Best Practices to Establish Effective Mentor/Protégé Programs

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Introduction

- Background
- Mentor Protégé Program Goals
- DBE Challenges
- Lessons Learned

- UAH Mentor Protégé Program (UAH-MPP)
  - Vetting Process
  - Needs Assessment
  - Capability Assessment
  - Tier Structure
  - UAH-MPP Framework
  - UAH-MPP Approach

- UAH-MPP Results
- Best Practices
- Discussion and Questions
ALDOT seeks to provide a Mentor Protégé Program for ALDOT Certified Disadvantaged Business Enterprises (DBE), so they can compete successfully in the marketplace by developing their technical and business skills in accordance with 49 CFR PART 26 - Appendix D.

Contract was awarded to UAH: 2010 – 2016

2010 - 2013: Technical Assistance in Assessed Weak Areas – **Activity Based**

2014 - 2015: Similar SOW as 2010 – 2013 **Results Based**

Currently: Technical Assistance - **Awarded Work**
UAH Mentor Protégé Program Goals

- Improve DBE performance (on time, within budget, at the desired level of quality, increase the # and size of projects, increase revenues, increase services area)
- Graduate DBEs from DBE Supportive Services Programs
- The UAH Mentor Protégé Program is designed to increase the business capabilities
- The UAH team overall objective is to create a systematic transformational program (that is portable) that will have a long-term strategic impact on the organizations ability to compete
DBE Challenges

- Recently DBE Certified
- Been in DBE Program for Decades
- Small Staff
- Limited Crews/One Person Shop
- Back Office Support
- Multiple Crews

- Work Type Analysis
- Biding on ALDOT Projects
- Winning Projects
- Understanding the ALDOT Process
- Bonding
- Perception of the DBE Program

- Limited Technology
- Understanding how to do Business with Primes
- Being honest about business capabilities
Lessons Learned

- Primes and DBEs have a history of working with each other
- DBEs and Primes have preconceived perceptions of each other
- DBEs try to over-sell their capabilities
- There is a two week window to work with the Prime each month
- Sending timely RFQs is required, but not sufficient to increase winning bids
- Technology/software is not going to erase problems
- DBEs must build relationships with the Primes
- Successful partnering requires a match between the Prime needs and what the DBE can provide
- Key question: Is the Prime buying what the DBE is selling?
Lessons Learned, cont.

- Small Business Element certification (SBE) gives DBEs opportunities
- Estimating assistance is critical
- Accounting system is critical
- Project/Construction Management skills are critical
- Some of the best mentors have been or are DBEs
- Primes talk to each other
- Some DBEs seek one job at a time
The UAH Mentor Protégé Program (UAH-MPP)

The Basic Components of the UAH-MPP:
- Vetting Process
- Needs Assessment (Prime and DBE)
- Capability Assessment
- Tier Structure
- UAH-MPP Framework
- UAH-MPP Approach
Vetting Process

- **DBE**
  - Must be DBE Certified
  - Interest Level in the Mentor Protégé Program
  - Responsiveness to Information Request
  - Willingness to Communicate Candidly
  - Willingness to Follow Program Guidelines
  - Willingness to Share Company Information

- **Prime**
  - Have DOT Project Past Performance
  - Interest Level in the Mentor Protégé Program
  - Willingness to Communicate Candidly
  - Willingness to Follow Program Guidelines
  - Willingness to Share Company Information
  - Willingness to Mentor at Least 1 Protégé
  - Interested in Having More Than Just a Statutory Relationship with DBEs
The Needs Assessment survey contains 15 sections:

- Legal and Compliance Assessment
- Business Types
- Business Operations
- Market Evaluation
- Adequacy of Accounting System
- Risk Management
- Workforce Analysis
- Financial Condition
- Bidding and Estimating
- Bidding on ALDOT Contracts
- Bidding on Non-ALDOT Contracts
- Construction Business Analysis
- Bonding Capacity Range
- Contracting with ALDOT and Government Agencies
- Training Interests
Assess the DBE Organizational Capability

- The UAH Mentor-Protégé Program Framework is structured around the Capability Maturity Model (CMM) concept.
  - The Capability Maturity Model has become the de facto standard for process modeling and assessing an organization’s maturity.

- Because most of the protégés and mentors in our program are project driven organizations, the program is focusing on organizational Project Management Maturity in accordance with (ANSI/PMI 99-001-2008) aka the PMBOK.
Capability Maturity Model (CMM)

- **Level 5**: Continuous Process Improvement
- **Level 4**: Quantitative Management
- **Level 3**: Process Standardization
- **Level 2**: Basic Structure and Processes
- **Level 1**: Ad-hoc and Personality Driven
Capability Maturity Model (CMM)

Level 1 – Initial Process
- Ad hoc processes
- Management awareness

Level 2
Basic Structure and Processes

Level 3
Process Standardization

Level 4
Quantitative Management

Level 5
Continuous Process Improvement
Capability Maturity Model (CMM)

- **Level 5**
  - Continuous Process Improvement

- **Level 4**
  - Quantitative Management

- **Level 3**
  - Process Standardization

- **Level 2**
  - Basic Structure and Processes

- **Level 1**
  - Ad-hoc and Personality Driven

---

**Structured Process**
- Basic Processes; not standard on all projects; used on large, highly visible projects
- Management supports and encourages use
- Mix of intermediate and summary-level information
- Estimates, schedules based on expert knowledge and generic tools
- Mostly a project-centric focus
Capability Maturity Model (CMM)

Level 3 – Organizational Standards and Institutionalized Process

- All processes, standard for all projects, repeatable
- Management has institutionalized processes
- Summary and detailed information
- Baseline and informal collection of actuals
- Estimates, schedules may be based on industry standards and organizational specifics
- More of an organizational focus
- Informal analysis of project performance

Level 5
Continuous Process Improvement

Level 4
Quantitative Management

Level 3
Process Standardization

Level 2
Basic Structure and Processes

Level 1
Ad-hoc and Personality Driven
Capability Maturity Model (CMM)

Level 4 – Managed Process

- Processes integrated with corporate processes
- Management mandates compliance
- Management takes an organizational entity view
- Solid analysis of project performance
- Estimates, schedules are normally based on organization specifics
- Management use data to make decisions

Level 5
Continuous Process Improvement

Level 4
Quantitative Management

Level 3
Process Standardization

Level 2
Basic Structure and Processes

Level 1
Ad-hoc and Personality Driven
Capability Maturity Model (CMM)

Level 5 – Optimize Processes

- Processes to measure project effectiveness and efficiency
- Processes in place to improve project performance
- Management focuses on continuous improvement

Level 5
Continuous Process Improvement

Level 4
Quantitative Management

Level 3
Process Standardization

Level 2
Basic Structure and Processes

Level 1
Ad-hoc and Personality Driven
Divide DBEs into Tiers for Service Delivery

- Tier I (Level 1 Maturity) – DBEs with little or no processes
- Tier II (Level 1 & 2 Maturity) – DBEs with some process
- Tier III (Level 1, 2, & 3 Maturity) – Mature DBEs with significant revenue
## Tier Structure

<table>
<thead>
<tr>
<th>Tier</th>
<th>Typical DBE Capability</th>
<th>Typical Technical Assitances</th>
</tr>
</thead>
</table>
| Tier I | ➢ Lack of Knowledge about ALDOT Letting Process  
➤ One-person shop  
➤ Very small staff  
➤ New business owners/very little business experience  
➤ Little to no business processes  
➤ Very little business technology including computers, software | ➢ Doing Business with ALDOT  
➤ Assistance in Determining Rates and Cost  
➤ Assistance in determining Services to Provide  
➤ Accounting and Financial Management  
➤ Bid Preparation Assistance  
➤ Business Plan Development  
➤ Business Processes Development |
## Tier Structure

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<tr>
<th>Tier</th>
<th>Typical DBE Capability</th>
<th>Typical Technical Assistances</th>
</tr>
</thead>
</table>
| Tier II| ➢ Developing DBE capable of doing ALDOT work  
➢ Building relationships with agencies, primes, etc.  
➢ Developing staffs  
➢ Bidding on ALDOT Lettings  
➢ Basic Business Processes  
➢ Some technology  
➢ Performing some work outside of ALDOT | ➢ **Mentor – Protégé Program Enrollment**  
➢ Technical Assistance (Estimating, Business Development, Marketing, etc.)  
➢ Bid Preparation Assistance  
➢ Project/Construction Management  
➢ Implementation of Technology  
➢ Business Processes Assessment and Development  
➢ Teaming/Collaboration Assistance |
# Tier Structure

<table>
<thead>
<tr>
<th>Tier</th>
<th>Typical DBE Capability</th>
<th>Typical Technical Assitances</th>
</tr>
</thead>
</table>
| Tier III |  ➢ Bidding ALDOT Work  
  ➢ Winning ALDOT Work  
  ➢ Stable Business Processes  
  ➢ Could graduate from program with appropriate plan and development  
  ➢ Potential Small Business Element (SBE) |  ➢ **Mentor – Protégé Program Enrollment**  
  ➢ Targeted Technical Assistance (Estimating, Business Development, Finance, etc.)  
  ➢ Project/Construction Management  
  ➢ Leveraging Technology  
  ➢ Teaming/Collaboration Assistance  
  ➢ Prime/Sub, Sub/Prime, and Joint Venture Assistance  
  ➢ Subcontractor Monitoring and Assistance  
  ➢ Small Business Element (SBE) Preparation |
The UA Huntsville Mentor-Protégé Program Framework is structured around the Capability Maturity Model (CMM) concept.

The Capability Maturity Model has become the de facto standard for process modeling and assessing an organization’s maturity.

Development and implementation of this CMM approach standardizes the method for quickly and effectively evaluating the DBE’s business maturity.

Because most of the protégés and mentors in our program are project driven organizations, the program is focusing on organizational project management maturity (ANSI/PMI 99-001-2008).
The project management area of focus:

- **Iron Triangle**
  - Scope Management – requirements, WBS
  - Cost Management – estimating, budget, cost controls
  - Time Management – activities, scheduling, critical path

- **Support Areas**
  - Quality Management – workmanship, DOT standards
  - Risk Management – performance risk
  - Procurement Management – partners, supply chain
  - Communication Management – reporting, earned value
  - Human Resources – skill sets, workforce, project team
  - Project Integration – construction process, systems

Focus on the key areas needed to initiate, plan, execute, monitor & control, and close out a project successfully (Full project life cycle).
UAH-MPP Approach
“The Play Book”

Focus on Key Performance Measures
- Work Awarded (Subcontracts from Primes)
- Mentor Protégé Relationships (Building Relationships with the Primes)
- Competing in the Marketplace

Focus on Prime Contractor Needs
- Work Types they Typically Subcontracted
- Trusted Capable Supply Chain (Subcontractors, Partners, etc.)
- Long-term Contractor Relationships

Focus on DBE Capability
- Estimating (Foundation of a Successful Contractor)
- Bidding (“If you don’t bid, you don’t work”)
- Business Development (Relationship Building)
- Back Office Support (Project and Construction Management)

“Build Trust”
- Program and Prime
- Program and DBE
- DBE and Prime
- Open Candid Communications
The UAH Mentor Protégé Program (MPP) 2014 – 2015 Results

<table>
<thead>
<tr>
<th>NO.</th>
<th>PROTÉGÉ</th>
<th>STATUS</th>
<th>ASSIGNED MENTOR</th>
<th>INITIALLY ASSESSED PROTÉGÉ STRENGTHS &amp; WEAKNESSES</th>
<th>IS DEVELOPMENTAL PLAN FINAL</th>
<th>PROTÉGÉ TRAINED IN ASSESSED AREAS</th>
<th>IS BUSINESS PLAN FINAL</th>
<th>PROTÉGÉ RELATIONSHIP WITH SURETY COMPANY</th>
<th>IS PROTÉGÉ BIDDING ALDOT PROJECTS</th>
<th>HAS PROTÉGÉ RECEIVED PROJECTS ASIDE FROM MENTOR</th>
<th>ALDOT PROJECTS BID</th>
<th>ALDOT PROJECT AWARDED</th>
<th>Percent Complete Contracted</th>
<th>Percent Complete Over All</th>
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<tbody>
<tr>
<td>1</td>
<td>Protégé 1</td>
<td>Enrolled</td>
<td>Mentor 1</td>
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</tbody>
</table>

**Contract Requirement**

| 18 | 10 (adjusted) | 15 | 15 | 15 | 15 | 15 | 15 | No requirement (NR) | NR | 9

**Percent Complete Contracted**

| 100% | 100% | 100% | 100% | 93% | 100% | 93% | 93% | *78% |

**Percent Complete End of Effort**

| 100% | 100% | 100% | 100% | 100% | 100% | 93% | 100% | NR | NR | 111%

**Notes:**

- A. There were 23 potential protégés selected for the UAH Mentor Protégé Program, of the 23 DBEs, 15 were determined to be potential candidates for the 2014 - 2015 Mentor Protégé Program year.
- B. Protégés selected for the program had a requirement to be construction focused.
- C. Final enrollment was 15 protégés.
- D. 10 Protégés had a direct Mentor Protégé relationship. Due to unforeseen circumstances Protégés in the Mobile area potential Mentor, was inactive; however, the Mentor did have an informal relationship with one of the Protégés.
- I. All Protégés have a relationship with a bonding company. Main focus has been to 1. improve the existing relationship, 2. develop a new relationship, 3. seek bonding via SBA relationship.
- J. All protégés are bidding ALDOT projects or are in the process of bidding ALDOT projects. They fell into the following category, 1. Never bid ALDOT Construction Project, 2. Have not Bided ALDOT Construction Project, 2. Have not bid ALDOT Construction Projects in the past 12 months or more.
- K. This item was not a program requirement, but we wanted to collect this information. All Protégés are currently bidding projects outside of ALDOT. They have increased their project bidding throughput to commercial sources. Protégés were reluctant to provide this information.
- L. This item was not a program requirement, but we wanted to collect this information. All Protégés are currently bidding or in the process of bidding ALDOT projects. However, Protégés were reluctant to give us the number of projects bided or the value of the project.
- M. Our objective was to get at least 9 of the Protégés awarded a contract related to ALDOT. This requirement was removed. We secured 7 Protégés work opportunities. Seven (7) were able to secure a contract and 4 were not able to. 1. meet the requirements and or 2. come to an agreement.
- N. The UAH Mentor Protégé Program Protégés as a group met all of the program objectives.
UAH-MPP Best Practices

1. Interest Level Based Vetting Process (DBE’s and Primes)
2. Needs Assessment
3. Assess Business Capability Level
4. Develop a Tier Structure (Based on Capability)
5. Hands on Technical Assistsances (Beyond Workshops, Checklist, Templates, etc.)
6. Key Back Office SOPs (Accounting, Estimating, Project Management, etc.)
7. Leverage Technology (increase project throughput, efficiency, scale, etc.)
8. Focus on Key Performance Metrics (# of Projects Bided, Awarded, etc.)
9. Systematically leverage/Integrate other Supportive Service
10. Focus on results
Discussion and Questions

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