



PROJECT MANAGEMENT CENTER FOR EXCELLENCE

A.J. CLARK SCHOOL OF ENGINEERING
Civil & Environmental Engineering Department



DELIVERING VALUE IN A FEDERAL GOVERNMENT START UP

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2017 Project Management Symposium

Views expressed in this presentation are those of the speaker(s) and not necessarily of the Office of Financial Research.

val•ue /'vælyu/

1. How much something is worth compared with its price.
2. The quality of being useful or important.

-- Oxford Advanced American Dictionary

Challenges:

- Identifying value added by one component of a whole
 - Distant linkages
 - Noise
 - Complexity of the component
- Cost of measuring value
- Varied stakeholders

How does project management produce value in a new federal government organization?

Apply work sponsored by PMI that examined the value of project management to the PMO at the Office of Financial Research.

The Office of Financial Research

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 established the OFR to support the Financial Stability Oversight Council, the Council's member organizations, and the public.

The Office of Financial Research (OFR) helps to promote financial stability by looking across the financial system to measure and analyze risks, perform essential research, and collect and standardize financial data.



Monitoring Tools Financial Markets Monitor

APRIL 6, 2017

Rising Confidence Lifts the U.S. Bull Market into its Eighth Year

The bull market in U.S. stocks extended into its eighth year as major U.S. equity indexes rose during the first quarter, supported by an upswing in confidence, solid corporate earnings, and the expectation of faster U.S. economic growth. Equity market volatility and corporate bond spreads fell to near cyclical lows but stock valuations remained elevated.



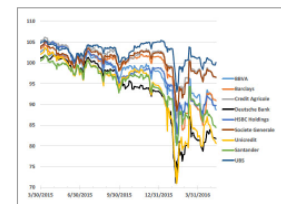
Publications Working Papers

APRIL 5, 2017

Europe's CoCos Provide a Lesson on Uncertainty

BY Katherine Gleason, Steve Bright, Francis Martinez, and Charles Taylor

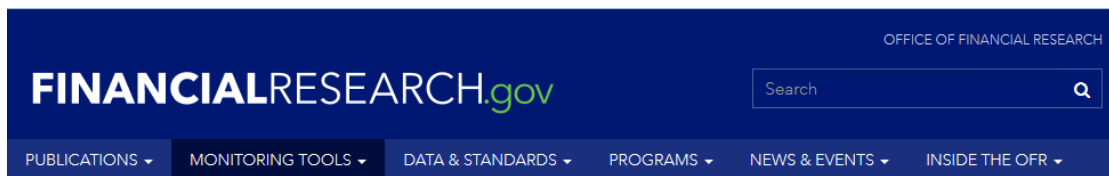
European banks issue contingent convertible bonds. These bonds can force investors to absorb losses when a



- **Data**
 - **80 data sets in-house** on secure systems designed for highly detailed data
Developing a permanent collection of **repurchase agreement (repo) and securities lending data**
 - The OFR has led the global **Legal Entity Identification Identifier (LEI)**
 - **Financial instrument reference data**
- **Evaluate Stability-related Policies and Improve Financial Regulation**
 - Alternatives to size thresholds for assessing banks' **systemic importance**
 - Unintended consequences of the **supplementary leverage ratio for repos**
- **Serve the Financial Stability Oversight Council**
 - OFR Director is a **nonvoting member** of the Council
 - Support of an reference interest rate as an **alternative to LIBOR**

In the financial crisis of 2008, regulators had no systematic, comprehensive framework or process to spot financial system vulnerabilities and threats to financial stability. In response, in collaboration with FSOC, the OFIR was given mandates to assess, monitor, and report on current and emerging risks to financial stability across the fragmented regulatory framework, and to develop monitoring tools.

-- Richard Berner, Director, The Office of Financial Research



MONITORING TOOLS

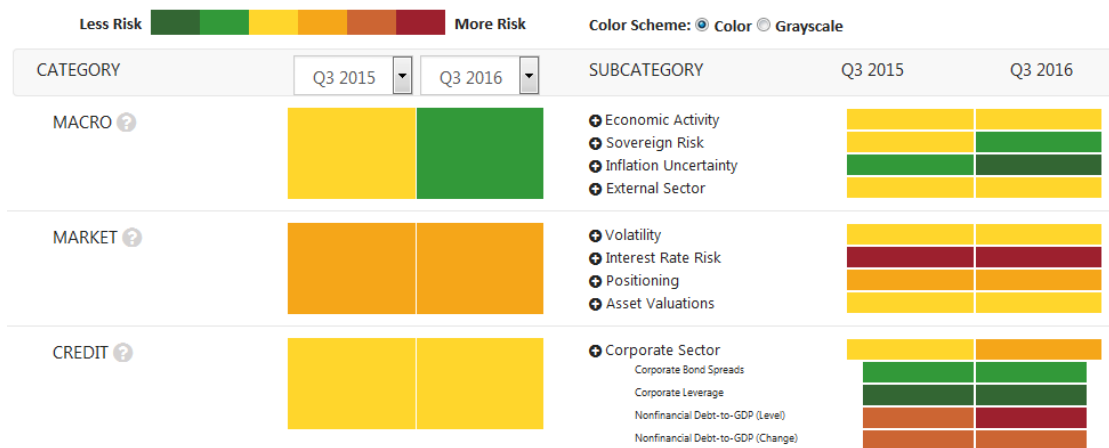
Financial Stability Monitor

This monitor displays a snapshot of weaknesses in the financial system based on five functional areas of risk: macroeconomic, market, credit, funding and liquidity, and contagion. The monitor is not designed to predict the timing or severity of a financial crisis but to identify underlying vulnerabilities that may predispose the system to a crisis.

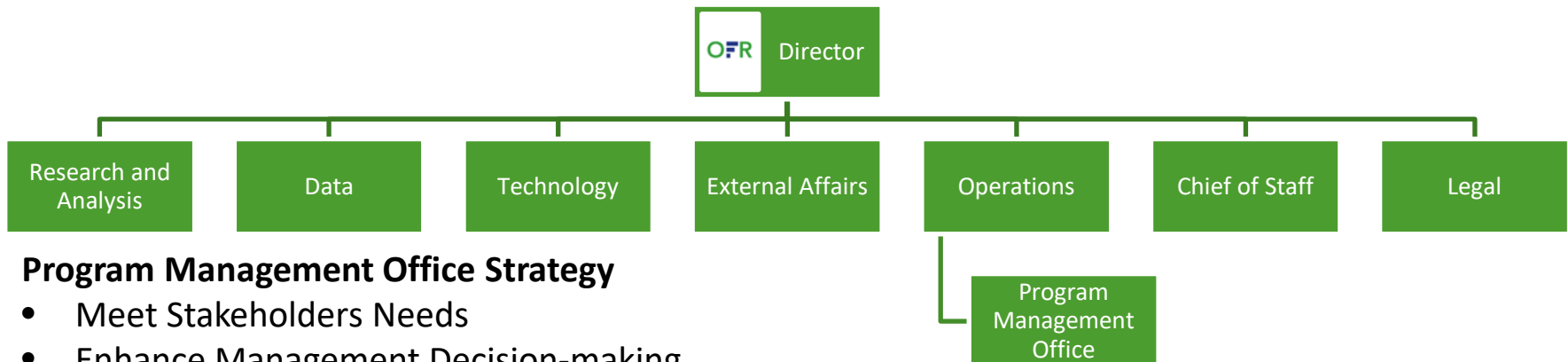
The monitor is organized as a heat map. The closer an indicator is to the red end of the spectrum, the more elevated the risks relative to the range of that series. The closer an indicator is to the green end of the spectrum, the less elevated the measured risks. A set of about 60 risk indicators underlie the five major risk categories and subcategories. To drill down further in each subcategory, click on the plus sign.

See [latest note on the monitor and the OFIR's assessment of risks](#).

See [notes from previous periods](#).



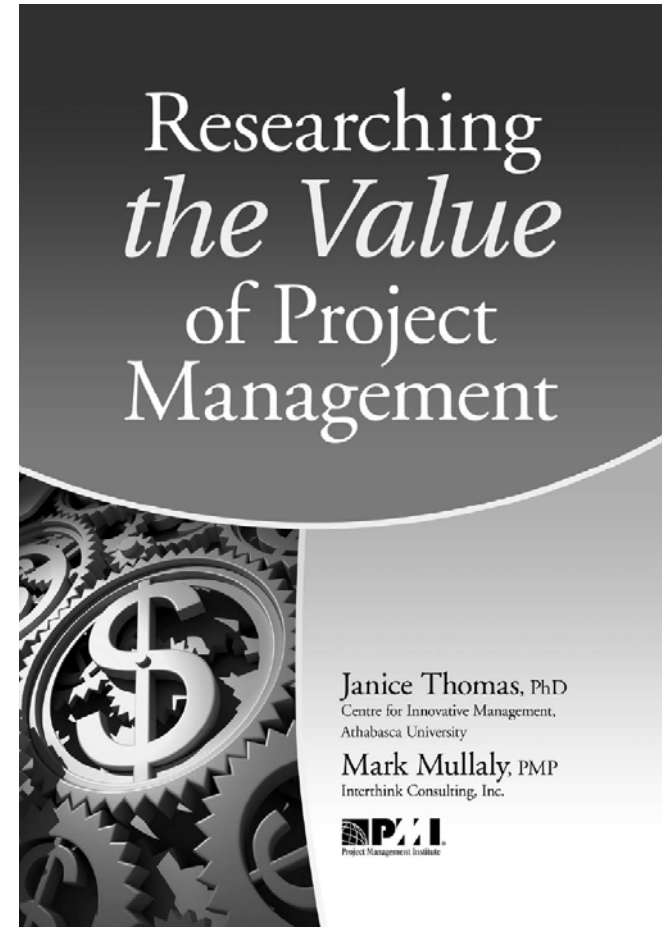
Financial Stability Oversight Council



Program Management Office Strategy

- Meet Stakeholders Needs
- Enhance Management Decision-making
- Improve Program and Project Performance
- Provide Program, Project, and Activity Support and Consulting
- Ensure Project Management Controls and Compliance
- Develop a Center of Excellence for Program Management Practices and Thought Leadership

- Difficult to identify value from individual business functions
- Lack of measurements of the cost and benefits of project management
- Value is a broad concept that goes beyond financial measures
- Environmental and organizational contexts affect value



- **Economic**
 - Economic Prospects
- **People**
 - Seniority
 - Project Management Experience
- **Culture**
 - Positive Project Management Attitude
 - Innovators
 - Conflict Avoiders
 - Not Customer Focused
- **Projects**
 - Construction
 - Product Development
 - Organizational Change
 - Strategic Construction
- **Organizational Attributes**
 - Government
 - Publicly Held
 - Public Partnerships
 - Privately Held
 - Sole Proprietorships
- **Strategic**
 - Strategic Innovators
 - Operational Efficiency
 - Customer Intimacy

Thomas, Janice, and Mark Mullaly. 2008. *Researching the Value of Project Management*. Newton Square, PA: Project Management Institute, Inc.

- **Project Manager Training**
 - Full PM Training
 - Lunch & Learn
 - Distance Degree & Diploma
- **Training Delivery**
 - Tailored Internal
 - Informal Off-the-shelf
 - Customized External
- **Training Duration**
 - Long-term Training
 - Short-term Training
- **Tools**
 - Full Toolset
 - Resource Management
 - Cost Management
- **People**
 - Clear Roles and Training
 - Trained Experts
- **Motivators**
 - Traditional Drivers
 - Strategic Drivers
 - Internal Drivers
- **Organization**
 - Project Manager Authority
 - Delivery PMO
 - Methodology PMO

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- **Satisfaction**
 - Desire for Change
 - Project Manager Satisfaction
 - Customer Satisfaction
- **Alignment**
 - Aligned Organization
 - Aligned Project Management
- **Consistent Practices**
 - Good Practices
 - Good Project Management, Not Practices
- **Process Outcomes**
 - Better Process Results
 - Better Project Results
- **Business Outcomes**
 - Improved Business Outcomes
- **Benefits Realized**
 - Growth and Reputation
 - Corporate Culture
 - Improved Human Resources and Quality of Life
 - Strategic Alignment
 - New Services and Staff Retention

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Good Practices, Good Project Management, not Practices

- Experienced project managers from government and industry developed the practices
- Practices comply with directives and regulations and are consistent with the PMBOK and are accessible on OFR's intranet
- PMO manages approvals, risks, changes, status reports, and documentation
- Practices are uniformly applied to all projects
- Project plans reflect OFR's governance, procedures, and standards
- A single body, the Operating Committee, made of OFR's senior managers is the sole authority over projects
- PMO maintains and memorializes project and program data
- PMO is on teams and conducts training classes for the organization

PMO Reports Include:

- OFR Portfolio
- Quarterly Operating Committee Metrics
- Program Detail Status Reports
- Executive Project Summary

Aligned Organization, Aligned Project Management

- PMO worked with stakeholders to align project management practices with divisions' processes and structure
- The PMO's approach to project management mirrors the collaborative approach the OFR uses to achieve its mission
- PMO manages projects that utilize over 50% of OFR's resources
- OFR Front Office tapped the PMO to manage OFR's 8 programs

Better Process Results, Better Project Results

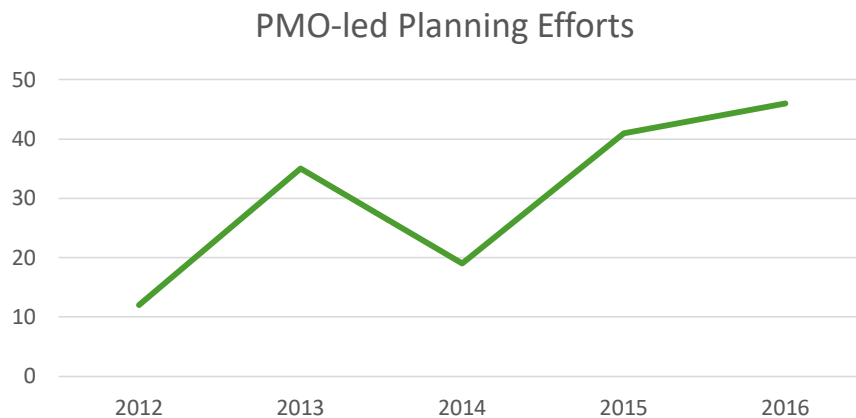
- Since FY16, the PMO has managed 28 change requests and closed 23 project
- PMO is responsible for over 100 charters, 500 risks, and 100 schedules
- Currently, the PMO is managing 28 high-visibility risks

Improved Business Outcomes

- The OFR has a unique mandate and authority in the U.S. financial system.
- The PMO is investigating process improvements to measure business outcomes, such as, schedule metrics

Desire for Change, PM and Customer Satisfaction

- PMO manages 4 times as many projects in 2016 than in 2012
- Stakeholder satisfaction led to the PMO owning enterprise projects, for example, the review of enterprise policies and development of the internal website
- PMO staff turnover is less than 1 person a year
- PMO installed a new integrated project management tool in 2015

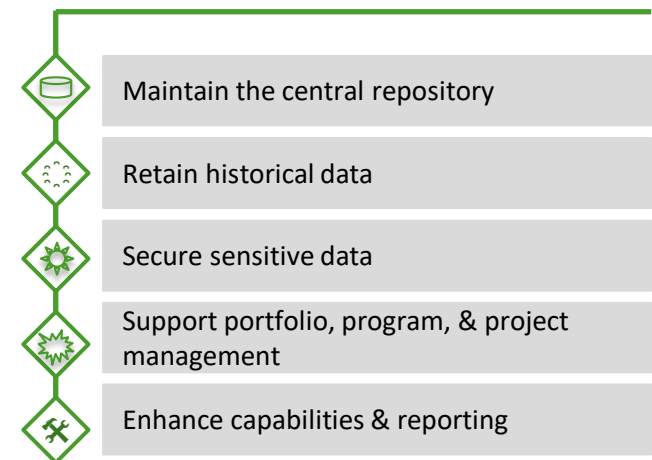


Execution of Key Projects

- *2013-2016 Annual Report*
- *2016 Financial Stability Report*
- *Monitors (MMF, FSM, Hedge fund)*
- *Website and Intranet*
- *Financial Instrument Reference Data*
- *Repo Data Collection*
- *Processes and Procedures*

Growth and Reputation, Corporate Culture, Improved Human Resources and Quality of Life, Strategic Alignment, New Services and Staff Retention

- Established and maintains a central repository of project data, which is the official record for the organization
- Partnered in development of quarterly reporting
- Established OFR portfolio reporting, including timelines, deliverables, risks, and resource assignments
- Developed total cost of ownership report for Programs
- Provided the initial report on resource alignment to senior management



Growth and Reputation, Corporate Culture, Improved Human Resources and Quality of Life, Strategic Alignment, New Services and Staff Retention

- PMO has been engaged in the OFR audit process and has participated in inquiries, interviews and artifact delivery
- PMs are part of project teams and foster good team dynamics
- PMO holds interdepartmental activities, office “Olympics”, and lunchtime trivia games to foster interdepartmental collaboration
- Positioned OFR for rapid adoption of requirements that arise from PMIAA

The PMO at the OFR adds value to the organization.

- Establishes and executes effective processes that deliver
- Provides for compliance with directives and regulations
- Promotes a culture of execution excellence in the organization
- The PMO is outward-looking and customizes good practices for the organization and stakeholders
- The PMO supports the collaborative nature of OFR's approach

The PMO sees opportunities to increase its value through more advanced project management practices.

- Schedule metrics, portfolio management, risk management integration
- Improved phase-boundary management
- Additional action-focused reporting