

2006 PMO of the Year Winner

EDS

Office of the Multi-Year Plan

Ruth Williams, Director

(shown at right holding the PMO of the Year Trophy at the PM SOLUTION'S RESEARCH Summit with PM SOLUTION'S RESEARCH Director, Jim Pennypacker)



PMO Innovations and Best Practices

The Change

The EDS Office of the Multi-Year Plan is the PMO supporting the corporate global transformation program, which in turn reflects the investment decisions being made at an enterprise level.

This sentence hides a very major change within EDS: that investments supporting strategic work are decided and controlled centrally.

This change is impacting the cultural norms within the company, which grew up with an entrepreneurial "account manager is king" model. In the old model, the account manager - the leader who faces off to the client - could do anything he or she felt was necessary to meet their client's needs.

The old model resulted in a myriad of variations of product, software and processes in place to support our clients, often requiring major effort to link to other elements with our corporate infrastructure. Many investment dollars each year would be spent on keeping this complex mixture together rather than being used to develop or enhance offerings.

As a result of embracing the Multi-Year plan, an account manager can no longer invest in order to create a "one-off solution" for a client. Our model now expects that:

- Ideally the solution sold would not be a one-off in the first place
- If something new was required, that the solution would as far as possible be designed for wider use than that one customer.

This results in a two-way expectation:

- That local development won't take place.
- That centrally developed materials will be on time and on quality.

The Challenge

Both of these expectations produced challenges for the MYP PMO. Both expectations could be met with enormous manual effort - however the main aim of the PMO was to ensure that as much of our investment money as possible would be spent on doing real work - designing and building new and improved products and capabilities.

The Approach

First set the context of Program Management - understand the challenge.

Program management is easy to say and hard to do. at its most simple it is:

- Identify targets.
- Get the plan in place.
- Execute to plan.

Additionally, to be successful, you must know:

- What is happening - everywhere, and all the time.
- What the problems are - and who is fixing them.
- What the barriers are - and who is moving them.

And further, a strong program could be described as:

- Robust
 - Amendments of the processes, procedures and templates are minimal
- Independent of individuals
 - The knowledge and skills required to execute the processes are widely available and shared.
- Operationalized
 - The organizations doing the work are interacting directly with the tracking processes.
 - People doing nothing but program tracking and management should be minimal
- Intersected with independent data sources
 - Different sources of data used to verify accuracy - proof of results

The Key Concept

To work towards this approach we established a feedback model, which we refer to as "The Control Loop" - or to give it its full title, "The Measure and Act Control Loop."

This model wraps around the functions of the team, and gives the "easy to say, hard to do" elements a strong structure. the Control Loop doesn't necessarily make them easier, but it does provide clear visibility to all the stages that are needed for success.

1. Understand your target.
2. Measure the performance.
3. Compare performance to target and report. as part of that reporting, commit to future results:
 1. If your plan says date so-and-so, will you make it?
 2. If your project status is not green, when will it be green?
4. Produce remedial plans if needed - Get to Green plans - and execute them.
5. Repeat steps 1 to 4.

The key point about the Control Loop is to recognize that measure and reporting is easy - everyone does these steps all the time.

Doing something about it is much harder - generally harder than people expect, and therefore it is often not given adequate energy, and fails to make the difference you hope for. this is why the full name of this concept is the Measure and ACT Control Loop.

The Tools

We provided Tools that enable the Control Loop to be effective and which positioned us for automation, supported by:

- Training.
- Education and mentoring.
- Operational processes.

Through the members of our virtual team we could spread support and guidance to the hundreds of project managers associated with the MYP. the virtual team members became experts and were able to establish an appropriate level of education throughout the wider organization.

Internally developed database and code enables excellent reporting to be produced quickly and easily, including answering executive queries about the program. The database permits data to be viewed in many ways, enabling us to answer the most probing of questions.

A web interface allows our virtual team to make updates to the data ensuring the information is always current.

Similarly, access to the detailed granular project level across the entire program enables deeper analysis to be undertaken - to establish common themes for example, or to test hypotheses related to potential Root Causes.

Process effectiveness can easily be investigated, eg.:

- Hypothesis: For issues of the same age, those that are escalated will be fixed more quickly than those that are not.
- Result: There is no difference.
- Action: Review the escalation process, especially the actions after escalation, for opportunities to improve.

The Project Manager Circle

And as time progressed and the day-to-day mechanics became easier, we introduced the Project manager Circle whereby topics of relevance were covered in twice-monthly sessions supported by simple useable aide memoirs. The speakers rotate round the Office of the MYP Team - each speaker creating and presenting the material for their topic. Guest speakers are included where it adds value. each session is scheduled twice in order to accommodate different time zones and personal commitments.

The scheduled talks for this year cover a wide range of topics, including:

- Project Planning - Schedule Basics.
- Monitoring and Control.
- Process and Product Quality Assurance.
- Project Management Toolset.
- Requirements Development and Management.
- Risk Management.
- Supplier Agreement Management.

A quote from a recent attendee:

"Great job - especially presentation materials and notes. thorough as usual!"

The Team

(shown at right, celebrating at the PM SOLUTION'S RESEARCH Summit)

The small Office of the MYP team is very strong, and has become so through a variety of means:

- Pioneering the use of tools - the MYP were the first major users in a number of cases.
- Developing the education materials and process documentation in support of these tools.
- Cross training - avoiding having a single point of reliance (therefore risk) in our team.
- Alignment of the team to themes requiring a broad understanding of all tools and processes.



Of particular importance is our strength as a team - which we take a particular interest in.

We invest in understanding ourselves - exploring personality and how this affects preference for certain types of work and where more effort might be required to get good results.

This understanding introduces advantages, the main ones being:

- We recognize when we will personally find a task more difficult or more tedious and will require a special effort to produce the required quality.
- We agree to allocate certain tasks to the person most suited to it - and generally most interested in it.
- We will pair up with another team member to combine strengths to achieve the best result.

2006 PMO of the Year Finalist

Accident Fund Insurance Company of America

Innovation and Planning Project Management Office

- **Type of Organization:** Nonprofit finance and insurance company
- **Number of full-time employees (FTE):** 700
- **Annual Budget:** in the \$100 million - \$1 billion range
- **PMO FTEs:** 8
- **PMO Annual Operating Budget:** 1.2 Million plus costs of projects that are sponsored by Innovation and Planning.
- **PMO Director:** Norman Buckwalter
- **Presenting Challenge:** No clear or consistent means to prioritize projects and systems work; no clear line of sight for how resources were being allocated across projects, service requests, maintenance needs, and other business activities; inconsistent project delivery; "stealth projects" going on in nearly every business area.
- **Business Benefits:** Increased productivity and employee satisfaction; a quadrupling in the percentage of project milestones achieved on time; and a portfolio trimmed and prioritized to a manageable level.
- **Website:** <http://www.accidentfund.com/>

Projects + Strategy = Success

Accident Fund Focuses on Alignment, Governance, and Process Improvement before Acquiring a Project Portfolio Management (PPM) Tool

Many companies have learned the hard way that being able to identify, justify, and prioritize projects can make or break the bottom line. Nevertheless, projects are still often funded solely on perceived merits or their project owner's political clout. Prioritization is often unclear, and ranking is purely subjective. And, far too often, projects do not visibly align to corporate strategies.

Accident Fund Insurance Company of America, a leading provider of worker's compensation insurance, wanted to manage growth without falling into this common project portfolio trap. "We knew that one of the most effective ways to improve our overall business processes was through project portfolio management," said Norm Buckwalter, manager of the company's office of Innovation and Planning. His department has oversight of Accident Fund's portfolio projects for all business units. "Our goal in implementing PPM was to find the best way to utilize our resources and capacity, while making the entire process transparent so our stakeholders could see what's going on. But we needed an infrastructure in place to make that improvement a reality."

A wholly-owned subsidiary of Blue Cross Blue Shield of Michigan, the 94-year-old company has a proven track record of success – a reputation that it planned to carry into its next phase of development, which included refining its project portfolio. The company looked for an outside partner that had experience applying PPM best practices, was in tune with the PPM software market, and could help Accident Fund position themselves for a successful PPM tool selection and implementation. They chose PM Solutions (<http://www.pmsolutions.com/>) to assist them with their PMO improvement project.

Out of IS and Up to the Strategy Table

Seven years ago a Project Management role was created within the Information Systems (IS) department at Accident Fund. The demands of the role increased over time until a formal PMO was established. Although the story may be somewhat typical at this point, that is where Accident Fund diverged and differentiated itself from most other companies. In 2003, the PMO team was combined with the E-magine team, an organizational unit focused on researching and implementing new e-business strategies for the company. The combination of these two groups created a new department called Innovation and Planning where the PMO function is housed today.

Since that time, Innovation and Planning has reported directly to the Executive Team through the Vice-president of Planning, who is responsible for leading the creation and execution of the strategic plan for the company. The PMO was consciously moved to be independent of both IS and any specific business unit within the company in order to maintain focus and objectivity. In addition to this direct channel to the strategic planning process, Innovation and Planning was given its own department budget for staff, space and tools, and—more importantly—many of the budget dollars associated with implementing these strategic projects. It placed accountability and authority for these strategic projects specifically with this new department.

As the manager for Innovation and Planning, Buckwalter ensures that these core projects for the company are delivered successfully and are in alignment with the strategic plan created and maintained by the Executive Team. Buckwalter notes that, although the PMO provides project management services to other departments when time allows, “my team does not lead every single project in the company. Rather, we focus our time and energy on the projects that are core to achieving the strategic plan and that provide the biggest business results for the company.”

In 2005, Innovation and Planning decided that, to continue to raise the bar on our project performance, a PMO improvement initiative was called for. Over the next 15 months, they:

- Created a project governance process and steering committee for funding and prioritization of projects within the portfolio
- Aligned the budget planning process, strategic planning process, portfolio management, and project planning processes
- Staffed the PMO with capable project managers empowered to lead enterprise project teams
- Integrated enterprise project information, along with department projects, and other IS systems work into a single portfolio
- Implemented a Portfolio Management tool to serve as a repository of information necessary to integrate these activities together
- Instituted standard PM methods, tools, templates, and processes that are now used throughout the company and dovetail into the overall System Development Lifecycle.

From Good to Great

Like many growing mid-sized companies, Accident Fund faces the challenge of getting lots of projects done with a limited pool of resources. The PMO's improvement initiative began by assessing the as-is structure and found that:

- There was no clear or consistent means to prioritize projects and systems work
- There was no clear line of sight for how resources were being allocated across projects, service requests, maintenance needs, and other business activities going on across the organization
- There were inconsistent applications of project management methodology
- There was inconsistent project delivery
- There were “stealth projects” going on in nearly every business area eating up resources

- There was no easy way to provide “what if” scenarios to assist in portfolio planning and prioritization decisions.

Buckwalter’s team built an improvement roadmap to address these challenges and more, then went to work with the idea of tackling some elements of each of these themes in parallel.

The first order of business was to create a universal list of projects that were active, in planning, or were “wish list” items being worked on in backrooms through out the company. This activity grew the list of openly visible projects from 22 to 140. Says Buckwalter, "Since all key groups are now part of the planning process, we were able to pare this down to 40 or 50 projects that are key to the enterprise. We also identified the top 10 projects most critical to our strategy, and increased focus on those."

Next came the design of a good governance structure. The creation of an Executive Steering Committee (ESC) pushed the prioritization high enough in the organization to begin to wash out department level goals in favor of enterprise priorities.

In parallel to getting governance in place, the PMO had begun the process of looking for tools. They needed a means to do more sophisticated capacity planning, resource planning, and scenario planning. They selected a Portfolio Management tool, configured it, and began to populate the information, going after information for not only for strategic enterprise projects, but also department projects and even maintenance/enhancement work. Since all of these activities were drawing resources from the same pool of business units, the PMO, IS, and even contractors, having one reliable source of information helped better manage resource and capacity planning. With information populated into the system, the ESC was furnished with the information they needed to better prioritize and a rolling portfolio began to take shape.

Finally, they addressed the issue of attracting the right level of talent needed for the PMO. Like any other organization, some adjustments needed to be made in the team to find the right blend of project manager experience, IT skills, and business knowledge.

These changes boosted the company’s success rate at hitting milestones. By mid-2006, the company had gone from hitting fewer than 40% of planned project milestones to just over 80%. At the same time, their Gallup Employee Satisfaction scores for the PMO climbed from the bottom third in the company almost to the top.

Not surprisingly, such employee satisfaction paired with defined work processes have yielded increased overall productivity. “It continues to be proven both here at Accident Fund and elsewhere,” says Buckwalter, “that when there is a defined process, productivity increases. Period. The process does not even need to be complex or account for all possible variables. In fact, it is better when the process and methodology can be summarized to fit on a single piece of paper. All team members can easily get their arms around a one-page process, and a simple process maintains the necessary flexibility for all types of initiatives. The effectiveness of having an agreed upon process comes from the fact that everyone involved in a project from its initial research, through the build phase, to implementation understands what is supposed to happen. More importantly they recognize what should happen next and it helps relieve some of the stress of ambiguity.”

As 2007 unfolds, Innovation and Planning is focusing on tracking true benefits realization. Buckwalter explained, “Only through capturing and maintaining information throughout the lifecycle of a project, can the project be truly treated as the investment that it is. And whether that investment is for our customers, for stakeholders, for internal staff, or for a profit, it is after all why we do projects.”

***“It continues to be proven both here at Accident Fund and elsewhere,” says Buckwalter,
“that when there is a defined process, productivity increases. Period.”***

2006 PMO of the Year Finalist

American Power Conversion

Availability Enhancements Group Global Project Office

- **Type of Organization:** Publicly-traded corporation; Industrial electrical equipment
- **Number of full-time employees (FTE):** 450 in AEG; 7250 company wide
- **Annual Budget:** APC (\$2.1B)
- **PMO FTEs:** 3.5
- **PMO Annual Operating Budget:** \$700K
- **PMO Director:** D Aaron Coffman
- **Presenting Challenge:** A large engineering group struggling to meet customer expectations: slipping project schedules, more complex projects, and unclear priorities made consistent performance on projects a challenge.
- **Business Benefits:** Dramatic improvement in the organization's ability to estimate and deliver projects on time. In 2002, only 21% of projects shipped within 10% percent of contracted schedule. In 2005 and 2006, 51% of projects shipped within 10% of contracted schedule
- **Website:** <http://www.apc.com/index.cfm>

Engineering Project Results

Until American Power Conversion was acquired by European firm Schneider Electric in Q1 2007, the Availability Enhancements Group (AEG) was the largest of four engineering groups within the company. The 450-person organization was responsible for the new product development (NPD) of products such as computer room air conditioners, console port servers, rack power distribution units, datacenter equipment racks, battery management systems, physical threat monitoring equipment (cameras, sensors, alarms), and the software management applications that support APC products. At the time the award was applied for, AEG had a \$56M portfolio of over 60 active new product development, IT, and physical infrastructure projects.

APC has used a standard development process across Engineering since 1998 and the software development group achieved Software CMM[®] Level 3 in 2000. However, the company was still struggling to meet customer expectations, especially in the area of on-time delivery. In May 2003, citing slippage in NPD project schedules, confusion about project priorities, and a dotted-line reporting structure that made accountability difficult, Aaron Coffman proposed the establishment of an AEG PMO at the company's St. Louis location. After good results in the first year, the PMO scope was expanded in January 2005 to include all eight development locations of AEG, becoming the Global Project Office (GPO), with Coffman as Director.

The GPO's mission centers around maximizing organizational effectiveness/meeting business objectives by efficiently delivering quality products on schedule and within budget, and in order to do this the GPO has taken a people-focused approach. Realizing that qualified and experienced project managers make the difference in project results, the GPO focuses on:

- Growing solid project managers: PMP certified, with demonstrated effectiveness and leadership skills
- Defining and advocating for a consistent project manager role
- Mentoring newer AEG project managers
- Establishing a project manager career path.

Coffman explained, "The Project Manager position was new at APC. We often used the "halo effect" in selecting the next person to run a project, on the assumption that 'a good engineer makes good project manager.' [We] had a late realization of project management and soft skills as a true skill set."

To assist them in the development of the professional project manager role, the GPO actively references and applies knowledge and practices contained in PMI's *Project Manager Competency Development Framework*, and PM Solution's Research publications *What Makes a Good Project Manager* and *Project Management Roles & Responsibilities*.

What A Difference a PM Makes

One of the first PMO tasks was to better define the role of project manager within AEG. With 8 development locations and 25-30 project managers reporting to 15-20 different managers (most of whom had no real project management experience), this was a real challenge. The GPO defined the Project Manager role and set expectations for what a *proactive* project manager does:

- Ensures clear requirements exist before committing to schedules, budgets, product costs, staffing plans, etc.
- Uses process to evaluate, analyze and approve any proposed requirements changes before changing scope.
- Continually identifies and manages risks.
- Keeps all project stakeholders informed; uses communication plan.
- Looks ahead to eliminate problems.
- Uses Crystal Ball (a homegrown portfolio management tool) and NPD process regularly to their full extent as vital communication tools.
- Reports true project status early and often.

This role was agreed to by AEG project managers and executives. However, giving the project manager responsibility and authority was problematic in a predominantly matrix organization with most people working multiple projects. The GPO addressed this challenge by establishing a process where the project manager completes a brief performance evaluation at project close-out for each project team member. The evaluation covers how well the project team member provides accurate schedule and cost estimates for their tasks, completes tasks on schedule, delivers a quality product the first time around, keeps others informed of progress or problems, and works effectively with other team members. This evaluation is provided to the project team member and his or her manager for consideration in the annual project performance review.

To ensure compliance with new roles and tasks, the GPO also needed a form of authority over the project managers, who often reported to Engineering Managers, Directors, or General Managers who did not necessarily buy in to the concept of standard project management practices. To meet this challenge, the GPO established a performance feedback mechanism for Project Managers based on:

1. Demonstrated knowledge of project management best practices (e.g. obtained PMP certification, demonstrated proper use of project management tools).
2. Demonstrated actual project performance. The PMO maintains data, by project manager, on the number of projects run, average schedule slip, and average product cost deviation.
3. PMO Director ranking of each project manager's personal competencies, such as a) leadership, b) follows & enforces process, and c) proactive problem solving.
4. Project team members complete a brief performance evaluation on every project, indicating how well the project manager seeks input from team member, communicates information and changes, is responsive and available, advocated the NPD process, demonstrates project ownership, and demonstrates leadership.

In addition, the GPO established the practice that no project managers would be promoted without having obtained PMP certification. In early 2005, the GPO established a goal that all AEG project managers (22 at the time) be certified before the end of the year. When that goal was achieved in Sep 2005, a reward trip to a "project management summit" in Orlando was offered to all PMPs. They celebrated success, identified current problems, shared project management knowledge, learned more about APC products, and heard a motivational speaker on leadership. This was the first time that all AEG project managers had gathered in one place...and the first time that many had ever met each other face to face.

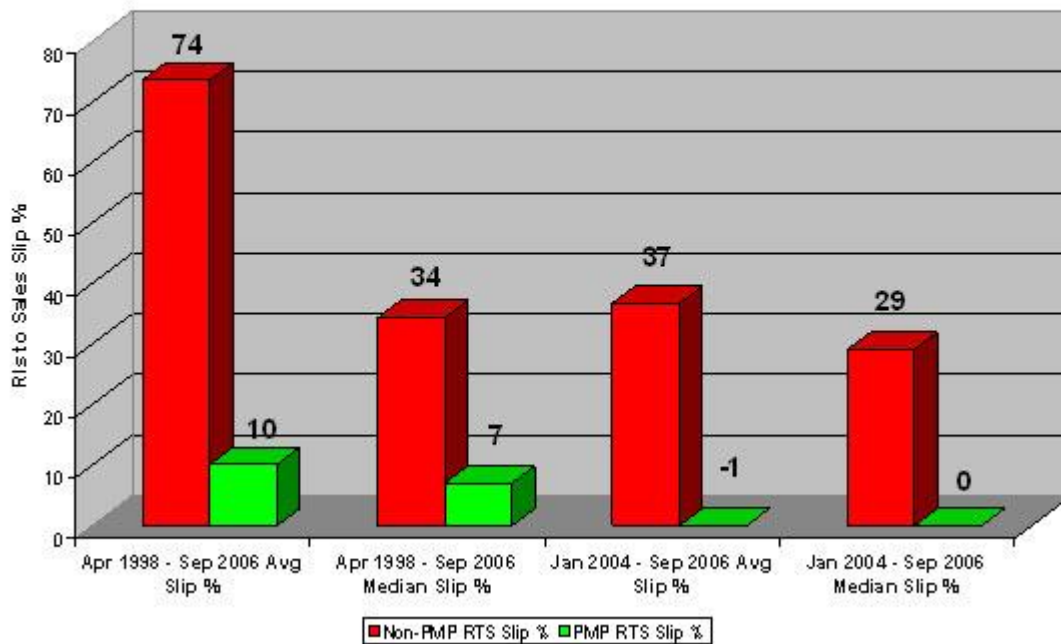
Did these people-focused strategies work? The numbers tell the story: In 2002, only 21% of projects shipped within ten percent of contracted schedule. In 2005 and 2006, 51% of projects shipped within ten percent of contracted schedule. To be certain that these gains are related to the push to formalize the role of the project manager, the PMO gathers data to compare the performance of projects led by PMPs to that of projects led by non-PMPs. A project is considered "PMP-led" if the project manager was certified at the time the project was launched. The graph below shows a comparison of project performance by non-PMPs (in red) and by PMPs (in green). The results show overwhelming value of using PMP-certified project managers!

According to Coffman, the significant improvement in project performance would not have been possible without the strong support of GPO core team members and the enthusiastic response by AEG project managers.

AEG Schedule Performance

As of 28 Sep 2006

Dates below reflect date contract signed



Forward with Optimism

Since the award application was sent in, there have been big changes at APC. The company was bought by European firm Schneider Electric, with the acquisition being finalized in February 2007. Coffman is upbeat about the future of the PMO within the new, larger organization. "There are number of PMOs already in place at Schnieder Electric. So I am optimistic that the PMO will continue and perhaps even expand." With the success of the GPO within just one group within APC, Coffman, now Director of the Engineering Program Management Office, hopes the scope will soon be expanded.

"We have merged four engineering groups into one, so that the original 450 people in the division has expanded to over 1000. I'm eagerly awaiting what the final organizational structure will be; meanwhile, we're continuing as if the PMO concept is going to be expanding to the enterprise level."

**"We often used the "halo effect" in selecting the next person to run a project, on the assumption that 'a good engineer makes good project manager.' [We] had a late realization of project management and soft skills as a true skill set."
— Aaron Coffman**

2006 PMO of the Year Finalist

Oklahoma Department of Human Services

Data Services Division – Project Management Office

- **Type of Organization:** State Government
- **Number of full-time employees (FTE):** 8,000-plus
- **Annual Budget:** \$1.7 billion
- **PMO FTEs:** 12
- **PMO Annual Operating Budget:** \$1 million
- **PMO Director:** James A. Randell, PMP
- **Presenting Challenge:** An “unmanageable” portfolio of over 500 IT projects, little project management training, and no consistent methodology.
- **Business Benefits:** The IT portfolio trimmed and organized into about 40 major projects, with a typology for lesser projects that assists in prioritizing and tracking them; “skyrocketing” internal customer satisfaction; and an EPMO project underway to streamline IT across all 26 divisions of the agency.
- **Website:** <http://www.okdhs.org>

Doing Good ... And Doing It Well

“Stronger families grow brighter futures,” is the motto of the Oklahoma Department of Human Services (OKDHS), which oversees 26 programs benefiting children and families, the elderly, and the disabled. They had over half a million “customers” in 2006 who included:

- 1,336 adopted children
- 1,150 adults and their families in adult day services
- 5,118 persons with developmental disabilities
- Elderly Oklahomans received more than 3 million meals
- Over 700,000, mostly children, certified through the Medicaid program
- And thousands of Hurricane Katrina victims.

Naturally, records in such numbers cannot be processed or organized effectively without top-notch IT project management. The Data Services Division (DSD), one of 26 program offices under the OKDHS umbrella, supports the IT needs of all 26 program offices. In 2002, responding to the need to define business processes before implementing a new enterprise application, the DSD formed a Project Management Office (PMO) to organize and standardize IT projects.

Like most newly developed units, DSD had no internal expertise in building a PMO, so OKDHS's CIO found qualified contract personnel to get the project off the ground. A contractor was hired, an internal agency director was named, a small staff of five was assigned and the work began. An annual budget was established to provide funding for staff and operating costs. For the first two years, the project funding was approved through a small group of OKDHS officers known as the E-Business committee. The project manager and business customer would present their business case to the officers to obtain

project funding. In January 2005 this approval model transitioned to using an IT Governance Board and a portfolio management process.

The new PMO was structured so that it could one day function as a strong-matrix organization, not only within DSD, but across the OKDHS enterprise. Today, the PMO has matured to the point of offering training and best practices in project management methodology to any of the 26 divisions across the state.

Project Portfolio Categories

- ◆ **GB - Governance Board:** Projects presented and approved by the GB
- ◆ **IT - Information Technology:** IT-related projects that do not require GB approval
- ◆ **BU - Business:** Projects that support the business and do not require IT services
- ◆ **MT - Maintenance:** Projects that require modifications to existing applications, services, or hardware
- ◆ **OP - Operational:** Projects needed to support day-to-day operations
- ◆ **MS - Miscellaneous:** Projects that do not fit into any other category
- ◆ **SP - Small Projects:** Projects that can be completed in approximately three months

Project Type

FR - Frontier

Technology that is new to the environment, having a potentially high payoff, though perhaps at a high risk. They involve emerging technologies and many times result in pilots or prototypes.

BS - Business Support (Utility)

Projects that are mission critical, but do not improve the core business performance. They are key to the support functions of the organization; however they are not the core business.

OE - Organizational Enhancement

Projects that improve performance to the core business and result in better service to the clients. These projects may have a high political return.

IF - Infrastructure

Projects that make improvements in IT but may not necessarily be motivators to units or departments outside of IT.

AD - Administration

Projects necessary to support day-to-day business. Examples: Training, leave of absence, staff meetings.

PB - Problem

Projects that solve issues related to existing technology currently being used.

Project Stage

- ◆ 200 - Rejected project
- ◆ 340 - Project on hold
- ◆ 380 - Active project with incomplete WBS
- ◆ 500 - Active project with completed WBS
- ◆ 600 - Project completed

The Value Engines: People and Process

The PMO, with the full support of the CIO and the director of the Customer Relations Management office, focuses on a customer-centric approach to project management. Every project manager is schooled in the importance of servant leadership and what that means both for the leader and for the team. Applying practical project management methodology alone won't guarantee success, so DSD PMO project managers must "get" the people dynamics.

Project managers within the division have the autonomy and authority to make recommendations, monitor vendor contracts, approve project invoices, assist with annual employee performance appraisals, and directly manage project funding and project budgets. The PMO facility is home to over 50 full-time application developers, analysts, functional managers, testers and contractors. The building has open collaboration areas that encourage open communications, along with several smaller offices and conference rooms for projects with a small team.

The PMO knew that, to be successful in reporting project metrics, project time (both in-kind and capital) would have to be systematically captured, and in 2006 they implemented MS Project Web Access for time tracking. The OKDHS CIO mandated that all DSD employees—over 200 IT professionals—log their daily activities. Though a huge culture change for the staff, this process has allowed the PMO to better manage resource estimating and leveling.

Today, the PMO has five full-time project managers, six full-time senior project managers (three of whom are PMP® certified), one part-time technical writer, one full-time secretary, and three part-time project support administrators, along with one to four full-time contract project managers who assist us in managing projects when full time employees are working at full capacity. All PMO staff report directly to PMO director James A. Randell, who is responsible for the success or failure of IT projects. Randell describes his responsibilities as "assisting staff with resource challenges, approving project charters, facilitating the OKDHS IT Governance Board meetings, reporting key project indicators and metrics to the CIO and agency officers, defining the methodology, establishing training initiatives, and managing the project portfolio mix."

Streamlining the Portfolio

As with most large organizations, OKDHS must bring business leaders together to eliminate duplicate and non-value-add IT initiatives across the enterprise. In the fall of 2004, a 13-member Governance Board was formed to represent OKDHS' 26 divisions. The OKDHS CIO chairs the board and the PMO director facilitates and provides resources for approved IT projects.

In January 2005 the first annual project management summit was held. Representatives from all divisions came to share current and future IT initiatives, along with an analysis of strengths, weaknesses, opportunities and threats (SWOT) and their division's overall goals and objectives for the next year and beyond. This information was posted on the walls, and each division did a "round-robin" to read what other divisions were doing, allowing the group to eliminate duplicate efforts and saving the agency thousands of dollars each year.

Today, through a formal project approval processes, the divisions are kept informed of current IT initiatives, and the agency understands the project priority for any given fiscal quarter and how it lines up with the agency's overall strategic objectives.

Portfolio Management Process

Once the enterprise GB project approval process had been in place for almost three years, it was time to audit the project portfolio to ensure it was working as intended. Although all approved GB projects were captured in an MS Project repository, along with the maintenance projects, business projects and

operational projects, the PMO was still not able to effectively mine particular data elements to in making informed decisions about the enterprise.

In summer 2006, the portfolio data elements were re-engineered for better data reporting and mining. All projects were by "project stage" and "project type." (See sidebar.)

Outcomes and Benefits of the PMO

In just four years, the PMO has transformed DSD from "a functional but discombobulated organization," in Randell's words, to a successful, unified organization. "In 2001 we had over 500 IT-related projects on the books. Many of these could not be effectively managed because all the redundant and non-value-add work involved was not understood. Today we manage an average GB portfolio of 36 to 40 active projects. We are able to report the capital cost of each of project, along with their associated schedules, risks and opportunities. The remainders of the 200 - 250 projects are distributed across multiple portfolios including maintenance, operations, business, and administrative."

Customer satisfaction has skyrocketed as communication skills and project management practices improve. The project management training offered to customers is well received and helps educate them about the "why" behind changes in process.

Future plans include the start-up of an Enterprise Program Management Office (EPMO). Each of the 26 divisions administer specific state and federal programs like food stamps, child welfare, child support and child care licensing and each has its individual business processes. Many of these could be combined into a single enterprise process so the agency could realize cost savings through streamlining development, maintenance and support. The EPMO will be responsible for auditing these business processes and developing the OKDHS enterprise business architecture. Says James Randell, "People think I'm crazy when I say this, but maybe one day there won't be a need for a PMO, because the project management ethic will be interwoven into the business. That, to me, will be the epitome of success."

"Customer satisfaction has skyrocketed as communication skills and project management practices improve."