

Program Office Foundations

“The place where optimism most flourishes is the lunatic asylum.”

— Henry Havelock Ellis, British psychologist

What is Program Management?

- ◆ The coordinated management of a portfolio of projects to achieve a set of business objectives.
- ◆ The directing of a portfolio of projects which benefit from a consolidated management approach.
- ◆ The management of a portfolio of projects towards one specific objective.
- ◆ The coordinated support, planning, prioritization and monitoring of projects to meet changing business needs.
- ◆ The planning and monitoring of a number of simultaneous related projects.

Why have a Program Office?

- ◆ *Reduce project management costs*
- ◆ *Reduce project management cycle times*
- ◆ *Coordinate project management activities across the enterprise*
- ◆ *Improve reporting activities*
- ◆ *Improve resource utilization across the enterprise*
- ◆ *Increase project delivery quality*

Program Office Mission

- ◆ *Provide the assessment, measurement, analysis, support, and reporting of enterprise wide IT project performance and departmental process improvement activities.*

Responsibilities of the PMO

- ◆ *Facilitate communication and coordination between Project Managers, Functional Managers, and Customers.*
- ◆ *Integrate project management methods with the functional departments.*
- ◆ *Report schedule and budget status for projects through a single tool set.*

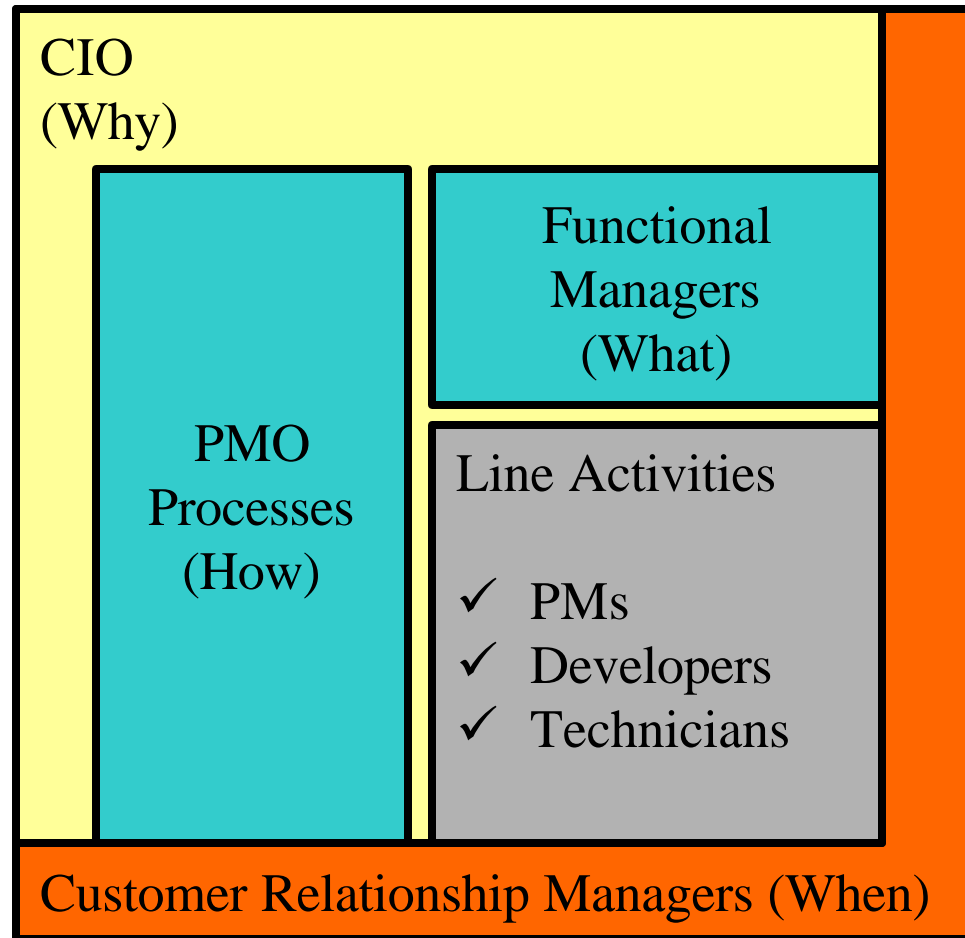
PMO's Scope

- ◆ *Enable and support project management disciplines.*
- ◆ *Provide enterprise wide project visibility, assessment, and reporting.*
- ◆ *Project management guidelines.*
- ◆ *Serve as a catalyst to develop an integrated multidisciplinary approach to project management.*

PMO's Scope ...

- ◆ *Develop a methodology framework for professional project management.*
- ◆ *Provide this methodology to IT PM's.*
- ◆ *Provide support in deploying the PM methodologies across the enterprise.*
- ◆ *Tie project activities with budget and forecast processes.*
- ◆ *Provide data and processes to support budget management.*

PMO Scope



Principles of Program Management [†]



[†] “Managing Success Programmes,” Office of Government Commerce, UK

Principles of Program Management

◆ *Organization*

- Defining clear roles, responsibilities, leadership and lines of communication.

◆ *Planning*

- Using a Program Plan to ensure that control is established and maintained for all projects in the portfolio.

◆ *Benefits Management*

- Identifying, optimizing, and tracking expected benefits to ensure they are achieved for each project.

◆ *Stakeholder Management*

- Ensuring all interested parties are appropriately involved in the program and the supporting projects.

Principles of Program Management ...

- ◆ *Issue Management and Risk Management*
 - Defining a strategy to deal with current and anticipated problems.
- ◆ *Quality Management*
 - Ensuring that the end products of the program or portfolio of projects are fit for their purpose.
- ◆ *Configuration Management*
 - Keeping information about the projects up-to-date and accurate.
- ◆ *Audit*
 - Ensuring that technical, statutory, contract and accounting standards are used for reporting project information.

Stakeholders of the PMO [†]

- ◆ *Sponsors*
 - Office of the CIO
- ◆ *Customers*
 - IT Functional managers
 - IT Staff
 - Site Project participants
- ◆ *Customers customers*
 - Site Building and Project managers

Building the PMO

What questions need to be answered while building the PMO

◆ *Strategy*

- What are the strategic initiatives supported in the PMO?
- What departments will be effected?
- What parts of the organization will benefit?

◆ *Process*

- What is the core project management methodology?
- Can the PMO be syndicated across the entire organization?
- What metrics will be used to measure success?

◆ *Organization*

- What groups are impacted?
- What departments participate?
- Who oversees the PMO?

Building the PMO ...

◆ *Technology*

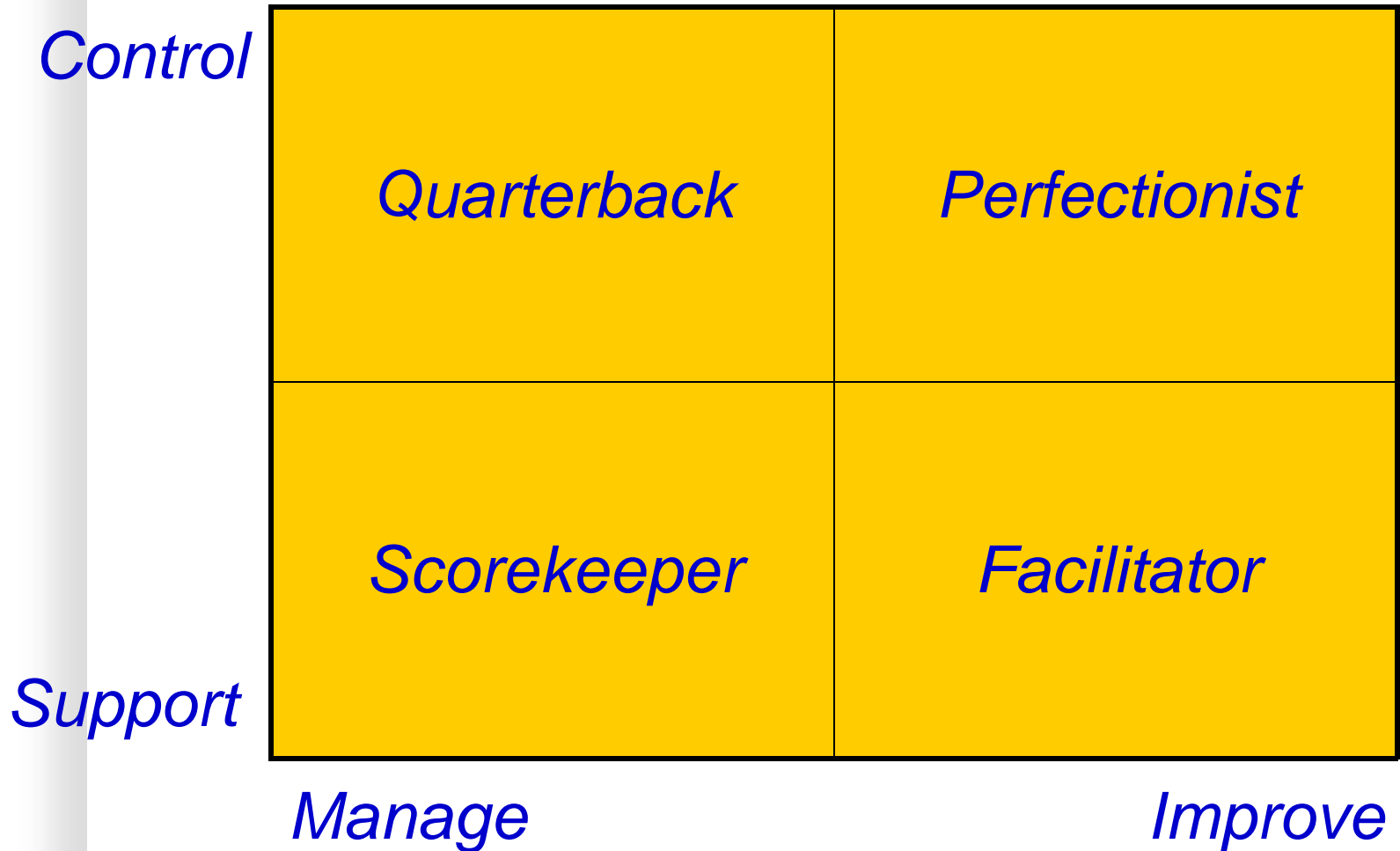
- What enterprise systems are used?
- How will initiatives be defined and constrained?
- What economies of scale can be realized by the PMO?
- Project tracking tools?
 - Earned value
 - Simple budget and schedule
- Communication mechanisms?
 - Processes
 - Metrics
 - Status

Projects and the PMO

The “products” of the Program Management Office are “projects”

These “products” have all the measures of normal products – quality, cost, benefit, user acceptance.

Four Types of PMO [†]



[†] "The Four Archetypes of the PMO," Mark E. Mullaly, www.gantthed.com

Four Types of PMO ...

- ◆ *Scorekeeper*
 - Monitor and report progress of project portfolio
 - Program and project information conduit
 - Clearing house for consolidated status updates
- ◆ *Facilitator*
 - Enable improvement efforts
 - Source of best practices
- ◆ *Quarterback*
 - Focus on project delivery
 - PMs report to the PMO
 - Central point of accountability
- ◆ *Perfectionist*
 - Control focused improvement
 - PMO is the “center of excellence”
 - Agent for change regarding how the organization does projects.

PMO Risks

- ◆ *Emphasis of technology over process and their results*
- ◆ *Roles and responsibilities either not developed or are worked out “on the fly.”*
- ◆ *Reluctance to share information between all participants*
- ◆ *Mixed messages sent to stakeholders*
- ◆ *Emphasis on defining “roles” before discovering the problem domain*

A Successful PMO ...

- ◆ *Eliminates duplication of data and processes among Project Managers.*
- ◆ *Establishes processes for managing all IT projects.*
- ◆ *Cultivates “unnatural” levels of cooperation.*
- ◆ *Institutes new operating mode with detailed definition of process, roles, and measures.*
- ◆ *Maintains a balanced scorecard to reward new skills and roles for process owners.*
- ◆ *Promotes change from status–quo, upstream and downstream of IT mission.*
- ◆ *Nurtures organizational neutrality.*
- ◆ *Instills a passion for the profession of project management’s processes, practices, and tools.*

4 Attributes of Project Success

- ◆ *Did the project meet the goals of:*
 - Functionality?
 - Cost?
 - Time?
 - Quality?
 - Performance?
- ◆ *Was the project run in an effective and efficient manner?*
- ◆ *Did the project meet its business goals?*
- ◆ *What did the organization learn?*

Interactions within the PMO

"We can't all be heroes, because someone has to sit on the curb and clap as they go by."

— Will Rogers (1879-1935)

Roles of Program Management Office

- ◆ *Project Manager is responsible for coordinating project direction, progress, and resource management.*
- ◆ *Functional Manager is responsible for work definition and management of resources to accomplish this work.*
- ◆ *Program Management Office is responsible for coordinating projects within a portfolio for the betterment of each project.*

Roles of the Project Manager

Competency

- ◆ *Competency is the elimination of dissatisfactions*
 - On schedule
 - On budget
 - Meets needs

Contribution

- ◆ *Contribution is realizing satisfiers*



Program and Project Manager Agility

- ◆ *Access to information in context.*
- ◆ *Capacity to create new knowledge and insights.*
- ◆ *Resource reconfiguration.*
- ◆ *Predictive “estimation at completion.”*
- ◆ *Project performance metrics as the basis for future estimates.*

The Agile PM Should Exhibit a ...

- ◆ *Sophistication and domain knowledge.*
- ◆ *Willingness to operate in real-time.*
- ◆ *Propensity and preference for dialogue.*
- ◆ *Willingness to experiment.*
- ◆ *Preference for managerial risk.*

Agile PM and PMO Infrastructure Creates ...

- ◆ *Ability to create contextual information from multiple data sources.*
- ◆ *Support for heterogeneous functional managers.*
- ◆ *Support for evolving business and technical processes.*
- ◆ *Collaboration in a value network of peers and functional managers.*

Practical Implementation Processes

Pareto's Law – The 80/20 Rule

The law of the trivial many and the critical few.

In many business activities, 80% of the potential value can be achieved from 20% of the effort, and that one can spend the remaining 80% of effort for relatively little return

What is Project Management?

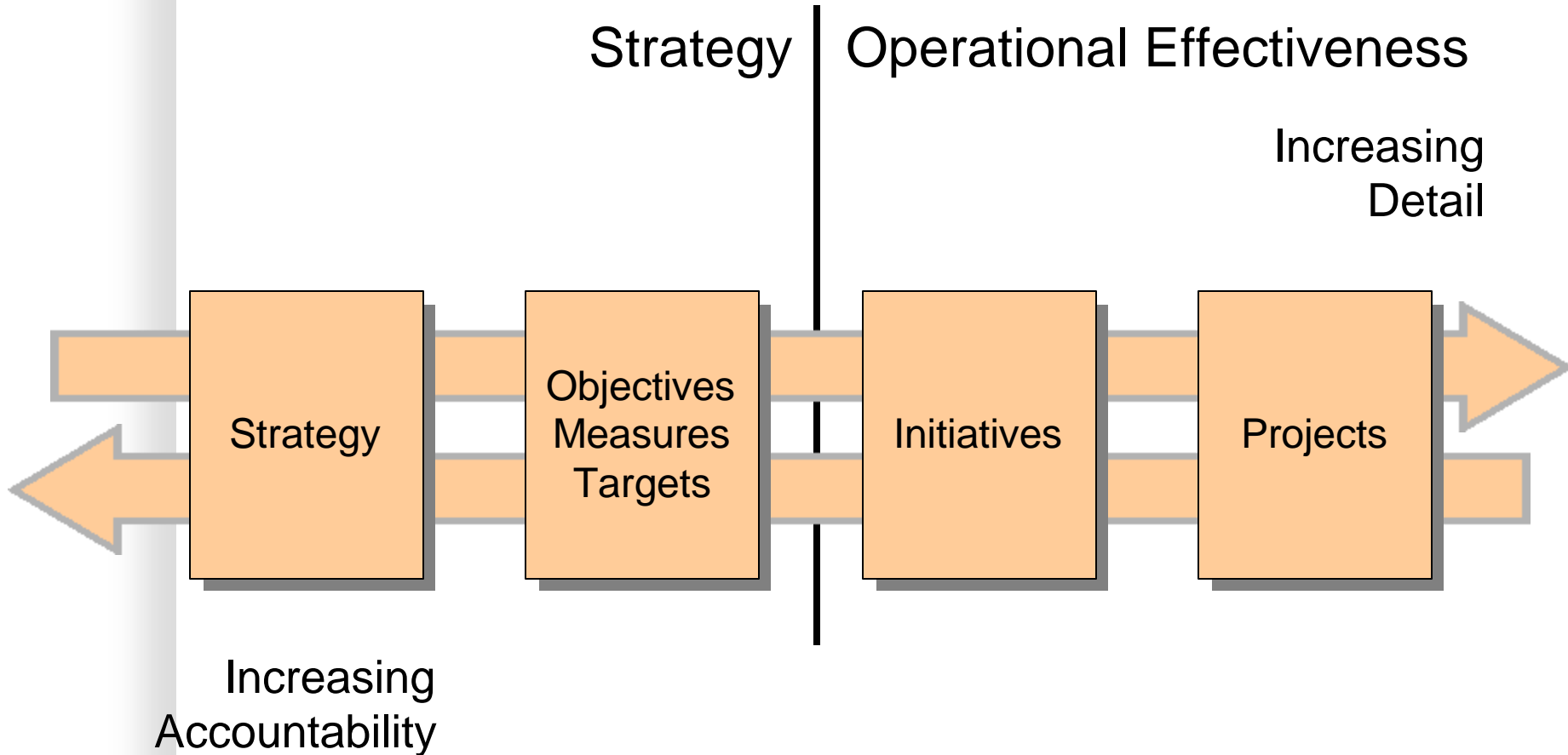
- ◆ *Management*

- The act of managing
- The persons controlling and directing an enterprise

- ◆ *Project*

- Something that is planned or devised
- A plan or scheme
- A large or important undertaking, especially one involving considerably expense, personnel, and equipment

End to End Program Management



Operational Effectiveness and Strategy

- ◆ *Operational Effectiveness*
 - Performance similar activities better than rivals perform them
- ◆ *Strategy*
 - Creating fit among a firm's activities
- ◆ *Strategic positioning*
 - Performing different activities from rival's
 - Performing similar activities in different ways
- ◆ *Competitive advantage*
 - Being different
 - Deliberately choosing a different set of activities to deliver a unique mix of value

Building a Collaborative Culture, by ...

- ◆ *Making responsibilities overlap*
- ◆ *Basing rewards on unit performance*
- ◆ *Changing the physical layout*
- ◆ *Redesigning the work procedures and processes*

Improving the Project Success Rate

- ◆ *Develop a process for evaluating the feasibility of projects*
- ◆ *Develop professional project management skills*
- ◆ *Implement development and deployment methodologies*
- ◆ *Encourage user participation directly or through CRMs*
- ◆ *Use “quality management” principles*

Five Practices for Every Project Manager

- ◆ *Focus on the direct business benefits*
- ◆ *Balance roles and responsibilities*
- ◆ *Manage by deliverables*
- ◆ *Manage risk through releases*
- ◆ *Manage risk in phases*