

Article

Project Management Methodology Maturity Progression

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Typically, an organization begins the methodology/maturity progression process with the formation of a small project office whose first task is to formulate the organization's PM methodology and associated tools, forms and templates. In the engineering/capital project management industry, the methodology typically will be a Stage Gated or Phased model. Typical phases are:

- Phase 1 – Feasibility or Business Planning
- Phase 2 – Conceptual Engineering or Facility Planning
- Phase 3 – Schematic Engineering or Front End Engineering
- Phase 4 – Execution or Detailed Design/Construction
- Phase 5 – Closeout or Start-up/Transfer of Care, Custody & Control



The methodology development process generally begins with organizational wide (business, sourcing, finance, engineering, operations and maintenance, facility management, etc.) structured interviews. These interviews are used to ascertain cross-functional requirements for all project types, sizes, and current organizational best management practices. Therefore, the methodology becomes a business model, not just a PM process. This task is imperative as the methodology must integrate strategies and policies regarding critical deliverables, mandated project reviews, and financial procedures (estimate accuracy per phase, budget development, contingency procedures and the project approval process).

Generally, once the methodology is developed, the PMO begins to expand its ranks and begins an initiative to rollout training for the methodology. The PMO will also identify pilot projects for the new methodology and procedures. In order for the methodology to be accepted, a congruent stance from key senior executives must be achieved. This mandating of the methodology will generally receive a fair level of compliance; especially if the project's financial approvals are directly tied to methodology compliance.

The financial policies must be congruent with timely and realistic approval of projects and the establishment of estimating accuracy and contingency practices (lean contingency). This lean contingency is predicated on the methodology requiring scope-based solid Front End Loading (FEL) deliverables which allow for the contingency levels to be on the lean side.

Typically, FEL costs are 4-6% of the total project cost, or engineering costs of 25-30% have been expended by the end of the FEL Phases in order to reach a control estimate (generally +/- 10%). This is consistent with current benchmarking data.

Commitment to the methodology is another matter entirely and is dependent on the level of service that the PMO exhibits. The new PMO must consistently show up as a "customer-focused entity" if it is to assist in the necessary task of culture shifting (ad hoc to more formal processes). The PMO is generally the steward of the methodology and the training program.

Maturity of the PMO

The following steps are common (basic) in the progression of the PMO's maturity, which typically occurs over a 2-3 year period.

1. Form the PMO and develop the methodology (web based).
2. Develop the PMO website to house the methodology and initial tools, templates, project review procedures, approval processes, etc.
3. Develop and rollout the methodology training program or utilize the methodology on a chosen pilot project first. (Most organizations don't have the luxury to do this ahead of the methodology training).
4. Establish PMO controls function (estimating, scheduling and project controls). These folks will generally participate in the FEL phases and then transition the function over to the project team as the execution phase begins.
5. Control folks begin to gather project data and develop Key Process Indicators (KPIs) for utilization in benchmarking efforts.
6. PMO develops a relationship with a benchmarking entity and a third party estimating entity for project reviews and validation of the project methodology.
7. PMO entities coach and mentor junior project resources and PM skills training programs are developed for PM progression and competency advancement.
8. Leverage current PM technologies (web based, document management, PM enterprise tools, databases [estimating, risk, lessons learned, etc.]) to streamline the management and data gathering functions which will assist in real time continuous improvement.

As stated above, these steps are general in nature and each can be broken down to definitive elements that are required to develop a level of PM and PMO maturity. These steps may vary based on the requirements of the specific business/industry.