

Improvement of project quality through Project Excellence Preparation (PEP)

What is Project Excellence Preparation?

Definition: Project Excellence Preparation (PEP) is a method to analyse projects step by step in order to enable and direct improvement activities to most critical areas.

Project Excellence Preparation (PEP) is a practical Nordic application of the IPMA global standard the Project Excellence Baseline (PEB) and the associated Project Excellence model (PEM) developed by IPMA Sweden / Svenskt Projektforum.

Through a PEP analysis it is possible to evaluate the level of excellence of a project, and through applying the method several times during the project lifecycle it facilitates continuous improvement activities. The evaluation covers 20 different perspectives on the project enabling to pinpoint, which are the most critical areas from risk management perspective that require management attention.

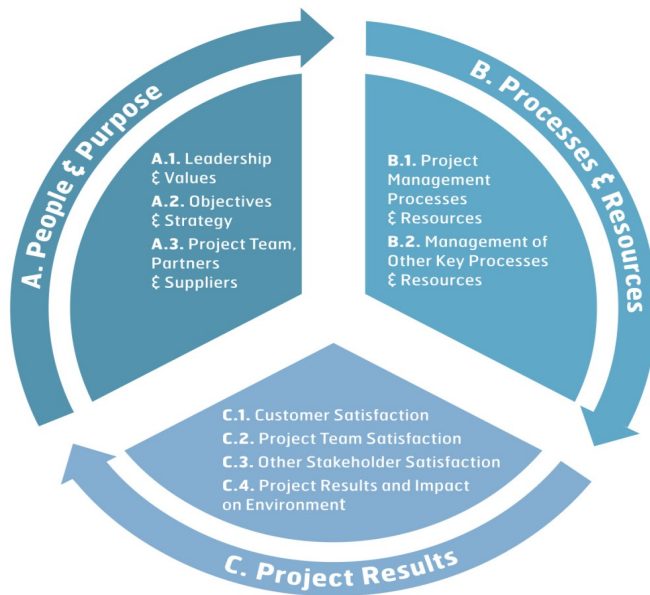
Introduction of a new service
for "Delivery Assurance"
of projects & programmes

*"Svenskt Projektforum" (IPMA Sweden) has developed a **new service** based on the IPMA Project Excellence Baseline (PEB) in order to **facilitate regular and systematic improvement activities for organisations to achieve better projects step by step** focusing on most critical areas first.*

The PE model is built on 15 years IPMA experience of assessing projects for the IPMA Project Excellence Award (post project evaluation), and the PEP application on experience gathered in Sweden since early 2016 on how to start evaluating projects in smaller step where is an advantage to make the first step either just before project start or at the very beginning enabling as much positive and constructive influence on the project end result as possible. What makes the model particularly useful is not only it's proven ability to spot and evaluate critical success factors, but that it is holistic and applicable to any type of projects regardless of industry. This enables comparison and benchmarking also across industries, and the possibility to transfer best practice from other industries for challenges that my own industry may have difficulties to cope with. A full analysis requires 200-300 questions covering 20 different assessment perspectives divided into 3 main areas including A) People & Purpose, B) Processes & Resources and C) Project Results as well as 9 sub-areas (A1-C4).

The Project Excellence model evaluates project quality from 20 different perspectives and offers, when used for an o-going project, a very good indication for have well the project will succeed. The picture below summarises the main areas for assessment, and a logical follow-up question is then which areas are most crucial for success, and where do we need to improve ourselves? A priori there is no simply answer but it depends from project to project, and therefore PEP is designed to quickly identify the areas of most risk and uncertainty upfront enabling limited time and resources to be allocated as

early as possible during the life cycle, do the less urgent later, and if time allows even addressing the nice to have improvements at the end or at least having them on the map already for future projects.



A summary of all aspects to be assessed is given below:

A. People & Purpose

A.1. Leadership and values,

- A.1a. Role models for excellence
- A.1b. Care for project stakeholders
- A.1c. Orientation towards project objectives and adaptability to change

A.2. Objectives and strategy

- A.2a. Managing stakeholders' needs, expectations and requirements
- A.2b. Development and realisation of project objectives
- A.2c. Development and realisation of project strategy

A.3. Project team, partners and suppliers

- A.3a. Identification and development of competences
- A.3b. Recognition of achievements and empowerment
- A.3c. Collaboration and communication

B. Processes & Resources

B1. Project management processes and resources

B2. Management of other key processes and resources

C. Project Results

C1. Customer satisfaction

- C.1.a. Customer perception
- C.1.b. Indicators of customer satisfaction

C2. Project team satisfaction

- C.2.a. Perception of the project team
- C.2.b. Indicators of project team satisfaction

C3. Other stakeholder satisfaction

- C.3.a. Perception of the other stakeholders
- C.3.b. Indicators of other stakeholders' satisfaction

C4. Project results and impact on environment

- C.4.a. Realisation of results as defined in project objectives
- C.4.b. Realisation of results beyond project objectives, including impact on environment
- C.4.c. Project performance

The purpose of PEP is to provide an efficient and effective tool enabling gradual improvement activities during the entire life cycle with limited resources. At the start only the 5 most important evaluation areas (out of 20) are analysed by asking only the 3 most important questions within each area (Step 1), which gives a good picture of the most critical areas for improvement, and the possibility to address them at an early stage. When the project has progressed a bit further it is advisable to go further deepening into another 5 perspectives with secondary priority (Step 2) before its time to cover the entire scope by adding the 10 remaining perspectives (Step 3).

Benefit for different stakeholders

Naturally there are many stakeholders to projects ranging from those actively involved such as companies, organisations, contractors and suppliers etc., but also a whole range of other stakeholders directly or indirectly affected by a project. PEP is mainly targeting people who want to use projects as an opportunity to learn and develop project management competences (at individual, project and organisational level) including project managers and team members, PMO staff, line managers and assessors.

Benefits for corporates and organisations:

- A method for systematic self-analysis/assessment of own projects step by step
- Always focus on the greatest possible benefit at short-term with limited resources aiming to spot and address areas with the greatest improvement potential constituting also main project risks
- A method for systematic and stepwise assessment several times during the project life cycle with the assistance of external assessors
- Makes visible strengths to build on and areas to improve
- Makes "blind spots" visible
- Creates self-awareness about the project among various stakeholders

- Delivers an "independent" report on the status of the project and proposals for improvement
- Benchmarking and comparison with "best in class"

Benefits for different stakeholders

Stakeholder	Purpose	Products
IPMA	Spread of IPMA standards supporting MA business development & peer-to-peer co-operation	PEB, OCB and ICB4
MAs	New business	Applications based on IPMA standards e.g. education, tools & templates, assessment
Companies	more efficient projects	Self-assessment / assessment services & education (MA)
Consultants	new business	preparation and consulting services
Assessors	experience & professional development	Assessments through MA assessor pool

How is a simplified PEP assessment conducted?

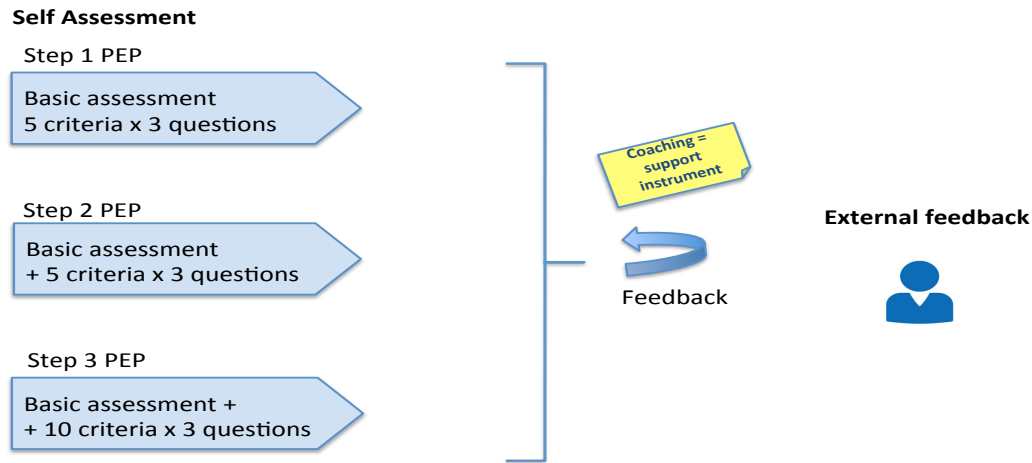
The idea behind a simplified PEP assessment is to facilitate for any project getting started with a minimum of time and effort (only 15 questions) to experience immediate benefits, and then to be encouraged to take further steps in a gradual learning process. By focusing only on the 5 most important areas (out of 20) and the 3 most important questions in each area (Step 1) it is possible to quickly identify any critical areas for improvement. Each assessment starts with a self-assessment answering several questions that preferably is done with several iterations between a project manager and a coach, eventually followed by an external assessment to determine how well the project score.

A simplified PEP assessment is scored according to a traffic light approach where a "red" score is a signal of risk meaning that not sufficient evidence have been provided that the areas for improvements have been detected and are being dealt with. A "yellow" score = OK provided actions for improvement or good but with potential improvements to note. A "green" score means that the project is already regarded as excellent according to the very high standards for international project excellence supported by evidence.

Each assessment always starts by a self-assessment done by the project manager (possibly involving also other project team members) answering a number of questions followed by an external assessment of an assessor. In practice there might be several rounds of interactions (email exchange/Skype/phone etc.) between the project manager and the assessor/coach for each step (1-3) in an interactive process for the project manager to gradually understand the model, and what is required in terms of providing written statements supported by document references in order to move up on the scoring ladder. If risk areas are found (red scoring), it is advisable for the project to immediately address these areas by undertaking improvement activities before going further. If everything is ok or good (yellow scoring) or even excellent (green) the improvements may be less urgent, and it might be advisable as a next step to cover also the areas with 2:nd priority (Step 2) for another quick screening of potential risks. Finally, to make sure that the project is on top of all 20 perspectives regarded as crucial

success factors for project excellence the remaining 10 areas with priority 3 will be examined in a similar process with an additional 30 questions.

Project Excellence Preparation (PEP) Step 1-3



Depending on where the project is in the life cycle there might not yet be sufficient evidence to score well on a Step 2 or Step 3 assessment, as it requires a lot of proof of stakeholder satisfaction and project results that simply is not yet there. However, the Step 1 assessment could preferably be done at the start of the project or even before to ensure that the project starts of on a good track towards project excellence, and then followed by subsequent steps later on. Even if step 1 only has a limited scope it can already give a very good indication about the project and it's potential with only limited resources.

What is the priority order for the 20 perspectives?

The table below shows in what priority order (1-3) the 20 different perspectives are covered, which coincides with what is top priority early in the project (Step 1), what will gradually become the next areas to focus on as the project proceeds (Step 2), and then everything else that needs to be covered (Step 3) to demonstrate project excellence for a project that is already advanced or finished. Following the logic of the model where area A) People and Purpose is the foundation for project excellence and the most important area, 3/5 priority 1 perspectives are focusing on these aspects to ensure that the project is endowed with a leadership competent and able to act as role models for excellence. In addition, 1 B area (Processes and Resources) perspectives, and 1 C area (Project results and stakeholder satisfaction) perspective is also among the top 5 perspectives that need to be addressed first. This allows also for project management processes and resources (B1) to be analysed early on as an area that reinforces excellence, as well as customer satisfaction (C1) to show evidence of how the most important stakeholder (the customer) perceives the project management and the project results.

The example below shows the result of a Step 1 assessment. One area, **A1 a** (to what extent leaders of the project are "**Role models**" for excellence), is scored red meaning that evidence is missing to sufficiently answer the three questions asked (see below).

Perspective & priority		Criteria	Step 1	Step 2	Step 3
1	Prio I	A1 a	AFI		
2	Prio I	A1 b	AFI		
3	Prio II	A1 c		?	
4	Prio I	A2 a	S		
5	Prio II	A2 b		?	
6	Prio II	A2 c		?	
7	Prio II	A3 a		?	
8	Prio III	A3 b			?
9	Prio III	A3 c			?
10	Prio I	B1	S		
11	Prio III	B2			?
12	Prio I	C1 a	AFI		
13	Prio III	C1 b			?
14	Prio III	C2 a			?
15	Prio III	C2 b			?
16	Prio III	C3 a			?
17	Prio III	C3 b			?
18	Prio II	C4 a		?	
19	Prio III	C4 b			?
20	Prio III	C4 c			?

Definitions

AFI	Major area for improvement (AFI)/evidence lacking or incomplete/potential risk (many normal projects score red because the feedback loop (Check & Act) of the Plan-Do-Check-Act chain is insufficient or incomplete
AFI	Area for Improvement (AFI) evidencing that the area might be ok with some corrective actions (the majority of normal projects belong to this category)
S	Evidence that the area is good (S=Strength) and has reached the IPMA-level of project excellence 50 % even if there are still remarks to deal with (only a minority of normal projects reach this level consistently in most areas)
S	Major strength with clear proof for project excellence (only a few world-class projects reach this level systematically)

This is not necessarily to say that the project manager is not a role model for excellence, because it is about the collective leadership where the project manager is an important person, but the answer / assessment is covering also all other concerned leaders who could e.g. be sub-project managers or other persons in the core team including relevant line managers, steering group members and project sponsor. However, for the moment this is marked as a major "Area for Improvement" (AFI). At the same time the project very well documented proof in answering the three questions for **A2 a Managing stakeholders' needs, expectations and requirements** deserving a green score

indicating a major strength. Remaining three priority 1 perspectives are all yellow including:

- **A.1b. Care for project stakeholders**
- **B.1. Project Management Processes & Resources**
- **C.1a. Customer perception**

A yellow score could have different interpretations. In two cases (A1b and C1a) yellow is combined with the comment AFI (area for improvement) meaning that it is still ok provided some corrective actions. In one case (B1) project management processes has been assessed as a yellow strength (S), which means that the area is good even if there are some improvement suggestions to note. Here it should be noted that most normal projects initially is not reaching beyond the lower yellow level (yellow + AFI), and that only a majority of projects reach the IPMA level for project excellence starting with a high yellow score (yellow + S).

Example of first 3 questions of a PEP Step 1 assessment

A.1a. Role models for excellence = Prio I (perspective 1)

Leaders communicate and live up to their values (i.e. they walk the talk), follow ethical standards and act as role models. They ensure that structures and norms are in place that enable project team members to work effectively and efficiently.

Leaders build and strengthen a culture of excellence and continuous improvement both within and beyond the project. They observe and carry out the project excellence concept in a credible way and stimulate others to do the same.

Please answer the 3 questions below to what extent leaders in your project are:

1. Role models for integrity, social responsibility, ethical behaviour (e.g. as defined in the UN Global Compact's ten principles in the areas of human rights, labour, the environment and anti-corruption) and the project excellence philosophy, both within the project and its environment (e.g. towards the line organisation, clients, partners, suppliers etc.), and ensure the project team members adopt and live up to these values?
2. Actively seeking feedback from different stakeholders to improve their leadership approach?
3. Inspiring project team members to strive for excellence in their behaviour and working methods, keeping in mind the objectives of the project?

Are there more levels for PEP assessment?

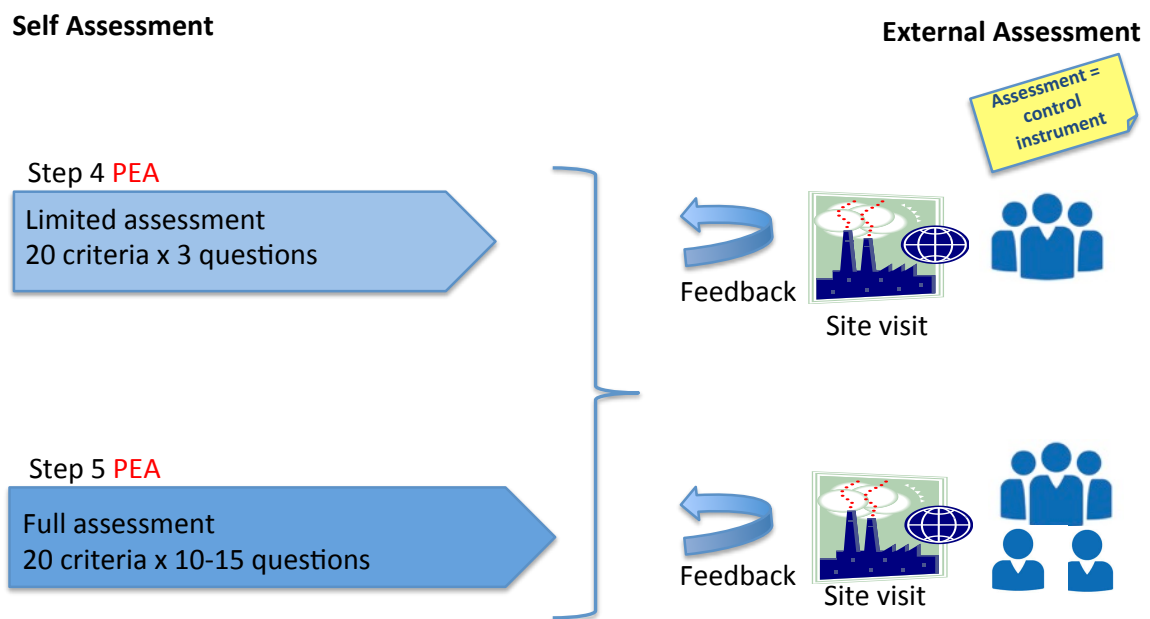
In addition to a simplified assessment (done by 1 external assessor based on a written self-assessment and documented references) there is also a possibility to get a more in-depth analysis with a similar method applied by a team of assessors. Because the focus here is different it's no longer called Project Excellence Preparation (PEP) but **Project Excellence Assessment (PEA)**. The main purpose of PEP is to offer project managers a supporting coaching tool that may be extended to include also other leaders in the project as well as the project team. On the contrary the purpose of PEA is to be a control instrument with a possibility to obtain a more nuanced picture of the maturity of the

project based on actual verification of proof during a site visit. The assessors will interview different stakeholders, verify project documentation and examine the physical project results to be able to make a firm and fact based assessment of the actual situation. The previous simplified traffic light scoring (used for Step 1-3) is replaced by a percentage scoring ranging from 0-100% where the 50%-level already is a proof for international project excellence according to IPMA benchmark.

Limited Project Excellence Assessment (Step 4):

Step 4 is an assessment with limited scope including the same 60 questions covered during a simplified assessment (Step1-3) but with the difference of a site visit by 3 assessors instead of only a virtual assessment by 1 assessor. Normally, every project should start with step 1-3, and continue with step 4 as a logical next step when the model is fully understood, 60 questions are already properly answered and evidenced by document references (as an essential basis / input to assessors preparing the site visit). This method also enables the project to already undertake a number of improvement activities that could be verified in a more in-depth analysis. A limited PE assessment (Step 4) includes a 1-day site visit by a team of 3 assessors (out of which at least two including the team lead assessor are external. The scope in step 4 is always the same (60 questions) regardless of size and complexity of the project.

Project Excellence Assessment (PEA) Step 4-5



Full Project Excellence Assessment (Step 5):

The purpose of a full PE assessment (Step 5) is to objectively and independently verify a project with the same rigorous method used for the Nordic / IPMA Project Excellence Award. Regardless if a project has the ambition on ability to compete for an award this type of assessment gives a very detailed mapping of all relevant aspects for project

excellence by going into the depth of each perspective answering 200-300 questions covering all 20 areas of the project excellence model. Even if previous steps also give benchmarking possibilities it is only at this level that an assessment can be fully comparable with the international benchmarks established by “Aw 5ard Winners”. The assessment scope is depending on size and complexity of the project (see table below).

Scope of a full PEP assessment (Step 5)

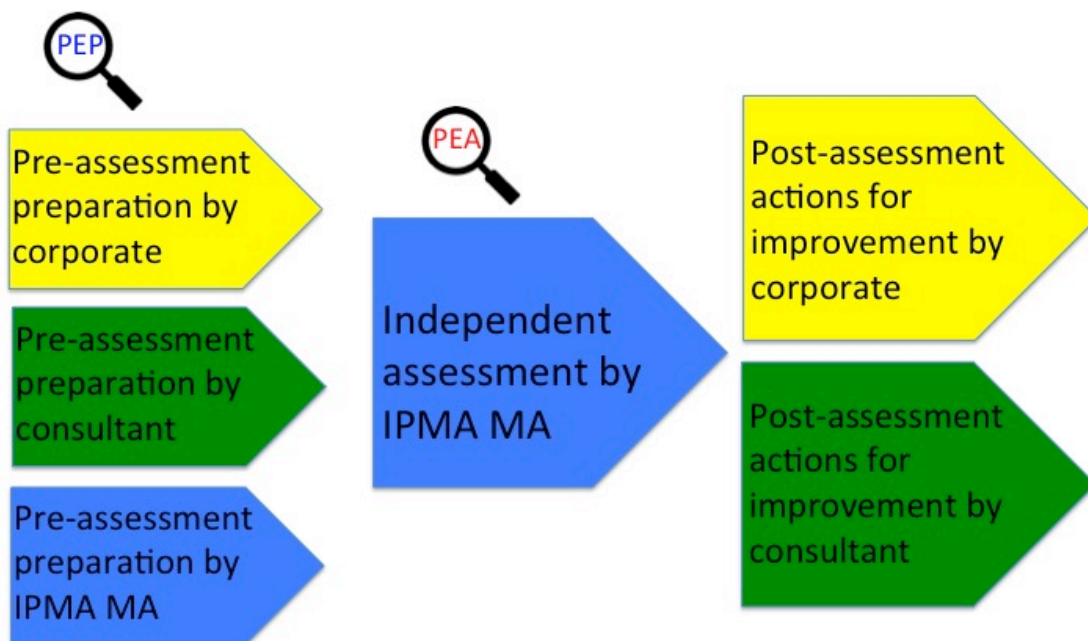
Category:	Project size EUR	No. Employees	Assessors	Site visit
Mega	100 million	over 1500	5	3 days
Big	5 million -	500-1500	4	2 days
Normal	below	-500	3	1.5 days

Depending on what category the project belongs to the site visit may range between 1.5 days with 3 assessors up to 3 days with 5 assessors. A full PEP assessment is conducted either after a completed step / part project / major milestone (where it is still possible to obtain activities to improve the final project outcome) or after a completed project to carry out a proper lessons learned analysis for the benefit of next / future projects.

What are the next development steps for these services?

Currently work is under way in Sweden to establish a business model around PEP/PEA involving various stakeholders with different roles according to the picture below.

Business Model: combining different stakeholders

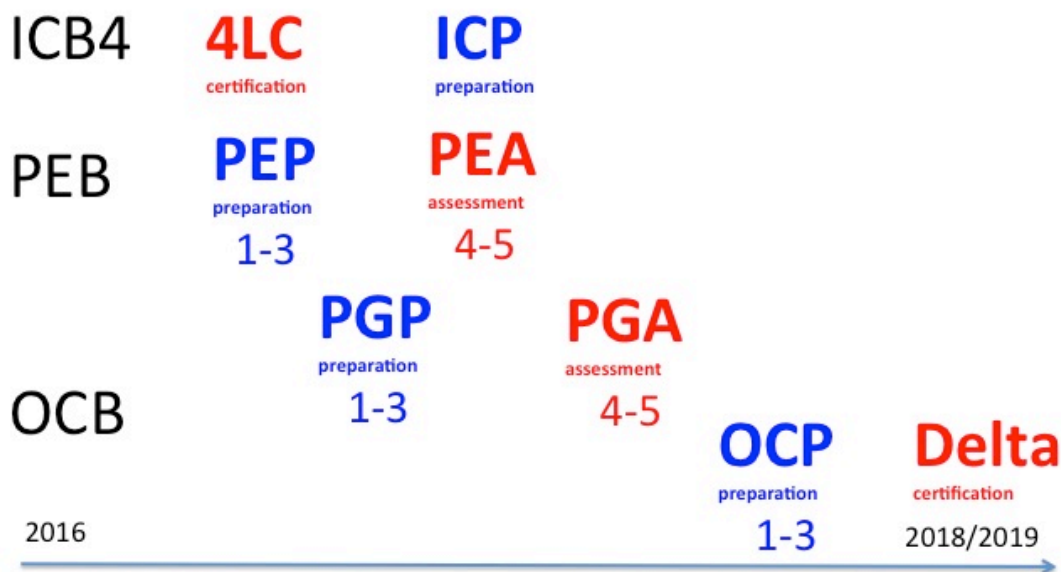


PEP is conceived as an internal tool for organisations having their own projects and where preferably a project management office (PMO) is offered the possibility to discover aspects of project excellence normally not considered, but being part of the IPMA's holistic approach. This application of PEP is shown with a yellow arrow where the project is preparing an independent external assessment by an IPMA member association (MA) such as e.g. Svenskt Projektforum (SPF) in Sweden. After such an external assessment (PEA step 4 or 5) the organisation and project will have the task to follow up on feedback taking corrective actions (2nd yellow arrow). In parallel to this approach there is also an opportunity for an SPF accredited consultant to offer both preparation and follow-up services on a commercial basis (blue arrows in the picture). SPF (an IPMA MA) owns the license to IPMA standards as well as PEP tools and templates, which right can be extended to other parties according to agreed conditions. The main role of SPF (IPMA MA) is to guarantee independent assessment services (PEA step 4 and 5), and is also the only party authorised to do that. In addition, SPF also has the possibility to offer the preparation service PEP with clear rules on the difference between coaching/ preparation and external assessment. In order for an assessment to be independent it is important that the same person who was the coach for preparation does not do it.

The following roadmap gives an idea about intended future service development where PEP focusing on projects is only the first phase to be followed by a next phase complementing PEP with additional services for Project Governance Preparation (PGP) where the project steering group perspective for a specific project can be analysed and further developed in a step by step coaching process. For definitions and abbreviations please see appendix.

Roadmap for practical applications based on IPMA standards (baselines)

IPMA standards:



Definitions: IPMA baselines

ICB4 = Individual Competence Baseline version 4.0

4LC = IPMA four level certification for individuals

ICR4 = International Certification Regulations for 4LC

PEB = Project Excellence Baseline is an IPMA standard for project excellence

PEM = Project Excellence Model is a holistic model covering 20 perspectives of project excellence arranged into three main areas including A) People & Purpose, B) Processes & Resources and C) Project Results and Stakeholder Satisfaction

OCB = Organisational Competence Baseline is an IPMA standard to define organisational competence in managing projects, programmes and portfolios (PP&P)

IPMA Delta = service for assessing organisational competence in managing PP&P

PP&P = Projects, Programmes & Portfolios

Project, Programme & Portfolio = introduce **ISO definitions**

Definitions: SPF practical applications 1/2

CGP = Corporate Governance of Projects is a concept for an organisational development journey for all staff focusing on delivery assurance for all project activities. CGP is the necessary part of organisational governance dealing with portfolios, programmes and projects that gives an organisation the required internal controls, while externally, it reassures stakeholders that the money being spent is justified.

ICP = Individual Competence Preparation (based on ICB4) is a method to identify strengths and improvement areas for an individual project manager in order to prepare for certification and / or facilitate professional development

PEP = Project Excellence Preparation (based on PEB) is a method to analyse projects and programmes step by step in order to enable and direct improvement activities to most critical areas. PEP is conducted in three steps starting with 15 questions on the 5 most critical areas (Step 1), continuing with an additional 15 questions on 5 2nd priority areas (Step 2), and finishing with 30 questions on remaining 10 areas.

PEA = **Project Excellence Assessment** (based on PEB) is a method for independent assessment of projects and programmes according to the IPMA project excellence model. PEA could either be done with limited scope i.e. 60 questions (Step 4) or full scope i.e. 200-300 questions (Step 5)

Definitions: SPF practical applications 2/2

PGP = Project Governance Preparation (based on OCB) is a method to analyse project and programme governance step by step in order to enable and direct improvement activities to most critical area. PGP is conducted in three steps starting with 18 questions on the 6 most critical areas (Step 1), continuing with an additional 18 questions on 6 2nd priority areas (Step 2), and finishing with 18 questions on remaining 6 areas.

PGA = **Project Governance Assessment** (based on OCB)) is a method for independent assessment of PP&P management and governance according to the IPMA organisational competence model. **PGA** could either be done with limited scope i.e. circa 50 questions (Step 4) or full scope circa 100 questions (Step 5)

OCP = Organisational Competence Preparation in governing & managing projects, programmes and portfolios (PP&P) is a gradual preparation for OCA by applying ICP, PEP and PGP for PP&P in the organisation

OCA = **Assessment of Organisational Competence** in delivering value for the organisation based on the governing & managing of PP&P. OCA is an external assessment based on OCB, PEB and ICB4, verifying evidence for ICP, PEP & PGP, as well as giving the possibility to extending scope by adding new questions during a site visit