



PMI's

PULSE *of the*
PROFESSION® In-Depth Report

The Drivers of Agility

Engaging people and building processes
to accelerate results

ABOUT THE REPORTS

Throughout 2017 we are studying, analyzing, and reporting on all aspects of agile transformation.

Our research includes two *Pulse of the Profession*[®] in-depth reports and our Thought Leadership Series.



***Pulse of the Profession*[®] In-Depth Reports**

Achieving Greater Agility: The people and process drivers that accelerate results

The Drivers of Agility: Engaging people and building processes to accelerate results

The information in this report is based on commissioned research conducted online by Forrester Consulting for PMI in March and April 2017 among 1,469 project management practitioners and leaders using predictive (traditional/waterfall) and agile approaches in the United States, Canada, Brazil, the United Kingdom, France, Germany, China, India, Australia, and New Zealand. Forrester Consulting also hosted an online community on behalf of PMI in May 2017 with 54 individuals who use either predictive or agile approaches to gain deeper insights and examples of their experiences as they transitioned to a more agile work environment and project approach. In *Achieving Greater Agility*, we asked project management practitioners and leaders about how they are adapting to change, and about the support their organizations have provided.

DEVELOPING THE CAPABILITY TO CONTINUALLY ADAPT, ADJUST, AND INNOVATE

By Barry O'Reilly, *Business Advisor, Entrepreneur, and Author*



Mr. O'Reilly is faculty at Singularity University, advising and coaching on Singularity's executive and accelerator programs based in San Francisco, California, and throughout the globe. He is also founder and CEO of ExecCamp, the entrepreneurial experience for executives, and management consultancy Antennae. Mr. O'Reilly is also the co-author of the international bestseller *Lean Enterprise: How High Performance Organizations Innovate at Scale*.

Transforming organizations, teams, or even yourself is challenging. There's no one-size-fits-all method to achieve success. It's a combination of focus, persistence, and patience.

The most successful enterprises are continually experimenting to learn what works and what doesn't. They focus on meeting customer needs by clarifying goals, shortening feedback loops, and measuring progress based on outcomes, rather than outputs.

High-performing organizations develop the capability to continually adapt, adjust, and innovate. This requires a deliberate practice of experimentation and learning.

But experimentation alone is not the answer. To enable and empower decision making at scale, team members need a framework of reference and north star to align their actions to the organization's mission. The mission is the statement of purpose for what your organization stands for. Clarity of this purpose—including how it's communicated—helps everyone make independent decisions at speeds that are aligned to the organization's mission, valued behaviors, and desired culture. It is not a set of explicit rules or command-and-control statements of how we should operate; it frames what outcome we seek to achieve, and encourages us to take ownership and accountability of how we get there.

These principles of outcome-based thinking, experimentation, and learning align with the information presented in this report, where we see that agility is a trigger for higher performance at scale. Organizations are transforming practices and focusing on skills that will help them deliver faster, smarter, and better.

But, if behavior doesn't change, transformation will be stalled. We need to unlearn the skills that hold us back, and relearn the skills that keep us relevant. This includes making the time to reflect, retrospect, and decide next steps or corrective actions over simply executing busywork.

Connecting with colleagues is vital in this process, especially when delivering complex and interdependent initiatives. Making time and space for planned and unplanned collaboration is important to enable speed, alignment, and flexibility.

Above all, give yourself permission to fail. Accepting that many of your ideas and/or methods aren't going to work out as expected is actually advantageous. Most companies and individuals are stuck in an unhelpful rut of scrambling to prove ideas and methods right rather than prove them wrong. We tend to forget that the measure of progress for innovation is not how many "good" ideas we validate, but actually how many we invalidate quickly and inexpensively.

Today's complex world is teeming with reasons to transform in search of better outcomes. New market entrants erode profit and competitors seem to be always moving ahead, all while customers seek higher quality and cheaper sources of service. However the change must be led with actions not words. By changing the way we behave, our actions begin to change the way we will eventually see the world. By seeing and experiencing the world differently, it changes the way we think about the world. People do not change their mental model of the world by speaking about it—they need to experience the change to believe and feel it.

This important research confirms that it takes a mindset shift to nurture more collaboration, exploration, and innovation. Success doesn't happen in a straight line. The market may change, customer needs fluctuate, and ideas evolve. If we cling too tightly to an idea or method that doesn't work, then we'll go down with it.

Let's work on changing our mindset.

The most successful enterprises are continually experimenting to learn what works and what doesn't. They focus on meeting customer needs by clarifying goals, shortening feedback loops, and measuring progress based on outcomes, rather than outputs.

INTRODUCTION

To change how work gets done and support an agile transformation requires active leadership support, dynamic coordination of resources, strong collaboration, and effective communication. Our *Pulse of the Profession*[®] research continues to reinforce that the right talent and processes are essential to attaining high levels of agility. This is achieved by:

- Hiring and training skilled professionals who think creatively about how they work
- Establishing more efficient and effective processes that build on existing good practices
- Encouraging teams to work well together
- Embracing change

To better understand the skills and support needed to enable agile transformation, Forrester Consulting surveyed 1,469 individuals—with an almost-even mix of predictive (traditional/waterfall) and agile roles (see the companion report, *Achieving Greater Agility*). We asked them about the people and process aspects of agility and predictive, agile, and hybrid approaches to project management.

We see that successful organizations make progress when they incorporate a mindset that changes behaviors and strengthens their ability to prioritize and adapt project resources. Our research identifies three characteristics of organizations with high agility:

- 1 Cross-functional, collaborative environment
- 2 Innovative attitude
- 3 Foundational approach to processes

Organizations must often overcome many barriers on the journey to greater levels of agility: unsupportive leadership, poor communications, slow decision making, inflexible culture, and unclear vision or strategy. Critical to surmounting these obstacles is the willingness to empower their people and design effective processes (see Figure 1). Both are key drivers of greater agility.

Figure 1: Organizations with high agility focus on the crucial people and process drivers

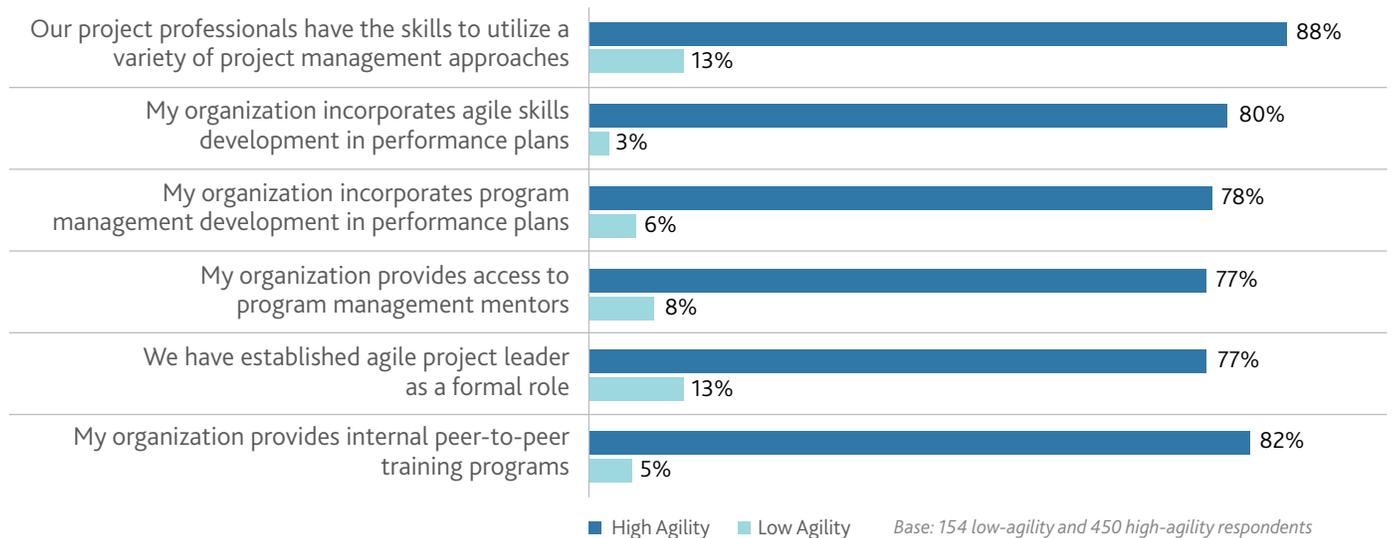


PEOPLE DRIVERS

Organizations with high agility know that technical skills are not enough to meet the challenges inherent in today's global marketplace. They advocate training to develop soft skills and business knowledge to support long-range strategic objectives. The ideal skill set—depicted in the PMI Talent Triangle®—combines technical, leadership, and strategic and business management expertise.

Our research shows that organizations with high agility focus significantly more on the people drivers outlined in Figure 2, which include several directly related to broadening the skill sets of project professionals.

Figure 2: Organizations with high agility are dramatically more likely to execute on critical *people* drivers



CONTINUOUS LEARNING BECOMES THE NORM

These key people drivers call for continuous learning. For many organizations, this represents a significant cultural shift, along with a strong motivation to disrupt traditional workflows. But, above all, everyone must think differently about their work and accept there is more than one way to do it by:

- Investing in training and development to teach employees how to work differently
- Adding skills, such as agile and hybrid, to the predictive approaches already in their tool kits
- Adjusting team composition, leadership, reporting lines, accountability, decision making, governance, customer relations, and other facets of project work calling for soft-skill excellence
- Investing in formal change management programs to usher in agile or hybrid approaches
- Instituting process changes across business functions, such as finance, procurement, HR, and risk management to support flexible models

MORE TO DO

In addition to the key people drivers outlined in Figure 2, our research shows that organizations with high agility:

- Establish project management as a formal role
- Expect project teams to have the ability to adapt their management approach to the unique needs of each project
- Provide access to internal training for project management
- Support the ongoing training and development of project staff in new project management approaches
- Recruit project professionals with diverse project management skills
- Support individual pursuit of program or project management certifications
- Fund external, face-to-face training opportunities
- Provide access to internal training for agile practices
- Offer financial support for external, virtual training opportunities
- Support individual pursuit of agile-specific certifications
- Supply books, publications, and other materials
- Afford access to agile coaches

BROADER SKILL SETS ARE NEEDED

Perhaps more than ever before, broadening the skill sets of project professionals is essential to achieving greater levels of agility. Most organizations that want to expand options for how projects are managed have a limited number of professionals for assignments. So, from a practical view, their individual project professionals need flexible technical skills that enable them to apply the best approach for each project or delivery cycle (e.g., predictive, agile, hybrid).

Soft skills are also essential, particularly those that contribute to:

- Effective teaming and collaboration
- Leadership, motivation, and influence
- Customer relationship management
- Negotiation and decision making

The benefits of investing in soft skill development are reinforced by our research, which suggests that organizational agility is a bigger factor in project success rates than the specific project approach or methodology used. High-performing organizations:

- Evaluate their talent needs for both hiring and training against their business strategy and goals
- Segment their talent and identify unique skill sets based on the roles and responsibilities of those within the segment or by current versus future skill sets
- Work closely with HR to determine whether the requisite skills must be hired, or can be acquired through training, mentoring, and coaching

Organizations benefit by providing different learning channels, including peer training and experiential learning. Their investment to ensure they have the right talent to execute their strategic initiatives—their projects and programs—is a critical capability giving them a competitive advantage.

LEADERSHIP SETS THE TONE FOR CHANGE

As with any change management effort, leadership support—especially from the C-suite—is essential. Leadership has the authority to make the investments necessary to achieve higher agility and can also:

- Set the tone for change and convey its importance
- Create an environment of continual learning
- Prioritize innovation

All these actions are smart risk management, because what supports flexibility and fast response to change today may be obsolete tomorrow, due to uncontrollable external factors such as the endless evolution of technology and new customer demands.

Project management office (PMO) leaders also play a role in this learning and change environment and are well positioned to:

- Encourage more diverse project management tool kits
- Advocate for the retraining their teams require
- Work with HR to pinpoint essential new skills and identify those who need training
- Address resistance to change

PMO leaders also play a coaching role. They can influence project professionals to invest in their future through continual learning, creative thinking, and more innovative approaches to their work. And they can address any resistance to change and motivate that “shift in mindset” necessary when working agile.

To accelerate learning, some organizations engage agile coaches who help employees understand not only what and how to change, but also why. Agile coaches provide training, tips, and tools, and share rich knowledge from their own experience.

THE EVOLVING ROLE OF THE PROJECT MANAGER

As more organizations embrace agile and hybrid approaches, questions surface about the role of the project manager. Some agile practitioners feel a project manager is not needed, because self-organizing teams take on the related responsibilities. A more pragmatic view among both agile practitioners and their organizations is that project managers add significant value in many situations—but their roles and responsibilities look different.

In projects that use agile approaches and deliver work in small increments, one person, such as the project manager, cannot oversee the degree of complexity that exists. Instead, cross-functional teams coordinate their own work, collaborating with the business representative (the product owner). In this scenario, project managers shift from being the central coordinator to a support resource for the team and management. They become “servant leaders,” focused on coaching people who need help, fostering greater collaboration within the team, and aligning stakeholder wants and needs. As servant leaders, they encourage more distribution of responsibility within the team—to those with the right knowledge and experience to get work done.

This thinking aligns with *A Guide to the Project Management Body of Knowledge (PMBOK® Guide)*, which says the role of the project manager does not change based on managing projects using a predictive development life cycle or managing projects in adaptive environments. However, to be successful in using adaptive approaches, the project manager will need to be familiar with the tools and techniques to understand how to apply them effectively.

With the growth of complex projects and the ever-increasing pace of change, organizations recognize that to focus their hiring and development on technical project management skills only is no longer sufficient. Organizations need project managers who can deal with ambiguity and can lead strategic initiatives that drive change in their organization.

—Source: *Agile Practice Guide (PMI and Agile Alliance, 2017)*

CASE STUDIES

> CATERPILLAR

CREATING A DYNAMIC PMO ORGANIZATION: CATERPILLAR ADOPTS WATERFALL, AGILE, AND HYBRID

By Seth Norburg, PMP, Program Management Supervisor, and Niel Magsombol, PMP, SPC4, SSM (SAFe Program Consultant, ScrumMaster), Program Coordination, both at Caterpillar Inc.

In the past, Caterpillar was primarily considered a manufacturing company. Because of the linear nature of manufacturing, projects were historically managed using waterfall methodology. As we evolved and began focusing more heavily on non-manufacturing initiatives, such as digital solutions, we started to investigate other models for project management. These new projects' inherent fluidity demanded more, so teams began using agile approaches to manage them. Unfortunately, agile by itself also wasn't the answer—so our Global Program Management (GPM) organization started a journey to create a dynamic PMO organization, offering waterfall, agile, and hybrid services to help business partners meet objectives and ultimately ensure their success.

Challenges

Our primary challenge in implementing agile was cultural: Decision makers lacked full understanding of the approach. Program coordinators often heard comments like these: "If we use agile, we no longer need deadlines"; "We're not executing an IT project, so agile isn't applicable"; and, "We do not need a plan in agile." To tackle this challenge, we formed a cross-functional team charged with developing a comprehensive strategy to educate team members and roll out agile to business partners.

The next step was to determine which type of agile methodology should be implemented. After extensive research and discussion, the team ultimately chose Scaled Agile Framework (SAFe®) because of its focus on program and portfolio management and its ability to scale at an enterprise level. In addition, SAFe boasts impressive versatility, as it leverages three agile practices: Kanban, Scrum, and Extreme Programming. Once this selection was made, a designated agile champion (Niel Magsombol, co-author of this case study) attended

SAFe ScrumMaster® and Program Consultant Training classes. The knowledge he brought back equipped the GPM team with the skills they needed to develop a full agile curriculum.

Beyond the cultural challenges, other challenges existed from an organizational perspective. GPM is a service organization to the rest of the company, and other divisions within the company were also in the process of rolling out agile. To streamline efforts, GPM reached out to several of these other divisions, learning about their rollout strategies and exchanging ideas in the spirit of collaboration.

Benefits

Since GPM's implementation of SAFe agile and the hybrid model, a number of benefits have become clear. First, the hybrid model allows teams within a project to implement sprint planning/iterations with fluid deliverables and use waterfall for more solid/infrastructure types of deliverables. As a result, teams can continually complete tasks to meet key milestones. In addition, SAFe allows project managers to roll up their individual projects into programs/portfolios that ultimately are reported out to senior-level management, enabling decision making that might not otherwise be possible. Finally, the use of agile in conjunction with waterfall fosters collaboration among project sponsors, managers, and team members that didn't exist before now. As a result, issues and risks are more likely to be identified and mitigated before they become significant problems.

Continuous Improvement

To sustain the model, we began actively recruiting team members with experience in all approaches who also have great initiative and love developing creative solutions to challenges. With these skill sets, a robust model, educational curriculum, and team vision, our GPM team continuously improves, innovates, and collaborates, which ultimately benefits our business partners.

FOCUS ON INNOVATION: IBM AND CITY FURNITURE

By Jerry Gura, Leader, Agile Center of Competency, IBM, and Jeff Shilling, Agile Transformation Consultant, NA Agile Center of Competence, IBM

City Furniture, the leading furniture retailer in the South Florida area, was looking to delight customers through the best-in-class shopping experience that would contribute to increased sales.

With showrooms spanning from central Florida to the west coast and all the way to Miami, they have grown to over 1,400 associates strong. These associates work together every day to turn guests into happy customers and are proud of the extraordinary, high customer satisfaction ratings they receive. But they needed help. They wanted to track each customer's unique budget and personal preferences and be able to provide all of the needed information (such as product availability, pricing, and delivery data) directly from the sales floor. This would shorten the order and payment process time, increasing both customer satisfaction and sales opportunities.

Challenges

The sales associates at City Furniture wanted to:

1. Be prepared to meet customer's expectations: "know me", "know what I want" and "get it to me".
2. Have access to same information customers have.
3. Be equipped to present product availability, product details, pricing, and delivery information, on the sales floor rather than having to take them to a back room to view an AS/400 "green screen."
4. Be equipped to process payments and financing right from the sales floor.

Benefits

As a result of these complexities, City Furniture turned to IBM, known for our extensive tooling for agile conduct and performance and collaborative relationship with the company. The benefits of the solution and approach include:

- Best-in-class user experience capabilities
- Analytics and development expertise
- Secure and reliable mobile platform
- Industry-specific skills to solve pain points
- Seamless and efficient implementation with effortless adoption
- An increase of customer base
- Increased brand reputation and appreciation

The team customized the Sales Assist App to City Furniture's needs and custom developed Payment & Finance apps, which includes the following capabilities:

1. Access to deeper product information, including catalog, sales data, and product availability across all stores that can save the sale, drive inventory efficiency, and increase customer service satisfaction.

2. Access to analytics through customer/product profile and past purchase history to provide next best options. This helps sales associates offer better, more-personalized customer service from the moment a customer enters the store.
3. Ability to transact everything with a customer directly from their iPads.
4. Ability to make payments and arrange financing.

Organizational Structure

Starting with an Apple Design workshop, the team determined City Furniture's needs, which included reducing the dependency on "green-screen" work stations and allowing the sales associates to stay on the sales floor with their customers. The workshop included three sales associates who provided descriptions of how they manage the customer's in-store journey, including collecting customer information, preferences, and the selling and transaction processes. An important component of the workshop was the creation of a client journey map, which was the foundation to understanding the sales associates and creating the best app possible.

- ▶ **Approach:** It was clear to City Furniture that IBM's mature agile approach would produce the app they needed, but they would also have to make parallel adjustments to their non-agile operations model. We helped City Furniture set up a parallel project to build application programming interfaces (API) to systems of record using an agile Kanban-style work flow. Continuous discovery as system of engagement revealed gaps in systems of record, and City Furniture staff was unable to keep pace using their internally focused prioritization method. We showed them how to prioritize the API backlog on existing customer-service capability gaps and thus better control the API development predictability.
- ▶ **Training and development:** Knowledge transfer is fundamental to agile values. The IBM team adopted a "train the trainer" model for both how to use the Sales Assist app as well as how to run an agile project. By partnering with the parallel API development project, IBM team members were able to demonstrate and teach the other team agile methods such as prioritization.
- ▶ **Evolving role of the project manager:** On this project, the IBM project managers were more than scrum masters. They were teachers and coaches as well. By actively demonstrating flexibility and adaptability, they continuously adapted to City Furniture's growing level of maturity and helped to lead them forward into a truly agile sales process.
- ▶ **Process:** The utility of the client journey map extends beyond software. The journey map helped City Furniture see all the elements of the customer experience as part of a complete system. Our project managers also took a system view and incorporated design, development, and deployment with City Furniture's organizational change, training, and deployment teams. Through this effort, we helped transform City Furniture's change management process and adopt agile risk management.

BECOMING AGILE: CERNER CORPORATION

By Matt Anderson, PMI-ACP, PMP, Director of Program Management, Cerner Corporation

How do we deliver everything we are asked to do, retain market leadership, improve quality, and support our teams? By *becoming agile*—not just by doing it.

Our agile transformation journey began in 2008 with a discussion of agile pilots on a small scale. The development teams were frustrated, with an average of 30-month turnarounds on major innovations. We knew we had to accelerate time-to-market to help our clients navigate healthcare reform and stay competitive in the rapidly changing industry.

Teams in the early pilot programs met weekly to discuss progress and review ideas, and soon they saw encouraging outcomes. By April 2009, those positive results had been shared with development executives, and the program expanded with an additional eight teams, each working on key initiatives and risk areas to validate agile would work at scale. Key business leaders were trained in agile principles in January 2010, and by March, a budget was presented for a planned incremental training and coaching rollout. After reviewing the options, the chief operating officer encouraged an alternative “big-bang” rollout to be completed within six months.

Challenges

Few industries are changing as fast as healthcare, or are as regulated. We had to prove we could be agile *and* compliant. Since compliance, like agile, is often about understanding the intention behind the regulation, we had to provide a solid foundation to avoid potential pitfalls and create a sustainable model that, in turn, created a mindset change rather than a process update.

Benefits

We knew the only way to move forward on this journey was to eliminate what was no longer needed and find ways to change the speed at which things were delivered. The largest mindset change was to focus on client adoption, not merely on completing software development. The business results by the end of 2011 exceeded expectations:

- Major innovations—30-month concept to adoption time line reduced to 10 months
- Return on investment—by eliminating “shelf-ware”
 - Direct increased by 429 percent
 - Indirect increased by 1,000 percent
- Improved productivity by 24 percent
- Development costs reduced by 14 percent
- Quality improved by 6 percent

Value to Customers

As the leading global supplier of healthcare solutions, healthcare devices, and related services, our focus is on creating a safer, more efficient healthcare system. Increasing our agility allows us to provide

better strategies that empower organizations to know, manage, and engage their populations. Our key solutions include Computerized Physician Order Entry, Electronic Medical Records, and Personal Health Records. Becoming agile is wholly designed to support our mission to contribute to the improvement of healthcare delivery and the health of communities.

Organizational Structure

With more than 4,000 developers, our teams have different needs and serve different markets. To deliver on value, we had to synchronize our work with the entire delivery stream, determine our team limitations, decompose work into small batch sizes, eliminate or reduce stops and starts, make all work visible, control the input queue, and understand and plan for variability with each project.

People: We set expectations and created training materials for each audience: development and business executives, C-level executives, and clients. We tailored our agile message to support their goals. We established key behaviors of an agile project manager, including:

- Servant leadership: Eliminating command and control; empowering, motivating, and protecting the team; and acting as an influencer
- Facilitation: Helping the team keep their promises and abide by their rules, and encouraging crucial conversations
- Transparency: Building openness into the process at all levels
- Client focused: Asking why and solving the problem as opposed to meeting the contract
- Pragmatic: Using the right tool for the right job

Training: Real-time learning was encouraged with the team’s actual projects, goals, and members. Courses included: Agile Essentials (2 hours), Agile Boot Camp (2½ days), and multiple Agile Coaching sessions (3 sessions, 1–2 hours).

Process: We created an Agile Center of Excellence, which is a virtual center for “all things agile.” Respected engineering associates share their experiences with agile, and continual learning opportunities are provided to the community.

Culture: Our journey was an evolution, not a revolution. With leadership support, we effectively established, maintained, and communicated our vision. We enabled and trusted teams to deliver. Our agile business unit teams were empowered and inspired to provide ongoing solution input and direction ahead of iteration planning. And, we prioritized, adapted, and embraced servant leadership.

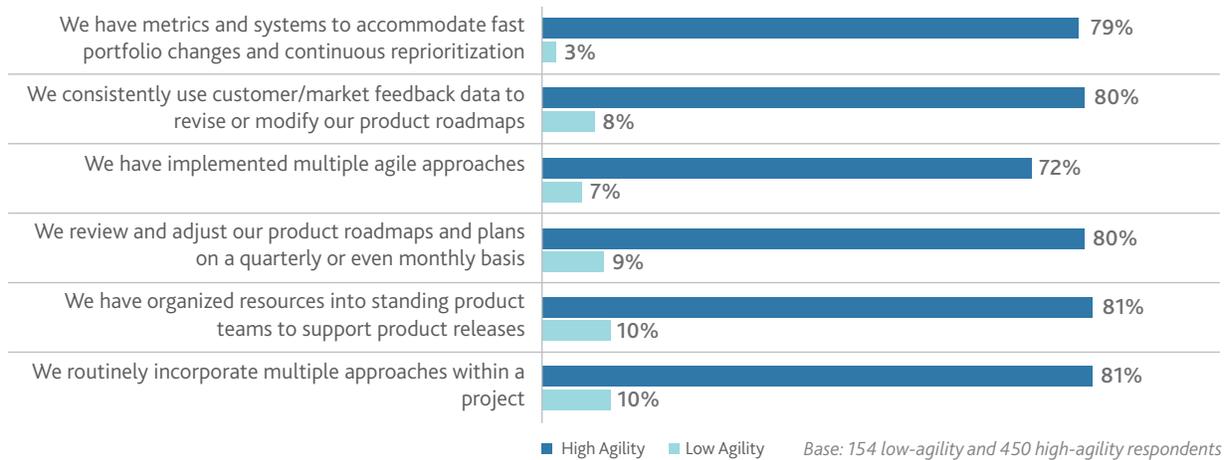
Becoming agile is a journey. Cerner has nearly tripled in size since our initial transformation and continues to grow. The more challenging part of our journey has been seeing the entire process of idea through broad client adoption as a system, learning to optimize our structures around delivery of value through that system to our clients, and adapting to the inevitable changes and lessons learned.

PROCESS DRIVERS

Organizations with high agility create a strong foundation of key processes to mitigate factors that could sabotage success or the ability to leverage new opportunities. They ensure consistency in project delivery and more effective monitoring and measures of success. They also represent a starting point for process improvement efforts, as the need arises.

Our research reveals that organizations with high agility focus significantly more on the process drivers outlined in Figure 3.

Figure 3: Organizations with high agility are dramatically more likely to execute on critical *process* drivers



NEW WAYS OF THINKING AND WORKING

Process drivers call for new ways of managing work in response to market forces. This, too, requires a significant cultural shift, along with a willingness to disrupt traditional work flows. For many agile practitioners, the word “process” seems contrary to fast and fluid work. But, certain processes actually facilitate greater agility by:

- Supporting flexibility and adaptability to change
- Encouraging open communications, knowledge sharing, employee empowerment, continuous learning, and rapid decision making
- Enabling a strong customer focus

The need for “process” is underscored in research by the American Product Quality Council (APQC), which found that: “Processes that provide differentiation and/or competitive advantages are strategic in nature and should be prioritized for optimization.” (*What Drives Organizational Agility*, APQC, 2016.)

In line with that thinking, organizations with high agility:

- Invest in processes that support the practices that represent how work is done
- Recognize that processes are not a single recipe for success
- Revise their approach to projects and value delivery
- Customize processes, based on their unique needs
- Include activities that add value to work flows and will benefit from a consistent approach across the enterprise

The goal is to design processes that are dynamic and nimble, and that streamline work, eliminate duplicate effort, and provide options to accommodate different scenarios. The best processes provide a starting point to identify continuous improvements in how work gets done and in support of greater agility.

Ultimately, effective processes ensure everyone is speaking the same language and understands their roles and responsibilities. In addition, they ensure:

- Vital information reaches key decision makers
- Risks are identified and managed
- Benefits are managed and delivered

REDESIGNING PROCESSES TO BALANCE SPEED AND STABILITY

Process drivers that organizations with high agility use to manage their business include:

- Robust project management tool kits that include predictive, agile, and hybrid approaches
- Diverse technical skills as well as soft skills that make them strong leaders and coaches, innovative and creative thinkers, effective team builders, and expert relationship managers, especially with customers
- Effective change and risk management processes that reduce the impact of external forces and capitalize on the opportunities they may present

These processes are consistent with the principles of benefits realization management (BRM) as well, which help align projects, programs, and portfolios to the company's overarching strategy. Regardless of the approach they use, project teams continually evaluate whether they will deliver expected benefits. If not, they exercise agility and adjust their processes and practices accordingly.

BRM emphasizes the need to measure progress with all project work, regardless of how it is delivered. This aligns with the process drivers in our research, which found that 79 percent of high agility organizations have metrics and systems to accommodate fast portfolio changes and continuous reprioritization. Such metrics are typically measured in shorter time frames than key performance indicators (KPIs)—such as daily or weekly—to provide real-time insight into progress or change needs.

MORE TO DO

In addition to the key process drivers outlined in Figure 3, our research indicates that organizations with high agility do the following:

- Select planning and delivery approaches based on market requirements and/or regulatory constraints
- Have a product-oriented organizational structure focused on product domains
- Prioritize maintaining thorough project documentation
- Plan and fund practices focused on portfolios that receive a share of the yearly budget to invest in projects
- Rank backlogs based on customer/market feedback
- Select planning and delivery approaches based on project risk, budget, and/or available skills
- Implement serial, sequential planning combined with single and/or multiple agile approaches

LEADERSHIP ENSURES PROCESS EFFECTIVENESS

The support of executive leaders is needed as organizations shift the ways they view, review, and assess processes. Certain foundational processes, such as short-term budgeting and metrics versus long-term goals or effective talent management, impact broad areas of the business as either primary or secondary stakeholders. Executives themselves are recipients of certain project outcomes and can influence how work progresses.

PMO leaders also play an essential role in reviewing processes and documentation from a value perspective, and making decisions around simplifying or eliminating those with the least value. Their focus and advocacy are essential for organizational improvement through effective collaboration, communication, and responsiveness to change.

The goal for organizations, regardless of where they focus, is to design processes that defy the thinking of those who associate “process” with being cumbersome and rigid. Well-crafted processes offer a starting point to identify continuous process improvements in support of greater agility by:

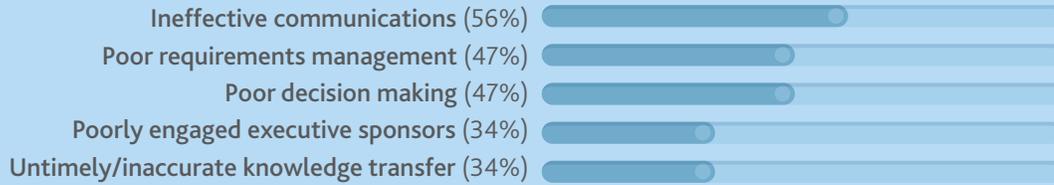
- Streamlining work and eliminating duplication of efforts
- Identifying critical decision points
- Providing options to accommodate different business scenarios
- Supporting quality standards and change readiness

“A transformation mindset includes the sensors and triggers that recognize the need for change while the delivery capability moves the practices and skills forward to meet business objectives.”

Mark A. Langley, President and CEO, PMI

EFFECTIVE PROCESS DESIGN

Processes can be defined differently, but they always address how aspects of a business are managed. In past research, PMI has identified a number of negative process factors and the percentage of projects they impact:



These shortcomings can be remedied with smart process design. Some considerations for each of these critical areas of business, based on our past research, are as follows.

▶ INEFFECTIVE COMMUNICATIONS

Communications is a core competency that, when properly executed, connects every member of a project team to a common set of strategies, goals, and actions. Unless these components are effectively shared by project leads and understood by stakeholders, project outcomes are jeopardized and budgets incur unnecessary risk. An effective communications process ensures:

- Essential project information is reported to key stakeholders
- Appropriate levels of clarity and detail are routine in progress reports
- Information flows are timely

(The High Cost of Low Performance: The Essential Role of Communications, PMI, 2013)

▶ REQUIREMENTS MANAGEMENT

Requirements management is one of the most critical components for successful project implementation. A full 47 percent of projects fail to meet goals due to poor requirements management. An effective requirements management process ensures:

- Necessary resources are in place to support projects and programs
- Employee skills are developed to manage requirements
- Requirements management is seen as a critical competency
- Requirements management is supported by leadership

(Requirements Management: A Core Competency for Project and Program Success, PMI, 2014)

▶ DECISION MAKING

Good decisions based on strategic insight, the right information, and adequate risk management lead to more successful projects—projects that deliver more value to the organization. When decision making is approached with discipline, a notable 79 percent more projects meet original goals and business intent, 110 percent more are completed within budget, and 128 percent more are completed on schedule. An effective decision-making process ensures decision makers:

- Have the right information to make decisions
- Are familiar with organizational strategy
- Give adequate attention to risk management

(Capturing the Value of Project Management Through Decision Making, PMI, 2015)

▶ EXECUTIVE SPONSORSHIP

Executive sponsors can positively impact project outcomes and the roles they can, will, and should play in helping companies succeed with the strategic initiatives and imperatives that will define their futures. An effective executive sponsor process ensures:

- Projects or programs are aligned to strategy
- Champions advocate for projects or programs
- Problems are resolved quickly
- Resource needs are addressed

(Executive Sponsor Engagement: Top Driver of Project and Program Success, PMI, 2014)

▶ KNOWLEDGE TRANSFER

The process of transferring knowledge is an ongoing progression of learning, adjusting, and improving. An effective knowledge transfer process ensures:

- Vital knowledge is identified, captured, shared and applied, and assessed
- Lessons learned contribute to improvement
- Learning curves are scaled more quickly
- Experiential learning benefits others

(Capturing the Value of Project Management Through Knowledge Transfer, PMI, 2015)

CONCLUSION

Diverse people and process drivers are essential components of organizational agility and the ability of project professionals to use many different approaches to deliver work faster, smarter, and better. Our research confirms that the more organizations invest in these drivers, the higher their level of agility. And from previous PMI research, we know that the higher the agility, the better the project outcomes.

But none of this is accomplished overnight. A true agile transformation—one that introduces flexibility and adaptability enterprise-wide—takes time and a commitment to continual change in response to market forces. The change enablers must address both people and process drivers. And there must be a commitment to disrupt work routines as needed to deliver value, meet customer needs, and gain competitive advantage.

Goals for any organization to consider as they establish a culture of readiness are:

Encourage open thinking and commit to talent development to accelerate results

Train at a pace that allows team members to recognize and realize the benefits of change.

Avoid demoralizing employees who may feel their typical work approaches are in jeopardy.

Build effective processes to achieve high performance

Design processes that are dynamic and nimble.

Avoid overly structured or restrictive processes.

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