

The Project Management Office

Lalig J. Musserian

Musserian Consulting Group

www.musserian.com

Lalig@Musserian.com

617-319-2651



Topics

- PMO as a Transformative Agent
- PMO as Agent to Unlock Business Insights
- Traditional and Agile PMO
- PMO –Project accelerator
- PMO as Partner to align projects with business value

The PMO- Agile or otherwise

The mission has not changed: **Create Value**

What does that mean?

- Optimizing the project investments with unbiased criteria
- Optimizing resources
- Methodical and transparent decision making process
- Eliminating wasteful anything that gets in the way of value creation

How do we do that?

- Fact-based decision making for resource allocation decisions, project prioritizations, and relentless focus on business value

Traditional PMO- A Simplified View

- Receive project requests
- Provide tools and templates
- Always deal with Demand vs. Supply issues of \$\$'s and resources
- Each project request may be considered individually rather than part of an overall portfolio-multiplied by multiple PMOs in an organization
- Limited or no true business insights
- Business sets the scope
- Project investments at risk of being arbitrary, rather than tied to an overall business strategy
- Some PMOs will have structured processes to compare project requests across multiple portfolio to optimize investments
- Known or unknown scheduling conflicts with shared or “borrowed” resources
- May sometimes be perceived more as a “admin function”, “audit function” or “secretarial function”

The State of PMOs today

- 34% of organizations report having a strategic PMO
- 59% of projects are managed through a PMO (i.e., Directive)
- In organizations that have PMOs, over the previous 12 months, they have noted a significant decrease in projects that failed to meet their objectives
- Sponsor and customer engagement are highly correlated with project success
- 65% use enterprise project management tools
- But by far those “enterprise project management tools” are the Microsoft Office suite
- 39% of survey participants use Agile for more than 25% of their projects, a number driven in part by the Information Technology industry where 58% reported using Agile for more than a quarter of their projects. However, the importance of Agile is clear in all industries – even within Construction, Architecture and Engineering, 9% of respondents reported using Agile for more than 25% of projects

Types of PMO

- **Supportive** – Provide a consultative role to projects by supplying templates, best practices, training, and lessons learned from other projects. It serves as a repository for project management artifacts and other tools to help standardize project management practices across the organization
- **Controlling** – Provide support and require compliance. Using audits to ensure compliance, these PMOs may involve:
 - Adoption of methodologies
 - Use of specific templates and tools
 - Conformance to governance The responsibilities of a PMO can range from providing project management support to the direct management of one or more projects
- **Directive** – Take control of the projects by directly managing them. Project managers are assigned by and report to the PMO



PMOs in Waterfall vs. Agile PMO

- PMOs have traditionally existed with more traditional, waterfall delivered projects
- There will be resistance to PMOs, especially if they are seen as “police” function
- But there still is validity in PMOs in Agile-led projects
- “Pure” agilists may believe the PMO is irrelevant as it centralizes their work and is somewhat seen as “old school”

Source: A Guide to the Project Management Body of Knowledge (PMBOK® Guide – Sixth Edition
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The role of PMOs in Agile

- Focused on continuous process improvement and waste reduction
- Alignment of projects with business strategy
- Assessment of who your critical resources are
- Investment in people and their continuous training
- “Smart” allocation of resources
- Providing Agile leadership and coaching
- Providing solid Governance
- A PMO that does not get in the way of a lean and agile project management- not focused on creating non-value add “processes” which really create administrative burdens

Some Challenges for a PMO to Overcome

- Lack of perceived value
- Lack of project management experience in the organization
- Not always sure where the PMO should report into
- Perceived as technical and not strategic
- Reactive vs. proactive
- Semblance of more focus on tools rather than people and/or business outcomes

How do we rethink the PMO?

- Focused on continuous process improvement and waste reduction
- Alignment of projects with business strategy
- Assessment of who your critical resources are
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Questions for a PMO Director Self-Assessment

- How do we get and keep executive support for the PMO?
- How am I contributing value? Am I being a “good” business partner?
- Am I being a strategic thinker or just a “super secretary?”
- Am I looking at our PMO processes with a discriminating eye and evaluating (continuously) what is value add vs. non-value add?
- With the multitude of tools, process, methodologies and templates, are we being strategic in the usage of these tools? Or are we really creating barriers?
- Am I being mindful of the “people” and investing in them?
- Do we know what the “value add” is for each process? If not, are we being disciplined in eliminating wasteful processes?
- Am I still thinking that “one size fits all” for whatever my PMO is doing?

Framework to tie projects to strategy

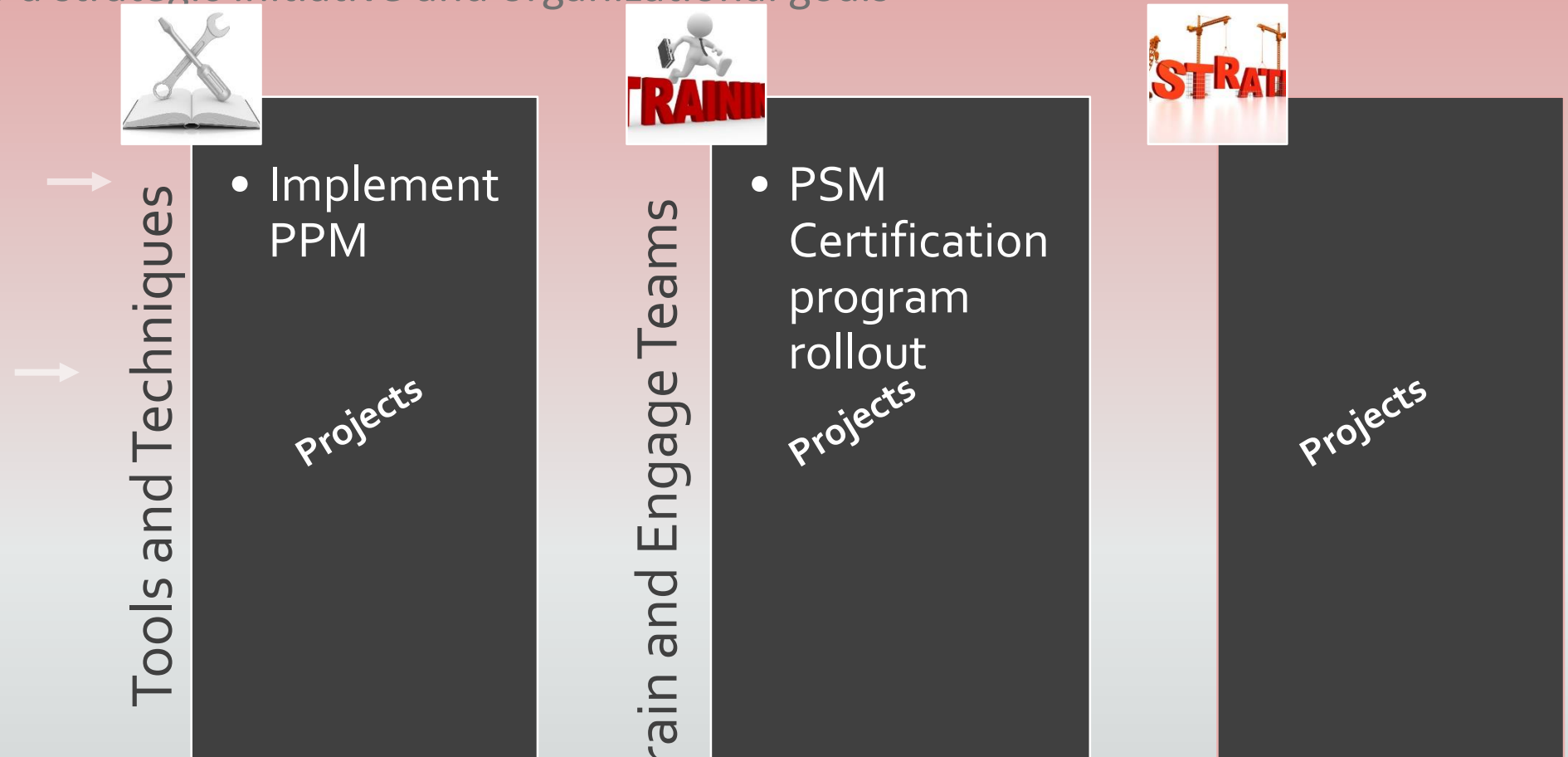
- Every company believes they have a “strategy” and a strategic plan
- Every project is believed to have business value- why else would we do it?

Top Down framework-

- What are the company’s strategic objectives?
- What are the initiatives which support the strategic objectives?
- What are the projects which support the initiatives?

Sample Strategic Planning Framework

- Organize Imperatives (what we want to do) and Initiatives (Products or services)
- Translate strategy into specific, meaningful tactics
- Tie every project to a strategic initiative and organizational goals

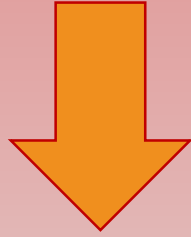


“I have an idea”

From a person or team

Strategic Filtering

Envisioning



Makes sense/Go



First Release

- Fits in corporate strategy?
- Makes sense?
- Can we afford it?



Nope, No-Go



Some Good Practices

- Be mindful of the “people” side of the equation
- Be mindful of any “distrust” between the PMO and project teams or even management
- Continuously do your own “inspect and adapt” activities to eliminate non-value add wasteful practices or processes
- Companies are constantly chasing their competition and need to innovate faster and faster- so should the PMO

Some Good Practices, continued

- Avoid the VITO (Very Important Top Officer) complex- develop portfolio planning categories and strategies for unbiased decision making
 - Optimizing for lifetime profits
 - Calculate cost of delay
 - Estimating for accuracy, not precision
 - Agility: embracing emergent opportunities
 - Teach/guide project managers to plan smaller, more frequent releases
 - Embrace use of marginal economics

Key Takeaways

- Focus on Outcomes, NOT Output
- Try a Kanban Board view for a visual inspection opportunity of projects and their business value. There are free tools that can help with that
- Continuous improvement- always inspect what processes adds value, which does not, and adapt
- Don't do “Agile” but Be Agile in your PMO

How We Can Help

- Establish your PMO
- Help transform you from Waterfall to Agile
- Deliver Scrum Training
- Deliver Scrum Master and Product Owner Training and Certification Preparation
- Establish Key Performance Indicators (KPI's)
- Help you implement Earned Value Management (EVM)

Contact Us

Email: Lalig@Musserian.com

Phone: +1 617-319-2651

Web: www.Musserian.com

Linked In: <https://www.linkedin.com/in/laligmusserian/>