

What Should a Project Management Office (PMO) Be?

A Pressing Question

I recently spoke at a conference dedicated to the topic of Project Management Offices (PMO's). PMO's have been all the rage for several years, because they can coordinate project activity across an organization, thus increasing efficiency, project success rates, and bottom line results. Some consultants now even offer to sell you a "PMO in a box," implying that you can create a worthwhile PMO by following a recipe or installing a software application.

This doesn't work. The first obstacle is that minds don't meet. Different people use the term "project management office" as shorthand for completely different concepts, often without realizing it. If you're not careful, you can ask for a PMO and get something completely different than what you expected.

A more serious problem is that there is no such thing as a one-size-fits-all PMO. As one small example, a company with a decentralized management style may need a PMO that is solely a "Center of Excellence," dispensing advice on best practices to independent functional groups that run projects directly. That type of PMO would fail miserably in a company that needs strong independent project managers who are not beholden to a particular discipline or functional group.

I contend that each company's PMO must be as unique to a company as the problems it is trying to solve. Therefore, the first step when trying to decide whether a PMO is useful for your or-

ganization is to decide what you want it to deliver.

At the conference, I surveyed many of the attendees about what the value and services of a PMO should be. Here's a summary of options. It provides a good starting point for deciding what role, if any, a PMO should play in your organization.

Category 1: Run Projects

PMO's in this category get their hands dirty by taking responsibility for specific projects. Their top focus is to get projects done successfully. They use two methods.

- Directly run critical projects, managing them with experienced personnel who report to the PMO.
- Indirectly make projects more successful by providing expertise and support to people outside the PMO who are running projects.

Category 2: Provide Visibility

This category of PMO typically doesn't run projects. It focuses on understanding and communicating to the senior management team the "big picture" about projects being run by all other groups. Their primary customers are the functional and executive management teams.

- Provide visibility of what is going on in the organization. Be an unbiased, realistic "one source of truth" for what is happening on projects.

- Provide insight to executives on the costs, value, and implications of what their organization is doing.
- Facilitate governance - the framework that enables management decisions about projects. Set up and administer the governance processes. Gather the information that senior management needs to make good decisions. Help them act in an efficient and informed way.
- Assist executive involvement in projects. Define how relevant project information is gathered, provide it in a form useful to managers, and facilitate executive review of project progress, issues, and escalations.

Category 3: Center of Excellence

Category 3 PMOs neither run nor report on projects. They are a repository for best practices and advice. Their primary customers are the people outside the PMO who work on projects.

- Make available common processes and language, common data repositories, standard estimating methods, and templates related to projects.
- Provide support that allows project managers to be more productive. For example, be the home for a few peo-

ple who specialize in project tools and analytics – people who "make Microsoft Project sing", or who collect, analyze and distribute metrics. These specialties require skills and interests that many good project managers don't have and don't really want to learn. Specialists in a center of excellence PMO free up project managers outside the PMO to run projects, increasing their productivity.

Endpoint

All three categories of PMO's attempt to cross organizational silos, enabling and facilitating communication and action across the business. However, they do it in very different ways and possess radically different levels of power.

The three categories are a bit arbitrary. I've never seen a PMO that fit neatly into a single category. There are endless variations and combinations, and no one PMO type is always best.

A PMO that is appropriate to its organization's needs can deliver great business value. The first step toward "appropriate" is to decide what services the PMO should and should not deliver.

What do you want your PMO to be?

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