



Australian Institute of Project Management Project Management Achievement Awards

Hyatt Regency Adelaide, 2 September 2005

Speech by Mr Greg Tunny, Managing Director

Three men: a project manager, a software engineer and a hardware engineer are helping out on a project.

About midweek they decide to walk up and down the beach during their lunch hour. Halfway up the beach they stumbled upon a lamp. As they rub the lamp a genie appears and says “Normally I would grant you three wishes, but since there are three of you I will grant you one wish each”.

The hardware engineer went first. “I would like to spend the rest of my life living in a huge house in Tennyson with no money worries.” The genie granted him his wish and sent him off to Tennyson.

The software engineering went next. “I would like to spend the rest of my life living on a huge yacht cruising the Mediterranean with no money worries.” The genie granted him his wish and sent him off to the Mediterranean.

Last, but not least, it was the project manager’s turn. “And what would your wish be?” asked the genie. “I want them both back after lunch” replied the project manager.

They say that you know when a profession has ‘made it’ when there are jokes made about the line of work. Like law, medicine and engineering, project management has become a widely recognised profession and one which will continue to gain recognition and grow.

ASC partners with AIPM

Not long ago, ASC signed a strategic agreement with AIPM to become an endorsed Project Management Organisation. 30 of our project managers were initially registered as AIPM members, with a goal to have them all recognised as Registered Project Managers and Master Project Directors.

I’m pleased to report that in the last 12 months, 43 ASC employees have now joined AIPM and 6 of those employees have reached their Registered Project Management status.

This is a tremendous achievement for ASC when you consider where the company has come from.



Project management at ASC

In 1985, ASC (then known as Australian Submarine Corporation) was formed to bid for the design and build of the Collins Class submarines. The contract, of course, was awarded to the company in 1987.

Up until 1995, ASC launched 2 submarines and had significantly progressed work on the 3rd without any project management capability. From 1995 to 2000 however, the company launched the remaining 4 Collins Class submarines with 2 dedicated project managers.

While this may sound quite normal comparatively, let's put the product – the Collins Class submarines - into context.

Complexity of Collins Class submarines

Building submarines is multiple times more complicated than building anything else within the Navy's fleet of defence assets. In fact, the Collins Class submarines can be likened in complexity to something like the space shuttle.

For the statistically minded, each Collins Class submarine has over 3,800,000 parts, 75km of cable, 7,000 individual cables, 200,000 onboard connections, 23.5km of pipe, 14,000 pipe welds and 34.5km of hull welding.

But before even reaching the build stage, 33,000 drawings and 5,000 work orders were produced.

ASC today

With only 2 project managers five years ago, ASC has made the transition from a single project business to a multi-project, customer focused, competitive business in the entire naval construction industry. And, project managers made this transition happen.

Today, the company has around 30 project managers and some 70 project-related staff – that's a huge increase from the mere 2 project managers we had in 2005!

ASC is serious about successful project management and its because of this that the company has focused on improving and increasing its project management capability.

Continuous improvement with the introduction of more efficient work processes, improved tools, better integration of management systems and focussed training have been key objectives over the past few years.

Measurement techniques, such as a Capability Maturity Model Integrated appraisal system, are being introduced to supplement project management KPI measures to enable a broader assessment of performance trends.

The trend to better our project management capability and to improve ourselves will continue over the coming years as the company begins the challenge of building Australia's air warfare destroyers.



Current projects

An ASC project manager recently told me that “At the heart of every large project there are smaller projects trying to get out”. Within ASC’s business, this statement couldn’t be more true.

At any one time, ASC has around 50 ongoing projects with a total worth of approximately 250 million dollars.

Our projects range in size from 100 million dollar submarine refits to 1 million dollar special forces upgrades to some 500 thousand dollar design enhancements.

Our longest projects – submarine refits – have a total time duration of 3 years, which includes 1 year of preparation, 21 months of implementation and 3 months of closeout.

In excess of 1 million personnel hours are required to successfully refit a submarine, with 600 thousand of these hours representing a blue collar workforce component. And, in any one year, 1 submarine refit is in preparation while another is being implemented.

A typical project manager’s responsibilities at ASC would include overall management of the project at hand, leadership of the project team, coordination of functional support, project budget and schedule performance, project reporting, point of contact with the customer, control and maintenance of project management personnel, and management of all project deliverables.

In addition to working in Osborne and Western Australia, some of our recent maintenance activities have involved project management personnel working in Singapore, Japan and Hawaii, and these opportunities will continue as the submarines build up their operational sea days.

Why the change?

So why the recent increase in project management personnel if ASC was able to build 6 highly complex Collins Class submarines without them?

A change in leadership has facilitated an emphasis on project management for a start. The former ethos that existed within ASC shunned project managers and viewed them as unnecessary.

In hindsight however, a better-structured project managed organisation during the Submarine Build Program would have significantly increased ASC’s profit margin. But this fact was not recognised until the submarine construction work was coming to a close.

I believe ASC’s change in attitude is reflected across the world. Today, changing business environments practically mandate the need for multiple project managers to ensure projects run smoothly and on schedule. This trend will no doubt continue well into the future and, for ASC, well into the Air Warfare Destroyer project.



Project management and the Air Warfare Destroyer project

ASC's sexy new project represents one of the most significant and complex projects ever delivered in Australia, both in project management and complexity terms.

The air warfare destroyers will be delivered by an alliance consisting of a ship designer, ship builder (ASC), combat system engineers and the customer – Defence Materiel Organisation, the procurement arm of the Department of Defence.

ASC will significantly increase its current personnel numbers of 1,000 to around 1,850 in 2011, of which 70 to 80 of these additional employees will be in the areas of project management, planning, project control, risk management and business support in areas such as estimating, change management and contract administration.

The project will be planned using the United States Department of Defence Integrated Process and Product Development approach.

This technique uses multi-disciplinary teams to facilitate and coordinate all of the activities related to a product. These teams will follow the development of the product or system from design to production, integration and testing.

ASC will offer numerous opportunities for interested project managers, including:

- Project management of major subcontracted procured items, like modules, which will be fabricated at multiple sites around Australia and consolidated in ASC's Osborne shipyard;
- Project management of design activities, which will be conducted in multiple sites around Australia and the United States in a full 3D digital model environment with design integration and control occurring at ASC;
- Integrated work scope definition planning and scheduling of design and production work;
- Project control, including earned-value management, cost control and schedule control; and
- Risk management.

Conclusion

While many of you could well be working in a project management capacity at ASC in the future, by no means should other opportunities throughout Adelaide and Australia be under estimated.

Project management has come a long way to be recognised as a true profession and while it may still have a long way to go, companies, like ASC, that are appointing, using and valuing its project managers will ultimately lead other businesses to 'join the party'.