THE CHANGING FACE OF THE PMO

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HTTP://PMSYMPOSIUM.UMD.EDU/

What ?

* PMO ? (What, Who, Value etc.)
* Stakeholder Expectation Gap
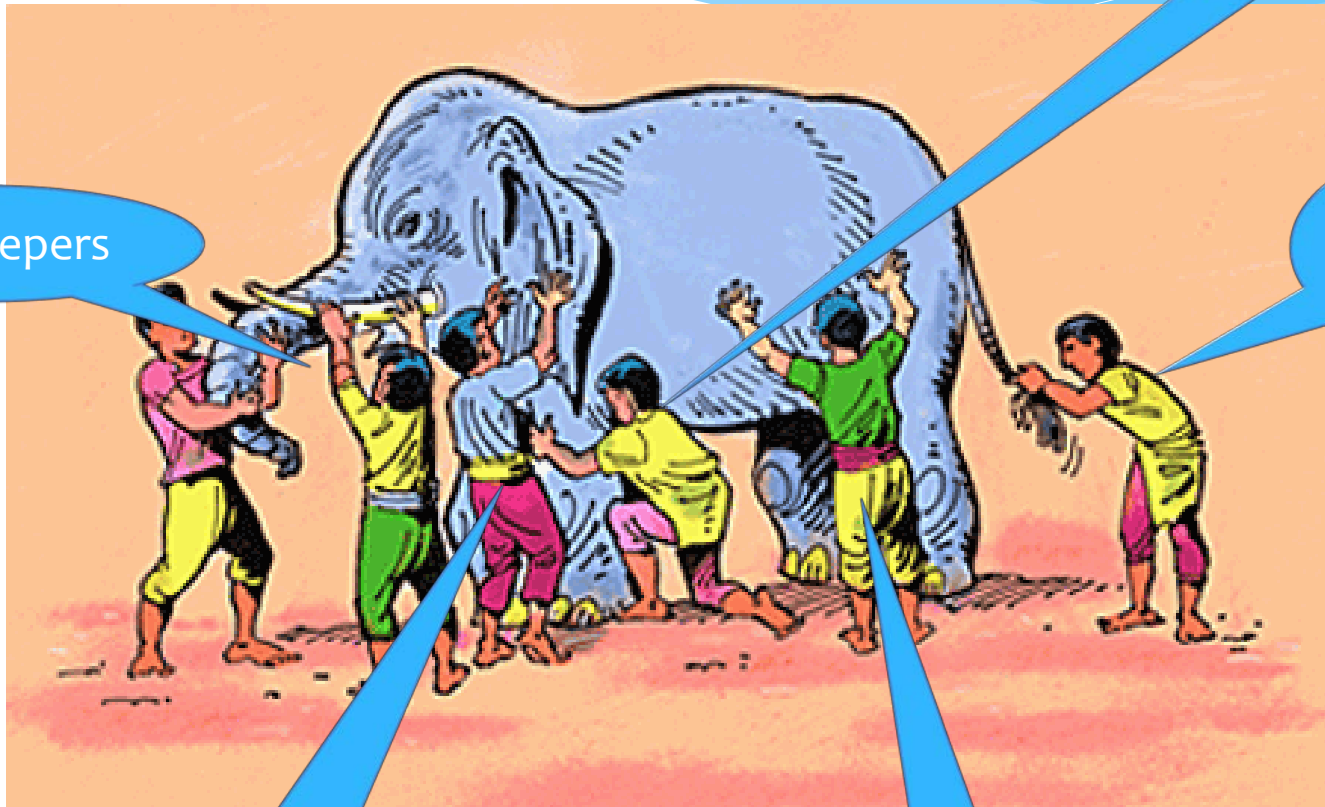* How do we resolve the Gap?
* PMO's role in demand management

PMO?

PMOs Then & Now

* Then
    * Industries
        * IT, Construction Defense
    * Value Drivers
        * Trainers
        * Standards Maintenance

* Now
    * Industries
        * Entertainment, Law, Fashion
    * Value Drivers
        * Efficiency
        * Align business initiatives, demand management etc

PMO Value

* Focus on Critical Initiatives – Provide senior leaders with true operational insight through meaningful milestones and objectives for the strategic initiatives
* Institute Smart and Simple Processes – Through the use of the above mentioned milestone and objectives, communicate progress and identify issues early without adding undue burden to business
* Develop leadership skills and capabilities within the organization and
* Institute change management as a real competitive differentiator

PMO Value (Intangibles)

* Enhanced communication and collaboration
* Alignment of values, goals and strategies within different parts of the organization
* Improved efficiency in work cultures
* Improvements in decision-making and problem solving capabilities
* Improved transparency , clarity of roles and responsibilities

Stakeholder Expectation Gap

* Business Value Realization
* Organizational Structures
* Project Owner and PM Interactions
* Project Prioritization
* Intragroup Conflicts
    * Task Conflict
    * Process Conflict
    * Relationship Conflict

AND ARE ALL OF THE ABOVE MANAGEMENT PROBLEMS ?

How do we resolve the gap?

Business Value Realization

    Establish clear and concise mission

        What is our primary goal?

    Standardization and Best Practices

        Consistency and Efficiency

    Seek Champions

        Do we have executive level support?

    Sky meets the ocean

        Forward thinking/Horizon gazing

How do we resolve the gap?

Organizational Structures

* Cross Functional Teams
  * Why cross functional teams
  * Composition of a cross functional project team
  * Resistance to cross functional teams
  * Key factors to successful cross functional teams
  * Putting cross functional and functionally aligned teams together

How do we resolve the gap?

Cross Functional Teams (Cont'd)

* Key factors to successful cross functional teams
    * Project Sponsorship
    * Goals/Scope/Objectives
    * Leadership
    * Adequate resources
    * Communication
    * Team Authority/Autonomy
    * Team Dynamics

How do we resolve the gap?

| Attributes	Functionally Aligned Department	Cross-Functional Team
Information Flow	Information channel constraints (up and down rather than out or across)	Information flows in all directions (circular structures) and in and out of team from all areas
Resource Ownership and Delegation	"Owns" resources (staff, funds)	"Borrows" resources (staff, funds)
	Departmental product has top priority	project is viewed as "extra" to business or departmental products
Individual member status	Title/ promotion conscious members	Disregard for title/ dept. status of individual members- more focus on what value each member brings to the team
Assessment/ Reward	Individual performance/ reward focus	Team product and teamwork performance/reward focus

How do we resolve the gap?

Attributes	Functionally Aligned Department	Cross-Functional Team
Organizational Structure	Departmental: Serving one functional area	Matrix/cross-functional: Serving more than one (often several) functional areas
	Pyramid structure with leader at top	Circular structure with leader at center
Organization Type	Permanent organization with history	New, temporary organization
Project Ownership	1 "boss" who "owns" all work in that department	>1 "sponsors" who share project ownership and responsibility
Turf Issues	Turf barriers	Turf is unlimited
Chain of Command	Clear, direct chain of command	Shared/consensus authority within team

Project Owner Interactions

* Roles – Owner vs Project Manager
* Stakeholder Relationships
* Different Project Perspectives
* Project Risk Management
  * Strategic Risks
  * Operational Risk

Demand Management
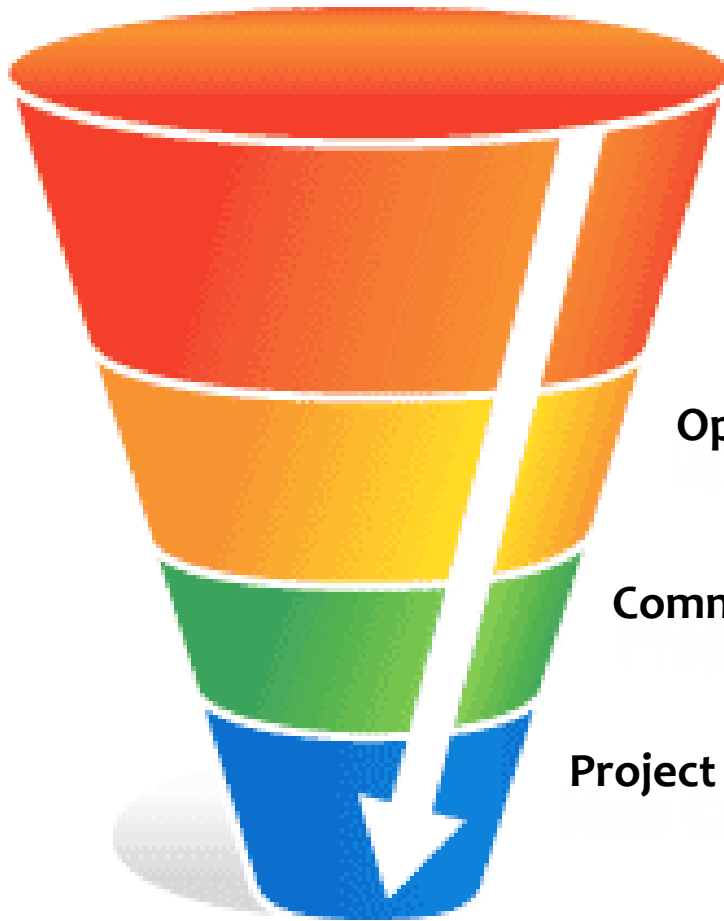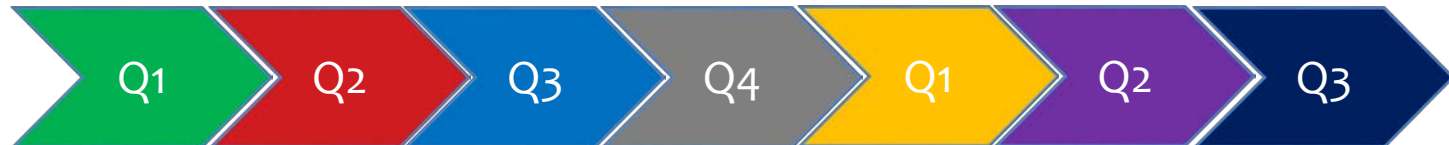
Demand—Planned & Unplanned

Opportunity Analysis

Communication with Customers
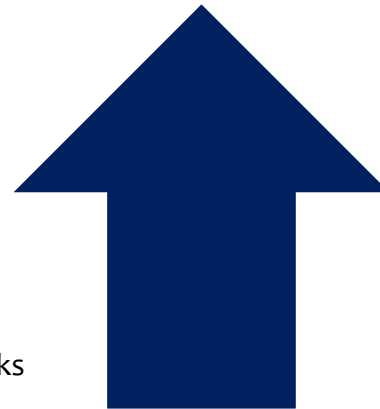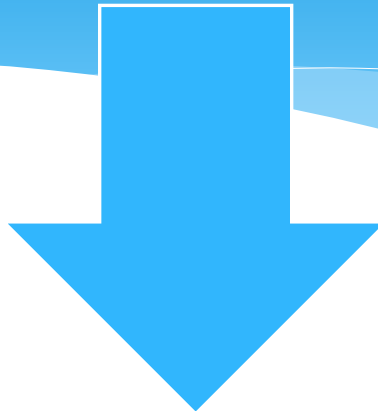
Project Requests

Demand Management Pipeline

Q1 Q2 Q3 Q4 Q1 Q2 Q3

Demand Management

Demand

'The What'

Capturing and prioritizing demand, assigning resources based on business objectives and doing projects that deliver business benefits

Supply

'The How'

Project management, software development and managing physical assets like hardware and networks

Project Classification Definitions

* **Transform** (the business):new markets, new products and new business models.
* **Grow** (the business):are about improvements in operations and performance, within current business models. These are visible to shareholders through top-line revenue growth and to external customers as enhanced products, services or experiences.
* **Run** (the business): these investments are part of the cost of doing business or the ability to stay in business. Run-the business initiatives are about reducing costs, improving price-to-performance ratios, and lessening risk (which translates to avoidance of catastrophic costs).*
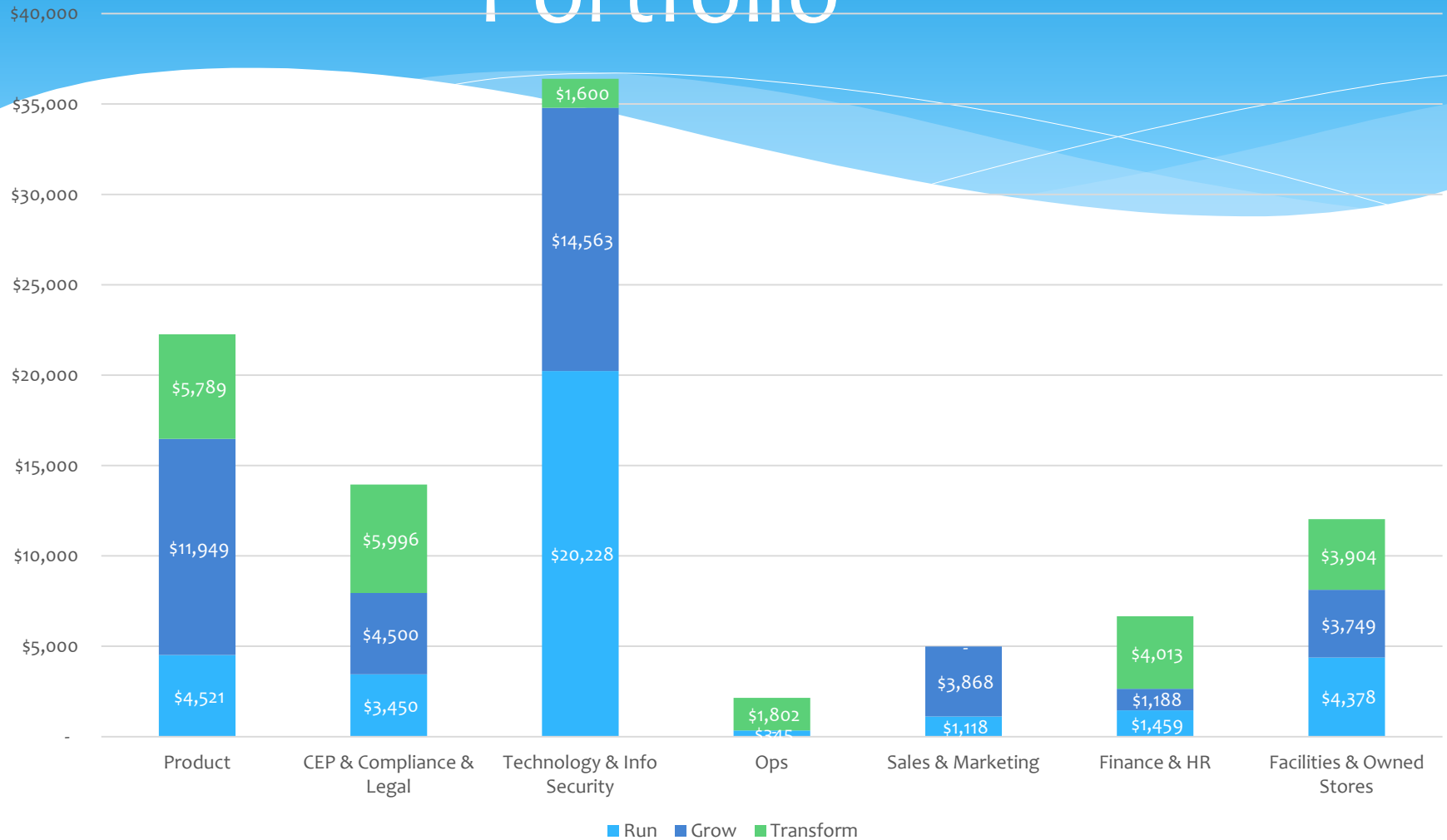
Run/Grow/Transform – All Projects

	What is Average?	What is High Performance?	Where should we be?	Where are we?
Run - Running the Core (e.g. supporting the business, fixing defects, etc.)	41%	35%	30%	36%
Grow - Optimizing the Core (e.g. improving current operational capabilities, enhancements, new capabilities against core operating model, etc.)	59%	65%	35%	40%
Transform - New Markets (e.g. International, etc.)			35%	24%

FY14 Carry Forward Projects not included

Source: Gartner 2014

Run/Grow/Transform by Portfolio

FY14 Carry Forward Projects not included

Portfolio Financial Summary

Portfolio	Carry Forward	Run	Grow	Transform	Total	% of Total
Product	$4,246	$4,521	$11,949	$5,789	$26,506	22%
Legal	$12,077	$3,450	$4,500	$5,996	$26,023	21%
Technology	$5,116	$20,228	$14,563	$1,600	$45,203	34%
Ops	$668	$345	-	$1,802	$2,815	2%
Sales & Marketing	$440	$1,118	$3,868	-	$5,426	4%
Finance & HR	-	$1,459	$1,188	$4,013	$6,659	5%
Facilities	$125	$4,378	$3,749	$3,904	$12,156	10%
Total	**$22,672**	**$35,499**	**$39,817**	**$23,104**	**$121,093**	

Source of spend = HLE's

Complexity Factor Definitions

| Fields			
Strategic Alignment	Run	Grow	Transform
Complexity Factors	**1 (Best)**	**2 (Neutral)**	**3 (Worst)**
Time To Deploy (15%) The amount of time required to take an initiative from the initiating stage to implementation.	0 – 6 Months	7-11 Months	12 + Months
Number of Significant Dependencies (10%) The number of other projects or organizations whose input, participation and/or agreement is required in order for an initiative to be successful.	Fewest Dependencies 0-1	Medium Number of Dependencies 2-3	Most Dependencies 4+
Required Organizational Change (10%) The organizational and operational impact required of SHR as a result of the initiative's implementation.	Least Organizational Changes 0-1	Medium Organizational Changes 2-3	Most Organizational Change 4+
Required <u>External</u> Integration (Third Party) (5%) The amount of integration, support, technology integration and/or training needed teams outside SHR	Little to no Integration 0	Moderate level of Integration 1-2	High level of Integration 3+
Resource availability (20%) The identification and availability of necessary resources required to successfully delivery the project (e.g. business partners, developers, architects, testers, infrastructure support, etc.)	Resources defined and ready	Resources defined, most are ready	Resources NOT defined nor ready
Implementation and Execution Risk (15%) The potential to add pain points to SHR (business disruption, customer disappointment, security or compliance exposure, etc.)	Little Risk	Moderate Risk	High Risk
Cost to Deploy (25%) Amount of capital and expense dollars required to deliver the solution to production. Does not include ongoing maintenance fees.	<$500,000	$500,000 - $ 2 Million	>$ 2 Million

Value Factor Definitions

Value Factors	1 (Low)	2 (Medium)	3 (High)
Revenue Growth (40%) The amount of revenue growth the initiative would bring to SHR over the course of a fiscal year.	Revenue Growth <$1M	Revenue Growth $1M-$5M	Revenue Growth > $5+M
Cost Savings or Cost Avoidance (40%) The amount of cost savings OR cost avoidance the initiative would bring to SHR over the course of a fiscal year.	Annual Savings $0-$100,000	Annual Savings $101,000 - $500,000	Annual Savings >$500,000
Alignment to Strategic Priorities (20%) The degree to which the project / initiative is aligned to one of SHR's key strategic priorities: 1) Big Opportunities (game-changing wins), 2) Maximize Profitability, 3) Compliance, 4) Investment in People, 5) Multi-Channel Expansion	Not Aligned	Loosely Aligned	Directly Aligned and a Critical Enabler

Priority Matrix – Product

The scores for complexity and value are plotted to highlight which initiatives should receive focus and priority for this year
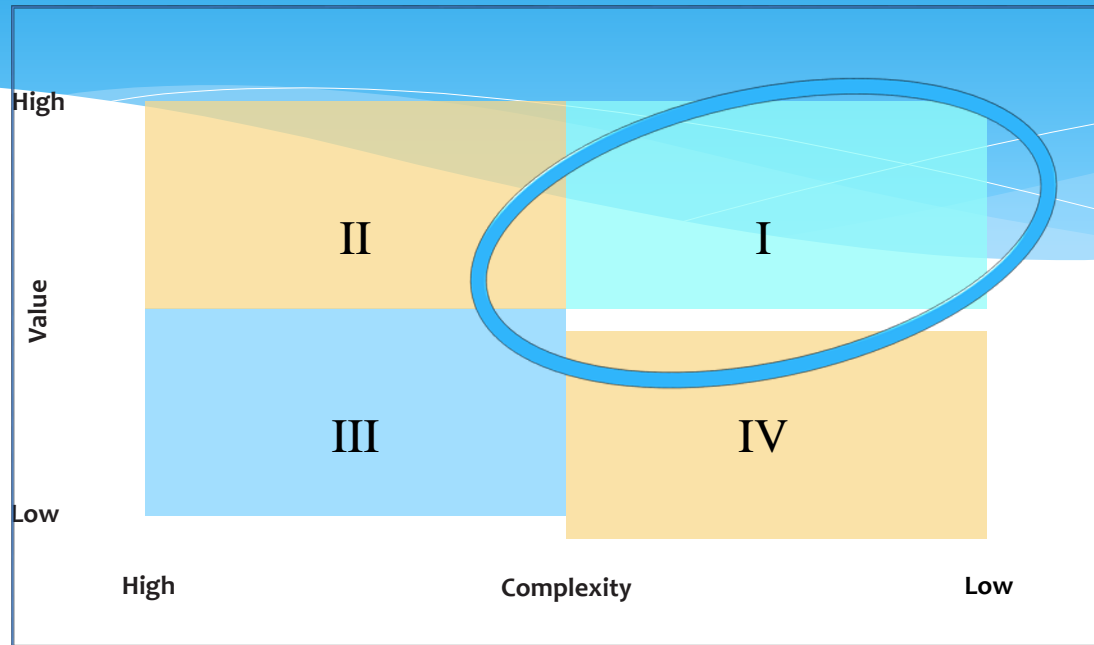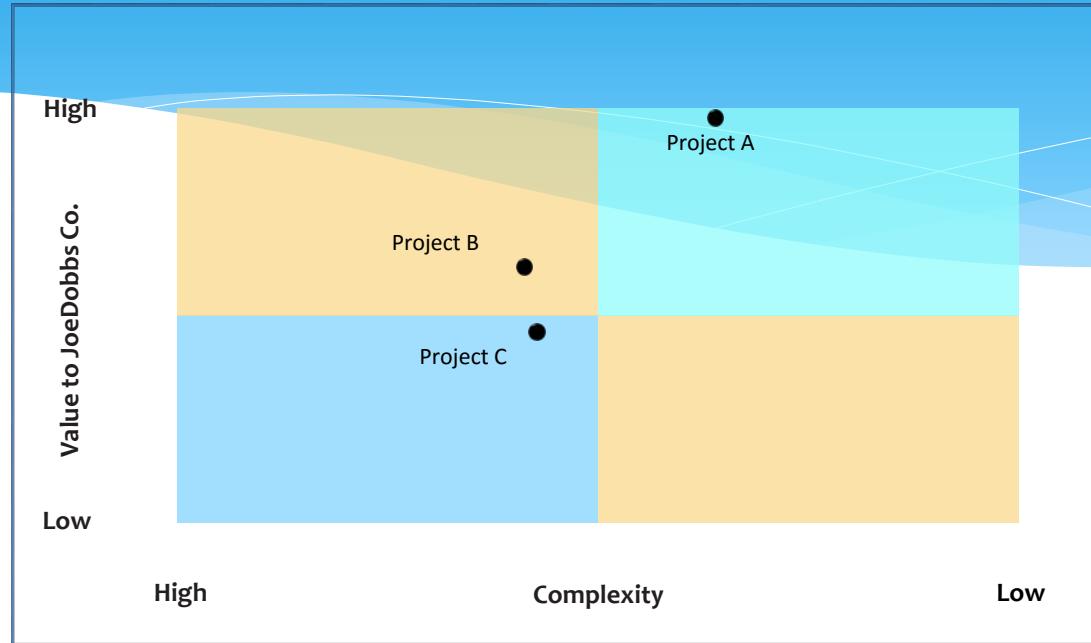

FY14 Carry Forward Projects not included

Project Prioritization

High Value / Relatively Low Complexity		High Value / High Complexity
Relatively Low Value/ Low Complexity		Relatively Low Value/ High Complexity

Project Prioritization

Value to JoeDobbs Co. (vertical axis, High to Low)

Complexity (horizontal axis, High to Low)

Project A

Project B

Project C

Legend:

- High Value / Relatively Low Complexity
- High Value / High Complexity
- Relatively Low Value/ Low Complexity
- Relatively Low Value/ High Complexity

Conflict Management

* Types of conflicts
  * Task conflicts
  * Process conflicts
  * Relationship conflicts
* Source of conflicts
* Effects of conflicts
* Ways of mitigating effects of conflicts

Summary

* Gap between PMO and business arise due to management problems

* Management problems can be addressed by :

    * Recognize the problem

    * Have the right people

    * Keep people together for the length of the project

Questions?
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