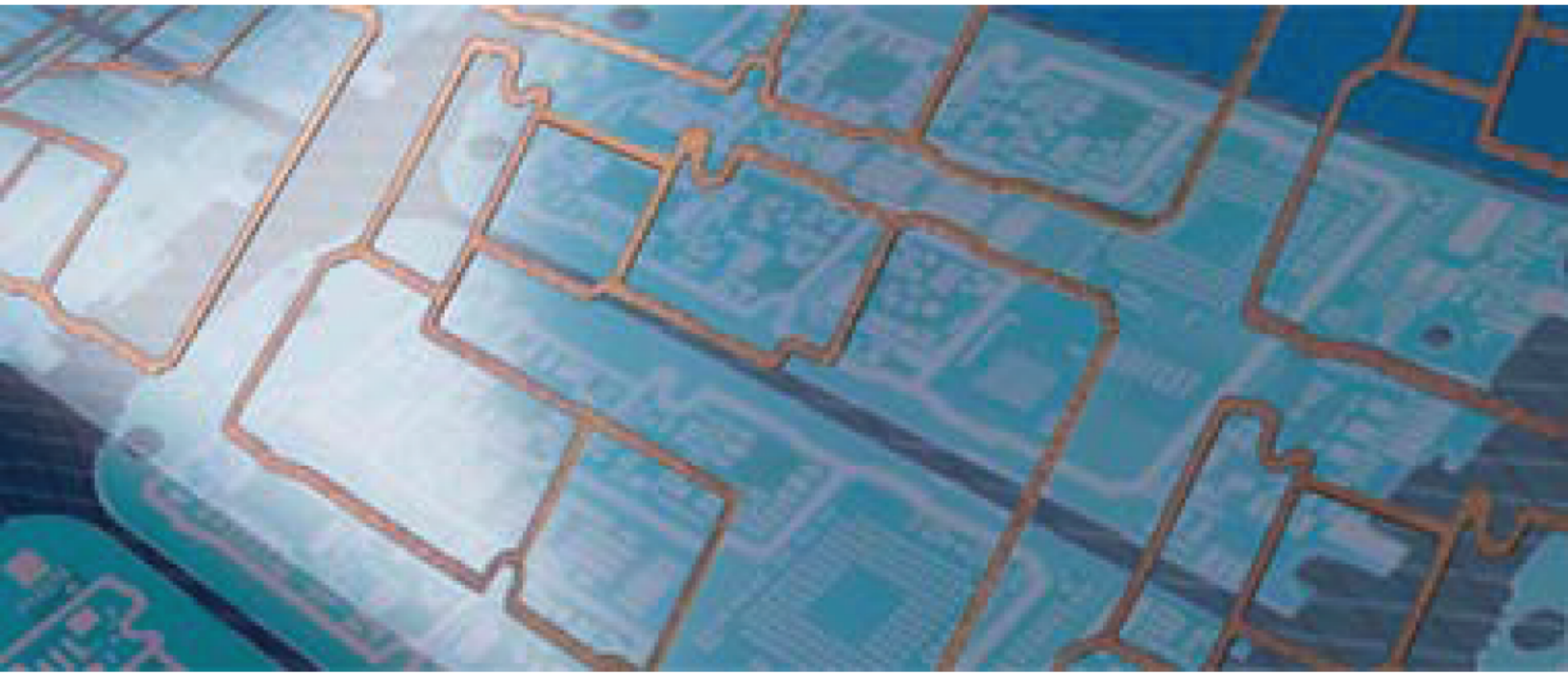

Organizational Project Management Maturity Model (*OPM3*®) ProductSuite Assessment Report

[redacted]

Version 2.0 August 2014

Tony Appleby, PMP, SCPM, CSM
PMI Certified *OPM3*® Professional
[redacted]

PROJECT STRATEGY
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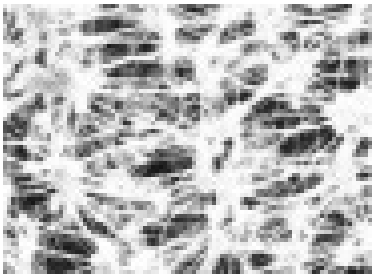

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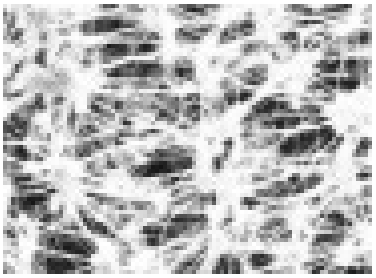
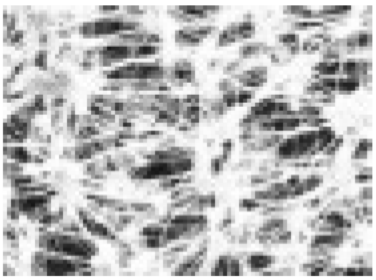
Table of Contents

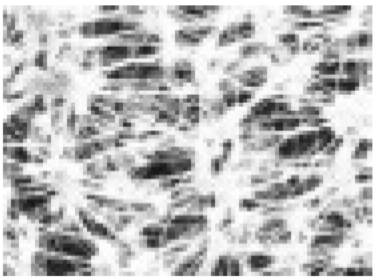




DOCUMENT REVISION INFORMATION

The following information is to be included with all versions of the document.

Version	Creation date	Created by	
0.1	July 31, 2014	Tony Appleby; initial review draft	
Version	**Revision date**	**Revised by**	**Reason for Revision / changes made**
1.0	August 5, 2014	Tony Appleby	Inclusion of additional report components and adjustments to content per peer review comments
2.0	August 7, 2014	Tony Appleby	Inclusion of remaining report components and adjustments following review with the core team



PURPOSE OF DOCUMENT

This document presents the results of the Organizational Project Management Maturity Assessment of [redacted] conducted in June and July of 2014. The document is structured in the following main sections:

- **Introduction and Context**
  An overview is given of [redacted]'s rationale for performing an organizational project management maturity assessment.

- **Executive Overview**
  A narrative, high-level synthesis of the assessment results is presented.

- **Summary of Results**
  The capabilities, outcomes, and best practices achieved by [redacted] are provided in graphical form along with a summary narrative to assist in understanding the scoring mechanism and the findings.

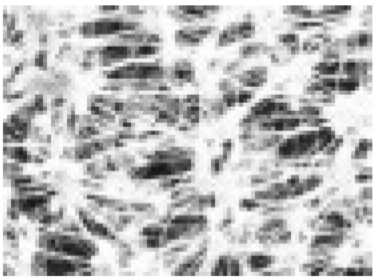
- **The Organizational Project Management Maturity Model *(OPM3®)***
  The maturity framework and the approaches for determining maturity are described.

- **Analysis of Project Management Knowledge Areas**
  [redacted]'s alignment to the Project Management Institute's (PMI's) ten project management knowledge areas are discussed, with additional detail regarding each of the 47 process activities' inputs, throughputs, and outputs. This includes assessor observations and summarized interviewee commentaries of note.

- **Analysis of Project Management Process Groups**
  [redacted]'s capabilities are examined against PMI's five process group areas.

- **Analysis of Organizational Enablers**
  Best practices associated with the foundational activities that support projects, programs, and portfolios within [redacted] are inspected. Additional commentary regarding project predictability, resource optimization, and strategic alignment are also provided.

- **Analysis of Existing Project Artifacts**
  [redacted]'s "Project Practices" documents are evaluated for their efficacy against project management best practices. This analysis provides some additional insight into areas of opportunity for improvement by advising which project activities may not be supported through existing documentation and/or process standards.



- **Change Readiness Considerations**
  The results associated with the organizational change readiness survey are presented along with the assessor's observations and notes.

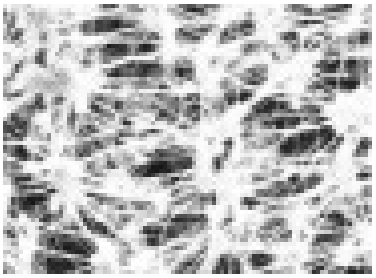
- **Appendices**
  The data scoring points for project management best practices and the organizational enablers for [redacted] are provided, as is an acronym and term glossary, and the *OPM3®* ProductSuite product key code for the assessment. The gap analyses and recommendations for improvement (and roadmap) are also presented here, as are a number of additional supplemental items.

  The following items are contained within this report document:

  Appendix A: Scoring Data Points
  Appendix B: Terms and Definitions
  Appendix C: *OPM3®* Assessment Product Key
  Appendix D: Gap Analysis
  Appendix E: Recommendations for Improvements
  Appendix F: Metrics
  Appendix G: Roadmap for Improvement Activities
  Appendix H: About The Project Strategy Consulting Group, Inc.

  The following appendix items are provided separately from this report:

  Appendix I: Notations Notebook (provided as a separate Excel file)
  Appendix J: Presentation of Findings (provided as a separate PowerPoint file)
  Appendix K: Organizational Change Readiness Survey Results (provided as a separate Excel file)
  Appendix L: *Managing Change In Organizations - A Practice Guide* (provided as a separate Adobe Acrobat file)
  Appendix M: *Project Management Metrics, KPIs, and Dashboards* (provided as a separate physical document)
  Appendix N: XYZ PM Scheduling Tutorial v1.0a (provided as a separate Adobe Acrobat file)
  Appendix O: [redacted] 2014 OPM3 Project Improvement Initiative Roadmap (provided as a separate MS Project file)



INTRODUCTION AND CONTEXT

[redacted] has determined that there is an opportunity to improve its project management activities and has begun to consider the implementation of some improvement initiative options. To help it better understand what options are the most appropriate for its unique organizational culture, it has decided to perform an assessment of the various project management practitioners and project contributors within [redacted]'s [redacted] locations. The [redacted] location has been purposefully omitted from the assessment due to its relatively recent inclusion within [redacted].

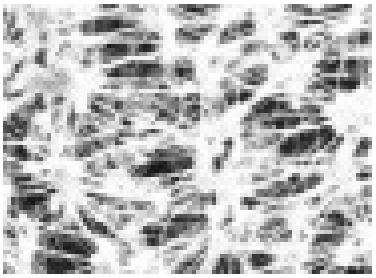
To facilitate the aggregation and analysis of information gathered during the course of interviews and an subjective review of available systems, practices, and other artifacts, [redacted] has opted to leverage the Project Management Institute's (PMI's) Organizational Project Management Maturity Model (*OPM3*©), generally accepted as the most robust tool for properly assessing the capabilities, outcomes, and existing best practices of an organization's project management discipline. This document details the results of the findings associated with the use of the model. Leveraging this data, the [redacted] PM Cornerstone core team is in a significantly more informed position to perform a gap analysis against its current state and an envisioned future state and properly and systematically develop a roadmap for improvement initiatives predicated on substantive quantitative and qualitative information.

[redacted] has leveraged an external consultant to perform this work effort, which allows for less bias and more objectivity during the course of the evaluation and subsequent analysis and recommendations development. The PM Cornerstone core team – consisting of [redacted] – is the sponsoring group for the assessment. Tony Appleby, the consultant, is a PMI Certified *OPM3*® Professional and qualified to perform this effort.

The decision to evaluate opportunities for improving [redacted]'s project management capabilities was a result of numerous informal and formal conversations that pointed to challenges being experienced with managing projects both within and across geographies and to help facilitate better time-to-market for the division's top priority projects. While some culturally-entrenched project practices exist within [redacted], there are few – if any – supporting mechanisms for ensuring consistent project development, execution, and delivery activities which had been identified by the core team.

For [redacted] to maintain its strength in the marketplace, the PM Cornerstone recognizes that project "management" is a core competency for supporting the company's goals of maintaining competitive advantage in its differentiated market space. This core competency needs to mature consistently and be sustained through continuous improvement to be effectual. The organizational project management maturity assessment process assists with [redacted]'s ability to properly understand the "how and when" for prioritization of improvement actions and change to enable achievement of [redacted]'s business goals, strategic positioning, and product development objectives. It also helps to facilitate these actions and changes while remaining sensitive to [redacted]'s unique culture and values.

The assessment findings allow [redacted] to develop and implement immediate improvements and develop a long-term strategy to sustain enduring project management maturity. The assessment is repeatable and provides



consistent measurements and benchmarking for improvements. The results are mapped against PMI's *OPM3*® to help the organization visualize current positioning and the specific areas necessary to enhance project management maturity.

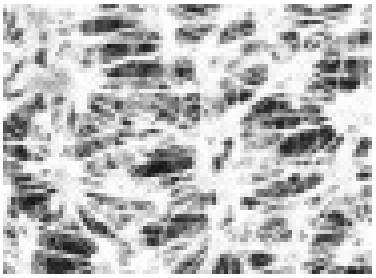
The assessment content has been prepared in accordance with the following published standards, all copyright 2013 by the Project Management Institute (Newtown Square, Pennsylvania):

- *A Guide to the Project Management Body of Knowledge (PMBOK® Guide), Fifth Edition*. ANSI Standard BSR/PMI 99-001-2013.
- *The Standard for Program Management, Third Edition*. ANSI Standard BSR/PMI 08-002-2013.
- *The Standard for Portfolio Management, Third Edition*. ANSI Standard BSR/PMI 08-003-2013.
- *Organizational Project Management Maturity Model (OPM3®), Third Edition*; *Knowledge Foundation*. ANSI Standard BSR/PMI 08-004-2013[1].

The assessment for [redacted] does not encompass the entirety of the *OPM3*® construct. It has been oriented specifically to the Project Domain (as opposed to an Outcomes orientation) with a particular emphasis on Project Management as it may be standardized within the organization. Program management and portfolio management have not been extensively explored as it is already known that these domains are not extensively or formally employed within [redacted]. Consideration has been given, though, to those aspects of program and portfolio management which reside with the *OPM3*® Organizational Enabler capabilities. These aspects of the *OPM3*® schema are described in further detail below. Additional detail on terms and definitions are provided both within the body of the report and as an appendix at the end of the report.

While program and portfolio management has not been formally assessed as part of the consulting engagement, the assessor has provided significant additional detailed information on these domains to the extent that such provides information crucial to the PM Cornerstone team's success. This additional detail informs the recommendations set and the prioritization of the recommendations. Further, as [redacted] is a product development company, the consultant has provided specific additional analysis surrounding lean program management activities foundational to product delivery success.

[1] In its pre-release format for this assessment. Scheduled publication date is Q3 2014.



EXECUTIVE OVERVIEW

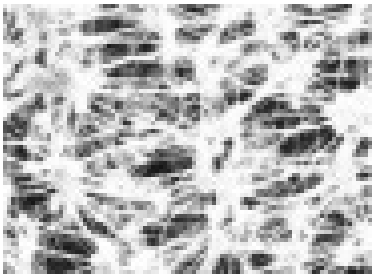
"We *track* our projects; we don't *manage* them…" (Specialist)

The results of the project management maturity assessment have yielded a number of overarching areas of opportunity for improvement to help it achieve its business goals. A few of these are foundational in nature and the development and implementation of some comparatively straightforward enhancements to the existing practices within will result in the reduction of a number of pain points experienced across the organization's various platforms and operational legs. Some of the recommendations presented as a result of this assessment may, however, be *slightly* antithetical to the entrepreneurial spirit engendered by 's culture. While a minor cultural shift may be necessary to implement *and sustain* improvement initiatives, the vast propensity of those interviewed understood this to be both a necessary action to ensure 's success in realizing its business opportunities as well as an action to help bring relief to a number of pain points being increasingly experienced across the various functional groups, plants, and teams. In short, they welcome any improvement initiatives that assist their project management / product development endeavors (see the *Change Readiness Considerations* analysis section further in this report for additional detail).

There are seven overarching, interrelated key themes that have been identified as areas that challenge project teams with the successful delivery of their projects:

1. **Unstable, Unclear, and Incomplete Project Planning**
   Project planning tends to be inaccurate, unable to accommodate uncertainties, or both, which leads to unrealistic expectations and plans. This includes the following specific issues:
   - Unrealistic baselines for cost, schedule, and performance;
   - Insufficient propagation of changes to cost, schedule, and performance baselines throughout the project;
   - Insufficient adaptation of cost, schedule, and performance baselines to the changing project environment and assumptions;
   - No realistic project schedule;
   - Problems with managing appropriate team levels during project ramp-up and ramp-down;
   - Estimates do not reflect all aspects of the project life cycle;
   - Insufficient probabilistic estimates; and
   - Too few updates on estimated cost, schedule, and performance estimates during early phases of project execution.

2. **Reactive Project Execution**
   Projects are executed in a reactive mode toward inside and outside influences, instead of proactively managing and coordinating stakeholders, risks, and issues. This includes the following specific issues:
   - Firefighting, where resources are focused on fixing problems instead of preventing them;
   - Competing resource requirements;
   - Unstable project priorities;

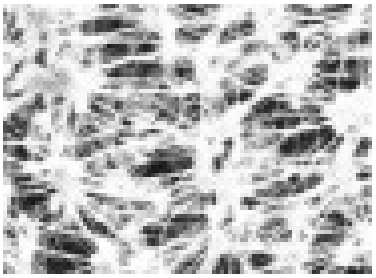


- Unclear or inappropriate allocation of responsibilities and decision rights;
- Insufficient management or alignment of differing priorities within [redacted]; and
- Not enough understanding of project risk.

3. **Unclear Roles, Responsibilities, and Accountability**
   The roles, responsibilities, and accountability of individual associates, teams, projects, and functions are not clearly defined. This includes the following specific issues:
   - Lack of definition of roles, responsibilities, and decision rights;
   - Lack of alignment and integration between project management and systems engineering;
   - No fostering and maintaining of personal accountability for plans, outcomes, and commitments;
   - No coherent leadership team that represents project-specific objectives and functions; and
   - Misaligned incentives for collaboration between associates, project teams, suppliers, customers, and/or other stakeholders.

4. **Lack of Proactive Risk Management**
   Project teams attempt to function without clear off-ramps and mitigation approaches. Ownership of risks is ill-defined. This includes the following specific issues:
   - Insufficient involvement of necessary associates in risk management;
   - Not enough understanding of project risks;
   - Insufficient resources and support of risk management activities (identification, assessment, mitigation, and monitoring);
   - A cultural perception that the flagging of risks and the reporting of bad news is penalized;
   - Disconnect between risk management and other project management processes; and
   - Insufficient focus on quickly resolving identified risks.

5. **Insufficient Competency Development and Support**
   The expertise and knowledge of individual associates, teams, and [redacted] are insufficient, not transferred properly, or not applied appropriately during the project. It is difficult to establish a productive project culture. This includes the following specific issues:
   - Ineffective process to transfer knowledge from experienced associates and team members to new associates;
   - Lack of feedback mechanisms to turn lessons learned into action; no implementation of new best practices in projects based on lessons learned;
   - No adequate documentation and sharing of captured lessons learned across the division;
   - Inadequate identification of individual skill development needs; and
   - Inadequate team experience with effective project management.

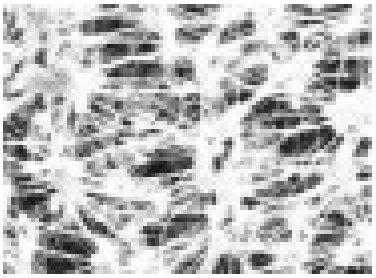


6. **Processes Locally Optimized and Not Integrated**
   There is a lack of visibility for the value stream, and/or barriers between organizational units to implement a seamless flow. There are insufficient trade-offs between organizations to reach an overall optimum. This includes the following specific issues:
   - Lack of divisional coordination of optimization; only optimization of local processes and organization;
   - Lack of process standardization;
   - Pertaining to value stream optimization, there is a lack of understanding as to how to deal with different types of waste; and
   - Lacks mechanism for value stream improvements.

7. **Insufficient Alignment and Coordination of the Division**
   The complex network of organizations and departments involved in delivering the program value is not aligned to its priorities. This includes the alignment and optimization of strategic priorities and portfolios. This includes the following specific issues:
   - Competing resource requirements;
   - Insufficient management and alignment of differing priorities within platforms and the division and with other stakeholders;
   - Unclear priorities between immediate business goals (*e.g.*, profitability of current platforms and product families) and responsibility for other programmatic activities (*e.g.*, capturing lessons learned, driving continuous improvement);
   - Unstructured or unplanned stakeholder communication;
   - Differing understanding and unclear understanding of what "project management" comprises; and
   - Insufficient planned stakeholder integration.

Additional detail regarding each of the themes and the specific noted issues are included in the *Analysis by Project Management Knowledge Area* section of this report and inform the recommendations in Appendix E.

At present there is only a comparatively limited project management discipline existent within the [redacted] platforms and operational legs. Nonetheless, [redacted] interviewees fully understood the value that more formal project management practices bring to help them more effectively work through the increasingly complex challenges associated with the projects for which they are responsible. They cite that the structure and discipline associated with the employment of project-supportive processes and tools would be a significant source of helping them to reduce project risk and more effectually bring their projects through to completion in a more timely fashion, within predefined and team-approved scope, and with a mechanism that assists them with better understanding the requirements of what may be needed of their teams and how best to schedule and manage their efforts. Those interviewees who have witnessed or been assisted by the project management processes and tools leveraged within [redacted] (or elsewhere within [redacted] or other companies) have indicated an exceptionally strong interest in employing similar tools and techniques within their own team efforts. As such, one of the primary recommendations associated with this assessment is **the incremental deployment of supporting processes and tools and the development of project management training and learning opportunities for practitioners** as well as, to varying degrees, project team members, and [redacted] leadership.

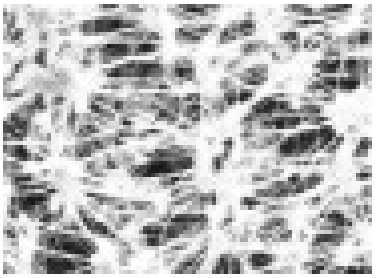


Of slightly more significance, however, is the direction provided by leadership in the prioritization of projects and the activities of limited associate resources. While the individual platforms are beginning to internally manage their own programs and portfolios of projects, there is significant conflict being experienced with those projects which require the use of cross-platform team resources and the coordination of operational support activities. As such, there is defined need to provide some level of [redacted] governance and portfolio management which presently does not exist in a real and functional form. While some tacit direction is provided by the various leadership associates and product specialists, the ability of the core teams to properly translate that direction into meaningful and actionable priorities *across* the division is a substantial challenge. Another primary recommendation, understandably, will be **the development and implementation of some additional level of governance function** that provides associates with the ability to better understand the complexities associated with cross-platform initiatives and activities and provide informed guidance that provides substantive assistance in remediating conflicts of priorities and helps to optimize the allocation of scarce resources to better support [redacted]'s strategic goals.

Another area of primary concern that was noted was that of project communications. In many cases, project details – particularly status of the project as a whole as well as the activities, milestones, and issues of the project – were unclear to portions of the project team and to the [redacted] community at large. **This poses significant challenges with both understanding what projects are under development and where there is a need for coordination of planning and resources.** In some part this ties, naturally, to the need for some additional level of governance instruction that guides the projects and can be communicated to interested parties. In other areas, it is a simple matter of advising, in clear terms, of what projects are in the [redacted] (or platform, or product family) funnel(s) and their status. A comprehensive set of recommendations are provided regarding how to alleviate these – and other related – pain points for the various affected practitioner and stakeholder communities.

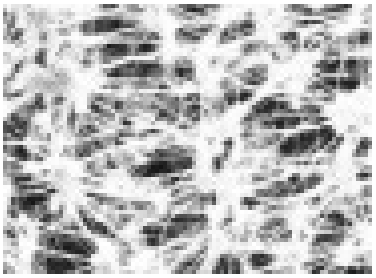
The recommendations for remediating the problem areas were developed following a comprehensive gap analysis in the *OPM3*® ProductSuite tool. Because of the lack of organizational project management capability presently existent within the division, foundational recommendations have been prepared. Suggested minimal and long-term considerations for the improvement of the discipline and competency of project management within [redacted] include associated topics such as methodology support, resource optimization, demand management, stakeholder management, and organizational change management activities. To the extent practicable, suggested best practices for achieving success have been included in the recommendations along with some industry research that may help to guide and inform the reader(s) charged with this undertaking.

Of particular note, an improvement initiative as described herein is a massive and complex undertaking that can have tremendous positive benefits for the organization and its extended stakeholder community if managed properly. **Leadership will need to be involved, understand, and provide ongoing, active support that the implementation and institutionalization of the practices will fully facilitate and realize [redacted]'s ongoing, long-term success with its project endeavors.** Failing to properly execute the improvement program can have significant adverse effects, including diminished credibility, lost opportunity costs, and the necessity to recommence the effort from the beginning. It is important that the plan for improvement not be rushed and that shortcuts not be employed in the drive to see continued benefit as soon



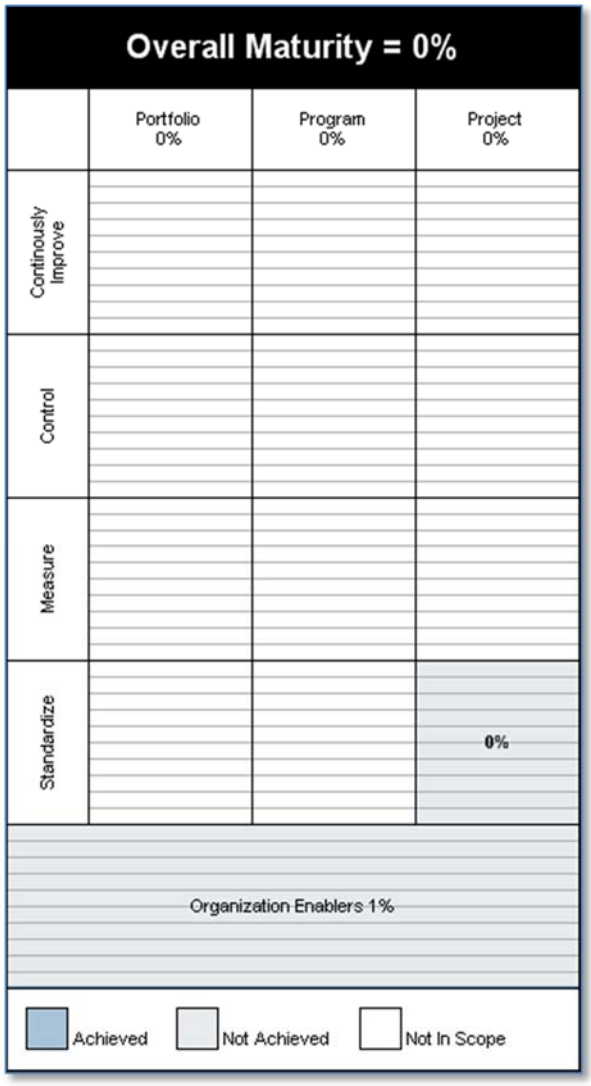
as possible. There is a large body of lessons learned associated with this concept and the assessor has strived to emphasize some of the more important ones as part of the recommendation set.

An understanding that results will not be seen overnight is an important one to remember as [redacted] weighs how best to address the findings and recommendations contained within this report. Standardization of project management practices, the installation of project-oriented knowledge repositories that deliver tangible value, training and coaching support activities, and governance activities that drive the prioritization of projects to support strategy all require significant time and investment, especially to become institutionalized. Conversely, though, failure to address the substantial pain points being experienced now will cause those stress forces to continue to diminish the division's capacity and capability to perform projects in support of [redacted]'s and [redacted]'s growth and strategic vision.



SUMMARY OF RESULTS

This section of the report provides a summary of the scoring methods used and the results obtained for the assessment. A further breakdown, including tabulated results and assessment findings, is given in subsequent analyses sections and appendices of this report.



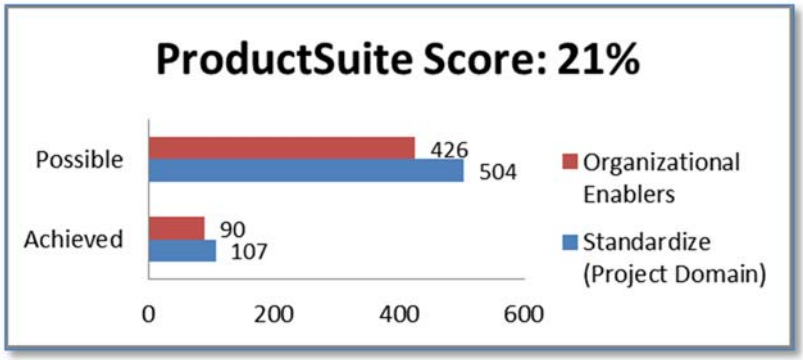
OPM3® Scoring

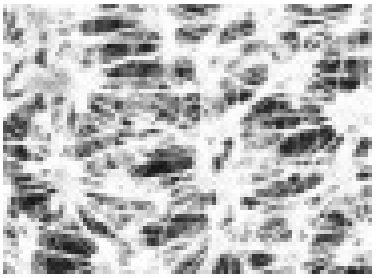
The *OPM3*© scoring method is based on the percentage of Best Practices, Capabilities, and Capability Outcomes which have been fully achieved, relative to the number of each which were assessed. Therefore, if any Outcome is not present – for instance, if a process is absent or its implementation incomplete – the score contribution of that Outcome is zero and the achievement of any Capability or Best Practice dependent on that Outcome is also scored as zero.

ProductSuite Scoring

ProductSuite scoring is an alternative to *OPM3*® scoring, providing a more quantitative assessment of maturity by measuring the extent to which Capabilities are present in the organization. Each question assessed relates to a Capability Outcome and has a score type. Yes/No-type questions are given either a full score or no score. Degree-type questions have an incremental score related to the degree of achievement, with a full score awarded for full achievement, a zero score for no achievement and intermediate scores for partial and near full achievement.

The ProductSuite percentage score is the total score achieved as a proportion of the total score available. The tabulation of the achievements is presented in Appendix A and a discussion of the high-level results follows.





[redacted] **(Composite) Commentary**

While the office has only achieved one of the 61 scoped best practices associated with the Project Management domain and associated Organizational Enablers, this is not uncommon for an organization which is beginning to examine mechanisms through which it can improve upon its current capabilities. Indeed, it is comparatively rare for initial assessments to yield more than a few best practices, even if the organization has instituted some initial project management processes and a discipline has been in place for a year or two, and many organizations which are only just commencing the implementation of a project management competency achieve no best practices whatsoever.

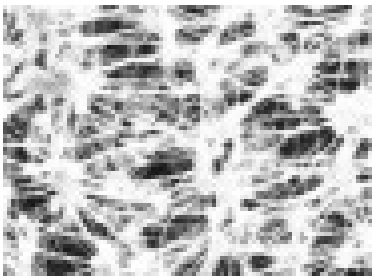
What is of value to note is that, when examining [redacted] as an aggregate, is that there are some project management capabilities present which are providing some positive outcomes and upon which [redacted] may build. This translates into both 21% of the project management capabilities associated with the maturity model and 21% of the organizational enabler capabilities associated with the model (ProductSuite scoring) already being existent within the division.

[redacted] **United States, Commentary**

When comparing geographical localities and the capabilities present within them, there is nominal difference between them. Indeed, the differences generally tend more towards the *extent* to what certain activities tend to occur and the *level of comfort* that the practitioners indicated was present with established practices. Project communications activities and stakeholder engagement activities varied between the [redacted] and [redacted] plants with interviewees noting that both sets of activities were more easily accomplished for plant-specific projects in [redacted], due primarily to the (predominant) collocation of project team associates within the plant. Similar results were noted for the [redacted] locations. Conversely, [redacted] associates indicated some challenges in identifying the appropriate associates for the plant due to the number of potential team members at that location.

[redacted] **Commentary**

Associates in both Germany and Scotland indicated a heightened level of project rigor when it came to their requirements identification, scope management, project communications, stakeholder management, and procurement activities. By and large the associates interviewed attributed this to both the collocation of plant associates, additional direction by leadership and quality associates, and heightened awareness specific to regulations in the European Union. They also indicated that their ability to visit client sites (more so than they believed their U.S. counterparts to do so) allowed them to better define project requirements and more efficiently manage scope activities.



ANALYSIS BY PROJECT MANAGEMENT KNOWLEDGE AREA

The assessment conclusions have been aggregated from the interviews, project artifacts, and repository and process reviews. Conclusions are structured according to the Project Management Institute (PMI) ten Knowledge Areas and their associated process activities. Complete definitions of the areas and component activities can be found in PMI's *Guide to the Project Management Body of Knowledge (PMBOK Guide©)*. A short description of each of these is provided to assist the reader with framing an understanding of the item under discussion. At a summary level, these knowledge areas and activities are:

Integration Management

- Develop Project Charter
- Develop Project Management Plan
- Direct and Manage Project Work
- Monitor and Control Project Work
- Perform Integrated Change Control
- Close Project or Phase

Scope Management

- Plan Scope Management
- Collect Requirements
- Define Scope
- Create Work Breakdown Structure (WBS)
- Validate Scope
- Control Scope

Time Management

- Plan Schedule Management
- Define Activities
- Sequence Activities
- Estimate Activity Resources
- Estimate Activity Durations
- Develop Schedule
- Control Schedule

Cost Management

- Plan Cost Management
- Estimate Costs
- Determine Budget
- Control Costs

Quality Management

- Plan Quality Management
- Perform Quality Assurance
- Control Quality

Human Resources Management

- Plan Human Resource Management
- Acquire Project Team
- Develop Project Team
- Manage Project Team

Communications Management

- Plan Communications Management
- Manage Communications
- Control Communications

Risk Management

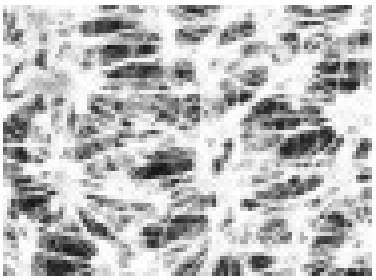
- Plan Risk Management
- Identify Risks
- Perform Qualitative Risk Analysis
- Perform Quantitative Risk Analysis
- Plan Risk Responses
- Control Risks

Procurement Management

- Plan Procurement Management
- Conduct Procurements
- Control Procurements
- Close Procurements

Stakeholder Management

- Identify Stakeholders
- Plan Stakeholder Management
- Manage Stakeholder Engagement
- Control Stakeholder Engagement



Project Quality Management

This includes the processes and activities of the performing organization that determine quality policies, objectives, and responsibilities so that the project will satisfy the needs for which it was undertaken. Project Quality Management uses policies and procedures to implement, within the project's context, the organization's quality management system and, as appropriate, it supports continuous process improvement activities as undertaken on behalf of the performing organization. Project Quality Management works to ensure that the project requirements, including product requirements, are met and validated. Project Quality Management consists of the following activities: Plan Quality Management, Perform Quality Assurance, and Control Quality.

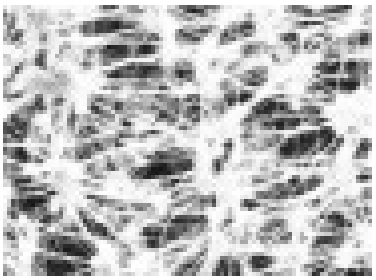
Assessor Commentary

While most [redacted] associates were able to speak to the levels of quality associated with their expected or designed project outcomes, and note some of the existing tool sets available to help facilitate both discovery of specifications quality and fitness for use, there was no sense of uniformity or standardization both between and amongst the various teams. Indeed, quality associates themselves had differing opinions on how to best support project teams with their project quality processes and activities.

Interviewees struggled with the concepts of project quality management considerations. As a case in point, *quality* and *grade* are not the same concepts. Quality as a delivered performance or result is "the degree to which a set of inherent characteristics fulfill requirements" (ISO 9000). Grade as a design intent is a category assigned to deliverables having the same functional use but different technical characteristics. The project champion and core team are responsible for managing the tradeoffs associated with delivering the required levels of both quality and grade. While a quality level that fails to meet quality requirements is always a problem, a low grade of quality may not be a problem. For example:

- It may not be a problem if a suitable low-*grade* [redacted] product (one with a limited number of features) is of high quality (no obvious defects, readable materials specifications set). In this example, the product would be appropriate for its general purpose of use.
- It may be a problem if a high-grade [redacted] product (one with numerous features) is of low *quality* (many defects, poorly organized materials specification). In essence, its high-grade feature set would prove ineffective and/or inefficient due to its low quality.

[redacted]'s core project teams do not, as a matter of course, determine the appropriate levels of accuracy and precision for use in the quality management plan, although they do take great care in ensuring that fitness for use and client requirements are examined and incorporated into the product development activities. While most interviewees were familiar with the quality tools available within [redacted] (QSi and AchieverPlus, predominantly), they were not always clear on the expectations of their project teams in employing them.



The concept of project quality management is not deeply entrenched in some of the [redacted] associates minds. In several cases, "quality" simply translated, according to several interviewees, to "testing." And while testing is a *part* of quality *control*, the majority of project-related quality aspects associated with planning and assurance have not been considered. The non-[redacted] platforms appear to have more of a nascent understanding that project quality entails adherence to standards for delivery and how to ensure that a product is developed that will more likely be successful in passing quality control tests. [redacted] does usually perform defect tracking within its QSi tool, but there is no evidence that the data being gathered is measured and analyzed to control and mitigate future occurrences, although the platforms' capacity to perform such exists.

It is also important to note at this point, too, that the concept of "fitness for use" is deeply entrenched among the associates and that the observations regarding project quality management activities are about ensuring that that "fitness" is considered, planned for, monitored and controlled, and developed systemically during the entirety of the product development and project lifecycle.

Additional detailed comments regarding the Project Quality Management process activities are provided after the interviewee observations.

Interviewee Observations

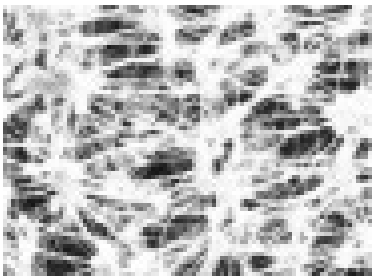
As mentioned above, most practitioners were unfamiliar with the concept of project quality management. Those that were acknowledged that "we haven't spent very much time on quality; it's been mostly very *ad hoc*" and "it would be very beneficial to have [a] quality management process." Others noted the need to expend additional time and energy on ensuring that more people on the teams should be focusing on quality, especially in dialogues with clients and such should occur "earlier and more often." Others understand the value of engaging with the quality management associates but lamented their minimal availability, indicating that as engineers and technologists, "…when it comes to quality, we're really not very good at it."

Plan Quality Management

This is the process of identifying quality requirements and/or standards for the project and its deliverables, and documenting how the project will demonstrate compliance with relevant quality requirements. The key benefit of this process is that it provides guidance and direction on how quality will be managed and validated throughout the project.

Quality considerations are taken seriously within the [redacted], although the main tools available (QSi for [redacted] and [redacted], and AchieverPlus for [redacted]) are not employed with any level of consistency and are bypassed in some circumstances altogether. See additional detailed assessor notes regarding the tools and how these tools are employed. While there are also quality associates who promote some best practices, there is differing levels of documentation on the tools of which they are aware, and minimal established protocols for helping ensure awareness and standardization of use.

The practice of quality planning is not formally adopted and standardized throughout [redacted], although there are systems in plan that appear to be receiving additional attention and consideration, in large part due to the awareness and training being provided by [redacted]'s quality associates. The foremost tool being employed is QSi,



with AchieverPlus (as well as the Design Review Database also being employed predominantly by the [redacted] teams and to a lesser degree by the [redacted] teams) in [redacted]. Quality practices are generally limited to process blueprinting activities, testing, and configuration related processes. Quality planning is not performed in [redacted] in parallel with the other planning processes. For example, proposed changes in the deliverables to meet identified quality standards may require schedule adjustments and a detailed risk analysis of the impact to plans, which are not generally also reexamined by the project teams.

There appears to be limited strategies in place for implementing quality assurance and quality control, although these do not include an emphasis on quality milestones. Some derivative project champions did request sign-offs at different points of the development lifecycle, although they sometimes had difficulty obtaining them from the customer. There was no evidence of an awareness of a quality policy, nor emphasis on quality standards or metrics against which the quality of the deliverables could be measured, the predominant emphasis being on the product or improvement itself.

It is worth noting that there is an expectation of "quality," in the delivery of projects and products, specifically those which may have originated as customer requests, but the definition of such is loosely determined and somewhat subjective, predicated heavily on internal knowledge and experience of the extended project team members' interests in such. Institutionalization of a more formal planning process, discussed both earlier under Project Integration Management and later in the Project Process Groups sections, would go a long way toward mitigating the risks of poor quality in project and product deliverables.

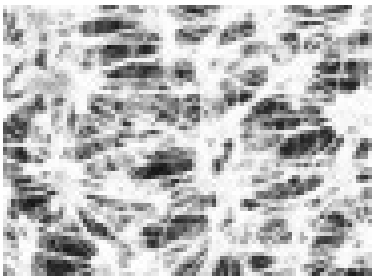
Perform Quality Assurance

This is the process of auditing the quality requirements and the results from quality control measurements to ensure that appropriate quality standards and operational definitions are used. The key benefit of this process is that it facilitates the improvement of quality processes.

[redacted] does not have a set of planned and systematic acts and processes defined within a quality management plans. The project teams do, though, attempt to ensure that work in progress will be completed in a manner that meets the specified requirements and expectations. This occurs, though, more by inspecting out defects during the work-in-progress stage of development than preventing defects through project or product planning processes.

In project management, the prevention and inspection aspects of quality assurance should have a demonstrable influence on the project, and for most [redacted] projects this does indeed hold true. Quality assurance work falls under the conformance work category in the cost of quality framework.

[redacted] has a basic approach established for quality assurance activities. For large, highly visible projects, a few teams establish project procedures and use walkthroughs or internal peer reviews (such as proofs-of-concepts, pilots, and testing) to assure the project deliverables are meeting the appropriate / desired quality for both functionality and purpose. But this is not always the norm. Certain project managers *may* identify the points in the development process at which there may be a need for extra quality precautions. These added steps are not documented, though, and are not standardized within the platforms. Success stories surrounding well-performed activities are not formally shared within the organization to leverage best practices amongst the engineering communities. Checklists exist for certain project activities within some of the platforms and the

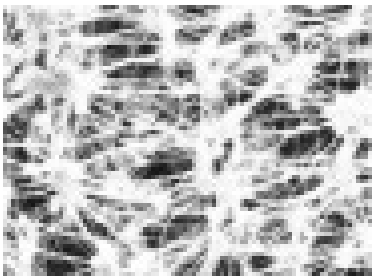


use of such is predominantly dependent on the individual project champions to determine whether or not to employ them. A mechanism to share these widely and continuously improve them does not exist.

Control Quality

This is the process of monitoring and recording results of executing the quality activities to assess performance and recommend necessary changes. The key benefits of this process include: (1) identifying the causes of poor process or product quality and recommending and/or taking action to eliminate them; and (2) validating that project deliverables and work meet the requirements specified by key stakeholders necessary for final acceptance.

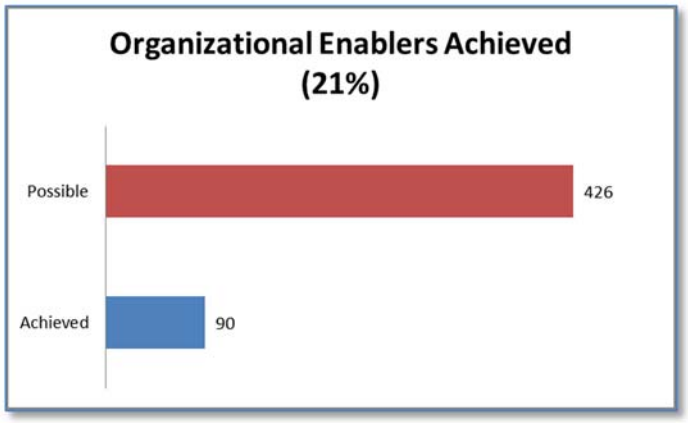
Quality control is exercised with a view at both product development activities as well as project management activities. The project teams do generally leverage QSi and AchieverPlus, although rules or protocols for the use of the tool during project execution could not be clearly articulated by the associates interviewed on the topic. There are no established guidelines for testing specific units or portions of a product or for review of individual project deliverables. The customer is not always involved in these processes for derivative projects and rarely provides sign-off upon satisfactory performance of a given test, although this is more likely to occur with the employment of third-party consultants or suppliers of services (for both technical and production-related functions). Project management deliverables are not always subject to review prior to submittal. There is capture of some summary-level testing metrics, as well as acceptance criteria, performance standards, change control measures, and similar within the technical projects but their application is project champion-dependent and not uniformly applied. As previously mentioned, the use of a requirements traceability matrix to ensure that tests cover technical requirements is not employed within .



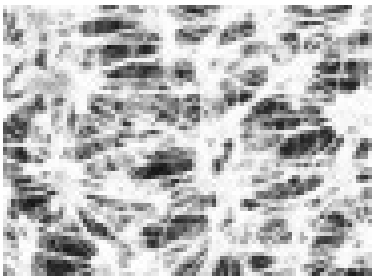
ANALYSIS OF ORGANIZATIONAL ENABLERS

The Best Practices contained within OPM3® are intended to deliver effective processes within the disciplines of Project Management, Program Management, and Portfolio Management (PPP Domains). Some of these Best Practices include organizational competencies which need to be in place if effectiveness within the processes of Project Management, Program Management, and Portfolio Management is to be fully realized.

In OPM3® ProductSuite these enabling Best Practices constitute a separate Best Practice categorization called "Organizational Enablers." Organizational Enablers are structural, cultural, technological, and human resource Best Practices that underpin and are foundational to the implementation of Project, Program, and Portfolio Management Best Practices. The Best Practices in this category are essential to achieving a higher degree of organizational project management maturity and cover 'organizational' areas such as organizational project management policy and vision, strategic alignment, executive sponsorship, competence management, teamwork approaches, project management metrics, project management information systems and knowledge management.



While [redacted] has demonstrated 90 of the 426 capabilities points associated with the foundational organizational project management enablers, the vast majority of these are qualified achievements, meaning that only partial or scattered successes have been noted. There is a definitive pattern noted between studios, though, that will assist with the incremental movement of the office toward maturity in a uniform manner as improvement initiatives are implemented. When organizations can learn and grow in a concerted manner across departmental boundaries, the communication of successes in one unit or group tend to help facilitate similar successes in the other units and groups. There are seventeen distinct Organizational Enablers in the *OPM3®* construct and a brief overview of [redacted]'s capabilities within each of these is provided below.



[redacted]

Organizational Enablers Area	Score (%)
4.1 Organizational Project Management Policy & Vision	24%
4.2 Strategic Alignment	48%
4.3 Resource Allocation	27%
4.4 Management Systems	33%
4.5 Sponsorship	71%
4.6 Organizational Structures	7%
4.7 Competency Management	10%
4.8 Individual Performance Appraisals	33%
4.9 Project Management Training	20%
4.10 Organizational Project Management Communities	0%
4.11 Organizational Project Management Practices	N/A
4.12 Organizational Project Management Methodology	7%
4.13 Organizational Project Management Techniques	N/A
4.14 Project Management Metrics	17%
4.15 Project Success Criteria	17%
4.16 Benchmarking	0%
4.17 Knowledge Management and PMIS	13%

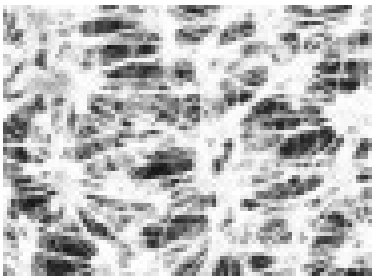
The table at left quantifies the percentage of capabilities achieved across [redacted]. The percentage scores achieved are indicative of an organization which has begun to consider the implementation of organizational project management practices but which has yet to achieve a level of institutionalization and standardization. Without improvement activities established and sustained for these enabler areas any other improvement initiatives are likely to not succeed without essentially Herculean championship by the studios' individual leadership teams. Moreover, cross-platform and global endeavors are much less likely to be as successful without some division-wide support mechanisms in place.

As such, the gap analyses and recommendations in the appendices of this report are inclusive of and largely predicated upon the continuous development of these Organizational Enabler capabilities and their associated outcomes.[5]

Organizational Project Management Policy & Vision

[redacted] presently does not have a formal mechanism by which it acknowledges the importance of a project management competency. While there may be an implied or tacit support for project management, there is not an explicit backing for it that has been communicated, fostered, and sustained such that project management is considered both a valuable discipline and a core competency across the organization. As such, there has only been some [redacted] *Project Practices* support that has been crafted. The division does not provide education to its senior leadership on the benefits of organizational project management and, people in different roles and functions throughout the division do not proactively collaborate to define and agree on common project management-related goals. **Practitioner interviewees expressed a strong interest in having established standards for project management processes to which they could adhere.**

[5] Organizational project management advances organizational capability by supporting project, program, and portfolio management principles and practices with organizational enablers (*e.g.*, structural, cultural, technological, and human resource practices) to support strategic goals.



Strategic Alignment
While individual platforms attempt to align their projects to their individual PSRs, the reality is that the strategic roadmap development and creation of business drivers and critical success measures does not occur at the divisional level. This poses challenges to project managers (and leadership teams) in understanding overarching priorities, identifying opportunities for enhanced collaboration, and effectively allocating resources in support of strategic objectives. Additionally, the division does not employ a formal business change management program to facilitate projects' strategic alignment.

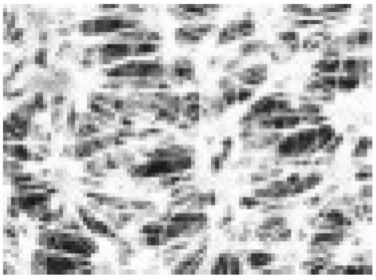
Resource Allocation
[redacted] does not have a process for assigning resources to projects and recording those assignments, although the platforms and operational legs attempt to informally capture this information regarding their associates internally to varying degrees of success (predominantly less successfully than more successfully). This remains one of the more significant challenges for the platforms in successfully managing their project activities, particularly in global endeavors. Most interviewees believe that leadership is unaware of the amount of projects that are currently in the studios' pipelines and, as one associate put it: "how much project work consumes our lives."

Management Systems
[redacted] employs few management systems that support, or can support, organizational project management functions. Of note, Lotus Notes and IBM Connections can be leveraged by project teams to assist with aspects of project cost management, project human resources management, and project execution activities. The project champions rarely leverage these mechanisms in support of their projects and there has been little exploration of the utility of these tools to better enable project successes. Time and cost capture and integrated knowledge systems are non-existent.

Sponsorship
The individual project teams identify project champions for projects and leverage those champions or other leadership or extended team member associates as appropriate to help break down barriers or remove roadmaps that may challenge an individual project's ability to execute as expected. **This has resulted in the achievement of a best practice for this particular enabler.** The champions, by and large though, have no soft skills training or established expectations of their role and their ability to actively help projects achieve the value needed or desired is limited as a result. Interviewees indicated a desire to have more leadership involvement at all levels of project planning and execution. "Leadership needs to better connected to our project efforts" stated one associate.

Organizational Structures
[redacted] does not presently actively support either a project/program management office or formal administrative support mechanisms to ensure the success of its project activities, in very large part due to its highly-latticed organizational structure and other cultural constraints. This is widely known and is an acceptable paradigm for [redacted] and [redacted]. There are, though, areas of opportunity for enhancement by developing a supported commitment mechanism that allows for the active and ongoing support of project activities.

Competency Management
The division's project champions are demonstrating some level of project management proficiency to varying degrees and the platforms and operational legs have a general understanding of internally available resources



CHANGE READINESS CONSIDERATIONS

The scope of work for this effort allowed for a discretionary formal change readiness assessment survey to be distributed and collected to help understand the cultural, historical, change agent/sponsor, leadership support, and other dimensions that might provide insight into the state of [redacted]'s project practitioner and stakeholder communities' "appetite" for change. What follows is a summary of findings from the survey results, the assessor's observations, some selected commentary from the interviewees, and some considerations for including formal organizational change management activities when employing the recommendations for increasing organizational project management maturity within the division.

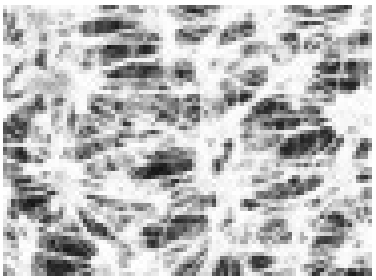
A detailed list of the anonymous survey results, inclusive of supplementary data analytics, has been provided separately to the PM Cornerstone Team and is designated as Appendix K of this report. This reference is provided should the core team desire additional information regarding the survey responses. Respondents to the survey were also provided with the opportunity to self-identify themselves should they wish the consulting team to reach out to them that they might provide additional insights based on their experience or other criteria; several individuals expressed their desire to provide information and their input has been taken into consideration as part of the evaluation. This is historically non-normative; most survey respondents do not avail themselves of the opportunity to provide additional direct commentary. Those who did so predominantly wanted to underscore discretionary comments made by survey respondents regarding [redacted]'s culture and the need to be aware of certain sensitivities surrounding the potential "mandate" of change.

It became quite obvious and evident very early in the interview process that there is significant support for project management change enablement across the division. Indeed, as the project practitioners, team members, and extended stakeholders discussed the potential for project management support, they have been actively expressing a strong desire to have *more* mechanisms than fewer enabled that will assist them with their project activities and are quite supportive of such as long as [redacted]'s cultural norms are maintained.

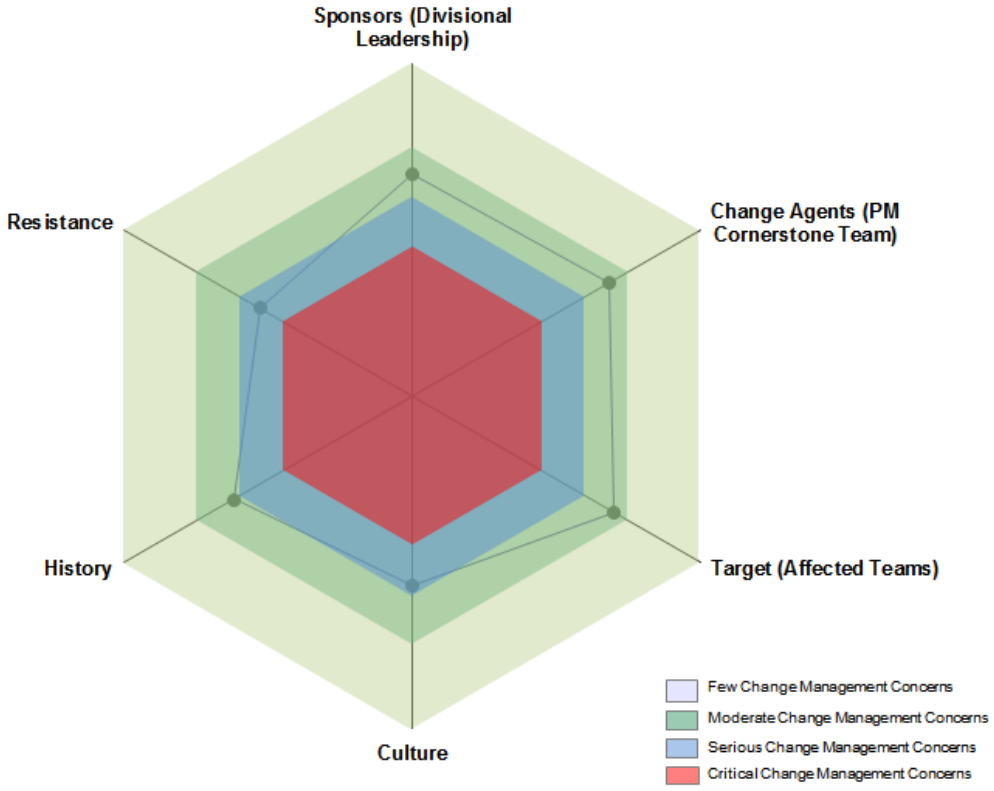
There were some differing perspectives, though, on the *capacity* for change within [redacted]. While some believed that slow, incremental adjustments would be more appropriate, others believe that a more pronounced and comprehensive paradigm shift would be best. The PM Cornerstone Team has suggested that an approach that leverages the top priority projects would be an appropriate first step, and The Project Strategy Consulting Group, in large part, agrees. The recommendations and roadmap for improvements sections of this report (Appendices E and G) takes these considerations into account.

There were 75 respondents to the survey when it was conducted in June of 2014, of which 69 were sufficiently completed to draw conclusions. Survey data was analyzed as an aggregate as well as against some other criteria typically of value to consider; these include:

- Leadership *vs*. non-leadership roles of respondents
- Geography of respondent
- Length of tenure with [redacted] and within [redacted]
- Length of exposure to project management practices

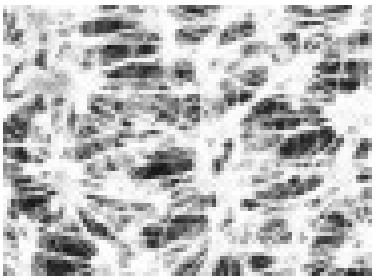


The questions asked in the survey were in six parts, three of which enquired about the roles involved with change (divisional leadership as the "sponsor" of change, the PM Cornerstone team as the agent of change, and the affected project team target community), and three of which enquired about critical change variables that tend to facilitate or detract from change endeavors (cultural, historical, and resistance factors). The analysis yielded the following results:



Findings of note from the analyses include the following:

- Nearly all respondents believe that the divisional leadership understand the external drivers of change and the cost of not changing the current state of project management practices within [redacted], that leadership are open and flexible regarding the future state of project management practices, and are open and flexible regarding the path [redacted] should take to achieve a yet-to-be-determined future state of [redacted]'s project management practices. Indeed, a very high response rate was recorded with respondents' belief that leadership is *committed* to achieving the future state of project management practices. Commentary provided by respondents in the survey and during the course of interviews emphasized the point that leadership's active and ongoing support of the future state would be critical to achieving success and realizing the value that improved project management practices would very likely deliver to projects and the teams leading those projects.



- While respondents were overwhelming confident of the PM Cornerstone team's ability to define and effectively manage the future change, they were also very unclear what that change might look like and whether the core team properly understood all of the prospective challenges associated with bringing about an organizational adjustment of this kind. Of minor note, leadership respondents (as opposed to non-leadership respondents) had a slightly lessened willingness to agree that the core team would be able to effectively articulate their change communications messages and to build effective strategies and tactics to support the overall change.

- Respondents believe that they and their peers are less comfortable and able to live with a high level of disruption and a lack of definition. On a potentially related note, though, is that there was significant variance with those new to [redacted] and/or [redacted] as opposed to much more tenured respondents with whether or not the teams affected by the potential future change "get bored if things stay the same too long." Those new to [redacted] and/or [redacted] believed that boredom with the *status quo* would be more disruptive than those who had been with [redacted] and/or [redacted] longer.

- With the exception of the item mentioned above and responses regarding historical change within [redacted], it is worth noting that new associates overwhelming were much more positive with their responses than more tenured associates.

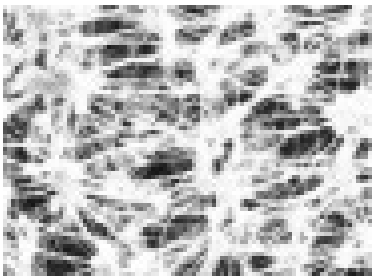
- When asked about cultural aspects of how project teams perform with their project endeavors, they noted that there are gaps in how [redacted]'s project teams should address project communications, associate involvement, leadership styles, decision making, customer relationships, technology use, change management, and recognition. Associates were okay with their quality focus and had an exceptionally strong and positive belief in project's team collaboration abilities.

- Respondents tended to *disagree* with the statements "[redacted] has consistently used sound change management strategies and tactics" and "[redacted] has rewarded only those associates who were good champions of change." **The level of disagreement with the reward statement was particularly notable** and the assessment team is unsure whether it is because of the use of the word "only" in the phrase or more of a reaction to the concept of reward in and of itself. The PM Cornerstone team may wish to explore this further as it plans its change management activities.

- There were quite noticeable differences between leadership and non-leadership respondents with the statements "[redacted] has encouraged the expression of resistance and responded to it" and "[redacted] has involved associates in all functions in the change process." Leadership associates tended to disagree with the statements while non-leadership associates tended to agree that statements were predominantly true.

- Leadership believes that associates do not see the need for change and non-leaders believe that associates do see the need for change.

- Respondents predominantly believe that most associates feel that change will not expose current deficiencies.



- Associates with three or less years with [redacted] believed that many of their peers are currently also coping with personal changes.

- Most associates do not believe that the *status quo* is effective and do see the need for change.

Typical responses to open-ended questions during the interviews and culled from the surveys include:

With Regard to Divisional Leadership:

- "It is not clear to me as to how much divisional leadership is aware of, supports or values project management. I haven't heard it mentioned as a priority. Leadership is very flexible and open to change."

- "Personally I do not perceive any active promotion or support to the PM topic from the [redacted] leadership. I never heard any statement – [either] in written form, during the Brief the Briefer or in a plant meeting. To be fair, I've never discussed the PM topic with any of the [redacted] leadership members."

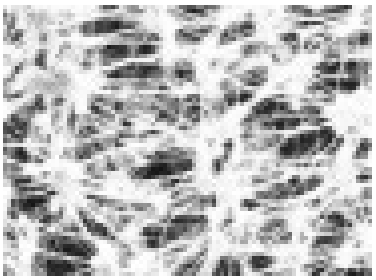
- "My feeling is that the DLT is in even keel mode regarding PM. If the future state can be implemented without any impact on headcount and the current commitment of the Associates the DLT will support this effort. This is already shown by putting the current project above the line; it supports as well one of the divisional goals to strive for efficiency in our business processes. But I think they don't feel the need to improve PM so pressing that additional resources would be added or that they would change and drive/support a change of behaviour so PM can be sustained beyond the implementation phase."

- "That we are having these discussions is positive. We have functioning PACT processes in other Divisions such as IPD. The only way this could possibly succeed in [redacted] is if Leadership communicates the expectation that follow a process, whatever it is. To date, we have no such process."

- "I feel that the Divisional Leadership Team in [redacted] is very supportive of proper project management practices, especially regarding [redacted] tools such as the PCS and Real Win Worths. That being said, there is very little to no vocalization from the Divisional Leadership Team regarding the usage of these tools. I have found that the platform leadership teams are the ones that really push and support a semi-standardized usage of "[redacted]" project tools. Of course, these tools are geared towards focusing on or justifying a project, not so much on the actual management and execution of the project."

- "I'm assuming the Divisional Leadership Team is supportive of the Cornerstone project, but I have yet to hear anyone on the team communicate that directly or discuss its importance to the division."

- "I have never heard the Divisional Leadership team articulate their vision or expectations for using Project Management techniques as a part of our regular way of doing business. Therefore I do not



have a sense of their focus, priority or level of commitment to implement a Project Management initiative. However I think they would generally encourage this kind of effort."

With Regard to PM Cornerstone Team:

- "The PM Cornerstone Team is a relatively new team which has been focused more on a systematic improvement of project management practices. As such, there has not been much to [implement] and they are not at a point in the project where they are driving changes in specific teams. The team itself is certainly comprised of highly respected and experienced associates in project management. They also have strong links to the Divisional Leadership Team as well as throughout the division. They are careful and thoughtful listeners whom are very capable of working with teams to establish the right practices moving forward so that associates are engaged and the projects are successful."

With Regard to the Affected Project Teams:

- "Response to this initiative is going to depend very much on individuals at first, and seems likely to be adopted or rejected in team settings later on."

- "I do believe the affected teams are open to change and are willing to do so; I am just concerned that some of the teams have not been made aware of the need for change."

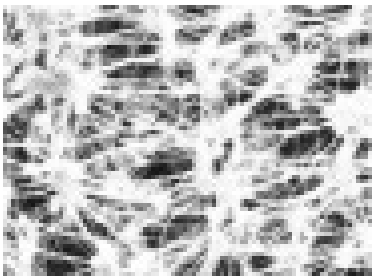
- "I think the affected teams are willing to make a change happen, but if they will be able to devote the time to such changes is a big question to me."

- "The teams most affected by these changes will be those associates who are supporting larger projects. I think that associates are generally very supportive of constructive changes in project management. However, most associates who are supporting projects (*i.e.*, leaders, project champions, engineers, scientists, technicians, cell leaders, *etc*...) have to deal with multiple project management styles. [On] one hand, this works well with the culture in that we can be flexible to what works best for any given project to be successful. The flip side is that people in affected teams have to use a highly diverse array of project management tools in various teams which can be very frustrating and lowers [efficiency]."

- "The affected teams must be part of the solution in order to gain buy-in. Otherwise, this change will not be successful."

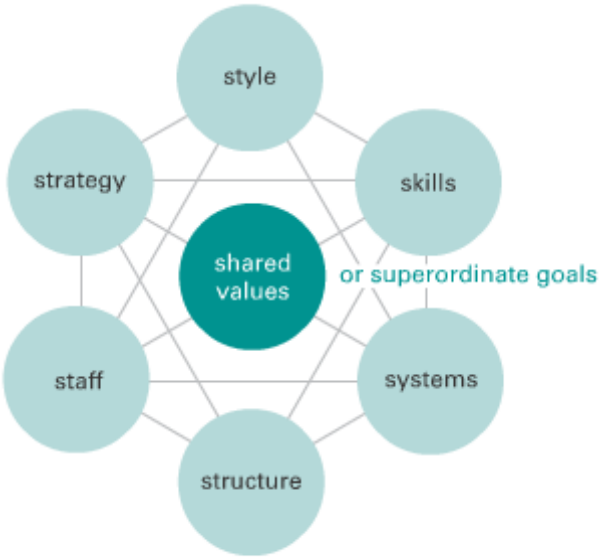
- "Teams will yield to strong leadership and clear articulation of what is expected. The absence of either will doom the implementation of [anything] this project produces."

The culture of [redacted], and in turn [redacted], is an amalgamation of the values and beliefs of the associates and [redacted] needs to guard against simply introducing new processes and supporting technologies without considering that



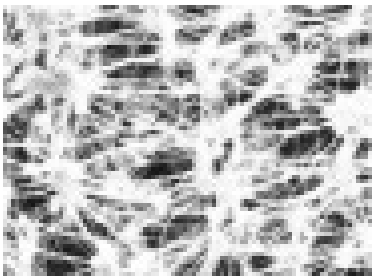
there are additional ways of improving project and portfolio management within the office, such as adopting a team-based approach to supporting project management, a change in the organizational climate, and a change in the style of stakeholder involvement. Many studies have indicated that increases in productivity because of the introduction of new technological or process-based solutions have not been as high as expected because management has ignored all the other factors.

The reason why many organizational changes are unsustainable is that they fail to influence all facets of the entity's operations and culture. In addressing organizational change management considerations, McKinsey & Company developed a now very well-established 7-S Framework (below) that helps visualize the interrelationships between various factors that are self-reinforcing. To be effective in accomplishing its goals, the work of [redacted] (its processes) must be aligned to the higher strategy and all components must complement the process and one another. Change introduced haphazardly into [redacted] may cause some or all parts of the model to be out of alignment.



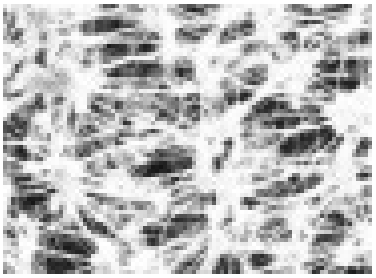
McKinsey & Company's 7-S Framework

- ***Shared values*** need to be nurtured to involve associates, suppliers and other key stakeholders in visioning exercises. Associates needs to understand why their contribution is important.
- ***Strategy*** is important when implementing the right change.
- Changing ***systems*** is central to any form of change.
- Flattening ***structures*** is a feature of organizations in the future.
- Management ***style*** needs to alter to support any form of change.
- Change strategies require improvements in existing ***skills*** and developing new ones.
- Commitment from ***staff*** needs to be high to make any intervention work.



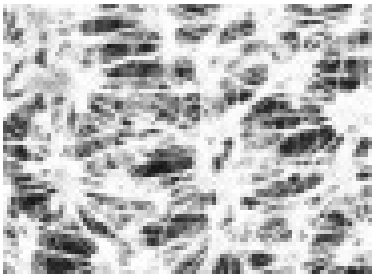
Additional details surrounding the use of the framework may be found in the original article at http://www.tompeters.com/docs/Structure_Is_Not_Organization.pdf and other sources.

The Project Strategy Consulting Group has also provided a separate guide from the Project Management Institute, *Managing Change in Organizations: A Practice Guide*, to aid as a supplemental reference. This PDF document is included as Appendix L to this report. Additionally, some specific change considerations for the PM Cornerstone team are included in Recommendation 1.1 (Appendix E).



APPENDIX A: SCORING DATA POINTS

[redacted] Project Management Process		Possible Score	Available Score	Awarded Score	Score (%)	Best Practices Achieved
1.1 Process Ownership		126	126	0	0	0
1.2 Develop Project Charter		9	9	9	100	0
1.3 Identify Stakeholders		9	9	4	44	0
1.4 Develop Project Management Plan		9	9	0	0	0
1.5 Collect Requirements		9	9	6	67	0
1.6 Define Scope		9	9	6	67	0
1.7 Create Work Breakdown Structure		9	9	0	0	0
1.8 Define Activities		9	9	1	11	0
1.9 Sequence Activities		9	9	0	0	0
1.10 Estimate Activity Resources		9	9	0	0	0
1.11 Estimate Activity Durations		9	9	0	0	0
1.12 Develop Schedule		9	9	0	0	0
1.13 Estimate Costs		9	9	2	22	0
1.14 Determine Budget		9	9	0	0	0
1.15 Plan Quality		9	9	4	44	0
1.16 Develop Human Resource Plan		9	9	1	11	0
1.17 Plan Communications		9	9	2	22	0
1.18 Plan Risk Management		9	9	2	22	0
1.19 Identify Risks		9	9	0	0	0
1.20 Perform Qualitative Risk Analysis		9	9	0	0	0
1.21 Perform Quantitative Risk Analysis		9	9	0	0	0
1.22 Plan Risk Responses		9	9	0	0	0
1.23 Plan Procurements		9	9	7	78	0
1.24 Direct and Manage Project Execution		9	9	0	0	0
1.25 Perform Quality Assurance		9	9	2	22	0
1.26 Acquire Project Team		9	9	6	67	0
1.27 Develop Project Team		9	9	7	78	0
1.28 Manage Project Team		9	9	7	78	0
1.29 Distribute Information		9	9	1	11	0
1.30 Manage Stakeholder Expectations		9	9	0	0	0
1.31 Conduct Procurements		9	9	7	78	0
1.32 Monitor and Control Project Work		9	9	0	0	0
1.33 Perform Integrated Change Control		9	9	0	0	0
1.34 Verify Scope		9	9	6	67	0
1.35 Control Scope		9	9	2	22	0
1.36 Control Schedule		9	9	1	11	0
1.37 Control Costs		9	9	0	0	0
1.38 Perform Quality Control		9	9	7	78	0
1.39 Report Performance		9	9	2	22	0
1.40 Monitor and Control Risks		9	9	0	0	0
1.41 Administer Procurements		9	9	8	89	0
1.42 Close Project or Phase		9	9	1	11	0
1.43 Close Procurements		9	9	6	67	0
	TOTAL	504	504	107	21	0



[redacted]

[redacted] Organizational Enablers Area	Possible Score	Available Score	Awarded Score	Score (%)	Best Practices Achieved
4.1 Organizational Project Management Policy & Vision	96	96	23	24	0
4.2 Strategic Alignment	21	21	10	48	0
4.3 Resource Allocation	18	15	4	27	0
4.4 Management Systems	24	18	6	33	0
4.5 Sponsorship	21	21	15	71	1
4.6 Organizational Structures	27	27	2	7	0
4.7 Competency Management	162	42	4	10	0
4.8 Individual Performance Appraisals	12	12	4	33	0
4.9 Project Management Training	30	30	6	20	0
4.10 Organizational Project Management Communities	21	21	0	0	0
4.11 Organizational Project Management Practices	48	0	0	N/A	0
4.12 Organizational Project Management Methodology	30	15	1	7	0
4.13 Organizational Project Management Techniques	45	0	0	N/A	0
4.14 Project Management Metrics	54	54	9	17	0
4.15 Project Success Criteria	12	12	2	17	0
4.16 Benchmarking	24	12	0	0	0
4.17 Knowledge Management and PMIS	39	30	4	13	0
TOTAL	684	426	90	21	1

[redacted]

Organizational Enabler Gap Analysis

BP Name	BP Description	CAP Name	CAP Description	CAP Outcome Name	CAP Outcome Description	CAP Domain	CAP IPECC	Knowledge Area	Business Result	Business Outcome Category	Business Requirement Category
Establish Organizational Project Management Policies	The organization has policies describing the standardization, measurement, control, and continuous improvement of organizational project management processes.	Established Standardization Policies	The organization has policies explaining which organizational project management processes must be standardized.	Standardization Policies	Standardization Policies are documented and communicated to all stakeholders.	Project, Program, Portfolio	Portfolio Monitoring & Controlling	Governance	Resource Optimization, Project Predictability, Internal Processes	Internal Processes	Quality of Service
		Established Measurement Policies	The organization has policies explaining which organizational project management processes must be measured.	Measurement Policies	Measurement Policies are documented and communicated to all stakeholders.						
		Established Control Policies	The organization has policies explaining which organizational project management processes must be controlled and defining the upper and lower control limits of control for each of those processes.	Control Policies	Control Policies are documented and communicated to all stakeholders.						
		Established Improvement Policies	The organization has policies that state that improvements to processes should not cause such processes to operate outside their upper and lower control limits.	Improvement Policies	Improvement Policies are documented and communicated to all stakeholders.						

[redacted]

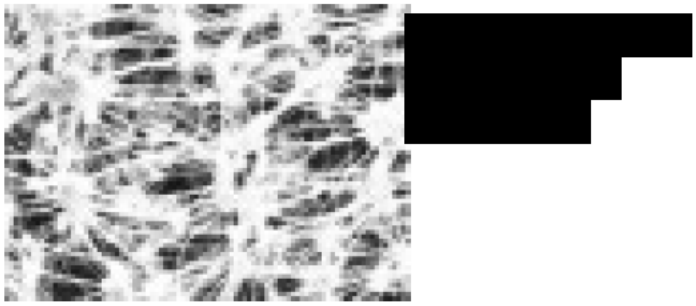
Organizational Enabler Gap Analysis

BP Name	BP Description	CAP Name	CAP Description	CAP Outcome Name	CAP Outcome Description	CAP Domain	CAP IPECC	Knowledge Area	Business Result	Business Outcome Category	Business Requirement Category
Establish Strong Sponsorship	Sponsors actively participate in supporting the project.	Appoint an Executive Sponsor for Each Project	The organization appoints a sponsor for every project.	Executive Project Sponsor	Each project has a sponsor.	Project, Program, Portfolio	Controlling, Portfolio Monitoring & Controlling	Governance	Internal Processes	Internal Processes	Functional
		Understand Project Vision	The project sponsor has a good understanding of the project vision and its charter	Endorsed Project Vision	The project sponsor has a good understanding of the project vision and its charter and endorses both.						
		Commitment of the Project and its activities	Sponsor champions the effort to remove barriers to project success.	Supported Project Team	Barriers have been addressed by project Sponsor.						
Use Formal Performance Assessment	The organization integrates PM performance in their formal processes and procedures to assess performance.	Assess Performance Linked to Project Performance	The project managers contribute to the performance reviews of their team members.	Performance Assessment Linked to Projects	Project manager input taken into account during performance assessment process	Portfolio	Controlling, Portfolio Monitoring & Controlling	Governance	Resource Optimization, Internal Processes, Learning & Growth	Internal Processes, Learning & Growth	Functional
		Provide AaStrong Link to Project Performance	The Project Managers provide input and recommendations for their team members reviews.	Performance Assessment Influenced Strongly By Project Linkage	Project manager has equal weighted input into performance assessments.						
		Establish a Complete Link To Project Performance	The organization performance review procedure includes project-related assessments for all reviews.	Integrated Performance Assessment Linkages	Functional and project managers integrate their expectations						

[redacted]

Organizational Enabler Gap Analysis

BP Name	BP Description	CAP Name	CAP Description	CAP Outcome Name	CAP Outcome Description	CAP Domain	CAP IPECC	Knowledge Area	Business Result	Business Outcome Category	Business Requirement Category
Include Strategic Goals Into Project Objectives	Objectives of projects include explicit strategic goals in addition to time| cost| and quality.	Measure Success By Project Results	Project success is defined as achievement of prescribed project goals.	Project Level Success Measures	Project success measures are defined at the project level.	Project	Controlling	Governance	Internal Processes	Internal Processes	Functional
		Measure Success By Value to Organization	Project success is defined in context of strategic goals.	Organization Level Success Measures	Project success measures are defined in terms of contributions to organizational strategic goals.		Portfolio Aligning, Portfolio Monitoring & Controlling				
Review Projects against "Continue or Terminate" Criteria	The organization has gateways where deliverables are assessed and the projects are allowed to continue or need to be stopped.	Collection of Criteria Assessment Data	The success criteria are identified and the assessment data collected for a project.	Performance Awareness	Projects have success criteria identified and assessment data is collected.	Project, Program, Portfolio	Initiating, Portfolio Aligning	Quality Management	Resource Optimization, Internal Processes	Internal Processes	Functional
		Utilize Project-Specific Success Criteria Assessment	The results of the project-specific success criteria assessment are consistently and effectively acted upon.	Customer Expectations Met	Documented actions are taken based upon success criteria and assessment data.		Controlling				

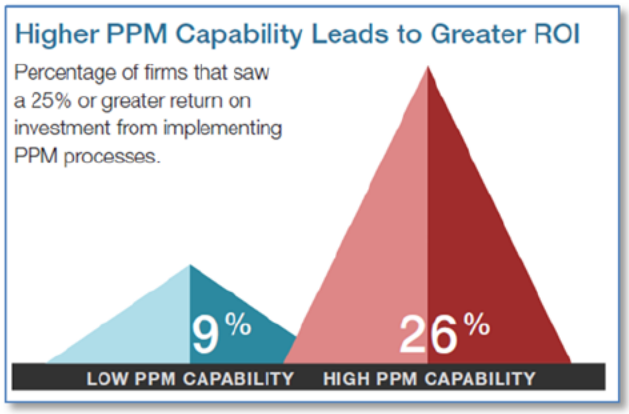


Recommendation 5
Implement a Project Portfolio Governance Function

As noted in the "Trends to Watch for in 2012" section of PMI's most recent *Pulse of the Profession:*

> **Tight economic conditions will continue to force the issue of good project portfolio management.** Selection of the right projects and resourcing those projects for success will be seen as critical to the efficient achievement of an organization's strategy. Over half of respondents report frequent use of project portfolio management in their organization, an increase of five percentage points from the previous survey. According to a 2011 survey on PMI's *The Standard for Portfolio Management*, financial and budget management is the second most important aspect of portfolio management, after providing "big picture" visibility to executives.

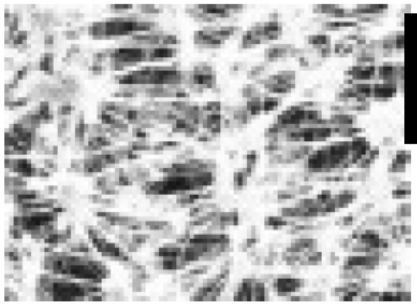
Of some consideration will be the interest of gradually incrementing the functionality of portfolio management across the various studios, demonstrating the value that this discipline brings to helping resolve issues associated with some of [redacted]'s more challenging and problematic pain points. As such becomes institutionalized within the studios, it should be a natural progression to increase the value that portfolio management activities can bring across studios, potentially firs with cross-studio endeavors and then as an office-wide function for maximal governance and strategic benefit.



In addition to hard dollar benefits, IT organizations that advance their level of portfolio management maturity can expect to gain additional improvements[11], as follows:

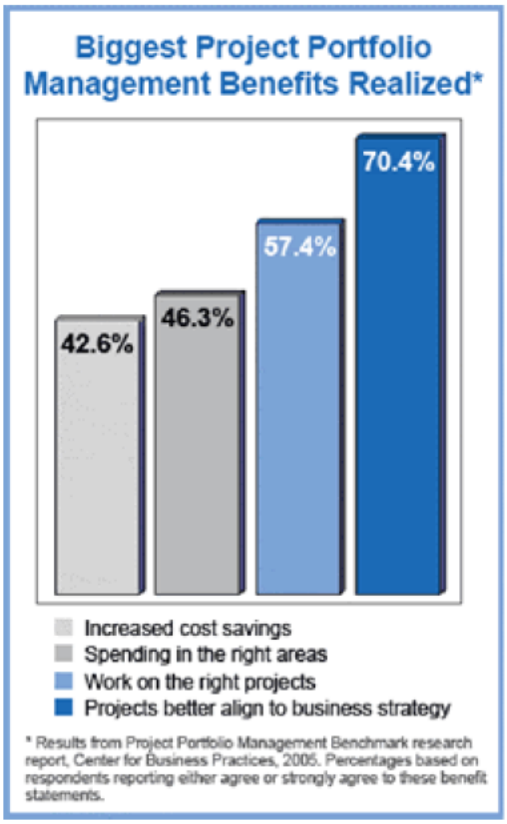
- **32.5%** increase in end-user satisfaction. Business users want responsiveness and quality support. Executives require accountability and need to be convinced of the business value of IT investments. Appropriate portfolio management practices increase end-user satisfaction by helping to manage the complexities of IT and business requests and longer-term investments in a decentralized environment. Good governance and portfolio management make it easier for organizations to implement an effective strategy that includes managed processes and communications between all involved parties along every step of the way from request submission to request completion or from project selection to final project delivery.

[11] CA Clarity Performance Data, 2008



- **20%** improvement in time to value. Delivering projects on time is important to the strategic success of any effort. Proper portfolio management provides the basics such as time tracking and project and resource management to eliminate bottlenecks and schedule slippages that prevent on-time delivery. A mature portfolio management environment extends beyond these basic capabilities with rich collaboration, knowledge management, and best practice methodologies to cross-functional teams to increase the chances that projects will be delivered when promised.

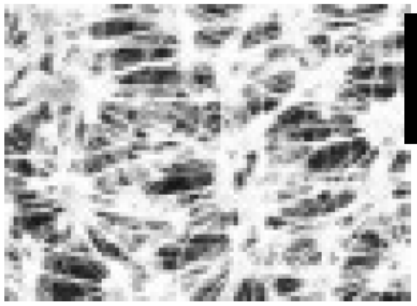
- **10%** improvement in demand management response. Portfolio management improves the response times for responding to incoming work requests, often referred to as demand management. Because a well-developed portfolio management system consolidates all requests, such as those for projects, services, enhancements and problem resolution, organizations have the single point of visibility they need to more effectively prioritize and schedule resources. When requests cannot be resolved by first-line support, workflow facilitates escalation and automates routing.



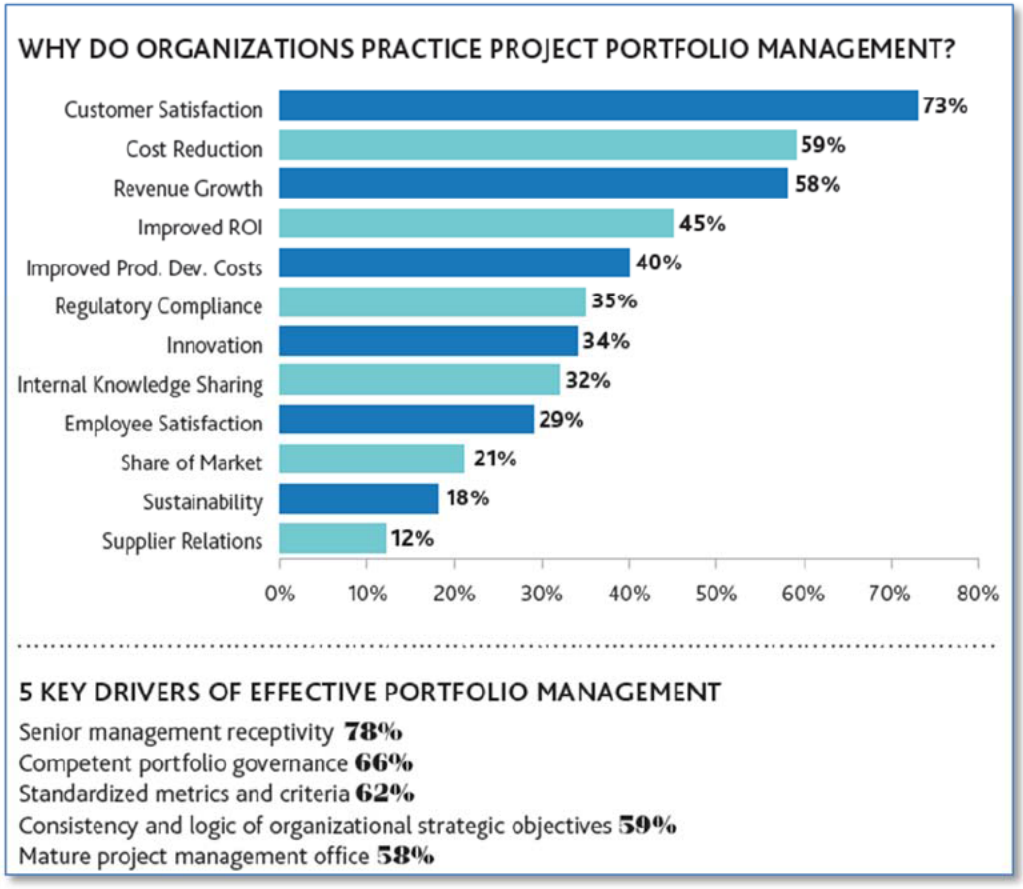
- **25%** improved alignment of IT with business objectives. In today's environment controlling costs is important, but IT must demonstrate business value as well. Elevated maturity makes it possible to evaluate investment opportunities not only on cost, but also on how well they support the overall business strategy and key business drivers such as customer satisfaction, revenue growth, and employee safety and health compliance.

- **23%** increase in outsourcing utilization. Improved maturity lets organizations identify optimal outsourcing opportunities, then manage the use of geographically dispersed outsourced resources. Outsourcing, using contractors inside or outside the organization, is desirable for a variety of reasons, namely to free internal staff for other purposes, improve company focus, free up capital funds, gain access to resources not available internally and to accelerate project delivery.

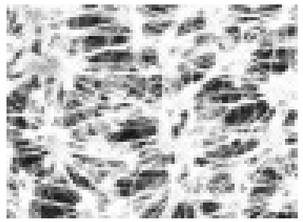
- **10%** reduction in number of applications. Companies with low levels of portfolio management maturity lack application portfolio management techniques that allow them to continuously assess their investments from an enterprise architecture perspective. As a result, redundancies, underutilization, and obsolescence cause the application portfolio to be larger than it need to be. An increase in maturity improves the ability to rationalize the portfolio across the entire enterprise.



- **20%** reduction in number of software suppliers. As companies improve their maturity, they significantly reduce the size of their application portfolio by eliminating applications that are redundant, infrequently used, or obsolete. This translates into fewer software vendors, reducing maintenance and support costs.



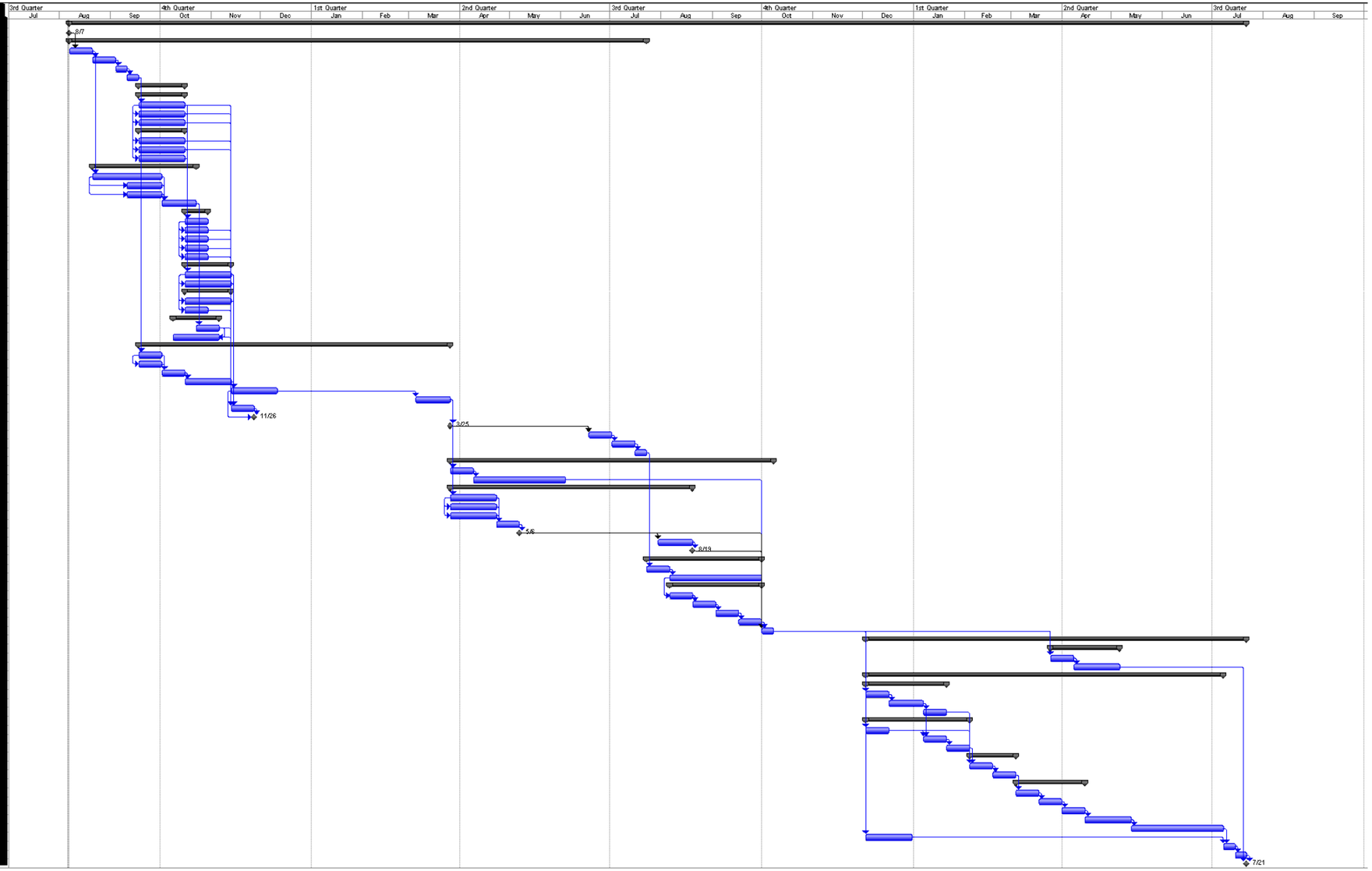
In the following sub-recommendation sections, additional specific details on the implementation steps appropriate for [redacted] and a portfolio management function are provided.

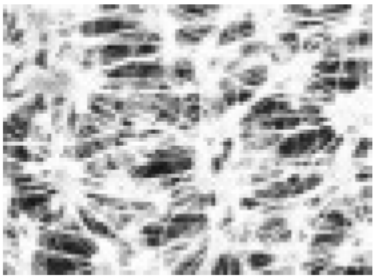


[redacted]

APPENDIX G:
ROADMAP FOR IMPROVEMENT ACTIVITIES

Task Name	Duration	Predecessors
[redacted]OPM3 Project Improvement Initiative Roadmap	510 days	
Project Start	0 days	
PHASE 1 (NEAR-TERM)	250 days	
Brief leadership on the proposed PM Cornerstone proj	2 wks	2
Brief the extended stakeholder community on results	2 wks	4
Consider additional PM Cornerstone core team training	1 wk	5
Identify extended PM Cornerstone project team memt	1 wk	6
Work with the extended PM Cornerstone project t	20 days	
Supplement the Horizon Contract Form with	20 days	
Crafting a WBS and defining the activities, r	1 mon	7
Examining risks and opportunities	1 mon	10SS
Identifying and communicating with stakehol	1 mon	10SS
Supplement the [redacted] Worksheet	20 days	
What is in scope and what is out of scope	1 mon	10SS
How to evaluate scope changes / opportuniti	1 mon	10SS
Requirements identification and managemen	1 mon	10SS
Work with leadership associates to develop an inf	45 days	
Develop the portfolio function structure operating	6 wks	4
Populate and train the function associates	3 wks	18SS+3 wks
Formalize guidelines and portfolio review function	3 wks	18SS+3 wks
Develop and refine project-specific working relati	3 wks	18,19,20
Prepare organizational change management (OCM	10 days	
the pilot of supplemented project practices docun	2 wks	10,11,12,14,1
subsequent roll-out to [redacted] of supplemented proj	2 wks	23SS
ongoing leadership involvement and support	2 wks	23SS
ongoing project champion and project team engag	2 wks	23SS
metrics collection and evaluation activities	2 wks	23SS
Develop training, online tutorials, and supporting	20 days	
the adjusted project practices documents and	4 wks	10,11,12,14,1
the leadership review processes	4 wks	29SS
Work with Learning and Development to:	20 days	
make Kepner-Tregoe training [redacted]-specific, incor	1 mon	29SS
update the Advanced Project Practices course to	2 wks	29SS
Identify a mechanism for single source (portal) of	20 days	
including ongoing ownership, and	2 wks	21
the collection and evaluation of best practices, e:	1 mon	35FF
Develop the coaching and mentoring program fra	135 days	
Determine specialty knowledge areas, as appropr	2 wks	7
Establish support roles for both practitioners and	2 wks	38SS
Identify and solicit prospective coaches / mentor	2 wks	38,39
Develop the coaching / mentoring activities	1 mon	40
Implement with the top priority projects	1 mon	41
Evaluate feedback and refine (implement lessons	3 wks	42FS+3 mons
Review the adjusted project practices documents with	2 wks	10,11,12,14,1
Pilot the adjusted project practices documents with the	0 days	42SS,44
Roll-out the adjusted project practices documents to E	0 days	43
Evaluate efficacy of improvement initiative compone	2 wks	46FS+3 mons
Plan for next improvement steps and any necessary	2 wks	47
Perform Lessons Learned	1 wk	48
PHASE 2 (MID-TERM)	140 days	
Revisit and refine the OCM plan	2 wks	43
Roll-out coaching and mentoring framework to the EPI	2 mons	51
Evaluate and implement ongoing project delivery	105 days	
Project collaboration tools	1 mon	43
Project monitoring and control tools	1 mon	54SS
Project baselining tools	1 mon	54SS
Review the adjusted project practices documents	2 wks	54,55,56
Pilot the adjusted project practices documents wit	0 days	57
Evaluate feedback and refine (implement lessons	3 wks	58FS+3 mons
Roll-out the adjusted project practices documents	0 days	59
Engage with leadership to develop the next portfo	50 days	
Assess the effectiveness of the portfolio review	2 wks	49
Mature the processes and function structure	2 mons	62
Develop and define strategic alignment evalu	40 days	
Determine strategic guidance through feedba	2 wks	63SS
Establish the alignment and prioritization crite	2 wks	65
Integrate the criteria into the portfolio manag	2 wks	66
Train stakeholders on the use of the criteria	2 wks	67
Perform Lessons Learned	1 wk	68,60,68,52
PHASE 3 (LONG-TERM)	165 days	
Continue to evaluate the portfolio management ar	30 days	
Assess the criteria to determine if it is properly a	2 wks	69FS+6 mons
Mature the criteria based on the assessment and	1 mon	72
Develop and Implement a Resource Optimization	155 days	
Definition of the Resource Capacity	35 days	
Definition of the Resource Pool	2 wks	69FS+2 mons
Quantification of the Availability of Resourc	3 wks	76
Updating of the Resource Management Data	2 wks	77
Estimation of Resource Demand	45 days	
Extraction of Project Information from Propo	2 wks	69FS+2 mons
Validation of the Project Information with Pro	2 wks	77,80
Updating of the Project Registry	2 wks	81
Analysis of Resource Capacity vs. Resource I	20 days	
Consolidation of Resource Information	2 wks	82,80,78
Performance of a Preliminary Analysis of Su	2 wks	84
Optimization of the Project Portfolio	30 days	
Review of the Development of Detailed Plar	2 wks	85
Estimation of the Detailed Resource Require	2 wks	87
Analysis of Project Portfolio Resource Utiliz	2 wks	88
Negotiation of Project Resources	1 mon	89
Transition to Management of the Portfolio	2 mons	90
Evaluate project accounting mechanisms	1 mon	69FS+2 mons
Plan for reassessment	1 wk	91,92
Perform Lessons Learned	1 wk	93
Project End	0 days	94,73





APPENDIX I: NOTATIONS NOTEBOOK

This MS Excel file contains a majority of the summarized notes from the assessor's interview sessions that have been parsed into the knowledge areas and process groups for analysis. While of minor referential interest, it does help provide an indicator of the areas of interest and perceptions expressed by interviewees that were used as a primary input to the commentary in analysis sections of this report. The data points are anonymous.

APPENDIX J: PRESENTATION OF FINDINGS

This MS PowerPoint deck summarizes the assessment's objectives, approach, findings, and recommendations. It may be used by the PM Cornerstone team to provide leadership, extended project team members, and other stakeholders with an overview of the assessment and be supplemented with additional information as appropriate.

APPENDIX K: ORGANIZATIONAL CHANGE READINESS SURVEY RESULTS

This MS Excel file contains the detailed and summarized data from the online change readiness survey provided to [redacted]. The data points are anonymous.

APPENDIX L: *MANAGING CHANGE IN ORGANIZATIONS – A PRACTICE GUIDE*

This PDF file is the Project Management Institute's comprehensive guide for organizational change management considerations and is provided as a supplement to assist the PM Cornerstone core team with the implementation of Recommendation 1.2.

APPENDIX M: *PROJECT MANAGEMENT METRICS, KPIs, AND DASHBOARDS*

This physical book is provided to the PM Cornerstone core team for their reference and consideration as they commence down the path toward project and portfolio management maturity. It is the definitive body of work on the subject of monitoring and measuring project performance.

APPENDIX N: *XYZ PM Scheduling Tutorial v1.0a*

This PDF file is provided as an example of a supplemental training aid that helps project practitioners work their way through a tool and process for creating a project schedule through decomposition, estimating resources and durations, and identifying dependencies.

APPENDIX O: [redacted] 2014 OPM3 Project Improvement Initiative Roadmap

This MS Project file is the soft copy of Appendix G that the PM Cornerstone Team may use for planning and controlling the improvement schedule and team activities.