

Systemation Works with Pipeline Operator to Boost Project Management Capacity to PMI’s OPM3 Level 3

Sometimes, it takes an emergency to highlight a weak spot. When Hurricanes Katrina and Rita wreaked havoc on the Gulf Coast in 2005, infrastructure providers—such as telecom companies, road and bridge contractors, and utilities—faced an overwhelming influx of new projects. Project management processes that had worked just fine in “peace time” buckled under the strain of the increased work load. This led to miscommunications and confusion about roles, scopes and who was paying for what. After the hurricane repair work had subsided, one large natural gas pipeline operator said, “We need a formal project management curriculum.”

At Systemation, we listen for the underlying message. What does an organization hope to achieve through training? The answer to that lets us know whether training is the right first step.

When the pipeline operator (The Company) explained the hurricane-related project challenges they had faced, we learned their teams were using a wide variety of tools and techniques to keep their projects on track. This begged a question. Was the real issue inadequate processes, a need for training, or both?

47 INTERVIEWS

To find out, we conducted an *Organizational Capability Assessment*. This involved interviewing 47 project managers in three geographic locations. Each PM completed an online *Project Management Knowledge Assessment*. We asked about their tools and

processes. We reviewed their documentation. And we listened to their observations, concerns, and challenges.

This data collection enabled us to determine The Company’s current level of project management maturity and develop tailored recommendations for improvement.

To The Company’s credit, project managers had created an enviable track record of on-time project completion. But they did this through heroic efforts and lots of overtime instead of efficient PM systems.

On the Project Management Maturity scale, The Company received a “1,” meaning project management was ad hoc with no formal or consistently applied processes. Some of the project managers had no formal training. Level 1 PM maturity restricts an



\$5 billion natural gas pipeline operator

Multiple profit centers handled various project components

Project management processes and tools varied by location

A workload spike highlighted flaws in PM approach

They searched for a program to boost project management proficiency

And found...

Systemation

organization’s capability for future growth.

BUDGET OVERRUNS, POOR COMMUNICATION

Our *Organizational Capability Assessment* revealed numerous needs-attention areas. For example...

1. The heroic overtime and other factors were leading to cost overruns.
2. Inadequate upfront planning had resulted in surprises, gaps, and scope changes.

3. Lack of standard tools created communication delays; team members couldn't easily access all the project information they needed.
4. Schedules without activity/task details made it hard to track a project between milestones and led to last-minute "firefighting" to meet deadlines.
5. The Company was initiating some projects without considering resource capacity; they were tackling too many projects at the same time without adequate resources.

Yes, The Company could benefit from training, but it also needed some new project management infrastructure.

FAST TRACK TO MATURITY

Over a 2.5 year period, through a combination of training, new tools, process improvement, and establishing a formal Project Office, The Company has now achieved Level 3 project management maturity. Level 3 organizations exhibit a consistent, repeatable approach to project management.

The Company rolled out *Project Management Guidelines* to be used on all projects. All project managers participated in a multi-day curriculum co-developed by Systemation and The Company's in-house staff. This covered fundamental and advanced project management skills and helped ensure everyone understood the new *Guidelines*. Many also received

specific instruction on using *MS Project*.

Additionally, The Company encouraged its project managers to earn their Project Management Professional (PMP) certifications by providing financial support. The Company paid for PMP preparatory courses and the cost of the exam, as well as a \$1,000 bonus to each project manager who earned the certification. As a result, 64 percent of their project managers now have the PMP designation (as compared to 9 percent previously).

The climb to Level 3 occurred during a period when over 800 projects were underway, reorganizations were taking place, and The Company was adjusting to a new set of common processes.

THE DIFFERENCE

The head of The Company's Project Office—we'll call him "Mark"—talks about what's changed...

"Previously, many project management records resided only in the project manager's laptop. There was no master copy anywhere. No centralized server. If something happened to the project manager or laptop, we had to reconstruct information.

"People were using different methods to report on project status. The status reports were coming at varying frequencies. When you have 500, 600, or 800 projects, this makes it difficult to understand where the company is in its overall project

workload.

"As an outgrowth of our work with Systemation, we now have online storage of all documentation in a centralized location. We have an electronic folder for each project, and inside each folder, we have a defined list of required project management documents.

"Prior to our work with Systemation, each engineering office was operating as a separate entity, each executing a part of a project budget. This made it hard to track overall project costs and how we were doing against budget and savings targets. Today, we report collectively and each office has access to the whole financial picture.

"After training our project managers, we decided to expand our training to include anyone who works on a project team. We needed a 'hybrid' class—something that provided a solid PM overview while also delving into the specifics of our company's new processes.

"I was impressed by how quickly we got to a two-part class that met our needs. Systemation listens well and is flexible. We worked together and wove Systemation's proprietary material and our own into a high-impact curriculum that we are rolling out to over 300 people.

"We team-teach the class. Systemation walks through the industry knowledge and big picture, while we cover the specifics of how to do things at our company. It's a great partnership."

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