

## *What Should a PMO Be? – The Sequel*<sup>1, 2</sup>

**Jeff Oltmann**

### Six services on the menu

Several years ago, I wrote an article on the various forms that a Project Management Office (PMO) can take. Since then, I have continued to work with new clients to implement PMO's. The time seems ripe for an update.

A PMO can coordinate project activity across an organization, thus increasing efficiency, project success rates, and bottom-line results. However, a PMO is not “one size fits all.” Each one is as unique as the problems it is trying to solve for its organization. Here are six services a PMO may choose to offer.

#### 1. Set standards

A PMO can set standards for how projects are run and ensure those standards are followed. PMO's that provide this function own the organization's project management system. They may require the use of standardized processes, tools, gates, and phases.

“The PMO builds up a common set of practices, principles and templates for managing projects. Standardization means project managers can move more easily between different projects and new project managers get up to speed faster. Creating project management templates means standard components can be reused which saves time and money as they are not created for each project fresh ...

While the PMO sets project management standards, it also must ensure they are followed by performing regular assessments of projects. This process can feed back into the standards definition.”

#### 2. Be a center of excellence for project management

A PMO that is a center of excellence is the organization's repository for best practices and advice. Primary customers are the people inside or outside the PMO who work on projects.

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1. Make available common processes and language, common data repositories, standard estimating methods, and templates related to projects.
2. Manage organizational knowledge about projects, such as lessons learned.
3. Provide support that allows project managers to be more productive. For example, be the home for a few people who specialize in project tools and analytics – people who "make Microsoft Project sing", or who collect, analyze and distribute metrics. These specialties require skills and interests that many good project managers don't have and don't really want to learn. Specialists in a center of excellence PMO free up project managers outside the PMO to run projects, increasing their productivity.
4. Provide guidance and coaching, and bring new project managers on board. This is especially important when the organizing adds or changes project managers frequently. "In many organizations we work with, the people running projects are not always formally trained project managers and the PMO plays a key role in assisting this group."

### 3. Provide visibility of all projects in the portfolio

A PMO that provides this service is the unbiased, "one source of truth" about projects in the organization. It focuses on understanding and communicating to the senior management team the "big picture" about projects being run by all other groups. The primary customers for this are the functional and executive management teams. This PMO provides decision-making information and insight to executives on the costs, value, and implications of the projects the organization is doing.

"The PMO will track the status of all projects in the organization based on updates from the project managers. They will standardize the way this information is compiled and reported to management. The normal way to present the information is using project dashboards which provide a clear way to keep track of the status of projects."

The PMO may also facilitate governance - the framework that enables management decisions about projects. It sets up and administers the governance processes, including defining how relevant project information is gathered, and provides it in a form that useful to managers and helps them made good decisions.

### 4. Handle project escalations

A PMO may be the escalation point for projects in the organization's portfolio. When a project team can't resolve issues or make major decisions, the PMO may facilitate:

1. Root cause investigation of major issues, especially those that cross silos.
2. Moving resources between projects.

### 3. Making priority calls.

The PMO may also facilitate and buffer management involvement in specific projects, assisting executive review of a project's progress, issues, and escalations. It helps managers act in an efficient and informed way.

## 5. Facilitate the portfolio management process

Some organizations use project portfolio management (PPM) as a structured method to select the projects that best align with their strategic direction and organizational capability, manage the execution of those projects, and monitor the benefits that those projects create. PPM decision-makers are usually business unit executives outside the PMO, but the PMO is the process owner and facilitates executive involvement. "This can include:

- Capturing project requests and ensuring each request has sufficient information to assess the project.
- Keeping an up-to-date repository of projects underway and requests pending review.
- Implementing scoring and prioritization models to help assess which requests should be approved.
- Managing a resource capacity plan or resource forecast to help understand resource availability for projects."

## 6. Directly run or support specific projects

These PMO's get their hands dirty by taking responsibility for specific projects. Their top focus is to get projects done successfully. They use two methods.

1. Directly run critical projects, managing them with experienced personnel work for the PMO.
2. Indirectly make projects more successful by providing expertise and support to people outside the PMO who are running projects.

The PMO may also do in-depth reviews of the health and status of key projects, whether or not the PMO is running them directly.

## Call to Action

A PMO that is *appropriate* for its organization can deliver great business value. However, PMO's that don't create perceived value tend to die quickly. The first step toward "appropriate" is to decide what services the PMO should and should not deliver.

I've never seen a thriving PMO that fit exactly into the categories above. There are many variations and combinations. However, the six categories are a starting point as you decide what you need your PMO to be.

## About the Author



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**Jeff Oltmann** is a seasoned leader with over 30 years of experience advising clients, managing successful technology programs, and developing new products. His specialties include strategy deployment, operational and project excellence, and project portfolio management. As principal consultant at Synergy Professional Services, Jeff advises leaders and teams in diverse sectors including healthcare, research, bioscience, and technology product development.

Jeff is the founder of the Portfolio and Project Leaders Forum. He is also on the graduate faculty of the Division of Management at Oregon Health and Science University and was previously on executive staff at IBM. He teaches portfolio, program, and project management and is a certified Project Management Professional (PMP®).

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