

Stages in Organizational Project Management



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Summary: Organizations evolve through five tiers in their project management maturity. Knowing what tier your organization is in can help you be consistently successful with your projects.

Let's look at how project management evolves and see how three factors affect project success rates;

- ❑ Growth of the organization
- ❑ Density of projects in the organization
- ❑ Reach of the projects undertaken

You'll also be able to gauge where your organization is in the five evolutionary tiers (Ad hoc projects, increasing density, resource overload, initiation control, consistent success) and adjust your efforts (or job hunting) to make the best of it.

Ad Lib Projects-Tier 1

Projects are few in number and a relatively new way to get things done. Everyone on the project team reports to a common boss who's also the project executive. Projects aim at producing benefits within the unit. Successes are frequent and all we need are really good weekly meetings that foster nurturing and commitment in the team. Sure there are deadlines and other work to do but the boss is always there to decide what's most important today for everyone on the team.

The weekly team meetings go like this:

PM: "We'll go around the room so I can find out what everyone decided to do last week and also to get your ideas about things we should do on the 'Paper-less project' this week."

Team member A: "I think we should add a training class about going paperless!"

PM: "Great idea! Everyone will enjoy that and I think it will really help."

Team member B: "Can we also print up big colored posters that tell everyone to "Save a tree, do it on the PC?"

PM: "Great! No wonder they want us to do another project. I'll go show the boss these ideas and then we can go ahead."

The sheer enthusiasm people have for the rare opportunity to get involved in a project makes up for any project management sins. The goal lets a PM operate without much in the way of tools or techniques. People managing projects in this tier can't understand why PMs elsewhere have any

problems at all, nor why people have to learn project management. Organizations may stay in this first tier forever and enjoy high success rates as long as they don't reach beyond installing "canned" solutions within a narrow sphere. But usually these early successes and competitive pressures trigger more and more projects, some of which span functional boundaries and aim for more significant business results. Then we move to the next tier.

Project Explosion-Tier 2

As we move into this tier, more and more managers initiate more and more projects. Increased density of projects creates conflict between people working on multiple projects and their real jobs. Projects now involve people from across functional or organizational lines and many people are on several projects simultaneously. Projects are reaching for more significant business results and the effort engages multiple decision-makers. Defining and controlling scope becomes a challenge as does leading larger teams whose members represent different organizations. Project failure rates rise as does contention for resources. People, particularly first line management, are in demand by multiple project managers but they have departments to manage. Cross-functional authority problems occur as people managing projects have few skills in managing matrixed people. The people managing projects use tier #1 Ad Hoc techniques and tools which prove inadequate for larger teams and scopes.

The response to the increased project failure rate is micromanagement by executives and the people managing projects. That style makes the projects a lot less rewarding for the team members than in tier #1.

The weekly team meetings go like this:

PM: "Did the user sign-off on the specifications yet?"

Team member A: "Yeah, I've got 46 pages of them and I'll be getting more specifications next week and the week after. This has gotta stop - the requirements keep growing! I have no idea what this project is about and neither does the user."

PM: "What this project is about is finishing 90 days from now. We'll figure the rest out as we go and I'll give you each new "to do" lists each week."

Team member B: "Bill and Marcy got pulled off to work on their boss's #1 priority project so I won't be able to start my stuff until they come back. Can you revise the schedule and get us more time? I'm on six projects."

PM: "Oh sure, that's real likely. The VP ripped my head off last time I even mentioned being late. Sorry but you'll just have to do the best you can. Remember this is a priority #1 project."

Team member B: "Yeah, everything's a #1 priority."

When the pain of project failures gets bad, executives respond by training their PMs in better techniques. This has some limited benefit but the project managers face an executive group that still wants to operate in the Tier 1 world and start as many projects as they want whenever they wish. As failures continue, the response is to scale back what should be large cross-functional and strategic efforts. Decision makers try to dodge the inability to work across functional lines by appointing co-project managers from each functional unit to run separate projects. Their attempt to avoid authority, priority and resource allocation problems fails.

Failure rates continue to rise. Those newly learned PM techniques have little apparent impact on success rates. Executives focus on due dates as there are no other objective control points in the project plans. The un-addressed issues of resource allocation and lack of prioritization cause team member workloads to rise beyond reasonable levels. New projects of all sizes are launched without any assessment of their business value or resource demands. Yet the need for cross-functional results and the scale and density of projects continues to grow, leading us to tier #3.

Resource Gridlock-Tier #3

Project failure rates climb, often reaching 70% failing to deliver scope, on time and within budget. The tier #3 organization launches so many projects that staffing requirements are three times their available resources, if anybody were counting. Blame avoidance is rampant. The organization begins to lose their best staff who tire of the failures, confusing assignments and 70-hour weeks.

Organizations respond to the crisis by assembling "best practices" groups to try and bring some consistency to the project management process. The usual result is a paperwork nightmare of project and developmental controls with countless forms and reports. Compliance is low and cursory at best. They install, "certain-to-fail" subjective tracking & reporting systems, like the red, green and amber light systems. These provide little data and encourage ridiculous optimism as people try and avoid blame.

The weekly team meetings in this stage go like this:

PM: "Is anyone in red light status?"

The project team members look at one another, remembering the angry tirade from the PM and executives the last time someone reported an overrun. They all deny being off schedule.

PM: "I haven't seen the documentation for task #167's work."

Team member B: "Do you want me to write the code plus do the documentation? There's no time in the schedule for both."

PM: "Just put something down on paper; that'll keep the standards people off my back."

Team member B: "What a stupid waste of time! I've already got five other projects to work on and I'd like to get home before 10:00 p.m. at least once this week! "

PM: "Hey, I spend my nights doing variance reports and project narratives that some 9 to 5 clown designed to demonstrate his or her PM expertise. Just copy and paste from other projects, no one reads this stuff anyway."

Only when the executive pain from recurring project failure becomes excruciating enough for senior management to give up their unlimited project initiation privileges do we move out of the Tier #3 crisis environment.

Controlled Initiation-Tier #4

Recovery starts when there is executive realization that:

- ❑ Initiation of projects must be controlled
- ❑ Priorities have to be set

- People's workloads must be controlled and their hours allocated to projects based on priority
- They need to actively manage the project portfolio and regularly evaluate each project in terms of its cost versus the business value produced.

Executives learn to manage within the resource limitations and that everything can't be a #1 priority. A project methodology is used across the organization that minimizes paperwork and produced hard-edged and quantified decision making data.

Micromanagement begins to fade as PMs hold team members accountable for clear and measured end results, not activities. The PMs do a lot more thinking about quantifying end results. They also have the tools and techniques to manage "out in front" of their teams rather than just focusing on last week's problems. Additionally, they can quantify the dimensions of their projects and present trade-off data to decision-makers.

The weekly team meetings in Tier #4 go like this:

PM: "Well, we've been dropped down a priority level to three resources for a new project. You've all gotten your new schedules and you'll see that our project is now scheduled to finish 6 weeks later than the original baseline. We'll keep this meeting short; I just need to meet with Bill to work out a problem. The rest of you are in good shape."

Bill: "You want to talk about the variance on task #224?"

PM: "Yup, where did we go wrong on the estimate?"

Bill "We got a bit too optimistic on the time it would take to interface with that legacy system."

PM: "Okay, that happens. Can you give me 10 hours of overtime over the next two weeks? That will cut the overrun in half and I'll swing some additional resources to the successor tasks which will recover the rest of the slippage."

Moving out of the crisis of Tier #3 is not easy. Organizations need high levels of compliance with a consistent protocol and controls that give executives the data for assessing each project's business value, setting priorities and managing resource allocation against those priorities.

Consistent Success-Tier #5

The last tier of the evolution comes when a consistent methodology is used at all levels of the organization and everyone knows their role. They use a consistent and integrated methodology of processes and controls that are scaled so they're appropriate for the size of each project. They measure and track quantified dimensions of each project and manage resources to maximize their overall business value yield.

The weekly team meetings in this stage go like this:

PM: "Marcy, thanks for stopping by. I want to discuss modifying your achievement and the work estimate on task #56. I need to develop some trade-off alternatives that will let us finish 30 days earlier. If we cut your response time achievement from "90% of inquiries handled in 60 seconds" to "60% in 60 seconds," how much can we lower the work estimate and duration?"

Marcy: "I'll need to think about it but that would let me eliminate 6 inquiry types so we might get a 30% reduction in the hours and duration."

PM: "Great. Can you give me a final commitment by the end of the day? One of my bosses wants to review the options tomorrow."

Moving to Tier #5 is difficult. We need to shed the restrictions of the rigid management hierarchy. We also need to elevate PM techniques so that project decisions and problem-solving are based on hard data and measured business value for the user or client. For IT departments and consulting firms, this operating mode is the foundation for strategic partnerships with users and clients that are based on business value.

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