



# Program Management Office Effectiveness

## The Key to Leading Reform Success

Meeting the Requirements of OMB Memorandum M-17-22

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## The Key to Leading Reform Success

Achieving the agency reform goals cited under OMB Memorandum 17-22 requires a comprehensive review, planning, and execution of agency reform initiatives in order to:

- Create a lean, accountable, more efficient government for the American people.
- Deliver efficient and effective programs meeting the highest needs of citizens.
- Align the federal workforce with future needs.
- Strengthen agencies by removing barriers to delivering results.

The complexity and granularity required for successfully implementing an agency reform initiative cannot be understated. There is a lot to pay attention to as transformation is enacted. At the same time each agency must continue to execute against current mission requirements. To be successful, each agency must assemble a dedicated and experienced multi-year Program Management Office (PMO) team.

### The 4 C's of Transformative People<sup>1</sup>

**Courage** – Doing things that are difficult or uncomfortable; you do them anyway because it is the right thing to do.

**Capacity** – The full complement of resources as well as knowledge, skill, and the abilities of great people to accomplish their work.

**Care** – Paying attention to what is important and doing it right.

**Commitment** – Being dedicated to the cause, event, program, or agency.

## What is a PMO?

In the case of this reform initiative, a PMO is a central office from which a department- or agency-wide reform initiative is conceived, executed, measured, and held accountable for results. It should be operated under the leadership of the agency, typically under the Chief Operating Officer's (COO's) or Chief

Management Officer's (CMO's) purview at the Deputy Secretary or equivalent level.

PMO's can be directive (with the authority to execute change) or supportive (providing expertise, resources, and standard methods) for others to execute. It can also be centralized (at the head of the agency) or decentralized (embed at the various component levels).

Given the critical nature of this reform, this PMO should be directive and centralized. While authority and directives will come from levels above the designated program manager (Congress, White House, Agency Head, etc.), it is important that a reform PMO have



the authority and line of sight across the agency to ensure proper execution, provide consistency, leverage opportunities, and report agency level results across a comprehensive program. A directive PMO needs the authority to execute on the plan and collaborate with others inside and outside the agency to make decisions and achieve progress and results. Centralization is critical because there are so many moving parts that need to be aligned, connected, changed, tested, and measured. Focused management and accountability is necessary for consistency of approach and results. Identifying opportunity for best practices and sharing tools and knowledge across the agency is also possible with a centralized model, with greater efficiency and cost savings to be realized over time.

<sup>1</sup> From Transforming Government from Congress to the Cubicle, by Steve Goodrich, CreateSpace, 2016.



## Why Have a PMO?

Conducting reforms at this level requires a dedicated, committed, and expert team with the full capacity and resources to ensure mission and reform success. There are many elements to a reform of this nature that require oversight, stakeholder cooperation, and alignment. Collaboration must take place across line organizations as well as with CIO, CHCO, procurement, etc., and often across multiple agencies. Without dedicated expert resources, freed from their every day responsibilities to focus solely on the reform project, chances of success are greatly minimized.

Don't underestimate the many moving parts and level of detail and effort required to properly reform multiple agency programs. It requires centralized dedicated control and appropriately assigned full time resources to get it systemically right.

## What Should the PMO Do?

A reform PMO executes many functions. While each agency should determine functional responsibilities based on the specifics of their reform plan, a reform PMO typically has four major focus areas:

### Plan and Execute the Reform

- Develop and **execute the plan** to achieve schedule, results, and progress milestones in a logical and deliberate way.
- **Assess agency programs, workforce, workload, and other factors** and execute the changes in a way that provides the best outcome and minimizes agency disruption. Use strong evidentiary data to form your key success measures and track accordingly.
- **Reform existing programs** for efficiency and effectiveness. Eliminate duplication, fragmentation, and overlap. Initiatives must include both mission focused programs and infrastructure (back office) programs. Work to get agency programs off GAO's high-risk list.
- **Oversee** the elimination, reduction, or increase of programs.
- **Align** changes for the most efficient methods and outcomes to include process, program changes, workforce restructuring, technology, organizational structure, etc.
- Manage reform **risk**.
- Work with other agencies and entities to **share** resources and create opportunities to improve government service.
- Participate in **cross-agency reform** task forces to either transition programs into or out of the agency or to reform it in some other way.

### Provide Communication and Policy Support

- Identify, provide, and negotiate **required policy, legislative, and other guidance** required to achieve the intended reform outcomes.
- Assess requirements and timing and prepare OMB, the Hill and others with legislative and/or policy change requirements. **Cultivate sponsorship** and assist in preparing legislative and policy language.
- Design and implement a **continual communication** method for all stakeholders, including a feedback loop.



## What Should the PMO Do? (continued)

### Realign the Workforce

- **Profile the existing workforce**—size, distribution, span of control, skills, retirement, age, attrition/ accession, contractors, etc.
- **Analyzes workforce** data and trends against new mission, workload, and performance requirements to project future workforce requirements.
- Develop and **executes workforce realignment** plans. Identify and manage risk.
- **Provide training** to agency personnel to support reform success.
- **Execute change management** and cultural reforms for efficiency, effectiveness, and accountability. Change culture and accountability to create a systemically high-performing organization.
- Develop and implement an **effective performance** management system.
- Provide program and organizational **skills development** to leaders, managers, and staff at all levels. Develop organizational transformation champions.

### Support the Reform

- Create and manage the reform **budget**.
- **Procure** product and service resources necessary to accomplish the reform.
- Manage and **report progress, results**, and return on investment.
- Provide **oversight and governance** for any needed changes to the reform plan.
- Obtain the support and involvement of **critical agency resources** required to execute. Prepare and incorporate them into the team.
- **Communicate** plans, outcomes, status, actions, etc., to all stakeholders.
- Provide a repository for **sharing best practices and tools** across the agency as well as with other agencies.

Don't forget to identify many of the smaller things the plan may not directly include such as excess office space created by the reform, non-integrated data sets, excess equipment, legacy system lifecycles, support contract termination schedules, retirement rates, and other unanticipated or unintended consequences that are impacted by reform actions. Look for things that were too granular for the plan such as obsolete contracts that should not be renewed, or smaller components of a program that are not effective or useful and should be eliminated (not a wholesale program elimination). Integrate Administration level reforms such as regulatory shifts—don't fix what is being thrown out anyway.

- Plan Execution
- Align Workforce
- Communicate
- Provide Training
- Measure Efficiency and Effectiveness
- Share Best Practices and Opportunities
- Participate in Cross-Agency Reform
- Provide Policy and Legislative Support
- Manage Risk
- Manage Change
- Provide Reform Support



## What Should the PMO Do? (continued)

A typical agency reform PMO should be organized as follows:



To establish a PMO:

1. Review the reform plans and fully understand its scope, impact, timelines, oversight requirements, etc.
2. Identify the governance requirements – leadership, management, policy, authorities, reporting out, etc.
3. Identify the functional areas of responsibility to complete the reform and decide how to organize around them. This could be functionally or by type of reform.
4. Estimate the workload in each functional area.
5. Identify the skill sets and number of staff required to conduct the reform initiative, including team management.
6. Identify the source of staff members – in-house, details, hire, contractor support, agency support offices, etc.
7. Identify the priority and timing of acquiring staff resources.
8. Identify other non-staff resources – facilities, technology, data, documents, etc.
9. Develop a multi-year PMO budget and identify funding resources.
10. Create a charter for the PMO – purpose, duties, outcomes, authority, reporting relationship, etc.
11. Obtain necessary approvals to proceed.
12. Begin assigning and training PMO staff members. Acquire consulting support, etc.
13. Execute the reform initiative, adjusting as needed and reporting regularly to stakeholders and the American people.



An effective PMO will pay for itself.

- ✓ Cost Savings
- ✓ Cost Avoidance
- ✓ Efficiency
- ✓ Effectiveness
- ✓ Accountability



## What Skills Do I Need?

Each agency reform PMO will require program knowledge/expertise unique to that agency or program. They will need to have the delegated authority to execute the reform initiative. There are also a number of PMO and Organizational Effectiveness (OE) skills that will be necessary. Typically a reform PMO must have the following skills:



- Leadership and project management of complex and detailed activity
- Problem solving, decision making, risk management, scope management, collaboration, and relationship building
- Budgeting and financial management
- Stakeholder management and communications
- Procurement
- Technology integration
- Management and leadership development
- Performance management and measurement at the organization and staff levels
- Human resources policy, laws, collective bargaining, and execution
- Organizational Effectiveness—program assessment, process improvement, efficiency and effectiveness, restructuring, quality control, measurement, etc.
- Change management
- Workforce planning and realignment
- Training/knowledge management
- Data capture integration, analysis, and earned value
- Agency and program governance
- Policy development
- Legislative, policy, and regulatory process
- Cross-agency program reform

Some of these skills will be applied by full time PMO members while others will be sourced and integrated into your team as needed from agency functional areas such as technology, procurement, human resources, finance, security, communications, legislative liaisons, etc. Other skills can be acquired on a contract basis.

## How Many People Are Needed?

The number of people required to staff a PMO is dependent on the size and scope of the reform effort and the skills/expertise required. No two reform PMO's will be alike so you need to determine the appropriate size for your



application. A small PMO for a reform initiative would be 3-6 full time staff members and a large would be 6-10 or more. Some have seen as large as 18-20. But remember, you are also getting ancillary or part time support from CIO, HR, and others. Also, one person may bring several skills to apply to

the reform initiative. Consultants under contract for short- or long-term requirements may be necessary. Therefore, use your best judgment as to the number of resources needed, and be willing to adjust. Engage staff on detail from across agency components for their expertise and to improve ownership of the reform effort.

Don't underestimate the heavy legislative lift that may be necessary to realize the benefits of reform. But don't let any of this stop you from creating efficiency, effectiveness, and accountability that can be accomplished at the agency level without legislative change, much can still be done.





## Should I Use Consultants?

We advise that you always staff a PMO of this type with government employees. This is necessary to ensure the agency and its culture becomes systemically strengthened in-house with the right expertise. But in reality, most agencies will not always have the experts and in sufficient quantities to execute as required. Consultants also bring an objective unbiased orientation. Consultants could be program subject matter experts, or experts in organizational effectiveness, change management, training, human resources, data analytics, measurement, and sometimes staff support functions.

If you need to use outside consulting resources, mix them with federal employees to ensure skills are transferred, workload is supported, and the right assemblage of accountability is present.

Review the skill sets listed above, determine the number of staff members required, ensuring you have strong expertise in all required areas. Fill in the gaps with contracts as needed to ensure success.



## What Will An Effective PMO Achieve?

An effective PMO is the key to accomplishing sustainable change that delivers lasting value for the agency and the American people it serves. Above and beyond the execution of any specific agency reform initiative, an effective PMO protects the agency from unintended consequences. It makes sure that if you squeeze the balloon on one side, it doesn't pop out on the other side, resulting in adverse consequences that slow progress or prevent adoption of new systems or processes. It assesses impact across all critical components of reform – from people to processes and systems – and identifies barriers and risks. An effective PMO also assesses the organization's readiness to embrace change and plans for the comprehensive change management required to ensure lasting success versus limited change at a point in time.

An effective PMO makes sure that the resources needed to carry out reform are identified and approved and that the press of doing business does not overcome planning and executing reform initiatives. It protects the core PMO staff from the variability created by changes in politically appointed leaders, agency re-alignments, retirements, etc... to preserve the capacity to execute the reform over the long-haul.

Every agency has many skillful, dedicated employees capable of achieving performance enhancements and improving agency efficiency and effectiveness. Bringing those employees together with the right resources to execute agency-wide or multi-agency reform is an art, not a science and it takes an effective PMO to pull it all together and achieve lasting success.



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