Transforming the Organization in Project Management to Deliver Value [1,2]

Edward J. Leydon

ABSTRACT

Transforming the organization to manage projects and deliver value through a hybrid framework is recognition that there may be no one size fits all methodology for your organization. There must be a strategic view of what the organization wants to achieve. This strategic view will help to define the requirements for the frameworks that will be adopted. One of the key factors is how the organization delivers value to its customers. Value creation can be viewed in terms of the external or internal customers and stakeholders by delivering results related to the organizations strategic goals. A mindset shift to establishing business agility can help in structuring the portfolio management at the strategic level. There must also be a layer between the executive leadership or key stakeholders and the execution teams at the working level. This is where traditional project management and agile can work together in a hybrid approach that can be tailored under the appropriate level of governance for a variety of applications. This creates a balance between structure or rigor and flexibility. By adding in lean best practices, all the components of the framework will operate in the most efficient manner. This mixing and combining of elements of various methodologies and principles creates a hybrid framework. This hybrid framework can be aligned with the agile project management approach to ensure all the pieces are working together harmoniously.

INTRODUCTION

For organizations to be successful, there is a need for a Project Management Office (PMO) that defines the overall project management framework and governance model. There are several factors to consider in meeting specific business considerations. In many cases, there is a need to evaluate and possibly transform the organization's approach to the project management framework. It could be that the organization is new, part of a Merger or Acquisition (M&A) or growing to the point where a PMO needs to be established or significantly changed. There could

---

PM World Journal (ISSN: 2330-4480)
Vol. XI, Issue X – October 2022
www.pmworldjournal.com   Second Edition

Transforming the Organization in Project
Management to Deliver Value
by Edward J. Leydon

be challenges or failures to deliver effectively where a new framework or approach needs to be used as a sort of reset for the organization. In other scenarios, driven by changing business conditions, or leadership vision, new ideas are explored to take advantage of new methodologies to gain a competitive edge.

When thinking about the formation of a new PMO or transformation framework, many times there is temptation to use a proven existing methodology. This can be a satisfactory solution that requires less time to implement since transition roadmaps, training materials and templates may already exist. In other situations, to deliver value to customers and work within particular boundaries, complexities or even specific industries, there is no one-size-fits-all solution. A better approach in these scenarios may be to develop a hybrid framework that takes best practices and concepts from various methodologies into a blended approach that can be flexible and tailorable as needed.

To develop this type of hybrid framework, there are many areas of the business, including the way projects are managed, to consider that will help define the requirements for this hybrid model. The first consideration needs to be some level of understanding of the organization's strategy and expectations of how projects are managed to deliver value to its customers. Project management and execution cannot be just a way to oversee the completion of tasks but must be focused on value creation through the organization's products and services. It is helpful to think of this value creation concept when thinking of the project management framework itself since ultimately the PMO has customers, both internal and external, to serve through its own products and services.

When considering the framework for managing projects in a business environment that supports innovation, many PMO's are starting with industry standard project management guidelines and then layering in agile methodologies. A better approach may be looking at those industry standard project management guidelines and finding ways to apply those best practices through a business agility approach. There are several aspects to business agility, but in this context, it is more about a shift in mindset, rather than a mix of methodologies. This mindset or approach is one where there is a level of flexibility where new ideas are explored, changes are expected, and where it is acceptable to not have every detail figured out before there is action.

Mixing methodologies to build an organization-specific framework starts with support and buy-in from leadership. Once that support is in place, the PMO has the opportunity explore benefits, constraints, and challenges from any number of methodologies in a cafeteria style approach to build the best fit framework for the complexities in the organization. This can include combining agile and lean best practices in combination with traditional project management techniques. At the working level, the framework can define how development, security and operations work together to continuously deliver solutions that meet several needs at once. Finally, this framework can bring the work at the execution level and tie it to the governance and reporting at the leadership level for a holistic approach that serves multiple levels of stakeholders in the organization.

PM World Journal (ISSN: 2330-4480)
Vol. XI, Issue X – October 2022
www.pmworldjournal.com   Second Edition

Transforming the Organization in Project
Management to Deliver Value
by Edward J. Leydon

STRATEGIC GOALS

When considering the project management framework for implementation in the organization, it is critical to start with understanding the strategic goals of the organization. The project management approach must serve a purpose and that purpose must be aligned to strategy. To deliver value, we must start with understanding some basics of strategic goals. This value itself is not limited to financial value and can come in many forms. A critical part of delivering value is understanding the customer and what is most important to them. This could include considering investments to enhance new features and ease of usability. There could be competitive advantages of being first to market with a new product. There are many other types of value to the organization and that value creation and delivery must be defined with the strategic goals of the organization.

The level and priority of investment in delivering value is also an integral part of strategy. Organizations do not have unlimited resources or funding and must prioritize when making critical business decisions. These business decisions must be made by looking how the investments align with the strategic goals for the organization. In this way, the strategic goals provide a true north, or alignment of direction.

Strategic alignment is about moving the right programs and projects into execution to meet the goals and objectives of the organization. One aspect in determining the right projects is to make sure they have focus, as opposed to being "all things to all people". Understanding the Return On Investment (ROI) which is not necessarily limited to financial ROI is also another important consideration. In addition to financial returns, the ROI could also be related to reputation, a technology advantage, business advantage or expanding the product catalog.

Another aspect to understanding the strategic goals is going through the exercise of a Strengths-Weakness-Opportunity-Threat (SWOT) analysis as part of the strategic planning. This SWOT analysis will help define the PMO framework once the strategic goals have been established. Related to strategy, strengths can come in the form of differentiators, past performance, or technical expertise. Weaknesses can be blockers to sales, limitations on funding, or any other challenge that is identified. Opportunities can come from market analysis and threats can come from knowing the competition through a competitive analysis. All these factors are typically captured and documented in some form of a business case that is managed under the PMO governance.

When a new initiative is approved for execution by leadership, there is typically a Project Charter or Business Case developed with the appropriate stakeholders. Since this is technically the start of a "project", this is when the Project Management Office (PMO) and project managers start to get involved. This Project Charter or Business Case should include the project purpose, description, requirements, and key deliverables. The boundaries need to be defined so there is agreement of what is included and excluded from the project. The charter will be used to develop the other project artifacts including milestone schedule, budget, resource plan, risk/opportunity assessment and any other materials needed for the execution team.

*PM World **Journal*** *(ISSN: 2330-4480)*
Vol. XI, Issue X – October 2022
www.pmworldjournal.com   Second Edition

Transforming the Organization in Project
Management to Deliver Value
by Edward J. Leydon

When determining the framework, there may be other external factors that will need to be considered and could drive decisions on the viability of using a particular framework. One obvious consideration is to look at past performance and success or challenges the organization has faced in similar projects in the past. If projects are initiated by a formal proposal, there could be specific requirements for how the projects are managed. For other internal projects, there may be more flexibility to adopt a framework that is endorsed by leadership, or even give the teams opportunities to try new ideas. Ultimately, this understanding of the business as a whole and the strategic goals of the organization will be critical in determining the best approach for the PMO framework and governance.

BUSINESS AGILITY

The concept of applying business agility sometimes requires a paradigm shift in thinking to adopt an agile mindset. It is about thinking about all aspects of the business in a way that allows flexibility to enable the organization to respond quickly to changes and needs of the customer. Although business agility is typically mentioned in the context of Agile methodologies, it is important to note that Agile is not limited to a set of tools, methodologies, and specific terminology. With Agile, there are some proven best practices that can be implemented, but a shift in approach or thinking is required first. This shift can be challenging, especially for those that have come to rely on previous traditional project management governance procedures. This is not about knowing the details of agile terminology, frameworks, and methodologies, but it is about the way the organization works and operates in the most flexible and efficient manner possible.

According to the Scaled Agile Framework (SAFe) guidance, "Business Agility is the ability to compete and thrive in the digital age by quickly responding to market changes and emerging opportunities with innovative, digitally enabled business solutions." One of the big challenges with adopting a new approach with individuals with a more traditional project management governance background is that they will try to implement Agile as a disciplined set of best practices and procedures that will govern projects. Experienced PMO leaders and project managers may have great success in learning and becoming an expert on processes and procedures. Traditional project management normally dictates that proper planning and requirements gathering will determine the success or failure of the project. With this approach, developing the detailed requirements and agreeing on the full scope of the project must happen prior to beginning any work. Baselines of these scope requirements in addition to the schedule and budget are captured as a baseline and all deviations from that baseline are managed through a rigid change management and governance process. It is not surprising that anyone with that type of background would have difficulty understanding and embracing the concept of a product development process where change is expected, and it is acceptable to "fail fast" and course correct as needed.

Adopting this business agility or agile mindset starts with the leadership of the organization. The leaders need to foster a vision for change and accept new ideas such as decentralized decision-making. They must demonstrate the desired behaviors by leading by example with authenticity. It

PM World Journal (ISSN: 2330-4480)
Vol. XI, Issue X – October 2022
www.pmworldjournal.com   Second Edition

Transforming the Organization in Project
Management to Deliver Value
by Edward J. Leydon

is important to create a psychologically safe environment where all voices and perspectives are considered in a collaborative approach. When leadership is successful in empowering individual contributors, there is much better engagement allowing teams to reach a higher level of potential. This potential can be visible in increased productivity, more new ideas, innovation, and greater participation.

There are other areas where this business agility mindset can be used to improve the overall health and performance of the organization. Business agility is also about continuous improvement and continuous learning by trying, adjusting, and iterating when coarse correction is necessary. This new mindset is also applied to how the organization looks at a product-focused delivery model as opposed to just completing projects. Business agility includes the overall business processes, systems and tools that are implemented in such a way that there is minimal overhead and elimination of all non-value-add effort for operations. This will also include the overall portfolio management across the enterprise so that decisions can be made quickly with minimal reviews, approvals, and other unnecessary oversight.

Business agility is more about a growth mindset as opposed to a fixed mindset. There are some Agile principles that can be applied to this growth mindset to enable the organization to become a high maturity/high performing organization. Approaches where managers and leaders become coaches by taking the time to get the teams to perform to their full potential include supporting full transparency and open communications that help to break down silos. This also includes a focus on soft skills as well with emotional intelligence and decentralized decision making.

Applying business agility across all parts of the organization also requires a solid understanding of Agile frameworks and best practices. This can start by comparing Agile to more traditional waterfall project management which is where many PMO frameworks begin. The typical approach to project management is a more methodical and controlled framework when compared to Agile. In traditional waterfall project management, all requirements are defined up front. There are baselined budgets and schedules with dependencies and a critical path. Change is viewed as a variance or deviation from this baseline. There are many examples where this approach has been successful, but there are also many drawbacks which has led to looking at Agile beyond software development to project management in general and other business activities.

With Agile, there is a shift to an iterative approach to delivering value throughout a project, or product development lifecycle. There is less of an emphasis on figuring out all the requirements up front, but rather focusing on getting the information needed in a backlog to develop a Minimal Viable Product (MVP). There is a focus on delivering value and building trusting working relationships rather than completing tasks in a project plan. Getting to this MVP quickly allows opportunity to incorporate feedback and identify problems early. The Agile approach allows for the quick adoption of changes and change itself is considered a positive enhancement to making a better product related to deliver value to the customer. There is a bias for action, safety to try new ideas and learn as the project or product development goes.

PM World Journal (ISSN: 2330-4480)
Vol. XI, Issue X – October 2022
www.pmworldjournal.com   Second Edition

*Transforming the Organization in Project
Management to Deliver Value*
by Edward J. Leydon

With business agility, the real focus is on outcomes vs. process which requires flexibility to be built in. It is again important to understand that all the value is still very much aligned to the strategic goals. Although there is a certain amount of learning and understanding of Agile principles and practices required, business agility is more about a shift in approach or thinking.

CONNECTION TO EXECUTION

Once there is a basic foundational understanding of the project management framework aligned to strategy using an agile mindset, the next step is connecting the strategic goals of the organization to execution of the project. Too often, there is a gap between leadership expectations and the teams that are doing the work. The leadership works on the overall strategy and objectives for the project and determines the metrics that will be used to track project performance. The execution team integrates the necessary metric tracking mechanisms and does their best to maintain a "green" status on the metrics with little regard or understanding of the strategic goals.

Having a robust PMO is about having an infrastructure for program management execution and to make use of PMO skills in managing strategy for the organization. This will include looking across the entire enterprise and understanding the decommission of the entire portfolio. This End-To-End (E2E) structure that ties strategy with execution must be implemented in a way that ensures that the critical business needs are met. This will increase the odds of success, reduce opportunities for failure and provide a well-defined path.

To understand the decomposing of the entire portfolio, we first need to understand what is included in the portfolio. From a PMO perspective, portfolio management is about the oversight and governance of a group of programs that meet a strategic business need. These programs may or may not be interdependently related. In some form, the portfolio is aligned to the organizational breakdown of the organization, but there may be an individual or business unit that has ownership and accountability for the portfolio.

If the portfolio is the collection of a group of programs, understanding the components of a program is the next level of this breakdown as we decompose the work needed to meet a specific strategic goal. Programs may still be thought of at a high level, but this is where we start to see more detailed plans that represent the actual work. This can be with a high-level strategic product roadmap that shows the high-level plan with a timeline. As the portfolio is broken down into the details of the program, it is important to stay focused on the strategy, deliverables or value that is expected from the effort. As with the portfolio, there is an owner or program manager that has accountability for making decisions that ultimately determine the success or failure of the program.

Where programs may be longer term strategic initiatives on a roadmap, projects are shorter term efforts to complete a specific set of requirements or deliveries. Project plans are the detailed plans that are used to track the day-to-day performance of the execution team(s). When following an Agile approach, these may be developed as part of the Release Plan for a product. The project or product development is typically managed by a single individual contributor project manager that

*PM World **Journal*** *(ISSN: 2330-4480)*   *Transforming the Organization in Project*
Vol. XI, Issue X – October 2022   *Management to Deliver Value*
www.pmworldjournal.com   Second Edition   by Edward J. Leydon

works with the execution team. This could include technical leaders and if the project teams are following Agile scrum, it would include the Product Owner, Scrum Master, and development teams.

The PMO framework will support connecting the strategic goals to the work at the execution level of the project(s). There are two main approaches that can be worked to flow from the top down or from the bottom up. In the top-down approach, leaders in the organization determine a specific goal or objective to be met and then build high level program requirements to achieve that goal or objective. These requirements may get down into budget allocation, specific milestone deliverables, resources that will be made available and other details that the project manager will have to use in the execution of the project. All major decisions are made at the top, and then flow down to the teams.

In a bottom-up approach, the execution teams and project manager start with the high-level goals or deliverables to build the project plan. Typically, this will start by laying out the schedule including linking all milestones, durations, and dependencies. Once the schedule has been developed, resources including labor and other direct costs are estimated for the completion of each of the tasks in the schedule. Finally, rates and quotes for materials are gathered to prepare the budget for the project. All these project plans are documented in applicable artifacts and then presented to leadership for approval. With a traditional project management approach, this is typically done through some form of phase gate review and approval process.

There is typically a combination of Top-Down and Bottom-Up to baseline a complete project or product development plan. This is true whether using a traditional waterfall project management approach or using Agile project management methodology. Regardless of how the project plan is developed there still must be a level of traceability from the top strategic level to the bottom working execution level. This is another example of how we align delivering customer value to the strategic goals or the organization.

Many times, strategic plans are made at the leadership level and then communicated down to the execution level at the beginning of the project. Expectations are not clarified and over time, the execution team is working on one thing and leadership is expecting and reporting out on something entirely different. For success in delivering value, the leadership and execution teams must be aligned and working together so there is not a separation of the strategic goals and the execution of tasks. The way that these connections are made and maintained need to be included in the PMO framework and governance models so that the PMO is not just about processes and procedures, but part of the business processes as well as the governance needed to ensure completion of goals and objectives.

PRIORITIES AND CONSTRAINTS

Balancing the priorities and managing constraints is another important consideration. Rarely is there a condition where there are unlimited resources, both human capital and material, for project

PM World Journal (ISSN: 2330-4480)
Vol. XI, Issue X – October 2022
www.pmworldjournal.com   Second Edition

Transforming the Organization in Project
Management to Deliver Value
by Edward J. Leydon

execution. One of the best ways of managing the resource constraints that do exist is to understand the priorities of the project and/or organization. The priorities need to be derived directly from the strategic goals and objectives.

When considering the strategy for a specific project, there are several things that need to be considered which should also be part of the PMO Governance model. The high-level estimate of the resources required to meet the project deliverables must be considered. These deliverables will typically be mapped out with a timetable with milestones on a roadmap. The business case will determine some of the boundaries or constraints for the project and could include specific customer requests, technology advance/roadmap, legal requirements, ecological impacts, and potentially social need. From there, the PMO governance can help the teams manage priorities and constraints.

Constraints can set limitations on many aspects of the project and the PMO can help drive prioritized decisions on how to operate best within these constraints. One area that can be used as an example is when there are a fixed number of resources available with a specific skill set. There can be high demand for these resources with multiple conflicting perspectives on the priority for these resources. Everyone on the team believes their work is the highest priority and will want to pull in these resources as needed. It is part of the PMO governance to determine the priorities for the project and/or product delivery and therefore the priority for these resources. The PMO can also assist in finding other solutions to manage multiple priorities, but when the difficult decisions need to be made, the PMO and project managers can determine what is best for the project or organization using the strategic goals as the guide for justifying these priority calls.

LEAN AND CONTINUOUS IMPROVEMENT

There is often talk of working in the most efficient way possible, but many times there is not much effort or focus on this efficiency beyond the talk. Applying lean best practices can increase and measure these efficiencies while driving continuous improvement. Again, this may require a shift in approach or mindset to a leaner way of working. There is the specific six sigma lean methodology and then there is thinking lean and meeting the intent while not applying a framework that could be more tailored to a manufacturing environment.

There are Agile frameworks that reference "lean" with little to no information on how exactly to apply lean to said frameworks. Lean in the context of Agile or project management is just about being as efficient as possible and continuing to improve over time. Project management skills can help the PMO with measuring efficiencies and reporting continuous improvement over time. Again, there are some specific, sometimes complicated, lean methodologies, but there are some concepts and ideas that can be applied that meet the intent of being lean without the expense of implementing a more formal process such as those required by certain governing bodies.

The first part of becoming lean is to understand the current state, or to have a baseline to measure improvements going forward. This can be as simple as capturing something that is already tracked, or where it can be calculated from the existing data that is available. One example could be cycle

time or number of steps in a particular process. If the teams can capture the current number of steps or touch points in the current state along with typical cycle times for operations, this can be used as a baseline. As the teams go through these operations in execution of the project, they look for ways that the processes can be improved rather than just following existing instructions. By taking a continuous improvement approach to being more proactive and finding ways to reduce the number of steps, improvements can be measured over time. These improvements can be reported using metrics around cycle time and cost reduction as a measure of productivity which will in turn justifying the ROI in spending the time to build in continuous improvement and lean thinking.

HYBRID FRAMEWORK

Having a PMO hybrid framework is about developing a project management approach to promote predictability and ability to consistently deliver results on committed objectives. Many times, existing frameworks or methodologies are very prescriptive and when not followed "correctly', things fall apart quickly. These frameworks can be too rigid in some sense, but also too generic in other ways. The rigidity is due to the connections and inter-dependencies between the various parts of the system. These frameworks can be modular where parts that are not applicable to a particular application may be tailored out, but unfortunately, this is not always the case, and a more customized hybrid framework is needed.

Many times, new methodologies are set up with a reference point from a particular industry or set up generically so that it can be applied to a variety of applications. If there are specific requirements, complexities or conditions that need to be addressed, neither of these models may be the best fit. The industry used as the reference point for the development of the framework may be very different to the industry where the PMO is going to operate. This could result in parts of the framework being not applicable or non-value add as part of the PMO solution. At the other end of the spectrum, when the framework is too generic, specific required complexities may not be covered in the framework and the PMO will have to define add-on parts of the framework to cover the gaps.

There may be a need to build an application-specific framework that takes bits and pieces from several methodologies for a hybrid approach that fits the specific need. Taking a PMO agility methodology approach is recognizing that there may be no one size fits all framework that will meet all the organization's specific needs. In this case, the organization must tailor, or combine, methodologies to take advantage of what works for their specific needs. The advantage is that this provides a way to embrace the organizations uniqueness in determining the PMO framework.

This hybrid PMO framework can combine the best practices of traditional waterfall project management with Agile. Looking at the big picture across the entire organization, business agility and strategic alignment ensure that the framework with meet the business needs in an ever-changing environment. Lean thinking and approaches can be applied to maximize efficiency. By combining a DevSecOps delivery model with Agile methodology and best practices, teams can

make data-driven decisions related to changes due to conflicting priorities and resource constraints in a dynamic environment. With proper infrastructure and systems in place, all levels of the team, including leadership, have real-time updated status on planned tasks, critical unplanned drop-in tasks, blockers and completed work.

Understanding all these methodologies, limitations and options increases the PMO toolbox for defining frameworks and governance models. The PMO will still need to own the drive to consistency and predictability by maintaining some structure in the organization, but the framework will be one that meets the specific needs of the organization. This will also give the PMO the ability to adapt to changes in the business environment to stay relevant. When some organizations are questioning the need for a PMO in an environment where innovation is top priority and all the talk is about Agile and moving away from the more traditional waterfall project management, this hybrid approach will allow PMO leaders to demonstrate their value to the organization. It will not be a question of whether the organization needs a PMO, but rather how will the PMO adapt to stay relevant as business conditions change.

REFERENCES

Agile Business Consortium "Business Agility: Enabling Businesses and Individuals to be More Adaptive, Creative and Resilient." https://www.scaledagileframework.com/business-agility/

Scaled Agile, Inc. (2022). "Business Agility – Scaled Agile Framework", https://www.scaledagileframework.com/business-agility/

Scrum.org - The Home of Scrum (2022) "Professional Scrum Competency: Developing People and Teams"; https://www.scrum.org/professional-scrum-competencies/developing-people-and-teams

About the Author

Edward Leydon

Washington, DC, USA

Edward Leydon is an influential leader with proven success in creating PMO frameworks, devising best practices in Program/Project Management, and coordinating with program heads and senior leadership of the organization. Edward is currently Project Management Office (PMO) Head with Computercraft at the National Center for Biotechnology Information (NCBI), part of the National Library of Medicine (NLM) at the National Institutes of Health (NIH). His employment history includes key accomplishments as Staff Systems Engineer and Engineering Program Manager at Lockheed Martin, PMO Director at Honeywell Aerospace and Director of PMO and Strategy at Beacon Red.

Edward has a track record of designing and executing enterprise programs by establishing vision, influencing team members, and setting direction to deliver consistent results on time, within budget, and complete scope requirements. He has a rich background in deploying several right-sized PMO frameworks by identifying the specific appropriate level of oversight and proposing solutions to deliver consistent results. He has a history of increasing project efficiencies, scalability, and adaptability by managing business operations, developing system as per company standards, and using lean/agile processes.

Edward has led successful enterprise-level $100M+ annual budget transformational business initiatives working with leadership teams and executive (C-Level) leadership managing program performance budget, schedule, scope, resources, and critical deliverables. In addition, he has a passion for sharing his expertise and is a successful coach, trainer, and mentor. He has worked on developing teams in China, Czech Republic, India, Puerto Rico, UAE, UK and USA.

Edward holds a Master of Business Administration (MBA), Bachelor of Science (BS) in Project Management, Associate of Applied Science (AAS) in Engineering Technology, is a certified Project Management Professional (PMP), Microsoft Certified Professional (MCP), Certified SAFe® 5 Program Consultant (SPC), Design For Six Sigma (DFSS) Green Belt and has received many other awards and recognitions throughout his career. He can be contacted at edward.leydon@gmail.com