Project Management Maturity Model

What is it? Does it matter? Why bother?

~ By Stephen Warrilow

The origins of the concept of a project management maturity model, is lost in the mists of time. With the evidence of project management skills as far back as the time of the building of the Pyramids and the Great Wall of China and other great wonders of the world, it is quite logical to suppose that there could have been an early model to map the progress of developing project management skills. After all, for an ancient project manager the price of failure came high!

In more recent times the concept of a project management maturity model has evolved considerably from the software industry. There is the need to understand and measure many variables, manage great complexity, obtain consistent results and achieve stringent delivery targets within budget.

With regard to which model is the "best" or most appropriate for any specific situation (I fully appreciate that project management professionals reading this may disagree with what I am about to say, but) I feel the far bigger challenge is actually in getting ANY model applied.

From that point on, and with director level sponsorship and support, all things are possible. There are many maturity models (I am aware of over 35) and the dominant model is the P3M3 Model created and sponsored by the OGC - UK Office of Government and Commerce in association the APMG - UK Association of Project Management Group.

This is a composite and enhanced model that addresses the three related aspects of large-scale project management and that glories in the full title of "Portfolio, Programme and Project Management Maturity Model."

Try This Test…

In relation to your (or your client’s) organisation:

- Do you use project management?
- Do you use programme management?
- Do you know the difference?
- Do you know why knowing the difference matters?

Try this simple test, review the different levels listed below based on the P3M3 maturity model, firstly in relation to project management and then secondly with programme management, and see which best describes your organisation:
<table>
<thead>
<tr>
<th>Level</th>
<th>Process</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>None</td>
<td>The organisation has no project and/or programme management skills or experience</td>
</tr>
<tr>
<td>1</td>
<td>Awareness</td>
<td>The organisation is able to recognise projects and/or programmes, but has little structured approach to dealing with them</td>
</tr>
<tr>
<td>2</td>
<td>Repeatable</td>
<td>There may be areas that are beginning to use standard approaches to projects and/or programmes but there is no consistency of approach across the organisation</td>
</tr>
<tr>
<td>3</td>
<td>Defined</td>
<td>There will be a consistent set of standards being used across the organisation with clear process ownership</td>
</tr>
<tr>
<td>4</td>
<td>Managed</td>
<td>The organisation monitors and measures its process efficiency, with active interventions to improve the way it delivers based largely on evidence or performance based information</td>
</tr>
<tr>
<td>5</td>
<td>Optimised</td>
<td>The organisation will be focussing on optimisation of its quantitatively managed processes to take into account changing business needs and external factors</td>
</tr>
</tbody>
</table>

Where you and your organisation sit on the maturity model is one of the biggest key factors in leading change that will determine your chances of success, the others are (a) the quality of leadership, and (b) the cultures in your organisation.

Why Bother?

In 2003 The Project Management Institute came up with the following definition, “Organisational Project Management Maturity describes an organisation’s overall ability to select and manage projects in a way that supports its strategic goals.”

Well that all sounds very noble, but the simple rationale for having and using a project management maturity model is quite simply that projects fail! And the same is true for programme and change management.

A survey conducted in 2003 by the Standish Group (US) showed that 66% of IT projects are either totally abandoned or fail against a measure of budget, scope, time or quality (i.e. 'challenged').

A similar study in the UK by Computer Weekly that 84% of projects either failed or were challenged. It has been estimated that the cost to US business of failing or abandoned IT projects runs into hundreds of billions of dollars.

Closer to home the UK government have wasted countless billions of pounds on failed projects. At the programme level, with the wider perspective beyond a project delivery of capability to the actual realisation of a defined organisational benefit, the failure rate is a consistent 70%.

And given that every programme encompasses a significant change element, the same failure rate applies to any significant change management initiative.

Progress Driven by Pain

In most organisations the evolution of project management, programme management and change management skills typically lags far behind the development of other capabilities within the company. So the state of
maturity to a large degree reflects the prevailing dominant corporate culture.

Given that companies (or more accurately directors) don't know what they don't know, the level of maturity of the company remains invisible. In fact the very concept of a maturity model remains invisible. So nothing changes until things go wrong and pain is felt and someone at director level is facing an exposure as a result of a significant project failure.

This is the point at which progress becomes possible as progress needs sponsorship. And as the focus shifts to improving performance, there are two principal targets.

1. To improve how any specific project, programme and change is managed
2. To improve performance in overall organisational capability in project, programme and change management

The purpose of this assessment is to show the extent to which the infrastructure within the organisation supports the project, programme and change management efforts.

Benefits of a Structured Assessment

The main benefits of the subsequent structured assessment of maturity within the organisation isn't in understanding the current level at which the company is performing, but rather in setting direction, prioritising actions and beginning cultural change.

So, taking project management as an example: an organisational project management maturity model provides guidance to an organisation regarding how to:

- Articulate project success
- Measure project performance
- Make the delivery of projects more predictable
- Help projects work together instead of against each other in a multi-project environment

In 2003, The Centre for Business Practices produced its 'Project Management: the State of the Industry' survey. This survey measured organisational improvement over time, as a result of project management improvement programmes.

The highlights of this survey show significant improvements in terms of financial performance, customer retention and satisfaction, project and process improvement, employees satisfaction and productivity, and a dramatic 70% increase in project alignment with strategic objectives.

In a change management context, after enough pain has been experienced, a mature project culture will evolve into the holistic and wider view perspective of a programme based approach to change management.

But you can get there much more quickly and with far less pain IF (and only if) you know how to navigate the issues that directly cause the catastrophic 70% failure rate of ALL change initiatives.

*Stephen Warrilow, based in Bristol, works with companies across the UK providing specialist support to directors delivery significant change initiatives. Stephen has 25 years cross sector experience with 100+ companies in mid-range corporate, larger SME and corporate environments.*