

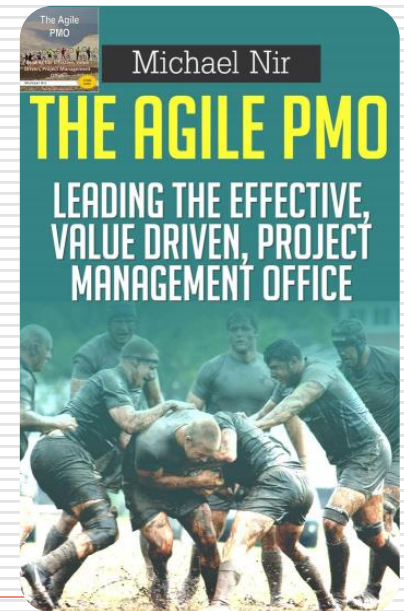


# Project Controls

## E X P O

**Project Controls Expo – 13<sup>th</sup> Nov 2013**  
**Twickenham Stadium, London**

# The Agile PMO



**Project Controls**  
**E X P O**

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# About the Speaker

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## Michael Nir

- ❑ **President Sapir Consulting**
- ❑ **Business and management consultant**
- ❑ **Global clients** - telecoms, hi-tech, software development, R&D environments and petrochemical & infrastructure
- ❑ **Author of bestseller business books**

# Important Concepts in this Keynote

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## AGENDA

- Research – State of e/PMOs
- Pete tells his story – How it happens
- Flavors of Failure - **The Revealed Secrets of the Shocking Truths about Global PMO**
- The Goal of the PMO
- Construct and Maintain a value driven PMO
- PMO in Scrum environments - NEW

# Objectives

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## AGENDA

- ❑ To learn how to avoid common pitfalls of PMO implementations
- ❑ To discover better ways of leading change through a strategic PMO
- ❑ To identify key points of increasing value delivery through a lean and mean PMO
- ❑ To realize new opportunities for PMO and Scrum/Agile



# In a Nutshell

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## EXECUTIVE SUMMARY

- ❑ Most PMOs fail to deliver the expectations, 30-50 % close yearly. Initially they promise – reliable results and value based prioritization (Gartner)
- ❑ Eventually they become a financial burden
- ❑ PMOs have to focus on Value creation
- ❑ Key – iterative and transformational value based delivery, enabling strategic portfolio selection

# The numbers tell the story

## RESEARCH

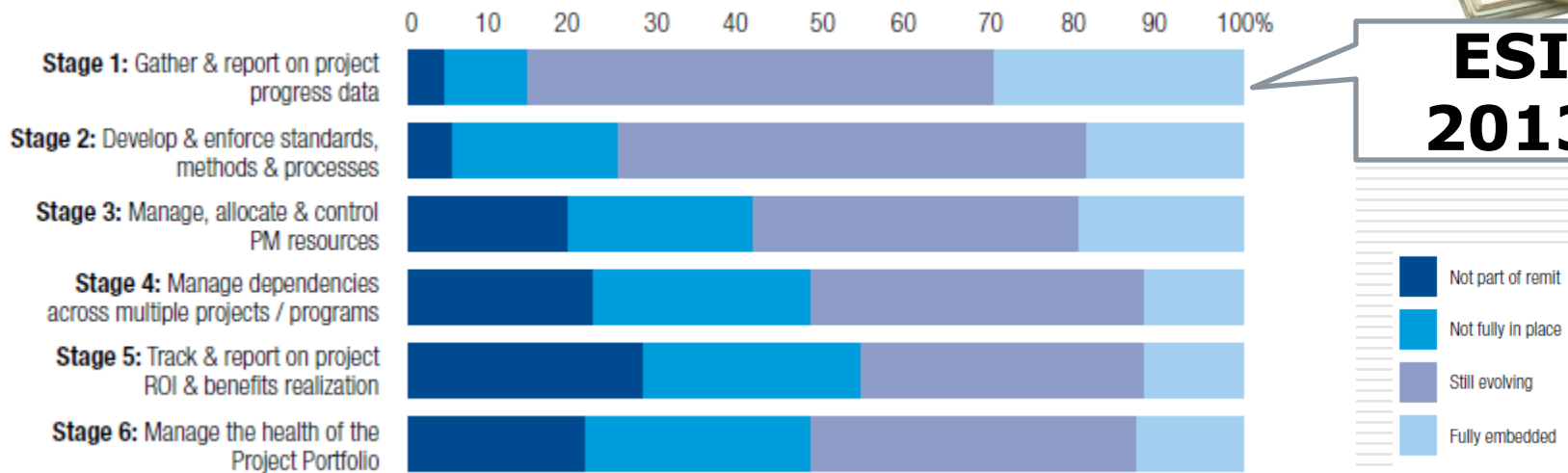
### PMO

- 30% to 50% per year failure rate is due to distinctive mismatch between organization expectations of PMO (such as reliable results, value based prioritization and delivery of change through projects).

**Gartner  
2012**



**ESI  
2013**



# Intentions are GOOD

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## THE STORY OF PETE – HOW IT USUALLY TRANSPIRES

- Meet Pete – a new PMO manager just recruited
- Londec IT Solutions
  - UK division
  - 1,200 people business unit
  - Complex products



# His Orders

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## THE STORY OF PETE – HOW IT USUALLY TRANSPIRES



**Build me a  
PMO worthy  
of Londec!**

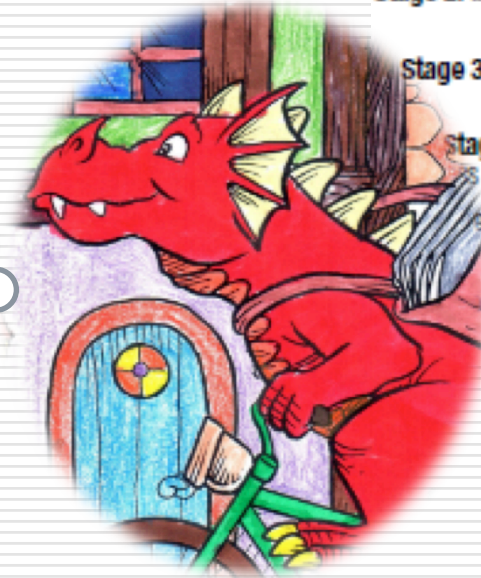
Yes  
Master



# The Pondering

## THE STORY OF PETE – HOW IT USUALLY TRANSPIRES

**What to do?  
Maybe some  
research?  
Analysis of  
Current state?  
Interviews?  
I know...**



**Stage 1:** Gather and report on project progress data

**Stage 2:** Develop & enforce standards, methods & processes

**Stage 3:** Manage, allocate & control PM resources

**Stage 4:** Manage dependencies as multiple projects / programs

**Stage 5:** Track & report on project ROI & benefits realization

**Stage 6:** Manage the health of the Project Portfolio

# The Consultant

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## THE STORY OF PETE – HOW IT USUALLY TRANSPIRES



**Pay me a  
Lot!  
Write a  
Mission  
Statement.  
Gap  
analysis.**

OK



# The Mission

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## THE STORY OF PETE – HOW IT USUALLY TRANSPIRES

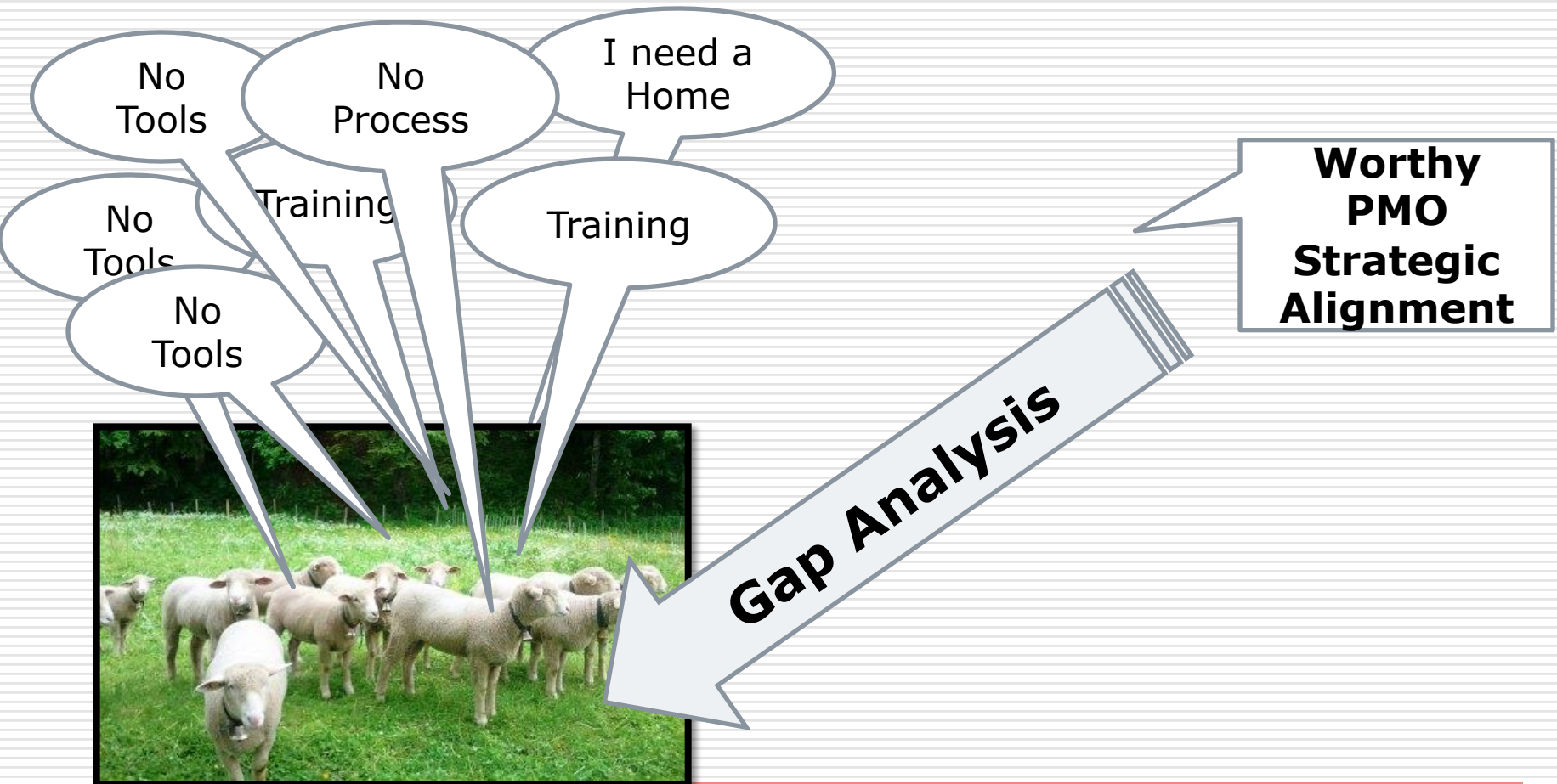
The mission of the Project Management Office (PMO) is to provide an enterprise-wide approach to identify, prioritize, and successfully execute a technology portfolio of initiatives and projects that are aligned with the LONDEC strategic goals and educational vision...





# The Gap Analysis – Stakeholders

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# The Gap Analysis – Executives

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**I need  
Reports! Better  
Control! A  
methodology  
NOW**



**Gap Analysis**

**Worthy PMO  
Strategic  
Alignment**

# The first Crucial Steps



Pay me  
a Lot!  
I can  
help



**PMBOK?  
PLC**

**I need a  
Staff**

**Training Need  
Assessment?**

**Maybe  
Select  
Tools**

**New  
Reports  
and  
Templates**

**Support  
the PMs**

# Next Steps

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**What  
Would  
You Do?**

# The unavoidable failures

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## FOUR PMO TYPES WHICH FAIL



The tactical PMO

The process PMO

The chocking PMO

The tools PMO

**I told  
you  
so!**



# Drowning in administration

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## TACTICAL PMO

- ❑ Answering the requirement for Reporting
- ❑ No organizational Structure to support Reporting
- ❑ Super secretaries:
  - Collect data
  - Write down project plans
  - Manage project issues
  - Summarize meetings



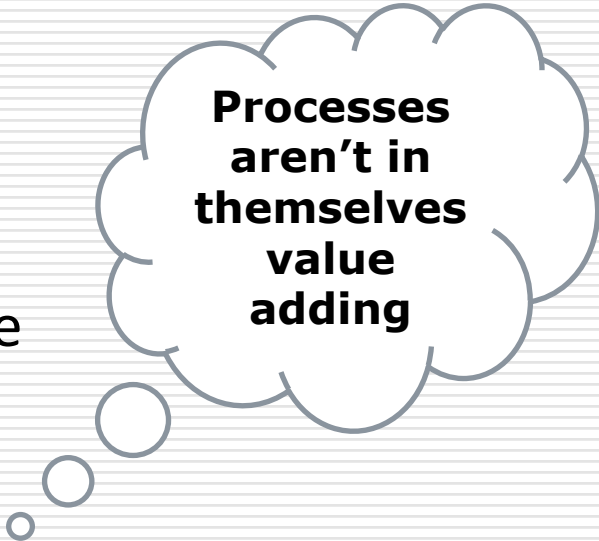
**Glamor of  
being  
where  
'things  
happen' -  
on top**

# Escaping from Process Alcatraz

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## PROCESS PMO

- ❑ Outward acceptance not internalized
- ❑ Double reporting mechanism - formal plans and actual execution
- ❑ 'The bureaucracy is expanding to meet the needs of the expanding bureaucracy' (O. Wilde.)



**Processes  
aren't in  
themselves  
value  
adding**

# The Unavoidable Crash

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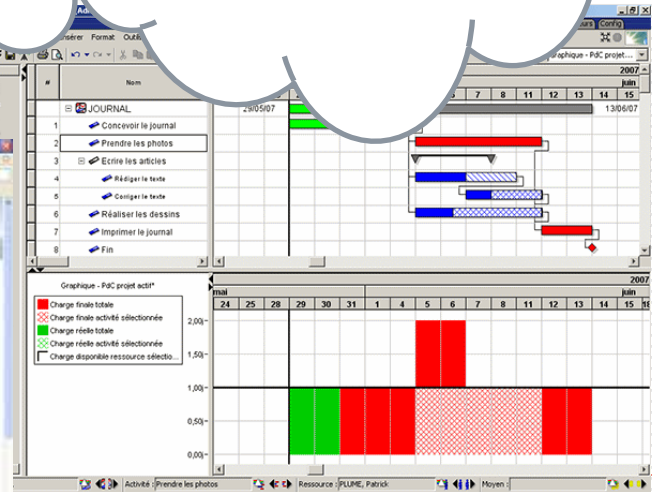
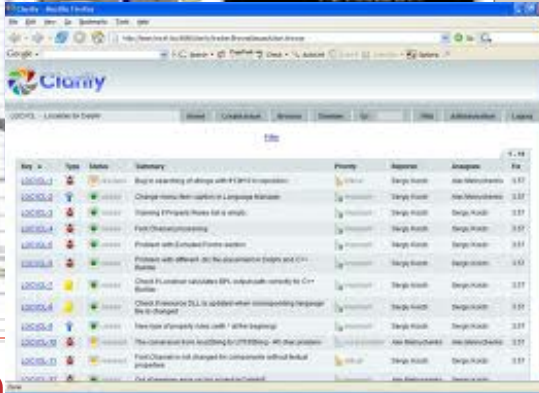
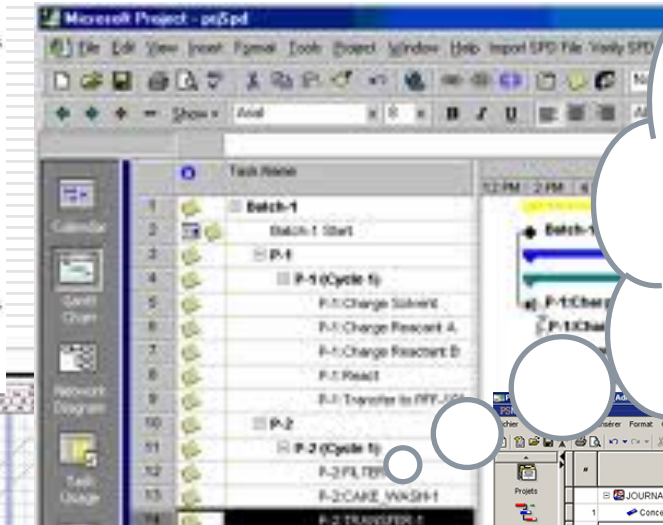
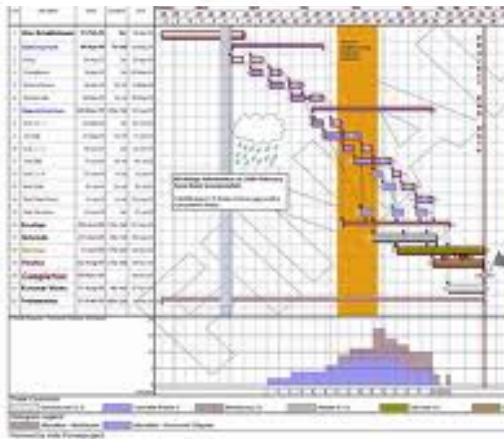
## BITING TOO MUCH

**Losing  
Focus**



**High Profile  
Roll out –  
initial  
management  
Support  
– No Buy in  
– Fear and  
Resistance –  
Colossal  
Failure**

# Tools Tools Tools



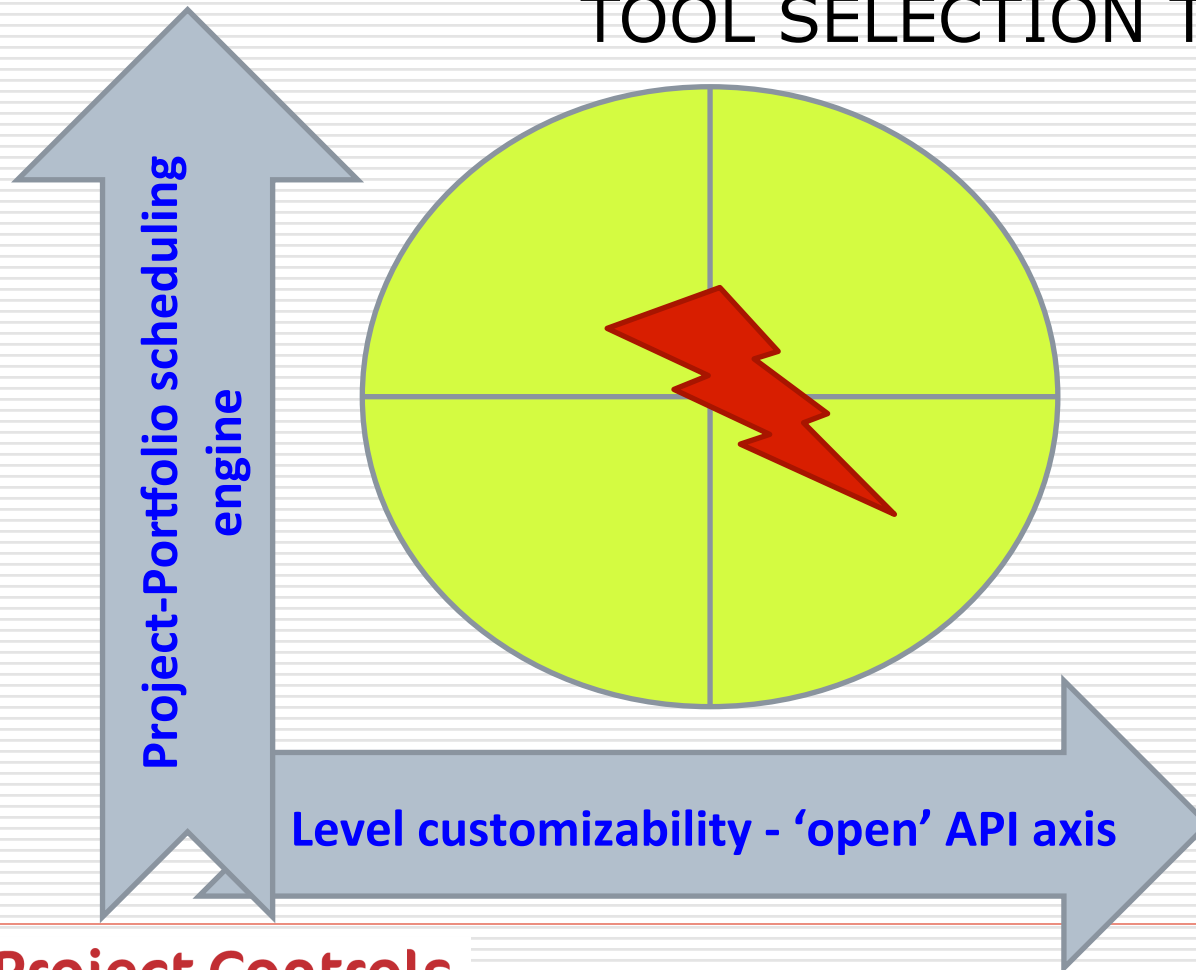
Starting with tools -  
Eternalizes the wrong WOW



# Map requirements to: customizability and tool original stronghold

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## TOOL SELECTION TRADEOFF



# The Value Driven PMO

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## PETE CHOOSES DIFFERENTLY



- Leading change
- Delivering strategic value
- Lean and mean value driven

# PMO requires change leadership

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## KOTTER 8 STEPS

- Establish a sense of urgency;
- Create a coalition;!!! PMO beware**
- Develop clear vision;
- Share the vision;**
- Empower people to clear obstacles;!!! PMO Beware
- Secure short-term wins;**
- Consolidate and keep moving;
- Anchor change!!! PMO beware**



# PMO manages the portfolio

## THE FUNNEL

**Strategic Portfolio – Resource drive project completion and creation of value**

**Not too Heavy**

### How to manage a value driven Portfolio?

- ❑ **Creating unified visibility of project and resource status – Resource pool**
- ❑ **Analyzing, prioritizing, and updating the resource pool**
- ❑ **Enabling prioritization and forward planning of resource allocation across a portfolio, 6 months at least**

# Focus Focus Focus

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## LEAN AND MEAN – VALUE DRIVEN

- ❑ Identifying the delivery capacity
- ❑ Staggering projects according to critical resources – pull mechanism
- ❑ Create processes, procedures, tools and techniques which support critical resource pool management



# What does an Agile PMO looks like?

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## VALUE DRIVEN PMO – CREATION OF VALUE

- ❑ Monthly, list of prioritized projects – communicated to ALL (works beautifully with scrum)
- ❑ Weekly, maintain critical resource schedule
- ❑ Ability to override local seemingly optimized resource decisions
- ❑ Power to stagger projects
- ❑ Manage a forward plan of allocations



# Emerging structures – field experiences

UNCOVERING BETTER WAYS -MARRYING SCRUM  
AND THE PMO

Stringent Control (Linear Life Cycle – Waterfall)

PMO  
New  
Role

**Clash**

*Does it  
Work?*

Sprint/Iterations – Time fixed

Adaptive  
Backlog  
50-90%

Agile/  
Scrum  
Teams

It doesn't:

- Big organizations
- Integrated products
- Regulatory industries

Scenario	Challenge	Possible solution	Comments	Insights
Big global corporates	Strict controls manifested in Linear Waterfall	The Agile PMO is the buffer between Agile-Scrum teams and the Linear view	Burn down charts are translated to phases for control; Requirement traceability done by PMO architect; Agile PMO maintains the dictionary between sprint planning, execution and the phase gating mechanism	Product owners can be part of the Agile PMO; Project initiating and closing managed by the PMO
Highly regulated industries	Strict compliance and paper trail requirement including product risk analysis	The Agile PMO is also resourced by administrative staff to ensure compliance with regulations	Product risk is managed on a lifecycle view with members of the Scrum-Agile team; Backlog populated by Non-functional yet critical requirement and owned by the Agile PMO Agile PMO staff maintains traceability of these requirements. Necessary documentation is part of the backlog	The added administrative effort handled by the PMO is compensated by the increased velocity of the Agile teams. Administrative PMO staff can also be non-functional product owners to ensure compliance aspects
Complex predefined products	Limited flexibility in product scope tends to deteriorate Agile implementations to Agile by name only; Also, hardware elements of product can't be performed in an Agile approach	The Agile PMO owns the backlog interfacing with the various components of product development – managing a hybrid Agile-Linear project	This is probably the most difficult and tricky scenario to tackle; It requires technical as well as leadership propensity and know-how. Experience shows that by investigating creatively – Agile concepts can be implemented in rigid hardware development environments Also – rigid product requirements still allow usually 20% flexibility	The most value added can be reaped in this scenario by developing a customized mixed approach; Agile stage deliveries can be used to increase flexibility. Concepts of incremental deliveries may sometimes not be achievable in all product aspects



# Take Aways – Agile PMO benefits

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## SUMMARY

- Are we performing the right projects
- Are we focusing on strategy
- What can we do differently to increase value delivery?
  - Critical resource identification
  - Staggered value driven PMO roll out
  - Change leadership
- How can we capitalize on team Agile with business control



# Thank You

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**Michael Nir – President**

**Join me – one day Integrating  
Agile and Waterfall Workshop**

**– London January 2014**

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