

# PMI Standards are Changing (Project, Program, and Portfolio)

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The Project Management Institute (PMI) is undertaking a major overhaul to their global foundational standards including the following:

- A Guide to the Project Management Body of Knowledge (PMBOK® Guide) – 6<sup>th</sup> Edition plan for the third quarter of 2017
- Standard for Program Management (SPgM) – 4<sup>th</sup> Edition plan for the third quarter of 2017
- Standard for Portfolio Management (SPfM) – 4<sup>th</sup> Edition plan for the fourth quarter of 2017

These changes will provide the up-to-date view of the profession to all certified project management professionals currently applying PMI approaches, aspiring certificate holders (as these standards will eventually impact the certification exams) and students and academics. This article provides the background on **why** PMI updates these standards periodically, **how** PMI develops and refreshes the standards, and **what** changes to expect in the standards and their implications for you.

## I. Why?

There are two major and complementary reasons driving the updates to these standards: process requirement and the need/desire to provide up-to-date practices to project professionals.

From a process perspective, PMI is an accredited standards developer of the American National Standards Institute (ANSI). ANSI requires a review and refresh of their standards at a regular interval, in this case, every five years. As an accredited standards developer, PMI conforms to ANSI procedures which use a consensus-based process that permits all interested parties to participate. This means that YOU are allowed to participate (at least on the SPfM, as the dates for PMBOK and SPgM have already past.)

PMI rightly leverages this opportunity to update the standards with the latest, commonly accepted practices in the profession by assembling a volunteer team of professionals and experts from a broad range of industries who work together to create the next edition.

## II. How?

To start, PMI appoints an experienced chairperson, whose duties include assembling a core committee of professionals, working with the PMI Standards Program Member Advisory Group (MAG) to establish the team's direction, leading and facilitating discussions with the core committee, create multiple iterations of the refresh updates (including reviewing internally with the MAG, leading to the Exposure Draft in which all interested stakeholders can participate), and finally assembling all the inputs and feedback to create the final version of the standard for publication. The duration from the assembly of the team to the completion of the standard is about 2 years.

The core team can also have sub-committee members specializing in some particular areas of focus, such as portfolio risk management. Depending on the standard, the total team size can be rather large.

Throughout this process, the core team composed of highly dedicated volunteers meets weekly, punctuated by in-person meetings at major milestones. As a core committee member working on the SPfM, I thoroughly enjoyed working with my colleagues. Personally, my propensity for my brain to wander can mean that I rarely survive all-day meetings intact. Yet, now after three sets of 2.5 day meetings, my mind never once wandered despite jetlag - a testament to the liveliness of our meetings and the quality engagement among the team members. I highly urge everyone to apply to participate in future core teams to experience it firsthand.

### III. What?

Relentless change in our society drives persistent changes that affect all standards. In my analysis, there are three overarching changes:

1. Principle versus process
2. Stakeholder-centric view of success
3. Benefits realization

In addition to the prevailing trends impacting all standards, there are more specific changes that affect the standard individually. Below are some of my observations from the early review stages. Please view them with some skepticism, as these changes may or may not make to the final published version of these standards.

#### A. Principle versus Process

At the broadest level, the PMI standards are all moving toward a more “principle-based” standard in which the concept of the standard is based on the values and ideologies of meeting predefined objectives. The traditional process-based standards are generally clearer and easier to comprehend for practitioners, but process-based standards are based on a more rigid set of assumptions and parameters around projects, programs, and portfolios. As organizations and our economy are becoming more sophisticated, defining processes that encompass all the variations and permutations becomes more difficult. Even with “commonly practiced” as a basis for the standard, what’s common to one industry is often uncommon to others. Thus, the move toward principle-based standards is to establish broad organizational and business objectives and provide some guidelines, including processes and performance domains, on the actual implementation or “how” of managing projects, programs, and portfolios.

Even though PMI is moving in this direction, PMI standards are not pure principles (for anyone interested, read the ISO standard on project management). Otherwise, most of the guides can be shrunk to a shadow of their current size. Instead, PMI takes a more pragmatic approach of attempting to combine the best of both worlds – principle-based and process-based.

#### B. Stakeholder-Centric View of Success

Let’s consider the reality. The success rate of project management is horrible. Studies after studies show that strategy implementation, major IT projects, and mega-projects are wasteful and largely

unsuccessful. If you consider how far Project Management has advanced as a formal discipline, the benefits often do not show up in results.

One of the biggest missing gaps, in my humble opinion, is that organizations and professionals (the big “WE”) tend to equate project management success with project success. This is not always the case. “Project management success” is often defined by the rigor of the PM processes and the applications of tools and techniques. “Project success” is based on results – did the deliverable work as promised (not necessarily as designed). Most people have probably worked on projects, large and small, in which there is a significant discount. Some “get lucky” and applied little project management but achieved great success. More likely, especially for large and complex projects, project professionals spent a ton of time on project management but yield largely unsuccessful project deliverables.

This is one of the primary reasons for the emerging importance of understanding stakeholders. It turns out that “project success” is sometimes like “beauty”, which is in the eye of the beholders. Thus, by managing expectations of key stakeholders and combined with proper project management discipline, the results are far more likely to be “successful” than otherwise. This general move toward the stakeholder is already evident in the current fifth edition of the PMBOK Guide in which stakeholder management is included as a knowledge area. I believe the importance of stakeholders will be enhanced in the next edition of standards.

### C. Benefits Realization

In addition to stakeholder understanding, the need to better define of project success is also manifest in the emphasis on realizing benefits and value for their sponsoring organization. For some time now, I believe since the introduction of the first edition of the Standard for Program Management, there was significant discussion on the importance of understanding benefits. More recently, in the PMO Symposium in October 2016 in San Diego, Mark Langley, the CEO of PMI, opened the symposium concentrating on benefits realization. Under the theme “creating lasting value”, the major handout at the symposium was PMI’s Thought Leadership series including four papers on benefits realization and three papers on the Pulse of the Profession also related to benefits realization.

From the perspective of a business executive, the traditional iron triangle, or the triple constraint, was incomplete. While it conveniently outlined the constraints of most projects – schedule, scope, and cost - the iron triangle never addressed the question of “why” – why project management? If one believes that most managers do not go to work with the desire to sabotage their organization, then it’s also easy to believe that most of them will do their best to deliver the projects, with or without a formal understanding of project management. Therefore, the improvements in using project management are likely to be incremental. More importantly for most organizations, it’s not the completion of “any” projects that add value, rather, it is the delivery of their most value-added projects on a sustainable basis that adds true value and creates competitive advantages. From this perspective, the focus on benefits realization is just the timely evolution of the maturity of project management which will be more emphasized in the new editions.

## D. Standard-Specific Changes

This section is still emerging. Below is a list of what's known and what's likely to happen based on publicly available information:

1. Project Management Body of Knowledge – 6<sup>th</sup> Edition
  - a. **Agile.** PMI promises much better integration of agile throughout the guide.
  - b. **PMI Talent Triangle & Role Delineation.** These are also much better integrated into the 6<sup>th</sup> Edition, providing project professionals a clearer online of what they do and how to develop their skills.
  - c. **Organization.** The overarching organization of the book shifts from knowledge area to process group, which is far more logical for a practitioner to apply on projects. After all, project management is more than managing cost, scope, budget, communication, etc. It's the synthesis of these areas.
  - d. **Knowledge Management.** In a presentation that I attended recently, one of the core committee members of PMI discussed the new emphasis on managing knowledge throughout the project lifecycle.
  - e. **Other changes.** Markus Klein wrote a nice blog on [www.projectmanagement.com](http://www.projectmanagement.com), and it highlights some of the changes noted above, plus some additional specific ones: <https://www.projectmanagement.com/blog-post/19415/PMBOK--Guide-6th-Edition-will-be-released-towards-the-end-of-2017---what-will-change-->
2. The Standard for Program Management – 4<sup>th</sup> Edition
  - a. **Incremental.** The 3<sup>rd</sup> edition was the first “principle-based” standard, and it was well received by the project management community. Thus, there are no major changes in the 4<sup>th</sup> edition.
  - b. **Governance.** Related to managing stakeholders and their expectation is the need to provide proper program governance (typically by key stakeholders) to make difficult trade-offs decisions, prioritize features and functions, and provide proper program oversight.
  - c. Supporting program activities replacing “supporting processes.” Continuing the progression toward more principle-based standard by de-emphasizing “hows” and more emphasis on “whats.”
3. The Standard for Portfolio Management – 4<sup>th</sup> Edition
  - a. **Good news and bad news.** The good news is that as a core committee member, I know this standard far better than the others. The bad news is that I cannot share them yet. At this early stage, it's too difficult to parse what's “public domain” and what's proprietary information. Therefore, I am not going to comment on the specific changes, other than the general trends listed in above.
  - b. **Get ready to contribute** – January 2017. The other good news is that you have an opportunity to contribute to the improvement of this standard. The exposure draft is anticipated for early next year, and I urge all portfolio management professionals to review and provide your comments. After the release of the exposure draft, I can elaborate more on the changes.

## IV. What does it mean for you?

The changes to these standards are a natural growth of our profession. As “we” all become smarter through practice and research, the “common practices”, and in some cases “best practices” are shared through updates to these standards.

If you are preparing for the respective certifications, the good news is you are still largely fine and keep up the study of the current standards. The time required to update the exam is typically up to six months later. Below are the anticipated dates in which the standards will impact the exams:

- Project management certification exams (PMP and CAPM) – 1<sup>st</sup> Quarter 2018
- Program management certification exam (PgMP) – 2<sup>nd</sup> – 3<sup>rd</sup> Quarter 2018
- Portfolio management certification exam (PfMP) – 2<sup>nd</sup> – 3<sup>rd</sup> Quarter 2018

Therefore, to be safe, if you are planning to take the exam in 2017, you should be fine with the current set of standards. But if you are anticipating taking the exam in 2018, then please pay close attention to PMI’s announcements. The Source links below take you to the “definitive” information on this topic.

If you are a practitioner or researcher, I highly urge you to review the latest edition of the standards after publication. All PMI foundational standards, practice guides, practice standards & frameworks, and lexicon are free for its members. You can download the current edition of the foundation standards here: <http://www.pmi.org/pmbok-guide-standards/foundational>.

This article will be updated periodically as more information become available;  
visit: [www.pmoadvisory.com/blog/project-management-institute-standard-changes](http://www.pmoadvisory.com/blog/project-management-institute-standard-changes) for the latest.

### Sources:

1. About PMI Standards: <https://www.pmi.org/pmbok-guide-standards/about>
2. Current PMI Standard Projects: <https://www.pmi.org/pmbok-guide-standards/about/current-projects>
3. PMI Standard Updates: <https://www.pmi.org/pmbok-guide-standards/foundational-standards-exposure-draft>
4. ISO (International Standard Organization) standard on project management: <http://www.iso.org/iso/news.htm?refid=Ref1662>