

A Practitioner's Guide to the PMO^{1, 2}

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ABSTRACT

This is a discussion about **Project Management Organizations (PMOs)**. The author describes the characteristics of three basic types suited to serve different organizational forms and objectives.

*“For Forms of Organization, let fools contest;
That which Administers best, is best!”³*

Unless you were blessed by (or cursed with) overly-protective parents who prevailed upon you to follow in your father's footsteps; take over the family's business enterprise; or persistently pushed you towards their vicarious vocation of what they considered a 'good' profession – *i.e.* *doctor, lawyer, engineer, 'tinker, tailor, soldier, sailor,' or whatever* -- **“What do you want to be when you grow up?”** was a constant query asked of children through emerging adulthood; and sometimes, even beyond. Indeed -- *dogged by uncertainty* -- many college-level students opt for a 'general studies' program, then flip from one major to another because they are still unsure what they want to be. And when they finally graduate to the workaday world, some continue to chop and change – for better or worse!

Organizations are much like people. Each one is unique. As they age &/or develop, they continue to metamorphize! In the world of Project, Program and Portfolio management, the **“P”⁴ manager** is the driving force, and the **PMO** is their designated domain. However, what

¹Project Management Office (PMO): “An organizational structure that standardizes the project-related governance processes and facilitates the sharing of resources, methodologies, tools and techniques.” [Guide to the Project Management Body of Knowledge (PMBOK)®.]

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³Freely adapted from Alexander Pope.

⁴NOTE: Many organizations use the terms 'Project' and 'Program,' &/or 'Program' and 'Portfolio' interchangeably. For clarification: **Project**: “A temporary endeavor undertaken to create a unique product, service, or result;” **Program**: “A group of related projects, subprograms, and program activities managed in a coordinated way to obtain benefits not available from managing them individually;” and **Portfolio**: “Projects, programs, sub-portfolios, and operations managed as a group to achieve strategic objectives.” [Guide to the Project Management Body of Knowledge (PMBOK)®.] However -- with no intent to compel others to conform to my usage -- for the purposes of this article's audience, whatever **“P”** fits your situation, apply it!

they can accomplish is constrained by where they 'sit' in a function-oriented Matrix.⁵ Indeed -- despite whatever budget, staff, personality and collective skill-sets the PMO may possess⁶ -- the desired **function** of the PMO should predetermine its **form, locus** and **hierarchical status** in the organizational structure as the *alter ego* of the Manager-in-charge.

There are **three (3) basic forms of PMOs** -- with an almost infinite number of 'mix & match' variants -- to suit an organization's self-perceived needs and wants:

1. **DIRECT MANAGEMENT & CONTROL (DM&C) of Programs, Projects &/or Operations in the Organization's Portfolio**
2. **NEUTRAL SERVICE CENTER SUPPORT (NSCS)**
3. **INDEPENDENT IN-HOUSE AUDITING (IIHA), or EVALUATION (IIHE)**⁷

THE DIRECT MANAGEMENT & CONTROL (DM&C) PMO

This form of PMO is most suited for 1) an individual Project Manager; or 2) a Program Manager in a "*Strong Matrix*" where the component Project Managers are assigned to, and under the direct management control of the Program Manager.⁸ The **DM&C PMO** is comprised of a support staff with a set of relevant skills to service any or all of the Manager's needs to implement the project(s) and deliver the Outputs⁹ -- *i.e. WBS, Gantt/MS/CPM, project scheduling software and processing, MIS reporting; and EVA, S-curves and control charts to monitor and assess progress* -- that the overall organization does not provide. [Any residual functions not subsumed by lower levels -- *such as procurement, financial management, human resources, and legal support* -- would be retained by the Portfolio Manager, or ultimately the organization's CEO at the top of this hierarchy.]

THE NEUTRAL SERVICE CENTER SUPPORT (NSCS) PMO

This form of PMO is most suited for Project Managers, and Program Managers in a "*Weak or Moderate Matrix*" where the component Project Managers are assigned to, and under the direct management control of their respective **Functional Department Managers**; and merely indirectly '*coordinated*' with, or by, the Program Manager. The **NSCS PMO** is comprised of a support staff with the set of relevant skills similar to an M&C PMO, to service

⁵**Matrix Organization:** "Any organizational structure in which the project manager shares responsibility with the functional managers for assigning priorities and for directing the work of persons assigned to the project." [*Guide to the Project Management Body of Knowledge (PMBOK)*®.]

⁶ As outlined and elucidated in my recently-published **Project Management PRAXIS** book (available from Amazon).

⁷But don't locate both in the same PMO!

⁸ As opposed to a 'Weak' or 'Moderate' Matrix, where the individual project managers are assigned to -- and under the direct management control of -- their Functional Department managers; and merely indirectly '*coordinated*' with, or by, the Program Manager.

⁹ In terms of the Portfolio, Program or Project "Logframe."

any or all of the Functional Project Managers needs to plan, implement and monitor their project(s) to deliver the Outputs.

The NSCS Program Manager's staff should have **additional technical capability** to do **comparative project performance analysis** – i.e. “*Evaluation*” -- as well as **provide training** and **on-the-job technical assistance** to the Functional Departments and their Project Managers, towards **promoting standardization** in their utilization¹⁰ throughout the entire organization. [Again, any residual functions not under the direction of the PMO Manager would be retained by the Portfolio Manager, or ultimately the organization's CEO.]

Another significant difference is that the NSCS Program Manager has **no authority or responsibility for individual project performance, control, follow-up or corrective action.** As a service center, the PMO merely processes data received from the Project Managers and provides them with the results, for them to brief their Functional Department, or Portfolio Manager.

A common variant of this model – *and an erroneous one in my opinion*¹¹ -- is when the PMO is also pressed into service as a conduit in the organizational hierarchy to brief the Portfolio Manager, &/or CEO. With its direct access to the project managers data the NSCS PMO may indeed possess the knowledge to do so. However, this immediately violates its neutral role, and puts the NSCS PMO in conflict with the Functional Department Directors, to the detriment of the PMO's service support relationships with the subordinate project managers. Far better to retain the NSCS PMO solely as a service center, and establish another, separate, **additional PMO within the Functional Departments**, and/or yet another at the CEO level, if desired.

THE INDEPENDENT IN-HOUSE AUDITING¹² (IIHA) &/or EVALUATION (IIHE) PMO

Where the project implementing organization is also responsible for attainment of the **Strategic Level Vision**¹³ for which the Program and Projects were developed and implemented – *rather than simply a contractor hired to deliver project Outputs* -- a completely independent **Auditing &/or Evaluation PMO** is often desired. In this instance, the “M” in PMO is “**Monitoring**,” rather than Management – based on the Portfolio, Program or Project Logframe. Although an internal service to the CEO of the organization, the IIHA PMO and IIHE PMO are external to the on-line portfolio, program and projects.

Unlike the functions of the aforementioned M&C and NSCS forms, a common purpose of the IIHA and IIHE PMO is to **follow-up** and **assess** the **relative accomplishment** of projects– *beyond Output delivery on Time, Budget and Technical Criteria* – in terms of effectiveness, efficiency, economy and sustainability of their pre-determined logframe objectives. [For example, if the objective of a highway project was to reduce transit time x% between point A to

¹⁰ Tools & techniques for both functions are detailed in my **PRAXIS**.

¹¹ And never humble!

¹² Not necessarily limited to Financial Auditing, but also encompassing Management Auditing.

¹³ Such as is often the case in Government Agencies.

B by building a road; was that result actually achieved after completion of construction? Or did other factors preclude attainment, and if so to what extent? Further, what else needs to be done to achieve, or help sustain that objective?]

While perhaps providing insight and assistance to the **PMO auditor** or **evaluator**, a Portfolio, Program or Project staff should not audit or evaluate itself to provide the findings to others. It is all too easy to gloss over or even ignore one's own shortcomings, while no-one will unquestionably accept self-praise – *even if deserved* – but will instead tend to regard such an audit or evaluation as a “whitewash.”

In addition to some of the aforementioned skill sets, these two PMO types require some different tools and competencies to carry out their functions. Rather than simply processing readily available data furnished to them by project officers to retrospectively reconstruct implementation, the PMO staff should be competent in investigative research skills and statistical analysis, as well as adequately budgeted to visit project sites -- *and comparative areas* – and conduct follow-up interviews with target beneficiaries.

Moreover, while the skills sets are essentially the same, the **objective** of the **Auditing PMO** differs from that of the **Evaluation PMO**. In general, the **Auditor looks backwards** for *compliance or conformance* with criteria, predetermined goals, indicators and targets, and seeks variations and potential problems **as the basis for punishing the perpetrators**. On the other hand, while **Evaluators** look at the same issues, their **perspective – and objective – is to look forward for means to correct and improve the situation**.

Quality Control Inspection functions can be **combined with Audit PMOs**, and **Quality Assurance** with **Evaluation PMOs**; but it is **imperative that these two types of PMO be separate and distinct** from each other. **If this is not done, the integrity of the Evaluation PMO will be rapidly eroded**, as the **Evaluator's** statement that “*we are here to help you*” will fall on deaf ears!

Throughout my career in many different countries, I have worked in -- *and helped establish* -- each of these types of PMO's, at various levels within different organizations and under different circumstances (as well as observed them from the outside); and provide these typologies here -- *based on my experience* -- to help you avoid the pitfalls; and facilitate your adoption &/or adaptation as you see fit.

So, what does your organization need and want from you, and – perhaps more importantly -- Where do you want to be

About the Author



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Dr. Kenneth F. Smith has been a project management consultant for ADB, the World Bank, and USAID for decades. He earned his DPA (Doctor of Public Administration) from the George Mason University (GMU) in Virginia and his MS from the Massachusetts Institute of Technology/MIT (Systems Analysis Fellow, Center for Advanced Engineering Study). A long-time member of the Project Management Institute (PMI) and IPMA-USA, Dr. Smith is a Certified Project Management Professional (PMP®) and a member of the PMI®-Honolulu Chapter.

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