

Yavuz Sultan Selim  
Bridge, Istanbul, Turkey





SPOTLIGHT ON **TURKEY**

# Grand Ambition

A surging economy and a growth-minded government are fueling projects. But project professionals must manage expectations.

**BY MATT ALDERTON**

**T**urkey isn't letting instability stand in the way of big plans. Despite political volatility within and around the country, its thriving economy has climbed to become the 17th largest in the world. Its GDP has topped US\$830 billion each year since 2011, and it grew 7.4 percent last year, faster than any other major economy.

That activity signals a robust project environment—but the government is aiming even higher. By 2023—the centennial anniversary of the modern Turkish state—President Recep Tayyip Erdoğan wants the country to be one of the world's 10 largest economies, with a US\$2 trillion GDP.

A blitz of public-private-partnership (PPP) megaprojects is underway. They are part of a US\$135 billion investment by the government to transform the full gamut of the country's transportation infrastructure. For instance, the US\$11 billion Istanbul New Airport will feature the world's largest terminal under one roof. While the last

**"Economic risks ... decrease the benefits that can be gained from programs and projects."**

—Mustafa Hafizoğlu,  
PMP, SDT Space &  
Defence Technologies,  
Ankara, Turkey

phase of construction is slated for completion in 2028, the first phase of the airport is scheduled to open in October.

There's also been a surge of private-sector initiatives and foreign investments to deliver new projects in the energy, aerospace and defense, financial services and IT sectors, says Mustafa Hafizoğlu, PMP, program director, SDT Space & Defence Technologies, Ankara, Turkey. For instance, organizations are launching renewable energy projects, including wind, solar, hydro and geothermal installations—all of them part of a government goal to generate 30 percent of Turkey's electricity via renewable sources by 2023.

But for Turkey's government to meet all of its objectives, organizations sponsoring projects in the country must invest more time, money and effort into developing project management competencies. In particular, there's a need for organizations to better manage risk and stakeholders to ensure projects stay on schedule and within budget.

"Turkey's economy needs more efficient projects and more mature project management in order to reduce waste of limited resources," says Mustafa Cumhuri Öztürk, PMP, project manager, Aselsan, Ankara, Turkey. "Insufficient project planning efforts naturally result in negative project performance ... and there is an obvious reputation for unfinished projects here."

#### **ELEMENTS OF SURPRISE**

The only thing in Turkey more abundant than growth is risk. The two things are related: If a sizzling economy overheats, it could drive up inflation and weaken the Turkish lira. "Economic risks such as a weak currency and high inflation decrease the benefits that can be gained from programs and projects," Mr. Hafizoğlu says.

The risks go beyond the financial realm, however. There's no shortage of political risks, such as aftershocks of the failed military coup in 2016 that



People wave Turkish flags in Istanbul after a failed military coup in 2016.

killed or injured nearly 2,500 people. And war-torn neighboring countries Syria and Iraq can scare away investors or even trigger conflict between project partners. For example, Turkey's first nuclear power project, a US\$20 billion joint venture between Turkish Atomic Energy Authority and Rosatom, Russia's state-owned nuclear company, was nearly derailed in 2015 after Turkey's military shot down a Russian fighter jet near the Syrian border. While planning continued, the groundbreaking at the Akkuyu Nuclear Power Plant project was delayed for three years until April.

"When you look at the history of this region, there has always been conflict. It's a way of life," Mr. Hafizoğlu says. "So while it may seem very uncertain from an outsider's perspective,

PHOTO BY DANIEL MIHAILESCU/AFP/GETTY IMAGES





## Turkey at a Glance

Population (2016):

**79.5 million**

Size:

**783,562 square kilometers  
(302,535 square miles)**

GDP (2017):

**US\$851 billion**

GDP growth rate (2017):

**7.4%**

GDP growth forecast (2019):

**4%**

Primary industries:

**Agriculture, textiles and clothing, automotive, petrochemical, electronics**

Gross national income per capita (2016):

**US\$26,500**

Sources: The World Bank, Bloomberg, CIA World Factbook

people here are accustomed to living with these challenges and managing them because it is the nature of this region.”

That means developing strong risk registers that account for a wide range of known and unknowns. For instance, to cope with fluctuations in exchange rates, Mr. Hafizoğlu’s teams sign contracts in U.S. dollars or euros. Evrim Berk, PMP, formerly a project and investments supervisor at TUPRAS, Istanbul, Turkey, collaborates with stakeholders to identify risks and then assigns them to specific team members who are responsible for following up on individual risks throughout the project to assess and, if necessary, respond to them.

Teams also must build flexibility into the project plan and schedule. To that end, contingencies

are carefully calibrated into each project plan to account for schedule delays or surprise cost increases, Mr. Berk says. “Everything can change in a moment, so we always have to keep reserve budgets, reserve schedules and even reserve human resources,” he says. “We need to have a reserve of everything.”

### MATURITY MATTERS

Yet organizations have plenty of work ahead to elevate their project management maturity, says Ömür Benek, PMP, portfolio manager, Turkish Airlines, Istanbul, Turkey. While there are several attempts in the public and private sector to increase project management maturity level, those efforts are not enough. Some project professionals aren’t

## "Turkey's economy needs more efficient projects and more mature project management in order to reduce waste of limited resources."

—Mustafa Cumhur Öztürk, PMP, Aselsan, Ankara, Turkey



even skilled enough to properly manage the triple constraint, he says. "If you say finish a job next week, they will focus only on timeline," with budget, scope and quality often falling by the wayside, Mr. Benek says.

It's not unusual for project managers to start as engineers, says Serdar Atilgan, PMP, project management office (PMO) project controls lead, State Oil Company of the Azerbaijan Republic, Turkey Energy A.S., Istanbul, Turkey. As a result, these project managers lack "any knowledge of project controls," he says. That can lead to poor planning—and poor performance. "As a result, they cannot finish the project on budget, and they cannot finish the project on time," Mr. Atilgan says.

To accelerate maturity, organizations are increasingly investing in project management training and certification, says Mr. Hafizoğlu, an immediate past president of the PMI Turkey Chapter. For instance, as recently as five years ago, only a few companies offered incentives to earn a Project Management Professional (PMP)® certification; now, such incen-

tives are common, he says. SDT Space and Defence Technologies requires a PMP® certification for all of its project managers and pays the fees for PMI certification, he says.

Structured training is also on the rise. More organizations are launching in-house training programs for project managers, while informal training at the team level is up, Mr. Hafizoğlu says. "I make my teams spend more time on planning, and the whole team should participate in establishing the work breakdown structure," he says. "We also conduct specific trainings focused on improvement areas, such as communication skills training to improve stakeholder management."

### HIGH EXPECTATIONS

Managing the expectations of executive sponsors is mission critical in Turkey's project environment, with an unusually high number of projects with multiple sponsors. That's a complex task when key stakeholders in a single project can involve a demanding government agency, private companies,



PHOTO BY METIN AKTAS/ANADOLU AGENCY/CETTY IMAGES

# What It Takes to Transform



"Multitasking. We aren't managing just one project at a time. We don't have that luxury, because we are a developing country and there is so much work to do."

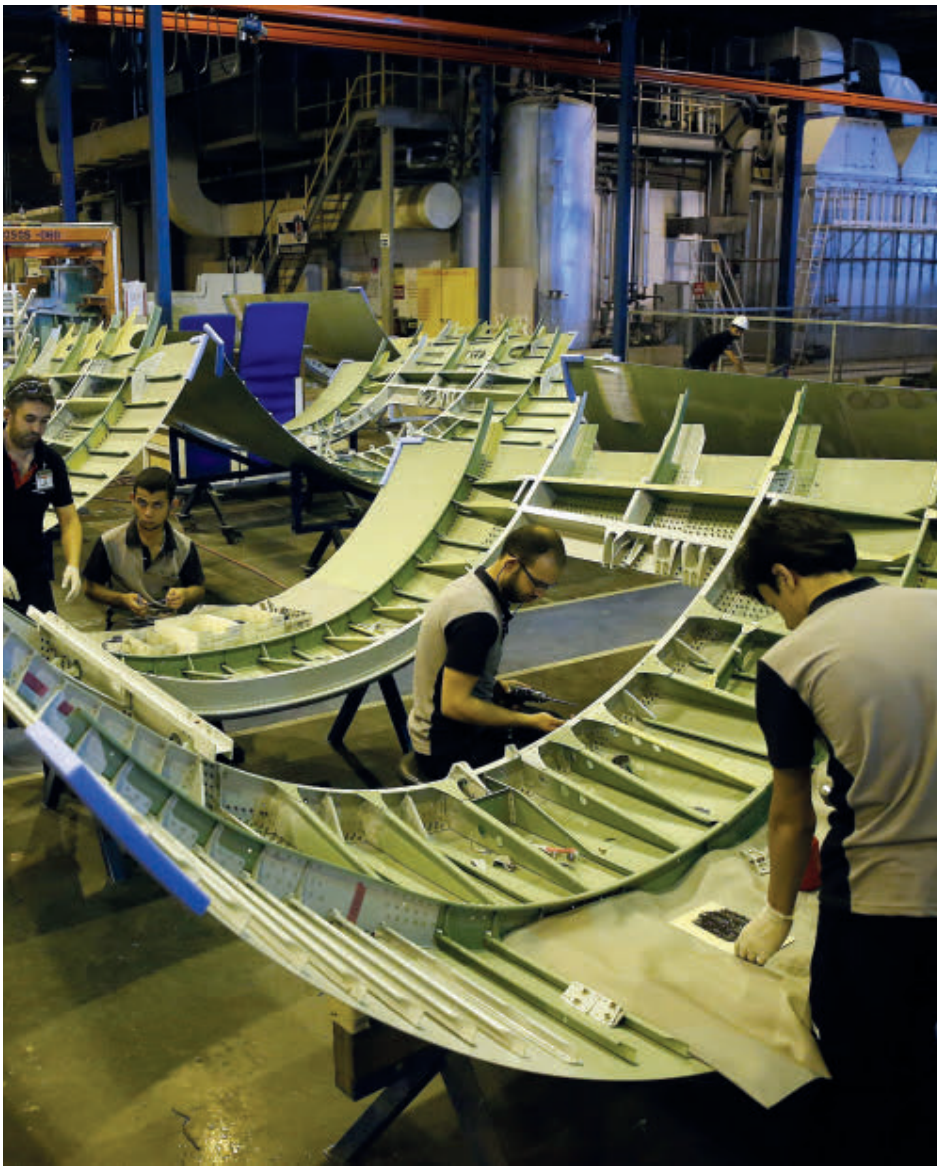
—Evrim Berk, PMP, formerly a project and investments supervisor at TUPRAS, Istanbul



"Project managers must learn to use the appropriate interpersonal skills to earn trust among sponsors and other key stakeholders. They have to build a strong relationship to be able to manage the different expectations."

—Ipek Sahra Ozguler, PMP, project manager, Halkbank PMO, Istanbul





## Growth Pattern

Few countries in recent years have sustained more economic momentum than Turkey.

**>US\$830 billion**

GDP generated per year since 2011

**5.6%**

Average GDP growth per year since 2003

**7.4%**

GDP increase in 2017—its largest increase since 2013

**4.9%**

Projected average GDP increase per year through 2025

Sources: The Organisation for Economic Co-operation and Development, Turkish Statistical Institute, World Bank

We asked project professionals: **What skills or training could help project managers in Turkey reach the next level?**



“Planning. Project managers in Turkey should understand the value of the planning process and learn to give it the required attention.”

—Mustafa Hafizoğlu,  
PMP, program director,  
SDT Space & Defence  
Technologies, Ankara



“Communication. Eighty percent of your work hours as a project manager are related to communication and people skills. So if you want to be successful in Turkey, you need to be a problem-solver and a good communicator.”

—Ömür Benek, PMP, portfolio manager, Turkish Airlines,  
Istanbul

and foreign investors and operators. For example, the Akkuyu Nuclear Power Plant's primary sponsors are Turkish Atomic Energy Authority and Rosatom, which will build and operate the facility. But Rosatom is looking to add more investors and contractors to ensure the facility goes live by 2023—which means more stakeholders to build relationships with and more expectations to manage.

"We don't always have good stakeholder management in Turkey," says Mr. Atilgan. He says Turkish projects are vulnerable to change orders because project managers often neglect key stakeholder groups. Conversely, the best-performing projects and project teams in Turkey actively engage all sponsors and stakeholders at the outset, when project requirements are established, Mr. Hafizoğlu says.



**"We don't always have good stakeholder management in Turkey."**

—Serdar Atilgan, PMP,  
State Oil Company of the  
Azerbaijan Republic, Turkey  
Energy A.S., Istanbul, Turkey

Starting strong with stakeholder management is critical "especially in projects that have a high level of uncertainty," he says. "Those projects need more attention and involvement of the sponsor and customer." For instance, during a recent software development project at SDT Space and Defence Technologies, unfamiliar or uncertain requirements were managed by working closely with the sponsor. As a result, there were no change order requests during the execution phase, Mr. Hafizoğlu says.

Project teams in Turkey need to make such clear and frequent communication with key stakeholders the norm, Mr. Benek says. But they also must learn to tailor their engagement to reflect the priorities and critical project targets of any particular sponsor.

"Most project managers focus only on the project plan, but they must also always inform the project sponsors and other key stakeholders about the progress during the execution phase," he says. "I always try to inform my sponsor weekly or biweekly about progress, and I have documents about my company's expenses to present to my CEO and sponsor."

Ultimately, increased education and experience for project managers will be the key for sustained growth, Mr. Berk says. But achieving project management maturity—just like Turkey's ambitious economic aspirations—requires persistence and patience.

**"We need more time and more training. But every day we are improving."**

—Evrin Berk, PMP,  
Istanbul, Turkey

"These kinds of changes aren't made in just a day, just a month or just a year," he says. "We need more time and more training. But every day we are improving." **PM**



Rendering of Istanbul's  
New Airport, currently  
under construction



# Vision for the Future

These are some of the high-profile projects that are helping Turkey build a promising future.

## 1 TRANS-ANATOLIAN NATURAL GAS PIPELINE

**Budget:** US\$7.9 billion

**Scheduled completion:** 2018

The 1,850-kilometer (1,150-mile) pipeline will carry natural gas from Azerbaijan to Turkey and Europe. It fills a critical need. At a time when the country's energy needs are growing, only 26 percent of its total supply is coming from domestic sources. The pipeline will span 20 Turkish provinces and run below the Sea of Marmara, which separates Turkey's Asian and European sections.



## 2 BILKENT INTEGRATED HEALTHCARE CAMPUS

**Budget:** US\$1.3 billion

**Scheduled completion:** 2018

The public-private partnership with the Turkish Ministry of Health will deliver the largest hospital in Turkey—and Europe. The 1.3-million-square-meter (0.5-square-mile) campus will have capacity for 50,000 patients, including 5,000 in the emergency department.



## 3 1915 ÇANAKKALE BRIDGE AND MOTORWAY

**Budget:** US\$2.8 billion

**Scheduled completion:** 2023

The world's longest suspension bridge is part of a massive motorway makeover that aims to reduce congestion and improve intercontinental transit. Instead of driving through Istanbul's infamous gridlock, drivers can use the Çanakkale 1915 Bridge to take a southerly route around the Sea of Marmara.



## 4 RIZE-ARTVIN AIRPORT

**Budget:** US\$471 million

**Scheduled completion:** 2020

While the massive Istanbul New Airport is Turkey's most talked-about transportation project, it's not the most unique. The Rize-Artvin Airport in northeast Rize Province is being constructed for the Turkish Ministry of Transportation, Maritime Affairs and Communications on an artificial island in the Black Sea. It will become the country's second airport on a body of water and be capable of serving more than 3 million passengers each year.

