ORGANIZATIONAL Maturity ASSESSMENTS LIGHT THE WAY TO OPTIMIZED PROJECT MANAGEMENT.


if your organization doesn’t strive for consistency, you may be destined for mediocrity. That’s one of the principles behind PMI’s Organizational Project Management Maturity Model (OPM3®), which identifies knowledge, assessment and improvement as essential elements to project management. Maturity models are used to appraise an organization’s process maturity to show where it can improve process execution.
executive summary

➤ Maturity assessments evaluate performance in key project management knowledge areas.
➤ A global project management office contributes consistency in project management processes throughout the enterprise.
➤ Change management initiatives—including meticulous internal communications—create demand for training while fostering continuous improvement.
➤ Ongoing discovery is critical to managing an assessment.

“OPM3 gives you a framework, but not a prescribed path. It lets you pick and choose the best practices that apply to your organization,” explains Bruce Miller, PMP, vice president of professional services at consultancy PM Solutions, Havertown, PA., USA.

➤ OPM3 purports that specific competencies or capabilities must exist within an organization so it can deliver projects successfully, consistently, and predictably. These capabilities are found across 586 best practices in three areas: portfolio management, program management and project management. Organizations adopting OPM3 set goals and objectives to improve processes in these areas within four stages: standardizing, measuring, controlling and continuously improving.

A Model of Maturity

In 2002, PM Solutions’ developed its own Project Management Maturity Model (PMMM), which aligns with OPM3’s best practices and measures the capabilities of an organization across the nine Knowledge Areas of PMI’s A Guide to the Project Management Body of Knowledge (PMBOK® Guide). The PM Solutions’ maturity model identifies five progressive levels of maturity from Level 1, representing enterprises using ad hoc processes, on up to Level 5, for organizations using standardized and integrated processes that have been optimized to focus on continuous improvement. “Our maturity model compliments OPM3, blending the best of OPM3 capabilities with a practical approach to implementing maturity improvements,” Mr. Miller says.

“The first step is to identify what needs improvement and the value that will be received through improvement,” Mr. Miller says, noting maturity assessment phases typically run about six to eight weeks. “Even at large global companies, you won’t find equal consistency and maturity, so you want to even it up.” For example, one division may be expert at handling risk management, while communications management is the bailiwick of another. Of course cultural differences and management’s emphasis on some managerial competencies over others can vary from country to country, contributing to inconsistencies across companies.

Once a company undertakes a maturity assessment and is outfitted with a roadmap to reach the next level in PMI’s Knowledge Areas (such as project integration and project scope management), enterprises may expect a waiting period of 12 to 24 months for actual implementation. “We come in and blend in what companies are doing well with what areas of the company or those outside the company are doing,” Mr. Miller says.

Maturity assessment is an inexact science, but one where gains translate to the bottom line. According to a benchmark survey conducted in 2001 by PM Solutions’ Center for Business Practices, companies are less mature in managing risk than in other areas of project management, and as a whole, enterprises perform better than individual divisions at project management.

Global PMO in the Driver’s Seat

Project management is both an art and a science at SAP, Walldorf, Germany, the world’s largest business-application software company. SAP manages software implementation projects from short cycles of a few months up to comprehensive multiple-year programs. Of its 13,000 field service employees, some 9,000 are consultants, with more than 1,000 project management experts worldwide certified to SAP’s rigorous internal PMI-based certification.

➤ “Excellence in project management goes beyond delivering projects on time, on budget and within scope,” says Gina Montillet, director of the global project manage-
ment office (GPMO) at SAP’s field services corporate offices in Paris, France. “Underpinning project success is reduced total cost of ownership, shorter time to value, assuring quality and mitigating risk to protect investment.”

A couple of years ago, SAP embarked on an enterprisewide initiative to optimize project management and ensure customer value by delivering excellence. “Our customers were asking that we take on more ownership in projects and deliver globally,” Ms. Montillet says. SAP began an internal process alignment, established common project management terminology and concepts across country practices and focused on developing project managers’ leadership skills. In early 2004, SAP established a GPMO as a focal point to increase project management capabilities, and five regional PMOs.

The GPMO adopted PM Solutions’ maturity model, PMMM, for strategic planning of its initiatives. “PMMM has provided a roadmap for us to baseline project management performance and guide us how to systematically move to more mature levels of performance,” Ms. Montillet says. To benchmark the current state of maturity and provide direction for continuous improvement, SAP performs project-management maturity assessment reviews of its consulting practices. To assist in this effort and establish ratings of how it’s doing, SAP regularly uses Web surveys and conducts one-on-one interviews.

PM Solutions was brought in to support the effort and has delivered ongoing assessment reviews across all SAP regions since 2003. The assessment review first looked at SAP’s project-management tools, methods and processes, and then mapped its maturity along PMI’s nine Knowledge Areas. “Importantly, it also tracks three success factors that have influenced our adoption of new practices: project office, management oversight and professional development,” Ms. Montillet says. “So this allows our project management practice to identify its strengths, weaknesses and opportunities” A significant deliverable of the review is a benchmark of the assessed organization against best practices for project management at competitor enterprises and in industries outside of SAP.

Throughout the process, SAP has been able to create a culture supporting change. Referencing Mr. Miller of PM Solutions’ notion that people, processes and technology must all work as a coordinated unit, Ms. Montillet says:

“We’re a knowledge-intensive organisation, our human capital is our greatest asset. The processes and technology are the means that enable skilled, experienced people to drive a global business.” As a software developer, SAP excels at information technology and supports its maturity initiative with an internal global consulting portal to create knowledge management with Web discussion boards. This practice forms a virtual global community of project management practices.

To date, Ms. Montillet characterizes SAP’s ongoing maturity assessment review program as a success. “It offers a premium quality assurance service,” she says, noting the tremendous value of reviews in providing a clear line of sight for continuous business improvements.

Also-Ran Moves Forward
Before becoming wholly owned by the government of Trinidad and Tobago in 1993, oil and gas producer Petrotin, headquartered near San Fernando, was jointly owned by the govern-
ment and a group of multinational oil companies. For years, following its change in ownership, Petrotrin languished below its competitors in project management, such as in the case of a multimillion-dollar refinery upgrade project that resulted in the loss of millions of dollars by exceeding the schedule by a significant number of years.

Petrotrin took its first step in 2001 to create project management programs at Trinmar, one of its offshore production units. It first established a project management office (PMO), adding basic and intermediate training and developed a standard methodology and project management life cycle. Its dismal performance soon stopped: a project similar to the failed refinery project proved significantly more successful.

“We transferred this learning to all of Petrotrin in 2003 when we officially adopted the standard methodology, training and project office concept enterprisewide,” says Suzanne Hydal-Brijkemohansingh, PMP program leader in organizational development refinery operations at Petrotrin. A central PMO was developed within Petrotrin’s corporate engineering group to manage large refinery projects as well as administering training and change management initiatives. “This group implements all major engineering projects and puts us on the fast track toward improving project management maturity,” she says.

Ms. Hydal-Brijkemohansingh says communications outreach laid the groundwork to institutionalize project management among Petrotrin’s 4,000 employees. “Change management has made a difference. We started out with company focus groups in 2001 and employee communications have been growing ever since through training, mentoring and informal lines.” Ms. Hydal-Brijkemohansingh says the ongoing process has evolved from a push to a pull system. Now, employees seek out project management training.

More than 450 Petrotrin employees have been trained in PM Solutions’ PM College. Earlier this year, Petrotrin launched a “just-in-time” training program where a small group of “mentor/facilitator” project managers were trained to facilitate project teams for creating charters, risk plans and schedules, all to improve risk management and project outcome. “In another two to three years, we’ll have fully implemented the project management processes from what we identified in the maturity assessment. We expect less time and cost over runs and a greater focus on risk management,” Ms. Hydal-Brijkemohansingh says.

Petrotrin plans to propel itself from fourth-quartile performer status in its industry to the first quartile by 2009. The path is based on 24 strategic projects in the areas of organizational structure and job redesign, optimizing exploration and production functions, refining excellence and enterprise-wide risk management. Since the assessment, Ms. Hydal-Brijkemohansingh says the company has moved from Level 1 to Level 3 in some areas, with smaller groups on their way to Level 4, within PM Solutions PMMM framework.

Marcia Jedd is a Minneapolis, Minn., USA-based supply chain and business writer.