

PPSO SIG - Spring Event 2009

Interactive Sessions – 18th March 2009 – 13:20 to 14:20

The lunch session went very well, which made the “graveyard shift” potentially a very quiet one. Instead, it was inspiring to watch a hundred professionals debating approaches to common concerns, without a snore to be heard.

During each of the two sessions, the delegates were able to choose from several P3O-related questions. A brainstorm session then allowed each of the ten tables to exchange experiences, practical tips and issues. As always in PPSO SIG events, it is clear that the main learning points are very personal. Sometimes a key insight was jotted down by a participant, sometimes business cards were exchanged when a meeting of interests became suddenly clear.

Four tables (2, 6, 7 & 8) chose to pick up on questions raised during the morning sessions for their second set of Q&A. Despite the great variety of topics addressed (some in really good detail), there were two threads that delegates would like to be addressed pragmatically at future PPSO SIG events:

- P3O career paths
- P3O KPIs and their implementation

What follows are the key points captured from each session, arranged by Table.

Table 1

First Session

Describe the organisational circumstances which would make you choose NOT to implement a P3O framework?

- No clear senior sponsor to buy in / support the approach – seen as a cost overhead.
- No major Change programmes / projects. No risky projects. A less formal approach would possibly be needed.
- Time consuming, hard to achieve buy in from the start. Payback over a long timeframe – no direct benefit to the customer. Business case / ROI doesn't stack up.
- Approach is too advanced for maturity level. The organisation feels that they are losing support previously provided and would prefer to concentrate on what they need first.
- Need for P3O is reduced because number of projects has decreased.
- A culture of resistance to change.

Second Session

What question or issue struck you as particularly worth exploring this morning? How would you outline why this is important and what further questions does it raise for you? How would you begin to answer those questions? Does it suggest specific topics or themes for a future PPSO SIG Event?

- How can we create more of a career path for P3O staff?
- Given that PMOs are evolving all the time anyway, and that there are lots of methods about. How is P3O driving that change? If P3O hadn't existed would PMOs evolve anyway, as per this morning's panel (Sarah B & Ian S) ?

PPSO SIG - Spring Event 2009

Table 2

First Session

Generally, moving from an unstructured to a structured P3O model will mean that when information is initially brought together for amalgamated reporting, it is of poor quality or missing.

How would you ensure that you can introduce amalgamated reporting in a reasonable amount of time, without becoming a 'template office'?

- Create a stakeholder map (i.e., identify the customer). Draw up a strawman (i.e., an initial proposal based on shared knowledge) and then gather/understand the requirements from the customer. Determine the priorities, in terms of amalgamated reporting requirements, and rank/impact assess the delivery of them.
- When requirements/priorities are understood, assess capability of the P3O team, project delivery group, and maturity of the organisation and set out a proposal (which may be "progressive over time"?) which would likely include a reporting governance cycle. Draw up a benefits case and action plan and agree with stakeholders/sponsor.

Second Session

You are making the case for an Organisation Portfolio Office model of P3O. In the course of your discussions with key stakeholders and potential sponsors you are asked to sketch out what information about the portfolio would be at the fingertips of decision makers, if they had such a PO.

Could you outline what a mock-up of a Portfolio Dashboard would be, something that would fit on a single screen or side of A4? What would it contain?

- The dashboard would include high-level portfolio information:
 - Financial Information
 - Portfolio level risks & issues
 - Number of projects
- The dashboard would also report on progress of key projects, including information on:
 - RAG status – cost, benefit, etc...
 - Risks & Issues
 - Also report on success stories!

Table 3

First Session

If you have some form of PMO in your organisation already and you want to re-energise it using the P3O model:

- would you use the same justification (business case) that was used to set up your current PMO?
 - would you use a different business case, perhaps based on the P3O templates?
 - would you choose to re-energise by modifying what you have?
 - why would you do whatever you choose to do?
-
- The critical points for re-energising a PMO are:
 - Sponsorship: provide a Business case with options and benefits
 - Demonstrate relevance/timing with respect to the current organisational structure and the vision.

PPSO SIG - Spring Event 2009

Second Session

You are making the case for an Organisation Portfolio Office model of P3O. In the course of your discussions with key stakeholders and potential sponsors you are asked to sketch out what would be the key metric of performance. If you are asked for a metric of business value that can be attributed directly to the P3O but could not also be claimed by the delivery teams or the strategists, what options could you suggest?

- Build P3O metrics around the following:
 - Money saved through better governance, e.g., counting projects stopped early
 - Visibility of business benefits
 - Knowledge management – using lessons learned to prevent recurrence of the same or similar issues
 - Speed and accuracy of decision making
 - Measurement of strategic objectives – did we achieve what we set out to do?

Table 4

First Session

Implementing a P3O model will need, in the majority of cases, a change in the culture of the people affected at all levels. Recent research by Aubry, Hobbs and Thuillier (2007) make it clear that the politics surrounding the PMO lead to the development of tensions. However, although experts in stakeholder management often investigate the role of politics, this does not seem to be acknowledged in advice regarding PMOs.

What areas of a company may feel threatened by a P3O and be quietly opposed to it? How could you overcome the resulting politics against the P3O model?

- Selling the benefits of change as a means of overcoming politics
- Offer services to those who are reluctant
- Possible sources of resistance:
 - Those who deliver (Prog/Proj)
 - Sponsors
 - Suppliers
 - Benefit Managers

Second Session

Assume that your organisation accepts your proposal to implement a Portfolio Office with two conditions:

- you have 18 months to prove the value of the concept in a tangible way
- you have a limited budget that includes no new hires and only seconded staff from existing areas

Could you outline the core principles of a tactical plan that would get you there? How would you manage the staff and what incentives would they have to buy into your success?

- Define what you are about and what your customers need
 - Build on an agreed plan/strategy using a step change approach
 - Provide Senior Management Team with some return on investment – short term, medium & long term focus

PPSO SIG - Spring Event 2009

- Resources on board with the right mindset:
 - Champion the vision
 - Sell the incentive
 - Build in career paths
 - 18 month challenging timescale – what are the benefits?
 - Setting benefits upfront, and refreshing often
 - Be clear about the problems – tactical plan?

Table 5

First Session

One of the often quoted key features of a mature PMO is the provision of a mentoring platform for project and programme managers. Given that the skill sets of PMs and PMOs are different, could you outline convincing reasons why the PMO is the right place for PMs to be mentored?

- Centre of Excellence: provide consistency of approach to project and programme management practices
- Information Hub: able to carry out governance over processes and practices.
- Note that if you have an Admin PMO that would not be the best place to mentor PMs.

Second Session

The OGC's Portfolio Management Guide (Final Consultation Draft) states that in most organisations "there will always be inevitable challenges, including (but not limited to) conflicting priorities for scarce resources, understanding the sheer complexity of all the Changes, as well as the interdependencies between Changes."

From the point of view of implementing a P3O framework, which of these challenges is typically the toughest and why?

- Identifying and managing dependencies across the portfolio
- Identifying gaps/potential gaps between programmes
- Identifying resource conflicts across the portfolio
- Where P3O can help add value it provides the framework to manage these complexities and technical interdependencies.

Table 6

First Session

Performance indicators, specifically P3O metrics, are necessary to maintain support for the P3O and to determine the effectiveness of the P3O model over time. Some examples are:

- Number of programmes and projects delivered to plan
- Numbers of programmes and projects rejected, deferred, re-scoped and cancelled by stage
- Average programme and project delivery timescales
- Variance between budget and actual total investment in P3RM and total benefits realised
- Cost of risk mitigation against level of residual risk (risk treatment)
- Audits of level of compliance to processes
- Staff turnover

PPSO SIG - Spring Event 2009

- Staff development
- Stakeholder surveys
- P3M3 capability maturity assessment
- Post-programme and project reviews/health checks

Which three of these would you want to consider as the essential part of your core metrics, and why?

- Variance between budget & actual total investment in P3M3 & total benefits realised
- Cost of mitigating risk – effective KPI so Senior Mgmt. can make decisions
- Health Checks – at project stages
- Stakeholder analysis – do the people see you as a valuable function (feedback from all areas) ?
- Delivery to plan

Note: different organisations have different KPI needs; we have agreed on 5 KPIs, as opposed to 3, because our organisations are at different Proj/Prog Mgmt maturity levels & have different KPI needs & each PMO Lead has a different focus.

Second Session

What question or issue struck you as particularly worth exploring this morning? How would you outline why this is important and what further questions does it raise for you? How would you begin to answer those questions? Does it suggest specific topics or themes for a future PPSO SIG Event?

An issue that stimulated a lot of debate from this morning's discussion is "KPIs for the P3O":

- Continuous improvement, demonstrates value and credibility. Can feed back into the original business case for the P3O
- Senior Stakeholder relationship – actively bringing things to their attention – good info.
- Measures – decision making by Senior Mgmt (Issues)
- Investment in Projects which are subsequently cancelled
- Projects on hold
- Measures against RAGs in quarter – the oil that rectifies issues
- Survey the stakeholders – links to stakeholder management
- Standard templates – using lessons learned
- Assurance of process – stage gates
- Bench – resource planning – time spent not working on projects
- Project management communities – effective networking
- Quality of documentation – workshop to measure improvement
- KPIs for the PSO team – process KPIs, e.g.: Plans issued on time, allocation to processes

Table 7

First Session

Some P3Os get a bad reputation as the 'template office', focusing on the use of the right form rather than the quality of the information gathered. One suggestion to overcome this in the P3O model is to focus on communicating 'process principles' rather than 'processes'.

What examples could you give of how you could implement this suggestion using a standard service you provide?

PPSO SIG - Spring Event 2009

- In order to facilitate the implementation of a process, you must be able to articulate the value that adherence to that process will provide.
- A review of the affected stakeholders to determine how they benefit from the proposed or actual process will highlight their requirements and the value they will derive from the process.

Second Session

What question or issue struck you as particularly worth exploring this morning? How would you outline why this is important and what further questions does it raise for you? How would you begin to answer those questions? Does it suggest specific topics or themes for a future PPSO SIG Event?

- Key issues from this morning:
 - Opportunity to move up a level from Programme Mgmt to Portfolio Mgmt – using best practice principles.
 - Provide a framework whereby priorities are clearly understood and the delivery capability is targeted (effectively) against those priorities.
- Future PPSO SIG topics?
 - Career path options – uplifting capability and development of ongoing career (i.e., a structured framework). Marketing the roles and emphasising the importance of P3O roles both within organisations and wider industries. Structured training for P3O at practitioner level.
 - Marketing a P3O – tricks and levers that can be pulled
 - KPIs and metrics – Understanding how best to measure P3O in order to promote and highlight good practice, and demonstrate continuous improvement and better decision making.

Table 8

First Session

Thinking about your current stakeholders, and specifically about your biggest 'champion' and your biggest 'challenge':

- would your 'champion' remain an ally if you re-branded as P3O? Why?
- would your 'challenge' come over to your side if you re-branded as P3O? why?
- does it matter to you either way? why?
- The name doesn't matter, what matters are the activities undertaken and the deliverables produced by it
- You've got to do more than just change the name – it needs to be managed as a business change with engagement of all stakeholders. How this is managed, and whether it is appropriate is dependent on the maturity of the organisation and the P 'whatever' O

Second Session

What question or issue struck you as particularly worth exploring this morning? How would you outline why this is important and what further questions does it raise for you? How would you begin to answer those questions? Does it suggest specific topics or themes for a future PPSO SIG Event?

PPSO SIG - Spring Event 2009

- Stakeholder commitment – Operations Mgmt and Executive Mgmt. Commitment from the most senior level for P3O improvement/setup. Ideally Chief Exec or Director level (with responsibility for PPM as a profession)
- The ability to grow CoE capability needs to start from an understanding of current P3M maturity. Self-assessment may give an incomplete picture using the checklists in P3O guidance, since you don't necessarily understand the implications (e.g., of items in Appendix F) – "you don't know what you don't know"

Table 9

First Session

You've been tasked to produce a Communication Plan that supports the proposition: "PMOs are evolving to become nothing less than a centre for integrated business management, under the P3O model".

What would be the bullet point outline of your communication plan? Keep in mind the following factors:

- it is a selling document, not an academic exercise
- you need to explain what is meant by 'integrated business management'
- you need to be mindful to keep on side people who think they already provide such a thing
- Summarise the key business needs and objectives, stressing what value you can provide
- Establish what are the preconceptions of your area around the organisation
- Segment your audience and focus the messages clearly to what matters to each segment; be specific about benefits for each stakeholder group
- Focus on past achievements to highlight continuing improvement
- Be clear about what success will look like – what is the vision
- Secure commitment from Senior Mgmt to ensure that they also convey your message
- Set expectations and be realistic about timescales and success factors

Second Session

It could be argued that in the early days, PMOs concentrated on supporting each project or programme but now the push seems to be towards enabling organisational project management: you could say that it's about looking at the wood rather than the trees. Portfolio Management is the biggest driver in the tendency to mind the big picture rather than get bogged down in details.

What is your impression that the P3O framework is about: the wood or the trees, and why?

- Although the larger picture is objectively more important, the 'support' issues still need to be faced
- Understand the exceptions at each level – flexibility is the key
- A coherent picture, supported by a Balanced Scorecard, will assist with context as well as drill down capability.
- The new terminology may be problematic in some organisations; if you already do the job, then rebrand only. And you may have to rebrand by 'stealth'
- Keep track of the gap between current provision vs. the P3O 'standard'

PPSO SIG - Spring Event 2009

Table 10

First Session

Level 3 of P3MR ("Defined") can be defined as: *"Organisation-wide consistency, process ownership, standards in place (e.g., roles and responsibilities), processes defined with inputs and outputs, central control group, consistent use of tools, guidelines on how to do it, capable staff, evidence of Subject Matter Experts, perceptive and flexible approach to the management of change."*

Given an organisation that is at this level regarding the management of change. What would you argue if the prospective Senior Management Champion challenges your proposal for implementing a P3O model saying: *"What more would we get from a P3O framework that we don't already get by being at Level 3? Having invested in Maturity, why invest again?"*

- The question is flawed, you could only get to level 3 if you had the functionality of a P3O, even if it were not recognised as a P3O
- You will need to invest (or continue to invest) to maintain level 3 maturity, as the organisation changes and new stretch challenges appear.

Second Session

Prioritising the portfolio is critically important in order to determine where investment should be directed as the portfolio is delivered. Generally this is achieved by force-ranking (through discussion) the programmes and projects within a portfolio, based on agreed measures.

In the spirit of force-ranking, what would you suggest is the most important factor (they are all essential in the list below) in ensuring that a portfolio prioritisation and optimisation discussion is successful, and why?

- certain key stakeholder roles must be present at each meeting (identify them, and specify frequency)
 - the process for proposing a programme/project must include documentation of all the agreed measures to be used by the meeting (identify a minimum set of those measures and the process)
 - a portfolio management tool must be operational to support decision making (specify what the tool would provide that is unproductive to achieve without it)
 - something else (be specific)
-
- Process is essential...
 - **But** will only work if it is driven by the guy at the top and total compliance is achieved
 - Process includes such measures as:
 - Capacity
 - Alignment to strategy
 - Financial measures
 - Risks
 - Compliance & regulatory needs
 - Benefits
 - Needs to be agreed and should only be as rigid as it needs to be
 - Needs to be commercially sensitive and evolve as required

PPSO SIG - Spring Event 2009

Thank you very much for hard work during these sessions. We have captured lots of valuable insights from people who actually know what goes on.

There are several ways to continue the discussion, aside from contacting the fellow professionals you have exchanged details with: queries, suggestions and offers of help are always welcomed by the PPSO SIG committee (info@ppsosig.co.uk). There is a very active discussion forum for the PPSO SIG within the LinkedIn community (<http://www.linkedin.com/groups?gid=118410>). If you are a member of LinkedIn you can join the PPSO SIG Group there. You can also contact Lain Burgos-Lovece, who led the session, at www.serissa.co.uk

And then, there's always the PPSO SIG in autumn. See you there?