



MODERNIZING THE PMO MATURITY ASSESSMENT

A GUIDE TO THE NEXT EVOLUTION IN PMO ASSESSMENTS

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ABSTRACT

Executives who want to improve project performance must have a better method to assess their project management practices. Whether they have a formal PMO or not, these practices exist within their organization. Industry standard assessments focus on PMO consistency of process and do little to evaluate how project management improves the project success rates of an organization. They largely ignore organizational and operational culture and focus on PMO maturity as if there is a single, perfect, end-state for which all PMOs should strive; CMMI-like maturity standards, all areas – Level 5.

This paper presents an assessment model that goes beyond traditional PMO assessments and shows how to correlate strategy, operational maturity, and culture into one scalable and enduring assessment model. It works for any type of environment, including Waterfall, Incremental and Agile. It endures because it can be conducted periodically, as operations and business drivers change. Each assessment snap-shot becomes a plateau to build from. More importantly, it embraces the most important part of any organization... its people and how they work.

Every organization and the projects they launch are unique; therefore, the next evolution in PMO assessment models must embrace this uniqueness. The insights provided by this assessment model provide immediate options for action that range from strategic planning and re-alignment to tactical process changes that make project management more effective.

INTRODUCTION

Recent studies(1) performed by the Project Management Institute (PMI) indicate that another key to improving project success rates is the alignment of executive strategy with projects. This alignment isn't accurately captured using industry standard PMO Maturity models. Alignment can only be achieved once you implement project management processes that align with culture, project needs and the strategic plan.

In this paper, Think will explain how our assessment model provides a unique and more effective alternative to traditional PMO and ePMO assessment models. In the end, the final measure of project management practices should be based on how they improve your organization's project success rates.

One more critical note about culture...

CULTURE EATS STRATEGY FOR BREAKFAST

-Peter Drucker

Over the past decade, project failure rates have hovered around the 70% mark.

Regardless of the industry, organizations continually seek ways to improve their project success rate. While project management methodology, scope, and durations may vary, the expectations are the same: deliver results without unnecessary delays and costs.

Consequently, many companies try to improve their results by improving the maturity of their PMO. Additionally, many organizations have moved away from traditional Waterfall and embraced Agile software development practices. While this has helped, most projects encompass more than just, development and the industry still sees high project failure rates.

Culture can also interfere with operational changes. An organization's culture can have a profound impact on its people, processes, and outcomes. Often, there are unspoken cultural rules that directly control creative problem solving, collegiality, innovation, performance management, and many more facets of the organization. That's a core reason that many companies disband or reorganize their PMOs again and again. It's also the root cause for many failed projects, organizational change efforts, and initiatives.

The assessment model presented in this paper will provide a method for understanding the current state of a PMO and how well its efforts are aligned with organizational culture and operations. Plans being made to alter the services provided by a PMO, or operations in general, must be considered within the context of the culture that will be asked to adopt them.

TRADITIONAL PMO MATURITY ASSESSMENTS

Many firms conduct PMO maturity assessments based on traditional models. These models are an improvement over prior ones; however, Think believes that this assessment approach is seriously flawed, in that it focuses on consistency of management process and not on the operational effectiveness of project management.

Traditional Maturity Scale

- Level 1: Initial Process
 - o Ad hoc processes
 - o Management awareness
- Level 2: Structured Process and Standards
 - o Basic processes; not standard on all projects; used on large, highly visible projects
 - o Management supports and encourages use
 - o Mix of intermediate and summary-level information
 - o Estimates and schedules based on expert knowledge and generic tools
 - o Project-centric focus
- Level 3: Organizational Standards and Institutionalized Process
 - o All processes standard for all projects and repeatable
 - o Management has institutionalized processes
 - o Summary and detailed information
 - o Baseline and informal collection of actual data
 - o Estimates and schedules may be based on industry standards and organizational specifics
 - o Organizational focus
 - o Informal analysis of project performance

Traditional PMO assessment models, like the **Maturity Cube** and the **Crawford Model**, focus on assessing the management of the following areas:

1. Scope
2. Integration
3. Time
4. Cost
5. Quality
6. Human Resources
7. Communications
8. Risk
9. Procurement

In most cases, the assessment models determine maturity for these areas based on the CMMI model. They assess process maturity levels ranging from “does a process exist?” to “Is the process functioning at peak effectiveness and efficiency?”

- Level 4: Managed Process
 - o Processes integrated with corporate processes
 - o Management mandates compliance
 - o Management takes an organizational entity view
 - o Solid analysis of project performance
 - o Estimates and schedules normally based on organization specifics
 - o Management uses data to make decisions
- Level 5: Optimizing Process
 - o Processes to measure project effectiveness and efficiency
 - o Processes in place to improve project performance
 - o Management focuses on continuous improvement

OPERATIONAL EFFECTIVENESS MODEL (OEM)

The Operational Effectiveness Model (OEM), accepts that every organization will have its own maximum effectiveness state that is as unique as its culture and its operational needs. There is no single perfect condition that looks like CMMI Level 5 across all PMO areas of focus. Many organizations may be far more effective at lower levels of maturity in specific areas of focus. **The key is in evaluating how PMO operations impact operational effectiveness not consistency of PMO process.**

We express organizational uniqueness by developing a 'fingerprint' that represents how their project management efforts are managed and how they enhance the effectiveness of projects in their organization. This fingerprint changes over time and may even be different between divisions or groups within a single organization. For example: what is effective in a scaled agile software development group is likely to be very different than what is effective in complex hardware manufacturing, though an enterprise PMO may be functioning across both.

Our standard PMO assessment uses the OEM to evaluate over 20 core operational areas (or fingerprint nodes) of PMO and project management work. Additional nodes can be added for unique operational needs (e.g., regulatory or standards compliance). Each operational area will vary in importance to the organization's operations, the amount of effort expended, the maturity of management methods employed and connectivity to other areas. Once operational areas are evaluated, you can develop options to increase operational effectiveness within the context of your organization's cultural characterization. High impact changes that do not diminish cultural alignment (think low-hanging fruit) should be prioritized. This process helps to identify options that are appropriate for and consumable by the organization. Simply put, project management processes must be aligned with cultural and operational needs of the organization. This is where many PMOs fail.

PMO OPERATIONAL AREAS (NODES)



FAST-TRACK ANALYSIS PROCESS

One of the key features of the OEM is that it scales in both breadth and depth to accommodate specific needs. There is often embedded knowledge in an organization that can be leveraged to perform a quick self-assessment when guided properly. While this approach does introduce biases that a full assessment would identify and mitigate, it can be a valuable process that helps management take an introspective look at how project management processes are working within their organization.

The fast-track analysis process is conducted by a few senior team members who have sufficient operational knowledge to provide a subjective score for the nodes in our model. By ordering nodes in terms of operational importance and using OEM scoring standards to develop a simple spreadsheet, the nodes and their factors can be plotted and analyzed. Problem areas are more easily identified once viewed through the fidelity that this model provides and options for action can be planned to address them.

INTERVIEW-BASED ASSESSMENT PROCESS

To determine an organization's project management fingerprint, we recommend interviews within the organization at several different operational levels, capture key observations made throughout the interviews, apply grading to each of the nodes, and develop the unique fingerprint for review with organization's leadership.

The first step in the assessment is to interview individuals within the organization that are involved with the PMO and management of projects. Typically, these are one-hour in duration with individuals chosen by the organization's PMO director or steering committee to provide their perception of the operational areas in the organization.

The interviews take the form of a conversation with the interviewee, guided by a battery of questions that we have developed, to learn about specific aspects of effectiveness in areas of project management. Not every individual will be asked every question. Nor will every individual be asked the exact same questions. However, areas that are perceived as needing improvement will be addressed with the majority of the interviewees.

The goal is to address as many questions and nodes throughout all the individual interviews. Answers remain disassociated from the interviewee to facilitate a level of anonymity. Then, all responses to the employee interviews are compiled and reviewed.

Our review team includes an Executive Advisor and former CIO, an Operations Executive and former COO, the Assessment's creator, and a Strategic Project Manager. The review considers project artifacts and supporting and related documentation, as well as discussions to validate and challenge our assumptions, refine our understanding, assess culture and cultural constraints, and understand cultural impacts on the nodes.

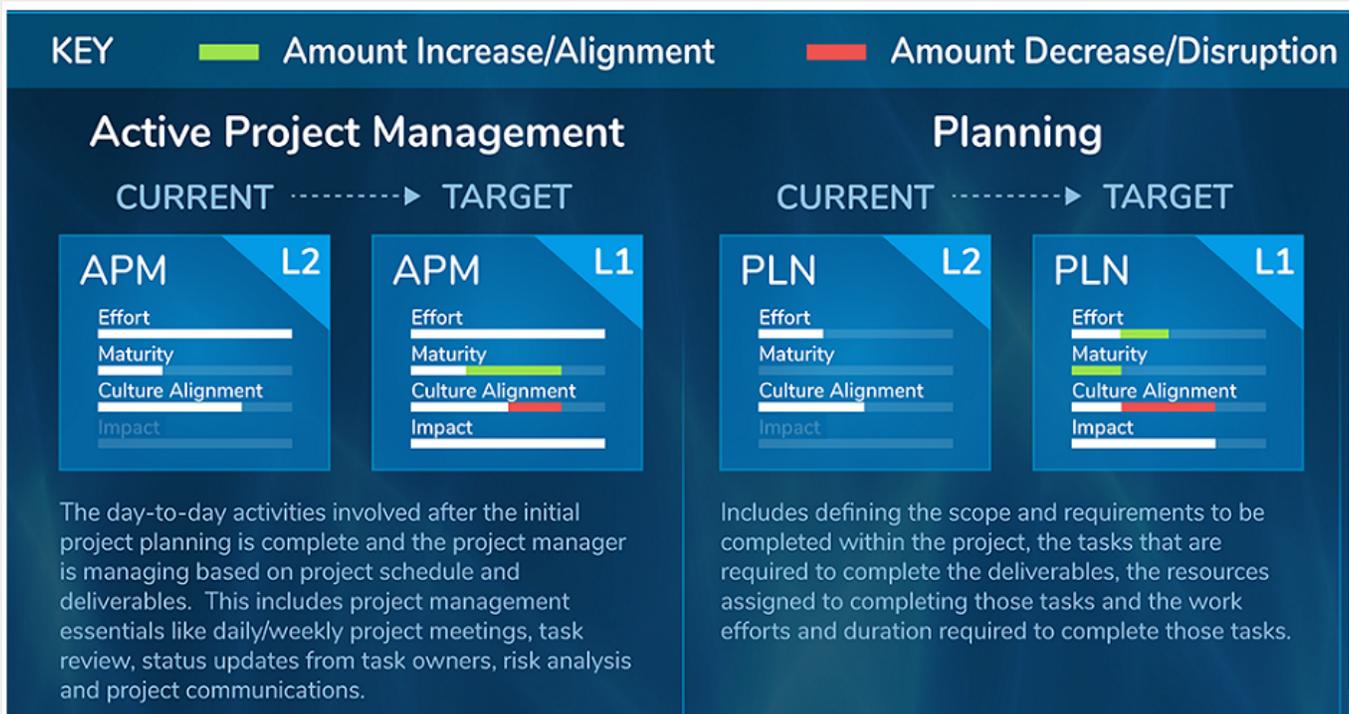
As a final step we draft the final report including options to achieve more project management effectiveness in ways that do not challenge the existing culture (optimizing), moderately challenge culture (incremental culture shifting), or represent a significant break from existing culture (jarring, big, and expensive).

You will note some similarities between our nodes and traditional assessment categories like those used in the **Maturity Cube** and the **Crawford Model**.

Category names may be similar; however, descriptions differ due to our focus on how each area of project management impacts the operational effectiveness of the organization.

NODE EVALUATION

Each node is evaluated individually to create the organization’s overall unique fingerprint. The factors evaluated are importance, effort, maturity, criticality and connectivity or relations. Each factor has a unique method of grading and has a direct effect on how the node is presented within the fingerprint.



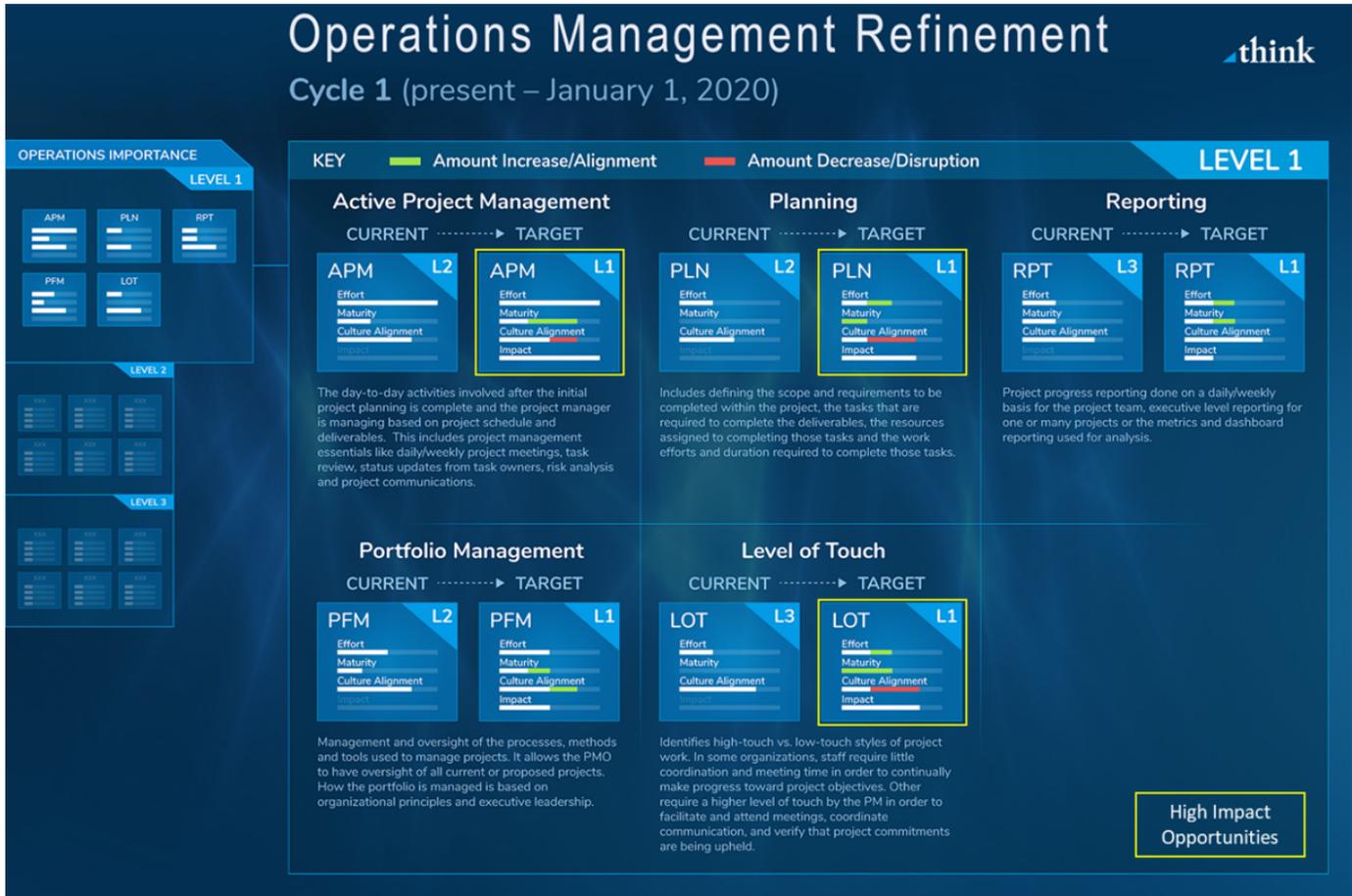
Example: two sample Node Summary diagrams showing current and target states

Focusing on the right node, **Active Project Management**, the Node Summary diagram shows:

1. Current – the assessed state of the node. This example shows that Planning was assessed as being:
 - a. considered of secondary importance to **Operations**, Level 2 (L2 – in upper right-hand triangle);
 - b. having a relatively large amount of **Effort** being expended on it (bar with full fill);
 - c. consisting of low **Mature** methods and processes (bar with one-quarter fill)
 - d. with a fairly high-level **Cultural Alignment** (bar with three-quarter fill); and
 - e. note that the impact of proposed changes is irrelevant (grayed out) for the current state.

2. Target – shows the anticipated or possible future state of the node, if recommended changes are implemented. In this example, we would expect that Active Project Management would become highly important to operational effectiveness (L1); utilizing a similar level of effort; methods and processes that are used will become significantly more mature; that the more mature methods are likely to cause cultural disruption (must be planned for); and lastly that recommended changes would have a significant positive impact on operational effectiveness.

SAMPLE FINGERPRINT



NODE EVALUATION FACTORS

IMPORTANCE

The level of importance within the PMO or operations. There are three levels in which nodes are classified and these are based on the policies and procedures in place in which to execute the process in order to effectively manage a project



- **Level 1 (Core)** - represents the highest importance and is a key principle or high priority within the PMO or organization. These are considered basic fundamentals in the organization and require individuals to follow them to provide a desired result or interaction between individuals for the project.

Level 2 (Secondary) - represents a secondary process that is considered important to daily operations but is not necessarily required to achieve success. Nodes in this category are still considered fundamental but can be circumvented or strayed from when needed, depending on the project or customer.

Level 3 (Tertiary) - represents a process that is not considered essential to the success of the project or the needs of the customer, however it still may be mature and a process that adds value

EFFORT

The top bar on a Node diagram containing a fill that represents the amount of effort the organization expends on the node. There are four levels in which nodes are sized:

- None (size 0) representing no discernable effort
- Small (size 1) representing little effort
- Medium (size 2) representing an average effort
- Large (size 3) representing a large effort



MATURITY

The second horizontal bar containing a fill that represents the assessed level of maturity. Based on the overall maturity of the node or process itself, the bar will be filled at one of the following values:

- **0%** - Represents a lack of maturity for the specified node and any level of process added can be considered an improvement.
- **25%** - Represents a process is present but it is comprised of gaps leaving areas for risk and can easily be improved upon.
- **50%** - Represents an average process maturity level that is par for the course. There are areas of risk within the process and there is room for improvement, but overall the process may be considered sufficient depending on the organization's needs.
- **75%** - Represents an above average maturity level with few gaps, leaving little room for risks to break the process.
- **100%** - Represents a complete and mature process with little if any gaps, and little to no risk involved.



CULTURAL ALIGNMENT

The third horizontal bar containing a fill that represents the assessed level of cultural alignment. Organizational culture embodies many things, including PMO operations. There are a number of widely accepted organizational models that are often used to describe an organization's culture. These are helpful when trying to understand culture at a macro level, but our assessment must be conducted at a more targeted and operational level. We assess the **value or disruption** perceived by the members of the organization when implementing project management activities for each node in our model.



Alignment, or misalignment, becomes obvious when considered at this level. If the culture perceives value in project management activities associated with a node, then we consider the node well-aligned. Once we understand how well each node aligns, options for making the node more effective become easily recognizable. Misalignment, or disruption, may require modifying project management activities so the culture views them as valuable. It may also require modifying the culture so it recognizes the value provided (much more difficult but often needed).

There is also the option to enforce project management activities that the organization does not find valuable, but that requires constant expenditure of resources and should only be seen as a

short-term strategy. Our assessment model expresses the Cultural Alignment of project management activities for each node using the values:

- **-2** There is significant misalignment to the cultural acceptance of PM activities resulting conflicting operational objectives and priorities; a great deal of disruption to the organization.
 - **Example:** Leadership requires highly detailed reporting, analysis and high levels of predictability, but these activities have no discernable benefit to actually getting the work done by levels below leadership.
- **-1** PM activities are viewed as unproductive by the culture, but are not worth expending energy to correct.
- **0** PM activities are not seen as disruptive or valuable. Whatever is being done, if anything, is accepted as is. Cultural alignment is neutral or the culture is indifferent to PM activities.
- **1** PM activities are viewed as helpful but may be sacrificed to support other operational or organizational needs.
- **2** PM activities are seen as highly valuable to the organizational culture and to the success of operations.
 - **Example:** PM activities have a direct and noticeable impact on operational stability, thereby enabling the organizational culture to focus on getting work done with minimal operational disruption, negotiation, or re-planning.

IMPACT

The bottom horizontal bar (target state only) containing a fill that represents the assessed level of impact that changes tied to this node would have on operations. The scale has 4 levels. A lower impact value means that additional effort or work to mature methods and processes may not be worth it. For example, if it requires significant effort, improving a node with a “2” impact rating may not be worthwhile. Conversely, the impact of improving a node with a “4” impact rating would warrant a significant investment of effort.



- **(1) Insignificant** – organizational impact is negligible.
- **(2) Minor** – small organizational impact.
- **(3) Moderate** – noticeable but not highly significant impact.
- **(4) Major** – substantial organizational impact.

CONNECTIVITY

Refers to the direct relations or “super-connections” to other nodes. Each node has a cause-and-effect relationship with other nodes within the project management organization and depending on the other categories, improvements or changes can directly impact and help improve effectiveness in the overall process. The super-connections will be represented in the node-by-node grading.



BUSINESS BENEFIT

Understanding where project management practices are helping with the success of projects is of critical importance. It's all about effectiveness. The model presented in the paper goes beyond traditional PMO assessments and provides a new method for evaluating how your organization's project management practices are matched to its culture and to operational effectiveness.

At the end of the day, you need a PMO assessment that helps you answer "yes" to these questions:

1. Will the assessment accurately reflect our current state?

- The OEM fingerprint presents a detailed, customized view of your organization. This level of fidelity, which can be enhanced even further, will help you challenge your assumptions and track back to evidence collected during your assessment to provide proof for your findings. The OEM interview-based approach provides a thorough and collaborative approach, which ensures you receive an assessment that accurately reflects your organization.

2. Will we be able to address the gaps quickly?

- The OEM helps you identify solutions that are designed to work within cultural constraints rather than compete with organizational culture. Because you can identify immediate and significant opportunities, you can address gaps immediately.
- Solutions are created with full view of your strategic objectives, thereby helping you secure senior executive buy-in. Reducing the time that is sometimes dedicated to consensus-building allows for faster implementation of the solutions.

3. Will addressing the gaps significantly improve our performance and contribution to the organization?

- The OEM focuses on operational effectiveness. It doesn't push you to achieve maximum maturity for every node. Sometimes processes operating at, say 50% maturity are performing exactly where the organization needs them to be. The OEM incorporates the strategic and cultural components into the assessment; therefore, it helps you see where effort may be better spent improving other nodes.
- The OEM provides a method for focusing on results that yield the highest return based on the effort spent.
- Organizational culture misalignment with project management practices and even corporate strategy will often degrade a solution's positive impact on an organization. The OEM recognizes cultural alignment as a primary factor in analysis and planning.

SUMMARY

PMO Maturity Assessments that focus on anything less than how project management makes your organization more effective are incomplete at best. The assessment model presented in this paper, OEM (Operational Effectiveness Model), provides a simple and scalable solution that goes beyond traditional PMO assessment models, like the Crawford Model and the Maturity Cube. OEM can be abbreviated by removing tertiary nodes from the assessment or expanded by adding your own nodes and it can be replicated where cultural and operational differences exist within one organization. The fidelity and understanding that results from this assessment provides correlation between

- organizational culture(s),
- executive strategic planning,
- maturity of project management practices, and
- the operational effectiveness (or not) that is produced by them.

Options to improve effectiveness become readily apparent and are easily justified by leveraging the fidelity provided by this assessment model.

Try it! Run a Fast-Track Assessment using OEM. Compare it to traditional models and focus on operational effectiveness. List and organize (core, secondary, tertiary) the nodes listed in this model and begin collecting information that helps you determine what values you place on the factors for each node. Download the [OEM Fast-Track Assessment](#) spreadsheet and give it a go!

Think is a team of executive advisory consultants with substantial experience in and around the C-suite and PMOs. We love to talk shop with anyone who shares our passion for effectiveness. If you want to learn more about conducting a OEM Fast Track Analysis or if you are considering the Interview Analysis Process, [let's schedule a time to talk](#).

Remember:

Culture eats strategy for breakfast... so don't plan blindly.

EXPERIENCE & QUALIFICATIONS

Think is a team of executive advisory consultants with substantial experience in and around the C-suite. The PMO assessment model presented in this white paper is the result of years of operations and project management consulting expertise, book and professional paper authorship, and the creation of our own style of effectiveness-focused project management. Tony Gruebl and Jeff Welch are principles of Think and co-authored ***Bare Knuckled Project Management (BKPM): How to Succeed at Every Project***, which has over 15,000 copies in circulation, and ***The Red Pill Executive: Transform Operations and Unlock the Potential of Corporate Culture***.

Think's project management success comes from using the most direct and effective strategies and management principles needed to guide and execute operations and projects. What is needed changes with each engagement and we must provide commensurate value to the organization we support. It's just part of being successful consultants.

Think provides PMO development and coaching services to a wide variety of organizations, performing a wide variety of work. We have worked with over 200 organizations over the last 15 years. This diversity and the absolute need to be successful consultants has led us to not only incorporate, but move beyond, industry standard practices like those contained in the Project Management Body of Knowledge (PMBOK).

We have learned that there are cultural and operational limits to effectiveness that must be considered when establishing PMO governance models, services and frameworks. Learning how an organization operates and how a PMO supports it, is often our first task. Also key, is understanding that we are rarely asked to simply assess a PMO.

As consultants, we must provide value by tying the assessment to well-targeted recommendations that enhance the performance of a PMO. Once initial recommendations are addressed, the organization and PMO practices that impact operations are re-evaluated, which in turn creates new options for PMO improvement. This approach is incremental and constantly adjusts to change. It is more of a Lean-Agile approach to PMO development than Waterfall and it works!

AUTHORS



Tony Gruebl is founder and President, leads Think's BKPM Operations consulting team and is coauthor of Bare Knuckled Project Management (BKPM): How to Succeed at Every Project, and The Red Pill Executive: Transform Operations and Unlock the Potential of Corporate Culture available from your favorite bookstores. He is a Six Sigma Master Black Belt, and former COO and VP, with 25 years of operationally focused experience in and around technology, especially Business Intelligence. Tony has built and managed many teams, led hundreds of technology deployments, crafted effective, outsourced PMOs for customers, and improved the business processes of dozens of companies.



Jeff Welch is Vice President of Think, heads our BKPM Products team and is coauthor of Bare Knuckled Project Management (BKPM): How to Succeed at Every Project, and The Red Pill Executive: Transform Operations and Unlock the Potential of Corporate Culture available from your favorite bookstores. He is a technical executive, specializing in the use of technology to deploy training, simulations, and performance-enhancing information systems. He is a solution architect with twenty-three years of broad-based expertise in project management, information systems design and development, and specializes in fields associated

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Under Dale's leadership, organizations have experienced unprecedented transformations. Dale connects with and understands the team members and quickly identifies the gaps between an organization's strategy and its execution. Because of his hands-on, roll-up-the-sleeves approach and quick immersion into the culture, he is comfortable working with organizations of any level of maturity (from dysfunctional to high performing). Also, Dale is an expert in process improvement (Lean Six Sigma, TQM, etc.), and he is able to transfer process improvement knowledge and ownership into the organization.