



# **The Future of PMOs – Blending Project Management and Business Management**

*Presented By  
DENNIS L. BOLLES, PMP  
September 24, 2013*

# AGENDA

- Why is the Elephant in the Executive Suite?
- What is the Elephant in the Executive Suite?
  - How are enterprise **Stakeholders** involved?
- How does **Project Business Management (PBM)** make the Elephant more visible and understandable?
- What types of **Stakeholders** are there?
  - How do Enterprise **Stakeholders** relate to **PBM**?
- What are the Roles and Responsibilities of Senior Management **Stakeholders** in **PBM**?
- Conclusions:
  - PM & PMO issues created by Executive **Stakeholders**
  - Executive **Stakeholder** Road-Blocking with Sandboxes & Rice Bowls

# This Is Why The Elephant Is In The Room!

## Inadequate Executive Stakeholder Involvement



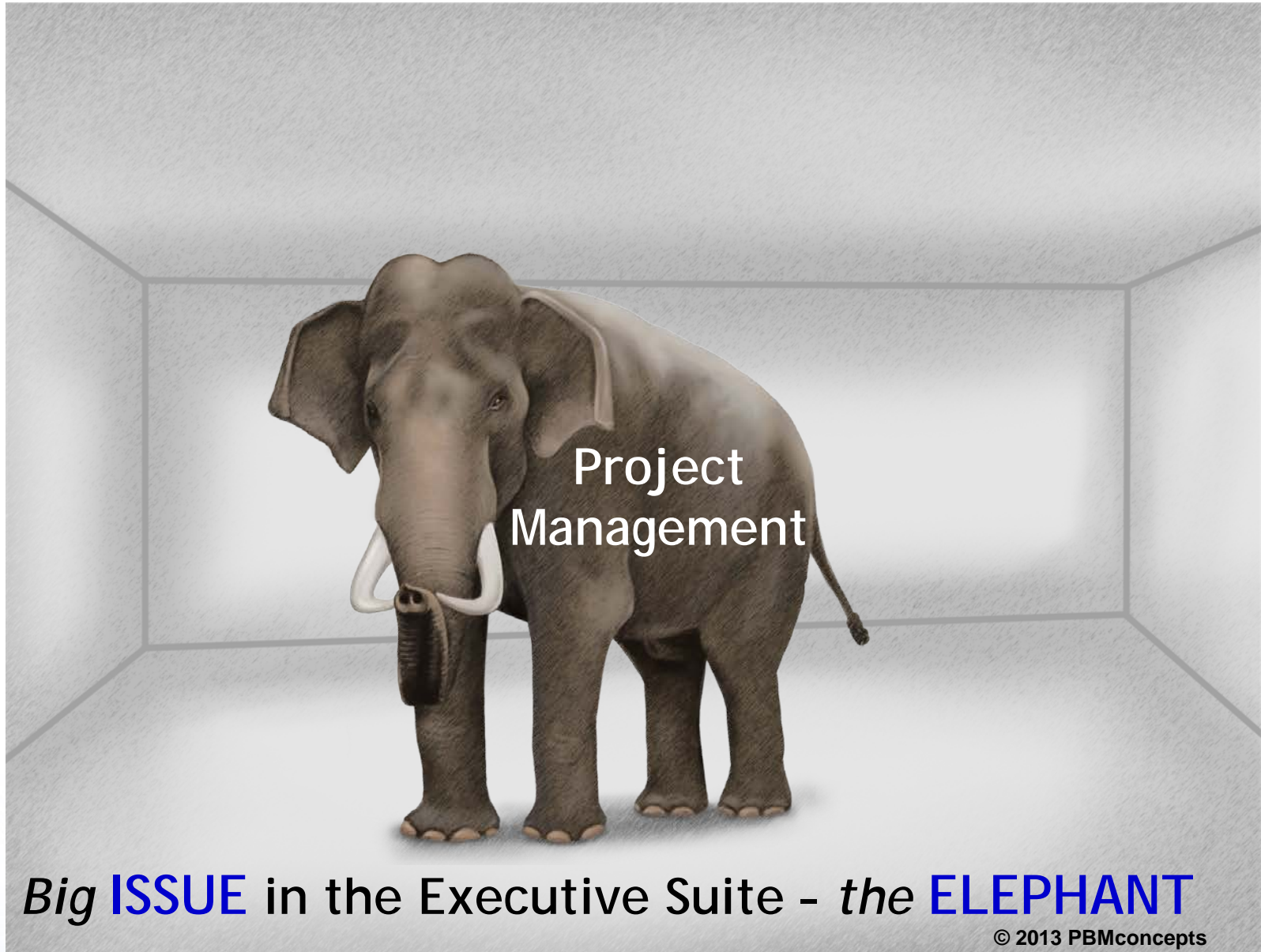
**“C-suite executives are often missing in action.** Survey respondents say the number-one reason for the success of strategic initiatives [*over all Project Management*] at their organisation is leadership buy-in and support.

Nevertheless, only half of those surveyed say that strategy implementation as a whole receives appropriate C-suite attention.

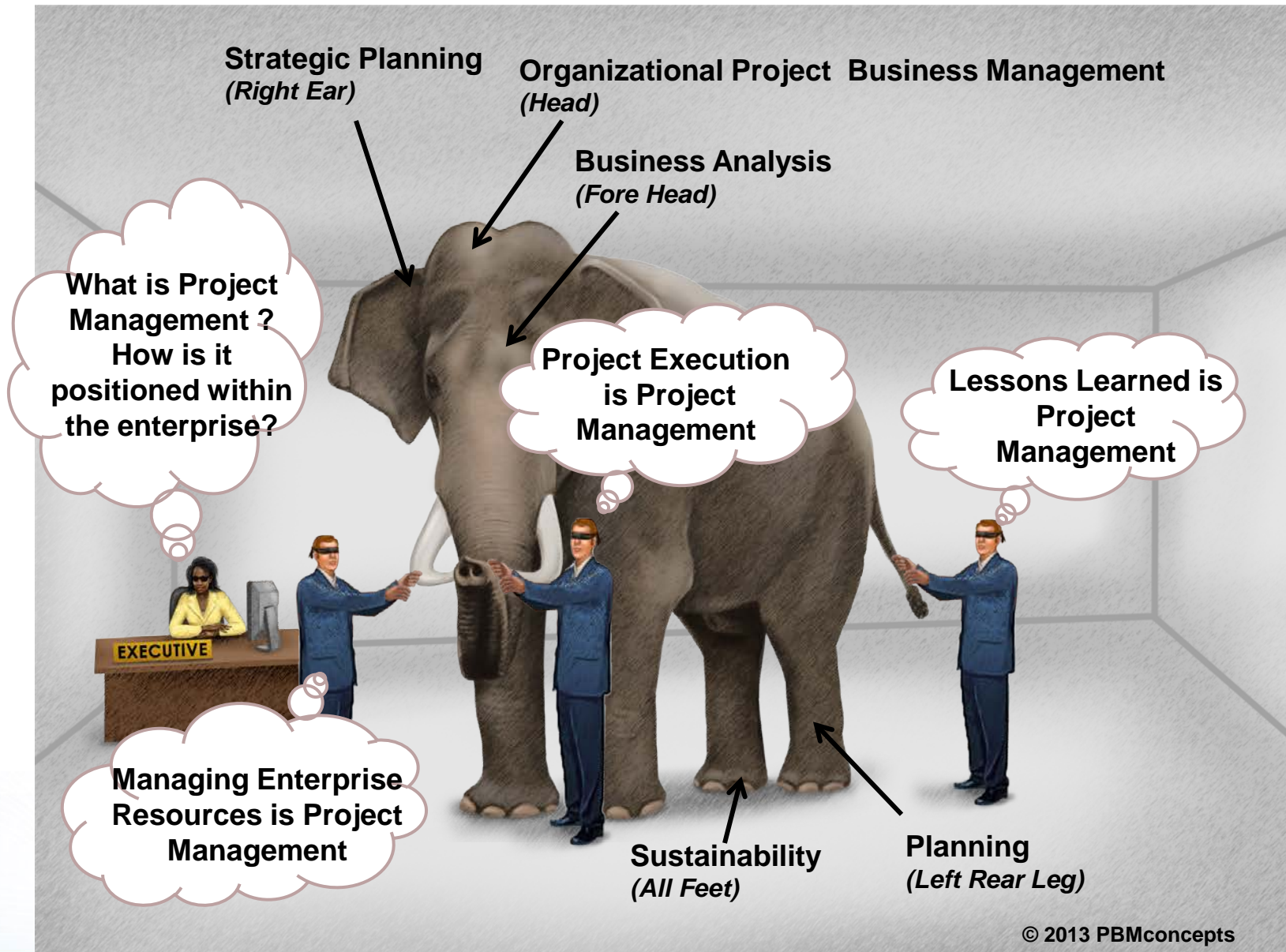
Moreover, 28% admit that **individual projects** to implement strategy do not typically obtain the necessary senior-level sponsorship. Such **a lapse in leadership inevitably decreases the ability to implement strategy.”**

Survey Published by The Economist Intelligence Unit Limited 2013  
Distributed by PMI to its members 25 July 2013

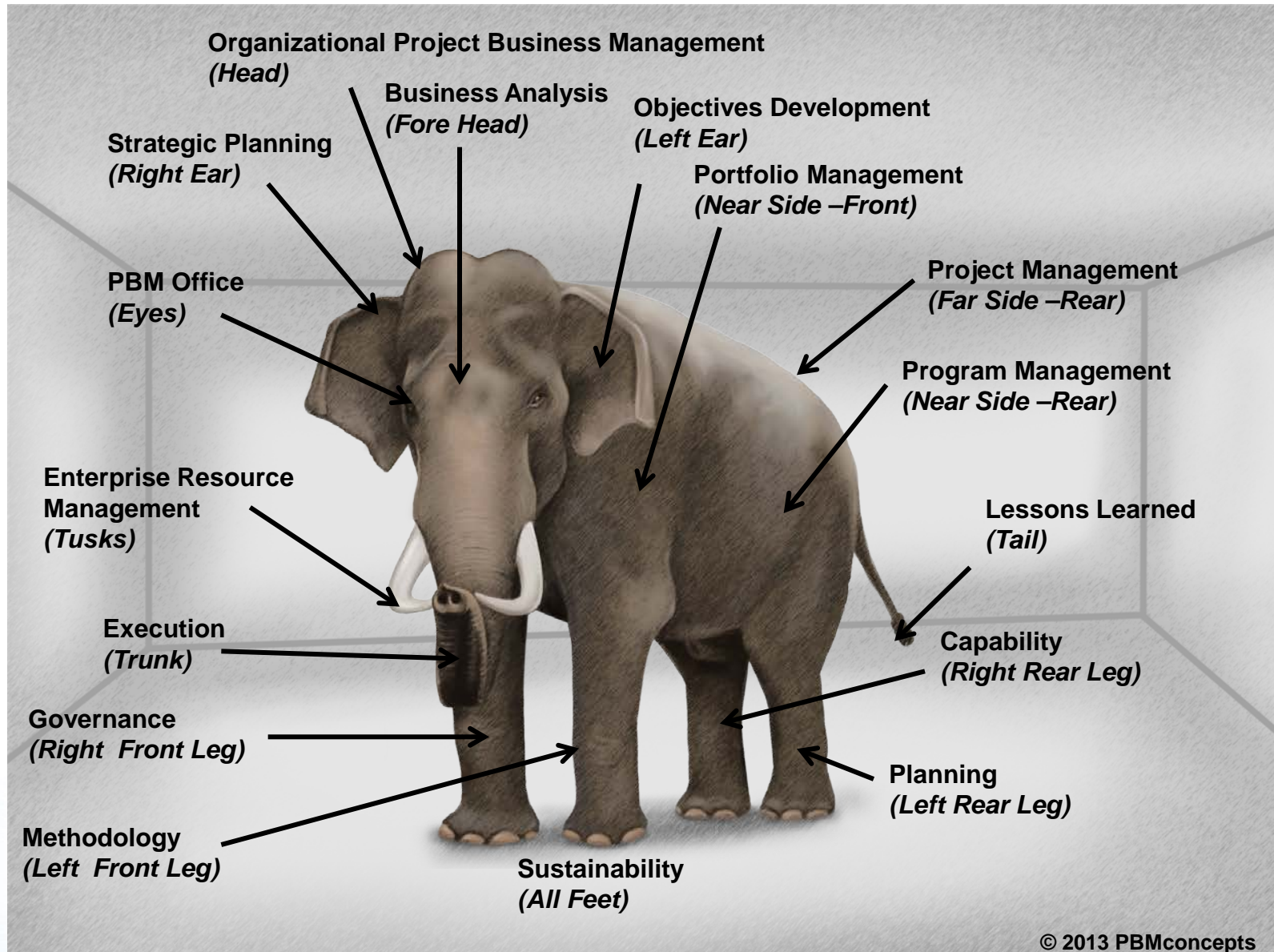
# The Executive Suite has Always had the PM Elephant



# WHY is the Elephant an Issue ? – Understanding



# HOW is Elephant an Issue? – Many Parts



# WHAT Causes Elephant Issue? – Numerous Pieces

## Project / Project Program / Project Portfolio Management Knowledge Areas and Sub-Disciplines

▪ Agile/Lean Project Management	▪ Objectives Management
▪ Capacity Management	▪ Organizational Project Management
▪ Change Management	▪ Outage Management
▪ Communications Management	▪ Performance Management
▪ Configuration Management	▪ Procurement Management
▪ Constraint Management	▪ Quality Management
▪ Cost Management	▪ Release Management
▪ Demand Management	▪ Requirements Management
▪ Expectation Management	▪ Resource Management
▪ Financial Management	▪ Risk Management
▪ Governance Management	▪ Scope Management
▪ Information Management	▪ Stakeholder Management
▪ Integration Management	▪ Strategy Management
▪ Maintenance Management	▪ Time (Schedule) Management

# Promoted Solutions for Project Management

Various “**Key Solutions**” promoted to Executives for managing projects

▪ Management by Objectives (MBO)	▪ Total Quality Management (TQM)
▪ Six-Sigma	▪ Strategic Management
▪ Management by Projects (MBP)	▪ Governance Management
▪ Scrum Project Management	▪ Business Management Analysis
▪ Management by Walking Around	▪ Management by Tools/Technology

- **Do not address** all of the parts, pieces, and components of the Project Management Discipline
- **Do not provide** an integrated solution for the management of projects, project programs, or project portfolios



# PBM – Holistic Application of the Whole Elephant



© 2013 PBMconcepts

Project **Business** Management (PBM)

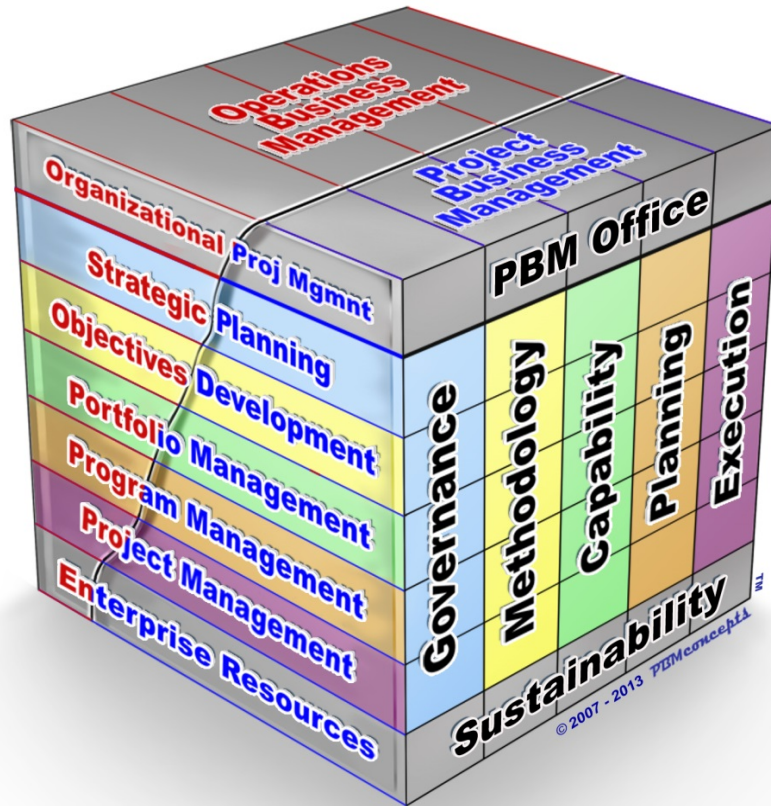
*Delivers* **business benefits**, and  
*Captures* **business value** through ...

*Managing project-related actions and activities -*

- *to **fulfill** related **business strategies** and*
- *to **accomplish** **business objectives***

# Project Business Management

## Project Business Management Model



© 2007-2013 DLB Associates, LLC and D.G.Hubbard Enterprises, LLC

## Project Business Management Organization Model (House of Excellence)

# Today – PBM Organization is needed

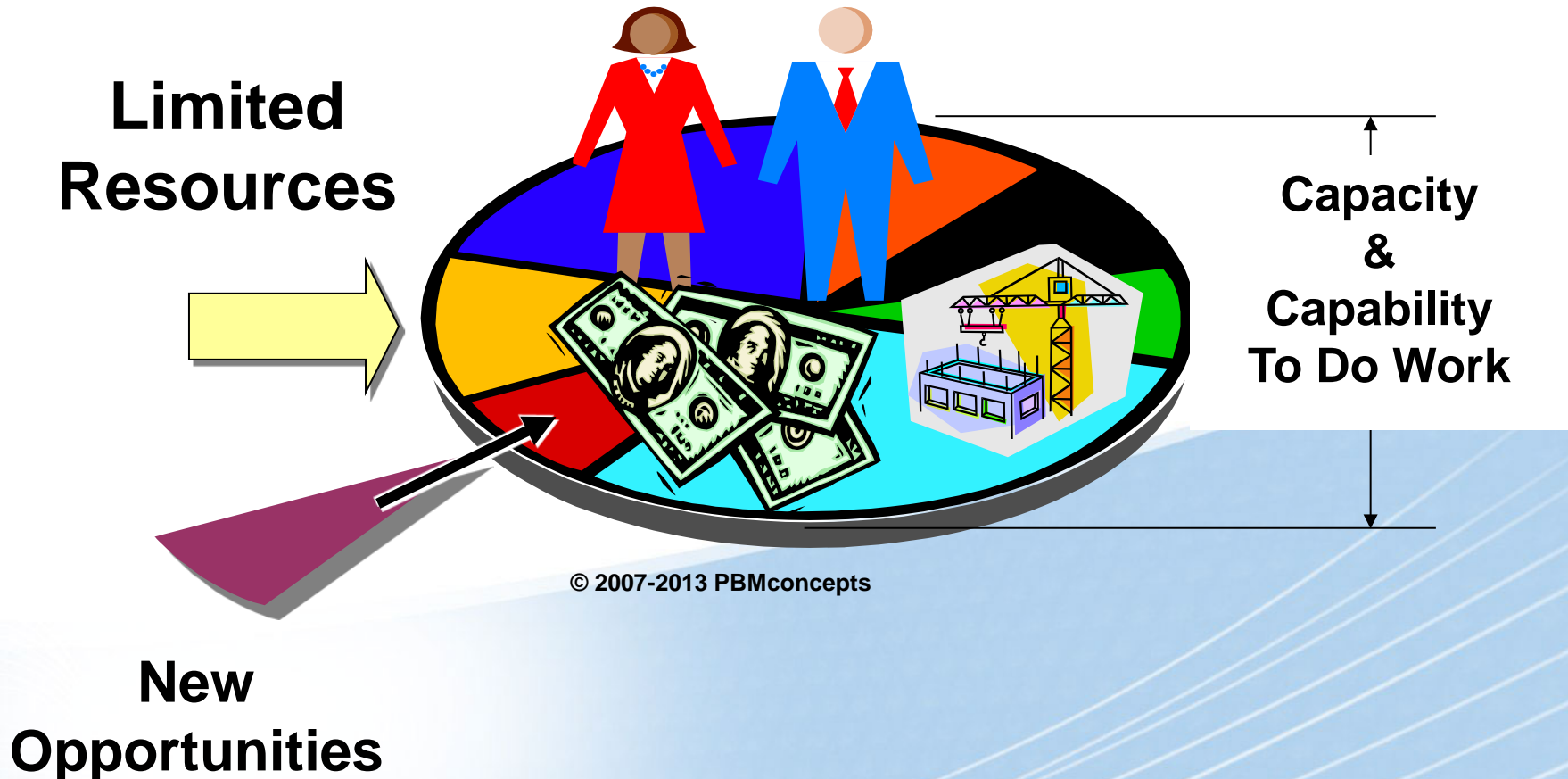
## Why is a PBMO needed?

- ✓ Produce *right projects* at *right time* – to survive today's economic downturns
- ✓ Optimize reduced project *resource availability*
- ✓ Meet tighter project *delivery schedules*
- ✓ Address business focus for projects – to deliver *business objectives* and *value*
- ✓ Utilize *business oriented* PMO Case Study *research results*
- ✓ Apply project management *discipline* enterprise-wide
- ✓ Address major business *challenges*

PBM Organization is **the Business Solution**

# Major Business Challenges

**Business** Changes and Fluctuating Constraints  
Require Reprioritizing Portfolios, Programs, & Projects  
at the Executive Level



# Stakeholders: Within Businesses

- ***Secondary Corporate Stakeholders:***
  - Governmental / regulatory / taxing / legislative agencies, non-governmental organizations
  - Labor unions, trade associations, professional associations, business support groups, research groups, or centers
  - Advocacy groups, community activists groups, public media, media analysts, and the general public
- ***Primary Corporate Stakeholders:*** two types –
  - External Primary Corporate Stakeholders
  - Internal Primary Corporate Stakeholders

# “Primary” Corporate Business Stakeholders

- *External Corporate Stakeholders* – primarily affect operations management:
  - Owners
  - Stockholders (investors)
  - Customers
  - Suppliers
  - Creditors

# “Primary” Corporate PM Stakeholders

- *Internal Corporate Stakeholders* – also affect the business of project management:
  - Directors (the investors’ representatives)
  - Senior Executives
  - Executives
  - Line Managers
  - ❖ Employees
  - ❖ Sometimes Labor Unions

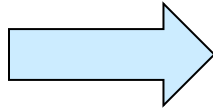
## *Specifically for project management:*

- PBM Organization Senior Executive
- Sponsors of projects, programs, and portfolios
- Associated Project/Program/Portfolio Managers



# INTERNAL Corporate Stakeholder Chart

RASIC



PBM Model  
Components

Positional Power

Direct  
Delegated  
Indirect

Business Role

Role Responsibilities

Responsible  
A<sub>1</sub>uthorize  
A<sub>2</sub>pprove  
Supply  
Inform  
Consult

© 2013 PBMconcepts

❖ <b>RASIC LEGEND - Role Responsibilities</b>	<<<< <b>POSITIONAL POWER</b> <<<<						
	Board of Directors	Senior Executive	PBMO Senior Executive	Functional Executive	Line Manager	Sponsor	Project/Program Manager
<b>R = Responsible</b> - Ensure Task is done; manager role may contribute to Task							
<b>A1 = Authorize</b> - Permit Task to be performed and Resources to be used							
<b>A2 = Approve</b> - Sign off on Task scope, initiation, & completion - or resources							
<b>S = Support</b> - Supply effort and resources; work the Task							
<b>I = Inform</b> - Give others progress on Task status and results							
<b>C = Consult</b> - Provide Task input and recommend solutions							
<b>Project Business Management Organization (PBMO or PMO)</b>							
PBM Office - Develop {Senior Executive is manager}	A1	A2	R/I	S/C	S/C	C	C
PBM Office - Implement {Senior Executive is manager}	A1	A2	R/I	S/C	S/C	C	C
PBM Governance - Develop	A1	C	A2/R	S	S/C	C	C
PBM Governance - Implement	C	S	A2/R	S	S/C	C	C
PBM Methodologies - Develop	C	A2	R/I	S	S/C	C	S/C
PBM Methodologies - Implement	C	A2	R/I	S	S/C	C	S/C
PBM Capabilities - Develop	C	A2	R/I	S	S/C	C	S/C
PBM Capabilities - Implement	C	A2	R/I	S	S/C	C	S/C
PBM Planning - Develop	C	A2	R/I	S	S/C	C	S/C
PBM Planning - Implement	C	A2/R	R/I	S	S/C	C	S/C
> PBM Strategic Planning - Develop	C	A2/R	S/C	R/I	S/C	C	S/C
> PBM Strategic Planning - Implement	C	A2/R	S/C	R/I	S/C	C	S/C
> PBM Tactical Planning - Develop	C	A2/R	S/C	R/I	S/C	C	S/C
> PBM Tactical Planning - Implement	C	A2/R	S/C	R/I	S/C	C	S/C
> PBM Based Planning - Develop	C	C	A2/R/I	S/C	S/C	C	R/I
> PBM Based Planning - Implement	C	C	A2/R/I	S/C	S/C	C	R/I
PBM Execution - Develop	C	C	A1/R	S/C	S/C	A2	R/I
PBM Execution - Implement	C	C	R/I	S/C	S/C	A2	R/I
PBM Sustainability - Develop	A2	R/I	R/I	S/C	S/C	C	S/C
PBM Sustainability - Implement	A2	R/I	R/I	S/C	S/C	C	S/C
<b>Operations Management &amp; Project Management Integration</b>							
Organizational Project Business Management - Responsibilities of role	A1	A2	R/I	S/C	S	C	C
Strategic Planning - Responsibilities of role	A1/A2	R/I	S/C	S	IC	S/C	C
Objectives Development - Responsibilities of role	A1	R/I	S/C	S	IC	S/C	C
Portfolio Management - Responsibilities of role {Executive is manager}	C	A2	R/I	R/I	S/C	R	C
Program Management - Responsibilities of role	C	A2	A2/R	R/I	S/C	R	S/C
Project Management - Responsibilities of role	C	A2	A2/R	R/I	S/C	R	S/C
Enterprise Resources - Responsibilities of role	A1	A2	A2	A2	IC	A2	R

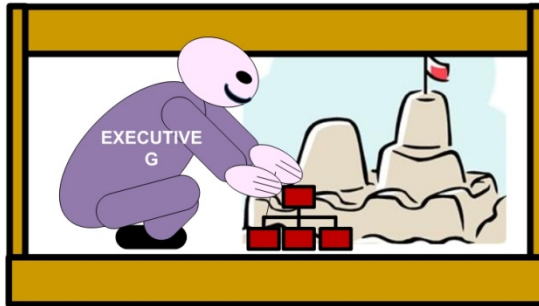
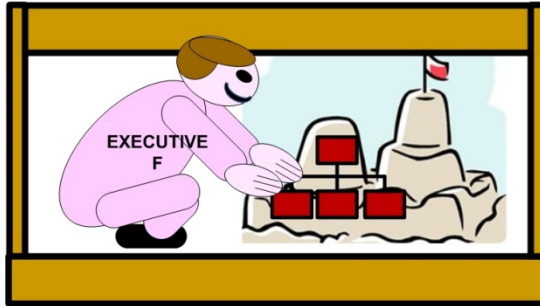
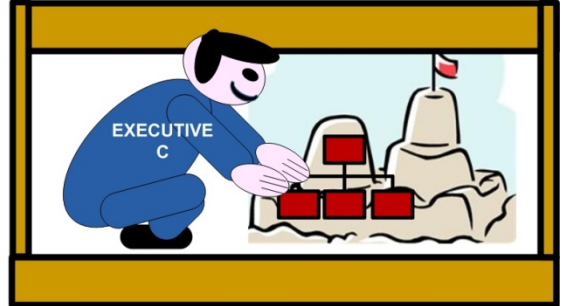
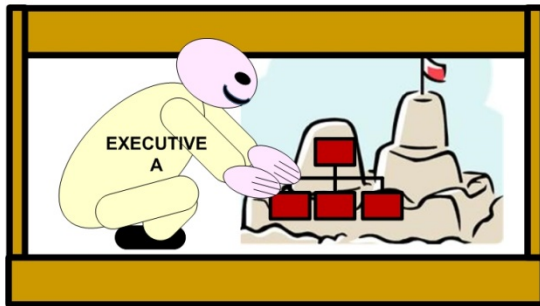
# Each Stakeholder Controls Their Sand Box

Position  
Power  
Authority  
Budget



Sandbox

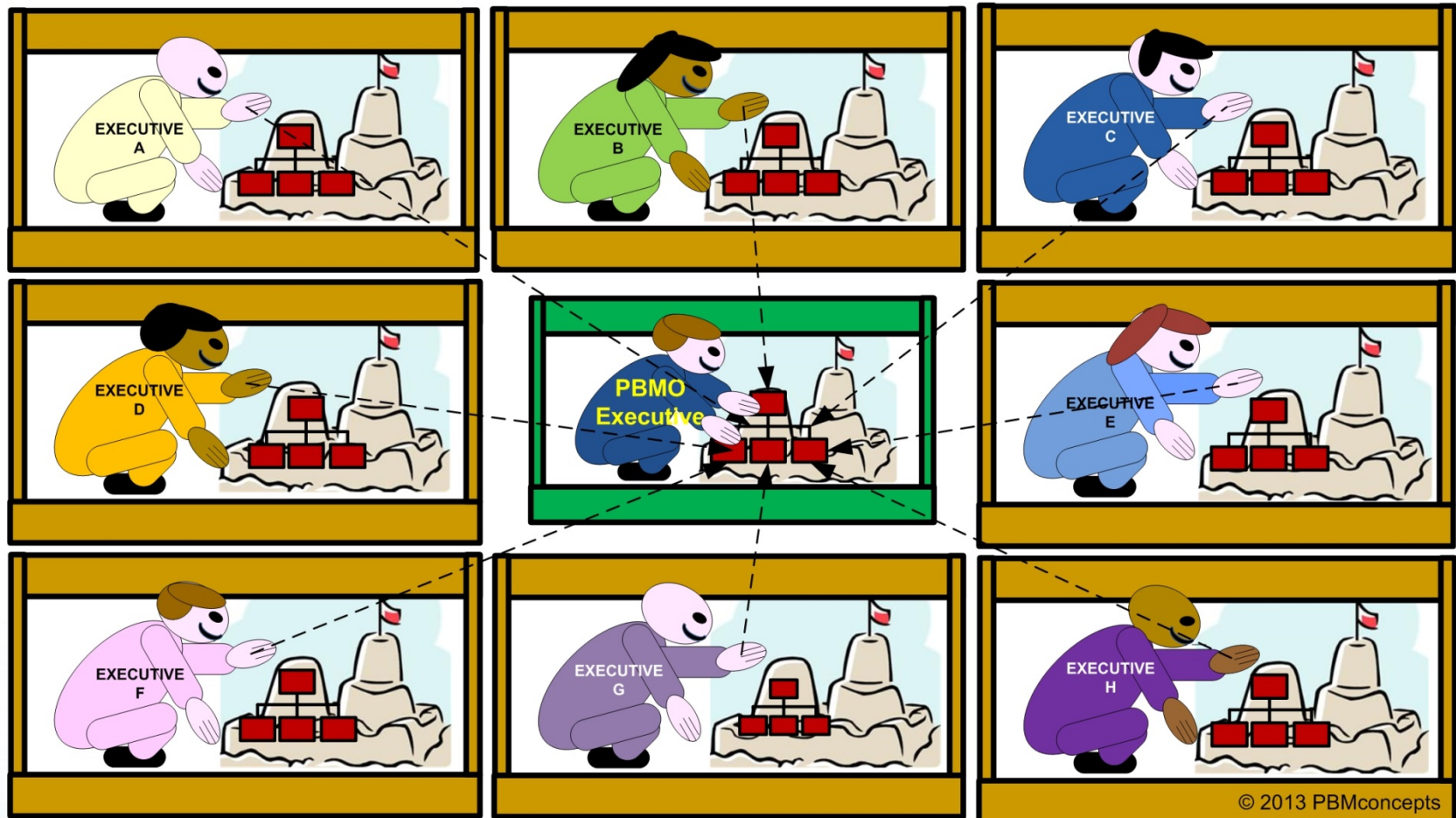
Before Having a PBM Organization –  
*Organizational Control* Not Shared



© 2013 PBMconcepts

# Stakeholders Share from their Sand Boxes

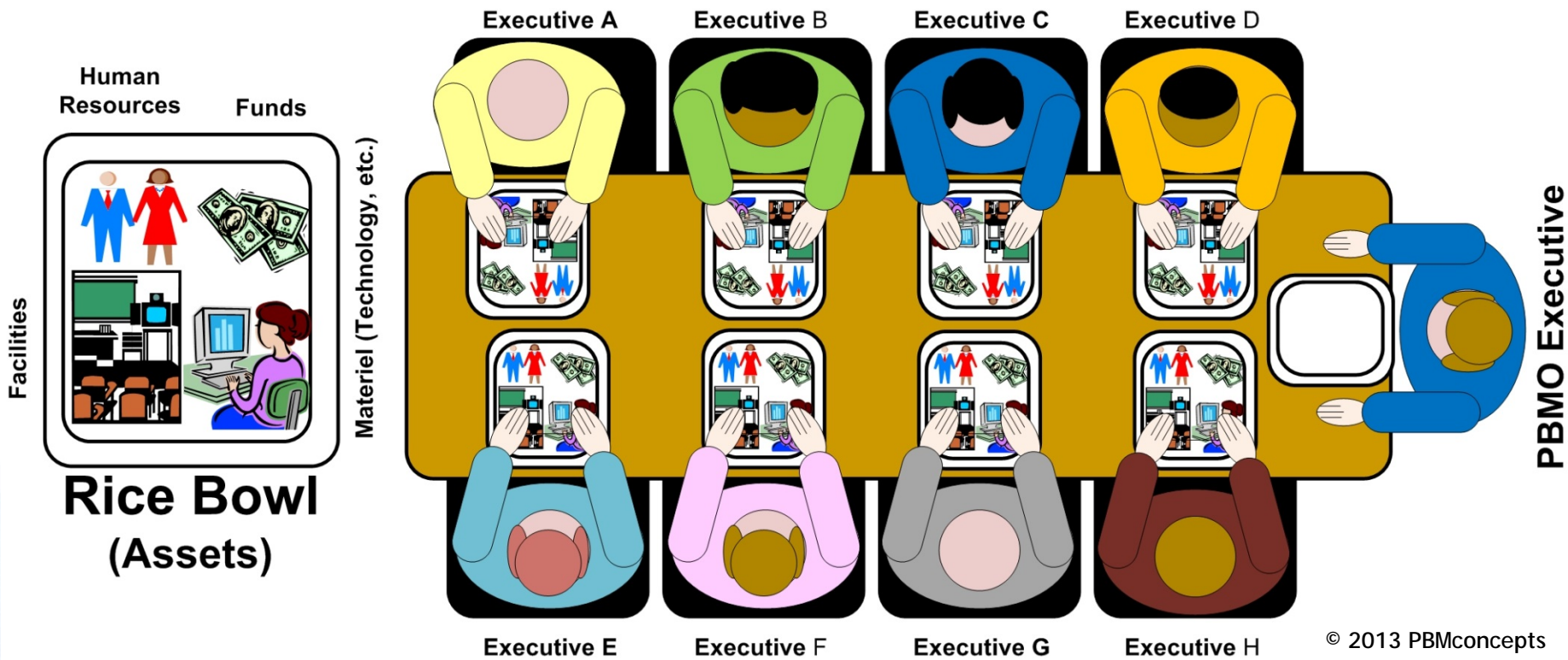
After Implementing a PBM Organization –  
*Organizational Control* Must Be Shared



© 2013 PBMconcepts

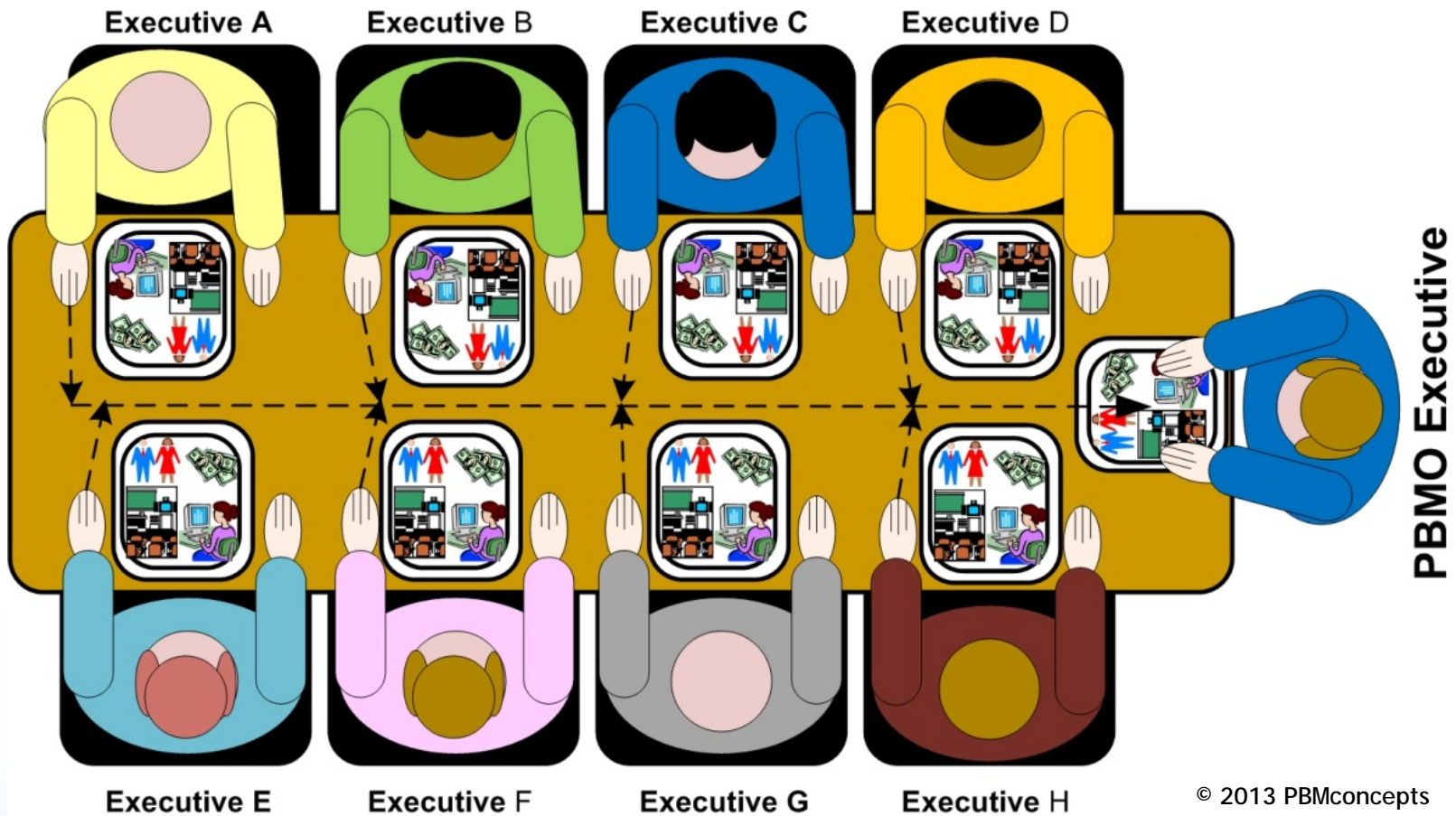
# Each Stakeholder Controls Their Rice Bowl

Before Having a PBM Organization –  
*Organizational Assets* Not Shared



# Each Stakeholder Shares Their Rice Bowl

After Implementing a PBM Organization –  
*The PBMO Must Be Given Asset Ownership*



# Stakeholders Drive Business Sustainability

*Proven Premise:* Business driven research on -

- Project Portfolio Management Organizations
- Project Program Management Organizations
- Project Management Organizations

Shows PMO's deliver **business benefits** and capture **value**

*Proven by Application:*

- PMOs are **valuable functions** within an enterprise
- Discipline of Project Business Management is **effective**
- Project Management and PMOs **support ROI**

*Continuing Issues:* PM and PMOs are not Sustained

- PMO **life expectancy** still averages ~ 3 years
- Stakeholder is **"My"** project focused – versus seeing an enterprise-wide view of business needs and Project Management
- Project Management still **not adopted** on an enterprise-wide level

# Executive Stakeholders Create the Issues

*The PM Elephant **is** in the Executive Suite, because Executive Stakeholders –*

- Do not *understand* **Breadth** and **Depth** of the Project Management field
- Do not *value* **Project Management** as a **Discipline**
- Do not *support* **separate organizations** doing Project Management on a **continuous** basis
- Do not effectively *communicate* and *motivate* within **Project Management arena**
- Have “**Myopia**” in *managing projects* {key factor in failed projects (30%) and underperforming projects (40%)} [ONTONIX complexity Research]
- *Rely too little* on **people skills** needed in Project Management, and *too much* on **technology**

# Stakeholder Road-Blocking

Executive Stakeholders **Road-Block** Project Management's broad application and PMO executive-level implementation by:

- **Limiting** PMO *Authority* – Reduces **Decision Making**
- **Keeping** PMO at *low organization level* – Limits **Acceptance** and questions **Credibility**
- **Suppressing** PM enterprise-wide *Adoption* – Minimizes **Business Value**
- **Restricting** level of PMO *Autonomy* – Impedes **Self Direction**
- **Assigning** minimal PMO direct *Human Resources* – Affects chartered **Goal Accomplishment**
- **Controlling** use of PMO *Facilities* – Makes tasks **completion difficult**
- **Withholding** PMO *Budget* control – Creates **Dependence** on other functional organizations
- **Denying** PMO ability to spend authorized *Funds* – Causes constant **Approval Seeking**
- **Establishing** *outside-control* of needed PMO *Resources* (technology, equipment, material, supplies, etc.) – Allows others to **Determine Usage**



# Major Change Challenge: “Belling the CAT”



Enterprise



PBM  
Organization

*Historical tale - 3 providential conclusions:*

- “It is one thing to propose, another to execute <sup>(1)</sup>.”
- “Good council is easily given, but the effect Oft renders it uneasy to transact <sup>(2)</sup>.”
- “It must be considered that there is nothing more difficult to carry out, nor more doubtful of success, nor more dangerous to handle than to initiate a new order of things <sup>(3)</sup>.”

(1) © Aesop's Fables collection – Grosset & Dunlap 1947

(2) © Francis Barlow's Fables collection/Aphra Behn verse 1687

(3) © Niccolo Machiavelli *The Prince* – Prohyptikon Value Classics 2009

# Top Executive Stakeholder Ballmer “Bells-the-Cat”

## Microsoft reboots with **sweeping reorganization**

- 11JUL2013 San Francisco (Associated Press) By Michael Liedtke and Barbara Ortutay

“CEO Steve Ballmer is restructuring the company to cope with a quickening pace of technological change that has left the world's largest software maker a step behind its two biggest rivals, Apple and Google.” ...

... “Colin Gillis [a BGC Financial analyst] views the changes [**belling-the-cat**] as Ballmer's tacit **acknowledgement** that Microsoft had become **bogged down** in **bureaucracy** and **second-guessing** – and an **admission** that there was too much **internal strife** as various **factions formed** [**road-blocking**] to **protect their turf** [**Sandboxes & Rice Bowls**].” ... [words and color emphasis added]

# PBM Organizational Positioning

Establishing PBM Organization as a Business Function and its Positioning are Critical to Sustainability

Position equates with Authority: Decision Making

Position establishes level of Acceptance: Ensures Credibility

Position enables enterprise-wide Adoption: Business Function

Position defines level of Autonomy: Self Direction

Position provides Power: Organizational Influence

Position controls Budget: Asset Allocation

Position sets Organizational Reach: Span of Control

# Questions?



Name: **Dennis L. Bolles, PMP**

Email: [dbolles@dlballc.com](mailto:dbolles@dlballc.com)

Publishers Website: [www.PMBconcepts.com](http://www.PMBconcepts.com)

Phone: **(616) 392-2292**

# The PMO'S of TODAY and the FUTURE

## A COMPENDIUM OF PMO CASE STUDIES:

*REFLECTING*

## PROJECT BUSINESS MANAGEMENT CONCEPTS

---

A Validation of Project Business Management (PBM)  
and the PBM Organization Model for  
Driving Business Benefits and Value

---



Dennis L. Bolles, PMP and Darrel G. Hubbard, P.E.

**NOW AVAILABLE!**

Get Special Event  
Time Limited 20% Discount Code  
Request by email at:  
[EventDiscount@PBMconcepts.com](mailto:EventDiscount@PBMconcepts.com)

[www.PBMconcepts.com](http://www.PBMconcepts.com)

