

**The Actuarial Profession**  
making financial sense of the future

Life conference and exhibition 2010  
John Rowley

## Project Management A skill for the good times?

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### Introduction

#### Why project management, why now?

- Project management is a skillset which is coming into its own
- It has swept through areas of business activity one by one
- Has the time come for professional services?

#### John Rowley

- 25 years in professional services, as a fee earner with a consulting firm working with major corporates
- Project Management Professional (PMI)   
Prince2 Practitioner, MAPM
- Now independent consultant promoting enhanced PM skills

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## Introduction (cont)

### Experience

Manager of outsourced service department

Transition manager for many outsourced services

Implementation of new group structures

Implementation of global multi-stranded client programme

Establishment of project management function

Implementation of Bangalore business process function

Implementation of Glasgow business process function

Founder and leader of 'community of practice' for c200 project and programme management professionals

Establishment of pan-UK multiple facility implementation

Establishment of client Programme Management Office

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## The issues

### What I will cover

- What do we mean by 'project management'?
- PM skills can potentially grow the top line and enhance profitability
- Do cultural issues create a barrier to the application of PM in professional advisory businesses?
- The development of the skillset can be expensive...and will pose challenges to the organisation
- So is project management a skillset to invest in only 'in the good times', when the market is strong and funds are available?

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## Caveats

### (Getting the excuses in first)

- My experience is primarily in 'Big 4' consulting firms
- Project management may already be embedded in areas of the actuarial profession
- I am a self confessed PM purist – you will have to take a view on practical application of the arguments in your business area



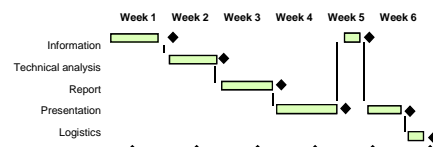
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## What is project management?

### A structured approach to solution delivery

- Problem solving
- Process oriented, deliverable focussed
- Derived from best practice  
(not making it up as we go along...)



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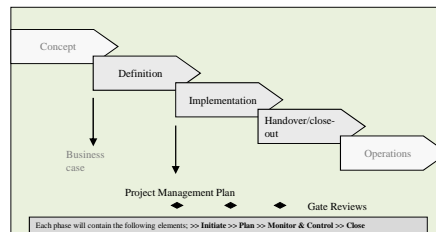
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## What is project management (cont)?

### What the institutes say

- Project Management Institute
- Association for Project Management (IPMA affiliate)
- Office of Government Commerce (Prince2)

*These approaches can  
Be seen as restrictive*



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## What is project management (cont 2)?

### Sources

- British Standards
  - BS6079 – 1 (2002) Guide to Project Management
  - BS6079 – 2 (2000) Vocabulary (successor BS ISO15188:2001)
  - BS6079 – 3 (2000) Guide to the Management of Business Related Risk
- International Standards
  - ISO10005 (1995) Guidelines for Quality Plans
  - ISO10006 (2003) Guidelines for Quality Management in Projects
  - ISO10007 (2003) Guidelines for Configuration Management
- Other
  - IEC62198 (2001) Project risk Management – Application Guidelines

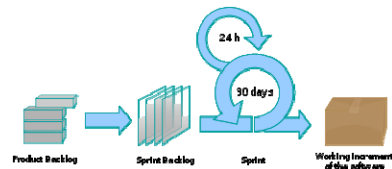
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## Challenges to your business model

### Enhancing project management can benefit your business

- The traditional approach to developing solutions may be iterative, 'linear'. *Project management offers a richer, process driven, approach to developing solutions (also creating some resistance)*
- The primary focus of your solution-finding process may be intellectual, anchored in the professional skillset. *Project management offers a more holistic approach which may add potency*
- Where a creative approach is required *project management can offer an 'agile' solution*



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## Examples

### Areas where project management skills ARE required in professional services

- Implementations (new structures, applications, solutions)
- Transitions (for example between service providers for outsourced services)
- Process reviews (especially where they lead to projects to implement new processes)



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## It is possible to be more ambitious than this

### Areas where project management skills MAY BE developed further

- Moving from advisory to implementation focussed activities – *the pricing and risk profile must change with this transition*
- Providing turnkey solutions – *the client doesn't know or even care about the ideas and method of implementation*
- Becoming a service provider contracting over a long period for service delivery – *new business model, different pricing, new skills*

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## Why is this difficult to apply to professional services?

### Experience:

Accounting      Law  
Taxation  
Banking      Actuaries?

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## Why is this difficult to apply to professional services (cont)?

### There are big challenges

- Professions have approached problem solving in a fundamentally different way
- The professions have reporting hierarchies not suited to project team structures
- The input of professions to the problems clients are facing is focussed, contractual, bilateral
- Professionals may be seen as having a desire to 'blow up' difficult areas, to 'gold plate' solutions (controversial, this one!)

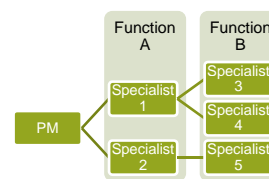
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## Why is this difficult to apply to professional services (cont 2)?

### These are culturally ingrained

- Challenge traditional hierarchy
- Conflicting view 1;
  - project management Vs engagement management
- Conflicting view 2;
  - scope creep good Vs scope creep bad



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## What are the upsides

### Why enhance project management capability?

- Enhanced client service
- Further developed and diverse client offerings for your organisation
- Greater satisfaction and diversity of experience for your people

### The client perspective

- Doing MY project for me
- Addressing all my project needs
- Delivering quicker/cheaper

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## How to make it stick

### Developing the organisational capability

- Be prepared to identify, quantify and articulate organisational skills weaknesses
- Build PM skill development into organisation's strategy
- Identify current organisational skills maturity – and aspiration
- Identify early adopter(s)
- Build sponsor network
- Develop for several years...!

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## How much is the investment? Where to invest?

### Areas of investment

- In people – training, recruitment, new career paths
- In processes – infrastructure, toolkits
- In technology – software tools, eg collaboration tools

### Why so costly?

- Takes time
- Involve obtaining certifications
- Entails moving organisation up the skills 'maturity curve'
- May be seen as distracting scarce resources away from other fee earning activity (opportunity cost)

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## So I can only afford this in the good times?

### Possibly – the investment can be significant...

### BUT

- The lead times are long, so you need to plan for the development of the skillset
- In the 'hard times' the need for effective delivery of services is critical to keep clients happy and the order book full
- It is also an imperative for clients that you deliver at a reasonable cost
- It is critical that you retain margin whilst you deliver at competitive cost

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## Conclusion

### Is it worth developing project management skills? They will...

- enhance the offerings of the professional organisation, and will enhance the *service offerings to clients*
- enhance the skillsets of staff, and the *careers options* staff can choose
- help *grow* the business, and *enhance the profitability* of engagements
- act as a *catalyst for a change* in the way the business operates, and the interactions of people within the business.

The skills are needed good times and bad – *not just a skill for the good times!*

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## Questions



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