

CBPRESEARCH NEWS

Project Management Maturity

A Benchmark of Current Best Practices

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.

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The survey is also a source of benchmark data — what is the current level of project management maturity of organizations, overall and in each project management knowledge area. Results from a similar survey conducted in 2001 were compared with the current results to see whether or not there has been improvement over time in project management maturity industry-wide and, if so, how much.

Key Findings

- Improving the level of project management maturity results in significant performance benefits, especially in customer satisfaction (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
- Overall project management maturity grew by 26% from 2001 to 2006, and the biggest improvements were in risk management, followed by procurement management and cost management

What Set High Performers Apart from the Rest

- 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)
- 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 Set Low Performers Apart from the Rest

- 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
- 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: A Benchmark of Current Best Practices, available from the Center for Business Practices (ring bound, 89pp., \$95 list), offers a wealth of benchmarking information on the project management maturity of organizations and clearly confirms that better performance is linked to higher maturity.

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