Implementing Organizational Project Management (OPM) Using OPM3®

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Why Do Organizations Fail to Deliver Results or Deliver Results in Chaos?

• Work authorized lacks priority relative to other existing work within an organization
  – No Alignment to Strategic Plan & Resource Gridlock
• Execution is challenging
  – Planning is easier for most organizations
• Plans are too detailed or not detailed enough
  – Unclear Scope & Scope Creep
• Organizations do not account for roadblocks
  – No tool to manage and assess risks that hinder success

Organizational Project Management (OPM) Framework provides organizations a consistent approach to planning and executing projects and deliver results to support the organization’s bottom line.
What is Organizational Project Management (OPM)?

- The systematic management of projects, programs and portfolios in alignment with the achievement of strategic goals
  - The consistent use and development of best practices to assure the successful completion of projects
- A project management approach with an emphasis on continuous improvement to deliver business results
  - Approach is focused on supporting the organization’s bottom line
Developing an OPM Framework - Challenges

• Measuring an OPM Framework’s effectiveness
• Balancing robustness of framework with the value delivered
• Defining a common terminology to build systems and governance approaches
• Integrating OPM Framework with other current performance improvement approaches and regulatory systems in use
  – Examples: ISO 9001, ISO 17025, QNM/ Baldrige, ERP Initiatives
PMI’s Standard to Develop an OPM Using a Maturity Framework is OPM3*

• OPM3 measures an organization’s maturity which is the robustness of its Organizational Project Management (OPM) Infrastructure and how well it ties the management of projects, programs and portfolios to its stated strategic goals.

• Provides an objective criteria to measure effectiveness of a Project Management Office (PMO).

• Highlights needed areas of improvement for organizations to help them achieve better business results.

*Organizational Project Management Maturity Model
OPM3 is a registered trademark
OPM3 Measures OPM Using 2 Layers

Layer 1 PM Focus Area
- Portfolio
- Program
- Project

Layer 2 Process Improvement Stage

Increasing Maturity
- Standardize
- Measure
- Control
- Continuously Improve

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Layer 1 - Projects, Programs & Portfolios

• Portfolio Management
  – A collection of projects and/or programs and other work grouped together to facilitate effective management of that work to meet strategic objectives
  – Are the strategic goals of the Organization Met?

• Program Management
  – A group of related projects managed in a coordinated way to obtain benefits and control not available from managing them individually
  – Are the potential synergies of the project being exploited?

• Project Management
  – Involves processes for individual projects and competencies for project management practitioners
  – Is the project on goal- on budget – on schedule? Customer is satisfied?
Organizational Strategy and Objectives
(communicated through a strategic plan)

Operations Planning
(Continuing to run the business)

Strategic Planning
(Responding to env. changes)

Initiatives
(defined to accomplish strategic and operational objectives)

Project Portfolio

Projects

Program 1

Project 1

Project 2

Program 2

Project A

Project B

Project C

Project D
Layer 2 – How to Measure Degree of Maturity or Stage of Process Improvement

- **Initial**
  - Process unpredictable, poorly controlled, reactive

- **Standardize**
  - Process defined, used with some consistency, not measured

- **Measure**
  - Process defined, used more consistently, process measured

- **Control**
  - Process measured, consistent use, areas of non-use documented

- **Continuously Improve**
  - Process measured, consistent use, measures are used to proactively identify improvements
## OPM3 – High Level View of Maturity

<table>
<thead>
<tr>
<th>Portfolio</th>
<th>Program</th>
<th>Project</th>
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<tbody>
<tr>
<td>• Portfolio Management Component Authorization Process</td>
<td>• Program Management Authorization Process</td>
<td>• Active Process Governing Body Established</td>
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<tr>
<td>• Portfolio Level Standards</td>
<td>• Program Level Standards</td>
<td>• Documented &amp; Standardized Processes</td>
</tr>
<tr>
<td>• Balance Portfolio Process Measures Established, Measured &amp; Analyzed</td>
<td>• Program Level Resource/ Cost/ Schedule/ &amp; Risk Management Processes Measured</td>
<td>• Customer Requirements Driven Processes Implemented</td>
</tr>
<tr>
<td>• Program Level WBS Framework</td>
<td></td>
<td>• Processes Measured</td>
</tr>
<tr>
<td>• Prioritize Portfolio Based on Metrics &amp; Predict Future Performance</td>
<td>• Program Performance Management &amp; Predict Future Performance</td>
<td>• Project Change Control Established &amp; Integrated</td>
</tr>
<tr>
<td></td>
<td>• Program Change &amp; Risk Management Process</td>
<td>• Process Stability Achieved</td>
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OPM3 Is Designed to Make a Business Decision About Needed Level of Maturity

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Standardized | Measure | Control | Improve

- Active Process Governing Body Established
- Customer Requirements Driven Processes Implemented
- Project Change Control Established & Integrated
- Process Stability Achieved
- Measurements Guide Process Improvement
- Sustainable Improvement Cycle Established Ensures Individual Project Success

- Program Management Authorization Process
- Program Level Standards
- Program Level WBS Framework
- Program Performance Management & Predict Future Performance
- Program Change & Risk Management Process
- Program Measurement Based Improvement & Optimize Processes
- Program Control Processes Linked to Portfolio
OPM3 Benefits

• **Leverages** the correlation between an organizations PM capabilities and **effectiveness** in implementing strategy

• Provides a **comprehensive** body of knowledge regarding what constitutes Best Practices in Organizational Project Management environment

• **An objective** maturity assessment determines existing capabilities and needed capabilities

• Provides a **baseline** for deciding improvements to pursue and defer

• For improvements an organization pursues, OPM3 provides **documented evidence** improvements were achieved
How to Get Started – Lessons from the Field

• Assess your organization’s readiness and define activities that align with readiness

• Evaluate other initiatives in the organization and look for ways to enhance using OPM/ OPM3 versus compete

• Tie your OPM/ OPM3 efforts to business objectives and achieving business results. Avoid the project management perfection trap

• Start small with OPM3 Assessments- Pick 1 domain and standardize level
  – Start assessments only when your organization is ready.
## Example of Comprehensive OPM Improvement Plan

**FY2013**

<table>
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<tr>
<th>OPM Path</th>
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<tbody>
<tr>
<td><strong>Repeateable/ Standardize</strong></td>
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<tr>
<td><strong>Define/ Measure</strong></td>
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<tr>
<td><strong>Managed/ Control</strong></td>
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**Portfolio**

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<th>FY2014-15</th>
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<tbody>
<tr>
<td>Implement Standard Approach / Template</td>
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<tr>
<td>Implement Change Management &amp; Risk Management</td>
</tr>
<tr>
<td>Standardize Strategic Project Execution &amp; Tie to Measures</td>
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**Program**

| Develop Central Resource & Budget Forecast System |
| Develop Measures That Assure Synergies Are Leveraged (Resource Utilization, rework, etc.) |
| Identify Program Mgmt. Processes to Standardize |
| Develop PM Governance Approach (PMO Function to Assure Compliance to Internal Standards) |

**Project**

| Standardize Milestones & Schedule Tracking |
| Standardize Risk Management & Change Control Processes Measure & Analyze Cycle Times |
| Develop Integrated PM Schedule, Cost & Performance Reporting and Analysis System |

**Training**

<table>
<thead>
<tr>
<th>PM for Teams – All Employees / MS Project – All Employees</th>
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<tbody>
<tr>
<td>PM Maturity – Sr. Mgmt.</td>
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<tr>
<td>Standardizing PM Processes – Selected Staff</td>
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<tr>
<td>Portfolio Management – Program &amp; Portfolio Mgrs.</td>
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APPENDIX – REFERENCE MATERIAL
“Original” Maturity Model – Capability Maturity Model Integrated

The Maturity Levels

1. Process unpredictable, poorly controlled, and reactive
   - Initial

2. Process characterized for projects and is often reactive
   - Managed

3. Process characterized for the organization and is proactive
   - Defined

4. Process measured and controlled
   - Quantitatively Managed

5. Focus on continuous process improvement
   - Optimizing

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Maturity Model - Basics

1. Most models have 4-6 levels
2. Level selected based on “value” delivered
3. Moving from one level to the next is not a discrete event
Best Practices – What Are They & How Are They Achieved

• A **Best Practice** is an optimal way currently recognized by an organization or industry to achieve a stated goal or objective

• For organizational project management **Best Practices** are focused on the ability to deliver projects predictably, consistently, and successfully to implement organizational strategies

• In **OPM3 Best Practices** are assessed by an organization demonstrating supporting capabilities as observed through measurable outcomes
Best Practices Directory - Example

• 1400 Staff Projects With Competent Resources
  – The organization provides projects with an adequate workforce with the right level of competence for each project-related role.
    • Domains: Projects, Standardize

• 1410 Manage Project Resource Pool
  – The organization has the mechanisms, systems, and processes that provide projects with professional project managers and competent, committed project team members
    • Domains: Project, Standardize
Best Practices - Core Components

• Capability
  – Specific competency that must exist in an organization to execute project management processes.
  – Capabilities are incremental steps that aggregate to one or more Best Practices

• Outcome
  – Existence of a Capability is demonstrated by the existence of one or more corresponding Outcomes

• Key Performance Indicator (KPI)
  – The criterion by which an organization can determine, quantitatively or qualitatively

• Dependencies
  – Series of capabilities leading to a single Best Practice
  – Existence of a Best Practice depends on the existence of another Best Practice
Capabilities - Example

• BP Name: 1410 Manage Project Resource Pool
  – Capability ID 1410.030 Develop Skills Database
    • Outcome: The organization has a skills database to determine training requirements
    • KPI: Skills Gap Analysis Results
    • Metric Type: Exists/ Does not exist
### Improvement Planning - Example

- **BP Name:** 1410 Manage Project Resource Pool

<table>
<thead>
<tr>
<th>Capability</th>
<th>Name</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1410.010</td>
<td>Know the Importance of a Competent Resource Pool</td>
<td>Achieved</td>
</tr>
<tr>
<td>1410.020</td>
<td>Identify Process Requirements for Resource Pool</td>
<td>Partial</td>
</tr>
<tr>
<td>5220.030</td>
<td>Implement Staff Acquisition Policies &amp; Procedures</td>
<td>Gap</td>
</tr>
<tr>
<td>1410.030</td>
<td>Develop a Skills Database</td>
<td>Partial</td>
</tr>
<tr>
<td>1400.040</td>
<td>Review Human Resource Plan</td>
<td>Partial</td>
</tr>
</tbody>
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Key Concept: Improvement plan suggests order and identifies dependencies from other best practice areas.