Turbocharge your project management office

How to increase business value, improve reliability, and accelerate delivery
In the race for greater enterprise agility, IT is the engine that underpins innovation and productivity. IT is no longer a back-office function—instead it is expected to work with the business to drive transformation in customer experience, empower employees, create sustainable competitive advantages, unlock business insights and pivot to support whatever challenges that arise in our ever-changing world. This new importance is fueling a fundamental shift in the nature of IT, its gears from cost center to a business resilience engine. For IT Leaders, this new pole position means stepping up to run IT like any other business department: making and successfully executing investment decisions that maximize business returns, lower costs, quicken time to value, and help the organization turn on a dime and shift gears as needed to ensure business continuity and resilience.
However, many PMOs continue to face major challenges. While they have to respond to growing business needs, they lack insight into business demands—and they lack the tools to prioritize these demands. Project delivery is still unpredictable—in fact, it’s a growing issue with more than 12% of project investment wasted due to poor project performance. And this poor performance is accompanied by low project throughput and quality—a consequence of increasing project complexity and lack of visibility.

So, how do you make your business’s PMO the exception? How can you drive continuous improvement throughout the entire lifecycle of a project portfolio, creating a streamlined, effective PMO organization that consistently provides superior value to the business? How do businesses build on their current capabilities to increase business alignment, enhance predictability, and accelerate delivery?

Here are some proven ways to help get started.
Centralize demand management

To create business alignment, the PMO needs to take a strategic role in the success of the business, working with business stakeholders to maximize the value of IT investments. To do this, the PMO needs to gain a clear understanding of business demands by capturing business drivers and requirements, and communicating realistic expectations about what each project will deliver.

To play this strategic role, the PMO needs to take a structured approach to capturing and assessing business demands. If yours is like most PMOs, you probably receive dozens—or even hundreds—of IT project requests every year. And, demand always outstrips supply—there’s never enough capacity to get everything done. That means investments must be optimized by prioritizing projects, ultimately having business and IT stakeholders collaborate to decide which projects will make the cut. Then the business must set the scope of these projects to balance risk, cost, and time to benefit.
Unfortunately, many PMOs don’t have true insight into these business demands. Each project request is considered individually rather than as part of an overall project portfolio. There is no easy way to consistently assess the business value of each project—and if demands aren’t handled in one place, there is no easy way to compare these across projects. As a result, project investments aren’t aligned with business needs. And because project investment decisions appear arbitrary, business stakeholders become dissatisfied when project requests are delayed or rejected.

Centralized demand management offsets missing business alignment. Taking this approach, the PMO can capture all business demands in one place, gather appropriate supporting information from across the business, and scorecard each demand based on business benefits, costs, and risks. This allows the business to compare project investments, prioritize them, and maximize the business value of the project portfolio. And the PMO will be able to put in place a fact-based, structured gating process for project initiation, increasing business stakeholder satisfaction by creating transparency around investment decisions.

However, all demand management solutions aren’t created equal. To get the full benefits of centralized demand management, look for a solution that combines both demand management and project management on a single platform. This allows you to move information seamlessly from demands to projects, ensuring your projects stay aligned with business goals as they move from investment into execution.
Consolidate management tools

To plan strategically and deliver effectively, IT needs to manage their entire project portfolio and not just individual projects. It’s a constant balancing act, allocating resources and budgets to respond to ever-increasing business demands and accelerating delivery schedules. To ensure predictable project delivery, the PMO needs consistent project portfolio management processes that deliver high levels of visibility and control. And, to lower project cycle times and minimize costly deviations, that consistency needs to extend beyond the PMO to the development and project delivery teams.

However, many PMOs continue to struggle with multiple, disconnected project management tools. For example, they may have one tool to manage waterfall projects, another for agile development, and a third for test management.

Hybrid Waterfall/Agile projects become a management nightmare, and there’s no end-to-end visibility across the entire project portfolio. And, because there is no single source of truth, there’s no easy way to roll up status across projects. This lack of visibility also makes it incredibly difficult to track overall project costs, take effective corrective actions, or reallocate resources when projects start to go off track.
If your PMO is struggling with unpredictable project delivery and low project throughput, then you need to create visibility and control by consolidating your management tools. There are project portfolio management solutions available today that bring together Waterfall and Agile methodologies, as well as extensive development management and test management capabilities.

By adopting one of these solutions, the PMO can create end-to-end visibility, lower project cycle times, increase project predictability, and reduce cost overruns.
Successful projects are all about delivery—not just development. That means there’s an intimate interdependency between development and operations that’s growing with the introduction of new, integrated delivery models such as DevOps. To accelerate delivery, IT needs to connect development and projects with operations, breaking down silos rather than managing them separately.

However, for many PMOs, the reality is very different. Development and operations still use disconnected systems and processes. Let’s look at release management and change management as an example. Both are closely related, yet they’re typically managed separately. Both are involved in making modifications to the operational IT environment, but IT handles release management using development tools while making actual changes using a separate ITSM platform. There’s no connection, which leads to unavoidable conflicts, errors, and delays at manual process boundaries.

Connect development and operations

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And this disconnect works both ways. Often, what starts out as a change in operations ends up being a project. For example, think about when there is a major incident. For operations, the priority is to restore service, but once that’s done, IT still needs to address the underlying problem. Initially, this might seem to require a minor operational change—such as modifying configuration settings—but as investigations progress, it becomes clear that significant software development will be needed to fix the problem. When this happens, there’s no easy way to make the transition between a change and a project. IT must manually extract information from the ITSM system with inevitable delays, errors, and loss of crucial historical context.

However, the good news is that businesses can break down these barriers. There are unified IT management platforms that deliver demand management, project management, development management, and ITSM capabilities, allowing seamless end-to-end processes and data flows. For example, these platforms provide a unified approach to release management and change management, and also allow changes to be converted directly into demands.
Unify resource management

For PMOs, resource management is a major issue. Allocating resources and skills across dozens of projects is a constant challenge. While traditional project management tools do provide resource management capabilities, they are often difficult to use and isolated from some types of work. This results in inaccurate, incomplete information that leads to project delays and wasted resources.

However, there’s an even bigger problem. Projects often involve a diverse set of resources drawn from across the IT organization. And many of these resources aren’t dedicated to project work. For example, you may need IT operations resources to deploy a new software release, but these resources are also involved in day-to-day tasks, such as implementing changes or investigating problems.

Project management tools often don’t capture these resources, and if they do, they don’t track their other work activities. This creates hidden scheduling conflicts, and project delays, and makes it impossible to track overall project costs.
What’s the answer? Unify resource management—not just within the PMO, but across IT. By adopting a single platform that combines resource management with project management, IT service management, IT operations, and other key IT functions, you can create end-to-end resource visibility and alignment. Again, there are management platforms that deliver all of these capabilities, enabling accelerated project delivery, the creation of comprehensive cost visibility, maximized resource utilization, and avoidance of operational conflicts.

Let’s recap
Today, the PMO has an unprecedented opportunity to drive business value and to become an equal partner in the success of your business. Transform the way your teams manage project portfolios and you’ll break down the barriers.

You’ll dramatically increase business alignment, improve project predictability, and accelerate project delivery.
Interested in more?

To get further insight on how the world of IT is changing (and how agile enterprises can rise to meet anything the world throws their way), check out these resources:

- **Learn how Business Aligned PMOs** are changing how IT is delivered
- **Read about Enterprise Agility** and how to reinvent your business for today (and tomorrow’s) world
- **Learn how a New Era in DevOps is fueling** IT transformation in agile businesses
- **Learn more about how ITBM** can help you deliver enterprise agility for better business value