

PMO SIG March 2014 Meeting Summary

Discussion Topic: Risk Management

Types of risk

- Disaster, e.g. major loss (flood, fire)
- Outage without redundancy
- Financial
- Schedule – can be critical if market opportunity missed
- People turnover

People Turnover

- Losing to internal or external opportunities
- Outsourcing
 - Still has turnover, but outsourcer can usually replace quickly
 - Over time a project can wind up with a whole new outsourced team
 - Management finds comfort in outsourcer
 - i) Quick provide/replace of resources
 - ii) Holds PM accountable for team through turnovers
- Project schedules and commitments are based on team's ability, which changes with turnover

Management Expectations

- Need to manage, as these can become risks
- Mitigate by communicating any risks early, ASAP

Risk Management via Lessons Learned

- Risk mistakes from projects become driver for risk management
- Recognition of risk management needs sometimes needs failure from risk

Risk Management in Agile

- Using Agile the risk of delivering the wrong thing is less
- Short, iterative sprints, reviews, planning cycles reduce risk

Risk in Large Planned Projects (Waterfall)

- Sunk cost is often reason to continue project
- Sponsor 'saving face' by not killing a project
- Risk management practices may be overlooked to keep project going

Risk in Budget Cycles

- Periods of richness and poorness
 - Start year with conservative spending, low funding of projects
 - End year with spending reserve funds
- Resources become tight when funding surge expects project acceleration
- Mitigation: Plan for this shift by jump-starting project readiness to move quickly when funding is released

Contractor Risks

- Payment on delivery vs. Payment after warranty
 - Payment on delivery needs contractual obligation for warranty
 - Payment after warranty period may be harder to negotiate, but offers protection
- Holding some of the payment is an option

Risk Transference

- Insurance can cover financial risk
- Loss of reputation is hard to manage by transference

Risk in Cutting Edge Projects

- Higher risk in cutting edge, more need for risk mitigation
 - Need to do a proof of concept first
 - Testing needs to be extensive

Risk Categorization Tools

- Tools calculate ranking of risk
 - Help identify risks to watch closely, those to watch less
- FMEA – Failure Modes and Effect Analysis, engineering tool
- Risk Register used to record, categorize and track project risks

Next Meeting

Next meeting is in April. Topic: TBD

PMO SIG Discussion Topics to Consider

1. PMO Practice
 - a. PMO Resources - Templates, Websites, etc.
 - √ b. PMO Best Practices to support learning and process improvement within project teams
 - √ c. Coordination to roll out Agile in your organization
 - d. PMO Governance and Portfolios
2. PMO Promotion
 - a. Looking at the PMO from the Outside
 - b. PMO Promotion in the Academic World
 - c. Promoting the value of the PMO
 - d. Explaining the benefits of the PMO

3. Organizing and Starting the PMO
 - a. Defining the Role of the PMO
 - b. Supporting Organizational Decisions
 - c. The PMO and Cross Organizational Matrix Management
 - d. Lifecycle of a PMO, how to start one and pitfalls at different stages of the lifecycle
 - e. Where should the PMO be migrated into with a company that re-organizes, downsizes?
 - f. Criteria to establish a PMO in your organization - When does it NOT make sense to have a PMO?
 - √ g. Should the PMO be in-sourced or out-sourced? Why?

4. Other
 - √ a. PMO Practices vs. Upper Management
 - √ b. Client Cultures
 - c. Model PMO Job Descriptions (Maude Fribourg has sample, find others)
 - d. Keeping PMOs Active
 - e. PMO – Current and Future
 - √ f. Working with a Multi-generational Workforce
 - √ g. PMO Myths

- ★ In progress
- √ Completed

Attending: Carlo Astrologo, Christine Esannason, David Morgen, David Rabinowitz, Dorothy Cunha, Felecia Ricketts, Jason Fox, Joe Palau, Louis Kural, Mayra Rodriguez, Ray Francis, Rich Moss

March 11, 2014
8:15 – 9:15 PM

Chair: David Morgen, PMP
dwmorgen@gmail.com

Scribe: Jason Fox, PMP
jpjfox@gmail.com