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Keane White Paper

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# Program Management Office (PgMO)

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Driving the Success of  
Large-Scale, Cross-Functional  
Efforts

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## EXECUTIVE SUMMARY

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“To deliver the value that companies expect from the tens of millions of dollars invested in CRM, ERP, and other large-scale investments, program offices must be created specifically to manage the benefits, investments, milestones, resources, and risks associated with particular programs. Companies that engage a consulting firm to assist in large IT deployments often get to see how good [PgMOs] are established, operated, and shut down. They see the benefits of a good [PgMO] firsthand: more effective executive communication, meaningful progress reporting and tracking mechanisms, and proactive risk identification and mitigation.” — Optimize magazine, March 2005.

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## Abstract

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Failing to achieve a critical business objective that calls for a massive mobilization and deployment of corporate resources can be catastrophic. When dealing with such an interdisciplinary venture, success can be achieved only through centralized management and careful coordination of all involved projects, with a specific focus on communications and risk management. Therefore, if organizations are to thrive in an increasingly complex and competitive business environment, they must develop the skills to efficiently and effectively manage large-scale programs that cross multiple functional, organizational, and/or geographic boundaries.

Whether taking advantage of the opportunities offered by new technologies, redesigning business processes, or developing new products or service offerings, the complexities of managing a series of concurrent and interrelated projects across many functional boundaries are a challenge to traditional project management capabilities and methods. Formal program management disciplines must be applied to steer individual projects to completion, while ensuring the overall success of the program.

The expertise required to implement these disciplines comes from companies experienced in delivering large-scale programs. A model for establishing an organization that is responsible for managing the program as a whole, as well as coordinating and controlling its constituent projects, has emerged. This organization is known as the Program Management Office.

This white paper defines the Program Management Office concept, describes its structure and functions, outlines its lifecycle, and illustrates how it can be applied to multiple types of enterprise-level efforts. This paper also describes the necessity for and benefits of the Program Management Office, and it presents a practical discussion of when to use a Program Management Office and how to seek help in its implementation.

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## What Is a Program Management Office?

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First things first: what is a Program Management Office? When referring to the organizational structures that facilitate project execution, there is considerable confusion as to what these structures should be called. The terms Project Management Office and Program Management Office are often used interchangeably, and both are commonly abbreviated as “PMO,” further compounding the confusion. But there is broad agreement that these two organizational concepts serve different purposes, have different structures, and follow different lifecycles.

The first of these organizational concepts is defined by the following characteristics: its main purpose is to sustain project success across the enterprise, it is set up as a permanent staff function, and it is mainly concerned with the implementation and proper use of a project management methodology. In this white paper, such an organization will be referred to as the Project Management Office, and it will bear the acronym “PMO.”

The second organizational concept, which is the primary focus of this white paper, will be referred to as the Program Management Office, with the acronym "PgMO." The PgMO comes into being when a series of related projects is launched in order to achieve a common business objective. The PgMO achieves program success through project coordination and control, and it is temporary in nature. "By definition, a program has a beginning, a middle, and an end," Optimize magazine reports.<sup>1</sup> So, too, does a PgMO: it is dismantled when the business program is complete.

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## Definition of a Program

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A program is a series of concurrent, interrelated projects that achieves a common business objective.

- » **Series of projects** – Since a project is a "temporary endeavor to create a unique product or service,"<sup>2</sup> a program does not typically manage operational processes and functions. Thus, if the business goal is to maintain cooperation between, say, Marketing and Product Design, or to ensure that the chosen project management methodology is followed on all projects, the solution would not involve setting up a program: both cooperation and adherence are processes that should be supported indefinitely via a staff function (in the latter case, by a PMO).
- » **Concurrent, interrelated projects** – The expense and added complexity of a program is justified when multiple, related projects are being executed at the same time, and it becomes more advantageous to manage and control them as a group, as opposed to managing them separately as individual projects. A program does not typically

continue beyond the timeframe of its constituent projects.

- » **Achieve a common business objective** – The specific objectives of each constituent project are in alignment with the overall business goal the program was designed to achieve. A program should not include projects that occur simultaneously yet have absolutely nothing to do with each other; if the projects have no interdependencies or business connections, there is little benefit in managing them in a coordinated fashion.

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## Definition of Program Management

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Program management is a set of practices designed to optimize the management of a series of concurrent and related projects.

- » **Set of practices** – There is a collection of methodologies, tools, and techniques that have been developed specifically for managing and reporting on programs, in the areas such as communication, risk, quality, and financial performance
- » **Optimize management** - Program management derives benefits and realizes efficiencies from the coordination and control of the constituent projects. The more interrelated and interdependent the projects in the program, the more benefits are realized from central reporting, coordinated scheduling, and shared resource management services that program management enables.

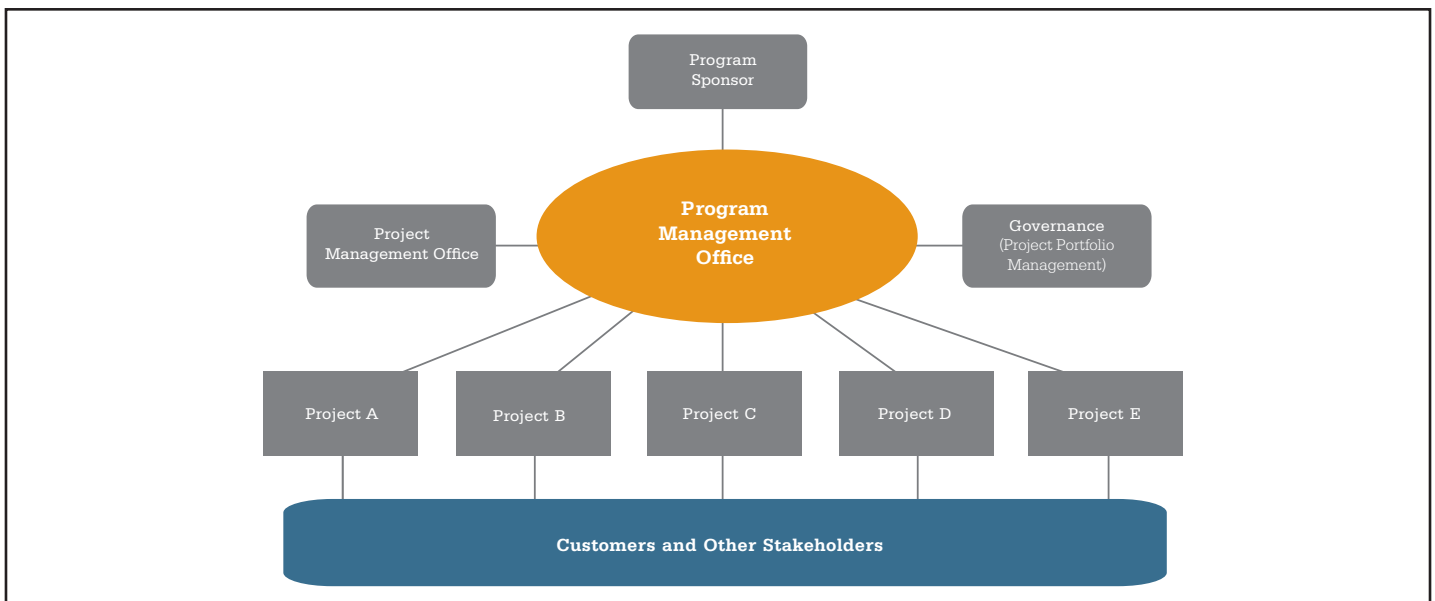
## Definition of a Program Management Office

A Program Management Office (PgMO) is an organizational entity that is structured to apply program management practices to the needs of a particular program.

- » **Organizational entity** – A PgMO is staffed by one or more individuals playing a variety of roles, as dictated by the needs of a particular program.
- » **Structured** – A PgMO has an internal reporting structure, defined reporting relationships to the performing organization's management, and defined channels of control with its constituent projects.

- » **Apply program management practices** – The functions that a PgMO performs and the roles that PgMO staff play are determined by many factors, including the scale of the program, the complexity of the solution, the level of interdependency among projects, and the skills and availability of resources.
- » **Needs of a particular program** – Program needs are determined by business objectives, organizational priorities, and the attributes of the particular projects in the program. Some programs will be required to provide ongoing ROI justification and strict financial accountability; others may be focused on schedule and deadlines, and still others on product quality and customer satisfaction.

Figure 1 : PgMO in Context



**Figure 2 :** Differences Between Program and Project Management

Program Management	Project Management
<b>Communications Management</b>	
<ul style="list-style-type: none"> <li>Provides policy direction to project managers</li> <li>Consolidates information on all projects for executive sponsors and other governance mechanisms</li> </ul>	<ul style="list-style-type: none"> <li>Provides project performance measurement data to the program manager</li> <li>Provides project information to project stakeholders</li> </ul>
<b>Financial Management</b>	
<ul style="list-style-type: none"> <li>Prepares, justifies, manages, optimizes, and defends program budget</li> <li>Ensures timely funding of constituent projects</li> </ul>	<ul style="list-style-type: none"> <li>Develops and submits project budget</li> <li>Executes project to budget</li> </ul>
<b>Technology Management</b>	
<ul style="list-style-type: none"> <li>Establishes project and product management environment</li> <li>Establishes and coordinates common technology infrastructure components</li> </ul>	<ul style="list-style-type: none"> <li>Utilizes selected methodologies and tools</li> <li>Establishes configuration management process for project's technology infrastructure</li> </ul>
<b>Resource Management</b>	
<ul style="list-style-type: none"> <li>Optimizes allocation of resources across all projects in the program</li> </ul>	<ul style="list-style-type: none"> <li>Makes the most effective use of project team members</li> </ul>
<b>Risk Management</b>	
<ul style="list-style-type: none"> <li>Performs risk planning on program level</li> <li>Performs risk trade-offs among projects</li> </ul>	<ul style="list-style-type: none"> <li>Identifies and manages risks to the project</li> <li>Executes risk response plans for the project</li> </ul>
<b>Quality Management</b>	
<ul style="list-style-type: none"> <li>Establishes a consistent quality management system across the program by imposing tools and techniques for quality planning, quality assurance, and quality control</li> <li>Reviews program performance against established baselines, identifies significant variances in program results, and recommends corrective actions</li> </ul>	<ul style="list-style-type: none"> <li>Implements the quality management system on the project, with continuous quality improvement activities conducted as appropriate</li> <li>Monitors variances in project results and implements corrective actions</li> </ul>
<b>Program Integration</b>	
<ul style="list-style-type: none"> <li>Aligns the program and its constituent projects with business strategic plan, goals, and objectives; conducts program planning across project phases and boundaries</li> <li>Ensures that project results satisfy program objectives; champions the program's success</li> <li>Assures proper coordination and cooperation among multiple projects and with program stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Employs chosen project management methodology to manage the project throughout its lifecycle and achieve project objectives</li> <li>Employs chosen product development methodology to manage the product development lifecycle</li> <li>Coordinates activities of project team members and stakeholders</li> </ul>

Correspondingly, the PgMO will focus on managing and reporting financial, milestone, or quality aspects of its constituent projects.

Figure 1 depicts how the PgMO fits into a typical organizational structure. Figure 2 outlines the differences between program and project management.

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## Situation Analysis: Project Challenges and PgMO Results

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The PgMO successfully addresses many of the typical challenges inherent in managing a series of interdependent projects:

- » Project schedules not adhered to and implementation dates rarely met
- » Senior management not having comprehensive insight into projects' progress and performance
- » Projects' customers not sufficiently involved in product planning, design, and acceptance
- » Disparate and inconsistent communication patterns
- » Inadequate control and understanding of actual product and production costs
- » Destructive resource contentions
- » Lack of repeatable processes guided by best practices
- » Unanticipated risk events and inadequate (or missing) contingency plans
- » Unexplained changes in project scope, schedule, or budget

- » Unacceptable quality of products and processes
- » Unproductive or non-existent peer reviews

A PgMO establishes an environment that prevents many of the aforementioned issues from occurring. It also conducts monitoring and controlling activities that correct problem situations by:

- » Implementing consistent project management and product development methodologies
  - » Establishing (if absent) governance processes and structures for managing changes to the program
  - » Conducting "big picture" planning and control activities, including alignment with other strategic initiatives, integration with the governance process, and integration with enterprise resource planning
  - » Coordinating delivery of project information through consistent and standardized data gathering, analysis, and reporting
  - » Providing continuity and reinforcing commitment among business customers, project teams, and support organizations
  - » Initiating summary and detail audit and review procedures that identify problem areas and provide drill-down processes to closely monitor risks and issues
  - » Increasing project success rates by obtaining executive buy-in and gaining enterprise-wide support for program needs and objectives
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## PgMO Structure

Every program offers its own challenges, and every PgMO will adapt to the needs of its program. For simpler programs, one program manager may be able to play all the roles the program requires. However, high-priority, enterprise-wide endeavors requiring the implementation of dozens of concurrent projects will necessitate a robust PgMO, staffed by specialists in particular disciplines. Regardless of how they are staffed and organized, all PgMOs must provide certain basic functions, and they require a supporting infrastructure to be successful. Figure 3 on page 8 details the full range of PgMO functions.

## PgMO Functions

Many management and reporting activities must occur within any project. Unfortunately, these activities are rarely formalized. A key advantage of a PgMO is that management and reporting activities are not only formalized, but they are also functions within the PgMO organization. This formalization is aided by the use of quality, performance, and business metrics to ensure that activities managed by each function are performed effectively and efficiently.

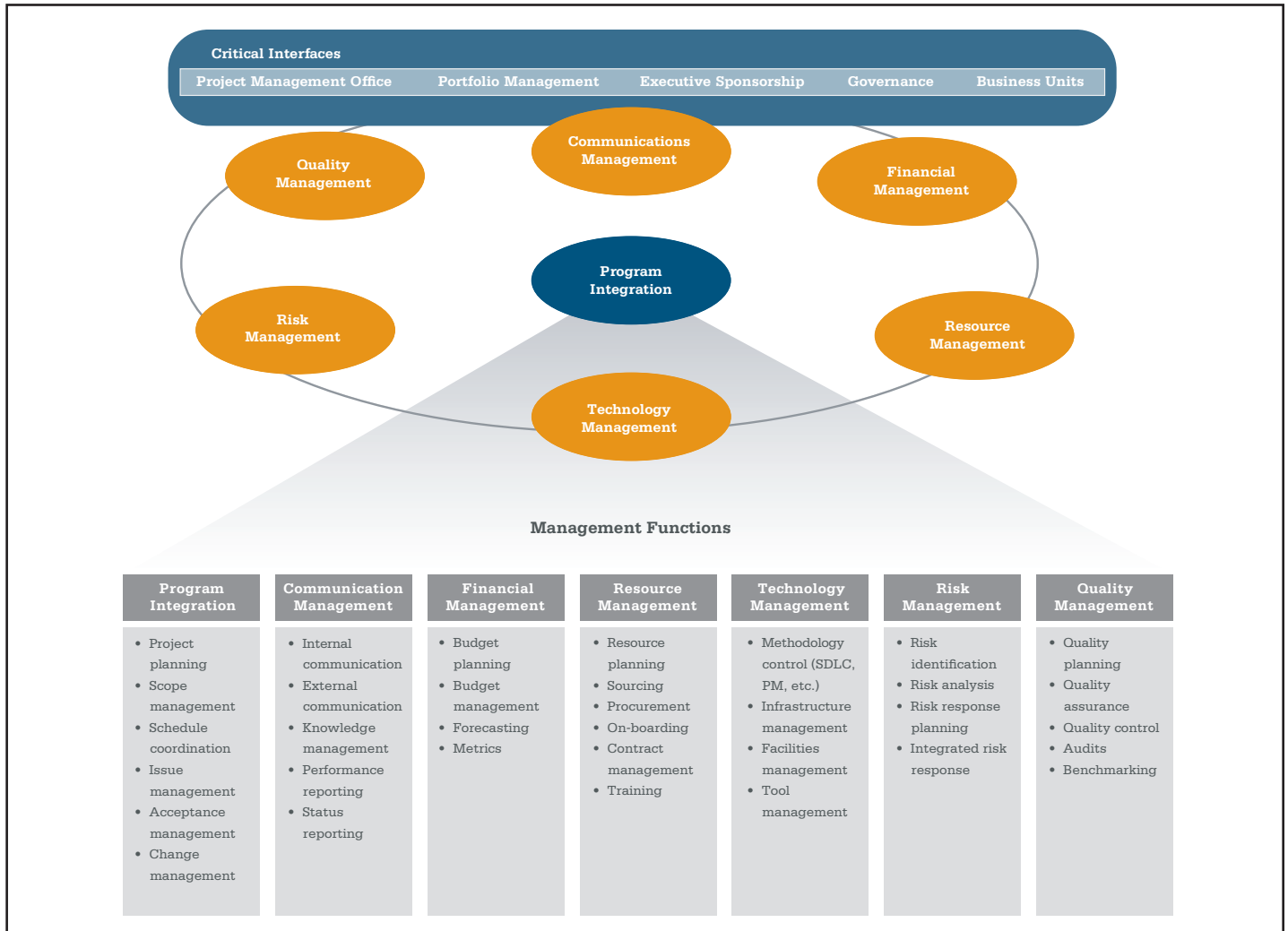
The size and scope of the PgMO will determine how many people support each function. A single team member in a small PgMO may handle several functions, while a small team in a large PgMO may cover the same function.

**Communication Management** - This function communicates program status, progress, and performance at multiple levels. It also prepares briefing documents and program dashboards for senior management and other high-level stakeholders, generates an information base that allows drill-down capabilities, and facilitates communications among the project teams involved in the program. In addition, this function builds general awareness about the projects and their impacts on the business, both internally and externally.

**Financial Management** - This function maintains and reports financial performance through objective metrics, ensuring no cost overruns for the program. It tracks variances against the program budget, ensures that expenditure targets are met, and verifies performance against business objectives. Financial performance is particularly important for high-visibility projects and is measured by such business-oriented metrics as earned value and internal rate of return. This function collects metrics at the project level and rolls them up to the program level. Finally, this function is responsible for forecasting future budget requirements.

**Resource Management** - Procuring, training, onboarding, and managing project staff is a major responsibility of a PgMO. Consolidating resource management at the program level enables program executives to optimally deploy staff resources across all projects. While the details of managing individual resources are handled at the project level, the PgMO is responsible for overall capacity planning, including the complex logistics of ensuring that the right people are available at the right time and place. This may include negotiating and managing relationships with

**Figure 3 :** Full range of PgMO functions



third-party vendors and subcontractors and deploying internal and external resources. This function is also responsible for properly training program staff in program processes, tools, and applied methodologies.

**Technology Management** - This function implements and maintains the physical, technical, and process

infrastructures used by the program. Responsibilities include implementing consistent methodologies and tools, managing facilities and equipment, performing capacity planning for the resources required by the program, managing licensing and other technology agreements, performing disaster recovery planning, and procuring the necessary equipment.

**Risk Management** - The risk management function is responsible for evaluating the project plans, identifying program risks, and developing risk management strategies. It works with business areas to anticipate and understand the changing business environment and associated risks, modifying project plans and risk response strategies as needed. Separate business and project risk assessments are performed to identify potential problem areas, determine the impact of those problems, and estimate the effort required to mitigate them.

**Quality Management** - This function ensures that the projects within the program meet quality objectives. These objectives include adherence to program procedures and standards, as well as the completeness and quality of project deliverables. If business requirements change during the program, the quality management function modifies its standards accordingly. This function researches methods for continuously improving quality and ensuring that quality is built into all deliverables from the start. It audits project practices and captures project quality and performance metrics. Project performance metrics measure the efficiency of project operations, enabling benchmarking of project activities against other projects.

**Program Integration** – This core function oversees the integration of the projects that make up the program and provides a comprehensive approach to issue, change, and acceptance management. While each project within the program is responsible for achieving its own objectives, the program integration function is responsible for ensuring that all projects fit within overall program parameters. As the keeper of the master project plan, this function has a handle on all project interconnections and dependencies. It monitors project progress closely and addresses

individual project delays before they affect other projects in the program. When problems arise, this function adjusts and rebalances the project plan. In worstcase scenarios, it oversees the implementation of contingency and triage plans.

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## PgMO Organizational Roles

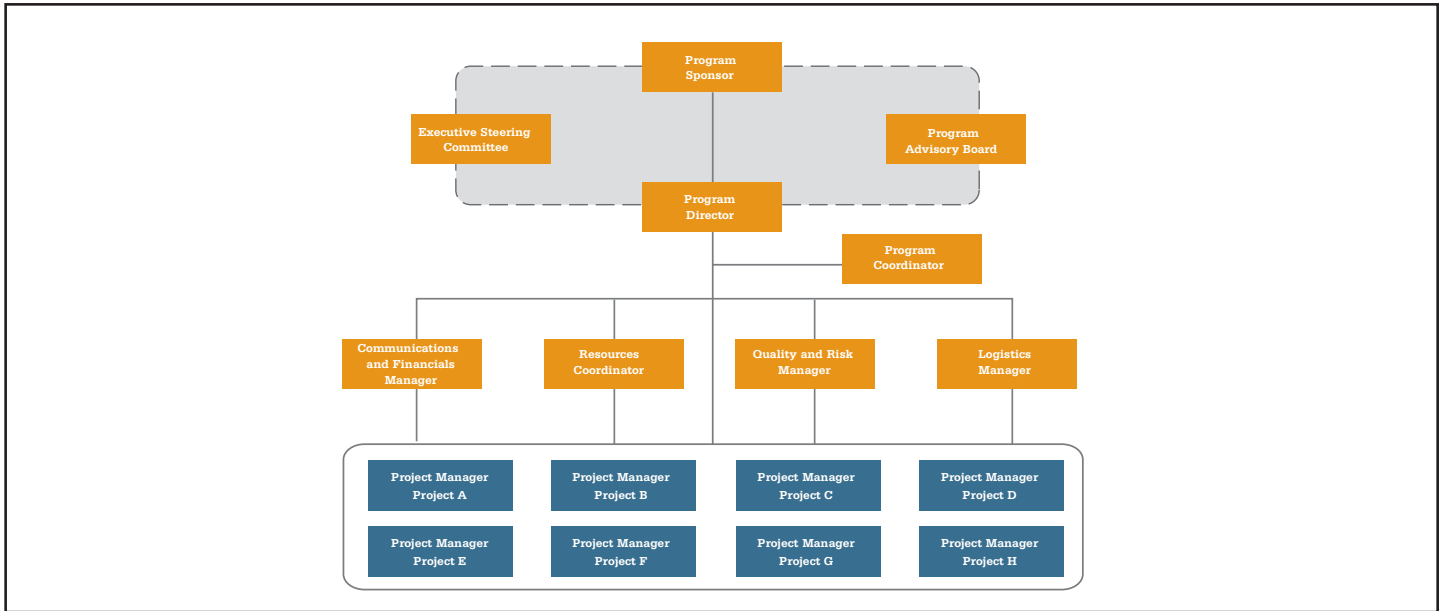
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The people comprising the PgMO and its projects are critical to the program's success. A PgMO must provide management support to ensure the productivity and success of its staff. (See fig. 4)

**Program Sponsor (Executive Sponsor)** – The program sponsor is the senior corporate executive ultimately responsible for the program. This individual works with the executive steering committee, which sets the overall priorities for the program, approves all major strategies, and handles cross-organizational issues. The executive sponsor, based on information from the PgMO director, intervenes as necessary to ensure that program objectives are met.

**PgMO Director (Program Manager)** – This full-time manager of the PgMO owns the day-to-day responsibility for the execution of the program, reports to the executive sponsor, and directs the PgMO staff. The program director is responsible for ensuring that all business objectives of the PgMO are met and that all program guidelines are followed. This key position requires leadership qualities that go far beyond those of even a “super” Project Manager. Stringent selection criteria, based on an established Program Manager Competency Model, must be developed and applied to choose candidates who would succeed in this demanding role.

**Figure 4 :** Sample PgMO Organization



**Program Coordinator** – This supporting role can take many forms, including administrative support, maintaining the program repository, executing communications plans, and providing resource coordination. This role can also provide valuable PM tool support by relieving the program director of the burden of integrated program schedule maintenance.

**PgMO Function Managers** – The function managers report to the PgMO director. They must have strong communication and project management skills. Depending on the size and focus of the PgMO, specific functions may not be staffed, and managers may be responsible for more than one function.

**PgMO Project Managers** – These are the managers of specific projects within the program. They provide

PgMO directors or PgMO function managers with the status of individual projects within the PgMO.

**Program Advisory Board** - This structure represents managers of the functional areas of the business with which the projects and the program as a whole must interact. It may also include customers, suppliers, or other program stakeholders.

**Project Management Office** – This is an organization that ensures that the chosen project management methodologies and procedures are being adhered to across the organization. (See fig. 1).

## PgMO Lifecycle

The introduction of a PgMO into an organization should be viewed as a significant initiative that must follow a proven lifecycle. Organizations that do not adopt this approach may be faced with employees who are reluctant to accept the initiative. This, in turn, can lead to implementation difficulties, hindering the realization of benefits. The phases of the PgMO lifecycle begin with an assessment phase that allows the organization to determine its current state of readiness to introduce a PgMO. This phase should include an executive review and approval of an implementation approach for the PgMO.

Based on the approval, the organization can move into a start-up phase of the PgMO and begin detail planning and staffing for PgMO development. The plan developed during the start-up phase will guide the organization through an execution phase of the PgMO. This phase will consume the majority of the PgMO timeline. This phase should include staged implementations of processes and tools while the PgMO manages the projects to ensure their successful delivery. The execution phase will run the duration of

the program or until a specific event occurs, which will signal the beginning of the final phase of the lifecycle: closeout. The closeout phase represents the conclusion of the program once the business objectives have been achieved. (See fig. 5)

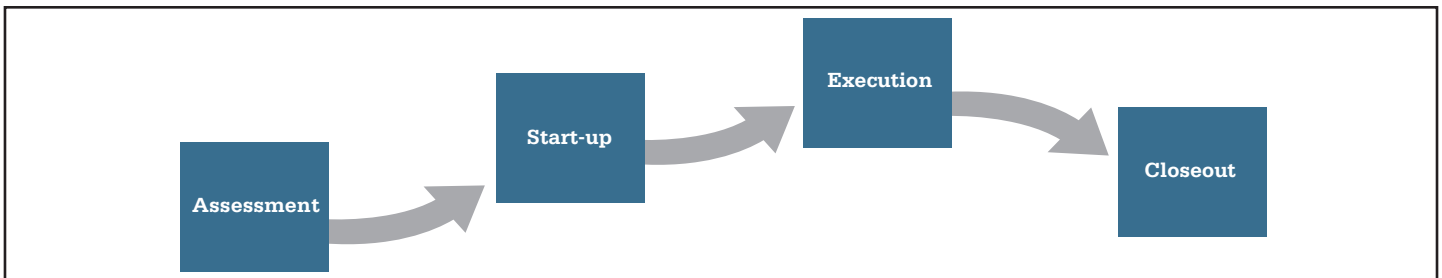
### Assessment

The assessment phase of a PgMO implementation is critical in that it determines the direction of the PgMO moving forward. Key activities in the assessment phase must include:

**Developing the business objectives with the program stakeholders.** All new PgMOs are based on a business event that drives the need to bring improved structure and discipline to a series of projects. The PgMO should be viewed as an organizational component focused on delivering business benefits through successful program delivery. Business leaders as well as senior technology executives are integral to defining the objectives of the program. By clearly establishing the objectives the PgMO should achieve, stakeholders can better determine the business benefits to be realized.

**Assessing the current state** of organizational project delivery. Most organizations implementing a PgMO have some level of a project office or project

Figure 5 : PgMO Lifecycle



management standard in place. Determining whether the current structures are equipped to support the delivery of the identified business objectives will be key to the PgMO planning process. The limitations of the current organization may include a combination of process maturity, available tools, infrastructure capabilities, and process execution discipline. Assessing the organization's project delivery capabilities will require process reviews, historical execution reviews, and stakeholder interviews. During the assessment, it is important to determine if stakeholder concerns are caused by flaws in the process and tools, lack of organizational discipline and management support, or by flaws in the execution. Understanding these root causes is key to improving the organization's project delivery capabilities.

**Defining the scope and objectives of the PgMO.** The current state assessment will provide a wealth of opportunities for making project delivery improvements within the organization. However, business benefits will only be delivered if they are mapped to these enhancement opportunities. For example, providing senior management with more frequent status reports is a benefit that can only be achieved by making the right types of improvements to the reporting process. Implementing process or tool changes that do not provide management with improved access to information would result in missed expectations. Clear definition and stakeholder approval of the PgMO scope and objectives are necessary components for defining PgMO success.

**Determining the proper role for the PgMO.** Depending on the level of the organization's Project Management maturity, the PgMO may have to exercise a different level of control over its constituent projects. Figure 6 shows a PM maturity scale that can be used

as a guide to determine the role the PgMO should play in controlling its projects, and the direction of its development.

As the PM maturity level of the organization grows, the level of control a PgMO needs to exercise over its projects decreases. For example, in a very mature organization, limited-control PgMOs take on a repository approach, whereby the PgMO serves as a data warehouse of project information but provides limited oversight and control. Progressing down the maturity scale, the PgMO moves from reporter and coach to controller of projects to ensure that project benefits are delivered. Determining the role for a PgMO that will best help an organization realize its desired business benefits will be crucial in recommending a PgMO development approach.

**Developing a PgMO build-out approach.** Most successful PgMOs are developed and delivered through a series of enhancement efforts. When a number of projects need to be initiated immediately, the PgMO build-out approach must quickly introduce tactical measures to support those projects, while planning strategic approaches to support the future full needs of the program. The recognition of this balance of tactical versus strategic needs is vital to the development of an effective build-out approach.

**Securing approval to move forward with the implementation of the PgMO.** All the information gathered during the assessment phase should be compiled into an assessment report and approved by the program executive stakeholders. The report should clearly recommend the appropriate PgMO role and identify critical success factors for its implementation.

### **Start-Up**

Once the program executives give the approval to move forward with the PgMO, the start-up phase of

the PgMO lifecycle begins. Key activities in the start-up phase include:

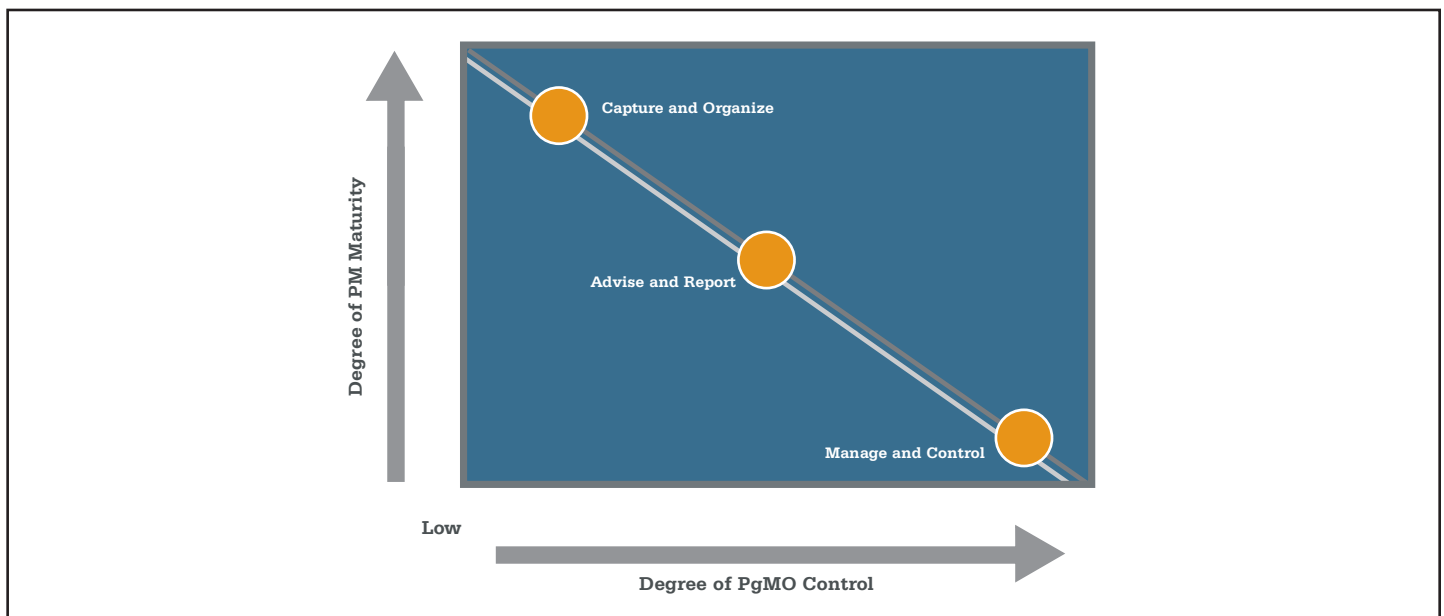
**Establishing the PgMO team.** A senior experienced program manager heading the PgMO team is critical, as this individual will work with the program executives to set the direction. The exact size of the PgMO team will be determined by the number of individual projects governed by the PgMO, as well as the PM maturity of the organization. Overstaffing the team with experienced senior resources is recommended to provide flexibility during the start-up and early execution phases of the PgMO. A team of three to five resources is typically required to start up a PgMO effectively.

**Developing a PgMO charter to confirm the boundaries of the PgMO.** The information from the

assessment report, plus information gained from additional research, should be utilized to develop a charter for the PgMO. The charter should clearly define the scope and objectives of the PgMO, along with specific measures of success and associated critical success factors. This charter will be the guiding document during the development and execution of the PgMO. Investing the time and resources to develop a sound charter and reviewing it with the program stakeholders will pay dividends during the life of the program.

Creating the detailed PgMO start-up plan. This plan will guide the efforts during the start-up phase as well as the execution phase of the PgMO. The PgMO approach developed during the assessment will serve as a starting point for the planning efforts. PgMO

Figure 6 : PgMO Continuum



maturity will not be achieved in a single implementation; it must be planned in a series of staged process and tool implementations. Each of the implementations will provide a combination of increased process maturity or tool capabilities to the teams.

**Implementing a single conceptual information model or repository.** This repository will become the central warehouse of information with respect to the status of projects within the PgMO. The repository will typically be made up of several separate tools. Leveraging existing functional tools should always be the goal, at least initially, of the PgMO. Often, the issue will not be the tools but rather the implementation of the process supporting the tools. Refining processes and reintroducing existing tools may allow for additional leverage of organizational investments.

**Implementing changes through a support model based on frequent communication.** The PgMO is a means for ensuring the successful delivery of projects by project teams. As such, improvements must be transitioned into the organization via frequent communication to the execution teams. Without this type of support, variations in execution discipline will pose an increased risk to the delivery of projects. Process and tool changes must be implemented with minimal short-term disruption to the delivery of business initiatives. Early adoption of simple process or tool enhancements will aid the acceptance of additional changes in later stages of the start-up.

**Initiating a continuous improvement process.** The PgMO must have a continuous improvement feedback loop established early in the lifecycle.

## **Execution**

The PgMO start-up phase will quickly overlap with the execution phase to ensure the management of the

program's active initiatives. Key tasks in the execution phase include:

**Executing specific PgMO reporting cycles by functional area.** Once the PgMO begins oversight of active projects, multiple activities must occur on regular cycles. For example, specific reporting functions are normally required on a weekly basis to inform senior management of project status. It is typical for the PgMO team to present formal status reports to the executive stakeholders at least once a month. Effective execution of these reporting cycles will become key to the overall success of the PgMO.

**Analyzing information gathered through PgMO processes.** The PgMO team will gather substantial information on a regular basis through the execution of the PgMO processes. Each of the PgMO's functional areas must analyze information from the reporting cycles. That data can then be translated into useful information, which mitigates the overall risk in delivering the business objectives. This translation of data into actionable information becomes the key activity during the execution phase of the PgMO.

**Continuing implementation of process and tool enhancements.** During the start-up phase, a staged implementation of PgMO functions was identified. This staged implementation continues during the execution phase of the program. The key to the staged implementations will be determining when the functional area of the PgMO has achieved a maturity level that meets the needs of the program. The point of maturity will differ by process area within the PgMO framework. For example, the tools and processes associated with people and resource management may be at a mature stage based on program needs, while those associated with the financial reporting will continue to undergo refinements.

**Planning PgMO checkpoints.** Depending on the length of the program being governed by the PgMO, a checkpoint or checkpoints should be planned during the execution phase. These checkpoints should include a formal assessment of the effectiveness of the PgMO against the program charter. As a result of the checkpoint, and based on the direction of the executive stakeholders, the actual PgMO charter could be modified.

Additionally, the checkpoint serves as an effective time to evaluate the staffing model of the PgMO. While a very senior team was required during the start-up phase and early in the execution phase, the latter stages of a PgMO may allow for a transition to a different staffing skill set. This adjustment in skill sets may create growth opportunities for individuals, while reducing the support costs of the PgMO.

### Closeout

The PgMO will move into a closeout phase when its business objectives have been achieved. Closeout may also be triggered by a defined business event, externally imposed time constraint, or a recommendation resulting from a PgMO checkpoint. The key activities in the closeout phase include:

**Approving closeout confirmation and planning.** The closeout of a program must be confirmed and approved by the executive program sponsors before any closeout activities can commence. The executive approval should also provide a definition of a successful transition.

**Developing a transition plan.** The transition plan for the PgMO will be based on the nature of the product(s) delivered by its constituent projects. The PgMO must prepare the organization to accept and support the products or services developed by the program. Transition planning includes such considerations as

defining operational procedures and establishing service levels. Finally, transitioning the PgMO team itself requires a planned and confirmed schedule for releasing and reassigning resources.

**Executing the closeout.** The PgMO closeout should be managed tightly to ensure a smooth transition of products, processes, and resources. The transition must address the handoff of process and tool ownership. The information gathered by the PgMO should be effectively archived for future reference.

## Selecting a PgMO Partner

As the PgMO process becomes more widely accepted in the industry, every major consulting firm has its own version of program management with various combinations of services. Given the critical nature and visibility of the PgMO, it is essential that companies choose carefully when selecting their PgMO consulting partner. While the PgMO concepts have solidified over the last few years, there is still a wide variation in practice maturity, with few leaders and many followers within the consulting world. To effectively implement and support PgMOs, a consulting firm must have a solid understanding of the PgMO process and methodologies; access to skilled program and project managers; and experience in managing large-scale, cross-functional, and business-critical initiatives.

Some key characteristics for evaluating a potential PgMO partner include the following:

**Size** – The ideal PgMO partner has the size and infrastructure necessary to support an enterprisescale

project. These features enable the service provider to assist the program at all levels æ from establishing the PgMO to staffing the projects within it.

**Track Record** – PgMO experience is not gained from executing small projects. The ideal PgMO partner has a track record of excellence in managing large projects for itself, as well as its clients. These projects create seasoned program managers and help to instill practical knowledge of best practices within the organization as a whole.

**Leadership** – Program management is a continually evolving science. A potential partner must be able to adapt the PgMO process to a specific environment. A partner who is merely a follower of existing practices will rarely be effective.

**World-Class Training** – Any potential partner must have the ability to effectively train its personnel and provide world-class project and program management training to its customers. This ensures that the people involved will have the latest information and a keen understanding of the processes, procedures, and tools that will be needed.

**Effective Use of Tools** – It is impossible to operate an effective PgMO without high-quality project management tools. Effective PgMO partners have relationships with key tool vendors and experience in implementing and using these tools. Experienced service providers integrate the tool set into their methodology and have pre-built models and templates for running a PgMO, which they can customize to fit a specific environment.

**Methodology** – Evaluate the depth and seriousness of a service provider's PgMO offerings by examining the potential partner's program management and project management methodologies. Look for an evolving, well-documented process that includes detailed

analysis of the environment, an implementation strategy, and in-depth operational processes. Especially consider the descriptions and examples of the PgMO reporting process, scorecards, and service levels. An investment in high-quality methodologies demonstrates the firm's knowledge and commitment to its PgMO practice.

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## Why Partner With Keane?

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Keane is a world-renowned authority on project management disciplines. Keane literally wrote the book on successful project management practices (Productivity Management, Third Edition, 2002 Keane, Inc.) and this philosophy has been ingrained within Keane's culture for more than forty years.

Keane offers a compelling combination of experience, talent, thought leadership and methodology that makes Keane the right choice as a program management partner.

**Experience** – As a partner to the CIO, Keane has built a successful track record of setting up and executing large-scale programs that not only achieve their business objectives, but also leave a legacy of sound project and program management practices that continue to deliver benefits long after the successful conclusion of the original programs.

**Talent** – Keane has developed a talent pool of experienced program managers. As a result, these professionals can anticipate the challenges and deal with the risks inherent in the efforts of such magnitude and complexity. Being a full-service provider, Keane can staff the program with all the project management and technical talent that the program requires.

**Thought Leadership** – Keane has led the industry in applying program management principles to such diverse fields as Y2K remediation and technology platform migration. Keane is leading the way in taking program management beyond traditional IT and business challenges, and successfully applying it to business transformation and global service delivery efforts.

**Methodology** – Over the years, and guided by our experience, Keane has developed and refined a robust Framework for establishing and executing successful programs. Keane has also developed a Program Manager Competency Model, allowing for the development and selection of a top-notch cadre of successful Program Managers.

- » saves a considerable amount of senior executive time and effort by concentrating all aspects of program execution, control, and reporting into a single organization
- » realizes great efficiencies in resource management by providing a mechanism for project prioritization and integration
- » manages enterprise risks and protects its projects' objectives with a balanced risk response
- » provides a flexible level of control necessary to ensure that a mission-critical program completes on time and within budget while achieving business objectives
- » achieves significant productivity gains through efficiencies of scale, standardized processes, effective communications, and continuous improvement activities

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## In Conclusion

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With the increasing acceptance of the need for solid project management practices, there is a growing realization that groups of related projects, especially when they are separated by organizational or geographic boundaries, similarly benefit from a coordinated and deliberate program management approach. To that end, the PgMO:

- » ensures that project objectives are aligned with the business strategy

A properly planned and launched PgMO will achieve the program's overall business objectives, and will also benefit the organization's people, process, and technology by establishing improved executive communications, valuable progress reporting, effective tracking mechanisms, and meaningful risk identification and mitigation.

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