



Value of Project Management in IT Organizations

IMPLEMENTING PROJECT MANAGEMENT adds significant value to IT organizations. This conclusion is the result of a survey of senior-level project management practitioners by the Center for Business Practices, the research arm of the consulting and training organization, Project Management Solutions, Inc. Over 97% of senior-level project management professionals stated that implementing project management added value to their IT organizations. Overall return on investment is 27.9%. All size organizations in all industries reported improvement.

What should organizations expect when implementing project management initiatives? The implementation of project management initiatives showed, on average, more than 21% improvement in the 20 project management metrics surveyed. The greatest improvements were shown in schedule estimating (38.6%), customer satisfaction (37.6%), and alignment to strategic business goals (37.0%). Positive improvement was shown in all areas surveyed. Those organizations that do not implement project management will be at a competitive disadvantage to those who do.

The CBP surveyed senior practitioners with knowledge of their organizations' IT project management practices and their organizations' business results. The results showed improvements to the organization because of the implementation of project management initiatives. Results of the survey show that improvements were shown in 20 IT measures, including time to market (21.7%), customer satisfaction (37.6%), alignment to strategic business goals (37.0%), time and budget to date (32.5%), quality (31.9%), labor hours performance (25.6%), schedule performance (32.1%), cost performance (23.8%), defect rate (12.9%), component size (3.9%), defect per peer review (11.9%), staff productivity (22.8%), response time (23.0%), average time to repair defect (11.8%), schedule estimating (38.6%), cost/hours estimating (32.8%), defect rate estimating (12.9%), component size estimating (5.1%), and quality estimating (7.6%).

The survey respondents also agreed that project management adds value to IT organizations. To the question, how valuable is project management to your IT organizations, respondents answered: very valuable (30.3%), valuable (37.2%), moderately valuable (30.3%), of little value (2.3%), not valuable (0%).

The survey sample was segmented according to the number of employees in the IT organization, including small businesses with under

**Center for
Business Practices**
410 Township Line Road
West Chester, PA 19382
Tel: 484.450.0107
Fax: 610.853.0527
E-mail: cbp@pmsolutions.com
Web: www.cbponline.com

CENTER FOR BUSINESS PRACTICES RESEARCH REPORTS

Stay on the cutting edge of critical project management issues, organizational priorities, and business practice innovations. CBP Research Reports put you in the know.

To purchase the complete research report, visit www.cbponline.com or contact:
Center for Business Practices
410 Township Line Road
Havertown, PA 19083
877-813-5193 (toll free USA)
484-450-0100 (outside USA)
Price: \$95

100 employees, midsize organizations with 100-999 employees, and large companies with 1,000 employees or more. The study sample was also segmented according to several industries.

The Value of Project Management in IT Organizations survey goes a long way in validating the considerable gains an IT organization can make by planning and instituting formal project management practices.

Observations and conclusions drawn from the study include the following:

- The responses to the survey were almost all significantly positive, for all measures, for all industries, for all size organizations — project management definitely adds value to organizations.
- Those measures that received the most responses revealed significant gains — schedule estimating, customer satisfaction, alignment to strategic business goals, cost/hours estimating, time and budget to date, and quality.
- Some organizations showed enormous gains in specific measures (these huge gains skew the mean; in many cases, the median provides better insight than the mean).
- A large percentage of respondents (41.9%) represented Fortune 1000 organizations, although all size organizations were represented.
- Many companies do not collect the kinds of metrics used in this survey, metrics that show the value of a process or program or project to an organization.



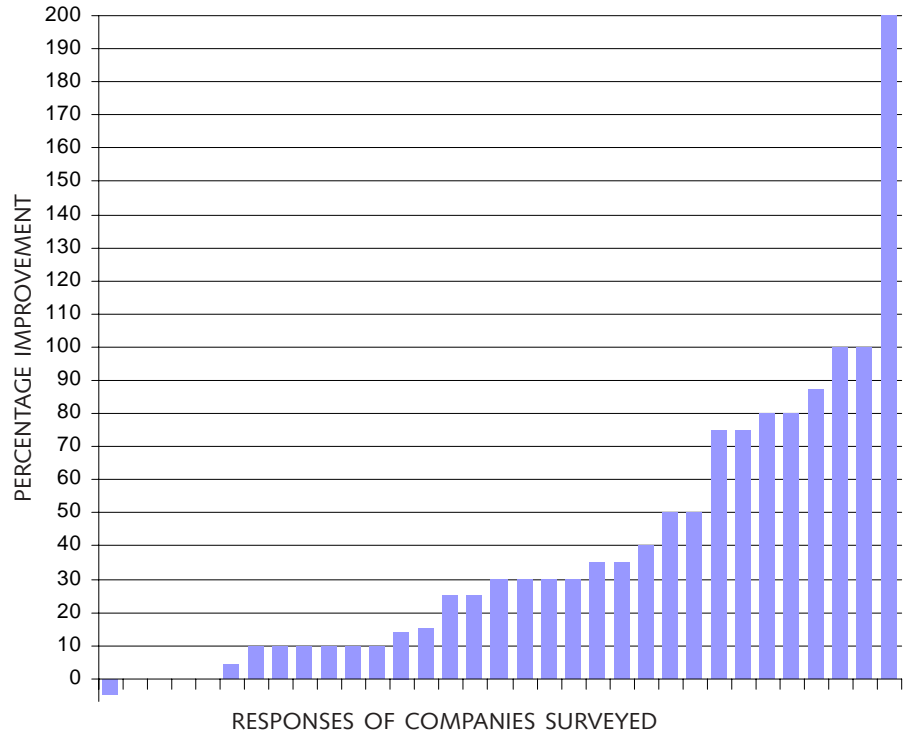
Center for
Business
Practices

CAPTURING, ORGANIZING, AND
TRANSFERRING MANAGEMENT KNOWLEDGE

From "The Value of Project Management in IT Organizations"

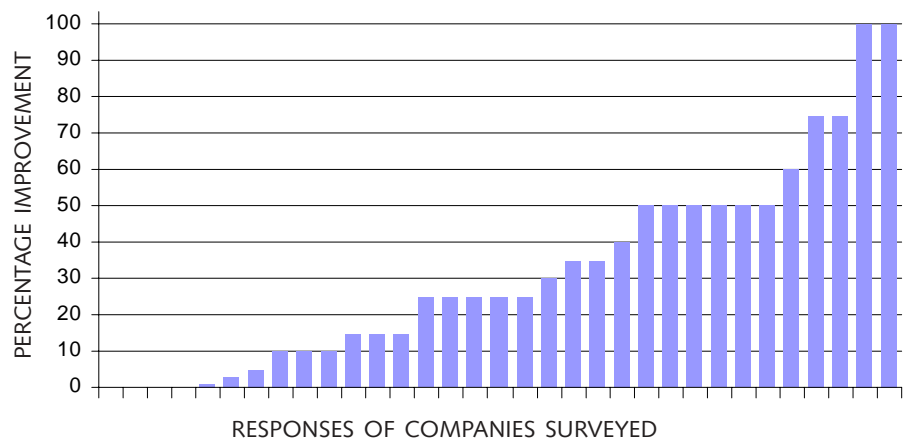
What is the improvement in **Schedule Estimating** due to the implementation of project management in your IT organization?

Mean	Median	Std. Dev.	N
38.3%	30.0%	42.6%	33



What is the improvement in **Schedule Performance** due to the implementation of project management in your IT organization?

Mean	Median	Std. Dev.	N
32.1%	25.0%	27.9%	33



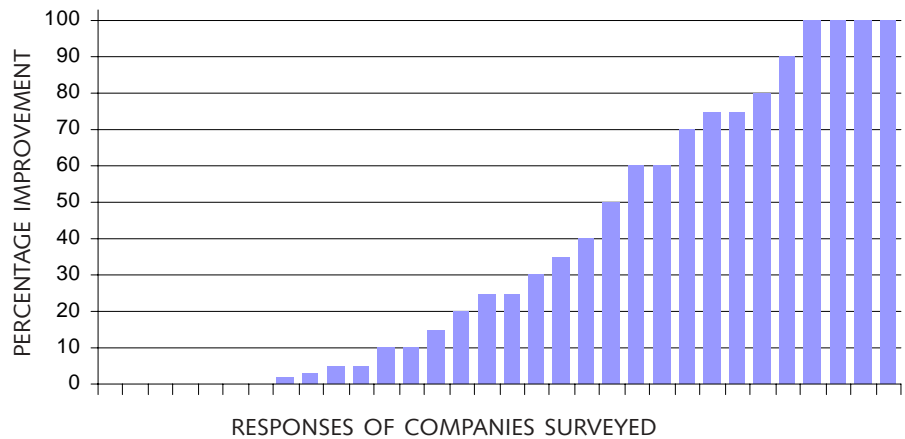
Center for Business Practices

CAPTURING, ORGANIZING, AND TRANSFERRING MANAGEMENT KNOWLEDGE

From “The Value of Project Management in IT Organizations”

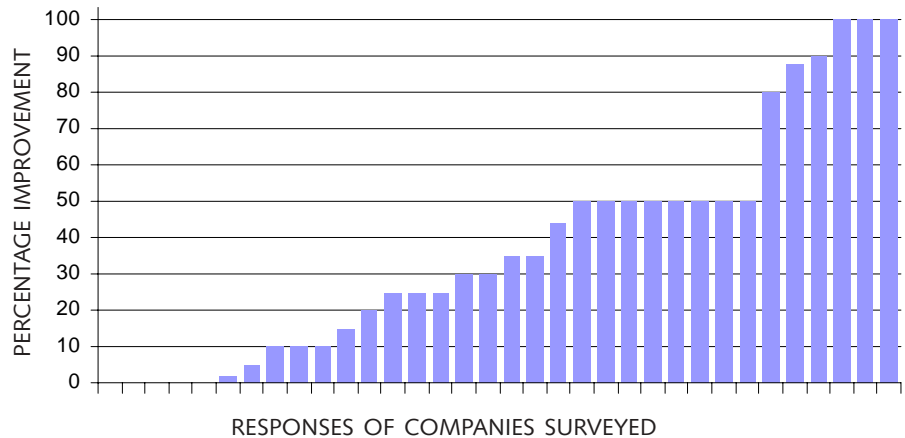
What is the improvement in **Alignment to Strategic Business Goals** due to the implementation of project management in your IT organization?

Mean	Median	Std. Dev.	N
37.0%	25.0%	37.0%	32



What is the improvement in **Customer Satisfaction** due to the implementation of project management in your IT organization?

Mean	Median	Std. Dev.	N
37.6%	32.5%	31.7%	34



**Center for
Business
Practices**

CAPTURING, ORGANIZING, AND
TRANSFERRING MANAGEMENT KNOWLEDGE