



Project Management Capability

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Abstract: *Examines project management capability within organisations and approaches organisations have used to improve it. Different levels of project office are identified and the general functions associated with each.*

Projects are unique, temporary undertakings using limited resources to accomplish organisational objectives. They act as change agents within organisations, targeting specific strategic or operational objectives. Traditional operational activities are focused on routine, repetitive activities. Planning them is based on history, recognising their repetitive nature and evolutionary variation when establishing budgets and resources. Projects are revolutionary shifts, and there may be little information available to support plans, estimates, budgets, schedules and other plans for accomplishing the work. Projects are risky endeavours because each one is, by its very uniqueness, a journey into the unknown. Ability to plan for and respond to the unexpected is a key element of the role of a project manager.

With a growing level of organisational resource being committed to projects it is increasingly important that we succeed. Project success rates based on measuring completion within time, budget and meeting requirements are low. Studies have shown approximately 30% of projects fail outright, and 40% partially succeed, albeit with time and cost overruns, and shortfalls in delivering requirements. It is reasonable to say that 40 - 50% of our resources poured into projects are wasted through failure to meet objectives and deliver on business requirements. This is without accounting for the opportunity costs of late projects that miss market windows etc or the value of completing an alternate project that may have succeeded.

Making a small, conscious improvement in how we manage projects can have a significant improvement in the bottom line.

Generally this is difficult to measure because organisations that have not focused on maturing their project management capability rarely collect data that allows such analysis. It is a worrying sign when organisations feel comfortable with their capability, run multi-million dollar projects, when they do not collect any form of project data for time, cost and delivery of requirements to validate their belief that all is well.

For those who do wish to mature and develop project management capability there are many different approaches available. The competency of individual project managers may be improved, methodologies can be

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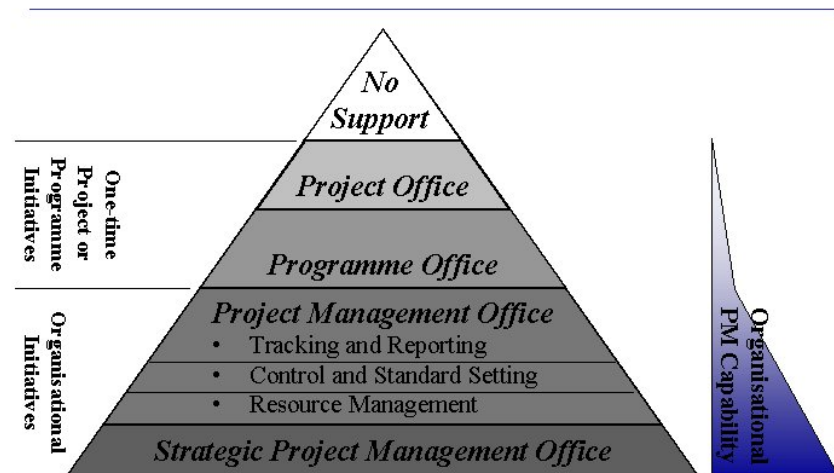
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implemented, and support offices for significant projects, programmes or for the enterprise may be established. The processes for handling risks, managing issues, communicating with stakeholders, and initiating and funding projects are all areas that can be improved with positive effect for the organisation. The list goes on. In any capability improvement undertaking it is vital that clear objectives are established. Funding must be made available. Management support needs to be visible, consistent and strong. Stakeholder groups must be involved appropriately as changes are investigated and implemented.

The most significant element of the mature, capable project organisation is the recognition that project management is an essential corporate competency. It is not just a skill set of an individual.

As the organisation continually develops its capability to facilitate and enhance projects at an organisational level there will be financial dividends and more effective delivery of real business results.

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Regardless of approach, measures must be implemented so results can be verified and the effects of initiatives validated. Assessing and implementing improved processes and methods for an individual, particularly large, project can have immediate returns, but without a mechanism for conveying lessons to the organisation there is no lasting benefit.

Harrison International Ltd is able to support the development of project management capability and effectiveness through services including:

- project and organisational assessments, reviews and audits
- training and development in project management
- establishing mentoring programmes and individual coaching
- consultative services that facilitate implementation and development of better practices.