ELEARNINGNEWS ARTICLE

Year 7 - number 263 Wednesday 18 october 2023

How artificial intelligence is transforming project management

Artificial intelligence has a strong impact on every sector, but project management is being revolutionized by this technology. Let's see how and why

In a world driven by innovation, companies and organizations are constantly looking for ways to increase efficiency, reduce costs and improve project outcomes. Artificial Intelligence (AI) is a technological **revolution** that has changed many area amongst which **project management**, traditionally a sector that relies on manual commitment and experience, has seen a notable transformation with the integration of AI. The impact is profound and redefines the project management landscape for **efficiency, automation** and **success**. In this article we analyze how AI is changing the face of project management.

The challenges of project management

Before we start seeing the benefits of integrating AI into project management, let's take a look at some data about this sector to identify the main problems. As reported in an **article** published in the Harvard Business Review magazine, approximately 48 trillion dollars are invested in projects every year. However, according to the **Standish Group**, only 35% of projects are successful. The waste of resources and unrealized benefits of the remaining 65% are staggering.

According to a **research** published by Gartner, the situation should change soon and predicts that 80% of project management activities will be managed by artificial intelligence by 2030. This change would be due to the popularity and diffusion of tools such as AI powered by enormous quantities of data, the so-called learning machines and language processing tools.

The impact of AI in project management

AI is poised to transform several areas of project management by making processes more efficient and data-driven. Let's see what the most significant changes brought by this technology are.

- **Simplify project initiation and planning:**

The heart of every project is the start-up and planning phases. Artificial intelligence has ushered in a new era where project managers can rely on data-driven insights to make informed decisions. Automated tools help define project scope, set goals, and analyze stakeholders. This allows project managers to create comprehensive project plans with precision, eliminating the guesswork of traditional methods. In other words, the project manager can answer the question "which projects will bring the most benefits to the company?" easier and faster.

- **Automation and optimization of tasks:**

The more monotonous and error-prone aspects of project management, such as task assignment, scheduling and resource allocation, have found a savior in artificial intelligence. Thanks to artificial intelligence, project managers can delegate routine tasks to machines, freeing human resources for strategic decision making. This not only saves time, but also reduces the likelihood of errors in the distribution of tasks.

- **Predictive analytics at work:**

One of the most powerful contributions of AI in project management is predictive analytics. By analyzing all the data collected in its activity, artificial intelligence is able to predict project timelines, budget overruns and resource needs with a remarkable degree of accuracy. The insights offered by AI-powered predictive analytics enable project managers to proactively address

potential obstacles, minimizing project risks and ensuring smoother operations.

- **Risk management and mitigation:**

Thanks to predictive analysis, artificial intelligence excels at identifying project risks by analyzing trends and historical data. Furthermore, it not only reports problems, but also suggests risk mitigation strategies, allowing project managers to take proactive measures. This type of preventative action can save time and money, precious commodities in the world of project management.

- **Resource allocation and optimization:**

The role of AI in resource allocation goes beyond simple task assignment. Analyze team members' skills, availability and workloads, ensuring that the right people are assigned to the right tasks at the right time and that no one is overloaded. This intelligent allocation of resources results in greater productivity and efficiency.

Also, artificial intelligence and identifies needed resources by analyzing project data. Specifically assists in cost estimating and control, identifying cost drivers and ensuring projects stay within budget. This financial control ensures that projects are completed without unexpected budget overruns.

- **Project control**

Artificial intelligence is a vigilant supervisor of project quality. It can monitor the quality of project products by analyzing data and predefined quality criteria. This ensures that the project's quality standards are consistently met. Additionally, AI generates performance metrics and dashboards in real time, providing project managers with a complete view of project progress.

- **Team control:**

Time is money, and AI helps track how it is spent. By analyzing time spent on tasks, AI can provide insights into team productivity. This data allows project managers to make data-driven decisions regarding resource allocation and project timelines.

- **Communication and collaboration:**

In today's globalized world, communication and collaboration are critical to the success of a project. Artificial intelligence, with its natural language processing (NLP) capabilities, simplifies and improves communication within project teams. Task updates, progress reports and other vital information can be exchanged effortlessly using natural language, reducing miscommunications and misunderstandings.

- **Personalized insights and recommendations:**

AI doesn't just offer unique solutions. It provides personalized insights and recommendations to project managers based on historical performance and individual preferences. This customization of recommendations ensures that decisions are aligned with specific project objectives and requirements.

AI also contributes to assistance through **chatbots** and virtual assistants, valuable tools for managing questions and concerns relating to projects capable of providing immediate answers, reducing the need for human intervention. This not only saves time, but also facilitates better collaboration within project teams.

- **Document management:**

The volume of documents related to a project can be overwhelming. Artificial intelligence brings order to this chaos by automatically categorizing and labeling documents. This means essential project information is at your fingertips, making information retrieval more efficient and accurate. Not only that, automation processes can help in filling out paperwork, saving a lot of time.

- **Facilitating remote working:**

In an age where remote working is increasingly popular, artificial intelligence assists in managing remote teams. It provides insights into team engagement, collaboration patterns, and potential issues arising from the remote work environment. This helps project managers adapt and maintain team productivity, regardless of geographic boundaries.

- **Integration with other tools and services:**

Project management tools powered by AI can integrate seamlessly with other software and services, improving collaboration, communication and data sharing. This integration gives project managers access to a broader ecosystem of tools to manage projects more efficiently. However, as we will see later, integrating AI with other technologies may not be immediate and may require a significant cost.

Limits

The benefits of using AI for project management are diverse and very significant for the sector, however this technology still has some **limitations**.

- **Data quality and availability**: AI relies on data "fed" into it for training and decision making. Inconsistent, incomplete or imprecise data can lead to biased, unreliable or suboptimal results. Ensuring high-quality, readily available data is still a significant challenge, especially for smaller organizations.
- **AI biases**: AI algorithms can inherit biases present in historical data. This can lead to discrimination and unfair decisions. It is essential to ensure that AI systems are trained on unbiased data and regularly monitored for potential bias.
- **Costs**: Implementing AI systems, developing custom solutions, and training staff can be expensive. This can be a significant obstacle for smaller companies or projects with limited budgets.
- **Integration issues**: Integrating AI tools with existing project management systems can be complex as some existing systems may not be designed to work with AI solutions, resulting in technical issues and potential disruptions.
- **Privacy and data security**: Storing and processing sensitive project data in AI systems can create security and privacy issues. Organizations must ensure data protection and compliance with relevant regulations and in some cases it may lead to an organization having to also invest in data protection and maintenance infrastructure or services.
- **Scalability**: Ensuring that AI solutions scale as the organization or project grows is a challenge. What works well for a small project may require extensive modifications for a larger one.