



IMPROVING OUTCOMES USING A CENTRALIZED PMO

INSIDEOPS: Insights for operations
leaders in asset management



**BACK-
OFFICE
CONVER-
SION**

Changes in service providers, new regulations, emerging technologies and globalization are forcing asset management firms to adapt their business models and upgrade their technology platforms.

As the volume of strategic and tactical endeavors underway increases, so too does the potential for cross-functional impacts. In the case of a back-office service provider conversion, for example, multiple parties within the organization are affected. While fund administration is usually most directly impacted, upstream and downstream areas such as data management, IT, performance/attribution, marketing/sales and compliance all have roles to play.

Historically, these types of internal initiatives have been managed by a dedicated project manager, who is typically a senior member of a functional team. But given the increasingly complex landscape, a centralized program management office (PMO) may be advisable going forward. A PMO can help chief operating officers (COOs) allocate firm resources effectively, ensure business processes are standardized and promote strategic alignment for enterprise-wide decision making.

PROJECT MANAGER VERSUS PMO

Assigning a dedicated project manager and team from a “siloesd” business unit has its advantages. Namely, this type of arrangement leverages the internal subject-matter experts most qualified to execute the project from a technical aspect. However, the potential shortcomings of this model should not be overlooked.

Since these project managers are usually subject-matter experts with other daily responsibilities, they may lack the project management skills or time required to complete the work needed. Similarly, because they are linked to a specific functional team, there may be a perceived—or real—conflict of interest and corresponding lack of accountability. Also, poor coordination with other initiatives across the organization could result in conflicting agendas and duplication of effort. A well-structured PMO can help mitigate these risks by drawing on internal subject matter experts, providing project management support and helping ensure a high-level corporate perspective.

RESOURCE ALLOCATION

A core function of the PMO is the proper allocation of firm resources to help ensure that milestones, deadlines and budgets are met, and economies of scale are leveraged across projects. To help achieve these objectives, the PMO should be staffed by senior personnel who collectively have expertise in all facets of the organization’s business, extensive project management experience and access to executive management.

At the outset of an initiative, the PMO will coordinate the selection of a project team. The project manager may be a member of the PMO or a manager from a functional team—although the latter might not always be ideal for the reasons mentioned above. Staff-level resources should be selected based on “best fit” instead of availability. An optimal team mix would include individuals with project management skills and internal subject-matter expertise. A disciplined PMO provides guidance by drawing on the expertise of project managers who have experience in specific domains, rather than business unit managers who have other specific tasks and responsibilities. All PMO members should have a clear understanding of project priorities versus daily responsibilities.

Another critical function of the PMO is the oversight of individual projects. PMO staff will coordinate and monitor individual project timelines, helping ensure key milestones are met and escalating any issues to management as they arise. They will also manage project budgets and report financial progress to the steering committee to help ensure key return-on-investment (ROI) objectives are achieved.

STANDARDIZATION OF BUSINESS PROCESSES

A PMO can help to streamline project administration and management, resulting in increased productivity and efficiency. At the upper management level, standardized reporting, progress metrics, meeting schedules and more makes it possible for COOs and others on the executive team to quickly review the status of individual projects and improve decision-making. At the staff level, standardized processes and tools for project management and administration help enable team members to focus on executing project deliverables instead of building project management infrastructure.

Although each project is unique, the PMO can provide a consistent methodology that incorporates corporate and industry recommended practices, including:

- Escalation policies
- Process documentation standards and procedures
- Business requirement documentation templates and standards
- Workflow templates
- Request for proposal (RFP) and request for information (RFI) templates
- External consultant protocols
- Organizational change procedures

As the PMO's institutional knowledge and experience grows, the benefits of standardized project management would multiply. Over time, organizations can expect clearer reporting and analysis for decision making, better trained and more experienced workers, and the emergence of proven processes.

ENTERPRISE-WIDE COORDINATION

At the heart of the PMO is a decision-making plan for the entire firm. As such, the discipline to prioritize projects is a key attribute. That requires bringing together key executive-level stakeholders—and, in some cases, members of the board of directors—who possess the enterprise-wide knowledge required to align business priorities across silos and ensure visibility across multiple business units.

A centralized PMO will organically fertilize the development of new projects. Staff duties and responsibilities will then sharpen with focused project management. Improved communication to stakeholders at this stage of the decision-making process yields two positive outcomes: standardized presentations for better information sharing and more effective analysis, and a single point of reference (the PMO) for enterprise-wide decision making and implementation.

CONCLUSION

As the volume and complexity of business model changes and technology upgrades grows, asset managers might be realizing the limitations of using stand-alone project managers. PMOs are a flexible resource that could help COOs execute initiatives efficiently and effectively by centralizing resource allocation, standardizing business processes and supporting intra-firm coordination.

CONTACTS

Mike Kerrigan

Managing Director

mike.kerrigan@accenture.com

Bill Beaulieu

Senior Manager

bill.beaulieu@accenture.com

Bill Cyr

Senior Manager

william.cyr@accenture.com

STAY CONNECTED



Follow us on Twitter

<https://twitter.com/AccentureCapMkt>



Follow us on LinkedIn

<https://www.linkedin.com/showcase/10561616/>



Follow our Blog

www.accenture.com/assetmanagementblog

Portions of this content were previously published by Beacon Consulting Group. Beacon is now part of Accenture.

This document is produced by consultants at Accenture as general guidance. It is not intended to provide specific advice on your circumstances. If you require advice or further details on any matters referred to, please contact your Accenture representative.

ABOUT ACCENTURE

Accenture is a leading global professional services company, providing a broad range of services and solutions in strategy, consulting, digital, technology and operations. Combining unmatched experience and specialized skills across more than 40 industries and all business functions – underpinned by the world’s largest delivery network – Accenture works at the intersection of business and technology to help clients improve their performance and create sustainable value for their stakeholders. With more than 411,000 people serving clients in more than 120 countries, Accenture drives innovation to improve the way the world works and lives. Visit us at www.accenture.com.