The impact of projectification on society

Reinhard Wagner
Reinhard Wagner

» > 30 years of experience in project-based leadership, in many different sectors (private, public and NGOs)

» Honorary Chairman of German Project Management Association (GPM); Past President and Chairman of the Council of the International Project Management Association (IPMA); Managing Director of Tiba

» Convenor for the development of ISO 21500 Project Management & ISO 21503 Programme Management

» Author and Editor of 33 books and hundreds of articles and blogposts

» Certified Projects Director (IPMA A)

» reinhard.wagner@ipma.world
Early years of projects and projectors

Daniel Defoe,
An Essay Upon Projects, 1697:

„A mere projector, is a contemptible thing, driven by his own desperate fortune to such a strait that he must be delivered by a miracle, or starve; and when he has beat his brains for some such miracle in vain, he finds no remedy but to paint up some bauble or other, as players make puppets talk big, to show like a strange thing …

… the honest projector is he who, having by fair and principles of (common) sense, honesty and ingenuity brought any contrivance to a suitable perfection, makes out what he pretends to, picks nobody's pocket, puts his project in execution, and contents himself with the real produce as the profit of his invention.”
Management of projects emerged ... 

During the 50s in the USA programme and project management emerged in the Military

People were not considered as a key successfactor

Operations research and Network Planning Techniques were perceived as most important, e.g. Planning, PERT, GANTT, CPM and Control

A White Paper about the PMBOK Guide emerged in the 80s and was published as 1st Edition in 1996
... management of projects nowadays

The growing importance of projects in projectized economies like Germany (1)

The amount of **projectification in Germany** grew from 2009 to 2013 by 4.3% per year.

For the next years a **further increase of projectification** is expected.

The growth rate will be with 2.9% annually smaller than in the previous years.

Data in %

CAGR = Compound annual growth rate (= annual growth rate)

Source: Schoper et al: „Projectification of Western societies“ – IRNOP, Boston, June 12, 2017
The growing importance of projects in projectized economies like Germany (2)

<table>
<thead>
<tr>
<th>Internal projects</th>
<th>Organisation/HR projects</th>
<th>IT Projects</th>
<th>R&amp;D/new product development projects</th>
<th>Marketing/Sales projects</th>
<th>Infrastructure Projects</th>
<th>External Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production industry</td>
<td>12</td>
<td>14</td>
<td>22</td>
<td>14</td>
<td>12</td>
<td>25</td>
</tr>
<tr>
<td>Finance and insurance services</td>
<td>18</td>
<td>25</td>
<td>9</td>
<td>24</td>
<td>13</td>
<td>12</td>
</tr>
<tr>
<td>Public admin / Education / Health</td>
<td>20</td>
<td>24</td>
<td>10</td>
<td>15</td>
<td>19</td>
<td>12</td>
</tr>
<tr>
<td>Other service providers</td>
<td>20</td>
<td>18</td>
<td>11</td>
<td>33</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>Trade, traffic, hospitality industry</td>
<td>18</td>
<td>16</td>
<td>12</td>
<td>22</td>
<td>15</td>
<td>17</td>
</tr>
<tr>
<td>Information and Communication</td>
<td>12</td>
<td>23</td>
<td>13</td>
<td>21</td>
<td>11</td>
<td>20</td>
</tr>
<tr>
<td>Overall</td>
<td>17</td>
<td>20</td>
<td>13</td>
<td>20</td>
<td>14</td>
<td>16</td>
</tr>
</tbody>
</table>

84 %

16 %

Source: Schoper et al: „Projectification of Western societies“ – IRNOP, Boston, June 12, 2017
The growing importance of projects in projectized economies like Germany (3)

<table>
<thead>
<tr>
<th>Economic sectors</th>
<th>Share on GDP</th>
<th>Share of working time by projects</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2009</td>
<td>2013</td>
</tr>
<tr>
<td>Producing industry (without construction)</td>
<td>26,1</td>
<td>35,7</td>
<td>41,9</td>
</tr>
<tr>
<td>Public Admin, Education, Health</td>
<td>18,1</td>
<td>11,6</td>
<td>17,8</td>
</tr>
<tr>
<td>Trade, traffic, hospitality</td>
<td>15,6</td>
<td>29,8</td>
<td>42,0</td>
</tr>
<tr>
<td>Real estate*</td>
<td>11,1</td>
<td>2,0</td>
<td>2,0</td>
</tr>
<tr>
<td>Corporate service providers*</td>
<td>10,7</td>
<td>60,0</td>
<td>60,0</td>
</tr>
<tr>
<td>Construction industry*</td>
<td>4,6</td>
<td>80,0</td>
<td>80,0</td>
</tr>
<tr>
<td>Other service providers</td>
<td>4,1</td>
<td>16,6</td>
<td>23,0</td>
</tr>
<tr>
<td>Finance and Insurance providers</td>
<td>4,1</td>
<td>17,9</td>
<td>23,0</td>
</tr>
<tr>
<td>Information &amp; Communication</td>
<td>4,7</td>
<td>30,8</td>
<td>37,7</td>
</tr>
<tr>
<td>Agriculture, Forest, Fishing*</td>
<td>0,9</td>
<td>4,0</td>
<td>4,0</td>
</tr>
<tr>
<td>Germany Overall</td>
<td>100,0</td>
<td>29,3</td>
<td>34,7</td>
</tr>
</tbody>
</table>

* Estimations

Date in %;
The overall values were weighted corresponding to the share of the economic sector on the gross domestic product;
F = Forecast

- **Construction** (80 %) has the highest share of project work followed by **Corporate service providers** (60 %).
- Even supposedly „**project distant“** sectors as **Public Administration** show a share of nearly 20 %.
- The **Public Sector** shows the highest increase in projectification over the last years (54,3 %).

Source: Schoper et al: „Projectification of Western societies“ – IRNOP, Boston, June 12, 2017
## The growing importance of projects in projectized economies like Germany (4)

<table>
<thead>
<tr>
<th>NACE Code</th>
<th>Sector</th>
<th>Germany</th>
<th>Norway</th>
<th>Iceland</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Share of project work 2013</td>
<td>Share on GVA 2013*</td>
<td>Share of project work 2014</td>
<td>Share on GVA 2014**</td>
</tr>
<tr>
<td>A</td>
<td>Agriculture, forestry and fishing</td>
<td>4.0 %</td>
<td>0.9 %</td>
<td>28.6 %</td>
</tr>
<tr>
<td>B-E</td>
<td>Manufacturing industry (excluding construction)</td>
<td>41.9 %</td>
<td>26.1 %</td>
<td>47.2 %</td>
</tr>
<tr>
<td></td>
<td>of which manufacturing</td>
<td>-</td>
<td>-</td>
<td>37.6 %</td>
</tr>
<tr>
<td></td>
<td>oil and gas activity</td>
<td>-</td>
<td>-</td>
<td>50.7 %</td>
</tr>
<tr>
<td>F</td>
<td>Construction</td>
<td>80.0 %</td>
<td>4.6 %</td>
<td>-</td>
</tr>
<tr>
<td>G-I</td>
<td>Retail / transport / hospitality / tourism</td>
<td>42.0 %</td>
<td>15.6 %</td>
<td>13.4 %</td>
</tr>
<tr>
<td>J</td>
<td>Information and communication</td>
<td>37.7 %</td>
<td>4.7 %</td>
<td>48.0 %</td>
</tr>
<tr>
<td>K</td>
<td>Financial services &amp; insurance</td>
<td>23.0 %</td>
<td>4.1 %</td>
<td>21.4 %</td>
</tr>
<tr>
<td>L</td>
<td>Real estate</td>
<td>2.0 %</td>
<td>11.1 %</td>
<td>-</td>
</tr>
<tr>
<td>M-N</td>
<td>Corporate service providers</td>
<td>60.0 %</td>
<td>10.7 %</td>
<td>-</td>
</tr>
<tr>
<td>O-Q</td>
<td>Public sector, education, health</td>
<td>17.8%</td>
<td>18.1%</td>
<td>14.2%</td>
</tr>
<tr>
<td>S</td>
<td>Other service providers</td>
<td>23.0%</td>
<td>4.1%</td>
<td>-</td>
</tr>
<tr>
<td>S + F +</td>
<td>Other service providers + construction + real estate + corporate service providers</td>
<td>-</td>
<td>-</td>
<td>40.5 %</td>
</tr>
<tr>
<td>L + M-N</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong>*</td>
<td></td>
<td><strong>34.7 %</strong></td>
<td><strong>100.00 %</strong></td>
<td><strong>32.6%</strong></td>
</tr>
</tbody>
</table>

Source: Schoper et al.: „Projectification of Western societies“ – IRNOP, Boston, June 12, 2017
Definitions

Projectification, the amalgam of “project” and “organisational transformation”, describes the diffusion of projects as a form of business organisation (Midler, 1995).

The global trend of projectification, comprising all areas of professional and private life, is ubiquitous (Gemünden, 2014) and as a consequence, Lundin speaks about the “Project Society” (Lundin, 2015).

Projectified society means that more and more organizational members are redefined as project workers and project managers (Cicmil and Hodgson, 2006), which has an effect on their identity.

Projectification of societies can be defined as the degree of diffusion of projects and project management in all sectors of the societies (Midler 1995; Lundin & Midler 1998; Packendorff & Lindgren 2014).

Source: Schoper, Y.: „Light and shadows of projectification Desiderata for the development towards a healthy project society “ – IPMA Research Conference 2018, Rio de Janeiro
Impact of projectification on society, including but not limited to …

» „Learning by projects“ - collecting necessary experience
» Helping individuals to develop through attractive projects
» Implementing strategies or gov. policies through projects
» Creating innovative technologies, products and services
» Supporting the competitiveness of businesses, efficiency of public administration and the good of society at large
» Reaching the 17 Sustainable Development Goals (SDGs)
» Enabling change and collaboration
What a project society needs to consider for its development...

» Project-friendly strategy, organizational structures & culture
» Research in the field of project-related activities on micro, meso and macro level of the society
» Education and training activities for all relevant project stakeholders
» Legislations, regulations, norms and standards for PP&P Mgmt.
» Professional bodies, accreditation and certification in PM
» Experts, Consultants, Coaches, Trainers, Mediators in PM
» PM-Know-how in all sectors of the society, including but not limited to business, public administration and NGOs
» Knowledge sharing through PR, marketing, events, portals, publications, communities of practice, networking and akin
Some practices of project societies

- EU: PM² Project Management Methodology Guide
- Germany: PM-Education starting at secondary school through vocational trainings to University degrees plus a huge variety of service offerings in the field of PM
- Ireland: PM Network & Handbook for Civil Service
- Mexico: Adoption of ICB as national PM Standard
- Norway: Governance and Front-End PM Research
- Russia: Governmental Project Management Office
- UK: Chartered Status of the Association for PM & Establishment of Infrastructure & Project Authority
- USA: Program Management Improvement and Accountability Act (PMIAA) signed by B. Obama
An example: Challenges for cities...

Traffic Congestion

Disaster (Flooding)

Infrastructure Failure

Energy

Environmental issues

Inclusive Welfare

Source: KAIA
... development towards Smart Cities

TRANFORMATION OF CITY

- Since the industrial revolution, cities grown bigger, faster, and more diverse
- Urban planning paradigm has been shifted according to societal change

URBAN PLANNING PARADIGM

- Industrial City
- Modernist City
- Sustainable City
- Smart City

IMPROVEMENT TOWARDS SMART CITIES

- Socially Sustainable:
  - Walkable City
  - Livable Neighborhood
- Environmentally Sustainable:
  - Renewable Energy
  - Green Building

URBAN ISSUES

- City as a platform: integrated total solution based on ICT innovation and new thinking
- Benefits of Smart City
  - Efficiency of Urban Management
  - Improvement in Quality of Life

Source: KAIA
Some of the issues we need to cover

- Internet of Things
- Internet of People
- Internet of Data
- Internet of Services

Smart City
- Smart Environment
- Smart Living
- Smart People
- Smart Mobility
- Smart Economy
- Smart Governance

Source: Mapping Smart Cities in the EU by European Parliament
IPMA´s Smart City journey started with a question by one of our members … and continues this year.
The case of Panama City

STRATEGIC PROCESS

Citizen Participation

Municipality Government Plan

Strategic Plan

Portfolios of Projects & Programs
Gareis & Huemann performed an IPMA Research Programme “Benchmarking the Project-oriented Society” (´99 –´02)

“The perception of a society as a project-oriented society (POS) is a construction; it requires the observation of a society with a specific “pair of glasses”, the glasses of project-orientation.”


We need to develop a new conceptional model for the projectified society and its development!
Visit our website & blog
http://www.ipma.world

IPMA: Moving you forward