



## Accident Fund’s Award-Winning PMO Puts Processes Before Tools in Implementing Project Portfolio Management

**Industry:** Insurance

**Services Provided:** Methodology Enhancement, Project Portfolio Management Assessment, Portfolio Process Improvement and Execution, Mentoring and Coaching, PPM Tool Selection

**Company:** The Accident Fund Insurance Company of America (Lansing, MI, [www.accidentfund.com](http://www.accidentfund.com)) is a leading provider of worker’s compensation insurance. Founded in 1912, the company is a wholly-owned subsidiary of Blue Cross Blue Shield of Michigan.

**Challenge:** The Accident Fund’s Office of Innovation and Planning has oversight of the company’s portfolio of projects for all business units. Then-manager Norm Buckwalter knew that being able to identify, justify, and prioritize projects can ultimately make or break a company’s bottom line. “We knew that one of the most effective ways to improve our overall business processes was through project portfolio management (PPM),” he said. The company wanted to find the best way to utilize resources and capacity, while making the entire process transparent to stakeholders. For this, they needed an infrastructure in place; however, the company wanted to avoid the common traps associated with tool implementation by ensuring that the software selected truly met their organizational needs.

**Solution:** Looking for an outside partner that was in tune with the PPM software market and could help Accident Fund position themselves for a successful PPM tool selection and implementation, they turned to PM Solutions. The PM Solutions team initially set out to determine a tool that could manage the complexity of Accident Fund’s projects; however, early in their assessment the team realized that, before investing in a PPM software tool, Accident Fund needed to address existing process issues and internal organizational challenges to ensure that the processes they used were properly aligned with Accident Fund’s budgeting, profit planning, and other strategic goals. According to Buckwalter, “It turned out that we weren’t yet ready for a formal PPM tool. We needed to make sure we were doing everything else right first.” PM Solutions quickly switched gears and used its PPM Maturity and Project Management Maturity Models to develop an improvement roadmap that included a number of specific recommendations from a project management governance perspective.

PM Solutions recommended formally chartering the existing strategic planning project management office (PMO) as the organization’s project portfolio managing body. Next, the team advocated the establishment of an executive PPM Steering Committee to govern the project portfolio. A cross-functional group that bridges the gap between the visionary end of projects and the execution/delivery process, the Steering Committee moved the prioritization of projects to the highest level, ensuring that projects would be properly aligned with the company’s overall strategy.



### VALUE DELIVERED

Established PPM processes that helped eliminate approximately 100 non-value-adding projects, led to the successful implementation of a PPM tool, and won the company national acclaim – all in under three years.

## results

“The first time we convened to talk about our existing portfolio, we learned that we had 140 total projects – almost 70 more than we officially knew about,” said Buckwalter. “Since all key groups are now part of the planning process, we were able to pare this down to the 40 or 50 projects key to the enterprise. We also identified the top 10 projects most critical to our strategy and increased focus on those.”



guidance from PM Solutions – had we put the cart before the horse – we would have wasted a big part of our investment,” said Buckwalter. “Now we’re moving forward full speed ahead, using project portfolio management practices to position the company for further success.”

*Postscript:* That success was not long in coming. In 2008, just over two years after its establishment, the Office of Innovation and Planning won the PMO of the Year Award. And in 2009, Accident Fund was featured on the cover of *PM Network* magazine as a PMO that knew how to prove its worth to executive leadership.

Accident Fund did select a formal PPM tool, which was its original goal in the first place. “Had we purchased a tool without going through this PPM assessment process with