

Organizational Maturity Assessment

An OMM-Based Appraisal of Project Management Practices

Kathleen B. Hass, PMP

Project Management and Business Analysis Practice Leader

KHass@managementconcepts.com

Lori Lindbergh, PMP

Senior Consultant

Management Concepts
8230 Leesburg Pike
Vienna, VA 22182
703.270.4128

Introduction

The emergence of project management as a viable approach to managing change and achieving business objectives has created rapidly changing work environments for many companies seeking to apply the principles and practices of modern project management. Projects are serious business. It is through projects that organizations add value to better serve their clients and compete in the marketplace. Project management is a critical performance-enabling process that improves the probability of project success, thus enhancing project profitability and, in turn, organizational prosperity.

Project-driven organizations are vigilant and mindful about the mix of projects they invest in at any given time. There are limited resources available as well as restricted sources of funding the company is willing to invest in new/improved products, services, business process, and technology. Due to these organizational and budgetary constraints, executive teams must not only make the difficult decisions to select only certain projects for execution, but deferring or canceling others as well. Once management has developed a portfolio of valuable projects, the focus is on flawless project execution to maximize project profitability and the return on project investments.

Yet all too often, success is elusive. Projects are late, over budget, or are cancelled and never delivered. Sometimes work is incomplete, does not meet requirements or expectations, and does not deliver the benefits or return on investment expected by the organization. Executive teams must have confidence that projects and project management processes are contributing to the success of their organization.

Organizational project management is the, “application of knowledge, skills, tools, and techniques to organizational and project activities to achieve the aims of an organization through projects” (PMI, 2003). A project management maturity assessment establishes an improvement map to use for assessing the effectiveness and efficiency of organizational project management practices. Further, it provides organizations with a decision framework, a path to guide advancements in how to do projects, to achieve dramatic improvements leading to project success in their organizations.

Why Do Assessments?

Organizations strive to reach higher project management maturity because it is directly correlated to improved organizational performance. Great project management leads to more effective business procedures, higher quality deliverables, lower project costs, higher project team morale, a better balance between cost, schedule, and scope, and ultimately added value for the entire organization. A project management maturity assessment provides a model for staged continuous improvement in project management practices. The primary purpose of the assessment is to evaluate the maturity of project management practices within an organization and provide recommendations to improve overall project delivery capability. A properly performed assessment can also serve as the fulcrum of positive project management change in the organization (Bush and Dunaway, 2005).

Organizational project management maturity assessments are designed to accomplish the following objectives:

- Measure the ability of the organization’s collective project management staff to repeatedly deliver projects that meet specifications, on time and within budget.
- Identify gaps in current project management capabilities.
- Provide a foundation for improvement and guidance for advancement in project management through prioritized, structured, and sequential improvements.
- Provide an indicator of how effective the client’s organization is in meeting its goals in managing projects and meeting business objectives.

Managers always believe their organizations are better than they are. Maturity assessments provide organizations with the information necessary to understand their processes and skills as a project-driven organization and give them a clear picture of their performance capability overall, as well as in comparison to competitors and the industry “best in class.” Emphasis is placed on a consistent and repeatable project management process (supported by effective tools and techniques) applied by highly skilled project managers. By exposing large segments of an organization’s personnel to the best practices embodied in an assessment, assessments not only motivate companies to improve, but they demonstrate how to improve at a time when they are most receptive to learning new techniques (Bush and Dunaway, 2005).

The Staged Maturity Model

A staged project management organizational maturity model and maturity assessment process is a project management oriented approach, similar to other well-known models, such as the Software Engineering Institute Capability Maturity Model (SEI CMM). SEI at Carnegie Mellon University invested many years of research in determining how organizations change and improve over time and incorporated lessons learned in their models (CMU, 1994).

“Assessments do not reflect the way the members of an organization think things should work or the way the organization’s paperwork says things ought to work. Based on separate interviews with staff at every level, they represent the way things really do work.” (Bush and Dunaway, 2005)

An effective project management maturity assessment adheres to the generic concepts for effective change that have been demonstrated to be successful for over a decade across industry standard models, but focuses on improving project management. It includes all of the 44 processes described in the Project Management Institute’s *A Guide to the Project Management Body of Knowledge (PMBOK® Guide)*, 3rd Edition (PMI, 2004), ensuring compatibility and alignment with the de facto standard available in the project management arena.

A project management organizational maturity model describes the key elements of a fully effective project management environment. These elements are then used for benchmarking and evaluation. Taking the presence or absence of these elements into account, the assessment team determines if the capability is present for project management processes in that organization. The established ranking scale provides plateaus for the purpose of continuous improvement of project delivery potential.

The five-level scale is a common practice for maturity models. This commonality allows organizational ratings to be compared across industries or even across models. The stages of a project management maturity model are defined in the following section.

Level 1 – Informal

In organizations at level one, project management is characterized as ad hoc and informal. Project management practices are performed inconsistently in pockets across the organization, and projects are often successful because of competent staff combined with heroics.

Level 2 – Documented

Project management practices for organizations at level 2 are documented and institutionalized across the organization. Level-2 practices include those that bring about basic management control. Institutionalization involves implementing a corporate culture that supports the methods, practices, and procedures of the project management practices so that they endure after those who originally defined them have left the organization. Level-2 practices include mastery of the application of the following *PMBOK® Guide* knowledge areas: integration, scope, time, cost and procurement management.

Basic criteria that teams meet to achieve level 2 include:

- Defining the scope of work in a charter or statement of work (SOW) or other scope definition document and decomposing the scope of work in a graphical work breakdown structure (WBS)
- Planning and scheduling the work embodied in the WBS into a project schedule with interdependencies linked to form a network diagram
- Assigning resources and estimating the work effort based on work interruption factors, skill factors, and the part-time effect (accounting for when team members are working on multiple activities simultaneously; adding time to the base estimates for them to switch between activities)
- Budgeting work packages to cost accounts relating to functional areas
- Maintaining a performance baseline
- Monitoring performance against the baseline and implementing corrective actions to maintain the baseline
- Managing changes to the baseline and establishing a new baseline when increase in scope is approved, or performance indicates a new baseline is required

Level 3 – Integrated

Advanced project management practices associated with level 3 are integrated across the organization and include those that enable the successful management of significant, high-risk, complex projects. Level-3 practices include:

- Advanced risk management including quantitative risk assessment and risk response plans
- Quality management, including applying effective quality control and quality assurance practices
- Advanced communication techniques including measuring performance through earned value management (EVM), and managing the environment embodied in power, politics, and stakeholder management
- Human resource management, involving building and maintaining high-performing teams

Level 4 – Strategic

At this level, project management has been elevated to a strategic management practice. Cultural and organizational behaviors, structures and processes are in place to assure projects are strategically aligned. Elements of organizations practicing level-4 project management include:

- An enterprise project management office (EPMO) and departmental PMOs both of which support management portfolio decisions and project team execution
- Robust strategic plans exist that are converted to strategic goals and measured through a corporate scorecard
- Projects report against corporate scorecard metrics
- Portfolio and resource management is practiced, including project selection and prioritization and ongoing review and management of the portfolio

- Executive oversight is evidenced by periodic project sponsor committees and control gate reviews that are conducted at major project milestones for re-assessment of the project cost, schedule, scope, quality, risk and expected benefits to the organization followed by go/no-go decisions to continue to invest in the project

Level 5 – Optimized

At level 5, the organization demonstrates an emphasis on continuous improvement to its project management practices. This level requires the organization to measure the effectiveness of its project management efforts/system and implement improvements to their project management processes, tools and techniques. The goal is to put improvements in place that would enable and/or support more timely decision-making, a reduction in project management costs and improved project performance.

Exhibit 1 summarizes the stages of the project management maturity model. The focus moves from projects to programs to the organization as an organization progresses through the maturity levels.

Skiping Maturity Levels

The organizational maturity model identifies the levels through which an organization should evolve to establish a culture of project success. Because each maturity level forms the necessary foundation on which to build the next level, attempting to skip levels is almost always counterproductive and often leads to false starts and disappointing results.

Organizations can institute specific improvements at any time they choose, even before they are prepared to advance to the level at which the specific practice is recommended. However, organizations should understand that the stability of these improvements is at greater risk since the foundation for their successful institutionalization has not been completed.

Maturity Level	Organizational Level	Focus	Key Process Area
5 – Optimized	Organization	Continuous improvement	<ul style="list-style-type: none"> • Process improvement
4 – Strategic	Organization	Strategic management	<ul style="list-style-type: none"> • Enterprise project office • Portfolio and resource management • Balanced scorecard • Project metrics • Executive oversight
3 – Integrated	Project and program	Advanced project management	<ul style="list-style-type: none"> • Risk management • Quality management • Communications management • Human resource management
2 – Documented	Project	Basic project management control	<ul style="list-style-type: none"> • Integration management • Scope management • Time management • Cost management • Procurement management
1 – Informal	Ad hoc project management – competent people and heroics		

Exhibit 1, Key Project Management Maturity Process Areas

At the same time, the assessment team must recognize that process improvement efforts should focus on the needs of the organization in the context of its business environment and that higher-level practices may address the current needs of the organization. Therefore, the assessment team must focus on both organizational needs and practices at the next maturity level.

When Should Organizations Use Assessments?

An organization is ready for an assessment when the senior manager sponsoring the assessment is dissatisfied with the organization's current state. The sponsor must be willing to demonstrate public support for the assessment and convey a strong organizational commitment to the assessment (Bush and Dunaway, 2005). The necessary resources must be committed to not only conduct the assessment, but to support the improvement plans that follow, and the need to measure improvement or reassess at periodic intervals. Assessments should be undertaken when the organization is informed

and prepared for the assessment, communication is open, and when project staff are confident that management will support the necessary changes to help improve processes.

Assessments are an effective strategy for making project management improvement a priority within an organization. They provide answers to such questions as:

- How can our project management practices enable us to achieve even greater profit/shareholder value while meeting our strategic goals and objectives?
- What are our company's strengths and weaknesses in project management?
- What areas do we need to concentrate on so that we can immediately increase project profitability?
- Do we need to change our existing practices, add new tools and technologies, or provide additional training for our staff?

- How can we best serve our customers to achieve both project and organizational success?

Assessment Approach

In order to limit the scope of the assessment activities to a manageable size and to minimize the disruption to the organization being assessed, a maturity assessment should be based on five representative projects. The projects must be representative of the types of projects the organization supports/conducts and have advanced through most of the project life cycle phases. The assessment team works closely with the organizational leadership to select the best projects to represent the organization.

The approach to conducting a project management organizational maturity assessment is multi-dimensional. It includes administration of surveys and artifact reviews followed by a series of individual and small group interviews. Results are documented and summarized in assessment findings and recommendations reports. The following sections outline the typical assessment process.

Assessment Team Members

The assessment team consists of two assessors: one senior professional to serve as lead assessor and one mid-level professional to serve as assessment team member. The lead assessor can be internal to the organization or an outside consultant as long as the individual is experienced in conducting assessments and is thoroughly grounded in the assessment model (Bush and Dunaway, 2004). An external lead assessor is likely to have the advantage of greater assessment experience and the kind of perspective that arises from having conducted assessments across a broad spectrum of organizations. Assessment team members should be completely independent of the organization or the projects under review to help minimize the chance of positive bias and “sugar-coating” results which often occurs when internal assessors are used.

Assessment Planning and Kickoff

Assessment planning should start with the identification of the business goals to be addressed by the assessment. These goals should be clearly communicated to the organization in the kickoff presentation. Assessment preparation also involves selection of the five representative projects, planning and scheduling of assessment activities, project management survey question customization, if necessary, and the kickoff meeting held with all assessment participants. An important objective of the assessment kickoff meeting is to prepare the assessment participants for what will come throughout the assessment period and answer any questions they may have.

Survey Administration

This step involves completion of assessment surveys by the project managers, key project team members, and selected technical resources for each of the projects participating in the assessment. The purpose of the survey is to gather written information to evaluate whether a particular process is or is not present. The assessment team is able to quickly summarize the data for a quick overview of the organization's strengths and weaknesses. It is recommended that survey distribution be limited to project managers and project technical leads as the specific project management language used in the survey may not be understood by others.

Interview Sessions

Individual interviews are conducted with senior managers, project managers of the representative projects, and other key stakeholders to validate survey responses. Technical group input can be obtained during the interview process in focus group sessions to gain additional insight into the organization's project management practices. Interviews serve to validate survey responses by determining the participant's understanding of the processes being evaluated and the accuracy of the response provided by the participant on the survey.

Artifact Reviews

Technical and project management deliverable reviews and artifact inspections are completed to further validate survey responses. Document reviews help establish contexts and reveal areas that need to be probed by the assessment team. Reviewing documents also helps the assessment team evaluate/understand the processes that the organization uses and rate their strengths and weaknesses relative to the organizational maturity model (Bush and Dunaway, 2005). The artifact reviews should include organizational-level documents (e.g., policies and procedures), project level documents (e.g., project charter, plans, etc.), and implementation-level documents (e.g., tracking, performance measurement, etc.).

Assessment Findings

Results are analyzed, scores computed to develop a maturity rating, and the information is distilled by the assessment team to prepare high-impact, measurable recommendations to sustain the momentum of project management improvements.

Final Maturity Rating

The assessment team must prepare a final organizational project management maturity rating based on the assessment surveys, interviews and focus groups, and artifact inspections. Rating judgments by the assessment team depend on the quality of the data available to them, their ability to reliably judge the implementation and institutionalization of the project management practices in the organization, and their ability to correlate these practices with the model (Bush and Dunaway, 2005). The assessment team uses consensus to determine the maturity rating for each key process area which are then combined to determine the overall organizational project management maturity.

Validation and Prioritization

Based on the assessment findings, the team develops the draft recommendations. It is important for assessment participants to validate and prioritize

the team's findings prior to finalizing the assessment deliverables. The recommendations should be posted on the walls in the assessment team's "war room" for ease of viewing. The project team members who participated in the assessment should visit the war room during a set time to validate findings and prioritize recommendations. This review technique helps the assessment team focus the final recommendations on those offering the greatest improvement impact for the organization.

Assessment Findings Preparation and Delivery

The assessment team modifies findings based on project team feedback and prepares the final assessment reports. The recommendations should be presented informally to management prior to communication with any other group. This allows management the opportunity to not only understand the recommendations, but commit to implementing them in a timely manner. The recommendations are then presented formally in a findings presentation to the project team, key stakeholders, and everyone who participated in the assessment. Assessment deliverables should be published and distributed to the assessment sponsors immediately after the findings presentation. Deliverables typically include: findings and recommendations report, survey results report, and findings and recommendations executive presentation.

Assessment Timeline

An organizational maturity assessment is typically a four week effort.

Week One – Planning

Week one initiates the assessment process, forms and educates the assessment team, customizes the assessment approach for client-specific requirements, and prepares for the assessment launch. Preparation involves review and potential refinement of the assessment project management survey questions. The assessment kickoff meeting is conducted at the conclusion of week one, formally launching the assessment process.

Weeks Two and Three – Survey Completion and Interviews

Week two and three are reserved for the project team representatives to complete the surveys. The assessment team begins to review the survey responses and prepare and conduct the interviews as the completed surveys are submitted. Concurrently, the assessment team conducts interviews with management and small groups of practitioners. Facilitated focus groups and lessons learned sessions are conducted to quickly gather as much information about the organization as possible. The assessment team members also review project deliverables and artifacts as pre-interview and post-interview activities to corroborate findings. All findings must be defensible and based in fact.

Week Four – Findings and Recommendations Validation and Prioritization

The assessment team members collaborate on findings based on the survey responses, interviews, and artifact reviews. The team then drafts findings in terms of strengths and recommendations to advance project performance. The individuals who participated in the assessment validate and prioritize the findings.

The assessment team then prepares and delivers the project assessment reports and the executive presentation that presents the current state of project management practices and proposes recommendations for improvement.

Keys to Using Assessment Results

After an organizational project management assessment, either euphoria or shock reigns. Both should quickly give way to a disciplined plan to build on

the momentum of the assessment and to follow up its findings and recommendations by putting in place an organization to institute necessary changes (Bush and Dunaway, 2005). If too much time passes, this momentum and the assessment's power to motivate change diminish.

Post-assessment process improvements need to be driven by senior management to succeed. The key to successfully implementing assessment recommendations is to develop an actionable post-assessment improvement plan. The plan should include: business strategic goals; process improvement objectives, activities, and schedules; roles and responsibilities; and identified risks and constraints. Managers must take responsibility for leading the effort, vest real authority in those who are responsible for implementing the improvements, and keep informed of the progress of the implementation process.

Summary

Using an organizational maturity model and conducting a project management maturity assessment provides the framework to evaluate progress in pursuit of project success. The assessment helps an organization understand its current project management capabilities, establish a capability baseline, identify appropriate areas for improvement, select high-priority improvement actions, and build organizational readiness to change.

The assessment provides a prescriptive action plan based on each organization's unique strengths and weaknesses. Its benefit is in narrowing the scope of improvement activities to those key practices that provide the next foundation level for extending the organization's current project management capabilities.

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