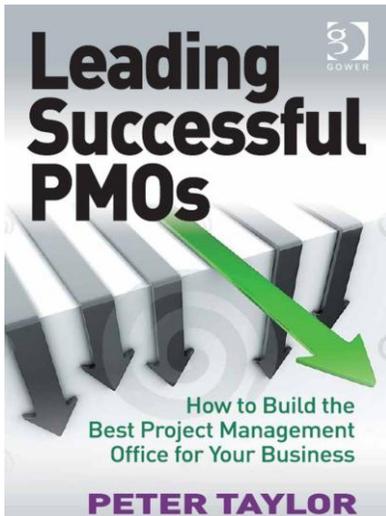# Leading Successful PMOs
by Peter Taylor

Editor's Note: Rarely do we publish items with a promotional angle, but in the case of Peter Taylor, we make exceptions. This article highlights the publishing of Peter's newest book; see the cover image at left. Thanks Peter!

Many organizations profit hugely by utilizing a Project Management Office (PMO), it means they achieve benefits from standardizing and following project management policies, processes, and methods. However, building an effective PMO is a complex process; it requires clear vision and strong leadership so that, over time, it will become the source for guidance, documentation, and metrics related to the practices involved in managing and implementing projects.

Leading Successful PMOs will guide all project based organisations, and project managers who contribute to and benefit from a PMO, towards maximising their project success. In it, Peter Taylor outlines the basics of setting up a PMO and clearly explains how to ensure it will do exactly what you need it to do - the right things, in the right way, in the right order, with the right team.

With a foreword by Chris Walters, Chairman of the PMOSIG, where he states 'Peter's book breaks new ground in looking at the leadership of PMOs' and 'This book reflects on PMO leadership topics based on Peter's extensive experience in inventing and reinventing PMO functions in fast moving organisations. If you need a PMO (which you do, if you deliver projects) and you really care about your business (which I also assume you do), then you need a strong PMO leader. Reading this book will give you a fantastic vision for the role and the person that would fill it'.

The purpose of the PMO

The Project Management Office (PMO) in a business or professional enterprise is the department or group that defines and maintains the standards of process, generally related to project management, within the organization.

- The PMO strives to introduce economies of repetition in the execution of projects.
- The PMO aims to reduce project risk through common practice and quality assurance.
- The PMO links business strategy to project based execution of that strategy.

In a recent survey 'The State of the PMO 2010[1]' research showed that 84% of companies now have a PMO (Project Management Office) in some form to support their project based activity.

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[1] PM Solutions Research. (2010) The State of the PMO 2010. Research report. Glen Mills, PA: PM Solutions www.pmsolutions.com

According to Gartner Industry Research, 'building a Project Management Office (PMO) is a timely competitive tactic' - Further, they believe that "organizations, who establish standards for project management, including a PMO with suitable governance, will experience half the major project cost overruns, delays, and cancellations of those that fail to do so".

What is a PMO?

Project Management is all about doing something (a project) in the right way and the 'right way' is all about method and discipline and quality and control.

Program Management is all about doing those things (the projects) in the right sequence or order.
Portfolio Management is about doing the right things.

Which leaves the PMO; and which you can think of as doing all the above but with the right team (the right things, in the right way, in the right order).

Are all PMOs the same?

A PMO can typically be one of six types from an organizational perspective:

- A Departmental PMO
- A special–purpose PMO
- An Outreaching (Supplier) PMO
- An External (Customer)PMO
- And a model of an Enterprise PMO (internal or external)

There is one view that there are only three PMO types, enterprise, departmental and special-purpose but I believe that what is often forgotten are the organisations that reach outside with their PMOs to external customers to support project managers working alongside and managing customer led projects. If you are a service based company you will certainly recognise this flavour of the PMO. In addition there is the work that such PMOs can get involved in through advising and supporting customer centred PMOs – offering governance, guidance and resources.

So I believe that there are in fact six types that need to be understood or at least appreciated.

A way of looking at this is to consider 'Internal' PMOs – those PMOs that oversee projects that are sanctioned within an organization for self-improvement or compliance reasons - as one category.

Then 'External' PMOs – those PMOs that exist to ensure that organisations' customer projects deliver the return on investment expected – as a second category.

A third category can be the 'Special purpose' PMOs created for specific situations or needs.

Against these there is the scale of the PMO coverage from departmental or business unit level through to enterprise level.

Internal PMOs

Let's begin with perhaps the most common type of PMO; the internal to an organization PMO that is focused on projects primarily within that organization, for self-improvement or compliance purposes.
And the most common variety will be the departmental PMO:

Departmental PMOs: Department based PMOs might be just a small group that manages very specific projects within their own landscape and with their own resources. Any projects that require resources outside this department may have difficulties securing and maintaining such resources. Moving up to the organizational level the bandwidth of resources and scope of projects is greater but the limitations may still be encountered.

External PMOs

Now let's consider those PMOs that are not internal to an organization as such but that focus on the outside customers of many service companies for example.
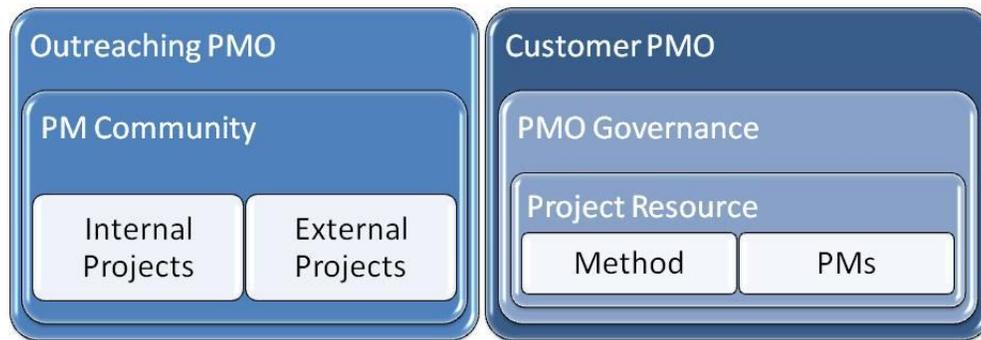
The Outreaching (Supplier) PMO can offer the Customer PMO
guidance in PMO set up and PMO Governance as well as resources
from the (Supplier) PM Community

Here we can describe the outreaching PMO.

- Outreaching (Supplier) PMO: Here the PMO's role is to oversee project methodology and practice and standards for a community of project managers dealing with projects inside customer organizations – deploying solutions developed by their own company as a supplier to these external customers.
- External (Customer) PMO: As an extension of the service that outreaching PMOs may offer then they may also offer guidance and governance to these external customers on setting up and running their own PMOs.

Now it is quite possible that an external PMO can also undertake internal project oversight and management, and equally that an internal PMO might undertake the occasional external or customer focused project activity. The internal and external tags indicate the primary focus of the project work.

Enterprise PMOs

For both the internal and the external PMOs there can be large benefits in scaling up to an enterprise level.

- Enterprise Internal PMO: The next step for a PMO is for it to move up to the corporate level. This allows the PMO to gain a strategic position within the organization and to ensure that projects proceed based on their strategic alignment to the key business objectives of that organization. Such am enterprise PMO based is far more likely to gain executive support.
- Enterprise external PMO: The next step for an 'Outreaching' PMO is for it to move up to the corporate level. As in internal PMOs this allows the 'Outreaching' PMO to gain a strategic position within its own organization and offers to external customers a consistent project delivery and service model across the world.

Special Purpose PMOs

And there may be a need in some cases for special PMOs created for a specific and discrete purpose.

Special-purpose PMO: What about the special–purpose PMO which may have been created for a single major project or set of projects, something that was critical to the business as it underwent a step change in its technology platform as one example. Here the special-purpose PMO may be departmental or enterprise focused and may be IT and/or business focused. It will, however, be created only for a special purpose and will, most likely, cease to exist once that purpose has been completed.

Operational Mode

So we have explored one dimension of the PMO; the internal or external focus of its work. Now let's explore the second dimension if you will; that of operating method or approach.

A PMO can operate in a number of ways:
- Supportive
- Controlling
- Directive

Supportive

The Supportive PMO is all about helping out project managers by providing some level of support in the form of project expertise, templates, guidelines, best practices (or at least proven practices), knowledge and project expertise, typically based on personal experience and/or a network of experienced people throughout the organisation.

It can be seen as a process of bringing together of a project community, where before there has only been silos of project based activity and a lack of knowledge sharing.

Why use a supporting model?
- The requirement is to merely aid the existing project activity to raise the levels of project success
- To share project management information across a wider group of project managers
- To empower the project managers and project teams to solve common problems and be more successful

Controlling

The Controlling PMO is applicable where there is a desire to have a stronger discipline on all project activities, methods, procedures, documentation etc.

Why use a controlling model?
- To ensure that a standard and consistent methodology is used
- To ensure that regulatory compliance is adhered to
- Where there regular reviews that need to be passed
- A project or projects are high or higher risk than normal
- A project or projects are a high or higher profile than normal
- A new business endeavour

Directive

This Directive PMO goes beyond control and actually takes over the project or projects by providing the necessary project management experience and resources.

Project managers from the PMO itself are assigned to each new project and reporting of project progress is direct to the PMO itself.

Why use a directive model?
- To guarantee the highest level of consistency of project management practice across all projects
- To reduce costs by centralizing project services
- To de-risk project delivery

Blended

There is in fact another way that PMOs can operate and that is a combination of the three. A mixture of directive, supporting and controlling or perhaps better described as a 'blended' approach. And the blend can be of any two modes or a combination of all three.
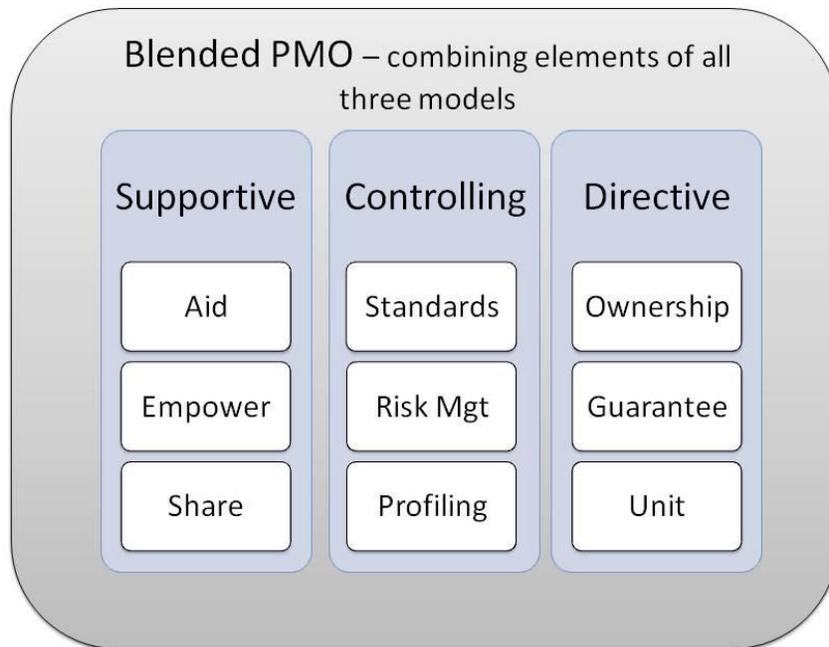
This is a quite common PMO mechanism – being flexible depending upon the actual situation.

And what does a PMO do?

Finally, and just for completeness sake, let's take a very quick look at what a PMO does (or could do). The short answer is 'anything that the business wants it to do' – especially if that PMO is in the period of proving value and the business in question has just made a significant investment in setting the PMO up.

The longer answer could include:

- Project Management community of practice ownership or lead
- Methodology
- Training and Certification
- Resource Management
- Project (Program – Portfolio) Reporting
- Coaching, mentoring, support
- Business alignment
- Quality Control
- Financial follow up and support
- Project selection and/or decision making
- And many more besides these.

The point here is really that the PMO's range of responsibilities can be simple or complex.

Add to that the many forms of PMOs that can exist then it could be said that there is no one answer or solution to the project and business challenges that the PMO could be the answer for.

The PMO Acid Test

How successful is your own PMO? Take the 5 question PMO 'acid' test:

Who

'Call up your CEO and then count the number of seconds before he recognizes your name...' If your PMO is really connected to the business, at the right level and with the right profile, then your CEO will know you and your PMOs work.

You don't have to start with the CEO, you can try this out moving up the organisation level by level – who at two levels above you knows you and the PMOs work? For those that do say 'thanks' and for those that don't; well tell them about it.

What

'What happens when you call up a project manager do you get straight through or do they adopt an avoidance strategy...' A call from any member of the PMO should be a welcome event and not something to hide from or fear.

Consider if there are certain individuals or teams or departments that are resistant to what the PMO is trying to achieve. Ask yourself why this is and plan a charm offensive to demonstrate that the PMO is their friend.

When

'When was the last time that a project manager contacted your PMO asking for some form of help? ...' If this has not happened in some time then perhaps your PMO is not as accessible and open as you may wish it to be? Run a survey or open session to gain some insight in to the reasons for non-contact with the PMO. It may link to the 'what' question above i.e. fear of the PMO, or it may be just a lack of awareness. Go out of your way to help key people, regardless of if it isn't really in your PMO remit – by winning influential supporters the word will spread about the PMO being a 'go to' group.

Where

'Do people ask many times over where they should go for project information or project help...' The PMO should be the automatic first call for anything project related when project managers or others need some guidance, make sure yours is easy to access and quick to respond.

Market what the PMO does, create a menu of service items that the PMO can deliver 'off the shelf' and advertise this tirelessly.

Why

'Do people ask why they should use the PMO and do they know what your PMO does...' You should have marketed the value of your PMO throughout the organization and people should easily access a 'service menu' or what the PMO can do to help them.

Success stories really help here with proven benefits of PMO involvement, invest your time in developing some and get people outside the PMO to write them or at least validate them.

How

And finally question number six – the 'how' – how can you improve the PMOs' work and profile, its performance, its acceptance and its role in your company? How can you do this?

You need to think and plan and act.

About the Author

Peter is a dynamic and commercially astute professional who has achieved notable success in Project Management.

His background is in project management across three major business areas over the last 26 years, MRP/ERP systems with various software houses and culminating in his current role with Infor, Business Intelligence (BI) with Cognos, and product lifecycle management (PLM) with Siemens.

He has spent the last 7 years leading PMOs and developing project managers and is now focusing on project based services development with Infor.

He is also an accomplished communicator and leader and is a professional speaker as well as the author of '***The Lazy Project Manager'*** (Infinite Ideas) and ***'Leading Successful PMOs'*** (Gower) and ***'The Lazy Winner'*** (Infinite Ideas).

More information can be found at www.leadingsuccessfulpmos.com – and through his free podcasts in iTunes.