CASE STUDY:

PMO AND PROJECT GOVERNANCE

The Client

One of Italy's most innovative banks. With several hundred projects and programmes ranging from IT initiatives to support the business to large regulatory programmes or M&A projects at Group Level.

The Project

In the past few years the number of Projects and their inherent complexity within the organisation grew at a noticeable pace. The Financial institution outsourced several of its development and IT functions in India and Romania. Regulatory changes increased in pace and complexity, and the pressure of the 2008-2009 financial crisis increased the need to achieve project success with a significant saving in cost and resources.

The project aimed at creating a Project Management Office reporting to the CEO, to assist the board and the business lines in selecting the right initiatives for the year, releasing them in an efficient manner for execution over the months, providing top management with visibility and sponsors, programme and project managers with a common method to manage their projects.

The Challenge

The challenges in this project were multiple.

a) It required winning top management support for a pervasive initiative, with potential to be perceived as intrusive by many middle-managers in charge of business lines.
b) One of the main criticalities was the link between business needs and IT staff, where projects would face a cultural and managerial divide.
c) The key point of contact between the IT and Business World was the 'Functional Representative', i.e. a person from the Business Area with I depth knowledge of procedures and systems of a specific department. Such person, because of know how held, is constantly pulled and involved in all initiatives, processes and decisions of his/her Business Area, becoming a critical bottleneck to projects and decisions alike.
d) Culture: some Business Area heads were is quite 'jealous' of his/her projects selection and execution and did not see favourably the involvement of a centralised PMO. Most middle managers were also sceptical that introducing a common Project Management method would make a difference to business results.
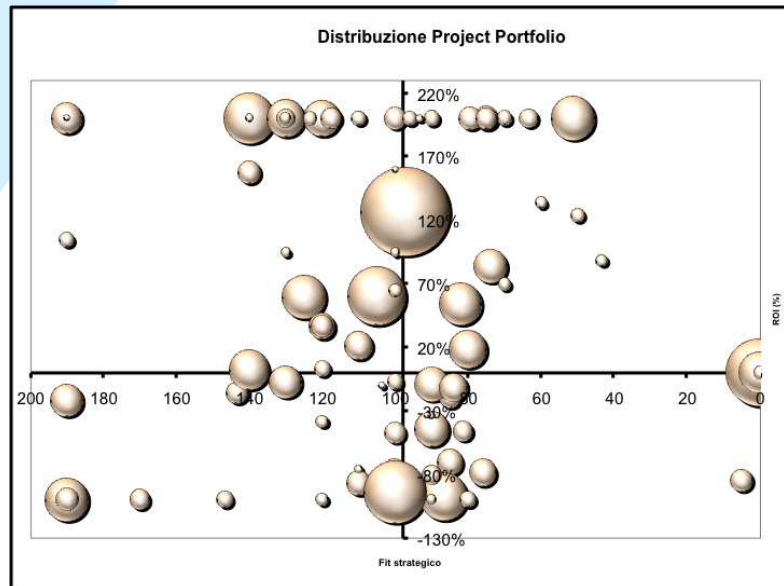e) Geographical dispersion of some key players, as well as organisational complexity.

Available Systems

- The company used the Microsoft Office Suite, as well as a corporate intranet.
- The company had acquired in the past the Planview EPM suite.
- The Company wanted to reuse existing IT assets as much as possible to contain costs and business change.
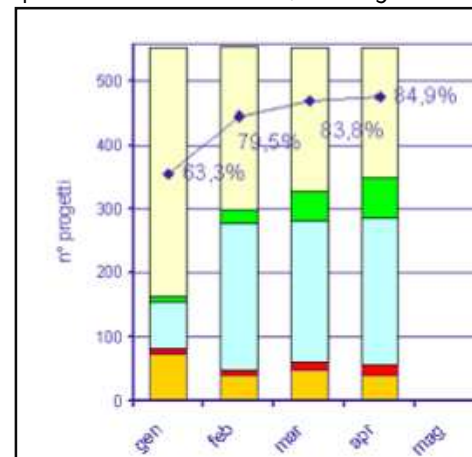
The Solution

- Setup a Strategy mapping process to capture Strategic direction top down, groupwide and for each business Unit.

- Setup a Demand Management process to capture Project Requirements (Time + Resource), Project Benefits (Contribution to Strategy Map and expected Profitability).

- Identify Resource Bottlenecks on the basis of the expected project demand.

- Setup a Portfolio Management system that would allow top management to choose which initiatives to do and when, in a shared, visible ad conflict-free way.

- Introduce a common Programme and Project Management method, based on PMI and PRINCE2 practices.

- Train a population of 300 Project and Programme Managers, Sponsors and Members of the Board.

Distribuzione Project Portfolio

- Customise and roll out Planview to allow for real time progress update and workflow management (e.g. the Project Initiation Document is Database-Driven and follows and automatic approval workflow).

Results

- Reduction in the number of projects committed for each year, and improved release over time, allowing bottleneck resources to be more efficient and reducing project delays as a result.

- The graph on the right shows the project performance index over the first four months of Portfolio Management and PMO being operational.

- Improved cost/benefit ratio of projects, due to higher focus on benefits and quicker execution times.

- Improved staff motivation due to reduced interferences, conflicts and higher clarity as a consequence of adopting a common Project Management method.

Critical Success Factors

- High Management Support for the PMO setup and Portfolio Management process, right from the Board of Directors.
- Involvement of all stakeholders, capturing their needs and assisting them in improving their own performance.
- Committed staff, also facilitate by including compliance to the new method into their bonus scheme.
- Use of the Bank's internal resources for about 85% of setup activities with the support of Projectize, leading to higher sense of acceptance and responsibility over the project's success.