

Global Project Strategy (011) (603) 862-3374

*An improving world economy and widespread certification of project management professionals will have a lasting impact on the profession.*

*The ability to resolve conflicts often depends upon the nature of the relationship across the global project.*

## What an Improving Global Economy Means to PM

What is particularly interesting about this recovery is that it is not being led by the US but by Asian countries like China and Korea. Projected growth rates in those countries are well over five percent, while the US and the EU still struggle with low growth and high unemployment.

Without question, the most severe recession since the great depression has taken its toll around the world. Yet many developing economies have scarcely missed a beat as they embrace projects from the construction of power plants to the development of biotechnology and telecommunications products. There are several implications of this unusual

recovery to the project management profession and to the projects we manage.

First, an increasing number of projects are coming out of Asia. One example is the recently signed \$40 billion project for four nuclear power reactors in the United Arab Emirates. The consortium that won the contract is led by Korea Electric Power Corp. (KEPCO) and involves many companies from Korea as well as partners from the US (Westinghouse) and Japan (Toshiba). As a result, cross cultural PM skills will become increasingly important to project success.

Second, project management activity in the US and EU will lag the rest of the world for several years. Companies will remain cautious and the

projects they approve will be conservative and safe.

Fourth, The internationalization of project management standards, methodologies and certifications, such as PRINCE2 and PMI, has created a mobile profession capable of working anywhere in the world. The pace of certifications in the developing world will accelerate as companies look to expand beyond their Asian borders. Otherwise, their growth rates cannot be sustained.

Fifth, In some countries like Korea there is already a significant shortage of experience project management professions, look for this need to be filled by expats.

## Why Effective Relationships in Global Projects are Critical

Relationships are critical to project success. When conflicts in schedules, quality and costs cannot be effectively resolved, projects can lead to disappointing results, even failure.

Global projects share a double burden. Even effective relationships among people from the same country can be a challenge, but when the participants are from different countries the challenge to establish and maintain an effective

relationship can be monumental.

I recently worked with a large Asian company with a project in the Middle East. The project managers all expressed the challenge when working with their Middle Eastern counterparts. The cultures were so different that the Asian managers were not sure they were interpreting the messages received in the right way. Then they were not sure how to respond.

Conflicts often led to contract disputes.

The same company had another project in South Vietnam but the PM assigned to that project established an effective relationship with his counterpart. As a result, conflicts were handled effectively and the project was very successful.

Next Month look for ways to build effective global relationships.