

## Program Management Office Service Overview

The Program Management Office (PMO) that operates properly within a mature organization serves a vital function. It provides the skills, processes and the resource foundation for implementing the Project Portfolio, as well as oversight, reporting and follow up to ensure projects deliver what business cases promised. At their most effective, PMOs are credited with being a superior vehicle for delivery of corporate strategic plans and managing multiple, cross-organizational efforts.

Conversely, Program Offices have been criticized for being bureaucratic, costly, cumbersome, methodologically rigid and unnecessarily burdensome - “overkill” for projects that could be managed simply in an ad hoc manner.

The challenge is to determine the proper level of PMO - to apply the ‘just-right’ amount of project management and oversight to ensure projects are run well and ROI is achieved without adding more process than an organization needs.

Many corporations and Information Technology organizations find that they must implement or augment PMO methods at the top organizational level: in the context of government regulations, contracts, or RFPs; Sarbanes-Oxley or financial controls; large project implementations like ERP installations; or M&A and new partner relationships. It is commonly understood that a PMO is critical to furthering the execution of IT Roadmaps for Enterprise Architecture or large Technology Project Portfolios. In fact, some companies set up their PMOs at the IT Department level because of the degree of IT involvement. Often a corporate PMO is referred to as a Program Management Office, while at the department level the PMO may be called a Project Management Office,

Other organizations first see the need for PMO processes and checkpoints when they uncover individual project problems: in the ‘key learnings’ statements of project post-implementation reviews, or worse yet, as they assess why a project failed. Often the drive for better program and project management comes from concerns about project work currently in progress:

- Requirements and costs for implementing “good ideas” are not well managed
- Key business-enabling projects fail in implementation due to inadequate communication, organization and planning
- Issues are poorly defined and derail projects
- Projects are sequenced in the wrong order and critical prerequisites are not met
- Resources are spread too thinly across multiple projects
- The business or IT takes on too much change at once and cannot manage it
- Priorities are unclear
- Large, expensive initiatives are started, or scope changes are made, without

# Strata : Fusion

TRUSTED EXECUTIVE ADVISORS

- appropriate buy-in and approval
- Programs are implemented without considering how they will be maintained
- Implementation is poorly planned and changes adversely affect the business

No matter how the decision is made, it is now generally accepted as good business practice for organizations to require some minimal levels of project management standards, control and reporting. Here are some important things to know when you consider a PMO for your organization:

- The PMO can work effectively as a centrally staffed organization with multiple project managers, as a small “virtual” team with minimal reporting, or somewhere in between, based upon organizational need
- Most organizations, even those with strong centralized PMOs, have a “PM-lite” version of their methodology for small projects and enhancements.
- The Project Charter, or initiation step, should be a contract of deliverables for a project to define the correct level of detail and establish checkpoints to set up appropriate controls but avoid ‘overkill.’
- The PMO works best when it is *evolutionary*, starting with basic practices and introducing more rigor only where necessary and when the organization is mature enough to adopt stricter methods.
- Introducing PMO practices is an organizational change that will require sponsorship, change management, checkpoints and follow-up.

At StrataFusion, we perform PMO implementation/evolution in a way that incorporates your current set of practices and augments them appropriately depending on how much tuning your project environment requires and what you have in flight. First, we assess the current state of your Program/Project Office and projects underway. After that is complete, we work with you to determine the proper approach based upon the following:

- What your primary concerns and business drivers are
- What we identified in the assessment: gaps in project management or other vital processes
- Processes that you have in place that may need minor revision or better reinforcement
- Your vendor relationships and plans for vendor-based projects or services
- Best practices to augment your current set
- Requirements for checkpoints, approvals and controls
- Reporting requirements
- Tools – only if needed
- Your desired organization and sourcing model

# Strata : Fusion

TRUSTED EXECUTIVE ADVISORS

Our approach: assess, tailor, coach, audit progress and improve – this allows your process and your organization to mature using existing or best practices.

The StrataFusion Group has years of experience implementing and working with all PMO models and a variety of tools. We can assist in implementing a PMO at the organizational level, or help you start slowly with standards and practices that achieve control. We have worked with a number of C-level executives to assess their current project management practices and implement long term improvements plans.

## IT PMO Service Details

Managing projects effectively is a critical competency and often requires organizations to ramp up expert teams rapidly and work together. An effective PMO function provides the foundation of methods and controls to establish roadmap priorities manage projects effectively and report on results. We offer a comprehensive service that evaluates your entire existing PMO and projects in flight, defines recommendations and practices that you can implement quickly and provides oversight, interim management and coaching to build organizational skills. These services are ideal for C-level leaders who are:

- Facing new, large project implementations, whether these are internal or vendor managed
- Integrating major project work across the corporation
- Implementing an Enterprise Architecture Roadmap
- Concerned about scope, timeline or cost overruns on existing projects
- Dealing with the recent failure of a project and the need to take sustainable corrective action
- Under new regulatory or financial controls that mandate added rigor in the project management or testing area

## What you can expect to achieve when you implement a PMO Practice at your company:

- A comprehensive review of your projects in flight, your current PMO practices and procedures, and related processes critical to project delivery.
- Analysis of current practices and prioritized recommendations for change.
- Review of your current project roadmap and risk analysis.
- Recommendations for *changing what you already have in place* to improve your performance, make weekly status reports actionable, manage scope and changes, control issues and risks, and improve your estimates.

# Strata : Fusion

TRUSTED EXECUTIVE ADVISORS

- Staffing and training recommendations.
- An eight-week program of weekly status meetings designed to improve your communication about key projects.
- Implementation of a minimal-overhead Project Dashboard which provides the information your organization needs to see in a timely manner.
- Temporary staffing of the PMO administration role to set up appropriate dashboard reporting, meeting support, and online Project collaboration sites.

## **Additional Benefits of Program:**

- Integration with our Portfolio Management and Enterprise Architecture practices
- Assessment of IT practices critical to successful project implementation

## **Our Program/Project Management Practice offers a broad range of services, including the following:**

- Regular reviews and coaching at defined intervals or major milestones
- PMO Organization Design and Development
- Project risk assessment and remediation consultation
- Best Practices, Reporting, integrated with MS Project and/or SharePoint if you wish
- “C-Level” education about the PMO and the sponsorship requires Senior Executives and Boards

Our program is based on principles developed by StrataFusion Partner Maureen Vavra, who has experience in managing major IT projects, product deliveries, and PMO implementations in telecom, insurance, dental/medical and high technology corporations.

## **PMO Success Stories**

Business Problem: A global high technology client had poorly run projects with runaway scope due to mismanaged local user requests. Projects were initiated and later re-scoped or cancelled, or the international impact of change was missed until a project was well underway. Projects were late and disruptive to the production environment.

# Strata : Fusion

TRUSTED EXECUTIVE ADVISORS

## Challenges:

- No standard project management methods, templates or training
- Local business analysts managed projects as a sidelight to their role in the development lifecycle
- Large projects were overseen by director-level staff who had other functions to manage and no formal PM skills
- The company's global presence was growing and information technology group was being asked to implement systems or changes to standardize business processes worldwide.

## Results:

- "Virtual" PMO standardized methods and training for global Project Management role, and several senior Business Analysts were promoted. Business Analyst team continued to support "lite" PM roles when needed in a standard manner.
- Requirements process and change control process were broadened to incorporate reviews and sign-offs by key geographies
- Project Dashboard was instituted and projects were formally chartered, scoped and approved by global governance team.
- First year, 30% of projects initiations were re-scoped or cancelled
- Over two years, on time delivery improved by 25%

## Improvement Process:

- Assessed in flight projects and one year of post-project reviews/data
- Interviewed of key clients and stakeholders
- Created one-year Project Management and PMO Implementation Plan, including formalized methodology, templates and training for Project Managers
- Consultative coaching for PMs and Projects at key intervals, including Charter Requirements sign-off, and Implementation Plan review.
- Assisted in hiring Project Director and two Project Managers
- Implemented Project Dashboard, continuous review and improvement process

## **PMO Success Stories**

Business Problem: Medical device company used “one size fits all” PMO to manage all corporate projects. IT and other non-regulated projects were heavily burdened by deliverables-based process that added high expense, unnecessary forms and details to the front end of projects. Result: many IT projects were skipping the process entirely and improperly managing scope, issues and change control.

## Challenges:

- Company was legitimately concerned about appropriate oversight and lifecycle deliverables for government related project work. Existing PMO process was so complex they were missing product delivery dates.
- IT was skipping the standard PMO process due to meaningless steps and deliverables, high overhead. The lack of an alternative light weight standard caused IT projects to have mismanaged scope and issues.

## Results:

- StrataFusion group was asked in to assess the IT PMO, which we found lacking standards and appropriate management.
- We were subsequently invited to join the corporate task force for standardizing the main PMO. This task force created deliverables-based gating and review based on project scope and regulation requirements, and thereby cut the complexity of most projects.
- IT projects were usually able to follow a “PM lite” standard model that brought them up to standard with minimal overhead.
- A significant improvement in on-time delivery at the corporate and IT level and subsequent reduce cost.

## Improvement Process:

- Assessed IT PM processes and found some deficiencies.
- Joined corporate PMO task force and suggested improvements, streamlining existing processes, templates and key deliverables.
- Assisted in creating several levels of projects which received oversight from regulatory, auditing, IT architecture and governance only when required.
- Eliminated extra deliverables and steps for IT infrastructure projects.

## **PMO Success Stories**

Business Problem: Major insurance company has runaway project that is one year overdue and has been “about to convert” for 6 months.

## Challenges:

- Company had significantly under-scoped and under-staffed the project.
- Data integrity and conversion issues were poorly understood and not planned.
- Other major projects were dependent upon aspects of this project.
- There was no formal overall PM practice in the company, although some tools were in use.

# Strata : Fusion

TRUSTED EXECUTIVE ADVISORS

## Results:

- Formal project risk assessment determined scoping, staffing, data conversion and testing inadequacies.
- Project was re-scoped and re-evaluated to ensure ROI.
- Formal change control was institutionalized and used to control scope
- Existing status, issue management and templates were continued with modifications
- Overall Project roadmap was reworked to manage interdependencies and timelines.
- Project was delivered according to revised schedule.

## Improvement Process:

- Assessed runaway project for proper planning and definition.
- Assisted in re-planning.
- Formalized change control. Tuned issue and risk management processes, jeopardy management and escalation.
- Coached Project Managers for next roadmap projects re planning and sequencing.
- Milestone based coaching and risk assessment for duration of project.