Continuous Value Office

Rethinking the PMO, ensuring IT supply successfully meets mission demand, continuously, at scale

The Challenge

IT product and service delivery organizations are looking to be more flexible, more responsive, break down internal barriers, and implement product and service delivery strategies focused on outcomes as opposed to project strategies overly focused on process. The concept of a central PMO that simply provides "oversight" is increasingly perceived as a structure that provides little value to an organization and can operate counter to enabling these goals. There is a fundamental need to allow certain areas of an organization to be as flexible and as mobile as possible while still addressing less flexible and slow changing compliance requirements.

Rethinking the PMO for the Modern IT Environment

This is where the Continuous Value Office (CVO) comes in. Inspired by DevOps and rooted in lean management principles and the Scaled Agile Framework (SAFe), the CVO transforms the traditional PMO making it the advisory, enablement and value delivery office with focus on the customer. The CVO surrounds the services delivery teams making capabilities available while ensuring continuous improvement of service offerings.
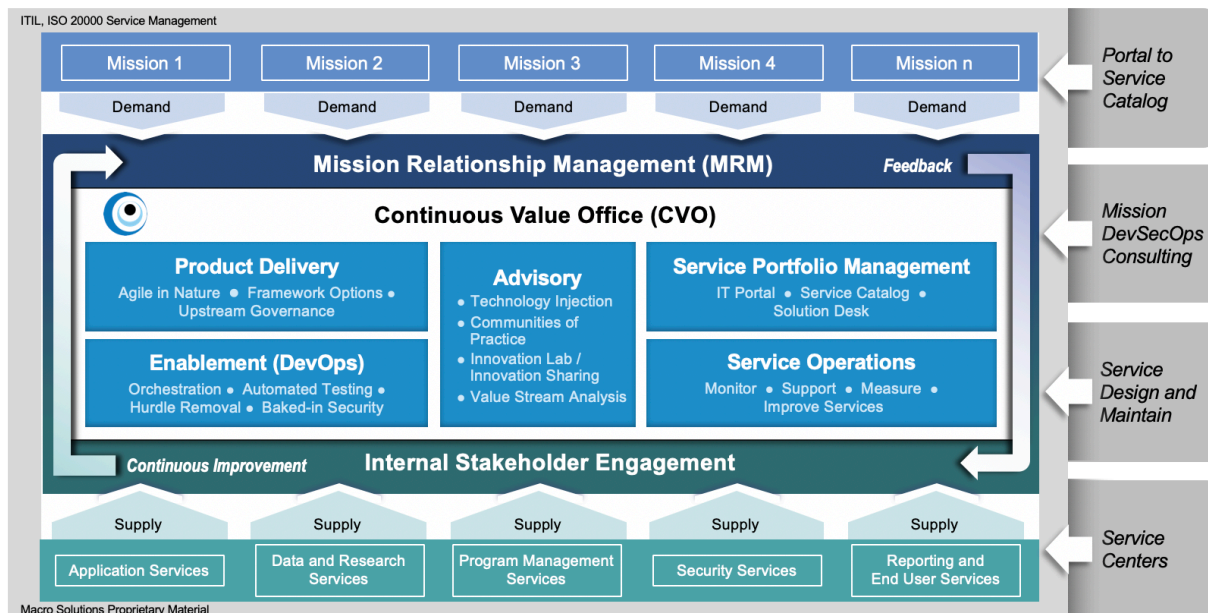

Figure 1: The CVO ensures IT supply successfully meets mission demand, continuously, at scale

The CVO takes the necessary elements of PMO that include providing methods for best addressing compliance but pivots the perspective and perception from one of governance, standards and checking to one focused on collaboration, enablement, orchestration and continuous improvement. The CVO takes an anticipative approach, removing or lowering hurdles for teams and stakeholders acting as a translation layer between the least flexible areas of an organization and the areas that need to be the most flexible

To solve the problems of enabling faster moving product and services teams, the CVO starts with culture and acts on behalf of leadership as the constant voice fostering adoption and trains the organization as a whole to focus on delivery of value to the customer. It assists teams through a feedback loop of choosing, tailoring, and improving baseline frameworks and tool sets. Observing outcomes and behaviors within and tangential to teams and stakeholders, the CVO gets the entire organization to be always looking towards internal improvements and organizational whole system improvements with high levels of communication and collaboration. Finally, acting as a translation layer, the CVO communicates with teams and stakeholders to maintain desired levels of flexibility and mobility while simultaneously addressing mandatory compliance requirements that allow teams to stay focused on the customer.

A Continuous Value Office in Action

In 2014, Macro Solutions began working with a federal financial regulator to provide software quality, configuration and release management capability to the organization. In the role of support organization that enabled IT products and services to flow from delivery and operations teams to their customers, Macro Solutions witnessed all of the challenges inherent in delivering IT products and services on time, on budget and as required by customers.

The work involved providing services to 400+ projects, 150 IT systems, a nationwide user base, 200+ systems developers, and 200+ infrastructure and database engineers. Macro Solutions was tasked with migrating all of the IT application development teams from manual, error-laden, PMO-burdened, time-intensive processes for deployment with automated tools, updated processes, coordination, and related mentoring, resulting in accurate, on-schedule software deployments. The team was structured hierarchically, using a waterfall model for project and services delivery. Though modern tooling was available to the team, the tools were underutilized, with very limited automation.

Macro Solutions began by setting up an internal competition of frameworks allowing the team to determine if they wanted to continue with a traditional waterfall model or move into an Agile framework. Agile emerged as the best choice to tackle the challenges the team faced. Macro Solutions then retooled the team breaking up the hierarchy into a matrixed organization providing clear leadership "intention" that allowed more flexibility for individual-directed activity and work self-selection. Macro Solutions extended the Agile practices beyond the core team, bringing these tools and techniques to suppliers and customers through Agile mentoring.

It quickly became apparent that the PMO overseeing project delivery also needed some retooling to get it more in line with the work methods, efficiency and customer-focus the team was taking on. Though the team recognized the importance of meeting the objectives outlined by the PMO and keeping them regularly informed, it was seen often as an unnecessary burden, out of step with the rest of the operation. Taking a cue from Agile and Lean methodologies, the team set out to take apart the PMO function, bringing forward as much of the contractual and budgetary reporting requirements while keeping organizational stakeholders well informed of their actions on a real-time basis by including them in daily standups and other regular Agile ceremonies. In order to make the processes more visible to team members and stakeholders, the team implemented transparency for all processes such that each process could be traceable from beginning to end. The team went a step further by crafting dashboards for up to the minute visibility into work, mentoring senior leadership on tailoring their individual dashboards to meet their observation needs. This helped to instill stakeholder confidence which allowed for a significant reduction in process friction for gate reviews, helping to reduce the hurdles teams faced in making new products and services available to customers. In this spirit of transparency and mentoring, Macro Solutions implemented an open collaboration and communication structure that included the formation of Communities of Practice where affinity groups could come together periodically to share ideas reinforcing a continuous improvement cycle. This openness and sharing helped to foster faster, more willing adoption of new ideas across the organization.

To further improve the efficiency of the operation while helping to reduce the resource burden, the team was tasked with fully automating the product and service delivery pipelines, including automated testing and security. Macro Solutions implemented DevSecOps tools and methods to

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enable Agile Configuration Management (CM), Release Management (RM), Continuous Testing (CT), and Continuous Integration/Continuous Deployment (CI/CD). Macro Solutions designed and built a DevSecOps capability to deploy many of the agency's applications into cloud platform, helping to create a "Center of Excellence" approach to cloud platform enablement that takes advantage of strong code standards and reuse. The team was quickly able to ensure that every IT project uses automated builds through the Macro-enabled processes resulting in accurate, on-schedule software deployments. This has significantly increased the level of accuracy and CM process maturity for the organization.

Business Value Realized

With this agency's fully-fledged CVO running for a few years, they realized a 400% improvement in product and service delivery times, from an average of 4 months to 3 weeks. The impact of empowered collaboration and DevSecOps tooling has resulted in cost savings of just over $2 million (measured in level of effort) over four years. Following complete ramp-up and adoption, this implementation is now contributing $1.6 million in savings every year. For the sake of scaling these results to other environments, this analysis is based on providing CVO services in an environment of 400 project pipelines with 150 systems, 200 systems developers and 200 infrastructure and database engineers.
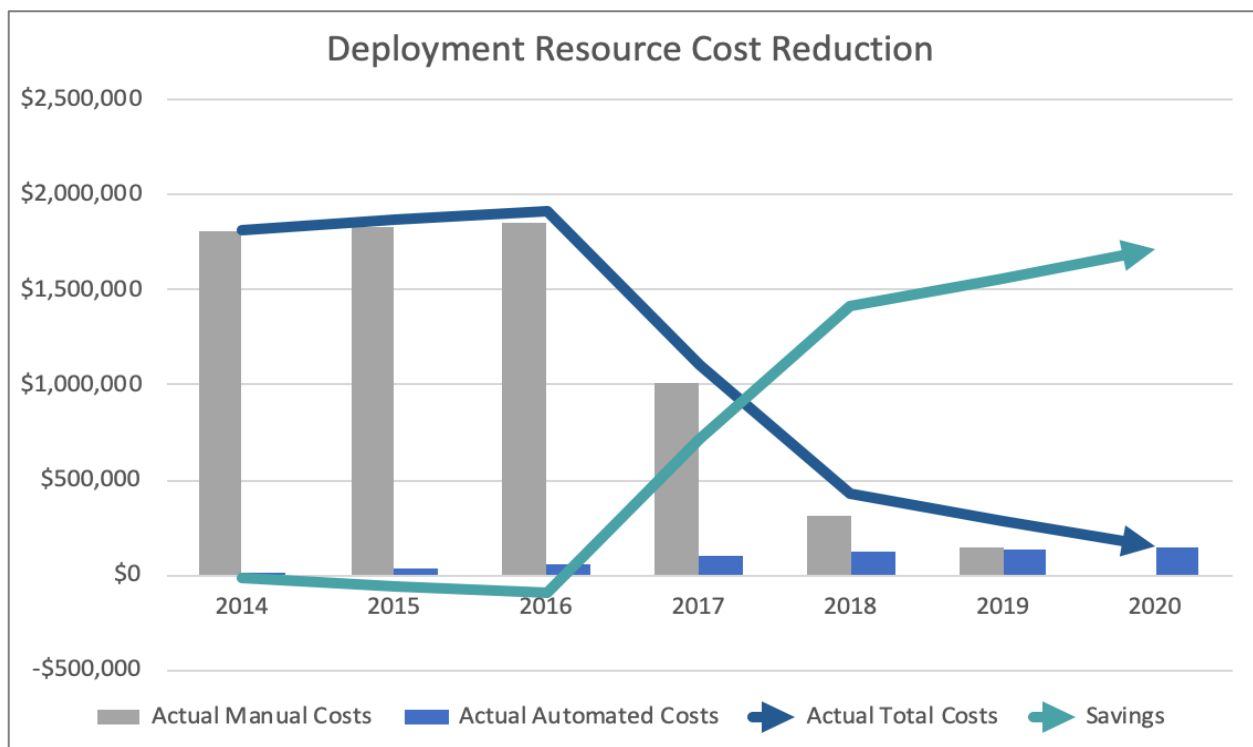

Figure 2: Savings realized over time with the implementation of a CVO

Beyond financial benefit, the cultural changes underpinning the implementation of the CVO enable better collaboration and innovation sharing between vendor teams helping to reduce operational risk. Another interesting and unexpected metric comes in the form of individual team member work satisfaction. The turnover for this group has been extremely low over more than five years of working together, with an annual retention rate of 90%.

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Putting the CVO to Work in Your Organization

- **Create an environment of open and collaborative communications:** Incentivize people to talk and collaborate. Create a positive, judgment-free environment where teams try, adapt, and refine models to best support successful outcomes. Instill a culture of intent with a clear bearing point of value delivery allowing teams to find their best way there. Clear the way for teams to be successful by anticipatively baking in governance upstream enough to keep the hurdles lowered for delivery. Empower the CVO to be the champion of the culture.

- **Be flexible to the needs of the team, allowing frameworks to be tailored to better suit value delivery**: Allow teams to choose a framework that best suits their needs and their customer's desired outcomes. Encourage tailoring and capturing of improvements over time. Adjust models and conditions to help teams succeed, engaging all stakeholders to overcome challenges and be part of the organization's success.

- **Set the expectation that change will be embraced then observe the team to identify the improvements they uncover:** Set the expectation that everyone needs coaching and mentoring then provide space and expertise to facilitate this. Encourage teams and stakeholders to find ways to improve through sharing and learning from failures as well as successes.

- **Allow the CVO to be anticipative of internal stakeholder requirements clearing the way for team delivery:** Keep the CVO fully apprised of organizational strategy so that it may be communicated clearly to the team. Resist the urge to "manage" the tactics of delivery. Observe the CVO as it communicates the intent of the organization. Empower the CVO to be the surrounding layer that can translate critical organization functions. Develop the expertise of the CVO to understand contractual and economic stakeholder requirements, cognizant of their obligations.

- **Be clear about the organization's vision and empower teams to make the right choices to achieve customer value:** Ensure teams can articulate exactly what outcomes the organization's customers value from this work. Find the best ways to communicate value delivered within the context of the deliverable and craft well-defined, easily understood metrics. Observe the behaviors that emerge across the organization related to the desired culture and defining behavior-based metrics. Above all, keep focus on the customers' definition of value as the bearing point.

- **Expect the CVO to be an evolving activity:** Set the expectation that through continuous improvement actions, in small incremental steps, the team will build a CVO that is resilient yet open to change, always with focus on delivering value to the customer. Stay focused on the cost of delay which is often not well accounted for in organizations today. Above all, focus on delivering value at every step.

Managing Better with Macro Solutions

Individuals and the teams they comprise want to be successful. Successful teams are enabled by an organization that makes space for creativity in an environment, where it is safe to try and fail but to learn, and where a focus on the customer is ever-present. The CVO creates this space for success by helping to drive this behavior, with frameworks that allow for continuous improvement, encouraging adoption while always observing team behavior and dynamics, and translating messages between the team and its dependent organizations.

This is where Macro Solutions comes in. The Macro Solutions team can help build the foundation IT product and services teams need to create a fully functional, customer-focused Continuous Value Office.   In addition to standing up a working Continuous Value Office, Macro Solutions is a partner for Agile coaching, DevOps enablement and cloud modernization. The Macro Solutions team drives adoption by "doing and then promoting" rather than "monitoring and then telling." Macro Solutions leads by incorporating Lean/Agile/DevOps processes and tools for its own uses while aggressively supporting early adopters. The team facilitates sharing of knowledge – providing early adopters as examples of practices that can be adopted and provide value. This transparency and functional integrity builds trust and reduces risk. Macro Solutions demonstrates what is possible – discovering and mitigating technical and/or organizational barriers to adoption – prior to attempts to roll out major capabilities enterprise-wide.

Macro Solutions is a small, woman-owned information technology and management consulting firm that helps government and defense organizations select, implement, modernize, integrate and maintain critical end-to-end business solutions. Assessed at CMMI Maturity Level 3 for both Development and Services, ISO 9001:2015 for Quality Management Systems, ISO 20000:2011 for Information Technology Service Management and ISO 27001:2013 for Information Security Management Systems certifications, Macro Solutions delivers honest, powerful results from the inside, outward.