



PMO SIG January 2016 Meeting Summary

Discussion Topic: Value within the Project Portfolio

Portfolio management methods

- Manage by estimated duration of project
 - ♦ Long term vs. short term projects
 - ♦ Manage project schedule, variances, scope
 - Tendency to reduce scope to meet schedule
- Manage by business value
 - ♦ Value is quantified and standardized
 - ♦ Difficult to prove expected value was delivered
 - ♦ Need to connect project to a strategic value that is quantifiable
- Manage by 'noise'
 - ♦ Loudest complaint gets attention
 - ♦ Voice with most clout dominates portfolio

Unquantifiable goals

- Executives/Investors want a "world class organization"
 - ♦ What does it mean? How is it measured?
- Innovation projects
 - ♦ Bold innovation takes risk
 - ♦ Returns on investment unclear up front
 - ♦ Successes can be groundbreaking, e.g. iPad

Portfolio management by value

- Minimum requirement of cost, value, time, resources, etc.
- No project is considered without meeting requirements
- PMO acts as impartial 'police', enforcing requirements
- Prevents 'clout driven' portfolio management

Project and portfolio measurements

- Measurements may be chosen because they are easy
 - ♦ Not necessarily the right measurements
- Easy to adopt traditional measurements (PMBOK)
 - ♦ Best practices may not always be right for the situation
- Traditional portfolio management and measurements
 - ♦ Business case
 - ♦ Cost/benefit analysis
 - ♦ Schedule
 - ♦ Budget



Challenges in long term portfolio managements

- Performance measured short-term vs. long-term
 - ♦ Current or recent state influences decisions or value assessment
 - ♦ Value exists long-term, may be overlooked and lost
- Executives turn over every few years
 - ♦ Do not stay to see the end of long-term portfolio
 - ♦ Do not focus on progress to meet the end
 - ♦ No fear of accountability

Challenges of partnership portfolio management

- Projects done in partnerships more difficult to control
 - ♦ Each partner responsible for their piece of the overall project
 - ♦ Slip in schedule by one partner can delay other partners, overall project
 - ♦ The more partners, the more difficult to manage
- Partners may be customers
 - ♦ Difficult to influence or manage a customer
 - ♦ Allow the customer to drive or hold the schedule
 - ♦ Other partners juggle schedules per the customer
- Portfolio has projects under delays, in abeyance, on hold
 - ♦ Management frustrated by stalled projects in portfolio
 - ♦ Partners to blame for delays, but project cannot be abandoned or ignored
 - ♦ Focus if on “what can we do now” (what is not on hold)

Agile portfolio management

- Projects managed by shorter term ‘sprints’
- Schedule of sprints usually not negotiable
- Some work in scope may be moved to next sprint to keep schedule
- Caveat with executives pushing agendas to keep deliverables in scope
 - ♦ Product manager needed

Next Meeting

Next meeting is in February. Suggested topic “Value of PMBOK”.

PMO SIG Discussion Topics to Consider

Proposed Topics (items in bold are recent suggestions)

1. PMO Practice
 - a. **Types of Charters**
 - b. **Using BAs in PMO Models**
 - c. PMO Resources - Templates, Websites, etc.
 - d. PMO Governance and Portfolios
2. PMO Promotion
 - a. Looking at the PMO from the Outside
 - 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
 - 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. Sphere of control vs outside your control - knowing the difference
 - b. Internal Audit Projects**
 - c. Enforcing Results Offshore**
 - d. Thanksgiving Project Management (November meeting?)
 - e. Model PMO Job Descriptions (Maude Fribourg has sample, find others)
 - f. Several 15-minute talks on PMO topics of interest**

Attending: Adella Rosenthal, David Morgen, Dorothy Cunha, Gary Gelb, Howard Paul, Jason Fox, John Jagtiani, John Grazier, Marcelo Chan, Rado Lesay, Richard Cassin

January 12, 2016
8:15 – 9:15 PM

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