

Broadchurch or Death in Paradise? The PMO Tracking Benefit Delivery

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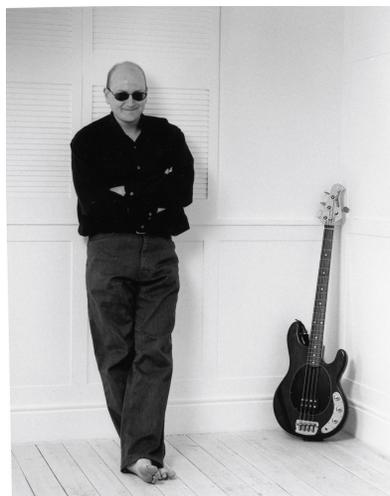
Alex Clark

Agile Evangelist with more than 20 years' experience across a variety of industries including Financial Services, Engineering and the public sector

Defined and delivered agile transformations for multiple organisations based in the UK, US and Europe

Active contributor to the Agile Business Consortium (<https://www.agilebusiness.org/>), co-authoring the Agile Portfolio Management guide

Keen but inept musician who finds that whilst enthusiasm cannot replace skill it can foster enjoyment

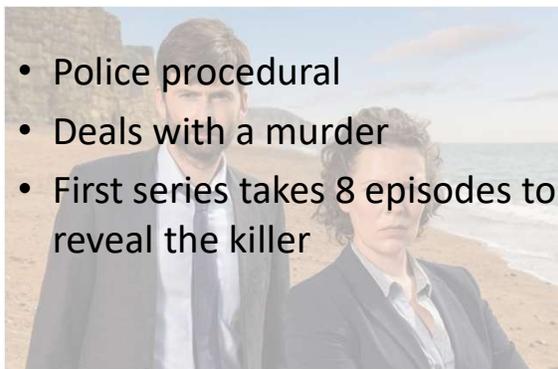


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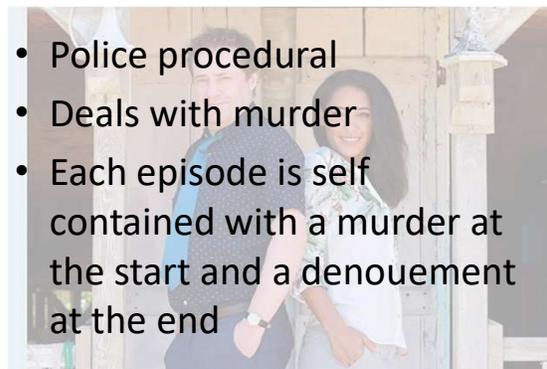
Broadchurch v Death in Paradise

Broadchurch



- Police procedural
- Deals with a murder
- First series takes 8 episodes to reveal the killer

Death in Paradise



- Police procedural
- Deals with murder
- Each episode is self contained with a murder at the start and a denouement at the end

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Murder! Or, what is benefit?

- A benefit is a positive and measurable impact of change
- Benefits can be **tangible** (e.g. money saved, jobs created) or **intangible** (e.g. corporate reputation, capacity for change). They may, or may not, also be **quantifiable** in cash terms (e.g. reduced costs or greater customer satisfaction)
- The forecast benefits of a programme or project are the basis of its business case. The **sponsor** owns the business case and is ultimately accountable for the realisation of the benefits
- In a cost/benefit analysis the costs are definitely tangible and quantifiable. The tangible and quantifiable benefits will ideally outweigh the costs. It is dangerous to rely too much on intangible and unquantifiable benefits to justify expenditure
- Benefits-driven change requires proactive management throughout the entire life cycle. An organisation identifies the benefits it needs and initiates changes that are forecast to deliver benefits. During the change, the organisation needs to monitor performance indicators that can reliably predict benefits delivery
- Day-to-day responsibility for the implementation of change and realisation of benefits lies with one or more business change managers. The relationship between the project or programme manager and the business change manager is crucial. The delivery of outputs and the management of change must be closely coordinated



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The CEO says “Do it” ...

- Tangible benefits:
 - Usually the only benefits recognised by Finance
 - Can be reliably measured and incorporated into budget planning
 - Generally resolves to cutting costs or increasing profit
- Semi-tangible benefits:
 - Increasing revenue or site traffic – may or may not directly lead to increased profit
 - Risk mitigation – depends whether or not budgets allow for risk contingency
- Intangible benefits:
 - Efficiency improvements - If these can be proven to cut headcount then they are tangible but often time freed is consumed elsewhere
 - Risk appetite driven change – upgrading software to ensure support is available
 - Service enhancements – measurable through user satisfaction and NPS (for example) but difficult to link to profit
 - Regulatory driven change – just a cost of doing business or a potential for competitive advantage?

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The traditional approach



Benefits are ideally linked to specific requirements which can therefore be tracked in the solution

Translating benefits to £ makes comparison easier but may not be feasible

Benefits should be quantifiable. Measuring against a KPI should enable before and after comparison

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Sponsor, PM & PMO



- **Sponsor:** owns the business case and is responsible for the delivery of benefit
- **PM:** responsible for the delivery of change and outcomes to ensure benefit can be delivered
- **PMO:** reports project progress, ensures changes are managed (and assures delivery), ensures benefit delivery is planned

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Problems

- The role of a PM on a traditional project stops when delivery is complete
- The sponsor is responsible for delivering benefits – but what structure holds them accountable?
- If it's the portfolio office, are they just reporting or are they managing the benefits plan?
- Culture – does the organisation want to know the result?



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What is agile?

- There are many different flavours of agile
- Agile may deliver small increments of change every two weeks, or releases every few months, or a project may have agile development followed by linear integration, UAT and regression testing
- There are therefore multiple different scenarios to account for when tracking benefit delivery



A different cast



MANIFESTO FOR AGILE SOFTWARE DEVELOPMENT

We are uncovering better ways of developing software by doing it and helping others do it. Through this work we have come to value:

INDIVIDUALS AND INTERACTIONS	OVER	PROCESSES AND TOOLS
WORKING SOFTWARE	OVER	COMPREHENSIVE DOCUMENTATION
CUSTOMER COLLABORATION	OVER	CONTRACT NEGOTIATION
RESPONDING TO CHANGE	OVER	FOLLOWING A PLAN

That is, while there is value in the items on the right, we value the items on the left more.

...with different roles



- **Project sponsor:** same general role as on a linear project but focusing more on delivering strategic goals and objectives through change
- **Product owner:** the business representative who is a full time member of the delivery team, guiding it and ensure that value delivery gets signed off by the business

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Parthenogenesis?

HOW TO BUILD A MINIMUM VIABLE PRODUCT

NOT LIKE THIS

1 2 3 4

LIKE THIS

1 2 3 4 5

The essence of agile thinking is to deliver something useful as soon as possible and then incrementally develop it

Although the end result will be defined at a high level, the detailed design and requirements will evolve over the course of the project

The MVP will be the “thing” that gets released first – hence that is where benefits measurement can start

Getting something “out there” means you can measure, refine and improve it

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Making the most of what you've got

- Traditional projects tend to have elaborate signoff rituals to confirm that what's been done is approved...agile relies on the Product Owner ensuring deliverables are agreed at the end of each sprint
- Agile projects might have benefits management plans but are more likely to track benefit against stories or releases through ongoing business metrics. And PMOs are likely to work with the project to help them with their tracking
- Realisation may be more subtle...how much **change management** will accompany a two week release of functionality compared to a six monthly release cycle? If change management ensures change is embedded and benefits therefore realised, how do you apply that to an ongoing cycle of delivery?

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Importance of feedback



Agile subscribes to the doctrine “fail fast” – it’s better to get something out and being tested than to find out at the end of a project that something is unsatisfactory

That means there is a continual feedback loop between users or customers and the team; this modifies the project’s backlog and also its benefits

PMOs need to be alive to this to support change to project deliverables and hence benefits. In particular it’s better to track a basket of KPIs rather than simply look at revenue

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Case study: call centre upgrade

- Very much a traditional waterfall project
- Aim was to replace multiple sub-systems with an overall CRM to improve the efficiency of the call centre team (reduce the # of open desktop windows from 27 to 4)
- Benefit measures included cost reduction (decommissioning redundant systems, reduced support overhead), efficiency improvements (call duration, call routing, case management)
- Majority of KPIs were already reported as part of standard MI
- IT cost reduction was committed to and budgeted for in next financial year
- Issues: role de-skilling leading to higher turnover and recruitment costs

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Case study: FS credit product

- Agile delivery of a “freemium” credit product
- Two key criteria: time to market and desire to avoid impacting subscription product
- Monetisation through cross-selling of products based on credit score
- Issues: lack of senior stakeholder engagement / delegation of responsibilities. Product developed and signed off in reviews but senior management objected at the final review. Multiple metrics (page impressions, user journeys, completed transactions) but difficult to attribute specific product attributes to individual metrics (is a user visiting the page because it’s been improved or because of marketing?)

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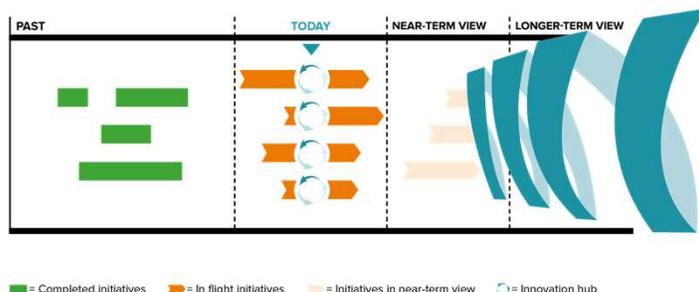
Tracking at portfolio level

- Most portfolios are driven by cost – organisations operate to an annual budgeting cycle
- Driving the portfolio against value delivered – whether that be tangible benefit delivery or a basket of KPI measures – will focus resources to deliver what really matters to the organisation
- As well as the inevitable cost forecast v actual charts, PMOs should work with finance teams to report on delivered tangible benefits, risk mitigation (preferably quantified), KPI improvement attributable to change and, where appropriate, ROI and EBIT
- Benefits – especially non-tangible benefits – will need to be **sold** to an organisation. The PMO is in the best position to do so

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Rolling Plans and Dynamic Management



PAST

- Track value and business cases
- Ensure retrospectives / lessons learned feed into today
- Production issues – feeding into the backlog?

TODAY

- 3 month view of resource commitments, delivery milestones, budgets and cost plans/ burn rates
- Tracking of business KPIs and reviewing how change is impacting them

NEAR-TERM VIEW

- Review KPIs against strategic objectives and target change delivery to achieve KPIs improvements – “move the dial”

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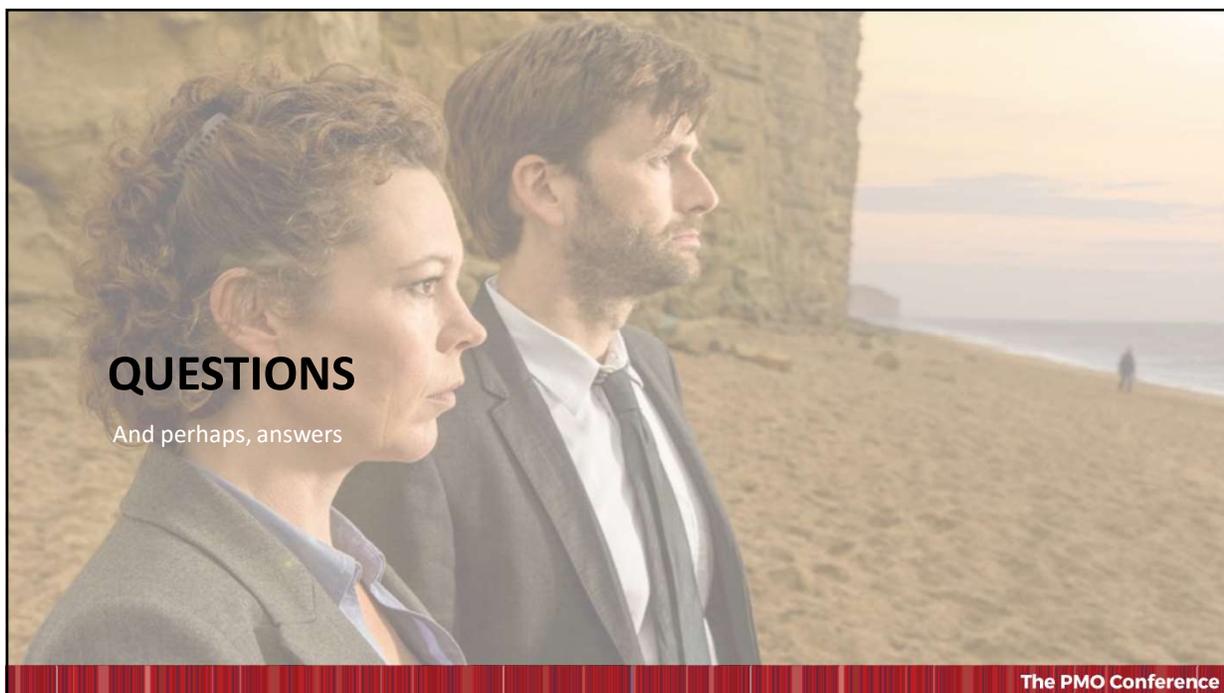
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Yes we can: adding agile to the PMO

- PMOs can act as engines of change to promote better management of benefits (and agile practices)
- Operating as a service rather than a regulator encourages a focus on value
- Operating to an agile cadence (sprints aligned to reporting cycles, reviews and retrospectives, planning meetings) encourages agile behaviours
- Operating with a Kanban board and a backlog to manage changes and improvements
- Focusing on a collaborative approach to supporting change delivery:
 - Participating in Lessons Learned / Retrospectives and identifying improvements with teams
 - Working collaboratively with teams to ensure meaningful reporting is developed
 - Being conscious of the overhead PMOs can be in gathering data and mandating rules

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