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# Project Management Excellence – Enabling Quality In Project Execution

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## Abstract

This paper further develops a concept of excellence in project management developed by IPMA (International Project Management Association). The Project Management Excellence Model (PEM) aims to achieve a crucial balance between project execution and project quality. PEM facilitates this integration and supports broadening internal and external perspectives. PEM initiates a process of continuous improvement and innovation in project practice..

With its basis in Total Quality Management (TQM), the PEM supports an organisation to benchmark its projects in order focus on strengths and further potentials in the project execution. It does so by focussing on nine core elements surrounding project management and project results. The conceptual basis of the European Foundation for Quality Management (EFQM) makes the PEM independent from particular project management (PM) methodologies and a highly pragmatic tool that integrates into any organisational methodology. Its pragmatism enhances implementation capabilities. The PEM serves as a basis for the International Project Management Association (IPMA) Project Management Excellence Award, allowing for global benchmarking. As it supports the process of identification of best practices, the PEM is a framework that accumulates existing organisational knowledge and experience.

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### Key Words

Project Management, Excellence, Pragmatism, Quality

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# I Introducing the Project Management Excellence Model

## I.1 Project Management Meets Quality

The Project Management Excellence Model is a structure offered by the International Project Management Association used to gain a profound picture of any project and its execution quality. The PEM supports an organisation to benchmark its projects in order to focus on strengths and further potentials during project execution. As a general instrument that employs the critical knowledge gained from Total Quality Management, the Model is varied in its application and continuously developed.

The entire model consists of nine elements, five of which are related to project management and four to project results. The PM enablers are (1) project objectives, (2) leadership, (3) people, (4) resources and (5) process. The project result dimensions are (6) customer results, (7) people results, (8) results of other parties involved and (9) key performance and project results.

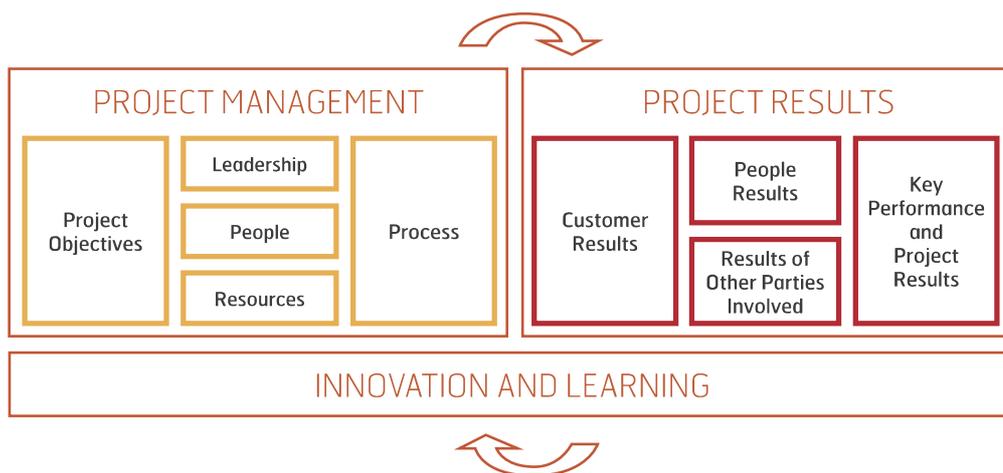


Figure 1: Overview of the Project Excellence Model

## I.2 EFQM Background

The PEM has its roots in the EFQM Business Excellence Model, which is based on the Total Quality Management System of the European Foundation for Quality Management. It follows the same general idea of distinguishing between enablers and results, although some specific elements of the latter were re-designed and adopted to the projects' determinants. This common conceptual basis makes the PEM an ideal model for supporting organisations in their efforts to improve results both in the area of quality as well as project management. In 1997, the PEM was used for the first time as a reference model in Germany for the Project Management Award from the German Project Management Association (GPM). In the following years, since 2001, it became the standard for the International Project Excellence Award of the International Project Management Association (IPMA). Presently, it is widely recognised as the most comprehensive and universal tool for project execution quality assessment. It was successfully implemented by several major global organisations such as GE, Siemens, Foster Wheeler and NTPC.

### 1.3 Pragmatism

On the basis of its background in the TQM, the PEM is widely recognised for its pragmatic approach. The Model refers to universal project enablers and typical groups of stakeholders. This makes it independent from any particular project management methodology, which implies that it could be adopted by any organisation, regardless of the maturity level. The PEM is also suitable for organisations which develop their own dedicated methodologies in order to take their actual assets into consideration. This approach helps organisations to remain flexible and implement best practices regardless of whether or not they fit into rigid methodological rules or not. Even in the case when a particular organisation would build its competitive advantage based on various methodological standards, adopting the PEM does not involve any extra costs when these standards change.

### 1.4 Implementation

Despite its comprehensiveness, the PEM is easily implementable. Thanks to clearly defined elements, one can easily assess the strengths and identify areas for further improvement. The build-in split of project management enablers and project results establishes effective loopback. It helps to appraise improvements made in pursuit of project management excellence, while taking into consideration results perceived by different stakeholders. This attribute makes implementation of the PEM possible at any stage of the project execution, including those in the stage of business case evaluation, as well as those on-going and already finished projects. From this perspective, the Model can be applied to the entire portfolio or to a single particular project playing the role of the pilot of the process.

### 1.5 Best Practice

The PEM serves as a basis for evaluating the IPMA Project Management Excellence Award, allowing for global benchmarking. Usually, many best practices are defined in the context of a particular project and the organisation running it. The PEM supports the process of identifying best practices by taking into account stakeholders' expectations and resources available. For this reason, the PEM is a framework that accumulates existing organisational knowledge and experience. This helps to structure it, value and formulate lessons learnt with reference to respective project management areas.

## II Benefits of the Model

### II.1 State of the Art Reference for PM Excellence

Due to its pragmatic and elaborate approach in mapping project strengths and potentials, the PEM itself brings a variety of benefits to driving high-performance project execution. The PEM is recognised as state of the art reference for PM excellence, e.g. by the IPMA. As the IPMA associates more than 50 national project management organisations, the significance of the International Project Excellence Award can be compared to the Oscars in film industry. In this sense, for more than 10 years, the PEM has been a tool by means of which the best projects in the world are assessed and awarded for their results. Taking that into account, by implementing the PEM, an organisation wins not only a good reference model, but also gets the certainty that, on its way to effective improvement of business and quality processes, it follows the same approach as market leaders and thus employs best practice potentials.

## II.2 Opportunity for Systematic Benchmarking on a Deeper Level

During the assessment process, each element of the Model plays a crucial part in the assessment criterion. The systemic approach is reflected in the fact that all criteria are interlinked, especially between the project management and results sections. They also split into detailed sub-criteria resulting in a total combined score as high as 23. This makes it possible to benchmark different projects (applied practices and their significance for meeting stakeholders' expectations) in a broad and deep way. Findings can be formulated at different levels from the sponsors through project managers to the staff members and clients. The Model also includes a perspective of suppliers, sub-contractors and local communities. Efficient involvement from these parties is crucial for project success. Typical assessment criteria for project management process and results are shown here.

PROJECT MANAGEMENT			
<b>Plan</b> (sound process)	<b>Do</b> (systems and preventions)	<b>Check</b> (checking)	<b>Act</b> (improvement and integration)

Figure 2: Project Management processes assessment table headers

PROJECT RESULTS			
<b>Comparison with project objectives</b>	<b>Comparison with other projects</b>	<b>Continuity</b>	<b>Results lead back to process</b>

Figure 3: Project results assessment table headers

## II.3 Preparing for External PM Excellence Recognition

Gaining knowledge about the Model and the ability to use it can efficiently shape organisational attitudes. As a result, these changes accelerate the pace at which organisations are able to achieve its project management maturity. The progress can be assessed internally (e.g. in the form of an internal competition), or externally by applying for the IPMA International Project Excellence Award. With reference to the latter, a company that consciously uses the PEM as a general framework for all projects is surely in a better position to compete for the award than those that do not use it regularly.

## II.4 Possibility for Internal Certification

Apart from its capability to systematically benchmark, the approach of the PEM helps to develop valuable project management cases. A broad range of performance assessment criteria can be introduced and used for internal certification processes built into personal development paths. As a result, they support effective retention management and lead to greater success in driving a continuously improving knowledge of project execution.

## II.5 Capturing Lessons Learnt

Amid all the benefits of implementation, lessons learnt from the PEM are probably the most meaningful. They are usually grouped into the 23 areas of the Model. In many cases, a distinction between different project types is also applied (e.g. fast track projects, mega/large/medium projects, etc.).

Typically, lessons learnt are shared with suppliers and sub-contractors in order to improve the entire business environment. Their value is difficult to overestimate, especially when they refer to mega projects, of which the execution lasts for many years. When one talks about project execution quality, own lessons learnt, effective mechanisms from their gathering and implementation, are both very often listed as important sources of competitive advantage.

# III Applying the PEM

## III.1 Making Quality Visible

The PEM puts emphasis on the quality of the project management processes, thus bringing it to management's attention. As it engages various stakeholders to provide answers, it also stimulates meaningful dialog about quality. As a result, management gains a better understanding of the key process related factors that drive the actual projects results. Quality in project management is further driven through the PEM by:

- **Generating success stories**  
Due to its exploratory nature, the PEM helps to recognize success stories that can be shared as case studies and used in management training programmes. Organisations can build their own PM curriculums and ensure that best identified practices are used systemwide as a part of natural way of working.
- **Raising external awareness**  
The PEM raises recognition for excellence in project management. The IPMA uses this model as a framework for its International Project Excellence Award. Most award finalists claim that their participation increased interest in quality of the project management process not only involving their own management, but also customers. It is an opportunity to benchmark against other participants in the competition.

## III.2 Driving Project Execution Quality

Having roots in the EFQM, the Project Management Excellence Model is designed to bring project management and quality together. Concepts such as PDCA or achieving results through sound processes are put into a project management context and used to drive improvements. Unlike other models, however, the PEM ensures that every discussion about processes focuses on efficiency in a given context and on the actual impact on project results (effectiveness). This already helps to convince managers and other key stakeholders that spending time on quality is necessary.

Project execution quality can be driven by:

- **Invigorating existing quality processes**  
Mapping the existing processes combined with current practices against the PEM and working out value streams behind them marks a great start. Resulting discussions leading to substantial and continuous improvements is usually an early sign of a major change within the management culture.

- **Applying a project quality review model**  
Organisations that use the PEM in their long-term quality efforts, apply a project quality review model as an on-going process. It enables them to continuously capture lessons learnt, make improvement plans part of their regular routine and thus realise quick wins faster than most of the competitors.
- **Enabling for preventive action**  
Another aspect of this approach is related to the management of risks. This enables organisations to preventively establish an early warning practice. The effect is the confidence to address risks early in the process.

### III.3 Driving the Project Management Quality Role Model

Management processes alone – though effective by design, supported and constantly improved by a strong quality organisation – are only one of the factors necessary in order to achieve management buy-in. In order to ensure actual adoption of the processes and encourage people not only to follow them, but also to actively participate in their continuous improvement, organisations need to grow leaders that will promote best practices by walking the talk.

The PEM can support this process through:

- **Training programmes**  
It helps to take a systemic approach to PM curriculums by including such elements as leadership, empowerment, human capital growth, stakeholders' care, process identification and alignment. These elements can be practiced by applying the PEM to case studies experienced in the organisation and conclusions, which are immediately applicable to business.
- **Internal certification**  
Certification promotes a systemic approach to project management, supporting values such as responsibility for the project and its environment. The PEM can be used as a canvas for the certification process enabling internal certification assessors to get a comprehensive look at the project managers' performance.
- **Succession and career planning**  
Especially in case of organisations that are looking for possibilities to provide harmonic growth for non-managerial staff (e.g. engineers) seeking a PM career track, internal certification drives succession and career planning.
- **Individual appraisal**  
By introducing internal award systems based on the PEM and/or encouraging individuals to apply for IPMA Project Excellence Awards, organisations create an individual appraisal system that promotes good management practices. In such context, individual successes immediately build the right PM role model.

## IV The PEM as a Long Term Vision

Beyond immediate benefits, the Model supports strategic project development for a long-term perspective. Organisations capitalise on increased knowledge about their own project management excellence capability.

Results can be observed in several areas such as:

- **Competitiveness and improved tendering**  
In today's economy, organisations need to use each of their advantages to avoid sheer competition by price. Even in situations when price is a deciding factor, advanced self-

knowledge enables them to successfully use their strengths to gain a competitive advantage and increase margins. The PEM enables project-oriented systems to be more self-aware and thus start the race from a better position.

- **Quality**  
Empowered teams can drive a continuous improvement cycle themselves. Leading the culture change and mentoring further generations of employees enables quality departments to strengthen their role as a partner in structural development. Again, the PEM is one of the frameworks that support organisations in this transformation.
- **Results**  
Ability to focus on the right things, proven practices built into the processes and culture of ongoing improvement are proven factors that drive competitiveness and lead to increased results. It's important to realise that these are not limited to financial income, but also include well-being of all stakeholders.
- **Meaningful partnerships with customers**  
Another long-term benefit of conscious adoption of the Project Excellence Model is the organisations' ability to create nurturing, meaningful partnerships with customers, suppliers, local communities and other stakeholders. This can entirely change the business model and enable it to be sustainable regardless of market fluctuations.

Enhancing quality in project execution is facilitated by the integration capabilities of the PEM. It balances not only quality and project execution. The PEM allows for a broader internal and external perspective, continuous improvement and innovation.

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## References

Figures one to three and the basic information of the IPMA PEM are copyrighted by the International Project Management Association (IPMA). For more information, please visit <http://ipma.ch/awards/project-excellence/the-pe-model/>

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