


PROGRAM
MANAGEMENT
DISCUSSION GUIDE



Endeavor



**POSITION IT
FOR SIGNIFICANT
BUSINESS-CENTRIC
IT PROGRAM
ACTIVITY AND
BUSINESS RESULTS**

OBJECTIVES

Increase *awareness* of program management functions

Establish relevant *roles* and responsibilities

Illustrate the *value* of transition to a program structure

Establish *implementation roadmap*

01 AWARENESS





PROGRAM MANAGEMENT EVOLUTION

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.

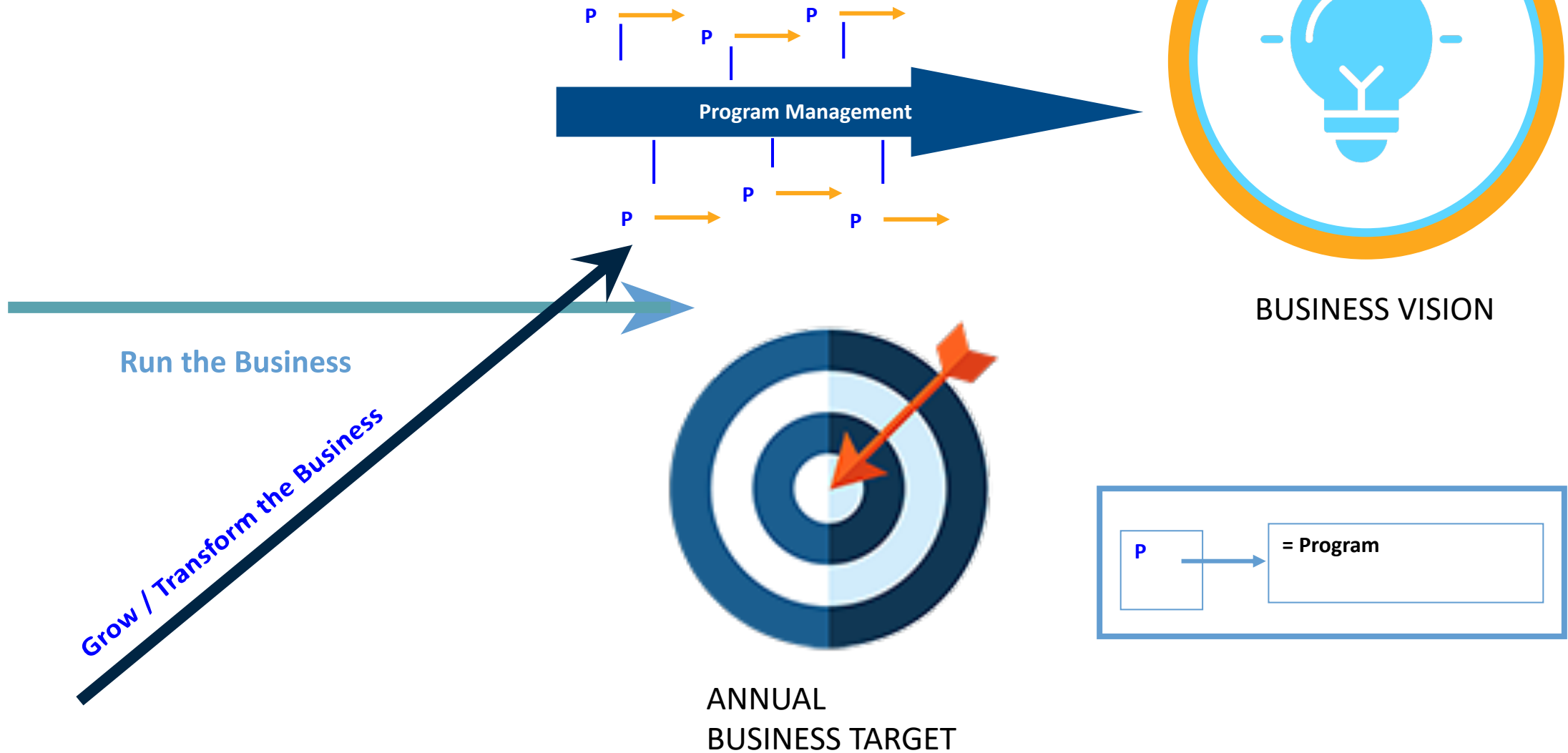
To evaluate, prioritize, and manage the many projects and programs, companies are turning to a Program Management Office (PMO).





PROGRAM MANAGEMENT

A MEANS TO ACHIEVE THE VISION





PROGRAM 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
Project Management ensures that projects are done right



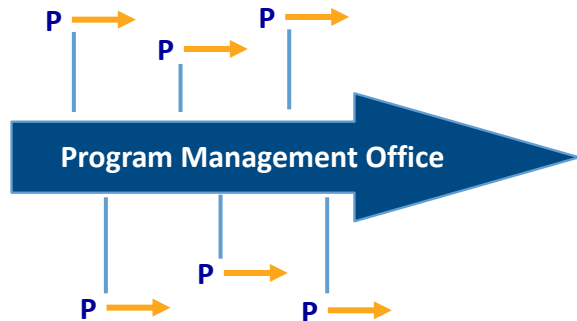


PROGRAM MANAGEMENT OFFICE VS. PROJECT OFFICE

Program Management Office (PMO)

Theme: Direction and Alignment as well as cooperation / coordination

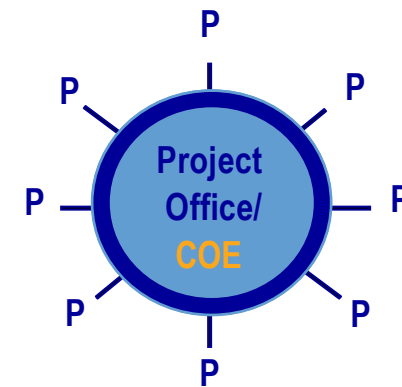
Focusing on integrating and coordinating the full spectrum of core values, business functions, technology, and user capability across multiple programs/projects to fully enable the targeted business objectives in an efficient and expedited manner.



PROJECT OFFICE (PO) / CENTER OF EXCELLENCE (COE)

Theme: Cooperation and Coordination

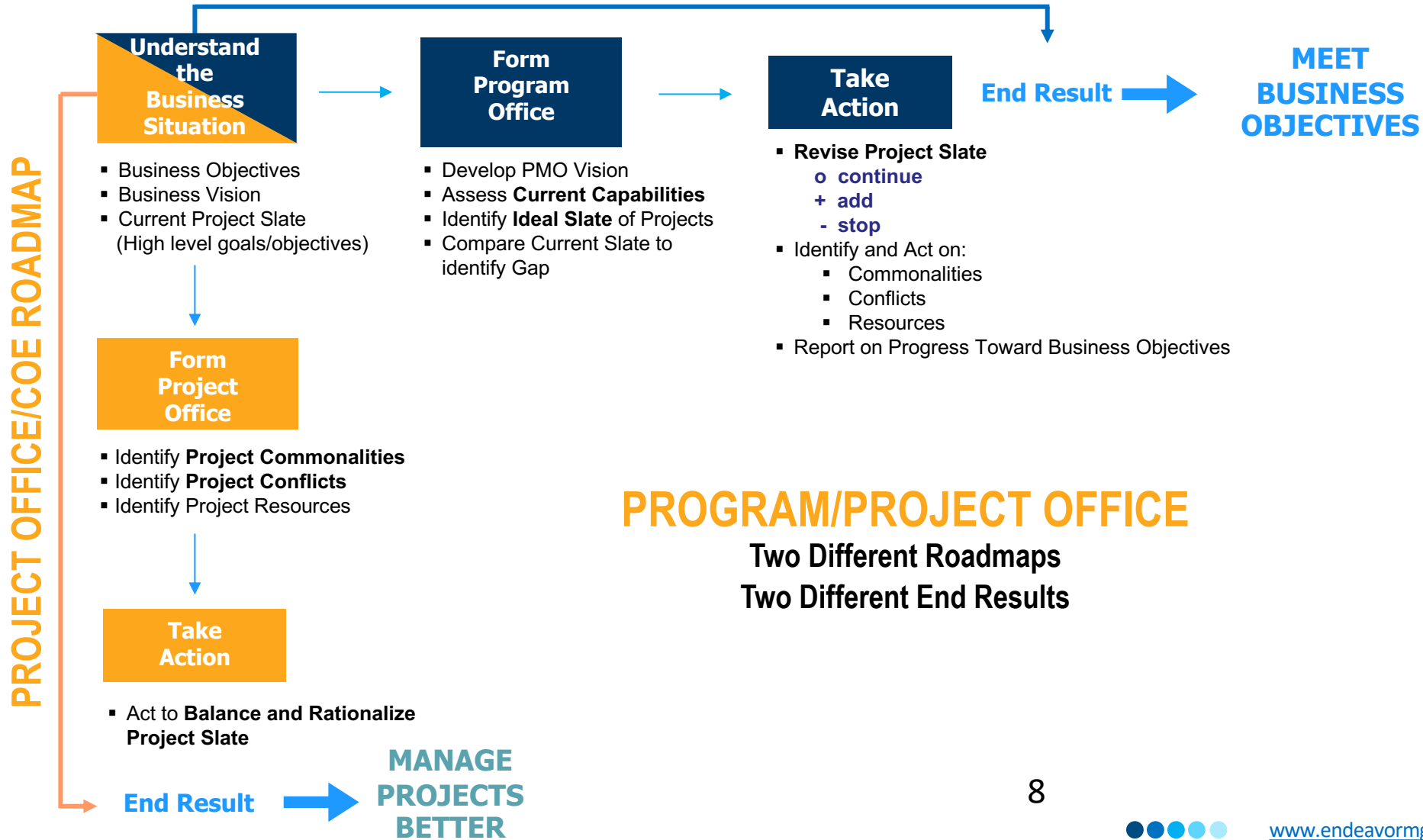
Focusing on integrating and coordinating dedicated resources across multiple projects and activities to meet the defined objectives – often in a single functional area, e.g., IT, HR.





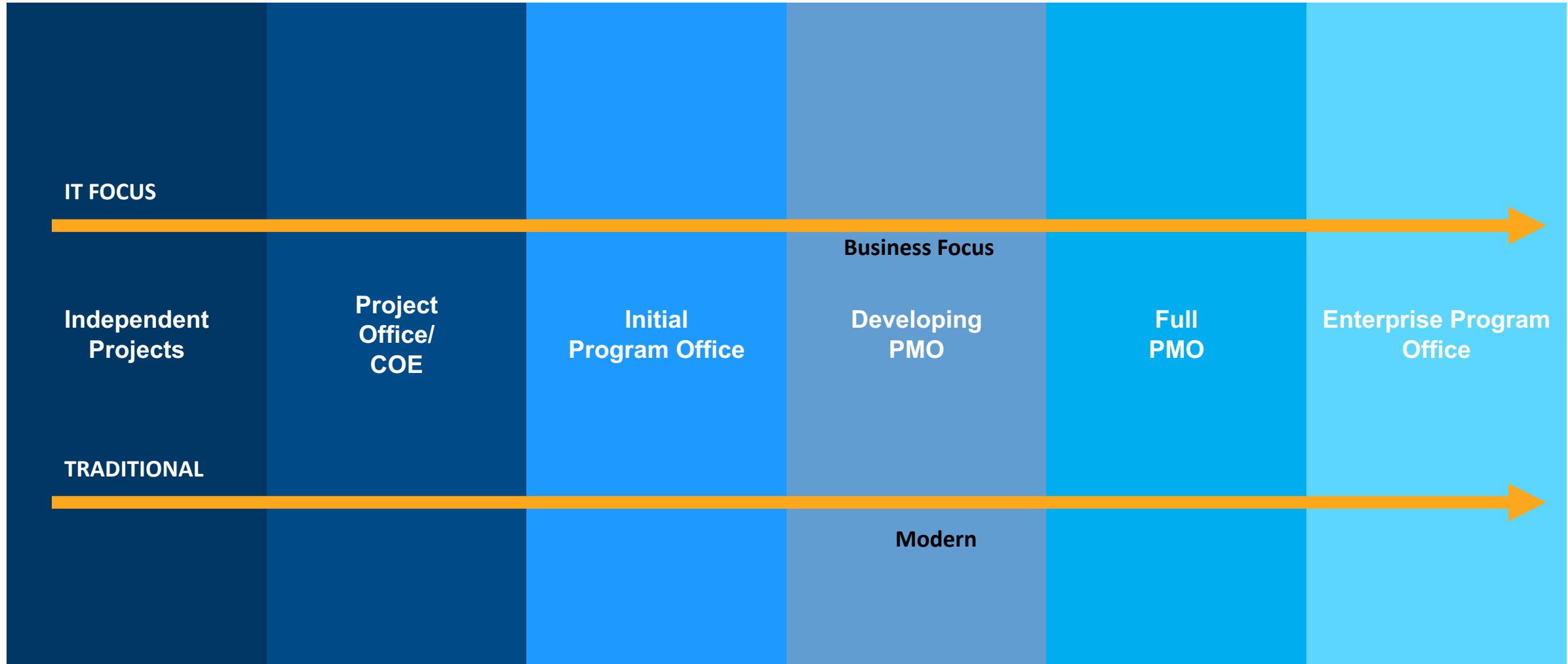
PROGRAM MANAGEMENT OFFICE VS. PROJECT OFFICE

PROGRAM MANAGEMENT OFFICE ROAD MAP





NATURAL MATURITY OF PROGRAM MANAGEMENT





SPECTRUM OF PROGRAM MANAGEMENT

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



02 ROLES





THE PROGRAM MANAGEMENT OFFICE

PROGRAM MANAGEMENT OFFICES TYPICALLY FOCUS ON 5 AREAS

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

Business Risk	High	Lowest Priority For Implementation	High Priority For Implementation
	Low	Medium Priority For Implementation	Highest Priority For Implementation
		Low	High

Business Value

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

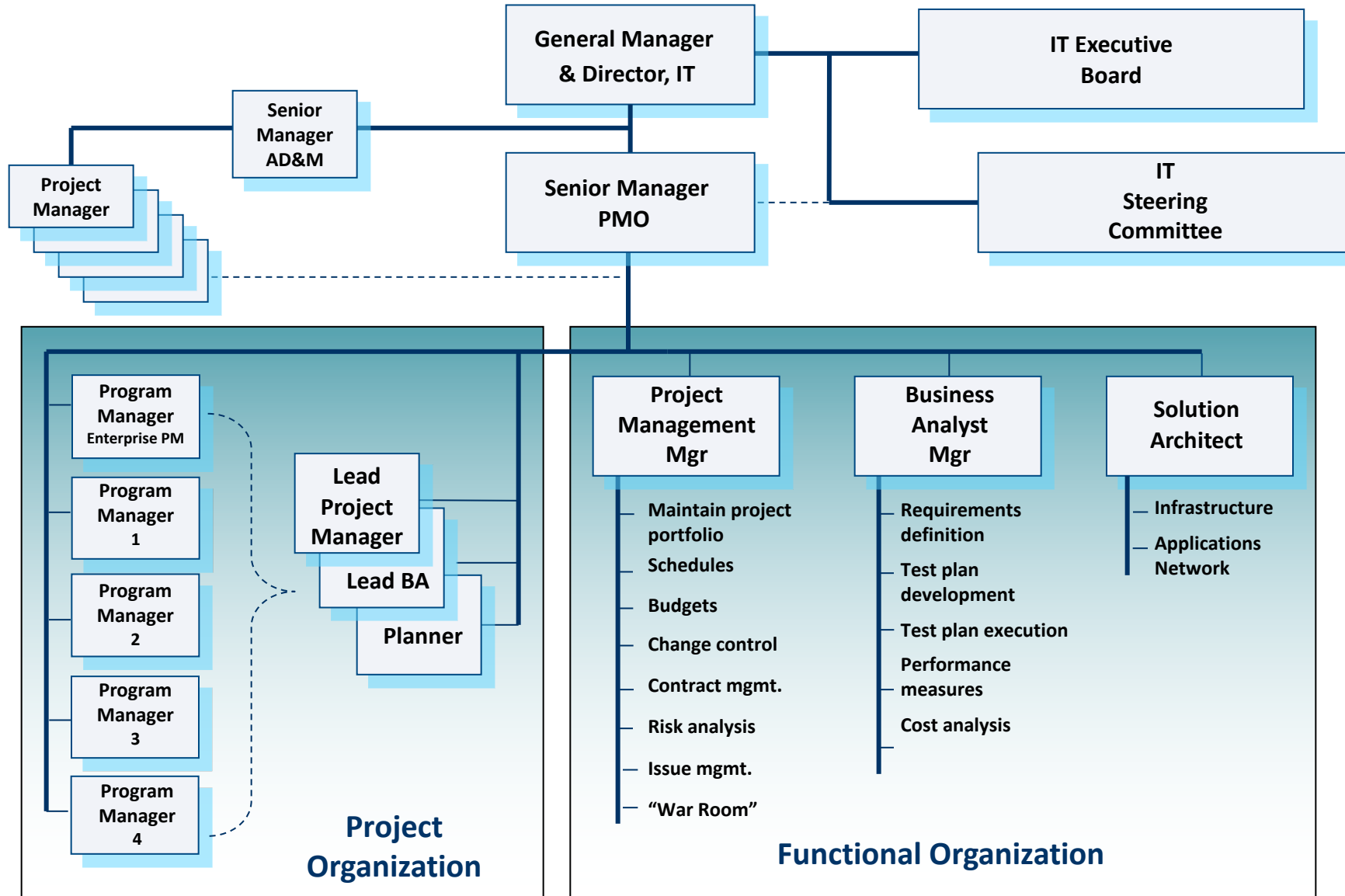
- Investment dollars above a threshold value
- Multiple Organizational units impacted
- Potential for significant business risk
- Significant business ROI
- Potential for customer impact
- Outside business partners involved or impacted, e.g., joint venture operators, suppliers or trading partners

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





GOVERNANCE ROLES

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

Strategic – focuses on
business strategy/objectives



TACTICAL –
FOCUSES ON
EXECUTION

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





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

IT EXECUTIVE BOARD MEMBER

- Initiate major programs (within their own business unit)
- Serve as business owners on priority programs
- Resolve inter-business issues as requested

IT STEERING COMMITTEE MEMBER

- Initiate and approve projects (within their own sphere of influence)
- Sponsor and guide the development and operational integration of IT solutions
- Ensure return on their IT project
- Champion their project and others in the portfolio

PMO

- Ensure business goals are achieved
- Ensure project plans are properly executed
- Implement risk mitigation strategies
- Provide for quality assurance & testing
- Project Mgmt. development & training
- Manage portfolio performance

PROJECT MANAGER

- Develop/Execute project plans
- Manage work scope
- Implement risk mitigation strategies
- Provide for quality assurance & testing
- Manage team performance





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**



TASK

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

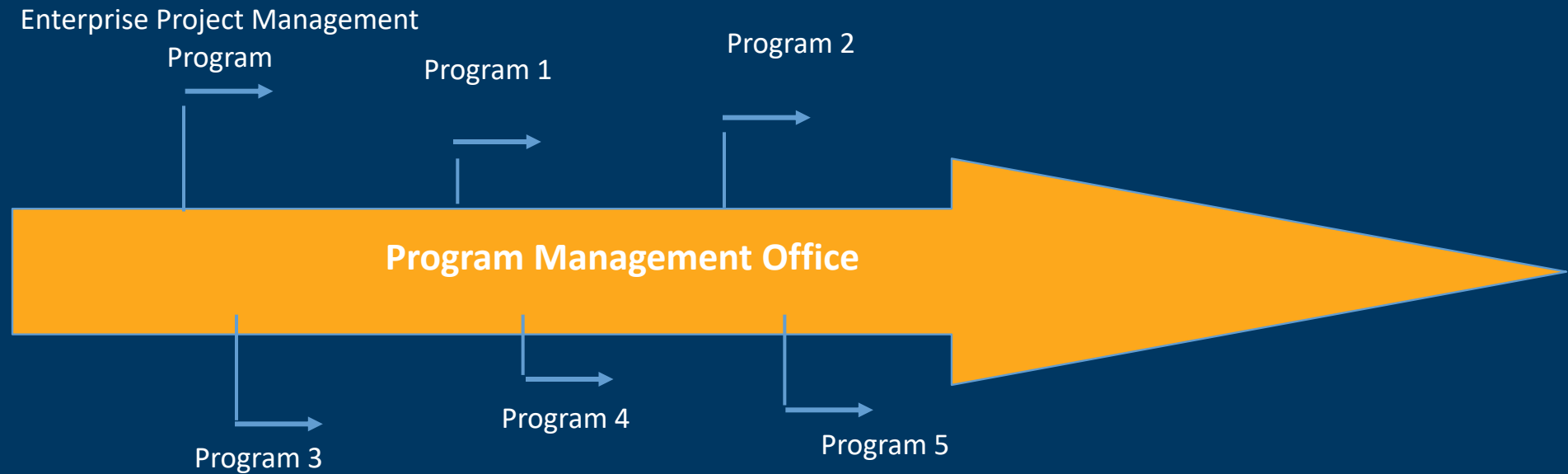
PROJECT TEAM

- Execute assigned work
- Identify potential risks
- Identify improvement opportunities





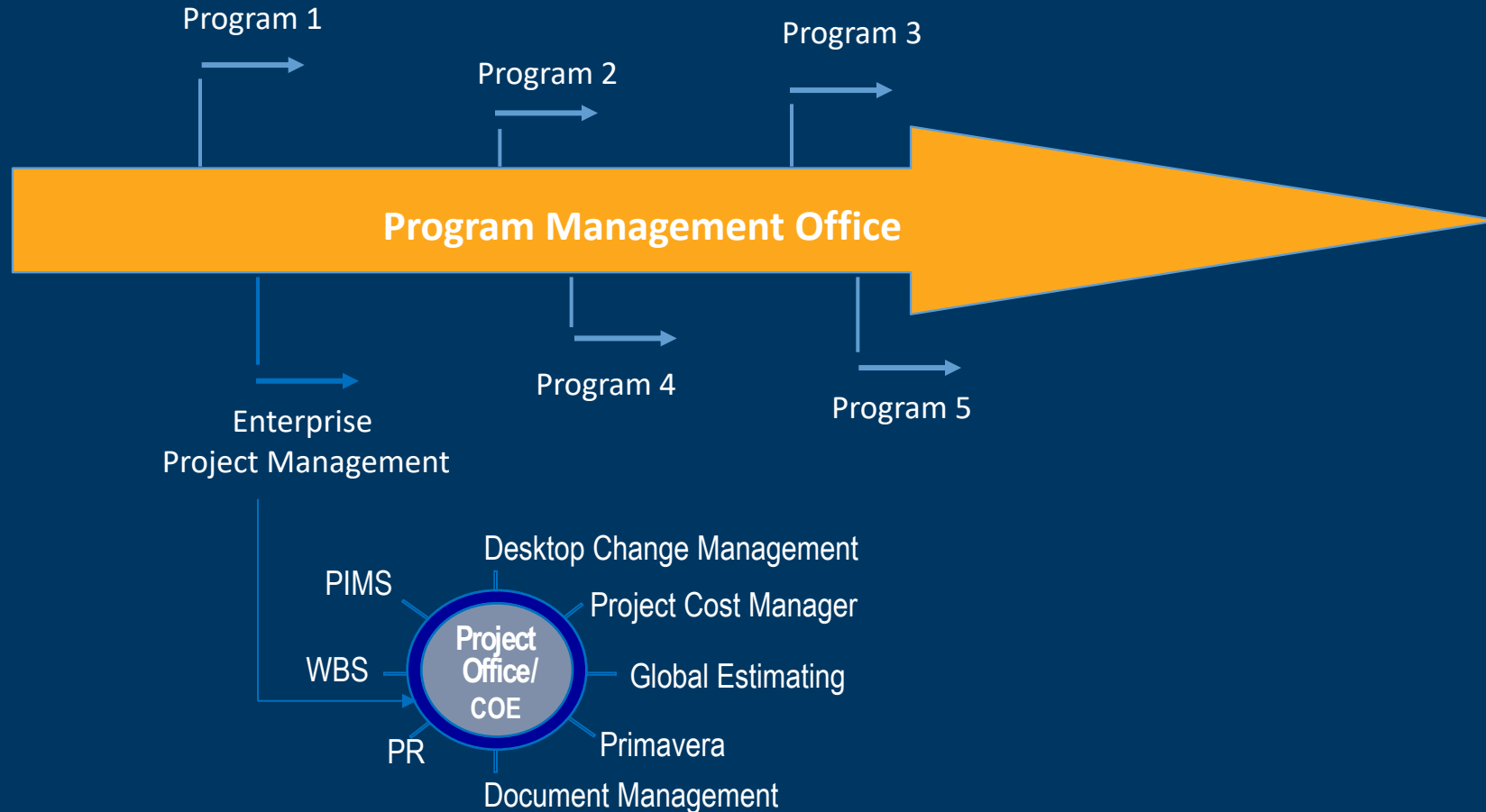
“PRIORITY” BUSINESS-CENTRIC IT PROGRAMS





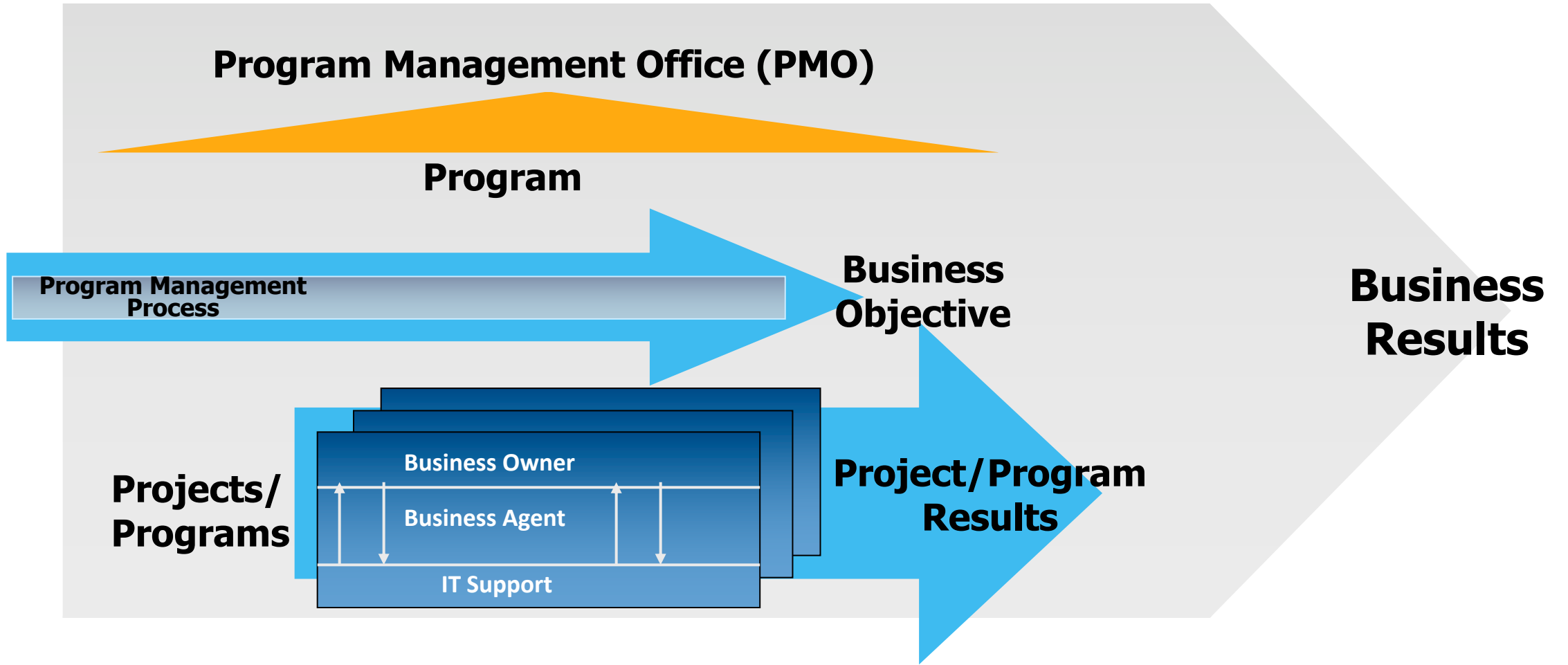
PMO & PO WORKING TOGETHER

REPRESENTATION OF PMO & PO OPERATING SIMULTANEOUSLY



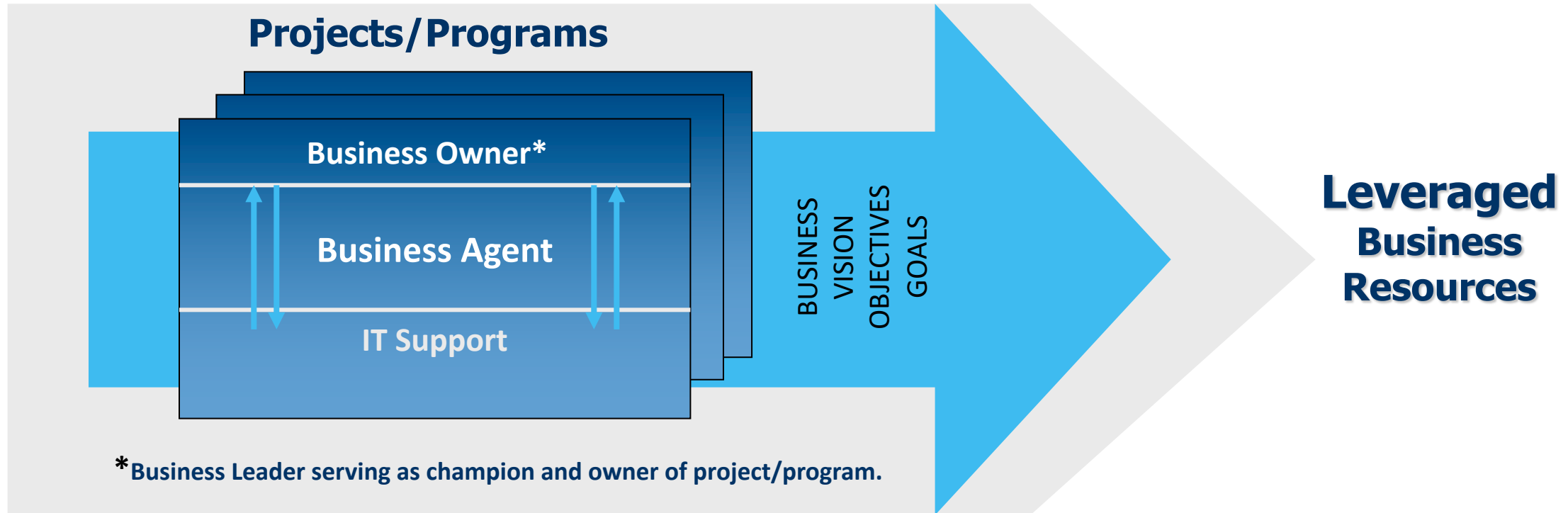


LEVERAGING BUSINESS RESOURCES





LEVERAGING BUSINESS RESOURCES



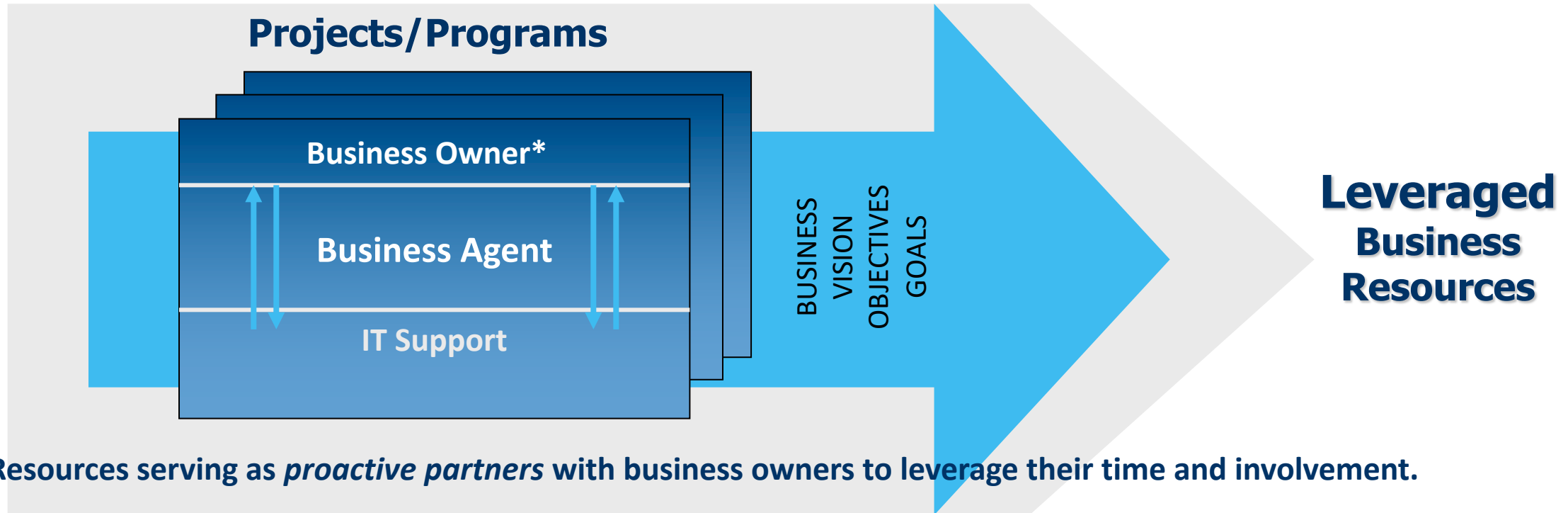
***BUSINESS OWNER ROLES AND RESPONSIBILITIES:**

- 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



*Resources serving as *proactive partners* with business owners to leverage their time and involvement.

*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



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

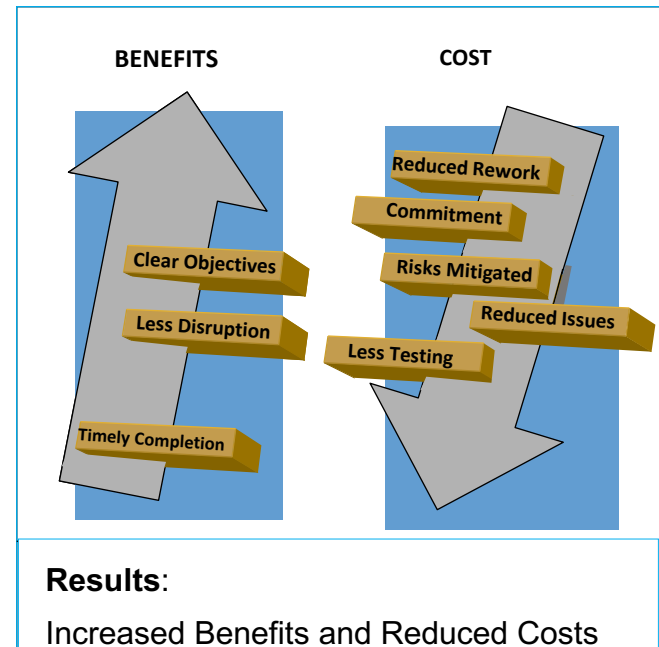
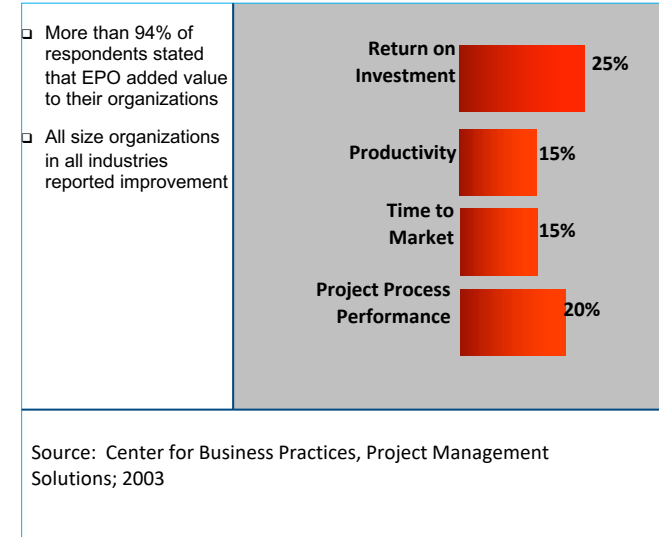
Methods, standards and tools are established/reinforced to **provide consistency** and reduce and discourage inefficient shortcuts

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**



04 IMPLEMENTATION ROADMAP





PMO IMPLEMENTATION

ROADMAP



PMO CHARTER & ORGANIZATIONAL STRUCTURE

- Define business purpose
- Define PMO scope, services and deliverables
- Finalize Organization & Governance structure
- Formalize organizational roles & responsibilities

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

PMO STAFFING & TRAINING

- Establish individual position roles & responsibilities
- Define required values, skills, and experience
- Formalize & communicate

POLICIES, PROCEDURES & MANAGEMENT TOOLS

- Develop mgmt. policies for initiating & managing projects
- Develop supporting procedures
- Select / Implement appropriate tools

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



05 MAKING PROGRAM MANAGEMENT A WAY OF LIFE



APPENDIX CONTENTS



ENGINEERING CHANGE IN THE IT
ORGANIZATION 01

PMO STAFF REQUIREMENTS 02

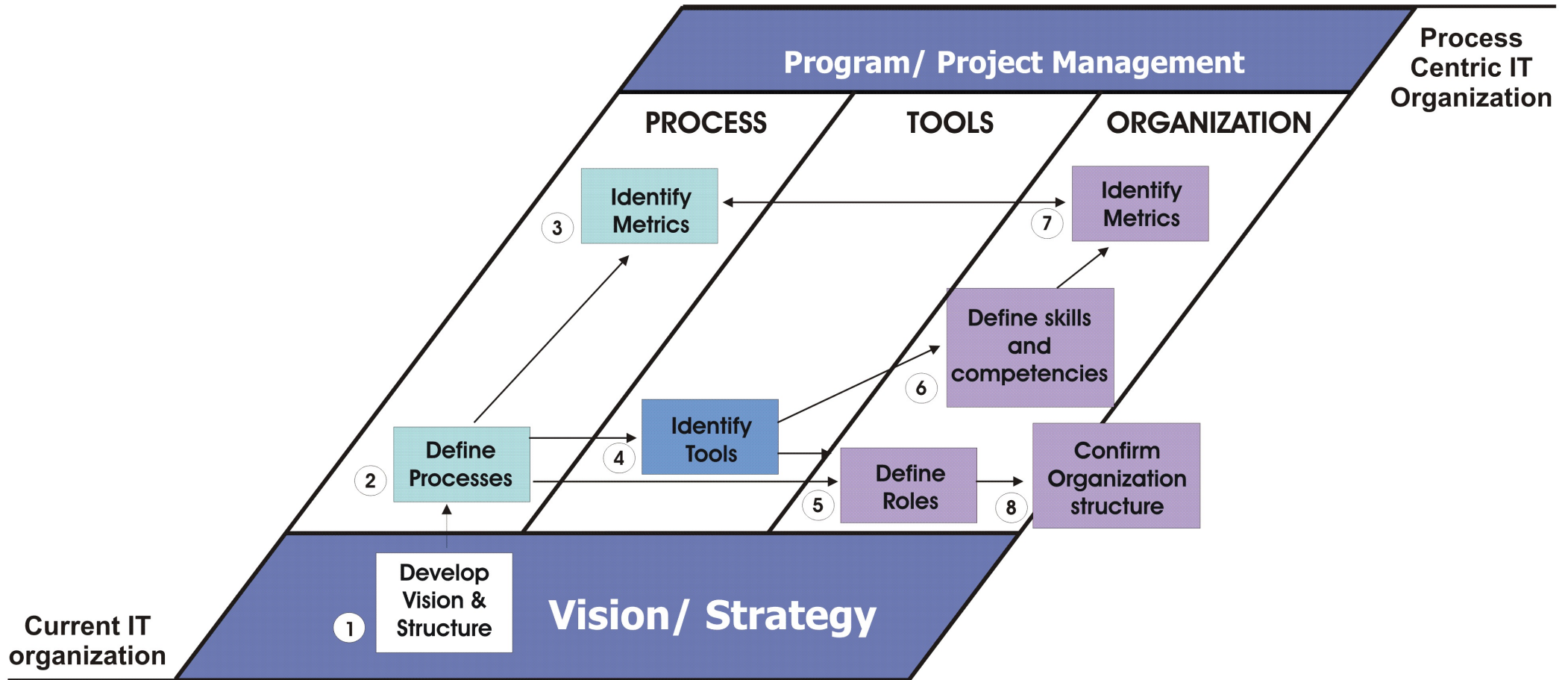
BUSINESS PROCESS ARCHITECTURE 03

SUCCESSFUL PROJECT
CHARACTERISTICS 04

PROJECT LIFE CYCLE 05



ENGINEERING CHANGE IN THE IT ORGANIZATION





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

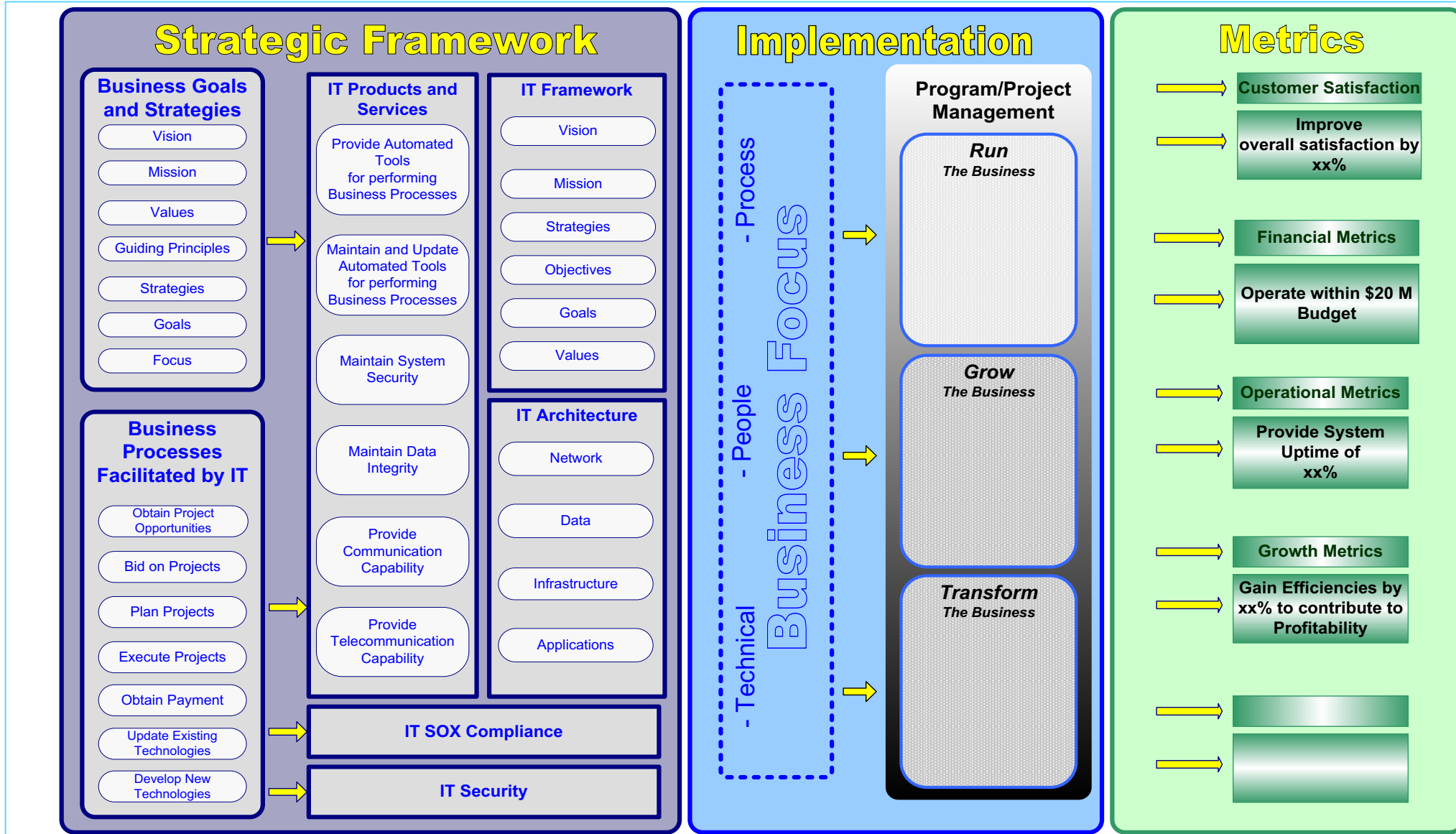
Skill/Experience Base:

- 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





BUSINESS PROCESS ARCHITECTURE





SUCCESSFUL PROJECT CHARACTERISTICS



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