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Bottoms Up! Our PMO to SRO Journey
by Sue Severns
Case Study

Bottoms Up! Our PMO to SRO Journey [1, 2]

Sue Severns

Abstract

A PMO Director without a PMO. That was the situation a year ago. I posted on LinkedIn and one of my connections said he would help me find another job. He missed the point! We realized our vision. "How?" you might ask. Let's talk about the PMO (Program Management Office) to SRO (Strategic Realization Office) journey at Inspirus.

Inspirus hired me to implement a PMO three years ago. At the time, Inspirus was implementing agile software development practices. The 3 Ps of project management - Project, Program, and Portfolio – were the next set of practices to implement. My evaluation started with what existed, who was doing what, and what was needed. In an organization of one hundred people that means people are wearing many hats. Implementing a traditional PMO that was top-down and governance-based didn't fit. My answer was to try a bottom-up PMO as it fits this situation.

The PMO was launched with one PM (me!) instructing the organization on how to manage projects using tools, processes, and techniques. Then a suggestion was made by the very people I trained to evolve the PMO into the Process Center. We evolved yet again this year to the Strategic Realization Office (SRO) working with the C-suite and V-suite. We are defining processes to align strategic planning with agile software development. Learn about our successes and challenges, and how you may apply these to your organization.

Remember this Bottoms Up is not a drinking game! We will be sharing experiences!

Learning Objectives:

- Understand what a bottom-up PMO is and how it is different from a top-down PMO
- Explain the functions of a PMO, Process Center, and Strategic Realization Office
- Learn techniques to plan strategically in an agile software development company

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[1] *Editor's note: This paper was originally presented at the 15th UT Dallas PM Symposium in May 2023. It is republished here with the permission of the author and conference organizers.*

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About Inspirus

Employees play a large part in defining a company's culture: their everyday experiences create the foundational structure that drives an organization to be strong, high-performing, and ultimately successful. Inspirus helps organizations harness the power of their greatest resource — their people — ensuring they feel valued and connected, fostering greater loyalty, performance, productivity and success. Through a SaaS-based technology platform and the support of tenured customer success experts, **Inspirus' recognition, communication, and community building solutions** foster engagement to help workplace culture evolve and thrive. For more information: www.inspirus.com

Inspirus is a Pluxee company.

Background

Our PMO to SRO Journey has taken place over the last three (3) years. When I started three years ago there was no Project Management Office (PMO) or project governance. I interviewed key stakeholders to gather the current state and requirements. With only one hundred employees, it is fair to say that each person performs multiple roles. The Scrum teams have shared resources and they are not dedicated to one product. The people managing projects had processes that were repeatedly used but without an emphasis on process effectiveness and efficiency.

In today's business environment, projects have become increasingly complex, demanding the need for specialized skills and expertise to manage them successfully. As a result, many organizations have established Project Management Organizations (PMOs) to ensure that their projects are delivered on time, within budget, and to the required quality standards.

In the first year, we decided to establish a PMO.

PMO

A PMO is a centralized unit within an organization that oversees and manages project activities. PMOs develop and maintain project management processes, methodologies, standards, and tools that enable effective project execution. The PMO provides guidance, support, and oversight to project managers and their teams, ensuring that projects align with the organization's strategic objectives and are delivered within the constraints of time, budget, and quality.

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The primary objective of a PMO is to improve project management practices within an organization. This can be achieved by standardizing project management processes, methodologies, and tools, and by providing training and support to project managers and their teams. The PMO also aims to ensure that projects are aligned with the organization's strategic objectives and that they deliver the expected benefits.

A PMO performs several functions that are critical to the success of a project. These functions include:

1. Project portfolio management: The PMO is responsible for managing the organization's project portfolio, ensuring that projects are selected based on their strategic alignment, benefits, and risks.

2. Project management methodology: The PMO develops and maintains project management methodologies, standards, and processes that enable consistent and effective project execution.

3. Resource management: The PMO manages the allocation of resources to projects, ensuring that they are adequately staffed and that resources are utilized efficiently.

4. Project governance: The PMO provides oversight and governance to projects, ensuring that they adhere to the organization's policies and standards.

5. Reporting and metrics: The PMO tracks and reports on project performance metrics, providing visibility to project sponsors and stakeholders.

Implementing a PMO within an organization can provide several benefits, including:

1. Improved project success rates: By providing guidance, support, and oversight, the PMO can improve project management practices and increase the likelihood of project success.

2. Consistent project management practices: The PMO ensures that project management processes, methodologies, and tools are standardized and consistent, reducing the risk of errors and rework.

3. Better resource utilization: By managing resource allocation, the PMO can ensure that resources are utilized effectively, reducing the risk of project delays and overruns.

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4. Increased visibility and transparency: The PMO provides visibility into project performance metrics, ensuring that sponsors and stakeholders are informed and involved in project decision-making.

5. Cost savings: The PMO is directly linked to cost savings. By being more accurate from the start of the project lifecycle, you will reduce change management. Changes drive up the cost and may cause a project to be over budget.

6. Better decision-making: The PMO provides a platform for better decision-making by linking strategic plans together with the corporate strategy. The PMO gathers all kinds of data across all projects and analyzes this information to give key decision-makers within the organization all the relevant information they need to enable organizations to achieve better success in their projects.

In conclusion, a PMO is a critical component of any organization that executes projects. By providing guidance, support, and oversight to project managers and their teams, the PMO can improve project success rates, standardize project management practices, and increase visibility and transparency. The PMO enables an organization to execute projects consistently and effectively, aligning them with the organization's strategic objectives and delivering the expected benefits.

Stop, Look and Listen Technique

The Stop, Look and Listen safety technique is commonly used to teach children how to safely cross a road or railway tracks. The three-step process encourages people to pause and carefully observe their surroundings before acting. The same technique can be applied in project management to help ensure project success. Here is how:

1. **Stop:** In project management, the "Stop" step means taking the time to pause and evaluate the project's progress. The relevant processes include evaluating the project schedule, reviewing the budget, and assessing the project's risks and issues. Stopping at regular intervals can help identify potential problems early and prevent them from becoming larger issues.

2. **Look:** The "Look" step involves analyzing the current state of the project and identifying any areas that require attention. This can include examining the project schedule to ensure that deadlines are being met, reviewing the project budget to identify areas where costs can be reduced, and assessing the project team's performance to ensure that everyone is working effectively.

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3. **Listen:** The "Listen" step involves actively seeking feedback from project stakeholders, including team members, sponsors, and customers. Listening to feedback can help identify areas for improvement and enable project managers to adjust their plans accordingly.

By applying the Stop, Look and Listen technique to project management, project managers can proactively address potential risks before they become issues ensuring that the project stays on track to meet its objectives.

Bottom-up Versus Top-down PMO

In project management, the terms "bottom-up" and "top-down" can refer to different approaches to managing projects and the Project Management Office (PMO) that oversees them. Here are the main differences between a bottom-up PMO and a top-down PMO:

1. **Approach:** A bottom-up PMO takes a more grassroots approach to manage projects, with a focus on empowering project teams and individuals to make decisions and drive progress. A top-down PMO, on the other hand, takes a more centralized and directive approach, with a focus on enforcing standards and protocols across projects.

2. **Authority:** In a bottom-up PMO, project teams have a high degree of autonomy and decision-making power, with the PMO serving more as a resource and support function. In a top-down PMO, the PMO has a higher level of authority over project teams and may be responsible for setting priorities, allocating resources, and enforcing project standards.

3. **Flexibility:** A bottom-up PMO may be more flexible and adaptable to changing circumstances, as project teams are empowered to make decisions based on their knowledge and experience. A top-down PMO may be more rigid and inflexible, as decisions and standards are set at a higher level and may be slower to change.

4. **Communication:** A bottom-up PMO may rely more on informal communication and collaboration between project teams, while a top-down PMO may rely more on formal communication channels and reporting structures.

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At Inspirus we decided on a bottom-up PMO as it met the specific needs and goals of our organization, as well as the nature of the projects being managed. Some organizations may use a hybrid approach that combines elements of both bottom-up and top-down management styles.

Bottom-Up PMO

A bottom-up PMO is a type of PMO that is established by project teams to improve project management practices and overcome project-related challenges. The bottom-up PMO is built from the ground up, with project teams taking the lead in defining project management processes, standards, and tools. The bottom-up PMO is also known as the Grassroots PMO, Agile PMO, or Collaborative PMO.

The primary objective of a bottom-up PMO is to support project teams in delivering successful projects by improving project management practices. The bottom-up PMO aims to achieve this objective by:

1. Facilitating communication and collaboration among project teams: The bottom-up PMO fosters communication and collaboration among project teams by creating forums and channels for sharing knowledge, best practices, and lessons learned.

2. Developing and promoting project management practices and tools: The bottom-up PMO identifies and develops project management practices and tools that can improve project performance and provides them to project teams.

3. Providing coaching and training: The bottom-up PMO provides coaching and training to project teams to improve their project management skills and knowledge.

A bottom-up PMO performs several functions that support project teams in delivering successful projects. These functions include:

1. **Facilitating communication and collaboration:** The bottom-up PMO creates channels and forums for project teams to share knowledge, best practices, and lessons learned.

2. **Developing project management processes and tools**: The bottom-up PMO identifies and develops project management processes and tools that can improve project performance.

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3. **Providing coaching and training**: The bottom-up PMO provides coaching and training to project teams to improve their project management skills and knowledge.

4. **Promoting project management standards**: The bottom-up PMO promotes project management standards that are aligned with the organization's objectives.

5. **Monitoring project performance**: The bottom-up PMO monitors project performance by collecting data and metrics and providing feedback to project teams.

Implementing a bottom-up PMO can provide several benefits to an organization, including:

1. **Improved project performance**: The bottom-up PMO improves project performance by providing project teams with the processes, tools, and knowledge they need to deliver successful projects.

2. **Increased collaboration and knowledge sharing**: The bottom-up PMO fosters communication and collaboration among project teams, promoting knowledge sharing, and best practices.

3. **Higher team engagement and motivation**: The bottom-up PMO promotes team engagement and motivation by providing opportunities for team members to contribute to the project management process.

4. **Better alignment with organizational objectives**: The bottom-up PMO ensures that project management practices are aligned with the organization's objectives, resulting in better project outcomes.

At Inspirus we decided to implement the bottom-up PMO. Our PMO is driven by project teams and aims to improve project management practices. We built the bottom-up PMO from the ground up. I defined the project management processes, standards, and tools. Then I trained people leading projects on the processes, standards, and tools. For the larger projects, I became responsible for project management and collaborated with the project teams to align their current methods with the processes.

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The bottom-up PMO provides several benefits to Inspirus, including improved project performance, increased collaboration, and knowledge sharing, higher team engagement and motivation, and better alignment with our organizational objectives.

Process Center

During the second year, we realized that the PMO being a silo didn't allow the synergy we needed across the organization. As part of our lessons learned, we renamed the PMO to the Process Center. The Process Center (PC) is a centralized hub that serves as a repository for project management practices, processes, and templates. It is a resource center that provides guidance and support to project teams in managing their projects efficiently and effectively. In Microsoft (MS) Teams, we have channels for the business functions to organize the projects into logical groupings.

The primary objective of our PC is to standardize project management practices across the organization, increase efficiency, and reduce risks in project delivery. By centralizing project management practices, we can achieve consistency in project management practices and ensure that projects are delivered according to our goals, objectives, and standards.

The PC is typically comprised of a team of project management experts who work together to define and document project management processes, create templates, and provide training and support to project teams. At Inspirus we have two (2) people in this department. One is project and program management focused while the other is the Scrum Master to lead the agile processes. Together we are responsible for monitoring project performance, identifying and resolving risks and issues, and providing recommendations for improvements to project management practices.

We have also become the de facto MS Teams business administrators. We are contacted by people in the organization on effective team and channel setup along with the appropriate tools to employ for a business or project need. The teams are set up for a particular audience to reduce the number of teams to reduce brain fatigue. We audit and ensure standards are being followed in MS Teams and remediate as necessary.

Our PC benefits Inspirus in several ways, including:

1. **Increased efficiency**: By standardizing project management practices and processes, the PC helps to streamline project delivery, reduce errors, and improve efficiency.

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2. **Improved quality**: By providing project teams with access to best practices, templates, and tools, the PC can help ensure that projects are delivered with a high level of quality.

3. **Reduced risk**: The PC helps to identify and mitigate risks, and to avoid costly project failures.

4. **Improved collaboration**: The PC is our centralized hub for project management resources, fostering collaboration among project teams and enabling them to share best practices and lessons learned.

5. **Better resource management**: By providing project teams with standardized processes and templates, the PC can help to manage our resources more effectively, ensuring that projects are completed on time and within budget.

In summary, our Process Center is a centralized hub that provides project teams with access to standardized project management processes, practices, templates, and tools. By promoting consistency and efficiency in project management, the PC can help to improve project delivery, reduce risk, and enhance collaboration among project teams.

Strategic Realization Office

At the start of my third year at Inspirus, our CEO said we need a Strategic Realization Office (SRO). She had heard about an SRO from her peers, and it was indeed missing from Inspirus. We had a process to create a strategic plan aligned with our parent company Pluxee's objectives, yet each Leader (C-suite and V-suite level) was in charge of the delivery. An SRO would provide a department that is responsible for overseeing and coordinating the execution of our strategic initiatives.

The SRO was formed to ensure that we achieve our strategic objectives, by providing a centralized, coordinated, and standardized approach to strategy execution. There are several reasons we chose to form a Strategic Realization Office (SRO). Six of the key reasons are:

1. **To ensure that strategic initiatives are executed successfully**: We invest significant time, resources, and effort in developing strategic plans. However, without a structured approach to executing these plans, we may struggle to achieve their strategic objectives. The SRO provides a centralized and coordinated approach to strategy execution, ensuring that strategic initiatives are executed successfully.

2. **To increase accountability and transparency**: The SRO helps to increase accountability and transparency in strategy execution. By providing a centralized view of strategic initiatives, the SRO can help to ensure that teams monitor and report progress effectively. This helps to increase transparency and ensures that stakeholders are aware of the status of strategic initiatives.

3. **To optimize resource utilization**: The SRO provides a centralized view of all strategic initiatives, and the SRO can help to ensure that resources are allocated effectively. This helps to minimize duplication of effort and ensures that resources are focused on the most critical initiatives.

4. **To enhance decision-making**: The SRO helps to enhance decision-making by providing a comprehensive view of all strategic initiatives. This enables us to make informed decisions about prioritization, resource allocation, and risk management.

5. **To improve benefits realization**: The SRO provides a structured approach to benefits identification, tracking, and realization. The SRO can help to ensure that we achieve our intended benefits from strategic initiatives.

6. **To improve risk management**: The SRO, with a centralized view of all strategic initiatives, can help to identify and manage risks more effectively. This helps to ensure that risks are mitigated, and strategic initiatives are executed in a way that minimizes risk.

Indeed, the SRO has delivered good results in its first year. The SRO provides a centralized, coordinated, and standardized approach to strategy execution, which helps to increase accountability and transparency, optimize resource utilization, enhance decision-making, improve benefits realization, and improve risk management.

Forming an SRO

Forming an SRO requires careful planning and implementation. Here are the steps to follow to create an effective SRO:

1. **Define the SRO's purpose**: The first step in forming an SRO is to define its purpose. This involves identifying the organization's strategic objectives, and determining how the SRO will help the organization to achieve these objectives.

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The SRO's purpose should be clearly defined and communicated throughout the organization.

2. **Identify the SRO's responsibilities**: The next step is to identify the SRO's responsibilities. This involves determining the scope of the SRO's work and outlining the activities and processes for which it is responsible. The SRO's responsibilities may include portfolio management, program management, project management, benefits realization, and risk management.

3. **Establish the SRO's governance framework:** The SRO's governance framework is established to ensure that it operates effectively and efficiently. This involves defining the roles and responsibilities of the SRO's staff, as well as the policies, procedures, and standards that they will follow. The governance framework should also define how the SRO will interact with other departments and stakeholders within the organization.

4. **Determine the SRO's staffing and resource requirements**: The SRO's staffing and resource requirements are determined based on its purpose and responsibilities. The staffing plan identifies the skills and expertise required to perform the SRO's functions, and the resources needed to support these activities.

5. **Establish the SRO's processes and tools**: The SRO's processes and tools are established to create a standard approach to strategy execution and to develop tools and templates to support the SRO's work.

6. **Develop the SRO's communication plan**: Effective communication is essential for the success of the SRO. A communication plan is developed to ensure that stakeholders are aware of the SRO's purpose, responsibilities, and activities. The communication plan should also outline how the SRO will communicate progress and results to stakeholders.

7. **Implement the SRO**: Once the SRO has been planned and designed, it is time to implement it. This involves recruiting and training staff, establishing processes and tools, and communicating the SRO's purpose and responsibilities to stakeholders. The SRO is typically launched in a phased approach, with clear goals and metrics established for each phase.

In conclusion, forming a Strategic Realization Office requires careful planning and implementation. The SRO is designed to support the organization's strategic objectives,

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and its purpose, responsibilities, staffing and resource requirements, governance framework, processes and tools, and communication plan should be clearly defined. By following these steps, organizations can create an SRO that helps to ensure that we achieve our strategic objectives.

Strategic Planning in an Agile Organization

As discussed earlier in this paper, Inspirus follows the agile software development method. Agile software development emphasizes flexibility, rapid iteration, and continuous improvement. Planning strategically in an agile software development company requires a different approach than traditional strategic planning, as it must be more adaptive and responsive to changing market conditions and customer needs. Here are five techniques that can be used to plan strategically in an agile software development company:

1. **Agile Roadmapping**: Agile roadmapping is a technique that involves creating a visual roadmap of the product development cycle. It allows teams to see the big picture of the product development process and make changes as necessary. Agile roadmapping emphasizes the importance of flexibility and responsiveness to change. The roadmap is a high-level project view that aligns with the strategic plan.

2. **Customer Feedback**: Customer feedback is a critical component of agile software development. Companies can use customer feedback to identify potential product features, prioritize development efforts, and make informed decisions about product direction. Companies should continually gather and analyze feedback from customers to ensure that their product remains competitive and relevant.

3. **Sprint Planning**: Sprint planning is a technique used in agile software development to break down larger projects into smaller, more manageable tasks. Sprints typically last between one and four weeks, during which time teams work on specific tasks and then review and adjust their progress. At Inspirus our sprints are for two weeks. Sprint planning helps teams to be more flexible and responsive to changing market conditions.

4. **Retrospectives**: Retrospectives are meetings held at the end of a sprint to review the team's performance and identify areas for improvement. They are an opportunity for teams to reflect on what worked well and what did not, and to adjust for the next sprint. Retrospectives help teams to be more responsive to

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changing market conditions by identifying areas for improvement and making necessary adjustments.

5. **SWOT Analysis**: SWOT analysis is a technique that can help companies to identify their strengths, weaknesses, opportunities, and threats. Companies can use SWOT analysis to identify areas where they have a competitive advantage and areas where they need to improve. This information can then be used to make informed decisions about product direction and strategy.

Overall, planning strategically in an agile software development company requires a more adaptive and responsive approach than traditional strategic planning. By using techniques like agile roadmapping, customer feedback, sprint planning, retrospectives, and SWOT analysis, companies can stay competitive and deliver products that meet the evolving needs of their customers.

Conclusion

At Inspirus we have had a busy three (3) years, yet I have enjoyed every moment (well most of them!):

- **Year 1**: We developed the foundation by creating a PMO with the associated processes, tools, and procedures.
- **Year 2**: We evolved to a Process Center and empowered the project teams.
- **Year 3**: We enhanced our decision-making by providing a comprehensive view of all strategic initiatives to drive delivery across the organization.

Working at Inspirus is a joy as each person is invested in the vision and gives it their all. With great people, we are focused on delivering value to our customers! In closing, bottoms up and enjoy your drink of choice!

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Sue Severns, PMP, is Senior Director of the Strategic Realization Office at Inspirus. Sue is a resolute and proven leader who combines a strong work ethic along with creativity, exceptional critical thinking skills, and over 30 years of experience to deliver value to the customer. Sue has a technical background including experience at Hewlett Packard, Perot Systems, Dell Services (acquired by NTT DATA), and Unisys. Sue motivates agile teams to deliver exceptional quality, while keeping stakeholders engaged and informed. Sue is responsible at Inspirus for driving standards, executing projects, and achieving organizational excellence with respect to Inspirus' strategic initiative delivery. She can be contacted at sue.severns@sodexo.com