

# Change Management and the Creation of a Project Management Culture

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Sinapses <sup>TM</sup> - *Making Connections* <sup>SM</sup>

# Goals & Agenda

- Goals
  - Project management education and training
  - Career development mechanisms
  - Hiring project management professionals
- Agenda
  - The Case - Context
  - Awareness – Education of senior management
  - Change
  - Consolidating - Establishing a PM Culture
  - Lessons Learned

# The Case

- Creation of a PMO inside an IT staffing services organization
  - \$500 million international IT staffing company.
  - Competent functional and technical consultants.
  - Time & Materials, client-controlled model.
  - Delivery on-site and offshore.
  - Sales incentives based on placements + spread.
  - Consultants' incentives based on billable hours.
  - Moving into the ERP “solutions” space (fixed-time, fixed-price).

# Awareness

- Executive's perception:
  - An *engagement manager* to handle the more sophisticated and complex client engagements.
  - From pre-sales support to delivery assurance.
  - Working with practice resource managers.
  - Usage of the vendor's methodologies.
- Sales perception:
  - Solution = Fixed-price
  - Fixed-price = duration estimate \* # of resources  
\* average hourly rates !!

# Change Management – Start

- No notion of project management as a discipline.
  - No project managers.
- No notion of project risks, phases breakdown.
- No balance between accountability/control.
- No notion of “drive” – Culture of followers.
- No milestones deliverables or pricing.
- “Contracts” were mostly rate sheets.
- No templates for on-going project activities.
- Resource constraints: one person in one assignment for one entire period.



# Change Management

- Within 2 months ... the first “project”!
- Initiated “backwards” OJT implementation:
  - Mentoring of PM, development of templates.
  - Enforcement of controlling practices:
    - PCR’s; EVA; status reports, project BSC
  - Development of basic PM training program.
    - Identified PM candidates with resource managers.
    - Phase-in in smaller projects.
  - Coached sales for next phases proposal.
    - Developed risk matrix; improved contract T&C’s.
    - Phased approaches, one leading to the other.

# Consolidating

- After the initial 9 months, OJT successful:
  - Initial “PM” replaced. New projects started.
  - New PM’s understand the balance between their employers and their clients’ interests.
  - Management understood the risks and mitigation tactics through the [project scorecards](#).
- PMO recognized as a framework model
  - PM *templates* (rather than vendor deployment methods)
  - *Processes* defined from pre-sales to closure.
  - *People* trained, mentored w/ career development plan.
  - Hiring of Project Controller and Program Manager.
  - All projects (even T&M) embracing PMO standards.
  - \$15 million delivered in 15 months.

# Next steps

- Sales
  - No more “interviews” for FT/FP projects.
  - Qualification and risk assessment prior to bid.
- Resources
  - Better utilization of the “bench”: multi-task.
  - Growth path for top consultants.
  - Better pipeline management.
  - Incentives also based on profitability/billing.
- Systems
  - BPR launched to improve systems with PSA.
  - Hired new PMO Manager.



# Lessons Learned

- Timeline
  - Assessment – 2 months
  - Education/Implementation – 6-9 months
  - Consolidation – 6 months
- Approach
  - “Accelerated” incremental – leverage need to make dramatic, fast changes.
  - Focus on framework: tools, processes, people.
    - Use manual tools until critical mass is achieved.
    - Introduce process as required – OJT approach.

# Framework

- Model
  - Define a charter for the PMO and PM role, as executives grasp the concept and the benefits of PM.
- Processes
  - Introduce and adapt as required – OJT approach.
- Tools
  - Systems will not create a PMO/PM.
  - Use “manual” tools to work around and supplement existing systems, building the case for new one.
- People – The cornerstone dimension
  - PM as a career path for many professionals that want to grow in responsibilities and leadership.
  - Identify, train, engage, evaluate, and reward.

# Q&A

