



## **On Target : Breakfast Seminar Series**

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## **PMO: What does it mean to your business**

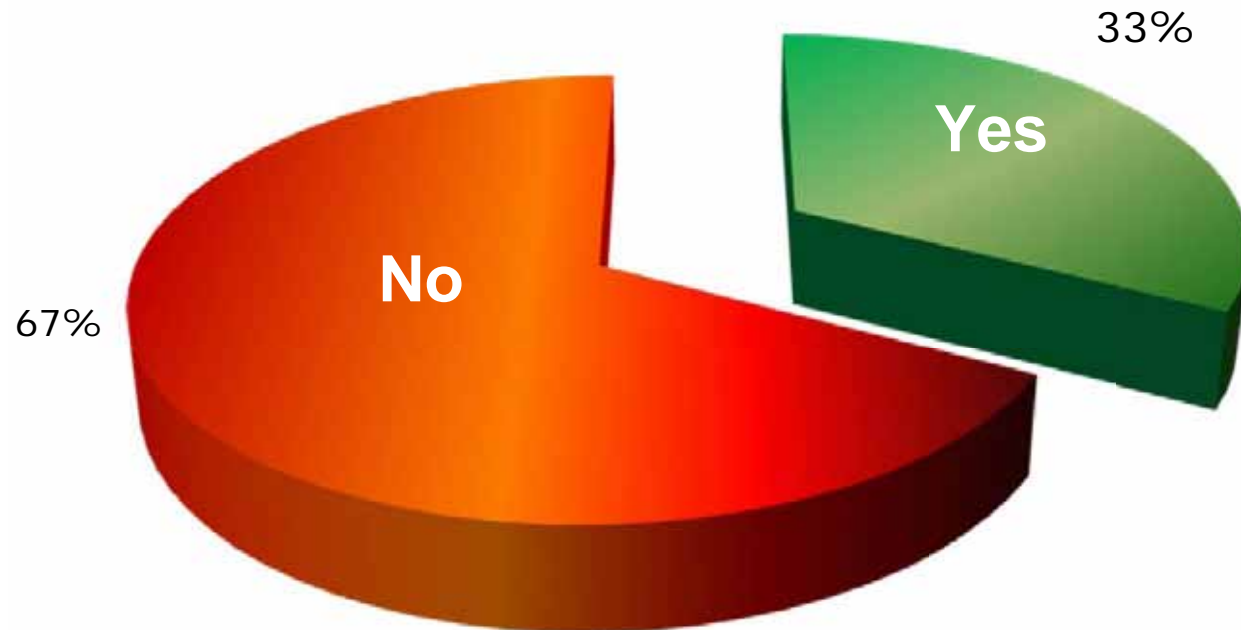
# Discussion Points

- What does PMO mean to you?
- Why do PMOs get such a bad press?
- Changing perceptions
- Getting the most out of your PMO
- PMO Trends



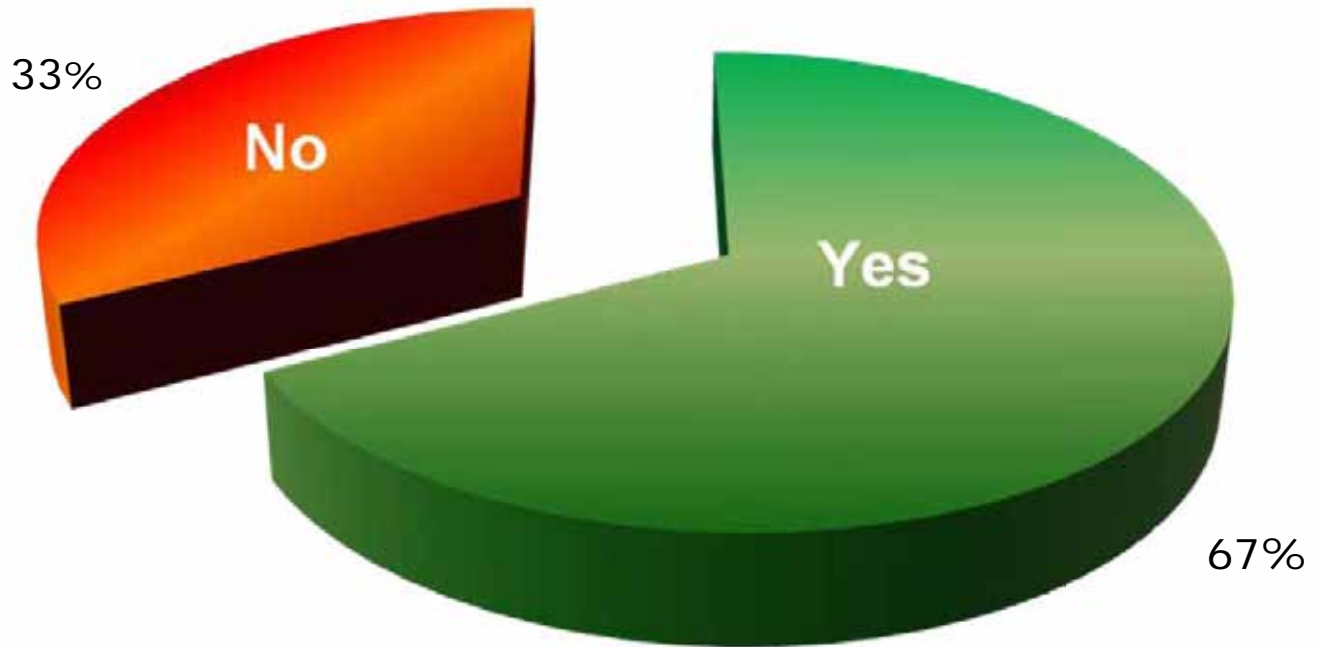
## What you told us...

Does your organisation have a  
PMO?



## What you told us...

If no, are you considering  
implementing one?



## Types of PMO

- Monitoring
- Supporting
- Controlling

## PMO Scope

- Functional
- Customer Group
- Enterprise



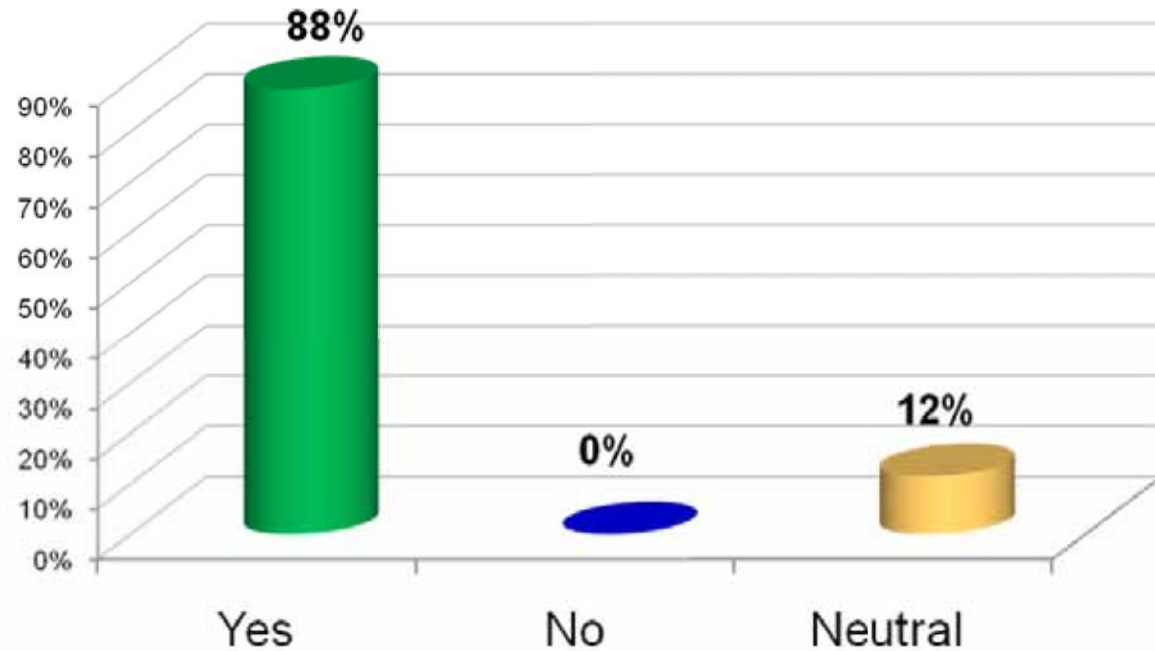
# PMO Functions

- Centralised reporting
- Project staff development
- Reduce project delivery times
- Improve knowledge sharing
- Own standard PM Methodology



# What you told us...

**It is important to have a standard project methodology**

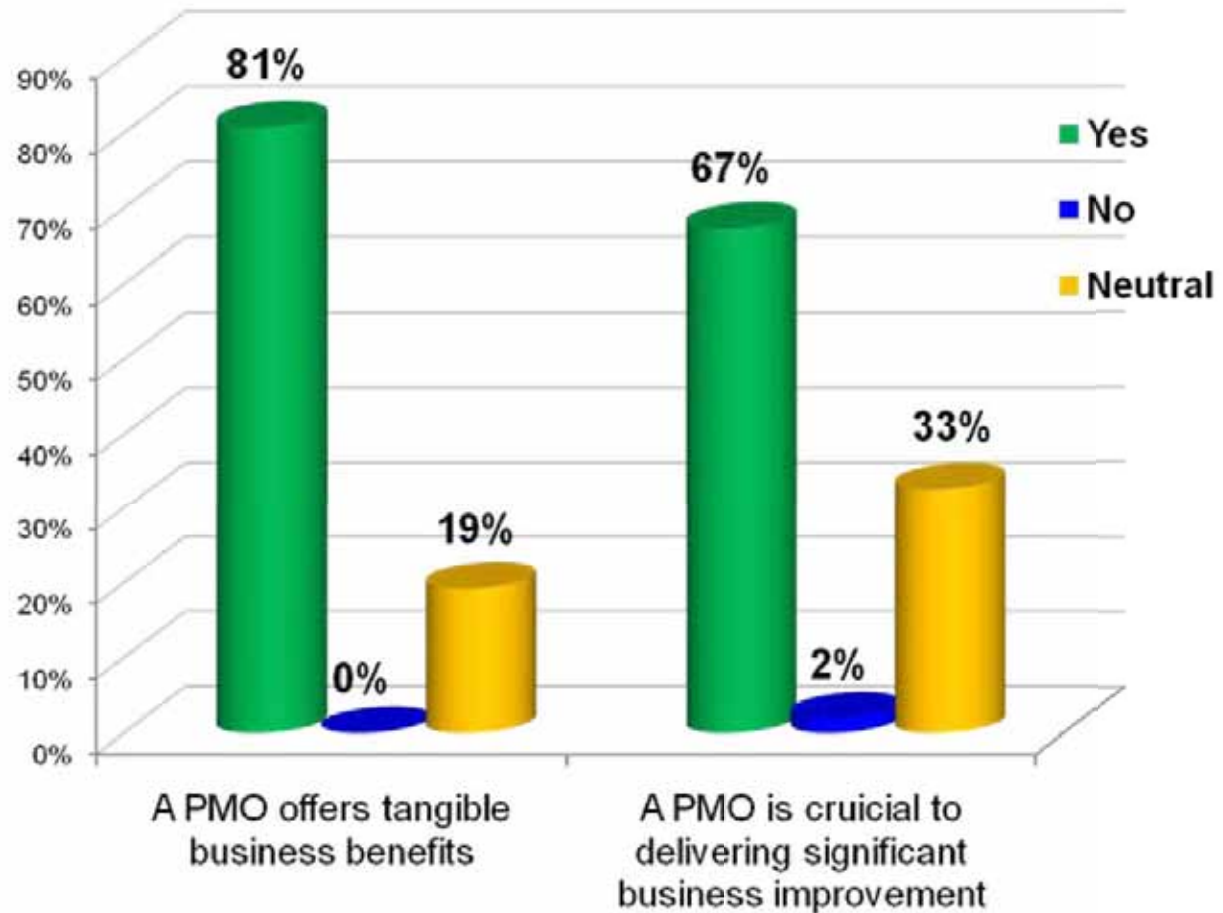


# PMO Functions

- Centralised reporting
- Project staff development
- Reduce project delivery times
- Improve knowledge sharing
- Own standard PM Methodology
- Help choose right projects
- Enable portfolio management
- Tracking the benefits



# What you told us...



# PMO – Doing it right...



# How do I know a PMO is worth it?

- Customer A
  - 740 employees
  - No project visibility
  - PMO implemented & Portfolio Management
  - Cancelled over \$1,000,000 of duplicate projects in one day!



# How do I know a PMO is worth it?

- Customer B
  - 1100 employees in Australia, 80,000 worldwide
  - 2005 :  $\approx$  50% of projects came in OTOBOS
  - PMO with methodology & capability program
  - High value projects run by qualified PMs
  - 2007 : 92% of all projects came in OTOBOS

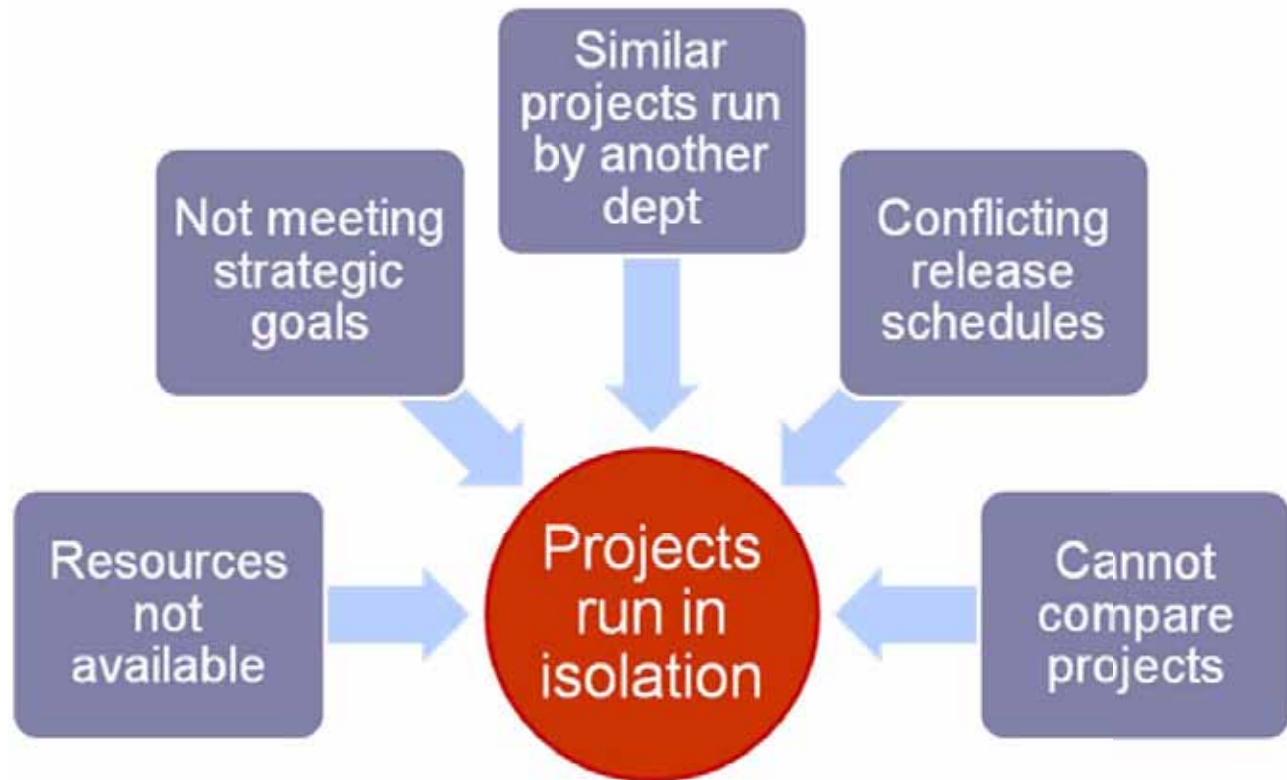


## PMO benefits...

- Consistent methods for managing projects
- Reduced cost / time for process rework
- Improved PM capability
- Ensuring resources effectively allocated
- A single view of projects & performance
- Reduction in low-value projects



# Selling the PMO



# Setting perceptions

- Top 3 things to achieve from this process?
- Resources available – short & long term?
- Size of budget for initial / ongoing process?
- Size of project portfolio?
- Current processes in place?



# Getting the most out of your PMO

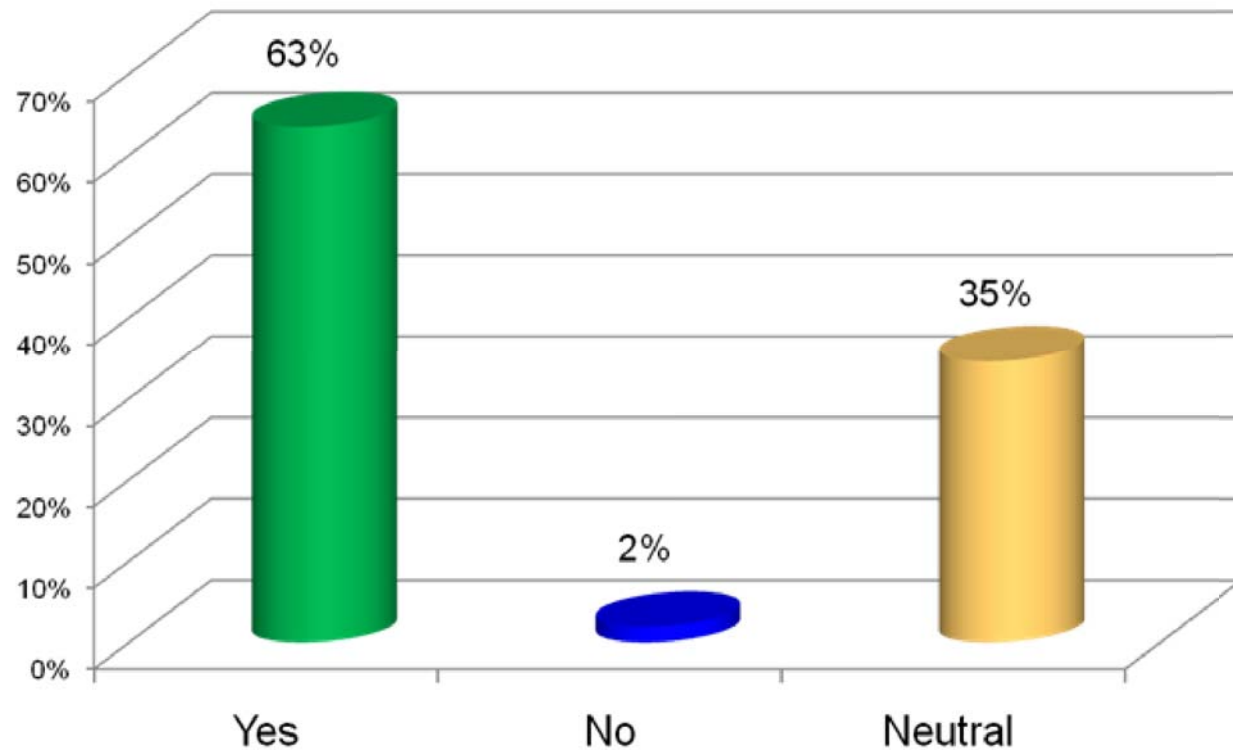
## Set-up for success

- Report to a senior executive
- Clearly define what you will deliver
- Educate exec sponsors & functional managers
- Provide enough resources!
- Use qualified staff



# What you told us...

**Should dedicated project staff have industry recognised qualifications?**



# Getting the most out of your PMO

## Don't rush

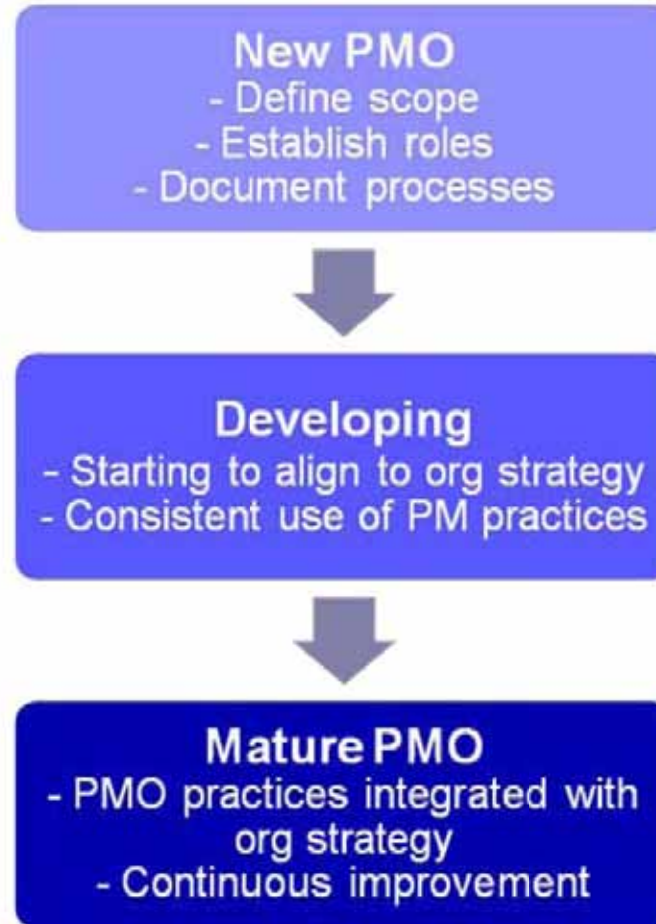
- Mature incrementally
- Target business areas likely to accept PMO
- Improve initiation process first!

## Gain Support

- Include all functional managers
  - Involve PMs
- Stakeholder interviews



# A maturing PMO



# PMO Maturity Model

	<b>Level 1 PMO Defining Value</b>	<b>Level 8 Organisation Delivering</b>
Scope Management	Poor definition of in-scope or out-of scope items	All strategic objectives of the org are achieved
Time Management	Project teams are in silos. Not aware of team member utilisation	Over 95% of projects are completing on time.
Resource Management	Project & resource managers constantly fighting over resources	More projects delivered without needing to add resources

Kendall G., Rollins C. 2003. *Advanced Project Portfolio Management and the PMO.*

# Getting the most out of your PMO

## Offer valued services

- Be a service provider not controller!
- Provide flexible methodology
- Support knowledge management
- Provide multi-project management
- Ensure projects aligned to org goals
- Provide end-to-end governance
- Manage benefits realisation
- Provide targeted enterprise wide reporting

*(\$ spent on canx projects, % projects meeting cost targets, cost of external resources)*

# Getting the most out of your PMO

## Keep Improving

- Train PMO staff in all disciplines
- Formal training program for Project Members
- Align practices with portfolio mgmt framework (Forum: 60% do not...)
- Actively manage lessons learned
- Identify & action common issues
- Market PMO and project success regularly!



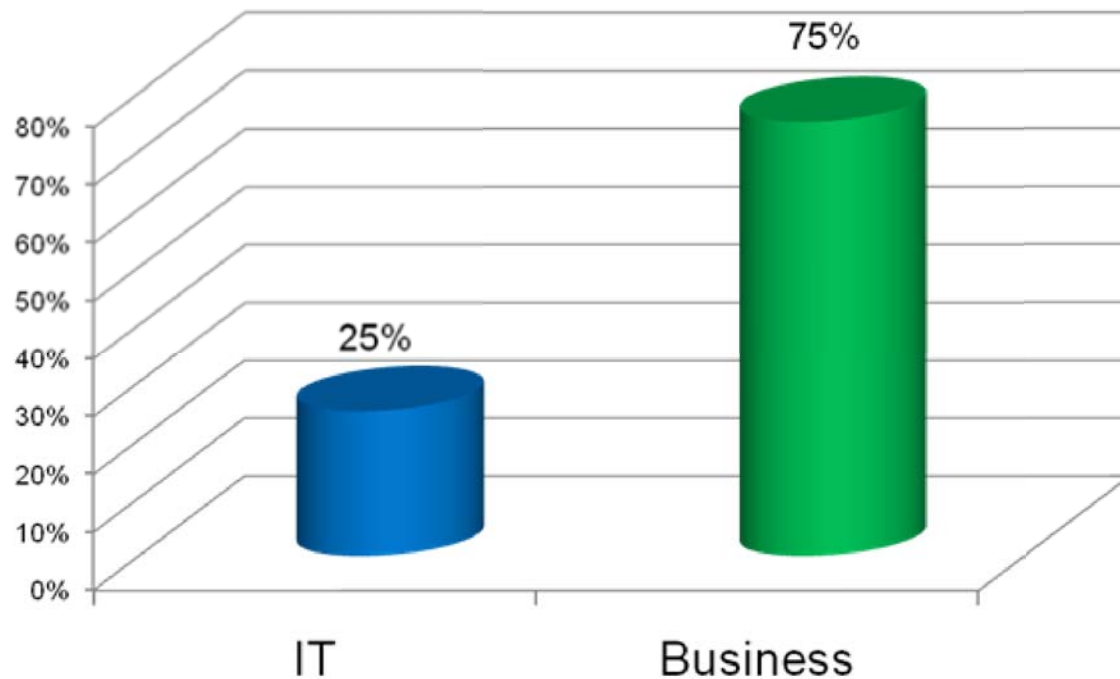
# Things to Avoid

- Big bang approach
- Aligning with one particular group
- Being viewed as admin / audit police
- Gathering detailed time sheet information
- Forcing methodologies
- Gathering unnecessary information



# What you told us...

## Should the PMO report to IT or to the Business?



# Doing it right

## Customer C



### Pre-implementation

- Secured top level exec support
- Developed Project Plan
- Published PMO Charter
- Interviewed heads of all departments
- Held methodology workshops

### Quick wins

- Implemented project initiation process
- Produced centralised reports
- Developed prioritisation matrix
- Centralised risk monitoring

# Doing it right – Customer C

## Medium term

- Created methodology
- Established intranet presence
- Targeted training
- New projects start using methodology
- Rationalised governance bodies

## Long term

- Up-skill other project team members
- Further develop portfolio practices
- Implement Microsoft Project Server
- Consult with other divisions to adopt PMO practices



# 7 Trends in PMO

*Based on an article by Cornelius Fichtner (PMP) , March 2006*

- Trend 0: Anything goes
- Trend 1: Co will require PMO experience & certification
- Trend 2: Increased PMO consulting and outsourcing
- Trend 3: Improved methodologies & templates
- Trend 4: PMOs will be replaced by portfolio mgmt systems
- Trend 5: Every company will have a PMO
- Trend 6: The list of trends in PMOs will continue to grow

## In Summary

- Why implement a PMO?
- What is the role of the PMO?
- Key considerations to gain maximum effect from a PMO
- What works and what doesn't





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***Thank you!***

**April 2008**