



What is a PMO and do I need one?

There's a lot of buzz (some good and some bad) about PMOs. Do they work? Are they a waste of time? Will they truly help me achieve the business outcomes I'm looking for? To determine whether or not a PMO is the right solution to your business challenges or why the one you have might be off course, we first need to understand what a PMO is and what value it is intended to provide.

A PMO is a group or organization whose purpose is to ensure that **projects are achieving the intended business value** through successful project delivery. It's not enough to simply meet the triple constraint (on time, on scope, on budget).



This can be achieved through people, processes, systems, and support. The key is in defining the scope...and knowing the pitfalls to avoid.

How do you know if you need one? If you are looking to achieve any of following outcomes, then you may want to consider the PMO construct:

Benefits of a PMO

- Alignment with enterprise strategy
- Maximize the positive business impact for the portfolio at large
- Optimize reliability across the portfolio
- Increase stakeholder satisfaction
- Decrease in failed projects
- Higher rate of on time / on budget
- Productivity improvements
- Better capacity planning/utilization
- Customer satisfaction increases
- Cost savings realized



Areas of PMO support

- **Governance:** ensuring that appropriate stakeholders have the information they need to make educated and informed decisions. The governance role can also include audit or peer reviews, developing project and program structures and ensuring accountability.
- **Transparency:** providing access to relevant, accurate and timely project information to support effective decision-making.
- **Reusability:** ensuring project teams have a central location for process, templates, and best practices, as well as access to resources from similar projects (such as lessons learned and similar project deliverables).
- **Delivery support:** coaching, guidance, support and engagement to ensure project teams can effectively manage projects, including access to training, resources, and a point of escalation. This can include access to project tools to automate aspects of delivery process.
- **Traceability:** providing the function for managing documentation, project history and organizational knowledge.

- **Strategic Alignment:** leading the organization through the process of ensuring that all projects are aligned to strategic objectives and that the business value for all projects is clear and specific.
- **Value Realization:** guiding the organization through the process of developing measurable business outcomes for projects and ensuring that projects achieve the intended business value.

To determine what your PMO would look like, you need to answer the following questions:

- What business problem are you solving?
- Are you managing projects, programs or portfolios? This defines the “P” for your PMO.
- What services can you provide to address the business problem?
- How will you show value quickly?

Potential Deliverables

Make sure there is a stakeholder group that acknowledges they need these deliverables before you create them. The worst thing you can do is spend time and money building something that no one wants or realizes they need (even if you know they need it)!

- PM methodology/standards
- Policy, procedures, templates, tools
- Governance, monitoring and reporting
- Reporting dashboard and portfolio oversight
- PM guidance, coaching, support
- Strategy setting and project start up
- Cross-functional project oversight
- Project rescue and recovery



The best approach is a staged release of services so that people have time to adapt, adopt and implement the changes. If you do too much too fast or don't get the proper buy-in, then you could end up with an organization struggling with change indigestion and a very expensive waste of time.

The impact of a poorly designed and executed PMO can be disastrous.

Signs the PMO isn't working:

- The PMO brand is a process heavy organization
- The PMO is thought of as a group that checks boxes vs. facilitating productivity

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- Stakeholders don't understand the PMO purpose or know how to engage
- The PMO is regularly considered for the "chopping block" when budgets are tight
- Stakeholders go around the process or don't engage
- Projects continue to miss the triple constraint targets
- Projects don't achieve their intended business value
- There is a lack of transparency on projects
- There is a lack of reliability and repeatability with project delivery
- Sponsors are not engaged in the projects they own
- Project managers are acting more as fire fighters instead of fire preventers



If you choose to embark on the journey of building out a PMO, remember the following tips:

Keys to PMO success:

- Start small and have (and recognize) wins along the way
- Engage sponsors early and often
- Engage stakeholders to gather business pain points, requirements, engagement model, desired services and support needs (do it WITH them, not to them)
- Deliver value **quickly**
- Follow a simple maturity model, phased roll out of services
- Treat the build out as a project (requires a charter) and the PMO as a business unit (requires a business plan)

This last point is key. Are you creating a project based PMO that will go away when the project does or is this meant to be a long-standing business unit that continues to deliver value and services to other parts of the organization? If it's meant to be a more permanent fixture, then you will want to treat it as such. It should have a business plan, like any other permanent business unit would need to build. That business plan should include an accountable leader and sponsor, the goals, purpose, and measurable value outcomes that the PMO is going to accomplish. Again, like everything else, this should be done WITH the potential stakeholders of the PMO to ensure that it meets their needs and that they will continue to support the PMO in the long run.



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I welcome your feedback and insights, as well as suggestions for new topics or challenges you are facing while driving IMPACT in your organization. Please visit IMPACTbyLaura.com to share your thoughts.

Warmly,



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