International Roundup

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A Journal of Cost Engineering, Project Management and Quantity Surveying

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MESSAGE FROM THE CHAIRMAN

Dear Fellow Cost and Project Professionals:

This is my last message as chairman of ICEC. My first idea was to reflect on the two years I served as your chairman; how many interesting people I met during this period. I could write about my travels around the world and so on.

On second thought I decided to put this information in the chairman's report that I will present at the Council meeting in Cape Town in April.

Now I want to share with you my thoughts about the future of our profession. How will a cost engineer, quantity surveyor or project manager, in general cost professionals, operate in say 10 years from now?

When I started as a cost professional in the seventies the use of computers was something special. Working on my first overseas job in Aruba, we used a computer firm to process the timesheets for the labor force generating both pay slips and cost and man-hours analysis. We used input forms and punch cards. At that time we were the first employer to use such an advanced system. In that same period a new

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International Roundup is published twice a year by the International Cost Engineering Council (ICEC), a worldwide confederation of cost engineering, project management, and quantity surveying associations. ICEC has no individual members. Participation in ICEC affairs is only through membership in one of the ICEC societies which, in combination, represent over 100,000 cost management professionals in more than 120 countries.

Information for inclusion in International Roundup should be submitted to: International Cost Engineering Council, PO Box 301, Deakin West, ACT 2600, AUSTRALIA; phone: +61-2-6282-2222; E-mail: International Roundup; Internet home page: http://www.icoste.org.

PLEASE NOTE: Each ICEC member society is requested to submit information for the next International Roundup to the editor no later than 15 September 2004.
computerized planning tool, network planning, came en vogue and of course we tried to use it.

In my assignments in Nigeria the computer got a more prominent place in the cost working environment. Still on mainframes we could control a workforce of 25,000 on a weekly basis!! My first contact with Personal Computers was in 1984. One could hardly comprehend the advantages of such systems as Lotus. The “if then” analysis became possible in just minutes and also the first databases were developed.

I clearly remember the period my company had to bid on an electrification project on 20 islands in the Indonesian archipelago. I started with one estimate and copied it 20 times and then adjusted each estimate for specific circumstances. My boss was very impressed with the speed of the estimating process. Modifications were easily implemented.

The next breakthrough came with the Internet possibilities. This development is I think still in its infancy. A excellent example was presented in 1998 by Ginette Basak with her paper about the project cockpit (http://www.icoste.org/korev198.htm). Automated updates of project control documents is common practice for many of us.

Communications will improve. I once volunteered to distribute ICEC documents. The cost was about three thousand dollars. Now with the website in full swing it costs only a fraction of that amount.

How our profession will develop in the coming years is hard to imagine.

One thing is certain. We will in the future receive project control documents with the remark: “This estimate was made by a human.”

Today systems exist that can read design documents and generate material quantities take off’s and put unit rates against it, thus generating an estimate faster and more accurately than any person.

So the future of our profession will be in the human factor and the interpersonal process of cost management.

You can stare at your screen for hours, but you will never get the same feedback as in life facing a project manager and telling him he completed the project in time and on budget.

Finally some words about the last two years. The period between Melbourne and Cape Town was very exciting. I met hundreds of people in many places. To my hosts in all the places I visited I want to express my appreciation for making me feel so welcome. To Ken I want to say how grateful I am with his patience and understanding with me.

See you all in Cape Town

Steven Boeschoten
Chairman, International Cost Engineering Council

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ICEC Secretariat Relocated to Canberra, Australia, 15 February 2004

The new ICEC Secretariat has been established at the National Surveyors House in Canberra Australia effective 15 February 2004. The Secretariat is housed in the offices of the Australian Institute of Quantity Surveyors. The address and contact information for the Secretariat is:

Postal address:
PO Box 301
Deakin West
ACT 2600 Australia
The new Secretariat Administrator is Ms Robyne Nash. Robyne is currently completing the requirements for a Bachelor of Arts / Bachelor of Psychology. We welcome Robyne as ICEC’s first employee and look forward to working with her over the coming years.

All correspondence to ICEC on matters other than finance should be directed to the new Secretariat.

The treasury function of ICEC will remain with Dr. Kenneth Humphreys and queries, payments, etc. should continue to be addressed to him at:

International Cost Engineering Council
1168 Hidden Lake Drive
Granite Falls, NC 28630 USA
Phone: +1-828-728-5287

Dr. Humphreys' new e-mail address is kenh@icoste.org. Subscription payments, applications for ICEC membership, and other financial matters and queries should be directed to Dr. Humphreys. Executive functions, including administration of the ICEC treasury remain with the elected Secretary-Treasurer of ICEC.

All ICEC members and interested parties are asked to update their records to reflect these changes. When in doubt if a matter should be handled by the Secretariat or by Dr. Humphreys, please send your query to the new Secretariat at icec@icoste.org. The Secretariat will refer to Dr. Humphreys those matters requiring his attention.

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ICEC Region 1 Director Franklin Postula Passes Away

ICEC was shocked to learn of the passing of Franklin (Frank) Postula, ICEC Region Director for North and South America on February 19. Mr. Postula succumbed to a sudden severe bacterial infection. His passing is a major loss to ICEC and to the cost management profession worldwide.

Frank Postula had been a member of AACE International since 1979, and was a key member of the AACE Education Board. He has served as ICEC’s Director for Region 1 since 2002 and had been named to continue in the position until 2006. He has served as the ICEC Director and Chair of the International Standards Working Group for the past five years. AACE International Executive Director Barry McMillan said "Frank was still working right up until his sudden and tragic death. He was a man whom all could respect. He never ceased working for AACE and was devoted to his family. We will miss his knowledge, professionalism, wit, and dedication to the profession he loved. It is indeed a loss for all who knew him."

The Postula family has requested that any memorial donations in memory of Frank Postula be sent to Gideons International, PO Box 140800, Nashville TN 37214-0800, USA. Should you wish to express your
Brunei officially recognises AIQS qualifications

Over the last four years the Australian Institute of Quantity Surveyors (AIQS) has been negotiating with the Brunei Accreditation Council to formally recognise and accept AIQS professional qualifications as being the equivalent of the Royal Institution of Chartered Surveyors (RICS) qualification.

On 17 February the AIQS National Office received advice from the AIQS Representative in Brunei that the Accreditation Council has now officially recognised AIQS qualifications as being equal to the RICS. This decision has great significance for the AIQS members in Brunei and is the result of some very hard and constant work by both the current and previous AIQS Representatives in Brunei and other AIQS Officers and Executives.

It not only recognises the high standards and competence of AIQS members but also the very active Continuiong Professional Development program for AIQS members in Brunei and the valuable educational and professional support offered by the Institute to its overseas members.

Terry L Sanders LFASAE
General Manager, AIQS

Simon Cash stands down from RICS

Simon Cash has resigned from the position of Chairman of the Construction Faculty of the Royal Institution of Chartered Surveyors (RICS) in February 2004.

In his resignation Mr Cash said that "Throughout my involvement in the RICS, not just the Construction Faculty, I have always found people very supportive and enthusiastic" and wished the organisation well in the future.

Until a replacement is selected the RICS Construction Faculty can be contacted via the Director, Martin Russell-Croucher at Martin.RC@rics.org.uk.

International Standards Working Group (ISWG) Report

Our initial listing of cost management practices and reference documents has been updated with additional entries. You can find a direct link to the list on the ICEC website under: *Worldwide Inventory of Best
Practices and Standards in Cost Engineering, Quantity Surveying, and Project Management. This is a list of over 300 standards, best practices, and reference documents that are in use in ICEC Regions I, II, and III. Key words can be used to search the list for topics of interest.

We believe that recognition of international standards is becoming more imperative as the World moves toward a global economy. ISWG is striving to establish “generally accepted cost management practices.” Standardization of our processes will benefit us all through avoidance of misunderstandings in joint agreements, improved communication between organizations, and more efficient cost/project control.

ISWG invites the new ICEC members to support the International Standards effort by providing a summary list of their practices/standards (please refer to the current list for content). We are especially interested in information from Regions II and IV. Please forward any practices/standards information you may have to Peter M. Cox at pcox@padghams.com.au

Frank D. Postula PE CCE
ICEC Director of Standards

Editor's Note: Mr. Postula passed away on 19 February. Peter Cox will be assuming his role on an acting basis.

AACE International 48th Annual Meeting
to be held in Washington DC, USA, 13 - 16 June 2004

Join AACE International in Washington, DC and expand your professional skills at the 48th Annual Meeting - 13-16 June 2004. AACE 2004 will challenge you to better manage, plan, schedule, and implement technology on your projects for more effective and efficient business operations.

Washington, DC is one of the best known cities in the United States, if not the entire world. Plan now to bring your family to explore all this city has to offer.

Technical Program

AACE’s Annual Meeting Technical Program is a great way to add to your perspective and to provide ideas of how others are handling modern cost management projects using the latest techniques. A unique collection of new technical presentations about real world projects and problem solving will be presented by over 100 authors. Multiple meeting room tracks give participants many concurrent options to choose from. Once they register, participants will be able to download papers that will help them design the best program for their needs.

The Technical Program tracks will also feature a "Skills & Knowledge" track which is great for those who are new to the profession. These mini seminars will survey the scope of modern cost engineering and is also very useful for those who specialize in only one area, and who want to refresh their skills in other areas. Plus there will be a track on the latest software being used called the "Software Showcase" that will give users the chance to see what's new from key industry suppliers. The remaining tracks will feature papers on all aspects of cost estimating, project controls, planning and scheduling, project management, decision and risk management, cost engineering, global projects and many other topics relevant to today's professional.

Continuing Education Seminars
Today's constantly changing global work place demands continual professional development to stay abreast of the latest skills and knowledge. With ever tightening in-house training budgets, AACE International is your source for cost effective professional continuing education.

AACE will be hosting a full program of professional seminars in conjunction with the 2004 Annual Meeting in Washington, DC. These seminars will be both before and after the Technical Paper Program, and are designed to provide you with top instructors for intensive presentations on professional topics from project controls, cost estimating, and planning and scheduling to project management and risk analysis, and operating costs.

Plan now to attend a seminar and broaden your skills as you invest in yourself. Of course all materials and luncheons are provided, as are refreshment breaks. Several of the courses are designed to let you take a seminar that is followed by a certification exam - this new "teach/test" concept requires candidates to sign up well in advance, and meet fundamental experience requirements. So advance your skills, earn Professional Development Credits, and expand your professional knowledge. This is a great way to maximize your travel dollars and your value to your company.

For more information: http://www.aacei.org/annualmeeting/.

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The forthcoming IPMA World Congress 2004 Budapest is just around the corner. As Chairman of the International Committee I helped conduct the final 3rd prep-com workshop along with our Hungarian hosts and Scientific Committee members on site at the Budapest Congress Centre and we are positive that the scheduled event with all its innovative features will truly live up to its main theme "CROSS-CULTURAL-NETWORKING".

Indeed, considering the widely dispersed candidate countries for future IPMA World Congresses, the Budapest event might be the last one for some while in the heart of Europe. However, it is the great mission of IPMA to steer the flagship of Project Management knowledge to all the continents around the Globe, while the PM-Profession has to adapt to the changing circumstances of the 21st Century as communications methods and travel opportunities have been dramatically improved.

Nowadays many projects involve multiple companies, frequently from a variety of countries. This brings into sharp focus the many aspects of cross cultural working, particularly delivering project outcomes while living another country and collaborating closely with colleagues from diverse cultural backgrounds: that is why the 2004 Budapest event should be considered an important interactive workshop for all of us to prepare ourselves to carry the torch-flame of the interdisciplinary knowledge of Project Management around the Globe.

I firmly believe that for those aspiring to true success, the integration of local culture into business strategy is of crucial importance. Thus the philosophy of CCN is all about opening up whole new dimensions in our profession of project management.

On behalf of the International Committee, I cordially invite you to participate in this outstanding opportunity to share ideas, network among the many delegates from the world community of the project management profession, in the lovely and historic capital of Hungary: Budapest, on the occasion of the 18th IPMA World Congress on Project Management on the 19-20 June 2004.

Please note that there are exceptionally rich pre-congress and post-congress seminar and workshop opportunities available, starting with the 4-day IPMA Young Crew Workshop on 15-18 June, the 16th
As the Program Director of the 18th IPMA World Congress on Project Management 2004 - I hereby would like to enhance the spirit of attendance of all participants-to-be by highlighting major novelties with a statistics-of-date of the upcoming Budapest event.

To live up to a truly colourful multi-cultural event there are 180 lecture - abstracts registered for the two-day congress from 35 countries from all over the Globe.

Parallel with those high-quality lectures a rich variety of on-stage round-table programmes with lots of surprises are offered, along with the choice of 26 pre-/post-congress seminars (including the 16th Global PM Forum on the pre-congress day) are enriching the optional menu available for those who wish to enhance their in-depth knowledge with an affection towards the scientific achievements of PM-Culture in general as well as for enhanced understanding of cross-cultural knowledge.

The IPMA Young Crew Workshop will be a special designed interactive 4-day event just before the congress days hosted by the Budapest University.

As for the novelties:
- Please, prepare yourself for the first ever IPMA International Bowling Competition on the pre-congress / registration-day (right after a light-cocktail party in the same premises where the congress is taking place: we accept team registrations in advance!
- Since the 40th anniversary of IPMA (INTERNET) is in 2005, we prepare a “dress-rehearsal” for all National Association of IPMA by offering free stalls on the “Rue des nations” as well as an innovative panel-(on-stage) promotion of their achievements on Day-Two: afternoon.
- To allow more high-profile key-note speakers to get on-stage we have introduced the “time-share” arrangement on the plenary sessions, and farther on as a deep appreciation for all those famous experts who have been the main attractions on previous world-congresses we wish to introduce an extra novelty platform by founding the "International Key-note Speakers’ Club”- with a special designed panel session on Day-One: afternoon.

I believe the 3rd IPMA International Project Management Award is not counted as novelty but for sure it is the very first occasion to celebrate the winners outside Germany!

Péter Tárnoki
Program Director
IPMA 2004

E-mail: tetspeed@inext.hu; Internet: http://www.ipmacongress.hu. Click here to download the Congress Program and Registration Information.

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SENET 3rd Project Management Conference,
“Project Management - Paving the way to European Union”
to be held in Bratislava, Slovakia, 22-24 September 2004

by
William Trnka
Member of the Executive Committee
Project Management Association of Slovakia
The European Union (EU) is expanding... The Central and East European countries as the new candidates started executing formidable, history making integration process with immense economic, social and political consequences. The expected growth of the EU population is about 25% (almost 100 millions of inhabitants)

The EU candidate countries suffered under the communist regime for more than 40 years. Their infrastructure was underdeveloped and obsolete, and needs to be reconstructed to the West-European standards. For example, only in Slovakia (about 5 million inhabitants) is the estimated investment deficit in her infrastructure approximately 33 billion EUR.

The European integration process is creating hundreds of programs containing hundreds of projects. This enormous amount of projects needs adequate human, financial and other resources from around the Europe, and also from around the globe. It is expected to spawn many possibilities for private-public partnerships in the candidate countries.

This process is a historical challenge to the project management profession not only in Europe but also to all project management professionals interested in business and cultural connections with the transitional countries in the heart of Europe.

In this context, SENET decided to devote its 3rd Project Management Conference to subject called “Project management paving the way to EU.”

The Conference main goals are to:

- Realize the potential of professional project management on challenging integration projects in the transition countries (What are the best approaches and methods of managing the programs and projects in the EU environment?);
- Learn about advanced state-of-the-art practices and share experiences in the field of project management as a tool for effective and efficient completion of projects;
Disseminate, discuss and develop understanding of project management orientation in organizations and societies (Why is project orientation necessary for the local, national, and European government bodies?)

Contribute to better understanding of the role of project manager’s certification in the development of their professionalism (How can project manager certification contribute to the investor’s safety and satisfaction in the differentiated legal and management cultures of EU? What is there to do in order to integrate and/or complement the known certification systems?); and

Present new concepts, methods and tools for project management in the complex context of European integration.

The Conference is organized - on behalf of SENET - by the Project Management Association of Slovakia (SPPR) in cooperation with International Cost Engineering Council (ICEC), and the Faculty of Civil Engineering at the Slovak Technological University (STU) in Bratislava.

SPPR (Spolocnost Pre Projektove Riadenie, member of IPMA, SENET and ICEC, www.sppr.sk) was established in 1994. However, its roots go back to the 1960's when SPPR members began participating in international Project Management Association (IPMA - former INTERNET) activities. The SENET member associations are also members of IPMA.

Bratislava, the city where the Conference will take place, is the capital of Slovakia, on the Danube River, some 35 miles from Vienna, close to the slopes of Little Carpathian wine country. The city has a rich history from the Austrian - Hungarian monarchy, and beautiful surrounding areas. Nearby is also one of the most challenging Hydro PowerStation Project on the Danube.

We are going to link our SENET PM Conference as the complementary and more specialized event to the IPMA World Congress that is taking place in June 2004 in Budapest, and also to the lessons learned about the cross-cultural networking in the East and Middle European project management.

We believe our conference will help the attendees to promote and develop the knowledge and contacts gained at the IPMA World Congress in Budapest and elsewhere. IPMA and ICEC members and associations themselves will have an excellent opportunity to promote their activities to the members of the national PM associations from the East and Middle European countries.

The 3rd SENET PM Conference (www.senet.sk) will give its active participants and sponsors opportunities to:

- Advertise their companies and activities in booklets and other materials of the Conference distributed throughout the world as well as in those distributed at the Conference exhibition and other Conference events;
- Get special events included into the Conference Program or to invite special speakers or participants;
- Get discounts from the Conference fees for representatives of the Sponsor;
- During the Conference an exhibition will be held displaying the latest development in tools of project management. We invite owners or customers of projects, state and local governments and institutions, universities and institutes, education and training centers, publishing houses, developers and distributors of application software products, and others to take part as exhibitors. You can use this excellent opportunity to present your competence and innovations to a broad international audience while getting their immediate feedback and actively exchanging ideas and information with other experts and potential users of your products.

For more details, please visit our web site at http://www.senet.sk.

We are looking forward to seeing you in Bratislava!

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NORDNET 2004, “Successful Project Management - Art, Science and Culture” to be held in Helsinki, Finland, 29 September - 2 October 2004
Art of project management is a mixture of skills, methodologies and culture. NORDNET 2004 highlights these issues in the international setting and continues NORDNET tradition as well as the series of national and international conferences held in Finland. Speakers and participants are welcomed both from the academia and industry. Seminar presents experiences and newest findings from different countries and project management fields.

Seminar program is organized into following main streams:

- **Art of PM** - skills and competencies. Stream focuses on leadership and other personal project management skills, PM training and team development as well as on the organizational capabilities.
- **PM science** - tools and methodologies. Presentations and workshops in this stream explore service and lifecycle management, implementation of strategy through projects, program and portfolio management and risk and contract management.
- **PM culture**. Right choice for people wanting to hear more about project-oriented business, cultural challenges in international projects or how to nurture innovations in project management.

Streams encourage interaction through lecture sessions, moderated discussions and workshops. Seminar provides a rich variety of topics to choose from both for senior management responsible for developing project business and for project management professionals tackling with concrete operational challenges.

Carefully selected NORDNET 2004 keynote speakers and presentations representing the latest project management knowledge and experience include:

- **Arne Liverud, Norsk Hydro** Mr Arne Liverud is the Vice President for project management at Norsk Hydro having a special interest in project Management and work processes. Mr Liverud will talk about what it takes to manage projects competitively and predictably.
- **Commissioner Erkki Liikanen, European Commission** Mr Erkki Liikanen is the member of the European Commission responsible for Enterprise and Information Society. His presentation will focus on the issues behind international competitiveness, which is one of Mr Liikanen’s main topics.
- **Hans-Christian Kolsum, Scandinavian Airlines** Mr Hans-Christian Kolsum is project director at Scandinavian Airlines and was nominated as “Project Leader of 2003” in Sweden. Presentation focuses on the management challenges related to SAS Airbus introduction.

Organizers of the seminar are Project Management Association Finland together with NORDNET network of Nordic Project Management Associations. International flavor and experience is ensured by the co-operating organizations IPMA, International Project Management Association and ICEC, International Cost Engineering Council.

Actual seminar days are Thursday 30 September 2004 to Friday 1 October 2004. Wednesday 29 September 2004 is reserved for pre-conference program and welcoming reception and Saturday 2 October 2004 for post-conference program and meetings. Social program arranged in conjunction with the seminar ensures also an enjoyable stay for accompanying persons.

Exhibition arranged in conjunction with the event will present project management tools, software and services from a variety of different viewpoints. For the exhibitors it offers an excellent opportunity to present their services to project management professionals and practitioners.

Seminar venue Radisson SAS Royal Hotel is situated right at the downtown of Helsinki offering thus excellent opportunities for visits and sightseeing. City offers a lot to see for the conference attendees and visitors. Its spacious recreational areas offer numerous possibilities for outdoor activities as well as examples of both traditional and modern architecture and a variety of cultural activities to choose from. Surrounding countries and towns are within reach – examples being old Hansa town Tallinn in Estonia, Stockholm in Sweden and St. Petersburg in Russia.

It is the understanding of NORDNET 2004 organizers that project management and business knowledge will play an increasingly important part in tomorrow’s world. We would like to encourage all people, companies and exhibitors involved in project business or research as well as people working in project-
oriented companies to come and develop the project management field by sharing their experiences.

Please invest in the development of your competence and knowledge and reserve 29 September 2004 to 2 October 2001 for NORDNET 2004. Helsinki and Finland welcome you!

Further information:
Conference Administrator:
Kai Koskinen
Kai.koskinen@rexppartners.com
Telephone: +358-50-358-0353

Conference Venue:
Radisson SAS Royal Hotel Helsinki
Telephone: +358-9-69-580
Fax: +358-9-958-7100
Reservations: +353-1706-0284
E-mail: Reservations.finland@RadissonSAS.com

"Giornate 2004" to be held in Milan, Italy, 24-26 November 2004

Organized by the Associazione Italiana d'Ingegneria Economica

The AICE – Italian Society for Total Cost Management – a long term member of the ICEC, is proud to announce that the next Forum of the Society itself shall be held in Milano, at the premises of Bocconi University as usual, from Wednesday, the 24th to Friday 26 November, 2004. The Forum shall be accredited as an ICEC Forum.

This Forum is different from any previous one, since we shall celebrate the 25th anniversary of the AICE, so we are to prepare something special.

Papers are welcomed in Italian, English or French language; papers in other European languages can be considered. Contributors are requested to send the abstract not later than the end of February, 2004 and the full text within the end of June, 2004 (please send e-mail to the AICE at info@aice-it.org or to Gianluca di Castri, ICEC Delegate, at gdc@ideaconsult.it).

Also we welcome any idea or suggestion to improve our celebration of the 25th Anniversary (please send e-mail to the AICE or to Gianluca di Castri, ICEC Delegate, at gdc@ideaconsult.it)

IPMA 2005, “Vision to Reality - The Project Management Way” to be held in New Delhi, India, 13 - 16 November 2005

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Organized by Project Management Associates (PMA), India

Capital of India, New Delhi lies sprawling on the banks of the river Yamuna, epitomizing the soul of the country. It is a mix of the old world charm and a pulsating metropolis and is famous for its Mughal and British monuments like the Red Fort, Qutub Minar, Humayun's Tomb, Rashtrapati Bhavan and Parliament House. Land of worlds 'great civilizations' with a rich cultural heritage, glorious history and amazing diversity welcomes you to attend the “Great PM Extravaganza”. 2005 also marks the auspicious occasion of 40th anniversary of IPMA.

The salient features of the World Congress are:
1. For the first time in the 40-year history of IPMA, a World Congress will be held outside Europe;
2. 33 Member countries, 27 in Europe and 6 outside Europe will provide necessary marketing of this event in their respective countries;
3. Over 2000 delegates are expected from 80 countries;
4. President of India is likely to inaugurate the Congress;
5. Prime Minister is also likely to participate in the Congress;
6. The theme of the Congress ‘Vision to Reality - The Project Management Way’ is being chosen after extensive discussions throughout the globe. This title is so generic as to provide a very concrete platform through this Congress to cover various sectors such as Agriculture, Industry, Business, Commerce and Society at large;
7. Coinciding with the Congress, the first major conference of Asia Pacific Federation for Project Management will be held;
8. Coinciding with the Congress, the 17th Global PM Forum meet will take place;
9. Specially designed workshop for the Young Crew drawing the students from all over the world will also be held just prior to the Congress;
10. The International PM Award will be given to the best project as decided by the eminent Jury from all over the world will also be made;
11. 30 Stalls will demonstrate the latest offerings in the field of PM; and
12. Target to be the biggest event in Asia and Pacific region.

The Project Management professionals, Operational managers, Functional managers, Scientists, Academics, Consultants, Trainers, Decision makers and Students all across the world are invited to facilitate the grand event.

Services & Events at the World Congress
- PM Lectures, workshops, panel discussions and poster platforms;
- Presentation of IPMA International Project Management Award
- PM Networking;
- Congress papers and materials;
- Exhibition of PM products and services;
- Exhibition and Congress catalogue;
- Congress Welcome Party, PM Award Gala, Congress Dinner; and
- Sightseeing tours ranging from half-day to four day.

Call for Papers
Abstracts are invited for the presentation at the congress. The abstract should be in English, free of
commercial sales content, be focused on the subject title, not more than 400 words, neatly typed in Times New Roman - font size 12’ and must have a lead author. The lead author should provide following info while submitting the abstract:

- Title of the paper;
- Name of Lead author and other authors;
- Brief of the paper;
- Lead author’s name, postal address, phone, and e-mail; and
- Send your abstracts latest by 30 October 2004.

Call for proposals to present pre or post congress seminar
Proposals from organizations or individuals who would like to present a half-day or one-day pre or post congress seminar are also invited. Proposals should be sent in the form of a brief write-up in English, be focused on the subject title, not more than 400 words, neatly typed in Times New Roman - font size 12’ and must have a key presenter. Please include:

- Title of the presentation;
- Name of Key presenter and the co-presenters;
- Brief write-up of the presentation;
- Total time of the presentation; and
- Key presenter’s name, postal address, phone, and e-mail.

Send your proposals latest by 30 October 2004.
For registration: Email acjain@vsnl.com

A J Jain
President
PMA India

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**Project Management in Crisis**

by

James G Zack
Executive Director
Corporate Claims Management
Fluor Corporation

*This paper is a keynote presentation at the ICEC Congress 4th World Congress, Cape Town, South Africa, April 2004*

ABSTRACT: There is a growing crisis in the field of project management. More companies today define themselves as “projectized” – that is, their business model is one of executing a series of never ending projects. There are more people today who have the title Project Manager than at any time in history. Project management is now considered, by some, as a profession unto itself. Many professionals no longer refer to themselves in terms of educational background or training – as civil or mechanical engineers, software developers, computer engineers, etc. Rather, many now define themselves as Project Managers. As more project management certifications become available and are popularized by individuals and rewarded by employers, this trend is bound to continue for the foreseeable future. But, do these certifications make an individual a successful Project Manager? This paper will offer observations on what it takes to become an effective project manager. It is the author’s belief that a solid foundation in the area of project controls (cost engineering, estimating, scheduling, budgeting, cost tracking and trending, etc.) is a prerequisite to becoming a successful Project Manager. While many consider project controls a career in and of itself, it is the author’s contention that Project Managers are far less likely to succeed without a thorough grounding in project controls.
Introduction

For more than thirty years I have been involved in various aspects of project management planning and scheduling, risk analyses, cost analysis and contract management. My perspective has been in the area of claims and disputes on troubled projects. As a result, I have had the opportunity to observe and analyze literally hundreds of projects. Although I have always been associated with the engineering and construction industry, I believe that the observations set forth below probably extend well beyond this one industry.

Going back to the late 1970's and early 1980's the notion of “projectization” began gaining in popularity. Today, two plus decades later, many businesses describe themselves as being “projectized”. That is, their business model consists of performing a never-ending series of projects. While this business model makes sense in many industries – software development, aerospace, engineering and construction, to name but a few – the “projectized” business model has had a spinoff effect that was not initially foreseen.

One natural outgrowth of this business model redefinition is that many more people today carry or seek to earn the title Project Manager than at any time in history. Thus, more professionals today identify themselves as project managers. Fewer professionals identify with their educational background or training. When asked what their career field is, they will tell you that they are a project manager – rather than an electrical or mechanical engineer, a software developer, a computer hardware designer, etc. In order to gain recognition as a project manager, many are seek certification in project management, rather than experience. The natural consequence of this chain of events is that we have more certified project managers today than at any time previously.

Project Management – Science or Art?

A number of professional organizations focusing on project management have developed over the past two or three decades. In order to gain organizational credibility and add value for their membership many professional societies offer training and certification in project management. In order to attract more members to these organization and their certification processes, most have equated project management to a science. Why is this? Well, if one remembers the Dictionary definition of the term “science”, it is something that may be studied or learned as systematized knowledge. Science is generally considered to be knowledge covering general truths or the operation of general laws obtained and tested through the scientific method. It is systematized knowledge based upon scientific principles.

Why is project management so often equated to a science by these professional societies? Well, in my opinion, if project management is based upon a set of scientific principles or rules, then it can easily be mastered. Memorize the appropriate rules and apply these rules at the proper time for the “right” solution and the desirable result. The spinoff impact of this approach is the subliminal message that becoming a successful project manager is a relatively easy task. In fact, many vendors openly advertise “fast ways to quickly improve career options” by becoming a project manager.

One professional magazine recently reviewed contained the following statements –

“[This certification] is your ticket to success as a project manager. … We use proven accelerated learning techniques to condense 180 hours of exam prep time into a five day program…”

“Instead of telling you what to learn, we help you learn and memorize the essential material in class. When you finish the … three day … course, you’ll be ready to pass the … exam. [This class] prepares you to pass the … exam after only three days.”

What impression is left with people attempting to become project managers? I suggest that the unintended message is that becoming a successful project manager is easy – take a class, memorize some immutable rules, pass a certification exam and you’re on your way to success as a project manager. I refer to this type of project manager as “theoretical project managers”. That is, they know and can articulate all the theories of project management, but have little experience in the practical application of these theories on a live project.
This impression is buttressed by the explosive growth of project management software over the past
decade or so. Reviewing project management journals and magazines, the message is clear. Once a
project manager is certified, all he or she need do is select the appropriate project management software,
input the data, and out pops the "right" answer. Isn't that the message the software industry is sending out?
Let's look at some recent statements about project management software and how it will solve all
problems.

"Improve project productivity and quality"

"Ensure optimal resource management, cost control and schedule management"

"Analyze project status, automate processes and ensure compliance in real time"

"Use simple, out-of-the-box integration … to identify project health problems"

So what is the result of all these factors? Well, I suggest the result is many industries have ended up with
better educated, more credentialed, but less experienced project managers. That is, all too many project
managers today are credentialed or certified, but lack real hands on project management experience. They
come to their projects with briefcases full of computer software but lack experience with analyzing the
output and formulating a practical plan for remedying project problems and challenges. In fact, some don't
even know how to interpret the output of traditional project management reporting.

From the perspective of one who deals primarily with troubled projects, it seems to me that the increase in
credentialed project managers and the ready availability of project management software has not resulted
in a corresponding decrease in failed or troubled projects. In fact, almost the opposite appears to be true.
There seems to be more projects in trouble today than in previous times, despite the increase in certified
project managers. How can this be? Well let me offer some thoughts on this trend.

I suggest that project management is not a science governed by predictable and immutable rules. Rather, I
take the position that project management is an art form. So what is art? Well, let's refer to the Dictionary
definition of the term "art". Art is a skill acquired by experience, study or observation. It is the conscious use
of acquired skills and creative imagination. So what is the difference between science and art? Science is
governed by unchangeable rules. This is why we can give the same mathematical equation to ten people
educated in the science of mathematics and arrive at the same answer each and every time. Art, on the
other hand, is a learned skill derived from experience and, as such, is full of human judgement. Give the
same artistic problem to ten people and it is entirely possible you'll get back ten different answers, all of
which are more or less appropriate under the circumstances.

The difference between these two approaches to project management is simple. When one relies upon
supposed scientific norms or computer software to foresee potential problems, but lacks hands on
experience, there is a far greater likelihood that problems will go undetected until they are severe. And,
when one relies upon scientific practices and software to create solutions, but lacks experience to judge
the appropriateness of the proposed solutions, there is a good likelihood that the selected corrective action
will prove unsuccessful. To accurately predict and resolve the myriad problems, which arise on projects, a
project manager needs experience tempered by good judgement. Therefore, a successful project manager
practices the art of project management and relies upon experience and reasoned judgement far more
than fixed rules and out-of-the-box computer software.

Cost Engineering and Project Management

I believe that to be a truly successful project manager one has to be well grounded in the disciplines
associated with cost engineering and project controls. Two of the four measures of a successful project –
those being, budget, schedule, quality and safety – clearly fall within the realm of cost engineering and
project controls and a cost engineer can provide some valuable input in the other two areas also. As
defined by AACEI and various other member societies of ICEC, cost engineering and project controls
encompasses the areas of cost estimating, cost control, business planning and management science,
profitability analysis and project management, planning and scheduling.
In my opinion, it is much more difficult to become a successful project manager until there is some mastery of these functions. Further, experience has shown me that all too many troubled projects are managed by credentialed project managers who have little or no hands on experience in cost engineering and project controls. As a result, problem trends are not detected early and projects are often deeply troubled before it becomes apparent to the project manager.

Let’s examine how a cost engineering and project controls background contributes to successful project management. Using PMI’s PMBOK® 2000 as a guideline to the skills and knowledge of a successful project manager, there are nine knowledge areas applicable to all projects. They are the management of project integration, scope, time, cost, quality, human resources, communications, risk, and procurement. The Construction Extension to PMBOK® 2000, released in late 2003 added four additional knowledge areas for capital construction projects – safety, environmental, financial, and claim management. Let’s explore for a few minutes how a cost engineering, project controls background will enhance a project manager’s probability of success in each of these key areas.

**Integration Management** — This is the fundamental process of coordinating all elements of the project, taking into account competing objectives and alternatives, in order to meet the requirements of all stakeholders. Amongst the things a project manager must take into account in project integration are historical information, organizational policies, constraints, assumptions, and contracts. I would argue that a cost engineer is more capable of assessing and utilizing historical information when preparing a project plan than a project manager who relies solely upon theory. Cost engineers are also more likely to judge the accuracy and impact of constraints and assumptions than theoretically based project management types. Finally, cost engineers following integration management practices are more likely to develop realistic and achievable project management plans. Included in project integration management is a change control system, a configuration management system, and a performance management process. Cost engineers with their emphasis on estimating, cost control, planning and scheduling are typically much better situated to fashion and implement a workable change control system.

**Scope Management** — Scope management, of course, is the process that ensures the project scope includes all work necessary to deliver a successful project and then controls scope growth throughout project delivery. The elements of this process where a cost engineer would be more likely to succeed than a theoretically based project manager include cost/benefit analysis, alternatives identification, work breakdown structure, scope verification and scope change control.

**Time Management** — Time management is the process of predicting and controlling the time of the project to ensure project delivery within the allowable time. Areas of time management are much more knowledgeable of various scheduling techniques (ADM, PDM, PERT, etc.). Given their cost engineering and project controls background, cost engineers are more likely to be successful at estimating activity durations, resource requirements, project calendars, activity leads and lags, mathematical analysis techniques, duration compression, resource leveling and establishment of a coding structure. During project execution, when the issue turns to control of schedules, trained cost engineers have more experience in the areas of performance measurement and reporting, schedule management and updating, and input of change requests. Further, staff with cost engineering backgrounds are familiar with the preparation and use of progress monitoring curves, calculation of activity percentage completion, and planning and implementing schedule related corrective action measures.

**Cost Management** — Cost management are those processes required to see that a project is delivered within the approved budget. Cost management includes cost estimating, budgeting, and cost control. All of these skills fall squarely within the purview of a trained cost engineer but not necessarily in those of a theoretical project manager.

**Quality Management** — Quality management are the project management processes necessary to ensure the delivered project functions as intended and meets the needs of all project stakeholders. Although quality management is not a core skill for a cost engineer, some of the techniques used in quality management are quite familiar to a skilled cost engineer. For example, cost/benefit analysis, flowcharting, calculating the cost of quality, trend analysis and value engineering are all techniques in which a cost engineer has training.
Human Resource Management – Human resource management are those project systems designed to make the best possible use of the people involved in the project. Due to a cost engineer’s familiarity with resource planning, in this particular area, cost engineers probably have a leg up on staff planning, manpower leveling, and subcontracting.

Communication Management – Project communications management are those processes required to collect and distribute appropriate information concerning the project to the proper recipients in a timely manner. The one area of communication management where a skilled cost engineer is likely to excel is project performance reporting. Performance reporting includes status reports concerning where the project stands with respect to schedule and budget. It also includes progress reporting concerning planned versus actual progress, work in progress, etc. Finally, it includes forecasting or predicting where the project is headed based upon past progress and current trends. All of these communication management tools are quite familiar to a skilled cost engineer.

Risk Management – Risk management is the process of identifying, analyzing and responding to project risk events. Of a great deal of importance to a project manager in the risk management area are the terms and conditions of the contract as most contracts go to some length to assume, assign or transfer the risk of a variety of events that may occur during project performance. Other areas of risk management familiar to a skilled cost engineer include layout risks, resource overloading, activity interferences, coordination of subcontractors and vendors, and documentation reviews. Qualified cost engineers are also familiar with sensitivity, decision tree, trend, and probabilistic analyses.

Procurement Management – Procurement management are the processes necessary to obtain goods and services from outside the organization for the prosecution of the project. Areas of procurement management that fall within the expertise of a skilled cost engineer include market condition analysis, make-or-buy analysis, alternative selection, commitment curves, work package definition, project financing, contract type selection, independent estimates, and financial modeling. Additionally, analysis of change requests, implementation of contract change control systems, performance reporting, and operation of a payment management system are also skills that a qualified cost engineer will have. As before, a skilled cost engineer will bring much more experience to a project in these areas than a theoretical project manager.

Safety Management – Safety management are the processes required to insure that the project is executed safely – no accidents, no injuries, no property damage. Depending upon the nature of the project, safety management can be a highly complex area of project management. The skills that a qualified cost engineer brings to this area of project management are budgeting, analysis of decreased insurance costs, and analysis of resulting improved productivity.

Environmental Management – Environmental management are those processes necessary to ensure that the project is executed in such a way as to not violate various governmental permits, regulations and conditions. Again, depending upon the nature and location of the project, this can be a very technically complex part of project management. The three areas of environmental management that a skilled cost engineer can easily assist in are budgeting, alternative selection, and risk analysis.

Financial Management – Financial management of a project are the processes to manage the project’s financial resources and centers primarily on project revenue and cash flow. Financial management is one of the core competencies of a qualified cost engineer. Areas that a cost engineer has some degree of expertise in include estimating project cost and duration, assessing risk, implementing a financial plan, establishing cost and revenue baselines, analyzing the cost of changes, performing cash flow analysis, preparing financial reports, and analyzing potential corrective action plans. A skilled cost engineer is much more likely to successfully implement these processes than one who is a theoretical project manager.

Claim Management – Project claim management are the processes needed to avoid or prevent claims from arising in the first instance or to properly analyze and resolve them if they do arise. Claims management is also a strong competency of a skilled cost engineer simply because cost engineers spend a great deal of time involved in project claims and disputes from a cost and schedule perspective. Particular areas where a cost engineer can contribute to claim management include claims for extra work, claims for additional time, impacts of changes and delays, estimates of claims damages, schedule analysis, and analysis of both direct and indirect costs.

The conclusion I reach from this analysis is that project managers with a cost engineering or project
controls background are far more likely to be successful than theoretical project managers. Individuals with business, design, software or hardware backgrounds are all likely to be reasonably competent in their own technical fields before their organizations choose to elevate them to project manager status. However, most of the skill requirements of project management go well beyond technical matters. A technically competent individual who is well versed in project management theory but lacks a cost engineering or project controls background is much less likely to spot negative trends early and less likely to take timely and appropriate corrective action. Thus, theoretical project managers are more likely to be in serious trouble before they even realize it than project managers who are skilled cost engineers.

Cost Engineering – Stepping-Stone or Career?

Having spent some time arguing that a cost engineering or project controls background will make someone a better project manager, should we consider cost engineering merely a stepping-stone on the way to the ultimate goal – project management? Well, I would argue that for some, this may be true. A lengthy stint in the project controls/cost engineering group of an organization might be the final training ground prior to becoming qualified to be a project manager. In the construction industry where I come from, there are a number of firms that have this as a condition precedent to project management.

If this is an organizational policy, then I applaud the organization for their foresight and commitment to train or obtain top-notch project managers. I’m confident the organization will benefit from such a policy. I firmly believe that projects managed by such individuals are much more likely to be successful – on time, in budget, with desired quality and safely delivered. If an individual chooses this route to project management, then they too are to be applauded for taking such initiative. I’m confident their careers will be significantly enhanced.

On the other hand, for many cost engineering or project controls is a career in and of itself. Cost engineering covers such a multitude of skills that many find it both challenging and rewarding. This is well and good. However, I would offer a challenge to the career cost engineer. Part of your function on projects should be to mentor younger staff. In the construction industry, it is not at all uncommon for projects to last two to four years. This is sufficient time to train technical staff in the skills of cost engineering. You can significantly and positively influence the careers of those who aspire to become project managers. If you are willing to spend the requisite time and effort to do this, you may even play an instrumental role on future projects – whether you’re on them or not!

Conclusion

Let there be no misunderstanding. There will always be theoretical project managers in our midst. As long as professional organizations offer theoretical training and certifications based on project management concepts there will be individuals attaining certification simply to advance their careers. Such project managers will, more likely than not, be found running projects that end in serious trouble. Skilled cost engineers on the other hand, have the requisite training and background to spot problems before they become serious challenges to project success and craft workable solutions. I am firmly convinced that cost engineering, whether a stepping-stone or a career, provides significant benefits and advantages for both its practitioners and the projects they manage.

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A Case Study: AllPay Social Grant Disbursement Project Awarded the Project Management South Africa Project of the Year Award

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It is extremely rewarding when a successful project is acknowledged through an industry award, but it is even more so when that project positively touches the lives of thousands of people, and brings out the best in the members of the project team.

Every month, the South African Government distributes three forms of social grants: old age grants, disability grants and child support grants. During the early 1990s, the Government decided to outsource the payment of these grants to private companies province by province. The last province to be outsourced was the Eastern Cape, and after a lengthy tender process, the tender was split in two, with Cash Paymaster Services (CPS) being awarded the contract for the eastern part of the Eastern Cape, and AllPay the western part. Part of the rationale for this was to see which supplier would perform best in terms of implementing and serving the three-year contract, as the next contract would be awarded to just one company.

AllPay proceeded to outshine the competition - coming in 3.6 percent below budget - and with more beneficiaries paid and more sites visited in the first month of payment than that of any other province. This is how they did it…

The Team
During the tender process, AllPay approached ProjectWay Consulting and Contracting, a small project management firm, to assist with the project development and implementation. The final implementation team comprised individuals from different cultural and educational backgrounds, who had never previously worked together. Giel Bekker from ProjectWay was appointed project manager, with a comprehensive team dealing with specific functions.

The short space of time between team formation and project implementation meant that there wasn’t really an opportunity to get to know each other’s strengths and weaknesses, but from the start, there was a mutual and absolute commitment to success.

The System
At the heart of the AllPay system for electronic payment, is the technological innovation that enables social grant beneficiaries to withdraw cash at predetermined cash pay-points using a “smart” (micro-processor) card. These payments used to be made at the Post Office using a voucher system, direct payment into the beneficiary’s account or by cheque. “The AllPay system includes biometric information in the form of fingerprint records for the purposes of security and convenience,” says Giel. The process that the AllPay system enables includes enrolment of qualifying individuals and data capture (information, photograph and fingerprint), card production (recording of information on microprocessor chip, lamination), card issue at the enrolment site, and card payout according to the payment schedule and procedures stipulated by the Department of Social Development, using AllPay technology and transport.

The project was for the total implementation of the system, so included a number of additional elements, such as infrastructure, staffing and training of operational personnel, communication campaigns to reach...
the intended audience, vehicles and transport for the physical pay-out machines, logistical requirements, safety and security measures.

**The Methodology**

“We began by developing a relevant methodology, which we called the AllPay Project System Model (APSM) that had a proper lifecycle definition as its backbone that could be used for reference and to measure progress,” explains Giel. The phases of the lifecycle were defined as tender, awareness, mobilisation, execution and close-out. “Once these had been defined, the knowledge areas, as per the PMBoK, were addressed according to the project requirements,” he adds. These knowledge areas served as the framework for the Project Plan of Execution (PPoE) which controlled the project.

**Scope**

The scope of the project included all the items, activities and services required to meet the Service Level Agreement drafted after the tender was awarded. The objective was thus to implement the AllPay System as a functional operation to pay social grants, on behalf of the Department of Social Development in the Eastern Cape, for a contract period of three years.

The region of service was divided into three main areas, East London, Queenstown and Port Elizabeth, which comprised 240 payment sites. The project officially started with the tender award in May 2002, and ended when the last site was card paid, in January 2003.

According to Giel, they realised early that the seven months of implementation would not be an easy ride. For a start, the backbone of the project, the file containing beneficiary information, was totally unreliable. Beneficiary information with regard to pay point registration and actual pay-point allocation was flawed, so the team had no idea how many or who would arrive where and when for card issue or payment. To add to the confusion, there was a misleading allocation of pay-points at the border of the areas assigned to CPS. The Departmental Districts were not informed about the project and personnel opposed collaboration in the early stages.

**Time**

Development of a project schedule needed to take a number of factors into account, such as how long it would take for enrolment, card production, card issue and payment in each of the three areas, the time needed to communicate with beneficiaries, delivery of equipment and appointment and training of staff. Other issues included availability of armoured vehicles for transporting cash and readiness of area offices. The team realised that it would not be possible for all people to enroll and receive cards, and be paid during the first month. They set a target of 70 percent enrolment and payment for a successful first round, and managed to achieve an 85 percent enrolment figure, while all beneficiaries were paid via ID book or an AllPay card. Overall, the project met the “very optimistic and aggressive schedule” and surpassed all previous project roll-outs in the other provinces.

**Cost**

Not only did the team manage to bring the project in R1 350 000 under budget, but their actual income exceeded their projected figure by 15 percent from March 2003.

**Quality**

Quality management was specifically focused on securing buy-in from the Department and beneficiaries, respectful and appropriate day-to-day interactions with the beneficiaries – which was centered around a customer relationship programme presented to all operational and security personnel – adherence to the norms and standards criteria for Social Distribution, and detailed testing procedures for the technology being used.

**Human Resources**

HR activities were divided into the empowerment of people and the functioning of the implementation team. One of the objectives of the project was to assist black companies and individuals to develop and empower themselves in the commercial world. This was achieved by: appointing a black-owned labour broker to handle the contract personnel appointments; a joint venture with a black-owned security company; appointing 95 percent of contractors from previously disadvantaged groups; and sourcing office equipment from black companies.

The implementation team, having never worked together before, faced the challenge of implementing a high-tech system in one of the most politically troubled provinces of South Africa without accurate
information within a time period that was unheard of.

The team had to think on their feet, and deal with people who were disillusioned with the old system and unsure of the new. On some occasions, staff were threatened with harm and sworn at, but they managed to keep their spirits high.

**Communication**

Effective, timeous communication was vital and was divided into informal, formal and beneficiary communication. Informal communication referred to day-to-day discussions between team members, while formal communication related to contractual decisions and agreements. Beneficiary communication was a comprehensive, though time-consuming exercise. It had to take into consideration the fact that one pensioner’s grant may support whole families – and that this system would be seen as affecting their survival. Direct communication was done largely in person through three teams of community liaison officers (CLOs) who had giant pictorial talk boards and other printed and electronic communication channels with which to impart the messages. Newspapers, pamphlets and radio in different languages further helped to communicate news of the impending change, enrolment and payment dates.

**Risk**

Formal risk studies were done to quantify and rank the risks. Action plans were developed for the higher risks and monitored via feedback at the progress meetings.

**Procurement**

This part of the project was fairly simple. The hardware and software suppliers have a long-standing relationship with AllPay and items were procured and tested in time.

**Integration**

The project integration was really driven by the commitment of the team, even though the PPoE was drafted upfront. It was clear from the start that a detailed schedule would not be feasible, and the team had to work towards key milestones.

Besides the challenge brought about by the timing, dealing with a vast number of people and the obvious security risks associated with transporting cash-dispensing machines, the team also had the elements and environment to contend with. In August 2002, the area had the worst snowstorms and rain in 50 years, which resulted in vehicles transporting heavy equipment becoming stuck in mud. A team member was taken hostage and tied to a tree. The media was also a harsh critic as the project was very much in the public eye. "Despite these challenges,” says Giel, "the team was able to maintain high spirits and laugh at the misfortunes later.”

Wins along the way included the good relationship with the Department of Social Development in the Eastern Cape. "Although they were the client, their feedback also served as a yardstick for how we were doing. They encouraged us through all the bad press and were very motivating on the people side,” says Giel.

And when the beneficiaries saw the result of the system, and realised they no longer had to queue from the early hours for the morning, they were full of compliments for the project team – dispensing hugs, kisses and applause.

This project team is certainly a worthy recipient of the award, which Giel says is a special tribute to an excellent team.

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We all live in a momentous time slot as for the first time in civilization the human networks are being built. This process has far-reaching implications and will cross all frontiers of imagination. It is just a beginning. We have not yet seen the tip of the iceberg. The new game, which is emerging, has yet to establish its rules. Who will be the winners and losers is difficult to predict except those perhaps who have won the race against time in the time domain. Those who have tamed time. The tail of the time has shifted to the forehead and only those can hold time that are ahead. Internet has changed this world. There is no shortage of ideas but the will to implement.

This new formation of world based on instantaneous connectivity in the mental plane and 7 by 24 working hours availability to the corporations has made the change management as the key factor in moving from the old to new world. The delivery of Water (310BC), Gas (1817), Telephone (1877), Electricity (1882) and Road infrastructure (1910) conquered the thirst, cold, isolation, darkness and movement. They created the most spectacular changes in the history of mankind in the past. To one generation they were technological miracles. To the next generation, they were practical necessities.

In the present century, the new darkness now has been set in and can only be removed by the light of knowledge. We truly live in the knowledge age. It is the basic ingredient for today to progress. Knowledge of one person must get transformed into a strategic resource of a company through lessons learned and share. This is the critical success factor for companies and individuals to come to a common ground.

Time is becoming the most crucial strategic weapon and the pressure is on to compressing time as much as humanly possible. The quantum of changes is phenomenal. The changes, which have occurred through the acquisition of information and analysis in less than last 10 years, have surpassed that, happened in the whole 20th century. It is forecasted that the changes, which would happen in the next 4 to 5 years, will surpass that of last 10 years. These unimaginable processes resulted in unprecedented rate of change giving rise to non-linear and complex transition process. This is one of the main Causes for the unbelievable expansion in the following of modern project management principles in the last 7 to 8 years. The growth of modern PM profession is 6 to 7 times as project management principles do address the issues of change and transition effectively throughout the life cycle of a project.

Coming back to Time compression domain, in my opinion, there have been 4 major sets of scenarios on which the world has seen the impact. Before 20th century, the time compression was significantly lower as men had to interact with Mother Nature. You could not fiddle around with the nature and were governed by the natural time constants as when the monsoon will arrive and go. The agriculture society was based on such a situation. The beginning 20th century, we witnessed the low time compression as a result of Industrialization. We have better control on time as we dealt with the interaction between men and machine. Mid 20th century, the medium level of time compression came into existence when management initiatives played an important role in improving responsiveness. The key to propelling the progress was to make human beings more responsive by compressing time. In the 21st century, time compression was enormous due to E-Technology. It is this high compression, which is making us to increasingly be more concerned in both the compression aspects and its reaction. You may compress but if you have no control on its reaction, it is simply disastrous.

Project management is emerging in its own right a distinct discipline. Research, Body of Knowledge, Common Understanding of practices, education, Standards and Certification are the 6 major components for a discipline to exist.

The new frontiers in project management are addressing the issues such as measuring project management maturity level of companies and institutions; building effective teams; managing risks; capitalizing failures into assets; communicating the vision without ambiguity and ultimately putting passion into work profile to convert vision into reality and abstract into concrete. The profitability alone is not the only scorecard, which needs to be improved. Societies and companies have to evolve their own companion scorecards for determining the success of projects and the methodologies. Only when Business Strategies, Infrastructure and Project Mindset are integrated that we see the companies and societies thrive. Project management plays the most crucial role in integrating these three main ingredients essential to progress. The project mindset is emerging based on new outlook. Some of the primary characteristics of project mindset are in compressing time, instantaneous response, knowledge sharing,
leveraging negative encounters and putting passion before work.

Turmoil, uncertainties and unprecedented rate of change are all leading to one-way traffic confirming the postulate that conventional wisdom of managing projects is no longer adequate to paint the future. We need to look beyond our nose and open the mind attached to the past. Innovative way seems to be the only way in managing change and transition. Innovation is becoming the right of every individual in a project.

Innovation management has no fixed mould. Innovation management is not content with in command and control regime. Innovation management is based on entrepreneurial outlook in owning problems or forecasting and finding solutions. It is becoming different than owning capital. There is no ceiling and confinement of any sort. Project managers and team members are free to be on their own connected on a common platform of achieving excellence and results, which were never achieved before. This is tantamount to breaking of ceilings that have been rigidly fixed creating suffocation at the work place because being kept at very low height.

How should we liberate project teams from the torture of meeting time schedules and be the fire fighters as it sucks away the very basic meaning of life to enjoy while you work. Only in serene frame of mind that one tends to produce the very best. If the serene frame of mind is the prerequisite of art in music and paintings, how come it will not be when we work on projects? No, no, don’t tell anyone that because project management is scientific and measurable. It may be true but does not make it opposite to art in all its naked form. Project management is an art and science of converting vision into reality and abstract into concrete. It is the over emphasis of scientific side of project management responsible for creating such havoc.

The following nine steps are suggestive measures to provide new dimensions to the management of projects.

**Step 1: Believing in discontinuity and not continuity with incremental improvements**
Continuity or the status quo is a function of quantum of changes. Incremental improvements are valid only when the rate of change is not excessive. Both the continuity and incremental improvements are linked with the rate of change and quantum. Beyond a threshold of rate of change, one cannot go with the continuity and incremental improvements. The modern day Internet and technological based world has witnessed the unprecedented rate of change and explosion in the quantum of changes. It is this process which has resulted in making continuity theory as baseless. Continuity in principle is to preserve the past where as discontinuity breaks the linkage with the past to the extent it can have fewer constraints to move into the future. There is no choice except to believe in discontinuity as only then mind and body are prepared to accept the unknowns and be ready to face it and control thereafter.

**Step 2: Owning the problems and sharing the solutions**
The more one owns a problem, more he becomes experienced. It is not the number of years of service one has performed for a company but how much number of problems was faced and owned is now becoming the benchmark to define an experienced person from inexperienced. The true spirit of entrepreneurial outlook is to own the problems and solve the same and in this process make Money. The fixed mould mentality is to empower the problems to be faced outside than oneself and get the credit for solutions.

**Step 3: Breaking the status quo mentality**
No change means perpetuation of the Present into the Future. This is in contradiction to the nature as Future is not the extension of Present. Breaking the status quo mentality implies in taming the future as it is the future which becomes Present at some point of time. Focusing into Future and affecting the Present is anti-establishment and require concerted efforts to move out from the comfortable zones. Project managers can hardly afford to have status quo mentality as day in and day out they are involved in acting in present to affect Future. At times, when we do not get away from the status quo mentality, contradictions fall apart everywhere in the project between the two types of group- the champions of future and those who believe in extending Present.

**Step 4: Stepping out of comfortable zone**
As apart of the step 3 and in a way extension of it, the comfortable zone is to hard to break and cross. Fear of uncertainties makes the comfortable zone more comfortable than if the fear did not exist. The project managers of tomorrow are those who have so called comfortable zone carve out from that area which conventionally is uncomfortable and that is the zone of uncertainties. If we seek comforts in conquering the
uncertainties with planning and indomitable spirit of winning, then we are able to provide project leadership and inspire the team members to plunge into risk taking.

**Step 5: Human capital by-passing financial capital**
While the agriculture society witnessed the Nature as the foremost, the 20th century saw the men-machine interaction as the key factor for the capital formation. 21st century in this Internet age is beginning to see the human capital surpassing the financial capital. Venture capitalists were all over the place to fund any idea, which they thought would create a brave new world. Its consequent failure in the last couple of years could not be attributed to the over faith in Human capital but absence of effective filtering mechanism from good to bad idea. While Return On Investment (ROI) could be seen as financial driven phenomena, Return On Time Invested (ROTI) is basically based human efforts and its deployment. ROTI will be more meaningful to ROI in the context of new processes on their way to unfold in the beginning of 21st century.

**Step 6: Transform work culture from 5 to 7 dimensions**
Conventionally we all live in the conventional 5 dimensions of space i.e. X, Y and Z, Time and Mind. We need to supplement on these 5 dimensions the additional 2 dimensions of Passion and Joy If we do what we want do then the gap between Wish and Reality is so little that one is in position to provide its very best. It is his/her added 2 dimensions, which make the total difference. The new miracles in project management will take place when we bring the work of joy like in the art domain of music and paintings in our project work.

**Step 7: Real number of encounters replacing number of years of experience**
The experience profile should be redefined by the number of encounters and problems faced instead of number of years. The wisdom evolved based on encounters is far richer than accumulated simply by repeating the same encounters n number of times in one’s employee ship. The secret is to increase the encounters meaningful to one’s own dream or passion profile.

**Step 8: Seeking meaning out of change**
Change is first degree. It is a must. Change can be threat or an opportunity. It depends how one looks at it. If change is resisted, it becomes all the more difficult to see the real outcome of the change as it is partly distorted. Project implies change and that too a temporary one. It is essential to make people to have a real communication about the change. One of the major strategies to bring about a change is to communicate, communicate and communicate.

**Step 9: Detachment from the fruits of the results**
To act is within one’s control. To get the reward as a reaction to the action is not within one’s purview. Too much emphasis on that part, which is not within our control, is a wasteful exercise instead concentrates on actions to the best of one’s ability. The results so arrived at must be analyzed from the cause and effect relationship and constant learning must be made out of all such actions or group of actions. Attachment with the results of the actions often dilute one’s own energy and may shift one’s focus from the main road to its detour. Detachment from the results does not imply one should not demand or expect materialistic benefits, no, it only means that in case you do not get what you deserve, leave it and move forward rather than brooding over that part which is not within one’s control. The journey comes to a standstill if we get attached to the surroundings and to the results of the present beyond a small time frame. Project managers and team members are never stationary. They must move on.

In summary, the new discovery or dimensions in project management heavily depends on the human factor of breaking ceilings, getting motivated all the time, working with passion, detachment with the results rather than with the actions, human capital surpassing that of financial capital, breaking the status quo mentality, owning the problems and solutions and creating discontinuity. *The journey has just begun and it must continue as in the human race, there is no finishing line.*

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*Adesh Jain is a Member of the Board, International Project Management Association, Switzerland, Vice Chair, International Development SIG, PMI, USA and Founding Member of Global PM Forum. He is Director-in-charge, Centre for Excellence in Project Management & Founding President of PMA, India.*
A Case Study: Comprehensive Toolkit Contributes to Project Success

Reprinted from ProjectNet, November/December 2003 issue. ProjectNet is the publication of Project Management South Africa

When the Rihanyo Health Information System project came to an end after three and a half years, project manager Dirk Bertels was in a position to reflect on some of the unexpected lessons learned along the way, and the tools that contributed to project success.

Rihanyo Health Informatics (Pty) Ltd was a consortium formed out of IBM South Africa, Intersolve Health Informatics and three empowerment companies, namely Kwetliso Technologies, Continental Pharmaceuticals and Ukhukulu Investments to provide a Health Information System for South Africa’s Gauteng province. Project goals were to improve the quality of patient care while conforming to the National HIS and Provincial IT strategy, to assist in building toward an electronic government and in doing so advance black economic and gender empowerment.

The main tool implemented by the project team was the World-Wide Project Management Methodology (WWPMM) which is the IBM methodology born out of a collaboration between the Project Management Institute (PMI) and IBM Corporation. WWPMM meets the requirements of PMI’s Project Management Body of Knowledge (PMBoK), and suggests not only activities but is also a set of tools providing an overriding methodology. The WWPMM involves templates for any possible scenario, which can be customised and scaled as required.

“A fool with a tool is still a fool,” says Dirk, “So it was important to customise and apply the tools to our target audience in a way that made sense to them.” In the case of Rihanyo, the audience comprised mainly government officials who were first-time users of project tools. The tools used had to accommodate different levels of reporting according to the levels of user sophistication that prevailed. Specific tools were necessary for scheduling, and to consolidate 18 plans into a master project plan. “We found that MS Project was more than adequate for this,” says Dirk. A more complex requirement was for a database for financial reporting of the numerous and complicated activities around 20 suppliers, and 12 sites, over the three year period. In response, the team developed a turnkey Access database that literally saved the project – enabling reports to be pulled for any requirement.

Two key criteria governed the project, namely cost control and the development of people. The financial database meant that spending could be well-controlled, but it was more difficult to find a way to measure how people were being developed through each interaction in the project. “Skills transfer became a major topic for debate,” says Dirk. “We were looking for a way to measure learning over the three years and then be able to say which portion of the learning was as a result of the project. The tool that was eventually implemented measured how many people had interaction with the project team, and the amount of time spent with each person, as an indication of skills transfer. We used a format that involved signing a register at each interaction and keeping a database to track this. Other reporting was done around formal training, and this also contributed to the ‘people development’ database.

This project required that a lot of attention be paid to the soft issues, such as team development across multiple organisations, empowerment and collaboration issues, and dealing with technical challenges.

“We measured satisfaction after training, in terms of the content, environment and infrastructure by having attendees complete evaluation forms. All in all we received 11 183 completed forms, which helped us to measure ourselves, before submitting a report to the sponsors.” Empowerment was measured by the number of People Development Interaction (PDI) posts created. Just under 80% of the posts created were filled by PDIs. “Some of these appointments were made literally off the street,” says Dirk. “Several of these became change agents or trainers. One such person in particular emerged as a star performer, becoming an application consultant for all the financial modules of the application.”
Human Resources processes were adapted and adopted from the different performance management systems employed by the different companies represented in the team. The results of these would then be fed back into the respective companies so individuals would receive due recognition for good performance as part of the team, and be recognised by their company.

One of the earliest team-building actions to be put in place was the creation of a team vision. At any given time the team comprised between 80 and 100 people, who had to be aligned to a common goal. “We drew a simple picture,” explains Dirk. “We said that if the Department of Health wanted to continue the project, they’d do it with us.” This was a strong motivator for those who were previously unemployed, as it meant another ten years of guaranteed employment. It was a vision for the future that brought everyone together there and then. They lived the vision, which was verbalised continually, and we were impressed by the dedication we saw as a result.

“We defined work rules, ethics and codes of conduct as a team, published them and had everyone sign them. This was to show mutual respect by defining, and displaying, desirable behaviour. We also had access cards made with Rihanyo branding, so that team members had a sense of significance and felt part of the ‘company’. Only card-carriers had access to the sites.”

Monthly events were held for updates, and quarterly team-building sessions took place. These sessions became a central focus because they were really enjoyable. Some people had never been exposed to things like abseiling, obstacle courses etc, and these sessions really reinforced the ‘doing it as a team and for the team’ approach. The effect this had on their work was that people would assist other to meet their deadlines if they were ahead of schedule, constantly keeping the success of the team, and not the individual, in mind.

An annual event was held and awards presented to those who stood out. ‘Noddy’ awards were also made on the spur of the moment for arbitrary things that recognised individual qualities and experiences throughout the three years. These were usually nominated by fellow team members.

Tools applied on the customer level were numerous. They included a mentoring programme to impart knowledge on specific issues, a shadowing programme in which end-users would follow team members around to see how certain things were done, and a twinning project, in which people with matching output requirements would work together to transfer skills and learn about better practices.

This case study raises the importance of a comprehensive view of the tools available, and that sometimes need to be invented, to effectively respond to issues. It also highlights the importance of proactively dealing with the soft issues.

In 2002, Dirk was recognised for his exceptional work on the Rihanyo project when he was presented with the IT Projects Master Award, which forms part of the Computer Society of South Africa (CSSA) President's Annual Awards programme, in association with ITWeb and Meta Group.

**MEMBER SOCIETY REPORTS**

**AACE International - the Association for the Advancement of Cost Engineering (AACEI - United States of America)**

AACE International and Royal Institution of Chartered Surveyors Agree to Memorandum of Understanding

AACE International and the Royal Institution of Chartered Surveyors have agreed to complete a memorandum of understanding between the two organizations. The memorandum's purpose is to improve consultations and to identify steps which the two organizations can take...
to cooperate on matters of mutual interest.

The document has been coordinated between AACE and the RICS Construction Faculty. AACE International and the RICS have areas of expertise which can benefit both organizations and membership through cooperation. Potential areas of common interest have been identified as professional development, education, member services, and professional services. One early product of this cooperation is a joint meeting between the local sections of AACE and the RICS in New York City in March 2004. The memorandum of understanding is scheduled to be signed at the AACE annual meeting in Washington D.C. in June 2004. More information about AACE, AACE annual meeting and the RICS can be obtained at http://www.aacei.org or http://www.rics.org.

Allen C. Hamilton PMP CCE
Chair Intersociety Liaison
AACE International

PSP - Planning and Scheduling Professional Certification

AACE International's newest certification program is designed to recognize the Planning and Scheduling Professional. This certification program offers specialty credentials for the professional who wants to validate his/her skills.

While many professionals do planning and scheduling, until now there was no way to effectively measure their capabilities -- except through real-life performance. AACE's new PSP certification provides an exam and experience validation that lets industry and users identify those who are competent professionals.

AACE is pleased to announce that the first PSP exam will be held on Saturday, June 12, 2004 at the 48th AACE Annual Meeting at the Omni Shoreham Hotel in Washington, DC, USA.

What is the PSP?

Developed by a distinguished task force of industry experts assembled by AACE International, the PSP designation recognizes specialists who meet a demanding set of planning and scheduling criteria -- a rigorous examination, experience, education and ethical requirements. The task force established the PSP requirements to reflect the sophistication of individuals in today’s planning and scheduling industry and to fairly measure their knowledge, experience and best management practices.

PSP certification will distinguish you as a Planning and Scheduling Professional who has the knowledge and skills that impact the bottom line. With AACE Certification, you can be sure that you have met a high quality standard.

AACE has considerable experience in offering specialty certification programs. AACE has been testing for Certified Cost Consultants (CCC) and Certified Cost Engineers (CCE) since 1976, and has other programs accredited by the Council of Engineering Specialty Boards (CESB) and the International Cost Engineering Council.

Find more information about the PSP certification or register online at http://www.aacei.org/certification

Jennie M. Cunningham Amos
Manager, Marketing & Meetings
AACE International

Asociación Española de Ingeniería de Proyectos (AEIPRO - Spain)
AEIPRO Plans Expert Seminar in Bilbao later this year

AEIPRO, the Spanish Association of Project Engineering, is planning an Expert Seminar to be held in Bilbao, 6-8 October 2004. The seminar theme is "Working by Projects." For information, contact AEIPRO at Maria de Luna 3, E-50018 Zaragosa, Spain. Phone: +34-976-761910; Fax:+34-976-772235; E-mail: aeipro@posta.unizar.es or see the AEIPRO website, http://www.aeipro.org.

Association of Cost Engineers (ACostE - United Kingdom)

Redevelopment of Project Controls
Occupational Standards

At the December meeting of the ACostE Project Control NVQ user group (ProVoc) we were informed that the National Regulatory Authorities have approved the redevelopment programme for the Standards.

The Engineering Construction Industry Training Board (ECITB) will head this project and ProVoc has been requested to assist where possible in the interface with industry. Funding will be made available in April 2004 and the development consultant has been selected and approved.

As a preliminary to the work of the development team we are canvassing ACostE members and supporters for information on what currently comprises a project controls practitioner’s occupation. We are concerned that we gain as accurate and up to date view of our occupations as possible. To this end, please could you send to me (Richard.plumb@btinternet.com) an electronic copy of your current job description with a short note detailing your job title and business industry? If you work in an office with individuals of a different project controls discipline, could you also get them to contribute their own information? We require input from Project Service Managers, Estimators, Cost Engineers or Analysts, Planners, Contract Administrators etc. and it would be appreciated if you could respond as soon as possible. All information received will be treated with high confidentiality.

As part of the re-accreditation process the Regulatory Authorities will also require an Assessment Strategy to be prepared and approved. This will ensure that all the processes of candidate assessment and verification for resulting reformatted qualifications, continue to be strictly quality controlled by the approved delivery organisations and by the awarding bodies.

The current project controls vocational qualifications at level 3 and 4 are still valid and new candidates continue to be accepted. It is anticipated that the Awarding Body will apply for an extension of operation to last until the new qualifications are ready. It is scheduled that approval of the redeveloped standards will be requested by the third quarter of this year.

We in the ACostE are delighted that the Standards have been approved by the regulatory authorities as worthy of being up-rated in line with current industry practice. Since their implementation in 1997 they have provided many hundreds of candidates with training opportunities and a means of demonstrating their
worth to employers, peers and professional bodies.

Richard Plumb
NVQ Chairman
ACostE

Associazione Italiana d’Ingegneria Economica (AICE - Italy)

AICE Report on Activities

The main activities of the AICE during 2003 have been:

- Full course in Total Cost Management at Bocconi University in Milano: the attendance has been 19, that is what we expected. Out of them, all have been certified as Praticante and some will undergo the examination for Esperto in 2004;
- Giornate (Forum AICE): attendance about 50 to 60 people, including guests. The forum has been divided in two days, the first one for general papers on Total Cost Management, the second one dedicated to the new law relevant to General Contractor in Italy (in cooperation with IGI – Istituto Grandi Infrastrutture, that is an association of major companies working for public works);
- The web-site has been improved with new sections (however, not all of them are fully operational).

As far as 2004 is concerned, we hope to follow Course in Bocconi and, if possible, to start in other locations. Our annual forum (Giornate 2004), scheduled for November, shall be an event of extraordinary importance, since it is the 25th year of our society. A preliminary information note has already been posted to the ICEC website and in this version of Roundup.

Gianluca di Castri, FwAICE EIE ICECA
AICE Delegate to ICEC

Australian Institute of Quantity Surveyors (AIQS)

Australian Institute of Quantity Surveyors Report

Marketing the QS Profession

Following membership growth of 8.5% in 2003, the AIQS has continued to implement strategies to maximise the professional and personal benefits for individual members, including its QS marketing program and range of new promotional resources to market the profession to targeted client groups in both the public and private sectors. An important part of this plan is our participation in a large bulk buying co-operative called the National Building and Surveying Alliance (NBSA) which now represents over 29,000 members. Through the NBSA, AIQS members have access to a wide range of products and services at substantial discounts. Many of these are available to AIQS overseas members as well as local members.

Careers Marketing to Address the Shortage of Good QS

The continuing shortage of good QS in Australia has resulted in the AIQS preparing a detailed action plan to encourage more and better quality school leavers into the QS profession. This plan involves the QS firms, the
universities, the School Careers Advisers and the AIQS in a co-ordinated approach to raise the profile of the profession and convince school leavers and their parents that it is a worthwhile career for them to pursue. By participating in an increasing number of school careers shows, providing up to 10 scholarships for Year 12 students, providing detailed information regularly to Careers Advisers and swaying existing university students to take up the QS courses, the AIQS hopes to see a marked increase in the number of university students enrolling for AIQS accredited Qs courses.

In addition to this plan, the AIQS continues to conduct up to 200 skilled migration assessments for the Australian Government each year and assists AIQS overseas members who wish to migrate to Australia.

New Publication on Measurement

The AIQS has recently published a new book called “Measurement – The Skill of the Quantity Surveyor”. It was written by a senior AIQS member after he acted as a supervisor on an AIQS Further Education Program in Measurement and IT, where he realised the need for young QS graduates and others to have available to them a simple but comprehensive guide to measurement in accordance with the Australian Standard Method of Measurement Ed 5.

*Risk Management in the Construction Industry* by T. Lyons is a comprehensive review of all the literature on risk management. It provides the reader with an excellent reference list and should greatly assist those seeking to develop their own risk management strategies.

*Mechanical and Electrical Measuring* by J Sierra is another of our successful workbooks which gives a practical guide and format with extensive diagrams for the measuring of mechanical and electrical construction work.

Partnering with Universities for Course Accreditation

The AIQS is close to concluding its development of a partnering model which will be used with universities for accreditation of their relevant courses in Australia. The AIQS model will differ from the RICS model in that the AIQS does not believe in setting universal course entry levels which do not reflect the socio economic and local industry conditions within which universities must operate. This is particularly relevant to universities in smaller states and remote areas. The AIQS model will look more closely at the outputs from the universities and will also insist that the courses include appropriate content covering the core competencies of the QS.

AIQS Overseas Membership equals One Third of Total

The AIQS end of year statistics at 31 December 2003, show that just over one third of the 3,035 members are residing over seas. This high percentage is partly the result of the continuing use of Australian universities for QS education and the attractiveness of Australia for skilled migration. It is also due to the increasing number of Australian QS that are working over seas temporarily.

Terry L. Sanders
AIQS General Manager

*Building Surveyor's Institute of Japan (Nihon Kenchiku Sekisan Kyokai - BSIJ)*

Chinese public sector delegation visit to the Japanese Surveyor's Institute'
A delegation of “Research Institute for Standards & Norms (RISN), the Ministry of Construction of People of Republic of China” came to Japan and made a visit to Building Surveyors Institute of Japan (BSIJ) in December 2003.

In China, reform of their economic system is in progress and cost management systems for projects are now under review. The delegation made a visit to BSIJ for the purpose of studying systems implemented in Japan.

The delegation and BSIJ had an opportunity for an exchange of views in February 2000. Further, as members of “China Engineering Cost Association (CECA)” participated in 7th PAQS congress in Tokyo last November, 2003, the meeting commenced in an atmosphere of friendliness.

Enquiries from the delegation were detailed and focused on management systems for projects and costs in public and private sectors. BSIJ responses Were:

In public sector building projects, the quantities for construction works are being prepared based on the “Standard Method for Measurement of Building Construction works”, and the unit rates are being set by a statistical arithmetic process with published cost databases. For these types of contracts, most contracts are lump-sum contracts, in which the quantities do not form any part of contract conditions, treated just as references in Japanese practice.

In private sector projects, besides the competitive bidding system, many projects have been adopting a “direct single selection and negotiation system.” For the procurement of the design and the construction works, some cases are separate procurement packages and some are combined as “Design & Build”, depending on circumstances.

As to the selection of contractors and the setting of the contract amount, two types of bidding systems are being implemented in public construction projects, “open bidding for public” and “selective bidding” system. The Ministry of Land, Infrastructure and Transport (MLIT) has put an e-bidding system into practice since April ’04, in order to improve their accountability as well as efficiency.

Project cost reduction is the major issue at present in Japan and various types of bidding systems are being introduced such as bidding for “Design & Build package”, “a bid with alternative proposal”, “comprehensive evaluations to contractor’s proposal” and so on. As the cost management at the upstream of individual project, Value Engineering (VE) in the planning/ design phase is commonly practiced. In some cases, private sectors projects are adopting a management system, i.e. project management, construction management.

On the other hand, BSIJ made questions to the delegation about the Chinese construction practice concerning settlement of the contract amount, effects of inflation and so on. Outlines of responses from the Chinese delegation were:

1. In the primary stage of a project, detailed construction costs are not specified in contracts.
2. Both parties, owner and contractor, perceive well that construction costs fluctuate depending on the economy, engineering developments and so on.
3. Some contractors enter into a contract at a lower price and induce the construction cost higher in the later stage of project.
4. The inflation rate is the unforeseen issue. The steel price has increased by 30% within recent 2 years.

In many cases, the construction is being carried out concurrently with its design and the adjustment of the contract amount. It seems like the situation at bubble economy in Japan.

Members of the delegation were really enthusiastic and it was a fruitful meeting. Taking commemorative photo with all members, the meeting was closed with promises for a reunion.

Takayoshi Sato
Director
Building Surveyors Institute of Japan
Canadian Institute of Quantity Surveyors (CIQS)

RICS and CIQS sign Memorandum of Understanding

Canadian Institute of Quantity Surveyors President, Clark Campbell and RICS Canada President, Chris Corps, have signed an agreement for the two organizations to work in closer co-operation. The Memorandum of Understanding (MOU) is aimed at increasing liaison and co-operation between the two organizations and leveraging the strengths of both memberships, to the benefit of the profession and the public.

The agreement recognizes the importance both organizations assign to the future of Quantity Surveying as a technical specialism fundamental to the real estate sector. To the Canadian property industry, the agreement signals a further step towards the availability of high quality property advice and raising standards. The two groups will work together to promote the development, acceptance, education and enforcement of quantity surveying standards, drawing on best practice from Canada and beyond.

The agreement also recognizes the common interests of members in the two organizations. RICS membership gives an internationally recognized property qualification, while CIQS is the recognized Canadian standard.

Announcing the signing of the agreement, Chris Corps, President of RICS Canada, said “Global commerce creates a requirement for internationally recognized standards of practice in all aspects of property ownership, development and occupation. RICS members recognize the merit of strong professional advice on real estate costs and development implications, prepared by a professional quantity surveyor. CIQS has been instrumental in establishing this in Canada and by working co-operatively together with CIQS, RICS hopes to both support Canadian members’ education and bring RICS’ international recognition, knowledge and business contacts to the partnership with CIQS”.

Clark Campbell, President of CIQS, said “This MOU serves our members and potential members well. As the established Canadian professional quantity surveying organization, we look forward to accessing RICS resources and membership through this agreement, while broadening membership development and standards through wider understanding of international practices. We hope this will give our members access to an internationally recognized qualification and help generate business leads from international firms operating in Canada.

Clark Campbell
President, CIQS

Czech Association of Project Management (Spolecnost pro projektové rizeni - SPR)

Certification News from SPR

The certification body of SPR passed another audit performed by the Czech Institute for Accreditation (CIA). Part of the process has been modification of documentation and procedures. Due to this submission of documentation for accreditation of our certification process by ICEC has been delayed. We expect to submit this documentation to ICEC no later than the end of April.

SPR is encouraging the creation of SIGs (special interest groups). The first proposal the board of SPR received is from a group of corporate and individual members interested in traditional construction projects. If the proposal is accepted at our next board meeting in March we will be looking to co-operate with similarly oriented SIGs and/or associations.
Ghana Institution of Surveyors, Quantity Surveying Division (GIS)

A collage of scenes at the July 2003 Symposium of GhIS

Ghana Council Members for 2003 - 4

The following are the Council Members of the Ghana Institution of Surveyors for the 2003 – 2004 session:

Officers Elected:

- Mr. Julius Krampa (F) - President
- Mr. Charles Sagoe (F) - Snr. Vice President
- Dr. B. E. K. Prah (F) - Vice President
- Mr. Lawrence Kumah (F) - Hon. Treasurer
- Mr. Emmanuel Martey (PA) - Hon. Secretary

Elected Members of General Practice Division:

- Ms. Yvonne Sowah (F)
- Mr. Samuel Ofori-Offei (F)
- Mrs. A. N. B. Tackie (F)
- Mr. Wilfred K.A. Odame (PA)
- Mr. E. Odol-Atua (T)
- Mr. Meister Afriyie (F)

Elected Members of Quantity Surveying Division:

- Mr. Kwaku Amoah-Mensah (F)
- Mr. K. H. Osei-Asante (F)
- Mr. D. K. Kyere (F)
Mr. A. S. A. Kittoe (PA)
Mr. Christian Mensah (T)
Mr. Kwadzo Hohoabu (F)

Elected Members of the Land Surveying Division:

- Mr. J. A. Abossey (F)
- Mr. I. K. Achempong (F)
- Mr. Samuel Larbi Darko (F)
- Mr. E. Addo Tawiah (F)
- Mr. Kwame Tenadu (Snr.) (T)
- Mr. Robert Dwamena (F)

Ex-Officio Members (Last 4 Past Presidents):

- Mr. Jean Dotse (F) - PP
- Mr. K. Owusu Sekyere (F) - PP
- Mr. Francis Atta-Affram (F) - PP
- Mr. B. A. Neequaye (F) - PP

Kwame Nkrumah University of Science and Technology Reps:

- Dr. E. Badu (PA) - Representative of Dept. of Building Technology
- Dr. (Ing) Collins Fosu (P) - Representative of Geodetic Engineering Department
- Professor Seth Opuni Asiamah (PA) - Representative of Institute of Land Management Administration

The Institute of Quantity Surveyors of Kenya (IQSK) is a non-political and non-profit making Organization which was founded in 1994 with the object of:

- Promoting the general advancement of the practice of quantity surveying and project management and its application in Kenya including facilitating the exchange of information of the Institute and otherwise.
- Doing all things which the council of the Institute may deem proper, including advising Government, public bodies and other individuals on matters concerning Quantity Surveying and project management.
- Co-operating with Universities and other educational Institutions and public education authorities for furtherance of education and training in quantity surveying and practice.
- Printing, publishing, selling, lending or distributing the proceedings or reports of the Institute or any papers, communications, works or treaties on Quantity surveying or its application or subjects connected herewith.
- Co-operating with the Board of Registration of Architects and Quantity Surveyors and other relevant societies on matters concerning Quantity surveying education, training, examination and practice.

How is IQSK organised?
To further its aims and objects, the Institute can set up branches in any part of the country. The Institute has standing committees to advice the council on academic and professional standards membership, training & other such matters.

The Institute has an established secretariat which carries out such executive functions which are necessary to
allow the council to discharge its administrative responsibilities. The Secretariat of the Institute is located at the
Ring Road junction off Lenana Road, Nairobi.

The Institute is in the process of establishing specialized sections of the Institute, e.g. a Project Management
chapter.

What is the membership of IQSK?

The classes of membership of the Institute are divided as follows:

- Honorary members
- Fellow members
- Corporate members
- Licentiate members
- Visiting members
- Graduate members
- Technician members
- Students members

How is IQSK managed?

The management of the affairs and business of the Institute is vested in and conducted by an elected council. The
council comprises of the office bearers, the most recent past chairman and not more than five corporate members
elected at an Annual General Meeting. The executive and full council meetings take place monthly.

What are the major activities of IQSK?

The Institute is a member of the following International Organizations and actively participates in their activities:

- Commonwealth Association of Surveying and Land Economy (CASLE).
- International Cost Engineering Council (ICEC)
- International Federation of Surveyors (FIG)
- Africa Association of Quantity Surveyors (AAQS)
- Association of Professional Societies in East Africa (APSEA)

The Institute organizes the following annual activities which have the objectives of bringing members together to
socialize as well as raising funds for the institute.

i) Annual Golf Tournament Day around June/July.
ii) Annual Dinner Dance in November/December.

The Institute also organizes the following monthly/quarterly events for consultative, educational and social
purposes.

i) Monthly consultative forum meetings
ii) Industrial field visits.

IQSK Officials

1. D. M. Njuguna - Chairman
2. G. M. Maina - Vice Chairman
3. F. M. Githaiga - Hon. Secretary
4. I. N. Wachira - Hon. Treasurer
5. S.N. Waburi - Hon. Registrar

Council Members

1. M. Ombati
Publications: The Institute of Quality Surveyors of Kenya publishes quarterly journals per year which are normally distributed to the members and stakeholders in the construction industry in Kenya

F. M. Githaiga
Hon Secretary, IQSK

Institution of Surveyors Malaysia (Pertubuhan Juruukur Malaysia - ISM)

ISM Council for the 43rd Session 2003/2004

The ISM Council for the 43rd Session (2003/2004) was elected on 20 June 2003 with Mr Ong See Lian taking up the presidency. The Principal Office Bearers are:

President - Mr. Ong See Lian, KMN, FISM, FRICS
Vice President - Mr. John S. C. Loh, KMN, PJK, SSA, FISM, FRICS
Secretary General - Pn. Wan Maimun Wan Abdullah, FISM
Treasurer - Mr. Ong Hock Tek, MISM

News from ISM

After expanding 4.5% (GDP) in the first half, the Malaysian Government has put in place a package of broad-based pro-growth measures in May 2003 to provide immediate relief for the SARS-affected sectors and to address the structural and organizational issues towards sustaining economic growth in the medium and long term. The strategic measures introduced boosted confidence necessary to stimulate domestic consumption and investment. In addition, the short war in Iraq and the quick containment of SARS provided much needed relief for the economy to ride over the difficult times and remain on track to a firmer growth trajectory. With sustained growth in the second half, the economy is set to achieve its targeted growth of 4.5% for 2003, higher than the 4.1% (GDP) achieved in 2002.

This year, it is expected to strengthen even further to 5.5% - 6% (GDP –2004). The GDP contribution from various sectors for 2002 are: manufacturing 4.0 per cent, agriculture 3.0 per cent, mining 3.7 per cent, services 4.1 per cent and construction 2.3 per cent. The GDP contribution estimation from various sectors for 2003 are: manufacturing 6.5 per cent, agriculture 2.3 per cent, mining 4.5 per cent, services 4.2 per cent and construction 2.5 per cent. For 2004, apart from mining sector, the GDP contribution from various sectors are expected to grow further: manufacturing 7.2 per cent, agriculture 3.0 per cent, mining 3.5 per cent, services 5.5 per cent and construction 2.6 per cent.

Construction sector has been a key sector in the government’s efforts to stimulate domestic economic activities and in enhancing growth. It is expected to maintain its positive growth trend, recording a growth of 2.3 % (2002), 2.5% (2003) and 2.6% (2004). As the economy continues to rely on the domestic sector, the contribution of construction sector to GDP growth will have to be further enhanced.

The Government, under the Home Ownership for the People (HOPE) Package, introduced the following measures and incentives to stimulate the property and construction sector:-

1. Cash payment to first home owners;
2. Individual income tax relief will be given on the specified interest payments of housing loans;
3. Within a one-year period from 1 June 2003, purchases of houses below RM180,000.00 are eligible for stamp duty exemption; and
4. The secondary property market is exempted from real property gain tax.

To attract and facilitate acquisitions by foreigners in the property market, the Government also liberalized foreign ownership by allowing foreigners to acquire landed properties exceeding RM150,000.00 per unit.

Construction of residential housing, particularly medium cost and affordable houses and major ongoing infrastructure projects and stronger pick-up in business confidence and consumer sentiment will enable construction sector to sustain growth for 2003 and 2004. Houses priced under RM180,000.00 and below were in better demand and those located at preferred locations attracted strong interest of buyers.

In an effort to increase productivity and quality in the construction industry, contractors are encouraged to utilize modern building techniques as well as the industrialized building system (IBS). The IBS will enable cost saving and quality improvement in the industry through reduced labour intensity and construction standardization.

The Malaysian economy, with strengthened macroeconomic fundamentals and a more broadly balanced economic structure with emerging new sources of growth in service sector, manufacturing sector and agricultural sector, would provide the foundation for sustained higher growth in the country as Malaysia moved from being a developing to a developed nation.

A 2-days “15th National Real Estate Convention 2004” will be held at Prince Hotel & Residence, Kuala Lumpur on 16th – 17th March 2004. It is jointly organized by the Institution of Surveyors, Malaysia (ISM), Association of Valuers and Property Consultants in Private Practice Malaysia (PEPS), and the International Real Estate Federation (FIABCI), Malaysian Charter.

The theme for the two days Convention is “Opportunities in the New Up Cycle.” There is renewed optimism in the Malaysian property market evidenced by more sales activity and price increases. Noticing such trends, organisers have aptly coined the theme with a current buzzword "Up Cycle". This conference will see a number of distinguished speakers who are aptly placed to identify emerging market trends and opportunities in the Real Estate industry and dual on the following:-

- Where are the new growth areas?
- New innovative financing techniques.
- Recent legislations and its implications.
- Malaysia’s economy and property in the regional context.
- Directions of the various property market segments.

ISM is also looking forward to organize/jointly organize the following congress/seminar/convention in the coming months:-

- A ½ day talk on “Benefits in the Use of The Latest Q.S. Softwares in the Field of Quantity Surveying in Malaysia” by Mr Chin Keh Liang and En. Mohd Sani Mohd Emran on 28th February 2004.
- A 2-day “6th Surveyors’ Congress” to be held in Mutiara Hotel, Kuala Lumpur on 16th – 17th June 2004. The theme for the two- day Congress is “Integrated Approach Towards Greater Effectiveness”. The aim of this Congress is to stimulate ideas, discussion and exchange of views for surveying practitioners as well as other professionals and players in the variety of fields related to building, property and construction industry. It will provide opportunities for fellow professionals, policy makers and the public to examine the importance of integrated action and partnership in achieving good results. This is a yearly event organized by the Institution of Surveyors, Malaysia in conjunction with its Annual General Meeting and Dinner.

For more Information, please contact ISM as follows:

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Kiwi quantity surveyor wins international award

New Zealand Institute of Quantity Surveyors (NZIQS) Past President Mr Peter Beddek from the Kapiti Coast was awarded the Pacific Association of Quantity Surveyors (PAQS) Medal for 2003 following a meeting of the Council last month in Tokyo, Japan.

This is only the 3rd PAQS medal awarded by the national representatives of the PAQS Board from New Zealand, Australia, Singapore, Malaysia, Hong Kong, Japan. At that meeting, two new organisations joined PAQS - China and Canada.

Peter Beddek has had a distinguished career as a Quantity Surveying practitioner and NZIQS member and has been particularly prominent in recent years in extending the interest and contact of New Zealand members into the international environment through promotion of PAQS within New Zealand and overseas.

New Zealand is a founder member of PAQS in spite of its relatively small membership numbers (900) especially when compared against the most recent member (China, 50,000 members). Mr Beddek was the New Zealand representative on the PAQS Board for several years, President of PAQS from June 1999 to May 2001 and also Region 4 Chairman of ICEC.

Beginning his Quantity Surveying career in Auckland, Peter worked in Australia, Melbourne – Victoria and Queensland, and London, UK before returning to New Zealand in 1981. As well as his Quantity Surveying qualifications, Peter is a Fellow of NZIQS, Fellow NZIOB, graduated Master of Business Administration from Massey University in 1993, and holds a Certificate in Systems Analysis and Quality Auditing. He describes himself as an innovator in the area of Building Economics and computer applications. Before retiring for health...
reasons Peter had become Managing Director of Maltby and Partners Ltd in New Zealand.

Married to Katie, Peter has two children, Amanda and Michael, and enjoys fishing and his involvement in Rotary. Except for his ill health Peter would be maintaining his association with PAQS and as a retired member of NZIQS remains interested in NZIQS association internationally.

John Granville
Executive Director, NZIQS

Norwegian Association of Project Management (Norsk Forening for Prosjektledelse - NFP)

Some Highlights from the Norwegian PM-scene

Membership

NFP has 561 members (31 December 2003).

Local chapters in Oslo, Stavanger, Trondheim and Telemark are active in promoting project management in their communities. Member meetings attract typically some 15-20 people.

AACEI Norway

The local chapter of AACE International is counting some 45 members, mainly from the large engineering companies and oil & gas companies in Norway. Their main focus is on cost engineering and cost estimating.

NSP

The Norwegian Centre for Project Management (NSP), established in spring 2000, is already playing an important role in developing Norwegian PM-competencies further. So far 26 companies and organisations have joined NSP. NSP has held several seminars on different aspects of PM. NSP is also funding PM-research. The following research projects are currently in progress:

- Managing for profit;
- Productivity and logistics in construction projects;
- Project start up and project completion;
- Implementing project based management;

In addition NSP is participating in Concept, a major research program financed by the Royal Department of Finance, Norway.

Certification:

Since 1998 PMI's certification of project management knowledge (PMP) has been offered in Norway. Some 150 persons have been PMP-certified, up from 75 in 2002. A local Norwegian PMI chapter was founded in 2000 and has currently more than 230 members. Several candidates are in the pipeline for PMP-test in November 2004.

CCE certification is also progressing and some 40 persons are certified in Norway so far.
IPMA certification will also be offered in Norway.

**Competence baseline**

Progress on a National Competence Baseline (NCB) in project management.

**Publications**

NFP’s Norwegian magazine "Prosjektledelse" (Project Management) continues with two issues yearly, each with 1000 copies. The magazine continues at a high professional level encompassing articles from many application areas of project management. The magazine has become THE arena for the Norwegian PM-society.

PMIs A Guide to the Project Management Body of Knowledge (PMBOK® Guide) has been translated into the Norwegian language by Håvard O. Skaldebø, NFP board member, President PMI Norway Oslo Chapter.

**Congresses/seminars**

NFP is mainly responsible for a yearly Norwegian project management "spring-congress" in May, "At the Frontiers of Project Management". About 150 persons attended the 2003 congress and work is in progress for May 2004.

NORDNET 2003 "Dreams, Nightmares and Realities", the main project management event in Scandinavia in 2003 was arranged by NFP and NSP 25-26 September in Oslo. Close to 250 persons attended.

**Education**

Several project management education programs are in progress on Norwegian universities and business schools. The first 25 MSc, specialising in project management, from The Norwegian University of Science and Technology (NTNU) graduated in 2003. This is an important milestone for the PM-community in Norway. The project management programs continue to be among the most popular programs.

Håvard O. Skaldebø
ICEC Delegate, NFP

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**Singapore Institute of Surveyors and Valuers, Quantity Surveying Division (SISV)**

The following were among the main initiatives of the Quantity Surveyors Division of the Singapore Institute of Surveyors and Valuers during 2002/2003:

**Construction Electronic Measurement Standards**

The Construction Electronic Measurement Standards (CEMS) were launched in July this year during the Annual Dinner of the Institute. The CEMS replaces the existing SMM and paves the way for automatic quantity taking off based upon either 2-D or 3-D drawings. It forms an integral part of the E-Procurement System promoted by the Government of Singapore. E-Procurement System covers the entire supply chain of the construction industry from conceptual design stage to procurement of sub-contractors and suppliers.

**Automatic Quantity Taking Off System**

With the launch of CEMS and the development of the national layering standards for design drawings, SISV is now pursuing the automated quantity taking-off system. At the same time, a standard phraseology is currently being prepared in relation to the National Standard Specifications and Construction-Resources Classification Standards for automation of Bills of Quantities.
TECH SISV Membership

In July this year, we created a new category of members in our Institution to embrace the diploma holders who otherwise do not have an Institution to associate with. Besides enlarging our small membership base, more importantly we recognize the contributions of our diploma holders and would like to embrace them into our Institute so that they could upgrade their skill in preparation for the challenges brought about by the imminent computerization of QS Services.

Teoh Wooi Sin
Hon. Secretary, QS Division,
Singapore Institute of Surveyors and Values

Some photos of Cost Engineering events around the world

Click on the images below to view larger versions.

1  FDP (Denmark) Seminar, Copenhagen, September 2003
Angelo do Valle of IBEC (Brazil) with Ken Humphreys in Rio de Janeiro, December 2003

Carsten Wredstrøm (FDP, Denmark) and Håvard Skaldebø (NFP, Norway) at the ICEC Region 2 meeting in Olso, September 2003

ICEC Chairman Steven Boeschoten speaking at a FDP (Denmark) Seminar in Copenhagen, September 2003

ICEC and CECA Delegation at the PAQS meeting in Tokyo, November 2003

Pekka Pyy and Veikko Välilä (PMAF, Finland) and Hakan Sjoholm (SPMS, Sweden) at the ICEC Region 2 meeting in Olso, September 2003

Carsten Wredstrøm (FDP, Denmark) at the FDP seminar in Copenhagen, September 2003