

Your PMO at Hyper-speed: Accelerating Strategic Delivery and Transformation

5 Actions for PMOs to Shift into Hyper-speed



Lead or get out of the way

The choice facing many PMOs is just this stark. As a PMO leader, you are in a prime position to drive strategic outcomes by planning and managing today's complex, cross-organizational programs. However, many companies are trying to move at hyper-speed – and they won't wait for their PMOs to catch up.

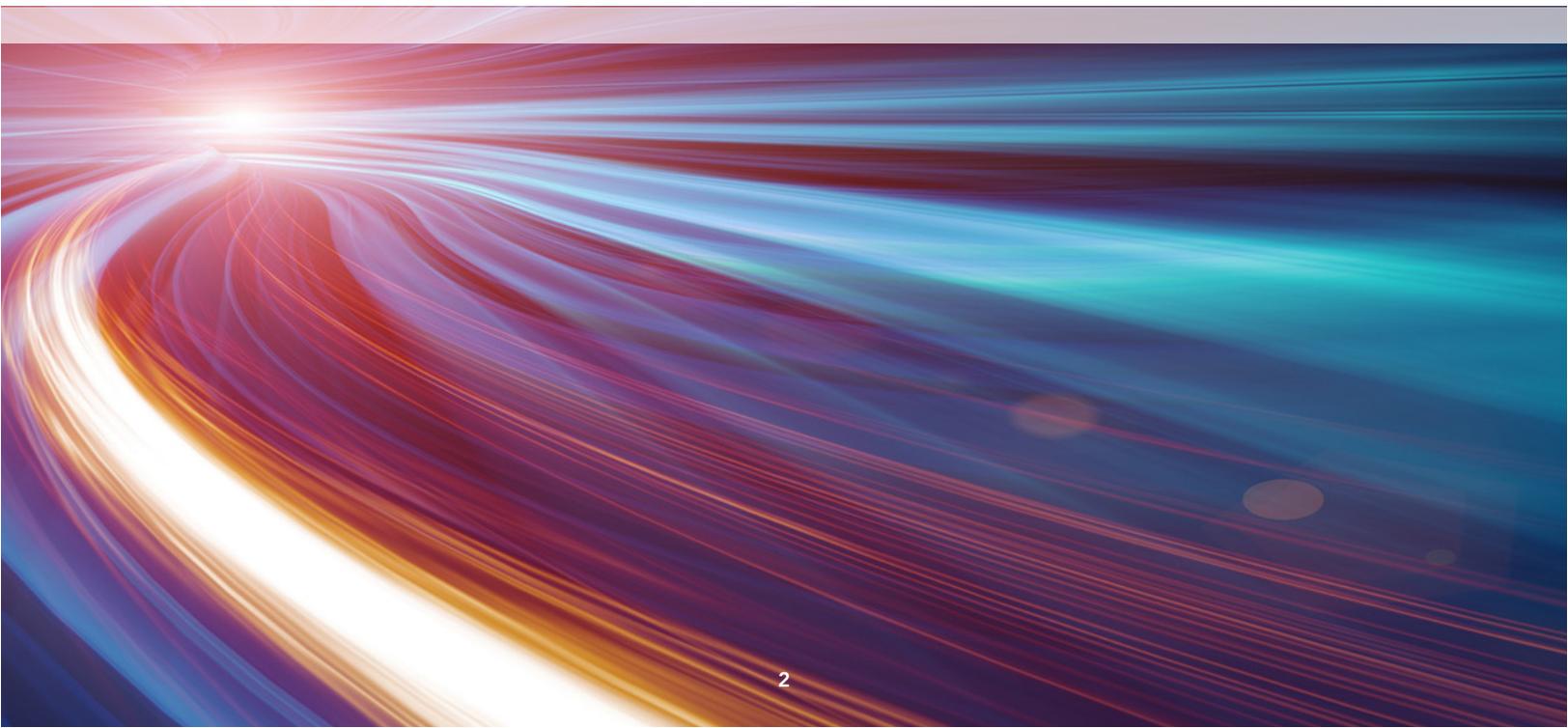
No wonder PMOs today are not always entirely sure of what they are supposed to become or what the business expects of them! Are you worried about being left behind? You should be.

Leaders are heavily engaged in the process to digitally transform every aspect of the business – focused on agility, flexibility, and innovation.

Many PMOs know they need to adapt their discipline to become a modern facilitator of strategy execution, yet this is not happening fast enough in practice. This seems to require rethinking the very things that made PMOs successful: structure, methodology, governance, and control.

The question is: ***How do you lead when everything is changing?*** Evolution is possible, but it requires re-evaluating your focus, the way you operate, and the value you deliver to the business.

This eBook outlines the current state of digital transformation and the PMO, what's holding the traditional PMO back, and five prescriptive recommendations. Don't be relegated to being an ineffective PMO – follow the recommendations to become an influential advisor and contributor to strategy and deliver value.



Digital Transformation Is Changing Everything

According to Forrester's 2017 [Global Business Technographics Priorities and Journey Survey](#), the top three priorities of CEOs are to grow revenue, enhance the experience of customers, and improve products and services. They are relying on digital transformation to deliver all this, and it's changing every segment of business.

To increase speed, agility, and innovation, leaders are altering business models and organizational structures. They are disrupting the strategy-to-execution-to-delivery process they have honed for years and are breaking down silos between departments.

These leaders are also instilling Lean and Agile principles and processes across their organizations. Work is increasingly being done by cross-functional teams that work in new ways. In the 2018 Harvard Business Review article "[Agile at Scale](#)," the authors write:

"Agile teams are best suited to innovation – that is, the profitable application of creativity to improve products and services, processes, or business models. They are small and multidisciplinary ... They place more value on adapting to change than on sticking to a plan, and they hold themselves accountable for outcomes (such as growth, profitability, and customer loyalty), not outputs (such as lines of code or number of new products)."

This is the antithesis of how PMOs traditionally approach their roles, maintaining the same rigid processes and standards to the point of being stuck in their ways. These are "[Zombie PMOs](#)," as defined by Gartner: "Possessed by a narrow focus on project schedule progress, PMOs fail to provide a more comprehensive portfolio view of resource allocations, expected value, and strategic alignment."

The unsettling effect is causing PMOs to fall behind, leaving their organizations to cope with the pressure.

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The Need for Speed Has Most PMOs Falling Behind

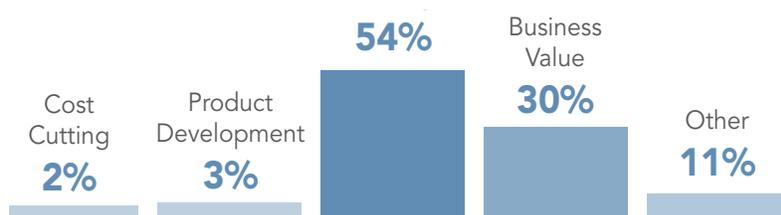
According to the Planview 2017 [Project and Portfolio Management Landscape](#) study, 59% of organizations have a transformation initiative in place. However, fewer than one-third of PMOs report that their primary goal is to create business value, and this is up from previous years. More than half said their number one goal is still delivering on time and on budget. In addition, 54% of organizations report that their projects and resources are not well aligned with business goals.

These results corroborate the ones published by PMI in its [2018 Pulse of the Profession](#) report. More than 6,000 PMO and project management professionals, along with about 500 senior executives, revealed that:

- Only 41% of organizations with an enterprise-wide project management office (EPMO) report that it is highly aligned to the organization's strategy
- Among low maturity organizations, only 56% of projects met their original goals/business intent
- Organizations that undervalue project management as a strategic competency for driving change report an average of 50% more of their projects failing outright

These why are PMOs not moving more quickly toward effective strategic delivery?

The Traditional PMOs Viewpoint: What is the primary goal of the PMO?



Trapped at Level 2 Maturity

PMOs are vulnerable, according to Gartner, because most are stuck at Level 2 on the analyst firm's [2018 ITScore PPM Maturity Model](#). They have moved from a reactive, ad-hoc project management approach to trying to execute via a single PPM methodology. However, the rigidity of this approach is preventing them from attaining Level 3, which is the "minimum maturity level required for long-term success and adaptability." This is where a more specialized, integrated, and optimized PPM practice is necessary.

Gartner advises leaders not to view this as a failure, because reaching and maintaining a high PPM maturity level is difficult, even at hyper-speed. Indeed, according to the Gartner report, [How to Avoid the 'Seven Deadly Sins' of a Level 2 PMO](#), the first deadly sin is failure to be agile and deliver value: "At that point {Level 2}, they've fixed all the things that were easy (establishing common practices) but find it difficult to make the shift to the more agile and enterprise-focused activities that Level 3 and digital demand."

Levels 4 (Effective Integration) and 5 (Effective Innovation) are rarified air, according to the Gartner ITScore PPM Maturity Model. Fewer than 35% of the companies assessed are at Level 4 and zero have achieved Level 5 – PMO nirvana.

The focus of the PMO should be on taking incremental steps to achieve a higher level of maturity, innovation, and attaining strategic success, but too many PMOs are mired in traditional, habitual ways of delivering projects. **How does your PMO line up?**

What's Holding the PMO Back?

In response to the pressure to innovate and remain competitive, more than 70% of the professionals surveyed for PMI's 2018 [Pulse of the Profession](#) report said they have become more agile over the last five years. If this is the case, why are they not delivering? Why are so many stuck at Level 2 maturity?

The reasons are varied, but big culprits are adhering to traditional planning processes, lack of data, and not being flexible and adaptable to hybrid ways of work in the organization.

According to Forrester's [Eight Steps To Optimize Strategic Portfolio Management](#), PMOs fail because they:

- **Assume a broadly understood vision and single strategy to achieve it:** Many PMOs are stuck in annual planning cycles, beholden to a static strategy and budget that is outdated almost as soon as it is published. In addition, they cannot successfully connect strategy with execution on the ground.
- **Lack insight to assess and quickly adjust to market change as well as seize new opportunities:** Many PMOs do not have the centralized data or capability to make informed,

timely investment decisions based on current business conditions and demands. They cannot accurately assess scenarios and trade-offs between alternatives, which inhibits flexibility and competitiveness.

- **Don't have timely feedback needed to course-correct:** Without a centralized system to collect and analyze real-time status and variables, many PMOs cannot determine if projects are delivering on strategy. They lack the data needed to fix issues. They cannot act swiftly to kill misguided or failing projects and products. Success is still tied to schedules and budgets.

In addition, PMOs are not doing enough to support the different types of projects in their organizations today and the ways teams are completing them, such as predictive, iterative, incremental, agile, and hybrid. PMOs that rarely or never consider using these approaches are less likely to meet project goals/business intent and deliver on time and on budget, according to PMI's 2018 [Pulse of the Profession](#) report.

It may seem daunting for PMOs to make the changes needed to help the business move at hyper-speed, but it can be done.

5 Actions for PMOs to Shift into Hyper-speed

Delivering on strategy at hyper-speed requires PMOs to fundamentally change their thinking, planning, and management. These five recommendations will help you increase your value to the business.

1

Evolve from Tactical to Strategic

Despite the desire for digital transformation, many organizations handle strategy the same way they've done for decades: Executives create an annual strategic plan and then hand it off to the organization, expecting some kind of trickle-down magic to happen. PMOs are asked to just make it work by operationalizing the plan and managing execution to deliver projects on time and on budget.

With the pressures of hyper-speed and need for agility, how do PMOs break out of this stagnant pattern? Here's what to do after you receive the annual plan – or any kind of project portfolio proposal.

Be Proactive and Elevate Planning

With the strategic plan in hand, resist the temptation to go into execution mode. Delivering on time and on budget is no longer enough. Also, doing a great job executing the wrong projects will increase the perception of the PMO as out of touch.

It's critical to first understand the big picture. Ask questions to learn more about the strategy: What business results is the organization trying to achieve? Are the initiatives outlined in the plan the best way to accomplish these objectives? What

are the outcomes needed? How can projects, programs, and portfolios deliver these outcomes?

If proposed projects do not tie into the company's strategic goals, you should exercise the right to make your case to the decision makers and stakeholders with data-backed information. Helping to define the right outcomes needed to deliver business results will raise your influence and effectiveness.

Next, you can determine prioritization, funding, and staffing across portfolios.

Collaborate with the Right Stakeholders

PMOs cannot elevate planning without working with a broader set of leaders from across the organization. Engaging with key stakeholders from day one will help you better understand the big picture and what success looks like. Forrester advises:

“Getting the requisite business and technology stakeholders together to view planned portfolios provides immediate cross-functional feedback, gains buy-in, and identifies dependencies and constraints before you begin to execute. This provides a forum to clarify key success factors, value-based metrics, and risks — and creates alignment quickly.” ([Eight Steps To Optimize Strategic Portfolio Management](#))

2 Focus on Portfolios, Not Projects

To move at hyper-speed, PMOs must stop defaulting to projects as the focal point of the discipline. The complex nature of digital transformation initiatives – involving an extraordinary level of coordination between strategy, work, people, technology, and outcomes – requires shifting to a portfolio management approach.

Today’s virtual, multi-disciplinary teams are already working beyond projects to develop new, interconnected products, services, and customer experiences. They must focus on dependent variables such as technologies, services, locations, applications, and other essentials – often concurrently.

Portfolio management enables you to plan and execute at this scale, coordinating delivery of a broad set of outcomes to achieve strategic

objectives. To translate strategy into execution on an organization-wide, cross-functional basis requires integrated, dynamic roadmaps. Ideally, these roadmaps are interconnected and drive data into strategic dashboards that teams can view and update with the latest information.

With this approach, you can drive the strategic plan while balancing against day-to-day realities. You’ll have up-to-date visualizations of objectives, status, and dependencies across portfolios – integrating strategy, capability, applications, programs, and projects. With this information and analysis, you can accelerate strategy delivery by monitoring performance, measuring progress, helping leaders make more informed investment decisions, and facilitating transformational change.

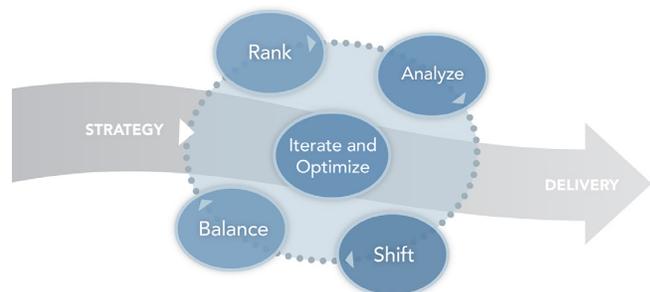
The key is the ability to plan continuously.

3 Employ Continuous Portfolio Planning

Going beyond annual planning, PMOs must have the agility to plan quarterly, monthly, and even weekly. Yet, even this is not enough. As priorities change, conditions fluctuate, and new opportunities arise, you’ll need to remain flexible. This requires constantly iterating, revisiting your assumptions, and adjusting your plans.

A continuous planning process lets you pivot and quickly shift priorities based on new information, ensuring that you are delivering value to the business while considering capacity constraints. The ability to create what-if scenarios fast is critical for modeling the allocation of resources and funding across potential investments and initiatives. By comparing trade-offs and enabling stakeholders to make informed decisions, you can move forward with an optimized plan.

To execute dynamically, you must continually reassess based on the needs of the business and information derived from across the enterprise. Your roadmaps capture the necessary data so that you can react as priorities shift. This helps ensure that people, money, and technologies are always focused on the right work that will deliver the strategy. Rank, shift, and balance resource capacity and continually iterate with a real-time view into both future demand and in-flight work.



Continuous Planning at Speed

Make conscientious decisions about what to deliver – balance what should be delivered based on what can be delivered.

4 Facilitate Different Work Types

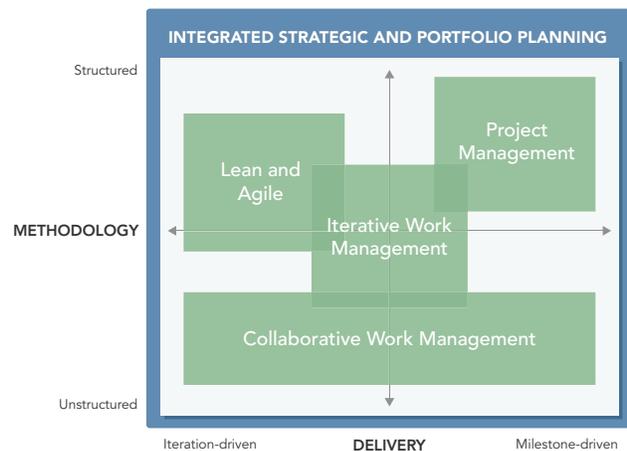
Your role includes empowering teams to do what they do best. PPM traditionally focuses on projects, but this represents only a slice of the work currently being done in any enterprise. Digital transformation is propagating a variety of work methodologies in today's organizations, including traditional projects, hybrid or iterative, Lean and Agile, SCRUM, and collaborative.

PMI's 2018 *Pulse of the Profession* report states that these methodologies are "the future of value delivery." According to their research, PMOs that frequently use these approaches are much more likely to meet business goals and complete projects on time and on budget. In addition, high-performing companies are more skilled at choosing the right approach for their requirements.

It's critical to incorporate all these work types into a portfolio-level view to deliver the strategic objectives and track financial investments. Instead of adherence to a set methodology, you must advocate for the right work type for the outcome that needs to be delivered. In turn, this will help you understand how all the different work methodologies are impacting the organization and its strategic objectives.

The largest part of any organization's work portfolio is often unstructured and collaborative. This includes the non-governed work, such as day-to-day meetings, tasks, communications, and other actions that run companies. This

Driving Work Transformation with Planview



work does not necessarily need to be governed in a portfolio and is a great flexible approach to getting things done. However, unstructured work can put delivery at risk by drawing resources away from priority projects. Also, if their work is not tied to clear directives and plans, employees may be unintentionally doing tasks that do not support – or worse, work against – the company's objectives.

As teams work more collaboratively, tapping into this unstructured work can provide an extremely valuable, end-to-end view of who's doing what, when, and why. This will enable you to better connect strategy to execution on an ongoing basis and ensure that teams are on track, regardless of how they deliver the work.

5 Improve and Increase Data Insights

The common denominator for operating at hyper-speed is access to data – lots of it. You must have a command view of the state of the portfolio, with visibility into performance that spans strategy, initiatives, programs, projects, products, and resources. To plan and make strategic decisions, you need the ability to see and analyze trends and interdependencies on an organization-wide basis.

The right data will enable you to evaluate growth and innovation investments, compare trade-offs between proposed decisions, and prioritize initiatives while considering resource capacity across departments. To build optimal program roadmaps and manage them, you should have information to define top-down timeframes and financials, then adjust based on bottom-up work forecasts and actuals.

To course-correct on the fly, you must know the real-time status of what is tied to delivery outcomes. To identify issues and manage against KPIs, you must be able to visualize, share, and investigate portfolio performance.

Forrester states that the key portfolio elements are frequency, context, and automation: “Firms must institute consistent portfolio reviews and incorporate clear, traceable feedback loops to provide continual information. Using automated data collection, key performance indicators (KPIs) must show the relationship between value, capacity, and time-to-market.” ([*Eight Steps To Optimize Strategic Portfolio Management*](#))

The PMO at Full Tilt

So, are PMOs in jeopardy of being disbanded or marginalized? Good news – the answer is an unequivocal “no.” In fact, PMOs are in better position than ever before to deliver programs, drive digital transformation, and fuel growth strategies while working at hyper-speed.

The transition necessitates a shift from “inside out” methodology-focused

thinking, to connecting strategy with execution to deliver business results. You must understand the requirements of both your internal and external customers, including how you can support and optimize the different ways people and teams are working in your organization. You also must prioritize portfolio management over just project management and employ continuous planning with automated data collection.

Technology Facilitates Hyper-speed via the Hybrid Portfolio of Work

A PMO moving at hyper-speed requires coordinated knowledge into the technology, applications, and any other resources that run the business, along with the people and capabilities, to accelerate the organization’s velocity and effectively deliver strategy. The right solution should integrate planning, work, and resources into a common portfolio across the enterprise. This provides the insight needed to understand all the interdependencies of your company’s complex, cross-departmental initiatives.

With these analytics fed by real-time updates, you can use the solution to successfully connect strategy to delivery and enable planning agility. You should also have the flexibility to configure it to your organization’s needs, enabling you to approach work based on the type of work done by different teams, and grow with your PMO as your needs evolve.

Planview Solutions for PMOs at Hyper-speed

Planview is a technology software partner that can help you operationalize your strategy and do integrated planning at the portfolio-level. Our work and resource management solutions support all the ways your teams are executing work, ultimately connecting those strategic work dimensions and providing unique visibility into your strategy and delivery.

Using Planview software, you can orchestrate all work and resources dynamically throughout the enterprise by integrating portfolios across the right projects, programs, people, products, technology, and capabilities, all within an intuitive, unified user experience.

Strategy: Translate strategy on an organization-wide, cross-functional scale with roadmaps and financials

Demand: Collect and evaluate demand across the enterprise from unstructured ideas to formal requests, all in one place

Planning: Plan portfolios, optimize resources, and advance business capabilities to operationalize the strategic roadmap

Execution: Manage and execute all types of work; efficiently and effectively leverage people, teams, and technology

Outcomes: Coordinate delivery and benefits realized from the products, services, and other outcomes that achieve strategic objectives

Team Collaboration: Bring teams together to get the work done, no matter how they work

Analytics and Reporting: Shift priorities as metrics are evaluated and initiatives evolve, and provide C-level performance visibility and governance to make informed decisions every step of the way

For more information, go to [Planview.info/HyperSpeed](https://planview.info/HyperSpeed)

