The New York City Baseline

Current Status of Project Management

Corporate organizations are facing enormous competitive pressures these days. New markets are hard to penetrate, technology is rapidly evolving, organizations are segmented, and experts are decentralized. Many companies are forming strategic alliances to share their knowledge and resources to produce and provide high quality products or services. In today’s fast-paced business environment, the project-driven organization appears to be most attractive.

Project Management (PM) provides the tools to plan, control, monitor, track, and manage resources, schedules, costs, and quality. PM enables projects to be on the right track within limited time and budget. PM is probably the most suitable management technique that integrates planning and controlling for schedule intensive and one-of-a-kind endeavors. In today’s high-risk, rapidly changing business environment, effective use of PM practices is thought to help improve an organization’s competitiveness.

Each industry and even companies within the same industry have different levels of PM sophistication. Some of the reasons are the adaptation timing of PM (engineering and construction industry has long history of utilizing PM tools and techniques compared to software development), the current market situation, and top management’s commitment. Although it is not clear how much PM should be injected into a company, project managers nonetheless agree on the benefits of applying PM tools and techniques. Some of the benefits include fulfilling customer satisfaction, meeting quality standards and improving organizational effectiveness.

Generally, the implementation cost of PM practices and processes in organizations are difficult to justify beforehand. Estimating the benefits of PM processes and the cost of executing PM is hard to do in precise terms because the efficiency of current management practices is not measured. In addition, PM expenditures in terms of direct cost, training, and equipment are hard to determine because it is difficult to know what benefits PM will provide. Managers who try to promote PM must convince executives that implementing PM is a worthwhile investment. However, management usually has trouble providing benefits and paybacks from PM investment with our current knowledge.

The Need to Measure Project Management Maturity

Corporate executives want to know what benefits PM will provide them. They demand a better understanding of the relationship between PM maturity and the value of the company in the business environment. Managers who try to promote PM must convince executives that implementing PM is a worthwhile investment. However, management usually has trouble providing benefits and paybacks from PM investment with our current knowledge.

The Software Engineering Institute (SEI) has developed the Capability Maturity Model (CMM) for software development that describes the key elements of an effective software process. The CMM can be used for software process improvement, process assessments, and software capability evaluations. It has been applied widely to evaluate an organization’s capability to perform software engineering contracts successfully.

The Project Management Process Maturity (PM²) Model was developed by the Berkeley Research Team to blend the concept of PM life cycle and software development processes. This model provides an improved yardstick for determining and assessing an organization’s cur-

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**Letter from the President**

In March, Marina Spence, VP -& Director of Programs and I attended the PMI’s Leadership conference. We met over 300 PMI leaders from around the nation and the world. In the past, other PMINYC Board members have attended these informative forums. At these sessions component leaders network and share best practices, participate in educational sessions and conduct business meetings including strategic breakout discussions. With the events in NYC, there is an increasing level of both national and international recognition and interest in our chapter.

This month PMI’s Board of Directors representing a membership that is approaching 100,000 will meet with the PMINYC Board. The PMI’s Board meets in various worldwide locations for the purpose of developing and maintaining close, positive relationships with key internal stakeholders. In order to demonstrate their support for NYC and the members of area chapters, it was unanimously agreed upon to meet in NYC. In addition, at the end of the month, we will be participating in a gathering with the leadership from all of the New York State chapters. Richard Fisher, Director of Membership will represent us at the NY State meeting. Both of these meetings will provide an opportunity to informally meet and discuss opportunities and issues facing the Institute and the project management profession.

PMINYC is quickly approaching its 300th PMP and our website now gets thousands of hits a month. By providing diversified programs, we have increased our membership involvement by 100%. World class PM talent is always on tap including Dr. Kerzner at the end of the month. Our Governance Committee is making steady progress and will provide the structure for strategic growth. PMINYC is not just about attending presentations; you can go up and down the street for that, it is about networking and shaping our PM profession and community. Please continue to be an active member in our growing PMINYC family.

Sincerely,

Andrew Gerson, PMP

PMINYC Chapter President

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rent level of PM processes and systems throughout any project life cycle. Based on the (PM)² Model, an organization’s PM maturity level can be measured and compared effectively with various organizations and industries.

The (PM)² Model has already been applied in a nationwide study by the Project Management Institute’s Educational Foundation back in 1997 [Benefits of Project Management by Ibbs and Kwak, 1997]. The study proves that the (PM)² model has shown to be very effective in measuring PM maturity of different organizations and industries. Furthermore, the study’s method, results, findings and recommendations were widely commented upon and had a significant impact on the Project Management community.

Benefits of Measuring Project Management Maturity
The (PM)² Model provides an independent reference point on best PM practices and skills. Understanding what level of sophistication is appropriate for a specific project or environment will provide greater insight into appropriate levels of PM use. Executives will even be able to determine the necessary practices for achieving a fully project-driven organization. By presenting relationships between PM practices and project performance, it may help convince top management that PM is an appropriate management discipline in today’s fast-paced, resource-limited, and highly competitive environment. The benefits to companies will be the promotion of better management practices and all the traditional benefits that accrue to a better managed organization as measured by cost-savings, productivity, time-to-market and overall efficiency and effectiveness. This model also provides benefits to strategic planning teams who plan and implement PM practices in the entire organization to achieve and maintain competitive edge. By comparing PM practices to similar or different industries, managers can assess the current PM level of their own organization and of the competition and set more realistic goals for achieving a more appropriate level of PM sophistication.

Other unique features of the (PM)² Model includes:
- Financial effectiveness is measured by retrieving and analyzing actual financial information related to PM
- Relationships between PM effectiveness and project performance (i.e., schedule, cost, quality) are sought, and
- Return on Investment of PM (PM/ROI) are derived to measure and forecast the potential benefits of PM investment

An attempt to calculate PM/ROI will assist managers to determine required future investments to achieve any specific level of PM maturity. An organization’s PM Maturity level and actual project cost and schedule performance data are correlated based on the collected information. These relationships are used to forecast the potential gains possible by moving to a different PM Maturity Level. This information would be very helpful to managers who are struggling to calculate a budget to improve an organization’s overall PM practices. By collecting and sharing this information all PM organizations can benefit and continuously improve their PM practices. This will convince top managers to be aware and invest more on PM practices and tools.

For more information or parties interested in future participation contact:

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For more information please contact Jennifer Herman, VP & Director of New Business Development, IIL, at 212-515-5113, fax 212-755-0777 or e-mail: jennifer.herman@iil.com. Consult with Jennifer to find the program and delivery method that is best for you and your organization.
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Lisa Hirsch is a Program Manager for the portfolio of projects on the IBM Global American Express Strategic Outsourcing Account Team. The team is responsible for the IT infrastructure operations and the management of all projects and programs implemented by American Express globally. Lisa has 15 years experience as an IT professional. Her experience includes banking, finance, brokerage, telecommunications, health care, insurance, distribution and the retail industries. Lisa is an IBM Certified Executive Project Manager (CEPM), Project Management Professional (PMP), and an IBM Certified Executive Consultant (CEC).

The Roundtable will be held on Wednesday, April 24th, from 8-9 a.m. at the Canova Deli, 134 West 51st Street between 6th and 7th Avenues. No pre-registration is required. The Roundtable is open to both PMI members and non-members at no charge. If you are a PMP, you will receive 1 PDU when you attend. If you have questions about the Roundtable, please direct them to Cynthia Simeone, PMINYC’s Breakfast Roundtable Program Manager at cynthiasimeone@hotmail.com.

Julio Bucatinsky can help you individually and confidentially to deal with political, organizational and other people-related project management challenges right now, or can help you prepare for anticipated challenges in the future. He is a project management coach and organization development consultant. He teaches at the graduate school of business administration at Fordham University, and was a product manager and a consultant for 26 years with IBM. Julio.Bucatinsky@verizon.net 917-834-1138.
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Space is limited! For more information or to register, please contact Jennifer Herman at: +1 (212) 515-5113, or email: jennifer.herman@iil.com.

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