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
Developing the Next Generation of Project Managers

Scholarship and Research

Project Management Professionals, Organizations, Governments

A Global Organization
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, Shenzen

**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**

**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

- 42% indicate a high alignment of projects to strategy
- 44% of strategic initiatives are unsuccessful
- 15% of organizations report high organizational agility

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:

- Process Maturity
- Talent Management
- Benefits Realization
- Change Management
**PROJECT** success with high alignment of projects to organizational strategy

- **71%** with this in place
- **48%** without this in place

**STRATEGIC INITIATIVE** success with high alignment of projects to organizational strategy

- **73%** with this in place
- **44%** 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.
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
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

- Percentage of Projects with Active Sponsors
  - 81% with practice in place
  - 45% without practice in place

- Change Management Effectiveness
  - 42% with practice in place
  - 10% without practice in place

Significantly more strategic initiatives are successful with these in place

- 41% successful strategic initiatives with practice in place
  - 66% successful strategic initiatives without practice in place

- 41% successful strategic initiatives with practice in place
  - 69% successful strategic initiatives without practice in place

Focus on Change Management

- Significantly more high performers have these in place
- Change Management Effectiveness
- Significantly more strategic initiatives are successful with these 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