

The PMO Dissected: What Makes It Tick?

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AGENDA

- What is a PMO – Foundation
 - PMI's 3 P's (Portfolio, Program, Project)
- What is a PMO – Next Steps
 - Where does a PMO Start?
 - Why set up a PMO?
 - When to use a PMO?
 - PMO Value Proposition
- Lessons Learned
- Best Practices
- Closing thoughts – Q & A's



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PROJECT MANAGEMENT SOLUTIONS

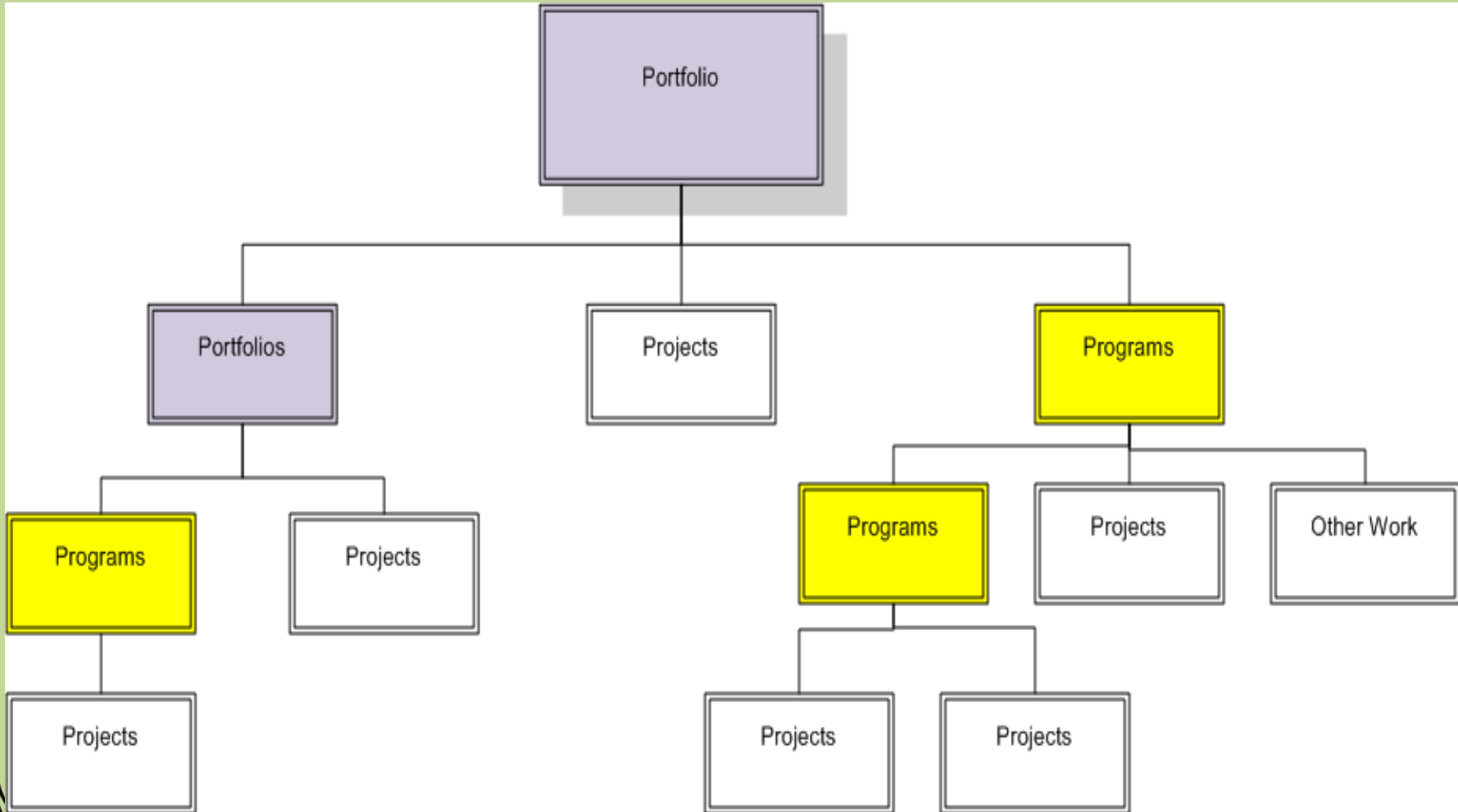
WHAT IS A PMO? - FOUNDATION



What a PMO Is NOT

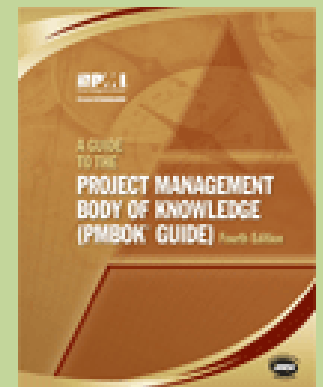
- It is NOT a parking lot for resource charges!
- It is NOT a gathering of disinterested project managers, sponsors and stakeholders!
- It is NOT a police state!
- It is NOT an administrative burden!
- It is NOT a joke!!

High Level Overview



Project PMO

- An organizational body or entity assigned various responsibilities related to the centralized coordinated management of those projects under its domain.
 - providing project management support functions
 - actually being responsible for the direct management of a project



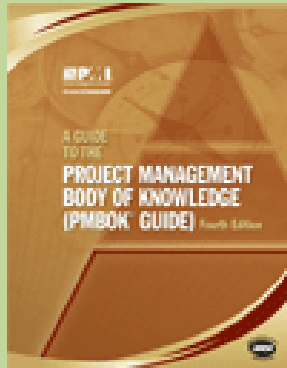
Project Management

Five Processes

- Initiating
- Planning
- Executing
- Monitoring & Controlling
- Closing

Nine Knowledge Areas

- Project Integration Management
- Project Scope Management
- Project Time Management
- Project Cost Management
- Project Quality Management
- Project Human Resource Management
- Project Communications Management
- Project Risk Management
- Project Procurement Management



Program PMO

- The centralized management of a particular program or programs
- Corporate benefit is realized by the sharing of:
 - resources,
 - methodologies,
 - tools, and techniques,
 - related high-level project management focus



Program Management

Five Processes

- Initiating
- Planning
- Executing
- Monitoring & Controlling
- Closing

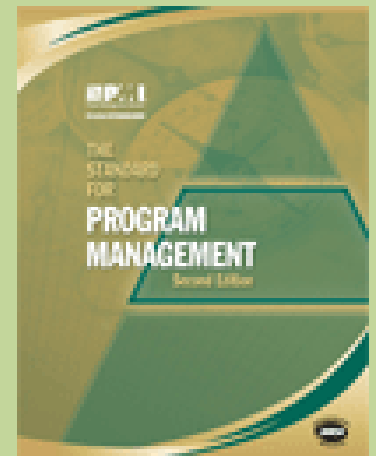
Nine Knowledge Areas

- Program Integration Management
- Program Scope Management
- Program Time Management
- Program Communication Management
- Program Risk Management
- Program Procurement Management
- ***Program Financial Management***
- ***Program Stakeholder Management***
- ***Program Governance***



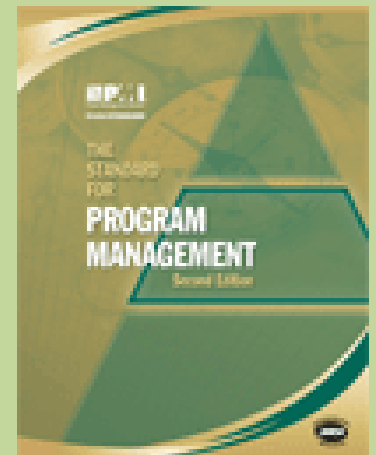
Program Financial Management

- Establish program financial framework
- Develop program financial plan
- Estimate program costs
- Budget program costs
- Monitor and control program financials



Program Stakeholder Management

- Plan Program Stakeholder Management
- Identify program stakeholders
- Engage program stakeholders
- Manage program stakeholder expectations



Program Governance

- Plan & establish program governance structure
- Plan for audits
- Plan program quality
- Approve component initiation
- Provide governance oversight
- Manage program benefits
- Monitor & control program changes
- Approve component transition



Portfolio Management

- A centralized organization dedicated to improving the practice and results of project management.
- Choosing the right project mix
- Linking the Executive Team's strategies to current and planned projects
- Managing the project portfolio correctly
- Measuring the PMO to tangibly improve project performance relative to the Executive's strategic goals



Portfolio Management

Two Processes

- Aligning
- Monitoring & Controlling

Two Knowledge Areas

- Portfolio Governance
- Portfolio Risk Management



Portfolio Governance

Aligning

- Identify components
- Categorize components
- Evaluate components
- Select components
- Prioritize components
- Balance portfolio
- Communicate portfolio adjustment
- Authorize components



Monitoring & Controlling

- Review and report portfolio performance
- Monitor business strategy changes

Portfolio Risk Management

Aligning

- Identify portfolio risks
- Analyze portfolio risks
- Develop portfolio risk responses



Monitoring & Controlling

- Monitor and control portfolio risks

Comparative Overview

*	PROJECTS	PROGRAMS	PORTFOLIOS
Scope	Projects have defined objectives. Scope is progressively elaborated throughout the project life cycle.	Programs have a large scope and provide more significant benefits.	Portfolios have a business scope that changes with the strategic goals of the organization.
Change	Project managers expect change and implement processes to keep change managed and controlled.	The program manager must expect change from both inside and outside the program and be prepared to manage it.	Portfolio managers continually monitor changes in the broad environment.
Planning	Project managers progressively elaborate high-level information into detailed plans throughout the project life cycle.	Program managers develop the overall program plan and create high-level plans to guide detailed planning at the component level.	Portfolio managers create and maintain necessary processes and communication relative to the aggregate portfolio.

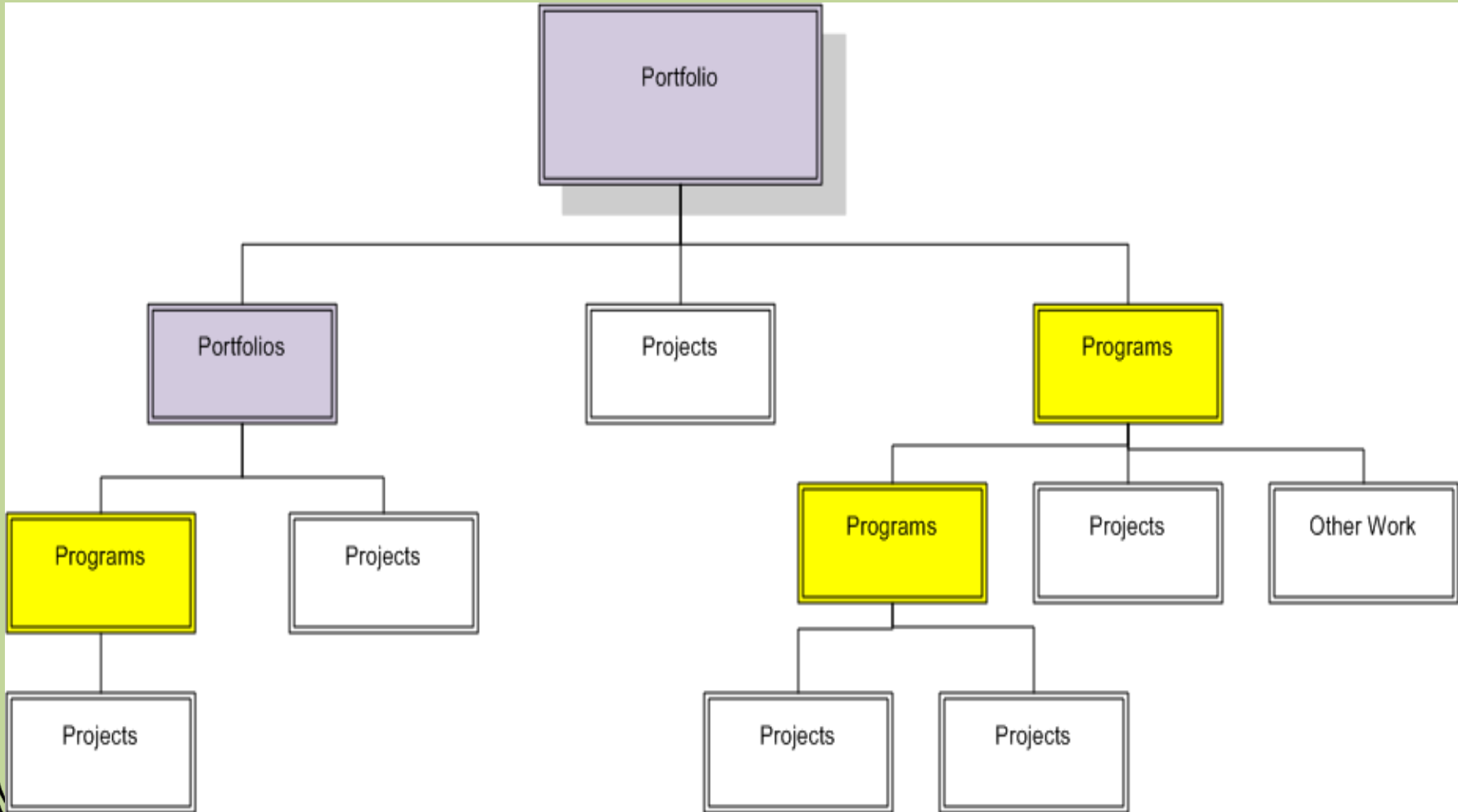
Comparative Overview

*	PROJECTS	PROGRAMS	PORTFOLIOS
Management	Project managers manage the project team to meet the project objectives.	Program managers manage the program staff and the project managers; they provide vision and overall leadership.	Portfolio managers may manage or coordinate portfolio management staff.
Success	Success is measured by product and project quality, timeliness, budget compliance, and degree of customer satisfaction	Success is measured by the degree to which the program satisfies the needs and benefits for which it was undertaken.	Success is measured in terms of aggregate performance of portfolio components.
Monitoring	Project managers monitor and control the work of producing the products, services or results that the project was undertaken to produce.	Program managers monitor the progress of program components to ensure the overall goals, schedules, budget, and benefits of the program will be met	Portfolio managers monitor aggregate performance and value indicators.

WHAT IS A PMO? – NEXT STEPS



High Level Overview



Data Overload?



Where do we start?

Many project opportunities –
Which one to address first?

Where Does a PMO Start?

- It all depends on where the pain is!
- Selecting the right entry level for a PMO
- Acute Resource Overload.
- But what if it all hurts?!?
- Where to Start:
 - Developing sound project management practices & methodologies.
 - Group projects into portfolios, and start prioritizing them.
 - Finally, learn to plan the resources.

Why Set Up A PMO?

- Scope keeps changing throughout your projects – Extra expertise is necessary to manage this change
- The company is managing multiple projects with one resource pool.
- Projects continue to fail or come in over budget / behind schedule / out of scope.
- It is necessary to provide consolidated reports and metrics across all projects

When To Use A PMO?

- It is necessary to provide a single source for communications to the client or clients
- Time to market – Whenever time to market is a critical factor in completing the program or projects
- Diverse geographic locations – Whenever services are being implemented across diverse geographic regions
- Limited resources – Whenever limited resources need to accomplish multiple tasks

PMO Value Proposition

- Standardized approach to project management methodology with standardized forms and templates
- Provides a single point of contact for project data
- Provides consulting to match business goals with appropriate technology solutions.
- Provides increased resource utilization helping to balance the workload of project managers and project team members across all projects.
- Reduced costs through elimination of redundant deliverables.



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PMO Value Proposition

- Manage and enforce project priorities.
- Provide a central, customer-focused care for the concerns of the client, sponsor and stakeholders.
- Provide project metrics and a project dashboard or scoreboard.
- Ensure projects are on time and within budget by providing objective accountability and review at every stage, from initiating to closing.
- A central point of control and communications for issues and risks across all projects.
- Increase communication and coordination across projects.

Web Based Tool

- The ideal web based tool would provide for:
 - The ability to discuss and solve issues
 - The ability to share documents with version control, check in and out, and full history
 - A master project template which can be duplicated for each project complete with all project document templates, toolkits, schedules, checklists, and a consistent project process
 - A project documentation library allowing project team members to update and share information pulling from best practices and adding to lessons learned

KEEP IT SIMPLE and USABLE

Web Based Tool - 2

- The ideal web based tool would provide for:
 - An area to post and update project tasks in real-time.
 - The ability to consolidate the information from multiple projects, provide mentoring for improvement, and highlight best practices.
 - Project scheduling, resource allocation and variance reporting.
 - Real-time status, indicators, and reports on all projects in a Project Portfolio format

KEEP IT SIMPLE and USABLE

LESSONS LEARNED



Why PMOs Fail

- The PMO did not define its value proposition.
- The PMO is not perceived as impacting project delivery abilities.
- The PMO is too low in the management reporting structure.
- The PMO does not have buy-in from the senior functional managers.
- Project Management Overhead – the bad PMO acronym.
- The PMO is micromanaging – trying to control every project directly.

Pitfalls to Avoid

- Stay away from anything that makes the PMO be perceived as too authoritative.
- Do not get bogged down in complex methodologies, forced tools and templates or complex software implementations.
- Do not worry too much about becoming perfect in collecting project costs data.
- Focus on top project risks.

Pitfalls to Avoid

- The PMO should be aware that everyone will not be successful.
- The PMO should be careful not to overlook delivery successes everywhere, as more and more successes occur.
- The work environment should be as safe as it can be to report bad news.
- Most PMOs are funded at a 50 to 80% level of what they actually need to operate.

PMO BEST PRACTICES



PMO Best Practices

- **Strategic Goals:**
 - Organization (State)
 - Division (Agency)
 - Department (Division/Department)
- **Accountability:**
 - Clear documentation
 - Clear and consistent consequences of non-compliance
- **Schedules:**
 - Master list of project milestones , including key deployments
 - Standard approach/tool



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PMO Best Practices

- **Web Repository:**

- Project information easily accessible to management, stakeholders, and project team.

- **Stakeholder Management:**

- Identification of the “right stakeholders”

- Timely communications with stakeholders throughout project

- Conduct monthly stakeholder meetings to review status, risks, and required project change controls.

PMO Best Practices

- **Resource Management:**
 - Clear understanding of task responsibilities
 - Effective resource tracking system
 - Understanding of when key resources are needed
- **Risk Management:**
 - Early identification of potential risks
 - Early identification of how risk impact/probability will be identified – Risk Matrix
 - Continuous review of risks throughout life of project / program



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PMO Best Practices

- **Metrics:**

- Clear definition of how will the reports will look
- What consistent information will be reported
- Frequency of reports and executive review meetings

- **Training:**

- “Just In Time” project management training that is required “to do the job”
- Defer general unnecessary training.



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PMO Best Practices

- **LEADERSHIP:**

- Engaged sponsors and executive committees
- The project manager has the power of authority to move the project through completion.

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LEADERSHIP LEADERSHIP

CLOSING THOUGHTS



Key PMO Principles

- **Passion** – it keeps the design alive within us
- **People** – it's people who do the work of a project, make decisions about projects, and ask questions about projects.
- **Politics** – is really about influence, negotiation, power, and autonomy.
- **Process** – it is about creating, using and following processes.

Key PMO Principles - 2

- **Potential** – forwarding looking part of the process.
- **Performance** – where we review how well our projects are executing according to their plans.
- **Payback** – about projects making good on the cost/benefit presented when they were authorized to forward and implement.

Final Thought

KEEP IT AS SIMPLE AS POSSIBLE

Q & A's

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