

Project Control Functions



A BENCHMARK OF
CURRENT BEST PRACTICES

Executive Summary

Organizations do not perform project control functions well. Managing issue, risk and change control processes are particularly troublesome. These conclusions are among the results of a survey of fifty-four project management practitioners by the Center for Business Practices, the research arm of the consulting and training organization, PM Solutions.

The CBP surveyed senior practitioners with knowledge of their organizations' project management practices and business results. The survey, *Project Control Functions: A Benchmark of Current Business Practices*, was designed to investigate best practices in the performance of project control functions in organizations.

Project control functions include:

- Educating the Project Team on Proper Project Management Processes
- Facilitating/Overseeing Project Planning/Control Sessions
- Developing the Project Schedule and Work Breakdown Structure
- Managing the Critical Path to Ensure Schedules are Being Met
- Estimating Project Costs
- Tracking and Analyzing Project Costs
- Managing the Process of Issue, Risk and Change Control
- Documenting and Delivering Project Status Information

The survey results revealed that half of the organizations responding performed project control functions average to poorly. Three functions in particular were cited for needed improvement: managing the process of issue, risk and change control; educating the project team on proper project management processes; and estimating project costs. Organizations are best at documenting and delivering project status information.

They also showed that most organizations do not recognize project controls as a specific job role. Project control functions are typically performed by project managers, who either report to a centralized project office or to specific departments within their organization.

Project Control Functions: A Benchmark of Current Business Practices is the first survey to provide benchmark data on a wide variety of issues surrounding the project controls function in organizations. The findings are helpful in gauging the value of project controls and what, in general, most organizations practice.

Research Approach

This survey on the project control practices of organizations was developed by the Center for Business Practices to better understand a variety of issues of importance to project management practitioners. The survey provides benchmark data on the following topics:

- Whether or not there is a single role in organizations that perform project control functions and what that role is
- Where project control specialists report organizationally
- Whether or not organizations use augmented services to perform project control functions
- How well individual project control functions are performed
- Which project control functions organizations currently perform best and which need the most improvement
- Whether or not Sarbanes-Oxley and other government mandates have affected the organization's project control processes
- Who is responsible for making hiring decisions for project control specialists
- What could be done to improve project controls.

Members of the Center for Business Practices Survey Research Network were invited to participate in this web-based Project Control Functions survey. The CBP Survey Research Network is a benchmarking group with knowledge of their organizations' project management practices and their organizations' business results.

E-mails were sent to 1,199 project management practitioners inviting them to participate in the survey; 193 of those e-mails bounced, 392 were opened, and 54 responses were received and found useable for benchmarking purposes. Responses were received by 17 August 2004. The responses to all questions are presented in total.

Observations

In most organizations (83%), project control functions are performed by multiple roles, mostly by project managers (64.8%) or project coordinators (38.9%).

When project control functions are performed by a single role, that role is usually a project manager (58.1%) or a project control specialist (19.4%).

A majority of those performing project control functions report to either a centralized project office (33.3%) or to decentralized departments within their organization (37.0%).

More than half of the organizations responding use (49.1%) or plan to use (5.7%) augmented services (consulting, staffing, outsourcing) to perform project control functions.

More than half of the organizations responding performed project control functions average to poorly. Below are the average scores, based on a scale from 1 (very poorly) to 5 (very well), showing how well organizations performed individual project control functions:

• Documenting and Delivering Project Status Information	3.40
• Developing the Project Schedule and Work Breakdown Structure	3.20
• Facilitating/Overseeing Project Planning/Control Sessions	3.13
• Estimating Project Costs	3.11
• Managing the Critical Path to Ensure Schedules are Being Met	2.96
• Educating the Project Team on Proper Project Management Processes	2.94
• Tracking and Analyzing Project Costs	2.94
• Managing the Process of Issue, Risk and Change Control	2.81

Organizations identified documenting and delivering project status information as the project control function they performed best (24.5%) and the functions that needed the most improvement included educating the project team on proper project management processes (20.8%), estimating project costs (20.8%), and managing the process of issue, risk, and change control (20.8%).

Sarbanes-Oxley and other government mandates have had little effect on organization's project control processes.

Tracking actuals, improving project management software tools, creating a strong project management governance structure, and educating on the benefits of using project controls were cited as means to improve the organization's project controls.

COMPARISONS BASED ON SIZE OF ORGANIZATION

Large organizations are more likely to have project control specialist roles.

Large organizations are more likely to use augmented services.

Large organizations are much more likely to perform project control functions poorly to very poorly (except for documenting project status).

Small organizations are better at developing schedules and work breakdown structures, but particularly need the most improvement in estimating project costs.

Medium-sized organizations need the most improvement in managing issues, risk, and change control.

Large organizations are more affected by government mandates, but they are still only affected mildly.

Hiring decisions in large organizations are much more likely to be made by functional managers.

Respondent Profile

Most of the responses came from project/program managers (40.7%) followed by project/program office managers (16.7%) and directors of project/program management (14.8%). The size of their company and their industry was similar to other studies we've done, with all size organizations represented and Manufacturing (15.1%), Professional, Scientific, & Technical Services (15.1%), and Construction (15.1%) companies most represented followed by Information (13.2%) and Finance & Insurance (11.3%). 40.7% of the companies had annual sales greater than \$1 billion, and 33.3% had annual sales less than \$100 million.

Survey Results

Notes

Survey results are based on responses from 54 senior project management practitioners representing 54 organizations. The percentages listed represent the average (mean) number of organizations that responded to the question.

Responses to the question "How well are the following project control functions performed in your organization?" were used to calculate an average rating based on a scale of 1 (very poorly) to 5 (very well). Responses to the question were also used to calculate averages that demonstrate results in two combined categories: poor-to-very-poor and well-to-very-well.

Cross-tabulations were performed to compare responses based on the size of organizations (determined by annual sales):

- Small = Less than \$100 million
- Medium = \$100 million to \$1 billion
- Large = Greater than \$1 billion

Results to open-ended questions are provided in full.

Note:

The Center for Business Practices is now PM Solutions Research