



PROFIT RESOURCES  
INCORPORATED

# PROJECT MANAGEMENT IN BANKING

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**Is it a Thing?**

by Sue Schmiedeler, PMP

When you think of project management, the construction or technology industries usually come to mind. But what about project management in banking? For the last several years as financial institutions deploy new products and processes, project management has taken hold in the industry. As FIs continue to enhance technology offerings, project management has risen in popularity, especially in mid-large size institutions. Whether a financial institution supports technology in-house or opts for third party support, project management is a must-have as executives continuously juggle the changing landscape of the industry. Financial institutions no longer just supply customers with a place to store funds. They supply customers with the technology to manage and protect their money. From simple funds transfers to complex money movement or investing, FIs are doing it all. The day-to-day employees often do not have the time or the knowledge to plan for conversions, product and service implementations, addition of technology, software application upgrades or changes, process changes and keeping up with the ever-changing regulatory requirements.

### **What does Project Management in a financial institution look like?**

Unlike a construction company or software development shop, project management in the financial



services industry can take on many different identities. The type of project will dictate how the project is managed. If the financial institution employs in-house developers, the agile project management approach will likely be followed. Agile project management is an iterative approach to planning and guiding project processes that breaks them down into smaller cycles called sprints, or iterations. For a system/application conversion a waterfall approach may be the way to go. The waterfall methodology maps out a project in distinct, sequential phases. One may often find that a

combination of both approaches could be appropriate. In some cases, neither approach is required. If it is a simple internal process change, the institution may opt to simply use a task list approach.

In community banking today, one of the most complex changes that requires a project manager is a core conversion. "Financial institutions need someone who can keep all tasks on track," explains Mikelle Brady, PRI Partner, "while also advocating on behalf of the FI. It's not enough to leave this project to the core provider."

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## Does a financial institution need a Project Management Office (PMO)?

It depends. A large institution with in-house development staff should have a fully staffed, centralized PMO. A medium size institution may be able to get by with a small staff of Project Managers that reside within a business line and report to business line managers. A small or medium size institution may benefit from outsourcing project management to a reputable consulting firm. Having a PMO will be a decision specific to the financial institution.

If the financial institution opts for a centralized PMO they will need to determine where this function will reside. Many times, the PMO is in either the Operational or IT area.

An argument could be made for either. If the institution is largely focused on IT initiatives, especially if it involves development efforts, the IT area is the suggested option. For those primarily focused on process initiatives or simple systems implementations, the Operational area is acceptable. Regardless of where the function resides, it needs to be well-managed and support the strategic initiatives of the entire organization and not just the individual business lines.

## Does the Project Manager require certification?

Project Managers in a financial institution will need at least some base level project management training, but do not need to be

certified (PMP certification). If the Project Managers will be handling small scale non-complex projects, there are plenty of online resources that speak to project management basics. There are also books, articles, and blogs readily available. A Project Manager does not have to be certified to be a member of the Project Management Institute where they can have access to a myriad of resources.

If the Project Managers will be handling larger scale, complex projects, it is suggested that at least one or two of them go through formal training. Alternatively, the financial institution can outsource the Project Manager role to a reputable consulting firm with certified Project Managers on staff.



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## Are there Project Management tools that should be considered?

Regardless of the size and type of the project there are some basic tools and concepts that should be utilized. According to TeamStage, 93% of all organizations—not just financial institutions—use standardized project management practices.

### Here are a few to consider:

- **Scope summary** – this is a summary; details that support the scope summary will be addressed in other supporting documents listed below.
- **Project resource plan** – who and when will resources be needed (role definitions are important)
- **Project timeline** (high-level with milestones)
- **Project task list to support the timeline**
- **Risk and Issues log**
- **Decision log**
- **Cost tracking document**
- **Change log**
- **Approval process and escalation model**
- **Clear-cut and detailed communications plan**
- **Detailed test and training plans**



## Scope Summary

- **Who?**
  - People/Departments involved
  - Roles
  - Who will be trained and who will do the training
- **What?**
  - Objective of the project, with success criteria
  - IT needs (will vendors be required?)
  - Costs/budget
  - Constraints/dependencies
  - Testing plan (high-level)
  - Communication plan (high-level)
  - Deliverables
- **When?**
  - Project timeline
  - Training timeline estimate
  - Communication delivery timeline estimate
- **How?**
  - Training is delivered
  - Testing is conducted
  - Project governance
  - Risks and issues will be managed

There are many more project management tools available and, depending on the size and type of project, the choice of which ones to use will be up to the organization and the Project Manager.

### What are the required skills of a Project Manager?

In addition to the appropriate level of project management training there are other skills that are very important that a Project Manager should possess. First and foremost, leadership skills are a must have as the Project Manager is responsible for navigating the path forward. The Project Manager must lead the entire project team through plan development, strategic thinking, change management, conflict resolution, issue management, risk mitigation and time management to



name a few. Communication skills, verbal and written, is key to leading a project. Making sure all parties are on the same page and accountable for their part in the process is critical to project success.

#### **Examples of additional skills that Project Managers should possess:**

- Detail oriented
- Organized
- Collaborative
- Mentoring
- Flexibility
- Problem solving

#### **Is the Project Manager a subject matter expert (SME)?**

Basic project management skills can be applied to any industry and any project. A Project Manager does not need to be a SME to be a good Project Manager. The project team should be responsible for knowing the subject and doing the work. However, the Project Manager being a SME can be helpful. A Project Manager should take the

time to learn about the subject topic as long as it does not impede project progress. The more knowledge of the subject the more helpful the Project Manager can be in navigating the path forward.

As a whole, project management can be a valuable position or function within a financial institution. With the everchanging banking landscape, project management/managers keep products and projects moving forward on a more consistent basis. This allows the institution to continue to remain competitive and more up to date on trends in the industry.

#### **Recommended Resources:**

- [Projectmanager.com](http://Projectmanager.com)
- The Project Manager Network group on LinkedIn
- Project Management Institute ([pmi.org](http://pmi.org))
- Project Management Body of Knowledge (PMBOK) manual
- *Project Management for the Unofficial Project Manager* by Kory Kogon
- *Project Management for Non-Project Managers* by Jack Ferraro



## About Sue Schmiedeler

Sue is a proven leader with a long track record of successfully managing projects, processes, products and people at financial institutions. She has a practical understanding of how to solve complex problems using a common sense approach. Sue's over 30 years of experience with financial institutions spans areas such as operations (loan and deposits), accounting, treasury services, lending, electronic banking, project management and system conversion management. Her collaborative approach helps her teams and clients achieve measurable results.

## About Profit Resources, Inc

Profit Resources Incorporated (PRI) strengthens financial institutions by improving profitability and efficiency, so that they can best serve customers, employees, and shareholders. By taking a hands-on approach to consulting, the PRI team of seasoned banking professionals makes a measurable impact on the bottom line through income enhancement and expense reduction. Established in 1990, PRI's expertise covers most areas of the financial institution including:

- Non-Interest Income
- Debit Card Profitability
- System Evaluation and Negotiation
- Process Improvement
- Retail Banking
- Lending
- Non-Interest Expense
- M&A Integration
- Digital Transformation
- Treasury Management
- Depository Operations
- Loan Operations

PRI takes a hands-on, personalized approach to strengthening financial institution profitability.