WHITEPAPER PRESENTATION

Developing a Strategic Transformation Management Office (TMO)

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Introduction

A Transformation Management Office (TMO) or Transformation Office (TO) typically are established to direct and control a large organizational transformation program or programs. When established together they can potentially flip the odds in your favor for success!

An effective TMO depends on several things, from the strategic empowerment from top-level leadership through to a tactical and regular drumbeat of achievements. It is not a Project, Program or Portfolio Management Office (PMO) but sometime may be confused as such. In my experience, TMOs are critical in facilitating the accomplishment of goals through strategic consistency, momentum, standardization, coordination and an unwavering focus on primary objectives. Although TMOs cannot guarantee success, without one, delivering a large integrated program of work is unlikely to achieve it.

This whitepaper presentation presents simple TMO fundamentals that I recommend to put in place, such as establishment, staffing, tools and techniques, important competencies, focus areas, integration considerations with other dependent delivery centers and outcome performance monitoring.

Decide on Scope to Fit

A TMO can be scope in different ways but typically contain a good mix of strategic, planning and tactical actions.

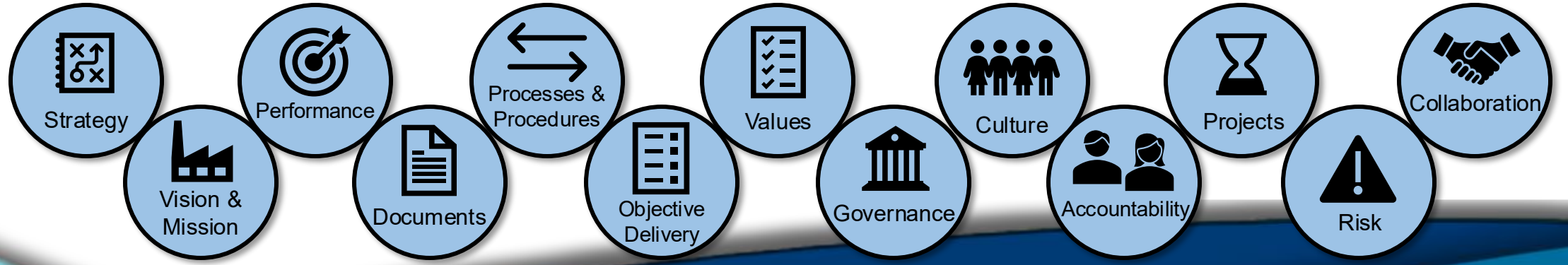
Suggested scope is shown below. These factors apply in differing magnitudes depending on leadership aspirations. However, take care to ensure these align with organizational direction. Even if faint signals of gaps appear in these areas, they can cause a chain reaction that can de-stabilize effort for the life of the program.

When setting up a TMO, independent of a transformation program, put more weight on:

- Corporate Values, Strategy and culture
- Governance and decision authority
- Objective delivery methodology

When establishing together with a transformation program, focus more on:

- Alignment with corporate vision and mission
- Performance, monitoring and objectives
- Collaboration and stakeholder management

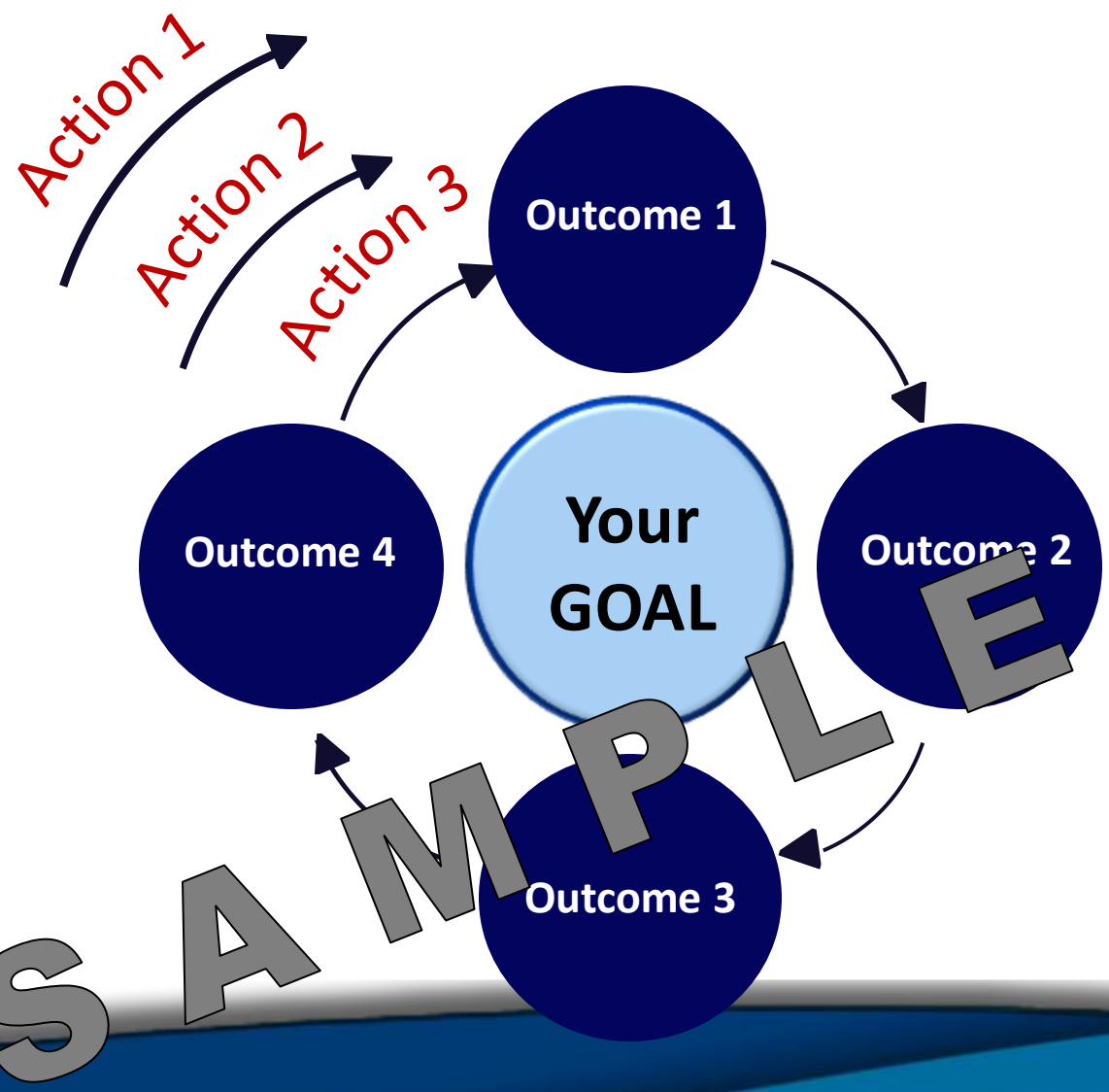


Adopt a Strategic Approach

An organizational flywheel represents key events that when integrated together can provide competitive advantages through a cycle of actions and positive outcomes.

They typically include the integration of aspirations and action that can result in:

- Revenue increases
- Cost reduction
- Enhanced customer experience
- Higher staff engagement
- User experience, and
- Achievement of strategic objectives

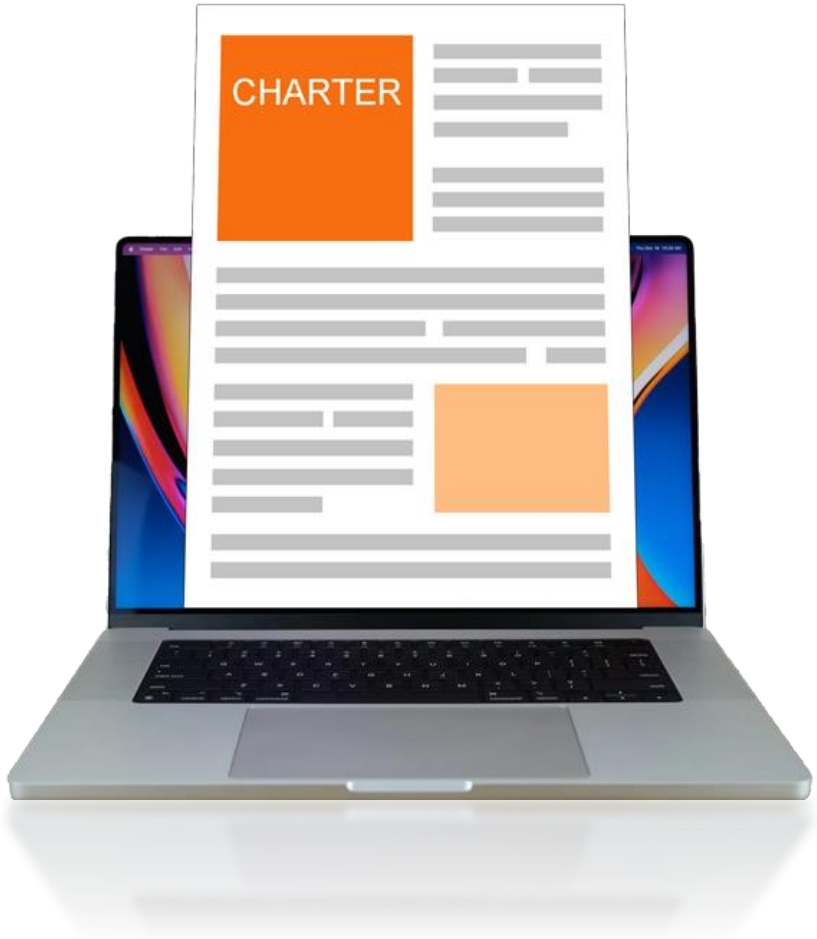


SAMPLE

Develop a TMO Charter

A charter (or Terms of Reference) defines all aspects summarizing the TMO (not the transformation program) purpose of existence. Typical headings of this short document would contain:

1. Purpose
2. Strategic and tactical objectives
3. Alignment with organizational values
4. Scope definition (including term of life)
5. Mission statement
6. Applicability
7. Budget (establishment and operating)
8. Stakeholder / staffing structure
9. Roles and responsibilities (or RACI Matrix)
10. Proposed delivery methodology
11. Communications and reporting frequency
12. Meeting schedule and agenda



Set your TMO Lifecycle in Broad Phases

For a TMO to properly plan, control and execute a transformation program, objectives should be broken up into broad phases of work. Under these phases can be further breakdowns of work all the way to task level and controls. This can enable better work categorization, ensure consistent alignment with strategy and allow to progressive benefits to emerge. A sample of the top-down breakdown is below.

Phase 1:
Business transformation is doing the right things

Program Delivery Model:

- Vision and mission
- Goals, strategies, tools, techniques
- Product portfolio
- Value proposition
- Business ecosystem
- Revenue streams
- Program management
- Marketing and promotion

Phase 2:
Operational resilience is doing the right things despite disruption

Resilience model:

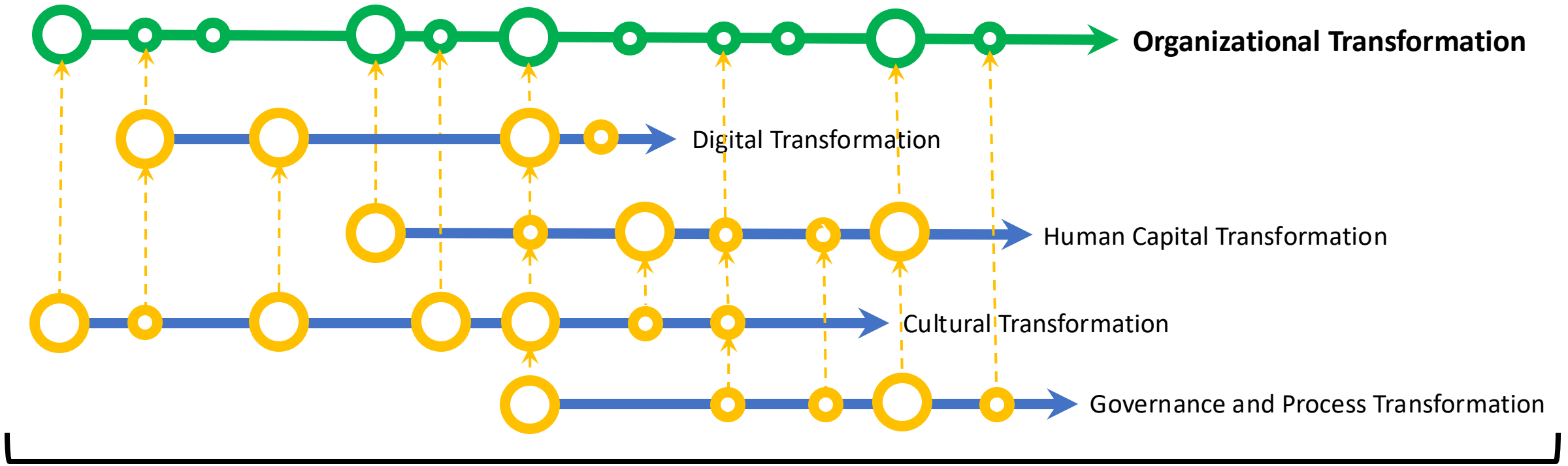
- Crisis management
- Challenges and opportunities
- Threat management
- Training and drills
- IT system upgrades
- Incident response
- Business continuity
- Disaster recovery

Phase 3:
Operational excellence is doing the right things right, consistently

Operating Model:

- Strategic Realization
- Change Management
- Benefits Management
- New revenue streams
- Process Excellence
- Streamline enterprise architecture
- Costs and overheads refined
- 10x User Experience

Understand Org-wide Program Interconnectivity



Overall organizational transformation encompasses several timelines not limited to those shown here. Even if the scope of the TMO excludes some program, it must have a strong understanding of interconnectivity between them, then manage them accordingly.

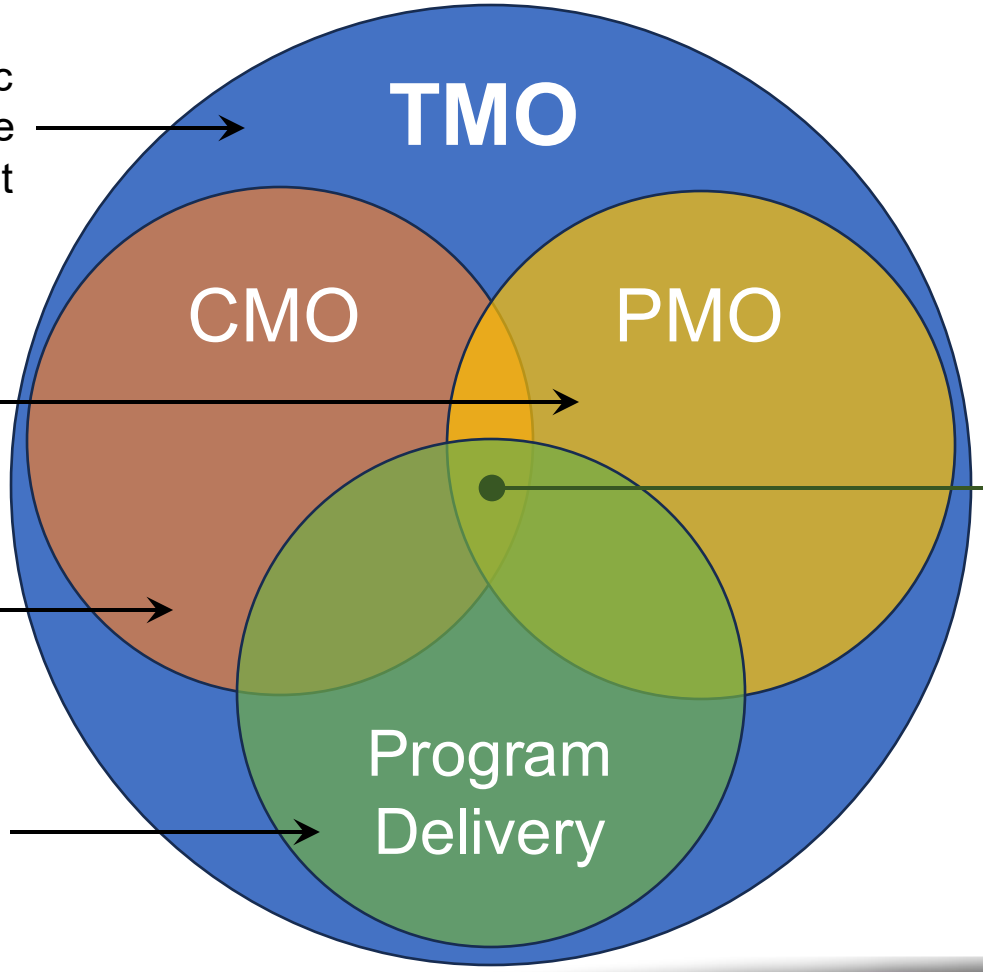
Affirm the TMO Place in Leadership

Drive direction, establish systematic consistency in governance, integrate divisions and ensure strategic alignment

Publish program governance, tools, templates, procedures, delivery frameworks, conduct training

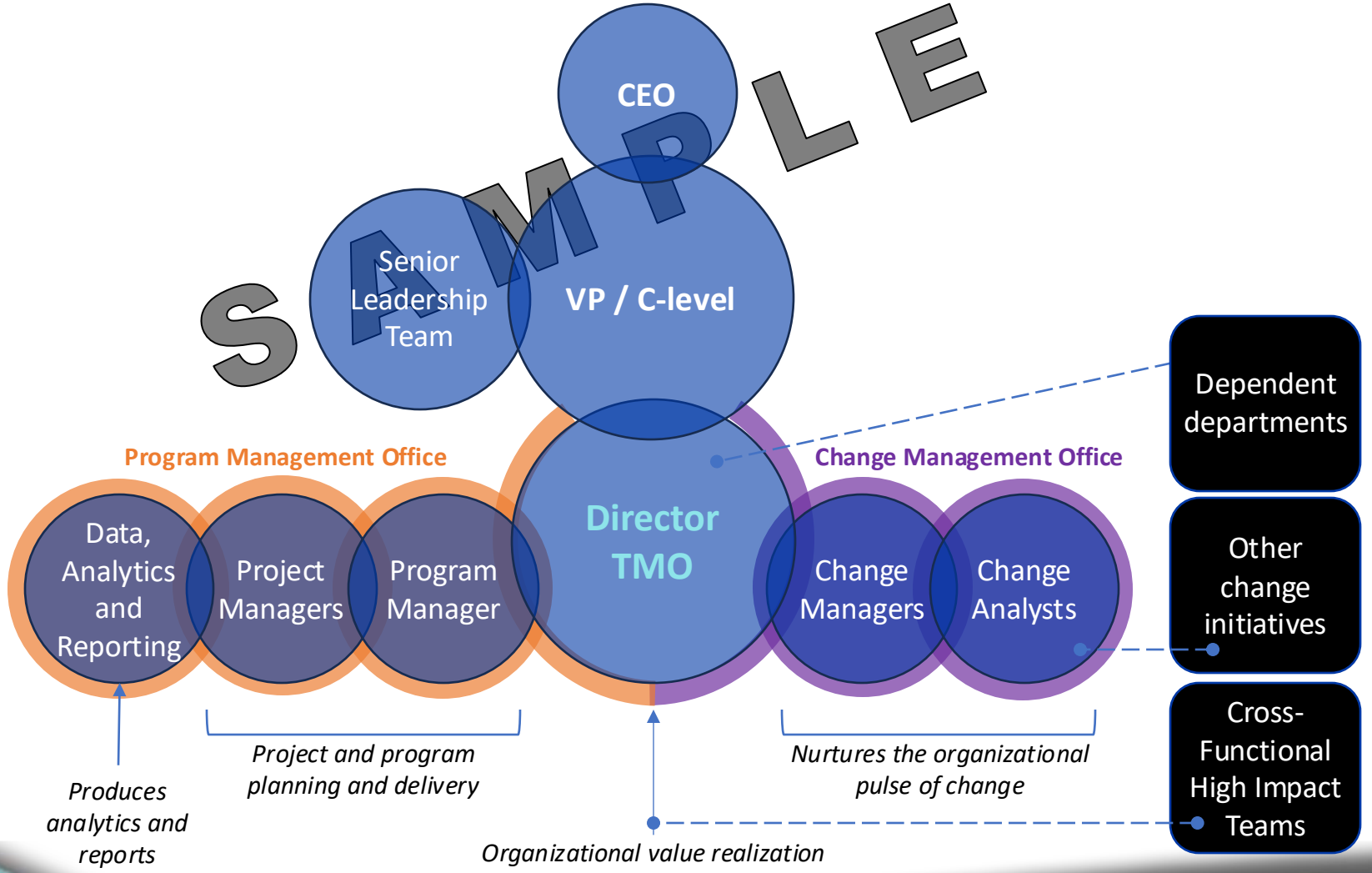
Nurture change, ensure awareness, communicate, drive training and workshops

Develop, execute and track transformation program delivery



With leadership, collaborative strategic planning and consistent effort in integrating the PMO and CMO with delivery, results in a strong foundation for operational effectiveness lead to excellence!

Set-up your Team Governance



In this sample structure:

- The accountable **VP/Chief** remains informed of direction, progress, concerns, achievements, reporting, and metrics.
- The **Director, TMO** provides overall strategic direction as the single point of accountability for TMO establishment, leadership and scope as well as the smooth running of the transformation program. *They are a crucial collaborating partner between realizing strategy via delivery*.
- The **PMO** establishes governance, tool and methods to execute, tracks, and reports on delivery milestones, risk and reporting.
- The **CMO** established an approach to ensure change is nurtured incorporating departments such as Training, Culture, Communications, HR and DIER.
- Collaborating stakeholders in other departments engage through the through **High Impact Teams** (HITs) as needed.

Staff your TMO with Core Competencies

Research and experience has shown the having the correct core technical, leadership and behavioral competencies in place, can significantly enhance the change of success, effectively flipping the odds in our favor. These vary a little across industries but remain similar. They include and but not limited to:

Technical	Behavioral	Leadership
• Program Management • Business Process Management (BPM) • Change management agility • Project Delivery • Enterprise Architecture • Statistical dexterity • Effort prioritization governance • Benefits and Value Realization	• Cultural acuteness • System thinker • Bias for pro-action • Continuous improvement • Strive for excellence • Global mindset • Open communicator • Resilient under pressure	• Strategic integrity • Complex system direction • Portfolio Orchestration • Deployment Leadership • Team building • Trusted partner • Decision-making

Establish Objectives and Key Results (OKRs)

It is crucial to build and monitor an objective-based performance tracking system to ensure both the TMO is established quickly and correctly and the transformation program remains focused aligned to strategic goals. OKRs are a good tool to do this. Some examples include:

TMO

Objective: Meet Establishment Timeline

Key Results:

- Schedule milestones met within tolerance
- TMO appropriately staffed on plan
- Governance and delivery framework in place on plan
- Internal Customer Effort Score (CSAT) from other departments outside the TMO

Objective: Achieve Cultural and Strategic Alignment

Key Results:

- Target of 80 percent of staff aligned with objectives
- Track cultural engagement survey response rate
- Introduce a leadership-driven mentoring and training
- Change readiness is in effect and on plan

Transformation Program

Objective: Program outcomes realized

Key Results:

- Program milestones completed on plan
- Planned benefits realized from program outcomes
- Positive Return On Investment (ROI) on outcomes

Objective: Maintain No-slip Transformation Cadence

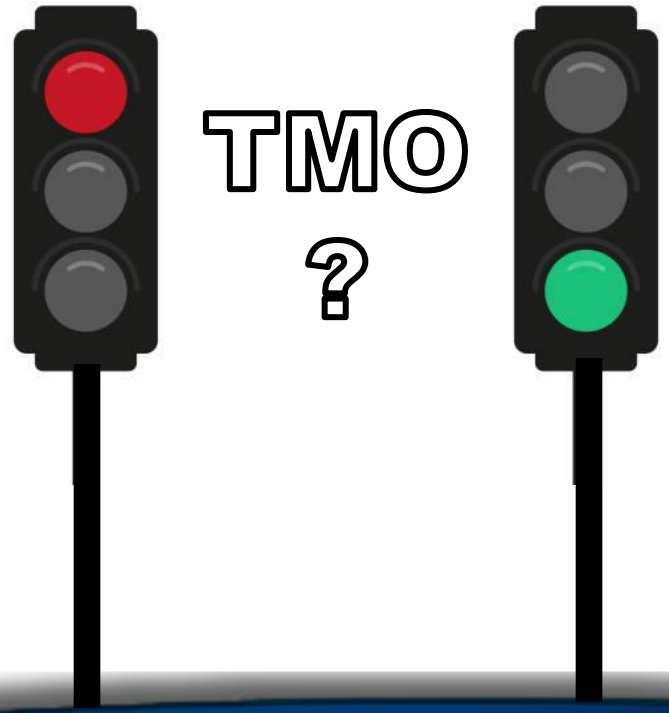
Key Results:

- Use Earned Value metrics to track time, cost and progress through SPI, CPI, BC, AC and EV.
- Maintain positive resource-leveled execution float
- High-severity risks are resolved and mitigated

Summary

Being always a strong advocate of delivery-based leadership, high-performance team building, integrated planning and the systematic execution of work, running a transformation program via a TMO is the preferred option and really does increase the chance of success.

However, I have worked in more transformation programs that do not have a dedicated control centers (like TMOs) in place than programs that do. This occurs for several reasons such perceived time constraints, resource issues, low in-house competency and general ambivalence to the value a TMO brings.



Whatever the reason, if organizational leadership are truly committed to transforming their business (i.e. *significantly changing*), a TMO can not only provide the strategic and tactical roadmap to achieve goals, but it sets up a new and scalable capability in the business to better address challenges and risk.

I hope you have found this paper useful in your own endeavors.

As always, questions and comments and welcome

For questions and comments, contact the author:

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