

Implementing a PMO is a Project in Itself

By Gareth Byatt, Gary Hamilton, and Jeff Hodgkinson

When we began our collaboration on this article, we wanted to ensure that our readers didn't see it as another article on how to manage and/or define the benefits of a PMO (Program and/or Project Management Office). There are many excellent articles on this subject published by respected professionals and organizations, many of which provide very valuable information that you can adopt or adapt to your specific needs. The way in which we thought we could offer a 'niche view' was to focus on how one starts up a PMO from the perspective that it is a project in its own right.

In our own experience and in feedback discussions we have had with many project management and PMO professionals, difficulties in establishing a PMO are frequently due to the fact that some of the key tenets of treating it like a project (e.g., really focusing on senior management commitment) did not, in hindsight, receive the level of attention they warranted.

Let us first consider the two basic milestones in any project, 'Start' and 'Finish', and how they relate to establishing a PMO:

- The 'Start' occurs when the idea is in the early initiation or exploratory phase of the PMO. We'll assume that it's the point at which either you have been approached by C level executives or you're approaching them with the idea of a 'PMO', it has some merit and at least a verbal approval to continue obtaining information as to its viability.
- The 'Finish' milestone is reached when the PMO is considered to be 'established' and is now ongoing as a normal part of your business process or operations.

That leaves a great deal of middle ground to consider. After the start, the next key milestone is met when you present the project for a 'go/no go' decision for funding approval. To ensure success, your presentation should describe the 'Establishment of a PMO' as a project in itself, albeit a temporary endeavor until the PMO is established. It will require a Project Manager who could, of course, be the designated PMO Manager once the project is complete. Therefore, like any project, the 'Establish a PMO project' will have a project Charter with clear and measurable Purpose, Scope, Schedule, Quality, Budget, Risks, CSF's (critical success factors) with suggested key points. Guidelines for each of these are as follows:

Purpose: As in any project, are you trying to solve a problem or act upon an opportunity? If project execution has historically been a problem, then your presentation will approach the subject from the aspect of how the PMO would resolve this difficulty, broken down into specific points. If an opportunity, then you are assuming a PMO will provide added benefits such as shorter project execution times, increased productivity, or lower administrative overhead.

Scope: Pare to a summary all the work to be done to set up the PMO: hiring the manager and/or PM's, centralized database, document standardization, common metrics, communications, scheduling software, etc., just as you would for a project.

Schedule: As you may know, a PMO can take time to reach the maturity level you are seeking, and it can be either a slow or a fast transition proportional to the amount of ‘churn’ the organization can digest and from which it will benefit. Both approaches can be successful. These days, the ‘fast’ track seems to be a more prudent choice; stakeholders want to see results quickly and a long transition can lose momentum. We suggest putting your phase transition times in a date range vs. a hard date so that you can manage the quality of the change management at the pace required for your organization.

Quality: Empirical data will come later; the initial establishment of the historic baseline and agreement to the PMO primary metrics should be done up front – remember that ‘you are what you measure’. For the start of the project, focus on the intrinsic elements as to how your customers are viewing the change and your PM’s morale managing through the transition. As the performance ranges of your metrics start to show some degree of consistency and fewer outliers, switch to more empirical focus. If timed right, the ‘emotion’ of the change has subsided and focus on the expected benefits will be the primary task at hand.

Budget: There is an overhead cost to initializing the PMO and a budget estimate should be established so an ROI can be provided. The trick here is to emphasize the long term benefits of a PMO versus the expectation of early ones. However, any positive results early on (even ‘off the cuff’ hearsay) is good backup to provide during PMO stakeholder updates.

Risks: As in any project, there are risks. We often hear that a primary risk is the initial stakeholder and customer expectations of results to be achieved versus the long term benefits of success. Continual communication with your stakeholders and customers is crucial. So is the establishment of a PCG that includes senior management. Keep in mind that no matter how well you manage the change transition to a PMO, there will most likely be an impact on your customers. Address their concerns in a proactive way with positive communications. Hold a Project Success Plan (PSP) meeting at the start.

CSF’s (Critical Success Factors): We generally like to use an ‘AS IS’ and ‘TO BE’ format wherein you list the existing challenges and/or potential opportunities on the left side; on the right, itemize the expected benefits once the PMO is fully established (which need to be tracked and monitored). You could consider breaking these benefits into increments expected at the end of each phase or timeframe. It is prudent not to oversell the results prematurely. All success factors should be measureable, obtainable, and agreed upon upfront with your sponsor/decision makers.

Conclusion:

In conclusion, we hope that you feel these ideas for establishing a PMO by approaching it like any project, therefore giving it the same discipline and rigor, is a good strategy. A PM needs to own it, work effectively with all key stakeholders, set milestones, determine CSI’s, manage resources, purchase tools, and report results. Such actions need to continually serve the needs of your stakeholders and the organization as a whole. The benefits and success of establishing a PMO will come at regular intervals and, just like any other project, they will not be fully realized until after it is launched – plan the benefits out and report against progress in achieving them.