# P3M3 Self-Assessment 2013

Portfolio, Programme and Project Management Maturity Model
Version 0.1
September 2013

# Document Management

## Version History

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| V0.1 | | 11 July 2013 | Elisha Lapeuraite | Initial Draft |
| V0.2 | | | | |
| V1.0 | | | | Approved first version of the document |

## Approvals

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# 1:    Executive Summary

The Fair Work Ombudsman (FWO) is required to complete an annual P3M3 assessment of our portfolio, program and project management capability to compare our actual capability to our target capability, and report the results to the Secretaries' ICT Governance Board (SIGB).

In May 2012, the FWO established a Project Management Office (PMO) to improve program and project governance in the agency. In February 2013, the FWO established the Major Project Management Branch to ensure successful delivery of significant programs and projects. These teams have since been combined into a single branch under a Senior Executive Service (SES) Band 1 officer. This branch has delivered stronger business case appraisal processes, more consistent project governance arrangements, standardised approval processes, a more robust and strategic approach to procurement and stronger reporting across the agency's portfolio of projects.

As of August 2013, the FWO has a number of high priority programs and projects underway with an estimated forward capital project spend in excess of $20 million. With more project proposals in the pipeline, the need to consolidate existing good practices while continuing to introduce initiatives to enhance our program and project management capability and capacity is clear.

The Australian Government Information Management Office (AGIMO) requires an annual P3M3 assessment to be conducted. This assessment has been completed from the perspective of the FWO's Major Project Management and PMO Branch.

This assessment has resulted in our P3M3 maturity being assessed at Level 3. This is an increased evaluation of the agency's portfolio, program and project management maturity compared to the 2012 assessment. This result demonstrates the impact of the strategies and frameworks put in place by the FWO to ensure program and project management maturity uplift across the portfolio.

This self-assessment was conducted during the month of September 2013.

## 1.1:    Self-assessment approach

This self-assessment was completed using the United Kingdom's Office of Government Commerce (OGC) P3M3® v2.1 Self-Assessment Instructions and Questionnaire for each of the Project, Program and Portfolio measures. The self-assessment tools are available from the official OGC website[1], and copies of the self-assessment tools used for this assessment have been maintained by the PMO in case of version change. The FWO PMO is led by an SES officer who had oversight responsibility for the self-assessment.

The assessment was undertaken against a backdrop of FWO having now had over a year's experience in analysing, improving and providing governance over the agency's portfolio of projects. With the implementation of Major Project Management and the PMO, the FWO has invested heavily in ensuring successful program and project delivery.

# 2:    Assessment Results

The 2013 assessment resulted in the following identified capability maturity levels for the FWO:

| Maturity | Assessment |
|---|---|
| Portfolio | Level 3 – defined process |
| Programme | Level 3 – defined process |
| Project | Level 3 – defined process |

Maturity levels are defined by the OGC P3M3 model as follows:

- Level 1 – awareness of process
- Level 2 – repeatable process
- Level 3 – defined process
- Level 4 – managed process

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[1] Available from http://www.p3m3-officialsite.com/P3M3Model/Model_mhtry.aspx

- Level 5 – optimized process

Measuring maturity against seven process perspectives for each of the disciplines provided the results below. Later sections provide more detailed descriptions of each of the assessed process maturity levels.
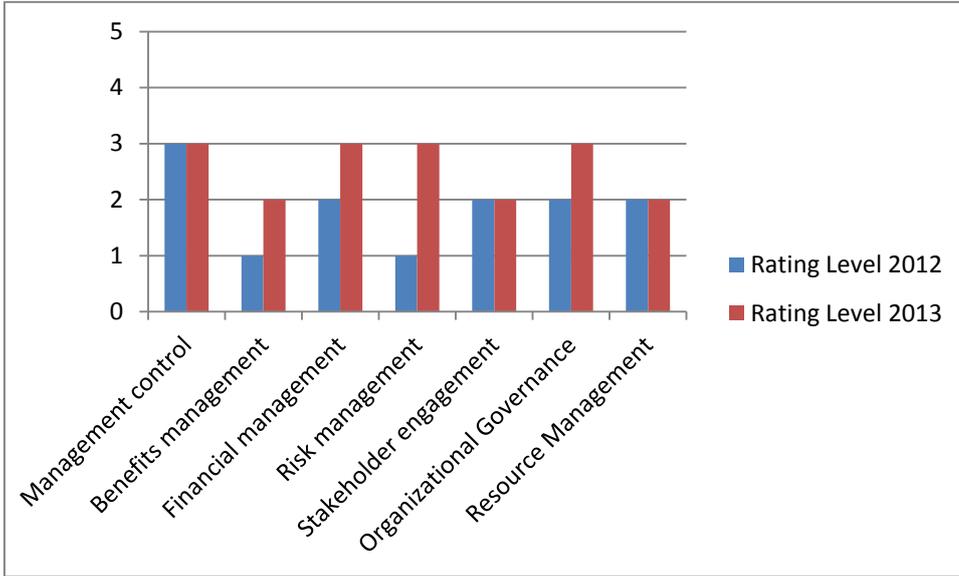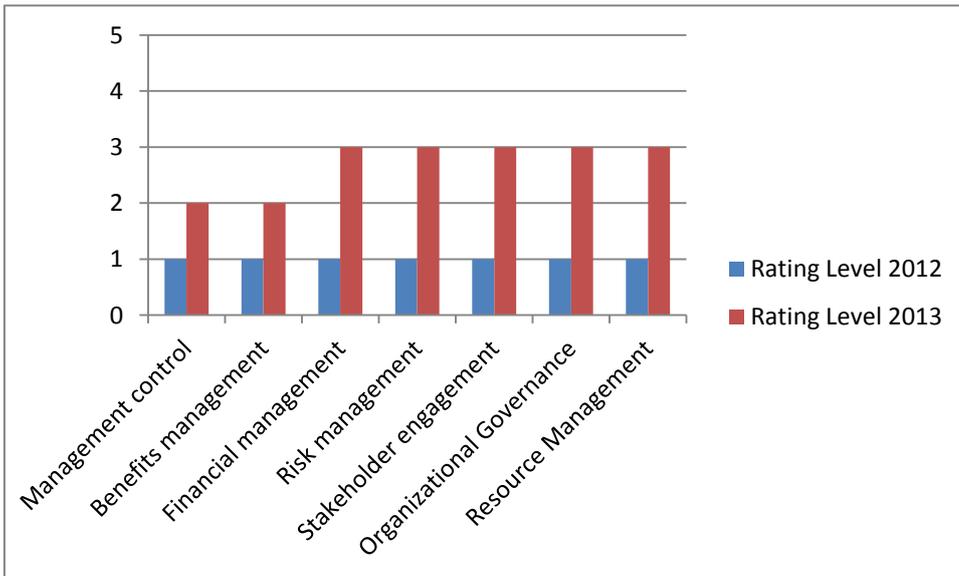


**Figure 1: Portfolio Management rating**



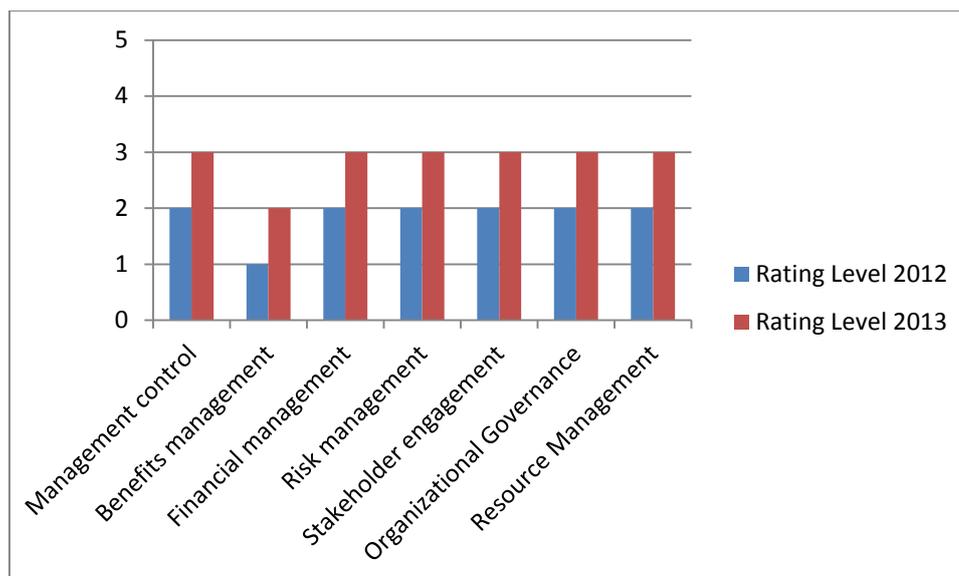**Figure 2: Program Management rating**

**Figure 3: Project Management rating**

# 3:      Portfolio Management

The OGC definition of a portfolio is the totality of the organisation's investment in the changes required to achieve its strategic objectives. Portfolio management is the:

> *'management of an organization's portfolio of business change initiatives. It is a coordinated collection of strategic processes and decisions that together enable the most effective balance of organizational change and business as usual. P3M3 views portfolio management as an important and active discipline, critical to the success of achieving effective change in an organization.'*[2]

The FWO has identified seven strategic change objectives in its 2012-2016 Strategic Plan:

- a positive and quantifiable contribution to workplace productivity
- reduced waiting times and clients don't wait unreasonably for services
- our clients value our work
- our people at work, as diverse as the Australian workforce we serve
- the most engaged staff in the APS
- balanced budget outcomes
- a quantifiable reduction in carbon emissions.

With the above in mind, the FWO project portfolio represents all those projects that are aimed at achieving effective change against the agency strategic change objectives.

## 3.1:    Assessment Summary

The assessment rated the agency's portfolio maturity at Level 3. In large part, this is attributable to the FWO effectively now having one branch undertaking portfolio management. Within this branch are the PMO and Major Project Management. The former is concerned with creating capability uplift across the FWO's portfolio of programs and projects (and providing the secretariat function to the IT Projects and Capital Expenditure Subcommittee). The latter is concerned with successfully delivering programs and projects geared towards meeting our 2012-2016 strategic change objectives. The projects typically involve significant business change and capital funding.

Both groups answer to the Executive Committee via the IT Projects and Capital Expenditure Subcommittee which is chaired by the CEO. In this way, programs, projects and business change portfolios are assured high-level visibility to the Executive Committee and the CEO. This level of oversight and control has been instrumental in our Portfolio Management maturity being assessed at an overall Level 3.

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[2] Office of Government Commerce, 2010, *P3M3® Portfolio Model*, London.

## 3.2: Assessment Details

The detailed answers of the PfM3 maturity assessment questions are contained below.

| Maturity Question | Assessment 2013 | Rating Level 2013 |
|---|---|---|
| Our organization can be best characterized as having: | Management and technical processes are documented, standardized and integrated to some extent with other business processes. There is likely to be process ownership and an established process group with responsibility for maintaining consistency and delivering process improvements across the organization.<br><br>Senior management are engaged consistently and provide active and informed support.<br><br>There is likely to be an established training programme to develop the skills and knowledge of individuals so they can more readily perform their designated roles. A key aspect of quality management will be the widespread use of peer reviews of identified products, to better understand how processes can be improved and thereby eliminate possible weaknesses.<br><br>A key distinction between this and the previous level description is the scope of standards, process descriptions and procedures. Processes will be managed more proactively and the standard processes can be tailored to suit specific circumstances, in accordance with explicit guidelines. | 3 |
| Our management control is best described by: | Portfolio management processes are centrally defined, documented and understood, as are roles and responsibilities for delivery. | 3 |
| Our benefits management is best described by: | The development of the investment cycle will increase the awareness of the importance of identifying benefits and subsequently tracking whether they have been realized. However, the realization of benefits is still likely to be patchy, inconsistent and unmonitored. | 2 |
| Our financial management is best described by: | There are established standards for the investment management process and the preparation of business cases. Portfolio investment costs are monitored and controlled. | 3 |
| Our risk management is best described by: | Portfolio risks are identified and quantified, and response plans are developed and funded. Risk management across the portfolio(s) is based on a common, centrally managed process. | 3 |
| Our approach to stakeholder engagement is best described by: | Portfolios will be communicated to stakeholders, but this is linked more to the personal initiative of portfolio managers than to a structured approach deployed by the organization. | 2 |
| We deliver organizational governance by: | Centrally defined organizational controls are applied consistently to the portfolio(s), with decision-making structures in place and linked to organizational governance. | 3 |
| Our resource management is best described by: | The organization has started to develop portfolio resource management processes and improve the identification and allocation of resources to specific initiatives. However, this is likely to be reliant on key individuals and does not assess the impact of resource allocation against the strategic objectives and priorities. | 2 |
| Does the organization: | Have its own centrally controlled programme and project processes and individual programmes and projects can flex within these processes to suit particular programmes and/or projects. | 3 |

# 4:     Program Management

The OGC state that programs exist to manage the complexities involved in delivering beneficial change. Program management is focused on the areas of tension between strategic direction, project delivery and operational effectiveness. Program management is:

> *'a temporary, flexible organization created to coordinate, direct and oversee the implementation of a set of related projects and activities in order to deliver outcomes and benefits related to the organization's strategic objectives. A programme is likely to have a lifespan of several years. During a programme's life cycle, projects are initiated, executed and closed. Programmes provide an umbrella under which projects can be coordinated, and the programme integrates the projects so that it can deliver an outcome greater than the sum of its parts.'[3]*

## 4.1:   Assessment Summary

The assessment rated the agency's program management maturity at Level 3. This level has been achieved via the documentation, standardisation and integration to some extent with other business processes of FWO's program management and processes. The Major Project Management and PMO Branch has ownership of these processes and has responsibility for maintaining consistency and delivering process improvements across FWO. The CEO and Executive Committee are engaged consistently and provide active and informed support. Additionally, there has been organisational emphasis on the value of program management and ongoing training such as Managing Successful Programs (MSP) has been provided to staff engaged in this.

The FWO has only one program, Customer Service Solution (CSS) which is driven by the PMO as a way to coordinate multiple related projects. The assessment highlights FWO's current good practices but also identifies opportunities for improvement in program management.

## 4.2:   Assessment Details

The detailed answers of the PgM3 maturity assessment questions are contained below.

| Maturity Question | Assessment 2013 | Rating Level 2013 |
|---|---|---|
| Our organization can be best characterized as having: | Management and technical processes are documented, standardized and integrated to some extent with other business processes. There is likely to be process ownership and an established process group with responsibility for maintaining consistency and delivering process improvements across the organization. Senior management are engaged consistently and provide active and informed support. There is likely to be an established training programme to develop the skills and knowledge of individuals so they can more readily perform their designated roles. A key aspect of quality management will be the widespread use of peer reviews of identified products, to better understand how processes can be improved and thereby eliminate possible weaknesses. A key distinction between this and the previous level description is the scope of standards, process descriptions and procedures. Processes will be managed more proactively and the standard processes can be tailored to suit specific circumstances, in accordance with explicit guidelines. | 3 |
| Our management control is best described by: | The concepts of programme management will have been grasped by the organization, and there may be local experts, such as experienced programme managers working on key programmes. | 2 |

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[3] Office of Government Commerce, 2010, *P3M3® Program Model*, London.

| Maturity Question | Assessment 2013 | Rating Level 2013 |
|---|---|---|
| Our benefits management is best described by: | Benefits are recognized as an element within programme business cases. There may be some documentation regarding who is responsible for particular benefits and their realization, but this is unlikely to be followed through or consistent. | 2 |
| Our financial management is best described by: | There are centrally established standards for the preparation of business cases and processes for their management throughout the programme life cycle. Programme managers monitor costs and expenditure in accordance with organizational guidelines and procedures, with defined interfaces with other financial functions within the organization. | 3 |
| Our approach to stakeholder engagement is best described by: | There is a centrally managed and consistent approach to stakeholder engagement and communications used by all programmes. | 3 |
| Our risk management is best described by: | Programme risk management is based on a centrally defined process that is cognizant of the organization's policy for the management of risks and is used consistently. | 3 |
| We deliver organizational governance by: | Centrally defined organizational controls are applied consistently to all programmes, with decision-making structures in place and linked to organizational governance. | 3 |
| Our resource management is best described by: | The organization has a centrally defined and adopted set of procedures and management processes for acquiring, planning and managing programme resources. | 3 |
| Does the organization: | Have its own centrally controlled programme processes and individual programmes can flex within these processes to suit the particular programme. | 3 |

# 5:    Project Management

The OGC describes a project as a unique set of coordinated 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. Project management:

> '…guides a project through a visible set of activities, from controlled start-up, through delivery, to controlled closure, and review. There will be visible milestones and well-managed resources, stakeholders and interdependencies, with all parties involved being clear about their goals and individual responsibilities.[4]

## 5.1:   Assessment Summary

The agency's project management maturity is assessed at Level 3. In summary, the FWO ensures that each project is run within organisationally consistent processes and procedures to a set specified standard. Projects are assessed for their strategic alignment by senior management, including the CEO. Projects have defined protocols for managing the different elements within the project. The FWO is committed to continually improving our project management capability via providing ongoing training and support to project managers. Perhaps most importantly, the Major Project Management and PMO Branch has driven the strategic imperative for project management to be identified as a key tool for the delivery of mechanisms for change.

## 5.2:   Assessment Details

The detailed answers of the PjM3 maturity assessment questions are contained below.

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[4] Office of Government Commerce, 2010, *P3M3® Project Model*, London.

| Maturity Question | Assessment 2013 | Rating Level 2013 |
|---|---|---|
| Our organization can be best characterized as having: | Management and technical processes are documented, standardized and integrated to some extent with other business processes. There is likely to be process ownership and an established process group with responsibility for maintaining consistency and delivering process improvements across the organization.<br><br>Senior management are engaged consistently and provide active and informed support.<br><br>There is likely to be an established training programme to develop the skills and knowledge of individuals so they can more readily perform their designated roles. A key aspect of quality management will be the widespread use of peer reviews of identified products, to better understand how processes can be improved and thereby eliminate possible weaknesses.<br><br>A key distinction between this and the previous level description is the scope of standards, process descriptions and procedures. Processes will be managed more proactively and the standard processes can be tailored to suit specific circumstances, in accordance with explicit guidelines. | 3 |
| Our management control is best described by: | There is a centrally defined and documented approach to a project management life cycle and controls, and it is applied in all projects by capable staff who support project teams. | 3 |
| Our benefits management is best described by: | Benefits are recognized as an element within project business cases. There may be some documentation regarding who is responsible for particular benefits and their realization, but this is unlikely to be followed through or consistent. | 2 |
| Our financial management is best described by: | There are centrally established standards for the preparation of business cases and processes for their management throughout the project life cycle. Project managers monitor costs and expenditure in accordance with organizational guidelines and procedures, with defined interfaces with other financial functions within the organization. | 3 |
| Our approach to stakeholder engagement is best described by: | There is a centrally managed and consistent approach to stakeholder engagement and communications used by all projects. | 3 |
| Our risk management is best described by: | Project risk management is based on a centrally defined process that is cognizant of the organization's policy for the management of risks and is used consistently. | 3 |
| We deliver organizational governance by: | Centrally defined organizational controls are applied consistently to all projects, with decision-making structures in place and linked to organizational governance. | 3 |
| Our resource management is best described by: | The organization has a centrally defined and adopted set of procedures and management processes for acquiring, planning and managing project resources. | 3 |
| Does the organization: | Have its own centrally controlled project processes and individual projects can flex within these processes to suit the particular project. | 3 |

## 6:   Conclusion

The assessment highlights the results achieved by FWO via various strategies and actions to improve our P3M3 maturity levels. These results can be directly linked to the significant organisational emphasis placed

on the strategic importance of managing our portfolio of programs and projects well. The efforts of all FWO staff have seen our P3M3 maturity levels rise to Level 3 in 2013. The improvement against all P3M3 perspectives and their sub attributes is an achievement the FWO can be proud of.

A maturity Level 3 is appropriate for the range of programs and projects undertaken by FWO. However, the Major Project Management and PMO Branch will continue to focus on consolidating current good practices while also looking for new opportunities to further develop our program and project management capability and capacity. To this end, the PMO has a range of upcoming activities to ensure ongoing uplift in this key area. These activities will initially be focused on benefit and financial management areas.

The PMO has used this assessment as a platform to develop the agency's next Capability Improvement Plan.