

# Project Map

## Evaluating Project Management Practices

**We originally planned this article to show how to set up a project management office.** True to the rules of running a project, however, our plans changed once we began refining our scope. We quickly realized that the form a project management (PM) practice takes, though important, is secondary to the functions that need to be improved or developed.

Bristol-Myers Squibb, for example, has had a centralized PM office in the past. "It became too bureaucratic," says Jack Pinter, the executive director of BMS' Information Knowledge Management group. "We needed to bring it back down to the project level." The company—from the executives on down—examined what its current difficulties were, what its peers were doing, and where it wanted to be, then designed an intensive training program and custom PM framework. Their reorganization emphasizes several important points: **Don't look back.** Even though Bristol-Myers was widely seen, internally and externally, as having a successful PM practice, it knew it could do better. **Do look around.** An industry's worth of experience produces better practices than any one company's best. **Look inside for support.** Executives showed that they valued project management enough to devote their time.

This map is based on those principles of continuous evaluation and improvement. It begins with a companywide assessment, below, that provides a PM maturity "score." That score translates to a level describing where your company stands, and what it should do next. The highest score takes you to Level 5, which, as you'll see, repeats the message: **There's always room for improvement.**

**START**

### ASSESSMENT: Project Management Maturity

As focused on metrics and milestones as the project management industry is, it has yet to agree on a single gauge for PM performance. *Baseline* created this miniature assessment to help companies get a feel for where they stand. Like existing tools from PM Solutions, Ibbs Consulting and others, it combines the Software Engineering Institute's definitions of maturity with the nine practice areas outlined in *A Guide to the Project Management Body of Knowledge*.

	Not at all true					Absolutely true				
	1	2	3	4	5	1	2	3	4	5
We follow and continually improve upon a documented process for managing projects.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Management chooses the projects and features that best complement all other initiatives.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We consistently deliver projects on time.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We consistently deliver projects within budget.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
We deliver projects that meet client expectations with few or no errors.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
During a project, team members collectively report to the project manager without problems.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Management and the project customer are always aware of a project's status.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A list of risks and plans to deal with them are reassessed frequently during a project.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Barring requirements changes, we rarely need to add skills beyond those of the original team.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<b>TOTAL:</b>						÷ 9 =				

SOURCES: ERIC VERZUH/THE VERSATILE COMPANY, BOSTON UNIVERSITY CORPORATE EDUCATION CENTER, ALPHANET SOLUTIONS, DATA ANALYSIS & RESULTS, IBBS CONSULTING, PM SOLUTIONS, IPS ASSOCIATES, METIER, PA CONSULTING, THE PROJECT MANAGEMENT INSTITUTE, THE OCCAM GROUP, PCUBED. WRITTEN BY REGINA KWON

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### LEVEL 1 Struggle

Seeking guidance

A technology department without a true project management practice isn't necessarily ineffective, but it is almost certainly inefficient. A Level 1 organization often gets a lot done but is never quite sure how. Project managers typically do double duty as programmers or business analysts, and projects succeed mostly through sheer willpower. Leaving Level 1 is a mostly administrative task; it involves a great deal of sitting, sharing and writing it all down.

- TRAITS: ▶ Ad hoc  
▶ Inefficient
- SAVINGS: ▶ N/A
- GOALS: ▶ Agree on a process  
▶ Document it

### QUIZ: How Skilled Are You?

A world-class project-management practice requires world-class project managers. Most staff will benefit from training to draw out their innate potential.

- Risk assessment is most closely identified with:
  - PERT charts
  - Monte Carlo analysis
  - Heuristic inspection
  - All three
- The #1 downfall for most projects today is:
  - Lack of skill
  - Too much risk
  - Lack of funds
  - Poor communication
- To build an Earned Value Analysis, you must have a:
  - List of tasks
  - Positive return on investment
  - Feasibility study
  - List of critical success factors
- Which variable helps most in estimating the cost of a project?
  - Schedule
  - Budget
  - Labor
  - Risks
- A project's critical path identifies:
  - required tasks
  - the best path to completion
  - tasks without schedule flexibility
  - the fastest path to completion

5 correct See if you qualify for formal certification  
3 to 4 You've got potential; find a mentor  
2 or fewer Make training your next project

1. B, 2. D, 3. A, 4. A, 5. C

A Level 3 organization continues to fine-tune the mechanics of management while focusing on the real prize: quality. A happy customer is a customer that knows exactly what it wants on Day One. Since that customer doesn't exist, project managers must help by improving their communication and estimation skills.

- TRAITS: ▶ Collaborative  
▶ Consistently successful
- SAVINGS: ▶ Fewer defects  
▶ Less rework
- GOALS: ▶ Measure performance  
▶ Focus on enterprise issues

### TUTORIAL: Cost Estimation

Executives love estimates. Keep from over-promising with these tips from consulting firm Construx. For a free cost-estimation tool, visit [WWW.CONSTRUX.COM/ESTIMATE](http://WWW.CONSTRUX.COM/ESTIMATE).

- Be Strong** Refuse to estimate off the cuff no matter how much pressure you get.
- Think Small** Break the project into 5 to 10 subprojects and estimate each one.
- Know What You Know** Involve the people who will actually be doing the work.
- Set Expectations** Early estimates are broad because so much is unknown; they will improve over time.
- Try, Try Again** Revise 3 to 5 times during the project.

### CHECKLIST: Critical Failure Factors

Everybody makes mistakes, poet Howard Nemerov once said; some people just make the wrong one. For projects, as well, certain problems spell disaster. If three or more of these factors are true for your project, it's time to consider cancellation.

- The project has multiple sponsors.
- The sponsors are collectively responsible for the outcome.
- The delivery date has been pushed back more than once.
- Team members report to their department managers.
- The project manager is the final arbiter of disputes.

Moving from Level 1 to Level 2 is like moving from medieval scribes to a Xerox copier. Not having to rebuild every template and risk plan from scratch helps save money. But the biggest returns are achieved by being able to rein in out-of-control projects and cancel impossible ones—early. Of course, this assumes PMs have the right to do so, an authority that is often given to a formal project office.

- TRAITS: ▶ Process-oriented  
▶ Scope creep under control
- SAVINGS: ▶ Fewer runaway projects  
▶ Templates and work reused
- GOALS: ▶ Improve requirements-gathering  
▶ Decrease number of defects

**Structure**  
Managing work

Unlike the other levels, the purpose of Level 5 is no longer to achieve the goal set in the previous stage. Instead, you may think of this level as the 'rollout' of the project management application. Its purpose may be strategic in nature, but the true measure of its success is still determined by how well it delivers on the lessons learned from its very first struggle.

**LEVEL 5 Refine**  
Improving

**LEVEL 3 Understand**  
Reducing errors

At this stage, recording and acting on empirical project metrics is the norm. The project management practice works closely with other enterprise groups.

- TRAITS: ▶ Focused on future performance  
▶ Integrated in the enterprise
- SAVINGS: ▶ Aligned with corporate goals  
▶ Increased efficiency
- GOAL: ▶ Perfection

### EXERCISE: Earned Value Analysis

Earned Value is a useful way of flagging projects that are heading into over-budget, behind-schedule land. It takes a list of tasks and, using estimates about each one's cost and duration, assigns dollar values. If the metrics are kept up to date, you will be able to see how many tasks you had hoped to complete (planned value) by a certain date; the value, in dollars, of what has been completed; and the actual amount you've paid out. You can then use these figures to determine your Cost and Schedule Performance Indexes, which indicate how far the project is straying from the original estimates.

Task	Cost		Time, in weeks				
	Planned	Actual	1	2	3	4	5
A	\$ 75	\$ 60	[Progress bar]				
B	75	90	[Progress bar]				
C	75	105	[Progress bar]				
D	75	-	[Progress bar]				
E	75	70	[Progress bar]				
F	75	-	[Progress bar]				

As of today, what is the ...  
Planned value? \$ \_\_\_\_\_  
Earned value? \$ \_\_\_\_\_  
Total actual cost? \$ \_\_\_\_\_

Estimated duration of task  
Completed portion

SOURCE: ADAPTED BY BASELINE FROM THE PORTABLE MBA IN PROJECT MANAGEMENT, JOHN WILEY & SONS, 2003.