

# SCC VOICE

Thoughts and ideas from The Systems Consulting Consortium

## Project Management: Organizational Capability

The discipline and profession of Project Management (PM) in IT has come a long way in the last 10 years. This according to the Standish Group, a leading research firm focused on project management applications. Most within the profession agree the standardization of PM processes and 20 years of professional certification have enabled increased project performance and validation of the PM profession.

The Project Management Institute (PMI) is a not-for-profit organization founded in 1969 and the internationally recognized authority on the project management discipline serving over 100,000 global members ([www.pmi.org](http://www.pmi.org)). PMI developed the widely accepted standard on PM processes, the Project Management Body of Knowledge (PMBOK). The Project Management Professional (PMP®) certification process was developed and instituted in the 1980s. Becoming a PMP requires specific PM experience, education, and passing a rigorous examination. In 1998, ANSI accredited PMI as a Standards Development Organization.

With the PM profession gaining maturity, PMI began developing standards for organizational project management capability. In December 2003, PMI announced the Organizational Project Management Maturity Model (OPM3). PMI defines this standard as “the systematic management of projects, programs and portfolios in alignment with the achievement of the organization’s strategic goals”.

OPM3 has a 3-point approach to building organizational project management capability.

- 1) **Knowledge** – to develop organizational best practices, the tools and techniques for understanding and employing project management best practices.
- 2) **Assessment** – to determine overall maturity, a method for an organization to periodically assess its current state of capability and employment of best practices.

- 3) **Improvement** – for continued improvement, a mechanism for building continuous improvement plans against specific capabilities.

It’s safe to say that most organizations have been effective with PM practices at the individual project level. What is often missing is program and portfolio management. Program management is the coordinated management of multiple projects accomplishing a broad, but related, set of goals. Program management offices (PMOs) provide centralized support for projects; the ability to manage projects individually, and collectively, takes coordination and discipline with project manager support and mentorship. Portfolio management is a higher, strategic discipline concerned with identifying, prioritizing, authorizing, and controlling projects to achieve business objectives. Portfolio management, effectively performed, gives enterprise-wide visibility of IT projects and their impact on business strategy – and often the bottom line!

While there is a great deal of challenge in implementing these practices, an organization must take stock of the long-term value. OPM3 can and should be used as a tool for building organizational PM capability to ensure projects are aligned with business strategies thereby building potential competitive capability and advantage.

With IT investments often comprising a major percentage of capital expenditures, how much are we willing to risk? What’s it worth to ensure the right projects are authorized, funded, staffed, and executed with the highest levels of proficiency in order to deliver the business value?

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