ENGINEERING TO SCALE HEIGHT

Project Management Backbone Processes

Prelude

- BFL are India's market leaders in designing, manufacturing and commissioning small hydro power plants.
- World class technology – Collaboration with Boving UK, Kvaerner and GE

BFL has ventured into global markets recently and is planning to expand its base significantly. To support its growth plans, capitalize opportunities and meet different demands, BFL is looking forward to create a benchmark back bone processes for its end to end operations, basis Project Management framework.

PERCEPTIVE LEARNING CONSULTANTS

Our Approach

Recommendations of PMO Framework is based on Industry Neutral Project Best Practices from

- PMBOK V5 (PMI),
- PRINCE2 2009 (The UK Cabinet) and
- Agile Project Management Practices
- ScrumAlliance.com
- OPM3 v3 of PMI

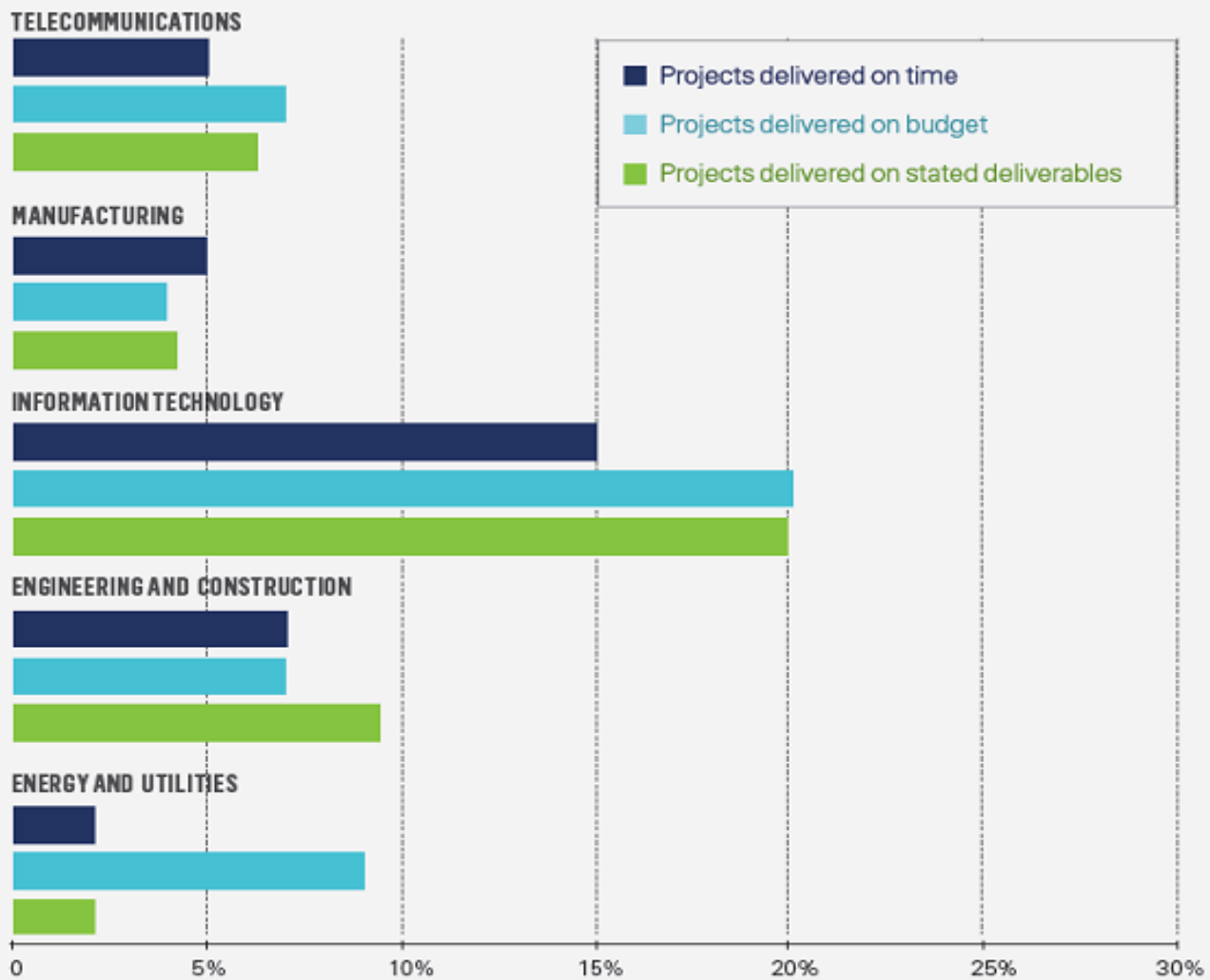
Principle behind this approach

- Why this framework can work for you?
  - You are a project company. Your success depends on the success of your projects.
- Why PMO?
  - PMO is accountable for overall Delivery and success of the project (not just efforts / actions)
  - Provides infrastructure to project managers to manage the project.
  - Any other department within the organization is responsible mainly for related planning & its execution within its domain (seldom for the larger outcome)
- Why management by exception?
  - It saves time for Senior management and gives flexibility to junior management to deliver project results.
  - Facilitates timely escalations and faster decision making
- Why refer to 5 standards/frameworks?
  - These standards have evolved over 5 decades and reflects project management solutions in the current context.
  - It helps explore possibilities within the framework and then tuning it your organization's needs

Our Rationale:

- Why I am referring to 5 standards?
- Why PMO?
- Why some specific roles?
- Why this framework can work for you?
- Why management by exception?
- Why to differentiate between Commitment and Involvement of resources.

A comparison of Sectors that Report Delivery on Time, Budget, Scope



Organization running on PMO had

- 85% of Project Running within budget
- 80% of Project Running within schedule.

Source: Project Management Survey Report July 2013 - Strategies to capture business value
PMI-KPMG Study on Drivers for Success in Infrastructure Projects 2010

PMO Domain of Work

- **Standards, Methodologies and Processes**
  - Methodology definition; metrics definition; process development and improvement
- **Project/Program Delivery Management**
  - Define the business goals; resource management; schedule/cost/scope management; business realization management; risk management; stakeholder management; communications; project integration
- **Talent Management**
  - Talent Pool, Training, career paths, career development, capability/skills development and certifications/qualifications/credentials
- **Governance and Performance Management**
  - Performance reporting; issue escalation; information distribution; metrics/KPIs; compliance; financial management; PMO performance management
- **Organizational Change Management**
  - Customer/stakeholder satisfaction; managing resistance; readiness assessment; stakeholder management; communications
- **Administration and Support**
  - Tools (provisioning/implementation/support); consulting; IT/IS support
- **Knowledge Management**
  - Defining knowledge management policies, managing intellectual collateral/property, lessons learned, content management and collaboration
- **Strategic Planning**
  - Confirming strategic priorities; defining business goals and aligning to initiatives; environmental scanning; opportunity analysis
- **Portfolio Management**
  - Prioritization; strategic alignment; portfolio reporting; resource management allocation; opportunities and investment analysis; risk management; benefits realization tracking/reporting

Few companies we have assisted

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Agenda

1) PMO Roles & Responsibilities
2) PMO Skelton Processes
3) Management by Exceptions
4) Project Organization Chart
5) Next Steps

PMO Responsibilities

- PMO is a function within organization.
- Like any other function this has a Head of Function.
- *PMO Responsibilities should be rendered by PMO Head and his team of project managers to the Assigned Project Manager or to the Organization.*

Key Responsibilities:

- Preparation
- Planning
- Execution
- Governance

PMO Responsibilities

- **Before Initiation of Phase / Project:**

  1) Competency building of Project Managers
  2) Help organization in evaluating new business opportunities
  3) Creating knowledge infrastructure for Project Management

- **Initiation of Phase / Project:**

  1) Internal Project Sponsoring (Project Charter)
  2) Allocating a dedicated and trained project manager
  3) Identify & evaluate project inherent risks
  4) Refer to lessons learned from previous projects
  5) Ensure business case and feasibility study has been done else feasibility study is the first Phase of the project

PMO Responsibilities

- **<u>Planning</u> of Phase/Project**

1) Helping project manager in making a project plan of execution and governance.
2) Approving and allocating resources for project
3) Negotiate with functional heads for availability of required project resources
4) Reviewing/approving project plan
5) Prepare project management infrastructure (templates, checklist, forms, guidelines, reporting systems)
6) Help project manager in selecting a project management approach
7) Setup appraisal system

PMO Responsibilities

- **<u>Execution</u> of Phase/Project**

1) Provide Infrastructure to Project Manager
2) If required get resources from market for a project
3) Mentoring and Coaching Project Manager
4) Maintain Project Records and permission for all projects
5) Maintain Organization Process Assets
6) Human Resource management at organization level
7) Inventory Management at organization level

PMO Responsibilities

- **<u>Governance</u> of Phase/Project:**

1) Review phase/project status/progress with project manager
2) Prepare project dashboard for entire organization
3) Review the status with CEO and make go/no-go decision for future work
4) Change Approval within threshold limits Or Seek approval from CEO.
5) Perform Project Quality and Configuration Audit
6) Perform Project Risk Audit
7) Organizational Level Project Risk Profiling
8) Coordination with account, supply-chain, quality team about payment, purchase quality, material availability

PMO Head Responsibilities

- Head of the PMO Ensure that PMO Responsibilities are taken care with the help of his team of Project Managers.
- If PMO head is doing some project then
  - Another person should sponsor his projects
  - Another person should review and approve his project plans
  - Another person should Audit his projects
  - He can represent his projects before CEO
- **Ideally this person should have authority and respect within the organization. And he should be kept away from doing projects.**

Project Manager's Responsibilities

1) Conduct project Kickoff
2) Prepare/Update project plan
3) Get approval from project board and baseline project plan
4) Manage project within allowed thresholds
5) Brief project progress to project board on periodic basis
6) Ensure vendors are delivering as per contract
7) Team motivation
8) Process compliance
9) Deliver project product as per specification
10) Assessment of Change Request within threshold limit OR Seek Approval from Project Board
11) Maintain Project Documents
12) Maintain project records
13) Appraise human resources working on project
14) Get Project Sign off

Ideally this person should be BFL senior employee trained on PM frameworks.

Senior User Responsibilities

1) Provide customer quality expectations and define acceptance criteria
2) Ensure project's outcome is useful
3) Resolve user requirements and priority conflicts
4) Ensure user experts required are available (if needed)
5) Brief and advise users on requirement decisions
6) Provide user view on follow-on action recommendations
7) Project Assurance from user perspective.

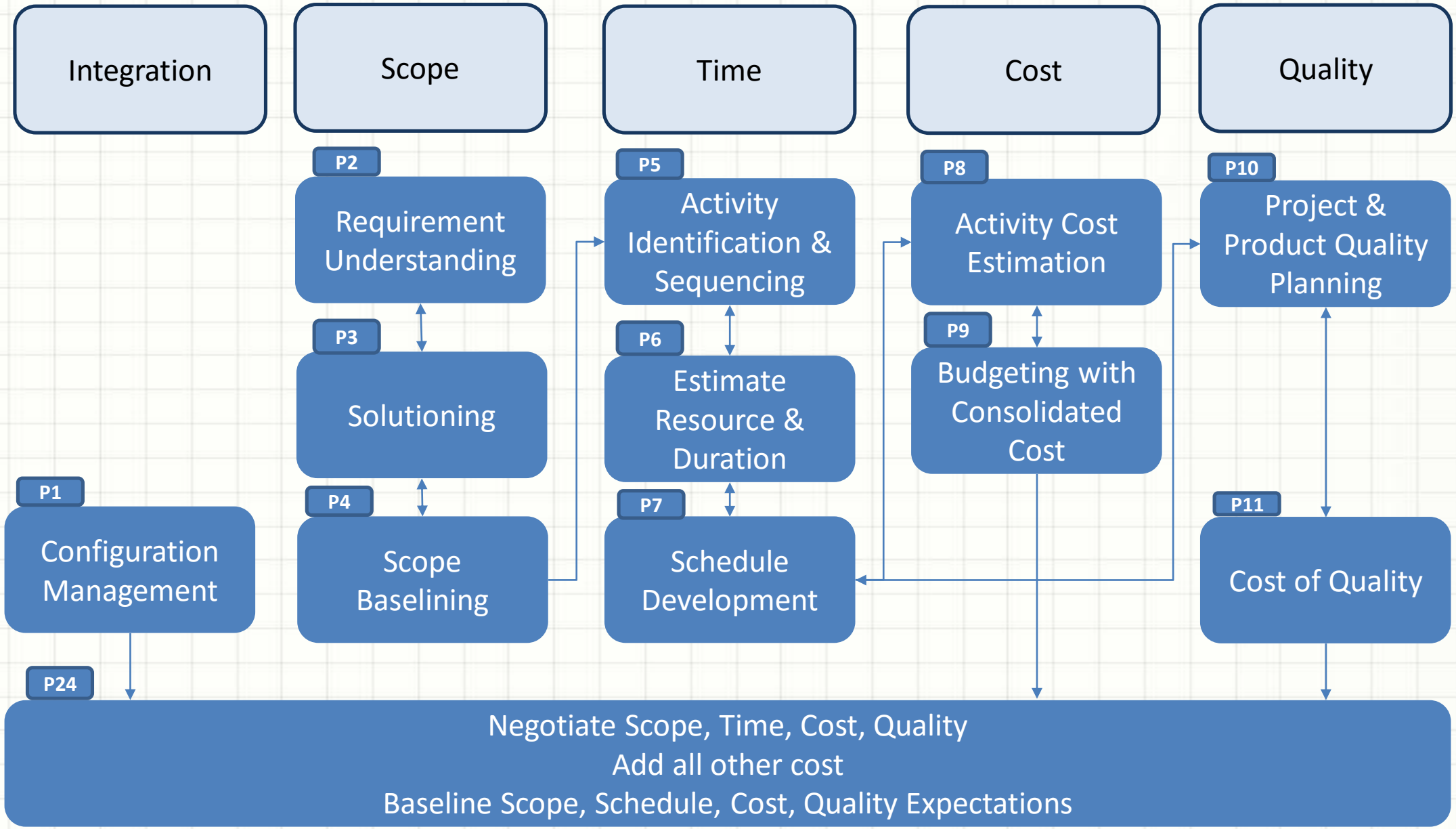
Ideally this person should be a representative from BFL's client side

Senior Supplier Responsibilities

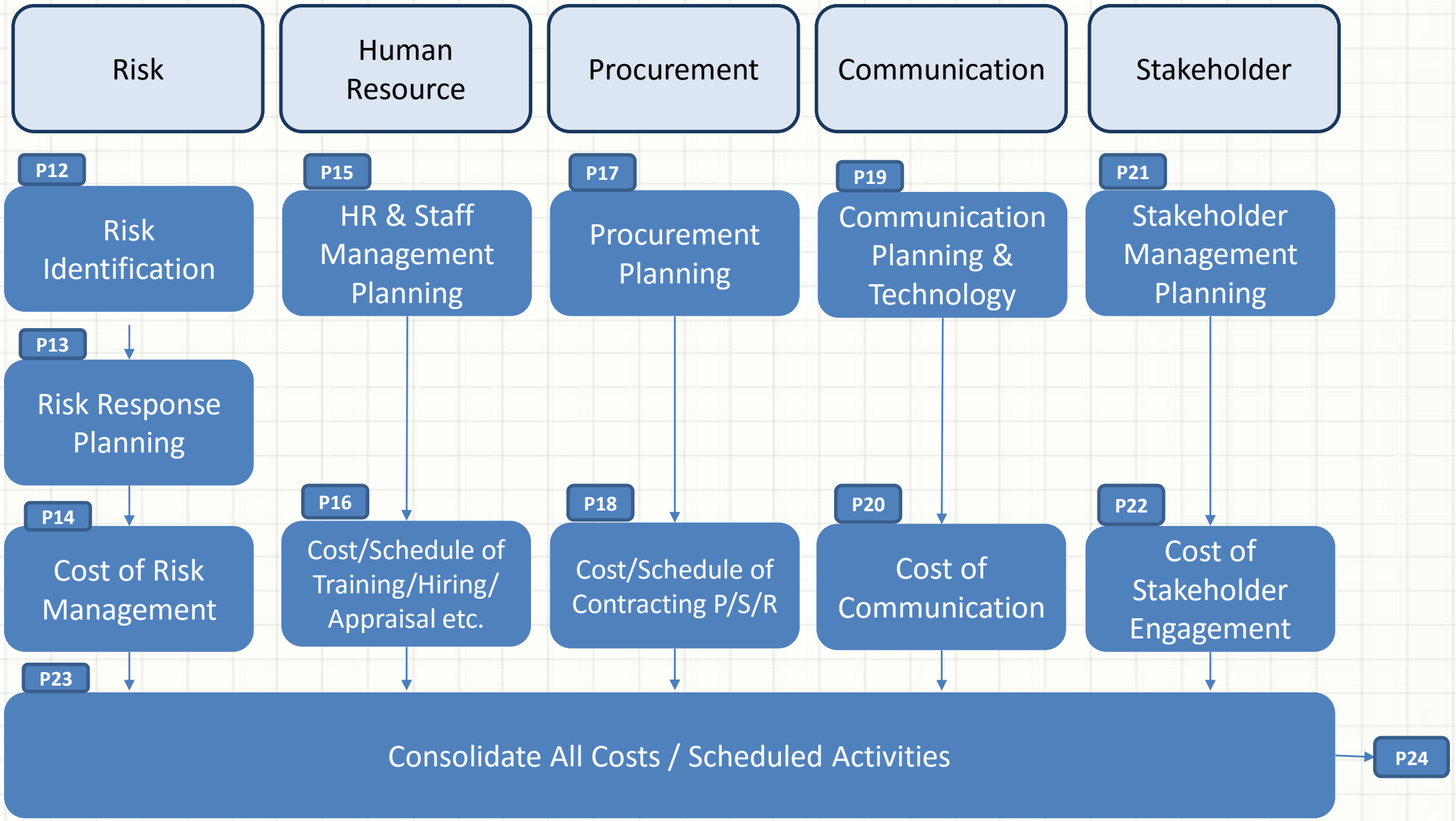
1) Assess and confirm viability of the project approach
2) Ensure design is realistic
3) Advise on the selection of design, development and acceptance methods
4) Ensure supplier resources are available
5) Safeguarding complete solutions and make decision on escalated issues
6) Resolve supplier requirements and priority conflicts
7) Brief non-technical management on supplier aspects
8) Ensure quality procedures are used correctly
9) Project Assurance from supplier perspective

Ideally from BFL Design Team or major vendor side

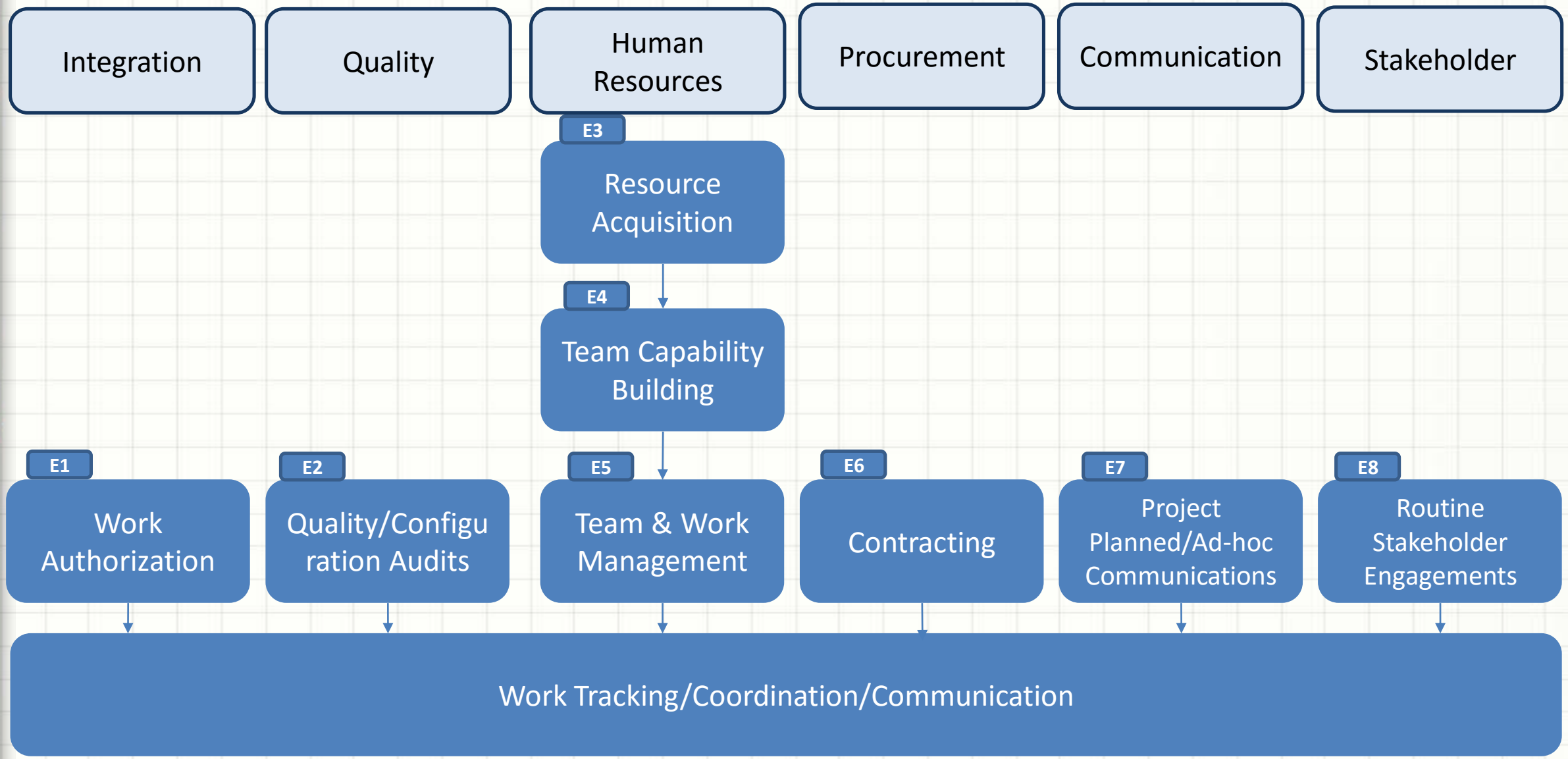
Project Planning



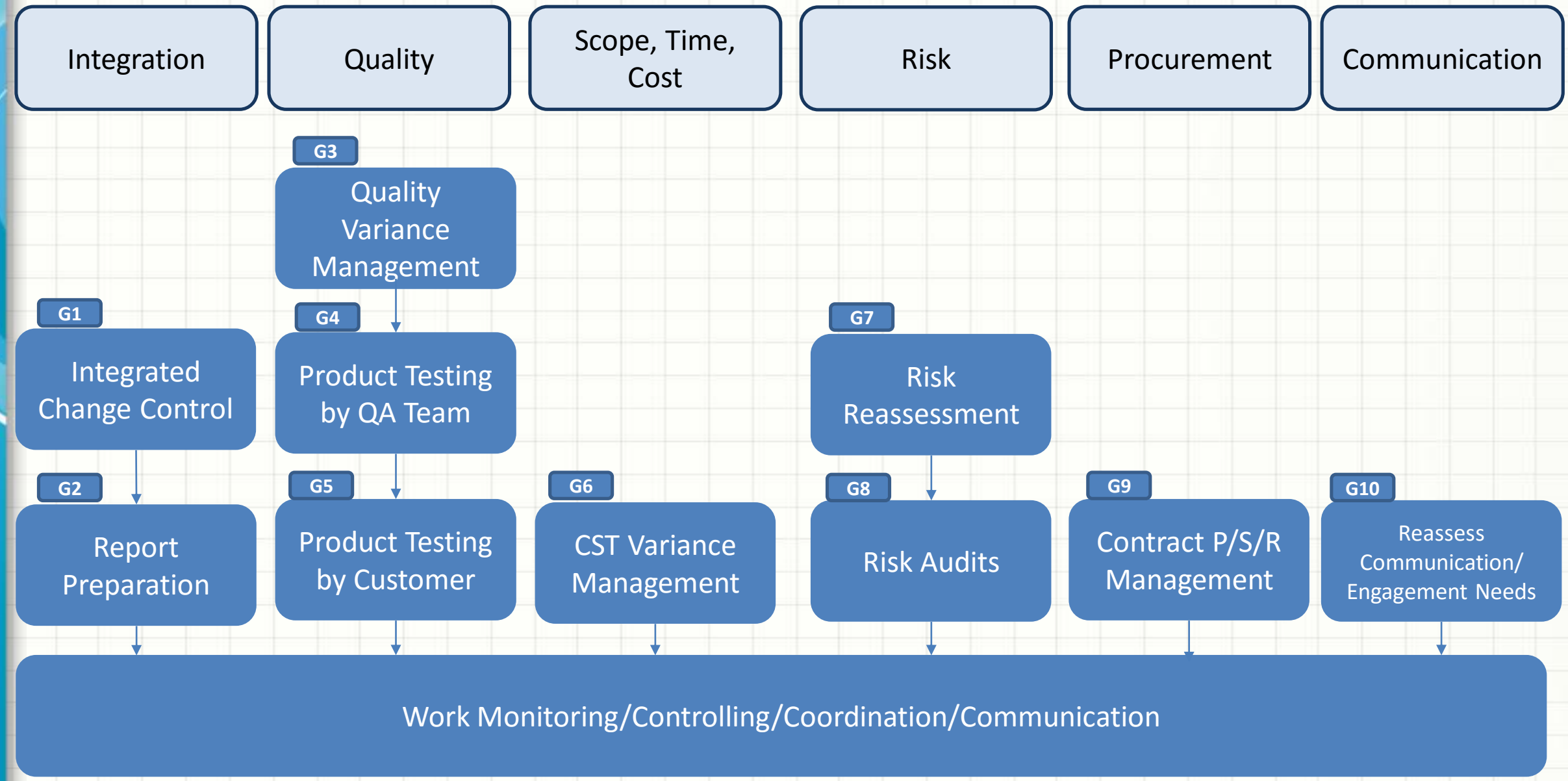
Project Planning



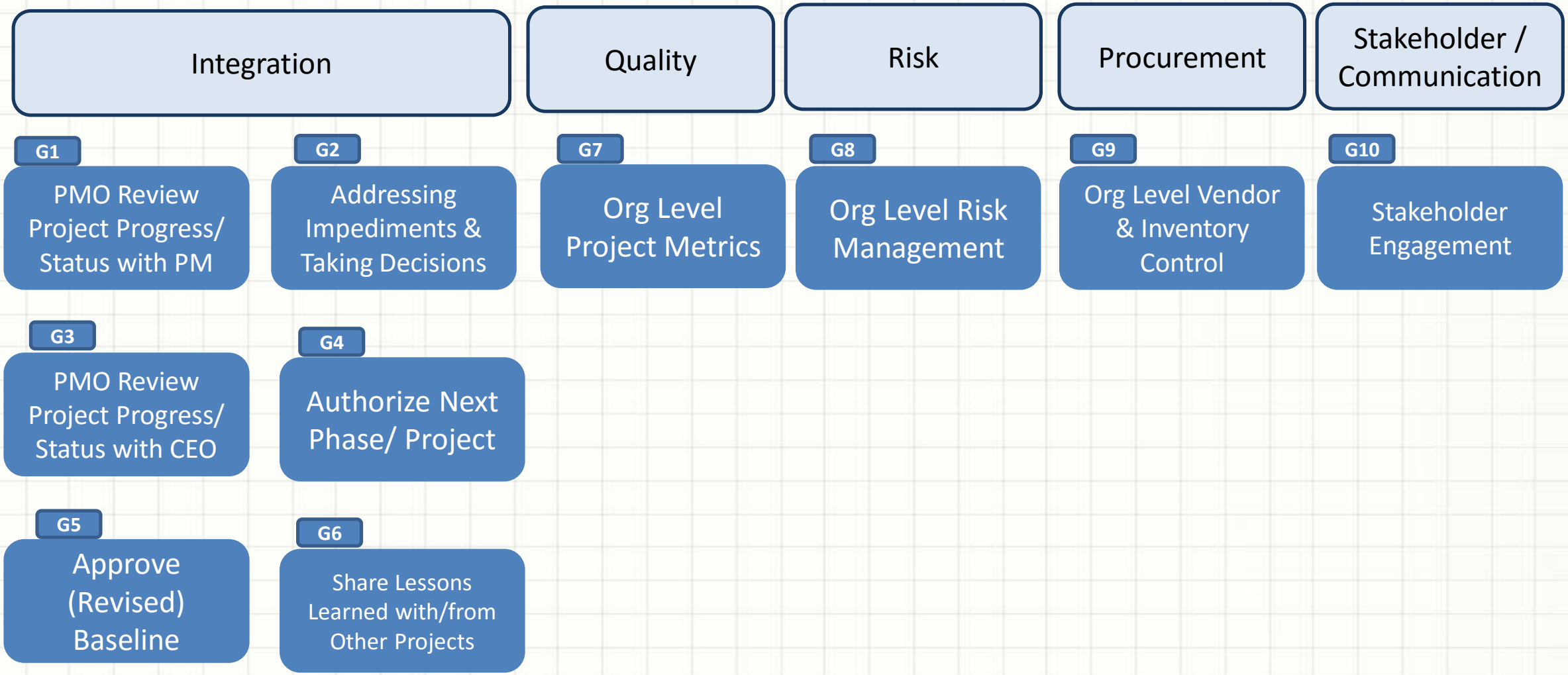
Project Execution



Project Governance : Project Level

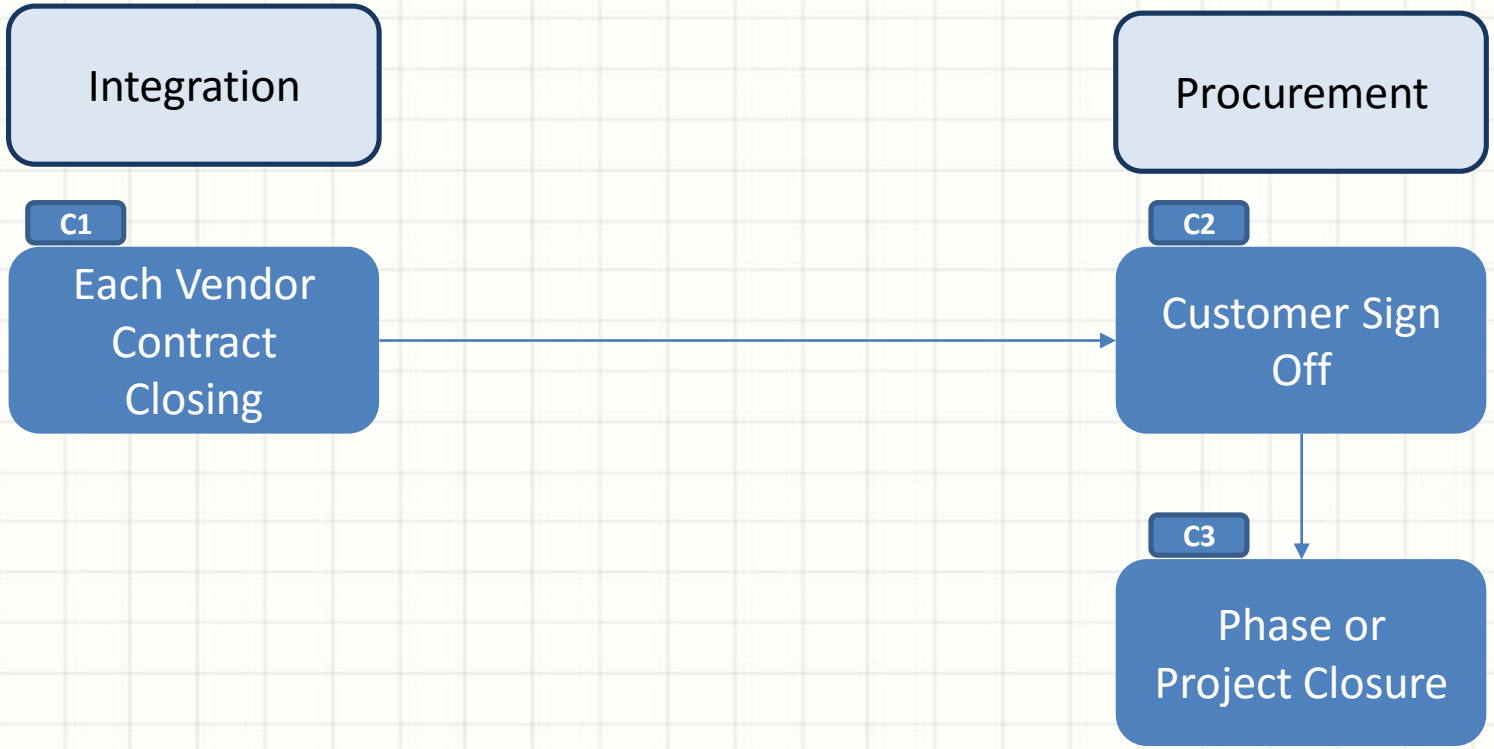


Project Governance : PMO Level



Project Initiation

Project Closure



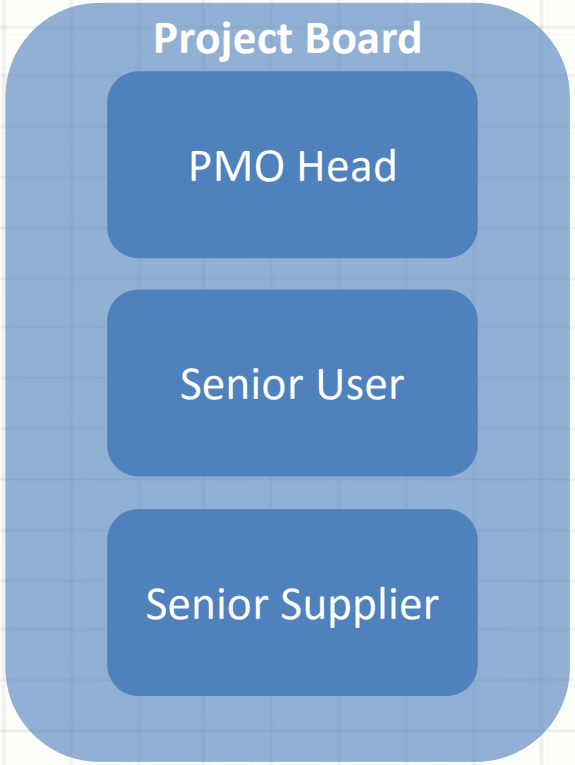
Umbrella Processes

Communication & Stakeholder Engagement

Project Quality & Product Quality

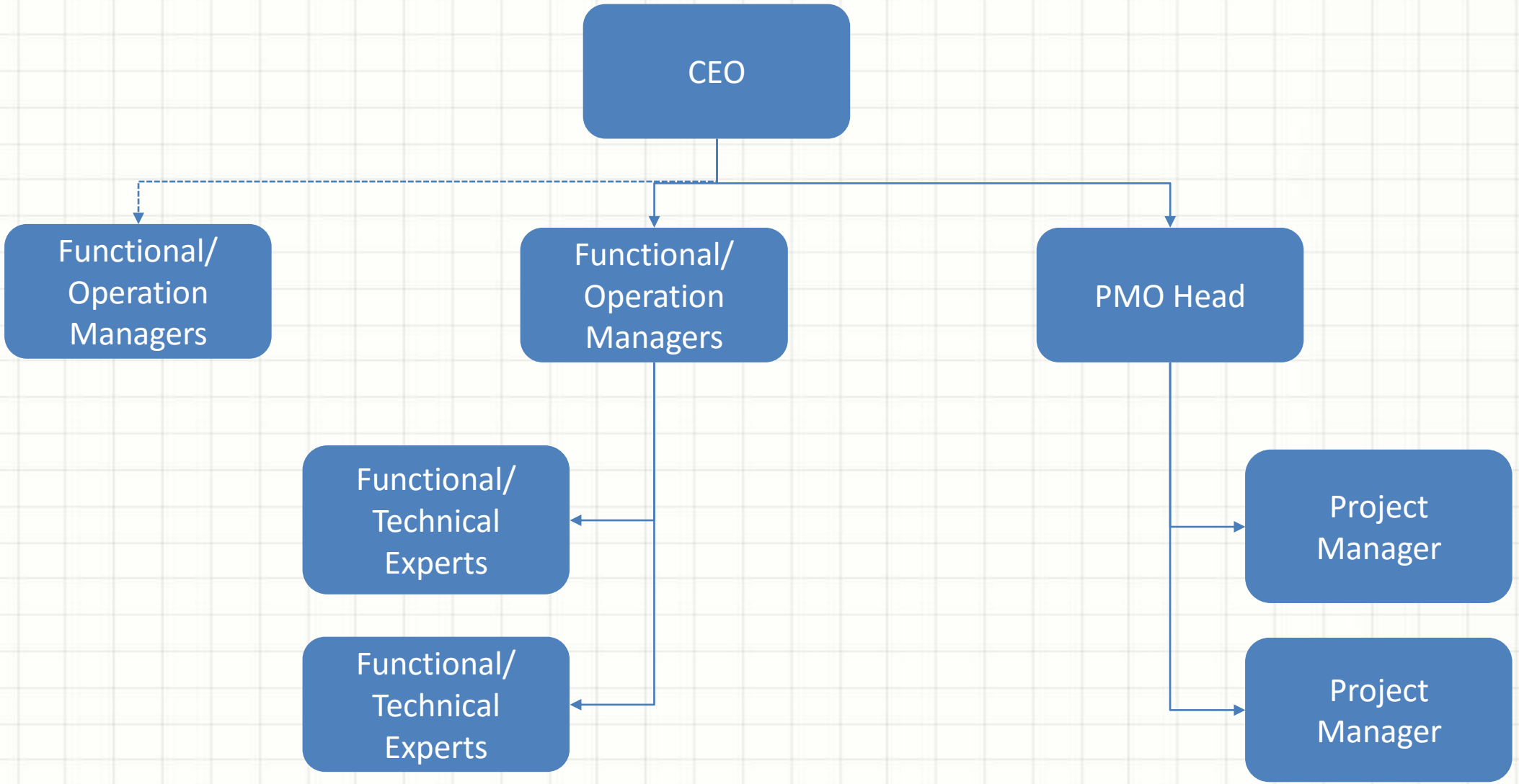
Configuration Management

Management by Exceptions

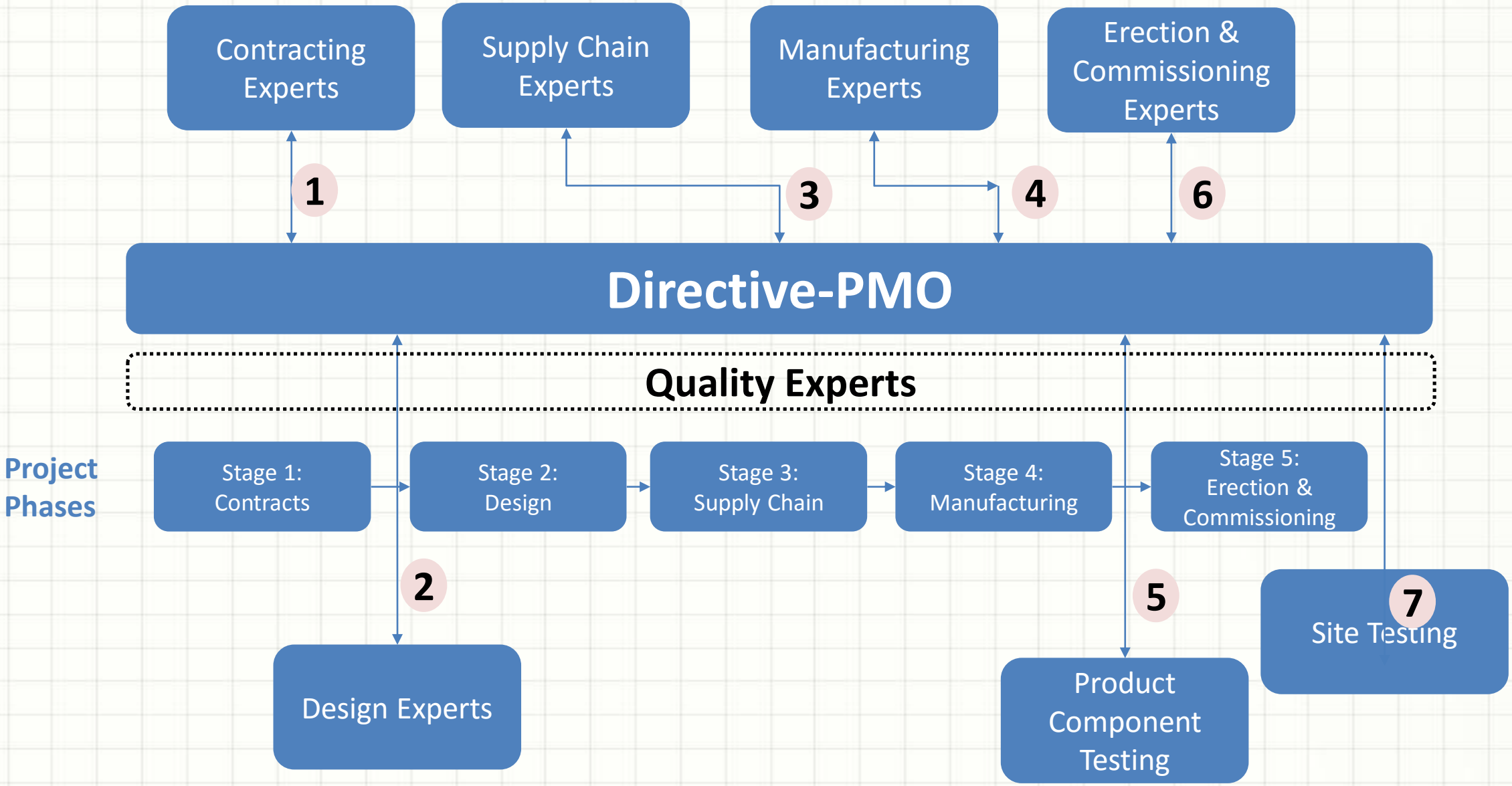


S, T, C, Q: Scope, Time, Cost, Quality

Project Organization Chart



PMO & Departmental Services in P.L.C.

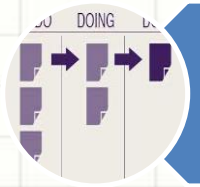


Important Practices

Daily Standup

Sprint Planning

Retrospectives



Project Kanban Board

Summary of Project Management Processes

1. Initiation (2)
2. Planning (24)
3. Execution (8)
4. Governance at Project Manager (10)
5. Governance at PMO Level (10)
6. Closing (3)
7. Scrum Best Practice (4)

Optimizing Knowledge Inputs and Actions

Expert Judgment (EJ)

1) Part time.
2) Involved
3) Provides Input/ share perspective
4) Typical from outside of the organization or senior people
5) Knowledge Driven
6) Project Manager seeks EJ input based on the need

Project Team Member (PTM)

1) Full time
2) Committed
3) Chose options and Perform actions
4) Typical from within the organization.
5) Doers./ Action Driven
6) Project Manager expects PTM to produce project deliverables

Define your PMO Metrics…

PMO Metrics can be like

- Number of projects in organization vs managed by PMO
- Increase in Utilization, Productivity,
- Increased project Success rate,
- Increased Customer satisfaction, Employee satisfaction,
- Skills acquired by project staff,
- Number of issues addressed
- No of issues reduced by virtue of proper risk planning
- % of project resources trained in PMO defined processes
- Cost of setting up PMO and running the PMO vs value add of PMO
- Average team size, average hourly rate, average training hours
- Hours saved by PMO intervention,
- Improved Staff Retention
- Improved Project Planned/Forecasting vs Actual gaps
- Change Management Efficiency
- Risk Management Efficiency
- ……
- ……

Process- Relevancy Grid

Evaluate the relevancy of existing processes

Processes – Followed	Low	High
High	• Luxury. Leave them aside. • Let people do them at their on cost but show the team that these are not important	• Strengthen them further
Low	• Leave them aside	• Train the team • Highlight importance • Refine processes • Develop systems around these processes
	Low	High
	Processes – Importance	

Process- Value Grid

Evaluate the value of existing processes

Processes - Followed		
High	• **Why people are following** those if they are not important? • Are they really useless or **some value add is happening**?	• What data/information/ decision/ value add these **processes are doing**
Low	• Why do you think they are **not important**	• What data/information/ decision/ value add is **possible** by these processes
	Low	**High**
	Processes - Importance	

Current status of Projects

Understand the current status & importance of projects

Current Status (Success)	Low	High
High	• Do not touch resources unless they must be on some other important projects • Keep doing them. • Take the lessons	• Do not touch resources • Sit and discuss best practices from the PM
Low	• Cancel them	• Identify what is required to make them successful
	Low	**High**
	Project - Importance	

PMO: Caution

- PMO is NOT a silver bullet solution of your project management problems immediately.
- PMO should not be just administrative function.
- More it remains in the organization, more is the success rates of project.

- Research Finding on PMO Failure
  - 21% perceived it as an overhead.
  - 17% Focus on processes.
  - 7% insufficient learning being transferred across programmes and projects.
  - 7% process inefficiencies due to different business units not being joined up.

Source: KPMG Project Management Survey Report July 2013 - Strategies to capture business value

Next Steps

Phase 1

- Defining Framework & fine tuning to BFL

Phase 2

- Project Management Workshops to all Managers/PM/ Departmental Heads
- Map/Define PM processes to the implementation details

??

- Finalize a tool for Automation
- Procure/Install Automation Tools/ Automate processes as much possible

Phase 3

- Processes Awareness/ Training
- Training on Leadership / Interpersonal Skills

Phase 4

- Support
- Periodic Audit/Review of Implementation

Building BFL Internal Capability

We suggest PMO workshops for the PMO Head, Department Heads, Project Managers & Technical Staffs

This shall assist in …

- Ensuring better buy in, facilitate constructive deliberations
- Helping them understand the importance of this change initiative by BFL management
- Helping BFL stake holders learn project management framework which will be the basis of PMO
- Creating openness & share their processes and possible fine tuning in the light of new understanding

Capability Building Roadmap

1. Project Management Framework
2. Project Risk Management
3. Scope Management
4. Project Scheduling
5. Project Cost Management
6. Project Quality Management
7. Project Resource Management
8. Project Communication & Stakeholder Management
9. Project Procurement Management
10. Integration Management

Way Forward

- PMO Objective Defined
- PMO Champion/PMO Head identified
- Training of all your relevant stakeholders
- Ensuring buy in from the key stakeholders
- Define Project Management Processes for BFL based on the Skelton agreed upon
- Plugging BFL engineering processes and BFL Project management