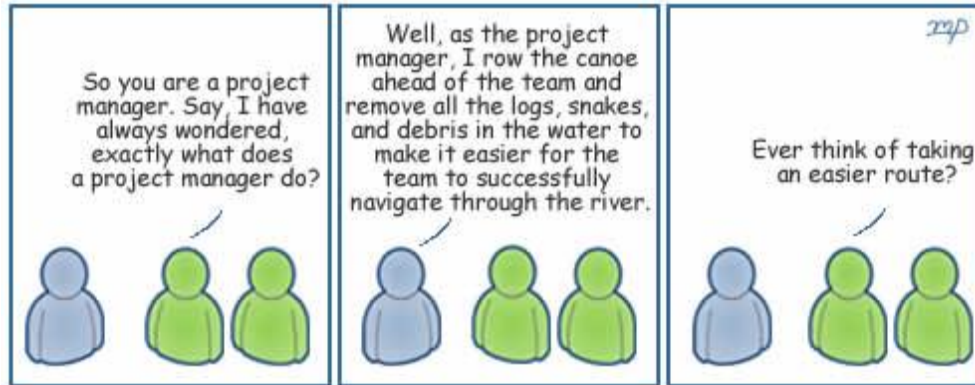


Knowledge Solution Services

Project Management Office Best Practices: Closing the Gap Towards Higher Performance



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Discussion Points

- Do we need PMOs?
- PMO Maturity
- A PMO Roadmap
- Best Practices
- PMO and Agile
- Four Key Practices

Why PMOs Are Important

It is clear that the demand for technological services in the coming years will outpace any organization's resources and ability to provide them. Efforts to build static organizational structures will not be effective, given the sheer rate of change in our institutions.

The establishment of a Project Management Office (PMO) coupled with the use of project management tenets is one strategy to control the onslaught of demand for new initiatives.

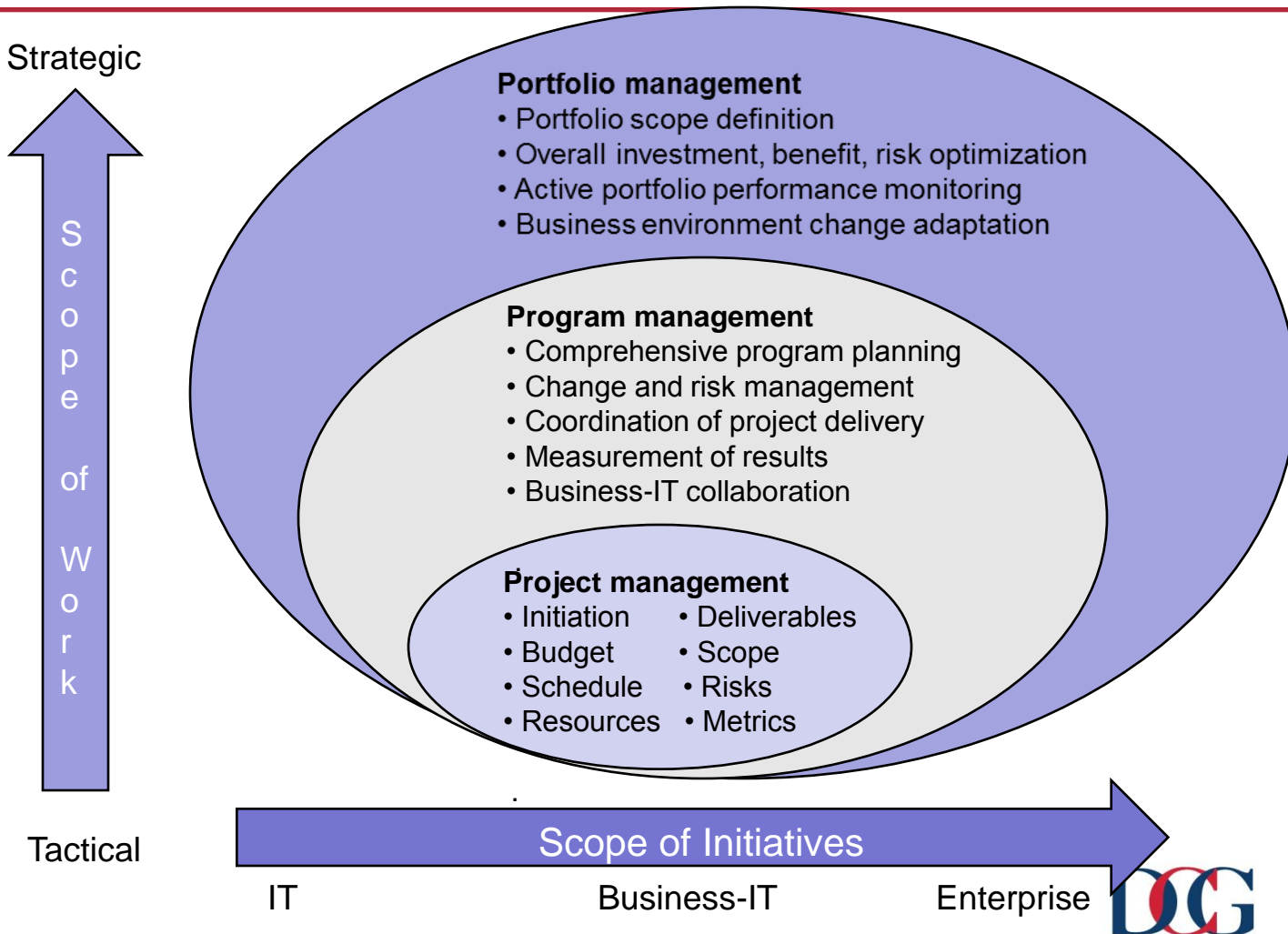
Paper: The Project Management Office as an Organizational Strategy, Authors Lauriano and Johnstone, University of California, Davis 1999

PMOs are evolving. Shifting from the tactical to the strategic, PMOs are performing a widening range of work. They're supporting business programs outside IS, such as product launches and post-merger integration. And they're helping ensure that the enterprise invests in the best set of projects and programs—and achieves the most benefits. Their stakeholder set is broadening as well to include business partners and external resources.

GARTNER 2006



PMOs Evolve Over Time



Organization Structure

- No 'one size fits all' solution
- Understand the culture
- Centralized vs. decentralized
- Expectations need to match maturity
- Prominent position in the organization

Centralized vs Decentralized

- Decentralized
 - PMs report within their department
 - PMO plays an advisory role
 - Lower cost, lower headcount
- Centralized
 - PMs report to head of PMO
 - PMO enforces standards
 - Rapid adopting of methodologies
 - Effective Program and portfolio management

Organization Structure - Key Roles

- **Process Mentor**
 - Promotes best practices
 - Provides mentoring and training
 - Spot checks and reviews deliverables
 - Manages overall infrastructure
- **Business Relationship Manager**
 - Brokering communication between IT and the business

Measuring Your Level of Maturity

Levels of Maturity

Level 0 – Chaotic

No evidence of documented processes

Level 1 – Active

Documented processes, but not formalized

Level 2 – Efficient

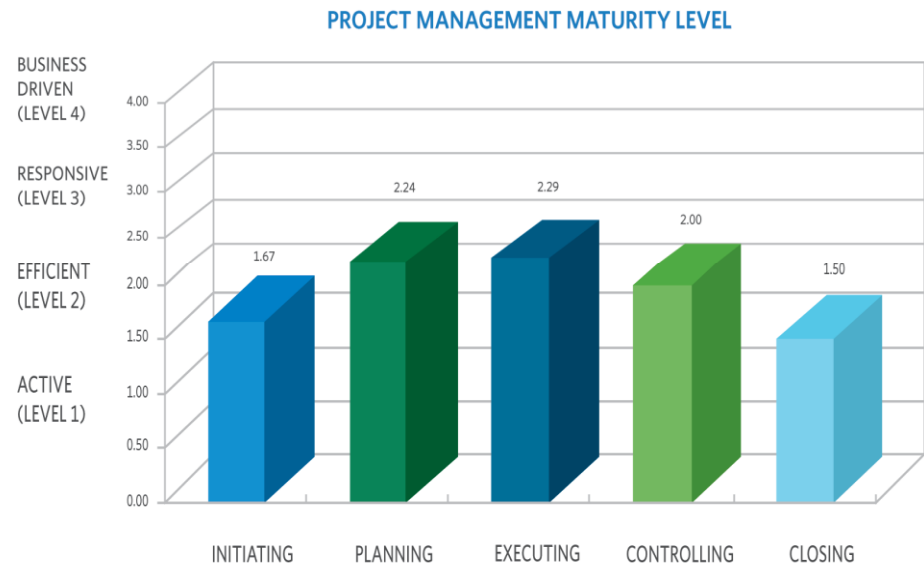
Consistent disciplined

Level 3 – Responsive

Ubiquitous and measured

Level 4 – Business Driven

Provides data and information to drive business decisions



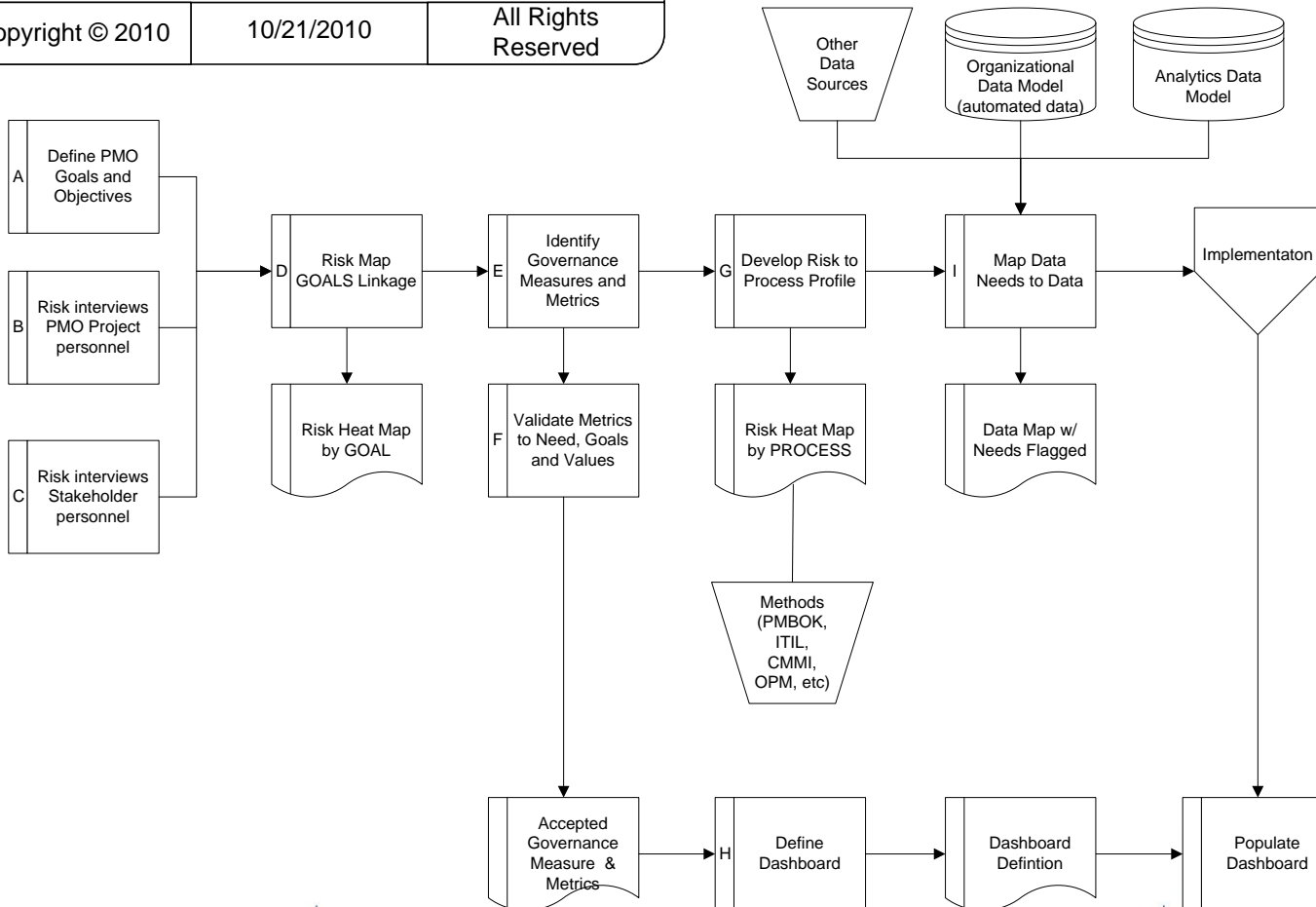
Establish a PMO Roadmap

DCG PMO Risk Assessment Roadmap

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Best Practices - Improving PMO Effectiveness

Reduce business risk with a project management office	Optimize resource use with a program management office	Contribute to business growth through a portfolio management office
1. Establish a flexible, end-to-end project management process that balances rigor with overhead	1. Expand PMO oversight to include business and IT projects, and projects sourced externally	1. Position the PMO organizationally outside IS to give it independence and senior management sponsorship
2. Support the process with simple-to-use tools to plan, manage, track and report all project activities	2. Institutionalize project management discipline into the culture to free up resources to focus on program management	2. Enlarge the breadth of PMO influence to extend from strategy formulation through benefits realization
3. Make the tools available over your intranet along with examples and instructional support	3. Use program-level visibility to identify and alleviate resource contention issues	3. Design governance to focus senior management on strategic issues
4. Provide formal training, coaching and mentoring to both IS and the business to develop competent project managers	4. Educate the business, IS and external stakeholders about their shared responsibilities for ensuring program success	4. Integrate benefits realization into the entire life cycle starting with planning, and report on it regularly
5. Be flexible in sourcing and providing project management resources	5. Expand governance body membership to represent the expanded stakeholder set of programs	5. Implement portfolio management tools that provide high-level visibility and analysis that inform decision makers
6. Provide project management assistance, e.g., consulting, problem solving, audits and expertise	6. Establish communications programs to keep all stakeholders informed and committed to program success	6. Broaden PMO staff competencies to include strategic planning and investment analysis



PMO and Agile – Is there a conflict?

- CMMI Best Practices call for well defined roles
- PMBOK outlines specific roles of the project manager with including planning and tracking
- Core concepts of agile
 - Individuals and interactions over *processes and tools*
 - Working software over *comprehensive documentation*
 - Customer collaboration over *contract negotiation*
 - Responding to change over *following a plan*



Historical Roles of Project Manager in a PMO

Common roles of the PMO

- Measurement
- Tracking
- Reporting
- Facilitate communication
- Macro risk reporting
- Compliance

Common Features Of An Agile Team

- Cross functional
- Self organizing
- Self managing
- Include business representative (or proxy)
- Sprints are backlog and release driven

Different Voices – Find a Common Language

- Voice of the organization (PMO)
 - Analyzes and reports overall data
 - Facilitates BIG picture coordination
 - Clears external blockers
 - Stays out the way of the team
- Voice of the team (SCRUM Master / Coach)
 - Facilitates team activities
 - Clears internal blockages
 - Leads and does
- Voice of the customer (Customer or Customer Proxy)
 - Provides business direction
 - Makes business decisions
 - Prioritizes work on functionality

PMO As An Active Management Participant

- The PMO's job is to analyze and interpret overall measurement data for the purpose of forecasting the overall project outcome
 - The sprint team develop, collect and consume measurement data within the team boundary
- Self managing teams require the necessary data, the PMO should be positioned to ensure that agile teams have the right data to be self-managed.
 - If they do not have the data, they can not be self-managed
- When the overall project outcomes are not expected to meet management and customer expectations the PMO needs to facilitate getting things back on track



Or



Self-Managing Teams Are Self-Measuring Teams

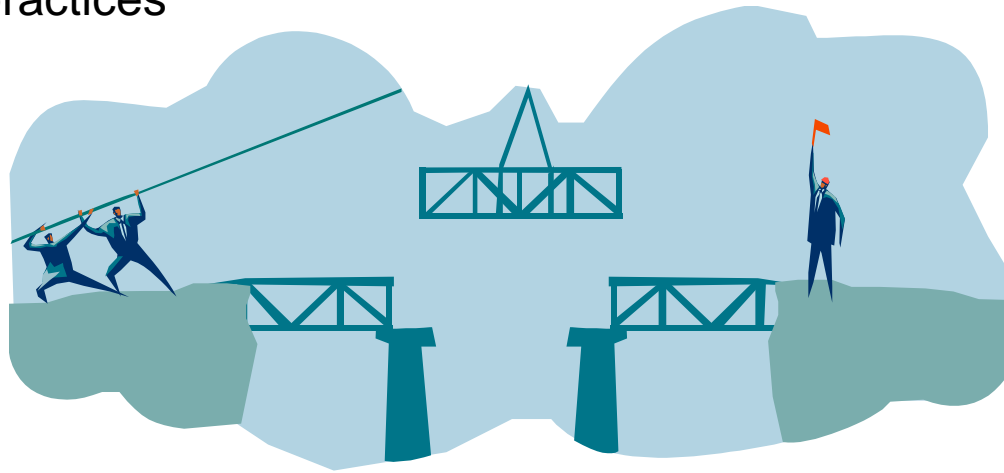
- Without data no one can consistently manage.
 - Measurement belongs within the development team so that the team can actively manage the work!
 - Typical measures are task time (hours applied to real work), cycle-time (e.g. sprint duration) throughput (function points delivered in sprint), rework (everything that has to be retouched) and backlog (or input queue)*

*According to Bob Ferguson (<http://bit.ly/eDOfmP>)

Closing the Gap Towards Higher Performance

Planning and Control --
Effective project estimating
following best practices

Governance –
A well defined
decision making process



Measurement & Reporting –
Project, program and portfolio data
collected, analyzed and reported

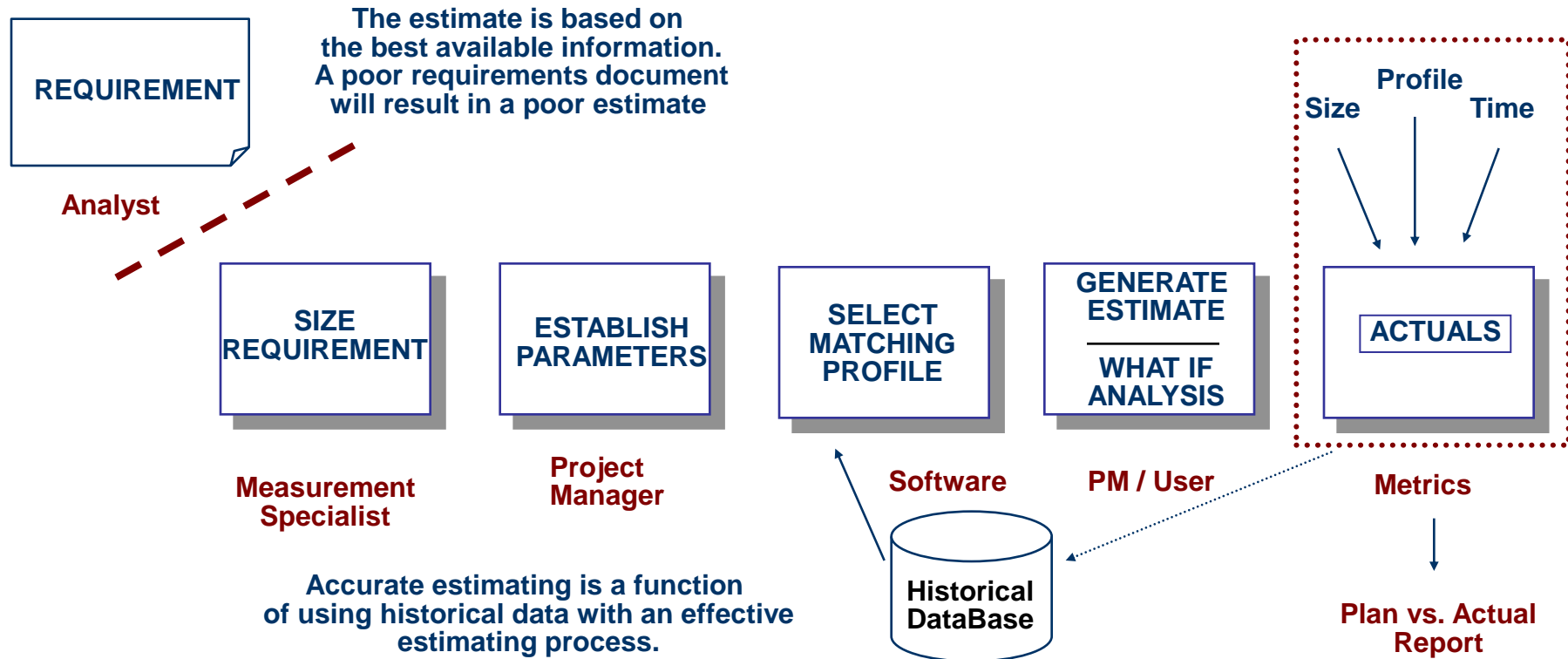
Coaching / Mentoring –
A partnership of
collaboration and guidance

Estimating Best Practices

The Software Engineering Institute (SEI) requirements for good estimating:

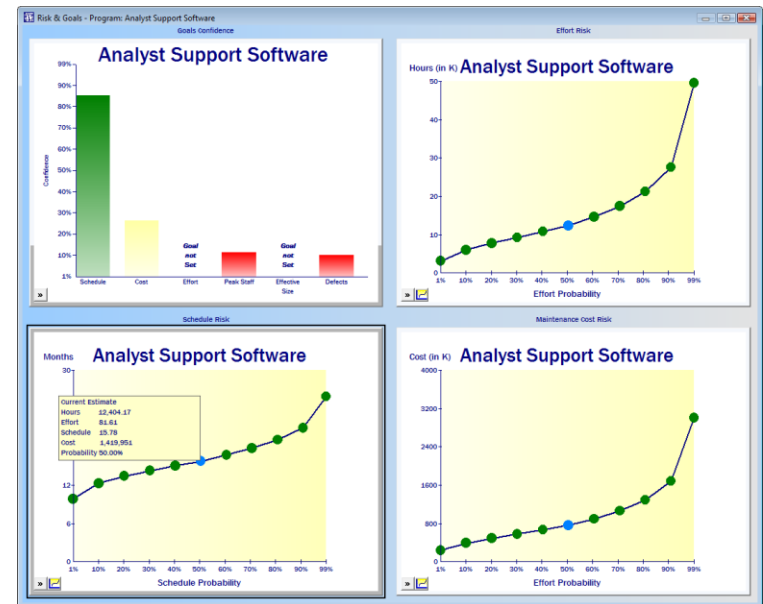
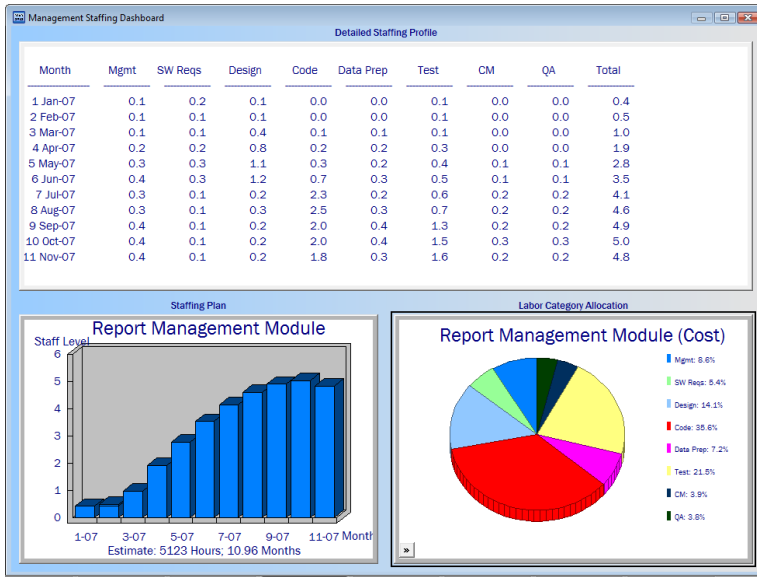
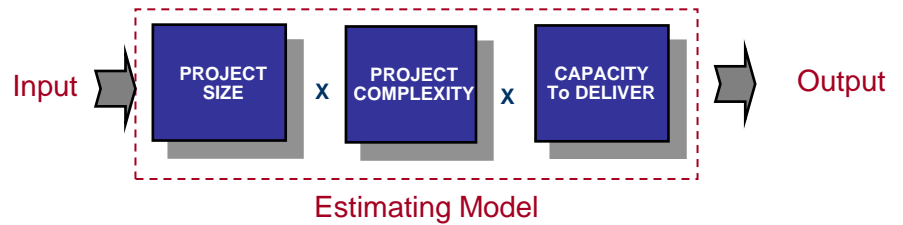
- Corporate historical database
- Structured processes for estimating product size and reuse
- Mechanisms for extrapolating benchmark characteristics of past projects
- Audit trails
- Integrity in dealing with dictated costs and schedules
- Data collection and feedback processes foster correct data interpretation

The Estimating Process

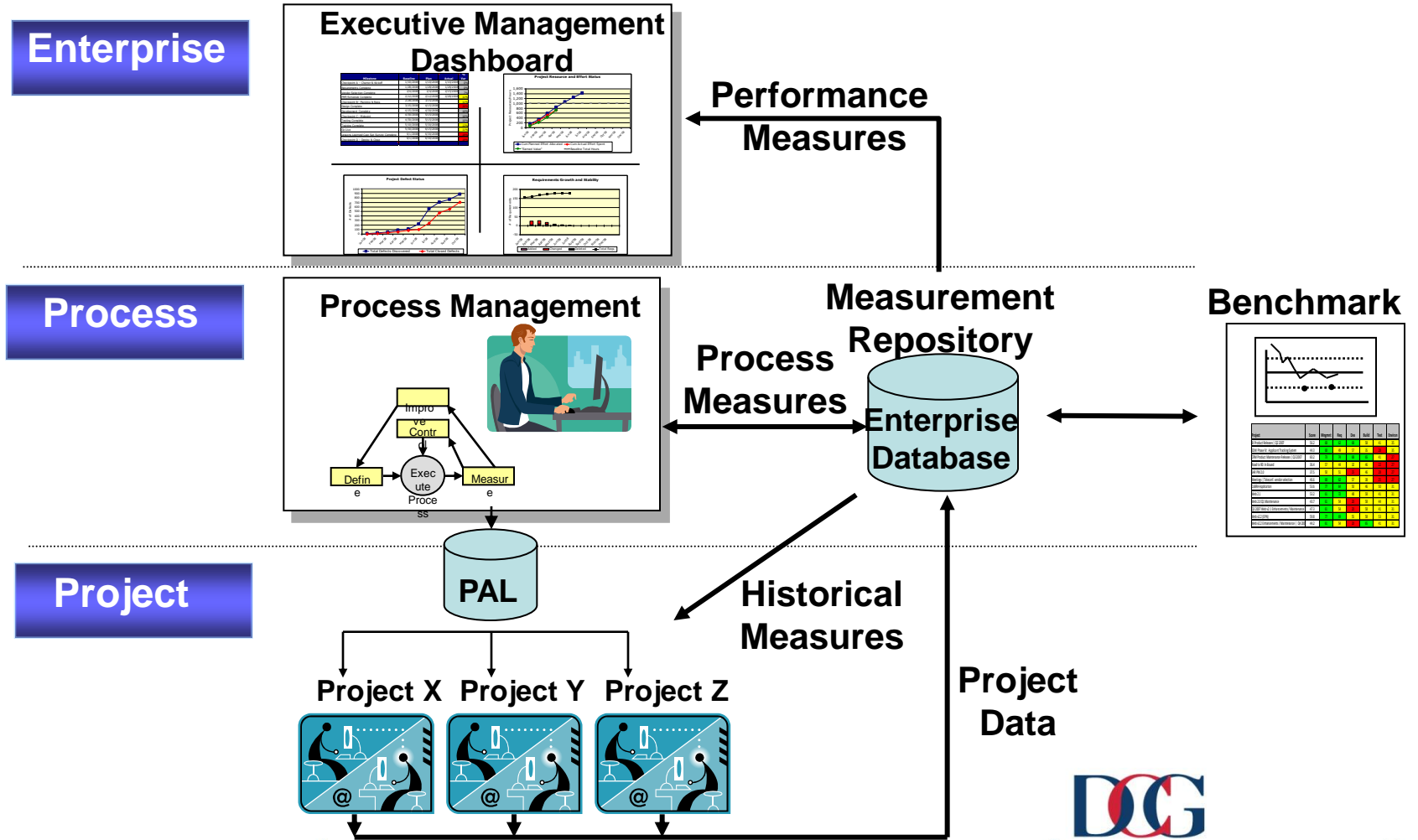


Planning and Control

A rigorous and well defined estimating process results in a greater ability to identify and manage risks and control project deliverables



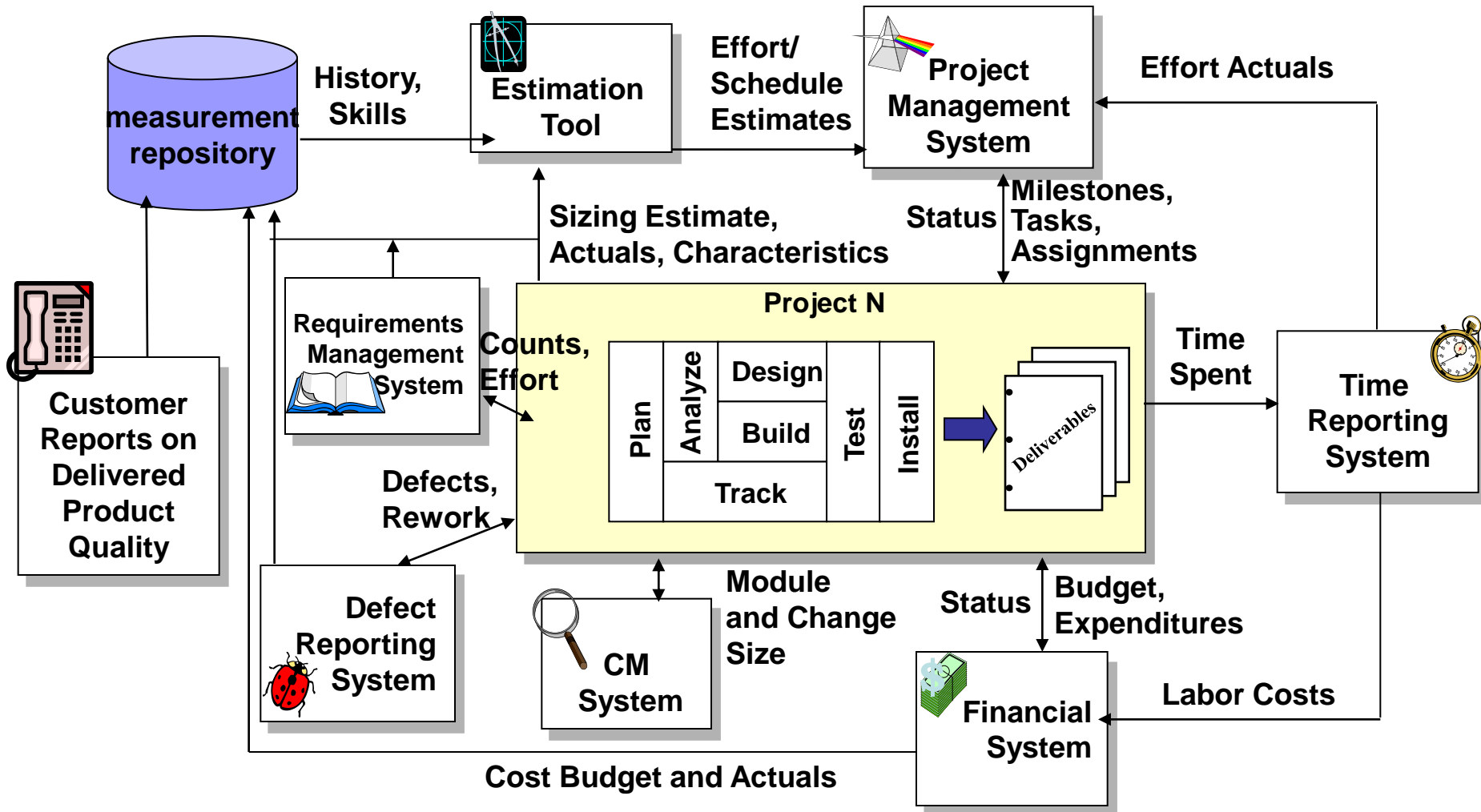
Measurement & Reporting - Information Framework



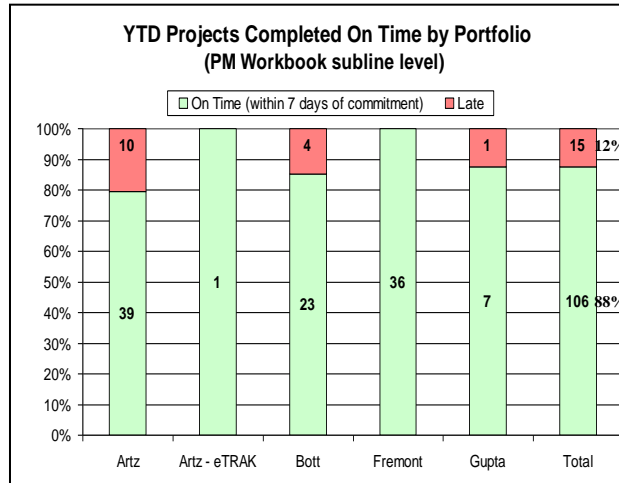
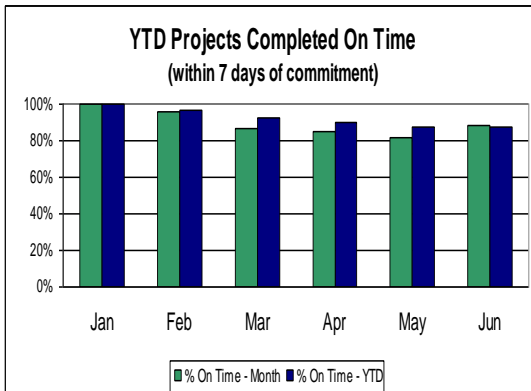
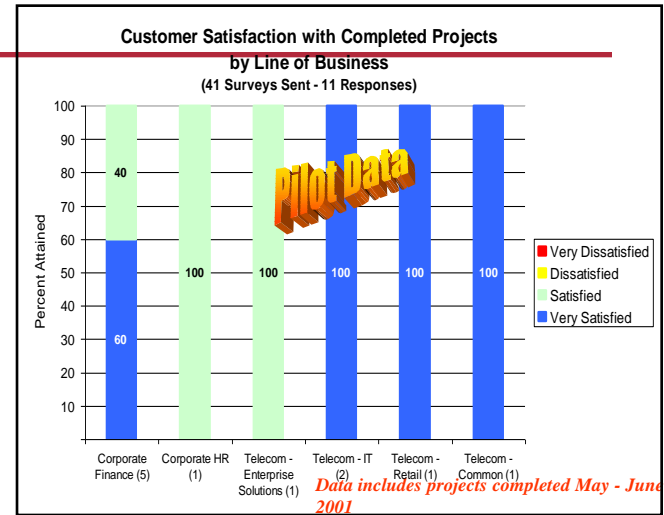
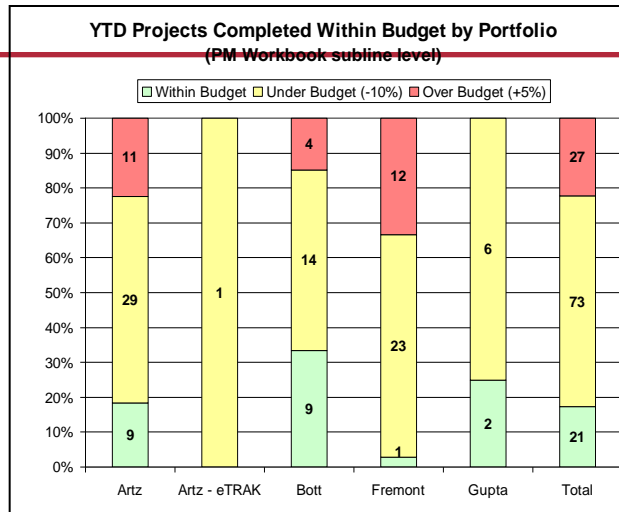
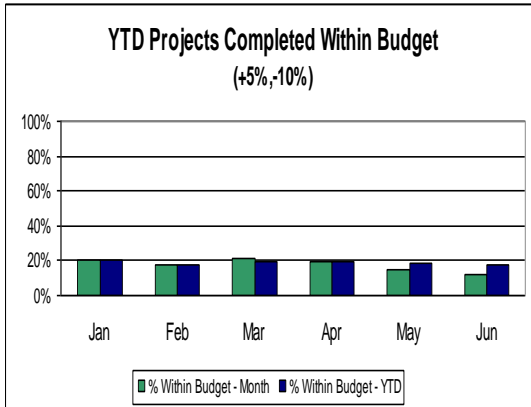
CMMI - Measurement and Analysis

- Align Measurement and Analysis Activities
 - Establish Measurement Objectives
 - Specify Measures
 - Specify Data Collection and Storage Procedures
 - Specify Analysis Procedures
- Provide Measurement Results
 - Collect Measurement Data
 - Analyze Measurement Data
 - Store Data and Results
 - Communicate Results

Leverage Existing Tools and Techniques



Dashboards Add Value



Project and Program Governance

- A Governance process requires defined roles, documented oversight functions, policies and management principles
- Provides the means to identify, assess and respond to change.
- Governance addresses what decisions need to be made, who makes those decisions and how are those decisions made

Project and Program Governance

A governance agreement is written and signed by all appropriate parties. The project manager develops this document in collaboration with the project sponsor and functional managers. The governance agreement defines the following:

- Roles (sponsor, steering committee, project manager, functional managers)
- Budget authority allocated to the project manager and steering committee;
- Scope authority allocated to the project manager and steering committee;
- Change management process (describes how change will be accepted into the project);
- Resource allocation governance (describes how resources will be allocated from functional areas).



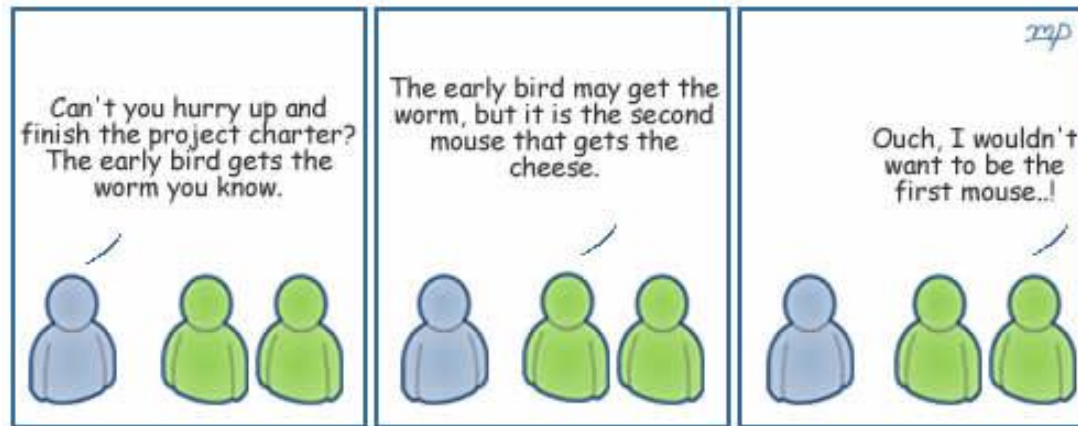
Principles of Coaching

- An ongoing **partnership** designed to help PMs produce desired results
- Improves the PM's ability to focus on what is important and **communicate more effectively**
- Helps PMs learn to think better and **make better decisions**
- Enhances PM's existing skills, strengths, resources and creativity
- **Motivates** individuals and teams to set goals and take action towards reaching them
- Helps PMs achieve better **life balance** which leads to greater overall personal and job satisfaction
- Creates a high level of **personal accountability**

Thank You

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