



Opportunity Knocking

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The massive stimulus package has the project portfolio management community thinking big, with leading PPM software providers poised for their own economic bump as they demonstrate how their solutions can maximize taxpayer dollars.

When President Barack Obama signed into law the unprecedented \$787 billion stimulus package last month, the focus was clearly on the end game and not the details — the economy needed to get back on track, and fast.

But for a chief executive famously known for his soaring rhetoric, the talk surrounding the American Recovery and Reinvestment Act of 2009 was altogether different.

"It was program management speak, only not in the old sense, in the new sense," says Douglas Clark, CEO of Métier, the Arlington, Va.-based provider of project portfolio management software. New, meaning a commitment not to just getting things done on time and under budget, but getting them done faster and smarter, with a premium on transparency, risk management and accountability. Will this project bring the highest return on investment from scarce resources? Will recipients be able to manage not one but multiple projects effectively? Can key stakeholders — taxpayers — log onto your Web site and see where exactly where the money is going?

"Clearly PPM tools are going to be the software capability that provides that. That's not just me," Clark says. "That ship has left the port. It's happening as we speak."

Signed in Denver on Feb. 17, the ARRA is a mix of tax cuts, expansion of social welfare and unemployment benefits and massive domestic spending, from assistance to cash-strapped school districts to help keep teachers on the payroll to \$27.5 billion for highway and bridge construction projects.

For one veteran of the government contracting business, accountability will only become more pressing as the money begins to flow through the economy and demand for assurances grows.

"Every month when we submit a detailed report, it's almost like an audit...expenditures have to be reasonable," says Mike Mosley, program manager with Zachry Nuclear, Inc., which works with original equipment manufacturers in support of the Nuclear Regulatory Commission's list of new-build nuclear facilities. "There are 17 license applications in front of the NRC... You have to demonstrate you are spending it wisely — and then spend it wisely."

The new stimulus package includes roughly \$253 million for inspectors general, \$84 million for the transparency board, and an additional \$25 million for the Government Accountability Office, all in the hopes of staving off the kind of frustration that accompanied the previous administration's financial-system bailout, which allocated much for what was generally seen as little return.

"Most people will be shocked at the level of detail, even those who do government work all the time will be shocked at the level in the detail in the review" of the money flowing from the stimulus package, Mosley says.

In some ways, that shows that accountability has "reached its moment in the limelight" Clark says. Government has been trying to increase accountability for some time and the average person will "absolutely" see their tax dollars go further with this type of approach, he says. Effective project portfolio management is "no longer a 'nice-to-have' but a must-have."

And that, of course, presents a prime opportunity for vendors to respond in kind.

Skire, a Menlo Park, Calif.-based provider of capital program, integrated workplace and project portfolio management software, is already offering a new product to help organizations deliver on recovery expectations.

The software tool promises education and updates on the recovery act, information-sharing opportunities and pre-packaged software and services to meet ARRA requirements.

"A lot of our customers have come to us, long before the current stimulus requirements," looking for ways to leverage accountability, says Paul Verveniotis, Skire's vice president of industry solutions. "People want to be transparent, but now it's law. The innovative ones have already done this."

And its not just government that will have companies and agencies looking over their shoulder. If something goes wrong, its also the "watchdogs groups that will call them on the carpet," says John Leet, Skire's director of marketing.

So will businesses actually transform their work and efficiency to get a slice of a fleeting but very large pie?

Richard Sappe, industry strategist for engineering and construction at Oracle Primavera Global Business Unit, says the recovery act may inadvertently become a "real driver for change and transparency" when it comes to wider adoption of project portfolio management techniques, but "whether or not technology can do so quick enough" will play out over the next several years.

It's actually just a part of a much wider shift, Clark says. "You are seeing this huge shift in how we think about our economy from cost of goods sold to a projects-based accounting." After all, he says, "why is Toyota more valuable than GM? Toyota is more efficient at the intangible stuff, getting people together intelligently and getting to market faster...The project effect is everywhere."

For Mosley, 18 years with the company and essentially a lifetime in construction, the affect of the stimulus package will be huge. "I think everyone has a hand in the game and it's going to affect everything in one way or another," he says. "There's going to be a lot of money flowing," but a natural struggle to account for it all.

The stakes couldn't be higher.

"Drop a couple of dollars here and a couple of dollars there," Mosley says, "and you could waste billions without seeing it go."

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