



5 STEPS TO BUILD YOUR MOST EFFICIENT PMO

PMOs are very powerful groups or departments that, if set up correctly, can dramatically improve the overall project and project portfolio performance.

If you were to ask 10 different managers, “What do you want from your project management organization (PMO)?” you’d likely get 10 very different answers. Managers may want their PMO to have the horsepower of a Ferrari sports car, but realistically might be better suited with the average sedan. The Ferrari’s ability to go 0-60 in 3 seconds quickly becomes irrelevant if the buyer’s needs include taking the kids to soccer practice and hauling groceries - just as an advanced PMO structure is an ill fit for a start-up company.

So what are your project management needs and where do you start? This guide will take you through 5 steps that will help you tailor your PMO to meet your organizational needs, without draining your resources.

» STEP 1: UNDERSTAND YOUR OBJECTIVES

Planning a successful PMO is not unlike planning any other project; you must first understand what the PMO is trying to fix.

- Will it provide project management (PM) resources?
- Will it be a standalone organizational asset?
- Will it simply monitor the project portfolio?
- Will it assist in controlling the execution of the portfolio and its various projects?

» STEP 2: REALIZE YOUR PAIN POINTS

Ask yourself, “What are my greatest pain points?” Begin to evaluate and identify the underlying problems or issues that your projects consistently experience. Are your projects succeeding? For example, are they meeting their project goals and objectives (technical, cost, or schedule)? If the projects are successful, do you struggle to know whether you have the right mix of projects to meet your corporate objectives and support your strategic goals?

Monitoring project and portfolio performance can be challenging, especially if the projects are not centrally controlled. Pain points resulting from poor project and portfolio execution can stem from a number of sources: poor or inconsistent project management application, overloaded resources (too many projects, insufficient capacity), constantly changing portfolio priorities, or simply poor project selection. The right PMO should be structured to identify and resolve these immediate pain issues.

» STEP 3: ASSESS YOUR ASSETS

Now that you understand what hurts, the next step is to determine the right treatment. A great starting point is an assessment of your current organizational assets – what do you have vs. what do you need?

A key element of your organizational assessment is to understand what can be reasonably accomplished. Think about the two-seater Ferrari. It would be foolish to try to transform it into a family sedan. An honest assessment of organizational strengths and weaknesses must include setting reasonable and achievable goals. Understanding what you have to work with, and more importantly where you want to go, will make building the PMO you want much easier and more straightforward.

A common way to answer these questions is to assess the maturity of your PM community. Several methods exist to help you gauge your capabilities compared to PM best practices. Most of these assessments concentrate on three basic themes:



The strength of your PM processes



The availability & usefulness of your PM tools



The authority & accountability of your PMs

» STEP 4: IDENTIFY YOUR PMO MODEL

PMO success comes in all shapes and sizes, from the simple management of a few resource assignments or projects to full-fledged project portfolio integration, planning, and control. The most advanced PMOs integrate Resource Management across multiple functional and geographical areas to truly deliver robust, consistent project results. Based on how your organization is structured and what is ultimately deemed feasible will determine how the PMO takes shape.

Determine which of the three typical PMO models fit your organization best and choose the model that most closely aligns with goals, resources, and management:



Project Repository

Knowledge Focused
Source of Information & Standards



Project Coach

PM Focused
Support PM Practices



Enterprise PMO

Business Focused
Manage PM

“ The most advanced PMOs integrate Resource Management across multiple functions and geographical areas to deliver **robust, consistent project results.** ”



Project Management Repository

In this model, the PMO mainly serves basic logistical functions. It is a source of information and advice on PM theory, and it maintains the organization's PM methodology and standards.

Additionally, this model maintains best practices and tools in a central repository for sharing within the organization.

In the project repository model, the PMO often coordinates the selection, deployment, and training for the PM tool set. The risk is that the PMO is often construed as a support organization rather than as a source of PM expertise. This model is most effectively demonstrated in IT organizations.



Project Coach

In this model, the PMO's mission can be tactical or administrative in nature. Its focus shifts from simply managing practices and tools to actively improving and enhancing project management

practices and project results. Its chief goal is to assist project managers in achieving the project goals. It does this by providing qualified PMs to the organization as well as training and mentoring new ones. The PMO can also serve as a home base for the PMO core team and creates potential PM career paths within the organization.

In some instances, the PMO may provide assistance to rescue troubled projects, enabling a small pool of PM Subject Matter Experts (SME) to support troubled projects. This support can take many forms including consulting services or direct PM engagement. In many cases, the PMO is also considered a mandatory reviewer at project stage gate reviews. This practice not only provides expert review and support, but it also helps ensure the consistent application of PM methodology and best practices. This practice is often a transition step in evolving to the next PMO model.



Enterprise PMO

This model is the full-service PMO structure. Its mission migrates from the tactical into the strategic. It provides direct management or oversight of projects and supports enterprise

portfolio management. In this role, the PMO is responsible for leading the selection of the right project mix and ensuring portfolio alignment to strategic and corporate objectives.

In the enterprise model, PMs are staffed within the PMO and assigned out to projects as needed. The PMO also serves to coordinate Resource Management among the functional areas involved in portfolio projects. Organizations using the enterprise model must beware of resistance to the PMs residing outside functional areas and must work hard to maintain cooperative relationships across all departments.

» STEP 5: LAUNCH YOUR PMO SMALL & STEADY

Many PMO implementation efforts tend to load up on process and infrastructure right from the start, burdening the PMs with cumbersome and overly bureaucratic processes and systems. In many cases this approach fails to achieve the desired organizational impacts.

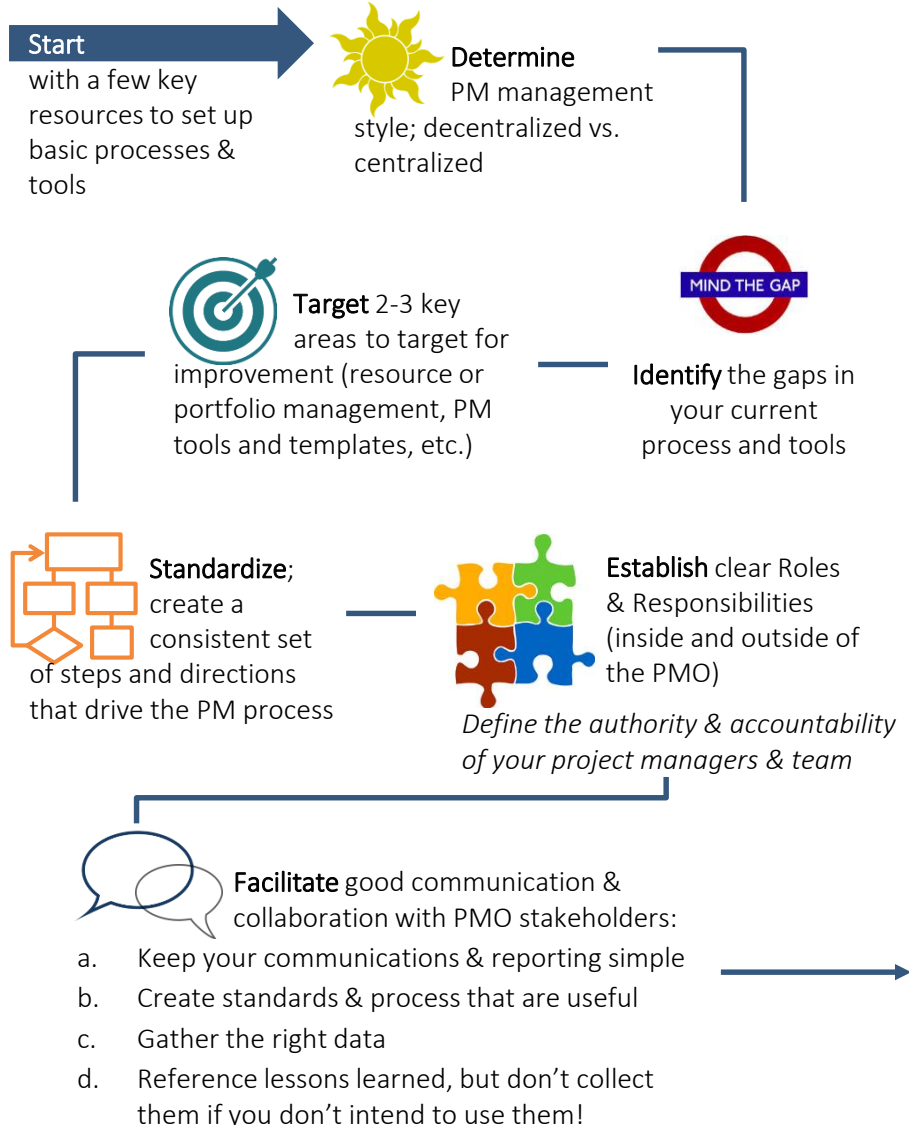
An alternate approach is to start small with minor changes and quick wins and then grow from success.

Think about good football teams. They don't implement a playbook at the start of spring practice. Instead, they focus on the fundamentals, blocking and tackling, and sprinkle in some basic plays. They build on that foundation over time and by the start of the season they have installed and reinforced a complete and robust playbook. Even if the team has experienced players, a wise coach knows to start building at the level of his lowest rookie. A business organization and a football team are similar in that they are only as good as their weakest members.

Effective PMO implementation focuses on key fundamentals and immediate needs and then builds on them as it moves forward.



A slow and steady approach:



Start [implementing your PMO with] small with minor changes and quick wins and then **grow from success.**





A slow and steady approach:



Focus on & Execute Change Management

- a. Once the basic processes are defined, focus on training & compliance
- b. Balance progression with decisive leadership, consistency, & cadence to deliver portfolio predictability



Evolve in a planned & controlled manner

- a. Give the PMO time to evaluate and incorporate lessons learned
- b. Constantly add value by looking for process improvement
- c. Document and share Best Practices
- d. Develop the PMs through training, coaching, and mentoring

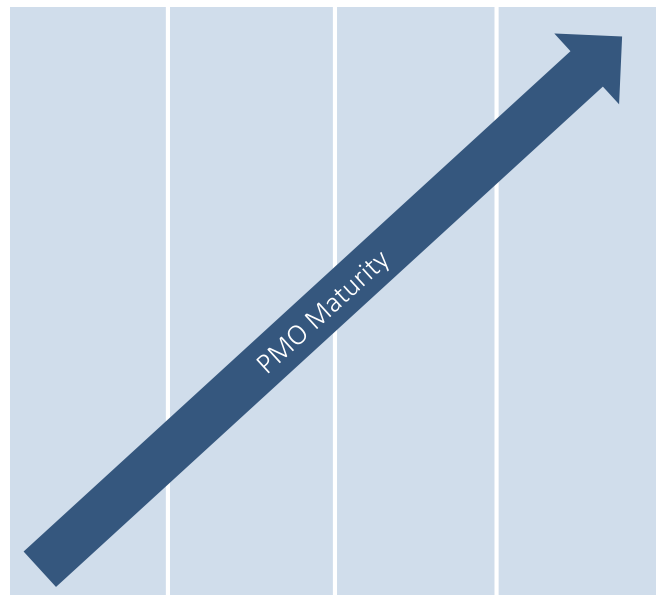
Designing and implementing the right PMO for your organization is no small undertaking. It requires a disciplined approach that balances people, processes, and tools, not to mention time. The reality is that it might take a few years to achieve your desired maturity level, so don't get ahead of yourself. Exercise patience. It will all be worth it as you begin to actualize your competitive advantage.



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PMO Model



Standardize Measure Control Improve

Process Improvement

ABOUT IPM

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