

Tiers in Organizational Project Development



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Summary: Organizations evolve through five tiers in their project management maturity. Knowing what tier your organization is in can help you be consistently successful with your projects.

In our [AdPM™ methodology](#), we can think of the organization's project management foundation as a stage on which executives and project managers have to dance. This organizational foundation for project management evolves in stages or tiers. Each tier of this evolution challenges project managers in different ways and the project managers and executives have to apply different tools from the AdPM methodology. As we peek in on organizations in each of the five stages, we'll see how

- Growth
- The density of projects and
- The reach of the projects undertaken

impacts the stage on which project managers dance. You'll also be able to gauge where your organization is in the evolutionary tiers and adjust your efforts (or job hunting) to make the best of it.

Alpha Tier - The Gentle Two-step

Everyone on the project team reports to a common boss who's also the project executive. Projects aim at producing benefits within the organizational unit or nearby. Successes are frequent and all we need are really good weekly meetings that foster lots of caring and nurturing among the team. Sure there are deadlines and other work to do but the boss is always there to decide what's most important today for everyone on the team.

The weekly team meetings go like this:

PM: "We'll go around the room so I can find out what everyone decided to do last week and also to get your ideas about things we should do on the 'Paper-less project' this week."

Team member A: "I think we should add a training class on going paperless!"



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PM: "Great idea! Everyone will enjoy that and I think it will really help."

Team member B "Can we also print up big colored posters that tell everyone to "Save a tree, do it on the PC."

PM: "Great! No wonder they want us to do another project. I'll go show the boss these ideas and then we can go ahead."

The sheer enthusiasm people have for the rare opportunity to get involved in a project makes up for any project management sins. The limited reach lets a PM operate without much in the way of tools or technique. Scope control has something to do with bad breath, not projects and Gantt charts are a bit too fancy for this organization's way of operating. PMs in this situation really can't understand why PMs elsewhere have any problems at all. Organizations may stay in this first tier forever and enjoy high success rates as long as they don't reach beyond installing "canned" solutions within a narrow sphere. But usually these early successes and competitive pressures trigger larger projects that span functional boundaries and aim for more significant business results. Then we move to tier two.

Beta Tier – Waltzing on a Crowded Dance Floor

As we move into this tier, the tempo picks up and increased density of projects creates contention between multiple projects and people's real jobs. Projects now involve people from across functional or organizational lines and many people are on several projects simultaneously. Projects are reaching for more significant business results and the effort engages multiple decision-makers. Controlling scope changes is more of a challenge as is leading larger teams whose members represent different organizations. Project failure rates rise as cross-functional authority problems occur and tier #1 PM techniques and tools prove inadequate. Micromanagement is the usual response to these challenges, which makes the projects a lot less rewarding for the team than in tier #1.

The weekly team meetings go like this:

PM: "Did the user sign-off on the specifications yet?"

Team member A: "Yeah, I've got 46 pages of them and I'll be getting more specifications next week and the week after. This has gotta stop - the requirements keep growing! I have no idea what this project is about and neither does the user."

PM: "What this project is about is finishing 90 days from now. We'll figure the rest out as we go and I'll give you each new "to do" lists each week."

Team member B: "Bill and Marcy got pulled off to work on their boss's #1 priority project so I won't be able to start my stuff until they come back. Can you revise the schedule and get us more time?"

PM: "Oh sure, that's real likely. Sorry but you'll just have to do the best you can. And you can forget that schedule. It was a fantasy to start with and I don't have time to update it. Remember this is a priority #1 project."

Team member B: "Yeah, everything's a #1 priority."

Organizations respond to the increasing failure rate of projects in tier #2 by training PMs in better techniques. After repeated failures they scale back what should be large cross-functional and strategic efforts by appointing a co-project manager from each functional unit to avoid authority, priority and resource allocation problems they can't solve. This is the PM equivalent to dancing while two combos play different tunes and it never works. Failure rates continue to rise. Those newly learned PM dance steps have little apparent impact on success rates because other dancers keep stepping on your toes. Executives focus on due dates as there are no other objective control points. The un-addressed issues of resource allocation and prioritization cause team member workloads to rise beyond reasonable levels. New projects of all sizes are launched without any assessment of their business value. Yet the need for cross-functional results and the scale and density of projects continues to grow, leading us to tier #3.

Omega Tier – New Year's Eve in Times Square

Failure rates climb and we have 450 lb. projects waddling around the dance floor, crushing small projects that get in their way so neither produces anything of value for the organization. Each year we launch projects that would require three times our available resources, if anybody were counting. Blame allocation is the new dance in town. We begin to lose the technical experts every PM wants because they tire of the failures, confusing assignments and each week's 70-hour dance marathon.

Organizations respond to the crisis by assembling "best practices" groups to try and bring some consistency to the project management process. The usual result is a paperwork nightmare of project and developmental controls with countless mandatory forms and reports. Compliance is low and cursory at best; it's like scattering marbles on the crowded dance floor. Sure-to-fail subjective tracking & reporting systems, like the red, green and amber systems, encourage falsehoods and ridiculous optimism as everyone Cha-chas away from these strobe lights.

The weekly team meetings in this stage go like this:

PM: "Is anyone in red light status?"

The project team members look at one another, remembering the angry tirade from the PM and executives the last time someone reported an overrun. They all deny being off schedule.

PM: "I haven't seen the documentation for task #167's work."

Team member B: "Do you want me to write the code plus do the documentation? There's no time in the schedule for both."

PM: "Just put something down on paper; that'll keep the standards people off my back."

Team member B "What a stupid waste of time! I've already got five other projects to work on and I'd like to get home before 10:00 p.m. at least once this week! "

PM: "Hey, I spend my nights doing variance reports and project narratives that some showoff designed to demonstrate his or her PM expertise. Just copy and paste from other projects, no one reads this stuff anyway."

Only when the executive pain becomes excruciating from recurring project failure and high levels of user/client dissatisfaction do we move out of the tier #3 crisis environment.

Tier #4 – Line Dancing Our Way to Consistent Success

Recovery starts when projects can't get onto the dance floor without passing a business value test. Those 450 lb. blimp projects are put on crash diets or kicked off the floor by portfolio managers concerned about the business value yield of their projects. Chorus lines of small projects are merged into larger, more significant efforts with a much higher probability of success and better payback from the resources expended.

Executives manage within the resource limitations and everything can't be a #1 priority. Micromanagement begins to fade as we hold team members accountable for clear and measured results, not frenzied activity. The PMs do a lot more thinking about quantifying end results. They also have the tools and techniques to manage "out in front" of their teams rather than just focusing on last week's problems. Additionally, they can quantify the dimensions of their projects and present trade-off data to decision-makers."

The weekly team meetings in tier #4 go like this:

PM: "Well, we've been dropped down a priority level to free resources for a new project. You've all gotten your new schedules and you'll see that our project is now scheduled to finish 6 weeks later than the original baseline. We'll keep this meeting short; I just need to meet with Bill to work out a problem. The rest of you are all in good shape."

Bill: "You want to talk about the variance on task #224?"

PM: "Yup, where did we go wrong on the estimate?"

Bill "We got a bit too optimistic on the time it would take to interface with that legacy system."

PM: "Okay, that happens. Can you give me 10 hours of overtime over the next two weeks? That will cut the overrun in half and I'll swing some additional resources to the successor tasks which will recover the rest of the slippage."

Moving out of the crisis of tier #3 is not easy. Organizations need high levels of compliance with a consistent protocol and controls that give executives the data for assessing each project's business value, setting priorities and managing resource allocation against those priorities.

Tier #5 the Project Tango

The last tier of the evolution comes only when the organization, or one of its major components like IT/IS, recognizes that it makes its living doing projects for users or clients. We reorganize to deliver consistently successful projects rather than sticking with a conga line hierarchy. Projects become our sub-units and portfolios of them become our divisions. We use a consistent and integrated methodology of processes and controls that we scale so it's appropriate for the size of each project. Developmental controls are an integral part of every project assignment. We measure and track quantified dimensions of each project and we manage resources to maximize their overall business value yield. Individual contributors may have an administrative manager but their organizational rewards are determined by each of the PMs for whom they work.

The weekly team meetings in this stage go like this:

PM: "Marcy, thanks for stopping by. I want to discuss modifying your achievement and the work estimate on task #56. I need to develop some trade-off alternatives that will let us finish 30 days earlier. If we cut your response time achievement from "90% of inquiries handled in 60 seconds" to "60% in 60 seconds," how much can we lower the work estimate and duration?"

Marcy: "I'll need to think about it but that would let me eliminate 6 inquiry types so we might get a 30% reduction in the hours and duration."

PM: "Great. Can you give me a final commitment by the end of the day? One of my bosses wants to review the options tomorrow."

Moving to the project-based organization is difficult. We need to shed the restrictions of the rigid management hierarchy. We also need to elevate PM techniques so that project decisions and problem-solving are based on hard data and measured business value for the user or client. For IT departments and consulting firms, this operating mode is the foundation for strategic partnerships with users and clients that are based on business value.

Summary

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