

The Emergence of Project Management in Nigeria's Real Estate Sector

PROFESSIONALS USING TECHNIQUES AND TECHNOLOGY TO DELIVER PROJECTS

Over the past couple of decades, project management (PM) has become more widely accepted in the construction industry, and the role of an independent project manager as essential for successful project execution.

With globalization, increasing diversity and complexity of projects as well as more stringent financing requirements, most of the developed economies continually redefine PM methodologies to meet these demands and achieve project objectives. Clients (developers and investors) insist on more stringent time, quality and cost terms, making it increasingly necessary to include specialist management skills in project teams.

This edition of the RE Insight summarises the role and importance of the project manager and highlights some of the key factors affecting its growth and efficient practice within Nigeria's Real Estate Industry.

The Evolution of Project Management

The Project Management Institute (PMI) is a PM body which provides practitioners and organizations with standards that describe good practice and globally recognized credentials that certify project management expertise. This body defines PM as *'the application of knowledge, skills and techniques of project activities to meet projects requirements'*.ⁱ Specific to the construction industry, *'Project Management'* is the planning, control and coordination of project from conception to completion. It is concerned with identifying the clients' objectives in terms of utility, function, cost, time and quality and the integration, monitoring and control of the contributions to the project success'.ⁱⁱ

The first attempt at managing projects is linked to members of groups focused on specific callings such as generals who designed and managed the construction of military camps; priests who managed the construction of grandiose places of worship and; architects and artists who also designed and managed the construction of notable civic centers and public buildings.ⁱⁱⁱ

Over time, projects became increasingly complex and labour/skills supply was scarce. New organisational structures and methods, were in demand, leading to the creation of program tools and techniques. Today, particularly in emerging economies such as the Asia Pacific improvements in PM operations has contributed significantly to an accelerated industrialization, modernization and globalization trend.^{iv}

A recent study of the relevance of PM as a catalyst for economic growth in the United Kingdom concludes that there is a strong correlation between the economic transformation and enhanced project management capabilities.^v

The Development of PM in Nigeria, and its Challenges.

Emerging economies continue to learn from the experiences, and borrow solutions from developed countries, proving that the right application of PM is the path to achieving project success. In Nigeria, the situation is slightly different. Several factors can be attributed to the stunted growth of PM. These issues also do have relatively simple solutions:

The PMI UK Chapter is a 3000 people strong professional body whose mission statement is "Enabling our Members to be better Project Managers - Passionately". It states its vision thus: "By 2011, create an environment for our members that provides (world class) opportunities to develop personally and professionally".^{vi}

Limited Infrastructure Projects: History records that the practice of PM originated from large construction and complex engineering projects (mostly infrastructure development projects) funded by the government. These projects required special processes and structures for its successful delivery thereby birthing the concept 'PM'.

Nigeria has not had a history of consistent investment in infrastructure. However, the past 5 years have seen a number of notable projects including major real estate development projects (the Tinapa Resort, Atlantic City) and infrastructure projects (Lekki-Epe Road concession, Lagos EPZ, Murtala Mohammed Airport II, Lagos). These projects require complex structures, modern contractual methods and formalized processes for its successful execution. Unfortunately, the execution and management of most of these projects are awarded to companies using foreign expertise. The result is that the local industry does not benefit sufficiently from the expertise inherent in delivering projects of these large scale projects.



Fig 1. People, Process and Technology are the three pillars to successful project management.



Fig 2: The interior of the recently completed Murtala Mohammed Airport Terminal 2 in Lagos.

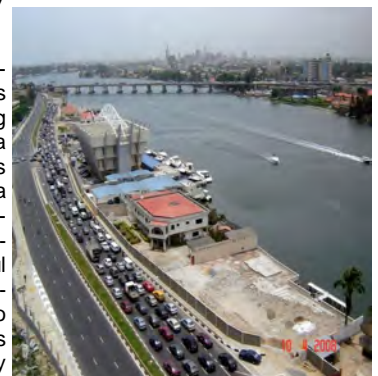


Fig.3: A completed portion of the on-going Lekki/Epe road expansion by the Lekki Concession Company (LCC), a PPP initiative

Limited PM Training and Resources: Many years after the teaching and practice of PM had become an acceptable norm, most Nigerian tertiary institutions did not offer construction/project management courses. However, in the last decade, a few universities now offer first and second degrees in PM. Yet, Government and professional bodies show very limited support to the training and development of PM and the educational resources needed to foster this training.

Limited Understanding of PM and its Benefit: Many local investors and promoters possess rather limited knowledge of PM and are unclear about the role of a project manager in a construction project. Many projects continue to be executed without PM expertise. The result is an alarming number of projects fail in terms of quality, cost, time or a combination there of.

The Role of Real Estate Professional Bodies: The perceived nonchalance of related professional bodies including the Nigerian Institute of Architects also play a role in the stunted growth of professional project management. In several developing economies, PMIs have been established by the coming together of existing related professional bodies who champion the course of education and training, encouraging young professionals to specialize, amongst other positive initiatives.

Conclusion

Project owners (both Government and private investors) must demand world class project management best practices, in awarding mandates and contracts. While it is understood that there is limited local competence, “local content” regulations which ensure the training and transfer of specialist knowledge throughout the project life cycle should be introduced. Corroborating this, the incoming president of Association of Professional Bodies of Nigeria (APBN) recently stressed the need for more indigenous professionals in Nigeria’s foreign contractor projects and the transfer of useful knowledge across all sectors.^{vii}

Investors and providers of real estate services need to recognize and support professional training and development for PM locally and internationally, encouraging training workshops and courses where international best practices are taught.

Relevant real estate professionals must collaborate to form a Construction Project Management Institute (CPMI), the purpose of which is to adapt PM best practices, act as facilitators, create and manage the regulatory framework under which PM is practiced. The PMI UK Chapter was founded 15 years ago and has 3000 members. Its membership is not restricted to practicing project managers.

“Lean and agile” is the watchword in project execution. Clients’ expectations will continue to put pressure on the professionals who manage the execution of projects. Nigerian professionals must be equipped to meet these challenges.

References

- ⁱ Project Management Institute (PMI) website
- ⁱⁱ A. Walker – Author of numerous books, articles and journals on PM
- ⁱⁱⁱ Patrick Weaver – Director of Mosaic Project Services – Article published in Association of Project Managers (APM) Vol 19 Article 11 June 2007
- ^{iv} Ngi M Nguyen – Challenges of Transferring Modern Project Management Principles and Methodologies in Developing Countries 2007
- ^v Dr Malcom Wheatly - Research on importance of PM in a modern developed country – like United Kingdom
- ^{vi} Cited in Project Management Institute (PMI) UK website
- ^{vii} Cited in allAfrica.com website



Fig 4: The completed soccer city stadium, one of the venues of FIFA world cup in South Africa. The project was an example of a successful project delivered with efficient PM expertise



Fig 5: All stakeholders must invest in PM training for aspiring project managers in order to build up local competencies



Fig 6: Project managers work with other members of the consulting team to achieve project objectives