HOW TO CHANGE PROJECT CULTURE THROUGH IMPLEMENTING A PMO: A REAL CASE STUDY

ALFONSO BUCERO (PMP, Managing Director International Institute for Learning Spain)

1. BACKGROUND

From a management perspective, gathering detailed information about project status becomes more and more pressing as the organization grows in terms of projects and people.

The HP Spanish Project Office was born from the need to relieve project managers of the administrative tasks associated with managing a project. Generally, at corporate level, the project offices are generally regarded as project management centers of expertise. HP decided that the professionals who staff these project offices should be experienced and trained in project management skills. At local level, we have been using the Project Office to push the organization to change our culture from a reactive style to a project oriented organization.

At the beginning of the project we ran a survey in order to know how well our organization was supporting Project Management. This survey was answered by 65% of people and the results showed that we had no holistic view of our project portfolio; there was a lack of knowledge (reuse culture), no consistent approach for complex projects, lack of project culture, no consistent PM skills, poor scope definition, poor validation and management, bad risk identification, lack of sponsorship, and project closing delays.

The main qualitative functionality of the Project Office was to relieve HP consultants of standard activities (low added value), to provide quality assurance within the Project Delivery Process, to act as a breeding ground for knowledge sharing, to conduct project snapshots, to establish a home front for all PM Initiatives. The PMO project, like other projects, was uncertain by nature. I knew changes, conflicts and problems might happen at any time in the project life cycle. However, with proper planning, an understanding of the dynamics of change, open communications, and good teamwork changes could be managed in a systematic and rational manner.

2. PROJECT OFFICE INFRASTRUCTURE

We must bear in mind that the organization is delivering solutions for customers and, therefore, we needed to have the necessary infrastructure in terms of "people, processes and tools" available through our Project Office. One of the key factors we considered was the visibility and accessibility of these services.

We assigned a physical location for the Project Office at the beginning of the project. The advantages were that the PMO had a high-profile and that users could easily identify where to go for PMO services; the project office team was collocated and, thus, worked better as a team. Every team member was identified with a logo in his/her badge. A marketing campaign was also necessary to communicate the existence of the PMO, selling it's benefits to the whole organization.

3. PROJECT SCOPE, MISSION AND OBJECTIVES

It took some weeks to get to persuade the management team of the need of a Project Office.

Why did we need a Project Office? I made the argument that it would add value to:
- Project team members: by providing mentors, consultants, training, effective tools, and
- Structured intellectual capital
- Hewlett Packard: by providing a culture shift to project management, reusable tools and techniques, document and methodology support, global recognition, profitability improvement, and quality support
- Our customers: by providing a visible sign of HP's commitment, competent HP team support and more effective & quicker responses

The Project Mission was: To support HP Project Managers during the project selling and delivery processes so they

can focus on high quality project management and added value.

The Project Objectives were designed to relieve consultants of standard activities (low added value). The Project Office was to:

- Act as quality assurance within the Project Delivery Process
- Provide a breeding ground for Knowledge Sharing,
- Conduct Project Snapshots
- Act as the front for all PM Initiatives

After breaking down our first objective in smaller activities, one question came to mind: *How does the end user feel about it?*

I had several meetings with the different groups of consultants and project managers to verify the initial scope which turned out to be a very valuable process. Getting these people involved from the beginning was great because it was the only way to convince them to use it. Being aligned with real needs has been my personal objective during the whole project.

The Project Office must be home front for all PM Initiatives
- On-going Risk Management
- Facilitating PM Forums
- Establishing a PM Coaching and Mentoring program

But the PMO scope does not include operational activities, and it does not include all activities presently executed by Administrators. The PMO does not substitute the Project Manager role. And the most important aspect is that PMO will not be curing all the organisation's ills.

4. THE PROCESS OF "LEADING CHANGE"

History teaches us that human beings are extremely flexible and adaptable when it comes to accommodating change in their lives. Nevertheless, individuals and consequently businesses do exhibit certain tolerances or limits to the amount of change that they can assimilate over a given period of time.

Futurist author Alvin Toffler coined the term "future shock" to describe the threshold beyond which a person or organisation can no longer effectively adapt to change. Once this point is reached, healthy coping behaviours are displaced by dysfunctional symptoms (e.g. low morale, miscommunication, reduced productivity, increased anxiety, confusion, high turnover, defensiveness, territoriality, obstructionism, and hostility).

To avoid these costly symptoms of future shock, managers responsible for the implementation of major business decisions need to know what impact change efforts will have on the "targets" - those individuals or groups who will alter their knowledge, skills, attitudes, and behaviour as a result of the change. I had to predict the impact of the change before proceeding to implement the PMO.

I followed a four step process:

1. Identify key players
2. Develop an Implementation plan
3. Understand behavioral patterns and reactions
4. Lead the change process

This process was defined by the Project Management Initiative at HP corporate level. The main purpose of this process is to gain support for the change and to minimize the impact of resistance.

1. Identify key players
The Hewlett Packard Project Office stakeholders were the managers of the different businesses and solutions within HP and had real influence over end users and upper management level. The stakeholder analysis helped us to

understand how different individuals can influence in the decisions along the project. All the identified Project Office stakeholders, as key players of the project, were interviewed face to face.

Not everything that is faced can be changed but nothing can be changed until it is faced. Positive results from the PMO project depended upon corresponding changes in the behaviors of the people involved. I had many meetings with all the key players, formal and informal meetings, to convince them of the PMO value for them.

We used a corporate tool to raise awareness of the organization's current positioning for change implementing the PMO. It provides a high level analysis of the possible risk areas for the planned change. As such, it is a 'first pass' assessment to take the 'temperature' of the situation. Risk is assessed on the basis of the eight critical success factors or fundamentals for change.
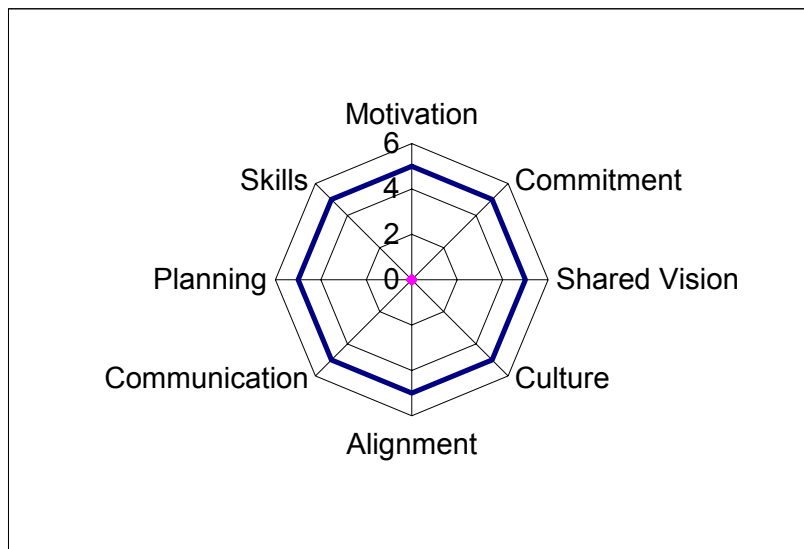
We used a process and we asked ourselves four basic questions:

a) Who are our stakeholders?

The project team brainstormed to identify all possible stakeholders. We identified where each of our stakeholders was located and, for all stakeholders we identified the relationship the project team had with them.

b) What are our stakeholder expectations?

I identified for each stakeholder what their primary project expectations were at a high level

c) How does the project or products affect stakeholders?

For each stakeholder, we analyzed how the products and deliverables were affecting them. We determined what actions the stakeholder could take which would affect the success or failure of the project. We prioritized the stakeholders, based on who have the most positive or negative effect on the project success or failure and, we also incorporated this information from the previous steps into your Risk Analysis plan to develop mitigation procedures for stakeholders who might negatively impact the project.

d) What information do your stakeholders need?

Finally we identified from the information collected in steps 1 to 5 what information needs to be furnished each of them, when should it be provided, and how.

The stakeholder analysis has been fundamental for the project success. This has been the map I have used to keep on track all the politics issues along the project life cycle. Every project stakeholder has personal, professional or social objectives and I had to deal with those factors. The PMO project sponsor was an upper manager but I had to drive the change acting as agent with the help of my project team, supporting advocates (consultants and project managers that believed in the PMO project) and keeping a high level of transparency with the sponsor.
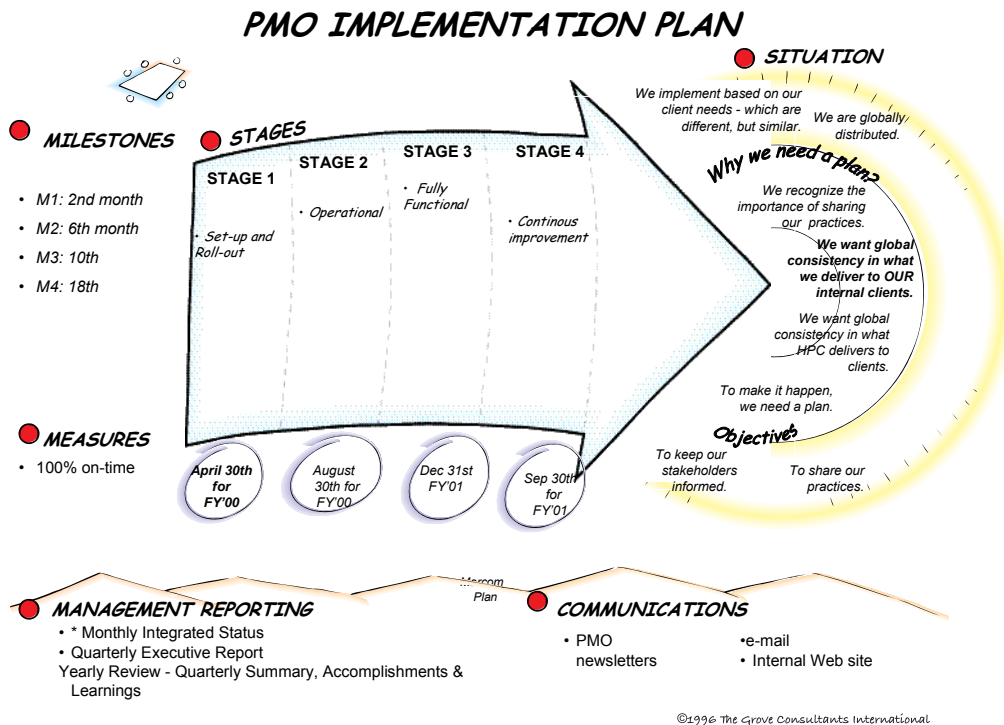
2. Develop an implementation plan

Starting with a deliverable oriented WBS; we elaborated a plan among team members. This implementation plan had an elapsed time of eighteen months, but I had to demonstrate the Project Office was adding value to the business on a monthly basis. I recognized triggering events to assure the change.

I organized this project in four stages as shown in the diagram above, involving representatives of the target audience and planning for contingencies.

Stage 1: Setup and Rollout

The estimated time for this stage was two months. The main activities were Staffing, office location, roles & responsibilities, project charter; initial projects review, objectives definition, PM tools definition, teambuilding, Project Office Services definition and success definition. I was suffering a lot of stress during this phase because management team was asking for results on a weekly basis.

PMO IMPLEMENTATION PLAN

SITUATION

We implement based on our client needs - which are different, but similar.

We are globally distributed.

Why we need a plan?

We recognize the importance of sharing our practices.

We want global consistency in what we deliver to OUR internal clients.

We want global consistency in what HPC delivers to clients.

To make it happen, we need a plan.

Objectives

To keep our stakeholders informed.

To share our practices.

MILESTONES
- M1: 2nd month
- M2: 6th month
- M3: 10th
- M4: 18th

STAGES

STAGE 1 · Set-up and Roll-out

STAGE 2 · Operational

STAGE 3 · Fully Functional

STAGE 4 · Continous improvement

MEASURES
- 100% on-time

April 30th for FY'00

August 30th for FY'00

Dec 31st FY'01

Sep 30th for FY'01

MANAGEMENT REPORTING
- * Monthly Integrated Status
- Quarterly Executive Report
- Yearly Review - Quarterly Summary, Accomplishments & Learnings

COMMUNICATIONS
- PMO newsletters
- e-mail
- Internal Web site

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Stage 2: Operational

The estimated time for stage 2 was four months and the main activities were to delineate structure of Project Office, to define the PM software which would be used, and to assign the following: communication, methodology, education, tracking, PO success metrics, process improved, critical stakeholder's agreement, prioritization, and a PMO database with some historical data.

Stage 3: Fully functional

The estimated time for this stage was four months and the main activities were achievement driven: measured achievements definition and assigned for accountability, assignments/templates, use of templates/automatic, major processes have been automated, trend analysis being conducted, mentoring in place, 70-80% of all projects have a project plan, activities duration derived from historical data

Stage 4: Continuous improvement

The main activities estimated at this stage were software tools update, measures of success are updated/changed, improved project numbering, tracking of project success, and decrease in number of failed projects, increased number of professionals Project Managers on staff, 90% of all projects have a Project Plan.

The main factors that enabled the change were "visibility, importance, motivation and empowerment". For instance, I explained all the target people the PMO implementation would help them to be more and more efficient managing customer projects.

At the Hewlett Packard organization a general lack of appreciation of the importance of project planning was alive. Upper managers typically do not appreciate the necessity of project planning, and thus do not usually allow enough time for proper planning. But, after the assignment of the team members, we were working together in the project WBS, reviewing all the deliverables to be built and his acceptance criteria.

3. Understand behavioral patterns and reactions
Learning from real experience is, in my opinion, the best way to learn quicker when engaged in a project. Understanding the different behaviours from different stakeholders within the project, and planning potential reaction from the beginning helps a lot managing the change.

Management team was very committed to the Project Office implementation from the beginning but they asked for early results. The main difficulty was achieving small deliverables soon. Without the upper level management support this project would have failed.

I identified different three patters: Communication, Team ownership and Sponsorship

Communication: The style and frequency of communication actions were fundamental for project success. We communicated among team members through formal weekly meetings and informal lunches, at department level participating in all the "areas meetings" explaining the progress and services of the project office. Project issues were related to the departmental level through "Area Meetings" which gave regular updates on the project status.

At management level: I was participating actively in the management meetings reporting the status and issues of the Project Office project on a monthly basis. I asked for feedback in every management meeting and used that feedback to avoid misunderstandings and errors.

At company level: through publishing the project status on the corporate intranet. Producing PMO Newsletters and having them distributed to all the employees within the organization, to ensure that everyone was informed about the implementation progress.

Team ownership: I empowered team members but also I was coaching them due to the lack of experience. The Project Office had an identity. It was very important that PMO team members could be identified physically by a name badge. This allowed employees to identify the PMO and PMO team members, this was key for project success.

Sponsorship: The General Manager supported the project at the beginning and he explained everyone the effort made by the organization when investing in a PMO. But upper managers needed early results, tangible results as soon as possible.

Keeping the General Manager's sponsorship level was a question of persistence and fluent communication. Many times I asked him to present the PMO project progress in management meetings which proved very effective.

4. Lead the change process
It was recognized that the PMO was a new way of working and I had to give the organisation time to adjust and catch up to where we were. We were flexible enough and created commitment incrementally by breaking down big issues and problems into small – manageable chunks. Small incremental achievements were my way of managing this project.

Being the PMO Project Manager was difficult but I based my daily activities in three principles:

- Passion: I really believe in the advantages and need for a PMO. When you believe in something you send positive thoughts to rest of the team. This behaviour helps you to be happier and transmit happiness to others. Smiling every morning was part of my attitude every day.
- Persistence: I always tried to reinforce the project management knowledge of the organization in a daily basis. It does not matter if you find a project manager not following a PM methodology, or not using a PMO procedure;

you need to understand why and talking to him or her. In terms of implementation, nothing works perfectly the first time. Understanding the learning curve is absolutely important.

- Patience: Every project, every phase, every activity or task needs time to be implemented. The PMO project manager needed to be patient. You need to spend time doing every activity and understand every activity consumes time. On the other hand people need their own pace. One of my errors was to assume everyone learnt and apply knowledge at the same speed

The most important is that I enjoyed my assignment as PMO project manager and I believe that this was fundamental for the success. A Project Manager's attitude is fundamental for team members and also for project stakeholders.

5. LESSONS LEARNED

- Project Office can not be implemented without upper level Management support
- Stakeholder Analysis is fundamental for the success because they are key players of the game
- Implementation plan development needs to take into account the organizational culture
- Understanding the different behaviours from different stakeholders along the project, and planning potential reaction from the beginning helps a lot with managing the change
- Passion, Persistence and Patience are key for leading the change
- Most of the work of the project office is like children's education, you try to convince people they will have better results if they change the way of doing things

6. REFERENCES

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