

Establishing a Program Management Office (PMO)

The Program Management Office (PMO) can be a virtual or physical office. Whatever format the office takes, it should be flexible enough to evolve as the needs of the organization change. For example, as an organization matures according to the Project Management Maturity Model, the project office typically matures as well, becoming more sophisticated in function.

The first step in establishing a program management office is to determine the level of sophistication (maturity) of the involved departments and the organization as a whole. Next, determine the needs of the organization and the functions that will be supplied by a project office. Then, design the project office to meet current needs.

The following examples describe different types of program management offices and their corresponding responsibilities.

Office of a Program Manager

- ✘ Used for a single person that is accountable for pulling several related projects together into a single initiative
- ✘ Cascade accountabilities and authorities
- ✘ A line function

PMO - Coordination

- ✘ Tracks and reports events without influencing them
- ✘ No authority over project managers, therefore no accountability for project progress
- ✘ Merely a reporting and data gathering PMO
- ✘ May keep database of action items, issues, project history and lessons learned

PMO - Control

- ✘ Establishes standards for planning and managing projects
- ✘ Consults on how to follow these standards
- ✘ Enforces the standards
- ✘ Improves the standards
- ✘ Cross-functional entity
- ✘ Must have authority to enforce and enhance standards to have accountability
- ✘ Oversees enterprise-wide project resource planning and management

Project Manager Resource Pool

- ✘ Usually combined with the PMO -Control type
- ✘ All project managers work from this office (separate department)
- ✘ Project managers are “hired” from the pool to lead internal projects (either subordinate/manager, or client/supplier)
- ✘ Has a department manager that oversees project managers and makes assignments

The efforts of a program management office are greatly enhanced if a system of *Portfolio Management* is in place and executive sponsors understand their role in project success. Portfolio Management is a formal process used by executives to ensure that the right projects are selected and prioritized.

Before designing a program management office, be able to answer the following three questions.

1. What types and sizes of projects will be included in the office?
2. What PMO functions will we implement?
3. Where should the PMO be placed in the organization chart? (span of coordination or control)

Steps for Implementing a Project Office

The following list outlines the steps necessary to design and implement a functioning program management office:

1. Develop a Project Office vision
2. Define an Implementation Approach
3. Define/refine the definition of your PMO
4. Develop an implementation goal
5. Determine the value to the organization
6. Develop a set of metrics to show progress
7. Determine the PMO staff, functions, and content
8. Develop an implementation plan
9. Implement the plan (establish the office)
10. Periodically review the functions required versus ability to meet the stated needs
11. Re-structure/redesign the office as necessary