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# The Challenges Facing PMOs



WESTERN MICHIGAN CHAPTER

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November 14, 2016

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# Moving towards Organizational Maturity

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- ❑ **Portfolio** – *Capacity / Capability* – Identify, prioritize, manage and control opportunities and projects to achieve business objectives
- ❑ **Project** – *Effectiveness* – Apply structured knowledge, skills, tools, techniques and resources to project activities to meet requirements
- ❑ **Process** – *Efficiency* – Establish guidelines and standards to activities necessary to design, develop, test, train deliver, and deploy a quality solution
- ❑ **People** – *Performance* – Create functional competence and aligned motivation structure, and allocate and utilize human resources to confidently produce the required results



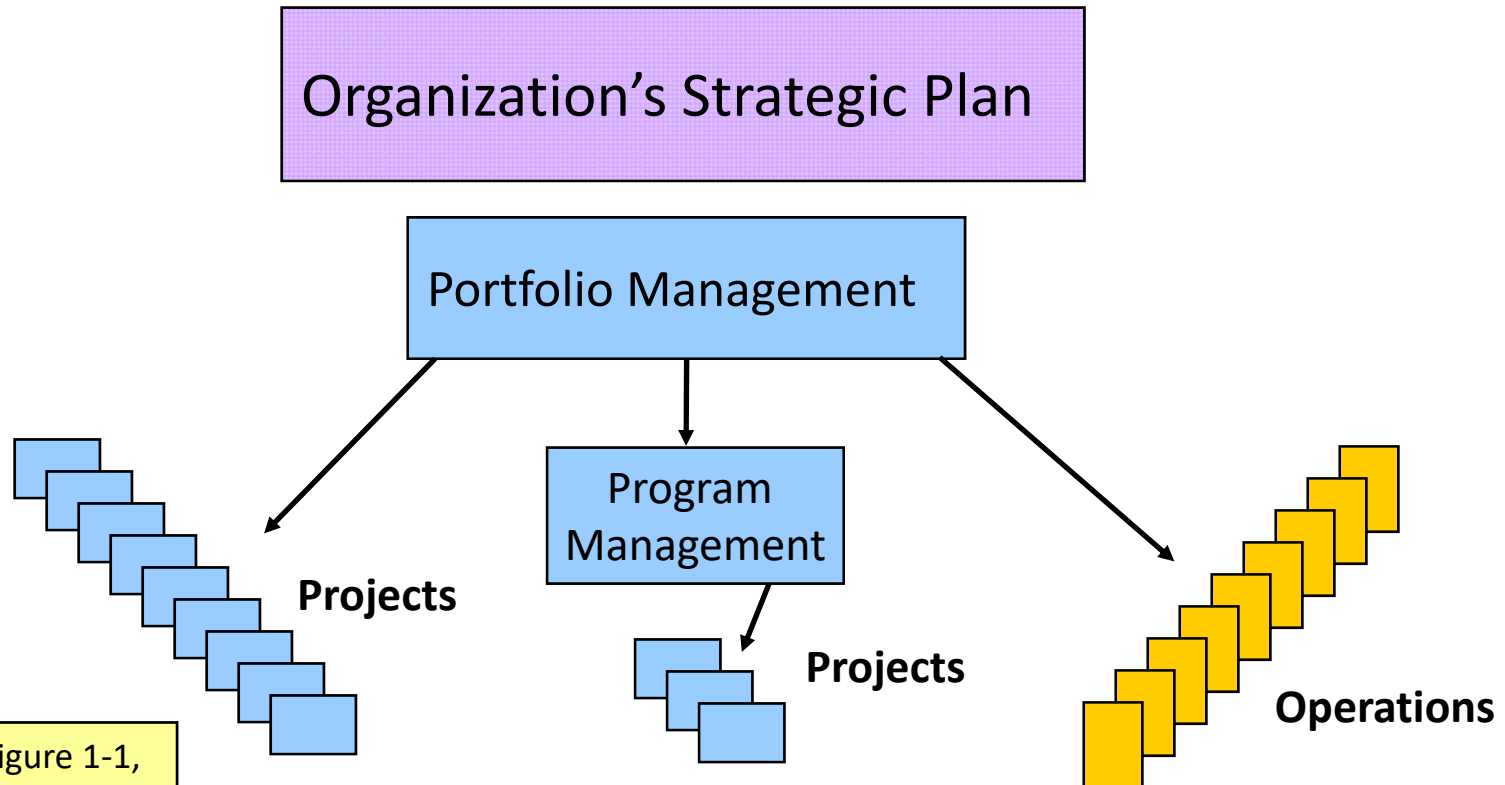
# Organizational PMO Questions

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- ❑ What was the need / problem to be solved?
- ❑ Was there agreement amongst existing Management regarding the need?
- ❑ Who brought it in / led the implementation of the PMO?
- ❑ Does your organization conduct both projects and operations with shared resources?
- ❑ What is the Org Structure? (Weak or Strong Matrix) How is it managed?
- ❑ Who does Resource Management? How is effort tracked and approved?
- ❑ Who does Portfolio Management? (selection / prioritization / gate reviews)
  - Is the prioritization adhered to by Project and Resource Managers?
- ❑ Who maintains the estimation knowledge and assumptions? (WBS / activities)
- ❑ Who determines / manages / updates the project schedules?
  - What is the Resource Managers' role in approving timelines?
- ❑ Where / how do lessons learned exist? (Risk Register, assumptions, etc.)
- ❑ How is compliance to the Project Management process managed?
- ❑ What are the primary criteria you use to rate Project Managers?
- ❑ How transparent is project information across projects? (Dashboards)

# Project / Operations Management Context

Projects are not islands unto themselves – they exist within the larger organizational context and must be managed consistent with the higher-order goals – which may change

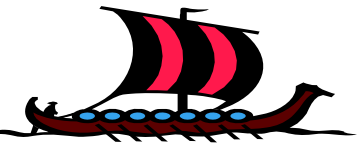
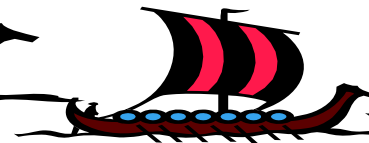
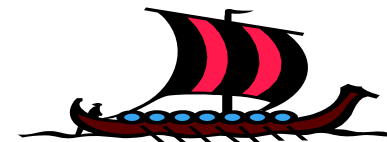
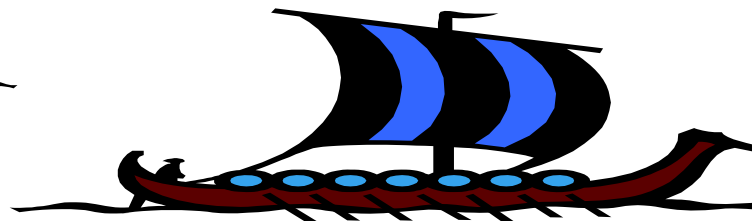


Derivative of Figure 1-1,  
*The Standard for  
 Portfolio Management,  
 Third Edition, p. 3*

# Metaphor of Boats and Fleets

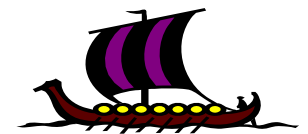
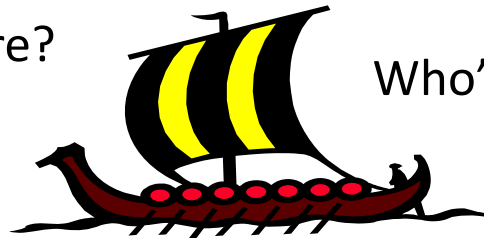
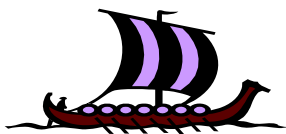
The Project Manager is the Captain of his/her boat(s) – they don't own the boat (Sponsor), or the crew (Functional Managers), or the cargo, its destination and its ultimate usage (Customer). They are hired to manage the journey in a predictable and professional manner. Most organizations view each project or boat independently – to the detriment of most of the other boats in the fleet and their ultimate value

How many boats are in our Fleet(s)?



Are resources being used elsewhere?

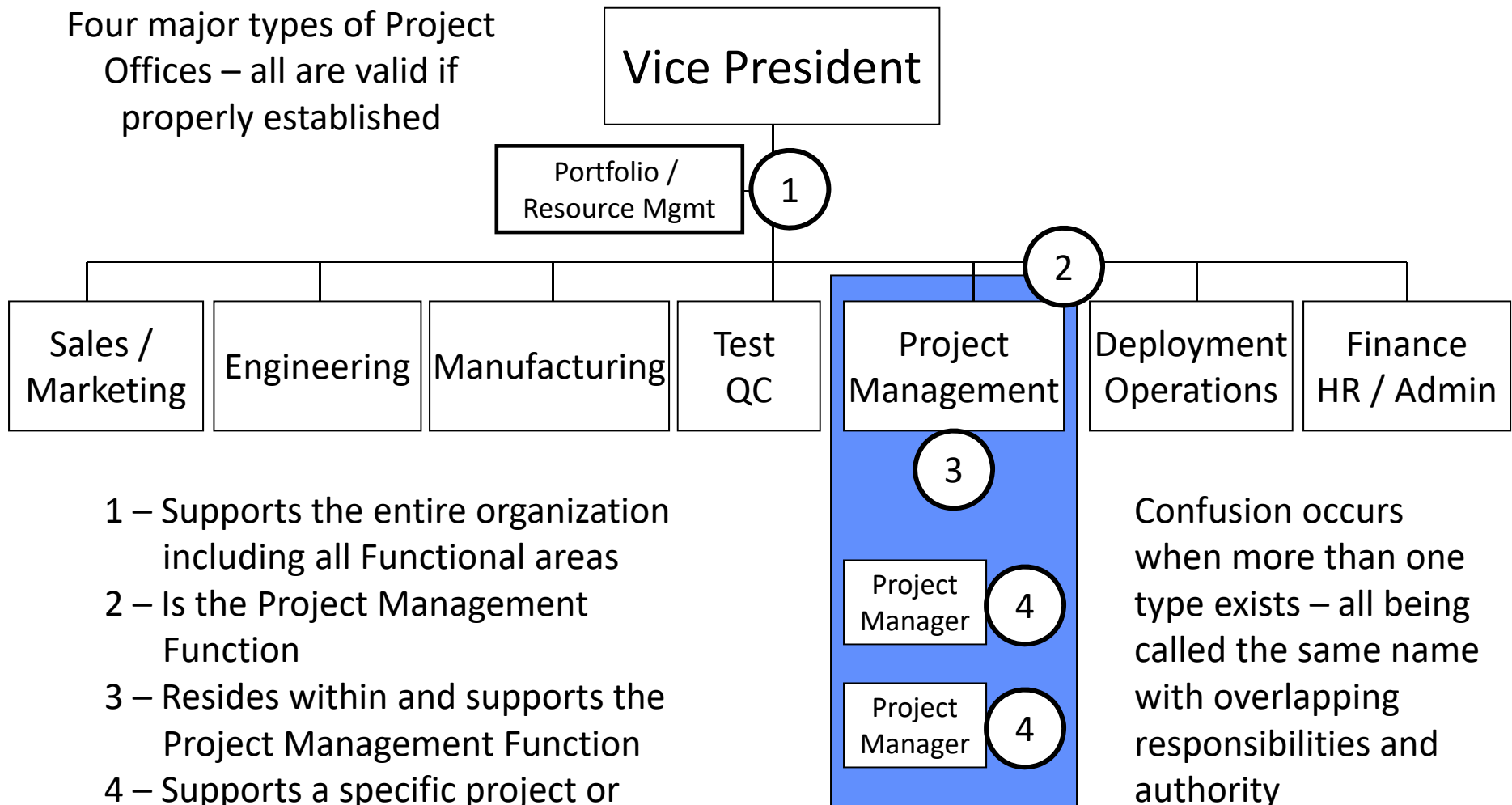
Who's managing our Fleet?



How many Pirates are out there? (Am I one of them?)

# Project Office Scenarios – Impact

Four major types of Project Offices – all are valid if properly established



- 1 – Supports the entire organization including all Functional areas
- 2 – Is the Project Management Function
- 3 – Resides within and supports the Project Management Function
- 4 – Supports a specific project or projects (may be more than one)

Confusion occurs when more than one type exists – all being called the same name with overlapping responsibilities and authority



## Responsibilities of a Project Office

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Standardizes the project-related governance processes and facilitates the sharing of resources, methodologies, tools, and techniques.

- ❑ Supportive – provide a consultative role to projects by supplying templates, best practices, training, access to information and lessons learned (*Low degree of PMO Control*)
- ❑ Controlling – provide support and require compliance – adopting project management frameworks, using specific templates, forms and tools, or conformance to governance (*Moderate degree of PMO Control*)
- ❑ Directive – take control of the projects by directly managing the projects (*High degree of PMO Control*)



# Components of a Project Office (example)




Project Managers	Methods / Standards	Mentors / Consultants	Project Support	Training
Selection Competence Availability Expertise Evaluations Assignments	PM Process <b>Business Process</b> Standards Lessons Learned Best Practices Templates Archives Documentation <b>Project Selection</b> <b>Portfolio Mgmt</b> Bench Marking	Project Initiation Project Planning Project Execution Project Control Project Closure Project Recovery Project Audits	Scheduling Estimating Budgeting Risk Analysis Variance Analysis Time Tracking Issue Tracking Data Entry Project Reporting Life Cycle Cost Analysis Financial Analysis <b>Resource Management</b> <b>Resource Utilization</b> PM Tool Suite Tool Procedures	Development Delivery Application Knowledge Transfer

Adapted from: Thomas R. Block and J. Davidson Frame, The Project Office

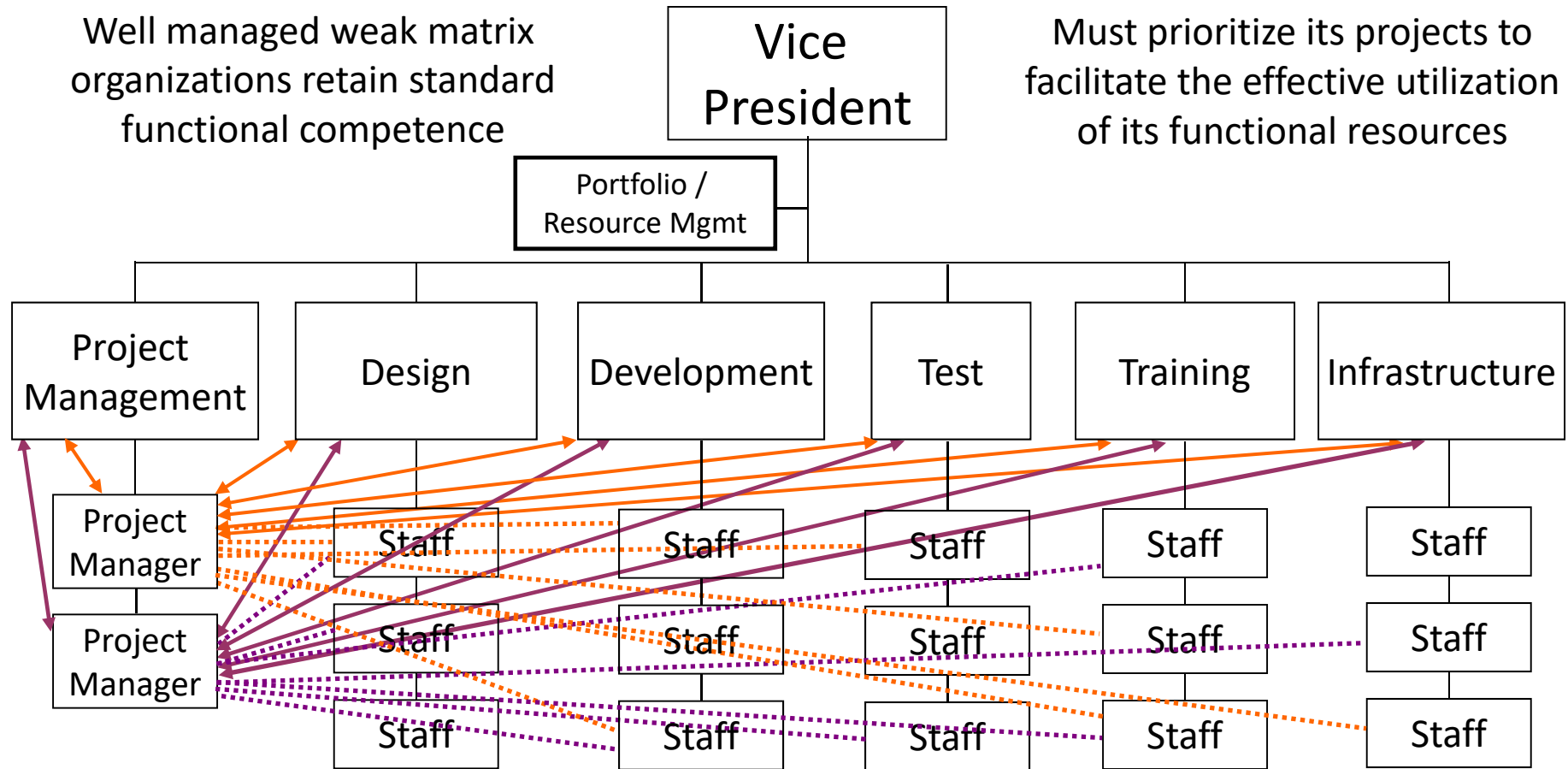




# Portfolio / Prioritization Considerations

Critical	1		Where does each project fit in the organization's strategy?
	2		
	3		
	4		How many portfolios / prioritization interpretations are there?
Necessity	5		
	6		How visible are they?
	7		
	8		How frequently do priorities change?
	9		
High	10		How are the ramifications communicated?
	11		
	12		Which project will get the most competent / constrained resources?
	13		
	14	Funding Limit –	
	15	Resource Capacity	Who determines their availability?
			Who will make the tough decisions?

# Weak Matrix Organizational Structure



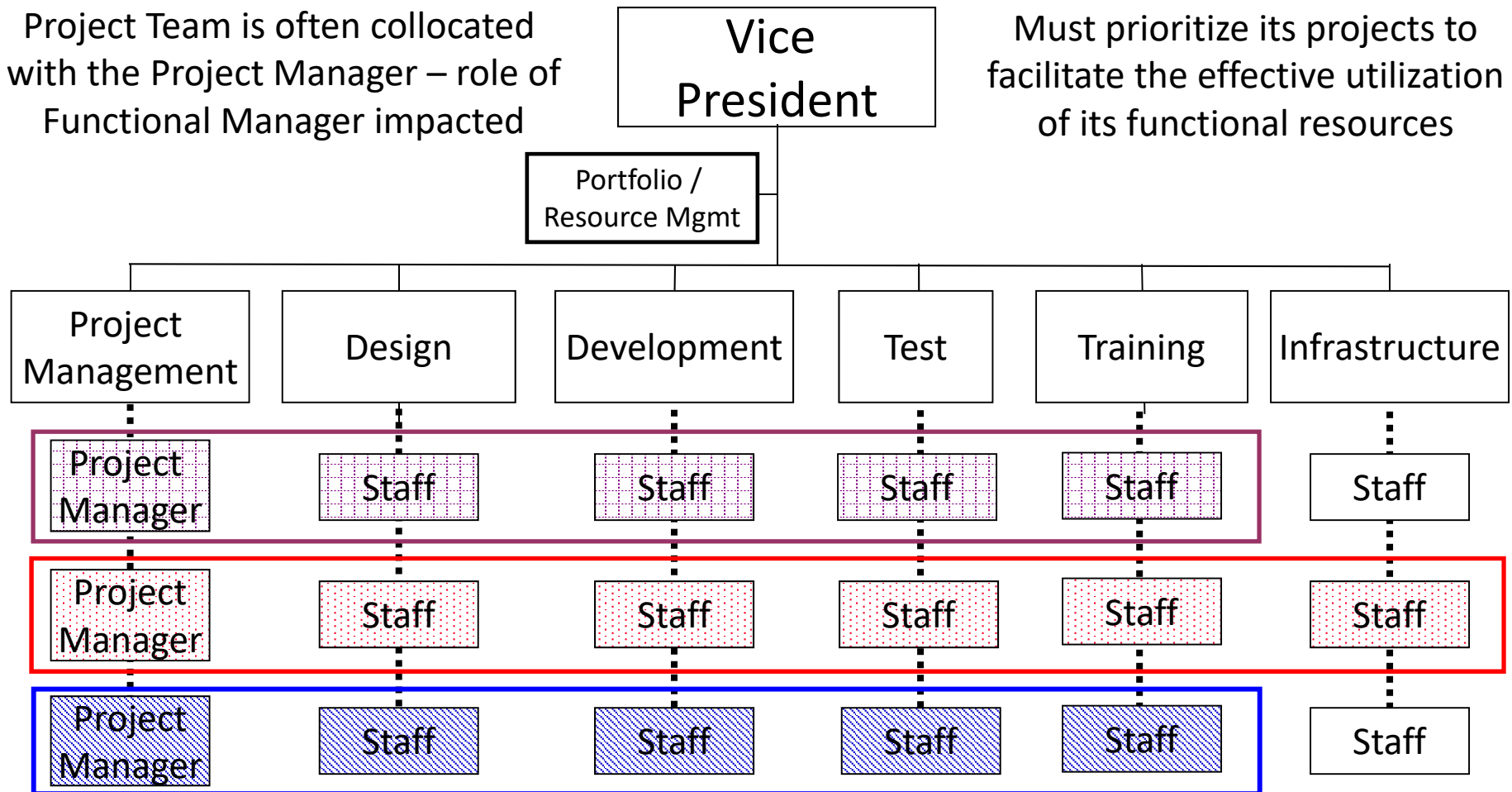
Strength – Maximum utilization of limited resources across multiple projects

Weakness – two lines of communication, potential for competition between projects

# Strong Matrix Organizational Structure

Project Team is often collocated with the Project Manager – role of Functional Manager impacted

Must prioritize its projects to facilitate the effective utilization of its functional resources



Strength – Maximum utilization of dedicated resources across fewer projects

Weakness – two lines of communication, potential loss of functional competence



## Lessons Learned Topics

- ❑ Project Management Process
- ❑ Project Team Operations and Growth
- ❑ Scope, Time, Cost and Quality Objectives
- ❑ Risk Management Process
- ❑ Estimating and Execution Effectiveness
- ❑ Resource Utilization and Effectiveness
- ❑ Communications Channels and Reporting
- ❑ Organization Benefits and Barriers
- ❑ Adherence to Policies, Standards, Guidelines
- ❑ Project Management Information System
- ❑ Recommendations For Future Projects

