WHY DO I NEED A PROGRAM MANAGEMENT OFFICE (AND HOW DO I GET ONE)?

Due to the often complex and risky nature of projects, many organizations experience pressure for consistency in strategy, communication, responsibilities, and processes as an approach to achieving success without compromising time, scope, cost, and quality.

As Federal budgets continue to tighten, resources become increasingly stretched as their assignments and responsibilities expand. In this environment, where there is a constant pull between strategic objectives and operational issues, it is challenging to maintain balance and focus. Federal programs receive increasingly detailed scrutiny from oversight agencies and from the public, both of whom demand accountability for delivering results in exchange for the very large sums of money committed to them. No project is safe from this scrutiny, no matter how small, as dashboard reporting has become more prevalent for reporting the health of Federal investment portfolios. Therefore, Federal program Managers must continuously balance their resources' day-to-day tasks against long-term, strategic priorities. More so than in any other environment, a Program Manager working in the Federal space needs both analytical support, to anticipate and prepare for potential changes in external drivers, and programmatic support, to ensure staff and contractors do not lose sight of the initiative's planned end goal.

The key to managing all of these facets effectively is to establish a Program Management Office (PMO), align the PMO with the enterprise strategies, and implement repeatable processes and outputs. Because Federal agencies face varying business priorities, limited funding, and constrained resources, a well-crafted PMO allows them to succeed by thoughtfully selecting the right investments and by ensuring they are executing against their goals according to plan.

A Program Management Office and the Program Lifecycle

The reality is that there are common elements among the various program management offices as they move through a distinct lifecycle. The Project Management Institute's Project Management Book of Knowledge (PMBOK) identifies the phases of this lifecycle as: Initiation, Planning, Execution, Monitoring and Controlling, and Closure.

During the Initiation phase, the PMO develops program goals and objectives that are aligned with organizational goals, objectives, and strategies. The PMO also identifies and defines the individual projects needed to meet the required scope and performance. The program iterates through the Planning, Execution, and Monitor and Control phases as projects are completed and new projects form. Projects will be in multiple different stages at any one time. Throughout, the overall portfolio of projects receives governance level management based on integrated milestones and metrics against specific tasks. The program reaches the Closure phase when it has ultimately achieved the successful delivery of the organization's goals.

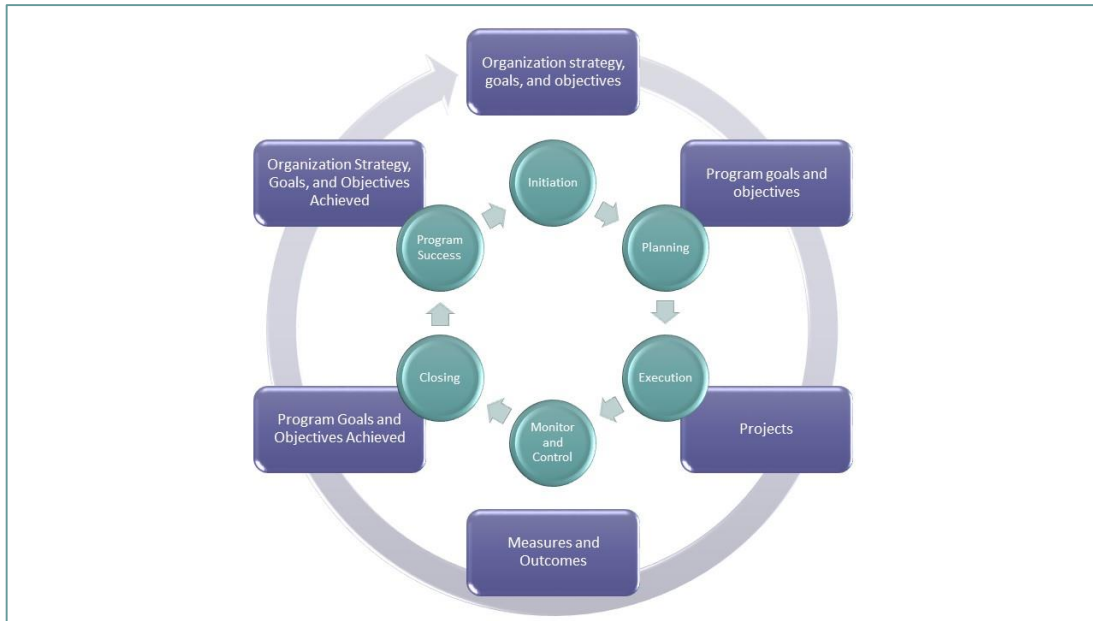**eMentum**
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FIGURE 1: THE PROGRAM LIFECYCLE (BASED ON PMBoK)

This multi-layered approach requires a unique capability to think strategically, plan tactically, and execute operationally. The PMO provides the structure for consistent and reliable project delivery, and individual project managers customize the detailed tasks and schedule to deliver specific required outcomes. Ideally, the PMO has also provided a framework for integrating the projects so that their status and dependencies are easily understood and readily known at any point in time.

Critical Skills and Capabilities

Program managers and project managers are very different people.

PROGRAM MANAGER	PROJECT MANAGER
A program manager has responsibility for one or more of an organization's objectives and designs an integrated suite of projects (a "portfolio") that will ultimately achieve those objectives.	A project manager has responsibility for planning, managing, and deploying one or more projects of specific requirements within the larger portfolio.
A program manager deals in frameworks, integration across workstreams, communications, and resource prioritization.	A project manager deals in schedules, milestones, budgets, and task management.
A program manager mitigates risks and removes barriers to success.	A project manager resolves issues and manages expectations within the parameters that he or she has been given.

It is important to note that the ability to manage several projects at once does not mean that someone is a Program Manager. Critical proficiencies incude the ability to visualize the work required to achieve a required objective, to articulate the vision, the govern the portfolio of work, and to continually revise and replan as new information and unforeseen issues become available. The Program Manager tailors a PMO framework to the specific needs of an organization, and the project managers apply the framework to the tasks and deliverables assigned to them. At all levels, the PMO must be adept at using best

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practices rooted in PMI standards and adapting them to a client's internal frameworks and processes so that the combined approach meets the expectations of the internal auditors and the external oversight agencies.

In addiiton to using PMI best practices, Program and Project Managers are skilled at working with federated Department portfolios, with their inter-layered oversight, dashboards, scorecards, and internal and external auditors. Faciiltation, communication, assitance, education, and coaching are key supplemental activities that occur in conjunction with tracking and reporting results throughout the program lifecycle.

The PMO Lifecycle – A Proven Approach

A PMO is the strongest tool an organization has to jumpstart realization of its goals and objectives. A well-defined program lifecycle provides the foundation needed for major transformational initiatives and integrates the federated organizational structure found in many Federal agencies with the inter-layered oversight of the investment review boards, OCIO dashboards, President's Management Agenda (PMA) scorecards, and internal and external auditors. With all of this structure in place, it is understanding that the most commonly misunderstood concept of establishing a PMO is that it is an IT structure for managing a program of IT projects. In reality, a PMO should support and oversee the delivery of IT projects, business process improvement projects, organizational projects, and any other project that fits within the defined portfolio.

In a traditional model, the PMO has full ownership of the scope of work being delivered, but there are scenarios where this model is too much. A 'lean' PMO provides value when overseeing a shared program with multiple delivery partners and multiple clients, as there may be limits on the control that the PMO can exert. The difference between the two approaches is nuanced, but critical to understand.

TRADITIONAL PMO	LEAN PMO
Establishes best practice project management processes and methods.	Establishes best practice project management processes and methods.
Supports creation and delivery of the client's portfolio management strategy.	Supports creation and delivery of the client's portfolio management strategy.
Provides project management education, mentoring, and coaching.	Provides project management leadership, oversight, and guidance.
Provides project management tool and template selection and support.	Implements governance tools and project management templates.
Develops project schedules and manages the delivery.	Integrates project schedules and tracks dependencies.
Staffs and assigns project managers.	Coordinates across delivery team project managers.
Provides 'dashboard' reporting for the portfolio.	Provides 'dashboard' reporting for the portfolio.

Both models focus to be on achieving tangible business results and on ensuring that the projects being governed align with the organization's direction, but the difference is found at the level of delivery responsibility that the PMO is given. A traditional PMO is accountable and responsible for delivering the projects within the program, while a lean PMO guides, supports, and coordinates the activities of the delivery teams. A traditional PMO may seem like more work, but it also has more control over the outcome. The lean PMO requires more experienced staff with the political savvy to navigate the potential challenges that come with managing a program being delivered by other organizations.

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Regardless of the model implemented, a PMO lifecycle follows four stages of delivery that define the PMO framework, aligns the program and the projects being managed to the business objectives, and provides the necessary structure to execute program and project management activities. Throughout, the program manager oversees project delivery, supports the program until it is self-sustaining, and collects and incorporates feedback.
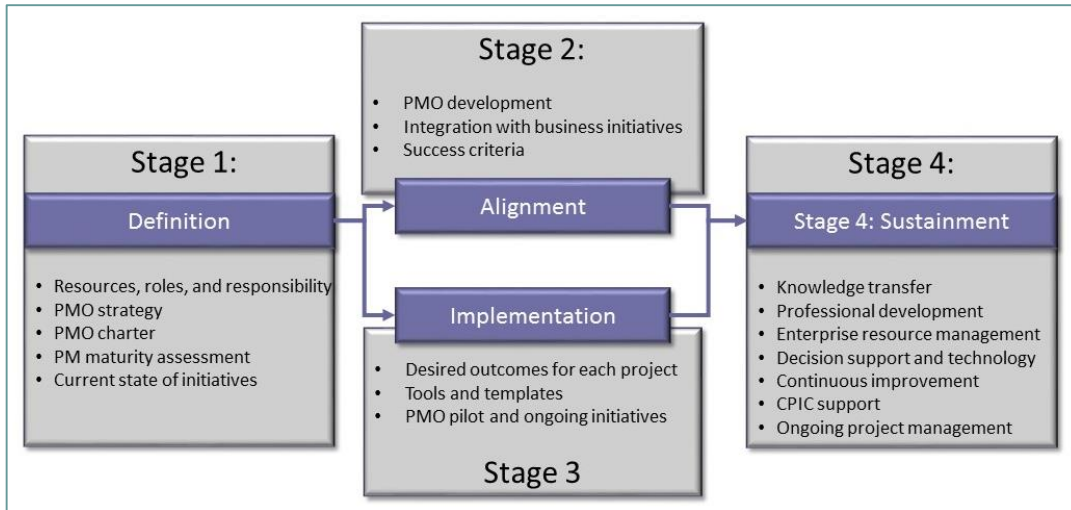

FIGURE 2: THE PMO LIFECYCLE

Stage 1: Definition

In Stage 1, the Program Manager assesses the program/project management activities currently in place, describes the target environment for how the program should be managed, and defines a roadmap that will implement a PMO that will meet the defined strategic objectives. The focus in this stage is on defining a sustainable 'to be' state that considers current capabilities around project and portfolio management, assesses the health of the current projects, and builds a structure of repeatable processes and realistic standards of operations.

The Program Manager establishes a governance model for the defined portfolio while driving to conclusion discussions on technical approach, roles and responsibilities, and management controls to meet cost, performance, and schedule requirements throughout the program. The focus is on building a sustainable PMO that considers current capabilities around project and portfolio management, assesses the health of the current projects, and provides a structure of repeatable processes and realistic standards.

The framework itself has a number of key outputs, all of which contribute to enhancing program/project management capabilities, including:

- **Investment management policy and PMO charter**, which defines the scope of program/project management within the client organization, authorizes the PMO to ensure the success of the IT projects, and identifies the roles and responsibilities within the program/project management structure
- **Program/project management guidelines**, which act as a 'playbook' for project and portfolio reviews by defining the processes and procedures for conducting reviews, the criteria for these evaluations, the sequence of events, and performance reporting

- **Program/project management standards**, which provide a toolset, including templates and processes for project managers to use in delivering their projects, executing their responsibilities, and reporting on progress
- **Current state of initiatives**, which outline the current programs and projects and evaluates and prioritizes their status and risks
- **Communications plans**, which are designed around the tenets of simplicity, transparency, and suitability so that the information about the PMO framework is communicated in a concise, timely, and effective manner

A traditional PMO will also have **resource and training plans**, which assess the available resources dedicated to program/portfolio management, their training needs, and staffing changes that may be needed.

A successful PMO is built on effective planning, appropriate resource decisions, workable budgets, clearly defined projects, and well-crafted tools and templates are the foundation of a strong program/project management framework, but this foundation must work consistently across operational and organizational boundaries. The program/project management framework is interdependent with the architecture compliance process, service-level agreements, project tracking, budgeting, and formal reporting processes. These dependencies are leveraged by the PMO so that decisions and recommendations provide a holistic view of each project.

Stage 2: Alignment

In Stage 2, the Program Manager aligns the client strategic goals and objectives with the PMO framework. This ensures that a structure is created for assessing performance and productivity and that measurable progress is made by the managed projects. Focused goals and objectives make it easier to design IT governance, and alignment to the organization's strategic intentions will avoid the challenges that arise when they are not well justified or easily traceable. As part of developing program/project management framework, the PMO works closely with the key program stakeholders to define appropriate goals and objectives for the PMO. These goals and objectives form the basis for investment prioritization and decision making within the governance structure.

In this stage, the Program Manager also develops and implements tools and templates for effectively managing IT projects and for providing portfolio governance. The library of tools and templates includes, but is not limited to:

- Online collaboration tools designed especially for facilitating PMOs.
- Programmatic, status, and financial reporting models and templates.
- Models for fact sheets, newsletters, and briefings.
- Templates for meeting agendas, minutes, action item tracking, and other project management and administrative functions.
- Key program management documents, such as Project Management Plans, Project Charters, risk management plans and logs, configuration management plans, communications plans, quality assurance and test plans, and acquisition documentation.
- Governance tools, including a requirements backlog, change request log, release schedule, and digital dashboard.

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Stage 3: Implementation

In Stage 3, the Program Manager and the stakeholders select and coordinate a pilot of the proposed PMO framework that applies the tools and templates, and they build the lessons learned and feedback from the pilot into the broader deployment across the enterprise.

Working with the business, the PMO selects a project of appropriate size and scope for a PMO pilot, allowing for the fine-tuning of the framework, tools, and templates before deploying them on a broad scale. The PMO supports the pilot team in applying the tools and templates in real situations, gathers feedback, and implements required modifications and enhancements to suit the client's program/project management goals and objectives. Once the recommended changes have been appropriately incorporated, they are deployed across the PMO.

The initial program/project review meeting should focused on communication and finalizing the program/project management framework. (Subsequent meetings will be more focused on individual projects.) The initial meeting follows this draft agenda:

- High-level overview of the governance board charter to ensure that all attendees are clear on their roles, responsibilities, and levels of authority.
- High-level review of the process that will be followed during the meetings and the process to support program/project reviews between meetings.
- Initial review of the subject projects, focused on introducing the projects to the PMO to ensure a common understanding of scope, schedule, and is status held.
- Discussion and agreement on the proposed schedule for ongoing reviews.
- Next steps and a review of action items and known risks.

For this initial meeting, the Program Manager confirms the meeting agenda, prepares briefing materials, and coordinates logics. The deliverables from this meeting are recorded action items, an updated risk register, and published meeting minutes. This meeting will result in additional feedback on the PMO structure, process, and approach, which will be incorporated as appropriate so that the PMO develops iteratively.

Stage 4: Sustainment

The final stage of any PMO implementation provides ongoing governance to the projects being managed and continues to support project managers and project teams as needed. The Program Manager serves alongside the stakeholders to identify new projects, dependencies among projects, program risks, and resource priorities and to assess the health and performance of existing projects and portfolios. The PMO provides knowledge transfer, training, and assistance as needed to ensure that the projects succeed and that the processes, tools, and templates provide the required support.

In addition, the PMO continues to support the program/project review meetings coordination and deliverables established in the Implementation Stage. Throughout the effort, the PMO conducts program/project reviews according to the approved guidelines. They provide recommendations and report the status and findings from project reviews at the project review meetings. Where appropriate, the team coordinates with the project representatives to discuss the results of our reviews and to determine the most appropriate resolution for any findings.

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Conclusion

It is one thing to implement a project or other significant change; it is quite another to implement a holistic solution effectively and efficiently. A program's need for careful, well planned management begins long before its business case is approved, as the cost of delivering a perfect solution may outweigh the benefits received from a program if 'success' is too ambiguous to be proven or too complicated to be commonly understood. Today's standards are evolving as fast as vendors can develop new systems and technologies, and this requires that PMOs carefully craft governance models and project roadmaps that strike a balance between rigor and flexibility.

eMentum specializes in delivering program management solutions that are tuned to the specific needs, risk profile, and culture of our client's organization. We take a pragmatic approach to balance the rigid application of standards with the available technology and resource capabilities, and we deliver successful programs by implementing carefully coordinated PMO approaches.