



Project management newsletter

January 2022



Foreword

As the UAE celebrates its 50th anniversary, it is preparing for the next five decades with a call to action: The Projects of the 50. The global economy is beginning to emerge from the Covid-19 pandemic, notwithstanding new variants, and the time is ripe for project management leaders and specialists to look beyond 'business as usual'.

Organizations are now determining how they can assist the nation over the coming years. The question remains: how can they go about building a more holistic approach to effective project management?

We explore this topic, amongst others, in our inaugural project management newsletter. We hope you find the themes stimulating and inspiring. We would be delighted to discuss them in further detail with you.



Mazen Houalla

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An audience
with Nader Haffar



An audience with Nader Haffar

Nader Haffar, Chairman of KPMG Middle East and South Asia, Chairman & CEO of KPMG Lower Gulf, draws on his 25 years of experience to speak about the impact of Covid-19 on the region's professional services industry and the public sector.

1. How did the pandemic unfold at KPMG?

Our priority is always the safety of our people, so when the pandemic hit, our initial response was ensuring the health and wellbeing of our employees, clients and the community as a whole.

We mobilized our business continuity model to mitigate disruption to the delivery of client obligations and ensure a productive workflow for the firm. We also accelerated KPMG's IT infrastructure development plans to handle large-scale remote working capabilities, including access to the firm's network and resources. To sum up, our strategy to surviving this crisis involved adopting an approach aligned with KPMG's global purpose: inspiring confidence, empowering change.

2. How do you think the pandemic has changed business in ways that will endure in the years ahead?

The UAE government turned a potential crisis into an opportunity through wise leadership, smart technology, early lockdowns, a comprehensive vaccination program, and by supporting the private sector with financial stimulus measures. This has allowed businesses to emerge stronger and feel more confident about the economy and the future of their own organization. I also see great potential in digitalization and shifting resources to disruptive technology.

The convergence of environmental, social and governance (ESG) issues, including climate change and anti-money laundering, has led many stakeholders to question business purpose in the world today. This is also borne out in our recently-released KPMG 2021 CEO Outlook – UAE report, where 92% of CEOs say they are using their corporate purpose to address the needs of their stakeholders. Corporate leaders are

An audience with Nader Haffar

under increasing scrutiny to deliver expected returns and help build a more equitable and sustainable future. This has pushed investments in ESG up the business agenda for the years ahead.

3. How does KPMG gauge the transformative changes taking place in the public sector in the region especially in the Gulf Cooperation Council (GCC)?

The post-pandemic landscape has also contributed to highlighting the importance of government ESG strategy, especially in terms of sustainability, as well as diversity and inclusion. The latter has seen renewed public sector stimulus of nationalization and gender-equality programs .

Of course, the global economy is still facing some potential challenges, which may impede the region's ability to achieve the growth it deserves, given its underlying economic and political stability. These may include uneven vaccination rates around the world,

new viral variants, the risk of higher inflation, disrupted supply chains, and skilled labor shortages.

While many central banks are expecting inflation, this scenario is less likely in the GCC. Well managed by respective governments, the region's economies should experience acceleration in non-oil diversification, as well as an uptick in trade, financial services, real estate, travel & tourism, and retail.

4. Can you indicate four key traits that leaders need to successfully lead and come out stronger?

Firstly values: it is important for both public and private-sector leaders to have a clear purpose by communicating who they are and what they stand for, including how they work with each other and all their stakeholders, as well as their ESG goals.

Secondly, adopting an innovative, forward- thinking mentality: leaders should encourage a positive, optimistic environment that promotes employee

An audience with Nader Haffar

productivity and creativity, especially in stressful times. Additionally, Emiratization programs can play an integral role in building a robust workforce”.

Thirdly, the right behavior: agility in managing unfamiliar situations, learning more about each other and how to be better citizens. The pandemic allowed business leaders to re-evaluate the role employees play in the success of a business. This has encouraged leaders to be actively engaged and more connected with their teams and clients.

Finally, a cost-effective mindset: to be able to prepare better for major disruptions when revenues may decline, and figure out ways, in advance, of how to overcome the economic impact of any potential crisis.

Nader Haffar

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Shaping future
prosperity and
development-
Projects of
the 50



Shaping future prosperity and development— Projects of the 50

As the United Arab Emirates (UAE) and the Middle East emerge from the pandemic, they are entering the next phase of transformation—one that will be larger in scale and move at an unprecedented pace. To prepare for the future, the UAE's goal is to become the "best country in the world" by the nation's centenary, in 2071—building upon the pillars of a future focused government, excellent education, a diversified knowledge economy and a happy and cohesive society.

Projects of the 50 as a means, not an end

In September, HH Sheikh Mohammed bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai, and HH Sheikh Mohamed bin Zayed Al Nahyan, Crown Prince of Abu Dhabi and Deputy Supreme Commander of the UAE Armed Forces, jointly announced the launch of a "bold new series of national strategic projects" to build on the

successes of the past 50 years and chart an ambitious path for the next 50.

The country's leadership clearly emphasized that the achievements of the past do not limit the UAE's ambition. Rather, they form the initial phase necessary to "transform the UAE into an all-inclusive hub in all sectors and areas of creativity and innovation". The objective is to position the UAE as "a land of opportunities and a global testbed of bold and successful ideas". Despite the emphasis on key areas in Emirati transformation plans, the announcement is undoubtedly a key driver of change, one that is likely accelerate trends in digitalization.

Shaping future prosperity and development— Projects of the 50

At the center of regional transformation

At KPMG Lower Gulf, we support GCC countries in repairing, rethinking and reconfiguring their economies and societies. It is clear that the UAE will be a critical hub for the large-scale, fast-moving regional transformation ahead. From my vantage point, leading our project management and public policy team in the UAE, the world will be paying close attention to what is happening in the country over the coming years. The three themes of the Projects of the 50 – digital transformation, economic diversification and Emiratization – are particularly set to have far-reaching local and regional impacts.

Digitalization—connecting the UAE

The UAE’s digital transformation is relevant to every aspect of the Projects of the 50, from modernizing healthcare and improving government services to ensuring the sustainability of vital natural resources. The figures to date are notable, as the UAE ranks fifth in the Global Cybersecurity Index of the International Telecommunication Union, having expanded connectivity from 1.1 million homes in 2017 to 2.6 million in 2020.

Evidence indicates that the pandemic has accelerated digital progress. Last year’s enforced shift to remote working, business automation and online transactions confirmed the critical role of digital services in building social and economic resilience. Of course, the UAE’s digital transformation will not be complete in the next few years. It will remain an ongoing national priority, as new transformative technologies continue to emerge, rendering their predecessors obsolete.

Shaping future prosperity and development- Projects of the 50

The next 50 years

Achieving the nation's digital and sustainable transformation requires a human-led, tech-powered approach.

At KPMG, we believe an innovative approach to project management will be necessary in order to deliver sustainable above and beyond the tried and tested. Out of the 75,000 jobs the government aims to create in the private sector in the next five years, a substantial number are expected to be related to digital and ESG capabilities – with a focus on digitalization and industrialization.



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Re-imagining transformation



Re-imagining transformation

Transformation programs have long focused on process and productivity improvement. This is expected as coordinated efforts tend to boost productivity, accountability, execution, and the pace and depth of decision making. However, it is no longer viable to simply rely on such formulae to succeed. Digitization, advanced technologies, and other forms of tech-enabled solutions are disrupting the field of play, pressuring organizations to reimagine their own identity and yield larger financial returns.

The road to successful evolution

Holistic transformation that focuses on the organization's performance and portfolio is vital. Well-prepared organizations can ramp up their performance as they secure game-changing portfolio wins that redefine their identity. Developing these mutual sets of principles creates momentum, propelling the organization to the next level.

While many organizations have a digital strategy, they lack a common terminology to strategize across functions, making it challenging to digitally address opportunities and risks. Common terminology for transformation can enable conversations that transcend technology and go to the heart of the organization's processes and culture.

Crises such as Covid-19 may precipitate the need for transformation because of the immediate pressure on performance. Crisis-driven transformation often aims to augment performance pressure by increasing cost efficiency.

Re-imagining transformation

Transforming for long-term growth

Smart change projects target cost reduction and value creation drive growth. Organizations can outperform their peers by rapidly adapting to changing environments and scaling up new models with an edge in operational flexibility. Constant tinkering with the basics can also be a force multiplier. Thus, digital transformation can improve performance by increasing operational flexibility and positioning the organization to capture new growth opportunities. Flexibility and operational adaptability are both critical to improving the organization's recovery speed.

Public sector organizations can take this approach further by developing massive digital ecosystems, effectively reducing the wastage of resources and unforeseen risk, and accelerating the scaling of new business models. Holistic digital transformation can

provide employees with creativity and imagination to conceive new ideas and identify unexplored sources of growth. It creates a significant advantage for organizations during the decision stage of a crisis.

As public sector entities prepare themselves for the post-pandemic reality, growth is now at risk of losing momentum. Change programs that prioritize flexibility over control and cost cutting will reap the full value of holistic transformation and build competitive advantage for the future.



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Building
capabilities
for the future



Building capabilities for the future

The golden jubilee celebrations marked an opportunity for the UAE's leadership to remind business executives that a capable cadre of project managers creates resilient organizations.

Unfortunately, the status-quo at the moment yields meager results at best. While organizations may fetter large amounts of money and resources annually on employee learning, a considerable proportion of this spending may not necessarily deliver the intended outcome.

Entities would be well advised to re-invent capability building in a way that works well for the virtual environment, especially in light of the pandemic. It is not enough to focus merely on learning. Additionally, there must be an emphasis on achieving behavioral changes that come from the day-to-day application of new skills across broad segments of the workforce. The science of behavioral change provides us with

opportunities to apply its conceptual framework in real business settings under different constraints.

In the 50 years to come, in-person and on-the-job capability building is set to become dramatically more sophisticated. Strides in technology are likely to accelerate the need to adopt and experiment with digital tools. Nonetheless, a strong focus on developing fundamental human behavior would stand organizations in good stead.

Four signposts to transform capability building

1. Investing in fundamental capabilities such as effectively delivering positive feedback and a good implementation plan, negotiating realistically and compromising to reach a win-win situation. By enhancing behavior in these fundamental areas, an organization can subtly transform an entire business.

Building capabilities for the future

2. Enabling behavioral change by reinforcing key concepts, discussing specific strengths and development areas, and setting up quantitative metrics. Leaders should oversee the change in their team's behavior, comparing it against their expectations.

3. Launching a change culture that inspires growth. A well executed digital program forms the backbone for the change process, and a common core of expectations, language, and target behaviors should be integrated into a company's everyday conversation.

4. Setting digital skills at the core of capability building for project managers seeking to develop organizational expertise. Each digital program should include a comprehensive storyline that is engaging and consistent, so employees can apply concepts in practice instead of simply memorizing them.

Organizations must meet challenges heads-on and transform them into an opportunity to take capability building to the next level. High-quality remote capability building is more scalable compared to in-person approaches and can reach a larger proportion of the workforce. The transition to remote working will require new capabilities, and next-generation digital programs can cost-effectively answer these needs at scale.



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Readers' corner

Doing Agile Right: Transformation
Without Chaos—a book review



Readers' corner

Agility has the power to transform an organization, but only if it's implemented in the right way. However, there are myriad ways to introduce this concept within a company. The book explains how to strike a delicate balance between the bureaucratic realities of organizations, and the ruthless implementation of ground-breaking new ideas. It dispels the myths and misconceptions that have accompanied agility's rise to the spotlight as a corporate buzzword: the idea that it can reshape an organization all at once, for instance, or that it should be used in every function and for all types of work.

Agility sounds promising: faster results, easy setup, transparent self-management, more innovative solutions. So, what could go wrong? The author argues that there are two main areas where this could potentially fail.

- First, agile teams don't function well when headed by a bureaucratic leadership team. They need the independence of self-management.
- Second, don't subject the baby to a baptism of fire immediately. The shift should be gradual and based on the organization's products and services. Agility is not a light ride, it's a learning journey. What works perfectly for one organization will probably not work equally well for another.

Readers' corner

At the beginning of the book, the authors declared their intention to help guide the following readers:

- Senior executives of large organizations, to close the chasm between their respective bureaucratic stagnation and agile aspirations.
- Professionals who are beginning their agile journey, so they can avoid the pitfalls of using this methodology.
- Leaders who are supporting an agile team, and indeed those who are skeptical of this methodology.

The book is an excellent overview of the agile process for decision-makers, written in a clear, engaging style with multiple case studies. It shies away from overly technology-based examples common in other literature.

The book lays out a road map for guiding the transition

towards a holistic agile environment. The concept is not an end in itself; it is a means to becoming a high-performance operator.



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Publication name: Project Management Newsletter

Publication number: 3833

Publication date: January 2022