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Editorial Team

Ashish Tilara
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from the President

Julia Checchia PMI Sydney Chapter President

And the dream continues on!



“The death of a dream is the day that you stop believing in the work it takes to get there” — Chris Burkmeen

On behalf of the Board of Directors, Associate Directors and Volunteers, I feel honoured to continue representing the PMI Sydney Chapter this year. 2015 has been a big year and so far we have been investigating new and innovative ways to serve our membership base by means of:

- a) delivering different events and workshops as well as sponsoring Meetups;
- b) conducting focus groups to understand our members, volunteers, sponsors and executive’s needs in relation to relevance and contribution of our chapter to the profession;
- c) collaborating across Australia and internationally to bring better services to our members and associates
- d) bringing in new certifications

Founded in 1997, our Chapter has faced interesting movement in the membership base and it continues to present a steady retention of around 70%, vide the 2014 Retention Award. Over 70% of our membership base hold at least one PMI credential. This information showcases the amazing opportunity for connection and growth when you are associated with the PMI Sydney Chapter.

According to several public speakers and most recently according to Vinh Giang, EMEA LIM 2015, “you are the direct reflection of the top 5 people you spend time with”. If that is the case, professionally and even personally, spending time with the PMI Sydney Chapter fellow members can only create excitement and continued learning. That is why I continue to be ever so committed to the chapter and the work we do.

It is particularly gratifying to hear the amazing things the team is doing regarding to University and Community connection with the Academic Outreach portfolio connecting students to not-for-profit organizations for the delivery of small projects; Directors and associate directors working directly with not-for-profit organizations to educate them in project management as a life skill as well as teaching them how to prioritize and manage their project portfolios and services.

The increase of over 100% in the number of supporters and sponsors over the last 3 months, reinforces shared industry recognition that the PMI Sydney Chapter is commitment to support member’s growth in the 3 areas required for any project professional to excel:

- a) business,
- b) leadership and
- c) technical skills in project management

We are always looking for new ideas and ways to serve both our members and community as well as enhance your membership, volunteers and sponsorship’s experience. Please contact me or any member of the Board with your ideas and feedback.

To all of our members, associates, sponsors, volunteers, and friends - I thank you for your continued commitment to the PMI Sydney Chapter and encourage you to look out for the PMI Sydney Chapter 2016 Board of Directors upcoming nominations.

Why public speaking is important for project managers?

According to Winston Churchill, *“A good speech should be like a woman's skirt; long enough to cover the subject and short enough to create interest.”* Unfortunately, according to Jarod Kintz, *“99% of the population is afraid of public speaking, and of the remaining 1%, 99% of them have nothing original and interesting to say.”*

As a project professional, whether a coordinator, manager, program or portfolio, it is paramount to communicate well, and therefore acquiring public speaking skills sets any project professional apart, in any industry chosen for performance.

According to Simon Sinek in *“Start with Why: How Great Leaders Inspire Everyone to Take Action”*, *“People don't buy what you do; they buy why you do it. And what you do simply proves what you believe”.*

Project Managers are often responsible for many tasks not directly connected with their day to day job such as sales meetings, executive meetings, customer focus groups; where they have to explain the “why's of their projects, approach and plans. Understanding how to speak in front of a varied audience with different frames of minds and perspectives, may give PMs a solid advantage. Furthermore, learning how to listen to other people's ideas is an even better skill to acquire and that is certainly what you acquire when you understand the realms of public speaking.

How can you start?

- Read some books or blogs such as:
 - a) Confession of a Public Speaker by Scott Berkun
 - b) Presentation Zen by Garr Reynolds
- Practice by watching and doing. Whether watching great leaders on Ted Talks or YouTube or even local leaders at your neighborhood or universities
- Consider joining a local Toastmasters club (via toastmasters.org), including the PMI Sydney Chapter Toastmasters club
- Take up the World Class Speaker's Course from the Australian Success Academy - <http://www.australiansuccess.com/>

While my view is that Project Professionals need public speaking skills, it does not change the fact that they need to be more of a 'leader' than a speaker. They need to acquire and advance leadership and influencing skills. I've known great leaders that weren't very good speakers. In small groups and one-on-one they had many followers but they were not as impressive in a larger audience. The matter is that, public speaking is a learnable skill and while there are a whole lot of skills required to be a good project professional why not take up a new one? Success of a project manager is never contingent on a single skill, so sit on a magic carpet and float through the magic world of public speaking.

Julia Checchia, PMP, MBA, MsC
President, PMI Sydney Chapter

From the Professional Development Director

Benjamin Howell



By the time you are reading this article we should be underway with Session 2 of the PMI Sydney Chapter Mentoring program which will run for the remainder of the year. We have had some great feedback from Session 1 from both Mentors & Mentees and are using the suggestions gathered to build upon the ongoing program. As the program continues to grow, I would love more of you to come forward as volunteers to help administer the program as well as to work on new initiatives to further build the capability of the program e.g. having mentors and mentees from other likeminded organisations to cross-skill and further add to your growth professionally and personally, as well as to obtain PDU's particularly in talent triangle areas of 'Leadership' and 'Strategic & Business Management' making you a more rounded and relevant project practitioner in today's challenging and complex environment.

The portfolios Education team through Glen Miller has been working together to identify ways that we can improve the short courses that we usually organise on Saturday's, however the most important method of doing this is to get your feedback. This will be done by way of a survey that the team will shortly be circulating via an eBlast to find more about the types of courses that you would like us to organise on your behalf, and how these may differ depending on the various demographics of our Chapter members. Completing this survey is vitally important to the Chapter to ensure that we are delivering courses for you that are topical, relevant, and more importantly useful in both your ongoing professional development and career. Of those that respond to the survey, one will be drawn out of a hat and receive a free spot on a Saturday Education (non Certification) course of their choice to be used before the end of the year.

I'd also encourage you to make use of and support our wonderful REP's. They can be found via under the 'Professional Development' menu via the 'REPs in NSW' option on our Chapter website. Discounts are often available to you if you are a PMI Sydney Chapter member, so I'd encourage you all to check them out (particularly if you are looking for a course at a particular time when there is not something similar scheduled directly through the Chapter.

My portfolio is also on the lookout for anyone wanting to join our Certification team working alongside German Guzman. We are very keen to increase the range of PMI certifications that our Chapter members have, and for that reason we have a number of initiatives underway with this aim in mind - particularly around improving the delivery all of our Tuesday night prep classes and also growing our PMI-ACP® and PMI-PBA® capability and maturity (especially interested if you already have one or both of these certifications). If this sounds like something you'd be interested in, let me know.

Just a reminder for anyone wanting to know about scheduled certification or education related courses, you can find them under the 'Event Listing' via the 'Event' menu at www.pmisydney.org. Please go there in the first instance if you want to see what is happening and when.

Happy cat herding!

Take One step forward to Leadership

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from the Academic Outreach Director

Louis Taborda



Good Things Happened

The line we often hear is that “good things happen when you get involved with PMI.” Sounds like, and probably is, one of those marketing type lines. And nobody is quite sure how that happens – or if it really does. So I thought I might share some personal experiences being the Director, Academic Outreach this year.

While I have been consulting in industry for years, last year I started part-time lecturing in a Sydney college’s PM Master’s program. It has been tremendously rewarding for a practitioner to be able to share hard-won experiences with students and help them learn the basics of the PM discipline. From an educator’s point of view, there are key aspects of PM that need to be covered with the students; areas of PM-BOK that are a part of any PM curriculum. Reconciling these learnings with the complex and ambiguous situations we experience in the professional world is something every PM practitioner must grapple with. But students who learn the disciplines without the benefit of professional, and potentially even life, experience will lack the understanding of how to apply them.

The answer that educators have arrived at is to have all PM students undertake practical project work so that they get an appreciation of the dynamics involved in working with sponsors and other stakeholders. But the value of these experiences relates to the availability of motivated stakeholders and the reality of the situations offered. The goal therefore is to find actual projects that the students can work on so they can deal with the tensions that arise in satisfying stakeholders and delivering real value.

As the number of students who enroll in both undergraduate and postgraduate PM courses continue to grow, these institutions have a problem finding a sufficient number of real-world projects to give to their students. This is a problem which we should all be concerned about, because without actual experience of project delivery, the “supply-chain” of formally educated future project managers will be full of book learning but lack practical experience. Lamenting about the next generation of project managers would have been all I could do if I was not an active volunteer in the PMI. Instead, as a part of PMI Sydney’s Academic Outreach, I consider this a challenge we are well placed to address - with the help of our membership.

The answer lies in working with PM teaching institutions and assisting their students learn the complexities of REAL project management. There are different ways to do this but one is to source industry projects from our membership – those nice-to-do projects which we never have time to start – and act as sponsors for student teams working to explore the concept for us.

This is a win-win opportunity and by being involved in PMI has made it possible to connect the dots between what might otherwise be two disjoint issues. Utilizing students are resources to plan and execute small projects for our businesses, schools or charities can be a boon for our membership; and more broadly our community. Marcel Ma, Associate Director for AO, wrote about our early experiences with student projects in the last issue which advance to the point where we at least had a prototype to explore. At the same time we progress a “passion project” we are giving budding project managers the opportunity to apply their knowledge and get an appreciation of how to run real-world projects – and interact with sponsors who actually want a result from all those best practices.

This experience was for me a “good thing.” PMI allowed me to see the education of new project managers from different perspectives, and contribute to solving issues which would otherwise been simply frustrations. So it is true: good things do happen when you get involved! If you’d like to work with us in Academic Outreach, or if you have some ideas for student projects, don’t hesitate to contact me at academic@pmisidney.org.

from the Professional Outreach Director

Kate Morris



This is such a hot topic amongst our members and it was pleasing to see so many people attend our recent PMI Sydney Event on the subject. This is something near and dear to my heart and as more and more companies look to leverage 'Agile' delivery I can see the traditional Project Manager role changing. Whilst I do not believe the 'Agile Revolution' of delivery is a silver bullet to fixing issues with quality, budget overruns and increased schedules nor should it be adopted for all projects delivered, there is merit in exploring a new way of thinking for solving these age old project problems.

In my presentation I explored the concepts of Agile, in particular Scrum Delivery and the dynamic of the Scrum Master and Product Owner. Some may say these roles are portions of the traditional Project Manager and therefore show that the role is diminished/watered down/irrelevant. In my opinion the ability to give certain responsibilities to other team members allows the Project Manager to focus on key elements of delivery and compliment rather than take away from the role. Depending on the project and company environment, there is also an opportunity for a Project Manager to fulfill one of these roles as well as the Project Manager role on a project. Let's look at the roles in Agile Scrum in more detail.

For a Scrum Master, their focus is all about making sure the scrum team is following the correct practices for delivery and removing impediments so that the team can deliver their sprint goals. Their focus is heavily in the now and the near future. As long as the team has a constant stream of work coming through that is 'groomed' and ready to go the Scrum Master can effectively do their job. So what happens when this doesn't happen or there are issues outside a technical delivery piece? If the team isn't making the progress required to hit the end date of the project, who is there to manage stakeholder expectations or look to source additional project budget to run the project longer?

The Product Owner is a dedicated resource for the scrum team that manages the backlog of work and provides clarity to the team about what's required. They are usually the main stakeholder that the Project Manager would work with to confirm requirements and obtain signoff from. They are responsible for having a 'groomed' backlog that is concise in what needs to be delivered, is in order of highest priority. They are held to account of delivering change to obtain the agreed benefit profile of the project. They are responsible for the vision of the deliverables and be able to represent all stakeholders with a vested interest in the project. So what happens when the Product Owner wants to go off on a tangent and move away from the deliverables? What happens when the Product Owner doesn't cover the views of all and forges along their own path? Who is taking into account the technical debt when organizing what's the next highest priority item?

Now with both of these roles, in my experience there is a definite need for a Project Manager on a project. I find the need for a Project Manager especially in companies that have agile delivery teams but still have a 'Waterfall' governance model to report to. Scrum Masters and Product Owners aren't looking at risk registers or budget overruns.

When I think about how my role is looking after a program of work and having multiple scrum teams delivering for me I see Project Managers working with teams on the bigger picture. The time available to them allows them to work with Product Owners on new initiatives in a discovery sense and build up ideas and business cases for the next pieces of work in the program. My Project



Managers are still held to account for budget and schedule and relay this information to senior management like they always have. They still manage and mitigate risks on projects and in my company, organize the non-technical delivery items such as collateral, marketing, compliance and legal change. They are a great balance between pushing for technical delivery and business vision and getting the whole project delivered with the Scrum Master, the Product Owner.

As companies evolve in their delivery journey and senior management are much more open to the ideas of lower levels making decisions based on delivery complexity and the best use of project funds (i.e. changing delivery items on the fly and not sticking to the original business case) we will see a change in how projects are governed. Change in our industry is inevitable as we look for other ways to deliver more with the same or more with less. I would like to think the attributes of a project professional are vital for any project delivery method utilized.

For those of you interested in cementing your professional qualifications with an agile slant, take a look at the PMI-ACP certification

About the PMI-ACP

If you're experienced using agile approaches, have good collaboration skills, eagerly embrace complexity and thrive on rapid response times, then your talents are in demand. The PMI Agile Certified Practitioner (PMI-ACP)[®] formally recognizes your knowledge of agile principles and your skill with agile techniques. It will make you shine even brighter to your employers, stakeholders and peers.

The PMI-ACP[®] is our fastest growing certification, and it's no wonder. Organizations that are highly agile and responsive to market dynamics complete more of their projects successfully than their slower-moving counterparts — 75 percent versus 56 percent — as shown in our 2015 *Pulse of the Profession*[®] report.

The PMI-ACP spans many approaches to agile such as Scrum, Kanban, Lean, extreme programming (XP) and test-driven development (TDD.) So it will increase your versatility, wherever your projects may take you.

You can also be a part of our Agile Community by coming along to our PMI Sydney Chapter MeetUp



I'm always happy to connect with members that are interested in Agile. Please send me an email to DALPO@pmisydney.org and we can connect.

from the Events Director

Philip Reid



“Reasons to spend time with PMI”

Julia’s article noted that; “you are the direct reflection of the top 5 people you spend time with”. Anyone who has studied an MBA will understand that much of the learning on an MBA course is from the other participants not just the topic under study.

People who study an MBA are particularly motivated individuals and for those who know Myers Briggs are often ENTJs, read extrovert, Intuitive, thinkers.

At the end of their 1-2 year immersion, and having spent a lot of time with each other, they often have outgrown their job and will seek and find their next challenge. You could surmise that in part their career advancement has been fostered by the energy of the people they surround themselves on the MBA.

I would propose that as a PMI member you can get the same outcome by attending PMI events and meetups. Not only will you get new learning from the subject being covered but also from the interaction of your peers at the event.

Its our responsibility to provide interesting topics and speakers but the event wont be the same without participation of the audience. Its also noticeable to see that the members who attend regularly start to form great friendships which in turn provides more opportunity for growth and career advancement

So keep your eyes open for the next events and take the opportunity to get involved and advance your career with PMi Sydney.

Philip Reid

Events Director, PMI Sydney

PMI Sydney Chapter - Meet up



For more information on Meet-Ups go to www.meetup.com for general information or www.meetup.com/Sydney-Project-Managers for the Sydney group. As ever, for Chapter and Breakfast events please check out the Chapter website at www.pmisydney.org and log-in to register. Have a look at what we have happening, sign-up, join in and be part of the growth of project management in Sydney and New South Wales.

Registration & cancellation

We aim to present informative and relevant speakers at our events and Meetups, so it’s no surprise to know that our meetings can reach capacity very quickly. Members are encouraged to register for events early to avoid disappointment. At the same time, we highly appreciate a courtesy email notifying us of cancellations well ahead of the event date. The requirements we receive from our venue organizers include firming the numbers a few days before the event. This will give those on the waiting list an opportunity to attend and ensure every seat is filled, maximising members’ exposure and minimizing waste. If in doubt regarding availability at an event please email me at events@pmisydney.org and I will do my best to accommodate your request.

PDU's

Remember, you are entitled to claim 1 PDU for every PMI Sydney Chapter event that you attend. Details of how to claim your PDUs as per the new categories are on our website.

Crowdsourcing - an Innovative Idea?

Hang Himbert



What is crowdsourcing?

According to Wikipedia, crowdsourcing is a process of obtaining needed services, ideas, or content by soliciting contributions from a large group of people, and especially from an online community, rather than from traditional employees or suppliers.

In short, crowdsourcing is about using the Internet to outsource work to individuals. The internet provides a particular good venue for crowdsourcing as people tend to be more open and feel they are not being physically judged or scrutinized and therefore they are more comfortable sharing.

Usually some reward is offered for a crowd-sourced task to spark interest. This can be anything from money to publicity.

What are the benefits of crowdsourcing?

You have heard that a diverse staff is important for innovative thinking that challenges the status quo. Crowdsourcing extends this even further to allow you to take advantage of a diverse workforce much larger than the permanent staff of your organization. The workers who participate are almost always creative, engaged and motivated as they are striving to “stand-out” amongst their crowdsourcing peers.

What are the different types of crowdsourcing?

Crowdvoting or polling is often used as a method for getting information from crowds about their opinions, while *creative crowdsourcing* involves numerous individuals in a creative work. On the other end of the spectrum, *crowdfunding* is a special type of crowd-sourced product that is used as a method for generating money from many individuals to fund businesses, creative projects, charities and more.

How can I take advantage of this opportunity?

As an organization you have to begin by selecting some task appropriate for crowdsourcing. Almost anything can be appropriate as long as the objective can be well defined along with the proposed award. It is also possible to crowd-source tasks that can be done by a single person or entire organizations, the sky is the limit! (We will talk more about this later)

An organization will need to find a way to advertise its challenge, and challengers must be aware of the advertisement. Some specialized web sites exist specifically for organizations to publicize their challenges and to provide an easy way for potential challengers to find tasks that they are interested in performing. Some examples of these sites are *Amazon Mechanical Turk* for general tasks of all kinds and *Kaggle* for data mining tasks. Also *Innocentive* is a site tailored for businesses to post complex tasks with a correspondingly higher reward. Visit their sites to learn more about the capabilities.

Tasks can also be advertised through social media or other types of campaigns if the organization is large and well-known enough to gain wide visibility.

Some real world examples of crowdsourcing

Remember I mentioned that the sky is the limit? The XPrize foundation calls themselves “an engine of innovation” and they are using crowdsourcing on a large scale to solve big challenges. The Ansari XPrize sponsored by this foundation was a \$10-million-dollar challenge to create an opportunity for private space travel. It resulted in the creation 10 years ago of the SpaceShipOne vehicle and a whole new industry. They have many other challenges listed. These types of challenges require teams to complete however many other challenges can be completed by individuals.

Some other brief examples of using crowdsourcing for innovation (just one of many uses):

Harley Davidson utilized a crowd-sourced 'virtual creative department' listing 3,200 international participants to create a market overview out of the ideas of thousands of participants, as well as guiding the marketing model for the brand.

Procter & Gamble is utilizing crowdsourcing in such a way it accounts for more than 50% of its product initiatives. P&G is systematically crowdsourcing ideas involving packaging, design, marketing models, research methods, engineering, technology and more, as its Connect + Develop initiative already resulted more than 1,000 active agreements.

Nokia Labs invited customers to test pre-commercialized apps. By crowdsourcing customer feedback and testing to a user community they can market test their new applications and get ideas for further development.

GE's Ecomagination Challenge crowd-sourced ideas for smarter power grids and energy technology solutions. GE invested \$100M in the challenge, which was matched by 4 venture capital firms. Participants were offered incentives in the form of funding.

In collaboration with the World Wide Fund for Nature (WWF), Sony launched the Open Planet Ideas initiative in order to crowd-source the next breakthrough environmental solution from the public, while, at the same time, it provided opportunities to repurpose the company's own technology.

What you can do

As an organization, think about the challenges you face and how crowdsourcing can help you. The possibilities are endless. When you have a potential candidate task, research the crowdsourcing applications on the internet to see which ones are suitable.

If you are an individual (or a team) looking for a fulfilling and potentially lucrative task, you can also look to the crowdsourcing applications for leads. Googling your favorite activity along with "crowdsourcing" may also turn up opportunities.

Good luck and have fun!



The image is a promotional banner for IPMDAY 2015. On the left, there is a photograph of four diverse business professionals (two men and two women) smiling. In the top left corner of the photo is a small logo with a globe and the letters 'IIL'. On the right side of the banner, there is a dark blue background with white text. The text reads: 'IPMDAY 2015: Ensuring A Sustainable Future A MUST SEE VIRTUAL CONFERENCE 20 PDUs LEARN MORE >>'. The text is arranged in a vertical stack, with 'IPMDAY 2015:' in the largest font, followed by 'Ensuring A Sustainable Future', 'A MUST SEE', 'VIRTUAL CONFERENCE', '20 PDUs', and 'LEARN MORE >>' in the largest font at the bottom.

Large-scale ERP: A thing of the past?

Quay Consulting

Quay Consulting are a Bronze sponsor of the PMI and have kindly submitted the below article on their view of the challenges of delivering large scale ERP's in 2015.

Enterprise resource planning – or ERP – has been a longstanding trend for large-scale project delivery. Yet while the term “ERP” has become part of the modern business lexicon and can deliver significant organisational benefits, it would appear that the trend is shifting away from ERP implementation.

Many organisations are instead adopting agile or online self-service systems and technical innovation is driving alternative methods for project delivery. So is ERP in steep decline and how will that impact the types of projects selected for delivery?

What is an ERP?

ERP stands for **Enterprise Resource Planning** and is typically a stand-alone suite of integrated business applications that services the entire companies' business processes.

The aim of the ERP system is to break down the silos within a business and thereby gain benefits from the integration of all core business processes across the organisation, including:

- Process improvements
- Cost reductions
- Synergies from sharing information

ERP implementations are large scale project undertakings and impact the entire business, thus the cost of implementation is a significant investment for any organisation.

What does a “typical ERP” look like?

Typically, ERP systems rely upon big data stored and controlled centrally. Successful implementations require long project lead times to gather requirements, design and implement if done properly.

Furthermore, the ERP market is dominated by very large software vendors who follow well planned project delivery methodologies to ensure ERP implementations are successful but this too comes with a hefty price tag.

Why are ERP implementations declining?

Whilst ERP solutions can offer undoubted benefits for an organisation the current trend is to move away from ERPs. Some of the new business thinking driving this shift away from ERP implementations includes:

It's got to be Agile to get the benefits

Undoubtedly the biggest shift in project delivery thinking and practice over the last five years is moving more toward an “Agile way of doing things”.

Agile project delivery, unlike waterfall, is not big bang but seeks to deliver project outcomes, and more importantly the benefits, incrementally.

Most organisations are adopting Agile techniques for projects where it is appropriate ie: software development projects with significant opportunities for business process re-engineering. An Agile approach ensures benefits are delivered regularly and learnings are carried forward to the next cycle or sprint.

ERP implementation by their very nature do not lend themselves to Agile techniques. They are delivered by Waterfall methodologies and require long lead times. More importantly they require an executive to sign off on a business case that will not deliver benefits until sometimes far off into the future which senior executives are increasingly reluctant to do instead preferring regular and consistent delivery of benefits.

On-line self service systems

The pendulum that once drove the large uptake of ERP systems i.e. the desire to break down the silos within an organisation, is now swinging back in the other direction. The proliferation of on-line self-service systems is creating a new way of doing business where data and processes are segmented off by an organisation and accessed on-line by users thus re-creating the silo ERP systems sought to break down.

Innovation is the way forward

All organisations need to innovate to ensure they can remain relevant and successful in their market space. This is particularly true with the pace of change occurring in most sectors.

Innovation by its very nature needs to happen quickly to keep pace with the speed of change and **should work on the principle of “fail fast”**. This is giving rise to project innovation funds whereby small teams are afforded the freedom to pursue business objectives sometimes outside the normal project delivery structures.

Often known as Skunkworks, this trend is moving away from the large scale, time consuming and expensive ERP solutions of the past to a leaner and nimbler approach to delivering change in an organisation.

Big data can now be in the Cloud

One of key drivers of a successful ERP is big data. The capture, storage and access of the company data across all divisions was greatly enhanced by ERP solutions.

With the increasing use of the Cloud for an organisation's data needs, the case for an ERP is no longer as compelling, particularly when you look at the cost savings the **user pay model the public Cloud can offer**.

Whilst the large scale ERP solution is not dead, it is certainly on the decline and this is impacting on the types of projects that are now receiving funding approval for delivery. The current generation of project managers will need to be mindful of this trend and be adaptable to the new project delivery landscape.

About Author: This article was first published by Quay Consulting as part of their monthly Quay Bulletin. For more articles around issues with ERP and project delivery, visit www.quayconsulting.com.au or subscribe to the monthly Quay Bulletin here: www.quayconsulting.com.au/news/



PMI Sydney Event - Redline Racing

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Are we nearly halfway there yet?

Anton du Toit, Lachlan Heasman

USING ORGANISATIONAL PSYCHOLOGY TO HELP YOUR TEAM MEET DEADLINES

Every management textbook you can find or training course you attend will tell you teams always go through the stages of forming, storming, norming and performing (Tuckman, 1965).

This is a lovely idea, but it's not true.

Any time you get a group of people together working on a project, there are group processes that occur naturally. Some are well-known, and easy to see: people get to know each other, for example, and they also come into conflict. Other processes are not so obvious.

The “halfway effect”

In the 1980s a researcher (Connie Gersick) was studying how task forces “actually get work done”. Initially studying graduate management students, she found that the lives of the groups had not gone the way the traditional models predicted. The results piqued Gersick's interest and she went on to study teams from other settings, including a bank task force, hospital administrators and a community fundraising group. Across all of these rather different groups, she found results consistent with her first groups of graduate students, but not consistent with how we would expect groups to change over time (such as forming, storming, norming).

This led to two significant findings about how teams change over time:

1. At the beginning of the project, the way team members work is established implicitly, rather than discussed explicitly. People just dive in to the work, without discussing how to approach it. These assumptions are not challenged until the halfway point of the project.
2. When the project is at its halfway point, teams re-evaluate their working methods, learning from the first half of the project. There is an excellent opportunity to learn and shift behaviour at this time. Teams may change their work practices for the second half of their project in an attempt to meet the deadline.

So in effect, groups of people working towards a deadline tend to work in **two distinct phases**.

Both of these findings were unusually strong. These occurred across different types of people (professional groups, community groups, and students) and different timescales (from one week to several months). Then they were repeated in an experimental study.

How to use the “halfway effect” in your team

There are two ways to use this to increase a team's performance. First, the team needs to **break up projects into smaller, discrete units, with shorter timescales**. Having more halfway points creates more opportunities for the naturally occurring re-evaluation of performance. It also allows the team to accumulate more shared knowledge, through having been through this process more often.

These small projects need to be meaningful, discrete units, rather than arbitrary milestones. Suppose a mining company is excavating two pits of different sizes, and the timeframe was a year. It would make mathematical sense to set two milestones, at the 6 month point and at the end, according to the tonnage to be excavated. Hence, at the first milestone, after 6 months, the schedule might call for the largest pit to be partly complete.

However, from a team motivation point of view, this is **not** the best way to do it. Even though it is less ‘logical’, the milestones should be the completion of the two pits, and the timescales should vary with their size. Put simply, people won't be motivated by excavating 72.3% of a pit -- they will be motivated by finishing it. The project's deadlines should reflect this.

Second, at the **beginning, middle and end of the project** lifespan there are **specific interventions that can be undertaken**. J. Richard Hackman (a professor of organisational psychology at Harvard, whose research and consulting revolved around teams and teamwork) expanded on Gersick's work (2002, p. 179) to suggest three

distinctive types of intervention which are optimally timed at different points:

Beginning: The team's motivation should be a particular focus. Designing the work so that it is intrinsically rewarding is one strategy to use; external rewards for good performance on the project should also be on the agenda.

Midpoint: This is a good time to reflect on performance strategies e.g. how the work is done, how teams are organised. The team is likely to be thinking about those issues at this point we can take advantage of the situation.

End: This is a good time to look back on the team's experience on the project and learn from it. Would it have been useful if the team had some skills that they currently do not possess? Is there some training available?

Based on Gersick's findings, it's important to have many of shorter deadlines during a longer project, to develop and maintain performance.

Conclusion

There are many ways we can work with our teams to help increase their performance, and many are not as we might expect. We've been digging through the science on teams and teamwork: we do training and consulting about teamwork (and other things) that is based on science. If you want to know more about the science of teams, contact us at www.scienceofteams.net.

About Authors: Anton du Toit & Lachlan Heasman are trainers and consultants with an interest in the science of what makes teams work well. Anton is a registered psychologist with a background in finance and marketing in research, analysis, and project management. Lachlan is a coach and consultant with a background in software development, project management and management.

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To view this survey [click here](#). We thank you in advance for your feedback.



A Team Building Event!

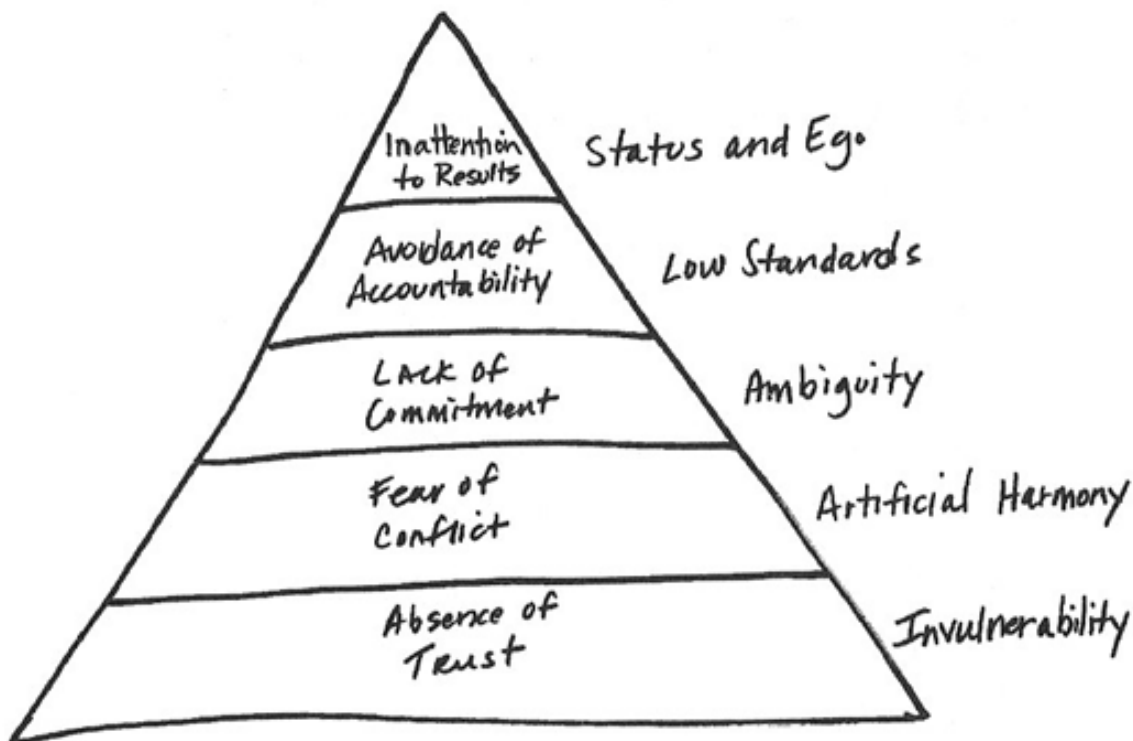
Silvia de Ridder

I was recently engaged to design a team workshop for a project team. My client used the “team building” phrase which I must admit rings alarm bells for me as I too have been exposed to “team building” which seemed like a great idea at the time however resulted in little or no follow-up or change. There is nothing more de-motivating to a team than asking for their input to do nothing with the results. You may well have spent the afternoon or day on a social activity and created a greater level of connectedness. Human beings are social beings and building social relationships reaps benefits on many levels.

So I was adamant I would get clear about what kind of team building that team building meant for my client. What was the problem he was trying to resolve, what is not happening that he would like to see happening? What did the team think?

So following a level of back and forth I suggested we consider a level of evidence based design to the workshop. We ran 2 surveys – one with the team asking for their general feedback and second aimed at identifying the possible dysfunctions within the team.

The terms dysfunctions originate from the work of Patrick Lencioni. The book called *The Five Dysfunctions of a Team* describes the many pitfalls that teams face as they seek to effectively work together.



Dysfunction #1: Absence of Trust: Fear of being vulnerable with team members prevents the building of trust on a team.

Dysfunction #2: Fear of Conflict: The desire to preserve artificial harmony stifles the occurrence of productive conflict.

Dysfunction #3: Lack of Commitment: The lack of clarity or buy-in prevents team members from making decisions they will stick to.

Dysfunction #4: Avoidance of Accountability: The need to avoid interpersonal discomfort prevents team members from holding one another accountable.

Dysfunction #5: Inattention to Results: The pursuit of individual goals and personal status erodes the focus on collective results.

High Performing Project Teams amongst other things

- trust one another.
- engage in unfiltered conflict around ideas.
- commit to decisions and plans of actions.
- hold one another accountable for delivering against those plans.
- focus on the achievement of collective results.

By understanding where this team was at in the context of the 5 dysfunctions as well as their own feedback, the workshop was much more targeted yielding value for the leader, the participants, the project and the organisation.

It should be noted that the journey is not a one hit wonder and that ongoing focus via the leader or through coaching the leader and/or team supports longer term effective change. It sounds simple, it's because it is simple, at least in theory. In practice, however, it does require discipline and persistence. Ah! the wonders of change!

About Author: Silvia describes herself as an Engineer of Human Excellence. What makes Silvia unique and well positioned to add value is the combination of coaching, facilitation and change management capability with a background in engineering, technology, program and project management. Silvia brings a level of knowing to the coaching and training of technical experts. Silvia has an understanding of not only the technical challenges but more so the human elements of leadership and people management- emotional Intelligence, soft skills and the people side of change.

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Lencioni; Patrick, M - The Five Dysfunctions of a Team

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What is Opportunity Cost and Why Do You Need to Understand it

Cornelius Fichtner, PMP, CSM and Dan Ryan, MBA, PMP



If you are in the middle of preparing to take the Project Management Professional (PMP)[®] Exam you have undoubtedly read through *A Guide to the Project Management Body of Knowledge (PMBOK[®] Guide) – Fifth Edition* at least once and possibly even more. If you are just starting to prepare to take the **PMP Exam**, then you should be planning to read through the *PMBOK[®] Guide* at least a couple of times. The *PMBOK[®] Guide* should be your primary resource when studying for the PMP Exam as it is the globally recognized standard and guide for the project management profession; however as you probably already know, it does not cover every possible topic that the PMP Exam may touch on.

One of those topics not covered by the *PMBOK[®] Guide* is Opportunity Cost. There is no guarantee that you will see it during your PMP Exam, but there is also no guarantee that you will not. Here we will explain why as a project manager you need to understand Opportunity Cost, beyond that it may be on the PMP Exam, and what exactly Opportunity Cost is. We will also go through a couple of examples of Opportunity Cost questions.

Why does a Project Manager need to understand Opportunity Cost? It is very possible as a Project Manager you will be charged with project selection at some point in your career. You will need to make sure you evaluate and select projects based on your organization's goals and needs to ensure returns are maximized as well as opportunity costs are minimized. As part of the project selection process you will need to evaluate where to best utilize valuable resources such as specific skill sets, time, and of course money. Allocating these resources to a specific project prevents their use for other projects at the same time, after all an organization only has so many resources and needs to take on projects with the highest potential for success and the greatest return.

What is Opportunity Cost? Opportunity cost is the loss of potential future return from the second best unselected project. In other words, it is the opportunity (potential return) that will not be realized when one project is selected over another. For example, if Project X has a potential return of \$25,000 and Project Y has a potential return of \$20,000, then selecting Project X for completion over Project Y will result in an opportunity cost of \$20,000. That is the "loss" of not completing Project Y.

Let's take a look at a couple of PMP Exam sample questions around Opportunity Cost:

PMP Exam Sample Question 1: "Which definition best fits Opportunity Cost?"

- a) The sum of all of the potential returns of projects not selected.
- b) The potential return of the second best project that was not selected.
- c) The difference between the potential return of the project selected and the potential return of the second best option that was not selected.
- d) The difference between the present value of cash inflows and the present value of cash outflows.

The correct answer is B. Opportunity Cost is the potential return of the second best option that was not selected. It is not the sum of all potential returns that were selected or the difference between the potential return of the project selected and the second best option. It is also not the difference between the present value of cash inflows and the present value of cash outflows as that is the definition of net present value.

PMP Exam Sample Question 2: "You are part of a project selection team evaluating three proposed projects and you need to select the project that would bring the best return for the organization. Project A has an NPV of \$25,000 and an IRR of 1.5, Project B has a NPV of \$30,000 and an IRR of 1.25, and Project C has an NPV of \$15,000 and an IRR of 1.5. What would be the opportunity cost of selecting Project B over Project A?"

- a) \$15,000
- b) \$5,000
- c) \$25,000
- d) \$30,000

The correct answer is C. Opportunity Cost is the potential return of the project not selected. In this case we did not select Project A, so it is \$25,000. There is extra unrelated information in this question; IRR is not relevant when evaluating opportunity cost. Once all of the unnecessary information is filtered out the questions is simply asking what is the dollar value associated with Project A.

Opportunity Cost simply comes down to the benefits or returns that are passed up when one project is selected over another. Understanding what Opportunity Cost is may or may not be necessary when taking the PMP Exam. Even if questions about Opportunity Cost are not on your PMP Exam it is still important for you as a Project Manager to understand [Opportunity Cost](#) as it is a method for selecting one project over another especially when valuable resources are limited.

About the authors: Cornelius Fichtner, PMP, CSM is a noted PMP expert. He has helped nearly 30,000 students prepare for the [PMP exam](#) with the Project Management PrepCast and offers a [PMP exam simulator](#).

Free PMP® Exam Sample Question

Cornelius Fichtner



Question

Which of the following is an example of listening actively?

- A. Encoding
- B. Acknowledging
- C. Decoding
- D. Sending a Message

Question provided by The PM Exam Simulator: www.pm-exam-simulator.com

Answer & Explanation

Correct Answer: C)

Encoding and Decoding are related to transmitting and receiving information and not to active listening. The speaker is sending the message and the listener is receiving it. Listening actively relates to taking a received message and acknowledging, clarifying and confirming understanding and removal of barriers that adversely affect understanding the message that is sent.

Reference: PMBOK Guide 5th Edition, page 299

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Risk Doctor Partnership Briefing

Boards and Risk: Have we got it right yet?

© October 2014, Garry Honey
gwh@chiron-risk.com



Regulators have shown a growing interest in the way Boards manage and report risk, and in 2011 the UK Financial Reporting Council identified three areas for improvement:

1. **Responsibility for risk.** Boards did not take collective responsibility for risk, with a tendency to treat risk as a specialist topic for experts like the Chief Risk Officer.
2. **Appetite for risk.** Boards needed a better way to express risk appetite and tolerance and show that they understood the link between risk exposure and external factors.
3. **Information about risk.** Boards were not clear why certain risks were more significant than others, or what made risk exposure rise and fall.

So what has changed in the last four years? Despite encouraging progress in some areas such as risk appetite or risk culture, the underlying problem still seems to exist, arising from differences in perception around the board table about the nature of risk. This in turn affects the way risk is discussed and used by the Board – or not. Four areas need attention:

- **Perception.** International standards and leading practitioners agree that risk is future uncertainty, which includes both favourable and unfavourable outcomes. Yet many board-rooms limit their view of risk to unfavourable events which threaten business continuity. As a result, risk management focuses on control systems to avoid business interruption. The risk register aims to provide reassurance that unfavourable outcomes can be avoided, managed or mitigated. The root problem is a fixation on trying to control risk, but future uncertainty cannot be controlled. Boards need to broaden their perception of risk and develop better corporate responses to risk.
- **Presentation.** Risk is usually presented at board-level using a two-dimensional matrix or 'heat map' based on probability and severity, or urgency and importance. This neatly places each risk into a box and gives the false impression that it will stay there for at least another year! But risk is not static and it is dangerous to present risk in this simplistic way. Risks increase and decrease dependent on a number of contingent factors, often with connectivity between them, and some risks are consequential upon others: risk is a complex dynamic. The way risk is presented to Boards needs to reflect this, without over-complicating the message.
- **Promotion.** Risk and strategy are closely linked and they need to be discussed and reported together by Boards. Strategy is *future direction*, risk is *future uncertainty*, and the two are inseparable. Corporate reporting often focuses on shareholder confidence, and it has traditionally presented strategy as an engine of growth and shareholder return, while risk management provides controls to reassure investors that contingencies exist. A better way would be for strategy and risk to be reported together within the context of the broader business model.
- **Paradox.** Boards are often confused about why they need to report on risk at all. Who benefits from talking about uncertainty? The regulator demands good governance, while shareholders seek certainty. It is inevitable that these different audiences will want to hear different messages about risk, because what is material or proportionate for one group does not matter to another. This confusion about the purpose of risk reporting can lead Boards to give mixed messages or vague generalities that fail to satisfy either regulators, investors, shareholders or market analysts. We need to resolve the paradox.

So where are we on risk management and reporting in the board-room? Since the global financial crisis, many Boards have recruited compliance directors who wish to avoid risk, which prevents the Board from taking appropriate risk. Risk is seen in mostly negative ways, and governance and control drive the default response to risk. It seems that the journey for improved risk awareness at board-level has just started, and there is still a long way to go.

To provide feedback on this Briefing Note, or for more details on how to develop effective risk management, [contact the Risk Doctor \(info@risk-doctor.com\)](mailto:info@risk-doctor.com), or [visit the Risk Doctor website \(www.risk-doctor.com\)](http://www.risk-doctor.com).

Board Contact Details

PMI Sydney Chapter

Julia Checchia PMP

President

president@pmisydney.org

Jordan Vamvakidis PMP

Treasurer

treasurer@pmisydney.org

Vikas Patole PMP

Partnering & Marketing

Marketing@pmisydney.org

Sandeep Mathur

Governance

governance@pmisydney.org

Dr. Louis Taborda

Academic Outreach

academico@pmisydney.org

Malcolm McFarlane

Vice President

vicepresident@pmisydney.org

Philip Reid PMP

Events

events@pmisydney.org

Alison Evans PMP

Communications & Marketing

communications@pmisydney.org

Melinda Nield

Diversity & Industry Engagement

diversity@pmisydney.org

Kate Morris

Professional Outreach

DALPO@pmisydney.org

Chris McLoon PMP

Secretary

secretary@pmisydney.org

Ha Nguyen B.Sc. (Hons), M.Sc.

Membership & Volunteers

membership@pmisydney.org

Benjamin Howell PMP

Professional Development

development@pmisydney.org

Adrian Pearce

Special Projects

specialprojects@pmisydney.org

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“A project without a critical path is like a ship without a rudder.”
(D. Meyer, Illinois Construction Law)



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