Project Management: Cultural Evolution of an Established Construction Company
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Project Management: Cultural Evolution of an Established Construction Company

- Henkels & McCoy Group, Inc. (HMG) introduction and history
- Construction company culture
- 2004 decision to establish a project management office (PMO)
  - Align company goals and vision
  - Integrate across company platforms
  - Measure effectiveness
  - Continuous improvement
- Results at HMG
- Closing and takeaways for your company
HMG Introduction and History

• Henkels & McCoy, Inc., was founded in 1923

• Our major markets:
  – Power transmission & distribution
  – Oil & gas pipeline
  – Gas distribution
  – Communications

• In 2016, the company was restructured into an enterprise organization—HMG
Construction Company Culture

- Projects won and executed by construction
- Project management and controls were perceived as an unwarranted cost, not adding value
- If assigned to a project, the project manager worked for the construction manager
  - Project manager role not well defined
  - Project management skills were not fully utilized
- Matrix organization structure: weak
2004 Decision to Establish a PMO

- H&M PMO was established with three goals:
  1. Customer satisfaction
  2. Contract compliance
     - Demand shifted from master service agreements to lump sum contracts
  3. Profit retention
- PMO looked to PMI’s *PMBOK® Guide* as reference to establishing HMG’s project management methodology (PMM)
2004 Decision to Establish a PMO

Role of the PMO

• Maintain H&M PMM processes, project management aids and enterprise software tools
• Conduct reviews of PMM procedure utilization
• Deliver continuous improvement of the PMM
• Project management support, coaching and training covers scheduling, job tracking, cost management, risk management, leadership and communications skills
• Standardization and integration of the PMO and PMM into the business model
Align Company Goals and Vision

- Strategic directives updated each year by the executive leadership team (known as “A3 planning”)
  - Cascade through each operating company and platform
  - Measure and adjust progress quarterly

True North is the Enterprise Strategic Objectives
Integrate Across Company Platforms

- Anchored by HMG’s PMM
- Includes identifying program/customer-specific KPIs during planning process to
  - Achieve safety goals
  - Reduce total cost
  - Enhance productivity
  - Proactively manage risk
  - Ensure schedule compliance
  - Build in quality control process
- Continuous improvement through consistent communication and transparency
Measure Effectiveness

Currently 88 project management risk areas and process functions are measured for effectiveness and timeliness:

- Results analyzed for systemic gaps

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<td>Systemic gaps</td>
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![Table of Project Management Methodology - Results](image-url)
Continuous Improvement

Systemic gaps are the indicators for continuous improvement enhancements to:

- Project management procedures
- Project management aids
- Training material
- Coaching
Results at HMG

Growth in number of projects and contract value
Closing and Takeaways for Your Company

If you are going to establish a PMO in your company:

1. Be sure to have executive buy-in, to the highest levels of leadership in your company

2. Collaborate with ALL stakeholders in your company as you build your project management processes to ensure all stakeholders have “ownership” of the process

3. You are certain to hit some “bumps” in the road, so be persistent and forge ahead. Your company will benefit greatly from your efforts!
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