

From Zero to PMO in Thirty Days
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Abstract

Are your projects out of control? Is it difficult to determine the status of your most important projects? Is the status of all your projects “in progress?” Are the scopes of your projects in line with your strategic objectives? Are your estimating processes non-existent or totally dependent on a few key “experts?” Are you managing your resources effectively? Not even sure of what questions to ask? The maybe the answer for your organization is a Project Management Office (PMO) or if you already have one, then maybe you need a fresh look at your current one.

This paper will provide a 30 day plan for implementing a Project Management Office for your organization. Invest 30 days to provide a structure that can serve your organization for years. Various models of PMO will be reviewed and analyzed. Tips and techniques for enhancing the PMO effectiveness will also be shared. This paper will present a plan to take your organization from objectives to “done deal” in 30 days.

Need a better structure for your project management environment? The maybe you should try going from “Zero to PMO in 30 days.”

Introduction: Why Implement a PMO?

If you are in the business of delivering projects and have problems delivering projects on time, within budget, and within an agreed-upon scope of work, then a project management office may be what you need to improve the quality and delivery of your projects. You may need a PMO if your organization is encountering any of the following symptoms:

- Projects are often delivered later than promised
- Projects often run over budget or at a cost greater than estimated
- Project estimating is faulty and inconsistent from project to project
- Clients (or internal customers) complain about project delivery
- Clients (or internal customers) complain about incomplete scope or missing functionality
- Stakeholder expectations are not formally managed and are often misunderstood
- Skilled resources are usually not available when needed
- Project status reporting is inconsistent and faulty
- Projects are not prioritized which leads to project and resource conflict
- Project processes are inconsistent from project to project leading to an inefficient use of resources

So, what is a PMO and how can it help? There are many variants of a PMO in the corporate environment but for the purpose of this paper, I would like to define a PMO as a supporting organization that exists to provide project management support and to improve project delivery. Given this loose definition, I believe that an effective PMO can deliver the following benefits:

- A decrease in the project failure rate
- An improvement in meeting project cost, schedule, and scope objectives
- An improved prioritization of projects leading directly and indirectly to an improved Return on Investment (ROI) on project investments and human resources
- An alignment of projects with the strategic objectives of the enterprise
- An improved client satisfaction with project delivery
- Improved estimating and ROI calculation processes leading to the cancellation of uneconomic projects and improved project and enterprise profitability

According to a survey conducted by CIO magazine and the Project Management Institute in February, 2003, fifty percent of the respondents reported that “project success rates have increased as a result of having a PMO.” The survey also indicated that “project success rates (defined as completed on time, within budget with all original specifications) have increased by 46%.” (Ware, 2003)

The same survey indicated the following common characteristics of the PMO (more than 70% of the respondents shared these characteristics):

- Ensures that similar projects are executed according to consistent processes
- Provides project management training and mentoring
- Conducts post implementation project reviews including the capture of lessons learned
- Manages process and project reporting and tracking
- Contributes to the development of core competencies in project management
- Is supported and/or sponsored by Senior Executives (Ware, 2003)

Given that an Enterprise can benefit from a PMO, this paper will continue to explore a plan to implement a functional PMO within 30 days.

Objectives: Getting the Vision

“Before beginning a hunt, it is wise to ask someone what you are looking for before you begin looking for it.” – Winnie the Pooh (Winnie the Pooh quotes, 2005).

Per the PMBOK® Guide, 3rd Edition, “PMOs can operate on a continuum, from providing project management support functions in the form of training, software, standardized policies, and procedures to actual direct management and responsibility for achieving the project objectives” (p.17). In order to successfully execute a 30 day PMO implementation plan, the organization must decide on a vision for the PMO (to include a decision on a point on the continuum) and the specific objectives to be achieved as a result of a successful implementation.

Based on my prior experience with implementing PMOs, objectives should be clear and simple. Only a few objectives should be selected for a 30 day plan. I suggest focusing on those objectives that will address the most severe problems. The table in Exhibit 1 below lists multiples reasons for implementing a PMO. For the purpose of the 30 day plan, select the top reasons and obtain agreement from the key stakeholders for the PMO. Stakeholders at a minimum should include a sponsor (usually the person funding the project), a “champion” (usually the project manager of the implementation), and a representative sample of project managers, or if the organization is small enough, all of the project managers to be affected by the PMO.

Reasons for a Project Management Office	✓
Enterprise Functions	
Promote standard project management practices	
Develop, support and maintain project management standards	
Reduce/eliminate project failures	
Improve project success rates	
Develop, support and maintain project processes:	
- Scope	
- Integration (plan and change management)	
- Cost	
- Time	
- Risk	
- Quality	
- Human Resources	

Reasons for a Project Management Office	✓
- Communications	
- Procurement (vendor management)	
Improve customer relationships (with respect to projects)	
Provide project portfolio management (prioritization and ROI ranking)	
Improve Return on Investment on the enterprise portfolio and on individual projects	
Reduce operating costs – project staffing and management	
Provide enterprise status reporting	
Archive and maintain project plan templates	
Archive lessons learned	
Archive project documents, data, and metrics	
Provide estimating processes and standards	
Review and validate project estimates	
Establish portfolio governance process	
Provide project planning and management tools	
Administer time reporting processes	
Other	
Project Functions	
Assist project managers in meeting cost, schedule and scope objectives	
Provide administrative support	
Provide consulting support	
Provide mentoring	
Assist in the development of project charters and project plans	
Conduct project reviews	
Review and approve estimates	
Review and approve deliverables	
Define, prioritize and monitor risks	
Assist in monitoring, escalation, and resolution of project issues	
Define metrics for individual project performance	
Other	
Human Resources	
Manage the project managers	
Assign project managers to projects	
Recruit and hire project managers	
Develop and maintain project management career paths	
Evaluate performance of project managers	
Provide project management training	
Staff projects	
Provide resource management	
Provide resource forecasting tools and processes	
Other	

Exhibit 1: Reasons for a PMO

The table above can also be used to determine longer term objectives. The top objectives selected will be used to frame the project scope and project plan for the 30 day PMO implementation.

Why 30 Days?

Why not 30 days? I suggest 30 days because this will provide a tangible product and a target to the organization. While 30 days may seem aggressive, it is not unrealistic with the proper support. The 30 day timeframe also forces the project team implementing the PMO to focus on a few key objectives and deliverables. Also, in most cases, since the key stakeholders will be the executive team plus the project managers, they will understand the value of having something tangible delivered within 30 days.

Assessment: 30 Day Plan Success Factors

This section introduces the seven success factors which can be used to assess the readiness of the organization for a 30 day PMO implementation plan. These factors can be used for a quick assessment of the project and should be discussed among the key stakeholders before the 30 day plan is launched.

Success Factor 1: A Clear Vision

Ideally, the vision will be clear enough that it can be articulated at all levels of the organization. I believe that the Vision of the project is one of the most critical factors for success. Developing the Vision is a critical exercise in communications between the Project Sponsor, the Project Manager, the Champion (if different than the Project Sponsor or Manager), and the Project Stakeholders. You should ask whether the Vision meets the SMART (Specific, Measurable, Achievable, Realistic, and Time-Bound) criteria.

Success Factor 2: Clear Leadership

This factor speaks directly to the leadership of the project. Who will be leading the project? If a Project Sponsor, a Project Manager, and a Project Champion have all been identified, have the roles and responsibilities of each been clearly identified? Are the lines of communication and decision-making clearly defined? Is there one decision maker clearly in charge or do decisions get made by committee? If decisions are made by committee, will the committee meet often enough to allow the successful and timely execution of the 30 day plan?

Success Factor 3: Clear Expectations

In order for the 30 day plan to be successful, the expectations of what will be delivered within the 30 day plan and what will be different after the 30 day plan has been executed must be clear. Missed expectations can lead to a perception that an otherwise well-executed project is failing or has failed. Are the expectations of the individual team members also clearly defined? Poorly defined expectations can lead to missed budgets, missed schedules, rework, and poor team morale.

Success Factor 4: Defined Risk

Before launching the plan, perform a risk identification and analysis, taking extra time to analyze potential organizational risks (i.e. the organization itself, executive support, enterprise support, etc.). Start with asking the basic question: What may prevent the project from meeting its objectives within 30 days? Then continue to ask this question throughout the execution of the plan.

Success Factor 5: Clearly Defined Roles and Responsibilities

Are roles and responsibilities for the 30 day plan clearly defined? Are the right resources doing the right things at the right time? If confusion exists over roles or assignments, this can lead to missed milestones, rework situations, missed objectives, and eventually, a failed project, and no PMO within 30 days.

Success Factor 6: Clear Approach

Decide whether the plan is detailed enough to define the approach for the 30 day plan. Is the plan strong enough or

clear enough for the project team members to support and embrace? A solid plan is built on trust and can empower the team to do what is required to be successful.

Success Factor 7: Change Management

What happens if something changes? What is the project team's ability to absorb and manage change? Is there a predefined change methodology already in place? If so, can it be used to support the objectives of the project? If a change process is not in place, it is important to define one for the project.

Organization

In addition to determining the objectives or reasons for implementing the PMO, a PMO model should also be decided. In the book, *Advanced Project Portfolio Management and PMO: Multiplying ROI at Warp Speed*, the authors identify four types of PMO models, citing the Gartner Group for originating the first three (Kendall & Rollins, 2003, Chapter 19):

- Project Repository Model – serves as the source for standards, tools and processes
- Project Coaching Model – serves as the source for best practices and provides support to project managers
- Enterprise PMO Model – a more permanent model that “owns” project management practices and project managers. In this model, project managers usually report to the PMO.
- “Deliver Value Now” Model – this model, as proposed by Kendall and Rollins, focuses on organizational goals first and takes a holistic view of the project portfolio to determine the proper balance of projects for the benefit of the organization.

The table below (Exhibit 2) summarizes the complexity and level of executive commitment required for each model:

Model	Complexity	Level of Executive Commitment Required
Project Repository	Low	Low to Medium
Project Coaching	Low to Medium	Low to Medium – requires budget commitment for skilled supporting resources
Enterprise PMO	High	High – organizational commitment, executive sponsorship, and Champion required
“Deliver Value Now”	High	High – same as Enterprise plus requires skilled relationship building

Exhibit 2: PMO Models

Of course, an organization may choose a model which may be a combination of any of the above models. Another model which should be noted is a short term model existing solely to support the implementation of a program or large project; these models cease to exist when the program or major project has been implemented. The 30 day plan can also be used to implement this model as well.

The 30 Day Plan

This section provides a high level and very generic 30 day plan. This plan, as illustrated in Exhibit 3, should be refined and customized to the needs of the organization and must specifically support the key objectives identified prior to the launch of the project.

High Level 30 Day Plan	
PMO Install	Timing
1.0 Project Management	
1.1 Finalize Vision	Week 1
1.2 Finalize scope	Week 1
1.3 Finalize project plan	Week 1
2.0 Portfolio Governance	
2.1 Governance committee process	Week 2
2.2 Prioritization processes	Week 2
2.3 Change management process	Week 2
2.4 Project Dashboard (Red/Yellow/Green) reporting	Week 3
2.5 Project review process	Week 3
2.6 Other reports	Week 3
2.7 Governance Committee in place	Week 4
3.0 Methods and Standards	
3.1 Status reporting	Week 2
3.2 Standard project deliverables	Week 2
3.3 Project initiation processes	Week 3
3.4 Estimating processes	Week 3
3.5 Project plan templates	Week 3
3.6 Project milestone standards	Week 3
3.7 Scope management processes	Week 3
3.8 Change management processes	Week 3
3.9 Project acceptance process	Week 3
4.0 Resource Management	
4.1 Time recording system	Week 3
4.2 Resource forecasting system	Week 3
4.3 Resource management process	Week 4
5.0 Training and Mentoring	
5.1 Enterprise tools and processes	Week 4
5.2 Project level tools, templates, and processes	Week 4
5.3 Time capture and resource forecasting	Week 4
6.0 Rollout	
6.1 Enterprise tools and processes	Week 4
6.2 Project level tools, templates, and processes	Week 4

Exhibit 3: High Level 30 Day Plan

Week 1

The key objectives for Week 1 should be to determine if communications, leadership, and management are clearly in place. Some key questions to be asked at the end of Week 1 should include the following:

- Does the project have a documented Vision Statement?
- Is leadership clearly in place?
- Has the plan been developed and customized to meet the needs of the organization?
- Have the plan and risks been reviewed to determine viability of completion of the project by the end of the fourth week?

Week 2

Week 2 should focus on developing a governance process as well as any methods and standards to be implemented by the end of the project. Some key questions to be asked at the end of Week 2 should include the following:

- Has the Governance process, to include prioritization and review of projects, been defined?
- Has a Governance Committee structure, if needed, been decided?
- Has a change management process been defined?
- Have the standards and processes to be implemented been clearly defined?
- Is the progress on the standards and processes measurable?
- Have the plan and risks been reviewed to determine viability of completion of the project by the end of the fourth week?

Week 3

By the end of Week 3, the development of standards and processes should be complete or nearly complete. Any tools to be used for time management and resource forecasting must be finalized by this week. In addition, the processes to support time recording and forecasting must be developed. Key questions to be asked at the end of Week 3 include the following:

- Are the standards and processes complete or nearly complete?
- Will training material (and the trainers) be ready for the following week?
- Have the target trainees been notified of upcoming training?
- Has training been scheduled?
- Have the new standards and processes been “tested” to ensure functional feasibility?
- Have the new tools, if any, been tested to ensure functional feasibility?
- Have the plan and risks been reviewed to determine viability of completion of the project by the end of the fourth week?

Week 4

If all has gone by plan, Week 4 is not only the end of the project but the beginning of the PMO operation. Communications to all stakeholders is critical this week. Key questions to be asked throughout the week should include the following:

- Are the standards and processes complete?
- Is the Governance process and committee in place? Has the initial Governance meeting been scheduled?
- Have administrative functions (and staffing) for the new PMO functions been determined?
- Has a project close-out meeting been scheduled? This is critically important because there will always be “something more to do.”

Next Steps

If you’ve successfully reached the end of Week 4, congratulations! You’ve gone from Zero to PMO in 30 days. Now that the project is complete, re-assess the next steps and future directions. I suggest calling a temporary halt to the development of the PMO to allow the implemented processes to mature. Use the time immediately after Week 4 and take the time required to refine the processes implemented. Work on getting these processes mature enough that you can then take the PMO to another level.

References

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