CA Advisor
GOVERNANCE NEWSLETTER

September 2008

How to Evolve the Maturity Level of Your Project Management Office *(Part 3 of Series)*

By Chris Craig-Jones

In the pursuit of improving IT project delivery, many companies focus primarily on the process but tend to miss a crucial step: benchmarking effectiveness. This step is often overlooked under the pressures of addressing immediate issues and pain points, which results in a baseline that is not established to measure improvements at regular intervals. This article, the third of a six-part series, discusses tips and techniques for setting up effective, iterative benchmarking and project rollout.

Benchmarking Your Maturity

A Project Management Office (PMO) consists of Project and Portfolio Management (PPM) processes undertaken in the delivery of projects, programs and portfolios, and support processes carried out by individual management offices.

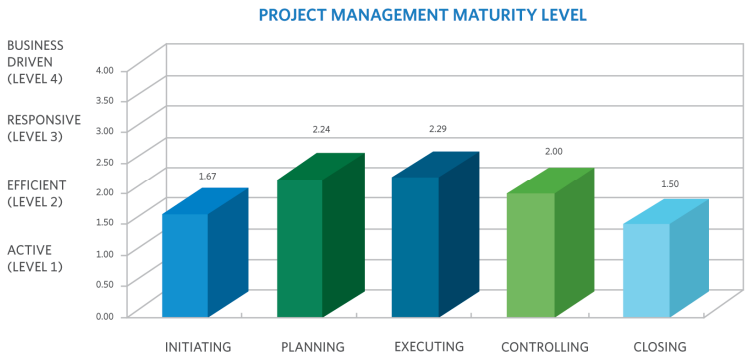
The process definitions and framework, along with PMO support, enable:

- **Project Managers** to deliver projects within scope, time and budget
- **Program Managers** to manage groups of projects and services, provide an optimal mix in the use of resources and achieve economy of scale
- **Portfolio Managers** to align portfolios of projects and services with business goals as well as manage the organization's exposure to risk

When measuring and improving the PMO, both the PPM delivery and individual office support processes and environment must be addressed. Benchmarking brings additional value towards implementing and internally advocating for improved project, program and portfolio delivery. A good way to frame the idea of improving delivery is to think of it in terms of "maturity."

An industry standard PPM/PMO framework, as defined by the Project Management Institute (PMI), has three levels of work: project, program and portfolio. These are broken down into 12 process groups, such as project initiation and project planning. The process groups consist of 92 processes, which relate to the management of nine knowledge areas, including scope, cost, time and resources.

Individual project, program and portfolio management processes and groups of processes can be measured in terms of maturity. The example below shows a maturity graph of the project management processes consolidated into the main process groups, as defined by the PMI Project Management Body of Knowledge (PMBOK).



Transforming IT Management

Levels of Maturity: From "Active" Through "Business-Driven"

Levels of maturity generally fall into these groups:

- **LEVEL 0: Chaotic** – No evidence of documented processes or best practices
- **LEVEL 1: Active** – Documented processes carried out, but not formalized (ad hoc, with unpredictable results, and dependent on heroics)
- **LEVEL 2: Efficient** – Consistent discipline started (repeatable processes supported by materials and templates, but only in use in pockets)
- **LEVEL 3: Responsive** – Ubiquitous and measured (processes are applied consistently in the majority of situations and managed proactively)
- **LEVEL 4: Business-Driven** – Provides data and information to drive business decisions (used as the standard throughout the organization, provides metrics for continuous improvement)

Many companies today are at Level 2, where some processes are formalized but their use is being rolled out only across pockets within the organization. However, it is typical for organizations involved in the delivery of business-critical or safety systems to be striving to reach Level 4 on the maturity scale. This type of organization can be found in the defense or aircraft manufacturing industry, for example, where safety is critical.

Organizations at Levels 3 and 4 typically have defined processes, supporting standards, templates and software for the majority of the project, program and portfolio management processes. This environment would include both PPM processes carried out by the project managers, program managers and portfolio managers, as well as the processes carried out by their respective offices. The delivery and support processes at this level are used by the majority of staff, and non-use is on an approved exception basis.

At Level 4, data obtained as a by-product of staff carrying out the processes are used as input into business-driven decision-making, such as determining which projects and services the organization should undertake in the future.

The implementation of PPM software is a key component in any organization's effort to improve their maturity level and ability to automatically collect data from their processes. By automating key processes, this software provides the necessary data for continuous improvement.

For example, in a Level 3 organization, the project manager would carry out a process to "monitor progress through completion of milestones." Using software for this monitoring enables measurements that can be used for comparative analysis, such as percentage of milestones achieved on time versus those that slipped. This information, if consistent across all projects, suggests that there may be an issue with project planning and could be used to identify improvements to the "create project plans" and "estimate the effort" processes.

In a Level 4 organization, a project manager produces a cost/benefit case to obtain a decision about whether or not to proceed. As a by-product of carrying out that process using PPM software, data is provided to executive management for a what-if analysis and for decision-making about future projects and services. The provision of data from the processes is more effective and efficient where PPM software is deployed to automate the process.

Approaches to Maturity Improvements

By examining the four levels of maturity, you can determine where your project, program and portfolio delivery and support processes are now, and identify gaps between where you are and where you want to be with your organization's most critical processes.

For example, you may want to examine the project management process of "creating a project charter." Perhaps you have a template for creating the program charter, but it is used infrequently, which causes inconsistency resulting in higher costs and therefore suggests Level 1 maturity. By automating the creation and tracking of the template, consistency can be enforced to reduce costs, suggesting a maturity of about Level 3. We have now identified a gap between where we are now and where we want to go. Next, we need to develop a recommendation on how to get there.

Where to Begin

Organizations may vary in their approaches to making PPM and PMO maturity improvements. Some may adopt a bottom-up approach, taking on the project management processes first. Others may take a top-down approach, starting with what-if scenarios of portfolio management using basic project and resource information at a high level rather than detailed project plans, and expanding into detailed project planning in the next release. Still others may want to improve the level of maturity of some of the processes at all three levels (project, portfolio and program management) in the first release and then add more process improvements at all levels in subsequent releases.

Whatever approach is used, for each process or group of processes the organization must analyze the current state, agree on the target state, identify the gap and then create recommendations for improvement. These recommendations will include requirements for improvement in processes, staffing and technology.

The implementation of technology will involve the configuration and deployment of a PPM system. This system will support all the PPM and PMO processes, but the emphasis will be on processes and functions to be deployed first. How those functions will be configured will depend on the approach the company adopts: bottom-up or top-down.

The PPM software will enable more efficient and effective project, program and portfolio management delivery and support processes. This is achieved through:

- The provision of online deliverable templates
- Use of project models and templates to create project plans
- Automated time, status and cost capture
- Automated requisition of project and program resources
- Delivery of project, program and portfolio status, and planning information through portlets and reports
- Automation of the processes through workflows that present templates to users and route completed deliverables for approvals

When measuring and improving the PMO, both the PPM delivery and individual office support processes and environment must be addressed. In the next article in the series, "*How to Move from One Level of Maturity to the Next Through Multiple Releases*," I will continue this discussion on evolving your level of maturity and provide recommendations on ensuring the success of the process improvement project.

Chris Craig-Jones is Global Solution Director for CA Clarity™ Project & Portfolio Manager (CA Clarity PPM). Prior to his current position, he was responsible for the management of CA Clarity PPM services projects within the Western United States.

Chris has more than 30 years of experience in information technology and management, progressing from programming through analysis, project management, data and database administration, strategy planning, program management, business process engineering and consultancy management.

To read the previous articles in the series, go to:

» **Part 1 - How to Get Started with a PMO**

» **Part 2 – How to Implement a PMO**

Coming in October:

» How to Move from One Level of Maturity to the Next Through Multiple Releases

For the latest issue of CA Advisor: Governance Newsletter, visit **ca.com/newsletters/govern**.
To subscribe to receive future issues, or to manage your preferences, visit the **CA Preference Center**.