Enterprise Project Management: A Seven-Step Process for Connecting Business Planning to Project Delivery

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Introduction

Enterprise Project Management (EPM) is the most effective business discipline and system for guiding your organization to deliver your business plan. EPM is based on the principle that your organization’s vision, mission, and objectives are a set of projects. When effectively defined, planned, integrated, and communicated, you are provided with a 360º view of your organization’s ability to define and achieving its objectives. Moving an organization from a siloed view to the 360º view of EPM is a shift that is both technical and cultural. We will provide you with a seven-step process for your organizational shift to EPM.

The Project Corps EPM Vision

Executives and senior managers must be assured that resources are effectively allocated to the projects that will best achieve the organization’s objectives. Similarly, people allocated to projects must have assurance that their efforts are in full alignment with the organization’s objectives. Enterprise project management provides the methods and tools to achieve that assurance.

There are four primary levels of responsibility in EPM: Executive Ownership, Sponsorship, Project Organization, and Project Teams and Resources (see Exhibit 1). Executive Ownership is responsible for establishing the vision, mission, and goals of the organization. Sponsorship is responsible for translating the vision, mission, and goals into tangible objectives to be pursued as projects. The Project Organization is the steward of project success. As the steward, the Project Organization works with project teams to align multiple plans and schedules into an integrated, comprehensive view for Sponsors and Executive Owners. Project teams represent the functional and technical resources who plan and execute activities to deliver in accordance with organizational objectives. Together, the four primary levels work in complete alignment to define objectives and to deliver upon those objectives.

The mechanism for total alignment is in how planning and execution cycles are defined (Exhibit 1). Planning and execution cycles are defined from two perspectives. From a responsibility-level perspective, people are presented with a cycle that allows them to perform their work in a consistent, coordinated fashion within their level of responsibility. From an organizationwide perspective, it is possible to see how each responsibility-level cycle connects with the adjacent cycle to provide a complete organizationwide planning and execution cycle.

The Cultural Shift

An organization’s culture is the product of the interaction between its people, vision, processes, and tools. The successful culture will have intrinsically used processes and tools that allow people to work together effectively in total alignment with the vision. An awareness of and focus on driving a cultural shift is critical to establishing enterprise project management processes and tools in an organization.

There are four primary stages that an organization moves through in a cultural shift: understanding, acceptance, participation, and ownership (see Exhibit 2). From a bird’s eye view, an organization will move through the four stages of the cultural shift in a fairly linear fashion. In the day-to-day efforts, however, it is a different story. Through each of the seven steps, different people will be at different stages of the cultural shift. The key to leading the cultural shift from a day-to-day perspective is being aware of where people are in their “personal” cultural shifts and recognizing activities to move them forward. The awareness and attention to individuals means the numerous “personal” cultural shifts can add up to an organizational cultural shift.

Common challenges can arise around shifts in power and more open sharing of knowledge. It is very typical for the perceptions of an organization’s success to change as more accurate and openly shared information becomes available. People can hold great fear of being exposed by unflattering information. In terms of a cultural shift, an organization must emphasize the opportunities for improvement rather than the evidence of failure as it moves to an EPM culture.

Design Expectations in the EPM Transformation

The most effective and easily adoptable solutions will emphasize:

- Participation in design by stakeholders
- Simplicity and fundamentals
- Scalability for more mature processes and tools in the future.
In designing and implementing an organization’s EPM solution, it is important to remember that it is not realistic to expect a total transformation from ad-hoc planning and execution to a fully mature EPM organization. Trying to introduce too much to an organization too quickly can hinder progress. For example, expecting to implement a full set of earned value measures is unreasonable if the organization is currently challenged with task-level estimating and data collection. In this example, it would make more sense to emphasize building and managing schedules with reliable data before worrying about more advanced measures.

The Roles and Responsibilities in Making the Shift to EPM

The shift to EPM is a project in itself. It is also the opportunity to demonstrate the concepts that will be developed and established organizationwide. The roles and responsibilities of implementing EPM are a reflection of that opportunity.

The Executive Owner
Every successful project must have a leader at the top who is the voice and champion of that project. The Executive Owner must set the vision and direction for the organization’s EPM solution, and must be an ardent advocate of the EPM vision and direction among his or her peer group.

The Sponsor
The Sponsor represents the bridge between the high-level vision and direction, and the day-to-day planning and execution to achieve EPM.

The Project Manager
The project manager has the day-to-day responsibilities of leading and managing the EPM project. This includes detailed planning, definition, and execution, along with communication and reporting.
The Subject Matter Expert (SME)

The Subject Matter Expert (SME) is the key to designing, implementing, and ultimate ownership of the EPM solution. SMEs are people who are experienced with the detailed functions of the organization.

The Stakeholder

There are stakeholders at all levels of the organization. The stakeholders are people who will be affected by the EPM solution. It is critical that stakeholder views are heard, evaluated, and addressed in the design and implementation of the EPM solution. SMEs, the Sponsor, and the Executive Owner will all have stakeholders that they must work with among their respective peer groups.

Seven-Step Process for Connecting Your Business Plan to Project Delivery

Project Corps believes that a seven-step process, very similar to a traditional project flow, is an effective method to lead an organization through a transformation to EPM (see Exhibit 3).

- **Step 1: Assess the Organization’s Capabilities and Challenges.** The assessment draws from fundamental EPM principles to determine how the organization can establish an effective EPM solution specific to its needs.
- **Step 2: Launch the EPM Project.** The commitment to move forward is obtained and the team is formed and prepared.
- **Step 3: Analyze Detailed EPM Requirements.** The transformation from vision to practical reality begins in earnest.
- **Step 4: Design the EPM Model.** The mechanics of how people interact—the decisions they must make, the information they need, and the objectives they must achieve—are defined in detail.
- **Step 5: Build the EPM Tools.** The EPM software and systems are built or configured.
- **Step 6: Validate the EPM Model.** EPM principles are validated and refined using a select group of pilot projects.
- **Step 7: Implement EPM Organizationwide.** The EPM model is implemented across the organization. The successes and lessons learned from validation are used for buy-in.

The seven steps to EPM will be covered in greater detail in the sections that follow.

Step 1: Assess the Organization’s Capabilities and Challenges

While the fundamentals of EPM remain constant, each organization will have its own unique needs and challenges to be addressed. The purpose of the assessment is to determine where the organization is consistently challenged and what type of solution will improve the situation. The outcome of the assessment phase is an EPM vision specific to that organization, along with an estimate of the skills required to implement such a vision. The assessment phase is also the first step in the cultural shift to EPM. Executive stakeholders must understand the general nature of EPM, they must understand and accept their challenges, and they must participate in forming the high-level vision of EPM for their organization.

One effective method for establishing an EPM vision with Executives is to “projectize” the business plan. That is, evaluate their current business plan and convert it to the integrated view of projects that would exist with EPM. This first version of a projectized business plan is key to the vision, in that it serves as a tangible illustration of the capabilities an organization gains with an enterprise project management system implemented.

The activities and deliverables of the assessment are:

1. **Evaluate the vision and mission of the organization.** The values of the organization and where it is headed begin to frame the organization’s unique vision for a solution.
2. **Identify recurring challenges to achieving that mission.** The challenges encountered set up why the organization must shift to a new way of business.
3. **Establish an EPM vision that can solve the organization’s challenges.** An organization’s own EPM vision serves as a common starting point and a common direction for moving forward.
4. **Determine the skills and resources needed to move to EPM.** For many organizations, the move to EPM will be a totally unfamiliar experience. It is important to determine the internal capabilities of resources and supplement as necessary with outside help.

Step 2: Launch the EPM Project

Once Executives have a vision established, it is time to obtain commitment to move forward. The EPM project can be formally launched with an executive briefing session that outlines the vision and magnitude of effort in moving to EPM. Executive commitment
is demonstrated by the allocation of key subject matter experts and other resources to the EPM project.

Once key subject matter experts are on board, they need to be prepared for their roles—not just in practical aspects of their assignment, but also in the cultural shift. One thing that SMEs must understand is that they must abandon a “that’s not how we do it here” mentality in favor of an open, no-limits approach to improving the organization.

The activities and deliverables of launching the EPM project are:
1. Obtain Executive commitment for moving forward.
2. Acquire the skills and resources for the EPM project.
3. Form and prepare the EPM project team.

**Step 3: Analyze the Detailed EPM Requirements**

This is the first step in transitioning from a high-level vision to a detailed, practical solution. As with any project, constraints and boundaries must be defined before moving into the detailed definition and prioritization of requirements. Just as the EPM solution will represent a full alignment of the organization from top to bottom, the definition of detailed EPM requirements must be in full alignment with the Executive EPM vision set forth. Throughout analysis, the definition of requirements and refinement of the vision will occur in an iterative fashion.

The iterative evolution of detailed requirements and high-level vision provides another excellent opportunity for propelling the cultural shift to EPM. Executives and subject matter experts must collaborate and work through understanding, acceptance, and participation to establish the parameters of the solution that makes sense for their organization.

The analysis activities and deliverables are:
1. Define the constraints and boundaries for the EPM model.
2. Identify and prioritize requirements in the areas of:
   - Project definition, prioritization, and authorization from an enterprise perspective
   - Resource capacity planning and allocation
   - Project definition, planning, and scheduling from a detailed perspective
   - Communication, visibility, and reporting from both an enterprise-wide and project-specific perspective.
3. Evaluate and select EPM software and systems based on requirements.
4. Validate with Executives and other stakeholders that constraints, boundaries, and requirements are in alignment with the EPM vision and direction.

**Step 4: Design the EPM Model**

This is the time when the pivotal role of the project organization and the mechanics of the EPM solution are defined. There are two areas of focus in the design phase: improving or realigning existing processes, and developing new processes based on EPM requirements. Point-to-point processes may already exist that simply need to be redefined to an enterprise perspective. The goal is to define an organization-wide solution that achieves total alignment, while taking advantage of an organization’s most successful capabilities and features.

The designed processes become the basis for the software and system configuration. It used to be that planning and scheduling software were literally “out of the box.” Getting started with software was simply a matter of installing it on a PC. The sophistication of planning and scheduling software has increased in conjunction with the increased complexity faced by organizations in meeting their objectives. To make the most of the features of the more sophisticated software, the configuration of the software must be defined prior to any installation. In many cases, this means defining user access, defining data structures, and defining business rules within the software.

The design activities and deliverables are:
- Define EPM roles, responsibilities, and reporting relationships. This is the core upon which processes and tools are defined.
- Design new EPM processes and/or redefine existing processes to an EPM context.
- Establish software configuration and business rules based on EPM processes, roles, and responsibilities.
- Validate alignment of the EPM process and tool design with the prioritized requirements.

**Step 5: Build the EPM tools**

This is the point at which the EPM software and systems are installed and tested. The configurations defined in the design step are built into the system. The build step concludes when the EPM processes and tools are fully designed, built, and integrated.

Build activities and deliverables are:
- Install hardware and software
- Configure software according to processes and business rules
- Validate integration of processes and tools
- Update documentation.

**Step 6: Validate the EPM Model**

The best way to prove the concepts is to test drive them using a select set of projects. Working with a select set of projects provides an opportunity for the newly formed project organization staff to become familiar with their roles and responsibilities, while refining the EPM model.

In determining which projects are suitable to pilot, there are two ends of the spectrum to consider. At one end of the spectrum is the project that is in chaos and requires recovery. The advantage of choosing this type of project for validation is that if successful, you will have provided proof to the most vocal skeptics. The risk of choosing the broken project is that it could be destined to sink regardless, thereby also taking the EPM project down with it.

At the other end of the spectrum is the simple, quick-win project. This is the type of project where the organization universally recognizes the need for the project to be successful, and a motivated team is in place to deliver. The advantage of the quick-win project is that you could take advantage of an already motivated team to adopt the principles and practices defined in the EPM project. Plus the project will be successful, and the EPM principles and practices can be seen as a part of that success. The drawback is that people may observe the inevitable success of the project and in turn question the role of the EPM model in the success.

The activities and deliverables of validation are:
- Acquire and train core project organization resources. The validation step begins to establish the project organization as the steward of the organization’s project success.
Select pilot projects and train their respective project teams. The executive stakeholders must participate in selecting the pilot projects for validation to succeed.

Execute pilot projects under EPM model. This is the test drive for the project organization, stakeholders, and selected project teams.

Refine EPM model based on successes and lessons learned. The successes and lessons learned from validation become the tangible illustration of how EPM functions and why it is needed—information that is critical for momentum through implementation.

**Step 7: Implement EPM Organizationwide**

An effective implementation approach is to truly projectize the business plan, then bring the each project team on board to the EPM model as their respective projects are launched. As each project is launched, a new cross-section of stakeholders at different organizational levels is brought on board. The successes and lessons learned from validation become a pivotal message and teaching tool for implementation.

The activities and deliverables of implementation are:

- **Reaffirm Executive commitment.** Provide an Executive briefing of the validation stage to ensure the Executive commitment exists to move EPM across the organization.

- **Projectize the business plan.** The projectized business plan is the central tool from which EPM functions and is the framework for implementation sequence and priorities.

- **Train stakeholders and project teams as projects are launched.** As projects are launched according to the projectized business plan, stakeholders and project teams are prepared for their new roles and the new tools at their disposal.

- **Provide follow-up support.** The idealized classroom experience will be very different from the real-world experience. Follow-up support is needed to guide people through applying EPM to their unique situations.

**After the Implementation**

Moving through the seven steps will be about focusing on fundamental solutions that are easily adoptable and scalable to increases in EPM maturity. With fundamental EPM capabilities, an organization will be able to:

- Develop strategies, plans, and budget in a continuous, proactive fashion.
- Define, initiate, plan, and execute projects in alignment with the organizationwide strategy and budget.
- Prioritize and allocate resources in alignment with organizationwide priorities.
- Provide consistent performance-to-plan measures, communication, and reporting for all of its projects.
- Establish a consistent project management approach for all divisions and departments.

As an organization becomes more experienced in its use of EPM practices, it will be able to improve accuracy of estimating, scheduling, and performance-to-plan measures. The Project Organization, in its role as the organization’s EPM steward, takes responsibility for continuous improvement of EPM capabilities. Completion of the seven steps to EPM provides tremendous benefits, and is the first stage of a continuous evolution toward improved planning and execution in support of an organization’s vision, strategy, and goals.