PMO of the Year Award
Full Steam Ahead: Navy Federal’s ISD PMO Puts Power behind Major Initiatives

Military personnel have special needs when it comes to financial services; the soldier or sailor being deployed who misplaces her debit card can’t wait a week to receive a new one in the mail. To respond to this unique challenge, in 2014, Navy Federal Credit Union — the world’s largest credit union, with over 5 million members — relied on their Information Services Department’s Project Management Office (ISD PMO) to manage the creation and rollout of a new system for issuing debit cards. The Instant Card Issuance (ICI) project did more than serve Navy Federal’s mission of “serving members where they serve” — it produced tangible financial benefits for the organization. The case study of the ICI was the centerpiece of a PMO of the Year Award application that impressed PMI’s panel of judges and won Navy Federal the top spot in this year’s competition.

FROM FORMULA TO FLEXIBILITY
Chartered over 80 years ago, Navy Federal has long been recognized for its outstanding member service and passionate employees, who are dedicated to serving the military and their families. This mission drives Navy Federal’s Information Services Department (ISD) Project Management Office (PMO) to demonstrate its commitment to members through a results-oriented culture of excellence in project, program, and portfolio management practices and delivery. The PMO works on a portfolio of over 150 essential IT projects. These projects result in new or
changed products, services, environments, processes, and other value-adding business objectives. Recently, Navy Federal has experienced robust growth, with membership growing 25% from 2012–2014. The PMO’s growth kept pace with an increase of 42% in the number of annual projects managed during the same period. The Project Management team, formed in 2010 with only five employees, grew into a formal PMO with over 120 employees and contractors.

During this period of growth, the IT organization stressed the adoption of and adherence to formalized delivery practices and processes. This heavy emphasis on process and a one-size-fits-all approach to projects began to create a culture in which project leads focused on administration, process execution, and task management, rather than the leadership talent and skills they had to offer. Process compliance is important but can be carried too far, particularly on new product development projects, where emergent issues and unforeseen opportunities require an entrepreneurial approach to goal achievement. Feedback from both business and IT began to highlight a desire for less focus on process and more on leadership and partnership, and for a deeper understanding of customers’ businesses. As the PMO was formalized in 2014, the project management function also saw increased demand for measurable results on initiatives.

PMO leadership led the charge to drive value by focusing on the measurable behaviors needed to deliver projects with speed and reliability while forging lasting relationships. To support the organization’s growing demands, the PMO has been tailored to accomplish organizational change in an environment with tenured key stakeholders, mature relationships, and defined responsibilities and expectations. To complement this legacy and position project and program managers for success, PMO leadership makes a concerted effort to drive improvements by addressing specific capabilities such as staff development, contractor support, process improvement, actionable metrics and reporting, financial controls and tools, with a heavy focus on strengthening relationships between ISD and the Navy Federal business units.

Navy Federal’s level of trust in their project management function can be seen in the roles played by the PMO. The PMO VP reports to the Deputy CIO, and is a part of the departmental leadership and Project Prioritization Team, which feeds into the IT Governance and Strategic Planning Group (SPG) committees. The strategy planning process, which includes corporate project/program prioritization and funding, is governed by the SPG, which comprises the senior executive team. The PMO is part of the Project Prioritization Team (PPT), which consists of Navy Federal executive management. ISD’s Account Management team works with the various PPT representatives to derive a list of new initiatives to be considered for the upcoming year’s prioritization.
Portfolio analysis and prioritization is governed by the Project Prioritization Team (PPT) with oversight by the Strategy Management Division. This group meets bi-weekly to review the portfolios and make decisions on scope changes and exceptions to the planning process. The PPT facilitates the prioritization, execution, and monitoring of strategic initiatives as defined in Navy Federal’s Strategic Five Year Plan across four IT portfolios: Strategic, Compliance, Tactical, and Infrastructure. The PMO provides significant input for PPT review in the areas of project health, emergent risk, benefit realization, scope governance, resource capacity usage and demand management. The portfolios are recalibrated as needed to accommodate emergent requirements (such as compliance concerns or technology developments).

The PMO is divided into two groups: the Project and Program Management team, which focuses on managing all aspects of project delivery, from the identification of resources to coordinating cross-project dependencies, and the Performance and Optimization team (P&O), which drives enhanced accountability and optimization in ISD’s planning and execution of technology portfolios by leveraging analysis, metrics, and reporting. This includes services such as Capacity and Resource Management, Proposal and Estimation Management, Technology and Portfolio Planning, PPM Ownership, and the management of Technology Portfolio Metrics, KPIs, and Annual KPI Validation, including Best Practices and Benchmarking. P&O provides extensive reporting, data standards, and benchmarking to demonstrate the results of all ISD project resources and drives improvements based on data reporting and analysis. It works closely with departmental leadership and the enterprise in the annual planning process to provide project capacity data and forecasting.

A FOCUS ON TALENT

Navy Federal has a strong commitment to employees; it has ranked as one of Fortune magazine’s 100 Best Companies to Work For® five times in 2008–2014. The PMO staff benefits from this people-focused management style: the PMO has grown and developed in-house expertise and champions of the project management discipline to manage its 2015, $205-million portfolio, with balanced use of external consulting. The PMO has incorporated numerous best practices and standards to support better performance and success, including a structured career path that ranges from the Level 1 apprentice PM to Level 4 Program Manager, as well as a Project Coordinator track and intern program. Navy Federal offers a robust corporate tuition reimbursement program and annual employee training budget. Additionally, the PMO encourages continuous learning and skills development by offering numerous in-house trainings, facilitating a PM Community of Practice and hosting a monthly PM Forum featuring internal and external speakers.
In 2015, after attending the 2014 PMI Symposium, the PMO ramped up efforts around talent management strategy. This multi-year effort will transition the group to become more intentional in assigning staff, aligning staff with the appropriate initiatives based on skills and competencies, and developing comprehensive talent management tools (i.e. skills inventory) for input and management of these assignments.

In addition, the PMO works to address the resource management issues that often plague projects. A project and program management tool is established with time tracking for all ISD resources with resource pool management in place. The P&O group monitors and forecasts all resource usage. This system feeds data to the comptroller for the purpose of IT financial planning and management.

Says Assistant VP of the Project and Program Management Team, Kristin Earley, “Navy Federal has one of the most talented group of Project and Program Management professionals I have worked with, and I am incredibly proud of the work we do to demonstrate our commitment to members through our project delivery and leadership. We continue to take on larger, complex projects and programs, and being able to consistently deliver on these successfully is rewarding for everyone involved. I can remember several years ago when we were launching the first program and the concerns we had about that massive endeavor. Now we have over 15 programs running concurrently and over 100 projects worked on this year.”

**INSTANT CARD ISSUANCE: EXCELLENCE IN ACTION**

Of the many projects that the PMO led in 2014, the deployment of the Instant Card Issuance (ICI) system stands out as a significant strategic initiative with an immediate, positive outcome for both the credit union and the military families it serves. With the capability to instantly issue VISA® Check Cards, members no longer had to wait up to 10–14 days to receive a card by mail. ICI was an ideal solution for service men and women who were being deployed, as well as their loved ones who remained home and managed their finances while they were overseas. The Savings and Membership Department relied on the PMO for support in delivering this key initiative.

The corporate Project Prioritization Team prioritized ICI so that resources were available and full management and executive support was available to remove roadblocks as needed. A series of phases was designed to implement prioritized functionality first and managed interdependencies with other projects and systems while engaging multiple business units across the credit union. Coordinating this effort meant introducing new technology and hardware at every branch across
The project team structured a pilot phase to deploy the solution to nine test branches, identify best practices and lessons learned, and then deploy the system to over 250 branches across the globe. The full rollout of ICI capability to every Navy Federal branch began in July and was completed in December 2014.

Deploying ICI functionality to over 250 branches worldwide in a six-month period was no small feat, and the PMO played a critical role by acting as the “glue” that held the effort together: vendors, multiple business units, and building a strong team that was dedicated to the end result. The project manager worked with the business units to ensure that business requirements were understood and with the vendor and internal technical team to map them to system requirements.

With over 1 million cards issued since production, the Instant Card Issuance project strongly supported Savings and Membership Division’s goal to increase and retain membership while providing excellent member service. Instant card replacement prevents members from using an alternative card while the replacement is being processed, resulting in “top of wallet” status for Navy Federal debit cards, with important business impacts. Instantly issued cards:

- are used over five days faster than centrally issued (mailed) cards
- are used, on average, seven more times a month
- have a 40% higher active rate.

Instant Issuance is a significant strategic differentiator for Navy Federal, providing members with the option to receive a ready-to-use, personalized VISA® Check Card within a few minutes of enrollment and opening a checking account. This service also supports member requests for issuance of replacement cards. If a member is unable to visit a branch or prefers the card to be delivered, the existing process by which a new debit card is mailed to the member’s location continues to be in service.

The ICI project is a perfect example of how the PMO serves as a critical partner to lead initiatives with the business units while leveraging project management standards, corporate goals, and vision to support value delivery aligned with business needs. The PMO’s focus on strong leadership, business understanding, creativity for flexible and rapid delivery, as well as extensive change management and communication plans, also played a key role in the success of this major initiative for Navy Federal.
LOOKING AHEAD

Ongoing changes in the PMO’s delivery practices include using software development methodologies such as scrum and incremental agile approaches, as well as empowering project managers to approach project delivery creatively and to value flexibility, collaboration, continuous improvement, and early delivery of prioritized business value. This significant amount of change is being adopted incrementally to minimize impact on both project managers and business partners.

The PMO promotes empowerment of the PM group to approach projects with a collaborative spirit, both internally and with stakeholders, even while tightening scope management through an enhanced PPM change management process. Collaboration ties into the alternative delivery approaches and focuses on business value, all of which require changes across IT and business units in parallel. With the PPT leadership sponsoring these changes, a viable organizational cultural shift can ensue. The results will provide the PPT the needed environment and oversight to focus on delivering prioritized business value.

The following priorities were established for the Navy Federal PMO to provide areas of focus for the changes within the organization:

1. Achieve and maintain value perception and credibility for the PMO team, both within ISD and with the business through partnerships and project delivery.

2. Optimize ISD processes to be effective and right sized for speed of delivery and focus on value add activities.

3. Build a roadmap outlining how to operate in an efficient, measured, value-driven and reliable manner.

4. Address gaps in organizational and individual competencies to improve PMO team capabilities and leadership and establish reward systems to drive behaviors.

5. Make the PMO a desired home base for talented Project and Program Management professionals to become part of a high-performing team.