



Capturing the Value of Project Management Through Knowledge Transfer

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PMI Pulse of the Profession®

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Annual global benchmark for organization, project, program, and portfolio management



Additional in depth research on key topic areas throughout the year

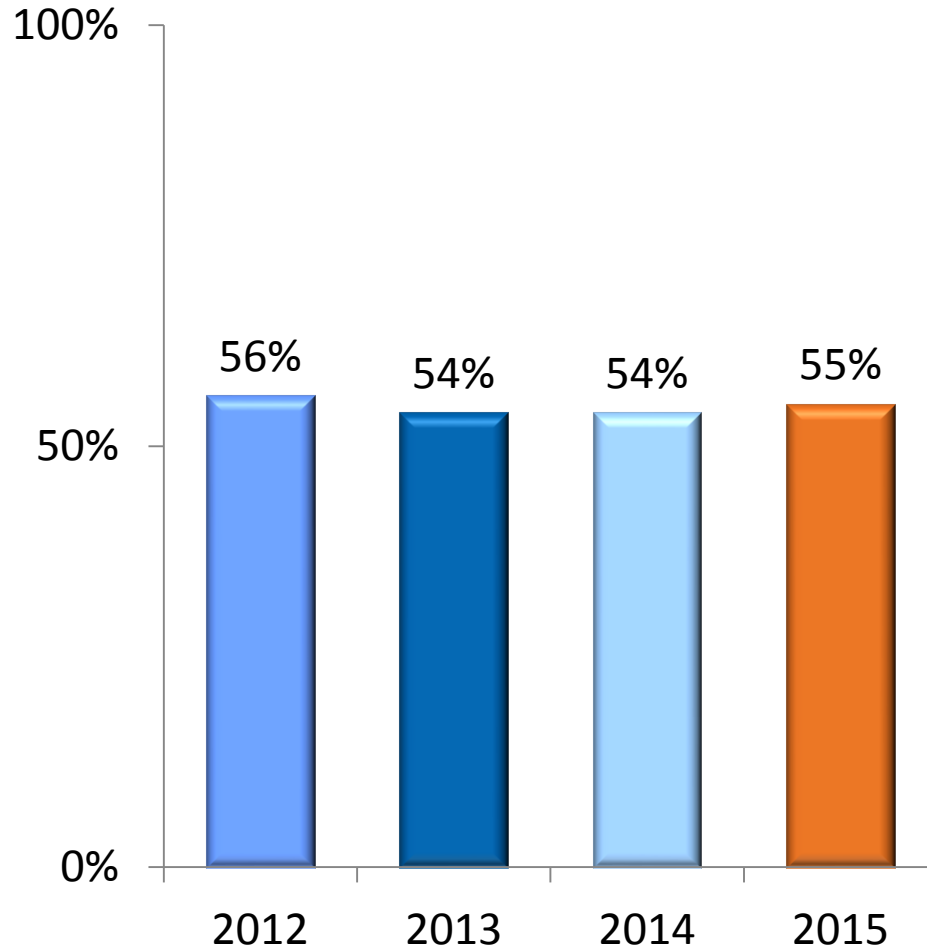


Integrates our market research with other data



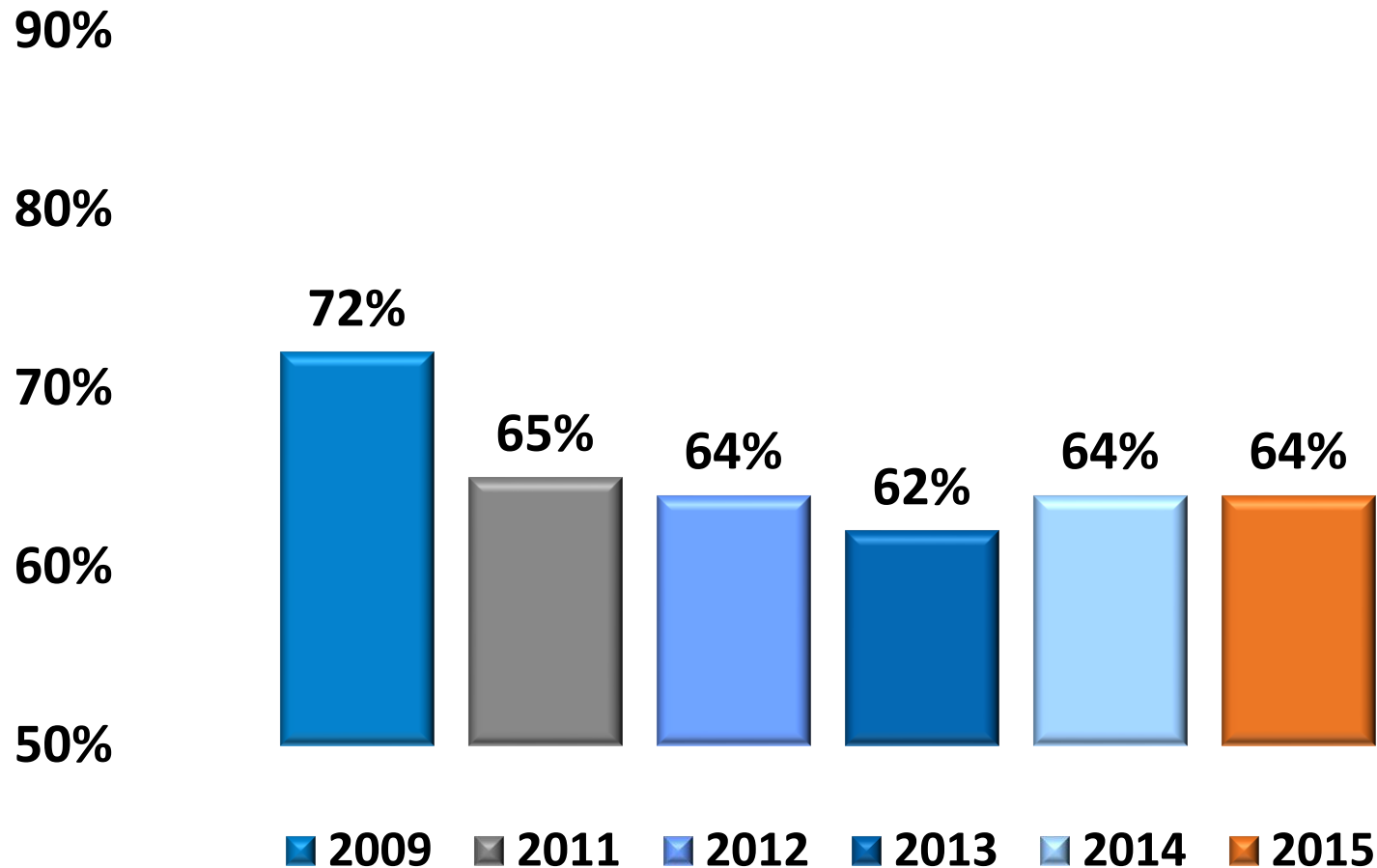
Ties together insights gained from global organizations and governments around the world

Organizations Still Don't Understand the Value of Project Management



Only **32%**
of organizations have
tried to estimate the
value of the use of
formal project
management

Not Enough Projects Meet Goals and Business Intent



Why are we still here?

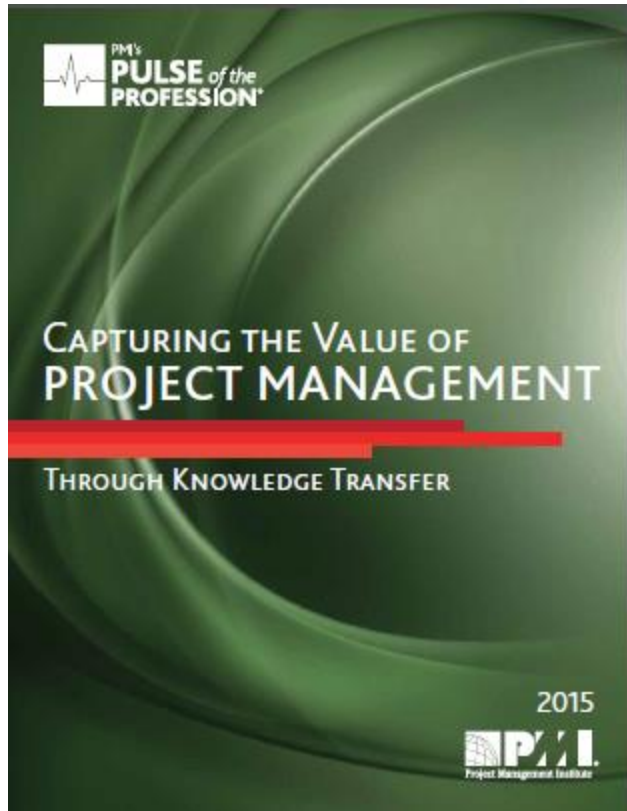
Why do
projects
continue to
FAIL



Knowledge Transfer Leverages Experience, Improves Performance



PMI Thought Leadership: Knowledge Transfer



When organizations value knowledge transfer and implement good practices to support it, they improve project outcomes by nearly 35%

The Value of a Formal Knowledge Transfer Process

Organizations most effective at knowledge transfer are three times as likely to have a formal knowledge transfer process.

92%

MOST EFFECTIVE

VS

33%

LEAST EFFECTIVE

**Information and knowledge
are not the same.**

**Knowledge gives meaning and
understanding to information.**

Challenges

- Developing capture and storage mechanisms
- Creating a knowledge-friendly culture
- Knowledge and sharing among workers

Knowledge transfer is the practical problem of transferring knowledge from one part of the organization to another.

Impact: Time, Budget and Meeting Business Goals

74% vs **42%**
MOST EFFECTIVE LEAST EFFECTIVE

Percent of projects
completed on time

75% vs **48%**
MOST EFFECTIVE LEAST EFFECTIVE

Percent of projects
completed within budget

82% vs **62%**
MOST EFFECTIVE LEAST EFFECTIVE

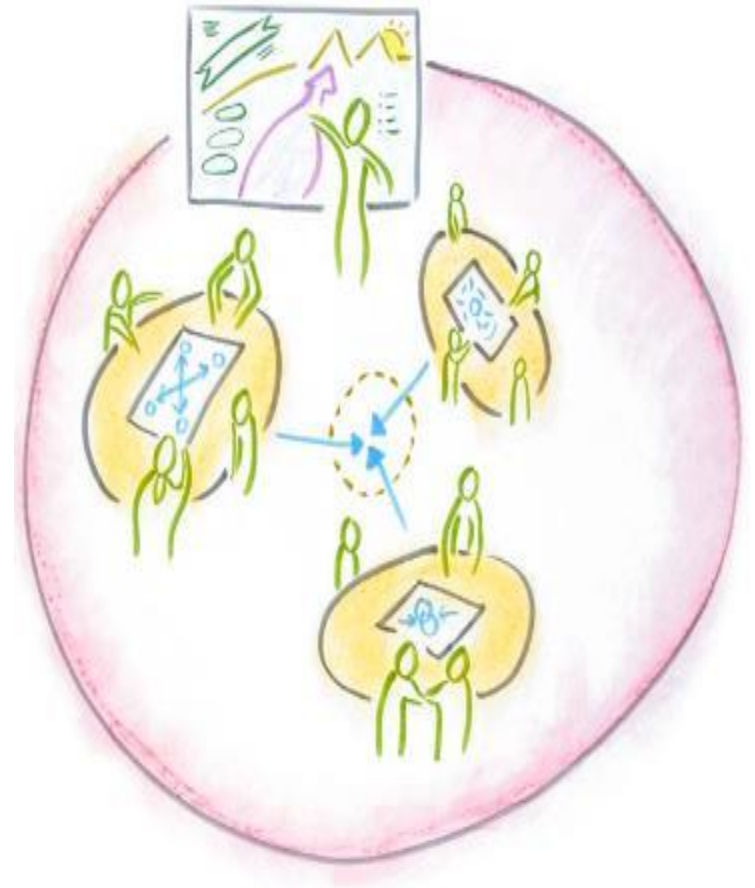
Percent of projects meeting
original goals/business intent

Knowledge Transfer Should Deliver Business Value

“

Knowledge **is** the business!
And the best practice
of knowledge transfer
should accelerate the
business value.”

*Jean-Claude F. Monney
Global KM Lead, Office of the CTO
Microsoft Enterprise Services*



Key Insight

To navigate efficiently, focus on:

- **Culture:** Create a culture that values knowledge transfer
- **Leadership:** Set the tone from the top
- **People:** Employees should be willing to share

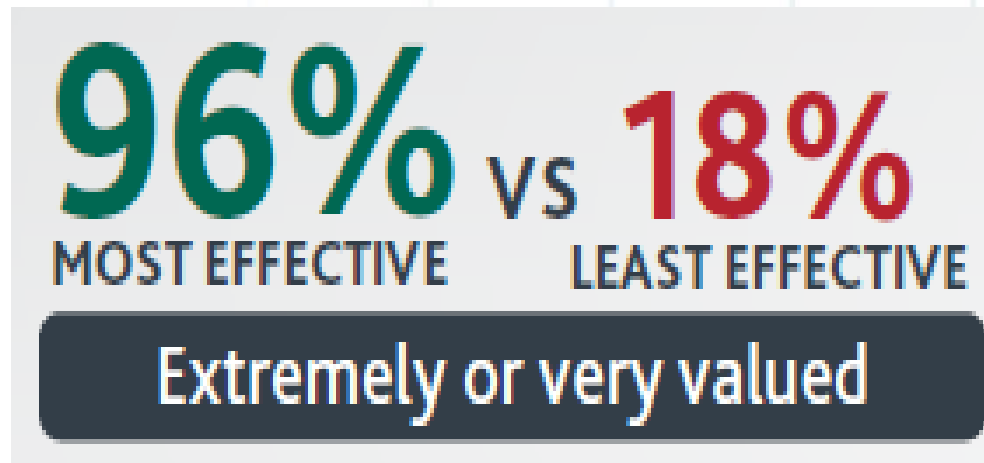
Culture Encourages Buy-in

“It’s important to encourage others to share—because it benefits both parties. And, it’s even more critical when it comes to projects.”

Diane Millard, Manager, Benefit Administration,
Anthem Blue Cross and Blue Shield

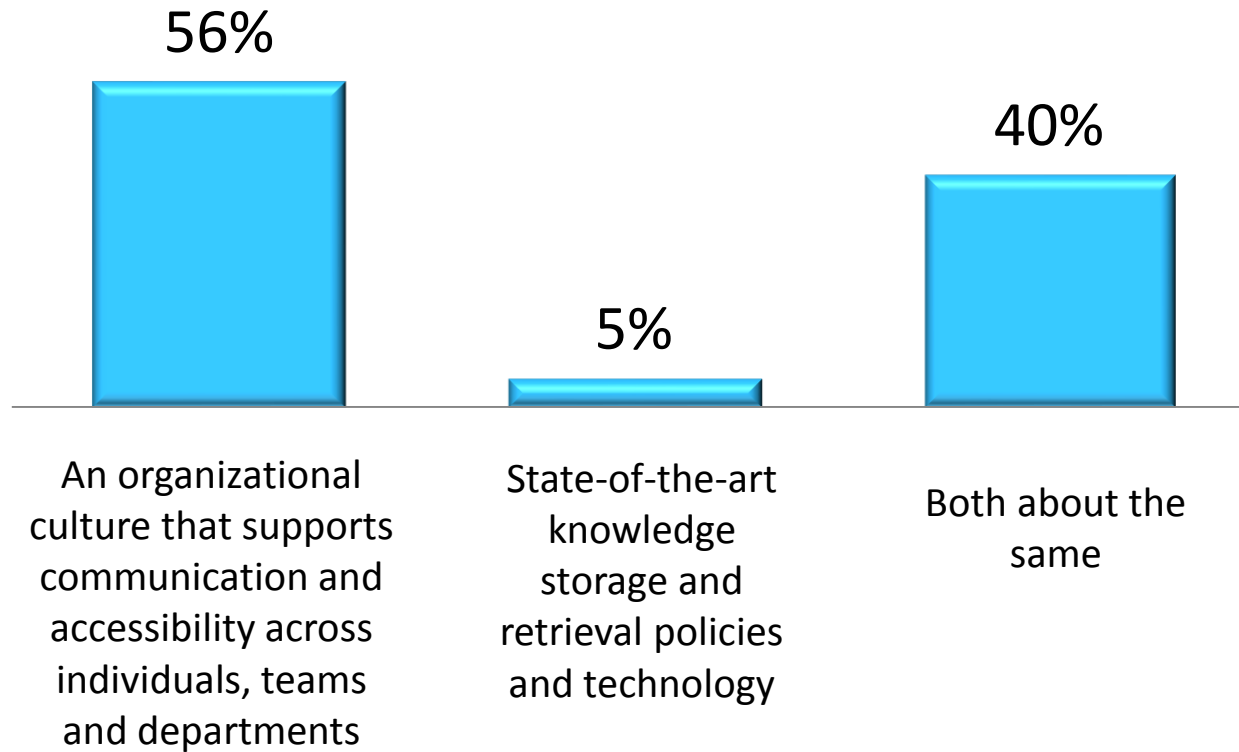
Culture Values Knowledge

Organizations effective at knowledge transfer have a culture that values it.



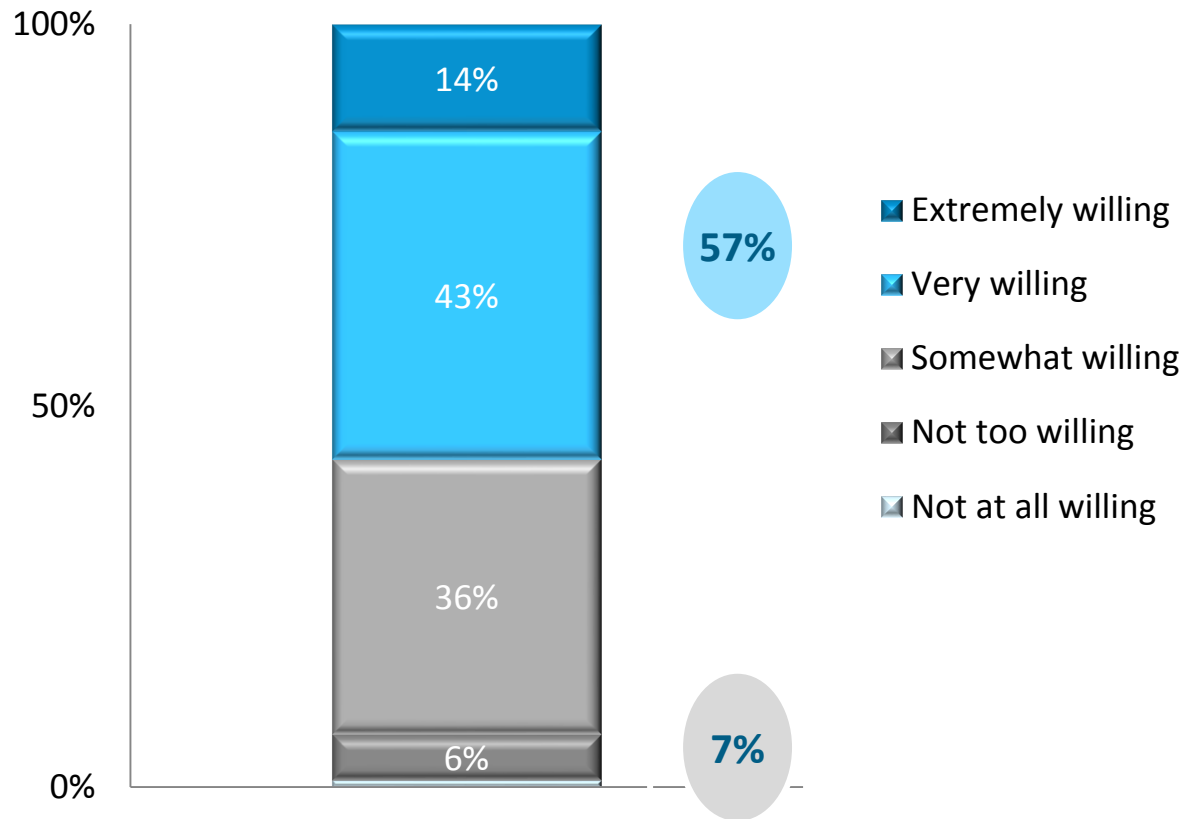
For Success, Culture Trumps Tools

What contributes most to effective knowledge transfer – culture or tools?



With Employees Who Are Willing to Share

Just over half of organizations report that employees are extremely/very willing to share their knowledge. One in three report that employees are only somewhat willing.



A Culture That Supports Knowledge Transfer is Essential

“

Our goal at NASA is to create an environment that has the right rewards, incentives, leadership, and commitment.”

*Ed Hoffman
Chief Knowledge Officer, NASA*

The complexity of NASA's programs demands an open, vigorous culture where communication is continuous, empowering individuals and teams at all levels to ask questions, share information and raise concerns.

Friction

Solutions

Lack of trust



Build relationships and trust through face-to-face and virtual meetings that foster dialogue and collaboration

Different cultures, vocabularies, frames of reference



Establish common ground through the use of education; discussion; publications, such as the *PMBOK® Guide* and PMI's global standards; teaming; job rotation

Intolerance for mistakes or need for help



Accept and reward those who make use of lessons learned; support creative problem-solving and collaboration; recognize that no one knows everything

'Other Priorities' = Barrier to Effective Knowledge Transfer

Barrier	Respondents
Too many higher priorities	52%
Insufficient recognition of the value of knowledge transfer	42%
Insufficient resources to implement a program	39%
Lack of personal rewards or recognition for use	33%
No adverse consequences for non-use	29%
Lack of support from senior management	29%
Supervisors fail to set good examples	23%
Procedures are complex, unwieldy, etc.	17%
Other	3%
There are no barriers	6%

**95% of effective organizations
identify someone that has
ultimate responsibility for
knowledge transfer**



95% Most Effective
54% Least Effective

Steps in a Knowledge Transfer Life Cycle

6% of organizations are highly effective at knowledge transfer

Defined as extremely or very effective at all 5 elements

Elements of Knowledge Transfer

- 1 Identifying:** Determining what knowledge needs to be transferred
- 2 Capturing:** Accumulating the essential knowledge that needs to be transferred
- 3 Sharing:** Establishing methods for transferring the knowledge
- 4 Applying:** Using the knowledge that is transferred
- 5 Assessing:** Evaluating the benefit of the knowledge that is transferred

17% of organizations are minimally effective at knowledge transfer

Defined as not having all 5 elements OR having all 5 but not too or not at all effective at all 5

Step #1: Identifying Relevant Knowledge

Elements of Knowledge Transfer

- 1 Identifying:** Determining what knowledge needs to be transferred
- 2 Capturing:** Accumulating the essential knowledge that needs to be transferred
- 3 Sharing:** Establishing methods for transferring the knowledge
- 4 Applying:** Using the knowledge that is transferred
- 5 Assessing:** Evaluating the benefit of the knowledge that is transferred

“Organizations should know what knowledge aligns with their strategy and what they desire to be ‘skillable.’ The value of knowledge should be very clear. Not all knowledge is equal or important.”

– *Microsoft Enterprise Services*

Step #2: Capturing and Retaining Knowledge

Elements of Knowledge Transfer

- 1 **Identifying:** Determining what knowledge needs to be transferred
- 2 **Capturing:** Accumulating the essential knowledge that needs to be transferred
- 3 **Sharing:** Establishing methods for transferring the knowledge
- 4 **Applying:** Using the knowledge that is transferred
- 5 **Assessing:** Evaluating the benefit of the knowledge that is transferred

Creating a database of lessons learned doesn't work if people have to go looking for it. It should be built into everyday work life.

“The ‘brain dump’ of putting information somewhere that nobody uses doesn't work.”

– Survey Participant

Step #3: Making Knowledge Available to Others

Elements of Knowledge Transfer

- 1 **Identifying:** Determining what knowledge needs to be transferred
- 2 **Capturing:** Accumulating the essential knowledge that needs to be transferred
- 3 **Sharing:** Establishing methods for transferring the knowledge
- 4 **Applying:** Using the knowledge that is transferred
- 5 **Assessing:** Evaluating the benefit of the knowledge that is transferred

“With a project, nothing is ever the same, so it does not do you any good to hoard information because it is not going to help you move on.”

– Anthem Blue Cross & Blue Shield

Step #4: Applying Transferred Knowledge

Elements of Knowledge Transfer

- 1 **Identifying:** Determining what knowledge needs to be transferred
- 2 **Capturing:** Accumulating the essential knowledge that needs to be transferred
- 3 **Sharing:** Establishing methods for transferring the knowledge
- 4 **Applying:** Using the knowledge that is transferred
- 5 **Assessing:** Evaluating the benefit of the knowledge that is transferred

“Not recording the information does not necessarily affect the immediate project that the individual is working on, but obviously the absence of some knowledge which that individual might have that can help someone else, that has an effect on the community longer term, right?”

– ExxonMobil

Step #5: Assessing Benefits

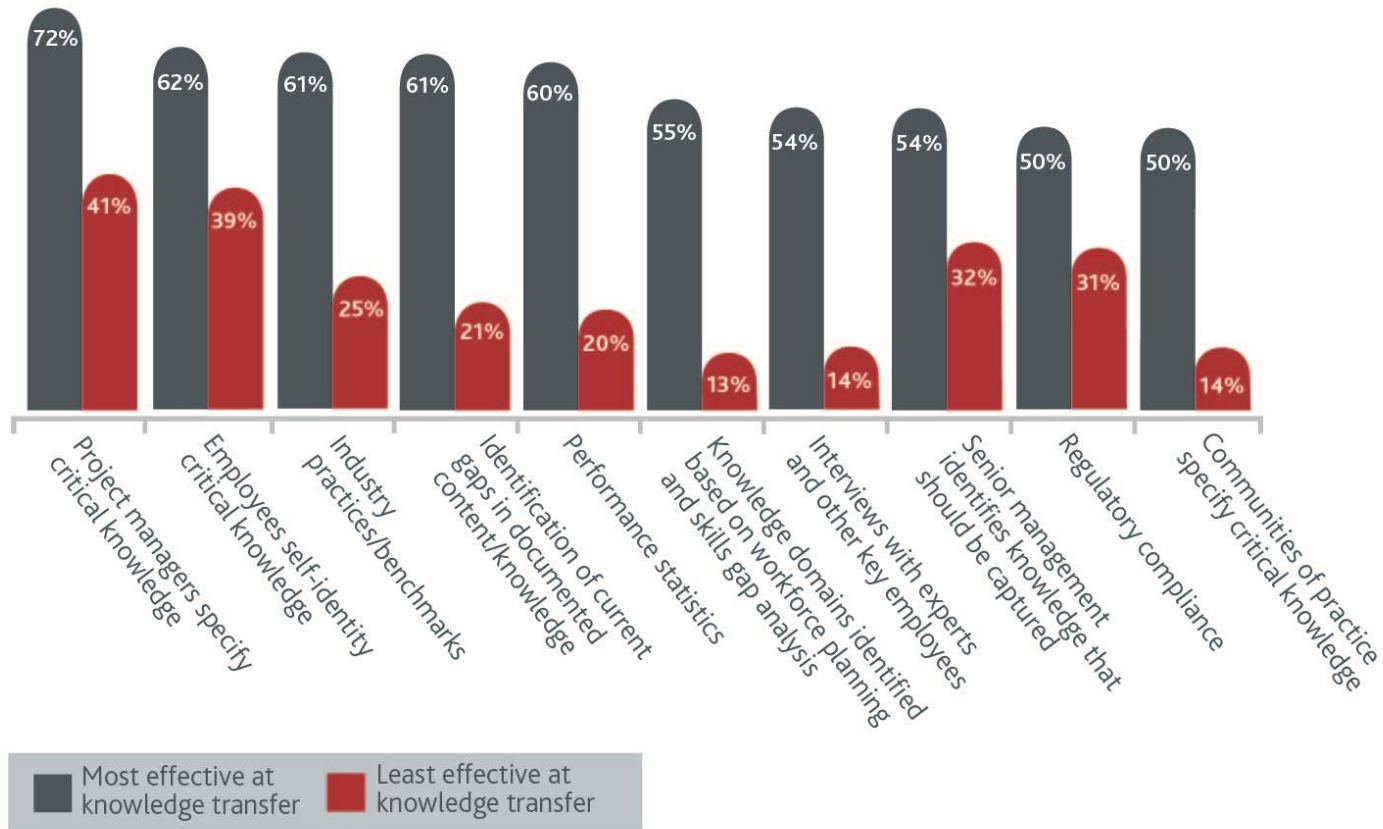
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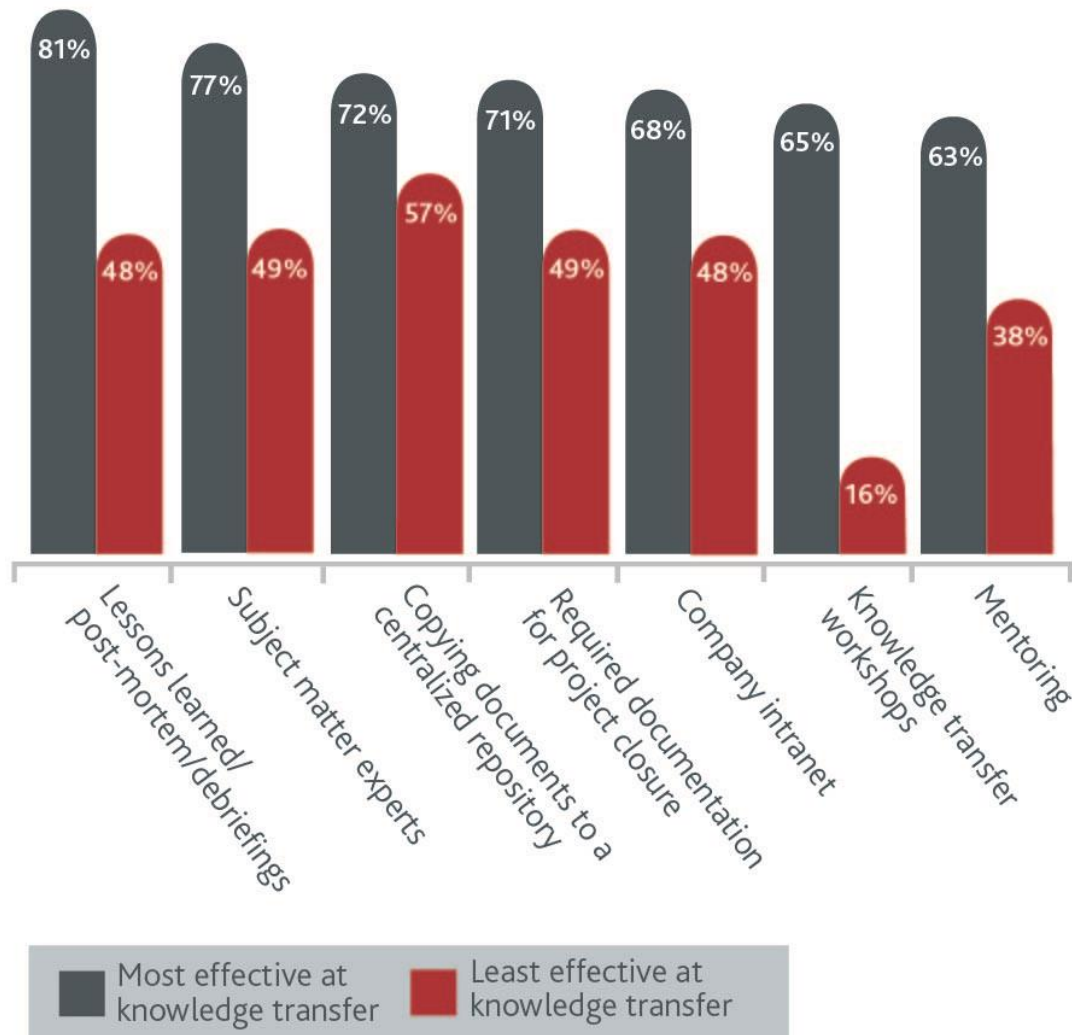
“As the project achieves most of what it is supposed to achieve, everyone moves onto the next shiny thing before they actually finish the job of transferring the knowledge... we are not very patient with spending a lot of time on knowledge transfer.”

– HP

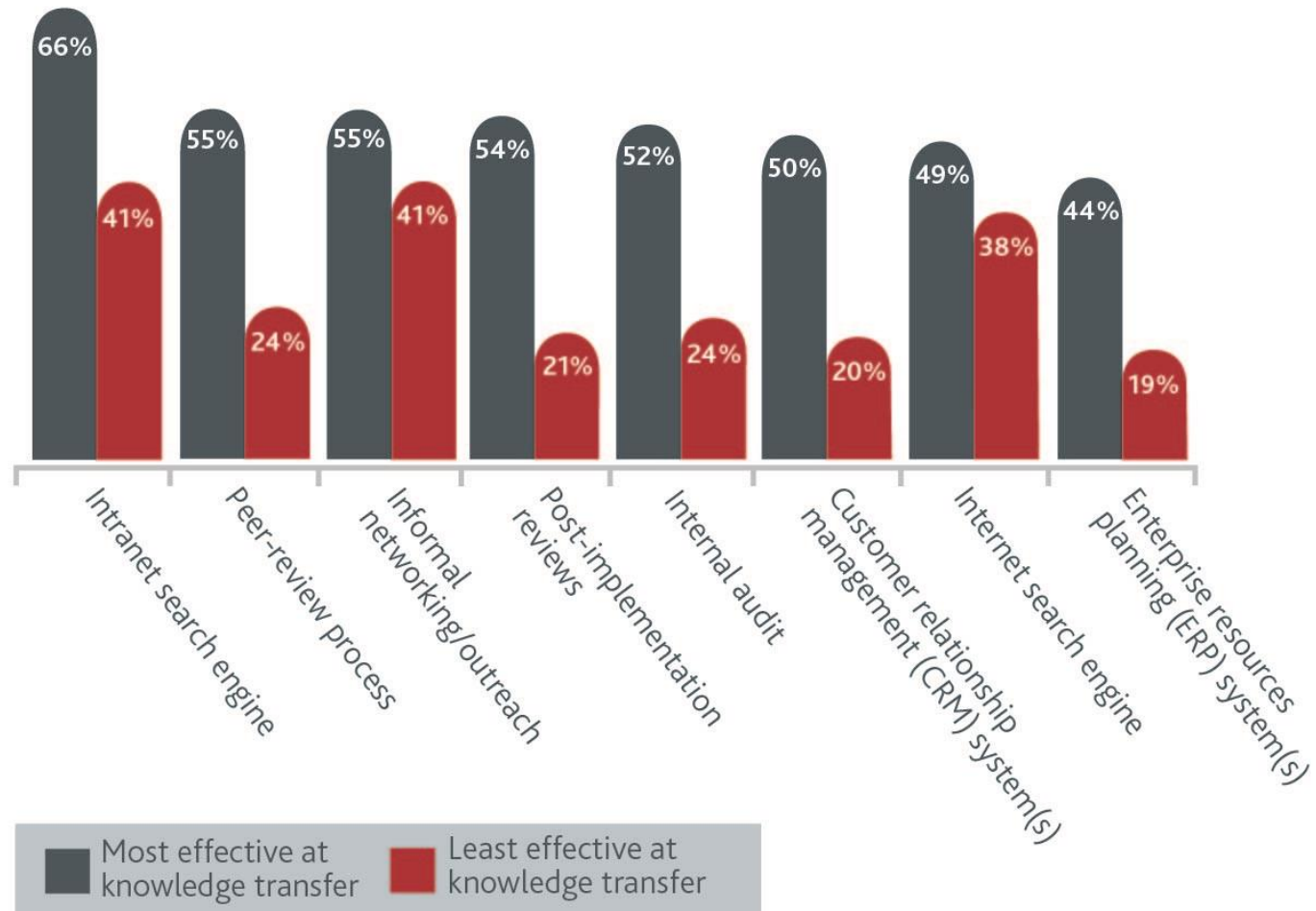
Methods organizations use to identify knowledge



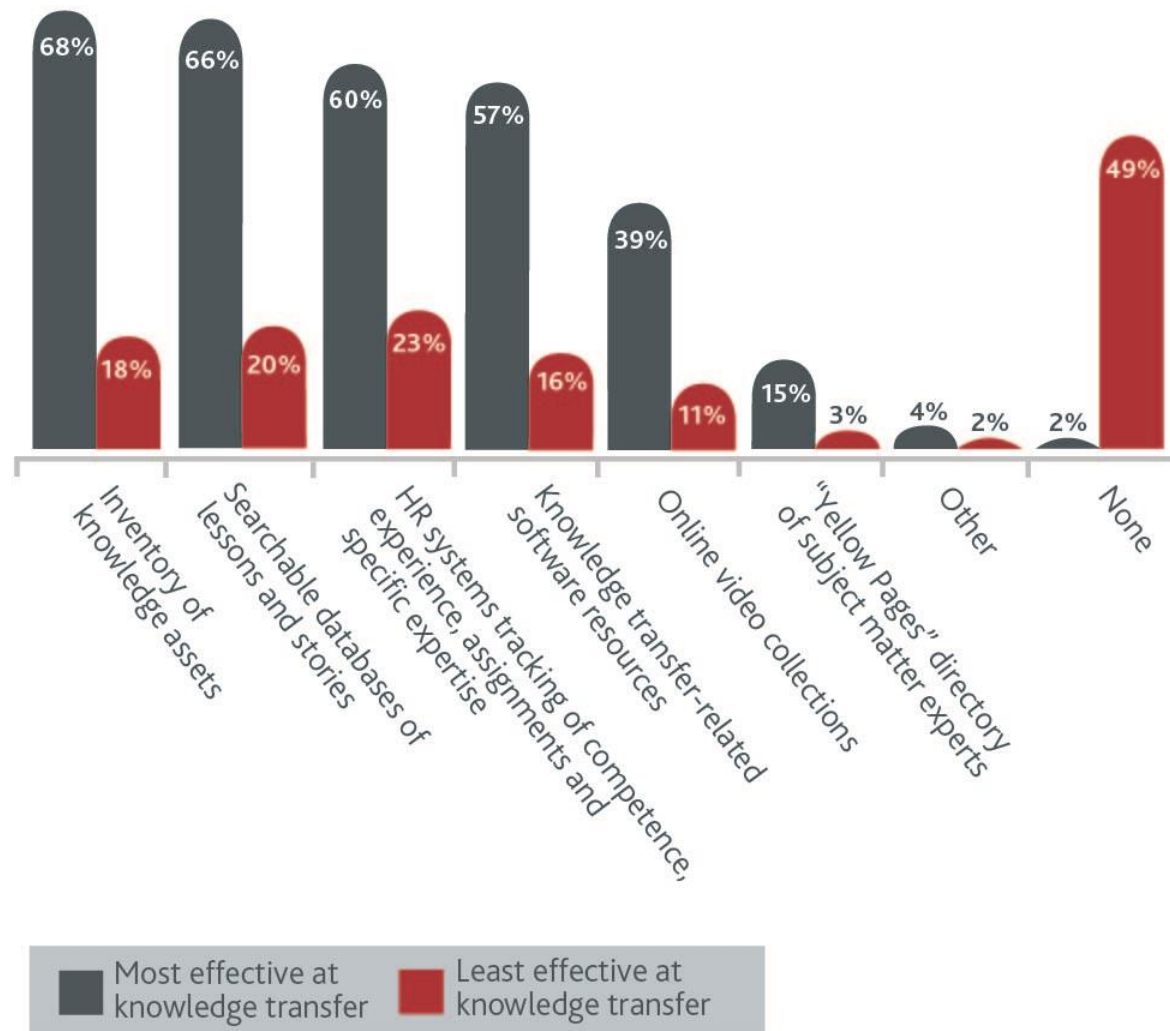
Activities and approaches for capturing knowledge



Methods or resources for sharing relevant knowledge



Technologies used to facilitate applying knowledge



Back to the Steps: Assessing Knowledge

- Project success rates
- Quality of deliverables
- Project efficiency (person-hours)
- Functional diversity of teams
- Interdepartmental communications

What To Do?

1.

Assign a specific person in the organization to be responsible for knowledge transfer, regardless of title.

2.

Give employees a reason to make sharing knowledge an important part of their jobs.

3.

Maintain discipline to measure the value of knowledge transfer.

*“The basic economic resource – the means of production – is **no longer** capital, nor natural resources, nor labor. **It is and will be knowledge.**”*

Peter Drucker, Management Consultant, Author and Educator



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*“The tension is here between who you are
and who you could be ... Between how it is and
how it should be ... I dare you to move.”*

- Switchfoot “Dare you to move”

RESPONDENT & ORGANIZATION PROFILE

Respondent Role

Respondent Profile	Total Respondents
Provide project, program or portfolio management services within my organization	67%
Provide project, program or portfolio management services to external clients	25%
Provide project, program or portfolio management consulting and/or training to external clients or customers	8%

Q: Please choose the category that best fits your role:

Note: percentages may not sum to 100% due to rounding

Respondent Title

Title	Total Respondents
<u>Project Management (Net)</u>	89%
Project Manager (Levels I, II and III)	37%
Project Management Specialist	17%
Program Manager	16%
Project Management Consultant	9%
Director of Project Management / Director of PMO	7%
Portfolio Manager	3%
Executive level (CEO, CIO, other C-Level, EVP, SVP, VP)	6%
Functional Manager (e.g., IT Manager, HR Manager)	2%
Educator//Trainer	2%
Other	1%

Q: Please select the title or position that best describes the work you do within your organization.

Note: percentages may not sum to 100% due to rounding

Region

Region	Total
North America	46%
EMEA	25%
Asia Pacific	23%
Latin America and Caribbean	6%

Region

Note: percentages may not sum to 100% due to rounding

Organization Revenue

Annual revenue	Total
Less than US\$50 million	20%
US\$50 million to US\$249 million	15%
US\$250 million to US\$499 million	9%
US\$500 million to US\$999 million	10%
US\$1 billion to US\$499 billion	17%
US\$5 billion or more	29%

Q: Which of these includes the total annual revenue of your organization (in US\$)?

Note: percentages may not sum to 100% due to rounding

Organization Industry

Organization's industry	Total
Information Technology	23%
Financial Services	10%
Consulting	8%
Government	8%
Manufacturing	8%
Energy	7%
Construction	7%
Telecom	7%
Healthcare	5%
Training/Education	3%
Transportation / Logistics / Distribution	2%
Aerospace	2%
Pharmaceutical	2%
Retail	2%
Automotive	2%
Food and Beverage	1%
Mining	1%
Legal	<1%
Other	4%

Q: Please select the term that best describes the primary focus of your organization.

Note: percentages may not sum to 100% due to rounding