OBJECTIVES

Increase *awareness* of program management functions

Establish relevant *roles* and responsibilities

Illustrate the *value* of transition to a program structure

Establish *implementation roadmap*

POSITION IT FOR SIGNIFICANT BUSINESS-CENTRIC IT PROGRAM ACTIVITY AND BUSINESS RESULTS
01 AWARENESS
ACCORDING TO A RECENT STUDY OF 175,000 IT PROJECTS BY THE STANDISH GROUP

- 88% ran over schedule or over budget
- Average cost overrun was 88%
- Average time overrun was a factor of 2.2
- 31% were cancelled before completion

Challenges created by the cross-organizational requirements, the magnitude of investments, and the increasing number of projects being proposed and initiated force many companies to group related projects together and manage them as a group or Program.

To evaluate, prioritize, and manage the many projects and programs, companies are turning to a Program Management Office (PMO).
PROGRAM MANAGEMENT
A MEANS TO ACHIEVE THE VISION

Program Management

Run the Business

Grow / Transform the Business

ANNUAL BUSINESS TARGET

BUSINESS VISION

= Program
PROGRAM VS. PROJECT MANAGEMENT
WHAT IS THE DIFFERENCE?

PROGRAM: A program is an organization of work intended to satisfy one or more business objectives. A program usually consists of a group of interrelated and interdependent projects, managed in a coordinated way involving investment of time and resources to obtain information and benefits not available from managing them individually.

PROJECTS: A temporary endeavor undertaken to create a unique product, service, or result.

A frequent distinction is that Program Management ensures that the right projects are done, while Project Management ensures that projects are done right.
Program Management Office (PMO)
Theme: Direction and Alignment as well as cooperation / coordination

Focusing on integrating and coordinating the full spectrum of core values, business functions, technology, and user capability across multiple programs/projects to fully enable the targeted business objectives in an efficient and expedited manner.

PROJECT OFFICE (PO) / CENTER OF EXCELLENCE (COE)
Theme: Cooperation and Coordination

Focusing on integrating and coordinating dedicated resources across multiple projects and activities to meet the defined objectives – often in a single functional area, e.g., IT, HR.
**PROGRAM MANAGEMENT OFFICE VS. PROJECT OFFICE**

**PROGRAM MANAGEMENT OFFICE ROAD MAP**

1. **Understand the Business Situation**
   - Business Objectives
   - Business Vision
   - Current Project Slate (High level goals/objectives)

2. **Form Program Office**
   - Develop PMO Vision
   - Assess Current Capabilities
   - Identify Ideal Slate of Projects
   - Compare Current Slate to identify Gap

3. **Take Action**
   - Revise Project Slate
     - continue
     - add
     - stop
   - Identify and Act on:
     - Commonalities
     - Conflicts
     - Resources
   - Report on Progress Toward Business Objectives

**End Result**

**PROJECT OFFICE/COE ROADMAP**

1. **Form Project Office**
   - Identify Project Commonalities
   - Identify Project Conflicts
   - Identify Project Resources

2. **Take Action**
   - Act to Balance and Rationalize Project Slate

**End Result**

**PROGRAM/PROJECT OFFICE**

Two Different Roadmaps
Two Different End Results
NATURAL MATURITY OF PROGRAM MANAGEMENT

IT FOCUS

Independent Projects

Project Office/COE

TRADITIONAL

Initial Program Office

Business Focus

Developing PMO

Full PMO

Enterprise Program Office

Modern
## Spectrum of Program Management

<table>
<thead>
<tr>
<th>Stage</th>
<th>Organizational Home</th>
<th>Organizational Reporting Relationships</th>
<th>PM Methodology</th>
<th>Project Importance/Impact on Business</th>
<th>Skills</th>
<th>Governance Structure</th>
<th>Project Planning</th>
<th>Business Results</th>
<th>Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Independent Projects</strong></td>
<td></td>
<td>Various Organizations across the Enterprise</td>
<td>Dependent on Individual Project Managers</td>
<td>Threshold of Importance</td>
<td>Various “Firefighter” Profiles and Skills</td>
<td>Individual Functional Management</td>
<td>Limited to Single Project Focus</td>
<td>None Tracked</td>
<td>None Identified</td>
</tr>
<tr>
<td><strong>Project Office/COE</strong></td>
<td></td>
<td>Functional Areas</td>
<td>Usually Functional Management</td>
<td>Awareness of Project Management</td>
<td>Important to Several Functions</td>
<td>Project Management Skills Awareness and Use</td>
<td>Steering Committee</td>
<td>Interactive Planning and Coordination Between Selected Projects</td>
<td>Selected Project Results Identified</td>
</tr>
<tr>
<td><strong>Initial Program Office</strong></td>
<td></td>
<td>PMO</td>
<td>Major Departmental Head (IT, etc.)</td>
<td>Consistent Program and Project Management for Priority Programs</td>
<td>Significant to the Business</td>
<td>Program Management Skills Awareness and Use</td>
<td>Program Manager and Steering Committee Meeting Regularly</td>
<td>Single Program Planning and Integration</td>
<td>Selected Program Results Identified</td>
</tr>
<tr>
<td><strong>Developing PMO</strong></td>
<td></td>
<td>PMO</td>
<td>Program Sponsors</td>
<td>Consistent Program and Project Management for Priority Programs</td>
<td>Tactically Important</td>
<td>Significant Program Management Skills Use; Certifications</td>
<td>Program Manager and Steering Committee Meeting Regularly</td>
<td>Multiple Program Planning and Integration</td>
<td>Program Results Identified and Tracked</td>
</tr>
<tr>
<td><strong>Full PMO</strong></td>
<td></td>
<td>PMO</td>
<td>CIO or IT Steering Committee</td>
<td>Consistent Program and Project Management for Priority Programs</td>
<td>Strategically Important</td>
<td>Certified Project Managers (PMP’s) Using Skills and Methods Across the Enterprise</td>
<td>Program Manager and Steering Committee as Integral Part of CTB Meeting Agenda</td>
<td>All Program Planning and Integration (Resources &amp; Timing)</td>
<td>Program Results Identified and Tracked</td>
</tr>
<tr>
<td><strong>Enterprise Program Office</strong></td>
<td>Enterprise Program Office (EPO)</td>
<td>COO/President</td>
<td>Consistent Program and Project Management for Priority Programs</td>
<td>Strategically Differentiating</td>
<td>Certified Program and Project Management for all Programs and Projects</td>
<td>Program Manager and Steering Committee as Integral Part of CTB Meeting Agenda</td>
<td>All Program Planning and Integration (Resources &amp; Timing)</td>
<td>Program Results Identified and Tracked with Corrective Actions</td>
<td>Risks Identified and Mitigated</td>
</tr>
</tbody>
</table>
02 ROLES
THE PROGRAM MANAGEMENT OFFICE

1. PROJECT PORTFOLIO MANAGEMENT
- Manages portfolio to achieve business goals and objectives
- Directs and aligns inventory of on-going initiatives to vision
- Maintains management prioritization and force-ranking of projects to guide decision process

2. GOVERNANCE
- Provides guidance to the Executive Board and Steering Committee
- Maintains and communicates appropriate Company policies and standards
- Provides performance management and reporting
- Manages program review and Phase-Completion Process
- Resolves or escalates organizational conflicts
- Provides independent risk assessment

3. COORDINATION/ALLOCATION OF PROJECT RESOURCES

4. PROGRAM/PROJECT COORDINATION AND PHASE GATE REVIEWS

5. MANAGEMENT DEVELOPMENT
- Fast-track individuals gain a view of entire business operations from a PMO and are often rotated through this organization (~3 years lifespan for PMO staff before they lose effectiveness)

Program/Project Implementation Priority

<table>
<thead>
<tr>
<th>Business Value</th>
<th>High</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highest Priority For Implementation</td>
<td>Medium Priority For Implementation</td>
<td>Lowest Priority For Implementation</td>
</tr>
</tbody>
</table>

PMO seeks to answer the questions:
• How do we optimize what we take on?
• What should we drop?

It requires achieving a delicate balancing of strategic and tactical requirements
CRITERIA FOR PMO OVERSIGHT

PROJECTS WITH PMO MGMT. OVERVIEW

• Investment dollars above a threshold value
• Multiple Organizational units impacted
• Potential for significant business risk
• Significant business ROI
• Potential for customer impact
• Outside business partners involved or impacted, e.g., joint venture operators, suppliers or trading partners

PROJECTS TYPICALLY NOT INCLUDED

• Routine operational or maintenance activities, e.g., server and application upgrades
• Single focused organizational unit initiatives, limited to the unit’s operations
• “Skunk-work” initiatives initiated for business innovation
• Projects valued below threshold value
• Projects of a limited duration
• Projects with minimal business risk
PROGRAM MANAGEMENT RELATIONSHIPS

Senior Manager AD&M

General Manager & Director, IT

IT Executive Board

IT Steering Committee

Project Manager

Senior Manager PMO

Project Management Mgr

Lead Project Manager

Lead BA

Planner

Program Manager Enterprise PM

Program Manager 1

Program Manager 2

Program Manager 3

Program Manager 4

Business Analyst Mgr

Solution Architect

Functional Organization

Project Organization

 Maintain project portfolio
 Schedules
 Budgets
 Change control
 Contract mgmt.
 Risk analysis
 Issue mgmt.
 "War Room"

 Requirements definition
 Test plan development
 Test plan execution
 Performance measures
 Cost analysis

 Infrastructure
 Applications
 Network
GOVERNANCE ROLES

WITH EVERY PROGRAM/PROJECT, THERE ARE GOVERNANCE ROLES THAT ARE EXECUTED AT DIFFERENT LEVELS

IT EXECUTIVE BOARD
- Create, guide and communicate strategic direction
- Initiate major business-centric IT programs to achieve the strategy
- Allocate funding for all IT-related spending
- Approve funding for priority programs
- Ensure return on IT project portfolio
- Provide guidance to the IT Steering Committee
- Resolve inter-business issues as requested

IT STEERING COMMITTEE
- Prioritize IT efforts aligned with strategic and operational priorities
- Ensure return on IT project portfolio
- Approve IT policies and procedures

IT PROJECT APPROVAL COMMITTEE
- Review for authorized approval and technical feasibility
- Prioritize mandatory and Internal IT projects
- Assign resources
- Manage resource allocation levels
- Provide for quality assurance & testing
- Ensure Project Mgmt. development & training
- Communicate status

Strategic – focuses on business strategy/objectives

TACTICAL – FOCUSES ON EXECUTION
## MANAGEMENT ROLES

With every program/project, there are **Management Roles** that are executed at different levels.

### Strategic
- Focuses on business strategy/objectives

### Tactical
- Focuses on execution

<table>
<thead>
<tr>
<th>IT EXECUTIVE BOARD MEMBER</th>
<th>IT STEERING COMMITTEE MEMBER</th>
<th>PMO</th>
<th>PROJECT MANAGER</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Initiate major programs (within their own business unit)</td>
<td>• Initiate and approve projects (within their own sphere of influence)</td>
<td>• Ensure business goals are achieved</td>
<td>• Develop/Execute project plans</td>
</tr>
<tr>
<td>• Serve as business owners on priority programs</td>
<td>• Sponsor and guide the development and operational integration of IT solutions</td>
<td>• Ensure project plans are properly executed</td>
<td>• Manage work scope</td>
</tr>
<tr>
<td>• Resolve inter-business issues as requested</td>
<td>• Ensure return on their IT project</td>
<td>• Implement risk mitigation strategies</td>
<td>• Implement risk mitigation strategies</td>
</tr>
<tr>
<td></td>
<td>• Champion their project and others in the portfolio</td>
<td>• Provide for quality assurance &amp; testing</td>
<td>• Provide for quality assurance &amp; testing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Project Mgmt. development &amp; training</td>
<td>• Manage team performance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Manage portfolio performance</td>
<td></td>
</tr>
</tbody>
</table>
PROGRAM/PROJECT ROLES

WITH EVERY PROGRAM/PROJECT, THERE ARE MANAGEMENT ACTIVITIES THAT ARE EXECUTED AT DIFFERENT LEVELS

PROGRAM – FOCUSES ON HAVING THE RIGHT PROJECTS TO ACHIEVE THE DESIRED BUSINESS RESULTS

PMO
- Manages project portfolio
- Coordinates and allocates project resources
- Coordinates programs and projects interdependencies
- Resolves and escalates inter-organizational conflicts
- Maintains and communicates policies and standards

PROJECT MANAGER
- Manage project planning, development, and implementation as approved by ITSC and PAC
- Manage day-to-day work effort to ensure quality and compliance with approved scope, schedule, and budget
- Ensure compliance with all applicable policies, procedures, and standards
- Identify problems, issues, or other impacts to work effort
- Identify potential improvements and enhancements to objectives

PROJECT TEAM
- Execute assigned work
- Identify potential risks
- Identify improvement opportunities
“PRIORITY” BUSINESS-CENTRIC IT PROGRAMS

Enterprise Project Management
Program

Program 1

Program 2

Program 3

Program 4

Program 5

Program Management Office

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PMO & PO WORKING TOGETHER

REPRESENTATION OF PMO & PO OPERATING SIMULTANEOUSLY

Program Management Office

Program 1
Enterprise Project Management
Program 2
Program 3
Program 4
Program 5

Project Office/COE

PIMS
WBS
PR

Desktop Change Management
Project Cost Manager
Global Estimating
Primavera
Document Management
LEVERAGING BUSINESS RESOURCES

Program Management Office (PMO)

Program

Program Management Process

Business Objective

Projects/programs

Business Owner

Business Agent

IT Support

Project/Program Results

Business Results
LEVERAGING BUSINESS RESOURCES

*BUSINESS OWNER ROLES AND RESPONSIBILITIES:*  
- Serve as a business representative/champion to
  - Define detailed business requirements
  - Identify key benefits and costs to the business
  - Approve final design
  - Recognize and reward change
- Engage other business representatives to contribute to the program
- Identify and get business buy in to major changes in business processes
- Communicate visibly and regularly about program
LEVERAGING BUSINESS RESOURCES

*BUSINESS AGENT ROLES AND RESPONSIBILITIES:*
- Focus on advocating and achieving the *business goals and objectives* & successful *operations integration*
- Operate as *dedicated staff* to *business owner*
- Act under business owner direction, e.g.
  - Obtain details on business requirements
  - Take follow up actions
  - Prepare the organization and integrate operations
  - Coordinate resources
  - Identify design ideas with business staff
  - Identify implementation roadmaps

*Resources serving as proactive partners with business owners to leverage their time and involvement.*
03 VALUE OF A PMO
HOW A PMO ADDS VALUE

PMO PROVIDES SIGNIFICANT VALUE BY:

Conflicting initiatives are eliminated or coordinated
Duplicate or related initiatives are identified and combined or eliminated
Resources are prioritized to those initiatives returning a higher business value or earlier return

Methods, standards and tools are established/reinforced to provide consistency and reduce and discourage inefficient shortcuts

Program plans provide a solid base to plan work effort, integrate organizational units, allocate resources, and measure performance -- reducing wasted effort and rework

Phase completion criterion establish critical success factors for each stage

Formal phase completion reviews prevent (restrict) proceeding to next phase prematurely with wasted effort – maintains cross-functional efforts in sync, allows canceling projects not meeting business expectations

Performance criteria and formalized reporting allow risks or corrective actions to be identified and mitigated sooner

More than 94% of respondents stated that EPO added value to their organizations
All size organizations in all industries reported improvement

Source: Center for Business Practices, Project Management Solutions; 2003

Results:
Increased Benefits and Reduced Costs
PMO IMPLEMENTATION

ROADMAP

1. PMO CHARTER & ORGANIZATIONAL STRUCTURE
   - Define business purpose
   - Define PMO scope, services and deliverables
   - Finalize Organization & Governance structure
   - Formalize organizational roles & responsibilities

2. ESTABLISH MANAGEMENT ROLES & RESPONSIBILITIES
   - Establish individual position roles & responsibilities (especially for PM’s outside of the PMO)
   - Define required values, skills, and experience
   - Formalize & communicate

3. PMO STAFFING & TRAINING
   - Establish individual position roles & responsibilities
   - Define required values, skills, and experience
   - Formalize & communicate

4. POLICIES, PROCEDURES & MANAGEMENT TOOLS
   - Develop mgmt. policies for initiating & managing projects
   - Develop supporting procedures
   - Select / Implement appropriate tools

5. TRANSITION INTO FULL OPERATIONS
   - Prioritize programs and activities for initial focus
   - Address risks
   - Provide training
   - Develop quick starts and wins
   - Transition into broader slate of assigned responsibilities

DIRECTION, REQUIREMENTS, CAPABILITIES & COMMITMENT TO ACHIEVE OBJECTIVES

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05 MAKING PROGRAM MANAGEMENT A WAY OF LIFE
APPENDIX

CONTENTS

01 ENGINEERING CHANGE IN THE IT ORGANIZATION
02 PMO STAFF REQUIREMENTS
03 BUSINESS PROCESS ARCHITECTURE
04 SUCCESSFUL PROJECT CHARACTERISTICS
05 PROJECT LIFE CYCLE
PMO STAFF REQUIREMENTS

SENIOR MANAGER, PMO

Primary Functions:

• Manages business client relationships and expectations
• Serves on IT Steering Committee
• Ensures all program management functions have been developed/defined and are operational, e.g., program plan, change control, issue management
• Resolves/coordinates/facilitates cross-team issues
• Monitors/evaluates performance and results
• Escalates issues to ITEB and ITSC as appropriate

Skill/Experience Base:

• End-to-end perspective of business operations
• Worked in global organizations – understands diversity of cultures
• Functioned as program/project manager for large scale business/information technology projects
• Knowledge and experience with cross section of business process management and program management methodologies and tools
• Experience in performance measures from a business and project perspective
• Ability to work across organizational boundaries; can influence without authority; conflict resolution experience –
• Good communication skills – verbal, written, presentation

PLANNER

Primary Functions:

• Provides administrative planning support to PMO staff (Senior Manager, PMO; Mgr, Program Mgt; Mgr, Business Analysis; Priority Program Managers)
• Develops overall program activity sequences and time requirements
• Provides resource planning/resource leveling
• Maintains calendars pertaining to ITPAC, ITSC, and ITEB reviews
• Updates all program and project status reporting on a regular basis
• Prepares/coordinates review packages

Skill/Experience Base:

• Good communication skills – verbal, written, presentation
• Knowledge and capabilities with presentation tools, e.g., PowerPoint
• Knowledge and capabilities with MS Project (Server) including collaboration and resource loading and leveling features
• Experience in working for multiple individuals and balancing workload
• Experience in working program/project management environment
PMO STAFF REQUIREMENTS

Project Management Manager

Primary Functions: (Supervisor of People):

- Manages overall business client expectations
- Ensures PM’s have appropriate tools and methods to achieve their goals
- Ensures projects are adequately resourced
- Ensures staff development and training
- Promotes communication and teamwork
- Promotes synergy and integration between PM’s and BA’s
- Resolves conflicts in a constructive way
- Ensures other projects in the designated portfolio achieve the desired business results
- Reports to ITSC and ITEB

Skill/Experience Base:

- Experience in managing geographically dispersed professional staff
- Knowledge and experience in interacting and relationships with senior executives
- Knowledge and experience in “account management”

BUSINESS ANALYST MANAGER

Primary Functions: (Supervisor of People):

- Ensures projects are adequately resourced
- Leads business analyst professionals
- Ensures business analysis policies, processes, methods, tools and procedures are followed
- Ensures BA’s have appropriate tools and methods to achieve their goals
- Ensures staff development and training
- Resolves conflicts in a constructive way
- Reports to ITSC and ITEB as required

Skill/Experience Base:

- Knowledge and experience in the use of scheduling techniques and tools
- 3 - 5 years experience in scheduling complex program/project activities
- Experience in resource loading and leveling
- Understanding of business centric IT initiatives
PMO STAFF REQUIREMENTS

LEAD BUSINESS ANALYST

**Primary Functions** *(Center of Excellence for BA Project Service Delivery)*
- Maintains and advises others on Best Practices for BA’s
- Serves as key “Technical Advisor” on how to do BA Activities
- Oversees other BA’s and their projects (coach, QA)
- Personal responsibility for business analysis on key programs
- Reports to PMO on all programs and projects under his/her supervision
- Participates actively on the ITPAC
- Ensures business analysis policies, processes, methods, tools and procedures are followed

**Skill/Experience Base:**
- Experience in implementing large, complex, global package applications
- Ability to influence without authority
- Conflict resolution
- Ability and interest to apply best practices

SOLUTION ARCHITECT

**Primary Functions:**
- Develops strategic IT architecture for infrastructure and applications support the business strategy and requirements
- Maintains consistency with new systems and applications with the overall IT direction

**Skill/Experience Base:**
- Knowledge and experience in designing and structuring infrastructure and application architectures

LEAD PROJECT MANAGER

**Primary Functions:**
- Maintains and advises others on best practices for PM’s
- Serves as key technical advisor on how to do PM activities
- Oversees other PM’s and their projects (coach, QA)
- Personal responsibility for project management on key projects
- Reports to PMO on all programs and projects under his/her supervision
- Participates actively on the ITPAC
- Ensures operation integration and training is achieved
- Ensures program management policies, processes, methods, tools and procedures are followed

**Skill/Experience Base:**
- Knowledge and experience in managing large, complex implementations on a global basis
- Ability to influence without authority
- Conflict resolution
- Ability and interest to apply best practices
PMO STAFF REQUIREMENTS

BUSINESS ANALYSTS

Primary Functions:
• Serves as key linkage between IT and the business on requirements
• Develops business requirements and data requirements and related performance measures related to program/project design, configuration, implementation and execution
• Provides earned value analysis extrapolating to cost at completion projections
• Provides risk assessments based on performance
• Maintains issues log and assess impact of items

Skill/Experience Base:
• Experience in developing business requirements, process flows, data flows and performance metrics
• Knowledge and experience in the use of earned value analysis tools and techniques
• 5 – 7 years experience in business analysis roles related to program project execution or in project management role for smaller projects
• Experience in working with major IT initiatives including package configuration and rollouts
• Good communication skills – verbal, written, presentation

PROGRAM MANAGERS

Primary Functions:
• Manages program planning, development, and implementation as approved by senior executives
• Responsible for Program Deliverables and Business Results
• Manages day-to-day work effort to ensure quality and compliance with approved scope, schedule and budget
• Ensures compliance with all applicable policies, procedures, and standards
• Identifies problems, issues, or other impacts to work effort
• Identifies potential improvements and enhancements to objectives

Skill/Experience Base:
• Experience in project/program planning, control and execution of large, complex programs
• Knowledge and experience in the use of project planning and scheduling tools and techniques
• 3 - 5 years experience in project manager positions or business analysis
• Experience with major IT initiatives including package implementation and rollouts
SUCCESSFUL PROJECT CHARACTERISTICS

- Experienced resources including Software Application vendor involvement
- Centralized, Authoritative Cross-functional Governance structure
- Clearly defined business requirements based on Transaction workflows
- Formalized change management/communication programs
- Issue tracking and resolution
- Phased program/project approvals
- Structured planning and Performance measurement
- Adherence to a structured methodology and standards
- Dedicated business user involvement
- Cross-functional Executive mgmt sponsorship and involvement
- Successful Projects
- Clearly defined business requirements based on Transaction workflows
- Formalized change management/communication programs
- Issue tracking and resolution
- Phased program/project approvals
- Structured planning and Performance measurement
- Adherence to a structured methodology and standards
- Dedicated business user involvement
- Cross-functional Executive mgmt sponsorship and involvement

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Endeavor

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