

Using Maturity Models

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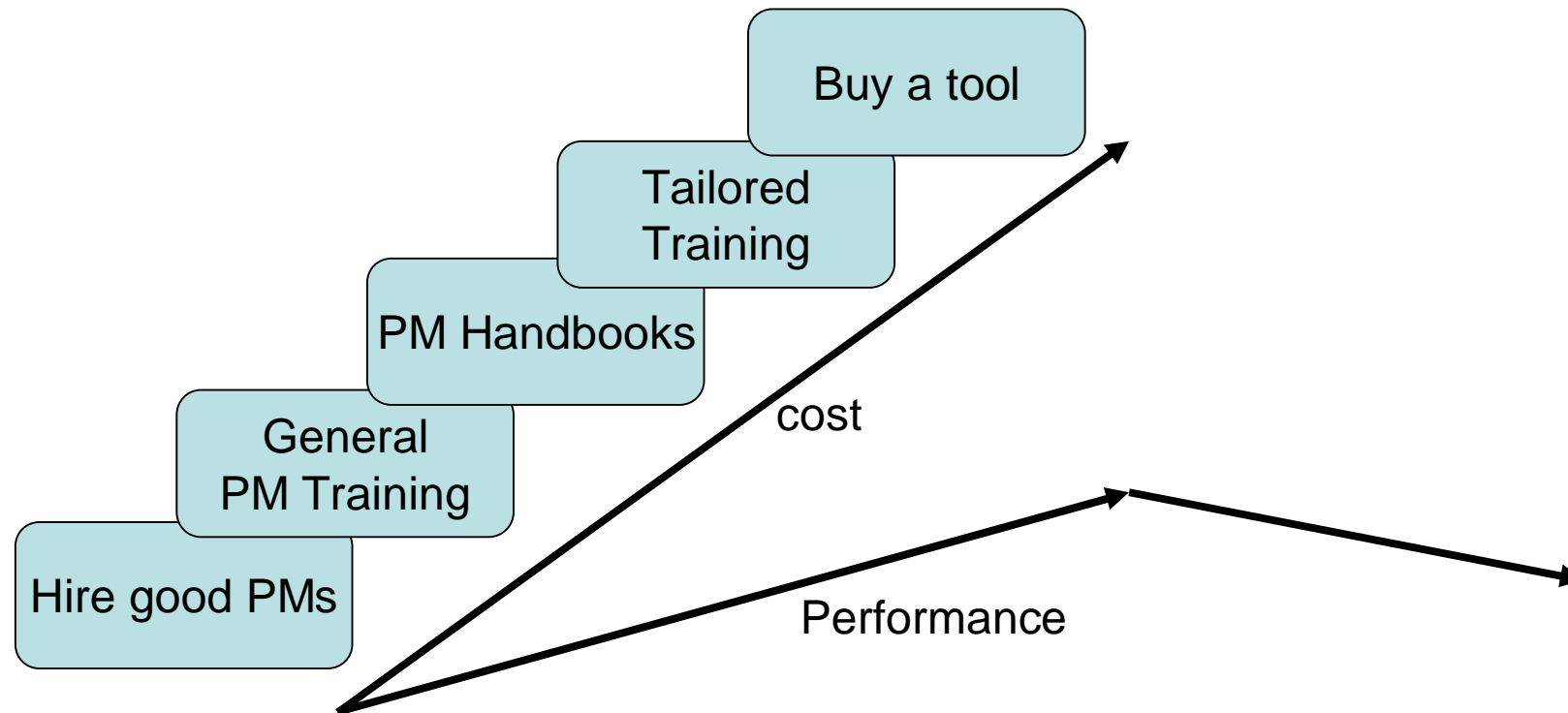
Outperform

Best Practice User Group
Middle East, 12th November 2007

Portfolio, Programme, Project Management

- Objectives
 - Explain Maturity Modelling principles
 - Hierarchical best practice
 - Benchmark current position
 - Prioritise investment options
 - Measure improvement
 - It's more than just certification!
 - Overview of P3M3
 - Overview of P2MM

Typical Approach to Increasing Capability



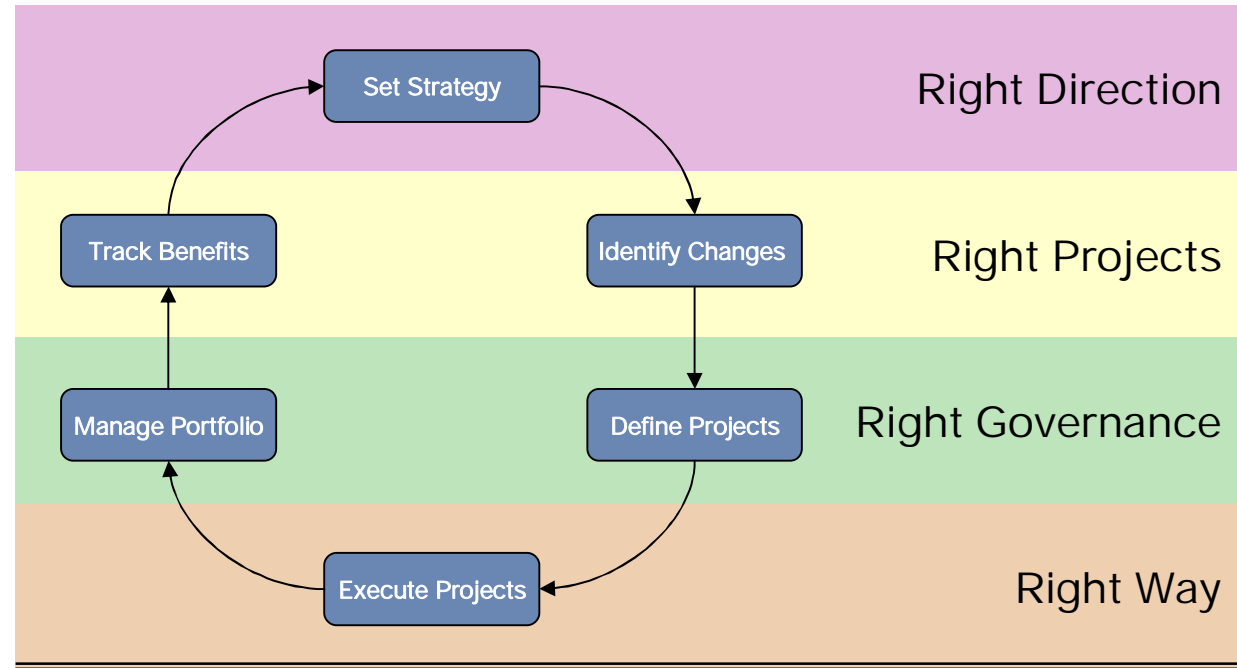
'Where' to Improve Performance


Do the Outcomes have the intended impact on the business strategy?

Did the Projects Have the Desired Outcomes?

Do the Projects Consistently Produce the Desired Outputs?

Did the Project Produce the Desired Output?



PRINCE[™] APM BoK
 **M_o_R[®]**
 P2MM P3M3



People



Process



Technology

What Are Maturity Models?

“A maturity model is a structured collection of elements that describe characteristics of effective processes. A maturity model provides:

- a place to start
- the benefit of a community’s prior experiences
- a common language and a shared vision
- a framework for prioritizing actions
- a way to define what improvement means for your organization

A maturity model can be used as a benchmark for assessing different organizations for equivalent comparison.”

- [Wikipedia](#)

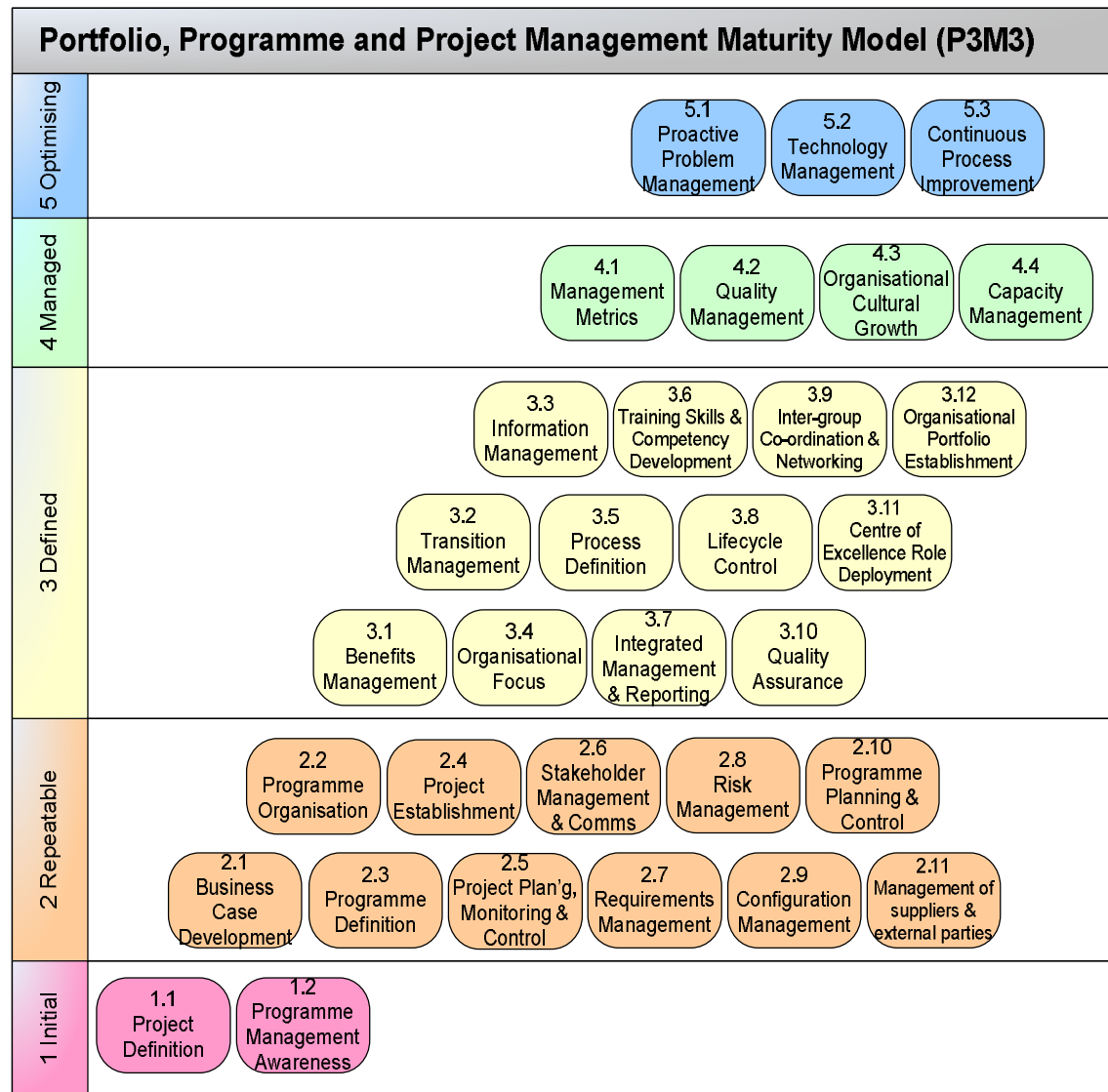
P3M3 Maturity Levels

Maturity:	Project	Programme	Portfolio
Level 5 - optimised process	Does the organisation run continuous process improvement with proactive problem and technology management for projects in order to improve its ability to optimise processes?	Does the organisation run continuous process improvement with proactive problem and technology management for programmes in order to improve its ability to and optimise processes?	Does the organisation run continuous process improvement with proactive problem and technology management for the portfolio in order to improve its ability to optimise processes?
Level 4 - managed process	Does the organisation obtain and retain specific measurements on its project management performance and run a quality management organisation to better predict future performance?	Does the organisation obtain and retain specific measurements on its programme management performance and run a quality management organisation to better predict future programme outcomes?	As Project & Programmes+ And does the organisation assess its capacity to manage programmes and projects and prioritise them accordingly?
Level 3 - defined process	Does the organisation have its own centrally controlled project processes and can individual projects flex within these processes to suit the particular project?	Does the organisation have its own centrally controlled programme processes and can individual programmes flex within these processes?	As Project & Programmes+ And does the organisation have its own portfolio management process?
Level 2 - repeatable process	Does the organisation ensure that each project is run with its own processes and procedures to a minimum specified standard? (There may be limited consistency or co-ordination between projects)	Does the organisation ensure that each programme is run with its own processes and procedures to a minimum specified standard? (There may be limited consistency or co-ordination between programmes)	Does the organisation ensure that each programme and/or project in its portfolio is run with its own processes and procedures to a minimum specified standard? (There may be limited consistency or co-ordination)
Level 1 - initial process	Does the organisation recognise projects and run them differently from its ongoing business? (Projects may be run informally with no standards.)	Does the organisation recognise programmes and run them differently from projects? (They may be run informally with no standards or system.)	Does the organisation's Board recognise programmes/projects and run an informal list of its investments? (There may be no formal tracking and reporting process.)

P3M3 Maturity Levels

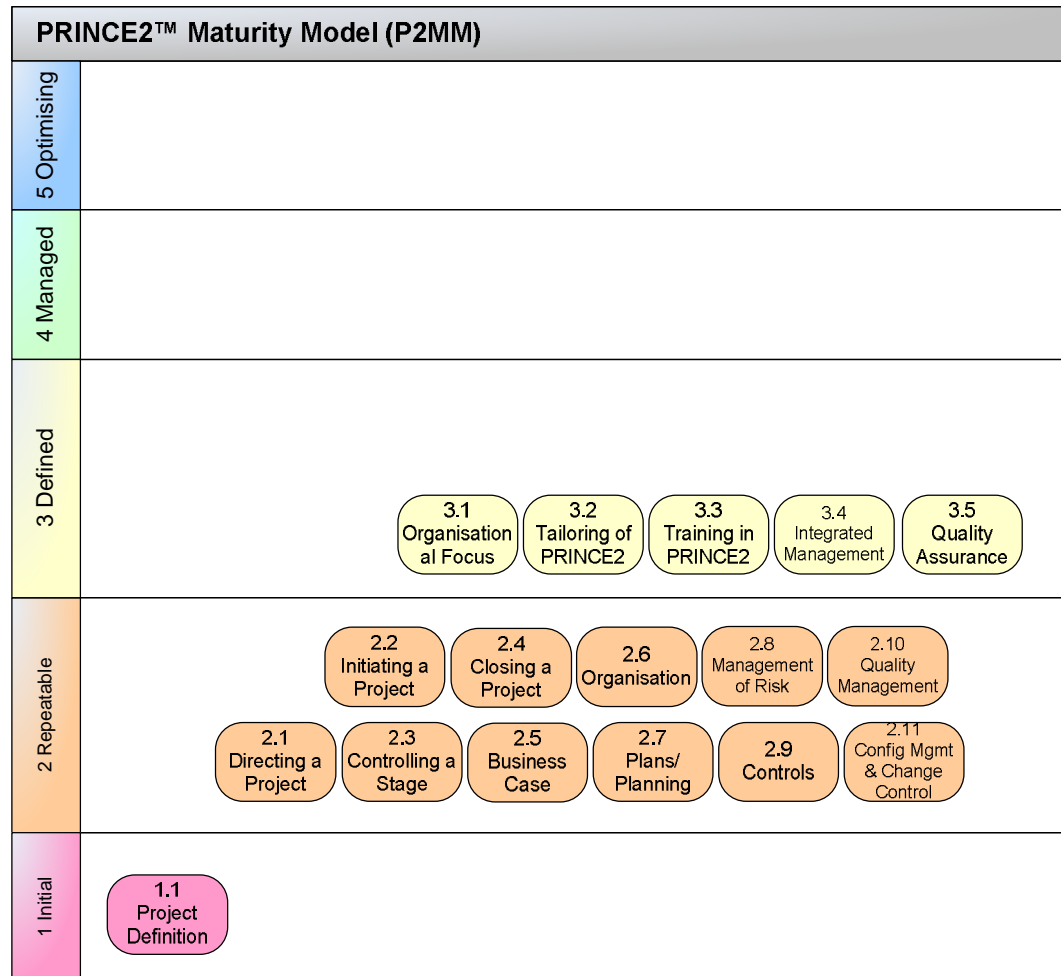
Maturity:	Project	Programme	Portfolio
Level 5 - optimised process	(Process Improvement) Deliberate optimisation/improvement		2%
Level 4 - managed process	(Quantified) Process management and measurement takes place		4%
Level 3 - defined process	(Embedded) The process is defined/confirmed as a standard business process - Documenting desired practices / Designing processes.		9%
Level 2 - repeatable process	(Process discipline) The process is used repeatedly - Documenting current practices		85%
Level 1 - initial process	(Chaotic, Ad Hoc, Heroic) The starting point for use of a new process		

P3M3 Key Process Areas (KPAs)



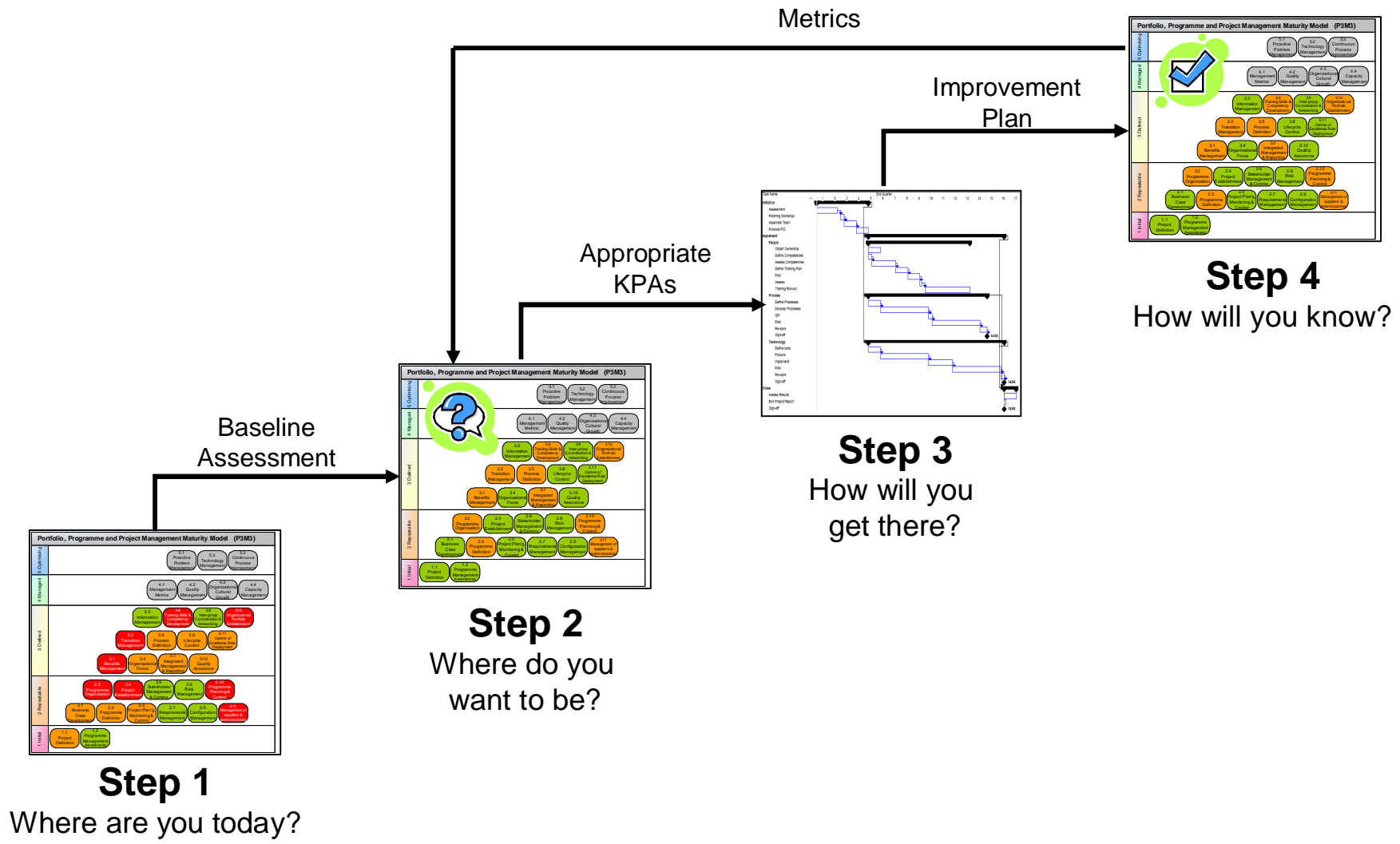
- First draft released 2003
- First release Feb 2006
- Based on OGC Best Practice and various Bodies of Knowledge
- Some KPAs common to projects, programmes and portfolio.
- Each KPA includes
 - Goals
 - Approach
 - Deployment
 - Review
 - Perception
 - Measures

PRINCE2 Maturity Model KPAs



- Three levels - each level focusing on a limited set of “Key Process Areas” (KPA)
 - Initial: 1 KPA
 - Repeatable: 11 KPAs
 - Defined: 5 KPAs
- Each KPA is described using standard headings:
 - Purpose
 - Key Practices
- Key Practices describe what an organisation should be doing to establish and improve its ability to manage projects effectively

Using P3M3 to Improve Performance



Examples of when to use P3M3

Example	Benefit
Just implemented PRINCE2™ but performance has not gone up	Understand how to unlock latent capability.
After a merger	Helps determine which processes and tools to adopt as the new corporate standard on a per KPA basis.
Vendors who tender to Government	A PRINCE2™ Practitioner Certificate is not evidence that your organisation uses a structured project management method.
Before implementing an Enterprise Project Management Tool	Align tool features to address those KPAs which are inhibiting performance.
A company facing increasing competition	Research shows that organisations who increase maturity reduce their time to market.
Organisations facing stakeholder scrutiny	Independent assessment and certification to demonstrate capability (<5% of organisations are Level 3 or higher!)
US Listed companies (or their subsidiaries) whose revenue is largely project based	P3M3 compliance at Level 3 or higher will indicate robust project processes regarding the revenue and profit statements in quarterly/annual returns (SOX requirement)
Organisations who are using CMMI to improve their applications development performance	Extends the performance improvement beyond applications development (e.g. infrastructure projects, new service lines, business change)

SEI metrics show ROI ranging from 2:1 to 27:1 with
an average of 4.7: 1

Criteria	L1 – L2	L2 – L3	L3 – L4
<i>Reduce Defects</i>	12%	40%	85%
<i>Reduce cycle time</i>	10%	38%	63%
<i>Reduce cost</i>	8%	35%	75%
<i>Schedule variance</i>	145%	24%	15%

Source: TeraQuest for Gartner 2006

- **Benefits of Maturity Modelling**
 - Provides a benchmark of current capability
 - Enables complex 'change' to be broken down into more manageable and achievable tasks
 - Optimises investment
 - People
 - Process
 - Technology
 - Provides a roadmap for continuous improvement
 - Assists Benefits Realisation for PPM improvement projects
 - Readiness assessment for tools/method implementation
 - Sets expectations for change
 - More than just certification