

ENABLING TANGIBLE COST SAVINGS BY IMPLEMENTING A PMO IN AN ENTERPRISE ENVIRONMENT

SEPTEMBER 2013

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Walter Sedlacek

Professional Experience



10 years experience as CIO with General Motors Austria

- » Implementation of a Manufacturing Execution Systems
- » Standardization of all clients within GM PWT Europe
- » Implementation of an IT-supplier independent monitoring systems

2 year experience as Head of Desktop Services with T-Systems Austria

- » Introduce Change Management within DSS
- » Enable innovation within DSS by building a matrix organization
- » Establish international Competence Center "Softgrid"



Walter Sedlacek

Professional Experience



2 years experience as Head of PMO with
T-Systems UK

- » Standardizing Project Management Methodology for 70 Project Managers managing 170 programs and projects

2 year experience as Head of Global Operations Mgmt with
T-Systems International

- » Building-up international IT Engineering Labs around Virtualization Technologies in London, Barcelona, Zürich and Vienna
- » Introducing Key Performance Indicators (KPIs) for IT Desktop operations on a global basis.



Walter Sedlacek

Professional Experience



Since August 2013 Head of Global Operations Mgmt with T-Systems Singapore

- » Introducing Cloud Computing (IaaS, PaaS and SaaS)
- » Introducing Cloud Based Managed Desktop Services



TOP MANAGEMENT POINTS OF VIEW ON PROJECT MANAGEMENT ...



Dr. Georg Pözl,
Chief Officer Deutsche Telekom AG

➤ *“Be assured that the entire managing board stands behind project management.” ...*

➤ *... “Project management is a top-management-task and should be fulfilled by adequately positioned line managers.”*



Gregory Balestrero, CEO PMI®

➤ *“Without an integrated approach (PMO) no excellence in project management.” ...*

➤ *... “Without multi-project management no project management really can exist.”*



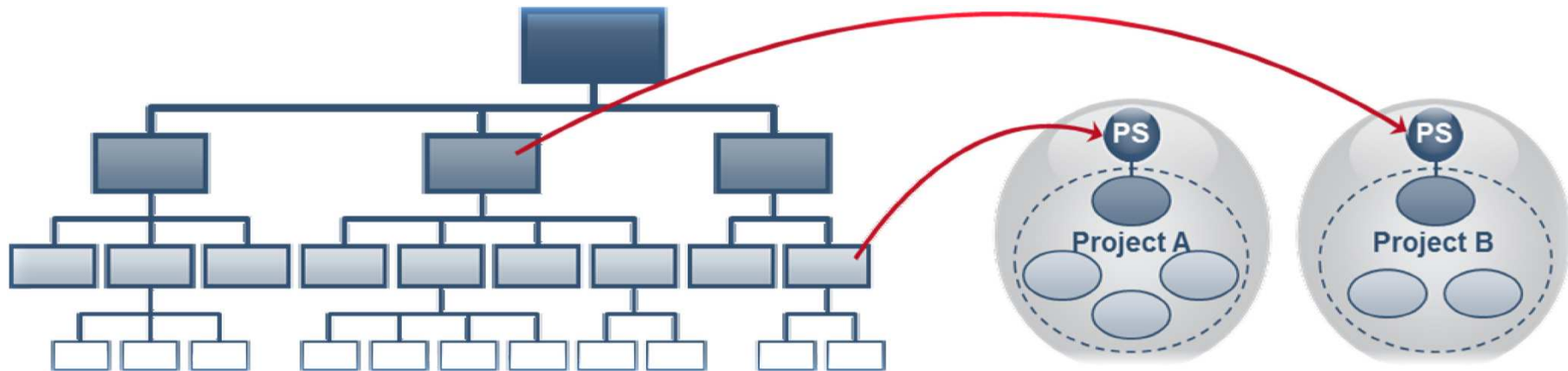
TOP MANAGEMENT: THE BENEFIT OF IMPLEMENTING A PMO.

"Standards help us make processes efficient and reliable – and they are of incalculable value in project management in particular. After all, at companies like DTAG – and in IT in particular - **projects determine how successful we will be in the future.**"



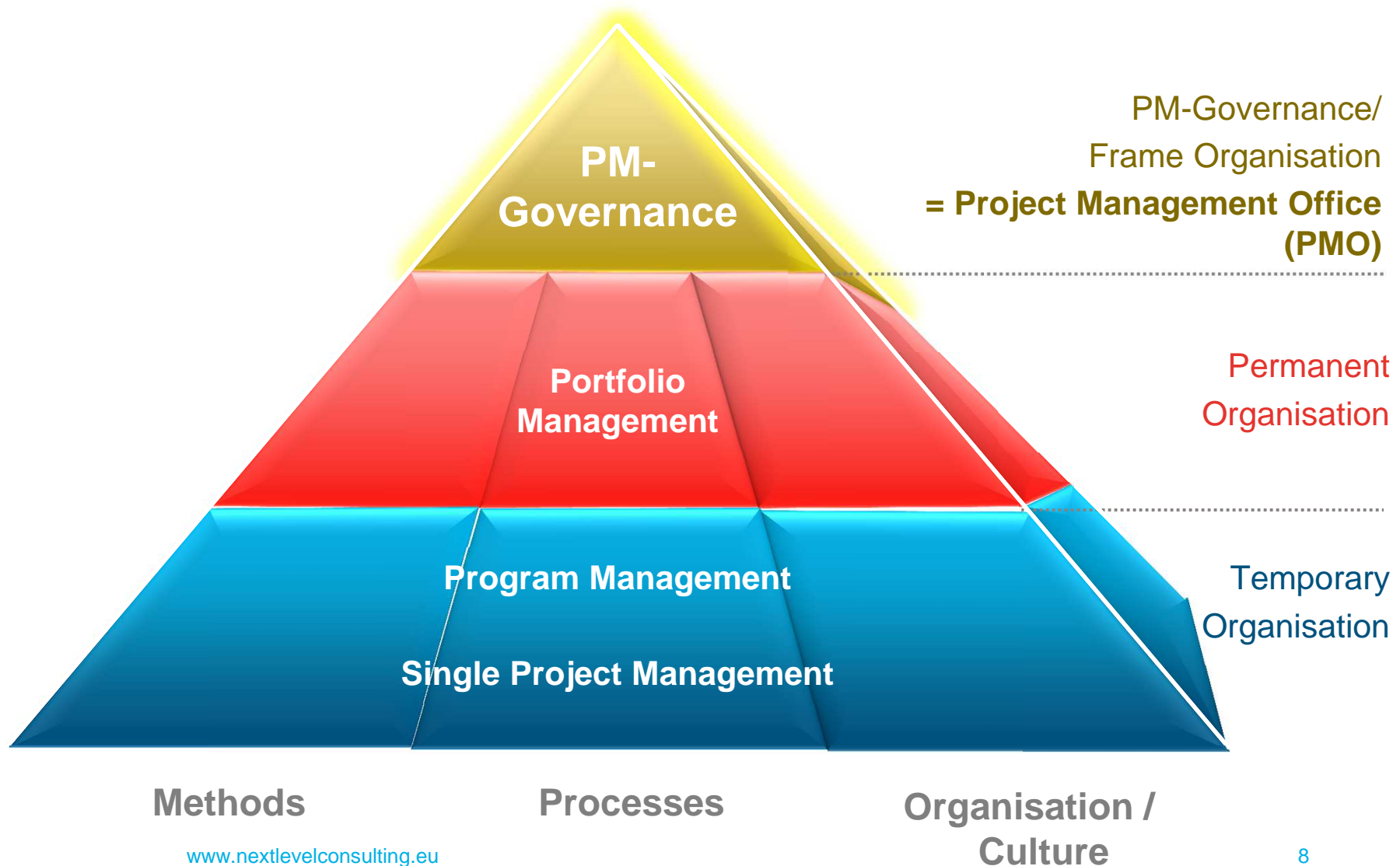
Karl Kornwolf
Corporate Director IT
T-Systems

PROJECTS AS TEMPORARY ORGANISATIONS ...



... means **temporary** information structures
as well as **temporary** decision structures

A PROJECT-ORIENTED COMPANY



A PROJECT ORIENTED ORGANIZATION CAN BE DEFINED AS AN ORGANIZATION WHICH ...



- defines “Management by Projects” as an organizational strategy
- applies temporary organizations for the performance of complex processes
- manages a project portfolio of different project types
- has specific permanent organization structures to provide integrative functions
- applies a “New Management Paradigm”
- has an explicit project management culture
- perceives itself as being project-oriented.

PROJECT MANAGEMENT OFFICE (PMO)

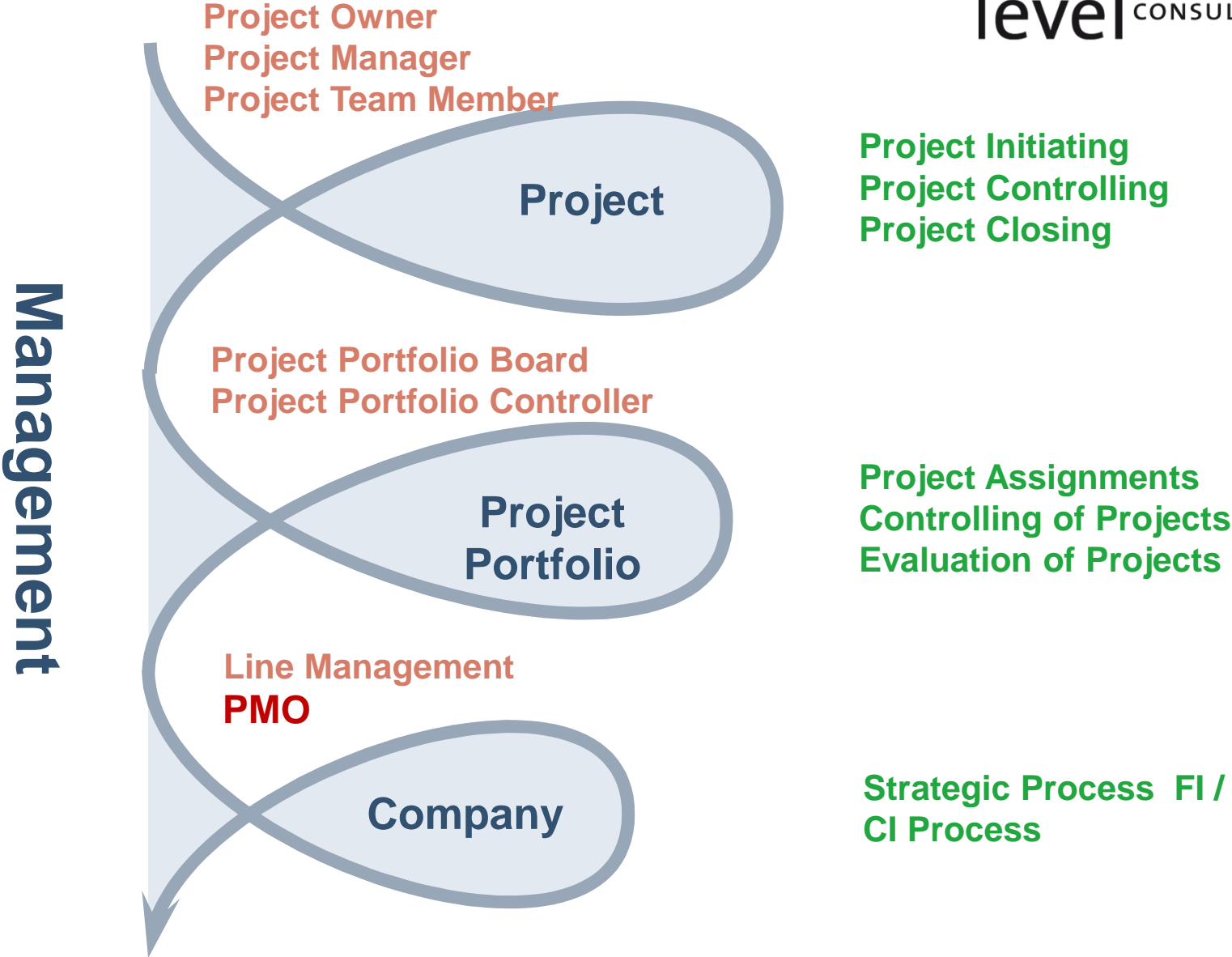


PM-Governance / Frame Organisation
= **Project Management Office (PMO)**

A PMO ...

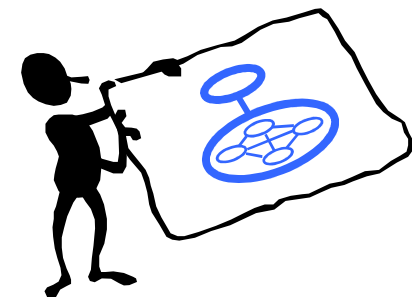
- ...is the process owner for the single project management and multi-project management
- ...has the governance of project roles and roles of the project portfolio management
- ...is responsible for the professional quality of the project management staff
- ...cyclically checks PM Maturity for the company and establishes and monitors a CIP of the company's PM

REASONS FOR AN PMO



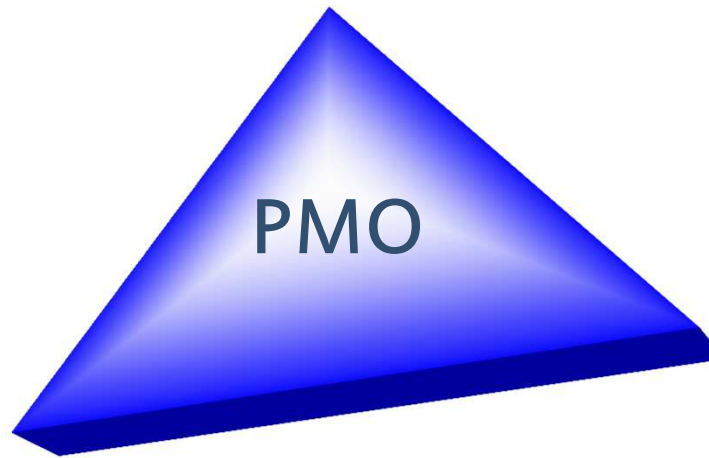
THE RESPONSIBILITIES OF A PROJECT MANAGEMENT OFFICE (PMO)

- PM Standards & Tools
 - Definition of PM guidelines and methodology
 - Central management of PM tools, templates and information systems
 - Knowledge archive
- Quality management & assurance of project portfolio
 - Planning and execution of project audits
 - Quality checks and quality improvements in projects
- Project management education and training
 - Definition of PM training goals, project manager career path
 - Execution and management of PM training
 - Coaching of project managers and project teams
 - Building and developing the PM community within the company
- Providing a pool of resources for projects
 - Project managers
 - Project assistant
- Project portfolio management and controlling
 - Regular monitoring and reporting of project portfolio
 - Preparation of Project Portfolio Board meetings



A PMO IS A MUST HAVE TO ENSURE PROFESSIONAL PROJECT MANAGEMENT

Project Mangement as
a **strategy**



Permanent and
temporary **structures**

PM-culture

$$S = Q \times A$$

Success = Quality x Acceptance

CULTURE IN A PROJECT ORIENTED ORGANIZATION (POO)

The POO is characterized by the existence of an explicit project management-culture, i.e. by a set of project management-related values and norms. In the POO project management is considered as a business process, for which there exist specific procedures, and a common understanding of the project roles involved, and the project management methods applied.

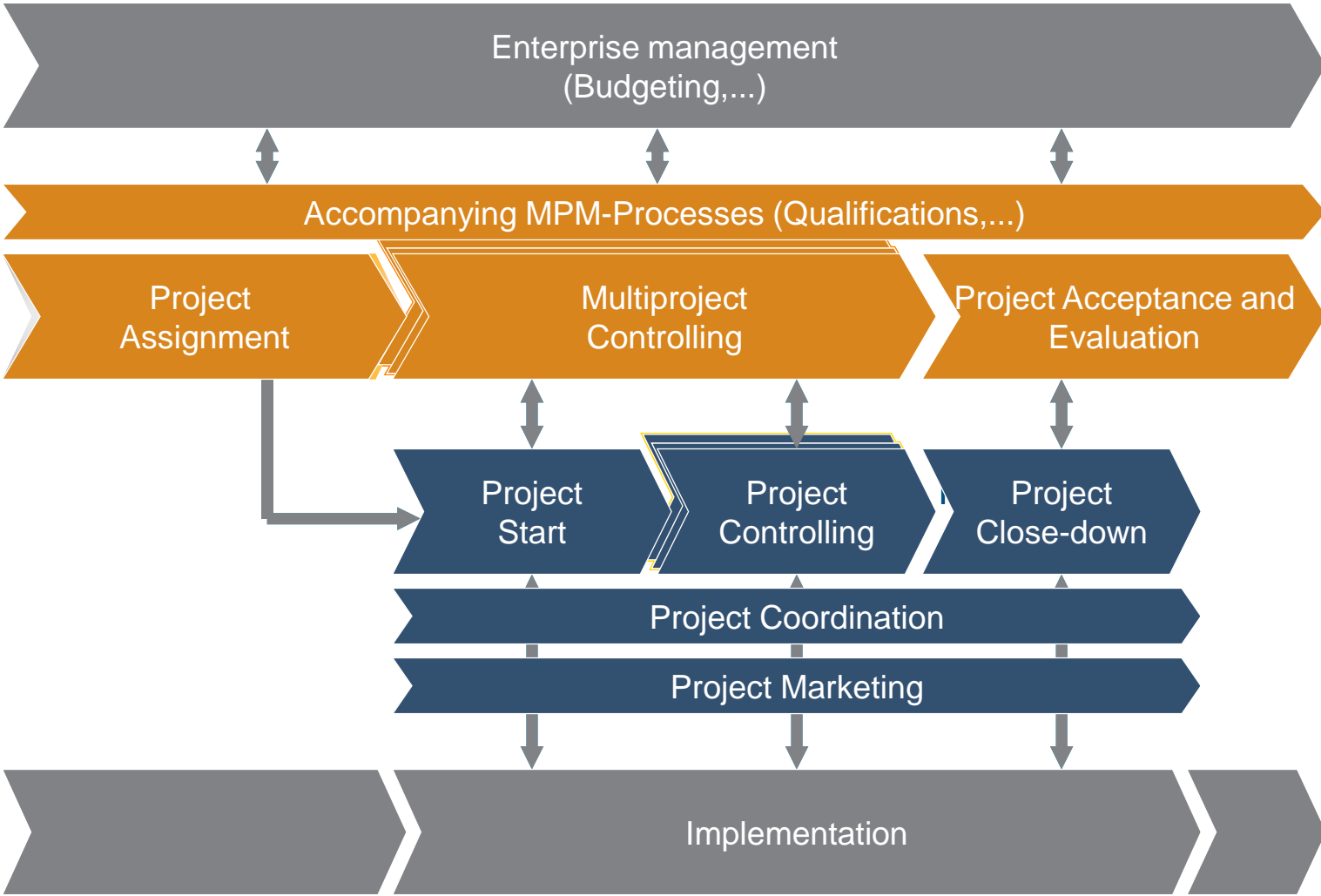
- Consideration of organization as competitive advantage
- Empowerment of employees
- Individual and team accountability
- Process-orientation
- Goal not problem oriented
- Team work in flat organizations
- Continuous and discontinuous organizational change
- Customer-orientation
- Stakeholder-orientation
- Networking with clients and suppliers



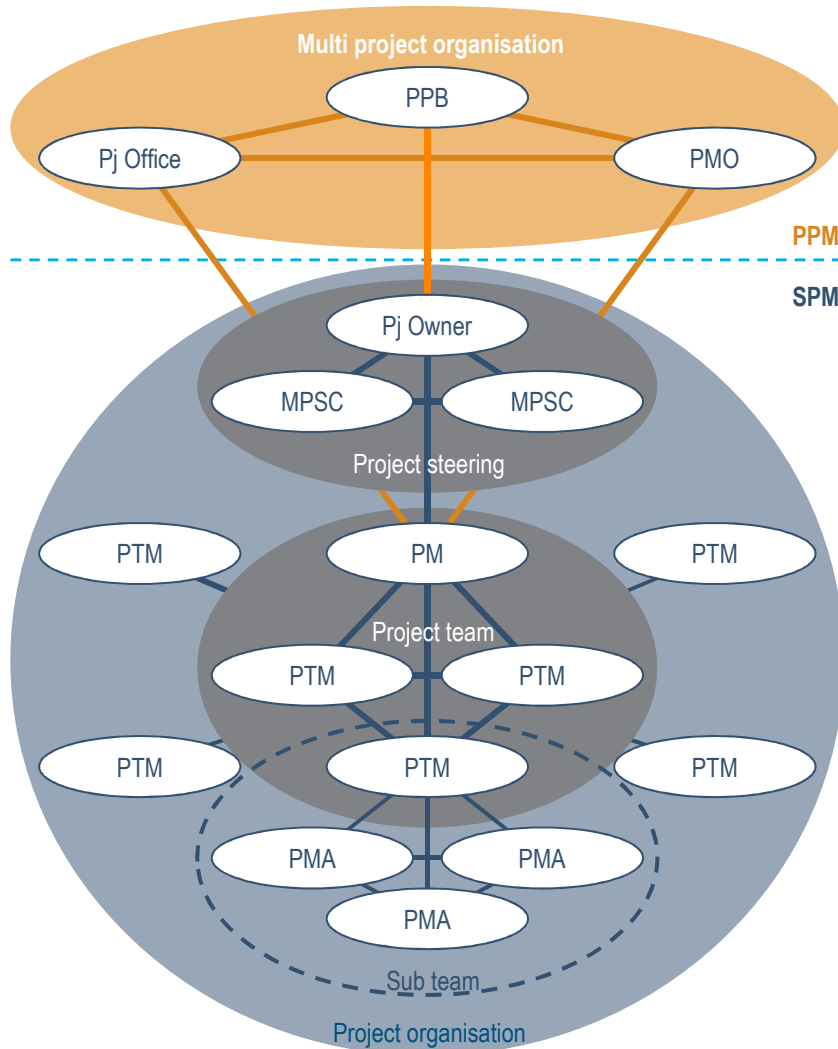
$$S = Q \times A$$

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STRUCTURE: INTEGRATED PM PROCESSES



STRUCTURE: ROLES IN PROJECTMANAGEMENT



Permanent roles

- Project Portfolio Board (PPB)
- Project Portfolio Controller
- Project Management Office (PMO)

Temporary roles

- Project Owner (PO)
- Member Project Steering Committee (MPSC) - optional
- Project Manager (PM)
- Project team member (PTM)
- Project assistant
- Project coach (PC)
- Project Steering Committee, Project team, Sub team

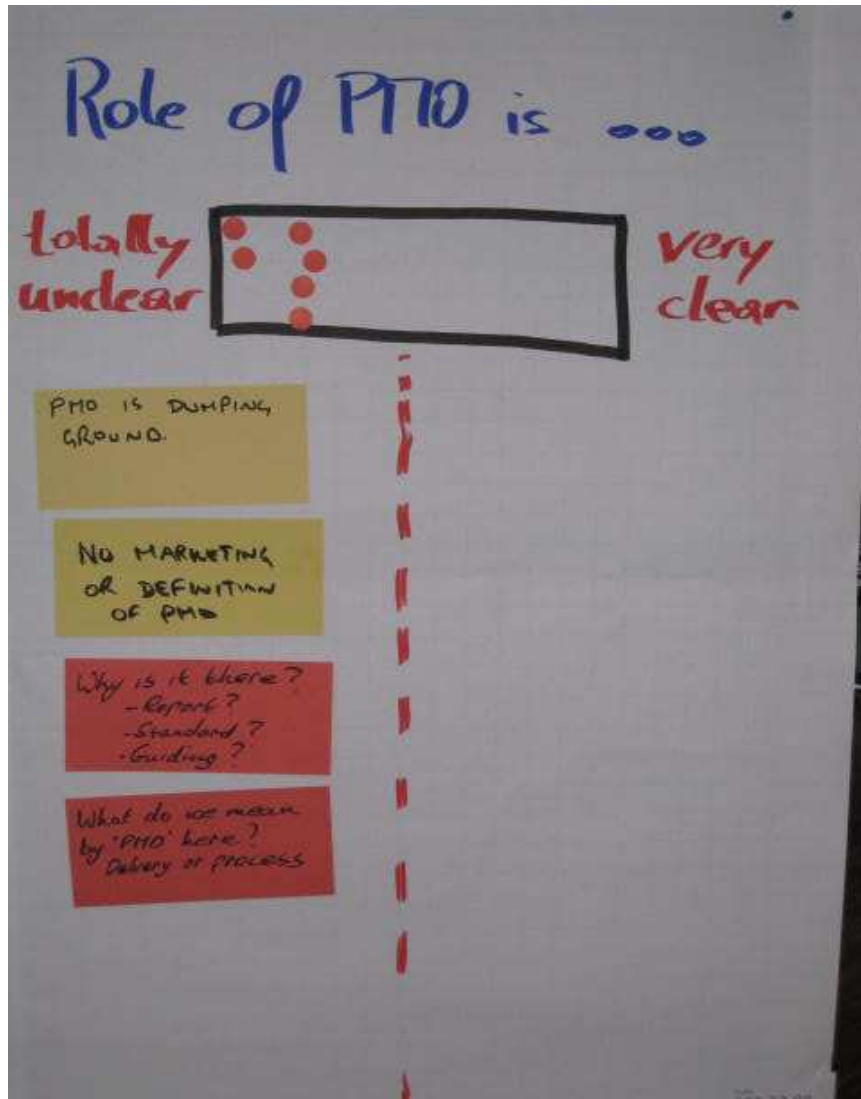
CASE: PMO @ T-SYSTEMS UK

STARTING POSITION

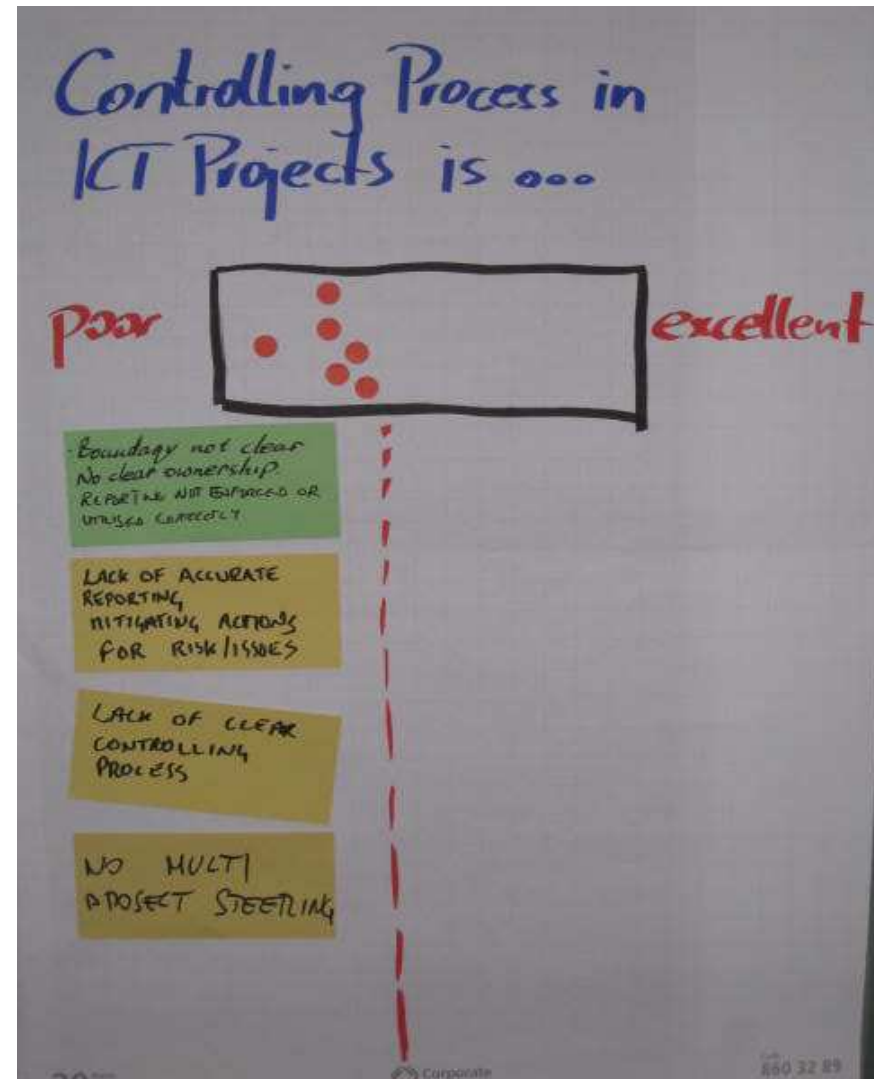
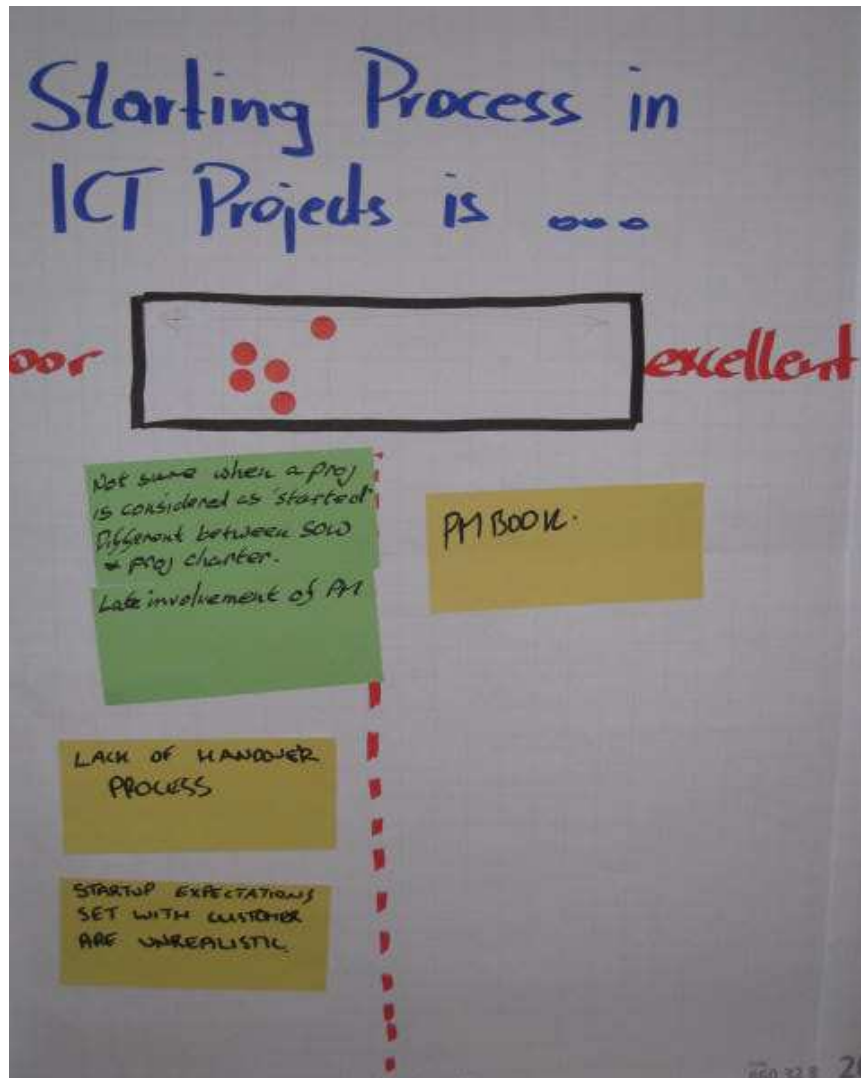


- T-Systems UK plans to professionalise the project management, W. Sedlacek is in charge of that strategy and implementation.
- Goal is to put structure around projects to enable savings by introducing Project Management in Excellence within a Project Management Competence Centre (PMCC).
- Implementation of PMCC is done as a project.
- Next level consulting is the preferred supplier for project management training, coaching and consulting for DTAG

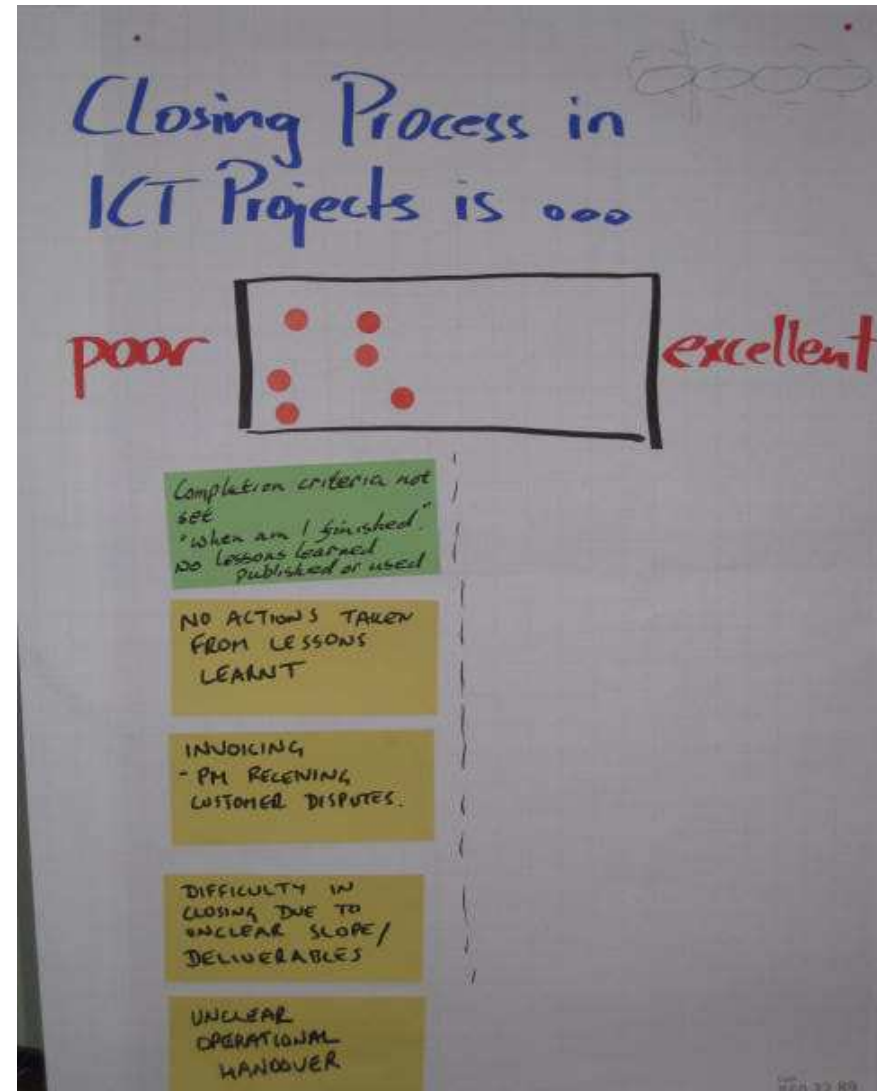
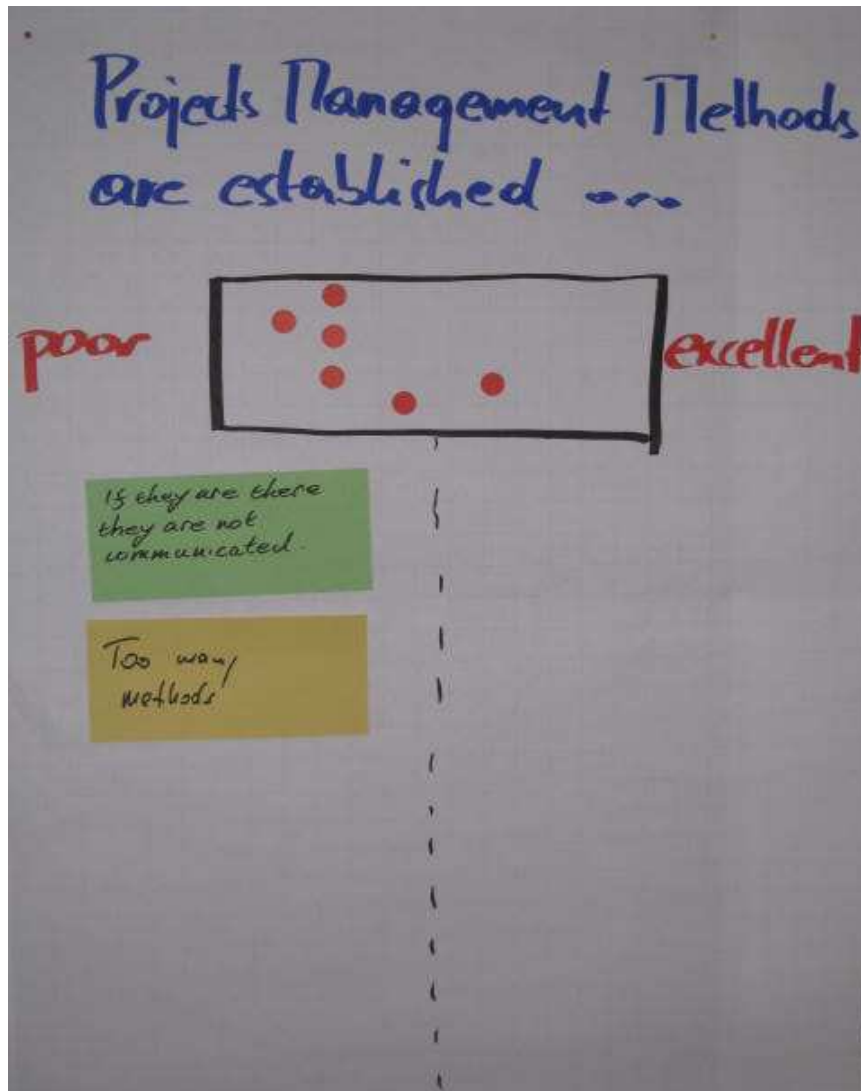
AS IS ANALYSIS STRENGTH & CHALLENGES



AS IS ANALYSIS STRENGTH & CHALLENGES



AS IS ANALYSIS STRENGTH & CHALLENGES



The Project Management Competence Center will provide processes and structures to enable T-Systems UK to deliver mission critical projects through highly skilled and empowered staff in a cost effective and transparent way.

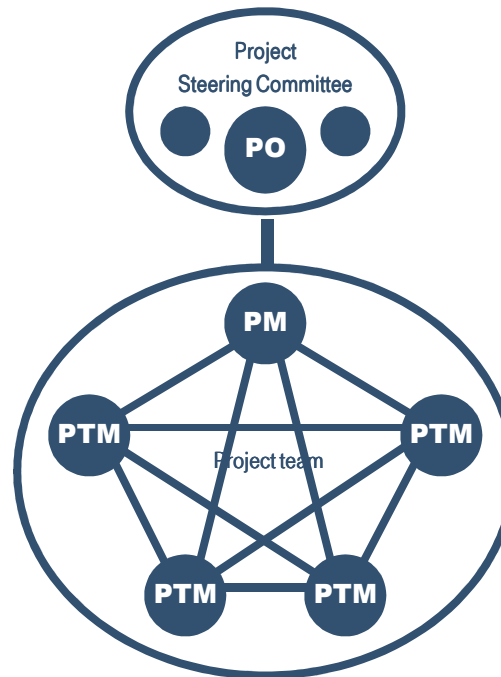
DEFINITION OF A PROJECT

Criteria	Changes	Project	Programme
Organisation / Complexity		> 1 Factory Line plus different Line products	> 2 Factory Lines
Duration	> 1 month	> 4 month	> 8 month
Budget	> 50 k £	> 500 k £	> 1.000 k £
<i>(Ressource days)</i> <i>(Key operation)</i>			

Table helps PMCC to make suggestions
MC ICT UK always has the last decision



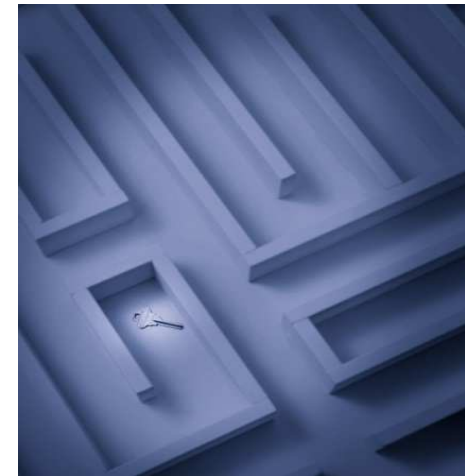
PM EXCELLENCE METHOD EMPOWERMENT OF THE PROJECT MANAGER



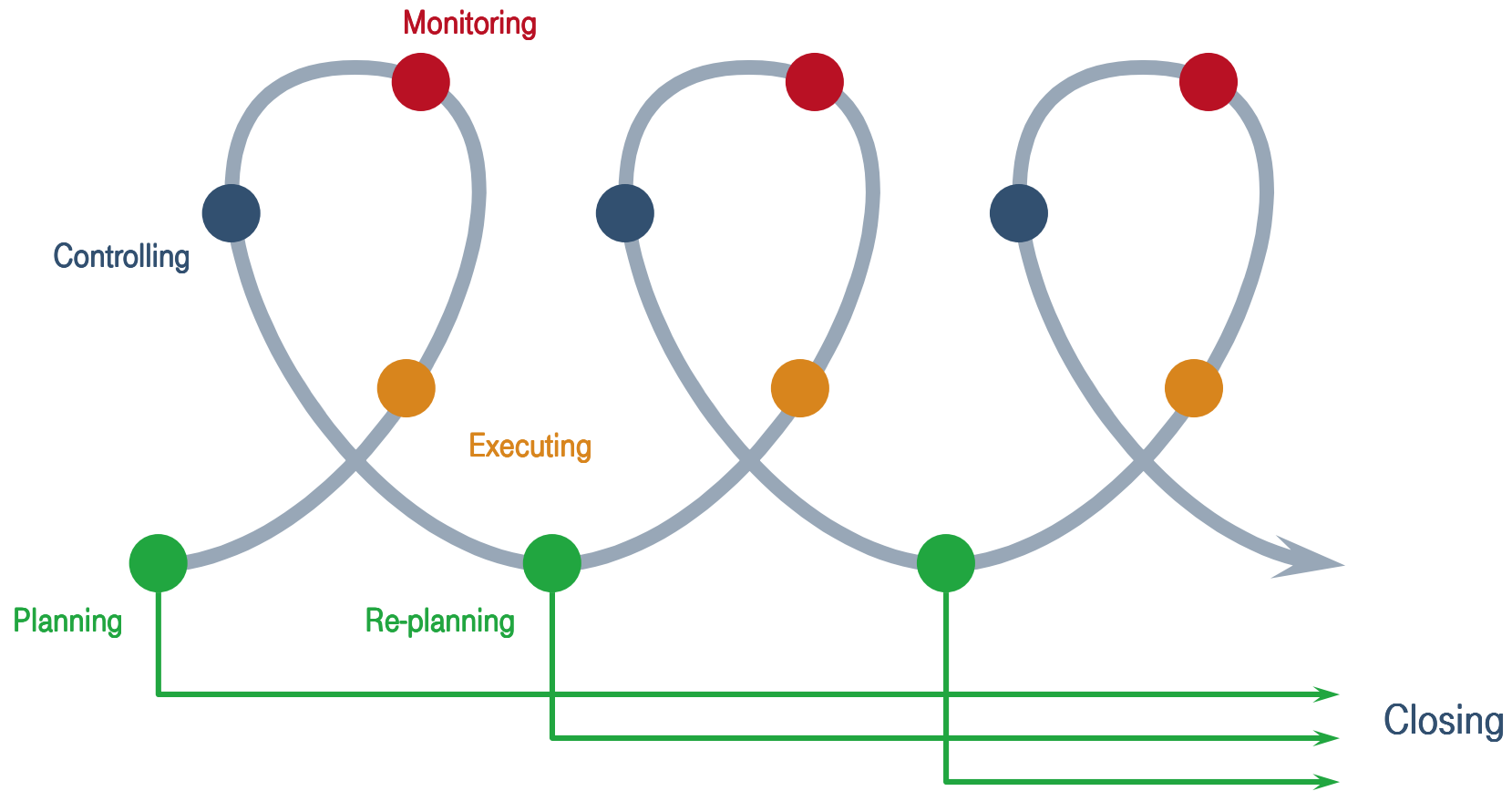
Project Owner = Member of MC ICT UK = Owner of the temporary Company
Project Manager = Member of PMCC = CEO of the temporary Company

GROUND RULES ARE ...

- Cooperation of Project Portfolio Board and Project Sponsor
... that often means "no project steering boards"
- Project Portfolio Board manages Project Portfolio
... and not single projects
- The Project Sponsor reports to the Project Portfolio Board
... and not the Project Manager
- The PMO supports Projects
... and does not control them
- The PMO prepares decision papers in portfolio mgmt.
... and does not decide



PM EXCELLENCE METHOD MANAGEMENT CYCLE

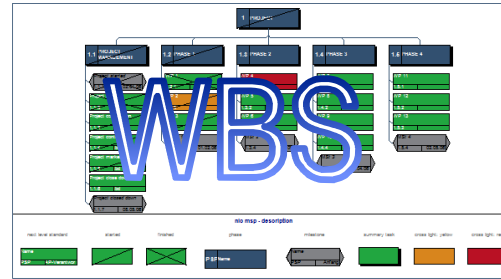


Working = Steering = Re-planning

PM EXCELLENCE METHOD

PROJECT ASSIGNMENT	
Project start event:	Project start date:
Project end event:	Project end date:
Project objectives:	Non-objectives:
Project phases:	Project resources and costs:
Project owner:	Project manager:
Project team:	Project participants:

Scope



Phase	part of costs	costs measured in €				
		base	actual	to complete	current	deviation
1.1 project management		1.000.000,0	0,00	1.000.000,0	1.950.000,0	950.000,0
1.2 personal services		700.000,0	0,00	700.000,0	1.250.000,0	550.000,0
1.3 material		300.000,0	10.000,0	290.000,0	300.000,0	10.000,0
1.4 other costs		0,00	0,00	0,00	0,00	0,00
2. phase 2		20.000,0	11.000,0	9.000,0	20.000,0	10.000,0
2.1 personal services		11.000,0	0,00	11.000,0	12.000,0	1.000,0
2.2 material		9.000,0	11.000,0	2.000,0	8.000,0	-1.000,0
2.3 other costs		0,00	0,00	0,00	0,00	0,00
3. project name		1.000.000,0	0,00	1.000.000,0	1.970.000,0	970.000,0
3.1 personal services		1.000.000,0	0,00	1.000.000,0	1.950.000,0	950.000,0
3.2 material		0,00	0,00	0,00	0,00	0,00
3.3 other costs		0,00	0,00	0,00	0,00	0,00

Resources

Projekt-Risiko										
Nr.	Titel	Risikobeschreibung, Ursache	Risikokosten	Verzögerung	Eintrittswahrsch.	abschätz.	beobachtet	beurteilt	Prävention	Korrektive Maßnahmen
1						0,00 €				
2						0,00 €				
3						0,00 €				
4						0,00 €				
5						0,00 €				

Risks

project milestone plan

WBS	milestone description	dependence	fixed dates (manual)	base dates	current dates	actual dates
111	Project started	start	24.04.08	24.04.08	24.04.08	24.04.08
114	Project finished	end	31.07.08	end misses	end misses	
12.1	Team Meeting UK on site 3 - 4 PM (Establishment Lunch & Learn)	start	27.05.08	start misses	start misses	
12.2	Team Meeting UK on site 3 - 4 PM (First info of outcomes)	start	27.05.08	start misses	start misses	
13	Team Meeting UK on site 3 - 4 PM (Analyse) Ideas	start	03.06.08	start misses	start misses	
14	Team Meeting UK on site 3 - 4 PM (Development Org. Structure Project)	start	03.06.08	start misses	start misses	
15	Team Meeting UK on site 3 - 4 PM (Development) Ideas	start	10.06.08	start misses	start misses	
16	Team Meeting UK on site 3 - 4 PM (Development) Structure	start	10.06.08	start misses	start misses	
13	Team Meeting UK on site 3 - 4 PM (Development) Final	start	17.06.08	start misses	start misses	
14	Team Meeting UK on site 3 - 4 PM (Development) Structure	start	17.06.08	start misses	start misses	
15	Team Meeting UK on site 3 - 4 PM (Development) Ideas	start	24.06.08	start misses	start misses	
16	Team Meeting UK on site 3 - 4 PM (Development) Structure	start	24.06.08	start misses	start misses	
17	Team Meeting UK on site 3 - 4 PM (Implementation Plan) Proposal	start	01.07.08	start misses	start misses	
17	Team Meeting UK on site 3 - 4 PM (Implementation Plan) Approved Proposal	start	31.07.08	start misses	start misses	

Milestones

KPI					
Projektname					
Dimension	Beschreibung	Bemerkung	Einheit	Priorität	Zielwert

KPIs

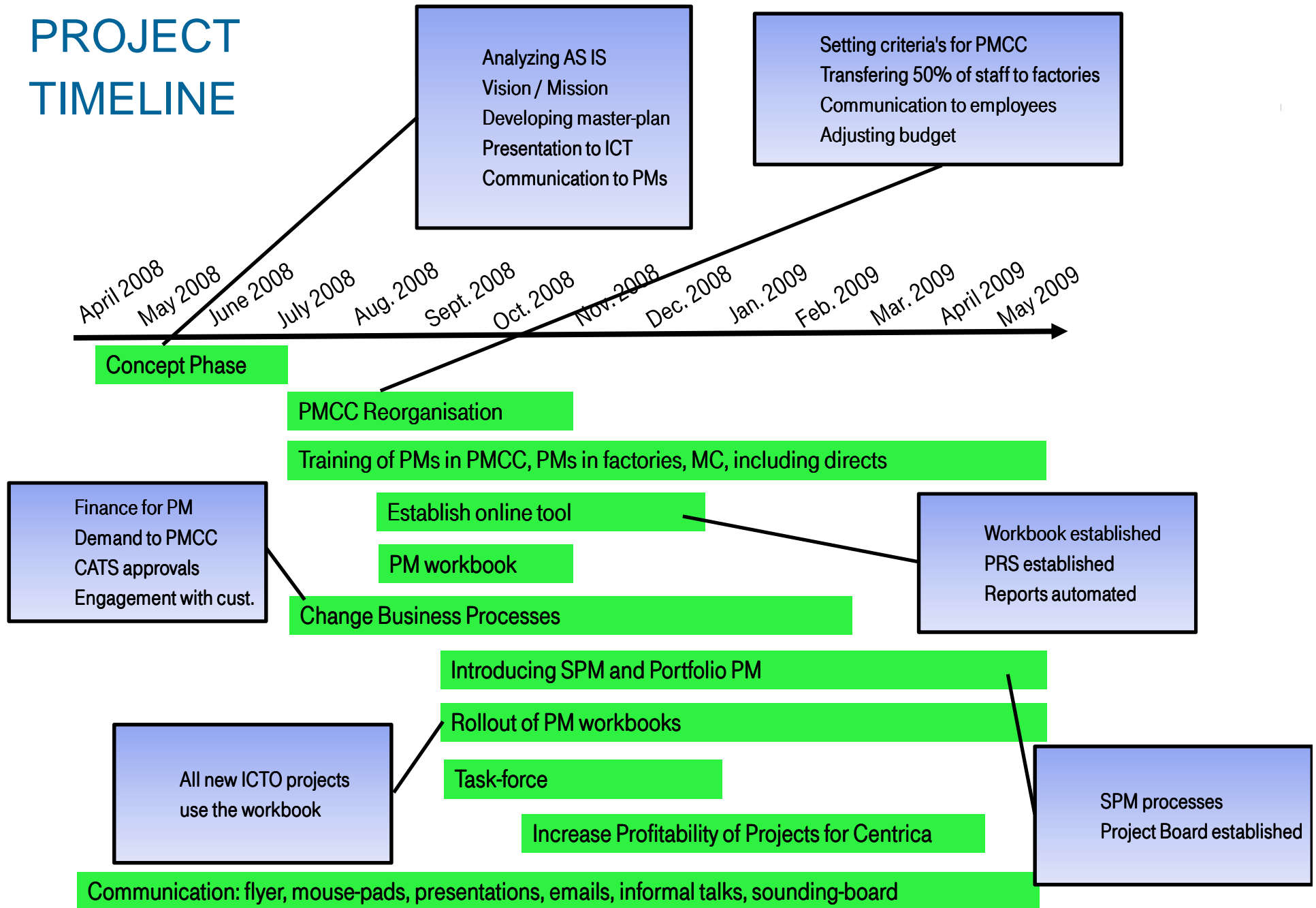
PMO IMPLEMENTATION DONE AS A PROJECT

PROJECT CHARTER

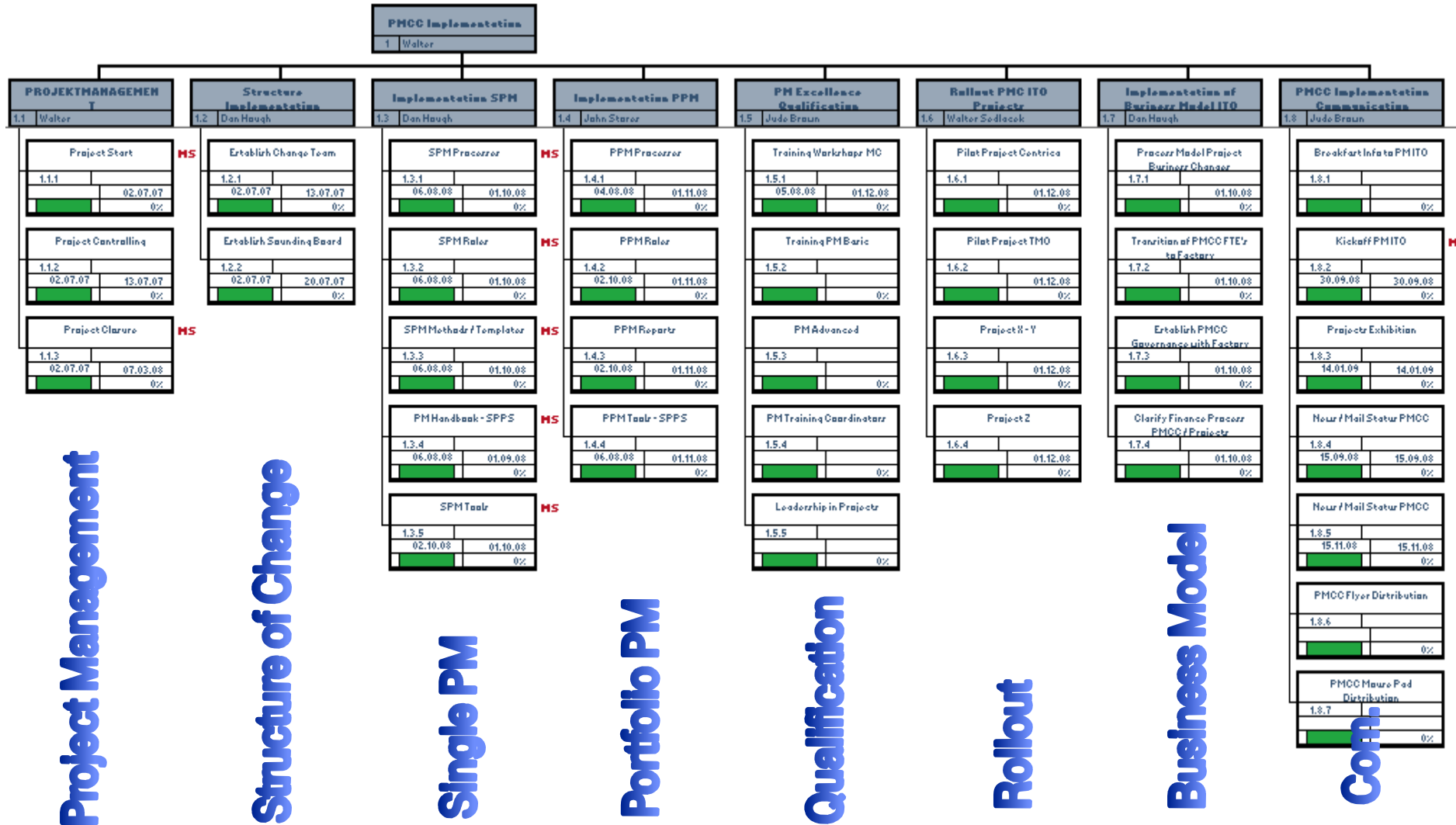


Time	Content	
Event of start: NextLevel Training (April 24, 2008)	Goals <ul style="list-style-type: none"> ▪ MC ICT UK understands the roadmap of PMCC based on company wide standard PM Exc. (Implementation Plan, Structures / Processes) ▪ Decision on Next Steps by MC ICT UK ▪ KPI: 100% of PMs feel support of sponsors 	Scope <ul style="list-style-type: none"> ▪ PMCC Vision / Mission ▪ PMCC Strategy ▪ PMCC Scorecard ▪ PMCC Organization ▪ Communication to MC ICT UK Leadership ▪ Communication to all PMCC employees ▪ Overall structure for project oriented organization TS UK ICT
Event of end: Approved Assignment of PMCC by Christian Falter (July, 2008)		
Duration: 3 months		
Resource	Deliverables <ul style="list-style-type: none"> ▪ Vision / Mission, Strategy and Scorecard ▪ Master-plan for establishing the PMCC ▪ Definition: What is a project. • PMCC Guideline • HR Management Plan 	Out of scope <ul style="list-style-type: none"> ▪ Solving operational issues ▪ Headcount discussions (ATRs) ▪ Budget discussions ▪ Communication to other stakeholders ▪ Development in detail and implementation structures / processes and culture for a project oriented organization TS UK ICT
Sponsor: Christian Falter		
Project Manager: Walter Sedlacek	Main activities <ul style="list-style-type: none"> ▪ PMO ReOrg-Workshop in May <ul style="list-style-type: none"> ▪ Analyzing AS IS ▪ Developing Vision / Mission ▪ Developing PMO Scorecard ▪ Adjusting interfaces, communication ▪ Adjusting PMO organization • Developing Master-plan / Roadmap ▪ Presentation of the outcome in ICT UK Leadership Meeting ▪ Diagonal Slice Meeting for all PMO employees (perms and contractors) 	Dependencies to other projects <ul style="list-style-type: none"> ▪ All ICT projects are dependent
Steering Committee (incl. role, company) MC ICT UK (T-Systems ICT Senior Management)		
Project Team (all from PMCC) Richard Gomm Steve Brass John Stores John Kidd Dan Hough Jude Brown		
Budget: OPS: xxx EUR (Next Level, Coach, Travel)		Affected areas: all ICT areas
Type		
Priorität: 1 Risk to fail: 0 %		
Type: ICT PMO re-organization		

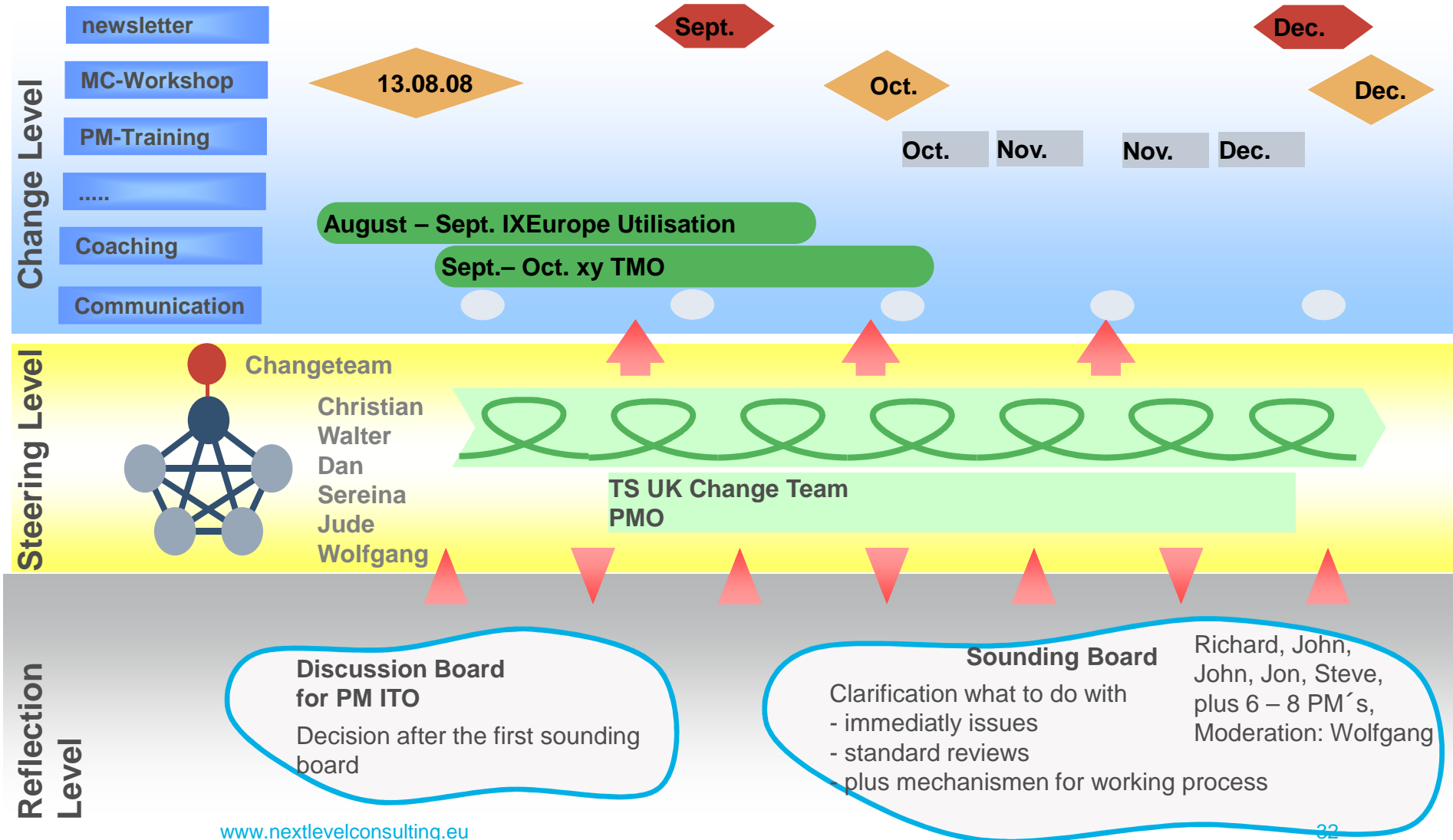
PROJECT TIMELINE



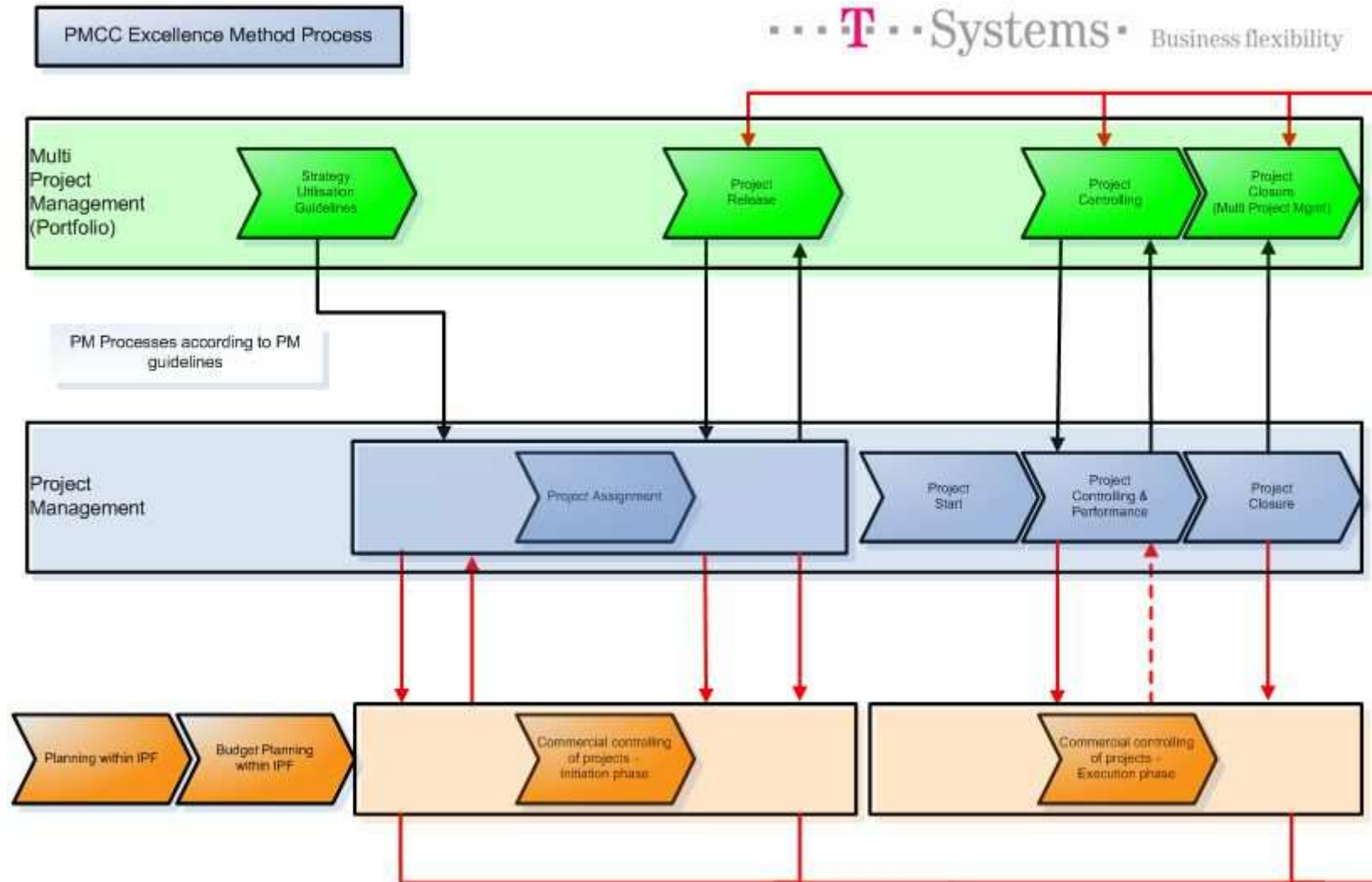
WORK BREAK DOWN STRUCTURE



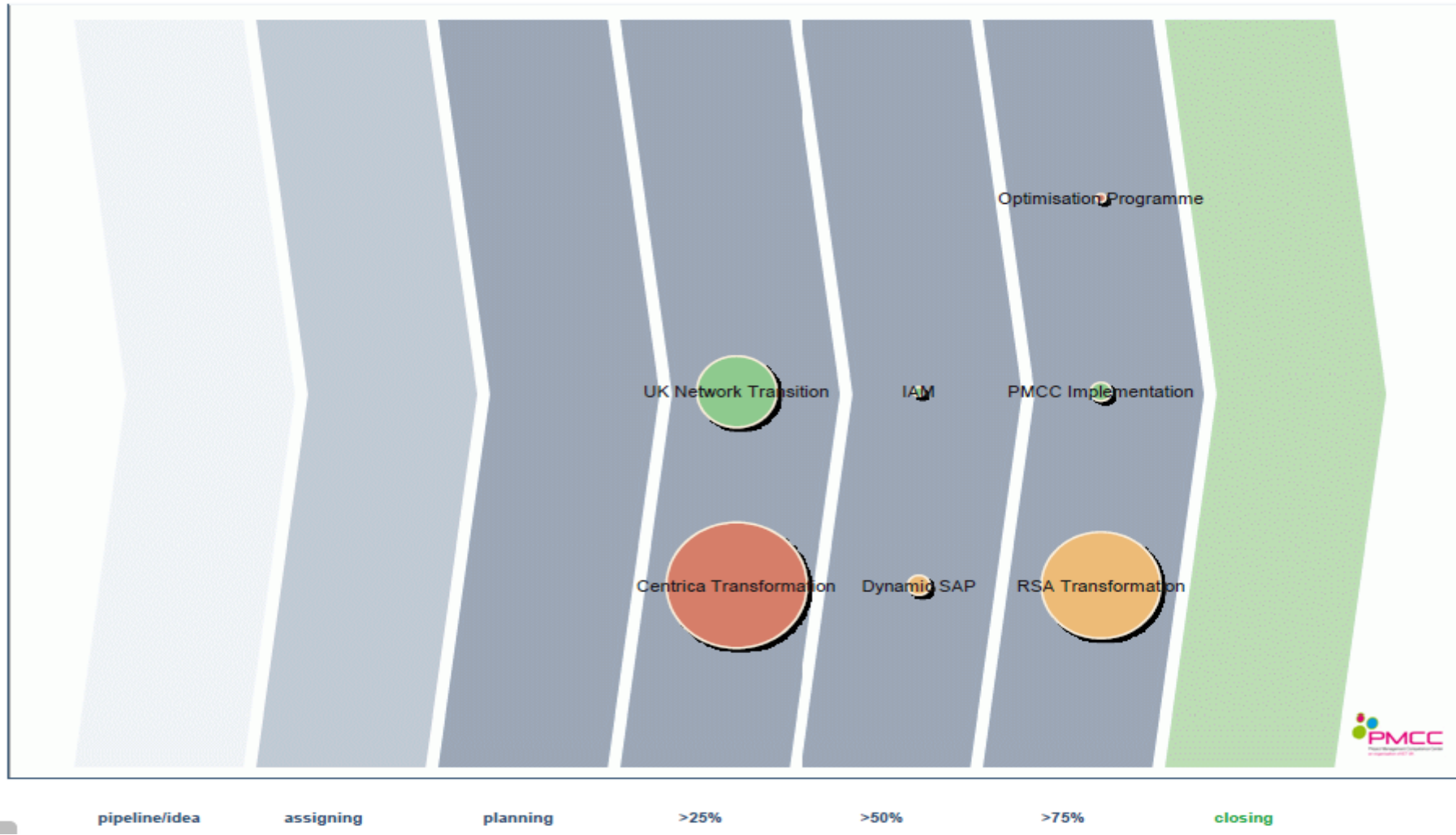
CHANGE MANAGEMENT PROCESS



INTEGRATED PROJECT MANAGEMENT



MULTI PROJECT MANAGEMENT

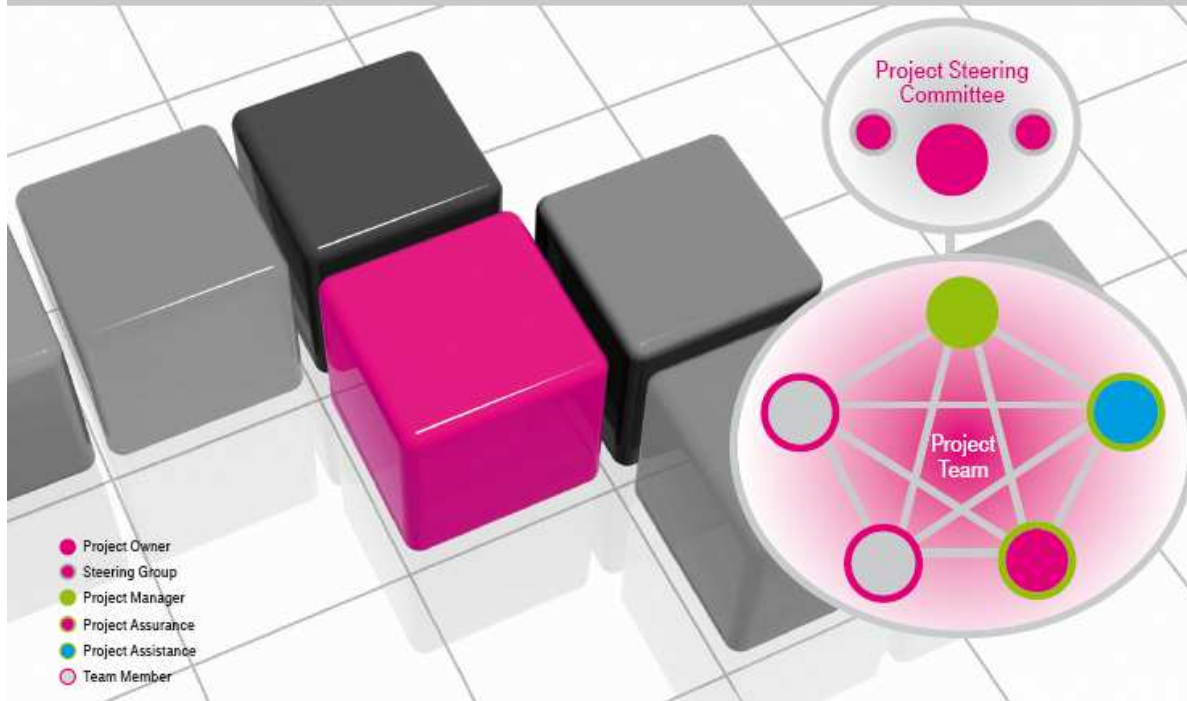




The Project Management Competence Center will provide processes and structures to enable T-Systems UK to deliver mission critical projects through highly skilled and empowered staff in a cost effective and transparent way.

Strategy Derived from ICT Strategy

- Develop Project Management Skills
- Build up structured communication to staff and stakeholders
- Do less and automate what is left
- Achieve financial responsibility by empowerment of the project managers
- Standardise all project management and portfolio project management structures by exploiting best practice and automation
- Demonstrate Project Management Competence Center by marketing of the PMCC to stakeholders
- Continuous improvement by applying lessons learned



Project Portfolio Management
 a Owner
 tion for processes and structures
 ce to international PM community

entire PMCC management team

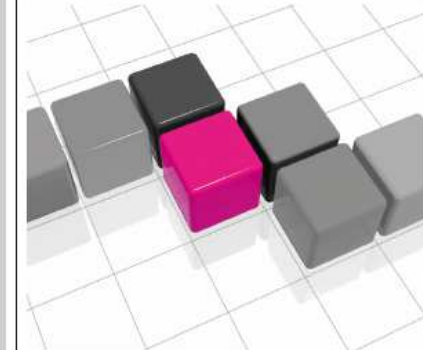
unication
 ce to FIN and HR
 je PMCC FIN / HR
 (Recruitment
 owner within PMCC
) Expenses and POs for PMCC
 Equipment for PMCC
 g, Development & Teambuilding

ment of all PMs
 nance reviews for all PMs
 ng the quality of PM Excellence standards
 je Recruitment

Project Management

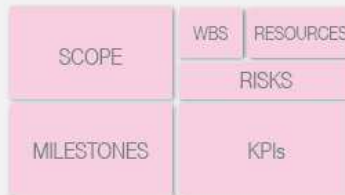
sites (PPT etc.)
 insurance
 owner
 joint for new projects
 ces PMCC
 t coordination

le project management
 ce to MC ICT



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Planning, Monitoring and Executing



INFORMATION <http://info-t/SiteDirectory/PMO/default.aspx>

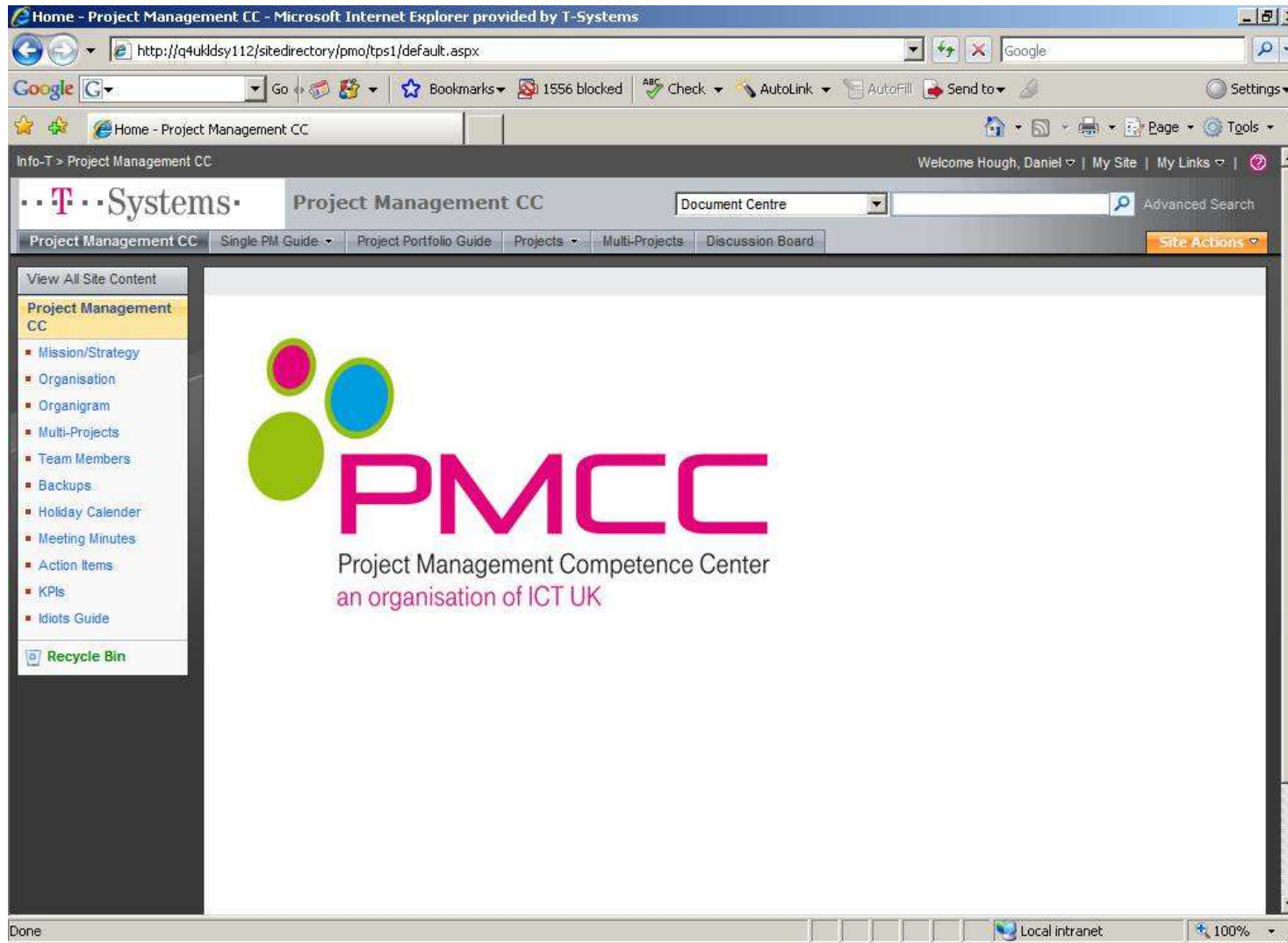
Responsible for the content:
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Mission
Strategy
Roles
Structure
Information

MARKETING



INTRANET



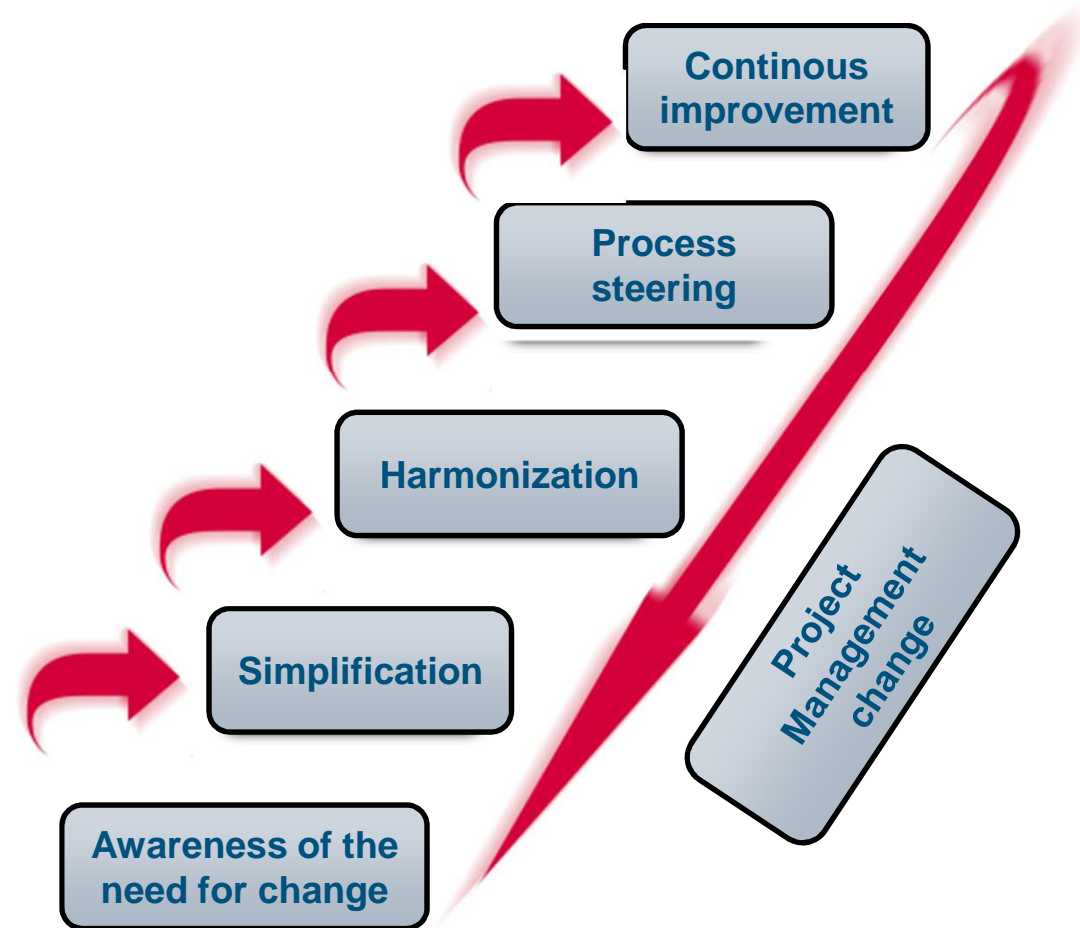
HOW TO IMPLEMENT A PMO

PROFESSIONAL PROJECT MANAGEMENT INCREASES THE MATURITY LEVEL OF A PROJECT ORIENTED COMPANY

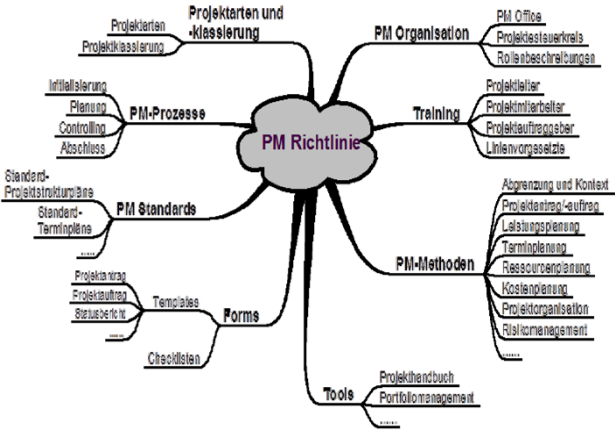
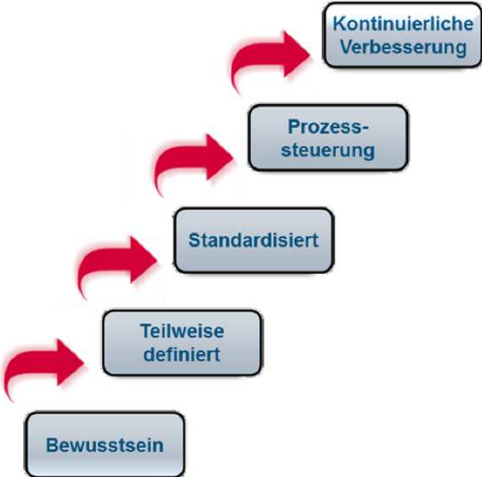
Do you know

- where you are?
- where you should be?
- how to get to where you want to be?

in terms of project management efficiency?



STEPS TO IMPLEMENTING A PMO



1. Lebenszyklus					
1.1 Projekt-Identifizierung	1.2 Projektinitiierung/Planung	1.3 Beschaffung	1.4 Beschaffung ausführen	1.5 Beschaffung steuern	1.6 Abschluss/Beendigung
Projekt genehmigen	Vertrag analysieren	Bestimmungen analysieren	Verträge mit Lieferanten abschließen	Verträge mit Lieferanten abschließen	Verträge beenden
Projektziele definieren	Projektziele definieren	Leistungspläne definieren	Leistungspläne definieren	Leistungspläne definieren	Leistungspläne definieren
Projektorganisation definieren	Projektorganisation definieren	Projektorganisation definieren	Projektorganisation definieren	Projektorganisation definieren	Projektorganisation definieren
Projektbudget definieren	Projektbudget definieren	Projektbudget definieren	Projektbudget definieren	Projektbudget definieren	Projektbudget definieren
Projekt abschließen	Projekt abschließen	Projekt abschließen	Projekt abschließen	Projekt abschließen	Projekt abschließen

FÜR X-MOMENTS, DIE BEWEGEN.

CONSULTING ACADEMY SOLUTIONS EMOTION

FÜR X-MOMENTS, DIE BEWEGEN.



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