



LionHeart PMO Training



Course Objectives

- To enable delegates to
 - Have a working understanding of PMO function
 - Understand role of PMO within an organisation
 - Understand the tools and skills you need as a PMO
 - Have confidence to start PMO role or Implement a PMO

Housekeeping



- Start and finish
- Breaks
- Camera
- Course style

Introductions

- Your fellow delegates:
 - Your name & location
 - Any project management or PMO experience
 - Your objectives for the course
 - Something fun that you enjoying doing outside of work or training
 - If you could choose one celebrity to go on a date with, who would that be?

- Your trainers

Agenda

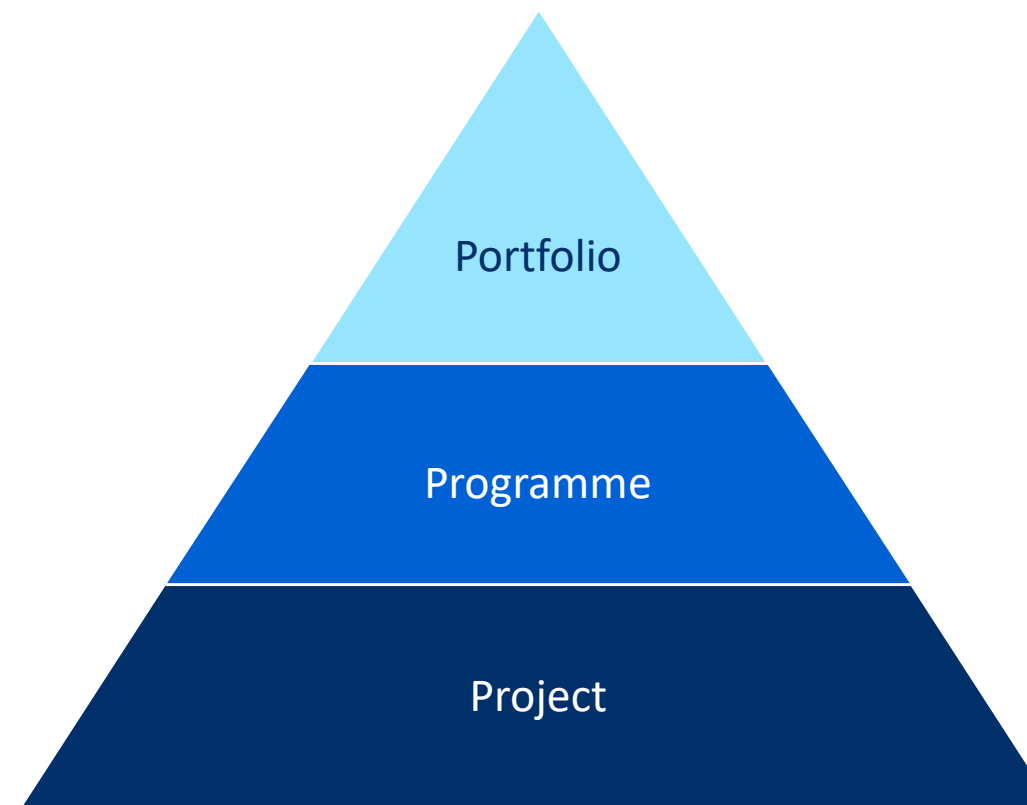
- Introduction & Definitions: Project Programme, Portfolio and PMO
- Types of PMO, Objectives and Benefits
- Roles & Responsibilities
- Governance
- Milestone Planning
- Cost Management
- Benefit Management
- RAIDs Management
- Reporting
- Quality Assurance
- Resourcing
- Communication Management
- Procurement
- Document Storage

Project, Programme & Portfolio

A Portfolio is the totality of an organisation's investment (segment thereof) in the changes required to achieve its strategic objectives.

A Programme is defined as a temporary, flexible organisation created to coordinate, direct and oversee the implementation of a set of related projects and activities in order to deliver outcomes and benefits related to the organisation's strategic objectives

Prince 2 defines project as "a temporary organization that is created for the purpose of delivering one or more business products according to an agreed Business Case



What is Project Management



Project Management

Planning, delegating, monitoring and control of all aspects of the project, and the motivation of those involved to achieve the project objectives within the expected performance targets for time, cost, quality, scope, benefits and risk.

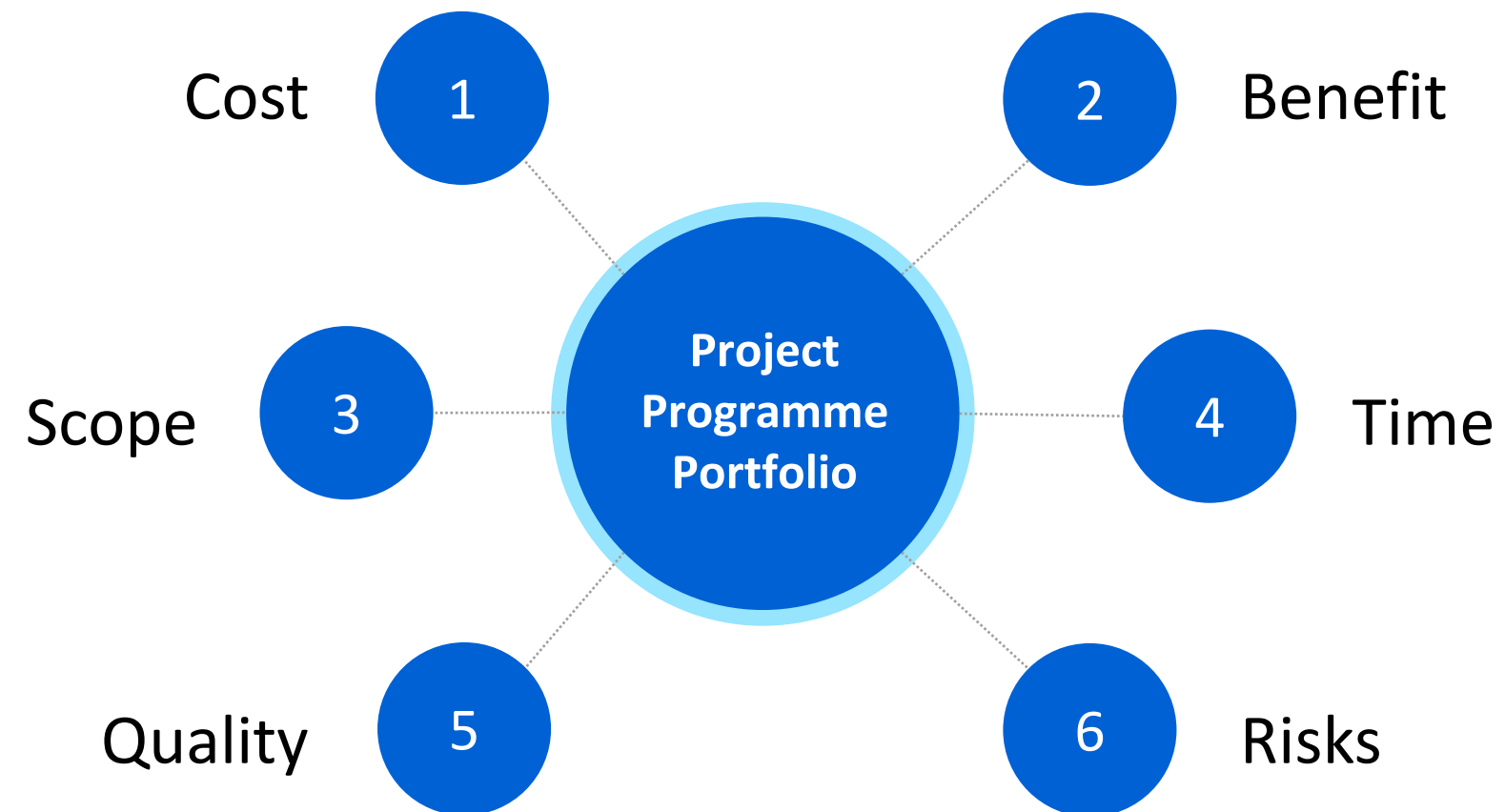
Role of Project Manager

Plan, delegate, monitor and control.

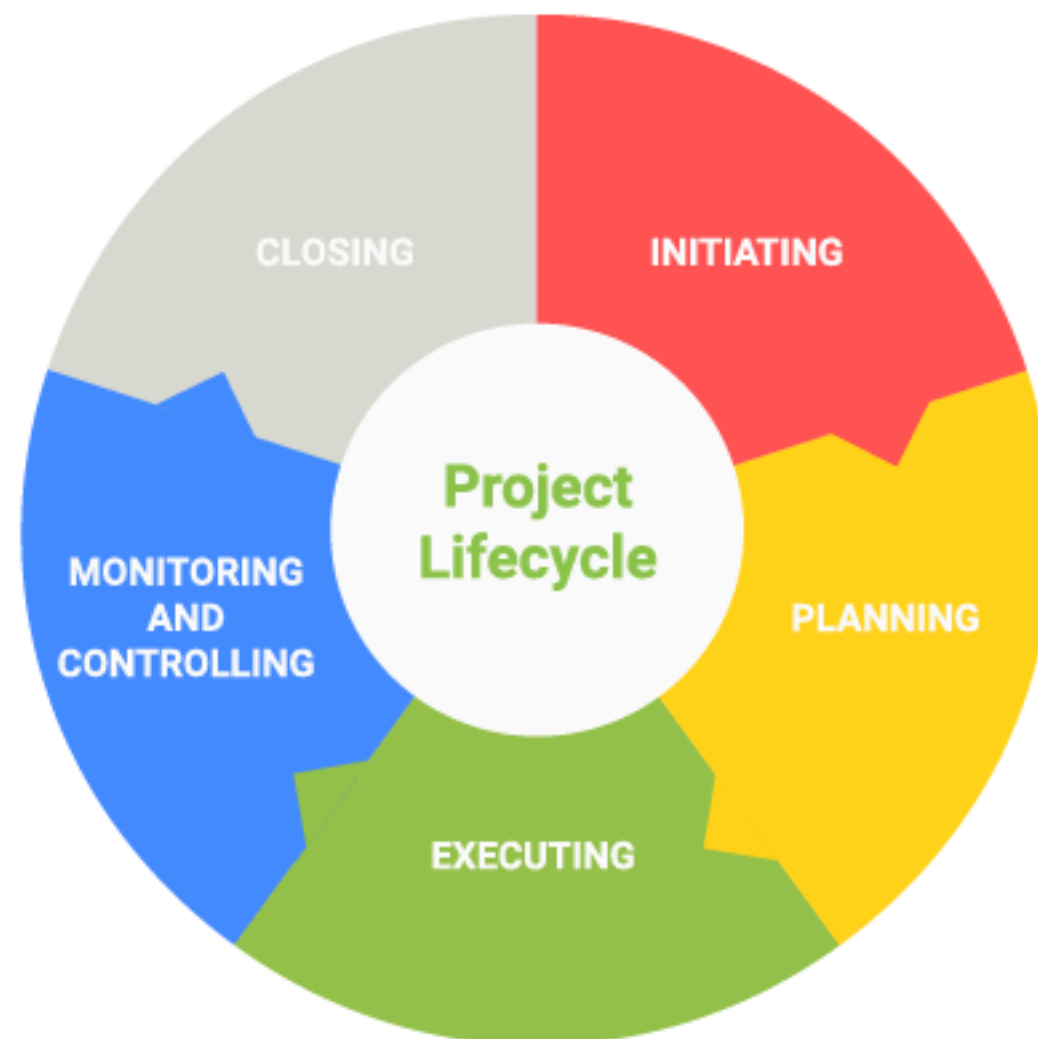
Role of PMO

Improves project management by standardizing processes and improving efficiency.

Characteristics of Project, Programme & Portfolio



Example of Waterfall Project Management Phases



Starting

Define Project at a broad level - Why

Planning

Plan project and develop a roadmap – What, Who, When, How

Executing or Implementation

Put the plan into action and create deliverables - Do

Monitoring and Controlling

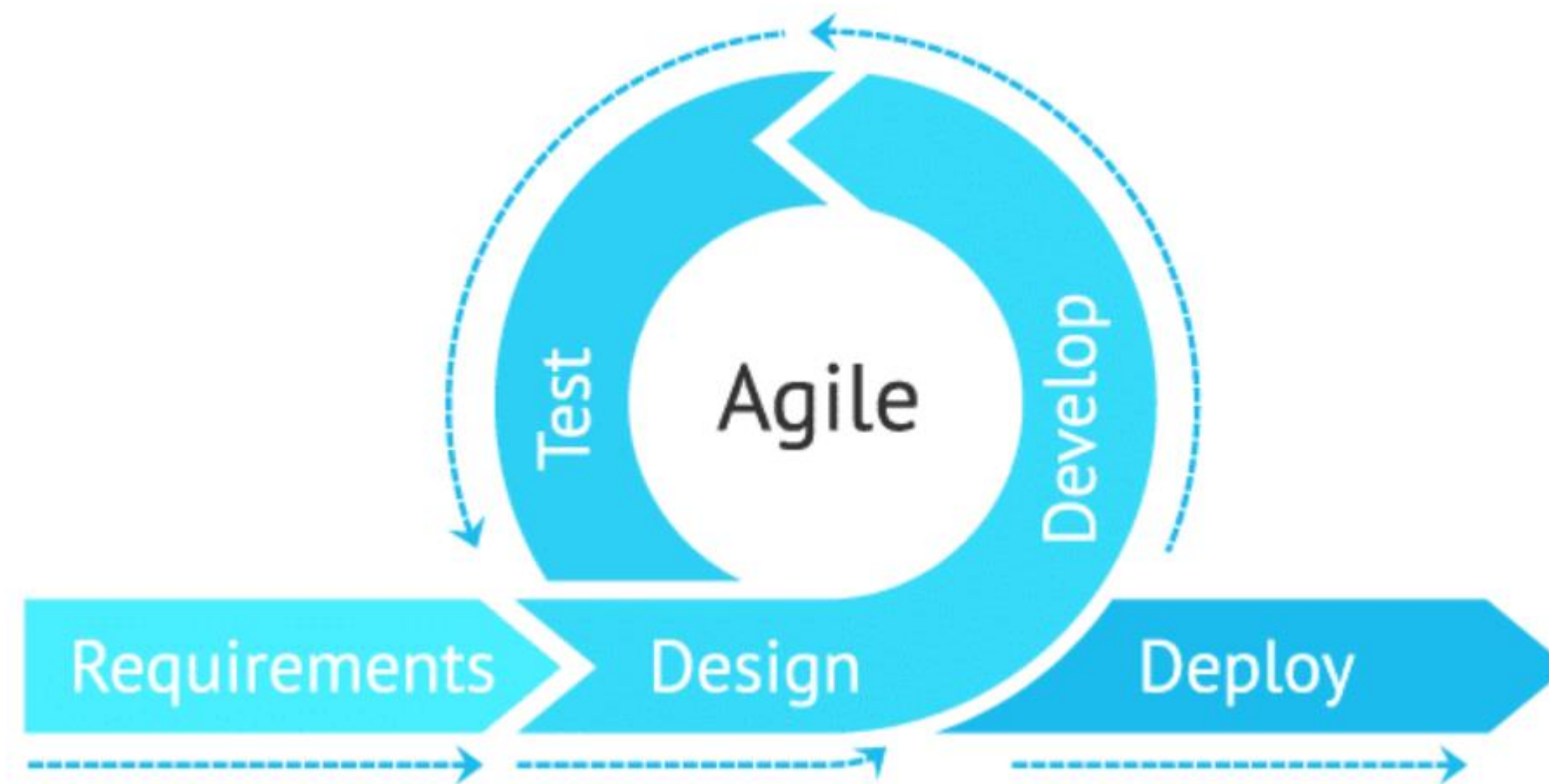
Monitor and control projects to avoid overruns

Closing

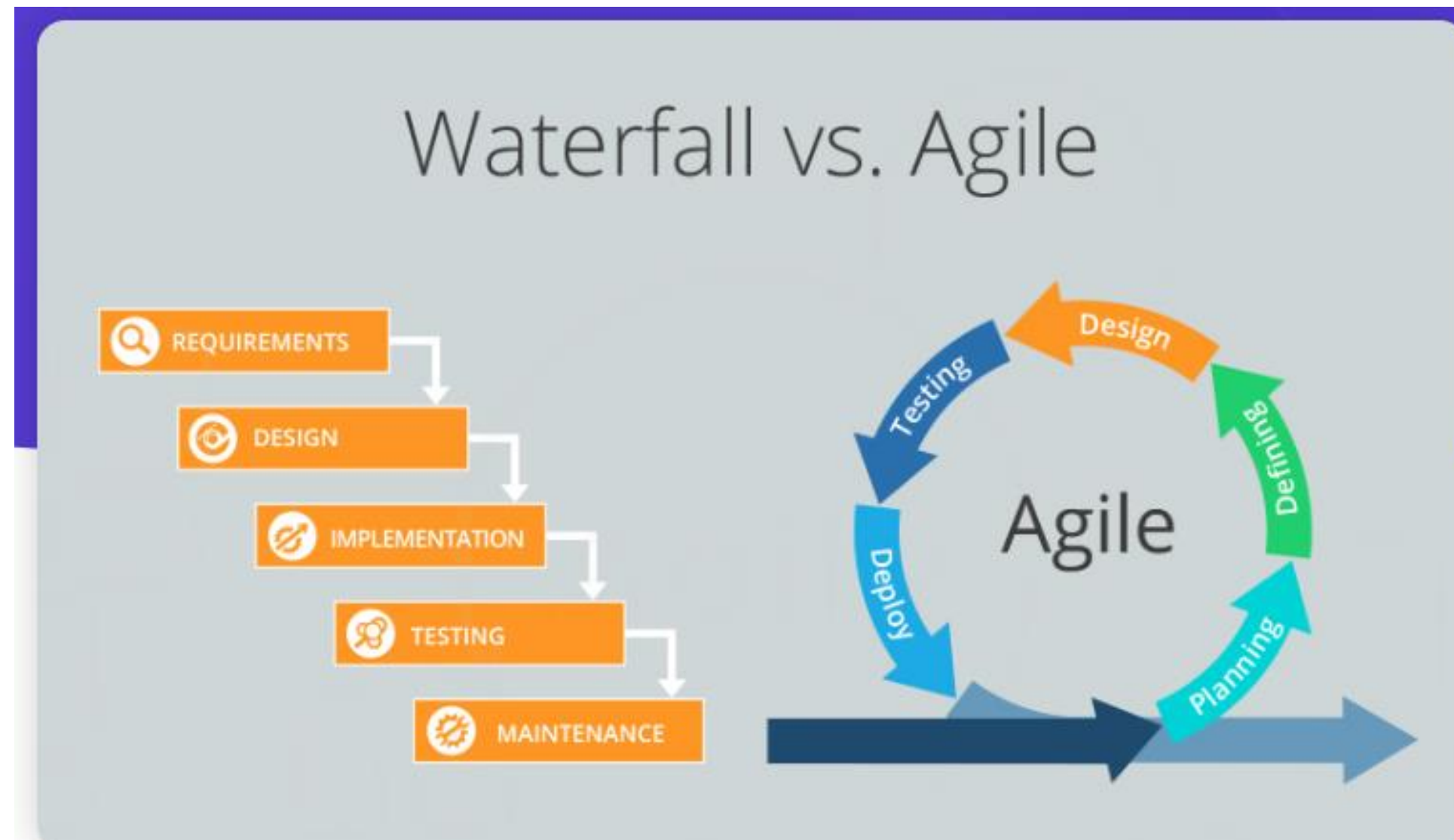
Close the project and file the report - Celebrate

Agile Methodology

The Agile methodology is a practice that encourages continuous development and testing throughout the software development lifecycle of a project. Unlike the Waterfall methodology, the Agile methodology allows for parallel development and testing.



Waterfall vs Agile



Example of Waterfall Project Management Phases

Waterfall vs. Agile

WATERFALL	AGILE
 Deliver results only at the end of project	 Deliver results early and often , continuously
 Perfect for long-term projects like construction or manufacturing	 Perfect for IT and software projects , and marketing, too
 Change has to be managed and controlled , lest it impacts project negatively	 Enables change more easily on projects
 The end product is defined and fixed , regardless of changing market or technological needs	 Supports changing reqs. , either in the market or technologies
 Delivering by tasks in succession creates task and team dependencies, more fixed teams	 Delivering in sprints , supports nimble product teams

What is a Project Management Office

Below is the official definition of a PMO taken from the Project Management Institute (PMI):

01

An organizational body or entity assigned various responsibilities related to the centralized and coordinated management of those projects under its domain.

02

In simple terms it is the department that improves project management by standardizing processes and improving efficiency.

03

The responsibilities of the PMO can range from providing project management support functions to actually being responsible for direct management of a project

04

Defining a PMO is difficult as what a PMO does and how it is structured can vary greatly between organizations (it can even vary within a single organization).

TYPES OF PMO

PMOs can be categorized based on
(a) position within the organization

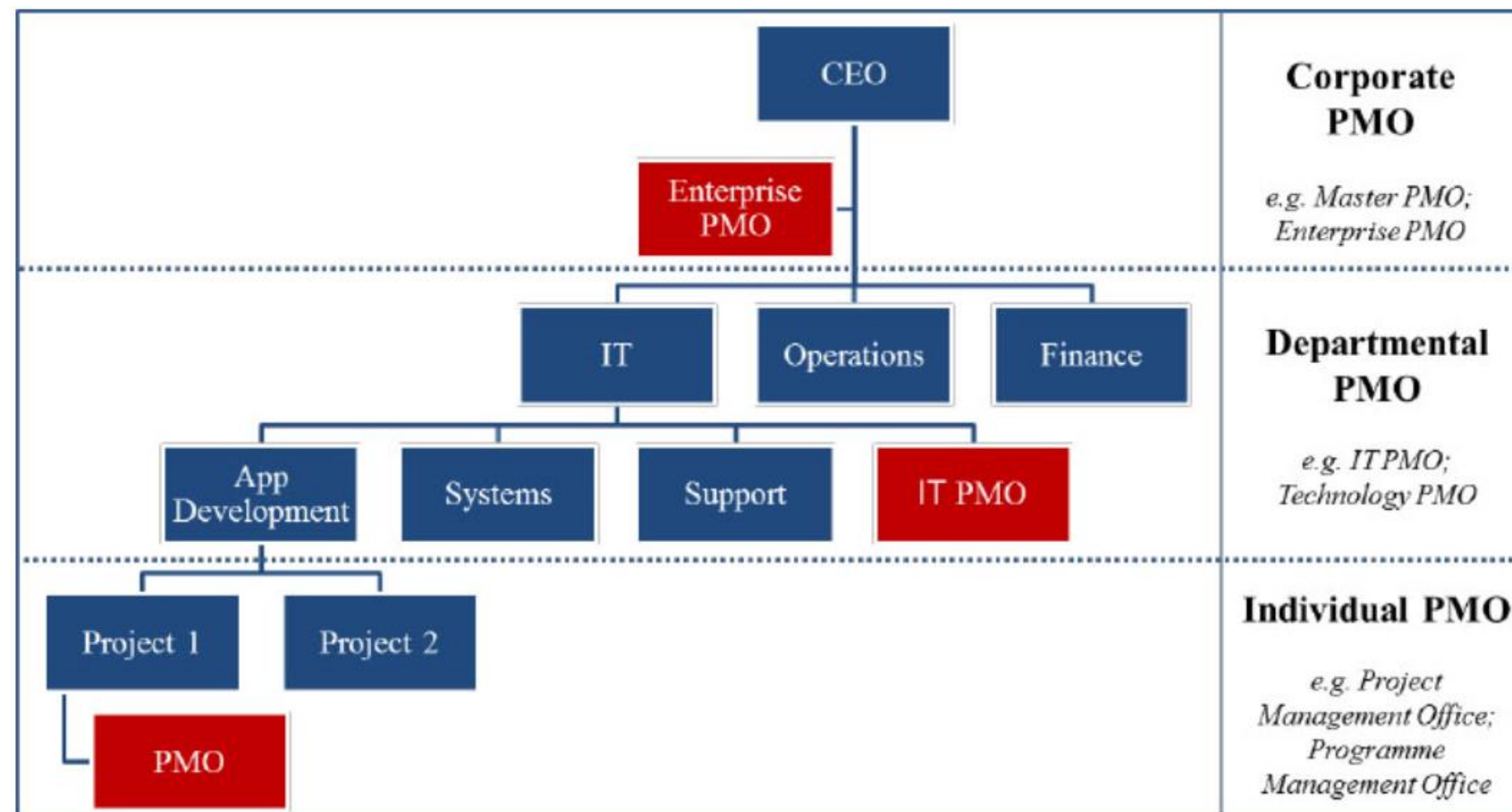


Individual PMOs typically provide) to a single project or program. They set basic standards and oversee planning and control activities for a single project

Departmental PMOs provide support for multiple projects at a department or business unit level. Their primary challenge is to integrate projects of different sizes within a division (e.g., IT, Finance) from small, short term initiatives to multi-year programs with multiple resources and complex integration of technologies.

Corporate PMO or “Enterprise PMO”: create standards, processes, and methodologies to improve project performance within an organization. They are typically responsible for allocating resources to different projects across the organization.

Individual, Departmental, and Corporate PMOs



TYPES OF PMO

PMOs can be categorized based on
(b) Influence/Activities

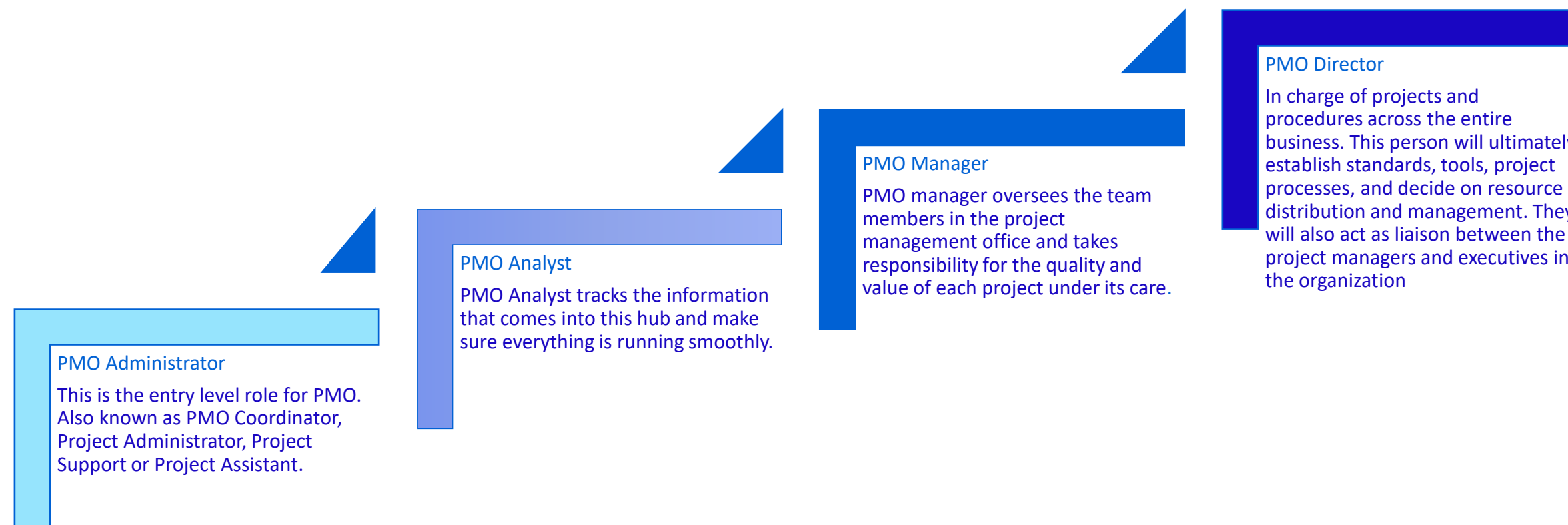


This PMOs provides administrative support to projects on day-to-day activities. The degree of control provided by the PMO is low.

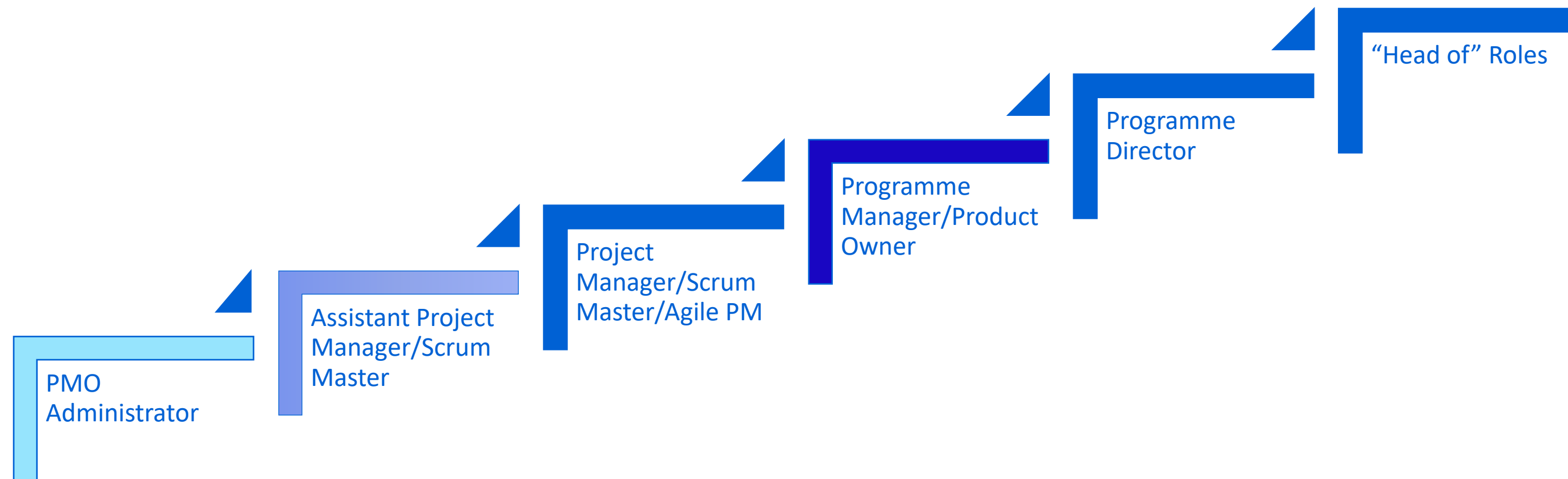
This PMOs provides support and require compliance through various means. Compliance may involve adopting project management frameworks or methodologies, using specific templates, forms, and tools, or conformance to governance. The degree of control provided by the PMO is moderate.

Directive PMOs take control of projects by directly managing them. The degree of control provided by the PMO is high.

Roles Within PMO



Other Possible Career Path



Who can work as PMO – the skills you need

- Focusing on refining these skills can greatly support your journey to becoming a PMO but going a step further will improve your chances of landing that dream role.

People skills

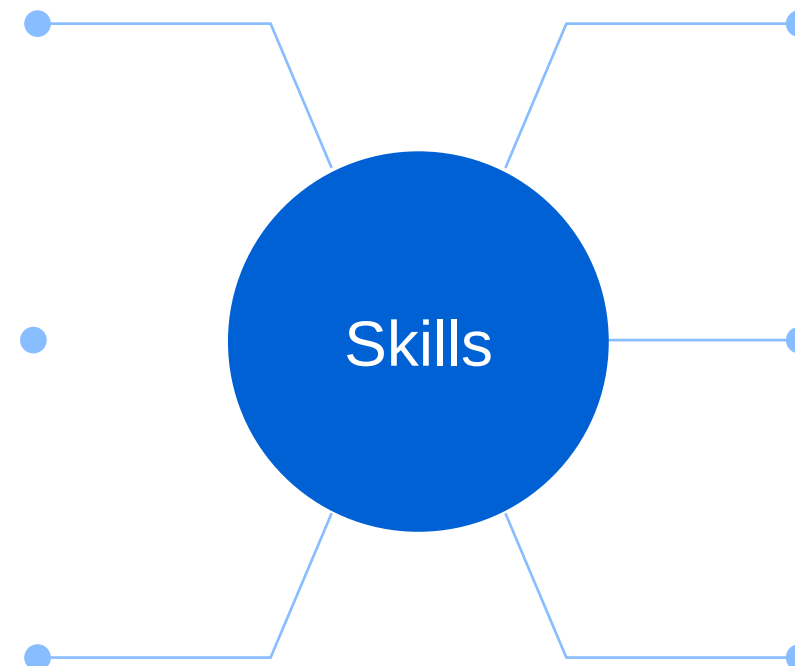
A massive part of being a successful PMO is dealing with individuals from all walks of life. Navigating personalities is crucial; know how to work with each colleague and you're set with a great foundation to achieve great results.

Multi-tasking

Keeping organised in this is vital to maintaining control and will avoid any damaging miscommunication. Make use of task management tools, maintain an organised inbox and record any relevant documents in a secure location so they are readily available for your reference.

Time Management

Time management can be the underlying factor that leads to the success of a task. our perception of how long each task takes is just as important as getting to meetings on time. You need to be disciplined with time but also apply realistic timeframes to projects; taking into account budgets, resources and the skill level and capacity of you and your wider team.



Ability to improvise and adapt

Also need to appreciate that deliverables may change and be agile to deal with that. Being proactive and adapting to change as quickly as possible

Communication

Without communication skills, a PMO Manager can never hope to make a success of their job. Consider the sheer number of people they need to work with on a daily basis.

Confident Mindset

A confident mindset is required as stakeholders will look up to you for directions.

Questions on Introduction & Definition



Agenda

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Administrative/Reporting PMO

The Administrative or Reporting PMO (report clearing house) is the basic form of PMO. Due to this, it is the type of PMO that most people have experienced.

The main purpose of an Administrative PMO is:

- Report consolidation
- Report distribution
- Track deliverables/milestones
- Program administration
- Document management

Report Consolidation

In order to simplify the reporting process and allow management to make informed business decisions, it is important to standardize the method of reporting. This can be achieved by

- Standard report template
- Agreed to report timetable (weekly, monthly, etc)

Before starting the regular reporting routine, it is important that the process is set up for success. Senior management should communicate the requirement of regular reporting, why it is important and how it will be used. They should also make it clear that the PMO has the authority to request the project reports in the defined format, to be delivered by the agreed date. This will stop a lot of "pushback" and time-wasting.

The PMO should build a list of expected reports together with contact points and make sure that reports are submitted by the agreed date. Initially, the PMO will focus on the capture and consolidation of all the project reports into a simple pack. Over time the PMO should start to do rudimentary checks on the project reports i.e. correct report date, all mandatory fields populated, etc. Eventually, this should lead to fully reviewing each project report including RAG status and content to make sure the content is coherent and provides an exact update on the project.

An Administrative PMO may decide to develop a dashboard that provides a summary of all the projects on a single page. This is useful when senior management does not have time to read every project report.

Report Distribution

The PMO should build a list of all stakeholders who need to be provided with a copy of the program reporting pack. When the program reporting pack is ready (and proofread to make sure there are no errors, etc), it should be published to the appropriate stakeholders. If the program reporting pack is needed as an input to a meeting, make sure it is published at least 24 - 48 hours before the meeting. The PMO may also be tasked to prepare hard copies for the meeting (tip: print these in plenty of time before the meeting as printers have a habit of breaking when you are up against a tight deadline).

Track Deliverables / Milestones

Significant milestones may be included in the project status reports or they may be contained a separate plan.

The PMO should work with each project manager to agree on a set of significant milestones that will be used for monitoring progress.

The PMO should then ask for updates as part of each reporting cycle so that a milestone report can be included in the program reporting pack. Most senior management like to see this in the form of a simple milestone chart.

Programme Administration

The PMO should take on the responsibility of the administration of the programme including:

- Providing project templates
- Providing project reporting calendars
- Compiling and maintaining contact and distribution lists
- Setting up a central place to store programme documentation (shared network drive, share point site, etc)
- Arranging steering committee meetings

There may be other activities depending on the exact scope of the PMO.

Document Management

The PMO should take ownership of all programme documentation and ensure it is stored in a central place where documents can be accessed. The PMO should also define how project documents should be stored and conduct checks to make sure that the policy is being followed.

The benefit this is that any team member should be able to find a document without having to search or ask someone, it promotes good discipline, allows the sharing of best practice/knowledge, reduces the risk of documents being lost and, it puts the programme in a good position as and when the project is audited.

Managerial / Pro-active PMO

A Managerial PMO will usually provide all the services of a reporting PMO and additionally any number of the following:

- Review and challenge project reporting
- Trend analysis (i.e. identifying common themes impacting project delivery)
- Coaching / Mentoring
- Interpret strategy
- Mobilise / shape programme
- Actively manage risks / issues / cross dependencies
- Actively manage the delivery of milestones
- Actively manage the delivery of milestones
- Actively manage benefit realization
- Actively manage costs including allocation and cost recovery models
- Define project methodology for use on the programme
- Recruit and manage programme and project managers
- Provide recommendations to senior management on remediation action
- Provide recommendations on what projects to pause/stop

As you can see many of the activities listed above require a wide range of skills. It is for this reason that this type of PMO is usually resourced with experienced practitioner's who have experience in managing a PMO and, ideally many years experience of in delivering projects and programmes

Project delivery experience is important for the following reasons:

- Experience will allow problems to be identified early and interventions to be made.
- Without experience, the PMO will find it hard to gain the respect and trust of the project and programme managers



Review & Challenge Project Reporting

This is an important step. The project report should be the point in time where the project manager thinks about the project (what has been achieved, what still needs to be done, financial's, risks, issues) to report the accurate status of the project. This is the primary tool used to communicate status and successes to internal and external stakeholders.

It is a shame that most project managers, even experienced ones do not understand the value. By setting up a regular review session with the project manager, the PMO can build a good working relationship with the project manager, help them to identify potential risks, work through any issues/barriers and make sure that the report accurately represents the status of the project.

When this works well it is very powerful and results in a higher degree of positive outcomes and increased trust from stakeholders.

Trend Analysis

A common fault laid at the door of the PMO is that they collect a lot of data but then it is unclear what they do with it. Trend analysis of costs, benefits, deliverables, resourcing, etc is critical. These are all key indicators of the health of the underlying projects and programmes.

The PMO needs to instill robust processes to collect accurate data (at a minimum monthly) so that indicators can be created to measure trends. For example, if you are running under a budget month on month this usually implies that resources are not being added quickly enough meaning all the required work is not being completed to achieve milestones and associated benefits. Using a combination of these trends allows cross-validation to confirm findings.

It is important that the data is correct and an experienced PMO professional will quickly spot where a project manager is simply redistributing original cost and headcount estimates over the remainder of the project (backloading the project). In the majority of cases, the resources will never be recruited.

Trend analysis is very powerful as it allows senior management to quickly understand the situation and causes of a problem so that action can be taken. For example, it allows for management decisions to be made about releasing a budget that is not being utilized so that it can be used by other projects. This provides real value as it allows an organization to maximise the use of change budgets.

Active Management Risks / Milestones /Benefits / Costs

While active management is partly achieved through trend analysis, a Managerial PMO would normally:

- Identify common themes across risks and issues and then resolve centrally through the PMO. You will win a lot of friends for making the project manager's life easier.
- Managing cross dependencies. As the central PMO, you will build a good insight to cross dependencies, keeping all stakeholders informed, etc you will help avoid problems.

Strategy / Mobilising / Shaping Programme Interpreting

In most organizations, senior management set the strategy, and then it is hit or miss how this is interpreted and translated into projects for implementation

- A good managerial PMO can take the strategy to interpret this into the different streams of work, identify stakeholders, sponsors projects managers, mobilize the workstreams and then manage against the strategy (this includes capturing and interpreting the impacts where the strategy changes).

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The benefit this is that any team member should be able to find a document without having to search or ask someone, it promotes good discipline, allows the sharing of best practice/knowledge, reduces the risk of documents being lost and, it puts the programme in a good position as and when the project is audited.

Define / Own Project Methodology

The PMO is the perfect owner of the project methodologies to be used in an organization. If it is staffed by the right type of resources they will be able to define and implement a set of tools and processes that are pragmatic and fit for purpose. As they are working with the project managers they can make sure that the tools and processes are understood and embedded into each project.

A good PMO will constantly check tools and processes and refine them over time. This includes engaging project managers and wider stakeholders for constructive feedback.

The power of a common methodology is that all projects in an organization should be executed to the same level of quality resulting in a higher certainty on outcomes. It also allows for resources to be used across the organization without having to learn to use a different methodology.

Recruit / Manage Project Managers

In some organizations, the PMO is asked to interview and recruit project managers as they have the best understanding of the skills required to deliver projects. This can even mean that the project managers report to the PMO who then assign them to work on different projects across the organization. This is great for consistency but does sometimes cause issues with the project sponsor as they would like the PMO to report directly and only to themselves.

Coaching and Mentoring

Coaching and mentoring is important for any organization wishing to up-skill its project management ability. New/junior project managers should be appointed a mentor in the PMO to help them learn the skills of being a project manager. Too many organizations make a good line manager a project manager and then give no support or training. Some adapt well, many do not - the skills are different.

Where there is an overall central PMO for an organization, it may also give coaching to other PMOs across the organization.

A PMO may find themselves coaching the sponsors and senior management. This is a very delicate situation as in many cases senior management do not have the experience of what they need and what they should be looking at. A good PMO will make sure that the right information and messages are presented and help guide senior management on the actions they need to take.

Hybrid PMO

Administrative and Proactive PMOs are the two extremes of a PMO maturity model. In many cases, a PMO is implemented somewhere between these 2 models (or even one that starts as administrative but then grows to take on more functions).

The term used to describe this type of PMO is a hybrid PMO. Unfortunately, as this type of PMO can be anywhere between the 2 extremes there is no clean way of defining what it does or does not include as scope. However, a hybrid PMO will typically include all the functions of the Administrative PMO and then take on more high-value activities such as the following:

- Manage the Change Control process
- Pro-active risk/issue management
- Facilitate cross dependency workshops
- Facilitate cross programme communications
- Increased level of review of deliverables and documentation.

Not an exhaustive list, but illustrative of the type of behavior of a hybrid PMO.



Key Points

A good PMO should not be simply presenting data. They should be reviewing, analyzing, and cross-checking so that they can either take the appropriate action or provide management with recommendations to make informed decisions.

The PMO must take ownership and responsibility for what they are managing to make sure everyone is successful

There are 3 types of PMO models

- Administrative / Reporting
- Managerial / Pro-active
- Hybrid (everything between 1 and 2)

Organizations should choose a PMO model based on requirements. It is normal to start with Administrative and then add services as the PMO matures.

The PMO can play an important role in defining and improving the change capability within an organisation.

PMO OBJECTIVES

Objectives of a PMO

Before starting to build a PMO, it is important to understand the objectives of the PMO as it will help you and others understand the purpose of the PMO. This is critical to help stop people from questioning the value and need of the PMO.

Primary Purpose

The purpose of any PMO is very simple, it is to provide a framework that will support all stakeholders and project teams to improve the probability of successful delivery. An organisation embarks on a project to achieve an outcome. This involves the investment of valuable resources (people, money, time). If the PMO does not improve the probability of successful project delivery it is not doing its job and is not needed.

It is sensible to define the PMO Mission, Vision, and design principles for the PMO as this will help make sure that the PMO is aligned to objectives.

PMO Vision Statement

What is a PMO Vision

Very simply, it is a short aspirational description of what an organization would like to achieve as a result of forming a PMO. As the statement is short, a single paragraph or up to half a dozen bullets, it is important that these words are chosen carefully. The words need to strongly convey what the service and culture of the PMO will look like over time.

Why It Helps

Spending quality time considering the PMO vision statement, will help shape what type of PMO an organization would like to build so it is best aligned to support the strategic objectives of an organization. This is a good investment as the last thing an organization should do is march ahead building a PMO that may not be fit for purpose. This would be waste of time and money.

By capturing the vision statement, it allows the stakeholders to review and confirm how the proposed PMO will align with their requirements. This is a good test as sometimes stakeholders don't know why they are asking for a PMO and it helps them with their understanding. When a strong statement is agreed upon, it can then be communicated within the organization. This allows everyone to understand the vision for the PMO and, if the statement is published by senior management, provides the person tasked with setting up the PMO with the all-important mandate.

A good place to capture the PMO vision statement is in a PMO charter or terms reference. It should also be used in any presentations and posted on the central PMO intranet site.

Consistent Message

When you have agreed on the PMO vision statement, it is important that it becomes part of the culture and DNA of the PMO. Make sure that all PMO members and stakeholders are aware of the statement. When making decisions, be mindful to make sure that they are aligned to the vision. Don't just forget about the statement, this is a sure way of not achieving the long-term objective.

What Does A PMO Vision Statement Look Like?

The statement can take many forms and must be written for your organization. Don't just 'lift' a statement from another firm. All organizations are different and the statement should reflect the personality and strategic vision. The statement can be a single sentence, a paragraph, or bullets. The key is that it must be powerful and convey the vision of the organization and that it is easy for people to connect with and understand.

A PMO statement may look like this:

The PMO supports the implementation of the organization's strategic objectives by providing a full set of professional PMO services. Working in partnership with project teams, stakeholders, and sponsors to attain successful outcomes.

PMO Mission Statement

A mission statement helps focus the mind on what you and your organization want to achieve by setting up a PMO. Knowing what you want to achieve informs the design. This is very good as it helps prevent a PMO from being formed for the wrong reasons and, in my opinion, much worse a PMO with no direction or clear purpose that is perceived as 'low value' by the rest of the organization. A clearly defined mission statement should be something all PMO team members can connect with, as well as the rest of the organization. Everyone feels a clear purpose and knows what they are trying to achieve.

Example PMO Mission Statement

You may define the mission statement along the lines of:

“To provide a high-performing PMO to fully support the change agenda by implementing sound project management practices. The aim is to enable 80% of projects and programmes to deliver the defined benefits in their business case. Achieving this will support the overall strategy of the organization to be ranked in the top 5 of our industry peers”.

Or the statement could be in more direct bullets:

- Provide a group-wide standard approach to project delivery.
- Provide full and accurate visibility of project status.
- Provide effective prioritization of project management resources to support the strategic change agenda.

Remember these are just examples, your mission statement must be appropriate and relevant to your organization.

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Where to capture the PMO Mission Statement?

Like with the vision statement, it should be captured in key presentations, PMO charter, and PMO terms of reference.

PMO Design Principles

This will vary depending on what type of PMO, as described in chapter 2, is required. However, key principles will be:

- **Standards:** Look to embed common tools and processes based on organization standards where they exist.
- **Consistency:** Implement a framework to make sure that each project/workstream is populating reports, documents, plans to the same level using common standards (this is a must for comparing the relative status of projects).
- **Transparency:** To provide transparency of progress and status of all projects to all stakeholders. This will allow for early warnings of issues allowing intervention to keep projects on track.
- **Pragmatic:** only do something if it makes sense and adds value. Challenge where organization standards exist that do not make sense. Failure to do this will put you in the position of being viewed as an overhead that does not add value.
- **Fit for Purpose:** Avoid over-engineering and duplication of tools and processes. Project Managers are busy delivering.
- Don't make their job harder by making duplicate requests.
- **Be Smart:** Make sure you coordinate update requests and think about the information you need. Don't be seen as a PMO where the left hand does not know what the right hand is doing with multiple and repeated requests.
- **Independence:** Remember, while you aim to build a good working relationship with the projects so you can help them, you must be careful to not get too close as this will cloud your judgment when challenging progress, status, etc.

This is not an exhaustive or even a purist list of PMO objectives and there will be some specific objectives depending on organization requirements. However, if you are looking to build a pragmatic PMO valued by your stakeholders, applying the above objectives and principles will provide significant benefits.

Benefits of a PMO

Standardization

Being able to develop a single method of reporting status and financials for projects greatly reduces the overheads to an organization. It reduces the time spent capturing many reporting formats with different interpretations. This helps at the start of a project as the project manager does not have to spend time deciding what reporting templates and standards to use.

Where there are already active projects using different reporting formats, a smart PMO will offer to convert the reports to the new format, thus eliminating any claim of extra work to switch over.

If a project manager claims “we don’t have time to report as we are focusing on delivery” then ask them to provide what reporting format they are using and convert it for them. If they are not producing a report, then they are not doing their job. You can politely remind the project manager that an important aspect of project management is tracking and reporting status to stakeholders.

A project status report is an important tool for the project manager. It should serve as a point when the project manager reflects on progress to date, issues, risks, and then what needs to be completed in the next period.



A very commonly asked question is “what is the benefit of a PMO”? The question is usually raised because somebody has been asked to set up a PMO by senior management, they have experienced a lot of (negative) resistance and find themselves in the position of having to justify why it needs to be set up.

Unfortunately, saying “because I say so” or even worse “because senior management wants it” is not an ideal response. Before covering the benefits, it is worth spending some time on why there is usually so much resistance.

Independent View of Status

This is important for senior management. Many projects seem to only go Red and fail close to the end. This is because those close to a project always believe they will catch up and meet the delivery dates and budget. Unfortunately, this rarely happens. The PMO acts as the independent “eyes and ears” of management and can alert them to risks/issues early to allow timely interventions to be made. It also helps the project manager to have someone who is not close to the project asking questions and making observations of risks that may have been overlooked.

Improved Rigour

A solid, standardized approach to project management means that there is more chance that the project will be approached with the correct rigor i.e. proper plans, budgets, resource plans, etc. This translates into a higher chance of a successful outcome.

Finally, there have been many surveys within the project management press that show an Organisation with a PMO has a higher chance of delivering more of their change on time and within budget than those who do not. This is why there has been a marked increase in the number of organisations setting up PMOs over the past couple of years.

It is good practice to refer back to the principles over the lifetime of the PMO to make sure that any proposed report, process, etc is needed. This approach will win you a lot of respect with the project and programme managers and help stop the PMO from being labeled an administrative overhead.

Finally, the other test to apply is the “so what” rule. When somebody proposes a new report, process, etc ask “so what if we don’t do it”, keep asking “so what” until you are happy there is a valid reason or there is the realisation it is not required.

Arguments to Resist a PMO

Bureaucracy

This reveals itself in statements like “this adds no value”, “I already report so providing an extra overhead on our time” or the all-time classic “it takes my team away from doing important delivery work”.

Ambiguity

This is usually used at the start of a project. The project manager will say that everything is in early development and as soon as it has been finalized they will start reporting. This state can go on for many months without them reporting meaning there is no visibility on progress, risks, or emerging problems.

Spotlight

Many people like to control the message flow and keep information for themselves or to a close team. Reporting through a PMO shines a spotlight on progress and can lead to uncomfortable questions for the project manager. Hence, the desire to stay out of the spotlight.

No Authority

This is an issue due to the failure of senior management. In many cases, they do not know why they want a PMO. Therefore, they are reluctant to justify the creation to their peers and issue a formal notification of the authority of the PMO. This means the person charged with setting up the PMO finds it hard to get leverage with the project managers.

Key Points

The key benefits of implementing a PMO are:

- Provides standardisation
- Allows greater flexibility of using project resources across an organization
- Improves quality
- Provides independent view on progress and status
- Instils discipline to the project delivery
- Provides management with meaningful MI to make decisions

For this to be effective it is important that:

- The PMO has senior sponsorship
- The PMO is familiar with the “Bureaucracy” and “No added value” arguments
- You don’t let project managers use “Ambiguity” as a defense

Questions on Types of PMO, Objectives & Benefits



Agenda

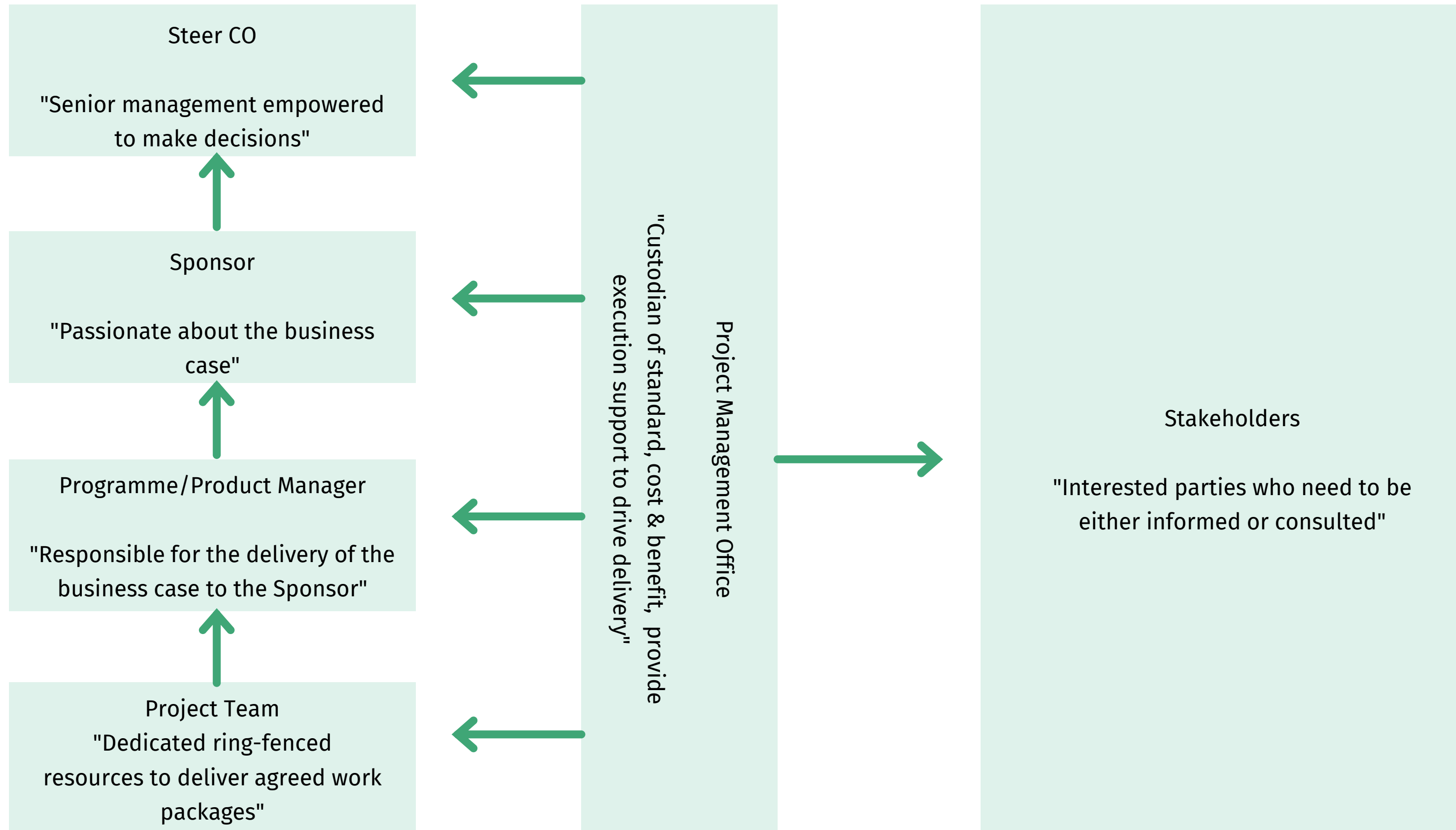
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- Communication Management
- Procurement
- Document Storage

ROLES & RESPONSIBILITIES

There are several important roles involved in project delivery.

- Sponsor
- Project Manager
- Project Team
- Stakeholders

This diagram below depicts a typical project governance structure. You will see that the PMO is providing support



Executive or Steering Committee (ExCo or SteerCo)

While not a person, the SteerCo plays an Important part in the delivery of a project. It is the primary governance forum for monitoring and reviewing the progress of the project.

It should consist of senior management members, including the Programme Sponsor, who are empowered to prioritize and make decisions. An effective SteerCo should be able to resolve and remove barriers that cannot be addressed by the programme

Programme / Project Sponsor

A Project Sponsor is accountable for the successful delivery of a programme as documented in a signed-off business case and the realization of associated benefits. Think of the business case as being a contract between the Project Sponsor and the organization i.e. “give me £100 and I will deliver you £200 in savings”. It is very important to note that, while a Programme Sponsor can delegate the delivery to a Project Manager, they cannot delegate accountability for the business case.

Therefore, it is important that they make sure they are comfortable that a suitable Project Manager is appointed. A good Project Sponsor must take an active interest in how the project is progressing to make sure it is being delivered to plan and within the agreed budget.

A good Sponsor will also give the required level of support to make the Project Manager Successful i.e resolving issues/barriers that can not be resolved by the Project Manager. This makes complete sense as the success of the Sponsor and Project Manager are linked.

In summary, the Programme Sponsor must be “passionate” about the business case to give it the best chance to succeed.

Stakeholders

There will usually be a number of stakeholders in the organization who either have a vested interest and/or are impacted or need to be consulted. Not all Stakeholders are made equal. Therefore, it is highly recommended that you create a Stakeholder Analysis

Project Manager

Responsible for the complete end-to-end delivery of the project to deliver the business case on behalf of the Sponsor. This means being accountable for all aspects of Business, IT, and Third-party deliverables. It is no good if the Project Manager does not feel accountable or have control of all aspects.

It can be risky to have 2 project managers, one responsible for Business the other for IT. This creates the risk that either project manager may claim they are not accountable and for the deliverable to be missed (falling through the “cracks in the pavement”). By all means, appoint a Project Manager for Business and is large and complex. However, make sure you have a clearly defined project structure showing that there is one overall Project Manager responsible to the Programme Sponsor.

It should also be clear that the IT and/or Business Project Manager is reporting to the overall Project Manager NOT the Business function. Get the structure right at the start with clear communication and you will be on a solid foundation for success responsible for, what they need to deliver and by when. Where possible co-locate the team members. Not only does it make for a more efficient way of working, it greatly improves communication and most important of all, makes everyone feel part of one team.

If there is not an option to co-locate the project team, make sure that you have regular team meetings that include all the team members to promote the community. Where possible, arrange for team members to attend in person. If this is not possible, make use of video conferencing.

Management Plan.

The PMO is ideally placed to help the information flow to and from Stakeholders and help ease the way of the project. Many issues occur because people do not feel included or consulted. Good communication goes a long way to address this potential issue

PMO Manager

If an organization is serious about improving the project delivery capability through a PMO, it is very important that the right candidate is appointed to the role. Unfortunately, as many organizations view the PMO as an administrative center, they automatically assume that it does not need experienced resources with solid project management skills. This often leads to a PMO being staffed and led by junior resources with very little or no experience.

This causes a fundamental issue – “lack of credibility to the project community”. It will be very difficult for a PMO to implement tools, standards and try to engage and help the project teams if the project teams know they have no experience. There will soon be discussions with stakeholders that the PMO is trying to implement bureaucratic processes that add no value and take time away from real delivery. While this is not true, the PMO will find itself spending a lot of valuable time trying to correct this perception

If an organization is serious about project delivery they need to:

- Recognize the importance of the PMO
- Appoint experienced professionals
- Ensure that there is a clear mandate and sponsorship
- Doing this opens the way to appointing a suitable PMO manager.

PMO Manager role and responsibilities

While this will vary by organization and type of PMO, it can include:

- Define and build PMO
- Appoint/recruit PMO resources based on the PMO model
- Define organizational model
- Provide reporting to senior management and stakeholders
- Ensure alignment to strategy
- Create working relationships with project managers and other PMO's
- Facilitate governance process
- Overall risk management to identify themes
- Facilitate dependency management across the projects and programmes
- Facilitate change control process
- Track deliverables and benefit realization
- Mentor project managers
- Responsible for tools, standards, and methodology.
- May line manage project managers for a pro-active / managerial PMO

PMO Manager skills and experience

- Typically a solid project/programme manager
- The real experience of project delivery
- Commercial outlook
- Pragmatic
- Trustworthy/honest
- Very good stakeholder skills
- Exceptional communication skills
- Strong leadership

Choosing the right person to lead a PMO can make a dramatic difference to the value the PMO delivers.

ROLES & RESPONSIBILITIES



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GOVERNANCE

Context

One of the main areas of focus of a PMO is to define and implement tools and processes to be consistently applied across all the projects. This can be considered a form of governance in the wider sense.

This is all well and good. However, in many cases like Change Control, Business Case approval, escalation of Risks & Issues, there needs to be suitable forums and committees in place to govern these items.

This chapter is focused on the framework that needs to be in place to support the decision and escalation process for the PMO.

Definition

PMO governance is the process and bodies that support the decision and escalation process for projects that are within the scope of a PMO.

Purpose

The purpose of PMO governance is to make sure that there are suitable forums, steering committees, or individuals who are empowered and authorized to make decisions in respect of the projects within the scope of the PMO.

Approach

Review Existing Forums / Meetings

Before defining and establishing new forums and meetings, you should review what already exists. This is very important as it allows existing governance structures to be leveraged without the need of establishing new forums.

This will be seen as constructive by senior management as it will mean that they do not have to attend an extra meeting

Project Steering Committee

Every project should have a steering committee that is chaired by the project sponsor. The sponsor may delegate this to the project manager or another person. However, if they do delegate they should still attend the committee and retain full accountability for the project.

It is worth noting that if the sponsor does not take an active interest in the project steering committee, this is a concern. If the project is important you would expect them to want to take a very active role. If they do not, this could mean that they are not supportive and this will become a serious issue when difficult decisions are required. The project steering committee should meet on a regular basis, at a minimum, monthly to review progress and make decisions.

The project steering committee should have terms of reference that clearly define the scope and powers of the meeting. This includes what the committee can and can not sign off.

Escalation Forum

There may be some decisions that are above the approval and jurisdiction of the programme steering committee. Therefore, it is important to identify where items will be escalated to from the programme steering committee.

Programme / Portfolio Steering Committee

There needs to be a forum that sits above all the projects under the oversight of the PMO

The purpose of this forum is to:

- Review progress of each project
- Approve business cases that exceed the authority of the project steering committees
- Review and approve change requests that exceed the authority of the project steering committees.
- Assist in the resolution of risks and issues that can not be resolved by the project steering committees.
- Act as a point of escalation where agreement can not be reached by the project steering committees.
- Make decisions that can not be made by the project steering committees. For example, where 2 projects both need to use the same resources at the same time, the programme steering committee will need to review the impact and make a decision on the priority for using the resources.
- Make decisions that can not be made by the project steering committees. For example, where 2 projects both need to use the same resources at the same time, the programme steering committee will need to review the impact and make a decision on the priority for using the resources.
- It is important that the meeting members represent all affected stakeholders. This will ensure that the committee is able to make binding decisions. If the representation is not correct, decisions will not be recognized and this may delay the execution of decisions

Governance Framework

It is important that the governance framework is clearly defined, documented and communicated so that it is clear and understood.

The document should include a diagram that describes the steering committees, approval levels and escalation process.

Key Points

- A robust governance process is required to support the PMO processes.
- Always look to leverage existing governance frameworks.
- Projects must have a regular steering committee.
- Each steering committee must have terms of reference that clearly explain the role and authority of the committee (especially approval limits).
- The governance process must be documented and communicated to all stakeholders

GOVERNANCE



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MILESTONE PLANNING

Context

To improve the probability of the successful realization of project benefits, it is good practice for the project manager to construct a robust project plan. Without a credible plan, it makes it very difficult to know how long the project will take, how much it will cost, and resource requirements.

Not having a plan will also make it difficult for the project manager, PMO, sponsor, and stakeholders to monitor progress. This creates a huge amount of uncertainty and, more than likely will make the sponsor very nervous, to the point where they may withdraw funding so that it can be used on a project where there is a credible plan.

The PMO has an obligation to make sure that there is visibility and transparency over the status and progress of the projects and programmes that fall within their scope. Therefore, it is important that the PMO has confidence in the planning process of each project and that there is a procedure to monitor progress against the plan.

Definition

Project planning is all the activities to define scope, estimate costs, and create a project schedule that will enable the desired outcome to be delivered. The main purpose of this chapter is to focus on planning. Therefore, it is important that Financial Management and Resource Management do form part of the overall project planning process. However, they will be covered in separate chapters.

Purpose

The purpose of PMO planning is to make sure that each project conducts the appropriate level of planning to fully understand and estimate the time, effort, and costs to deliver the project. The reason for doing this is to ensure each project has constructed a credible plan to ensure normalization across the different Projects provide transparency and visibility on progress against the plan. quickly identify areas of concern so that corrective action can be taken quickly.

Approach

Planning Guidelines

While most project managers should know how to construct a plan with the correct use of milestones., unfortunately, this is not always the case. In order to avoid confusion, the PMO should provide clear guidelines on what is expected in respect of planning.

As the PMO will probably be engaging with experienced project managers, care needs to be taken not to be overly prescriptive. A project manager should be given the flexibility to complete the work using their preferred approach and style.

However, it is very important that there should be consistency across the different projects. Therefore, the PMO should define a framework that states what is expected from each project together with criteria.

The framework should contain the following

- All projects to complete the appropriate level of planning.
- Milestones should be clearly named so it is easy to understand what is being delivered.
- Agreed milestones will be baselined and placed under change control.
- The project manager must regularly review and update the plan

Milestone Baseline

For many projects, programmes or portfolios, there will be many deliverables throughout its lifecycle. In fact, it is possible for a portfolio to continue indefinitely as, when one project or programme is completed, new projects and programmes are being started. With all this data, it is very important to be able to focus on the minimum number of data points to maintain control. This is especially valid when it comes to communicating with senior management. A powerful method to be able to track the progress of the important deliverables is to use milestones.

Firstly, it is important that everyone (those delivering the project, sponsors, and stakeholders) understand what is meant by a milestone. The reason for this is if you ask a number of sponsors/stakeholders you will get some interesting and different answers.

For reference, Wikipedia defines a milestone as:

“Within the framework of project management, a milestone is the end of a stage that marks the completion of a work package or phase, typically marked by a high-level event such as completion, endorsement or signing of a deliverable, document or a high-level review meeting”.

For the purpose of a PMO, a milestone usually represents the achievement of something significant within the programme. For an IT project, this will typically be ' analysis complete', ' testing complete', 'system implementation complete', etc. For a business project, it may be an implementation of a new product/service'.

In order to carry out an effective milestone planning process, you will need to define and implement the following components

- Milestone naming
- Milestone levels
- Planning guidelines

Milestone Naming

It is important that it is easy to understand what is the outcome or deliverable of a milestone. This makes them more real to senior management. For example, 'System DA21 Upgrade Complete'. Automated Online Shop live'. A system upgrade is great, however the fact that orders can now be placed directly online means far more to senior management.

A system upgrade is great, however the fact that orders can now be placed directly online means far more to senior management. The PMO should give clear guidance on how milestones should be named. As there will be a diverse range of milestones across all the projects, the PMO can only give the general rule.

For reference, Wikipedia defines a milestone as:

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For the purpose of a PMO, a milestone usually represents the achievement of something significant within the programme.

For an IT project, this will typically be ' analysis complete', ' testing complete', ' system implementation complete', etc.

For a business project, it may be the implementation of a new product/service'.

In order to carry out an effective milestone planning process, you will need to define and implement the following components

- Clear, precise definitions
- No use of acronyms
- Describe in outcomes, benefits not technical descriptions
- It helps to include practical examples to aid the project teams in understanding.

It is also a good idea if the PMO engages with the project teams early in the planning process, reviewing early work, to make sure the correct naming approach is being used.



Milestone Levels

When managing a large programme or portfolio, there will be many milestones. However, not all milestones are equal. In order to be able to track and monitor only the critical milestones, it is necessary to implement a milestone leveling process.

For example, you could employ a simple process that uses 2 levels.

Level 1: Outcomes

Level 2: Key Deliverables

For each of the levels, you would then provide clear guidance on how each level should be interpreted (see diagram 8.1).

It is helpful to provide practical examples of real-world milestones as this will help the project teams to relate to their own milestones. It is possible to define as many levels of milestones as you want. For example, by defining the top 2 levels, you allow the project to have the required level of flexibility to construct its plans while ensuring that the

PMO has visibility of the important Outcome and remembers to aim for a practical pragmatic approach to deliverable-based milestones.

Always remember to aim for a practical pragmatic approach.

DIAGRAM MILESTONE LEVELS

LEVEL	CATEGORY	PHASE	Typical Milestones
1	Outcomes	All	Go Live – 14/02 – 16/02 Product/Service Launch Benefit Realisation
2	Key Deliverable	Initiation	Project Initiation Document Complete Business Case Complete Terms of Reference Complete High Level Plan Complete
		Planning	Target Operating Model Complete Organization Design Complete Requirement Complete Functional/Technical Design Complete
		Execution	Build Complete Test Strategy Sign-off System Integration Test Complete User Acceptance Complete Training Complete Business Readiness Complete
		Closure	Handover to BAU POst Implementation REview
		Others	Key Dependency Change Request Approved Quality Review Complete Communications Milestones

Plan Review

It is a good idea for the PMO to work with each project manager to agree on what milestones should be identified as being the highest level. This can be achieved by the PMO conducting a plan review. This ensures consistency and helps to coach the project manager.

As part of the review, the PMO may also identify gaps in the plan. These can be raised with the project manager and help and guidance can be provided to improve the quality of the plan.

Milestone Change Control

After the plans have been reviewed and agreed upon, the plans should be baselined. The baseline is simply the agreed milestone levels and the target date for the completion of each milestone.

Baselining the plans will allow the PMO to maintain visibility and transparency in respect of progress as the project or programme will not be able to change the dates on Level 1 or Level 2 milestones without agreement via the Change Control Process (see chapter 14).

Milestone Reporting Criteria

Once these milestones have been identified and tagged, the PMO will be able to produce milestone reports for the senior management as a fast and efficient way to monitor progress.

This is achieved by defining a methodology for monitoring the progress of each milestone, typically a form of RAG (Red, Amber, Green). This provides a quick and visual way of viewing all milestones on a simple report and quickly identifying those that are at risk or are failing.

For example, a very simple RAG criteria for milestones maybe:

Green: Milestone on track

Amber: Milestone at risk

Red: Milestone missed

White: Milestone not agreed/baselined

Blue: Milestone complete

Depending on the duration of the project or programme, it is advisable to set time parameters to the RAG criteria.

For example:

Amber: milestone at risk of being delayed up to 30 days

Red: milestone at risk of being delayed over 30 days

The timeframe you decide to use will depend on the duration of the overall project. Remember, to be pragmatic where you set the tolerance as, if the tolerance is too tight, it will result in many change requests

Milestone Reports

Milestone Reporting should be part of the normal project reporting cycle (see chapter 12). The PMO should define the reporting cycle for milestones i.e. milestones need to be updated and reported on a monthly basis. Each project manager should review the Level 1 and Level 2 milestones and update the RAG status.

If an organization is using a planning tool like Open Workbench linked to Clarity or an enterprise version of Microsoft Project, the PMO should be able to extract the updated milestones without having to ask the project to provide a milestone report. If not, milestone status will need to be provided manually by the project team (another good reason to focus on a small number of meaningful milestones)

Where a milestone is reporting Amber or Red, the project should clearly articulate:

- Reason for status
- Impact of delay
- Mitigating action
- Target resolution

It is a good idea for a PMO to work with a project reporting an Amber or Red milestone to make sure that the risks are understood, to make sure the risk is clearly explained, and that there is an appropriate plan in place to get back to Green.

The PMO should also pro-actively help the project or programme to get back on track, not just act as a 'policeman'. After the PMO has collected, reviewed, challenged, and validated the milestone reports, it will then be possible to produce an overall milestone plan to provide support in getting the projects back on track. An example milestone plan report can be found in diagram 8.2.

Tools

- Planning Guidelines
- Planning Tools
- Milestone Reports

Planning Guidelines

This will detail the objectives and process of the Planning Process including milestone definitions, naming conventions, and RAG status. It will typically be in a word processor or presentation format.

Planning Guidelines

The PMO will potentially need to consolidate a number of milestones from different projects. This is made simple when a common planning tool is used by every project. If your organization has a defined standard tool for planning i.e. Microsoft Project, Open Workbench, Microsoft Excel, etc, then this should be defined as the standard by the PMO

The pragmatic solution is a simple data collection template using a word processor table of a spreadsheet that allows the quick identification of the Level 1 and Level 2 milestones (including status) so that the PMO can capture updates as part of the overall milestone reporting.

The minimum data requirement is:

- Milestone Name
- Milestone Description
- Milestone Target Date
- Milestone RAG status
- Reason if a milestone is Amber or Red
- Mitigating action if a milestone is Amber or Red





Milestone Reports

The project reports should include an area for the project manager to report the level 1 milestones. For a project that will run for a period of time, only include the upcoming milestones as these will be the focus of attention. See Chapter 12 for more details on Project Reports.

The milestone dashboard will normally be a single page that presents the level 1 milestones for the projects in Gantt format.

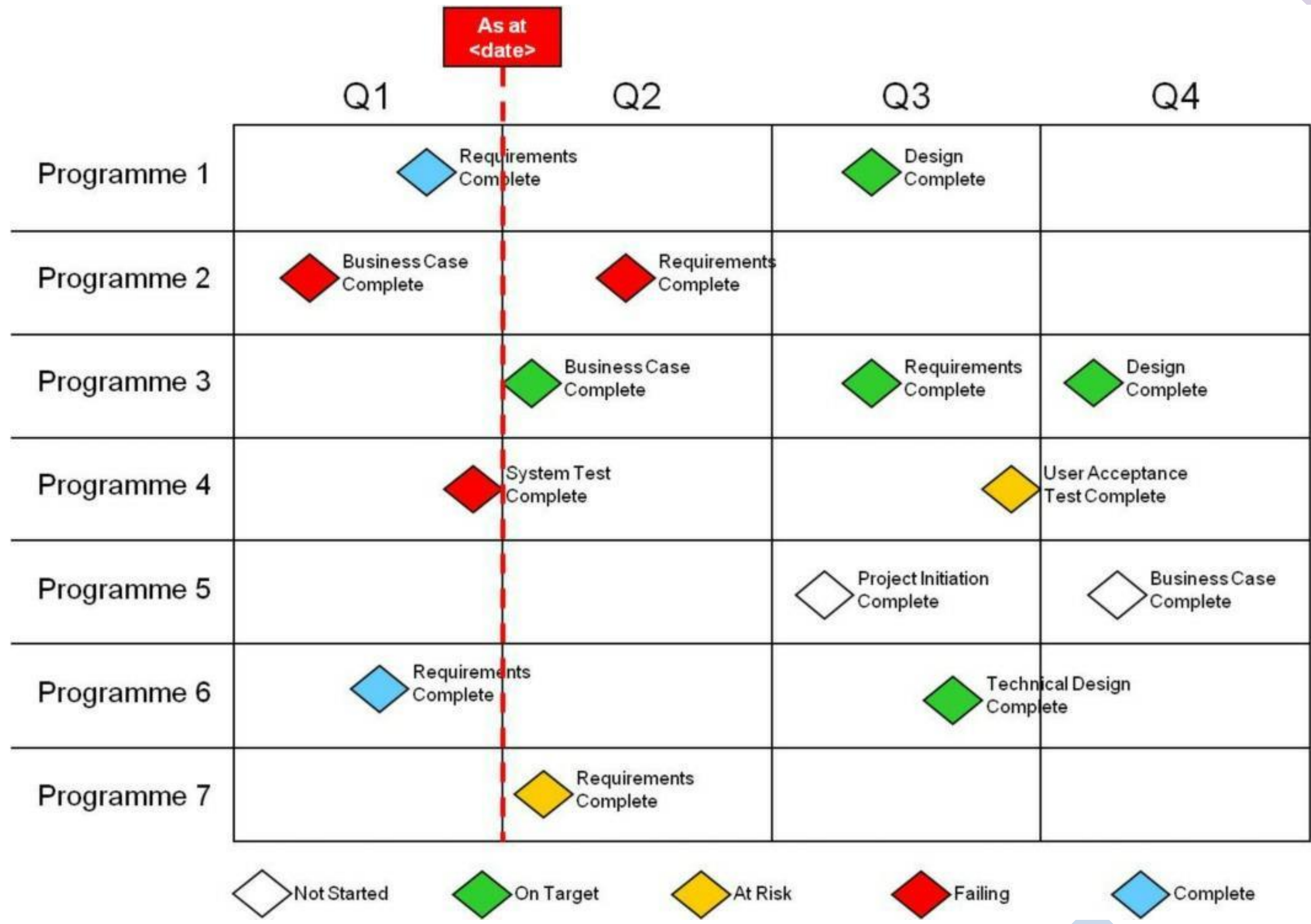
The milestone dashboard will normally be a single page that presents the level 1 milestones for the projects in Gantt format.

This should show the previous quarter (to show milestones that have been completed or missed) and the next 3 quarters to show what is coming up.

Ownership

Ownership of creating, maintaining updating, and reporting milestones resides with the project manager. While the process of maintaining the plan may be delegated to other project team members, the project manager is responsible and accountable for the plans and all associated reporting.

The PMO is responsible for defining the planning framework, consolidation, review, and reporting of the overall milestone plan the many projects for which they are responsible or have oversight.



Key Points

- All projects must construct credible plans to the appropriate level of detail.
- Milestones are an effective method to track progress.
- Milestones should be clearly named.
- All milestones are not equal, make use of
 - Milestone Levelling.
- Project or programme manager is for maintaining their plan and reporting milestones.
- All milestones should be agreed upon with the PMO and baseline.
- Milestones should be updated and reported on a regular basis.
- Pro-active action should be taken for all milestones reporting Amber or Red.

Remember, the milestone plan can be very beneficial for the project manager as it

Milestone Planning



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COST MANAGEMENT

Context

It is surprising how many project managers do not see the requirement for accurate, transparent financial reporting of their projects. The reason this is so surprising is that a project manager is responsible for managing scope, schedule, and budget. Therefore, how can the budget be managed if there is no accurate plan and tracking in place?

Definition

Project Cost Management includes the processes involved in estimating, budgeting, and controlling costs so that the project can be completed in the approved budget.”

PMO Cost Management provides a framework to complete the cost management activities in a standardized manner.

Purpose

Cost Management relates to the monitoring and control of all aspects of the planning and the management of the costs for a project.

It typically is split between planning and controlling.

Planning

All of the steps to plan and estimate costs to complete a project so as to be able to create an initial budget.

Control Costs

The process of controlling and monitoring the budget so that it can be updated and reported on a frequent basis. It is important that the appropriate level of review and rigor is in place to agree on the initial budget and monitor ongoing costs, as budget is usually a scarce resource within an organisation. As such, it is important to maximise the use of the budget.

Budget Too Low

The project is authorized to proceed even though the reality is that it will cost much more to complete the activities. This can result in a number of serious issues such as there being no additional budget to complete the work or the output of the project is not viable at a higher cost and needs to be stopped. If there was a more accurate budget at the start, the Sponsor could have made a more informed decision and prevented time completed.

Budget Too High

A good project manager will create a sensible budget with the appropriate level of contingency. The project manager will then monitor the budget on a regular basis to track progress and re-plan. Where they find they will not spend all the budget, they will make sure that they release the budget in a timely manner to allow the organization to invest in other projects.

The project is authorized even though The plus side is that the project must still be compelling at a higher cost. The main issue is that as the budget is booked against a project, it can not be used for other projects. This is an opportunity cost to an organization (the cost of not being able to use the budget for other projects). Unfortunately, many project managers believe they have done a good job when they come in substantially under budget

Approach

Cost Framework

The PMO should provide guidance to planning and cost management for projects together with the tools that should be used. This should include:

- **Planning Process:** what steps need to be completed as part of producing a project cost plan.
- **Planning Tools:** what templates should be used to capture the cost plan.
- **Cost Reporting:** process for capturing and reporting project costs.

Cost Planning

The cost planning activity will normally be a project (project schedule, resources, and costs) as the different components are all interdependent. The plan will normally start with what activities need to be done by when, this informs what resources are needed. When this is captured the costs can be calculated.

All projects should go through a planning exercise to establish the initial budget required to complete all of the activities. The planning exercise will typically involve the project manager working with the project team and any 3 party providers to capture what activities need to be completed, by resource type, and by when. The process should also capture any non-resource expenditure for the project i.e. computer hardware, software, premises, etc.

Capturing this information will allow the project manager to calculate the cost of the project on a month-by-month basis. This is important for monitoring progress against the budget. If the project manager only provides a summary number for the entire project, it is difficult to monitor if they are running behind or ahead of budget.

Cost Baseline

If the project manager has completed the appropriate level of planning, they should be able to provide a monthly cost plan. This is very useful as it gives a good indication of the amount of work that will be completed in any one month. It also allows for an organization to plan cash flow requirements. Ideally, the plan should be split by resource and non-resource costs. For the resource costs, it makes sense at a minimum to split by business, IT, and third-party.

The reason for this is to provide a better level of the make-up of costs. This helps with resource planning. It also allows for a better review of the budget. For example, for a project that is building a new computer system, you would expect a high level of IT resources. If upon reviewing the plan it was found to be a lot less than the Business costs, this would need further investigation.

It is acceptable for a project manager to break- down the resource type further to specific roles i.e. project manager, business analyst, etc. This often helps to obtain more accurate costs as rates for resource types normally vary. If the project manager completes a more detailed breakdown, the PMO will want to ensure that the project consolidates the data to the generic headings of Business, IT, and third party.

Having the split of Resource costs also allows the PMO to perform consistency checks. For example, if a project was under running on Business costs, you would expect to see the equivalent underrun in the Resource plan and delays to the activities on the project schedule. If this is not the case, further investigation is required.

Cost Baseline Review

The PMO should review the proposed financial baseline to ensure it makes sense i.e. not a simple straight line of the overall budget for the duration of the project, and that no severe cost spikes that represent over-optimistic (or even unachievable) hiring of resources exist.

The project manager should see the review as a benefit as it may help to identify gaps that can be addressed early (before they become issues).



Cost Tracking & Reporting

The PMO will work with the project manager regularly, it is recommended at a minimum monthly, to track actual spending against budget, update forecasts and evaluate if the project financial's support the overall status being reported for the project.

The cost report should capture the following information:

- Total Budget
- Actual's (budget spent to date)
- Forecast (estimate to complete project -ETC)
- Variance (budget less actual's and forecast)

Where there is a material change in any of the numbers, the project manager should make sure that the reason and any required action are captured within the report. By using trend analysis, a PMO will identify where work is falling behind plan and, where the budget is simply being rolled and distributed over the remaining months (an indication that the project manager is not re-forecasting). Another one to watch out for is where the project manager is reporting zero variance. Another good indicator is that the project manager is not re-forecasting.

PMO Financial Reporting

After reviewing the submissions, the PMO should consolidate all the submissions into the summary dashboard. This will allow progress against the overall budget to be communicated to key stakeholders (see diagram 9.2).

DIAGRAM 9.2 EXAMPLE OF BASIC CONSOLIDATED PMO FINANCIAL REPORT

ALL IN BRITISH POUND

	BUDGET	ACTUAL	ETC	VARIANCE	DESCRIPTION
PROJECT 1	1000	700	200	100	Running to plan. Contingency not used
PROJECT 2	500	400	150	50	Overspending due to increased testing
PROJECT 3	2100	600	700	800	Budget overestimated. Recommend relocated
PROJECT 4	100	90	18	£2	Running to plan
PROJECT 5	1700	1200	400	100	Running to plan. Contingency not used
PROJECT 6	750	80	50	100	Problem with the product. The solution is being developed
TOTAL	6150	3780	1518	852	

Cost Change Control

The PMO should make sure that the Change Control process includes thresholds for projects running over or under budget. As part of the regular reporting, it should be possible to identify if a project will need budget. At this point, the PMO should review the project with the project manager to determine if a change request needs to be raised. The Cost Change Control process will allow the project to request more budget when required and, if approved, the budget will be increased. Likewise, the same process should be used to formally release a spare budget so that it can be utilized for other projects.

The PMO should make sure that the Change Control process incorporates suitable tolerance levels on over and under budget (see chapter 14).

General Financial Guidance

- To reduce the pain and effort of establishing the cost planning and reporting process, the PMO should provide support to help populate the tools to create baselines (big help in improving data quality).
- Provide guidance on generic resource costs, unit prices, etc to help calculate costs

A sound, common process will then allow the PMO to quickly roll up financial's across all the projects based on quality data. This in turn will promote confidence with senior management that the PMO has full control and oversight.



Tools

- Cost planning template
- Cost planning generic rates
- Cost reporting process
- Cost reporting template

Cost Planning Template

This will be used to allow the project manager to capture the costs for the project. It should allow for costs to be captured on a monthly basis and split at a minimum between Business, IT, and third-party. It is possible to allow for costs to be captured on a more granular basis that then automatically consolidate to the 3 overall categories.

Due to the need to perform calculations on the data, this should be designed using a spreadsheet. It is possible to use a spreadsheet for data collection and analysis and then a separate format for reporting. However, always aim to keep it simple to avoid extra work.

Cost Planning Generic Rates

The project manager should use actual rates and costs where they are known. As this may not always be the case, the PMO should provide a guide on what generic rates should be used when planning a project.

As there will be many variations and different costs across the projects, the guide should only focus on common and often used resource types.

- Resource costs - split by grade, location as required
- Hardware costs - i.e. server cost

The guide should also define what exchange rates should be used to convert local costs into reporting currency. The information should be supplied in a simple and short document using a table or spreadsheet format. Make sure the document provides guidance on how the generic rates should be used.



Project Cost Reporting Template

The PMO should provide a template that allows costs and actual's to be captured on a monthly basis. It should also allow the split between Business, IT, and Third-Party.

Due to the need to perform calculations on the data, this should be designed using a spreadsheet. It is possible to use a spreadsheet for data collection and analysis and then a separate format for reporting. However, always aim to keep it simple to avoid extra work (see diagram 9.1).

A smart move is to base the report data capture on the same template used for the cost planning.

PMO Cost Reporting Template

This should be a similar format to the project cost template. This will then make it easier for the PMO to consolidate the data across all the projects to create a single report (see diagram 9.2).

OWNERSHIP

The project manager is responsible for producing an initial cost plan and ongoing monitoring and reporting of progress against the budget.

The PMO is responsible for defining the cost management framework, providing oversight of progress against budget, identifying trends, and working with the project manager to take action to address issues quickly.

Key Points

- All projects must have a credible, month-on-month cost plan.
- The project manager is responsible for project cost planning and accurate ongoing reporting.
- PMO is responsible for issuing clear cost planning and reporting guidelines.
- Issuing generic rates for common costs types to help simplify the planning process
- Sound cost management will allow an organization to make the best use of the available budget.

Milestone Planning



Agenda

- ✓ Introduction & Definitions: Project Programme, Portfolio and PMO
- ✓ Types of PMO, Objectives and Benefits
- ✓ Roles & Responsibilities
- ✓ Governance
- ✓ Milestone Planning
- ✓ Cost Management
- **Benefit Management**
- RAIDs Management
- Reporting
- Quality Assurance
- Change Control
- Resourcing
- Communication Management
- Procurement
- Document Storage

BENEFIT MANAGEMENT

Context

It is interesting that in the majority of cases, a project is launched to deliver some form of benefit. However, for some reason, many project managers and PMO's focus on delivering the project on time, on budget, and to agreed scope without keeping track of the delivery of the benefits.

While in theory, delivering the agreed scope to budget should result in the delivery of benefits, unfortunately, this is not always the case. It is surprisingly common that there is no clear ownership on who should deliver the benefits. This usually occurs when the benefits are not directly linked to the same timeline as project deliverables.

For example, a project may implement a new computer system that automates a process. This could result in the benefit of reduction of costs through fewer resources. However, it may be that the resources can not be released from the current manual process until the system has been up and running for 6 months.

In this scenario, the project manager delivers the system and then closes the project. The view of the project manager is that it is a success as the agreed scope has been delivered on time and within budget. However, the benefits will not be realized until the resources have been redeployed. The project manager will state that they can not be responsible to track the benefits realization as they have closed the project and are now working on a new project. A solid approach to benefits management is required to address this issue.

Context

Benefits Management is the process involved in estimating and monitoring benefits so that the value can be realized.

PMO Benefit Realisation is the framework to support the benefits realization process.

Benefits fall into 2 broad categories:

Tangible Benefit: This is typically a benefit that can be measured numerically i.e. reduction in costs, increase in profit, reduction in headcount, etc. Tangible benefits tend to be easier to quantify and prove that they have been achieved.

Intangible Benefit: These are more difficult to measure numerically i.e. Intangible reduction in operational risk, improve reputation, providing better customer experience, cost avoidance, etc. Intangible benefits are hard to prove, especially cost avoidance.

By defining and agreeing on Key Performance Indicators (KPI's) to prove the benefits within a project at the start, it should make it easier for the project manager to confirm benefit realization.

Approach

It is important to establish a clear understanding of what benefits will be delivered as a result of a project. Therefore, the benefits must be formally documented and signed-off by all parties. If the benefits are not captured then it is very difficult for the sponsor to make an informed decision if he wants to sign-off the project and allocate budget.

Unfortunately, in many instances, the costs and benefits are overly optimistic i.e. cost too low and benefits too high. This can only result in disappointment as the project will cost more to complete and benefits will be less. In fact, the costs and benefits may change so much that what was originally an economically viable project becomes unviable. In this case, the sponsor and organisation will not be very happy with the wasted costs, effort, and opportunity cost.

Given that this is the outcome when costs are set low and benefits set high, it is surprising that this is still a common occurrence. The reason why it continues is that the sponsor and project manager are not held to account to deliver the benefits.

Benefit Framework

This is where a PMO can add value by ensuring a framework is in place to make sure that:

- Costs and benefits are accurate
- Benefits are agreed with the sponsor
- Understanding how and when benefits will be delivered (benefits realisation plan)

Business Case

A good place to capture the benefits (and costs) is in a business case. This should document all the costs to deliver a project and the benefits that will be realized. The business case is the normal mechanism to secure project funding. Therefore, it will need to be signed-off by the Sponsor and a recognized governance process. This means that there should be a good level of challenge to the numbers.

The business case should be seen as the contract between sponsor and organization. Agreement to the business case means the organization agrees to provide funding in return for the sponsor delivering the stated benefit.

The PMO should make sure that they promote and encourage the culture that a business case is a contract and that the benefits must be delivered (and not simply forgotten).

Key Performance Indicators (KPI's)

It is important that there is a mechanism to track benefits realization, especially as it can be a very emotive subject, especially at the point of realization. To avoid this, the sponsor and project manager should look to document sensible KPIs that, if achieved, mean the benefit can be recognized.

Ideally, the KPI's should be agreed upon early, even included in the business case, as this is usually a lot less emotive. Agreeing on them early also helps eliminate an industry being created around benefit tracking and realization.

KPI's are particularly helpful for intangible benefits. These can be hard to prove, especially cost avoidance. By defining and agreeing on KPIs to prove the benefits within a project at the start, it should make it easier for the project manager to confirm benefit realization (see diagram 14.1).

DIAGRAM 14.1 EXAMPLE BENEFIT KPI'S

TANGIBLE BENEFITS		
ID	BENEFITS	MEASURE
1	Project will realise £5 million in annual savings within IT support	Cost centre (IT support) will be £5 million less than 2012
2	Launch of new product will result in £10 million of additional revenue within online sales division	General ledger account will be set up to track sales. Report will be presented to show sales attributed to new product.

INTANGIBLE BENEFITS		
ID	BENEFITS	MEASURE
1	Project will result in a high level of satisfaction for current account customers	Official complaint will reduce by 15% compared to the average for the last 3 years
2	New service will increase the level of client retention	Number of client's closing accounts will reduce by 10% compared with the average for the last 3 years

Benefit Baseline Plan

In the same way that a cost (budget) baseline is prepared, agreed and monitored by the project manager, a benefit baseline should be established. The project manager should capture all the benefits as part of the planning process. A benefit baseline should then be created. This will show when the benefits will be realized. Ideally, this will be a month-on-month plan.

However, if this is too difficult, it is possible to show benefit realization in quarter-year intervals. The benefit baseline is incredibly useful as it will show what benefits will be realized by when (see diagram 14.2)

Benefit Tracking

Once the benefits have been signed-off and the benefit baseline agreed, it is necessary to monitor on a regular basis to make sure that benefits are on target (will be delivered to agreed timescale) and that there is no benefit erosion (reduction in stated benefits). This is achieved by ensuring that each project reports progress against the benefits baseline on a regular basis, ideally as part of the overall project reporting. Note: it is probably sensible not to report benefits more often than monthly.

A sensible approach to monitoring if benefits are on track is to agree on meaningful benefit milestones with the project manager that can be tracked. The rationale is that benefits are usually achieved as an outcome of deliverables within the project plan. Therefore, if benefit release milestones can be linked to these deliverables, it gives an efficient and fast way of monitoring benefit progress.

Benefit Realisation

The benefits realization process is the steps that are followed to formally recognize that a benefit has been achieved and realized. If a benefit baseline has been defined, KPI's agreed and milestones agreed, it should be easy to identify when a benefit has been realized. However, it is sensible to set up a formal process to recognize that a benefit has been achieved, the same way you would sign off a project deliverable. The PMO should prepare a simple sign-off form that allows the project manager to present details of the benefit, agreed KPI, and evidence that the KPI has been met. This can then be formally presented at the appropriate project steering committee for sign-off. It also reduces the risk of getting to the end of a project and all the benefits have evaporated. This allows for expectations to be managed early.

EXAMPLE PROJECT BENEFIT PLAN

PORTFOLIO TOTAL			
ALL FIGURES IN £			
BENEFIT	TOTAL BENEFITS	TOTAL REALISED	REMAINING
TANGIBLE	£50	£25	£25
INTANGIBLE	£10	£5	£5
TOTAL BENEFITS	£60	£30	£30

CURRENT YEAR		
ALL FIGURES IN £		
FORCAST	REALISED	REMAINIG
£10	£5	£5
£2	£1	£1
£12	£6	£6

TOTAL

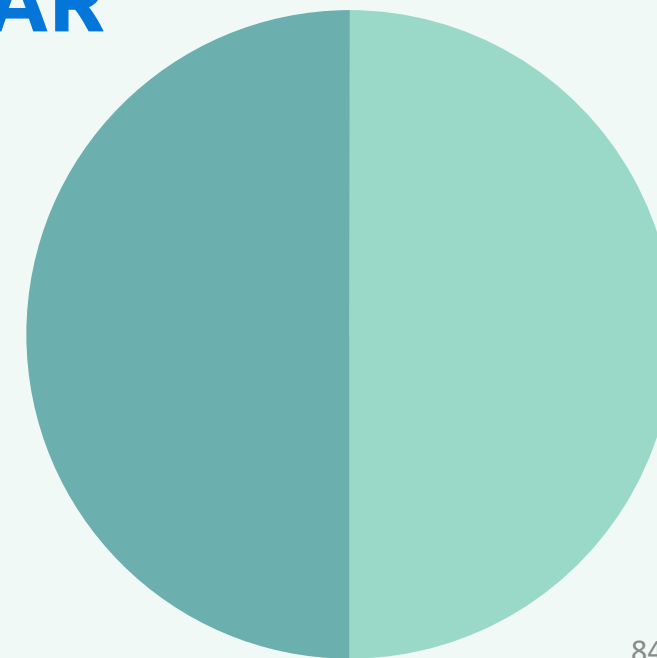
Remaining
£30



Total Realised
£30

CURR. YEAR

Remaining
£6



Total Realised
£6

Tools

- Benefit baseline template
- Business case
- Change control
- Benefit realization template
- Benefit report

Benefit Baseline Template

This will be a month-of-month or quarterly estimate of what benefits should be realised. As it will contain financial data it is beneficial to design the template using a spreadsheet

It should contain columns for each time period along the horizontal axis. The benefit types should be listed down the left hand axis. The forecast benefits will then be listed against the appropriate benefit type under the date where they should be realised.

Business Case Template

This will typically contain both financial and non-financial data. Therefore, it is sensible to use a word processor and/or a spreadsheet The business case will need to include:

- Executive Summary
- Objectives
- Scope
- Strategic Fit / Business Drivers
- Cost
- Benefits
- Pay Back / Return on Investment
- Approach
- Options
- Key Risks & Issues
- Impact Assessment
- High-Level Plan
- Recommendation

The business contains all of the information to allow senior management to make an informed decision.



Change Control

The Change Control process must reflect triggers and tolerance levels for benefits management (see chapter 14)

Benefit Report

For the project benefit realization report, this can be incorporated as part of the project benefit baseline using a spreadsheet

The consolidated benefit report produced by the PMO will typically be a spreadsheet with a separate row for each of the projects and totals at the bottom (or top) of the page.

The information can also be presented in graph or pie chart format to convey progress. The exact choice will depend on the preference of the audience

Ownership

- The sponsor is accountable for the delivery of the benefits associated with a project. The sponsor may delegate the delivery and monitoring of the benefits to the project manager. However, the sponsor remains fully accountable for the benefits.
- The PMO will make sure that there is a framework to build benefit baselines, monitor progress, and formally realize benefits.
- The PMO will identify trends where benefits are under threat and then work with the project manager to take action.

Key Points

- Benefits are typically the reason for starting a project
- Benefits are either tangible or intangible – a project can contain both
- It is important to agree on benefit baselines and hold the sponsor and project manager to account
- The business case is a useful tool to form the contract between sponsor and organization for delivery of the benefits
- Business cases typically have over-optimistic costs and benefits to help achieve sign-off
- KPI's can help remove the emotion and work required to recognize the realization of benefits
- KPI's should be agreed upon early that, if achieved, will allow benefit to be realized
- The PMO is the custodian of ensuring benefits are delivered and providing senior management with the information to make informed decisions

Benefit Management



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RAID'S (RISKS, ASSUMPTIONS, ISSUES & DEPENDENCIES)

Context

Risks, Assumptions, Issues, and Dependencies, often called RAIDs, pose the biggest threat to the successful delivery of a project. Risks and issues are the primary reason for delays, the inability to deliver the scope and realize benefits. For example, a project may be delayed due to key resources not being available. The delay is not simply resourcing, it comes from risk. The original risk would be that "the key". Due to this, it is critical for the PMO to implement a framework that helps the project manager to capture and manage all the known RAIDs for the project they are running.

Definition

Firstly, it is worth spending a moment clarifying the difference between an Issue and a Risk (especially as it is common for many members of staff, including senior management to debate the point).

Risk is something that may impact the successful delivery of a project. It has not happened

Issues are things that have impacted a project. It has happened.

Assumptions are statements made about an event or circumstance that is expected to continue to be true.

Dependency: is where the success and continuation of a project are dependent on the successful and timely delivery from outside of the project, such as another project.

A project manager who can successfully identify and manage Risks to stop them from becoming Issues will probably have a good track record in delivering projects.

Purpose

The purpose of a RAIDs framework is to make sure that the risks, assumptions, issues, and dependencies across all the projects and workstreams are being identified AND managed. The rationale is that, if they are being managed, there is a higher chance of successfully delivering the required outcomes.

The second important purpose is to make sure that all RAIDs are visible. This helps reduce the risk of a “nasty surprise”. Sponsors get very upset if an issue causes a significant delay where somebody knew about the risk but did not capture or communicate. Especially, if it was a risk that the sponsor could have helped resolve before it became an issue.

It is also important that there is a consistent method to measure RAIDs. This allows for the most important ones to be quickly identified and escalated. It also removes the possibility of wasted time and effort where RAIDs that may be important at a workstream level but not at the overall programme level are classified as most important.

Assumption Management

Assumptions are usually captured during the planning phases of the project. They are used where information is required to make an informed decision but is not available. For example, an IT project may make assumptions about disc storage and work out a price accordingly. However, it is important that there is a plan to prove if an Assumption is true or false. Without this, a project may continue assuming a certain level of disc usage, go into production only to find disc storage requirements are 10 times bigger than the Assumption so the system is not fit for purpose. In some cases, it may not be possible to prove an Assumption or it may be prohibitive. In this case, this is where Risk management can help.

Risk Management

The project manager should aim to capture all Risks that may impact a project at the start of a project. These should be assessed (usually by a group of appropriately skilled people) to gain a view on probability and impact.

The project manager must then decide on what Risks to worry about (usually those with High probability and or High impact). For these Risks, the project manager should capture mitigating actions. This will enable the project manager to recommend to senior management where mitigating action should be taken to insure against the Risk. This needs to be considered carefully as taking mitigating action usually costs more money and the Risk may not happen - a tricky balancing act.

Issue Management

Becomes an Issue - something that needs to be managed. The Issue should be closed on the Risk Register and transferred to the Issue register. It is possible for an Issue to appear that was not captured on the Risk register - every project manager's nightmare is "the unknown, unknown". A course of action needs to be developed to resolve the Issue. If the project manager has completed a Risk Mitigation Plan, this will be the starting point.

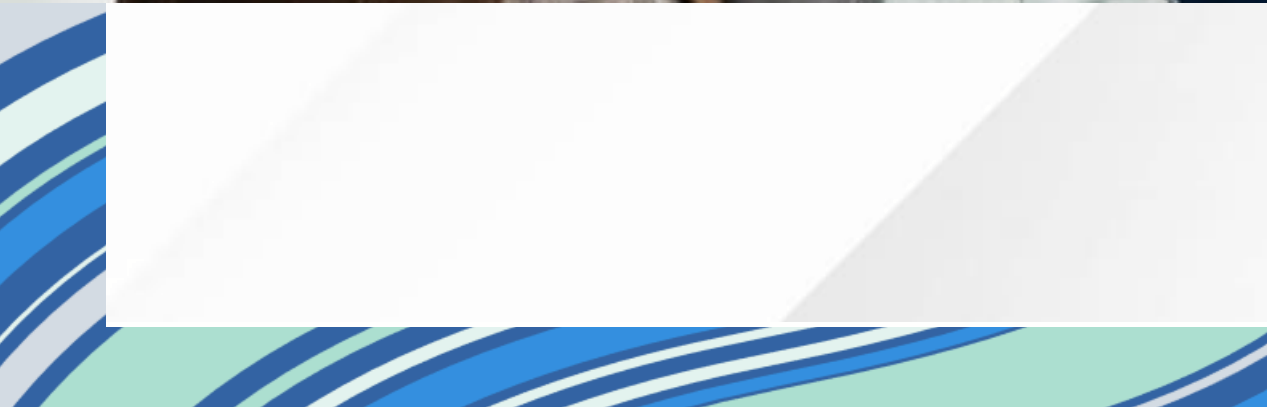
For Risks, Issues, and Assumptions, this is an ongoing exercise for the project manager, it is not just a "one-off", point in time exercise. Unfortunately, many project managers create a Risk, Assumption, and Issue log and then never look at it again. A good project manager should be ensuring the registers are constantly being updated and they should review with the project team regularly.

Dependency Management

Dependency management is linked closely to Risk management in respect that both may impact delivery. The purpose of dependency management is to identify where the project is dependent on some form of action or delivery from outside of the project. Where this is the case, this normally is a risk to the successful delivery of the project.

By identifying and managing dependencies, it may not reduce the possibility that the in-bound action or deliverable may be delayed, what it does allow is for progress to be monitored, escalation to senior management, and mitigating action to be taken. This is far preferable to being 1 year into a project only to find that a key deliverable from another project will no longer be delivered as the project has been canceled. If this dependency was known early and was being tracked, an alternative solution could be developed.





Approach

In order to manage RAIDs, the PMO should define and publish guidelines and tools.

RAIDs Framework

The RAIDs framework will define and provide tools to effectively capture and manage RAIDs in a practical and consistent manner. It should include:

- Process to define and capture RAIDs.
- Guidelines to ensure consistent definition and reporting
- Process to report RAIDs
- Process for mitigating RAIDs
- Process to escalate

Risk Process

The PMO should provide clear guidelines to what is expected to be captured in respect of Risks. This is normally achieved by defining a scale that can be applied across all projects. This provides a common understanding to everyone.

High, Medium, Low

1 - 5 (1 being low impact, 5 being high)

If you recall, Risks are events that may happen. Therefore, it is important to capture the probability of a Risk occurring i.e. by rating it as High probability or '5'. It is also important to assess the impact of the Risk. For example, it is possible to have a high probability Risk but has a low impact and a medium probability Risk with a high impact. Senior management will be more concerned about the second risk even though it has a lower probability. When using the 1 - 5 scale for both, you can then perform a calculation of Impact multiplied by Probability to achieve a value for the Risk. It is then possible to order the calculations to identify the top Risks to the project. Risk mitigation is where positive action is taken to insure against the impact of a Risk.

For example, there may be a risk that a vendor will not be able to deliver a system upgrade to meet a mandatory deadline. If the project manager assesses the Risk as high probability and high impact, they may choose to invest in developing a solution in-house or with a different vendor just in case the original vendor fails. Think about it a bit like buying an insurance policy, you invest money and/or as risk mitigation can be expensive, it is only generally used in exceptional circumstances. Unfortunately, many sponsors struggle with investing money that they then think may be wasted.

A useful method to address this is by trying to place a monetary value on the Risk, sometimes known as pricing the Risk. If you can come up with a simple, credible approach to value a Risk, this, coupled with probability, can make it easier for a sponsor to agree to mitigate.

A useful method to address this is by trying to place a monetary value on the Risk, sometimes known as pricing the Risk. If you can come up with a simple, credible approach to value a Risk, this, coupled with probability, can make it easier for a sponsor to agree to mitigate.

Issue Process

As with Risks, the PMO should provide clear guidelines to what is expected to be captured in respect of Issues. This means each Issue should be assigned an impact value based on the same scale as used for Risks (this ensures normalization).

Quick recap, scales normally take the form of: **High, Medium, Low 1 - 5 (1 being low impact, 5 being high)** happened. For example, the original Risk may have been that the vendor would not deliver the software on time. It becomes an Issue when it is known that the vendor will not deliver on time. When a Risk becomes an Issue, normally action needs to be taken to get the project back on track. If a project has prepared a risk mitigation plan, then it should already have a defined course of action to address the issue. This saves a great deal of time and allows an action to be taken quickly.

Assumption Process

Assumptions are usually captured at the start of the planning process as it is necessary for the project to make informed assumptions to support the creation of a business case and initial plan. The reason they are necessary is that in many cases there is not the time and/or budget to conduct a detailed analysis. Therefore, to produce a business case or plan, the project manager makes several assumptions.

The PMO should define a framework for capturing Assumptions. This serves 2 purposes. Firstly it ensures that projects consider assumptions, secondly, it ensures they are captured consistently. By capturing the assumptions consistently, makes them visible and allows will allow the Assumptions to be tested to see how solid they are. If an Assumption has not been fully considered, it could prove untrue and have a material impact on the project. As part of the Assumption process, it is good practice to capture an owner and a date it will be either validated or proven untrue.

This is an important step, capturing Assumptions should not be a form-filling exercise. If an Assumption is captured and documented, then there should be a good reason. Therefore, if this is being used as the basis of the business case or plan, it is important that there is an action to investigate the Assumption and prove that it is valid.

Dependency Process

A project manager needs to be aware of the dependencies that their project has both internally and externally. It is also sensible to be aware of other projects that have dependencies on the outputs and deliverables from their project. This is achieved through a dependency management process. identifies and captures the risks, assumptions, and issues, they should also capture the dependencies.

The reason for doing this is to ensure that the dependencies are managed and that they do not become issues that impact delivery. Capturing dependencies can be difficult and requires a level of investigation. Dependencies typically be identified by a number of paths:

Existing Knowledge

The project manager, unless they are new, should have a network of contacts in the organization. This means they should be aware of other projects within the organization. This should allow them to identify potential projects where there may be a dependency. A meeting can then take place to investigate if there are any dependencies.

The format is to invite all of the project managers and ask them to provide a 1 - 2 page presentation that covers:

- Purpose of project / Scope
- Timelines
- Key deliverables
- Key processes impacted
- Key systems impacted

Each project manager will then have a slot on the agenda to present their project and take questions from the other project managers. The aim is to make all project managers aware of all of the projects and identify where there may be potential dependencies.

The PMO will write up a list of potential dependencies and then the project managers will arrange meetings where appropriate to discuss in more detail. When a dependency is identified it will be recorded on the dependency log so that it can be tracked. It is important when recording the dependency that the deliverable is linked to a milestone so that it is possible to track the progress of the dependency, especially where it may be slipping.

RAID'S UPDATE

For example, a scale of 1 - 5 may be used with all RAIDs marked as 1 and 2 being raised to senior management.

PMO RAIDs Review

The PMO should review all of the RAIDs identified as level 1 and 2 to understand them and to make sure mitigation plans are in place. The PMO should also be looking for emerging trends that may require central intervention. I.e. where a vendor is working on more than 1 project. If problems develop, it is more effective to arrange a meeting between the vendor and senior management as opposed to each project manager dealing with their issues individually.

PMO RAIDs Report

The PMO should include a report of all of the level 1 and 2 RAIDs. This should be included in the reporting to senior management and the overall steering committee. This ensures that management are aware, can take actions and

Tools

- RAID's Framework
- Risk template
- Assumption template
- Issues template
- Dependency template

With the exception of the framework document, the RAID's templates typically suit landscape table format usually using a word processor or spreadsheet.

RAID'S Framework

This is a clear and precise guide that explains the approach to RAID's management and the tools and processes to be used. It should also include guidance on the tolerance levels for impact and probability to ensure consistency and reporting levels to escalate to senior management. The document will typically be a word processor or presentation document.

Risk Template

The template should include:

- Unique ID
- Project Name
- Sub workstream if applicable
- Risk Title
- Description
- Impact
- For Risks - probability (1 - 5, High, Medium, Low, etc)
- For all - impact (1 - 5, High, Medium, Low, etc)
- Identified by
- Date raised

Assumption Template

The template should include:

- Unique ID
- Project Name
- Sub workstream if applicable
- Assumption title
- Description
- Impact
- For all - impact (1 - 5, High, Medium, Low, etc)
- Identified by
- Date raised
- Action owner
- Mitigation plan
- Target resolution date
- Actual resolution date
- Reporting level

Status

The template should include:

- Unique ID
- Project Name
- Sub workstream if applicable
- Issue title
- Description
- Impact (1 - 5, High, Medium, Low, etc)
- Identified by
- Date raised
- Action owner
- Mitigation plan
- Target resolution date
- Actual resolution date
- Reporting level
- Status (Open, Closed)

Dependencies Template

The template should include:

- Unique ID
- Project Name
- Sub workstream if applicable
- Dependency title
- Description
- Enabling Project
- Enabling Milestone
- Dependent Project
- Dependent Milestone
- Target Delivery Date
- Required Date for Dependent Project
- Internal /Reporting level
- Status (Open, Closed)





Ownership

The project manager is responsible for identifying and pro-actively managing RAIDs. This includes identifying and escalating those for management attention.

The PMO is responsible for defining the RAIDs framework, tools, and processes.

The PMO should review all RAIDs to ensure that they are being managed and identify emerging trends.

The PMO should provide consolidated reporting of RAIDs that need to be raised for management attention.

Key Points

- RAIDs can cause a project to fail
- It is important for a project manager to identify and manage their RAIDs
- The PMO should ensure there is a robust process to capture and manage RAIDs
- The RAIDs must be evaluated using a common scale
- Critical RAIDs must be reported to senior management
- Managing RAIDs can help reduce the risk of project failure

Risk Register

ID	Project Name	Risk Title	Description / Impact	Probability	Impact	Value	Owner	Date Raised	Identified By	Target Closure Date	Actual Closure Date	Status	Reporting Level	Proposed Mitigating Actions
EP-R001	Project 1	Business Resources	Business resources may not be available to work on the definition of the business requirements. This will result in the requirements being delayed that will mean the whole project timeline will move out by at least 3 months.	High	High	High	PM 1	1-Sep-12	A Person	1-Nov-12		Open	1	Establish resource plan specifically for business resources and review with business heads to work out back filling strategy.
EP-R002	Project 3	Regulatory Environment	The changing regulatory environment may result in new policy that may require current proposed approach to be reviewed and adjusted to comply with new rules.	Medium	High	Medium	PM 3	14-Oct-12	C Person	31-Dec-12		Open	2	Hold regular meetings with regulator to get early sight of changes so that mitigating plans can be established early.
EP-R003	Project 4	Budget	There is a risk that budget will be reduced as the organisation reduces overall spend on change activity. This will mean that scope will have to be reduced in line with revised budget.	Low	Medium	Medium	PM 4	1-Sep-12	D Person	26-Oct-12	22-Oct-12	Closed	3	Budget reviewed by senior management and funding ring fenced.
EP-R004	Project 1	Test Cases	The complexity of the business may result in the need to execute over 10,000 test cases to fully test functionality. The current plan is based on 2,000 test cases. This will result in a longer test cycle and more costs.	Low	Medium	Low	PM 1	22-Oct-12	A Person	30-Nov-12		Open	3	Review test cases against proposed functionality and develop an approach to test multiple functionality within each test case.

Issue Register

ID	Project Name	Issue Title	Description / Impact	Impact	Identified By	Date Raised	Action Owner	Target Resolution Date	Actual Resolution Date	Mitigation Action Plan	Level	Status
EP-IS001	Project 1	Business Resources	Business resources are not available to work on the definition of the business requirements. This will delay the delivery date of the production of the final requirements. This will result in a 3 month delay to the project.	High	A Person	01/10/2012	PM 1	15/11/2012		Establish reason business resources can not work on the business requirements and try to back fill from other business teams. In parallel, business analyst will create initial draft requirements based on existing business manuals.	1	Open
EP-IS002	Project 3	Regulatory Environment	Regulator has announced a change to the regulatory framework that will become effective before the closure of this project. This means that the proposed solution will need to be reviewed and updated to incorporate the changes. This will result in an extended timeline and more budget.	High	C Person	01/11/2012	PM 3	30/01/2013		Review regulatory changes and estimate effort, costs and increase in duration so that a change request can be raised.	2	Open
EP-IS003	Project 4	Budget	All change projects have to reduce budget expenditure by 10%. This will reduce the scope that can be delivered as part of the project meaning only the first 2 phases can be delivered.	High	D Person	01/10/2012	PM 4	01/11/2012	01/11/2012	Review project delivery approach and work out where savings can be made so as to safely deliver as much scope as possible with reduced budget. Change request to be raised for revised approach.	2	Closed
EP-IS004	Project 1	Test Cases	The functional complexity means that 3,000 test cases will need to be executed as opposed to the estimated 2,000. This will result in an extension to the test phase of the project.	Medium	A Person	01/10/2012	PM 1	01/11/2012		Reduce the number of test cycles so as to allow the completion of the additional test cases.	3	Open

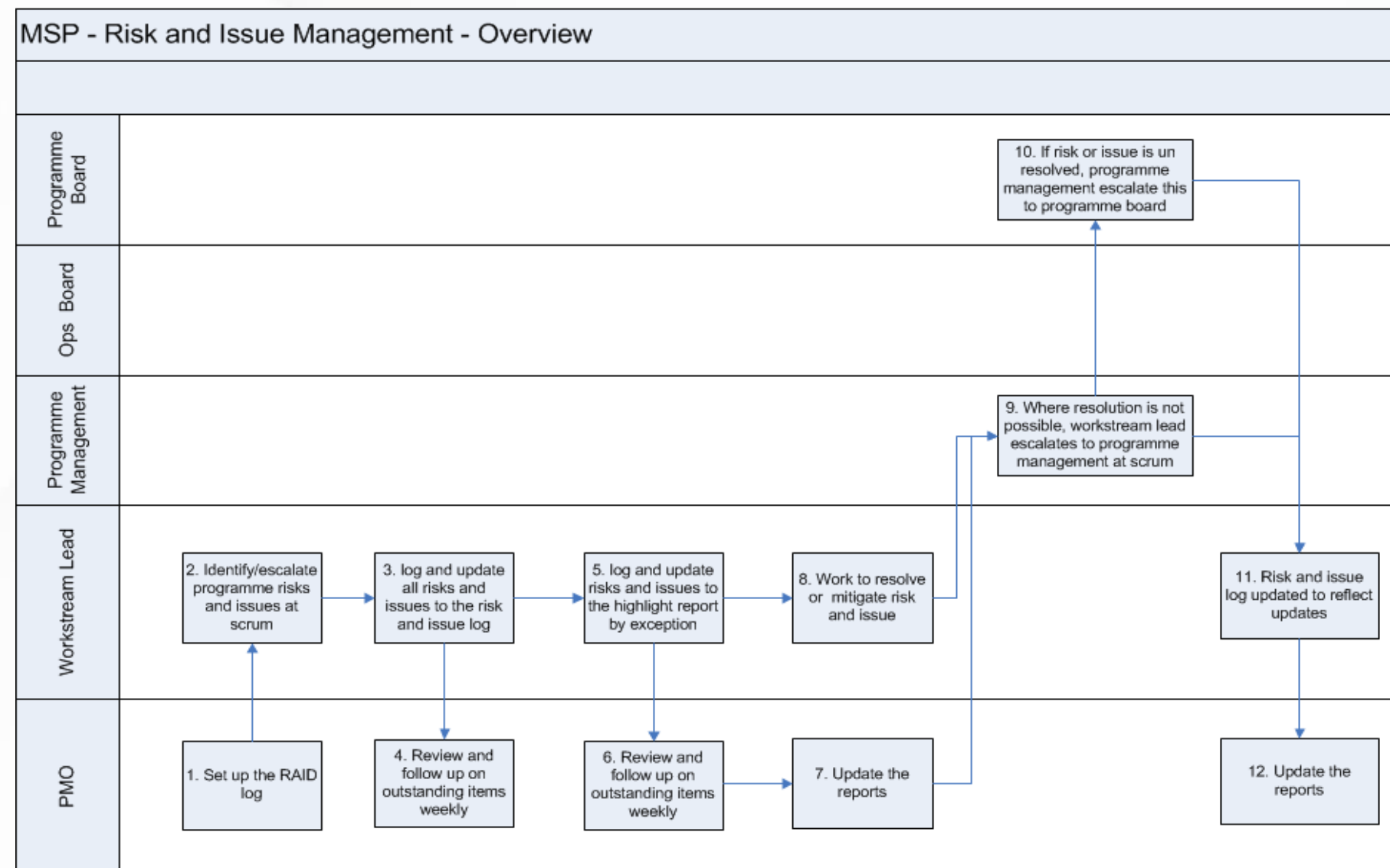
Assumption Register

ID	Project	Title	Description	Status	Owner	Date Raised	Raised By	Impact	Proposed Actions	Expected Closure Date
EP-A001	Project 1	Business Resources	Business resources will be available to define the business requirements as inline with the proposed project schedule.	Open	PM 1	01/10/2012	BA 1	High	Establish resource plan specifically for business resources and review with business heads to work out back filling strategy.	01/11/2012
EP-A002	Project 3	Regulatory Environment	Regulatory environment will remain stable with no policy changes introduced before completion of project.	Open	PM 3	14/10/2012	PM 3	Medium	Set up regular meetings with regulator to understand what changes are being scheduled.	31/12/2012
EP-A003	Project 4	Budget	Budget will be ring fenced and will not be reduced or removed before completion of project.	Closed	PM 4	01/09/2012	D Person	Medium	Hold discussion with senior management to gain agreement that budget will be ring fenced and protected.	26/10/2012
EP-A004	Project 1	Test Cases	It will only require a maximum of 2,000 test cases to fully test functionality	Open	PM 1	22/10/2012	A Person	Low	Review test case approach with business users to validate that less than 2,000 cases will be required.	30/11/2012

Dependency Register

ID	Project	Dependency Title	Description	Owner	Enabling Project / Function	Enabling Milestone	Dependent Project	Dependent Milestone	Target Delivery Date	Required Delivery Date	Internal / External	Level	Status
EP-D001	Project 1	Cash Processing of US Dollar	The proposed solution requires the ability for the cash processing system to be able to accept US dollar payments.	PM 1	Project 8	US Dollar Payments	Project 1	Online Store Payment Processing	01/12/12	15/01/13	Internal	2	Open
EP-D002	Project 2	Java Development Team	The proposed solution requires the internal java team to work on the coding of the solution.	PM 2	Project 3	Java Development Complete	Project 2	Java Development Start	30/11/12	01/12/12	Internal	3	Open
EP-D003	Project 3	Regulatory Approval	The project can only be implemented if the appropriate approval has been granted by the regulators.	PM 3	Legal	Regulatory Approval	Project 3	Go Live	31/12/12	15/01/13	External	3	Open
EP-D004	Project 4	Business Resources	Business resources are required to define the business requirements so that the development can commence.	PM 4	Project 1	Cash Processing Testing Complete	Project 4	Commence Business Requirement Definition	15/11/12	15/11/12	Internal	2	Open

Example Risk and Issue Process



RAIDs



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- **Reporting**
- Quality Assurance
- Change Control
- Resourcing
- Communication Management
- Procurement
- Document Storage

Reporting

Context

Reporting is probably the most important duty of a project manager and PMO. This is not to say that other activities are not important, they are all needed to facilitate robust reporting. It is a fact that reporting is the main communication tool of the project and the PMO. It is one, if not the most important deliverable produced every week, month, etc.

Unfortunately, there are still many senior managers, project managers, and PMO members who consider reporting to be a “form-filling” exercise. This attitude results in poor quality reporting that offers little or no value. The consequence of poor reporting is that stakeholders will become concerned and then updates and meetings to try to understand the current status. This is much more disruptive to the project and PMO than investing the time to complete high-quality status reports.

Definition

A report is normally formal, written work with the specific intention of relaying information.

A project report is formal, written work with the specific intention of communicating the status of a project.

A PMO report is formal, written work with the specific intention of communicating the status of all the projects that are within the scope of a PMO.

Purpose

- It should be recognized that project status and PMO reporting is extremely beneficial:
- It allows the project manager to reflect on what has and has not been achieved in the last period and consequently what needs to be completed in the next period.
- It allows the PMO to quickly construct a consolidated view of the status of all of the projects for which they have oversight, enabling the rapid identification of areas of concern.
- It is a great platform to broadcast and celebrate success to senior management.

Approach

Reporting Guidelines

The PMO should define and provide clear guidelines on how projects should be reported and at what frequency. The framework should also explain how the individual project submissions will be consolidated into summary reports (or dashboards).

Know they can not change them without formal approval

Change Control Tolerance Levels

It is very important to clearly define the tolerance levels of what will trigger the need for a project to raise a change request (see diagram 14.1). Tolerance levels should be set for:

- Scope
- Schedule
- Cost
- Benefits

For example, the tolerance for cost could be where there is an anticipated overspend of greater than 10% of the budget or greater than b£100,000. It is important to include an absolute value when dealing with large projects as, a 10%+ overrun on a £100 million project would be £10 million. It is also important to set tolerance levels for underruns. Many people find this hard to adhere to. If a PMO is supporting several projects then it makes sense to define a common project report that can be used by all projects. By doing this it ensures that projects are reporting to the same standard and makes it possible to compare relative performance between projects.

The project report should include:

- Reporting Period (date of report)
- Project name
- Project management
- Project sponsor
- Financial details (budget, forecasts)
- Executive summary
- Achievements current period
- Planned next period
- Key risks, assumptions, issues, dependencies (drawn from RAID log)

It is possible to include other information about Resources, Benefits, etc however, the above should be sufficient until a PMO is more mature.

Define Change Control Framework

The PMO should define and communicate a clear framework. This should convey how the change control process will work, tolerance levels that will trigger the need to raise a change, the governance process for the approval of a change request, and the supporting tools.

All of this information should be captured in a simple document that can be shared with project managers, sponsors, and stakeholders.

Reporting Status Guidelines

It is important that there is a clear understanding of the interpretation of reporting. Therefore, the PMO should provide clear guidance on the reporting of status levels. For example, if using the popular RAG (Red, Amber, Green) methodology, then there must be clear guidance on what constitutes each level. It makes sense to link this to the scale used for RAIDs and the Change Control process.

PMO Dashboards

If the PMO is supporting many projects, these should be consolidated into a summary report often known as a dashboard.

This should ideally be a single page that includes

- Project name
- Project sponsor
- Project manager
- Executive update (including the reason for any project not reporting Green)
- Current RAG
- Previous RAG

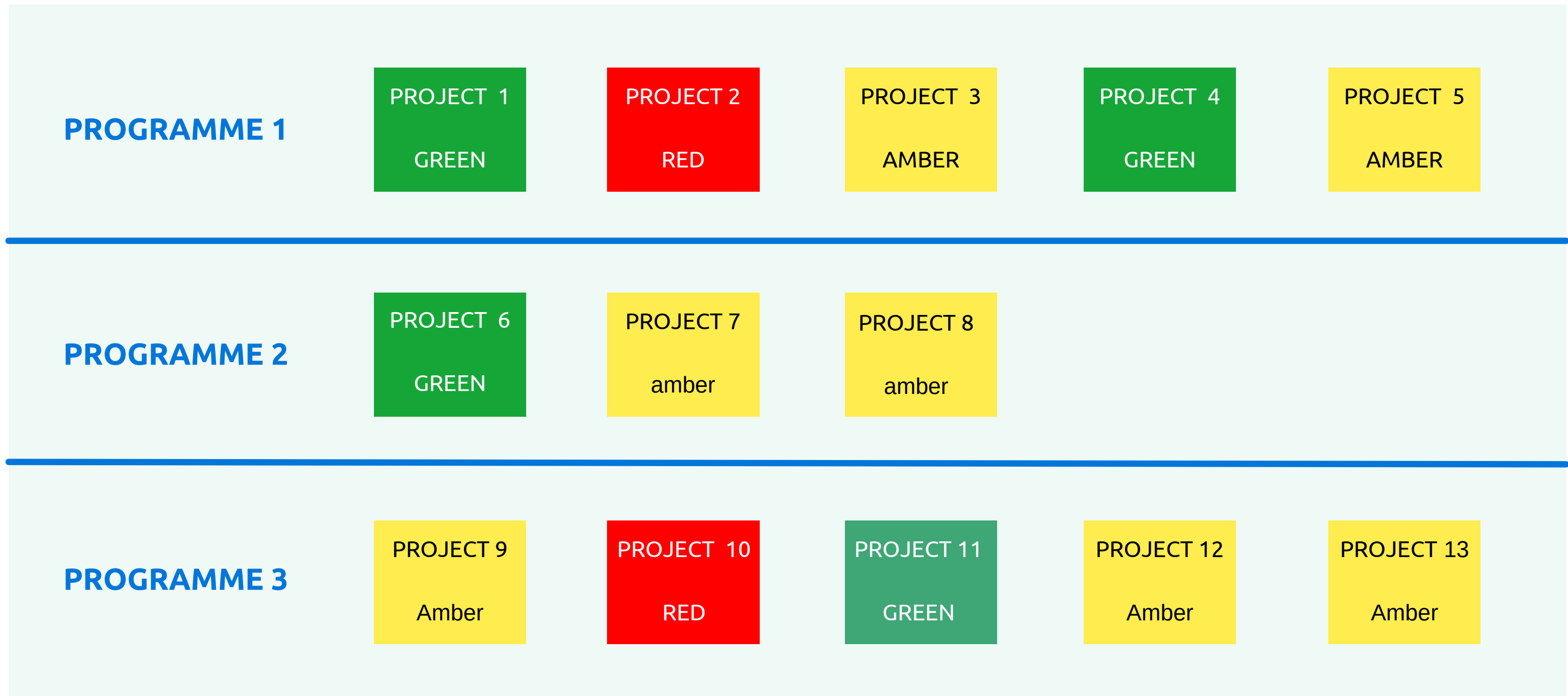
Dashboards are a very powerful method to quickly provide senior management with all the important information in respect of the projects (see diagrams 12.1 and 12.2).

The reason this is important is that senior management normally does not have the time and/or inclination to review large documents. Therefore, the PMO can add real value by designing a dashboard that conveys all of the important information quickly and efficiently. This will allow senior management to focus their time on the correct items.

XYZ Strategic Portfolio Dashboard as at 1 October 2012

Project	Current RAG	Previous RAG	Sponsor	Project Manager	Figures £'000					Executive Summary	Scope	Schedule	Costs	Benefits
					Budget	Actuals	ETC	Var	Benefits					
Project 1	Green	Amber	Sponsor 1	PM 1	£ 1,000	£ 700	£ 200	£ 100	£ 500	Project reporting green. Delivery of new product on target for 1 Nov	Green	Amber	Green	Amber
Project 2	Amber	Amber	Sponsor 2	PM 2	£ 500	£ 400	£ 150	-£ 50	£ 200	Reporting Amber as delays due to overrun on testing.	Green	Amber	Red	Amber
Project 3	Red	Amber	Sponsor 3	PM 3	£ 2,100	£ 600	£ 700	£ 800	£ 1,000	Reporting Red as original approach does not work and new approach is being developed.	Red	Red	Red	Amber
Project 4	Green	Green	Sponsor 4	PM 4	£ 100	£ 80	£ 18	£ 2	£ -	Project on track to deliver by 30 Oct.	Green	Green	Green	Green
Project 5	Green	Amber	Sponsor 5	PM 5	£ 1,700	£ 1,200	£ 400	£ 100	£ 1,500		Green	Amber	Green	Green
Project 6	Red	Red	Sponsor 6	PM 6	£ 750	£ 800	£ 50	-£ 100	£ 100	Reporting Red as major problems with solution resulting in significant cost and schedule over run.	Red	Red	Red	Red
					£ 6,150	£ 3,780	£ 1,518	£ 852	£ 3,300					

EXAMPLE PMO DASHBOARD





Reporting Calendar

It is important to establish an efficient reporting process. Failure to do so will result in the project teams and the PMO spending a lot of valuable time on the reporting process.

A smart approach is to create a reporting diary that indicates what reports are needed by when. This allows the project teams to add the reporting activities to their schedules and helps stop the perception that every request is a fire drill. After a couple of reporting cycles, you will find that the majority of project managers will submit the project status report by the required deadline.

Ownership

The project manager is responsible for producing an accurate report of the status, key issues, and risks of their project. PMO is responsible for reviewing the individual project reports to ensure quality and provide a challenge.

The PMO is also responsible for the consolidation of the individual project reports into overall dashboards to be distributed to senior management and stakeholders

MONTH	REPORT SUBMISSION	PMO REPORT PUBLISHED	PROGRAMME STREERCO
JANUARY	19/01/2022	26/01/2022	30/01/2022
FEBUARY	/02/2022	26/02/2022	/02/2022
MARCH	/03/2022	/03/2022	/03/2022
APRIL	/04/2022	25/04/2022	/04/2022
MAY	/05/2022	22/05/2022	/05/2022
JUNE	/06/2022	/06/2022	/06/2022
JULY	/07/2022	/07/2022	/07/2022
AUGUST	/08/2022	26/08/2022	/08/2022
SEPTEMBER	/09/2022	24/09/2022	/09/2022
OCTOBER	/10/2022	/10/2022	/10/2022
NOVEMBER	/11/2022	/11/2022	/11/2022
DECEMBER	/12/2022	/12/2022	/12/2022

Key Points

- Project and PMO reporting are the primary tools for communicating status.
- Project reports should be produced regularly (at minimum monthly) Common reporting standards and statuses should be used to allow the relative status of projects to be compared.
- PMO should review project reports for quality and accuracy.
- PMO should publish a reporting calendar so project managers know when reports need to be submitted.

Reporting



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- Resourcing
- Communication Management
- Procurement
- Document Storage

Quality Assurance

Context

Quality Assurance is a very important part of project and programme delivery. Unfortunately, this is often overlooked or completely ignored by many PMO's and projects. The usual excuses are that "there is not time we are too busy delivering" followed closely by "it is bureaucratic".

The problem with this thought process is that it is great that everyone is delivering but, is what is being delivered correct and fit for purpose? It would not be very good for the project manager and sponsor to get to the end of a 2-year project having spent millions to find the output is incorrect (not good for the career).

Definition

The process of auditing the quality requirements and the results from quality control measurements to ensure appropriate quality standards and operational definitions are used".

For PMO Quality Assurance, it is the process of periodically assessing the active projects to make sure they are following and completing the tools and processes defined by the PMO to the appropriate level of quality.

Purpose

The primary purpose of quality assurance is to review the key dimensions of a project (structure, governance, planning, risk management, resource management, etc), to help make sure they are being completed to a suitable level of quality so that the project can be successful.

Ensuring that a project is focusing on the important dimensions of delivery will help build in quality and reduce the risk of something being missed. PMO quality assurance tends to focus on what can be termed “Execution”, reviewing the tools and processes to manage the project. The other important aspect of quality is “Deliverable”. This is where each deliverable from the project i.e. software delivery, is reviewed for quality. This type of review will typically be handled as part of the project and is not included in the scope of PMO quality assurance.

Approach

Define Quality Assurance Framework

The PMO should define and communicate a framework for how quality assurance will be performed.

This should include:

- The process for selecting projects for review
- Frequency
- Duration of review
- How the review will be conducted
- How the results will be communicated

Quality Assurance Report

The findings and recommendations from each quality assurance review should be captured in a report (see diagram 13.1). It should clearly highlight items that have been identified as a concern and these should be ranked i.e. high, medium or low.

The report should be discussed with the manager to agree on findings. This is very important as the purpose of quality assurance is to help the project not to try and “catch them out”. When the report is agreed upon, it should be communicated to the sponsor and appropriate stakeholders.

Monitor & Control

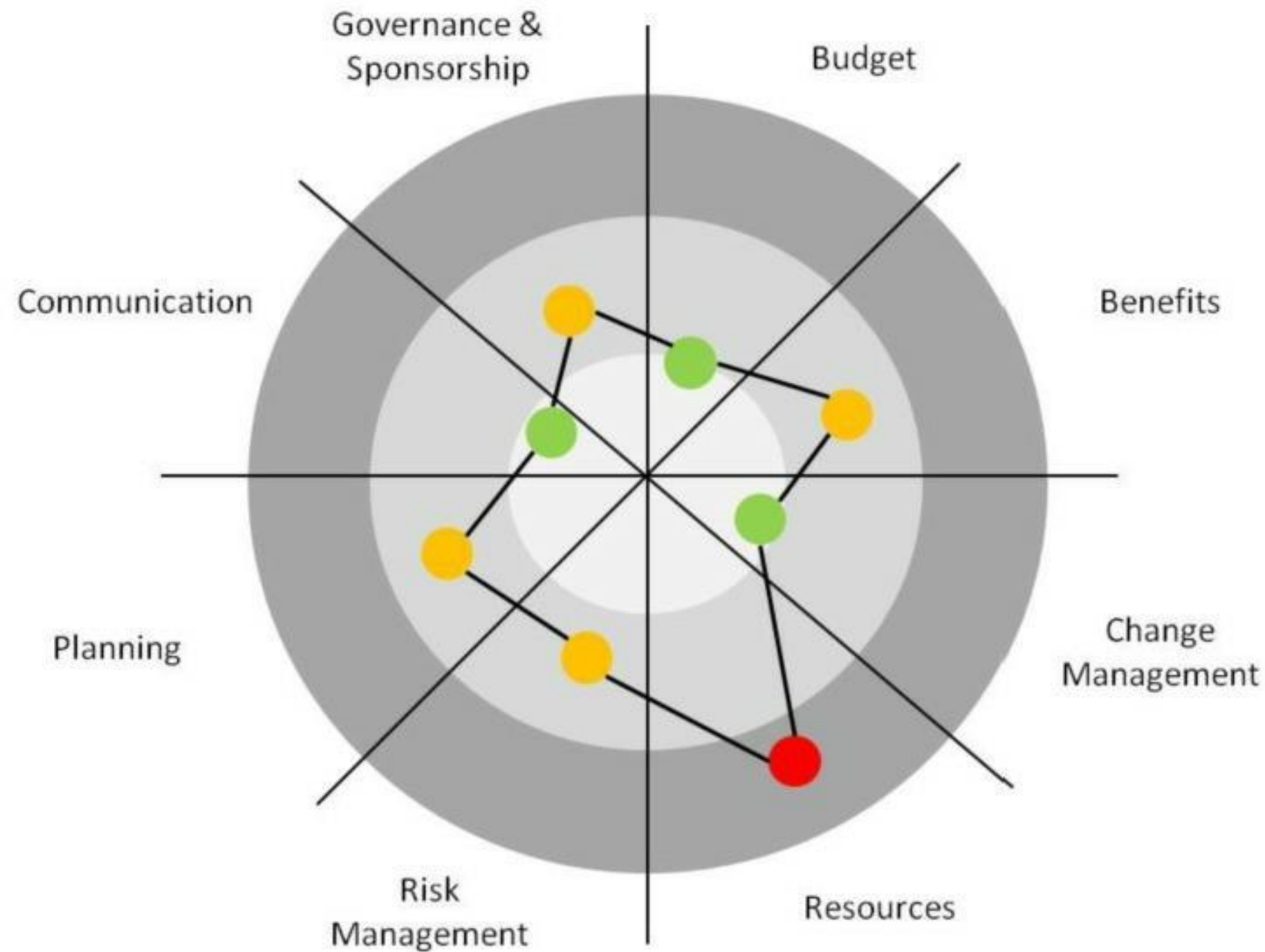
Completing the quality assurance is only part of the job. It is very important that any actions identified by the review should be monitored and tracked to make sure that they are closed.

The PMO should take an active lead in keeping a register of the items that have been raised as part of the different assurance reviews and, on a periodic basis, meet with the project manager to discuss and capture progress (see diagram 13.2).

Where critical items are not being closed down, this should be escalated using the governance process.

Solution Review

As well as reviewing documents, it is important that there are independent checks of the different outputs to make sure the solution is fit for purpose. This can be done by getting other teams to conduct peer reviews of business requirement documents, testing plans, etc. Likewise, where software is being developed you may wish to get independent developers to review the solution.



Key Risks

- Concerns that there will be sufficient resources to deliver plan
- Concern that senior management are not fully supporting the project
- Concern that benefits will not be delivered due to concern over quality of plan
- Risk management could be strengthened as there is a risk that not all Risks have been identified

Example PMO Quality Assurance Report

Example PMO Quality Assurance Register

ID	Project	Date	Risk	Rating	Status
1	Project 1	01/10/2012	Concern that there will in insufficient business resources to work on project	High	Open
2	Project 1	01/10/2012	Concern that senior management are not fully supporting the project	High	Closed
3	Project 2	01/10/2012	Concern that benefits will not be delivered due to concern over the quality of the plan	Medium	Open
4	Project 3	01/10/2012	Risk management could be strengthened as there is a risk that not all Risks have been identified	Medium	Open

Tools

PMO quality assurance requires the following tools:

- PMO quality assurance framework
- Project quality plan
- PMO prioritization plan
- PMO quality assurance checklist
- PMO quality assurance report
- PMO quality assurance register

PMO Quality Assurance Framework

This will typically be a word processor based document that clearly defines the quality assurance process including:

- Purpose
- Approach
- Tools
- Frequency
- Roles & Responsibilities



Project Quality Plan

This will typically be a word processor-based document that clearly defines how quality will be managed for the project. This will be closely aligned to the PMO Quality Assurance Framework.

PMO Prioritisation Plan

This will typically be a table in either a word processor or spreadsheet. It will capture key aspects of each project.

The prioritization approach should be captured in the PMO Quality Assurance Framework.

PMO Quality Assurance Checklist

It is recommended that there is a documented checklist of what will be reviewed as part of the assurance review.

This will typically be a word processor document with appropriate questions for the key aspects of delivery. For example, under Risks and Issues you may have basic questions like: “Do you have a Risk and Issues register?” “Are the risks and issues maintained?” “Have risks and issues got clear owners?” “Have risks and issues got mitigation plans?” “Are there any risks and issues with deadlines in the past?” The key is to have suitable questions to drive the review in conjunction with reviewing the quality of how the risks and issues are captured. The template can have a scoring mechanism for each question/section so that a consistent assessment can be provided across all projects.

PMO Quality Assurance Report

This is a formal report that details the key findings of the review and assessment of the health of the project. The report is typically a word processor or presentation document

Ownership

The project manager is responsible for writing the project quality assurance plan and ensuring the quality of the execution and deliverables of the project.

The PMO is responsible for defining and documenting the PMO quality assurance framework, conducting quality assurance reviews, producing quality assurance reports, and monitoring the closure of findings



Key Points

Quality Assurance is a very wide topic and there is no single answer. However, establishing a framework for ongoing reviews (in a non-bureaucratic way) will help build quality into the end solution.

- Quality Assurance is not an audit. Make sure the project knows you are working with them not trying to catch them out.
- Quality Assurance findings should be documented and assigned a rating level.
- PMO should review findings to ensure they are being closed.

Quality Assurance



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CHANGE CONTROL

Context

It is natural, even expected that a project will never deliver to the original scope, timeline, and budget described in the business case. In view of this, it is very important to manage the expectations of the sponsor and other stakeholders to avoid them having a nasty surprise when the project is not delivered in line with the original scope, timeline, and budget.

In the majority of cases, the sponsor will be happy if they have been consulted ahead of decisions so that they have a choice or can take alternative action. What you should avoid is presenting a change to a sponsor where it is too late to make any other decision and/or the additional budget has already been spent. The sponsor will be very upset. Change control is important to the project manager (and PMO) as it allows the baseline to be updated. This makes it easier for the project manager to demonstrate they have achieved the agreed objectives in the agreed (changed) baseline.

For example, the sponsor may decide they want additional functionality, this will normally take extra time and cost more. Without the revised baseline (increase in timeline and budget), the project manager will be measured against the old baseline and will look as if they have failed as they have taken longer and gone over budget.

It is worth remembering that people, especially sponsors, have a habit of selective memory and what was agreed verbally may be long forgotten. For these reasons, it is important to implement a robust framework to control change to the project.

Definition

Change Control is the formal process to make sure that changes to the agreed scope, schedule, benefits, and budget of a project are introduced in a controlled, coordinated, and agreed manner.

Purpose

The primary purpose of the change control process is to provide visibility, transparency, and approval process to project changes. This is for a number of reasons including:

Manage Expectations

Change control will make sure that the sponsor and stakeholders are aware of any material change to the project. This ensures that expectations are managed.

Protect Scope, Schedule, and Budget

Change control should mean that only agreed changes can be introduced to the project. This protects the sponsor (and organization) from the project spending out of governance and, protects the project manager from the sponsor asking for more functionality (scope) while not

Focus and Accountability

Change control should make sure that the project manager and sponsor take an active role in the monitoring process and keep to the agreed scope, schedule and budget if they understand as completing a project under budget is positive. This is probably true when a project is under budget by 5 - 10%. However, completing a project 20%, 30%, or even more under budget should not be viewed as a success. The reason for this is that, if the budget has been assigned to a project and then not used, it means that there is an opportunity cost as the budget could have been used to fund other projects. Waiting until the end of a project to advise the budget will not be used, does not allow an organization to maximize the use of the available budget.

For this reason, the change control process should include a tolerance for underruns. In the case of Cost, this may be set at a more relaxed level of 20% for underruns and 10% for overruns. Diagram 14.1 provides an example of tolerance levels for Scope, Schedule, Cost, and Benefits.

EXAMPLE PMO CHANGE CONTROL GOVERNANCE AND TOLERANCE LEVELS

Change Control Process

Process

The project will need to raise a formal change request and seek approval when one or more of the following tolerance levels are met.

Schedule

Delivery schedule increases by 30 days and reduces by 60 days

Scope

A significant change in the scope of the project

Cost

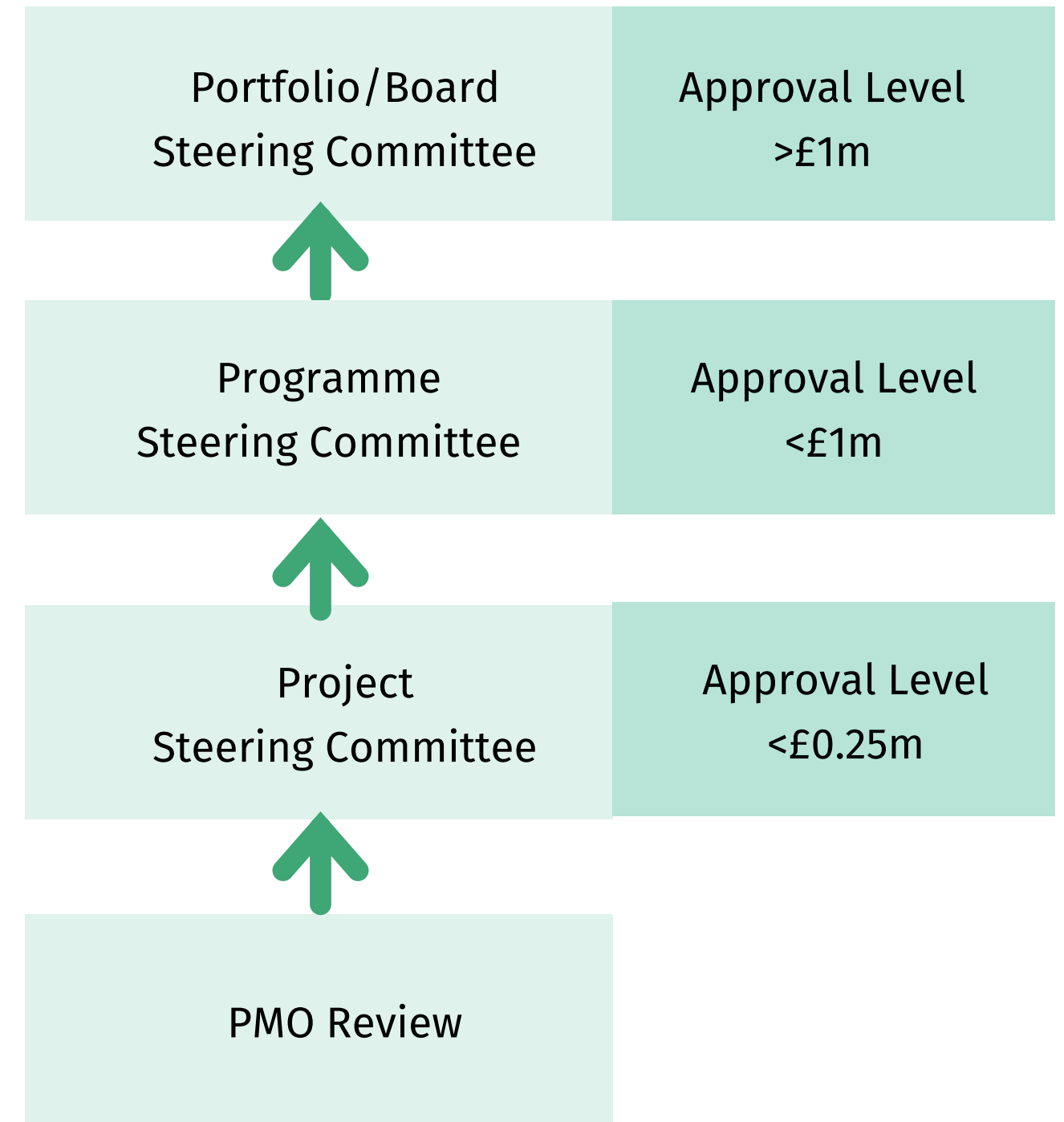
Overrun of the lower of £100k or 10% and the underrun of the lower of £250k or 20%

Benefits

Reduction of benefits in the lower of £50k or 10% and an increase in the lower of £100 or 10%

Change requests are then received and approved through the recognized approval process.

Approval Process



Change Control Process

When a project manager knows they will trigger one or more of the tolerance levels defined in the Change Control process, they will need to raise a formal Change Request. The purpose of the Change Request is to articulate the details of the change to allow the sponsor and stakeholders to fully understand in order to do this the Change Request must contain:

- Project Name
- Change Request Summary
- Details of the change
- Impact
- Scope
- Schedule
- Costs
- Benefits
- Other Projects
- Business as Usual (BAU)
- Approvers
- Required approval date
- Revised project

The project manager should arrange for the change request document to be fully populated to make sure that it is easy to understand the request.

PMO Review of Change Request

The PMO should review the completed change request with the project manager. This will allow for probing questions to be asked and gaps to be identified. This allows the PMO to assess if the change is required, review if on dependant projects, etc. The PMO will then be well placed to recommend that the change request is formally submitted

This is important as the aim is to gain approval as quickly as possible and to avoid the Change Board members. Incomplete and poorly prepared change requests will lead to a number of reviews and submissions that is unhelpful and time-consuming.

Change Request Register

The PMO should maintain a register of all change requests. This will be used to capture the key attributes of each change request and allow for progress to be tracked (see diagram 14.2).

It is particularly important to include a 'Required Approval Date' to make sure that all changes are processed in a timely manner so as not to delay the project.

Change Control Governance

There should be a recognized, documented change control governance approval process to review all change requests. The aim should be to have a governance process that applies the appropriate level of rigor without being overly bureaucratic.

The typical approval process may be:

Project SteerCo > Programme SteerCo >Portfolio SteerCo

Each SteerCo will have approval limits of what they can approve. This ensures that all significant change requests are approved by senior management. It is important to set the tolerance and approval levels to minimize the number of change requests while maintaining the appropriate level of control.

It is important as part of the review process that any other projects with dependencies on/to the project being changed are part of the approval process. Remember, if you find the tolerance and/or approval levels are not working, review and change them. It is a good idea for the PMO to produce a calendar of the forums that can approve change requests. This will allow the project manager to plan when a request needs to be submitted.

Approved / Unapproved Change Requests

After a request is approved or if it is not approved, it is important that the decision is communicated in a timely manner and the appropriate updates made to project baselines.

Tools

Change Control Framework

This will detail the objectives and process of the Change Control Process including tolerance thresholds and governance for sign-off. It will typically be in a word processor or presentation format.

Change Control Request Form

This is the template that will be completed by the project manager to provide the details of the change request. It will typically be in a word processor, presentation, or spreadsheet format. A spreadsheet is particularly good if the typical request includes several financial calculations.

Change Control Register

This will be used to capture a summary of all the change requests that have been raised and status i.e review, import, and decline. This typically is a table format so suits a word processor spreadsheet format.

Ownership

The project manager is responsible for completing the change request and ensuring.

That it is of suitable quality to be presented. The PMO is responsible for reviewing the request, tracking the request on the change request register, and helping facilitate the approval and communication of the decision process.

EXAMPLE PMO CHANGE CONTROL REGISTER

ID	Project	Owner	Title	Description	Impact	Cost (£'000)	Impact of do nothing	Date Approval Req	Date of Decision	Status
1	Project 1	PM1	Add Online Processing Functionality	Increase scope to include online processing of card payments	Schedule - increase 3 months Cost - increase £250k	£250	Will not be able to accept online payments creating need for manual process	01/09/2012	20/08/2012	Approved
2	Project 4	PM4	Testing Taking Longer	Testing taking longer than estimated due to increased number of test scenarios from users	Schedule - increase 6 months Cost - increase £150k	£150	Users will not sign-off application so can not go live. This mean legacy system will need to be upgraded.	01/11/2012		Review
3	Project 2	PM2	Change colour scheme of reporting suite	Senior manager has stated preference to use a blue design instead of grey on all reports	Schedule - increase 6 weeks Cost - increase £100k	£100	Reports will not use colour scheme preference. Functionality will still work.	01/10/2012		Declined

Key Points

- Create and document a clear and robust change control framework.
- Set sensible tolerance levels for both over and underruns.
- PMO should review any request before it is formally submitted.
- Review change in the business case and make an independent view if the project still should continue (a good PMO will recommend when a project should be stopped to release valuable resources for other projects)
- PMO must make sure that a process is established and followed.

Change Control



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RESOURCING

Context

Project resourcing is one of the most important aspects to make sure a project is successful. If you stop to think, the key component to making a project happen is the people. In fact, it is usual for most of the project costs to relate to the resources (people) working on the project.

It is very common for a project to be delayed due to resources not being added quickly enough and/ or the recruitment process taking longer than anticipated. This delays the completion of tasks on the project plan and ultimately delays the delivery of benefits.

Definition

The process of identifying and adding the resources to a project in a timely manner to achieve successful delivery.

Purpose

The purpose of the PMO Resourcing process is to make sure that there is a framework for each project to identify the resource requirements to successfully deliver the outcomes documented in the business case, by delivering the project. Resource requirements is a generic term referring to a number of attributes:

- Number of resources
- Location of resources
- Phasing of resources (when they are needed)
- The skill set of resources (different skills are required at different points in the project life-cycle)

Approach

The PMO should give a clear guidance about what level of planning is expected as a minimum in respect of resources.

Resource Planning Framework

The PMO should define and document the approach to resource planning. It should include how the resource plan should be constructed, the templates to be used and reporting frequency.

Develop Resource Plan

As part of the business case process, a project manager will usually develop a project plan. In order to work out costs, a project manager needs to develop a resource plan.

This should identify on a month by month basis:

- Resource Type
- Location
- Skill

The PMO should provide a simple Resource Plan template (see diagram 15.1) that allows the project manager to capture details of the project resources required on a month-by-month basis. The resources can be captured under generic terms such as:

- Project Manager
- Business Analyst
- Tester
- Developer, etc.

For global or multi-location projects, the template should also allow for plans to be built up by location, using the same generic functions. It should also have the facility to enter third-party contractors, consultants, and vendors.

The reason for differentiating between the internal and external resources is that it is usually a lot easier and quicker to add third-party, consultant, and vendor resources than internal/permanent resources. Note: this will vary from organization to organization so you will need to check the internal Procurement Process (see chapter 17).

The PMO should also provide average resource rates as part of the planning and financial guidance. This will allow for the project manager to build up cost plans and ensure standardization across all projects. It will also save the project manager time as they will not need to conduct research to work out what rates to use.

DIAGRAM 15.1 EXAMPLE PROJECT RESOURCE PLAN

Project:	New Product X											
	Report Date:										01/10/2012	
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Project Manager	1	1	1	1	1	1	1	1	1	1	1	1
Business Analyst	3	3	3	3	3							
Developer				2	2	2	2	2	2	1	1	
Tester								2	2	2	2	2
Total Demand	4	4	4	6	6	3	3	5	5	4	4	3
Project Manager	1	1	1	1	1	1	1	1	1	1	1	1
Business Analyst	2	2	3	3	3							
Developer				1	2	2	2	2	2	1	1	
Tester								1	1	2	2	2
Total Filled	3	3	4	5	6	3	3	4	4	4	4	3
Project Manager	0	0	0	0	0	0	0	0	0	0	0	0
Business Analyst	1	1	0	0	0	0	0	0	0	0	0	0
Developer	0	0	0	1	0	0	0	0	0	0	0	0
Tester	0	0	0	0	0	0	0	1	1	0	0	0
Resorce Gaps	1	1	0	1	0	0	0	1	1	0	0	0

PMO Review

The PMO should review the completed is complete and makes sense (is achievable). After reviewing the plan, it is a good idea for the PMO to meet with the project manager to discuss findings and provide feedback. This will help develop a credible Resource Plan.

One area the PMO should review is if the project plan is based on adding a large number of resources straight after the approval of the business case. In the vast majority of cases, this is unachievable and means the plan is not credible.

Regular Resource Reporting

Typically on a monthly basis, the PMO should ask the project manager to provide a progress update against the resources plan.

- Resources hired
- Pending
- Vacant.

This will then allow the PMO to track how well the project is progressing against the resources plan. If a project is running under their resource plan, further questions can be asked on what is being impacted (if a project said it needed 10 resources by Feb but only has 5 then the project status should show slippage against schedule). If it is not, it could mean the original estimate was incorrect, and the resource plan and associated budget were reduced.

Key Performance Indicators (KPI's)

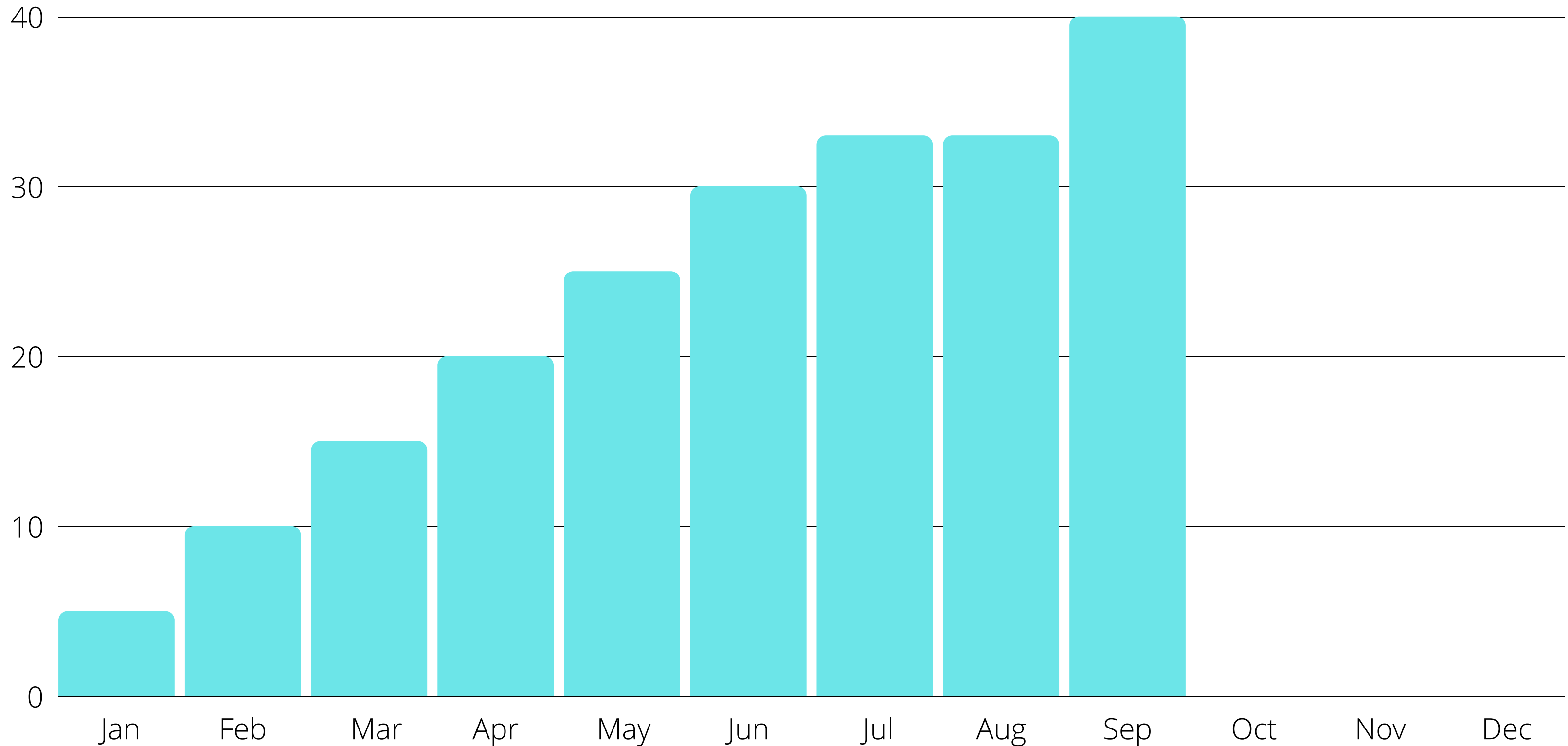
Consolidated Resource Reporting

The PMO should take all the inputs from the projects and consolidate this into an overall resource plan. This will provide senior management with a view of how many resources are required and how many still need to be added (see diagram 15.2).

The consolidated view is particularly useful as it will allow a practical assessment of if the required number of resources can realistically be added. If it looks unrealistic, this is usually an early indicator that project timelines will probably slip. If the consolidated report is showing a gap between required and actual resources, it is important to include supplementary information on what is driving the gap i.e. what projects are running behind hiring resources and the reason why.

It is worth remembering, hiring resources normally takes longer than people anticipate. Therefore, it is prudent to encourage project managers to reflect this when they construct their plans.

DIAGRAM 15.2 EXAMPLE CONSOLIDATED RESOURCE REPORTING



Tools

- Resource Plan Framework
- Resource Plan Template
- Resource Plan Report
- Resource Plan Dashboard

Resource Plan Framework

This explains how resource planning will be completed across the projects. It will provide details of the tools, processes, frequency, and responsibility for resource planning and reporting. This is typically a word processor or presentation document.

Resource Plan Report

This is normally used by the project manager and is used to present the Resource Plan data in a user-friendly format i.e. for steering committee, sponsor, etc. It is a good idea to develop the Resource Plan template in a way that allows the summary data and graphs to be copied and pasted into a report.

Resource Plan Template

This is used by the project manager to develop the Resource Plan for their project. As the data is numeric and requires analysis, it is typical to use a spreadsheet-based template. This also makes it easy to produce graphs and charts of the data and for the PMO to consolidate with other dashboards.

Tip: make sure that there are clear instructions that projects should not insert their rows and columns. If they do this will make the data consolidation more difficult. If they believe the spreadsheet is missing an important data item, they should discuss and agree with the PMO so the new version can be issued to all projects.





Resource Plan Dashboard

This is a consolidated view of all the Resource Plans for the projects where the PMO has oversight. The source of the data is each of the individual Resource Plans. If each one is following the same standard template, it makes the task of consolidation simple.

At a minimum, the Resource Plan Dashboard should have an overall summary for all projects. You may then also include the summary Resource Plan Report for the projects as supporting information.

Ownership

The project manager is responsible for the construction of accurate resource plans and regular reporting.

PMO responsible for monitoring progress against Resource Plan, identifying trends i.e. constraints in certain resource types, and helping the project to recruit required resources.

Key Points

- Recruitment of resources is critical for the success of many projects.
- The resource plan must support the proposed project plan.
- The resource plan should be reviewed by the
- PMO to make sure that it is credible and achievable.
- The project manager should review and update the plan on a regular basis.
- PMO consolidates the resource reports and reviews to identify trends.
- PMO provides consolidated resource reporting to senior management.

Having a good view of the progress of hiring against resource plans will allow the PMO to provide support. A good PMO will have built links with HR (ideally a dedicated contact point) who can then work with each project to try to achieve the required resource plan.

It will also allow for an organization to plan the best use of cash by using the resource plans as inputs to cash flow forecasts. Following these simple concepts will improve the probability of successful delivery and highlight your PMO as being very organized.

Resourcing



Agenda

- ✓ Introduction & Definitions: Project Programme, Portfolio and PMO
- ✓ Types of PMO, Objectives and Benefits
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- ✓ Benefit Management
- ✓ RAIDs Management
- ✓ Reporting Assurance
- ✓ Quality Assurance
- ✓ Change Control
- ✓ Resourcing
- **Communication Management**
- Procurement
- Document Storage

Communication Management

Context

Project communication is often overlooked as part of the project and PMO planning process. A project is based on several people working together to deliver a common goal. For them to be effective, they must communicate. Unfortunately, many project managers or PMOs assume that the team members will naturally communicate as part of their role. Unfortunately, on many occasions, this is not true.

It is also very important to communicate outside of the direct project team, especially to key stakeholders. Proactive communication can help stop a stakeholder from feeling nervous that can result in several reporting “fire drills”. The time spent responding to these ad hoc requests takes valuable time away from the delivery of the project.

Definition

The PMBOK defines communication management as:

“The processes required to ensure timely and appropriate generation, collection, distribution, storage, retrieval and ultimate disposition of project information”.

Purpose

The purpose of communication management is to make sure that all the interested parties to a project receive the correct level of information on a timely basis.

Approach

Identify Stakeholders

The PMO should create a matrix list of what reporting or updates are required. A good input to this will be the list of names identified as part of stakeholder analysis. If this does not exist, work out all the internal and external stakeholders, think about what type of updates they need (i.e. progress report), work out the frequency of the updates (weekly, monthly, etc), what will be the medium (e-mail, verbal, report, spreadsheet, etc).

Build Communication Plan

When you have built a list of all the different types of updates required, you can populate the communication plan.

The communication plan should contain the following:

- Communication Type
- Description
- Audience
- Purpose
- Channel (e-mail, report, etc)
- Frequency

Distribute Communication Plan

This will then give you your communication plan. Make sure that this is distributed to all team members. Likewise, communicate to stakeholders so that they know what to expect and when. The communication plan should not just be limited to status reporting, it should also include any key events such as town halls, Webex, one-on-one meetings, etc.

Implement Communication Plan

When the communication plan has been distributed, reviewed, and updated, it is important to implement and follow the plan - "do what you said you would do".

Ongoing Review

Over time the stakeholders will likely make communication requirements change, etc. Therefore, it is important for the project manager and PMO to review the communication plan frequently to make sure that it is meeting all communication requirements. Do not be afraid to ask for feedback from stakeholders. It is far better to find out if the communication is working and be proactive in making changes.

The reason so many projects do not perform is due to lack of communication, establishing solid, well-thought-out communication will help. It also will promote confidence to your stakeholders as they will not be left wondering if "everything is running to plan".

Tools

Project & PMO Communication

The communication plan for a project and PMO can be the same format. The main difference is that the project communication plan will only focus on the project whereas the PMO communication plan will have a much wider list of stakeholders.

It is recommended that the communication plan is produced in a table format with the different communication requirements listed on each row i.e. weekly status report, monthly status report, quarterly team update. The details of each communication will then be listed as headings across the top of the page.

It is recommended that a word processor document using a table or a spreadsheet is used to produce the communication plan. This makes it easy to produce and update as well as simple to read and understand.

Ownership

Each project manager is responsible for identifying and defining the communication requirements for their project, then making sure the project level communication plan is followed.

The PMO is responsible for identifying and defining the overall communication requirements for all the projects for which it has oversight. Note: this DOES NOT include or duplicate the communication at the project level. However, the PMO should check that the correct communication is taking place at the project level.



Key Points

- Communication is very important to give the project the best chance of success
- Make sure you identify all stakeholders and their reporting needs. Miss one and this may lead to extra effort due to ad-hoc reporting and update requests.
- Produce a communication plan and distribute it. This will make sure everyone is clear on what communications will be provided and when.
- Make sure the communication plan is followed. This will help stop stakeholders from becoming nervous and requesting ad-hoc updates.
- Make sure that the communication plan is followed.
- Review and update regularly, especially when stakeholders change
- Ask stakeholders for feedback and adjust the communication plan when and where required.

Example of Project Communication Plan

TYPES	DESCRIPTION	AUDIENCE	PURPOSE	CHANNEL	FREQUENCY
Project Status Report	Weekly project status report	Sponsor	Provide current status of the project	Report	Weekly
Steering Committe	Steering committee to direct project	Sponsor/ Stakeholders	Provide a formal update on progress, risks/issues. Decision direction from senior management.	Meeting (Physical)	Monthly
Sponsors Update Meeting	Regular 1:1 meeting with sponsors to update progress	Sponsors	Keep sponsor up-to-date on progress. Raise concerns	Meeting (Physical)	Forthnighly (Monday)
Project Working Group	Regular project team meeting	Project team	Cross-team communication, raise and resolve issues, management update	Meeting (Physical & Virtual)	Weekly (Monday)
Stakeholders Update	Update to key stakeholders	Stakeholders	Provide updates of progress to stakeholders, raise issues and request action	Meeting (Physical & Virtual)	Ad-hoc

Communication



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- ✓ Quality Assurance
- ✓ Change Control
- ✓ Resourcing
- ✓ Communication Management
- **Procurement**
- Document Storage

PMO Procurement

Context

It is common for most PMO's not to define a procurement process. This is usually because there is already some form of process for securing resources. It is worth clarifying that for this chapter, resources apply to all external resources, software, vendor, etc.

Interestingly, the Project Management Institute dedicates an entire chapter in the PMBOK (book of knowledge) to the procurement process (chapter 12 to be precise).

Definition

The PMBOK defines the procurement process as being:

Project Procurement Management includes the processes necessary to purchase or acquire products, services, or results needed from outside the project team. The organization can be either the buyer or seller of the products, services or results of a project”.

Purpose

The purpose of the Procurement process is to facilitate the timely acquisition of the required resources (people, software, third-party, equipment, desk space, etc) that is needed to successfully complete the project or programme.

Approach

Framework/Essential Items

The PMO should provide a clear and concise guide on how to procure the essential items for the programme. It is recommended to start with the following list as this will cover most needs for the majority of projects in financial services or similar businesses.

- Resources
- Consultants
- Vendors
- Software
- Hardware
- Desk space

Construction and similar industries that need a large number of material, need a completely different level of procurement. Refer to chapter 12 in the PMBOK and specialized approaches for the given industry

Existing Procurement Processes

For the list of essential items above, investigate the recognized internal process that needs to be followed. This is very important, always look to follow standards and not create your process. A good place to look is the organization's intranet and/or ask someone who has already successfully procured resources. Capture this into a simple guide (ideally a single page/slide) Include references where the appropriate documents/online systems can be found. Where applicable, include lead times. This will help the project with the planning process.

Dedicated Contact Points

A real smart move is to find a dedicated point of contact in procurement and HR to provide support. This will allow you to include the contact details (name, e-mail, and telephone number) in the guide. This greatly reduces the time wasted by each project trying to find the right person.

Approval Process

Make sure you include the approval process and thresholds i.e. who needs to sign-off a request for a new contractor, the monetary threshold for engaging consultants. You may want to implement a process where the PMO approves all requests. Be mindful not to make the process bureaucratic.

Roles & Responsibilities

Define what the project manager is responsible for i.e. engagement of procurement, ownership of any request, vendor management in respect of the project, management of risks and issues. Define what procurement is responsible for i.e. commercial/contract discussions, contracts, risk assessments, engagement of legal, escrow policies, etc.

Regular Review

Review the approach on a periodic basis and update to make sure it is fit for purpose and includes the latest changes. Be aware of any emerging trends, such as a number of projects encountering similar problems procuring a particular resource type. This is where a PMO can add value by fixing problems and defining a process that works.

As part of the review consider if any new items need to be added to the list (usually where more than one project has had to procure a service that is not included in the PMO guidelines).

Tools

PMO Procurement Reference Guide

It is recommended that a separate procurement guide is produced for each of the resources defined in the list of Essential Items. The format of each guide should be the same format, same headings, etc. The difference will be the content. It is recommended that a word processor document using a table or a spreadsheet is used to produce the procurement plan. This makes it easy to produce and update as well as simple to read and understand

Procurement Approval Process

This can either be the existing governance process for the programme or a dedicated process for procurement. If a dedicated process is required, it should be included in the PMO Procurement Reference Guide.

Ownership

The project or programme manager is responsible for making sure that the appropriate procurement process is followed to secure goods and services to enable successful delivery. The PMO should define the procurement framework.



Key Points

In this section, you have learned.

- Procurement is the process that allows a project to secure the resources needed to deliver.
- The procurement process should be as simple and pain-free as possible to allow the project team to focus on delivery.
- Aim to re-use existing procurement processes.
- Agree on dedicated contact points for each of the Essential Items.
- Make sure there is a clear understanding of the roles and responsibilities between PMO and project teams.

Procurement



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- **Document Storage**

PMO Document Storage

Context

It is usual for a project to create a number of important documents during the duration of the project. Due to the time invested to create the project documents, it is very important that they do not get lost and that they are easy to find. It is unfortunate that in many cases project documents are stored in multiple locations, in different formats, different naming conventions, etc.

In some cases, they are stored on the local hard drive of the computer with no backup, opening up the risk of hard disc failure. This all leads to unnecessary time and effort being spent for team members to find a given document and increases the risk of them being lost.

Definition

Project document storage is the standard approach to the naming and storage of all project documentation so that they are securely stored and can be easily accessed by all project and PMO members.

Purpose

The purpose of a document storage framework is to make sure that there are clear guidelines on how project documentation should be stored. A lot of time, effort, and resources are invested in a typical project. Therefore, it is important for an organization to leverage as much value as possible i.e. lessons learned, making completed documents/templates available to fast track the mobilization of other projects, etc. Over time the organization will build a depository of project documents that will allow knowledge share and should assist the mobilization, planning, and delivery of future projects. Not having an approach to document storage will result in the documents being stored and forgotten.

Forward-thinking organizations invest in document management systems. This can really help fast-track a project and, if there was a good “Lessons Learnt” document produced at project close, help avoid repeating the same mistakes.

Having a sound approach to document storage will also help if a project or PMO is subject to a Project Audit. The audit team can be directed to where the project documents are stored, greatly reducing the impact of documents having to be found and sent to the audit team. It will also demonstrate a good level of control to the audit team.



Approach

Document Storage Framework

The PMO should define clear guidelines for document storage. By doing this it will make sure that all the project documents can be easily shared and found across the project, PMO, or even organization. It saves the time of having to get someone to e-mail a document.

Document Storage

The Document Storage Framework should define where and how documents should be stored. There are a number of options for where project documents should be stored.

SHARED DIRECTORY/NETWORK DRIVE

This is probably the most widely used method for storing project documents. A dedicated folder is added to the network. Access is granted to all appropriate team members. Project documents can then be saved in the central location. While this addresses the issue of having all the documents stored in a central location, care is needed to make sure version control of the documents i.e. when 2 people make updates independently to the same document.

Sharepoint

This is a particularly good solution as it is intranet-based and allows teams in multiple locations to easily share project documentation. It also allows for levels of security so that access can be restricted to sensitive documents. One of the best features is the ability to check out documents when they need to be updated. This provides a good method to maintain version control. It also provides an audit trail of the updates to a document.

Cloud Storage

There are a number of organizations, such as that offer online (cloud) storage solutions. This allows a project team to share documents even if they are spread across the globe.

Warning: check the security requirements of your organization to make sure that you can use a cloud-based service

STORAGE GUIDE

It is important that you provide a user guide and training if appropriate so that the project teams know how to load and maintain documents using the selected storage solution. This is especially important if using Sharepoint or another third-party service.

DIRECTORY STRUCTURE

If you are dealing with a number of projects or workstreams, there will be a large number of project documents. So while you may have the comfort that all documents are stored, it still may be very difficult to find a document quickly. This is easily addressed by defining a standard directory structure for the storage of project documents.

Taking this approach means that:

- Project teams do not need to think about where to store documents.
- Any team member will be able to quickly find the required document.

Below is a typical directory structure that would be appropriate to most projects.

Project A

- Business Case
- Governance
- Project Plans
- Financial Management
- Resource Management
- Change Management
- Communication
- Procurement
- Business Requirements
- Design Documents
- Testing
- Implementation
- Meetings
- Presentations

NAMING CONVENTIONS

The principle of naming conventions should be simple so that it is easy to identify and find a document. For example, you may decide that all documents should have a prefix to indicate Business Requirements_<Project Name>. You then will probably want to make use of a suffix to indicate the version and possibly date i.e.

Business Requirements_<Project Name> v0.2 20 Jul 2020

When a document is complete, you can make use of vFINAL instead of the version number. You can also add Draft at the start of the file name so people can quickly identify that the document is still a work in progress.

SENSITIVE PROJECT DOCUMENTS

If the project being executed contains sensitive material i.e. headcount reductions, it may not be appropriate to store the document where it can be widely accessed. The PMO should define a framework that supports the storage of sensitive documents. Options could include:

- Ensuring that only users that need to use the documents are granted access rights to the directory on a shared server.
- Ensuring that the sensitive documents are password protected. If using Sharepoint, set up a restricted access site.
- Instructing the project NOT to store sensitive documents in general document storage depositories.

When designing the template, consider the presentation format i.e. would it be easier to design in the landscape if it will be used in a presentation (see diagram 18.1).

Ownerships

The project manager is responsible for making sure all project documents are stored in the recognized document storage using the defined naming convention. The PMO is responsible for defining the name conventions. Document Storage framework and ensuring that projects are storing important project documents using the defined framework.

Key Points

- Project documents are a valuable asset to the project and the organization and usually require an investment of time, effort, and money.
- Project documents must be kept safe be easy to find.
- Defining clear storage guidelines including directory structures and document naming conventions will save time and help protect project documents.
- For sensitive projects, you will need to restrict access.
- Remember, however you decide to approach document storage – keep it simple.

EXAMPLE OF DOCUMENT STORAGE FRAMEWORK

DOCUMENT STORAGE FRAMEWORK

Purpose: Define the storage and naming convention for project documentation to make documents easily accessible and reduce risk of loss

Document search approach

- All documentation will be stored using <insert storage medium>
- Each document will have a directory within the storage location containing the following directory structure
- Business Case
- Governance
- Project Plans
- Financial Management
- Resources Management
- Change Management
- Communication
- Procurement
- Business Requirement
- Design
- Testing
- Implementation
- Meetings
- Presentations

Each document will be stored in the project documents in the appropriate subdirectory.

Document name convention

- All documents should be prefixed with document type i.e. Business Requirement_<Project Name>
- All documents should indicate version number or final i.e. Requirements_<Project Name> v0.2, Requirements_<Project Name> vFINAL

SENSITIVE DOCUMENTATION

- Sensitive project documents must be password protected.
- Sensitive project documents should be stored in a secured directory. Please contact the PMO to arrange for a secure directory structure to be set up.

ownership

- The project manager is responsible for ensuring all the project documentation is correctly stored in the mandated location.
- The PMO is responsible for defining and maintaining the document storage framework, setting up the location and directory structure including restricted for sensitive documents, checking that the projects are adhering to the document storage framework.

Document Management



Appendices

Attributes of a Good Status Report



1. **PowerPoint** – create your status reports in the PowerPoint format. For one they are very easy to project on the wall when conducting stakeholder meeting both at the project and the PMO level. Second, they look attractive; after all PP has been designed as presentation tool!
2. **Length** – keep your reports limited to one slide. This approach will help you with selecting the most important information bits about a project. Also, keep in mind the limited attention span of the senior managers. The last thing they want to do is to listen to essays being read out to them at the status meetings
3. **Name and Date** – Include the name of the project manager and the date of the report (see Figure 1)
4. **Colour Code or Traffic Light** :
 - Green for “The project is reasonably on time and on budget. No major issues or risks”.
 - Amber for “There are some unwanted deviations in terms of budget and schedule and/or there are some significant issues and risks”.
 - Red for “This project will definitely be late and over budget and/or there are some serious issues”.
5. **Recently Accomplished Tasks** – list all of the important tasks that have been recently accomplished. Hint: keep them in the subsequent status reports in case management skips some of your status reports
6. **Current Tasks** – describe the stuff your team is working on now. Feel free to insert progress reporting here as well (percent complete, EV, etc.)
7. **Upcoming Tasks** – what are the things you plan on working in the next couple of weeks? Use this space to give “heads up” to senior stakeholders
8. **Risks, Issues, General Comments** – use this space to talk about potential risks and issues as well as other general comments that can’t be included in the above segments
9. **Save As** – Save your status reports in the following manner: Project_Name_Project_Status_Report_DD-MMM-YYYY. This allows you to easily find it when you need to.
10. **Upload to a Shared Drive** – Save each status report on to a shared drive or a SharePoint page for everyone to see. You may also have to distribute

Group Exercise – 15mins

- Room 1 – Team Lead –Blessing
- Room 2 – Team Lead –Yemisi
- Discuss and collate the report together
- Check for errors
- Chose a spoke person to feedback to main group – not team lead



RAG Definitions

Dimension	RAG Status	Guidelines
Schedule	Green	Schedule is on target
	Amber	There are likely to be minor delays in the schedule up to 30 days
	Red	There will be delays of greater than 30days
Scope	Green	Scope is in line with agreed business case
	Amber	There are likely to be minor changes in scope to original business case
	Red	There will be significant change in the scope delivered by the project
Cost	Green	Cost is on target
	Amber	There is likely to be a cost overrun to the originally agreed budget by up to 10% or <£50k or underrun of up to 10% or <£100k
	Red	There is likely to be a cost overrun to the originally agreed budget by 10% or >£50k or underrun of 10% or >£100k
Benefits	Green	Benefits are on target
	Amber	There is likely to be reduction in benefits of up to 10% or £50k
	Red	It is highly likely that there will be reduction in benefits of >10% or £100k
Resources	Green	No Concerns
	Amber	Minor Concerns
	Red	Significant Concerns

RAG Definitions



HIGHLIGHT REPORT

Project	Consultant	Reporting Date	Progress	Critical	Overall Status	
			Budget	On Track		
			Resources	No Concerns		

EXECUTIVE SUMMARY:

Highlights:

Completed Activity This Week:

Focus for Next Week:

Issues:

Description:	Resolution Plan:	Status:

Phase

Product	Start Date	Due Date	% Completed

Risks:

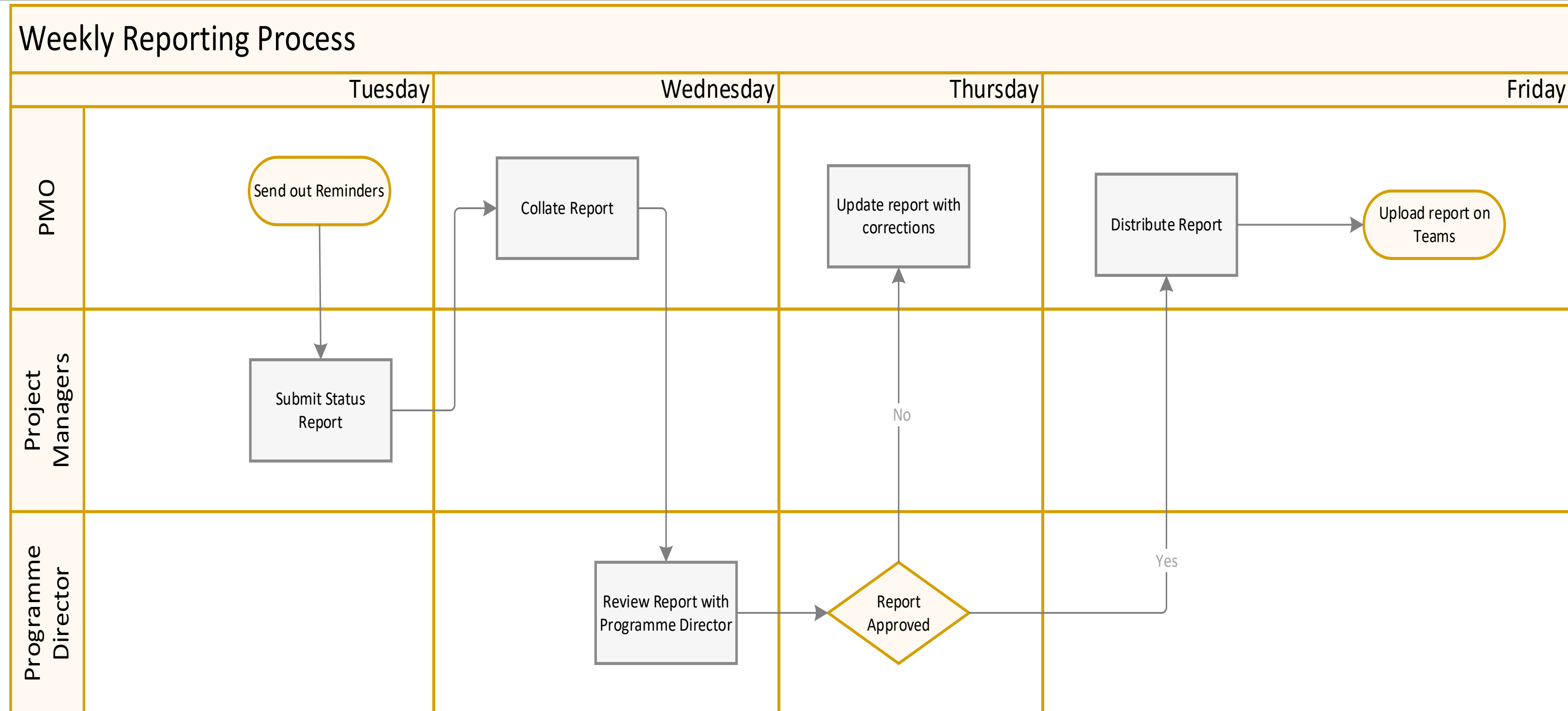
Description:	Mitigation:	RAG:	Owner

Reporting Calendar



1. Exec Board Meeting for the WIN 10 & Office 365 Programme occurs every 3rd Wednesday of the Month.
2. Produce a 6 month reporting calendar that allows the programme director to review report before distribution
3. The report must be circulated 24hrs before the meeting
4. Most of the project manager have their lower level status meetings second Tuesdays of every Month
5. You must factor in future holidays

Reporting Process



Governance Group Work



Dear PMO,

Please create a Terms of Reference for the Business Transformation Programme Steering Group

A forum where the Programme can gain approval from Project SRO for recommendation to baseline change (scope, time & cost) and any key decisions. This group will feed into the Exec Board

Ian Coleman as SRO will be the chair, but I will deputise for him most times

Steve Butler will be part of the Quorum as he will represent as Finance Director

The new head of Strategy - Angela Orr will also be in Quorum

Other key members include Andy Lopez – Legal Lead, Jake Armstrong Comms Lead, Becky Penny – Portfolio Lead, Emma Murray – HR. Steven Condie - IT Lead.

Regular presentations

Project Status including update on cost – Jules May

Specialist Topics – This will vary – depending on burning topics will need to discuss

I'll expect lots of discussion points and actions from this forum so a good minute taker is also required.

Regards,

Guri Neote.

Programme Director

Risks and Issues - Identify the risks and the issues

No.	Risks/Issue	Risk or Issue?
1	Hardware may not be made available to the build team in sufficient time to commence deployments	Risk
2	Delivery of Exchange 2013 ready for migrations has slipped from 21/07 to 30/07	Issue
3	The duration of migration may need to be extended because the amount of data and/or network bandwidth do not permit migration to be completed within the current time frame	Risk
4	VPN delay to Exchange Hybrid has resulted in a delay to completion of Collaboration testing.	Issue
5	The role of the champions need to be defined and circulated to the business pilot users otherwise this may impact delivery	Risk
6	Work has been delayed due to project comms not being issued	Issue
7	Applications may not be ready and fully tested prior to the planned deployment dates for the users, as a result of the rapid deployment approach of 140 users per day, resulting in deployments having to stop or be cancelled. The impact could be an extension to the planned timescales and increase in costs	Risk
8	Resource sickness leading to absence have impacted on laptop classrooms or desktop deployments	Issue
9	Shared mailbox access not working across the two domains. Migrated users will not be able to access on prem Shared mailboxes or delegated mailboxes until this is resolved	Issue
10	Delays in decisions in the early stages of the project may delay or compromise activities in the later stages of the programme.	Risk
11	NMS Project behind Schedule this may impact overall Project programme plan	Issue/Risk



Milestone Reporting Group Work







- Identify which of the milestones are Outcomes and which ones are deliverables
- Outcomes are L0 and Deliverables are L1

Project Name	Milestone	Date	L0 for Outcome or L1 for Deliverable	RAG
Portal	New online portal available for commercial clients	16/02/2022	L0	Red
Mobile	Migration of all Blackberry users to 0365 Mobile	17/02/2022	L0	Red
Client Biometrics	Biometric authentication enabled for personal clients	18/02/2022	L0	Amber
Faster Payment	10 new fields added for input of faster Payments	19/02/2022	L0	Amber
Retail Customers	Mobile cheque image capture capability available for Retail Banking customers	20/02/2022	L0	Amber
Portal	Portal Requirement document approved	15/01/2022	L1	Complete
Mobile	Mobile Business Case approved	05/02/2022	L1	Complete
Portal	Portal implementation Plan finalised	17/01/2022	L1	Complete
Client Biometrics	Biometric Solution Design complete	02/02/2022	L1	Complete
Faster Payment	Key Fields agreed with FCA	10/02/2022	L1	Red
Retail Customers	Solution Design complete	06/02/2022	L1	Complete
Client Biometrics	Biometric Requirement document approved	01/02/2022	L1	Complete
Portal	Portal Solution Design complete	16/01/2022	L1	Complete
Retail Customers	Requirement document approved	05/02/2022	L1	Complete
Faster Payment	FP Business Case approved	09/02/2022	L1	Complete
Mobile	Mobile users list agreed	06/02/2022	L1	Complete
Portal	20% reduction in telephony contacts	17/03/2022	L0	Green
Mobile	Reduction of £x support costs for maintenance of legacy mobile application	18/03/2022	L0	Green
Client Biometrics	X% client transaction authenticated with biometrics	19/03/2022	L0	Green
Faster Payment	Compliance with new messaging standards	20/03/2022	L0	Green
Retail Customers	Implementation Plan finalised	07/02/2022	L1	Complete
Client Biometrics	Biometric implementation Plan finalised	03/02/2022	L1	Complete
Faster Payment	SOPs finalised	11/02/2022	L1	Red
Mobile	Portal Migration Plan finalised	07/02/2022	L1	Complete
Retail Customers	10% increase in number of cheque deposits made using the mobile app	21/03/2022	L0	Green

Plan on a Page (POAP) - Group Work

- Use the information on slide 1 to populate a plan on a page (POAP) the keys below.

	January	February	March
Portal		New online portal available for commercial clients 	
Client Biometrics			
Faster Payment			
Mobile		Migration of all Blackberry users to 0365 Mobile 	
Retail Customers			

KEY	
L0 	 On track
L1 	 At Risk
	 Delayed
	 Complete

Programme Dashboard

- Key Movement since last period: 1 project reporting Red (Faster Payment) due to extended timeline and budget overspend. Deep dive scheduled with SRO to review an exception plan
- Retail Customer project moved from Green to Amber due to resource unavailability. This has impacted migration timeline and overall budget. Resource planning in progress
- Portal project reporting an improved trend as budget and new resource plan has been baseline. Plan remain at risk due to dependency on Retail project.

Project Name	Previous RAG	Current RAG	PM	Budget	Actual	Var	Exec Summary	Schedule	Costs	Resource	Benefits
Portal	Red	Amber	Craig	£600k	£250k	£350	Preparation, packaging, and testing of the portfolio of applications.				
Mobile	Green	Green	Geoff Hurst	£750k	£245k		The Business Readiness (BR) work stream is currently supported by Clare Nuttall and Geoff Hurst and provides oversight and planning of relevant business readiness activities including the associated				
Client Biometrics	Amber	Amber									
Faster Payment	Amber	Red									
Retail Customers	Green	Amber									