**Executive Summary/Commitment Letter**

This proposal addresses enterprise support needed to improve the Return on Investment

(ROI) in the projects activated to achieve the organization’s goals. This is a $xx million

dollar opportunity for our organization. Getting the right projects completed far more

quickly is key to meeting executive and stakeholder goals. This capability will be

accomplished by deploying a 3Ms Methodology through the Enterprise Program

Management Office (EPMO) with the following key objectives:

1. **Produce an Executive-Sanctioned, Prioritized and Time-Based Enterprise Portfolio**.

This portfolio would be governed and visibly supported by the executive team. It would be

utilized by all project and resource managers to ensure that decisions are made and resources

are allocated according to executive mandate. Data in this Portfolio would emanate from all

Business Units. All executives and managers would receive reports to guide decision-making

and actions from a common base of data.

1. **Implement 3Ms Methodology for all Employees to Establish the Standards for Essential Performance.**

This process deployment would be governed by the EPMO across the organization in an

uniform and consistent manner. All employees would be measured according to uniform

performance standards in alignment with business objectives govern through corporate

governance.

1. **Build knowledge and skills to improve 3Ms performance.**

 The EPMO structure and executive support increases management’s ability to meet executive

 goals through faster and more effective project execution. Managers will effectively utilize

 progress data within the portfolio and 3M process methods and EPMO tools to improve

 delivery performance and manage the constantly changing composition of project delivery

 expectations.

1. **Track, Report, Analyze and Improve Project Performance.**

 This step provides quick-starting measurement process utilization to collect, track, and

 process improve and perform project management activities on key project investments

 while providing strategic and tactical progress data to all stakeholders.

1. **Replace deficient project management processes with standard and best practice tools, methods and processes.**

 In order to drive best practices across the organization, and be able to share information

 meaningfully, the organization needs a common language and measurement methodology

 that can be applied holistically to the organization so that defects can be made visible for

 management action.

1. **Drive higher value from project management training and skills development.**

This step improves project management delivery capability by measuring current skills of

the project management community, analyzing the collected data and creating effective

project management training curriculums that focus on improving key project

management weaknesses.

1. **Implement workforce cognitive skills to acquire business value for the organization.**

 To obtain consistent, needed executive information on a timely basis, employees will

need help with learning how to recognize potential value from measured applications

provided through the 3Ms methodology. The EPMO Help Desk will help users with

readily available documented procedures and support when required.

**Section I: Business Case**

**Project Overview**

Implement the 3Ms Methodology to improve return on investment in the $xx million

project portfolio by a minimum of xx%.

**Background**

The business is seeking to improve its capabilities to deliver projects that are strategic to

the vitality of the business. The need for this improvement has been demonstrated by

the following:

* Lack of capability across top strategic initiatives to effectively collaborate to avoid

 project delivery delays

* Frequent priority changes, with constant disruption across the organization
* Inability to complete sufficient projects to counter competitive and economic threats
* Constant schedule and cost overruns
* Low resource utilization rates associated with poor planning integration processes
* Project teams competing for same scarce resources without the realization of which

project is truly vital to the business.

**Objectives**

* 1. Deliver the capability of creating a balanced employee performance scorecard that

 positions the executives best to meet the organization’s goals

* 1. Put in place 3M methodology processes for managing projects and priorities in the

 projects, for data gathering, reporting, tracking, analyzing and improvement

* 1. Improve delivery of project outputs in both speed and quality
	2. Allow more projects to be completed with the same resources by improving

organizational knowledge for capacity to do so.

* 1. Provide the information needed to support excellent executive decision-making in

 project delivery

**Strategic Corporate Alignment**

 *Internal Perspective:* Effective management of capital

 *Operational Excellence:* Improve organizational process productivity and leverage strategic

 technology capabilities

 *Learning and Growth:* Results oriented leadership and decision making and communicate

 and share knowledge across the organization

**Opportunity Type**

Select the appropriate box to demonstrate the type of opportunity this project provides:

[x]  Increased revenue [x]  Decreased cost [ ]  Regulatory compliance

[x]  Increased productivity [x]  Decreased risk [ ]  Maintenance

**Section II: Scope**

**Project Scope**

* Identify minimum data requirements for implementing 3Ms Methodology
* Develop and document 3M Methodology best practices, in an easily accessible web-

based tool

* Determine minimum data requirements needed for the 3Ms Methodology.
* Gather, report, analyze initial 3Ms Methodology data
* Establish and facilitate first EPMO 3Ms meeting
* Deliver a library of easily accessible user guides for Project Managers, Resource

Managers, Team Members, Sponsors and Executives for 3Ms Methodology

* Develop and implement processes to enable all project managers to deliver on holistic performance standards prescribed by 3Ms Methodology
* Add/hire staff to take on roles that provide effective 3Ms Methodology Enterprise support.
* Implement necessary training/education/development of the 3M Methodology processes.

**Impact Analysis**

|  |  |
| --- | --- |
|  **Stakeholder** | **Impact**  |
| ***Executives including:******CEO, CIO, CFO*** | Executives will have a standard view of how their project capital and resources are measured against all strategic projects. This enables more informed decision making, and what-if scenario planning. Executives will have improved information around the implications of timeline constraints and scope changes. All projects will be prioritized by the executives. |
| ***Project Management Offices*** | Project Management Offices will have access to 3M processes, to a portfolio view of their collection of projects, and detailed analysis of how their project resources are performing.  |
| ***Project Managers*** | Improved project management competencies, standardized life cycle, planning and scheduling methodologies, help with resource issues, issue tracking, and collaboration will help reduce project overruns. Most project managers will need training to leverage the capabilities of 3M methods provided. Sponsor support will be significantly enhanced. Cross-functional executive support will be more visible. |
| ***Team Members*** | Team members will be called on to help improve delivery. They will better understand the link between their work and the organization’s goals through the 3Ms processes. Team members will not make decisions on task priorities. Cross-functional barriers between team members will be broken down to improve work flow and quality. |
| ***Resource Managers*** | Project priorities will be clear. Conflicts between project and resource managers will be significantly reduced through the 3Ms methodology application. |

**Critical Success Factors**

* Executive and EPMO/Project Management Office support across the organization.
* 3M Methodology Project Management Training and Skills Development at every level of the organization.
* Quality marketing of the 3M Method, its tools and support.
* Effective 3M tool training.
* Executive ownership of the 3M Methodology process and standard

**Section 3: Approach**

**Proposed Solution**

A project team, consisting of five senior project managers, will assemble initial data and select and implement all initial 3M methodology tools and data structures. This will allow for the project team to focus in on the hard and soft tools needed to further develop project management delivery rigor and discipline throughout the organization.

Alternatives Considered

* Continue to manage projects as we do now (lack of common measure, and procedures). This alternative was eliminated because the opportunity represents over $xx million to our organization’s bottom line.
* Minimum infrastructure – Begin with one senior project manager, no formal process governance and no tools. This alternative was eliminated because an optimistic estimate of the amount of work required is several person years. Our organization cannot afford to wait that long for the results. Also, three members of the executive committee were involved in the assessment of capital investment for tools. They concluded that such tools are 100% vital to improving competitive business advantage by linking project progress to the personal performance standard.
* Temporary infrastructure – Build a PMO and disband it once the initial objectives are accomplished. This alternative was eliminated because we believe that the PMO will prove that it will continue to provide outstanding ROI from improvement in project execution resulting from the 3Ms application. In fact, this is one of the metrics that the executive team will use to continually evaluate overall 3Ms process performance.

**Assumptions**

* 1. Deficient project managers will need to attend 3Ms Methodology Concept Course
	2. All project managers who are managing portfolio projects will buy-in to the 3Ms Methodology project guidelines, including using a standard 3Ms Methodology Suite as the project management measurement tool.
	3. All organization units will ultimately use the 3Ms Methodology tool to report status of their top projects.
	4. 3M Method and other training will be provided for all employees at every level. Executives will be vocal and positive in support of this training.
	5. 3M Methodology Tool functionality will drive all organizational processes.

**Obstacles**

* Finding qualified resources to support the 3Ms Methodology project.
* Defining the best way to incorporate 3Ms method into every Functional Unit’s need without sacrificing the need for a common structure.
* Buy-in of Functional Units to move approach to 3Ms Methodology project management and utilizing the 3M tools made available.

**Stakeholder Expectations**

|  |  |
| --- | --- |
| **Stakeholder** | **Expectations:** |
| ***Executives including:******CEO, CIO, CFO*** | Reports, views, of project performance based on standard 3M measures will provide timely, accurate, and relevant information for improved cross-collaborative decision making and strategic objective realization.  |
| ***Project Management Offices*** | Improved ability to view project delivery performance, to further develop their project managers' skill sets, and the capability of leveraging learning from past projects. They will also look for corporate support. |
| ***Project Managers*** | More stable, more advanced measuring tools and processes to assist them in planning and actively managing their projects. They must be able to efficiently and effectively control their projects, while maintaining a collaborative environment. There will be much less resource contention. |
| ***Team Members*** | An easier method of tracking their personal performance. There will be much less conflict between project work and operational duties. Opportunities to do more in value for the business will become observable for the team member. |

**Project Organization**

An organization chart for the 3M project is located in Appendix I (include chart for your organization). Core team members and time commitments are identified in the Project Resource Plan in Appendix II (include list of team members and planned commitments).

**Procurement Plan**

Jane Smith and John Doe have been our primary negotiators from Corporate Purchasing. We have negotiated a purchase price for 3M software, and have surrounding agreements for maintenance, training, and consulting. In addition, we have a master consulting agreement in place with <any supplying company name>, to provide implementation consulting, training development, and project manager mentoring. We continue to evaluate alternatives in acquiring implementation expertise from external providers as opportunities arise.

**Communication Plan**

Upon executive authorization, the team will:

* develop a welcome packet for participants – include background, expectations, schedule, key contacts, overview of the 3Ms Methodology processes, etc.
* develop training materials and presentation for 3Ms training in the new tools, reporting and delivery acceleration strategies
* conduct 3Ms training for pilot participants
* provide weekly communications to pilot participants – status, results, recommendations for improvement and request for feedback
* Provide one-on-one 3Ms methodology mentoring to discuss experiences and concerns
* Provide 3Ms project status updates, portfolio analysis and recommendations to executive management at critical junctures
* Hold regular meetings with participants to discuss experiences, concerns, successes
* Provide a pilot summary report for all key audiences
* Create content for the EPMO website regarding the 3Ms Methodology activities, project managers’ testimonials as they use the 3Ms approach (including FAQs, Issues, etc..)
* Adapt pilot 3Ms Methodology welcome packet to meet the needs of each new group of users – distribute prior to communication
* Conduct 3Ms Methodology awareness sessions during business unit rollouts
* Coordinate with business unit contacts to promote the 3Ms Methodology within their business unit
* Present 3Ms Methodology results/findings and future outlook at a Project Management Network Meeting
* Provide a conclusive rollout summary to all key audiences at the end of the 3Ms Methodology implementation

**Change Control Plan**

As potential changes to the project base-lined scope, time and budget are identified, they will be documented by the EPMO Implementation Manager, logged, distributed to the Change Control Committee and core team and reviewed weekly (unless urgent). For urgent change matters, an emergency teleconference or meeting will be convened. The Change Control Committee consists of the EPMO Director, CIO and CEO.

The core team will first review changes and escalate questions and recommendations to the 3Ms Methodology project executive sponsor and business unit contacts as appropriate. Once the change has been accepted or denied, the request resolution is documented and the appropriate project documents are also updated to reflect any changes. The EPMO Implementation Manager will be responsible for managing this process.

***Section 4: Risk***

**Risk Identification Matrix:**

3Ms Methodology implementation team is planning to mitigate.

|  |  |  |
| --- | --- | --- |
| **Description of the Risk** | **Quantification of the Risk** | **Risk Response** |
| May have difficulty acquiring the appropriate core team, business unit and external consultant resources needed for the project.Too much delay in acquiring or assigning resources could result in a delay in critical path activities | This is considered a high impact risk. .  | Work closely with resource manager to assess and respond to resource needs. Identify staff needs as far in advance as possible to allow enough lead-time for acquisition. Keep sponsor updated on resource issues and escalate as needed.  |
| Project Team needs to coordinate with multiple departments/ business units. This could result in communication breakdowns and spreading core team support too thin during pilot and rollout.We can also be at risk that the 3M Methods might not be in alignment with some existing functional unit processes. | This is considered a high probability and high impact risk. | Detailed marketing and communication plan for how to handle cross functional unit communication. Align core team members to focus some of their efforts on specific business units. Investigate staffing a position to specifically work with business unit configurations and implementations.  |
| Lack of buy-in for the 3Ms Methodology Implementation Project at the senior management level will reduce or eliminate the enterprise level benefits we are targeting to achieve from implementation. Employees may also resist cultural changes that would result from tool implementation. | This is considered a high probability and high impact risk. | Leverage functional unit contacts to uncover concerns / issues and develop a plan to address those at the functional unit level.Leverage executive owner and sponsor to uncover senior management concerns / issues and develop a buy-in presentation. We will not proceed with implementation until we have secured majority executive team support.Work with functional unit contacts to uncover cultural change issues and incorporate a plan to address those during the functional unit rollout. |

**Section 5: Costs and Benefits**

**Project Costs Breakdown as Follows:**

|  |  |
| --- | --- |
|  **Cost Category** | **Costs** |
|  | **Year 1** | **Year 2** | **Year 3** | **Year 4** |
| ***Project Costs:*** |  |
| *Internal Resources* | $136,000 |   |  |  |
| *External Resources* | $251,600 |   |  |  |
| *Other Project Impacts (Training)* | $100,000 |  |  |  |
| ***Total Project Cash Outlay*** | $487,000 |   |  |  |
| ***Ongoing Costs:*** |  |  |  |  |
| *Internal Resources* |  |   |   |  |
| *Equipment (Maintenance)* |  |  |   |   |  |
| ***Total Ongoing Cash Outlay*** |  |   |   |  |
|  | ***Total Costs*** | **$487,000** |   |   |  |

**Project Resource Costs Summary for Executing/Controlling Phase:**

1. Project Manager – Project Executing/Control Phase 17 weeks – 100% (External) $102,000
2. 3Ms Strategist Lead –Executing/Controlling Phase 17 weeks - 50% (Internal) $34,000
3. Project Management Integration Project Leads (2) – Executing/Controlling Phase 17 weeks – 50% each (Internal) $34,000 each
4. Training/Education Coordinator Lead – Executing/Controlling Phase 17 weeks – 100% (External) $74,800
5. PMO Help Desk Lead – Executing/Controlling Phase 17 weeks – 50% (Internal) $34,000
6. 3Ms Trainer/Mentor - Executing/Controlling Phase 17 weeks – 100% (External) $74,8000
7. Facility, Training and Equipment Support – $100,000 (estimated)

**Project Benefits Include:**

|  |  |
| --- | --- |
| **Benefit Category** | **Benefits** |
|  | **Year 1** | **Year 2** | **Year 3** | **Year 4** |
| ***Tangibles:*** |  |  |  |  |
|  | Support the implementation of project management standards |  | $1,920,000 | $1,920,000 | $1,920,000 |
|  | Identify project risks and (resource) constraints |  | $1,584,000 | $1,584,000 | $1,584,000 |
|  | Development Cost Improvements for 60 projects |  | $7,500,000 | $7,500,000 | $7,500,000 |
|  | Portfolio Management |  | $12,000,000 | $12,000,000 | $12,000,000 |
| ***Intangibles:*** |  |  |  |  |
|  | **Total Benefits** |  | $23,004,000 | $23,004,000 | $23,004,000 |

Benefits can be Verified Using the Following Measures:

**Support the implementation of corporate project management standards.**

According to the Gartner Group (August 1, 2000), projects following a standard lifecycle

are more often completed on time, on budget, and within scope.

Estimated Savings:

# of projects \* # of people \* average hourly rate \* hours saved

Example: 20 Projects x 10 People x $60/hour x 40 hours/week x 4 weeks = $1,920,000

This example assumes time to market will be reduced by four weeks for 20 projects. Of course, the additional revenue that can come from new products delivered to market more quickly can make these benefits pale by comparison.

Verification: Baseline scheduling and cost estimates along with scope definition will be tracked and reported on a monthly basis.

**Identify project risks and (resource) constraints**

EPMO tools (3Ms Methodology) will require project managers to examine their projects for risks, dependencies, constraints and impacts on the business. Using rigorous standards to move projects from the planning to execution phase will reduce organizational costs.

Estimated Savings:

# of projects \* # of people \* hourly rate \* hours

Example: 6 Projects x 10 People x $60/hour x 40 hours/week x 11 weeks = $1,584,000

The Gartner Group estimates that proper risk identification will result in the cancellation of 20% of projects before the execution phase. In the example above, savings assumes 6 projects will be cancelled before execution begins. The time savings are the average for the execution and subsequent phases.

The benefits are actually much greater than portrayed. These resources can be used to execute other projects, which bring far greater value than just the cost savings.

Verification: The EPMO will track the number of projects in the project portfolio that were cancelled because of risk and impact on the organization.

**Development Cost Improvement**

By the end of 200X, the enterprise will go from tracking less than half of the portfolio projects to more than 75%. Payback will occur from having better information to make decisions on the deployment and use of resources and capital. In addition, the significant increase in visibility, cross-functional executive support and tracking of these projects will enable the portfolio of projects to accelerate their delivery.

Estimated Savings:

Average aggregated budget of (60 active projects) projects in portfolio annualized = $150,000,000.

A 5% annual delivery improvement in time and budget for the projects in the portfolio = $7,500,000.

Verification: The Executive Team will recognized delivery improvements as reported in the EPMO Portfolio Reports. These reports will illustrate comparable difference between base-line delivery forecasts and current progress at a summary level to enable management decision action.

**Portfolio Prioritization**

The portfolio along with the EPMO Phase Review will answer the question: “Where do high-priority projects stand?” According to the Gartner Group, “Project delivery rates directly impact customer satisfaction, IT’s value to the business, the enterprise’s competitive edge, market share and profitability. A project portfolio management capability includes a set of organization-specific metrics pertinent to project delivery”.

 Estimated Savings:

Elimination of 10 projects, at an average cost of $1,200,000 or annualized for a total expected savings of $12,000,000.

This assumes that the project portfolio along with the EPMO phase review process assists management in making the decision not to implement a portfolio project based on organizational priorities.

Verification: The EPMO will use the 3Ms Methodology with the portfolio management process to review and identify the number of projects that actively follow the lifecycle and use the project control tools in the everyday management of the projects.

***Section 6 Time-line***

**Project delivery timeline summary:**

1. Project Planning Phase completed by 6/3/200X
2. Project Executing/Controlling Phase completed by 11/6/200X
3. Project Closing Phase commenced by 12/3/200X
4. Project completed by 12/31/200X