

# The Five Pillars of a Modern PMO

Why the project management office role is changing



A fundamental shift is occurring in the project management offices of some of the world's largest, most successful organizations. As a global project and portfolio management solutions provider with clients that include more than half of the Fortune 100, CA has unrivaled visibility into exactly how that shift is rapidly evolving across different industries.

## Why the PMO Role is Changing

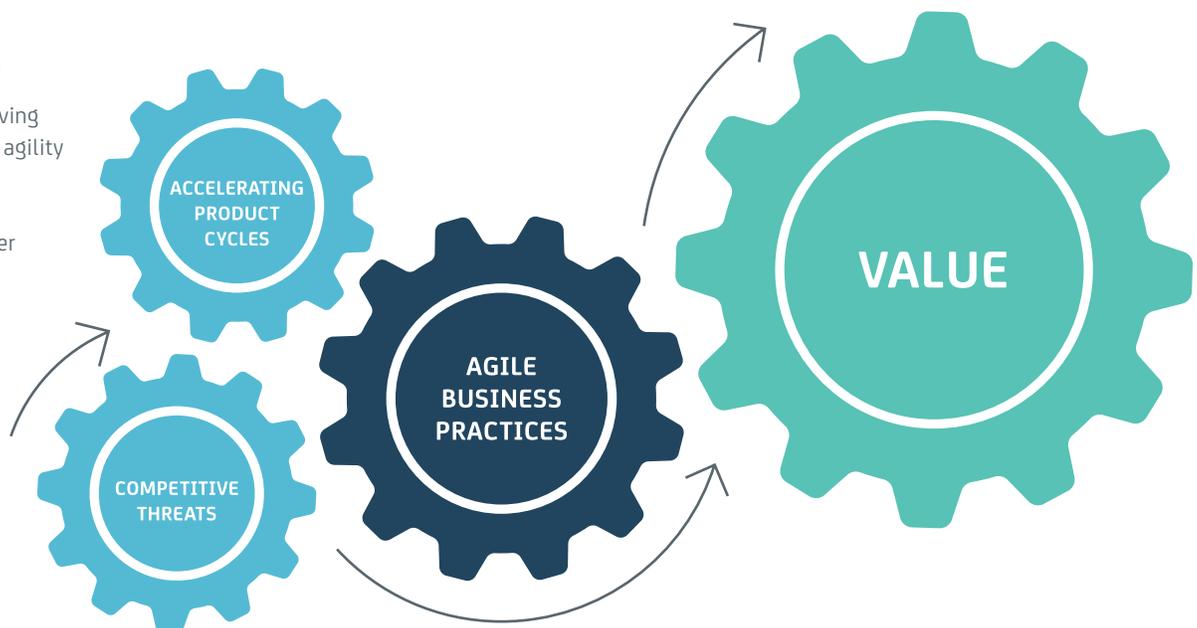
Several years into the app economy, business has changed. Accelerating product cycles and competitive threats now demand continuous planning. Change is constant and managing it is more important than ever. As a result, companies that for years have taken a traditional approach to managing initiatives are moving rapidly to implement agile business practices. And they're seeing results, in the form of improved quality, faster delivery of value, reduced development costs and increased customer satisfaction.

But this transition also creates new challenges and responsibilities for the project management office (PMO). In fact, the success of the transformation often hinges on the PMO's ability to expand the underlying concepts of the agile development methodology into a companywide ethos—a concept known as business agility.

**Figure A.**

### **Business Agility**

In today's fast-moving markets, you need agility throughout your organization to continuously deliver value.



## Start With the PMO Mindset

The transformation to agile begins with the mindset of the PMO. The traditional authoritarian approach does not create a conducive environment for agile. According to Forrester, only 48 percent of development teams surveyed reported a positive relationship between themselves and the PMO.<sup>1</sup> This discord fosters a lack of trust that impedes the process of delivering value to customers—the opposite of what’s required in an agile organization.

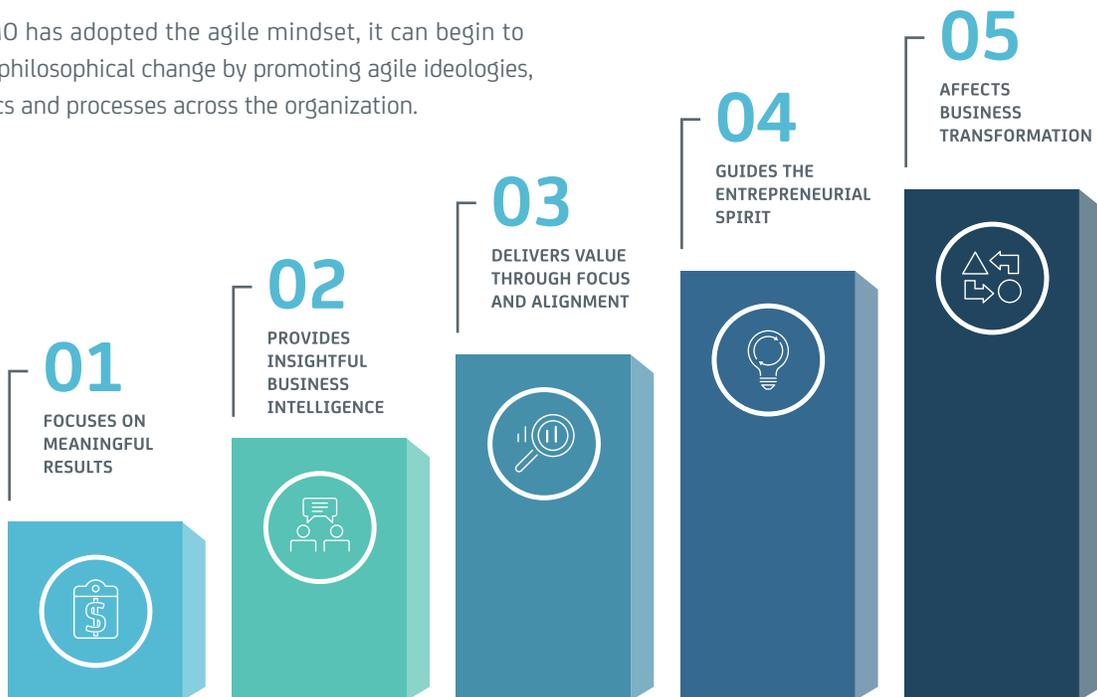
To effectively evolve towards business agility, modern PMOs are departing from the traditional approach. Rather than concentrating on tactical procedures and execution, they’re refocusing on strategic issues such as:

- **Sharpening** team focus to more effectively meet objectives
- **Improving** capacity and capability planning to facilitate portfolio growth
- **Championing** tools to help teams deliver more effectively
- **Ensuring** governance and discipline
- **Driving** value stream prioritization

Successful agile transformations occur when PMOs start thinking in terms of portfolios over projects, because effectively managing investment mixes is very much within the purview of the modern PMO. To invoke a metaphor, successful conductors can’t afford to focus solely on the string or brass section, they have to see the entire orchestra to determine how each member, team, group, product and portfolio can make the best music together.

## Pillars of the Modern PMO

Once the PMO has adopted the agile mindset, it can begin to encourage a philosophical change by promoting agile ideologies, characteristics and processes across the organization.



## 1. The Modern PMO Focuses on Meaningful Results

The ultimate goal of the PMO is to solve business problems and guide the company toward a specific, positive outcome. The strategic PMO expands the scope from the delivery of individual projects to the delivery of value to the organization.

- **Define successful outcomes:** Without a clear goal, the path forward is murky and measuring success is challenging. The modern PMO starts by defining successful outcomes, maps what needs to be done to meet them and tracks progress. Goals are set at individual, team and organizational levels. They are clear and highly visible so everyone knows exactly where they stand, what needs to be accomplished and how.
- **Use pragmatic measurement:** At the urging of key analysts, modern PMOs are replacing key performance indicators (KPIs) with objectives and key results (OKRs), due to the latter's enhanced ability to focus on, achieve and measure specific outcomes.

- **Track progress, outcomes and the benefits realized:** Ideally, the PMO will implement a tool or set of tools that provide automated, fact-based feedback that they can use to eliminate waste and guide teams toward continuous improvement. With the right metrics and reporting, the true cost to value can be determined and shared with executive management to illustrate the continuing value of the teams.
- **Promote sound investment strategies:** Use data to guide the portfolio towards the best possible outcome for the business.



### CA PPM provides organizations with tangible results

CA Project & Portfolio Management (CA PPM) enables organizations to deliver new products and services to market faster by creating and managing strategic portfolio plans with best practices and governance, through a work style best suited for today's teams. Clear insights into demand, resources and financials confirm that you're on track or tell you what adjustments are required. CA PPM also helps you:

- **Make better decisions about your portfolio** by aligning strategic investments with corporate goals and ensuring the best possible use of limited resources.
- **Align and prioritize your investments** by reconciling long-term forecasts with short-term cost plans and budgets.
- **Forecast and manage budgets** through the accurate planning, tracking and analysis of the financial performance of key projects.
- **Speed project delivery** by providing an accurate picture of agile project costing, deliverables and resourcing costs, enabling informed resource allocation decisions.

## 2. The Modern PMO Provides Insightful Business Intelligence

Gartner states, “PMOs must make a cultural shift from ‘the more detailed information the better’ to providing just enough of the right data to leadership about ongoing activities...

Executives and leaders want to do one or two things with PPM metrics and data—make a decision or take an action.”<sup>2</sup> The modern PMO strategically collects and distributes business intelligence that is important to the whole organization, without bogging it down in reports.

- **Provide transparency:** Modern PMOs provide executive leadership with meaningful insight about the value of the work being delivered through both predictive innovation methods (traditional and waterfall), as well as adaptive innovation methodologies (agile and hybrid). Getting the right data to decision makers helps to ensure that the work being delivered will bring the most value to customers—and the most value to the company.
- **Incorporate metrics to measure and adjust:** Relevant business insight is provided through the collection of key metrics. The right metrics allow business leaders to evaluate initiatives, identify issues, implement necessary changes and then reevaluate. This is the essence of what it means to be a nimble and proactive organization. PMOs must implement a tool that is comprehensive in its approach to collecting data, but should report only the specific information necessary to assist decision makers.
- **Employ data visualization:** The visual representation of trends and data from collaborative agile work management tools further speeds and simplifies decision making and improves value stream prioritization.



### CA PPM provides actionable business intelligence

CA PPM integrates with CA Agile Central to provide financial forecasting and modeling that allows resource managers to model plans to meet budgets, map headcounts to business initiatives and examine how resources tie into investments. By applying rates to resources, for example, financial modeling scenarios can identify headcount cost overages so alternatives can be explored when necessary.

### 3. The Modern PMO Delivers Value Through Focus and Alignment

According to Gartner, “As enterprises endeavor to innovate with a range of technologies and transform the business at speed, the PMO must evolve its service and function model to support these massive changes or risks being relegated to the sidelines.”<sup>3</sup> Today’s PMOs must be experts in ensuring that all projects deliver business value. This is achieved by:

- **Asking the right questions:** Are we building the right solutions at the right time? Are we getting the right customer feedback to enable timely decision making? Is this project delivering the best value for the cost? Are we tracking to meet our objectives? How can the team be more productive?
- **Implementing the right tools:** Incorporating the right tools and ensuring they’re leveraged to the fullest degree is a modern PMO imperative. If the tool has real value, no mandates for its use are required. If the team doesn’t perceive value, it’s not the right tool.
- **Use automated feedback to support decision making:** Performance metrics provide valuable insight. Automated, fact-based feedback including how people are actually working can provide forward and reflective guidance for each step of the process, from individual planning increments, to delivery of the overall portfolio.
- **Planning continuously and strategically:** Planning is no longer an annual exercise—circumstances simply change too quickly. A living, breathing planning framework is an important component of any agile organization. Today, more than 80 percent of organizations have virtual planning offices<sup>4</sup> to both facilitate strategic planning and provide a delivery framework that guides teams.



#### CA PPM facilitates organizational focus and alignment

CA PPM supports project planning of all shapes and sizes, from the elemental to the most sophisticated. Project managers can create simple plans for collaboration and the tracking of key tasks and milestones, or detailed plans for capturing all of the information in a complex, multi-tiered initiative. All requirements, resource and cost accounting activities are fully integrated, allowing for seamless management throughout the initiative lifecycle.

The CA PPM and CA Agile Central integration provides all the tools necessary to facilitate both project execution and portfolio delivery, including enterprise program and project planning, estimating, budgeting, resource allocation, collaboration and time capture.

## 4. The Modern PMO Guides the Entrepreneurial Culture

Many businesses strive to cultivate the entrepreneurial spirit of the start-up because it's synonymous with agility, innovation and creativity. The modern PMO recognizes this and looks for ways to leverage the characteristics of a start-up environment:

- **Team oriented:** As businesses move away from strict hierarchical structures, organizations flatten. This empowers teams and provides the autonomy they need to nurture creativity, drive productivity and improve delivery—all as employee retention improves.
- **Adaptive and lightweight:** The modern PMO expects and plans for disruption. They see change as opportunity. They keep the team nimble, so it can respond to—and take advantage of—changes as they occur.
- **Collaborative:** PMOs nurture team collaboration throughout the delivery process and clearly communicate what each team member is responsible for delivering. They also extend collaboration cross-functionally to better support the overarching business strategy. An agile tool built to enhance communication and collaboration is an invaluable aide.
- **Supportive:** As teams grow more innovative, modern PMOs manage as lean coaches, supporting teams with continuous guidance, training, mentoring, facilitating and relationship building. They grow and push that entrepreneurial spirit in the best direction for the company. Once agile principles, values and mindset are pervasive, the business more naturally gravitates to the right decisions.



### CA PPM helps drive an entrepreneurial culture

A central element of the CA PPM solution is a social collaboration feature that allows teams to communicate in context with other stakeholders to evaluate problems, explore options to address them and take quick action without ever leaving the tool.

This style of communication replicates the start-up environment, as it leverages intellectual capital from across the organization and helps to ensure agility, creativity and innovation. It also helps the team adapt more easily to market changes and embrace ad-hoc project management schemes.

## 5. The Modern PMO Affects a Business Transformation

The success and ultimate value of change depends upon how well it's managed. The modern PMO understands that any real transformation presents challenges that must be deliberately and methodically addressed. To effect a meaningful transformation, the PMO must:

- **Coordinate numerous moving parts:** A successful transformation will involve every aspect of the organization—from the boardroom to the breakroom. That means deploying new processes and best practices across functional and geographical boundaries. The PMO must be equipped with the tools to manage this process effectively.
- **Make informed, thoughtful business decisions:** To ensure wise investing, different opportunities should be modeled to identify which initiatives are the best opportunities for business growth and resource savings, and those should be funded and pursued accordingly.
- **Cultivate agreement among all key stakeholders:** It is essential to facilitate acceptance of changes at all levels and among all groups. Buy-in may require the continuous tweaking of processes, so it's important to remain flexible.
- **Track and document progress, measure success:** As with any key initiative, it's essential that progress is efficiently and meticulously tracked. Measure results and track progress through actionable data and regularly report success to the appropriate stakeholders to demonstrate the value of the transformation.



### CA PPM enables organizational transformation

With so many organizations placing the core responsibilities of managing the transition under a single office or person, it's essential they have the most powerful tools available to help organize, automate and track the elements and results of change initiatives.

CA PPM enables business transformation initiatives through every stage of the project lifecycle—from collecting, evaluating and prioritizing transformative project ideas to deploying resources, executing projects and assessing their impact on business objectives.

Status, financial and metrics capabilities, combined with simplified task management and automated, centralized information help to deploy and track enterprise wide changes. Together, these paint a comprehensive, real-time picture of what's completed, what's forecasted, how specific resources are being used and how to best move forward towards meeting objectives.

## CA PPM and CA Agile Central: Comprehensive Support for the Modern PMO

A highly effective PMO is one that continues to evolve. It expands its capabilities to meet the changing needs of the business. Today, that means focusing on supporting the business and IT strategy, managing development and execution, expanding beyond proactive and into predictive management and driving organizational change.

CA PPM has been redesigned to assist the modern PMO in its efforts to evolve agile from a development methodology into a companywide philosophy that transforms the business. And when integrated with CA Agile Central, it enables the PMO to drive greater value at every stage and every level of the organization. That's true business agility.

For more information,  
please visit [ca.com/ppm](https://ca.com/ppm)

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1 Visitacion, Margo (2017, April 12). PMO: Strategic, Agile and Value Oriented. [Webinar]. In CA Agile Management Virtual Summit series.

2 M. Schoen, Gartner, "Seven Best Practices for a Highly Effective PMO," March 10, 2016, <https://www.gartner.com/doc/3245617>

3 Ibid

4 Ibid