

Essential Insights In Meeting the Rising Demand For PM Performance

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Abstract

The practice of Project Management has soared in popularity since the landmark publishing of the 1996 PMBOK® Guide. Hundreds of thousands of new practitioners have been trained, equipped with new tools, and many certified. Yet despite these investments, *project performance*, for many, has not significantly improved. In some cases, **it is getting worse**. Meanwhile, increasingly impatient Executive Managers await the promised improvements; many are just giving up, deciding that PM is *just another fad*.

This paper responds to the rising clamor for improved PM Performance, often coming from outside the PM arena. It touches upon current perceived failures, and then identifies a set of essential drivers for improved PM Performance. Some organizations already employ many of the practices we discuss; many are missing a few essential insights. One such insight is that most current PM investments, including training, certifications and tools are merely inputs. Too often, the missing essentials are the insights needed to assure and measure intended results *or outputs*.



To increase PM Performance, we must improve the way we manage projects. In addition, we must learn how to measure and manage, early and often, the most important outputs. Only then will we make gains in PM Performance. The presentation accompanying this paper illustrates these essential insights with practice examples in improving PM results. All organizations can improve their results by blending the strengths of stakeholder talent, improved processes, re-used project intelligence, and executive support. They add clearer success measures and more responsive communication, **to achieve PM Performance**.

The Need For PM Performance

Everywhere you read, you learn about struggling and failing projects both in the public and private sectors. Over the last ten years, many highly visible private and public projects have struggled. Chicago's Millennium Park,ⁱ Boston's Big Dig,ⁱⁱ and the FBI's Filing System.ⁱⁱⁱ The failures range from Construction Engineering, to Government, to Information Technology projects. Google *project failure* and you will find over 28 million hits (most-frequently related to software). The PMI® website contains a plethora of articles about the issue, including insights into causes and non-causes. For example, see blogger Michael Hatfield's December 2008 post^{iv}, where he describes, in PMI's *Voices on PM*, factors that are *not* the problem, and then begins to explore *root causes*.

Meanwhile, Executives despair, as promised project results never appear; worse, they feel they have no visibility into project efforts—where everything else in their Enterprise portfolio is transparent and correct in real-time. As they lose confidence in the power of project management to drive their Enterprise Strategies, some add layers of Middle Managers between themselves and “the problem”, deciding that PM is just “*Something those people down there do.*” We explored this in an article, with suggestions for improving the situation, in *Let's Cure the Dumbing Down of Project Management*.^v

What is going on? Are we getting worse in managing projects? Are project managers inherently stupid, inept and incompetent? **Au contraire!** In fact, as trainer, consultant and coach to tens of thousands over 27 years, we have seen the competence of individual Project Managers significantly improve! Of course, there are some “prize in every box” people who attend a class, perhaps take a test, and maybe even gain a certification in project management—all without ever really managing a project. However, even that is not a contributor to the PM Performance problem—all those actions do to harm performance is to drain training and coaching funds from initiatives that would actually improve project success.

The Search For Solutions

In their search for solutions, some look for other options: Agile PM efforts provide a viable alternative for many Software Engineering projects. Six Sigma and Lean efforts have attracted such rabid followings that some don't even think they need the PMBOK® Guide. UK's PRINCE2 has the fastest-growing certification rate of any project-related practice—in part, because it offers the guidance of a true PM methodology or method: Processes, roles, responsibilities, life cycles and templates. Meanwhile the misinformed *still* try to use the PMBOK Guide as a methodology—and fail miserably at it.

Others have taken more direct action. For example, an ad-hoc group of Program and Project Managers has established the PM Manifesto,^{vi} a statement (and website) that calls for all programs and projects resulting from the US Government's economic recovery efforts to be *well*-managed (such a concept!). In our PM Consulting practice, we consistently encounter great PM in most of government, at all levels. However, the project team's efforts are only as effective as the governance processes above them—and Executive decision-making, project prioritization and resource allocation, and appropriate funding are usually among the “top ten” actions to correct to improve PM Performance, especially in government.

Still others, such as Project Management professional societies, some consultancies, and the savviest organizations, are working to move from a focus on testing knowledge, to one of demonstrating competence and measuring the PM Performance improvement.

The Missing Essentials For PM Performance

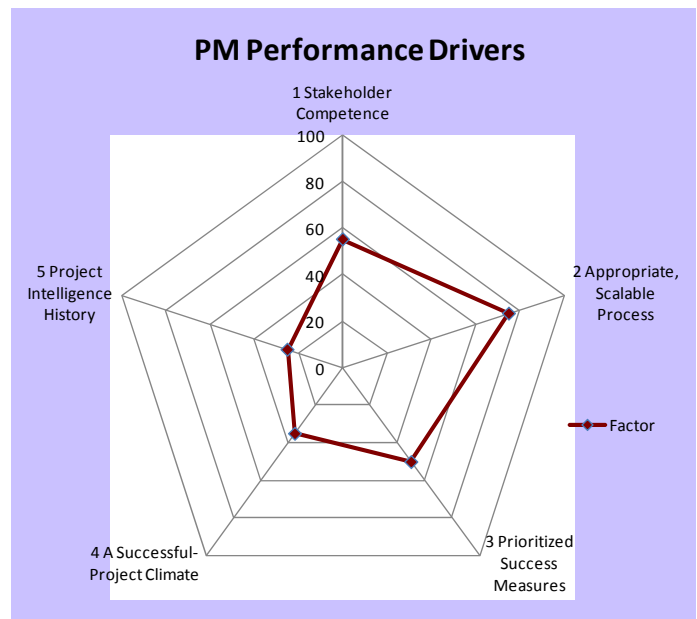
What are the missing essentials of improved PM Performance? In over 27 years of serving Enterprises, Government Agencies and Consultancies worldwide, we have consistently identified a handful of drivers where targeted and implemented improvements succeed in increasing PM Performance. Those Essential drivers include:

1. Stakeholder Competence
2. Appropriate, Scalable Process
3. Prioritized Success Measures
4. A Successful-Project Climate
5. Project Intelligence History

These are the **PM Performance Drivers** that high-performing organizations measure and manage. As shown in the figure at right, each driver represents groups of initiatives that you can baseline, then measure and monitor for improved levels of PM Performance. We will explain and explore each driver below.

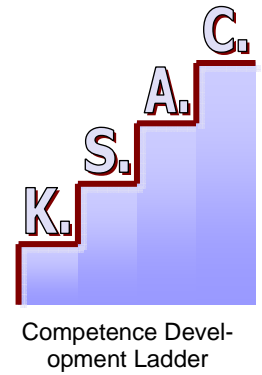
1. Stakeholder Competence

The first challenge in achieving Stakeholder Competence is to understand the distinct differences between the terms involved: knowledge, skill, attitudes, competence, and performance. All too many people use the terms interchangeably. How does one achieve PM Competence? Can you *teach* it? And if not, how does one acquire it? We assert that PM Competence Development is an **intentional and planned progression**; we discussed the progression at the 2006 Shanghai IPMA Congress in our paper, *Distinguishing PM Competence in Training and Development, Organizational Assessment and Certification*.^{vii}



In the sample *PM Performance Drivers* figure above, the organization's strongest driver is 2, Appropriate, Scalable Process; its weakest is 5, Project Intelligence History.

Starting from the base of our **Competence Development Ladder** at right, one must, *in sequence and for each performance-affecting criteria*, attain needed Project Management Knowledge, Skills, Attitudes & Behavioral Attributes, and Competence. Assuming the learner receives needed support, opportunity, coaching and recognition, then **PM Performance** is the outcome. The base of our Competence Development Ladder uses the classic Learning and development ASK model: Attitudes, Skills and Knowledge. Familiar to many as a categorization of learning objectives and foundation for Instructional Design, one begins with Knowledge, *applies it* to develop Skill, and then *receives rewards* and recognition to reinforce the behavior (reinforcing Attitudes). Then, to “top off” our Development Ladder, we add the Competence C to the classic ASK model.



The Role of Training in PM Performance

Given an understanding of the progression to Competence and beyond, how does PM Training relate to PM Performance? We address that topic at length in another article, *Closing the Gap Between PM Training and PM Performance*^{viii}. Here are some of the key points from that article:

- Project failures have **increased** over the last 20 years, despite hundreds of millions of \$USD spent in PM-related training. An outcome: Executives are losing faith in Project Management.
- We make a distinction between PM training, an input; PM Learning, a process, and PM Performance—the desired result, or output.
- Some PM training focuses on methodologies or tools. Some focuses just on certification. But to improve PM Performance, real PM Learning must go far beyond “*how to take a test.*”
- PM Learning can help build a consistent foundation, vocabulary, and understanding of “commonly accepted practices, most of the time.” The best Learning builds the foundation for PM Competence.
- And a shocking revelation for some: The best foundation for PM Learning that improves PM Performance is a *Performance-Competence Baseline*, rather than a Knowledge guide.

Classroom training can be a great first step, but it is just a part of the learning that requires an environment that supports increasing skill, competence and achievement—and PM Performance.

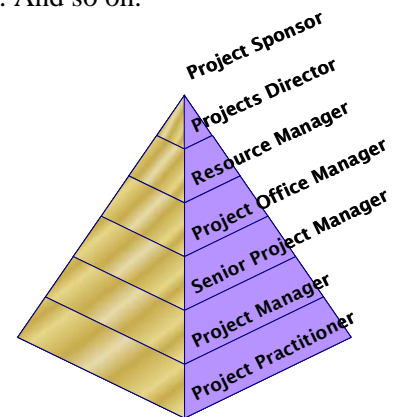
Which Stakeholders Need PM Competence?

It is not just Project Managers who must be competent in his or her assigned roles. Each Stakeholder must demonstrate competence in all facets of their assigned roles. For example, A Resource Manager must prioritize initiatives and assign the right Talent for the high-priority projects. A Project Sponsor must maintain the vision and communication with the Executive Suite. And so on.

Some ask, “isn’t this why we demand competent Project Managers?” The problem is, even an incredibly competent Project Manager cannot fully compensate for the project stakeholders who cannot competently perform all their required roles—your project is only as strong as its weakest links. Thus, Stakeholder Engagement requires the Risk Response action of finding and correcting your weakest links.

PM Competence Assessment and Development

ProjectExperts has used our PM CompModel^{ix} process and tool for over 25 years to assess Stakeholder competence and to coach participants in their Competence Development Plans, resulting in reduced project risk, increased individual performances, and improved PM Performance. We use PM CompModel as a power tool for our own PM Performance Competence coaching, and we have made it available to IPMA, and its USA Member, *asapm*[®] American Society for the Advancement of Project Management. And, it is **available free** for readers, at www.asapm.org.



2. Appropriate, Scalable PM Processes



As we have proclaimed for years of improving organizations' PM Processes, ***One Size and Style Does Not Fit All.*** You need unique methods for each scale and type of project in multiple dimensions.



We use the *Fourple Factor* to assess methods scaling. How does it work? For example, the method that is perfect for a 1000-hour project is *too weak* for a 4000-hour project, and *too heavy* for a 250-hour project. Your methods scalability must operate within that *Fourple Factor* range. Still, even if an organization has a dozen different PM methods for projects in different application areas or size, they must all "roll up" current status to common gates or milestones, so Executives and Managers have piercing transparency into initiative status.

Common Weaknesses: Small Projects; Levels of Rigor

Many organizations, even those with extremely effective processes or methods for their other projects, fail to plan and track ***Small Projects*** with appropriate intensity. Most cannot even agree what constitutes a Small Project. Ironic, isn't it, that your Small Projects can consume up to half (or more) of your project budget, yet you have no clue about their status, efficiency, or results? Even within Small Projects, we identify three different sizes, each requiring a different level of rigor.

Within each Scalable Process, consider other factors such as the level of documentation and review rigor you require. We see some organizations whose methods are *far too document-driven or document-heavy*; the Agile outbreak is one outcome of this excessive rigor. And, we see some organizations that spend too much time with many dozens of internal groups reviewing results; the outcome: reviewing the work takes longer than doing it right in the first place. Consistently throughout our consulting, we *always* find room for significant improvement in all organizations' *Appropriate, Scalable Processes*.

Do you think your PM Processes are already good enough? Our article, *What Is A PM Methodology? A Search for Efficiency, Consistency, and Performance*,^x identifies our requirements for a truly efficient, consistent, and performance-improving PM Methodology. As a teaser, here is a quote from the article: "*The PMBOK Guide is not a PM Methodology... Unfortunately, many people still try to use it as one.*" We also published a *PM Methods Improvement Plan*,^{xi} used by medium and large organizations to improve their PM Performance effectiveness. This plan is a methodology for managing a PM Performance improvement project. Among its tips is the *right sequence* of improvement actions:

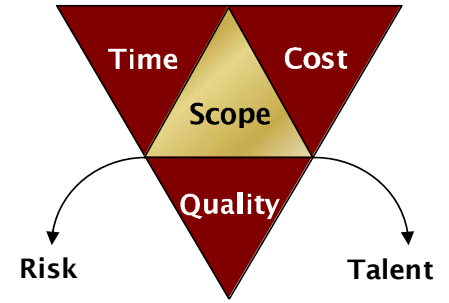
1. Establish enabling Policies for improved PM Performance.
2. Clearly identify Project Roles and Responsibilities.
3. Establish scalable and appropriate Processes for Portfolios, Programs and Projects
4. Select, support and institutionalize supporting Tools and Technologies

The greatest PM Methods Improvements come from appropriate implementation of these actions *in the listed sequence*. The least successful approaches start at the end, and work backwards, sometimes entirely missing key actions, such as identifying clear roles and responsibilities or enabling policies. In project after project we consistently achieve the greatest gains in PM Performance Improvement by assuring that actions 1 and 2 above are in place before tackling actions 3 and 4.

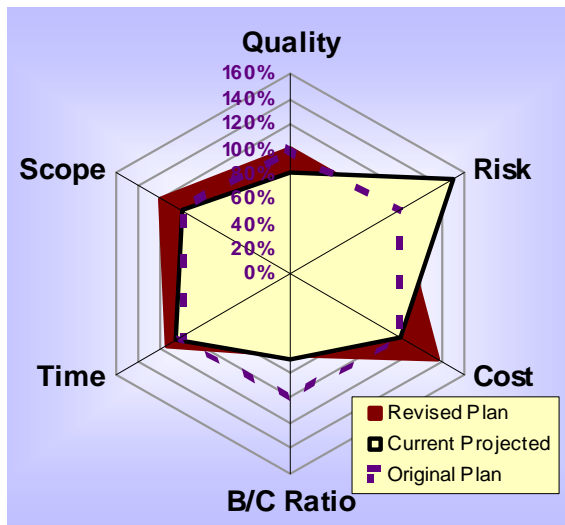
If, after reviewing this section you are certain that your PM Methods are "up to spec," ***good for you!*** If you are correct, you are in the top five percentile of the Project-Oriented Enterprises we've encountered!

3. Prioritized Success Measures

Most organizations can also improve the ways they measure success. We have long disdained the simplistic “triple constraint”, instead preferring to understand and manage *all* the project Success Measures. We begin with our **Project Vital Signs** (at right), that we have used for over 27 years (long before PMBOK Guide).



We explore the problems with trying to manage projects using primarily the trailing indicators of Time and Cost in another article, *Project Levers and Gauges*.^{xiii} Projects are more successful, and PM Performance is greater, for those who **manage all the leading indicators**, while monitoring the trailing ones. We begin projects with identification and prioritization of the *top three Vital Signs*; then we manage the project to optimize them, from start to end, and through to Benefits Realization. The idea is this: You goal-seek to achieve the top-priority Vital Signs, while using the lower-priority Vital Signs as your areas of flexibility. For example, if the right Time (duration) at the right Cost are the most important success factors, then the areas of flexibility should include unlimited access to Talent and flexibility with Scope reduction. Thus the *most-competent Project Managers do not suffer constraints—instead, they look for their areas of greatest flexibility*.



Of course, this assumes that you base even trailing indicators such as Time and Cost on a viable PM Plan. This is as opposed to establishing them as constraints before you assign the Project Manager, and before you even know the Requirements.

When monitoring progress, we often add a **Vital Super-sign**: Benefit/Cost or Cost-Benefit Ratio. Then we take project snapshots at each Gate (or Milestone) or major change to see where the project Vital Signs went wide of the mark. When the prioritized Vital Signs reflect the ultimate measures of project success, we can use them from startup to benefit realization—and beyond. All that remains for us is to decide what factors contribute to each measurement area—because they are multi-variable in their derivation.

All projects have success measures (or Success Criteria, as *asapm's* USA-NCB calls them) beyond the Vital Signs. Yet many are just factors or combinations of our six. Stakeholder satisfaction, for example, is just one measure of Quality. Meeting Regulatory Requirements, an increasingly popular Success Measure over the last 20 years, can usually be expressed as combinations of Vital Signs: The right Scope, at the right level of information Quality, delivered to the right Regulatory Agency by the due date (Time).

The point of the *Prioritized Success Measures* PM Performance Driver is: Establish the Success Measures early; frequently evaluate whether you are meeting them, while also assuring that they are still the most relevant measures of success, rather than just the easiest to measure. Record, report and act upon actions that reduce your chances of success. And most of all, be sure to follow-through, both at project closure and beyond, to evaluate how you did against them all. If you cited and affirmed a target for Benefit Realization throughout the project, make sure your project Sponsor demonstrates those benefits to organization Executives at the end of the Benefit Realization period. Otherwise, you are not demonstrating the level of PM Performance we believe is essential—and that your Executives expect.

4. A Successful-Project Climate

Our last two essentials we cover briefly, offering you only enough insights to help decide if you could improve PM Performance in these areas. Each is the subject many other publications; you can pursue them independently of this paper.

If you worked in a Successful Project Climate, what would be the distinguishing attributes? How might projects operate differently than in an organization that does not boast a Successful Project Climate?

Perhaps what comes to mind is a “land of milk and honey,” where timelines are flexible, budgets are lush, talented resources are readily and easily available, internal and external customers are engaged and excited, and decision-makers are swift, savvy and supportive. If so, this either proves that you are not an Economist (they believe in scarcity) or you work in a Successful Project Climate. Or both.



Many ongoing efforts by many parties continue to attempt to describe and hone the attributes of the Successful Project Climate, such as the many PM Capability Maturity Models (hundreds at last count!) and **PM Performance Assessment Models**, offered by some consultants (e.g.: William Duncan, primary author of the 1996 PMBOK Guide) and by some PM societies. Our advice: Pick one model you are comfortable and familiar with, and use it to see where and how you can improve. However, don't just add more processes. We have seen far too many efforts that just added more PM process on top of poor processes, without measuring and improving the ultimate output, PM Performance.

5. Project Intelligence History

Many project teams collect and report mostly data. The most competent teams also collect and communicate information, consistently adding to their powers of persuasion and getting more of what they need as a result. Applying the Success Measures demands not just data, but actionable information. So, in addition to reams of data and statistics, give us information. For example, Time and Cost often tells, in hindsight, how late and over-budget we are. Instead, tell us three actions we can take to keep from exceeding timelines and budgets. Intuitively obvious? Yes. Consistently done? No, in part, because sometimes even the Project Manager does not know until too late. Thus the need for increased project intelligence.

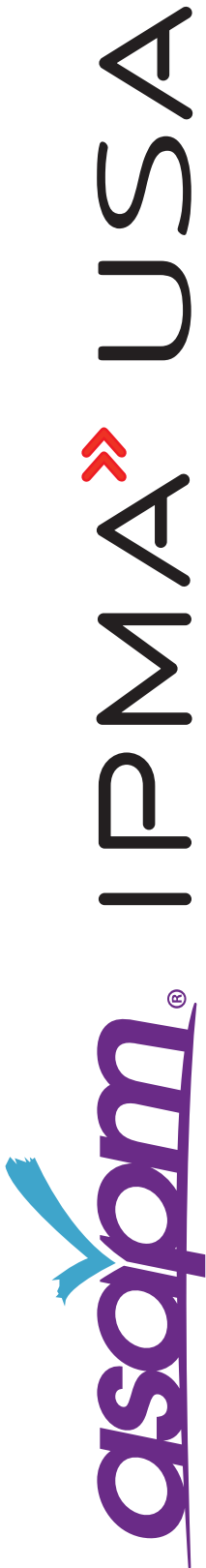
In *Risk Management: Key to Project Intelligence*,^{xiii} we assert that estimate assumptions, risks, issues, failures and lessons learned are all exactly the same Project Management Intelligence (or actionable information) *at different points in time*. They all offer Executives and Managers opportunity—either to save this project, or the next. Yet most organizations repeat the same handful of lessons in every project; showing they either have no intelligence—or they only record the lessons, rather than *learning* them.

Nations and Professional Societies Contribute to PM Performance

Activities by Nations and Professional Societies add to the efforts of Enterprises, Government Agencies, and Consultancies to improve PM Performance. Clearly, offerings such as PM Certifications must contribute to some extent, as PMI has now certified over 300,000 people in their knowledge about project management. The activities in this section go far beyond knowledge to improve PM Performance.

ANZ, South Africa and PM Performance Competence

In little-heralded actions in the 1990s, legislatures in Australia, New Zealand and South Africa mandated minimum performance qualifications and assessments for all professions—including Project Managers. Efforts focused on the outputs or results, not on the inputs or processes other assessments review. A lengthy process, the results were the precursor to today's emerging Performance-Competence Assessments and Certifications for Program and Project Managers.



IPMA's Multi-Level Certification

IPMA, International Project Management Association (the World's first PM Society; its original name was Internet) developed during the 1990s their 4-L-C, Four-Level Competence-Based Certification system. It differs from other PM certifications in two key ways.

- Assesses experience and competence, in addition to examining pm knowledge.
- Assesses competence and results in specific roles of Project Manager, Senior Project Manager, Program Manager, and Projects Director, in addition to a knowledge-based PM Practitioner role.

IPMA continues to strengthen the 4-L-C program in 45 countries around the World. In the US, *asapm*, the American Society for the Advancement of Project Management, offers the IPMA program.

GAPPS, an International Standard for PM Performance Competence

GAPPS, the Global Alliance for Project Performance Standards, is an outgrowth of ANZ and South Africa initiatives mentioned above. Consisting of Societies, Nations, Consultancies and Enterprises, it offers a universal standard for Performance-Competence Assessment of a range of Program and Project Manager roles. *asapm* (IPMA-USA) uses GAPPS Performance Assessment criteria within their IPMA 4-L-C certification program. GAPPS does not compete with Society programs, instead providing a standard for Worldwide consistency and comparison of Performance-Competence-based PM Assessment programs.

PMI's PgMP®, a Performance Competence Certification

In 2006, PMI completed its Program Management Standard, and introduced PgMP, a Program Management Certification. This is a Performance-Competence Certification, not just a knowledge-based exam cert. The new Release 2.0 appears to be relevant to a wider range of Program Manager roles. It does use peer assessors in a 360° evaluation, rather than professional assessors. Still, it gets PMI "into the game" in Performance-Competence PM Certification.

PMCDF 2.0, PMI's PM Performance Foundation?

Version 2 of the PMCDF^{xiv} introduced the foundation for a potentially stellar PMP upgrade. It contains approximately 200 Performance-Competence Criteria, in the Technical and Personal Elements needed for PMPs to graduate to Performance-Competence. This is a **true and needed Baseline for improved PM Performance-Competence** (cited as needed on page 3). Whether PMI will use it that way or not is conjecture, but it would be a very smart idea. PMCDF is also a useful reference for any PMP who wishes to improve his or her own PM Performance.

The Future For PM Performance

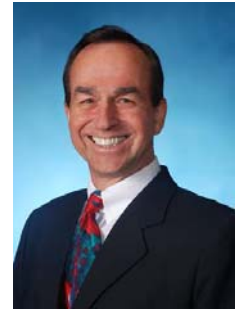
It is important for every organization and for every Program and Project Manager to identify your own **Essential Drivers for Improved PM Performance**. In this paper, we have listed some of the essentials we use. In our accompanying presentation, we share case histories of organizations that have used these Essentials, and have demonstrated their desired performance improvement results. And one of those case histories shows the essence of PM Performance Improvement: ***It is a moving target***. On the day we measured a 10x Performance Improvement in an already market-leading firm, that organization's Managers sat down to identify the essential steps *for their next* 10x PM Performance Improvement. "Tis easy, **when you are competent, as a pm!**

Initial Publication

This paper was initially published and presented at the University of Texas at Dallas, in the 3rd annual 2009 Symposium, August 13-14, sponsored and produced by UTD, the Dallas Chapter of PMI, and PM Forum. This Symposium had an excellent selection of speakers, the participants were very advanced in their insights and experience, highly engaged and participative; and, the event was very well-run. We would recommend this event to anyone!

About the Author

STACY A. GOFF, IPMA-D, PMP, *the PM Per4mance™ Coach*, is President of ProjectExperts®, a Program and Project Management consulting, tools and learning company. Now (2009) President of *asapm*, Stacy is the USA representative to IPMA, the International Project Management Association. He has also contributed to the success of Project Management Institute since 1983.



A Project Management practitioner since 1970 and consultant since 1982, he helps improve Enterprise, Department or Project Team PM Competence, effectiveness and Performance.

An insightful consultant and dynamic speaker, Mr. Goff provides program and project consulting and coaching services. He presents at major industry Congresses and conferences, and offers workshops of interest to Executives, Managers, Program and Project Managers and leaders, technical staff, and individual contributors. His Project Management tools and methods are used by Government Agencies, Enterprises, Consultancies and individuals on six continents.

Mr. Goff brings a results-oriented approach to Project Management coaching, consulting, and training. In his workshops or in consulting, he combines his unique competences in Project Management with sensitivity for the human aspects of projects. The result: Measurably increased **PM Per4mance**: Portfolio, Program, and Project Performance.

References

- ⁱ Millennium Park is a beautiful oasis in downtown Chicago. Yet the project that produced it ended over budget, and years late. Success or failure? See <http://www.millenniumpark.org/>.
- ⁱⁱ See: <http://www.washingtonpost.com/wp-dyn/content/article/2006/07/22/AR2006072200645.html>. Boston's Big Dig was already challenged before the cost overruns and tragic collapse.
- ⁱⁱⁱ See http://www.washingtonpost.com/wp-dyn/content/article/2006/08/17/AR2006081701485_pf.html. The FBI's Filing System project was a failure after \$170M spent.
- ^{iv} Michael Hatfield blogs at the PMI site: http://blogs.pmi.org/blog/voices_on_project_management/project-failure.
- ^v *Let's Cure the Dumbing Down of Project Management* is in the Articles section at ProjectExperts.com.
- ^{vi} The PM Manifesto is a call to action by USA Program and Project Managers. It asks for competent leadership, management, and transparency for all Federal, State and Local Government projects. See: www.pmmanifesto.net.
- ^{vii} *Distinguishing PM Competence in Training and Development, Organizational Assessment and Certification* is in the Articles section of the ProjectExperts.com website.
- ^{viii} *Closing the Gap Between PM Training and PM Performance* is in the Articles section at ProjectExperts.com.
- ^{ix} A free 2-user version of PM CompModel is available at: www.asapm.org/e_CompModel.asp. It is aligned with the USA NCB, the USA's National Competence Baseline for Program and Project Managers.
- ^x *What Is A PM Methodology? A Search for Efficiency, Consistency, and Performance*, is in the Articles section at ProjectExperts.com.
- ^{xi} The *PM Methods Improvement Plan* is in the Articles section at ProjectExperts.com.
- ^{xii} *Project Levers and Gauges* is in the Articles section at ProjectExperts.com.
- ^{xiii} *Risk Management: Key to Project Intelligence* is in the Articles section at ProjectExperts.com.
- ^{xiv} *Project Manager Competency Development Framework*, Second Edition, Project Management Institute, 2007. The author participated in the project that produced this work.

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