

There Is Hope!

How You Can Tailor Your Program Management Office to Meet Stringent Program Requirements

Loredana Abramo, PMP, PEng, PMO Deputy Director, Alcatel-Lucent
Dannielle Holder, PMO Change Management Team Leader, Alcatel-Lucent

Introduction

Ineffective governance leads to a multitude of symptoms indicative of a need for change. If this is happening in your Program Management Office (PMO), there is much you can do to intervene and rapidly enhance your governance model.

Based on accumulated experience across multiple international programs, this paper focuses on a model of a program office that underpins a specific program of work, rather than one that supports all programs in the organization (Project Management Institute [PMI], 2006, p.15). We will show how you can manage PMO tailoring as you would any project, and how competent execution management will ensure realization of your business vision.

Once changes are in place, a process of continuous improvement will ensure that you refine practices to meet the needs of all stakeholders and customers. Communication, reporting, and regular feedback forums can be effective tools in the quest for the most effective and streamlined PMO model, which supports rapid decision making and thereby ensures your programs receive the right level of attention.

Time for Change

The need for change can sometimes be quite evident in a program office, while other times it may not be so. Some elements that could indicate it is time for change are:

- evolution of business drivers in a direction not supported by existing governance models,
- increasing turnover across the program,
- a naturally maturing staff with resulting improving skill-sets, and
- stakeholder perception of prolonged stagnation.

The evaluation of established governance models and the right engagement with your team are excellent starting points for transforming your PMO.

Common Symptoms

How do other teams perceive the PMO? This is always a valid tool for identifying potential change requirements and determining customer satisfaction levels. It is unfortunately common for a PMO to be seen as a policing entity, adding very little value other than ensuring project teams are following the defined processes and producing the required information and reports. Others may perceive the PMO as having no value at all and will try to go around all the processes and policies to evade interaction. There could be a feeling that decisions are not timely, escalations are ineffective, or people feel isolated and excluded.

In any event, these symptoms will certainly warrant some root cause analysis. An ineffective communications strategy or even a weak program risk and issue management framework could contribute to these perceptions. This in turn can lead to ineffective decision making, or even worse, no decision making at all.

Once you realize the need for a change in the structure and/or function of your PMO, then it is time to make decisions on the operating model to implement, as you embark upon transformation of your program office.

Determine Your Current Governance Model

Governance is a key element in the PMO. A strong governance model that is empowering stakeholders to make informed decisions in a rapid manner is essential to any high-performing organization. Program governance determines the information and decision approach across the entire program, and provides a comprehensive consistent method for controlling the program and ensuring its success (PMI, 2008, p. 29). If you are assessing your PMO and determining a transformation strategy, governance is a good place to start.

Why? Because decisions need to be made almost daily and the varying complexity and significance of these decisions will impact the daily operations of your business.

You should ask questions about your current model and determine whether it is performing effectively.

- Do key stakeholders receive the right information to be able to make a decision? Perhaps most fundamentally, do you know who your real stakeholders are and whether or not they are engaged?
- Within which forums do stakeholders interact and communicate?
- Are these forums frequent and structured? Or are they ad hoc and flexible?
- How are decisions and mandates communicated to the broader organization in a timely manner?
- How do you measure effectiveness?

Governance does not need to be overly regimented, nor should it require reams of information produced for reporting sake. Governance should exist to facilitate decision-making activities so that decisions are based on accurate and timely information.

Engaging Your Team

The success of transformation management lies in the support of the people it affects. Even the best processes or automated workflow tools are not sufficient if people do not support them and are not whole-heartedly engaged in their execution. Regardless of the type of change you may be trying to drive, engaging your team will be one of the most important activities to perform.

When embarking upon tailoring the governance model, there are a few key ingredients to get right up front.

1. Ensure subject matter experts (or SMEs) are a part of the program office team, either directly or indirectly (the so-called “dotted line” reporting). They provide the expertise in a given knowledge domain, but they will also lend their technical network and influence toward the projects: this will be an excellent asset supporting the overall program office.
2. Identify change agents and resisters early in the transformation program. People always react differently to change and for many different reasons. Even if you simply find those who are potentially supportive of the transformation you are planning, you will boost your chances of success immediately. There is no point spending time convincing all people in the program to get on board in the early stages. You can leverage your change agents to do this for you and thereby engage a broader audience.
3. Engage senior management support, leveraging on your transformation champions, to mitigate unproductive resistance. Resisters are those individuals who will be opposing transformation. This is frequently due to a variety of personal, anxiety based reasons: adversity to change, a tendency to focus on just a single aspect of the program, feeling threatened by a new (unknown) model. Other times, political reasons are behind resistance: depending on who is who in the organization, supporting a new approach and governance model might threaten some people’s position and influence in the organization. Acknowledge this resistance and these challenges, and mitigate as appropriate—but note that not all resistance can be dealt with, and move forward.

Once you have people to support your plan, even if this is a loosely defined virtual team, you will be ready to move into the next phase—planning your strategy. Tailoring your PMO becomes a project of its own with a challenging charter and demanding requirements: transform your program management office, within a specified timeframe,

while continuing to deliver basic support to the program governance, to a measurably improved operational model.

As project managers, we have found this to be ultimately the best approach: projects exist to drive change, and if we need to transform the governance model of our program, we must use a systematic and proven method, consistent with sound project management practices.

Driving Change

What Is Your Vision?

What is your vision? Industry best practice will confirm that a vision is imperative and a key part of enterprise project management (Kerzner, 2006, pp. 85–86). Exactly what or how do you want your PMO (or even your project team) to act and perform?

Most global organizations have a vision and a series of values by which they achieve the vision. The vision is broken down into smaller and specific objectives, which detail how the company will achieve the vision. For a PMO this should be no different. Do you want to provide a business partnering service to your organization or support services? Do you want to be in a controlling/governing position? In any event, without a solid vision, your team will not know how they all fit together and the external business groups will not see the value of your PMO.

Determine a vision that is right for you. What are the key behaviors that your team should have? How do you want to be perceived and what values do you want to contribute to the broader business?

Brainstorming vision statements is an excellent way to engage your team. People will be interested and understand how they contribute to the greater good. Do not underestimate the value of your team in this process, as they will be the ones to take this forward and determine your success!

Tactics: Who's Accountable?

Kick-off the transformation project for the PMO and assign a team member the role of project manager. You will need the expertise and drive of an experienced project manager to see this transformation through all the challenges of implementing a program wide change, while at the same time sustaining existing workload in support of the program.

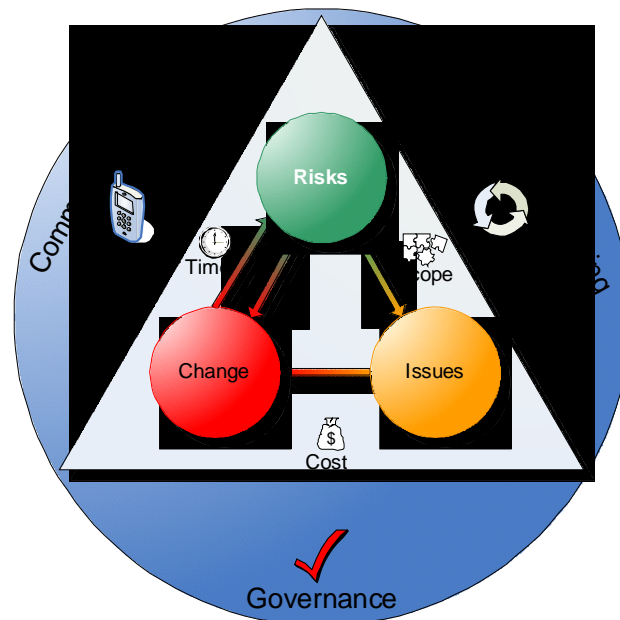


Exhibit 1: Example of a program office structure

Exhibit 1 shows an example of the relationship among different complementary elements of a program office. This could be a starting point for breaking down your vision into a set of objectives and goals. While the bulk of activities for the program office revolves around managing program related governance processes, procedures, and templates (PMI, 2006, p.14), continuous improvement initiatives should also be considered as an essential part of a program office, as they ensure the outcome from lessons learned and quality reviews is quickly and effectively translated into action plans and improvement initiatives.

Based on the type of program you are supporting, some activities require more attention than others do. To account for this, we introduce the concept of **tailoring the PMO**: in order to provide value, your PMO needs to be fit for purpose **in the context of your program**.

For example, in a production environment you might need to emphasize quality and time to market. In this case, your compliance to quality metrics and continuous improvement areas will require particular attention.

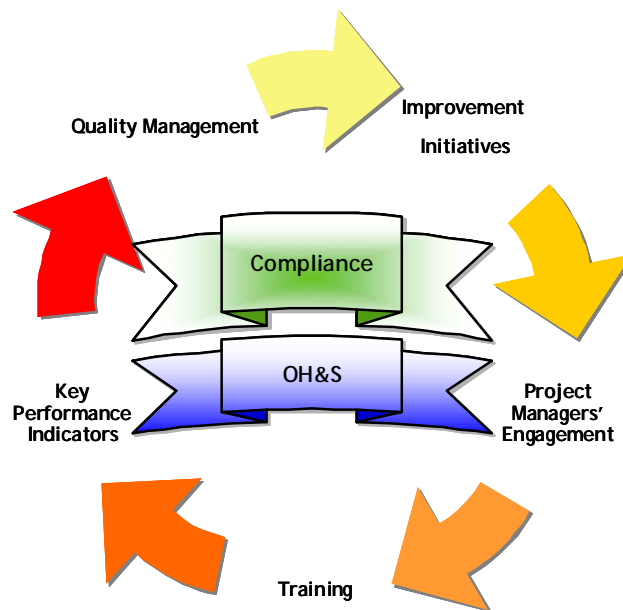


Exhibit 2: Continuous improvement and compliance model

Exhibit 2 shows a way in which continuous improvement and compliance support this type of program.

The vision statement should be divisible into a series of activities or behaviors: a work breakdown structure (WBS). You should be specific in these objectives. For instance, effective and timely management reporting will ensure that the business is sufficiently provided with accurate information from which decisions can be made and results measured. In another case, adding a mandatory training or innovation target can ensure your staff is consistently up skilled, contributing best-practice processes to the organization, and thereby keeping ahead of competitors. Your vision and underlying objectives are then translatable into defined roles and responsibilities, which relate to the work packages you need to deliver.

In the previous example, your reporting manager would assume accountability for the reporting objective and can clearly see how his or her contribution affects both the PMO and the business. Knowing who performs what and how: this allows you to ensure accountability and optimize performance. Obviously, the use of systems and tools also play a large part in this definition. For instance, the risk management team may require a series of new fields on the risk management tool: introducing this change in the available tools might require additional planning and expense, but it would increase the team's ability in managing issues and risks.

Training and skill-set development is a significant part of strategy design. You want to make sure you are engaging the right people, who possess the skills and attitude to be able to evolve in their role to meet customer demands. The training manager will understand how good course design or innovation programs will affect the quality of staff and their job satisfaction. This in turn influences the PMO as it enables it to provide the program with skilled resources and the organization with high staff retention.

Development of a schedule for this tailoring initiative is now possible: you can include all work packages, not forgetting training and communication, and assign them to individuals in your team or to other subject matter experts in the organization. By understanding the timeframe for your transformation, as well as the critical path activities, you can focus on evaluating any risks, issues, and constraints for this project. At this point, you have most of the key elements to plan for transformation:

- A clear WBS derived from your vision and objectives;
- A defined set of resource roles and responsibilities; and
- A timeframe in which you want to implement these changes.

Finally, assess costs to implement tailoring against the benefits to the program of a fit-for-purpose PMO. How much delay can you avoid in the decision-making process? How much money will you save by a more effective use of better-trained resources? Building a business case with this information will enable you to present a comprehensive project plan to your management, so that you can obtain full support from senior management.

Engaging your Stakeholders

Stakeholders can make or break any project. Gathering support from key stakeholders and decision makers significantly increases your success rate, so you will need to identify and engage stakeholders from the start. In the context of PMO transformation, potential stakeholders would include other business unit directors (as recipients or customers of the PMO), the general program manager, and even key players within the project management team. Socializing the change strategy is important: elicit support from the outset and seek comment and critique. The support you can draw in these early stages will ensure that resourcing and business prioritization is easier to come by when you will need it.

You should have a senior management sponsor (Kerzner, 2006, pp. 298–299) who has a stake in seeing your project or program succeed. This person should have the authority to override the stakeholder committee.

Execute on Your Plan

Delivery of any project can be difficult at times. Having built a detailed WBS, assigned all roles and responsibilities, and built a schedule to reflect your transformation program, you will face some core challenges.

If you have chosen to run your transformation program by utilizing your existing resources, then you will have the problem of juggling day-to-day operations with the tailoring objectives. This can decrease team morale or affect the quality of service that your PMO provides to the program. In this event, you will need to be very clear about what level of risk you are willing to take, and what prioritization should occur. On the other side, the transformation program could be a rewarding stretch activity for your team: as a reward for continued good work, each of your staff could actively seek out participation on the project and have the opportunity to learn and/or practice new skills. In this example, your engagement levels would soar.

Sustaining Momentum

The essence of a transformation program is engagement and sustaining momentum. Transformation typically delivers change, and change must be embraced. Therefore, engagement must occur throughout the transformation life cycle. If you encounter any situation where the project is either stalling or not being received with the intended level of enthusiasm, then you will need to rapidly assess why this has happened and implement changes immediately to ensure that further dissent is stopped in its tracks. As you would with measurement of a project success, transformation projects are well served by taking regular pulse checks to ensure that they are being delivered not only in a timely fashion but also with personal satisfaction.

Regular communication, in the form of targeted information sessions, briefings and/or demonstrations, newsletters, and intranet postings will help keep your project visible, relevant, and timely and will avoid degradation of your key message and intent. Allow opportunity for feedback and questioning. If you deal with potential questions, deal with them as they arise; it is far easier to provide a response upfront, rather than defer as your key messages may blur and become something else entirely.

Pitfalls and Common Mistakes

A typical error is to deliver a transformation plan and then to suppose you just have to monitor progress and compliance on its execution. Even after you have rolled out an organizational structure, a comprehensive description of roles and responsibilities, and a governance plan for the program, you still need to persuade people to execute according to the plan. Most teams will have established approaches with which they are comfortable, and the challenge now becomes how you effect change in people's behavior consistently with the program plan and organizational model you have delivered. A solid communication plan and good stakeholder management skills are the best tools to prevent this from happening.

Another mistaken assumption is to ignore the effect of cross-organizational roadblocks (the *silo* mentality) on execution of plans utilizing resources across organizational boundaries. Examples of such roadblocks include

- Organizational key performance indicators (KPIs) that discourage information and resource sharing; and
- Profit and loss infrastructure that rewards individual organizational achievement.

It thus becomes a necessity to plan for a more extensive transformation: you must trigger cultural changes that will support the business vision for the program office. Start with joint objectives across the program for performance and customer satisfaction, with revised cost and profit center strategies, and with cross-functional team leadership. Reward and acknowledge compliance and initiatives in support of the program office strategy. Establish rotational job assignments, which foster cross-pollination among different departments.

Once again, senior management support is essential for transformation to be successful.

Customer Satisfaction

A key element for an effective execution is the understanding that the PMO customer is not limited to your "designated" program customer: all the departments joining forces in the delivery of the program constitute a customer for the program office, which then becomes the catalyst for a successful deployment.

To ensure an effective customer engagement, you should establish a clear communication strategy, supported by regular communication forums, which will provide opportunities for the following:

- introducing new trends and upcoming events informally, by subject matter experts;
- socializing processes and procedures before they are officially launched; and
- taking the pulse of the program community: find out what is working, what is causing trouble, and what needs improvement.

Knowledge management becomes a powerful aid in support of the program. Efficient distribution of training courses for process updates, new team members induction, tracking mechanisms to ensure each team member has received the appropriate training based on her or his role, sharing skills, knowledge, and lessons learned: all of these activities reinforce the strategy for your program office by underpinning its operational aspects with a solid foundation of common practices.

Adequate communication to management is also essential to ensure issues and risk response plans, as well as any escalations, are managed consistently throughout the program. We have found that reporting on exceptions is most effective. That is, reporting on what is not addressable by the individual project, but requires senior management attention. For example:

- schedule variances impacting program milestones;
- risk management plans requiring senior management decisions and/or endorsement; and
- program scope changes requests that impact resource plans and/or cost.

Balanced Scorecards

Response to this transformation effort can vary over time and needs to be monitored from the outset. We have found that a baseline survey focused on the key transformation triggers (the points of pain described earlier) is a good start. This survey can be repeated at regular intervals to measure progress, and any additional items that come up can be included for tracking.

As a component of the transformation monitoring, we recommend also tracking the response to knowledge sharing activities in terms of attendance, feedback forms, and topics requests. This can help adjust the focus of these sessions, and ensure the intended audience is actually reached.

Continuous Improvement

When do you consider this transformation accomplished? As a project, you can establish exit criteria for the tailoring to be completed. However, your tailoring will be incomplete unless you establish a mechanism to improve the quality of the program. You need to establish a workplace culture that continually seeks innovation and improvement (Lester & Leird, 2008, p. 2).

Even a simple periodic review of project lessons learned, with an actionable plan as the outcome, is preferable to the common “archiving” we have seen in most program post mortem reviews.

One approach to continuous improvement could involve the following activities:

- Improvement initiatives methodology development,
- Training and program induction enhancements (in conjunction with HR),
- Enterprise tools roll-out, and
- Corporate draw down and alignment with regional/corporate PMO.

Once again, based on the breadth and scope of your program, you can establish what measures are most effective to make sure the program can leverage on lessons learned.

Conclusions

Ultimately, transformation is complex by nature. Success in a transformation project requires due focus afforded to your staff, customers, and stakeholders. Engagement of the program office team is critical, as is stakeholder management. A detailed project plan including the standard organizational breakdown structure, the tailoring work breakdown structure, and scheduling are core ingredients for a successful transformation program.

Identification of a strong vision that is embraced by your PMO and your broader organization will ensure that your transformation program can be kept on track. Create and build a plan that works for you, but remember that momentum must be sustained! Transformation is not usually a technical project: it involves the evolution of work practices, roles and responsibilities, and transforms people. Appealing to and embracing the human element is the very essence of a PMO transformation. In recognizing this, you will increase your chances of success as application of project management standards in the areas of requirements management, planning, and stakeholder management will guarantee that your goals are reached.

Acknowledgements

The authors would like to thank Nick Haywood for his continued mentoring and inspirational vision, and John Alleman for the help provided while preparing this paper.

References

- Kerzner, H. (2006). *Project management best practices: Achieving global excellence*. Hoboken, NJ: John Wiley and Sons, Inc.
- Lester, A., & Laird, J. (n. d.) *Developing six sigma capability* [Electronic version]. Synergy Publication. Retrieved December 10, 2008, from <http://synergymcg.com/content/view/24/40/>

Project Management Institute. (2006). *The standard for program management*. Newtown Square, PA: Project Management Institute.

Project Management Institute. (2008). *A guide to the project management body of knowledge (PMBOK® guide)* (4th ed.). Newtown Square, PA: Project Management Institute.