
An Integrated Delivery Office: The Journey Continues¹

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About TXU Energy

About 50 retail electricity providers offer as many 250 retail plans in the competitive markets of Texas. TXU Energy (TXUE) is the market-leader, powering the lives of more Texans than any other retailer. For six consecutive years, the Texas market has been ranked as the most competitive and most innovative by international consulting firm DRG. TXU Energy exemplifies the spirit of competition and innovation, giving customers choice, convenience and control over their electricity usage and spending. Initiatives driven by the Delivery Office have helped strengthen TXU Energy's competitive position by delivering quality solutions quickly to market.

The formative years: 2009 – 2010

The Project Management Office was established in 2009, as a complement to TXUE's systems integration effort. In those first couple of years, the team's focus was primarily establishment of new processes, tools, and standards. Projects were primarily small, incremental changes to the newly implemented SAP platform. Stabilization of the platform consumed the majority of 2010, with the PMO leading various SWAT team efforts to alleviate manual workarounds and assist the business with system issues.

Raising the bar: 2011 – 2012

As the platform began to stabilize, a flood of pent up project demand hit. During 2011, there were over 400 active project requests in the system, with each department clamoring for their initiatives to take priority. In response, leaders from Finance and the PMO partnered to define a project selection process and a new Demand Management organization was created, to assess each project's alignment with strategic objectives and minimize the churn the technology teams were facing in trying to respond to business stakeholders. Entering 2012, there were 80 active projects, with clear priorities for execution. A quarterly proposal submission process was established, with more rigorous business case evaluations.

Business value creation: 2013 – 2014

With stabilization and process standardization complete, and a track record of on-time, on-budget delivery, the business began to ask how projects could be delivered faster. In response, the PMO began to investigate Agile delivery methods. In September, 2013, the team established and trained

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two Agile teams and began delivering work using a Scrum-based framework. Entering 2014, the Agile teams were in place, the Quality Assurance team was rolled into the PMO, and the team established more business-oriented metrics and scorecards.

2014 Delivery Office Responsibilities & Priorities

The delivery office's current areas of responsibility build upon the established foundation of **Program and Project Management**. As the processes for project management were institutionalized, the team also put rigor around the release management functions and processes.



As a complement to these activities, the **Governance** function documented the processes, for future onboarding and training purposes. In conjunction, the team measured themselves on monthly scorecards to track and communicate the team's performance. Setting this foundation allowed the team to move into higher value activities and methods of working.

As previously mentioned, in 2013, the team began exploring **Agile** delivery practices. Working with an external partner, the organization's waterfall practices were examined through interviews with over 50 stakeholders. From these came a set of enablers and barriers to Agile. One of the key recommendations from the assessment was to set up a team and just start working and learning. Working with a cross-functional steering committee, two teams were identified and formed in September of 2013. An overview of the Agile framework was provided and the teams began holding meetings with their customer teams to gather user stories for development. The Products team focused on establishing new commodity and non-commodity products to sell to customers (along with enabling processes). The Web Retention team focused on a set of new features for the customer-facing website to enable customer retention priorities for the Marketing team. Over the course of the next several months, the teams continued to assess what was working and what opportunities there were for improvement.

In early 2014, the Technology department reorganized some of its functions to better align with the organizations they supported. As a part of that reorganization, the **Quality Assurance (QA)** team was combined with the PMO, creating the Delivery Office. Given the team's shared roles in delivering high-quality work to production (and overseeing the process by which it was delivered,) there were many natural synergies in this move. The teams now had greater visibility of the end-to-

end project execution path. In addition, there was a single team with the authority and accountability for making the determination of whether initiatives were production-ready.

Given the team's experience in establishing processes and publishing scorecards and metrics, the team was also charged with the responsibility of developing **Communication Standards and Practices** across the Technology department. As the hub for new projects, the team is in a place to share information that may have formerly only existed in silos.

Heading into 2014, in alignment with its new set of responsibilities, the delivery leadership team established four key focus areas (priorities):

- **Program / Project Delivery:** Establish a product management mindset to extend the capabilities of Agile.
- **Governance:** Develop and publish scorecards, dashboards and reporting to demonstrate performance against metrics in the organization. Examine the integration opportunities in the current suite of delivery tools.
- **Quality Assurance:** Automate the regression test case library for faster execution.
- **Communication Standards & Practices:** Establish a common tools framework and get information out quickly to teams.

As the team discussed the priorities, they also assessed their current enablers (tailwinds) and challenges (headwinds) which might impact delivery.



Tailwinds

Automation: The first enabling factor is that some work has already been done to automate a portion of the test scenarios currently used for regression. There are some processes and metrics in place, so the team is not starting from scratch.

Best-in-Class Toolset: During the team's formation period, significant work was performed to configure HP PPM so that it would serve as the system of record for program and project delivery. During the same timeframe, the QA teams began working with HP Quality Center. In addition,

there are other tools which report from these systems and serve as collaboration tools for the team and the department.

Clear, Visible Forward-Looking Metrics and Dashboards: Over the last several years, TXUE has institutionalized the practice of creating scorecards and metrics at a department level. They are well understood across the organization and give a sense of where teams need to focus, as well as the successes realized to date.

Team Successes: As discussed during last year's Project Management Forum, the team has had a history of high performance, with on-time, on-budget metrics exceeding the 90% mark. From a QA perspective, the defect detection percentage has also been in excess of 90%. With these industry-leading numbers, there is a high degree of trust in the organization's ability to execute, providing the freedom to stretch and grow in new areas.

Accepted Methodologies & Practices: The team spent significant time establishing, documenting, and rolling out its processes during its "formative years." As a result, they are well understood by each party who uses them (stakeholders, development, business analysis, testing, etc.) Each team knows their role in the process and executes it well.

Headwinds

Scaling (Agile, Automation, Capacity): One of the challenges the team must tackle this year is the degree of scaling that can be accomplished within the current organizational landscape. While there is great benefit to standing up additional Agile teams and automating more of the testing scenarios, there may not be capacity (from a headcount perspective) to accomplish the task.

Specialization Model: Another challenge relates to the deployment of resources within the broader technology organization. The technical development and testing teams have historically specialized in a particular functional area, gaining depth and expertise within a specific technology and / or business process. In contrast, organizations that have a "generalist" skill set, can more easily shift resources between / among teams to meet fluctuating demands.

"Hidden" Work: As part of the program / project delivery processes, the team established time tracking procedures, using HP PPM. All technology team members are assigned hours to work on a variety of projects / project types: demand, support, administrative activities. These projects establish a forecast for the various activity types and help the organization to understand where open capacity might be for new efforts. However, there are efforts which come up that are unaccounted for within existing projects. This skews the capacity forecast and makes it difficult to understand where opportunities exist.

Definition of "Done" (Automation): As the team works to automate its existing regression test cases, new work continues to be delivered to production. As such, these new features must be integrated into the newly automated regression suite. The team has a continually moving target which must be accounted for in its metrics and evaluation of success.

Change Enablement: As with any organization that contemplates doing something new, there will be resistance to the changes which are being recommended / implemented. The team must find

ways of bringing people along during the journey to minimize negative reactions and maintain productive, supportive working relationships.

Terminology: As the team moves to more Agile methodologies, new terms are frequently used, without a common understanding for what those mean. One of the change enablement / communication challenges is to develop a common definition for what product management and portfolio management really mean to ensure consistent application across the organization. These are but two examples of terms which have many definitions.

Focus Area: Test Automation

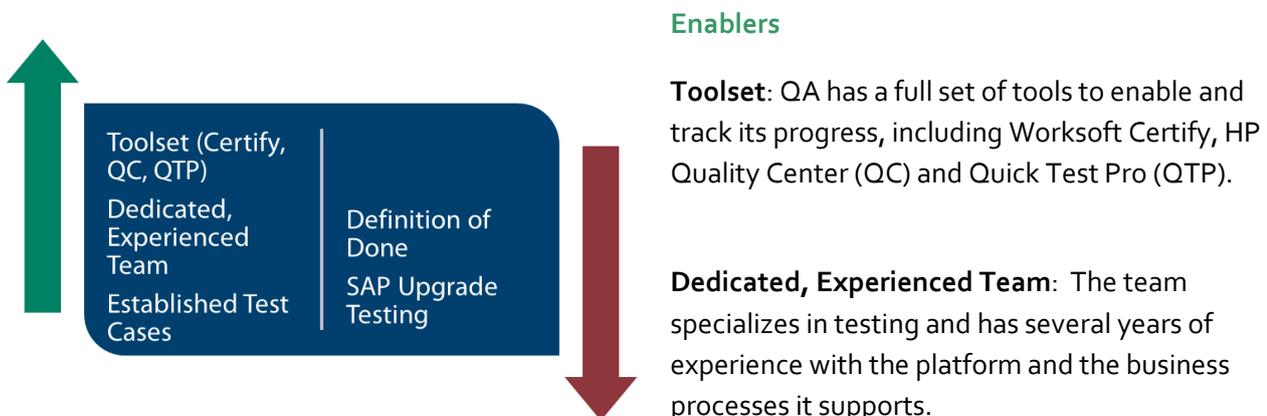
Every month, as the technology organization prepares to release a new set of features to the business, there is one week where everyone simply holds their breath: Regression Week. For the full week prior to a production release, nearly 25% of the organization shifts their attention to manually executing thousands of test cases to help ensure that operations do not come to a standstill and / or break following a code push to production. Resources who might book limited productive time during the rest of the month are suddenly working full time, but only for this week.

Clearly there is opportunity for improvement. Not just from a capacity management perspective, but from a quality and consistency perspective as well. Thus was born the goal of converting the existing regression suite from 3000+ manual tests to end-to-end automated tests.

Key activities to accomplish this goal:

- Define governance process for automation of existing cases
- Staff and train automation team on tool suite
- Prioritize test cases by value ranking
- Define automation team backlog and focus areas
- Increase automation coverage for core regression
- Increase automation coverage for full regression suite

As with the broader goals, a set of enablers/challenges was identified for this specific focus area.



Established Test Cases: There are over 3000 test cases already created; the team is not developing from scratch. This speeds up the process, though work is still required to analyze / combine cases to develop an end-to-end process coverage.

Challenges

Definition of Done: With new features continuously being developed, the platform is continuously evolving. Once the current suite is automated, the next set of “core” functions will need to be added to the automated suite.

SAP Upgrade Testing: The department is currently upgrading portions of its SAP application. Until that project team has completed its activities, the scripts for that area cannot be executed from end-to-end. There is also significant coordination required between the teams to eliminate redundant efforts.

Once complete, the benefits to the organization include:

- Faster, more consistent execution of standard test activities;
- Ability to conduct regression on demand;
- Improved quality of delivered initiatives; and
- Increased testing coverage (more functionality tested, automated testing run in more environments).

All of these changes result in elimination of significant manual work, providing the opportunity to either reduce capacity (contracted headcount) or shift that capacity to higher value activities.

Focus Area: Product Management

As TXU Energy evolves its mindset from one-off project requests to more holistic feature roadmaps, the project approval process must also evolve. The goal is to establish funding for “products” within the business for which efforts may be prioritized to accomplish their objectives, which may change as work is completed. These efforts may include new development, enhancements, or defect fixes. “Products” is used loosely because these may be strategic priorities, such as Customer Retention, or specific business areas, such as Business Markets Sales. The work will likely be executed using Agile methods, given the need to adapt to changing business needs.

Key activities to accomplish this goal:

- Investigate and pilot tools for Agile backlog management
- Define functional team lead role (matrix organizational responsibilities / alignment)
- Assess and monitor organizational capacity (skill base, change acceptance, change readiness)
- Define physical space plan
- Determine fit between existing defect backlog and the new teams’ backlogs

Enablers

Agile successes: The Agile teams have been delivering features to production since Q4 of 2013. Metrics and feedback for those efforts have been positive.

Methodology: During 2013, the team invested in development of an Agile methodology and linking the two frameworks together (waterfall and Agile) in a common SDLC. Having a defined process helps team members (IT and business) understand their roles.

Product owner advocates: Business resources have led prioritization of the Agile backlogs since Q4 2013. They can help educate peers on the role, as well as share their tips and tricks for successfully leveraging the team to accomplish their goals.

Challenges

Functional team capacity: Due to the specialization model, there are limited resources with knowledge in each given area. Dedicating a resource to an Agile team makes them unavailable for other work. The challenge is to find resources who can develop breadth in multiple areas to accomplish the “product” objectives.

Change enablement: Organizations can only withstand so much change at a given time. The time commitments required to support a new process can limit its effectiveness if not correctly managed. Sponsorship and education are required in order to make the process work.

Once the new model is running, benefits include:

- Simplified funding process based on team staffing (business “buys” a team to accomplish priorities);
- The business product owner is the single point of contact responsible for team priorities (eliminating churn, the need for consensus building between IT and business);
- Single prioritized backlog of features and fixes is examined each iteration (minimizing lost time, switching costs); and
- Shorter speed to market for features / fixes to maximize delivered value.

At the end of the day, this focus area is all about giving the business the ability to have what they need, faster. The model is responsive, builds breadth and depth, and enables realization of the business’s strategic objectives.

Focus Area: Communication Standards & Practices

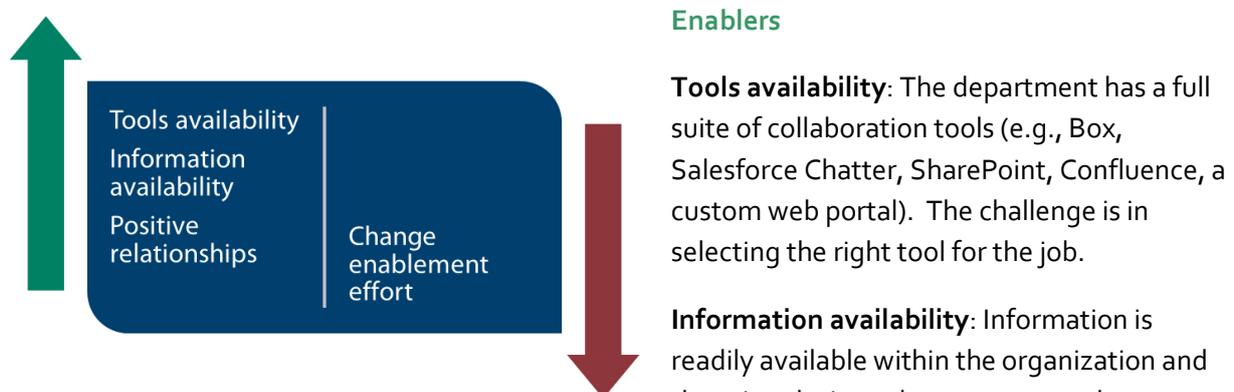
As the overall technology department continues to evolve, innovate, and plan for the future there are more moving parts and pieces to coordinate. Information silos can limit progress and keep



team members from feeling involved in the changes taking place. The goal is to improve the consistency and clarity of communications internally (within IT) and externally (with clients / stakeholders), using standard tools. Simply put: make things “common knowledge” and consistently easy to find.

Key activities to accomplish this goal:

- Audit existing communication tools and usage
- Interview internal / external stakeholders to understand preferences and tools
- Develop standards for each tool
- Develop standards for various communication types (status, metrics, knowledge sharing, announcements) and storage / publication of documentation
- Pilot approach with selected projects / groups
- Rollout to organization



Enablers

Tools availability: The department has a full suite of collaboration tools (e.g., Box, Salesforce Chatter, SharePoint, Confluence, a custom web portal). The challenge is in selecting the right tool for the job.

Information availability: Information is readily available within the organization and there is a desire to have team members

understand what is going on. Information sometimes needs to be adjusted for easy consumption by all audiences.

Positive relationships: Working relationships within the department and with stakeholders are generally positive. There is a team mentality and a culture which fosters information flow.

Challenges

Change enablement effort: Trying to herd people towards a new channel or encouraging them to help themselves to gather information is limited by their knowledge and their willingness to do so.

The organization will benefit from standards by:

- Leveraging the “single source of truth” which is most appropriate for the given area;
- Eliminating redundancy (or gaps) in artifact storage; and
- Providing real-time, self-service, on-demand information to business and IT stakeholders.

The other critical component is that by making content readily available and ensuring that information is flowing regularly; team members are more engaged with the work and understand where the department is headed.

Focus Area: Governance & Metrics

As the processes and tools evolve to support the organization, the application of them must capture those changes and ensure they are consistently applied. The PMO has historically led in the development and communication of processes, metrics, key performance indicators (KPIs) and scorecards. The goal in this area is to extend and apply those standards more broadly to ensure alignment of sponsors, stakeholders and delivery team members throughout the delivery lifecycle. The development of scorecards, dashboards and reporting will enable teams to demonstrate progress against established priorities and commitments.



Key activities in this area include:

- Identification of relevant KPIs for each team
- Draft / mockup dashboard
- Build / Publish Delivery Team dashboard on portal
- Build / Publish Program view
- Build / Publish Project view
- Identify additional information needs

Enablers

Methodology: Delivery methodologies are in place and well-understood, enabling the metrics against them to likewise be understood.

Company scorecard focus: The organization as a whole is very scorecard and metric-driven. Measurement is a core part of the organizational DNA.

Tools availability: The data to report already exists in the various systems of record; it just requires extraction, formatting, and presentation to deliver to interested parties.

Challenges

Tools team availability: There is a small team of resources who can work on the presentation of the data on the portal. They frequently have conflicting priorities.

Change enablement: Some users have greater propensity for self-service to information vs. having it delivered directly. Teaching users “how to fish” will be essential.

The benefits of creating these dashboards and publishing on a routine basis include:

- Ensure consistency in delivery;
- Promote understanding of tools / methodologies; and

- Build trust through transparency of data availability / metrics.

The final benefit is the most impactful. By publishing information in a transparent fashion, we increase trust with our delivery partners (development, business analysts, business project managers) and stakeholders, enabling us to deliver greater value to the organization as a whole.

Delivery Team Services

- Resource management and onboarding
- Information standardization and publication
- Tools standardization and adoption
- Cultivate and curate departmental culture

Communication Standards & Practices



- Test execution (SIT, Functional, UAT, Regression)
- Data preparation for all phases of test execution
- Convert manual test cases to automated scripts
- Operational validation of systems following maintenance activity and releases
- Validate test results
- Define SIT scenarios

Testing Services / Quality Assurance



Representative Service Outputs/Activities	
Testing Estimates	UAT Data Request
Test Approaches	Automation Test Case Development
SIT Test Cases	Automation Test Case Execution/ Results
SIT Test Results	Performance Testing
Test Metrics	Operational Validation Test Cases
Data Prep (All test phases)	Operational Validation Test Results
UAT Scenario Development	Production Script Updates

- Develop and refine methodology, standards, templates and artifacts (Agile, Waterfall, Testing, etc.)
- Model and track variances to capacity plans
- Development and publication of dashboards / scorecards
- Perform gap and tradeoff analysis
- Enable financial forecasting

Governance

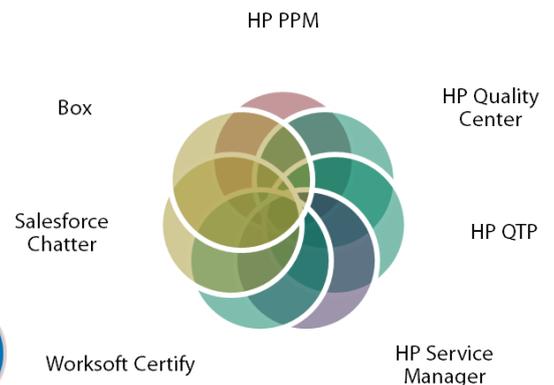


- Project sequencing
- Requirements definition
- Task assignment and tracking
- Estimate consolidation
- Financial management
- Tool management
- Release content and issue tracking
- Production validation
- Defect tracking
- Issue escalation / reporting

Program / Project Delivery



Delivery Team Tool Kit



About the Authors



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Eric Loyd, CSM, CSPO, is a proven executive with a passion for establishing and improving Project Management Offices across multiple industries. Eric has spent the last 13+ years leading teams specializing in IT Governance, IT Portfolio and Demand Management, Project Management, IT Service & Change Management, Organizational Change Enablement, and Quality Assurance. In his current role, Eric is responsible for directing TXU Energy's Delivery Office which is made up of the Project Management Office (PMO) and Quality Assurance (QA) groups. Eric is focused on developing leaders and teams within the project management profession, ensuring the successful management and delivery of top quality business solutions, and helping to enable business value through technology solutions. During his tenure, TXUE has experienced a 30% improvement in on time project delivery, achieving 95% on time delivery with -3.5% variance to budget during 2013. Eric is a graduate of Baylor University and is a Certified Scrum Master (CSM) and Certified Scrum Product Owner (CSPO) by the ScrumAlliance.



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Danielle Cooper is a Manager in the TXU Energy Business Technology group. A graduate of Baylor University, Danielle holds a BBA with emphasis in Information Technology and International Business. Danielle began her career in consulting, with Arthur Andersen, before transitioning those skills to industry. With experience in project management and organizational change management, she applies her skills to the governance and enablement areas of the Delivery Office. Danielle can be contacted at Danielle.Cooper@txu.com.