

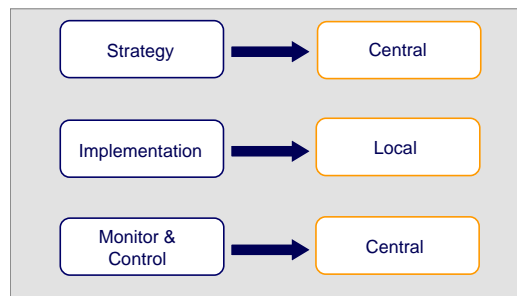
Case Study

Case Study – Setting up a Strategic Programme Office

Background

A global organisation with more manufacturing sites & capability than was fit for purpose launched a strategic initiative in October 2007 in response to a challenging commercial forecast. The objective of the 'Restructuring Programme' was to restructure & consolidate the organisations manufacturing network, to create a leaner, more agile organisation and to deliver ongoing P&L costs savings.

The organisations logical approach to Programme Management and how it was implemented in the business was defined as follows:



- A central strategy ensured one vision;
- Implementing locally ensured responsibility and accountability for delivery sat within the business with the appropriate business owners;
- A central point of control enabled standardised processes & governance and the ability to provide a high level overview of the entire programme.

Wellington Limited was approached in December 2008 to assist the organisation in the establishment and management of a Programme Management Office (PMO) in order to provide that central control function for the programme.

The role of the Programme Office was to monitor & track individual projects and provide the Executive Team with assurance that the benefits of this global change programme would be delivered in the timescales required.

Approach

Wellington approached the set up of the PMO by assessing the order of priority in which activities needed to be done. The outcome was a list of 'Top 5' deliverables:

1. Agreeing the Objectives of the Programme Office

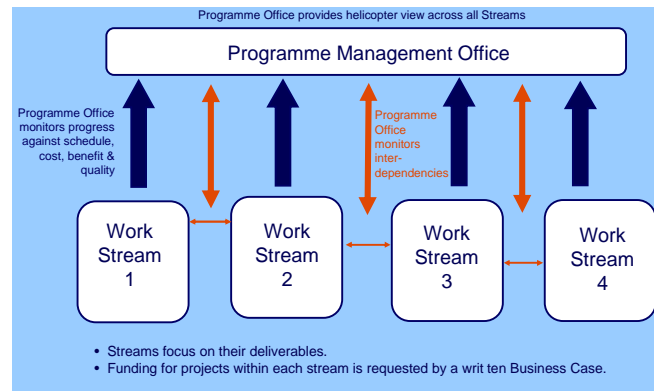
The objectives of the PMO were defined as follows:

- To provide an independent and objective view of the status of all projects
- To provide a clear single point of contact for reporting across the whole change programme and to prepare a comprehensive consolidated monthly report for the Executive Team
- To ensure all projects adhere to appropriate level of project governance
- To monitor progress against deliverables for all projects, actively engaging with advice or to rapidly escalate areas of concern if appropriate
- To ensure underperforming projects actively establish recovery plans, providing specialist expertise if appropriate

2. Organisation & Governance

Mobilisation of the Programme Office involved defining the organisational structure of the programme and how it integrated with the business.

- The Head of the Executive Team was identified as the senior sponsor. He played a role in the project approval process and took a keen interest in the status of the programme, requesting updates monthly at Executive Team Meetings.
- A Steering Committee was formed to work on behalf of the Executive Team to set the direction for the programme, provide leadership and drive decision making.
- Expert resources were recruited within the PMO to work alongside project owners & project managers, tracking progress and advising projects to ensure success.
- Organisational charts were drawn up outlining how the PMO integrated with various business functions such as Communications, HR, Strategy, Corporate and other stakeholders.



3. Understanding the Scope & Status of the Programme

A number of projects were already up and running by the time the PMO was formed, so the first step for Wellington was to understand the full scope of the programme and its current status. Once a full list of projects had been identified, Wellington had the ability to group the projects into logical work streams. In order to understand which projects should be prioritised, a complexity rating (H/M/L) was assigned to each project based on its cost & benefit information. Individual projects were then assigned to PMO resources with their primary objective being to focus on 'High Complexity' projects which had already been approved. Their brief was to gain an understanding of the full scope of these projects, where they were in their lifecycle and what their current status was.

4. Ensuring alignment with the organisations strategic objectives

The top 5 objectives for the programme were defined, along with a number of strategic objectives for the organisation. Each approved project was assessed against both the programme objectives and the corporate strategic objectives to ensure they were aligned. As and when new business cases were submitted for funding alignment with strategy was confirmed prior to approval.

5. Defining PMO Processes

Typical processes that every programme office needs in order to control the programme were developed in the following order:

- Project Approval Process
- Reporting (to PMO and from PMO)
- Benefits Management
- Cost & Schedule Management
- Risk & Issue Management
- Change Control
- Dependencies Management
- Stakeholder Management

These processes were improved and refined over time to ensure they remained relevant and fit for purpose.

Challenges

Some of the challenges faced by Wellingtone in setting up the PMO were:

- Due to the nature of the programme (restructuring), job losses were inevitable. This meant that the programme could not be branded or its core objectives widely communicated. The PMO as a result found it challenging to gain the necessary exposure within the business to become the central point of contact for all information and data regarding business change.
- Robustness of Business Cases: Due to the sensitivities associated with restructuring, business cases were often created by very small central teams in order to retain confidentiality. This often led to the need for re-planning and indeed re-baselining following announcement of intent.
- Monitoring & tracking global projects from one location can prove difficult. There is often a need for PMO resources to work around the clock to ensure updates are obtained from all continents in a timely manner. Effective stakeholder management & clearly defined reporting requirements are key to success when monitoring projects from afar.
- External dependencies such as complex regulatory requirements and union consultation restricted timelines and hindered any ability to accelerate.

Conclusion

The approach an organisation takes to managing programmes will depend on the nature and scope of the programme as well as their maturity in managing projects and programmes. Whatever approach is taken, a PMO is a must. It has been proven time and time again that a central programme office adds significantly more value than delivering the 'sum of parts' through providing a central point for co-ordination, alignment, communication, planning and risk management. It provides an organisation with a key link between individual projects and an ever changing business environment.