

THE PMO – A THREE YEAR JOURNEY

Peter Taylor, PMO Director at Siemens PLM Software

Too valuable to lose (and not too expensive to keep).

As organizations try to deal with the economic downturn, they're taking a hard look at the ROI of just about every endeavor—including the project management office (PMO).

At Siemens Product Lifecycle Management (PLM) Software, we believe our PMO for the Europe, Middle East and Africa (EMEA) region still continues to bring value both to the organization and our customers. Our PMO, to give an indication of scale, oversees 100 project managers, and two hundred projects with a revenue flow of \$350m per year.

But what's the general view of PMOs? Well, an ESI International survey¹ of 60 U.K. executives conducted last November found that many PMOs were being challenged on a number of fronts, including:

- The PMO was often seen as an extension of administrative support, rather than a professional body with value-add skills.
- Budget cuts necessitated cost justification, a difficulty for the usually non-revenue producing PMO.
- The PMO size and organizational setup were viewed as counter to the time constraints under which project managers operate.
- There was a lack of understanding of the business benefits of the PMO, especially among executive management.

Even in these challenging times, the PMO within Siemens PLM Software is deemed “fit for purpose.” I believe it's because we have evolved to be seen as supportive of the organization as a whole and not grown to a size that outweighs our business benefit. We are too valuable to lose and but equally important we are not too expensive to keep.

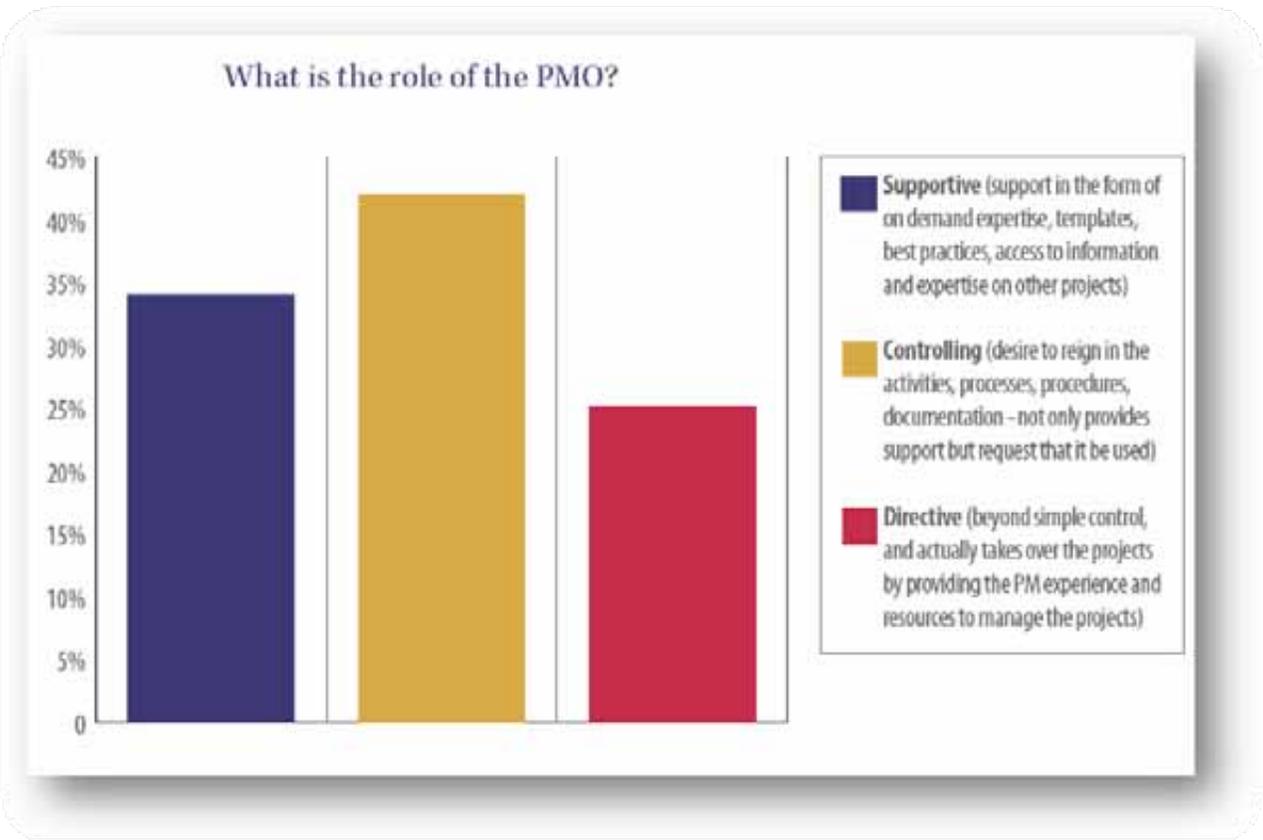
What is a PMO?

One definition is that a Project Management Office (PMO) is a group or department within a business, agency or enterprise that defines and maintains standards for project management within the organization. The primary goal of a PMO is to achieve benefits from standardizing and following project management policies, processes, and methods. Over time, a PMO generally will become the source for guidance, documentation, and metrics related to the practices involved in managing and implementing projects within the organization.

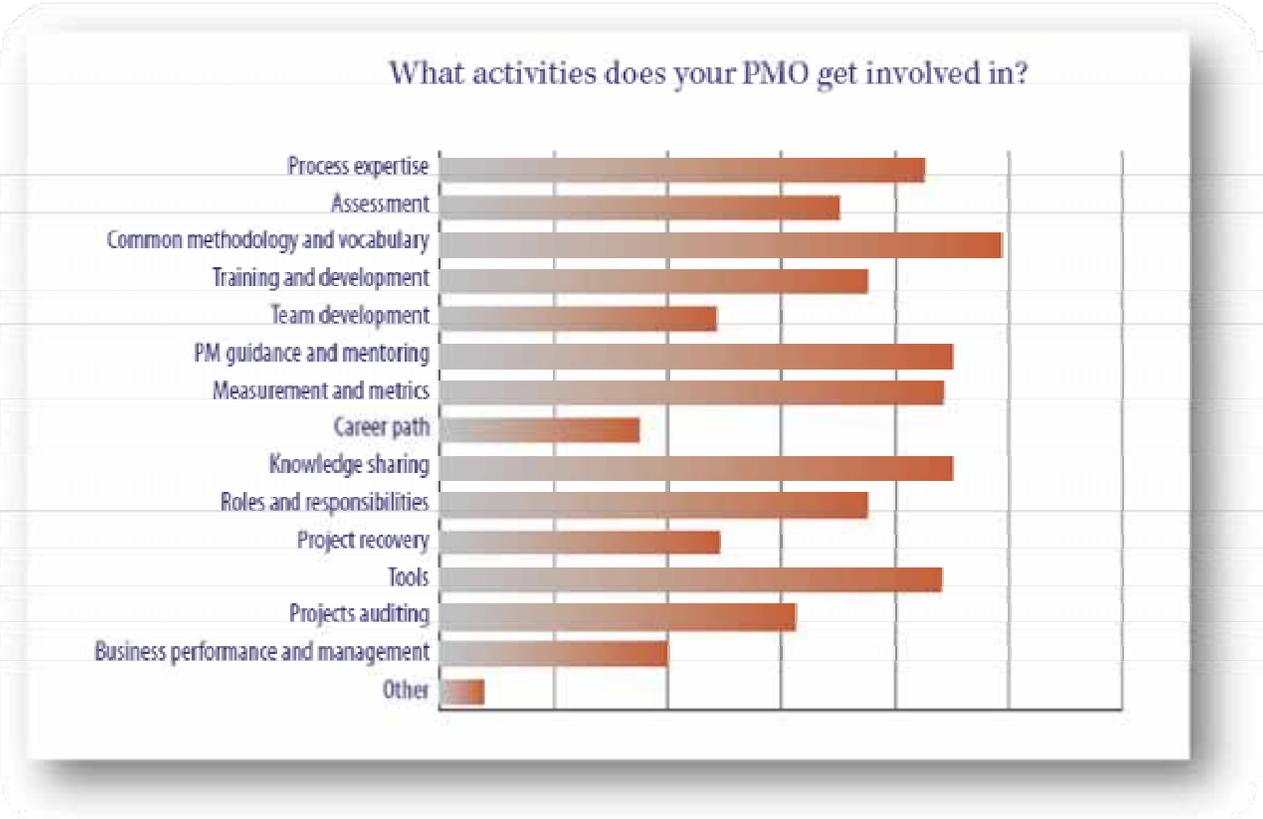
Summarizing this then a PMO should:

- Ensure that all projects are aligned with the overall business strategy
- Highlight key project inter-dependencies and align releases across interdependent projects
- Assist in timely decision making on the overall control of projects
- Approve change requests of global relevance
- Monitor and report project

The ESI survey found that the role of a PMO generally covered three approaches, supportive, controlling and directive.

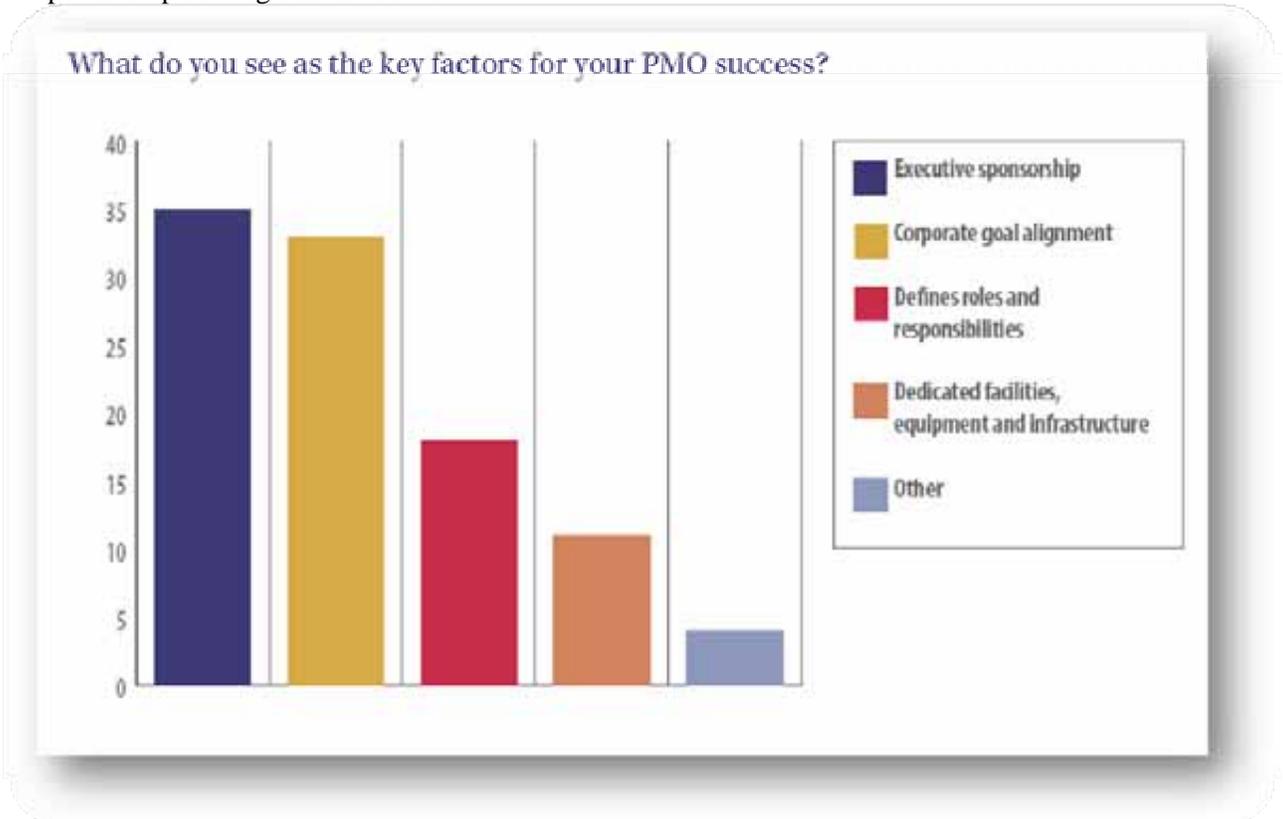


And as far as what activities a PMO gets involved in then these covered a whole range across the 60 businesses that were interviewed.



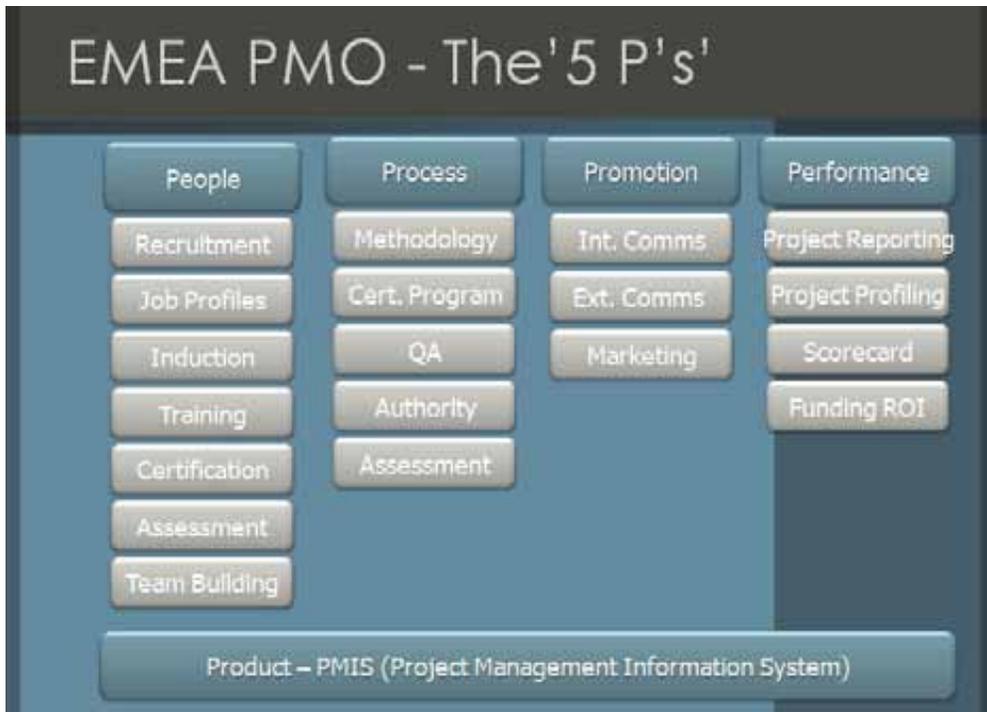
More consistent were the factors that the PMO's felt contributed to their successes with Executive Sponsorship coming out number 1.

IPMA USA



So what sort of PMO did we end up with?

From its inception two years ago, the Siemens PLM Software PMO focused on people and process. The original 'pitch' to the business, as we attempted to justify the initial investment in a PMO, was to focus on the 5 'P's and the immediate priority was 'People' and 'Process'.



Over the last three years we have addressed all of the ‘P’s with the Project Management Information System being the last to receive attention.

Once the PMO was established a number of baselining activities were initiated:

- A Maturity Assessment (Using Kerzner’s ‘KPMMM’ process) was completed
- A survey was undertaken identifying the PMs experiences, training and certification, and current challenges
- A ‘bring out your dead’ project amnesty was promoted in order to find the true ‘health’ of all of the projects out there (or lack of health in some cases)

The survey of the project management community members and their local management initially identified three top issues:

- A lack of methodology or common process
- A lack of skills or training
- Resource management

So the immediate focus was to improve these three critical gaps – the PMO supported the development of a standard global methodology and associated training of all PMs – a programme of training (in-house and through partners) and PMP® certification began – and improvements in resource management commenced (these are now culminating in the implementation of a PM Information System.

Year 1

Was all about creating a community and proving the value of membership of this community – both to the business and to the individuals involved.

In addition there was a high level of self-promotion and marketing – successes were shouted about and the PMO happily basked in reflected glory of successful projects and more direct glory for assisting some of the troubled projects.

Year 2

Was about focusing on improvements across the range of project management activities:

- Project Visibility – through the development of a project dashboard and regular reporting
- HealthChecks (PMO) – delivering quality audits for the largest projects and learning the common issues
- Retrospectives (PMO) – delivering project closure reviews (based on Norman L Kerth’s book on retrospectives) and gathering lessons learned
- Methodology training/adoption
- Certification (PMP)

Year 3

Was all about the local project management communities becoming self-sufficient:

- Methodology (each country has a local methodology champion)
- HealthChecks and Retrospectives (the PMO delivered training to local PMs)

A benefit and not a burden

By developing internal programs aimed at addressing these issues, the PMO was immediately seen as a supportive organization and not merely as administrative overhead. In some cases, we do take the lead

on a few select projects. This way, the PMO both maintains hands-on experience and extends qualitative support and guidance to the local project managers— and even delivers a small revenue flow.

Beyond the initial focus on people and process, the PMO extended its purview to performance and promotion shortly after formation. The move has ensured good communication of the PMO’s benefits to Siemens management across EMEA as well as to our customers. Delivering a regular newsletter, hosting knowledge-sharing sessions, showcasing project case studies, inputting updates to our methodology and never saying “no” to requests for assistance have all helped put the PMO on peoples’ radar as an organization that helps rather than hinders.

The PMO remains a small team, focused on supporting the larger projects organisation (4 people are directly in the PMO), and covering a mix of all three PMO approaches: supportive, controlling and directive, as best suits the project need.

I strongly believe the PMO has a place in a project based organization, even in these times of restricted finances. In fact, I believe they have a place *especially* in these times.

On one hand, companies of all kinds face the global recession. On the other, we are part of a dynamic, resourceful and ever-evolving world that demands change as part of its survival. And change demands projects, and projects demand project managers.

History is littered with significant project failures, yet there are also spectacular project success stories linked to the ever-maturing profession of project management.

Those projects that will be commissioned in the future, as well as the ones that are allowed to continue in the current climate, will be expected to deliver higher business impact, endure closer scrutiny from senior management and face far more pressure to deliver.

And who will be under the most pressure? You guessed it, the project manager.

Right now our projects, and our project managers, need the help, support and guidance of a good PMO. Just make sure that your PMO’s focus is the right one for your business.

About the Author

Peter Taylor is a dynamic and commercially astute professional who has achieved notable success in project management, program management and the professional development of project managers. He has done so latterly as Head of Projects at a global supplier of performance system solutions, and currently as Director of a PMO at Siemens PLM Software, a global supplier of product lifecycle management solutions. He is an accomplished communicator and leader; always adopting a proactive and business-focused approach.



He is the author of another article on the *asapm* website, “The Art Of Productive Laziness” and a related book: “The Lazy Project Manager” (Infinite Ideas 2009) – for more information, see: www.thelazyprojectmanager.com. You can also subscribe to a series of free podcasts on iTunes (The Lazy Project Manager).

ⁱ The Challenges to Success for Project/Programme Management Offices: An ESI International Study 2009
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