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Four Opportunities to Improve Your Project Portfolio Performance

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Abstract

This paper explores four opportunities organizations can immediately seize to overcome a challenging economy, measurably improve portfolio, program and project performance, and increase organization effectiveness.

Most organizations today are looking for opportunities to “slim down.” That includes all aspects of their organization, including operations, capital investments, and projects. Often, projects are the easiest items to delete or delay. More effective organizations, on the other hand, step back from the budget-cutting, and take a hard look at the value chain provided by their most-effective project initiatives.

asapm, IPMA-USA, has developed and offers a suite of initiatives for organizations that are ready to improve the results of their portfolios. Alone or in combination, each opportunity has the potential to lower costs, reduce project challenges, increase success, and improve performance. For each opportunity, guidelines, tools and support information is available on the *asapm* website, as referenced in this paper’s endnotes.

Keywords

PM Training, Learning, Competence, Performance, Organizational Assessment, Competence Development, aPRO, IPMA Delta, PM CompModel, Managers in the Middle.

Introduction and Context

When we speak of Project Portfolios, as in the title, we are focusing on the Enterprise Portfolio, that includes, Projects, Capital Investments, and Operations. Note that we predict, in our *Visions For the PM Software Industry* chapter of the book, *Project Management Circa 2025*, that by around 2015, Enterprises will manage all three portfolios as one integrated unit, and the software of that era must support that enlightened way to resolve current resource and funding conflicts.

The Four Opportunities we cite in this paper will directly help the performance of all projects and programs in your PM portfolio. They will also improve the performance of all portions of your Enterprise Portfolio.

1. Turn PM Training into Learning

Billions of USA Dollars have been spent in PM (project and program management) training over the last 20 years. Yet watchful Managers and Executives have seen little improvement in PM performance. How can this be? There are a range of reasons, about which we have written and presentedⁱ, but they can be summarized as the following:

- Training that is poorly targeted to the learners’ workplace and project needs.
- An excess of short-term training, such as exam-cram preparation, that has a rapid learning decay curve.
- Training that is not soon-after applied on the job.
- Classic pedagogical (child learning) lecture-based training, rather than androgogical (adult) learning.
- Learners attending generic training, rather than training targeted to the organization’s processes and culture.

These issues first became evident in the mid-1990s, when responding to a potential client’s PM training request, one had to begin to ask, “Are you training to improve PM effectiveness, or just to pass an exam?” All too often the choice was the latter. And then they wondered “*Why can’t Johnny manage projects?*”ⁱⁱⁱ

Remedies: Most of the remedies for the above common flaws are evident in their description. Indeed, any competent Human Capital (HC) professional (as the Human Resources discipline is increasingly called) could quickly and easily design the learning environment that assures that the right people obtain the right learning experiences, and that they apply them before the learning decay curve begins to take effect.ⁱⁱⁱ The result: Increased PM performance.

Unfortunately, in many organizations today, helpful Human Capital professionals are becoming scarce. This is quite a difference from the early 1980s, when savvy HC professionals eagerly directed enlightened Managers to the right learning experiences for their staff. Today, those few remaining in that staff group are spending most of their time in contracts, grievances and union negotiations (at least in America), rather than developing their human capital.

asapm, the American Society for the Advancement of Project Management, is involved with a range of initiatives to improve the cost-effectiveness of PM learning in the USA, and around the World. Those initiatives include:

- Publishing guidelines for effective learning objectives^{iv}, the best way to evaluate proposed post-academic training—and the best way to evaluate the performance-improvement results of that training back on the job.
- Forming the *asapm* Competence Enablers program to provide visibility and support for consultancies, PM providers and trainers who can “demonstrate the Competence Difference!”
- Focusing PM learning on **competence-enhancing content**, based on the ICB, the IPMA Competence Baseline. This has far greater impact on true learning and development, rather than using only knowledge standards.
- Working with Colleges and Universities to align academic PM learning to that same ICB.
- Establishing the **aPROF** program (*asapm* Program Recognizing Outstanding Faculty) to align savvy University Department Heads in an IPMA-aligned PM curriculum that helps to build a PM competence foundation.
- Establishing SCiPM, Student Certificate in Project Management, to build a foundation from IPMA’s ICB.

Are these remedies working? It is too soon to tell, but clearly, the USA market is getting the word that relevant project and program management training *must* be delivered—and applied, or the buyer is wasting their money. **Your potential for PM Portfolio improvement? 2x!**

2. Assure Stakeholder Competence

Assume we seize the just-discussed first opportunity, and all organizations, including yours, demand relevant, competence-building, applicable-to-the-job learning from all PM learning investments. That opens the path for this next opportunity: More than just your project and program managers must demonstrate competence in their PM roles.

This significantly expands your target audience. As shown in Figure 1 below, *every key stakeholder*, including project sponsors, resource managers (who make the prioritization and assignment decisions), PMO consultants, traditional PM roles, and project team members, must demonstrate competence in all the actions required of their roles.

And if they do not, the PM is crippled, or at least, severely handicapped; after all, even the super-competent PM cannot cure the disease of incompetence in those around her or him. ***The project is only as strong as its weakest link.***

From the time of our founding in 2001, *asapm* has offered the PM Competence Model (PM CompModel) to identify the competencies needed in each of the roles listed in Figure 1 at center. We have made it available to IPMA, and to Member Associations.

At the 2006 IPMA World Congress in Shanghai we presented a half-day session to Young Crew participants. They received their own copies of the automated tool, and we also presented it in a session in the Congress.

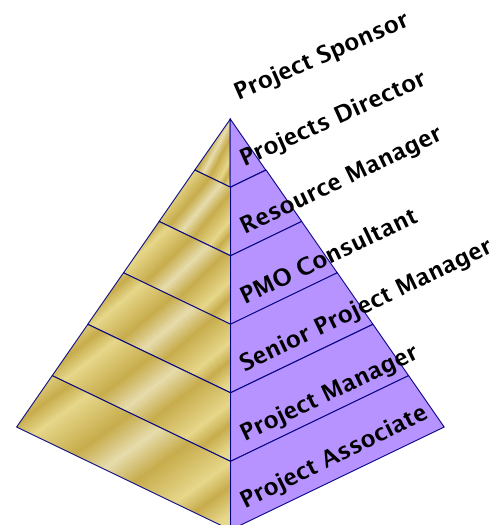


Figure 1: PM CompModel Assessed Roles

We developed PM CompModel long before 2001; we have used it in individual competence assessment and competence development planning since 1983. What changed in the early 2000s was that we realigned it to ICB, the IPMA Competence Baseline, which made it much more effective.

We made a demo version of PM CompModel available to all IPMA Member Associations as part of our 2006 Shanghai World Congress paper presentation.^v Interestingly, other non-IPMA societies have downloaded PM CompModel, and tried to develop their own version. They have a challenge: Their baseline is knowledge-based; and knowledge is only the bottom rung of our PM Performance ladder, that spans knowledge, skill, attitudes and behavioral attributes (such as leadership and interpersonal skills), competence, and the ultimate results indicator, PM Performance.

So what do you do with the outcome of a PM Competence Assessment? You establish a PM Competence Development Plan, with actions prioritized by the role (some are more important than others), impact of the competence gaps, and responsibilities for assisting each learner to fill the gap. It should now be clear why these “Four Opportunities” are somewhat in sequence. If you send the learner off to YAWT, *Yet Another Worthless Training*, it may appear that the competence development process is flawed. On the other hand, effective and targeted training does play a key role in competence development. One must understand, though, that even effective training merely plants the seed. The true learning and development happens in the supportive workplace environment. **Your potential for PM Portfolio improvement? Another 2x!**

3. Focus on the Managers in the Middle

The leading project-oriented organizations have concentrated on improving their PM effectiveness for over 25 years, and many of them can measure their gains. But the vast majority of organizations have not yet seized the greatest opportunities for massive improvement. What could be missing? There are several factors that may not be obvious to all. One such factor is the effectiveness of *Managers in the Middle*: They range between two levels up from project managers, and two levels down from top Executives. Figure 2 at right is an organization chart segment showing *Managers in the Middle* in a medium-sized organization.

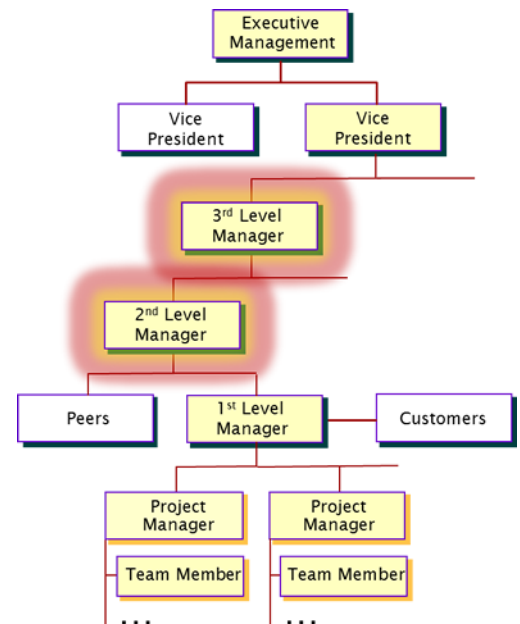


Figure 2: The Managers in the Middle

In most organizations, these Managers are the ones who explain, translate, where needed, and support Executive vision and strategy; they enable ongoing operations, while dealing with the integration of project-driven changes; communicate upwards the project teams’ resource and funding needs; compete, collaborate

and communicate with other Managers across the organization; prioritize competing operational and project activities; and evaluate and demonstrate the lasting benefits of successful project and program efforts. They are the differentiating advantage for their organizations, whether commercial or governmental. They inspire their project teams, demonstrated visionary leadership, and help their Executives to always appear to be brilliant.

Or, they don’t! In some cases, they have been promoted from their levels of former competence, and are now the barriers to communication throughout the organization. In other cases, they just do not realize that one manages a project organization completely differently than one manages a classic process organization. They starve their projects of resources, focus upon headcounts rather than specific talents, respond slowly to actionable project issues, and fail to take responsibility for project success. In organizational improvement consulting engagements spanning 28 years, we have seen far too many instances of this syndrome. Even within large organizations, it is quickly clear which are the ineffective *Managers in the Middle*, and which are the shining lights of managerial project effectiveness.

For over 25 years, we (ProjectExperts, our consulting company) have performed organizational assessments in project and program management as part of methodology improvement, or for individual or team competence development. We often find that one limiting factor in individual performance is the relative health of the environment within which that individual operates. And remediation often includes a combination of Executive and Management assessments, together with individual coaching of certain of the layers of *Managers in the Middle*. Of course, this type of remediation is not the top priority of these very busy and important people.

Case Study: Twenty years ago, we worked in an organizational effectiveness initiative at a major oil company. This was a far-reaching PM Performance Improvement Project, and we stated to the CEO that the type of organization cultural transformation needed would require *one year for each level* between the Executive suite and the individual project team members. He (in this case, a male) started counting on his fingers, to determine how many levels, or years, that would require. Running out of fingers, he said, “I know how to cut three years off the duration.”

Note that this was already an industry-leading organization; it had great Managers, and a great reputation. But he saw the need to keep improving, and he saw that improving the effectiveness of the some of the *Managers in the Middle*, either by improving their effectiveness, moving them elsewhere, or simply removing those who were barriers to project success, was his best approach.

We performed a series of assessments with Managers, Project Managers, and Team Members. We developed and delivered an intensive 3-day workshop, officially called *Managing Project Managers*. Its unofficial name was *Up, Down, or Out*. Our initial assessments showed that many of the Managers had been promoted because of their excellence in their prior roles; some were not happy with their new responsibilities; some were incredibly effective; a few were just holding on until retirement.

In these workshops, Managers were exposed not just to more PM theory, but *what Managers do to improve PM performance*. They could demonstrate how they added value to everything they touched. If they could not show their value-add, they could move back down, at their current pay rate, to their former level of excellence. Some actually took early retirement. Some, who not only demonstrated clear value, but who did so despite weak Managers above them, had the opportunity to move up.

The organization did cut several layers of middle managers. More importantly, they improved *all* their performance. That was a pretty drastic approach to improving PM Performance. Most organizations don't have the stamina to go through a transformation that extensive. Yet for that organization, it was incredibly powerful, both for the individual Managers involved, and for the whole organization.

The key lesson from this case study is this: At a certain point, when you appear to be hitting the point of diminishing returns in PM Performance, look higher. It will do little good to provide further training of your Project Managers, or project team members, although that is the path taken by most organizations. There is easily another doubling of performance improvement that is available for you, by improving the effectiveness of your *Managers in the Middle*. Is always it possible to increase the PM effectiveness of the *Managers in the Middle*? Absolutely! Many of us have been doing this for years. **Your potential for PM Portfolio improvement from improving the effectiveness of Managers in the Middle? Another 2x!**

4. Assess and Improve Organizational PM Performance

A reminder: The PM Performance Improvement opportunities we list are somewhat cumulative and sequential. While an organization could investigate and implement them in any combination and sequence, they gain maximum results by considering them in the sequence we provide them. And this brings us to Assessing and Improving Organizational PM Performance. There has been a significant increase in interest in this area, as the “Maturity Model” approach has been adapted by many project management assessments. Today, there are hundreds of PM maturity models available. Most are proprietary, most provide value, and most keep consultants gainfully employed.

This paper discusses two new organizational PM Assessment models, one developed by *asapm*, and one developed by IPMA. Other IPMA Member Associations, such as GPM (Germany), APM (United Kingdom) and AIPM (Australia) also have their own useful and effective models.

About aPRO: *aPRO*, the *asapm* Performance Rated Organization standard, is the result of a multi-year effort of *asapm* project managers, consultants, and organizational assessors. William Duncan, the primary author of the original Guide to the PM Body of Knowledge and *asapm*'s Certification Chair, had built an organizational assessment model, and used it in his practice for years. Based on a discussion about the driving need for an *asapm* process, we made Duncan's model the prototype for *asapm*'s assessment. We identified additional requirements, including ease-of-use, and ease of learning. We decided that it was important to assess against a standard—ideally, an open, versus proprietary one.

We looked at a wide range of standards, including quality standards such as the Malcolm Baldrige award, and various ISO standards. We carefully reviewed many of the project management maturity models—and decided that the market did not need yet another maturity model. Instead, we wanted an approach that was unique, distinctive, and more useful. Ideally, the model would focus upon PM Performance, the output Executives desire, rather than all the inputs and processes that *might* cause beneficial results.

Not finding a model or framework that worked for our needs, we built our model, ran it through the Standards process, including publishing an Exposure Draft, and collecting comments. We published the *aPRO* Standard with five units of PM Performance, as shown in Figure 3, above. *aPRO* is an open source, easily downloadable resource. Today, with our addition of trained Recognized Assessors, we can position *aPRO* as a framework for self-assessment, professional assessment, and if qualified, *certification as a performing organization*.

The essence of *aPRO* has been constructively applied for nearly three decades, so we benefited from our team's massive practical experience. But because it is among the newest of today's PM assessments, we were also able to studying the strengths of the other assessments. Several key strategies came from our analysis of those strengths:

- *Elegant, Top-down (Executive-oriented) Model*; we felt that some available models were focused on the project manager's view of the organization, not an Executive's view.
- *Move beyond Maturity Models*; while maturity works well in many cases, project management improvements are more sensitive to a "weakest link" approach than a linear progression. A side note: One of today's CMMI Level 5 organizations *is now looking to improve results*^{vi}.
- *Assess Performance* (results or outputs), not just inputs and processes; this can produce useful results, at significantly lower cost, with less time required from staff. A key parallel: *asapm*'s advanced PM Certifications also assess Performance. Thus our assessment suite is consistent from individual to organization.
- *Foundation for Research*; open up our databases for qualified researchers to explore key project success drivers.
- *Open Standard*; learning from the popular Prado/Archibald^{vii} model, rather than producing a tightly-controlled, proprietary model, we chose to offer a freely downloadable open standard (the Assessor Guide is proprietary, and is only provided to those who pass Assessor training).
- *KISS: Keep It Simple, Silly*; we chose to produce a PM assessment standard that was easy to use, and easy to learn. The rationale: Not everyone will hire a skilled, trained professional assessor.
- *Engage Professional Assessors*; at the same time, we chose to develop a model that could easily be added to the repertoire of a wide range of assessors of other standards.
- *Certify Performing Organizations* as the ultimate outcome of assessments. Certainly, performance improvements can be identified from many assessments, but the focus on certification recognizes those who deserve to be called *asapm* Performance Rated Organizations.



Figure 3: *aPRO* Performance

asapm is focused on a USA audience for our PM Organizational assessment and certification; we have also received overwhelming interest and demand from outside the USA. This demand comes from organizations that recognize their PM improvement needs, and from consultancies and assessors who see value in our approach our business model. *asapm* will be moving to respond to this global demand in 2011.

Introducing IPMA Delta: IPMA Delta, IPMA's **Assessment of Organizations**, has taken a path that parallels *aPRO*. As *asapm* began our *aPRO* efforts, we offered to share our results with IPMA. The IPMA Board decided that while it was a good idea, IPMA had a few different needs. Thus began a parallel project to develop IPMA's IPMA Delta model. For three years, *asapm* and IPMA teams have been cooperating and sharing information about our separate initiatives. Interestingly, good requirements analysis on the part of the teams has led to two very different assessment models. The IPMA Delta model, with its goals shown in Figure 4 below, is for use either in Self-assessment, or in Third-party Assessment. Its three modules assess *Individuals*, *Projects*, and the *Organization*.

The *Individual* module assesses the competence of Project Managers, Team members and Stakeholders, using ICB3.^{viii} The *Project* module reviews application of PM and the results of selected projects, using the IPMA Awards' Project Excellence Model.^{ix} This provides great synergy. And the *Organization* Module assesses overall organizational competence in a range of best practices in project and program management.

IPMA's Assessment of Organizations include a determination of the overall maturity or status of the organization, the projects, and participants; a list of follow-on actions for improvement; a high value of results for low assessment cost (compared to other models), and especially for Europeans, consistency with an accepted standard, the Excellence Model. An added strength is the relationship to the IPMA Awards program, which focuses upon projects, and the ranks of experienced IPMA Assessors that are already available, and with significant amounts of experience scoring people and projects on IPMA's 10-point scale.

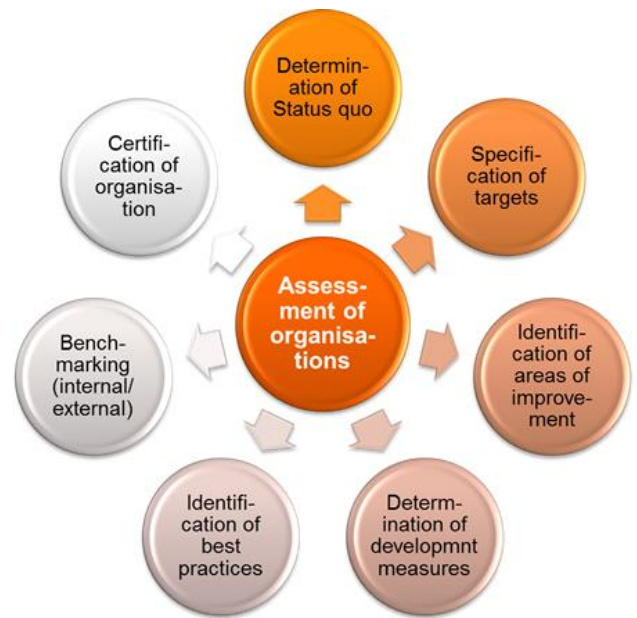


Figure 4: The Seven Goals of the IPMA Delta Model

Competing Forces? Some have raised concerns about the potential for competition, or at least confusion, between the *asapm* and IPMA organizational assessment models. We are not concerned, because each has clearly different market positioning. What is most important is that both models complement the other assessment programs the organizations already offer, and both uniquely offer the opportunity for qualifying organization to go beyond PM improvement opportunities, to become certified as competent, performing PM organizations. Every reader of this paper is a potential beneficiary of one or both of these assessments—if you are involved in projects and/or programs. **Your potential for PM Portfolio improvement? 2-4x More!**

5. Summary

In this paper, we have identified four opportunities for every organization to consider, that can massively improve PM Portfolio Performance. In a difficult economy, less-effective organizations cut back on their “discretionary” initiatives, while more-effective ones look at very-targeted ways they can further improve—and projects are the discipline of beneficial organizational and societal change. We present our four opportunities in sequence; while you need not complete them in sequence, you should *at least consider them* in the sequence presented. Why? Each builds the foundation for increased benefits for all that follow. And, embracing opportunities later in the sequence without seizing the earlier ones tends to increase the cost and reduce the effectiveness of your selected initiatives.

And here is another observation. Even after you have completed our *Four Opportunities* sequence, you are not finished improving PM Performance. Depending on the size of your organization, within a year or two you should re-evaluate each area of opportunity for more improvement. This is the case for several reasons:

1. As you close your performance gaps, new gaps become more-evident.
2. New talent being added to your organization often has different competence development needs.
3. Enabling policies, processes, and procedures need to be reviewed regularly.
4. Promoted project managers who are now in manager-level positions especially require attention; we have addressed this in another blog post, *Most of What Got You Here is Wrong for Performing Here!*^x

Note that providing consultancies with additional revenue is *not* one of our stated reasons. Each of the Four Opportunities presented in this paper features self-application methods and tools. These are identified in their sections, or in additional material referenced in the end-notes. But if you decide that you would like guidance from professional associations, the contact information for *asapm* and IPMA is also in the end notes.^{xi}

If you agree that improving PM Portfolio Performance is a key strategy for dealing with today's challenges, we urge you to evaluate and apply each opportunity we discuss in this paper. And what, you may ask, is your potential gain? For organizations that have implemented *just some* of the above opportunities, our results show improvements that are 4x-10x measured performance over a 2-4 year period. We understand that you doubted our assertions of the range of performance improvement at the end of each opportunity discussion. For those who did the math, the potential is 16-32x today's measured performance. And, our experience shows, the better your PM Performance is today, the **easier** it is to improve tomorrow. *Do you deserve to improve your PM performance?*

About the Author

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STACY A. GOFF, the PM Per4mance™ Coach, is President of ProjectExperts®, a Program and Project Management consulting, tools and learning company. He is President of *asapm*, American Society for the Advancement of Project Management (IPMA-USA), and is also Vice President-elect of Marketing for IPMA, the International Project Management Association. He has also contributed to the success of Project Management Institute since 1983, helping establish a chapter, and writing chapters of several books.

A Project Management practitioner since 1970 and consultant since 1982, he helps improve Enterprise, Department or Project Team PM Competence, effectiveness and Performance. A current area of interest: Measurably increased organizational **PM Per4mance**: Portfolio, Program, and Project Performance. Stacy has written and published a large number of articles related to PM Competence and Performance; they are available on the ProjectExperts and *asapm* websites listed above. He is also working on several new books, to be published in 2011 and 2012.

An insightful consultant and dynamic speaker, Mr. Goff presents at major industry Congresses and Symposia. For over 28 years he has provided program and project consulting and coaching services, and offers project management workshops of interest to Executives, Managers, Program and Project Managers and leaders, technical staff, and individual contributors. His Project Management tools and methods are used by Government Agencies, Enterprises, Consultancies and individuals on six continents.

EndNotes

- i Two examples: S. Goff (2006), asapm (USA), *Let's Cure the Dumbing Down of Project Management*, www.asapm.org/articles/TheDumbingDown.pdf. S. Goff (2009), asapm (USA), *IPMA ExpertSeminar, Improving PM Performance in the Classroom and Beyond*: asapm.org/articles/expsem_Goff2009.pdf.
- ii "Why Johnny can't manage projects" refers to problems in American schools, citing, "Why Johnny can't read".
- iii For years we have proclaimed that six weeks is the half-life of classroom learning if it is not applied. Recent assertions are that it is only two weeks. See J. Medina (2008), *Brain Rules*; Pear Press (Seattle, Washington, USA).
- iv S. Goff (2010), asapm (USA), *Demand Better Instructional PM Learning Objectives*, www.asapm.org/articles/BtrLearningObjs.pdf.
- v S. Goff (2006), asapm (USA), IPMA World Congress in Shanghai: *Distinguishing PM Competence in Training and Development, Organizational Assessment and Certification*. Get PM CompModel at: <http://projectexperts.com/pm-products/pm-compmodel/free-pm-compmodel-lite/>.
- vi The Ogden Air Logistics Center, 309th Software Maintenance Group, at Hill AFB was an early CMMI Level 5 organization. They now say they are *moving beyond CMMI Level 5* to **improve results** and customer satisfaction. Thus the first of the maturity model high-achievers realize that beyond maturity is performance, the same conclusion asapm came to as we analyzed the market for organizational PM assessments.
- vii MCPM, the *Maturity by Project Category Model*, by Darci Prado and Russ Archibald, uses Russ's unique Project Categories. Very popular for PM research, it can be seen at: www.maturityresearch.com/novosite/en/index.html.
- viii ICB is the *IPMA Competence Baseline*, the foundation of IPMA's basic and advanced 4-L-C, Four-level Competence-based Certification of PM roles. See: <http://ipma.ch/resources/ipma-publications/ipma-competence-baseline/>.
- ix The Project Excellence Model is the basis for IPMA Awards, providing great synergy between two IPMA programs, Awards and IPMA Delta. See: <http://ipma.ch/awards/project-excellence/the-pe-model/>.
- x S. Goff (2010), asapm (USA). in the ChangeAgents blog: *Most of What Got You Here is Wrong for Performing Here!* www.asapm.org/chgagent/most-of-what-got-you-here-is-wrong-for-performing-here/.
- xi Contact information for our professional organizations:
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