

**“With the help of our Project Management Center, VHDA went from Ginnie Mae approval to pooling loans within just four months. Because of the scope of this project, most HFAs would choose to hire consultants to get the job done. Thanks to our PMC, VHDA didn't need to do that.”**

*Pat Carey, VHDA Finance Director*

## **Brief Description of the Project Management Center**

Since its beginnings in the 1950s, the U.S. project management process has evolved into a key factor that helps businesses achieve specific goals and objectives while adhering to the restraints of scope, time, costs and quality. In 2007, VHDA recognized that to more efficiently organize work to effectively meet strategic objectives, it was critical that we move from ad hoc based project management to centralized project control and oversight.

The creation of VHDA’s Project Management Center (PMC) achieves strategic and organizational focus of methodologies and processes for the continual and incremental improvement of portfolio management through “best practice.” These best practices are applied broadly throughout VHDA in all business areas, but managed centrally.

While project management is a practice usually found in private sector businesses, it is unusual to have a formal PMC established in the public sector that manages an organizational portfolio to address multiple strategic projects under one “umbrella.” Our Project Management Center has put in place processes that formalize management of individual projects. The structured processes also enables us to successfully tackle authoritywide initiatives such as Records Management, Information Security (InfoSec), Website Modernization and Program Management. Program Management is a highly specialized approach to handling multi-year, high profile and high impact initiatives that cross business lines to meet strategic objectives.

## **Why/When it was Undertaken**

When the PMC was established in August 2007, it took a complex and overburdened system to a more structured, manageable level. The PMC has defined projects, goals and deliverables, as well as provided participants with a better understanding of their roles and responsibilities. It also delivers tools and techniques that enable associates to complete jobs in an efficient and effective manner.

Key reasons for establishing the PMC include:

- Managing programs/projects better by maximizing control of scope, time, costs and quality.
- Establishing and maintaining best practices and applying them broadly throughout VHDA.
- Providing measures and metrics on effective project delivery, and the ongoing success of the end product (example: return on investment, improved customer service, increased production, elimination of unnecessary positions).

## **What it has Accomplished**

When the PMC was created, we established best practice methodologies and supporting processes to help develop the flexibility required as our business needs change. These methodologies offer value through standardization and consistency, which is critical to accelerating delivery without impacting quality. Explicit value was also created for VHDA by showing a 28% increase in the number of projects completed within target cost and a 30% increase in the number of projects completed within target schedule from FY08 to FY09. A “PMC Boot Camp” also was developed to provide a comprehensive training and mentoring model for associates. Goals and measures were implemented to gauge associate success in mastering project management basics.

Throughout FY09, the PMC managed an average of 17 - 22 major programs/projects at any given time, including VHDA's long-term renovation of our Computer Data Center. Working under the defined structure of the PMC, the completion of this program (Building for the Future) provides VHDA with a data center that maintains 99.9% connectivity for business applications with sustainability well into the future (10+ years).

Other key deliverables included integration of the state's electronic purchasing system (eVA); upgrade of a business intelligence platform that provides VDHA with the tools necessary to better leverage our information assets; and implementing the InfoSec program to keep the authority's information systems secure.

## **Why it is Meritorious and Meets Judging Criteria**

### **Innovative**

Projects are the basic unit of today's work. National research has shown 66 percent of all projects come in over budget or overdue, while 28 percent fail altogether. And with projects moving at the speed of the Internet, the ability to manage projects effectively has never been more critical. The establishment of the PMC is an entirely new addition to VHDA's processes for doing business that provides major authority-wide benefits. In the past, project managers throughout the authority handled projects on an ad hoc basis, each business division worked independently and project delivery was inconsistent. This led to a large amount of "rework," schedule and budget overages, and excessive resource allocations. Using a management center to prioritize projects and provide coordination allows us to maximize our resources.

It is rare for a government agency to have such a highly developed Project Management Center. It is extremely rare for a public sector agency to receive a Microsoft case study nomination. But because our PMC's innovative methodology made our installation of Microsoft Project Server 2007 so seamless and effective, we have been nominated by Microsoft for a case study in the fall of 2010 that focuses on our implementation of Enterprise Portfolio Management (EPM). If selected, we will receive \$200,000+ in additional project management software at no cost, as well as free Microsoft technical assistance. These saved dollars can then be allocated to other business units and help enhance VHDA's ability to meet our strategic housing goals.

### **Replicable**

Any HFA with a collaborative, team-oriented environment can effectively implement the PMC concept. With careful consideration to organizational needs and strategic objectives, all that is needed is an enthusiastic staff ready to take on the challenges of project management methodology.

### **Responds to a management challenge or opportunity**

Through its structured project management methodology and processes, the PMC effectively assists all VHDA business units in meeting strategic goals. Because there is now a central oversight office, all projects are prioritized. A prime example of the PMC's value in prioritizing projects was during the recent flurry of regulatory changes made by FHA and other housing stakeholders due to the current mortgage crisis. Thanks to the new methodologies and processes put in place by the PMC, VHDA was able to quickly incorporate these changes while continuing to deliver quality products and services.

### **Achieves measurable improvements in agency operations**

Since the PMC was instituted, we have seen significant improvement in our ability to deliver projects on time and within budget. For example, with the help of the PMC VHDA was able to:

- Quickly make our business model and all processes across the authority, including loan and financial systems, compatible with Ginnie Mae requirements. This project was managed so successfully that we have had no issues with our pools or the loan documentation.
- Smoothly implement the newly mandated FHA risk-based pricing changes to VHDA's loan origination system. By executing a solid implementation plan, quality assurance practices and user acceptance testing, the project was delivered on time and within budget.
- Successfully re-engineer an internal merit administration tool for VHDA's Human Resources department. Although the timeline was tight, the exceptional project management practices provided by the PMC enabled us to meet the deadline and produce a solid end-product.

### **Provides benefits that outweigh costs**

Using a PMC to plan, organize and manage resources results in the successful completion of specific projects, and has a variety of benefits for VHDA. These include:

- Aligning projects with business goals and strategies.
- Prioritizing projects to balance overall risks and opportunities.
- Delivering expertise tailored to specific business requirements.
- Providing central oversight and coordination to deliver completed projects on time, on spec and on budget.
- Managing and reporting on total risk, cost, quality, scope and resources across all projects.

For the PMC Director position, we reallocated a vacant position. Other members of the PMC were already VHDA project managers in other business units; thus the start-up costs were minimal. Consistency of the established methodologies and processes executed by experienced VHDA associates made it unnecessary to hire additional staff.

### **Demonstrates effective use of resources**

The PMC clearly defines the roles and responsibilities of VHDA's project managers and business analysts, and provides them with specifically defined objectives. This ensures there is no duplication of effort that could result in budget overages, wasted time or disparate resource allocations. Until the structure and processes of the PMC were established, the now viable InfoSec program had been stalled for more than a year.

### **Achieves strategic objectives**

Using best practices tools, methodologies and processes, the PMC is helping VHDA achieve strategic objectives by:

- Completing at least 90% of projects within less than a 10% variance in cost and schedule baselines by the end of FY 2010.
- Adopting a scale for annual performance measurement of security standards and establishing a minimum performance threshold to be maintained on an ongoing basis.
- Managing an effective portfolio through strategic alignment, prioritization, evaluation, post-implementation review and approvals.

### **In Conclusion**

Project control is what VHDA's PMC is all about. When projects are controlled, they stay on track, on time and within budget. The ad hoc project management system VHDA had relied on in the past was no longer sufficient to take the authority where we need to go in the decades ahead. Creating a PMC to plan, organize and manage resources makes it much easier, as well as more efficient and economical, to successfully complete projects with strategic objectives that greatly benefit VHDA and our customers.