the SoDA REPORT on

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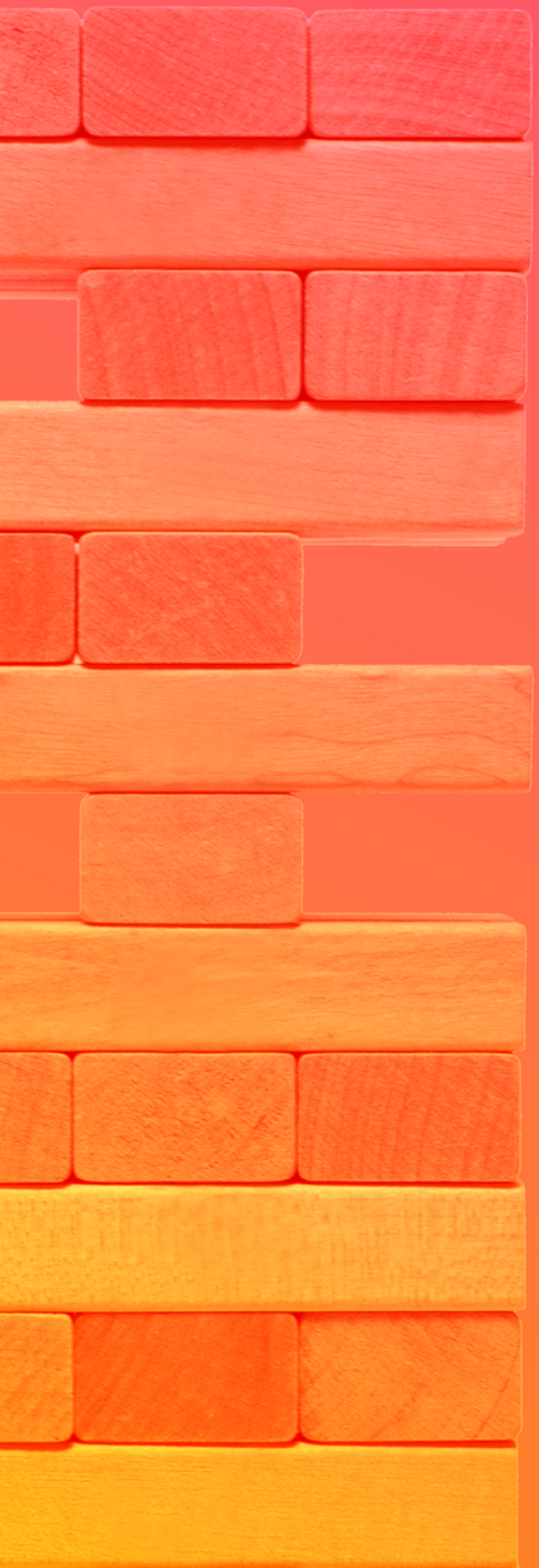

THE STATE OF AGENCY PROJECT MANAGEMENT

SoDA

Introduction to *The SoDA Report On…*



Lakai Newman
Communications Manager, SoDA

Welcome to this special edition of *The SoDA Report On* the State of Agency Project Management, developed in partnership with Workfront.

This report is the second in a series of white papers we'll be releasing under *The SoDA Report On…* moniker in order to conduct deep dives on a number of issues impacting the companies and people who are creating the future of marketing and digital experiences.

The current and future state of project management is a topic that is top-of-mind for leading practitioners in the agency world. How do we boost margins? How do we keep our clients satisfied? How do we avoid employee burnout? These are just a few of the questions many agencies find themselves grappling with as they seek to maintain a healthy balance of creativity, profitability, client engagement, and transparency.

Within this special edition of *The SoDA Report*, industry leaders from around the globe do their part to address different facets of project management, candidly discussing the good and the bad within their own agencies in an effort to uncover "best known" practices that we hope and trust will prove beneficial to the broader agency community.

Flexibility is critical for Katherine Cochran of *Struck*. The Portland-based director of production leads a forward-thinking interdisciplinary team by maintaining clear agency and client expectations while also remaining adaptable to ever-evolving project parameters and conditions.

Brian Leonard of Dublin-based agency *In the Company of Huskies* and Chelsea Perino of *Big Spaceship*'s Seoul office both position the project manager as a "creator" rather than an executor. They underscore that the role is not only tremendously important but also extremely challenging. Remaining ahead at every step of the production process… striking the right tone and frequency for client communications… partnering with the agency's creative team… and shepherding the end product to fruition. When it's done well, it's truly an art form.

Finally, Val Carlson and Scott Potter of Oakland-based *EVB* believe that project management has evolved into a team effort in order to focus on what really matters: creating products that clients and consumers love.

(continued below)

Introduction to *The SoDA Report On...*

I'd like to thank Workfront for partnering with us on this valuable project. To become a subscriber of *The SoDA Report*, please email SoDA and we will ensure you have priority access to the release of upcoming editions. We hope you enjoy this report and, as always, welcome your feedback, ideas, and contributions for future editions.

Best,
Lakai Newman
Associate Editor and Head of Production, *The SoDA Report*

Introduction to *The SoDA Report On…*



Joe Staples
CMO, Workfront

For most digital agencies, the state of their project management, or the broader category of work management, can be described in one word: chaos. Disconnected tools, broken collaboration, and miles and miles of spreadsheets have made the job of a project or account manager very difficult, to say the least. That's why we jumped at the chance to partner with SoDA to create this edition of *The SoDA Report On…* The State of Agency Project Management. From our perspective, agency project management can and should be so much more.

Project management at an agency should be about more than the tasks, the approvals, the assignments. It should enable agencies to have better engagement with clients, have visibility into process so you can keep your margins high, and help you understand where inefficiencies lie so you fix what's broken. This report offers some remarkable insights to help you make that transition.

For example: Mike Tompkins from *Miles* offers a great take on the future of project management, "[it] must include a toolset that doesn't necessarily do all, but instead connects it all." It's clear that at their agency, it's not only about having data to get a pulse on the business, it's about connecting that data seamlessly so they can act on it.

At *iProspect*, Max Cheprasov shares his insights into the digital PMO. The business of agency project management is more than just managing projects. It's important to realize it's about leading change and business transformation that ultimately leads to higher client satisfaction, engagement, and business growth.

And finally, Mike Moskowitz speaks to the success he's seen at *Leapfrog* when best practices for team dynamics are in place, projects are managed with transparency, and data is used to improve team performance.

As you read this report, think about the challenges your agency is facing this year. How can agency project management help you with client engagement, keeping your margins healthy, and fixing inefficient processes? The contributions here should give you some tips, tricks, and insights that will work for your agency so you can be successful.

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Chris Buettner
Executive Director

After a career on the digital agency and publisher side that spanned 15+ years, Chris Buettner now serves as managing editor of *The SoDA Report*. He is also the executive director of SoDA where he is charged with developing and executing the organization's overall strategic vision and growth plan. And with roots in journalism, the transition to lead SoDA has been a welcome opportunity to combine many of his talents and passions. After living in Brazil and Colombia for years, Chris is also fluent in Spanish and Portuguese and is an enthusiastic supporter of SoDA's initiatives to increase its footprint in Latin America and around the world. Chris lives in Atlanta with his wife and two daughters.



Lakai Newman
Communications Manager

A graduate of Emory University, Lakai Newman comes to SoDA from a NY-based digital agency where he focused on creating compelling content for a number of blue-chip brands. He serves as SoDA's primary steward and contact for communications, social media and marketing efforts. Lakai also serves as head of production for *The SoDA Report*, SoDA's biannual trend publication that features primary research, thought leadership, and case studies from top digital agencies, production companies, and client-side digital marketing executives from around the world. He considers himself a natural "creative" that is passionate about global travel, cooking, pop-culture, and all things digital.



Joe Staples
CMO

As CMO for Workfront, Joe leads a best-in-class marketing organization focused on building the Workfront brand and driving awareness, thought leadership, and demand generation. Joe brings with him over 20 years of deep marketing and leadership experience, having developed a number of award-winning brand building campaigns using video, promotional contests, events, PR, and advertising. Additionally, Joe has extensive international experience, having built marketing organizations from scratch in EMEA, APAC, and Latin America.



Ashley Spurlock
Solutions Marketing Manager

Ashley Spurlock has nearly 10 years of experience in writing and managing projects for marketing in the technology, education, and fitness industries. In her current role, she oversees the marketing and thought leadership content production and strategy for agencies, general marketing, and enterprise teams.

EDITORIAL & PRODUCTION TEAM

Jessica Ongko
Designer, SoDA

Since joining the operation team in 2014, Jessica has been deeply involved with strengthening SoDA's brand and visual identity while collaborating with agencies around the world to design and create publications, event signage, and digital/physical assets related to the work of SoDA. A graduate of the graphic design program from advertising portfolio school, The Creative Circus, you'll often find Jessica trotting the globe and working out of airports during long layovers.

Marielle Castillo
Freelance Editor

Copywriter and general word fiend. Since graduating from The Creative Circus, Marielle lent her words to brands like Honda, Delano Hotels, and Farmers Insurance, as well as help craft the voice of indie greeting card brand A Smyth Co. She likes to speculate about the future and is a regular contributor on psfk.com.

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Contents

1 Adapt to Thrive: How Strict Adherence to Process Can Hinder Your Team

2 The Project Manager—No Longer Just the Bad Cop

3 Project Management in the Era of Digital Media

4 How Digital Project Managers Went from an Individual Job to a True Team Effort

5 The Future of Project Management…Connecting it All

6 The Rising Importance of Digital PMOs

7 Best Practices for Mastering Agency Project Management

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Katherine Cochran, Struck

Adapt to Thrive: How Strict Adherence to Process Can Hinder Your Team



Project managers have to be profitable, efficient, and revenue focused, but all those things aren't enough without flexibility.

Every year, I set out to put into place some pretty lofty goals for my team of project managers (what can I say, I'm a producer and love this sort of thing). We're the glue that holds everything together—the deadlines, timelines, and deliverables—so it's pretty easy to get caught in the day-to-day and herding of cats. Project managers have the power to help lead the agency through the cacophony of industry challenges, including client engagement, client-agency communication, and leadership of internal teams. And within all of this, it's incredibly important for project managers to maintain a holistic perspective and remember the effect they have on client retention, profit margins, and efficient processes.

What is the one tool that allows project managers to have such a big impact on the agency's overall success? Flexibility. The ability to change.

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Project managers have the power to help lead the agency through the cacophony of industry challenges, including client engagement, client-agency communication, and leadership of internal teams.

When we are flexible, we create an environment in which our team doesn't have to worry about the process or how to work with the client.

Flexibility can make things easier in client-agency communication.
Give in on the small things—it may be the difference between being profitable or not. When we prevent the little things from becoming big things, our teams will notice. And, employees and clients alike will be more inspired to work together (and more quickly), which means you'll be more profitable.

Flexibility can win the work by engaging clients.
If what the client is asking for is different than how we do it, can we adapt? Adaptation could be the difference between winning the work or getting passed over. In most cases, it is worth being flexible. And that additional revenue means we meet our goals.

Flexibility can set the tone via leadership of internal teams.
Project managers have a unique opportunity to set the tone. If we are able to work with our individual clients in different ways, the team will follow suit. Their focus should be on creating content, design, or code—not systems and processes. When we are flexible, we create an environment in which our team doesn't have to worry about the process or how to work with the client. And we all know how easier it is to be efficient when the main focus is our individual craft.

As the glue and one of the biggest driving forces behind every project that comes through the agency's doors, it's up to producers and project managers to rely on flexibility. Flexibility allows us to assume a big picture perspective and then set the precedent—both internally and for clients. There's a lot to be said about letting the little things go and being easy to work with. Just like that client that you love, be the agency they love. Partners. Agencies have to be profitable, efficient, and revenue focused, but all those things won't happen without project managers and producers that rely on flexibility.

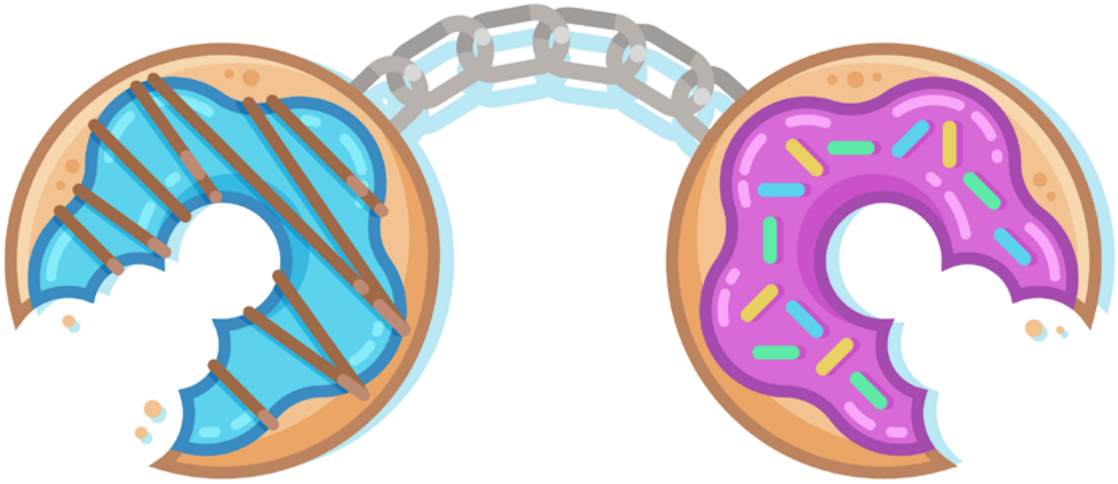
Flexibility helps us keep up. Don't get left behind.

About the Author: *Project management is more than an on-time and on-budget mantra for Katherine—she is constantly planning for the unexpected and rolling with the punches to deliver something even greater than expected. With more than 18 years of project management experience, Katherine began her career in the telecom industry, moving on to obtain more than 12 years of experience in the marketing industry managing projects with a focus on digital. Her portfolio incorporates work with a broad range of clients, including Visa, Allstate Insurance, Dreamworks, Disney, Nickelodeon Animation Studio, Hewlett-Packard, Columbia Sportswear, Mountain Hardwear, Nike, and ASICS.*



Brian Leonard, In the Company of Huskies

The Project Manager—No Longer Just the Bad Cop



Reading insights from 2015's Volume 1 of *The SoDA Report*, I was reminded how difficult it is to accurately scope work these days. When asked to rank their ability to accurately estimate project costs on a scale of zero to ten, the average response from digital shops was just 6.32 (up slightly from 6.09 in 2014) indicating that most of us continue to struggle with estimation.

This has always been challenging but as the work gets more complex and the requirement for collaboration between skillsets and departments grows, the task gets trickier every year. This is particularly worrying for agencies at a time when margins continue to be squeezed and where the only hope of preserving profit is to recover as many hours worked as possible. The client services team is focused on forming excellent relationships with the clients and prefer not to have difficult conversations around scope creep and additional budget. Many agencies, including our own, tackle this problem by creating a sort of "good cop/bad cop" scenario where client services play good cop, always on hand to lend a sympathetic ear, and project management plays bad cop, insisting clients meet deadlines and play by the rules. This can be a very effective strategy as clients seem much more willing to be policed by project managers, who they see as guardians of timelines and budgets, than account managers, their confidants within the agency.

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If your project managers are the protectors of your profit, then their weapon of choice is the change request.

If your project managers are the protectors of your profit, then their weapon of choice is the change request. Knowing what we do about project estimation accuracy from last year's *SoDA Report*, it's easy to see why the change request wields so much power. It remains the only reliable instrument to claw back revenue when scope begins to creep. However, change requests can only be used effectively if the groundwork has been done during the planning phase. Without properly documented scope, you won't have a leg to stand on.

Nowadays, projects come in many different shapes and sizes. While we still make websites and social content, we also make podcasts, illustrations, articles, digital installations, videos, social strategies, infographics, and apps. As the list grows, the skill set and methods we use to make these varied and wonderful things have changed. There is a much greater requirement for innovative and creative thinking to underpin the planning and managing techniques that project management traditionally entailed. Agency project managers are no longer just executors of a plan—they are creators in their own right.

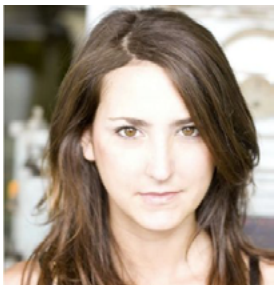
Agency project managers are no longer just executors of a plan—they are creators in their own right.

That's not all. The recent crossover of Agile techniques from software development into ad land (such as project context workshops and project roadmapping) has required project managers to demonstrate more of the soft skills required to lead these sessions with the client in the room. This has deepened their relationships with clients and earn them kudos across a wider range of capabilities.

So the role of project management is more pivotal than ever before. PM teams live at the heart of their agencies, playing a crucial role in the client/agency relationship while defending your profit margins. Good hires in this space can literally be the difference between a good year and a great year for your agency.

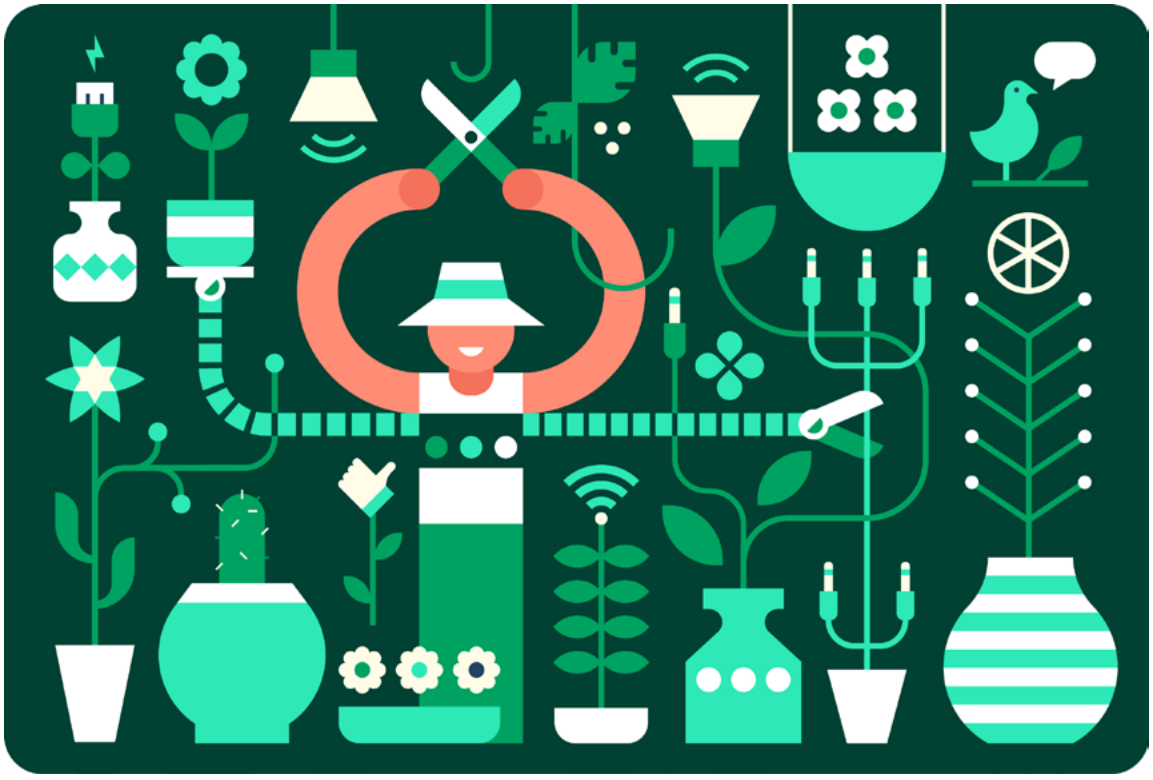
About the Author: *Having started his career in the localization industry in 1997, Brian has amassed over 15 years of experience with leading technology companies and advertising agencies both in Ireland and New Zealand. As head of operations, Brian is responsible for process development, production delivery, and agency profitability.*

Illustration *by Makers Company*



Chelsea Perino, Big Spaceship

Project Management in the Era of Digital Media



I think of project managers in the advertising world as intense mother hens in a sense—the idea incubator matrons, taking newly hatched thoughts and ushering them through the joys of infancy, the trials and tribulations of adolescence, finally patting them on the back and sending them out to face the world. But ultimately, a good project manager creates efficient working systems that allow creative ideas to mature and flourish.

This task used to be pretty straightforward: plan, execute, finalize (with all the other matronly responsibilities as KPIs for successful project outcome, of course). Project goals—in the advertising world at least—were relatively straightforward as well: reach as many people as possible.

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The rise of digital media has revolutionized the way brands communicate, essentially taking what used to be a closed system, limited by traditional media formats, and turned it into an infinite incubator of possibilities.

In 2016, advertising is anything but straightforward. The rise of digital media has revolutionized the way brands communicate, essentially taking what used to be a closed system, limited by traditional media formats, and turned it into an infinite incubator of possibilities. Information technology moves messages at the speed of light, social media created a global ecosystem that is more interconnected than ever before, and content creation is no longer unique to big business. This revolution in the way we communicate brings an entirely new set of challenges to project management.

First, project timelines are both turbocharged and hyper fluid. Trends change in the blink of an eye, which means projects are always *works in progress* until the moment they go live, which doesn't often signify a project's end. The term *deadline* is a thing of the past, meaning that project managers have to rethink their approach to project timelines. Now it's more about the *process* as opposed to the ultimate goal, because there's rarely just one big deliverable, everything is up for reevaluation. Project managers need to be the ones that segment the bigger picture into digestible, achievable pieces that move the project forward while still allowing the flexibility to adapt to an ever-changing environment, because teams still have to work towards *something*.

The term *deadline* is a thing of the past, meaning that project managers have to rethink their approach to project timelines.

Second, the Internet of Things has made project ownership infinitely more complicated. Like the WebMD phenomenon, when the sudden availability of medical information turned normal people into unofficial medical professionals, crowd culture means that everyone is now a creative. Clients went from being aloof to being too engaged. Where they once relied on agencies' creative expertise, now they're certain their own ideas could be the next Oreo Super Bowl moment. It also means they question *everything*. So much so that creative teams spend more time validating and justifying their expertise (and providing rationale against misguided client suggestions) that they lose focus on the original concept. Project managers are now acting almost like hostage negotiators—diverting clients' attention to the evolution of the project so that creatives can focus on the ideas.

It's about communication and adaptability.

This leads to my last point: project managers are not just executors, they're also communicators. They're fluent in the client's language, the creative team's, and the consumers', but more importantly they need to ask the right questions and then interpret the answers in the context of a digital ecosystem. They ask clients about goals and timelines and then realistically plan for the unexpected. They create effective feedback sharing systems, which compartmentalize information in a way that allows key stakeholders to focus on their specific roles. Most importantly, they remove the anxiety caused by digital ecosystem and help everyone focus on creating amazing ideas, and then evolve those ideas as the project progresses.

It's about communication and adaptability. In this dynamic world where the pace is excruciating and at times it feels like there's no end in sight, project managers help clients feel like they have a valid role in the creative process, internal teams feel a sense of ownership and pride in the creative outcome, and everyone on the team feels prepared and capable of creating relevant content regardless of what curve ball the daily trend throws their way.

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About the Author: *With an undergraduate degree in anthropology and linguistics from NYU and after a four-year solo trip around the world, Chelsea Perino first discovered her love for advertising in Cape Town, South Africa. She spent two years as marketing and advertising lead for an experiential marketing start-up, only to return to NYC to pursue her M.A. in Public and Organizational Relations. Now she's the head of strategy at the Seoul office of an NYC-based advertising agency, focusing on the digital strategy for a global mobile communications brand.*

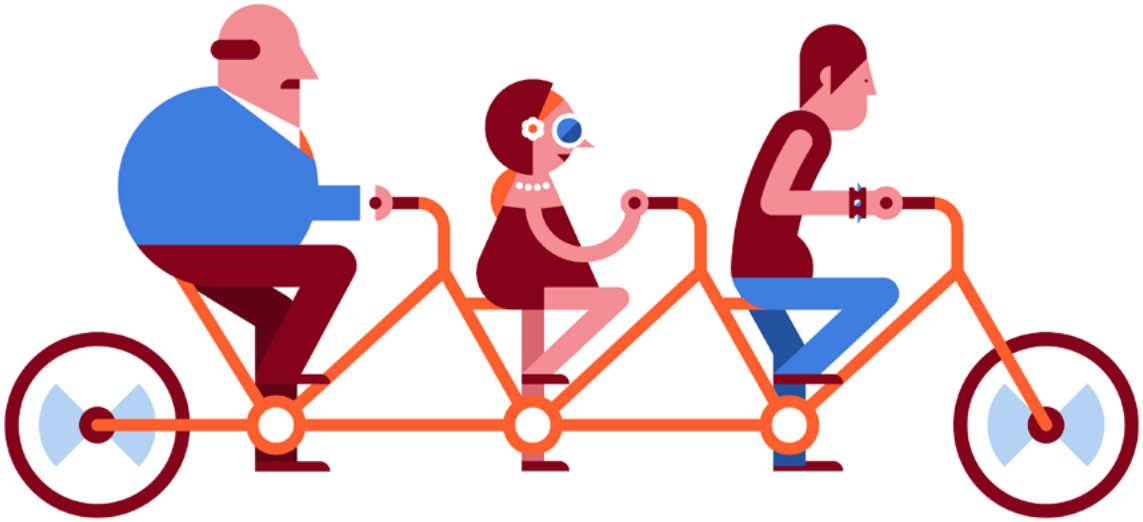
Illustration *by Makers Company*





Val Carlson & Scott Potter, EVB

How Digital Project Managers Went from an Individual Job to a True Team Effort



In 2016, project management at an agency has become a true team effort. With clients demanding increasingly fast turnarounds, digital agencies are speeding up the development process by keeping entire project teams in the loop early and often.

Instead of being bogged down in individual tasks assigned by a project manager, today's agency professionals are working collaboratively to bring products to market at lightning speed and make iterative changes as needed. In an industry that has been caught up in managing margins and scope for too long, the growing popularity of Agile development is allowing agencies to return their focus to what really matters: building ground-breaking products that clients and consumers love.

To understand why this has been such a breath of fresh air, you only need to look back to the mid-2000s, when large holding companies began acquiring digital agencies. Prior to this consolidation, digital was an exciting frontier in the advertising world, a place where creative people dreamed up new solutions to big problems, and where a great idea could come from any part of an organization. As holding companies began to acquire digital agencies, the once liberal organizational structure began to shift. In many cases, the holding companies instituted new workflows that prioritized

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Project management has evolved into a collaborative process that allows agencies to produce excellent work without significantly hurting margins.

the maximization of short-term profits over the creation of high-quality and highly creative work.

The effects of these changes on project management were profound. Whereas digital project managers had previously been an important part of the creative process, holding companies incentivized them to focus solely on maintaining margins. A role that had once allowed people to solve problems and build client relationships was reduced to one responsible only for ensuring projects were finished within a desired timeframe and budget. Though this shift allowed the holding companies to make lots of money in the mid-2000s, lowering creative standards, decreased the quality of the work and created a generation of frustrated clients and creatives.

In recent years, project management has evolved into a collaborative process that allows agencies to produce excellent work without significantly hurting margins. Our small teams work closely together, dedicating themselves to team war-rooms and daily stand-ups. A variety of communications tools are utilized to remain on the same page. By keeping clients in the loop with frequent status reports, we're able to launch products faster than ever before. While we might not get everything right the first time, having our work in front of our clients and customers gives us an opportunity to gather feedback and data and make necessary tweaks to optimize the user experience. This method not only allows us to continually fine-tune our work, but helps break projects into smaller, digestible pieces for our teams. Since we're constantly fixing small problems as they arise, we never have to spend time on a complete overhaul of a flawed final product.

To make project management succeed in this environment, agencies need to be unafraid of making mistakes and comfortable in their relationships with their clients.

Although Agile project management processes like ours are quickly becoming the norm, they are not without their drawbacks. For starters, the iterative nature of Agile development means you never get the feeling that a project is truly complete or the satisfaction of a big "flip the switch" moment that comes with going live on a finished product. Meanwhile, working closely with our clients means they know immediately if we encounter difficulties. To make project management succeed in this environment, agencies need to be unafraid of making mistakes and comfortable in their relationships with their clients.

While it can be challenging to move quickly and expose hurdles, we find it's a lot better to make small changes as we go than to put out a finished product we're not proud of.

Ultimately, we've found a collaborative, flexible system is far superior to the sclerotic project management of the mid-2000s. While it can be challenging to move quickly and expose hurdles, we find it's a lot better to make small changes as we go than to put out a finished product we're not proud of. And because our clients feel so engaged with our work, they're understanding and supportive every time we need to change course. So yes, sometimes not having a designated project manager process can lead to a bit of chaos, but we'll take that chaos over hourly breakdown worksheets every day of the week.

About the Authors: *As executive creative director, Val oversees teams across the disciplines of experience, design, and content, including work in the areas of brand, creative strategy, visual-system design, online advertising, virtual reality, and more. She is a passionate storyteller, strong salesperson, and powerful public speaker. Scott Potter is vice president and director of production at EVB, a full-service advertising firm specializing in digital and social media. He is responsible for shaping EVB's interactive capabilities and oversees production across all offices.*

Illustration *by Makers Company*

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Mike Tompkins, Miles

The Future of Project Management...Connecting it All



In today's environment, project pacing is becoming increasingly faster, employees are receiving increased responsibilities and stakeholders are demanding more data.

We track everything from customer interactions with our end products to the effort our employees put into creating them. The problem is our data lives in multiple, unconnected platforms creating a lag in the time it takes to collect and analyze data to being able to act on it. It's becoming increasingly important to bridge this gap by either having a single platform that allows you to manage, track, and report on all aspects of a project's lifecycle (from its CRM/Sales processes through production to customer engagement tracking) or have a platform that seamlessly integrates with tools that manage those tasks separately. This will speed up the cycle of tracking, analyzing, and acting on all of this data, which will generate more engagement for your clients, adding more value to your products and services and in turn create more growth for your company.

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The problem is our data lives in multiple, unconnected platforms creating a lag in the time it takes to collect and analyze data to being able to act on it.

Although growth breeds opportunities, these opportunities come with their own challenges. For instance, strong growth in the SAAS industry has created a large variety of tools to help manage your projects, but has created a situation where a lot of clients already have other tools in use. As a service agency, we are often required to manage projects in their preferred systems but then manage time tracking in our system. This fragments data tracking and project communication, and can often create confusion in members of the production team when it comes to tracking the progress and deadlines.

The definitions and needs of project management are changing too. It's no longer enough to be able to tell stakeholders where you are against your budget. You now need to track your marketing campaigns against your sales and then assign and track work items to your creative staff based off of those sales. Then, track your product's performance against it all to create a complete picture to report back to your client/advertisers and stakeholders.

It's no longer enough to be able to tell stakeholders where you are against your budget.

The future of project management must include a toolset that doesn't necessarily do it all but instead connects it all. To do this properly, every aspect of project management needs to function independently, but must also connect consistently with the other aspects. For instance, time tracking should be able to track time independently in a time sheet through self-created tasks or integrate with a project management module and/or platform. This would allow you to pick the most important aspects to your business, but allow you to report on those aspects consistently across the board. A project management system of the future won't rely on having to provide every tool to manage a project, but instead be the platform to bridge the gap and connect the data from the platforms businesses already use.

About the Author: *After earning degrees in commercial art and digital media, Mike spent the past 16+ years managing creative people, processes, and platforms. As the senior admin for project management, CRM, marketing automation, DAM and preflight systems, Mike works closely with each team at Miles Media.*



Max Cheprasov, iProspect

The Rising Importance of Digital PMOs



Over the past decade, digital marketing agencies have evolved and perfected their portfolios. After many years of revolutionizing, defining, and polishing their core sets of capabilities, the majority of digital agencies have converged around the same suite of offerings.

This partially commoditized marketplace makes it very difficult for any one agency to differentiate itself from the competition. To make the situation more challenging, most agency clients—many of whom are agency veterans themselves—have become extremely well versed in all things digital and often have access to in-house experts. This experience means clients understand not only what an agency can provide, but also exactly what it takes to provide those services in terms of effort and costs.

In today's environment, the differentiating factor among agencies is no longer how well an agency can explain its services, convey its vision, and present fancy creative

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storyboards. Clients have a pretty good handle on *what* agencies deliver and *why* it matters. They understand what we do and are aware that, for the most part, we all do the same things. I'd argue that today the more compelling factor is *how* an agency delivers, or—to be more specific—*how efficiently*. Clients are increasingly interested in how agencies organize themselves internally and collaborate with others to provide top-quality output in the most efficient and cost-effective manner. Operational excellence is critical and today's winning agency is the one that can stretch the client's dollar further through the optimization of process, technology, and teams to deliver maximum results for less.

Based on this state of affairs, I believe that the Digital Project Management Office (PMO) is more integral than ever to agency success. Project failure is simply not an option for businesses that want to win. Despite this reality, most agencies continue to operate without a centralized and strategic digital PMO. Though they may understand the value of a PMO intellectually, they don't know how to establish one. It's not easy.

A full 50 percent of PMOs close within three years (Association for Project Management). This rate of failure stems from the fact that 68 percent of stakeholders perceive their PMOs to be quagmires of bureaucracy (2013 Gartner PPM Summit). In order to preserve their seat at the executive table, PMOs need to be strategic, not bureaucratic. All the data available online makes it easy to justify the PMO. Building the case for any agency to establish one is the easy part; taking the next step is a much bigger hurdle. Setting up a PMO that delivers amazing results and doesn't collapse under its own promises in the first year is not an easy undertaking. Success requires a top-down approach that changes the way the agency operates on a fundamental level.

The data tells a clear story: get on board with PMO or lose your competitive edge.

According to a 2004 study that reviewed 10,640 projects from 200 companies in 30 countries across various industries, PricewaterhouseCoopers found that only 2.5 percent of the companies completed 100 percent of their projects within budget, to scope, and in a way that delivered the promised business benefits. It's amazing and unfortunate that little has changed since then. Agencies still struggle with on-time delivery, overspends, and high turnover. The good news is smart agencies have a very real opportunity to improve performance by transitioning from chaos to order, an accomplishment that will go a long way toward helping them stand out from the competition.

In a more recent study, PricewaterhouseCoopers found that an overwhelming 97 percent of organizations believe project management is critical to business performance and organizational success. A similarly impressive 94 percent agree project management enables business growth. Despite this high level of awareness, many companies still fail to implement successful project management operations and wind up affecting their bottom line adversely when projects suffer from extended timelines, scope, and budgets.

A study published in the *Harvard Business Review* found that in a group of 1,471 IT projects, the average overrun was 27 percent. Worse, one in six projects had an average cost overrun of 200 percent and a schedule overrun of almost 70 percent.

The failure rate of projects with budgets over one million dollars is 50 percent higher than the failure rate of projects with budgets below $350,000. The United States economy loses $50 – $150 billion per year due to failed IT projects. (Gartner)

In fact, 77 percent of high-performing companies understand the value of project management, while only 40 percent of low-performing companies understand the same value. High-performing organizations successfully complete 89 percent of their projects, while low performers complete only 36 percent. (PMI's Pulse of the Profession)

The digital PMO needs to be strategic, smart, and technologically advanced.

The recent dramatic upsurge in the visibility and status of project management within organizations is in part due to research data that increasingly supports this fundamental principle:

Unless all of a company's projects are conceptualized, planned, executed, closed out, and archived in a systematic manner (using proven project management methodologies), it will be impossible for that organization to keep a handle on which activities add value and which merely drain resources.

If the digital PMO is not part of your agency's DNA, your organization will most certainly be faced with some very real risks and challenges:

1. Inaccurate requirements gathering contributing to unreliable estimates and subsequently impacted project timelines and budgets
2. Inadequate project vision or goal, resulting in ill-timed shifts to project objectives, poor change management, scope creep, and overspend
3. Over-allocated resources operating in fire drill mode (in an attempt to upright the project from day one) leading to burnout, job dissatisfaction, and high employee turnover
4. Inadequate/poor communication and stakeholder management, combined with the preceding items, resulting in lowered Net Promoter Scores (NPS) (a.k.a. client satisfaction score)
5. Finally, insufficient risk and compliance management/mitigation, making the company vulnerable to financial and legal risks that were not even apparent before the project started

These are just a few typical problems that digital agencies encounter if they don't establish and maintain a strong project management discipline. The agency that implements the best digital PMO not only differentiates itself from the rest of the competition, it also gains a critical competitive advantage with far-reaching implications for the overall business.

The digital PMO needs to be strategic, smart, and technologically advanced.

Strategic: The strategic PMO is able to focus on the right projects at the right time while remaining Agile and adaptable to ever-changing requirements and project environment. A centralized PMO team ensures global and local operational excellence by partnering with internal teams to define and maintain operating standards, processes, policies, procedures, templates, communication protocols, and performance metrics. This kind of team helps your organization reach the primary

operational goals of stretching the client's budget and striking the perfect balance between efficiency and effectiveness.

Smart: The best-built PMO is comprised of a diversified and certified team—PMs with varied backgrounds, experience, and expertise in different PM methodologies. Don't constrain yourself to hiring only digital PMs with experience exclusively in web dev, IT, or digital marketing. Even if your agency focuses primarily on search marketing projects, consider hiring digital PMs who can contribute different perspectives and tackle a wider array of challenges. Hire professionals who are ambitious and passionate about all digital fields and PMO and who have exemplary communication, negotiation, and partnership skills. Once you build the right team, challenge them to strive for the impossible and always raise the bar. Motivate and reward them and they will become the engine that drives successful project execution.

Clients are increasingly interested in how agencies organize themselves internally and collaborate with others to provide top-quality output in the most efficient and cost-effective manner.

Tech Savvy: Efficiency in the digital world means using the best digital tools to collaborate and manage the work. We achieve efficient collaboration—one of our core values at iProspect—through our centralized operating model and global common frameworks. By design, client teams share operational best practices and channel/tool insights so we can constantly improve program performance while always delivering a consistent brand experience.

The agency with the smartest digital PMO, one that is capable of more than just successfully managing client projects, but can also lead change and business transformation via enterprise-wide projects, will enable increased employee engagement and higher client satisfaction, which in turn will drive business growth and expansion.

About the Author: *Max Cheprasov serves as SVP of operations at iProspect (a Dentsu Aegis Network subsidiary). He is an operational excellence executive and entrepreneur with more than 20 years of IT, PMO, OPS, M&A, and digital marketing experience specializing in business transformation, optimization of processes, technology, and teams to achieve maximum performance. iProspect is the first truly global digital performance marketing agency, with 3,000 employees in 78 offices across 50 countries.*



Mike Moskowitz, Leapfrog

Best Practices for Mastering Agency Project Management

To track both time and projects for all client and engineering program work, Leapfrog utilizes an integrated project management tool. The integration of time tracking with project work has tremendous benefits for the organization in tracking how we are using our time compared to what we had budgeted and projected. The deep data and KPIs we were looking for before are now at our fingertips.

In terms of best practices, the use of a company-wide tool that tracks every project and every result has had us constantly evaluating how we conduct projects over the past year. The transparency of all this data has enabled us to monitor how efficiently projects are planned out and executed as well as to standardize similar client work to templates. As a result, Leapfrog has set consistent standards for how our client programs are managed.

Another part of our PM tool arsenal is the proofing feature. It allows us to track every exchange between us and our clients. We always have a single source of truth for creative documents. This has helped us reduce meetings and has streamlined our process even further.

UX Development Best Practices

User Experience (Front-End Development & Creative) Sitting Together

Many PMs managing client projects have experienced the frustration of finding major gaps between design and implementation, with the response coming back of, “the PM never called a meeting to have us go over this together.”

At Leapfrog, our Front-End Development (FED) team sits side-to-side in an open space with our creative team. This is intended to reflect the integrated nature of the work they do, where design/implementation discussions can more naturally occur.

The expectation for this type of interaction is explicitly called out to the teams, ensuring they take ownership in collaborating on client work. This is especially important for agency work, where the project sizes vary, and turnaround times can be short.

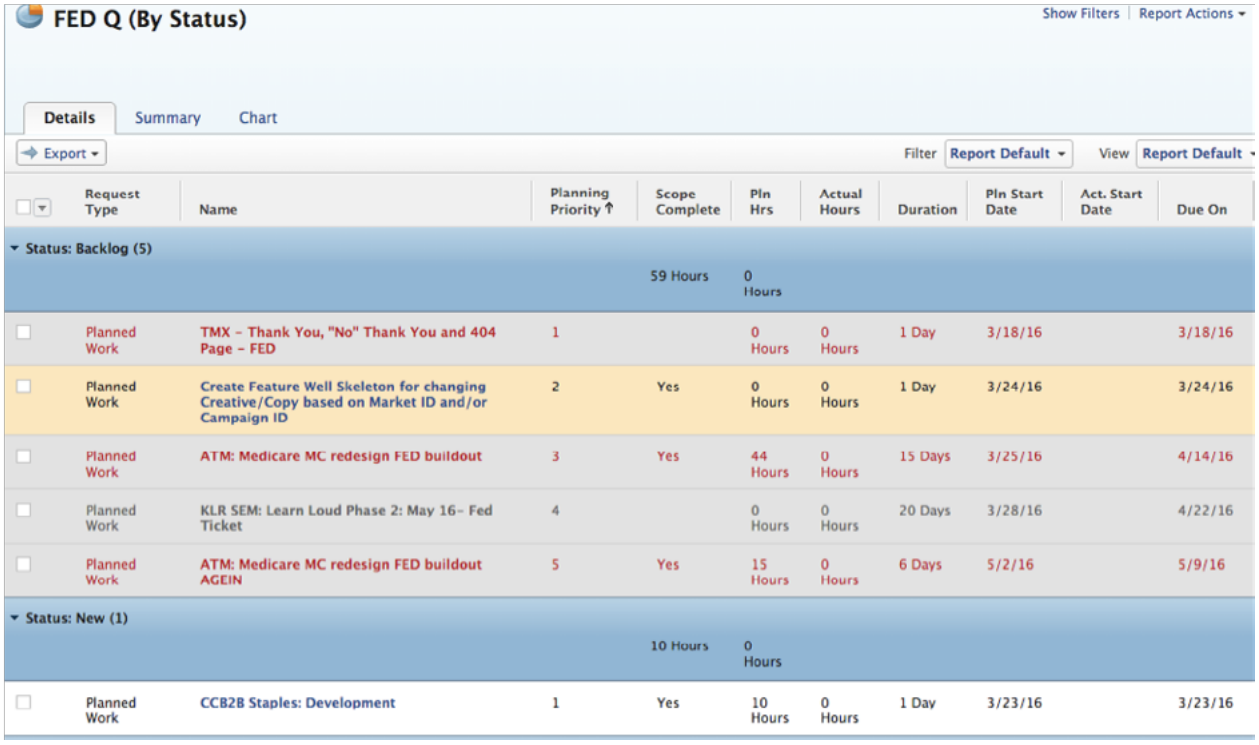
Thus, we have enabled two important aspects of UX development for agencies: we have created a culture wherein creative and FED teams are most likely to work together on projects without requiring explicit team meetings.

The result for our agency is an optimization of our UX team productivity, while maintaining overall project team efficiency (minimizing unneeded team meeting hours).

UX Queue Management
After trying out several approaches over time, our creative and FED teams run independent Kanban queues. They have customized their queues with prioritization and viewing options that makes it easy for all project team members to quickly understand the state of any given task for any given project.

In the FED queue below, this view is typically used as the basis of a daily stand between the FED team and the project managers to discuss current and future requests—in this dynamically generated report, the individual tasks are color coded to reflect: Grey—there's a dependency blocking the start of this task, Yellow—no Time Estimate has been provided, Red—Expedite.

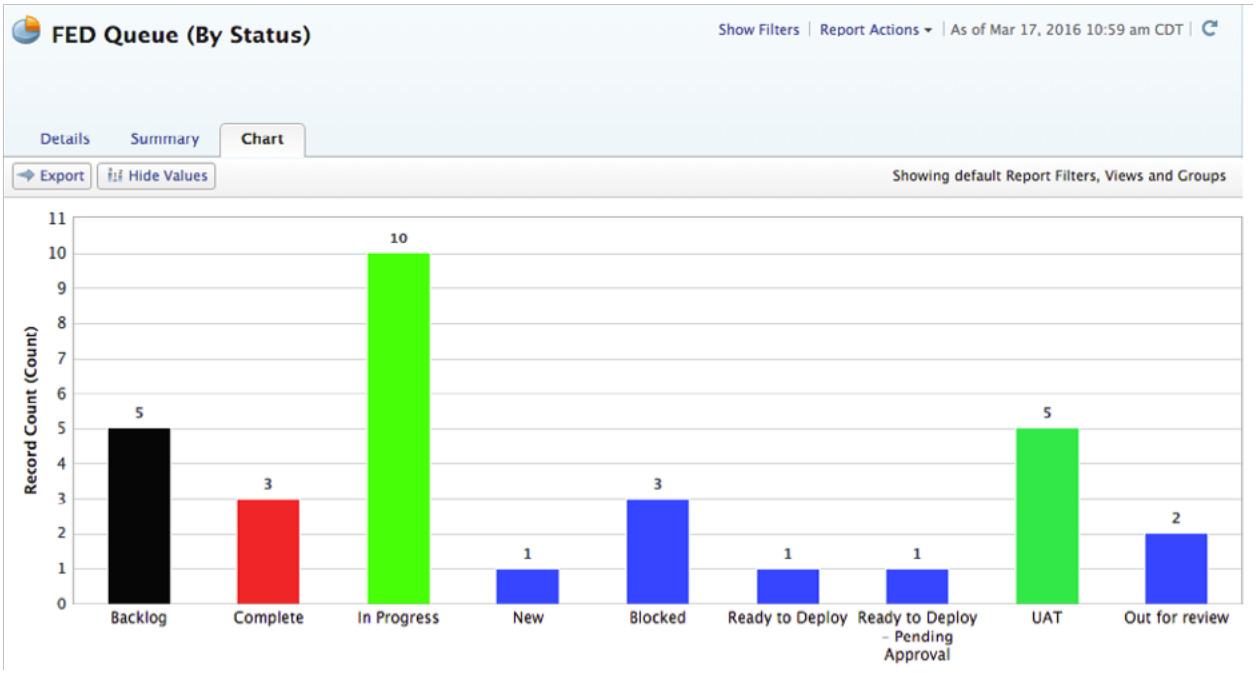
The status report gives a quick at-a-glance understanding to the FED and PM teams as to what the load is currently like across the FED queue, thus enabling better resource management discussions, as well. This manner of queue management has proven to be very effective to help teams and management understand the current state of tasks and projects, and to manage expedites in a transparent manner, such that any impact to teams and/or projects is clearly represented.



Request Type	Name	Planning Priority	Scope Complete	Pln Hrs	Actual Hours	Duration	Pln Start Date	Act. Start Date	Due On
Status: Backlog (5)			59 Hours	0 Hours					
Planned Work	TMX – Thank You, "No" Thank You and 404 Page – FED	1		0 Hours	0 Hours	1 Day	3/18/16		3/18/16
Planned Work	Create Feature Well Skeleton for changing Creative/Copy based on Market ID and/or Campaign ID	2	Yes	0 Hours	0 Hours	1 Day	3/24/16		3/24/16
Planned Work	ATM: Medicare MC redesign FED buildout	3	Yes	44 Hours	0 Hours	15 Days	3/25/16		4/14/16
Planned Work	KLR SEM: Learn Loud Phase 2: May 16– Fed Ticket	4		0 Hours	0 Hours	20 Days	3/28/16		4/22/16
Planned Work	ATM: Medicare MC redesign FED buildout AGEIN	5	Yes	15 Hours	0 Hours	6 Days	5/2/16		5/9/16
Status: New (1)			10 Hours	0 Hours					
Planned Work	CCB2B Staples: Development	1	Yes	10 Hours	0 Hours	1 Day	3/23/16		3/23/16

(continued below)

Deep FED Performance Statistics



One of the most important, but difficult, questions for a PM group to consistently provide an answer to is 'how long will this take?'

At Leapfrog, we have been taking a close look at our FED queue over time, using the Agile predictive metrics discussed in detail by Daniel Vacanti, of Actionable Agile. Using 11 months of data from 2015, we are able to get a good understanding of how long a given task (any size) will take to get through our system, overall—and the impact of external events over the year.

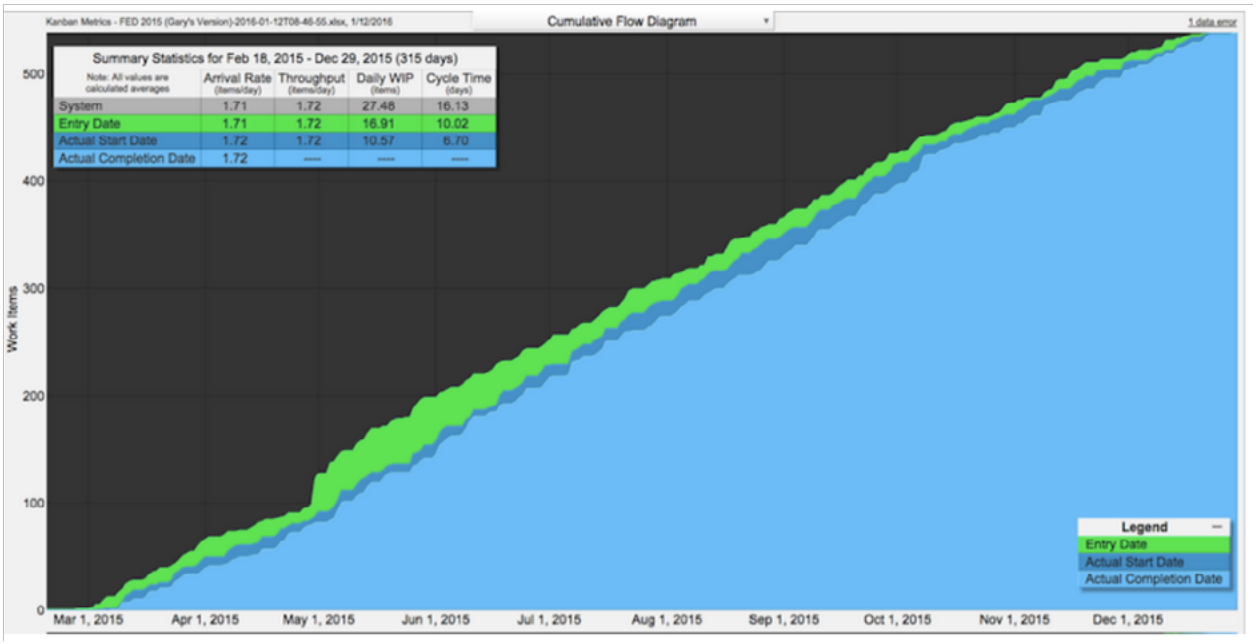
In the cumulative flow diagram below, we have a detailed, visual expression of how long it takes for FED tasks to go through our system: Green = Tasks Waiting to Start, Dark Blue = Tasks Assigned and Started, Light Blue = Completed Tasks.

From the Summary Statistics in this diagram, several key metrics and observations can be quickly generated. Overall, it takes 16 days for a given FED task to get through our system, and once a task is picked up by a FED, it takes 6.7 days to complete.

Looking closer at the actual data in the cumulative flow diagram, we see the impact of many small tasks hitting the queue in the beginning of May, with the Green (Tasks Waiting to Start) area getting quite large, thus backing up the queue (and impacting Cycle Times).

Thus, the question of 'how long will this take' can be answered based on the team's cycle time, taking into account any larger, outlier programs (as can be checked from the FED Queue) that could have a short-term impact.

(continued below)

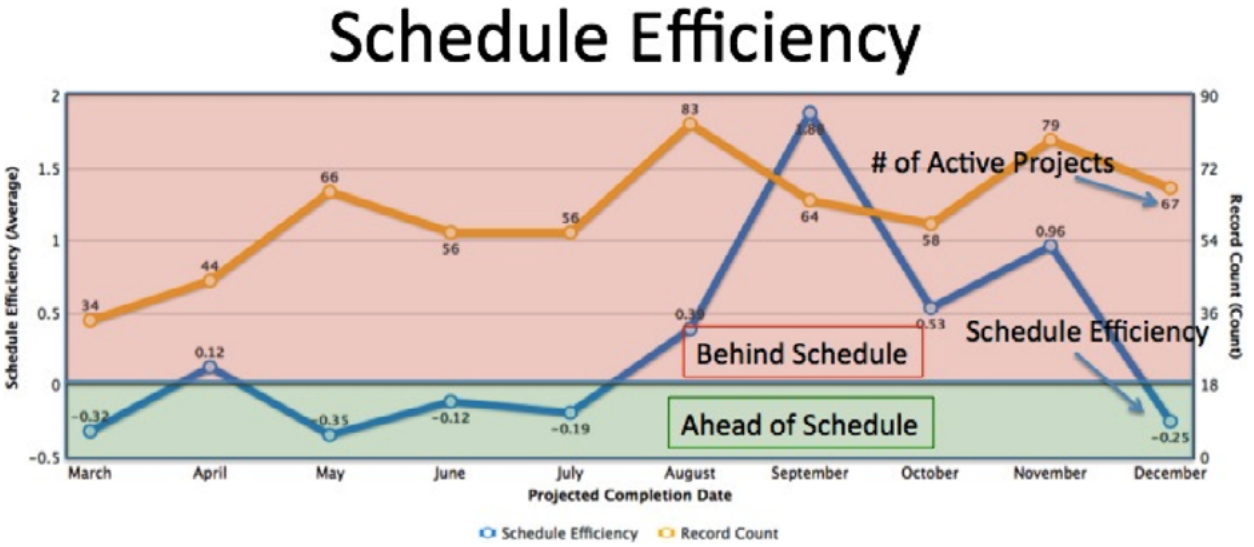


Operational KPIs

Two of the most interesting KPIs we track across all of our client project work are Schedule Efficiency and Cost Efficiency. These KPIs are expressed as percentage comparisons.

- Schedule Efficiency: Time (days) required to actually complete a project vs original plan
- Cost Efficiency: Total Hours required to complete all project tasks vs the sum of the original estimates for all project tasks

A quick glance at these KPIs shows that, for our client work in 2015, our ability to stay on schedule was impacted in late summer by an increase in the number of active projects happening at the time. We worked on improving that in the fall such that by the end of the year, our schedule efficiency was back in the green, as seen in the figure below.



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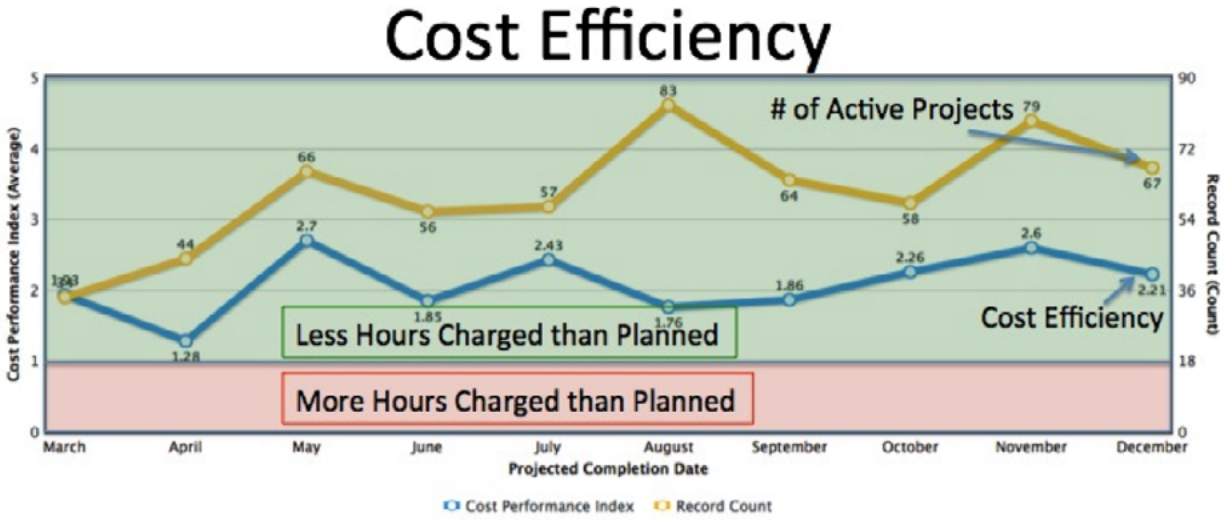
When looking at how our teams performed on estimating vs. actual project hours in 2015, we found a similar, but overall better trend: while our total project hours always able to come in under the original estimates, during the heavier load in the summer, we were not as efficient as in other times during the year, as shown below.



Summary
We have found that the combination of:

- Best practices related to team dynamics (e.g., seating UX together), and using the right PM tools
- Managing projects in a transparent, consistent manner
- Use of deep data to analyze and improve team performance

has resulted in major improvements for our Client teams to consistently deliver quality and efficient performance over a sustained period of time. We feel that our use of data in this regard is actually just beginning, and that there are more levels we can get into, to get further improvement over time.

About the Author: *Mike Moskowitz has responsibility for creative, front end development, marketing operations, and program management for Leapfrog, and is focused on ensuring all client-related marketing operations are of the highest quality, delivered to schedule (or better). Prior to joining Leapfrog, Mike headed program management for frog design in San Francisco, and prior to that, was senior director, program management for Sony Entertainment Network (Playstation). Mike holds a PhD in Electrical Engineering from Dartmouth College.*