



## Fact Sheet

# Project Management as a Service – PMaaS

*Do you often wonder what your expensive Project Manager does for the money you pay? It's a well-known fact that most projects require a highly competent Project Manager for only 30% of the time as the remaining 70% is made up of project support activities. So why do organisations continue to engage expensive resources to perform project support roles when a combination of resources would deliver more cost effective outcomes?*

### Connexion's Goals

Assist agencies within the government sector to achieve positive project outcomes and reduce project management costs through an innovative PMaaS solution.

Connexion's objective is to provide our Government clients with the right mix of project resources so that the complex project components are delivered by highly competent Project Managers, while the project support requirements are delivered by more junior Project Managers.

### Why the Need for a PMaaS?

Historically organisations have engaged vendors to provide a Project Manager to undertake the management of a single project on their behalf. In most instances the Statement of Requirement has requested the provision of a highly competent Project Manager, often with skills and experience far greater than is necessary to manage the entire project lifecycle. When responding to the Request For Quotation (RFQ), Connexion will present resources that have the required skills and experience to meet the more complex components of the project to ensure all deliverables are achieved to the highest possible standards. This means that the skills and experience of the Project Manager may not be fully utilised during the less complex support phases of the project.

This is not a value proposition for the employing organisation as the cost of the Project Manager is commensurate with their skill sets and not the project requirements. Nor is this approach a value proposition for Project Managers as they are often underutilised with regard to the extent of their capabilities and retention becomes an issue.

While some vendors are more than happy to provide resources to just "warm a seat", this is not the Connexion philosophy. Connexion Project Managers pride themselves on their ability to make efficient and effective use of their time on all the projects in which they are involved. Our consultants prefer to be challenged in their roles and when they are not they will tend to look for opportunities more suited to their skill levels. This presents a risk to both Connexion and our clients.

### PMAS Business Model

The solution is to implement a PMaaS model where the correct levels of resources are provided at the correct time in the project schedule. By using a mix of skill sets Connexion can reduce the overall project cost to the client and deliver a more positive outcome.

Connexion offers a mix of three skill levels to meet all specified project outcomes:

- Level 1 – Project Support where the resource requires 1-4 years of Project Support/Management in an ICT environment and has some understanding of our clients Project Management frameworks.
- Level 2 – Project Management where the resource requires 4-8 years of project management including delivery of complex projects in an ICT environment. They must have a sound understanding of our clients Project Management frameworks and documentation standards.
- Level 3 – Programme Management where the resource requires 8 plus years of Project Management and at least 5 years of Programme Management.

The PMaaS model utilises a different cost model to the traditional labour hire models in that it determines a capped price for the project that cannot be exceeded and resources are allocated within this cap. The capped rate is determined using the hourly rate for the Project Manager that would traditionally be required to deliver the most complex components of the project. This becomes the baseline cost for the project that is not to be exceeded and is used for budgeting purposes.

Connexion provides a ratio of Project Support to Project Management or Programme Management skill sets based on our understanding of the project complexity and size from the Statement of Requirements. The ratio and skill level can be altered during the course of the project to accommodate changes as long as the total value of the resource mix doesn't exceed the baseline cost.

Connexion provides the client with a list of resources and their skill levels that will be utilised on the project. The project is costed at a time and materials rate based on the

anticipated % utilisation of each skill set. Total project costs would not exceed the capped baseline. This provides the client with the flexibility to utilise individual skill sets for longer periods as required for project variations as long as the capped rate was not exceeded. Connexion's invoicing system provides a full breakdown of tasks and times spent on each project which provides the client with full transparency of information.

The following scenarios provide an indication of the direct savings that can be realised by moving to a service provision model:

**Note:** For the purpose of these examples Connexion has used 210 working days and an hourly rate that is based on the average for current industry rates, not the Connexion discounted rates.

It should also be noted that the model is only effective if it is run on a minimum of three projects. The following three projects are indicative examples only.

### Scenario 1 – Three Project Model (Basic)

Baseline with 3 project managers at \$150/hr = \$756,000

Two Level 1 Project Support staff at \$110/hr at 100% = \$369,600

One Level 2 Project Manager at \$150/hr at 100% = \$252,000

One Level 3 Programme Manager at \$200/hr at 10% = \$33,600 (Note: this role is on a T&M and may not be utilised at all resulting in even greater savings.)

Total Cost of \$655,200 or a saving of \$100,800 or \$134,400 if the Programme Manager is not utilised.

### Scenario 2 – Three Project Model (Complex)

Baseline with 3 project managers at \$200/hr = \$1,008,000

Three Level 1 Project Support staff at \$110/hr at 100% = \$554,400

One Level 2 Project Manager at \$175/hr at 100% = \$294,000

One Level 3 Programme Manager at \$200/hr at 20% = \$67,200

Total Cost of \$915,600 or a saving of \$92,400.

### Scenario 3 – Six Project Model (Basic)

Baseline with 6 project managers at \$150/hr = \$1,512,000

Four Level 1 Project Support staff at \$110/hr at 100% = \$739,200

Two Level 2 Project Manager at \$150/hr at 100% = \$504,000

One Level 3 Programme Manager at \$200/hr at 30% = \$100,800

Total Cost of \$1,344,000 or a saving of \$168,000

### Scenario 4 – Six Project Model (Complex)

Baseline with 6 project managers at \$200/hr = \$2,016,000

Four Level 1 Project Support staff at \$110/hr at 100% = \$739,200

Three Level 2 Project Manager at \$175/hr at 100% = \$882,000

One Level 3 Programme Manager at \$200/hr at 60% = \$201,600

Total Cost of \$1,822,800 or a saving of \$193,200

### The benefits of partnering with Connexion

Connexion is a specialist Information Communications Technology (ICT) business solution provider that offers integrated software and services to improve productivity and profitability in the government sector. Our growth and business success is founded on working in partnership with our clients. We believe that partnerships build stronger business bonds and through them we will lead the way in delivering superior business solutions to the public sector.



### Contact us

If you would like to discuss the many ways Connexion will help revolutionise your world, please contact our team.



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