

PMO Flashmob: PMO Models & Resourcing

Gary Heath – Airwalk Reply
PMO Discipline Lead & Principal Consultant
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Agenda

1. Introductions – Airwalk Reply & me
2. Introduction to today's session
3. Q&A

Who are Airwalk Reply?

Who are we?

Airwalk are a global transformation consultancy, delivering complex business transformation through technology

We work with clients with complex technical and organisational challenges to achieve the required business outcomes through strong delivery leadership and technology expertise

What makes us different?

We thrive in highly complex environments, where technology needs to be delivered alongside regulatory restrictions, risk, compliance, security concerns, resource limitations and evolving customer needs

Unlike many of our competitors, we bring both in-depth technical expertise and programme delivery capability

Our Industries

We have a significant track record of delivery in:

Retail Banking

Corporate Banking

Wealth Management

Payments

Insurance

Public Sector

Our Services

We bring experienced, multi-disciplined teams delivering for our clients across:



Technology Strategy



Security & Compliance



Solution Design, Engineering & Operations



Cloud Strategy & Migration



Digital Experience & Application Development



Programme Leadership & Execution

Our Technology Partners

We have strong partnerships with many leading providers and are always on the hunt for the best technologies:



Who are our clients?

Our clients include major organisations with the public sector, payments, insurance and global financial services:



BANK OF ENGLAND



We deliver **Business Transformation through Technology**

A bit about me..

Background

- Over 20+ years experience within PMO, Project Management & Departmental Operations
- Many of those years have been within the Financial, Defence & Public Sectors, within Large Transformation Programmes/Portfolios
- Most roles have been within IT departments undergoing change
- Over those 20+ years I have operated as an independent contractor, associate consultant, perm and now perm consultant
- Passionate about PMO, change, innovation and people
- Originally attended the PPSOSig Group and am a fairly regular attender to PMOFlashmobs and PMO Conference
- Pleased to say that Airwalk Reply are a Corporate Member of House of PMO
- Areas of experience:
 - Portfolio & Programme Management, SAFe, Agile, DevOps, PPM Tools, Training Coaching and Mentoring

Previous Engagements

- NatWest
- Royal Bank of Scotland
- HSBC
- Barclays
- Lloyds/HBOS
- Visa Europe
- Vocalink Mastercard
- Axa PPP Healthcare Group
- BAE Systems
- Metropolitan Police
- Houses of Parliament R&R



Consider it done.



Gary Heath

PMO Discipline Lead & Principle Consultant, P3o & MoP
Practitioner (MBCS)

 AirWalk Reply

Intro to today's session

Background

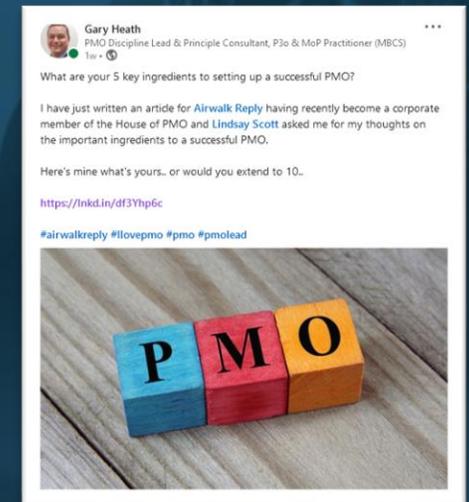
I recently wrote an article within Airwalk and shared it on LinkedIn following a discussion with Lindsay on what I thought were the [important ingredients of success within the PMO](#). Within this I went on to briefly mention how we usually undertake an initial assessment to gain an understanding of the following:

- Environment
- People Capability
- Toolsets/Tooling
- Processes & Governance
- Stakeholders
- With the final output being a Healthcheck/Maturity assessment of the PMO

This session follows through on this [original knowledge article](#) to talk about the various PMO models and ways of resourcing them. I speak from my personal experience and opinions formed over the years including how these models are evolving.

Items being covered today:

- Typical [Industry PMO models](#): Hub & Spoke model
- Various [Resourcing](#) solutions: Perm, Contract, Fixed price, Outcome based
- Different resourcing models: 'In house', 'Hybrid' and 'Outsourcing' including pros and cons of each
- The [evolving delivery models](#)
- My conclusions



Industry PMO Models

Hub & Spoke

The hub and spoke term refers to the different configurations of PMO you might have within an organisation. If delivering projects, it could be one PMO supporting projects, if there are lots of projects and programmes, an organisation might opt for PMOs supporting projects, programmes and introduce a portfolio level PMO.

Please refer to: www.pmolearning.co.uk/pmolearning-blog/pmo/functions-services-p3o/) or Eileen Roden (who authored P3O!!)

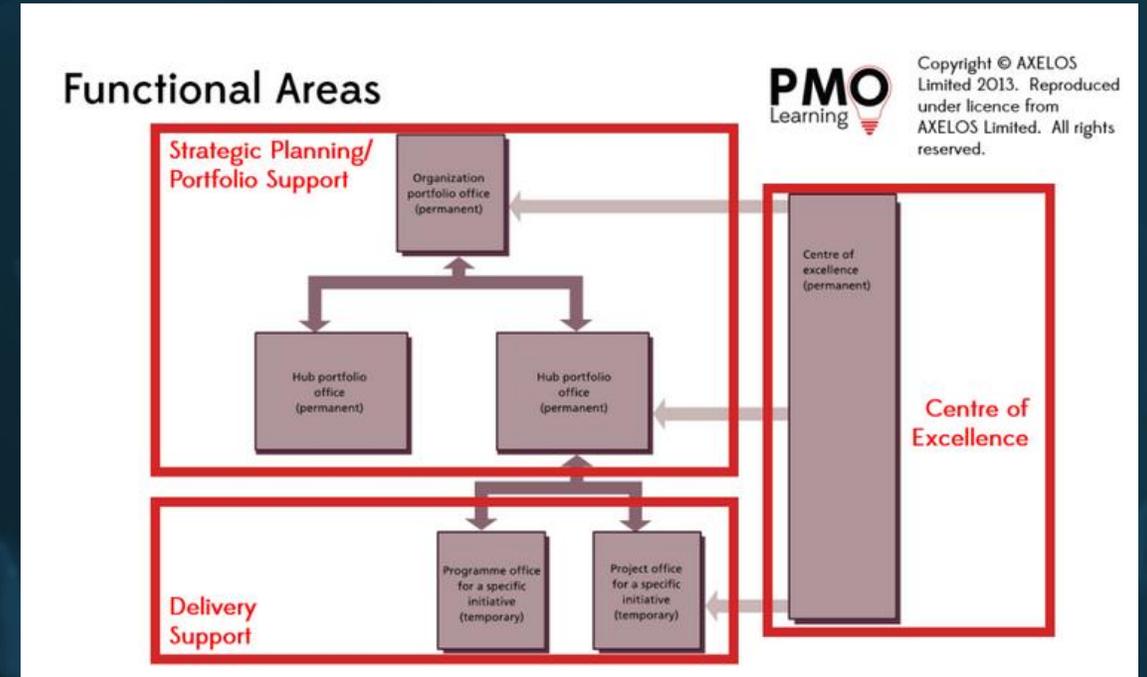
Typical examples of retail bank organisations I have worked for:

- Organisation Portfolio Office (Permanent): Retail Bank UK
- Centre of Excellence (Permanent): : Internal consultancy services
- Hub Portfolio Office (Permanent) : Mortgages, Insurance, Personal, Business etc
- Programme Office (Temporary): Digital Transformation Programme
- Project Office (Temporary): New loans application (app)

Reminder:

- **Divisions or departments** with a portfolio level PMO tend to be a **permanent fixture** and can be **referred to as the hub**.
- **Project and programme** level PMOs could be **temporary in nature** and report into centralised portfolio level PMOs, sometimes termed the **spokes**.

The image opposite is the classic view from P3O; one of the many courses covering the different configurations and most importantly the success criteria for different setups.



Source: PMO Learning
(www.pmolearning.co.uk/pmolearning-blog/pmo/functions-services-p3o/)

Resourcing Solutions

PMOs tend to be resourced via a number of different means depending on an organisation's circumstances, strategy and priorities. The below are some of the typical ways a model can be resourced:

- 1. Permanent staff:** there can be 2 types:
 - **Full/Part Time Employee:** An individual who works for an organisation (employer) and paid directly by that organisation with all associated benefits and entitlements, with no predetermined end date
 - **Fixed Term Employee:** Similar to a full time employee with all associated entitlements though their contract of employment has a definitive end date. Due to there being an end date to their contract of employment, salaries can usually be slightly high that that of full term equivalents
- 2. Independent contractor:** Typically, a person who performs work required either **contractually under their own company** of which they are a director of or that of an **umbrella company** i.e. a company that employs agency contractors to work on temporary contract assignments.
- 3. Outsource via resource augmentation:** This can sometimes be termed as '**body shopping**' and is a strategy to gain staff of a particular skillset to respond to a short to medium term business objective from a variety of external resourcing organisations
- 4. Fixed Price/Outcomes Based:** A type of contract between 2 organisations where the payment does **not dependant on the number of resources being utilised, skills/types or even time expended**. Focused on a particular outcome e.g. delivery and transition of global best practice PMO service.
- 5. Fixed Term:** Similar to the above though time limits associated with deliverables usually applied e.g. payment milestones or an agreed monthly fee with regular performance reviews

PMO Resourcing Models – ‘In House’

Description:

An ‘In House’ resourcing model tends to be based on permanent members of staff fulfilling a majority of roles within an organisation. These organisations tend to have clear job descriptions, roles, career paths or individuals who naturally land within a PMO or have been directly recruited.

Observations:

When referenced against resourcing solutions, it is no surprise to find the following:

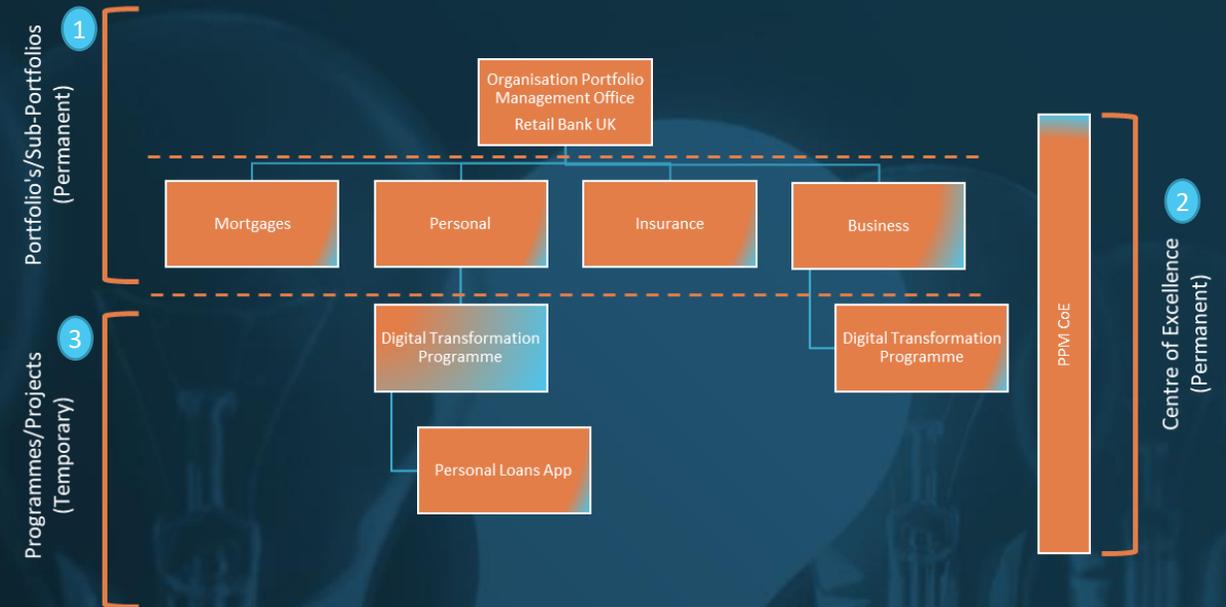
1. Portfolio services
2. Programme/project management (PPM) Centre of excellence

Both tend to be predominantly resourced via permanent members of staff, including senior positions, due to them being a permanent fixture. When or if specialist knowledge or skills are required either fixed term employees or independent contractors can be brought in to assist, though temporarily.

3. Programmes/Projects

Programmes and projects by nature are temporary i.e. defined start and finish and therefore, in a number of instances if an organisation is rapidly expanding or has a number of strategic objectives to deliver and does not have adequate permanent resource to fulfil this demand then it is more likely to have an increase percentile of either fixed term employees or independent contractors.

Key:



Pros/Cons:

| Pros | Cons |
|--|--|
| <ul style="list-style-type: none"> Allows the creation of established team delivery Opportunities for faster delivery through ‘knowing how things get done around here’ Control and delivery is maintained by the organisations people Possible ‘skin in the game’ i.e. they will have to live with the legacy of services delivered Knowledge is retained within the organisation including history of what worked or didn’t | <ul style="list-style-type: none"> The organisation takes on and accepts all the risks associated with delivery Unable to rapidly respond to changing demands Recruitment process of perm resource typically takes longer Access to required Subject Matter Experts (SMEs) can be harder as usually already utilised Dependence and over allocation on the same resources due to demand |

PMO Resourcing Models – Outsourced

Description:

An outsourced resourcing model tends to operate via the use of the following solutions:

- Resource Augmentation
- Fixed Price/Outcomes Based
- Fixed term

Observations:

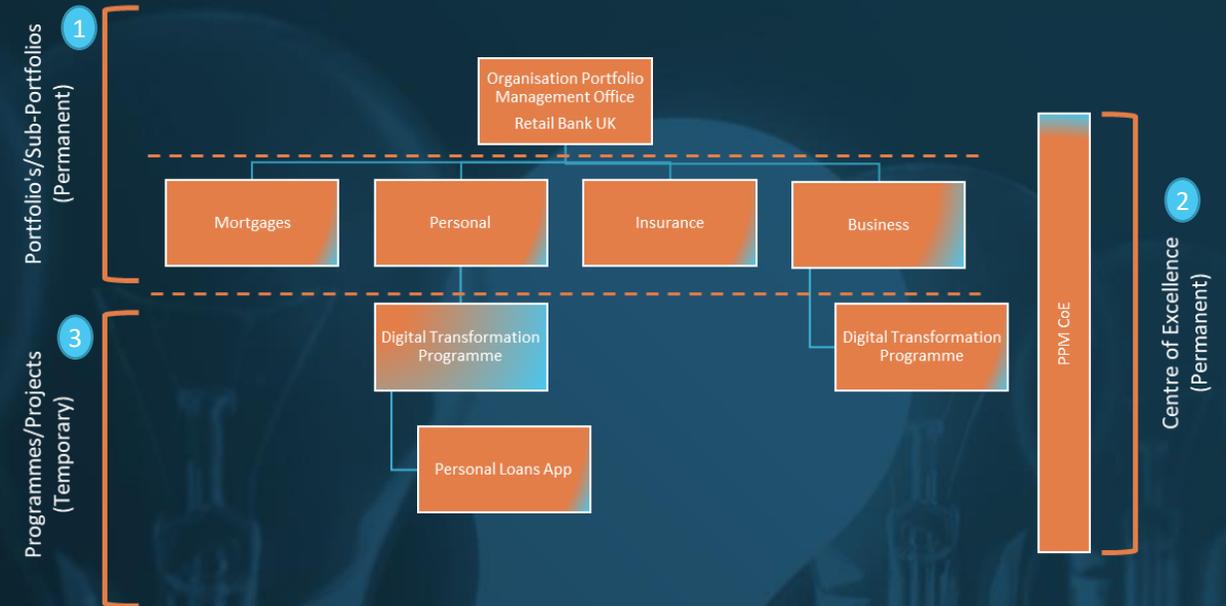
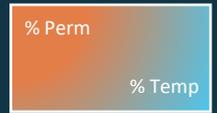
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Pros/Cons:

| Pros | Cons |
|--|---|
| <ul style="list-style-type: none"> ▪ The outsourced partner takes on and accepts the risks associated with non delivery e.g. penalty payments ▪ They can rapidly respond to changing demands ▪ Tried and tested methods of delivery and proven experience ▪ Access to required Subject Matter Experts (SMEs) with broad capabilities and experience ▪ Ability to quickly onboard and supply SMEs as and when required | <ul style="list-style-type: none"> ▪ Lost knowledge and experience opportunities ▪ Possible risks associated with 'doing it our own way' and ignorance of organisation's methods ▪ Control and delivery is not maintained by the organisation's people ▪ No 'skin in the game' i.e. they won't have to live with the legacy of services delivered ▪ Knowledge is retained within the organisation including history of what worked or didn't |

Typical PMO Resourcing Models – Hybrid

Summary

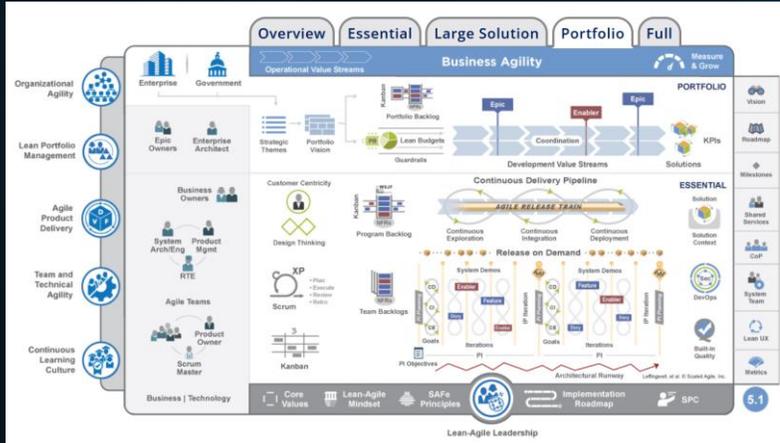
I recently

Pros

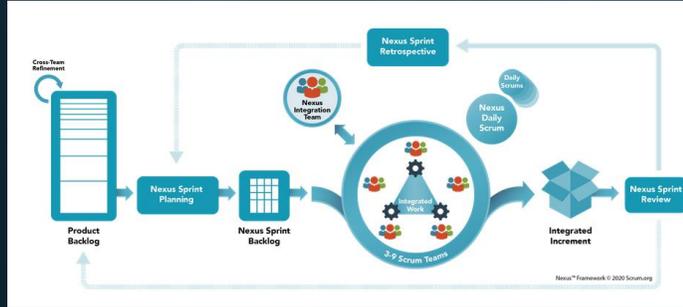
- Cost effective: a mix of permanent members of staff and temporary resources can be an effective way of managing staff budgets, whilst hiring in any skills currently missing from the organisation
- Knowledge retention: transfer of knowledge and training to permanent resources elevates the capability of the retained function
- Higher utilisation rates: permanent members of staff are typically entitled to a certain number of days' leave, along with time granted for personal development. With temporary resources, they are unlikely to take as much leave, nor

Cons

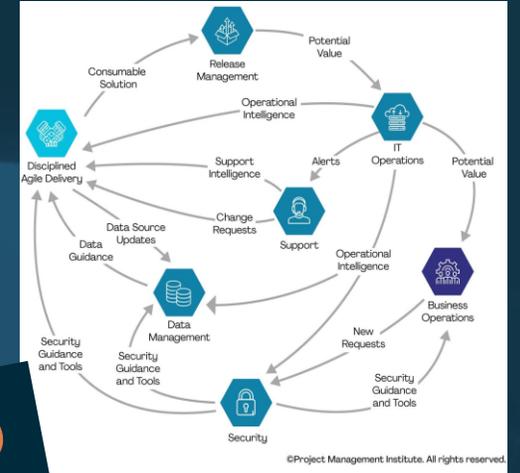
The evolving scaled delivery models



Source: Scaled Agile (SAFe) (<https://www.scaledagileframework.com/#>)

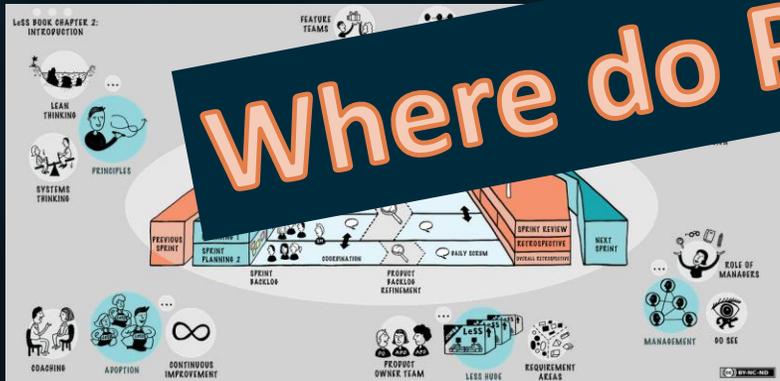


Source: Nexus Scaled Scrum (<https://www.scrum.org/resources/scaling-scrum>)

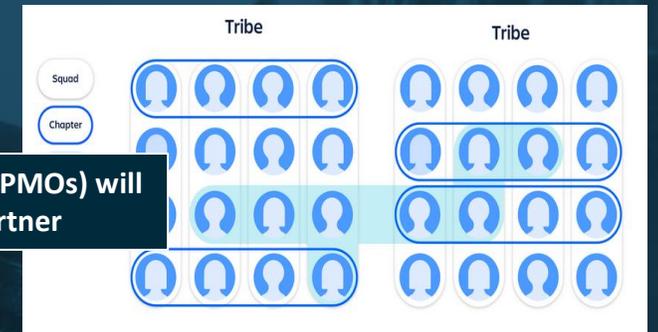


Source: Discipline Agile Delivery (DAD) (<https://www.pmi.org/disciplined-agile/process/introduction-to-dad>)

Where do PMO's support here?



Source: Large Scale Scrum (LeSS) (<https://less.works/>)



Source: Spotify Model (<https://www.atlassian.com/agile/agile-at-scale/spotify>)

Source: Agile Business Consortium (<https://www.agilebusiness.org/page/ProjectFramework>)

Continued movement towards strategic?

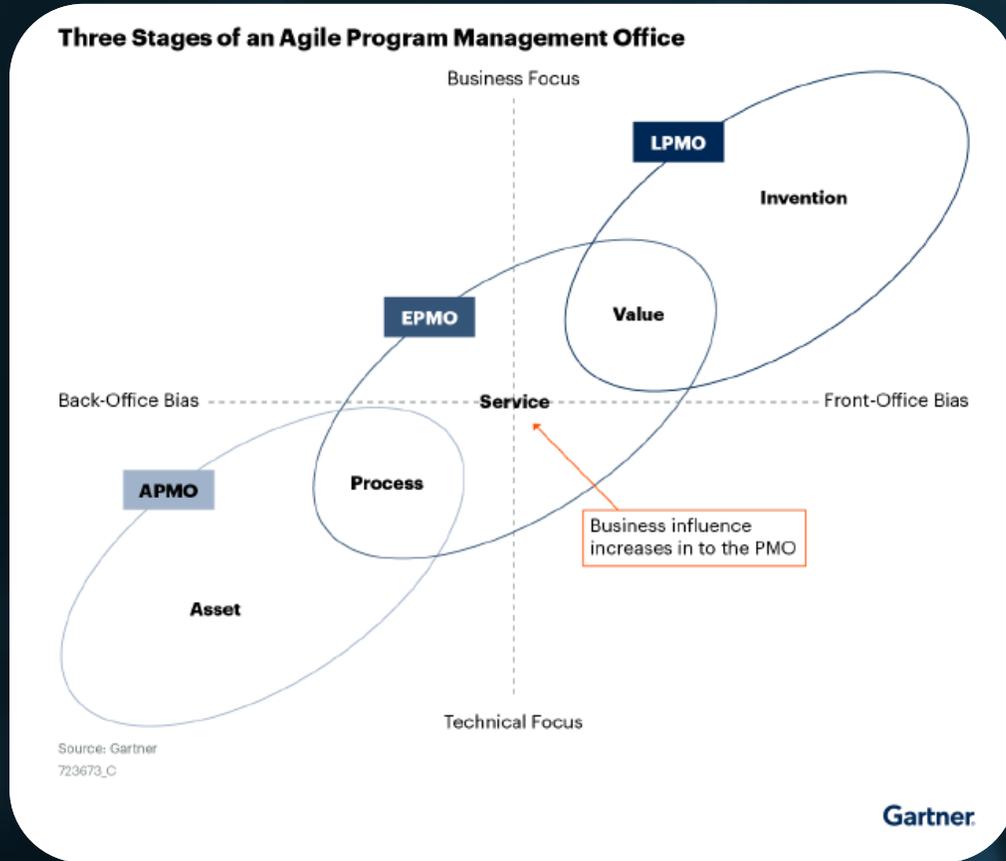


Table 1: PMO Stages to Support Enterprise Agility

| ↓ | Lean PMO ↓ | Enterprise PMO ↓ | Agile PMO ↓ |
|----------------|---|--|---|
| Purpose | Strategic execution and investment management | Manage enterprisewide change and performance | Maintain the balance between projects and products |
| Agile maturity | Enterprise agility achieved and sustained | Scaling agile across business functions | Initial stages of adoption |
| Roles | Portfolio director, investment analyst | Program manager, portfolio manager, PMO strategist | Agile project manager, program manager, agile coach |

Source: Gartner (February 2021)

Gartner recommendations:

To transform PMOs to support agile at scale, program and portfolio management (PPM) leaders, specifically, PMO leaders, should:

- Enable continuous business outcome delivery and rapid response to bottom-up feedback by replacing top-down practices and controls with collaborative leadership
- Use resources effectively by allowing funded product managers to orchestrate their dedicated teams while PMOs focus on delivering nondedicated and scarce resources rapidly when necessary.
- Proactively prepare to rebalance resources across product investments informed by tangible and traceable value metrics.

Conclusions

- Methods and models of delivery are continuing to evolve over time and so is the role of PMO – are you?
 - John McIntyre covers an element of this within: <https://www.hotpmo.com/blog/the-role-of-the-agile-pmo-in-safe-scaled-agile-framework>
 - House of PMO recently did an Agile PMO Coffee session and loads of material from previous discussions
 - PMO Learning do various Agile PMO courses
 - Review some of the links on the previous page and consider the core skills and capabilities PMO possess and how those could be utilised
- When setting up or reviewing an existing PMO consider all resourcing options – do you have the right mix or exploited possible opportunities with models discussed?
- The PMO already possess a number of the core skills and capabilities to fill many of the roles within the various evolving models - are you flexible?
- PMO is there to support change activities across a business regardless of what approach is used, but you need to first understand the approaches before being able to support them effectively – are you keeping up todate?



Q&A's