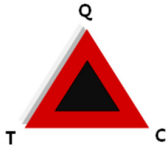


XXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXX

**Project management maturity assessment for the Program and Projects Branch of the
XXXXXXXXXXXXXXXXXX**

Project Management Maturity assessment level report
For
The Program and Projects Branch (X&X)

Version: 1.0, xx April 2016



Executive Summary

The Program and Projects branch (X & X) of the xxxxxxxxxxxx (XXX) commissioned QTC to review the project management maturity within the branch, via a distributed self-assessment questionnaire (see attachment 1) and individual interviews (incorporating) project managers, project team members and line managers.

This information together with the statistical analyses, offer valuable insights into the current maturity level, proficiency, gap identification, and considerations to improve maturity that are aligned to the needs of the XXX.

These primary findings arose from our observations, conversations and analysis:

Project Quality Management – a greater understanding is required and emphasis on what this means, i.e. quality of product (not simply meeting standards) and quality of PM process.

Clarification of scope – this relates to the above observation with regard to project quality and also brings in the issue of greater involvement of the xxxx, in terms of understanding their role as project sponsors.

Project Benefits - there was evidence of benefits being identified, but no metrics applied to them and therefore no real way of ascertaining if they were realised either during or post project completion.

Project Stakeholder Management – the observation was one of noting a very high level view of stakeholders without the necessary detailing, e.g. power and interest, key issues and targeted communications to address the Stakeholders key issues.

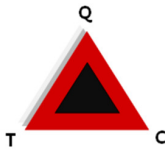
Project Risk Management – the focus here requiring attention is on the issue of ensuring the right person is managing the right risk, i.e. the risk registers available showed one person managing almost all risks, it is highly unlikely that this was correct based on the fundamental principle of ‘person best able to manage’.

Project Time Management – there is evidence that a greater understanding of the setting up of Gantt charts is required, due to floating (non-attached, no predecessors) tasks being evident (critical path not correct, if indicated) and calendars not being set.

Client identity – one project had many ‘chiefs’ and would have benefited from a clarity of ownership.

General comment – it was evident that project information is being stored outside of the ‘system’ (xxxxxx) therefore not passing the ‘under the Bus’ test, i.e. rendering it difficult for an incoming PM to quickly ‘come to grips’ with a project.

The positive, is that all these areas can be addressed in the short to medium term and the staff participation, interest and contribution was both evident and encouraging.



Individual competency assessments (validated)

| | Name | Name | Name | Name | Name | Name | Name | Name | Name | Name | Name | Name | Name | Name | Name | Name | Name | Name | Name | Average | |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|------|----------|----------|----------|----------|-------------|----------|----------|
| Application of Project Integrative Processes | 1 | 1.272727 | 4.545455 | 4.363636 | 1 | 5 | 3.909091 | 3.181818 | 4 | 4.636364 | 3.636364 | 1.545455 | | 3 | 3 | 3.454545 | 3 | 3.727273 | 4.181818182 | 3.247475 | |
| Application of Scope Management | 1 | 1.125 | 4.375 | 4.125 | 1 | | 3.625 | 2.875 | 4.125 | 4 | 4.125 | 4 | 1.25 | 3 | 3 | 2.125 | 3 | 3.625 | | 3.027778 | |
| Application of Time Management | 1 | 1.111111 | 4.333333 | 3.777778 | 1 | 4.222222 | 3.777778 | 2.333333 | 4.111111 | 4.444444 | 4.555556 | 2 | 2.444444 | 3 | 2.777778 | 2.5 | 3.222222 | 3 | 2.978995 | | |
| Application of Cost Management | 1 | 2.222222 | 1 | 4.555556 | 4.222222 | 1 | 4.666667 | 3.888889 | 2.222222 | 4.444444 | 4.666667 | 4.888889 | 1.555556 | 3 | 3.222222 | 3 | 3.333333 | 3 | 3.185185 | | |
| Application of Quality Management | 1 | 1 | 4.545455 | 3.818182 | 1 | 4 | 3.636364 | 2.727273 | 3 | 4.363636 | 3.181818 | 1.545455 | 2.909091 | 3 | 2.909091 | 2.5 | 3.727273 | 3 | 2.881313 | | |
| Application of Human Resources Management | 1 | 1 | 4.75 | 4.083333 | 1 | 2.916667 | 3.833333 | 2.083333 | 3.75 | 4.75 | 4.5 | 1 | 1.583333 | 3 | 2.333333 | 3 | 3.416667 | 3 | 2.833333 | | |
| Application of Communications Management | 1.454545 | 1.363636 | 4.363636 | 3.545455 | 1 | 4.454545 | 3.909091 | 1.636364 | 2.909091 | 4.181818 | 3.545455 | 1.545455 | 2.727273 | 3 | 2.545455 | 2.5 | 2.636364 | 2 | 2.739899 | | |
| Application of Risk Management | 0.812865 | 0.473684 | 4.333333 | 3.777778 | 1 | 4.888889 | 4 | 4 | 4.444444 | 4.333333 | 4.111111 | 1.321637 | 3.105263 | 3 | 3.608187 | 3 | 4 | 3 | 3.178363 | | |
| Application of Procurement Management | 1.5 | 1.285714 | 4.5 | 3.785714 | 1 | 4.857143 | 4 | 4 | 4.571429 | 4.785714 | 4.214286 | 1.642857 | 4.071429 | 3 | 3.428571 | 3 | 4 | 4.5 | 3.452381 | | |
| | | | | | | | | | | | | | | | | | | | | Average | 3.058236 |

Individual staff member reports (sample, see attachment 2) have been created to assist staff development and therefore increase overall maturity and effectiveness of Project Management within the branch.

Program and Project environment

A consistent approach to program management within the branch is not evidenced, e.g. there are differing reporting sheets in the X & X office. While the current methodology reflecting The PMBOK ® Guide and PMI's global standards is delivering to the majority of the needs at the project level, gaps at the program level exist. Given the amount of programs of work in progress involving significant transformation, there is an opportunity to develop and embed further consistency as well as drive more efficiency into the branch. It should be noted that a standalone program management framework is not being proposed, but rather enhancing the current approach. Programs have a larger scope and therefore provide greater and more significant benefits thus requiring an emphasis on metrics around the benefits and checking post program realisation. High level plans are required showing the interaction and interdependencies of projects within programs, ensuring the overall goals of the program take precedence.

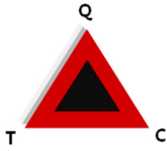
There is no single place to get detailed information on the projects, it is anticipated this will be remedied with the planned update of xxxxxx, as MS Project can be linked into the record keeping system.

Observations

The overwhelming majority of the staff confirmed a community of practice (CoP) has been created, this is also assumed via the fact that all respondents have been included in this maturity assessment.

The majority of respondents confirmed projects are aligned and prioritised in accordance with strategy. Those who were not able to confirm were generally more junior Project Managers. The majority of respondents consistently confirmed a number of areas worthy of focus (detailed in recommendations).

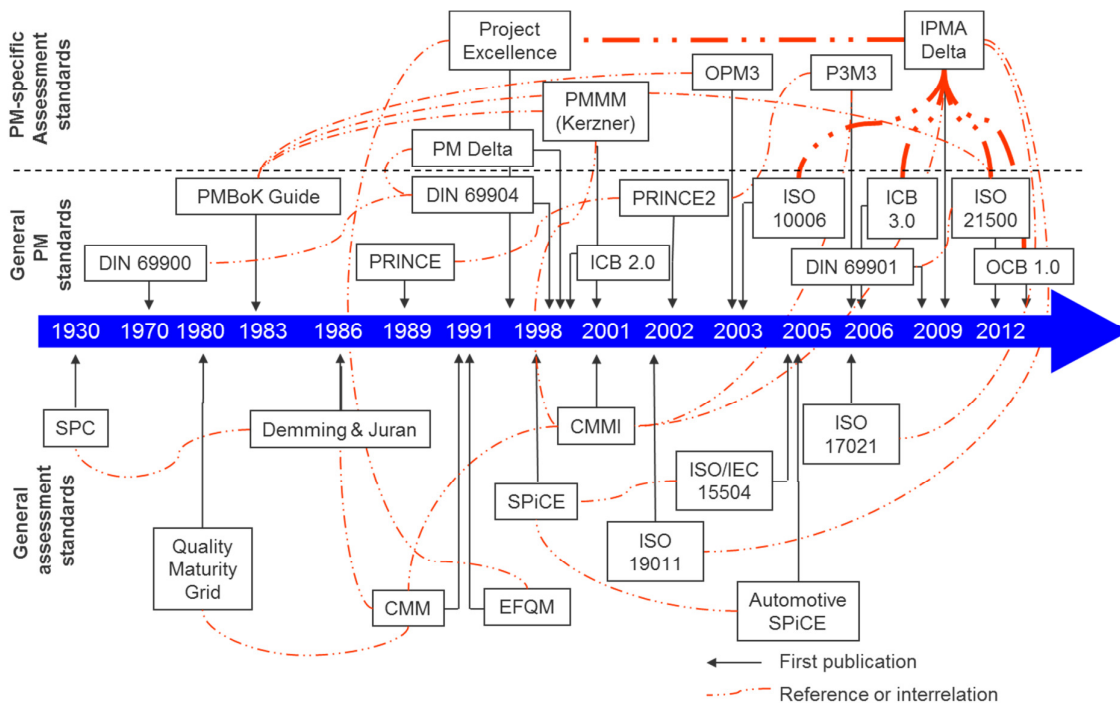
The X & X branch have done an excellent job in embedding both program and project management across the branch, there is still room for improvement, but it should be noted that the effort vs return needs to be closely monitored.

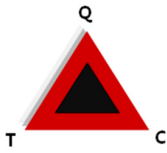


Context:

XXX has established the ‘XXX Competency Framework for Projects’ to optimise the effective use of valuable resources and to deliver the projects effectively and efficiently within its portfolio. The Program and Projects Branch (X&X) undertake asset renewal, replacement and upgrade projects for the XXX, the scope of the projects ranges from high risk or high cost (circa \$20 million) projects down to simple minor capital or procurement projects. To enhance its project management capability, the X&X is seeking to assess its maturity with relation to program and project management and to ensure that they are aligned to industry accepted standards.

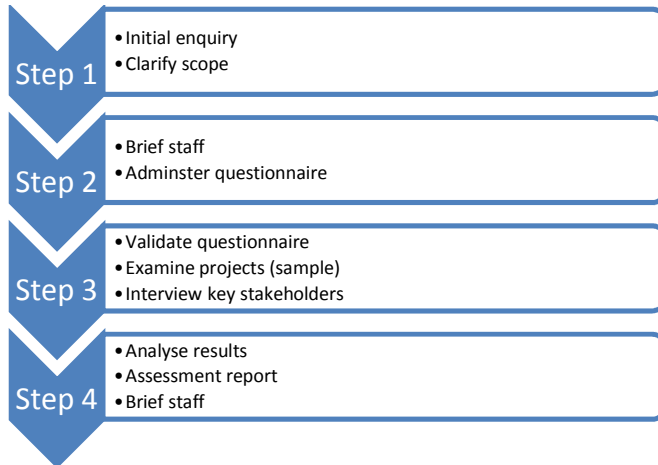
The figure below demonstrates the pathway that portfolio, program and project management maturity has undertaken in recent decades.





In undertaking the maturity assessment QTC followed the following process.

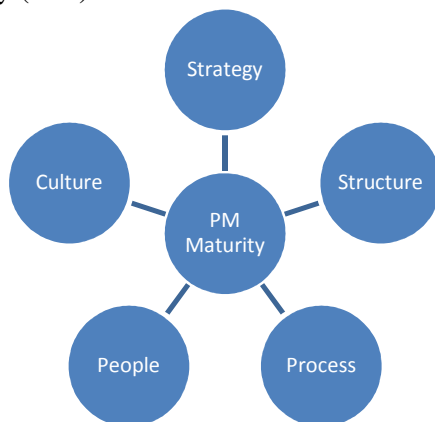
Process overview

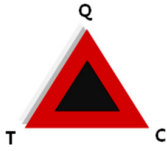


The end result of a maturity assessment is designed to facilitate the following:

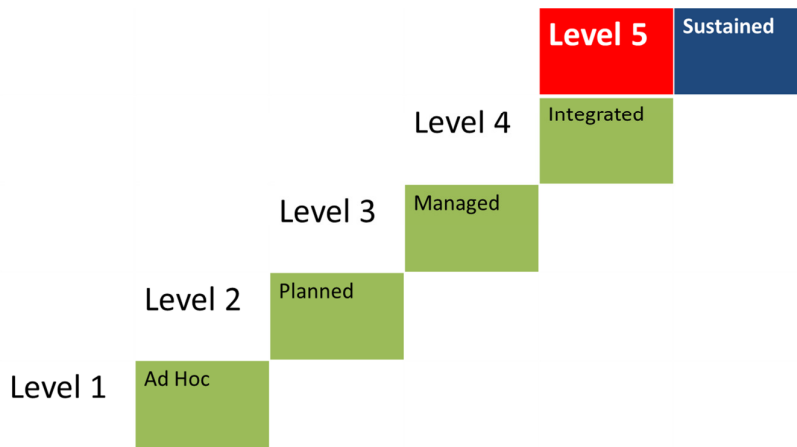
- know the status of your organisation in project management;
- identify best practices of project management in your organisation;
- have a clear picture of the areas for improvement and the actions needed;
- start a continuous improvement process with measurable objectives;
- raise the visibility of project management in your organisation;
- achieve better results in projects, programs and portfolios through a more efficient and effective governance and mode of operations; and
- show professionalism to customers, partners and the community.

The following figure shows the contributing factors in Portfolio, Program and Project maturity (PPP).



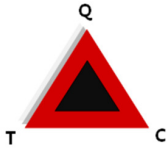


The Project Management Maturity model (PMMM) outlined below is a formal process developed by QTC utilising international best practice (Young Hoon Kwak and C. William Ibbs, Project Management Process Maturity, PM2 Model, Journal of Management in Engineering, July 2002, 155) and used to measure an organisation's project management maturity. Once the initial level of maturity and areas for improvement are identified, the PMMM provides a roadmap, outlining the necessary steps to take toward improving project management maturity. The individual staff assessments are based on the Australian National Competency Standards for Project Management (ANCSPM) and the Australian Institute of Project Management competency standards.



Organisational project management maturity

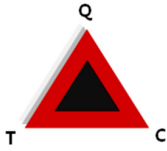
| Maturity Level | Naming options | Behaviours and practices |
|----------------|---|---|
| level I | <ul style="list-style-type: none"> • Common language • Basic process • Basic understanding • Immaturity | <ul style="list-style-type: none"> • No established standards • Ad hoc performance of PM • No agreed repeatable process • Minimal documentation • Individual and informal practices • Performance reactive • Little training or education in PM • Lack of executive support • Sporadic use of project management techniques • The need for and importance of project management is recognised • Basic understanding of project management principles • Attempts to develop a common project management language |



QTC Consulting Pty Ltd

Enhancing your Program and Project Performance

| | | |
|---------|--|---|
| Level 2 | <ul style="list-style-type: none"> • Common processes • Structured process • Agreed standards • Coordinated effort | <ul style="list-style-type: none"> • Basic documented process • Focus on large or highly visible projects • Standard scheduling developed • Senior management visibility increases • Organisational commitment training focus on competency and capability • Benefits identified of a unified approach • Focus on managing time, cost, specification and resource constraints • Recognition of the application of project management principles • Definition of common project management processes • Expectation of repeatable project success • Identification of tangible benefits from project management principles |
| Level 3 | <ul style="list-style-type: none"> • Singular methodology • Institutionalised process • Organisational standards • Managed methodology | <ul style="list-style-type: none"> • Full documented processes • Adopted for most projects • Compliance monitored and reported • Organisational standards followed • Integration of all corporate methodologies into a single project management methodology • Organisation is totally committed to project managing its projects • An adaptive and cooperative culture • All layers of management are visible (project governance) • Capability development is aligned with maturity |
| Level 4 | <ul style="list-style-type: none"> • Benchmarking • Integrated process • Best practice • Maturity | <ul style="list-style-type: none"> • Recognition that PM process improvement is a competitive advantage • Adoption of continuous analysis and evaluation • Establishment of a project office (PMO) • Quantitative and qualitative benchmarking • Integrated and accountable decision-making • Organisational wide impacts integrated into projects • Strategic planning is the focal point of project management |
| Level 5 | <p>Continuous improvement Optimised PM process Process improvement Excellence</p> | <ul style="list-style-type: none"> • Evaluation of benchmarking activities • Ongoing refinement of singular Project methodology |



| | | |
|--|--|--|
| | | <ul style="list-style-type: none"> • Critical assessment and dissemination of lessons learnt • Knowledge transfer and mentoring initiatives • Guidelines developed to feed improvements back into the process • Value-based performance metrics are measured and managed |
|--|--|--|

Core organisational maturity assessment questions

Organisational project management methodology

What is the level of project management knowledge in the business functional areas?
 This question was addressed by the distribution of a self-assessment questionnaire to 18 staff members and subsequent validation by face to face interview.

What is the level of project management knowledge in the supporting area functions?
Supporting personnel were included in the above self-assessment and validation.

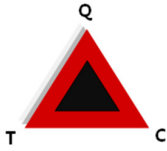
When working together, do the business and supporting functional areas in the organisation have a holistic approach to engaging portfolios, programs, and projects or do they focus on their own areas of expertise?
There was evidence (during the validation interviews) of ‘silos’ and a greater need for ‘cross pollination’ of projects, i.e. greater interaction and knowledge sharing.

Does the organisation have a documented project management methodology of practices and techniques?
There is a PM framework and handbook which provides good guidance to program and project managers.

What is the project management team’s level of experience?
This question was addressed by the distribution of a self-assessment questionnaire to 18 staff members and subsequent validation by face to face interview.

Does the organisation have a project management office? What services does it provide?
There is a PMO which provides a supporting function, i.e. guidance to staff as to the methodology and provides structure of the required document management system.

How does the organisation define success and failure metrics for projects?
This is done via agreement with the XXXXXXXXXXXXXXX and a follow up process utilising a questionnaire. The process appears to be primarily focussed on dollars and time and requires further work to broaden the engagement between the PM and XXX, with a particular focus on the role that the XXX needs to play (project sponsor) and clarifying quality expectations, i.e. not simply meeting standards or specifications.



Portfolio program and project governance

Who in the organisation approves major projects, for example, general manager/CEO, business functional area head (i.e., manager/director/vice president), or approval committee?
The approval process appears to be robust, e.g. involvement from the XXX and senior management.

Does the organisation have a governance model/framework inclusive of portfolios, programs, and projects?

There is a governance framework inclusive of stage gates outlined within the Project Managers Handbook, although during the validation interviews, number five (page 6) of the XXX responsibilities was not generally regarded as taking place (according to the project managers).

If so, does the governance model/framework cascade through the business and supporting functional areas?

The governance framework has been established to cascade through the business and is a relatively new introduction, but appears to be well supported and growing in its use.

If not, who in the organisation identifies variances in the achievement of the organisational strategy?

Variances and the alignment are undertaken by regular consideration, e.g. meetings amongst management and there was evidence of strategic alignment in project scoping documents.

How often does the organisation prioritise programs and projects and review the milestone achievements of the organisational strategy?

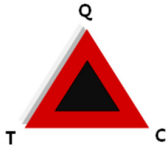
Monthly meetings are conducted to ensure alignment; however, this does not appear to be as objective as would be recommended, i.e. this process is not undertaken via a scoring model.

Who belongs to the governance entity in the organisation?

Divisional heads, management team and XXX, this appears to be correct for the structure of the organisation.

How often does the governance entity meet?

Regular meetings are undertaken monthly.



Competency management

Does the organisation have formalised training and development plans for the business and supporting functional areas that support portfolio, program, and project management?
There is evidence of formalised training and development as evidenced by the project managers undertaking the nationally recognised diploma of project management.

How do the business and supporting functional areas share lessons learnt that relate to improving the quality or efficiency of portfolios, programs, and projects?
There is evidence that capturing and sharing lessons learnt is in its infancy and at this point in time is collated, but not searchable. X & X should leverage work done by the PMO (centralised lessons learnt) as well as provide coaching to project staff to understand the differences between problems and learning. Mentor Project Managers around recognising how past lessons learnt should be reapplied to avert past mistakes, and to capitalise past successes.

Does the organisation support the creation and development of Organisational Project Management (OPM) related communities of practice?
There is evidence of organisational support via monthly meetings and regular presentations.

How does the organisation assess the skills of the management team and employees, related to portfolios, programs, and projects?
The conducting of this maturity assessment is an initiative (first) to conduct the assessment.

Who in the organisation is responsible for the professional development of the management team and employees in the areas of concern to OPM?
The Manager Program & Projects

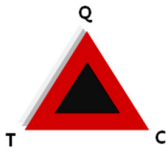
Randomly selected projects (by consultant) for this maturity assessment

XXXXXXXXXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXX

The above projects revealed a number of issues worthy of focus:

Project Quality Management – a greater understanding and emphasis on what this means, i.e. quality of product (not simply meeting standards) and quality of process.

Clarification of scope – this relates to the above observation with regard to project quality and also brings in the issue of greater involvement of the XXX, in terms of them understanding their role as project sponsors.



Project Benefits - there was evidence of benefits being identified, but no metrics applied to them and therefore no real way of ascertaining if they were realised post project completion.
Project Stakeholder Management – the observation was one of noting a very high level view of stakeholders without the necessary detailing, e.g. power and interest, key issues and targeted communications to address the key issues.

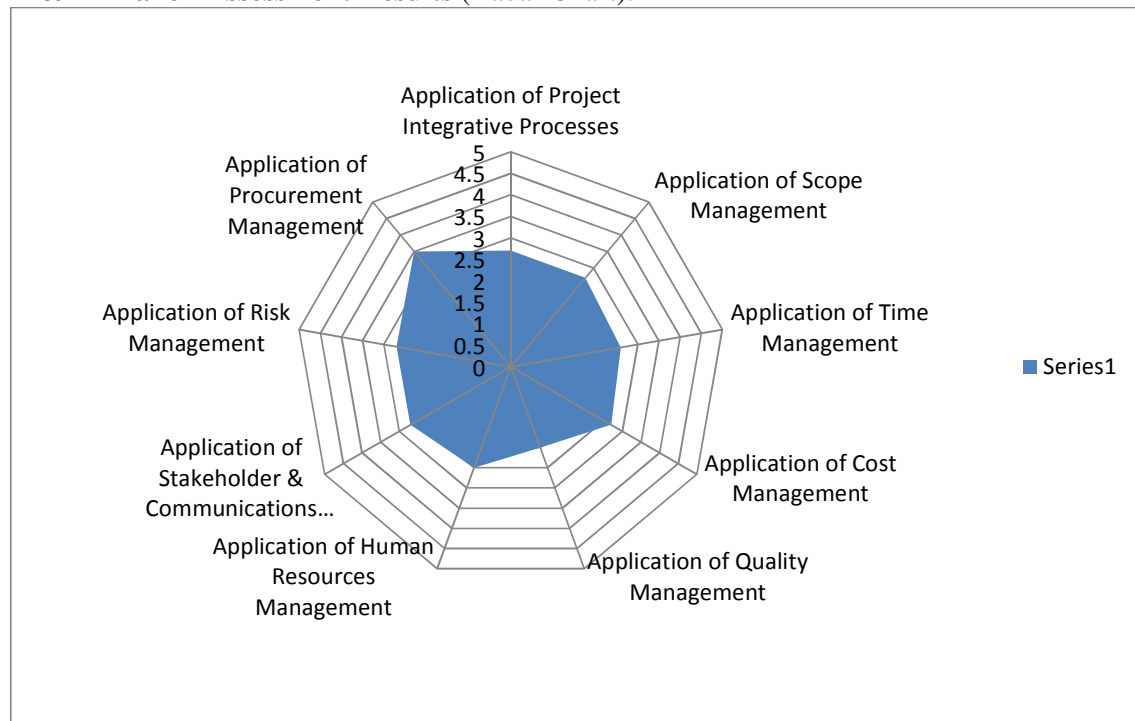
Project Risk Management – the focus here requiring attention is on the issue of ensuring the right person is managing the right risk, i.e. the risk registers available showed one person managing almost all risks, it is highly unlikely that this was correct based on the fundamental principle of ‘person best able to manage’.

Project Time Management – there is evidence that a greater understanding of the setting up of Gantt charts is required, due to floating tasks being evident (critical path not correct, if indicated) and calendars not being set.

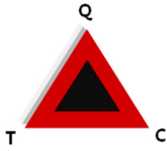
Client identity – one project had many ‘chiefs’ and would have benefited from a clarity of ownership.

General comment – it was evident that project information is being stored outside of the ‘system’ (XXXXXX) therefore not passing the ‘under the Bus’ test, i.e. rendering it difficult for an incoming PM to quickly ‘come to grips’ with a project.

X & X Branch Assessment Results (Radar Chart):



Aggregate score: 2.67



Notes on the Radar Chart and recommendations:

During the assessment process, it became evident that there has been much improvement in recent times and there is enormous good will and support amongst the staff, indicated by their involvement and enthusiasm during the validation process.

The Program and Projects Branch (X&X) has achieved a competency score of 2.67. To achieve level 3, the following recommendations are suggested.

Particular knowledge areas requiring increased focus are:

- Scope management – greater involvement of XXX, ensuring they understand the importance of the role they need to play as project sponsors, therefore facilitating better management of scope and variations.
- Benefits management – clarity around what this means and applying metrics to enable tracking and realisation.
- Time management – ensuring the Gantt charts are set up correctly at project delivery stage, with a greater understanding of the critical path and how to utilise it.
- Quality management – ensuring an understanding of quality of product (not just meeting specifications) and quality of the PM process.
- HRM – a branch wide view of skill sets and availability.
- Stakeholder & communications management – a greater focus on the detail required to adequately identify and communicate the right message in the right format to the right stakeholder.
- Project reviews – greater emphasis on planning in the close out and review process to ensure capture of what was done well, along with what can be improved.
- Earned Value Management – once time management has been addressed, EVM should be considered for adoption to improve reporting and forecasting.

Dr Keith O'Shea PhD (project management)
Director
QTC Consulting Pty Ltd

Attachment 1 – self-assessment questionnaire
Attachment 2 – sample individual staff report