

Project Office 2.0

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PMO 1.0 - The Big Bang

Once upon a time, an organization realized that the operational support methods they were using to maintain their legacy mainframe applications would not support the complexity of legacy systems replacement that they were planning to begin. So, a search began to bring in a team that had experience with planning and executing major systems replacements and transforming a workforce from operational to project mode. A new VP of IT was hired, and soon followed the hire of a Director of Project Management. The new PMO director, brought with him a very structured SDLC framework from previous consulting experience and also brought in a number of experienced Project Managers (most of whom had a number of years of PM consulting experience).

Over the next 12 months, the Project Managers that were brought in began planning the largest projects in the IT organization (mainly the first few legacy replacement projects). Meanwhile, a Project Office arm of the PMO was formed and the SDLC framework was broken down and documented with step by step standard procedures and specific templates that were required to be used. In addition, an industry-leading project management tool was selected and implemented to provide a structured repository for all IT project data. The Project Office coordinated and conducted a number of training sessions for IT staff as well as business stakeholders on the proper use of the SDLC and the project management tool. In addition, the Project Office was expanded, adding staff dedicated to supporting and maintaining the SDLC, implementing and supporting Configuration Management, and implementing and supporting more new industry-leading tools for tracking requirements, test cases and defects.

Within the next two years, one of the largest legacy replacement projects had failed and was shut down. Many of the project management tools implemented were getting fragmented use with inconsistent results. In addition, IT management was concerned over the high maintenance fees of these tools when the general perception on the floor was that much of the functionality they provided added little value to the IT organization.

The Shrinking PMO

The focus of the PMO became successful delivery of projects, relying on the expertise of the senior Project Managers in the organization. Since the SDLC was a rigidly structured methodology, the required templates and processes were not always the best fit for

each and every project, especially the large strategic projects. Therefore, a formal exception process to the SDLC was documented, allowing each of the PMs leading the large projects to develop their own specific methodology and required documentation that best suited the needs of their project. These projects following methodology exceptions to the SDLC proved to be very successful in delivering the large projects. The success of the individual PMs was appreciated by the sponsoring functions, which resulted in the elimination of the centralized PMO, so that each of the expert PMs could be more closely aligned with the business functions that they supported through their projects.

The SDLC was then only utilized on smaller projects and production support work, and did little to leverage the methods that were being used by the larger projects. And, the Project Office function of the PMO shrunk to basic administration of the project management tools and minimal support of the SDLC that was implemented 3 years earlier. This centralized group was also disbanded, to allow the few staff that supported the processes to do so only in a part time capacity, which afforded them time to work on other projects directly.

Project Office 2.0 - Incremental Integration

Within two years after the PMO had been eliminated, IT management began to realize that the lack of centralized governance over IT and project processes was causing an increasing number of control issues and more frequent miscommunication when reporting on projects. However, for the most part, the senior PMs were continuing to have successful deliveries of individual strategic projects for each of their areas.

So, the question became, how do we reinstitute centralized project governance without repeating the mistakes of the past? Lessons learned from the first PMO implementation (PMO 1.0) included:

- The culture of the IT organization was not well suited to the formal project management best practice processes that were implemented
- The "one-size fits all" approach of implementing project management standards did not fit with the organization's separate business units that all had their own culture
- Too much change was implemented too quickly (new SDLC, PM expertise, Configuration Management, Requirement/Test Management tools, etc) to allow for proper acceptance by users

To address these issues, the new IT Project Office (PMO 2.0) objectives aimed to:

- Minimize the cultural aversion to, and build acceptance of, a centralized project controls environment

- Re-establish consistent controls to project processes without constraining project process/deliverable flexibility
- Deliver change incrementally, along with education in best practices, to help remove the perception of project governance controls as additional overhead

As a result, the new Project Office was formed, as a very small but centralized team that developed and began to implement their plan ...

1. Restructure the rigid SDLC into a best practices framework, with the minimum required processes to support governance controls. The new framework also provided flexibility to each IT area to develop their own team procedures to best fit the needs of the business functions that they supported and deliver projects as efficiently as possible. The SDLC framework was also expanded to include best practices for Agile development methodologies, which had been used only sparingly as exceptions to the rigid SDLC.

The initial release of the new SDLC was very well received in IT, as most areas looked forward to developing their own procedures so they could deliver projects most efficiently for their business units. However, while most all IT areas appreciated this change in the SDLC, many did not have the resource availability to develop their own procedures and train their project management staff. So the Project Office began to work with each IT area, one by one, to assist in outlining tailored procedures while ensuring the required governance controls would continue to be met.

2. Centralize IT governance for strategic planning and consistent reporting of key projects. The Project Office took on the responsibility of coordinating the development of the IT strategic plan and the communications on key projects to the organization. This began with establishing bi-weekly status reporting of key projects, and expanded to include assembling the quarterly reports for each area that were delivered to the executive operating committee.

The centralization of this reporting not only produced a better quality result, but also was very well received in IT as this reduced some of the "overhead" they had been experiencing. Although the IT strategic plan was established, it lacked tight integration with the business strategic plans, which made it difficult to consistently and efficiently illustrate alignment of IT projects with business strategy. The IT Project Office was not involved with corporate business planning, but the centralization of the IT Project Office for IT governance set the stage for the expansion of the corporate planning function into an overall financial governance function that would work to coordinate with the IT Project Office for IT project portfolio management.

3. Replace the IT tools that were not being used effectively. The industry-leading project management tool (that was getting inconsistent use and was the root of many user frustrations), began to be replaced with a custom application with only the basic

functionality to meet the project governance controls. Other project management tools that were being used as exceptions to the standard now became available options to be used by any project team to meet their specific tracking needs.

Although the simplification of the core project management tool would provide an efficiency improvement, the flexibility to use a variety of supporting tools, was causing a decentralization of knowledge of the tools and inconsistency in metric reporting across the IT organization. As a result, the IT Project Office began to look at options for integrations of these supported tools.

Today, the work of the IT Project Office continues, integrating project management and software development best practices to IT (and the entire organization) in small, incremental steps.