



Establishing a Project Management Office (PMO)

Presented by
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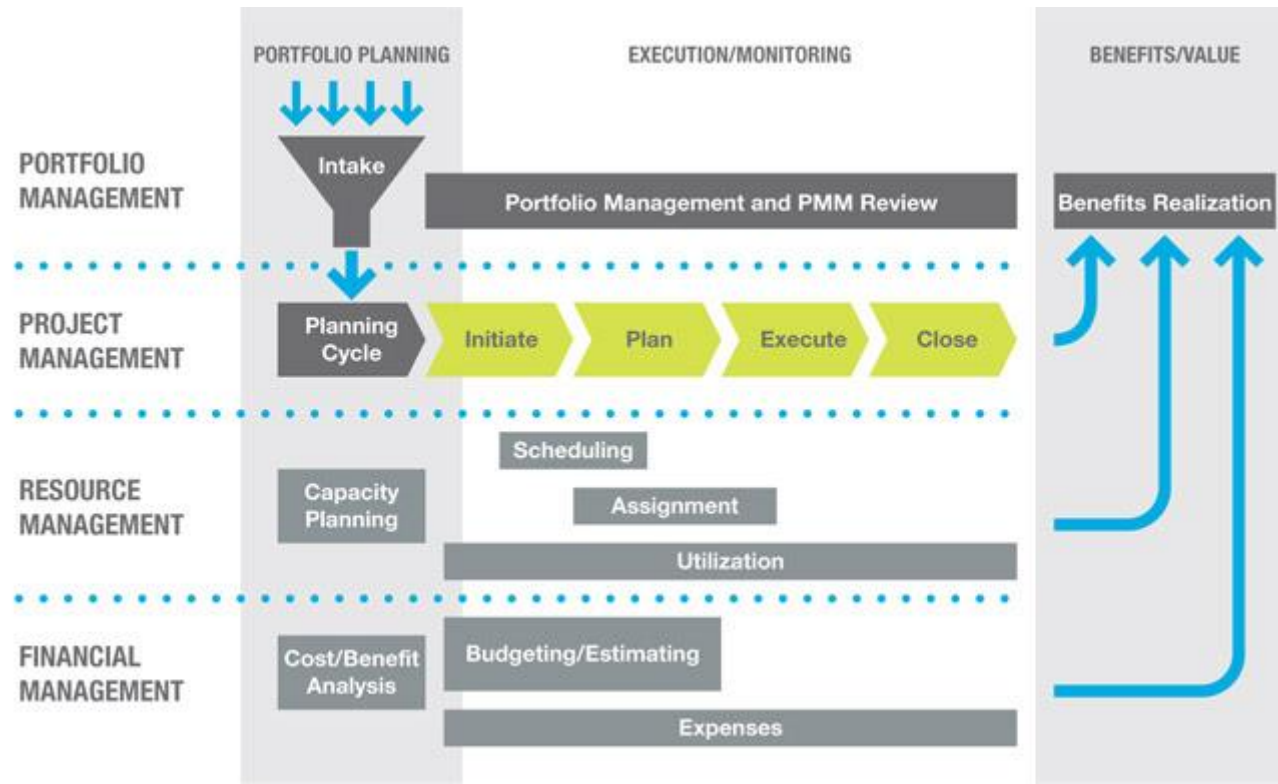
Understanding the Pitfalls and Successes of a

Project Management Office (PMO)

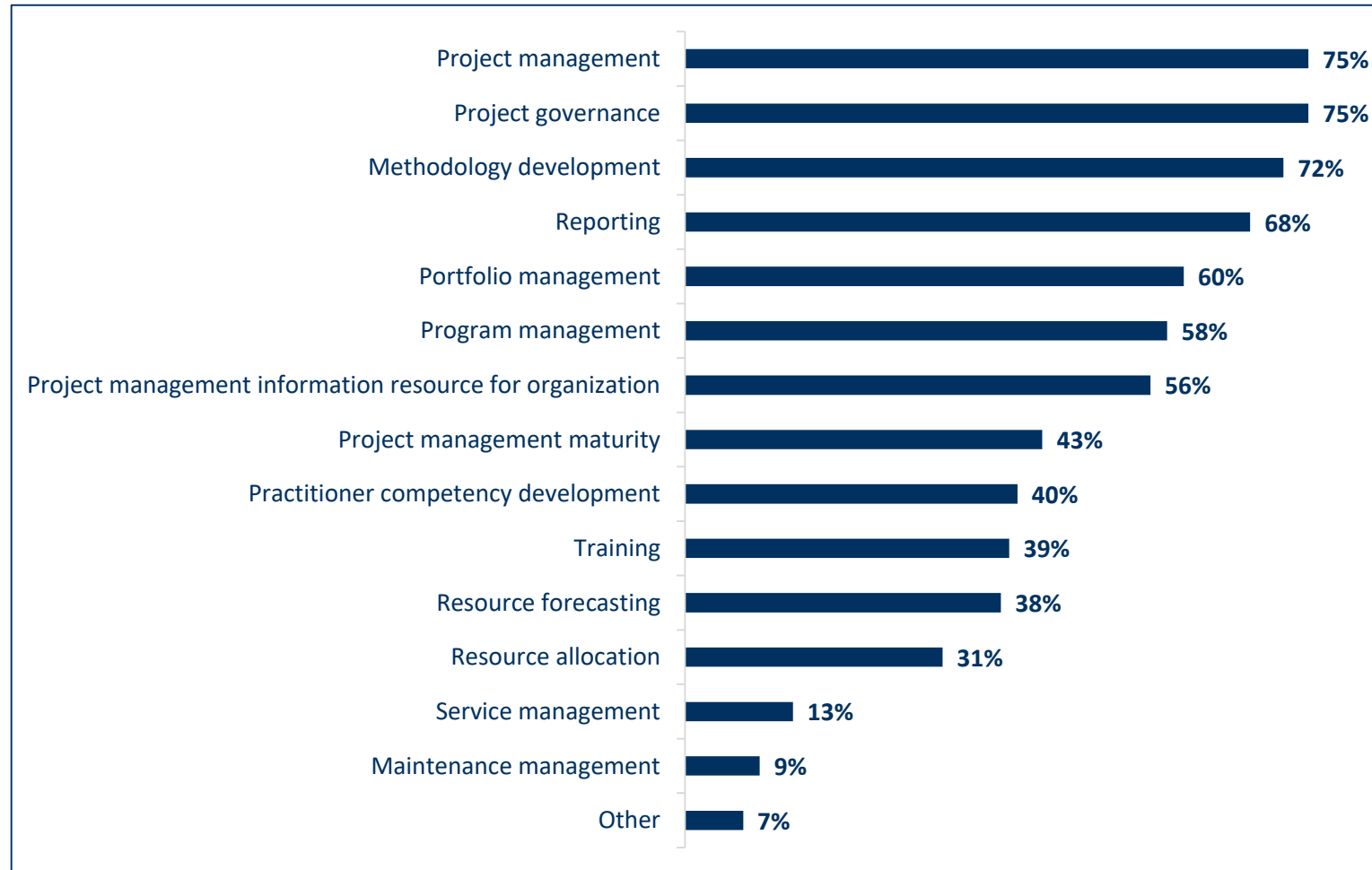


What is a Project Management Office (PMO)?

- A project management office (PMO) is an organization, usually a department or enterprise, that defines and maintains governance standards for managing projects.
- A PMO is established to realize economies of repetition and scale to improve the efficiency of managing projects.
- PMOs help organizations do projects right and do the right projects.



What is the focus of a PMO?



Forrester/PMI April 2015 Global Project Management Office Online Survey

Establishing a PMO will create many benefits to an organization.

- Achieve efficiency for IT projects due to process improvements
- Reduce costs through improved resource management
- Improve project delivery in terms of time and budget
- Communicate metrics for measuring progress and/or value
- Manage resources to balance the team workload
- Provide compliance maintenance (Sarbanes-Oxley, HIPPA, etc...)
- Provide transparency of financials
- Provides structure and repeatable processes needed to both standardize project management methodologies
- Facilitate IT project portfolio management
- Reduce project failures
- Prioritize projects based on strategic goals

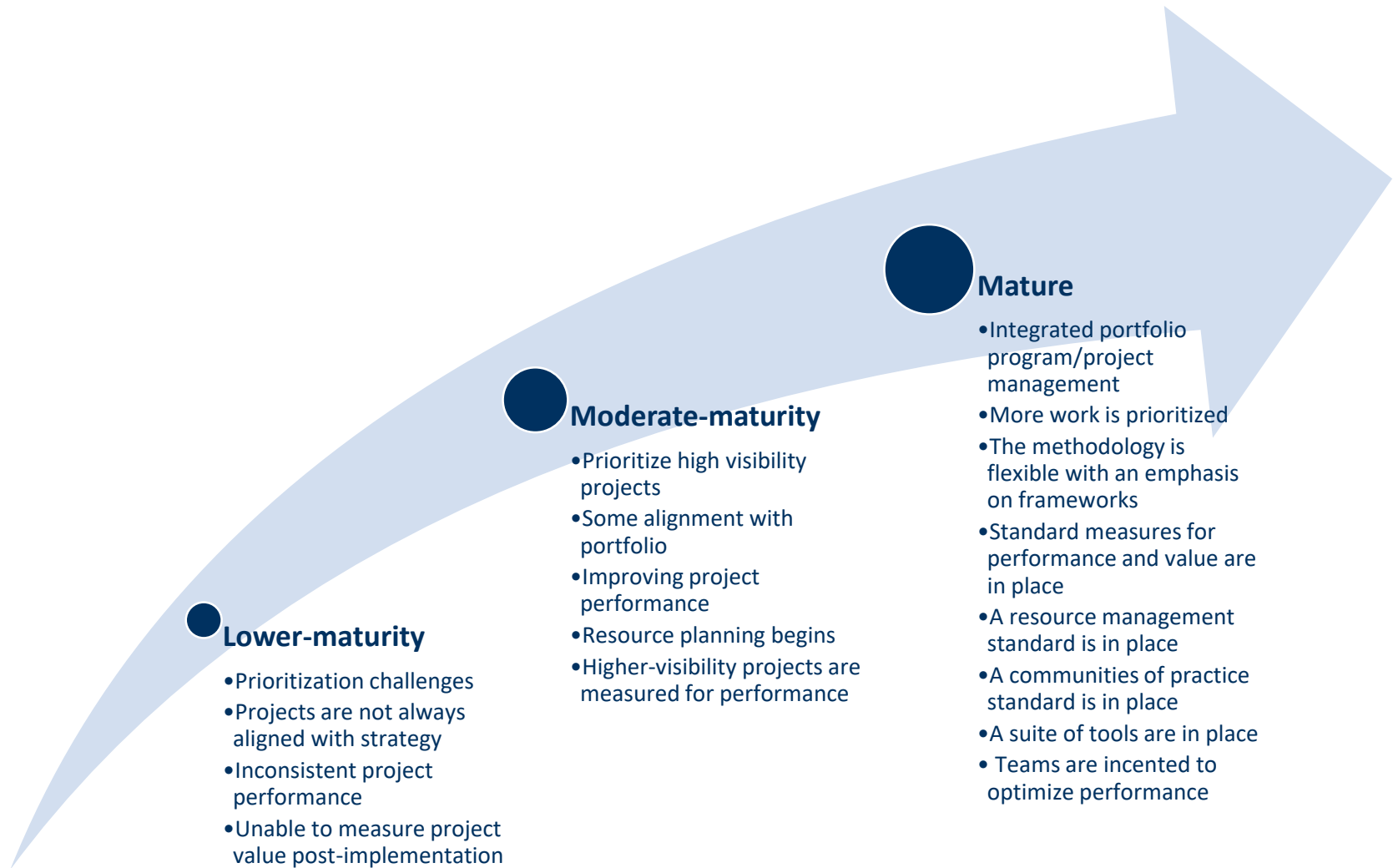


PMOs have several challenges.

- Organizational understanding of project management
- Organizational maturity
- Organizational alignment
- Adequate tools
- Lack of ownership by project sponsors
- Ability to collaborate
- Lack of executive buy-in
- Poor leadership of executive sponsor



PMOs become more effective as they mature.



Source: Forrester Research, Inc.

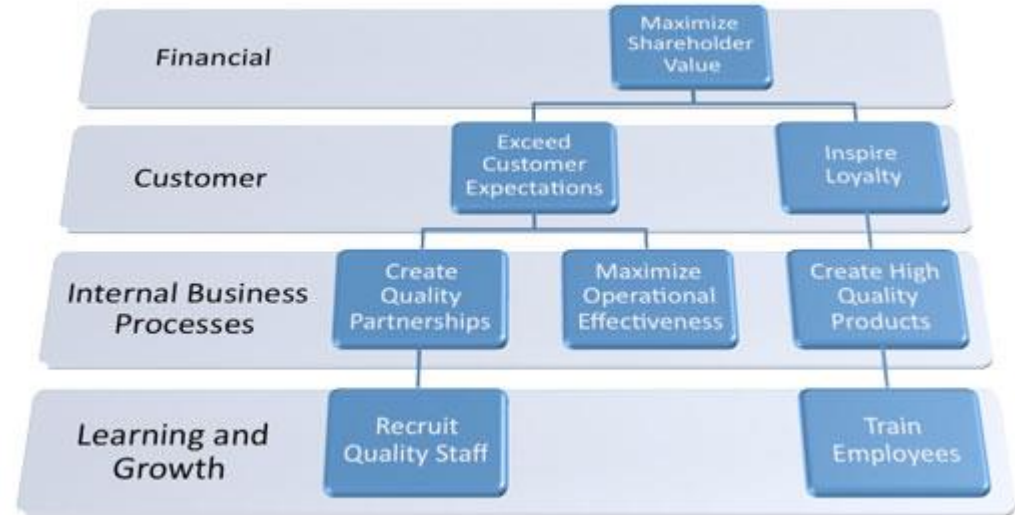
PMOs rely on three metrics to determine its effectiveness.

Success Measures

- 1) Accuracy of cost estimates
- 2) Accuracy of schedule estimates
- 3) Stakeholder satisfaction

PMOs deliver measureable returns within three to six months providing visibility needed to cancel, postpone, or scale back unnecessary or less strategic projects.

Using a Balanced Scorecard, PMO Managers can effectively measure the effect of the net benefit to an organization.



Balanced Scorecard

PMOs function in seven primary areas.



Seven Functional Areas of a PMO



Project Support:

Provide project management guidance to project managers in business units



Project Management Process / Methodology:

Develop and implement a consistent and standardize process



Training:

Conduct training programs or collect requirements for an outside company



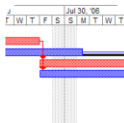
Home for Project Managers:

Maintain a centralized office from which project managers are loaded out to work on projects



Internal consulting and mentoring:

Advise employees about best practices



Project Management software tools:

Select and maintain project management tools for use by employees



Portfolio Management:

Establish a staff of program managers who manage multiple related projects

PMO Models



There are two basic models of PMOs that organizations utilize.

Consulting

- Provides project managers in business units with training, guidance and best practices
- Provides an organization with incremental gains in efficiency
- Minimal startup risks
- Establishes a process for continuous improvement plans

Central Control

- Provides project managers as resources to business units to work on projects
- Provides 'hands-on control' over projects
- Most effective with organizations that interact with senior executives
- Has the power to cancel and prioritize projects
- Works with business units on every phase of the project from defining requirements to post-implementation audits
- Higher risk but provides larger benefits

PMO Best Practices and Engagement Methodology



KLS&A recommends six key best practices when establishing a PMO for your organization.

PMOs are Projects

- Create a charter specifying the purpose of the PMO in the organization. Highlight executive support. Create a scope statement, a WBS, metrics to measure performance, and a communications plan.

Commit to Change

- Leadership must support the PMO because it is a major cultural change within the organization.

Define Roles

- Specific functions in the PMO must be clearly communicated to stakeholders. Provide a PMO organizational chart that includes roles and responsibilities.

Stakeholder Support

- Support must be obtained at all levels of the organization. The PMO should serve as a clearinghouse of project management best practices, tools and techniques.

Ongoing Review

- Foster project management improvement and conduct periodic assessments to identify strengths and weaknesses and areas of improvement in the project management practice.

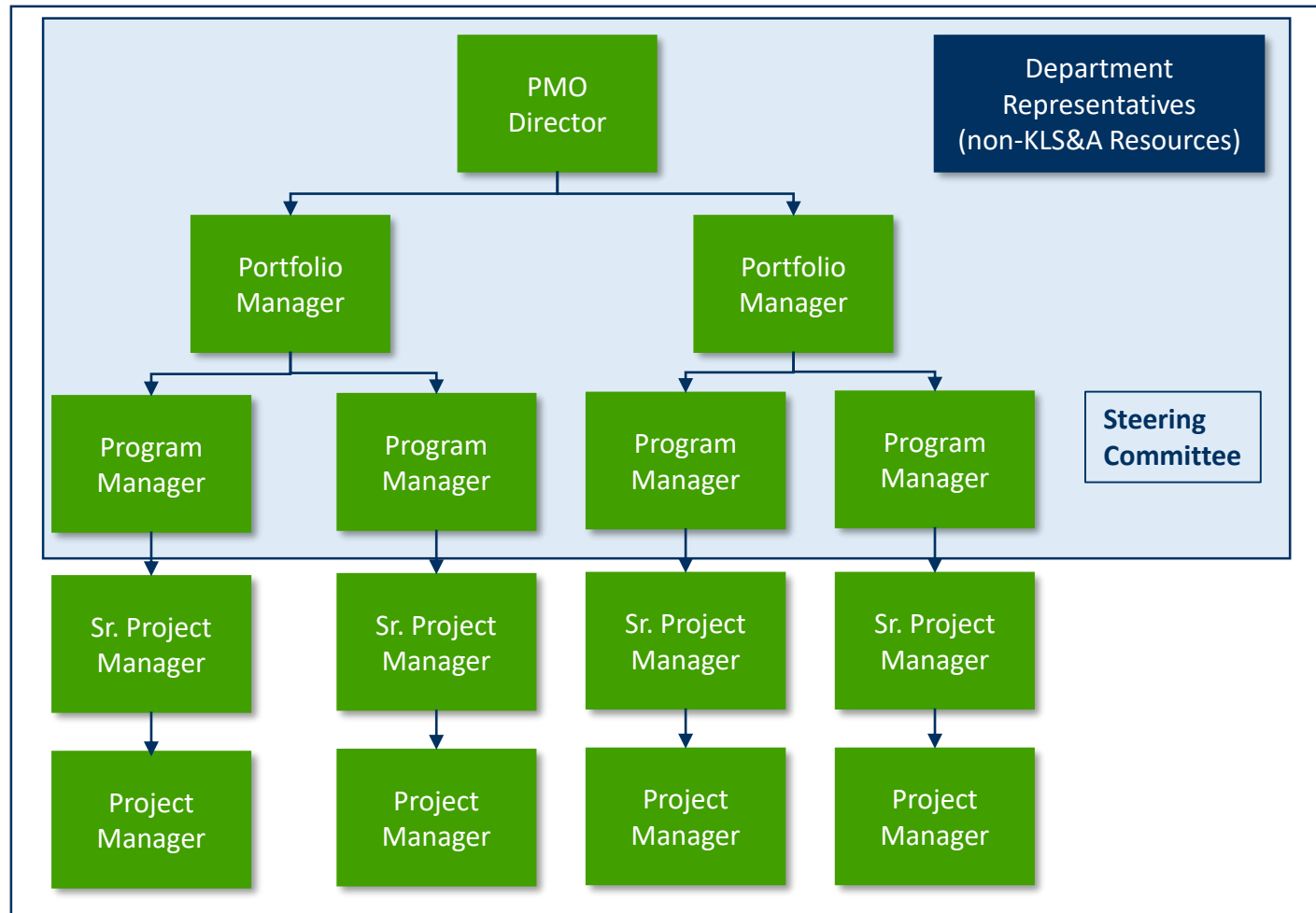
Utilize Technology

- Utilize the right project management tools to manage the PMO to effectively manage the PMO, portfolio and projects

PMO Organizational Model



KLS&A provides the right personnel to govern a PMO.



KLS&A provides certified Project Management Professionals (PMP)



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