



White Paper

“Anything Worth Doing..... “

Moving on with Project Management Maturity

According to the Project Management Institute over 95% of organizations are immature in their project management discipline.

- 1. So where are you sitting?**
- 2. What do you need to do to move on?**
- 3. Why is it important?**

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Introduction Zig Ziglar once said “Anything worth doing is worth doing badly until you can do it well.” Businesses use projects to implement business strategy and change. Good project management can provide as much competitive advantage as a new business strategy. Considering the state project management is in most companies today it’s not hard to get ahead of the competition and stay there.

Successful projects come down to three things people, process and tools, and weakness in any of these areas will let the others down. Good people and process will be frustrated by poor tools. Under-skilled people will struggle to get the maximum benefit from good process and tools. The good news is if you are weak in all three areas (as most companies are) then you are in balance and nothing is holding you back.

“A life spent making mistakes is not only more honourable, but more useful than a life spent doing nothing.”

George Bernard Shaw

Getting better at delivering projects is like a team sport. It requires the team and hopefully a coach to work to a plan that aims to improve the team’s people, process and tools.

This paper is a guide to getting started in maturing the project management discipline. It looks at the current situation, highlights the problems of being inexperienced at doing projects, the implications of not improving and finally payoff for improving project management.

So how well is your organization, positioned to meet this challenge?

The Current Situation

If you want to make an improvement you have to know where to start from. According to the Project Management Institute there are five levels of maturity. They are summarized below. Have a look and pick where your organization is currently sitting.

Level 1 AKA: The Wonder Years –These businesses (65-70% of companies), have few skilled staff, ad hoc processes and tools limited usually to spread sheets. Company veterans will reminisce about “the good old days” while future project teams will be told how easy they have it now.

Level 2 AKA: Teens – These businesses (20-25% of companies) have improving staff skills, generic process are in place and basic tools are being used, this is often a combination of a word processor,

spreadsheets and a planing tool. Project management is often awkward and uncomfortable because things are changing but you are looking forward to all the good things about growing up.

“The optimist thinks that this is the best of all possible worlds, and the pessimist knows it.”

Level 3 AKA: Thirty Some-things– These businesses (3 -5% of companies) have skilled staff, they use customized processes and high value is derived from tools. These organizations aren’t fully matured but the foundations are in place to really move on in project life.

J. Robert Oppenheimer

Level 4 AKA: Middle Aged — These businesses (1-3%) use staff with the required skills, formal standards based processes and the wide spread use of tools. This results in project management excellence being “business as usual”. By this point the organization has learnt from the follies of youth and leads a much more predictable project life.

Level 5 AKA: The Golden Years — These businesses (less than 1%) have highly skilled and experienced staff, the process is integrated into the business and tools are used in all aspects of project delivery. If you reach this stage of project management then you get to say “when I was your age....” while being revered by colleagues and competitors for doing projects so effortlessly.

According to the Project Management Institute up to 95% of organizations are at level three or below. We will be looking at issues experienced at level three or below. If you are above level three then you should be writing this paper rather than reading it.

So what are the problems facing organizations at the different maturity levels?

The Problems

The table below summarizes the skill levels in each aspect at the different levels of project management maturity.

| | Level 1 | Level 2 | Level 3 | Level 4 | Level 5 |
|----------------------------------|------------|---------|-----------|---------|------------|
| | The Wonder | | Thirty | Middle | The Golden |
| Aspects of Project Management | Years | Teens | Something | Aged | Years |
| People (organization and skills) | L | L | M | H | I |
| Process (defined and in use) | N | L | M | H | I |
| Tools (implemented and used) | N | L | M | H | I |

Legend:

H – High; I – Integrated; L – Low; M – Medium; N – Not in use

“It is an unfortunate fact that the majority of the members of any profession are convinced that the terminology and goals of their chosen discipline are self-evident to any reasonable intelligence.”

R. C. Dillahunty et al.

The first aspect of project management is people. There are two issues, organizational development and skill levels to address. At Levels 1 and 2 there are often low levels of importance placed on the role of projects in the organization. There are often issues relating to accountability and responsibility as a result of this poor role definition. Little emphasis is placed on developing staff project capabilities limiting growth and change opportunities. By level 3 people have some project skill and organizational structures are in place to make project work easier.

The second aspect of project management deals with project management process. From the table above we can see that project management process is nonexistent to low at best for Levels 1 or 2. This means that most projects will be late, over budget and not meet their original goals. Occasionally a project will run well but it is mainly due to the individual running it. The process short-comings make for project delivery nightmares. By level 3 projects are starting to come in on time or within budget and if you are lucky both.

The third aspect of project management deals with the tools being employed to support and improve the management of project delivery. At Level 1, tools are typically used for presentation purposes and lack planning and control functionality. Level 2 tools tend to be single user and single project in capability, are used for planning and control but to only 15-20% of their capability. The lack of ability to use the tool properly holds the organization back as time and energy (and therefore money) are spent on manual workarounds.

At Level 3 comprehensive project and portfolio management tools are required. They provide a project management information system (PMIS), every aspect of the project is managed here. The PMIS is the ERP system for the project part of your business. You wouldn't run your business operations without an ERP system yet most companies still try to run their projects without a PMIS.

So what does all this mean to you and your company?

The Implications

If project management doesn't mature consider the impacts on:

1. The company
2. Your People
3. Your Process

4. Selecting Tools

“No man ever became great except through many and great mistakes.”

Not maturing project management is a decision that can be disastrous for almost every company. Remember “companies use projects to make changes,” so poorly run projects means being left behind. If a change costs more, takes longer and delivers less value, how long can your company remain competitive? The economy demands higher efficiency, lower cost and faster delivery, compare yourself with rival companies. If they are committed to maturing their project management, how long can your company remain competitive? Asked another way if you can't get projects right how can you implement a business strategy?

William E. Gladstone

If at this stage you are saying “great then let's get the right people in and worry about processes and tools later.” You need to recognize you're going to have trouble keeping good people even if you do find them. In Melbourne alone there are 3335 project management positions vacant on www.seek.com.au on 23/08/06 compared with 1874 vacancies on 21/03/2006 (a 77.9% increase in 5 months). Let's say you get some good people, are they going to stay with that many jobs available if you give them bad processes and poor tools to use?

Immature project process can create many nightmares no matter how good your people and tools are. Project managers can easily lose control of their projects leading to budget overruns and late delivery (no matter how much padding the budget has or how much slack is in the schedule) if the appropriate processes are not in place. Overly complicated process can also be too difficult to work with at best or are completely ignored at worst. The end result being it is impossible for projects to be delivered in a consistent manner.

Conventional wisdom on project tools says leave them until last and get the people and processes right. Give good people with good process a good tool and how much more do you think they could achieve? For example most projects (by number) are managed with a combination of M.S. Excel and M.S. Project. Reporting is difficult to do with these tools compared to a fully functional PMIS. Just by using a PMIS one client of bijingo had their reporting times decrease from two days down to one morning. That's means they had one and a half additional days every reporting period they can devote to actually managing their projects

(to read the testimonial go to

http://www.bijingo.com/index.php?option=com_content&task=view&id=8&Itemid=6).

Remember The Project Management institute believes 70% of companies are at the “Wonder Years” level so selecting a tool that can support maturing your project management processes and people all the way to the “Golden Years” is an important piece of the puzzle, done right it only has to be done once.

The Payoff

“An idealist believes that the short run doesn't count. A cynic believes the long run doesn't matter. A realist believes that what is done or left undone in the short run determines the long run.”

Putting together a plan to improve project maturity can be daunting. How do you train the existing people to give them the skills to succeed? In the existing market how do you recruit skilled people to help grow the existing team? How do you put processes in place to that will optimize efficiency and consistency without creating a bureaucracy that stifles output? Where do you acquire a tool that is usable now and can also grow with the company because it has all the necessary features so that you won't need to replace it in the future because you've out grown it?

The good news is that help is available; all you have to do is be willing to ask. The interdependencies between people, process and tools are clear. Successfully maturing project management means moving all three aspects of project management forward in step at an achievable pace, focusing on specific objectives.

Sydney J. Harris

Massive benefits will build up over time by gradually improving project management process, tools and people. The benefits of getting it right include:

1. Shorter time to market for projects
2. Better business growth and sustainability
3. More efficient use of assets and resources
4. Higher quality results
5. Less business risk

Conclusion

Regardless of your starting point project management maturity is achievable. The critical success factors include:

1. Getting a plan together on how to move forward

“It is much easier to be critical than to be correct.”

Benjamin Disraeli

2. Skilling your staff up to minimum levels initially, then continuing to develop them
3. Focusing on management support through organizational development
4. Implementing process progressively and getting the basics right
5. Progressively implementing tools to support people and process improvement
6. Getting the right tool to feed the Project Management Information System

Remember success generates the momentum to build project management maturity.

About bijingo Pty Ltd

If you would like more information on improving your organization's project management maturity please visit us at www.bijingo.com

Bijingo develops and provides b-smart, a comprehensive software as a service project management solution.

About This White Paper

This white paper is based on customer experience.