

THE MEL

China is quickly picking up on project management best



People's Square, Shanghai

TING POT

practices—and introducing a few of its own as well.

BY MANUELA S. ZONINSEIN



Having staked its claim as the world's second-largest economy, China is upping the ante in project management. From scope to size to schedule to cost, the country is fast emerging as a new leader in project purview. And how the country manages all these huge initiatives could shape the world's vision of megaprojects.

Part of China's booming project landscape comes down to demand. The nation is already home to eight megacities of more than 10 million people, and another nine are expected to reach that size by 2025.

Massive urbanization means new city dwellers need houses, technology and services, which leads to myriad infrastructure and IT megaprojects.

The Chinese government sought out top-notch scientists and engineers in the past, but is now actively seeking to attract senior management and IT developers from other countries. In fact, part of its 11th Five-Year Plan (2006–2010) was devoted to human-resources development for global talent.

At the same time, Chinese companies are helming initiatives abroad in railway, construction, mining, oil and clean energy.

“This interaction drives higher standardization in project methodology and practice in the country, which further allows greater coordination and cooperation in conducting projects on a larger scale,” says Lucky Bimolaksono, Sydney, Australia-based project portfolio manager for service delivery solutions for Greater China at financial services giant American Express International Inc.

Whereas China was once an island unto itself, today the country is a powerful force on the global economic scene—and using project management as a competitive edge.

ACCOUNTABILITY ON HIGH

Despite its late start in adopting project management, China is proving to be a quick study. The pace and determination with which projects are brought to successful completion is impressive, says Alessandro Bisagni, managing director, BEE Inc., a Shanghai, China-based consultancy works that specializes in embedding sustainability into project management.

In large part, he credits the “top-down approach of corporate structures, the government and the



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management of projects” for speedy results. “This is an opportunity for the rest of the world to learn about commitment and decision-making,” he says.

Therein lies one of the key differences between China’s project management culture and that of the rest of the world.

“In the United States, project management is all about the systematic approach, with standardized procedures clearly outlined from A to Z,” says Ben Yin, PMP, PgMP, Hong Kong-based regional senior business project manager at health services company Cigna International.

As in the rest of China’s business landscape, projects tend to be run less rigidly, with ultimate accountability landing on sponsors and executives. Such a structure is a positive, Mr. Bisagni says, as “it puts responsibility on the top people, making them answer for mistakes made.”

For program and project managers, one of the top priorities should be to identify key stakeholders and why they want the project to succeed, Mr. Yin says. Then reach out to them individually—not in a team meeting—to form



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Cigna International, Hong Kong

an alliance built upon trust and commitment.

Of course stakeholder management is a factor for project managers around the world, but China often presents a more complicated engagement. “It takes a lot of time to build up relationships,” Mr. Yin says. On one of his projects, the most senior manager remained silent during large team meetings, so Mr. Yin couldn’t get a read on his thoughts.

»» THE DOOR OPENS

Once resistant to project management, China’s government officials have embraced its value—a positive development given their overarching influence.

“The role of the government is very profound,” says Floriske Deutman-Bodisco Massink, Science Alliance, The Hague, Netherlands. “Even local and provincial-level government officials hold sway and have power to make their own policies.”

Obtaining governmental buy-in “eases the process of pitching and winning project assignments,” Ms. Deutman-Bodisco Massink says. “It also makes projects far easier to implement.”

For one thing, stakeholders often back down in the face of the authoritarian government.

>TIP

Project professionals looking to make their mark in China should focus on establishing their expertise. When project managers, whether local or foreign, bring “significant experience and authority within their positions, then they are likely to be treated with a high degree of respect over the course of their assignments,” says Benjamin Hart, Convergys Corp., Beijing, China. “Otherwise the Chinese will likely be politely dismissive.”

Program and project managers must also demonstrate a willingness to learn and recognize the value of the established systems.

In those cases, project managers must take the initiative. “Ask politely and gently what kind of expectations they have,” he advises. “Show you’re a good listener with a strong determination to drive all team members to complete the expected results.”

Only after having built trust and consensus on a one-on-one basis,

especially with key decision-makers, can a project manager compile an action plan and suggest how to proceed.

Once upper management makes a decision, though, project managers and their teams must be ready to move at lightning speed, says Benjamin Hart, Beijing-based managing director of Asia Pacific at Conver-

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gys Corp., a relationship management consultancy.

“It seems that everything is needed yesterday,” he says. “This doesn’t allow for much planning.”

Floriske Deutman-Bodisco Massink witnessed this firsthand in 2008, when a Dutch engineering company began a project to construct an eco-friendly building in Hebei in the Yellow River Delta outside of Beijing.

“One of the main differences between the Western project management view and the Chinese view is that the Chinese tend to focus less on the planning of a project,” says Ms. Deutman-Bodisco Massink, project manager at Science Alliance, a management consultancy in The Hague, Netherlands.

In many cases, Chinese project managers have learned to leverage that added agility.

“Because there’s no real planning, some of the basics are overlooked or not well-thought-out,” she says. “The advantage is, though, that the process is more flexible for sudden changes.”



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—Peggy Liu, Joint U.S.-China Collaboration on Clean Energy, Shanghai, China

THE SUSTAINABILITY BALANCING ACT

As China grows into its role as a world economic leader, many organizations in the country are struggling, especially with incorporating sustainability into their projects.



IMAGE COURTESY OF WIKIPEDIA

› As part of the effort to modernize Beijing, the Chinese government funded the project to build the [China Central Television complex](#). It was among the first of 300 towers to be constructed in the city's new Central Business District.



IMAGE COURTESY OF WIKIPEDIA

For example, the Three Gorges Dam—the world's largest hydroelectric project—was heralded as a renewable energy source. But it also flooded historic sites, displaced over 1 million people, and may have destabilized the western province of Sichuan's ecosystem, increasing the risk of landslides and floods.

Still, China's government is clearly making an effort through new sustainability policies, including plans to reduce its carbon intensity by 40 to 45 percent and to improve its renewable

energy legal framework. The Chinese central government also allocated more than CNY10 billion to the research and development of energy-conservation and emissions-reduction technologies from 2006 to 2010.

But the breakneck speed of projects in China often means sustainability is sacrificed for expediency—a move that, Mr. Bisagni claims, “in the long run hurts the profitability of the project itself.”

Despite its inconsistent track record with sustainability, China is forging



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ahead with an array of projects in renewable energy, clean water, and eco-friendly infrastructure, transportation, construction and manufacturing.

The country ranks as the most desirable market for renewables investment, bumping the United States from its perennial top spot, according to Ernst & Young's August 2010 *Renewable Energy Country Attractiveness Indices*. The rivals are neck-and-neck in terms of installed renewable energy capacity, according to *Who's Winning the Clean Energy Race?*, a report released last year by The Pew Charitable Trusts.

"China is changing from the factory of the world to the clean-tech laboratory of the world," says Peggy Liu, founder and chairperson, Joint U.S.-China Collaboration on Clean Energy, Shanghai. "It has the unique ability to pit low-cost capital with large-scale experiments to find models that work."

China has invested in pilot projects for electric vehicles, smart grids, LED lighting, rural biomass and low-carbon communities. "They're able to quickly throw spaghetti on the wall to see what clean-tech models stick, and

then have the political will to scale them quickly across the country," Ms. Liu adds. "This allows China to create jobs and learn quickly."

THE EVOLUTION CONTINUES

Ultimately, China has always relied on the power of its people, and the country's leadership is actively investing in human capital, including a new generation of project management leaders. More than 100 universities offer master's degree programs in engineering project management throughout China.

The growth of project management is pushing the country's investment in training and education, Mr. Bimolaksono says.

Others might argue that those education and training programs are actually a result of China recognizing the need for project management.

Either way, China is picking and choosing its project management methodologies. In some instances, project managers follow established best practices. In others, the country has proven it's not content to simply follow the lead and is forging its own path in project management. ^{PM}



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