



COLLECTIVE EDGE Coaching

Leading Agile Transformations For The Enterprise

**A Collective Edge Coaching
White Paper**

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The Principled PMO

Creating a PMO That Matters

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Introduction

The Program (or Portfolio) Management Office, typically known by its acronym the PMO, is often neglected, dismissed or even reviled in Agile circles. The extreme image is that a PMO is a bastion of process bureaucracy, unrealistic senior management expectations, and endless requests to teams for data, data, and more data.

Fair or not, this seems to be the archetype from which many Agilists act. This paper outlines a (very) different perspective on the value a PMO can provide, if based on Agile principles.

The Traditional PMO

A traditional PMO typically emphasizes maintaining control of projects by tracking conformance to plan (cost, schedule, and scope). In addition, PMOs usually try—with varying levels of both passion and success—to regulate project management and other processes employed by projects, attempting to ensure compliance to organizational process standards.

The output (or product) of the PMO is employed by upper management as their primary method of staying in touch with project progress, teams, and their status. From the point of view of teams (and, often, first line management), this makes executives appear out of touch with what is *really* going on in projects.

In a similar vein, teams frequently find PMO requests for status reports, metrics and audits to be anywhere from annoying, to burdensome, to downright undermining.

Sounds bleak! So, what's the alternative?

Why We Need an Agile PMO

Whether you consider this picture of a 'paper pusher PMO' to be a straw man, or pretty close to what really happens in your organization, it is frequently the *experience* of project teams and their managers. Should an emerging Agile enterprise give up on the concept of a PMO, deciding it is an antiquated relic of 'waterfall mentality'?

Hardly!



A PMO—based on Agile (and Lean) principles and thinking—can offer guidance, vision, perspective and facilitation beyond the overly romanticized notion of a ‘self-organizing’ enterprise without a PMO. The super-size caveat is this: the new PMO needs to think and act far differently than the traditional one, starting with a principled foundation.

A Principled PMO

An Agile PMO, not surprisingly, is best when based on principles. Imagine if your PMO were based on the following four.

Systems Thinking

Systems thinking requires a fundamental perspective shift. Here are three examples. First, the ability to consider a given value chain from end-to-end when making decisions about everything from metrics, to process compliance, to portfolio management. Is the organization automating business processes to optimize the customer’s experience, or to make things easier on employees (or on IT)?

A second example is helping the organization see beyond local optimization. For instance, striving towards 100% utilization of QA resources leads a PMO (or other management) to assign each staff member to (perhaps) five projects, assuring everyone is always ‘busy.’ Knowledge of an Agile teams’ productivity curve, Lean ‘flow’ thinking, or the research on task switching, however, will show this approach is entirely suboptimal from the point of view of both the team and enterprise value delivery.

A third example of systems thinking is to consider the effect of reinforcing and balancing feedback loops, and of feedback delays, in making relevant decisions. A well known example is adding staff to a project that is behind schedule. The envisioned productivity gain does not materialize as team members spend time getting the new person up to speed. This (actual) productivity loss, however, may

not be recognized for what it is until it is too late. The delay in feedback—since the productivity loss may only be seen at delivery time—masks this fact, making it unclear that productivity is trending downwards.

Focus on Value

Defining value and focusing on flow are two aspects of focusing on value. The PMO can lead the way in helping both the business and IT learn to quantify and make meaningful decisions on business value. The PMO is in the ideal position to facilitate the various business units in comparing projects based on business value, rather than the more typical political or unconscious project funding models.

Using systems and Lean thinking, the PMO can orient their efforts towards optimizing project flow, rather than maximizing project startups. Similarly, the PMO can help find and optimize system constraints to flow, such as or identifying process bottleneck, e.g., too few testing resources. (See the Theory of Constraints for more detail here.)

Process Transparency

Imagine an Agile PMO that took on the job of a good Scrum Master, but at an enterprise level: identifying and resolving organizational (or repeating) impediments. In part, this would involve making the results of projects visible at all levels in the organization, as well as tracking and supporting the resolution of organizational impediments across teams.

A related concept is serving as organizational process owner—though not by dictating process, but rather by providing visibility into the way process is used across the enterprise and in facilitating organizational learning.

Servant Leadership

The essence of an *Agile* PMO is endeavoring to serve rather than to control or direct. This applies with teams, to project managers, to senior management, and to customers. A PMO genuinely based on servant leadership (serving first, then leading) would be a breath of fresh air to project teams. It would also set the right example for senior management.



Principles, as we know, must inform specific practices to be effective. How can the Agile PMO use these principles in its day to day activities?

Rethinking the PMO Functions

Functionally, PMOs take on (or could take on) many of the following functions.

- Collect & disseminate metrics
- Manage people & resources
- Standardize & oversee & processes
- Foster collaboration
- Facilitate governance
- Manage project portfolios

The new Agile PMO might live by the following maxims while enacting these functions.

Metrics

“Don’t burden teams, enlighten them”

Metrics collected at the team level should provide information that is **actionable by the team**. Not burdening teams with excess metrics is critical.

Metrics collected at the program level, likewise, should be actionable by program members and stakeholders. Recall the last time you acted on metrics or reports you reviewed. What did you do? How did it impact one or more teams or the program as a whole? Or is it just a report that is created and looked at nonchalantly?

“Think from the whole”

Thinking systemically—from the point of view of the whole—prevents local optimization. On the team level, we don’t measure a developer by how many stories they make ‘code complete’, nor testers by how many defects they find; rather we measure the TEAM by how many stories they get completely done so that the Product Owner finds them acceptable. This is seeing from the whole, since the team is the level at which value is created. The next question is: how can we use this same thinking at the program level?

People & Resources

“Treat people as people, not as ‘resources”

Don’t relate to teams and their managers as inanimate things, or pieces to be moved around on a chess board. Think of them as people; they think of themselves that way. Match talent and motivation of individuals with organizational needs. Help your associates find the place where they will be of highest value (this will be a win for them and for the organization).

“Don’t be reviled”

To be blunt, PMOs are well-known on ‘the street’ for being either semi-worthless or quasi-evil. If you are in the PMO, find out how you are *really* perceived amongst the troops. In the same vein of treating people as people, find out how you can serve teams and their managers **from their point of view**, in addition to serving senior management. Genuinely working this way is a game changer.

Process

“Consistent process is nice, but not nearly as powerful as results.”

What level of consistent process do you really need? Is the consistency to make *your* life easier, or does it really drive results, or a meaningful comparison across teams for portfolio balancing?

“Adopt the ‘inspect and adapt’ mindset to your own process.”

If Agile is good enough for teams, it’s certainly good enough for your process. Walk the talk. Get feedback from your stakeholders on a regular basis, not just senior management. Take things iteratively, work face-to-face.

“Act like a consultant, not an authority”

Consultants provide advice, fresh perspectives, and new skills. They are not in a position to make dictates, which causes them to rely on persuasion and data. Do your best to provide mature guidance, but not direction. Trust teams to be focused on success. Remember to serve first, then lead.

Collaboration

“Create collaboration, not compliance”



Offer to facilitate retrospectives as a neutral party (not as the overseer). Become expert in the facilitation process. Help teams learn from each other. Do whatever it takes.

“Become a student of the wisdom of teams”

Look for teams that are *real* teams. Watch what they do. Learn from them. Help other teams learn from them as well.

Governance

“Locate governance at the level where effective action can be balanced with perspective taking.”

If you go too high in the organization for governance, action will tend to be misinformed and ineffective for the task at hand; if too low, there will be an insufficiently broad perspective that can be taken. Find the point of dynamic tension where these two offset and lead to right action.

“Increase communication, not ‘reportage’”

Make communication more frequent and richer. Reporting rarely does this. In fact, reports can be alienating and objectifying. Face-to-face communication is still the richest form of communication. Go to Iteration or Sprint Reviews to find out directly (the Japanese, Lean term is Genchi Genbutsu, or Gemba). When using reports, use them as a spring board for discussion rather than merely inbox fodder.

“Make issues transparent at all levels”

Transparent issues and impediments are easier to solve because they are out in the open. Secrets, even when unintended, tend to get frozen, then stale. This can mean having uncomfortable conversations. So be it. Beware that what is transparent at a senior level may be hidden to teams, and vice versa.

Portfolio Management

“Evaluate your portfolio based on value, not conformance”

Judge projects based on their likelihood of delivering future value, not based on their conformance to a plan or past value delivery. This means projects are not ‘funded for life,’ but rather until the teams delivering them could more profitably be deployed to another project. This means ignoring sunk costs. This goes against muscle memory, but is essential to benefit from the Agile value proposition.

“Strive to rebalance your portfolio more and more frequently”

The ideal for portfolio checking is probably once a month on a business unit level, quarterly for the whole enterprise. If you are currently doing this twice a year, go to quarterly. If quarterly, go to bimonthly. Get faster in increments.

Summary

In summary, here is the complete listing of the aphorisms, by function, serving as a sort of PMO manifesto.

Metrics

- Don’t burden teams, enlighten them
- Think from the whole

People & Resources

- Treat people as people, not as ‘resources’
- Don’t be reviled’

Process

- Consistent process is nice, but not nearly as powerful as results.
- Adopt the ‘inspect and adapt’ mindset to your own process.
- Act like a consultant, not an authority

Collaboration

- Create collaboration, not compliance
- Become a student of the wisdom of teams

Governance

- Locate governance at the level where effective action can be balanced with perspective taking.



- Increase communication, not 'reportage'
- Make issues transparent at all levels

Portfolio Management

- Evaluate your portfolio based on value, not conformance
- Strive to rebalance your portfolio more and more frequently