

Rise and Fall of a PMO

- a mix of case study and theory

Brought to you by:

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References

- The Multi-Project PMO:
A Global Analysis of the Current State of Practice
A **White Paper** Prepared for PMI by Dr. Brian Hobbs,
University of Quebec At Montreal, Quebec, Canada
- PMO of the year Award 2010, PM Solutions

Agenda

- Why set up a PMO?
- The Rise of a PMO
- The Fall of a PMO
- Summary
- Q&A

History of Project Management

1950's and 60's	Project management becomes a distinct field of practice with its own terminology, tools and techniques in the construction, defence and aerospace industries
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1970s	Project management becomes a discipline with its own professional associations
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1980s	Project management has a role outside the traditionally project based industries including finance, transport, communication & energy
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1990s	Management by projects with support from PMO Standardization of project management Project management associations
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2000s	Standardized portfolio and program management Project management certification Project management maturity assessments
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From PMO of the year Award 2010

- 2000 Research; The Value of Project Management: 47% of companies had PMO
- 2006 Research; Project Management: The State of the Industry: 77% of companies had PMO
- 2010 Research; The State of the PMO: 84% of the companies have PMO's.

Why set up a PMO?



From PMO of the year Award 2010

- Mega projects are failing
- Project Managers can't deliver
- Strategic initiatives wildly run over budget or drag of for years

Do the right things right

Do things the right way

Create a Project Culture

Do the right thing

Portfolio Management

In measurable terms:

Increase your project maturity

The rise of a PMO



How do you establish a PMO

1. Project Inventory
2. Project Management Maturity
3. Problems, needs and expectations on the projects
4. Project Management Office Goals
5. Services needed to achieve the goals.
6. PMO function, Size and type of staff
7. PMO Business Case
8. Get Management Approval and Buy-In
9. Prioritize and take small steps. Chose to work with things that would create the biggest result with least amount of effort first.
10. Measure, Measure, Measure.....

From PMO of the year Award 2010

Of the PMOs in the 2010 study that measure business value:

- 31% report a decrease in failed projects
- 30% projects delivered under budget
- 21% report improvement in productivity
- 19% report project delivered ahead of schedule
- 17 % cost savings.

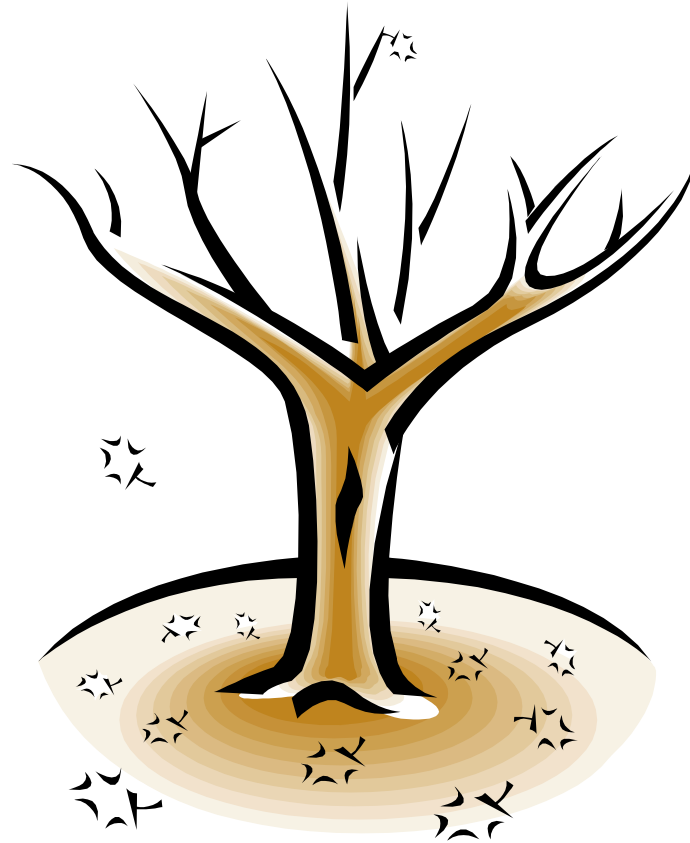
From WP, Differences PMO's

- Number of Project Managers
- Decision Making Authority
- Different Characteristics

Establishment Tips

1. Higher Management Buy In
2. Measure before you start any improvements
3. Stakeholder Management
4. Small Steps – Keep it simple

The Fall of a PMO



From WP, PMO Challenges

- 50% of PMO's are being challenged
- Implementation time for PMO is in average 24 months
- Most PMO's are restructured or closing down after 2-3 years

Common reasons from WP

- External Events (e.g. dot.com bubble)
- Internal Events
 - New Management
 - Change in Management Vision
- Tensions

Common reasons in my experience

PMO

- has failed to show value
- has acted as Project Police
- has a power struggle with key persons
- has failed in stakeholder management
- has different Project Maturity Level than the organization

How to avoid the fall

1. SHOW VALUE!
2. Management Buy-In from Higher Management
3. Give Strong Support to Higher Management
4. Include Project Managers in the PMO Organization
5. Get some authority in Portfolio Management
6. Stakeholder Management
7. Take Small Steps when increasing Project Maturity
8. Don't act as the Project Police

Summary

- Why set up a PMO?
 - To Establish a Project Culture
 - To Implement Project Portfolio Management
- The Rise of a PMO
 - Management Buy-in, Stakeholder Management, Small Steps and Measurements.
- The Fall of a PMO
 - Show value to avoid it