Down Under

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Project Management Essential in Process Management Projects

Project Management and Process Management need each other. However, we have found in many cases that one of these disciplines dominates the other with mostly negative results. Project Management is in most cases the link between strategy formulation and strategy execution (through processes) as a step-change is required to achieve the desired strategic objectives. Usage of a Project Management Maturity Model can be helpful in understanding the project execution and management capability of an organization prior to initiating various process improvement projects.

Point of recognition

Do you recognize any of the following situations:

- A stern project manager heads a process improvement project and is keen to ‘tick’ off all the milestones in the project plan and ignores significant business improvements that may be possible because they are out of the project scope and will impact upon the original budget and/or timelines.
- A creative process specialist heads a group of process analysts and they get carried away with more and more process modeling. The specialists regard the milestones and budgets just as a guide, and they normally run out of time or money before they can actually achieve anything.
- A dynamic project manager achieves all the deliverables as specified in the project management plan; however, the deliverables do not fit with the ongoing business processes and are ignored, as the project manager failed to liaison with the business about the impact of the project.
- A group of process professionals have arrived with the perfect processes only to find out that their stakeholders have lost interest and have moved on to other priorities, as the project team has failed to keep the stakeholders informed, engaged and committed.

Each of these situations highlights the consequences if either process-thinking or project management dominates at the expense of the other.

Mutual dependency

Process management requires project management to ensure that the required improvements and enhancements are properly realized and managed. Project management is fundamentally different from the management of the ongoing operations, which can be managed through business process and people performance management.

Project management requires process management, as the process should be the basis for any change in strategy, people or systems. Furthermore, the execution and management of projects have various processes embedded.

To visualize this dual dependency we have introduced the analogy of the Business Process Management success stool:

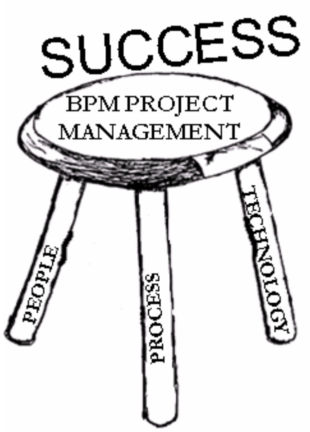

Figure 1. Business Process Management success stool

The three components (legs of the stool) are not new, however, the fourth component is new and is the 'seat' upon which 'success' rests. The foundation upon which the stool sits is also critical to success. The legs to the stool are:

- *Process* - there must be an appropriate level of business process innovation or redesign linked to the organization strategy and process goals and an acceptance of the importance of processes within the organization;
- *People* - as an organization grows in its maturity of process management, it will understand that people are the key to implementing the proposed new processes. The organization must have the appropriate performance measurement and management structures across key processes. Process management should be proactive and then move towards predictive, rather than reactive. Amongst other things, this all revolves around the people aspects a BPM project;
- *Technology* - refers to the supporting tools for the processes and people and does not necessarily mean BPM software components or applications (although it could).

The fourth component, which holds these legs together, is the 'seat' of *Project Management* for without a well run project an implementation is destined to failure.

If a leg is missing the stool will fall, and if the seat of project management is missing, all the legs will collapse and the project will fail to meet expectations. BPM projects are complex, and success depends upon all aspects of the project being executed well. These aspects are represented by the 'foundations' upon which the stool rests. If these foundations are soft (or not executed successfully) then the stool will sink and eventually collapse. If the foundations are firm, however, because they are executed well, the stool will be resting upon a solid foundation and the project will be successful.

Organizations routinely attempt to execute significant BPM projects without properly addressing all of these four components and the foundations. Just like an actual stool, a weak or missing leg in a BPM project will cause the success stool to fail.

Methodologies and Maturity Models

Process management has various maturity models to assist with the improvement and management of processes. In most of these models, the project management capability of the organization is one of the dimensions. However, most maturity models do not fully appreciate the various levels of maturity around projects, programs and portfolios.

Project management has two well-known project management methodologies: Prince 2 (OGC) and PMBOK (PMI). Both methodologies also have a related maturity model: P3M3: Portfolio, Program and Project Management Maturity Model (OGC) and OPM3: Organizational Project Management Maturity Model (PMI).

We suggest that the use of a project management maturity model to assess your organizations project management maturity, especially in relationship to process improvement projects, is a useful starting point. This often provides interesting and useful information to your team and may explain why some projects failed, and also may provide morerealistic expectations of the project

We will explore the P3M3 model of OGC as it can be very helpful, because it:

- Makes a clear distinction between projects, programs and portfolio, reducing the confusion among these concepts.
- Has different processes defined for various maturity levels, thus allowing realistic process execution
- Provides for each process a clear process goals and performance measures. enabling objective monitoring and assessment of the actual maturity

Portfolio, Program and Project Management Maturity Model (OGC)

OGC identifies the following processes for each of the maturity levels[1]:

Level 1 - initial process
1.1 Project definition
1.2 Program management awareness

Level 2 - repeatable process
2.1 Business case development
2.2 Program organisation
2.3 Program definition
2.4 Project establishment
2.5 Project planning, monitoring & control
2.6 Stakeholder management & communications
2.7 Requirements management
2.8 Risk management
2.9 Configuration management
2.10 Program planning & control
2.11 Management of suppliers & external parties

[1] Portfolio, Programme & Project Management Maturity Model (P3M3), OGC, 2006

Level 3 - defined process
3.1 Benefits management
3.2 Transition management
3.3 Information management
3.4 Organizational focus
3.5 Process definition
3.6 Training, skills & competency development
3.7 Integrated management & reporting
3.8 Lifecycle control
3.9 Inter-group co-ordination & networking
3.10 Quality assurance
3.11 Centre of Excellence (COE) role deployment
3.12 Organisation portfolio establishment

Level 4 - managed process
4.1 Management metrics
4.2 Quality management
4.3 Organizational cultural growth
4.4 Capacity management

Level 5 - optimized process
5.1 Proactive problem management
5.2 Technology management
5.3 Continuous process improvement

Lessons Learned

When assessing organizations on the basis of this maturity model we typically find:

- Project Management is taken for granted in many organizations, as many managers depend on individuals rather than relying on the institutionalization of governance and project management. It is amazing that some large multinational organizations still operate without a the institutionalization of project management and governance.
- Too much focus is placed on the project management tools and systems and not enough emphasis on the underlying processes and the current level of project management maturity. Many of the currently popular project management tools require level 3 and above, while many organizations are still at either level 1 or maybe 2. This results in frustrations and incorrect information and subsequent incorrect decisions .
- Many organizations assess their capability at a high-level view, in effect, merely validating which words are most appropriate for their organization: initial, repeatable, defined, managed and optimized. We find that this approach generally classifies the organization at 1 or 2 levels higher than reality suggests, as the P3M3 model has detailed criteria and many organizations do not make a concerted effort to meet them..
- Organizations focus on advanced processes, especially benefits management (level 3) and capacity management (level 4), while the organization has not mastered level 2. This leads to unrealistic expectations and, eventually, disappointing or misleading results.

- CMM and CMMI are used to assess the maturity of business projects. These models are better suited for (and originated from) software development and tend to focus too much on the IT aspects.

- One of the toughest tasks is to inform the director or manager of the Project Management Office that their self assessment was too positive and that their actual maturity is actually much lower. Often the most successful managers are those who understand that this wake-up call is their opportunity to fundamentally change the way project management is executed and use the findings to apply for additional resources to rectify the shortcomings.

- This maturity model aligns well with our Business Process Project Management framework as outlined in our book: *Business Process Management: Practical Guidelines to Successful Implementations.* To get full benefit of our approach, we recommend that an organization have achieved at least maturity level 3, which includes the realization of benefit management.

Critical Success Factors for Projects

Besides the right project management methodology, the following three critical success factors apply:

- A process-focused project manager
- Manage the Business Case
- Being successful

A process-focused project manager

Without excellent project management an organization and project team cannot deliver a successful project. Is being a good project manager enough? We would say no. Being a good project manager is no longer about having the skills and knowledge inherent in using traditional project management methodologies. The BPM project manager must include in their repertoire significant skills with regard to:

- people change management
- stakeholder management; and
- in a BPM project, in-depth knowledge and experience in the implementation of BPM projects.

It could be argued that good project management has always required the first two of these skills; it is just that BPM projects require this knowledge to be deeper and better executed than in the past. Traditionally projects that have delivered under project management methodologies have targeted the technology base or low resistance business changes. This enables a certainty of delivery that sponsors like to have. BPM changes are different in one very important aspect; they almost always require a large element of people and/or cultural change.

The underlying causes, interests and agendas that require the operation to change are often not recognised, understood or addressed. We are now deep in territory where a traditional project manager does not want to be - this world is uncertain, contains high risk and is not easily controlled. A BPM project manager needs to be skilled enough to succeed in this type of environment.

Manage the Business Case

The Business Case is an important instrument in managing a BPM project and has three main functions:

- At the start of the project - it will provide the information to make a decision on whether to approve and fund the proposed project. In other words, whether the projected benefits warrant the requested investment, considering the risks and alternatives. The benefits to be realized as a result of this project need to be clearly specified.

- During the project - it will provide guidance to ensure that the project is still on track. This is crucial because the business will evolve during the life time of a project, and the project sponsor and project manager must continually check to ensure that the project will still contribute to the organization strategy and yield the desired benefits in relation to the projected costs. In other words, the project sponsor and project manager must continually “manage the business case”.

- After the project - it will enable the business and project team to evaluate if the project has delivered the expected results (benefits) and contributed to the specified objectives, within the agreed budget and timeframe. This evaluation provides crucial lessons learned which must be taken into account in the next BPM projects.

Being Successful

Last but not least….. being successful and aiming to achieve quick wins and subsequently ensuring that these successes provide the right spirit for even bigger successes in the future.