

# **Broken Promises: Strategies and Tactics for improved PMO performance**

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**Nov 2010**

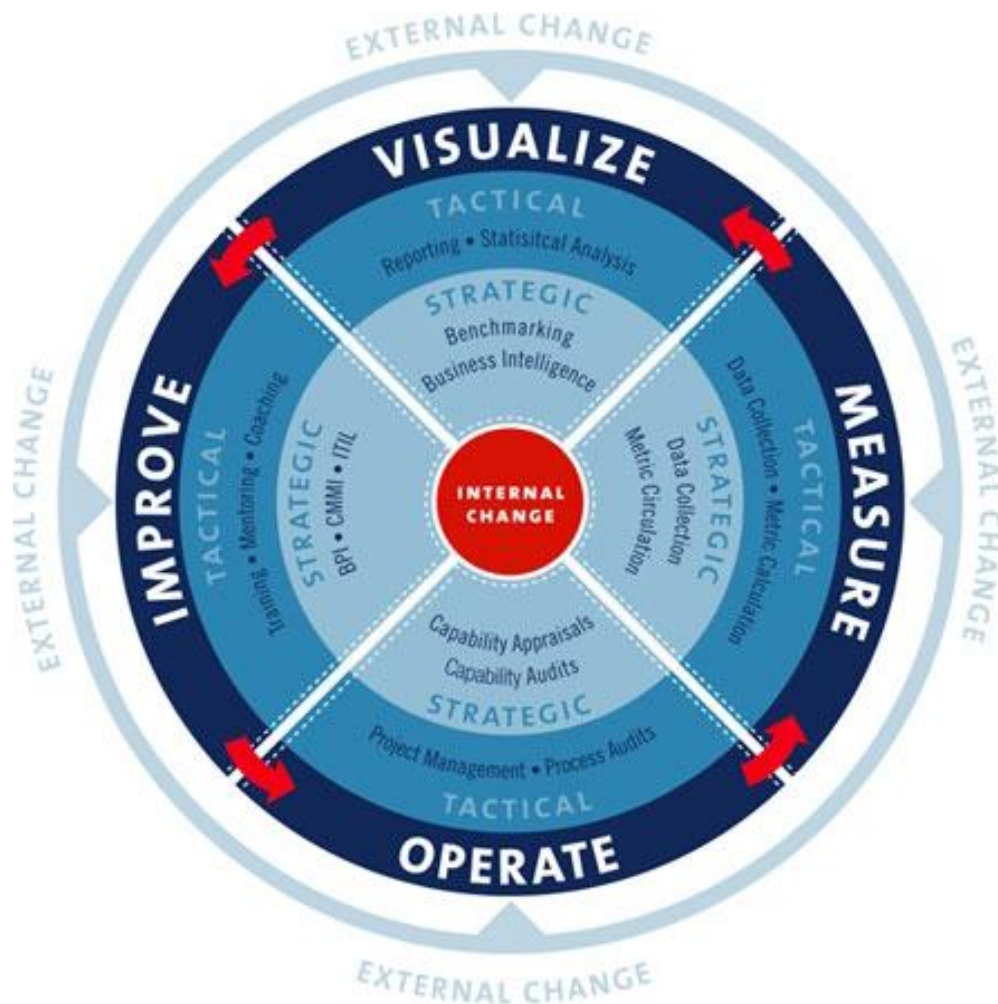
**Tony Timbol**

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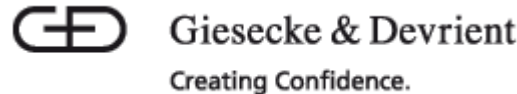
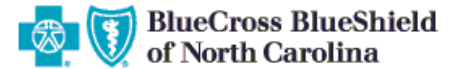
*DCG can make your software development better.*



- *Measure*
- *Improve*
- *Deliver*



# Commercial Clients...



# Federal Clients, State Clients and Partners...



# DCG Past Performance with Federal Clients

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**The US Navy Logistics Command** required a Software Engineering review of major .net custom programming platform before authorizing continued application development. DCG Software Engineering Review of large .NET code set produced a performance and quality profile confirming both capabilities and challenges in the platform. Concrete and specific recommendations were then provided for remediation.



Software development performance of **the International Information Programs-Bureau of Educational and Cultural Affairs (IIP-ECA/IT) in the Department of State** required significant improvement to meet internal customer needs. CMMI advancement towards Level 2 and 3 was established as a strategic objective. Successful Level 2 and Level 3 SCAMPI B assessments provided gap analysis information to guide continuous process improvement efforts. Performance gaps were closed in multiple process areas based on these results.



**The NAVAIR** software development group required education and training to advance software sizing skills to support their mission. DCG provided on-site training and coaching in advanced software sizing and estimation practices. Project manager, Project leaders, developers and business analysts improved their software sizing and estimation skills to better perform their NAVAIR mission.



Standard CMMI process improvement appraisal methods were inadequate for **the SSA environment**. DCG led the creation of an internally compatible CMMI appraisal method and techniques that could be used by internal SSA appraisers enterprise wide. The SSA was able to develop in-house, cost-effective appraisal processes diagnostically more accurate than standard appraisals. This accelerated process improvement momentum with each performed appraisal.

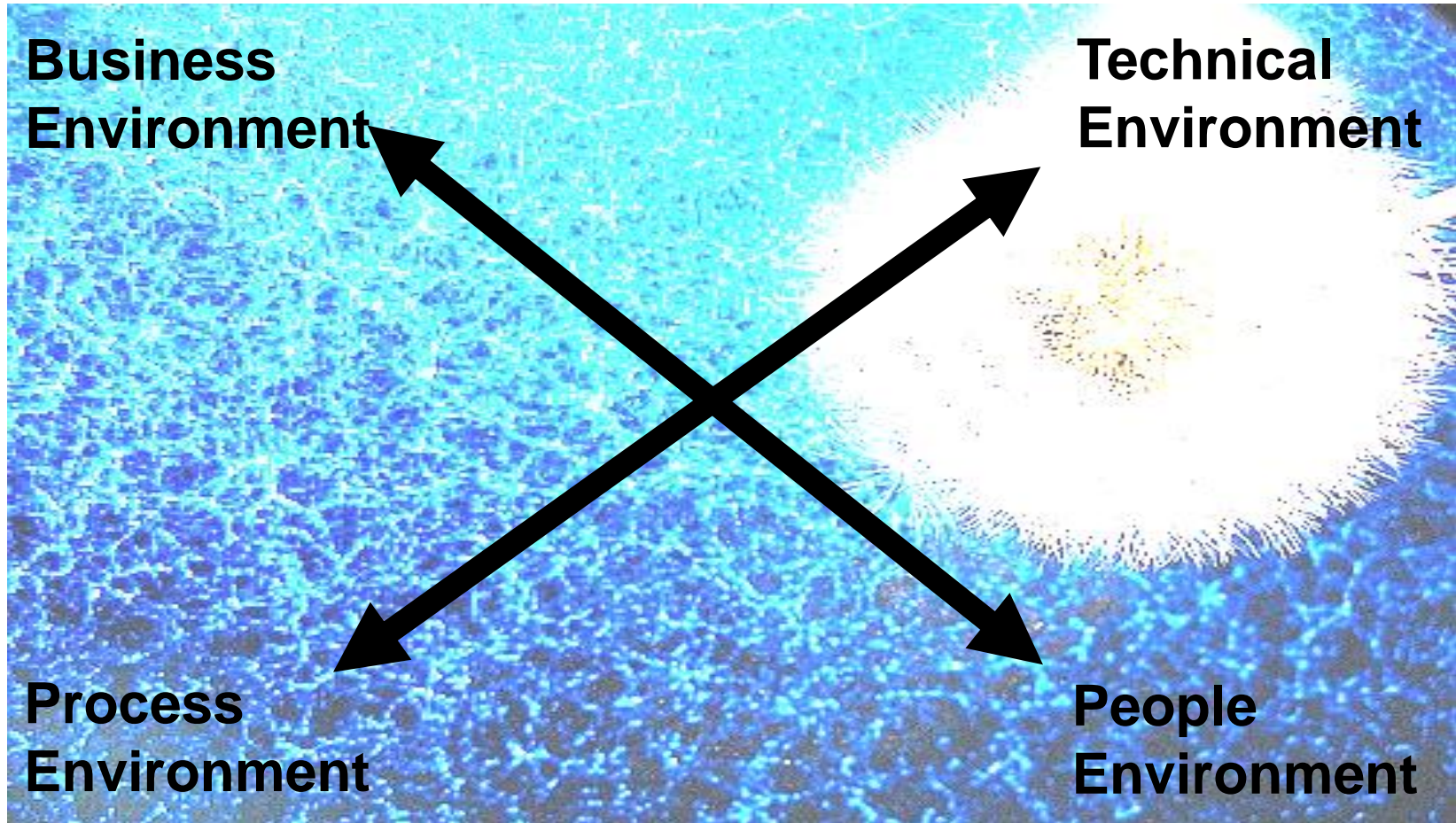


# Agenda

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1. Promises, promises...
2. Future of IT and Role of the PMO: CEB research
3. Roadmap to the Future
4. Measures and Processes: Its not about words
5. Strategies and Tactics
6. PMO Self-Assessment: Ask your self these 5 questions

# One this is certain....Complexity and Change



# Promises, promises



Informal survey says....

1. PM's administer more than change
2. PMO's lack governance muscle
3. C-level support tepid
4. Project performance still poor after years of advocacy of PMP certification and PMO concept



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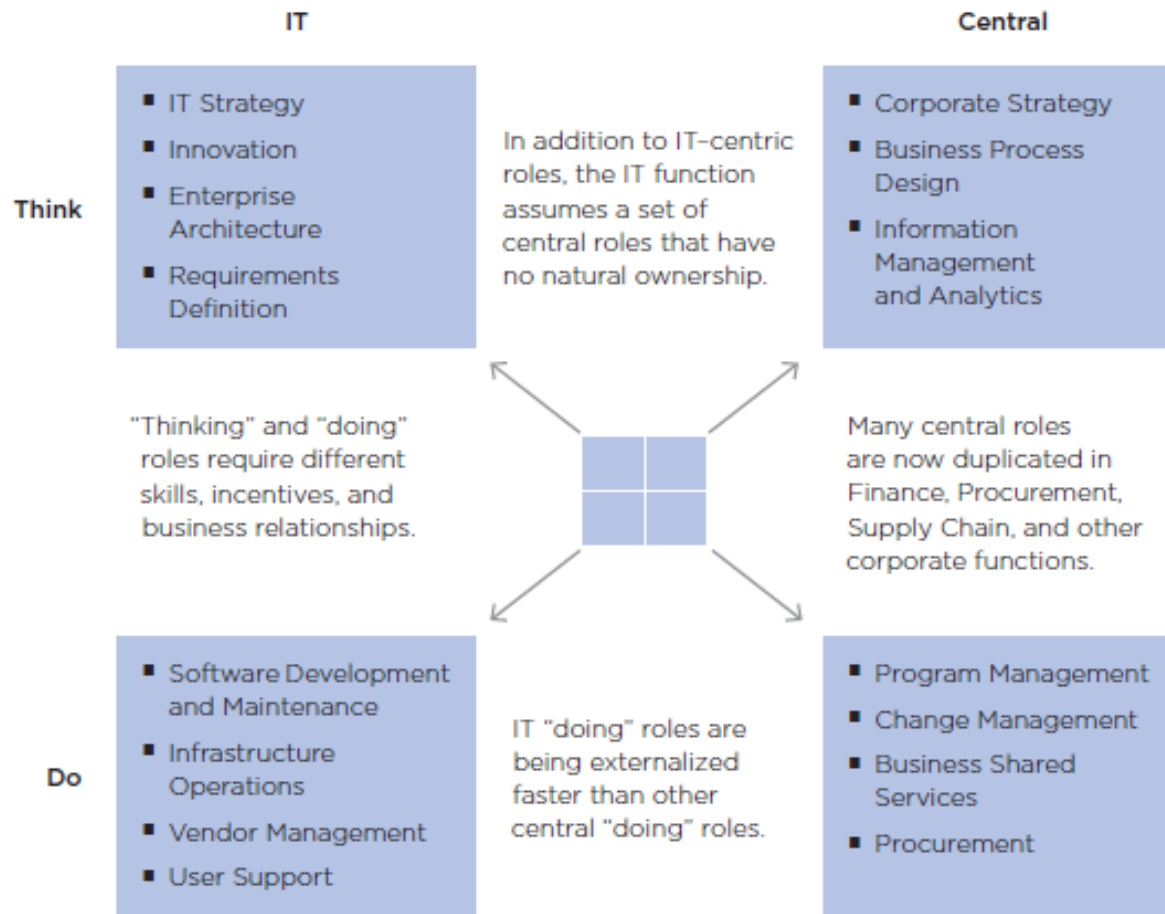
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# Competing Forces complicate IT delivery...

*The IT function is asked to do many roles that are difficult to do simultaneously and are often more closely related to being central than to being IT.*

*Effective Project/Program Management gets lost in “complex” environments*



# Future holds Five Radical Shifts...

## Current State

## The Future of Corporate IT

### 1. Value Drivers

**Business Process First**—Business process automation absorbs the largest share of IT investment. Business process design is used to define future capabilities and drive competitive advantage.



**Information Over Process**—Competitive advantage from information technology will shift toward customer experience, data analytics, and knowledge worker enablement; consequently, information management skills will rise in importance relative to business process design.

### 2. Delivery Structure

**IT as a Service Provider**—Applications and infrastructure are bundled into services that directly reflect business partner technology consumption. The IT function is increasingly centralized as a standalone shared service.



**IT Embedded in Business Services**—Centrally provided applications and infrastructure will be embedded in business services and delivered by a business shared services organization.

### 3. Sourcing Model

**Right-Sourced IT**—Delivery combines external provision with significant internal resources as vendors are uncompetitive for many critical tasks.



**Externalized Service Delivery**—Delivery will be predominantly externalized as vendors expand service provision and internal resources become brokers not providers.

### 4. Business Role

**Pressure for Central Control**—Liaison and governance guide business units and end users away from obtaining their own IT capabilities.



**Greater Business Partner Responsibility**—Business unit leaders and end users will play a greater role in obtaining and managing technology for themselves where differentiation has more value than standardization.

### 5. IT Function Role

**Fully Functional IT Function**—The scope of central IT function encompasses strategy, governance, and delivery with direct control of almost all IT-related resources and activities vested in the CIO.



**Diminished Standalone IT Role**—IT roles will embed in business services, evolve into business roles, or be externalized. Remaining IT roles will be housed in a business shared service group. The CIO position will expand to lead this group or shrink to manage IT procurement and integration.

# Five Radical Shifts...One of peculiar interest...

	Current State		The Future of Corporate IT
1. Value Drivers	<b>Business Process First</b> —Business process automation absorbs the largest share of IT investment. Business process design is used to define future capabilities and drive competitive advantage.	▶	<b>Information Over Process</b> —Competitive advantage from information technology will shift toward customer experience, data analytics, and knowledge worker enablement; consequently, information management skills will rise in importance relative to business process design.
2. Delivery Structure	<b>IT as a Service Provider</b> —Applications and infrastructure are bundled into services that directly reflect business partner technology consumption. The IT function is increasingly centralized as a standalone shared service.	▶	<b>IT Embedded in Business Services</b> —Centrally provided applications and infrastructure will be embedded in business services and delivered by a business shared services organization.
3. Sourcing Model	<b>Right-Sourced IT</b> —Delivery combines external provision with significant internal resources as vendors are uncompetitive for many critical tasks.	▶	<b>Externalized Service Delivery</b> —Delivery will be predominantly externalized as vendors expand service provision and internal resources become brokers not providers.
4. Business Role	<b>Pressure for Central Control</b> —Liaison and governance guide business units and end users away from obtaining their own IT capabilities.	▶	<b>Greater Business Partner Responsibility</b> —Business unit leaders and end users will play a greater role in obtaining and managing technology for themselves where differentiation has more value than standardization.
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# Roadmap to the future suggests a question...

## *What is a Project Manager?*

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- Do you manage or administer projects?
  - Planning
  - Organizing
  - Leading
  - Controlling / influencing / change agent

# Roadmap to the future suggests a question...

## *What is a Project Manager?*

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Dimensions	Administrator	Manager/Change Agent
Planning	.mpp focused	Outcome focused
Organizing	Passive in resource allocation	Pro-active in team formation & reformation (Agile)
Leading	Asks permission	Expects forgiveness
Controlling, Influence, Change Agent	Accepts authority structures	Facilitates needed changes in authority structures

# Roadmap to the future suggests a question...

*What role does the PMO have...*

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- How is your PMO viewed; as Cops or Coaches or Priests?
  - COP: Enforce rules, slap hands
  - COACH: Provide inspiration, provide practical/tactical advise, direction
  - PRIEST: Provide cover when things go south, provide high level strategic principles



# Roadmap to the future suggests a question...

*What role does the PMO have...*

Dimensions	COP	COACH	PRIEST
Planning	Sets rules and boundaries	Provides goals and objectives	Suggests principles and ideas
Organizing	Defines roles and responsibilities	Evaluates talent, move people around based on skills	Encourages positive group dynamics
Leading	Leads by authority	Leads by experience	Leads by example
Controlling, Influence, Change Agent	Slaps hands when out of bounds	Practice, evaluate, change goals, repeat cycle	Warns of dire results

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# Measures and Processes: Its not about the words

## Ad Hoc or Over-artifact vs Process Driven Project Management

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- Ad hoc methods, by definition, are not documented and are dependent on the involved parties.
- Over-artifact methods, by definition, are very much documented and are dependent on parties proving compliance over outcomes.
- Agile, Process driven approach is characterized by a set of minimally documented processes, with relevant outcome based measures, for all activities.

## PMBOK, CMMI, ITIL, abc123...

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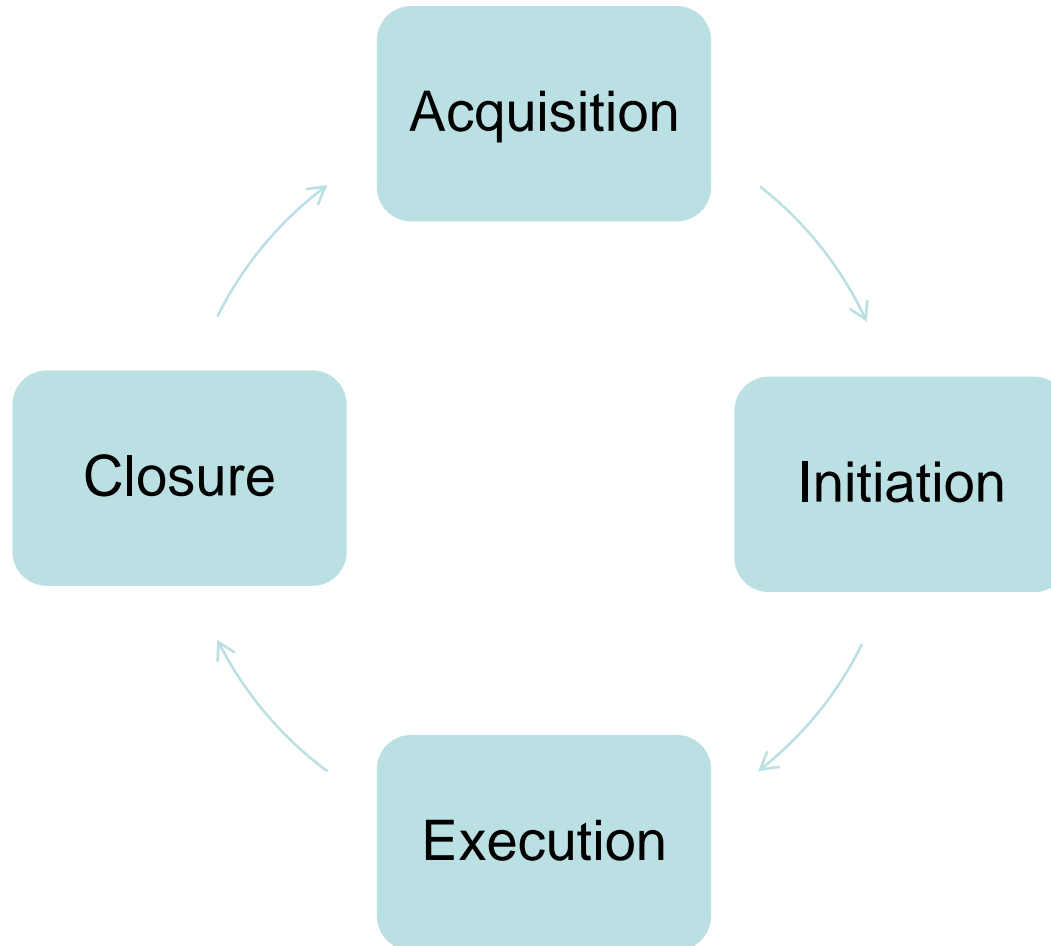
- People are moving towards agile and minimalism because they have to get things done not prove they have been done.
- Agile and minimalism carries HIGH RISK for larger projects and for small projects that mutate
- Technology outsourcing, cloud and commoditization shifts PMs away from technocrat requirements
- PMO adaptation to a business partnership model with PMs having political, social and change management skills key to PMO resurgence
- PMO's are crucial for risk management and risk reduction in the now and the to be.

# Characteristics of an Agile Process-driven Approach

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- Processes and agencies for carrying out the activities
- Processes and agencies for ensuring quality
- Processes and agencies for defining organizational processes
- Processes and agencies for measuring process performance

# Agile Process Model



Outcome based software project management is about gaining control and influence through the use of reliable and meaningful information.

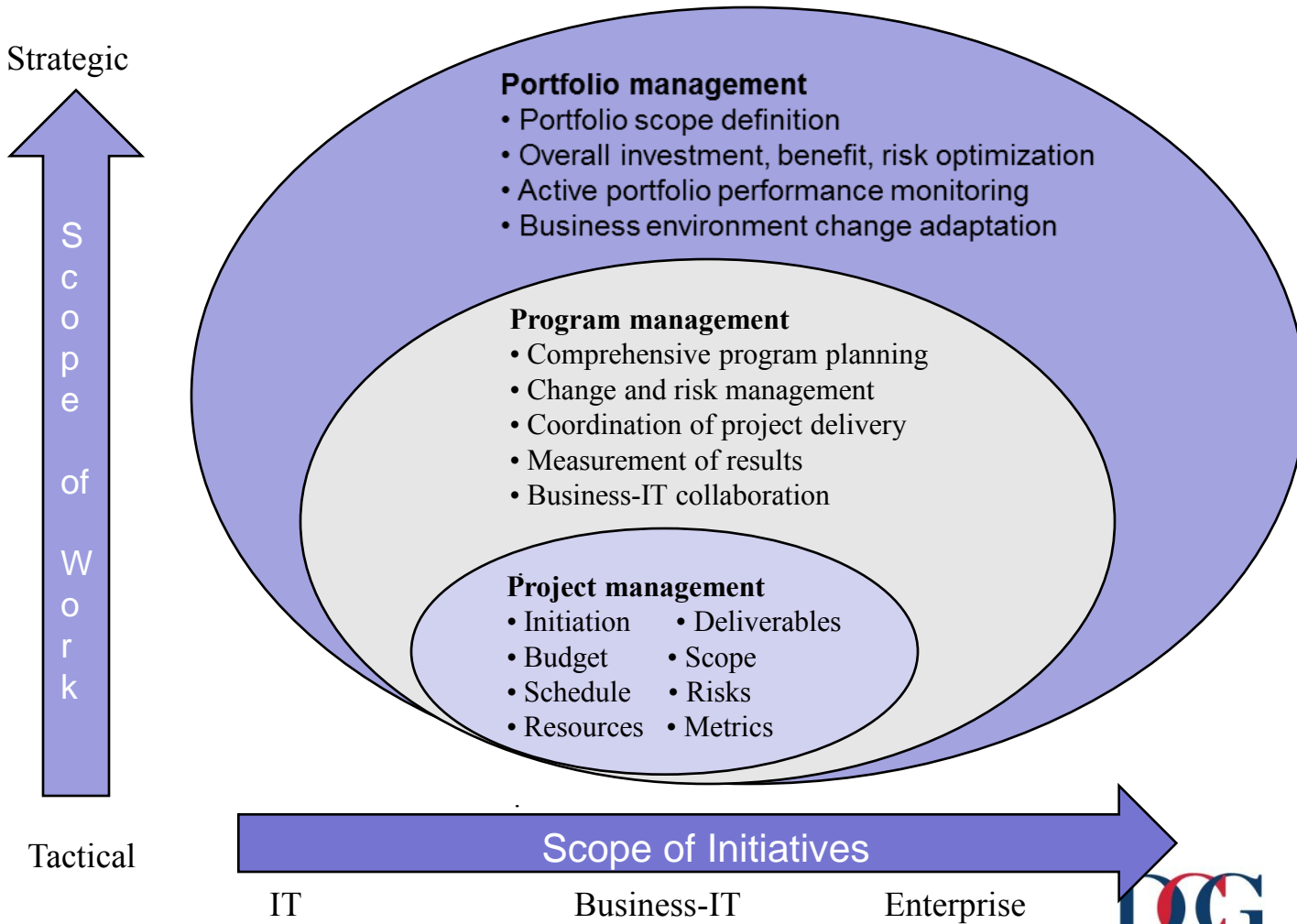
Information (measures) becomes the equalizer in conversations.

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# Strategies and Tactics for improved performance

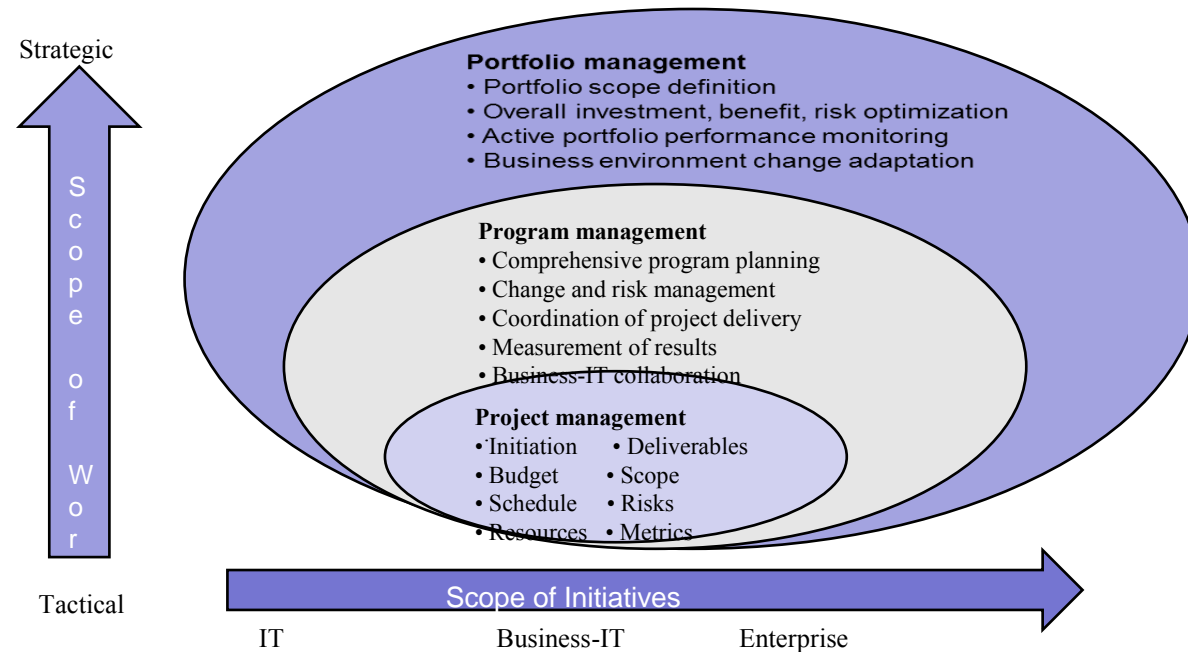




# Strategies and Tactics for improved performance

*What is a Project Manager?*

*What is the Role of the PMO?*



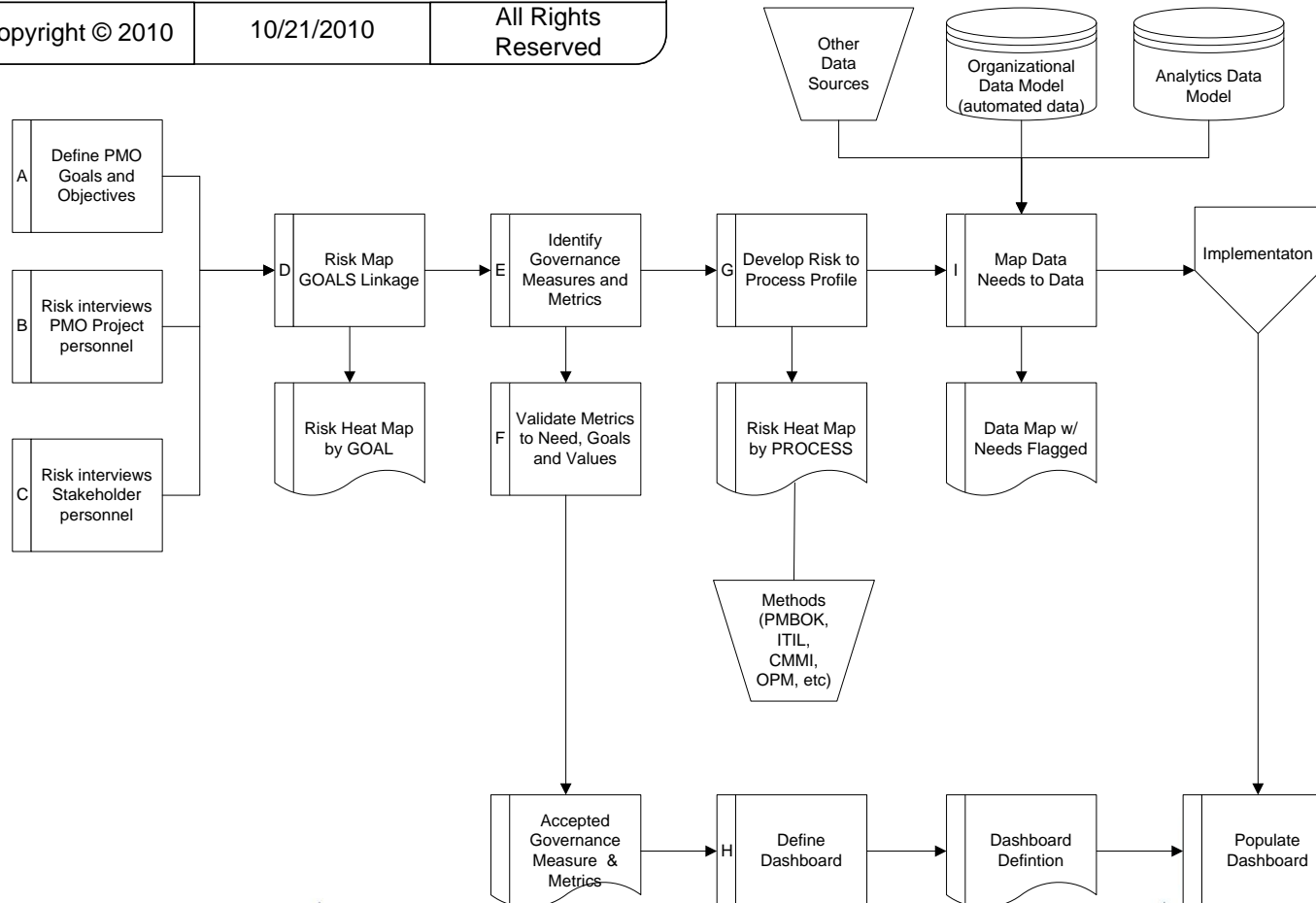
# Establish a PMO Roadmap...risk is a good place to start...

## DCG PMO Risk Assessment Roadmap

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# Evaluate your Organization's Structural fitness..

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

# Change to improve...

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- 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

# 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

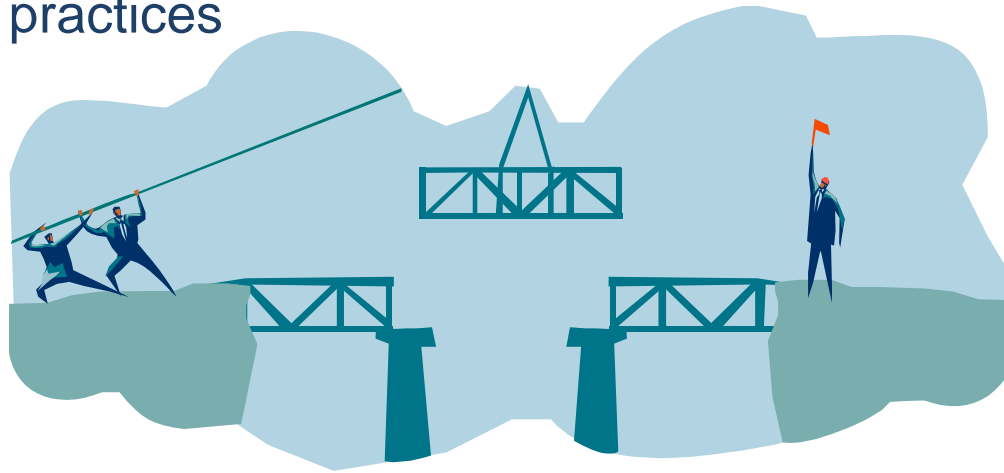


# Closing the Gap Towards Higher Performance

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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

# Project and Program Governance

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- 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

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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).



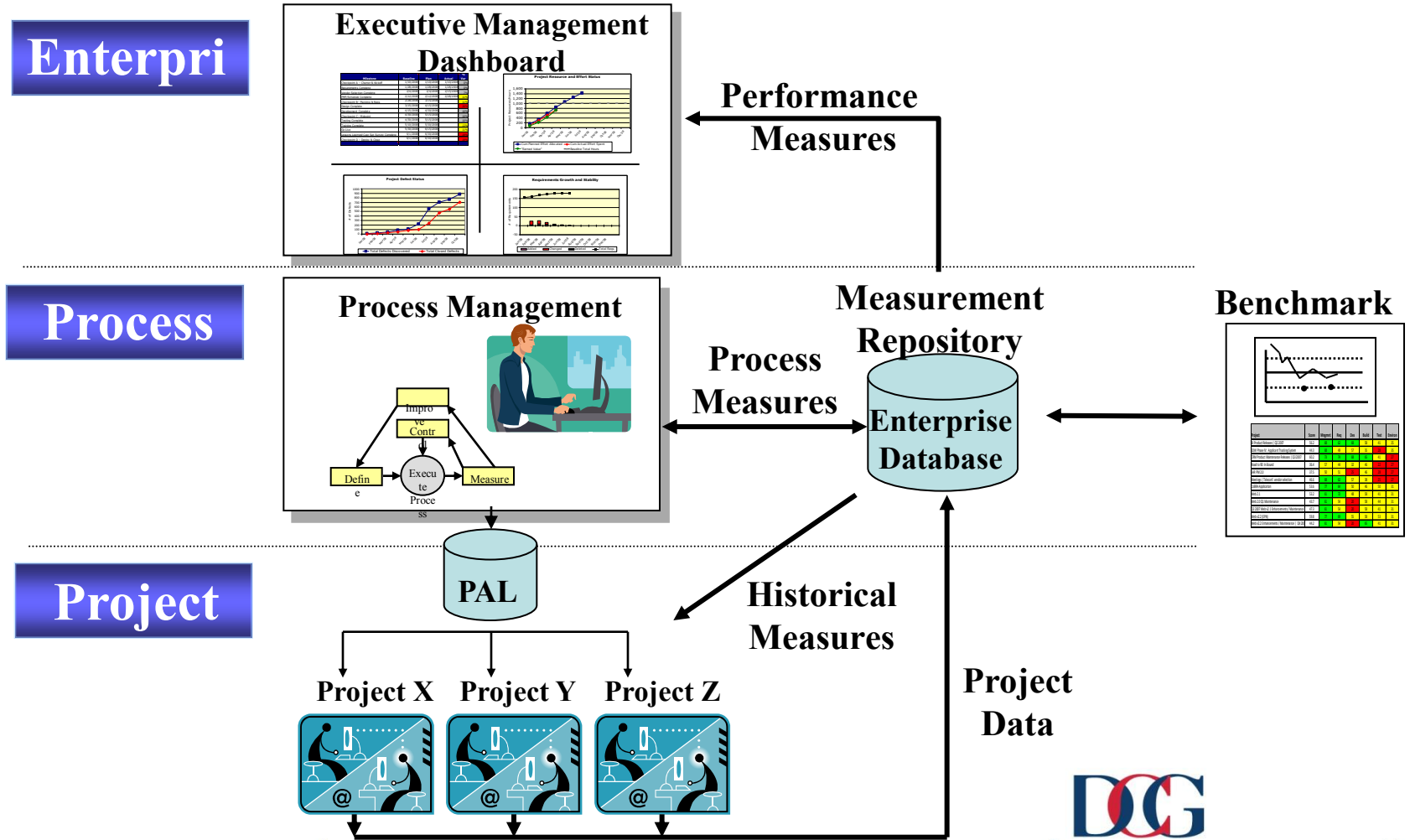


# Principles of Coaching

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- 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**

# Measurement & Reporting – Layered visibility

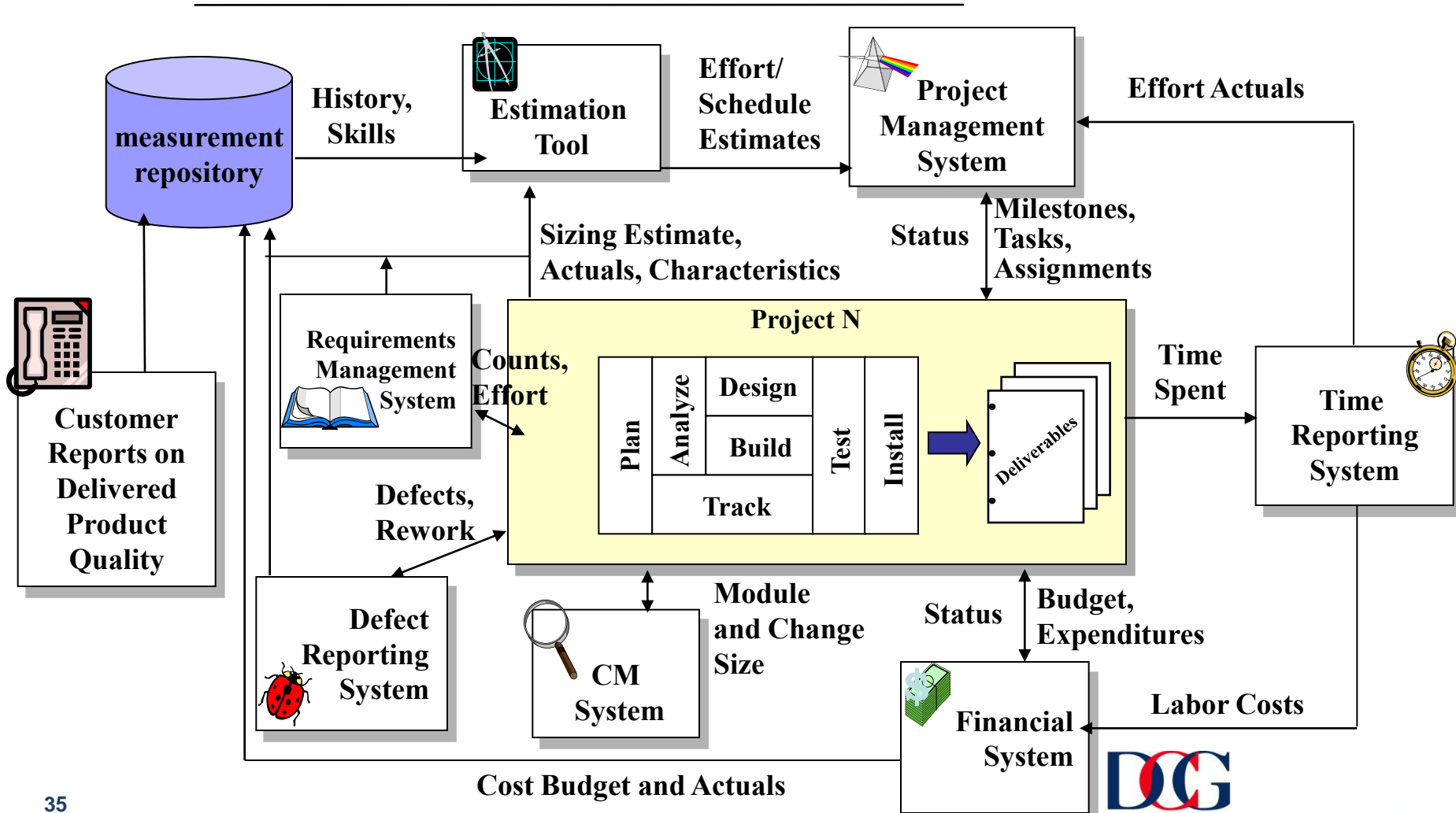


# CMMI - Measurement and Analysis

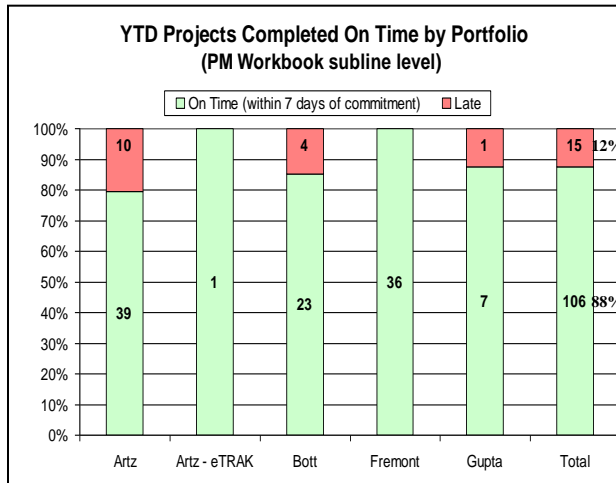
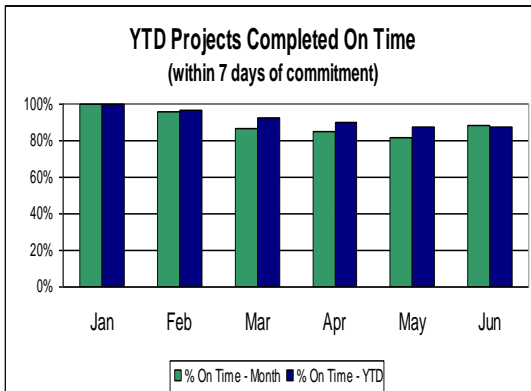
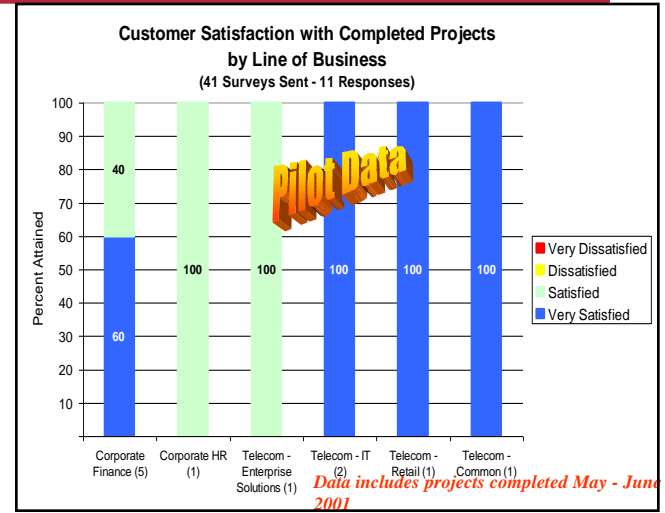
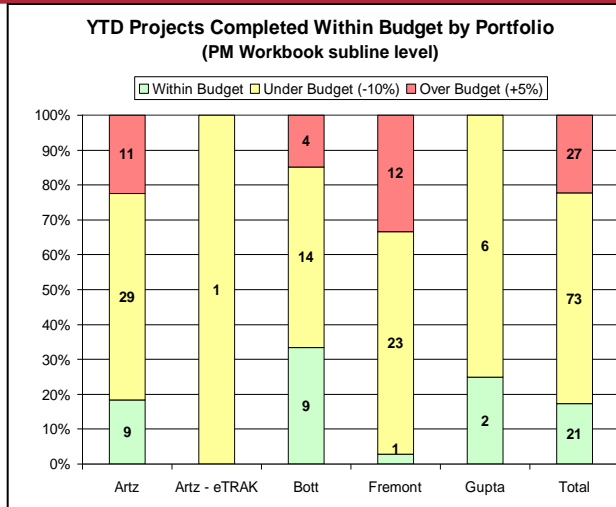
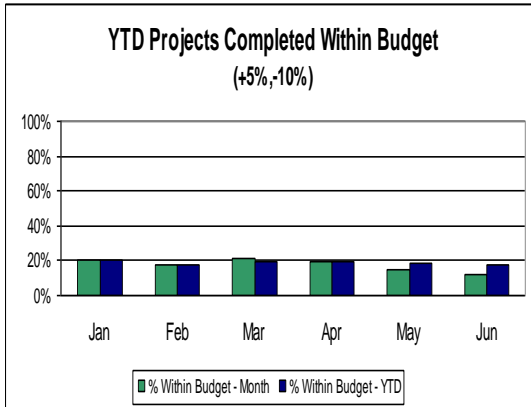
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- Align Measurement and Analysis Activities
  - Establish Measurement Objectives
  - Specify Measures
  - Specify Data Collection and Storage Procedures
  - Specify Analysis Procedures
- Provide Measurement Results
  - Collect Measurement Data
  -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

# Leverage Existing Tools and Techniques



# Dashboards Add Value



# Outcome: Measurement

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**Business Related Measurement**  
**Delivery Cost**  
**Time To Market**  
**Customer Satisfaction**

Measure the impact of IT on the business

**Process Related Measurement**  
**Effectiveness**  
**Integration**  
**Compliance**

Identify trends and monitor progress in delivery & support

**Project Related Measurement**  
**Project Tracking**  
**Estimating**  
**Change Management**

Effectively utilize measurement in a pro-active format

# Outcome: Measurement **CAUTION!**

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**Business Related Measurement**  
Delivery Cost  
Time To Market  
Customer Satisfaction

**Process Related Measurement**  
Effectiveness  
Integration  
Compliance

**Project Related Measurement**  
Project Tracking  
Estimating  
Change Management

KEEP IT SIMPLE...

THE FEWER THE  
MEASURES THE  
BETTER...

IF YOU REALLY DON'T USE  
MEASURES FOR  
DECISIONS MAKING KILL  
YOUR MEASUREMENT  
PROGRAM...

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# PMO Self Assessment: 5 Questions

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1. If the PMO was eliminated tomorrow, would the organization cheer or cry?
2. If you could only keep 10% of the current forms to be filled out, what would they be?
3. If you could only keep 10% of all the current metrics, what would they be?
4. If you cut down the number of project meetings to  $\frac{1}{2}$ , which ones would you keep?
5. If you could choose who the PMO reports to, would you choose, the CIO, CFO or CEO?

# Questions?

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# Thank you

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904-287-0294

- Resources

- Corporate Executive Board Research

- <http://www.executiveboard.com/it/index.html>

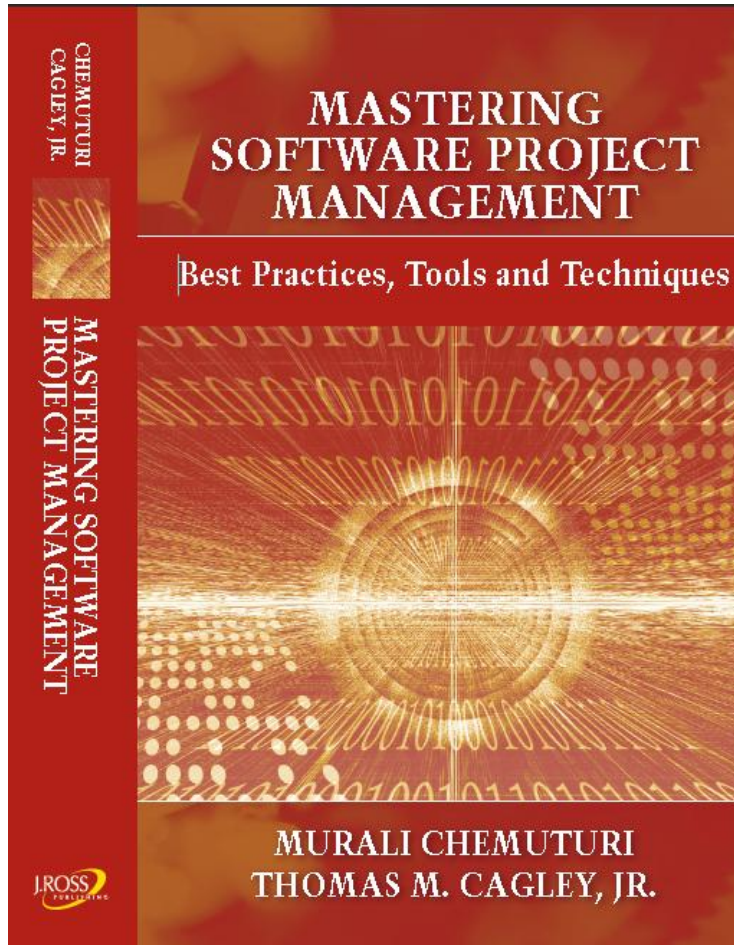
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- PMO Risk Assessment Roadmap (web)

- DCG Measurement Roadmap (web)

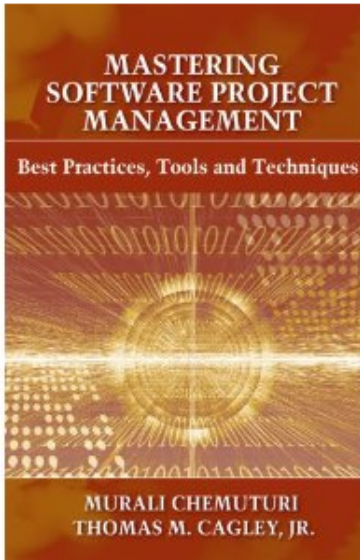
- Books (raffle)

# Agile Process Approach discussed in length...



- Software project execution has two components:
  - Software engineering consists of all technical activities
  - Management is facilitating the software engineering part so that the project deliverable is completed on time, without defects, efficiently and effectively.

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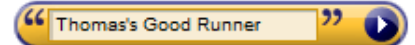
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