



May 2010

PROJECT MANAGEMENT INSTITUTE WESTERN AUSTRALIA CHAPTER

MAKING PROJECT MANAGEMENT INDISPENSABLE FOR BUSINESS RESULTS

Monthly Newsletter

NEXT CHAPTER MEETING

12 May 2010 @ 6 pm
City West Function Centre
45 Plaistowe Mews
West Perth, WA 6005 [[map](#)]

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PIA Workshop,
Quarterly Breakfast, etc.
Read all about it here
[http://www.wapmi.org.au/
events/index.htm](http://www.wapmi.org.au/events/index.htm)

Newsletter Content
Member contributions are
most welcomed. Contact the
Editor!

More Firms Require Test Taking - The Wall Street Journal

Many companies outside of finance and insurance are encouraging employees to sit for certification exams—and some are flat-out requiring the effort.

Companies say the certifications are proof that their current or prospective employees meet an industry-wide standard. And, some companies say a growing number of their clients insist on dealing only with employees who have earned industry designations.

The Project Management Institute says it has seen a 30% jump in registration for its handful of certifications. The most popular is the Project Management Professional certification for experienced managers, while the fastest-growing is the Certified Associate in Project Management, which prepares non-managers to be part of a project-management team, according to the nonprofit professional association.

Gregory Balestrero, president and chief executive of the Project Management Institute, says the uptick comes at a time when executing on initiatives is critical to businesses recovering from the recession. And more than that, the designation helps a manager stand out in a difficult job market. "It's a buyer's market for employees, and a certification can be what sets applicants apart," he says.

That's true at companies including International Business Machines Corp., where hiring managers will only seriously consider project manager applicants with a PMP certification, says Steve DelGrosso, director of IBM Project Management Center of Excellence. "In order to even take the exams, you have to have a wealth of experience in project management," Mr. DelGrosso says.

To earn the PMP, a manager has to first log 4,500 hours—or almost 113 weeks worth—of project work experience, the Project Management Institute says.

And Mr. DelGrosso says the skills are more relevant to business than they have been in the past. "Our clients are placing bigger demands on us to develop and manage more complex projects," he says.

The National Aeronautics and Space Administration also only employs certified project managers, per a recent requirement from the U.S. Office of Management and Budget. But even without that directive, Edward Hoffman, Director of the NASA Academy of Programs and Projects, says having the certification boosts the public trust for the space agency.

NASA's deeply technical missions—such as the Mars exploration projects—require leaders who can balance budgets and launch schedules and stay on task, says Mr. Hoffman, because if a project is deemed too costly or late, it can delay a mission for months. Certified project managers are trained in the language of complex efforts like these, he says, making it more likely these efforts will stay on track.

The National Contract Management Association says it has seen an uptick for its most popular certification program, which is geared toward government workers. The federal-government focused certification has proven attractive to career switchers, says Chuck Woodside, director of certification for the association.

Other in-demand certification programs are in the areas of human resources, technology and process efficiency, according to Adrian Marrullier, an executive vice president at Bisk Education Inc., which offers certification programs through partner universities.

Studying for the certification exams can be costly. The contract management certification costs \$260 for those who aren't members of the association and requires multiple hours of study time. The PMP certification costs \$555 for non-members.

In many cases, companies will reimburse employees for the exam and study material costs. And often there's a bigger payoff. A recent study from the Project Management Institute found managers with a PMI earned more than \$100,000, while those who weren't certified earned about \$93,000.

Diana Middleton

Source: [http://online.wsj.com/article/
SB10001424052702304739104575154014179
882070.html](http://online.wsj.com/article/SB10001424052702304739104575154014179882070.html)

Australian Professional Awards Program

Do you know the best Project Manager in Australia? Perhaps it is you! Do you know a Project Management Professional that has made a significant contribution to the development of PMI in Australia and Internationally?

Find out more here: <http://www.pmichapters-australia.org.au/awards.htm>



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FMEA and Risk Management

Failure Modes and Effects Analysis (FMEA) is a method to analyze potential reliability problems in the development cycle of the project, making it easier to take actions to overcome such issues, enhancing the reliability through design. FMEA is used to identify actions to mitigate the analyzed potential failure modes and their effect on the operations. Anticipating these failure modes, being the central step in the analysis, needs to be carried on extensively, in order to prepare a list of maximum potential failure modes. The process for conducting a Failure Modes and Effects Analysis is summarized as follows:

- Describe product or process
- Define Functions
- Identify Potential Failure Modes

- Describe Effects of Failures
- Determine Causes
- Direction Methods or Current Controls
- Calculate Risks
- Take Action
- Assess Results

This process can be applied to the various types of FMEAs, which either focus on the system, design, process, service or the software functions. It should be noted that a failure mode may be introduced after any change and updates are made to the product and process. Thus, FMEA might need to be reviewed (and updated) whenever a new product (or process) is being introduced, any changes are made to the operations or a change is made to the process design. By providing the

engineers with a tool to assist in ensuring reliable and safe products and processes, FMEA grants certain benefits for project management. It emphasizes problem prevention and acts as a catalyst for teamwork and exchange of healthy ideas. It captures engineering knowledge and provides a focus for improved testing and development, eventually resulting in increased customer satisfaction.

Source: <http://www.visitask.com/fmea.asp>

Pareto Principle

This principle is named after Vilfredo Pareto, an Italian economist who lived in the late 19th and early 20th centuries. In 1897, he presented a formula that showed that income was distributed unevenly, with about 80% of the wealth in the hands of about 20% of the people. Today, this principle has deeply entrenched itself in our industrial literature.

The value of the Pareto Principle for a project manager is that it reminds you to focus on the 20% of things that really matter on a project.

Full article: <http://www.projectsmart.co.uk/pareto-principle.html>

Library

Did you know the chapter has a library? One of the benefits to all our WA Chapter members is access to the library, a good range of PMI and Project Management reading material is available and located in CBD for ease of access. The link to the Library inventory can be found on the members page of www.wapmi.org.au. If you are interested in borrowing any of the books, please contact me either through email or the contact details noted on the Inventory list. The use of the library has not been extensive in the previous year and I am hoping to see the benefit of the library increase and ensure this benefit is retained in the future.

Chris Rowlands PMP
Membership Director

Thank You



Proud Sponsors of PMI WA Chapter's Inaugural Quarterly Networking Breakfast

Hatch (www.hatch.com.au) is an employee-owned multidiscipline firm that provides custom process design; business strategies; technologies; and project and construction management from 65 offices around the world for clients in the Metals; Infrastructure; and Energy market sectors. Programs and projects under management by Hatch have an aggregate value of \$40 billion.

Hatch was recently named one of the 50 Best-Managed Companies in Canada, and has won more than 30 project-excellence and safety awards. The Project Management Institute recently presented the prestigious PMI International Project of the Year Award to Hatch.

Event Info: <http://www.wapmi.org.au/education/b01.php>

Sponsorship Info: Alan Griffiths, Marketing Director, marketing@wapmi.org.au

www.wapmi.org.au

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