



IS YOUR PROJECT MANAGEMENT SUPPORTING YOUR STRATEGIES?

BY SALLY RAWSTHORNE

Effective project management is critical to the building and construction sectors. In this issue of *Australia's Best Building, Construction and Mining*, we speak to Dr Keith O'Shea from the Australian Institute of Project Management about the importance of good project management to the construction industry.

Project management is an area in which Keith O'Shea has a great deal of experience. He is the Western Australia Councillor of the Australian Institute of Project Management, and a past director of the WA chapter of the institute.

He holds Certified Practising Project Director status, and is a senior competencies assessor for the institute. He also holds a Master of Project Management and a PhD in Project Management Knowledge, highlighting his considerable knowledge of the field. He is a lecturer at several universities in their Master of Project Management programs.

Keith explains how he has been involved in the sector for over a decade. "As a

registered commercial builder in 1997, I was targeted by RMIT university as a potential student for the Master of Project Management project. While undertaking this degree, I became aware of the Australian Institute of Project Management, subsequently joined, and have maintained and grown my involvement with the institute ever since."

Given his considerable involvement in the sector, Keith is well qualified to define and explain project management. "There appears to be a general consensus on what differentiates project management from other organisational management processes. Various authors discuss projects as producing something new and unique, introducing change, implementing strategy,

and reaching to existing market opportunities. Projects also have a definite beginning, middle and end. They are goal oriented, use a finite limit of human resources, are financially constrained, and often cross organisational boundaries. Project management may well have been used to build the pyramids, and it clearly endures to modern times. During the Cold War, the United States sought to speed up its ability to produce weapons, so they invented a Program Evaluation and Review Technique. This is a great example of efficient project management – they emerged victorious, didn't they?"

This is clearly important in the construction industry, which is inherently focused on tendering, winning and completing

“PROJECT MANAGEMENT MAY WELL HAVE BEEN USED TO BUILD THE PYRAMIDS, AND IT CLEARLY ENDURES TO MODERN TIMES.”

- Dr Keith O'Shea

high-quality projects. It is differentiated from project management in other spheres by a number of factors. “Building and construction projects require a greater level of technical ability or know-how. Various discussions take place as to what is sufficient in terms of a project manager’s technical knowledge and expertise,” Keith says. “Often, it is proposed in building and construction that the desired project results can only be achieved with a proper mix of project managers, with the requisite know-how and organisational support.”


Correct project management is a prime essential in all businesses in the building sector, as business strategies are maintained and achieved through good management of projects. “A business’s strategy is implemented through projects. Successful implementation of the projects means reaching the goals of the organisation, and thus meeting the needs of individual clients and their projects. Projects that do not contribute to specific strategic goals are a waste of critical organisational resources,” Keith says. “Projects are linked to the strategic business plans because they represent how a strategy is to be implemented.”

These strategic goals can include diversification of a company’s construction portfolio, constructing a different type or standard of building, a larger range of clients, or specialising in a particular area of construction. “Since some goals are more important to a business than others, the best way to maximise the organisation’s resources is through a priority scheme that allocates resources to a portfolio of projects, which balances risk and contributes the most to the strategic plan.”

Considering its importance, the consequences of poor or incorrect project management on a business can be enormous. While the individual project will obviously suffer, the business completing the project may suffer from a loss of reputation, income or industry confidence, all of which are crucial in the crowded and competitive construction marketplace. “Research results strongly indicate that organisations that rely on programs and projects to support the

delivery of strategic outcomes will obviously benefit from the implementation of sound practices. The result of not undertaking the required principles is all too commonly broadcast in the media and in the industry for all to see,” Keith explains. “This is often a result of poor allocation of resources and a failure to undertake the necessary steps in the project management process, such as insufficient time spent scoping out projects, budget blowouts, and timing overruns.”

Further to these negative ramifications of poor project management, issues with supply-chain management may stem from this. Relations with suppliers and subcontractors may suffer from poor management of construction projects, as contractors make a considerable investment in each project. Similarly, relations with clients will necessarily suffer if a construction company fails to meet the agreed outcomes.

As we move into the future, the nature of project management within building and construction is changing. Environmental and human-resource-based initiatives are becoming more prevalent in the building and construction sector generally, and the project management thereof. “Project managers increasingly need to be aware of the environmental impacts of the projects they are undertaking and the methods by which they are achieved. In doing this, they are required to identify all the stakeholders in the projects and their engagement therein. Once this is understood, project managers can work to ensure that the future environmental impact of their projects is as positive as possible within the confines of the job,” says Keith. “Additionally, we are seeing a definite shift towards the human side of project management, which is sometimes inappropriately referred to as the soft side of it. We’re coming to see that dealing with people is really important – as important as the technical side. The future is definitely bright, as project management continues to be viewed as a means of delivering an organisation’s strategy, which is the issue on many people’s minds with the looming shortage of skilled practitioners.” 

The Australian Institute of Project Management

The Australian Institute of Project Management (AIPM) is the premier body for project management in Australia. It is the longest serving specialist project management body in Australia, with the largest membership base.

Formed in 1976 as the Project Managers’ Forum, the AIPM has been instrumental in advancing project management as a profession in Australia over the past 34 years. With nearly 10,000 members, it is the largest membership organisation for the industry in Australia. The AIPM provides a range of services to its members, who are located at all levels of business, industry, government and the community.

The AIPM is a not-for-profit organisation that operates in accordance with its constitution and is registered as a company limited by guarantee with the Australian Securities and Investment Commission. The institute is recognised by business, industry, and government as the key promoter, developer and leader in project management.

Internationally, AIPM is the second-largest member of the International Project Management Association, which represents a federation of over 50 national project management associations from all organisations worldwide. The AIPM also is the Chair and Secretariat of the Asia Pacific Federation of Project Management, an organisation comprised of 12 Asia Pacific national project management associations. These international links provide the AIPM and its members with a significant voice in the global project management community.

The institute’s role is to improve the knowledge, skills and competence of project managers and related project personnel, all of whom play a key role in the achievement of business objectives, not just project objectives.