

## OPM3<sup>®</sup> - An Overview

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### Abstract

**OPM3** or **Organizational Project Management Maturity Model** is a standard introduced by the Project Management Institute, USA .in Dec 2003.

OPM3 will help organizations in reexamining their pursuit of strategic objectives via Best Practices in organizational project management. It has documented substantial number of generally accepted and proven practices in project management and provides means to assess an organization's capability with respect to best practices. An assessment with this model can be used in making decisions with regard to planning and implementing improvements towards organizational maturity.

The concept of **Organizational Project Management** (on which the OPM3 model is based) is itself new and this paper will serve as an introduction to the subject. This paper will also explain on how to use the model and benefits that organizations can derive by using it.

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### Disclaimer

This paper is not being presented on behalf of the Project Management Institute. While it explains the key terminology or concepts of the OPM3 Model the views on its application and interpretation of the model is that of the author.

## Why OPM3?

OPM3 was developed as a result of a need to have a standard that embraces project management to meet objectives of an organization as compared to a single project. Volunteers in the OPM3 Standard program of PMI also base it on extensive market research and surveys.

Some salient points of the research were:

- ❑ A number of existing models in project management maturity were studied.
- ❑ The study indicated gaps in the existing models in terms of structure and content
- ❑ This was true particularly with regard to the treatment of organizational maturity as an incremental process in terms of best practices and Capabilities.

## Key Benefits from OPM3

- ❑ Provides a basis for improving maturity of project management so that projects implemented could lead to successful organizational objectives.
- ❑ A new approach towards project management maturity wherein projects are considered not only at project level but also at program and portfolio level.
- ❑ A structure where organization could choose certain Best Practices and related capabilities - make an assessment and decide to implement whichever is suited to them in terms of resources, priority and time available.

## Strategy and Projects – the missing link

The formulation of strategy and related exercises for planning is well documented and researched. There is also considerable literature and attention in the practice of using strategic management for competitive advantage. But are we successful in implementing strategic plans?

One of key issues has been the disconnect between the results achieved at the operating level to those at the strategic or organizational level. This may be surprising to many as often the question asked is as why anybody would implement projects which are not meeting

organizational objectives. While it seems improbable that this should happen in practice it has shown that it is true in many cases.

Many reasons can be cited for this disconnect

- ❑ Differences in objectives at the project level compared to that of the organization.
- ❑ The dynamic nature of marketplace and environment and the fact that organizations have to constantly adapt to changing situations.
- ❑ Differences in sharing of knowledge and understanding between operating and organizational levels

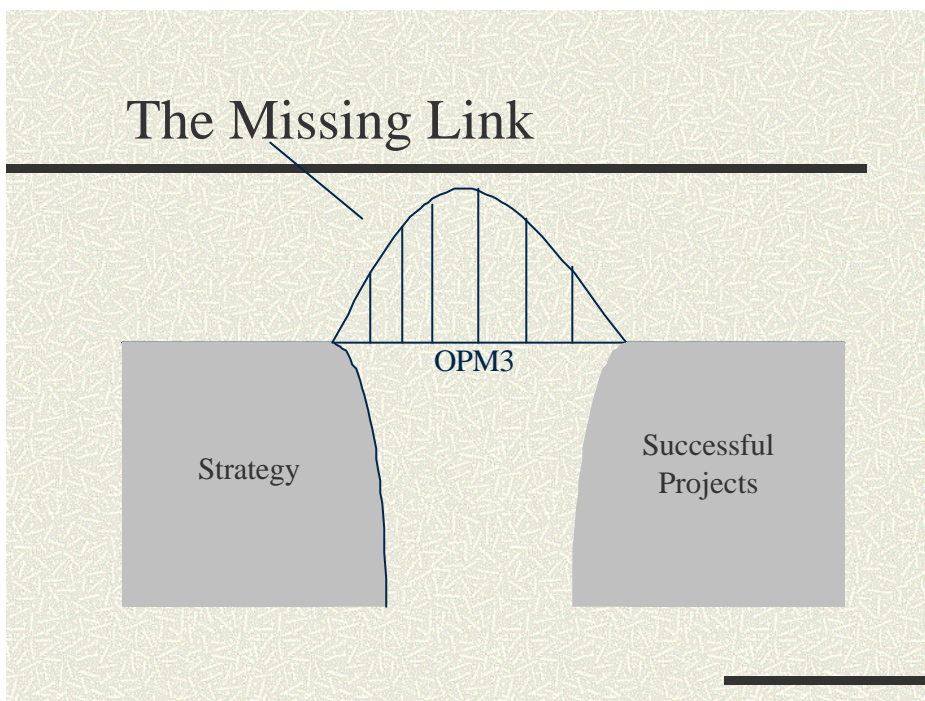


Figure 1

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## Organizational Project Management

The OPM3 Knowledge Foundation defines Organizational Project Management as the 'systematic management of projects, programs and portfolios in alignment with the achievement of strategic goals'. The concept of Organizational Project Management is new and is hardly found in literature and as a practice has just started to find acceptance. The essence of this concept is that the projects, programs and portfolios OPM3™ and PMBOK® and PMI are marks of Project Management Institute, USA

are related and their interrelationships need to be considered in a holistic way in order to successfully meet organizational objectives. This applies to all organizations big, small and in any industry or sector

An organization can consist of projects or programs or a combination of both. They are linked to strategy through portfolio management.

### Structure of OPM3

The model consists of three elements  
**Knowledge - Assessment - Improvement**

The OPM3 Knowledge Foundation is the first part and is a prerequisite for the other two elements. The Assessment needs to be done with the help of the tool that accompanies the Knowledge Foundation.

The Knowledge Foundation contains the complete list of Best Practices. It also has the list of questions for Self Assessment. The Capabilities Directory and the Improvement Directory are present in the tool that also helps to navigate through the model.

Figure 2

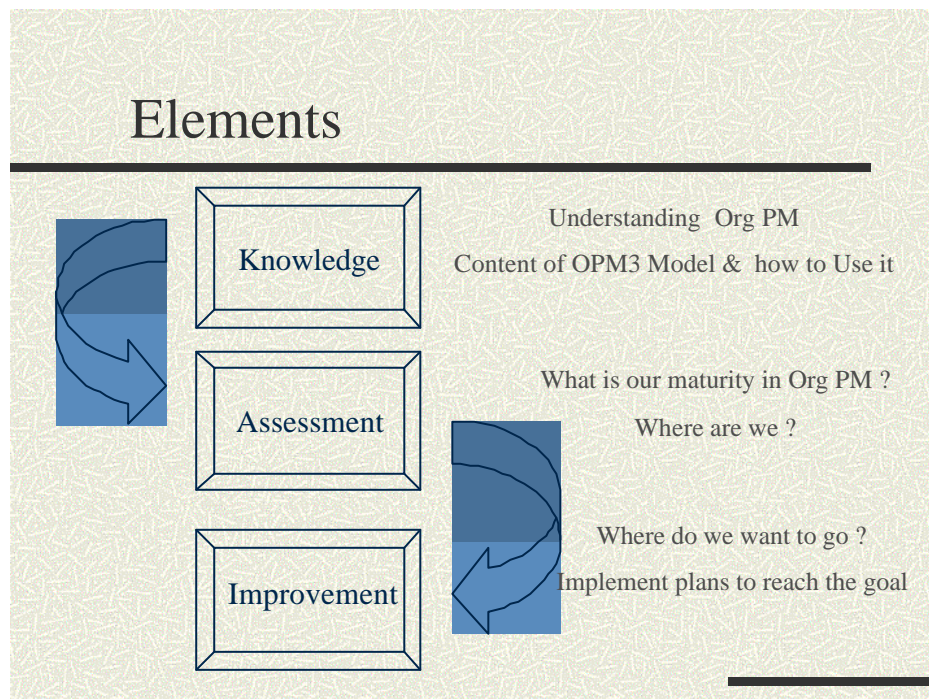


Figure 3

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It has to be clearly understood that for effective use of OPM3 one needs to develop primarily sufficient knowledge in the area of organizational project management and the tool is only an aid in this process. Often there may be tendency to start the whole process with the tool as the first step that should be avoided.

## Best Practices and Capabilities

The OPM3 Knowledge Foundation has the following definitions

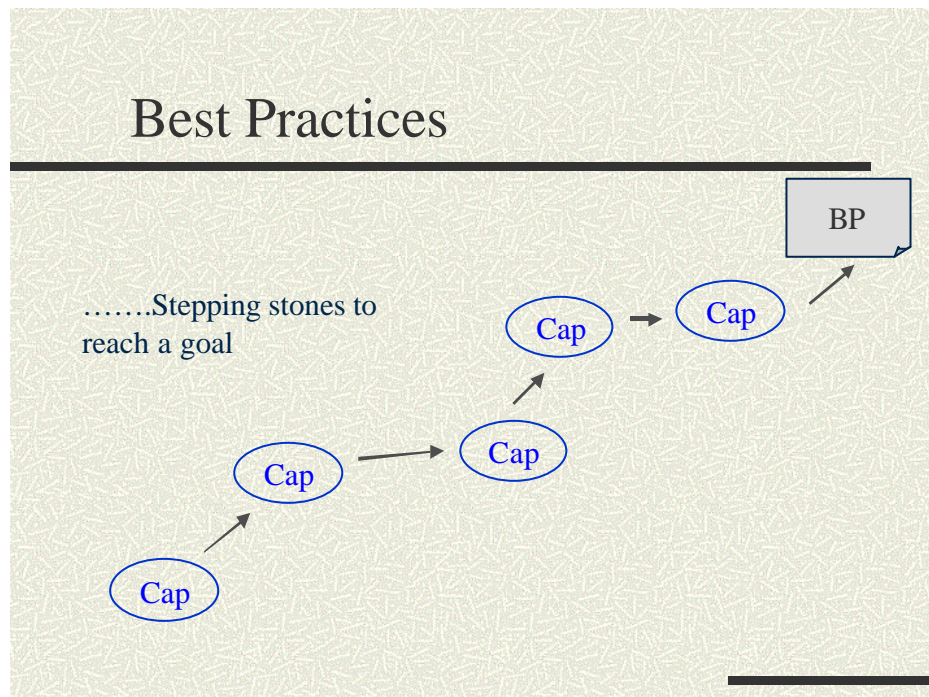
*Best Practice*: Optimal way currently recognized by industry to achieve a stated goal or objective.

*Capability*: Specific competency that must exist in an organization in order for it to execute project management processes and deliver project management service and products

More than 600 Best Practices have been documented in the model. These are related to Organizational project management i.e. in the domains of *Project, Program and Portfolio management* or PPP

The model also takes into account a stepwise progression of capabilities in terms of stages of *Standardization, Measurement, Control and Improvement* or SMCI.

The model has been developed in line with the PMBOK® Guide that is a well-accepted standard in project management. Therefore it aligns with the process groups *Initiating, Planning, Executing, Controlling and Closing* or IPECC as defined in it



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Figure 4  
Incremental Capabilities aggregate to Best Practices

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## Outcomes, KPI and Metrics

How do we know if we have a capability? Verifying if outcomes are present and this measured in terms of a metric does this. Therefore

*The existence of a Capability (and ultimately its value) is demonstrated by the existence of corresponding Outcomes).*

- ❑ Capabilities produce Outcomes
- ❑ Key Performance Indicators (KPIs) measure Outcomes using Metrics

## \*\* Examples of Best Practice and Capabilities

*BP 1410 Manage Project Resource Pool - Description - The organization has the mechanisms, systems, and processes that provide projects with professional project managers and competent, committed project team members.*

*Cap ID 1410.010 Know the importance of competence resource pool*

This capability is part of *Project Domain*, required at the stage of *Standardization* and part of *Planning Process Group*. It has

Outcome - Organizational Process Analysis  
KPI - Results of the Current state Process analysis  
Metrics Name - Exists

*Cap ID 1410.020 Identify Process requirements for Resource Pool*

This capability is also part of *Project Domain*, required at the stage of *Standardization* and part of *Other Process Group*. It has

Outcome - Process Requirements for Managing resource Pool  
KPI - Requirements for the process  
Metrics Name - Exists

Other Capabilities could be a part of any of PPP domains, in any stage of SMCI and part of any of the IPECC process groups.

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## Dependencies

Dependencies exist between Best Practices or between Capabilities within a best Practice. i.e. we can have intra and inter dependencies.

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There is also a sequential dependency relationship when we consider the stages of SMCI, the domains of PPP and the IPECC process groups. These dependencies have been considered in OPM3

## Using the Model

The OPM3 cycle follows the well-known PDCA sequence of improvements. The first step is essentially a preparatory step and involves learning the concept of organizational project management and understanding the contents of OPM3 and how to use it. This step can be accomplished by attending seminars, courses and workshops and by networking with volunteers who have helped develop the model for PMI.

Step 2 consists of two parts - the first is Self Assessment that consists of number of questions. Based on this one can arrive at a high level understanding of where an organization stands in terms of maturity level (expressed as a percentage of continuum) and in terms of domain / stage of improvement.

The second part is a Comprehensive assessment that involves studying the chosen Best Practices and capabilities in detail to assess if indeed they do exist.

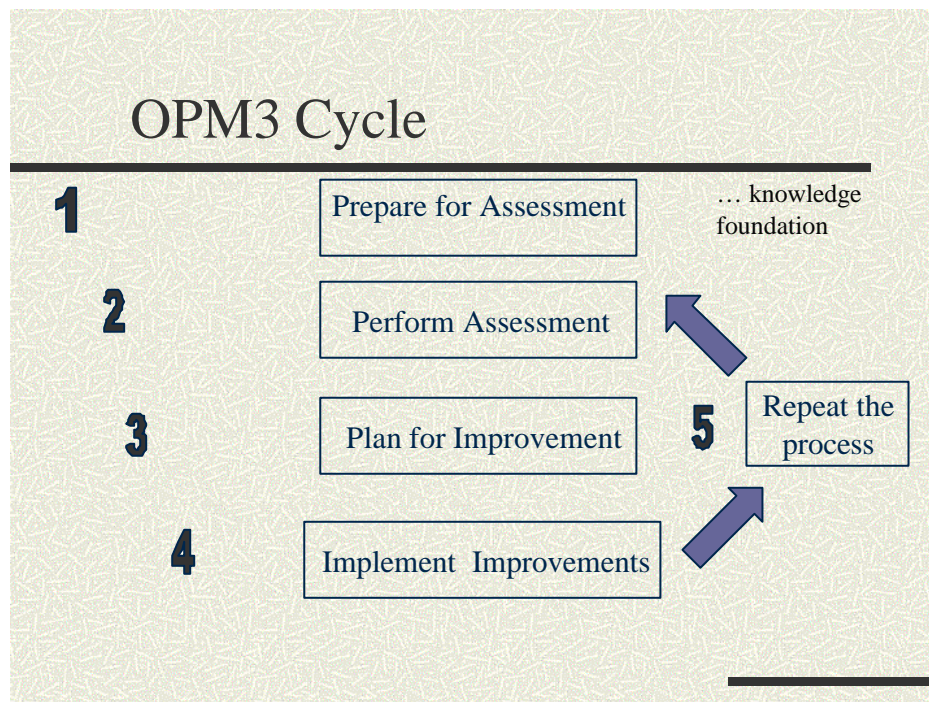


Figure 5

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In Step Three involves planning for improvement - which is the stage when we look at prioritizing the Best Practices and Capabilities that an organization will have an interest in developing. This will be dependent on resources, time available and strategic plans. OPM3 guides a user in prioritization by providing logical and sequential steps towards the set of Best Practices.

The final step is that of implementation. OPM3 does not provide information for this step and this needs to be implemented as a project for organizational improvement.

As a result of implementation an organization will need to review if stated goals for improvement have in fact been achieved. Therefore after implementation the entire cycle from assessment to implementation is repeated to fill in the voids and gaps not achieved in earlier iterations .

## Post Script

### OPM3

- ❑ Applies to any organization - small or big, profit or not for profit in any industry or part of the world.
- ❑ Does not help in implementing the improvement solutions. This is outside its scope
- ❑ The current edition is the first public iteration
- ❑ Further editions will depend on feedback after use by Organizations that will take care of adjustments and refinements.

## References

1. Organizational Project Management Maturity Model - Knowledge Foundation. Project Management Institute, Inc Newtown Square, Pennsylvania USA
2. Project Management Institute's Organizational Project Management Maturity Model - PMI Global Congress Europe 2003



## About the Author

### Raju Rao, PMP



Is Founder - Director of Xtraplus Solutions, a firm engaged in training and consulting in Project Management. He holds a Bachelor's degree in Chemical Engineering and a Postgraduate diploma in Management.

He has over 25 years experience in planning and managing projects in chemical, process, mechanical, plastic and software industry.

He was a team leader - recognized as **significant contributor** in the OPM3 program and a team member for PMBOK 2004 update project and EVM - all projects sponsored by PMI. ***Xtraplus Solutions** was one of the organizations that supported the development of OPM3.*

Raju Rao is a certified PMP, member of the Project Management Institute member of PMO, E Business SIGs and Vice President Publicity and Special Projects, PMI, Chennai Chapter.

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