Transforming governance with PMO-as-a-Service

The Program Management Office (PMO) is gaining importance in high performing IT organizations. A Program Management Office intends to add value by ensuring alignment to organizational strategy, focusing on business benefits, and providing better governance.

Recently many organizations have embarked on digitization journeys. Effective governance is one of the key success factors for such transformational programs. Lack of good governance can severely impact the business case of these programs. This calls for Program Management function to add value.

PMOs have delivered value such as improvement in projects delivered under budget, improvement in customer satisfaction, increase in productivity, and reduction in failed projects. Yet almost 50% of the organizations say that PMO processes are seen as an overhead while 42% fail to see value added by the PMO.

In this paper we present our approach to set up a PMO function that is effective and can predictably drive value to the programs. The approach is based on two pillars: "PMO as a Service" - a service-based approach to provide a standardized way or working and collaboration, and "**PMO's Briefcase**" – a tools platform to increase the efficiency of the PMO many-fold.

PMO-as-a-Service

A Program Management Office should function independently and provide unbiased governance. It demands a clear and standardized methodology of operations, which PMO-as-a-Service provides.

PMO-as-a-Service is a two-pronged approach:

a) Managed Service Model, where the Program Management team is a shared pool and engagement during programs is driven by services as opposed to people.

b) Service Catalog, where a list of services with clear service definitions, outcomes, and service levels for the PMO, drive predictable outcomes.

A critical success factor for the Program Management Office is clarity on the scope and impact of activities. Program Managers are invariably challenged to define their scope of work and become a 'go-to' contact for administrative tasks, which renders them ineffective. It is caused due to:

(i) late engagement by the Program Management team, much after program commencement

(ii) lack of clarity between the roles and responsibilities of a Program Manager vs Project Manager

(iii) lack of clarity among stakeholders on what to expect from Program Managers

The PMO-as-a-Service approach addresses these issues and is an important step to enhance the PMO function as a value-adding function for the IT organization.

PMO Service Catalog	Expected Outcomes
Manage Resources Track demand for talent, hardware, software; oversee resource procurement, manage purchase orders, track onboarded resources	<5% delay due to resources
Manage Stakeholders Prepare stakeholders map, identify roles and responsibilities of stakeholders, manage stakeholder expectations	No gap in stakeholder expectations
Track Benefits Capture expected benefits/business case, identify benefit realization milestones, calculate and report actual benefits, validate business case	Benefits data availability Benefits data accuracy
Manage Project Schedule Prepare overall program plan, coordinate with project managers for project plans, track progress, manage delays	% schedule adherence
Manage Dependencies Identify cross-functional dependencies, track dependency status, ensure timely closure	95% dependencies identified during the planning phase
Manage Risk and Issues Capture program level risks, track project and program risks, track mitigation actions	Weekly tracking of risks and issues
Track Finances (Cost) Capture program and project budget, track budgeted vs actual costs, manage accruals, manage cost	Budgeted vs actual outcomes available in near real time
Report Program Status Set up governance cadence with stakeholders, prepare reports for meetings with inputs from PMs, conduct governance meetings, prepare MoMs and action items, track action items	Reporting cadence followed, all stakeholders aware of the program status
Manage Change Manage change in scope with systemic change management process	No scope escalation
Manage Knowledge Sharing	Culture of knowledge sharing

Figure 1: Service catalog or 'menu' of PMO services

PMO's Briefcase

In a majority of programs, Program Managers invest a significant amount of time and effort to establish the governance structure, templates, documentation, and maintain a standard reporting structure across the program.

Infosys envisions PMO's Briefcase as a platform for the PMO with rich capabilities: customizable templates to gather information, automation engine to manage PMO processes and information flow, a reporting engine to generate reports and dashboards for various levels of governance, and a persona-based access mechanism. This suite of capabilities provides a jumpstart to the Program Manager and makes the tracking process smart, efficient, and agile. Significantly, it enforces a standardized method of governance and opens possibilities for incorporating intelligence into tracking and reporting.

PMO's Briefcase provides the PMO team with visibility across the duration of the program. It equips the team with tools to consolidate data from multiple projects into a single view.

Tracking risks, issues, actions and dependencies are part and parcel of any program. PMO's Briefcase recommends standardized and holistic templates rather than the existing multiple formats for tracking elements of a program.

PMO's Briefcase enables a program manager to focus on governance, instead of spending time on repetitive work such as creation of templates, time and again. The outcome: superior productivity of a program manager, who can get on top of the program, track other parameters of the program and its projects, and ensure that the project is completed within the budget and timeline.
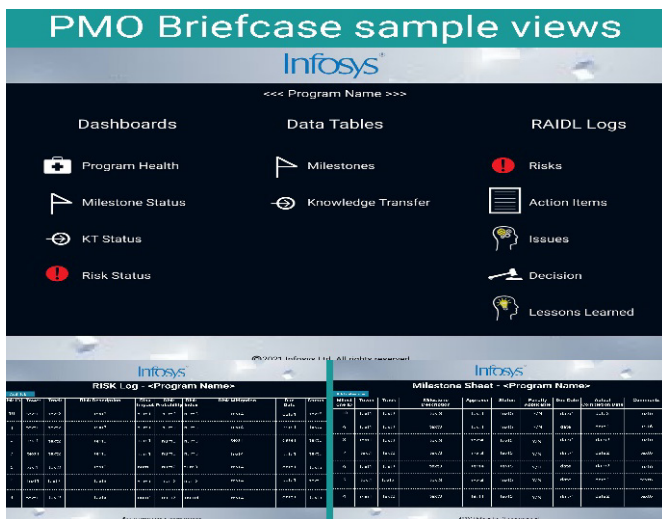

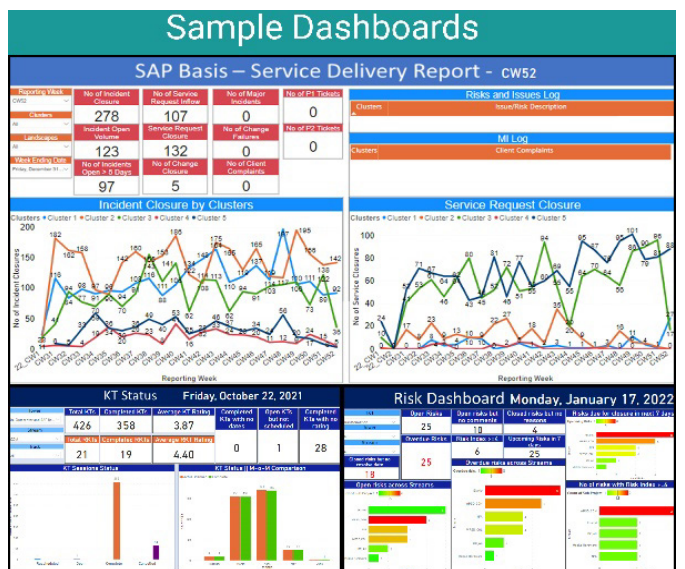Figure 2: PMO's Briefcase views developed as POC

Figure 3: Examples of PMO dashboards

Conclusion

Robust governance is critical for effective execution of digital transformation programs or large transformation programs. The PMO function plays a major role in providing effective governance. Finally, the success of the PMO is determined by multiple levers. The Infosys approach focuses on key levers:

a) A service-based approach for PMO to ensure a standardized way of working and

b) An intelligent platform to effectively track and manage program parameters as well as benefits realized by the program

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