



PMO SIG September 2014 Meeting Summary

Discussion Topic: Vendor Management Office Value (Continued)

Discussion continued from June PMO SIG meeting

Metrics used to prove value of Vendor Management Office (VMO)

- Customer Satisfaction Survey
 - Some responders wanted the VMO to do more. VMO is evaluating and responding.
 - Some responders were satisfied with VMO
- Prove VMO is sustaining the value from the vendors
 - Primary focus of VMO value metrics (includes customer survey)
 - VMO is sustaining value beyond year one
 - i) Financial benefits improving
 - ii) Customer satisfaction survey remains positive
 - Some vendor contracts negotiated prior to VMO, but continuing under VMO, with some revisions
- Communication of VMO Metrics
 - Monthly meeting with Steering Committee
 - Weekly meeting with Stakeholders, PMs responsible for projects using vendors

Changes and Challenges to VMO

- Downsizing in organization
 - VMO itself downsized (to 4 people)
 - Overall workload of organization has reduced with downsizing
- Reorganization of VMO under new VP
 - New VP's perception
 - i) VMO is only cost driven
 - ii) VMO needs to focus on quality, avoid risk to quality to save money
 - Senior VP focus on cost control
- Need to demonstrate value and improvement from VMO is still there, even with lower volume of work
- Keep VMO processes flexible to handle some 'gotchas', unusual circumstances

Expansion of VMO

- Expand scope of VMO
 - VMO started with development vendors, potentially expand to hardware
- Managing smaller vendors by same processes applied to major vendors
 - Avoid bad time & material SOWs
 - Avoid vendors not obligated to report on delivery
 - Adding controls and transparency to smaller vendors



Discussion Topic: Vendor Transitions

Transitioning to New Vendor

- Transition plan needs to include
 - Specific transition targets
 - Timeline for transition
- Billable vs. Non-billable transitions
 - Negotiate with vendor to have billable work begin after transition
- Risky to have transition on time & materials basis
 - SOW with deliverables, but no schedule risks uncontrolled T&M for transition

Transitions within Vendor Teams

- Staff turnover or rotation on vendor team
 - Newcomers to team deliver at slower pace due to learning curve and transition
- Negotiation with vendor on turnover/rotation
 - Vendor provides 2 additional, non-billable resources to team
 - i) Begin on the job training, integration into team, familiarity with customer
 - ii) Additional resources cover for time off taken by team members
 - iii) Ready to become full team resource replacements when turnover/rotation occurs
 - Vendor designates Team Leads responsible for mentoring
- Project considerations for team rotation
 - Maintaining customer confidence on team delivery, minimal impact of rotation
 - Provision for non-billable hours in customer project to compensate for transition time and/or learning curve added by staff rotation

Offshore Vendor Transition Considerations

- Negotiate to have resources come onshore (no additional expense) to transition, then return offshore to continue
- Have some Team Leads onshore, responsible for offshore team performance

Next Meeting

Next meeting is in October. Topic TBD.



PMO SIG Discussion Topics to Consider

Proposed Topics (items in bold are recent suggestions)

1. PMO Practice
 - a. **Types of Charters**
 - b. **Using BAs in PMO Models**
 - c. PMO Resources - Templates, Websites, etc.
 - d. PMO Governance and Portfolios

2. PMO Promotion
 - a. Looking at the PMO from the Outside
 - 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
 - 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. **Sphere of control vs outside your control - knowing the difference**
 - b. **Internal Audit Projects**
 - c. **Enforcing Results Offshore**
 - d. Thanksgiving Project Management (Nov 2014 meeting)
 - e. Model PMO Job Descriptions (Maude Fribourg has sample, find others)
 - f. **Several 15-minute talks on PMO topics of interest**

Attending: Adella Rosenthal, Diane DiPaola, Dorothy Cunha, Elton Bates, Gary Venner, Howard Paul, Jason Fox, Wayne Winders

September 9, 2014
8:15 – 9:15 PM

Chair: Jason Fox, PMP
jpjfox@gmail.com

Scribe: Jason Fox, PMP
jpjfox@gmail.com