



The Challenge of Developing Capital Works PMs

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Functional Manager: Project Management

Australian Project Situation

- You do not have to have a PHD in Rocket Science to understand that we are now back in boom times
- Although the Hon. Norman Moore stated this was sustained economic development at the recent AIPM conference!
- All Booms present certain challenges - The challenge we would like to discuss is the recruitment of suitable PM's to undertake the large type projects being undertaken in Australia today but not only today what should we be doing to train and mentor PM's who will undertake large type projects in the future.

Dilemma of Today

- ➔ Most firms understand that there is not a reliable supply of qualified and experienced Project Managers to manage the larger Capital Projects.
- ➔ This results in the need to hire from Overseas locations.
- ➔ When we recruit from overseas sources can we be sure that the PM's understand the Australian:
 - Values
 - Culture
 - Standards
 - Etc

Recruitment

→ So what do we look for when appointing a PM?

Selection Criteria

Do we select on the basis of:

- Technical Abilities
- People Skills / Leadership Skills
- Economic Skills
- Safety Awareness
- Risk Awareness / Issues

All of these make the Genetic Code of a PM

Project Success

- “...Since 2004, only one Australian mining or oil and gas project costing more than \$2bn has hit targeted production on time and budget....”
Quote from “The Australian”
- What role do we believe a suitable PM plays in the successful delivery of a project?
- Is a PM a key driver for Project Success?
- How much do we believe the success of a Project in some part belongs to the choice of the ‘Right’ Project Manager?

Perhaps These Also Play a Part

- Client changes their mind – Scope Creep
 - Poor Design / Engineering
 - Poor budget definition (the “Hospital Pass”)
 - Evidently 47% of failed Capital projects under estimate the Capital expenditure
 - 41% underestimate the Operating expenditure
- (UK Study by OGC)

Selecting a PM

- Where do they come from?
 - Which Gene Pool?

- Technical backgrounds OK when
 - They understand Leadership / Management
 - They do not concentrate on the Technical Role
 - Fundamentally understand Safety / Time / Cost / Quality

- This is sadly not always the case

Home Grown PMs

- Majority of Australian PMs currently come from the Technical Gene Pool
 - Is this the correct Gene Pool??
 - Can we select a Non-Technical PM?

- Can an IT PM manage a Building construction project?

- Can an Architect manage a Railway construction project?

- Can a Highway Engineer manage an IT Project?

- Can a person with an Electrical background manage an Environmental Project?

What of the Future?

- Government's throughout Australia at both Federal and State level now understand the need to provide Trade Training via apprenticeships to meet the future needs of the Country.
- So what are we doing to meet the future needs of the Country.

Do both Federal and State Governments understand the need to not only develop Trades but also PMs?

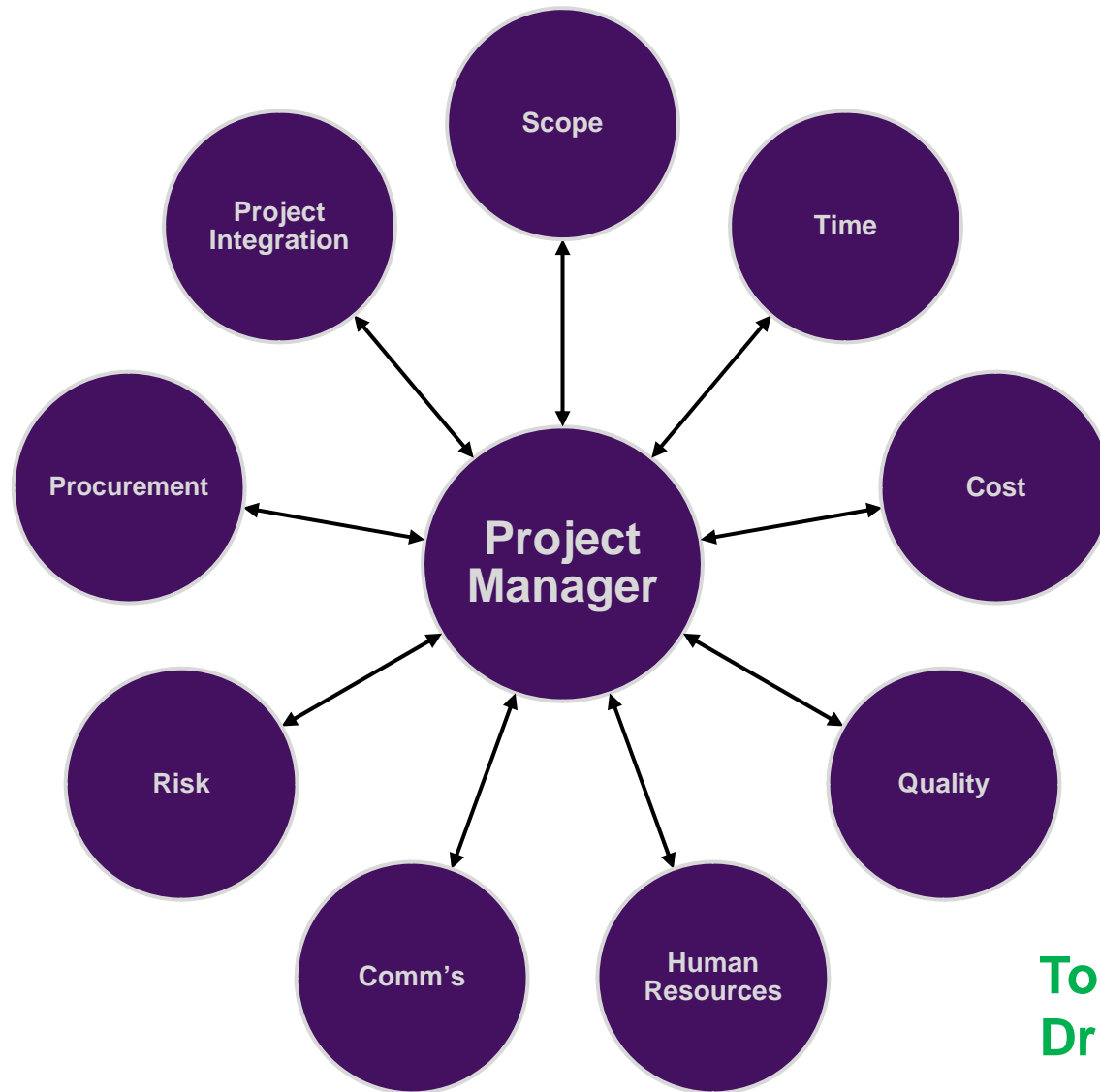
Not only PMs but Project Controls, Safety, Scheduling, Estimating etc.

Future PMs

- Do we need to identify the next generation of PMs now to meet our future needs?
 - Mentor
 - Support
 - Train

Development

- Are Companies readily identifying / training and mentoring the next Generation??
- Or are we too busy meeting today's needs, that tomorrow's needs and requirements are not considered?
- Many and varied PM courses available
 - CertIV's through to Master's
 - But do they meet the need?

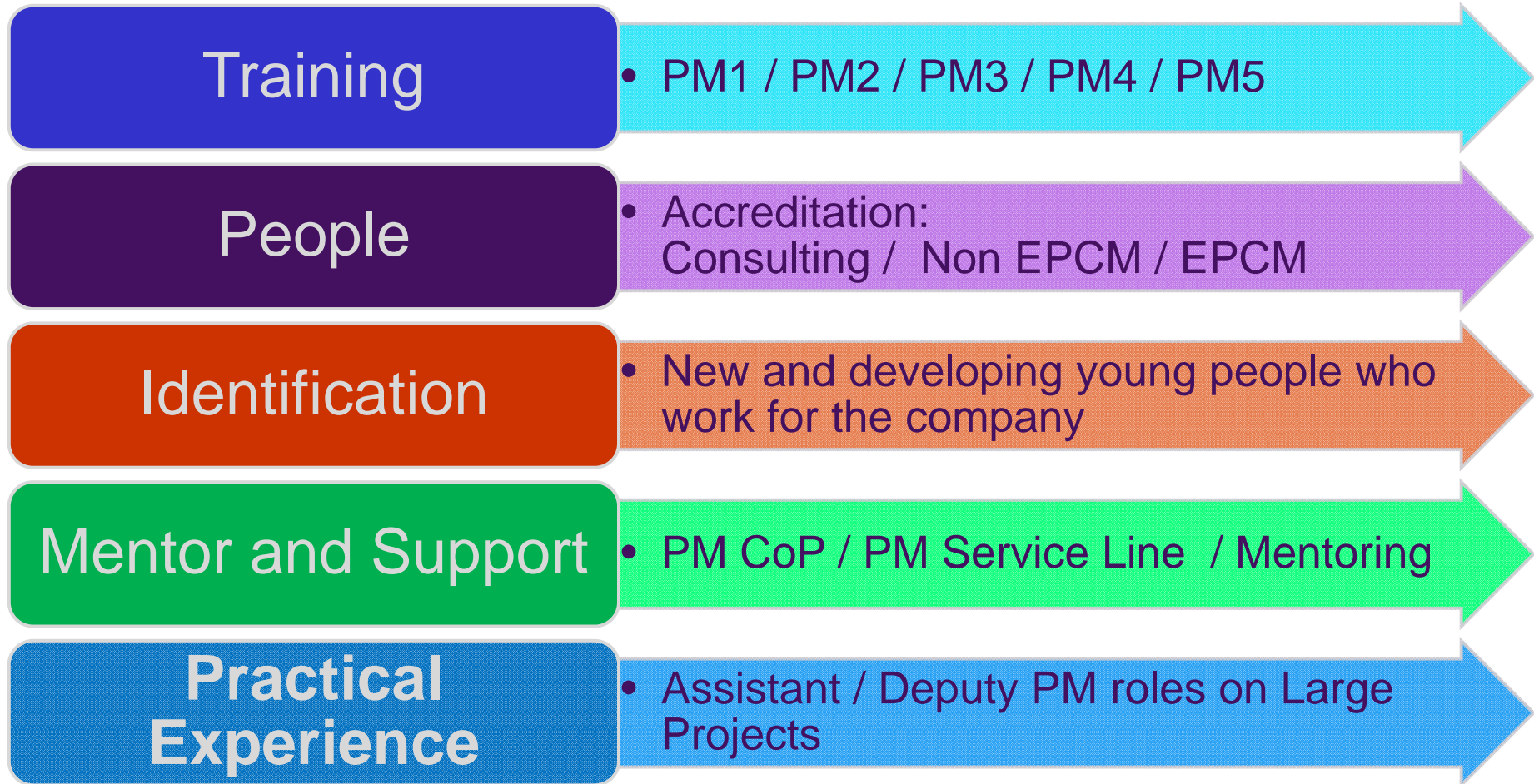


Also required

Behaviours
 Leadership
 People Skills
 Legal
 Understanding
 Industrial
 Relations
 Health &
 Safety

To meet the Key Project
 Drivers of Cost / Time / Safety

SKM's PM Stream (in Development)



So What?

What is the magic formula
where we have confidence
that the PM's selected have
the attributes to manage
Multi Million / Billion Dollar projects ?