

PMO of the Future

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“The best way to predict the future is to create it.”.

Peter Drucker

The beginning



There must be a better way...



Do these challenges sound familiar?

1. Frustration at the slow pace of delivery.
 2. Annual planning and rigid budget cycles limit quick decision making.
 3. Too much demand and too little capacity.
 4. Overly detailed and speculative business cases take forever and aren't accurate.
 5. Project cost and benefits are rarely on target.
 6. Measuring project milestones does not represent real value to our business.
 7. Stakeholders need "their" project to succeed.
-

What is business agility?

“The ability to adapt and respond to change with regards to customers, markets and technology in order to provide a competitive advantage”

Business Agility



• ChatGPT wrote my speech ;)

ChatGPT Sprints to One Million Users

Time it took for selected online services to reach one million users



95% of Fortune 500 companies use Agile

These are the case studies everyone points to



People studying Agile, will reference these examples



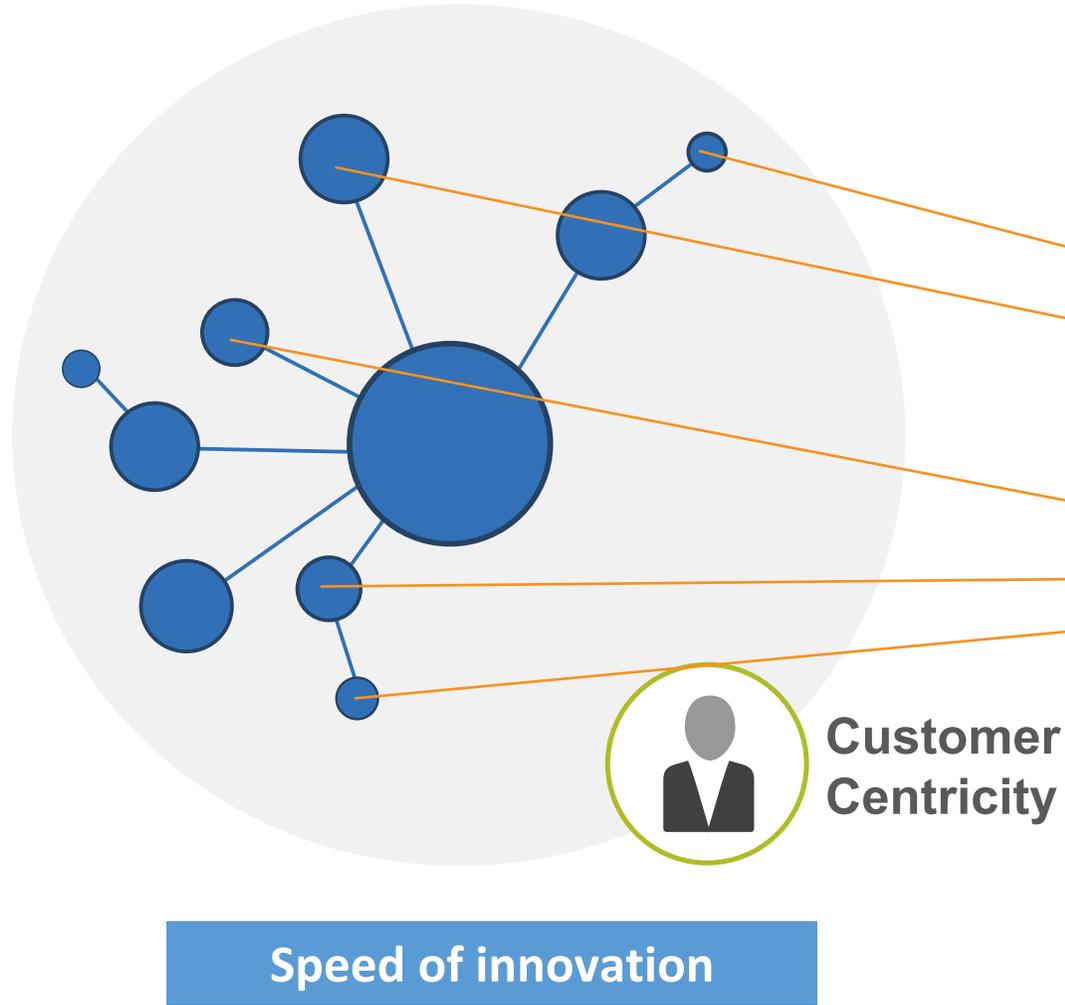
However, Business Agility is core to many organisations



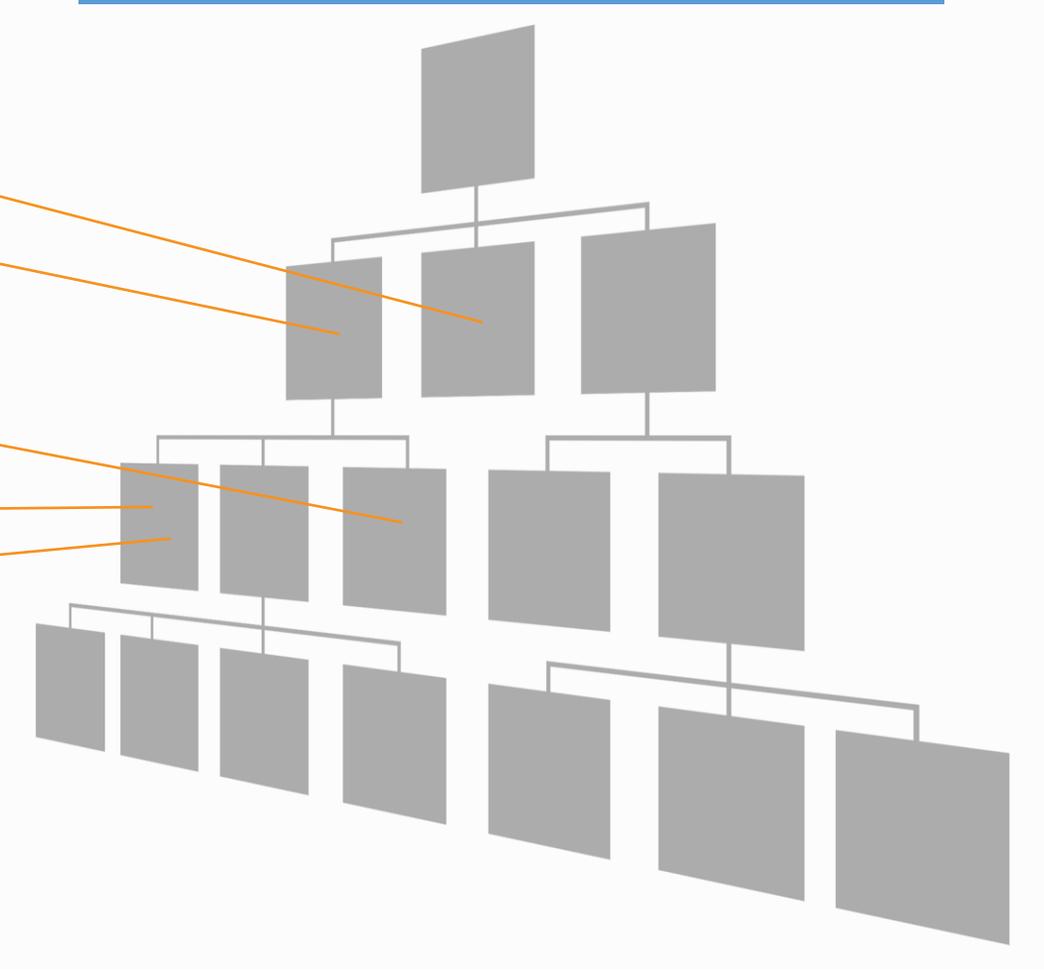
Get Business Results



We need a dual operating system



Efficiency and stability

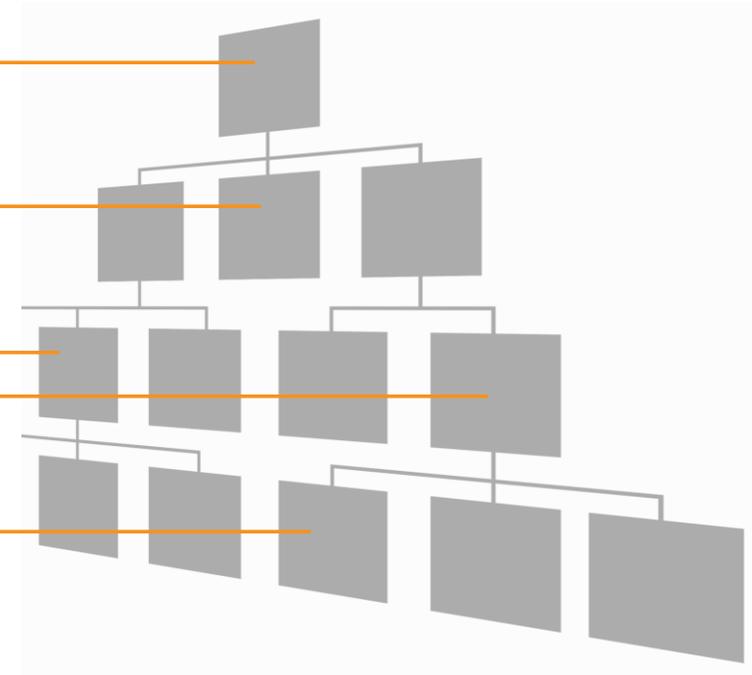
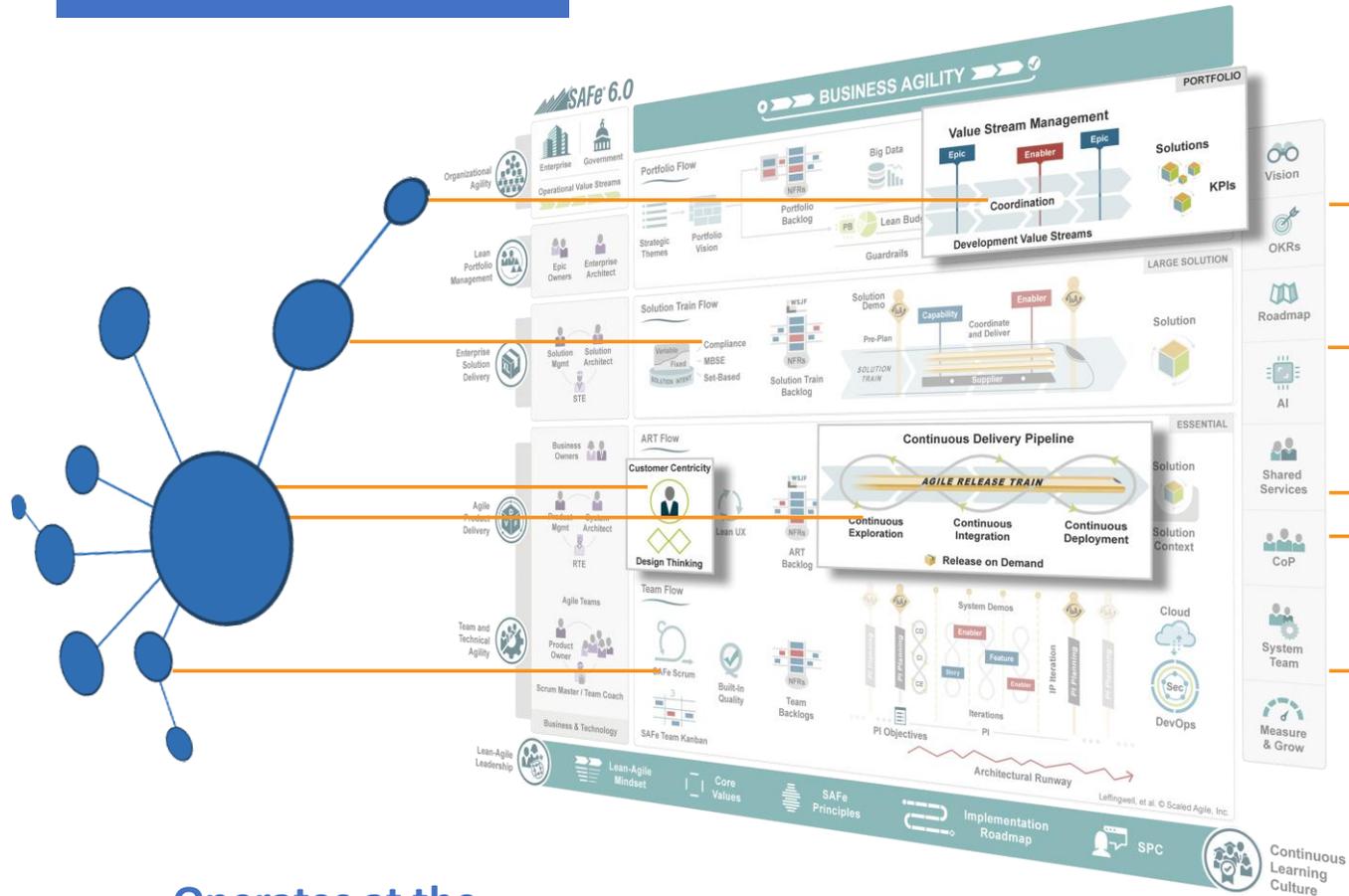


Business Agility: Stability and Innovation



Value Stream Network

Traditional Hierarchy



Operates at the speed of innovation

Offers efficiency and stability

AGILE

Scrum

LEAN

SAFe

XP

Extreme Programming

LeSS

Large Scale Scrum

Kanban

And many
more...

Scrum@Scale

ScrumBan

**There is no one
silver bullet**



Agile Is A Mindset

The Agile Manifesto

Individuals and
interactions over
processes and tools

Customer
collaboration over
contract negotiation

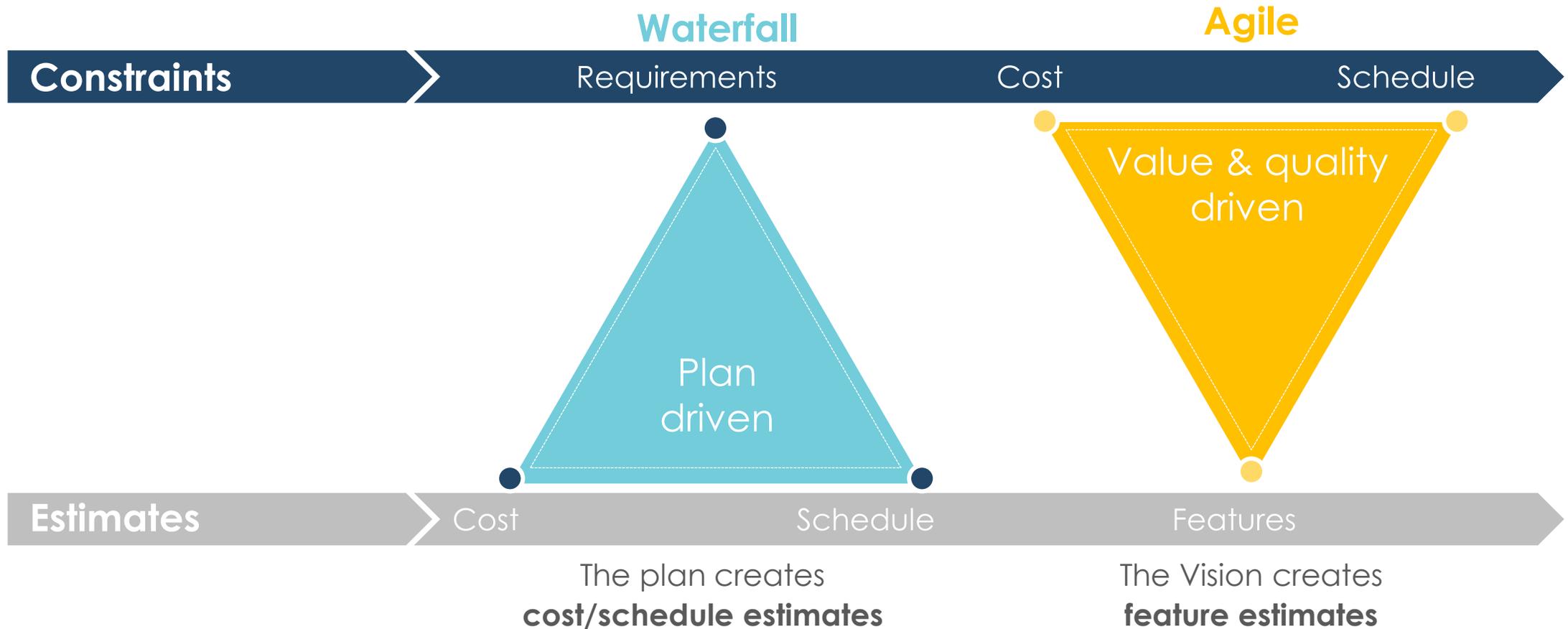
Working software
over comprehensive
documentation

Responding to
change over
following a plan

* Even though its all important,
we like the stuff in blue MORE

We are uncovering better ways of working by doing this and helping others do it.

Agile Turns Development Upside-Down

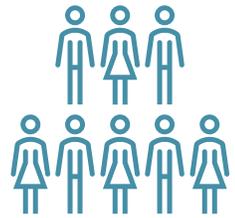


Agile Teams show that dates matter
and meet their commitments

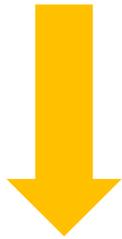
Business Owners **understand**
how priorities matter

Fix quality,
not scope

From Traditional Development To Agile



Instead of a large group



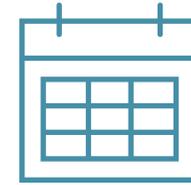
Have small teams working together as a program



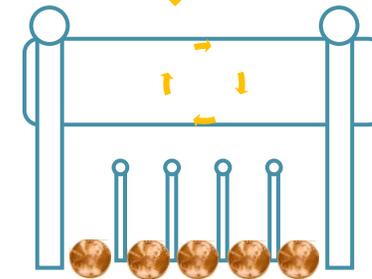
Working on all the requirements



Working on small batches of requirements



Integrating and delivering value toward the end of development



Delivering value in short timeboxes with frequent integration and improvement cycles

SCALED AGILE FRAMEWORK

SAFe® 6.0

Select SAFe configuration

BIG PICTURE

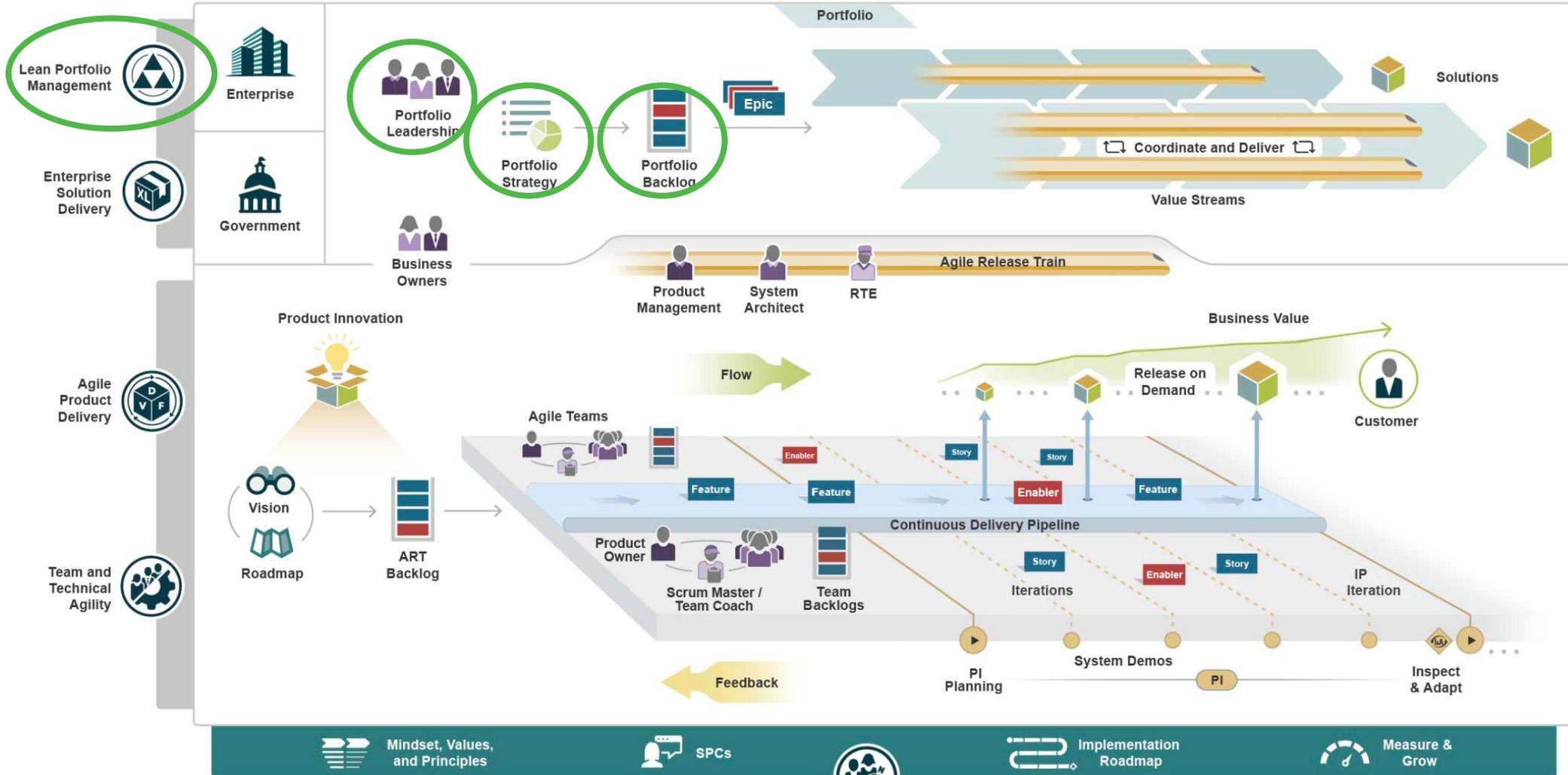
CORE COMPETENCIES

ESSENTIAL

LARGE SOLUTION

PORTFOLIO

FULL





The PMO

The Purpose of the PMO *(in any organisation)*

The purpose of any PMO is to provide a framework that will support all stakeholders and project teams to ***improve the probability of successful delivery.*** This involves the investment of valuable resources (people, money, time).

The PMO's role is to standardize project management processes, provide support and guidance to project teams, and ensure ***projects align with an organization's strategic objectives.***



The Purpose of the PMO ↓



The Shift from Traditional PMO to the PMO of the Future

Traditional PMO	PMO of the Future
People organized in functional silos and temporary project teams	People organized around customer value , in stable, Value Streams for continuous value flow
Fund projects and project-cost accounting	Fund value streams (aligned to customer value)
Up-front, top-down, annual planning and budgeting	Participatory Budgeting, quarterly planning and ongoing prioritisation allow flexibility
Centralized , unlimited work intake; project overload	Align demand to capacity and decentralised decision making
Overly detailed business cases based on speculative ROI	Lean business cases with MVP , business outcome metrics
Projects governed by phase gates ; milestones, progress measured by task completion	Governed by self-managing Value Streams Measures and milestones based on working solutions

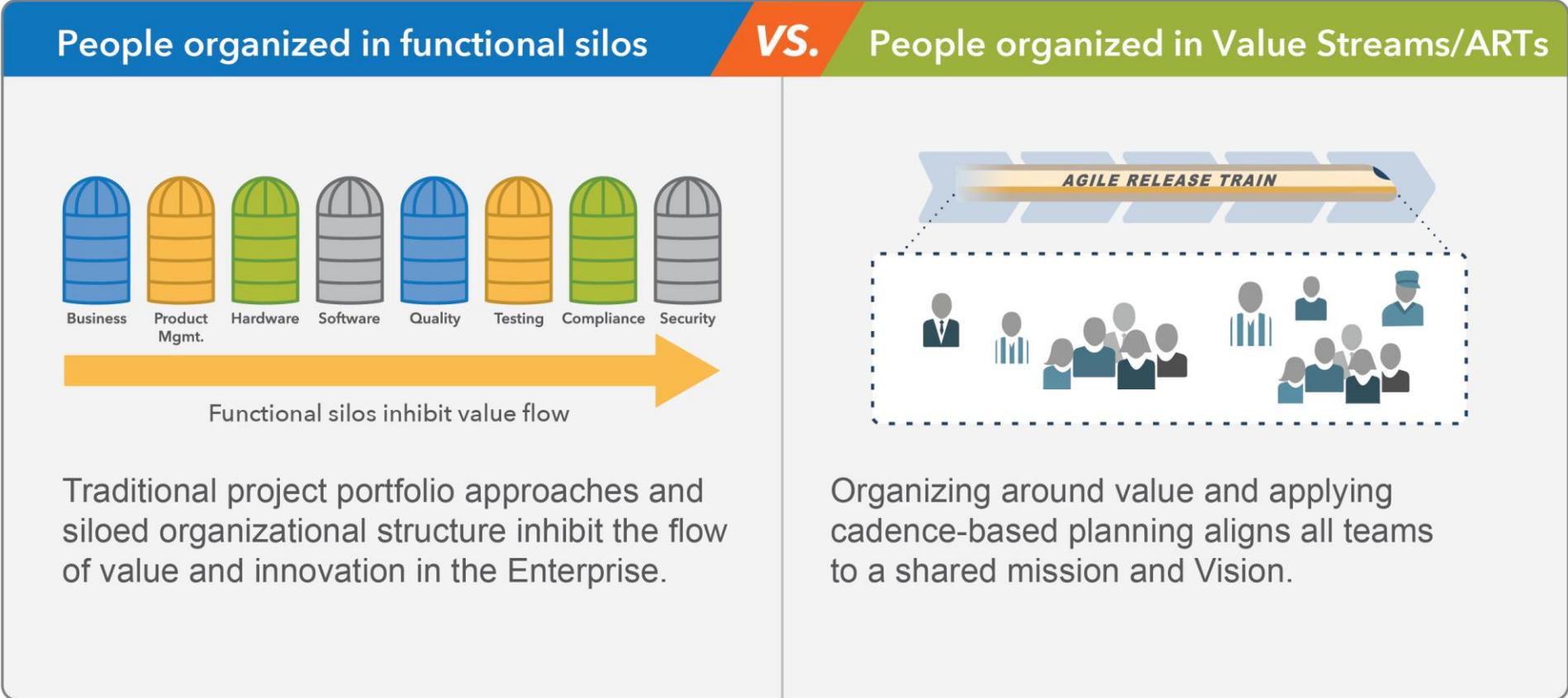
PMO of the Future

- 1 Resources: Organise around value
- 2 Funding: Participatory budgeting
- 3 Strategy: Aligned planning
- 4 Governance: Demos and metrics



1. Organise around value *Resources*

1 Realign your projects, teams & businesses to customer value



From projects to products

BMW: New Retail Sales Model



BMW has been selling cars in SA since 1968 and SA was the first country outside of Germany to produce BMW's in 1975.

The Challenge

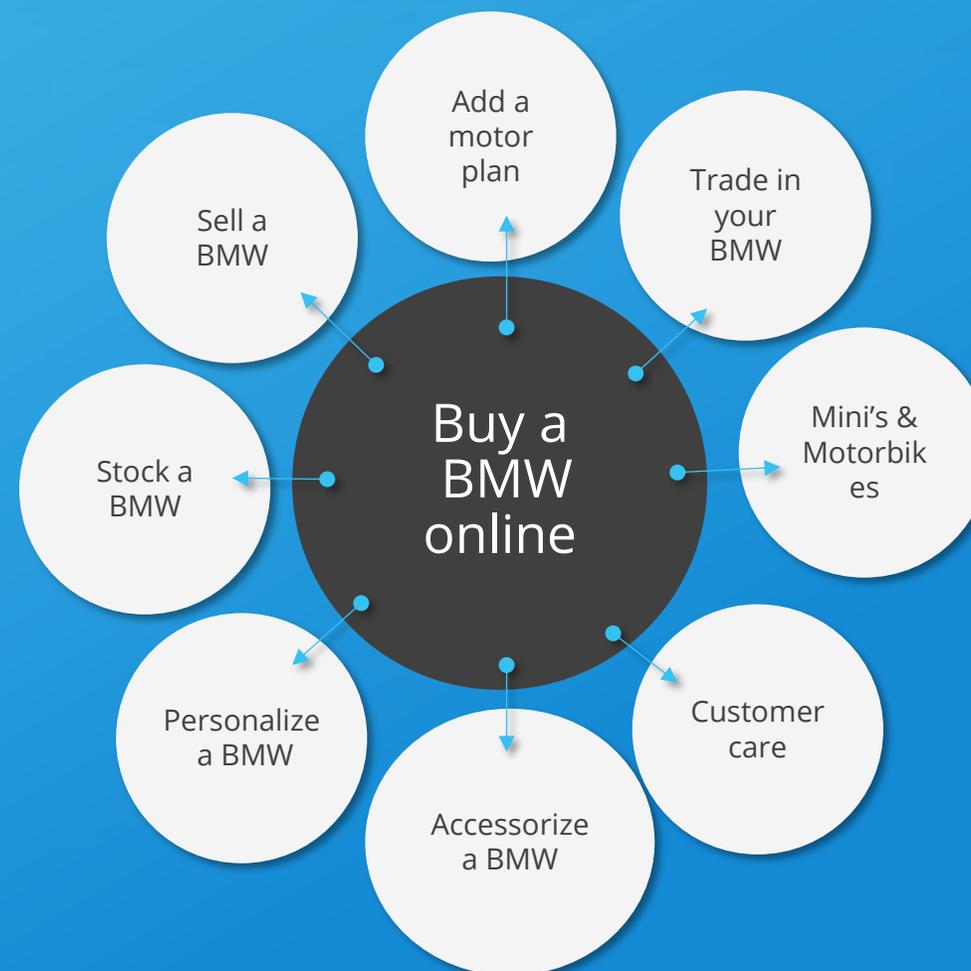
To lead the global BMW business by launching a national sales retail platform allowing consumers to trade in, buy, book test drives and accessorize their BMWs online

Multiple teams in South Africa, Germany and the UK

Time pressure

Business losing faith in **IT delivery**

Key man **dependencies**



“ How can we be a successful IT department when - to do our job, **we get direction from various business owners** and we rely on access to multiple systems **outside of our control** in order to deliver meaningful change? ”

“ As hard as we work, we are **too slow and reactive** ”

Oliver Kreibich
BMW, CIO

The beginning...May 2019

Subject	Agile Transformation - Value Stream Mapping and & Squad reviews		
Location	P&A building top floor		
Start time	Fri 2019/05/03 	10:00 ▼	<input type="checkbox"/> All day event
End time	Fri 2019/05/03 	14:00 ▼	

Hi

This is just a placeholder for now

The objective of this session – Value Stream Mapping and & Squad reviews.....Structure teams around client value and speed of delivery (Lead Vanessa)

@Managers

Please extend the invitation to your PM's and Agile Masters

@Project Manager

Please forward this invitation to the following people in your teams

Test Managers

Systems Architect

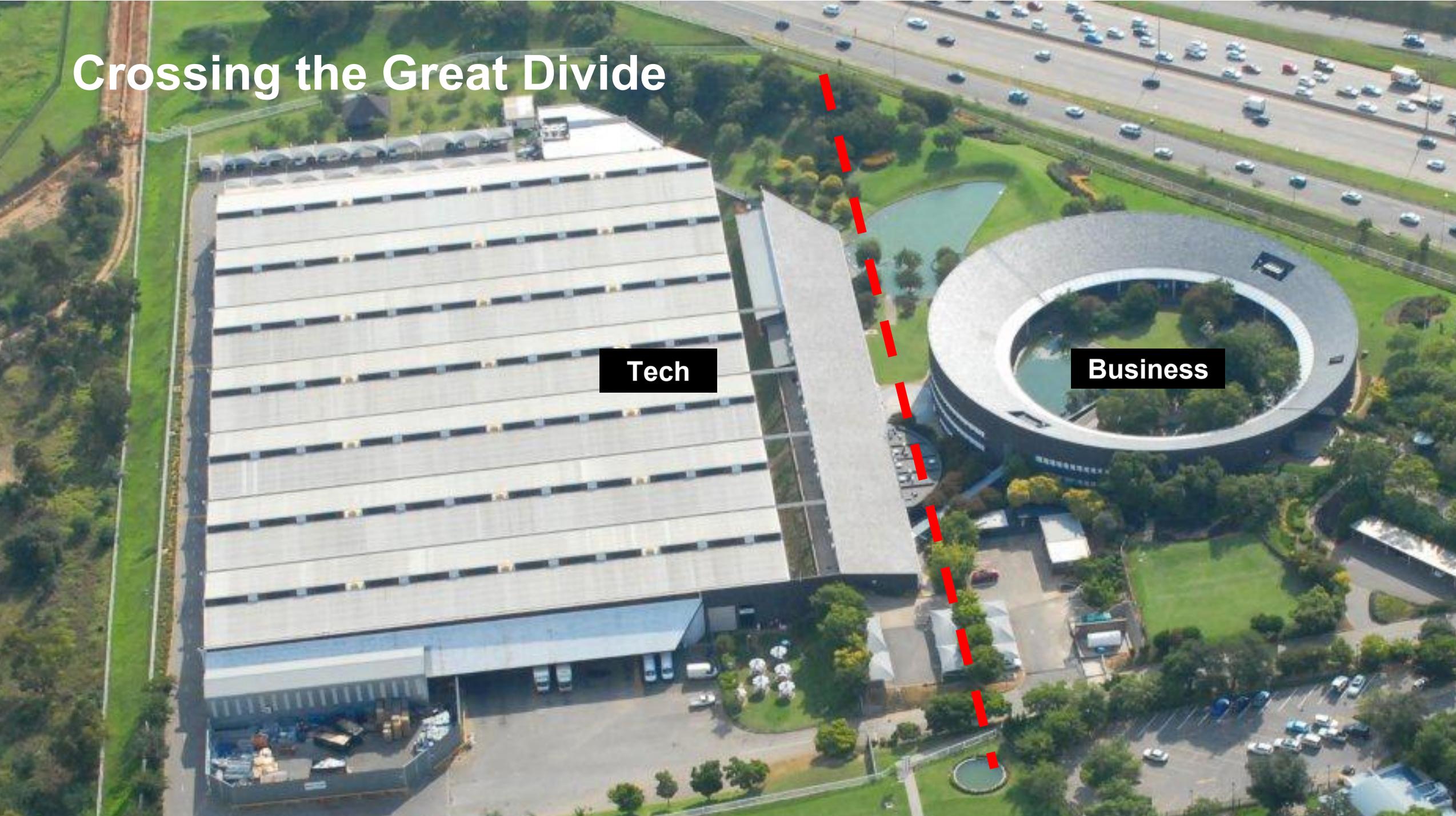
Systems Analyst

Business Analyst

Crossing the Great Divide

Tech

Business



BUILD CROSS FUNCTIONAL TEAMS ALIGNED TO VALUE STREAMS AND PRODUCTS

ONLINE SALES

Team 1



SET BUDGET

Team 2



TRADE IN

Team 3



FIND YOUR VEHICLE



TEST DRIVE

Team 4



REGISTRATION



CHECK OUT

Team 5



APPLY FOR FINANCE

Task switching myth

How much productivity is lost through task switching?

“Shifting between tasks can cost as much as **40 %** of someone's productive time.”

Rubinstein, Meyer & Evans (2001).

Executive Control of Cognitive Processes in Task Switching

What is the answer?

Start one task and finish it...
Start one feature/ project and finish it...
Only put people on one team...

Buy a car today at www.BMW.co.za



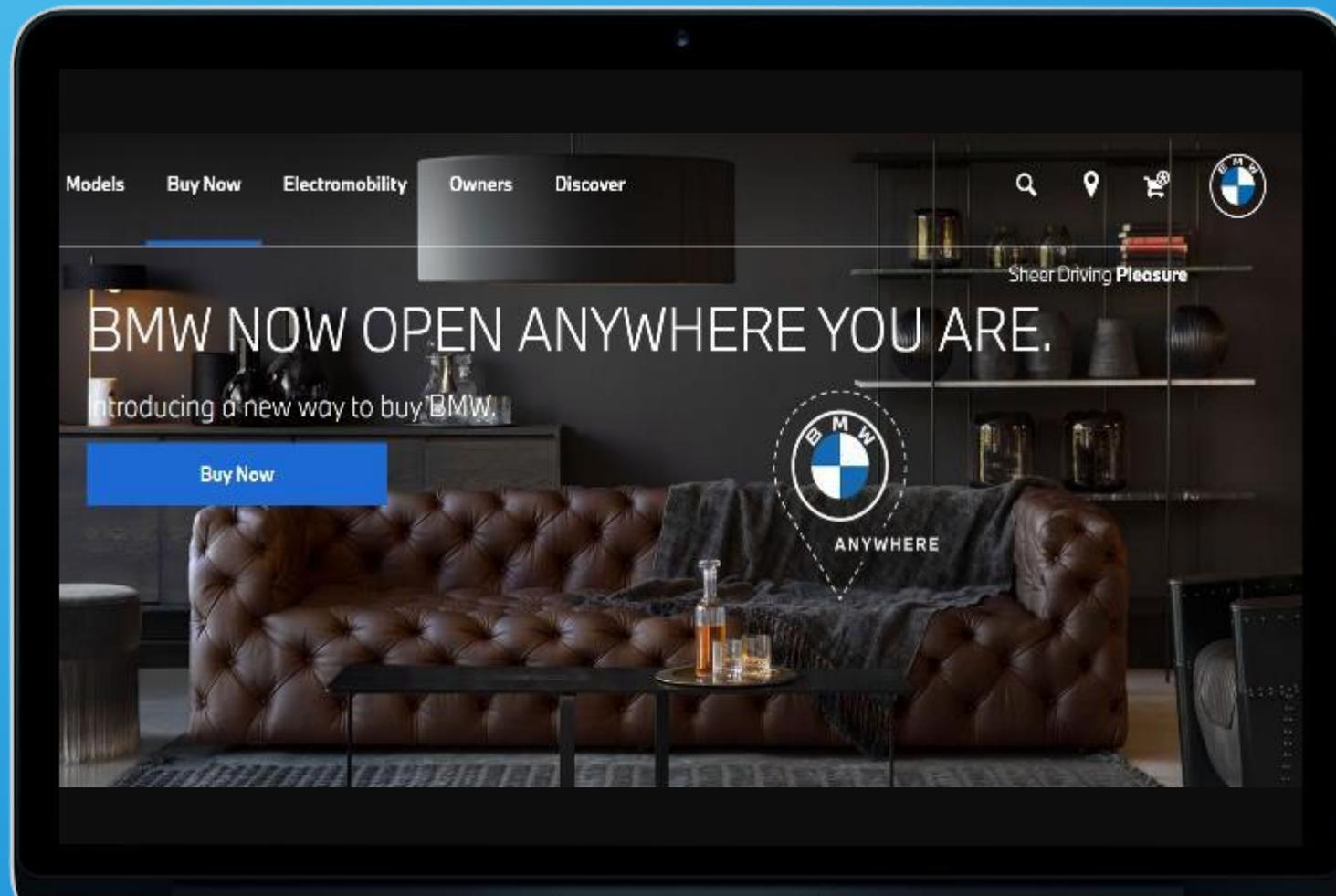
On time delivery – in market in under 6 months: Jan 2020



Global best practice



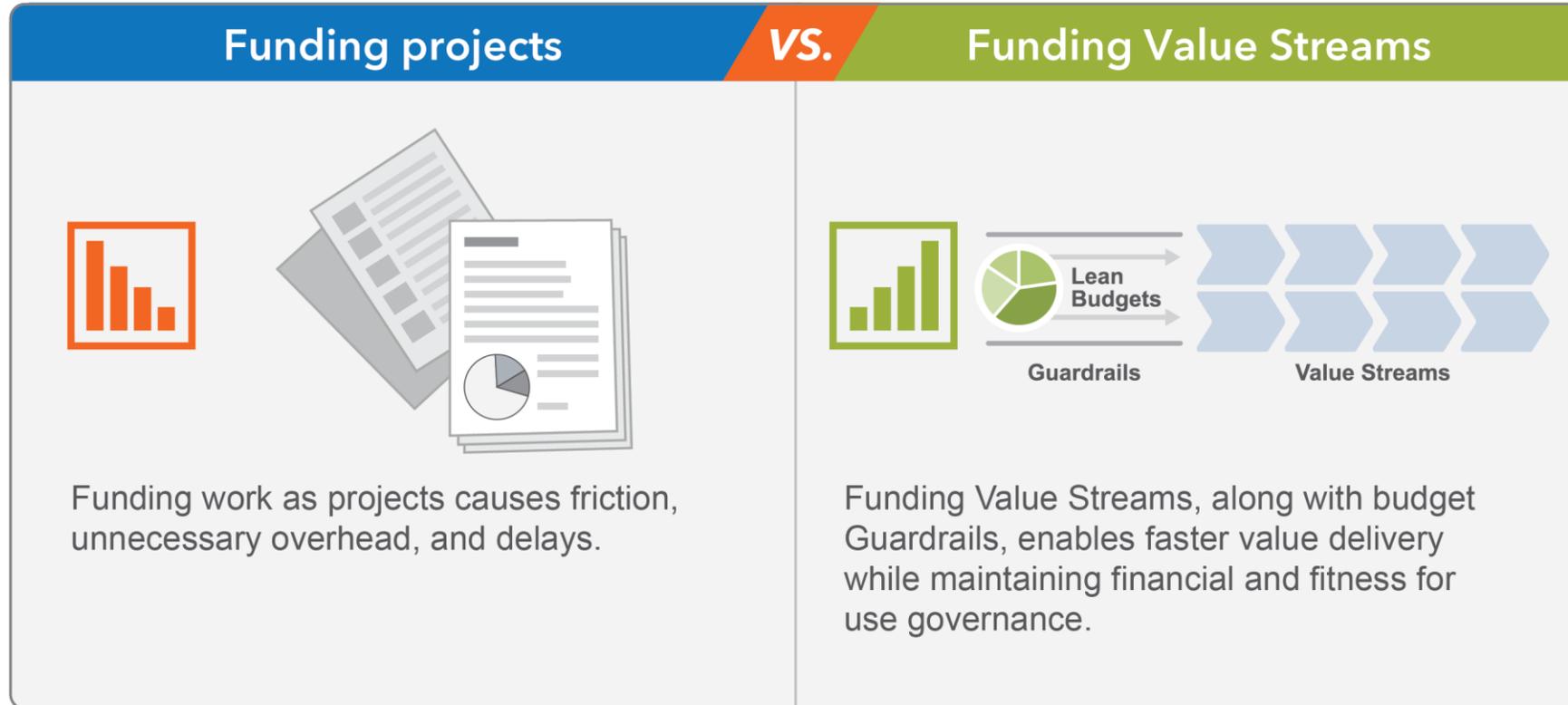
Sales during COVID





2. Funding Participatory Budgeting

2 Fund Value Streams, not Projects



Benefit: Enables you to pivot quickly while keeping value delivery in focus.

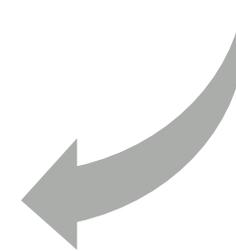
Project overruns cause re-budgeting and increase costs of delay

Project estimate

Planned:



Actual:



What/who do we blame?

- ▶ Technology challenge?
- ▶ Change in scope?
- ▶ The team?
- ▶ **Does it matter?**

Result:

- ▶ Wait for new budget approval; increase cost of delay (CoD)
- ▶ Costly variance analysis; blame game; threatens transparency
- ▶ Resource scramble reassignments

Solution: fund Value Streams, not projects

Funding Value Streams provides for full control of spend, with:

- ▶ No costly and delay-inducing project cost variance analyses
- ▶ No resource reassignments
- ▶ No blame game for project overruns





Coordinating the flow of value



Funnel

All big ideas are captured, such as:

- New business opportunities
- Cost savings
- Marketplace changes
- Mergers and acquisitions
- Problems with existing solutions



Reviewing

- Refine understanding of the epic
- Create the Epic Hypothesis Statement
- Calculate WSJF
- WIP limited



Analyzing

- Solution alternatives
- Refine WSJF
- Cost estimates
- Define MVP
- Create Lean Business Case
- Go/no-go decision
- WIP limited



Portfolio Backlog

- Epics approved by LPM
- Periodically re-prioritized using WSJF
- Pulled by teams when available ART capacity exists



Implementing

MVP

- Build and evaluate MVP
- Pivot or persevere decision made

Persevere

- Affected ARTs or Solution Trains reserve capacity for the epic
- Continue feature implementation until WSJF determines otherwise



Done

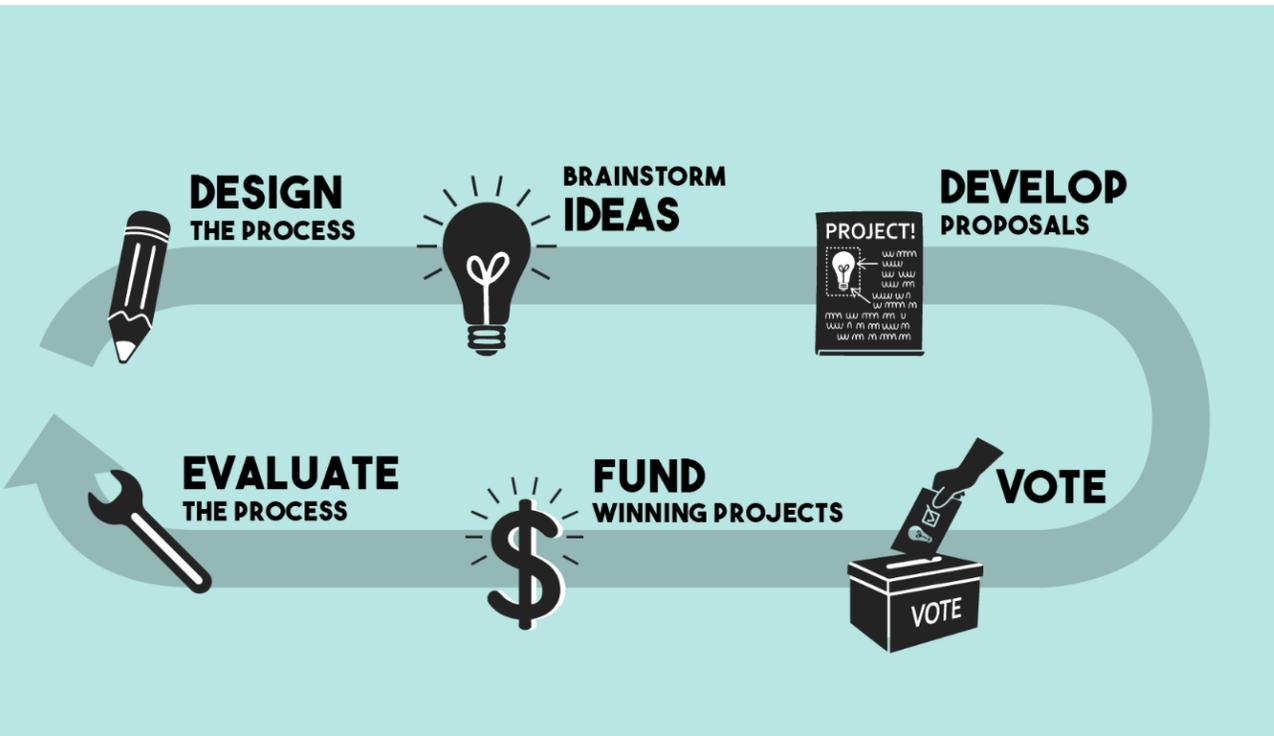
- Done when LPM governance is no longer required

Joint Prioritisation with Participatory Budgeting

Most organizations will generate more good ideas than they can fund, resulting in a portfolio prioritization challenge.

PMO and participants from different business areas and projects use Participatory Budgeting to collaboratively agree priorities across the organisation, aligned to strategy.



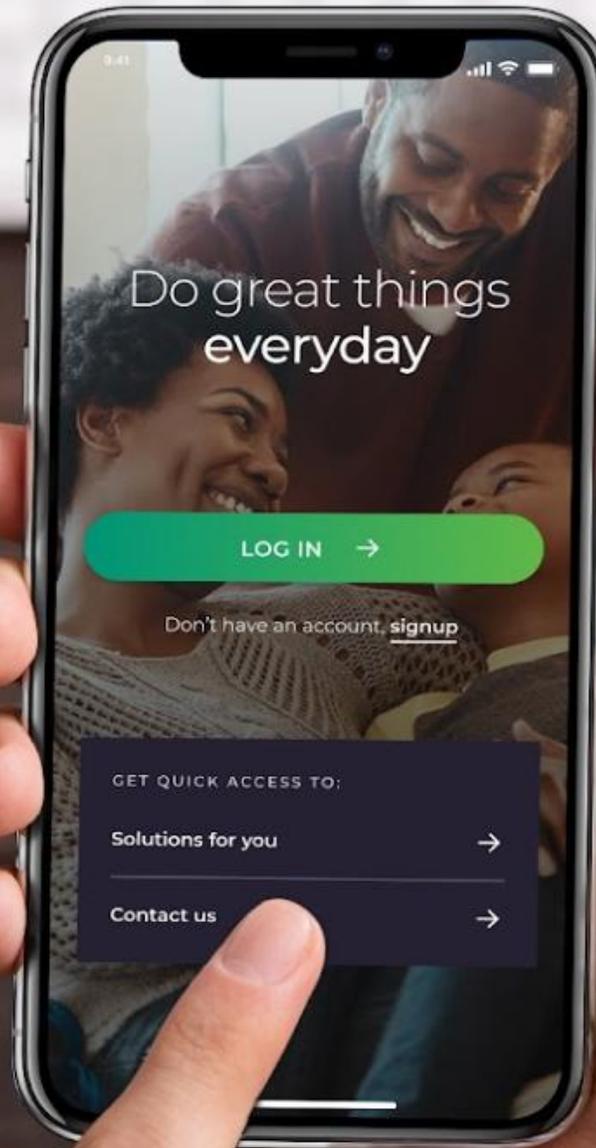


What Is Participatory Budgeting?

Participatory budgeting (PB) is a democratic process in which community members decide how to spend part of a public budget. It gives people real power over real money.

The Challenge

1. Many business cases
2. 5 countries
3. Different priorities
4. Not enough funding

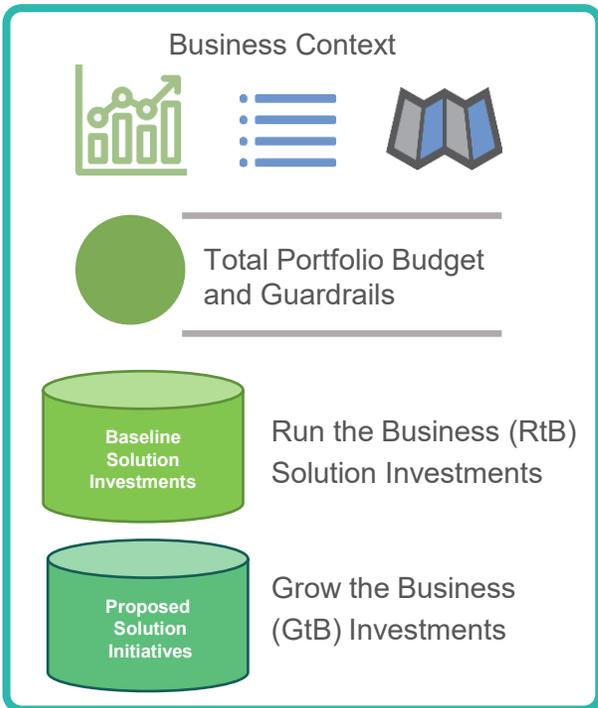


EAST AFRICA DIGITAL AMBITIONS

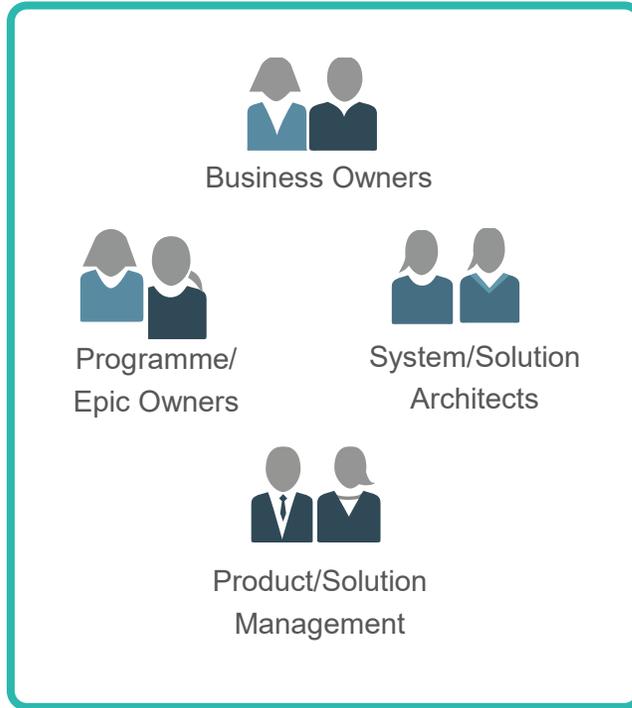
ACCELERATING OML's DIGITAL TRANSFORMATION

1 Running a Participatory Budgeting event

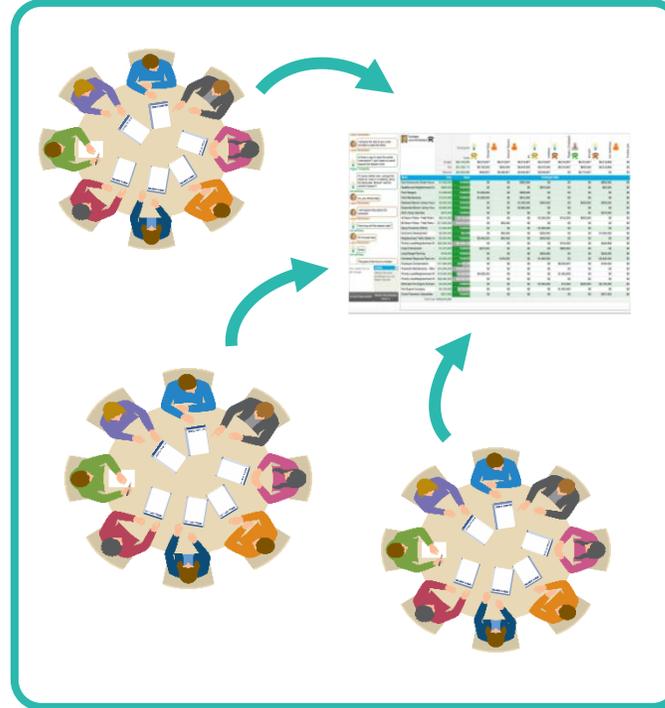
1 Prepare the content



2 Assemble the participants



3 Conduct the forums



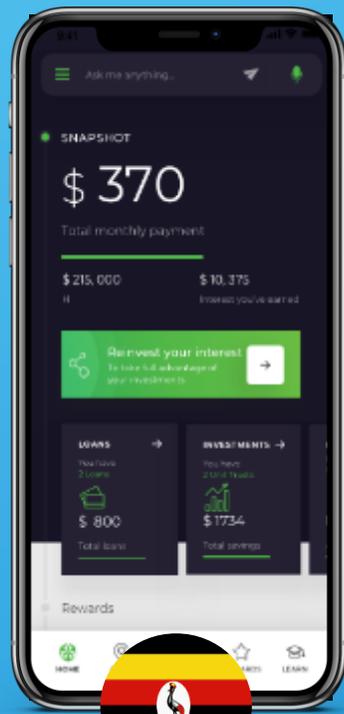
4 Analyse results

	Fully Funded	Partially Funded
FIXED PRICE OVERHEAD		
MUST SPEND (M)		
Automated KYC Using Process (M)		
Business Function for Workflows (M)		
Solutions for all Markets (M)		
Customer Life Cycle		
Toolbox for Single Platform (M)		
Customer Insight for Long Tail		
Regulation in Zone		
REG Platform Maintenance (M)		
SECAD Maintenance (M)		
Treasury Product for EMEA (Platform - Phoenix)		
Workplace solution for EMEA		
SEA partnership for Global merchant reach in Africa		
Dedicated Automation Team (M)		
Customer Insight for SMB		
Unified Consumer Credit Platform for EMEA		
Talking with Zone + Phoenix		
Merchant Onboarding		
Customer Insight for Large Merchants		
Toolbox for SECAD (M)		
Implement Fraud Monitoring Solution		
Building High Performance Teams		
Digital Self Service		
Merchant Platform: Data Insights for Merchants		
Dedicated Bug Bait Team (M)		
Summer SECAD		
Merchant Platform: SMB Lending		
Partner OS™		
Merchant Migration		

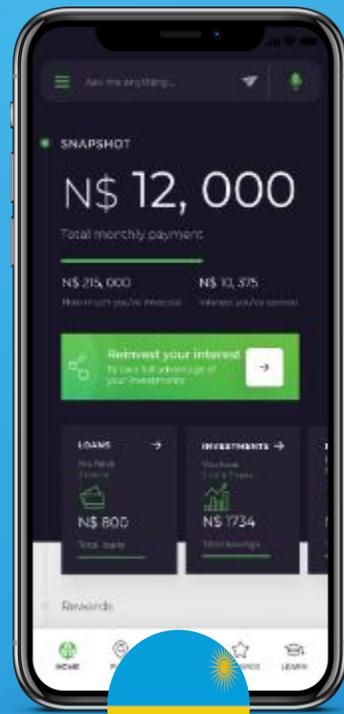
PMO formed common way of work



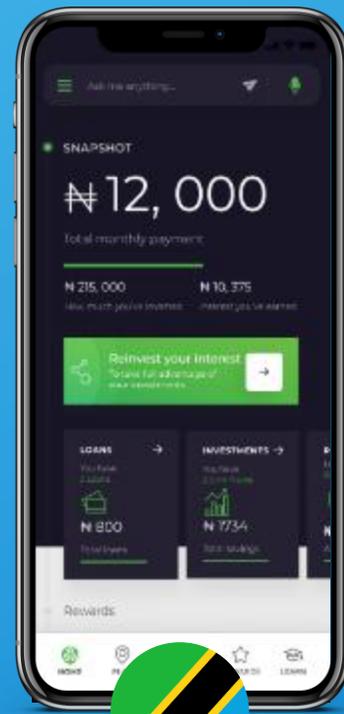
Alignment and transparency of what needs to be done, how it was prioritized. A common approach to how work arrived and tracked to delivery.



Uganda



Rwanda



Tanzania

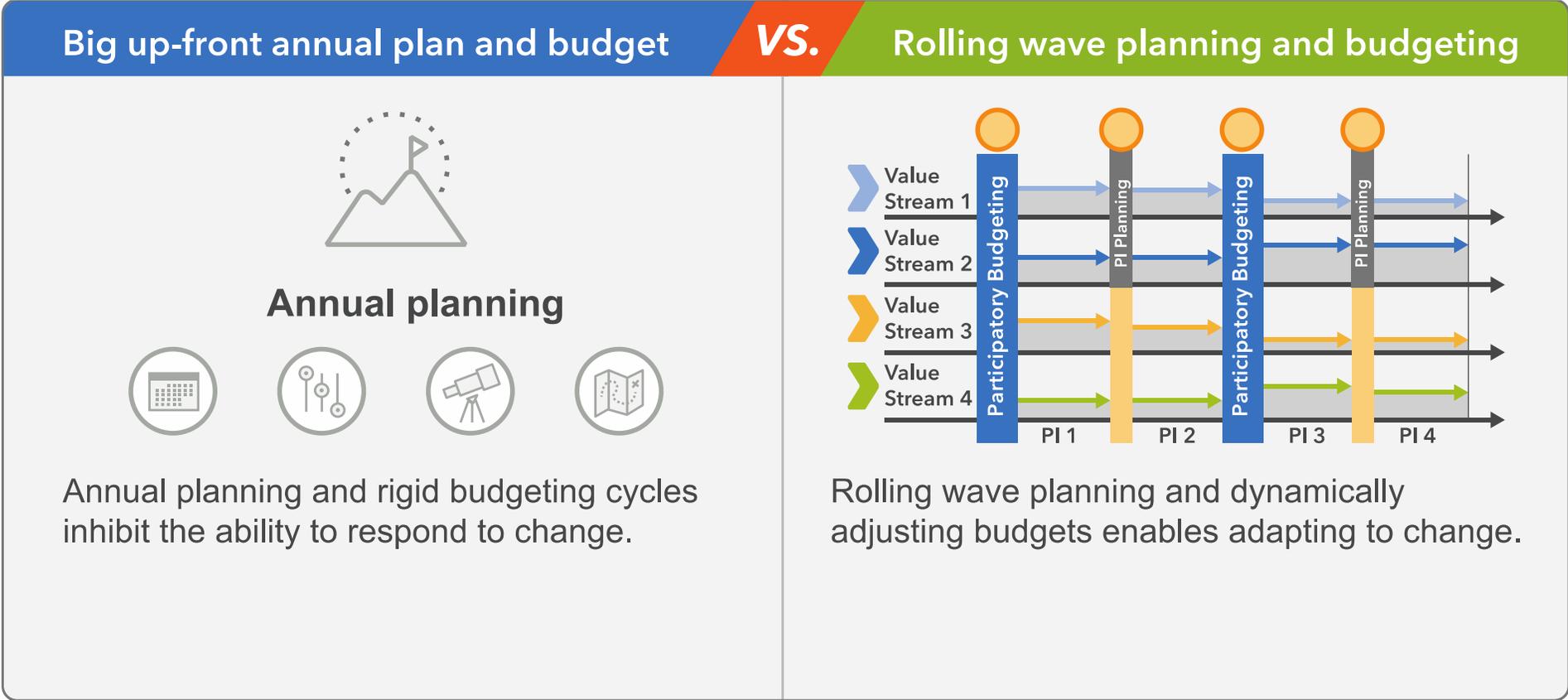


Malawi



Kenya

4 Allow for regular governance to achieve business agility



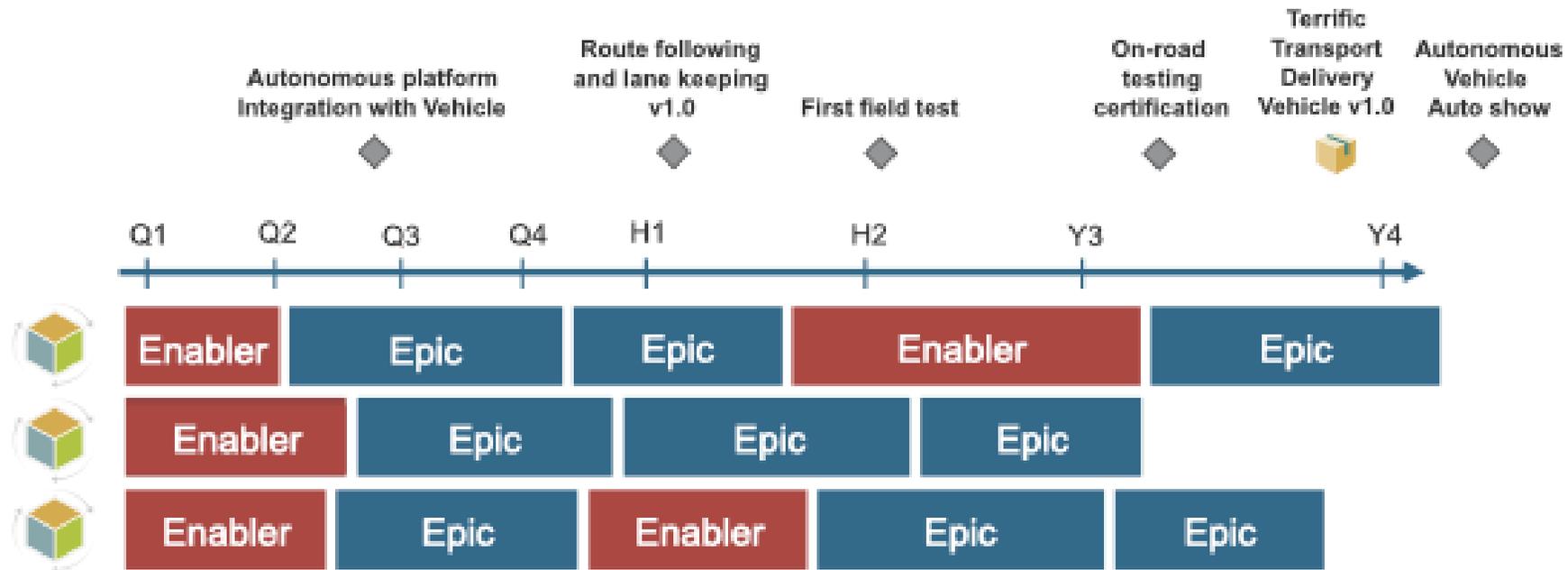
Benefit: Ensure that onerous governance does not hinder value delivery.



3. Strategy Aligned Planning

3 Strategy Alignment & Visibility

Portfolio Roadmap



An Enterprise may have a single portfolio or multiple portfolios



Small Enterprise



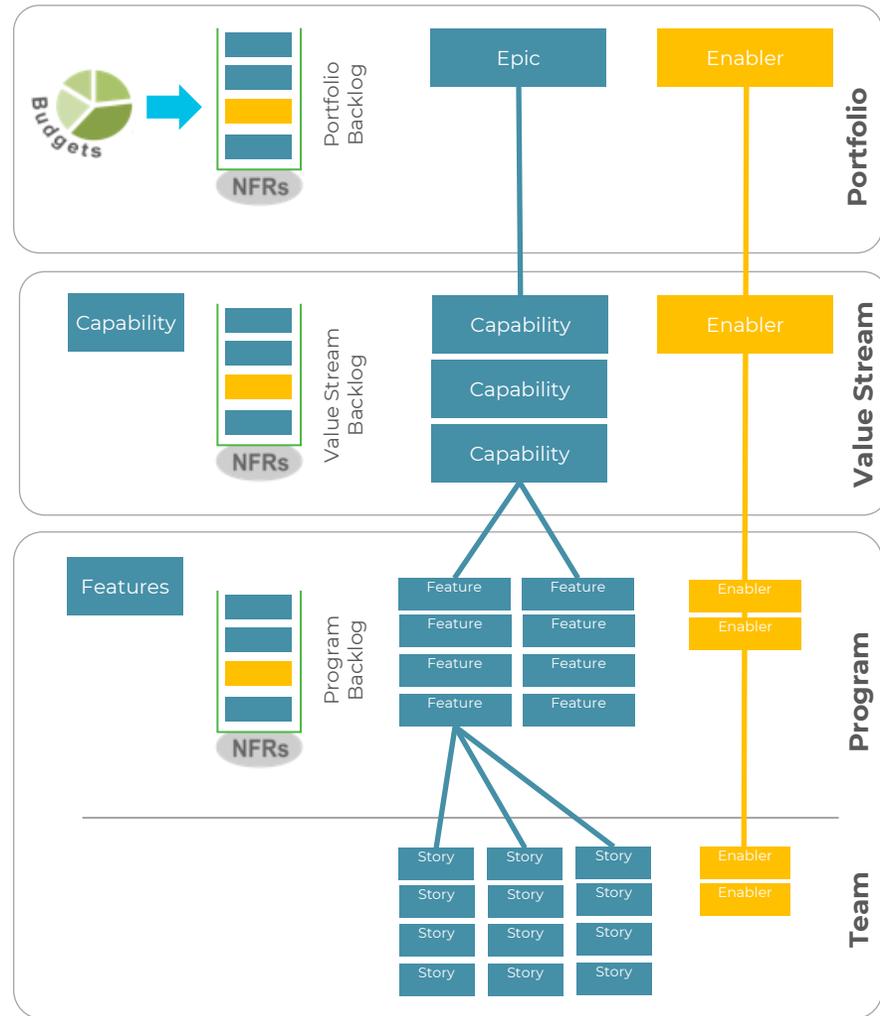
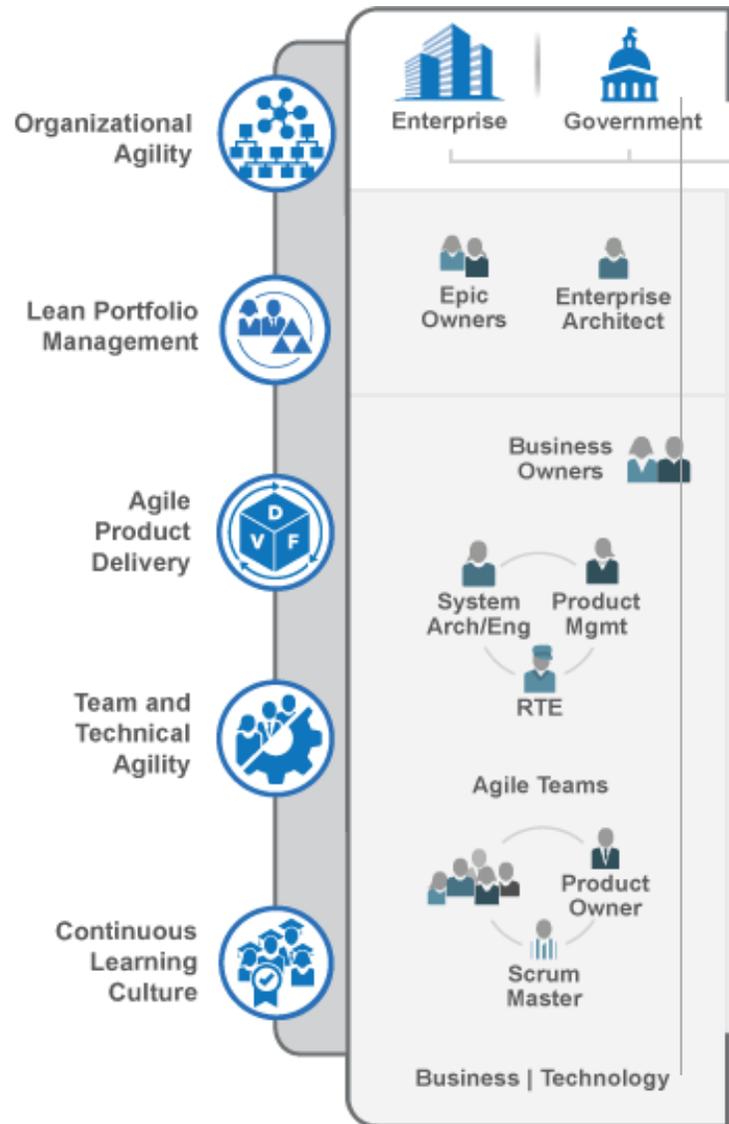
Single Portfolios



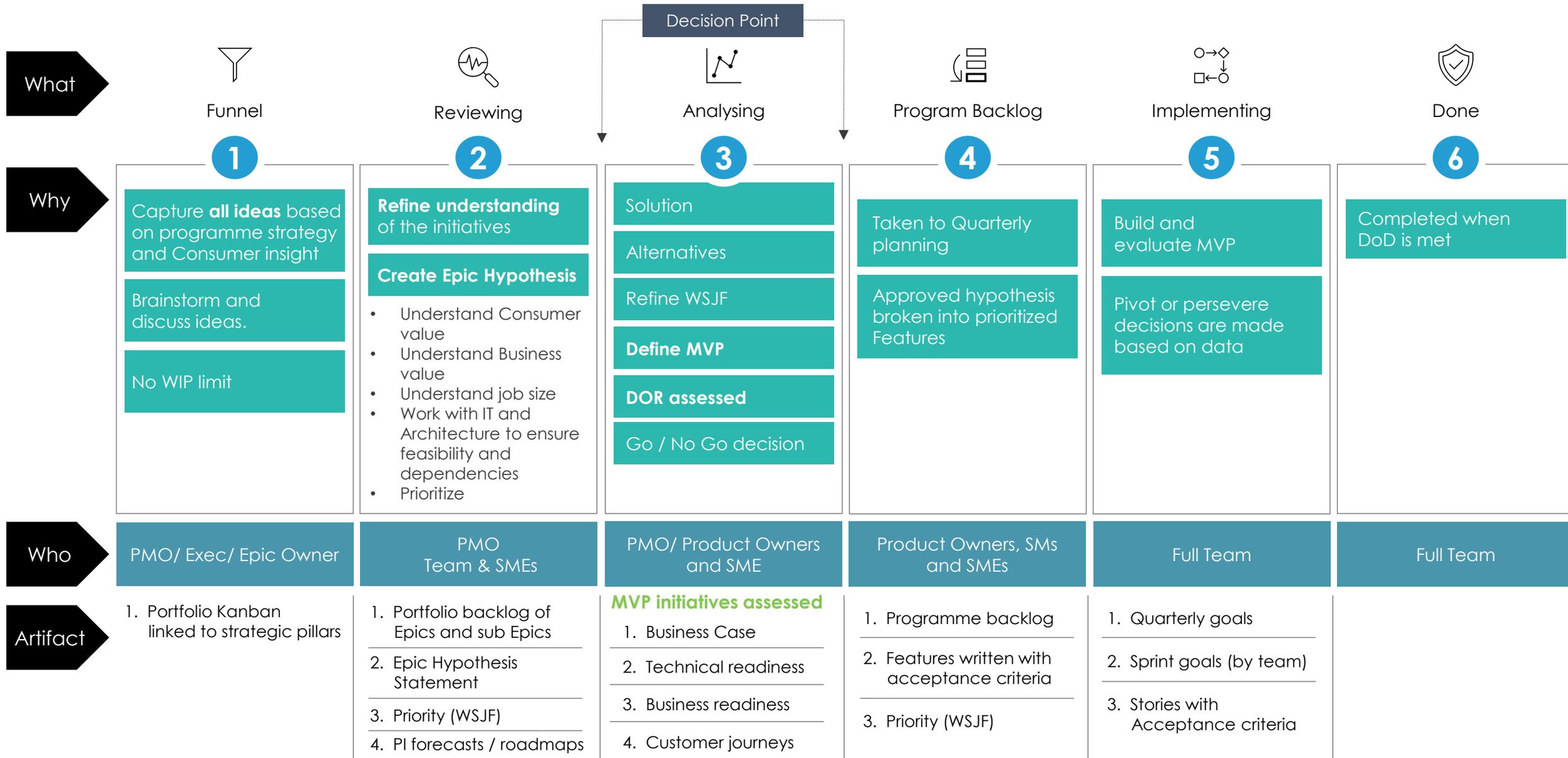
Large Enterprise



Multiple Portfolios



Strategy to Execution in 6 Steps – “The Artifacts”

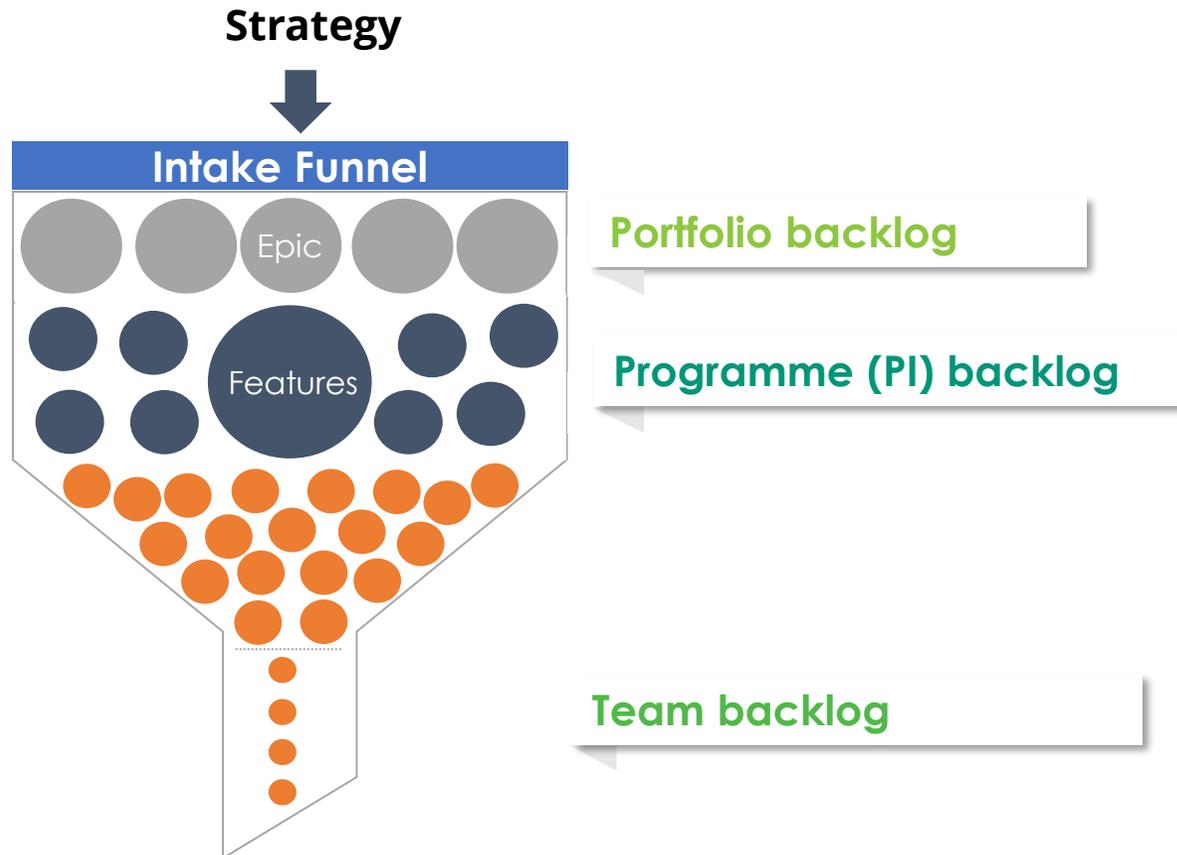


Strategy alignment: PI Planning

- All stakeholders face-to-face or on online
- Management sets the mission
- Requirements and design emerge
- Important stakeholder decisions are accelerated
- Teams create—and take responsibility for—plans



Continual Planning & Prioritisation

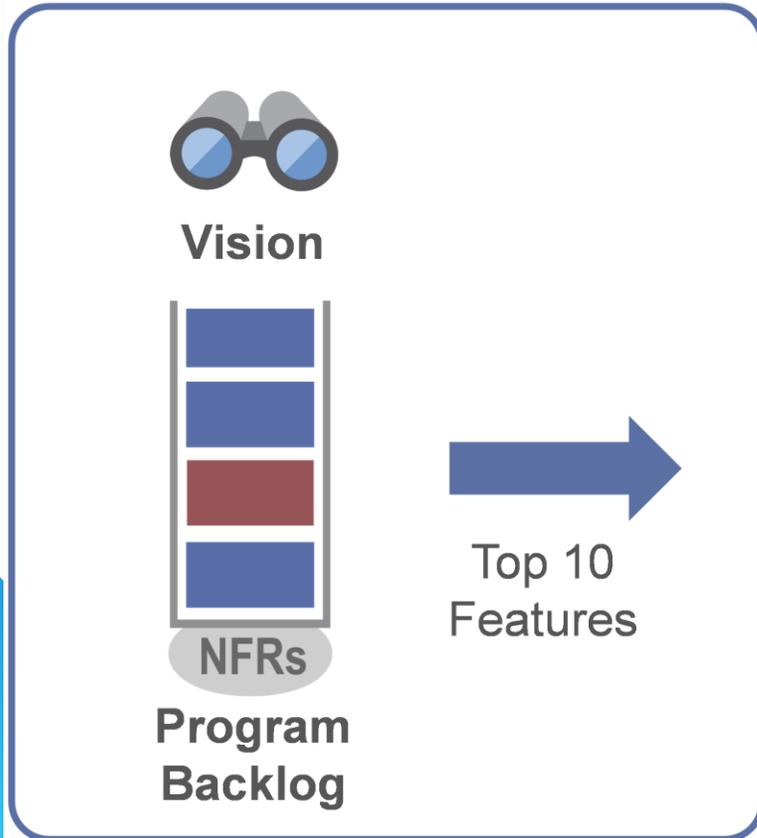


Definition of Ready:

1. Lean benefits case
2. Customer journeys mapped
3. Business process agreed
4. Tech readiness
5. Features written

Aligned prioritised planning

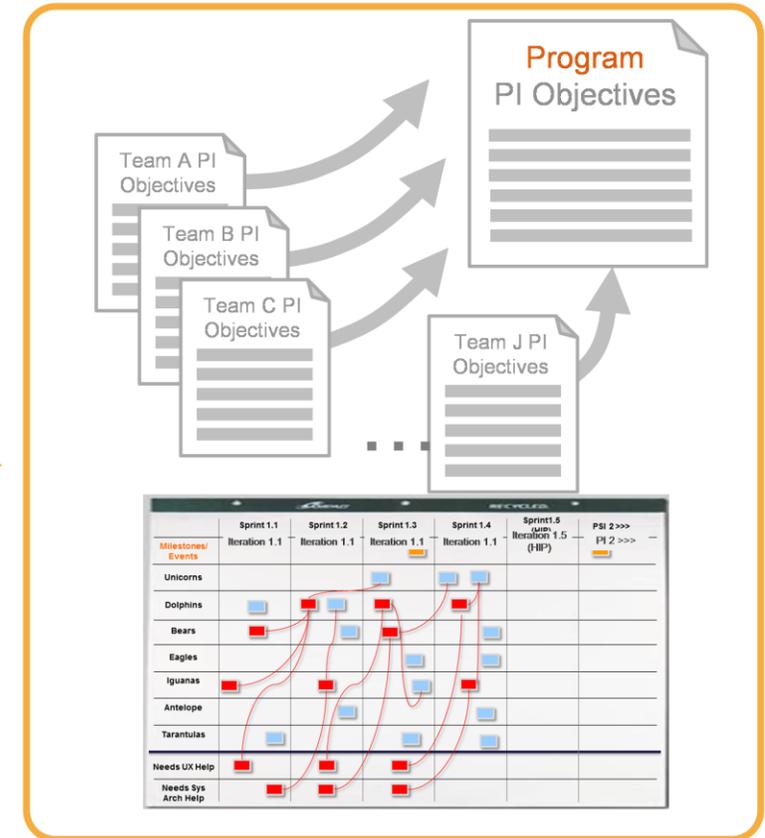
Input



Vision and top 10 Features



Output

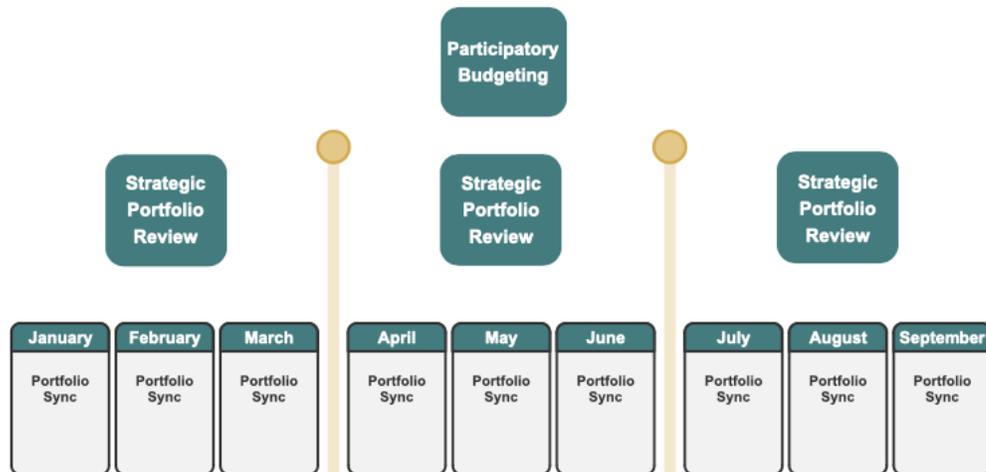


Team and Program PI Objectives and Program Board

PI Planning at BMW



Governance on a regular cadence



Purpose: *Assuring strategic alignment and portfolio health*

Purpose: *Advancing portfolio progress*

Strategic Portfolio Review	Portfolio Sync
Assess portfolio context	Review in-flight epics, evaluate MVPs and make decisions
Maintain portfolio vision	Advance epics through the Kanban system
Review and update strategic themes	Address blocks and impediments
Review investment horizons and other Lean budget guardrails	Address cross value stream coordination
Review portfolio metrics and KPIs	Collect portfolio metrics and value stream KPIs
Review portfolio roadmap	Update the portfolio roadmap

Benefit: Measure real progress frequently and pivot if required.



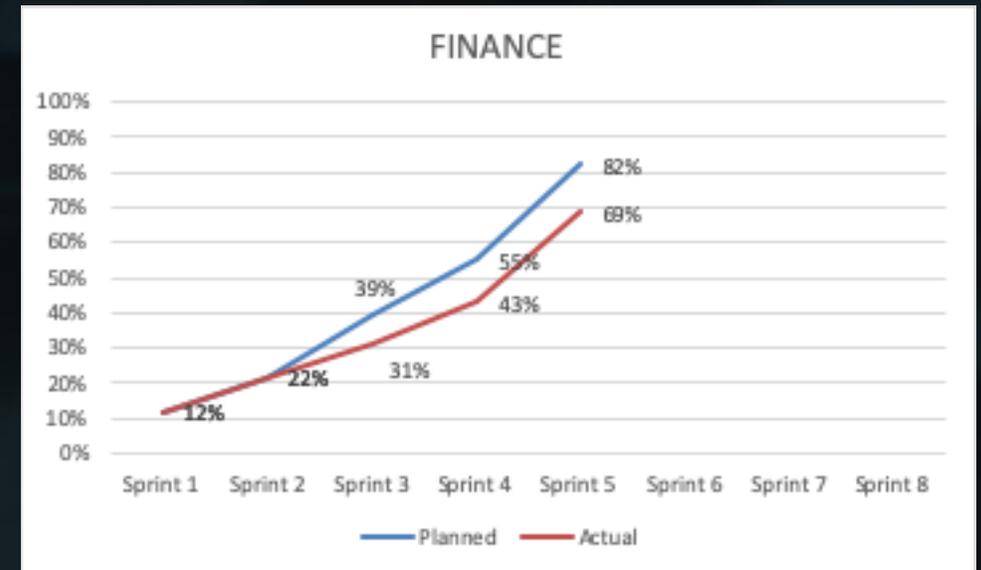
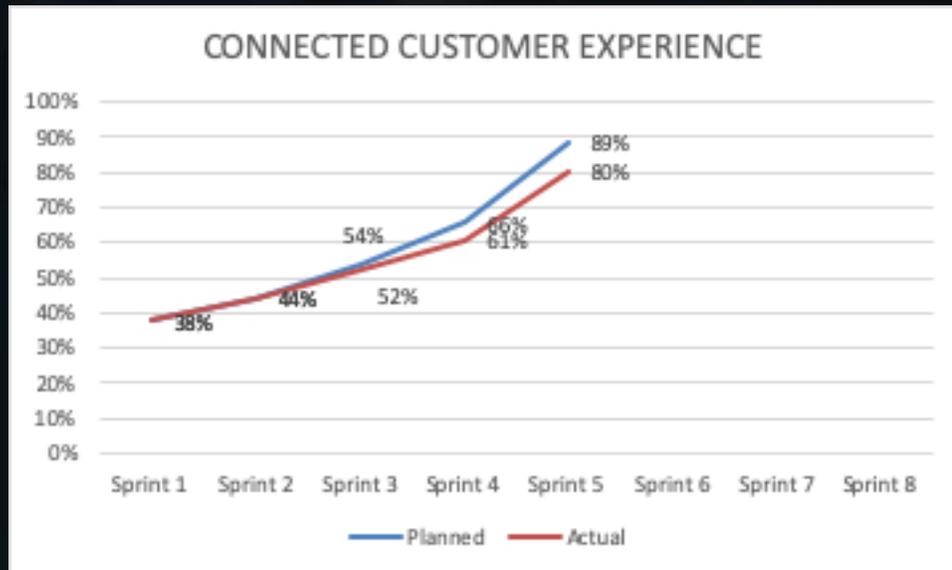
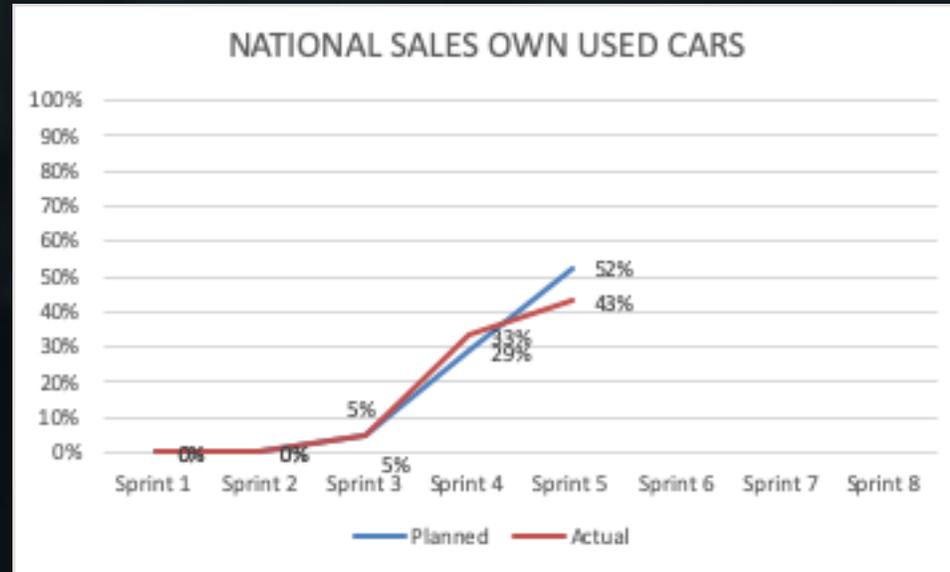
4. Governance Metrics and Demo



“Without data
you’re just
another person
with an opinion.”

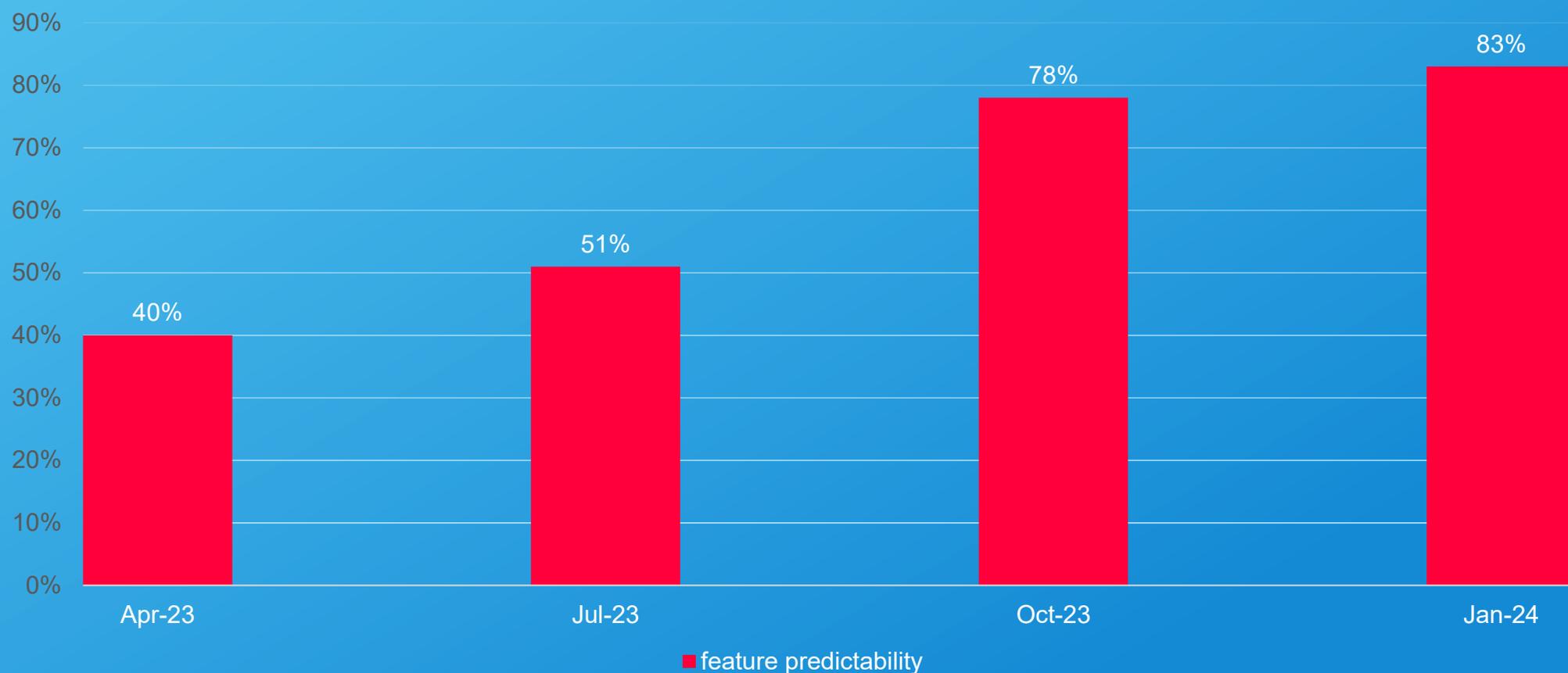
- W. Edwards Deming,
Data Scientist

REAL REPORTING...MAKE THE SUCCESS VISIBLE



Absa CIB: Risk & Data

Doubled value delivery to end users in 8 months



ADVISORY BOARD

4TH NOVEMBER 2019

AGENDA

1. Live Demo

4. Go Live Plan

2. M Festival
Customer feedback
Dealer feedback

5. Benchmarking

3. Project Status
Change
Training

6. KPIs

M FESTIVAL SUCCESS

Cars Sales



70

Test Drives



2,350

Attendance



25,000

M Hot Laps



2,500

App Downloads



7,100

M FESTIVAL

CUSTOMER FEEDBACK

I struggled to navigate when I wanted to change my options. I couldn't find the car I was looking for. But it's pretty cool otherwise.

I think it is great, it is really straightforward.

It is super easy and quick to use.

The steps were very clear and easy to understand, I had all the information I needed to proceed.



Extreme visibility & honesty

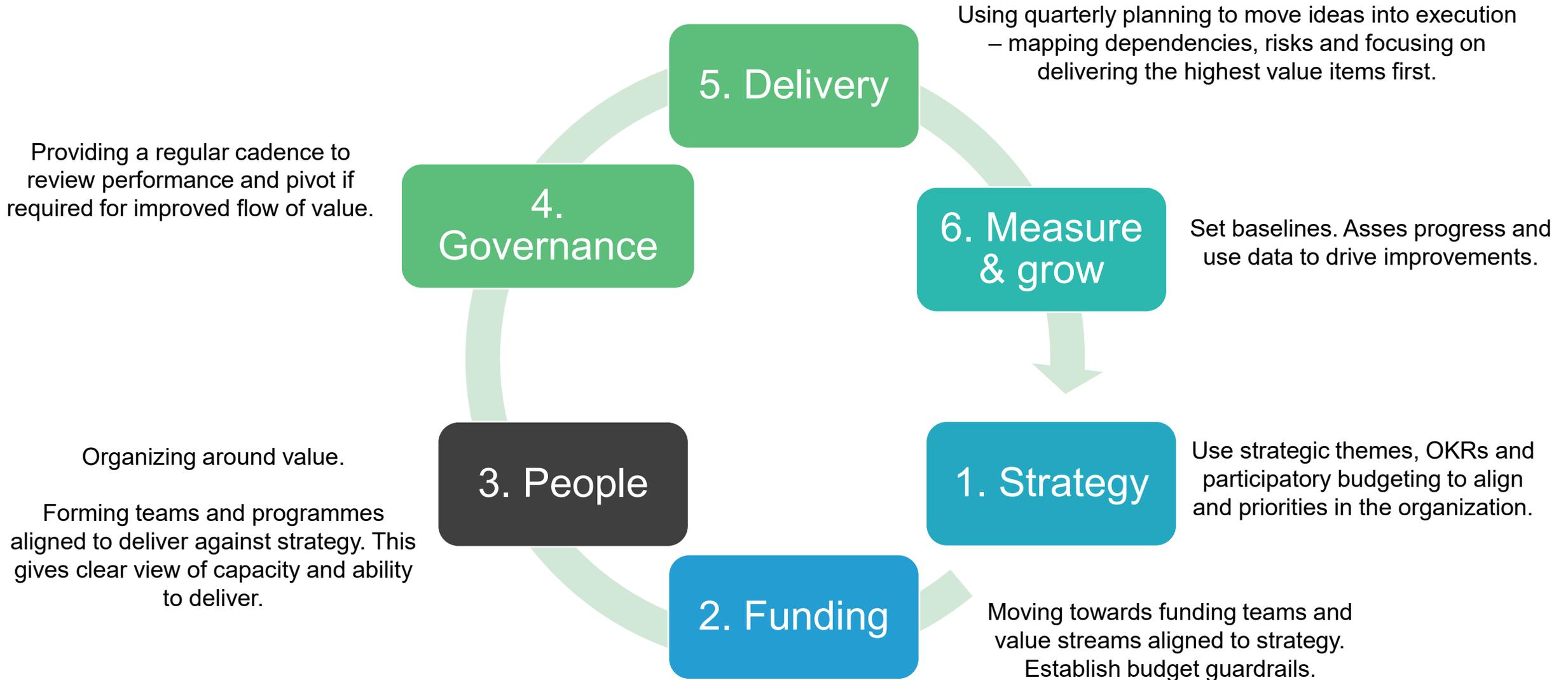
The Demo is everything!





WHAT NEXT?

Our approach to PMO of the Future





“ *You never change things by fighting the existing reality. To change something, build a new model that makes the old model obsolete.* **”**

—Buckminster Fuller

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Designation:

Enterprise Coach

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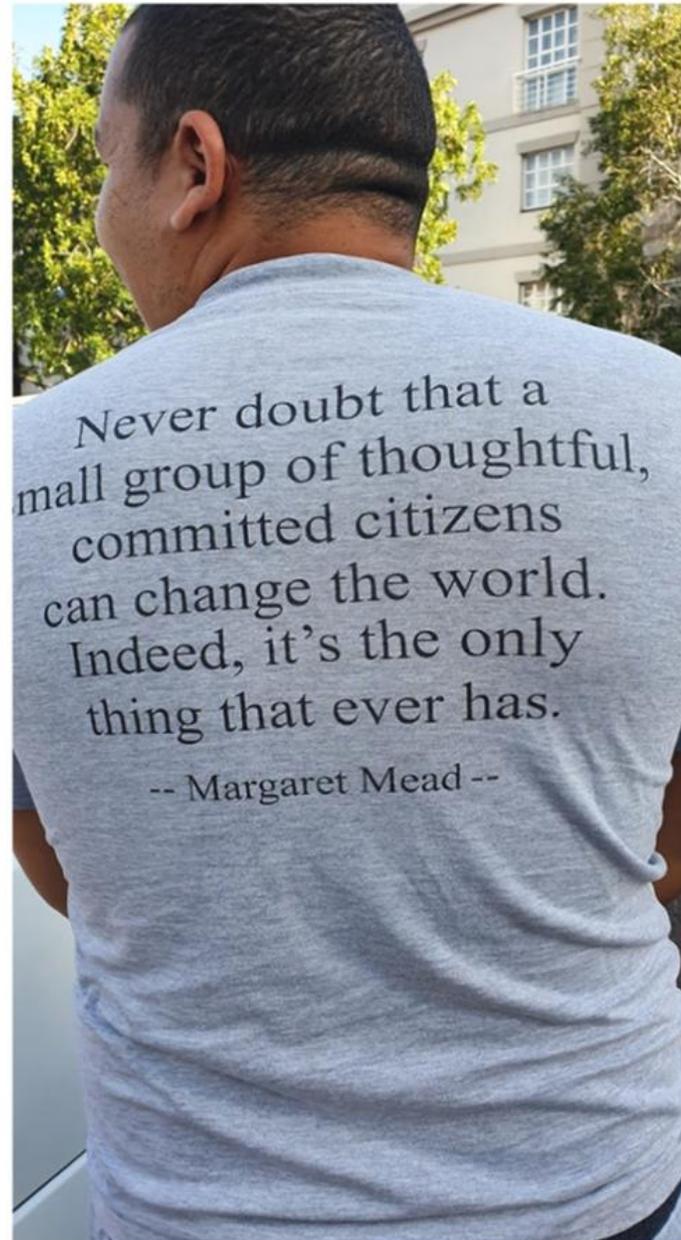
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Vanessa Martens

Business Agility Coach, SPCT

Candidate: create a better way of work

