

TD Bank N.A.'s Enterprise-Wide PMO Monitors Projects and Maintains Focus on Strategic Goals

AT A GLANCE

- TDBNA first began using a project management office (PMO) to support its privatization and merger activities.
- After seeing its potential, the bank launched an enterprise-wide PMO for its U.S. operations that monitors all of the bank's programs and projects.
- The PMO manages enhancements to the bank's products and development of new products, including customized private banking, wealth management services, vehicle financing and dealer commercial services.
- The TDBNA PMO uses the principles of PMI's *Organizational Project Management Maturity Model (OPM3®)* to ensure the projects that it oversees are not just executed randomly but also support business objectives.
- The PMO also serves as a central point of contact for the bank's business partners.
- The PMO also oversees all hardware, software and infrastructure upgrades for the bank's 1,300 locations in 15 U.S. states and the District of Columbia.

TURNING A CHALLENGE INTO A SOLUTION

Business growth and corporate mergers always bring forth a high level of complexity for companies and project and program managers. And when it involves systems and infrastructure upgrades and developing and enhancing products for 1,300 locations, while attempting to remain compliant with the ever-increasing scrutiny of government regulators in the financial sector, these challenges—and the potential for project failure—increase exponentially.

Over the past 10 years, TD Bank N.A. (TDBNA) has grown from a small regional bank to one of the top 10 largest banking and financial services companies in the United States. Rapid growth led to an increasing number of projects. The bank found that it needed governance over these activities in order to ensure successful execution.

In order to manage a merger and privatization activities, TDBNA created an "implementation project management office" (IPMO). After seeing its projects run more smoothly and finish on time and on budget, the bank made the decision to transition the IPMO to an enterprise-wide PMO for all of TDBNA's U.S. operations. This proved to be a successful undertaking and its development contains lessons on how project management can be used to help organizations meet their strategic goals in any industry—not just in the financial sector.

"NO SMALL FEAT"

The portfolio supported by the TDBNA PMO since 2008 includes the wide variety of projects sponsored by various segment areas as well as the major regulatory efforts that impact the entire enterprise. This is no small feat, as the TDBNA PMO oversees all hardware, software and infrastructure upgrades for the bank's 1,300 locations in 15 U.S. states and the District of Columbia.

The PMO also manages all enhancements to the bank's existing products and development of new products, such as customized private banking, wealth management services and vehicle financing and dealer commercial services.

Designed to give senior executives a holistic view of all the project initiatives throughout the entire company, the PMO acts much like an "air traffic controller" to the myriad projects that TDBNA is currently working on, says Ruth-Anne Guerrero, Sr. VP, Head of TDBNA Project Management Office.

This process allows the C-suite to close the gap between strategy development and strategy implementation—which is a key factor in organizational success, according to the report [*Why Good Strategies Fail: Lessons for the C-suite*](#), published by the Economist Intelligence Unit and sponsored by PMI.

"The PMO helps TDBNA's executives deliver on strategic plans faster and more efficiently by providing a clear and accessible conduit to all of the applicable projects currently going on in the company,"

~ Ruth-Anne Guerrero, Senior Vice President, Head of TDBNA Project Management Office

TDBNA'S IN-HOUSE PROJECT MANAGEMENT LIFE CYCLE

Since its inception, the PMO has continually developed and changed to meet the increasing demands of the bank. A robust Project Management Life Cycle (PMLC) was developed and continually updated throughout the past few years. This also led to the development of an in-house Systems Development Life Cycle (SDLC) and Requirements Management Life Cycle (RMLC).

The PMLC provides a suggested structure for organizing project efforts into phases and also includes deliverable templates. These items can be tailored to meet individual project needs, while ensuring uniform governance processes will be followed as required. The technology areas follow a Systems Development Life Cycle (SDLC) that was developed in-house and compliments the PMLC. The use of these life cycles and the accompanying phases and deliverables provides a uniform framework and language that is consistent across all projects. The most recent addition to the family of life cycles is a Requirements Management Life Cycle (RMLC) that works in conjunction with the PMLC and SDLC, but provides guidance over all requirements-related project deliverables, including business and systems requirements, traceability matrices, use cases and test scripts.

Rounding out the PMLC are the added disciplines of Business Process Mapping (BPM) and Organizational Change Management (OCM). These all work together like gears in a machine to ensure that the projects take care to examine all aspects of their environments—and from a variety of perspectives—so that no area will be overlooked.

THE TDBNA PROJECT MANAGEMENT LIFE CYCLE

The PMLC framework is at the heart of this integrated approach. It is surrounded by Project Governance, which helps to ensure that the initiatives are strategically aligned to the bank's investments and priorities. The Systems Development Life Cycle (SDLC), Requirements Management Life Cycle (RMLC), Organizational Change Management (OCM) and Business Process Mapping (BPM) disciplines are embedded and integrated within the PMLC, which allows the project teams to leverage the competencies from these disciplines throughout the lifecycle.

"Effective leadership, change, risk management, and communication are all critical components that enable project success. As well, standardization and best practices both provide the means to predict outcomes or scenarios that may require action or a response. The need for these attributes is emphasized when entering into the PMLC, as they will stimulate action, decisions, and paths forward," says Ms. Guerrero.

She says that this integrated approach allows the PMO to work proactively when managing projects by leveraging the competencies of its individual members at the times they are needed.

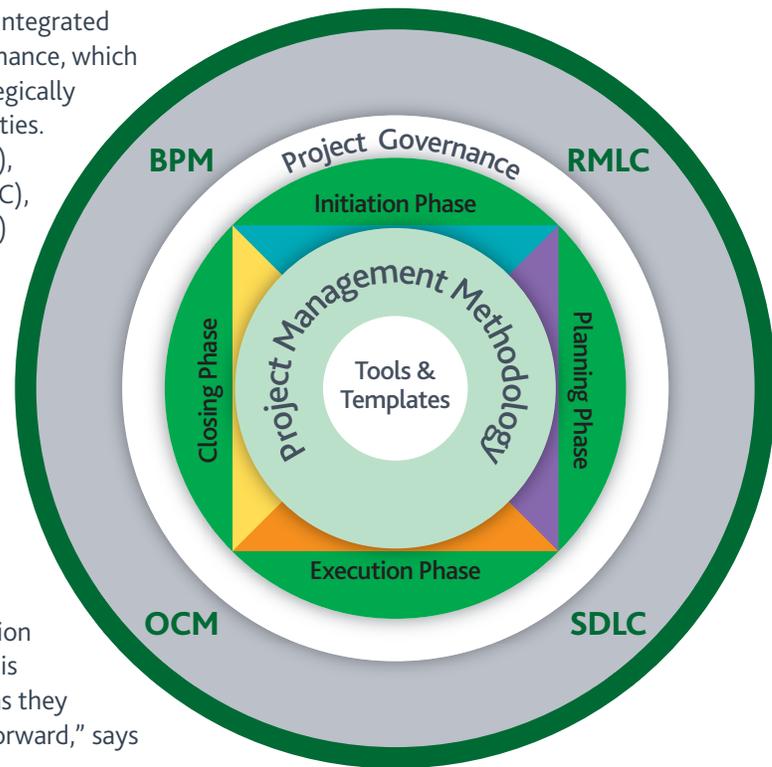
"The level of transparency that is facilitated by this approach helps our teams and partners work in a synergized environment and truly perform as a single unit, comprised of multiple disciplines. This not only provides a more holistic view of our processes, but an understanding of how what we do—before we do it—will impact our customers," says Ms. Guerrero.

Additionally, in 2011, the bank implemented the Clarity Project Portfolio Management (PPM) tool across the entire TD enterprise to help facilitate and standardize portfolio, program and project reporting. This made reporting at the senior executive level a much easier and smoother process.

The tool collects descriptive information about the project, such as its description, executive sponsor, project manager, the phase it is in, status and health and financial information about the actual and forecasted budget. This requires that the project managers update the information on a regular basis and ensure that the information "makes sense".

Besides handling product enhancement and development and IT projects, the PMO also ensures its products comply with strict recent government regulations such as the Sarbanes-Oxley Act and the Dodd-Frank Act.

"There is a great deal of scrutiny on financial institutions at this time from various regulatory agencies. As a result, it is very important that compliance, risk, audit and other key stakeholders be involved with projects from the very beginning to ensure that all impacts are appropriately anticipated and planned for," says Ms. Guerrero.



OPM PRINCIPLES SUPPORT BUSINESS OBJECTIVES

The TDBNA PMO uses the principles of PMI's *Organizational Project Management Maturity Model (OPM3®)* to ensure the projects that it oversees are not just executed randomly, but also support business objectives. The PMO used OPM3® principles to create a prioritization framework that it uses to score projects according to multiple criteria which ensures that the project portfolio is accurately aligned to the business goals.

The PMO team is intentionally lean, consisting of about a dozen people, which helps it stay focused on its strategic goals.

"The TDBNA PMO is a small but very impactful team, where its value is measured by how well our project teams deliver, given our framework, guidance and level of oversight"

~ Dina Clark, Change Management Executive, TDBNA.

It is governed by a cross-functional group of TDBNA bank executives who are on the Project Investment Committee (PIC). This body usually meets on a monthly basis to review the status and relevance of the projects in the U.S. project portfolio. The PIC also makes periodic assessments, or gates, to determine whether the project can move into the next planned stage or phase (which is also known as the phase-gate process). During these phase gates, the PIC will also make certain funding decisions about the projects.

Depending on the project budget being approved, additional approval from a similar executive body consisting of both U.S. and Canadian executives may also be required. If this approval is necessary, the TDBNA PMO will work with project teams and executive sponsors to prepare the materials required for this review session.

"By using the best practices outlined in OPM3®, a PMO can create a roadmap to ensure that all of the projects in its portfolio work together towards the organization's overall strategic goals," says Guerrero.

POSITIVE IMPACTS ON BUSINESS PARTNERS

A significant impact of the PMO is on the way that TDBNA works with its business partners.

"The TDBNA PMO is recognized as the central hub of project management in the U.S. Our business partners across the U.S. know that they can contact us for everything from portfolio and project governance, to answering questions, resolving issues, providing training, methodology and tools support, and support for any other need that might arise," says Ms. Guerrero.

The PMO also has an impact on the way that TDBNA handles internal business decisions because it facilitates the U.S. Project Investment Committee (PIC), which has governance over the entire U.S. project portfolio.

"Some projects may receive PIC funding, while others are funded through the enterprise or product areas. Regardless of funding source, the TDBNA PMO provides monthly snapshots of where the U.S. project portfolio stands from a financial and health perspective," says Ms. Guerrero.

Because it utilizes project management methodology, the PMO requires projects to pass through certain governance gates at PIC.

"The PMO aids these project teams by getting them on the agenda and assisting in the preparation and approval of the information that will be presented. Depending on the tier or relative size, budget and risks of the project, additional governance gates at the enterprise level may also be required following PIC approvals. The PMO also assists the project teams in preparing for these gates," says Ms. Guerrero.

While the PMO does not interact with external customers directly, many of its projects have an impact on the TDBNA customer experience.

"The PMO ensures that all communication and notification requirements are met, that customer service personnel are trained and ready to support changes to our customer offerings, and all systems function as expected. In these ways, the TDBNA PMO helps to ensure that all customers experience a 'Wow' factor when dealing with the bank," said Ms. Guerrero.

MANAGING CHALLENGES THROUGH DIVERSE APPROACHES

Despite the PMO's success in the complex and fast-growing business of TDBNA, there remain some challenges.

"We support a large number of diverse business areas that have project loads that vary in size and project management maturity. This requires diverse approaches to ensure that we meet the needs of these areas," says Ms. Guerrero.

Another challenge is that the projects themselves are very different from each other and have varying impacts. "Some projects have large regulatory and compliance implications, while others are needed to bring in revenue or lower expenses for the company," says Ms. Guerrero.

There is a prioritization framework that is used as a starting point to understand the relative importance of each project in the U.S. portfolio. However, this is just a guideline, and the members of the PIC committee can adjust the list of priorities to better match the business' priorities.

The PMO also continually strives to improve the performance of its projects and the skills of its project and program managers. To this end, it is currently exploring expansion of the available project management training curriculum.

"In addition, as projects continue to increase in size and complexity, there is a greater emphasis on improving our business analysis and business acceptance testing capabilities," says Ms. Guerrero.

HOW RESULTS ARE MEASURED

The TDBNA PMO measures success by the value of the benefits delivered by the projects delivered. The budget for the fiscal year 2013 U.S. project portfolio was nearly US\$300 million. For projects completed in 2013 or prior, there were US\$122 million in benefits delivered in fiscal year 2013. That was a very positive accomplishment, especially considering that nearly one-third of the 2013 U.S. project portfolio budget supported large regulatory projects not intended to deliver any financial benefits.

"Success is measured not only by meeting timeline and budget constraints, but also by ensuring that the anticipated project benefits are delivered," says Ms. Guerrero.

She also says that it's important to learn from those things that worked, as well as things that did not. "If you can examine the results with a keen analytical perspective, you can gain insight into changes that you can make that will yield better results. Every organization is unique and there is no recipe book that you can use to guarantee a great result every time," says Ms. Guerrero.

Regardless of what initiatives the project teams are working on, the PMO ensures alignment with corporate strategy.

"It is important to keep an enterprise perspective when managing your project to ensure that all impacted groups and persons are engaged and focused not only on your immediate project, but the overarching strategy and goals of the larger organization," says Ms. Guerrero.

LESSONS ARE APPLICABLE ACROSS ALL INDUSTRIES

Although TDBNA's PMO faces certain challenges specific to the financial industry, most of the challenges faced by Ms. Guerrero and her PMO team are applicable across all industries. There is much that can be learned from TDBNA's experience in creating an enterprise-wide PMO.

"Creating a cross-functional group of executives who agree to work together to make project investment decisions based on consistent business cases is a great first step. Even within the same industry, each company would most likely have specific data in its business case that would impact their development—but the concept is still the same. All organizations have more good ideas than they can or should fund, and there needs to be a decision-making body that works within rules they all agree to and makes decisions that are in the best interest of the organization," says Ms. Guerrero.

Establishing a project management methodology is another important way to create a successful PMO.

"Having a project management methodology in place will ensure that all project managers approach their projects in a consistent manner. Over time, the project terminology and artifacts become part of the organization's culture—and as employees work on various projects, there is a similar jargon and set of expectations that become familiar to team members," says Ms. Guerrero.

Requiring project status reports to be presented in a standard format or tool allows the PMO to perform consolidated reporting against the project portfolio.

"As this becomes routine, the PMO can move on to performing more analysis of the portfolio and report on trends or even forecast. This information becomes invaluable to organizations that need to be able to make decisions about whether or not to fund new projects and determine how to meet the funding needs," says Ms. Guerrero.

By supporting its project managers with methodologies, tools and processes, the PMO helps grow these capabilities within the organization. It also encourages the project managers to ask questions before they act if they are uncertain about something.

"This will prevent errors and rework and ensure that project teams can remain focused on making forward progress. This support also will show where additional training or guidance might be needed—and the PMO can react proactively," says Ms. Guerrero.

Much can be learned from the TDBNA PMO. By positioning itself as a central hub for all projects throughout the growing U.S. footprint, it allows the bank to ensure that all of its efforts remain focused on the organization's overall goals, thereby reducing wasted resources and ensuring consistency. Underlying all of its efforts is the focus on project management principles and the desire to continually improve the levels of capability and maturity.

"Through robust project management discipline, large organizations can achieve and surpass their goals, as well as add value through oversight and governance—all of which leads to successful project implementations," says Ms. Guerrero.