



Emerging Economies, Financial Crisis and Generation Y – The Potent Mix for the Changing Face of Project Management

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Leveraging project management for excellence, growth and transformation



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1.1 Abstract

The focus of the world is centering towards emerging economies. Couple these with the new advent of Generation Y in the corporate world and the financial crisis going global. Can traditional project management survive? In the context of treating a project as a corporate in itself, how do you take the next steps of project management? The expectations of the clients, the organization and the people are changing continuously as always but at a speed hitherto unknown. What are the key elements to be taken care of in the emerging markets? What are the needs of Generation Y? How does Project Management need to change in the context of a financial crisis?

If we look at these aspects, there could be both negative and positive risks within these changing dynamics. Does this have an impact on the Project Managers themselves? What changes are required for them to be effective? Does a project manager need to understand and articulate business? The paper tries to amalgamate these thoughts in the current perspective. The paper also presents a case study based approach of the need for change for the Project Manager from a regular Project Manager to an On Demand Manager – thereby presenting a strong case for the need for change in the approach.

1.2 Keywords

Financial Crisis, Generation Y, Emerging Economies, Business, Project Management.

1.3 Introduction - The context of Modern Day Challenges


For the purpose of this paper, a **project**, a **program**, a **portfolio** or an **organization** may be used interchangeably. These invariably imply a profit making entity - the size and nature and complexity of which changes depending on the phrase used.

On similar lines a Project Manager, Program Manager, Portfolio Manager or a CEO may be used interchangeably.

With changing times and changes in the expectations of the human race, one may wonder if there is really a need for a Change in one of the oldest disciplines called Project Management. Is there really the need of increased focus on learning's or say certifications for Project Managers. Are times really changing? What are the responsibilities and role of the new look of Project Management? Is it a short term approach or a long term approach?

Emerging Economies, as the name suggests, are economies which bring in huge potential of growth. These are economies with a focus on the growth aspects and have a strong market. India and China are on the forefront and more than 34 countries make it to this list.

As the world population sees a shift (the average age of an Indian is 27 years), it also brings in an important realization of the fact that times are changing and so is the nature of consumption.



With the average spending power seeing a rise in the emerging economies, the focus, much more than ever before is now on the emerging economies.

They have their own new set of challenges, whole new way of functioning and whole new set of protocols. Any project in an emerging economy has to be innovative to survive, thrive and be profitable. And that is where the changing face of project management plays a role.

The Financial Crisis that we see around the world is much more than the financial aspects alone. It brings in a market correction and has paved the way for a changed approach of doing business. While we see the revival happening in major countries, it also brings in new ideas of implementation, more faster time to market, more stringent timelines and a more challenging yet innovative approach to the partnership model of functioning.

There have been abrupt project closures, there have been people who had to lose their jobs and yet many of them could survive the scare and have risen again much better and much faster. The entire set of processes, the entire focus on cost and expenses were relooked at and brought in yet another focus on the way projects are handled.

We have been talking about the changing nature of generations, their needs and their approach. Generations have always changed. Though in the geek world, there is a big paradigm shift in the way Generation X and Generation Y work together and interact.

If the person yesterday was pretty much satisfied just with a job and was ready to go the extra mile for implementations, the person today wants much more and is willing to contribute based on the value that is perceived in return. Attrition continues to rise much more than ever before and the growing need of soft skills along with the technical, domain and business skills add to the challenges of today and the future.

So what does this mean for a company/program/project? While each of these is a profit center, what is the impact the changing macro economics have on the profit centers. More importantly what does it mean in terms of Project Management?

1.4 Emerging Economies

Emerging markets are nations with social or business activity in the process of rapid growth and industrialization. Newly industrialized countries are emerging markets whose economies have not yet reached first world status but have, in a macroeconomic sense, outpaced their developing counterparts [5].

While there is a lot of discussion around BRIC countries as having enormous potential in the emerging markets there are many other countries which are definitely making their presence felt in the economic markets. This implies new projects and also the need for Project Management with varied challenges.

1.4.1 The Changing Face of Project Management in lieu of the Emerging Economies

<i>The Past</i>	<i>The Present and the Future</i>
Developed world the primary market	Emerging economies slowly becoming the primary market
Cultural aspects did not have significant hiring impact	Cultural markets play a significant hiring role
Standard operating model	Customized operating model
Quality is the Core	Quality @ Best Price is the core
Legal Issues at Conceptual Level	Legal Issues at Implementation Level

Exhibit 1 – Impact of Emerging Economies (Source: Infosys Research)

There is a considerable difference in the way how business can and is done in developed countries vs. developing countries, robust economies vs. emerging economies.

Depending on the consumer behavior and the trends in the emerging economies there is a big focus on value added services. The corporate which can bring in business value addition to the customer can help create the services.

There could be projects which have more government involvement; there could be projects where the pricing is major factor vs. the quality of the output.

1.5 Tips for being the change

1.5.1 Knowledge of the locale business models:

A Project Management approach of just doing the services was sufficient for the developed economy. However, in emerging markets one of the key challenges shall be to understand the local business model, keep abreast of what will work and what does not. The Project Manager will need to be more thoroughly read as every step in the process will be scrutinized in the locale context.

1.5.2 Bigger risks:

Most of the emerging economies would have new projects, projects which are path breaking and projects which will need a different thinking. Naturally this will envisage a bigger risk to the project. A project, unit or organization as a whole shall be willing to take higher risks in this changing world.

1.5.3 Leaner and Optimal approach:

Note that the emerging economies will have a significant impact on the project costs. A leaner and optimal approach of project execution is the only solution to retain the profits. The Project Manager is no longer a custodian of cost, schedule and quality but also a custodian of optimal innovation.

1.6 Financial Crisis

In economics, **recession** is a general slowdown in economic activity in a country over a sustained period of time or a business cycle contraction (Source: Wikipedia). A project or a program is a vehicle an Organization uses to deliver business value, thereby making it an apt candidate to be a key stakeholder in the economic activity. While a lot has been discussed on the challenges of running a project successfully in normal times, it needs an equally creative and motivational approach in times of a financial crisis for the client or for the economy in general. The impact of the crisis on the project could have multiple dimensions:

- ◆ Customer having reduced budget and increased cost pressures.
- ◆ Tough competition on the business, domain and technology front
- ◆ Uncertainty in the project team due to business uncertainty for the client
- ◆ Reduced team morale with the negative sentiment of the surroundings

1.6.1 The Changing Face of Project Management in lieu of the Financial Crisis

<i>The Past</i>	<i>The Present and the Future</i>
Easy projects across the world	Protectionism
Standard pricing models	New Pricing Approaches
Customer and Vendor Relationship	Profit and Loss Partnerships
Big Budgets	Big Budgets Split into Smaller Projects
No renegotiation	Renegotiation

Exhibit 2 – Impact of Financial Crisis (Source: Infosys Research)

1.7 Tips for being the change

1.7.1 Smaller Project Durations:

Agile approach to Project Management shall be the need of the hour. To be able to manage the changing customer expectations at a short notice keeping in mind the organizational profits. Be able to meet stretched expectations without stretching.

1.7.2 Business Value Articulation:

It is no longer survivable to provide the customer x value if the request was for x value. The financial crisis forces customer to seek more value out of every dollar spent and every project should be able to provide those.

1.7.3 No time to do all the things again:

Leverage the network and available aids to facilitate a faster project execution. Be aware of what is available and what is not; keep an eye on doing things differently.

1.8 Generation Y

Generation Y, also known as the Millennial Generation, Generation Next or Net Generation describes the demographic cohort following Generation X. Characteristics of the generation vary by region, depending on social and economic conditions. However, it is generally marked by an increased use and familiarity with communications, media, and digital technologies. In most parts of the world its upbringing was marked by an increase in a neoliberal approach to politics and economics [6].

1.8.1 The Changing Face of Project Management in lieu of Generation Y

<i>The Past</i>	<i>The Present and the Future</i>
Manager is the need	On Demand Managers
Beyond the regular work	Get what you pay
Ready to do mundane tasks	Get value for every task
Power of networking	Power of Social Networking
Willingness to Stretch	Only if it adds value

Exhibit 3– Impact of Generation Y (Source: Infosys Research)

1.9 Tips for being the change

1.9.1 Assign clear responsibility and success criteria:

Generation Y is more accustomed to doing the work well once it is clearly mentioned. They seek help but only when needed. To extract the best from them, the Project Manager needs to change the way work has been allocated. Generation Y does not like to be dictated. But the same generation is equally skeptical of the peer pressure. Use an Excellence Dashboard to share the findings and details of the tasks not completed. While using the balancing pole for managing the human resource, make sure that responsibility and results go together.

Give Respect: To earn respect one needs to give respect. This paradigm has not changed over the years and is the most successful one for both Generation X and also for Generation Y. Generation Y questions more than ever before, the value of what gets added to their resume profile. That is where the planning as a manager needs to change, to be able to provide challenging responsibilities suited to the skill set for the individuals.

Be a Force of the Digital World: Keep one abreast with the new emerging digital trends and the social networking trends. Utilize those in your daily implementations

and leverage their potential. This will enable your easier buy in with the workforce and make you an impactful manager.

1.10 Being the Change Agent – Some Tried and Tested Tricks

1.10.1 Continuous improvement – the “Kaizen [3]” way:

Keep a log of each and every small improvement done within the teams. Share it with the team, summarize the same and share it with the client, with the stakeholders and use it as an optimized value added reporting agent.

1.10.2 Eliminate Follow up – use Peer Pressure Methodology:

Use a simple dashboard to highlight the expected and pending tasks. This needs to be rolled out in discussion with the team. On one hand it will ensure that none of the critical tasks get missed out, it also saves on non-productive follow up. In an extreme scenario it is a good source for objective data.

Excellence Dashboard						
Responsibility ---->	TM1	TM2	TM3	TM4	TM5	Month
BVA Slider	NA	NA	30-Aug-10	NA	NA	Aug
Visa Plan	15-Sep-10	15-Sep-10	Y-9/15/2010	15-Sep-10	15-Sep-10	Sep
Project Case Study	30-Sep-10	30-Sep-10	30-Sep-10	30-Sep-10	30-Sep-10	Sep
Meeting with Person A	20-Sep-10	20-Sep-10	20-Sep-10	20-Sep-10	20-Sep-10	Sep
Self Learning Session	NA	5-Sep-10	NA	9/5/2010 (9/	Y-9/15/2010	Sep
Team member ECP Plan	13-Sep-10	13-Sep-10	NA	NA	13-Sep-10	Sep

Exhibit 4 – Peer Pressure Methodology (Source: Infosys Research)

1.10.3 Exhibit 4 – Peer Pressure Methodology (Source: Infosys Research)

1.10.4 Do Your Homework with Generation Y:

When Generation Y approaches with a problem, they usually come equipped with data, though it may just be a snapshot of the data. Unless and until you have the complete data log and have maintained consistency in your transactions, they are justified in not taking your rationale at face value. This will also save you from miss-use.

1.10.5 Cover the width and seek depth:

Be as master of at least one area, it could be project management in itself, but keep a tab on multiple other areas like strategy, domain, technology, business, organizational levers, market flavours, and competitive environment. This will hold you in good stead for any discussions.

1.10.6 Manage Yourself yet Be Humble:

Question the rationale as need be and learn to say No to be able to manage and survive in the corporate world. Be as humble as you can for what you know needs to be shared and what you do not needs to be gained, a factor of time.

1.10.7 Adopt and follow an Innovation Framework:

Identify and implement innovation within your teams so as to imbibe it as a culture. Also, keep a close watch on Finance, Business, Domain and Technology.

1.10.8 Case Study for the changing face

An existing SOW comes up for renewal at the client end. Given the financial dynamics in the world scenario, the client opened it up for the bidding process.

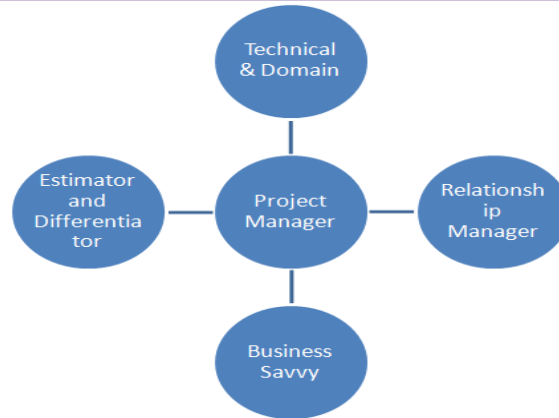


Exhibit 5 The Changing Dilemma of Project Management

The Project Management team was put up in place to handle the scenario where an existing project was put on bid. There were multiple aspects which were taken into consideration while bidding for the project. In a normal circumstance, the project manager would just consider the cost, schedule and quality and get the project. However, what went into consideration was:

- ◆ The past performance and value-adds by the project team over the specified period.
- ◆ Innovative means of revamping the approach in case of additional business in the revised bid.
- ◆ Keeping the clients financial constraints on the fore front for any of the possible solutions
- ◆ Introduce new engagement models for doing the similar work
- ◆ Consider client relationship aspects
- ◆ Consider team aspirations in mind
- ◆ Consider organization focus for the future.



1.11 What could go wrong with the changing dynamics and how to avoid it

This section describes top reasons for possible failure for a Project Manager and catalogs the critical steps to make this transition successful.

Not able to keep pace with the changing generation - Though each Project Manager brings in his/her own individuality, it is very important to keep a tab on the changing dynamics and aspirations of youngsters. This will enable the Project Manager to provide the right motivation as need be.

Higher customer expectation – The only way to match the customer expectation would be to become better in planning, become better in communication, adopting an optimal approach and tread on unknown paths.

New business models of execution – Speed of delivery will be very critical to execute business in the new models of discussion. The only way to tide this stage would be to enable oneself on a higher trajectory of learning and the ability to take more risks.

Risk Management – The risk management aspects become crucial to the success in the new era. The projects shall become more complex, more methodical and with a faster turnaround.


1.11.1 Can Project Management change in Isolation [2]?

The answer is an obvious big No. There are multiple additional support factors which are important to bring about a change.

- ♦ **Organizational Motivation:** While the organization will have to take multiple steps to wade through the changing times, the key is to share the motivational truth (with facts) with the team. Given the fact that teams are mature enough to understand the reality, a positive outlook will definitely help.
Motivational truth is telling the truth as is to the team without distorting any facts and adding a note of positivity around the truth. For e.g. if there is a discussion in the account that one of the projects may be closing down, it's ok to share that news with the team that there is a likelihood of the project getting closed due to recession – however, don't forget to mention that there is all likelihood that there might be another project with higher business value where they might fit in and be able to contribute with their expertise.

Managing growth constraints: One of the biggest challenges to have a motivated work force within the project is to help manage the growth aspirations. This is true for each individual including the managers who are supposed to motivate the team. One way could be internal team rotations with variation in responsibilities. The responsibilities could vary from identifying teams of two to focus on market research or a Knowledge Video or focus on a niche topic or similar tasks which can generate interest and utilize/increase the team competence. The other needs to be cross vertical movement but handling this aspect overall is very important at all times.

- ♦ **Increased Competition:** The “Red Ocean”, in competitive times, continues to become more red and delivery and client delight becomes the key. Value added



services and its clear and fair articulation to the client from within the project teams will help.

- ✦ **Dynamic Adaptability:** The success to ride through rough waters will be the dynamic adaptability of a project. The team(s) may utilize this chance to revamp their working style and approach, suggest new ways to the client and try different ways of doing the same task – thereby reducing monotony and creating excitement.
- ✦ **Cost Control:** There could be a possible control on the monetary motivational awards. We need to look at new and simpler ways to award and recognize the teams; this could include small things like an e-Card for work well done.
- ✦ **Automation & Skills:** Leverage any opportunity to improve the skill sets. For example, undertaking activities to develop tools that automate routine operations not only to help improve efficiency but also improve the skill set of people working on such developmental activities.
- ✦ **Walk the talk:** Talk to the teams with an open mindset, discuss the possible issues and be fair in accepting that some things won't change. On the client front, be upfront with the issues and support the client. The need will be innovation and maturity in all dealings: be it with the team or the client.

Each situation will need you to try your innovative managerial and leadership skills. As a captain of a ship, one has to continue sailing in spite of changing tides looking for the greener shores of the destination. And, enroute, relish the journey and the dynamism that it tends to bring around. It could be an excellent learning experience for the project team to sail through successfully in these changing times.

1.11.2 Benefits of the changing face of Project Management

Though there are multiple challenges towards handling the triad of changing dynamism, the forces changing face of Project Management brings with it multiple advantages for the project manager:

- ✦ Move up the value chain and be a change agent
- ✦ Acts as a self developmental tool for self mentoring and enhancing their skills to manage projects
- ✦ Leverage the social networking and mobility aspects widely being used by the newer generation
- ✦ Be faster, more innovative and more efficient
- ✦ Deep dive into the financial aspects
- ✦ Be the provider of business value and be looked as a problem solver

Most importantly of all, the changing face of project management promotes the culture of professional changes as need arises to ensure the success of delivery excellence.

1.12 Conclusion

Project Management has always remained a combination of art and science. The change in the approach definitely needs to consider a holistic view of changing world dynamics, risks and people needs. As the focus shifts from the triple and quadruple constraints to strategic, business and partnership models, more companies will look to the Project/Portfolio Manager to deliver value and execute strategy. A project/portfolio manager is a potent individual whose approach and value is the cornerstone of achieving an organization's strategic goals. The Project/Portfolio Manager can no longer be looked as a mere corporate doer but as an evangelist for the Changing Face of the World. The focus remains on process improvements on a continuous basis thereby adding value to the business. A Business entity in the making, the Changing Face of Project Management is for a more leaner and efficient tomorrow.


1.13 References

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1.14 Author's Biography



Ravi Agarwal has earned his Bachelor's in Mechanical Engineering from Regional Engineering College, Surat and is a certified PMP. He has a rich corporate experience of more than a decade in the field of leading and managing software projects and providing consulting for key clients in leading software companies. He has to his credit more than 12 thought papers selected or presented in national and international conferences on Project Management and Domain areas including a research paper on Component Based Project Management. Ravi is also an active member of the Infosys



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