

## PM WORLD TODAY – CASE STUDY – MAY 2010

ASML Realizes the Value of Getting Everyone on the Same  
Project Page

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**The Background**

ASML is the world's leading provider of lithography systems for the semiconductor industry, manufacturing complex machines that are critical to the production of integrated circuits or microchips. Founded in 1984, ASML is publicly traded on the Euronext Amsterdam and NASDAQ. With more than 6,500 employees worldwide, it enjoys an approximate 65 percent market share.

ASML spends an average of €460 million annually on research and development and has more than 3,000 engineers in R&D. Working on five major products, along with other applications and products, ASML's engineers can have more than 200 simultaneous projects occurring at any one time.

In 2005 ASML decided to assess its project management capabilities. It determined that while the company had long enjoyed successive growth and strong profit margins, there were opportunities through improved project management to realize even greater results.

The assessment showed that while there was no agreed ASML project management methodology, many engineers applied a range of project management skills and tools to gather requirements, plan and track their projects. However, since less than ten percent of project plans were "good" based on ASML's criteria, this hampered company executives' ability to evaluate and track projects against corporate goals and ensure effective resource allocation. The review also found that individuals fulfilling the role of project manager had often been selected for their technical expertise, rather than their project management skills, knowledge and experience.

It was determined that ASML could greatly benefit from:

1. The development of an ASML-specific project management methodology
2. A learning program to identify, teach and reinforce the methodology to project managers
3. The embedding of project management support as a function within the company

**The Strategy**

In order to achieve its project management goals, ASML recognized it would need a partner that could help develop the methodology, design and deliver the learning program as well as help ensure the project management practices became part of ASML's corporate structure and culture. In 2006, ASML selected ESI International to support the program.

ASML identified several core components for the program:

- Development of an ASML-specific project management methodology based on the Project Management Institute's (PMI®) *A Guide to the Project Management Body of Knowledge (PMBOK® Guide)*
- Appropriate instructor-led courses to teach the methodology to approximately 1,000 ASML team members
- Formal, one-on-one coaching to provide real-time learning reinforcement and support
- Topic-specific, coaching workshops to further reinforce learning
- The use of “go”/“no-go” project decision gates to reinforce the importance of following the methodology and embed project management thinking into everyday practice

## Tactics

The program consisted of three completely integrated elements: the methodology, the training of the individual and the coaching of the integrated project teams.

The first part of the program focused on the development of the ASML-specific project management methodology. In order to be successful the methodology needed to follow best practices as set out in the *PMBOK® Guide* while taking into consideration what was already working at ASML and the specific project management needs of the business.

With the methodology well defined, instructor-led courses designed around the tailored methodology were developed and delivered. Once team members completed the courses they were given time to review their current projects and develop an understanding of how to apply the methodology.

After a few weeks, coaching workshops, as well as individual one-on-one coaching sessions, were made available to all project managers and their project teams, a potential audience of more than 200 people. They were asked to identify high-priority projects with a focus on R&D projects for this real-time learning component. The coaching sessions and workshops were spread over several months and allowed project leaders and teams to agree upon working procedures for:

- Defining the scope
- Building the project plan
- Reporting
- Change control
- Stakeholder management
- Risk and issue management
- Communications

## Results

While many organizations struggle to see a significant impact early on from project management learning and develop programs, the scope of ASML's project portfolio combined

with the comprehensive nature of the program delivered clear, up-front benefits.

In addition to the knowledge and skills gained through the instructor-led courses, individual coaching and coaching workshops delivered to ASML team members, results to date include:

- More than 80 percent of all project plans are considered “good” based on ASML’s criteria
- Improved resource management and decision-making without sacrificing creativity using the decision-gates defined in the methodology
- Increased levels of transparency in project performance allowing project managers to see the impact of changes before the change happens
- The establishment of the first embedded project management office of a planned network of PMOs
- Demonstrated willingness by executive management to further invest in project management development

### **Next Steps**

Despite its rapid progress, ASML recognizes that project maturity is a long-term effort. The company continues to build upon its success by:

- Expanding the embedded PMO network
- Focusing on developing the skills and knowledge that will enable project managers to function as trusted advisors and facilitators as well as good administrators
- Creating a development program to provide line managers the skills and knowledge to better coach their project management staff
- Increasing the focus on soft skill development for project managers
- Implementation of an enterprise level project management system
- Moving the responsibility for the project management learning and development program from the project management function to the learning and development function within human resources

**About the Author:**



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**J. LeRoy Ward**, PMP, PgMP, Executive Vice President, Product Strategy & Management, ESI International brings more than 30 years of expertise in project and program management to the refinement of ESI's portfolio of learning programs. He works closely with ESI clients worldwide to guide the assessment, implementation and reinforcement of knowledge and skills that allow for the effective measurement and successful adoption of learning program objectives. For more information visit [www.esi-intl.com](http://www.esi-intl.com).