



Project Delivery Performance in Australia

AIPM and KPMG

Project Management Survey 2020

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About the Survey

Welcome to the 2020 Joint Research Survey Report into Project Management conducted by KPMG Australia and the Australian Institute of Project Management (AIPM). This report is the third iteration of this survey, with the first report being completed in 2018 focussing on Project Management in Australia. The 2019 report was conducted with involvement of the International Project Management Association (IPMA) and member firms and looked at trends in project management from a global perspective. This year we have returned to a focus on Project Management in Australia and looked at the question of how we are doing with perspectives from both an organisational and an individual project management practitioner perspective.

Thank you to all those who gave up their time to complete the survey and help provide your perspective on the state of the profession in 2020.



Survey Demographics

464
respondents

Who?

67%

**Project manager
or Delivery
Support**

13%

**Portfolio or PMO
Leadership roles**

10%

**Executive or
Sponsor roles**

10%

**Project Advisory/
consulting or
training roles**

Qualifications?

50%

**hold an AIPM
accreditation**

33%

**hold an Axelos PM
accreditation (such
as PRINCE2®)**

24%

**Formal post
graduate PM
qualifications**

15%

**PMBok®
accredited**

10%

**no formal PM
qualifications**

Types of projects?

48%

**Construction/
Infrastructure**

22%

Technology

16%

**Business
Transformation/
Improvement**

14%

Other

Introduction

The challenges of 2020 underlined the importance of being able to deliver projects through times of uncertainty. While there has been upheaval in the way we work and how project teams are able to interact while working remotely, there has also been an on-going, and at times heightened, need to deliver critical projects. Even within projects that have been impacted in terms of decreased priority, we have witnessed the importance of being able to change course smoothly. Throughout these times, the project manager has remained in high demand.

So how are project managers doing in Australia in 2020?

The 2020 AIPM/KPMG Project Management Survey focused on answering this question through seeking the thoughts and considerations of those at the coal face of project delivery.

This year, we looked beyond just the on time, on budget, on scope measures and considered elements of organisational project delivery to develop this performance report on project management in Australia. In doing so, we identified what we are doing well and what the areas of improvement and investment are needed to continue to improve the effectiveness of project delivery.

Overall, the picture is positive, and we have observed areas of improvement over the three years in which this survey has been undertaken.

There is still more to do. This year's report highlights the need for continued investment in developing capabilities to support technologies and arming the next generation of project managers with skills to not only adapt to delivering increasingly complex projects and business demands, but to develop EQ skills alongside this.



Challenging Times

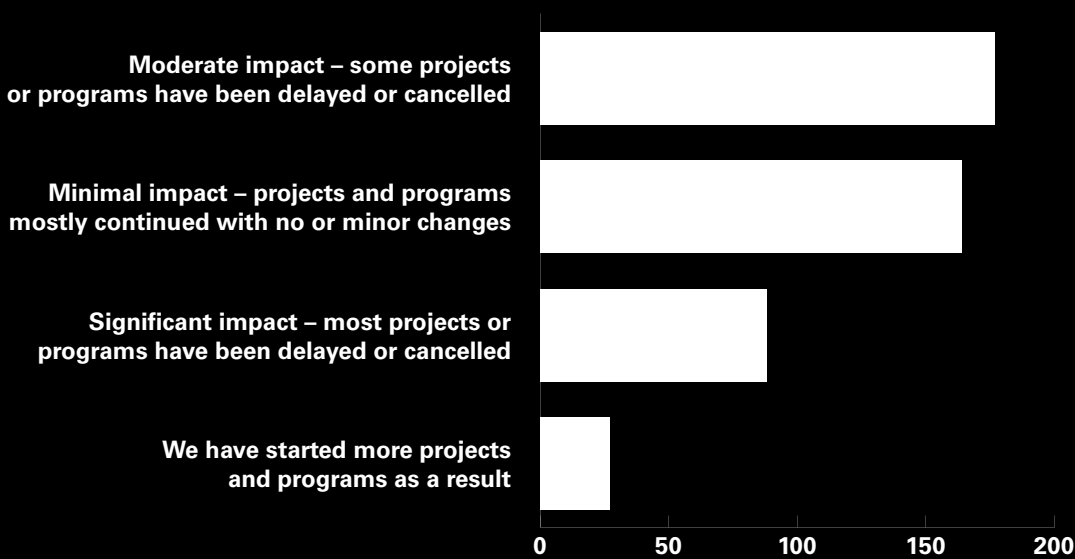
No report can be written in 2020 without acknowledging the impacts of COVID-19.

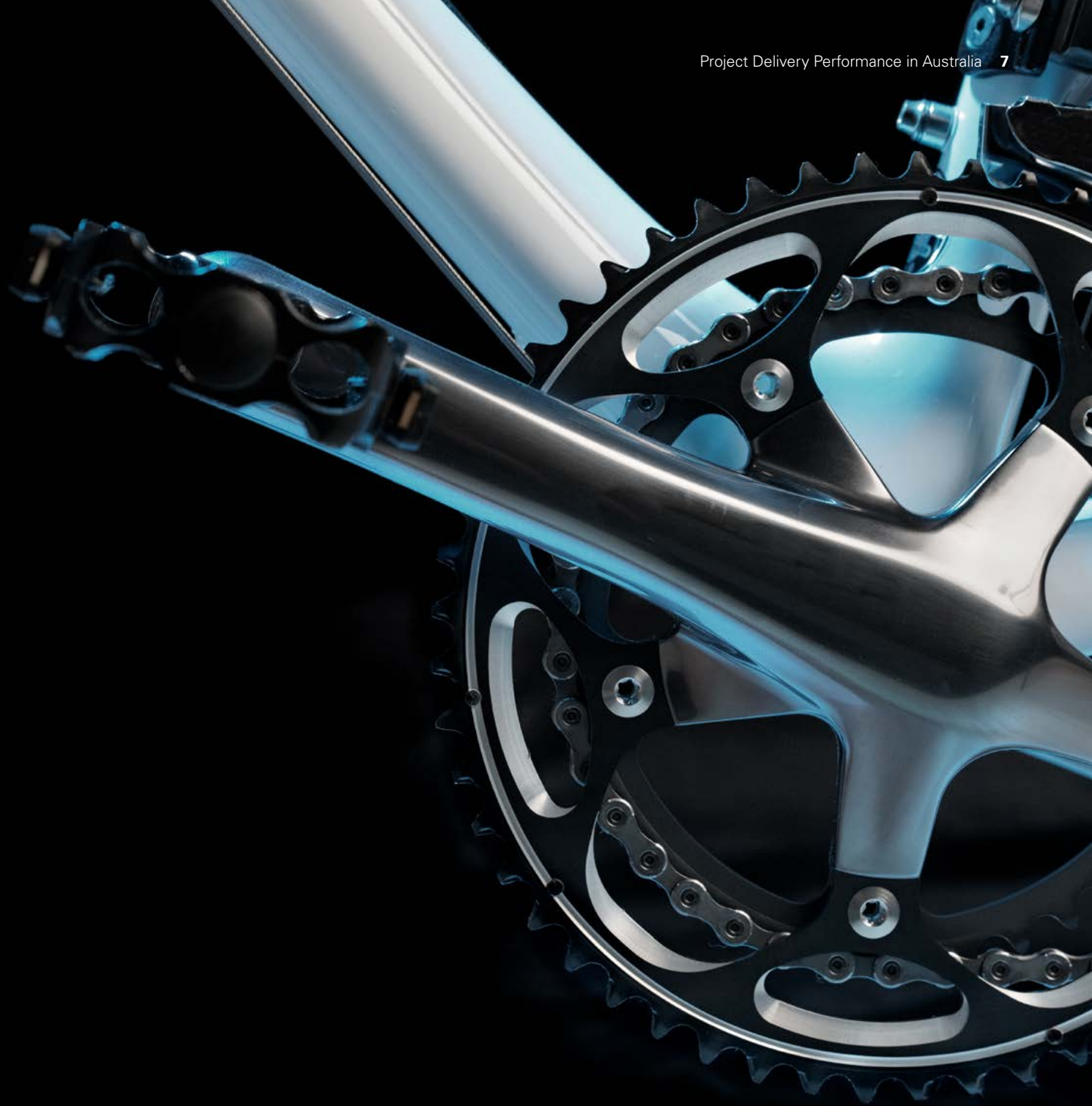
The pandemic dramatically altered the project and program management delivery landscape. We found that 58 per cent of respondents indicated the impact has been moderate or significant and caused the delay of projects and programs of work.

However, slightly over a third of respondents indicated minimal impact and some (6 per cent) even suggested more projects and programs have resulted in response.

The survey also highlighted that the overwhelming response from project leaders has been to invest in digital collaboration tools and double down on efforts to keep project teams engaged and able to work remotely.

How has the COVID-19 shutdown impacted overall continuation of projects and programs in your organisation?





Performance Scorecard

In a year where there has been significant turmoil across all industries and sectors, it is positive to see improvements in the underlying confidence for organisations to deliver on time, cost, scope and to stakeholder satisfaction. A headline figure of 25 per cent of projects delivered successfully is an increase from previous reports.

We have dug deeper in this year's data to look beyond the project management 'iron triangle' of cost, scope and time to assess project delivery capability and the relative rating of organisational maturity in the key project and program delivery processes. This analysis shows some common strengths in the areas of management of project finances, schedule and resources. However, it also highlights areas of relative weakness (and opportunities for improvement) in the management of risk and use of benefits management.



48%

of respondents feel their organisation manages projects and programs effectively or very effectively.



25%

of projects delivered successfully, at least most of the time.

2019
19%



52%

of projects are delivered with stakeholder satisfaction.

2019
46%



51%

of projects are likely to meet original goal and business intent.

2019
44%



42%

of projects are likely to be delivered on time.

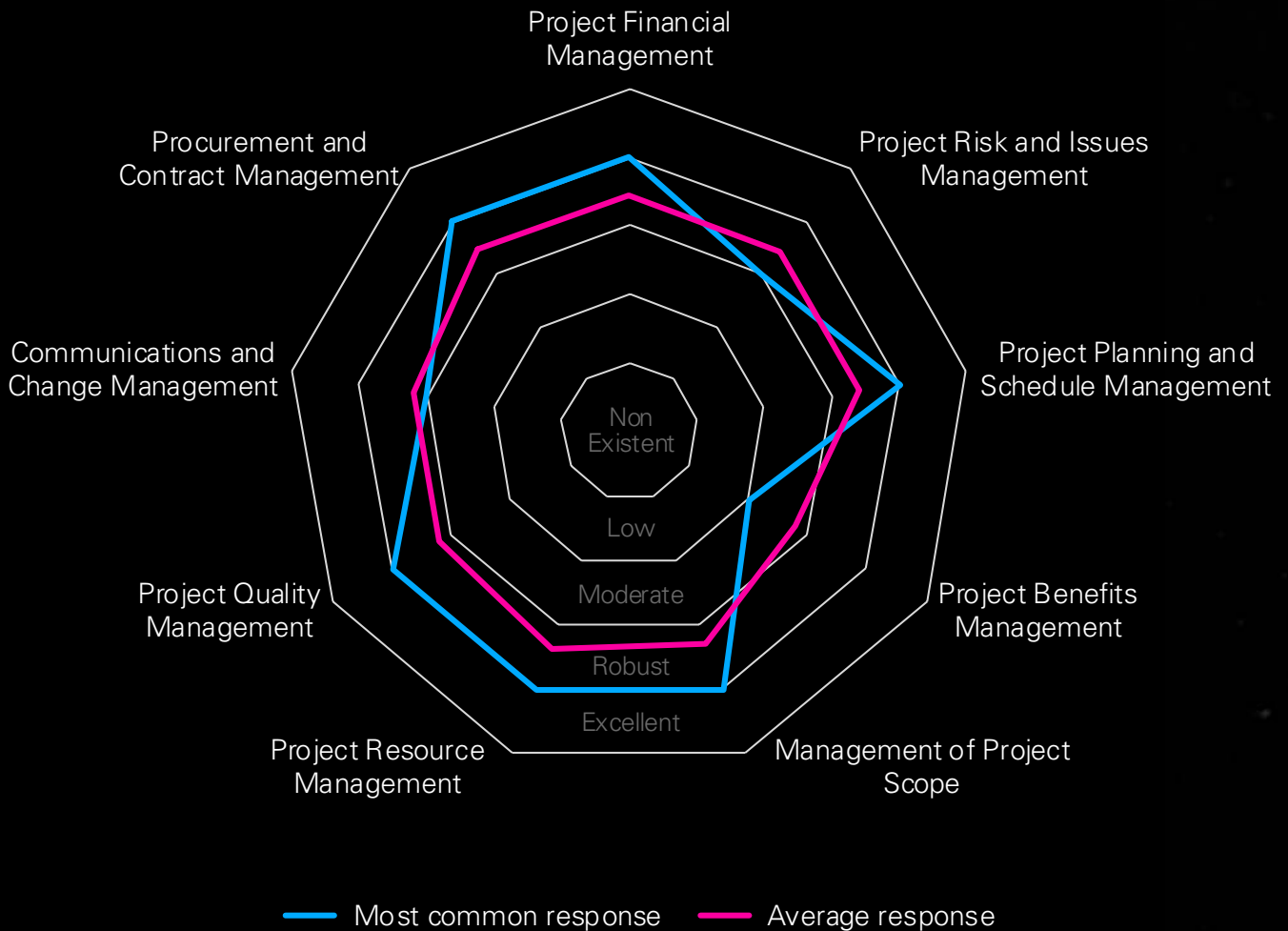
2019
30%



40%

of projects are likely to be delivered on budget.

2019
36%



3.4

Overall Process Maturity Rating



Focus on Governance

The 2020 KPMG Global CEO Outlook: Australian Perspective report highlighted that 84 per cent of CEOs have accelerated on the digitisation of operations and the creation of a next generation operating model. This lifting of tempo in responding to a disrupted operating environment is reflected in the survey finding that 67% of respondents felt the complexity of projects and programs has increased over the past decade.

So, how should we respond when managing projects and programs in this increasingly volatile and complex context? Our survey respondents indicated the key areas of focus to enhance the probability of success involve strong relationship management and collaboration activities, active program sponsorship and the use of professional, experienced project management teams to lead delivery.

Wrapping around this is the need to have effective program governance structures. The survey results are positive in this area, suggesting there is generally sound governance activities applied in organisations (only 12 per cent of respondents indicating a low (slightly or not at all) rating to their organisation's project governance activities).

The engagement of sponsors is noted as a critical ingredient in project success rates. There is a strong correlation between project delivery success and the level of actively engaged sponsors, and having extremely or very effective project and program governance practices. It is encouraging to see a 61 per cent score for projects with actively engaged sponsors. We saw a variety of initiatives reported to be underway to improve effective project governance with 38 per cent of organisations having formal processes to support sponsors and steering committee members.

40%

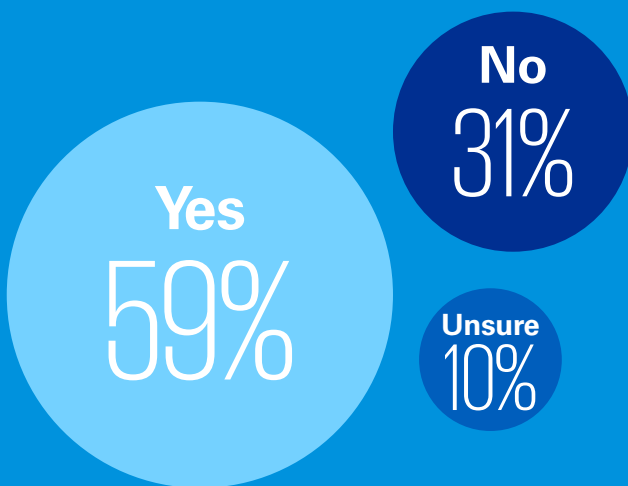
of organisation's project and program governance activities are very or extremely effective.

61%

of projects have actively engaged sponsors.

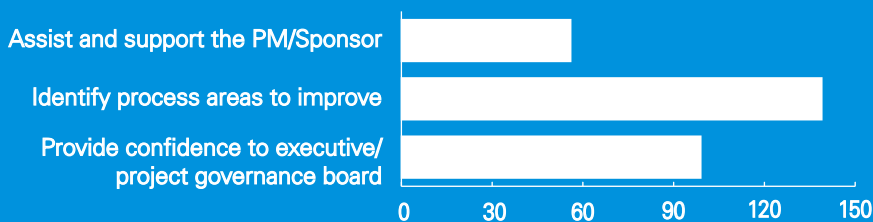
Independent Project Reviews

Project Governance is being enhanced through the use of independent project reviews by 59 per cent of organisations. The majority of these (43 per cent) indicated these reviews are undertaken regularly throughout the course of the project.



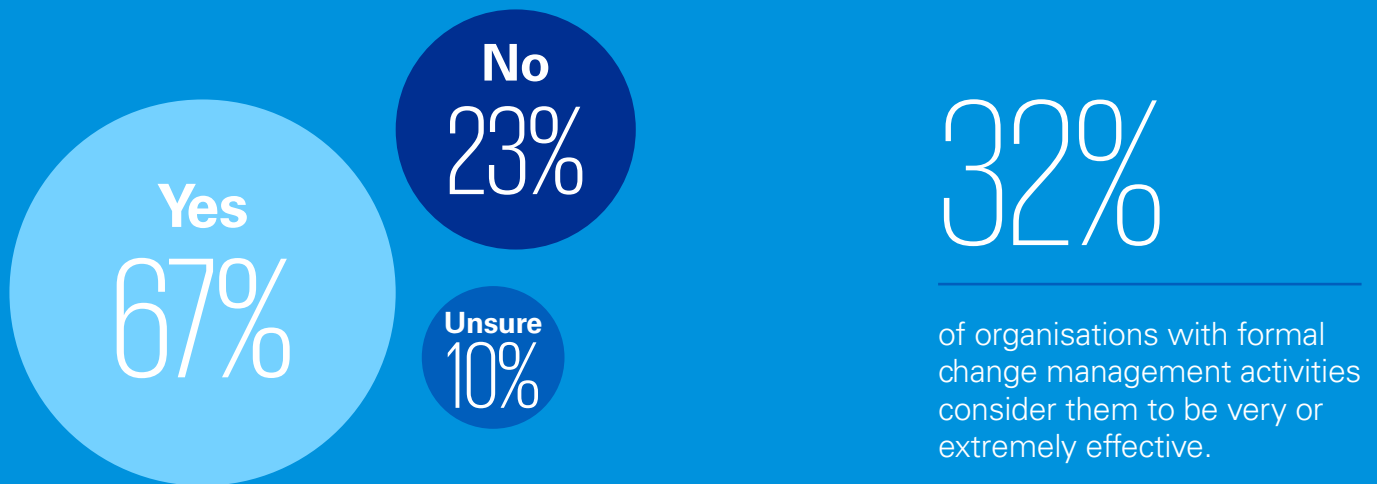
Does your organisation regularly undertake independent project performance reviews to assess performance of delivery?

Key benefits of independent reviews?



Project Change Management

The process maturity scores for change management were suggesting there is opportunity for improvement in this area, which is supported by further analysis of the survey results. Only about two thirds of respondents indicated their organisations use formal change management activities as part of the project management lifecycle, and, perhaps more disturbingly, only about one third of this group suggested those activities were very or extremely effective. This suggests the project change management remains a key area for potential improvement in the context of project and program delivery.



Does your organisation include change management capability as part of the project establishment, or undertake formal organisational change management activities during the project lifecycle?

Focus on Success

In the Performance Scorecard, we observed 25% of project delivered successfully, at least most of the time. This figure represents those respondents who indicated their organisations' projects are likely (75%-100% of the time) to deliver in line with stakeholder satisfaction, meet original goal and business intent, deliver on time and on budget. What makes these organisations different? Is there some notable difference in the way those organisations operate that might provide some clues as to what successful project delivery organisations look like?

We dug a little further into the data to see if we could identify any particular trends. We found that, when compared to the general survey results, organisations delivering successful projects are more likely to have:

70% vs 61%

Engaged project sponsors

85% vs 78%

Formal benefits management practices in place


69% vs 40%

Effective Governance practices

70% vs 59%

Established independent project performance reviews

Interestingly, we were unable to find any significant difference in survey findings in relation to the use of centralised PMOs or use of formal change management practices.



“In a relatively new organisation such as ours, and in a complex, project intensive environment, the establishment and development of PM capability and governance through the enterprise PMO has been critical to help us get a handle on the activities underway and assist our leadership team in making the right decisions about where to invest our resources. Our PM capability development is ongoing, and the PMO is at its heart.”

Sam Colverson, Senior Manager,
Strategy and Performance, Victorian
Agency for Health Information

High Performance PMO

There is a positive trend for the successful use of centralised PMOs to coordinate projects and programs.

57%

of organisations use a centralised PMO to co-ordinate projects.

19%

of organisations have disestablished a centralised PMO in the past two years.

37%

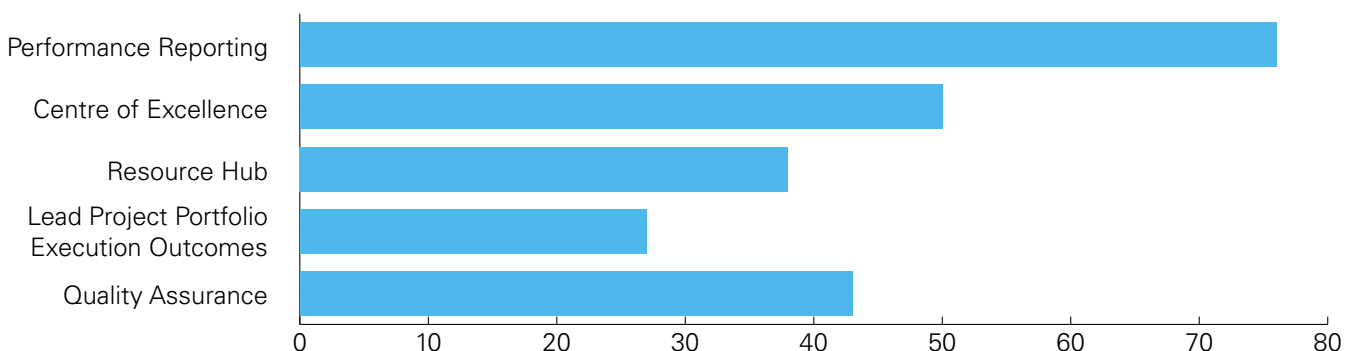
of organisations rate their centralised PMO's ability to support and effect change as very or extremely effective.

Comparing the results with the 2018 survey¹ (which was focused on Australia), we see increased use of centralised PMOs – lifting from 49 per cent to 57 per cent and increased confidence in their value increasing from 33 per cent to 37 per cent.

Equally, the number of respondents reporting their organisation has disestablished their centralised PMO has reduced from 30 per cent to 19 per cent.

While performance reporting remains the most common key function performed by a centralised PMO, it is apparent the PMO is also often playing a key role in resource management and directly supporting execution of the portfolio [of projects and programs.

Key Functions of the Centralised PMO



¹ <https://home.kpmg/au/en/home/insights/2018/10/australian-project-management-survey.html>

Agile in Action

“We are a major organisation facing strong headwinds, so we had to disrupt the way we work in order to deliver greater value to our customers. However, no matter the urgency to become more agile, successful strategies will always be achieved through disciplined execution. Our project and portfolio practitioners have responded and are now placing themselves at the forefront of enabling our business agility through disciplined and agile project management.”

Peter Moutsatsos, Chief Project Officer, Telstra.

The prolific adoption of agile methodologies and practises across organisations continues, presenting opportunities for innovation and improved delivery. Not including infrastructure projects, agile adoption sits at 73 per cent, with organisations reporting either full agile adoption or using a mix of agile and waterfall. However, organisations may face impediments to successful application of agile, with only 28.2 per cent of survey respondents believing use of the agile framework improved success rates.

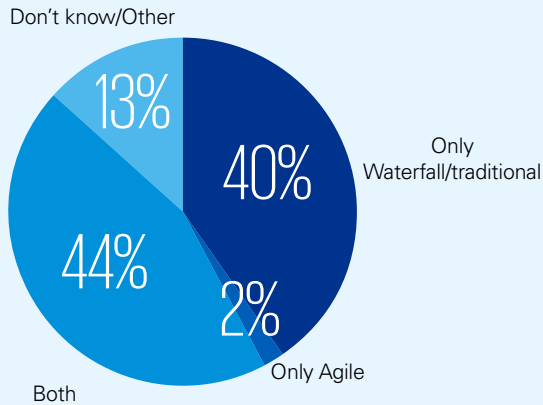
If we look at the challenges facing organisations when applying agile, it may be that the low success rates have little to do with the framework itself and more to do with its application. The Global survey² in 2019 noted both agile and traditional approaches are likely to deliver sub-optimal outcomes if there are wider issues surrounding business engagement and governance. With 28.5 per cent of respondents identifying the approach to organisational governance as a key barrier for successful application of agile, and 22.9 per cent of respondents being concerned over lack of agile training, this assumption appears accurate.

The survey findings show that only 13.5 per cent of respondents are seeing closer engagement in the business due to adoption of agile. Behaviours counterproductive to agile principles and values may be restricting achievement of the full potential. Enabling the training of more than the 12 per cent of agile-trained respondents, equips project managers, project sponsors and organisations to better apply the agile practises.

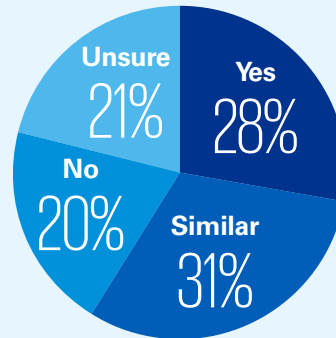
If organisations can address and overcome the agile training gap and lack of business engagement, we expect to see a continuation of agile adoption across various industries and types of projects.

² <https://home.kpmg/au/en/home/insights/2019/11/future-of-project-management-global-outlook-2019.html>

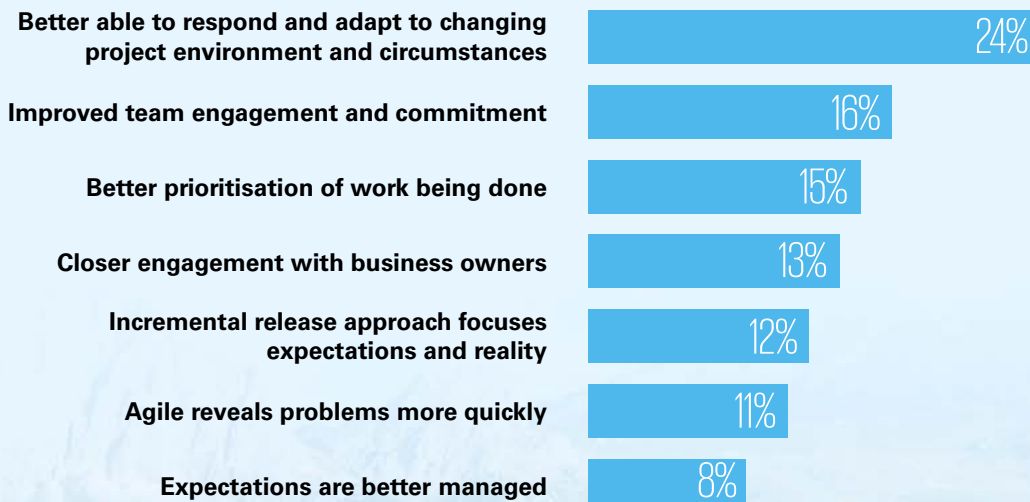
Project Delivery Methods Used



Do you feel that the adoption of agile methods have improved your organisations overall project and program success rates?



Top 5 Benefits of Agile



Top 5 Challenges with Agile



Delivery tools of the PM trade

The shift to remote working is driving an uptake in the use of collaboration tools to facilitate project delivery.

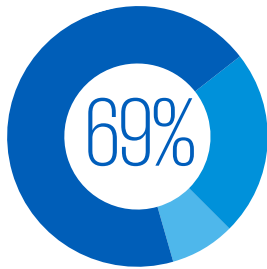
Two-thirds of respondents indicated the use of project management software to manage their projects with over half indicating operating efficiency and improvement in analysis. However only 6 per cent rated their organisation's usage as mature i.e. capable of identifying what-if scenarios.

As remote working trends have accelerated in the past year, it is no surprise that collaboration tools are being increasingly rolled out through the business with 69 per cent of all respondents indicating that their organisation uses collaboration tools as opposed to 51 per cent last year. Established tools such as Microsoft Teams/ SharePoint and Confluence continue to be most commonly used, however newer software such as Trello and Asana are also being rolled out.

The use of AI tools to support project delivery is very limited with only 10 per cent of respondents indicating they use them and a further 8 per cent indicating they are planning to adopt. This represents a slight increase from the 2019 survey³ (in which 8 per cent of respondents indicated use of AI tools).

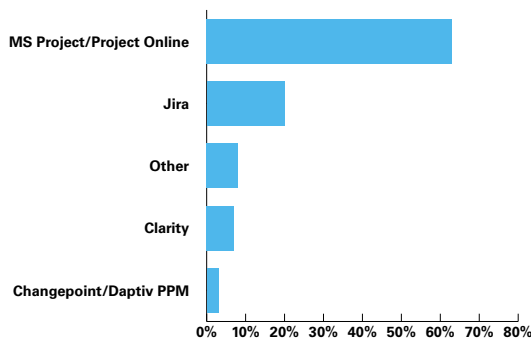
³ <https://home.kpmg/au/en/home/insights/2019/11/future-of-project-management-global-outlook-2019.html>

Usage of project management software to improve the management and control of programs and projects

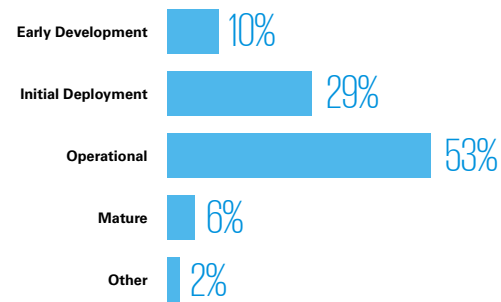


41% Specialist PM commercial software
 10% Non-PM commercial software (e.g. ERP)
 18% In-house software solution

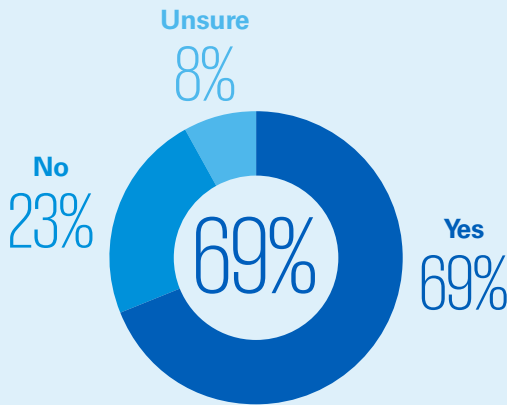
Project Delivery Tools Used



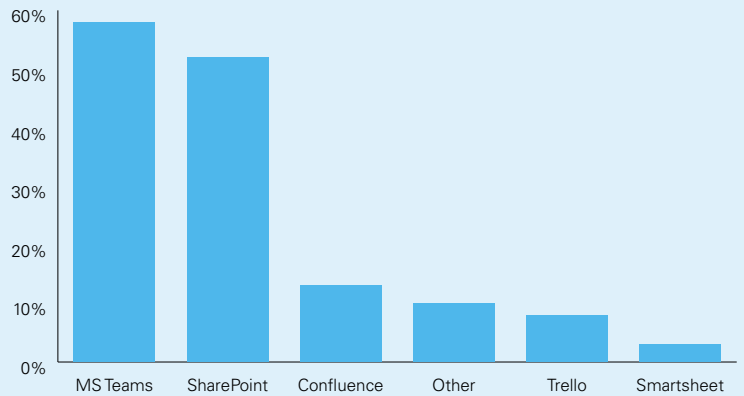
Level of Maturity



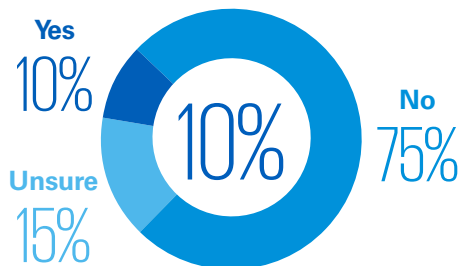
Usage of collaboration software



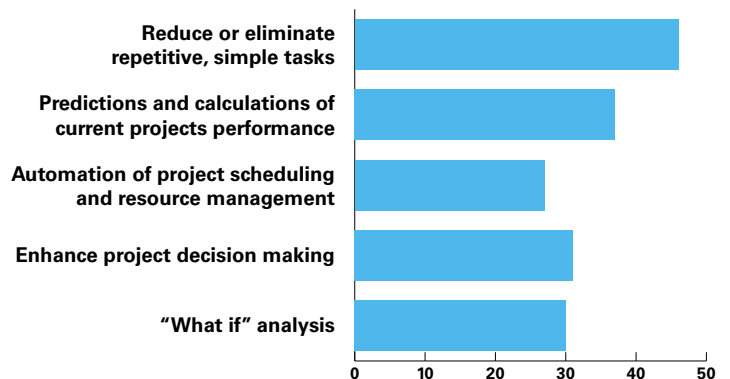
Types of software used among those using collaboration software



Using, or planning to use, Artificial Intelligence (AI) tools



Key uses of AI software used among those using, or planning to use, collaboration software



Building Capability

Transformation is viewed as the new normal. KPMG's recent HR New Reality Pulse Survey⁴ found that 75 per cent of all HR executives believe that up to 50 per cent of the total workforce will need to be reskilled or upskilled, including in digital capabilities in the next 21 –24 months. This shift is also reflected in this year's KPMG CEO survey⁵ that showed 60 per cent have accelerated the creation of a new workforce.

With almost two thirds of respondents indicating that project manager are perceived with a positive image in their organisation, it is clear that the ability to deliver projects and programs is a valuable, and valued, skill. It is, therefore, a little surprising to see that the majority of respondents (53 per cent) say their organisation does not do enough to improve project and program management skills and capability.

Many organisations (42 per cent) invest in on-going project management training to develop project management capability. However, the perceived highest need development areas are all more aligned to the traditional soft skills area, rather than formal project management training.

Nonetheless, when hiring project management staff, our respondents clearly indicated a preference for candidates with relevant qualification and/or certification (65 per cent).

This suggests that accreditation qualifications need to go beyond simply undertaking formal project management training and consider how to successfully implement and deliver project management skills in practice (which requires both technical knowledge and those important soft skills).

64%

of respondents think that PM skills will be more important in the future.

66%

of respondents say PMs in their organisation are perceived with a positive image.

⁴ <https://home.kpmg/au/en/home/insights/2020/10/hr-new-reality-pulse-survey-2020.html>

⁵ <https://home.kpmg/au/en/home/insights/2020/09/global-ceo-outlook-2020.html>

The top three areas for improvement for project managers:

27%

Leading change in the organisation

31%

Difficult conversations and conflict management

27%

Resolving grey issues

The top three people (or talent) management activities undertaken:

42%

Ongoing project management training

31%

Informal but effective knowledge transfer process

30%

Community of practice

Call to action

The lessons of 2020 and the challenges presented by the COVID-19 induced uncertainty have highlighted the importance of project management skills to enable organisations to respond to an environment of change and upheaval. Increasing complexity of projects and the landscape into which they are delivered is making greater demands on both project managers and their executive sponsors. We see several important areas that focus and effort should be placed in order to continue the journey to improved project outcomes.

Agile delivery approaches may not be the panacea for all project delivery challenges but they do offer significant advantages in incremental development environments. The challenge to enable alignment of organisational strategic planning and investment with the flexibility required to deliver projects in an Agile manner must be overcome. This will require changing the thinking about how we sign off investment decisions – and acceptance of boundaries in the Agile project delivery concept.

Once again, consistent with previous survey findings, the importance of collaboration, handling difficult conversations and managing change as key skills for the developing project manager has been highlighted. Investment in – and recruitment of – Project Management Professionals should extend beyond completion of technical skills training. Equally, accreditation schemes should reflect demonstration of project delivery skills and achievement of results, not just the completion of a technical skills training course and examination.

Investment in collaboration tools and project delivery tools has proven invaluable over the past year. Greater investment in artificial intelligence offers the next big step to enable quicker and more effective use of project management data to support decision making.

Managing change and communications associated with projects remains an area of low maturity. Increasing the professionalisation of this area – potentially through the enterprise PMO – offers potential improvements to the success of projects and programs to better align business strategy, people and the project outputs.

The ever increasing complexity of projects and programs requires greater emphasis on developing well rounded project management professionals and well equipped sponsors who are able to adapt quickly in changing circumstances. Development of skills for project executives and sponsors should be a priority to ensure they are able to support delivery of strategic and important projects in this ever increasingly complex environment.

The lower maturity relating to the management of benefits suggests commitment to delivering to the benefits identified in a project or program business case needs to be improved. Given the pivotal nature of having a committed and measurable outcomes are to the success of projects and programs, this should be a high priority focus area. This is a capability development priority not only for Project Managers but also the Executive and Sponsors.

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