There's Light at the End of the Tunnel ...and it's the Train Coming the Other Way!

A Journey to ePMO Implementation

Ron Mainess, MBA, PMP

Premier Health

HiMSS

CENTRAL & SOUTHERN OHIO *Chapter*

Objective

- Show Impact of Institutionalizing Project Management Across an Organization

- Identify Pitfalls, Challenges and Growth Experienced

- Tell our story

- Opportunity for us to Benefit from Others

Agenda

- Objective
- Premier Health Overview
- Before Formalized Project Management
- The Impetus to Change
- Formalized IT PMO
- PREMO
- Finally, there's light……but it's the Train!
- Comments, Questions, and Your Experiences

Premier Health Today

- A comprehensive health system based in Dayton, OH, dedicated to improving the health of the communities that we service

- Has five major hospitals, three free standing ER facilities, and affiliate members that serve the SW Ohio region

- Has 2,020 licensed beds

- Revenue: $2B

Atrium Medical Center

THE JOURNEY

Before Formalized Project Management

Timeline: Before 1999

Before Formalized Project Management, Con't

- Assigned PMs to IT projects only on projects valued at $1M

- PMs focused on work at the department level – not an organizational view

- As many as 100 projects/tasks on-going at a time

  - Organization had not caught up with the need for formalized PMs

  - Definition of project was not operationalized – defined but not utilized

- Unable to manage timelines and budgets

- Somewhat disjointed processes, but work was being accomplished

- **Metric: On-Time, On-budget - 20%**

The Impetus for Change

Timeline: 1999 - 2004

GLASBERGEN

"I want you to find a bold and innovative way to do
everything exactly the same way it's been done for 25 years."

Oh no!
It's the
Angel of Death!

I've changed
my name to
Agent of Change

The Impetus for Change, Cont'd

PMI'S Pulse of the Profession 2016

Organizations that invest in project management <u>waste 13 times less</u> money because their strategic initiatives are completed more successfully

Mark Langley

PMI President and CEO

The Impetus for Change, Cont'd

Two events caused the organization to establish an organization-wide Project Management focus:

- Y2K
  - Fear of Y2K Deadline couldn't be moved
  - Fear of overall impact on organization

- Epic (EMR) Implementation
  - Comprehensive nature of the project – impacted everything!
  - Recognized that governance and procedures not mature
  - IT would have a new volume of requests
  - Major instigator to deciding to do thing differently

The Impetus for Change, Cont'd

In addition:

- Continued to experience prioritization issues and coordination issues
  - Two major hospitals schedule to open within eight days of each other (MVHS & Atrium)
    - No consolidated view of all projects when that was decided
  - Competition for same resources
  - A lot started, not much accomplished
- Brought in outside Consultant to conduct a Study
- Resulted in establishing Project Management positions within IT

- **Metric: 15 – 20% improvement in budget/Schedule accomplishment**

Formalized IT Project Management Office

Timeline: 2008 - 2016

Formalized IT Project Management Office, Con't

- Formalized IT PM Leadership
  - Initiated capacity focus

  - Aligned project to resource availability or added resources to accomodate commitments

  - Implemented tools for project status, prioritization and approal

  - Rudimentary PMO Methodology established

  - **Metric: On-time, on budget increased to 60+%**

Formalized IT Project Management Office, Con't

- Formalized IT PMO

  - Established a PMO Board consisting of IT Leadership
    - A Pilot for potential broader implementation across the System
    - Meet every Thursday to review project status
  - Formal PMO Methodology established

IT PMO Vision

"A Project Management Center of Excellence (PM-CoE)

in the Healthcare Industry known for project alignment with

organizational strategies, timely project execution and

resource efficiency resulting in total internal and external

customer satisfaction and increased organizational market share."

Formalized IT Project Management Office, Con't

- Portfolio of projects aligned with organizational strategy

- Greater project execution visibility to the organization

- Established IT Request and Prioritization Process
  - All requests for IT resources MUST follow this process

- **Metric: On-time, on budget increased to 80+%**

PREMO

Timeline: 2017 and Beyond

We are from the PMO, resistance is futile-
you will be assimilated.

PREMO, Cont'd

PMI'S Pulse of the Profession 2016

Organizations that align their ePMO to strategy report 27 percent more projects completed successfully and 42 percent fewer projects with scope creep

PREMO, Cont'd

- Strong IT PMO processes established and institutionalized for the IT Division - IT PMs recognized across the System

- Meanwhile many significant changes occurred accross the Industry and Premier Health:
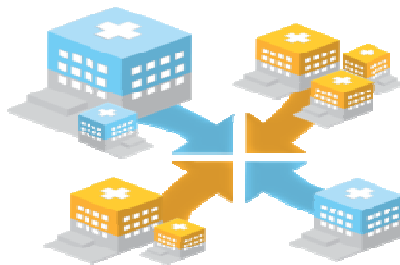
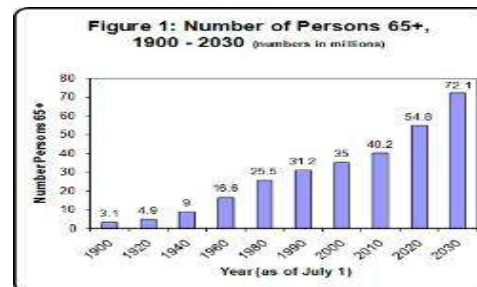Health Care Reform

Increased Regulation

Benefit Changes

Increased Consolidations

Aging Demographics

Reduced Reimbursement

PREMO, Cont'd

- In addition, current project management practices were leading to:

  - ✓ Needless Spending
  - ✓ Hidden Costs
  - ✓ Additional Rework
  - ✓ Interrupting Processes
  - ✓ Inefficiencies
  - ✓ Reactive Not Proactive
  - ✓ Employee Turnover

PREMO, Cont'd

- ePMO concept vetted through System Leadership
  - 3rd try over several years - This time, ~18 month process

Message to System Leadership:

PREMO is the overarching umbrella that governs multiple PMOs. In turn, this provides oversight over numerous projects and allocates cross functional resources to create structure, standardized processes, and aligns priorities of projects.

PREMO will aid system leadership to make well informed and educated decisions that coincide with our strategic and tactical project execution.

PREMO, Cont'd

Benefits of PREMO:

Provides a centralized platform to manage the portfolio of projects for Premier Health which will optimize financial, capital, and human resources across the system

Require a thoughtful accountable approach to projects to be vetted, evaluated, and tracked for long term sustainability

Effective planning reduces the possibility of rework, modifications in project execution, reduces the potential for cost fluctuations, and prevents duplication and drain of resources

Manage project portfolio in a way to communicate project priorities with leadership to support the achievement of the strategic plan

Organize the best of existing processes and workflows within operational partners such as Innovate, IT PMO, Supply Chain, and Facilities into an efficient enterprise process

PREMO, Cont'd

– Project and Resource Enterprise Management
Office (PREMO) Approved for implementation!

PREMO, Cont'd

- Current Implementation Status
  - Concept Pilot in Process
  - Collaborative Office Formed and Operating
  - High Level Processes in Place
  - Technology Pilot in Process
  - Implementation plan in development
- Roll-Out Planned for 1st Quarter 2017

Finally, there's light......but it's the Train!

- Challenges
  - Adoption of new processes
  - Changing Perceptions
    - 'A PMO will slow down progress'
    - Motto: More prework to prevent rework
  - Establishing an agile approach
    - Too many requirements could impact buy-in
  - Resource Management
    - Currently only done in few pockets
    - 'Why needed? Always manage to get things done'
  - Change Management

Final Message – Don't Quit

- Environments change…the right time will come
- ePMO implementation is a process and is not for the faint of heart
- Requires time and patience
- Senior Management buy-in is Critical
- It's an exciting journey!

Comments, Questions, and Your Experiences