MPCM
Maturity by Project
Category Model

MATURITY IN PROJECT MANAGEMENT - BRAZIL

Archibald & Prado´s Research
www.maturityresearch.com

2017 Research Report:

Comparative Performance Analyzes

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Introduction

For the first time, we are presenting the Report "*Comparative Performance Analyzes*".

This report presents comparatives, data and information that demonstrate the importance of achieving a high level performance in project management.

In few words, the level of excellence (or, high performance) allows:

> High performance on success indicators (see concept on slide 14), including, but not limited to, achievement of goals, delivery of benefits and satisfaction of people involved.

> Strong acceptance of the subject Project Management by the top management of the organization, which sees this as a powerful ally for the completion of the actions and initiatives defined in strategic planning and / or needed for good customer service (in this case, especially for organizations oriented by projects, but not just for them).

If there is interest in deepening in the situation and indicators of high performance organizations, we suggest also consult the Benchmark Report published in the scope of this same research.

Search for Excellence! Have a high performance! It seems like this is a mantra for many organizations. Be excellent, be world-class, be among the best, be number one.

Why? It is not vanity or fame and recognition. There are rewards, great rewards. You gain margin because you reduce costs and increase productivity. You gain market because you have more proximity to the customer / market and more quality. You gain market long life, because you innovate more, change yourself more frequently, adapts better to changes. And so it goes.

But how many organizations have, in fact, sought excellence? And, how many reach it? Unfortunately, for both questions the answer is: few. Excellence is something laborious, time-consuming, involves costs, requires persistence, discipline, leadership, patience, and change. So, it's an investment. So, it's a project (or a program, or rather, a portfolio).

In this research of a sample of 301 respondents, 42 organizations or 14% can be considered High Performance or Excellent. Their results, presented here, speak for themselves. They are, in fact, much better than the others. And certainly, those 42 organizations have a lot of rewards, that the reader can infer or observe from the numbers presented here.

We hope that this work will inspire other organizations to truly pursue the quest for excellence.

As you can see here, it's worth it!

Project management implementation in an organization often does not entail immediate improvements to the management and instant retrieval of all possible and expected benefits. Rather, it is a process of maturing, time-consuming. Specialists, like Harold Kerzner, says that this take a period of 7 years to reach the plateau of excellence.

Over the 12 years we have been conducting this research, and of the various maturity growth projects and consultancies in which we have been participating, it is possible to assure the truthfulness of this statement.

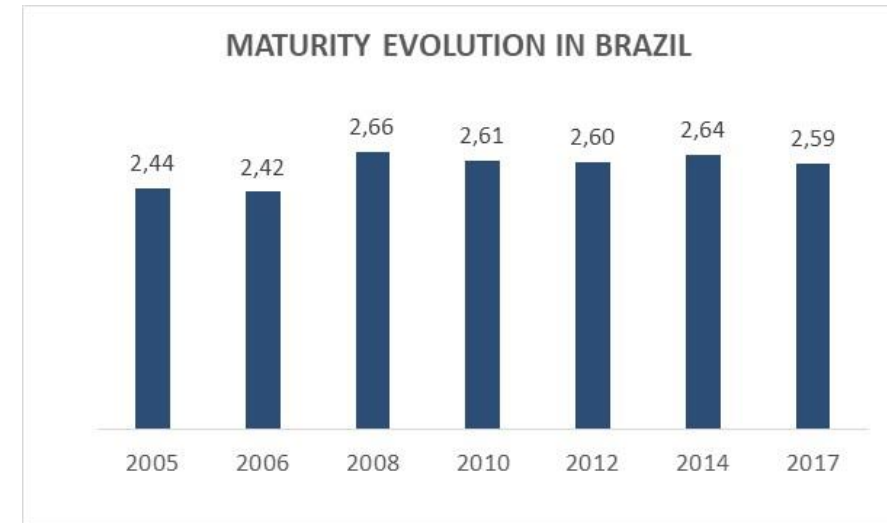For evolution to occur some factors are fundamental from the outset:

- Support from top management,

- Strong leadership in the implementation and evolution process,

- Use of good practices (processes, tools and organization),

- Choice of "good people" (talents), and,

- Creation of a culture conducive to good management.

Organizations that had discipline and persistence in this journey achieved high performance and reached the level of excellence. But it is not an easy route. Aspects such as the situation of the economy and organizational culture can have a strong impact.

Project management has, or should have, a strong link with an organization's strategies. Therefore, good strategic planning and good project management are key factors for the desired changes to occur. This research has been conducted since 2005 and many lessons have been learned. One is that organizational strategies reflect confidence in the economic landscape and political stability (or instability). In the Brazilian case, we have experienced a crisis in these two fields since 2012, accentuated from 2015 onwards. Thus, like the strategies, project management follows the ups and downs of the economy and politics.

With the economy on the rise, organizations have investments, project portfolios, project managers, PMOs, etc. With the economy down, one can get to the extreme of all this fading into some organizations. This fact was noticed in the surveys, having as indicator the strong turnover of professionals in this area.

The research has been reflecting the economic stagnation of the country. After a jump from the maturity of 2008 to 2010, practically parked around a value equal to 2.60 (on a scale of 1 to 5).

MATURITY EVOLUTION IN BRAZIL

2005	2006	2008	2010	2012	2014	2017
2,44	2,42	2,66	2,61	2,60	2,64	2,59

The creation of a culture conducive to good management, consisting of new techniques, knowledge, processes and methodologies, is another great challenge for organizations. For this to occur it is necessary to know the actual culture, since it must be prepared to accommodate the "novelty": in this case, project management. It is common for established culture to reject the new discipline, particularly but not only, in governmental organizations. Resistance to change can manifest itself at a more open, or more subtle.

Although this resistance occurs in all organizations implementing project management, in some organizations it is unsuccessful, while in others it undermines the effort made and prevents the subject from thriving. In these last ones, although one wishes to evolve, there are stagnation of the abilities in touching projects. The most common consequences:

• Delays in projects;

• Costs Overrun;

• Delivery of a product that does not fully meet expectations;

• General dissatisfaction.

Overcoming these obstacles requires, as we have already said, an understanding of the true organizational culture. After this, enlightened leadership and good change management can make work easier. In this case, change management aims to facilitate the process of introducing the new culture of project management and ensuring its continuity and evolution.

When it is observed that Brazilian maturity has hovered around 2.60, there is a natural tendency to imagine that all organizations are on this plateau. This is not true. By analyzing the reports presented in this site, the reader will realize that there is a strong dispersion of values. There are regional differences, just as there are benchmark or high performance organizations.
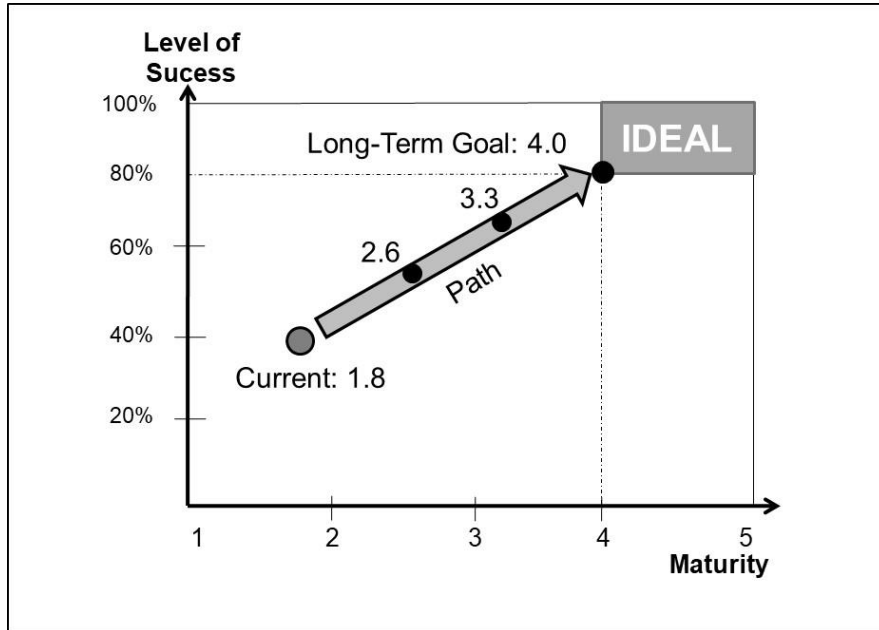
Even in periods of crisis it is possible to continue growing effectively and differentiated from competitors. This subject has been very well addressed by Jim Collins in his many research about American organizations.

What it is observed is that, high-performance project management organizations are often also highly performing in their strategic management and in their day-to-day operations management.

In this research, in 2017, we found 42 high performance organizations, 90 medium performance organizations and 169 low performance organizations. In this report a comparison is made, regarding the indicators of success, among these organizations.

See also the "Benchmark" report available on this site.

Level of Sucess / Maturity chart — Long-Term Goal: 4.0, IDEAL, 3.3, 2.6, Path, Current: 1.8

The high performance level corresponds to maturity levels 4 and 5. Then, the path to high performance begins with a maturity assessment and success rate measurement, for example as shown in the figure on the side ("current" point). The goal is to achieve the "ideal" situation, for which we have a Total Success Index above 80% and a failure rate of less than 3%.

The path is followed in stages. The durations of the steps depend on how matrixed the scenario is (i.e. how many areas are involved in the projects). For the more complex cases, the first steps last about 1 year and the last steps, around 2 years. For agile firms (e.g. software houses), these durations are significantly lower. In all cases, each step should be treated as a project.

The book shown to the right addresses this subject.
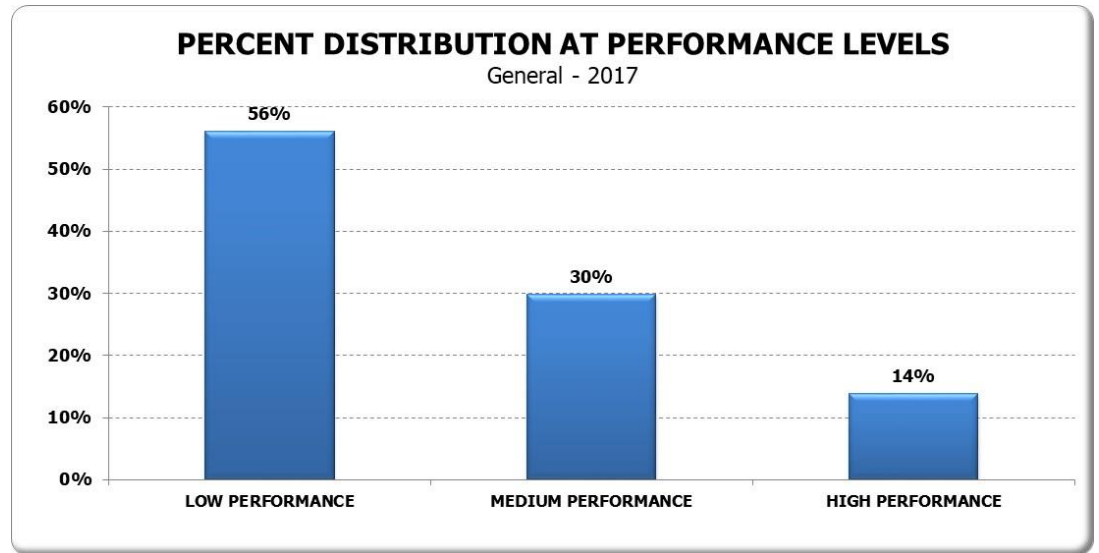
ORGANIZATIONS PERFORMANCE - GENERAL -

Study carried out with a sample of 301 participants

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Performance Levels - General Sample 2017

Low Performance - PM is almost unknown subject. Isolated initiatives. It corresponds to levels 1 and 2 of maturity.

Medium Performance - deployed standards. The results are below the possible. It corresponds to level 3 of maturity.

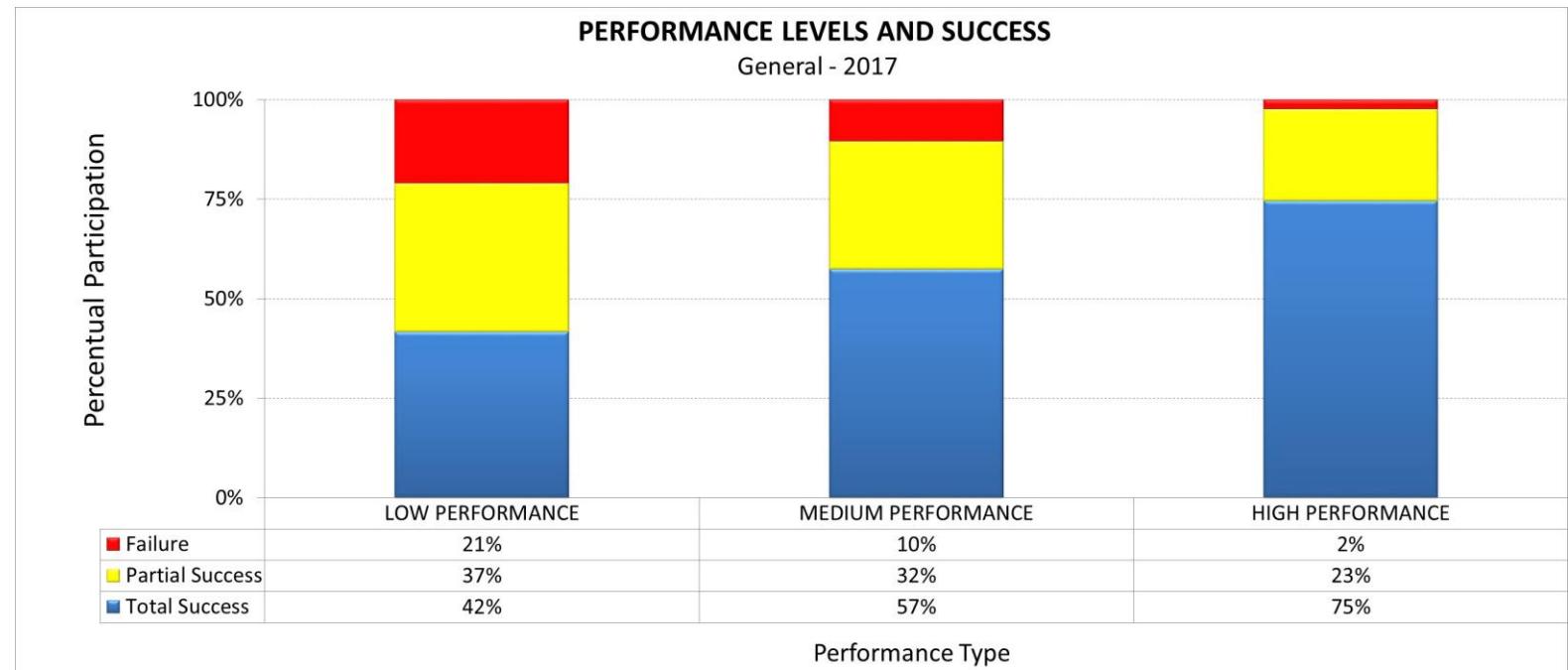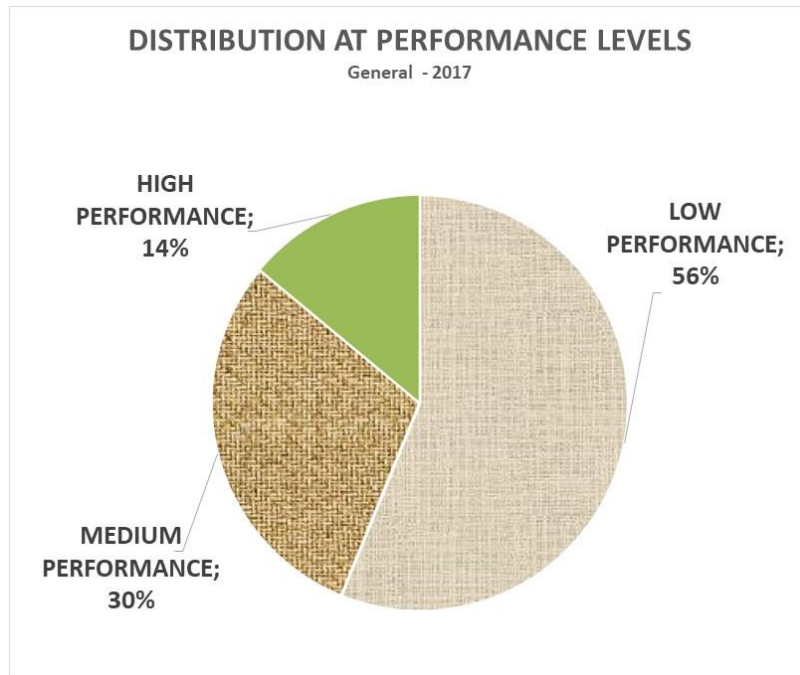**High Performance -** standards work, deliver results, and are optimized. It matches levels 4 and 5 maturity.

PERCENT DISTRIBUTION AT PERFORMANCE LEVELS
General - 2017

Comments

- Low Performance: For 56% of the organizations participating in this survey, project management results far outweigh the desired results.

- Medium Performance: 30% of organizations implemented standards. Despite some improvement in results, we still do not have the full mastery of work.

- High Performance: 14% of organizations are at levels that allow full ownership and optimization of work (levels 4 and 5). Excellence level. Recognition as *benchmark*.

High-performance organizations have almost twice as much Total Success compared to low-performing organizations. And, especially, high performance organizations have a Failure Index almost 11 times lower than the low performance ones.

We conclude that a high performance strategy will allow us to obtain enormous benefits, including a significant cut in losses due to cost overruns. There is a significant opportunity for those organizations whose indicators point to poor performance (56% of the sample).

DISTRIBUTION AT PERFORMANCE LEVELS
General - 2017

HIGH PERFORMANCE; 14%
LOW PERFORMANCE; 56%
MEDIUM PERFORMANCE; 30%

PERFORMANCE LEVELS AND SUCCESS
General - 2017

	LOW PERFORMANCE	MEDIUM PERFORMANCE	HIGH PERFORMANCE
Failure	21%	10%	2%
Partial Success	37%	32%	23%
Total Success	42%	57%	75%

Performance Type

Samples Size:

LP: 169   MP: 90   HP: 42

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TYPE	CHARACTERISTICS
TOTAL SUCCESS	A successful project is one that has reached the goal. This usually means that it was completed and produced deliverables, expected results and benefits and the key stakeholders were fully satisfied. In addition, it is expected that the project has been closed within the expected requirements for term, cost, scope and quality (small differences can be accepted depending on the type of project).
PARTIAL SUCCESS	The project was completed but did not produce all the expected results and benefits. There is significant dissatisfaction among key stakeholders. In addition, some of the expected requirements for term, cost, scope and quality were probably significantly worse than desired.
FAILURE	There is a huge dissatisfaction among the key stakeholders either because the project was not completed or because it did not meet the expectations of the key stakeholders or because some of the expected requirements for time, cost, scope and quality were absolutely unacceptable.

See the complete set of success conceptualization on the site www.maturityresearch.com

The average backlog of a high-performing organization's project portfolio is almost one-third lower than the low-performing and less than half-performing medium-performing organizations.


AVERAGE DELAY

General - 2017

Average Percentual Delay

- LOW PERFORMANCE: 30%
- MEDIUM PERFORMANCE: 24%
- HIGH PERFORMANCE: 11%

Performance Type

Samples Size:

LP: 169   MP: 90   HP: 42

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High-performing organizations have a cost overrun of less than half that of poor performing organizations, and 50 percent below average performance.

AVERAGE COST OVERRUN

General - 2017
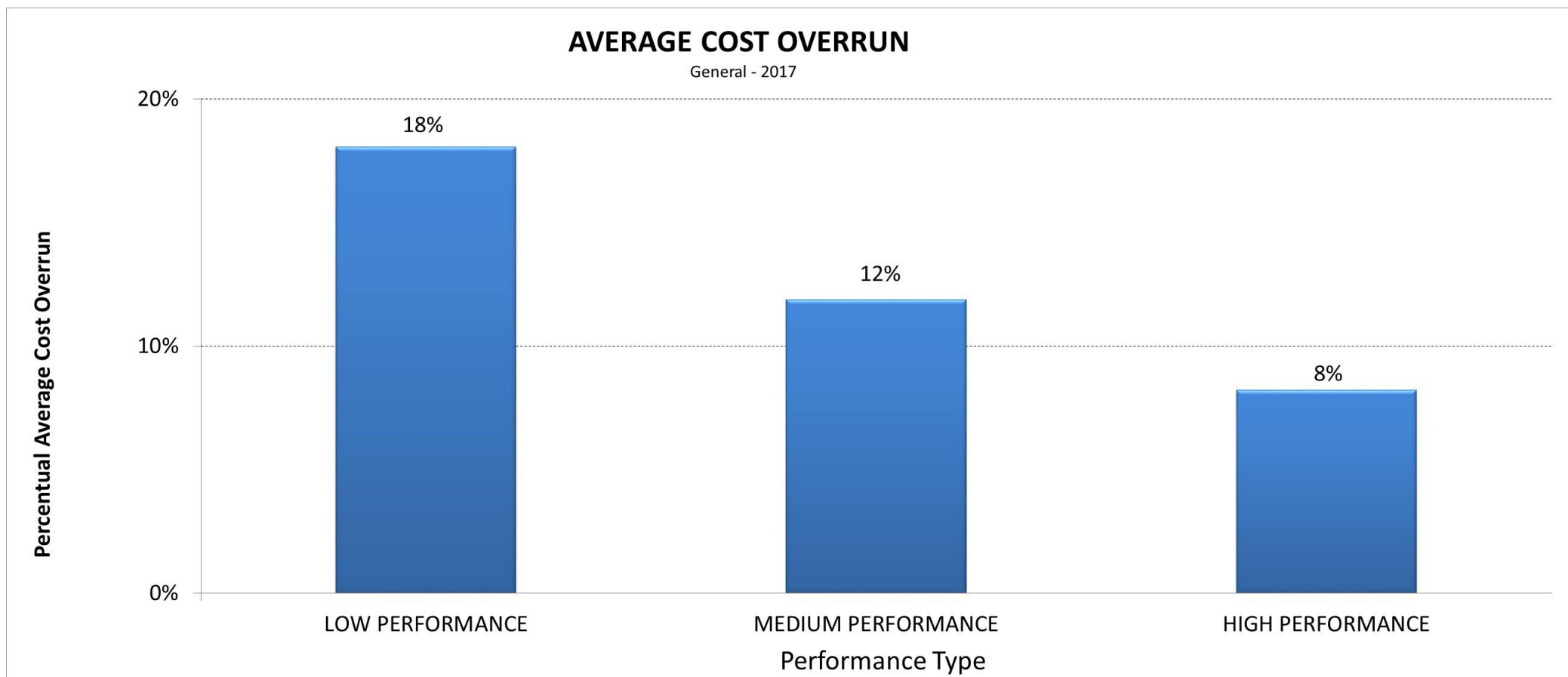
Samples Size:

LP: 169   MP: 90   HP: 42

High-performance organizations can deliver nearly 50 percent more scope than low-performing organizations.

PERCENTUAL OF PLANNED SCOPE EXECUTION
General - 2017
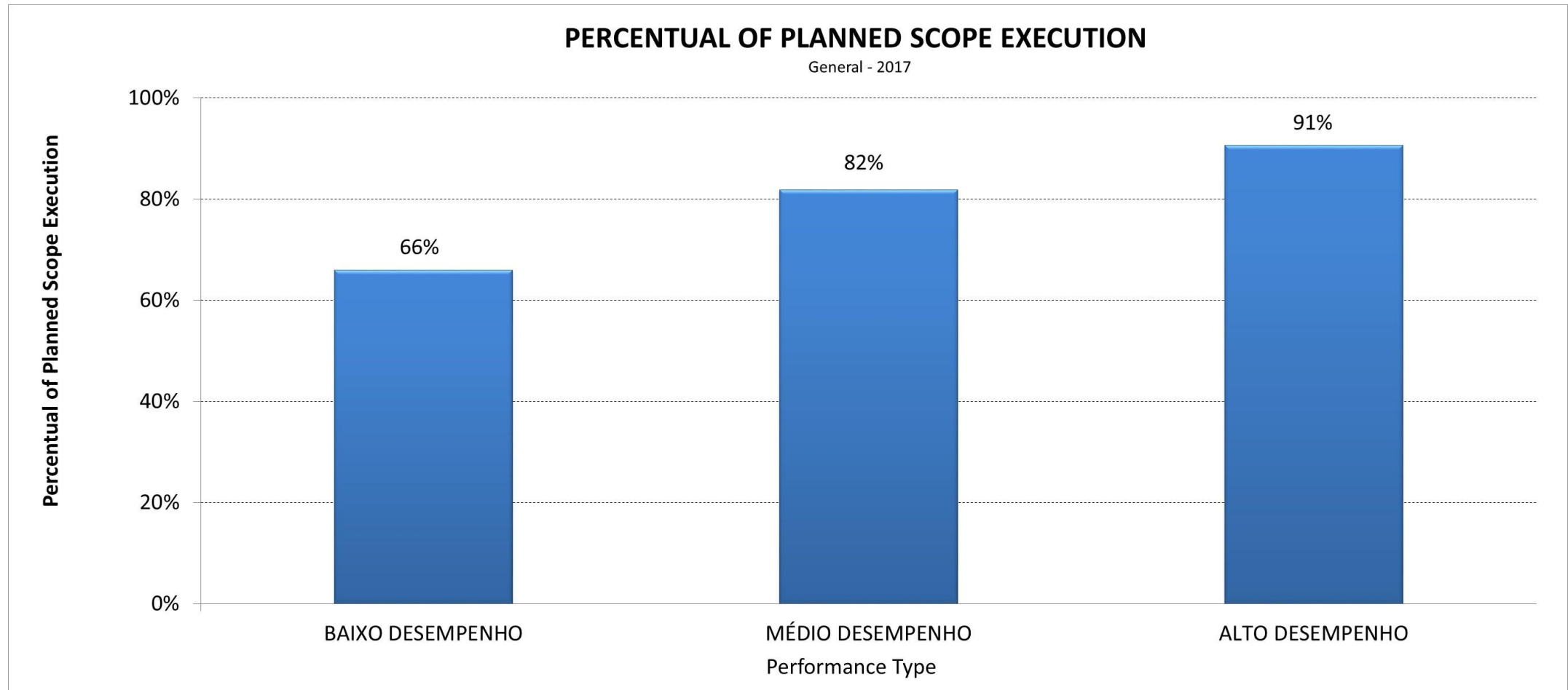
Samples Size:

LP: 169   MP: 90   HP: 42

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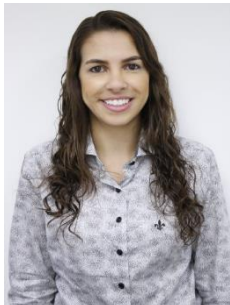
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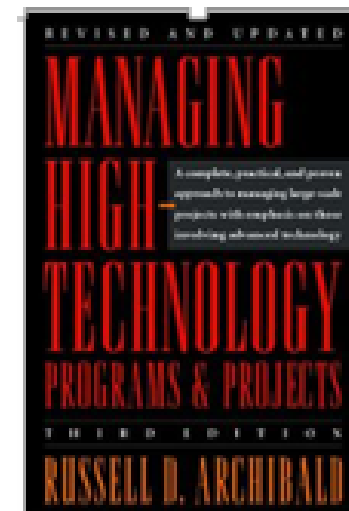
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- Listed in "Who is Who"

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COMPLETE REPORT
Partnership with several organizations and opinion formers

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    - FGV, FUNDAÇÃO DOM CABRAL, IETEC, IBMEC, CPLAN, VANZOLINI, DINSMORE

THE END