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White Paper

PMOs Move Toward Agility
Are Your Teams Ready for an Agile Future?

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PMOs Move Toward Agility

The latest *State of the PMO* study from PM Solutions Research paints a picture of PMOs entrusted with major strategic responsibilities. Not the least of these responsibilities is to make sure that business-critical initiatives – whether driven by market pressures, technological change, or regulatory changes – are executed at top speed and with excellent quality.

Interviews with leaders of PMOs in a previous study revealed the extent to which organizations in flux rely on nimble responses from project managers. The majority of those interviewed work for companies that are expanding through acquisitions. As one PMO leader said, "You can't plan ahead for the disruption of an acquisition; usually we don't even find out about it until it's released to the press." CEO tenures have also shortened. These shifts often mean new projects entering the organization's portfolio, often at a higher priority than those already underway. The organization needs to be agile in shifting resources to and from projects, to ensure that they continue to effectively leverage the right resources on the more strategic efforts.

In addition to the turmoil that market pressures and organizational changes cause in the project team, these changes introduce uncertainty into the business dynamics. It's no surprise, therefore, that many PMO leaders look to Agile methodology for help in dealing with a project environment that is uncertain, change-able and time-pressured. About 28% of PMOs in our 2012 study implemented agile methods as part of their arsenal of project management tools. Today, that per-centage has jumped to 39%. And, most telling, 100% of the Best-in-Class PMOs in the 2016 study focus on agile methodologies. Long touted as a logical choice for software development projects, where creative teams refine requirements and scope against a fluid, iterative plan, agile methods have gained ground among project management practitioners in many industries. Without discarding the discipline associated with traditional project management, today's PMO is learning to meet uncertainty with confidence, thanks to agile project management.

The Agile Project Manager and Team

If you look up "agile" in the dictionary, you find a definition that includes "having a quick, resourceful and adaptable character." The words "resource," "adaptable," and "character" point us towards the key role of the project manager and team in agile project management practice. In fact, agile is a method of working that relies more on the human element and less on tools. With its emphasis on communication and adaptability, agile project management must begin with having the right people with appropriate training in place.

As with any change of organizational work processes, implementing a more agile project management practice can be expected to produce some resistance. Treasured methods of planning and scheduling are set aside, as teams learn to replan iteratively. Yet the resistance to agile is not as widespread as some of the literature would seem to indicate. Even those practitioners who have not worked in an agile environment have by now heard about agile, perhaps attended one of the many presentations about it at recent PMI® events, or read a few articles online. They only need to be appropriately introduced to agile tools to understand how adopting a more flexible approach to requirements gathering, scheduling and planning might lead to better results, to become "agile boosters."

For example, at HealthPartners of Philadelphia, one of the PMOs participating in our 2012 study, PMO Manager Tom Montanaro noted that the move toward more agile processes has been introduced not as a new methodology but as a way of addressing pressing challenges for immediate results. "We just fit the method to the project, instead of shoehorning the project into our methodology," he explained.

The reality of the project – a cleanup of data about the health care company's providers – was that no one was sure how long it would take, or what the business opportunities related to it might be. Montanaro and his team decided it was okay if they just started with what they knew how to do, and set aside the thorny questions until they had the knowledge to deal with them. "As we began, and they saw the merit in it, they were relieved. You build trust that, as things become clear, we will address them. People gain the confidence to say, 'It's okay not to know everything. I can work on what I *do* know.' "

Training for Trust

Because the focus of agile project management is on leadership and teamwork, developing the relationships between team members right from the start is crucial. Take a look at the key concepts that differentiate agile project management from traditional project management:

»   Adaptive leadership
»   Close interaction between the customer/user and developers
»   Less time dedicated to planning at the beginning of the project
»   Smaller teams and more highly skilled team members
»   Delayed decision making
»   Reduction of waste
»   Integrated quality activities.

We quickly see that the majority of the differences relate to team development and management. We know that many project management problems arise from poor communication between stakeholders, or from processes that require us to know things that we cannot know yet. Thus, they are "adaptive" problems: problems that, if we are willing to remain open and flexible, we may learn what we need to know to solve them. That's why an adaptive style of project management embodies the work of energizing, enabling and empowering a project team composed of all the stakeholders. Knowing we don't know the way forward, we can still proceed by continuously learning what next steps should be, while adapting to the changing requirements, and remaining in constant collaborative communication.

One trust issue for project teams that must be addressed when implementing agile processes concerns their familiarity with, and reliance on, the traditional planning and monitoring methods of project management.

Agile project management embraces rather than avoids change; it also incorporates selected tools and processes from traditional project management based upon the specific project. Sufficient planning is performed at the beginning of the project to ensure the project's vision and goals are understood, to establish key project milestones or product release dates and to know which product features are of urgency. Then each iteration of the project is planned in further detail as the project unfolds. Project managers and team members must be reassured that they will not be required to relinquish entirely the tools and processes they have depended on in the past. Agile project management represents not a replacement of traditional project management but its evolution to fit the needs of our time. (Table 1 provides a matrix for determining if agile is right for a given project.)

Table 1. Agile or Traditional Project Management?

Is an Agile Project Management approach suitable for the project? If you answer "yes" to more than four questions, an agile approach is recommended.		
Are product features unclear, changing, or poorly defined?	Yes ☐	No ☐
Does the project sponsor have a highly innovative approach to work?	Yes ☐	No ☐
Is new technology involved?	Yes ☐	No ☐
Are there project-related factors, including business drivers and organizational structures, that are likely to be dynamic in nature during the project?	Yes ☐	No ☐
Is a high degree of risk anticipated?	Yes ☐	No ☐
Is the anticipated project team size small?	Yes ☐	No ☐
Are there experienced technical resources available for the project?	Yes ☐	No ☐
Is it important that some functionality be delivered early in the project lifecycle?	Yes ☐	No ☐
Does the product development support automated quality control activities such as testing?	Yes ☐	No ☐
Is the product intended to deliver non-critical functionality?	Yes ☐	No ☐

Source: *Agile Project Management: A Mandate for the 21st Century*, p. 34.

Case Study: Agile Project Management Practices Cut Cycle Time in Financial Services IT

A Fortune 50 company providing financial services to clients in North America, with a project portfolio numbering in the hundreds of projects, needed to decrease time-to-market. As part of an initiative to reduce average project duration by approximately 50% and improve internal customer satisfaction by 25%, they adopted the Scrum framework and other agile product development techniques. In adopting agile practices and techniques as part of this initiative, the organization was set to introduce radically new management practices to a traditionally trained project management community.

The client opted to combine consulting on agile project management practices for project managers and other project leaders with agile project management education and training tailored for their specific environment. PM Solutions became part of an agile coaching organization that provided coaching to teams employing agile development practices and mentored the project management organization through the changes imposed by the new practices.

The Result: After 18 months of mentoring and coaching:

» Average project duration decreased by approximately 20%.

» Customer satisfaction ratings increased nearly 30%.

» Project startup duration has decreased from an average of 10 weeks to 3 weeks.

» Time to first solution implementation decreased from an average of 20 weeks to 7 weeks.

» 90% of projects adopting agile practices and techniques now deliver the desired value to end-users on-time and within initial budgets – by contrast, the traditional approaches were yielding approximately 50% on-time and within initial budget.

» Management mandated a doubling of the percentage of projects using agile methods.

Another trust issue for teams may be uncertainty that agile methods will be a good fit with their projects. One strategy many companies have used actually reflects the past history of project management implementation in organizations. Just as many of today's enterprise PMOs were kicked off as IT PMOs and then, after demonstrating the value of project management on IT projects, were expanded to other areas of the organization, agile project management is often implemented first on software projects. Since agile had its origins in the application development field, many software project managers are already familiar with its tenets. They provide a demonstration field for showing teams involved in other types of initiatives how agile project management works. This has been the strategy at NPG, a scientific publisher (part of the MacMillan group), says PMO director Andrew Kallman. "We are beginning with only software development projects," he says, although his vision for the use of agile is much broader. "I think the next thing we will be hearing about is not just agile project management, but agile *business*," he predicts.

Finally, because agile project management relies on open and daily communication about project issues among the team, team members need to have trusted leaders in place. The PMO leader at one global industrial supply company noted that one issue he had faced was that "some newer employees are reluctant to speak until they are comfortable with their input compared to the more experienced team members." Setting up an atmosphere where all team members are comfortable contributing not only improves project performance, it is a tool for developing future talent. Most PMO leaders we interviewed say they have already witnessed an improvement in leadership and team facilitation skills.

Fasten Your Seat Belt

Like agile projects themselves, the implementation of agile goes fast once it is kicked off. NPG's Kallman said he expected to be "fully transitioned to agile" in under two years. He cautions that getting the teams started on the right foot is a key success factor. "We [trained] team-by-team [and] are putting coaches/mentors in place to support the teams. We created an Agile Transition Steering Group to assist with that." And results start to accrue quickly as well: "We already have seen an increase in the utilization of resources of around +10% in the first 12 months," Kallman said. Results reported from a major financial services company (see case study on page 6) echo his findings: just 18 months after beginning mentoring and coaching on agile methods, the company saw impressive improvements and began doubling the numbers of projects managed "with agility."

Like agile project management itself, training for agile must be lean, focused and team-based. Teams that train using the actual projects they are currently handling get a forward leap, and bring their excitement for the new processes back to their colleagues.

"Get Them on the Same Page"

PM College's new agile project management training program goes hand in hand with PMI's new certification for agile practitioners, the PMI-ACP©. Start your teams off on the right foot with a shared foundation in agile principles and techniques. The *State of the PMO 2016* shows that 33% of companies are training for agility. Are you?

A Sampling of PM College's Most Requested Agile Courses

Agile Foundations (2-Day)

Intended to solidify the core principles of Agile, Scrum, and Lean for individuals and/or teams, this course teaches participants that Agile project delivery is radically different from traditional waterfall methodologies requiring understanding, acceptance, and support for successful transformation. The course exposes common missteps, increases the awareness of associated symptoms, and provides guidance to avoid these common pitfalls commonly encountered during Agile Transformations. During the course, participants will complete an application lab focused on building a brochure using Scrum and Lean Practices. Participants will learn theory and then apply knowledge learned in successive labs.

Agile Overview for Executives (1-Day)

This course is for both business and IT executives who are either taking over agile teams, or beginning the transition to using an agile framework for project delivery. The primary focus of the training is on the role that executives and management fill in agile project delivery. This training also provides an overview of the origins of agile, and highlights the major agile practices.

Managing Projects with Scrum and Lean (3-Day)

As one of PM College's most popular course, this class covers everything encompassed in a Scrum Master course, but takes a deeper dive and allows even more hands on lab time. After a one-day overview of Scrum and a brief synopsis of Lean, participants have the opportunity to practice what they've learned with two days of intensive lab work.

Scrum Team Training (2-Day)

One area commonly overlooked by organizations that are implementing Scrum is training the development team to understand its role in depth. This Scrum Team Training course teaches participants that Agile project delivery is radically different from traditional waterfall methodologies. Instead of using command and control techniques and handing documents off from one discipline to another, the entire Agile team closely collaborates with the business and stakeholders to build the right functionality. The team is also responsible for self-organizing in order to build the functionality.

Note: All of these courses can be customized to for your organization. Visit www.pmcollege.com/courses for a complete list of agile project management courses

Looking for agile training for your team?

With the right training, agile and traditional PM practices can work in harmony to make your teams more adaptive to change. PM College's agile PM training program includes four dynamic, customizable courses that prepare your team for Project Management Institute (PMI)© Agile Certified Practitioner (PMI-ACP)© certification.

Visit **www.pmcollege.com/courses** to learn more how PM College can customize this training program for your organization.

Scan this code with
your smart phone.

References

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White, K.R.J. (2009) *Agile Project Management: A Mandate for the 21st Century.* Glen Mills, PA: Center for Business Practices (now PM Solutions Research).

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