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MANAGEMENT CONSULTANTS

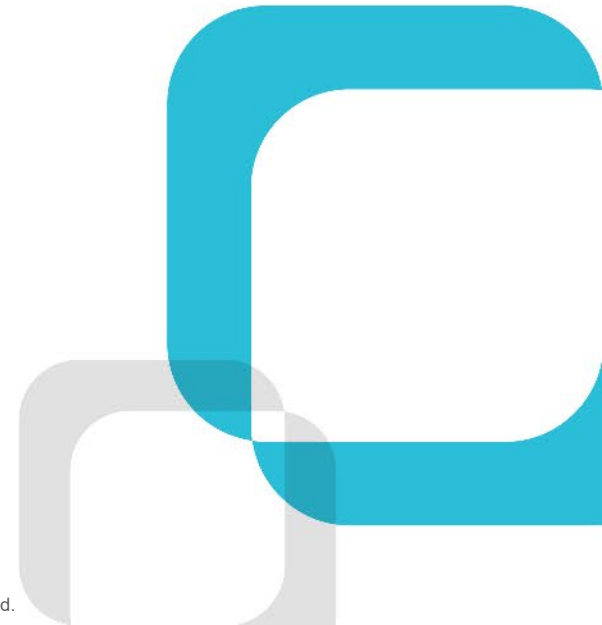
**Smart. Focused. Done Right.®**



# Six Symptoms Indicating You Need to Revamp Your Project Management Process and Controls

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December 2022



# Why Is This Important?

The realization of an enterprise or business strategy is directly linked to how the organization selects, plans, funds, executes, and monitors key projects and initiatives. This relationship is illustrated in the diagram below:



- Failure to successfully manage and execute projects coherently across the organization will have a direct impact on the health and success of the overall strategy and, subsequently, on business results
- Recognizing whether your organization does this well might be what sets you apart from your competition
- Having a robust project management process, systems, and controls will mitigate the risks associated with how the organization plans and executes projects and initiatives

It is of critical importance to continuously assess your organization to identify and address any gaps that impede the organization's ability to execute projects successfully and in alignment with the overall strategy.

But, how do we know if we have any issues?

# The Symptoms

Effectively managing projects throughout their entire lifecycles is an internal capability desired by most organizations. Leading practice organizations proactively identify issues with their project management practices and successfully deploy corrective actions and controls.

Here are six symptoms that could indicate your project management practices could use a refresh and some questions to ask your organization:



## Inconsistent Project Selection and Prioritization

- Does each department or business unit have its own method for selecting projects?
- Are projects selected without considering other projects across the organization?
- Is project selection explicitly tied to the corporate strategy?



## Reallocation of Funds

- Are you frequently moving capital funds from one project to another?
- Are projects often rolled from one fiscal year to the next due to lack of funding (or loss of it)?



## Inability to Meet Budget Targets

- Is there a “rush” at the end of the fiscal year to spend capital or operations and maintenance dollars to meet budget?
- Are capital expenses often substantially above or below the budget for the fiscal year?



## Inconsistent Project Execution and Controls

- Are projects managed along the lifecycle using a standard set of “stage gates”?
- Are project controls in place? If so, what are they? How are risks and issues being tracked?
- Are projects evaluated post-completion to ensure they delivered the promised benefits? Are vendors evaluated and held accountable?



## Limited Project Execution Metrics and Reporting

- Is reporting on scope, budget, and schedule consistent across the board?
- Are reports automatically generated or do they require a lot of “manual” intervention?
- Are performance metrics to track progress over time linked to other enterprise systems (e.g., financial systems)?



## Lack of Project Documentation

- Is it hard to find project-related documentation and “as-built” drawings?
- Does each organization control how project data and documents are stored? Is it consistent?

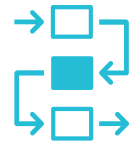
# The Solution

**Best-in-class project management organizations 1) have clear governance over project selection and prioritization, 2) implement project management practices that adopt a standardized project management process for all project lifecycle stages, and 3) deploy project management software to manage the process, track progress, and enable automatic reporting.**



## Clear Governance of Project Selection and Oversight

- Establish organizational body and process that governs and oversees the collection of projects as a coherent, integrated portfolio
- Standardize project selection and prioritization methodology driven by strategic priorities and objectives
- Ensure that program benefits are attained and aligned with organizational goals and strategy



## Standardized Project Management Process and Controls

- Deploy project management standards and stage gate controls
- Establish clear roles and accountabilities throughout the project lifecycle
- Accelerate training and change management efforts
- Verify consistent use of project controls and quality management practices



## Project Management System and Automatic Reporting

- Establish single source of truth for project goals and performance
- Review all projects as an integrated portfolio
- Develop automated project workflows and approvals to improve controls and efficiency
- Deploy automatic reporting by integrating with data analytics and visualization tools (e.g., Power BI)

# The Benefits

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The following are a few of the key benefits of leading practice project management organizations:



## Portfolio-level View

Manage the portfolio of all projects at the **organization or department level** rather than project by project to ensure the **best outcomes** for the organization.



## Efficient Project Selection and Prioritization

Enhance the selection and prioritization of the **right projects** to pursue with outcomes that clearly **trace back to strategic objectives and deliver**.



## Standardized Process

Standardize the execution of projects to **ensure on-time, on-budget delivery** with the expected outcomes and ensure all projects are managed together as one portfolio.



## Enhanced Visibility

Enhance the visibility into projects across the organization to **improve decision-making and resource allocation**.



## Improved Financial Performance

Use fiscal discipline with a clear understanding of the capital and labor required to deliver on a given set of projects and **ensure budget and expense targets are being met**.



## Increased Accountability

**Improve governance and accountability** for the selection, prioritization, and execution of all projects.

# Case Study

## CHALLENGE

A vertically integrated public power entity was seeking to strengthen its project management capabilities and improve its strategic enterprise project portfolio management. The objective was to stand up a project management office (PMO) organization, develop the governance, policies and procedures around project portfolio management, and deploy a system through which to manage and oversee all projects. In close coordination with the client, ScottMadden led the creation of the PMO, developed the policies and procedures, and configured the project management system.

## PROCESS

- Developed the governance, policies, and procedures for enterprise project management
- Configured and deployed Microsoft Project as the enterprise project management solution with workflows and approvals tied to the project lifecycle
- Developed and deployed automations with Microsoft Power Automate to capture regular project status updates from the project managers in the desired format
- Developed and deployed project reporting and analytics in Microsoft Power BI to provide actionable insight and support management oversight of the project portfolio

## RESULTS

- A standardized approach to project selection, leading to better business outcomes aligned with the strategy
- Enhanced oversight leading to improved compliance and the resolution of multiple audit findings
- Centralized management of hundreds of projects across the enterprise with ease of visibility via web-based reporting and analytics
- Facilitated automated report generation for federal grant agencies on a multibillion-dollar program



# How We Can Help

ScottMadden has helped many companies improve their project and program management capabilities. Whether enterprise-wide or a select department, we can help you in all areas.



## Clear Governance of Project Selection and Oversight

- ✓ Capital and Business Planning Leading Practice Assessment
- ✓ Governance Structure and Organizational Design
- ✓ Project Prioritization and Selection Methodology
- ✓ Development and Implementation of Policies, Processes, and Procedures
- ✓ Implementation Support for Selected Future State Organizational Design



## Standardized Project Management Process and Controls

- ✓ Project Management Leading Practice Assessment
- ✓ Development and Implementation of Policies, Processes, and Procedures
- ✓ Development of Project Management Tools and Controls
- ✓ Development and Implementation of Project Management Stage Gates
- ✓ Implementation Support for Selected Assessment Recommendations
- ✓ Change Management and Training Support (e.g., training sessions, training guides, workshops, and more)



## Project Management System and Automatic Reporting

- ✓ System Evaluation and Selection Support
- ✓ System Configuration and Process Workflow Automation
- ✓ Project Reporting and Data Analytics in Microsoft Power BI
- ✓ Change Management and System Training Support (e.g., training sessions, training guides, workshops, and more)

# Contact ScottMadden Today

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Overcome your project management challenges. Connect with ScottMadden to fast-track your ability deploy/improve project and portfolio management leading practices with the right tactics to make a lasting change.



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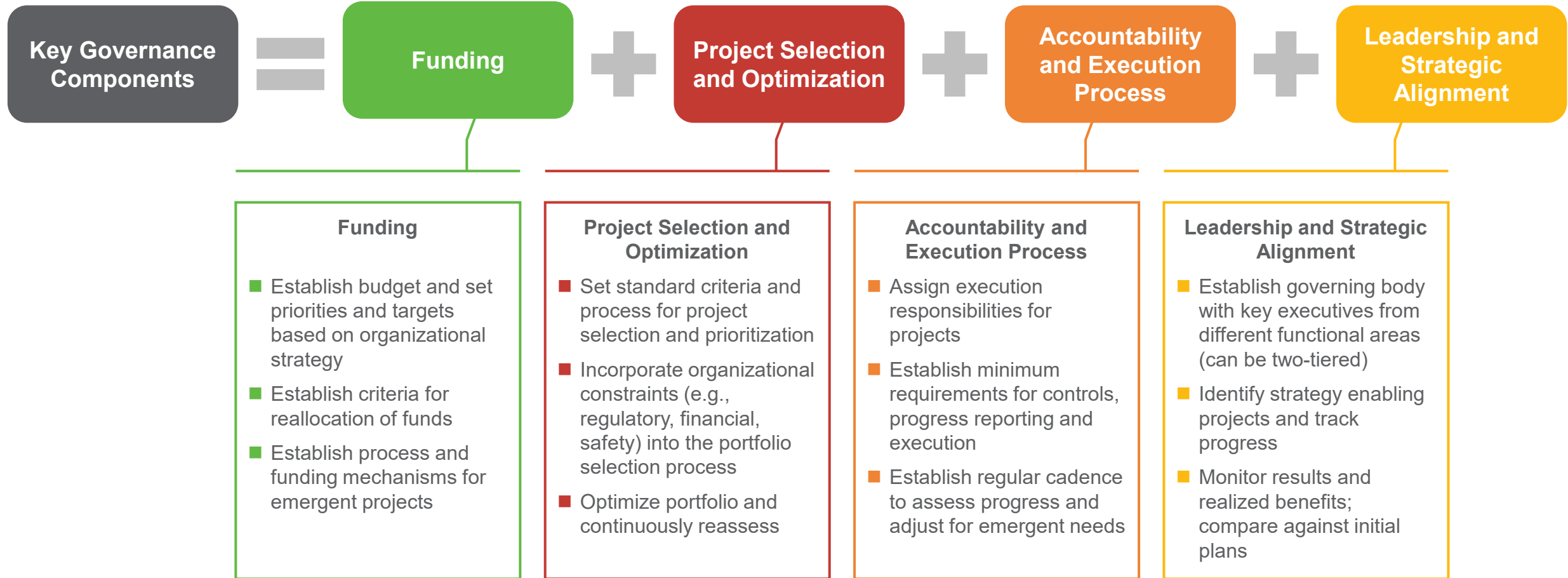


# Appendix – Related SOV Concepts



# The Governance

Leading practice organizations do this to govern and oversee their portfolio of projects:



# The Process

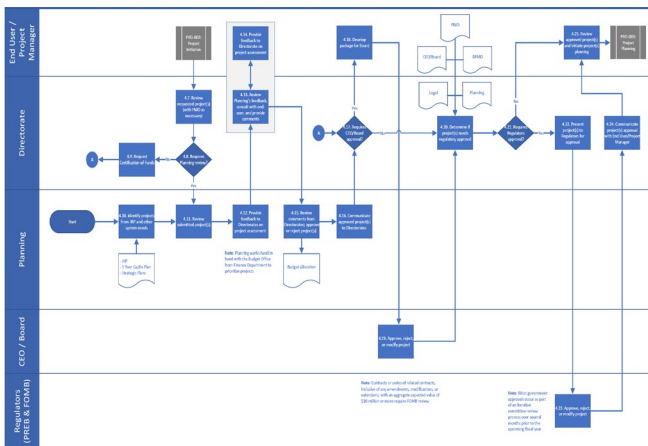
Process and controls SOV

A project management process establishes how the organization will execute projects, where accountabilities reside, and how execution progress is monitored. Ensuring the organization adopts these practices requires robust change management plans—often overlooked but critical for a successful implementation.

## How is the work executed?

Project management policy, process(es), and procedure(s) are used to describe how the work will be executed. This includes roles and responsibilities of all the key stakeholders involved, minimum requirements for each project lifecycle stage and process flowcharts.

Process Flowchart Example



## How do we monitor progress?

Project controls are created to measure and track how the existing processes are being used and mitigate the risk associated with non-compliance (i.e., employees not utilizing the approved process and procedures).

## How is the process adopted?

Change management must be considered for all projects or initiatives. The nature of a change and organizations affected can vary from simple to very complex. The aim of change management is to help organizations realize the benefits or value of each project or initiative. Failure to deploy change management plans correctly could result in poor investments and unrealized benefits.

Project Budget Template Example

Input Section					
Project Name: Project X					
Project Manager	Gerardo Morales	#	Account Number(s) / Description	Funding Source For Item	FY Budget Per Item
Project Number	TBD	1	00001178653	Capital	\$4,500,000.00
Start Date	2/1/2026	2	00001178655	OM	\$3,000,000.00
End Date	6/30/2027	3			
Fiscal Year (Select One)	FY 19-20	4			
Total Project Budget	\$9,500,000			FY Project Budget	\$7,500,000

Invoice Metrics vs Total FY Budget		Payment Metrics vs Total FY Budget		FY Forecasted Cost	
FY YTD Invoice Amount	% Utilization of FY Budget	FY YTD Paid Amount	% Utilization of FY Budget	YTD Forecasted Cost	
\$0.00	0%	\$0.00	0%	\$6,375,000.00	
FY Balance Available	Budget Metric Indicator (Invoices)	FY Balance Available	Budget Metric Indicator (Payments)	Total FY Projected Cost	
\$7,500,000.00		\$7,500,000.00		\$7,500,000.00	

Account # 1 Metrics Only			Account # 2 Metrics Only		
FY YTD Invoice Amount	FY YTD Paid Amount	YTD Forecasted Cost	FY YTD Invoice Amount	FY YTD Paid Amount	YTD Forecasted Cost
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
% Utilization of FY Budget (Invoices)	% Utilization of FY Budget (Payments)	Total FY Projected Cost	% Utilization of FY Budget (Invoices)	% Utilization of FY Budget (Payments)	Total FY Projected Cost
0%	0%	\$0.00	0%	0%	\$0.00
FY Balance Available (Invoices)	FY Balance Available (Payments)		FY Balance Available (Invoices)	FY Balance Available (Payments)	
\$4,500,000.00	\$4,500,000.00		\$3,000,000.00	\$3,000,000.00	
Metric Health Indicator (Invoices)	Metric Health Indicator (Payments)		Metric Health Indicator (Invoices)	Metric Health Indicator (Payments)	

Change Management Checklist Example

Attachment 1 Change Management Toolkit Checklist			
on change:	Implementation of standardized project management processes, templates, and artifacts within the PMO, T&D, and Generation	Change Agent: Mireya Rodriguez	Change Target: All PMO Staff
Item	Briefly Describe Resolution/Solution (if not applicable, explain why)	Tools to Be Developed to Support the Change	
Definition: Objectives of the change have been clearly defined. The sense of urgency, if major opportunity to be gained through the implementation of this change initiative have been determined. A "good start" is essential to long-term success as even seemingly straightforward projects must be thoroughly "scoped" to ensure attention is focused on essential elements and variables. An effective team is formed only through deliberate actions, starting with clarification of roles, responsibilities, and expectations.	Objectives – implement and standardize project management process in PMO Opportunity – bring structure to PMO, be able to track and report on project status Urgency/timing – Phase I training in Nov/Dec; Legacy projects updated by X date; New projects begin with process on X date	Kickoff meeting / message from PMO Communicate change schedule during sessions Include schedule and timing in FA Create job aid – "Dates to Remember" or Charter Success Criteria	
Initiation: A focal point or a Change Sponsor to implement the change has been named. The change team has been constructed as appropriate. Be sure to have aligned and identified at each site to facilitate PREPA-wide change. Change Management initiative follow-up (to/gates) have been established, and the means to support the change have been	Overall PMO change sponsor – Fernando T&D change sponsor – Mireya Rodriguez change sponsor – Jamie Follow-up methods/roll/gates – Report on progress in monthly staff meetings	Monthly report tracking rate of change number of legacy projects transitioned Identify new projects not initiated	
requirements for Implementation Plan: Understand the expected and realized impact on the organization from the change is essential to evaluating the success of the change	Org structure and PPPs are all new/old not currently exist	Documented policies, processes, or procedures	
Expectation after implementation and "go-live" date is that everyone in PMO will adhere to the new project management process and procedures	Expectation after implementation and "go-live" date is that everyone in PMO will adhere to the new project management process and procedures	Process training package Follow-up training sessions continue 'date' Quality Specialist and Governance	
Understanding the current performance is essential to determining the effectiveness of			

# The Systems

Project management system and reporting SOV

Project management systems are used to track and control projects throughout all lifecycle stages. It enables collaboration, communication between project stakeholders, process automation, and digitization of project controls and artifacts (i.e., risk log, issues log, etc.).

**Project Home**  
Project Details: 1-3 Renewable PPOA Renegotiation  
Status: Checked-in Last Modified: 11/10/2020 9:48 AM

**Project Details**  
Project Information: Basic Info  
Schedule: Name \* 1-3 Renewable PPOA Renegotiation  
Strategic Impact: Specify a name for the EPM Project

**Projects**  
Approvals: Critical project information details at our fingertips

Critical project information details at our fingertips

GET ACCESS TO WHAT'S HAPPENING

**Schedule**

Ability to understand where the project stands and the issues we need to address

Ability to understand where the project stands and the issues we need to address

FIND AND FIX THE ISSUES

MAKE A COHESIVE PORTFOLIO

Project ID	Project Name	Workflow Phase	Workflow Stage	Start
100090	FEMA Generation - A	1 - Initiate	03 - PMO Portfolio	12/1/2020
100091	FEMA Generation - C	1 - Initiate	03 - PMO Portfolio	12/1/2020
100092	FEMA Substation - C	1 - Initiate	03 - PMO Portfolio	12/1/2020
100094				
100015	1-2 PPOA Renegotiation	3 - Execute & M	10 - Project Exec	7/1/2020
100022	1-3 Renewable PPOA	3 - Execute & M	10 - Project Exec	7/1/2020
100034	2-1 San Juan Combina	3 - Execute & M	10 - Project Exec	7/1/2020
100025	2-2 Repair of San Jua	3 - Execute & M	10 - Project Exec	7/1/2020
100020	2-3 Costa Sur Remedi	3 - Execute & M	10 - Project Exec	1/7/2020
100026	2-4 Generation Plant	3 - Execute & M	10 - Project Exec	7/1/2020
100027	3-1 Diesel Fuel Supply	3 - Execute & M	10 - Project Exec	7/1/2020
100028	3-2 Bunker-C Fuel Sup	3 - Execute & M	10 - Project Exec	9/30/2020
100017	3-3 Fuel Supply Infras	3 - Execute & M	10 - Project Exec	7/1/2020

Selection of a cohesive project portfolio better aligned to business strategy

SEE IT BETTER

**Portfolio Overview**  
Approved Budget and Proposed Overrun

**Work Breakdown**  
Current Tasks / Real-time Status

**Active Issues**  
Impacted Milestone, Priority, Impact / Mitigation

**Budget State**  
Approved - No Spend / Not Approved

**4-Month Milestone Lookahead**  
Date Range: October 2020 to March 2021

Data visualization to manage portfolio's performance and ensure accountability