

A Proven Paradigm for Creating Enterprise Project and Portfolio Management Adoption Roadmaps That Work!

A systemic approach to uncovering EPM maturity gaps

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Introduction

Capability Maturity Assessment is one of the tools consistently leveraged by Enterprise Project and Portfolio Management (EPM) practitioners in the creation of adoption roadmaps for organizations that are creating momentum for change with the objective of improving internal governance. Historically, the problem has been addressed in parallel at the Project, Program, or Portfolio levels, and in many cases the solutions devised have been independent of one another, potentially missing on integration aspects that could greatly improve overall results. In the past couple of years, new methodologies that attempt to encompass all three disciplines have been developed, including OPM3 from the PMI. These integrated EPM methodologies have very logical frameworks, but they are also voluminous and typically difficult to put in practice in the field.

In order to optimize their IT portfolio investments, organizations must move along the EPM maturity curve through the creation of momentum for change, and the adoption of key value-added processes, technology, and governance principles. The practical problem of methodologies like OPM 3 lies in how complex it can be to derive a tailored implementation plan from such extensive sets of questions. Once an organization starts down the path of responding to vast questionnaires without an initial focus, it is easy to get lost in details, because some methodologies require responses to over five hundred questions.

A framework recently developed by UMT helps to more efficiently reveal key EPM maturity gaps in an organization, simplifying the creation of adoption roadmaps that tackle critical issues. Under this model, questions are organized and answered in a two-tiered approach. A first tier of fifty three questions is used as a diagnostic tool that evaluates EPM maturity from multiple angles, providing a much needed high-level focus. The second tier of questions, which can be based on OPM3 from the PMI, kicks in only after practitioners have decided on the issues that should be tackled next, gathering detailed organization information needed to create an implementable action plan. This process can be repeated multiple times, introducing an iterative approach that keeps implementations in check and always geared towards maximum value.

In order to understand this approach, it is important to review the four dimensions of the model:

- 1) Three core EPM disciplines: Portfolio Management, Program Management, and Project Management. These disciplines require close integration, but maturity among them can differ substantially in an organization. For example, it is not surprising to find fairly robust and repeatable project delivery methods, but with poor alignment between project selection and business objectives, which reflects a more pronounced gap in Portfolio Management maturity.
- 2) Four key EPM gates, 'Create → Select → Plan → Manage,' which encompass the end-to-end lifecycle of Enterprise Project Management.
 - Create: Business goals description; business case creation; appropriate workflows
 - Select: Alignment with strategy; project selection and portfolio optimization
 - Plan: Project, resource, cost, and portfolio level planning
 - Manage: Ongoing project tracking and reporting; portfolio realignment

- 3) Three key business operational dimensions to consider for each EPM gate:
 - Process: What are the steps, controls, approvals?
 - Organization: Who is accountable and responsible for each of the process steps and technology decisions?
 - Technology: What analytical enablers, collaboration tools, productivity platforms, or system-driven rules are utilized to support the Process and Organization definitions?

- 4) A five-point scale equivalent to the one proposed by the PMI that is used to measure organizational capability maturity for the Process, Organization, and Technology operational dimensions:
 - Initial: Major maturity gaps in division and enterprise definitions
 - Repeatable: Basic definitions in isolated ‘pockets’ across the organization
 - Defined: Established definitions at the division level
 - Managed: Established definitions at the division and enterprise levels
 - Optimized: Established definitions at the division and enterprise levels with recognizable efforts for continuous improvement

The UMT Maturity Assessment Framework

The framework divides the tier one diagnostic questions into thirty six cells across Process, Organization, and Technology dimensions within Project, Program, and Portfolio. The matrix below is the initial assessment matrix used to identify areas of focus that may require improvement for increased EPM maturity.

		Create	Select	Plan	Manage
Project	Process	<ul style="list-style-type: none"> Is a business case required for each project? Is there a defined project approval process? Is there a minimal set of information required to submit a project for approval? 	<ul style="list-style-type: none"> Is there a process for re-scoping projects once their budget has been reduced? When these span multiple org. units? 	<ul style="list-style-type: none"> Is there a process for re-planning projects based on a modified resource availability timeline? 	<ul style="list-style-type: none"> Is there a process for tracking actual vs. planned cost and resource utilization?
	Organization	<ul style="list-style-type: none"> Are there approvers and contributors defined for each step of the project approval process? 	<ul style="list-style-type: none"> Is the project manager capable of re-scoping the project and analyzing the impact? Who re-scopes the project when it spans multiple organizational units? 	<ul style="list-style-type: none"> Is the project manager responsible for re-planning the project and analyzing the impact on the milestones? 	<ul style="list-style-type: none"> Is there a defined communication line between the accounting unit (tracking the actual project expenses) and the project manager (responsible for tracking the planned expenses)?
	Technology	<ul style="list-style-type: none"> Is there a business case (project proposal) template? 	<ul style="list-style-type: none"> Is there a version control capability to track changes to the business cases? 	<ul style="list-style-type: none"> Is there a consistently-used project management tool? 	<ul style="list-style-type: none"> Is the project management tool used to track the progress of the projects?

Program	Process	<ul style="list-style-type: none"> Do you define business cases for entire programs? Is there a rollup of project level indicators (i.e., cost, resource, benefits) to the program level? 	<ul style="list-style-type: none"> Is there a process for re-scoping programs once their budget has been reduced? 	<ul style="list-style-type: none"> Is there a process for re-planning the program timeline and analyzing inter-project dependencies in case project timelines have been changed? 	<ul style="list-style-type: none"> Is there a process for gathering project level issues and identifying common issues across the program?
	Organization	<ul style="list-style-type: none"> Is there a Program Office in place? 	<ul style="list-style-type: none"> Are there decision makers in the program office who can make re-scoping decisions? 	<ul style="list-style-type: none"> Is there a unit at the program level responsible for drafting and analyzing the program timeline? 	<ul style="list-style-type: none"> Is there a role at the program level responsible for analyzing risks across the program, and developing mitigating actions?
	Technology	<ul style="list-style-type: none"> Is there a tool that provides a program-level view of the individual project level business cases? 	<ul style="list-style-type: none"> Is there a tool that allows for proportional optimization of programs? 	<ul style="list-style-type: none"> Is there a tool that assists you in analyzing inter-project dependencies? 	<ul style="list-style-type: none"> Is there a program level tool to track program indicators (budget, resources, risk etc.)?
Portfolio	Process	<ul style="list-style-type: none"> Do the drivers have KPI's? Are they consistent across the organization? 	<ul style="list-style-type: none"> Is there a driver and project prioritization process? Do you evaluate different portfolio cost scenarios? 	<ul style="list-style-type: none"> Is there process to assess resource demand and supply across the portfolio? Is there a process to map demand vs. supply? Is there a 'what-if' analysis for different resource scenarios? 	<ul style="list-style-type: none"> Is there process to roll up issues and risks across the portfolio? Is there a process for consolidating project-level benefits and matching it to the strategic KPI's?
	Organization	<ul style="list-style-type: none"> Is there a portfolio governance structure to monitor 'Create'-related portfolio processes? Is there an enterprise-level budget approval committee? 	<ul style="list-style-type: none"> Who is the executive responsible for Portfolio Selection? Is there a committee that is accountable for approving projects? Is there a manager responsible for communicating the process results (e.g., portfolio champion)? 	<ul style="list-style-type: none"> Is there a group at the enterprise level responsible for cross-enterprise resource allocation? 	<ul style="list-style-type: none"> Is there a group at the enterprise level responsible for tracking the actual vs. planned portfolio budget utilization?
	Technology	<ul style="list-style-type: none"> Is there a workflow engine to monitor the submission of the business cases? Is there a tool that allows different hierarchical views of the portfolio? 	<ul style="list-style-type: none"> Is there a driver prioritization tool? Is there a portfolio prioritization and optimization tool? Does the tool allow for comparison between different portfolio 'what if' scenarios? 	<ul style="list-style-type: none"> Is there a central repository to identify resource availability across the organization? Is there a tool that generates a cross-portfolio resource gap analysis? 	<ul style="list-style-type: none"> Is there a tool that generates actual vs. planned budget reports? Is there a cross-portfolio issues log?

The outcome of this diagnostic is a high-level 'heat map' that exposes the areas of strength and weakness in the organization. With the ability to zero in on the EPM maturity problem from multiple dimensions, and by focusing on the challenges that are most critical, practitioners can develop implementable EPM adoption roadmaps that are always aligned with the specific requirements of the organization. This model is being used in its automated form by UMT to shorten the time needed for gap definition stages, and to assist clients with development of implementation roadmaps.

Case study: Financial Services Leader

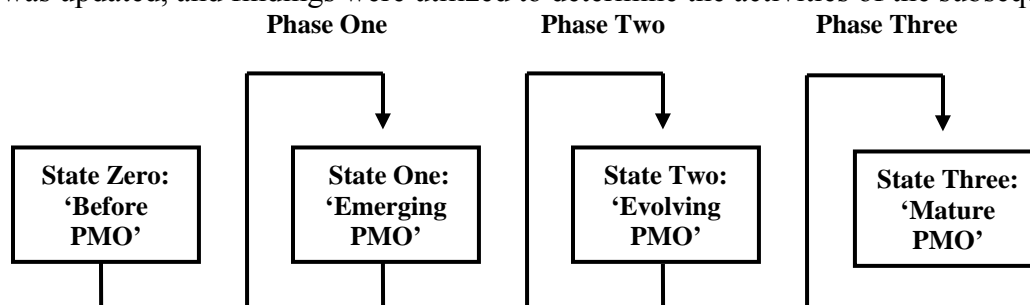
The case study centers on a Financial Services Line of Business (LOB) –a division of one of the top bank holding companies in the United States– that specializes in providing cash management solutions to domestic and international clients. Initial awareness on the need for increasing the organization’s EPM maturity was influenced by external sources. The LOB’s Executive Committee recognized that the business environment was becoming increasingly complex as a result of two main driving forces: Mergers in the Financial Services marketplace that led to IT and Operations consolidations, and continued widespread transitioning of cash transactions from traditional paper to electronic form. As the vast majority of investments for the LOB were in the form of combined IT and Business projects, and more and more complex merger related projects, the Executive Committee decided that their existing ad-hoc approach to project selection, execution, and tracking was no longer adequate to provide them with the ability to make on-time managerial decisions. Specifically, the key drawbacks identified were:

- Inability to review and assess all incoming project proposals adequately, as the number and complexity of requests continued to increase
- Disjoint and inconsistent approach to investment and funding allocation decisions
- Tendency to put merger-related activities atop the priority list regardless of business value
- Weak ability to evaluate projects in different funding buckets such as: Discretionary, mandate, and corporate initiatives
- Inconsistent and incomplete managerial reporting with widely varying formats
- Other important weaknesses in the areas of Plan and Manage

In order to tackle these challenges, the Executive Committee decided to launch an effort to improve the organization’s maturity in the Enterprise Project and Portfolio management space. Their rationale was that a better framework would provide more consistent and efficient decision making capabilities, which would in turn lead to improved business results. The first step in their mind was the establishment of a Program Management Office (PMO) for the LOB, and the effort started with a relatively modest set of success criteria for measuring increased EPM maturity that included:

- Implementation of metrics to evaluate the degree of alignment between project proposals and business goals
- Ability to leverage PMO recommendations for capital allocation
- On-time delivery of critical managerial reporting related to decision making

The detailed account in the case study that follows is structured according to the diagram below. In State Zero and before the PMO was formally organized, an initial Capability Maturity Assessment was taken by the implementation’s Core Working Team, leading to the scope of work included in Phase One. The same pattern repeated for each of the States. After each Phase of work was completed, the Capability Maturity Assessment was updated, and findings were utilized to determine the activities of the subsequent phase.



State Zero: ‘Before PMO’

Before the PMO was introduced there was a sub optimal, ad hoc approach to funding projects. Ideas were typically generated by business side executives or mid level managers focused in product areas under their control, and they were approved or rejected individually at the Executive Committee level, and assigned to Project Managers for execution before seeing the entire portfolio. The scoping of business cases was performed by Business personnel working with representatives from the IT and Operations worlds. The processes that these project creation teams followed for project scoping and definition were weak, and the resulting proposals were often heavily influenced by the ‘vision’ of the Executive who was backing the idea. Major issues would typically surface late in project execution, when the Executive Committee, hearing about substantial implementation problems from mid level managers, would request status reports at a stage where much of the damage had already been done, and remediation was much more difficult.

Equally important problems were also evident in the area of project selection. The general lack of structure in which projects were approved never allowed the Executive Committee to understand the ‘big picture’ of all proposals, or to assess a relative evaluation of these ideas prior to making funding decisions. Yearly budgets were arbitrarily sectioned by the Executive Committee in different categories of spend, and when funds in one category ‘ran out’, investments in that area were simply stopped. On many occasions, projects that were not presented at the right time or that did not have exceptional political backing were dismissed or severely delayed regardless of their contribution to business objectives for the planning period.

Diagnostic summary and maturity levels assessment for ‘Before PMO:’

		Create	Select	Plan	Manage
Project	Process	① ② ③	③	③	① ③ ④
	Organization	① ⑥	⑥	⑥	① ④
	Technology	⑦	⑦	⑦	⑦
Program	Process	Evaluated later in the project	Evaluated later in the project	Evaluated later in the project	Evaluated later in the project
	Organization	Evaluated later in the project	Evaluated later in the project	Evaluated later in the project	Evaluated later in the project
	Technology	Evaluated later in the project	Evaluated later in the project	Evaluated later in the project	Evaluated later in the project
Portfolio	Process	② ③	① ③	③ ⑤	① ③ ④
	Organization	⑥	① ⑥	⑤ ⑥	① ④
	Technology	⑦	⑦	⑦	⑦

Note: Cells labeled as ‘evaluated later in the project’ identified practices that did not warrant further analysis until late implementation phases that fall outside of the scope of this presentation.

Many of the topics identified through Capability Maturity Assessment spanned multiple areas, leading to widespread scores of ‘Initial’ maturity. This analysis led the PMO team to identify specific issues related to the gap areas that were perceived as most important for creating positive momentum for change. There was a clear understanding that driving maturity was an iterative process, and that short-term wins were critical to enable longer term, more radical changes to the end-to-end process. This translated into a phased deployment focused on specific improvements that was later to be tied under the umbrella of a comprehensive and streamlined governance framework. The following key maturity assessment topics were identified in the gap analysis. Addressing these topics in a priority order was the focus of the first and all subsequent phases.

Key Maturity Assessment Topics

❶ Reporting and Analytics

- Poor managerial information
- Weak Enterprise Project and Portfolio analytics, and scenario development capabilities
- Difficulty in obtaining and grasping metrics for a project portfolio of increased size and complexity

❷ Alignment KPI's

- Lack of sound and systematic alignment between overall business strategy and projects receiving funding

❸ Structure, Ownership, and Accountability

- Lack of clear ownership and accountability in early phases of project submission
- Lack of clearly defined steps and actions for different types of projects in the organization

❹ Early detection of issues

- Weak ongoing tracking of selected projects causing late issue identification

❺ Prioritization

- Difficulty in prioritizing initiatives, with a clear tendency to put merger-related activities atop the priority list
- Problems attempting to understand and give differential treatment to specific types of projects

❻ Transparency across silos

- New project requests only influenced by specific silo business area needs

❼ EPM software platform

- Lack of a centralized online repository for Portfolio and Project data entry and analysis

Phase One:

In the beginning, the newly appointed PMO team decided to apply the reengineering principle of starting process improvement at the source, focusing on project initiation as the first aspect to be targeted. There was a strong perception that organization maturity could only advance if the creation of project proposals and allocation of funds were performed in a much more systematic way. The first initiative was to introduce a set of changes expected to increase control and visibility over the LOB's project requests. The drive to focus on standardization of processes surrounding project inception was identified as the one that would yield the most momentum in the short term for a number of reasons:

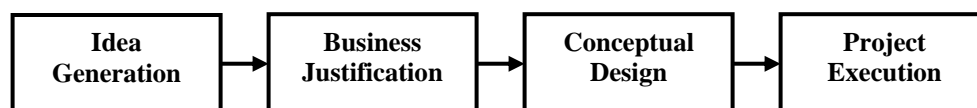
- Planning season was approaching, and robust standards for business case creation would coincide with the Executive Committee's needs
- It would be easier to encourage participation from stakeholders because the process was known to be both critical and deficient in its current state
- As process definitions were still on an infant stage, the Core Working Team decided for an initial first step in the right direction, avoiding the temptation of throwing unfocused Technology dollars at the problem

Additionally, this decision was also expected to address some of the issues identified in the first gap analysis, including ownership and accountability, fitting the level of effort to a project's potential return, and setting an initial basis for future standardization of reporting.

Phase One Actions and Results:

The two fundamental changes implemented during this stage were:

- 1) A formal four-step workflow was defined for all project requests, with a go / no-go decision –still on a project-by-project basis– performed at the end of each lifecycle step.



- 2) The 'Project Manager' responsibilities were divided into two separate roles. Team leaders who managed projects during execution retained the traditional title 'Project Manager', but an equivalent role was introduced to accompany proposals from inception and through the launch of project execution, leading to a 'Project Portfolio Manager' position within the PMO. As a result, early cross-functional work among Business, IT, and Operations was formalized and made more fluid, leading to higher quality business cases being turned to the Executive Committee for approval.

Despite the initial success and buy-in, the PMO team understood that the task had just started, and that many more changes were required before the Executive Committee and the LOB would truly benefit from the structural changes. Cross-functional coordination improved and teams were able to provide better estimates for project proposals, but the PMO's initiative achieved little progress in other key areas like managerial information or strategic alignment. Many of the gaps previously uncovered by the Capability Maturity Assessment had not yet been properly addressed. Only a more comprehensive solution was going to allow the PMO to create momentum for change. The work completed in this phase was a first positive

step, but progress would soon be deemed insufficient if more actions were not taken to provide additional transparency and support for the process. The PMO recognized this threat and immediately initiated another review of the Capability Maturity Assessment framework in order to focus on resolving additional gaps.

Diagnostic summary and maturity levels assessment for ‘Emerging PMO:’

		Create	Select	Plan	Manage
Project	Process	① ② ③	③	③	① ③ ④
	Organization	① ⑥	⑥	⑥	① ④
	Technology	⑦	⑦	⑦	⑦
Program	Process	Evaluated later in the project	Evaluated later in the project	Evaluated later in the project	Evaluated later in the project
	Organization	Evaluated later in the project	Evaluated later in the project	Evaluated later in the project	Evaluated later in the project
	Technology	Evaluated later in the project	Evaluated later in the project	Evaluated later in the project	Evaluated later in the project
Portfolio	Process	② ③	① ③	③ ⑤	① ③ ④
	Organization	⑥	① ⑥	⑤ ⑥	① ④
	Technology	⑦	⑦	⑦	⑦

Key Maturity Assessment Topics

① Reporting and Analytics

- Better project analytics were made available by early Cross-Functional Teams, but problems persisted at the LOB level because of the lack of a common data platform

② Alignment KPI's

- No progress made in terms of systematically aligning business strategy and selected projects

③ Structure, Ownership, and Accountability

- Initial progress as a result of the launch of new process definitions

④ Early detection of issues

- Better forecasting reduced the number of implementation issues, but the organization's ability to identify them quickly as they surfaced did not improve

⑤ Prioritization

- The increased cross-functional work and more organized project workflow allowed for better identification of ‘bad’ ideas, but no progress was achieved around presenting a ‘big picture’ to the Executive Committee

⑥ Transparency across silos

- Decisions were still made on a project-by-project basis and largely within silos

⑦ EPM software platform

- Very limited progress made around leveraging a centralized data repository for analysis and reporting

Phase Two:

After completing the workflow integration and introducing processes with initial Portfolio and Project Manager responsibilities, the PMO decided to move forward with a pilot effort centered on the phased implementation of best practices in IT Portfolio Management selection. The scope of work centered on developing the initial processes for selection of project proposals. The process could be ‘plugged in’ as part of the imminent yearly budgeting cycle for the LOB, allowing the Executive Committee to ‘test the waters’ with a methodology that was supportive of management’s transparency needs. This focus enabled the PMO to communicate with the entire LOB on the scope for the phase, allowing it to start extending its influence, and also beginning to deliver more impactful results stemming from the efforts that all stakeholders were undertaking.

Phase Two Actions and Results:

The three fundamental changes implemented during this stage were:

- 1) Define and prioritize Business Drivers. A Core Working Team of multiple constituencies under the direct supervision of the Executive Committee was tasked with creating a set of actionable and measurable Business Drivers that would become the framework of reference for the selection of projects across the LOB.
- 2) Gather data for project proposals and evaluate impact on Business Drivers. KPIs and impact measure brackets were objectively defined for each Business Driver, eliminating ambiguity around how to assess the contribution of project proposals to the overall business strategy. Cross-functional teams gathered this critical data for all projects and maintained it in a centralized database.
- 3) Provide project selection recommendations. Through a series of presentations to the Executive Committee that introduced topics such as sensitivity and efficient frontier analyses, the Core Working Team demonstrated the type of capital allocation decision-making that IT Portfolio Management capabilities enable.

The new processes developed by the Core Working Team during this pilot phase became the cornerstone of the budgeting cycle effort. Maturity increased swiftly to a level in which the PMO processes became more valuable, beginning to tie all components into a cohesive whole. Specifically, the pilot was highly successful because of a number of very noticeable improvements:

- The Executive Committee was finally able to get the ‘big picture’ view of all projects in the pipeline
- They PMO was able to provide immediate answers to critical questions as the Executive Committee explored decisions and evaluated what-if scenarios

- The Executive Committee was able to review the funding allocation to each strategic objective relative to the original importance of the objective. Were they actually spending according to the importance they dictated?
- Executive Committee sessions that helped prioritize business drivers turned into very informative facilitated conversations that allowed participants to understand perceptions of the organization strategy from different functional perspectives

As the best structured budgeting cycle in recent memory came to an end, the Executive Committee felt the new processes could provide them with a framework to support their decision making needs across all areas of the LOB. They were impressed enough to commit to a full rollout of the EPM Portfolio Management framework, and to incorporate the practices as part of the ‘business-as-usual’ operations of the LOB. Once again, Capability Maturity Assessment was instrumental for the PMO in the process of identifying areas of maximum value for drafting the next phase of work.

Diagnostic summary and maturity levels assessment for ‘Evolving PMO:’

		Create	Select	Plan	Manage
Project	Process	① ② ③	③	③	① ③ ④
	Organization	① ⑥	⑥	⑥	① ④
	Technology	⑦	⑦	⑦	⑦
Program	Process	Evaluated later in the project	Evaluated later in the project	Evaluated later in the project	Evaluated later in the project
	Organization	Evaluated later in the project	Evaluated later in the project	Evaluated later in the project	Evaluated later in the project
	Technology	Evaluated later in the project	Evaluated later in the project	Evaluated later in the project	Evaluated later in the project
Portfolio	Process	② ③	① ③	③ ⑤	① ③ ④
	Organization	⑥	① ⑥	⑤ ⑥	① ④
	Technology	⑦	⑦	⑦	⑦

Key Maturity Assessment Topics

❶ Reporting and Analytics

- Greatly improved project portfolio analytics, what-if, and sensitivity analysis capabilities

❷ Alignment KPI's

- One-time effort in aligning the portfolio selection with the LOB's strategic goals

❸ Structure, Ownership, and Accountability

- Swiftly improved visibility and accountability as a result of much better information backing the decisions

❹ Early detection of issues

- As maturity gains were still not incorporated as part of 'business-as-usual' activities, there was still a lot of value to realize in this area

❺ Prioritization

- Systematic use of an EPM solution for scenario analysis, and funding allocation decision making

❻ Transparency across silos

- Ability to leverage a single framework to prioritize initiatives across the entire LOB, eliminating cross-functional team silos

❼ EPM software platform

- Ability to leverage a unique project data repository, although not opened yet to the entire user base of the organization

Phase Three

As the Executive Committee experienced the potential of IT Portfolio Management capabilities, it instructed the PMO to bring continuity to this new approach. Although the solution had been satisfactorily 'plugged in' to the budgeting process, there was still plenty of room for driving increased maturity. In particular, the Executive Committee indicated the following needs:

- Incorporate the IT Portfolio Management practices into the 'rhythm of the business,' so that the generation of proposals under this framework would turn into a continuous process at least partially independent of budgeting cycles
- Given the high number of projects requests that they faced per quarter, the new capabilities should assist to perform a quarterly recalibration of the portfolio that would take into account both new and in-flight project proposals
- Continue the progression towards online and on-demand reports. Up to this point, the software solution supporting IT Portfolio Management was still being managed by the PMO team, and in order to allow for online reporting, the platform had to be rolled out and adopted by hundreds of users.

In response to the Executive Committee's requests, the PMO's focus was to set the basis for a periodic and systematic utilization of IT Portfolio Management methodologies. The level of effort for the one-time analysis supporting the planning cycle had been high, and the next key challenge was to smoothly incorporate the capabilities developed during that effort into the regular day-to-day operations of the LOB.

Phase Three Actions and Results:

The three fundamental changes implemented during this stage were:

- 1) Configure the EPM framework technology solution and rolling it out to the LOB's entire user base. In a series of configuration working sessions, the Core Working Team focused on fully assembling the solution according to the specific needs of the LOB. Attributes for project definition and tracking were discussed and defined, users with different levels of access specified, and role-based training was provided to all users.
- 2) Launch project portfolio quarterly calibration. A new Selection step was added to the existing project workflow, in which all initiative requests submitted during the previous ninety days competed for funding among themselves and against all projects already in design and execution stages.



- 3) Provide key process definitions. Based on prevailing IT Portfolio Management best practices, the Core Working Team established and documented processes, frequency of events, and roles, increasing the LOB's knowledge base and allowing it to become self-sufficient.

The results of this phase were fundamental to maintaining momentum and ensuring widespread adoption at all levels:

- The software platform was successfully rolled out to several hundred users, who were provided role-based training according to their specific functions
- Quarterly calibrations became the standard framework of reference for the Executive Committee to evaluate and approve projects. Any idea introduced as an investment proposal was forced to sit for forty five days on average, and was evaluated on a quarterly basis against ideas from other groups. And in the case of truly exceptional proposals that needed immediate consideration, what-if scenarios on the current portfolio were still used to support the decision making.
- The periodic prioritization of drivers became a sought after forum in which executives were able to discuss the organization strategy in terms of the project investments, allowing everybody to voice their perspectives and to reach decisions based on facts rather than emotions

The quarterly recalibration became a governance tool that greatly increased collaboration at the Executive Committee level, and the insight provided by the framework created the basis for moving forward on the overall organization maturity in other areas of EPM.

Diagnostic summary and maturity levels assessment for ‘Mature PMO:’

		Create	Select	Plan	Manage
Project	Process	① ② ③	③	③	① ③ ④
	Organization	① ⑥	⑥	⑥	① ④
	Technology	⑦	⑦	⑦	⑦
Program	Process	Evaluated later in the project	Evaluated later in the project	Evaluated later in the project	Evaluated later in the project
	Organization	Evaluated later in the project	Evaluated later in the project	Evaluated later in the project	Evaluated later in the project
	Technology	Evaluated later in the project	Evaluated later in the project	Evaluated later in the project	Evaluated later in the project
Portfolio	Process	② ③	① ③	③ ⑤	① ③ ④
	Organization	⑥	① ⑥	⑤ ⑥	① ④
	Technology	⑦	⑦	⑦	⑦

Key Maturity Assessment Topics

① Reporting and Analytics

- Continued use of advanced project portfolio analytics, with increased availability of historical data from previous periods

② Alignment KPI's

- Portfolio selection aligned with strategic goals, plus the ability to revisit this framework periodically, either before each planning period or when triggered by specific business events (e.g. acquisitions)

③ Structure, Ownership, and Accountability

- Steady progress as the new processes continued to sink in after several quarterly iterations

④ Early detection of issues

- Greatly increased ability for the Executive Committee to identify implementation problems and introduce corrective actions

⑤ Prioritization

- Calibrating the portfolio using a combination of Actuals & Forecast financials allowed to adjust the number of selected projects every quarter based on budgetary constraints, also taking into account observed under or overspending effects

⑥ Transparency across silos

- Full online visibility of all LOB initiatives, ranging from ideas in early inception to projects in post-implementation and benefits realization

⑦ EPM software platform

- Centralized data repository used by an extended user base for data gathering and querying

Conclusion

Capability Maturity Assessment is a valuable tool in the definition of phased roadmaps towards EPM success, and a tiered approach simplifies the process of turning the analysis into practical results, allowing for quick hits and long term results. Within UMT's automated model, questions in tier one provide a high-level framework of reference that helps to define the problem, and questions in tier two collect the detailed information needed to define exactly what needs to be done next. Iterations that leverage this approach in multiple phases provide focus to the EPM implementation, keeping it always geared towards areas of maximum value. In the case study described, the LOB fully embraced the IT Portfolio Management methodologies defined by the Core Working Team and UMT, and the LOB's PMO was soon asked to deploy these practices into a higher and broader spectrum of the organization. Excellent results were achieved by pinpointing areas of maximum value at each step of the EPM maturity curve, and developing implementation phases that always tackle the key issues at hand.

The case study reviewed does not describe the complete process of introducing end-to-end EPM maturity in organizations. Instead, it is a real life account of a process that was extremely valuable to one organization in particular. Initially at low level of EPM maturity, the organization leveraged Capability Maturity Assessment to pragmatically select areas of improvement and adopt best practices that led to immediate business results. Over time, their process continued to improve across all areas in the maturity assessment, and they are currently in a continuous improvement state, as they continue to rely on quarterly portfolio calibrations and ongoing tracking of activities.

The tools utilized to support the methodology are the Microsoft® Enterprise Project Management Solution, which includes the Microsoft® Project Portfolio Server, Microsoft® Project Server, Microsoft® Project Professional, and Microsoft® Windows SharePoint Services. For more information on UMT Consulting Group's Capability Maturity Assessment model, please contact sales@umt.com or go to www.umt.com.