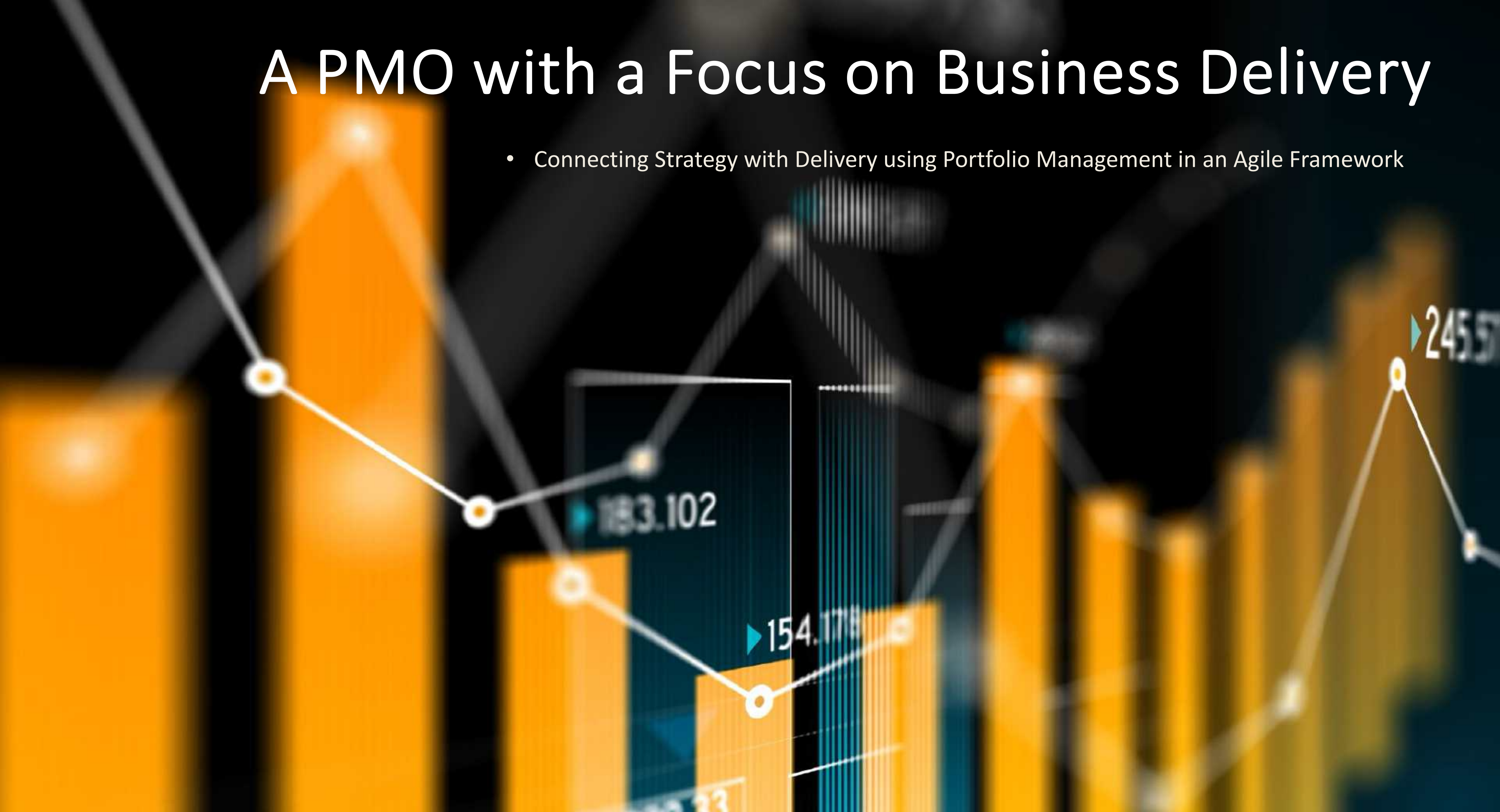


# A PMO with a Focus on Business Delivery

- Connecting Strategy with Delivery using Portfolio Management in an Agile Framework

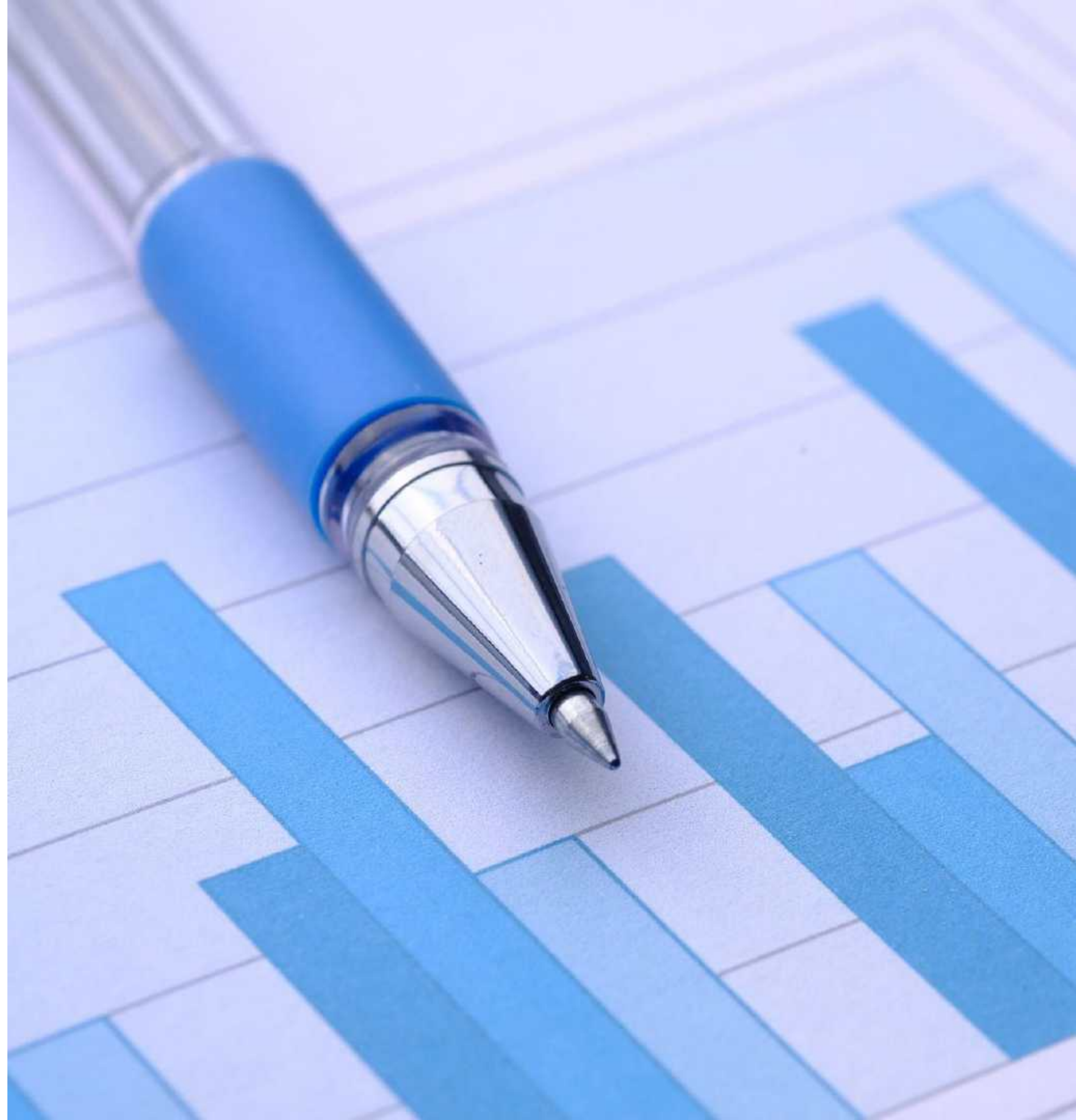




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# Delivering Value at the Right Price

- To ensure that the focus is on value, projects need to start with constantly and continuous questions:
  - Is the value of a project or deliverable based on monetary outcomes, building a strategic capacity, or addressing regulatory requirements?
  - What are the short and long-term objectives of the project?
  - What are the needs or interests of the varied stakeholders?
  - How does this project affect time to market or business resilience and responsiveness?





# Portfolio Management

- A portfolio is the strategic vehicle by which a company delivers on its business goals and objectives
- The portfolio is the focus, not the individual projects.
- If the goals for the year are lowering costs and risks, increasing market share and revenue, then a portfolio of projects / programs would be responsible for delivering exactly these goals.
- Squads and their deliverables are attached to the portfolio based on how they relate with the business strategic most important consideration, to prioritise the right work in the right way and at the right time.
- By using portfolio management\*, it ensures the expected business benefits are achieved once projects are completed.

*\* Projects assigned to squads in a tribe can be seen as a portfolio*



# Where Portfolio Management adds value in the Agile Enterprise

- Ensuring alignment of deliverables to corporate strategy (e.g. Products Plan)
- Delivering value at the right price (e.g. spending focus on capital projects and not on BAU)
- Dependencies management (identification, impact analysis, tracking, resolution and ownership of priorities)
- Guaranteeing that teams emphasise on delivering value and less focus on their individual performance
- Projects retrospective (identifying what went well, what did not, how to improve and what to do different)
- Time spent on rituals and reporting (give more bandwidth to Product Owners and Management to focus on strategy)





# Shifting the Focus to Portfolio Management

Portfolio Management is not the goal. Instead, it will help demonstrate the business value with a focus on enterprise strategy.

## Benefits expected:

- Clear measurement, alignment and prioritisation with business goals (*deliver to the business what they care about first*)
- Effective prioritisation, and dependency management between **squads and tribes** based on the organization's strategy
- Better management of Stakeholder's expectations, outlining the reasons why priorities change
- Standardisation of squads and tribes in the measurement of benefits
- Clearer prioritisation of strategic projects that enable business growth
- More choices, faster conceptualisation and funding for new projects
- Metrics driven decisions, formalised post-project success measurement

# Connecting Strategy with Delivery

- PMO would focus on actively managing portfolios, continuously reviewing and adjusting them with management and Tribe Leads to **ensure the projects and programs within, are the right ones, and that they can achieve the business goals** they were planned for.
- To do this, **PMO would focus on goals and communications around the portfolio**, establishing the connection between strategy and execution:
  - Leadership will work with the PMO group as a point of contact for the project work related to the business goals
  - Product Owners and their teams work with the portfolio managers on how to deliver projects that achieve those business goals
- This will ensure that teams are connecting the leadership direction on their execution, and the outputs achieved from the projects align with the outcomes needed by the organisation

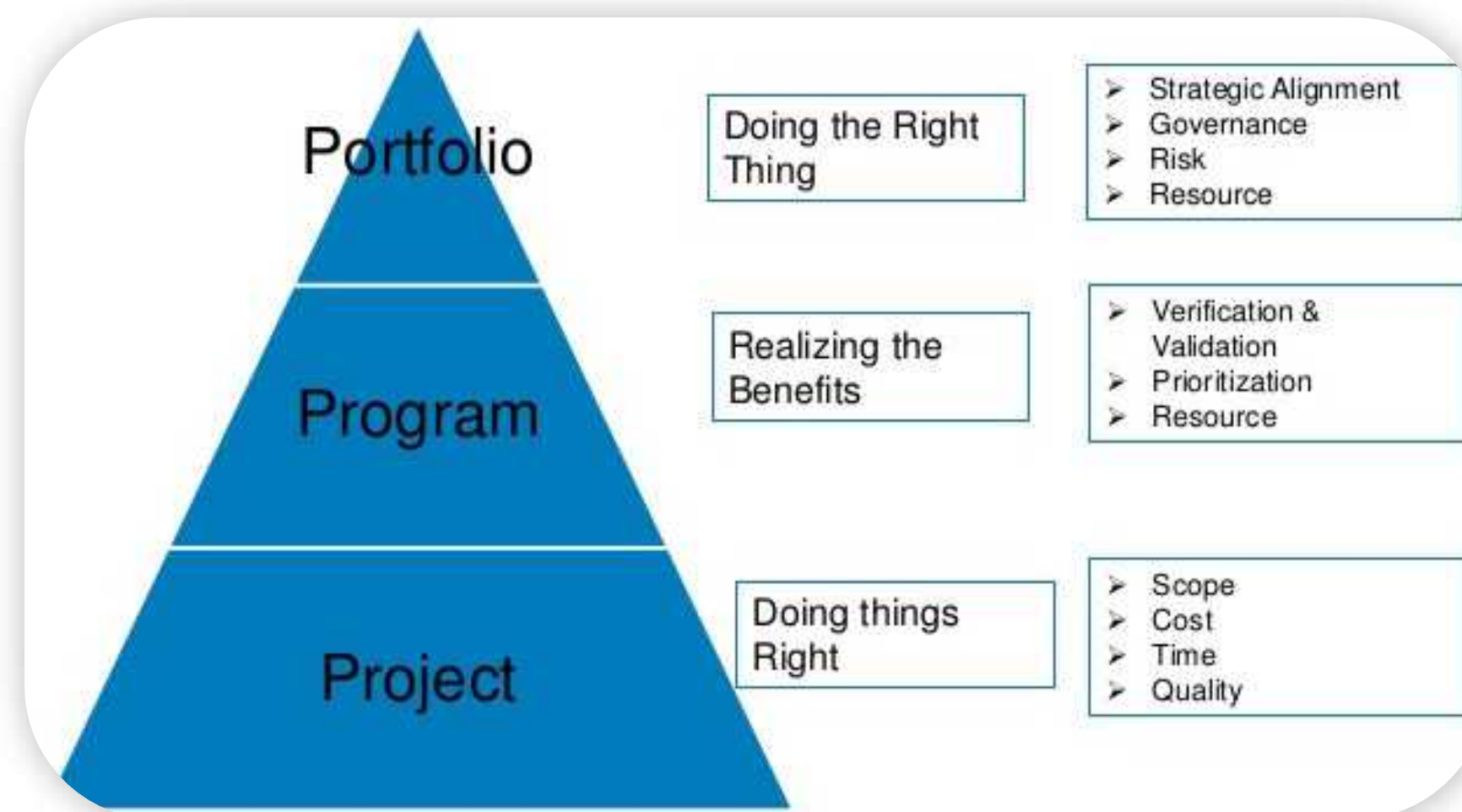
LEADERSHIP	PORTFOLIO MANAGER	PRODUCT OWNER
Defines Portfolio Direction	Identifies Performance Variances	Solution Development
Defines Goals and Objectives	Identifies Benefits Shortfalls	Prioritises over Product's Deliverables
Prioritises over Projects and Teams	Impact Assessment	Manages Stakeholders' Expectations

# Focus on Portfolio Management

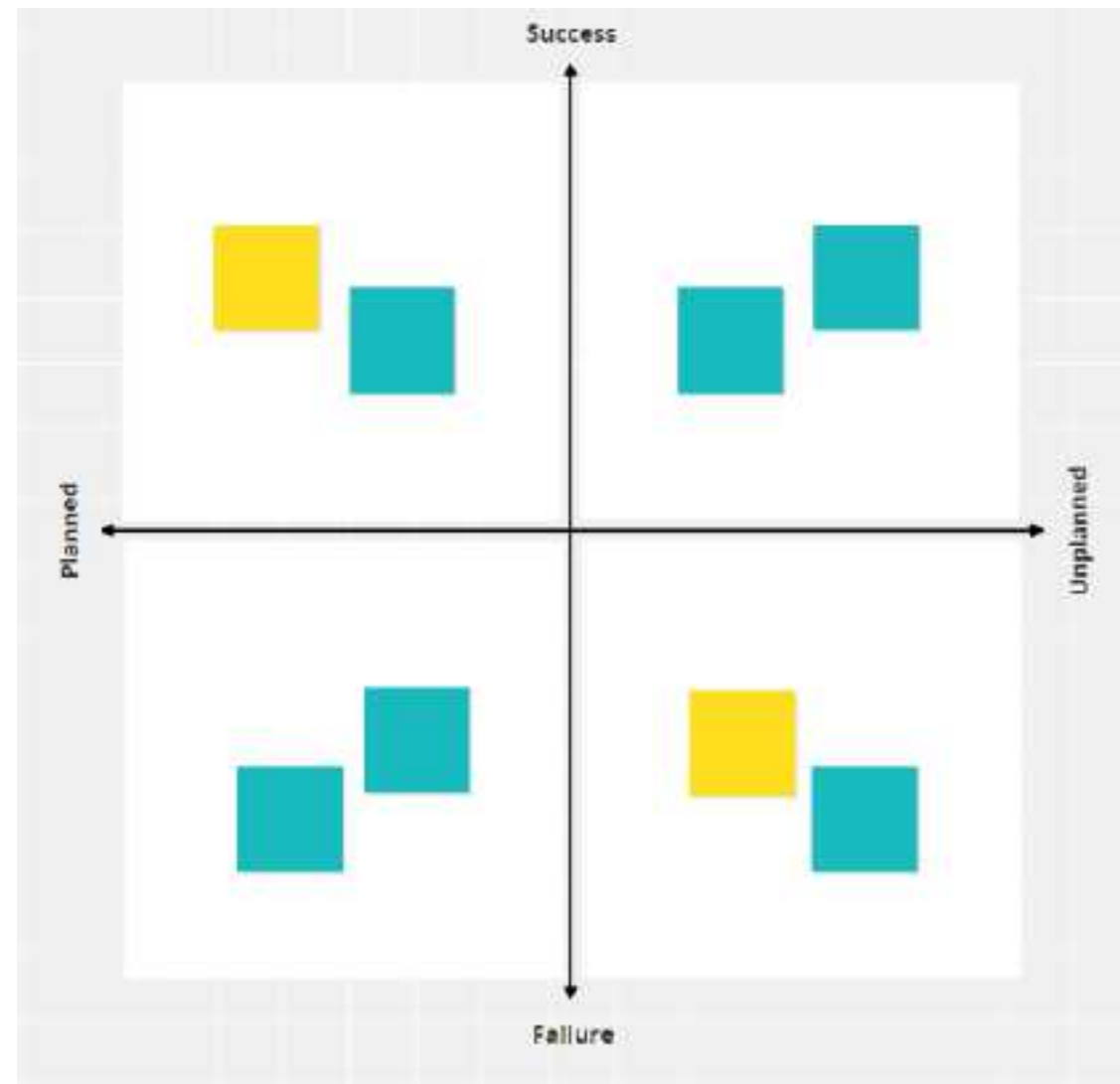
Effective Portfolio Management is not a simple task, it will require to be defined accordingly to processes and culture but needs the support from all the groups and stakeholders that benefit from it to be successful.

Requirements for success:

1. All stakeholders must buy into the concept of Portfolio Management, questioning its legitimacy, will undermine its effectiveness
2. Change in all stakeholder's mindset: from the current Triple Project's Constraints, to Portfolio Benefit Alignment
3. To understand the benefits, it's imperative that PMO needs to be part of:
  - The planning process where proposals are developed and reviewed
  - Knowledge of all the different projects' budget forecasting (How they are calculated and why)

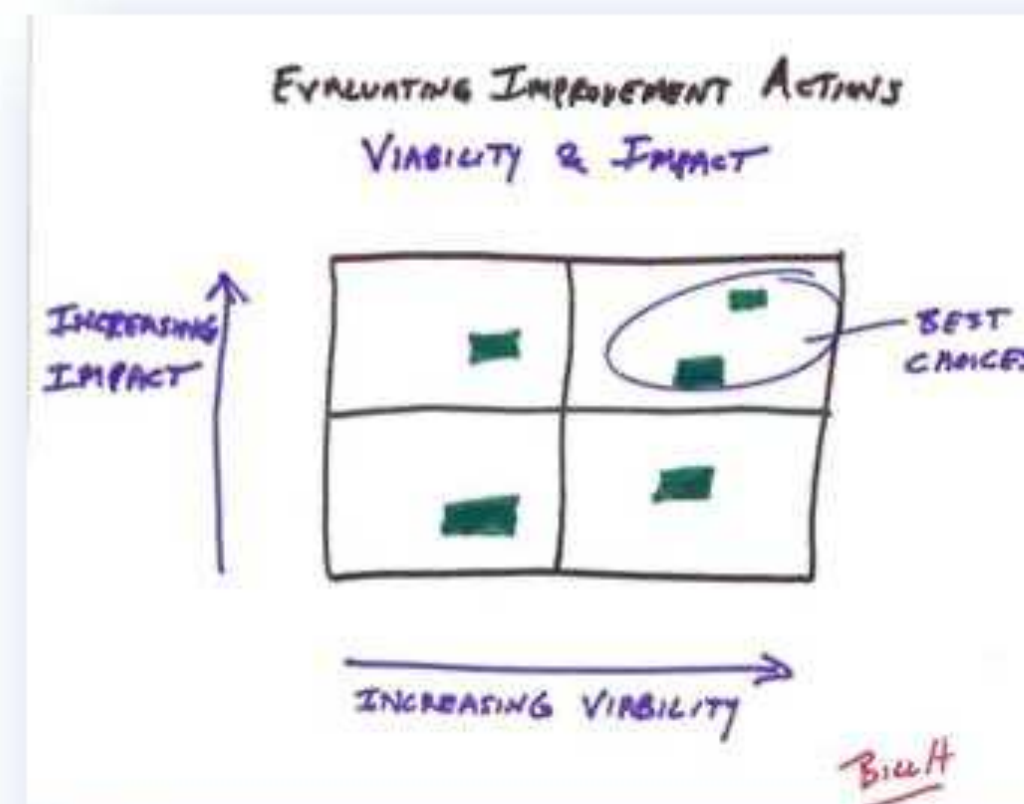






# Projects Retrospectives

- The action to analyse the work and look for improvement is not only applicable to scrum teams, but to higher levels in the management structure.
- Lessons can be learned by looking back at past and current projects' achievements and reflecting on how to improve future ones.
- The goals of project retrospectives are:
  - Continually improve results, and as a result increase effectiveness
  - Success and failure is shared to avoid making the same mistakes, but also to see which measures worked well before
  - Allows for adjustments before and throughout the project execution
  - Indicator of when actions are required in a future event with similar characteristics
  - Measurement of project performance data and product reception





Projects are approved and executed NOT to create a new product, system, or process, but for the outcomes that those outputs generate, and they need to be aligned to strategy to ensure the right changes happen!



Andy Jordan

*Delivering value through PMOs, The Agile Times News*



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