

Information Technology Program Management Office

client: Technology & Market Leader in Enterprise Storage Management Solutions

duration: 6 Months

introduction: Our client has experienced high growth (range of 20% to >30% on an annual basis for over five years) and was in flight on a number of large and medium sized project initiatives to both support revenue growth and increase service offerings to both customers and partners. The existing Program Management Office (PMO) was viewed as ineffective and morale in the group was low, a number of senior personnel had been hired to run this area with none lasting more than three months. The consensus in the IT department was that there were talented individuals in the group and that this was not the main reason the group was not successful, more insight was needed on why this was an impediment to making progress. The majority of projects were late and no budget mechanism existed to control the overall cost of the initiatives.

engagement details: Our client had attempted to implement a market solution to support the PMO area and provide a framework for the group to manage the project portfolio, the implementation was deemed to be a failure and frustration existed both inside and outside of the group with the effectiveness of managing the project portfolio. The client wanted to peel back the onion on the reasons for lack of success and gain traction in the areas of project and portfolio management.

Our company was engaged to conduct an initial assessment of the PMO area and provide senior IT leadership with a report in a one month timeframe to identify what was missing, what needed to be added and how to make progress in this area as well as recommendations on the timelines needed to achieve success.

process: Our first step was to understand the status and processes in the group by meeting with the PMO team to interview them and gather information and insight. It became clear very early in the interview cycle that the team spent a lot of time chasing people and attempting to get data as opposed to using the data to help provide an overview of the portfolio. It was apparent the structure of the IT group meant that groups behaved differently to task management and project management and this led to very inconsistent practices. We were able to identify that three core areas drove the majority of the projects; these were Sales, Customer Service and Engineering. In effect the company had three centers of gravity that were not driven with the same timelines or common objectives. In tandem the IT group had a number of centralized groups and a number of departmentally focused or decentralized groups that faced competing priorities. Our first report to IT executives was that this led to a high number of escalations that in turn led to interruptions in the projects and general chaos about the priorities, we provided examples of this and the impact to the overall portfolio.

The second step was to assess the processes in the IT area for both project and portfolio management, given the mix of centralized and decentralized groups it was no surprise to find that the centralized groups had largely common processes and the decentralized groups lacked common process and discipline. At the same time the PMO group was expected to drive common process management yet was actually powerless in this area given no line management responsibility and poor or missing support from IT line managers. We had to deliver this as a key message to senior IT management and reset expectations. Some development groups closely managed source code and other groups did not manage this area at all, some development groups had development standards and others did not etc. Our report to senior IT management was factual and aimed to highlight that we needed a clear message from them about achieving common processes, we were able to get this support.

IT Functional Area	Management
Desktop Services	Centralized
Web Applications	Decentralized
Business Applications	Decentralized
Database Management	Centralized
Operating System Management	Centralized
Network Management	Centralized

Our next task was to identify the need for project management as a role and discipline, in a growing environment the company needed to embrace this as a guiding principle. We identified the key objectives through a series of meetings with business and IT teams, often we acted as facilitator but were able to get common agreement from the leaders of the three main groups about the key projects for the company as a whole. This was a major accomplishment as up to this point each functional business area had only been involved in their own area and for the first time we had dialogue about the projects for the whole company including discussion on the benefits and cost level. We helped the client identify a number of specialist project managers to work in the centralized areas to ensure the groups could provide the deliverables for each specific project, we also recommended a profile for the type of project manager that would flourish in this dynamic and diverse environment.

Working closely with the PMO group templates were developed to capture project status and reporting was to be provided each two weeks including identification of each area of challenge and planned remediation. Having developed suitable templates we published these and held interactive sessions with the user group to outline the templates and ensure the project managers understood what was needed and the

timelines. We chose to measure performance by each group and publish adoption metrics as part of what become a PMO maturity index. We set up a bi-weekly meeting with staff reporting into the CIO to review the projects in "red" and "yellow" status as well as publishing to the broad IT group the overall portfolio on a monthly basis. In parallel we worked with the IT Finance group to look at cost metrics and providing some initial ROI models, the main focus was on the project budget area and feeding this into the overall IT group monthly forecast.

Our aim was to create a simple set of monetary and timeline based metrics that helped the project teams to focus on these key areas and be objective about hitting the targets that existed.

lessons learned: The key learning from this was that talent alone will not succeed, there has to be high level directive for all groups to adhere to the departmental process and that any group or individuals opting out of this will face the consequences. This is a hugely unpopular message and it creates short term tension but will eliminate the unfortunate attitudes that hinder broader progress. As companies grow process is needed to ensure consistency and continuity, part of the maturity process is to recognize when process is needed and how it should be applied.

The second learning is that tools are only tools and a common misconception is that the implementation of a tool is enough; this is clearly not the case in this example where a tool was implemented yet failed due to groups opting out of the process. If the process is implemented first then tools can be employed to assist in automation but tools alone are often expensive failures, the best approach is to undertake a largely manual process which can then be enhanced.

The last lesson learned is that when a group has high turnover and low morale management must undertake new methods and not simply assume the people are the reason for failure, at the end of the day this is a management failure and it takes a very mature management team to recognize this and act accordingly.

after the engagement: Our client has a clearly defined process to capture project status with established regular timings for key PMO events, templates were put in place and finally a tool to help with automation to allow more time to be dedicated to analysis of the results and taking action on the projects that are showing signs of risk. The PMO team felt they were contributing more to IT and the business and spending less time chasing people for data to generate the reports to assist in managing the portfolio, senior management have a greater insight into the state of the portfolio and where to engage more closely. The business teams feel the IT group is making efforts to manage the portfolio and have insight as well as input into the reports that are created each reporting cycle as input to the overall status.

A lot of work remains to be achieved in areas such as Release Management, Capacity Planning, Support Engineering etc but the client had a PMO which was an integral part of the IT group with strong processes and adding value to the business.

more information: This article is one of a series of case studies based on US Expertise, Inc. consulting engagements. For more information, please visit us on the web at www.usexpertise.com.