

Setting up an initial Project Management Office (PMO)

The underlying assumption is that the PMO is being established in an organisation where the concept of formal project management is fairly new and/or underutilised. The PMO is being established to provide a service to the organisation by getting projects under control and adding value via a support mechanism.

Whilst there may be a temptation to introduce Portfolio and Programme related functions, we would recommend that PMO implementation is planned on the basis of taking incremental steps starting with a focus on selected projects. This approach is based on best practice experience where there is considerable evidence that many PMO's fail because they try to achieve too much too early with limited mandate, support or expertise.

The Primary Focus of a Start-up PMO is Normally on Methodology

A project management methodology provides a standard, repeatable process to guide project performance from concept to completion. It introduces and applies generally accepted project management techniques and practices that fit within the culture and business needs of the relevant organisation. It includes identification of the roles and responsibilities associated with each process step, as well as specification of the input and output for the prescribed sequence of process steps. In essence, a project management methodology conveys to project managers and project team members what to do and how to do it.

The organisation can begin fulfilling methodology needs by first introducing just a series of simple processes for use in the project management environment. This will ensure that the activities of project management that are most essential to the relevant organisation are being completed. The project management methodology is a set of processes that can be applied to all types of projects in the relevant organisation.

The 'project management methodology' function requires coordination and collaboration with key stakeholders — predominantly project managers — in the project management environment. It is imperative that any project management methodology grows to be supportive of technical and business efforts, so it is essential to involve project engineers, product managers, and other technical and business specialists, as simple processes are expanded to life-cycle processes.

Furthermore, because policies for methodology deployment are formulated and communicated to all project participants at the executive level, the development and deployment of a standard project management methodology within the relevant organisation distinctly requires executive level and senior management buy-in and support.

3-Step Approach for the Initial PMO

This approach is intended where there are conditions of limited influence (authority) and staffing. Three steps are

1. Establish simple, critical processes for project management.
2. Gain increased support for process expansion.
3. Expand and incorporate technical and business processes.

Step 1 - Establish Simple, Critical Processes for Project Management

Identify the standards to be referenced and initially build simple processes for a few of the more critical project management activities within the relevant organisation. Such processes and associated practice areas that warrant attention include:

- Defining the project
- Preparing the business plan
- Preparing the project work plan (by using a work breakdown structure with estimates of cost, schedule, and resource utilisation)
- Assessing and managing project risks
- Managing project quality and customer acceptance
- Assigning and managing project resources
- Acquiring and managing vendors and contractors
- Tracking and controlling project progress
- Reporting project status
- Conducting project close-out

Step 2 - Gain Increased Support for Process Expansion

The PMO's best intentions can be undermined by a lack of support for process (methodology) implementation by key project management participants. Therefore, it is essential for the PMO to elicit the support of project managers and senior management during this effort. The smaller PMO can pursue the support of individual project managers in several ways, including:

- Solicit input of project managers in developing practices and techniques that are used to fulfil process steps.
- Make the initial processes and practices reasonably understandable and easy to use.
- Incorporate forms, templates, and checklists as tools that accompany process guidance, and solicit project manager input for their development.
- Give project managers flexibility and leeway in scaling and determining process use for each project.
- Introduce and formalise existing methods and procedures that currently work well for individuals and would benefit other project managers when used more widely within the relevant organisation.

Step 3 - Expand and Incorporate Technical and Business Processes

The smaller PMO usually starts with development and implementation of a small series of processes, practices, and tools that are introduced for use by project managers that have been either convinced of or coerced into their use.

The PMO can now look at areas to expand those processes as a means to provide more complete life-cycle coverage of project management in the relevant organisation. Along with process expansion, the PMO should also continue its efforts to obtain the broader buy-in of all project managers, as well as executives and senior management. This is best accomplished by showing them the benefits already achieved by current methodology process users.

Source: Adapted from "The Complete Project Management Office Handbook" by David Hill plus Project Plus thought-leadership