

## Will the Project Manager survive in the agile world? <sup>1, 2</sup>

Henny Portman

### Introduction

In organizations where projects are common, often a division is made between ‘*change the business*’ and ‘*run the business*’, also called ‘*business as usual*’ (BAU). Portfolio management manages the ‘*change the business*’ side by prioritizing the projects and programs that are necessary for the realization of the strategic objectives.

Portfolio management will continue to exist in the agile world. If traditional portfolio management only looks at the change initiatives within ‘*change the business*’, portfolio management will also have to focus explicitly on ‘*run the business*’ or ‘*business as usual*’ in the agile world. The Scrum Guide makes no distinction between ‘*change the business*’ and ‘*run the business*’. Scrum starts from a product, and a backlog with all the requirements for that product.

In traditional organizations, products and/or services are delivered through projects. To this end, project organizations are set up with employees from different disciplines within the organization at the start of a project. At the end of the project, the project organization will be dismantled and the employees go back to their own department. Think of the steering committee or project board with the executive or project sponsor, senior user(s) and senior supplier(s), the project manager, the team managers, the delivery teams and for support a temporary PMO. If necessary, a change authority may be appointed by the steering committee or project board to relieve the steering committee and accelerate decision-making.

We call this building and dismantling of project organizations also ‘*move people to work*’. It requires the necessary coordination and skills to select the right employees and takes a lot of time. From portfolio management, a match can be made between project managers and change initiatives (with possible shifts of project managers from in-flight initiatives to other initiatives).

During the selection of the project team, the project manager can (or must), in addition to the competencies required for the work, make use of the individual preference styles of the team members, as elaborated by Belbin with his team roles, or by the American psychologist Clare Graves with Spiral Dynamics and Management Drives. It also requires the effort and time needed for the team to function as a team. Think of the five phases of group development of Bruce Tuckman: forming, storming, norming, performing and adjourning.

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<sup>1</sup> This article is based on a chapter from the Dutch book *Scaling Agile in organisaties, 2<sup>nd</sup> edition, 2020*, Henny Portman

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In addition to give space and time to the team to work on the group dynamics, time will also have to be devoted to develop and maintain sufficient domain knowledge.

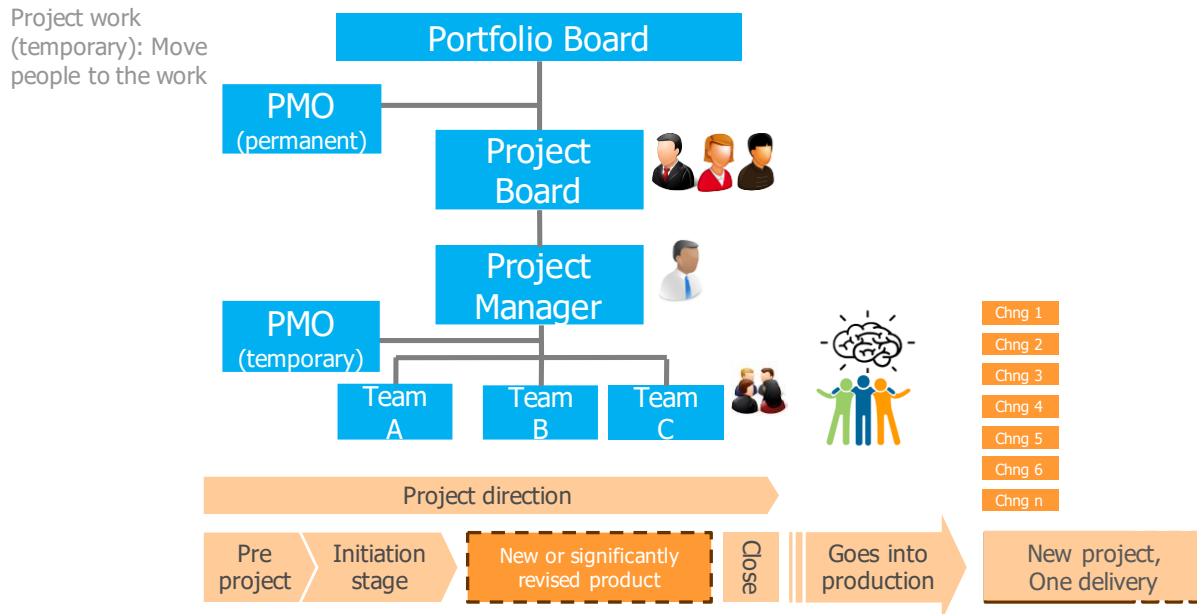


Figure 1 From temporary project work towards a permanent development team

More and more organizations no longer dismantle the development team after the intended product has been delivered. For maintenance and functional adjustment of the delivered product or the development of new products, the same, now permanent, development team will be used. In this way, the accumulated domain knowledge is retained by the entire team and, perhaps even more important, the individual team members remain part of the same team. This is how the positive group dynamics can continue to exist and the team can move towards a high performing team.

Here, development teams are not only positioned within the IT organization, but more and more outside the IT organization, for example product development or marketing. These self-organizing teams often use agile delivery methods such as Scrum or Kanban, but in principle they do not have to. There is a Product Owner who, on the basis of the value to be realized for the organization, prioritises the work order (Product Backlog). In this situation - 'Move the work to the team' - we see the team gaining a place in the 'run-the-business' or 'business-as-usual' part of the organization. And as a result it is no longer necessary to set up a new project organization each time. But be careful if you grant the Product Owner to play the role of hierarchical manager of the team to safeguard the HR issues (terms of employment, career and remuneration), as the team can not operate in a self-organizing manner.

Because the team has already been put together and it is self-organizing, a number of important tasks will lapse, such as putting together the team by the project manager. Also a steering committee or project board can not provide much added value in this situation if the Product Owner has received enough mandate from the organization to take decisions (it can only work

contra productive if a steering committee or project board wants to be involved in the decision making process). Don't underestimate this role of Product Owner. This is a very important and difficult role to fulfill. If the Product Owner doesn't have the skills, knowledge or mandate to say no, the backlog will grow and becomes unmanageable. The project Owner becomes the shopping list manager, order taker or backlog secretary in stead of the product visionary with a product vision and product roadmap.

In this way, a lot of time is gained to implement changes, as there is no longer a team to be assembled and no energy and time needs to be put in to let the group function as a real team (group dynamics) and the team already has the necessary domain knowledge. The team can deliver functionality in short iterations (Scrum: sprints) or take a change directly into production (Kanban). We therefore see a shift from projects to a flow of changes that can be continuously deployed. If we are dealing with teams that makes changes to operational IT systems, continuous integration, automated testing and continuous deployment is a precondition.

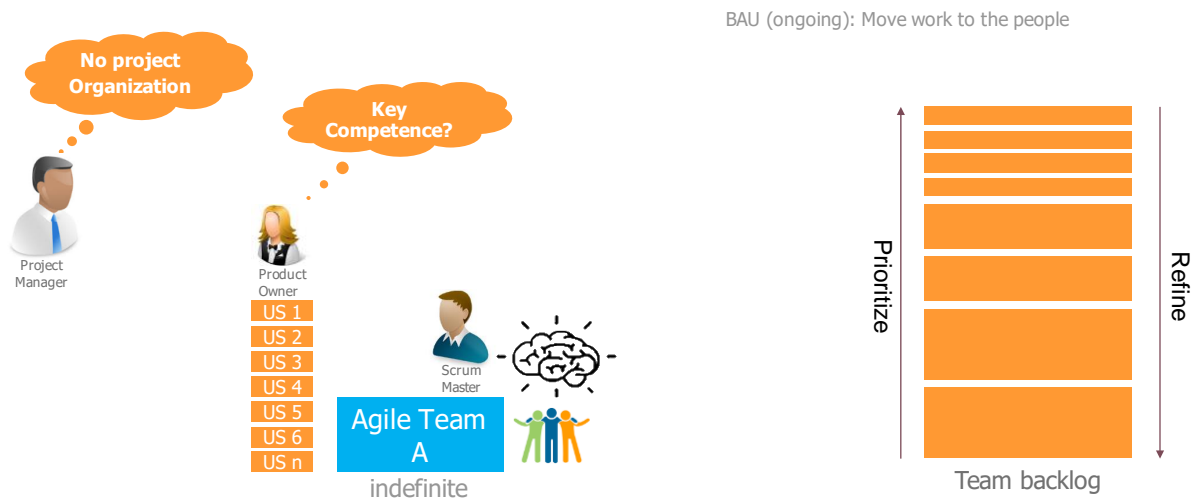


Figure 2 A self-organizing team

### From one to many collaborating self-organizing teams

In the previous section we have seen that a permanent self-organizing team is capable of making changes without having to set up a project organization. However, practice shows that the scope of the work can be so large or complex that one permanent team is not enough. Perhaps the work requires changes in different systems that are maintained by separate teams. More than one team means among other things, coordination, managing dependencies, risks and integration of the partial solutions of the different teams.

in *The Scrum Guide*<sup>3</sup>, Ken Schwaber and Jeff Sutherland have dedicated a few paragraphs to express what it means when working with multiple teams:

<sup>3</sup> Source: <https://scrumguides.org/index.html>

*“If Scrum Teams become too large, they should consider reorganizing into multiple cohesive Scrum Teams, each focused on the same product. Therefore, they should share the same Product Goal, Product Backlog, and Product Owner.”*

Jeff Sutherland wrote in his article ‘Agile Can Scale: Investing and Reinventing SCRUM in Five Companies’ (2001), for the first time, the Scrum of Scrums (SoS) mechanism:

*“A Scrum of Scrums, which included the team leaders of each Scrum in a product line, met weekly.”*

Ken Schwaber has, independent of *The Scrum Guide*, described the mechanism of Scrum of Scrums too<sup>4</sup>:

*“Scrum of Scrums are short, daily Scrum meetings at which an engineer from each team working on an integrated product gather to (...) keep track of progress between parts of the product so that they can more closely monitor any dependency or timing problems.”*

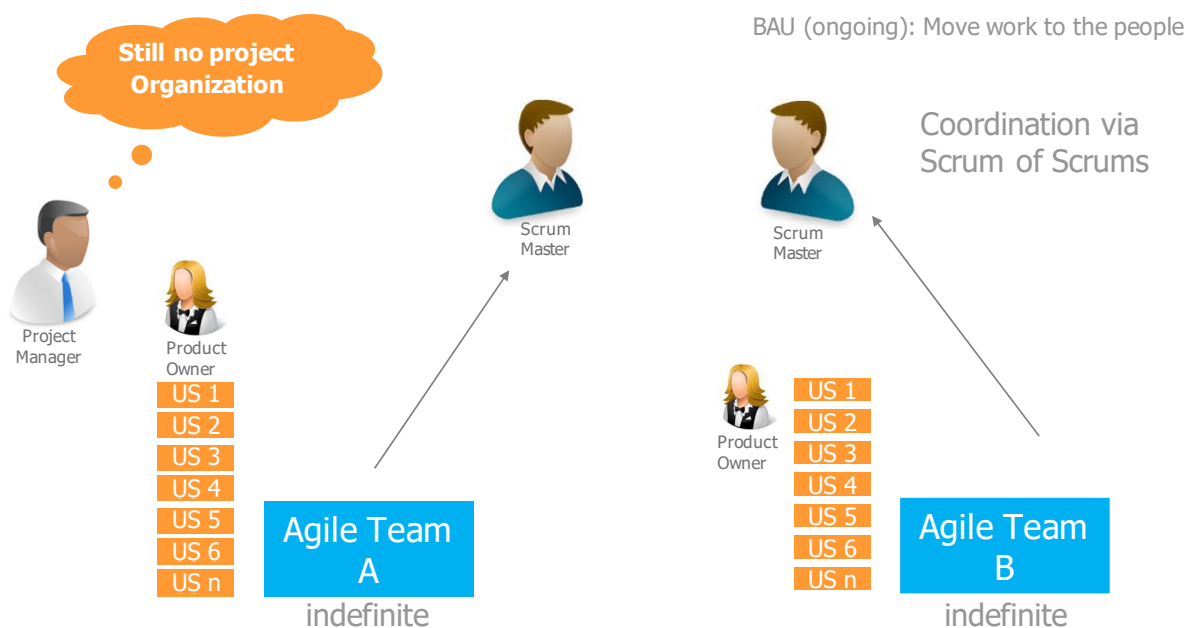


Figure 3 Scrum of Scrums

In the case of a few teams, the periodic gathering (the Scrum or Scrums, sometimes called meta-Scrum) of the Scrum Masters, or the representatives appointed by the teams, is sufficient to ensure that dependencies will be understood, discussed and managed and an integral (sub)product will be delivered.

<sup>4</sup> Source: Ken Schwaber, *The Enterprise and Scrum*

In this situation too, setting up a temporary project organization with a steering group and a project manager offers no added value. With a few agile teams you can implement the changes without seeing this as a temporary project or program.

### More than a few collaborating self-organizing teams

In the previous section we saw that in the case of a few cooperating teams, mechanisms (such as a Scrum or Scrums) provide sufficient tools to manage the interdependencies between the teams, the complexity and the integral delivery of the new or modified product. But how do we deal with the situation that we have more than a few teams, for example three or more teams, are required for the integrated product?

Experience shows that the only regular meeting of Scrum Masters or team representatives is insufficient to be able to cope with all the risk, dependencies, integration and other impediments. Risks due to group dynamics, but now between the teams, also call for servant leadership. In this case, we see an increasing demand for project or program managers. Organizations that have fired all project and program managers as a result of implementing permanent agile teams are coming back on this in a number of cases and have to attract project or program managers again. Sometimes these project or program receive a different job or role descriptions, but in essence they do work that is comparable to that of project or program managers (delivery manager, value stream manager, chain manager, roadmap manager ...).

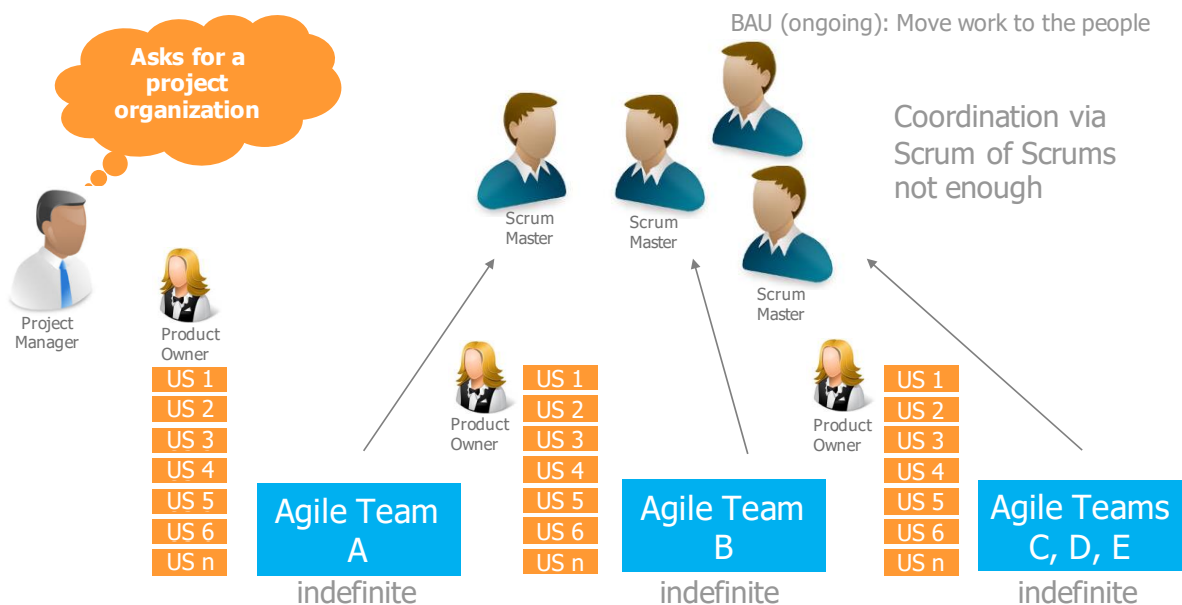
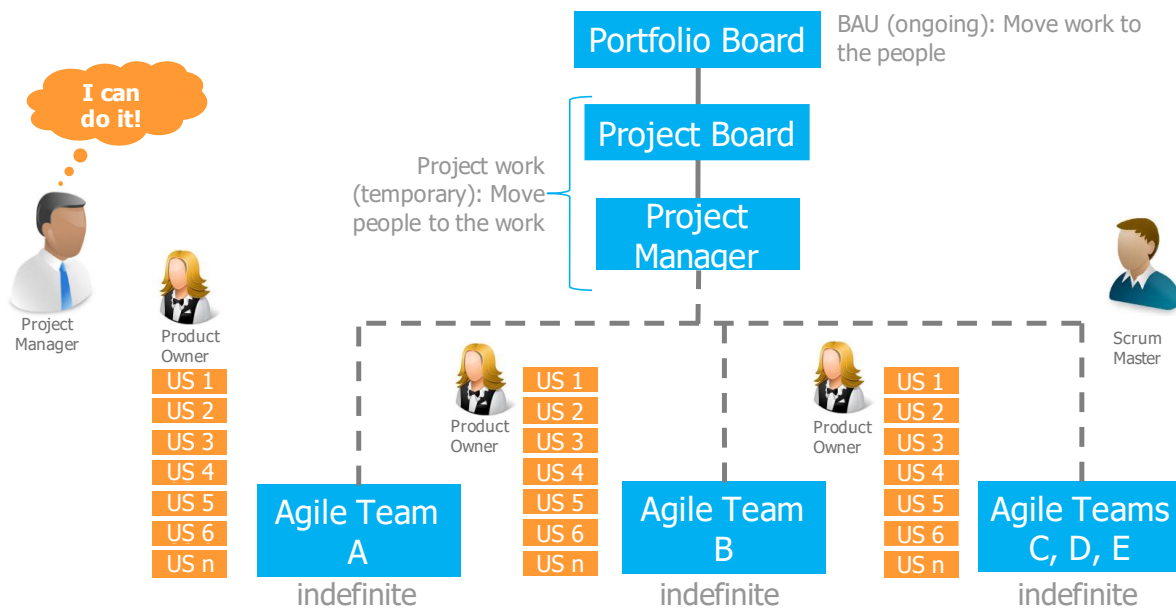


Figure 4 Temporary coordination of several permanent self-organizing teams

If we are dependent on a number of several self-organizing teams, a project organization with a small steering committee, a project manager and the existing development teams will help. If necessary, an integration test team can be set up, in case there is no permanent one. In this situation, the project manager ensures the necessary coordination and the timing of the (partial)

solutions to be provided by the various teams, so that all components can be integrated and delivered at the same time and progress reports and possible escalations to the steering committee can take place.

In this case we still have to build a part of the project organization (*'move people to work'*). Based on stakeholder analysis, the project executive and project manager will put together the steering committee and after completion of the assignment, this part of the project organization will have to be dismantled when the project executive decides it adds no value any more. Due to the fact that existing permanent self-organizing teams are responsible for the realization of the (partial) products, the project manager needs to make agreements with the Product Owner(s) of the teams about the requested functions and when delivery is needed. These functions must be placed on the Product Backlog (*'move work to the people'*) by the Product Owner. In this way the project manager is able to test the whole and take it into production.



*Figure 5 Agile project organisation*

If we look at figure 5 we see a new situation arising for the project manager. In traditional project management, in which the project manager assembles the development teams in consultation with team managers, a natural hierarchical relationship arises in which it is 'simple' for the project manager to provide the team with a work package containing the desired products to be delivered, the given time span within which the products have to be delivered and the budget to be used. Also the room for maneuver (tolerance) within which the team (read the team manager) can decide for himself, will have to be agreed. If no decision can be taken by the team (because the decision is outside the agreed tolerances), escalation takes place to the project manager and possibly via the project manager to the steering committee.

In the new world where the project manager uses the permanent self-organizing teams, there is no question of a hierarchical relationship. The project manager will have to use his / her influence

without power to convince the Product Owner of the importance of his project for the organization, and that the Product Owner will prioritize the requested features in such a way that they will be delivered at the right moment. Once the desired result has been achieved, this part of project organization with steering committee and project manager can be dismantled at the initiative of the project executive or sponsor.

### Self-organizing team of coherent teams

In the previous section, we have seen that when several teams have to work together, it is necessary to set up a structure in the form of a project manager and steering group in order to be able to achieve results. Here, too, you can ask the question whether in subsequent changes to the same value stream of the organization, developed by the same team of permanent coherent teams, we have to build a project organization again, or that it is possible that we can create a permanent governance and coordination structure?

In the meantime, various supporting frameworks with best practices are available where we see that the necessary coordination structure has been institutionalized in the ‘run-the-business’ organization. Examples include roles as Agile Leaders, Integration Managers, Roadmap Managers (or Roadmanagers), Release Train Engineers, Product Owners, Product Managers. These roles and structures are extensively described in frameworks such as SAFe, Nexus, Scrum at Scale, LeSS, et cetera.

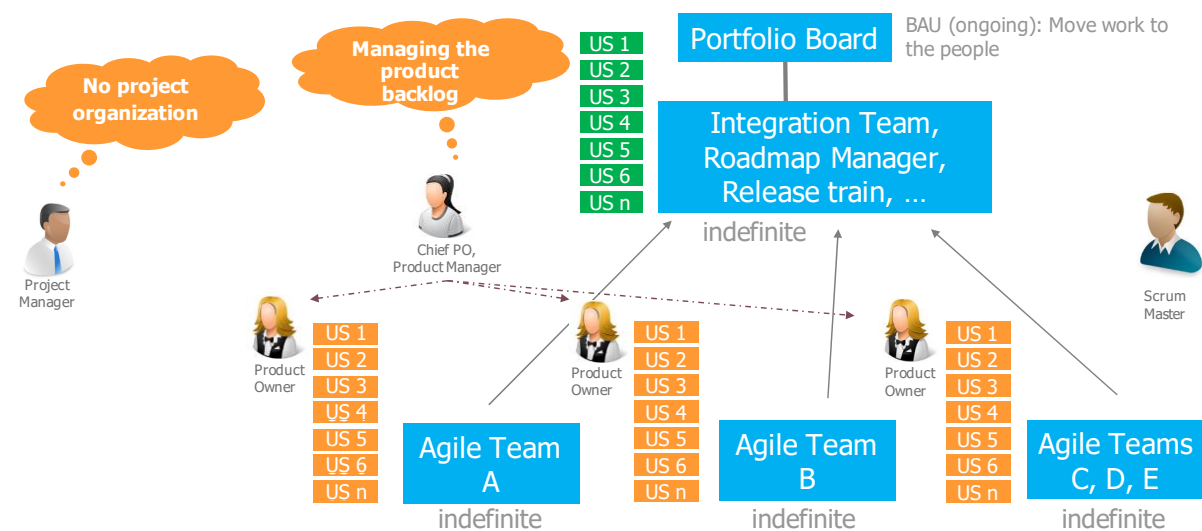


Figure 6 Permanent coordination of several permanent self-organizing teams

In this situation too, we can conclude that we no longer need a temporary project organization with a steering committee and project manager. The temporary roles are filled in by employees who are permanently available for making changes to their part of the value stream in the organization. Having this permanent structure across the various self-organizing teams results in a drastic reduction in the number of project and program managers.



## Hybrid project organisation

Does this mean that no projects and programs are needed at all? There are 'agilists' who claim this. Personally, I think that for certain changes permanent teams do not always have to be present. Think of merging certain departments in an organization, an integration of different companies, realizing a new product-market combination, relocating to a new building, and so on.

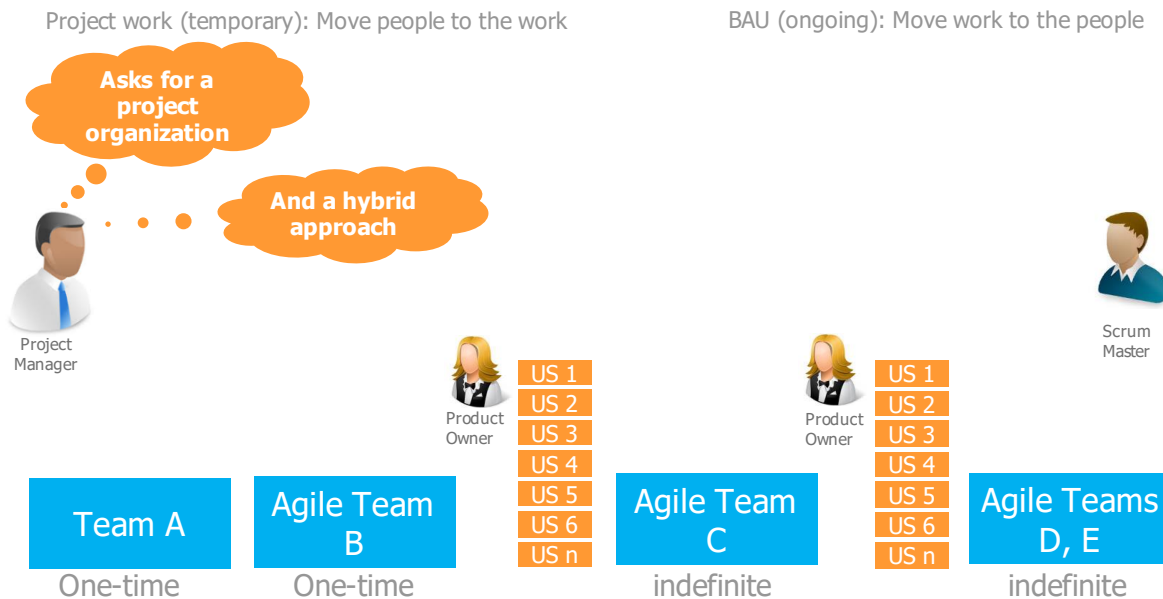


Figure 7 Temporary and permanent delivery teams

Here I do not say that in these cases you can't work in an agile way, but I observe that in these situations new project teams have to be built up. This requires a temporary project or program structure in which the project manager may have to build up temporary project teams that will be dismantled again at the end of the project or (some of these) teams can be included as permanent teams in the 'run-the-business' / 'business-as-usual' organization. Here too it means that the project manager has to be a more facilitating manager towards the teams than in the traditional world and he has to work together with the Product Owner to get the needed new or adapted features on the Product Owner's Backlog, and when he can expect that the teams develop the features.



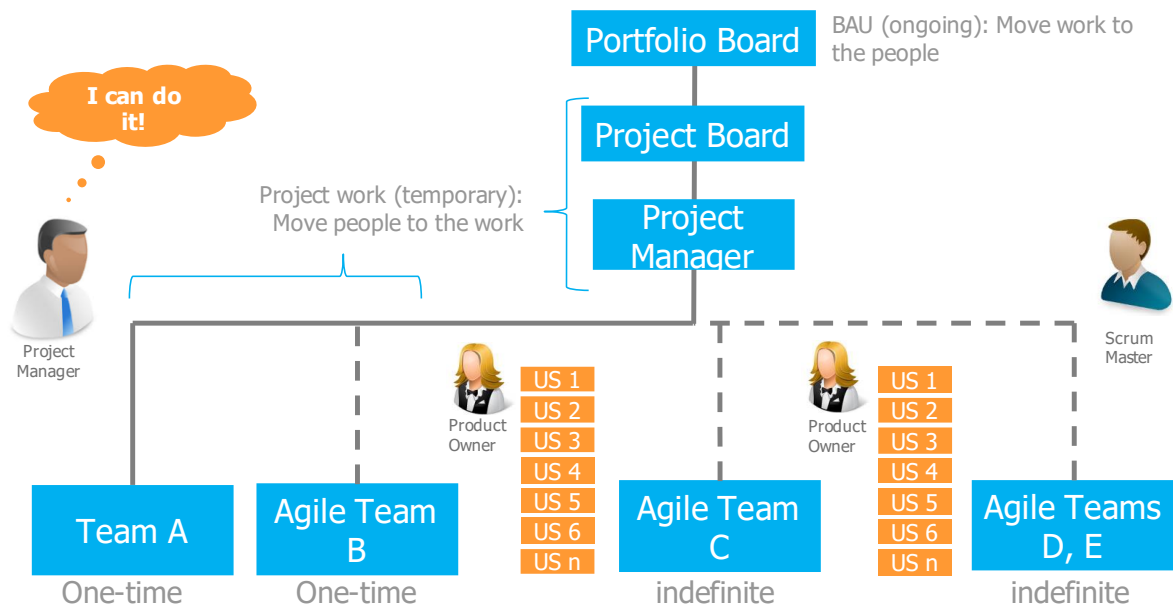


Figure 8 Hybrid project organisation with temporary and permanent delivery teams

I can not imagine that a board of directors in an organization does not want to be informed of the progress of an integration program between two companies and that a board of directors does not want to be involved in major escalations and decisions about the road to be followed. This means setting up a project or program organization.

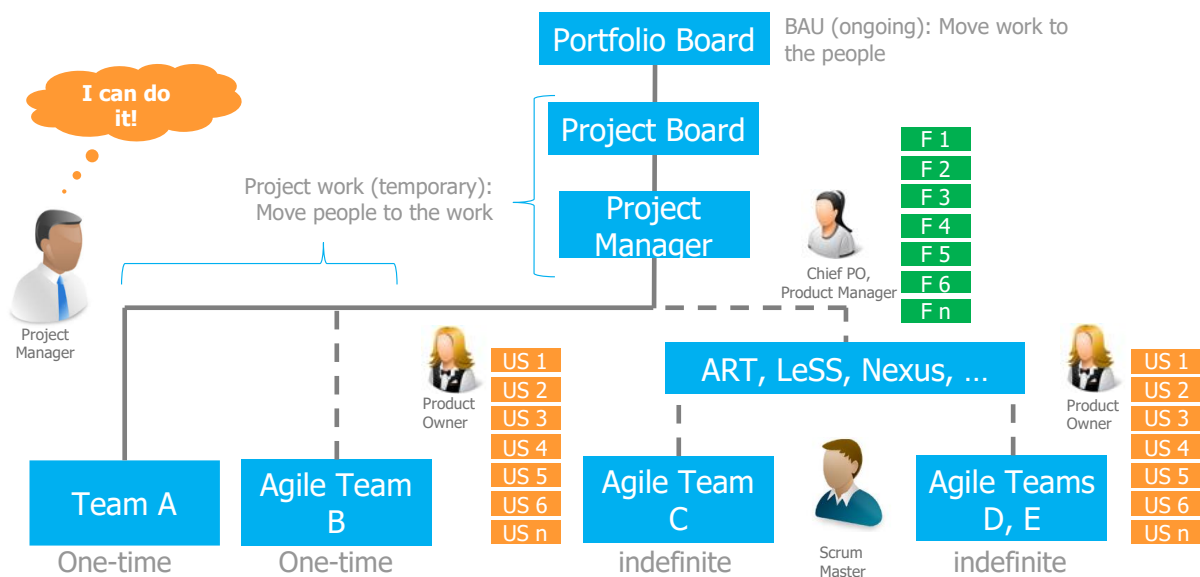


Figure 9 Hybrid project organisation with temporary and permanent team of teams

Because, in practice the IT department often works with team of teams, the project or program manager will no longer have to deal with several separate teams but with a team of teams that are organized according to, for example, SAFe, Less or Nexus. The project or program manager

will therefore not coordinate with individual Product Owners but with Product management or a Chief Product Owner to get his required functions on the product backlog.

### Is there still room for a PMO in an agile organization?

In Figure 1 we already saw the positioning of the temporary PMOs, also called project or program offices, to support projects and programs. And there are also permanent PMOs, sometimes called central PMO, strategic PMO, strategy office, portfolio agency or portfolio office, to support the portfolio boards.

#### *Temporary PMO to support agile development teams*

If we look at the temporary PMOs, they fulfill the following tasks and activities for the 'traditional' projects and programs:

- progress reporting;
- support in creating and adjusting schedules;
- onboarding of project or program staff;
- support with risk and issue management;
- administrative support.

If we now draw the line to an agile development team, you can ask the question if a temporary PMO can still add value here. Making a progress report is a time-driven event that does not justify a separate role within an agile development team. The progress of the team is continuously visible on the team board where the Sprint Backlog, work in progress and finished work are visible. If the team also keeps a Burn-down Chart, it always offers the most up-to-date status and the progress is transparent and available to everyone. This is in contrast to traditional periodic progress reports that fall behind for one or more weeks. The question is whether it is still justified to have a PMO employee only make a burn-up down chart containing work of one or more agile development teams.

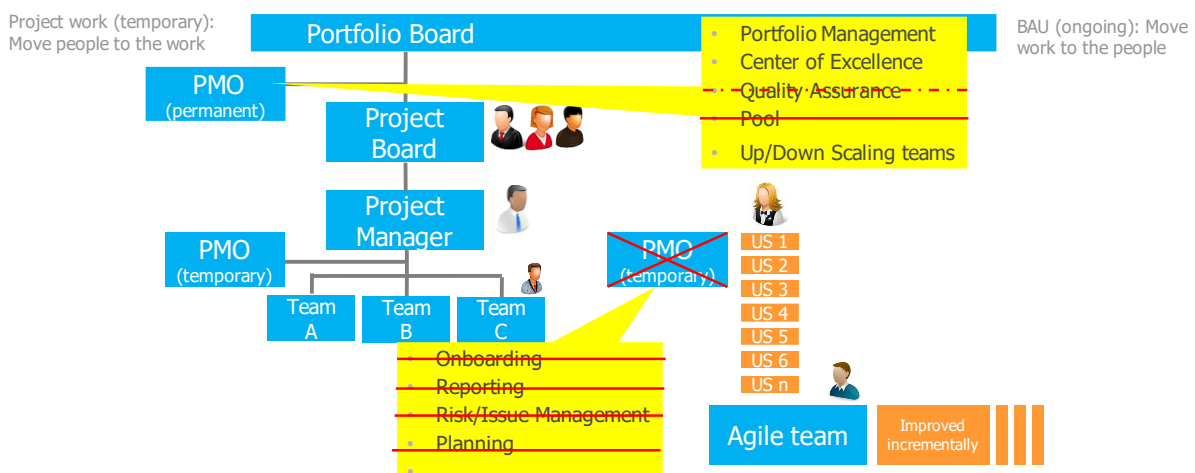
The agile development team is responsible as a team for determining how much work (User Stories) it can process in the upcoming iteration or Sprint. If it is determined that a backlog item (a User Story) is too large, then the team will slice it into smaller items and monitor the consistency between them. Coordination between the teams is also taken up by the teams themselves (see for example a PI planning event in SAFe, or the joint Sprint Planning at Nexus or LeSS). Having a separate PMO employee who creates and maintains a schedule for the team is therefore superfluous.

It is necessary within traditional projects to find the right people for each team at the start of a project. To benefit from the team knowledge and team dynamics (high performing team), the team members will stay for a longer time within the team (permanent teams). As a result, internal and external employees do not constantly have to be selected and fitted in (on average this will take 3-4 sprints before the new person is seen and can act as one of the team), which also means that this task can be canceled. This is aptly illustrated by the descriptions '*move people to work*' versus '*move work to the people*'.

If we look at risk and issue management, we see here on the one hand a decrease in risks as a result of working with permanent agile development teams, but also as a result of applying agile methods (such as Scrum) which work with short iterations, short Sprints, thus reducing the number of risks. In addition, the team meets daily during the Daily Scrum or Stand-up to discuss progress, impediments and risks and the team members immediately record this on the team board (physically with colored post-its or on an electronic team board). Issues and risks that exceed the teams are picked up by the level above the permanent teams, for example the Release Train Engineer (SAFe) or the Nexus integration Team (Nexus).

From the previous activities it has become clear that the team is self-organizing and uses the team board to show all those involved, as transparently as possible, where it stands and what is going on. Creating and saving meeting reports of the various events, such as the planning session, the daily Stand-ups, the review and the Retrospective is not necessary. If actions result from these events, they will be made visible on the team board, possible in the form of new backlog items or User Stories, or new or changed team appointments, and this individual PMO task can be canceled too.

The team board can be a physical board on the wall with many colored post-its (User Stories, issues / Impediments or team appointments representing), or in the form of a project management tool. In these tools, among other things, electronic team boards can be created, maintained, shown and shared (think of Atlassian/Jira, VersionOne, AgileCraft, Microsoft, CA Agile Central (formerly Rally), One2Team, Pivotal Tracker, Collabnet ScrumWorks Pro, Axosoft, etc.). When having distributed teams these tools are a must have to work together.



*Figure 10 Temporary and permanent PMOs in the agile world*

**Permanent PMO to support the portfolio steering committee (board)**

The tasks of a permanent PMO can often be subdivided into the following four groups:

1. portfolio management;
2. act as Center of Excellence:
  - following developments as a result of new versions of methods, techniques, tools;

- supporting the organization in using these methods, techniques and tools through training, education and coaching;
  - maintaining and propagating company-specific standards;
  - delivering project and program managers and PMO employees (Pool);
  - knowledge centre, lessons repository
  - organize Communities of Practise (CoP)
3. Quality control of all in-flight initiatives
  4. Pool

If we start with the last group, the pool with project and program managers and PMO employees, then we can say that this group will be minimized and possibly dismantled in highly IT-driven organizations. I deliberately mention highly IT-driven organizations, because this will not apply to all industries. For example, within the civil engineering sector (construction, infrastructure), I do not expect the number of project managers or PMO employees to decrease, as these projects will not be done with permanent teams only but with temporary teams (for the duration of the project) and permanent agile teams to design, set up and maintain the generic services (e.g. security, IT, ...).

As a result of the different permanent agile teams within IT-driven organizations and the institutionalization of the coordination above, there will no longer be any need for temporary project and / or program managers and PMO employees, including the associated capacity planning. However, the permanent PMO will have to come up with proposals for up and / or down-scale of permanent agile teams for the portfolio governance board, so that the available capacity of these teams remains in line with the chosen organizational strategy. So here we see a shift from individual capacity planning to team capacity planning.

For the other three groups, we can state that there is still a need for standard methods or frameworks within the new agile world<sup>5</sup> and that the need for support in the use of these will continue to exist. Following developments as a result of new (versions of) methods, frameworks, techniques, tools, and supporting the organization in using them through training, education and coaching remains important.

The permanent agile development teams too have to adhere to company standards and standards that apply to the government or official bodies or authorities. These specific standards must in turn be maintained and propagated. This means that having a Center of Excellence (CoE) that implements new market methods and standards in the organization and guides, coaches and trains employees in using these standards in the organization, is still justified. However, it should be noted that every form of unnecessary bureaucracy must be avoided. The use of a method must take place by applying and recording underlying principles; it should not result in the prescription of all kinds of mandatory templates.

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<sup>5</sup> See Portman, H. (2020). A new bird's eye view on the agile forest; *PM World Journal*, Vol. IX, Issue X, October For approximately 100 different agile ways of working.

At first sight Quality assurance seems less necessary if all teams continuously improve themselves. But the essence of continuous improvement is that this happens from the inside. Only an independent judgment or review by a neutral/objective, external party can provide management with insight into where the organization and the underlying teams stand in terms of maturity. A team can think of itself that it is performing well, but is that really the case? An independent review can ensure that the continuous improvement comes into a rapid state. And as a consequence of these necessary independent reviews, this function of quality control within the permanent PMO is justified. If the organization uses an agile framework aimed at cooperation and coordination between the teams, retrospectives are also taken place across the teams, so that a large part of the independent quality review by the retrospective at the team-of-team level has already been completed. Quality assurance at the portfolio level is then limited to the maturity assessment of the change organization.

In addition, many organizations will have an independent quality assurance department to assure compliancy with regulatory and internal rules and assessing whether solutions fit within the business architecture model, blueprint or target operating model designed by the enterprise architecture department.

Compliance or audit departments are now also using techniques that are more consistent with the agile way of working. Looking at the attitude, people believes and the psychological climate results in soft and hard controls (behavior). Soft controles focus on motivation, loyalty, integrity, inspiration, norms and values. Hard controls look at planning and control, roles, responsibilities and authorizations.

Continuous auditing and continuous monitoring is introduced and offers possibilities to embed sufficient safeguards in an agile environment by continuously monitoring risks, continuously auditing existing controls and detecting fraud by means of continuous data mining and the usage of real time dashboards including pre-set warning signals.

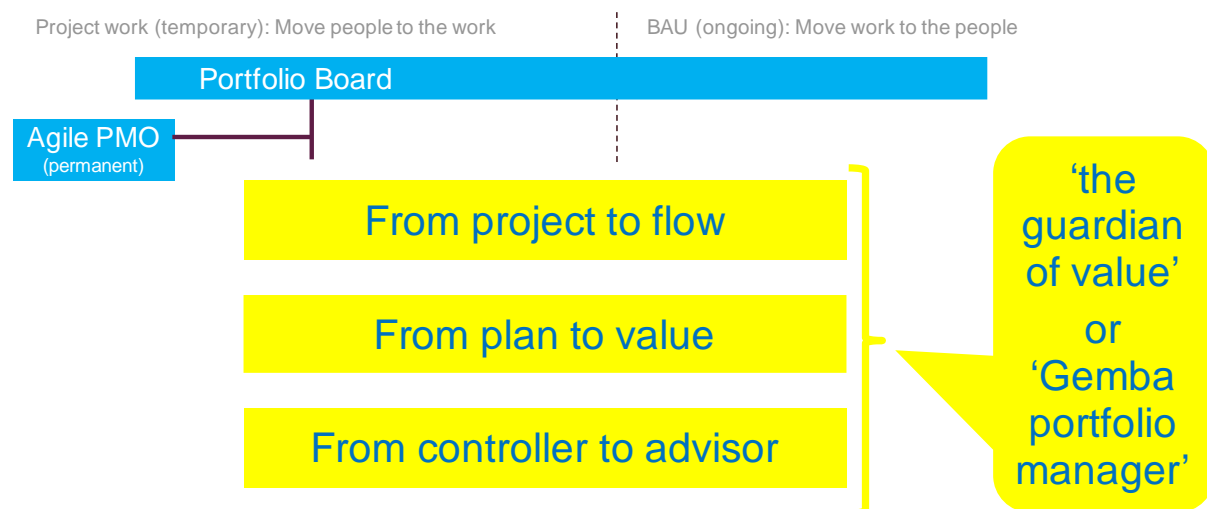


Figure 11 The permanent PMO in the agile world

Portfolio management will also continue to exist in the agile world. However, I foresee the biggest changes here, except for the downsizing of the project pool. If traditional portfolio management only looks at the change initiatives within 'change the business', portfolio management will also have to focus explicitly on '*run the business*' or '*business as usual*' in the agile world. Projects are decreasing in number but the change initiatives remain and are often realized by the permanent agile or DevOps teams. There may also be initiatives that can not be managed by the existing permanent agile development teams, so that projects or programs still have to be set up and staffed. Maybe these temporary teams will use an agile way of working or other more traditional delivery approach and it's possible that after project closure these teams become part of the 'business as usual' organization in the form of a permanent team.

However, the focus on making plans will shift to the focus on realizing value for the organization (and therefore also the customer), where I expect that those remaining initiatives which can't be managed by permanent teams, will often be realized in the form of programs. Delivery of a one-off project product output is no longer sufficient; it is certainly also about embedding the incremental output in the organization (outcome) and monitoring that the predicted benefits are actually harvest.

Portfolio management will have to make statements about the justification of having the various permanent agile teams in relation to the strategy chosen by the organization. Perhaps certain agile teams need to be phased out and new teams need to be set up to accommodate the new or adjusted strategy. More than in the past, the portfolio manager will have to go to the teams themselves, to observe what is going on. In line with the Lean philosophy of '*gemba genchi genbutsu*', the portfolio manager can be seen as a *Gemba* portfolio manager.

If in the past, portfolio offices were mainly engaged in gathering and aggregating progress data into portfolio reports. Portfolio management offices (the permanent PMOs) 'in the agile world' have to react much faster. This justifies the fact that portfolio office staff more and more has to take the role of advisor in order to determine which initiatives are necessary to achieve the desired strategic objectives ('*doing the right things*'). I also foresee that permanent PMO's will play an important role in data analysis within organizations by using operational dashboards with information about new customers, complaints, lead times, et cetera. Based on this, improvement initiatives can be initiated.

## Summary

We have seen what steps, starting from a traditional project approach, must be taken to grow to an organization with more and more permanent agile teams and what that means for the need / disability of corresponding project governance organizations, including the determination of the adjusted role for PMO's.

We saw that with a limited number of permanent agile teams there is no longer any need for having a project manager to coordinate the work between the teams. Only when the number of

permanent teams is too large, a coordination structure has to be set up. This can be done in a traditional way with a temporary steering committee or project board and a project manager, but also with a permanent scaling agile structure in which this coordinating layer is embedded.

It is still possible that different teams can / must make use of certain scarce expertise that can't be become part of these individual teams. These temporary capacity questions will have to be coordinated.

We have also seen that certain change initiatives can not always be realized by permanent agile teams for the simple reason that there is no team yet with the knowledge necessary for that change initiative. In that case, there is a need for a temporary project organization that will, among other things, assemble the not yet present but necessary teams and take care of the coordination between all teams (hybrid project governance structure).

In the long term, however, the number of projects and programs and associated project and program managers will decrease and more and more product or service change requests will be brought to the the permanent agile teams ('run the business' / 'business as usual').

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## About the Author



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**Henny Portman**, owner of Portman PM[O] Consultancy and was partner of HWP Consulting, has 40 years of experience in the project management domain. He was the project management office (PMO) thought leader within NN Group and responsible for the introduction and application of the PMO methodologies (portfolio, programme and project management) across Europe and Asia. He trains, coaches and directs (senior) programme, project and portfolio managers and project sponsors at all levels, and built several professional (PM(O)) communities.

Henny Portman is accredited in a variety of qualifications, including P3O, PRINCE2, MSP, MoP, PRINCE2 Agile, AgilePM, AgilePgM and AgileSHIFT trainer and a SPC4 SAFe consultant and trainer. He is a P3M3 trainer and assessor and PMO Value Ring Certified Consultant (PMO Global Alliance). On behalf of IPMA, he assesses mega and large projects for the IPMA Project Excellence Award. In addition to this, he is an international speaker and author of many articles



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