Agenda

• Why is the Elephant in the Executive Suite?
• What is the Elephant in the Executive Suite?
  ➢ How are enterprise Stakeholders involved?
• How does Project Business Management (PBM) make the Elephant more visible and understandable?
• What types of Stakeholders are there?
  ➢ How do Enterprise Stakeholders relate to PBM & PMOs?
• What are the obstacles and road-blocks to sustainable PBM and a PMO?
• Conclusions
• Answer Questions from Audience
The Executive Suite has Always had the PM Elephant

Big ISSUE in the Executive Suite - the ELEPHANT
“C-suite executives are often missing in action. Survey respondents say the number-one reason for the success of strategic initiatives [executive–level Project Management] at their organisation is leadership buy-in and support.

Nevertheless, only half of those surveyed say that strategy implementation as a whole receives appropriate C-suite attention.

Moreover, 28% admit that individual projects to implement strategy do not typically obtain the necessary senior-level sponsorship.

Such a lapse in leadership inevitably decreases the ability to implement strategy.”

Survey Published by The Economist Intelligence Unit Limited 2013 Commissioned by PMI and distributed to its members 25 July 2013
WHY is Elephant an Issue? – Understanding

What is Project Management? How is it positioned within the enterprise?

Managing Enterprise Resources is Project Management

Business Cases (Forehead)

Software Quality is Project Management

Planning (Left Rear Leg)

Sustainability (All Feet)

Business Analysis is Project Management

Strategic Planning (Right Ear)

Organizational Project Business Management (Head)
WHAT Causes Elephant Issue? – Numerous Pieces

Project / Project Program / Project Portfolio Management

Knowledge Areas and Sub-Disciplines

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<tr>
<th>Agile/Scrum Project Management</th>
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<td>Enterprise Analysis Management</td>
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<td>Integration Management</td>
<td>Strategy Management</td>
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<td>LEAN Management</td>
<td>Talent Management</td>
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<td>Maintenance Management</td>
<td>Time (Schedule) Management</td>
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</table>
HOW is Elephant an Issue? – Many Functions

Organizational Project Business Management
(Head)

Strategic Planning
(Right Ear)

PBM Office
(Eyes)

Enterprise Resource Management
(Tusks)

Execution
(Trunk)

Governance
(Right Front Leg)

Methodology
(Left Front Leg)

Sustainability
(All Feet)

Business Analysis
(Forehead)

Objectives Development
(Left Ear)

Portfolio Management
(Near Side –Front)

Project Management
(Far Side –Rear)

Program Management
(Near Side –Rear)

Lessons Learned
(Tail)

Capability
(Right Rear Leg)

Planning
(Left Rear Leg)

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Various “Key Solutions” promoted to Executives for managing projects

- Business Analysis Management
- Critical Chain Management
- Governance Management
- LEAN Management
- Management by Objectives (MBO)
- Management by Projects (MBP)
- Management by Tools and Technology
- Management by Walking Around
- Six-Sigma Management
- Strategic Management
- Theory of Constraints (TOC) Management
- Total Quality Management (TQM)

have primarily an operations management focus
Promoted Solutions for PM Issues

- Do address operational requirements
- Do target enhancing that specific value most focused upon by executive management - money / revenue / profits

- Do not address all of the parts, pieces, and components of the Project Management Discipline
- Do not provide an integrated solution for the management of projects, project programs, or project portfolios
Executive Stakeholders Create the Issues

**The PM Elephant **is **in the Executive Suite, because** Executive Stakeholders –

- Do not understand Breadth and Depth of the Project Management field
- Do not value Project Management as a Discipline
- Do not support separate organizations doing Project Management on a continuous basis
- Do not effectively communicate and motivate within Project Management arena
- Have me/my “Myopia” in managing projects & requirements
- Rely too little on people skills needed in Project Management, and too much on technology
Harnessing the many PM Functions by Enterprise-Wide Application of Project Business Management

Managed by a PBM Organization (PMO)
Project Business Management (PBM)

Delivers business benefits, and

Captures business value through ...

Managing project-related actions and activities -

• to fulfill related business strategies and
• to accomplish business objectives
• to meet business requirements
Project Business Management Model

Project Business Management Organization (PBMO) Model

(House of Excellence)
Today – PBM Organization is needed

Why is a PBMO needed?

✓ Produce *right projects* at *right time* – to survive today’s economic downturns
✓ Optimize reduced project *resource availability*
✓ Meet tighter project *delivery schedules*
✓ Address business focus for projects – to deliver *business objectives* and *value* and meet requirements
✓ Utilize *business oriented* PMO Case Study *research results*
✓ Apply project management *discipline* enterprise-wide
✓ Address major business *challenges*

PBM Organization is the Business Solution
PBMO Major Business Challenges

Business Changes and Fluctuating Constraints Require Reprioritizing Portfolios, Programs, & Projects at the Executive Stakeholder Level
Stakeholder – An Evolving Concept

Holder of a wager made by two or more persons betting against one another and where the holder delivers the stakes to the winner {Dictionary definition – from 1700’s}

Concept of Stakeholder gaining wider acceptance since 1960’s in theories about organizations and persons who have, or could have, power or influence, over or within, a social organization or a business.

“A group or person who has interests that may be affected by an initiative or has influence over it [the initiative]” {IIBA BABoK}

“An individual, group, or organization who may affect, be affected by, or perceive itself to be affected by a decision, activity, or outcome of a project, program, or portfolio.” {ISO & PMI standards definition}
Stakeholders: Within Businesses

- **Secondary Corporate Stakeholders:**
  - Governmental / regulatory / taxing / legislative agencies, non-governmental organizations
  - Labor unions, trade associations, professional associations, business support groups, research groups, or centers
  - Advocacy groups, community activists groups, public media, media analysts, and the general public

- **Primary Corporate Stakeholders:** two types –
  - External Primary Corporate Stakeholders
  - Internal Primary Corporate Stakeholders
• External Corporate Stakeholders - primarily affect operations management:
  ➢ Owners
  ➢ Stockholders (investors)
  ➢ Customers
  ➢ Suppliers
  ➢ Creditors
“Primary” Corporate PM Stakeholders

- **Internal Corporate Stakeholders** - also affect the business of project management:
  - Directors (the investors’ representatives)
  - Senior Executives
  - Executives
  - Line Managers
  - Employees & Sometimes Labor Unions

*Specifically for project management:*
  - PBM Organization Senior Executive
  - Sponsors of projects, programs, and portfolios
  - Project/Program/Portfolio Managers
  - Business Analysts
### RASIC Legend - Role Responsibilities

<table>
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<tr>
<th>Role Responsibilities</th>
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### Business Roles

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<th>Role Responsibilities</th>
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<td>Strategic Planning</td>
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<td>R/I</td>
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<td>Based (Portfolio/Program/Project Planning)</td>
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<tr>
<td>Execution</td>
<td>R/I</td>
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<td>Sustainability</td>
<td>R/I</td>
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<td>Business Management Organization (PBMO or PMO)</td>
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<td>PBM Office - Develop</td>
<td>A1 A2 R/I S/C S/C C A3</td>
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<td>PBM Office - Implement</td>
<td>A1 A2 R/I S/C S/C C A3</td>
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<td>PBM Governance - Develop</td>
<td>A1 C A2/R S S/C C A3</td>
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<td>PBM Governance - Implement</td>
<td>C S A2/R S S/C C A3</td>
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<td>PBM Methodologies - Develop</td>
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### Operations Management & Project Management Integration

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<th>Role Responsibilities</th>
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<td>Project Management</td>
<td>Responsibilities of Role</td>
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<tr>
<td>Enterprise Resources</td>
<td>Responsibilities of Role</td>
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</tbody>
</table>
Stakeholders Drive Business Sustainability

Proven Premise: Business driven research on -

- Project Portfolio Management Organizations
- Project Program Management Organizations
- Project Management Organizations

Shows PMO’s deliver business benefits and capture value

Proven by Application:

- PMOs are valuable functions within an enterprise
- Discipline of Project Business Management is effective
- Project Management and PMOs support ROI

Continuing PM and PMOs Issues:

- Not sustained -- PMO life expectancy still averages ~ 3 years
- Stakeholders are “My” project focused – versus seeing enterprise-wide view of business needs & Project Management
- Project Management still not adopted enterprise-wide
Obstacles to Project Management at the Enterprise Level

- Internal culture: 59%
- Org not developed enough in approach to PM: 53%
- Internal silos / difficult to integrate: 45%
- Lack of knowledge/ expertise on how to proceed: 31%
- Lack of financial resources: 18%
- Lack of published guidance: 14%
- Org is not large enough to warrant it: 10%
- Not valued by leadership: 4%
- Projects lack complexity: 3%
- Not project based (operationally based): 2%
- Other: 4%
- Don't know / unsure: 3%

* PMI Market Research 2012
Road-Blocking PM and the PMO

Three related analogies summarize how road-blocking can be done:
- Stove-piped organizations (Cloistered functions)
- Sandboxes (Western tradition)
- Rice Bowls (Eastern tradition)
Stakeholder Road-Blocking

Executive Stakeholders Road-Block Project Management’s broad application and PMO executive-level implementation by:

- **Limiting** PMO Authority – Reduces Decision Making
- **Keeping** PMO at Low organization level – Limits Acceptance and questions Credibility
- **Suppressing** PM enterprise-wide Adoption – Minimizes Business Value
- **Restricting** level of PMO Autonomy – Impedes Self Direction
- **Assigning** minimal PMO direct Human Resources – Affects chartered goal accomplishment
- **Controlling** use of PMO Facilities – Makes tasks completion difficult
- **Withholding** PMO Budget control – Creates dependence on other functional organizations
- **Denying** PMO ability to spend authorized Funds – Causes constant approval seeking
- **Establishing** Outside-control of needed PMO Resources (technology, equipment, material, supplies, etc.) – Allows others to determine usage
Each Stakeholder Controls Their Sandbox

Before Having a PBM Organization –

**Organizational Control Not Shared**

Position
Power
Authority
Budget

Sandbox

EXECUTIVE A
EXECUTIVE B
EXECUTIVE C
EXECUTIVE D
PBMO Executive
EXECUTIVE E
EXECUTIVE F
EXECUTIVE G
EXECUTIVE H

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Stakeholders Share from their Sandboxes

After Implementing a PBM Organization

Organizational Control Must Be Shared

Position
Power
Authority
Budget

PBMO Executive

EXECUTIVE A
EXECUTIVE B
EXECUTIVE C
EXECUTIVE D
EXECUTIVE E
EXECUTIVE F
EXECUTIVE G
EXECUTIVE H

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Establishing PBM Organization as a **Business Function** and its **Positioning** are **Critical** to **Sustainability**

Position equates with **Authority**: Decision Making

Position establishes level of **Acceptance**: Ensures Credibility

Position enables enterprise-wide **Adoption**: Business Function

Position defines level of **Autonomy**: Self Direction

Position provides **Power**: Organizational Influence

Position sets **Organizational Reach**: Span of Control

Position controls **Budget**: Allocated Organizational Assets
Each Stakeholder Controls Their Rice Bowl

Before Having a PBM Organization – Organizational Assets Not Shared
Each Stakeholder Shares Their Rice Bowl

After Implementing a PBM Organization –

**PBMO Must Be Given an Asset Ownership Share**

Rice Bowl (Assets)

Human Resources Funds

Facilities

Materiel (Technology, etc.)
Establishing PBM Organization as a Business Function and its Control of Assets are Critical to Sustainability

Ownership determines Facilities Availability: Where and When

Ownership enables Materiel Control: Usage and Allocation

Ownership provides Funds Control: Expenditure Authorization

Ownership gives Human-Resource Control: Assignment & Usage Levels
Major Change Challenge: “Belling the CAT”

Historical tale - 3 providential conclusions:

➢ “It is one thing to propose, another to execute (1).”

➢ “Good council is easily given, but the effect Oft renders it uneasy to transact (2).”

➢ “It must be considered that there is nothing more difficult to carry out, nor more doubtful of success, nor more dangerous to handle than to initiate a new order of things (3).”

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Microsoft reboots with **sweeping reorganization**

- 11JUL2013 San Francisco (Associated Press) By Michael Liedtke and Barbara Ortutay

“CEO Steve Ballmer is restructuring the company to cope with a quickening pace of technological change that has left the world's largest software maker a step behind its two biggest rivals, Apple and Google.” ...

... “Colin Gillis [a BGC Financial analyst] views the changes **[belling-the-cat]** as Ballmer's tacit acknowledgement that Microsoft had become bogged down in bureaucracy and second-guessing — and an admission that there was too much internal strife as various factions formed **[road-blocking]** to protect their turf **[Sandboxes & Rice Bowls]**.” ... [words and color emphasis added]

“Microsoft CEO **Steve Ballmer** ... announced plans Friday (23Aug2013) to retire sometime in the next year.” “Ballmer's announcement comes less than two months after the company unveiled a sweeping reorganization ... to catch up with Apple and Google.” 23AUG2013 New York (Associated Press) by Bree Fowler and Barbara Ortutay
“Only about half of the respondents … fully understand the value of project management. Although this year’s Pulse demonstrates the strategic imperative of mature project management, this competency often lacks representation at the highest [executive] levels, with only six percent of organizations having a project management-related role at the C-level.” (pg 4)

“It is crucial for organizations to align projects with broader business strategies and position project, program, and portfolio management as key business drivers ...” (pg 7)

“Organizations are increasingly establishing PMOs with enterprise-wide responsibilities, ... enterprise-wide PMOs are more focused on strategic aspects of project management, ... These findings suggest that as more enterprise-wide PMOs are created, ... project management will be executed more strategically.” (pg 11)
Conclusions – C-suite PM Engagement

Enterprise PM & PMO implemented mainly through:

- **Board Driven Initiative** – Forward looking **strategic initiative**
- **CEO Led Initiative** – Subordinates **support** or are **replaced**
- **Senior Executive Action Plan** – Focused on **improving delivery**, performance, revenue, and profit
- **Business Disruption Response** – Executive team business **recovery and competitiveness** actions
Conclusions – C-suite PM Engagement

Enterprise PM & PMO also implemented through:

- **Influencing-Up** – Demonstrated positive benefits by risk-taking mid-level executive, who understands how and why PM improves results & value.

- **Blended-Way** – Politically astute and experienced program or project manager has project management methodology, or PMO implementation, sponsored by a strong senior executive.

  Executive then uses the success of projects resulting from that implementation to drive project management implementation on a broader scale.
CONCLUSION DISCUSSION POINTS

- What does research show regarding the business role of a PMO office? Analogy to Accounting & QA
- What is your PMO supposed to do?
- Why isn't there a standard for a PMO or a standard PMO in the marketplace?
- How can you sell the PMO value to the Board of your company?
- How can a PMO address Requirements to minimize project failure or sub-optimal results?
- What does the research show regarding the Business Analyst’s role within the PMO?
Questions?

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