

## Designing a PMO to Succeed and Survive



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## Key References

- **Stakeholder Circle** (including free software):  
[www.stakeholder-management.com](http://www.stakeholder-management.com)
- Additional papers on developing PMOs:  
[www.mosaicprojects.com.au/Resources\\_Papers.html#Proj\\_Off](http://www.mosaicprojects.com.au/Resources_Papers.html#Proj_Off)
- Additional papers on Governance:  
[www.mosaicprojects.com.au/Resources\\_Papers.html#Governance](http://www.mosaicprojects.com.au/Resources_Papers.html#Governance)
- Additional information on OPM3:  
[www.mosaicprojects.com.au/Techniques.html#OPM](http://www.mosaicprojects.com.au/Techniques.html#OPM)



## This Session

- Defining a PMO
- Why Governance Matters
- Standards for successful IT Project Portfolio Management
- Why Stakeholders matter
  - The *Stakeholder Circle*™
- PMO roles and responsibilities based on organisational needs

## Defining a PMO

## What is a PMO?

- PMO is not clearly defined in the literature
  - PO for projects
  - COE (Centre of Excellence) for programs
  - EPMO (Enterprise PMO) for portfolio
- PMO provides support for:
  - Projects – PjMO
  - Programs – PgMO
  - Portfolio - PtMO

A = Aware  
R = Responsible

## PMO support

	1	2	3	4	5	6
	Monitor and Control	Methodology and resourcing support	Mentoring and PM career support	Governance support/ Strategy alignment	Value delivery/ benefits realisation	Manage relationships
Project - PjMO	R	R	A? R?	A	A	R
Program - PgMO	R	R	R	A? R?	R	R
Portfolio - PtMO	R	R	R	R	R	R

Strategic Support

Stakeholders

## PMO - Attributes

- A successful PMO requires:
  - Executive sponsorship
  - Management buy-in
  - Clear mandate (Authority and autonomy)
  - All projects included
  - Project benefits managed and measured
  - Formal training on tools and PM competencies

## PtMO

Support for Portfolio Management in

- Achieving business goals through:
  - Selecting and prioritising
  - Authorising
  - Managing and controlling
- Projects, Programs and other related work
- Governance
  - Standards implementation
  - Support

## PMO - Governance Processes

- Monitoring and/or control of:
  - Schedule, budget, scope, quality
  - Communications = reporting
  - Administration activities
  - Resource utilisation / capacity
  - Risk (maintaining risk registers)
  - Interdependencies
  - Project selection & prioritisation

## Why Governance Matters

- Effective project governance ensures that an organisation:
- Does the right projects
  - Alignment with strategic objectives
  - Prioritisation and selection
- Does the selected projects right
  - Effective project, program & portfolio management processes
- Time after time
  - Consistent (standard) processes

## Describing the Standards

## Standards that Matter

- Standards that matter for IT Project Portfolio Management:
  - OPM3
    - PMI's Organizational PM Maturity Model
  - AS 8015-2005
    - Australian standard for Corporate Governance of ICT
  - GoPM
    - OGC's Governance of Programme Management

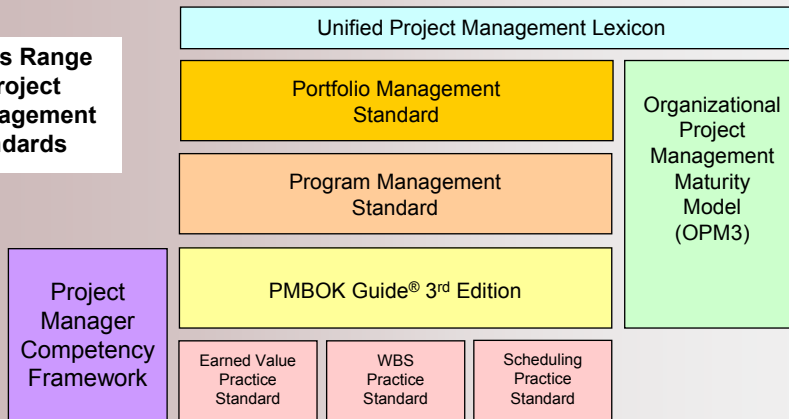
## Standards that Matter: OPM3

OPM3 built on PMI standards for:

- Project: PMBOK
- Program
- Portfolio
- Tools for organisations to assess and improve
  - Project (and program and portfolio) processes
- Incorporates benchmarking data
- Underlying principles:
  - Continuous Improvement
  - In parts or the whole of the organisation

## PMI's Standards

**PMI's Range of Project Management Standards**



## The OPM3 Cycle

**Assess:**  
Prepare  
Perform  
Recommend

**Improve:**  
Plan  
Scope  
Sequence  
Implement

**Repeat:**  
If appropriate

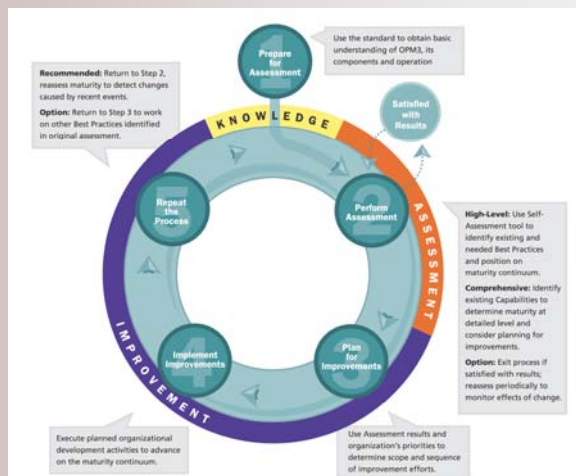


Figure 6-1: OPM3 Cycle

Organizational Project Management Maturity Model (OPM3™). ©2003 Project Management Institute, Inc. All rights reserved.

## Standards that Matter: AS8015

AS8015: Australian Standard for:

- *Corporate Governance of information and communication technology*
  - Establish clear responsibilities for ICT
  - Plan ICT to best support the org
  - Acquire ICT validly
  - Ensure ICT performs well
  - Ensure ICT conforms with formal rules
  - Ensure ICT use respects human factors

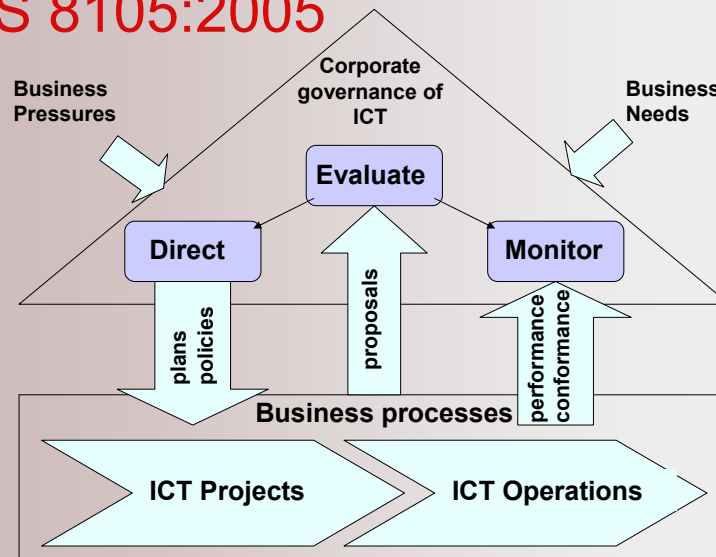


## Standards that Matter: AS8015

AS8015:

- Accountability and responsibility of senior management
- Applies to small or large organisations
- Also applies to resources that provide information and communication services

## AS 8105:2005

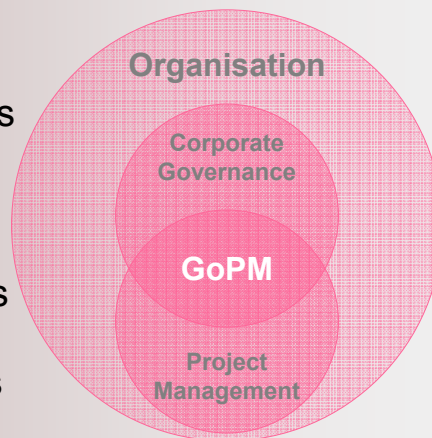


Model for Corporate Governance of ICT (AS8015:2005)

## Standards that Matter: OGC

### OGC: GoPM

The GoPM principles describe how a well governed organisation manages its projects  
Every organisation undertaking projects should adopt these (or similar) principles



## GoPM - Principles

There are 11 Principles: they include:

- Responsibility and accountability (#1)
- Authority and delegation (#2)
- Planning and controls (#3)
- Alignment (#4)
- Competence (#6)
- Stakeholders (#11)

The focus of action is on the 'Board'

There are 42 questions to support the 'Board'

- in understanding how to achieve the principles

## Challenges

- None of the three standards totally 'fits the bill' for IT Project Portfolio Management strategy support:
- Together they come close:
- OPM3 covers much of the necessary ground
- As 8015 adds the specific ICT dimension
- GoPM fills in the governance section
  - 'governance board'; gateways; sponsors

## Challenges

- For Stakeholder Management support:
- There is reference to stakeholders as being important in all three standards
  - But no practical methodology
- There is a methodology available that fits within the three standards
- And provides a practical way for stakeholder management
- The *Stakeholder Circle*™

## PMO Stakeholders Matter: *The Stakeholder Circle™*

IT Project Portfolio Management, 2007

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## Which Stakeholders?

- The 'right' stakeholders for...
- Each phase or part of the project/program lifecycle or PMO task
- Understand who is most important – for their effective management
- Know their expectations and requirements from the project
- Manage their perceptions

IT Project Portfolio Management, 2007

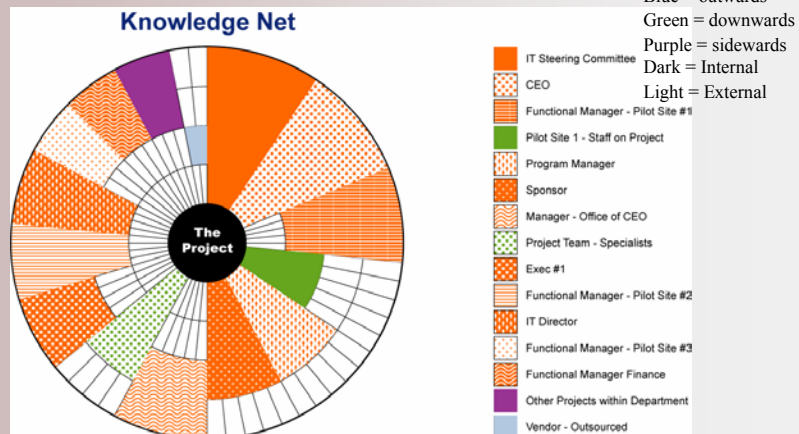
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## The Methodology

- Step 1: Identify all stakeholders
  - For any particular time in the project
- Step 2: Prioritise stakeholders
  - Key stakeholders
- Step 3: Visualise the community
- Step 4: Engage
  - And communicate
- Step 5: Monitor
  - Efficiency
  - Effectiveness

## A Stakeholder Community



## Engagement of Stakeholders

- Engagement strategy for all identified stakeholders
  - Particular attention on 'key' stakeholders (top 15)
- Based on:
  - Level of interest and support of each stakeholder
- Develop Communication plans:
  - 'who' delivers 'what' message;
  - 'how' (format); 'when' (frequency)
- Input key comms points into project schedule
  - For regular reviews, reports and additional action

## A Dynamic Stakeholder Community

- Be prepared to review :
  - stakeholder community
  - engagement strategy
  - communications plan
- As conditions change.....
  - Organisation restructures
  - Key stakeholder move (or lose power or interest)
  - Project/program moves into another phase: with different stakeholders and different support
  - PMO acquires additional tasks

## PMO roles for success

- Instead of just being 'police' PMOs can add significant value in the strategy and relationship areas
  - Strategic alignment
  - Benefits realisation
- Providing leadership in implementation of standards (the best aspects of the following)
  - OPM3; AS8015; GoPM
- Managing continuous improvement

## PMO - Information Manager

- Facilitating open and targeted communications:
  - Between the various levels of the PMO (project, program and portfolio)
  - Between the PMO and organisation executives
    - Senior executive reports (summary data, trends, early warning of problems)
    - Line management (benefits, resource requirements, capacity)
  - Between project and program management (health checks, performance metrics, Earned Value, etc)

# Designing a PMO

End of Session



for papers:

[www.mosaicprojects.com.au](http://www.mosaicprojects.com.au)

