



Verkfræðingafélag Íslands

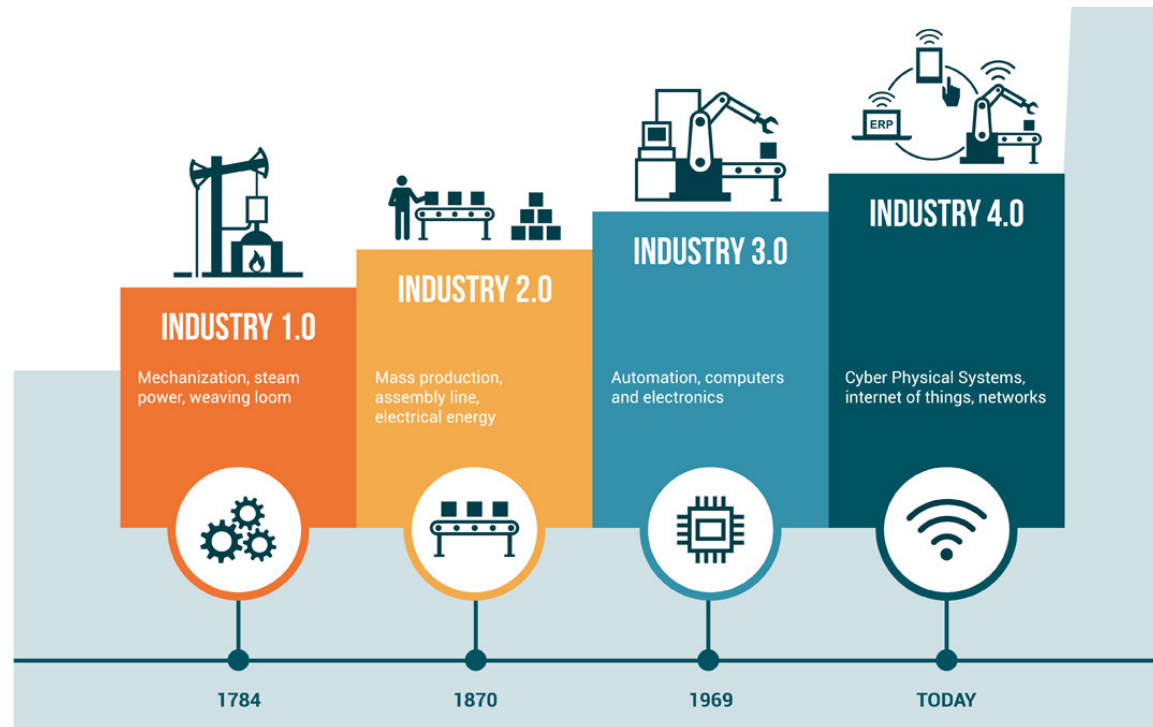


# The economic weight of the projectification -The Projectification Consensus Model (PCM)

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# What is projectification?

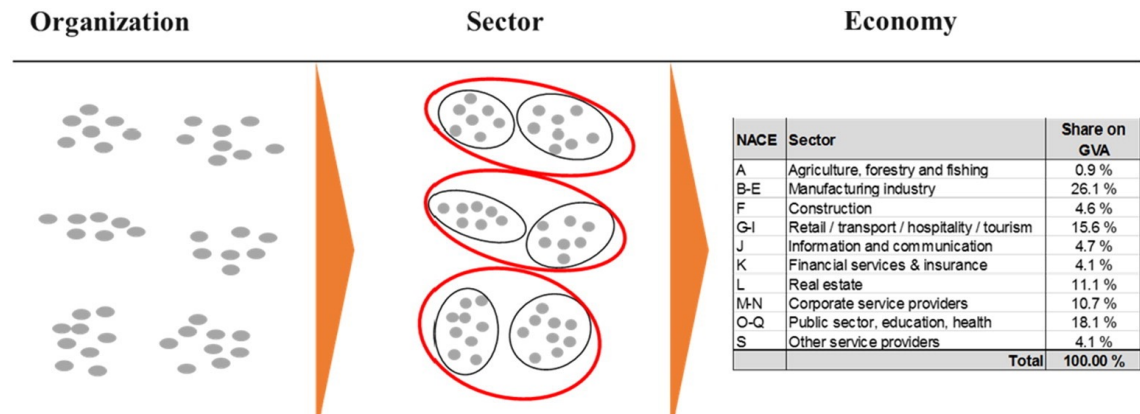
- Projectification is the amalgam of “project” and “organizational transformation”



# Andreas Wald – Gross Value Added



- A arranged a method to measure how much projects weight in the economy aka projectification
- Based on the share of project work as part of total work within industrial sectors
- Survey company
  - Initial contact with company
  - Company provided with info
  - Contact with company to retrieve data
  - Data procurement

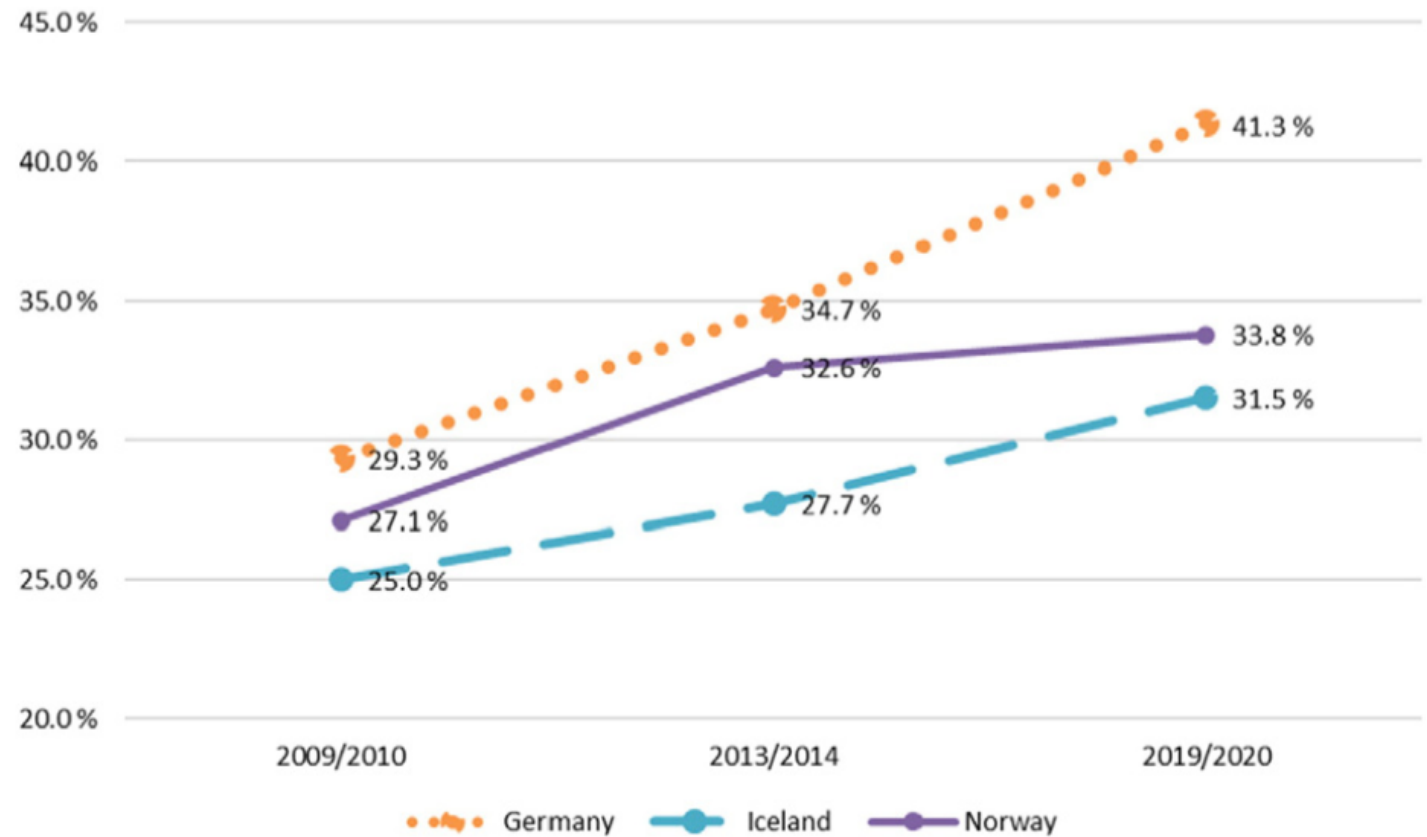


NACE CODES	Description
A	Agriculture, Forestry and Fishing
B , C, D, E	Manufacturing, Electricity, Gas, Steam, Water Supply; Sewerage, Waste
F	Construction
G, H, I	Retail, Transportation, Storage, Accommodation and Food Service
J	Information and Communication
K	Financial and Insurance/
L, M, N	Real Estate Activities, Professional, Scientific and Technical Activities
O, P, Q	Public Administration, Human Health and Social Work Activities
R, S, T, U	Other service providers

# Projectification in three developed countries

- Projectification can be considered as an important economic metric contributing to various managerial fields

- Schoper, Y. G., Wald, A., Ingason, H. T., & Fridgeirsson, T. V. (2018). Projectification in Western economies: A comparative study of Germany, Norway and Iceland. *International Journal of Project Management*, 36(1), 71-82.



# Lessons learned

- Few drawbacks of using survey company's
  - Expensive
  - Third party
  - Increasingly difficult to make contact (let alone three times)
  - Difficult for scaling (e.g. including other economies)
  - Etc.
- Projectification Consensus Model (PCM)
  - The estimates based on expert panel
  - The method vested in the domain of decision analysis
    - Consensus methods

# PCM assumptions, criteria's and objectives

- Allows cross industrial group of experts to develop and suggest estimates based on a specific framework
- Andreas Wald original method but questions simplified
- Self rating of knowledge and normalized weighted averages
- To be cost effective, easy to replicate and easy to gain statistics

# The PCM procedure

1. Kick off (online) conference
2. Analysis documents delivered to the panel
  - via e-mail
3. Individual assessment on the share of project work
  - Analysis documents delivered to the researchers
4. Estimates from the experts stored in a database
  - Primary results
5. Consensus conference to discuss the primary results
  - Workshop
6. Consensus on projectification documented



**ASSESSMENT**



# The PCM spreadsheet (partly) and info

<b>Agriculture, Forestry and Fishing</b>		
<i>Expert</i>	John	
<i>Industry knowledge self rating</i>	<b>Moderate</b>	
<i>Weight</i>	0,20	
<i>Relative weight</i>	0,33	
<b>The share of project work (in %) in the entire industry sector</b>	<b>30%</b>	35%
<b>The share of project work (in %) in companies 10-69 employees:</b>	<b>2021</b>	<b>2024</b>
Internal: Organizational and Human Resources (%)	10%	11%
Internal: Information technology (%)	6%	7%
Internal: Research & Development (%)	40%	45%
Internal: Marketing and sales (%)	22%	19%
Internal: Infrastructure (%)	7%	5%
External: Work for paying customers (%)	15%	13%
<b>This should add up to 100%</b>	100%	100%
<b>The ratio of above projects that uses Agile/Scrum methods (%)</b>	<b>20%</b>	25%
<b>The share of project work (in %) in companies &gt; 69 employees:</b>	<b>2021</b>	<b>2024</b>
Internal: Organizational and Human Resources (%)	0%	2%
Internal: Information technology (%)	15%	15%
Internal: Research & Development (%)	65%	63%
Internal: Marketing and sales (%)	5%	5%
Internal: Infrastructure (%)	10%	11%
External: Work for paying customers (%)	5%	4%
<b>This should add up to 100%</b>	100%	100%
<b>The ratio of above projects that uses Agile/Scrum methods (%)</b>	15%	18%

- The projectification for the individual NACE sectors
- The projectification of for small and medium size companies compared to large companies
- The share of Agile projects
- The knowledge gap on projectification from industry to industry
- The deviation and consistency between experts
- An estimate on the monetary value incurred

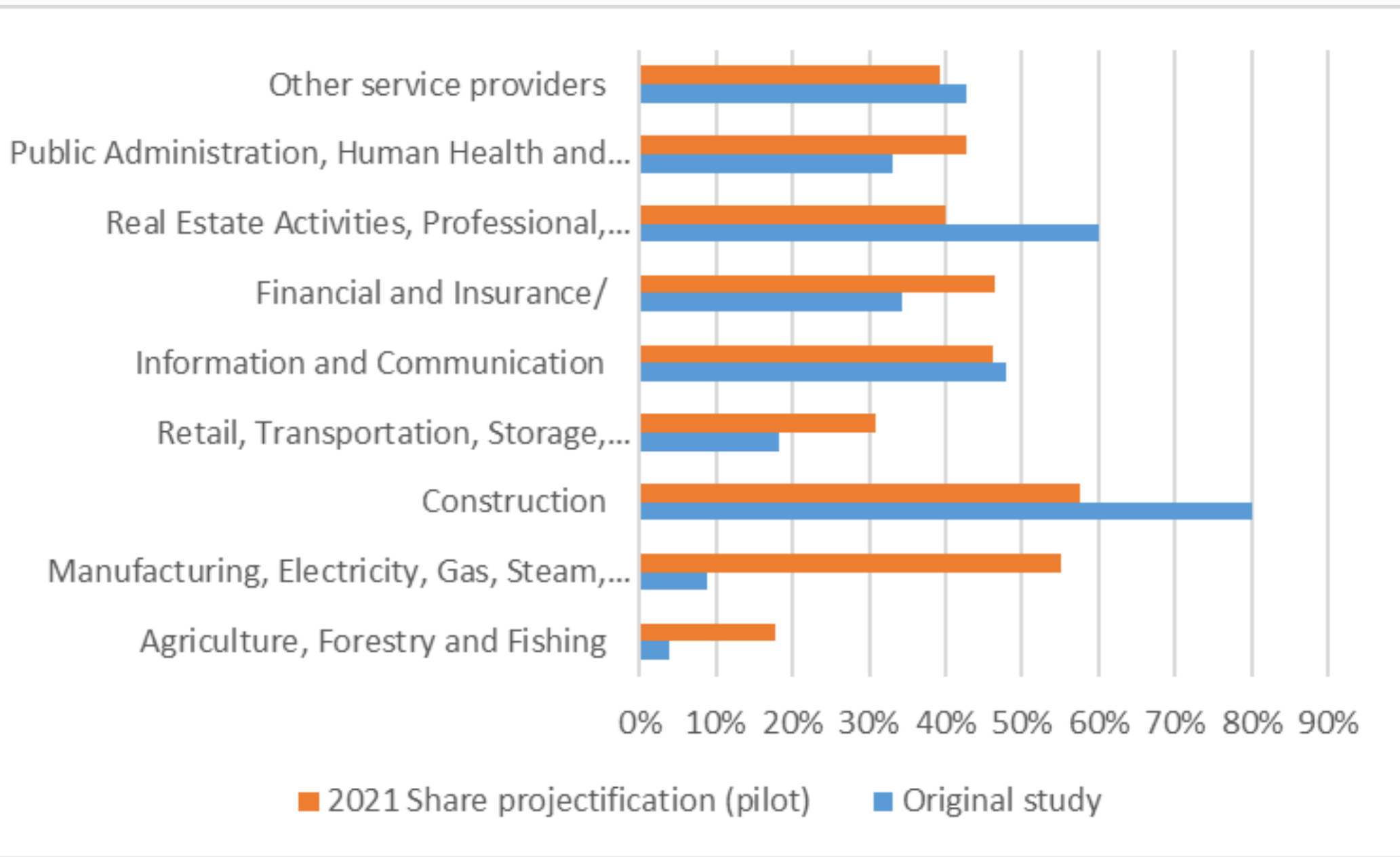


# Pilot-testing the PCM – lessons learned

- Three experts tested the PCM and the guidelines

NACE CODES	GVA/sector (m ISK)	2021 Share projectifica tion (pilot)	2024 Share projectifica tion	Internal					External	Judgment Variation (SD)
				Organi- sational/HR	IT	R&D/Devel opement	Marketing/ Sales	Infra- structure	Billable	
A	147.023	20%	24%	5%	11%	53%	14%	9%	10%	20%
B , C, D, E	1.164.765	55%	59%	4%	13%	53%	12%	13%	7%	9%
F	228.454	58%	60%	5%	12%	13%	21%	20%	30%	25%
G, H, I	1.290.704	31%	51%	8%	23%	5%	28%	23%	15%	18%
J	303.266	46%	52%	14%	21%	15%	19%	19%	13%	36%
K	367.171	46%	45%	23%	13%	15%	15%	18%	18%	28%
L, M, N	963.371	40%	44%	9%	15%	38%	10%	17%	10%	13%
O, P, Q	1.307.133	43%	44%	38%	20%	15%	5%	10%	13%	37%
R, S, T, U	319.478	39%	46%	10%	15%	15%	40%	5%	15%	23%

- The share of total work that can be traced to projects in 2021 is 42%.
  - The share of work that can be traced to projects in 2024 will be 47%.
- The monetary value of project work 2021 is 260 billion ISK.
- The knowledge gaps (judgment variations measured in standard deviations), indicating further exploration, are the industry sectors including IT and Manufacturing.
- R&D is the most projectified internal function.
- HR is the least projectified internal function.
- IT projects are the most capital intensive.
- Marketing and sales project are the least capital intensive.
- Agile/Scrum techniques are approx. 20% of the projects.
  - Disclaimer: The estimates are experimental data



# Next steps

- A full expert panel to measure the Icelandic projectification
- Replicating the study in Italy
- Publishing the method and making it accessible

# Thank you 😊

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