

# Project Management Maturity



A BENCHMARK OF  
CURRENT BEST PRACTICES

## Summary

Improving an organization's level of project management maturity results in significant performance benefits, especially in customer satisfaction. And, although organizations are, in general, fairly low in project management maturity, the higher the level of maturity, the better the performance of the organization in all areas measured. These conclusions are among the results of a survey of eighty-one project management practitioners by the Center for Business Practices, the research arm of the consulting and training organization, PM Solutions.

The CBP surveyed senior practitioners with knowledge of their organizations' management practices and business results. The survey, *Project Management Maturity: A Benchmark of Current Best Practices*, was designed to benchmark the maturity of organizations in eight project management knowledge areas as well as investigate the hypothesis that there is demonstrable improvement in organizational and project management performance if organizations improve their project management maturity. The survey asked the respondents to assess their organization's level of project management maturity using an industry standard project management maturity model. PM Solutions Project Management Maturity Model identifies five levels of progressive maturity in the nine knowledge areas of project management identified by the Project Management Institute as key to project success:

- Project Integration Management
- Project Scope Management
- Project Time Management
- Project Cost Management
- Project Quality Management
- Project Human Resource Management
- Project Communications Management
- Project Risk Management
- Project Procurement Management

Respondents were also asked how well their projects performed, based on eight measures of performance, including schedule performance, budget performance, customer satisfaction, resource allocation optimization, strategic alignment, estimating quality, employee satisfaction, and portfolio optimization. High-performing organizations were compared to low-performing organizations as well as the overall average to determine whether or not high-performing organizations were more mature than low-performing organizations and, if so, what the differences were.

## Key Findings

This Center for Business Practices research on Project Management Maturity benchmarks the maturity of organizations in nine project management knowledge areas generally accepted as critical to successful project completion. More importantly, the research confirms the hypothesis that there is organizational and project management performance improvement if organizations improve their project management maturity.

- ❖ Improving the organization's level of project management maturity results in significant performance benefits, especially in customer satisfaction (45% of organizations showed greater than 10% improvement in customer satisfaction, and almost 30% of organizations showed more than 25% improvement)
- ❖ The higher the level of project management maturity, the better the performance, in all areas measured
- ❖ Organizations are fairly low in project management maturity — almost 90% of organizations are at Level 1 or Level 2
- ❖ All organizations, including high-performers, are consistently low in maturity in all knowledge areas, and they are poorest at risk and human resource management
- ❖ Overall project management maturity grew by 26% from 2001 to 2006, and the biggest improvements in maturity were in risk management, followed by procurement management and cost management
- ❖ Given that the importance of project management to organizations has become fairly well documented in the management literature over the past five years, it is surprising that over 30% of organizations have shown no improvement in their project management practices
- ❖ It is somewhat surprising that the average time to move from Level 1 to Level 2 is only 2 years — a significant number of organizations claimed that they achieved that improvement in 1 year, which is a very short length of time

### What Sets High Performers Apart from the Rest

The following research results distinguish high-performing organizations from other organizations (see Project Management Performance on page 10 for information on how high performers and low performers were identified).

- ❖ High-performing organizations are significantly more mature (average level of maturity - 2.05) in their project management practices than organizations in general (average level of maturity - 1.49) and they are significantly more mature than other organizations in all project management knowledge areas:
  - ❖ Integration Management: 26% more mature
  - ❖ Scope Management: 32% more mature
  - ❖ Time Management: 37% more mature
  - ❖ Cost Management: 32% more mature
  - ❖ Quality Management: 38% more mature
  - ❖ Human Resource Management: 38% more mature
  - ❖ Communications Management: 23% more mature
  - ❖ Risk Management: 35% more mature
  - ❖ Procurement Management: 26% more mature
- ❖ The most significant difference between high and low performing organizations is in allocating resources optimally and in estimating accurately
- ❖ High-performing organizations are very good at satisfying project customers and in completing projects on schedule
- ❖ A significant percentage (23%) of high-performing organizations are at Level 5 maturity in quality management

### What Sets Low Performers Apart from the Rest

The following research results distinguish low-performing organizations from other organizations (see Project Management Performance on page 10 for information on how high performers and low performers were identified).

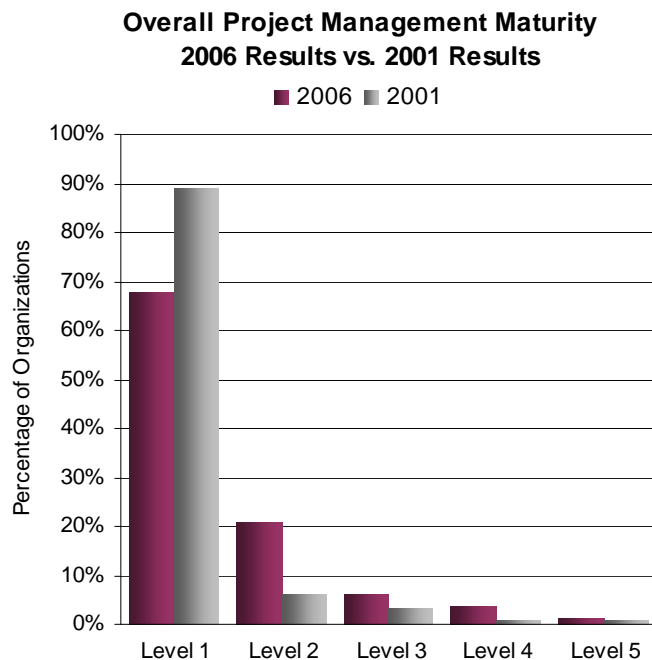
- ❖ Low-performing organizations are significantly less mature (average level of maturity - 1.05) in their project management practices than organizations in general (average level of maturity - 1.49)
- ❖ Low-performing organizations are significantly less mature than other organizations in all project management knowledge areas, and they are particularly poor at risk management:
  - ❖ Integration Management: 38% less mature
  - ❖ Scope Management: 39% less mature
  - ❖ Time Management: 43% less mature
  - ❖ Cost Management: 35% less mature
  - ❖ Quality Management: 43% less mature
  - ❖ Human Resource Management: 30% less mature
  - ❖ Communications Management: 35% less mature
  - ❖ Risk Management: 56% less mature
  - ❖ Procurement Management: 16% less mature
- ❖ Almost all (96%) low-performing organizations are at Level 1 in project management maturity
- ❖ A significantly high percentage (66%) of low-performing organizations are at Level 1 maturity in quality management
- ❖ No low-performing organizations are above Level 2 maturity in time management or risk management

### Project Management Maturity — 2006 Results vs. 2001 Results

The chart on the right compares the percentage of organizations at each level of project management maturity in 2006 with the results of our survey taken in 2001. The table below shows the actual percentage of organizations at each level of project management maturity and the percentage difference between the 2006 and 2001 results.

#### Percentage of organizations at each level of project management maturity

	2006	2001	% Difference
Level 1	67.9%	88.9%	-24%
Level 2	21.0%	6.3%	+233%
Level 3	6.2%	3.2%	+94%
Level 4	3.7%	0.8%	+363%
Level 5	1.2%	0.8%	+50%



## Observations

- ❖ There has been a significant improvement in overall project management maturity as well as in the maturity in each knowledge area from 2001 to 2006, but the
- ❖ There are significantly fewer Level 1 organizations in 2006 compared to 2001, but a good majority of organizations are still at Level 1 maturity (68%)
- ❖ The project management maturity is still very low — 89% of organizations are at Levels 1 or 2

## Note:

The Center for Business Practices is now PM Solutions Research