



A new concept of PMO operation



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Clarification

- Definitions of what is meant by the term PMO are almost as great as the number of PMOs.
- I would like to distinguish between the PMO and the Project and Programme Management (PM) community
- The PM community manages Projects and Programmes (Initiatives)
- The PMO provides an organisational layer between the Initiatives and the organisation involving; budgeting, funding, initiation, governance, assurance and reporting. It may also involve capability improvement and practices to identify, manage and reduce risk.

The business need

According to the PMI* “a full 71 percent of organizations report using agile approaches for their projects sometimes, often, or always.”

This means that we need to redesign the PMO functions so they can support both Agile and Waterfall project delivery.

The Lean-Agile PMO

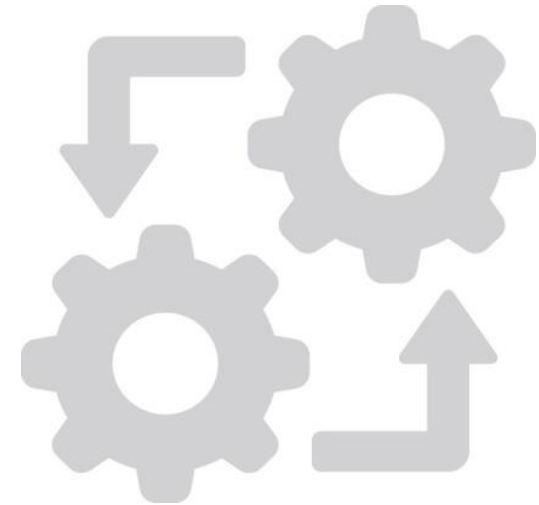


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* Source PMI Pulse of the Profession Report 2017

Features of agile projects

- Teams
 - Perpetual and transient
 - Self-managing – encouraged inconsistency
 - Continuously improving
- Process
 - Just enough
 - Ceremonies
 - Agile Not anarchy
- Metrics
 - Inconsistent status reporting
 - New terminology, e.g. cadence, velocity



What does this mean for the PMO?



WHAT IS THE LEAN-AGILE PMO?

Lean-Agile coverage

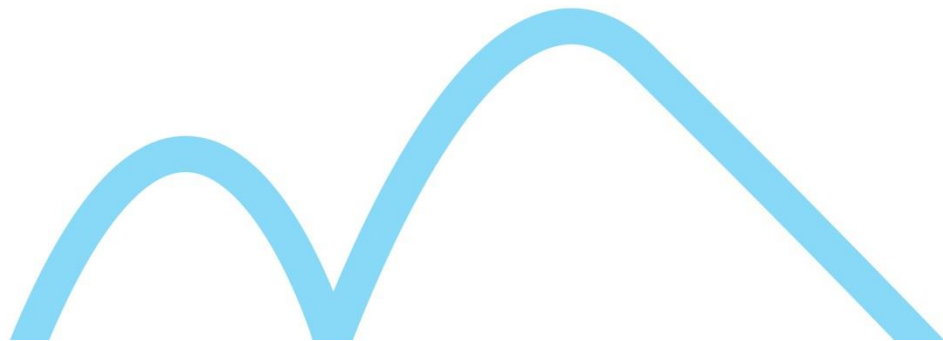
Agile Activities



Waterfall Projects



**Programmes and
Releases**

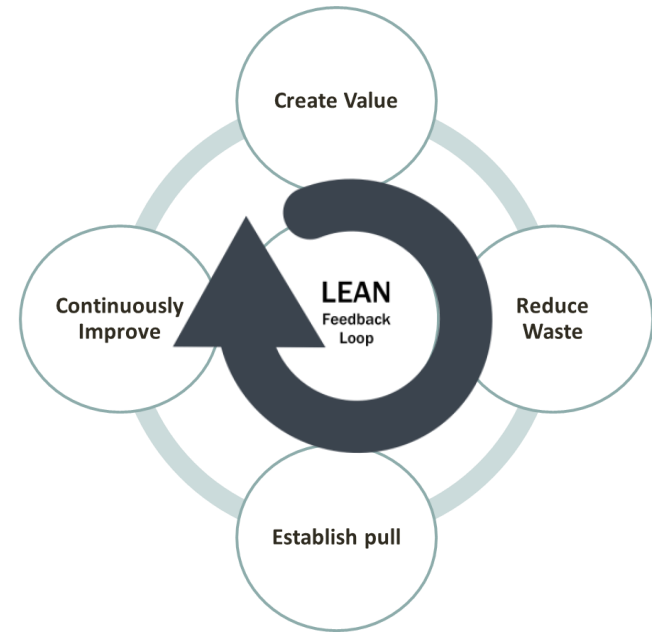


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Why Lean?

LEAN

- Maximum value in the shortest lead time
- Eradicating waste
- Continuously Improve



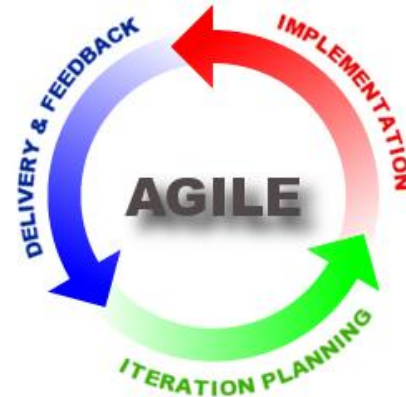
Lean PMO objectives: To design a PMO which delivers maximum value to its customers (Stakeholders) with as little wasted effort as possible. To facilitate project execution such that wasted project effort is minimised. To provide an ethos and mechanism for continuous improvement



Why Agile?

Agile

- Just enough and just in time
- Business people and teams collaboratively working together
- Servant leader culture



Agile PMO objectives: To provide a project ecosystem and collaborative culture such that projects are demonstrably delivered as fast as possible, irrespective of delivery methodology, with “just enough” governance so oversight so that risks are well managed and success is assured.



The Lean-Agile PMO Concept

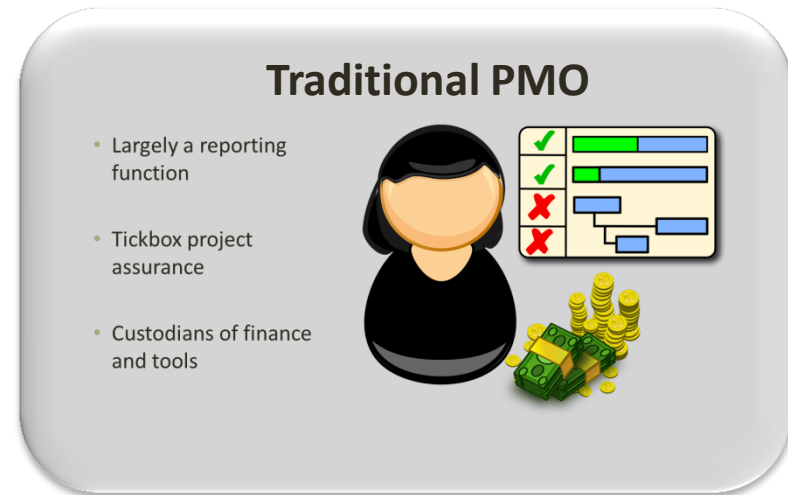
- **Lean:** To design a PMO which delivers maximum value to its customers (Stakeholders) with as little wasted effort as possible. To facilitate project execution such that wasted project and PMO effort is minimised
- **Agile:** To provide a project ecosystem and collaborative culture such that projects are demonstrably delivered as fast as possible, irrespective of delivery methodology, with “just enough” documentation and governance so oversight so that risks are well managed and success is assured.
- Is delivery methodology agnostic waterfall or agile and it:

Facilitates the faster, secure, controlled delivery of projects



Why change the traditional PMO model?

- A function which accelerates rather than acting as a brake
- Encourages high performing teams
- Enforces the “rules” which make sense and add value
- Encourages accountability, puts “skin in the game” and is proactive regarding continuous improvement.





SUPPORTING TRADITIONAL AND AGILE ACTIVITIES

Lean-Agile PMO remit

- Enabling agile and traditional projects to deliver faster
- Stopping projects from going wrong
- Efficient management of the portfolio
- Emphasis on the business case
- Buffers the teams from the less agile parts of the organisation
- The provision of reassurance to Stakeholders

A new PMO perspective



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Enabling projects to deliver faster

The Lean-Agile PMO is specifically designed for the speed of project delivery

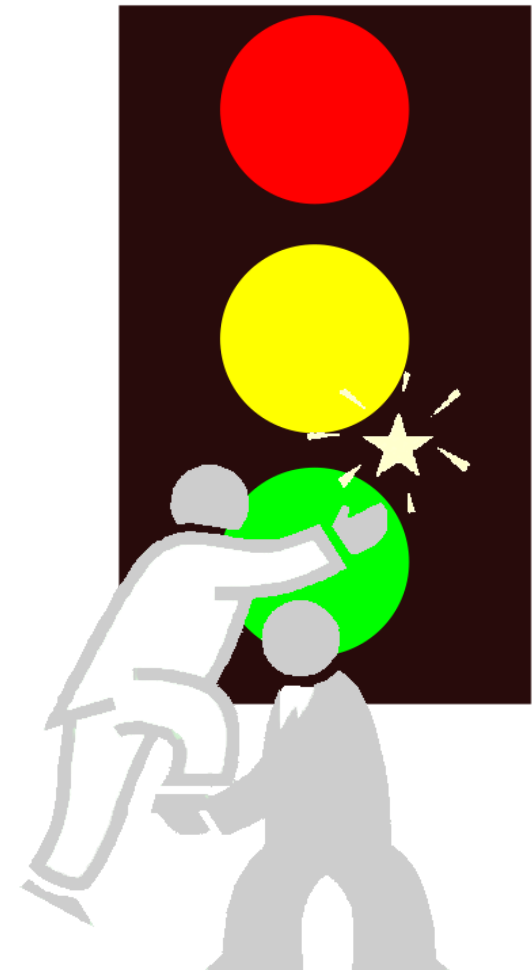
- Providing an efficient Project ecosystem
- Reducing pre-project delays and facilitating rapid project start-up
- Provides knowledge and coaching enabling the team to perform
- Lightweight stage gate process focus on value created and risk reduction



Stopping projects from going wrong

The Lean-Agile PMO is specifically designed to ensure project success

- Establishing an independent view of project health. Agile Red Amber Green status evaluations
- Path-to-green planning and monitoring
- Coaching, mentoring and developing capability
- Providing facilitation, data, tools, and techniques.



Efficient management of the portfolio or backlog

The Lean-Agile PMO is able to rapidly mobilise the right activities

- Portfolio prioritisation ensuring Perpetual Teams work inside the rules
- Staged funding
- Portfolio Monitoring
- Enabling the team to perform



Emphasises the business case

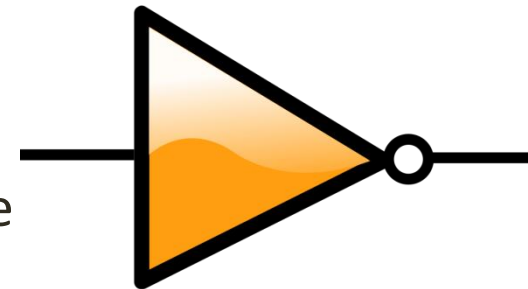
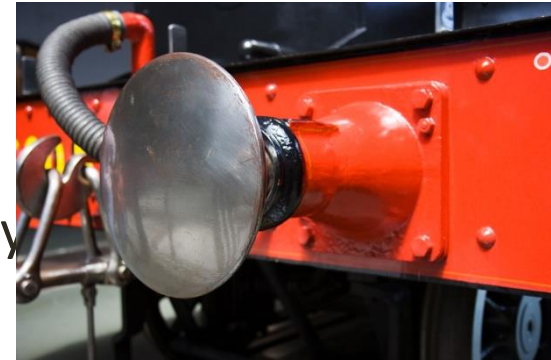
The Lean-Agile PMO prioritises the project investments

- The Business Case is developed firstly in outline form when starting up the project.
- Then refined in more detail as the project progresses.
- Benefits and requirements become established and reviewed as the project progresses and the business case is reviewed at the end of each stage in order to establish that continued investment is justified.
- The Lean-Agile PMO monitors the business case for each project and during pipeline cleansing ensures that the organisation continues to invest in its most significant initiatives.



Acts as a buffer

- Typically organisational functions such as Finance, Legal, Procurement and HR require a “buffer” between the dynamic Agile teams and the demands for relatively static information necessary to manage the business.
- The PMO absorbs the continuously improving nature of the Agile teams and produces the information required by the rest of the business in a consistent manner.



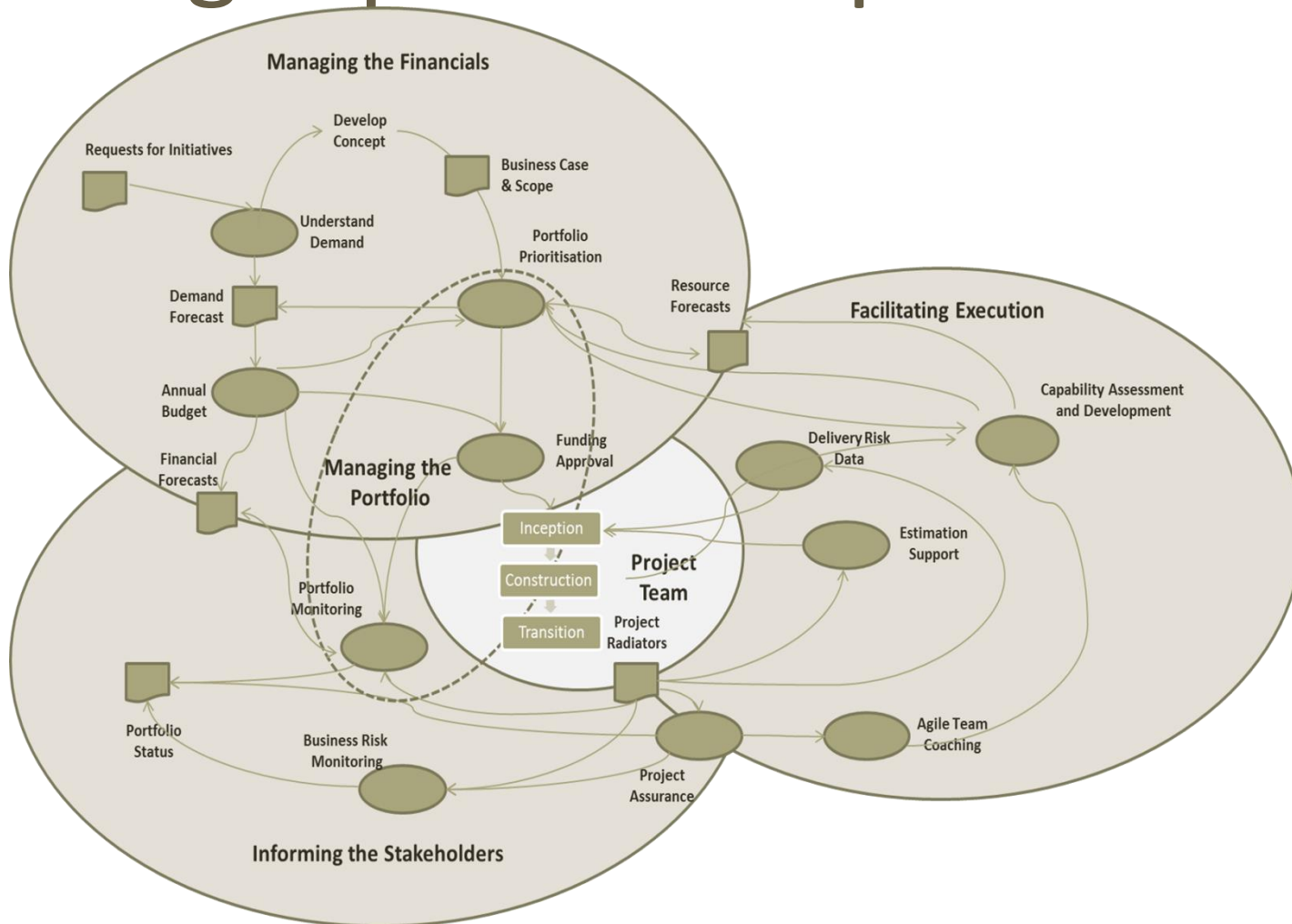
The provision of reassurance to Stakeholders

The Lean-Agile PMO is designed to service its stakeholders, each with specific needs and expectations.

- Establishing an independent view of project health – will the initiative deliver the desired outcomes
- Undertaking project reviews and deepdives
- Providing reports which succinctly indicate the decisions which are required by senior management



Lean-Agile process map



Applicable to all types of PMO

Enterprise level PMO

Portfolio functions

Strategy support –
annual/quarterly budgeting
and planning
Prioritisation Management
Portfolio dashboards
Governance support

Delivery functions

Capability Planning
Resource Management
Facilitate programme or project
start-up
Business case monitoring

Centre of Excellence functions

Standards
Training and Coaching Assurance
Good Practice
Knowledge Management
Tools
Consultancy

Business or Programme level PMO

Programme or release planning
Project and Quality assurance
Benefits monitoring
Portfolio or programme status
reporting
Standards and tools coaching

Programme or release risk monitoring
Budgeting and forecasting
Escalated Issue resolution
Backlog cleansing
Business case evaluation and monitoring

Project level functions

Sprint planning, Planning and dependencies
Managing and forecasting project finances
Status monitoring and reporting
Risks, Issues and Changes
Information Management



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BENEFITS

Lean-Agile PMO - benefits

- Measurable faster project completion with agile and waterfall delivery methods.
- Projects with lower Risk profiles resulting in a greater probability of success
- Cross project dependency management facilitating rapid delivery and Dev Ops
- Fewer projects running in Red and Amber status.
- Greater emphasis on project benefits and realisation
- Delighted stakeholders as the PMO services meet their needs.



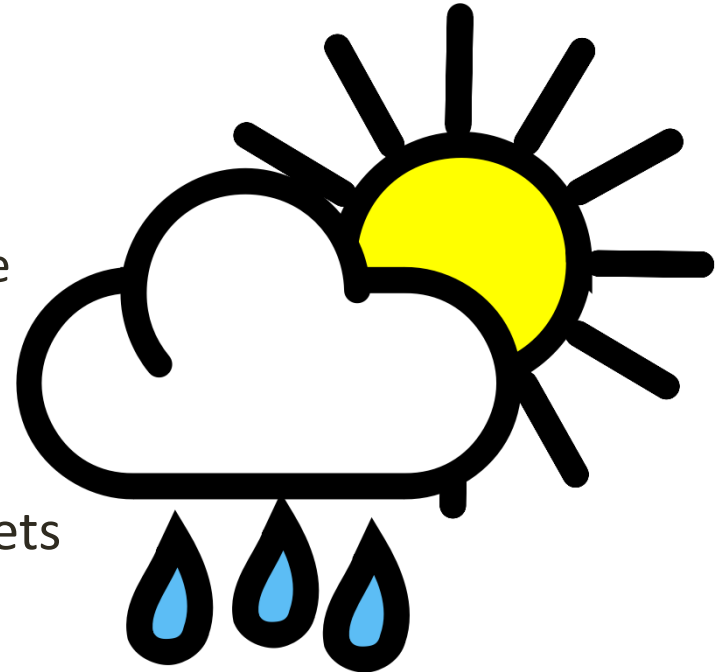
Top five functions

- Coaching – making projects faster and stopping from going wrong
- Assurance – evaluating status
- Radiators → reports – acting as a buffer
- Estimation – making projects go faster
- Risks – stopping projects going wrong



Implications for teams

- Agile teams need to forecast
 - Which means they need to consider value created and value left to create
 - Links back to the business case and MVP
- Agile Path to Green plans impact velocity and release plans and budgets
- Waterfall teams need to emphasise benefits delivery
- Waterfall plans designed to produce early delivery of benefits
- Emphasis on requirements traced back to benefits



Other observations

- CAPEX OPEX is complicated by Agile
- Stage gate Process is more of a checkpoint activity moving away from documentation
- Change readiness is more key with Agile projects
- Need to engage with the HR Processes for individual appraisals and career planning



A STRUCTURE USING CHANGE MANAGEMENT TECHNIQUES



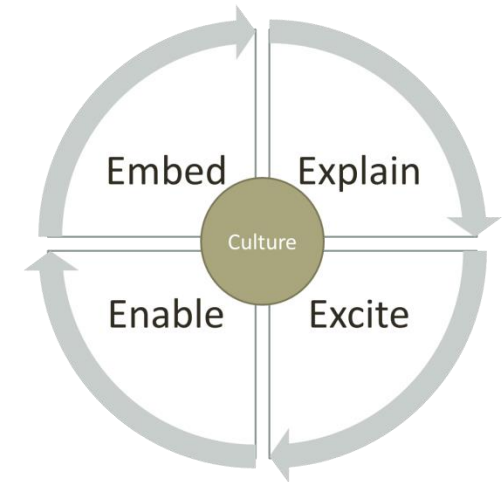
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Eight step - implementation

- Recognise that this a cultural change impacting the PMO, the agile teams, the Programme and Project Managers and other organisational functions such as HR and Finance. Take the following steps:
 1. Understand the business needs
 2. Plan research for on-going improvement
 3. Have a multi-disciplined team to design, build and operate the service
 4. Build out the services using agile methods
 5. Iterate and improve frequently
 6. Evaluate how tools and systems may improve efficiency
 7. Test and learn
 8. Produce KPIs in order to illustrate progress

Implementation – a cultural change

- Making the cultural change to introduce the Lean-Agile PMO is a non-trivial task. Significant bridges have to be built with senior management and the change management communities.
- We recommend the use of a four stage change management model:
- **Explain**, outline the new PMO target operating model
- **Excite**, pointing how the changes will deliver benefits
- **Enable**, provide training and coaching to those impacted
- **Embed**, measure the changes and maintain the new working practices.



For further information contact:

Jonathan Ward

Director

Beneficial Consulting Limited

Dashwood House,

69 Old Broad Street

London

EC2M 1QS

Jonathan.ward@beneficialconsulting.co.uk

Mobile: +44 (0) 7802 884598

www.beneficialconsulting.co.uk

The result is bespoke process design

Assurance and Reporting

Stakeholder reporting and facilitated decision making

Assurance of critical projects

RAG status evaluation of projects

Benefits reporting

Capability analysis and development

PMO service level reporting

Enabling Faster Delivery

Rapid mobilisation

Efficient delivery process

Facilitated project teams

No impediments to progress

Use of metrics for control

Stopping projects going wrong

Independent health assessment

Steered by the business case

Supporting planning and estimating

Evaluated governance

Provides risk reduction strategies

Portfolio Management

Pipeline control

Business Case Prioritisation

Staged Funding

Portfolio Health

Benefits monitoring



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