The Effective Role of a Project Management Office

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PMI Zimbabwe Chapter

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What is a PMO?

- A project management office (PMO) is a group — internal or external to a company — that sets, maintains and ensures standards for project management across that organization. They're the keepers of best practices, project status and direction — all in one spot.

- *https://www.cio.com/article/2441862/what-is-a-project-management-office-pmo-and-do-you-need-one.html*
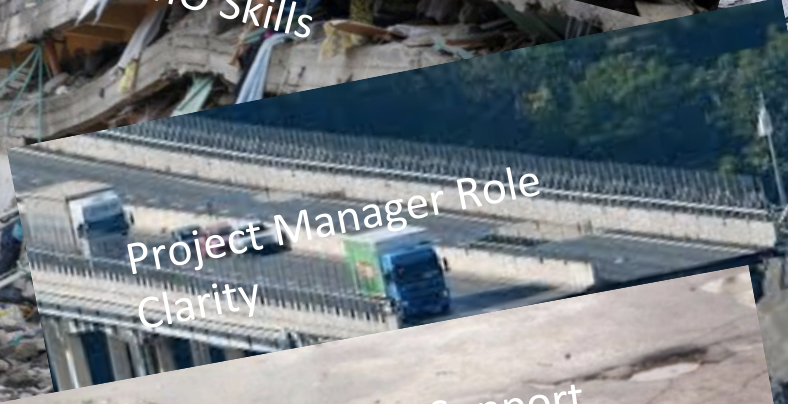
Resource Wastage

Lack of Strategy Alignment

Weak PMO Skills

Process Inconsistencies

Project Manager Role Clarity

Lack of Executive Support

Weak Project Governance

Problem 1: Lack of Strategy Alignment

Too many organizations have no way of knowing whether projects are aligned to strategy—and, indeed, whether they should have been given the green light in the first place. And that simply doesn't cut it anymore.

Parsi, N. (2015). The brave new PMO frontier: project management offices are gaining traction in industries you wouldn't expect. PM Network, 29(9), 48–55.

Problem 2: High Levels of Resource Wastage

Too much money is being wasted on poor project performance, for many reasons:

1. Organizations fail to bridge the gap between strategy design and delivery.

2. Executives don't recognize that strategy is delivered through projects.

3. The essential importance of project management as the driver of an organization's strategy isn't fully realized

"Success in Disruptive Times" PMI's Pulse of the Profession 2018

Problem 3: Process Inconsistencies

As projects multiply within an organization, so do the chances of project polyglot: each speaking its own language, doing its own thing. A PMO helps break down silos and departmental boundaries.

Greengard, S. (2013). No PMO? Know when you need one. PM Network, 27(12), 44–49.

Problem 4: Lack of Executive Support and Understanding

- Executive support for/understanding of projects is lacking in many organizations, and there is a high correlation between lack of clear project sponsorship and failure.

- *https://www.pmsolutions.com/resources/view/how-can-a-pmo-prevent-strategic-project-failures/*

Problem 5: Weak Project Governance

Misconceptions of the requirements of setting up PMOs, their roles, how they should integrate and interface with the rest of the organization, their governance, and working mechanics are commonplace in organizations that are striving to achieve Organizational Project, Program, and Portfolio Maturity (OPM).

- *Aziz, E. E. (2014). The PMO: your key to strategy execution and results delivery. Paper presented at PMI® Global Congress 2014—EMEA, Dubai, United Arab Emirates. Newtown Square, PA: Project Management Institute.*

Problem 6: Lack of Project Management Office Skills

Projects and programmes are the core of any organisation's strategic initiatives – they are how change happens. Having the talent to implement those initiatives successfully is the critical capability that gives organisations a competitive advantage to navigate through necessary change. Excellence in managing the talent is a key to unlocking that capability.
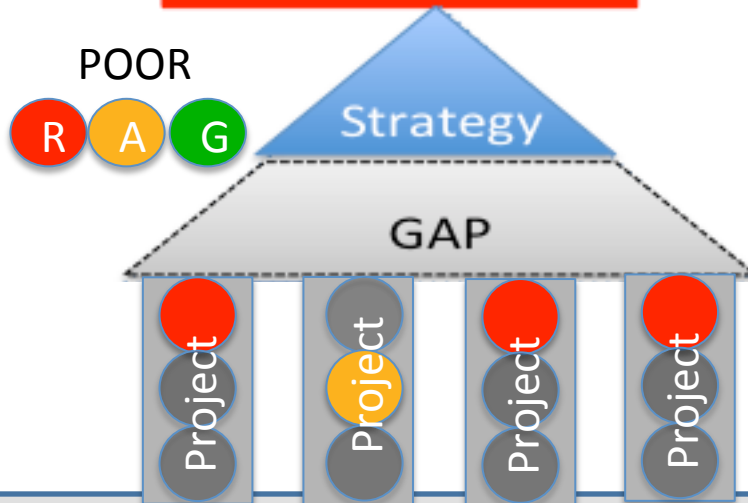
- *Driving business performance: Project Management Survey 2017 - kpmg.com/nz*
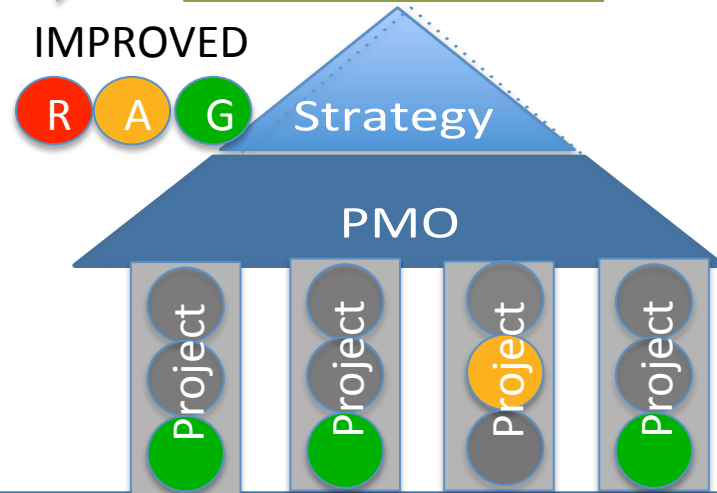
Problem 7: Project Manager

- Technologists are often forced into an unwanted manager role. Technical project managers tend to focus more on details, while business project managers are more concerned with business results. Ideally, a balance between the two is required, determined by the project type, organization culture and systems. Confusion would be averted if the various, and very different, roles related to project manager were not all referred to as "project managers."
- *Crawford, J. K. (2006). Why project managers fail—and how to help them succeed! Paper presented at PMI® Global Congress 2006*

Value of PMO

BEFORE PMO SET-UP

AFTER PMO SET-UP

POOR

IMPROVED

R A G

R A G

Strategy

Strategy

GAP

PMO

Project | Project | Project | Project

Project | Project | Project | Project

PROJECT PERFORMANCE PROBLEMS:
1. Lack of strategy alignment and prioritisation
2. High levels of resource wastage due to project congestion.
3. Process inconsistencies across the project portfolio
4. Lack of Executive Support and Understanding
5. Weak project governance
6. Project Manager Role clarity
7. Lack of PMO Skills

KEY SUCCESS FACTORS:
1. Projects are aligned to business strategy and and are prioritised
2. Optimum resource allocation and performance
3. Standardised PM methodology
4. Leadership visibility and support
5. Well defined, repeatable project governance framework
6. Well defined PM role
7. Competency development and mentoring

PMO Names

Portfolio Management Office

Program Management Office

Strategic Project Management Office

Enterprise Project Management Office

Project Office

Project Support Office

Project Department

Center for Excellence

The Value of the EPMO

- By supporting the implementation of strategic programs, PMOs play a crucial role in delivering organizational value.

- Organizations that have a PMO with a broader business-wide responsibility, such as the EPMO, are closest to delivering such value.

- *'The High Cost of Low Performance,' PMI's Pulse of the Profession, 2016*

PMO Levels
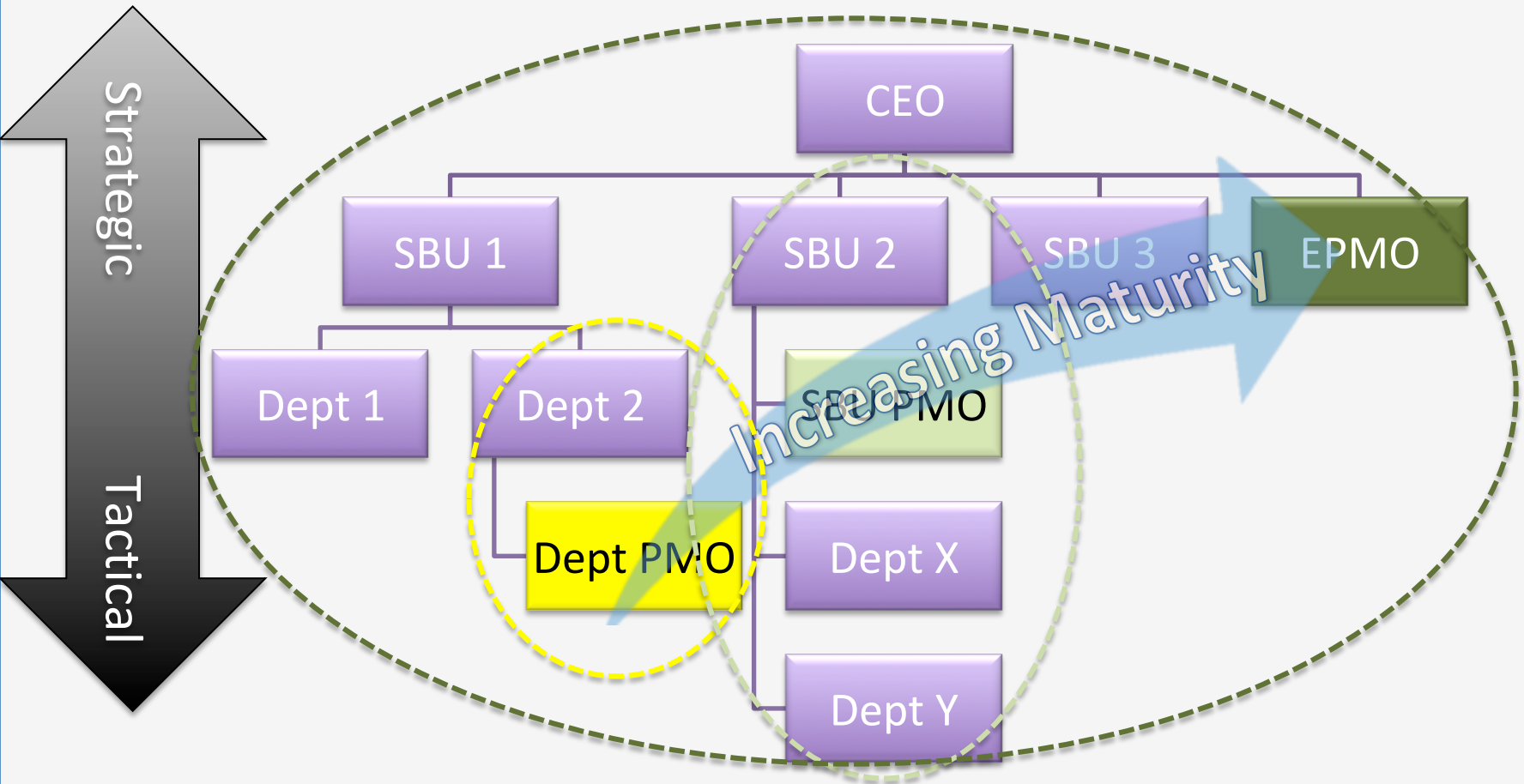
EPMO: Purpose and Objectives

Achieve excellence in Project Management

- Foster a supporting culture that establishes Project Management as a **core business process** and translates into successful projects

Build Project Management professionalism among project practitioners

- Mentor, train, and guide the project managers and teams as they learn and then adopt project management **best practices** in their projects.

Keep Exco and SBU management teams and project management practitioners informed.

- Communicate project performance through **continual monitoring and evaluation and enterprise-level reports**, and assess and report on progress at institutionalising Project Management.

Serve as an enterprise's Center of Excellence for Project Management
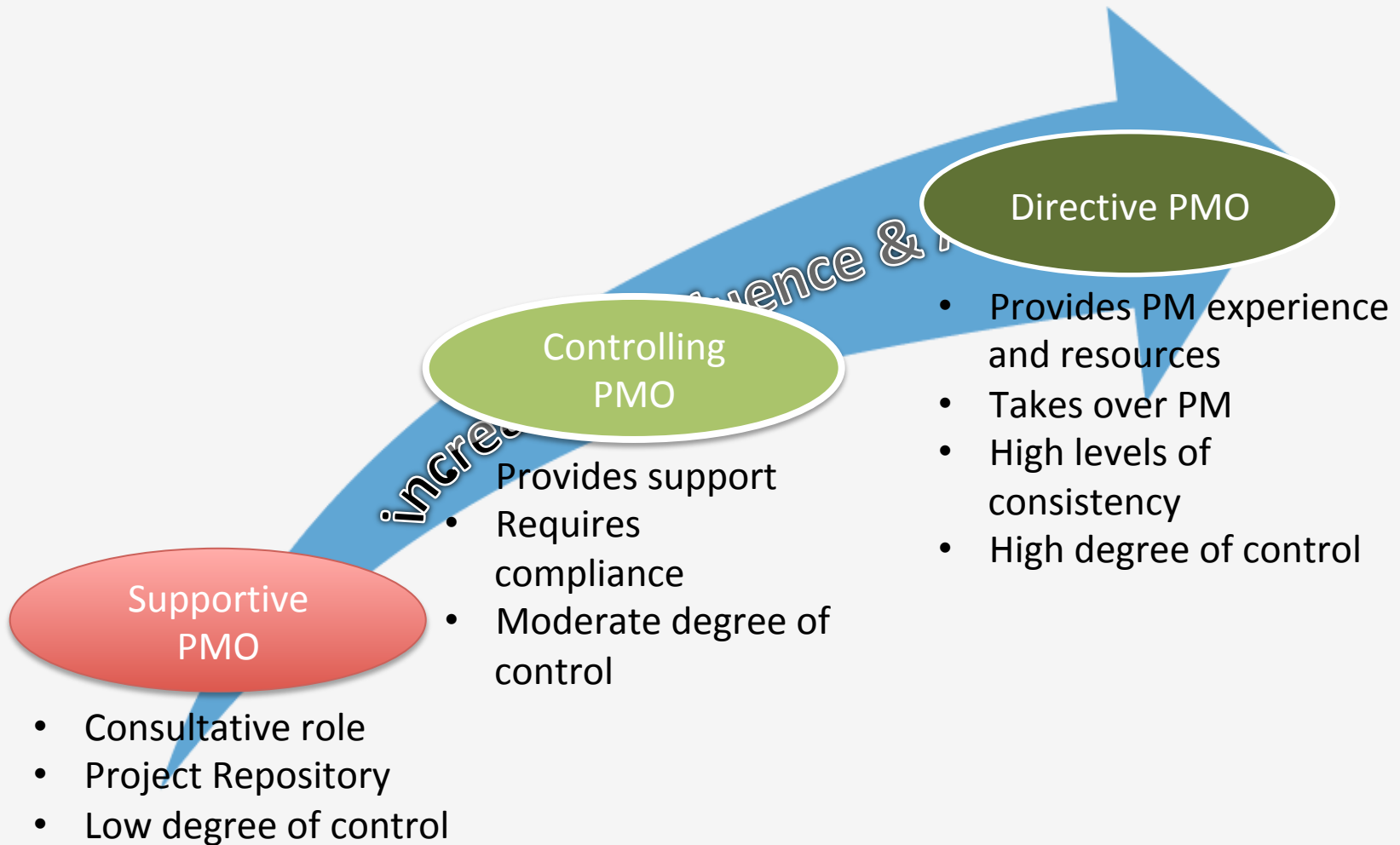
- Set the standard: provide the expertise, processes, and tools; and function as the **resident advocate and model** for good project Management practices.
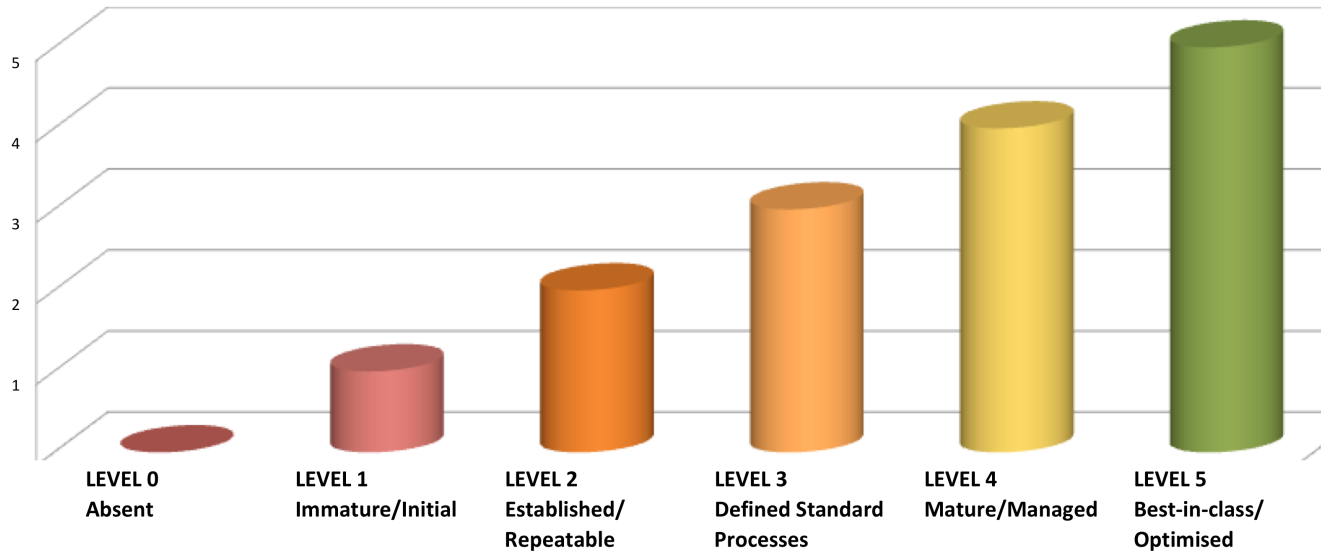
EPMO Benefits

Benefits of setting up an EPMO, *inter alia*:-
- ✓ Deliver projects with predictable consistency, efficiency and success
- ✓ Provide transparent status and financial reporting to executive leadership
- ✓ Establish foundation for managing organisational portfolio effectively
- ✓ Alignment of investment to organizational strategy
- ✓ Improve stakeholder satisfaction
- ✓ Improve employee productivity
- ✓ Implement standard practices
- ✓ Long-term cost savings through improved resource management, limited project failures and effective execution of high return on investment (ROI) initiatives

PMO TYPES

Directive PMO

increase [influence & ...]

Controlling PMO

- Provides PM experience and resources
- Takes over PM
- High levels of consistency
- High degree of control

Supportive PMO

- Provides support
- Requires compliance
- Moderate degree of control

- Consultative role
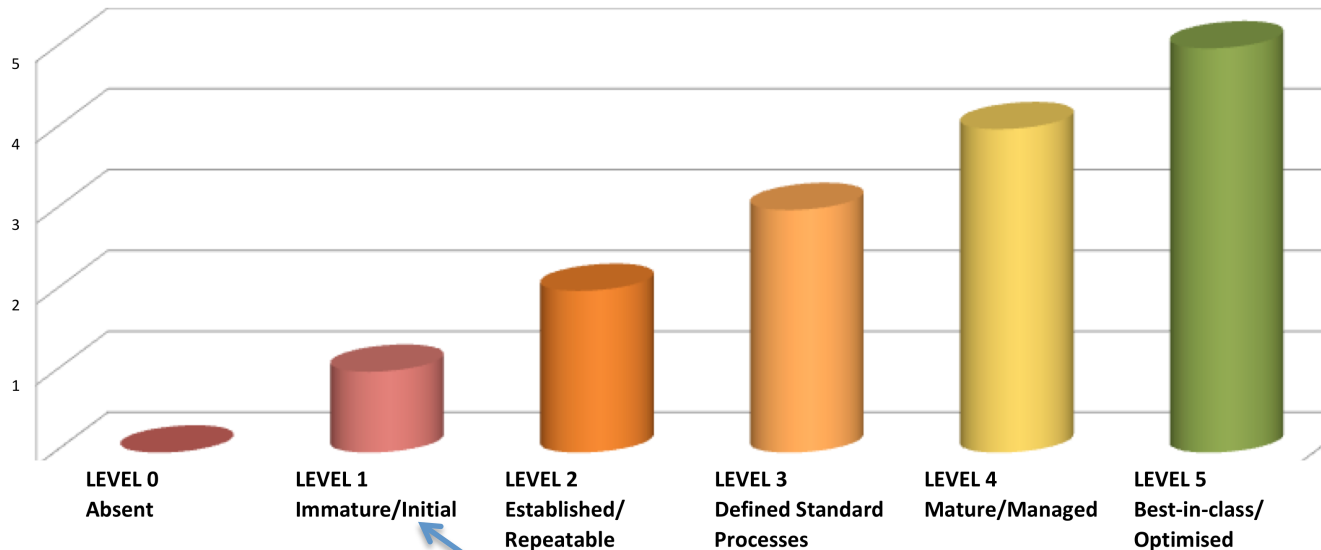- Project Repository
- Low degree of control

PMO Maturity – Level 0 Absent

No identifiable PMO operating.No influence on project success

PMO Maturity – Level 1 Immature/ Initial

A PMO is identifiable but, in general, processes are inconsistent, project data is not collected/used and reporting is broadly qualitative. Has little influence on project success

PMO Maturity – Level 2 Established/ Repeatable
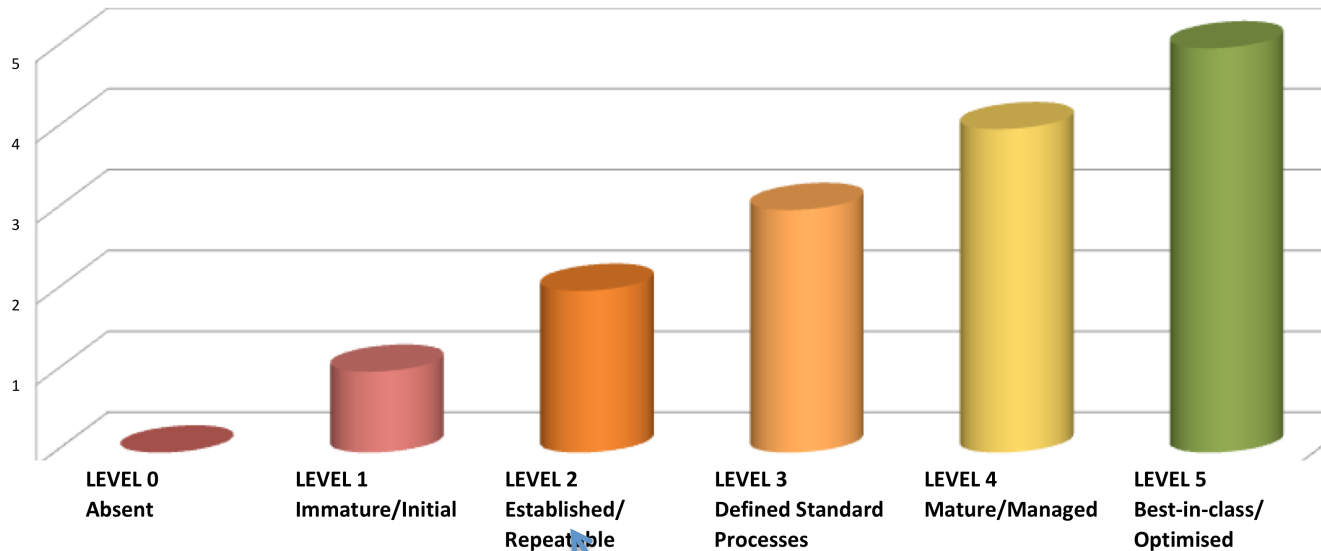
A recognised PMO is operating but needs improvement. Some processes have consistency, some project data is collected but little of it is analysed and reporting is still primarily commentary based. Plays a limited role in project success

PMO Maturity – Level 3 Defined Standard Processes
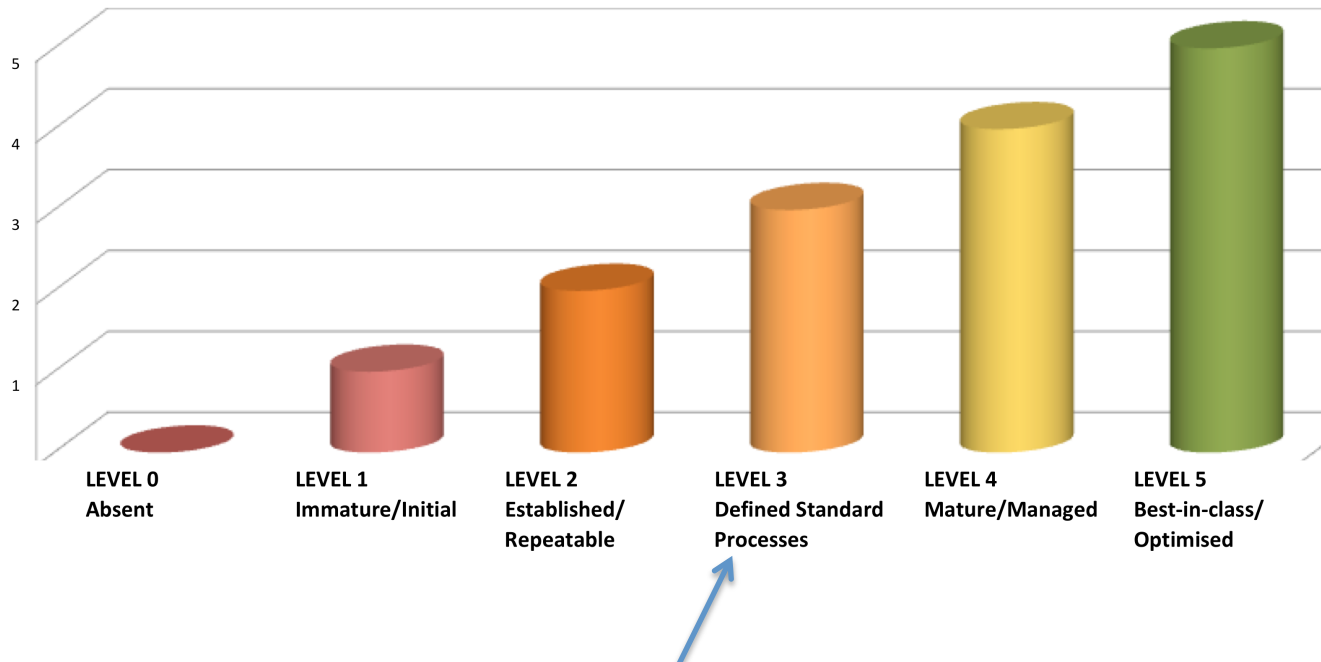
A solid PMO which experiences more success than failures. Most processes have consistency, most project data is collected but only basic analytics are done and reporting has introduced some metrics. Plays a role in some project successes (and failures).

PMO Maturity – Level 4 Mature/ Managed
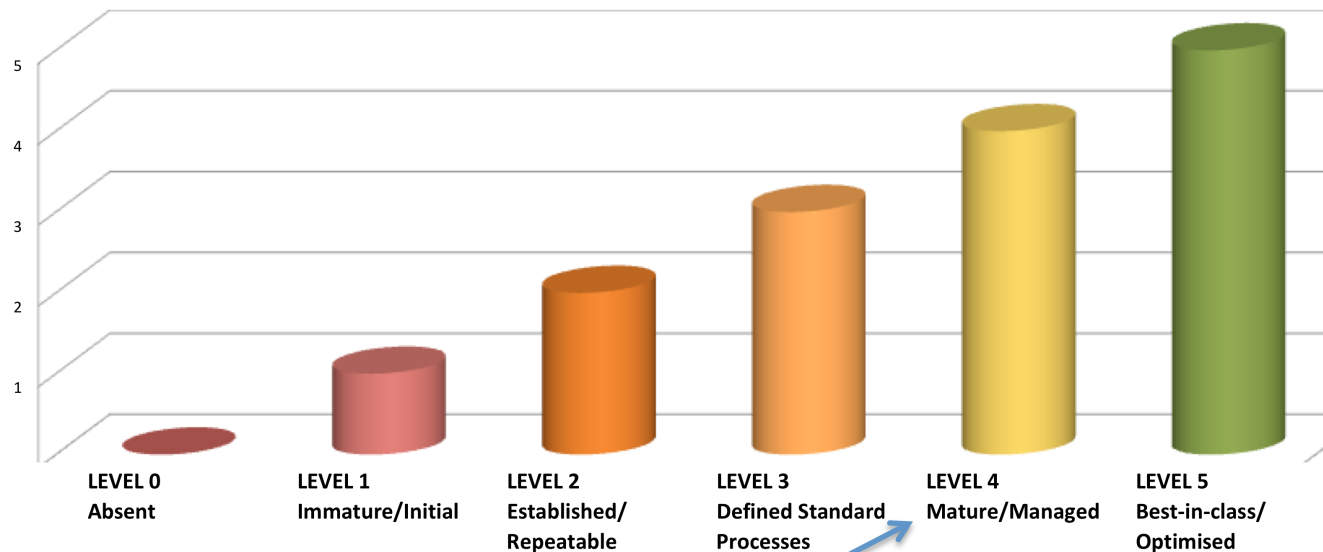
A very successful PMO which has good sponsorship. All core processes are consistent, all key project data is collected, solid analytics are undertaken and reporting is primarily data-driven. Plays an important role in the success of the project environment.

PMO Maturity – Level 5 Best-in-Class/ Optimised

LEVEL 0
Absent

LEVEL 1
Immature/Initial

LEVEL 2
Established/
Repeatable

LEVEL 3
Defined Standard
Processes

LEVEL 4
Mature/Managed

LEVEL 5
Best-in-class/
Optimised
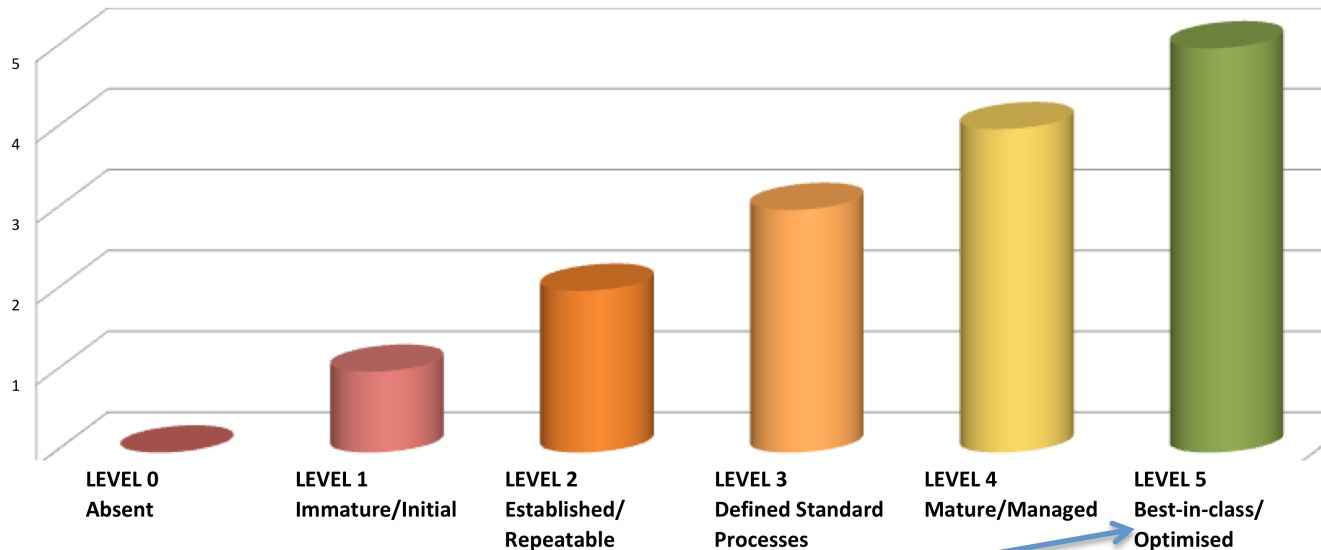
A world-class PMO which has complete sponsorship. All core processes are consistent and continuously improved, all key project data is collected, analytics are comprehensive and reporting is completely data-driven. Plays a critical role in the success of the project environment.

PROJECT MANAGEMENT TALENT TRIANGLE

TECHNICAL
Domain expertise

Agile Practices| Data Gathering and modeling| Earned Value management| Governance| Lifecycle Management| Performance Management| Requirements Management and traceability| Risk Management| Schedule Management| Scope Management| Time, budget and cost estimation|

LEADERSHIP
Competency in guiding and motivating:

Brainstorming| Coaching and mentoring| Conflict Management| Emotional Intelligence| Influencing| Interpersonal skills| Listening| Negotiation| Problem Solving| Team Building|

Technical Project Management

Leadership

Strategic and Business Management
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STRATEGIC AND BUSINESS MANAGEMENT
Business Skills:

Benefits Management and Realization| Business Acumen| Business Models and Structures| Competitive Analysis| Customer Relationship and Satisfaction| Industry Knowledge and Standards| Legal and Regulatory Compliance| Market Awareness and Conditions| Operational functions(e.g. Marketing, Finance)| Strategic Planning, Analysis, Alignment|

Future Topics of Discussion

- Agile PMO

- Strategic Alignment

- Project Prioritisation

PMO Survey

•Does your organisation have a PMO?	
•Title of PMO?	
—Strategic PMO	
—Enterprise PMO	
—Project Portfolio PMO	
—Project Office	
—Project Support Office	
—Other	
•Type of PMO?	
—Supportive PMO	
—Controlling PMO	
—Directive PMO	
•Which competency is prevalent in your PMO (Talent Triangle)?	
—Leadersip	
—Technical Project Management	
—Strategic and Business management	
PMO Leader's Level?	
—Executive	
—Senior Manager	
—Middle Manager	
—Other	