

Four Pathways to Organizational Assessment and Increased PM Performance

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Abstract

First-person notation: In this paper, “I” relates to the author, and “we” refers to IPMA-USA (the USA member association of the International Project Management Association).

In previous papers and presentations I have addressed the need for improved project and program management (PM) performance, and identified specific improvement areas that every organization can embrace. But one cannot improve to the extent needed just by focusing on project managers and teams. One must evaluate the whole organization, to understand the relative strengths, weaknesses, and contributions to PM performance, of each part. Thus, an organizational assessment of project and program management is essential for optimizing the results from a portfolio of PM Performance Improvement initiatives.

As IPMA-USA^A began our initiative to develop **PRO**, Performance Rated Organization, a unique, open (freely available to the public) organizational PM performance assessment standard, we studied the market needs and many existing models. Among our findings is that the market is still very young; and, all the models show a range of strengths, and demonstrate value for their users. Yet all seemed to focus on PM maturity, while a handful had unique characteristics or features that caused them to "stand out" from the others. In this paper, we discuss some of the key strengths and differentiating characteristics of four different “*pathways*” to Organizational Project and Program Management assessment and improvement.

As organizations act to meet the rising demand for improved PM performance, they will increasingly search for holistic models that help them frame their improvement initiatives. This paper offers suggestions for that search, and an evaluation of some of the strengths of today's most-attractive options. Note: The actual presentation covers selected aspects from this paper, together with more examples.

Topics:

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1. Introduction

I (the author) have performed organizational assessments in PM since 1982; usually, the purpose is to identify the organization's strengths and weaknesses in managing the discipline, as a step towards improving PM effectiveness. Sometimes it was in conjunction with implementation of new PM processes (methodologies), and was an essential step in “base lining” the organization. Some of the assessments were part of specific goals, such as, for a “Big Eight” Consultancy, “*winning more bids, and making more profit on bids won.*” During those initiatives, most assessments also helped build support for the improvement efforts needed to achieve increased effectiveness, or as we call it today, PM Performance.

Starting in the mid-1980s I used CMM® and its Maturity Model approach in Information Technology organizations. Originally established to assure that Department of Defense software components were of adequate quality, an entire

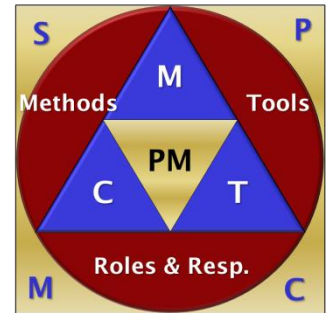
industry arose around assessing maturity levels, and in some cases, improving that maturity. Many organizations improved their effectiveness, while increasing the maturity of their processes. This was a significant achievement, compared to other “quality movements” such as the ISO 900x’s, which too-often led merely to documented proof that the target organization was consistently following its poor procedures.

As the Capability Maturity Model approach “matured” and moved beyond the software industry, the concept caught on with program and project management. Today, dozens and dozens of project management maturity models (PMMM) exist, and most have served their target audiences well. They have also served well the consultancies that embraced them as a value-added service for their customers.

When IPMA-USA began our quest to develop a new approach to Organizational PM Performance Assessment, one that was consistent with our unique Performance Competence-based Advanced PM certifications, we brought together a group of practitioners having cumulative hundreds of years of experience in Program and Project Management, and Organizational PM Assessment. The rest of this paper reflects the combined experience and research of this IPMA-USA project team.

2. Why Organizational PM Assessment?

“Why” is a great place to begin, because you must know your *Why* to succeed. As reflected in the chart at right, many organizations begin by training their Project Managers, believing that a bit of knowledge will improve results. Some embrace entry-level, knowledge-based certifications in hopes of further improving results. The more-savvy organizations move beyond the PM to develop other key stakeholders: Managers, Customers and Team Members. And, the top organizations move beyond knowledge, to develop and assess competence, and true PM performance. IPMA-USA’s advanced Competence-based PM certifications support these organizations.



We have now discussed the triangles in the drawing at the upper right. Ideally, this covers the range of needed PM knowledge, skill, behavioral attributes, competences and performance of the key participants. The circle reflects areas of project governance, often provided by methodologies, which are most-often tailored to individual organization needs. These two domains, shown by the triangle and the circle, reflect the bulk of PM performance improvement efforts by most organizations—and, to a great extent, moving to the next level without also considering the “triangle and circle” tends to be a waste of money and resources.

Last, we move to the square, which reflects your Organizational Context. The initials stand for Strategies, Prioritized Portfolios, Market positioning, and Capital, including Human Capital. This is much of the domain of Organizational assessments. Their *Why*: Organizations that engage PM as part of their strategic advantage, their revenue stream, or their improvements in their ongoing processes assess the aspects in the square to improve their overall effectiveness. Their success with their initiatives drives their organization’s success. There are additional reasons for organizational PM assessment. They include:

- Demonstrating to executive managers that yes, we are an effective, performing organization.
- Market differentiation, improving and demonstrating a competitive advantage.
- Identifying which parts of an organization are “the weakest links” in PM Performance.
- Keeping up with the fads: Everyone else is doing it.
- Identifying the best use of funds in performance improvement.
- Cases where buyers’ PM processes are more sophisticated and effective than those of sellers.
- To qualify for partnering or contract opportunities that are not otherwise available.

Regardless of your reason, every organization that intends to succeed with an organizational assessment **knows why they are doing one**. I recall one case where a client brought in one of “the big five” firms for a PMMM assessment. Why? IT Executives thought maturity models must be important, because they’d heard their peers were doing them. The assessment cost was great; it demanded far too much internal staff time, and it produced a list of expensive follow-on actions that were totally ignored.

This initiative was such a disaster that fifteen years later it still leaves them with a bad taste; still today, they are totally disinterested in any PM assessments—from anyone.

3. What Are the Assessment Boundaries?

As mentioned above, some organizations use PMMM to assess Information Technology (IT) organizations. This makes sense, because CMM or CMMI® assessments have identified useful information for IT audiences for years. Others assess a department, a site, or an entire organization. It is essential to identify the boundaries of an assessment, and, any exceptions beyond the boundaries. This defines the scope of the assessment project, and the audiences with whom you schedule an interview. To complete a useful assessment, you must sometimes interview people who are not in the assessed organization. For example, if assessing IT, do you also assess internal customers of IT, to corroborate their satisfaction with the services and results received? We would!

Assessments might cover projects, and the way you manage them. They could include programs (if you can agree on the definitions). In the extreme, they can include your entire portfolio of initiatives, and every aspect of your organization that touches them. One popular assessment, OPM3® (from PMI®) includes in its strengths the ability to scale the assessment to projects, programs, or entire portfolios. Also related to the Assessment Boundaries is *what you actually assess*. Most Maturity Model approaches assess the *inputs* and *process* parts of the Input-Process-Output model. While we appreciate that approach, an often more-efficient alternative is to assess the *outputs, or results*.

To illustrate the difference between the two approaches, I often use the omelet analogy. If you wish to evaluate an omelet, you have two choices:

- Evaluate and assess all processes involved with making the omelet, then verify that all inputs, or ingredients, are of the desired quality. *Outcome*: Evidence that the omelet is probably ok.
- Taste the omelet.

Which choice do you think gives a more-clear result? Which takes the least effort?

4. Who Is Assessed, Who Assesses?

This topic is broached in part above; we'll add to that here. Within the selected boundary, we interview the top-level manager or executive in the assessed organization, plus his or her direct reports. We interview middle managers. We interview selected program and project managers, and in some cases, interview team members, and as mentioned above, internal customers. While we do not look for a statistically significant sample, we do look for the key roles and key players.

Who assesses? Obviously (or not), effective assessment depends upon interviewing skills, rapport-building, good time management, the ability to redirect spontaneous questions when receiving vague or incomplete questions, an understanding of the disciplines and practices being assessed, and most of all, grasp of the “flavor” of assessment model you are using. While self-assessment does have some advantages, most successful assessments come from assessors that are outside the organization. And, most of the most-useful models have rigorous Assessor registration or recognition programs.

5. When Do You Assess, Re-assess?

Organizations assess when it helps their bottom line. And, there must be a clear benefit. Assessments take internal staff away from their important work priorities. Thus, you clearly avoid assessments during peak periods, or during the closure of important projects. It is ironic, because many organizations that could benefit the most from organizational assessments in PM have the least time to participate in them. Perform the initial assessment when you have the organization's (within the established boundary) top executive's commitment, as a Sponsor, to support both the interviews, and the intended follow-on actions.

Reassessment is not essential, but can be very useful. Any assessment identifies a range of opportunities for improvement—whether in processes, skills and competences, policies, responsibilities, and in such delicate areas as improved follow-through.

Our experience is that, given actions to implement assessment recommendations, a re-assessment within 1.5 to 2 years can identify new opportunities for improvement. Of course, timing also depends on the volatility of the organization. For example, IPMA-USA's **PRO** requires a re-assessment of certified organizations after a major acquisition or reorganization—to keep their unique certified status.

6. How Do Organizations Assess?

In the early 1980s, I built my own assessment framework—there was nothing like today's abundance of assessment processes. Similarly William Duncan, the principle author of the original PMBOK® Guide, built his own assessment model, and used it in his practice. Duncan's model became the prototype for the **PRO** assessment. When IPMA-USA began its **PRO** project, we decided that it was important to assess against a standard—ideally, an open, versus proprietary one. We identified additional requirements, including ease-of-use, and ease of learning. We looked at a wide range of standards, including quality standards such as the Malcolm Baldrige award, and various ISO standards.

Not finding a model or framework that worked for our needs, we built our model, ran it through the Standards process, published an Exposure Draft, and collected comments. We published the **PRO** Standard as an open source, easily downloadable resource on April 4, 2010. We position **PRO** as a framework for self-assessment, professional assessment, and uniquely, certification as a performing organization.

7. The Four Pathways, and the Advantages of Each

To understand the current market for organizational PM assessments, we looked at many different models, and researched the strengths of each of them. We found an interesting paper in Italian^B to be a great resource in exploring models that were less-well known. And, because as PM consultants we have often helped guide clients through their self-assessments, we addressed this most-commonly used approach, and investigated how we could also help those assessments to be more effective. We boiled down our analysis to reflect four distinct approaches, each representing a range of strengths. Thus the *Four Pathways*, the subject of this paper. Each is a viable candidate approach for you.

While not an exhaustive list, we highlight the primary strengths of the four pathways.

DIY; the Do It Yourself approach, practiced formally or informally by many organizations.

- Tailored to the organization's culture, business sector
- No learning curve needed about the target organization's culture, politics
- Scalable from one group to an entire enterprise, depending on the level of the Sponsor
- Assessed organization is in control of assessment depth and cost
- Given Sponsorship, tends to increase "buy-in" for improvement opportunities.

OPM3, Organizational Project Management Maturity Model, by PMI.

- A comprehensive PMMM, scalable and easily modified for use in any organization
- Well-supported by a wide variety of trained, vetted and experienced consultancies and assessors
- Based on commonly-accepted practices, or best practices, as with other PMI standards
- Helps identify current organizational PM maturity, and top-priority areas of improvement
- Promoted by the world's largest PM association, PMI.

MCPM,^C the Maturity by Project Category Model, by Darci Prado and Russ Archibald.

- Freely available, with online entry and evaluation, and very easy to use
- Simplicity: 40 straight-forward questions, with easy scoring—yet a wealth of information in results
- Rich with research information about project success across industries, project categories
- Years of publicly-available data collection shows pace of improvement
- Identifies maturity level in six key areas, with priority areas for improvement.
- Supported by a volunteer corps of industry experts who interpret meaning from the results.

PRO,^D the IPMA-USA Performance Rated Organization standard.

- Elegant (as proclaimed by reviewers) top-down model, oriented to Executives and Change Agents
- Performance orientation moves beyond maturity details of inputs and process
- Freely available in an easy-to-use self-assessment or with professional assessors
- Clearly identifies the opportunities for performance improvement, and the responsible areas
- Uniquely offers PM certification to qualifying organizations, a market differentiator.

8. The PRO Design

While the essence of **PRO** has been constructively applied for nearly three decades, it is the newest of the organizational PM assessments. Thus, we benefitted from studying the strengths of the existing assessments in the market. We were able, as it were, to “Stand on the shoulders of our predecessors.” Several key strategies came from our analysis of those strengths:



- *Move beyond Maturity Models*; while maturity works well in many cases, project management improvements are more sensitive to a “weakest link” approach than a linear progression. A side note: One of today’s CMMI Level 5 organizations *is now looking to improve results*^E.
- *Assess Performance* (results or outputs), not just inputs and processes; this can produce similar results, at significantly lower cost, with less time required from staff.
- *Open Standard*; learning from the popular Prado/Archibald model, rather than producing a tightly-controlled, proprietary model, we chose to offer a freely downloadable open standard (the Assessor Guide is proprietary, and is only provided to those who pass Assessor training).
- *Elegant, Top-down (executive oriented) Model*; we felt that some available models were focused on the project manager’s view of the organization, not an executive’s view.
- *KISS: Keep It Simple, Silly*; we chose to produce a PM assessment standard that was easy to use, and easy to learn. The rationale: Not everyone will hire a skilled, trained professional assessor.
- *Engage Professional Assessors*; at the same time, we chose to develop a model that could easily be added to the repertoire of a wide range of assessors of other standards, including CMMI and OPM3.
- *Improve Organization Performance* as the ultimate outcome of assessments. Certainly, performance improvements can be identified from many assessments, but PRO’s focus on performance improvement recognizes those who deserve to be called Performance Rated Organizations.

Thus, IPMA-USA designed and delivered a unique and differentiating PMMM organizational assessment—not just another maturity model.

9. Observations and Opportunities

In our **PRO** development project, we identified a series of factors that have hampered wide acceptance of organizational PM assessments. While we designed to overcome those factors, our lessons learned are also relevant to any organization that uses PMMM. Some of those factors involve the assessments themselves; others involve what is done with follow-on Improvement Actions.

About the Assessments

- Maturity models, as pioneered in software development, do not necessarily translate to program and project effectiveness, or improved performance. Any “weakest link” can overwhelm all other strengths.
- Developing competent and performing stakeholders (not just the program or project managers) is a critical success factor. For this reason, some method of competence assessment—and competence development planning—of all stakeholders is an essential part of any PM improvement process.
- Best practices vary by industry, by organization, and by the part of the organization. The best “best practices” are those that work well within your organization.
- Be wary of the online version of OPM3; it is a shadow of the *official* version, which is used by skilled professional assessors—this causes confusion in its market, and diminishes the excellent full version.

- An observation repeated frequently, but first stated by Darci Prado, developer of the MCPM model: Few of the models are mutually exclusive; they can be used simultaneously, or in sequence, to explore different aspects. This sentiment was repeated in the OPM3 LinkedIn group.
- While the **PRO** model is freely available, the Assessors' Guide is only available to those who successfully complete an IPMA-USA-held workshop on the model; we made this decision to make sure the data we provide for ongoing research is valid, and collected by Recognized Assessors.

About Follow-on Improvement Actions

- Failure to begin with benchmark measures, and then failure to measure progress is a common omission in too many organizations that would otherwise improve their PM effectiveness.
- Not having the right sponsor and committed managers is a common flaw in PM improvement planning.
- No follow-through on assessment is a frequent scourge, and not just in cases where the assessment was so distracting that few managers have interest in actually making the suggested improvements.
- Depending on the assessment used, certain additional investigations should be considered, including evaluation of the competence and performance of all stakeholders in the project success chain—including middle managers, an area of great opportunity for improved organizational PM performance.

10. Summary and Acknowledgements

There exist many good models for assessing (and improving) program and project management effectiveness. Most are based on the maturity model approach, and they serve their users well. Some, such as OPM3, are so sophisticated that they require an assessor who is experienced in its use; on the other hand, those assessors generate great value for those organizations that use that model. We are grateful to John Schlichter, of OPM Experts^F, and the members of the OPM3 LinkedIn group, for great insights and dialogue about organizational PM assessments. Thank you!

The Prado/Archibald MCPM model is striking in its contrast: Easy to use, accessible to any and all, and a rich database of research, correlating project success to maturity levels, by category of organization. And, MCPM has a strong international following of researchers who are mining that database, and establishing new insights into actions that improve pm effectiveness and project success. We have been especially fortunate to have Darci and Russ's experience and insights to guide us through the implementation of the **PRO** model. We agree that the models are compatible and complimentary.

The DIY approach is still viable; but today, perhaps its best use is in combination with some of the others of the **Four Pathways**. With today's selection of recognized, openly available models, there is no longer any need to invent your own organization PM assessment model, as Duncan, Goff, and many others did, nearly thirty years ago. For the reader, that means that you can focus on the best use of assessment processes, tools, talent, staff time, and most-importantly, the follow-up actions that assure that you use the results to **help you achieve your Why**.

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About the Author



STACY A. GOFF, the PM Performance Coach, has coached and inspired tens of thousands of project and program managers, and hundreds of organizations, on five continents, for over forty years. A Project Management practitioner since 1970 and consultant since 1982, he has also been a strong contributor to professional organizations such as IPMA® and PMI® since 1983.

He is a co-founder and past-president of IPMA-USA, and 2011-2014 Vice President of Marketing & Events for IPMA, the International Project Management Association. In September, 2015, he was named an IPMA Honorary Fellow.

Goff's interest in project competence and performance began with establishing a PM Competency Center for a nuclear power plant in the early 1980s. It continued with international engagements during the 1980s and 90s as he helped organizations assess and improve their project and program performance. Today, he coaches, speaks and performs keynote speeches at major project-related events. And, he continues to pursue his interest in individual, project team, organization, and national and international PM performance.

Mr. Goff brings a results-oriented approach to Project Management coaching, consulting, and training. His insight for the needed PM Competences, and his delivery of effective training translate to improved project performance. In his working life, he combines his Project experience with sensitivity for the interpersonal skills areas—the human aspects of projects.

In his papers, presentations, workshops or in consulting, he combines his project experience with strategic linkage for all projects and programs. His insights and experience have provided competitive advantage for his clients for over 40 years. His business result: measurably increased **PM Performance**.

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- ^A IPMA-USA is the USA member association of IPMA, the International Project Management Association. IPMA is the world's first project management association and the first with a suite of advanced Competence-based PM certifications.
- ^B We translated the mentioned Italian paper, *Proposal a Maturity Model; Integrated Project Management: Case Studies From The Italian Context*, by University of Rome Masters Candidate Pier Luigi. Together with its corresponding presentation, it is rich with research information about the PMMM market.
- ^C MCPM, the *Maturity by Project Category Model*, by Darci Prado and Russ Archibald, uses Russ's unique Project Categories. It can be seen and used at: www.maturityresearch.com/novosite/en/index.html
- ^D **PRO**, the Performance Rated Organization standard, is freely available at <http://ipma-usa.org>. Check there too, for a list of Recognized Assessors, or the availability of Recognized Assessor training in your area.
- ^E The Ogden Air Logistics Center, 309th Software Maintenance Group, at Hill AFB was an early CMMI Level 5 organization. They say they are now *moving beyond CMMI Level 5 to improve results* and customer satisfaction.
- ^F John Schlichter's company, OPM Experts, LLC, can be found at: www.OPMexperts.com/; note that the LinkedIn site requires free membership; search on LinkedIn for PMI OPM3.