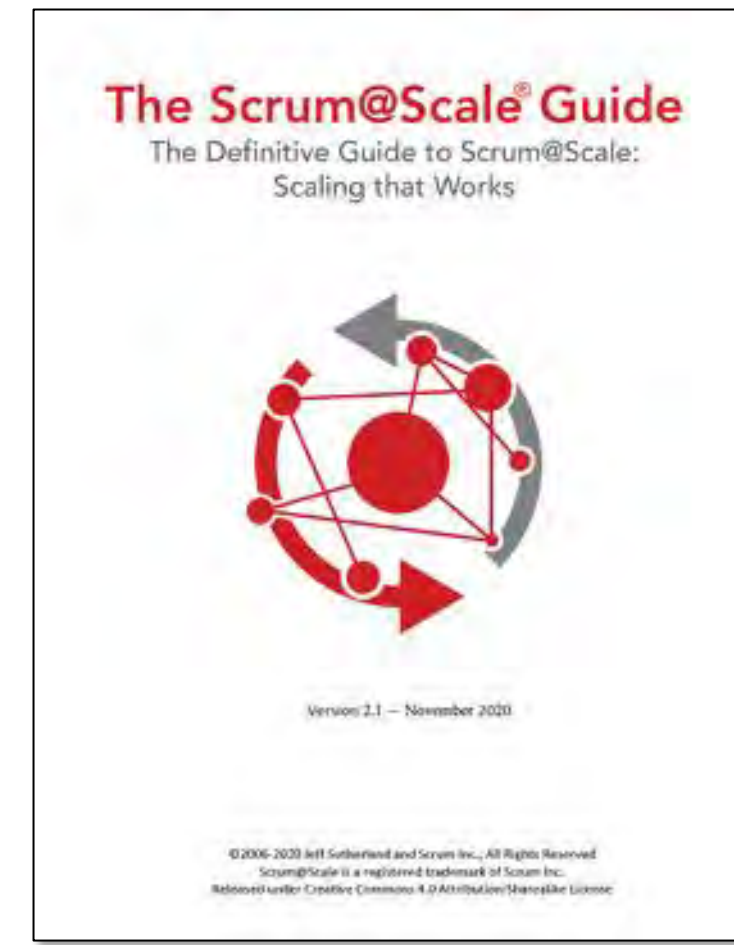
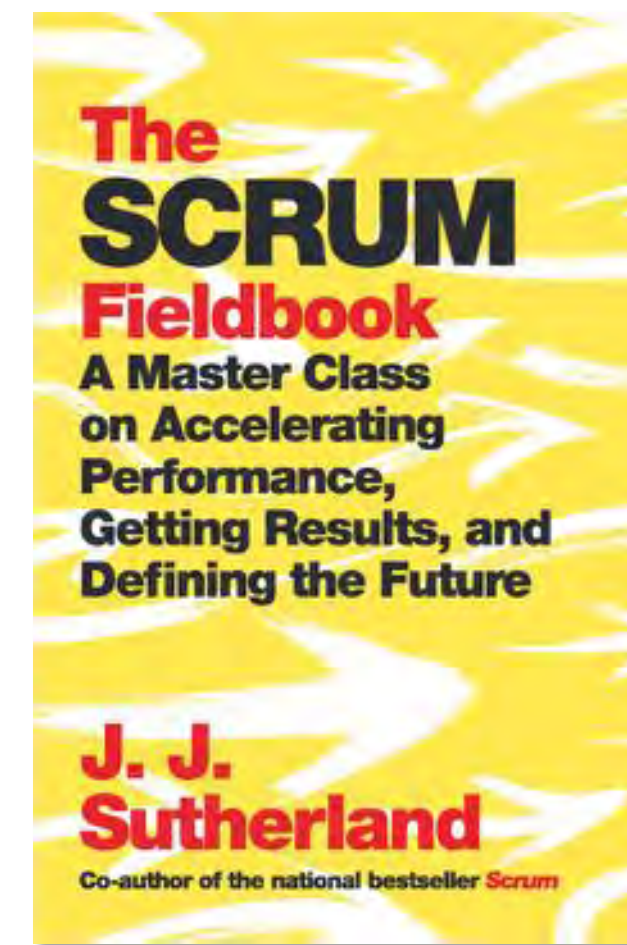
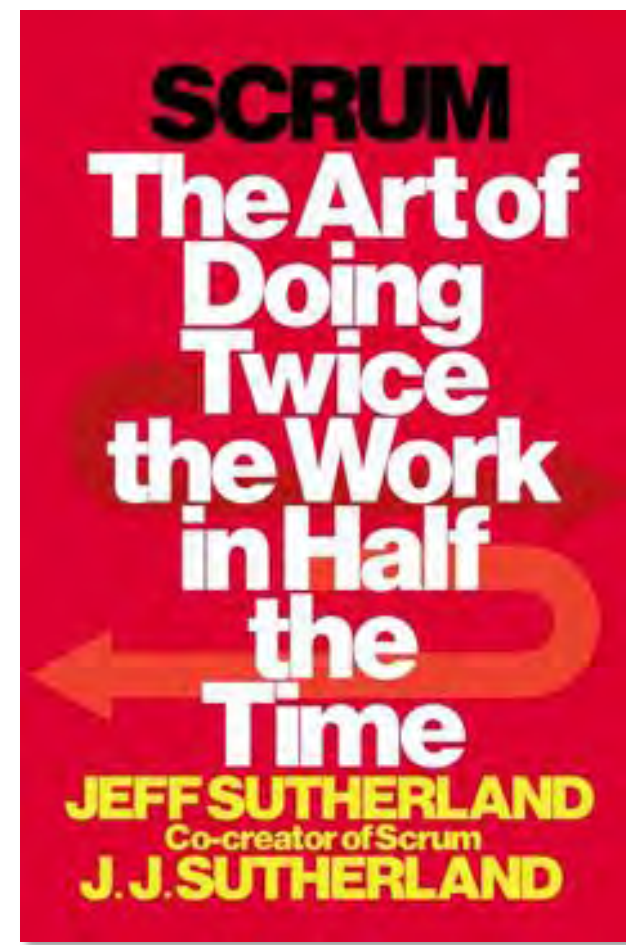


What happens to the PMO during an Agile Transformation?





Avi Schneier (he/him/his)

Principal Agile Transformation Consultant, Scrum Inc.



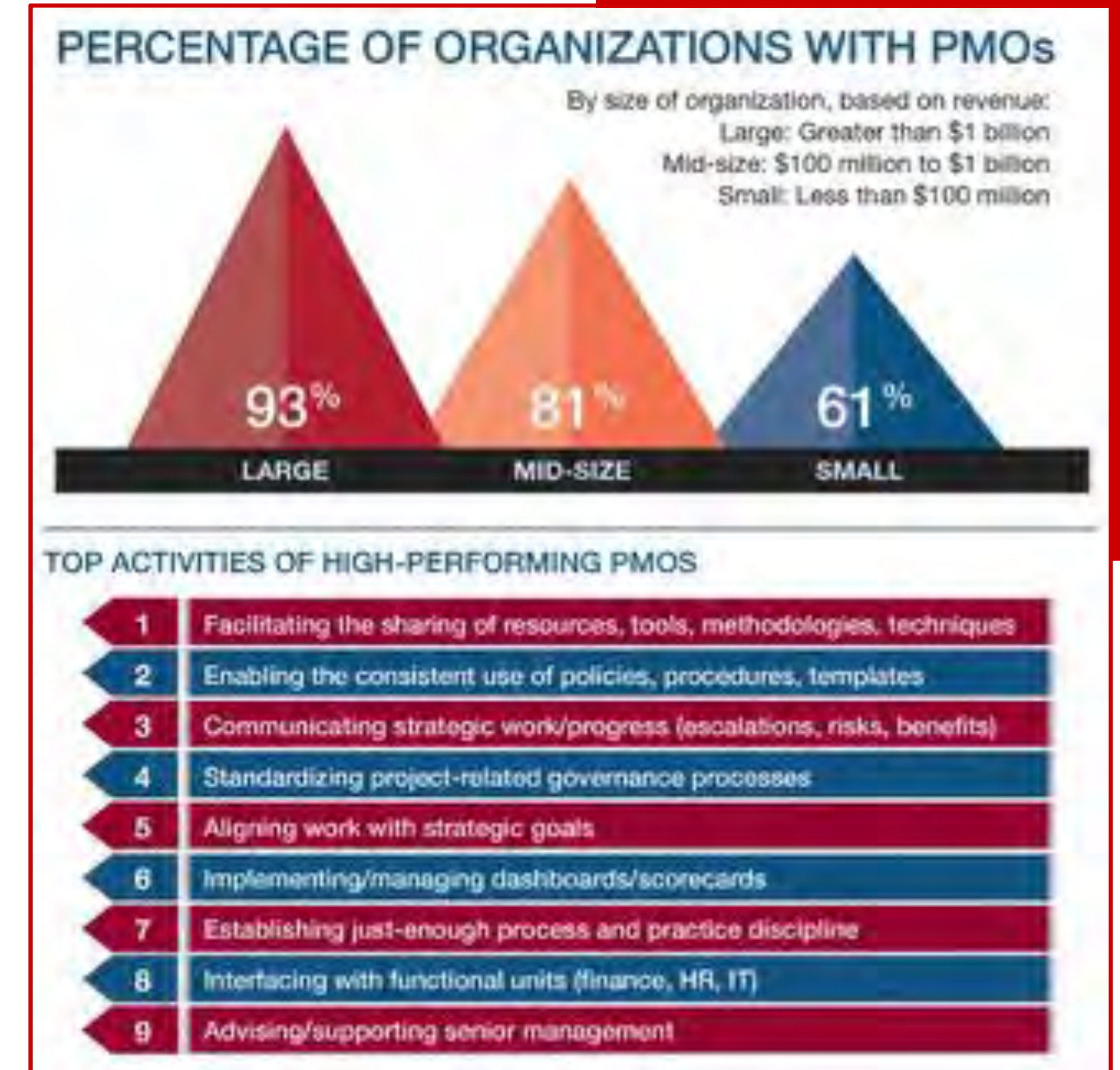


The Traditional PMO

What is a Project Management Office (PMO)?

And what does it do?

- A Project Management Office is traditionally a **group that sets, maintains, and ensures standards** for project management across an organization.
- Generally, it is **the keeper of “best practices”**, project status, and direction; **helping organizations deliver value** to their stakeholders and customers via projects and programs.
- PMOs, in general, follow PMI’s project management principles with more than 80% using the PMBOK® Guide, but the prevalence of agile may be higher than you expect, with **more than 65% of organizations using some type of “Agile” approach.**



The State of the PMO 2022, © Project Management Solutions, Inc.



Agile Transformation & the PMO

Transformation Choices Pose Challenges



The Yin & Yang of S@S

Components & Organizational Design



A Proven General Transformation Path



- Understand context: products, customers, ecosystem
- Enlist a voluntary army
- Enable real impediment removal
- Make priorities visible
- Create reference model
- Spread the model

Change Management with Scrum@Scale

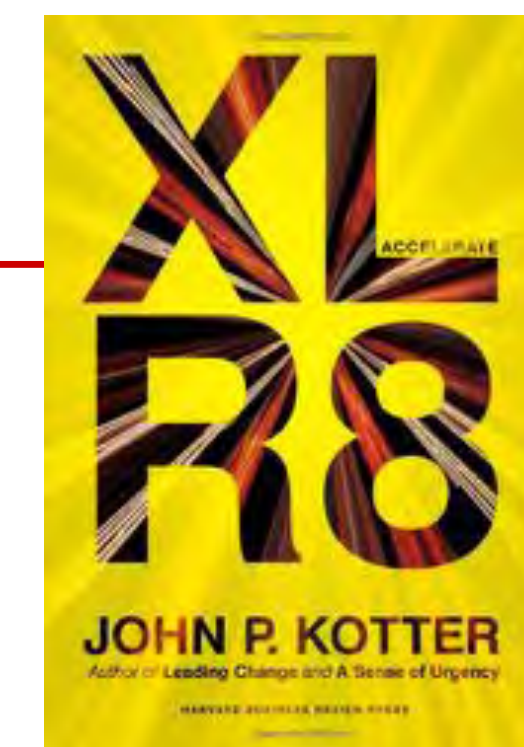
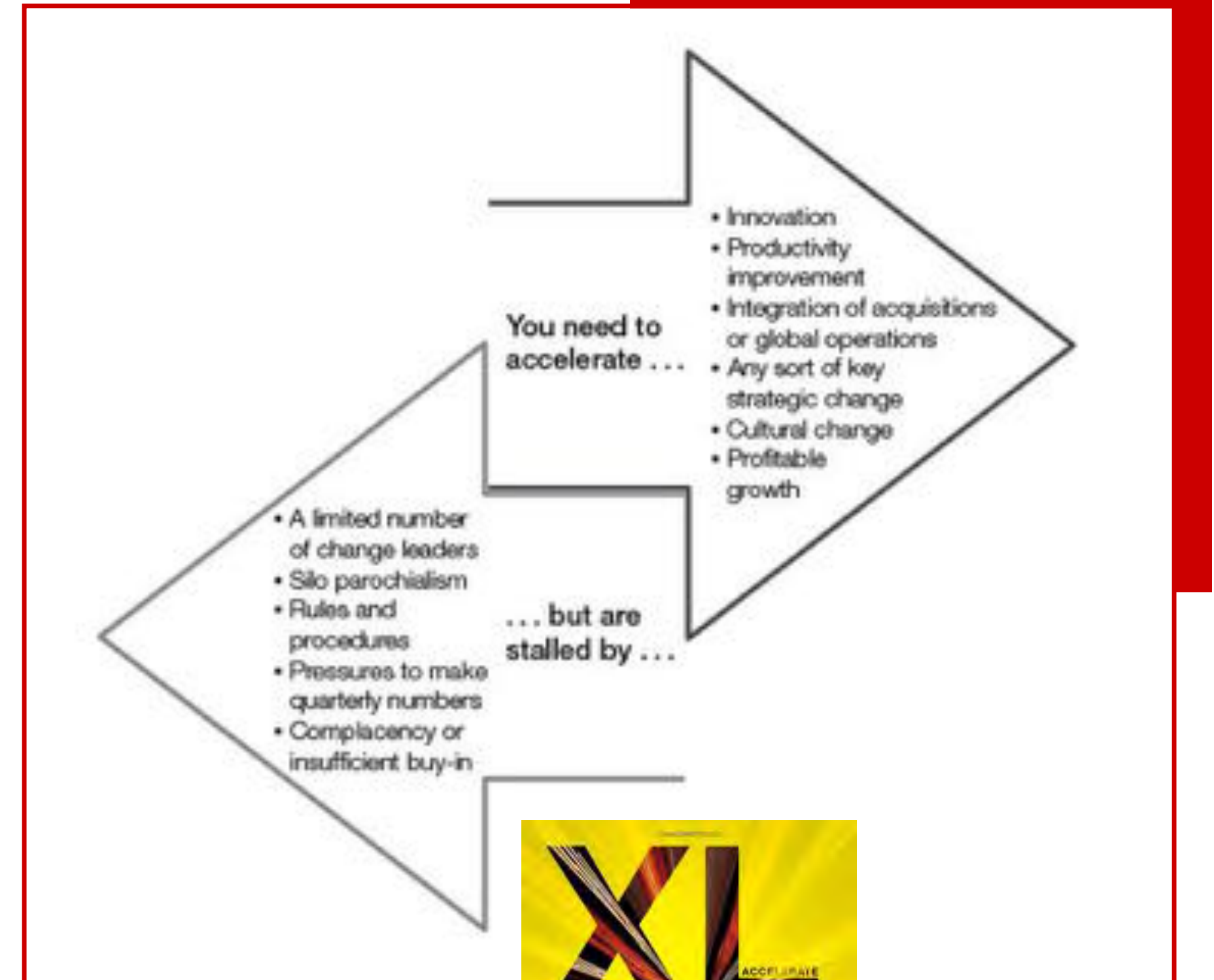


Kotter's Wisdom about Transformations

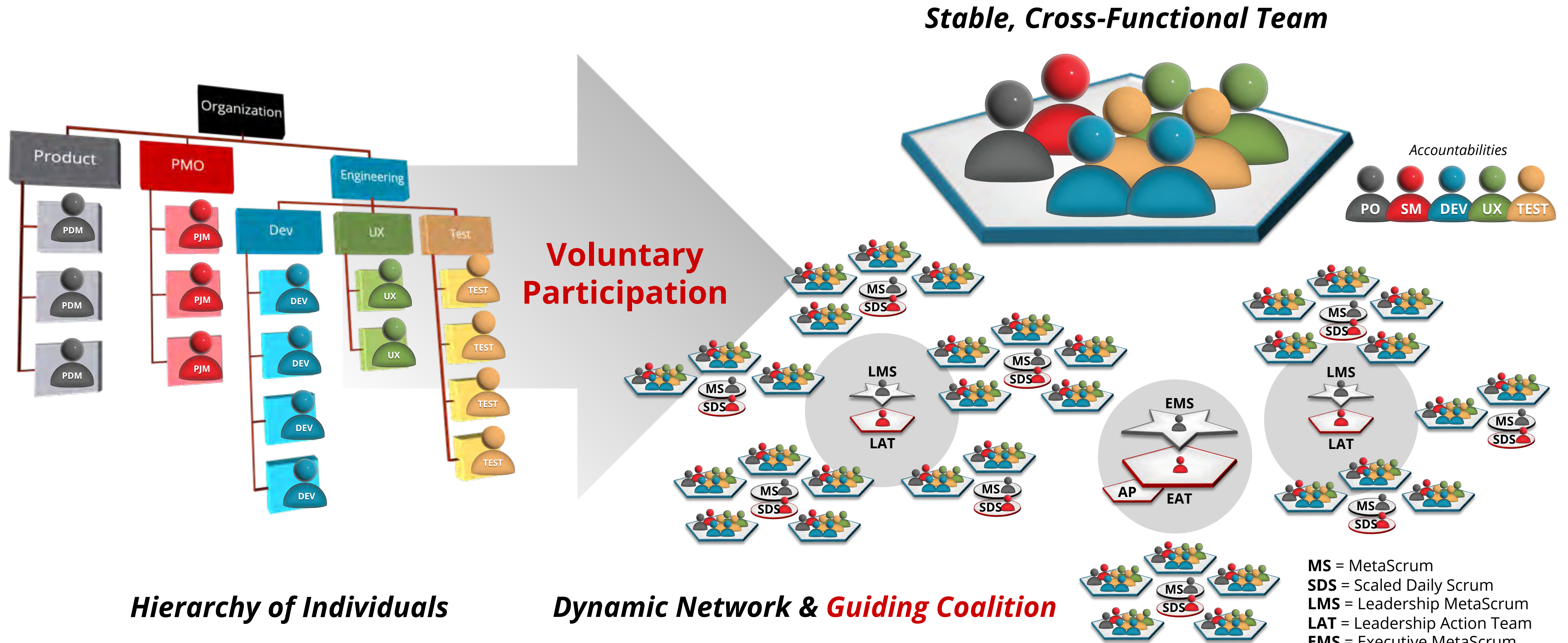
- In Kotter's work, he noted that he'd never seen an Agile implementation succeed without two key factors:
 - **Voluntary participation**
 - **A "Guiding Coalition"**
- **Voluntary participation** increases the chance that new ways of working will be adopted with sincerity
- The **Guiding Coalition** manifests in Scrum@Scale as a **MetaScrum and an Action Team**; each with distinct accountabilities
- It is essential **that these groups act as a translation layer for the traditional part of the organization** to understand what is happening in the agile part of the organization; specifically, so that leaders let it operate under different rules without interference

Install a "Dual Operating System" to avoid failure.

John P. Kotter. Accelerate: Building Strategic Agility for a Faster Moving World. HBR Press 2014



Dual Operating System & SCRUM@SCALE



Hierarchy of Individuals

Dynamic Network & Guiding Coalition

- MS = MetaScrum
- SDS = Scaled Daily Scrum
- LMS = Leadership MetaScrum
- LAT = Leadership Action Team
- EMS = Executive MetaScrum
- EAT = Leadership Action Team
- AP = Agile Practice

Why would we need an Agile Practice?

- In a **smaller organization** or implementation, **the EAT can both** develop the transformation vision, backlog, etc. and implement it
- As a company grows or as the Agile transformation expands, it is common that the **executives who create the transformation strategy do not have the time** to dedicate to implementing it
- As such, they may **delegate the implementation to another group**, which is known as the **Agile Practice**
 - alternatively, the Agile Center of Excellence (COE)



What is an Agile Practice (AP) and what does it do?

- **A body empowered by the Executive Action Team** to carry out an Agile Transformation or continually improve an existing implementation
 - Optimally, a **cross-functional Scrum team**
 - **Accountable for the quality of Agile ways of working** within the organization
- A **center of continuous learning** for Agile professionals
 - **Owns the coaching and training competency** within the organization
 - **Provides guidance** on tools and templates
 - **Propagates leading practices** within the organization (= **Agile Playbook**)
- **Delivers the vision of Business Agility** through the execution of a Transformation Backlog
 - **May include initiatives** of operational excellence, change management, monitoring specific KPIs, adoption of new or improved capabilities, and cultural evolution
 - Backlog items may come from the EAT, EMS, or the teams themselves; **bridging the gap between strategy and execution**

For an AP to be effective, it must be led by experienced Agile professionals.

Why does the role of the PMO pose a challenge during an Agile Transformation?



Any questions?



So... what happens to the PMO?

Leave it alone & create a
corresponding Agile Practice

Eliminate it and
Launch an Agile Practice

Evolve it into
an Agile Practice



The PMO



Trajectory 1: Leave it alone

Case Study: Fortune 200 Pharmaceutical Company

The PMO alongside the Agile Practice

- In one implementation, we were brought in by the PMO to assist in the creation of an AP with the caveat that the PMO was **NOT** going to be dissolved
- **All PMs went through training** and were given the option to either join the AP or remain in the PMO
- In order to **avoid territorial disputes**, we facilitated negotiations where we delineated accountabilities, decision rights, reporting structures, and budgets
- **Major results:**
 - no one felt their job was in jeopardy
 - few subsequent disputes
 - rollout was smoother than at other similar large organizations



Resistance can be managed with careful attention to details.

Why choose this trajectory?

Pros

- Less organizational resistance due to
 - job conservation
 - minimal structural change
- Voluntary movement
 - reduced attrition normally seen when Agile is imposed as sole choice
- Bifurcation of accountabilities keeps individual stress levels lower

Cons

- Longer to get started due to multiple careful negotiations
- “Us vs Them” feelings generated over time produced different conflicts
- External Agile COEs in other parts of the company tried to exert political influence to take over the new AP
- Difficulty in determining new career paths and incentives

If the AP lives inside the PMO, it may be evaluated by incorrect metrics.

Any questions?

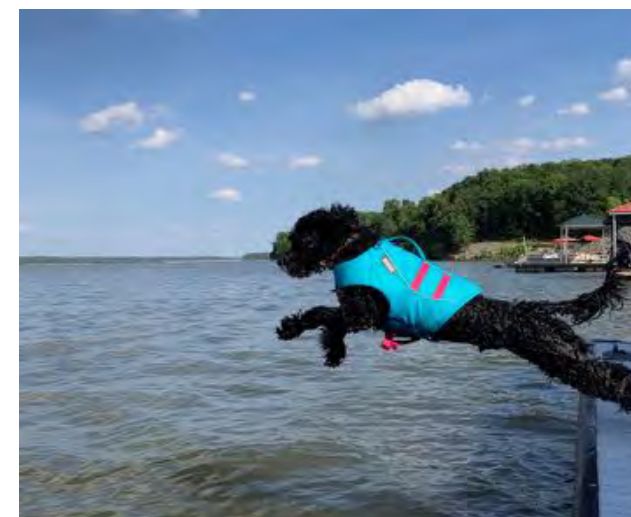
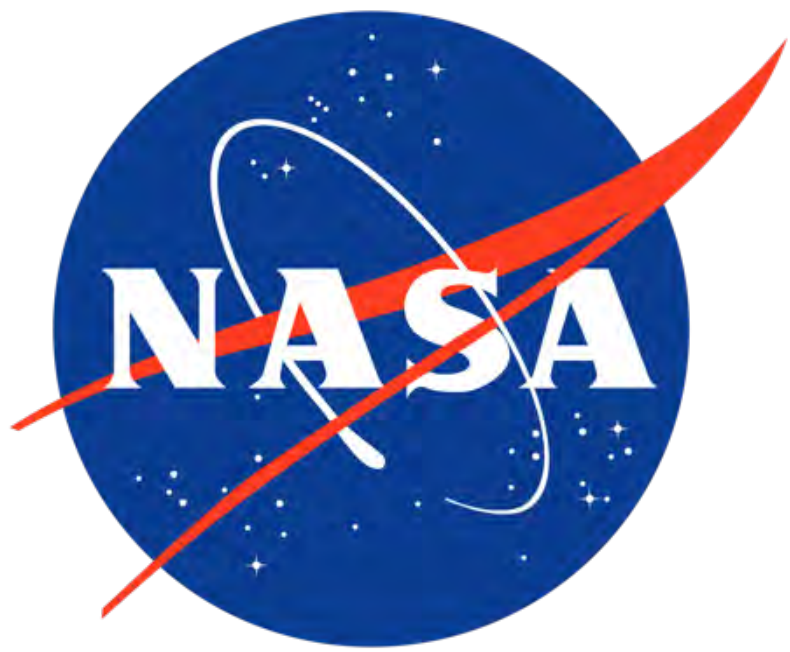




Trajectory 2: Eliminate it

Gary Dismukes (he/him/his)

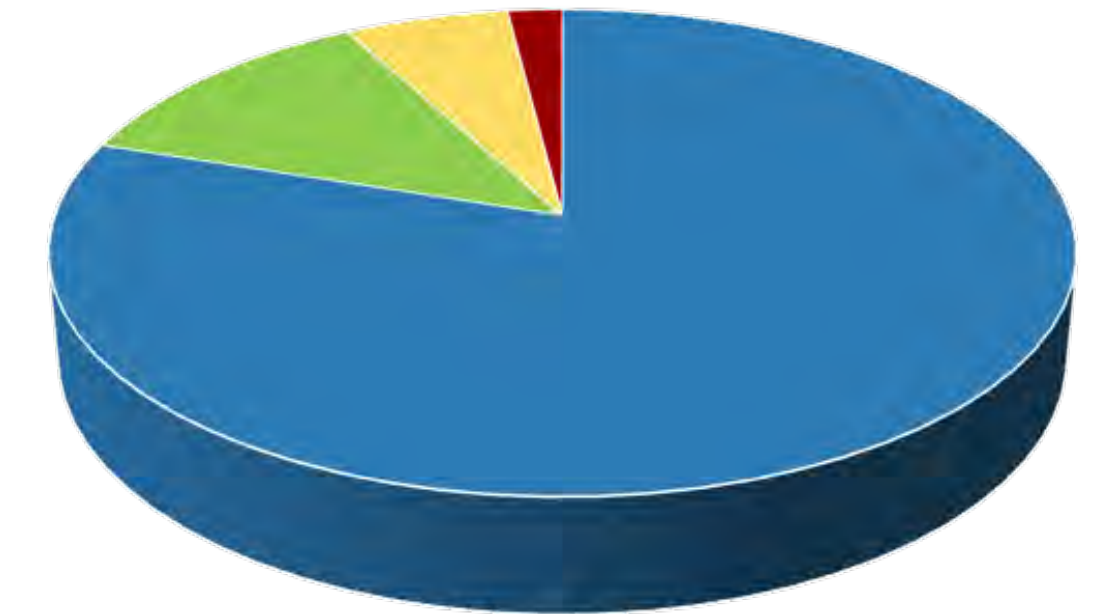
Director of Strategic Realization, Dell Technologies



Why Transform?

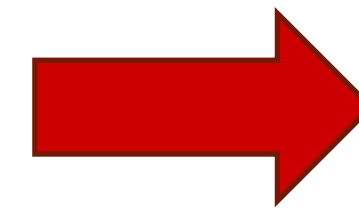


600 People



80% Market Share in Enterprise Data Protection (DP)

Why Take the Risk?



- Growth outside of Enterprise Select and shift from Target to Integrated and Software-Defined
- Cloud Technology is blurring the lines between Enterprise and Commercial

State of the Business: 2018

In 2018, DPD began a major strategic **transformation to increase velocity, predictability, and regain competitive footing**, especially against Agile-Native start-ups.

DPD leadership recognized **these barriers**:

- **Long prevailing release cycles** (9-18 months)
- Insufficient visibility to resource hotspots, slow-to-respond to changing priorities
- **Customer-specific product forks** diverting focus, code currency challenges with large customer base
- **Commitment before thorough assessment of risk and schedule**
- **Frequent near term, incremental commitments to org with long-term commitments made**
- Appliance optimization over Software optimization
- Growth outside of Enterprise Select and shift from Target to Integrated and Software-defined



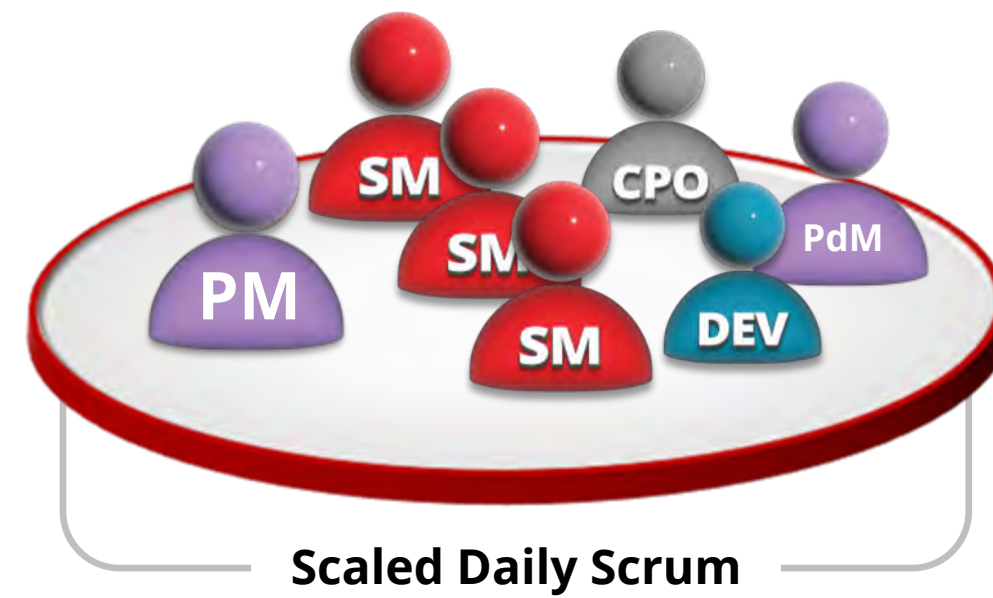
Multi-faceted Organizational Skepticism

- **Beginner's dilemma**
 - Immediate, all-in transition Vs. incremental steps
 - Readiness: CI/CD Tools, metrics dashboards
 - MVP and incremental delivery of a 1.0 product
- **Backlog management**
 - Single backlog of requirements
 - How to take product strategy to work for the teams
 - Ability to break down features into meaningful smaller chunks for Product Management, architects, engineering
 - Ability to identify "Vertical slices" of customer value
 - "Software wrapped in Tin" mindset
- **Execution overhead**
 - Dependency management and sequencing
 - 2-week sprints
 - Cost of running repetitive manual tests (w/ low automation levels)
 - Build performance

- **Quality**
 - Fear of quality with faster releases
 - De-centralized functional QA
 - Ownership for integration and functional testing
 - Technical debt management for a legacy product
- **People**
 - We will NEVER ship without PM
 - Resources for Scrum Masters and POs?
 - Career growth for Testers and rotating roles
 - Expectations on new roles
- **Appliance-Specific**
 - This cannot work for a deep-stack product
 - This cannot work for our significantly large, monolithic source code



First Attempt: Project Managers as the SoSM



Pros

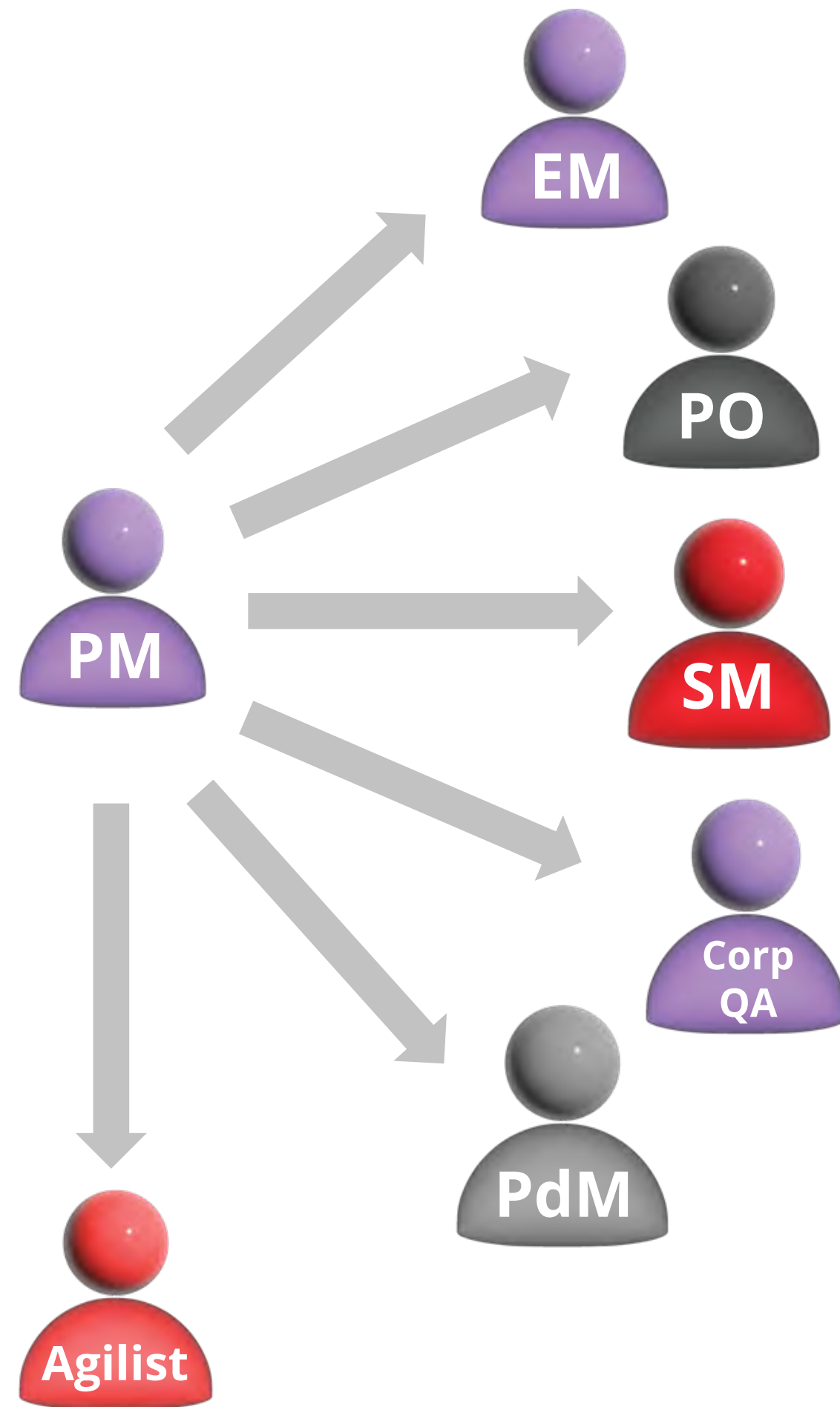
- Removing Impediments, communicating status, and resolving dependencies are a natural fit for Project Managers
- PM comes to the role with established trust

Cons

- PM runs the SoS as a PM, not as an SM
- Team does not take ownership of the impediment removal or dependency management.

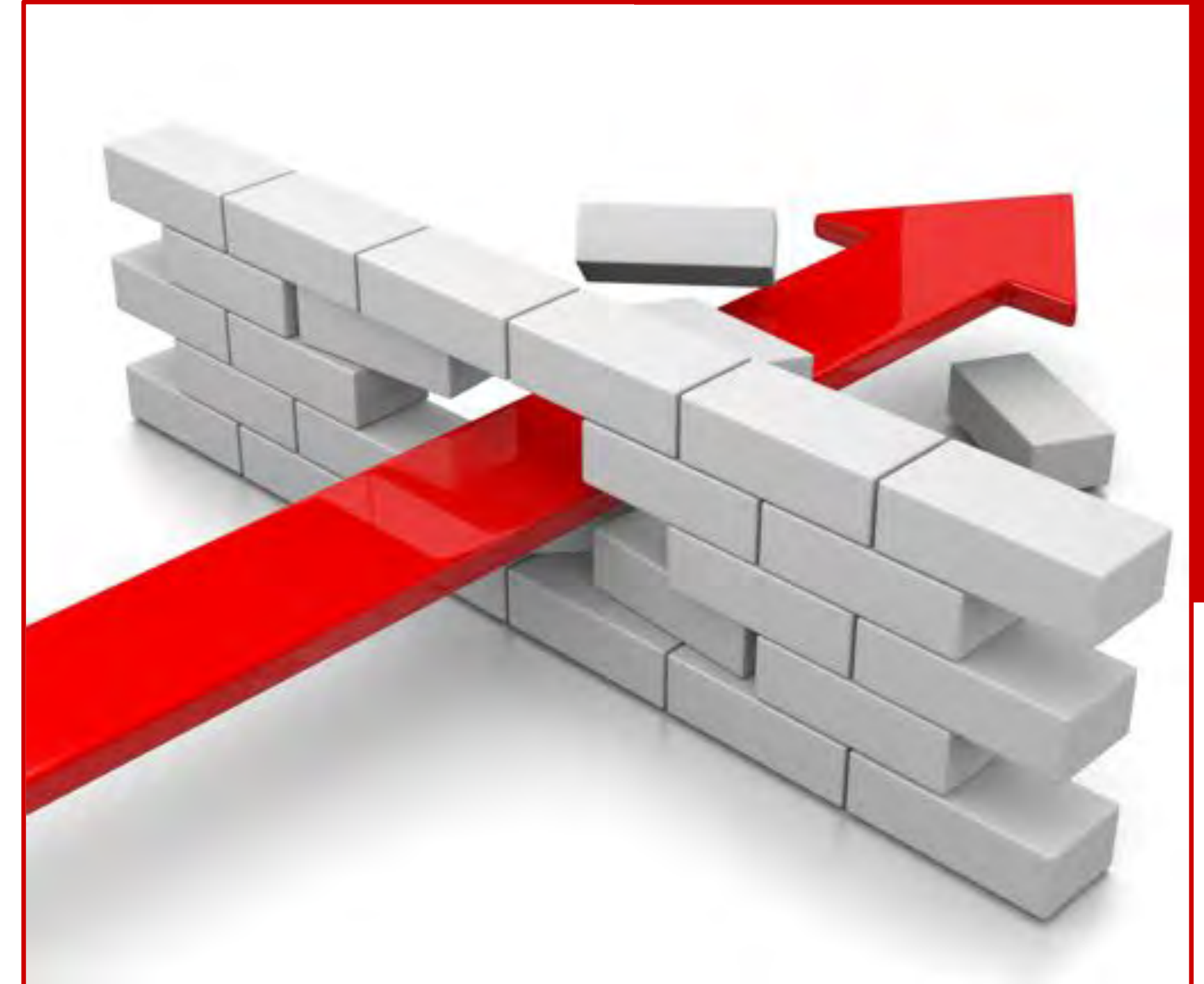
It didn't work; PMs as SoSMs ended up becoming an impediment to our transformation efforts.

Eliminating the Project Manager Role



State of the Business: 2022

- Gained market share in Enterprise Market and Commercial
- Releasing once per quarter
 - **100% on-time delivery** for 14 straight quarters
- Quality is at an all-time high
 - Customer found defects **cut by 50%**
 - Service requests **reduced by 50%**
 - Internally found defects **increased by 30%**
 - Deferrals **reduced by 95%**
- Employee NPS & Customer NPS at record highs
- **Revenue at all-time high**



Delighted but NEVER satisfied

Why choose this trajectory?

Pros

- Creates a Cascade of Empowerment™ with a sense of urgency, alignment, with a single locus of control
- Eliminates confusion around change initiatives
- May lower personnel costs
- More realistic long-term planning

Cons

- Requires significant corporate political power and support
- May be excessively disruptive in a large, established organization
- Perceived loss of valuable capabilities
- May lose a less-biased perspective on the progress of an Agile Transformation
- May initiate an attrition cascade by those not understanding their role

Variation in degree of SM competency can be dampened by rotation.

Any questions?





Trajectory 3: Evolve it

Case Study: Fortune 50 Multinational Retail Corporation

PMO becomes the Project Acceleration Office (PAO)

- If a transforming organization **does not want to eliminate their PMO all at once** and form an AP, the PMO can still positively evolve into a Project Acceleration Office (PAO)
- **PAO members do not make detailed plans or estimates**, but rather their objective is to help teams achieve their goals as quickly as possible
- One main function is to help Product Owners and Scrum Masters **assist their teams** in finding the right information to construct business cases and project plans
- They can help with tool selection to increase team productivity or **find needed staffing and resources**
- Eventually, **as agile fluency builds**, it merges with or assumes the full role of an Agile Practice



Why choose this trajectory?

Pros

- Easier to tolerate transition than straight PMO elimination
- Gives people time to actually skill up in Agile ways of working instead of pretending that they know everything after a 2-day course
- Preserves what works well from the organization's legacy while adding elements of Agility at a sustainable pace
- Maintains existing functional communication channels

Cons

- Can impede an Agile Transformation as people cling to more traditional ways of working
- Decreased sense of urgency around change in general
- Any change in the ways people work can initiate attrition

Be aware of the sustainable pace of change your organization can handle.

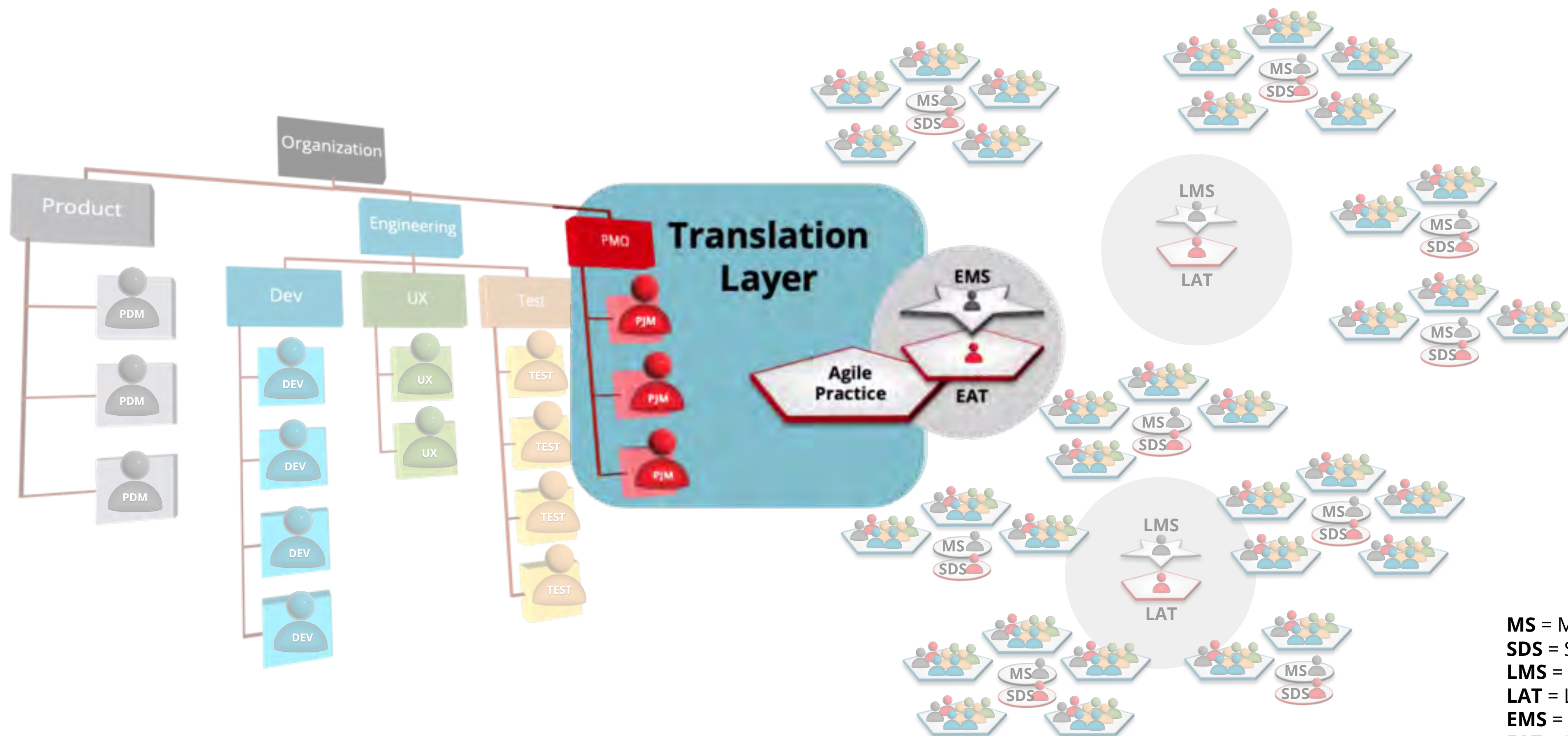
Any questions?



In closing...



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