• Describe strategic context of OPM3
• Describe Elements of the Model
  – and capabilities
• Explain Key Processes
  – and process improvement steps
• Explain Integration - preliminary design
• Describe Prototyping
• Describe Beta Testing
Organizational Project Management
– not simply single-project management, i.e. *PMBOK® Guide*
– strategic domain encompassing more than the multiple project delivery systems of program management
– spans both activities that align projects to strategic priorities and infrastructure that enables the project environment
Strategic Context

“Networked Organizations”

ORGANIZATIONAL
PROJECT
MANAGEMENT

Work between organizations
We want to strengthen the link between organizational strategy and execution so project outcomes equate to organizational success. Capabilities distinguish organizations that can translate organization strategy repeatedly and reliably into successful project outcomes. Organizational routines or processes can be made “capable”:

- processes driven by strategic priorities, including launching and prioritizing projects, managing the portfolio of projects, and managing the organizational environment.
Strategic Context

– Whether an organization is fully “projectized” or not, OPM3 provides guidance regarding how to
  • articulate project success
  • measure project performance
  • make the delivery of projects more predictable
  • help projects work together instead of against each other in a multi-project environment
About This Presentation

Best Practices + Processes = Integrated Model Design
• Using a version of Delphi

Round 1 – Open
Guidance Team (GT) Output = Possible Elements.

Round 2 – Semi-Closed
GT + Standards Open Day Output = Revised Elements.

Round 3 – Closed
Pilot + Wide participation Output = Priorities/Consensus.
Affinity Analysis

Consolidated Results

Led to “Clusters”
<table>
<thead>
<tr>
<th>OPM3 Clusters</th>
<th></th>
</tr>
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<tbody>
<tr>
<td>• Standardization &amp; Integration of Processes</td>
<td>• Commitment to the Project Management Process</td>
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<td>• Project Success Criteria</td>
<td>• People &amp; Competence</td>
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<td>• Project Alignment &amp; Prioritization</td>
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Single project management is a fundamental building block of OPM3, yet there is much more.
### OPM3 Clusters

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Single project management is a fundamental building block of OPM3, yet there is much more.
Performance Metrics

- Maturity improvement program
- Process compliance metrics
- Organizational effectiveness tracking
- Real-time project performance figures
- Standard presentation formats
- Measured training
- Best-in-class benchmarking
- Track record
- Customer satisfaction metrics
- Project ROI tracking
- Organizational performance tracking
- Integration of PM standards
- Performance system
- Formal performance assessment
- Full performance summary metrics
- Planning baseline
- Project baseline tracking
- Lifecycle-linked metrics
- Product quality and customer satisfaction metrics
- Best-in-class gap analysis
- Repeat business due to projects
- Risk plans
- Risk management
- Quantifiable specifications
- Quantifiable lessons
- Mathematical models for planning
- Consistency
- Accuracy
- Process analysis and improvement metrics
Modeling Elements

- In most cases, you can not implement these “best practices” overnight
- Must develop incremental capabilities that aggregate to the best practices
- There are often dependencies among these incremental capabilities
Example

• Best Practice “Best-in-class Benchmarking”

• Incremental capabilities leading up to this best practice:
  – Per-project basic metrics - Ability to work and measure in isolation
  – Metrics gap-analysis - Ability to identify areas of weakness of the existing measures
  – Criteria development - Ability to define what needs to be measured and how the results would be used
  – Benchmark application - Ability to assess the organization based on best in class measures and historical information
  – BIC metrics refinement - Ability to refine goals and measurements to reflect the organizational environment
What-if
What-if
About This Presentation

Best Practices + Processes = Integrated Model Design
• We can talk about organizational project management in terms of processes.
  – Process of Planning Strategies
  – Process of Chartering Projects
  – Process of Prioritizing Projects
  – Process of Managing the Program and Project Portfolio
  – Process of Individual Project Management
  – Process of Managing the Environment
We learned from the Quality Movement that process performance improves when processes are standardized, measured, controlled, and continuously improved.
Quality & Maturity

- Watts Humphrey’s work at SEI.

• The classic process model consists of four components:
  – Process
  – Measurement
  – Control
  – Continuous Improvement
• These are the essentials of process improvement.
• A “process” is a well-defined, conceptually repeatable, systematic sequence of steps, methods, strategies, and/or approaches for transforming inputs to outputs.
• Operational definitions create uniform and correct behavior by the process operators, achieving standardization.
• Standardization means uniform implementation of the work methods.
Measurement

• All processes can be measured, and must be measured in order to control and improve them.

• Through measurement, we seek to increase the value of processes and to simplify them.

• Process measurement should focus on the critical process characteristics or key performance indicators.

• Measurement techniques must be well defined.
• In order for a process to be stable, the outputs must be stable, how the process is operated must be stable, and (in nearly all cases) the inputs must be stable.

• Focus is on preventing process upsets.

• A system for maintaining process control must include:
  1. An operational definition of stability
  2. A mechanism for detecting if stability is lost, i.e. for detecting a process upset.
Continuous Improvement

• Continuous improvement means routine, systematic and sustained improvement of processes and thus the products they produce.
• “Making improvements” is fire-fighting, while CI is systematic root-cause elimination based on analysis, integration with systems that standardize improvements, and widespread deployment of involvement in improvement.
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Key Processes

Design and implement Organizational Strategic Planning A1

Identify Projects and Determine Chartering Conditions A2

(Re)prioritize Projects and (Re)allocate Resources A3

Manage Program and Project Portfolio A4

Manage the Environment A5
About This Presentation

Best Practices + Processes = Integrated Model Design
• The dependency logic of our clusters and the process improvement stages represent our preliminary design.
• We must fully integrate these to achieve a detailed design.
Design Considerations

• The scope of capabilities represented by OPM3 is a large body of knowledge.

• Organizations may be interested in improving one domain of organizational project management but not all domains.

• The model must allow the user to make intelligent trade-off decisions easily regarding the organization’s path to improvement.
Design Considerations

• To navigate the model, you must know where you are today, and you must know the routes available to get you where you want to be.
  – Assess your initial condition
  – Identify trade-off’s, or what-if scenarios
  – Enable choices
  – Provide recommendations based on your choices
To navigate the journey of performance improvement, you must know where you are and routes to get where you want to be.

Number of “best practices”: 161.
Number of capabilities: 689.
Number of outcomes: 799.

Number of relationships: 3,930.

Number of key performance indicators estimated 800+.

Each of these three dimensions is a necessary condition for the model.
• Research guides our work
  – Extensive surveys of practitioners
  – Exhaustive analysis of existing maturity models
• **Very Strong Response**
  – 1,970 from 10,000 PMI members
  – 75%+ invited return surveys

• **Respondents**
  – 56%+ work in large organizations (>5,000)
  – 66%+ see business environment changes every 5 years or less.
  – 33% deliver solutions, 33% do all types of project.
  – 63% complete projects in <1 year.
  – 45% are full-time PMs in multi-project environment.
Coping with Uncertainty

Simple + Stable = Low Uncertainty
- Small # of external elements, and elements are similar.
- Elements remain same, change slowly. E.g. container manufacturers, food processors

Complex + Stable = Low-Moderate Uncertainty
- Large # of external elements, and elements are dissimilar.
- Elements remain same, change slowly. E.g. universities, chemical co's

Simple + Unstable = High-Moderate Uncertainty
- Small number of external elements, and elements are similar.
- Elements change frequently and unpredictably. E.g. e-commerce

Complex + Unstable = High Uncertainty
- Large number of external elements, and elements are dissimilar.
- Elements change frequently and unpredictably, e.g. computer firms, aerospace firms, telecommunications firms, airlines.

Environmental Complexity

"Characteristics of Perceived Environments and Perceived Environmental Uncertainty" by Duncan, Administrative Science Quarterly 17 (1972): 313-27
• **Maturity Issues**
  – 66%+ have project selection criteria.
  – 66%+ explicitly align projects ➔ strategy
  – BUT only 25% have well-balanced portfolios.

• **PMBOK® Guide Issues**
  – 80%+ desire OPM3 ↔ PMBOK® link.
  – 85%+ want self-assessment & uniform 3rd party assessments.
  – Nearly 90% wish PMI to provide benchmarks across industries
• If you are interested in participating in our next survey to refine and prioritize requirements for the model, contact

FJS3@MINDSPRING.COM

or

lisa.kruszewski@pmi.org
Requirements

• Realistic & Credible
  – is based on the results of valid test runs in representative organizations that exercise the breadth and depth of the model

• Accurate
  – uses a consistent and repeatable method to draw on evidence to assess and characterize organizational capabilities and outcomes at discrete points in the maturity continuum

• Consistent & Verifiable
  – provides consistent and valid results from one assessment to the next
  – enables assessments and comparisons between sub-units within a single organization
• Focused on Performance Improvement and the Bottom Line
  – Enables performance improvement recommendations to be derived for each capability of the model

• Practical
  – provides a roadmap for navigating the model toward improved capabilities and outcomes
  – provides the means to justify the investment required to build a project management infrastructure and grow capabilities
• Easy to Use
  – shall be written such that users with the equivalent of a High School Certificate can understand and apply it
  – is accessible (i.e., form factor promotes ease of use).
  – produces automated assessment results that are easily interpreted
  – must facilitate self-assessments; users shall require no assistance to navigate the Model
• Authoritative
  – complies with the *PMBOK® Guide*
  – is recognized by appropriate standard-setting bodies (ANSI, IEEE, etc), industry professionals, and thought leaders as the international standard

• Agent of Change
  – provides the means to measure how project performance compares with that achieved in organizations using generally accepted best practices
• Fast
  – minimizes the time required for organizations to navigate through the model, determine current capabilities, and plot next steps

• Cost-effective & reasonably priced
  – optimizes purchase price and cost of application

• Scalable and Flexible
  – applies and is effective regardless of the structure, size, culture, industry segment, level of application within a company (for example, Marketing, Finance), maturity level, etc.
• Organization-related
  – addresses the influence of organizational culture, structure, strategy, and change on project performance

• Arbiter/Facilitator
  – shows “cause and effect” – defines the relationship between capabilities, the success of projects and measures of organizational effectiveness.
• If you are interested in participating in our next survey to refine and prioritize requirements for the model, contact FJS3@MINDSPRING.COM or lisa.kruszewski@pmi.org
• More than 30 models used to assess PM Maturity.
  – Quality derivatives.
  – CMM derivatives.
  – Individually or corporately developed.

• No existing maturity model addresses all of the issues raised by our research
Let’s imagine what the OPM3 product might look like.

Something that enables quick yet intelligent trade-off decisions regarding improvement efforts through self-assessment and what-if scenarios.

Something aligned to the *PMBOK® Guide*.

Organizes rich content in a meaningful way, i.e. by processes.
Welcome to the OPM3 web site. Tell us about your organization:
- Organization Definition
- Structure
- Size
- Strategic Priorities
- Number of Projects

Press the submit button below to store this information and begin navigation of the OPM3!

SUBMIT
Initial Capabilities Baseline

Question 1: ____________
Question 2: ____________
Question 3: ____________
Question 4: ____________
Question N: ____________

SUBMIT
What domains of organizational project management do you wish to improve?

Process Area A: __NO__
Process Area B: __YES__
Process Area C: __NO__
Process Area D: __NO__
• To achieve advanced capabilities, organization must have basic prerequisites in place.
• The model must clearly demonstrate what is required in order to achieve maturity in areas of interest.
In order to improve you first improve these related areas:

Process Area A: RELATED

Process Area B: YES

Process Area C: RELATED

Process Area D: NO

SUBMIT
Link to navigation paths (sequence of capability development) and capability descriptions here.

Link to relevant sections of the PMBOK® Guide or access the full online version here.

After you have developed the appropriate capabilities, click here to evaluate your current position within the model.
Second Capabilities
Baseline

Question 1: ________________

Question 2: ________________

Question 3: ________________

Question 4: ________________

Question N: ________________

SUBMIT
RESULTS

your original goal

your current state
RESULTS

industry average

your original goal

your current state
Beta Testing

- Once the model is integrated, and navigation standards have been developed, Beta Testing will begin.
- Beta Testing will involve limited deployment of the model within a variety of organizations who will provide feedback to help us refine the model before its release at large.
• Beta Test Site organizations must demonstrate the commitment of an Executive Sponsor who has a clear and tangible objective for the engagement, and who has the authority to commit the resources and funds required to conduct the engagement.
• In general, a significant cross-section of the organization should be represented, from the executive (strategic) decision-making to the management (operational) to the project team (tactical) levels.
Beta Testing

- The Beta Test Site’s should plan for a number of visits and follow-ups depending on the size of the organization being assessed.
- Resources required by the OPM3 team will be discussed and provided by the Beta Test Site.
Beta Testing

- PMI will discuss the intellectual property requirements with firms, as necessary.
- The Beta Test Site’s sponsor will be provided the background of each OPM3 team member to determine if a conflict of interest may exist.
- The Beta Test Site sponsor will provide feedback to the OPM3 Beta Test Team for improving the OPM3 model and standard.
- Want to be a Beta Test Site? Contact lisa.kruszewski@pmi.org
• The tragedies of September 11th have had an impact on our timeline, which we are re-evaluating now.
• Please be patient with us until we republish our schedule.
• Questions?
• model@tpmg.net