

PMO
Conference
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Growing Up Faster – Using a Maturity (P3M3[®]) Model to Develop Organisational Capability

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Introduction and objectives



THE ROYAL BOROUGH OF
KENSINGTON
AND CHELSEA



What I hope you'll get out of it

- Understand the basics of P3M3 and maturity
- An informed view of whether your PMO should investigate
- An idea of how you might go about this

What we'll cover

- Introduction and objectives
- Background to maturity models
- Overview of P3M3[®]
- The PMO and P3M3[®]
- Benefits of a maturity approach vs obstacles and challenges
- Design a PMO maturity model



Your experience of P3M3 / maturity

Level 0 What's is that?

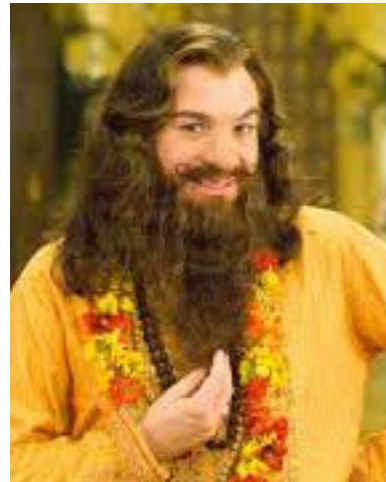
Level 1 Think I get it, maybe

Level 2 I get it and I've had a dabble

Level 3 Got the T-shirt

Level 4 Expert

Level 5 Guru



Background to maturity

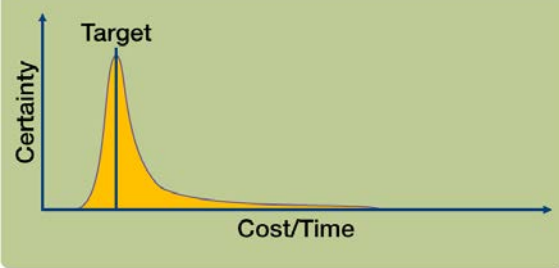
- US space and defence procurement
- Carnegie Mellon University



Phil Crosby “the uncle of the quality revolution”

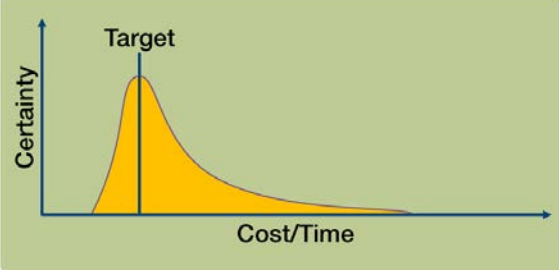
Best predictor of performance = maturity of the processes

Maturity levels



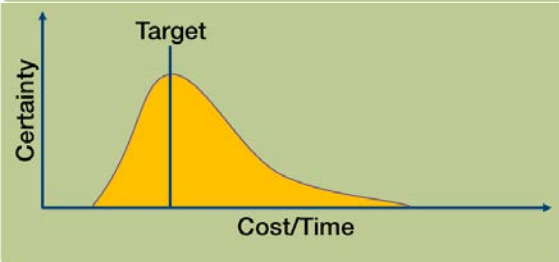
Level 5 – Optimising

(Process Improvement) Deliberate optimisation/ improvement



Level 4 – Managed

(Quantified) Process management and measurement takes place



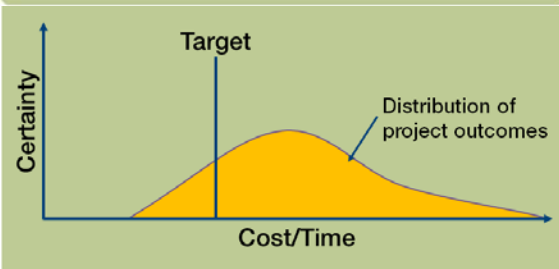
Level 3 – Defined

(Embedded) Process is defined/ confirmed as standard



Level 2 – Repeatable

(Process discipline) The process is used repeatedly



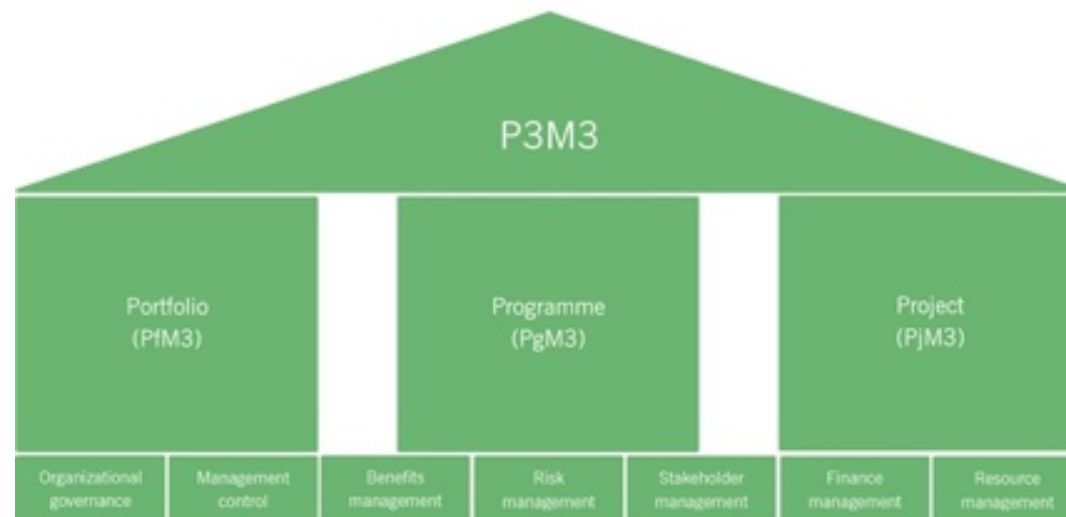
Level 1 – Initial

(Chaotic, Ad Hoc, Heroic) The starting point for use of a new process

Overview of P3M3 reg TM



- “Project, Programme and Portfolio Management Maturity Model”
- UK government and industry standard approach
- Describes key attributes that organisations are expected to exhibit at five increasing levels of maturity
- Applicable to a whole organisation or a semi-autonomous part



P3M3 version 3

- Version 3, June 2015
- More breadth – inclusion of asset management and commercial threads
- More depth and diagnostic power – cross-cutting threads
- More consistent structure
- Easy to use self-assessment format



The 7 Perspectives

| Perspective | Description (for projects model) |
|---------------------------|--|
| Management Control | Management Control covers how the direction of travel is maintained throughout the project's lifecycle, with appropriate break points to enable it to be stopped or redirected by a project board (or equivalent) if necessary. |
| Risk Management | Risk Management is the process to systematically identify and manage opportunities and threats. |
| Resource Management | Resource management covers management of all types of resources required for delivery. These include human resources, buildings, equipment, supplies, information, tools and supporting teams. |
| Stakeholder Management | Stakeholder management includes communications planning, the effective identification and use of different communications channels, and techniques to enable the project's objectives to be achieved. |
| Organisational Governance | Organisational Governance looks at how the delivery of projects is aligned to the strategic direction of the organisation. It considers how start-up and closure controls are applied to projects and how alignment is maintained during a project's lifecycle. This differs from management control, which views how control of a project is maintained internally. |
| Benefits Management | Benefits management is the process that ensures that the desired business change outcomes have been clearly defined are measurable and are ultimately delivered through a structured approach and with full organisational ownership. |
| Finance Management | Finance is an essential resource that should be a key focus for initiating and controlling projects. Financial management ensures that the likely costs of the project are captured and evaluated within a formal business case and that costs are categorised and managed over the investment life cycle. |

Cross-cutting threads

| Thread | Description |
|--------------------------------------|---|
| Asset Management | Practices applied to assets to provide the required level of service in the most cost-effective manner. Includes management of design, construction, commissioning, operating, maintaining, repairing, modifying, replacing and decommissioning/disposal of assets. |
| Assurance | All the systematic actions necessary to provide confidence that the target (system, process, organization, programme, project, outcome, benefit, capability, product output, deliverable) is appropriate. Assurance will have a level of independence from that which is being assured. |
| Behaviours | Behaviours covers the focus, motivation and prioritisation of work and individual commitment to success |
| Commercial Commissioner | The commercial management activities (e.g. procurement) of client who specifies work and commissions others to deliver it |
| Commercial Supplier | The commercial management activities of a supplier organisation |
| Information and Knowledge Management | How the organisation captures, stores, organises and references information of any sort. |
| Infrastructure and Tools | The tools and systems used to manage that perspectives, it could be as simple as a template or as complex as a enterprise programme and project management system |
| Organisation | It is the structure, hierarchy and competencies of people in relation to that perspective |
| Planning | Planning determines what is to be delivered, how much it will cost, when and how it will be delivered, and who will carry it out in context of each perspective. E.g. the planning of benefits management activities. |
| Process | A sequence of task used to achieve an output. In the context of the theme, it will be the common approach that is used to manage that perspective |
| Standards | A quality requiring conformance. |
| Techniques | Approaches used to perform a process. |

Heat Map – perspectives and threads

| | Management Control | Organisation Governance | Benefits Management | Finance Management | Risk Management | Resource Management | Stakeholder Management |
|------------------------------------|--------------------|-------------------------|---------------------|--------------------|-----------------|---------------------|------------------------|
| Assets | 3.0 | 2.7 | 2.3 | 2.7 | 3.0 | 2.3 | 2.7 |
| Assurance | 2.7 | 3.0 | 2.7 | 3.0 | 2.7 | 2.3 | 3.0 |
| Behaviours | 2.7 | 3.0 | 2.3 | 3.0 | 2.7 | 2.7 | 3.0 |
| Commercial - buy | 2.7 | 3.0 | 2.7 | 2.7 | 3.0 | 2.7 | 3.0 |
| Information & Knowledge Management | 2.3 | 2.3 | 2.0 | 2.7 | 2.7 | 2.3 | 2.7 |
| Infrastructure & Tools | 2.0 | 2.0 | 2.3 | 3.0 | 2.7 | 2.0 | 2.7 |
| Organisation | 2.7 | 2.7 | 2.0 | 2.7 | 3.0 | 2.3 | 2.7 |
| Planning | 2.0 | 3.0 | 2.7 | 2.7 | 3.0 | 2.7 | 2.7 |
| Process | 2.3 | 2.7 | 2.7 | 2.7 | 2.7 | 2.3 | 2.7 |
| Standards | 2.3 | 2.7 | 2.3 | 2.7 | 2.7 | 3.0 | 2.3 |
| Techniques | 2.7 | 2.3 | 2.7 | 2.7 | 2.3 | 2.7 | 2.7 |

Example Full-Assessment Result

| Project: Risk Management | | | | | |
|------------------------------------|---------|-----------|-----------|---------|---------|
| | Level 1 | Level 2 | Level 3 | Level 4 | Level 5 |
| Assurance | Fully | Fully | Fully | Never | Never |
| Behaviours | Fully | Fully | Largely | Never | Never |
| Information & Knowledge Management | Fully | Fully | Never | Never | Never |
| Infrastructure & Tools | Fully | Fully | Fully | Never | Never |
| Organisation | Fully | Fully | Never | Never | Never |
| Model Integration | Fully | Largely | Never | Never | Never |
| Planning | Fully | Partially | Never | Never | Never |
| Process | Fully | Fully | Fully | Never | Never |
| Standards | Fully | Fully | Never | Never | Never |
| Techniques | Fully | Fully | Fully | Never | Never |
| Asset Management (optional) | Fully | Fully | Never | Never | Never |
| Commercial - Buy (optional) | Fully | Fully | Partially | Never | Never |
| Commercial - Sell (optional) | Fully | Fully | Fully | Never | Never |

Example structure

| Risk Management | | | | | |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | Level 1 | Level 2 | Level 3 | Level 4 | Level 5 |
| Assurance | attribute statements | attribute statements | attribute statements | attribute statements | attribute statements |
| Behaviours | attribute statements | attribute statements | attribute statements | attribute statements | attribute statements |
| Information & Knowledge Management | attribute statements | attribute statements | attribute statements | attribute statements | attribute statements |
| Infrastructure & Tools | attribute statements | attribute statements | attribute statements | attribute statements | attribute statements |
| Organisation | attribute statements | attribute statements | | | |
| Model Integration | attribute statements | attribute statements | | | |
| Planning | attribute statements | attribute statements | | | |
| Process | attribute statements | attribute statements | | | |
| Standards | attribute statements | attribute statements | | | |
| Techniques | attribute statements | attribute statements | | | |
| Asset Management (optional) | attribute statements | attribute statements | | | |
| Commercial - Buy (optional) | attribute statements | attribute statements | | | |
| Commercial - Sell (optional) | attribute statements | attribute statements | | | |

Example attributes

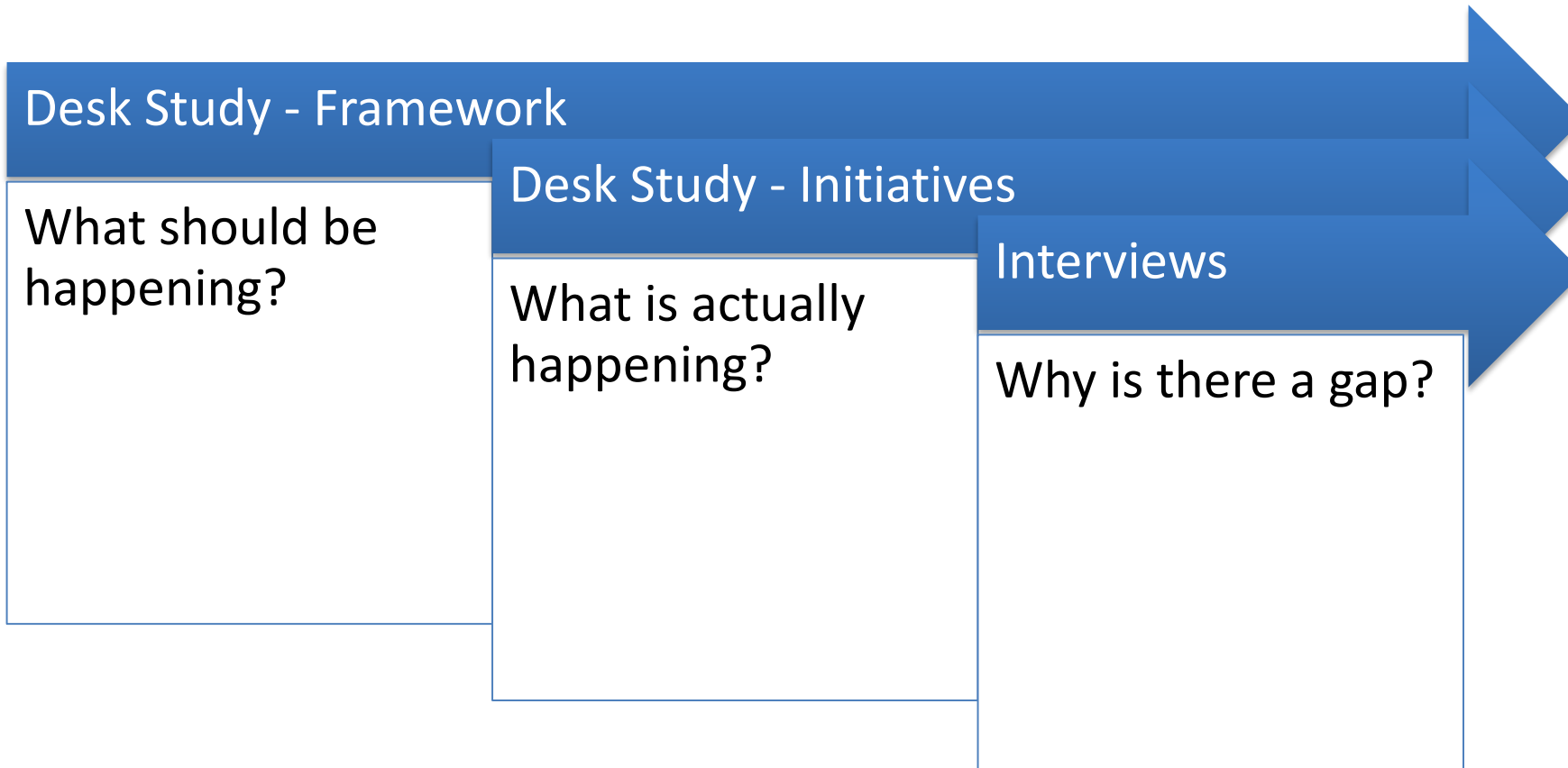
- There is a centralised approach to tracking lessons learned.
- There are central storage facilities consistently used for risk information.
- Risk status reports are consistently distributed to centrally defined standards.

Assessment

There are two ways an organisation can use P3M3

- Full assessment – independent and evidence based and diagnostic (by Axelos Consulting Partner)
- Self assessment – light touch

Approach to assessments



P3M3 Self-Assessment

- Introduce the organisation to P3M3 and engage senior managers
- Provide an idea of the current level of organisational maturity
- Inform planned improvement initiatives and focus areas for full assessment
- Can be facilitated by an expert to provide independence and calibrate responses, by a group or an individual
- Database generates reports and an enhanced report provides comparison
- Self-assessment and standard report are free!

To register to use the self assessment tool look on the Axelos website or email:
digital@tso.co.uk

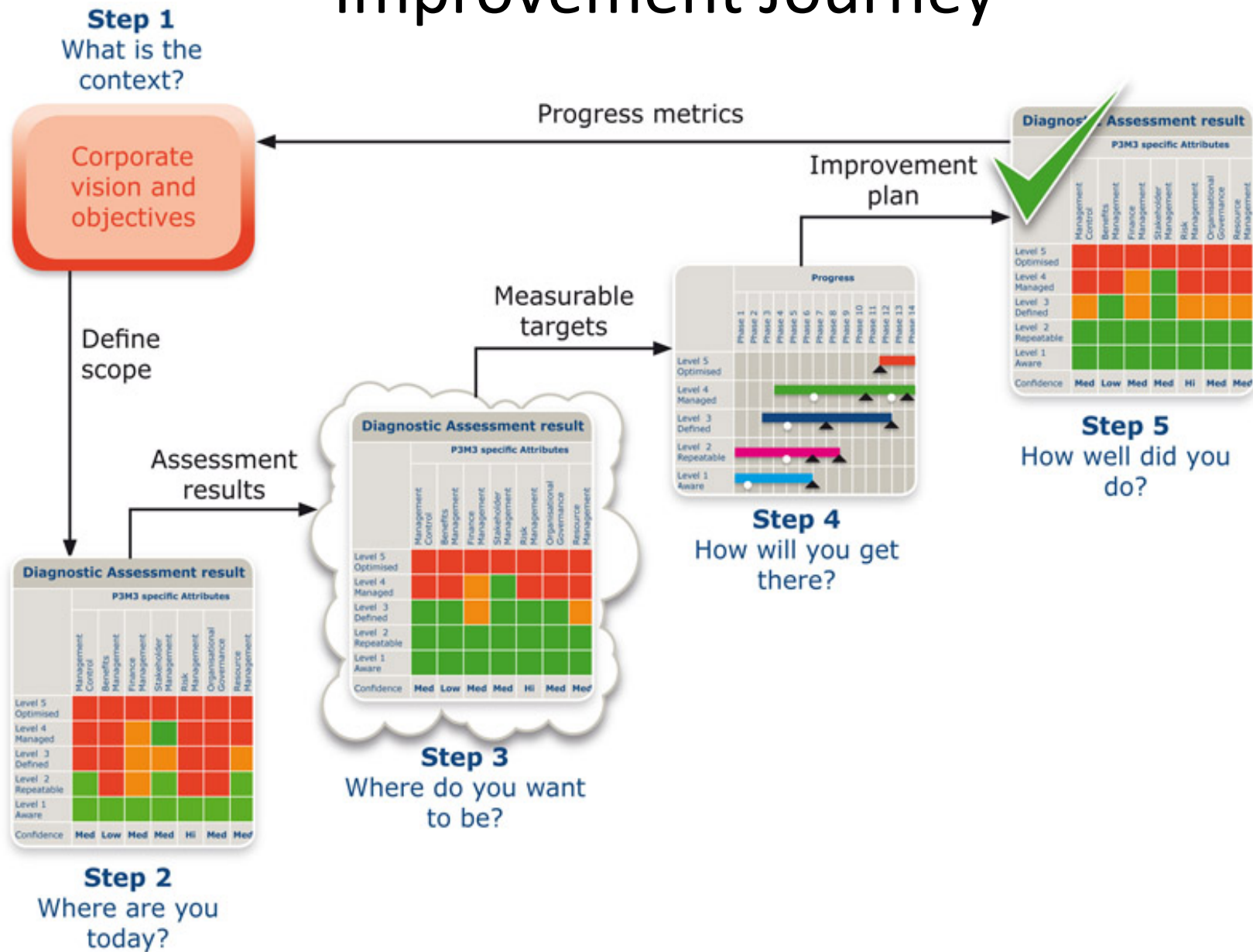


Example of self-assessment (Benefits Process)

3 questions per perspective to triangulate result Process; Organisation; Performance

| | |
|--|---|
| We do not recognise benefits management as a project management process | 0 |
| There are a few examples of projects defining benefits. Benefits are defined independently of any organisational standards | 1 |
| Our projects document benefits using their own approach and to different levels of detail. The relationship between benefits and objectives may not be clear | 2 |
| We have a common framework for recording and tracking benefits that is used by all projects | 3 |
| Our projects use a common range of criteria for benefits that are linked to our organisation's objectives | 4 |
| We continually monitor for opportunities to improve the effectiveness of our common project benefits management process | 5 |

Improvement Journey



Benefits of P3M3

- **Baselining and benchmarking** - evolving capability and comparison (harvest best practice)
- **Discovering and diagnosing** - determine where to concentrate on and addressing systemic weaknesses to eliminate root causes
- **Prioritising** improvement initiatives and providing a comprehensive roadmap
- **Integration** and improved collaboration across functions
- **Certifying** capability through independent assessment

Greater certainty in delivery, improved outcomes, efficiency, less duplication and wasted effort

P3M3 and the PMO

- Drive development and embedment of a central PM approach
- Support visibility and rigor – experts can drill into a particular perspective or thread
- Independent and respected view
- Map the improvement journey
- Engagement with improvement initiatives – agreed problems
- Improve integration

Obstacles and challenges

- Cost / effort of full assessments esp for small organisations
- Appetite for scrutiny and detailed assessment
- Setting aspirations and realism – fetishizing numbers
- Maintain momentum and senior engagement
- Understand the different challenge of higher levels

What level of maturity should your organisation aspire to?

PMO maturity model

| Maturity level | Defined functions | Resource management | Reporting | Governance |
|----------------|--|--|--|--|
| Aware | Need for PMO activity understood and some examples of PMO practice | Resources are managed by individual projects | | |
| Repeatable | PMO activity is widespread but application is variable and inconsistent | | There is limited consistency in reporting. | |
| Defined | PMO/s and their functions are documented, agreed and followed | | | PMO role is formally approved, understood and embedded |
| Managed | Performance of PMO functions is measured and improved accordingly | | | |
| Optimised | There is continuous refinement of PMO performance and analysis of trends to predict demands and refine PMO functions | | | |

Thanks questions

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