

Current Trends and Future Predictions

CURRENT TRENDS

Project management as an industry may be used to describe companies that sell PM products, services and technologies in the open marketplace. Those products and services primarily include PM software and related services, PM consulting services, PM training and educational products and services, and turnkey project and construction management services. Here are a few interesting trends:

Overall growth of PM Sector – When the aerospace, construction, defense, energy, petrochemical and transportation industries are considered, PM may now be a \$100B industry worldwide. The PPM (Project Portfolio Management) software industry is a \$10B market.

PM services in Iraq over the last five years have probably totaled \$5B alone. Hundreds of millions of dollars are being spent on PM services in UAE and other Middle Eastern locations; the same is true in China where 100,000+ project managers have been trained in the last few years.

Rapid and Continued growth of PM in the IT Sector Over the last decade, modern professional PM has been embraced by organizations involved in IT more rapidly and more seriously than in any other sectors (of industry).

Seven good reasons for the rapid growth of PM in the IT sector are (1) massive investments in IT worldwide; (2) the natural project-orientation of IT; (3) the increasing complexity of IT programs and projects; (4) rapidly changing technologies; (5) IT project failures; (6) the Information Age – the Third Wave has arrived; and (7) IT crosses all industries, organizations and Projects.

Consolidation in the traditional PM Software Sector – With the recent acquisition of Primavera by Oracle, the trend of consolidation at the top end of the PM software industry is continuing. We can expect this to continue, as the PM market continues to grow, such that 80% of the enterprise PM software sector will be dominated by a few firms. This will lead to new opportunities for smaller firms to enter and succeed in niche markets.

Rapid growth & expansion of the PM SAAS Sector – the low cost of entry for businesses offering products and services via the internet has led to a proliferation of startup PM software-as-a-service companies in the last three years, especially in North America. Because web-based businesses can be anywhere, several have been launched recently in Russia, Ukraine, Eastern Europe, Asia and Latin America, with Europe and North America still the target markets.

Entrée of big IT companies in PM software Sector – Some of the world's biggest IT service companies now have PM divisions with revenues exceeding US\$1 billion/year, including HP (consulting, software and services), IBM (services), Oracle (services, software), and SAP (services and software). Huawei, one of China's largest and most rapidly growing technology companies, has embraced PM internally and is now offering PM services.

Growth of PM Training Sector – Project management training is now big business; a recent email claimed that it is now a \$1B/year industry. There are now hundreds of companies in this business, partially driven by the global demand for the PMP® certification offered by the Project

Management Institute (PMI®) and by the general increased demand for PM. Online PM training programs have also increased in recent years.

Expansion of PM Consulting Sector – Just as the PM training sector has grown, so has the PM consulting industry expanded over the last twenty years. Whereas this industry was dominated by small independent companies just a few years ago, today project management is a basic element of most management consulting companies and especially those serving technology industries. PM is a basic and important aspect of the services offered by such companies as ABB, AT&T, EADS, GE, HP (which recently acquired EDS), IBM, ITT, Lockheed, Siemens and many others.

PM as specified service in construction sector – Project management is now more frequently a contracted service by property developers and owners of major commercial construction projects. This is especially true in such heavy industries as oil & gas, petrochemicals, transportation and utilities.

Large American and European construction services companies such as Bechtel, CH2M Hill, Fluor, Hill International, Jacobs and URS are winning PM contracts on large projects. AMEC, the large UK-based engineering and construction services firm, now bills itself as a project management company.

These trends have been readily apparent in the Egypt, Saudi Arabia, UAE and other countries where construction labor is readily available, but European and American contractors are hired to provide top level PM.

FUTURE PREDICTIONS

The Future of PM Applications in a Global Economy – The application of program, project and portfolio management will continue to grow in industries where they are currently used, but will also expand into new industries and organizations in the future. The growth curve may be a steady upward line, but the areas, industries and sectors of application in will be broad and expanding.

The Future of PM Tools & Technology – The use of PM tools and technologies is directly related to technology trends in industry and society. PM solution providers simply harness existing and new technologies to develop and provide new tools to the PM world. Over the last 20 years, new tools and technologies have been based on developments in computing hardware and software and in communications technologies, including the worldwide web. Some of the factors that will affect these trends in the future include advances in computing power(hardware); spread of multi-media software and web technology; global economic development (rise of markets for projects & PM in more places); spread of telecommunications & satellite based internet access (ICT growth in Asia and Africa); global energy sources and storage technologies; and continued expansion of economic globalization.

Within the PM field, and for specific organizations, the market must include enterprise solutions as well as tools for planning and managing stand-alone projects; but all tools must be easier to use and less costly.

The Future of the PM Industry – Every aspect of the PM industry should continue to expand for the foreseeable future. That will include PM service providers, tools and technology suppliers, PM education and training businesses, PM consultants, PM information resources (PMForum), PM research entities (Gardner, etc.), even PM entertainment. The market is expanding rapidly now as more organizations across industries are recognizing that they all have projects and program, and can all benefit from more efficient and effective PM. Again, rather than a single straight line, there can be projections for each segment of the PM industry. For example, there is a future need for

headhunters in the PM field, to help career PM professionals find their next projects – a natural business that is now growing as well.

The Future of the PM Profession – As you should now anticipate, I believe the future of the PM profession is very robust. From a career perspective, many more individuals will find themselves engaged in PM for a larger portion of their professional lives. As PM becomes more common, it is only logical that more practitioners will consider PM as a profession, whether it meets a generally accepted definition of profession or not. Meanwhile, member-based PM organizations and PM professional societies will continue to grow, in both membership and influence. The responsibility of a professional society is to establish standards; educate member professionals; be an advocate for the profession with government, industry and society; and act as steward. Each PM professional organization might have a straight line projection – but the future of the PM profession itself might more closely resemble a cloud.

In my opinion, the future of PM is robust and exciting. The number of organizations, programs and projects that need professional PM continues to increase. As PM gains wider visibility and recognition in organizations around the world, its adaptation will increase and positive impact grow. This is an exciting prospect. Keep working, asking questions and developing solutions. There is always more we can do.

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