Project Governance & Controls

The PMI Perspective, Challenges, Initiatives and Opportunities

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Overview

- This presentation provides an overview of project management governance and controls from the PMI perspective.
- It will begin with a brief introduction to how PMI can provide support to practitioners to enable good governance and effective project controls.
- It will then provide an overview of some recent initiatives PMI has been involved in the embed professional project management practices within legislation.
- I am happy to take questions throughout.

Project Management Institute (PMI)

- The Project Management Institute is the world's leading not-for-profit professional membership association for the project, program and portfolio management profession.
- Founded in 1969, PMI now delivers value for more than 460 000 members, nearly 700 000 credential holders and 2.9 million professionals working in nearly every country in the world through global advocacy, collaboration, education and research.
- PMI advances careers, improves organizational success and further matures the profession of project management through its globally recognized standards, certifications, resources, tools academic research, publications, professional development courses, and networking opportunities.

Raise your hands . . .

- How many people in the room:
  1. Are part of their organisations governance activities?
  2. Have received any sort of training on project governance or sponsorship?
  3. Contribute to the collection of project controls data and information?
  4. Have received any sort of training on effective project controls?

What are we all seeking from our projects?

- Despite our differences in industry, size, duration, complexity and maturity, our common interest is successful delivery of projects, programs and portfolios.

PMI Pulse of the Profession

"When a project and program management mindset is embedded into an organization's DNA, performance improves and competitive advantage accelerates.

In fact, according to our 2015 *Pulse of the Profession® study,* the projects of high-performing organizations successfully meet goals two and a half times more often, and these organizations waste 13 times less money than their low-performing counterparts."

source: PMI Pulse of the Profession 2015

Pulse of the Profession

- PMI's research shows that organizations that invest in formal approaches to program and project management, including governance and control, improve outcomes, accountability and efficiency.
- Engaged executive sponsors, standardized approaches and certified professionals are fundamental building blocks to achieving high level performance.
- The research also shows that utilizing proven best practices and standards reduces wasteful spending and increases the efficiency of managing a program.

What Do Good Organisations Do?

- **Culture** – High-performing organizations understand the value of project management and are creating a project management mindset.
- **Talent** – High-performing organizations are significantly more likely to focus on talent management, establishing ongoing training, and formal, effective knowledge transfer.
- **Process** – High-performing organizations support project, program, and portfolio management through standardized practices and by aligning projects and programs to the organizations strategy.

source: Pulse of the Profession 2015

Good Governance

- Good project governance presents a clear structure, defined roles and responsibilities, and levels of authority to support great project sponsorship and decision making.
- Good governance is a strong indicator of high levels of organisational project management maturity and capability. It reflects an organisation that sees project management as more than a technical tasks carried out by project managers.
- Good governance is essential from project initiation to project closure

Good Governance

- Governance is required at organisational, portfolio, program and project management levels.
- Portfolio governance makes decisions about organisations investments and priorities, and ensure the portfolio management processes are followed.
- Program governance is focussed on programs and responsibility may reside in the PMO.
- At a project level, governance is an oversight function reflecting organisational governance frameworks and requirements.

The Importance of Tailoring

- Appropriately applied, tailored, professional project governance and controls contribute to successful projects, programs and portfolios.
- There is no one-size-fits-all approach to project governance and project controls. The particular approach to both should reflect:
  - The level of organisational project management maturity
  - The level of project practitioner capability and competency
  - The complexity of your projects
  - The duration of your projects
  - The size/value of your projects

Good Project Controls

- Timely, accurate and honest assessment of project cost, time, quality and risk of is an essential element of effective project controls.
- Portfolio, program and project management control systems must have appropriate, tailored processes, and tools for gathering data, presenting information and distributing reports to all stakeholders and especially those charged with project governance.
- Good project controls are essential from project initiation to project closure

Project Governance and Control

- Project governance and control go hand in hand, and are a two way conversation.
- You can't have good governance without the right information provided in a timely manner by effective project controls.
- Project governance and control does not exist in a vacuum. They are important facets of the entire profession of project management.

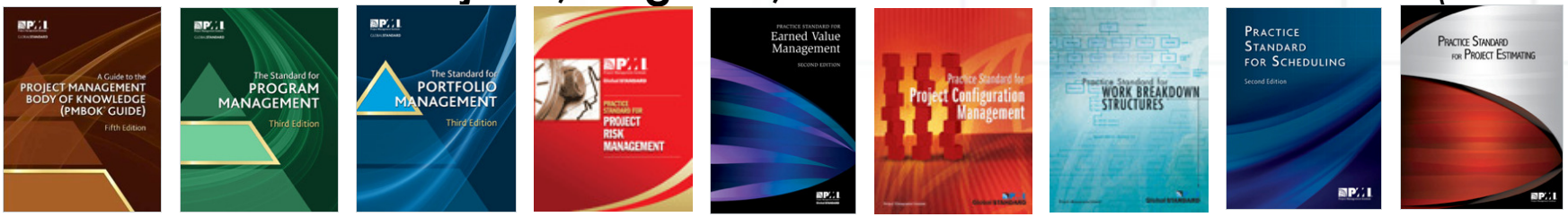
How can PMI be of assistance?

- PMI has an extensive suite of resources to support project governance and project controls

- Many of PMI's standards, practice guides and other documents explicitly refer to the necessity and benefits of effective project governance and controls.

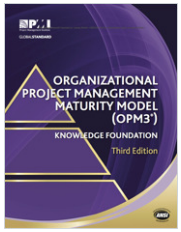
PMI Standards

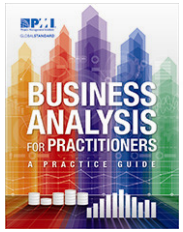
- **A Guide to the Project Management Body of Knowledge** (PMBOK® Guide)
  - Software extension
  - Construction extension
  - Government extension
  - USA Dept. of Defense extension
- **The Standard for Program Management**
- **The Standard for Portfolio Management**
- Practice Standard for Project Risk Management
- **Practice Standard for Earned Value Management**
- Practice Standard for Project Configuration Management
- Practice Standard for Work Breakdown Structures
- Practice Standard for Scheduling
- Practice Standard for Project Estimating
- Requirements Management: A Practice Guide (*under development*)
- **Governance of Projects, Programs, and Portfolio: A Practice Guide** (*under development*)

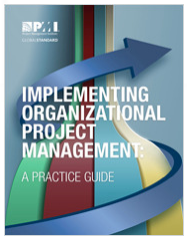


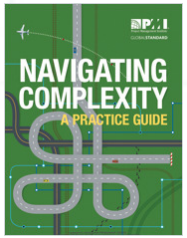
Other PMI Resources

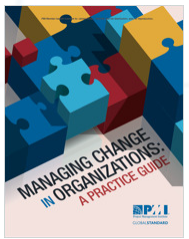
- Organizational Project Management Maturity Model (OPM3®)
- Project Manager Competency Development Framework
- Business Analysis for Practitioners: A Practice Guide
- Implementing Organizational Project Management: A Practice Guide
- Navigating Complexity: A Practice Guide
- Managing Change in Organizations: A Practice Guide
- **Governance Frameworks for Public Project Development and Estimation** *by Ole Jonny Klakegg, Terry Williams, Ole Morten Magnussen*

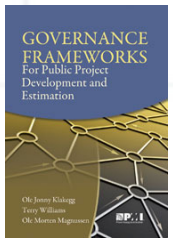


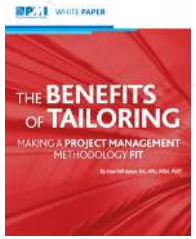












PMI Credentials

- Project Management Professional (PMP)
- Certified Associate in Project Management (CAPM)
- Program Management Professional (PgMP)
- Portfolio Management Professional (PfMP)
- PMI Agile Certified Practitioner (PMI-ACP)
- PMI Professional in Business Analysis (PMI-PBA)
- PMI Risk Management Professional (PMI-RMP)
- PMI Scheduling Professional (PMI-SMP)

Snapshot of the Profession

It's a great time to be part of the profession of project management.

- 15 years ago we focussed on Project Management practitioner capability.
- 10 years ago we focussed on Program Management improvements.
- 5 years ago we focussed on Portfolio Management maturity.
- Today we are able to focus on very specific aspects such as governance and controls.

What will tomorrow bring for the profession?

So What Is Missing?

- It is clear that the development of the profession has come a long way. Yet still it is not readily accepted and adopted by many top level decision makers in organisations and government.
- Effective project governance and controls is more than an organisational and practitioner issue. The increased success rates for projects, programs and portfolios with effective and tailored governance and controls affects nations and governments.
- In this regard PMI has been actively engaging with national and federal governments to embed professional project management within legislation.

USA

- Just last Friday May 1st, new legislation was introduced in the U.S. House of Representatives that will make significant improvements to program and project management policy in the U.S. government.
- Among those reforms included in the legislation are:
  - Creation of a formal job series and career path for program managers in the federal government.
  - Development of a standards-based model for program management consistent throughout the federal government.
  - Recognition of the essential role of executive sponsorship and engagement by designating a senior executive in each agency to be responsible for program management policy and strategy.
  - Alignment of cross-government approaches to program management through an interagency council on program management.

Canada

- Establishment of a competency development framework and career path for Canada Department of National Defence (DND) defining PM's across levels 1-3 that also complements the Project Complexity Assessment Tool requirements utilized by the Treasury Board Secretariat
- Beginning of dialogue to scope out need for curriculum development by the School of Public Service to standardize training for PM's across government to level set baseline skills

European Union

- PMI's campaign on the Common Provisions Regulation (CPR) on EU Cohesion and Structural Funds has increased the importance of applied PM skills and methods as criteria for selecting beneficiaries of EU Funds. This is a significant step forward in the development of formalised project and programme management requirements that will drive growth and improve efficiency in organisations in the EU.
- Project management references have been included in the Partnership Agreement between the European Commission and Romania outlining its investment plans for the 2014-2020 and a Memorandum of Understanding signed with the Ministry of Labor, Family, Social Protection and the Elderly for promoting project management within the institution

Productivity Commission

- "The Australian Government should fund the development and ongoing implementation of a detailed benchmarking framework for major infrastructure projects in Australia – in transport, electricity, water, gas and social infrastructure."
- "As a first step, governments have agreed to the systematic collection of project information for land transport infrastructure. This work will commence immediately and be led by the Australian Government's Bureau of Infrastructure, Transport and Regional Economics, in consultation with states and territories."

Thank You

- Please feel free contact me with any questions, comments or feedback.

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