

“When the Project Management Office came online, it took a complex, overburdened system to a structured and manageable level. Now we have specific goals, defined projects and deliverables, and participants understand their roles. We've accomplished more in the short time the PMO has been implemented than in the previous nine months. We see the PMO as a strategic opportunity for VHDA to deliver projects and programs that support the mission of affordable housing.”

- Janet Butler, Managing Director, VHDA Information Technology Services

1. Brief Description of the Project Management Office

Since its beginnings in the 1950s, the U.S. project management process has evolved into a major component that helps businesses achieve specific goals and objectives while adhering to the restraints of scope, time, costs and quality. VHDA recognized that to more efficiently and effectively organize work to assist associates in successfully meeting strategic objectives, the time had come to move from ad hoc based project management to a centralized point of project control and oversight. The creation of VHDA's Project Management Office (PMO) achieves organizational focus on the continual and incremental improvement of managing programs, projects, and portfolios through “best practice” methodologies and processes. These best practices are applied broadly throughout VHDA, but managed centrally. While Project Management is a practice that is commonly found not only in other HFAs but in businesses in general, a formal PMO that manages an organizational portfolio of projects and large initiatives as programs is only found in organizations that are considered top tier. The VHDA PMO has not only put in place processes that formalize management of individual projects – we've been able to take on authority-wide program initiatives such as Records Management and Web Modernization. Program management is a highly specialized approach to handling multi-year, high profile and high impact initiatives that cross business lines.

2. Why/When it was Undertaken

Established in August 2007, VHDA's Project Management Office provides the tools and techniques that enable associates to complete jobs in an efficient and effective manner. Key reasons for establishing the PMO included:

- managing 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 delivery of projects as well as opportunities to measure the ongoing success of the end delivery (ex: return on investment, increased customer service, increased production, elimination of unnecessary positions).

3. What VHDA has accomplished

When the PMO was created, guidelines were put in place to help develop the flexibility required as VHDA's business needs change. Also, a “PMO Boot Camp” was developed to provide a comprehensive training program for all VHDA associates. In addition, methodologies were developed to gauge the success in mastering project management basics.

The PMO is now coordinating 17 major projects, including VHDA's long-term renovation of its headquarters, integration of the state's eVA purchasing system and an authority-wide information security program. Working under the defined structure of the PMO, the authority has accomplished several key components for *InfoSec*, VHDA's new program focusing on keeping the authority's information systems secure. These components include:

- establishing the Information Security Office, which is led by a senior security engineer with direction from the chief information officer and executive leadership.
- creating processes to address security awareness among associates.
- installing and configuring intrusion protection systems to safeguard sensitive electronic data.



4. Why VHDA's Project Management Office is Meritorious and Meets NCSHA 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 are 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 PMO 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, in turn, led to a large amount of "rework," schedule and budget overages, and excessive resource allocations. Using a central office to prioritize projects and provide coordination allows VHDA to maximize its resources.

Replicable

Any HFA with a collaborative, team-oriented environment can effectively implement the PMO 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.

Respond to a management challenge or opportunity

Through its structured project management methodology and processes, the PMO effectively assists all VHDA business units in meeting strategic goals addressing Virginia's affordable housing needs. Because there is now a central oversight office, all projects are prioritized, allowing those that are housing-centered to be given precedence. One example of the PMO's value was seen 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 PMO, the authority has been able to fast track these important changes while continuing to deliver quality products and services.

Achieve measurable improvements in agency operations

Since the PMO was instituted, VHDA has seen significant improvement in its ability to deliver projects on time and within budget. For example, the PMO recently provided a smooth implementation of the newly mandated FHA Risk Based Pricing changes to VHDA's loan origination system. By implementing a solid implementation plan, quality assurance practices, and user acceptance testing as provided by the PMO, the project was delivered on time and within budget.

The PMO met the same success with the re-engineering of an internal merit administration tool for VHDA's Human Resources Department. Although the timeline was tight, the excellent project management practices provided by the PMO allowed the organization to meet the deadline and produce a solid end product.

In addition, the smooth and timely completion of numerous strategic housing objectives, including the replacement of the Single Family *eLearning* module and enhancing processes for VHDA's Customer Contact Center, are evidence of the success of the PMO and a centralized project management process.

Provides benefits that outweigh costs

Using a Project Management Office to plan, organize and manage resources to bring about the successful completion of specific projects with strategic objectives 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.

Because all members of the PMO were already VHDA associates, no new staff needed to be hired. Thus start-up costs for the Project Management Office were minimal.

Demonstrate effective use of resources

The PMO 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 PMO came into play, the now viable *InfoSec* program had been stalled for more than a year.

Achieve strategic objectives

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

- Completing at least 90% of business-technology 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 IT security standards, and establishing a minimum performance threshold to be maintained on an ongoing basis.
- Managing project portfolios through strategic alignment, prioritization, evaluation, post-implementation review and approvals.

5. Conclusion

Project control is what VHDA’s Project Management Office is all about. By controlling projects they stay on track, on time and within budget. The ad hoc system of project management VHDA had relied on for the past 35 years was no longer efficient enough to take the authority where it needs to go in the decades ahead. Creating a Project Management Office to plan, organize and manage resources to bring about the successful completion of specific projects with strategic objectives has many benefits for VHDA.

For example, by efficiently managing the initial projects required to help get the Authority’s *InfoSec* program up and running, the PMO has proven its effectiveness.

Also, because the PMO’s process and methodology made the installation of Microsoft Project Server 2007 so seamless, VHDA has been identified as a possible Microsoft case study for 2009. If

selected, VHDA would receive more than \$200,000 in additional project management software at no cost, as well as free Microsoft technical assistance. The dollars saved could be allocated to other business units and help enhance VHDA’s ability to meet its strategic housing goals.



VHDA's Project Management Office Team