

# PMO QUICK TIP GUIDE

FOR ESTABLISHING,  
SUSTAINING,  
AND ADVANCING  
YOUR PMO

# 1 | ESTABLISH A NEW PMO

At some stage in your journey as a PMO professional, you may be confronted with challenges in progressing the life and value of your PMO. This **QUICK TIP GUIDE** is based on the insights of seasoned PMO leaders. We invite you to use this guide as part of a conversation with your peers as you consider how to expand the value your PMO can bring to your organization.

## QUICK TIP:

### SET UP A PROJECT FOR ESTABLISHING YOUR NEW PMO.

Are you a newly appointed PMO leader trying to figure out how to get started? Have you spent a lot of time searching the internet, not sure where to get good, reliable information? Are you confused by the variety of PMO models? If you answered “yes” to any of these questions, then this section is for you! Get some real-world advice on how to tackle the challenges you face as a new PMO leader.

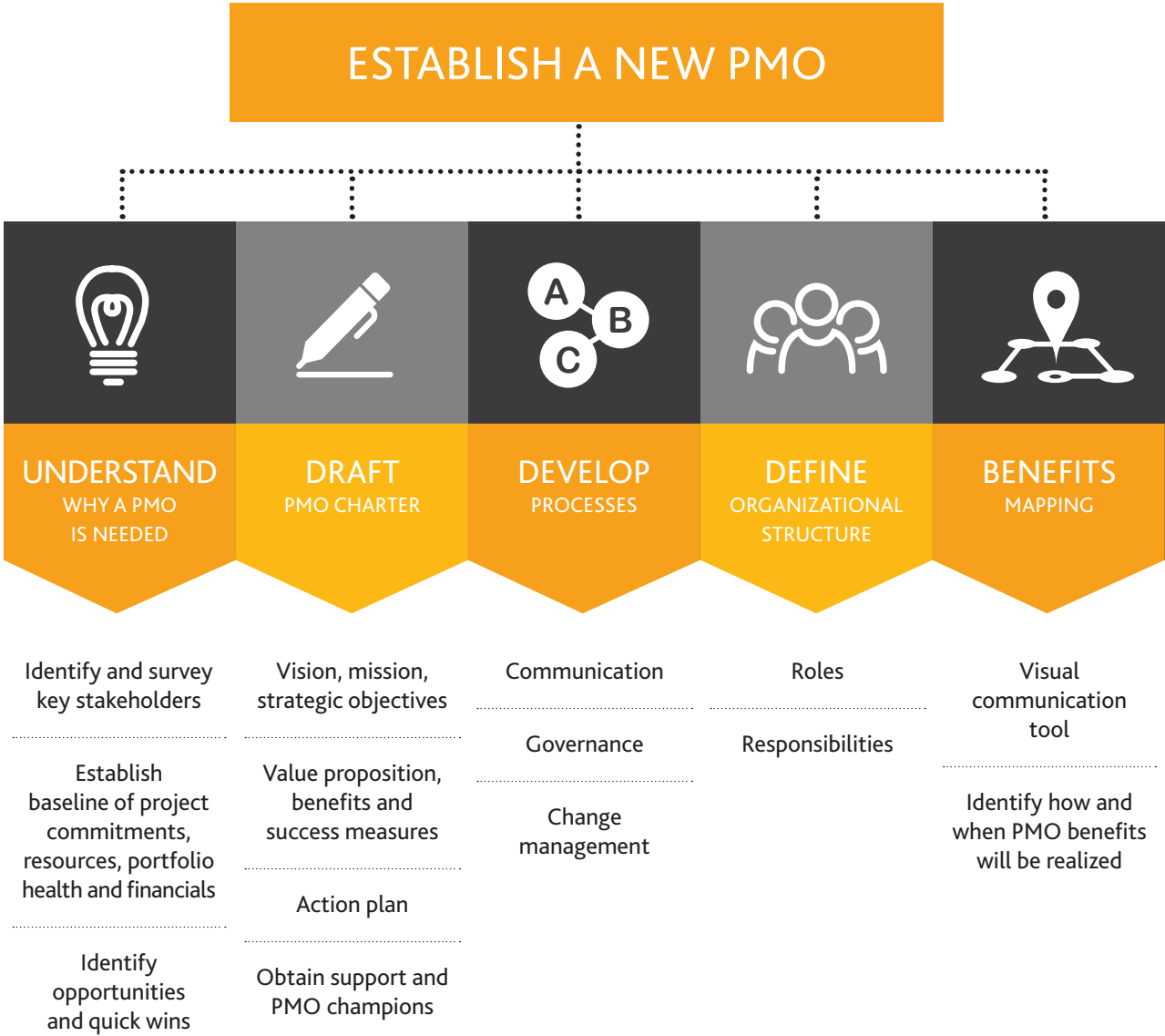
## CHALLENGE 1

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### WHERE DO I START?

There are many ways to start. However, assessing the current state will help you to identify opportunities and determine what your PMO needs to focus on to deliver value. The following quick tips are not exhaustive, but should help to provide some possible directions.

- Understand why your organization needs a PMO.
  - Identify and survey key stakeholders—including project managers, other business unit personnel and executives—to obtain their expectations, perceived challenges and recommendations.
  - Ask the tough questions, such as are the projects delivering the expected benefits? Is the organization meeting its strategic goals?
- Establish a baseline of initial project commitments, resources, portfolio health and related financials.
- Identify key opportunity areas and quick wins. Ask how can the PMO quickly start providing value and address the biggest pain points?
- Draft the PMO charter, including the PMO mission, vision and strategic objectives, and an action plan of specific deliverables and success measures.
  - Be sure to align the charter and action plan with the executive sponsor(s) and key stakeholders.
  - Ask for sponsor support and solicit PMO “champions.”
- Develop PMO operating processes for communication, governance and change management.
- Define PMO organizational structure, roles and responsibilities.
- Communicate the PMO value proposition and map out PMO benefits. Use the benefits map as a visual tool to engage stakeholders and to show how and when PMO benefits will be realized.



**FIGURE 1:** ESTABLISHING A NEW PMO

# 1 | ESTABLISH A NEW PMO

## CHALLENGE 2

### WHAT TYPE OF PMO DO I NEED?

A quick tip is to focus on your PMO's strategic objectives and use PMI's *Pulse of the Profession*<sup>®</sup>: *PMO Frameworks* (PMI, 2013b) as a reference to determine the type of PMO that will deliver the most business value for your organization. While no two PMOs are the same, Table 1 represents various capabilities on which different PMOs typically focus. Engage your stakeholders as you define the type of PMO that you need.

		TYPE OF PMO				
		Organizational Unit PMO	Project/Program Specific	Project Support/Services PMO	Enterprise PMO	Center of Excellence
CAPABILITIES	Standards, Methodologies & Processes	●	●	●	●	●
	Project/Program Delivery Management	●	●	●	■	■
	Portfolio Management	●	▲	▲	●	●
	Talent Management	■	■	■	●	●
	Governance/Performance/Benefits Realization Management	■	■	■	●	●
	Organization Change Management	■	■	■	●	●
	Administration and Support	■	●	●	■	■
	Knowledge Management	■	▲	▲	●	●
	Strategic Planning	■	■	▲	●	●

REQUIREMENTS      ● Critical      ■ Moderately Important      ▲ Occasionally Needed

**TABLE 1: PMO TYPES AND CAPABILITIES**

A PMO may start out addressing a specific, near-term business need and then evolve and expand to address other needs over time. It's important not only to have a long-term vision for the PMO, but also to take a practical approach to addressing the biggest opportunity areas for the organization.

## CHALLENGE 3

### HOW DO I MEASURE SUCCESS?

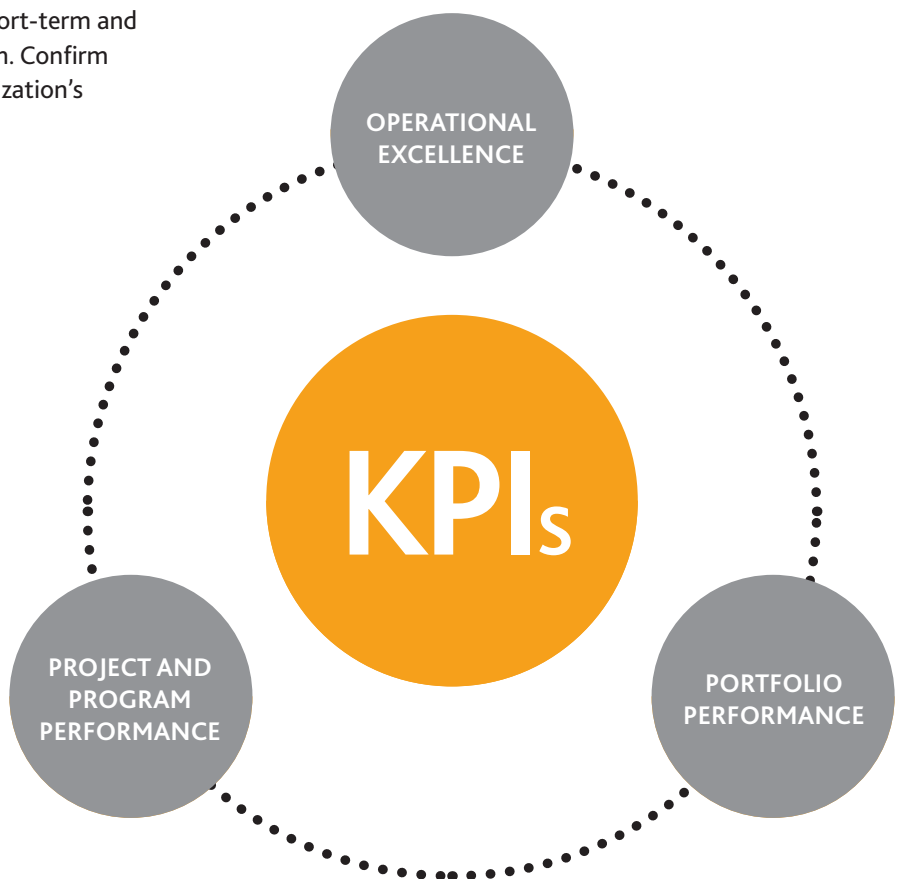
A strong PMO is one that can link its performance to the overall goals of the organization. Below are examples of key performance indicators (KPIs) that may help to measure success:

- Project/program performance: Percentage of projects and programs delivering their expected business outcomes; Percentage customer satisfaction; Earned value data; Actual delivery of benefits versus planned benefits.
- Operational performance: Regulatory compliance rate; Safety record; Quality measurements; Time-to-market; Resource utilization variance (actual versus allocation); Effectiveness of training; Time to staff new projects.
- Portfolio performance: Number of new services or products; Return on investment (ROI) for projects and programs; Alignment of spends with objectives.

Avoid trying to measure too much too soon. Select a few key metrics that are meaningful in the short-term and ensure there is a process to measure them. Confirm that your KPIs are aligned with the organization's overall goals.

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## 2 | SUSTAIN THE PMO

### QUICK TIP:

**DEFINE AND ESTABLISH A SINGLE SOURCE OF PROJECT TRUTH ACROSS THE ORGANIZATION TO ENABLE EFFECTIVE DECISION MAKING BASED ON FACTS.**

Once your PMO is established and you are starting to deliver the results planned, it is time to look for opportunities for increasing the value and efficiency of your PMO activity as part of your ongoing quality improvement. Concentrating on **governance, methodology** and **talent management** can help grow any type of PMO (departmental, enterprise, etc.).



## CHALLENGE 1

### HOW DO I ENABLE EFFECTIVE GOVERNANCE?

According to *Governance of Portfolios, Programs, and Projects: A Practice Guide*, published by PMI in 2015, governance is the framework, functions and processes that guide organizational project management activities in order to align portfolio, program and project management practices to meet organizational strategic and operational goals (PMI, 2015).

Commence	Continue	Enhance
<ul style="list-style-type: none"> <li>■ Establish clarity in roles, responsibilities and accountabilities</li> <li>■ Provide timely approvals and meeting participation</li> <li>■ Implement approval process that includes a business case and exit or closure process</li> <li>■ Provide a forum and process for risk and issues management including escalation</li> <li>■ Ensure that governance committees at project, program and portfolio levels have senior level commitment and ownership</li> <li>■ Ensure that conflicts of interest and unethical behavior are articulated</li> </ul>	<ul style="list-style-type: none"> <li>■ Provide transparency and corporate knowledge management of the entire pipeline from ideas to benefits realization</li> <li>■ Establish formal gating at significant stages of the PPM life cycle</li> <li>■ Ensure objective process for utilization of contingency funding</li> </ul>	<ul style="list-style-type: none"> <li>■ Link gating to release of funding for project phases</li> <li>■ Hold owners accountable for benefits via operational funding and KPIs</li> <li>■ Ensure the corporate governance capability is self-sustaining and not reliant on any individual driving it</li> <li>■ Ensure your processes enable and not hinder innovation and organizational agility</li> <li>■ Link gating to enterprise quality improvement, audit and risk management</li> <li>■ Fully embed the link from strategy to implementation and back to inform future strategy</li> </ul>

Once your PMO is established and you are starting to deliver the results planned, it is time to look for opportunities for increasing the value and efficiency of your PMO activity as part of your ongoing quality improvement.

## 2 | SUSTAIN THE PMO

### CHALLENGE 2

#### HOW DO I CULTIVATE A ROBUST METHODOLOGY?

According to *Implementing Organizational Project Management: A Practice Guide*, methodology is the system of practices, techniques, procedures and rules used in portfolio, program and project work to meet requirements and deliver benefits (PMI, 2014a).

Commence	Continue	Enhance
<ul style="list-style-type: none"><li>Assess existing organizational enablers (e.g., credentialed or trained project managers and other PMO champions)</li><li>Assess enterprise environmental factors (e.g., systems the PMO can utilize and corporate policies)</li><li>Assess organizational process assets (e.g., existing PMO tools, forms and workflow)</li><li>Define and use your business processes before looking at automating them</li><li>Focus on the essentials such as who, what, where, when and why</li><li>Require the review of pertinent lessons learned</li><li>Establish robust training and communication for your methodology</li></ul>	<ul style="list-style-type: none"><li>Leverage existing organizational enablers, enterprise environmental factors and organizational process assets</li><li>Remove non-value added steps</li><li>Integrate quality programs into the PMO</li><li>Align to business strategy and look for opportunities to streamline and improve your practices</li><li>Confirm methodology does not constrain selection of the best tool/ approach for the business need</li><li>Influence the selection of enterprise environmental factors for the organization</li></ul>	<ul style="list-style-type: none"><li>Automate defined business processes</li><li>Document all work processes into swim lane flow charts</li><li>Obtain certification for your quality program (ISO 9001:2014, etc.)</li><li>Perform maturity and performance assessments (OPM3®, etc.)</li><li>Integrate PPM tools into business operations</li><li>Utilize the PMO's business analysts for the selection of all enterprise environmental factors for the organization</li></ul>

Methodology is the system of practices, techniques, procedures and rules used in portfolio, program and project work to meet requirements and deliver benefits.



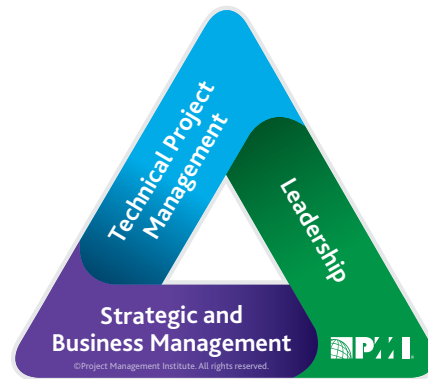
## CHALLENGE 3

### HOW DO I DEVELOP MY TEAM?

PMOs aren't just about organizational process assets like forms, methodology and process. It's largely about people. How we develop our teams is a critical part of building and sustaining our teams.

According to *PMI Thought Leadership Series Report - Talent Management: Powering Strategic Initiatives in the PMO*, talent management is about the strong alignment between human resources (HR) and an organization's strategic initiatives and objectives; and high maturity in recruiting, retaining and developing the best talent to manage strategic initiatives successfully (PMI, 2014b).

### PMI Talent Triangle™



Commence	Continue	Enhance
<ul style="list-style-type: none"> <li>Utilize the <i>PMBOK® Guide's</i> Project Human Resource Management processes as a reference</li> <li>In partnership with the HR department, standardize project management job titles and job descriptions across the organization</li> <li>Develop project management training and test preparation materials</li> <li>Encourage project managers to utilize the PMI Talent Triangle™ to plan their self-directed training efforts</li> <li>Implement orientation program for new project team members</li> <li>Encourage and cover the costs of membership in professional organizations for team members</li> </ul>	<ul style="list-style-type: none"> <li>Phase in a Project Management Professional (PMP)® certification requirement for all project managers and a Program Management Professional (PgMP)® certification requirement for leadership roles in the PMO</li> <li>Use PMI's <i>Project Manager Competency Development Framework</i> (2007) to help less experienced project managers grow to meet organizational needs</li> <li>Provide detailed technical project management training</li> <li>In partnership with HR, implement defined project management career ladders and use <i>PMI's PathPro®</i> for addressing skill gaps</li> <li>Implement a community of practice to engage project staff at all levels and foster active sharing of lessons learned</li> </ul>	<ul style="list-style-type: none"> <li>Phase in certification requirements for all affiliated PMO staff members (coordinators, schedulers and business analysts) with CAPM®, PMI-SP® and PMI-PBA®</li> <li>Develop advanced organizational project management training for PMO team members</li> <li>Utilize the PMI Talent Triangle™ to plan structured training for all PMO members</li> <li>In partnership with the HR department, integrate PMI's <i>Project Manager Competency Development Framework</i> (2007) into the employee review process and Human Capital Management (HCM) system</li> <li>Foster an open, collaborative culture of knowledge and lesson sharing that acts on the insights of others</li> </ul>

## QUICK TIP:

### USE BEST PRACTICE TOOLS AND TECHNIQUES TO ENSURE YOU DON'T LEAVE BENEFITS ON THE TABLE.

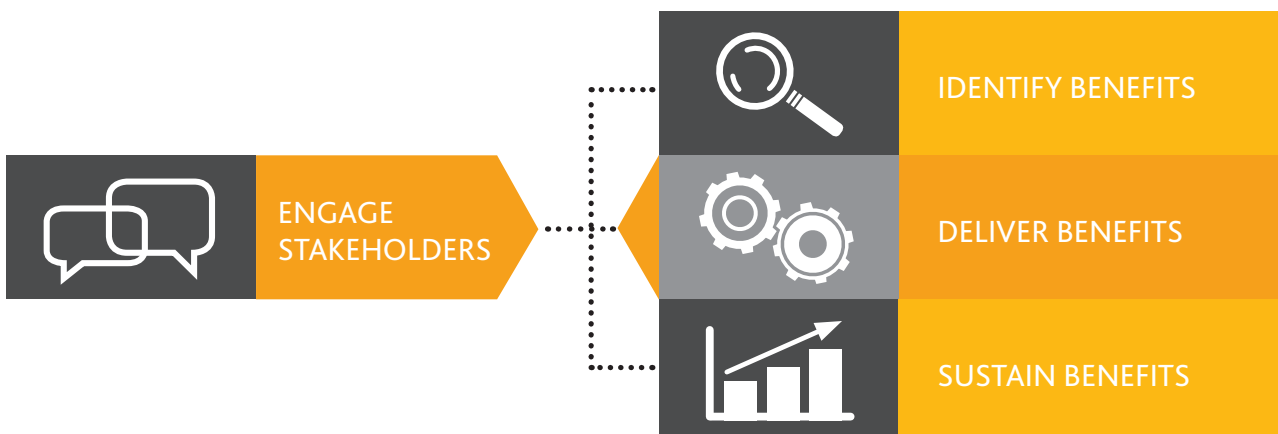
Now that you have established your PMO, developed and stabilized essential capabilities and stakeholder relationships, let us take a look at ways you can increase your PMO's value across the organization and take your PMO to the next level.

## CHALLENGE 1

### HOW DO I OPTIMIZE BENEFITS REALIZATION MANAGEMENT?

PMO leaders help their programs and projects achieve intended business results by strengthening the organization's benefits realization management practices.

- Identify, analyze and map expected benefits to related programs and projects.
- Confirm benefits realization plans include dependencies and steps needed to transition and sustain benefits.
- Engage stakeholders including downstream business owners in the identification, execution and sustainment stages of benefits realization management.
- Communicate benefits and learning back into the strategy planning cycle.
- Implement effective metrics to measure benefits. Leverage these metrics in your PMO reports.
- Create a benefits manager role that focuses on managing the benefits realization life cycle for all strategic programs and projects.
- Take ownership of benefits realization governance for all the critical organizational initiatives.



## CHALLENGE 2

### HOW DO I MANAGE PMO PERCEPTION?

PMO perception is managed through the effective engagement of your stakeholders. Focus on finding optimal ways to communicate and report the business benefits realized by your PMO, add critical value, and drive organizational strategic planning and decision making.

- Create standardized reports for status and forecast.
- Actively engage with executive sponsors to determine the most effective ways of communicating with them.
- Ask executive sponsors to relay the importance of critical programs or projects to the organization.
- Foster open communication and collaboration with any other areas of overlap within the organization including risk, safety, finance, quality, corporate governance, procurement and legal/contracts support.
- Create quarterly and annual reports illustrating the strategic importance of projects in your organization. These reports will be a morale booster for the project teams, and senior management will use them to justify greater investment for strategic projects.
- Fully integrate the PMO into corporate communications, both internally and externally.
- Be an active partner in collaboration and articulation of cross-department processes that may be subject to multiple inputs, outputs and complicated needs of all the stakeholders.
- Align with and inform organizational strategic planning and decision making by focusing on strategic capability management.
  - Develop a culture of project management, cultivate talent, define processes, metrics and continually assess and enhance PMO performance to respond to the changing business environment.
- Activate high-quality portfolio management.
  - Seek support and get increasingly involved in translating strategy into portfolio plans.
  - Establish robust portfolio management processes and align the portfolio with business priorities.
  - Select the right projects/programs that align with strategy, resource those projects/programs for success and conduct targeted risk management to protect portfolio investments.



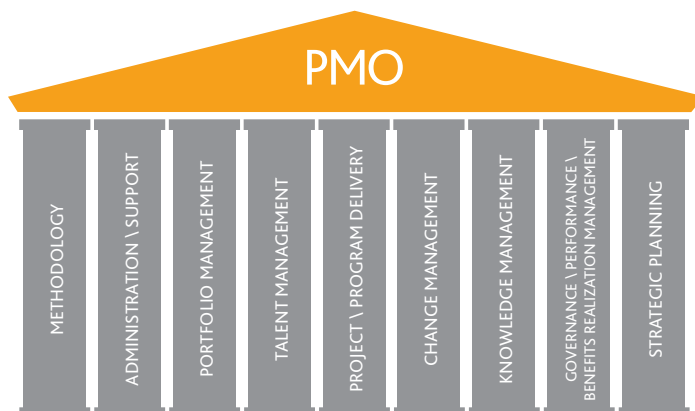
# 3 | ADVANCE THE PMO

## CHALLENGE 3

### HOW DO I RESPOND TO THE CHANGING ENVIRONMENT?

Business environment and priorities change—so must PMOs. PMO leaders must continuously analyze changes in the environment and organizational strategy in order to align project portfolios and PMO capabilities accordingly.

- Create a change management function within the PMO for all project change.
- Provide PMO training around evolving change management practices.
- Adopt and train for a change management program to create a standardized approach to change management.
- Expect and welcome change. Change can often represent important opportunities for PMOs to devise new and even greater benefits realization plans for the PMO and the organization.
- Conduct iterative SWOT (strengths, weaknesses, opportunities, threats) analyses of the PMO and business strategy and adjust and align as needed.
- Incorporate customer feedback, eliminate organizational silos, focus on PMO operational efficiency and implement processes to respond to change quickly and effectively.
- Focus on knowledge management: Establish an integrated approach to identifying, capturing, evaluating and sharing your enterprise's information assets. Foster an open, collaborative culture of knowledge and lesson sharing that acts on the insights of others.
- Advance strategic and operational agility by performing active portfolio management, exploiting opportunities, mitigating risks, maximizing benefits and engaging diverse stakeholders to influence and learn from them.
- Go hybrid. Borrow and adapt aspects of proven models (e.g., Lean, Agile, Scrum, Waterfall) to the unique needs of projects, programs and the business environment. Leverage different practices to reconfigure your processes and combine different techniques to cope with your own distinctive challenges.



### REFERENCES:

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### PMO RESOURCES FROM PMI

Additional resources can be found on the PMO Resources page at:

[www.pmi.org/PMOresources](http://www.pmi.org/PMOresources)

### ACKNOWLEDGEMENT

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