

PMO SIG May 2013 Meeting Summary

Discussion Topic: Vendor and Partner Management

Contracts and Service Level Agreements

- Contracts and SLAs are the traditional tools for managing vendors
- An SLA is a form of contract
- Vendor and Customer need to agree that SLAs are realistic
- Contract can include penalties (e.g. fines) or rewards (e.g. renewal) based on SLA performance

Developing SLAs

- Ask vendor to provide standard SLA
 - Vendor will likely submit what they can easily deliver
 - Vendor's SLA can still be good to use as a starting point
- Legal review
 - Usually required, but can be difficult in brought in early
 - Use Legal as needed or required, but not throughout SLA process

Measuring SLAs

- Use scorecards to measure vendor performance on SLA
 - Scorecards delivered to Procurement (or Contract Manager) to deal with penalties, contractual terms
- Tendency to measure what is easy to measure vs. what is important
e.g. Airline measuring pulling from gate on time, but actual take-off may be long delayed. Customer satisfaction is the important factor, but metric is pulling away from gate.
- SLA vs. Project Plan
 - SLA is tracked against the project plan
 - Project is tracked against the actual
- Metrics for successful delivery
 - Project tasks – scope and requirements, schedule
 - Penalty applied, e.g. dollars for each date late on schedule

Managing Vendor Penalties

- Be prepared for “hardball”
- Once penalized, vendor may retract other resources or services that were provided in “good will”
- Consider the overall value of the penalty vs. risks of relationship souring
- Be prepared to own whatever vendor is providing, in case relationship deteriorates

Vendor Relationships

- Partnership – usually longer term relationship, more at stake
- Simple contract – usually shorter term service

Request for Proposal or Request for Information

- Use open-ended questions to get what you didn't know to ask specifically
- Test vendor's knowledge and experience in delivering what you need

Vendor Selection

- Tools and steps for vendor selection include:
 - Request for Proposal (RFP)
 - Short list criteria
 - In depth review for final selection
 - Negotiation
 - A few "dates" with vendor may be warranted before commitment (get to know closer, test relationship)
- Amount of effort in selection process should be determined by length of service sought
 - A short term contract doesn't warrant all the time and effort of full selection process

Changing Vendors

- Usually a difficult choice to carry out
- Vendor #2 usually at advantage due to circumstances with Vendor #1 (e.g. if Level of Effort estimates or prices were problem, Vendor #2 can address these points specifically)
- Usually easier and better alternative to work out issues with current vendor before launching a vendor change effort

Next Meeting

Next meeting is in June. Topic: TBD

PMO SIG Discussion Topics to Consider

1. PMO Practice
 - a. PMO Resources - Templates, Websites, etc.
 - √ b. PMO Best Practices to support learning and process improvement within project teams
 - √ c. Coordination to roll out Agile in your organization
 - d. PMO Governance and Portfolios
2. PMO Promotion
 - a. Looking at the PMO from the Outside
 - b. PMO Promotion in the Academic World
 - c. Promoting the value of the PMO
 - d. Explaining the benefits of the PMO
3. Organizing and Starting the PMO
 - a. Defining the Role of the PMO

- b. Supporting Organizational Decisions
 - c. The PMO and Cross Organizational Matrix Management
 - d. Lifecycle of a PMO, how to start one and pitfalls at different stages of the lifecycle
 - e. Where should the PMO be migrated into with a company that re-organizes, downsizes?
 - f. Criteria to establish a PMO in your organization - When does it NOT make sense to have a PMO?
 - √ g. Should the PMO be in-sourced or out-sourced? Why?
4. Other
- a. PMO Practices vs. Upper Management
 - b. Client Cultures
 - c. Model PMO Job Descriptions (Maude Fribourg has sample, find others)
 - d. Keeping PMOs Active
 - e. PMO – Current and Future
 - √ f. Working with a Multi-generational Workforce
 - g. PMO Myths
- ★ In progress
√ Completed

Attending: Adella Rosenthal, Agatha Podhaiski, David Morgen, Dorothy Cunha, Howard Paul, Jason Fox, Jeffrey Cohodas, Louis Kural, Marlo Moss, Noreen Thompson

May 14, 2013
8:15 – 9:15 PM

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