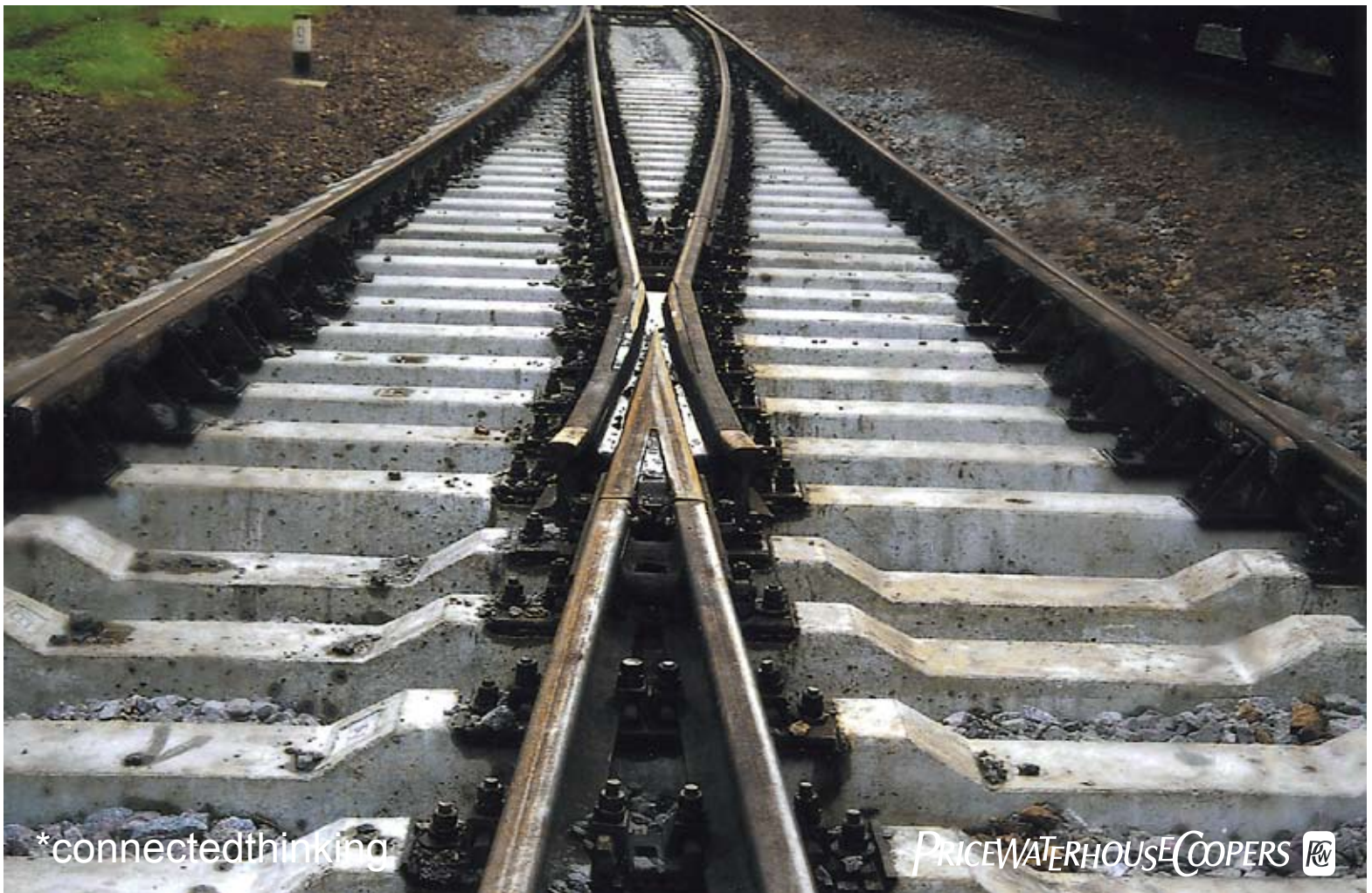


Insights and Trends: Current Programme and Project Management Practices*

The second global survey on the current state of project management maturity in organisations across the world



*connectedthinking

PRICEWATERHOUSECOOPERS 

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Executive Summary

Today's organisations manage projects within increasingly complex environments driven by regulatory changes and organisational restructuring. New product development, post-deal integration, outsourcing and policy implementation, in addition to traditional, but vital, system development and implementation, are amongst the current key project initiatives organisations must manage. In fact, it's difficult to imagine an organisation that is not engaged in some type of project activity.

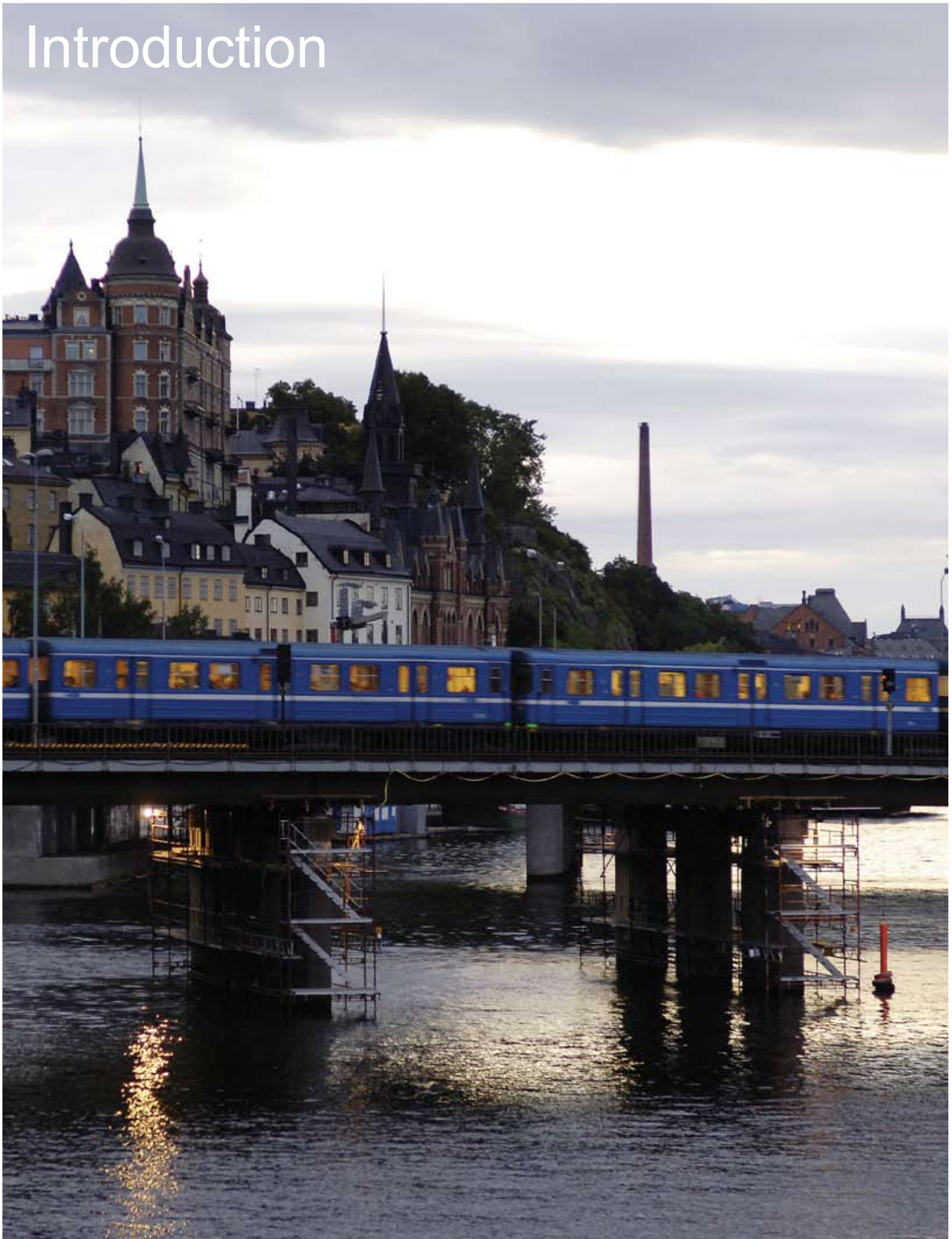
The ability to successfully execute these projects is what drives the realisation of intended benefits and the achievement of business strategies. Organisations that execute projects successfully employ effective project management practices as a tool to drive change and achieve business objectives. Given the strategic impact that projects have on a business, organisations must follow effective project management processes that measure progress and risks and ensure the right projects can be delivered in alignment with organisational priorities.

This document summarises the results from the second survey on the current state of project management maturity in organisations across the world. The survey's main objective was to identify current trends in project management and pinpoint the characteristics of project management that are applied on higher-performing projects. Not only have we gathered participants' views about how well organisations succeed in the field of project management, but we have also analysed how the subject companies are structured and how they operate in four areas: project management processes, their overall organisation, employees' education in project management and the use of project management systems. We observed the following trends and common practices (which may or may not be leading practices), based on the survey results and subsequent detailed analysis:

- Stakeholder satisfaction, timely delivery and staying within budget top the list of measures that indicate a project's success. Unsuccessful projects are more often linked to internal factors (e.g., missed deadlines, insufficient resources) than external factors (e.g., change in environment, change in strategy).
- The existence of a staff development programme positively impacts project performance.
- Project management certification and project performance are clearly connected.
- Use of project management methodologies is widespread. Organisations that do not have a project management methodology reported lower-performing projects.
- Use of project management software positively impacts project performance; however, reporting for key project elements is often generated outside of the software.
- The focus on building portfolio management capabilities is on the rise.
- Most organisations employ a project management office function that is primarily used for back-office activities (i.e., reporting, project administration, compliance).

Throughout the survey, we observed differences according to geography and industry, and we also noticed that the majority of companies recognise the need to move to a higher level of project management maturity. Organisations that fully understand and leverage the project management elements described in this report have a higher propensity to achieve project success.

Introduction



As one of the world's leading professional services firms, PricewaterhouseCoopers is often exposed to multiple project management frameworks within various types of organisations. Our experience shows that some organisations deliver projects consistently better than others (i.e., deliver business benefits on time, within budget and within scope). One of the many questions companies ask us is: Do organisations with a higher level of project management maturity achieve better project results? In 2004, we conducted our first study on this topic, and indeed found a link between higher maturity levels and high project performance.

We decided to conduct a follow-up survey to assess the current state of project management maturity within organisations. The focus of our follow-up survey was to identify leading project management practices and trends, as well as to determine the reasons why projects fail. We conducted the follow-up survey to increase senior managers' awareness and visibility regarding the value of project management as a key tool for organisations to achieve strategic business objectives. In addition, we leveraged this survey to further understand the impact of leadership and culture on project management, as well as to identify current trends in portfolio management.

When considering an organisation's project management framework, four core elements are taken into account: *processes*, *organisational structure*, *people* and *systems*. The strengths of each of these individual elements, and the balance among them, indicates the overall maturity level of the organisation. The survey examines project management across these four dimensions. A brief description of each of these four core elements follows and will be elaborated on throughout this report.

Processes

Project management is essentially a systematic and organised set of repeatable processes that bring order and efficiency to the execution of a project. Effective project management is characterised by the application of knowledge, skills, tools and techniques to achieve project objectives. Therefore, the existence of well-defined project management processes — often grouped into a project management methodology — differentiates companies that are able to consistently deliver superior project results.

The components of project management processes considered in the survey include: standardisation and institutionalisation of project management processes, integration with other corporate processes (e.g., procurement, strategic planning), prioritisation of projects and application of a standard project lifecycle, utilisation of project portfolio techniques, and continuous improvement.

Organisational structure

An organisation's operating framework is fundamental to its project management performance. More often than not, management underestimates or completely ignores this element because organisations have not adapted themselves to new organisational structures as quickly as the business has evolved.

The aspects of organisational structure considered in this set of survey questions include: resource ownership (mainly staff and budgets), definition of clear roles and responsibilities, support and involvement of senior and top management, and the availability of a Project/Programme Management Office.

People

Teamwork is an integral component of project management; therefore, the ability to manage people is an essential skill for project managers. When it comes to project success, project or programme managers carry a great deal of the responsibility, but success is also dependent on the performance of others who are in key project roles (e.g., project team members, project sponsors, customers and stakeholders). Therefore, well-developed people management skills are fundamental to a high project management maturity level.

The people aspects considered in the survey include: project manager skills, development and training programmes, organisational culture, motivation and incentives, and career opportunities for project managers.

Systems and tools

Organisations purchase and create systems and tools to automate and support their project management processes. But oftentimes, a great deal of money is spent on systems that are subsequently not used.

The aspects considered in this set of questions include: availability of company-wide software, software used and areas reported on (i.e., programme and project management, capacity management, cost tracking, benefit realisation).



Key Findings



1. Project management is closely linked to project performance.

Stakeholder satisfaction, timely delivery and staying within budget top the list of measures that indicate successful projects. Unsuccessful projects are more often linked to internal versus external project factors; bad estimates/missed deadlines, scope changes and insufficient resources comprise 50% of the reasons for project failure.

2. Investing in staff development can pay off.

Staff development programmes have the greatest impact on project performance when they are used on a regular basis. 43% of respondents always or often use these programmes.

3. Project management certification has links to high-performing projects.

Higher-performing projects are significantly more likely to be staffed with certified project managers. In fact, 80% of projects classified as high-performing use a certified project manager.

4. Using a project management methodology increases the likelihood of higher-performing projects.

The use of project management methodologies is widespread; 77% of respondents have a documented, company-wide project management methodology. However, opportunities exist to strengthen components of existing methodologies. Organisations that do not have a project management methodology reported lower-performing projects.

5. A positive correlation exists between project management software and project performance.

The use of project management software is commonplace, and for good reason — it is linked to high-performing projects. 77% of companies use project management software.

6. Overall, project reporting improvements are needed.

While project management software is routinely leveraged for reporting, it is seldom used for the most common of all reports — cost reporting. Only 23% of cost reporting is generated from project management software.

7. Portfolio management is of significant value.

The focus on building portfolio management capability is on the rise; 53% of respondents have a portfolio management process, an increase of 7% over the 2004 survey.

8. Project Management Offices (PMOs) perform back-office/coordination functions.

Of the surveyed organisations, 80% of respondents have a dedicated Project Management Office.

Project Performance

Conclusion No. 1

Stakeholder satisfaction, timely delivery and staying within budget top the list of measures that indicate successful projects. Unsuccessful projects are more often linked to internal versus external project factors; bad estimates/missed deadlines, scope changes and insufficient resources comprise 50% of the reasons for project failure.

Some components of project management linked to project failures

When it comes to project performance, organisations use a variety of factors to determine whether a project has achieved a successful outcome. The survey results showed that 20% determine project success based on the satisfaction of their stakeholders, 19% on on-time delivery, 18% on budget, 17% on the delivery of benefits, 15% on quality, 9% on acceptable ROI and 2% on other factors. Leading-practice companies determine whether a project is successful based on whether it achieves benefits that are in line with strategic objectives, and establish mechanisms to track progress along the way.

While many projects reach successful outcomes, it is also a reality that some projects fail to do so. We found that over 60% of project failures are linked to internal project issues (e.g., missed deadlines, insufficient resources). In fact, the top three reasons for project failure — bad estimates/missed deadlines, scope changes and insufficient resources — are internal project factors. It is notable that these three categories alone comprise 50% of the reasons for project failure. Figure 1 shows respondents' first and second reasons for project failure.

But while project failure is more frequently correlated to factors internal to a project, the underlying question is: What degree of influence do project managers have over external factors to prevent project failure? An effective project management function, comprised of people with the right skills who are armed with the right techniques, can often minimise the risk of failure attributed to external factors. For example, a change in company strategy can be detected and remedied early in a project if there is clear alignment between strategy, goals and an implementation plan. It is arguable that regardless of whether the risk of failures is internal or external to a project, a well-equipped project management function possesses the capabilities to anticipate and navigate through the hurdles that may arise during the course of a project.

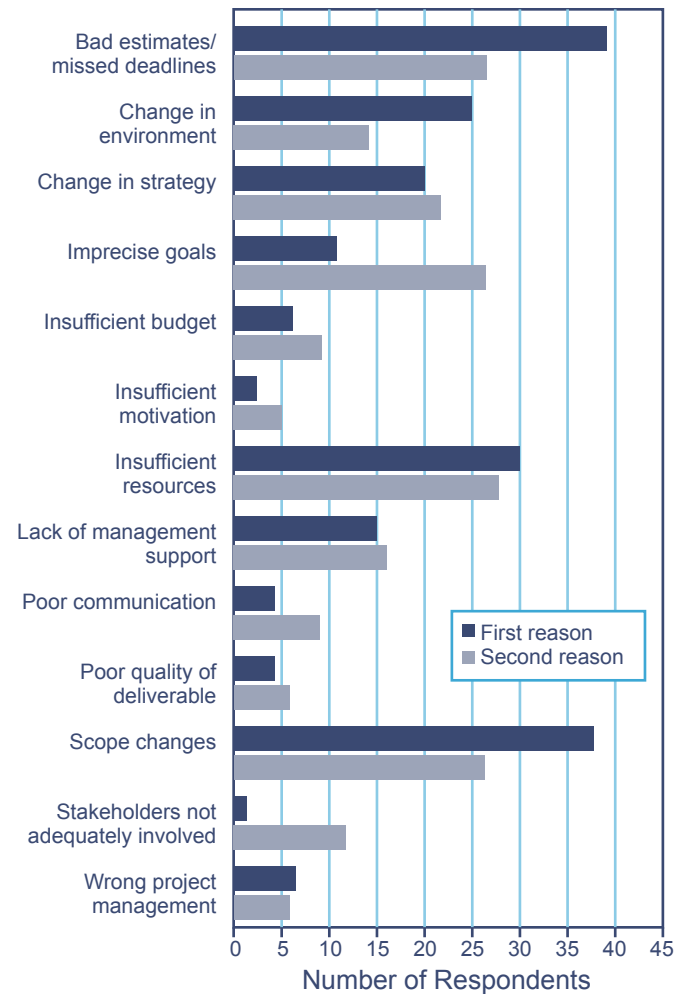


Figure 1 – Reasons for Project Failure

Staff Development and Project Performance

Conclusion No. 2

Staff development programmes have the greatest impact on project performance when they are used on a regular basis. 43% of respondents always or often use these programmes.

Staff development programmes impact project performance — utilisation within companies is slowly rising

We asked survey participants whether they use staff development programmes to continually build project management capabilities. As shown in Figure 2, only 8% of companies always utilise a development programme, unchanged from the 2004 survey. And 35% of companies indicate that they often utilise development programmes, up 5% from 2004.

While it seems logical that offering development programmes would lead to higher project performance, we examined the correlation to see if this was indeed the case. Figure 3 illustrates the usage rate of staff development programmes across four categories: always, often, rarely and never. Staff development programmes have the greatest impact on project performance when they are ‘always’ used. When this is the case, the gap between high-performing and low-performing projects is the widest, at 20%. When development programmes are ‘rarely’ or ‘never’ used, there is a higher occurrence of low-performing projects.

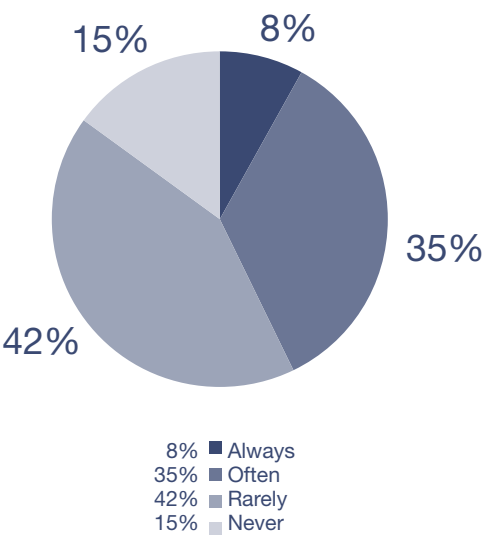


Figure 2 – Staff Development Programme

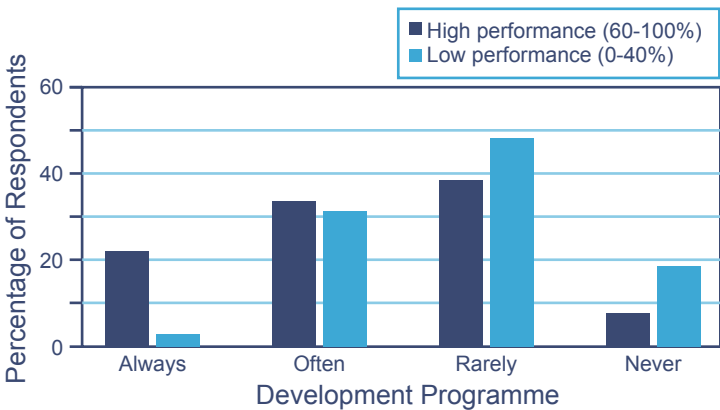


Figure 3 – Development Programme Versus Performance



Project Certification

Conclusion No. 3

Higher-performing projects are significantly more likely to be staffed with certified project managers. In fact, 80% of projects classified as high-performing use a certified project manager.

Project management certification, slowly rising, links to project performance

Since 2004, the rate of project management certification has risen modestly — in 2004, 73% of respondents' project managers held certifications compared to 77% in the current survey. However, when we examine the type of certification that project managers hold (Figure 4), we see a clear shift away from company internal certification. In 2004, 22% of project management certification was company internal certification; in the current survey, company internal certification dropped to only 10%. But if overall certification is on the rise, what has replaced company internal certification? The answer is Project Management Institute (PMI) and Prince 2 certifications. The percentage of project managers from respondent companies with PMI and/or Prince 2 certification nearly doubled — from 24% in 2004 to 46% in the current survey.

Next, we examined whether there is a correlation between project management certification and project performance. We found that higher-performing projects are *significantly* more likely to be staffed with certified project managers. In fact, 80% of projects classified as high-performing use a certified project manager. Figure 5 shows a clear trend towards higher performance for projects that engage a certified project manager.

Those organisations with a high maturity level are more likely to have certified project managers. Figure 6 illustrates that organisations with the highest maturity level have a certification rate of 95% compared to 61% for organisations that have the lowest maturity level.

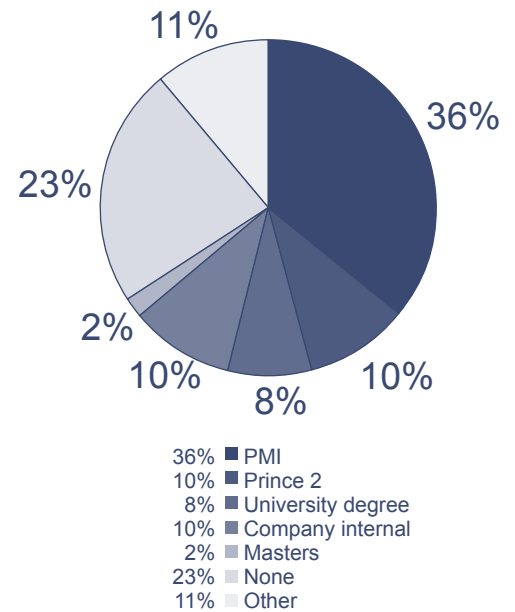


Figure 4 – Project Management Certification

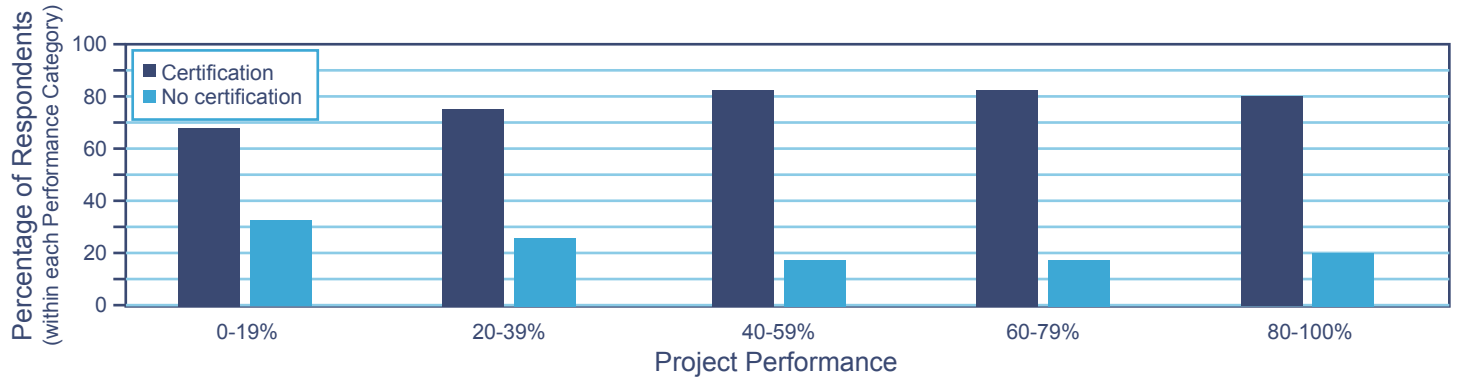


Figure 5 – Certification Versus Project Performance

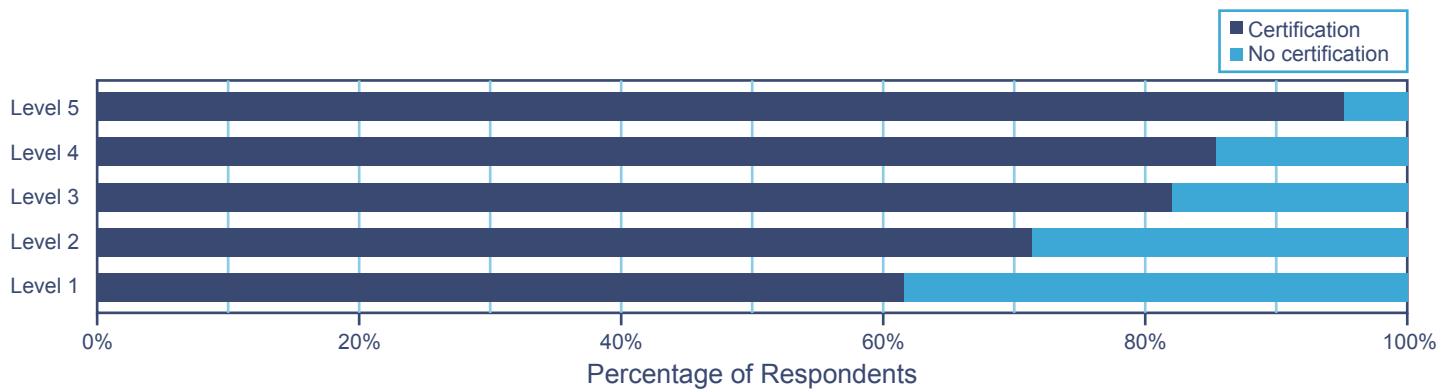


Figure 6 – Certification Versus Maturity Level

Project Management Methodologies

Conclusion No. 4

The use of project management methodologies is widespread; 77% of respondents have a documented, company-wide project management methodology. However, opportunities exist to strengthen components of existing methodologies. Organisations that do not have a project management methodology reported lower-performing projects.

In-house-developed project management methodologies are the most common

As illustrated in Figure 7, most organisations (77%) have a documented, company-wide project management methodology. But unlike project management certification, which has seen a trend towards leveraging external programmes, the greatest percentage of project management methodologies (39%) is developed in-house.

Following in-house-developed methodology, the second most common is the Project Management Institute's (PMI's) *A Guide to the Project Management Body of Knowledge (PMBOK® Guide)* (27%), followed by Prince 2 methodology (11%). Regardless of whether the methodology is internally developed or leveraged from an external source, almost all include methods to manage similar components, such as scope, time, cost, quality, communications, human resources, procurement and project integration.

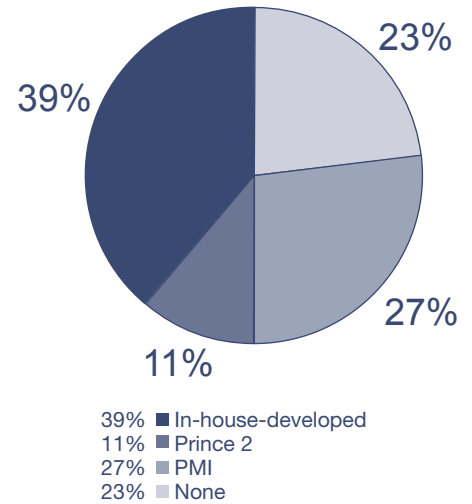


Figure 7 – Methodologies in Use

Of those organisations that use a project management methodology (77%), only 29% use it on 100% of projects, while 40% use it on at least 75% of projects.

The 69% of respondents who use a methodology at least 75% of the time reported a lower project failure rate. However, of the 23% of respondents who did not have a project management methodology, 53% of projects were lower-performing; suggesting that adoption of a methodology could improve project performance, as illustrated in Figure 8.

It is interesting to note that methodologies commonly exist to address resource and scope management — two of the top three reasons that projects fail — further indicating an opportunity to improve the execution of project management methodologies. While it is unknown if methodology improvement is the primary driver, 70% of the organisations surveyed report that they have a company-wide initiative to improve project management practices.

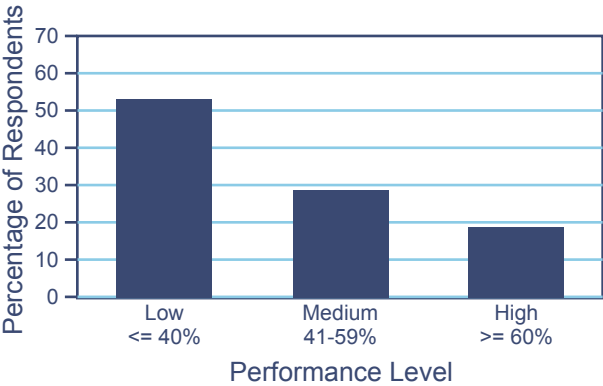


Figure 8 – Performance Level for Respondents Using No Project Management Methodology

Project Management Software

Conclusion No. 5

The use of project management software is commonplace, and for good reason — it is linked to high-performing projects. 77% of companies use project management software.

Project management software use is linked to high-performing project performance

We asked participants if they use company-wide project management software to manage and monitor their projects. We found the use of software to be prevalent — 77% of companies use project management software, while 23% do not. Software tools are most commonly used to manage single projects versus multiple projects or programmes.

As shown in Figure 9, Microsoft Project® is used more than any other brand of software. In fact, at 45%, Microsoft Project® outpaces the second most commonly used software — in-house-developed — by more than 200%.

The 2004 study showed a direct correlation between project management software usage and project performance. We see similar results in the current survey findings: among the highest performing projects, we found that 87% use project management software, while only 13% do not (Figure 10). There is also a strong correlation between software use and an organisation’s maturity level, as illustrated in Figure 11. More mature organisations are significantly more likely to use project management software: 95% of organisations within the highest maturity category use project management software, compared to only 55% within the lowest maturity category.

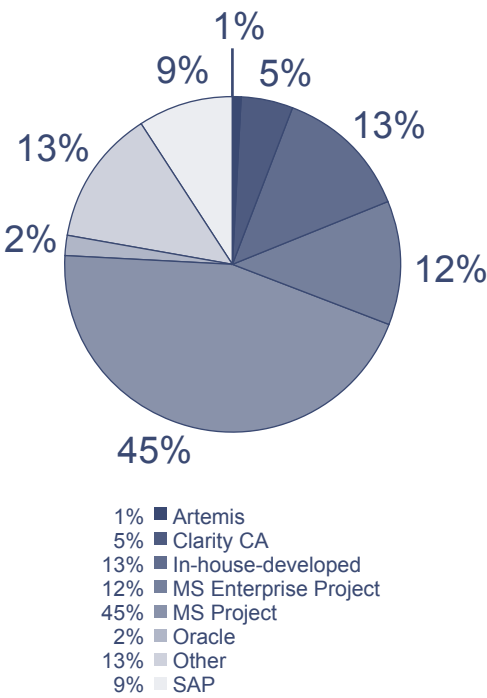


Figure 9 – Types of Software Used

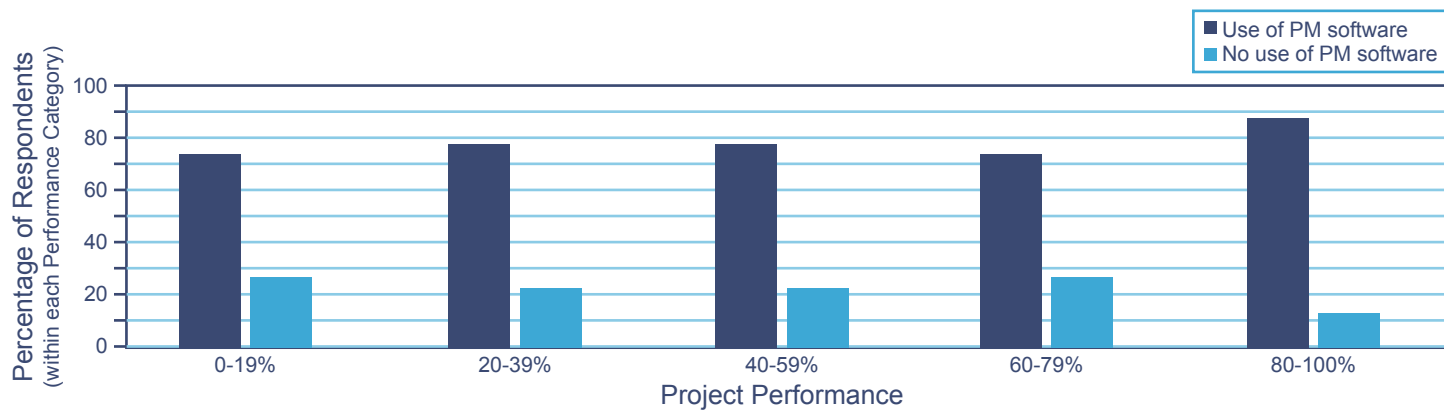


Figure 10 – Project Management Software Versus Performance

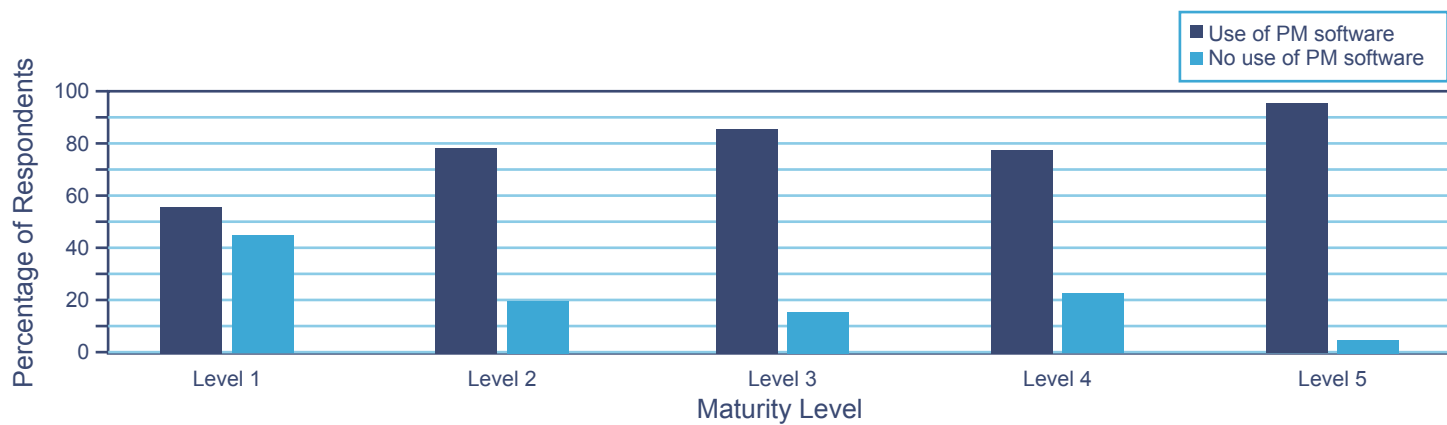


Figure 11 – Project Management Software Versus Maturity Level



Project Management Software Usage and Reporting Capabilities

Conclusion No. 6

While project management software is routinely leveraged for reporting, it is seldom used for the most common of all reports — cost reporting. Only 23% of cost reporting is generated from project management software.

Common management project reports are not consistently generated from project management software

We asked participants which components or functions of project management software were used. As shown in Figure 12, resources and milestones are the most used functions of project management software; however, project management software is not being used to its full potential. We also asked participants which project management areas were covered through regular reporting. As shown in Figure 12, cost and issues and risks are the most commonly reported areas.

It is interesting to note that when crossing software functionality used by participants with project management areas covered in reports, not all reports are derived from project management software. In fact, data suggests that the most frequently reported area of project management, cost reporting, is primarily performed outside of project management software. This is perhaps due to the functionality of cost reports produced by project management software tools or the familiarity project management software tool users have with traditional reporting tools, such as spreadsheets.

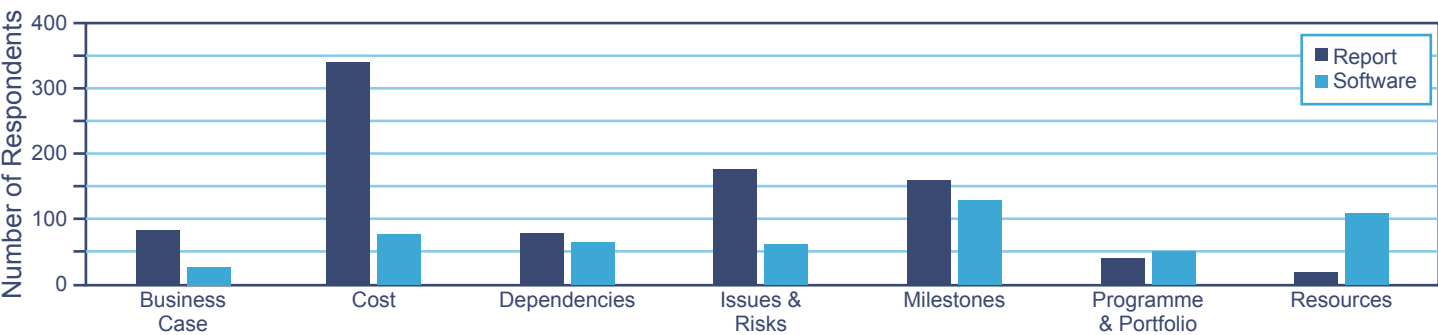


Figure 12 – Software Functionality Versus Reporting

Portfolio Management

Conclusion No. 7

The focus on building portfolio management capability is on the rise; 53% of respondents have a portfolio management process, an increase of 7% over the 2004 survey.

Portfolio management is of significant value

According to the Project Management Institute's (PMI's), *A Guide to the Project Management Body of Knowledge (PMBOK® Guide)*, portfolio management is the centralised management of one or more portfolios, which includes identifying; prioritising; authorising; managing; and controlling projects, programmes and other related work, to achieve specific strategic business objectives¹. At 53%, approximately half of the survey participants have a portfolio management process, a 7% increase from 2004.

Figure 13 shows the portfolio management capabilities that organisations leverage — the most common is project selection management, followed closely by portfolio prioritisation management. To understand the project selection process, we asked participants what criteria they use to select and prioritise projects. As shown in Figure 14, the top three criteria are strategic alignment (18%), expected benefits (14%) and ROI (14%). Data supports the rationale to use portfolio management techniques to ensure spending is in line with strategy, and to choose projects that will have the greatest impact on the business and a strong return on investment.

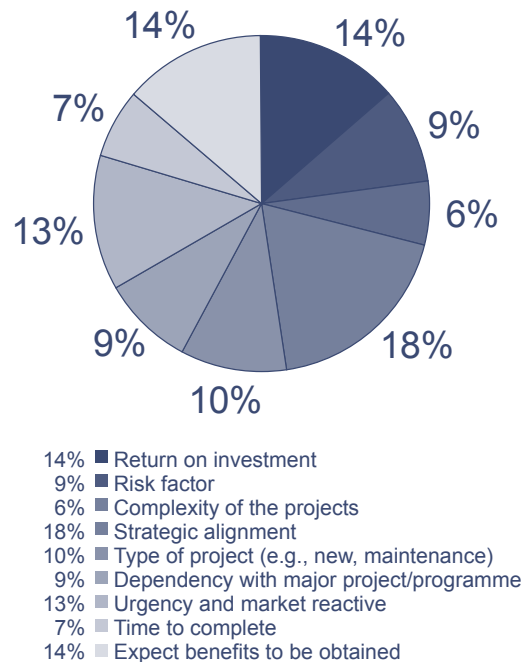


Figure 14 – Criteria Used to Select and Prioritise Projects

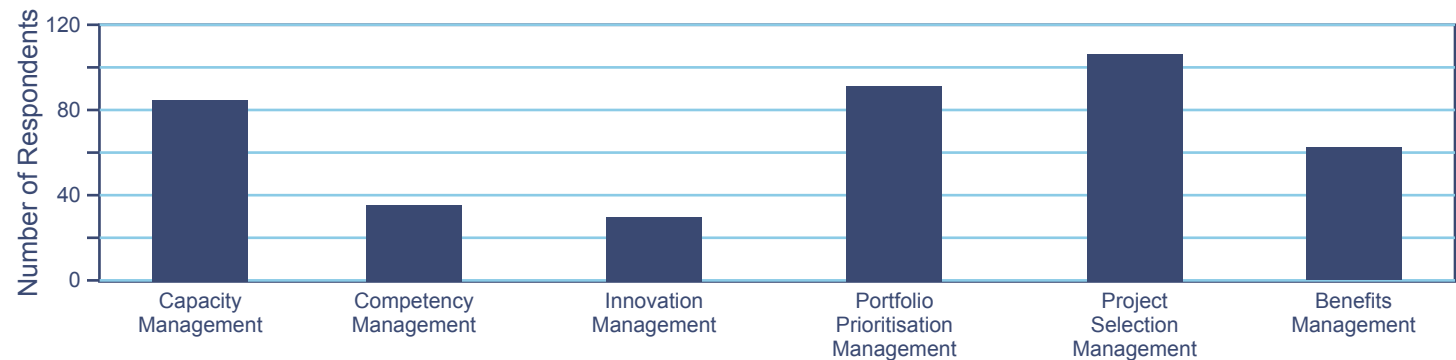


Figure 13 – Portfolio Management Areas Covered By the Methodology

¹ Project Management Institute, *A Guide to the Project Management Body of Knowledge (PMBOK® Guide)* – Third Edition, Project Management Institute, Inc., 2004. Copyright and all rights reserved. Material from this publication has been reproduced with the permission of PMI.



Project Management Offices

Conclusion No. 8

Of the surveyed organisations, 80% have a dedicated Project Management Office (PMO).

46% of PMOs perform back-office project coordination activities.

Figure 15 shows that approximately 80% of respondents have a dedicated Project Management Office function. PMOs are most commonly located at the corporate level. However, 25% reside within IT and 23% exist in business units.

As illustrated in Figure 16, almost two-thirds of respondents perform project or programme management work in the PMO — not surprising, given that this has been the PMO’s traditional role. In addition to project and programme management functions, 19% of PMOs carry out portfolio management work.

Figure 17 shows that 46% of PMOs’ responsibilities consist of back-office activities that include reporting, project administration and compliance. Middle-office activities, such as resource management, quality management and capacity planning, comprise 29% of PMO responsibilities. Finally, front-office activities, including project execution, decision-making and prioritisation, reflect 25% of PMO responsibilities.

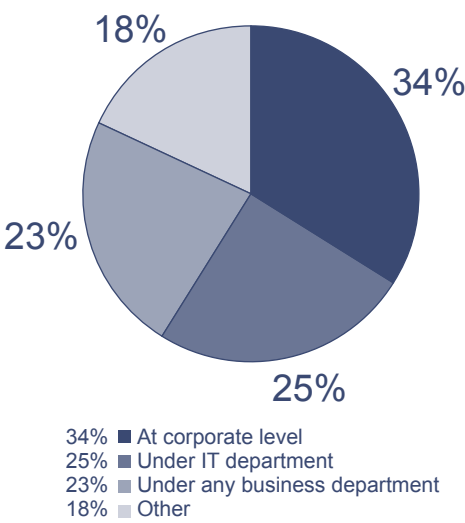


Figure 15 – Current Location of PMO

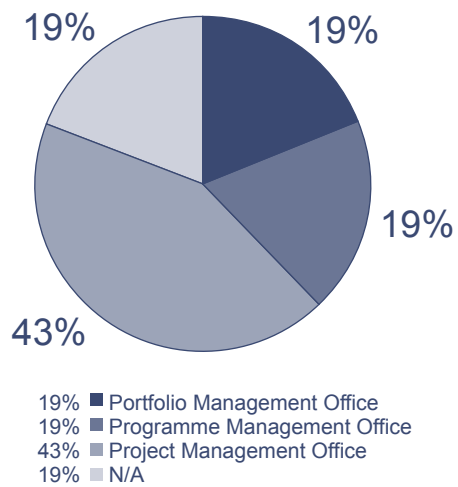


Figure 16 – PMO Role

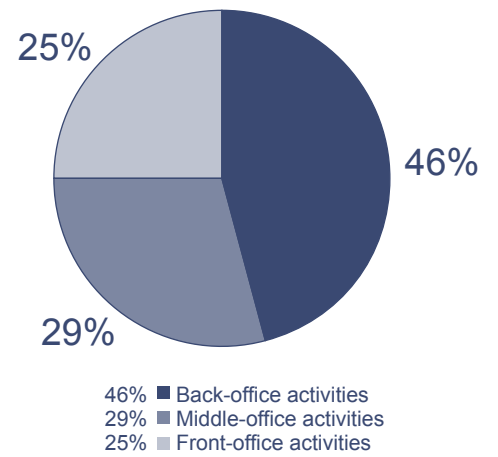


Figure 17 – Current Responsibilities of the PMO

Conclusion



As organisations increasingly leverage project management as a method to achieve critical business objectives, effective project management practices are — more than ever — vital to a company's success. Realising the role that project management plays in the successful execution of business strategies, senior management continues to support key initiatives, such as project management certification, development programmes and portfolio management capabilities. Certainly, there are many opportunities to improve existing project management practices to meet the ever-growing demands of the business landscape. We feel that project management will continue to evolve, mature and stake its claim as a strategic imperative for successful organisations.

Methodology



The survey was conducted in 2006, with participation from 213 respondents representing companies from 26 countries. The survey group comprised companies of various sizes, sectors and business structures (subsidiaries, headquarters, etc.). Most of the study participants were top management, senior management and project managers. The data was gathered via a web-based quantitative survey that consisted of 65 closed questions.

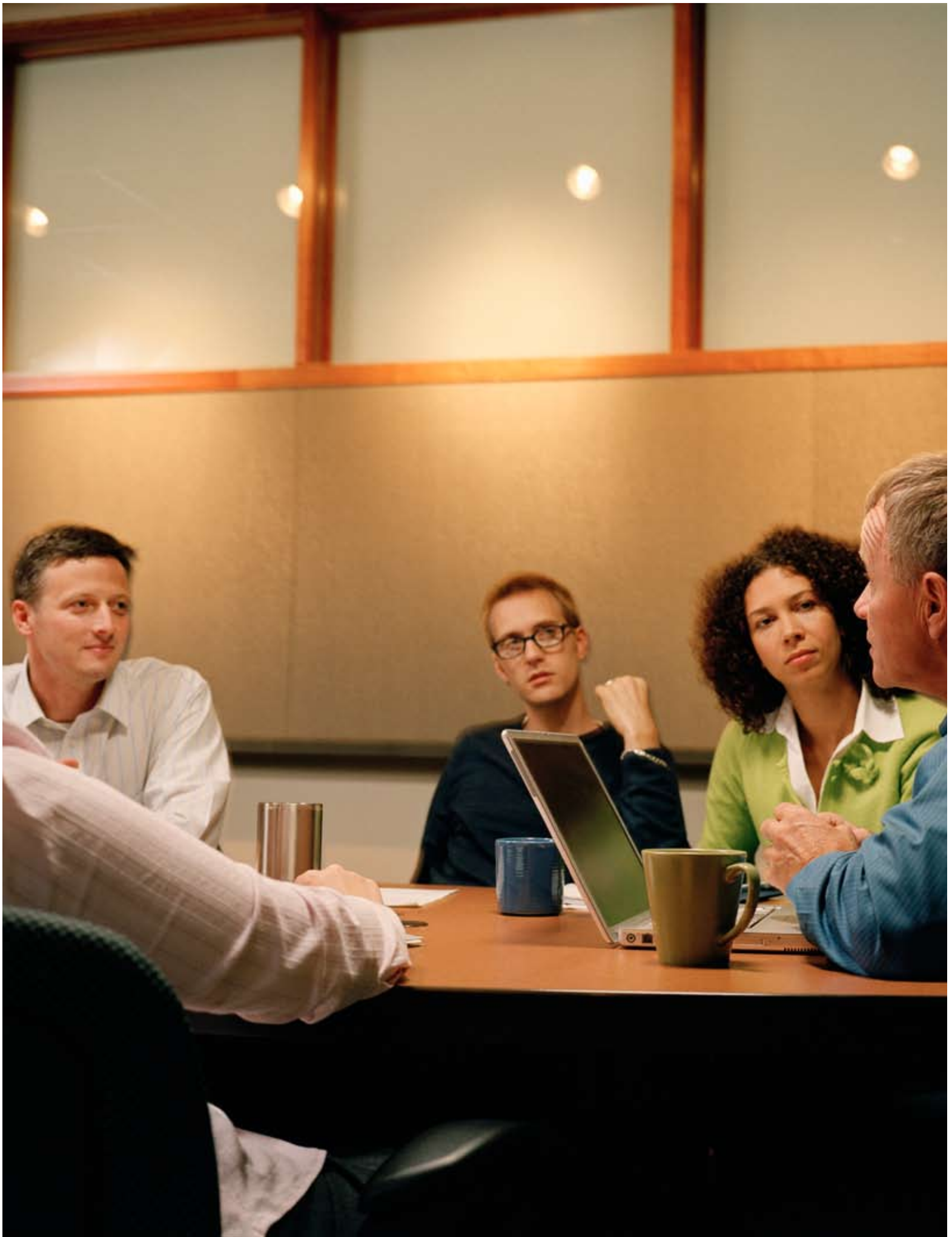
The survey results give us insight into the collective opinions of the participants on a wide range of key topics, e.g., project types, failure factors, tools, people aspects and leading practices.

In addition to group opinions and key trends, we calculated and used two essential indexes for the analysis: *maturity level* and *project management performance*. Maturity level was calculated based on the combined answers to 33 survey questions. The project management performance percentage was computed by aggregating elements of individual performance measured as a percentage of projects delivered on time, within budget, within scope, and to expected business benefits. The outcome is a percentage that tells us when performance is highest (closer to 100%) and lowest (closer to 0%).

To assess the maturity levels of respondents, we used a maturity model that is in alignment with the Project Management Institute's (PMI) PM² Process Maturity Model and consists of the following five levels:

Maturity Level	Brief Description
1. Unreliable processes	Sporadic, ad hoc use of project management. Formal documentation and the knowledge of the standards of project management are lacking. No training. Little organisational support. Some attempts to develop basic project management procedures.
2. Informal processes	A formally approved project management methodology is lacking. Basic processes are used, but are not standard or documented on all projects. Project managers inform team members about project management standards, but they do not apply these standards appropriately. Lessons learned are not gathered.
3. Standardised processes	A project management methodology is developed, approved and used. Project participants are informed about project management standards. Data trends are collected and shared. Most projects are implemented using these standards. Management supports the use of standards. Focus is on individual projects.
4. Monitored processes	An integrated project lifecycle methodology is used. Application of the standard set is defined, monitored and fixed for all projects. Projects support the strategic plan. Project benefits are tracked. Internal training is in place. The organisation can conduct and control multiple projects.
5. Optimised processes	A regular analysis and renewal of the existing project management methodology is conducted. Lessons-learned files are created. Knowledge is transferred. A process is in place to improve project performance. Management focuses on continuous improvement.

The analysis of the survey results includes research on project management theories developed by PricewaterhouseCoopers. Additionally, PricewaterhouseCoopers' decades of project and programme management experience complemented the analysis.



Company Profiles



Individuals from 213 organisations completed the survey. Following is information about the participating organisations:

On average, organisations operate between Levels 2 and 3 on the maturity model. Of the organisations that responded, 31% operate at a Level 3 on the maturity model, while only 9% operate at a Level 5 (i.e., have optimised processes). The average maturity score of 2.6 represents only a slight increase over 2004's average of 2.5, suggesting that project management processes are not yet standardised.

Balanced representation from all organisational levels. Figure 18 shows that of the slightly more than 200 people who completed the survey, 37% (77) are project or programme managers, 25% (55) are top managers (e.g., department director, head of PMO, line manager), 13% (28) are C-suite executives (i.e., CEO, CIO, CFO), 10% (21) are senior managers, 2% (5) are project team members, and 13% (27) are characterised as 'other'.

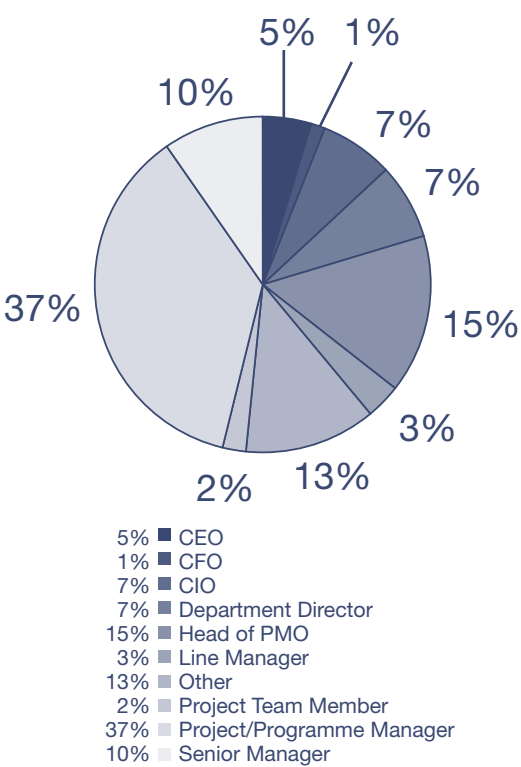


Figure 18 – Position in Company

Europe has the most companies participating. The companies that participated in the survey are located in the following 26 countries: Argentina, Australia, Belgium, Brazil, Canada, Czech Republic, Finland, France, Germany, Hungary, India, Italy, Luxembourg, Mexico, Netherlands, Poland, Romania, Russia, Singapore, Slovenia, South Africa, Spain, Switzerland, Trinidad and Tobago, United Kingdom and United States.

To facilitate the analysis, the countries have been grouped by region: Europe, Asia, Africa, Australia, South America and North America. As shown in Figure 19, the largest representation comes from Europe, with 41% (88) of survey respondents, followed by Australia at 26% (55).

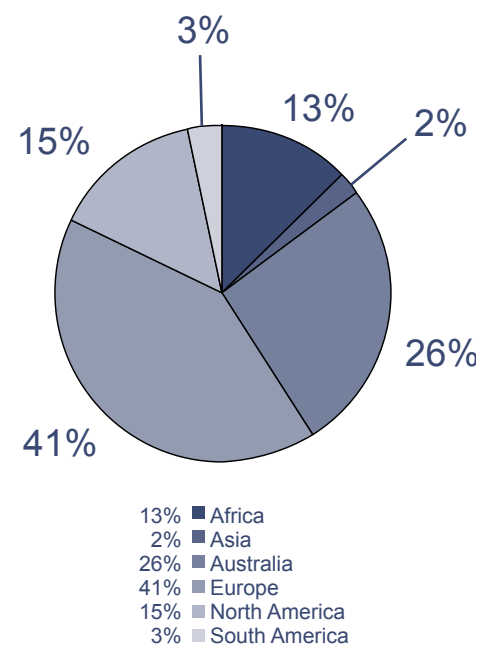


Figure 19 – Survey Participation by Region

Major sectors were well represented. The key industry sectors are well represented and give a balanced picture of the current composition of the global economy (Figure 20). Consumer and Industrial Products and Services (CIPS) comprises the largest participating sector at 39% (85), and includes automotive, energy, manufacturing, professional services and retail organisations. Financial Services (FS) comprises 22% (46); Technology, Information, Communication and Entertainment (TICE) constitutes 21% (45).

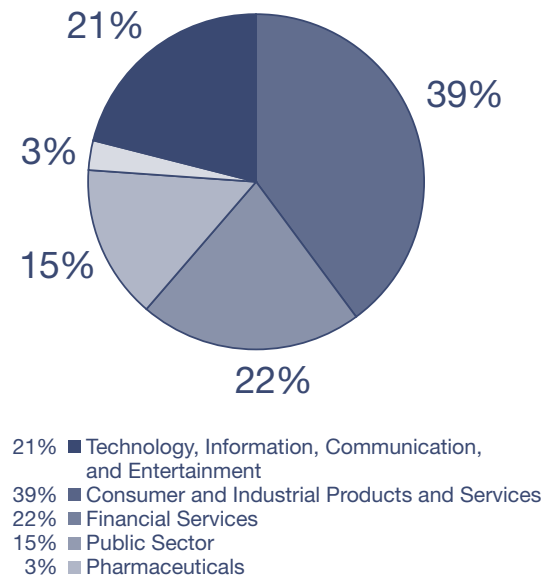


Figure 20 – Survey Participation by Sector

Many organisations conduct more than 100 projects annually.

The survey indicated that 63% of respondents conduct more than 50 projects annually. Of this group, 44% (94) conduct more than 100 projects on an annual basis. Only 3% (6) of the companies surveyed undertake fewer than 5 projects. The majority of the projects were local or regional versus continental or global.

Organisational structure varies by industry and region.

We leveraged the 5 organisational structures as defined by the Project Management Institute (PMI): Functional, Weak Matrix, Balanced Matrix, Strong Matrix and Projectised. We calculated each individual organisational structure by looking at several organisational aspects, such as ownership of resources and budget, as well as the existence of a dedicated group of project managers. Figure 21² illustrates the characteristics of each organisational structure.

Project Characteristics	Functional	Matrix			Projectised
		Weak Matrix	Balanced Matrix	Strong Matrix	
Project Manager's Authority	Little or None	Limited	Low to Moderate	Moderate to High	High to Almost Total
Resource Availability	Little or None	Limited	Low to Moderate	Moderate to High	High to Almost Total
Who Controls the Project Budget	Functional Manager	Functional Manager	Mixed	Project Manager	Project Manager
Project Manager's Role	Part-Time	Part-Time	Full-Time	Full-Time	Full-Time
Project Management Administrative Staff	Part-Time	Part-Time	Part-Time	Full-Time	Full-Time

Figure 21 – Organisational Structure Influences on Projects

² Project Management Institute, *A Guide to the Project Management Body of Knowledge (PMBOK® Guide)* – Third Edition, Project Management Institute, Inc., 2004. Copyright and all rights reserved. Material from this publication has been reproduced with the permission of PMI.

Balanced Matrix is the predominant organisational structure found in the TICE and FS sectors, while the Weak Matrix structure is most commonly found in the Pharma, PS and CIPS sectors³. Figure 22 shows survey results for all organisational structures per industry.

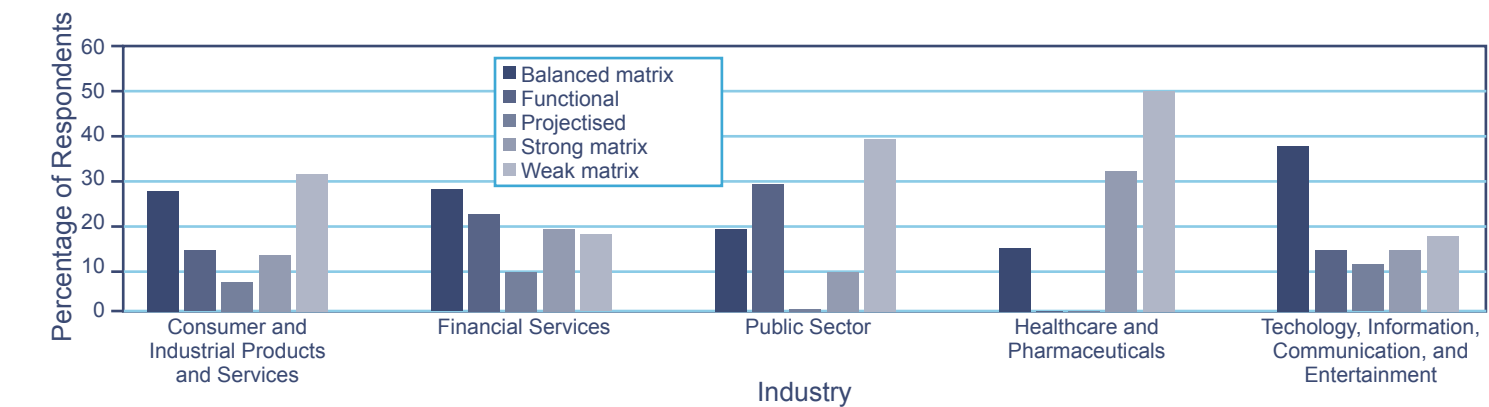


Figure 22 – Organisational Structure Per Industry

Regionally, organisations in Asia and Africa use a Balanced Matrix structure more often, while the organisations in Australia, Europe and North America mostly commonly use the Weak Matrix structure. Figure 23 shows survey results for all organisational structures per region.

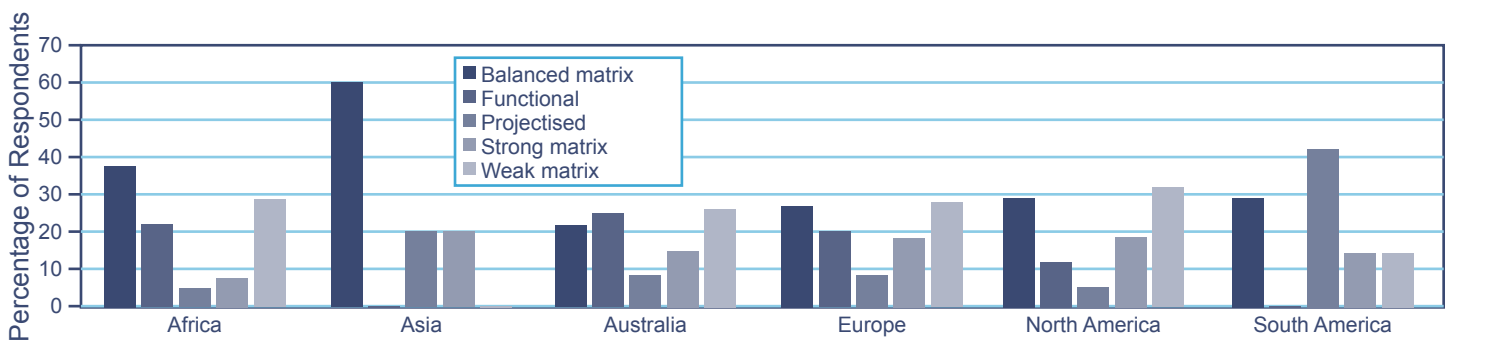


Figure 23 – Organisational Structure Per Region



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Glossary

PMI Definitions⁴

Portfolio – A collection of projects or programmes and other work grouped together to facilitate effective management of that work to meet strategic business objectives. The projects or programmes of the portfolio may not necessarily be interdependent or directly related.

Portfolio Management – The centralised management of one or more portfolios, which includes identifying; prioritising; authorising; managing; and controlling projects, programmes and other related work, to achieve specific strategic business objectives.

Programme – A group of related projects managed in a coordinated way to obtain benefits and control when not available from managing them individually. Programmes may include elements of related work outside of the scope of the discrete projects in the programme.

Programme Management – The centralised coordinated management of a programme to achieve the programme's strategic objectives and benefits.

Project – A temporary endeavour undertaken to create a unique product, service or result.

Project Management Office (PMO) – An organisational body or entity assigned various responsibilities related to the centralised and coordinated management of those projects under its domain. The responsibilities of a PMO can range from providing project management support functions to actually being responsible for the direct management of a project.

⁴ Project Management Institute, *A Guide to the Project Management Body of Knowledge (PMBOK® Guide)* – Third Edition, Project Management Institute, Inc., 2004. Copyright and all rights reserved. Material from this publication has been reproduced with the permission of PMI.

Additional Definitions

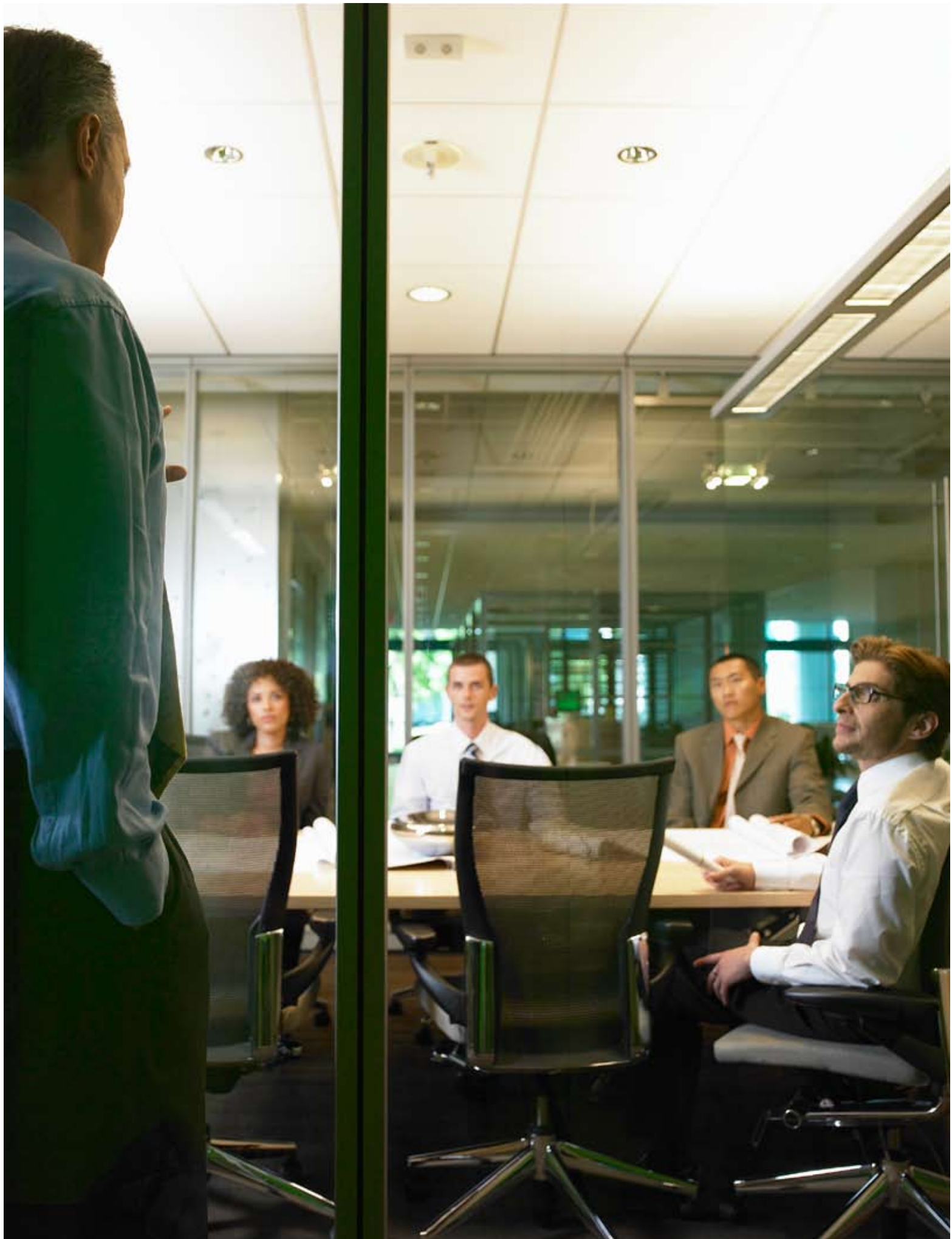
Capacity Management – Organised process for ensuring the organisation has the internal and/or external human and/or capital resources to undergo a business project, and that these resources are effectively leveraged throughout the project.

Competency Management – Organised process for ensuring the resources within an organisation have the required skillsets to contribute to business projects, and that these skillsets are maintained and updated on an ongoing basis.

Portfolio Prioritisation Management – Organised process for determining the sequencing of project execution within an organisation, factoring in the criticality, impact, cost, timing, resourcing and requirements for delivering the project.

Project Selection Management – Organised process for identifying the projects to execute within a given timeframe, factoring in the project's alignment with organisational strategy, budgeting and positioning.

Benefits Management – Organised process to measure the realised impacts (e.g., costs, resources, efficiencies) of a project against expected impacts or against a baselined measurement.



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