

How is a PMO more than a PMO?



Executive Round Table

3 Qtr 2017



Agenda



- 11:00-11:05 Introductions and overview
- 11:05-11:15 The challenge
- 11:15-11:50 Facilitated discussion (5 questions)
- 11:50-11:55 Closing comments & next steps
- 11:55-12:00 Call to action & wrap up

Agenda



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Background to the Challenge

Outcome / Results Focus

“Benefit Realization Management”



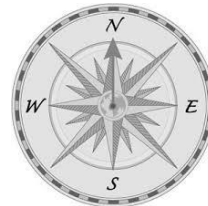
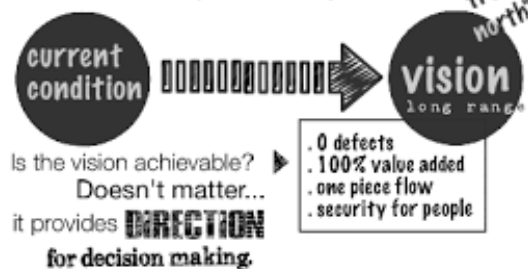
Level 1 Reactive	Level 2 Emerging Discipline	Level 3 Initial Integration	Level 4 Effective Integration	Level 5 Effective Innovation
All internal processes are centered on the management of critical projects	Project processes are standardized	Specialized PPM leader roles are formalized	Centers of competency improve workload management	Change operations provide a constant stream of mini-projects
Projects have budgetary estimates	PMO(s) are established	Cross-functional groups are easily formed, and collaboration is the norm	The portfolio is modeled and appropriately optimized, factoring in risk	Rapid strategy execution is the focus of enterprise programs
No formal management tools	Projects are aligned with strategy	Programs increasingly are managed in-house	Multiple methods exist and are used by all PPMs	Change management and communications are core capabilities of the EPMMO
Projects and programs are prioritized	Projects and programs are prioritized	Career paths are defined	Benefit realization is being tracked	

L4 - “Effective Integration” (Benefit Realization)

Hoshin Kanri – Japanese ~ “Direction (compass) Management”



Toyota's Vision for its production operations



How to Head True North



Background to the Challenge



“At a time when the 2016 Pulse of the Profession® report indicates that project results are not only failing to improve, but may even be deteriorating, there is a clear need to help answer that question for executives.”

Despite all the guidance and tools, we are seeing deterioration...

The slide titled "Background to the Challenge" features a header with a PMI logo. Below the header, it lists several management frameworks: "Benefit Realization Management" with a PMI logo, "Gartner" with a line graph, "Hoshin Kanri – Japanese ~ 'Direction (compass) Management'" with a compass rose, and "Toyota's Vision" with a diagram showing the transition from "current condition" to "vision" (0 defects, 100% value added, one piece flow, security for people). On the right side, there is a diagram for "L4 - 'Effective Integration' (Benefit Realization)" showing a vertical stack of levels: Corporate (Strategic), Mid-Level (Tactical), and Plant Floor (Operational), with a blue arrow pointing down for "Goals & KPIS" and a green arrow pointing up for "Results". At the bottom right, there is a "How to Head True North" diagram with a compass rose and the Kaoppel Consulting logo.

Mark A. Langley
PMI President and CEO, 2016

Background to the Challenge



“We also see that organizations don’t know how to approach benefits realization management...”

“The process is hard, due to a lack of defined governance around benefits, unrealistic business cases, unverifiable benefits, and missing accountability for, and ownership of, benefits realization.”

Background to the Challenge

“Benefit Realization Management”

PMI
Project Management Institute

Gartner

L4 - “Effective Integration”
(Benefit Realization)

Hoshin Kanri – Japanese ~
“Direction (compass) Management”

Toyota's Vision
for it's production operations

current condition → vision

Is the vision achievable? Doesn't matter... it provides **DIRECTION** for decision making

0 defects
100% value added
one piece flow
safety for people

THE LEAN ENTERPRISE

Goals & KPIs

Corporate (Strategic)
Mid-Level (Tactical)
Plant Floor (Operational)

Results

How to Head True North

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Mark A. Langley
PMI President and CEO, 2016

Background to the Challenge



83%



Despite the proven value of benefits management, The PMI *Pulse* data reveals that a staggering 83 percent of organizations lack maturity with benefits realization.

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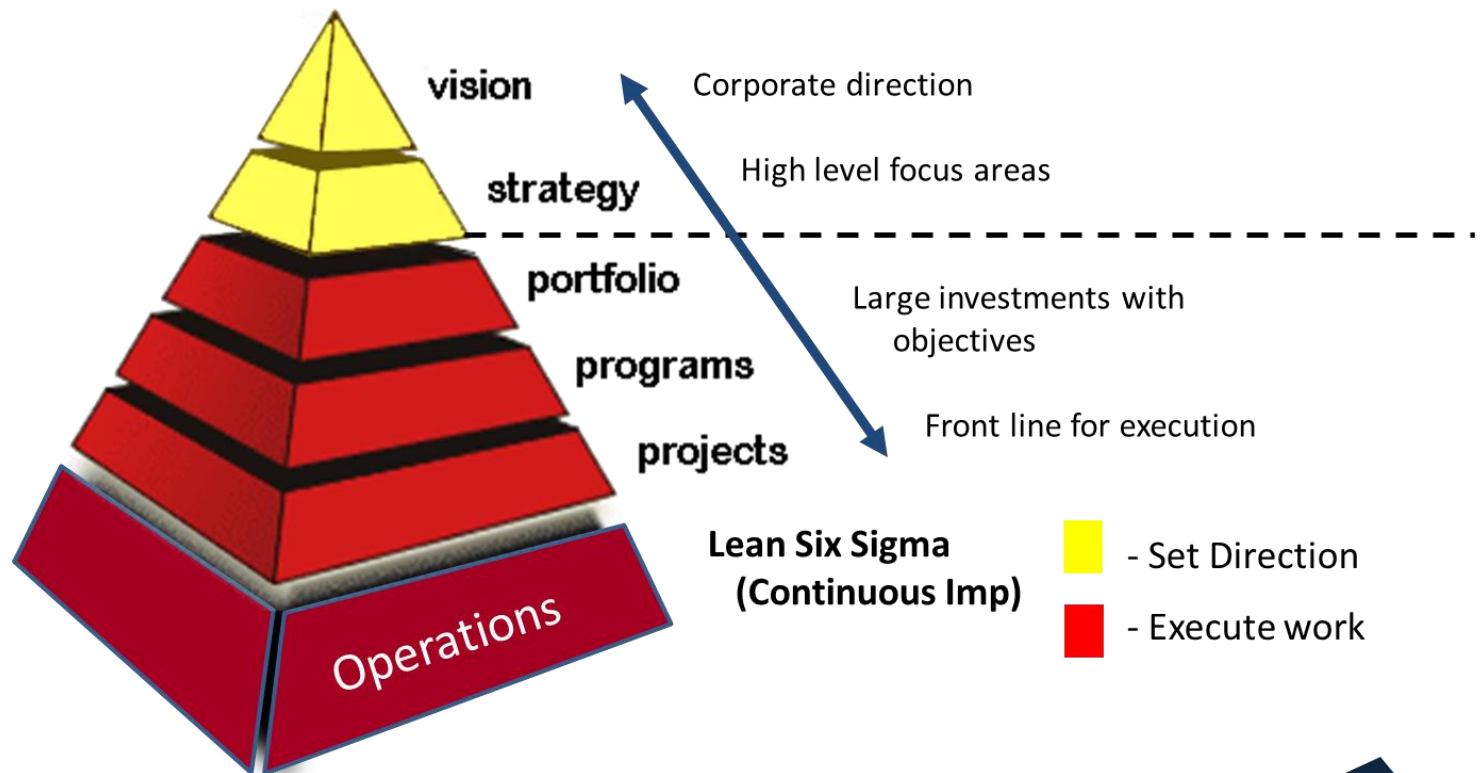
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Facilitated Question #1

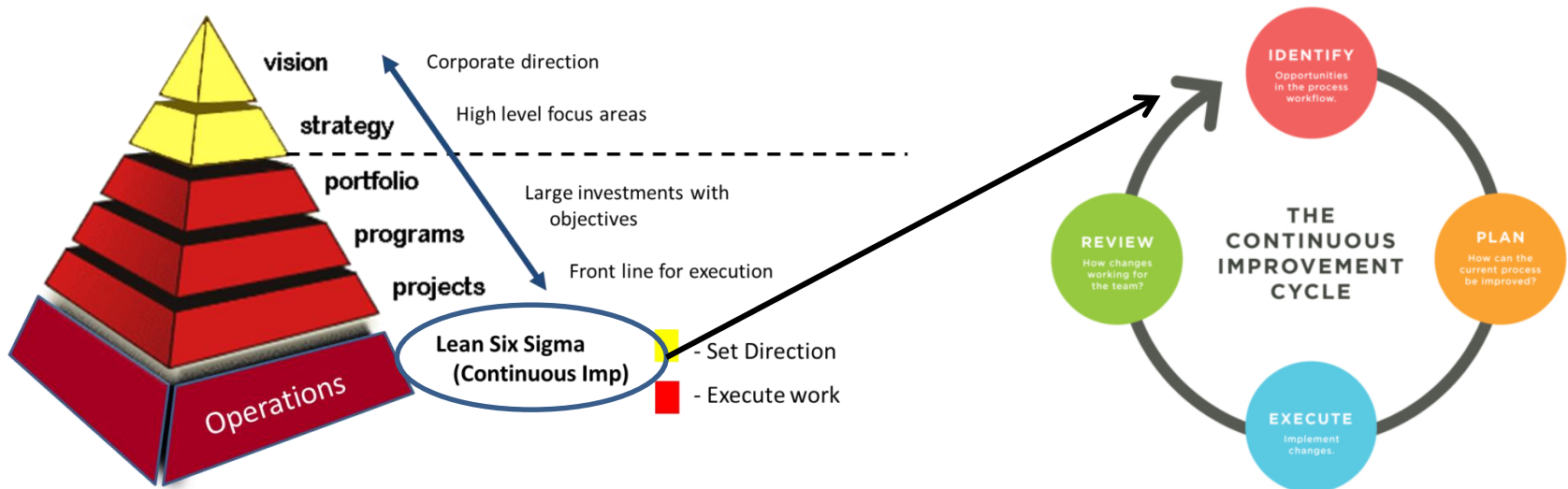
What level of benefits should a PMO manage and report? (Corp KPIs, BHAGs, Program Objectives, Project stats, ...?)





Facilitated Question #2

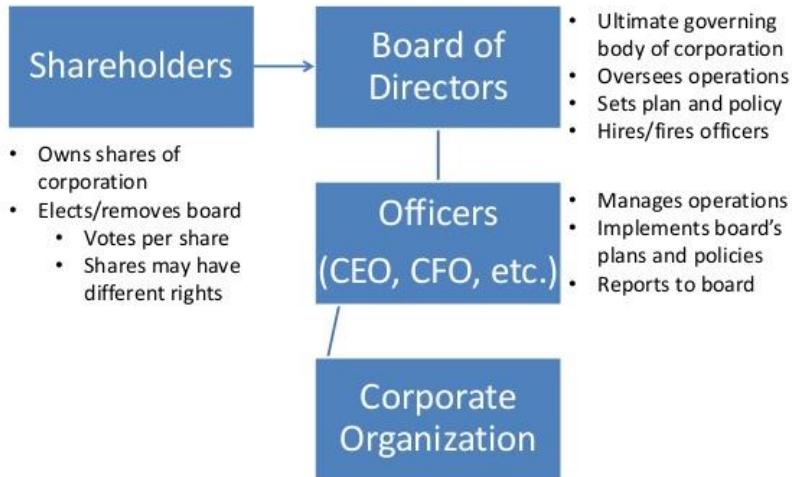
What level of interaction should a PMO have with Continuous Improvement?





Facilitated Question #3

What part of corporate planning / Reporting should a PMO play?





Facilitated Question #4

When should a PMO have the authority to stop a project? What % is expected to Stop?



“Good project management discipline stopped us from spending money on projects that fail,”
says Ron Kasabian, general manager at global IT giant



Facilitated Question #5

What makes your benefits management practice work well?



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Conclusions



COLLABORATION

“Bring more visibility to performance governance through collaboration.”

***A PMO is a Strategic Asset
Not a Tactical Delivery Model***

“Project management should be empowered to identify, approach, and fix as many areas as possible—including strategic ones”

PMI 2016 Pulse of Professional

- Identify requires monitoring strategies
- Fix require integration with Continuous Improvement
- PMOs work with Strategic Planning



Conclusions



COLLABORATION

“Sponsors are accountable for benefits, PMO collaborates to ensure benefit achievement”

***PMOs need
Strategic
Execution
Capabilities***

Organizations that successfully deliver on strategy have the right tools and processes in place to monitor and measure benefits.

PMI 2016 Pulse of Professional

- Benefit Bank type of process and tools.
- Monthly monitoring for transparency to benefits
- Traceability of benefits to accountable business owners

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Call to Action

What three things can you do tomorrow?

1)

2)

3)