TOP-DOWN PLANNING AND BOTTOM-UP EXECUTION: HARMONY OR DISCORD?

BENCHMARKS AND GUIDELINES TO IMPROVE YOUR EFFECTIVENESS
In recent years there has been a lot of focus on making the annual planning processes that organizations go through more strategic. There is an increased understanding that the portfolio of projects has to be managed against the organization’s goals and objectives—and that this may require perfectly good projects to be stopped or changed simply because they no longer align with what the organization needs to achieve.

At the same time, organizations are driving themselves to become more flexible and adaptable, and this is driving change into projects. Business environments are becoming more fluid, competition is increasing and technology is evolving more rapidly than ever before. Organizations have to be able to respond effectively and efficiently or lose out to their competitors. The growth of Agile approaches is part of the solution, but it’s not the only answer and project execution is having to adapt to this new normal.

In this survey we wanted to look at both of those factors. We wanted to consider whether or not the need for a more strategic approach and the need for more flexibility and adaptability are helping one another to create an environment where organizations can rapidly respond to opportunities and challenges, or whether there is a disconnect between the adaptable and flexible approach that is becoming more common at the front line of project execution—and the slower moving, more strategic management that is an inherent part of top-down planning and management.

Our survey participants were drawn from subscribers to the ProjectManagement.com newsletter as well as from visitors to ProjectManagement.com, which has nearly 600,000 members representing project professionals from all corners of the globe. These individuals understand and are interested in issues around project management and are at the heart of the advances in our profession. IT-focused project professionals represent the largest category of
people invited to take the sample, but there is representation from every corporate function and, as we will see in the survey results, many different industries.

This report looks at the results of each of the survey questions and offers an analysis of those results, often comparing data across related questions. We then go on to look at the survey as a whole and in particular at five different themes from the survey:

- The benefits of a more transparent, open and engaging planning process
- The importance of ensuring that there is a defined portfolio of projects for the organization
- The need for a shift from change management to continuous planning
- Leveraging Agile in new and creative ways
- The advantages of increasing PPM maturity, and how to get there

We end this report with some recommendations based on these themes that we believe provide readers with solid, practical advice that can be implemented in organizations today and will deliver improvements in the quality of project execution. The results of this survey have many encouraging findings for organizations, and readers will find plenty of areas where their current approaches are validated. However, there are also clearly a number of areas where project selection and execution can be improved and all readers will be able to find some areas where their organization can improve.
SURVEY RESULTS: GENERAL DATA

1. WHICH AGE RANGE ARE YOU IN?

As we might expect, the 45–54 range had the highest representation in our survey with 35.8% of respondents falling in this category. The 35–44 range came next with 30.8%, followed by 20.3% in the 55+ range. This relatively high percentage in the top age range may well reflect the fact that this survey was targeted, at least in part, at the annual planning exercise—which tends to involve more senior, and often older, staff members. Generally, we found that the survey was a fair representation of organizations with a slight bias toward more experienced people.

<table>
<thead>
<tr>
<th>Age Range</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>18–34</td>
<td>10.8%</td>
</tr>
<tr>
<td>35–44</td>
<td>30.8%</td>
</tr>
<tr>
<td>45–54</td>
<td>35.8%</td>
</tr>
<tr>
<td>55+</td>
<td>20.3%</td>
</tr>
</tbody>
</table>

2. WHAT IS YOUR GENDER?

A fairly high 66.3% of respondents were male, with 32.0% female and 1.7% preferring not to disclose. Females accounted for the largest percentage of the population (38.2%) in the 45–54 age range, but we then saw a dramatic drop off to just 27.1% in the 55+ range. Perhaps surprisingly, we also saw a very small representation of women in the 18–34 range (27.0%).

![Gender Pie Chart]

- Male: 66.3%
- Female: 32.0%
- Prefer not to say: 1.7%
3. WHERE ARE YOU LOCATED?

The United States represented the greatest number of respondents with 46.8%. The next highest country representations were Australia, India, United Kingdom, South Africa, Canada and New Zealand. However, the survey had respondents from all corners of the globe with all continents represented and countries as diverse as Bhutan, the Cayman Islands, Somalia and Kazakhstan. In total, an impressive 59 countries were represented in the survey.

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>USA</td>
<td>46.8%</td>
</tr>
<tr>
<td>Australia</td>
<td>7.6%</td>
</tr>
<tr>
<td>India</td>
<td>5.2%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>5.2%</td>
</tr>
<tr>
<td>South Africa</td>
<td>4.6%</td>
</tr>
<tr>
<td>Canada</td>
<td>4.1%</td>
</tr>
<tr>
<td>New Zealand</td>
<td>2.0%</td>
</tr>
<tr>
<td>Others</td>
<td>24.4%</td>
</tr>
</tbody>
</table>

4. WHICH OF THE FOLLOWING BEST DESCRIBES YOUR ROLE?

Project managers represented the largest number of respondents to the survey with 32.2%. This was followed by Program Managers at 15.4% and Senior Managers at 14.8%. There was also good representation from PMO and portfolio management staff as well as executives and individual contributors. A small number of change managers also responded.

<table>
<thead>
<tr>
<th>Role</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Manager</td>
<td>32.2%</td>
</tr>
<tr>
<td>Program Manager</td>
<td>15.4%</td>
</tr>
<tr>
<td>Senior Manager</td>
<td>14.8%</td>
</tr>
<tr>
<td>Professional</td>
<td>11.6%</td>
</tr>
<tr>
<td>Other Individual Contributor</td>
<td>7.0%</td>
</tr>
<tr>
<td>Portfolio Manager</td>
<td>6.4%</td>
</tr>
<tr>
<td>Other Manager</td>
<td>6.4%</td>
</tr>
<tr>
<td>Executive/CXO</td>
<td>4.7%</td>
</tr>
<tr>
<td>Change Manager</td>
<td>1.5%</td>
</tr>
</tbody>
</table>
5. HOW MUCH OF YOUR TIME IS SPENT WORKING ON PROJECT, PROGRAM OR PORTFOLIO RELATED TASKS?

When it came to the amount of time spent on project-related work, most survey respondents had that as their prime function with close to half (45.6%) spending more than 76% of their time on projects, programs and/or portfolios, and almost three quarters (73.5%) spending more than 50% of their time on project, program or portfolio work.

It was encouraging to see that even at the executive level there was an awareness of the importance of projects, with 93.8 of executives who responded saying that at least 25% of their work was related to projects, programs or portfolios.

6. WHAT IS THE MAIN INDUSTRY THAT YOUR ORGANIZATION OPERATES WITHIN?

IT was the most represented industry sector (19.5%). However, we were pleased to see that a broad spectrum of different industry sectors was represented, with 26 distinct sectors identified by participants as well as the “other” category. Respondents were predominantly from the private sector, with only 8.1% identifying themselves as being from one of the levels of government, and 2.3% identifying not for profit or trade associations.

**Information Technology**

19.5%

<table>
<thead>
<tr>
<th>Industry</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance, Banking and Accounting</td>
<td>9.3%</td>
</tr>
<tr>
<td>Business Services and Consulting</td>
<td>7.8%</td>
</tr>
<tr>
<td>Healthcare</td>
<td>6.7%</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>5.5%</td>
</tr>
<tr>
<td>State and Local Government</td>
<td>5.2%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>4.7%</td>
</tr>
</tbody>
</table>
7. HOW MANY EMPLOYEES ARE THERE IN YOUR ORGANIZATION?

Respondents to the survey came from all sizes of organizations; the largest percentage came from the smallest category (1 to 500), but the second largest percentage came from the largest category (15,000+) and there was a relatively even distribution in between.

- 1–500: 30.5%
- 501–2,000: 18.3%
- 2,001–5,000: 14.0%
- 5,001–15,000: 12.2%
- 15,000+: 25.0%

8. WHAT IS YOUR COMPANY’S APPROXIMATE ANNUAL REVENUE (IN US$)?

Over half (52.3%) of respondents reported annual revenues in excess of $50 million and more than two-thirds (69.2%) reported revenues in excess of $10 million. This is more than just background information in the case of this survey as organizations of this size will likely have well established annual planning exercises, which will add validity to the questions addressed later in the survey.

- Under $1 million: 10.5%
- $1 million–$10 million: 20.3%
- $10 million–$50 million: 16.9%
- Over $50 million: 52.3%
SURVEY RESULTS: PLANNING IN THE ORGANIZATION

IN THIS SECTION WE ASKED PARTICIPANTS ABOUT THEIR ORGANIZATION’S ANNUAL PLANNING PROCESS AND THE REVIEW AND SELECTION OF PROJECTS THAT WILL BE EXECUTED TO SUPPORT THE PLAN. WE ASKED RESPONDENTS TO ANSWER THESE QUESTIONS BASED ON THEIR PERCEPTION OF THE PROCESS FOR THE ENTIRE ORGANIZATION, NOT JUST FOR THEIR OWN DEPARTMENT.

9. WHICH OF THE FOLLOWING STATEMENTS BEST DESCRIBES HOW TRANSPARENT ANNUAL PLANNING IS IN YOUR ORGANIZATION?

It is clear from the responses to this question that there is still a lot of disparity between organizations in terms of how they go about annual planning. It was encouraging that 19.8% of respondents said that all staff knew what the strategic goals of the organization were, what the priorities for the next year were, and the process by which project candidates were reviewed and selected; and a further 31.7% said that some staff had that knowledge, but that still leaves almost half of respondents in organizations where this information was not shared among staff.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>All staff know what the strategic goals are as well as the priorities for the year and the process of project review and selection is well communicated</td>
<td>19.8%</td>
</tr>
<tr>
<td>Some staff know what the strategic goals are as well as the priorities for the year and the process of project review and selection is contained within that group</td>
<td>31.7%</td>
</tr>
<tr>
<td>High-level goals and objectives are understood, but annual priorities and the project review and selection process is not shared</td>
<td>30.8%</td>
</tr>
<tr>
<td>Staff are not aware of priorities until it is time for department-level planning</td>
<td>10.2%</td>
</tr>
<tr>
<td>Staff are not aware of priorities until all planning is complete</td>
<td>4.9%</td>
</tr>
<tr>
<td>The organization does not conduct annual planning</td>
<td>2.6%</td>
</tr>
</tbody>
</table>
As you can see from the detailed results graphic, most of the remaining respondents fall into the category of high-level goals being understood, and this might be appropriate in larger organizations. However, the weighting of the over $50 million dollar revenues in this category reflected the same weighting as for the survey overall, suggesting that this approach is as common in smaller organizations as in larger ones. Indeed, while the smallest companies did have a higher presence in the “all staff” category, otherwise the size of the company by revenue did not have a material impact on the approach taken to annual planning.

Similarly, the number of employees in an organization was not significant when considering the approach that the organization took to annual planning; 25% of our survey respondents indicated that they worked for organizations with more than 15,000 employees, but 32.4% of the organizations that advised all staff of goals, priorities and process had 15,000 employees—higher than the weighted average would suggest, and more than might be expected in very large organizations. It is clear that organizational size alone does not define the approach that is taken to annual planning.

**10. WHICH OF THE FOLLOWING STATEMENTS BEST DESCRIBES YOUR INVOLVEMENT IN ANNUAL PLANNING?**

We next asked for the level of direct involvement that survey participants had in annual planning. In total, almost 75% of participants were involved in some way—with a slight bias toward involvement at the department level rather than the organization level.

<table>
<thead>
<tr>
<th>Statement</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am actively engaged for all of the organization's process</td>
<td>16.3%</td>
</tr>
<tr>
<td>I am actively engaged for part of the organization's process</td>
<td>14.2%</td>
</tr>
<tr>
<td>I am actively engaged for all of my department's process</td>
<td>27.6%</td>
</tr>
<tr>
<td>I am actively engaged for part of my department's process</td>
<td>14.5%</td>
</tr>
<tr>
<td>I am not involved in annual planning</td>
<td>24.1%</td>
</tr>
<tr>
<td>My organization does not conduct annual planning</td>
<td>3.2%</td>
</tr>
</tbody>
</table>

We asked participants to provide more details if they were only involved in part of their organization's or their department's process and the trend seemed to be for involvement at a portfolio/program/project level in both situations, with the level of engagement (organization or department) being determined by the structure of the organization and the individual's role.
11. HOW OFTEN IS THE ANNUAL PLANNING PROCESS REVIEWED AND UPDATED IN YOUR ORGANIZATION?

We asked respondents to the survey how often the annual planning process was reviewed and updated, and it was gratifying to see that the large majority of organizations (78.2%) reviewed the process every year. Clearly this is indicative of an awareness of the need to improve and evolve as well as a willingness to make changes where necessary. However, it should also be noted that 8.4% of participants said that their organization hadn’t changed its approach to annual planning in the last five years. We find this to be concerning given the dramatic economic changes that have occurred in that period.

The typical profile of a company that hadn’t changed their approach was a company in a developed country (especially the United States), with revenue in excess of $50 million and operating in an IT or services-based industry.

12. WHICH OF THE FOLLOWING STATEMENTS BEST DESCRIBES YOUR PERCEPTION OF HOW PROJECTS ARE SELECTED AND APPROVED DURING ANNUAL PLANNING?

We asked respondents what the criteria were for project approval, and somewhat surprisingly, less than half of respondents (44.5%) said that projects were selected based on organizational goals and objectives. 18.3% said that the department goals and objectives drove project approval, and this may be appropriate if the organization has strong processes for ensuring alignment between departmental goals and the overall organizational goals.

TOP TIP!

Almost 4 out of 5 organizations review and change their process for annual planning each year. If you aren’t, then you could be giving your competitors an unnecessary advantage!
Perhaps most worrisome, 28.5% of respondents said that project selection was based on either C-level executive preference (16.6%) or department head preference (11.9%). We also allowed free format explanations for this question and we saw a number of different drivers of project approval here. Some were external to the organization reflecting unique business models—system integrators driven by customer demands, not for profit driven by agency funding approvals, etc. Others described hybrid processes that combine multiple of the other options and a small minority expressed concerns that the process was not well structured—in the occasional case despite the “official” approach being documented as a structured approach.

| Business cases are reviewed against organizational goals and objectives and the best candidates are approved | 44.5% |
| Business cases are reviewed against departmental goals and objectives and the best candidates are approved | 18.3% |
| Projects are approved based on the preferences of C-level executives | 16.8% |
| Projects are approved based on the preferences of department heads | 11.8% |
| Other | 8.7% |

13. HAS THIS APPROACH TO APPROVING PROJECTS CHANGED WITHIN APPROXIMATELY THE LAST THREE YEARS?

We asked respondents to tell us whether they had changed their approach to project selection in the last three annual planning cycles, and 41.6% advised that they had. This immediately suggests that the approach that organizations take to annual planning is evolving and when we look into the numbers in more detail that is confirmed.

52.2% of the respondents who said that they reviewed and approved projects against organizational goals in the last question indicated that this was a changed approach within the last three years, and this represented 55.9% of all respondents who said that the approach had changed. In contrast, only 4.2% of the people who said that the approach had changed switched to a model where projects were selected by department heads (14.6% of that group). This is a clear switch to a more strategic approach by the organizations represented in the survey and is an encouraging sign.
Business cases are reviewed against organizational goals and objectives and the best candidates are approved

Business cases are reviewed against departmental goals and objectives and the best candidates are approved

Projects are approved based on the preferences of C-level executives

Projects are approved based on the preferences of department heads

Other

Analizing this further, we asked respondents what their previous approach was and we saw a surprising jump in many organizations directly from approval based on department head preferences directly to an organizational goals and objectives driven approach. 40% of the organizations that moved to an organizational objectives-driven approach did so directly from department driven. Less surprisingly, 63.6% of companies that switched to a department objectives-driven approach did so from a department head preference-based approach.

14. WHICH OF THE FOLLOWING STATEMENTS BEST DESCRIBES YOUR PERCEPTION OF HOW CHANGES ARE MADE TO THE LIST OF APPROVED PROJECTS (EITHER MAJOR CHANGES TO THE PROJECTS THEMSELVES OR CHANGES TO WHICH PROJECTS WILL BE UNDERTAKEN) THROUGHOUT THE YEAR?

We next moved on to ask about changes that organizations make to projects, starting with how the changes themselves occurred. 42.4% of respondents advised that their organization has a regular review schedule, which is encouraging (although the process needs to be flexible enough to allow for exceptions). 29.4% of survey participants advised that they made changes fairly often, but without a planned review process and that group will have the advantage of that flexibility, although of course they may suffer from an absence of review processes that may help to identify the need for change.
Together those groups represented 71.8% of participants, so it is clear that most organizations have a realistic approach to the need for change. We recognize that the selection criteria are somewhat subjective, but 17.7% of participants said that their organizations seldom or never made changes to the list of approved projects; that may demonstrate excessive rigidity when the organizational environment changes. This group was dispersed across multiple industry sectors so we don’t believe that this scenario was indicative of a very mature and stable market.

10.5% of respondents indicated that changes were made frequently, and this is also a cause for concern, perhaps suggesting that there was insufficient work on selecting the projects in the first place, which drove the need for significant change. While not overly strong, there was a correlation between this group and the less-mature approaches to annual planning—which may support that supposition. Again, this category spread across many industry verticals, although it is worth noting that the public sector segments were significantly more heavily represented in this group than in the overall survey.

<table>
<thead>
<tr>
<th>Change Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>There are never any changes made</td>
<td>1.1%</td>
</tr>
<tr>
<td>There are seldom any changes made</td>
<td>16.6%</td>
</tr>
<tr>
<td>Changes are made through a regular review schedule</td>
<td>42.4%</td>
</tr>
<tr>
<td>Changes are made fairly often, but not as part of a planned review</td>
<td>29.4%</td>
</tr>
<tr>
<td>Changes are made frequently</td>
<td>10.5%</td>
</tr>
</tbody>
</table>

15. **WHAT IS YOUR UNDERSTANDING OF WHY CHANGES TO APPROVED PROJECTS (EITHER MAJOR CHANGES TO THE PROJECTS THEMSELVES OR CHANGES TO WHICH PROJECTS WILL BE UNDERTAKEN) ARE MADE?**

We next ask respondents to tell us what the drivers of changes to projects were, and there was a very positive response that more than half of respondents (51.2%) said that organizations made changes based on both shifting corporate priorities and because of variances from plan within the projects that have already been delivered or are underway. When we look at the people in this group in more detail we see that the two strongest answers from the previous question are slightly over-represented here, with “seldom” and “frequent” being under-represented; but the variance is not significant.
We do see a more significant difference when we look at just one of the drivers of change, however. 30.2% of participants said that changes were driven only by changes in corporate priorities and 10.5% said that changes were driven only by current project performance. For both of these groups, the participants who told us in the previous question that changes are made as part of a regular review schedule were consistent, and also in line with the group for whom both of these drivers of change were considered. However, the group driven by corporate objectives was heavily over-represented in the “changes are seldom made” category, while the group driven by project performance were heavily over-represented in the “fairly often, but not as part of a planned review” category.

Less change is to be expected when those changes are being driven by organizational priorities, so that result is not surprising; but the strong correlation between project-driven change and the lack of a planned review suggests that formal portfolio management practices are not yet broadly accepted. If portfolio reviews were occurring, we would expect those to be driving this type of change.

While only a small number of people said that change happened apparently unplanned (6.7%), there was a very strong correlation with the less structured review: 73.9% of this category said that changes happened frequently or without a planned review.

| Changes are made in response to changes in corporate priorities | 30.2% |
| Changes are made because projects already completed/underway are not delivering the expected benefits | 10.5% |
| Changes are made for both of the above reasons | 51.2% |
| Changes appear to be made for no apparent reason | 6.7% |
| Changes are not made | 1.5% |
16. WHICH OF THE FOLLOWING STATEMENTS BEST DESCRIBES HOW QUICKLY YOU BELIEVE THE ORGANIZATION RESPONDS WHEN CHANGES NEED TO BE MADE?

We asked respondents about the speed with which changes were made when they were necessary, and the results suggest that organizations still have considerable room for improvement. Only 28.2% of participants indicated that their organization made changes quickly as soon as the need was identified, with more than half (51.5%) suggesting that responses were slowed down by the need to approve. While significant changes clearly do require approval, if this is impacting the ability to respond then there may well be an opportunity for improvement. Additionally, 14.8% (more than 1 in 7 respondents) suggested that changes take too long and sometimes don’t happen until it is too late.

When we consider this response in conjunction with the previous questions on change, we can see some themes emerging. 25.5% of people who said that changes happen too late also said that changes happen for no apparent reason, representing more than half of the total number of respondents that gave that answer. The organizations that make changes to their projects only when projects that are underway or have completed are not delivering results are more likely to also make changes only on a pre-planned schedule, or those changes are likely to take a long time to occur—perhaps indicating a reluctance to admit or recognize that projects are not living up to expectations in terms of benefits realization.

Not surprisingly, we also saw a correlation between organizations that took a long time to make changes and organizations that seldom made changes. More surprisingly, there was also a strong correlation between organizations that made changes fairly often but not on a regular schedule, and organizations that took time to make changes. This might suggest that the absence of a good
change management process has resulted in an inefficient (and presumably therefore ineffective) process that takes a long time for changes to be approved and fails to control the amount of change. These organizations would appear to be strong candidates for improved change management processes.

17. DO YOU CONSIDER THE SPEED WITH WHICH CHANGES ARE MADE TO APPROVED PROJECTS TO BE...

We asked participants whether changes were made too quickly, too slowly or at about the right pace.

While it is gratifying that almost 2 in 5 participants feel that organizations have got the pace of change about right, more than half of those surveyed felt that the pace was too slow and a small minority felt that the pace was too fast. Of those that felt that changes were made too quickly, there was a heavy bias to “frequent change” as you would expect, but also to change that did not happen as part of a regular review process. In contrast, those categories appeared much more seldom among participants who felt that the speed was about right—more than half of the respondents providing that answer used a regular review process, although a caution needs to be issued there because a regular review process was also the most common approach used by those who felt that the process was too slow.

TOP TIP!

Using a regular review process to manage change can help to avoid making changes too quickly, but care needs to be taken to ensure that the process is flexible enough to avoid delaying the approval process and causing further problems.
Compared with previous planning cycles are changes happening...

As a follow up to the previous question, we asked respondents whether the speed of approval was increasing or decreasing.

The trend is to become faster, with almost 40% of respondents reporting some kind of increase in speed; however, more than half of survey participants suggested that there was no change in the speed with which changes were approved, suggesting that many organizations are not seeing a need for any increase in speed.

We asked participants who had indicated a change in speed was occurring to explain that change in more detail, and there were many varied reasons given. However, there was a sense in many of the responses that faster change approval equated to better processes. Here are some of the comments:

- There is a stronger focus on being more timely with decisions and execution of those decisions to meet changing demand
- Desire to meet strategic needs and to stay ahead of our competitors
- Leadership’s recognition that they need to respond to changing market conditions and competition more quickly, and that there’s needs to be better alignment to strategy
- Better organizational structure and division of responsibilities
- Better organization and management of projects & the entire planning process

In contrast, the small percentage of respondents who indicated that the pace had slowed down indicated that this could be good:

- In the past, it seemed like changes were made on the fly with no real review of the impacts. By slowing things down a bit, a thorough evaluation can be made to ensure that all of the scenarios that are impacted by the project are
addressed. It also helps keep a better handle on the investments that re
made to support an end goal.

• A more thorough and thoughtful consideration of the requested change
prior to approval

• Changes go through a more controlled process now, therefore speed
has slowed

Or it could be bad:

• We have become much more structured in our approach and hierarchical,
and thus too many people have to be involved in every decision.

• Too much deliberation

• No planning and no planning process

Interestingly, the most common approach used by organizations that reported
that changes were speeding up was a regular review process, with well over
half of the increased speed respondents using this approach compared with
only about a third of those organizations that were maintaining the same
speed—those had a heavier presence in the “often” (but not part of a planned)
review category.

19. APPROXIMATELY WHAT PERCENTAGE
OF THE APPROVED PROJECTS FOR THE
YEAR ARE CHANGED? CONSIDER A CHANGE
to be something that is driven by
senior management and results in
either an approved project being
replaced by another, or significant
changes being made to the scope,
budget and/or schedule of an
approved project.

We wanted to get a sense of how widespread change was within the project
portfolio, so we asked participants to provide an indication of the number of
projects that changed during the course of a year. We were a little surprised
that only around half of participants (50.6) reported that less than 25% of
projects were changed, while almost a third of respondents changed between
26 and 50% of their projects. Perhaps of most concern was that 1 in 6 of
survey participants indicated that more than half of their projects were
subjected to a significant change during the year.
20. COMPARED WITH PREVIOUS PLANNING CYCLES IS THIS…

We asked whether this was more or less than the number of project that had changed previously.

There is a marginal trend in the numbers to more change, but it isn’t significant and clearly the large majority of respondents indicated that there was little change in the rate of change. Comparing any change in the number of projects with the total number of projects that saw changes, as expected we find that the organizations with fewer changed projects are more likely to have a reduction, but the correlation is not particularly strong.

We again asked participants to tell us what was driving shifts in the number of projects that saw significant change, and of course there were many different reasons given. Some of the organizations that indicated that more changes were occurring drew a correlation with client demands, and we can assume that these are predominantly externally focused projects; but again, increased change was seen as a good thing by most. This comment is typical:
• Now we actually see that projects are not working or need help and can take action, thus we actually see more being changed as before they were not being changed enough.

The responses from individuals who told us that their organizations were reducing the number of projects that changed also suggested that this was viewed as a positive sign; an example comment:

• We have implemented more thorough research and planning phases, hired corporate project managers and trained project leaders which are required for corporate-level projects and implemented an EPMO to oversee and try to standardize all. Better research and planning has resulted in fewer changes needed after the charter is endorsed.

Organizations appear to be focused on improving the processes for reviewing and approving change, and the number of projects that are impacted as a result appears almost incidental—different organizations will see different patterns depending on their unique circumstances.

21. HAS YOUR ORGANIZATION ADOPTED ANY AGILE METHODS TO ASSIST SPECIFICALLY WITH STRATEGIC PLANNING?

We ended the section of the survey that focuses on planning by asking about the use of Agile in planning, starting with simply asking whether the organization used any Agile methods to support their planning activities.

Yes 20.0% 80.0% No

We asked those respondents who indicated that they did use Agile approaches to provide us with more details, and responses suggested that the details were not always clear. However, the Scaled Agile Framework (SAFe) was mentioned by a number of respondents, as was Kanban.

There are organizations that are embracing Agile methods in interesting and creative ways; this comment stood out:

**TOP TIP!**

The number of projects that change is not necessarily a measure of success in planning, but rather an outcome of the ability of the organization to recognize the need to change and implement that change effectively.
• We have tailored our own approach using facilitated offsite workshops with our product managers and senior management team. We adjust the process for each review. For example last year we used a “competing portfolios” approach to develop extremely biased portfolios toward each of our strategic goals. We then iterated on these in sub-teams to develop a balanced portfolio. We use a similar competing/comparing/iterating approach for defining organizational visions. Our most recent portfolio review was simpler. We had a greater strategic understanding but restructured the entire company to support a new direction (without any redundancies). The review process was to determine ratios of investment across our strategies. Once again we divided our senior leadership team into sub-groups to define and iterate.

22. **DO YOU FEEL THAT AGILE ELEMENTS CAN ASSIST WITH STRATEGIC PLANNING?**

We next asked respondents whether they felt that Agile could assist with strategic planning. While we saw a larger percentage of people answer “yes” to this question, it wasn’t an overwhelming majority.

<table>
<thead>
<tr>
<th>Yes</th>
<th>57.3%</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>42.7%</td>
</tr>
</tbody>
</table>

When we looked at this data in more detail, we saw that among organizations that had not yet utilized Agile in strategic planning, there was an almost 50/50 split for and against (50.6% felt that it would help, 49.4% felt that it wouldn’t). However, among those organizations that had leveraged Agile in planning, 84.1% of people felt that it helped.

Again, the specific elements identified as being potentially helpful varied greatly, but there was a theme of improved responsiveness to changing situations; again, we saw some interesting concepts expressed (portfolio-level backlogs, for example). Some participants also tied this back to the regular reviews addressed in earlier questions and talked about cadenced reviews for the multi-year plan. “Iterative” and “collaborative” were also words that appeared frequently.

**TOP TIP!**

When organizations leverage Agile approaches in their strategic planning, the overwhelming majority feel that it helps them.
SURVEY RESULTS: PROJECTS IN THE ORGANIZATION
IN THE NEXT SECTION OF THE SURVEY, WE ASKED ABOUT HOW PROJECTS ARE UNDERTAKEN WITHIN THE RESPONDENTS’ ORGANIZATION. WE ASKED PARTICIPANTS TO ANSWER THESE QUESTIONS BASED ON THEIR UNDERSTANDING OF PROJECTS ACROSS THE ENTIRE ORGANIZATION, NOT JUST FOR THEIR OWN DEPARTMENT.

23. APPROXIMATELY HOW MANY PROJECTS ARE UNDERTAKEN IN YOUR ORGANIZATION EACH YEAR?

The first question in this section was simply to establish how many projects were undertaken in the organization. While most organizations had fewer than 100 projects, there was solid participation from organizations with larger portfolios, with some over 500 projects.

24. HOW FREQUENTLY IS YOUR TRADITIONAL (WATERFALL) PROJECT MANAGEMENT METHODOLOGY REVIEWED AND UPDATED?

We asked participants to tell us how often their traditional or waterfall-based approach to project management was reviewed and updated. The responses varied greatly, with no one answer being significantly more popular than any other.
<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>More than once a year</td>
<td>16.3%</td>
</tr>
<tr>
<td>Once a year</td>
<td>18.6%</td>
</tr>
<tr>
<td>Once every 2-3 years</td>
<td>19.8%</td>
</tr>
<tr>
<td>Less than every 3 years</td>
<td>11.9%</td>
</tr>
<tr>
<td>Never</td>
<td>14.8%</td>
</tr>
<tr>
<td>We don't have a traditional project management methodology</td>
<td>18.6%</td>
</tr>
</tbody>
</table>

Perhaps the most surprising response was that almost 1 in 5 respondents said that their organization didn’t have a traditional methodology in place (we’ll revisit those individuals later). The fairly even distribution of responses across the other categories perhaps reflects differing levels of maturity of the approach within organizations; although we are concerned that 14.8% of respondents said that their organizations never reviewed their approach. Even a mature methodology would be expected to be subject to changing organizational environments driving change, even if there were no drive for internal improvements.

**25. DO YOU FEEL THAT YOUR TRADITIONAL PROJECT MANAGEMENT APPROACH IS FLEXIBLE ENOUGH TO ALLOW FOR EFFECTIVE AND EFFICIENT CHANGES TO BE IMPLEMENTED?**

We wanted to tie the traditional methodology back to the questions about project change, so next asked whether respondents felt that their traditional approach was flexible enough when it came to implementing change. There was some inconsistency between this and the previous question when it came to not having a traditional approach, but it is clear that there is a lack of confidence in survey participants in their organization’s ability to handle change effectively and efficiently.
We asked those people who did not say yes to tell us a little more about the challenges that they were facing. One of the common themes in responses was that the process was too bureaucratic or complex to allow for timely change:

• Detailed planning and estimating is extremely time consuming and prevents us from doing simply things easily. Tend to bundle lots of small efforts together to cross the threshold to make the planning burden acceptable.

• About every two years we keep reinventing our methodology. Each time it starts out simple and lightweight. Within a couple of years it becomes cumbersome, and so the PMO starts over with another version. We are challenged with very traditional thinking at C-level management, as well as rigid procedures in our budgeting and accounting that are virtually impossible to change.

• Governance forums take senior decision makers time up almost completely and hierarchical decision-making structures slow down decision making.

• Too many people are required to make too many decisions and the large number of projects is not supported by sufficient specialist resource. Quicker decisions and access to key resource by key projects when required by the project is needed.

In some cases, participants suggested that the waterfall process itself was the barrier to change:

• Some features within any given project lose alignment with business value, but little can be done to remove these features—it is simply too hard because the feature list is tied to money allocated to the project. In the course of the project it becomes obvious that in addition to some features needing to be removed, others need to be added—but adding scope is extremely hard or impossible.

• The methodology can be very rigid and as a result stakeholders can treat the gating processes not as seriously as they should.
The lack of flexibility seemed to be a real issue for those participants who fell into the “No” category, and a number of respondents suggested that this might have come about as a result of the processes not keeping up with the evolution of the organization. This comment came from a survey participant who said that their organization’s waterfall methodology never changed, and that the approach was ineffective at dealing with change:

- Approvals for changes take an immense amount of time. PMs tend to get bogged down in these administrative processes rather than project management.

Where survey participants indicated that processes could be somewhat effective, there is some indication that the problem is not so much that the organization-wide process only partially works, but rather that effective processes are only used in parts of the organization. An example comment:

- We are using a hodgepodge of PM techniques as there is no formal PMO.

**26. Do project managers have freedom to adapt or adjust the traditional project management methodology in order to better meet business goals?**

We asked participants whether they were given flexibility to adapt or adjust the methodology that was used within the organization, and a surprisingly high 57.3% said that they were. Perhaps even more surprisingly, only 16.3% were given no freedom.

There seemed to be two themes within the category of “somewhat” respondents: those whose organizations consciously allowed for some

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**TOP TIP!**

If your traditional project execution approaches are not evolving with your organization, then there is a significant risk that they are barriers to the implementation and adoption of project changes.
tailoring of certain areas of the process within parameters, or through options; and those who ended up with a de facto tailored process because of a lack of controls in place to prevent it.

When we compared the freedom to adapt with the frequency with which processes were reviewed, we found some more surprising results. We expected that the least freedom to adapt would be given to those PMs who worked in environments where the process was regularly reviewed and updated, but only 28.6% of the participants who answered no worked in an environment where the process was reviewed at least annually. On the other hand, 39.3% of people in this category said that their process was updated less than every three years, or not at all. This contrasts with those PMs who were given freedom to adapt, where 40.1% were in environments that saw the process updated at least annually and only 27.4% worked with methodologies that were reviewed less than every three years, or weren’t updated. This may well suggest that these organizations also have effective processes for capturing changes that PMs do make and incorporating them into improved processes for all.

27. APPROXIMATELY WHAT PERCENTAGE OF YOUR ORGANIZATION’S PROJECTS USE AGILE METHODS?

We next asked respondents about the use of Agile in their organization, starting with a simple question around the mix of Agile vs. traditional/waterfall-based approaches. On the whole, respondents came from predominantly waterfall-based environments with 66.0% saying that less than 20% of their projects were Agile based, and 83.1% saying that less than 40% of projects were Agile.

As we would expect, many of the organizations in the higher categories were from IT, which represented almost half of organizations with more that 60%
of projects managed using Agile. The only other industry with any close to a significant presence in this group was Business Services/Consulting. It should also be noted, that even in IT, high Agile utilization was still the exception rather than the rule—53.8% of IT organizations reported less than 20% of projects were managed using Agile.

### 28. Compared with Previous Planning Cycles Is This….?

We next asked participants to tell us whether Agile use was growing in their organization.

![Agile Use Growth Chart]

> **TOP TIP!**
> Organizations is virtually every industry are looking to increase their Agile utilization, and very few organizations reduce the reach of Agile in their organizations once they see the results. If you aren’t embracing Agile and seeing the benefits, then it’s likely that your competitors are!

It is clear that Agile use is still on the rise with more than 40% of respondents telling us that their use of Agile was increasing and less than 6% advising that their organizations were decreasing the use. More than half of respondents (53.8%) advised that their use of Agile was stable, but these weren’t just organizations where Agile was already widely used. 76.2% of this “about the same” category reported that less than 20% of their projects were Agile based. This may suggest that they have been able to mature their Agile use more quickly because they have recognized the need for both types of approach, and for waterfall-based approaches to be used for the majority of projects.

When we consider the respondent’s industry, we see a trend toward more rapid expansion in IT with 47.8% of participants from that industry indicating that their organizations were expanding the use of Agile. However, perhaps surprisingly, the industry sectors with the largest percentage of respondents indicating a shift to Agile were Insurance/Finance (66.7%), Construction/Architecture/Engineering (63.6%), Manufacturing (62.5%) and State/Local Government (55.6%). Some of those numbers may be skewed slightly by a relatively small sample size, but more well represented sectors also saw some impressive Agile growth—Finance/Banking/Accounting was the second
largest industry sector in the survey, and 50% of respondents from that industry worked in organizations that were expanding Agile. Clearly, Agile is becoming a significant project execution approach in numerous industries.

**29. DOES YOUR ORGANIZATION HAVE POLICIES IN PLACE FOR THE USE OF AGILE METHODS?**

We asked respondents to tell us a little more about how the determination was made about using Agile or waterfall approaches. The results clearly show that execution areas within the organization are given considerable freedom on when to use Agile.

<table>
<thead>
<tr>
<th>Response</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>No, individual projects are free to use whichever project execution approach they prefer</td>
<td>61.9%</td>
</tr>
<tr>
<td>Yes, but only in terms of which Agile approaches should be used</td>
<td>23.3%</td>
</tr>
<tr>
<td>Yes, the organization restricts which type of projects Agile can be used for</td>
<td>9.6%</td>
</tr>
<tr>
<td>The organization will not allow the use of Agile methods</td>
<td>5.2%</td>
</tr>
</tbody>
</table>

We assume that there is some form of governance through a PMO or similar function in most organizations. But 85.2% of respondents said that their organization either provided free reign over the execution approach or simply stated which Agile approaches should be used if Agile was the preferred method. This suggests a recognition that practitioners not only are often the best judges of the most appropriate approach, but also the importance of allowing front line teams to feel as though they have some control over their environment.

While the more restrictive approaches obviously result in lower Agile utilization, it is interesting to note that even where individual project teams can determine which approach they wish to use there is still not a rush towards Agile—71.4% of this group still had fewer than 20% of their projects using Agile, and 86.4% had less than 40%.

**TOP TIP!**

Many organizations are allowing individual project teams to select the project execution approach that they wish to use, and this isn’t resulting in a rush away from traditional waterfall methods.
30. WHICH OF THE FOLLOWING STATEMENTS BEST DESCRIBES THE USE OF AGILE METHODS FOR PROJECT EXECUTION IN YOUR ORGANIZATION?

We next asked participants to tell us how broad the reach of Agile was within their organization.

- **We use Agile as much as possible across all departments**: 8.1%
- **We use Agile as much as possible in a few departments**: 7.9%
- **We use Agile as much as possible within IT**: 14.0%
- **We sometimes use Agile across all departments**: 5.5%
- **We sometimes use Agile in a few departments**: 14.5%
- **We sometimes use Agile within IT**: 19.5%
- **We rarely use Agile**: 16.6%
- **We never use Agile**: 14.0%

We saw earlier that Agile wasn’t the dominant approach among our survey group, so it’s not surprising to see that there isn’t a strong preference for Agile in respondent organizations. What is perhaps more surprising is that when the individual project has the ability to choose which method is used, Agile is less likely to be the preferred approach. The graphic below shows the distribution of answers just for the group that answered “No, individual projects are free to use whichever project execution approach they prefer” for the previous question.

- **We use Agile as much as possible across all departments**: 4.7%
- **We use Agile as much as possible in a few departments**: 6.1%
- **We use Agile as much as possible within IT**: 12.2%
- **We sometimes use Agile across all departments**: 6.1%
- **We sometimes use Agile in a few departments**: 15.0%
- **We sometimes use Agile within IT**: 18.8%
- **We rarely use Agile**: 20.2%
- **We never use Agile**: 16.9%
Further filtering this list to look only at organizations that are increasing the percentage of Agile initiatives in their organizations doesn’t significantly shift the numbers, although there is obviously a slightly higher trend toward Agile utilization. This clearly suggests that organizations are still cautious about Agile adoption at the execution level, and this is encouraging as it suggests that the growth is going to be sustainable because it is avoiding overreaching.

31. WHICH OF THE FOLLOWING STATEMENTS APPLY TO THE USE OF AGILE METHODS IN YOUR ORGANIZATION?

We next asked people to tell us about their experiences with Agile and allowed participants to provide multiple answers.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>We are able to deliver projects more quickly</td>
<td>36.9%</td>
</tr>
<tr>
<td>We are able to deliver projects at a lower cost</td>
<td>21.2%</td>
</tr>
<tr>
<td>We are able to deliver projects that better meet our customers’ needs</td>
<td>49.1%</td>
</tr>
<tr>
<td>We are able to respond to changes more quickly than with waterfall</td>
<td>51.5%</td>
</tr>
<tr>
<td>It takes longer to respond to changes than with waterfall</td>
<td>5.2%</td>
</tr>
<tr>
<td>Senior management is less able to understand status and problems on Agile projects</td>
<td>26.2%</td>
</tr>
<tr>
<td>Senior management is more able to understand status and problems on Agile projects</td>
<td>14.5%</td>
</tr>
<tr>
<td>We find it more difficult to align projects with organizational strategy when using Agile</td>
<td>10.5%</td>
</tr>
<tr>
<td>We find it easier to align projects with organizational strategy when using Agile</td>
<td>16.9%</td>
</tr>
</tbody>
</table>

Looking at these numbers in isolation is revealing, and helps to dispel some negative stereotypes of Agile. It is clear that most survey participants saw no impact on senior management’s ability to understand project status and issues when Agile was used (59.3%) or no impact on alignment with organizational strategy (72.6%). Additionally, when there was impact, it wasn’t automatically negative—only 10.5% saw a negative impact on organizational alignment with Agile, while 16.9% saw an improvement, suggesting that Agile actually helped the organization to execute projects that better aligned with the organization’s
strategy. There is a bias toward a negative impact regarding status and issues, and this is expected with the generally less formal execution approaches associated with Agile. But it wasn’t an overly strong bias—of those that saw some impact, 64.3% said that impact was negative compared to 35.7% who said that it was positive.

The traditional benefits of Agile were reinforced with almost half (49.1%) seeing an improvement in alignment with customer needs and more than a third (36.9%) seeing an improvement in the speed of project delivery. Most notably, more than half (51.2%) saw an improvement in the speed with which changes were made compared to waterfall, while only 5.2% saw a slowdown.

When we look at the data for this question more closely and consider the combination of responses from participants the data becomes even more revealing—more than half of respondents (56.4%) reported multiple effects from the use of Agile. The most popular combination of responses was better customer alignment and improved responsiveness to change, which is clearly a logical combination and was reported by 33.7% of participants.

Just 0.3% of survey participants saw all three of the “negative” responses (longer to respond to changes, less able to understand status and problems, more difficult to align), and 79.7% of respondents selected at least one of the positive responses.

TOP TIP!

Agile helps organizations to respond to changes in projects much more quickly. 90.8% of respondents who saw differences in response speeds between Agile and waterfall said that there was an improvement. If you need to improve your responsiveness to project change, Agile should be getting a very close look.
SURVEY RESULTS: CONNECTING PLANNING AND PROJECTS
FOR THE FINAL SECTION OF THE SURVEY, WE WANTED TO CONSIDER BOTH THE ORGANIZATIONAL PLANNING AND THE PROJECT EXECUTION AREAS THAT WE PREVIOUSLY LOOKED AT AND CONSIDER HOW WELL THE TWO SEPARATE AREAS WORK TOGETHER IN PARTICIPANTS’ ORGANIZATIONS. WEASKED RESPONDENTS TO ANSWER THESE QUESTIONS BASED ON THEIR UNDERSTANDING OF PROJECTS ACROSS THEIR ENTIRE ORGANIZATION, NOT JUST WITHIN THEIR OWN DEPARTMENT.

32. HOW WELL DO YOU FEEL THAT PROJECT TEAM MEMBERS UNDERSTAND HOW THEIR PROJECT CONTRIBUTES TO THE ORGANIZATION’S GOALS AND OBJECTIVES?

We started off by asking about the understanding of how a project contributes to the organizational goals from the standpoint of project team members. While we saw a broadly positive response overall, it is clear that there is still room for improvement.

It is encouraging that only 14.5% of people said that project teams had no or poor knowledge of why projects were being done, although this still represents 1 in 7 projects, and it is disappointing that not much more than half of respondents (54.9%) said that their teams had a fairly good or very good understanding of the alignment; it would seem as though respondents felt that 85.2% of teams could have a better understanding of the alignment.
33. **HOW WELL DO YOU FEEL THAT PROJECT MANAGERS UNDERSTAND HOW THEIR PROJECT CONTRIBUTES TO THE ORGANIZATION’S GOALS AND OBJECTIVES?**

We next asked the same question as above from the standpoint of project managers and we got a rather different set of results.

There is a significantly better understanding of the purpose for projects at the PM level than with teams, suggesting that project managers are not sharing the purpose of projects with their teams. We can only speculate whether this is a deliberate approach driven by a belief that teams don’t need to fully understand the project purpose, or whether it is simply a case of PMs not building teams as effectively as they might. But given the extent of the variance, it is likely to be a conscious strategy in at least some cases.

While these results may not have been particularly surprising a few years ago, it is a little unexpected to see such a big difference between PMs and their teams—especially given that it is now widely accepted that project teams tend to be more effective and engaged if they understand the drivers and reasoning behind their work. We do see a very large variation in different industries in the responses to these two questions. In Business Services/Consulting, we see a very strong awareness; 40.7% of PMs fell into the “very well” category and 29.6% of project teams were in that category. Given the nature of that work this is not overly surprising, but it contrasts dramatically with another well represented industry sector: Finance/Banking/Accounting, where 31.3% of PMs (but only 9.4% of project teams) were in the “very well” category, suggesting that more structured, perhaps larger project environments are still seeing more segregation of information.

**TOP TIP!**

Project teams are still often less than fully aware of why their projects are being undertaken. This can create barriers to effectiveness and motivation if people don’t understand why their work is important and is an easily rectified situation. While PMs are more aware than their teams, there is still plenty of room for improvement. This should be a priority for organizations to help ensure that decisions are being made with a full understanding of what is important to the organization.
34. WHICH OF THE FOLLOWING STATEMENTS BEST DESCRIBES YOUR ORGANIZATION'S PROJECT PORTFOLIO MANAGEMENT (PPM) MATURITY?

We asked people about the maturity of project portfolio management within their organizations, and found a broad range. The six categories identified in the graphic below represent one model for maturity on a scale of 1 (not very mature) to 6 (highly mature). This scale will be used throughout the rest of this report along with abbreviations of the descriptions as follows:

- Level 1 – ad hoc
- Level 2 – reactive
- Level 3 – developing
- Level 4 – established
- Level 5 – mature
- Level 6 – connected

One of the most striking aspects of this data is the relatively low representation at the higher levels of maturity. PPM and strategic alignment have become increasingly significant trends in the last few years, but only 4.7% of respondents felt that their organization had fully developed the capability to support that, and even considering the top two layers of maturity, only 14.8%
of respondents had well established portfolio and program management and the ability to share best practices across the organization.

This is clearly an indication that organizations have room for significant growth in these areas and we wonder whether the recent global economic slowdown has delayed the development of some of this capability. This may be reinforced by the fact that 35.5% of respondents have no or reactive processes that don’t cover the full portfolio of projects, a result that is surprising with project management being so established in most industries.

We expected to see a connection between higher maturity levels and better understandings of the contributions that projects make to organizations, and with one or two exceptions we did. The table below shows the percentage of respondents who answered “very well” or “fairly well” for each maturity level for the project team and project manager questions above.

<table>
<thead>
<tr>
<th>Maturity Level</th>
<th>Project Team</th>
<th>Project Manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ad Hoc</td>
<td>39.1%</td>
<td>50.0%</td>
</tr>
<tr>
<td>Reactive</td>
<td>52.6%</td>
<td>69.7%</td>
</tr>
<tr>
<td>Developing</td>
<td>51.3%</td>
<td>80.0%</td>
</tr>
<tr>
<td>Established</td>
<td>66.1%</td>
<td>76.8%</td>
</tr>
<tr>
<td>Mature</td>
<td>80.0%</td>
<td>91.4%</td>
</tr>
<tr>
<td>Connected</td>
<td>43.8%</td>
<td>81.3%</td>
</tr>
</tbody>
</table>

The project team result at the highest maturity level appears to be an anomaly with a very small data set, the “somewhat” category in that particular case accounted for 50% of all responses. Beyond that, we see a trend for project teams to have a better understanding of the purpose behind projects as organizations mature; but for project managers, we see a plateau by the time we see Stage 3 being reached. This is to be expected—by the time that an organization has a PMO and some standardization, we would anticipate that PMs have a good understanding of why their projects are being pursued.
35. **DOES YOUR ORGANIZATION USE PPM SOFTWARE TO ASSIST WITH MANAGEMENT AND COMMUNICATION BETWEEN PROJECT STAKEHOLDERS?**

We asked respondents about the use of PPM software in their organization and saw that more than half of survey participants (52.9%) said that a tool was used in at least one part of the organization. This demonstrates the growth that has happened in the PPM software industry in recent years with more accessible products and implementation options and shows that this kind of software is becoming the norm for many organizations.

<table>
<thead>
<tr>
<th></th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, use a single tool across the entire organization</td>
<td>15.7%</td>
</tr>
<tr>
<td>Yes, use multiple tools across the entire organization</td>
<td>18.3%</td>
</tr>
<tr>
<td>Yes, use a single tool across some departments</td>
<td>9.0%</td>
</tr>
<tr>
<td>Yes, use multiple tools across some departments</td>
<td>5.2%</td>
</tr>
<tr>
<td>Yes, use a tool in one department</td>
<td>4.7%</td>
</tr>
<tr>
<td>No</td>
<td>47.1%</td>
</tr>
</tbody>
</table>

The data also showed that for many organizations, a commitment to PPM also meant a commitment to organization wide usage: 64.3% of respondents who said that their organization used a PPM tool said that it was an organization wide deployment. It is also interesting to note that while software vendors promote their tools as enterprise-wide solutions, most organizations that have an enterprise-wide deployment use more than one tool.

When we look at the use of PPM software in conjunction with PPM maturity, we see an increased likelihood to have PPM software in place at higher maturity levels as we would expect: 60.1% of organizations in the top two maturity categories have organization-wide PPM tools, but organizations appear to no longer view a lack of maturity as a barrier to entry. The graphic below shows the percentage of organizations that do not have any PPM software based on their maturity levels.
It appears as though organizations feel that as soon as they reach the third level of maturity—a PMO and some shared processes—they are now ready for a PPM tool. This is testament to the success of PPM software vendors in lowering the barriers to entry and creating tools that can grow and mature with the organization.

### 36. WHICH STATEMENT BEST DESCRIBES PPM SOFTWARE USE IN YOUR ORGANIZATION?

Having access to PPM software is one thing, but we wanted to understand how well the organization was actually leveraging the features and functions on offer. The responses were consistent with the fact that organizations are implementing PPM software earlier in their maturity, with a majority of PPM software users utilizing only some of the features currently.

<table>
<thead>
<tr>
<th>Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>We fully utilize all of the features</td>
<td>3.5%</td>
</tr>
<tr>
<td>We somewhat utilize all of the features, but it is not consistent</td>
<td>7.0%</td>
</tr>
<tr>
<td>We utilize some of the features consistently</td>
<td>16.9%</td>
</tr>
<tr>
<td>We utilize some of the features, but it is not always consistent</td>
<td>11.3%</td>
</tr>
<tr>
<td>We are still trying to learn how to use the software effectively</td>
<td>7.3%</td>
</tr>
<tr>
<td>The tool is minimally used</td>
<td>6.7%</td>
</tr>
<tr>
<td>We do not have PPM software</td>
<td>47.4%</td>
</tr>
</tbody>
</table>

**TOP TIP!**

Organizations are investing in PPM tools earlier in their PPM maturity than ever before, and the majority of those organizations are looking to take those tools across the entire enterprise. If you aren’t yet considering PPM software but already have some standard processes and a PMO in place, then it might be time to revisit that decision. Additionally, many organizations are leveraging more than one PPM tool so you don’t have to find a “one size fits all” solution.
If the last question told us that organizations are implementing PPM software earlier, then this question tells us that there are dangers in implementing it too early. 65.2% of the respondents who said that the tool was minimally used fall into one of the lowest two maturity levels, and 91.3% fall into the lowest three. As expected, we also see higher feature use and consistency at higher levels, although consistent usage lags behind. We see a big jump in the “utilize all of the features” response between the “developing” and “established” maturity levels (7.8% to 16.1%), but we don’t see a significant drop in the “not always consistent” response until the shift from “established” to “mature” (32.1% to 20.0%).

**37. WHICH STATEMENT BEST DESCRIBES HOW YOUR ORGANIZATION INTEGRATED PPM SOFTWARE INTO ITS PROJECT EXECUTION APPROACH?**

We next asked participants how they had gone about implementing PPM software, particularly when it came to project processes. It is clear that there is a willingness to adapt organizational processes where appropriate in order to improve alignment with the PPM tool or tools that have been selected, and in some cases this can be quite extensive.

We might expect that organizations that made more substantial adjustments to their processes to support the PPM tool were able to leverage more of the PPM features as a result, but that is not the case. Every respondent that said that their organization used all of the features consistently fell into either the category of adjusting the software to align with existing processes or only adapting some processes. On the other hand, 50% of the people who said that their organization recreated their entire project approach to leverage the software fall into the “we utilize some of the features, but it is not always
consistent” or “the tool is minimally used” categories. A further 26.7% of that group are in the “we are still learning to use the tool effectively” category.

The same holds true when we look at PPM maturity. The more mature the organization is, the less likely they are to have made significant changes to their approach to support the tool—as shown in the graphic below, which shows the percentage of people by maturity model who answered “we have adapted our use of PPM software to align with our business processes and methodology” or “we have adjusted some of our business processes and methodology to align with the software”.

<table>
<thead>
<tr>
<th>Maturity Model</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ad hoc</td>
<td>19.6%</td>
</tr>
<tr>
<td>Reactive</td>
<td>26.3%</td>
</tr>
<tr>
<td>Developing</td>
<td>43.5%</td>
</tr>
<tr>
<td>Established</td>
<td>53.6%</td>
</tr>
<tr>
<td>Mature</td>
<td>62.9%</td>
</tr>
<tr>
<td>Connected</td>
<td>68.8%</td>
</tr>
</tbody>
</table>

38. WHICH STATEMENT BEST DESCRIBES HOW QUICKLY PROJECT MANAGERS FIND OUT ABOUT CHANGES TO THEIR PROJECTS THAT COME FROM SENIOR MANAGEMENT?

We moved on to ask respondents how quickly management driven changes were communicated to project managers. Disappointingly, less than half (44.5%) of participants told us that communication was immediate, and more than a third (34.0%) relied on ad hoc communication for PMs to be told of changes.

<table>
<thead>
<tr>
<th>Communication Method</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>They are advised as soon as the decision is made</td>
<td>44.5%</td>
</tr>
<tr>
<td>They find out at the next scheduled sponsor/stakeholder meeting</td>
<td>20.1%</td>
</tr>
<tr>
<td>They are told on an ad hoc basis that could cause delays</td>
<td>34.0%</td>
</tr>
<tr>
<td>They are never advised and only find out through their own research/inquiry</td>
<td>1.5%</td>
</tr>
</tbody>
</table>

We saw a significant difference in the approach to communicating changes depending on what was driving the change within the organization. 47.1%
of changes driven by shifting corporate priorities were communicated as soon as the decision was made, but only 22.2% of decisions driven by project variances were communicated as quickly, with those relying much more heavily on stakeholder meetings or ad hoc communications.

As we would expect we also saw a connection between quick and efficient change processes and speedy communication: 59.8% of participants who said in an earlier question that changes are made as soon as the need is identified also said that PMs were advised as soon as the decision was made, compared with 46.3% of organizations where change approval takes longer and 33.3% of organizations that use a pre-planned review schedule. Continuing the trend that we have been seeing, there is a greater likelihood for communication to happen sooner as PPM maturity levels improve.

39. THINKING ABOUT SITUATIONS WHEN DELAYS HAVE OCCURRED IN COMMUNICATING CHANGES, HOW SIGNIFICANT HAS THE IMPACT BEEN?

We asked participants about the impact of delays in communicating changes, and it is clear that there is an understanding that these delays have a negative impact.

<table>
<thead>
<tr>
<th>Impact Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very significant – rework and wasted effort has occurred</td>
<td>30.8%</td>
</tr>
<tr>
<td>Somewhat significant – things could have been better if communication had improved</td>
<td>62.5%</td>
</tr>
<tr>
<td>No impact</td>
<td>6.7%</td>
</tr>
</tbody>
</table>

Clearly the issue with delays is not that there is a lack of awareness of the impact that may occur (at least among survey respondents), and yet as we saw in the last question there are still a majority of organizations that fail to communicate changes as soon as possible. This suggests that there are opportunities for organizations to improve the quality of their processes around change and communication of change.
Has the impact been different between traditional and Agile projects?

We wanted to probe further into the significance of delays in communicating changes and asked about any differences between Agile and waterfall-based approaches.

<table>
<thead>
<tr>
<th>The impact was worse on Agile projects</th>
<th>The impact was worse on traditional projects</th>
<th>The impact was the same between both project types</th>
<th>N/A – we only use one of the approaches</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.9%</td>
<td>25.0%</td>
<td>38.7%</td>
<td>31.4%</td>
</tr>
</tbody>
</table>

The results show a significant bias toward the impact being worse on traditional/waterfall-based projects: 83.5% of participants who said that one approach suffered more said that traditional projects were impacted more severely. The more formal structure and reduced autonomy that are often typical of traditional projects are likely a large part of the reason for this; in some cases, the impact on Agile projects may simply be a change in the contents of the backlog which can be accommodated with very little impact.

Which statement best describes how quickly project managers communicate significant project issues that may impact goals and objectives to sponsors/senior management?

We wanted to see if there were differences in the way that communication happened when it was initiated by project managers rather than by organizational management.
TOP-DOWN PLANNING AND BOTTOM-UP EXECUTION: HARMONY OR DISCORD?

They communicate as soon as the issue arises
- 51.5%

They communicate at the next scheduled sponsor/stakeholder meeting
- 27.0%

They only communicate after trying to solve the problem themselves and failing
- 19.5%

They never communicate the issues
- 2.0%

The overall results show a tendency for faster communication than when changes are being communicated down to PMs, but there is still a significant minority (19.5% won’t communicate issues until they have been unable to resolve them). This shows shortsightedness on the part of the project manager and it does align with lower levels of organizational PPM maturity—only 10.4% of the PMs in this category are employed in organizations in the top two maturity levels.

We also saw a connection between the way that PMs are communicated to, and the way that they themselves communicate: 75.8% of PMs who are told of changes immediately by management communicate issues as soon as they arise, but only 33.3% of PMs who have to wait for a status meeting to learn of changes communicate issues as soon as they arise.

42. DOES THE SPEED OF COMMUNICATION DIFFER BETWEEN TRADITIONAL AND AGILE PROJECTS?

We again explored whether there were any differences between waterfall and Agile projects when it came to the speed of communication.

Communication occurs faster on Agile projects
- 25.9%

Communication occurs faster on traditional projects
- 3.5%

Communication occurs equally fast on each project type
- 39.2%

N/A – we only use one of the approaches
- 31.4%

While most respondents who used both approaches said that there was no difference, of those that saw a difference 88.1% said that communication occurred faster on Agile projects. This may reflect a closer relationship between the sponsor role (potentially the product owner) on Agile projects and waterfall projects.

TOP TIP!

Treat your PMs as you want them to act. If PMs learn of changes in their projects as soon as they occur, then they are significantly more likely to be proactive in communicating project issues to their sponsors and stakeholders.
projects, but it is a significant difference and definitely speaks to the strength of relationship-based approaches rather than process-based approaches.

43. HAS YOUR ORGANIZATION CHANGED THE WAY THAT IT CONDUCTS ANNUAL PLANNING AND/OR CHANGE MANAGEMENT IN RESPONSE TO FEEDBACK/SUGGESTIONS FROM PROJECT MANAGERS AND/OR THE PMO?

As we moved to the end of the survey, we asked participants whether project managers and/or the PMO had been able to influence the way that annual planning and change management happens in their organizations. We were expecting to see a better ability to impact change management as that is more closely associated with project execution processes, but the data did not support that.

<table>
<thead>
<tr>
<th>Response</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, we have changed both planning and change management</td>
<td>24.4%</td>
</tr>
<tr>
<td>Yes, we have changed just annual planning</td>
<td>7.6%</td>
</tr>
<tr>
<td>Yes, we have changed just change management</td>
<td>5.2%</td>
</tr>
<tr>
<td>No</td>
<td>62.8%</td>
</tr>
</tbody>
</table>

Where changes had occurred, the tendency was to change both planning and change management in response to input from PMs and/or the PMO: 65.6% of those who said that changes had occurred chose that option. Further, when only one process had changed there was a greater tendency for it to be annual planning rather than change management. That may be because the change management processes are more developed and less in need of change than annual planning, but the responses to earlier questions on change don’t appear to support that.

More surprising is the fact that 62.8% of respondents said that their organization had not changed their process in response to PM or PMO feedback. This is a rather high percentage given that we would expect practitioners in the field to have input into what could improve the efficiency and effectiveness of their processes. It is interesting to note that 70.4% of respondents who said that changes had not been made earlier described change management in their organizations as either “taking a very long time and often happening too late” or “taking time to be approved which slows down the speed of the response”.

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We asked people who said that changes had occurred to provide more detail on the nature of the changes. While a number of participants associated improvements with implementation of PPM tools and/or greater adoption of Agile, there was no single type of change that stood out, although a theme of growing PPM maturity came through—greater PMO involvement earlier, formal portfolio management, etc.

44. **DO YOU FEEL THAT YOUR ORGANIZATION NEEDS TO FURTHER CHANGE ITS HIGH-LEVEL PLANNING AND MANAGEMENT APPROACH TO BETTER SUPPORT EFFECTIVE AND EFFICIENT PROJECT EXECUTION?**

Our final question focused on whether respondents felt that further changes were needed to optimize project execution.

![Pie chart showing 73.0% Yes, 27.0% No]

It’s not overly surprising that a clear majority of people said “yes”, and when we asked them to share their thoughts on the nature of those changes there was a clear desire for greater PPM maturity:

- Introduction of an enterprise-level PMO would be the first step
- The ad hoc nature of project planning and management across our various projects does not support the understanding and adoption of best practices. We have some projects very well run, but others that are a mess.
- Greater visibility throughout the organization proper PMO with top-down backing and authority
- A greater level of maturity in project management would provide greater insight into resource constraints; better communication would help avoid
rework; making the business signoff on scope might reduce cost and time overruns.

- Our organization needs to mature in the project value/ROI of work completed methodology. There is still much room for growth with this approach during the planning process.

- PMO should exist at the enterprise level with key business/stakeholders deciding priority of projects based on organizational goals, strategy, etc.

There is also some frustration around the way that strategic priorities are communicated (or not communicated) to the teams executing projects:

- The organization needs to stop being totally reactive. The unconscious “emergent” long-term strategy maybe fine for short-term needs, but it will never solve the system issues in the organization. It is crazy for a $Billion revenue company to not have a clear long-term strategy other than do things faster, cheaper and better. The direction of the company is not clear to anyone outside of the board room.

- We based our planning on assumptions about strategic objectives for the upcoming year. Planning and prioritizing begins in the fall. Strategic goals are communicated in January. We need the strategic goals first.
SURVEY ANALYSIS AND RECOMMENDATIONS
The section above explores the answers to each of the individual questions and ties some of the related questions together, but it also reveals some themes across the entire survey that we want to explore in more detail. In this section we explore the key themes and provide some recommendations to assist organizations in their continued evolution of annual planning, change management and project execution.

In particular we want to explore the following themes:

- The benefits of a more transparent, open and engaging planning process
- The importance of ensuring that there is a defined portfolio of projects for the organization
- The need for a shift from change management to continuous planning
- Leveraging Agile in new and creative ways
- The advantages of increasing PPM maturity, and how to get there

Collectively, these themes offer an opportunity for organizations to not only improve the quality of their project execution and the alignment between objectives and results, but also to build a more engaged and motivated project resource pool.
THE BENEFITS OF A MORE TRANSPARENT, OPEN AND ENGAGING PLANNING PROCESS

We don’t think that many people will argue that having project managers and project teams who understand why the project that they are working on is being undertaken is a good thing. However, as we saw in the survey, that is often not happening. And while some of the blame for unaware project teams has to rest on the shoulders of the PM, the organization also has some responsibility. When we asked survey participants how well project teams understood the purpose of their projects, 14.5% of respondents answered “not very well” or “not at all”; not a bad result, but clearly something that can be improved: 1 in 7 project teams don’t understand why they are working on the project.

When we look at the results where respondents told us that their organizations ensure that “all staff know what the strategic goals are as well as the priorities for the year and the process of project review and selection is well communicated”, then that 14.5% drops to 2.9% (less than 1 in 34 projects). 80.9% of that category said that their project teams understood the purpose of the projects “very well” or “fairly well” compared with 54.9% of the survey as a whole. When we look at PMs rather than project teams, the numbers are even more striking—just 1.5% fall into the lowest two categories of awareness, 91.2% into the highest two. Clearly, organizations that share their priorities with all staff and are open about project selection, see ongoing and significant benefits.

This is more than simply improving communication; organizations should really connect executives to the execution teams that deliver their goals and objectives. Too often, the separation between top-down planning and project-driven change results in a “chasm” in the middle of the organization that prevents effective decision making from occurring. That’s what causes the dramatic difference quoted in the numbers above when executives fail to reach out to execution teams to help them to understand why projects are being carried out.

This problem also occurs in the other direction, when project teams and PMs fail to reach out to executives to let them know about issues or project driven changes, and these two are linked: 74.5% of project teams that understood the project purpose “very well” communicated issues as soon as they arose, and for PMs the percentage was almost as high at 66.4%. We have long known that disengaged stakeholders are a recipe for project failure, and the same holds true when we look at organizational planning.

The data continues to support this idea that the more open the organization is with its employees,
the more that it will gain. Among the most open organizations we saw:

- A more rapid response when changes are needed
- Less likelihood for there to be negative impact if there were delays in communicating changes
- A greater likelihood for PMs and/or the PMO to contribute to changes in annual planning and change management processes
- A greater likelihood to have evolved the project selection and approval process in the last three years
- The most frequent review and update cycle for annual planning processes

Most organizations choose not to be quite this open with their employees around the organization’s goals and objectives, nor about the process for selecting projects—only 19.8% of respondents said that their organizations took this approach, with the most popular response being “some staff know what the strategic goals are as well as the priorities for the year and the process of project review and selection is contained within that group” with 31.7% and “high level goals and objectives are understood but annual priorities and the project review and selection process is not shared” with 30.8%.

It is difficult to think of any practical reasons why organizations cannot be more open with their employees about the way that annual planning is conducted, at least for the majority of initiatives where secrecy is not dictated by circumstances. So the assumption is that there is no benefit from sharing this level of detail with employees. It is clear from the data in this survey that this assumption is incorrect, and organizations are likely to see significant improvements in the quality of project execution simply from creating a culture of increased openness in the way that information is shared.
THE IMPORTANCE OF ENSURING THAT THERE IS A DEFINED PORTFOLIO OF PROJECTS FOR THE ORGANIZATION

For an organization to achieve its goals and objectives, it is important that the work undertaken maximizes the chances of success. That is more than just good project execution; it is executing the right projects at the right time. That requires the organization to have identified a pool of project candidates that have been developed from many areas of the organization, have been developed into business cases and have demonstrated the potential to deliver meaningful benefits that align with the organization’s strategic goals.

Without this approach, organizations will attempt to deliver strategic results through tactical measures—approving projects on an ad hoc basis, changing projects multiple times to try and better align with goals and ultimately delivering projects that may be on time, scope and budget (after those have been changed), but that fail to deliver the required business benefits. None of this is new, and the benefits of a structured approach to planning are well understood, and yet organizations have still not consistently embraced this strategy.

In our survey, 37.2% said that they didn’t even have a formal departmental level approval process, let alone a company-wide one (only 44.5% had that). This frequently manifests itself as a lack of PPM maturity in the organization—in the “sweet spot” of “established” and “mature” levels of maturity that we discussed earlier, we found that 76.8% and 91.4% respectively of organizations used organizational or departmental approval processes. We saw in many of the maturity-related questions above that there are wide-ranging benefits for organizations that reach this level of maturity, and without this maturity organizations will struggle to define and manage a portfolio based approach to projects.

The good news is that modern PPM software can help an organization to mature. While we would recommend that an organization reach the third or “developing” stage of maturity before attempting to implement PPM this only requires the existence of a PMO and some developing processes. Many organizations will already have the foundation for that in place, and a carefully managed and phased PPM implementation can help them to get to the next level. We would caution organizations to recognize their limitations and not try to do too much with PPM concepts or with PPM software until their maturity increases to levels 4 and 5 (“established” and “mature”), but they do not need to wait until they reach this level to start.

With portfolio-based planning, we believe that it is important to start relatively early in the organizational maturity cycle because portfolio planning can be a slow cycle—often no more than annually, although as organizations mature that leads us to our next point.

TOP TIP!
Investing in business-driven PPM processes and having the organizational patience to allow those processes to evolve and mature will deliver significant benefits in the shape of improved project and program execution; it should be considered a prerequisite for sustainable, scalable portfolio-level planning and management.
THE NEED FOR A SHIFT FROM CHANGE MANAGEMENT TO CONTINUOUS PLANNING

There is an inherent understanding among anyone involved in projects that it is important to make decisions in a timely manner, but we also know that frequently delays occur—particularly when it comes to either communications from the sponsor/major stakeholders or communication of issues by the project manager. There are many different reasons for these delays, but we don’t always appreciate just what the impact of those delays might be. The data in this survey showed us that the implications can be significant.

More than half of respondents (51.5%) said that changes take time to be approved, slowing down the speed of response; and a further 14.8% said that changes take a long time, often happening too late. That suggests that almost two-thirds of respondents believe that the process for approving change can be the cause of project problems. It appears as though organizations are starting to recognize that changes need to be made and communicated more rapidly: 34.6% of respondents in these two “problem” categories said that things were speeding up compared with what had happened in the past, but that’s still significantly less than the 57.9% that said that the speed of decision making/communication was no different than had occurred previously.

The speed of change communication also appears to be indicative of fundamental problems with the relationship between PMs and sponsors/senior stakeholders. If we look specifically at the more severe problem category around change (“changes take a very long time to occur and often happen too late”), we see that the behavior of PMs seems to mirror the way that they are communicated with.

Overall, 51.5% of respondents said that PMs communicated issues as soon as they arise; in this sub-segment, that number was just 25.5%. Just 19.5% of survey participants said that PMs would only communicate issues after trying and failing to resolve the problem; in this sub-segment, that number grew to 35.3%. The impact extends to the understanding of the purpose of the project—overall, 74.4% of respondents felt that PMs understood the project purpose “very well” or “fairly well”, but where changes take a long time that number drops to 54.9%. With project teams, the number drops from 54.9% to 37.3%.

Rather than focusing on improving the speed with which changes occur, we believe that there are benefits to be seen from moving away from an annual planning cycles interspersed with numerous individual changes to initiatives and toward a more continuous and evolutionary planning approach. The idea that planning is an annual exercise is in large part based on the idea that budgeting is an annual process and there was an expectation that the organization’s

TOP TIP!

Individual problem areas—like changes taking too long—can be indicators of more fundamental problems on projects, programs or portfolios. If this kind of problem arises, it is usually a symptom of a more fundamental problem between stakeholders that is likely to have a negative impact on the chances for project success.
project budget would be allocated to initiatives at the start of the year, even if those initiatives weren’t scheduled to start for many months.

With modern PPM software making the tracking of real project data far more precise and timely, this is a completely unnecessary step—budgets can be assigned without being allocated to individual initiatives, and planning can continue throughout the year to ensure that initiatives are approved with the most appropriate scope, schedule and budget constraints when the organization is ready to initiate them.

This approach can reduce the number of projects that are subjected to change (49.4% of respondents said that more than 25% of their projects changed significantly throughout the year) and also allows the organization to take a more portfolio-centric vision of projects. Change management generally involves a project focus where the impact of changes beyond the project or program that is directly affected is not fully considered. By taking an approach based more on ongoing, evolutionary planning changes the impact across the entire portfolio of projects is considered and results can be delivered through adjustments to future planned projects rather than disruptive change to projects currently underway.

Some organizations already have the foundations of this approach in place—we saw alignment between the levels of formality in the annual planning approach and in the change management approach. 56.9% of organizations that approved projects based on organizational goals also had a regular review schedule for change management—presumably a formal portfolio review process. On the other hand, where projects were approved based simply on the preferences of the C-level executives, only 21.1% of respondents had a regular review process for changes and changes occurred much more frequently: 63.2% said that changes were made “fairly often” or “frequently”.
Although this is not an Agile survey, it was important to us to investigate if and how Agile is expanding across organizations and the impact of any expansion that was occurring. Agile is now readily accepted as a mainstream approach to the execution of some projects, and it is also increasingly impacting the larger project execution approach of organizations—at the very least, there needs to be an ability to consolidate reporting of Agile and traditional projects.

Respondents to this survey did not have a large percentage of Agile projects—almost two-thirds were at a greater than 80/20 split in favor of traditional approaches, although there is a trend toward expanding Agile use among participants (and we did see some interesting trends). As we expected, we saw Agile delivering the benefits of delivering projects that better matched customers’ needs, delivering projects more quickly and (to a lesser extent) delivering projects at a lower cost.

We also expected to see respondents tell us that Agile allowed for changes to be made more quickly, although the extent to which this was true: 90.8% of people who saw differences in speed between changes in waterfall projects and changes in Agile projects said that Agile was faster. We were also encouraged that some of the traditional perceived negatives of Agile projects were not strongly expressed in the survey—while 26.2% of participants said that senior management found it harder to understand status and issues with Agile projects, the implication is that 73.8% didn’t experience that problem.

The survey also showed that Agile use is now accepted enough in many organizations that project teams are given the freedom to choose the approach that they prefer—only 9.6% of organizations mandated the type of project that Agile could be used for, and a further 5.2% of organizations did not allow the use of Agile at all.

As we saw in the results to each question, respondents strongly told us that Agile projects were less at risk from communication delays and were likely to have more rapid communications. But when we drill down a little further, we find some more interesting results associated with Agile. In question 30 above, we saw that Agile wasn’t chosen as the preferred approach even when practitioners were given free reign of which approach to use; but if we break the answers for that question into three categories (“use Agile as much as possible”, “sometimes use Agile” and “rarely/never use Agile”), we find some surprising outcomes.

Firstly, 63.1% of project teams from the “as much as possible” category understand the purpose of the project “very well” or “fairly well”, compared with 52.9% of “sometimes use Agile” and 49.5% of “rarely/never use Agile”. For project managers the numbers follow the same trend: 79.6% of “as much as possible”, 73.5% of “sometimes” and 70.5%
of “rarely/never”. The differences may not be stark, but they are significant and suggest a higher level of engagement on Agile projects by all stakeholders.

We also saw that where Agile was used more frequently, there was greater satisfaction with the speed with which changes were made to projects. 40.8% of respondents in the “use Agile as much as possible” category felt that the speed with which changes were made was about right, compared with 39.7% of those in the “sometimes” category and 34.3% of the “rarely/never” group. Again, not a significant difference, but another subtle benefit where Agile is used.

We didn’t see a lot of use of Agile when it comes to annual planning—only 20% of respondents said that it was used, and some of the more detailed responses there suggested that the use was more departmental rather than organization wide. That’s not surprising given that many organizations have embraced Agile from the bottom up—starting with select projects in R&D and spreading outward and, to some degree, upward.

However, the Scaled Agile Framework (or SAFe) is starting to be adopted by some organizations, and we would encourage all organizations to look at whether it offers any opportunities for improvements. While SAFe is far from perfect, and may not be appropriate in its entirety, it does offer an Agile approach that senior management are more likely to be able to relate to.

**TOP TIP!**

The decision to use Agile or waterfall is more than just a question of project execution approach. While the advertised benefits of Agile are delivered in many circumstances, Agile also delivers a number of less obvious benefits to the organization. Additionally, allowing project practitioners to choose if and when to use Agile will not result in a surge of inappropriate Agile use, and will help to empower project teams.
The Advantages of Increasing PPM Maturity, and How to Get There

Some of the most striking results from this survey were those around PPM maturity. Respondents represented all levels of PPM maturity, although there was a slight bias toward lower levels of maturity, which is to be expected. Level 3 (developing) on the 6-point scale being the most popular response, followed by level 2 (reactive) and level 4 (established).

In the analysis of individual questions, we saw some of the benefits that higher levels of maturity can deliver—around PM and project team engagement, for example. As we would expect, higher levels of organizational maturity around annual planning and changes also aligned with higher levels of PPM maturity, especially the transition from level 3 to 5 (when organizations have PMOs in place to help with alignment). We also saw a steady increase in satisfaction with the speed of change as maturity levels improved, as well as significant improvement in the speed of change at levels 3 and 4 compared with the lower maturity levels.

As was explored in the individual questions, we did see a degree of “plateauing” in some of the metrics as maturity levels increased, and this seemed to hold true for many different factors. For example, the percentage of respondents who used Agile “as much as possible” was 19.6% for maturity level 1; 23.7% for maturity level 2; and 31.3% for maturity level 3. However, it then leveled off—level 4 was 28.6% and level 5 was 34.3%. For that particular metric, level 6 was 75.0%—but that has to be tempered given the relatively small sample size of organizations at that maturity level.

This suggests that organizations may well not benefit from going too far down the PPM maturity path. For many, the benefits that may be driven by improving to levels 5 and 6 may not justify the investment required to get there.

Where organizations can drive more benefit—and where continuing to advance maturity may be important—is through the selection of an appropriate PPM tool. As we saw in the individual question responses, many organizations have chosen a PPM tool by the time that they reach level 3. We believe that the decision to pursue higher levels of PPM maturity is tied to the enterprise-wide elements of PPM software—if organizations wish to leverage the software across all areas of project execution within the organization and conduct the highly complex analysis that these tools are now capable of, then they need to invest the time and effort into advancing their PPM maturity. Additionally, PPM maturity should come first, followed by the use of the tool; as we saw in the detailed questions, organizations benefit most when the tool adjusts to them, not the other way around.

We saw mature organizations align closely with project managers and the PMO contributing to improved

Top Tip!

While higher levels of PPM maturity will deliver benefits, the law of diminishing returns applies to many factors and the investment of time, effort and money required to move beyond levels 3 or 4 may not be worth it.
planning and/or change management processes, although once more we saw a significant step between levels 2 and 3 followed by a slowdown until level 6—the percentage of organizations at each level that had changed planning and/or processes as a result of PM or PMO input were:

- Level 1 – 17.4%
- Level 2 – 21.1%
- Level 3 – 44.4%
- Level 4 – 46.4%
- Level 5 – 48.6%
- Level 6 – 62.5%
RECOMMENDATIONS

This survey took a broad look at the way that organizations are changing and evolving—a drive for improved strategic alignment at executive levels of the organization combined with a more strategic management approach to portfolio (and by extension project and program) execution, while still looking for more effective, efficient and flexible project execution at the front lines. The results of this survey suggest that while there are some positive developments occurring, many organizations still have a number of improvements that they can make.

We encourage all readers of this survey to consider how they would fare in each of the detailed areas considered in this report, but we would particularly recommend that organizations:

- **Consider how well they communicate the long-term corporate priorities, the goals and objectives for the next planning period, and the process for reviewing and approving projects to their staff.** There is a strong message in this survey that better communication results in better engagement, and that drives improved performance. From a purely practical standpoint, the more that people understand where the organization is going the more likely they are to be able to come up with ideas that will assist and develop those ideas into solid project proposals.

- **Strengthen communications across all aspects of project execution.** The results of the survey show clear opportunities for improvements between stakeholders, project managers and teams. This is not a new concept—we have known for years that strong relationships are needed to maximize the chances of project success, but we are seeing here that this is still not consistently occurring. In particular, the communication between senior-level project decision makers and PMs is frequently not as effective as it might be, which has an impact on the PM's willingness to communicate issues back to management; and PMs are not always helping their teams to understand the reasons why their projects are being undertaken, reducing the likelihood that team members will be motivated and engaged.

- **Consider Agile as more than just an alternative approach for software development projects.** Agile isn't appropriate for all projects, and our survey shows that practitioners recognize that. But it does offer advantages beyond simply improved customer satisfaction and shorter execution times (although those are significant benefits in themselves). Agile can help to create a project environment where practitioners are more engaged, and it can...
help to overcome some of the challenges associated with traditional project methodologies. Additionally, Agile methods can be applied at the enterprise level—and many of the perceived organizational restrictions of Agile are not in fact barriers to success at all.

• **Engage project practitioners and the PMO in developing project management capability.** Not only will that help to build an engaged team, it will assist in developing the organization’s PPM maturity, which in turn will improve the chances of project execution success. At the same time, recognize that PPM maturity improvements are not linear—many organizations will experience a “plateauing” around level 4, after which the benefits may not be able to justify the investment.

• **Develop portfolio-driven, ongoing planning approaches.** By defining the portfolio first, it is easier to maintain alignment with the organization’s goals and objectives and reduces the reliance on potentially disruptive change to make corrections. By having an ongoing planning approach rather than trying to complete all planning activities in an annual cycle, the organization can be much more adaptable to the shifts in priorities and the variances in execution that are an inevitable part of portfolio execution.

• **Invest appropriately in PPM software, recognizing the benefits and the risks that are inherent in such an implementation.** Relatively immature organizations can succeed with PPM, but they need to be careful to avoid trying to expand the feature set too far, too fast. Enterprise-wide use of the full PPM feature set should occur only when the organization’s project execution approach is mature enough to allow the tool to adapt to the processes. If you find that you are tailoring too many processes to the tool, then you are unlikely to succeed.
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