

Project & Program Management for Enterprise Innovation (P2M) Promoted by the Project Management Association of Japan (PMAJ)

Abstract

The Project Management Association of Japan (PMAJ, formerly the Project Management Professionals Certification Center; PMCC), was chartered on October last year, merging with Japan Project Management Forum; JPMF, the oldest body promoting project management in Japan. PMAJ currently has approximately 3,000 corporate and individual members, and approximately 2500 project management professionals certified. The PMAJ has now become the representative project management association of Japan.

P2M, a Guidebook for Project & Program Management for Enterprise Innovation was released in November 2001 at the International Project Management Congress in Tokyo. P2M is providing Guidelines for Enterprise Innovation through program and project management, and is intended to serve as a guide to assist in enterprise growth, competition and survival in the global business and public services environment, complementing the knowledge repositories and competency standards of other international project management bodies.

P2M is also intended to provide a Capability Building Baseline (CBB) for project management and Mission-Performer Professionals who focus on “value creation for commercial or public enterprises, with a consistent chain from mission to strategy, and on to the projects comprising a program”. P2M is designed to facilitate “Enterprise Program Management”.

1. Project Management Association of Japan (PMAJ)

The total number of project management (PM) practitioners in Japan is estimated at approximately 100,000, not including project team members. There are used to be five PM bodies, PMCC, JPMF, PMI Tokyo Chapter, SPM (academic PM society) and CMAJ (Construction Management Association of Japan). However, Japan has not had a representative national PM association until last year, when to resolve this problem the management of the PMCC and the JPMF decided to merge.

PMAJ is the non-profit organization, formerly founded as PMCC in April 2002, and then merging with JPMF, which was founded in 1998. The PMAJ is responsible for promotion of project management and certification system based on P2M for project management professionals in many different Japanese industries, and is also responsible for maintaining and upgrading P2M.

The PMAJ has set the following mission goals as follows:

- 1) To establish and promote the project management professionals qualification system
- 2) To facilitate innovation in the industrial community by maintaining and improving P2M
- 3) To provide a full range of services to PM practitioners

To achieve these mission goals, PMAJ's objectives are:

- To enhance the acquisition of PM/P2M knowledge by diverse industry divisions/organizations
- To qualify 4 levels of PM professionals based on P2M
- Targeting 4000 professionals Qualified in 5 years
- To provide various educational programs on PM to PM practitioners
- To collaborate with the global PM community.

The PMAJ is operating successfully so far and expanding its activities, currently emphasizing:

- Classroom education to enhance acquisition of varied PM knowledge
- Certification examination based on P2M
- Certification of qualifications
- Advancement of P2M thru PM research
- Publication of PM/P2M related books and journals
- Networking and harmonizing with other PM organizations/communities worldwide
- Participating in and hosting international PM events.

2. Project & Program Management for Enterprise Innovation (P2M)

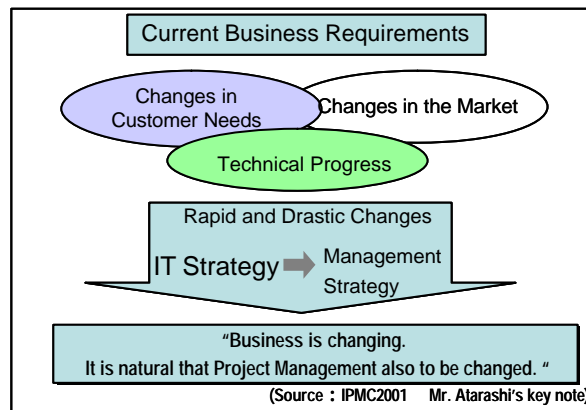
- **Need for a capability to respond to social change**

In order to respond to social changes such as economic uncertainty and increasingly complicated and sophisticated requirements in many fields, not only in technical systems but also in social systems and enterprise management, project management must be capable of effectively solving these complex and complicated problems, and manage projects and programs to promote value creation activities.

To create this capability, P2M was developed as a new PM knowledge and competency system.

P2M was developed by the Committee for Research and Development on Project Management (Chairperson: Prof. S. Ohara, Nippon Institute of Technology) of the

Project / Program Management Matching an Economic Environment



Engineering Advancement Association of Japan (ENAA), in response to a commission from the Ministry of Economy, Trade and Industry.

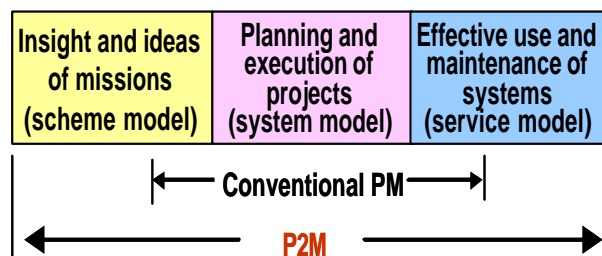
P2M is providing guidelines for enterprise innovation through program and project management, and is intended to serve as a guide to assist in enterprise growth, competition and survival in the global business and public services environment, complementing the knowledge repositories and competency standards of other international project management bodies.

P2M is designed as a guide to standard Japanese project management, with the aim of raising awareness about the "breakthroughs" and "practical capabilities" that are required by a knowledge-intensive information society. While consistent with conventional world standards, P2M is designed to encourage a paradigm shift that will generate new values and ways of thinking. The standard interpretation of project management is application of a system of thoughts, wisdom, procedures and methods to steadily realize value in a specific theme, using a team organization over a limited time period. P2M goes beyond the scope of other official project management standards and guides by also encompassing program management. This is important as enterprise applications of project management go beyond a simple foundation for standalone engineering projects, and must encompass complexity and interrelationships requiring a program approach to consolidation and management of projects.

- **Domain of P2M**

The approach of P2M is to recognize three kinds of projects consisting of concept development (scheme model), implementation (system model) and operation (service model) and to generate diversified, creative and synergistic business models. These business models can be seen as a deliverable of program management where an

Domain of P2M



enterprise adapts its wisdom, know-how and accumulated data to respond to environmental changes. Business models require a new concept of project integration aligned with enterprise management that encompasses basic principles, integration, community and structure. Readers can use P2M to guide them in creating programs, identifying knowledge specific to a project or process, and systematically, efficiently and comprehensively design a management approach.

- **Program Definition**

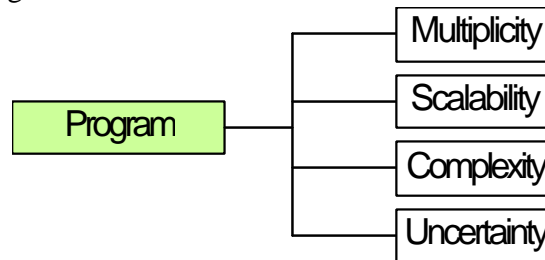
In P2M, a Program is defined as “an undertaking in which a group of projects for achieving a holistic mission are organically combined.” Multiple projects that are independent or weakly interrelated are not regarded as a program.

In a program, the concept and fundamental requirements of a value-creating undertaking proposed by an entrepreneur or owner is represented by a series of meaningfully grouped projects that constitute the program. This requires the solution of

complex issues involving various concepts in various ways and typically includes rich content and context that encourage the development of road maps to achieve solutions. This complexity necessitates integrated consideration of various factors such as politics, economy, society, technology and ethics. Combination and integration of these factors generally determines the size, dimension and scalability of programs.

Being an organic combination of multiple projects, programs reflect the complexity arising from the interfaces between projects, as well as the combination and overlapping of project life cycles. In addition to the basic attributes of single projects, program durations tend to be longer and uncertainty is likely to be higher because they may confront substantial environmental changes.

P2M is already widely used as a guide, and as it respects other standards while providing an innovative approach to project and program management for value creation in enterprises, P2M provides a sound foundation for further development and improvement of the project management.



Basic Attribute of Program

- Underling Concept and Standard Approaches**

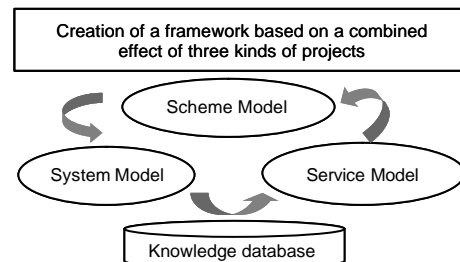
The basic concept, orientation and standard approaches of project management and program management are considered below in terms of (1) definition, (2) basis attitude, and (3) common view as below.

	Project management	Program management
Definition	Value creative undertaking based on a specific mission	Value creating undertaking based on a holistic mission
Basic attitude	Uniqueness, temporary nature, uncertainty	Multiplicity, scalability, complexity, uncertainty
Common view	Systems approach Project life cycle Mental space of projects Project stakeholder Use of management skills	Program mission Program value Program community Program architecture Program integration management skill

Comparison between Project Management and Program Management

- Uniqueness and Evolving Dimensions of P2M**

P2M targets a “Mission Oriented Solution” to create value in a service economy, acts as a guide to “Fostering Producers” all the way from command and control to production and program, and links “Projects to Strategy to Reframe” in enterprises using human resources covering technical systems, management systems



and social systems.

P2M also covers the total lifecycle of a project from conception to disposal, and emphasizes project creation / development and project knowledge management. Also P2M feeds back value created through projects to ongoing enterprise management, and serves the needs of not only individual private practitioners but also corporate professionals.

3. Certification System for Project Professionals Based on P2M

P2M is intended to be a basis for accreditation of mission achievement professionals.

Mission-achievement professionals should possess professional capabilities backed by sound knowledge, practical experience and a professional attitude. The first step to becoming a project professional is learning a systematic body of relevant knowledge, as a prerequisite for becoming a specialist. Knowledge, however, is not sufficient in and of itself. Defining a problem, breaking it down into tasks, designing the method by which tasks will be implemented, and coordinating and controlling inter-related activities to meet project objectives requires practical experience. Moreover, project professionals are responsible to society and project stakeholders for their professional performance, and must abide by ethical codes.

The Project Management Specialist (PMS) certificate is granted to those who have demonstrated the mastery of knowledge as outlined in P2M. The intermediate level is the Project Manager Registered (PMR), which requires demonstration of higher capability and evidence of practical experience, based on “Capability Based Professional Certification Guideline (CPC guidelines)”. The highest level is the Program Management Architect (PMA). PMR is more or less equivalent to certified project manager qualifications according to qualifications systems such as IPMA level B and AIPM Registered PM, while PMA is a unique certificate for program management. For these two certificates, holding the PMS qualification is a prerequisite.

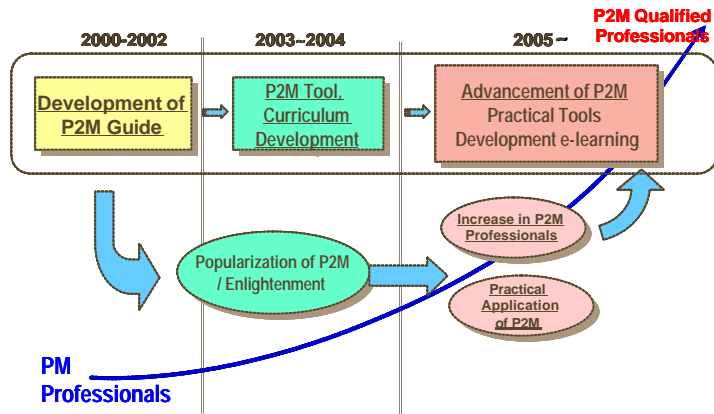
PMAJ has studied adding an additional level called Project Management Coordinator (PMC) for a primary level covering the core portion of PM knowledge.

PMAJ started certification on the PMS, PMR and PMC in 2002, 2004 and 2005, respectively.

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Based on P2M, project management certification systems are summarized as



Road Map for Professionals Development

follows.

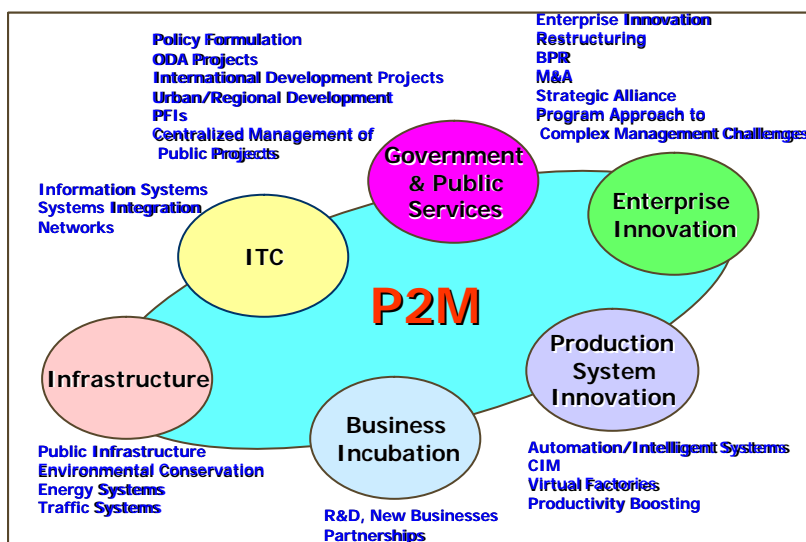
Abbreviation	Name	Qualification for Test, Effective period, Test type	Level
PMC	PM Coordinator Project Management Specialist	Paper examination, renewal required every 5 years,	Primary and Core
PMS	PM Specialist Project Management Specialist	Paper examination, renewal required every 5 years,	Basic
PMR	Project Manager Project Management Registered	PMS + PM experience in at least one project, renewal required every 5 years, thesis + interview	Practical
PMA	PM Architect Project Management Architect	PMS + experience in at least three projects, renewal required every 5 years, thesis + interview	High

Project Management Certification Systems

4. Domain of use and training activities of P2M

A large number of Japanese companies have employed western-style knowledge management and modern project management, and obtained excellent results.

Many Japanese companies also achieved success with their independent project management. What is worth attention is that energetic Japanese companies employed creative and complex themes and had program management that enabled them to solve problems successfully. It is P2M that was turned into a practical system; it goes beyond western-style project management and matches the current Japanese cultural climate.



Domain of use of P2M

corporations, the survival of small and medium-sized businesses, the IT solution business, speedy product development and global supply net works.

Accordingly, it is easier for Japanese companies to use P2M, and there is also an expectation that western companies will also introduce it.

The domain of use is illustrated below, and includes the reforms of self-governing bodies showing financial deficits, the renovation of stagnant

5. Examples of the application of P2M

P2M methodology usage at waste disposal plants, accelerated by switchover into the PFI system

Nowadays more and more self-governing bodies are planning to privatize public waste disposal plants. As far as Specific Purpose Companies are concerned, such projects mean they must assume long-term risk. Therefore, it is necessary to launch a project only after taking the overall administration into consideration.

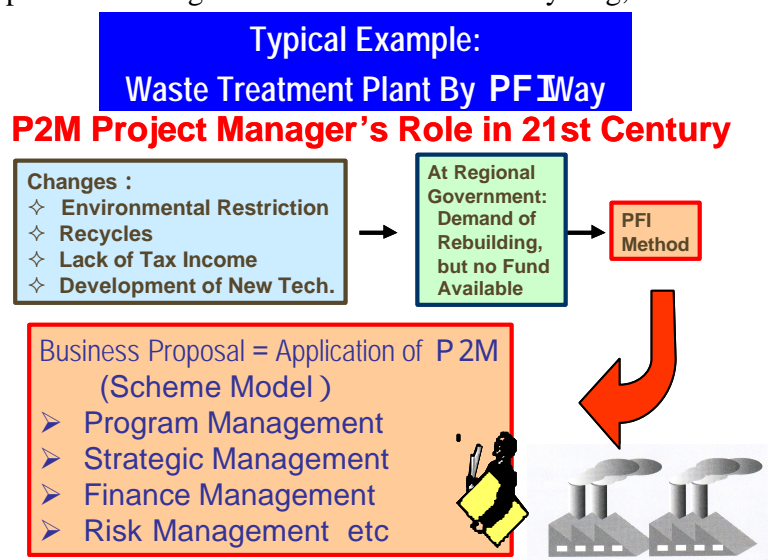
- Legal regulation led to the creation of a new project

The waste disposal business is now at a major turning point due to the formation of a resource circulation type society, which was stated as a national policy, and due also to the need to prevent global warming.

So far, Japan has made it a fundamental rule to incinerate sanitation waste. General household waste disposal is performed as a part of administrative services, but as the problem of dioxin appeared, the environs of waste incinerators have been under stricter control. As a result, there is an increasing need for self-governing bodies that operate disposal plants to maintain the facilities carefully and to construct new facilities.

On the other hand, competition in technical development has started to heat up among companies that construct these facilities in order to meet environmental regulation. They have further developed waste disposal technologies that enable material recycling, thermal recycling, and chemical recycling to be carried out in accordance with the concept of the resource circulation type society.

In addition, waste generated by corporate manufacturing activities and the finished products themselves have fallen under regulation by various recycling laws, including the Containers and Packaging Recycling Law, the Electric Appliance Recycling Law, and the Automobile Recycling Law. Manufacturers are forced to take responsibility for disposal of their products.



- Administrative reforms will change private businesses

Due to a shortage in tax revenue attributable to the recent economic depression, there are insufficient funds for investment in waste disposal administration. The number

of self-governing bodies that plan to privatize public waste disposal facilities has drastically increased due to efficient and effective management of funds and the use of the private sector's vitality.

These contracts used to be lump sum subcontracting agreements based on performance requirements, and covered processes from designing, manufacture, construction and trial operation through to delivery, in conformity to work order specifications drawn up by the self-governing bodies. However, because public facilities are in transition to privatization, facilities operation, maintenance and management processes fell under the scope of subcontractors. Risk assumed by companies used to be the cost of construction alone, but now companies have to assume risk for about 15 years during which the facilities are operated. Consequently, companies are forced to argue about whether they will take part in a bid or not from the administrative standpoint as well.

Therefore, in the past, the waste disposal business needed to make judgments from the standpoint of whether or not their technical capabilities match the production constraints and requirements from customers, but now they also need administrative judgment. In particular, since the project is a long-running one from the acceptance of orders to the operation of facilities, it has been transfigured into a business that exerts a great influence on corporate administration.

To cope with this situation, a qualified P2M project manager of the PMR level is needed to manage this PFI project.

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