What Use is My PMO for Portfolio Management?

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Presented By…

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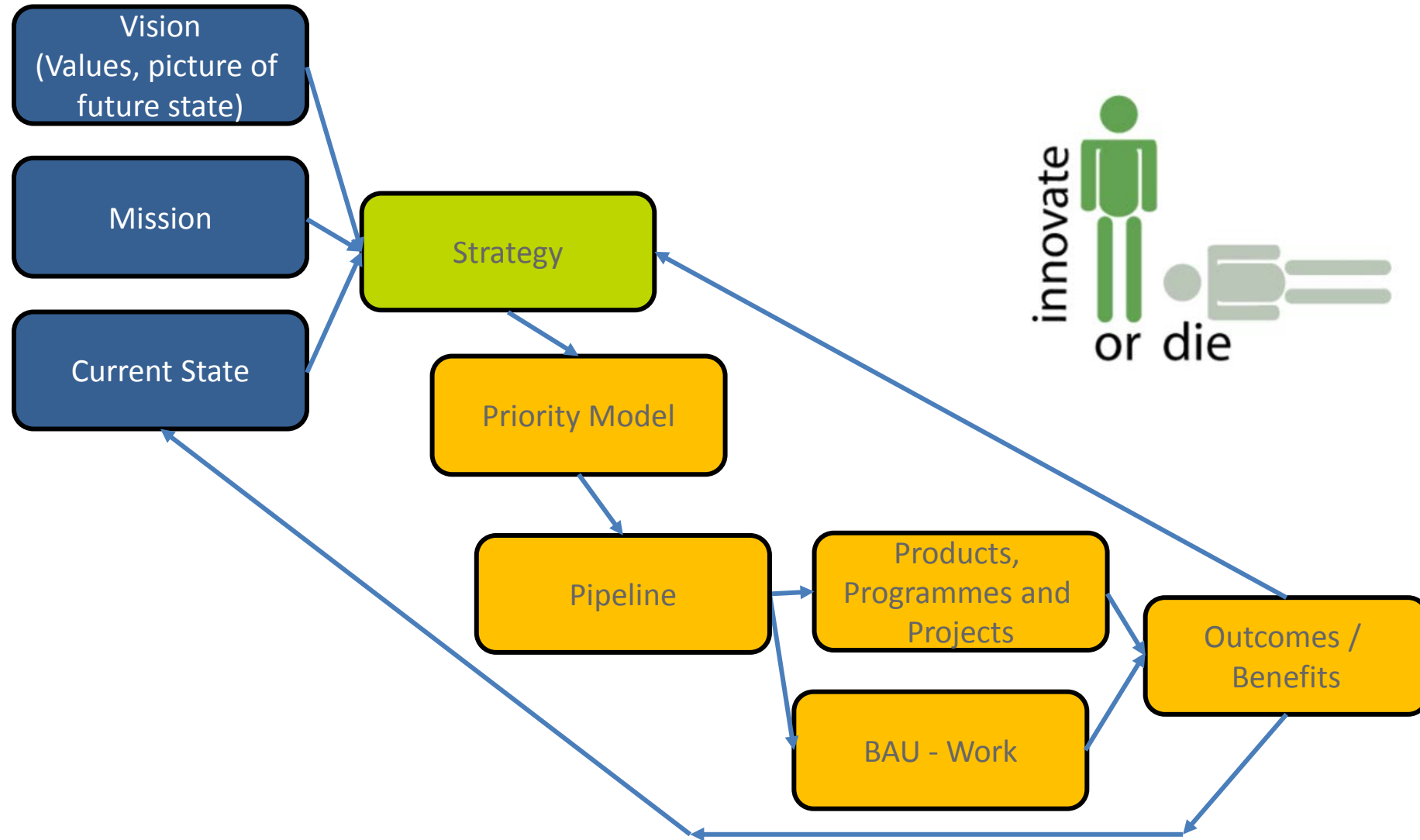http://uk.linkedin.com/in/davidjdunning

WWW.CPS.CO.UK

- Over 15 years experience in implementing portfolio, programme and project management ecosystems.

- Member of the Institute of Business Consulting, APM Portfolio SIG and a Certified Management Consultant.

- Real world P3M experience across multiple industries.

A familiar scenario?

- The way to make delivery better is to focus on 'doing things better', but also on 'doing better things'.

- If, *as an ambitious PMO Manager*, I'm on top of my game with delivery support, can I help the business 'doing better things'?

- Portfolio management - *connects strategy to delivery and back again* – across and through a business.

- Question……?

- As the 'PMO Lead' – my boss (the COO) and I might see me as an obvious starting point to introduce more systematic portfolio management, but perhaps the CFO thinks differently?

- I am ambitious – and I know the theory – what might the pathway look like, and what key moments are there along the way?
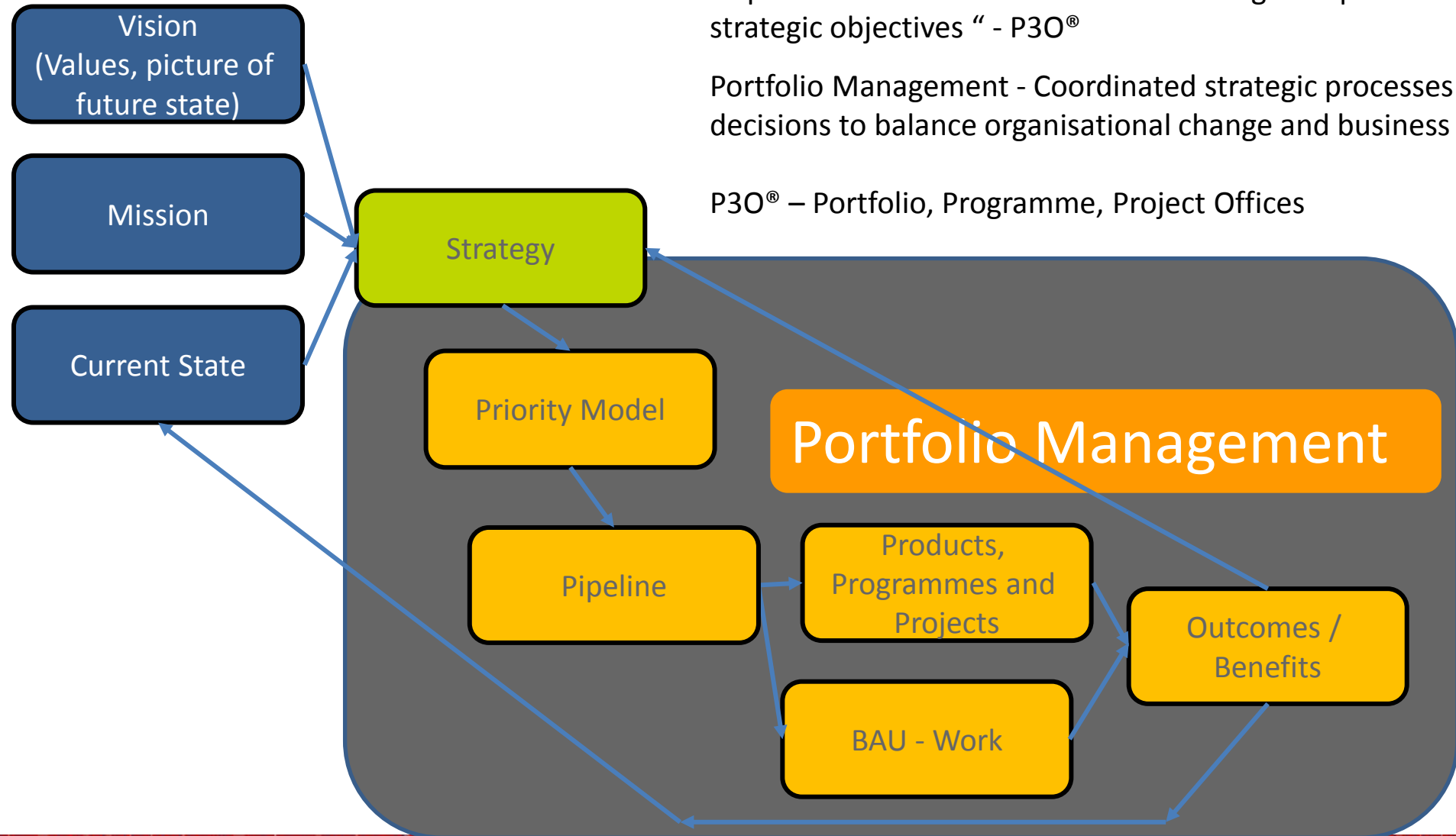
Portfolio Management – what is it?

Vision
(Values, picture of future state)

Mission

Current State

Strategy

Priority Model

Pipeline

Products, Programmes and Projects

BAU - Work

Outcomes / Benefits

innovate or die

Portfolio Management – what is it?

Vision
(Values, picture of future state)

Mission

Current State

Strategy

"A portfolio is the investment in the changes required to meet strategic objectives " - P3O®

Portfolio Management - Coordinated strategic processes and decisions to balance organisational change and business as usual

P3O® – Portfolio, Programme, Project Offices

Portfolio Management

Priority Model

Pipeline

Products, Programmes and Projects

Outcomes / Benefits

BAU - Work

How is a 'PMO' different to a P3O®?

(P3O® has 'portfolio' in it)

- PMO = ?
  - Operational - *Delivery* Support?
  - Centre of Excellence? Assurance?
  - Place Project Managers report into?
  - *Faces Downwards*

We are from the PMO, resistance is futile-you will be assimilated.

- Portfolio Office is different
  - Strategic – connect business objectives to projects/programmes (vice versa?!)
  - *Decision* Support / Prioritisation
  - Business Acumen?
  - *Faces Upwards*

Between the Devil & the Deep Blue Sea

PMO London 2016

What next?

How does my organisation work?

- LOB directors and managers start projects as they see fit.
- Much is invisible and never goes anywhere
  - *More than happy exercising 'leadership' like this*
- CFO is exasperated at headcount figures hiding lots of benefit-less change
  - *More than happy to get cost down and benefit up*
- PMO seen as template police? Meeting organisers? Timesheet chasers? Reporting resource?
 - *Does it have the credibility to step up a level?*

The Portfolio Office Problem:

- The CIO might want it as it's process assurance?

- The COO might want it as it's within their domain?

- The CFO might want to hold the financial leash?

So

- If the CIO gets it, COO and CFO miffed

- If the COO gets it, CIO and CFO miffed

- If the CFO gets it, CIO and COO miffed

Scores on the door

■ Satisfied   ■ Not Satisfied
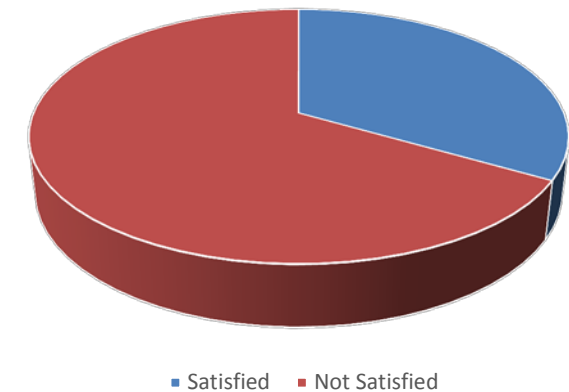
Assuming I'm the only one not to get tired and emotional...

- I can see the need to:
  - Throttle wasteful projects
  - Use resources more efficiently
  - Deliver benefits more effectively

....but will the organisation let me?

Having established the desirable Outcome – what are PfM Benefits?

- More "right" programmes / projects

- Removal of redundant, duplicate, poorly performing projects

- More effective implementation of programmes / projects – consistent approaches and improved dependency management

- Better resource utilisation and collaborative working (both projects and BAU)

- Holistic risk management

- Enhanced transparency, accountability and governance

- Improved engagement and communication between senior management and staff

- Greater benefits realised (and that support strategic objectives)

Adapted from : MoP® Office of Government Commerce, 2011

- **The arguments are quite simple…but we need to get in front of the right people with a _business message_**

- **the barriers to implementation include lack of understanding of**
  - **what it is or**
  - **how to do it**
  - **and clarity of benefits possible**

- **how to sell it in an organisation?**
  - **Clarify the pain**
  - **Show a solution**
  - **Show its achievable**

October 1st 2013 – Portfolio management – how do I even get this on the executive agenda?

- 74 people booked onto the event, 50+ attended.

- Presentation from Alan Dinsdale (MoD)
  – Starting a P3O transformation
  – What approach has he taken to date to get onto the exec agenda

- Workshop

Summary – what are the key answers

People	Process	Organisation	Technology
Common / right language	Align to existing governance cycles	Know best practice, don't carry under arm	Easy and accessible
Top down – but no 'centre taking over'	Use existing machinery	Deliver benefit to the business	Governance reporting driven from delivery reporting
Address 'What's in it for me'	Quick wins	Use right energy point / 'What's in it for me'	
Culture change - 'Transform' not 'implement'	Address Skills / capability gap	Clarify strategy	
	Flexibility v standardisation	Understand ownership	

Note:
That last slide didn't say make a Portfolio Office…..

What game to play?

- **Top Down – Strategic**
- Very fast or very slow
- All or nothing
- Energy and drive can be very effective

- **Bottom Up**
- Get *something* moving
- More effort / Less effective (shoestring)
- Greater penetration than top down?
- Better 'stick'?
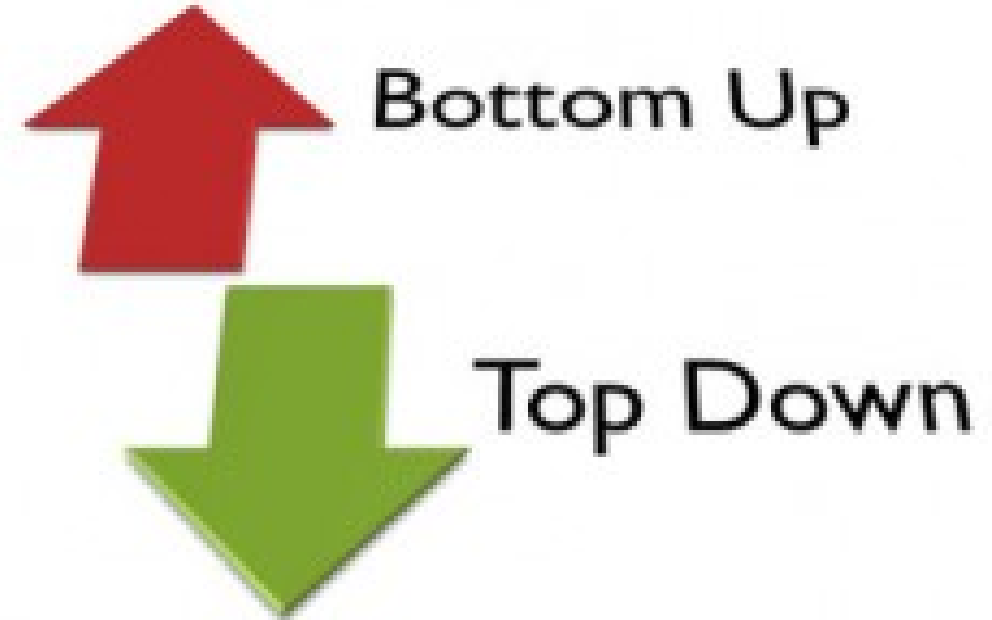
BALANCE!

Barriers:

- CXO agenda full

- No perceived problem

- No CXO knowledge of Portfolio Management

- Uncertainty of cost / benefit

- Wait, or make an assertion

- Gather evidence, gain consensus

- Pick the right way / moment, brief.

- Seek funding to define costs / benefits

Top Tip for Cx Level Engagement:

What's in it for me?

Chief Information Officer
- Better collaboration around reliable information
- Integrated processes and governance
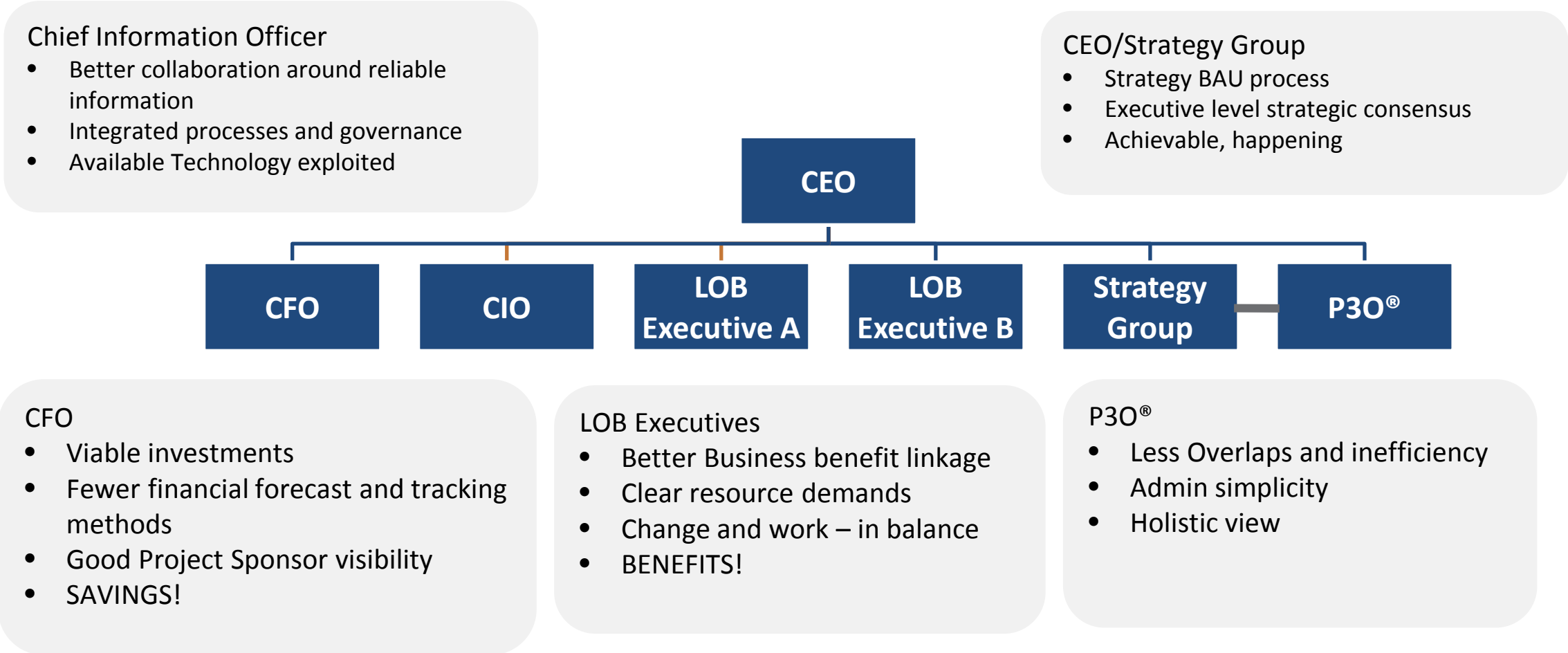- Available Technology exploited

CEO/Strategy Group
- Strategy BAU process
- Executive level strategic consensus
- Achievable, happening

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                         CEO
    ┌──────┬──────┬───────┼───────┬──────────┬──────┐
  CFO    CIO    LOB      LOB    Strategy    P3O®
              Executive A  Executive B  Group
```

CFO
- Viable investments
- Fewer financial forecast and tracking methods
- Good Project Sponsor visibility
- SAVINGS!

LOB Executives
- Better Business benefit linkage
- Clear resource demands
- Change and work – in balance
- BENEFITS!

P3O®
- Less Overlaps and inefficiency
- Admin simplicity
- Holistic view

Back to the Man with the *Conundrum*

- **<u>Do I work away in the background, or go for it?</u>**

- *Know your enemy!*
  - Know your stakeholders – what are they interested in?

  - Know your governance framework – how does the business work?

  - Are there any anecdotes / lessons learned which can give you impetus?

Back to the Man with the *Conundrum*

- **Then – at the right moment -** Current state – strength / weakness, opportunity / risk – is there a case to do something better?

- **Decide - Top down or bottom up?** Programme driven change or background progress?

- **What is the answer?** - Vision and strategy – can I paint a picture which addresses the weakness, exploits the opportunity, and reduces risk?

- Prioritise based on benefits and achievability

Back to the Woman with the *Conundrum*

- Narrow and deep or broad and shallow?
  - Do one area well, then island hop –
  - or bring everyone along?
  - Can I get any corporate priority?

- Or – Do by discipline (Governance, Process and Roles, Capability, Tools, Support)?

"Help, I've just gone and"…. Blogs…

Google | Help! I've just gone and

Web   Images   Videos   Shopping   News   More ▾   Search tools

About 1,130,000,000 results (0.44 seconds)

Help, I've just trained everyone! | APM
https://www.apm.org.uk/blog/**help**-i've-**just**-trained-everyone ▾
5 Apr 2013 - Why not **help** 'David' by posting your answers below? ... **I've just gone and** completed a round of project and programme management training ...

Help, I've just implemented a PMO! | APM
https://www.apm.org.uk/blog/**help**-i've-**just**-implemented-pmo ▾
2 Apr 2013 - Part 1 of a farce in 6 parts. Why not **help** 'David' by posting your answers below?Dear all,**I've just gone and** implemented a PMO. We did it for ...

Help, I've just implemented a project management tool! | APM
https://www.apm.org.uk/.../**help**-i've-**just**-implemented-project-managem... ▾
4 Apr 2013 - Part 2 of a farce in 6 parts. Why not **help** 'David' by posting your answers below? Dear all, Listening to your advice yesterday, **I've just gone and** ...
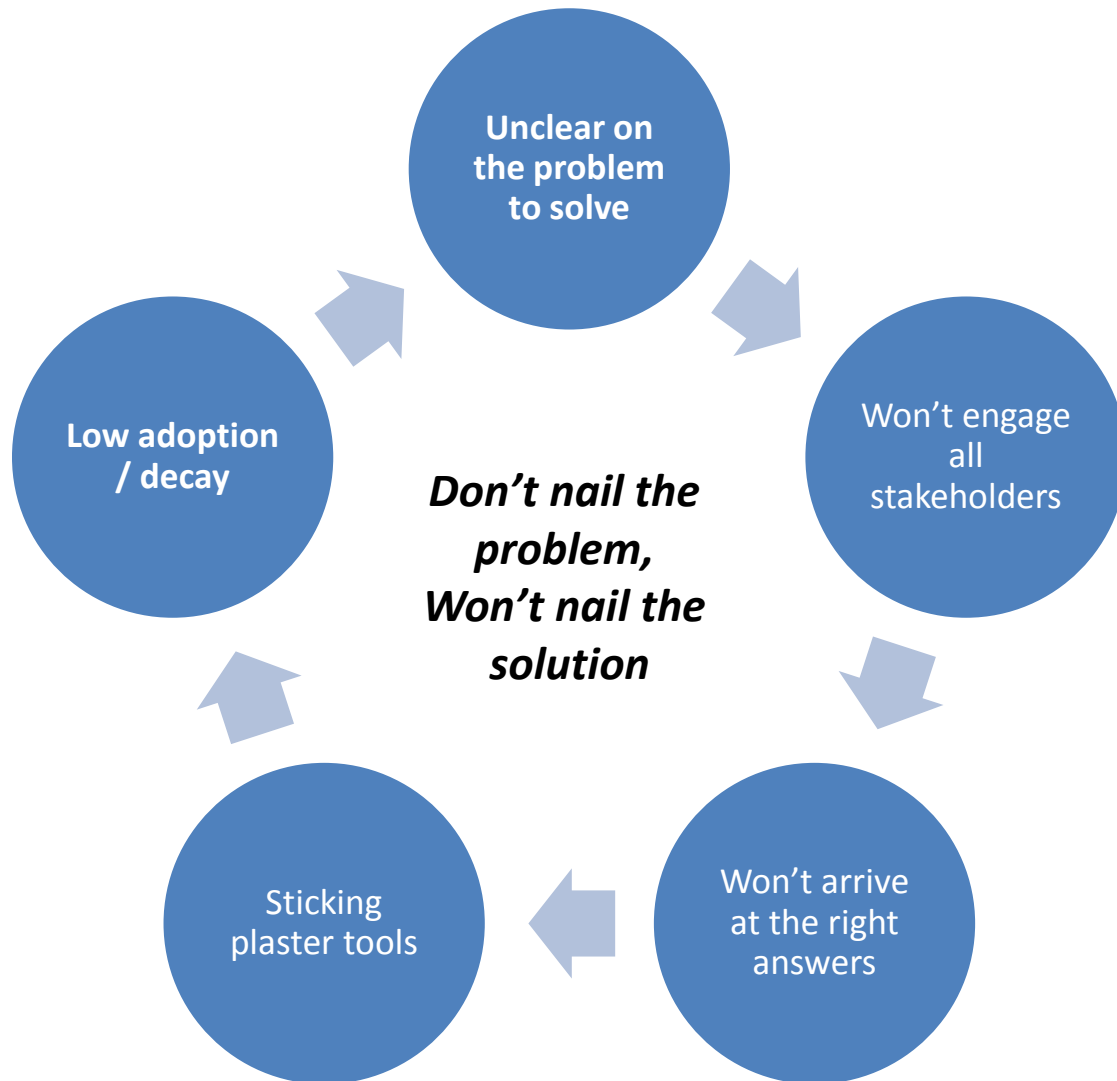
How to do this? Step 1?

Consensus on problems and expectations

Do something simple

Learn then do something better

Example - Ultra Controls

- High level recognition of an issue
- Sincere engagement in identifying 'reality'
- Willingness to make hard decisions about change, and resourcing it
- Initiation of a PMO – to enable better behaviour
- Implementation of a PPM toolset (Project Server 2013) to provide the technology backbone
- Effort spent on awareness, desire, knowledge, ability, reinforcement to make and sustain change
- Success – stability – "decision making not based on the largest fire this week"!

The circular diagram labels read:
- Unclear on the problem to solve
- Won't engage all stakeholders
- Won't arrive at the right answers
- Sticking plaster tools
- Low adoption / decay

Don't nail the problem, Won't nail the solution

Data is the basis for decisions

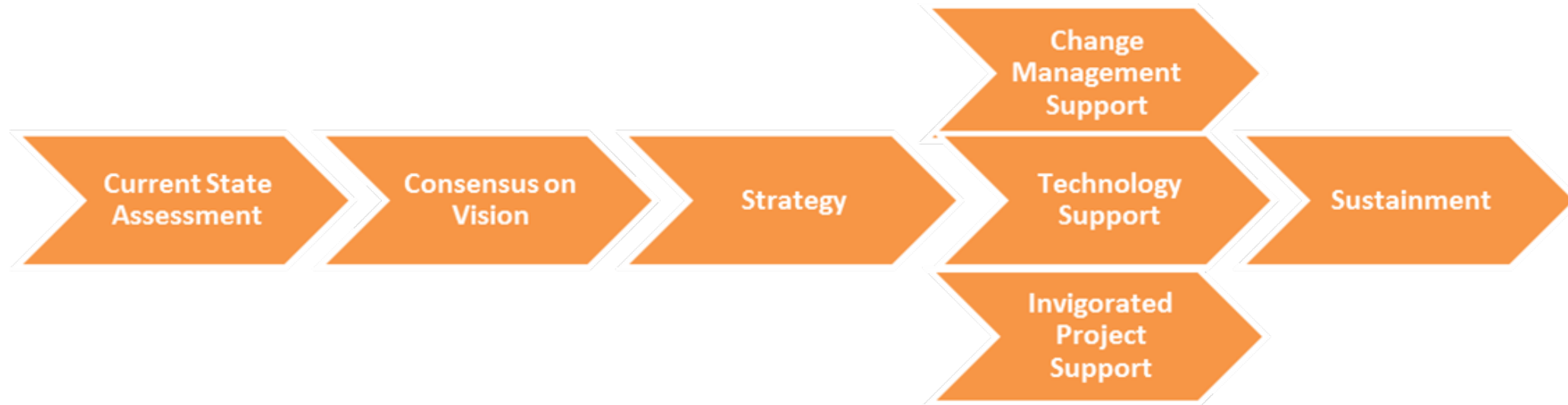| Governance Framework | Process and Roles | Information Requirement | Tool implication | Business Change |

- What's needed to make decisions?
- How are we doing to get and maintain the data?
- Who is going to do it?
- Where will we keep it?

Ultra Controls

Current State Assessment → Consensus on Vision → Strategy → Change Management Support / Technology Support / Invigorated Project Support → Sustainment

Adobe Acrobat Document

Ultimately…

- **<u>Can I achieve anything, or do I have to leave?</u>**

- Know your own capability – what can you do?

    - Can you lead the change for what you envisage? **Or is there a key hire for the business?**

    - Could you credibly lead what you envisage?
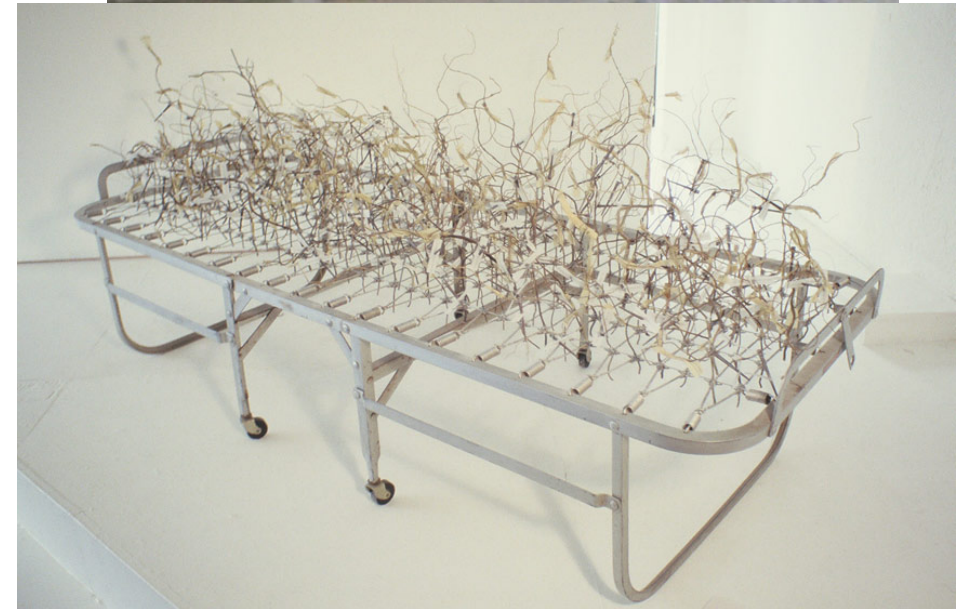
So PMO People – are you ready?

BEFORE

AFTER?

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CPS Stand

Thankyou for listening ☺