

Top-Performance in Project Teams **– how to evaluate the “soft side” of a project by hard facts**

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Background and process of development

Introduction

There is no doubt that the conditions on the market are changing: industry, trade- and service sector are leaving the idea of mere mass production; the customer-orientation moves in focus and project-like jobs are increasingly demanded. However the management of complex projects was not always successful in following these trends: according to experts approximately 70 percent of all projects reach their objectives only unsatisfying, or even fail.

Moreover, the attitude towards a “good project job” has changed significantly. From the beginning of the independent discipline project management, focus was given on new development and the proper use of methods and techniques in projects. Then, the PM-community tended to concentrate on the management of multi-projects or programmes. Therefore, PM-systems and “streamlined” processes seemed to be a helpful approach. Since about one decade special awareness and attention is given to the project team. Not only the one and well-trained project manager himself is a guarantee for successful projects, but the whole project team should be enabled to play an orchestrated music so that the overall project results are sounding. But this new attitude brings up a complex problem: how to measure these more soft-sided aspects of a project? How can a benchmark be done if it is very difficult to measure or even compare different projects?

To change this situation, an international team of PM experts under the auspices of GPM (German Association for Project Management) has developed a model to award excellence in project management with the

intention of supporting the idea and realisation of extended quality in project management.

In principle quality management as a subset of practised project management is not very new. For a long time project teams have realised that an improvement of working processes, human resource management, "objective orientation" and behaviour in leadership can sustainly influence the success of a project. Those are often called "soft factors" of success, they are very popular especially with the innovative project management. But how to monitor and control those success factors? How can they be "benchmarked"? Can team performance be quantified independent from project type and size or even from comparable organisational structures? The last years have shown that it is possible!

Therefore a basic structure of assessment for all types of projects is needed. This is provided by the model of "Project Excellence". In disparity of the established model of "Business Excellence" it is not focused on one company or organisation, but on a project with all its involved individuals. Designed deliberately open it allows many approaches of achieving sustained excellence in projects. Since 1997 GPM offers the "German Project Management Award" which has opened in 2000 to the international audience. At the IPMA World Congress for Project Management 2002 in Berlin the "International Project Management Award" will be introduced to the global PM-community.

Goal and intention of this award

The "Project Management Award" goals at supporting project management as the way of top performance in projects and at identifying suitable projects as best example for excellent project management.

Similar to the established model "European Quality Award" of the European Foundation for Quality Management (EFQM) GPM intends to support the process of self-assessment with this award. The project teams become motivated to identify and benefit of their own strengths and potentials of improvement. This award is open to all project teams from one or more co-operating companies.

From idea to realisation – the history

The model of "Project Excellence" has some well-known examples: the Deming Prize, the Malcolm Baldrige National Quality Award (MBNQA), and The European Quality Award (EQA). Furthermore the results of several work groups on standardisation and committees of experts in the most relevant European project management associations (GPM, Germany and IPMA, international) were integrated..

The actual process of developing was rather short. In December 1996 the Board of GPM decided to run the German Project Management Award for the first time in 1997. In January and February of 1997 an international team developed the model for Project Excellence as well as all assessment and review procedures. In March 1997 the advertising for the Award 1997 and the training of the first assessors followed. In October 1997 the first German PM Award was conferred.

Based on each year's level of knowledge a review team (with members of some finalists from previous years) has checked the whole concept and further developed it for the next year.

The Model of Project Excellence

The model is based generally on central ideas of the project management and the total quality management. These can be transcribed in the following claims, insights and demands (Figure 1).

customer satisfaction	In an excellently organised company or project the customer must be absolute "king" - with all consequences. He is the only to define quality. His needs and desires have to be understood by an enterprise.
staff development and participation	Only in a culture of confidence/trust and openness the full potential of the employees can be released.
partnership with suppliers	A customer-supplier-relationship based on confidence and co-operation is a asset for both sides.
leadership	Real executives coin the culture of the organisation and steer the resources and activities towards excellent performances. Therefore high leadership quality is evident.
social responsibility	Every excellent company must understand never to make decisions apart off its context. Ethics and responsibility play an important role for all decisions.
processes and facts	Activities and tasks are systematically executed as processes and are subjects of permanent improvement, based on facts and clear measurements
results	To achieve excellent results on long term bases the expectations and demands of all stakeholders have to be balanced out properly.

Figure 1: Basic ideas of the model for Project Excellence

Based on these basic ideas nine main criteria were developed to assess the progress of a project on its way to top performance or project excellence. The core structure of this model was designed consciously simple and was brought into line with the European model for Business Excellence (The EFQM model for Business Excellence is the base for the European Quality Award as well as for national quality awards such as the "Ludwig-Erhard-Preis" or the Austrian Quality Award.).

Instead of developing a completely new "fancy" model which will decline tomorrow in the raising variety of modern management techniques and key words, it was intended to evolve a scale and guideline for excellent project management in practice without much expenses and great efforts. Having already a good look at the TQM-ideas, companies can feel comfortable in this model also within short time.

For assessing the quality of a project by experts, not only the results count. The following questions are just as important: Are all ones involved satisfied with the results? How has the project team accomplished the objectives? By consequence the new model for Project Excellence (Figure 2) structures these criteria into two areas: "Project Management" (How does the project

perform, how does it behave to be good and to get better?) and "Project Results" (What came out of it? How good is the project really?).

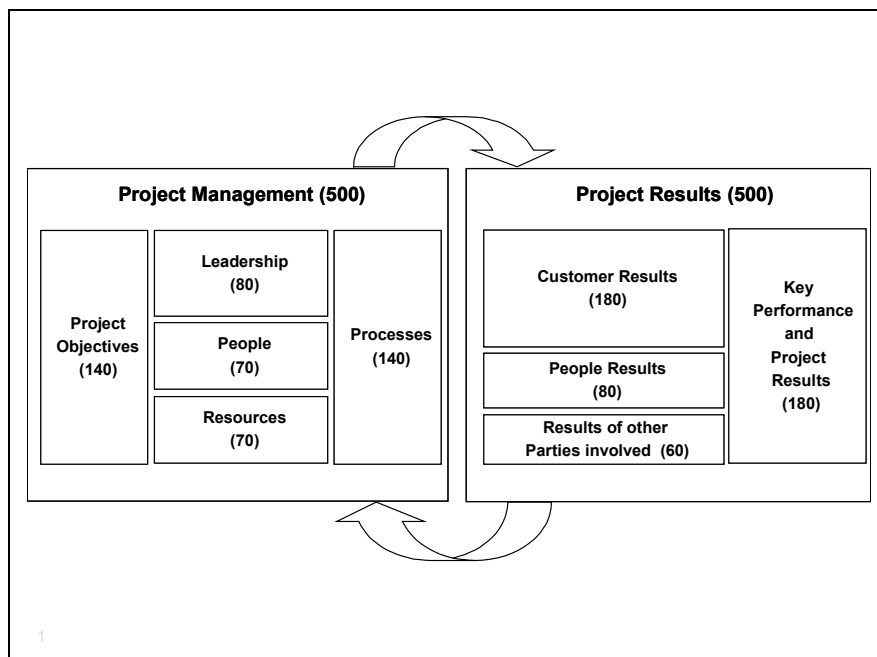


Figure 2: The Model of Project Excellence - Overview

Although the scale is restricted to the top, however 1000 points are not really achievable. A project with 50% can be considered as "very good" already. Experience shows that the "average" of points as margin per criterion is between 20% and 70%. Since 1997 the results of the project teams show a certain trend

A short description of all nine main criteria is shown in Figure 3. Each of the nine main criteria is divided in sub-criteria, so there are in total about 23 aspects to be looked at. This enables an unbiased and comparable assessment of different projects - independent from type and complexity of the project. The model for Project Excellence is used either for self-reflection of a project team, recognising strengths and potentials of

improvement. Or for a formal assessment in the context of an application for the International Project Management Award.

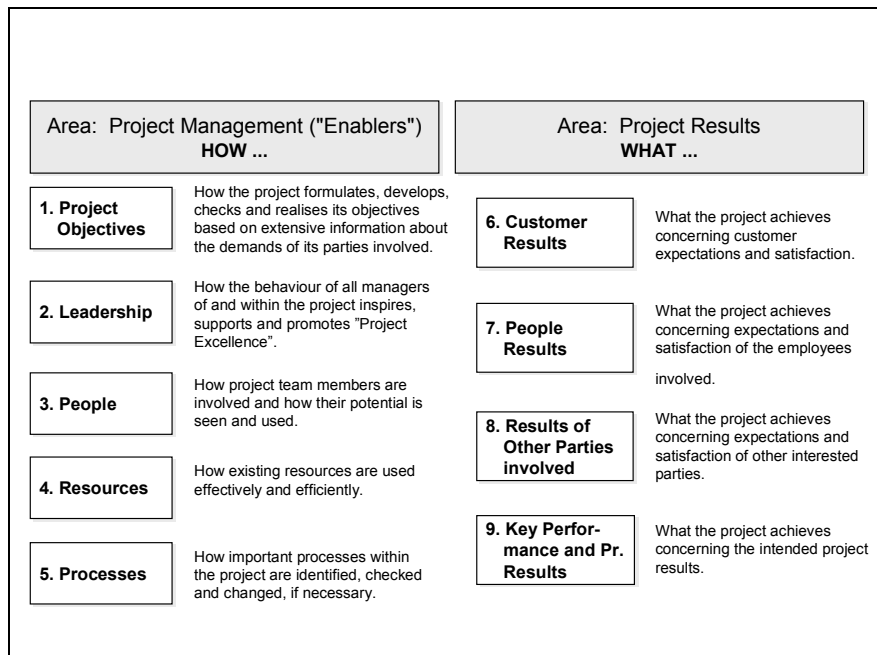


Figure 3: The model of Project Excellence - nine main criteria

These criteria point out that the described model is focused on the complete project management process (not only single tasks) and follows the necessity of the project life cycle approach. So it can be used by all project teams, independent from their "guidelines" for PM (e.g. DIN 69901, IPMA ICB or PMI PMBoK-Guide).

Application and the Assessment Process

All project teams can apply when they fulfil determined preconditions, the application fee in 2001 are EURO 1450,-. Following the assessment process a project must pass up to four steps. Each single step has to be passed successfully: application, first assessment, on-site-interview, and final audit by the jury.

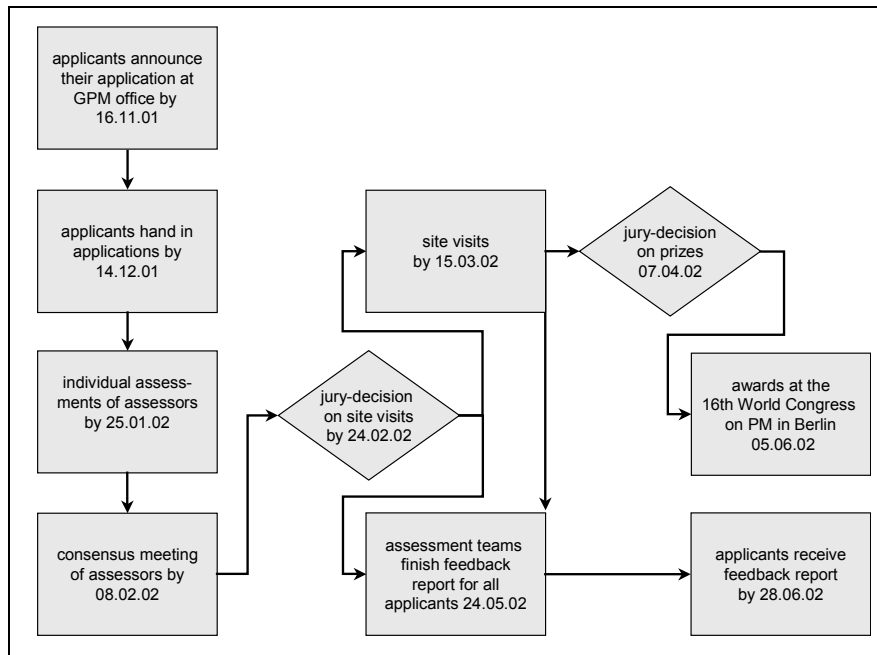


Figure 4: The overall process of application and assessment

Step 1: Application of the project team

When a project team decides to apply for the PM award a detailed analysis of the quality of the own project management has to be carried out: applicants generate a documentation with up to 35 pages. They explain how their project fulfils each single criterion and sub-criterion of the model. This type of explanation is a self-assessment that helps the project team to understand their own position, identify improvement potential and use this to achieve greater success.

In the area of "project management" (see assessment table in Figure 5) an exact description of the procedures is necessary, referring to each respective sub-criterion. It has to point out how the project has proceeded, which methods and procedures have been used and which mechanisms for improvement have been used to be successful: it judges to what extent the **procedure** is excellent.

Project Management						
sound process	systems and prevention	checking	sophistication and improvement of business effectiveness	integration in normal project work and planning	model for other projects	%
clear and extensive proof	clear and extensive proof	frequently and regularly checked	clear and extensive proof	perfectly integrated	could be an example	100
clear proof	clear proof	FRE-QUENTLY CHECKED	CLEAR PROOF	very well integrated		75
Proof	Proof	occasionally checked	proof	well integrated		50
some proof	some proof	rarely checked	some proof	partly integrated		25
no proof						0

Figure 5: Assessment Table – Area Project Management (criteria 1-5)

In the area of "project results" (see assessment table in Figure 6) data are to be delivered, showing how far the project actually produces the promised (interim) results, how the customers, team members and other stakeholders are actually satisfied with the project and its results, and how the procedures in the area of "project management" have led to these results: it judges to what extent the **results** are excellent.

Project Results				
comparison with our own project objectives	comparison with other projects	continuity	results lead back to the process	%
excellent comparisons in all areas	excellent comparisons in all areas	positive trends or continuous excellent performance in all areas	defined in all areas	100
good comparisons in many areas	good comparisons in many areas	positive trends or continuous very good performance in most areas	most areas	75
good comparisons in some areas	good comparisons in some areas	positive trends or continuous good performance in many areas	many areas	50
good comparisons in a few areas	good comparisons in a few areas		some areas	25
no proof	no proof		not recognisable	0

Figure 6: Assessment Table – Area Project Results (criteria 6-9)

As a support for their application all teams can request an individual coaching appointment with a representative of the Award Office. The model for Project Excellence will be explained in detail and all their questions are answered openly. The teams receive exactly the same criteria catalogues and assessment tables for their application as with which the assessors will carry out the assessment later. Openness and fairness is the most important basic precondition for factual and unbiased proceeding. The setting-up of this application already provides a considerable improvement of knowledge to the project team. It highlights clearly where the project has its strengths and potentials of improvement.

Step 2: First assessment by the assessors

Any submitted application is judged with the predefined criteria catalogue by a team of at least four assessors. Initially each assessor judges "his" project for himself. Following in a consensus team meeting the results of these single assessments will be discussed as long as an agreement is obtained (principle of "Open Delphi"). The result of this meeting is a detailed written feedback report as well as a first total assessment of the project. With this total assessment the jury decides which of the projects will be set on the short-list.

In this feedback report the assessors name and explain the strengths and potentials of improvement of the project from their point of view. By allocating scores they describe how far the predefined criteria were fulfilled. This process is based on the two standardised assessment tables. An important point is how the statements of applying project teams are clearly proved.

Step 3: On-site visit

The high-pointed project teams are selected by the jury to enter the next round of assessment. They get a visit of one or two days duration by the assessors of the corresponding project. This is to complete the assessment and to settle questions of the assessors. Here, all open questions and issues within the assessment process are resolved. The statements on the application are verified and the assessors receive additional information for the assessment of the applying project team. Overall, the assessors team gain a general impression of the project and the responsible organisation.

The project is finally assessed after this, a revised version of the feedback-report is handed over to the jury.

Step 4: Final Audit by the jury

Due to this final assessment the jury decides which of the finalists will become the prize-winners of so-called "PM-Prizes". Out of these winners the jury selects the top-one winner of the "Project Management Award".

The Assessors and the Jury

Both assessors and jury play a central role in the assessment process. A high number of qualified and experienced project managers as well as top executives had to be committed and trained.

Selection and Training of the Assessors

The assessors have to meet some high requirements. Within a short period of time a - obviously very successful - project is to be assessed in a profound and qualified manner. By consequence a special focus is put on the qualification and training of assessors.

for the assessment	for assessor team leader	for the jury	for GPM	ethics
honest fair, objective and comprehensive assessment process	punctual, correct, proper delivery of all documents	devilery of punctual, well readable and intensively formulated full infomation	participation in the total process (spending of time and costs)	high professional standard
absolute confidentiality	engaged and critical cooperation in the team	cinsistent and calibrated assessments	identification with procedures, model and Award	avoid conflicts of interests
polite and attentive behaviour at on-site-interview	participation in the total process (spending of time and costs)	certainty that assessors stick to their assessments without later changes		absolute confidentiality
	active cooperation (readyness to listen, change views and to identify with the team opinion)			absolute incorruptibility

Figure 7: Requirements to the assessors

At first the applicants were subjected to a pre-selection. By written application and proper self-assessment the participants of the Award Assessor Programme were selected out of a high number of interested persons.

An extensive assessors manual had to be worked out in private study. All participants had to master a complex case study on the assessment. The results were checked by the Award Office and were used as basis for a two-days intensive workshop. Here, the complete assessment process was worked out in teams again. So a common understanding of the model for Project excellence, the assessment criteria and process, the consensus process and finally the on-site visit with the feedback process was formed. Each assessor took a preparation phase of about six days in total, spread over several weeks.

Each submitted project is assessed by a team of at least four assessors. Since 1997 each year about 60 assessors had to be trained!

The jury

The total assessment process is surveyed by a experienced jury which consists of distinguished representatives of companies, authorities, universities and other competent organisations practising project management.

The successful project teams – finalists and winners

In 1997 about seven project teams took part, since that time there is a growing number of participating project teams from different types of industry and public sector (see Figure 6). Each year a selected number of finalists are visited by their assessor team. Out of this sample the winners of PM-Prizes will be selected. Then the jury has to settle the final winner of the International Project Management Award.

• Berliner Wasserbetriebe, UB Ingenieur- und Anlagenbau	• Deutsches Zentrum für Luft- und Raumfahrt e.V.
• BMW AG	• Hamburger Sparkasse
• DaimlerChrysler AG	• Joh. Vaillant GmbH & Co
• Debitel AG	• Merck KGaA
• DeTeSystem Stuttgart GmbH	• MVV Energie AG
• Deutsche Flugsicherung	• Siemens AG
• Deutsche Lufthansa AG	• Siemens Business Services GmbH & Co OHG
• Deutsche Post AG	• Wavatek Wandel Goltermann GmbH & Co (now: ACTERNA)
• ...	• ...
• → Finalists in 2001	• ...

Figure 8: Companies of the finalist's project teams since 1997 - Selection

The participating project teams are not only focused on winning the PM Award. Experiences from the last few years shows that they are more interested in getting precious insights resulting from the complete procedure. There are some big advantages of this model. Performances are evaluated precisely, so a comparison between projects and branches is possible. The combination of self-assessment and written feedback from independent assessors offer a rich fund of inspiration to the individual project team. This improves their PM processes towards Project Excellence.

Finally the individual strength and team potential become visible, they achieve a considerable gain of prestige.

Benefits for the project teams

The feedback of the project teams since 1997 has clearly shown that the expectations were fulfilled. Already in the preparation phase for the application the energy in the project teams was concentrated on performing excellent project management. By using the model of "Project Excellence" consequently for reflection of the own performance, high potentials for improvement were nearly automatically detected and utilised in many cases.

Especially the detailed feedback reports from the assessor teams were considered as helpful instrument to optimise the own PM processes. For the first time an audit based on given and comparable criteria can be offered. The advice on existing strengths and potentials of improvement are widely accepted as compensation for the time-consuming preparation of the application. Here it is important that the assessors deliver an well-formulated content with their feedback-report. They have to ensure that the expressions of their judgements combine the wording from the application with the "standardised" aspects in the assessment tables for the two different aspects "project management" and "project results". Only if the applicant can get the relation between his documentation of the specific project performance and the points of view from the assessors this feedback-report can spend the total benefit intended.

The Project Management Award includes an enormous increase of image. All prize-winners are published in appropriate media. They may use the award logo on their company documents and own publications to long-lasting identify oneself as member of the most successful project team. This will automatically lead to new and satisfied customers, to new challenges and eventually to new projects.

<p><u>Strengths</u></p> <ul style="list-style-type: none"> ▪ The adjustment on a quarterly basis of both the business plan and financial plan is proof of frequent checking. ▪ The quality standard has increased progressively from 83% (94) to 95% (98). This compares well with the project objectives and the organisations performance prior to the project being implemented. ▪ The use and regular renewal of a stakeholder data base (identification of interested groups and their expectations and demands) was done by the Deputy Project Manager. In addition, stakeholder interests were discussed in every monthly review meeting, led by the Deputy Project Manager. This is proof of systematic and preventative care of customers, suppliers and other interested groups. ▪ The customer satisfaction graph shows a positive development for the whole project process. <p><u>Area of improvement</u></p> <ul style="list-style-type: none"> ▪ An overall budget including personnel costs would have demonstrated proof of a sound process and integration into normal project work and planning. ▪ The customer satisfaction evaluation shows positive results for external customers. It would have been useful to include a similar statement for the internal customers so that the success in this area could be proofed. ▪ There is no proof that the procedure for supplier care was checked and improved during the project. ▪ The customer satisfaction measurement was not differentiated. Therefore, it was not possible to see if customer satisfaction developed evenly and positively in all sub-projects.
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Figure 9: The written Feedback Report – Examples

benefits of the self assessment	benefits of the participation
<ul style="list-style-type: none"> ▪ to assess the own status on the way to top performance ▪ to detect strengths and potentials of improvement ▪ to get a qualified feedback independent from standards or regulations ▪ to learn from the "good practice" of other project teams ▪ to optimise future project work 	<ul style="list-style-type: none"> ▪ to incite for self assessment and for improvement ▪ to receive a written feedback from qualified and experienced project managers ▪ benefit for the prize-winners: <ul style="list-style-type: none"> • publicity • image within and outside the company • way to top-level PM approach

Figure 10: Benefits of an participation

This successful new model for "Project Excellence" enables the self-assessment of a project by the project team with the approach of detecting and utilising strengths and potentials of improvement. All statements of last years applicants underline this aspect. Participating project teams highlight their main reasons for application: examination of own project management performance and gain of knowledge for further improvement. Their own progress on the way to top performance is to the fore.

There are many measures of improvement which can be drawn out of own knowledge and assessors' feedback. This is also applicable to the current project and/or the PM procedure of the organisation.

Summary and Prospect

The new model of "Project Excellence" had a very successful start in practice. By its consequent utilisation project teams and organisations reach a qualified and comparable self-assessment. They realise in which areas their

project management may be improved and which benefits a total and promising project management may yield. In comparison to the best project teams this is one of the best ways of benchmarking project work by now. This type of "learning management" may lead to a better project result.

At the time being a lot of effort is spent in some more possibilities for utilisation of the Model of Project Excellence. Beside a simulation of PM Award for continuous improvement in a running project and an internal PM Award, workshops can be done in project teams. In addition, this model with all its components can be used as a well-fitting consulting tool.

The experience of over five years has proofed the benefits of a consequent self-assessment: a high-value contribution to the development of quality in project management and in the organisation - this is a key qualification in times of rapidly changing markets.

Now the PM award focuses on a new dimension: internationalisation. All material is available in English, well-standing international assessors have been trained. So this successful contribution to the profession Project Management is open to the whole international community of project managers and their teams.

Furthermore this positive outlook maybe seen as a driving schedule on the way to top-rate performance in project business. It intends to support the change towards better project management. So the famous idea of "business-excellence" brings new trends in the future development of boarder-crossing projects and international project management.