



Fulcrum Methods is a proficiency development company focused on the health care industry. We license, implement and train on methodologies that manage information technology and change management initiatives.

Our approach delivers immediate value to health care organizations while developing sustained core competencies.

In Brief

Establishing a More Effective Project Management Process

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Introduction

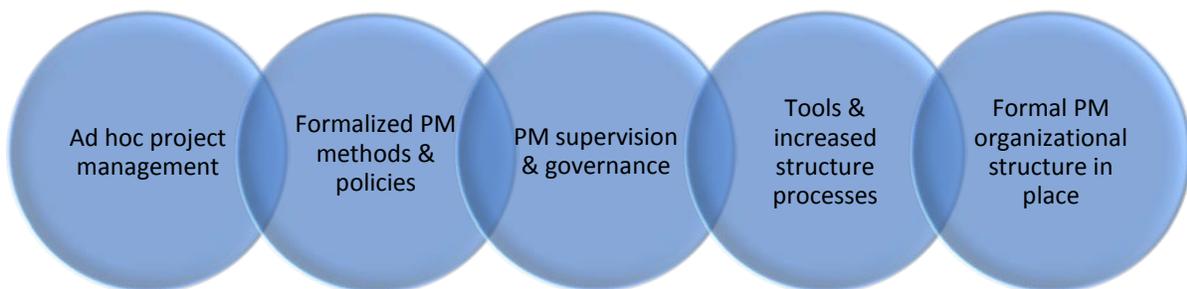
Health care organizations are facing more complex business models and related technology implementations that require larger investments in people, technology and organizational effort. Many organizations are evaluating the use of Program Management Offices (PMOs) as a control mechanism to manage these challenges and enhance their probability of success. A PMO is a centralized, staffed and budgeted functional group within an organization that serves as a single point of responsibility and oversight for a defined set of projects, typically related to planning, selecting and implementing IT-related projects or process improvement initiatives.

This briefing examines the path an organization might take in approaching this emerging management model; describes different project management configurations, objectives and responsibilities; and finally presents some key considerations for organizations to review.

Project Management Models and Approaches

Considerable attention is devoted to strategy development and project initiation. Increasingly, health care organizations are investing in end-to-end oversight and controls with new toolsets and management structures designed to drive complex and critically important initiatives. Organizational approaches to “project management” as a discipline vary widely, often as a convergence of multiple factors: experience and maturity with information technology, CQI expertise and management acceptance of these structures, among others.

Placed in a continuum, many organizations move along the following pathway:



Over time, an ‘ad hoc’ project management (PM) structure is rate limited on the volume and complexity it can effectively manage, especially as projects begin to cross departments, groups and organizations. Moving toward a more centralized PM structure provides a clearer point of accountability for cross-organization, complex, critical projects, and offers the potential for some key project-related benefits. Organizations such as Harvard Pilgrim Health Plan, Stanford Hospital and Clinics as well as Blue Cross

and Blue Shield of Kansas City have moved all the way across the continuum, adopting a centralized Program Management Office approach.

Some of their reasons include:

- Better management and coordination of constrained resources, reducing project delays
- Improved delivery effectiveness through structures that manage and control critical projects and technological programs
- Growing complexity of ongoing and planned projects
- Organizational stress from decentralized project control
- Large number of failed/behind schedule/incomplete/redundant projects (or lack of information about which projects fell into these categories)
- Desire to standardize/increase professionalism and consistency of project management across organization

Wherever an organization lands on the PM continuum, developing a project management infrastructure that scales up to the complexity of the projects being undertaken can offer a wide range of benefits. These include an opportunity to increase stakeholder satisfaction, improve project manager training, provide executives with more “intuitive” dashboards of project status, alleviate or avoid resource contention on critical path projects and to better utilize skilled, scarce resources of the organization.

Scoping a Project Management Office

It is important to remember that Project Management Offices are an emerging business model. There are two *critical implications* to this:

1. There is not yet clarity about what form and structure will offer the clearest positive return to organizations; and
2. Pursuing this approach may require a broader business case review to generate and maintain executive buy-in and approval.

Individual organizations are defining structures, missions, objectives and performance metrics unique to their needs and capabilities. There is no single method for success and specific targeting and implementation are critical to the long-term gains an organization achieves.

Some common objectives might include:

1. Optimize project scheduling, resource planning and sequencing (thus mitigating schedule, business or clinical change impact, and technical conflict risk)
2. Achieve maximum business value from projects
3. Provide management better access to key project-related indicators (drivers, progress and risks)
4. Improve predictability of project delivery (on-time, within budget, to scope)
5. Assist organization in managing and positioning for change

These objectives can be translated into specific responsibilities as described in the table below:

Objective	Responsibilities
Optimize project scheduling, resource planning and sequencing (thus mitigating schedule, business or clinical change impact, and technical conflict risk)	<ul style="list-style-type: none"> ▪ Identify, communicate and coordinate cross-project dependencies (resources, environment, technical, etc.) ▪ Link projects to strategic initiatives and business drivers to allow for "what if" analysis ▪ Establish cross-project communication processes ▪ Work with functional managers to resource projects and identify overload risks and leveling opportunities
Achieve maximum business value from projects	<ul style="list-style-type: none"> ▪ Aid in development of business cases/benefit metrics ▪ Associate project deliverables/requirements with proposed benefit metrics ▪ Offer guidance to stakeholders for addressing any gaps/shortfalls in benefits achievement ▪ Align contractual terms and conditions with organizational business goals and delivery expectations ▪ Mitigate risk of adverse outcomes by gathering data on similar implementations
Provide management better access to key project-related indicators (project drivers, progress and risks)	<ul style="list-style-type: none"> ▪ Publish standard project status reports and executive dashboards (including schedule and budget variance risk explanations) ▪ Execute standard risk management process to mitigate inter and intra-project risk and determine appropriate contingency plans
Improve predictability of project delivery (on-time, within budget, to scope)	<ul style="list-style-type: none"> ▪ Establish project performance benchmarks and trend over time ▪ Oversee project management career path and education ▪ Establish a standard program and project management toolset and oversee training/use <ul style="list-style-type: none"> – Conduct regular budget analysis and review – Provide Budget to Forecast/Actual reporting – Conduct variance analysis and provide explanations to management – Perform cost impact analysis for project change scenarios ▪ Implement and execute project audit process to improve delivery success for at-risk projects
Assist organization in managing and positioning for change	<ul style="list-style-type: none"> ▪ Establish and execute standardized project processes for developing strategies and plans for: <ul style="list-style-type: none"> – End-user training – Process change management – Risk management/mitigation – Enhanced communications across and between project teams ▪ Increase organization awareness of change implications and related risks

Key Success Factors

As with any emerging model, PMOs have risks. Some of the notable factors that will drive success include:

1. Well defined, realistic and accepted goals for the PMO;
2. A clearly-defined communications and governance structure;
3. Adequate staffing to achieve established PMO goals and responsibilities;
4. The clear and well-communicated support of senior leadership;
5. Time to establish and develop PMO benefits and investment return.

A final success factor of the PMO model will be the willingness of organizations to share experiences, success factors and failures with organizations facing similar issues. The importance of project management will only grow, as organizations continue to balance growing loads of responsibility and more complex technologies with constrained resources.

What is a Fulcrum Method?

A Fulcrum Method is a comprehensive approach and toolset to manage a change initiative, program, or project. Current Fulcrum Methods focus on information technology projects and change management initiatives.

The Fulcrum Methods Project Management Office (PMO) Methodology is used by program and project resources as well as line user personnel and staff to plan, initiate and manage information technology projects and change initiatives. The toolset is versatile and flexible, and can be customized by an organization for specific needs or used as is.

Complex initiatives made simple.



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