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How to set-up a PMO

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The purpose of this presentation is to provide a structured overview of the steps to set-up a Project Management Office (PMO).

Approach

This presentation provides guidance by:

- Providing a definition
- Objectives of a PMO
- 8 steps to setting up a PMO
- Summary
- Additional resources

At the end of the presentation I provide details of further resources including my free guide, ***7 steps to set-up a PMO***.

Before looking at the steps to set-up a PMO, it is worth taking a moment to refresh understanding on “What is a PMO?”.

PMO is the acronym for Project Management Office. Sometimes it may be referred to as Programme Management Office. Some alternatives are PSO, Project Support Office or PO, Project Office.

Official Definition

The Project Management Institute (PMI) defines a PMO as follows:

“An organizational body or entity assigned various responsibilities related to the centralised and coordinated management of those projects under it’s domain. The responsibilities of the PMO can range from providing project management support functions to actually being responsible for the direct management of a project”[1]

In simple terms the PMO is a function that is given the responsibility to deliver the projects within it’s scope to a single defined set of standards so as to provide management with a greater visibility of project performance and to increase the probability of success through standardisation / good practice.

Primary Purpose

In my mind the purpose of any PMO is very simple,

to provide a framework that will support all stakeholders and project teams to improve the probability of successful delivery.

An organisation embarks on a project to achieve an outcome. This involves the investment of valuable resources (people, money, time). If the PMO does not improve the probability of successfully project delivery it is not doing it's job and is not needed.

There will be other objectives depending on each organisation. However, the primary purpose should always be true!

Each PMO will vary depending on objectives and organisation. However, there are a number of common attributes and steps that will be applicable to most, if not all, PMO's.

PMO Set-Up Steps

1. Define / confirm objectives and drivers
2. Sponsorship
3. Tools and processes
4. PMO Organisation
5. Communication
6. Regular routines (Business as usual)
7. Charter
8. Continuous improvement

Before designing and implementing a PMO, it is very important to have clearly defined (and agreed) objectives.

Actions

- Capture and review objectives
- Clearly and concisely document objectives
- Check to ensure alignment and consistency to overall strategy
- Review and refine objectives with stakeholders
- Ensure common understanding of associated benefits
- Ensure objectives are reasonable and achievable

In order for a PMO to be successful, they must have senior sponsorship. Without senior sponsorship it will be very difficult to implement the PMO.

Actions

- Confirm sponsor
- If there is no sponsor, push to have one appointed
- Arrange to meet sponsor
- Ensure sponsor is engaged and fully supportive
- Review and reconfirm objectives
- Get sponsor to communicate formation of PMO providing mandate

Tools and processes is the mechanism for a PMO to implement standards.

Actions

- Environment scan – understand current tools and processes being used by projects
- Understand any organisation wide standards that should be used
- Evaluate what tools are truly ‘fit for purpose’
- Document and identify gaps

Core tools and processes that are required for the majority of PMO's.

Core tools and processes

- Governance
- PMO organisation
- Planning / milestones
- Cost management
- Benefit management
- RAIDs (Risks, Assumptions, Issues, Dependencies)
- Reporting
- Quality assurance
- Change control
- Resource management
- Document storage
- Procurement

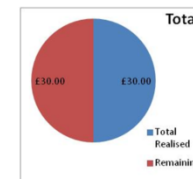
5.0 Benefits

Benefit RAG

Green

- Benefit baseline has been cleansed with minimal loss
- 50% of current year benefits have been realised
- On target to realise remaining 50% of benefits in current calendar year

Benefit Type	Portfolio Total All Figures £'000			Current Year All Figures £'000		
	Total Benefits	Total Realised	Remaining	Forecast	Realised	Remaining
Tangible	£ 50.00	£ 25.00	£ 25.00	£ 10.00	£ 5.00	£ 5.00
Intangible	£ 10.00	£ 5.00	£ 5.00	£ 2.00	£ 1.00	£ 1.00
Total Benefits	£ 60.00	£ 30.00	£ 30.00	£ 12.00	£ 6.00	£ 6.00



Commentary

Good progress has been made on the realisation of benefits with £6,000 being agreed and signed-off by business CFO and COO.

Milestone to realise remaining £6,000 of benefits is currently on target and due to be achieved in September 2013.

Work has commenced on agreeing the KPI's that will be used to recognise the saving in September 2012. These should be signed-off in July 2013.

The PMO will need to be resourced with suitably skilled resources.

Actions

- Map resource requirements based on objectives / size of PMO
- Establish current resources
- Validate skill match / training requirements
- Define job specifications for gaps
- Recruit resources
- Document structure
- Publish structure

When the objectives, tools & processes and organisation have been progressed, it is important to communicate to key stakeholder.

Actions

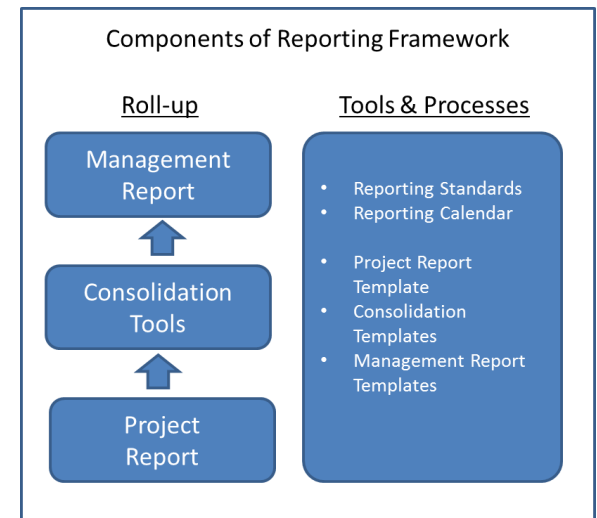
- Communicate to stakeholders / sponsor(s)
- Communicate to project teams
- Communicate to other stakeholders
- Use multiple mediums to communicate
- Always check message has been received and understood



You should strive to get the regular PMO routines up and running as quickly as possible. This will demonstrate progress and allow refinement. You do not have to have all the tools and processes ready before you start i.e. you can start with reporting.

Actions

- Define regular routines
- Publish reporting calendars, guides, etc
- Assist project teams with the adoption – pre-populate where possible
- Start publishing meaningful management information to stakeholders



You should capture all of the important aspects of the PMO so that they are available to all stakeholders / users. This can be in the form of a PMO charter, handbook, etc.

Actions

- Capture key aspects of PMO in charter or handbook
- Communicate to all stakeholders and users
- Spend time helping / educating those who will need to follow process

9.0 Planning: Guide to milestone levelling

Guidelines for ensuring the consistent identification of milestones..

Level	Category	Phase	Milestone Type
1	Outcomes	All	Go-live Service / Product Launch Benefit Realisation
2	Key Deliverables	Initiation	Project Initiation Document Complete Business Case Complete Terms of Reference Complete High Level Plan Complete
		Planning	Target Operating Model Complete Organisation Design Complete Requirements Complete Functional / Technical Design Complete
		Execution	Build Complete Test Strategy Signed-off System Integration Test Complete User Acceptance Complete Training Complete Business Readiness Complete
		Closure	Handover to BAU Post Implementation Review
		Other	Key Dependency Change Request Approved Quality Review Complete Communication Milestones

Great you have set up and got your PMO running – this is only the first step. A good PMO should consistently be reviewing performance and requirements so changes can be made to improve the service provided by the PMO.

Actions

- Track effectiveness
- Constantly seek feedback from users
- Be aware of changing stakeholder needs
- Review when things don't go well
- Look to mature PMO (see diagram)

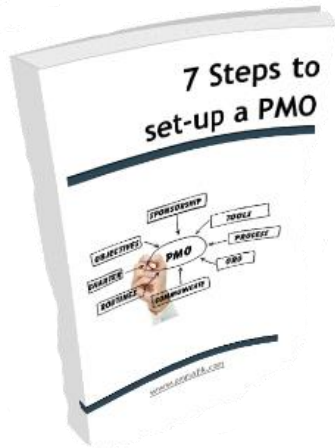
PMO Role	Description
Managerial / Pro-active	<ul style="list-style-type: none">• Work with executive sponsors to set the pace of the Programme and create momentum• Kick-start work stream planning and budgeting• Define an effective, cross-organisation decision-making process• Push fundamental programme management processes• Proactive, risk based programme management
and...	
Hybrid	<ul style="list-style-type: none">• Facilitate communications including executive / stakeholder reporting• Facilitate the management of interdependencies within and across organisations and regions• Manage the Change Control processes
and	
Administrative / Reporting	<ul style="list-style-type: none">• Track deliverables• Report consolidation and dissemination• Programme administration• Documentation management

Steps to implement a successful PMO:

- Confirm and understand objectives
- There must be a senior sponsor
- Implement tools and processes leveraging existing standards
- Add the right resources to complete the work
- Continually communicate
- Get to BAU as quickly as possible using phased implementation
- Create a handbook / charter to help communicate
- Strive to make the PMO 'fit for purpose' and continually improve

Following these steps will help you to design and implement a practical, pragmatic PMO that will be seen to provide a valuable service

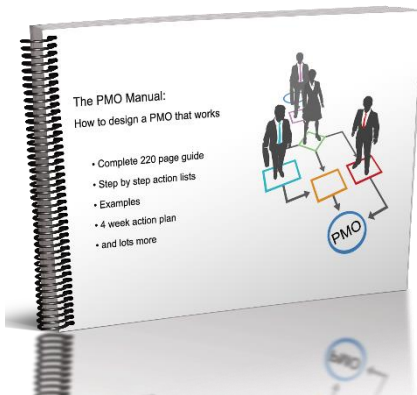
Get more helpful information by claiming your own free copy of my guide, 7 steps to set-up a PMO, all you need to do is visit the PMO Set-up page on my website and send your name and e-mail, you will then have instant access to the guide.



Visit <https://www.pmmajik.com/pmo-setup/>

The Pmo Manual

This 220 page book by practicalpmo.com is a powerful, simple to use resource for anyone who needs to set-up a PMO. Each chapter breaks down the important aspects of the PMO and includes an easy to follow action list.



Visit <https://www.pmmajik.com/pmo-manual/>

Official PM Majik Resources



- Step by step guide to setting up a PMO
- Easy to understand action lists
- Examples and checklists
- 220+ easy to follow pages
- Saves time – start implementing your PMO today
- Saves money – no need to spend time or employ expensive consultants to design a PMO
- Quickly gain years of valuable knowledge

Click link below for details:

<https://www.pmmajik.com/members/>