

IMPLEMENTING AN ENTERPRISE-WIDE PMO FOR COMPETITIVE ADVANTAGE

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Session TRN32

Agenda

- A New Approach to PM
- The Need and Mission Defined
- The Implementation Approach
- Results and Lessons Learned
- Questions and Discussion

A New Approach to PM

“Now, I’m thinking that economic collapse is just the environment where **project management will prove to be the differentiator between success and freefall.”**

Strategy & Projects Blog (12/10/08)

A New Approach to PM

The Classical View of PM

What is a Project?

A temporary endeavor undertaken to create a unique product or service.



A project-by-project view

A New Approach to PM

The Classical View of PM

Key Project Management Concepts

<ul style="list-style-type: none">•Project Charter•Project Plan•WBS•Earned Value•Risk Management•Roles & Responsibilities•Project Phases	<ul style="list-style-type: none">•Portfolio Management•Risk Management•Activity Sequencing•Lessons Learned•Tools & Techniques•Critical Path•Knowledge Areas
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A New Approach to PM

Key Business Concepts

<ul style="list-style-type: none">•Strategic Planning•Execution•Empowerment•Learning Organization•Quality - Lean•Uncertainty•Best Practices/Discipline	<ul style="list-style-type: none">•Customer Satisfaction•Maximize Value/Benefits•Resource Allocation•Business Need•First to Market•Core Competency•Competitive Advantage

A New Approach to PM

Looking beyond scope-time-cost to **managing the execution of strategy to maximize the delivery of business value...**



A New Approach to PM

IMPROVING ORGANIZATIONAL PERFORMANCE

- Strategy is typically implemented through project **investments**.
- PM brings value by facilitating the selection and of the right projects (“**doing the right projects**”)
- PM brings value by enhancing the probability of delivering these projects successfully (“**doing projects right**”).

A New Approach to PM

What is Project Management?

- The management of those projects (**investments**) which are of critical importance to **enable** the organization as a whole to have **competitive advantage**
- The **Discipline** of (Strategy) **Execution**
 - **Doing the right projects**
 - **Doing projects right (better)**
- “**Value Delivery** Management”

A New Approach to PM

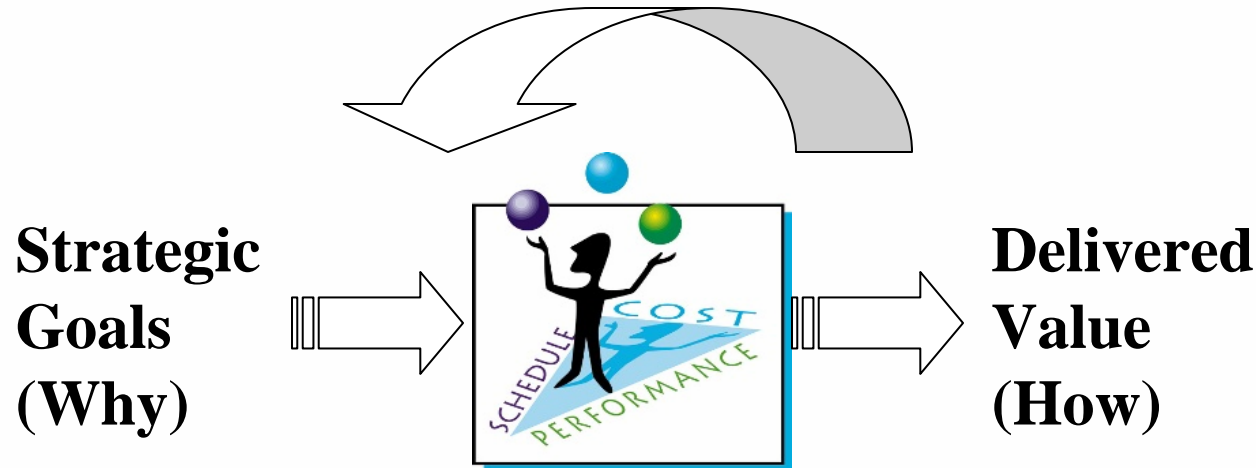
What is a Project?

- An **investment** that most be carefully selected, implemented and monitored to ensure its **value** is **realized** and **maximized**
- An **investment** that is in **agreement** with the Company's **intent**

A New Approach to PM

- **STRATEGIC FOCUS**
- **TACTICAL FOCUS**
- **WORKFORCE PERFORMANCE FOCUS**
- **FINANCIAL / RESULTS FOCUS**

A New Approach to PM



Strategic Fit – Disciplined Execution – Maximized Value

A New Approach to PM

Strategic Focus – Key Questions

- Where do we want to go?
- How do we plan to get there?
- How will we know that we're there?
- What will that look like for each business?
- What will we do to get there? What will we stop doing?
- How will we organize ourselves?

Strategic DNA: Bringing Business Strategy to Life – Lawrence Hobbs

A New Approach to PM

Strategic Focus

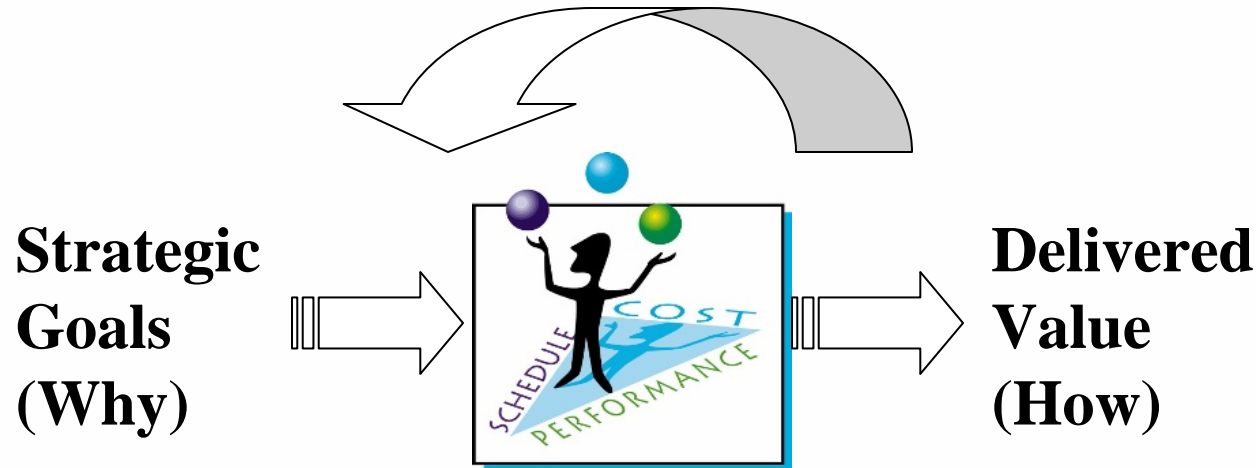
- Every Company has a portfolio (list) of projects, whether they know it or not...
- Your project portfolio provides a key view of the intent of the company....
- So what does your portfolio of projects say about the intent/direction/vision/leadership of you company?

A New Approach to PM

PM and Strategic Focus

- **Focus** on where the company wants to lead -
Integration of strategy and project investments
- Strategic **management of** company **resources**
- **Executive accountability** – Facilitate Executive involvement in project selection and monitoring of key performance metrics
- Proactively deal with uncertainty (**Risk Mgmt.**)

A New Approach to PM



Strategic Fit – **Disciplined Execution** – Maximized Value

A New Approach to PM

Tactical / Workforce Focus – Key Questions

- What will that look like for each business?
- How will we organize ourselves?
- Who will do it? How much can they spend?
- What exactly must be done?
- How do we get everyone on board?

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A New Approach to PM

PM and Tactical Focus

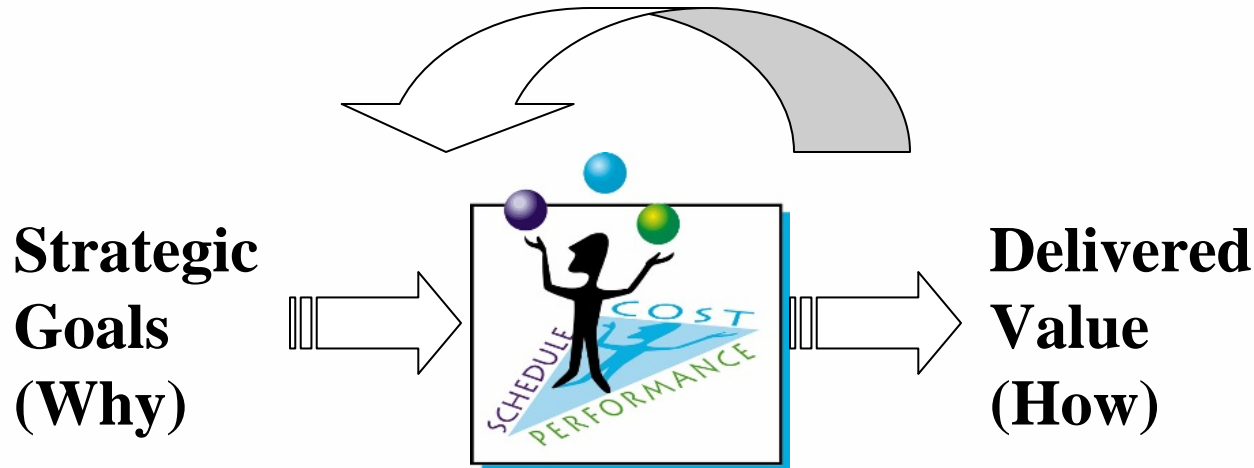
- **Clear** Project/Goals/Requirements definition
- Team member **accountability** – Clear definition of **roles and responsibilities**
- **Timely** monitoring and status reporting
- **Disciplined project execution** based of proven “best practices”, standards, tools and techniques

A New Approach to PM

PM and Workforce Performance Focus

- Improved **communications** and **focus** at all levels
- Emphasis on **teamwork** and **empowerment** of key team members
- Improved employee **morale** and **productivity**
- **Buy-in** and ownership of business initiatives

A New Approach to PM



Strategic Fit – Disciplined Execution – **Maximized Value**

A New Approach to PM

Financial / Results Focus

“Maximization of Value”

- How will we know that we are there yet?
- Are we there yet?
- What went wrong? What went right? What should we change?

Strategic DNA: Bringing Business Strategy to Life – Lawrence Hobbs

A New Approach to PM

PM and Financial / Results Focus

- Improved **project execution** = **Consistent** time-to-market
- **Timely reporting** of key performance/results metrics
- **Customer satisfaction** – improved management of project/product requirements and **expectations**
- **Repeatable** processes and **results. continuous improvement** – creating a learning org.

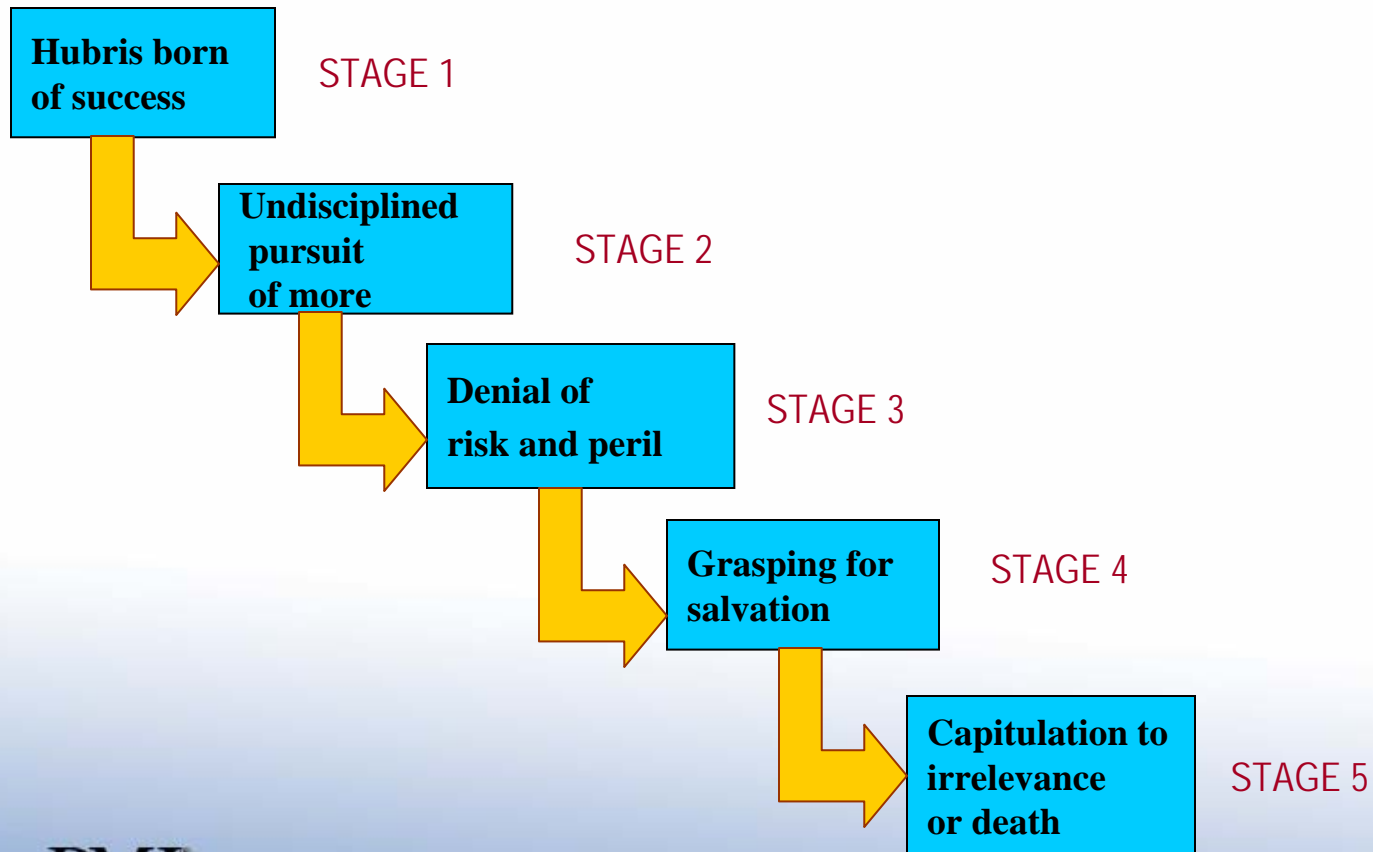
A New Approach to PM

THE BOTTOM LINE

- **What brings value will bring value earlier and more consistently**
- **What does not bring value is identified earlier and dealt with appropriately (improved and/or cancelled)**

A New Approach to PM

How the Mighty Fall – A Five-Stage Framework –
Jim Collins



A New Approach to PM

Six Disciplines for Excellence – Gary Harpst



The Need and Mission Defined

“The starting point of improvement is to recognize the need.”

- Imai

The Need and Mission Defined

The Need:

- **Projects are not aligned to strategic goals**
- **Lack of project performance monitoring**
- **Too many active projects, all projects in active status, most projects due the same date**
- **Resource management conflicts**
- **Lack of stakeholder input and stakeholders not clear on why project is being done**
- **Unclear roles and responsibilities and lack of accountability / ownership**

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The Need and Mission Defined

The Need(cont.)

- **Too many scope changes (scope creep), unclear project definition**
- **Lack of standard repeatable processes – similar projects – similar problems – no knowledge gained**
- **No training on how to do projects**
- **“Silo” approach to projects**
- **Ad-hoc project management not adding value**

The Need and Mission Defined

THE MISSION

Improve organizational performance by implementing Project Management best-practices at XYZ, Co. through the creation of the Enterprise Project Management Office (PMO).

The Need and Mission Defined

THE MISSION

IMPACT ALL LEVELS OF THE COMPANY

(Strategic, Operational/Tactical, Cultural)

- **Strategic/Enterprise Level:** Integrate projects to the Company's strategic goals. (“**Doing the Right Projects**”)
- **Operational/Project-by-Project Level:** Establish PM best-practices for consistently delivering business value (“**Doing Projects Right**”)
- **Culture/Core Competency Level:** Make PM a standard core practice throughout the Company for Competitive Advantage (“**Creating a PM Culture**”).

The Need and Mission Defined

Expected Benefits:

- Improve strategic focus of the Company
- Better management of company resources
- Engage Executives - commitment, support, monitor of project performance metrics
- Promote Project Management professionalism , standards, best practices
- Team-based Project Management / Knowledgeable team members

The Need and Mission Defined

Expected Benefits (Cont.):

- Repeatability processes & results
- Improved communications and better management of expectations
- ROI - Project execution / Time-to-market / Number of projects completed
- Customer satisfaction - Meeting project/product expectations
- Project cost reductions
- Improve employee productivity and motivation

The Implementation Approach

“It is not enough to just do your best or work hard. You must know what to work on.”

- W. Edwards Deming

The Implementation Approach

Managing Expectations:

- **A Change Management Initiative**
- **A Process Improvement Initiative**
- **A PM Capability Maturity Model Initiative**

The Implementation Approach

Our Change Management Model

1. Initiating the Change

- Evaluate the Culture
- Identify the Needs, Pain Points, Areas of Improvement,
- Identify opportunities to “add value”
- Identify the Project Stakeholders, Champions and Detractors
- Create the Project Team
- Develop and Communicate the Change Vision

The Implementation Approach

Our Change Management Model (cont.)

2. Implementing the Change

- Identify and prioritize areas of improvement
- Implement the change
- Repeat Process on next area of improvement

The Implementation Approach

Our Change Management Model (cont.)

3. Integrating the Change (to the Culture)

- Establish Standards/Methodologies/Tools
- Professionalize PMO team
- Integrate HR Department
- Training and mentoring
- Encourage ownership

The Implementation Approach

Our Process Improvement model

1. Identify and Prioritize areas of improvement
2. The **PDCA** continuous process improvement method (Deming Cycle)
 - **P**lan how area will be improved
 - **D**o process improvement on small scale first
 - **C**heck if improvement achieves goals
 - **A**ct to implement change on a larger scale
3. Repeat Process on next area of improvement (iterative process)

The Implementation Approach

Our PM Capability Maturity Model

1. PM Solutions' Project Management Maturity Model (SM) t
2. Project Management Maturity Model, by Knapp & Moore Pty Ltd.
3. PMI OPM3

Results and Lessons Learned

"There's a way to do it better---find it"
- Thomas Edison



Results and Lessons Learned

Strategic/Enterprise Level: Integrate projects to the Company's strategic goals. (“Doing the Right Projects”)

- Executive Level Presentations
- Executive Dashboard
- Strategic Planning Facilitation
- PM Steering Committee
- Resource Management
- Value/Benefit Project Delivery – Measures of Success
- Process for Submitting and Evaluating New Project Requests
- Project Sponsor Roles & Responsibilities

Results and Lessons Learned

Operational/Project-by-Project Level: Establish PM best-practices for consistently delivering business value (“**Doing Projects Right**”)

- Targeted Presentations
- PM Methodology, Standards, Templates, Best Practices
- PM Automated Tools – SharePoint & MS Project Enterprise Server
- Formal and Informal Training, Mentoring
- PM Steering Committee
- Value/Benefit Project Delivery – Measures of Success
- Project Team Member Roles & Responsibilities

Results and Lessons Learned

Culture/Core Competency Level: Make PM a standard core practice throughout the Company for Competitive Advantage (“Creating a PM Culture”)

- Relationship Management
- General Management Tools
- PM Steering Committee
- PM Career Path
- Celebrations and Recognitions
- Company Town Hall Meetings

Results and Lessons Learned

Keys to Success:

1. Know the culture
2. Value-Driven
3. Executive-Driven
4. Integrate to company's strategic goals
5. Provide the tools, training, mentoring needed to promote ownership/buy-in at all levels of the company

Results and Lessons Learned

Keys to Success:

6. Team-based planning and execution
7. Manage expectations – promote / communicate
8. Pace of change – Compromise between aggressive schedule and company's culture
9. Iterative process improvement approach
10. Lead by example

Comments / Questions?

Thank You!

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