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Identify – and Reach – Your Next Big SAP Project’s Goals

Discover How a PMO Can Be Your Project’s Guiding Light



Jim Curry, Jr. (jim.curry@sap.com) is the Director of Program Delivery, SAP Consulting at SAP America. Jim has over 13 years of experience in managing large-scale technology, business reengineering, and process improvement projects. His industry experience includes upgrading SAP systems for Fortune 100 companies and leading full lifecycle implementations. Jim has experience building, developing, and managing international, cross-functional teams for the implementation, enhancement, and support of complex system applications.



Keith Johnson (k.johnson@sap.com) is the Vice President of the North America PMO, SAP Consulting at SAP America. He has extensive experience in operating all aspects of a PMO, including thought leadership, development, and deployment of advanced project, program, and portfolio management standards and capabilities across North America. In this capacity, Keith also is responsible for overseeing the portfolio of implementations projects.

Business needs are pushing IT organizations to take on advanced stages of project management. With a renewed focus on delivering projects – and their associated business benefits – on time and on budget, many IT teams are setting up project management offices (PMOs). These PMOs are responsible for defining, maintaining, and enforcing project management processes across the organization. PMOs can help organizations boost their project efficiency, cut costs, and improve ROI by:

- Confirming that project teams are staffed with dedicated resources who have the required skills to complete development and implementation activities effectively and efficiently
- Accelerating benefit realization by helping teams follow a proven methodology and developing key performance indicators (KPIs) to drive the company’s value
- Allowing key contributors within the organization – who will staff the PMO – to manage programs through business cases by providing them with a structured methodology that helps the team members leverage their business experience in an IT-based project
- Establishing a process that includes milestone setting, issue resolution activities, and risk mitigation measures, and then making that process part of the overall corporate philosophy
- Ensuring the proper execution of the processes the PMO develops

SAP has developed a comprehensive approach to building a PMO that focuses on defining project expectations, managing progress across a well-defined plan, completing deliverables in a timely manner, and achieving expected project results.

Key Success Factors for Building Your PMO

One of the most important things a PMO can do for an organization is to enforce consistency across the enterprise’s processes. So when building a PMO, we advise that companies do the following:

- **Identify key executives to serve as members of your PMO’s executive steering committee.** This is essential to ensuring that the PMO’s messaging is aligned with your overall business strategy. If they are delivered correctly, these messages will permeate throughout the organization, sowing seeds of success.
- **Keep your customers in mind.** You should seek to drive customer success while still maintaining a profitable business model. As your PMO defines which initiatives are key to your business model, take into account how these goals will interface with your customers’ success model – this will allow you to build a relationship as a trusted advisor with your customers.
- **Provide a framework for the business and the PMO to communicate with one another.** This will help ensure that there are no surprises during your projects.

Once the PMO is set up, one of its first activities should be to define and set measurements of success for company programs and projects. One way of doing this is to develop a value-based roadmap.

A Key PMO Deliverable: Defining the Value-Based Roadmap

A value-based roadmap is an outline that defines what a company considers to be the best possible implementation scenario for a project or set of projects. The roadmap should also analyze the project’s expected business benefits, taking into account the

FIGURE 1 ▼ Considerations for building your value-based roadmap

value of the expected benefits to the business overall, any intercompany processes that the project will encompass, and any possible risks to the company.



Building this roadmap is an invaluable step. It provides the framework for exactly how any given project will adhere to the PMO's governance principles – including the leadership, business successes, organizational structures, and compliance measures of that project. The value-based roadmap, when aligned with the PMO, provides the instructions that can help make effective project governance a reality. The roadmap also allows the PMO to more easily plan, deliver, and measure the value of any project or program – and better yet, it gives the team the definable metrics to prove this success to the business.

For optimal results, here are some tips for defining your roadmap:

- Your roadmap should take into account not only the technology that your company already has (or will have) available, but also the prevailing industry standards and your company's internal value characteristics.
- It should define any improvement opportunities, identify potential IT enablers within the company, and present a realistic picture of the timing needed to reach the project's expected business benefits (see **Figure 1**).

These key elements will help the PMO team define the current state of the company and gauge what the company would look like following the successful completion of their proposed project. Once a value-based roadmap has been defined, it is up to the PMO to ensure that the initiatives it sets forth are carried out. SAP Services offers helpful guidance here (see sidebar).

Keep Your PMO Dynamic

Remember that the project governance measures your PMO establishes will only be valuable if your company follows them. The measures are more likely to be followed if they can adapt to any changes to business processes or corporate goals. Too often, companies make the mistake of completing a project and then shelving the governance processes they developed during that project. Or they will find great success with their new governance processes on one project or program, but then fail to integrate those processes into other parts of the organization. These kinds of projects give you the opportunity to build governance into the lifeblood of your organization – don't lose that opportunity.

To Ensure a Successful Project, Engage with SAP

Companies looking to build a PMO, improve or update an existing PMO, or set up a value-based roadmap often seek expert help to ensure the success of their initiative. That's why, at any point in the process of building a PMO or implementing its practices during a new project, we encourage you to engage SAP Services.

SAP offers not only individualized consulting services to help you develop your PMO, we also offer services through the Business Transformation Consulting (BTC) group (part of SAP Consulting) to provide you with a complete, targeted roadmap that fits your needs.* SAP also offers a Quality Assurance Audit service to ensure that the right processes and critical success factors are properly applied in your projects.

Setting up a PMO and a value-based roadmap can also make it easier to engage with SAP Services down the line. For example, if you're implementing a new SAP solution with help from SAP Consulting and you have an existing value-based roadmap, SAP can help your IT team ensure that your SAP implementation follows that roadmap.

SAP has partnered with multiple organizations in different fields – retail, high tech, pharmaceuticals, and building products, just to name a few – not only to help them develop a successful PMO, but also to provide guidance in how to effectively use this model to meet their overall goals and objectives.

*To learn more about BTC, see "4 Keys to Aligning Your Business and IT Efforts: Business Transformation Consulting Supports Your Project from Planning Through Execution" by Sylvia Price and Gil Gomez on page 8 in this October-December 2009 issue of *SAP Insider* (sapinsider.wispubs.com).

A PMO's Indisputable Value

If there's one good thing that last year's financial meltdown brought about, it was that it forced companies to step back and take a closer look at their projects. Companies are now realizing the importance of setting project expectations and outlining a plan to efficiently meet those expectations before starting any major project or company program.

These companies must leverage the fundamentals of project governance and support those governance processes with a PMO. This approach will help you:

- Identify the highest value your company can get from its initiatives
- Understand, measure, and manage your projects with defined KPIs that focus on the greatest return on value and efficiency
- Optimize your business processes
- Create a culture in which employees can understand their part in a project's success

For more information and tips on building or rejuvenating your PMO, contact us at jim.curry@sap.com or k.johnson@sap.com, or call +1 866 609-1124. ■

Additional Resources...

...from **SAP** insider



- + “What Role – If Any – Should a Project Management Office Play in Your Next SAP Upgrade?” with Keith Johnson (*SAP NetWeaver Magazine*, Spring 2008, www.NetWeaverMagazine.com)
- + The **Managing your SAP Projects 2009** conference in Las Vegas, Nevada, October 28-30, for valuable tips on creating, running, and optimizing a PMO (www.projects2009.com)
- + “Boost Project Clarity and Flexibility with a PMO” by Davin Wilfrid (*ERP Expert*, Volume 1, Update 5, www.erpexpertonline.com)
- + “Chaos Theory: The Path to Project Clarity at Siemens Energy” by Davin Wilfrid (*ERP Expert*, Volume 1, Update 6, www.erpexpertonline.com)