

Enabling Project Portfolio Management Keeping it Simple at HMS



PM Providers delivers professional services designed to help our clients realize business results through a unique combination of effective consulting, coaching, training and deployment of project management technologies.

“We always knew that project portfolio management, resource allocation planning and capacity management were possible. PM Providers made it a reality.”

*—Thomas Baggett Jr.
Vice-President
Managed Care Services
HMS*



Customer Description



HMS is the nation’s leader in coordination of healthcare benefits and program integrity services. Clients include health and human services programs in more than 40 states, over 100 Medicaid managed care plans, the Centers for

Medicare and Medicaid Services (CMS), and Veterans Administration facilities. Established in 1974, HMS has headquarters in New York, NY, with approximately 1000 full-time employees working for this publicly held company (NASDAQ: HMSY). HMS helps ensure that healthcare claims are paid correctly, and by the responsible party. As a result of the company’s comprehensive suite of services, government healthcare programs recover over \$1 billion annually, and avoid billions of dollars more in erroneous payments.

Understanding the Business Challenge

HMS had a clear challenge and one they had experienced before. An increased number of concurrent projects were going to put a strain on resources and increase risk for on-time delivery of new client implementation projects with the potential for lost opportunity for customers and lost revenue for HMS. Senior management recognized the need for more effective resource and schedule management, and more insight to resource bottlenecks and staff capacity in order to more effectively manage their growing portfolio of new customer projects.

Envisioning the Solution

PM Providers worked in partnership with HMS to develop and implement a project portfolio and resource management capability and negotiate the organizational changes needed to make resource capacity management a reality. As part of this implementation, several key success factors were established; Transparency to active, proposed, and on hold projects, the ability to aggregate project schedules and resource plans, the capability to quantify resource capacity and demand across the portfolio, and the ability to review new project impacts on the organization. HMS also required documented, repeatable processes for managing and maintaining project and portfolio data in order to establish reporting and analysis capabilities that would enhance executive decision support.

Responding to Risk: Keeping it Simple

As with all Project Portfolio Management (PPM) and Enterprise Project Management (EPM) implementations, the risks of low adoption rates, poor data quality, and lack of resource commitment to maintain system data were identified early in the process. PM Providers assisted HMS in recognizing and acknowledging these risks and in developing an approach that would address these critical risks. The approach included introducing a low complexity solution as a first step. Instead of implementing a traditional, heavy-weight EPM technology, the joint team moved forward with PM Providers' EPMLite™ solution. This decision reduced the overall cost exposure and reduced the technical complexity that the team would need to overcome. HMS also recognized that they had limited internal knowledge of Microsoft Project. In response to this problem, a coaching and mentoring program was put in place to transfer this technical knowledge from PM Providers' staff to HMS staff to ensure regular project plan maintenance and establish an ongoing internal competency.

Changing the Game: The PPM Makeover

The solution introduced included portfolio management technologies based on SharePoint and Microsoft Project. New processes, procedures, and organizational behavioral changes needed to enable a better way of managing the project portfolio were created. But HMS also needed to change the way the executive team was operating with respect to managing the project portfolio. Portfolio review meetings tended to be extremely detail oriented, with executives often overwhelmed with project minutia, issues, and departmental staffing concerns. The executive team would then wade through the details of each project in an effort to feel that they had the information needed to be 'in control' of the portfolio. This process resulted in the executive team being in 'reaction mode,' helping project leads to solve project level problems and functional managers to solve departmental staffing issues. And with no consistent reporting and decision support metrics in place, the executive team was in no position to provide project teams with actionable guidance.

What was needed was a change in focus, process, and decision support capabilities. With the introduction of new portfolio level reports, executives were now able to understand the relative progress and health of projects. Standardization and regular analysis of the portfolio now gave the executive team assurance that projects were being monitored and issues addressed. PM Providers' then worked with HMS to change the focus of the portfolio review meetings. Executives were now focused on setting portfolio priorities based on business strategy. And senior staff were engaged in issues by exception only, requiring their attention for only on the most critical items needing senior management engagement.

Project Portfolio Management: Driving Business Results

HMS now has several new internal capabilities in place that provide them with a competitive advantage in delivering key services to their customers. With a new transparency into the project portfolio and an ability to aggregate project and resource data, HMS now has the ability to rapidly adjust resource allocations based on changing business priorities. Mid-level managers now have the information they need to make decisions without intervention from senior management. Issue escalation to the executive team is now by exception only, allowing them to focus on aligning project portfolio priorities with business strategy. Project schedules are now maintained and managed effectively in order to deliver the quality of data needed to support portfolio reporting, resource allocation analysis, and executive decision support. And most importantly, HMS is able to anticipate project delivery problems before they happen, resolve conflicts before they impact customers, effectively meet customer expectations, and deliver projects for their customers with a high level of confidence and predictability.

Find out how PM Providers can help you drive results with project management solutions.

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