



The High Cost of Low Performance

PMI's Pulse of the Profession® Annual Global Survey 2014

Michael DePrisco, PMI Vice President Academic and Education Programs
University of Texas, Dallas PM Symposium

14 August 2014



**is the Global, Not-for-Profit Leader
in Project, Program
and Portfolio Management**



A Global Organization

**Project Management Professionals,
Organizations, Governments**

Scholarship and Research

**Developing the Next Generation
of Project Managers**

Global Outreach and Globally Diverse

PMI Offices

North America

**Newtown Square, Pennsylvania; Washington, DC;
Seattle, Washington; Chicago, IL**

EMEA: Europe/Middle East/Africa

**Brussels, Belgium; Lelystad, Netherlands;
London, England; Romania**

India

New Delhi, Mumbai, Bengaluru

China

Beijing, Shenzhen

Asia Pacific

Singapore; Canberra, Australia

PMI's 2014 *Pulse of the Profession*[®] Report

PMI's

Pulse of the Profession[®] report

The industry's annual global benchmark for organization, project, program and portfolio management

Additional in-depth reports on key topic areas



INSIGHTS

Integrating PMI's market research with other data

Ties together insights gained from global organizations and governments around the world

What We Know

**The Imperative
is Clear**

**The Chasm
is Wide**

**The Answer
is Strategic Focus**

The Imperative is Clear

It's time for organizations to focus on improving PPPM, and its alignment to strategy

- **Shifts in consumer demand, in shaping strategy, in customer expectations**
- **Economists forecasting modest growth**
- **A lot of money at risk**



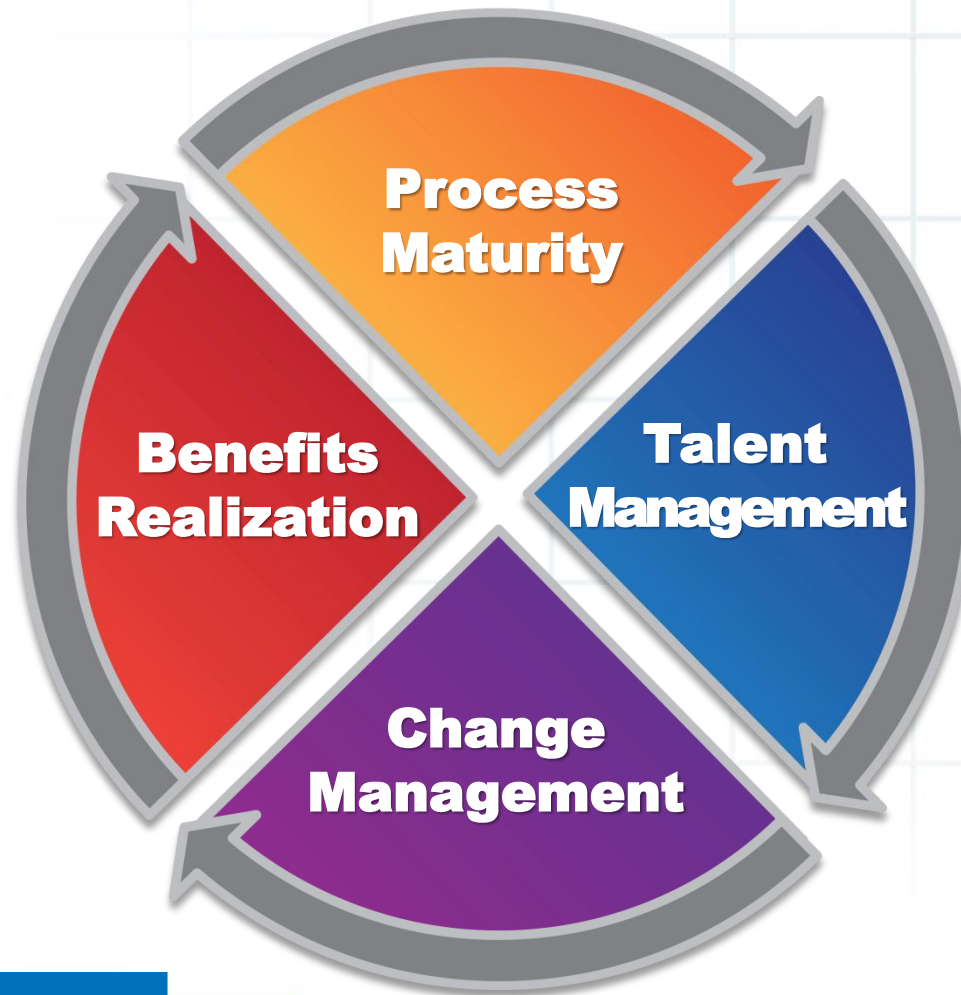
The Chasm is Wide



The reality is that organizations are falling short of aligning high priority initiatives to their strategy.

The Answer is Strategic Focus

Organizations need to focus their efforts on the following to drive success



PROJECT success
with high alignment of projects
to organizational strategy

71%



48%



with
this in place **without**
this in place

STRATEGIC INITIATIVE success
with high alignment of projects
to organizational strategy

73%



44%



with
this in place **without**
this in place

The Message is Clear: The Forecast is still for Modest Growth



Source: EIU – December 2013

Note: 2014 – 2018 are forecasts

The Numbers Tell a Story

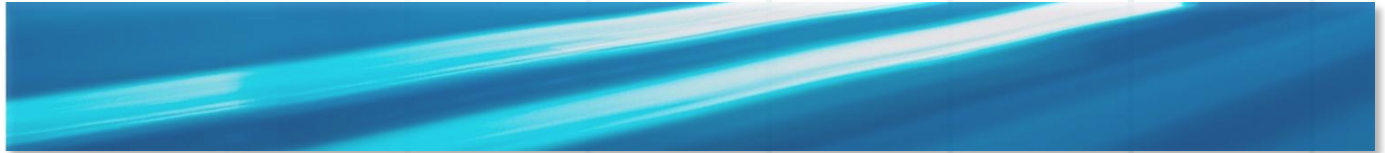
2012
\$120M
wasted
on \$1B
projects

2013
\$135M
wasted
on \$1B
projects

2014
\$109M
wasted
on \$1B
projects

The Chasm is Wide

58%



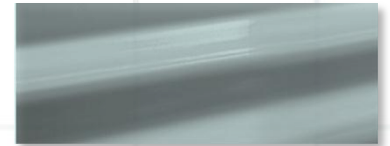
**of projects are NOT highly aligned
to organizational strategy**

44%



of strategic initiatives are unsuccessful

15%



of organizations report high organizational agility

To Drive Success: Focus on Strategic Practices

Process Maturity

Understanding the value of PM, having a PMO in place, using standardized PM practices, and maturity in PPPM

Talent Management

Ongoing training, formal processes to develop and mature, career path and formal, effective knowledge transfer process

Change Management

Having effective change management in place and executive sponsors who are actively involved

Benefit Realization

Increasing maturity of benefits realization in the organization

Case Study: Defined Career Path

When MD Anderson Cancer Center launched its PMO it defined the competencies, skills and experiences required to be a project professional and aligned them with their IT Project Management career ladder.



MD Anderson

For organizations, a robust talent management program and defined career path often provides an advantage over rival companies looking to poach the best people.

- Patti Layne, PMP, Director Project Support and Coordination Services



THE UNIVERSITY OF TEXAS
MD Anderson Cancer Center



**How the case was made
for building
high-performance
project talent**

**By 2020, 15.7 million
new project management roles
will be added globally.**



Case Study: NASA's Project Hope

Molding the Next Generation of Project Leaders

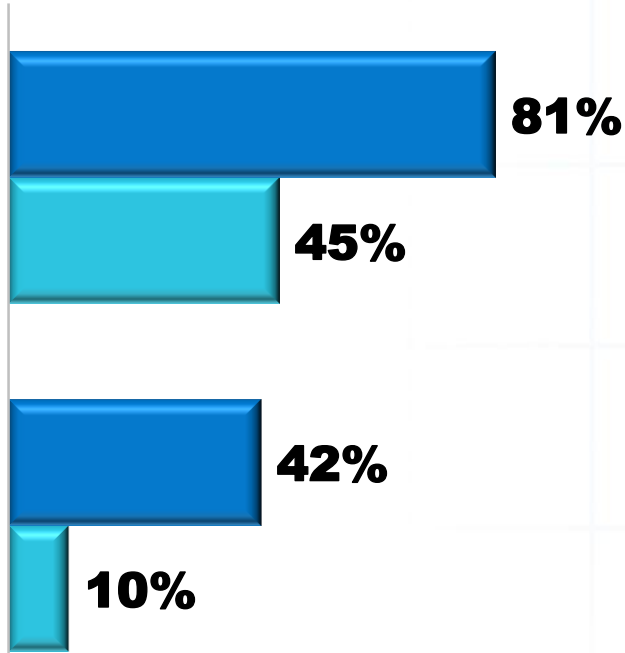
**Hands-on
Project
Experience**

Allows less experienced team members run a project from proposal through execution over the course of a year.



Focus on Change Management

Significantly more high performers have these in place



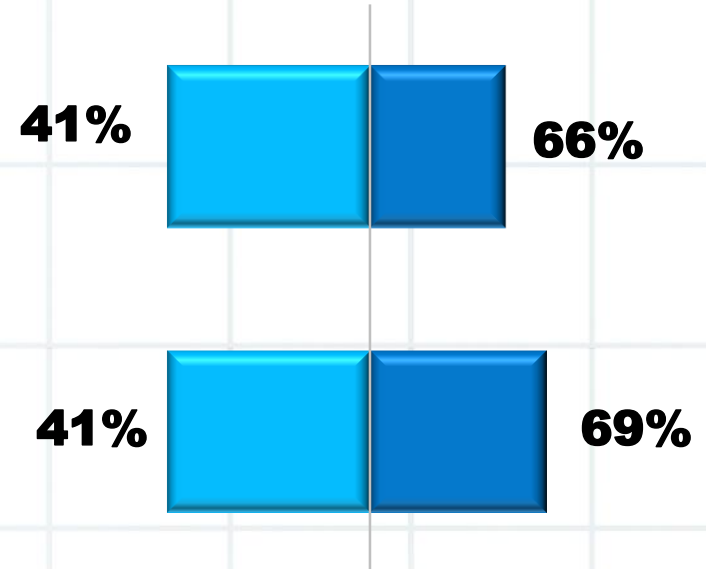
■ % of High Performers with practice in place

■ % of Low Performers with practice in place

Percentage of Projects with Active Sponsors

Change Management Effectiveness

Significantly more strategic initiatives are successful with these in place



■ % successful strategic initiatives with practice in place

■ % successful strategic initiatives without practice in place

The Imperative IS Clear!



71%

of strategic initiatives
of **high-performing**
organizations meet
original goals and
business intent

38%

of strategic initiatives
of **low-performing**
organizations meet
original goals and
business intent

Organizational Agility



31%

of **High Performers** have High Organizational agility

9%

of **Low Performers** have High Organizational maturity

The Message IS Clear

Improving the alignment of strategic initiatives impacts their success and the success of the organization

An increase in successful strategic initiatives results in fewer dollars wasted

To increase success, organizations need to focus on:

- **Maturing their PPPM capabilities**
- **Managing and developing their people**
- **Creating a culture receptive to change, including a process in place to manage it**
- **Measuring and communicating the benefits successful strategic initiatives bring to the organization**



***However beautiful
the strategy,
you should occasionally
look at the results.***

- Winston Churchill