



lean-AGILE PMO

A new concept of PMO operation



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Pub Quiz!



What is the difference between an Risk and an Issue?



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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

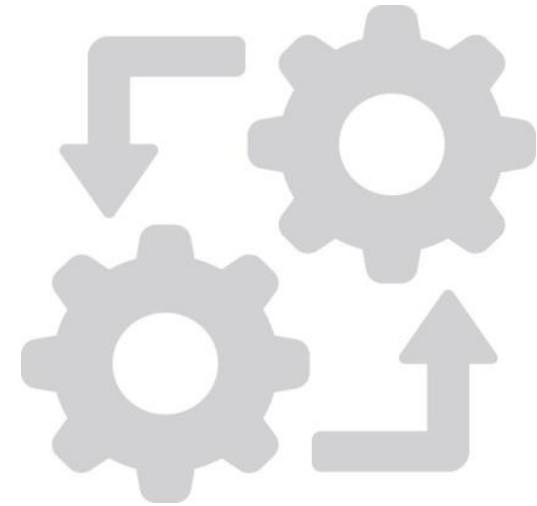


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* Source PMI Pulse of the Profession Report 2017

Features of agile projects

- Teams
 - Perpetual and temporary
 - Self-managing – encouraged inconsistency
 - Continuously improving
- Process
 - Just enough documentation
 - Agile ceremonies
 - Agile **Not** anarchy
- Metrics
 - Status reporting linked to sprints
 - New terminology, e.g. cadence, velocity involving mathematics!





What does this mean for your PMO?



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WHAT IS THE LEAN-AGILE PMO?



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Lean-Agile coverage

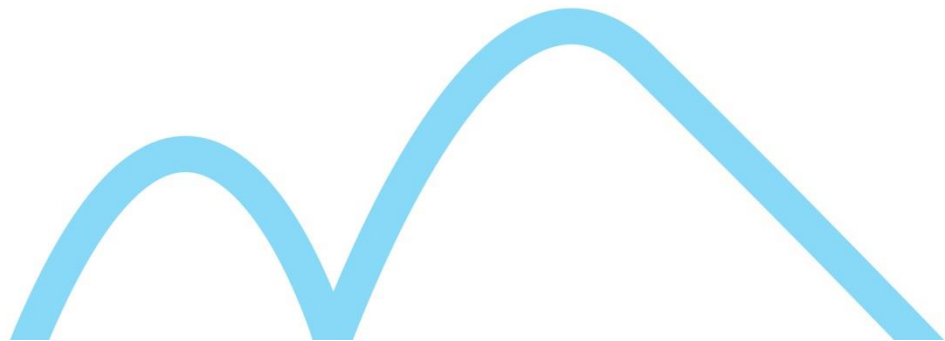
Agile Activities



Waterfall Projects



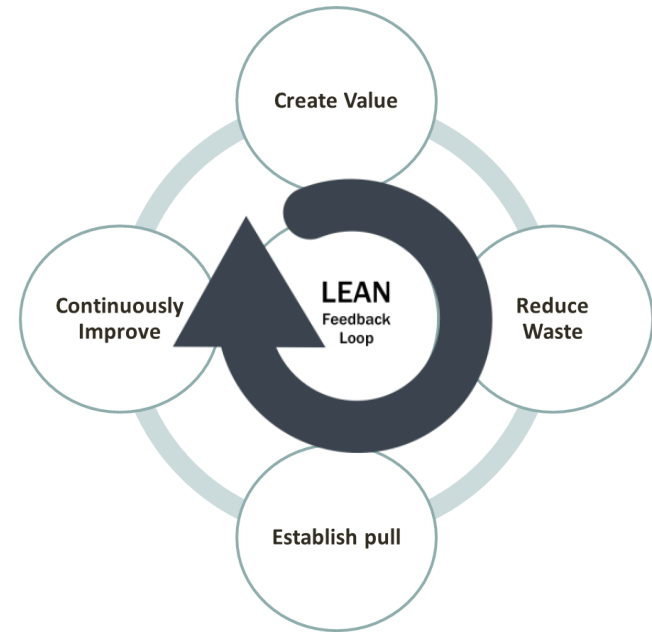
Programmes and Releases



Why Lean?

LEAN

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



Lean objectives:

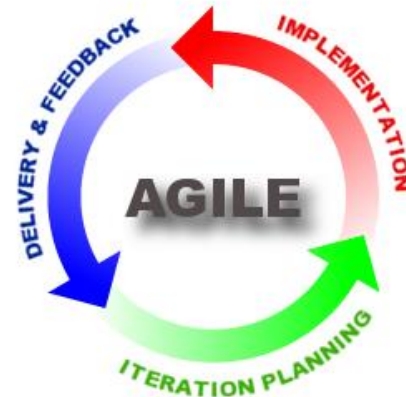
1. *A PMO which delivers maximum value to its customers (Stakeholders) with as little wasted effort as possible.*
2. *Which facilitates project execution such that wasted project effort is minimised.*
3. *Providing an ethos and mechanisms for continuous improvement*



Why Agile?

Agile

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



Agile objectives:

1. *To provide a project ecosystem and collaborative culture such that projects are demonstrably delivered as fast as possible. (irrespective of delivery methodology.)*
2. *Operating with “just enough” governance so oversight so that risks are well managed and success is assured.*





SUPPORTING TRADITIONAL AND AGILE ACTIVITIES



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Lean-Agile PMO remit

- Enabling both agile and traditional projects to deliver faster
- Coaching and acting to stop “problem” projects and programmes
- Efficient agile management of the portfolio
- Emphasis on business case and benefits delivery
- Buffers the teams from the less agile parts of the organisation
- The provision of reassurance to Stakeholders

Facilitates the faster, secure, controlled, delivery of projects

A new PMO perspective



Enabling projects to deliver faster

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

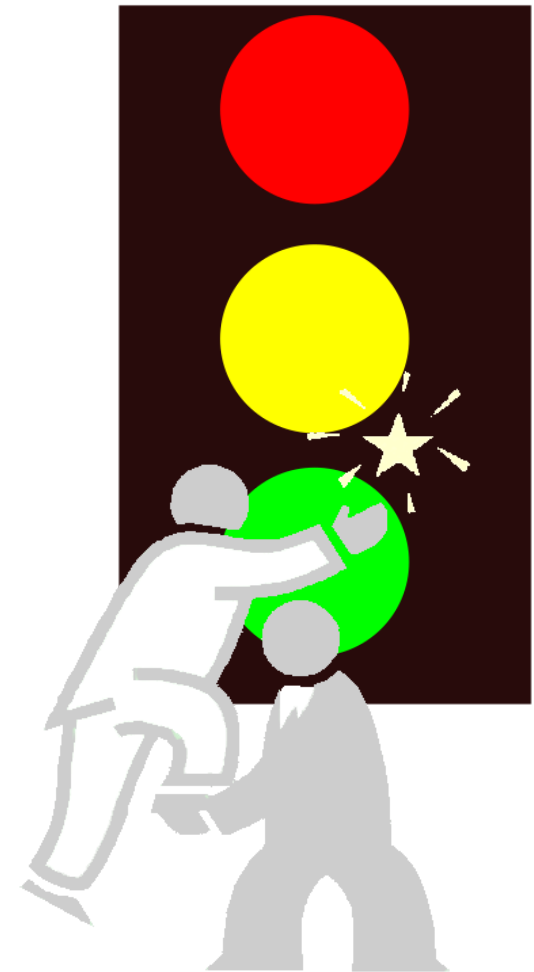
- Providing an efficient Project ecosystem – agile governance
- Reducing pre-project delays and facilitating rapid project start-up
- Provides knowledge and coaching enabling the team to perform
- Lightweight stage gate process (Checkpoints) focus on value created and risk reduction



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 and Portfolio Retrospectives.
- Enabling the teams to perform.



Emphasises the business case

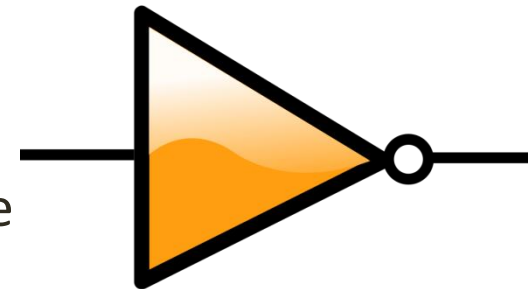
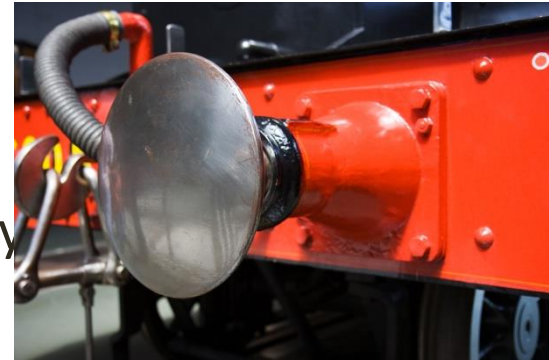
The Lean-Agile PMO prioritises the project investments

- 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.
- Investment Viability is key.



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.



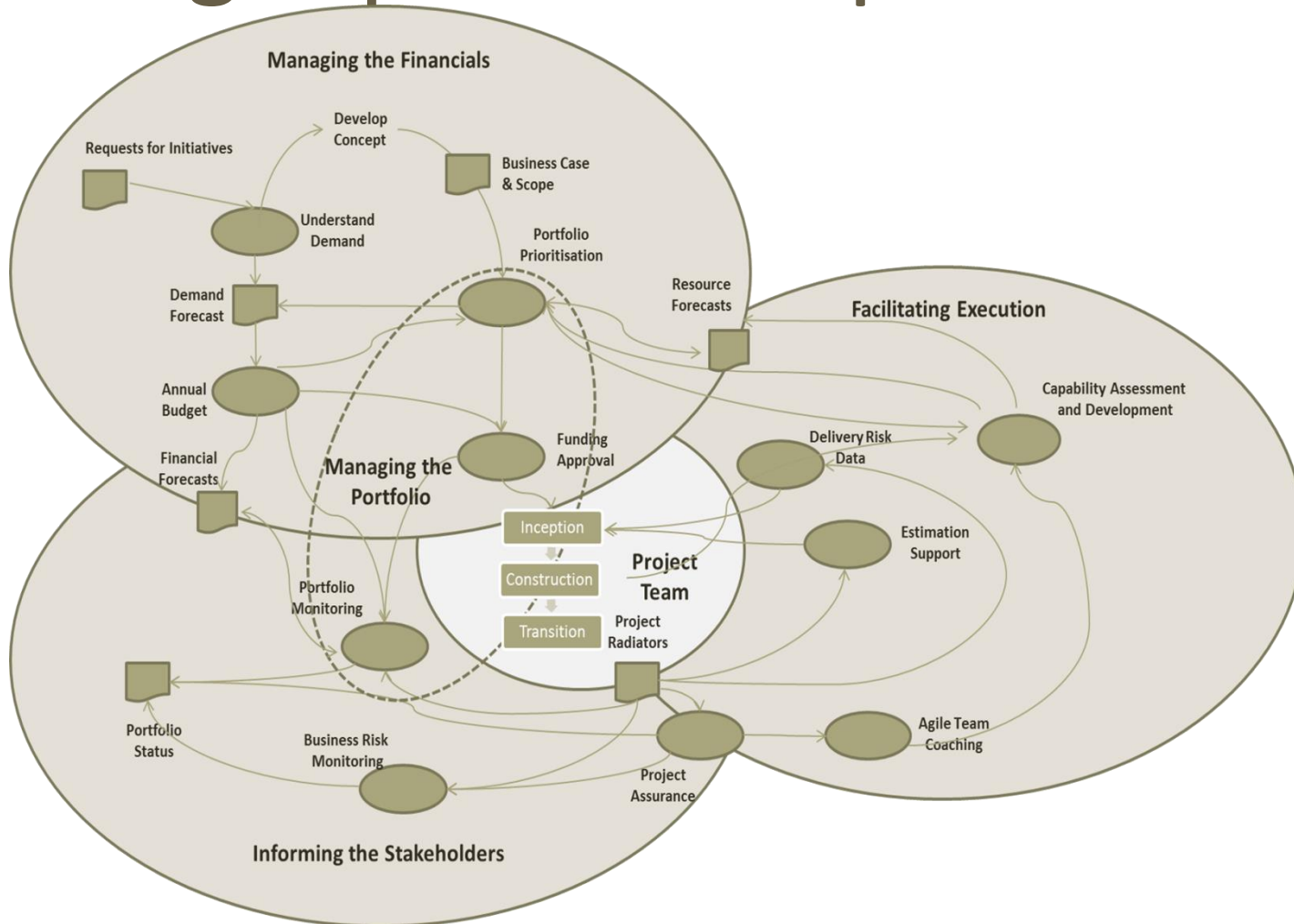
The provision of reassurance to Stakeholders

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 deep-dives.
- 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
Big room planning
Portfolio dashboards
Retrospectives

Delivery functions

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

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
Retrospectives

Project level functions

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



Defining Governance

- According to the PMI “Governance is the framework by which authority is exercised in an organisation”. This is applicable to all projects agile or otherwise.
- PMO organisations need to decide for themselves how they wish agile activities to demonstrate compliance. This will differ by market sector and requires:
 - Analysis of the business and/or legislative imperatives,
 - Understanding of the underlying agile delivery philosophy,
 - Aligning the governance elements with that philosophy.



Agile Governance Framework - Contents

- Project organisation, roles and responsibilities.
- Business case, benefits and value management.
- Portfolio management and financial controls.
- Events – e.g. big room planning and retrospectives.
- Plans – what is just-enough for organisational purposes?
- Risk management.
- Forecasting and reporting – minimum standards.
- Baselines and change management.
- Checkpoints and assurance.
- Organisational learning.
- Agile coaching rule book.

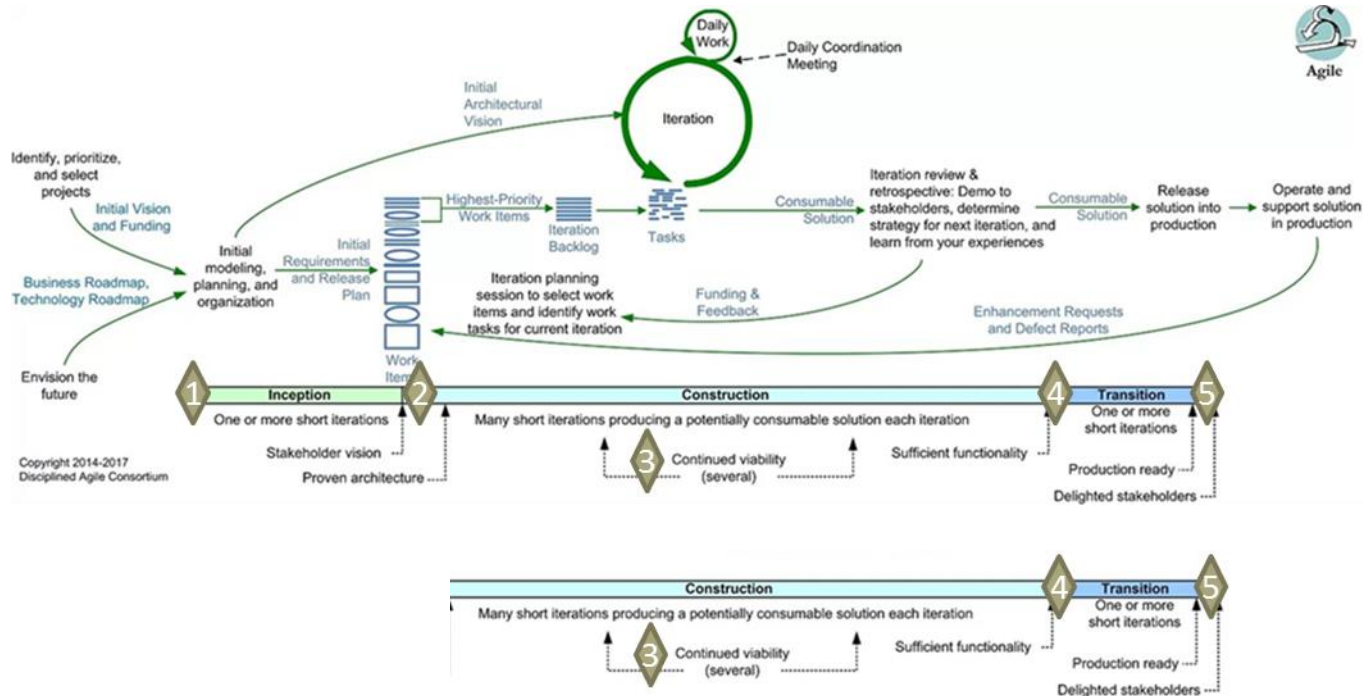


Agile Checkpoints

- A Checkpoint assesses the ability to move between stages, to draw down funding, to align with other projects, or to transition project outputs into production. It uses data rather than specific documents. Each checkpoint has a slightly different emphasis as described below.
- **Scope and Benefits – Checkpoint 1**
 - The first checkpoint considers: the Scope, and the potential benefits. It has a Portfolio Management emphasis; it evaluates the project justification and considers the project viability and prioritisation. It is the input into the portfolio process.
- **High-level Requirements – Checkpoint 2**
 - The high-level requirements checkpoint comes at the end of inception and before funding is allocated for delivery. It considers; the requirements, the release plan and test strategy in the light of the value in the business case and the risks.
- **Solution Review – Checkpoint 3**
 - This optional Checkpoint considers the product viability and the architectural and operational implications of the solution.
- **Test Readiness – Checkpoint 4**
 - This alignment Checkpoint establishes that the project is ready to move to integration test (SIT) and or UAT is appropriate.
- **Deployment – Checkpoint 5**
 - This Checkpoint is where the go/no-go decision to deploy is made based on the results of UAT and the business change readiness.



Agile checkpoints in action



Original Source Diagram

Disciplined Agile for
Regulatory Projects





BENEFITS



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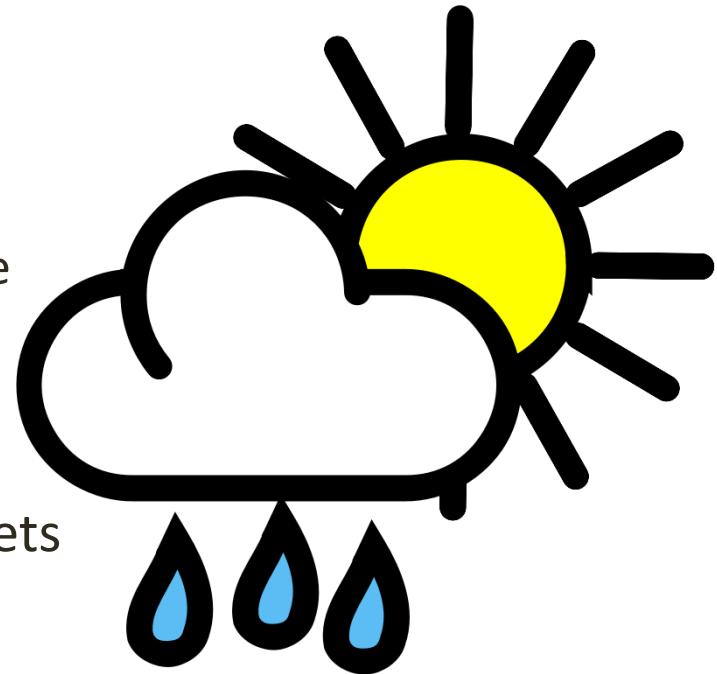
Lean-Agile PMO - benefits

- 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.



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



A STRUCTURE USING CHANGE MANAGEMENT TECHNIQUES



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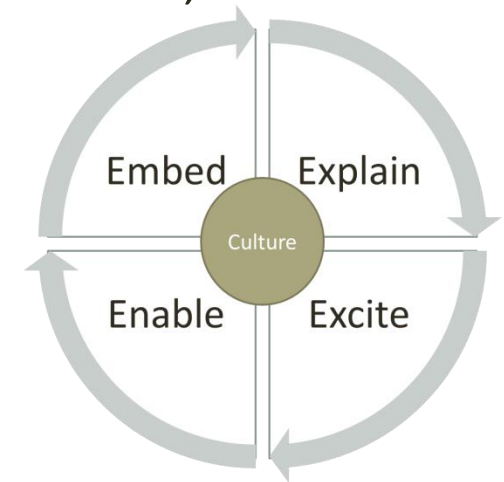
Eight step - implementation

- 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.

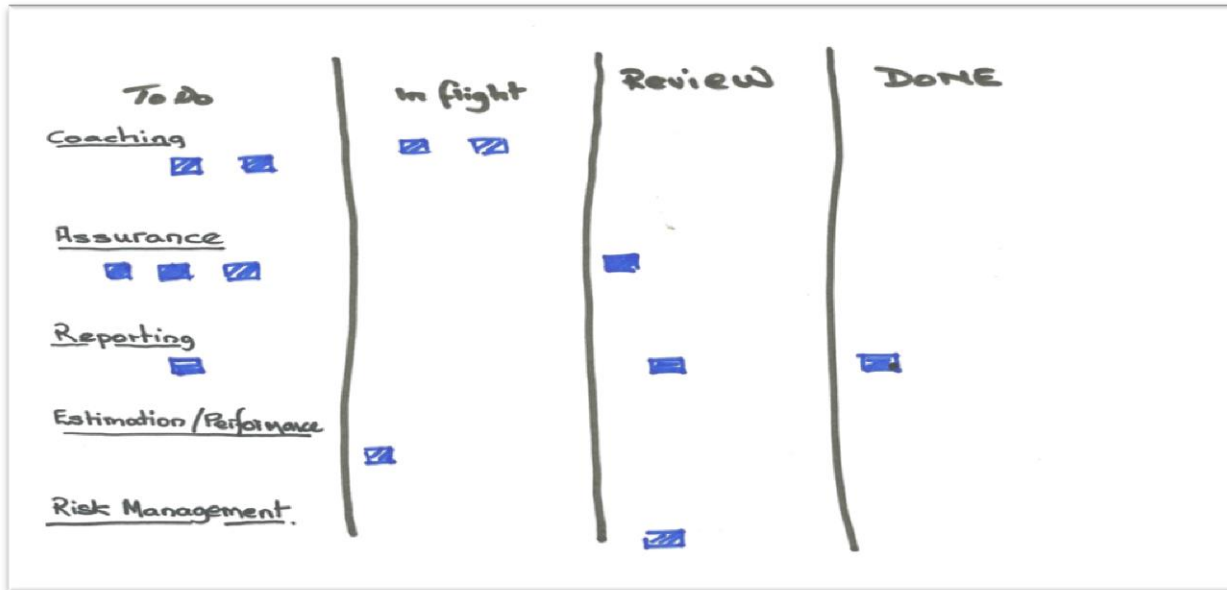


Top five functions

- 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



The Agile PMO - Kanban



- Daily Stand-up
- Identification of blockers
- Throughput and performance analysis
- Sprint cycle aligned with reporting or Programme Sprints
- Production of PMO KPIs



Theme	Sponsor	Sprint Cycle	Project Manager	Reporting Period	Sprint Date	Previous Status	Current Status
		3 weeks				G	G

Example

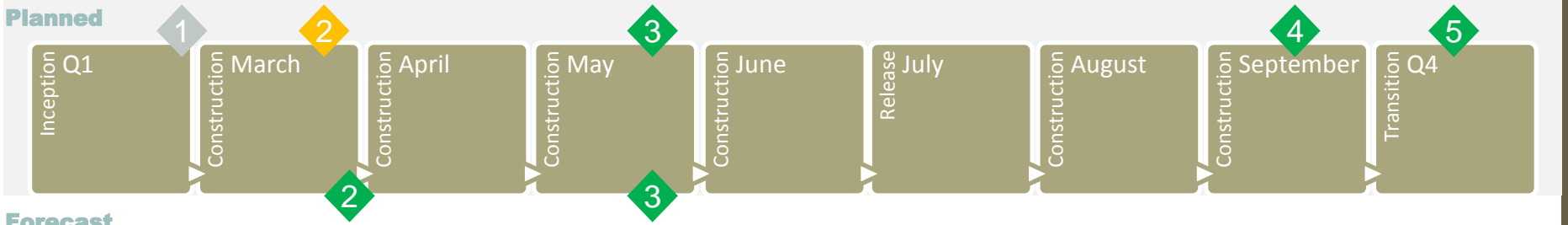
Project Assessment

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Executive attention – items for resolution

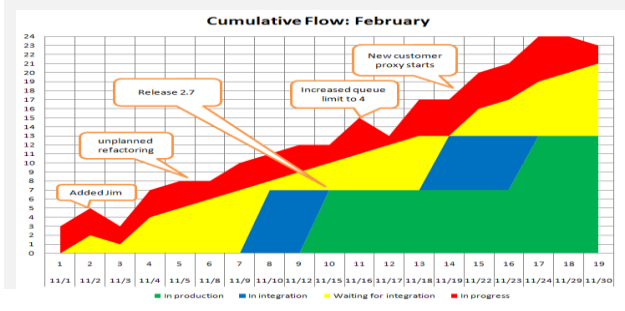
- Morbi sed viverra ligula.
- Donec et nisl ut erat dictum dapibus.
- Fusce quis lectus placerat tellus volutpat bibendum.

Milestones

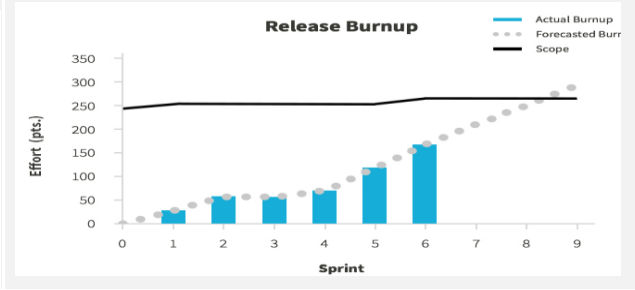


Forecast

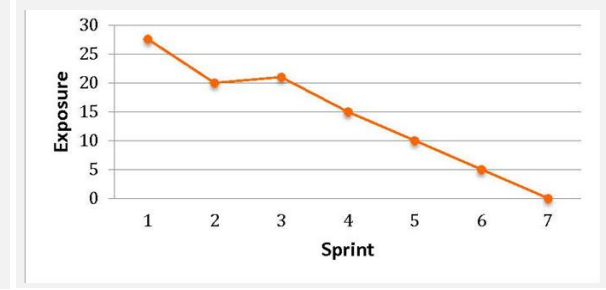
Release Progress



Release Burn-up



Risk Burn-down Chart



Achievements this Sprint

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Key dates and decision points

	Sprint	Due Date	Forecast	Status
				G
				G
				G
				G
				G

Completed On track At Risk Delayed

Lessons Learned

- Financial accounting; CAPEX OPEX is complicated by Agile.
- Stage gate process is more of a checkpoint activity. Considering data rather than specific documents.
- Agile projects need more emphasis on dependency management.
- Change readiness is more key with Agile projects.
- Need to engage with the HR Processes for individual appraisals and career planning.



We provide

- Classroom and remote Training
- Enterprise Agile Coaching
- PMO Coaching
- Documentation, Process and Agile Governance Guides

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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

