PMI OPM3 Standard Update: How Organizational Project Management (OPM) Helps Companies Achieve Strategic Objectives

Scott Patton
Patton and McClelland Consulting

September 15, 2009
PMIWDC Chapter
Outline

• Introduction
• Overview of organizational project management
• Overview of PMI OPM3
  – Update on PMI OPM3 activities
• Discussion and questions
INTRODUCTION
Scott Patton - Background

20+ yrs PM Experience
- Project manager - EHS projects in nuclear weapons complex
- Consultant - helping clients build project management capabilities and competencies
- Business owner - OPM benchmark assessments and knowledge sharing
- Developed / teach project management certificate program

6+ yrs supporting PMI
- Assessed OPM3 Productsuite and training
- One of first 20 certified OPM3 consultants
- Led initial OPM3 Productsuite Pilot
- Supported development of OPM3 assessment methodology
- Member PMI OPM3 Advisory Group
- Instructor for PMI’s OPM3 Fundamentals Course
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ORGANIZATIONAL PROJECT MANAGEMENT
OPM - application of project management throughout the organization

- Project management has become a strong discipline for meeting project objectives (tactical level)
- Project management is becoming a “whole organization” activity to meet business goals (strategic level)
  - “Projectized organizations”
  - Much of corporate risk is associated with managing the portfolio of “investments”
    - Competitive pressures
    - Changes in policy and strategy
- Indications of this change are current research, the development of new standards, and increasing # of certifications available
Aligning Projects to Strategy

- Strategy
- Portfolios
- Programs
- Projects

- Strategic Goals
- Optimization
- Benefits
- Objectives
From Strategy to Execution

“The right combination of the right projects done right.”

• Project management for superior execution
• Program management to integrate projects through executive sponsors: more than the sum of the parts
• Portfolio management to choose the projects and programs that fit a specific organization’s culture, strategy, and change goals

# Focus on the Three Rights

<table>
<thead>
<tr>
<th>Right</th>
<th>Responsible Parties</th>
<th>Criteria for Success</th>
<th>Critical Success Factors</th>
</tr>
</thead>
</table>
| The right combination of… | Senior management | • Strategy implemented  
 • Productivity improved  
 • Right projects done  
 • Projects done right | • Portfolio management  
 • Continual improvement  
 • Comprehensive and reliable metrics |
| …the right projects… | Project governance, executive sponsor, “client,” owner | • All benefits realized  
 • Stakeholders satisfied | • Clear and attainable goals  
 • Stakeholder commitment  
 • Benefits processes  
 • Project strategy |
| …done right. | Project manager, project team | • Time, cost, quality, scope, technical performance, safety | • Clear and attainable objectives  
 • Capable and effective team  
 • Adequate resources  
 • Clear technical reqs  
 • Effective planning and control  
 • Realistic risk mgt. |

Dinsmore, P. C. & Cooke-Davies, T. J., *The Right Projects Done Right!,* 2006, p. 4
PMI’S OPM3 STANDARD
What is PMI’s OPM3?

The Organizational Project Management Maturity Model (OPM3) is a framework that provides an organization-wide view of portfolio management, program management, and project management to support achieving Best Practices within each of these domains.
**OPM3 Framework**

*OPM3 is the bridge to success by linking projects with organizational strategy*
OPM3 – The Standard

• A model for self-assessment of OPM maturity
• A global best practice Standard for OPM maturity
  – Developed by Project Management Institute (PMI) 1998 to 2004
  – Developed in accordance with the American National Standards Institute (ANSI) and the International Organization for Standards (ISO)
• Developed by volunteers worldwide
  – Can be used for any size and type of organization
  – Can be used throughout the world
  – Can be used in almost any industry
Elements of OPM3

• The KNOWLEDGE element
  – Explains organizational project management, OPM maturity, and explains why it is important
  – Uncovers Best Practices in the following domains:
    • Project Management
    • Program Management
    • Portfolio Management
    • Organization enablers

• The ASSESSMENT element
  – Lets organizations evaluate their current management processes, assess their project management maturity, and identify areas that are in need of improvement

• The IMPROVEMENT element
  – Helps organizations prioritize improvement areas and map out the steps needed to move from current maturity to increased maturity (develop Capabilities that add up to Best Practices)
Best Practices, Capabilities, Outcomes, and KPI’s
**OPM3 Best Practices**

- **SMCI Best Practices**
  - Standardize
  - Measure
  - Control
  - Improve

- **Organizational Enablers**
  - Facilitate the implementation of Best Practices
  - Help make organizational improvements sustainable
Relationships Between PMI Standards

- *OPM3* is aligned with all other PMI global standards
SMCI Best Practices (1 of 2)

Process: Develop Project Management Plan

- **Standardize: Develop Project Management Plan Process**
  - Active process governing body,
  - Documented,
  - Communicated, and
  - Standardized (consistently implemented and repeatable).

- **Measure: Develop Project Management Plan Process**
  - Customer requirements incorporated in measurements,
  - Identified critical characteristics,
  - Measured critical characteristics,
  - Inputs related to results, and
  - Measured critical inputs.

- **Control: Develop Project Management Plan Process**
  - Control plan developed,
  - Control plan implemented, and
  - Stability achieved.

- **Improve: Develop Project Management Plan Process**
  - Problems identified,
  - Improvements implemented (indicated by widespread participation), and
  - Sustainable improvements.
SMCI Best Practices (2 of 2)

Increasing Maturity

Project  Program  Portfolio

Continuous Improvement
Control
Measure
Standardize
Organizational Enablers (1 of 3)
Organizational Enablers (2 of 3)

- An example of an Organizational Enabler Best Practice is:

<table>
<thead>
<tr>
<th>Best Practice ID</th>
<th>Best Practice</th>
</tr>
</thead>
<tbody>
<tr>
<td>5240</td>
<td>Establish Internal Project Management Communities</td>
</tr>
</tbody>
</table>

- Its Capabilities are:

<table>
<thead>
<tr>
<th>Capability Number</th>
<th>Capability Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>5240.010</td>
<td>Facilitate Project Management Activities</td>
</tr>
<tr>
<td>5240.020</td>
<td>Develop Awareness of Project Management Activities</td>
</tr>
<tr>
<td>5240.030</td>
<td>Sponsor Project Management Activities</td>
</tr>
</tbody>
</table>
Organizational Enablers (3 of 3)
OPM3 Improvement Cycle
Organizational Maturity

An OPM3 assessment evaluates the degree of an organization's ability to meet their strategic objectives by using recognized Best Practices to manage portfolios of programs and projects.

<table>
<thead>
<tr>
<th></th>
<th>Portfolio 10%</th>
<th>Program 25%</th>
<th>Project 55%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continuously Improve</td>
<td>5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Control</td>
<td></td>
<td></td>
<td>10%</td>
</tr>
<tr>
<td>Measure</td>
<td>5%</td>
<td>10%</td>
<td>15%</td>
</tr>
<tr>
<td>Standardize</td>
<td>5%</td>
<td>15%</td>
<td>75%</td>
</tr>
</tbody>
</table>

Organizational Enablers 33%
**OPM3 Products**

- **OPM3 Standard**
  - Best Practices
  - Self assessment

- **OPM3 Online Self-Assessment Tool**
  - Contains capability directory for comprehensive-level assessment
  - Reporting capabilities

- **OPM3 ProductSuite**
  - Requires use of an OPM3 Certified Consultant and proprietary assessment application
  - Greater definition of capabilities (outcomes / KPIs)
  - Partial credit for some capabilities
  - Detailed findings
  - Expanded reporting capabilities
OPM3 Online Assessment - Continuum Report
OPM3 Online Assessment - PPP/SMCI Report

View Report: PPP/SMCI
User: My Data
Assessments: Iteration 2 (April 6) (2)

Scores

<table>
<thead>
<tr>
<th>Project</th>
<th>Program</th>
<th>Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>S</td>
<td>M</td>
<td>C</td>
</tr>
<tr>
<td>S</td>
<td>M</td>
<td>C</td>
</tr>
<tr>
<td>I</td>
<td>S</td>
<td>M</td>
</tr>
<tr>
<td>S</td>
<td>M</td>
<td>I</td>
</tr>
</tbody>
</table>

100% 83% 31% 0% 49% 11% 0% 0% 0% 0% 0% 0%

- Project Standardize: 100%
- Project Measure: 83%
- Project Control: 31%
- Project Improve: 0%

- Program Standardize: 49%
- Program Measure: 11%
- Program Control: 0%
- Program Improve: 0%

- Portfolio Standardize: 0%
- Portfolio Measure: 0%
- Portfolio Control: 0%
- Portfolio Improve: 0%
OPM3 Online Assessment - SMCI/PPP Report
OPM3 Online Assessment - Maturity Report
**OPM3 ProductSuite Assessment Tool**

**Protocol Sample**

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### 1.13.1 Standardize

1. The organization assembles, develops, purchases, or otherwise acquires a Project Risk Management Planning process. Outcome: A Project Risk Management Planning process is documented.

2. The organization communicates the availability of a Project Risk Management Planning process to all necessary stakeholders. Outcome: The availability of a Project Risk Management Planning process is communicated to all necessary stakeholders.


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### 1.13.1.1 The organization assembles, develops, purchases, or otherwise acquires a Project Risk Management Planning process.

**Roles:** Process Owner

**Instructions**

- Verify existence of the outcome of the capability.
- Evidence: Process document
- Score: Yes/No
OPM3 ProductSuite Assessment Tool

![Analysis](image)

**Analysis**

- **ID:** 1
- **Name:** Assessment 1
- **Assessment Projects:** Assessment Project 1
- **Main Contact:** John Smith
- **Description:** Enhance performance efficiency in your organization.

**Start Date:** 09.04.2009
**End Date:** 10.04.2009
**Revenue:** 
**Ind. Type:** Paper
**Exec. Sponsor:** Luke Smith

**Product Suite Score**

- **Score**
- **Max Score**

![Graph](image)
OPM3 ProductSuite Assessment Tool

Assessment

ID: 1
Name: Assessment 1
Assessment Project: Assessment Project 1
Main Contact: John Smith
Description:

Start Date: 09.04.2006
End Date:
Industry Type: Paper
Executive Sponsor: Luke Smith

Workflow Results Analysis Business Metrics

Results

Not verified

Achievements

373 Best Practices Achieved
1476 Capabilities Achieved
1492 Capability Outcomes Achieved

Scope Summary

Best Practices: 546
Capabilities: 2007
Capability Outcomes: 2038
Questions: 1950
Roles: 26

Best Practices Achieved

Portfolio

Project Program

Standardize: 54%
Measure: 75%
Control: 74%
Improve: 74%

PPP SMCI

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**OPM3 Benefits**

- OPM3 is unique in bridging the gap between assessment and improvement to help organizations move forward in achieving their strategic goals.

- Organizations that embrace project management as a core business process will recognize the value of OPM3 aligned approach, implementing research-based project management Best Practices across the entire organization.
OPM3 Update

- Update of OPM3 Standard (including OPM3 Online Assessment and OPM3 ProductSuite)
- New OPM3 classes at SeminarsWorld (Fundamentals and Certification)
- In-house management of OPM3 ProductSuite
- Revised PMI marketing plan
  - Established OPM3 Advisory Group
  - Increase OPM3 visibility
  - Strengthen links with CMMI
For more information:

Scott Patton
sepatton01@verizon.net
703.430.2117

PMI:  www.pmi.org/business_solutions/opm3
A word from our Sponsor….

Patton & McClelland Consulting –

We provide project management and leadership training to our clients in support of the development and improvement of management capabilities

Strategic Partnerships

1. Georgetown University Project Management Certificate Program (scs.georgetown.edu/center-for-continuing-and-professional-education)

2. Human Systems International Limited: project management benchmark assessments and knowledge sharing (www.humansystems.net)

3. 3PM Systems: develops, implements, and strengthens project portfolio management (PPM) systems (www.ThreePMsystems.com)
Presentation Close

Discussion and Questions