



Project Capability Uplift – Case Study & Discussion Document



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| Topics

- ▶ Background
- ▶ Summary of the Journey
- ▶ Target Outcomes
- ▶ Phase 1 : The Foundation
- ▶ Phase 2 :
- ▶ Outcomes
- ▶ Phase 3 plans
- ▶ Appendices

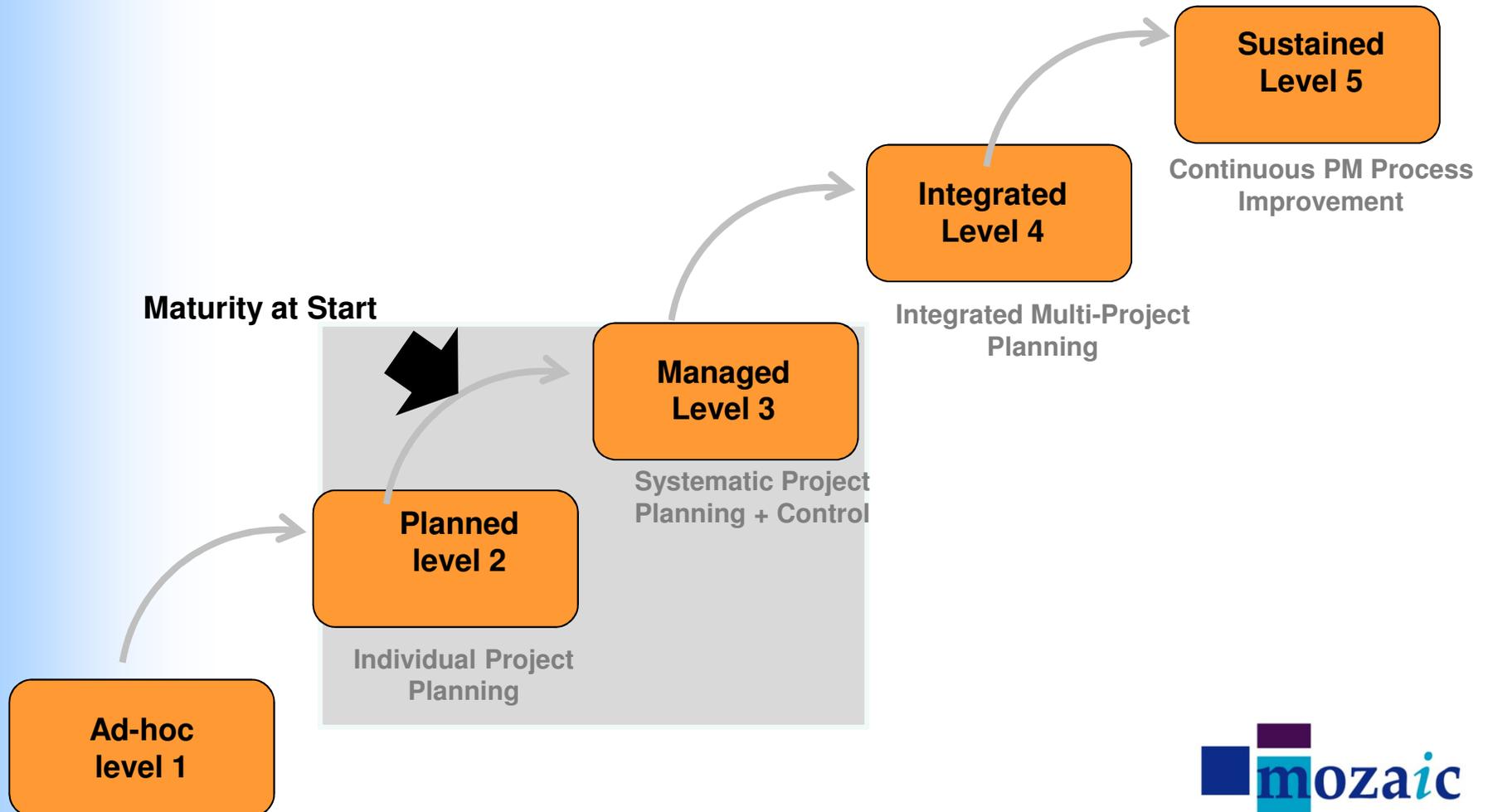


Background

- ❑ Australian Financial Services Company
- ❑ Operated a decentralise PM Model with two primary PM Pools -one in IT and one in business ops.
 - Circa 50 project managers at start
 - Note: At start not all “project managers” had the requisite skills or experience to be a Project Manager
- ❑ Multiple BA Pools
- ❑ Project Change Management Pool in HR
- ❑ Approximately 200 FTEs fully engaged in projects at start
- ❑ PMO Function existed but primary focus was capital allocation/management
- ❑ Patchy record of project delivery particularly larger program delivery
 - CEO asked CIO to help “sort out projects”



At the start of the program Project Management Maturity (assessed against the PM² Project Management Maturity ⁽¹⁾) was anecdotally assessed as between level 2 & 3



Note (1): Appendix A contains detail on level 2 maturity.



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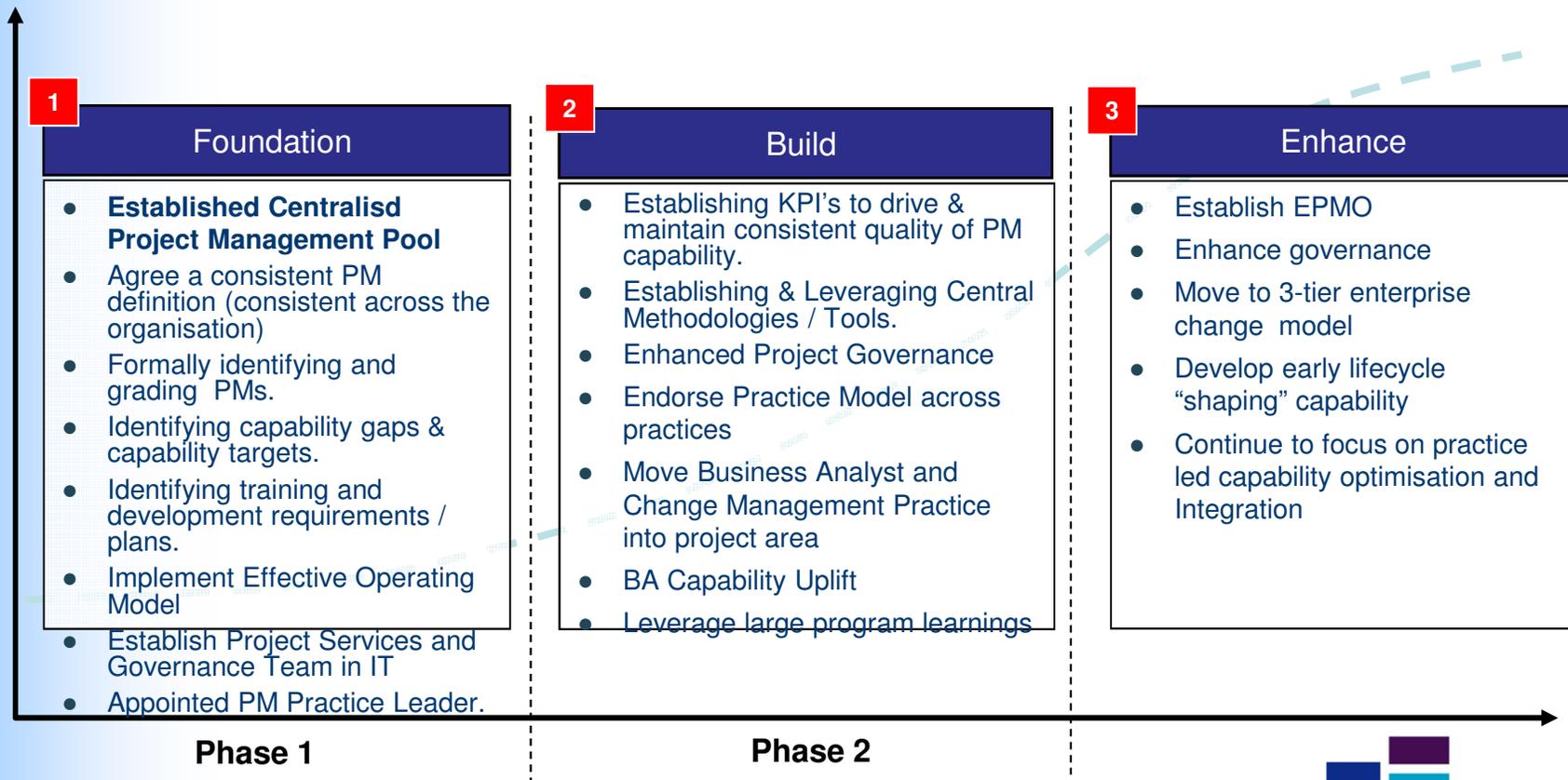
There was significant benefit to be obtained (reduced cost, shorter cycles, better outcomes) if the Project maturity level could increase to between 3 & 4

Project Cost Performance against maturity level

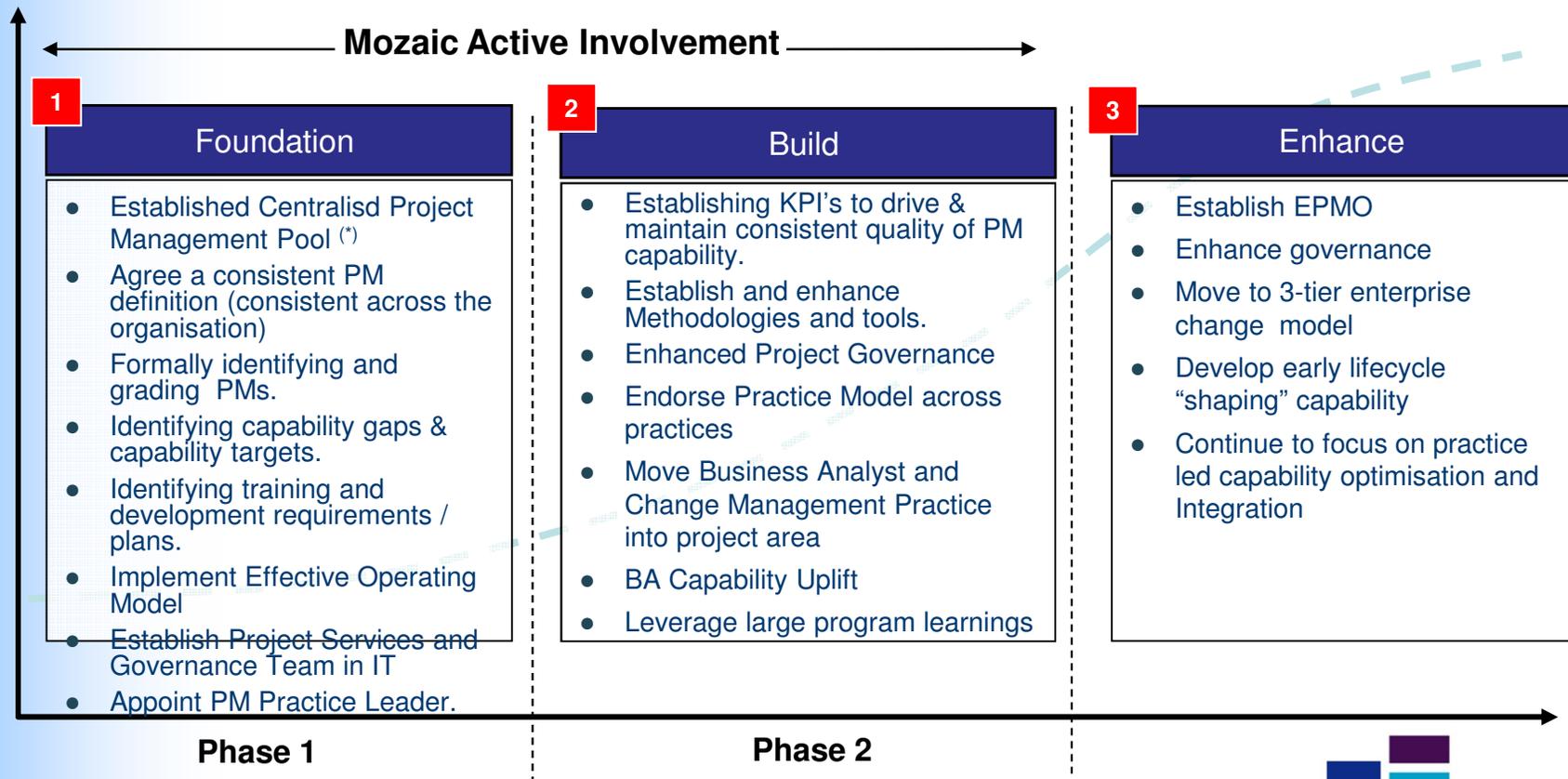
Maturity Level	Cost Performance (relative to baseline)
2.0	1.8 time original budget
2.5	1.5 time original budget
3.0	1.3 time original budget
3.5	1.1 time original budget
4.0	Under budget

Capability Uplift Journey

The establishment of a centralised PM group formed the foundation for the Project capability uplift/change journey

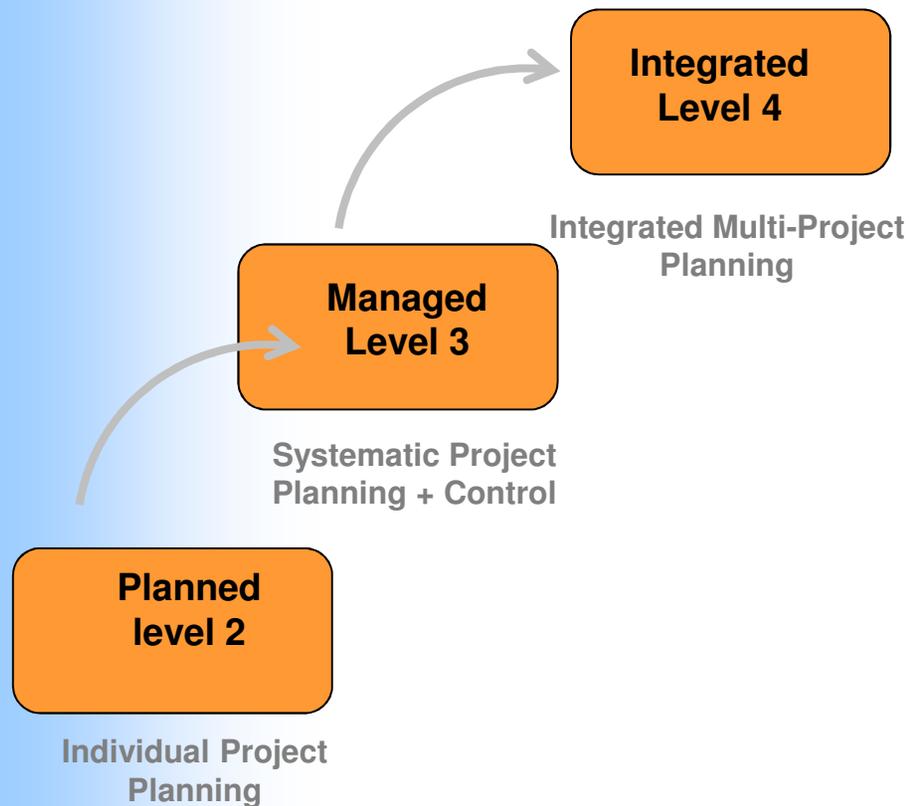


Mozaic was actively involved in the first 2 phases of the project which was a multi year journey



End of phase 2 aspirational target was level 4

End Phase 2 : Target Maturity



4

Level 4 – Integrated

At the integrated stage, project management processes are formal, and information and processes are documented. The organization at Level 4 can plan, manage, integrate, and control multiple projects efficiently. Project management processes are well defined, quantitatively measured, understood, and executed. Project management process data are standardized, collected, and stored in a database to evaluate and analyze the process effectively. Also, collected data are used to anticipate and prevent adverse productivity or quality impacts. This allows an organization to establish a foundation for fact-based decision-making.

At Level 4 an organization can conduct multiple project planning and control. Also, a strong sense of teamwork exists within each project and within project teams. Project management training is fully planned and is provided to the entire organization according to the respective role of people in the project team. Integrated project management processes are fully implemented at this level. Level 4 organizations succeed in planning and controlling multiple projects in a professional matter.

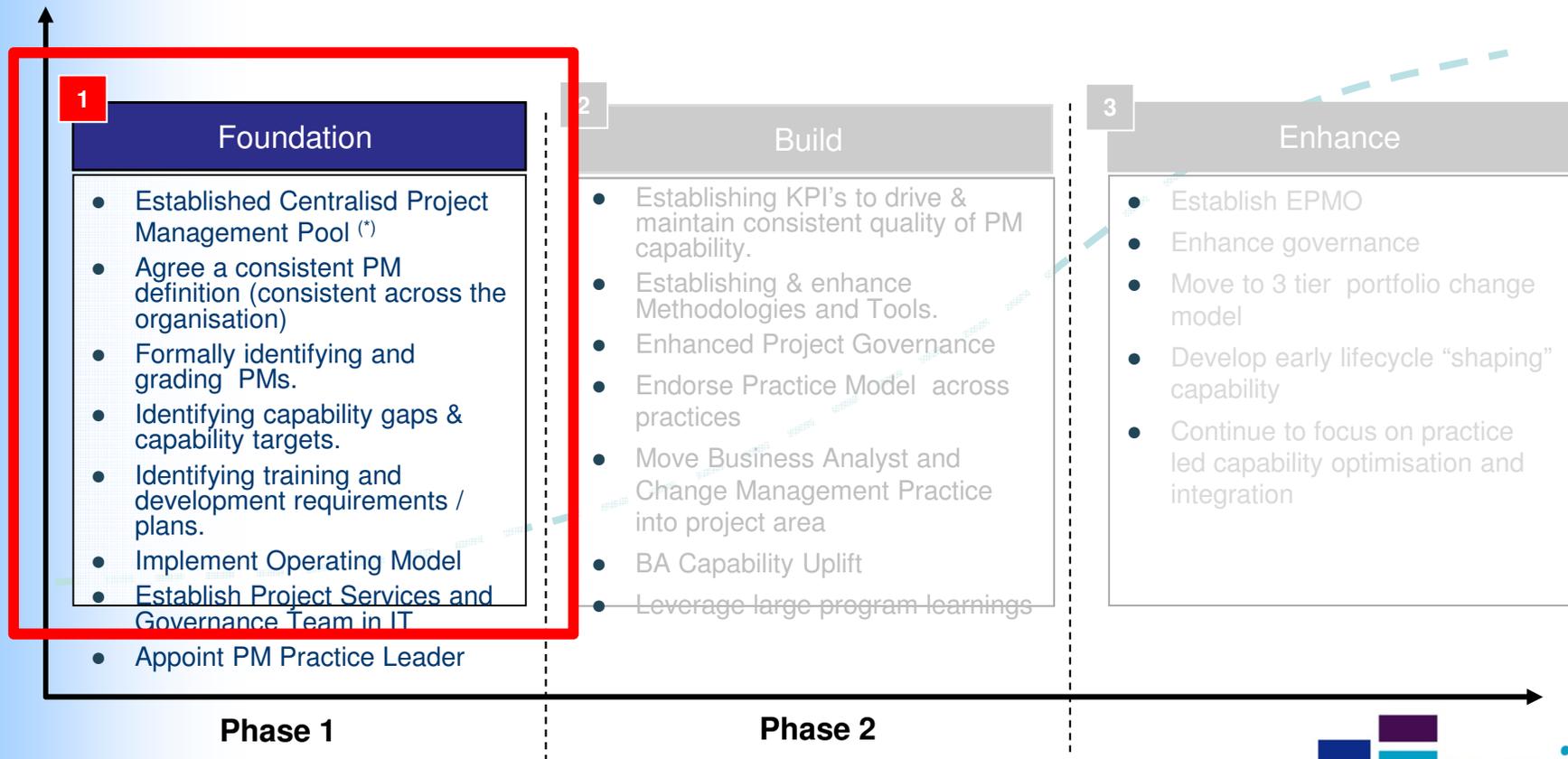
Note: Appendix A contains detail on level 2 maturity

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Phase 1 Focus

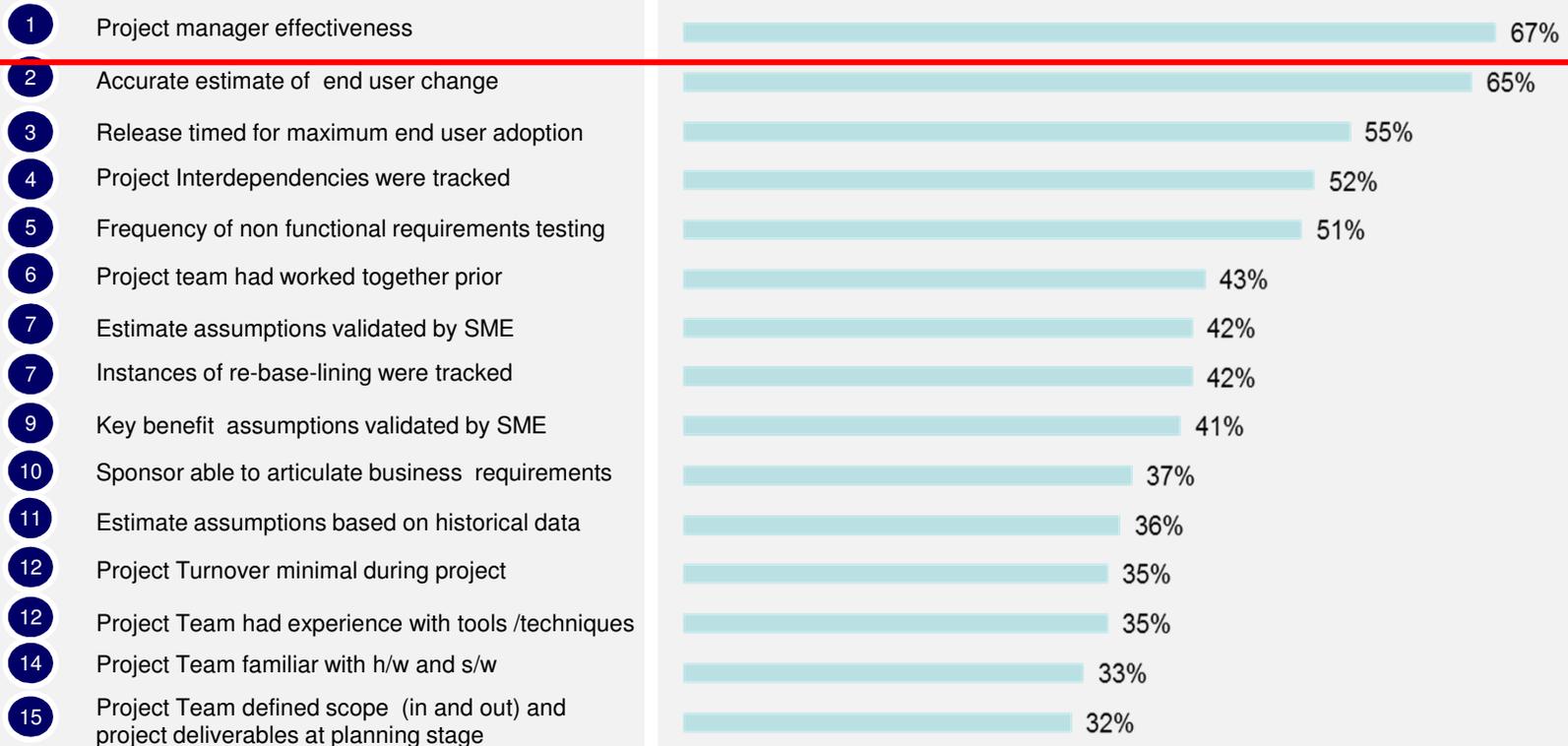


Why Focus on Project Managers First ?

The 15 drivers of business outcome attainment (1)

Business Outcome Performance

Business Outcome Performance



Source (1) – Corporate Executive Research paper on business outcome attainment titled “Trends in Project Management and PM Effectiveness” May 2011

The benefits of Centralisation

- It was felt that Centralizing Project Managers would deliver the following benefits:
 - Encourage consistency of delivery approach
 - Facilitates better asset creation and sharing
 - Create a critical mass of project managers - facilitating more efficient supply + demand
 - Provides better career opportunity and growth for project managers
 - Facilitates mentoring + coaching
 - Creates a logical support structure for career PMs
 - Reduces reliance on individual/single capability



The PM project operating model was established with three key focus areas



The Operating Model

Effective Business Engagement , ensures a high degree of customer intimacy is established and maintained



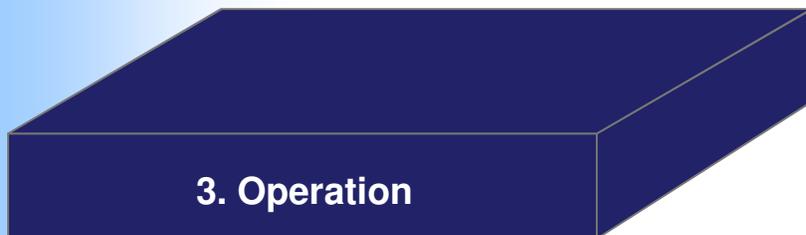
Key Areas of Focus
<ul style="list-style-type: none">▪ Active client engagement▪ Formal communication plan▪ On-going interactions▪ Engagement “close-out” meetings

Competency development focuses on the individual as well as group capability



Key Areas of Focus
<ul style="list-style-type: none">▪ Detailed on-boarding and induction Training▪ “Mentoring & Coaching▪ PM “community” initiatives▪ Pro-active knowledge dissemination

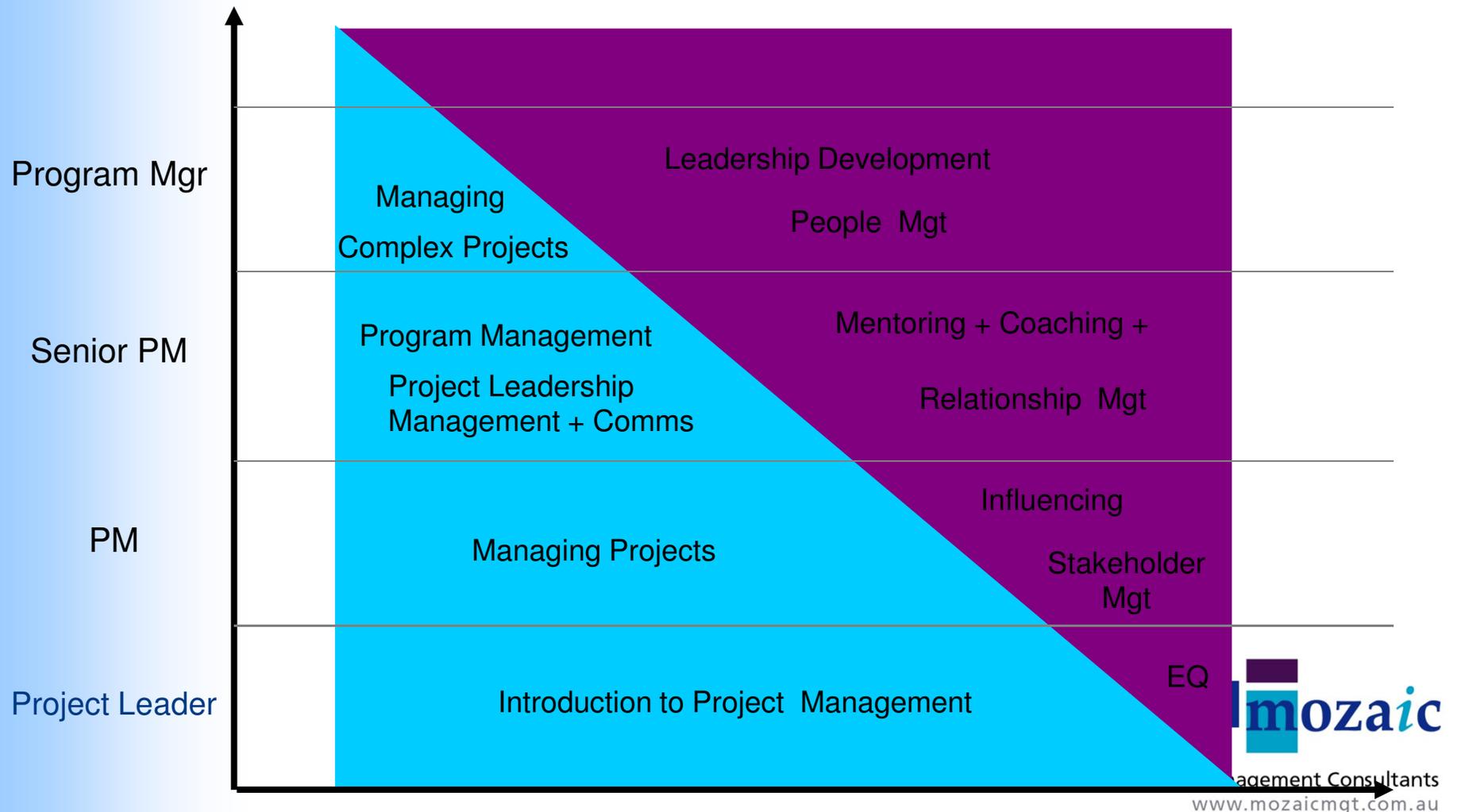
Tier 3 is focussed on creating an efficient and effective operation that is scalable



Key Areas of Focus
<ul style="list-style-type: none">▪ Supply and Demand – including “virtual bench”▪ Cost Recovery and Charge-out▪ Identify “core” suppliers▪ Pro-Active Supplier Relationship Management▪ Contractor database

PM Competency Development

Competency development focused on the “ART” as well as the “SCIENCE” of project management delivered through formal courses as well as formal and informal coaching and mentoring

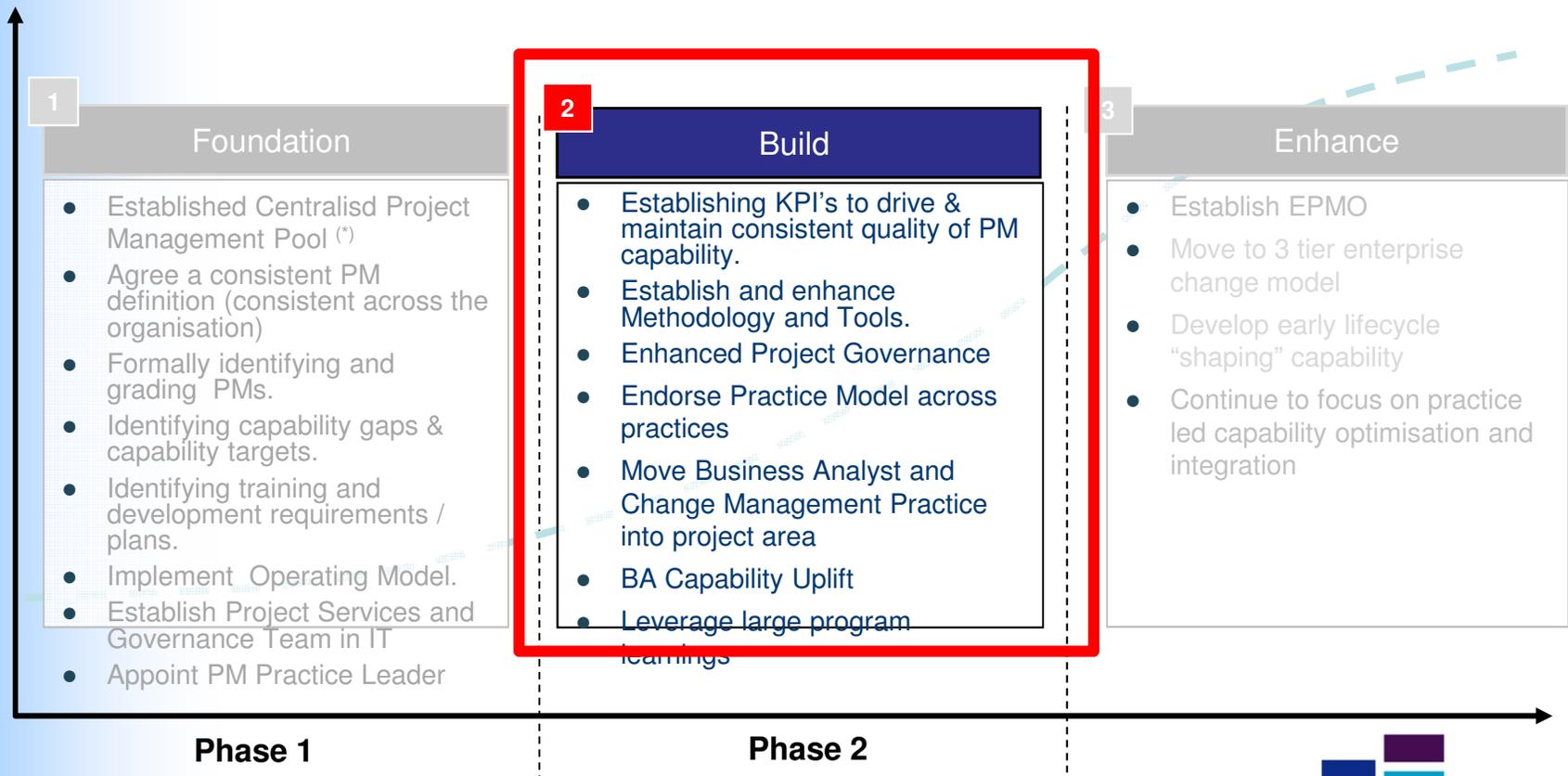


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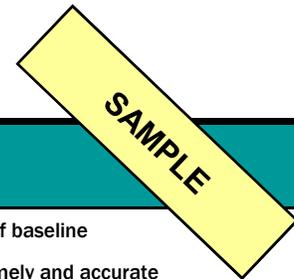
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Phase 2 Focus



Project Manager Scorecard Metrics



Category	Metric	Weighting %	Objective	Measurement (Every 6 month)
Delivery (70%)	Cost Management	15%	<p>Deliver projects to approved budgets</p> <p>Develop, update and manage project financials, forecasting and reporting to provide certainty of financial outcomes</p>	<p>Variance to be within +/- 10% of baseline</p> <p>Monthly financial reports are timely and accurate</p>
	Schedule Management	15%	<p>Develop, update and manage to project schedule to provide delivery certainty.</p> <p>Deliver projects in accordance with set lifecycle phase milestones</p>	<p>Variance to schedule is within +/- 5% of baseline</p> <p>Project Plans are developed and maintained</p> <p>All deliverable milestones identified and tracked</p>
	Risk & Issue Management	20%	<p>Identify, analyse, document and resolve project issues and risks</p> <p>Develop and manage change control process</p>	<p>Change Control, Issue and Risk management plan developed, accepted and followed by team</p> <p>Critical issues are escalated to appropriate parties in a timely manner</p> <p>Risks identified and prioritised. All High (RED) risks have a mitigation plan.</p> <p>100% of high (RED) risks / issues with assigned owner, reported to Steering Committee and not exceeding target resolution date</p>
	Productivity & Quality (Requirements Quality, Cost of Quality, Defects Removal Efficiency)	10%	<p>Develop requirements needed to achieve business goals in accordance with the Requirement Quality (RQ) Framework</p> <p>Deliverables are of high quality with minimal rework</p>	<p>RQ index in the range of 3.5 to 5</p> <p>Productivity score is 1.32 (*)</p> <p>COQ is under 23% of project effort (*)</p> <p>DRE with a target or over 95% (*)</p>
	Process Compliance	10%	<p>Follow AMP's Project Management Framework, (mandatory processes, deliverables & tools)</p>	<p>AMP Project Management Framework adhered to – 80% or more compliance to mandatory processes, deliverables and tools</p>
People & Relations (30%)	Stakeholder Management	20%	<p>Identify, plan and manage stakeholders. Actively engage Business and IT sponsors/owners.</p> <p>Project communications are planned for timely & accurate delivery, appropriate for audience</p> <p>Consistently demonstrate AMP Behaviours</p>	<p>Stakeholder Management Rating is in the range of 3 to 5 out of 5 as measured by stakeholder surveys</p> <p>There will be a key focus on Business Sponsor and IT Director/owner for feedback.</p>
	Leadership Skills	10%	<p>Lead and motivate the project team</p> <p>Build and leverage collaborative partnerships across organisational boundaries</p> <p>Influence without direct authority</p> <p>Consistently demonstrate AMP Behaviours</p>	<p>Leadership Skill Rating is in the range of 3 to 5 out of 5 as measured by stakeholder surveys</p> <p>(*) applicable to projects with significant IT changes will be evaluated with more weight for IT Leads in projects with separate IT Lead roles</p>

Establish Project Services and Governance Group

Key Areas of Responsibility

- Ensure consistency and accuracy of portfolio reporting
- Develop and deploy best practices, techniques, and tools for project planning, execution, project management and key performance metrics
- Conduct project quality assurance and risk assurance reviews, business case reviews and project health checks
- Provide access to an up-to-date Project Methodology and associated guides, templates, tools, processes and techniques for all projects
- Facilitate Project risk workshops
- Provide tool, template and process support for project resources, ensuring continuous improvement and capability build



Continual enhancements to Methodology, Process, Tools and Governance

Methodology and Tools

- Project Methodology deployment based on Process Mentor
- Estimation Framework implementation
- Productivity Metrics established and tracked
- Enhanced Project Reporting
- Project Reporting Tools integration
- Test + Rqts Tool deployment

Enhanced Governance

- Project compliance metrics & reporting established
- Delivery Assurance Coaching & Monitoring on projects
- Business Case/Peer Reviews adherence
- Requirements Quality deployment
- Project Review development



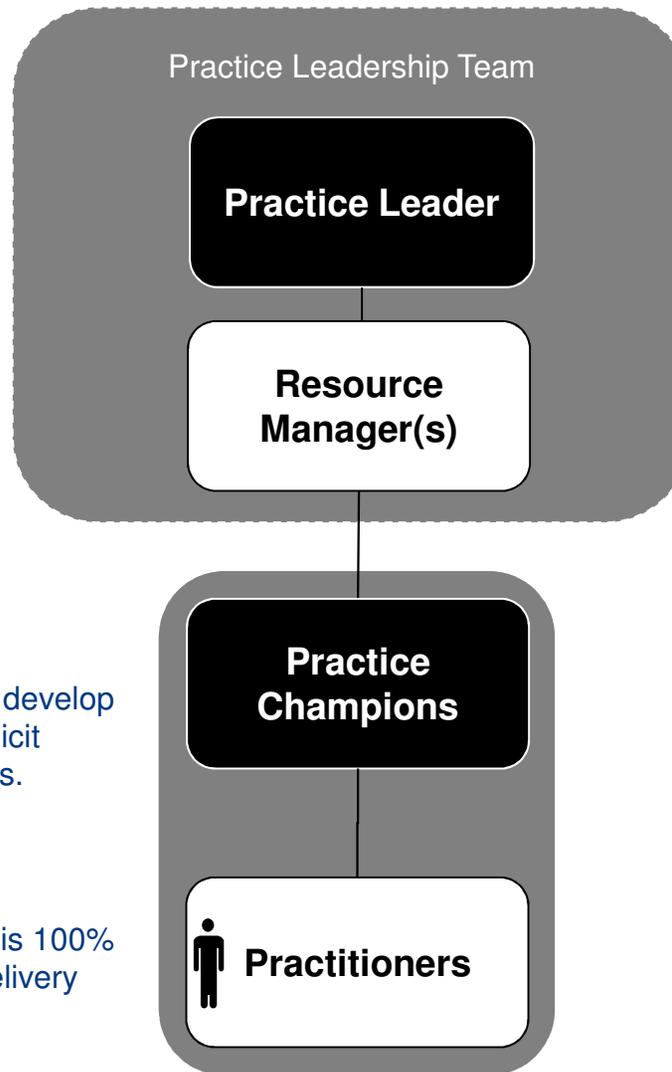
Endorse Capability Practice Model

Adopting a Practice focus and alignment complements resource pools by providing the ways in which resources operate, learn, share knowledge, contribute to improvements etc

The Leadership Team endorses practice changes & recommendations

Represents the Practice to the Practitioners +vice versa. Coordinates effort to raise, review, develop or implement practice initiatives. Elicit feedback & ideas from Practitioners. Provide coaching & support

The Practitioner is 100% focused on delivery



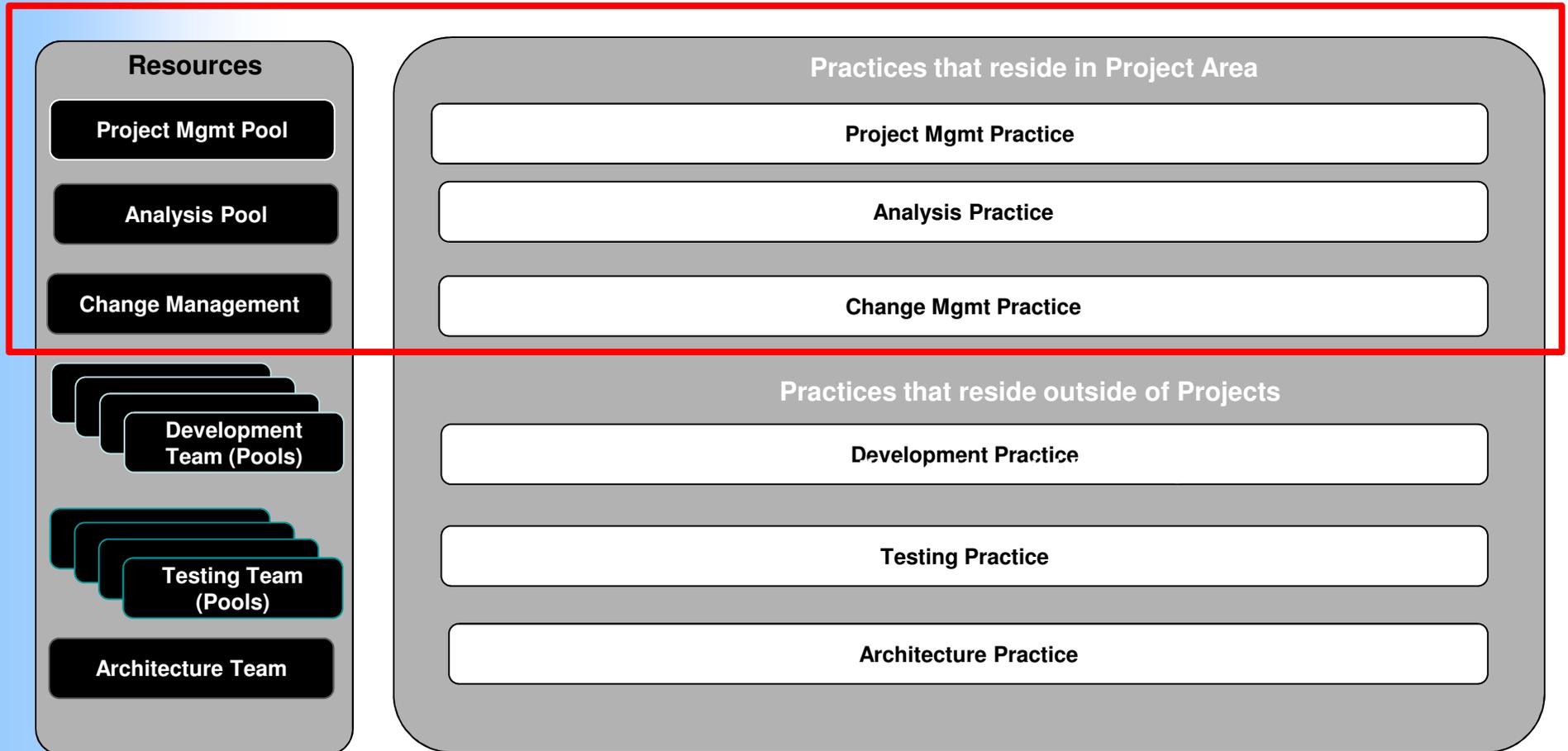
Overall carriage for the Practice. Actively supports & promotes the Practice. Oversees adherence to Practice policies, standards, processes etc

Sponsors development of workable frameworks, to enhance outcomes and capabilities for greater consistency, efficiency, transparency and repeatability. The practices define, maintain & develop standards, policies, processes, templates, tools, competencies, responsibilities, training and certification requirements, knowledge mgmt, metrics etc

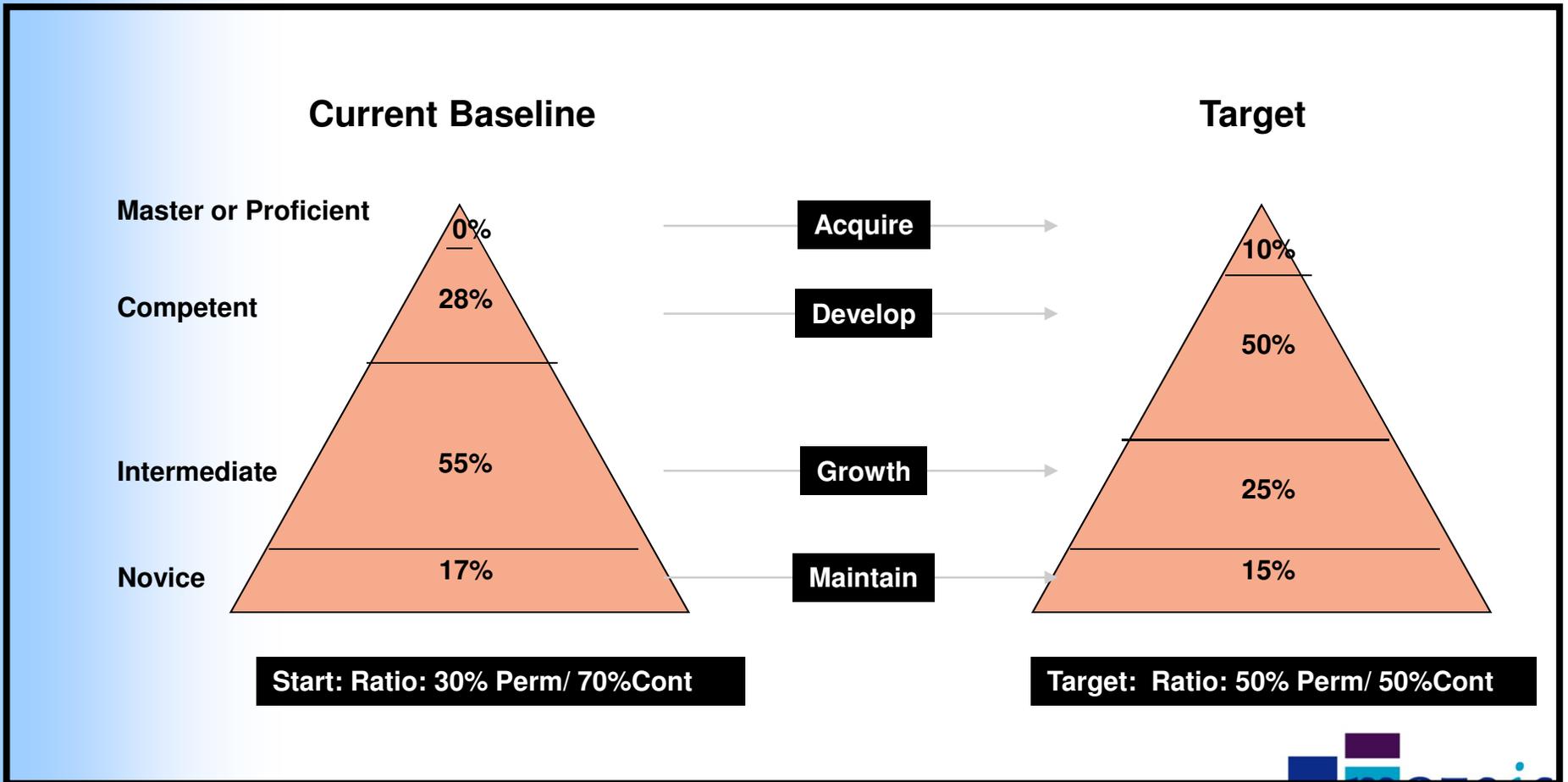


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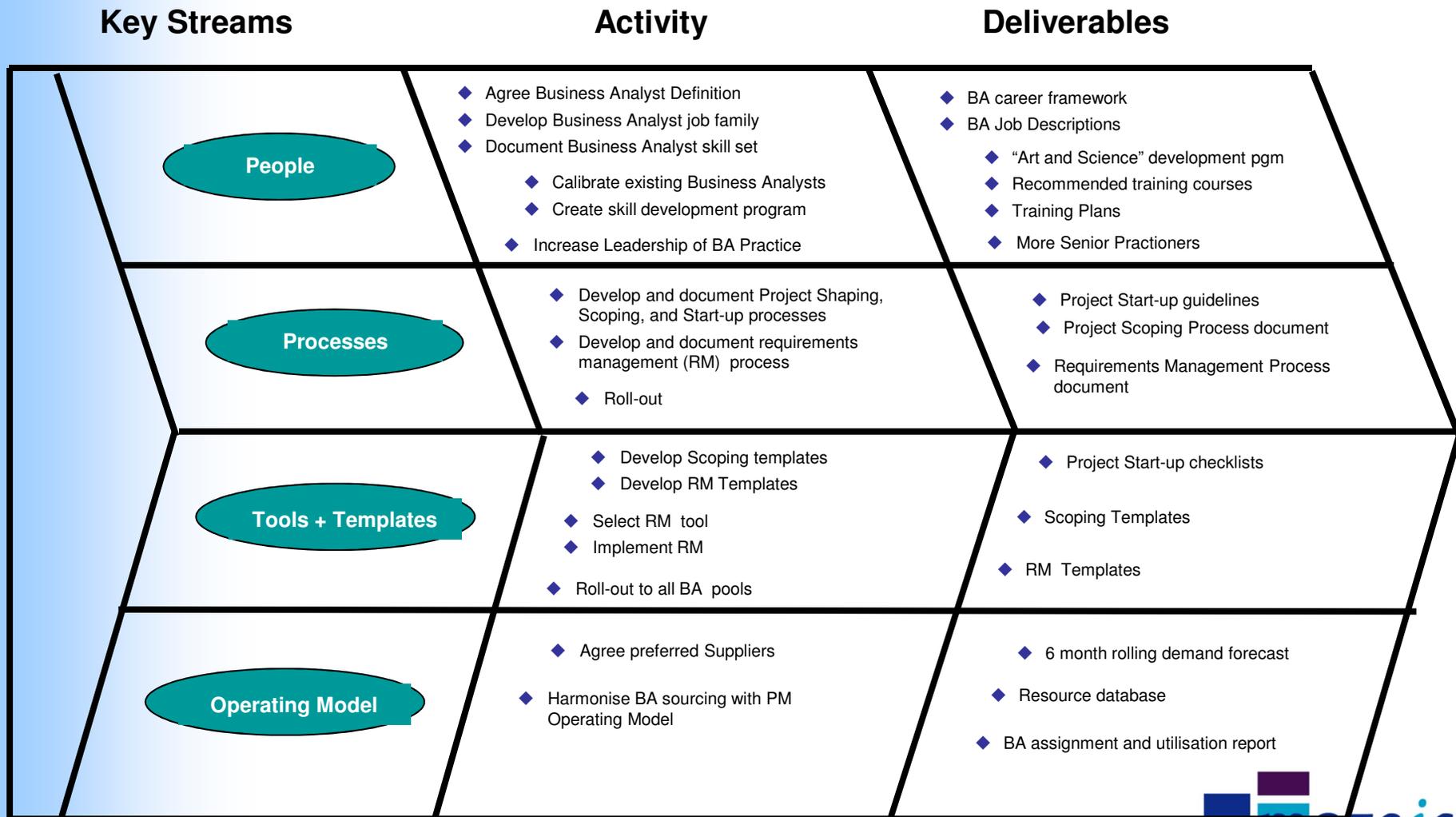
Project Management. Change Management and Analysis Practice moved into centralized projects area



BA Target Profile



BA Capability Uplift Focus Areas and Deliverables

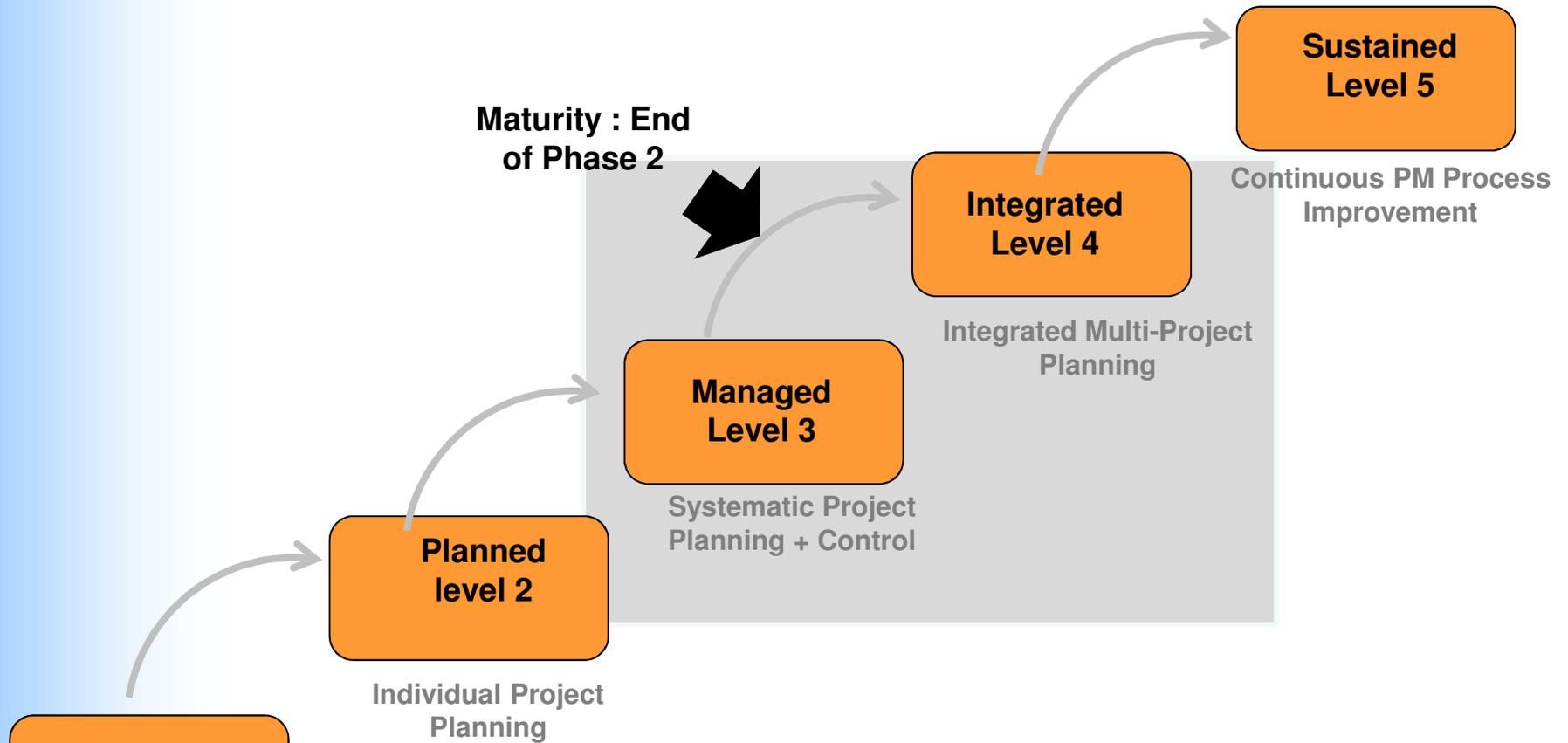


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Maturity level of between 3 and 4 was achieved



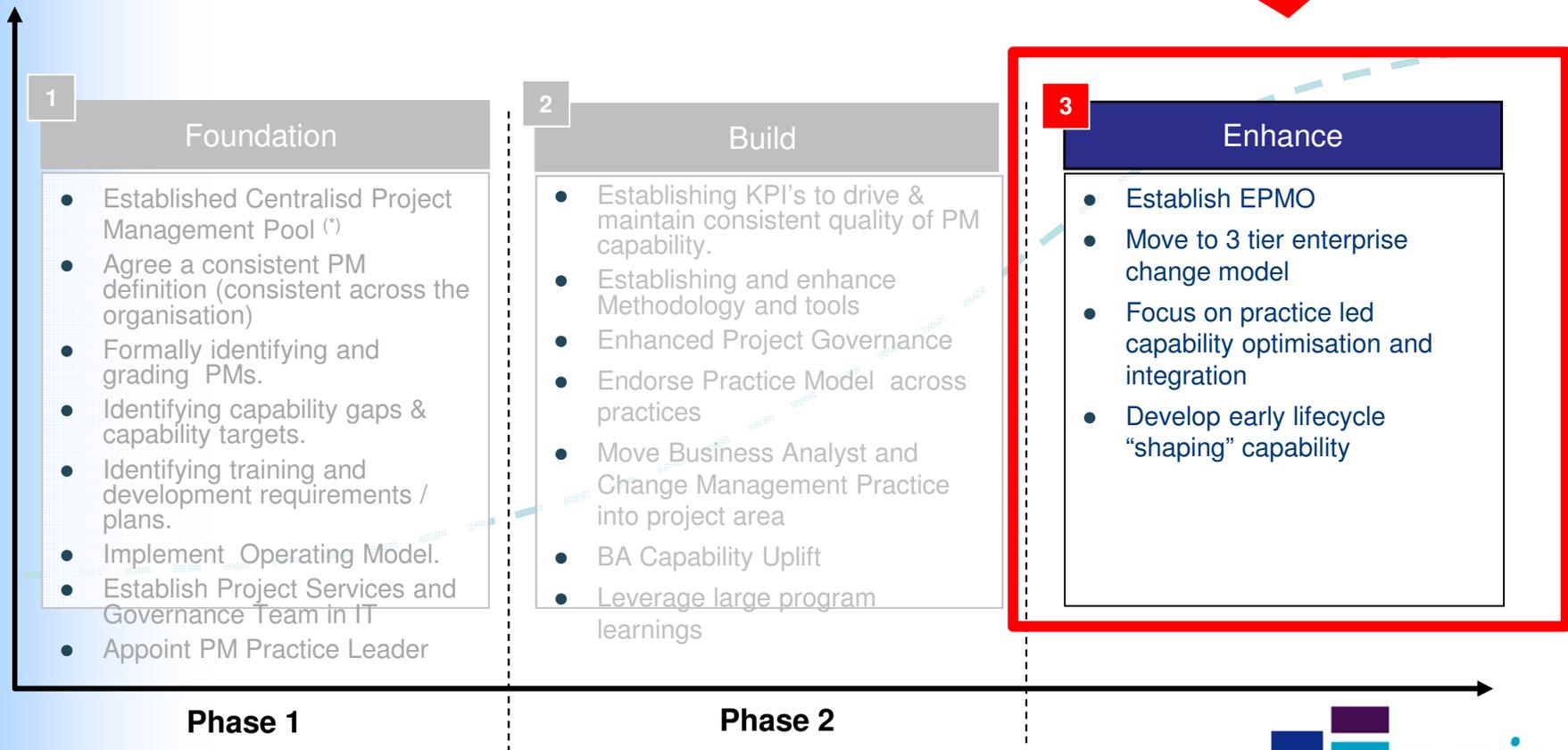
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Phase 3

Current Focus



Appendices



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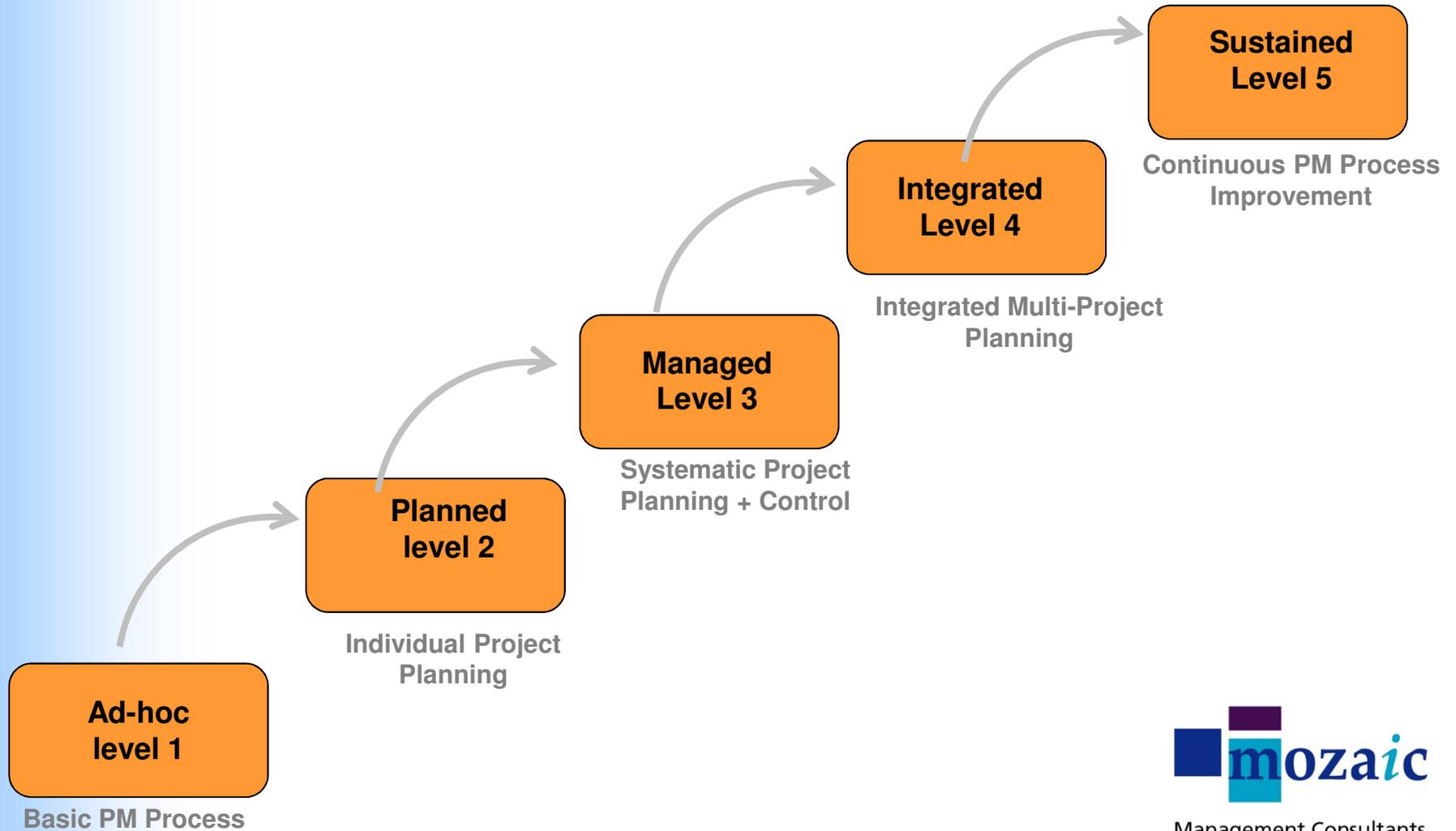
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- ▶ **Appendix 2** : Process Mentor Overview



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Project Management Maturity Model



Project Maturity Levels - 1 to 3

1

Level 1 – Ad-hoc

At the ad-hoc stage, there are no formal procedures or plans to execute a project. The project activities are poorly defined, and cost estimates are inferior. Project management-related data collection and analysis are not conducted. Project management processes are totally unpredictable and poorly controlled. There are no formal steps or guidelines to ensure project management processes and practices. As a result, utilization of project management tools and techniques is inconsistent and applied irregularly if at all.

Organizations at Level 1 are functionally isolated and are not familiar with the project management concept or the project-oriented organizational structure. Moreover, senior management does not understand key issues of project management. Therefore, the project's success depends on individual efforts rather than the implementation of effective project management processes. Overall, the project lacks the disciplined process that project management affords. A Level 1 organization can be described as trying to establish a basic project management process.

2

Level 2 – Planned

At the planned stage, informal and incomplete procedures manage a project. Some of the project management problems are identified, but these problems are not documented or corrected. Project management-related data collection and analysis are informally conducted but not documented. Project management processes are partially recognized and controlled by project managers. Nevertheless, planning and management of projects depend on individuals.

The organization at Level 2 is more team-oriented than the organization at Level 1. The project's basic commitments are understood by the project team. This organization possesses a strength in doing similar and repeatable work. However, when the organization is presented with new and unfamiliar projects, the organization confronts major chaos in managing and controlling the project. Level 2 project management processes are efficient in individual project planning.

3

Level 3 - Managed

At the managed stage, project management processes become partially formal and demonstrate a basis project planning and control system. Most of the problems regarding project management are identified and informally documented for project control purposes. Project management-related data are collected across the organization for project planning and management. Various types of analysed trend data are shared by the project team to help it work together as an integrated unit.

An organization at Level 3 concentrates on systematic and structured project planning and control. Project groups work together to manage the projects efficiently. People are trained to understand and to apply project management skills and practices. This organization works hard to integrate cross-functional teams to form a project team.

Project Maturity Levels - 4,5

4

Level 4 – Integrated

At the integrated stage, project management processes are formal, and information and processes are documented. The organization at Level 4 can plan, manage, integrate, and control multiple projects efficiently. Project management processes are well defined, quantitatively measured, understood, and executed. Project management process data are standardized, collected, and stored in a database to evaluate and analyze the process effectively. Also, collected data are used to anticipate and prevent adverse productivity or quality impacts. This allows an organization to establish a foundation for fact-based decision-making.

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5

Level 5 - Sustained

At the sustained stage, project management processes are continuously improved. Problems associated with applying project management are fully understood and eliminated to ensure project success. Project management data are collected automatically to identify the weakest process elements. This data is then rigorously analysed and evaluated to select and improve the project management processes. Innovative ideas are also vigorously pursued and organized to improve an organization's project management processes and practices.

Organizations at Level 5 are involved in the continuous improvement of project management processes and practices. Each member of the project team makes efforts to maintain and sustain the project-driven environment. Project teams are dynamic, energetic, and fluid to achieve project-oriented, project-centred organization.

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Process Mentor – Methodology and Template Repository

