

The fall of the project management office

By *David Braue* on May 31, 2012 1:50 PM

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Agile development sparks project governance changes.

Getting rid of the project management office (PMO) would be an affront to most organisations' ideas of good governance, but Agile was never about subtlety.

According to Agile coach Renee Troughton, New Zealand's Ministry of Social Development cut project approval times by 75 percent after a large-scale project governance restructure.

The ministry recruited Troughton from Suncorp in October 2005 and disbanded its 60-person PMO, whose governance processes kept many projects in limbo for six to 12 months.

Troughton designed a new project model, under which staff could raise project ideas over the phone, in person, or through other means.

An IT team member would then create a short work definition document – “a finger-in-the-air estimate” – that was no more than a page long and took half a day to create.

Parameters of each proposal would be entered into a Work Profile Analysis spreadsheet within Microsoft Excel, which offered a standardised way of projecting cost and manpower requirements.

Projects earmarked for progress were fed into workshops of just a few hours or days where a formal business case could be nipped out.

Troughton told an Agile Australia conference this week that the new approach encouraged the flow of ideas, allowing projects to be evaluated against long-term plans and approved within four to six weeks.

“We made sure we talked to the accountants early and had them on board early,” she noted.

“By getting rid of the PMO and creating a standardised project flow that was adaptable to size, we were able to keep ownership with the people on the floor who were using it day to day.”

NAB consultant Rob Thomsett last year revealed that the bank had [scrapped a six-month-long business case development process](#) for its Agile software development projects.

Telstra told the conference this week that it had not axed its PMO, but had undergone a major process revamp during the past two years to adapt to the Agile methodology.

According to Carolyn Smart, Telstra's general manager for enterprise program management, the key to success was balancing oppressive project control and a blank-cheque mentality with all its risks.

She said the telco had adopted a hybrid process built around a series of checkpoints that forced project teams to give regular status updates, with business leaders providing funding in a trickle based on progress to date.

Telstra established four key checkpoints – called Initiate, Discover, Evolve, and Operate – that reflect key phases of a project.

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"The checkpoints aren't a form or a template, but just a thought process," Smart said, noting that time between checkpoints depended on the complexity of each project.

"We want [staff] to look at the value they have delivered, and look ahead to say what value they plan to add in the next release.

"We're trying to get Finance to understand that the construct of the business case is going to be different in an Agile world. If the goalposts have shifted, we'll get the business case re-approved."

Agile oversight

Suncorp has favoured Agile software development for almost five years, but the firm's Agile coach Paul Watson warned that the method needed some form of oversight.

Watson highlighted an explosion in "urgent" Agile projects at Suncorp that had stressed available resources and forced the financial services giant to find a better governance model.

The new project portfolio governance (PPG) model called for fortnightly reviews in which IT and business leaders gathered to discuss progress and priorities given available resources.

Projects could be scaled up or down, with limited resources assigned accordingly. Watson said PPG reduced waste, boosted transparency and simplified reporting.

"The first benefit of this model is having the tough conversations early," he explained.

"We want to be doing more with less people, and if we don't have the tough conversations to make sure we're doing the right pieces of work, we just overburden our project teams.

"And, once a project does get the go-ahead and we know what resources we need, we can support them and set the up for success to start with."

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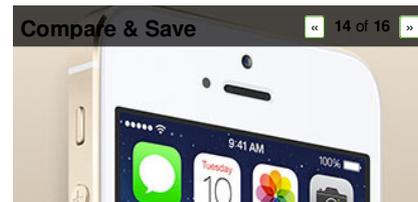


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