


PMO or not PMO
Is their a standard ?

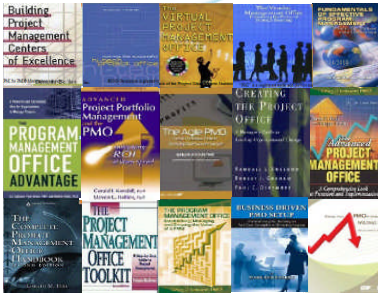
September 15th, 2010

D. Brackx, PMP, SCM, EMS Prof
Director Project Delivery
Company X4P
didier.brackx@x4p.be



PMO is a registered trade and service mark of the Project Management Institute, Inc.

How do I implement a PMO ?



+ more than 3500 books on Amazon.com

PMO is a registered trade and service mark of the Project Management Institute, Inc.

PMI library of Standards



PMO is a registered trade and service mark of the Project Management Institute, Inc.

When will this Standard going to be released ?

PMO is a registered trade and service mark of the Project Management Institute, Inc.

This evening

Which approach are you going to take ?
What is the Standard ?
Is there a Standard ?


PMO is a registered trade and service mark of the Project Management Institute, Inc.

Here is what we are going to discuss.

Current state of practices PMO's added value THE Standard for a PMO implementation !

PMO is a registered trade and service mark of the Project Management Institute, Inc.

Project X4P
for Executives




1. Current state of practices

PMO is a registered trade and service mark of the Project Management Institute, Inc.

Project X4P
for Executives

1. Current state of practices



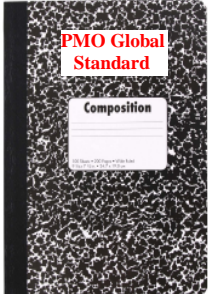

PMI's Global PMO Survey

PMO is a registered trade and service mark of the Project Management Institute, Inc.

Project X4P
for Executives


1. Current state of practices

Survey Goal



PMO is a registered trade and service mark of the Project Management Institute, Inc.

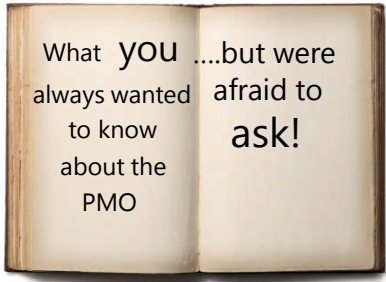
1. Current state of practices



Aspects examined
Value
Context
Form and structure
Roles and functions

PMO is a registered trade and service mark of the Project Management Institute, Inc.

1. Current state of practices



What you always wanted to know about the PMO ...but were afraid to ask!

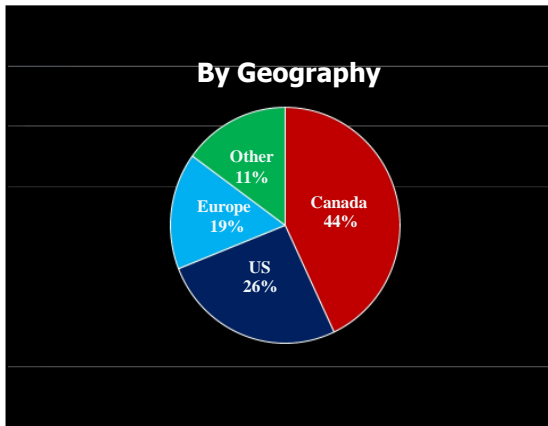
PMO is a registered trade and service mark of the Project Management Institute, Inc.

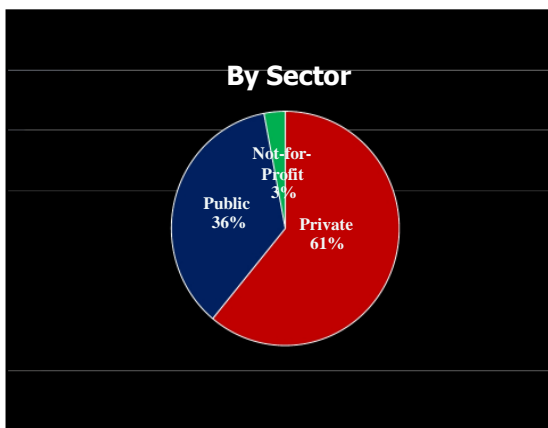
1. Current state of practices

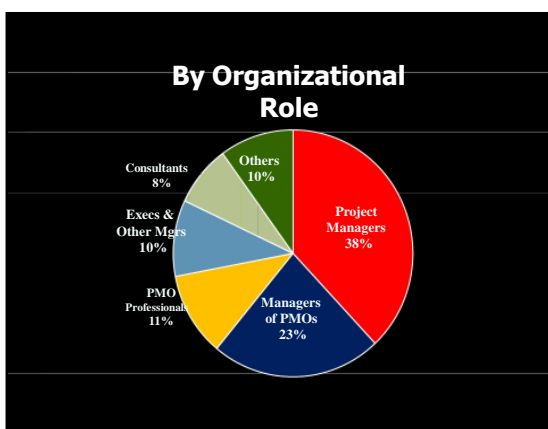
Who participated?




PMO is a registered trade and service mark of the Project Management Institute, Inc.







 **1. Current state of practices**

Key findings at a glance


- Most significant overall finding is a great variety and **lack of consensus** regarding the:
 - Value of PMO's
 - Structure of PMO's
 - Functions included in their mandates !
- Implementing or restructuring a PMO is usually a significant organizational **change !**

PMO® is a registered trade and service mark of the Project Management Institute, Inc.



"PMOs do not exist in a vacuum...they imbue the culture and context of their respective organization"

Dr. Brian Hobbs

 **1. Current state of practices**

The most significant finding !

The most significant finding...

50 % PMOs are valued by their organization	50 % PMOs are being challenged by their organization
--	--

Which half are you in? Do you know?

PMO® is a registered trade and service mark of the Project Management Institute, Inc.

1. Current state of practices
Let's start at the beginning: *What name do they use ?*

Name	%
Project Management Office	59%
Name containing the term "project" and somewhat similar to project management office, e.g. Project + department	4%
Project Support Office	7%
Project Office	2%
Program Management Office	12%
Center of excellence	2%
No name	2%
Other (a great variety with none greater than 1%)	12%

**What about :
Project Information & Performance Office (PIPO)?**

PMO is a registered trade and service mark of the Project Management Institute, Inc.

1. Current state of practices
Do project managers report to the PMO?

Either all or none of project managers are located within most PMOs.

Category	Percentage
Total	~25%
<15%	~15%
16-30%	~10%
31-45%	~10%
>46%	~10%
All	~20%

This describes two very different realities

In one case, the PMO has all of organization's project managers, in the other it has no project managers.
⇒ This creates two different PMO's !

PMO is a registered trade and service mark of the Project Management Institute, Inc.

1. Current state of practices
What is the extent of their mandate?

PMO's mandate covers either a select group or vast majority of projects.

Category	Percentage
<20%	~25%
21-40%	~15%
41-60%	~15%
61-80%	~15%
>80%	~30%

Organizations tend to place either almost all the projects within the PMO's mandate or only a small portion !
⇒ This creates two different PMO's

PMO is a registered trade and service mark of the Project Management Institute, Inc.

1. Current state of practices
What decision-making authority does a PMO have ?

Decision making authority of PMOs varies significantly

Many PMO's are in a passive or supporting role with little or some decision making authority, while others have considerable authority to make decisions.
 => Two different organizational roles !

PMO is a registered trade and service mark of the Project Management Institute, Inc.

How do you prove the value of a PMO that has no PM's, few or all projects, and little decision-making authority?...

1. Current state of practices
How large are they?

Most PMOs have a very small staff

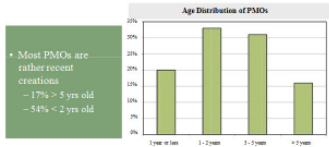
Four drivers of PMO staff size: Project size, Number of projects, PMO functions & Size of organization

This staff is considered overhead and organizations are very reluctant to create these overhead expenses!
 => Creating a paradox: PMO is asked to take on many functions with few resources !

PMO is a registered trade and service mark of the Project Management Institute, Inc.

1. Current state of practices
How long have PMO's been in existence ?

• Most PMOs are rather recent creations
- 17% > 5 yrs old
- 54% < 2 yrs old



Age Group	Percentage
1 year or less	17%
1-2 years	54%
3-5 years	17%
> 5 years	12%

PMOs are frequently closed/restructured which is consistent with the fact their value is being questioned


PMO's are reconfigured at a relative high rate ! PMO 's are frequently closed/restructured which is consistent with the fact that their value is questioned

PMO® is a registered trade and service mark of the Project Management Institute, Inc.

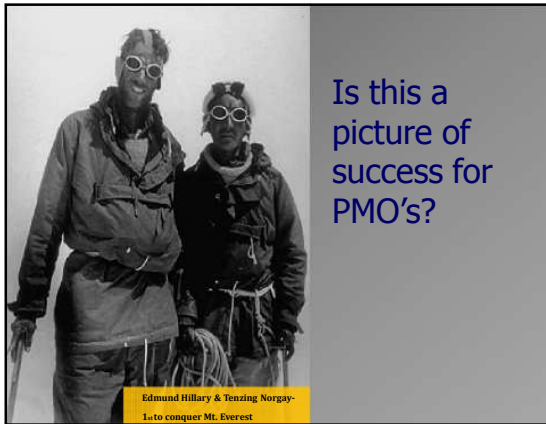
1. Current state of practices
The picture that emerges ...

- A relatively recent creation (>50% less than 2 years),
- Is small (50% have 3 or fewer staff),
- Has little decision-making authority (70%),
- Equal chance of representing all or none of the organization's projects (35%),
- Equal chance of having all or none of PM's reporting to it (34%) and.....

PMO® is a registered trade and service mark of the Project Management Institute, Inc.



And its value is questioned by half of the people!



Is this a picture of success for PMO's?

1. Current state of practices
Conclusion?

PMI PMO Standard will never be developed because of differing views on critical functions !

PMI is a registered trademark and service mark of the Project Management Institute, Inc.

2. Ensuring added value

PMI is a registered trademark and service mark of the Project Management Institute, Inc.

2. Ensuring added value
Who determines the PMO's value ?

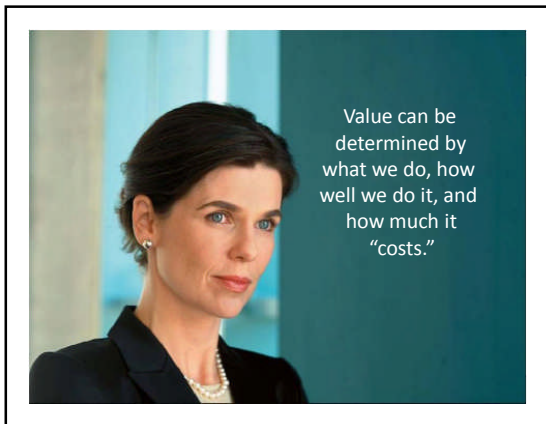
PMO is a registered trade and service mark of the Project Management Institute, Inc.

2. Ensuring added value
What is value?

PMO is a registered trade and service mark of the Project Management Institute, Inc.

2. Ensuring added value
What is value?

PMO is a registered trade and service mark of the Project Management Institute, Inc.



2. Ensuring added value
What functions do PMOs perform?

What functions do PMOs perform?

- Monitoring & controlling project performance
- Developing PM competencies & methodologies
- Multi-project management
- Strategic management
- Organizational learning

Hobbs Report—count 27 functions in 5 major categories

PMO is a registered trade and service mark of the Project Management Institute, Inc.

2. Ensuring added value
Top 10 most important functions of a PMO

Key Important Functions	
Report project status to upper management	83%
Develop and implement a standard methodology	76%
Monitor and control project performance	65%
Develop competency of personnel including training	65%
Implement and operate a PMIS	60%
Provide advice to upper management	60%
Coordinate between projects	59%
Develop and maintain a project scoreboard	58%
Promote project management within the organization	55%
Monitor and control performance of PMO	50%

Sad outcome ! No real intelligent work !

PMO is a registered trade and service mark of the Project Management Institute, Inc.

2. Ensuring added value
Demonstrating and measuring business value ?

If a PMO can demonstrate it helps in these areas...

- Time to market
- Productivity
- Project success rate
- Beating the competition
- Meeting project requirements
- Customer satisfaction

→


...then the organization should see improvement in these areas

- Increased market share
- Increased profits
- Increased revenue
- Decreased costs
- Growth in customers

How are you measuring the benefit/value of your PMO?

PMO is a registered trade and service mark of the Project Management Institute, Inc.

2. Ensuring added value
How ? By evolution ...




PMO's evolve in a way not described by Darwin

PMO is a registered trade and service mark of the Project Management Institute, Inc.

2. Ensuring added value
How ? By evolution ...

PMO's evolve in a co-evolutionary manner:

They not only have to adapt to their environment, they also have to manage the change in their environment.



What part of your organization are you trying to change and manage ?

PMO is a registered trade and service mark of the Project Management Institute, Inc.


2. Ensuring added value
Evolution of a PMO. A client example ...

A PMO comes into existence to address wide range of project-related problems

- Consistent PM practice
- Training in specific areas
- Focus on one unit or business area

After one year, when the above three areas are well underway, PMO starts centralized reporting:

- Visibility into portfolio,
- Highlights troubled projects,
- Broad-based training for PM's,
- Tool introduction-single user




PMO is a registered trade and service mark of the Project Management Institute, Inc.

2. Ensuring added value
Evolution of a PMO. A client example ...

Practice area expansion and increased authority for certain projects:

- Estimation,
- Risk management,
- Career path development
- Recovery of troubled projects




More years later, PMO plays a central role:

- Monitors/controls all projects,
- Provides portfolio management guidance,
- Benefits management/strategic alignment.

PMO is a registered trade and service mark of the Project Management Institute, Inc.

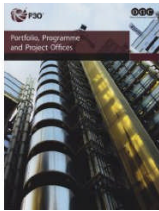
2. Ensuring added value
Evolution of a PMO. A client example ...

This whole evolution needs to be managed



PMO is a registered trade and service mark of the Project Management Institute, Inc.

3. The Standard for PMO



THE Standard for PMO

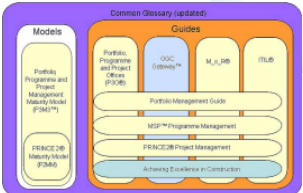
↓

P30 : Portfolio, Program and Project Office

PMO is a registered trade and service mark of the Project Management Institute, Inc.

3. The Standard for PMO

P30 the Linchpin in methods



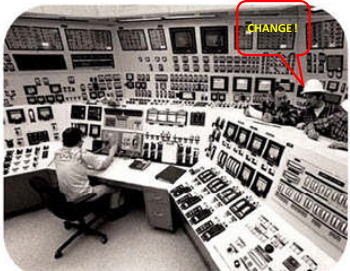
This overview shows you the connection between P30 and the OGC Best Practice methods. However, P30 can also be used in environments that are using other project management methods, such as the PMBOK (PMI).

P30: a decision-enabling/delivery supporting model

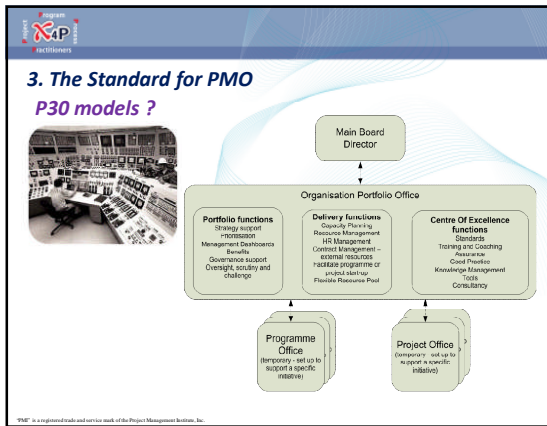
PMO is a registered trade and service mark of the Project Management Institute, Inc.

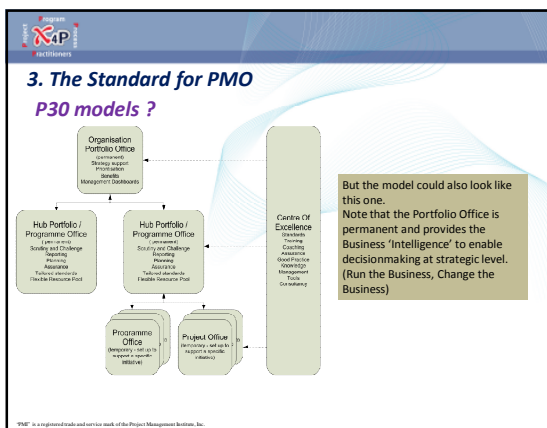
3. The Standard for PMO

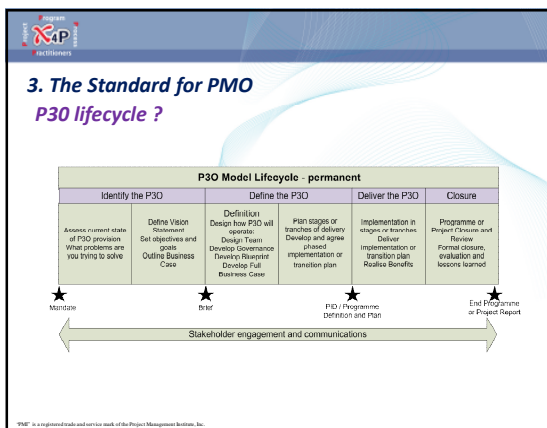
P30 functions ?



PMO is a registered trade and service mark of the Project Management Institute, Inc.







Project X4P Practitioners

Determine where you need to go...

PMI is a registered trade and service mark of the Project Management Institute, Inc.

Project X4P Practitioners

Project Management Institute

We can help!

Program X4P Process Practitioners

APM GROUP Accredited Consulting Organisation

P30 ACCREDITED BY APM GROUP

PRINCE2 ACCREDITED BY APM GROUP

KMO-portefeuille ERKENNEN DIENSTVERLEVER

Qfor

SEI Partner

PMI is a registered trade and service mark of the Project Management Institute, Inc.

Project X4P Practitioners

Thanks for listening.
Questions ?

September 15th, 2010

D. Bracks, PMP, P30, SCM, EMS Prof
Director Project Delivery
Company X4P
didier.bracks@x4p.be

PMI is a registered trade and service mark of the Project Management Institute, Inc.

Program
XAP
technicians

Dr. Eghe Steels
 Dr. Eghe Steels is 2005 ASBPEE chief of the Software Division at Telerix Software. He has over 35 years of experience in project management, maintenance, and management of software for international setting of projects. During his tenure, the division achieved several software process improvement milestones, including the coveted SEI CMMI award for Software Process Achievement. Dr. Steels has published several articles and presented at conferences, internationally, on the benefits of software process improvement and the application of earned value management and statistical methods to software projects. He is the creator of the technique Earned Schedule, which extracts schedule information from earned value data. Dr. Steels is a graduate of the USA DAB course for Program Managers. He is a professional engineer with a master's degree in physics, and is a member of the physics honor society, Sigma Xi, Sigma ETC. Dr. Steels achieved distinguished academic honors with the selection to Phi Kappa Phi (Phi K) during 2007. Dr. Steels received the Mathematics Specific Incentive Group Scholar Award also in 2007. He received the IEEE Outstanding Award for Project Management Excellence for his leadership role and contribution to project management resulting from the creation of the Earned Schedule.

CONTACT A REPRESENTATIVE TODAY!
 Contact us by e-mail:
 Manu.Meurkens@vlerick.be
 Steven.Donckels@vlerick.be

WHERE?
 Vlerick Management School
 Address:
 REP 1 - 9000 Ghent - Belgium

WHEN?
 23rd November 2010 (starting 13:45 till 17:15)

PRICE?
 Allow 150€ (October 4 100)
 Allow 180€ (October 6 130)

REGISTRATION?
 No. Open. More info: 09 26862520/09262521 or www.vlerick.be

23rd November 2010
VLERICK MANAGEMENT SCHOOL
GHENT

Expertise for people!

Vlerick Management School is a member of the Vlerick Group of Universities

Vlerick Management School is a member of the Vlerick Group of Universities

Program
XAP
technicians

Dr. Eghe Steels
 Dr. Eghe Steels is 2005 ASBPEE chief of the Software Division at Telerix Software. He has over 35 years of experience in project management, maintenance, and management of software for international setting of projects. During his tenure, the division achieved several software process improvement milestones, including the coveted SEI CMMI award for Software Process Achievement. Dr. Steels has published several articles and presented at conferences, internationally, on the benefits of software process improvement and the application of earned value management and statistical methods to software projects. He is the creator of the technique Earned Schedule, which extracts schedule information from earned value data. Dr. Steels is a graduate of the USA DAB course for Program Managers. He is a professional engineer with a master's degree in physics, and is a member of the physics honor society, Sigma Xi, Sigma ETC. Dr. Steels achieved distinguished academic honors with the selection to Phi Kappa Phi (Phi K) during 2007. Dr. Steels received the Mathematics Specific Incentive Group Scholar Award also in 2007. He received the IEEE Outstanding Award for Project Management Excellence for his leadership role and contribution to project management resulting from the creation of the Earned Schedule.

CONTACT A REPRESENTATIVE TODAY!
 Contact us by e-mail:
 Manu.Meurkens@vlerick.be
 Steven.Donckels@vlerick.be

WHERE?
 Vlerick Management School
 Address:
 REP 1 - 9000 Ghent - Belgium

WHEN?
 23rd November 2010 (starting 13:45 till 17:15)

PRICE?
 Allow 150€ (October 4 100)
 Allow 180€ (October 6 130)

REGISTRATION?
 No. Open. More info: 09 26862520/09262521 or www.vlerick.be

23rd November 2010
VLERICK MANAGEMENT SCHOOL
GHENT

Expertise for people!

Vlerick Management School is a member of the Vlerick Group of Universities

Vlerick Management School is a member of the Vlerick Group of Universities
