



What is your project management secret?



# What is your Project Management secret?

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# What is your PM secret?

- What is today Project Management?
- Project, Program, Portfolio, PMO and Business
- Why do you need Project Management?
- P3M System
- How implement P3M System?





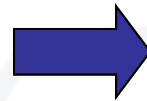
# PMI® & Project Management

- **PMI®** - Project Management Institute ([www.pmi.org](http://www.pmi.org))

Mission

From:

*“Building  
**Professionalism**  
in Project  
Management™”*



To:

*“Making Project  
Management  
indispensable  
for **business**  
**results**™”*





# Business and Projects

- *“In mature project management organizations, project management exists in a broader context governed by program management and portfolio management”*
- *“Projects within programs or portfolios are means of achieving organizational goals in the context of a strategic plan”*

*(PMBOK® Guide - Fourth Edition)*





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# Portfolio, Program, Project

- “A **portfolio** is a collection of projects or programs and other work that are grouped together to facilitate effective management of that work to meet strategic business objectives”
- “A **program** is a group of projects managed in a coordinated way to obtain benefits and control not available from managing them individually”
- “A **project** is a temporary endeavor undertaken to create a unique product, service or result”

(PMBOK® Guide - Fourth Edition)





# Portfolio Management



- *“Portfolio Management is the centralized management of one or more portfolios, which includes identifying, prioritizing, authorizing, managing, and controlling projects, programs, and other related work, to achieve specific strategic business objectives”*

*(The Standard for Portfolio Management -  
Second edition 2008 – PMI®)*





# Program Management



- *“Program Management is the centralized coordinated management of a program to achieve the program’s strategic benefits and objectives”*

*(The Standard for Program Management -  
Second Edition - PMI®)*





# Project Management

- *“Project Management is the application of knowledge, skills, tools, and techniques to project activities to meet project requirements”*

*(PMBOK® Guide - Fourth Edition – PMI®)*





# Project Management Office

- *Project Management Office is a function designed to facilitate the management of projects on one level and to improve management of the entire enterprise via project portfolio management and linking project to corporate strategy (J. Kent Crawford)*
- *PMO is the center of excellence and assumes a strategic alignment role in the relevant organization and guides the project environment in its improvement efforts (G. Hill)*





# Business Needs

- Project Management should understand business needs in terms of:
  - *Revenue Generation*
  - *Customer Satisfaction*
  - *Operational Efficiency*
- *“Executives expect projects to be aligned with strategies, make effective use of limited resources and deliver certain benefits” (Project Portfolio Management - H.A. Levine)*
- *“Executives should sponsor projects and guarantee the alignment to the strategy”*





# Project Management Needs

- Executive should understand the Project Management needs in terms of:
  - *Competency* - knowledge and skill in project management environment (Standard PMI®)
  - *Capability* – performance of project environment - people, processes, practices, tools in place and contribution to the results
  - *Maturity* – organization capability to generate value through continuous improvement in project management (Organizational Project Management Maturity Model – OPM3® -PMI®)





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# Project Management Value

- Organizational experienced the following improvements by implementing PM initiatives:
  - Project strategy alignment (55%)
  - Requirements performance (54%)
  - Project completed (52%)
  - Schedule performance, Quality, Budget performance (47%)
- Average cost of PM initiatives in each organization  
\$ 7,400,000
- Average cost saved due to PM in each organization  
\$ 19,000,000

Source: PM Solution Research Q1 2009: The Value of PM





# Main PM initiatives

- Implementing
  - a Project Management Office
  - a Project Portfolio management methodology
  - Performance measures
  - A governance or risk management process
  - Change management
  - Project or portfolio tools





# Project Management Maturity

- Maturity in Project Management Knowledge Areas means success in complete projects
- High performing organization are significantly more mature in the project management practices and in specific in:
  - Allocating resources optimally and in estimating accurately
  - Satisfying project customer
  - Completing projects on schedule
  - Measuring performance

Source: PM Solution Research 2006-2001: PM Maturity





# Project Management Office

- PMO allows to improve **overall organizational performance** at all levels of maturity
  - + 6,2% from PMO Level 1 (immature) to PMO Level 2 (established)
  - +14,6% from PMO Level 2 (established) to PMO Level 3 (grown up)
  - + 10,5 % from PMO Level 3 (grown up) to PMO Level 4 (mature)
- organization financially successful
- shareholders satisfied
- projects aligned to strategy
- project customers satisfied
- organization works on the right projects
- strategy executed to plan
- projects on schedule & budget
- resources allocated optimally

Source: PM Solution Research 2008: The State of PMO





# Project Portfolio Management Maturity

- The greatest benefits of PPM for the organizations are:
  - Projects are better aligned to business strategy (70,4%)
  - Working on the right projects (57,4%)
  - Spending in the right areas (46,3%)
  - PPM has led to increased cost savings (42,65)
- Allocating resources optimally
- Killing poor projects
- Spending in the right areas
- Working un the right projects
- Eliminating project redundancies
- Increased cost saving
- Better aligning projects to strategy
- Increased profits
- Managing gaps in portfolios

Source: PM Solution Research 2005: PPM maturity





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# Business Management & Project Management

*“Developing and delivering faster, cheaper, and better products and services depend on an organization’s ability to cultivate the chicken-and-egg relationship between the project management and business management”*

*(Winning in Business with Enterprise Project Management – Paul C. Dinsmore)*





# Key Success Factors

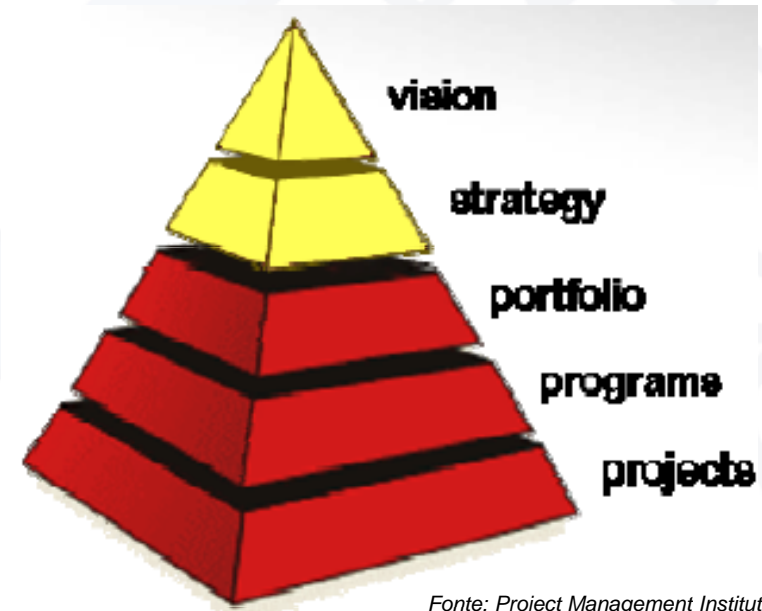
- Key factors to align business and project environments are:
  - Changes in culture, organization, processes (Change management)
  - Stakeholders management (business and project needs)
  - Project Portfolio management
  - Program Management Office
  - Continuous Improvement
- Adopt a System Approach to the change, creating a P3M System





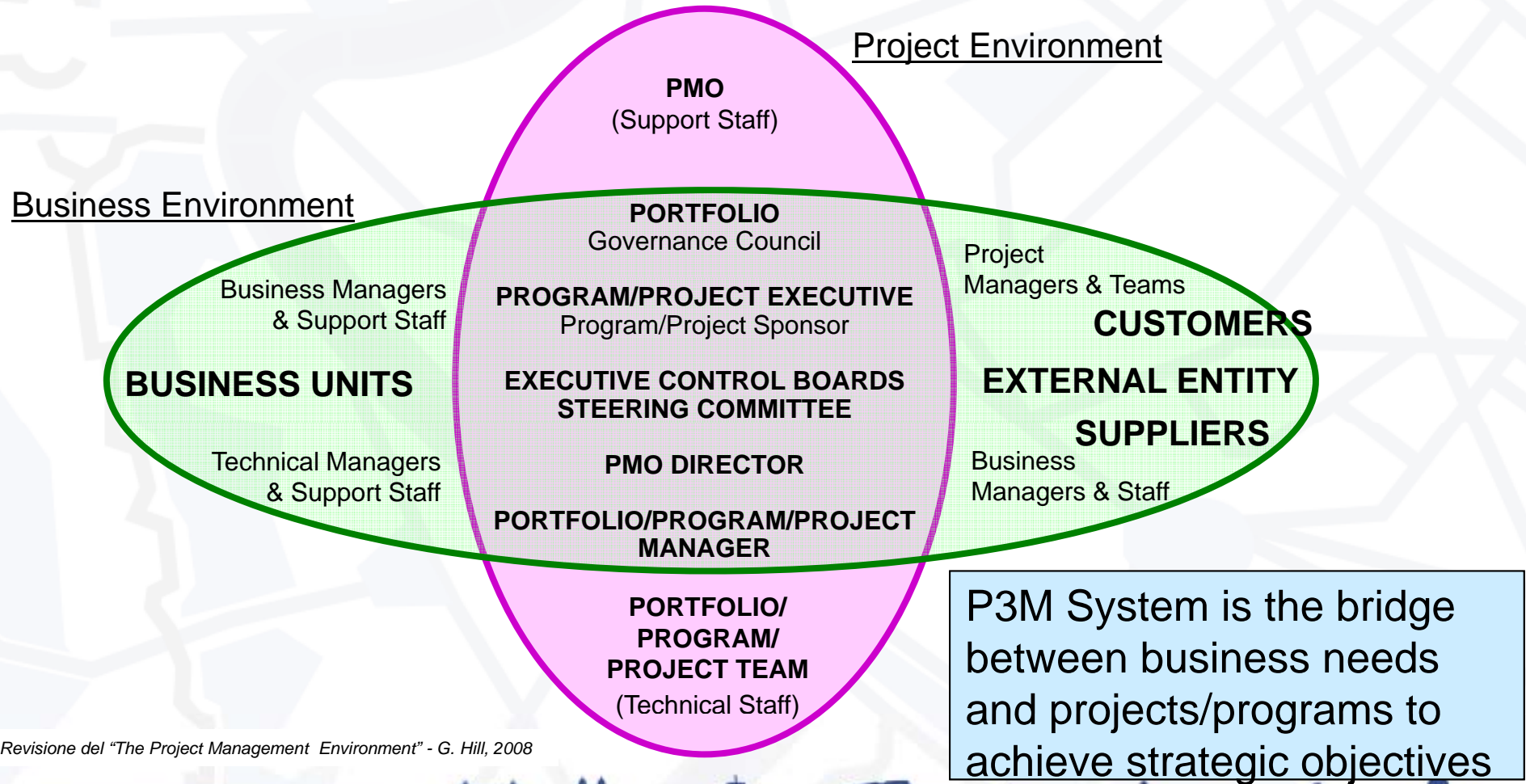
# Project Program Portfolio Management (P3M) System

- *P3M System is the aggregation of the processes, tools, techniques, methodologies, resources, and procedures to manage projects, programs, portfolios to generate value for the business*





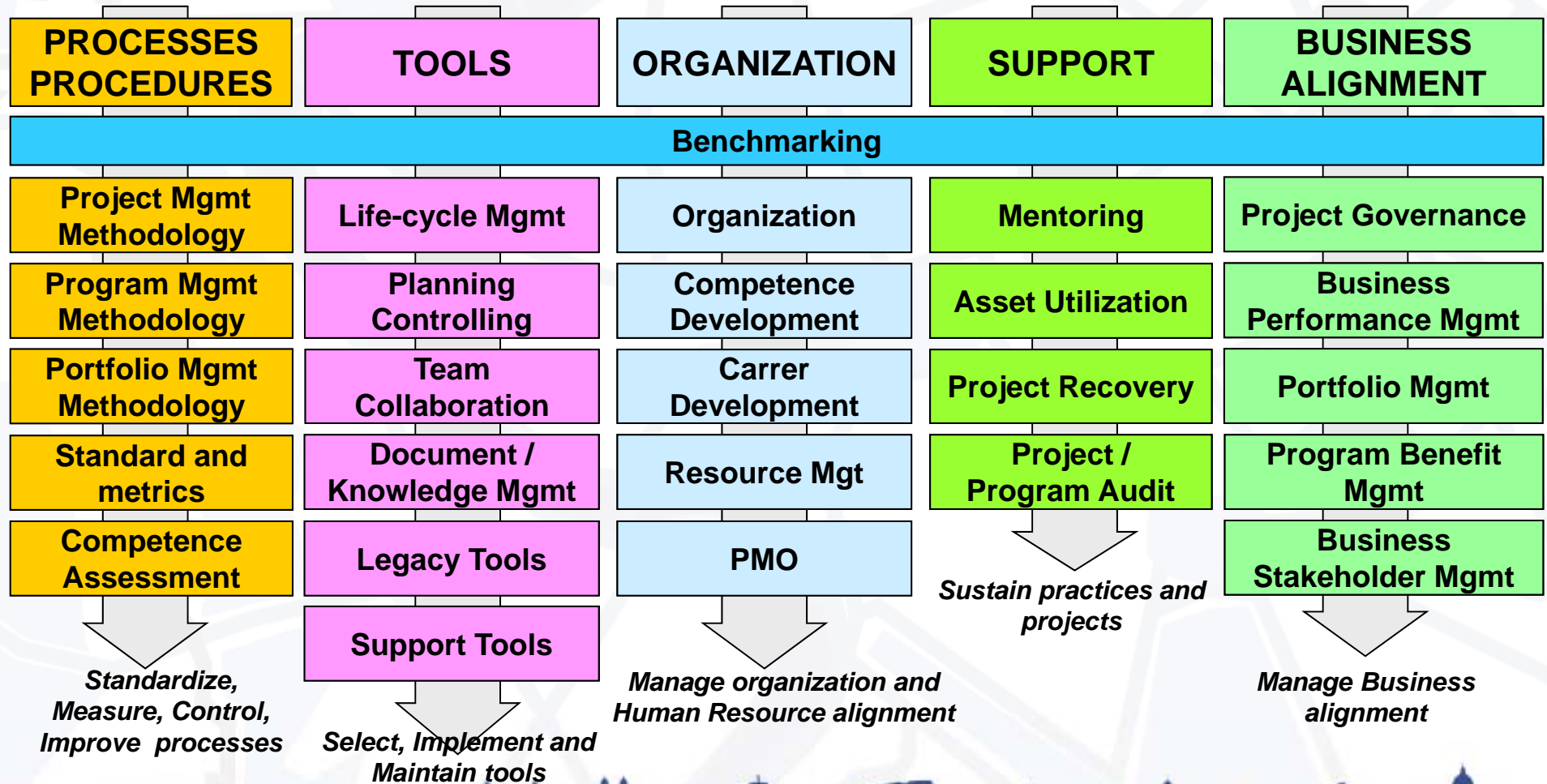
# Business and project environment



Revisione del "The Project Management Environment" - G. Hill, 2008



# A Model to build the P3M





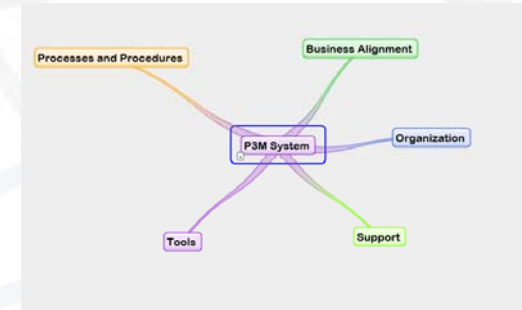
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# Implement P3M

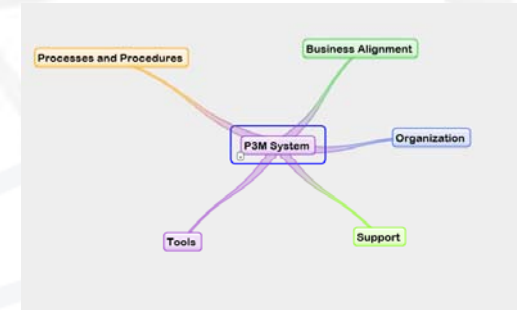


- Evaluate the change involving all the organization to implement a P3M System
- Include the P3M System implementation and evolution in the Strategic Planning
- Get Sponsorship for the P3M System program and the Executive approval
- Adopt an implementation Approach by steps and continuous improvements





# Implement P3M

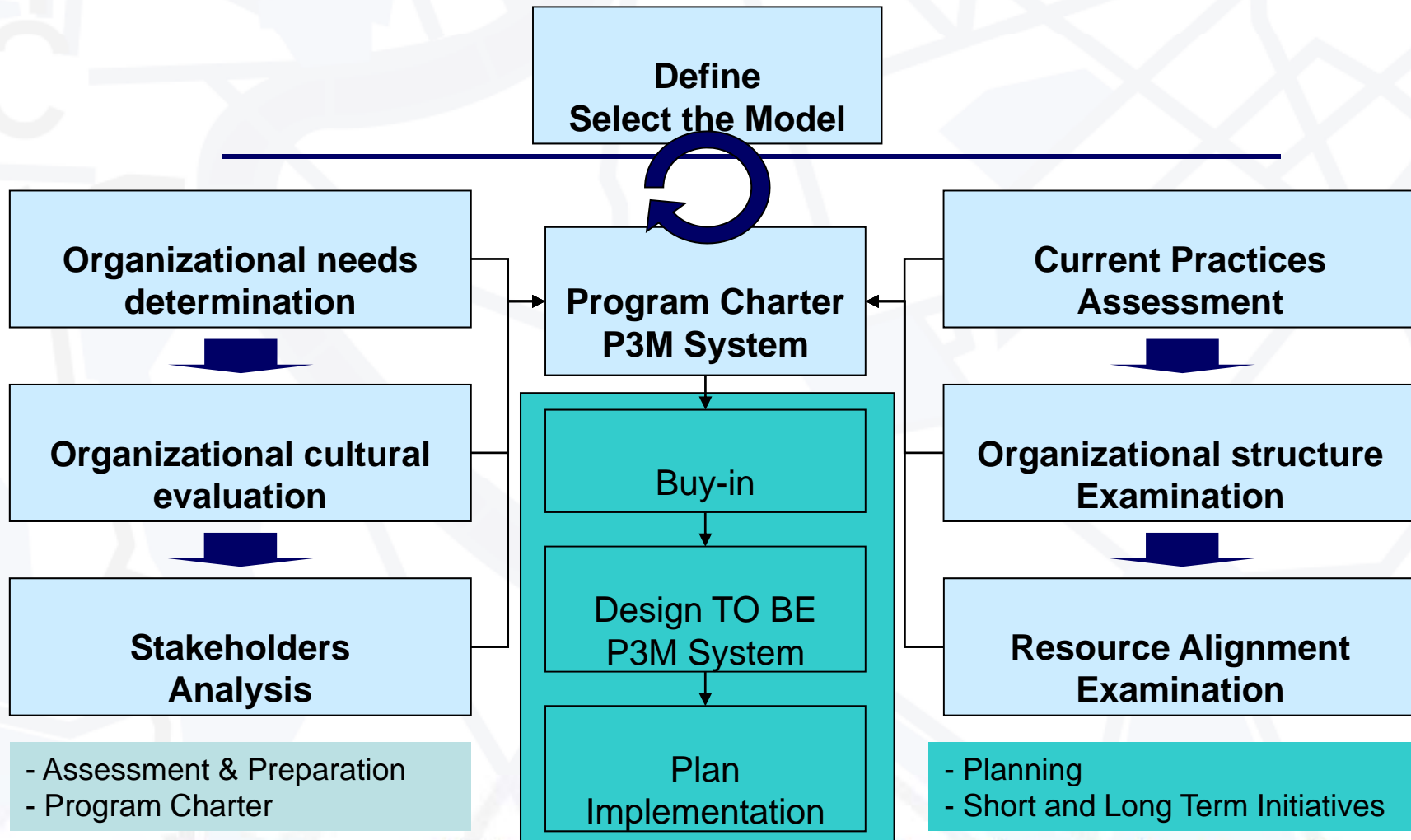


- Adopt an implementation Approach by steps and continuous improvements
  - Phase 1: Assessment & Preparation
    - Evaluate needs stakeholders and current practices
    - Identify the desired objectives and results and projects
    - Workshop planning
  - Phase 2: Start up with early term initiatives
  - Phase 3: Start up with long term initiative
  - Phase 4: Support and Continuous Improvement
- Each phase requires continuous assessment, measurement, executives alignment and sponsorship



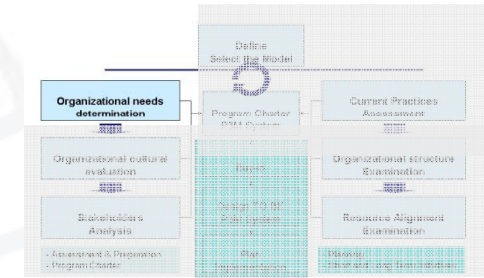


# Phase 1: Approach





# Organizational Needs Determination

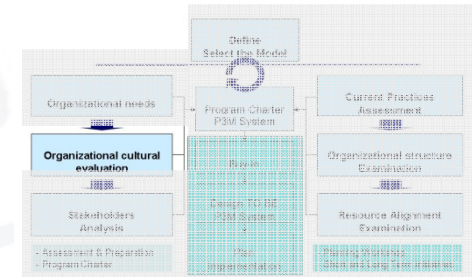


- Primary Goal:
  - Determine the basis for the PM3 System design and development effort
- Project Management Needs (Purpose)
  - Competency
  - Capability
  - Maturity
- Business Needs (Purpose)
  - Revenue Generation
  - Customer Satisfaction
  - Operational Efficiency





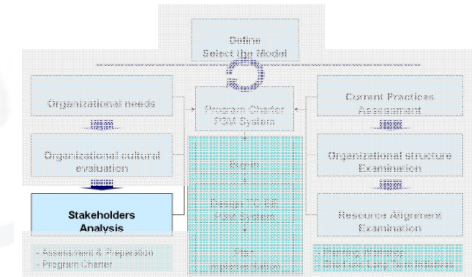
# Organizational Cultural Evaluation



- Primary Goal:
  - Understand organizational culture issues & impacts on the pending PM3 System design and development effort
- Preliminary Cultural Examination Points:
  - Organizational change – PM3 System “change initiative”
  - Organizational business focus – growth vs. profit
  - Organizational business philosophy – formal vs. informal
  - Organizational structure – centralized vs. distributed



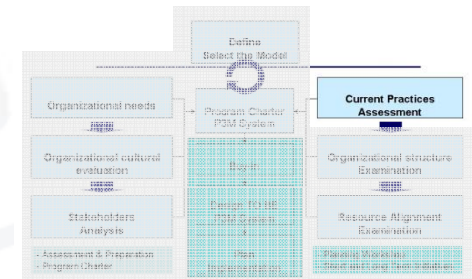
# Stakeholders Analysis



- Primary Goal:
  - Identify stakeholder influences on P3M implementation
- Stakeholder Interest and Commitment
  - Executives – executive sponsor, executive team (control board)
  - Business Units – business managers, resource managers and internal customers
  - Project Management – PMO manager, portfolio managers, program managers, and project managers
  - Project Management Staff – project team members (technicians, administrators, and laborers)
  - External Stakeholders – Customers, vendors & contractors, regulatory



# Current Practices Assessment

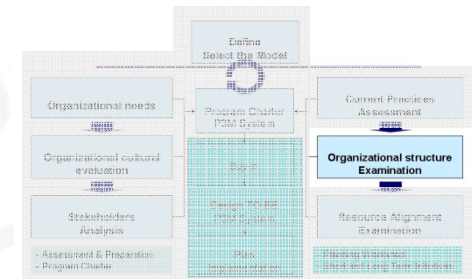


- Primary Goal:
  - Establish a benchmark for project management improvement
- Assess Project Management Practices
  - Project management life cycle fulfillment
  - Portfolio practices
  - Existing tools and techniques
  - Project plans and documentation
- Evaluate Project/Program/Portfolio Management Environment
  - Project/Program manager competency
  - Project team competency
  - Project organization structure
  - Executive and senior management support





# Organizational structure Evaluation

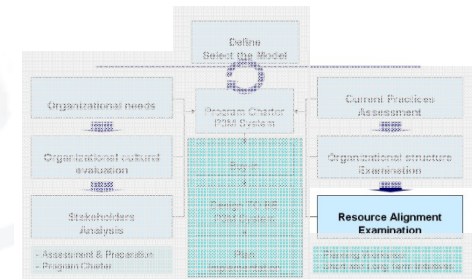


- Primary Goal:
  - Determine P3M Organization - PMO “fit” and alignment with other business units in the organization
- P3M/PMO Executive – Responsible for PMO service outcomes
- PMO Manager/Director
  - Responsible for day-to-day PMO operations
  - Responsible for resulting project and business success
- PMO Organizational Alignment
  - A branch or activity within a business unit
  - A bona fide business unit within the enterprise





# Resource Alignment Examination

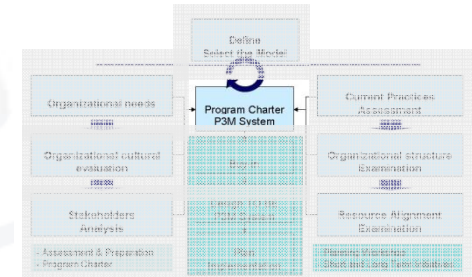


- Primary Goal:
  - Determine how resources will be aligned with the P3M - PMO/Portfolio Structure
- Program/Project Manager Resource Alignment
  - Program/Project managers aligned with functional managers
  - Program/Project managers aligned with PMO/Portfolio Structure
- Project Team Resource Alignment
  - Project team members aligned with functional managers
  - Project team members aligned with project managers
  - Project team members aligned with PMO/Portfolio Structure





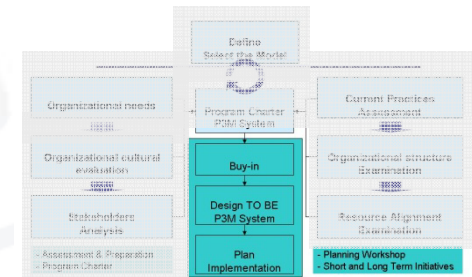
# The P3M Charter



- Primary Goal:
  - Develop the P3M System charter as a basis for establishing PM3 functionality and for conducting PM3 operations
- Specify PM3M Organization and Structure
  - Define P3M business purpose (objectives)
  - Identify P3M functional responsibility
  - Specify P3M business alignment and affiliation
  - Specify P3M – Organization, roles, responsibility and authority (PMO)
  - Authorize P3M resources and funding
- Attach P3M Assessment & Preparation Results



# P3M Implementation Planning



- Primary Goal:
  - Develop a strategy document for P3M functionality and a program plan for P3M implementation
- Prepare a Strategy Document for P3M Functionality
  - Review all prior P3M design input
  - Specify the initial (short-term) P3M functionality
  - Specify the long-term P3M functionality
- Prepare the P3M Implementation Plan
  - Conduct planning workshops
  - Specify P3M functional implementation – To BE P3M Model
  - Define P3M program plan
  - Define plan for short term initiatives and long term initiative



# What is your PM secret?

- Get successful project and program results
- Have the right P3M System that allows you to get positive measurable results for the business and to get continuous improvement
- Your P3M System is only your own P3M System and allows you to get the desired excellence





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