

The Office – Extreme priorities

"It's done", said Sally the PMO Manager with a big smile pinning the new IT Governance Framework on her wall. "After 12 months of workshops and mapping, our new Framework is finally complete. We have configured EPM, we have the Portfolio Steering Committee meeting in place and approving new projects, we have the annual budgeting process in place, we have the decision gates mandated with entry criteria established, we have standardised Project Plans, Business Case and Funding approval processes, we have the Sharepoint project request list in place. We have management buy in, Project Managers seem supportive, we are finished."

Anyone working in a PMO knows what a huge achievement this is for Sally and how difficult it can be to achieve what she has. Surely if we define the process, configure the tools, do all the planning then project delivery should follow. If only it was that simple.

What happens when we try to use this with a new somewhat undefined R&D product development project? Scope will be quite fluid, until development starts (iteratively of course) we won't truly know the scope. Delivery dates will be market driven, something might be needed prior to Christmas but definitely by the end of the financial year. New releases will then likely happen every three months. The CEO may have already announced to the board (and the media) the project. With such high level commitment, funding will need to be found. It might even provide a major new revenue stream, it could be the highest priority project there is. The only certainty is that it will tie up some of the companies brightest resources, people will want to work on it and for a while at least it will be the number one cool project.

Sally is interrupted by a knock on her door. It is Travis, the appointed "Extremity project" lead (he reports direct to the CEO by the way). Sally has heard rumours of the project but nothing official. "Hey Sally, I was told I need to put the "Extremity project" into the system. I just read all the stuff on line, it's not going to work on this project, sorry". Sally's smile gradually fades. "We are building collaboratively, without the usual documentation, in fact the guys are downstairs building in the lab now. Business Case, not sure we need one of those either, the CEO has told me to "just do it", she will find the money. We are hoping for an initial customer trial in two months, so no time for all the usual operational readiness stuff". Sally is definitely not smiling now, she stares at her framework with a pained look on her face. "Umm" she says, unpinning her diagram.

PMOs already trying to integrate Agile methods may have already grappled with some of the issues Sally will face. Let's look at some of the key ones:

- Funding approval – there really isn't an easy way around this one. Most finance departments require a degree of rigour in terms of justifying expenditure. With Agile this shouldn't be too much of a problem but with an extreme uncertainty project, the Business Case itself would need to be iterative with funding approval for the next stage only sought, and funding requests revisited along the way. While governance (decision making) wouldn't change, the artefacts relied upon would definitely change. It should be noted that The Business Case, if used properly should justify whether or not to undertake a project. For the "done deal" or "CEO says" project, one could argue that there isn't much point writing one.
- Summary reporting – many EPM systems and reporting processes allocate a stage or gate to their project. Some projects may be in design and build and deploy at the same time. This is tricky for consolidated reporting and for stage gate methodologies. If all projects are Agile it's not so bad, but when part of the Portfolio is done waterfall while other parts are Agile it gets tricky. Some might argue to split the project, but the overhead and administration makes that too hard. A more pragmatic approach is to consider the stage gate as being "ready for the next stage to commence", for Agile that would mean something along the lines of ready to conclude the previous sprint and commence the next.
- Stage gate entry criteria – bearing in mind the stage gate definition can change from organisation to organisation and department to department, generally there would be a number of entry criteria (usually documentation) to be completed. With both Agile and extreme uncertainty projects, these will be almost impossible to complete. Again the concept of gates being "ready to commence the next stage" is not changed, but the expectations on entry criteria radically change.
- Administration flexibility – a theme within the above is that there is required a degree of flexibility in how Governance is applied. While the PMO might try pushing back on extreme uncertainty projects, try telling that to the CEO and/or board. PMOs need to be flexible in their approach.
- Funding allocation – This relates specifically around people's ability to work on projects. As a general rule of thumb, people can't/won't work on unfunded projects or internal tasks. We have seen board level "top 10" priority projects flounder in large organisations because at management level, funding games have seen them unfunded at the working level and hence people are unable to work on them. Strict funding rules and criteria can affect extreme uncertainty if the "system" from a holistic sense denies them the ability to engage resources or vendors.
- Procurement best practice – loosely aligned to the above funding issues is the need for procurement specialists to protect the

interests of the organisation by carefully specifying contracts, transferring risk and pushing vendors to fixed price engagements. Extreme uncertainty projects will certainly challenge procurement practice, as it may end up requiring the buyer to take on risk and engagements to become either "Time & Materials" in an uncontrolled environment or require innovative performance based approaches.

"Sit down" said Sally, "Let's see what you can do and how we can help". Sally is one of those rare people who can and will adapt. While she understands best practice, her job is to assist Project Managers, especially those with challenging projects. "You are going to need Governance, it's just the normal gates aren't going to work for you. What is your next key decision point on the project, how much funding is approved and who is making decisions now?" Sally gives Travis a pen and encourages him to explain.

About the author

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