



measuring your programme and project capability

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Enhancing your programme and project management capability

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P3M3™ - How Mature Are You?

Programme and Project Management is a little like raising children. There are lots of people doing it, everybody thinks they are an expert and it is difficult to quantify success.

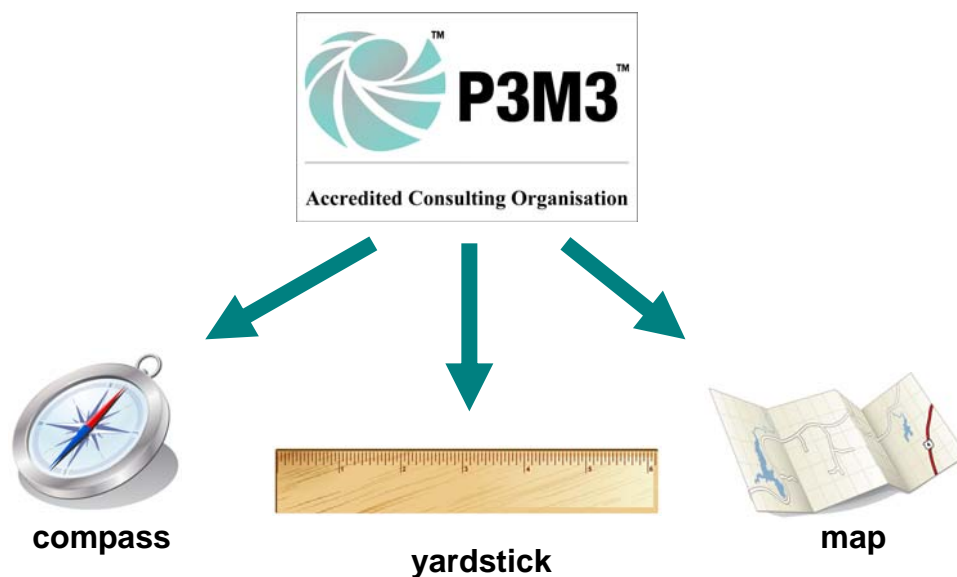
It is widely accepted that well run programmes and projects represent the most efficient and effective way to deliver change and business benefit. Few organisations however, really know how well they run programmes and projects (an issue given further emphasis by Gershon's call to see quantifiable improvements).

To achieve the required understanding we need a recognised, cross-agency measure to gauge how well an organisation undertakes programme and project management.

That measure is P3M3™ (Portfolio Programme Project Management Maturity Model). P3M3™ is a model that assists organisations to quantify their portfolio, programme and project management delivery capability.

Why Would You Do It?

Organisations use P3M3™ for a range of different purposes but in our experience they often fall into one of three categories:



1. Map

Sometimes when you are considering how to improve your portfolio/programme/project delivery it is difficult to see where you are or even to appreciate what "normal" expectations are in the space. P3M3™, based on industry best practice, can show you the landscape of management as a map shows the landscape of the country. You can use it to appreciate what can be achieved and to obtain a realistic assessment of where you are, as an organisation, right now.

2. Compass

Once you understand where you are as an organisation in terms of portfolio/programme/project delivery, and where you want to be, then you can start to implement changes. These changes might relate to training and skills development, the introduction of standards and procedures or the implementation of new support tools.

Whatever steps you take, P3M3™ can support your progress by allowing you to check that you are on track and progressing in the right direction. As you move forward, the changes you implement should improve your maturity level in at least one perspective at portfolio, programme, or project level.

3. Yardstick

P3M3™ can be used not only for internal development, but also as a measure of external competency. As P3M3™ has been created as an independent maturity assessment model it can be used to draw comparisons between different organisations. As an example, some organisations request their suppliers P3M3™ maturity level as part of their procurement or panel selection process. Additionally, because P3M3™ can be within different areas of an organisation, it can be used as a cross-departmental comparison tool.

Why should you care?

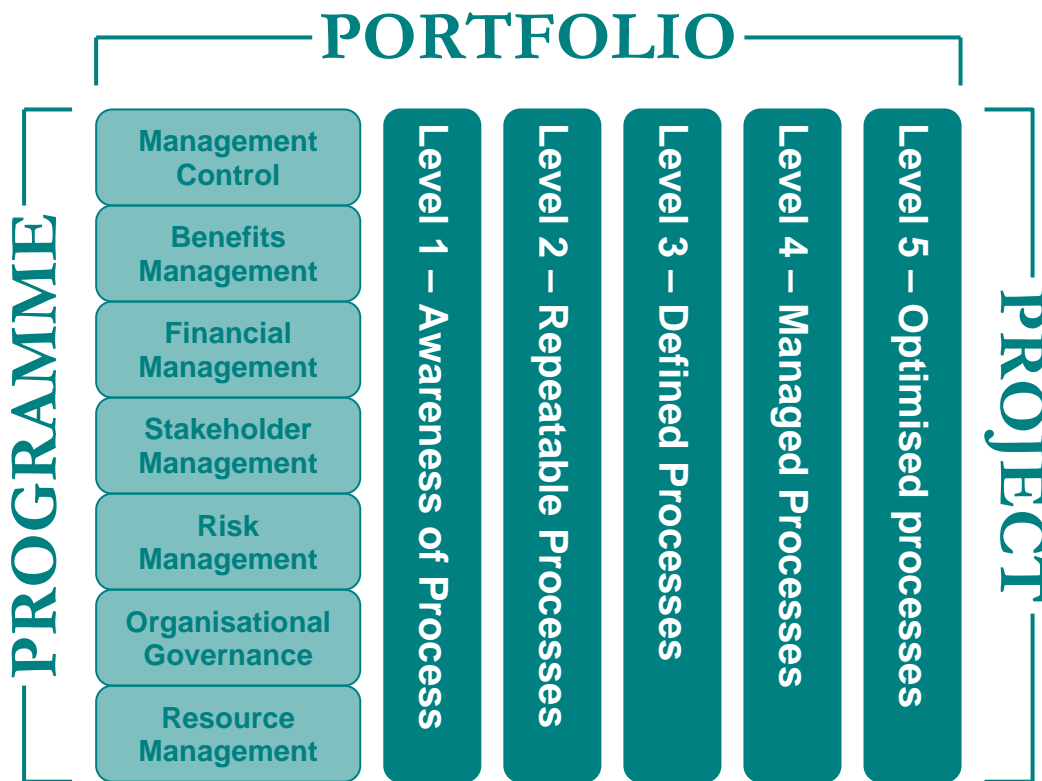


If you are a federal or state department you may well find yourself being assessed using P3M3™ and it may even impact your success in gaining future funding for programmes and projects.

If you are in the private sector and would like to work with government departments then don't be surprised if you are asked about your organisation's P3M3™ maturity level as part of the tendering process. In fact, some key private sector organisations are already looking at undertaking early P3M3™ assessments as a unique selling point for upcoming bids.

What is P3M3™?

P3M3™ is an overarching model containing three sub-models, Portfolio Management Maturity Model (PfM3), Programme Management Maturity Model (PgM3) and Project Management Maturity Model (PjM3);



For each of the three sub-models, P3M3™ examines up to 7 different process perspectives (Management Control, Benefits Management, Financial Management, Stakeholder Management, Risk Management, Organisational Governance and Resource Management). Within each perspective, 5 levels are used to describe maturity and these levels can be applied independently within each model or across all three to assess overall P3M3™ maturity.

7 Process Perspectives

1. Management Control

This covers the internal controls of the initiative and how direction is maintained throughout its life cycle with appropriate break points to enable it to be stopped or redirected by a controlling body if necessary. Best practice is characterised by clear evidence of leadership & direction, scope, stages, tranches and review processes during the course of the initiative.

2. Benefits Management

This ensures the desired business outcomes are clearly defined, measurable and ultimately delivered through a structured approach. Best practice recommends that benefits are assessed and approved by the organisational areas that will deliver them. Benefit

dependencies and other requirements should be clearly defined and an understanding gained on how the initiative's outputs will deliver the benefits.

3. Financial Management

This ensures that likely costs are captured and evaluated in a formal business case and are categorised and managed over the investment life cycle. There should be appropriate involvement from the organisation's financial functions with approvals being embedded in the broader organisational hierarchy. Best practice suggests that a business case should define the value of the initiative to the business and contain a financial appraisal of the possible options.

4. Stakeholder Management

Best practice suggests that both internal and external stakeholders are analysed and engaged in order to achieve the initiative's objectives. Stakeholder Management includes communications planning, the effective identification & use of different communications channels as well as techniques to enable objectives to be achieved.

5. Risk Management

This views the way in which the organisation manages threats to, and opportunities presented by, the initiative. Risk Management maintains a balance of focus on threats and opportunities with appropriate management actions to reduce or eliminate the likelihood/impact of any identified threat.

6. Organisational Governance

This examines how the delivery of initiatives are aligned to the organisation's strategic direction including start-up, closure and during the initiative's lifecycle. This perspective looks at how the impact of external factors might be controlled/mitigated as opposed to Management Control which considers how internal control is maintained.

7. Resource Management

This covers management of all resources required for delivery, including human resources, buildings, equipment, supplies, information, tools and supporting teams. A key element is the process for acquiring resources and how supply chains are utilised to maximise their effective use. In best practice there will be evidence of capacity planning and prioritisation to enable effective resource management.

5 Maturity Levels

Maturity Level 1 - Awareness of Process

- Processes are not usually documented, actual practice is determined by events or individual preferences, and performance is variable.
- Successful initiatives are often based on key individuals' competencies rather than organization-wide capability and past successes can not be repeated consistently.
- Processes are undeveloped or incomplete. There is little or no guidance or supporting documentation and even terminology may not be standardized.

Maturity Level 2 - Repeatable Processes

- Basic management practices such as tracking expenditure and scheduling resources are in place and being improved. Key individuals are trained and demonstrate a successful track record. Through them the organisation is capable of repeating success.
- Initiatives are performed and managed according to their documented plans and project status and delivery is visible to management at defined points.
- There may still be inadequate measures of success, unclear responsibilities, ambiguity/inconsistency in business objectives, unintegrated Risk Management, limited Change Management and inadequacies in communications strategy.

Maturity Level 3 - Defined Processes

- Management and technical processes are documented, standardised and integrated to some extent with business processes. There is some process ownership and an established group has responsibility for maintaining consistency and delivering process improvements.
- Senior management is engaged consistently and provides active and informed support.
- There is an established training programme to develop team members' skills and knowledge.

Maturity Level 4 - Managed Processes

- The organisation has defined processes that are quantitatively managed, i.e. controlled using metrics. There are quantitative objectives for quality and process performance and these are being used in managing processes.
- Senior management is proactively seeking out innovative ways to achieve goals.
- Using metrics, management can effectively control processes and identify ways to adjust and adapt them to particular initiatives without loss of quality.

Maturity Level 5 - Optimised Processes

- There is focus on optimisation of quantitatively managed processes to account for changing business needs. The organisation demonstrates continuous process improvement by quantitative feedback and is able to show strong alignment of organisational objectives with business plans.
- Senior managers are seen as exemplars and in doing so, reinforce the need and potential for capability and performance improvement.
- Information from process and product metrics enables the organisation to understand causes of variation and to optimise its performance.

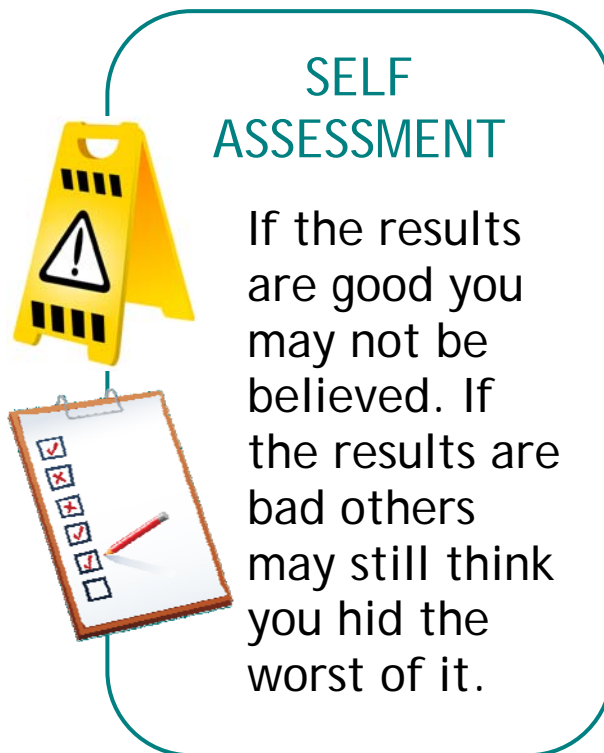
How Can You Do It?

Although the various approaches are based around the same core set of process perspectives and maturity levels, there are a number of different ways you can undertake a P3M3™ assessment.

1. Self-assessment

As the title implies this is an assessment process which is undertaken by yourself, on yourself. It is often the easiest and cheapest approach to instigate but is fraught with problems. A purely internally driven self-assessment runs the risk of being too close to what is being assessed. It becomes too easy to make assumptions or excuse things due to context or history and should you complete an effective self-assessment you are still open to accusations of self-interest. If the results are good you may not be believed. If the results are bad others may still think you hid the worst of it.

Nevertheless, self-assessments have their place and their uses but it is critical that you understand the objective of the P3M3™ assessment before you start. As such, if external acceptance of the assessment results is a critical success factor, then self-assessment may not be the best approach.



2. Internal Assessment

An alternative to running the assessment yourself is to engage another part of your organisation to undertake it. This could be, for example, the audit facility, Portfolio, Programme, Project Office (P3O) or a Centre of Excellence. An advantage of this approach is that if different areas of your organisation are undertaking P3M3™ assessments then they can be run in a consistent and cost effective manner.

Although better than pure self-assessment this approach still has limitations. If, for example, the Centre of Excellence running the P3M3™ assessment is also responsible for capability improvement, it will be difficult for them to be totally objective. This is particularly true if the assessment is being re-run following a significant skills development programme. For most organisations P3M3™ assessments are not something they run every day so there is likely to be limited skills and experience internally.

3. Independent Assessment

The third option is to have an external organisation undertake the P3M3™ assessment for you. This has a number of advantages. For example, there is a much higher degree of independence in the results and a greater possibility of acceptance of that independence. It is also possible to find organisations who spend a significant proportion of their time undertaking P3M3™ assessments. They will certainly have more experience with the process and may well have specialist tools to streamline the work.

An added advantage to this approach is that, should you wish to, you can obtain an APMG certified P3M3™ maturity level for your organisation. The only way to achieve this is to have an Accredited Consulting Organisation (ACO) undertake the assessment for you.

Some ACOs are accredited to work in the project environment, some the programme environment and some across both. If you are looking to maximise the value from your independent assessment it is often better to use an ACO who can operate across both the programme and project management environments.

The perceived downside to this approach is that it carries the highest direct cost. Where the previous two approaches could be undertaken with internal staff this approach requires the engagement of external specialists. Although in many cases once you take into account the longer timeframes required for less experienced internal staff this cost difference is not as significant as it might first appear.

It is also possible to blend these approaches, for example, self-assessment using an external facilitator/coach or internal assessment using an approach and toolset defined by an external organisation.

RECOGNISED MATURITY LEVEL

The only way to achieve an APMG certified P3M3™ maturity level for your organisation is to have an Accredited Consulting Organisation (ACO) undertake the assessment for you.



P3M3™ Broad Steps

Whichever approach is selected, a P3M3™ assessment progresses through the same broad steps:

1. Define Objectives

The first step is about clearly defining what the P3M3™ assessment is aiming to achieve and how it will be undertaken. Given that the assessment is a defined set of deliverables, to be created by a defined team, within a defined timeframe, it makes most sense to establish and run the P3M3™ assessment as a project. This step thus involves creating Project Initiation Documentation aimed at answering the following questions:

- What is the purpose of the assessment?
- How will we measure success?
- What is the scope of the assessment?
- How many programmes/projects need to be included and which ones will be covered?
- Which of the 3 approaches will be adopted?
- How long will it take?
- How much will it cost?

2. Gather Information

In order to undertake the assessment it is necessary to gather information on the state of the organisation's portfolio, programmes and projects. This can be done in a number of ways including:

- Face-to-face interviews

- Questionnaires
- Document sampling and review

3. Assess Information

Once the information has been gathered it can be assessed against the P3M3™ criteria. It is likely that steps 2 and 3 in this process may well be iterative. Often as we gather the information, a certain degree of assessment may well be undertaken and any potential gaps in information may be filled by additional data gathering.

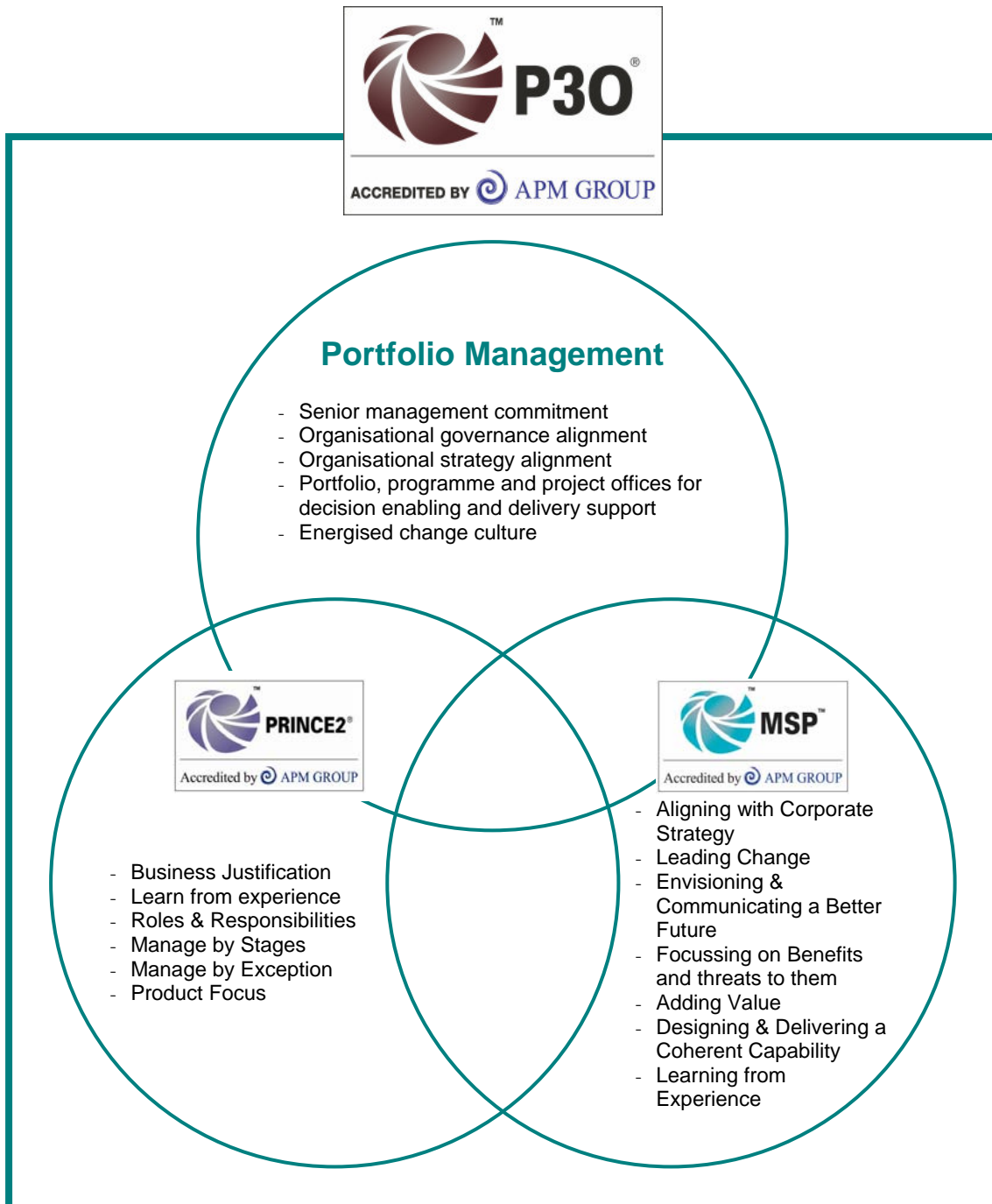
4. Report on Assessment

Once all of the required information has been gathered and assessed the final P3M3™ report can be produced. It is relatively easy to take the information and come up with a maturity level, however the real value in this report lies not just in identifying a maturity level number but also in understanding how the different perspectives interact, the implications of the maturity assessment and recommendations for improving your portfolio, programme and project management capability.

It is often in this last step that many P3M3™ vacillate falter and where much of the potential value of the process is lost. The skills and experience to draw together a well considered P3M3™ report, including specific recommendations, is not common in many organisations.

Beyond P3M3™

P3M3™ is not a panacea. Instead, it is a goal, a guide, a measure and it is part of a wider set of methodologies from the UK Office of Government Commerce (OGC). These methodologies, which are non-proprietary, are easy to understand with a common language and common structure. Many of the issues and challenges highlighted by a P3M3™ assessment can be addressed by other OGC methods. Each methodology in the set is linked and defined by underlying principles that are industry independent and based on practical experience. These are:



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 PRINCE2® is a Registered Trade Mark of the Office of Government Commerce in the United Kingdom and other countries.
 P3O® is a Registered Trade Mark of the Office of Government Commerce.

Following a P3M3™ assessment, it is quite possible that many of the areas which require addressing can be done through the adoption of other OGC methods such as MSP™ or PRINCE2®. These may form good starting points to improve your portfolio/programme/project management capability - there is little benefit in potentially “reinventing the wheel” as opposed to making use of what is already available and proven as best practice.

It is also worth remembering that the most effective way to implement the changes suggested by a P3M3™ assessment will be through the use of a structured project or programme. Whatever mechanism you use to implement the changes, Tanner James suggests a three step approach:

1. **Learn** - Ensure individuals have the right skills to make the change.
2. **Apply** - ensure individuals are encouraged to apply the skills they have acquired and that the tools and organisational attitudes are in place to support application.
3. **Standardise** - Learn what works for your organisation and what doesn't. Standardise your approach based on industry best practice and your own experience of application.

Tanner James' Top P3M3™ Tips

1. Ignorance Is Not Bliss

“What you don't know, won't hurt you” does not apply in organisations today. In the world of programme and project delivery, it's the things that you don't know that will get you every time. Avoiding running a P3M3™ assessment because you're worried about what it might find is probably the worst excuse in the world. The only reason you have the niggling concern is that you already feel something is wrong, and you're just trying to avoid the inevitable.

P3M3™ assessments are like getting your car checked. You've been hearing an intermittent knocking sound for a while but the car is still running so why go looking for trouble? Then, eventually you take the car to the garage and after much sucking of air and shaking of heads the mechanics let you know where the problems lie. The news is rarely as bad you'd feared, nor as good as you'd hoped. However, no matter how bad the news, it's still cheaper and easier to deal with in the garage, than at 11pm, half way up the Highway.

The same is true of programmes and projects. No matter how bad (or good) the news from a P3M3™ assessment it is still easier to correct when you do so pro-actively, in your own timeframe, rather than when things fall apart days before a key deadline.

2. Size Matters

In terms of P3M3™ assessments, size, and particularly scope, is critically important. Once you've overcome the emotional hurdle of undertaking a P3M3™ assessment, the next step is to clarify what you want to cover within that assessment.

Because of the inherent flexibility in P3M3™ it can be equally well applied at portfolio, programme or project level (or all three). Similarly, you need to decide the breadth of the assessment. Will it cover just your area, the whole section or be department/company wide? Naturally the wider and deeper the assessment, the more time and effort will be required to undertake it. P3M3™ works on defined sample sets, so if you want to apply it to a whole department that is running hundreds of projects you will need to review far more projects than if you were only focussed on your section running 10 to 15.

One of Stephen Covey's famous quotes is “begin with the end in mind”. This quote is particularly apt when considering the scope of a P3M3™ assessment. Ask yourself “What is the purpose of this process?” and “What will I do with the information gathered?” If you are looking to improve programme and project delivery within your immediate area, what is the purpose in initiating a company wide P3M3™ assessment? If you can only make changes within

your own area, and there is limited interest in wider organisational improvement, how wide does the assessment have to go?

There are certainly times when there is value in casting your net wider than just your own immediate area. However, if you do so, ensure you understand your purpose. Sometimes the scope of a P3M3™ assessment gets larger and larger, not to improve the value of what is being done, but simply to avoid having to face the final results and actually do something about it. Sometimes “paralysis through analysis” can be easier than initiating real change.

3. Ostriches Don't Avoid Danger

There are many different ways you can respond to the feedback from a P3M3™ assessment. The less useful ones include:

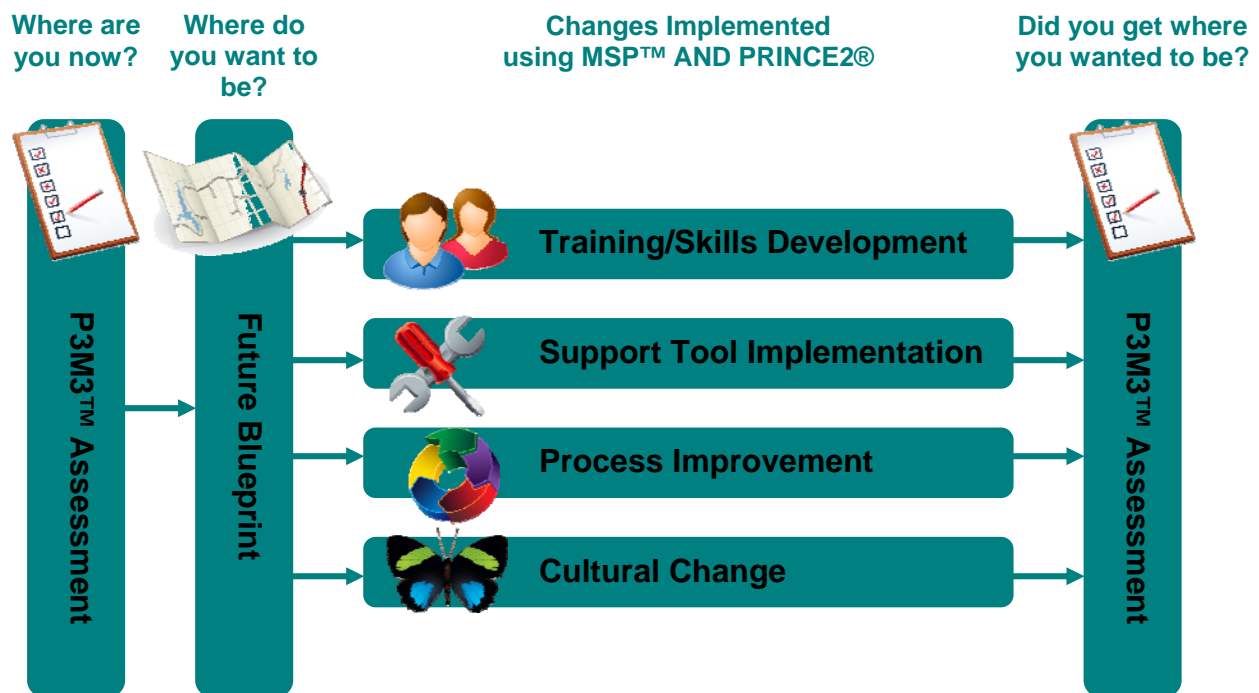
- **Denial - ignore the facts.**
“The assessment can't be correct.”
“Something has been misunderstood.”
“We don't do that!”
“I can show you projects and programmes where this is already happening/not happening”.
- **Attack - the people or the process**
“The people assessing us hate us!”
“They didn't pick the right projects/programmes. We should start again.”
“This assessment tool doesn't work in our environment. We're different.”
“They talked to the wrong people.”
“P3M3™ doesn't work.”
- **Deflection - blame someone/something else**
“These problems are all with inter-agency projects/programmes.”
“The change in government caused these projects to fail.”
“The down turn in the economy ruined this programme.”
“PRINCE2®/PMBOK/Project Management doesn't work in our environment.”
“It was all the contractors fault but we've got rid of them now.”

It is possible to expend a great deal of time and energy on the above responses. The reality is that doing so actually gets you no where. In fact, there are situations where, if the individual and/or organisation had spent half as much energy implementing the changes as they did denying and fighting them, then they could have corrected all of their problems. Remember, if you went out and asked for feedback in the form of a P3M3™ assessment, what is the purpose of that if all you are going to do is refute any answers that don't suit you?

4. Information Is Only Information. Action Is Action

Completing a P3M3™ assessment is only the first step in developing your portfolio, programme and project management capability. If you don't act on the feedback from the assessment, then to a large extent you have wasted your time undertaking the process. A P3M3™ assessment should be seen as part of a wider capability improvement process and can be used (as discussed earlier) to set direction and objectives, however, it will not create change in its own right.

To create change you need to use the P3M3™ assessment to assist you in defining the capability you want to have and then put in place projects and/or programmes to realise that capability. After you have completed that work you can then use a second P3M3™ assessment to measure your success.



Summary

- 1) P3M3™ is a tool that can be used to help guide, shape and focus the development of your portfolio, programme and project management capability.
- 2) It is however only a measure, and can help stimulate change but it won't necessarily create change in its own right.
- 3) It is an internationally recognised model that isn't tied to any industry sector or work type.

About The Author

Garry Ingram, Tanner James, Principal Consultant

Garry's career spans 20 years of consultancy and training, including working around the world in a multitude of different business areas covering both the public and private sector.

As Tanner James authority of P3M3™, Garry is currently assisting AGIMO with the piloting of P3M3® in the ABS, CrimTrac, DEEWR and GeoScience Australia.

Throughout Garry's career he has lead projects and programmes within numerous international companies, building a wealth of knowledge and experience from which he draws as a consultant and trainer.

Garry believes passionately in the power of good project and programme management to deliver real business change and benefit. Through applying the right tools, techniques and mindset we can achieve more effective outcomes, faster.

Garry's training portfolio includes Project and Programme Management, leadership, communications and influencing skills. He was formerly the Lead PRINCE2 Trainer for the largest PRINCE2 training organisation in Europe.

