Welcome to our virtual event specifically for PMO leaders!
Phil Weinzimer
President-
Strategere Consulting
Strategic Project Governance 2.0: A Leadership Initiative for PMO Directors and Project Managers

Reduce project risk, eliminate unnecessary project spend, and position IT as a strategic business partner implementing a Strategic Project Governance 2.0 competency in your company.

Assess the strategic maturity of your IT Governance process, identify gaps, and develop maturity improvement plan.

Apply a set of best practices to achieve business value, optimize IT efficiency, and develop a collaborative culture as part of your strategic IT Governance improvement initiative.

Share company examples embracing Strategic Project Governance 2.0.

Help your peers understand the important of strategic project governance.

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Strategic Project Governance

Key Objectives

- Prevent unnecessary risk
- Ensure selection/execution of projects and technology investment decisions align with Enterprise strategy
- Enable achievement of strategic goals

“The foundation to an effective governance program is effective risk management”... Deloitte

The failure of IT costs the U.S. economy about $50-$150 billion annually.

17 percent of IT projects go so badly, they threaten the existence of the company.

Just 40 percent of projects at IBM meet the company's three key goals (schedule, budget, and quality).

The failure rate of projects with budgets over $1M is 50 percent higher than the failure rate of projects with budgets below $350,000.

57 percent of projects fail due to communications breakdown.

Three-quarters of projects fail because senior management doesn't get involved.

Digital Transformation Study

• 3-Year Study
• 1500 IT/Business Executives
• Increase of Transformation Projects Focus on 3 Key Areas

- Customer Experience
  • Understanding Customer
  • Top Line Growth
  • Customer Touch Points

- Operational Processes
  • Process Digitization
  • Worker Enablement
  • Performance Management

- Business Models
  • Digitally Modified Businesses
  • New Digital Businesses
  • Digital Globalization

... Identified GOVERNANCE as a Major Obstacles to Success

(https://youtu.be/zUmVJcC6Xhk) (https://www.youtube.com/watch?v=zUmVJcC6Xhk&feature=youtu.be)
The Evolution of Strategic Project Governance

Governance 1.0

- IT Driven
- Lack of Executive Buy-In
- Conflicting Responsibilities
- Misaligned Projects
- They vs Us
- Lack of Processes
- Historical Metrics

Governance 2.0

- Business Driven
- Executive Sponsorship
- Business Partnership
- Strategic Alignment
- Collaboration
- Process Optimization
- Real-Time Metrics

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Strategic Project Governance 2.0
Project, Process, and Leadership Excellence
Strategic Project Governance 2.0

Critical Success Factors

**BUSINESS VALUE**
- Strategic Imperative
- C-Suite Sponsorship
- VP/Director/Mgr Sponsorship

**PROCESS EFFICIENCY**
- Stakeholder Involvement
- Predictive Project Risk Indicators
- Defined Project Success Criteria

**Executive Sponsorship**
- Business/IT Governance Board
- Bus/IT Partnership Collaboration
- Bus/IT Sponsor Ownership

**Bus/IT Partnership**
- Enterprise-Wide Comm.
- Bus/IT Technology Plan
- Project Selection/Alignment Process
- Business Outcome Metrics

**Strategic Alignment**
- Project Impl. Review Panel
- Defined Process, Roles, Resp. Matrix
- Real-Time Project Monitoring
- Continuous Improvement Process

- Proactive Project Management Status
- Predictors for Project Success
- Collaborative Project Status Report
- Efficiency Metrics to Measure Success

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How Strategic is Your Project Governance?

- **Limited Strategic Value**
  - Strong Business Alignment
  - Medium Risk
  - Inefficient Process

- **Strong Strategic Value**
  - Strong Business Alignment
  - Low Risk
  - Highly Efficient Process

- **Tactical Focus**
  - Poor Business Alignment
  - Extremely High Risk
  - Inefficient Process

- **Tactical Focus**
  - Poor Business Alignment
  - Medium Risk
  - Efficient Process

- **Process Efficiency**
  - Inefficient
  - Optimized

**Maturity Assessment**

**Process Efficiency**

**Business Value**
### Strategic Project Governance 2.0 Assessment

#### Business Value

<table>
<thead>
<tr>
<th>BUSINESS VALUE</th>
<th>BEST PRACTICE</th>
<th>CURRENT SCORE (1 Low, 10 High)</th>
<th>GOAL SCORE (1 Low, 10 High)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Imperative</td>
<td>The business enterprise recognizes Governance as a strategic imperative.</td>
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<tr>
<td>C-Suite Sponsorship</td>
<td>The executive C-suite publicly endorses and sponsors strategic governance as a critical success factor in achieving business goals and objectives.</td>
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<tr>
<td>VP/Director/Manager Sponsorship</td>
<td>VPs, Directors, and Managers across the business enterprise publicly endorse and sponsor the need for strategic governance as a critical success factor in achieving business goals and objectives.</td>
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<tr>
<td>Business Governance Board</td>
<td>A Business Governance Board comprised of key stakeholders provides oversight, coaching, and mentoring to organizations involved in IT Governance and receive regular updates on project status, metrics, and risk management issues.</td>
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<tr>
<td>Business Unit/Partnership-</td>
<td>Business Unit Leaders recognize the need for and form collaborative partnerships to identify, develop, and implement the portfolio of IT and technology projects.</td>
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<tr>
<td>Collaboration</td>
<td>Business sponsors are jointly accountable and responsible for achieving the successful implementation of projects.</td>
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</tr>
<tr>
<td>Business/Technology Plan</td>
<td>Business Leadership jointly develop a business/technology plan that enables achieving the business enterprise business goals and objectives.</td>
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</tr>
<tr>
<td>Enterprise-Wide Communication Program</td>
<td>An enterprise-wide communication plan is in place to engage all personnel in the need for active participation in understanding the importance of Governance as a critical success factor for business success.</td>
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</tr>
<tr>
<td>Project Selection/Alignment</td>
<td>All projects are screened and approved by the Business Governance Board to ensure that they align strategically to enterprise business plan in achieving the business goals and objectives.</td>
<td></td>
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<tr>
<td>Business Metrics &amp; Success Criteria</td>
<td>Key business metrics identifying business outcomes and success criteria are established for each project to measure business outcome success.</td>
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</tbody>
</table>

**TOTAL SCORE**

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#### IT Efficiency

<table>
<thead>
<tr>
<th>IT EFFICIENCY</th>
<th>BEST PRACTICE</th>
<th>CURRENT SCORE (1 Low, 10 High)</th>
<th>GOAL SCORE (1 Low, 10 High)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defined set of Processes, Activities, Roles, Responsibilities, and Metrics</td>
<td>There is a defined set of processes, activities, responsibilities and metrics developed for each IT Business role in the development, implementation, and launch of projects.</td>
<td></td>
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</tr>
<tr>
<td>Real-Time Project Monitoring</td>
<td>Real-time monitoring of projects provides dashboard metrics to indicate project status in an easy-to-use tool that fully integrates with project management applications.</td>
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</tr>
<tr>
<td>Efficiency Metrics to Measure Success</td>
<td>Key metrics are defined to measure the efficiency of project execution.</td>
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</tr>
<tr>
<td>Stakeholder Involvement (Active Communication Throughout Project Lifecycle)</td>
<td>Key stakeholders (business/IT) are actively involved in assessing the status of projects to identify and monitor potential risk areas to ensure successful project execution.</td>
<td></td>
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</tr>
<tr>
<td>Project Risk Indicators (Proactive Risk Scenarios)</td>
<td>Project risk indicators are identified and measured to determine proactive risk indicators for projects using a consistent risk calculation formula.</td>
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</tr>
<tr>
<td>Key Predictors for Project Success</td>
<td>Key efficiency metrics and measurable success criteria are established for each project to measure business outcome success and Project success criteria.</td>
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</tr>
<tr>
<td>Collaborative Project Status Process (Rus Owner/IT Owner/Project Review Meetings)</td>
<td>Project managers prepare status reports collaboratively with key business/IT stakeholders who also participate in key project review meetings.</td>
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</tr>
<tr>
<td>Continuous Improvement Process (Process/Process/Process/Metrics/Process)</td>
<td>A continuous improvement process is in place to update the IT Governance process, IT skills, and metrics.</td>
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</tr>
</tbody>
</table>

**TOTAL SCORE**

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https://advancedmanagementinsight.com/resources/strategic-it-governance-assessment/

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How Strategic is Your Project Governance?

- Analyze Gaps
- Prioritize Goals
- Develop Plan
Implementation Roadmap – Key Components

**Awareness**
- Understand the maturity path for Strategic IT Governance

**Assess**
- Strategic IT Governance Maturity Assessment

**Plan**
- Current Maturity
- Future Maturity Goal
- 6-12 mo. plan to Goal

**Workshop**
- 1. Measure Current Maturity
- 2. Identify 6-12 Month Goal
- 3. Develop Maturity Plan
Strategic Project Governance- Day of Learning

The Strategic IT Organization
*The Changing Role of PM’s*

**PRESENTATION**
Why Companies Leverage Technology for Competitive Advantage and It’s Impact on Increased the Role and Skills Required By Project Managers

**WORKSHOP**
Assess the Maturity of Your Business Competencies/ Skills and Develop a Maturity Plan

**DELIVERABLE**
Business Competency/ Skills Improvement Plan

Strategic IT Governance Case Study

**PRESENTATION**
Sanitized Case Study Overview of Multi-Division Business with Project Portfolio History of Excessive Risk/ Cost Overruns

**WORKSHOP**
Attendees Work in Teams to Analyze Case Study Material and Develop and Share Recommendations

**DELIVERABLE**
IT Governance Improvement Plan-Major Components

Strategic IT Governance A Business Imperative

**PRESENTATION**
Strategic IT Governance Overview/Assessment/ Strategy / APO Demo Process/Critical Success Factors/Framework

**WORKSHOP**
Assess Strategic Maturity of Your Strategic IT Governance Competency/Develop Target Goal and Improvement Plan

**DELIVERABLE**
Strategic IT Governance Maturity Plan

Closing Workshop
*Tying it all Together*

Work in Teams to Identify Value of Today’s Learning Experience.

- Helping Your Business?
- Improving Your Skills?
- Enhancing Your Career?
Strategic Project Governance 2.0

Project, Process, and Leadership Excellence
Examples

$2 Billion Global Pest Control
2 million Customers / 700 locations

Executive Sponsorship
- Technology – Core Strategic Imperative
- 6-member Exec Steering Committee
- C-Suite Sponsorship

Department/IT Partnership
- Operations Governance Committee
- Business Project Sponsor
- Stakeholder Participation in PM Mtgs

Strategic Alignment
- Core Operating Group Selects Projects & Priorities
- Alignment to Business Obj & Goals
- Measuring Business Outcomes

Consensus Governance
- Business IT Teams
- Enterprise Communication Transparency

Agile Sprints w/ Stakeholders
- Continuous Improvement Teams
- 40-Hour Tasks / Issues Mngmnt

Collaboration

Process Optimization

Best Practice Metrics
- Weekly Project Stand-Up Mtgs
- Real-Time Metrics
- Analytics/KPI Measurements

Lee Crump
Group VP, & CIO
Rollins, Inc

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Orkin Embraces The Field Service Evolution

Source: Field Technologies Magazine
By Sarah Nicastro, publisher, editor-in-chief, Field Technologies
Follow Us

Orkin revamps processes and updates technology to better meet customer expectations, and in doing so saves between $60,000 and $90,000 per month in fleet costs alone.

There’s an evolution taking place in field service right now, and that evolution is based on the fact that your customers are no longer measuring the service you provide against other field service providers but, rather, comparing the experience they receive from your company to the experiences they’ve grown accustomed to from service giants such as Amazon and Uber. This means that it is time to level up in terms of how intimately you know what your customers want, and how well-equipped your company is to deliver on those expectations.

https://www.fieldtechnologiesonline.com/doc/orkin-embraces-the-field-service-evolution-0001
Examples

- 129 State Agencies / 800 Projects
- Multi-million $ Project budget
- Governance saved $250 million

Executive Sponsorship
- State Legislature Governance Initiative
- State Agency Management
- Operations Critical Review Panel

Department/IT Partnership
- State Agency Management Involvement
- Active Stakeholder Participation
- Vendor Participation

Strategic Alignment
- State-Wide Communication Program
- Alignment to Business Obj & Goals
- State Technology Plan Focused on Agency/Citizen/Business Needs

Calvin Rhodes
CIO - GTA

Teresa Reilly
PMO Director

Collaboration
- Stakeholder Assessments
- Agency/IT Teams
- Active Communication / Training

Process Optimization
- Integrated Governance Process
- Defined Process, Roles, Resp.
- Proactive Risk Management

Best Practice Metrics
- Real-Time Metrics / Dashboard
- Analytics/KPI Measurements
- Identify Key Predictors for Project Success

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The Georgia Technology Authority serves taxpayer money across 139 state agencies by implementing a process for project evaluation, review, governance, and tracking.

How to Succeed at Project Governance

The State of Georgia saved millions of dollars in project costs by implementing processes and a tool that enables the Project Management Office (PMO) to manage projects proactively, identify key predictors for project success, and create an effective team environment among key stakeholders.

Why can't IT organizations figure out how to avoid the high project failure rate experienced by so many companies? You would think that with all the project portfolio management (PPM) solutions available today, companies would be able to successfully deliver projects on time, within budgeted cost, and achieve the desired business results.

Closing Thoughts
Strategic Project Governance 2.0
Project, Process, and Leadership Excellence

**PROACTIVE**
- Business Driven
- Executive Sponsorship
- Business Partnership
- Strategic Alignment
- Collaboration
- Process Optimization
- Real Time Metrics

**BUSINESS VALUE**
- Strategic Imperative
- County Exec. Sponsorship
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Thank You

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