



## Publication Review (Template)

**Publication Title:** Simple Solutions (How “Enterprise Project Management” Supported Harvard Pilgrim Health Care’s Journey from Near Collapse to #1)  
**Author:** Lisa A. DiTullio  
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**Reviewed By:** Gus Sanchez  
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### **Executive Summary**

The title really says it all – it’s about keeping it simple. According to the author you should “Serve vanilla. In spite of all the flavors offered, it is still the most popular.” The book follows the trials and tribulations of Harvard Pilgrim Health Care (HPHC), a New England-based health care organization, recounting the creation and evolution of their project management office. The primary message is that “project management translates into good business management”. She highlights ways to implement five easy strategies which she refers to as the “CAUSE” (Communicate, Advocate, Understand, Systemize, Effect), providing lots of examples, templates and advice along the way, including a case study which follows one of their projects through its entire life cycle.

### **Detailed Review**

#### **Background (and some notable business/timeline items)**

**1995** – Two, prominent, HMOs, Harvard Community Health Plan and Pilgrim Health Care, combined to form HPHC. – Approx. 1M members

**Late 1990s** – Expenses rise faster than plans can trim costs. New technologies, new drugs, aging baby boomers all hurting profits. Provider networks expanding and forcing new contract negotiations.

**1999** – Multiple systems, still not “talking to each other”. Hospitals and docs frustrated by their inability to pay. Some understood, some thought it intentional. They begin referring patients elsewhere. In May, the CEO & CFO abruptly resign. 1998 losses approx. \$94M. Fragmented computer systems to blame.

**Jun 1999** – New CEO, Charles Baker. 150-day campaign (Aug – Dec) – *Representing beginning stages of PM discipline at HPHC*. Campaign goals: Consolidate Management / outsource IT / 3-tier formulary (and changed vendors – *case study project*) / exit RI market / re-write contracts and include SLAs.

**Jan 2000** - MA puts HPHC under receivership. Court order to monitor all finances. Done in name of protecting MA residents and ensuring continued health care. Losses were at approx. \$225M.

**Mid 2001** – Stayed the course. Op & Fin profit for Q1 at \$4M. Members kept leaving. Bottomed out at about 739K members.



**2002** – Introduced “Best Buy HMO” – lower premiums and features like deductibles and co-pays. Expanded to ME and NH.

**Jun 2006** - MA Supreme Court officially releases them from further oversight. Noted that turnaround was much quicker than predicted. The plan worked! By end of 2006, they had 996K members and a profit of approx. \$70M.

**Dec 2006** – >1M members. In partnerships with United Healthcare offering national coverage. They were rated the #1 health care plan in America, by US News & World Report.

**Mar 2007** – JD Power & Associates, in their survey, found HPHC ranked highest in New England and had the highest score in the country. – For the last 5 years, Boston Business Journal ranked it one of the Best Places to Work.

### **PMO Basics**

- Companies must create a strategic plan. Projects are the building blocks for executing that plan. PMOs can help organizations deliver on their goals and objectives.
- HPHC PMO consists of 5 people: 4 PMs and 1 Director. Two PMs act as full-time consultants, providing support, education and guidance to other PMs. The other two float between managing projects and consulting. Together, they support approximately 40 large, cross-functional projects.
- PMO Placement – Traditionally, these are in IT. Today, most business plans include a variety of corporate priorities, even outside IT. So, where is the support for this corporate business plan? How does the organization know which projects are important, and whether or not they’re on track? The key is to have one corporate unit, at the enterprise level, supporting the business plan. You can still have multiple PMOs, but the EPMO is like the “air traffic controller”.
- You, absolutely, need senior level support! Get executive buy-in!
- Creating a PMO – A strong PM does not necessarily make a strong PMO leader. A successful PMO leader understands the business, culture and politics of an organization.
- When rolling out the PMO, don’t focus on the tools or technical aspects. Market project management as “business management”. Don’t force your language or process. Relate to staff on business and logical level.
- Implement it in phases, and fight for the CAUSE (see below)

### **Strategic Portfolio**

- An organization must set the “right agenda” and select projects that align with their goals (in HPHC’s early days, there wasn’t much time to formalize this – the PMO’s role was primarily that of facilitator and issue tracker).
- The PMO’s role is to assume a neutral position and guide the enterprise through the project selection process.
- The PMO must remain strong in its position to never be the decision-maker. Decisions on projects fall to senior executives.
- The PMO supports (not leads) strategic planning through facilitative, analytical & supportive activities and guiding the organization through tactical planning.
- To guide the portfolio process, the PMO needs some fundamental capabilities, such as:
  - A process for project prioritization and selection



- Understanding of budget and resource capacity
- Commitments to use the process
- Ability to measure portfolio success
- Willingness to improve based on customer feedback
- Project prioritization is hard to establish. Again, try to make criteria simple.
- HPHC uses a 3-phase approach to project selection:
  - 1 – Nomination – Bus Opportunity/Project Goal/Expected Bus Outcome/... - can take up to 2 months to complete. PMO is important here because they don't own any of the projects.
  - 2 – Prioritization – Establish criteria and make sure everyone understands them. Use a pairwise grid (aka "poor man's hierarchy"). Not a conclusive exercise, but good base for discussion. Frustrating, but necessary. HPHC also uses a dependency map and portfolio balancing map to help with selection.
  - 3 – Selection – Resource requirements is the most difficult/onerous task.
  - Balancing the Portfolio – New initiatives/priorities **must** be considered. Use the **same** process (phases 1-3), to keep things simple.
- CAUSE
  - Communicate
    - Vision – Real organizational power is achieved when everyone understands the vision and recognizes how everyone can contribute to its success. PMO plays key role in communicating headlines throughout the organization so there's global understanding of the commitment to delivery of business plan. **Project communication is the hub of PMO existence** – traditionally, they focused on project activities only.
    - Business Plan Communication – The communication plan helps staff understand business plans, priorities (and why), what is expected, and what is expected of them. – Create simple messages and try to make them memorable, then repeat, repeat, repeat (e.g. At Avis, we try harder).
    - Manager Took Kits – Information must flow. Managers should be able to deliver information (preferably face-to-face) in a consistent manner. Took kits help.
    - Use a Multi-Channel Approach – Newsletters, Intranet, CEO & Management briefings
    - Use an "Event" – HPHC uses a "trade show" format. For a half day, booths, focused on specific projects, are set up. Keynote speakers are invited, and skits are performed.
    - Campaign – Newsletters, Portfolio reporting (taking care not to overwhelm with information/details), project status (grn/ylw/red)
    - Successful Reporting – Consistent, repeatable way of everyone reporting information (not content)
  - Advocate
    - The PMO is the promoter/campaigner/upholder of project management practice across the enterprise.
    - Senior executives are the proponents/backers/spokespersons
    - PMs are the evangelists



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- PMO should create a culture of discipline by creating tools and processes to support decision making. At HPHC, they follow the “4 Rs – Responsibility, Responsiveness, Respect in their Relationships
  - PMO Challenge – exhibit **ongoing** value to organization. How? By supporting evolving business needs. Maintain flexibility and know when a new/altered process is needed (or NOT)
  - PMO Support Staff – Support is critical. Staff must convince others that project management is a way of getting work done, efficiently
  - Introduce forms/processes **slowly**. Don’t overwhelm them with burdensome tasks.
  - Senior leaders must lead by example. How? Show interest in the projects. Participate in a team meeting. Extend support to projects in need. Be willing to exhibit public displays of endorsement.
  - Project nourishment – **Roles and responsibilities**. It’s very important that senior managers know this. There are some key questions for defining R&Rs on page 59.
- Understand
    - Business leaders must understand relationship between project management activities and realizing business achievements.
    - PMO challenge – selecting the right balance of training
      - Foundational understanding – methodology, etc.
      - Executive training – focus on topics that promote executive sponsorship (R&R)
      - PM/PL Sessions – brown bags sponsored by EPMO
      - Soft skills
  - Systemize
    - Systemizing is a way to manage the madness and achieve business goals. Begin with a disciplined approach to the prioritization, selection and successful delivery of projects that support the organizations mission and strategy.
    - More than half of companies do not have criteria for defining project success, and many do not track the benefits.
    - PPM process aligns and prioritizes projects with business goals.
    - PM Methodology produces repeatable processes to manage the work. You need to develop a common language. You should answer the major questions – Why? What? How? Who? When? (see page 82).
    - There is no “right way” to develop a PMO. At HPHC, they did not roll out a “life cycle”. It went from reports, to executive reporting, to status reports, to issue management to tools for tracking to, eventually, a project life cycle.
    - Organizations should think of project management as “the daily vitamin that prevents sickness.” But, where does it hurt? You need a process to identify the pain points. Remember, don’t introduce too quickly. Prepare a multi-year plan. Start simple. Don’t build “for the sake of it”. Everything should have a purpose in the organization.



○ Effect

- The best way to assess project management effectiveness in an organization is by monitoring key performance metrics.
- Valuable business (or best) practices don't need to be complex. Here are some of HPHC's:
  - PMO Liaisons – The EPMO offers central PM support. They have dedicated resources. PM must feel safe when talking to liaison. Liaison needs feedback and to share experiences with others.
  - Project Plan Reviews – EPMO must practice “transparent humility” – they are accountable for PM monitoring but must also be aware of their own failure to deliver. PMO liaison conducts monthly project plan reviews with PM/leader and executive sponsor (see questions on page 101).
  - Effective meeting practices – Pre-meeting activities, what to do during a meeting, ending a meeting, assessing a meeting and post meeting (minutes), “Alpha” meetings, and project status meetings (see pages 104-107 for details).

**Other Information/Exhibits**

- Building Real Teams
  - Expected behavior surveys and guidelines (page 120, 123-126)
  - Meeting Management Tools – Agenda, Meeting Minutes templates (pages 139-141)
- What Makes a Great Project Manager?
  - Career path / How to do it / Job Description Template
  - The 4 E's – Enthusiasm, Endurance, Earnest, Efficient
- Lessons Learned
  - Project Closing Checklist (page 161)
  - Project Completion Report, Business Success
  - Lessons Learned Template
  - Promote/Share results!!!
- The Case Study (page 179)

***What did you like MOST about it?***

- The stress on “keeping it simple” (almost a mantra for me now)
- The templates – real-world examples, with good explanations behind them. Very practical and applicable to my organization
- The quotes (Einstein, Dave Barry, Thomas Edison, ...)

***What did you like LEAST about it?***

- Reading some of the generic or beginner stuff, yet again (like the importance of senior management support, etc.)



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***Would you recommend this to others?***

Absolutely! The book was very easy to read. It is chock-full of anecdotes, advice and templates sure to please beginning and experienced PMO managers/team members alike.

***How, specifically, did this help you?***

- I, immediately, hopped on that Lessons Learned template and implemented it in my organization. I had been putting it off (due to other responsibilities), but the simplicity of that form allowed me to move ahead with it quickly.
- I modified my “project request form” to include some of the items listed in the “Nominations” section.
- In general, though some of the stuff is repeated in other books/articles, I still appreciated reading it again. It was presented in a nice, simple “voice”. A lot of this (PMO stuff) is about changing the culture of an organization, and you need repetition to do that. I’ll certainly refer to this book for years to come.