P3M3™

Maturity Models

All you ever wanted to know about the P3M3 – but didn't like to ask

## Written by Rod Sowden of Aspire Europe Ltd, lead author of P3M3

Firstly, lets un-encode P3M3. It stands for **P**ortfolio, **P**rogramme, and **P**roject **M**anagement **M**aturity **M**odel. It was first released in 2006 and has recently undergone an extensive refresh to bring it in line with other Office of Government Commerce (OGC) publications – in particular the significant update to Managing Successful Programmes and the increasing recognition of the value of Corporate Portfolio Management.

The P3M3 is an enhanced version of the Project Management Maturity Model itself, based on the process maturity framework that evolved into the Software Engineering Institute's (SEI) Capability Maturity Model (CMM). The SEI experience between 1986 to 1991 indicated that maturity questionnaires provide a simple tool for identifying areas where an organisation's processes may need improvement, but unfortunately the questionnaire was often regarded as 'the model' rather than as a vehicle for exploring process maturity issues.

The value of maturity models to my organisation?

Many organisations have invested in having a consultancy design and implement a methodology, followed this

P3M3 – The Model
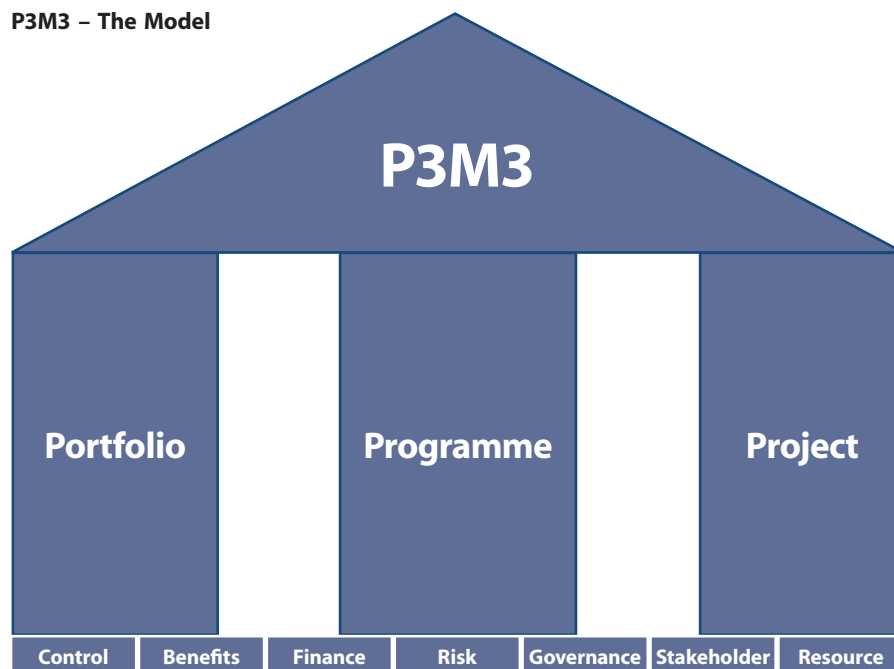
up with training to qualified staff (many of whom may have moved on) and yet they still don't see the return on investment which was written into the business case. Furthermore, they may find they deliver some initiatives well while others are complete flops, and they don't know why.

Organisations that are not mature can still deliver outstanding results as well as very poor results. This is because success is linked to individuals or groups of individuals and as such they are at risk of those people moving on. The approach has not been embedded into the way the organisation functions or into its internal governance arrangements.

P3M3 is designed to enable organisations to understand their current level of maturity and highlight areas that would give them the most value and performance improvement in the short and long terms.

P3M3 – The Model

The P3M3 contains three models that enable independent assessment (see above). There are no interdependencies between the models, so an organisation may be better at programme management than it is at project management, for example. The models are:

Portfolio Management (PfM3) OGC defines a portfolio as the totality of an organisation's investment (or segment thereof) in the changes required to achieve its strategic objectives. Portfolio Management is a co-ordinated collection of strategic processes and decisions which enable the most effective balance of organisational change and business as usual/operations

Programme Management (PgM3) OGC defines a programme as a temporary, flexible organisation created to co-ordinate, direct and oversee the implementation of a set of related projects

and activities in order to deliver outcomes and benefits related to the organisation's strategic objectives. A programme is likely to have a lifespan of several years. During a programme lifecycle, projects are initiated, executed, and closed. Programmes provide an umbrella under which these projects can be co-ordinated. The programme integrates the projects so that it can deliver an outcome greater than the sum of its parts.

Project Management (PjM3) is defined as a unique set of co-ordinated activities, with definite starting and finishing points, undertaken by an individual or team to meet specific objectives within defined time, cost and performance parameters as specified in the business case.

Similar to the SEI-CMM, the Portfolio, Programme and Project Management Maturity Model (P3M3) is described by a five level maturity framework. These levels constitute the structural components that comprise the P3M3.

Maturity Levels

Level 1 – Awareness process – the organisation is able to recognise, for example, projects. But has little structured approach to dealing with them.

Level 2 – Repeatable process – again, using projects as an example, there may be areas that are beginning to use standard approaches to projects but there is no consistency of approach across the organisation.

Level 3 – Defined process – there will be a consistent set of standards being used by all projects, for example, across the organisation with clear process ownership.

Level 4 – Managed process – the organisation monitors and measures its process efficiency, with active interventions

to improve the way it delivers based largely on evidence or performance based information. The organisation will be focussing on optimisation of its quantitatively managed processes to take into account changing business needs and external factors. It will be anticipating future capacity demands and capability requirements to meet the delivery challenge, e.g. through portfolio analysis.

Level 5 – Optimised process – the organisation will be focussing on optimisation of its quantitatively managed processes to take into account changing business needs and external factors. It will be anticipating future capacity demands and capability requirements to meet the delivery challenge, e.g. through portfolio analysis.

Process Perspectives

P3M3 focuses on seven Process Perspectives which exist in all three models and can be assessed at all five levels, these Process Perspectives are:

Management Control – assesses how well the organisation maintains control of the initiatives currently "in flight".

Benefits Management – assesses how well the organisation defines, tracks and ensures achievement of performance improvement from the investment.

Financial Management – assesses how well the organisation manages and controls the investment through business cases and budgetary control.

Stakeholder Management – assesses how well the initiatives engage with and communicate with the external environment to minimise the negative implications engagement can achieve.

Organisational Governance – assesses how well the organisation controls the initiation and alignment of its investments with the corporate strategy.

Risk Management – assesses how well the organisation focuses on and mitigates the impact of threats and the leveraging of opportunities.

Resource Management – assesses how well the organisation develops its own talent and utilises the opportunities from the supply chain to overcome peaks and troughs.

For each of the Process Perspectives there are a number of attributes defined at each level of maturity. These attributes are the basis on which the organisation should assess its current maturity and make plans to improve.

Embedded within the Process Perspectives, there are a number of generic attributes that are common to all perspectives; these include planning, information management, and training and development

Using P3M3

There are a number of ways in which P3M3 can be used, either on a self help basis or through a formal review. The options include:

1. Review the model that is of interest and assess yourself using the attributes. The model is freely available from the OGC at **www.best-management-practice.com** and fully describes the attributes of organisations at each level of maturity, for each of the Process Perspectives in each of the models.

2. Use the OGC Self Assessment tool to gain a better insight, this can be found at **www.best-management-practice.com**

3. Use an APM Group Accredited Consultancy Organisation (ACO) to undertake a review using the APM Group assessment tool. This is a flexible approach that can be tailored to the needs of the organisation in collaboration with the consultancy. It focuses on specific areas of the model for that particular organisation.

4. Use an APM Group Accredited Consultancy Organisation to undertake a formal accredited review which formally recognises your organisation's maturity level. This will be undertaken under the scrutiny of the APM Group and leads to the organisation receiving formal recognition and certification.

Details of Accredited Consultancy Organisations can be found on the APMG website, **www.apmgroup.co.uk**

Further information on the contents of the P3M3 can be found in the Introduction and Overview chapter of the Standard itself.

The Standard also includes an Executive Summary.