



Project Management Institute  
Tallahassee, Florida Chapter

# Project Governance - An Independent Perspective



Presented By The Tallahassee Chapter of The Project Management Institute  
January 7<sup>th</sup>, 2009

# Agenda



- Introductions
- Objective
- Assumptions
- Key Questions and Answers
- Recommendations
- Typical Corporate PMO Structure
- Optional Structures
- Q&A

# Introductions



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# Objective



- To offer independent observations and recommendations regarding Enterprise Project Governance based on recognized best practices
- Engage the PMI-TLH Chapter in actively promoting and supporting the development of industry standard project management and governance practice within Florida Government and Tallahassee organization

# Background & Assumptions



- This presentation based on questions from December 10<sup>th</sup>, 2008 Financial and Cash Management Task Force Meeting.
- Supporting documentation reviewed:
  - Financial and Task Management Task Force
    - Governance Document dated 12/10/2008
    - Recommended Enterprise Project Governance 12/1/2008
- Names and titles can change – the key is to focus on functionality, chain of communications, issue escalation, areas of responsibility, and authority
- In our model:
  - Project Managers are employed by the state entity with business ownership for the project.
  - Managers of Enterprise Projects, which will include sub-projects from multiple state entities, are called Project Directors
  - The Business Operations Officer, or Business Owner, is responsible for setting priorities across the entire Portfolio of Enterprise Projects

# In Governance, the Org Chart is only a beginning



- **Governance**

is less about any particular organizational structure, and more about enabling & making decisions at the lowest appropriate level with clearly defined accountability

- **Good governance requires**

- Clearly defined responsibilities,
- Executive level commitment and support,
- Effective communications, and
- Exercised mechanisms for monitoring & maintaining accountability for actions and decisions at all levels

# Key Questions and Answers



- Does it make sense to have a Project Director and Project Manager at the same Level, with one focused on internal project execution, and one focused outside the project to deal with changes across the enterprise?
  - In industry best practices, to maintain accountability, it is extremely important to eliminate all possible redundant or overlapping responsibility and authority
- Who is in charge, and ultimately responsible for Enterprise Project delivery?
  - Whomever has the responsibility, and accompanying authority, to control or obligate the resources needed to execute the project
  - Ideally this should be the Project Manager, but that is not often the case on large-scale or enterprise-wide projects
- But who is in ultimately accountable for Enterprise Project delivery?
  - The Executive Sponsor

# Key Questions and Answers



- How are escalations handled?
  - The escalation process should be an inverted “tree”, with clearly defined reporting relationships, and unambiguous levels of authority
  - Decisions should be made and actions initiated at the lowest appropriate level in the project team
  - Issues that cannot be resolved at their current management level, for whatever reason including, indecision, external influences, or too little authority, are escalated to the next level until the issue can be resolved
  - Decisions and issue resolutions need to be associated with a clearly recognized line of authority with individual accountability

# Key Questions and Answers



- What primary authority does the Business Operations Officer, Sponsor, Steering Committee, Project Director, and Project Manager have on Enterprise Projects?
  - The Project Managers:
    - Are responsible for implementing unique endeavors with a beginning and an end. Project Managers are where the “rubber meets the road”, and should have authority to match responsibility with respect to committing/obligating resources to a project.
    - Develops project planning, including schedule and resource estimates
    - Manages/expends resources over time to deliver the products and services identified in the Project Charter
    - Resolves issues that can be addressed at their level, and when necessary, escalates issues to the Project Director
    - Utilizes appropriate Project Management tools and techniques in an effort to initiate, plan, execute, control, and close their project

# Key Questions and Answers



- What primary authority does the Business Operations Officer, Sponsor, Steering Committee, Project Director, and Project Manager have on Enterprise Projects?
  - The Project Directors:
    - Resolves issues that can be addressed at their level, and when necessary, escalates issues to the Steering Committee
    - Typically will have accountability for monitoring and assisting multiple Project Managers at one or multiple agencies who are responsible for different sub-projects of the enterprise project
    - Ultimately accountable for the delivery of the enterprise project
    - Utilizes appropriate Project Management tools and techniques in efforts to monitor, assess and support the enterprise project with a focus on removing or ameliorating external obstacles and distraction for the Project Managers

# Key Questions and Answers



- What the primary authority/responsibility of...
  - The Executive Sponsor:
    - Creates and enacts the Project Charter and associated Scope documents
    - Obtains enterprise wide buy in and secures funding to meet resources needs substantiated by the Project Manager and validated by the Project Director
    - Chairs the Steering Committee; is ultimately accountable as the approval authority for actions and decisions coming from the steering committee
  - The Steering Committee:
    - Serves as the top level in the Enterprise Project issue escalation process
    - Monitors the progress and health of the Enterprise Project and holds the Project Director accountable for project performance in meeting the established goals and objectives
  - The Enterprise Financial Business Operations Officer:
    - Provides strategic vision and set Legislative agenda

# Key Questions and Answers



- Who manages changes?
  - Change Process should be clearly defined with appropriate authority levels defined between management levels from the Enterprise Financial Business Operations Officer down to the Project Manager or Team Leads
  - Changes to scope and cost should be managed per the defined change management process. The process may have different levels of approval depending on the size, complexity, and impact of the changes, and who the changes affect.
  - Changes to a Project's schedule, or re-baselining, can only be justified by a major change in scope, funding or timeframe, all of which need approval from the Steering Committee

# Key Questions and Answers



- How does the selected governance structure and authority definitions impact outcomes?
  - Delegation of project management authority and responsibilities to the lowest appropriate level allows faster execution – reduces risk to schedules and projects bogging down –
  - Clear accountability with appropriate oversight and monitoring within the structure is a key to achieving project objectives
  - Tiered governance is a key to effectively building consensus. Efforts that directly engage the Project Manager/Team, including continuous or exhaustive reviews, can doom projects and programs.
  - Loosely defined or overlapping authority and responsibility can cause confused, delayed or avoided decision making, and stall projects and programs
  - Governance structure should allow for project archives and lessons learned to be stored and Maintained.

# Recommendations



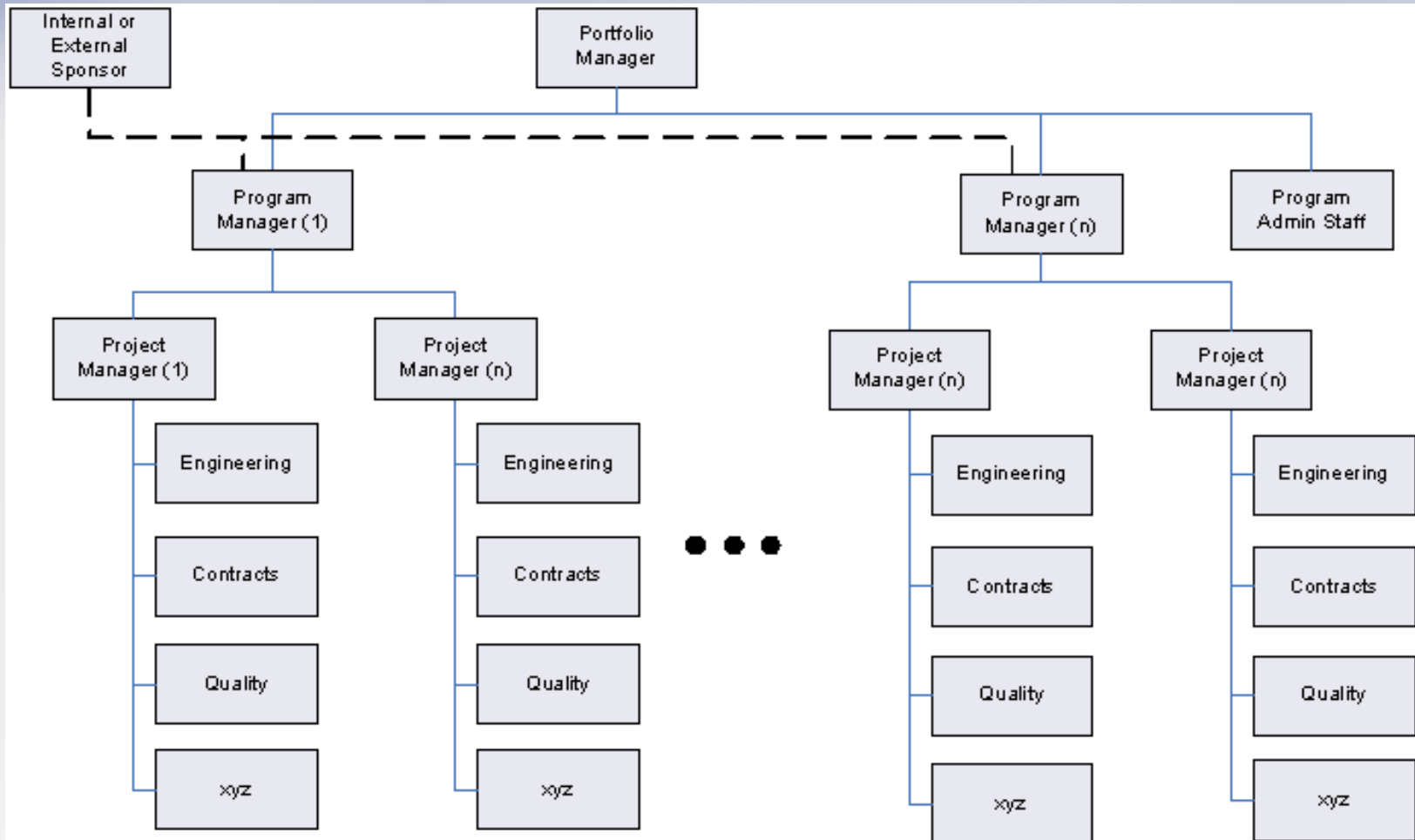
- Steering Committees for enterprise projects
  - Need to include Senior Executive members from each of the stakeholder agencies, with project's Executive Sponsor as the Steering Committee's chair
  - Fill a strategic and advisory role; they should be the upper most level in the issue escalation process, and serve as advisors to the project sponsor
- Focus on organizational change management to create a Project Management culture that embraces Governance and encourages use of industry best practices
- Adopt common standard and set of industry recognized titles and terminology to facilitate effective communication

# Recommendations

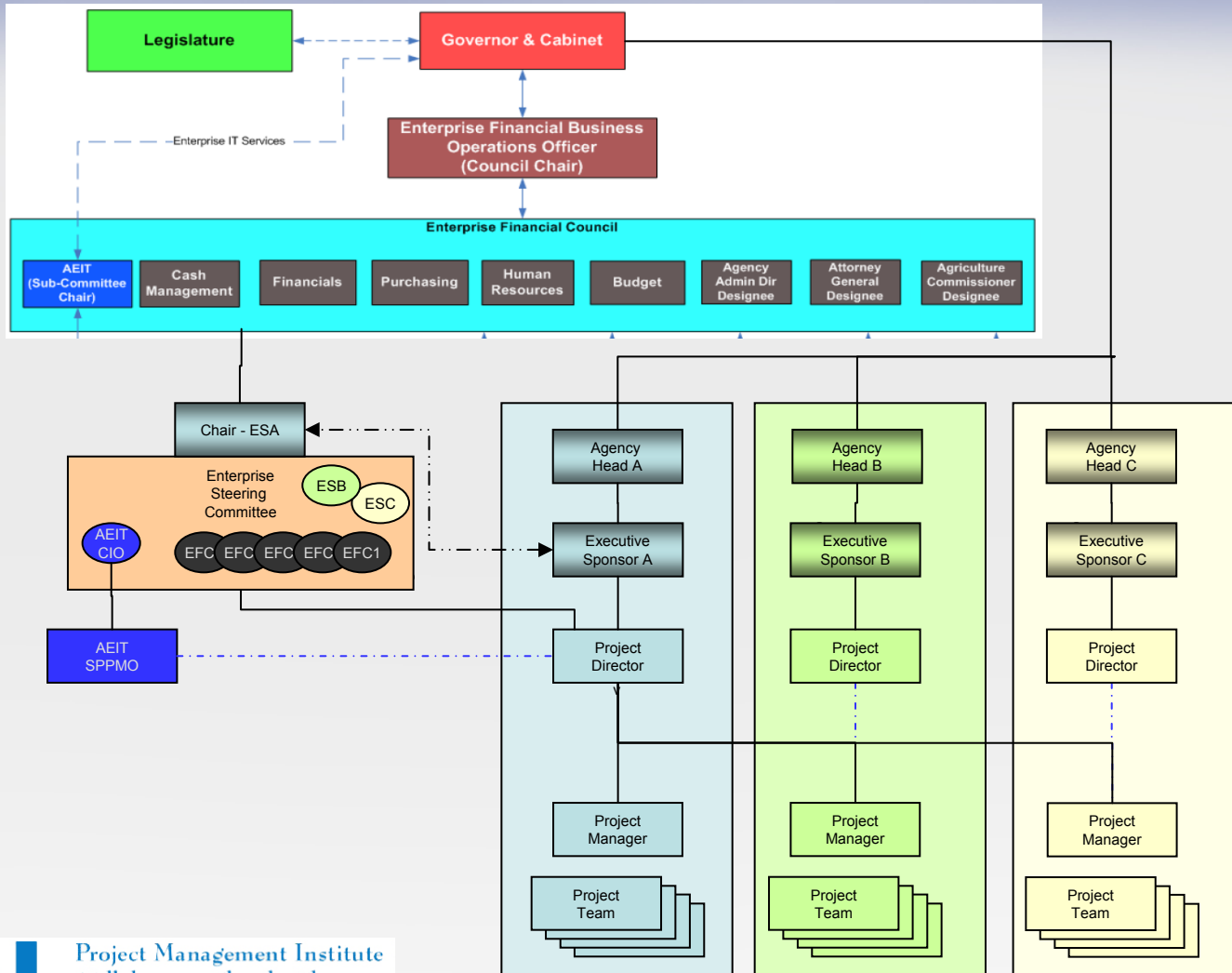


- Establish and maintain a project archive that helps avoid problems by providing information on what worked well, and what didn't, on previous projects
- The Enterprise Financial Business Operations Officer is the Portfolio Management Executive who is responsible for overall strategic vision for all Financial Enterprise Projects, including the prioritization, integration, and implementation of those projects

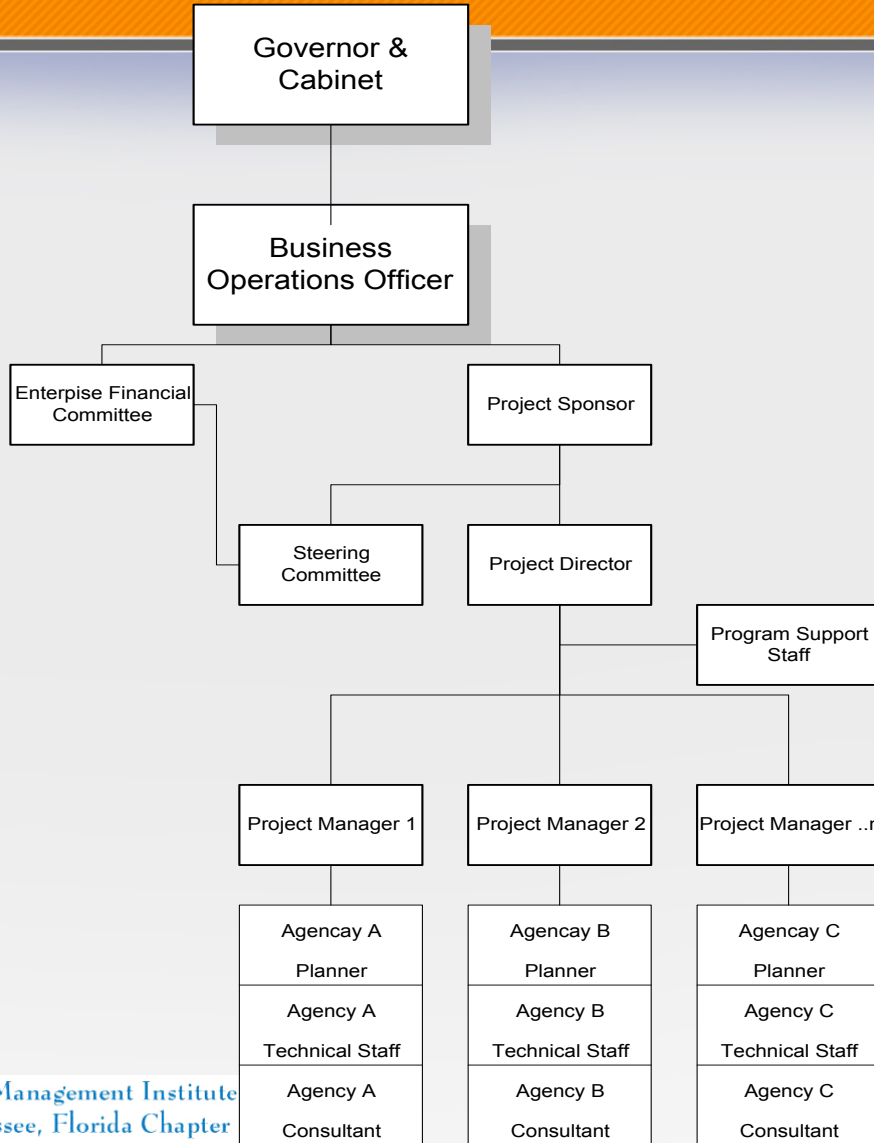
# Typical Corporate Structure



# Proposed Structure



# Proposed Structure



# Q&A



# QA