Establishing a BA CoE within a PMO

MAY 20, 2016

PAUL DePALMA, SR. PRACTICE DIRECTOR

PPM & BA PRACTICES

pdepalma@magichatconsulting.com

MAGIC HAT
CONSULTING
No Illusions. Real Results.

Paul DePalma– Sr. Practice Director
PPM and BA
pdepalma@magichatconsulting.com

Paul is a very seasoned and detail-oriented executive leader who brings extensive Information Technology and business experience. Paul joined Magic Hat in 2014, bringing with him a progressive history of successful domestic and international, client-facing experience with IBM, EDS/HP, CA Technologies, and as an Independent Consultant.

Paul is known for maintaining exceptional client relationships, and for achieving successful client delivery associated with large/complex program management, strategic planning, business & IT transformation, process engineering, as well as, strategy-level consulting associated with PMO effectiveness and portfolio & product management.

Paul received his Bachelor of Science Degree from Montclair State University in New Jersey and his MBA from Rutgers Graduate School of Business, also in New Jersey. Paul and his wife, Valerie, reside in central New Jersey, near the shore, and have three children.

Agenda

- Who is Magic Hat Consulting and why are we interested in this topic?

- What are the benefits of forming a BA CoE?

- What constitutes a high performing BA CoE?

- Does a BA CoE work better for some PMO structures versus others?
  - BA CoE imperatives as a component of the PMO Charter
  - Some common structures for PMOs
  - Magic Hat's recommended PMO structure
  - Magic Hat's perspective: Program vs. Project Management

- How BA CoE best practices provide better integration for the enterprise.

- How to get started, gain traction, and build on successes

- How can we help?

Company Background

- Founded in 2007, based in Fort Washington

- Serving the Mid-Atlantic market meeting the needs of Fortune 1000 and mid-size companies across a wide variety of industries

- Recognized as INC500/5000 Winner (4 years running) and Philadelphia's 100 fastest growing companies (6 years running)

- Consistent growth and profitability since our founding

Magic Hat Consulting Overview

www.MagicHatConsulting.com

Achieving desired and intended outcomes

Magic Hat Consulting is a niche firm that focuses on the competencies of Process Transformation, Business Architecture & Analysis, and Portfolio & Project Management to support our clients' continuous improvement of their products, services, operations and people so that they can realize their intended business results.

Process Transformation

➢ Rapid Performance Methods (RPMs) *powered by lean six sigma*

➢ Strategic Execution/Hoshin Planning

➢ Business Maturity Assessment

➢ Risk Optimization – Assess, Manage, Mitigate

Business Architecture and Analysis

➢ Business Architecture COE Design & Implementation

➢ Business Blueprint Creation

➢ Business Analysis COE Design & Implementation

➢ Requirements Management Assessment

➢ Current- to Future-State Process Mapping

Portfolio and Project Management

➢ PMO Creation or Enhancement

➢ Complex Program Leadership

➢ Project Assessment & Recovery

➢ Portfolio Planning and Management

➢ Vendor/System Evaluations

Agile Coaching and Training

Organizational Change Management

No Illusions. Real Results.

Magic Hat Consulting Overview

www.MagicHatConsulting.com

MAGIC HAT
CONSULTING
No Illusions. Real Results.

> Magic Hat's Mission:
> *Dedicated to helping our clients achieve and exceed intended outcomes*

Expertise ➤ People ➤ Culture

Niche business model: drives expertise and quality

Capability: highly skilled, highly experienced consultants

Community: passion to continuously improve the way people and companies function

No Illusions. Real Results.

Benefits of a Business Analysis CoE

- *Higher levels of quality and consistency in the creation of Requirements leading to lower levels of requirements-related defects*

- *Greater potential to build an enterprise "blueprint" including Capabilities and Process Maps*

- *Less requirement rework due to an ongoing focus on completeness of BA deliverables/artifacts*

- *Increased speed in the requirements phase due to reusable artifacts and common practices*

- *More of a focus on metrics to drive continuous improvement*

- *Increasing BA proficiencies due to a "CoE community focus" on training, sharing and peer reviews*

- *Strengthened PMO performance, in terms of project success metrics, due to improved BA performance in the earlier phases of the project life cycle.*

What constitutes a High Performing BA CoE?

- *Requirements Management Excellence*

  ❑ Standard Practices and Processes
  ❑ Central library of templates, process definitions and instructions
  ❑ Consistent use of RM tools and a requirements artifact repository
  ❑ Intense focus on quality deliverables and end-to-end traceability
  ❑ BA skills inventory supported by ongoing training programs

What constitutes a High Performing BA CoE?
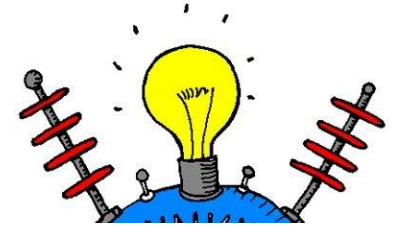
- *Process Management Excellence*

  ❑ Current to Future State process mapping for all projects
  ❑ Management of a "living" process map repository across the enterprise
  ❑ Consistent creation of Use Cases for all requirements
  ❑ Inclusion of data inputs/outputs and app usage within process documentation
  ❑ Capability mapping across the enterprise cross-referenced to processes and apps

What constitutes a High Performing BA CoE?

- *Continuous Improvement driven with Metrics*

  ❑ Enterprise-wide Requirements Management process adherence

  ❑ Requirements artifact quality & completeness – PPQA standards

  ❑ Process Mapping Quality & Standards adherence -- % of enterprise coverage

  ❑ Scope changes and trends

  ❑ Requirements defects and trends

  ❑ Artifact reuse amounts and projected savings

ESTABLISHING A STRONG CHARTER

Establishing a clear PMO charter with emphasis on a competent and useful support structure is the primary focus toward successful execution of the enterprise's portfolio of project work. This is the critical foundation prior to choosing and building out your PMO structure.

A strong charter begins with an overarching scope and includes the following critical success factors:

- Portfolio Alignment to Strategy
- Successful Execution
- **Common Project Management Practices**
- **Requirements Quality**
- **Effective Metrics and Reporting**
- Organizational Readiness

BA CoE within different PMO Structures
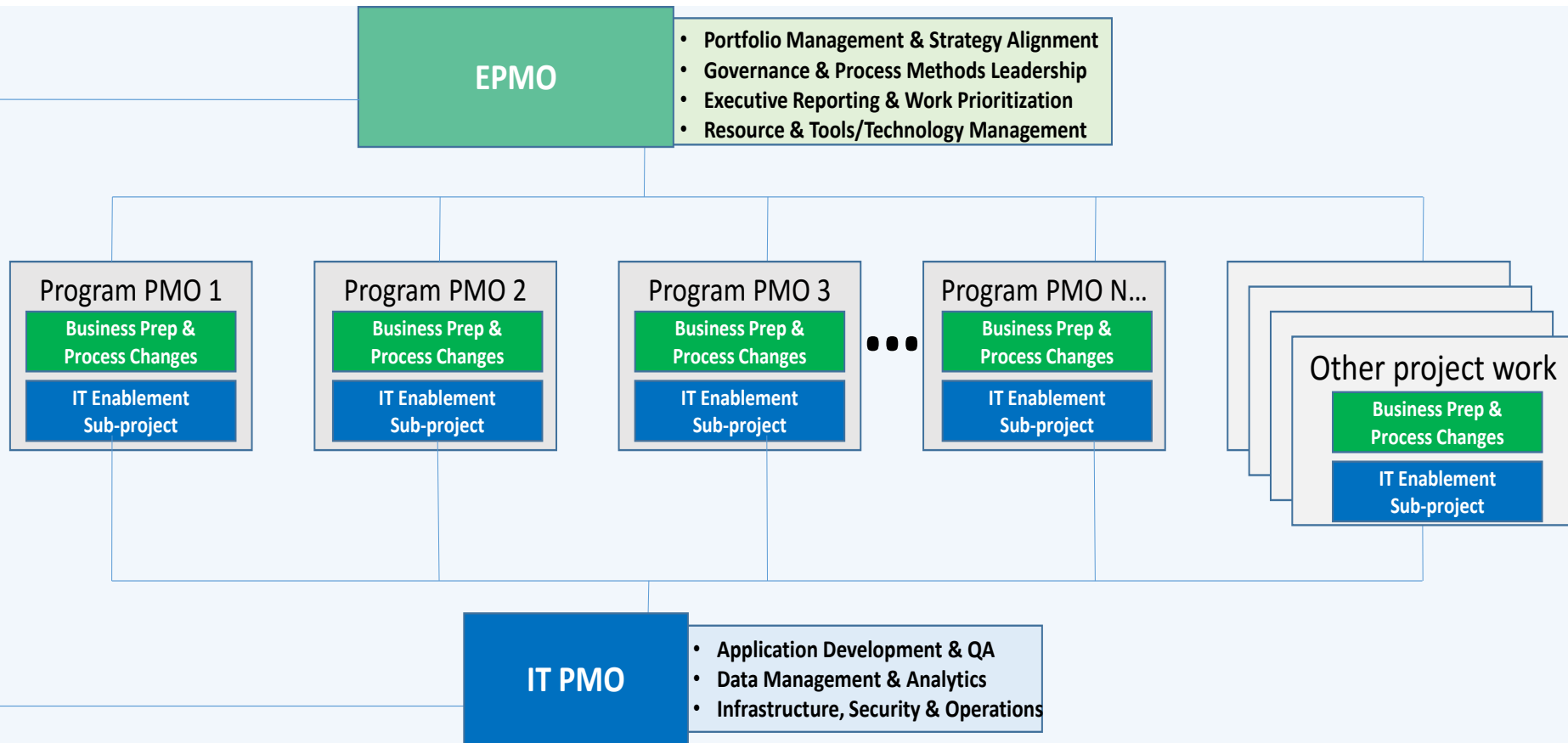## -- Some common structures for PMOs

One or more of the PMO types noted above may come together in forming the PMO structure deployed by an enterprise. Three forms of PMO structure are commonly used, which may be characterized as **decentralized, centralized and hybrid (or federated) models**.

1. **Decentralized PMO** – A number of PMOs exist, operating autonomously and often focused on a specific function or major program of work. While this enables a clear focus on specific business needs, there is the risk of redundancy, inefficiency and inconsistency in discipline and the application of methods, tools and governance.

2. **Centralized PMO** – A single, enterprise PMO (EPMO) centralizes the approach with tight integration of systems and processes. This model can enable economies of scale and tighter control over procurement and deployment, but can be overly conservative and unresponsive to the needs of individual business units. This single EPMO approach can be effective for small to medium sized companies which operate primarily from a single geographic location or region.

3. **Hybrid or Federated PMO** – A central EPMO has authority to set the strategy and common standards, while satellite PMOs manage to the more specific goals, priorities and local oversight. This balances enterprise priorities for consistency with business unit priorities for delivery. The strength of the EPMO as a part of this model is directly related to how effective this hybrid structure will be in executing to the enterprise's strategic objectives. The management and control of project budgeting is also a key driver of success within this model.

At Magic Hat Consulting, we prefer to see a Hybrid-Federated PMO structure employed at most medium to larger enterprises, while a Centralized PMO structure -- single EPMO with Program PMO and IT PMO coverage -- is deemed adequate for smaller organizations.

No Illusions. Real Results.

BA CoE within different PMO Structures
-- Magic Hat's recommended structure

EPMO

- Portfolio Management & Strategy Alignment
- Governance & Process Methods Leadership
- Executive Reporting & Work Prioritization
- Resource & Tools/Technology Management

Program PMO 1
- Business Prep & Process Changes
- IT Enablement Sub-project

Program PMO 2
- Business Prep & Process Changes
- IT Enablement Sub-project

Program PMO 3
- Business Prep & Process Changes
- IT Enablement Sub-project

Program PMO N...
- Business Prep & Process Changes
- IT Enablement Sub-project

Other project work
- Business Prep & Process Changes
- IT Enablement Sub-project

IT PMO
- Application Development & QA
- Data Management & Analytics
- Infrastructure, Security & Operations

EPMO Level – develops, prioritizes and oversees the portfolio of work in alignment to strategy
Program Level PMO – aligns to business initiatives, and focuses on transformational projects
IT PMO – supports the Program PMO with the technology enablement components of change

No Illusions. Real Results.

BA CoE within different PMO Structures
-- Magic Hat's Program vs. Project Management Perspective

MAGIC HAT CONSULTING
No Illusions. Real Results.

EPMO – overarching governance, methods & tools, executive reporting, strategy alignment & portfolio mgmt./prioritization

Program PMO – manages a larger business initiative including preparedness across the enterprise and IT coordination – PMLC driven

Organization: / Milestones:	Planning	Detailed Requirements	Approach	Approval Gate: Approach Go/ No Go	Training	Business Testing	Pilot	Approval Gate: Launch Go/ No Go	Launch	Steady State
Finance	Project Planning Budget Approval	ROI and Full Budget Developed — Reporting Needs Identified			Financial Reporting Reviewed — Feedback Provided for Refinement (if needed)				ROI Reporting Reviewed	
Marketing	Campaign Planning		Go-To-Market Planning		Marketing Materials Developed		Marketing Campaign Prep		Measure Campaign Effectiveness	
Sales	Sales Prep and Readiness Planning				Sales Readiness Training	Sales Feedback on Marketing Materials	Prepare Sales Targets per launch		Measure Sales Effectiveness	
Business Operations	Document Current State	Document Desired Future State & Indentify Gaps	Create Gap Closure Plan		Organizational Change Planning	Business Simulation or Parallel Test	Pre-launch testing in production		Organizational Change Implementation	Continuous Improvement
IT	Requirements Confirmation	IT Approach Approval	IT Design Approval		User Training Support	Business Testing Support	Pilot Support		Support Business Operations	Enhancements and Fixes

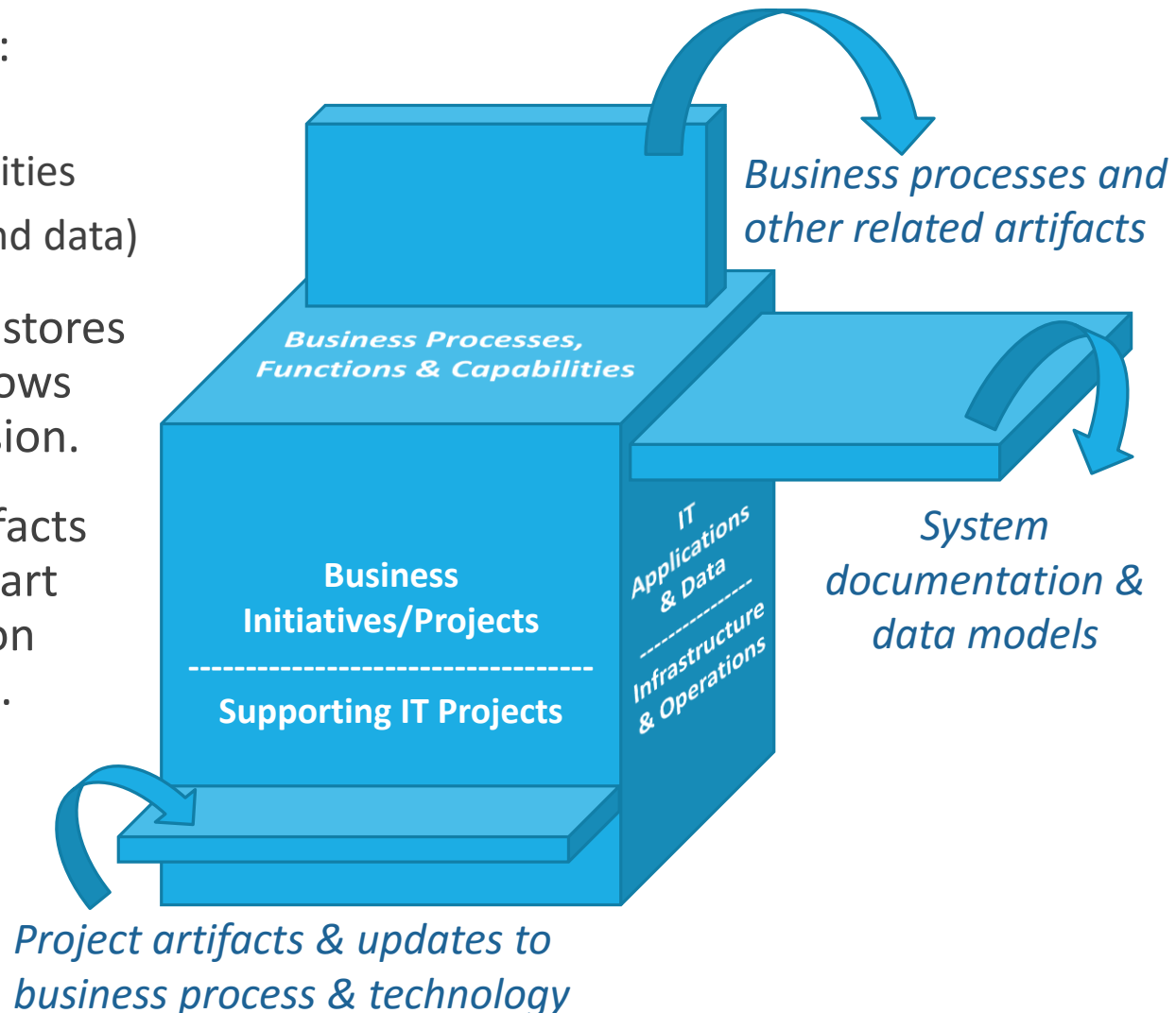| Organization: / Milestones:	Planning	Design	Approval Gate: Approach Go/ No Go	Construction	Testing			Approval Gate: Launch Go/ No Go	Deployment	Steady State
					Function Testing	Performance/Load	User Testing			
Development & QA Applications	Buy vs Build	Architecture Direction Approved		Build or Stand Up Solution	Conduct QA/Testing at all levels				Put Contingency Plans in place & execute if necessary	Respond to defects/fixes and handle small enhancements
Data Management & Analytics	Requirements Defined	Inputs & Outputs Identified		Data Mgmt Changes & Data Delivered	Defect Identification & Correction — Develop & Test Contingency/Back out plans					
Infrastructure & Operations	Hosting Plan	Cloud/SaaS/IaaS vs. In-house Decisions		Stand up Test, Dev & Prod Environments	Implement Security Considerations	Evaluate changes needed to address performance	Performance tuning		Performance Monitoring — Execute Scheduled Tasks	

IT PMO - Technology Enablement focus within each Business Program/Project - SDLC-driven

Project Management focus differs markedly between the business level initiative as compared with the IT project level. Business Analysts often must be effective within both the PMLC and the SDLC in order to help drive out solutions that meet both technical and operational needs.

A High Performing BA CoE promotes integration between project, business, and IT artifacts and is a best practice that promotes re-use and saves time

- All artifacts need to tie to:
  - Projects
  - Business Functions/Capabilities
  - Technology (applications and data)

- An integrated repository stores artifacts in a way that allows access from each dimension.

- Business & technical artifacts can be accessed at the start of requirements elicitation to reduce effort required.

- After projects complete, changes are applied to the business & technical documentation.

Business Processes, Functions & Capabilities

Business Initiatives/Projects

Supporting IT Projects

IT Applications & Data

Infrastructure & Operations

Business processes and other related artifacts

System documentation & data models

Project artifacts & updates to business process & technology

How to Get Started, Gain Traction, and Build on Successes:
-- *assess the Current State of the PMO and BA Practices*

MAGIC HAT CONSULTING — No Illusions. Real Results.

Anticipated Areas to Improve

Project Management Capabilities & Processes

CURRENT STATE	Current	DESIRED STATE
Standard, robust project reporting	Yellow	Green
Program level dashboards for leadership	Green	Green
Project Charters for all projects	Yellow	Green
Scope Change Management Process	Yellow	Green
New Work - Project Intake Process	Green	Green
Risk, Issue & Dependency Management	Yellow	Green
Vendors are vetted and managed well	Yellow	Green
Project artifacts are stored for reuse	Red	Green
PPQA Peer (cohort) Reviews for all projects	Red	Green
Post deployment success measures tracked	Red	Green
Defect analysis used to establish trends	Yellow	Green
Architecture reviews are standard	Green	Green

Business Analysis Capabilities & Processes

CURRENT STATE	Current	DESIRED STATE
Requirements Elicitation Quality	Yellow	Green
Common requirements template(s)	Green	Green
Current State Process Maps developed	Red	Green
Use Cases developed for all requirements	Yellow	Green
Future State process maps developed	Red	Green
Requirements defects monitored	Red	Green
Requirements traced to test cases	Yellow	Green
Requirements traced to requirements	Green	Green
Requirement artifacts are re-used	Red	Green
Vendor solution requirements are captured	Yellow	Green
Metrics are used to improve process quality	Yellow	Green
Reqrmts are challenged by critical thinking	Yellow	Green

GREEN = performing consistently and at a high level

YELLOW = either not performing consistently or not at a high enough quality level

RED = either not doing this at all, or not doing it very well or very often

No Illusions. Real Results.

Privileged and confidential information from Magic Hat Consulting

How to Get Started, Gain Traction, and Build on Successes:
set near-, medium-, and long-term objectives

- ***Requirements Management Excellence***
  - ❑ Establish a small CoE core team focused on building and deploying Standard Practices and Processes **(near-term)**
  - ❑ Begin building best practices within a library of templates, process definitions and instructions **(near-medium term)**
  - ❑ Establish and maintain a requirements artifact repository **(medium-term)**
  - ❑ Implement BA artifact reviews and quality audits for all projects **(longer-term)**
  - ❑ Establish minimum requirements for BA role definitions and work with HR/Training to build career skills **(medium-longer term)**

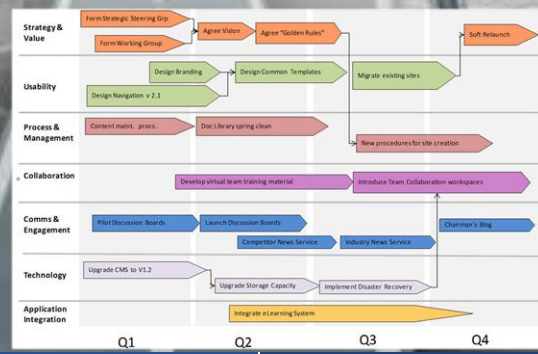- ***Process Management Excellence***
  - ❑ Require Current to Future State process mapping for all projects **(medium-term)**
  - ❑ Build/manage a "living" process repository for the enterprise **(medium-term)**
  - ❑ Require creation of Use Cases for all requirements **(near-term)**
  - ❑ Include data inputs/outputs and application usage within process documentation **(medium-term)**
  - ❑ Institute Capability Mapping across the enterprise cross-referenced to processes and applications **(longer-term)**

- ***Continuous Improvement driven with Metrics***
  - ❑ Institute reviews to drive up Requirements artifact quality & completeness **(near-term)**
  - ❑ Establish and deploy PPQA standards **(medium-longer term)**
  - ❑ Establish/track Process Mapping Quality & Standards adherence **(medium-term)**
  - ❑ Track and report on Scope changes and trends **(near-medium term)**
  - ❑ Track and report on Requirements defects and trends **(medium term)**

No Illusions. Real Results.

How to Get Started, Gain Traction, and Build on Successes:
-- *build the Roadmap to achieve the Desired Future State*

Near-term Initiatives

Mid-Term Initiatives

Longer-term Initiatives

- **Requirements Management Excellence**
  - ❑ Establish a small CoE core team focus on Practices and Processes **(near-term)**
  - ❑ Begin building best practices within a [ ] and instructions **(near-term)**
  - ❑ Establish and [ ] artifact repository **(medium-term)**
  - ❑ [ ] quality audits for all projects **(longer-term)**
  - ❑ [ ] requirements for BA role definitions and work with [ ] training to build career skills **(medium-longer term)**

- **Process Management Excellence**
  - ❑ Require Current to Future State process mapping for all projects **(medium-term)**
  - ❑ Build/manage a "living" process repository for the enterprise **(medium-term)**
  - ❑ Require creation of Use Cases for all requirements **(near-term)**
  - ❑ Inclusion of data inputs/outputs and app usage within process documentation **(medium-term)**
  - ❑ Capability mapping across the enterprise cross-referenced to processes and apps **(longer-term)**

- **Continuous Improvement driven with Metrics**
  - ❑ Institute reviews to drive up Requirements artifact quality & completeness
  - ❑ establish and deploy PPQA standards **(medium-term)**
  - ❑ Establish and track Process Mapping Quality & Standards adherence **(near-medium term)**
  - ❑ Track and report on Scope changes and trends
  - ❑ Track and report on Requirements defects and trends

Magic Hat Consulting can help

www.MagicHatConsulting.com

Achieving desired and intended outcomes

Magic Hat Consulting can help you assess your Current State, create your Desired Future State and identify the GAPS that are most important toward getting your BA CoE set up initially. We can help you drive change by "upping your BA CoE game" over time with a prioritized and appropriately timed ROADMAP to do so.

Contact us if you need help in any of our Core Disciplines

Paul DePalma– Sr. Practice Director PPM and BA
pdepalma@magichatconsulting.com

No Illusions. Real Results.