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PMO's and PROJECT MANAGERS

THREE OPPORTUNITIES TO LEAD IN A DISRUTIVE WORLD

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BUILDING NATIONS

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Director Star Alliance PMO & Change Management, Frankfurt Germany

2017 Hamdan bin Mohammed Innovation PMO Award

2018 PMI's June *Network* magazine and July's *Projectified* podcast on change management

2017 IIL's International Project Day and Germany's 1st PMI joint conference

DISRUPTION CREATES OPPORTUNITIES

1. Bridge the Strategy Execution Gap

2. Mature Value Delivery Methods

3. Lead the "People-Side" of Change Management

STRATEGY EXECUTION GAP

"Vision without execution is hallucination" Value only come through execution

Execution is the difference between leader vs. survival
- 75% of S&P 500 companies from 2012 will be replaced by 2027

CEO View [1]:
1. **20%** of **strategic** initiatives fail outright
2. 90% of senior executives say their organizations fail to reach all of their strategic goals
3. 2 out of 3 senior executives say problem is the inability to execute

PMI Sr. Exec & Project View [2]:
1. **28%** fail outright
2. 40 % **strategic** projects do not reach their goals

1. 2017 Brightline/ Economist Intelligent Unit
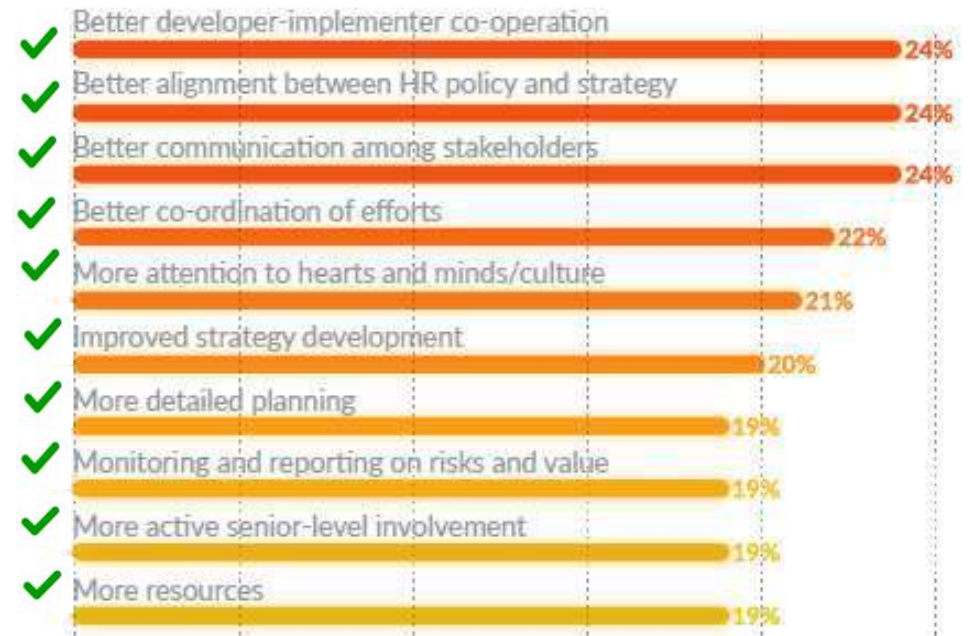2. 2017 PMI Pulse of the Profession

STRATEGIC EPMO

- Understand **strategic metrics**

- Value strategic outcomes via **smart selection and execution** over traditional success measures

- Engages, collaborates with **key strategy stakeholders**: HR, Finance, Legal, Procurement, etc..

- Maximize **throughput** over resource utilization
  - Manage DEMAND side (portfolio) and SUPPLY side (capacity utilization)

- Incorporates **agility**, **lean delivery** and speed to market

TOP WAYS TO IMPROVE STRATEGY ECXECUTION

✓ Better developer-implementer co-operation	24%
✓ Better alignment between HR policy and strategy	24%
✓ Better communication among stakeholders	24%
✓ Better co-ordination of efforts	22%
✓ More attention to hearts and minds/culture	21%
✓ Improved strategy development	20%
✓ More detailed planning	19%
✓ Monitoring and reporting on risks and value	19%
✓ More active senior-level involvement	19%
✓ More resources	19%

2017 Brightline/ Economist Intelligent Unit

SELECTING THE "RIGHT" PROJECTS

"There is nothing so useless as doing efficiently that which should not be done at all.
Doing the right thing is more important than doing the thing right" – Peter Drucker

Portfolio Management
1. maximum portfolio value
2. strategic alignment
3. limited work-in-progress
4. strategic balance

PMO's
- Only 48% of EPMO's and 39% of dept. PMO's perform portfolio management[1]
- 32% of all organizations do not have a PMO[1]

Project Managers
Incorporate expected strategic value into project planning & execution
- Directly links the project to strategy
- Increases team's sense of purpose, motivation
- Decisions remains aligned to strategic objectives

1. 2018 PMI Pulse of the Profession

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SELECTING THE "RIGHT" VALUE DELIVERY METHOD

Projects more complex with more unknowns
- Increasing: Customer expectations, Technology, Speed

A major shift in how the work is done, and the measures of success
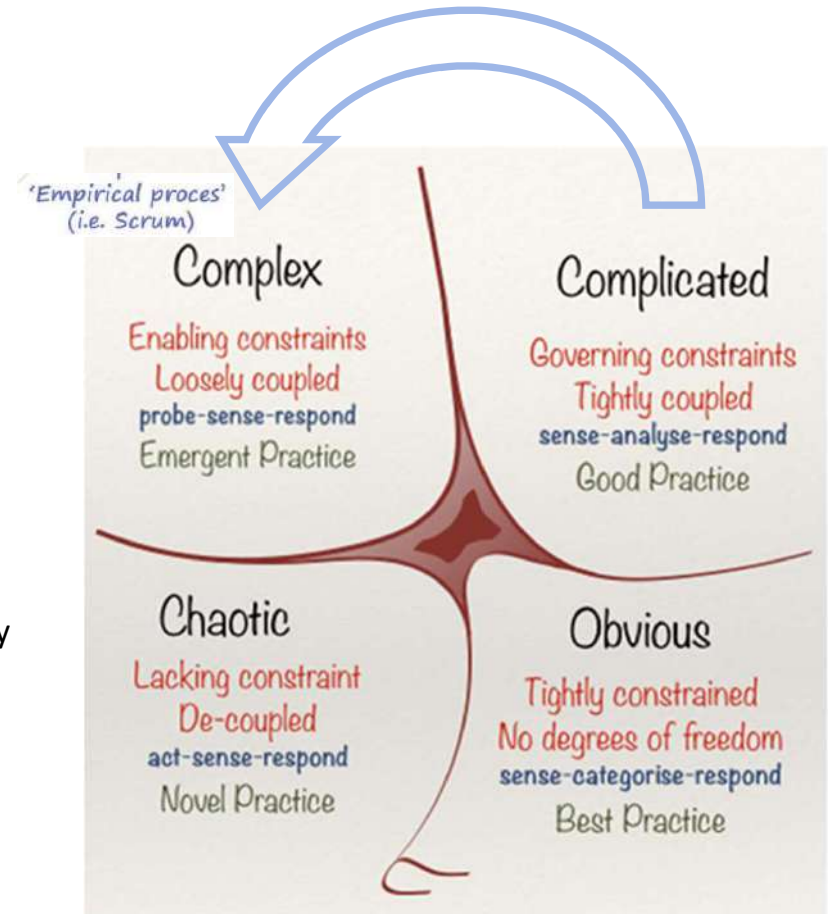
Many value delivery options:
- Waterfall, Scrum, DevOps, Kanban, Hybrid, etc.

"Right" = Ones best for project & organization goals

PMO opportunity
- Only **9%** of organizations rate themselves as very high level of maturity in value delivery [1]
- Less than 50% of all projects using predictive methods [1]

1. 2018 PMI Pulse of the profession

'Empirical proces'
(i.e. Scrum)

Complex
Enabling constraints
Loosely coupled
probe-sense-respond
Emergent Practice

Complicated
Governing constraints
Tightly coupled
sense-analyse-respond
Good Practice

Chaotic
Lacking constraint
De-coupled
act-sense-respond
Novel Practice

Obvious
Tightly constrained
No degrees of freedom
sense-categorise-respond
Best Practice

Cynefin framework

PMO's OPPORTUNITY (NECESSITY) TO ADAPT AND EVOLVE

2/3 of all PMO's have been affected by disruptive technologies [1]
- Only 30% have made adjustments

Methods:
- Project characteristics and goals, stage-gate phase, organizational **culture**
- Values and measure business outcomes over traditional measures (57% outcomes vs. 55% schedule [1])
- Build an value delivery ecosystem
- Star Alliance methods example: Lean-startup concept, Scrum MVP development

Executive Sponsorship:
- Biggest roadblock or enabler successful transformations [2]

PMO Teams: (key priority, attracting and retain talent)
- Provide clear, shared and compelling purpose
- Agile leadership
- Culture of experimenting & innovation - failure is only validated learning

1. 2018 PMI The next generation of PMO
2. 2018 McKinsey

PROJECT MANAGEMENT SKILLS FOR THE DIGITAL WORLD

Digital Overlay triangle:
- Technical Project Management
- Leadership
- Strategic and Business Management
- PMI

*Data science   *Innovative mind   *Security
*Regulatory   *Data-driven   *Collaboration

Soft skills for the agile world
- **Exceptional interpersonal skills**
- Entrepreneurial spirit, ultimate customer focused
- Embraces new technology
- Values matter: trust, openness, authenticity

Star Alliance: "Project Master"
- DevOps development team outsourced
- Development role
    - Core product development team
    - Scrum process owner and coach, sprint planning, communications, external **legacy** dependencies
- Operational role
    - Needed for complex change projects

1. 2018 PMI The Project Manager of the Future

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EFFECTIVE CHANGE MANAGEMENT DRIVES RESULTS

Projects increasingly require **people** to change

PMBOK change management primarily addresses project change, not people

Change management, like project management is a discipline
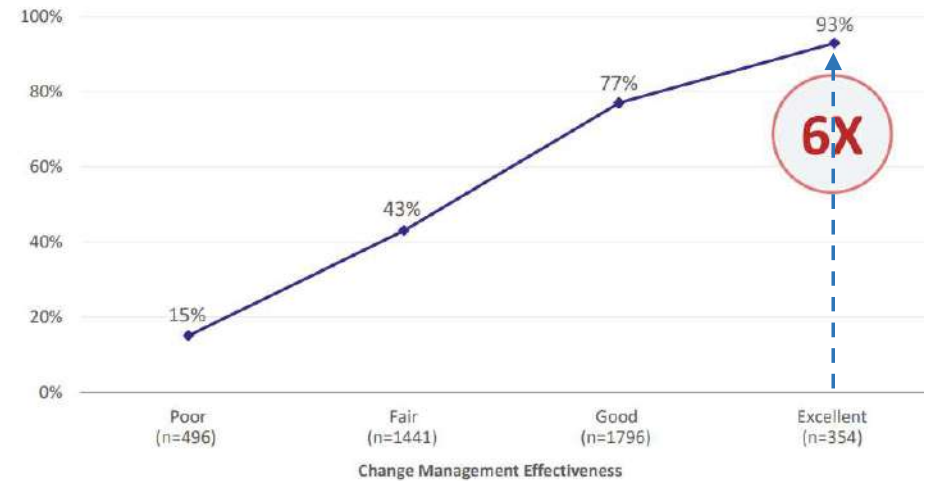- Getting people from the **current state** to the **future state**

PMO's and PMs often on the front line of change
- Nearly 50% of PMO are sole drivers or very involved [1]

PMO directors say the top 2 skills requested in the last 12 months [1]
1. Agile 67%
2. **Change Management 66 %**

Percent of Study Participants Who Met or Exceeded Objectives

100%

93%

80%   77%

6X

60%

43%

40%

20%   15%

0%

| Poor | Fair | Good | Excellent |
| (n=496) | (n=1441) | (n=1796) | (n=354) |

Change Management Effectiveness

Prosci 2018 Benchmarking Data
Data from 2007, 2009, 2011, 2013, 2015, 2017

1. 2018 PMI The next generation of PMO

CHANGING HEARTS AND MINDS

Change is individual
- More difficult than project management
- 70% of organizational changes do not reach their goals [1]

Several people-focused change management models:
- Prosci - ADKAR
- Kotter's 8-step change model
- Lewin's change management model
- Kubler-Ross change curve

Common traits:
- Executive sponsor
- Compelling "why" & vision
- Constant engagement across multiple businesses
- Leading coalition
- Resistance planning

Prosci ADKAR Model

Awareness	of the need to change
Desire	to participate and support the change
Knowledge	of how to change (and what the change looks like)
Ability	to implement the change on a day-to-day basis
Reinforcement	to keep the change in place

One model that focuses on individual change

1. McKinsey study

TODAY'S PMO's NEED TO DRIVE CHANGE

1. Provide a structure change management framework in line with organizational objectives and culture
   - Integrate change management into project

2. Engage executive sponsors and direct managers in their role in change management

3. Collaborate and communicate across business to lead a change culture and 'guiding coalition'

4. Persistence and continuous learning

Top contributors to successful change management

1. Active and visible executive sponsorship
   - Both executive and direct managers

2. Dedicated change management resources

3. Structured change management approach

4. Employee engagement and participation

5. Frequent and open communication

6. Integration and engagement with project management

2018 Prosci benchmark report

THE TIME IS NOW

Common drivers for all 3 opportunities:

- Executive sponsorship

- Value business outcomes over traditional measures of project success

- Mature value delivery methods for speed to the ultimate customer

- Engage, communicate and collaborate across business areas

- Integrate a 'people' change management model

- Project management soft skills are more important than ever!