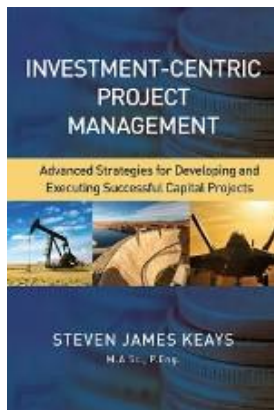


PM WORLD BOOK REVIEW



Book Title: ***Investment-Centric Project Management: Advanced Strategies for Developing and Executing Successful Capital Projects***

Author: **Steven James Keays, MSc, P.Eng**

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Reviewer: **Mark J. Loiselle**

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Introduction

After 30 years in project management covering aerospace, defense, industrial, manufacturing, and oil and gas sectors, the author began to notice a difference in the anticipated results promised by formal Project Management principles, and the actual repeated occurrences of budget and schedule failures. In fact, the author states, 65% of \$500M+ projects fail, despite following the best guidance of Project Management techniques and methods. There is more to project management than plans, processes and procedures, and the author sets out to shift the definition of project management from "a temporary endeavor to create a unique process, product or service" into a more tangible definition where "the true purpose of a project is to realize an asset that maximizes returns to its shareholders over its economic life". This new definition is at the core of this book and is called investment-centric project management.

Overview of Book's Structure

The book is presented in 6 parts; Why, Where, How, Who, When & What, followed by an extensive appendix.

The author explains in this fundamental format how he envisions successful project management, and some of the shortcomings of the long established TPM (Traditional Project Management) approach, and his idea on a new methodology, this one focusing on the end product, with the outcome being the PPA (Profitably Performing Asset). The formal project is not completed after the product is put into service or when the last signoff is obtained or the last 'lessons learned' meeting is held; instead the project continues until the product actually starts to deliver a sustainable return on investment to shareholders.

In Part 1 (Why) he addresses the reasons for redefining the practice of project management, with its limited successes and many failures. Using TPM as a baseline, he outlines his fundamental principles of project management as a corporate endeavor that is executed using 3 axis: organization, business and relationship. He introduces the concept of valunomy as the metric from which economic decisions are made. Valunomy is defined as achieving the highest sustained profitability over an assets economic life. Theoretical foundations of project management are explored along with the corresponding actualization of project budgets and schedules, which often are not in alignment.

Part 2 (Where) concentrates on project management practices that still matter to the outcome of a project. The author introduces the notion of the Project Ecosystem (PECO) PECO comprises 7 layers that must be traversed from the outside in, including all sources of risk external to the project. The project framework is introduced as the overseer of project management and the PECO.

Part 3 (How) explores sequencing of the project, its strategies and oversight, focused on management planning, orchestration and execution. All aspects of the project are considered, particularly the area of risk management. The author stresses the importance of the project framework, and how the various parts, pieces and personalities must work together toward a common goal.

Part 4 (Who) talks of team formation, personnel, recruitment strategies, and the demands on labor the project will entail. Getting teams to work toward the same goal is not always an easy task; personalities collide, egos get bruised. The team must work together despite their differences to achieve the desired outcomes.

Part 5 (When) discusses various elements of routine project execution integrating all tracking information and exploring communication strategies. Also discussed is what happens to these same concepts when your project goes completely off the rails, how to recognize risk and avoid it; or adapt when you can't avoid it.

Part 6 (What) highlights project management practices from the trenches of day to day project execution. The author's description of Mechanics and Mechanisms compares the tools and techniques available on the market to the tools and techniques available to each member of the team from their minds and their experiences.

Highlights

The author provides explanation and evidence of why the traditional project management approach has not been as effective as advertised, particularly on larger projects (\$100M+). Even though you adhere diligently to the rigid plans, strategies

and procedures of TPM, most projects fail to come in on budget and on schedule. Many would say this is because of a failure to implement the accepted principles of project management, but that is too easy an answer. The author provides 4 steps the reader must take to move from the TPM methodology. Acknowledge that TPM processes and procedures are valid, solid and understood broadly, admit to the imperfections of TPM, challenge the status quo, and accept a new two-part management paradigm. The first 3 steps are pretty basic. The 4th challenges us to think in a new direction, with a new end focus.

The first part of the new paradigm is the definition of a project as a PPA (Profitably Performing Asset). The second part is the redefinition of project management into the execution of a project. By considering the final product of the project as the asset, all focus of the project team is on the asset, not all the stuff on the periphery. The author provides a terminology list as he has either redefined existing definitions or created new words that better fit his philosophy. Emphasis is placed on the project team and project framework, as well as the project ecosystem (PECO). The framework is defined as the organizational structure within the owners hierarchy that oversees all projects, and the PECO includes all variables that are external to the owners organization. The key to a successful project lies in relationships; "the human variable remains at the heart of the practice of project management".

The use of easy to understand tables and figures allows the reader to interpret information as it best applies to their needs, and the author's use of notes for reference material.

Highlights: What I liked!

The book moves along at a similar pace and route as a typical project plan would, thereby taking the reader deeper into the project planning and execution phases like would happen in an actual project, where you can see the differences between traditional project management and the new investment-centric project management. I found the 8 layers of the PECO to be very similar to common projects, and the common approaches that can be taken to achieve success. The physical realization of the project starts at the Bulwark Layer, the outer layer. You move into the Chail layer, which finds logistics, vendors, paperwork...what can be got from whom, from where, and how long. Layer 5 focuses on Culture, the people who will get things done (or not done)...Fraught with judgement and ignorance. The Grease layer considers project execution friction and its retarding effects on the project. The Whip layer belongs to regulators and exists to enforce from without the regulatory framework surrounding the construction and operation of the asset. The Location layer encompasses all possible bottlenecks that may arise. The Kernal layer is all about the realized asset and its operations.

Who might benefit from the book?

Managers and coordinators that would like to see a project structure in a different perspective; this book will let you look from within at specific parts and stages of your project development, and compare alternate strategies to the problem solving methods of the team. With the use of comparable charts and graphs, this book is easy to follow through its real world examples from a variety of businesses and trades.

Conclusion

I would recommend this book for beginning project managers and seasoned veterans in the field, because there are always things to be learned from other examples and viewpoints. This book challenges the current direction of Project Management, and how it can be adapted to achieve a better more consistent result.

For more about this book, go to: <http://www.jrosspub.com/investment-centric-project-management.html>

Editor's note: This book review was the result of a partnership between the publisher, PM World and the [PMI Alamo Chapter](#). Authors and publishers provide the books to PM World; books are delivered to the PMI Alamo Chapter, where they are offered free to PMI members to review; book reviews are published in the PM World Journal and PM World Library. PMI Alamo Chapter members can keep the books as well as claim PDUs for PMP recertification when their reviews are published. Chapter members are generally mid-career professionals, the audience for most project management books. If you are an author or publisher of a project management-related book, and would like the book reviewed through this program, please contact editor@peworldjournal.net.

About the Reviewer



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Mark Loiselle has over twenty years of construction experience and is a certified Project Management Professional. Prior to joining the City of San Antonio as a Capital Projects Officer in 2011, he had worked as Project Manager for several companies including LGI Homes, Lord and Taylor Department Stores, and Barry Better Menswear. Since joining the San Antonio Public Library system, he has been assisting in capital projects and facilities management, including the opening of 3 Branch Libraries and numerous renovation projects at our 30 locations. Mr. Loiselle earned his Bachelor's Degree in Architecture from Lawrence Tech University and his Master's Degree, with honors, in Management from Walsh College.

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