

**Is Project Management Deficit a Brake on the Irish Economy?  
Project Oriented Society Research - an Executive Summary  
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New independent research shows that Ireland is at the forefront of thinking and practice in project management. A study sponsored by the International Project Management Association, based in Zurich, showed that Ireland was ranked second, behind Sweden, and ahead of the United Kingdom, Norway, Denmark, Hungary, Austria, Romania and Latvia in the practice of project management. The study was conducted in 2001 and 2002 and was coordinated by the University of Economics and Business Administration in Vienna. In Ireland, the research was jointly undertaken by the Department of Management and Marketing, University College Cork and the Institute of Project Management of Ireland.

Experts from Irish universities, institutions, and project practitioners from a large cross-section of sectors participated in the assessment. These sectors included construction, financial services, health, I.T., major consultants, telecom, and transport.

The research team believes that a key attribute of this high ranking stems from the demands of many of the US multi-national companies operating in Ireland. For example, in the early nineties companies such as IBM, Motorola, EDS, identified the requirement to have project management as a core competency and have worked hard to implement it. From its traditional application base in the construction industry it has now spread its wings into virtually every sector of the economy. The research would also tend to indicate that the surge in the use of project management is helping us to deal with at least three of the strategic challenges that face all organizations: how to manage complexity, how to manage time and how to manage cost.

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Ireland's capability in the area of project portfolio management was ranked fourth behind Sweden, Norway and Denmark. The research team believes that many senior executives do not necessarily appreciate the true potential and strategic value of project and portfolio management. The reality in most organizations is that dozens of projects exist throughout the company in various stages of completion (or more commonly, of disarray). For many, embracing the discipline happens as a response to an internal crisis or change in the environment.

The results of recent US studies to determine the value of project management to organisations, showed improvements such as 30% in project budget; 34% in project schedule performance and 27% return on investment being achieved.

The development of project management also requires macro level support structures, such as national certifying institutions, dedicated educational programmes, professional training programmes, and research into project management. The benchmarking study compared countries at this macro level and on this dimension Ireland received a lower rating (fourth, after the UK, Austria and Sweden). Ireland's

low rating on project management research (seventh) is a cause for concern. This possibly reflects the relative dearth of social science and business research in Ireland generally.

As a nation, it is important that Ireland can offer and provide a highly trained and skilled pool of project management expertise, both for its own indigenous organisations as well as for inward investment corporations. It particularly needs to strengthen its capability in the direct application of project portfolio management.

Separate research has further predicted that through 2004 companies that fail to have structured project and portfolio management in place will experience twice as many major project delays, overruns and cancellations as those that do.