deliver projects that meet original goal and business intent

30%
Of organisations are likely to deliver projects that are on time

36%
Of organisations are likely to deliver projects that are on budget

30%

Of organisations disestablished a centralised PMO in the past two years

40%

Of organisations use a centralised or enterprise PMO to co-ordinate projects

48%

Of organisations regularly track variations to project benefits

46%

Of projects are delivered with stakeholder satisfaction

63%

Of organisations conduct projects that include change management capability

30%

Of organisations feel their organisational change management capabilities are very or extremely effective

PM in Demand

Project management skills are in demand with high volumes of projects being delivered – and across a wider scope of project types beyond traditional infrastructure and technology areas.

Globally, project activity is significant with 35% of organisations reporting to have completed more than 50 projects in the past year. In terms of types of projects, while the bulk of projects delivered still show a strong focus on Construction and Infrastructure (53%) and Technology and Information Systems (50%), we do note the high levels of projects completed in Business Improvement and Transformation (45%). This highlights a wider use of project management disciplines into more complex and ambiguous fields, offering both greater opportunities for Project Managers but also testing abilities to deliver results from projects in increasingly complex situations.

**Top five reasons
for starting projects**

24%

To refresh or build
new infrastructure

19%

Deliver strategic
business
improvements

13%

To grow revenue

12%

To introduce new
products or services

12%

To develop information
systems/technology

Delivery Matters

The age of the hybrid approach is upon us with Agile delivery approaches in use in over 47% of organisations. This indicates the use of Agile delivery approaches as either the predominant delivery approach or being in use alongside traditional approaches.

This is a significant increase, noting the Australian survey in 2018 had indicated Agile approaches being used in 24% of organisations. The revolution of approach is seemingly well under way with the extension of the Agile principles beyond software development and into broader business change and improvement projects. As noted earlier, the survey results indicate widespread application of project management thinking across the spectrum of how a business operates. Operating in dynamic and uncertain contexts mean Project Managers need to have more flexibility in the delivery. Further, they need to be quickly seeking to deliver value to their business owners and adapt to changes in circumstances without being doggedly tied to a business case view of time, scope and cost. Agile thinking offers a way to break free from the shackles of the iron triangle and become more responsive to the needs of the business. The challenge remains for Project Managers to find that balance between senior executive demands for a clear picture of what investment needs to be budgeted for and what return can be promised for that, while allowing and facilitating the much more free form nature of Agile.

The increased use of Agile approaches alone seems unlikely to be the silver bullet to fully addressing the overall project success rates of 19%. Both Agile and traditional approaches are just as likely to deliver sub-optimal outcomes if there are wider issues surrounding business engagement and governance. The survey findings indicate that important underpinning disciplines are not being consistently applied. Globally, at least two in five organisations 'never' or 'sometimes' apply a risk management methodology, have measurable project success criteria or report on project benefit variations. These project and program governance disciplines are important for ensuring alignment to business strategy, while also ensuring key stakeholders are being appropriately engaged in decisions regarding project and program direction.

The engagement of sponsors is noted as a critical ingredient in project success rates. There is a strong correlation between success and the level of actively engaged sponsors and having extremely or very effective project and program governance practices.

48%
Project benefit variations are always or often reported regularly

69%
Always or often identify and implement recovery actions to address time or cost variations

59%
Measurable critical success factors are always or often defined at the outset of projects

81%
Regularly review and maintain project budget forecasts

60%
Consistently apply risk management methods throughout the course of a project

83%
Regularly review and report project time and cost variations

Performance of the PMO

40%
Of organisations use a centralised PMO to co-ordinate projects

30%
Of organisations have disestablished a centralised PMO in the past two years

28%
Of organisations rate their centralised PMO's ability to support and effect change at very or extremely effective

The use of PMOs is widespread across industries globally, with 40% of organisations using centralised or enterprise wide portfolio level PMOs. 65% report using more focussed divisional portfolio or program/project specific level PMOs.

The consistent main reason cited for the use of the PMO construct is to improve governance (36%). Other key reasons include prioritisation of activities to strategy (18%), improve project management maturity (12%) and enable consistency of delivery (11%).

Disturbingly though, the survey results indicate that 30% of organisations have disestablished PMOs in the past year. The key reasons given for this are a failure to gain alignment across different organisational divisions and a perception of the PMO being a cost overhead.

The challenge for PMOs is clearly on the table. To be valued, they need to be focussed on facilitating effective decision making around the organisational portfolio or program. This will include actions involving prioritisation of investment and adjusting project delivery activities in an Agile manner to adapt to the changing strategic requirements of the business.

In this light, it is concerning to note the reported low numbers regarding PMO focus areas on engaging senior management with key risks and issues (2%) and ensuring complete, timely and accurate data is collected to enable quality decision making (9%).

Use of PM Tools

Use of recognised project management software, tools and techniques is widespread.
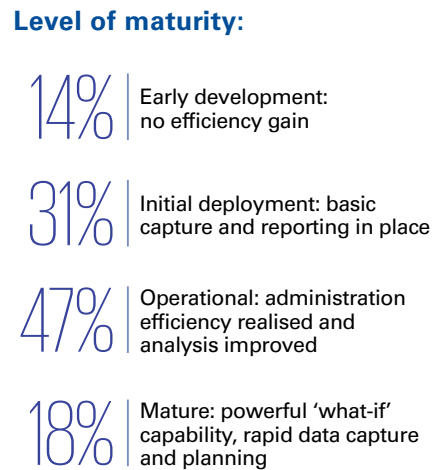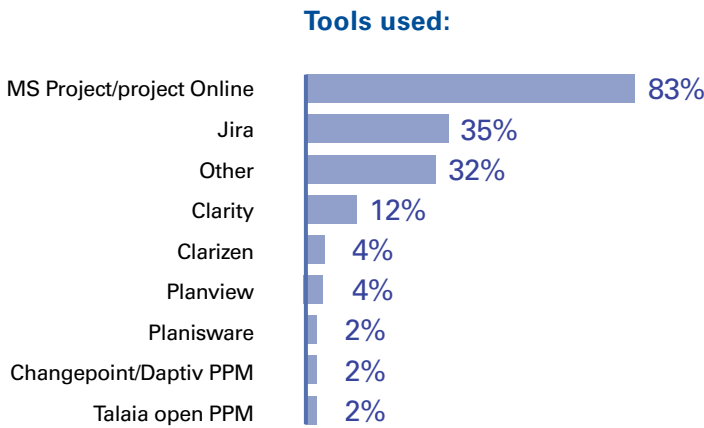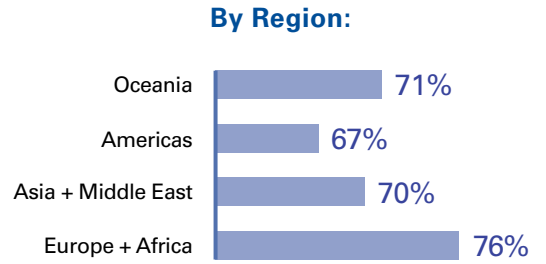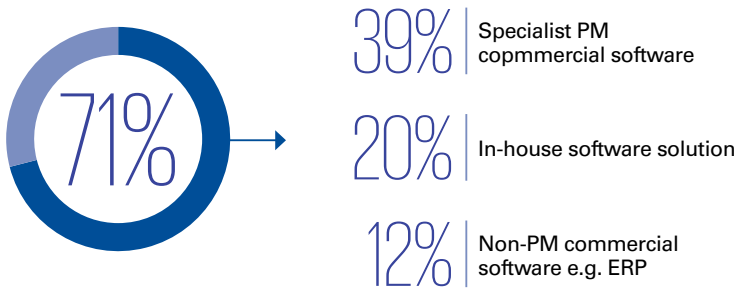
71% of organisations reported using project management software to improve the management and control of programs and projects. Specifically, 39% are using specialist PM software, 20% are utilising an in-house solution while the remaining 12% are using non-PM commercial software. MS Project/Project Online is the tool used most readily. The level of maturity in development and use of software is generally identified as being 'operational' by close to half of all organisations.

Usage of collaboration software is significant with 51% of organisations using collaboration tools to support project delivery.
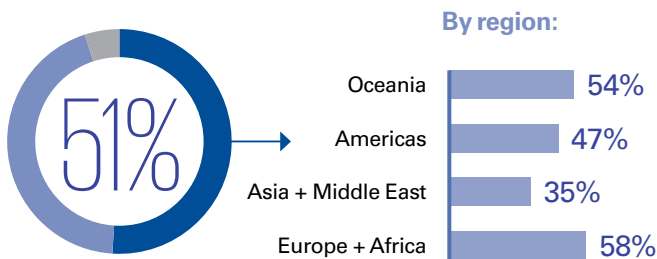
At this stage, only 8% of organisations globally reported using Artificial Intelligence tools to support their projects.
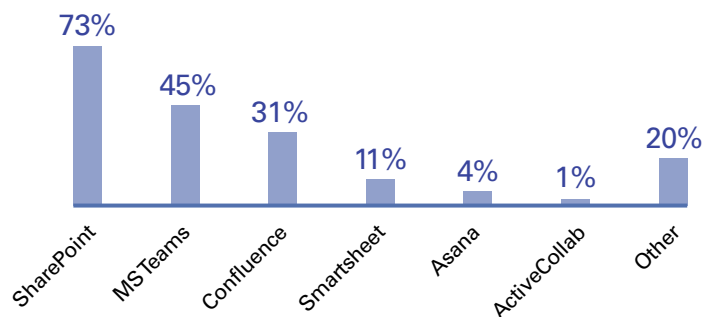
Use of PM Tools
(continued)

71%

39% | Specialist PM copmmercial software

20% | In-house software solution

12% | Non-PM commercial software e.g. ERP

By Region:

Oceania	71%
Americas	67%
Asia + Middle East	70%
Europe + Africa	76%

Tools used:

MS Project/project Online	83%
Jira	35%
Other	32%
Clarity	12%
Clarizen	4%
Planview	4%
Planisware	2%
Changepoint/Daptiv PPM	2%
Talaia open PPM	2%

Level of maturity:

14% | Early development: no efficiency gain

31% | Initial deployment: basic capture and reporting in place

47% | Operational: administration efficiency realised and analysis improved

18% | Mature: powerful 'what-if' capability, rapid data capture and planning

Usage of collaboration software

51%

By region:

Oceania	54%
Americas	47%
Asia + Middle East	35%
Europe + Africa	58%

Types of software used among those using collaboration software

SharePoint	MS Teams	Confluence	Smartsheet	Asana	ActiveCollab	Other
73%	45%	31%	11%	4%	1%	20%

Building Capability

In a world where projects are increasingly being delivered in complex and volatile environments, the future Project Manager needs to have well developed skills in managing change, being connected across the business and handling difficult communications.

The increasing complexity and use of project management suggests the importance of developing these skills is critical.

Perhaps strangely in this context, the survey noted that only 28% of organisations globally have a planned development program or pathway for the development of project management skills. 61% of organisations rely on self assessment as a key approach to identification of PM development needs.
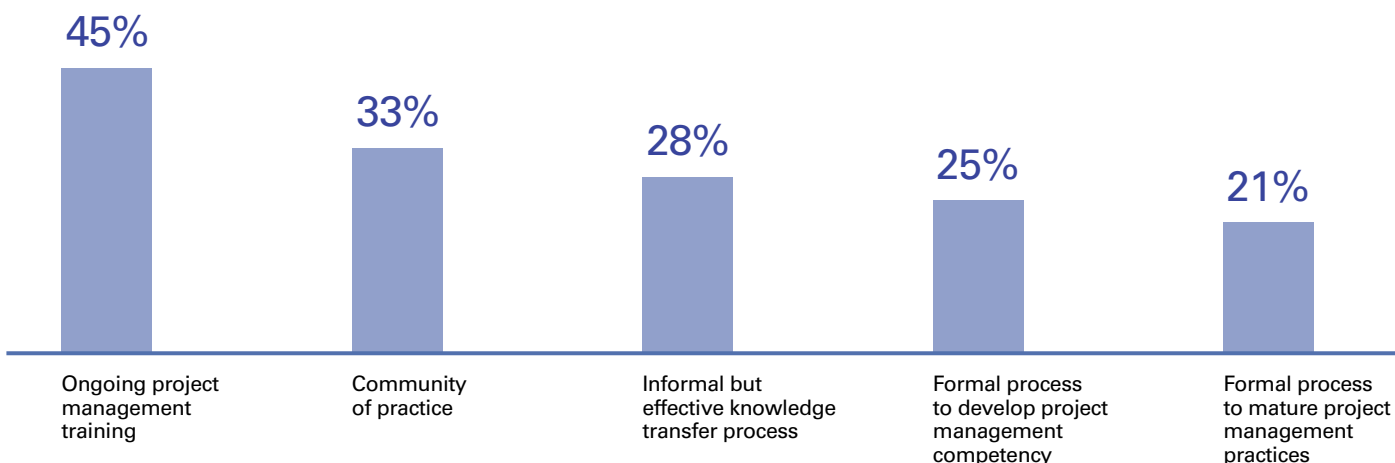
The dominant approach to building capability is through ongoing PM training (45%), although other informal approaches to transferring and building capability are in practice.

However, the survey found a lack of correlation between holding formal PM accreditations and qualifications and the likelihood of successful projects delivery.

Rather, the survey suggests the key skills for the future Project Manager are moving beyond technical project management skills with a clear focus on the need to develop skills to handle complex and dynamic project environments. The top six skill areas recognised as lacking are listed to the right.

The survey also suggests the main pathway to becoming a PM is through lateral skills development and transition from other business areas, with only 22% of organisations globally running a formal graduate program or internship for Project Managers.

Talent management activities

45%	33%	28%	25%	21%
Ongoing project management training	Community of practice	Informal but effective knowledge transfer process	Formal process to develop project management competency	Formal process to mature project management practices

34%
Leading change in
the organisation

30%
Difficult conversations
and conflict management

26%
Delegating authority
effectively

26%
Communication skills

25%
Political smarts/upward
management

20%
Teaching, mentoring
and knowledge sharing

18%
Defined
career path

16%
Formal knowledge
transfer process

21%
None

5%
Don't know/
Unsure

The Future is Bright

The future Project Manager will be more in touch with the needs and demands of their organisation. They will be connected and able to deal with complexity with a positive attitude, secure in their understanding of how to make things happen. They will be treasured in organisations as the glue between strategy and implementation.

74%
Of respondents think that, in the future, PM skills will be more important than today

66%
Of respondents say PMs in their organisation are perceived with a positive image

36%
Of respondents rate the effectiveness of management in creating a project friendly culture as being very or extremely effective
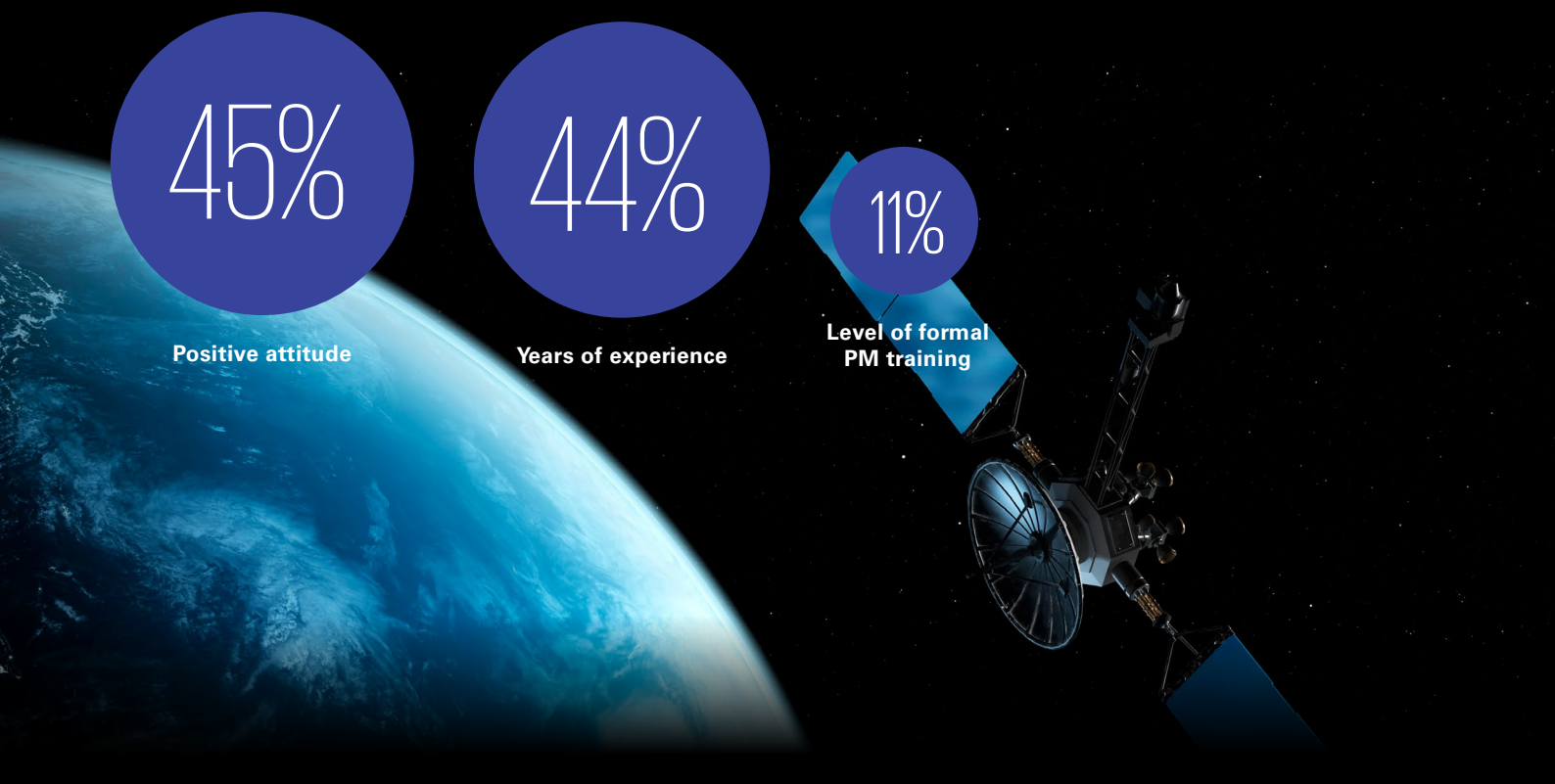
Most important attributes for a successful PM

45%
Positive attitude

44%
Years of experience

11%
Level of formal PM training

Interpreting the Results

Project and program management continues to be a critical capability for high performance organisations striving to adapt and keep ahead of the curve in our complex and dynamic business environment. The survey feedback indicates we are at a crossroads in how project management will be utilised in the future as business demands greater agility and responsiveness for strategic implementations. Based on the survey findings, five main areas of focus that should be applied to enhance project effectiveness today are:

01

The future of project management is increasingly strategic.

The skills and disciplines of project management are being used to tackle an ever widening set of business challenges. Ultimately, project delivery is essential for the modern organisation as a tool for delivering strategic change and driving bottom line performance improvement.

To this end, organisations need to invest further in their bottom up portfolio management capabilities. This will ensure the project portfolio can react appropriately to changing strategic priorities while maintaining a focus on delivering measurable business benefits from the project investments. The survey results revealing a lack of discipline in tracking and measuring project benefits are, in this light, disturbing.

02

Project success rates remain stubbornly low overall but it is not all bad news.

19% is a key headline number that is an indictment of the level of investment in project management skills and capabilities in organisations. However, digging further into the number suggests the likelihood of achieving all four elements of cost, schedule, scope and stakeholder satisfaction in the one project is difficult – especially in a world of increasing project complexity. To this end, the survey findings that 44% of projects deliver the business intent and 46% of projects delivered with stakeholder satisfaction point to a better picture than the 19% statistic in isolation.

Increasing focus on closing the gap between business needs and project delivery, through the application of more Agile approaches, appear to be on the increase to further address these deficiencies.

03

Heat needs to be applied to project and program governance practices.

The evidence is clear that engaged senior stakeholders have a significant positive impact on the likelihood of project success. Organisations naturally want to see positive returns on project investments so we should see increasing focus on efforts to educate and professionalise the role of project sponsors and the steering committee.

This should extend to improving the disciplines associated with portfolio decision making and governance, particularly in the areas of defining and monitoring the realisation of project benefits.

04

PMO disruption is upon us.

Increasingly, Agile and adaptive approaches to deliver strategic outcomes through projects and programs require quicker and more insightful leadership from the PMOs. Automation, data analytics and artificial intelligence are increasingly offering new and improved ways of monitoring performance, identify deviations from plan and underlying risks and issues.

Adoption of such technologies will ultimately aid the PMO in providing quicker and more targeted support for executive decision making, while allowing more focus on the complex tasks of understanding the strategic alignment and dependencies across the enterprise portfolio.

05

The development of successful Project Managers requires more than training and certification in technical project management.

The survey responses relating to skills most needed to be effective are clearly pointing to the need for the future Project Manager to be more capable in managing complexity. Skills such as working more effectively with stakeholders, managing change and handling difficult conversations should arm Project Managers with the skills necessary to have greater effectiveness in complex and volatile situations.

This does not mean eschewing technical project management skills and disciplines. Rather, it points to the need to develop capabilities in higher level interpretation and the use of these project management skills to link the project delivery to organisational outcomes and impact.

06

The future of project management is connected.

The successful Project Manager in the future will be a lot more than the person responsible for creating and following a project schedule. They will be more embedded in the overall strategic direction of their organisation and will understand how the connections between strategic intent, business performance and business owner needs must be translated to ensure project outcomes result in positive business impact.

This future represents a challenge to the current Project Manager to strive to continue their journey of development. For this future will require greater willingness to step up to leading delivery that is truly focussed on meeting business needs and not following a transactional process approach to deliver outputs.

Call to Action

In an environment of constant change and upheaval, successful organisations must be able to adapt and implement quickly, demanding more of Project Managers than ever before. Improving the figure of 19% of projects and programs delivering to full success is a challenge to the project management community globally. The potential results in terms of organisational effectiveness and community benefits is significant. To turn these performance results around requires:

Organisations to invest in building an Agile delivery mindset that works for their unique circumstances. This needs to find a balance between executive planning needs while providing appropriate flexibility and freedom for Agile delivery of business benefits.

The future Project Manager will be increasingly strategic and connected. This requires individuals to develop their skills in areas outside traditional project management practices, such as change management. Additionally they will need to be a very effective communicator who understands the dynamic link between the business strategy and the projects they are responsible for delivering.

Organisations need to double down on commitment to project and program governance if they want to see improved returns on investment. Critical governance activities such as risk identification and escalation need to be followed through with senior commitment and engagement. This requires a lens on ultimate business outcomes if we are to redress the relatively low project success rates evidenced.

The future of project management is as a connected facilitator of change and return on investment. This will require greater emphasis on aligning organisational change management capability with project delivery capability.

The paradigm of the enterprise PMO needs to be changed. They must go beyond the tactical processes associated with being an organisational centre of excellence for consolidated reporting. Instead, they need to be focussed on facilitating effective decision making around the organisational portfolio or program. This will include actions involving prioritisation of investment and adjusting project delivery activities in an Agile manner to adapt to the changing strategic requirements of the business.

Investment in new technologies such as collaboration tools and artificial intelligence is needed to enable quicker and more effective use of project management data to support decision making.
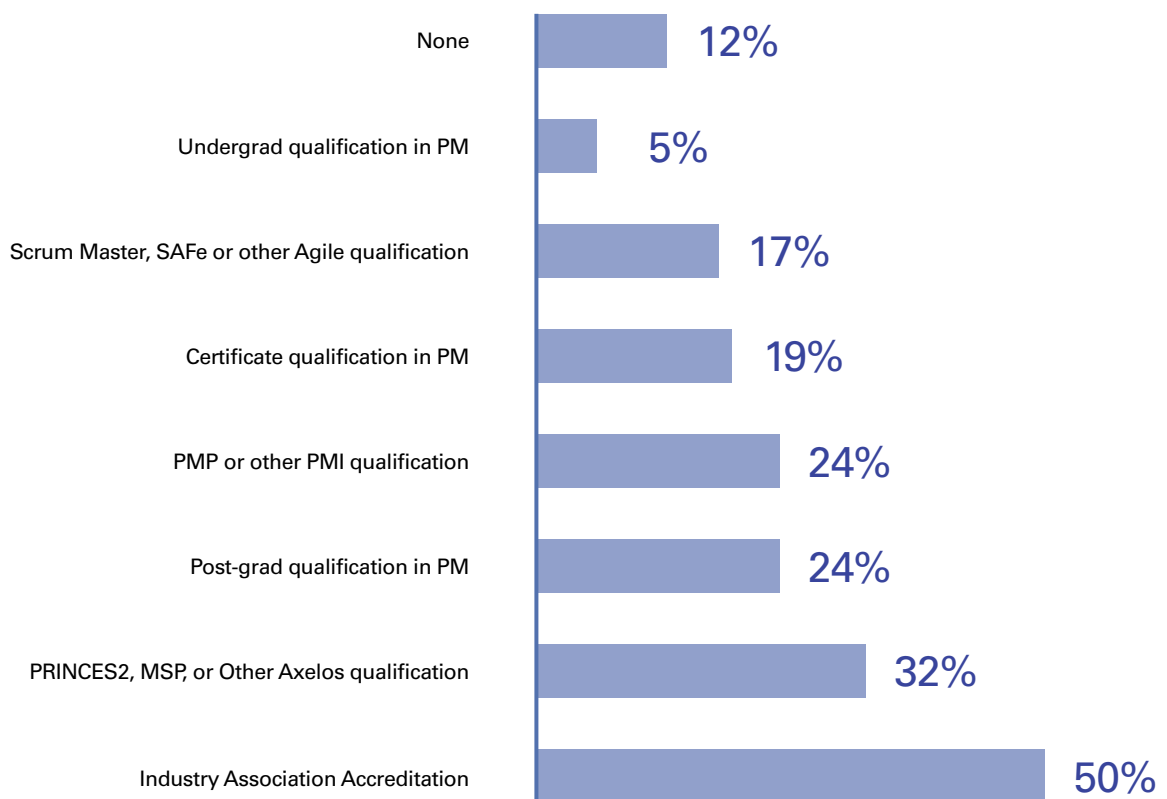
About the Survey

The 2019 Project Management Survey is a collaborative research effort between KPMG, The International Project Management Association (IPMA) and the Australian Institute of Project Management (AIPM) to establish quantifiable indicators of project management performance.

Conducted in August 2019, the survey provides a voice for IPMA (and affiliated geographical PM institutions) and AIPM members with select KPMG clients who have leadership roles in the delivery of projects and programs.
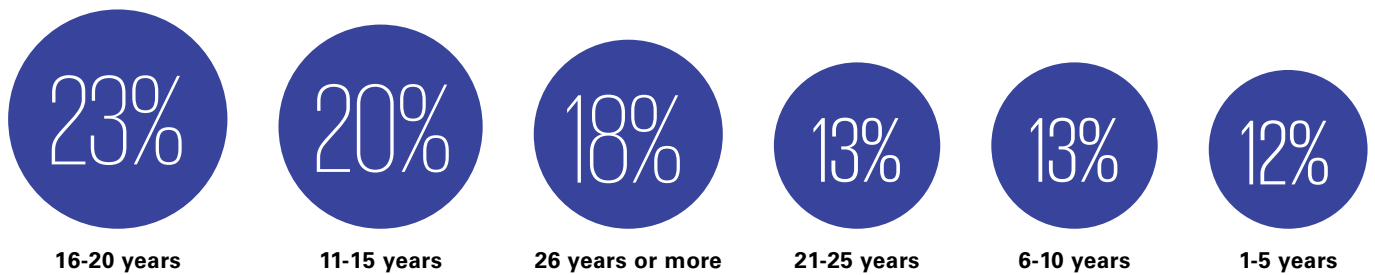
The purpose of the survey is to explore current trends in project and program delivery. With almost 500 respondents from 57 countries across the globe, the survey findings represent the perspectives of project management practitioners.

We hope the insights provided can, in some small way, help progress the effectiveness of project and program delivery globally.

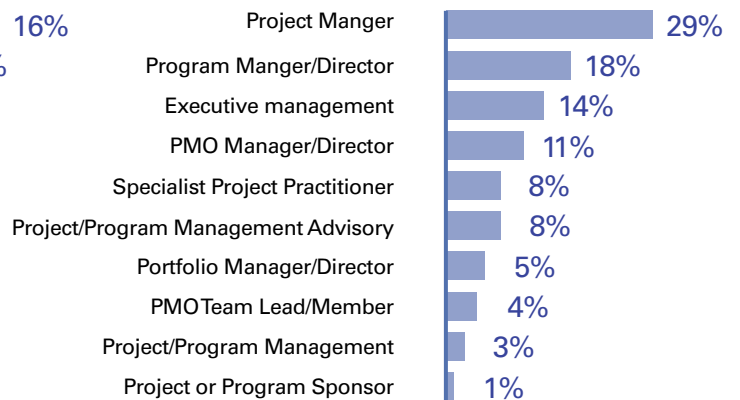**Project management certifications of respondants**

Certification	Percentage
None	12%
Undergrad qualification in PM	5%
Scrum Master, SAFe or other Agile qualification	17%
Certificate qualification in PM	19%
PMP or other PMI qualification	24%
Post-grad qualification in PM	24%
PRINCES2, MSP, or Other Axelos qualification	32%
Industry Association Accreditation	50%

Years of experience of respondants

23%	20%	18%	13%	13%	12%
16-20 years	**11-15 years**	**26 years or more**	**21-25 years**	**6-10 years**	**1-5 years**

Respondee sectors

Government (State/Federal)	16%
Construction	12%
Energy and utilities	9%
Information technology	7%
Financial services	7%
Engineering	6%
Professional services	6%
Education	4%
Telecommunications	4%
Transport	4%
Health and community services	3%
Manufacturing	3%
Local/county/municipal government	2%
Aviation	2%
Scientific research and services	1%
Agriculture and farming	1%
Consumer products	1%
Primary industry	1%
Retail	1%
Other	9%

Respondee role

Project Manger	29%
Program Manger/Director	18%
Executive management	14%
PMO Manager/Director	11%
Specialist Project Practitioner	8%
Project/Program Management Advisory	8%
Portfolio Manager/Director	5%
PMO Team Lead/Member	4%
Project/Program Management	3%
Project or Program Sponsor	1%

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