

The Project Management Institute In the Beginning. . .

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This article was originally published in the June 1985 issue of the Project Management Journal. Except for the Postscript, it has been modified only to the extent necessary to make it suitable for web publication.

Introduction

Of course the problems of managing projects have been around for a long time. Some of them must have been encountered in the building of the first stone building of any size to be found in the world. The pyramid at Saqqara in Egypt was commissioned by King Zoser of the third dynasty. While King Zoser was the sponsor of the project, apparently the person responsible was his minister, Imhotep.

As L. Sprague de Camp writes in his book. *The Ancient Engineers*:

Although no trustworthy details of the of Zoser and Imhotep have come down, we can be sure that they were able men who worked long and effectively together, Probably Imhotep was a universal genius like Archimedes and Leonardo da Vinci. Such was his repute as a physician, architect, writer, wizard, statesman, and all-round sage that in later times collections of wise sayings circulated under his name.

Unquestionably, these two gentlemen must have learned a great deal about managing projects. While engineering technology flourished through the centuries at an ever accelerating rate, it was not really until the turn of the century that management became the subject of more serious study and then only in the context of an ongoing enterprise.

In its report on Post War National Development approved for publication in 1944, the Institution of Civil Engineers of Great Britain recognized the need for a systematic approach to planning public works projects when it pointed out rather quaintly that:

"In order to carry out work efficiently, it is essential that a scheme of operations be first decided by those directly responsible for the execution ... With such planning the work can be broken, down into a series of operations and an orderly sequence or programme of execution evolved. . . Without a Programme the execution can only be haphazard and disorderly... The drawing-up of a Programme at the beginning of the work does not mean, of course, that it is drawn up once and for all and cannot be changed. The exact reverse is the case. . ."

Concept gains ground

This [planning] concept gained ground rapidly, with considerable impetus being given to it by the U.S. Navy and NASA. As David Wilemon noted in his foreword to Russell Archibald's book, *Managing High Technology Programs and Projects*:

In the late 1950s considerable attention was focused on the Navy's use of project management in the development of the Polaris program. A few years later, NASA received the attention of practitioners and academicians for the advances it made in project management in administering the large, complex Apollo program. Many observers of management practice are convinced that these programs could not have been successful without the use of project management.

As recent technology blossomed and projects increased in complexity, the necessity for developing various management systems for planning and controlling project performance, schedules and budgets became ever more evident, As a consequence, project management began to permeate research and development, systems implementation, construction, urban development, education and so on. The advent of the electronic computer heralded the possibility of a solution to these sophisticated and complex problems.

The advent of the mainframe computer

In the fall of 1967 a representative of the McDonnell Automation Co., operating out of his office in Houston, Texas, was on a visit to Philadelphia, The purpose of this visit was to attend the laboratories of SmithKline & French in connection with a MCAUTO proprietary computer program that SK & F had bought for their in-house use. The MCAUTO representative was E.E. (Ned) Engman; the SK & F representatives were J.R. (Jim) Snyder and Susan Gallagher. The program was MCAUTO's Management Control System, the predecessor of its Management Scheduling and Control System.

The program ran on the IBM 1410, one of IBM's early tape oriented machines which was developed for business applications, but which found significant use in engineering design, logistics and the simpler technical applications, The program operated with four tapes, was reasonably reliable and "user friendly," but best of all, had Ned plugged in by MCAUTO to provide regional sales and assistance.

As he had done on a number of previous occasions, Ned Engman was on a routine sales and troubleshooting call. He enjoyed the customer contact and, as he had with a number of other customers, took advantage of the meeting to bounce around some ideas he had about where he thought project management should be going and hence what "computer support" should be provided. As an electrical sales engineer, his conversations were directed towards his interests in computers and networks. However, he was convinced that most programs up to that time, including MCAUTO's, had not adequately tapped the wealth of knowledge and diversity of project management practitioners.

This conviction was reinforced by chance input from random encounters with such people as Eric Jenett of Brown & Root, Inc. in Houston and John King with Bell Telephone Labs in Holmdell, New Jersey. Then again, if he never got it completed, where would he find the "prospects list" or the show or convention which really pulled out the people that would or should see a demonstration of an upgraded MCS program? Thus were sown the seeds of both MCAUTO's next generation MSCS as well as the Project Management Institute.

Meantime, over at SmithKline & French . . .

Jim Snyder, on the other hand, had been instrumental in introducing network planning to the SK & F operation in Philadelphia. His interest in the technique was not assuaged by his frustration with what could then be done versus the obvious potential in such fields. His frustration and determination were heightened by having completed some course work at Georgia Tech under Dr. Gordon Davis. At the time, Gordon was also running a series of short courses which included PERT/CPM.

These "academic" topics were being conducted under the auspices of the Department of Industrial Engineering in an attempt to convey this sort of material to the working level in industry through the college's Extension Service. In Jim's case, he was using CPM in the scheduling of drug development, testing, FDA approval, physician awareness programs, marketing and some construction projects. He had established a small team from a bright but relatively untrained group of people and found that with a little training and exposure he could make fair schedulers out of them for the SK & F environment.

However, Jim was also frustrated and upset that he and Susan had to do all the training; that he could not offer SK & F personnel the professional ambience and experience of such industrial roles as say, engineers, accountants, cost engineers, or even managers; and that there were no impartial and objective criteria against which he could judge the quality and merit of his programs and personnel.

A fortuitous snow storm

Now it so happened that Jim, Susan and Ned had run late in their business discussions and Jim had offered to drop Ned off at the airport saying it wasn't much out of his way. As they were driving along through urban Philadelphia in the afternoon rush hour, a really heavy, wet and slippery classic Philadelphia snowstorm came rolling in. Being the smart people they were and recognizing that in weather conditions this bad Ned's plane would not be flying anyway, they stopped off at a typical small neighborhood restaurant for solace and some free exchange of ideas and flashes of insight. The name of the establishment was 333's at 333 Smedley Street, Philadelphia.

It was here, as the snow fell, the wine was enjoyed, the seafood digested and the conversation waxed philosophically, such that the idea of an organization dedicated to the concept of managing projects was really born. In the past, others had talked about this need, but to no avail. Now it was decided that the three of them take the lead and work to bring about such an organization.

So in January, 1968, Ned Engman wrote, inviting potential members to a meeting to form a National CPM Society. The meeting would be held at the Roosevelt Hotel in New Orleans, Louisiana, on the 15th and 16th of February, 1968. Attended by Messrs. Engman, Jenett, King, Davis and Snyder, the minutes show that they agreed to form an organization to be known as the "American Project Management Institute" whose specific objectives would be to:

1. Foster a recognition of the need for professionalism in project management.
2. Provide a forum for the free exchange of project management problems, solutions, and applications.

3. Coordinate industrial and educational research efforts with the objective of directing research efforts towards industrial problem areas.
4. Develop and disseminate common terminology and techniques in an effort to improve communications between users of project management systems.
5. Provide an interface between users and suppliers of both hardware and software systems.
6. Provide guidelines for instruction and education leading to project management implementation and encourage the career opportunities in the field of project management.

An application for registration of the organization in the State of Pennsylvania was prepared by Jim Snyder in the name of **Project Management Institute**, Inc. the following May. The signatories were James R. Snyder, Edward A. Engman, Eric Jenett, Michael Homyak and Susan C. Gallagher. The registered office was at Jim's home address.

The first contributions and annual dues

It was quickly realized that a small amount of money would be required to get an organization started. Contributions were solicited and received from SmithKline & French by Jim Snyder, from Brown & Root by Eric Jenett, and from MCAUTO by Ned Engman. Meanwhile, Gordon Davis managed to convince Georgia Tech's School of Continuing Education to provide the facilities and support as well as take the financial risk for the first meeting. With \$300 and a meeting site in hand, plans were laid to start an organization.

In October that year a two day seminar in Advanced Project Management Concepts was conducted by the Department of Continuing Education of the Georgia Institute of Technology. On the evening of the first day, October 9th, at the American Hotel in Atlanta, the existence of the Project Management Institute was announced to a group of approximately eighty people. A total of twenty-four "founders" joined the new Institute on the spot. In addition to serving on the first Board of Directors, approving the initial bylaws, and developing membership in their local areas and industries, each founder expected to support the organizational efforts by a contribution of \$20.

This momentous occasion was followed by a news release on October 21, 1969, announcing the launching of the new organization designed to serve the interests of individuals active in the field of project management. The annual dues were set at \$15.

Thus it was in the beginning ...

Max Wideman
1985

Postscript

When I joined the Institute in 1974, the membership was fairly stable for the next several years at around 1000. However, a major spurt in growth occurred in 1977 onwards with the introduction of local chapters. By 1983, the membership had risen to over 4000 comprised of some 30% engineering, construction and heavy industries, 17% computer hardware, software and consulting services, and 5% educational. Since then the numbers have been growing steadily, even though the annual attrition rate has been in the range of 20-30% per year.

In recent years there has been an explosive growth due to the application of formalized project management and interest in the IS/IT sector. I believe that these members, together with those who have interests in "corporate projects" now account for some 60% of total membership. For various reasons, the nature of these projects are very different from those of the "traditional" building type projects, so it is hardly surprising that the nature of the Institute itself has changed dramatically.

Indeed, I recall the time when it was difficult to get many people to recognize that these types of "projects" were real project at all! But then I also recall how difficult it was to convince the PMI Board (of the day) that projects were about change . . .

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1985, 2001

¹ The assistance of Susan Gallagher, Eric Jenett, Jim Snyder and others in the preparation of this article is gratefully acknowledged.