PMO of the Year Award
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**Introduction**

**Doing Good ... And Doing It Very, Very Well**

An electric utility in a city struggling through bankruptcy. A national bank in an island nation with a chaotic economy. A health insurer faced with cataclysmic changes in its marketplace, and the mandate to serve vulnerable populations.

All three of these disparate entities made the same choice in seeking new ways to overcome challenging times and meet difficult strategic goals. That choice was to put their trust in the project management discipline, with their PMOs in the lead.

As a result, this year’s PMO of the Year award winner and finalists tell two stories: one about the business value of project management, and another about the potential for organizations to also provide benefits to society as a whole:

- Award winner WellPoint, Inc. moved from No. 47 to 38 on the Fortune 500 list, while also working very effectively to open up insurance to millions via the Affordable Care Act’s Medicaid expansion provisions.

- Finalist Central Bank of the Dominican Republic brought stability to the nation’s economy, improved banking services, and then—laudable in the first PMO of the Year finalist from the Latin America region—took on the corporate social responsibility of improving project management throughout the country.

- DTE Energy, also a finalist, successfully completed massive environmental / regulatory projects, launched into a brand-new wind generation business, and also re-lit Detroit’s darkened streets and worked on other neighborhood revitalization initiatives.
In each case, a visionary and effective PMO led the way on key strategic initiatives. Another similarity between these organizations is the close relationship between PMO leadership and corporate executives: In WellPoint’s case, the chain of command looks like this:

- Chief Executive Officer, WellPoint
- Executive Vice President and President of Government Business Division
- Vice President, Government Business Division Operations
- Staff Vice President, Implementation Management Office (PMO Leader)

Likewise, at CBDR and DTE Energy, there is a very tight linkage between executive decision makers and the PMO leadership. This communication helps the PMO to actively shape strategy and turn it into actionable initiatives. It also means that executives have a clear view of just how valuable their project management function is to the organization.

That the top three organizations are drawn from three very different industries—healthcare, banking and utilities—also demonstrates the flexibility and universality of project management. Whether you are overhauling financial processes, building a wind-generation facility, or issuing a million insurance cards to first-time customers, the tools and techniques of project management make it possible to achieve even very daunting goals.

As you read more about these stellar organizations, keep in mind that each of them faced very big challenges at the outset; they could very well have failed, but instead they invested time, money and trust in their PMO staff.

Jeannette Cabanis-Brewin
Editor in Chief
PM Solutions Research

Stop by the Strategy & Projects blog, beginning Nov. 18, 2014, to read interviews with the directors of this year’s winner and finalists. And view video interviews on PMI’s Awards program page.
Succeeding in “Interesting Times”

“May you live in interesting times” is said to be a curse, but for WellPoint’s award-winning PMO, or Implementation Management Office (IMO), interesting times have provided an arena to excel.

WellPoint’s stated vision is to be America’s valued health partner and the company’s purpose is to “transform health care with trusted and caring solutions.” As one of the largest health benefits companies in the United States, the company delivers a number of leading health insurance benefit solutions through a broad portfolio of integrated health care insurance plans and related services, along with a wide range of specialty insurance products, serving nearly 67 million people.

Yet even WellPoint saw the need to ramp up competencies to meet the predicted surge in demand for insurance that would follow the implementation of the Affordable Care Act (ACA). They also saw a “perfect storm” of forces on the horizon that could make the portion of their business dealing with government contracts a key strategic resource. The ACA incentivized states to expand the number of residents qualifying for Medicaid; at the same time, the recession increased the number of low-income people qualifying for existing Medicaid plans. At the same time, enrollment in Medicare, the federal healthcare program for the people 65 or older, began surging as an aging population of “Baby Boomers” became eligible.
ACQUIRED EXPERTISE: THE IMPLEMENTATION MANAGEMENT OFFICE

To meet these challenges, in 2012 WellPoint acquired Amerigroup Corporation, a company that specialized in managing care for Medicaid and Medicare beneficiaries. Amerigroup had a secret weapon that had helped it achieve unprecedented growth: its project management office, known as the Implementation Management Office (IMO).

What is now known as the IMO originated as part of Amerigroup Corporation in 1996. At the time, Amerigroup was a fledgling startup operating in Medicaid managed care; a specialized market niche within the U.S. managed health care insurance industry. The original structure of the IMO followed a centralized “war room” model in which key associates devoted time to project execution while maintaining all of their normal job responsibilities. During its first decade, the company’s new business implementation portfolio averaged fewer than five initiatives per year.

By 2007 the company’s annual growth portfolio had increased to seven new business implementation initiatives annually and company leadership made a decision to begin dedicating full-time resources to execution of this important strategic growth priority, and in 2008 the IMO was officially established as a full-time project management team with eight full-time employees. By year’s end, the company realized that a disciplined, scalable and repeatable process was imperative if the company planned to achieve double-digit annual growth going forward. In support of this goal, IMO staff began pursuit of PMI project management professional credentials.

Today, The IMO is a team of high performing, industry-experienced, PMI credentialed, project management professionals chartered to lead the strategic growth implementation initiatives of WellPoint’s Government Business Division (GBD), a new entity formed after the acquisition of Amerigroup.

The GBD’s annualized revenue now exceeds US$30 billion and accounts for more than 45 percent of the annual revenue of WellPoint, Inc. The GBD manages publicly funded health programs, often for the nation’s most vulnerable citizens. The populations for whom they manage health care include foster children, seniors, people with disabilities, families with low incomes, pregnant women, children, federal employees, and other government sponsored beneficiaries. More than 15,000 GBD employees currently serve more than 7.4 million members of government-sponsored health insurance programs and processes medical claims on behalf of about 23 million Medicare beneficiaries.
The combined portfolio of WellPoint subsidiary health plans serving state-sponsored programs makes up the largest Medicaid managed care company in the United States, serving more than 4.4 million members in 19 states. New Medicaid and Medicare business is won through rigorous U.S. federal and state government contract procurement and application processes. In 2013, the GBD Medicaid Business won every proposal submitted in response to government requests for proposals (RFPs). The implementation methodology developed and practiced by the GBD’s Implementation Management Office (IMO) is highlighted in every proposal for new business as a core competency and is part of the valuable government program expertise offered by the company.

WellPoint ranked 47th on Fortune magazine’s list of top companies in 2013 but jumped up to #38 in 2014, with Fortune specifically naming the acquisition of Amerigroup as a reason for the company’s success.

IMO GROWS WITH BUSINESS EXPANSION
THE IMO FRAMEWORK

Since 2010, the mission of the IMO has been to support the growth initiatives of what is now the WellPoint GBD by providing best in class project, program, and portfolio leadership services for all chartered new business and Affordable Care Act related health care reform implementation initiatives. The PMO framework established in 2010 has provided a solid foundation enabling the company to successfully execute its strategic objectives even in the face of unprecedented national and industry change. Among the PMO best practices included in the framework are:

- Serving as the de facto champions of the project management discipline by providing project management training for non-project managers and encouraging senior executives to pursue PMP credentials to help expand project management knowledge throughout the company
- Negotiating with key leadership across the organization to embed, within every affected functional area, full-time subject matter experts (SMEs) who are exclusively dedicated to the projects and programs in the GBD growth portfolio
- Partnering with the company finance team to establish a rigorous project budget estimating and funding process based on project specific requirements, deliverables, and timelines
- Front-loading high level strategic project management talent during the project planning phase to ensure solid requirements and budget estimating in order to minimize scope, budget, or schedule variance
- Establishment of ongoing strategic business management training and project management continuing education for project management talent across the organization as well as within the IMO.

At inception, all projects are front-loaded with senior program or project leaders during the strategic planning, requirements gathering, budget, and schedule development phases. As initiatives move fully into execution, mid- and junior-level project management talent, under the guidance of the senior leader, engage to lead functionally aligned work groups in support of the overall project or program. During the post go-live “warranty” phase, one or more junior-level project managers who have been working on the project throughout, step in to lead the 90-day post go-live and project closure activities.
This PMO structure allows the best use of talent at all levels based on the demands of the project or any of its phases. Mid- and junior-level talent have the opportunity to lead components of projects in order to develop expertise in both the project management discipline as well as the functional operations but do so under the guidance and coaching of their senior leaders in order to ensure quality performance and execution.

Senior leaders are able to participate in higher level strategic planning across the portfolio giving each initiative the strongest possible start during the initiation and planning phases. Once the initiative moves solidly into the execution phase, the senior leaders are able to turn day-to-day project execution over to mid- and junior-level practitioners and transition into a coaching and mentoring role through project closure.

This structure also allows for increased flexibility and scalability through the use of temporary contract project management labor which can be added easily to any project team as demand increases without adding to the permanent overhead of the company.

“We always stay focused on adding value,” says PMO director Sarina Arcari, PMP.

— Pete Haytaian, Executive Vice President, President, Government Business Division, WellPoint, Inc. and the executive sponsor of the IMO portfolio

The IMO’s partnership with the business … is crucial to our success and the strategic significance of their work cannot be emphasized strongly enough.
Central Bank of the Dominican Republic
PORTFOLIO MANAGEMENT OFFICE

A Venerable Institution Embraces Change

The Central Bank of the Dominican Republic (CBDR) is the governmental institution responsible for maintaining the stability of prices, efficient regulation of the financial system and suitable operation of the payment systems, acting as issuer and executor of the monetary, financial and foreign exchange policies to contribute to the country’s economic development. Like most long-established institutions, the Bank was not an easy ship to turn; but in the mid-2000s, with an economy in chaos, CBDR executives wisely opted for organizational change.

In 2007 the Monetary Board, the governing body of the Central Bank of the Dominican Republic, approved the implementation of the institution’s Portfolio Management Office (PMO-CBDR) based on the standards, guidelines and best practices of the Project Management Institute (PMI) to aid in achieving the objectives of the Institutional Strategic Plan (ISP) for 2006–2009. The PMO vision is to set the tone and best practices to manage projects in the banking industry. Its mission is to add value, performance and quality deliverables to the organization. The office provides all the necessary tools, mentoring, resources and support to its internal clients to manage their projects in the most efficient way.

Presenting Challenge
To lead the Dominican Republic towards a more stable economy and foster the project management profession nationwide

Industry
Banking, Public Administration

PMO Director
Luis Jose Bourget, Planning and Budget Department Director

Finalist
Joel Tejeda, MS, Deputy Manager, Monetary, Financial and Exchange rate Policies; Fabiola Herrera, Payment Systems Department Director; Eunice Duran, Technical Consultant / PMO Chief; Luis J. Bourget, Planning and Budget Department Director / PMO Director
The PMO is located within the Department of Planning and Budget with the purpose of coordinating the integrated process of strategic and operational planning, ensuring that initiatives are aligned with the strategic objectives, and serving as the lead advocate for strategic thinking as well as an internal consultant. Thus, among its duties are the corporate performance management of the Institutional Strategic Plan, Portfolio, Programs and Projects, and their integration with the required organizational enablers.

As the plans and projects system administrator, the PMO-CBDR serves as a central information repository; helping to communicate a unique and consistent vision across the organization; providing the reliability and transparency of the information provided to executives, with feedback about the projects’ physical and financial performance; and providing at all levels relevant information about achieved results, rendering a complete and continuous performance record for both plans and projects.

The 2006–2009 ISP laid out the direction of the integral transformation, innovation and organizational change process with the steps necessary to implement strategic planning and project management in the organization, and the 2010-2013 ISP provided the framework for strategic management based on the Balanced Scorecard methodology.

The PMO’s focus on the organizational strategy can be seen in the way the portfolio shifted from non-strategic to strategic projects: 57 percent of projects approved in 2006 aimed at operational and non-strategic goals; but by 2013, functional projects’ participation was equivalent to 11 percent and the remaining 89 percent accounted for strategic projects. The new PMO, in line with its original mandate, was driving the need to focus on fulfilling the institution’s strategic objectives and initiatives through an strategic alignment construct that extends from the Strategic Plan to the projects, processes and people in order to meet the strategic objectives and goals: the underlying principle of a project management practice that adds value to the organization.

The implemented management model sought a results-oriented and continuing excellence culture, framed by the Institutional Strategic Plan as the foundation for an operating system that supports the design and implementation of the monetary, financial and exchange rate policies, and regulation of the financial system and efficiency of the payment system; all the fundamental pillars that constitute the balanced scorecard methodology.

Macroeconomic and Financial Stability: Restored!

- **Inflation:** down from 49% to 7.25%
- **Exchange rate:** improved from RD$65 pesos to RD$35 pesos per US$1 dollar
- **CBDR bonds interest rate:** down from 35% to 13.09%
Central Bank of the Dominican Republic (continued)

This institution made a 180-degree turn and will never be the same.

— Luis Jose Bourget

the institutional mission. Projects were executed to achieve macroeconomic and financial stability, as well as the institutional strengthening, which constituted a portfolio with a total of 345 projects; 76 percent of these projects were successfully completed; 18 percent were dismissed; another 18 percent were extended (of these, 42 projects were completed and the remaining 21 proceeded to 2014); and planned budget goals were met in 95 percent of the cases.

Completed projects reached the strategic goals of the organization 97 percent of the time -- a direct result of the standardized strategic alignment approach for formulating and approving projects in the CBDR. Projects also met planned goals of time (82 percent) and budget (95 percent). These metrics place CBDR in the class of organizations categorized by PMI as high performing, as indicated in PMI’s 2014 Pulse of the Profession.

The project-driven culture advocated by the PMO-CBDR has also shaped the institution’s social responsibility program, with the promotion of project management best practices throughout the nation.

SHARING SUCCESS

- Established the first PMI Chapter in the DR
- PMO staff volunteers teach Project Management classes to other institutions
- CBDR staff translates and reviews educational material, PMIEF (S4L 2009) and Project Management for Educators (2013)
- Reference in the country for best practices dissemination
- Speakers for national and international PMI Congresses, conferences to other public and private institutions on the PMO-CBDR experiences.
- More than 10 staff members are PMI DR Chapter volunteers
DTE Energy Empowers Project Management to Create Change

DTE Energy is a Detroit-based diversified energy company involved in the development and management of energy-related businesses and services nationwide. Its operating units include an electric utility serving 2.1 million customers in Southeastern Michigan and a natural gas utility serving 1.2 million customers in Michigan. The DTE Energy portfolio also includes non-utility energy businesses focused on power and industrial projects, midstream services and energy trading.

The Major Enterprise Projects (MEP) organization within DTE Energy is responsible for major generation construction and environmental projects at DTE Energy’s power plants, the company’s new nuclear power plant development project, FERMI 2 nuclear power plant modifications, gas projects, development of renewable, metering and distribution assets, along with strategic facilities and service projects including business revitalization. The MEP organization is the Project Management Office (PMO) for the large strategic electric and gas initiatives within DTE, with over 300 projects under their management, and a portfolio budget of $1.2 billion.

Chartered in 2006, the MEP today boasts a team of more than 240 professionals including an executive vice president, seven directors, thirteen managers, several supervisors, project and construction managers, project engineers, continuous improvement specialists, safety professionals,
quality management professionals, financial analysts and estimators, schedulers, change management professionals, and supplier performance managers, along with other diverse roles who contribute to the PMO’s day-to-day operational responsibilities.

MEP is funded by the projects it performs, the majority of which are capital in nature. MEP participates in the yearly strategic five-year planning process that lays out the steps for understanding industry conditions, surfacing specific challenges that lie ahead and developing business plans that translate the company’s aspirations into actions. In this capacity, MEP’s leadership team of vice presidents and directors interact with all members of the executive leadership team on key initiatives. MEP is directly tied to achieving the required goals set forth in the corporate priority of “Superior & Sustainable Financial Performance.” Performance indicators within this area include earnings per share targets, achievement of authorized utility returns, and productively investing capital to realize earnings growth over the next two-to-three years.

As a balanced-matrix organization, MEP is structured into five Platforms (commonly known as Portfolios in the industry) and two Centers of Excellence (COEs). This structure allows for flexibility in project staffing, facilitates employee development, promotes shared resources, and leverages a strong process orientation. The Platforms represent key business relationships across DTE. They are responsible for customer relationships, determining the appropriate project strategy response that ensures achievement of customer expectations, and the success of the organization’s operational and financial goals. MEP’s Platforms collaborate across DTE to ensure strategic alignment within business units.

The Quality Management COE establishes governance for quality, conducts regular process audits, and ensures consistent quality assurance within projects. A resource management COE focuses directly on making sure that the right resources are available and applied to the right projects, at the right time.

MEP uses the Project Management Maturity Model (PMMM) tenets and practices developed by PM Solutions as a standard for process maturity and was certified as Level 4+ in 2012 — the first energy industry organization to achieve that level. In addition, MEP has been recognized as an American Productivity & Quality Center (APQC) Best Practice Partner in Project Management.
MEP encourages career development and talent resourcing, offering support for those seeking their Project Management Professional (PMP) certification as well as continuing education credits for those who have obtained their PMPs. Formal degrees may be obtained via the company sponsored tuition reimbursement program.

Achievements cited in the Award application include four initiatives that were strategic responses to legislation or requirements developed with local political and regulatory bodies.

- **City of Detroit Public Lighting Authority (PLA).** This entity was created to develop a plan to improve public lighting with an end goal to design a system that is sustainable and reflects today’s Detroit. DTE was selected by PLA to operate as their Owner’s Representative (OR) and assist them in developing all or part of the Plan as well as managing and overseeing the execution of the Plan. This work is ongoing and has already won accolades from Detroit’s mayor. In addition, as part of its Neighborhood Revitalization Project, DTE has repaired over 19,000 streetlights and is moving many businesses and buildings off the city’s outdated system and onto its grid.

- **Monroe Power Plant.** DTE Electric, the regulated electric utility of DTE Energy, implemented Flue Gas Desulfurization systems and is completing construction to meet new environmental regulations that require significant reductions in sulfur dioxide and mercury in exhaust emissions. MEP’s project management helped the company save millions on this massive emissions control project.

- **Monroe Plant Fly Ash Basin Remediation.** This remediation project was driven by a request from the Michigan Department of Environmental Quality following the failure of a similar basin at a Tennessee Valley Authority plant that caused the release of five million cubic yards of ash into nearby rivers. MEP coordinated with the fossil generation in order to tackle more urgent remediation areas in the first two years of the project, with the remaining zones remediated over the subsequent three years of this five-year construction project. The PMO ensured adherence to scope, schedule and budget; the project was delivered $1.3 million below budget, with no safety issues.
Michigan Thumb Wind Park. Michigan law requires electric providers to achieve a retail supply portfolio that includes at least ten percent renewable energy by 2015. One of DTE’s first major projects in the wind portfolio, the Thumb Wind Park, located on 15,000 acres spread over roughly 600 square miles, consists of 69 – 1.6 megawatt wind turbines, and associated infrastructure. The initial business goal was to commission the wind parks by December 31, 2012 to qualify for federal tax credits. Planning and scheduling of design and construction activities for this two-year project was managed by MEP. With more than 3,000 initial construction activities to account for, one small adjustment had the potential to result in extreme changes to the master schedule. Attention to schedule detail and skillful use of contract and risk management yielded a remarkable outcome, bringing the job in two weeks ahead of schedule and with a project savings of $2 million. (View a slideshow of the Wind Park project here.)

Erecting the wind tower sections, the nacelle, and blades requires dozens of men and multiple cranes working together. Photo provided by DTE Energy.
PMO of the Year Hall of Fame

Canada Health Infoway Portfolio Management Office
Finalists
- Jones Lang LaSalle Project and Development Services PMO
- Bentley Motors Beyond 18 PMO

Verizon Wireless Marketing PMO
Finalists
- VSP Vision Care Enterprise Project Solutions
- First Horizon Bank Enterprise Project Services
- Catholic Health Initiatives Enterprise Program Management Office

Dell Services Healthcare and Life Sciences PMO
Finalists
- VSP Vision Care Enterprise Project Solutions
- California Technology Agency Program Management Office
- Nationwide Insurance Enterprise IT Delivery Services

IBM Corp. Project Management Center of Excellence
Finalists
- Auckland City Council Programme Management Office
- The Doe Run Company Enterprise PMO
- T-Mobile USA Enterprise Program Office

Rockwell Automation Software Program Management Office
Finalists
- Alcatel-Lucent Global Program Management Office
- Australian Securities Exchange Enterprise Wide Project Management Office
- Cisco Services Office of Strategy & Planning
- Regence Enterprise Program Management Office

Accident Fund Insurance Innovation & Planning Department
Finalists
- CPS Energy Information and Communication Services Program Management Office
- Hewitt Associates Information Technology Services Project Management Office
- National Council on Compensation Insurance Program Management Office
- R. L. Polk & Co. Enterprise Project Office

Norton Healthcare Enterprise Program Management Office
Finalists
- EDS Applications Program Office
- National Council on Compensation Insurance Program Management Office
- New York City Housing Authority Virtual IT PMO

EDS Office of the Multi-Year Plan
Finalists
- Accident Fund Insurance Company of America Innovation and Planning Department
- Oklahoma Department of Human Services Data Services Division Project Management Office
- American Power Conversion Availability Enhancements Group Global Project Office
The PMO of the Year Award honors a PMO that has demonstrated superior organizational project management abilities by adding value to its organization through its support of successful strategic initiatives. The award recognizes a PMO that has established a vision for value delivery and has had a positive and clear impact on business results. The PMO of the Year Award is presented at the PMO Symposium annually, and sponsored by PM Solutions, Inc.

Established in 2006 by PM Solutions’ research division in order to bring recognition and accolades to the inspiring work being done in organizations by PMOs, the PMO of the Year Award was formally transferred to PMI in 2013, to become part of PMI’s prestigious awards program. Coverage of award winners and finalists from 2006–2012 can be found on PM Solutions’ website in the Hall of Fame, and interviews with PMO leaders of award finalists past and present are available on the Strategy & Projects blog. A whitepaper describing the 2013 award finalists is also posted on the PMI website.

The 2014 winner will also be profiled in the December 2014 issue of PM Network, with coverage of the finalists appearing in the January and February issues in 2015.

About PMI
PMI is the world’s largest not-for-profit membership association for the project management profession. Our professional resources and research empower more than 700,000 members, credential holders and volunteers in nearly every country in the world to enhance their careers, improve their organizations’ success and further mature the profession. PMI’s worldwide advocacy for project management is reinforced by our globally recognized standards and certification program, extensive academic and market research programs, chapters and communities of practice, and professional development opportunities.

About PM Solutions
For nearly 20 years, PM Solutions has been helping clients drive business value through improved project management capability. Comprehensive offerings provided by PM Solutions include project and portfolio management capability improvement, PMO transformation, program and project management resources, and corporate training and competency development delivered through its training division, PM College® (www.pmcollege.com). PM Solutions serves a diverse client base that includes some of the world’s leading organizations in industries such as manufacturing, IT, energy, insurance and financial services. For more information, visit www.pmsolutions.com.

To read more about how to apply for the 2015 award, visit PMI’s Awards Program page.