

Portfolio, Programme, and Project Management Maturity Model (P3M3)

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Introduction to P3M3

P3M3 stands for Portfolio, Programme, and Project Management Maturity Model. P3M2 is a framework developed by Axelos, the owners of a suite of project, programme, and portfolio management frameworks. The model, specifically designed to assist organizations in assessing and enhancing their project management capabilities, helps establish a roadmap for continuous improvement.

Capability Maturity Model (CMM)

P3M3, like most maturity models takes its inspiration from the Capability Maturity Model (CMM), originally developed by the Software Engineering Institute at Carnegie Mellon University. CMM, which later became CMMI, described 5 levels of maturity which characterise all software development organizations.

At the lowest level practices performed by the organization are characterised as unpredictable, inefficient, poorly controlled, and reactive. At the highest level, organizations have processes which are stable and flexible, and the organization's focus is on continuous improvement and responding to changes.

The model provided a toolset for organizations to assess their existing processes, and then to develop improvements at a higher level of maturity.

P3M3 follows the same 5 level outline that was originally provided by CMMI, but has adopted it specifically for project, programmes, and portfolios, not specifically in the software engineering domain.

The three dimensions of P3M3

P3M3 operates within three dimensions: [project](#), [programme](#), and [portfolio](#) management. Each dimension represents a different level of business strategy implementation, with project management serving as the most granular level and portfolio management as the highest.

Project management focuses on delivering specific, tactical outputs, while programme management coordinates several related projects to deliver strategic outcomes. Lastly, portfolio management optimizes the organization's entire suite of projects and programmes to align with overarching business objectives.

P3M3 maturity levels

The model posits five levels of maturity, which indicate an organization's sophistication in managing projects, programmes, and portfolios. These are described below.

Level 1: Awareness of process

At this primary level of maturity, organizations have some awareness of project, programme, or portfolio management processes, but their implementation is inconsistent. The processes may be utilized in an ad-hoc or reactive manner, without systematic planning or control. For instance, a small startup working on its first software project might rely upon the knowledge of its staff. The team recognizes the need for project planning, task tracking, and team communication but do not follow a defined methodology. Their actions are predominantly reactive, addressing issues as they arise, rather than proactively managing potential risks.

Level 2: Repeatable process

Organizations at this level have developed [standardized processes](#) for their project, programme, and portfolio management. However, the uniform application of these processes is not guaranteed. For example, a medium-sized company managing a new product launch programme may have implemented standard processes for project initiation, planning, execution, control, and closure across multiple related projects. Nevertheless, how these processes are applied can vary depending on the project manager, resulting in varying levels of success.

Level 3: Defined process

At this maturity level, organizations have their project, programme, or portfolio management processes well-defined, documented, and understood. An organization implementing a portfolio of infrastructure projects, for example, would have comprehensive guidelines for every phase of project management. All stakeholders would understand these guidelines, ensuring uniform application across the portfolio. The projects, although diverse in nature, follow a common set of standards, enhancing efficiency and predictability.

Level 4: Managed process

At the managed process level, organizations not only have defined and standardized processes, but these are also quantitatively managed. They are measured, controlled, and their effectiveness is known. Consider a multinational corporation undertaking a large-scale digital transformation programme. The organization would have robust metrics in place to measure the performance of its projects, such as earned value analysis or risk trend analysis. Regularly reviewing these metrics allows management to make data-driven decisions and adapt strategies proactively.

Level 5: Optimizing process

Organizations at this pinnacle level exhibit a continuous improvement culture, with their project, programme, or portfolio management processes being consistently evaluated and improved. For instance, a global consultancy firm delivering a wide range of projects to its clients would be continuously refining its project management methodologies. Leveraging advanced analytics and lessons learned from past projects, the firm would iteratively optimize its processes to deliver better outcomes for clients and improve its competitive position in the market.

The seven perspectives of P3M3

P3M3 examines seven perspectives, which are aspects critical to successful project management. These perspectives cut across all three dimensions, emphasizing that effective project management entails more than the technical delivery of projects.

The seven perspectives are:

1. Management control - This concerns the mechanisms for tracking and controlling project or programme progress to ensure alignment with the defined objectives.

2. Benefits management - This focuses on identifying, managing, and realizing the benefits that the project, programme, or portfolio is designed to deliver.

3. Financial management - This relates to the budgeting, tracking, and controlling of the financial resources allocated to the project, programme, or portfolio.

4. Risk management - This involves identifying, assessing, and managing risks that could impact the successful delivery of the project, programme, or portfolio.

5. Stakeholder engagement - This focuses on identifying stakeholders, understanding their needs and expectations, and managing their engagement throughout the project, programme, or portfolio lifecycle.

6. Organizational governance - This refers to the framework of rules, relationships, systems, and processes within which authority is exercised and controlled within the project, programme, or portfolio.

7. Resource management - This involves planning, acquiring, and managing the human and physical resources required for successful delivery of the project, programme, or portfolio.

P3M3 assessment

A P3M3 assessment is a comprehensive process that involves seven steps, each designed to offer a detailed understanding of an organization's project, programme, and portfolio management capabilities.

1. Define the assessment scope

The first step establishes the aims and objectives. This involves determining the assessment's scope, such as which departments or projects it will cover, and setting clear objectives that align with the organization's strategic goals.

2. Form an assessment team

An assessment team, typically consisting of both internal and external experts, is put together. The team's composition should reflect a blend of technical, management, and P3M3 expertise to ensure a comprehensive analysis.

3. Collect data

This step involves gathering all relevant data and information. The assessment team uses a combination of questionnaires, interviews, and document reviews to collect evidence on the organization's project, programme, and portfolio management practices.

4. Analyse data

After data collection, the team analyses the information to understand the organization's maturity across each of the P3M3's seven perspectives. This analysis is comparative against the five maturity levels defined in the model, providing a holistic view of the organization's capabilities.

5. Create assessment report

The assessment team generates a detailed report, presenting the organization's current maturity level, strengths, weaknesses, and areas for improvement for each perspective. The current maturity level forms a benchmark against which future progress will be measured.

6. Review report

The assessment team then presents and discusses the report with the organization's key stakeholders. This helps ensure the findings are understood and the recommendations for improvement are clarified.

7. Formulate a development plan

Based on the benchmarks contained within the assessment report, a development plan is created to guide the organization's progress towards higher maturity levels. This plan is usually formed in consultation with the stakeholders, ensuring alignment with the organization's strategic direction and readiness for change. Future progress, in terms of increasing maturity, will be measured against the benchmark.

It's worth noting that the P3M3 assessment process is not a one-time exercise but rather a continuous journey of improvement, with repeated assessments being conducted at regular intervals.

Case Study: Multinational corporation

TechNova, a multinational corporation in the technology sector, has diverse operations spanning across software development, hardware manufacturing, and digital services. The company manages hundreds of projects and several large-scale programmes globally.

The challenge

Despite having a project management office (PMO), TechNova faced significant challenges in delivering projects on time and within budget. With a lack of standardized project management processes and methodologies, the company experienced inconsistent project outcomes, budget overruns, and missed deadlines. Recognizing these issues, the executive leadership decided to enhance their project, programme, and portfolio management capabilities.

P3M3 assessment

To initiate the improvement process, TechNova decided to conduct a P3M3 assessment. They engaged an external consultant, familiar with the P3M3 framework, to lead the assessment process. The assessment team collected data using interviews, questionnaires, and reviewing project documentation.

Findings

The assessment revealed TechNova was operating at P3M3 Level 2, demonstrating some standardized processes but a lack of consistency in application across projects and programmes. The organization scored low in the areas of benefits management and stakeholder engagement, indicating a lack of focus on realizing project benefits and managing stakeholder expectations effectively.

Action plan

Based on these findings, TechNova formulated an improvement plan. They invested in training their project managers on benefits realization and stakeholder engagement techniques. They also standardized their project management processes across the organization, ensuring uniformity in project execution. A regular review process was also established to monitor and control the implementation of these processes.

Outcome

After a year of implementing the improvements, TechNova conducted another P3M3 assessment. They found that the company had moved up to Level 3, signifying defined and well-understood processes across the organization. Project performance improved significantly, with a noticeable decrease in delays and budget overruns. Stakeholder satisfaction levels also improved, indicating a better understanding and management of their expectations.

Summary

The P3M3 framework helped TechNova identify their shortcomings and guide their journey towards improved project, programme, and portfolio management capabilities. The company continues to use the P3M3 model for regular assessments, driving continuous improvement in their project management practices.

Alternatives to P3M3

There are several different project management maturity level models, which are all similar to one another.

PM Solutions Project Management Maturity Model (PMMMSM)

The [PMMMSM model](#) from PM Solutions employs a five-tier scale to evaluate the maturity of the ten knowledge areas as outlined in the PMBOK guide.

Capability Maturity Model Integration (CMMI)

Serving as an updated version of the original Capability Maturity Model (CMM), the [CMMI](#) is applicable to a broader range of disciplines beyond just software development.

Organizational Project Management Maturity Model (OPM3)

[OPM3](#) is the Project Management Institute's (PMI) proprietary model. It is quite similar to the PM Solutions model, but it features a four-tier maturity scale instead of five.

Berkeley Project Management Process Maturity Model

Often abbreviated as the [Berkeley \(PM\)² Model](#), it uses a five-tier scale to assess the Project Management Maturity (PMM) based on the ten knowledge areas outlined in PMBOK.

The case for P3M3

As this article has demonstrated, adopting P3M3 brings substantial value to an organization. It allows for the improvement of [project](#), [programme](#), and [portfolio](#) management capabilities, directly impacting the success rate of initiatives. More significantly, it enhances organizational capability and performance by providing a clear pathway to maturity. This framework helps nurture a culture of learning and continuous improvement.

FAQ

What are the benefits of P3M3 framework?

The P3M3 framework offers 7 key benefits to organizations aiming to improve their [project](#), [programme](#), and [portfolio](#) management capabilities.

1. Improved project success

P3M3 helps organizations enhance their project management practices, thereby increasing the likelihood of project success in terms of time, cost, and quality parameters.

2. Standardized processes

The framework encourages standardization of project, programme, and portfolio management processes, promoting consistency and efficiency across the organization.

3. Enhanced decision making

With P3M3, organizations can make informed decisions based on quantitative data, ensuring resources are allocated effectively and risks are managed proactively.

4. Benchmarking capability

P3M3 provides an objective basis for comparing project, programme, and portfolio management capabilities both internally (over time) and externally (against other organizations).

5. Roadmap for improvement

By identifying an organization's current maturity level, P3M3 provides a clear path for progression, allowing for targeted investment in capability enhancement.

6. Better stakeholder engagement

The P3M3 framework facilitates better stakeholder engagement by promoting transparency and accountability, thereby improving stakeholder confidence and trust.

7. Continuous improvement

P3M3 fosters a culture of continuous improvement, encouraging organizations to constantly reassess and enhance their project, programme, and portfolio management capabilities.

What does P3M3 stand for?

[P3M3](#) stands for Portfolio, Programme, and Project Management Maturity Model. P3M3 is owned by AXELOS, the owner of project management, programme management, and portfolio management best practice frameworks such as [PRINCE2](#), [MSP](#), [MoP](#).

What is the P3M3 approach?

The [P3M3](#) approach is a framework developed by AXELOS to help organizations assess and improve their project, programme, and portfolio management processes. It provides a structured basis for organizations to benchmark their current performance and identify clear paths for improvement.

P3M3 includes 5 key elements:

1. Three dimensions

P3M3 covers three areas of project management, programme management, and portfolio management. This allows organizations to focus on their specific areas of need while maintaining a holistic view of their overall maturity.

2. Five maturity levels

The P3M3 approach characterizes organizations across five levels of maturity, from Level 1 (awareness of process) to Level 5 (optimized process). Each level represents a specific stage in the development of project, programme, and portfolio management capabilities.

3. Seven perspectives

P3M3 examines seven key organizational perspectives – management control, benefits management, financial management, risk management, stakeholder engagement, organizational governance, and resource management. This ensures a comprehensive assessment of an organization's project, programme, and portfolio management capabilities.

4. Assessment and improvement

The P3M3 approach involves conducting a detailed assessment to identify the organization's current maturity level and areas of improvement. Based on the assessment, an improvement plan is developed and implemented, with repeated assessments conducted to monitor progress and drive continuous improvement.

5. Detailed and holistic

Unlike other maturity models that only look at isolated areas, P3M3 provides a detailed, holistic view of an organization's project, programme, and portfolio management capabilities. This allows for a more complete understanding of the organization's strengths and weaknesses and facilitates more effective improvement initiatives.