

VIVENDI CONSULTING THOUGHT LEADERSHIP SERIES: The Program Management Office - Heaven or Hell?

The road to hell is paved with PMO's, some would say - and they'd be right. For programs which are, like most, busy firefighting project risks and issues, seeking to stick to planned deliverable dates and under pressure from senior management and key stakeholders, the last thing project managers want is more constraints on their time in the form of administrative overhead. This is PMO hell, and the kind of PMO that every program should avoid. But with more and more organisations putting PMOs in place (85% in 2016, and another 30% without a PMO planning to implement one¹), there must be some that work – and ours do. This article looks at what the point of a PMO is, how to build one, and what a good one looks like, from our first-hand experience of setting up PMO's for multi-billion dollar programs.

What is a PMO and why have one?

A PMO should be the hub of any program. Its components will vary according to the needs of the program, but generally it is a team or function which provides transparency across all the projects in a program, in order to deliver them on time, in scope and to budget.

The PMO helps to bring about the achievement of the organisation's strategy. It provides visibility and control, and supports project delivery. In order to do these vital things, the PMO sets the standards for project management across a program: risk management, project planning, reporting, governance, communications, stakeholder engagement, quality assurance, benefits realisation, and project closure. It can be as wide-ranging or narrow as the program requires but will ultimately be responsible for co-ordinating:

- Alignment of the program to the organisation's strategy
- Reporting on progress to the executive and key stakeholders
- Management of risks and issues in an organised and pre-emptive way
- Monitoring of the use of resources across a program
- Tracking spend and costs against budget and procurement plans
- Enabling knowledge sharing and training

These functions provide a transparent view of the most crucial aspects of any program, and this, in turn, brings about opportunities for improvement, future resource planning and contingency planning. More importantly, run well, these PMO functions enable good communication between project managers and senior sponsors and stakeholders, which in turn leads to a high performing and collaborative program. This is where the PMO can really add value.

How to build a PMO

First off, you need to decide what kind of PMO you want to build.

Based on the influence and degree of control they have on projects within the organization, PMOs can technically be categorised into one of three types¹:

- **Supportive:** Supportive PMOs provide a consultative role to projects by supplying templates, best practices, training, access to information and lessons learned from other projects. This type of PMO serves as a project repository. The degree of control provided by the PMO is low.

- **Controlling:** Controlling PMOs provide support and require compliance through various means. Compliance may involve adopting project management frameworks or methodologies, using specific templates, forms, and tools, or conformance to governance. The degree of control provided by the PMO is moderate.
- **Directive:** Directive PMOs take control of projects by directly managing them. The degree of control provided by the PMO is high.

We believe that the best PMOs sit somewhere between supportive and controlling. The best PMOs give the project managers freedom to make project decisions, control the detail, and manage their own resources, but ensure that those project managers are reporting regularly and realistically on progress, raising risks and issues relating to project delivery and looking ahead to future delivery requirements.

This type of PMO requires good working relationships, which leads on to the first step in building a great PMO:

1. Build trust.

No PMO will succeed without the trust of the project teams and the program sponsors. There needs to be a clear message from those who are building the PMO that they are there to help, not to judge, and that they are not there to tell tales on projects or team members. The PMO needs to convey a message from the very start that they are there to make things easier, not harder, and will try to accommodate everyone's needs.

A crucial factor in building trust is to make sure the PMO doesn't criticise. If the PMO is being put together once projects are already up and running – which is often the case – a good way of building up trust is to talk to the project teams to see what they're already doing in terms of project management, and praising it. Use what they're doing already to build your tools and processes. Don't reinvent the wheel.

2. Create a PMO framework.

Every program will have a set of projects which usually have requirements in common. These might include aspects of the software delivery lifecycle, components of Agile implementations, Treasury guidelines, or departmental protocols – but there will always be uniform processes that everyone needs. Find out what your senior sponsors want from a PMO, why they want one, what they want to see and how they will measure the success of the PMO. Use these requirements to build your framework, and be guided by the project needs to prioritise which tools, templates and processes you put in place first.

Then all you need to do is build it! You should be looking to create a list of services that your PMO will provide. Then you can think about how you will get there, which services are a priority for right now, and which you will drop in over time.

3. Write the PMO Handbook

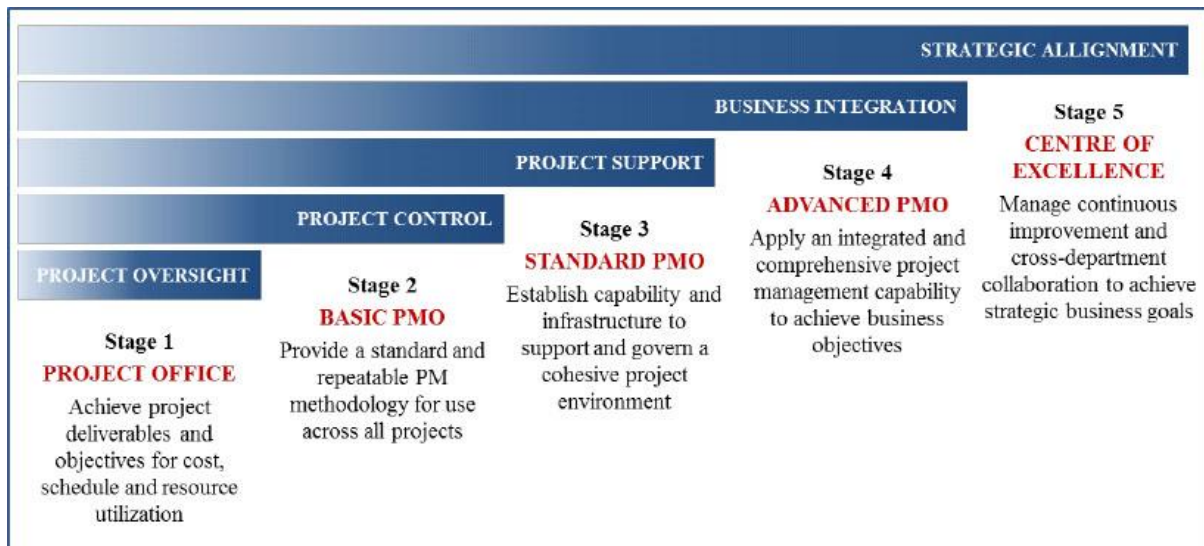
This is the one stop, cradle-to-grave bible of the PMO function. It should set out the purpose and scope of the PMO and the services it will provide. It should provide the governance model for the program, the reporting cycle, an overview of the PMO tools and processes, and an activity map of who in the team does what and when.

The handbook can be as long or as short as you like, but if it includes everything that the PMO does, as well as what it doesn't, we find that it can double up as a good induction pack for new joiners and the terms of reference for the PMO, so that it doesn't end up being an administrative function.

So what does a good PMO look like?

Ask our clients! A good PMO is flexible and low maintenance. It helps, not hinders. It is the first place everyone comes to for answers and for help. It supports the most senior and most junior members of the project teams and overall program.

A good PMO is a centre of excellence:



[Giraud, L. & Monaldi, E. (2015) – 'PMO evolution: from the origin to the future' (paper presented at PMI® EMEA Global Congress 2015)]

A good PMO can add real value to your programs and give you the peace of mind that large, complex implementations, developments and transformations require. So, ask us to help you. We can build a PMO which will give you cross-project visibility, control of your program, and transparency - not to mention a happy and collaborative working environment.

Turns out, you really can make a heaven in hell's despite.