

Designing a PMO to Succeed and Survive



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Key References

- **Stakeholder Circle:**
<https://mosaicprojects.com.au/PMKI-TPI-075.php>
- **Additional papers on developing PMOs:**
<https://mosaicprojects.com.au/PMKI-ORG-045.php>
- **Additional papers on Governance:**
<https://mosaicprojects.com.au/PMKI-ORG-005.php>



This Session

- Defining a PMO
- Why Governance Matters
- Standards for successful IT Project Portfolio Management
- Why Stakeholders matter
 - The *Stakeholder Circle*TM
- PMO roles and responsibilities based on organisational needs

Defining a PMO

What is a PMO?

- PMO is not clearly defined in the literature
 - PO for projects
 - COE (Centre of Excellence) for programs
 - EPMO (Enterprise PMO) for portfolio
- PMO provides support for:
 - Projects – PjMO
 - Programs – PgMO
 - Portfolio - PtMO

A = Aware
= Responsible

PMO support

	1	2	3	4	5	6
	Monitor and Control	Methodology and resourcing support	Mentoring and PM career support	Governance support/ Strategy alignment	Value delivery/ benefits realisation	Manage relationships
Project - PjMO	R	R	A? R?	A	A	R
Program - PgMO	R	R	R	A? R?	R	R
Portfolio - PtMO	R	R	R	R	R	R

Strategic Support

Stakeholders

PMO - Attributes

- A successful PMO requires:
 - Executive sponsorship
 - Management buy-in
 - Clear mandate (Authority and autonomy)
 - All projects included
 - Project benefits managed and measured
 - Formal training on tools and PM competencies

PtMO

Support for Portfolio Management in

- Achieving business goals through:
 - Selecting and prioritising
 - Authorising
 - Managing and controlling
- Projects, Programs and other related work
- Governance
 - Standards implementation
 - Support

PMO - Governance Processes

- Monitoring and/or control of:
 - Schedule, budget, scope, quality
 - Communications = reporting
 - Administration activities
 - Resource utilisation / capacity
 - Risk (maintaining risk registers)
 - Interdependencies
 - Project selection & prioritisation

Why Governance Matters

- Effective project governance ensures that an organisation:
- Does the right projects
 - Alignment with strategic objectives
 - Prioritisation and selection
- Does the selected projects right
 - Effective project, program & portfolio management processes
- Time after time
 - Consistent (standard) processes

Describing the Standards

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Standards that Matter

- Standards that matter for IT Project Portfolio Management:
- OPM3
 - PMI's Organizational PM Maturity Model
- AS 8015-2005
 - Australian standard for Corporate Governance of ICT
- GoPM
 - OGC's Governance of Programme Management

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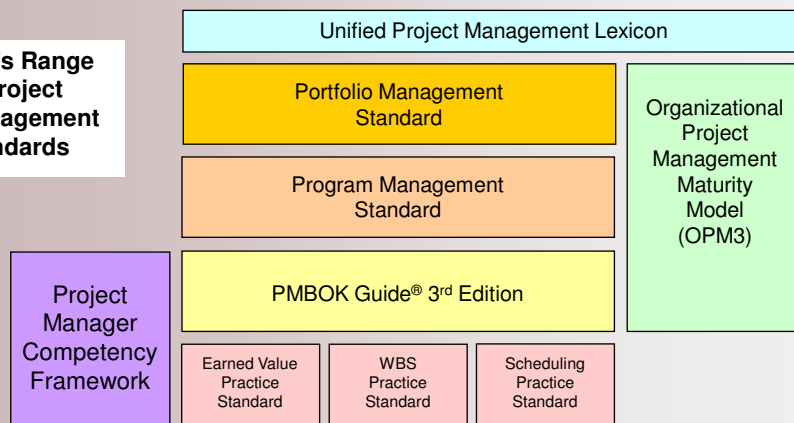
Standards that Matter: OPM3

OPM3 built on PMI standards for:

- Project: PMBOK
- Program
- Portfolio
- Tools for organisations to assess and improve
 - Project (and program and portfolio) processes
- Incorporates benchmarking data
- Underlying principles:
 - Continuous Improvement
 - In parts or the whole of the organisation

PMI's Standards

PMI's Range of Project Management Standards



The OPM3 Cycle

Assess:

Prepare
Perform
Recommend

Improve:

Plan
Scope
Sequence
Implement

Repeat:

If appropriate

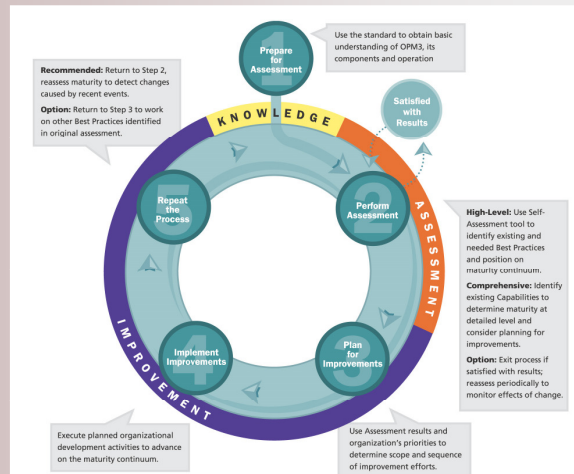


Figure 6-1: OPM3 Cycle

Organizational Project Management Maturity Model (OPM3™). ©2003 Project Management Institute, Inc. All rights reserved.

Standards that Matter: AS8015

AS8015: Australian Standard for:

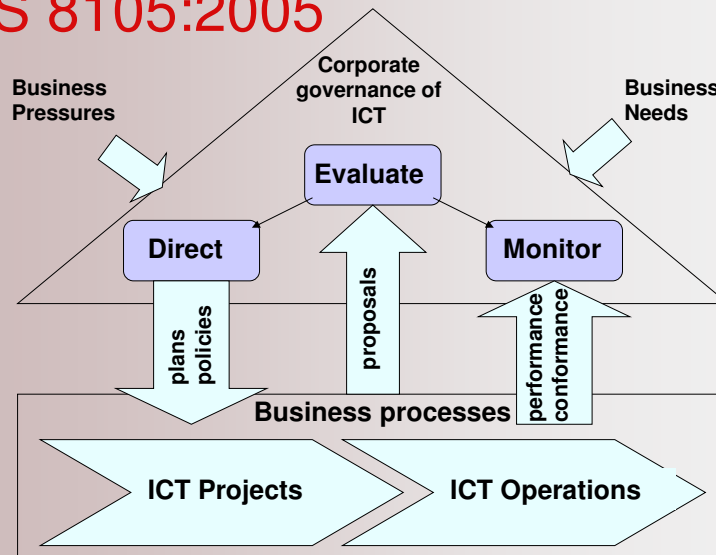
- *Corporate Governance of information and communication technology*
 - Establish clear responsibilities for ICT
 - Plan ICT to best support the org
 - Acquire ICT validly
 - Ensure ICT performs well
 - Ensure ICT conforms with formal rules
 - Ensure ICT use respects human factors

Standards that Matter: AS8015

AS8015:

- Accountability and responsibility of senior management
- Applies to small or large organisations
- Also applies to resources that provide information and communication services

AS 8105:2005

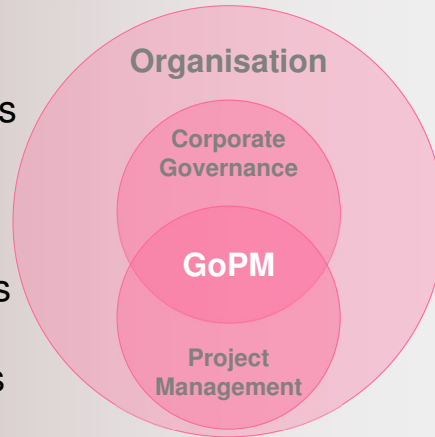


Model for Corporate Governance of ICT (AS8015:2005)

Standards that Matter: OGC

OGC: GoPM

The GoPM principles describe how a well governed organisation manages its projects
Every organisation undertaking projects should adopt these (or similar) principles



GoPM - Principles

There are 11 Principles: they include:

- Responsibility and accountability (#1)
- Authority and delegation (#2)
- Planning and controls (#3)
- Alignment (#4)
- Competence (#6)
- Stakeholders (#11)

The focus of action is on the 'Board'

There are 42 questions to support the 'Board'

- in understanding how to achieve the principles

Challenges

- None of the three standards totally 'fits the bill' for IT Project Portfolio Management strategy support:
- Together they come close:
- OPM3 covers much of the necessary ground
- As 8015 adds the specific ICT dimension
- GoPM fills in the governance section
 - 'governance board'; gateways; sponsors

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Challenges

- For Stakeholder Management support:
- There is reference to stakeholders as being important in all three standards
 - But no practical methodology
- There is a methodology available that fits within the three standards
- And provides a practical way for stakeholder management
- The *Stakeholder Circle*TM

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PMO Stakeholders Matter: *The Stakeholder Circle™*

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Which Stakeholders?

- The 'right' stakeholders for...
- Each phase or part of the project/program lifecycle or PMO task
- Understand who is most important – for their effective management
- Know their expectations and requirements from the project
- Manage their perceptions

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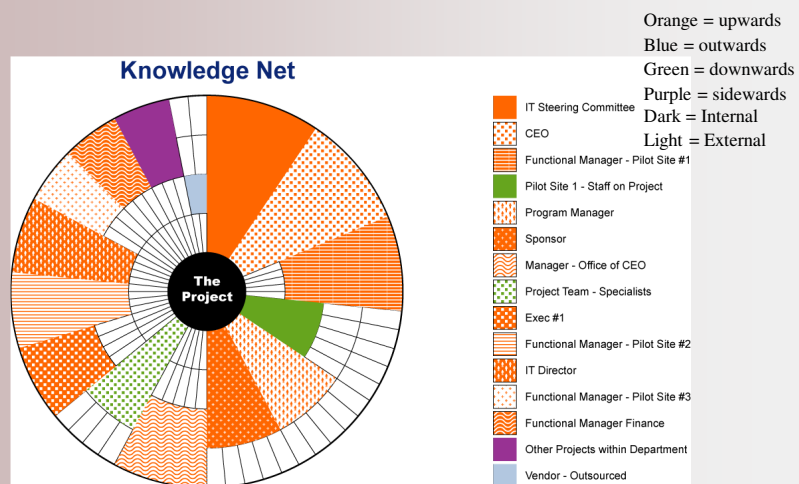
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The Methodology

- Step 1: Identify all stakeholders
 - For any particular time in the project
- Step 2: Prioritise stakeholders
 - Key stakeholders
- Step 3: Visualise the community
- Step 4: Engage
 - And communicate
- Step 5: Monitor
 - Efficiency
 - Effectiveness

A Stakeholder Community



Engagement of Stakeholders

- Engagement strategy for all identified stakeholders
 - Particular attention on 'key' stakeholders (top 15)
- Based on:
 - Level of interest and support of each stakeholder
- Develop Communication plans:
 - 'who' delivers 'what' message;
 - 'how' (format); 'when' (frequency)
- Input key comms points into project schedule
 - For regular reviews, reports and additional action

A Dynamic Stakeholder Community

- Be prepared to review :
 - stakeholder community
 - engagement strategy
 - communications plan
- As conditions change.....
 - Organisation restructures
 - Key stakeholder move (or lose power or interest)
 - Project/program moves into another phase: with different stakeholders and different support
 - PMO acquires additional tasks

PMO roles for success

- Instead of just being 'police' PMOs can add significant value in the strategy and relationship areas
 - Strategic alignment
 - Benefits realisation
- Providing leadership in implementation of standards (the best aspects of the following)
 - OPM3; AS8015; GoPM
- Managing continuous improvement

PMO - Information Manager

- Facilitating open and targeted communications:
 - Between the various levels of the PMO (project, program and portfolio)
 - Between the PMO and organisation executives
 - Senior executive reports (summary data, trends, early warning of problems)
 - Line management (benefits, resource requirements, capacity)
 - Between project and program management (health checks, performance metrics, Earned Value, etc)

Designing a PMO

End of Session



for papers:

www.mosaicprojects.com.au