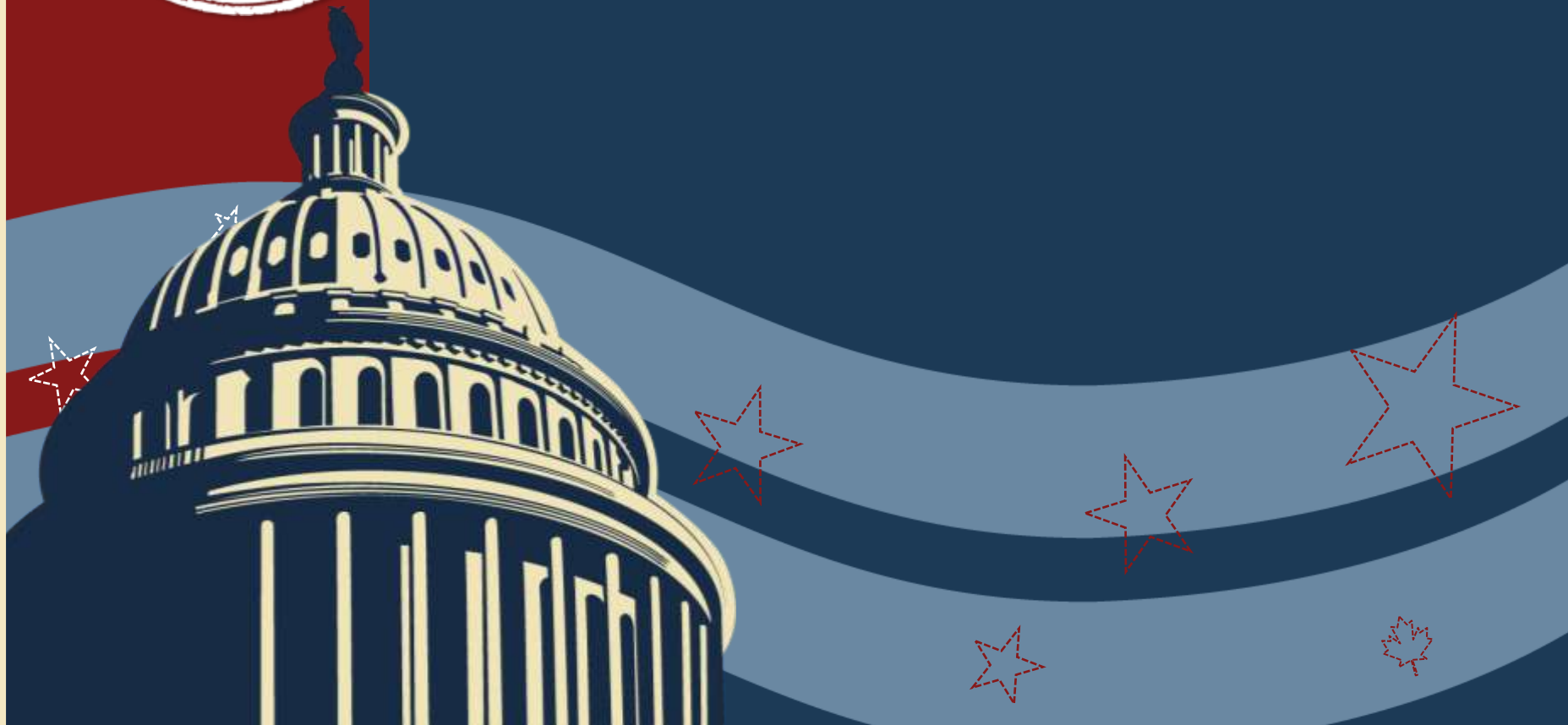




A Framework for Describing PMO Functions and Types

XT-305





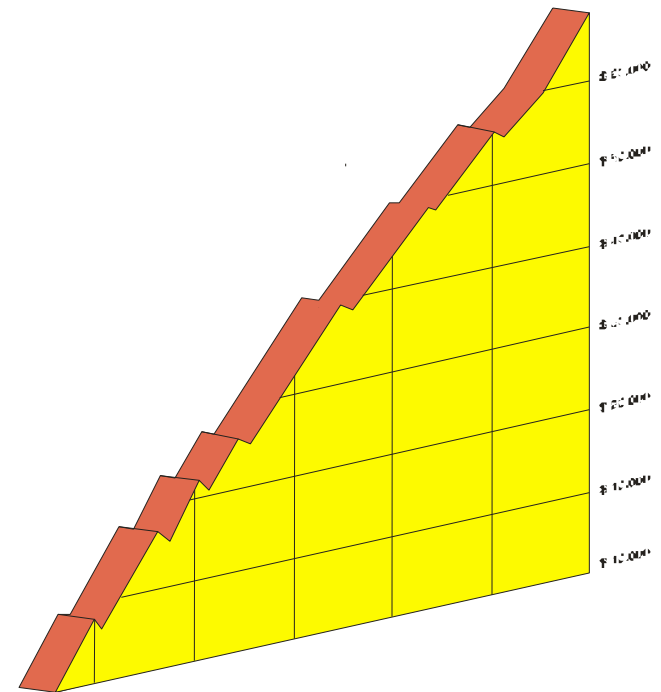
Session XT-305

- Abstract
 - This session will help you determine which PM functions the PMO should take on as your organization grows
 - We will present an extended framework for most common PMO types based on findings from a 2007 PMI research program by Hobbs
- Speaker
 - Alan R. Boyce B.A.Sc., MBA, P. Eng., PMP, CMC
- 32 years in technology and management
- 20 years with EPM systems
- Managing Consultant at SOMOS Consulting Group
- We help organizations get results
 - Product development companies
 - IT departments
 - Systems integrators
- Specialization
 - Project management control



Purpose

- Contribute to clarification of the profession
 - Build on good works that have been produced
- Standardize terms
- Help clarify roles for new team members
- Help customers be more deliberate (and more successful) in selection and design of PMOs





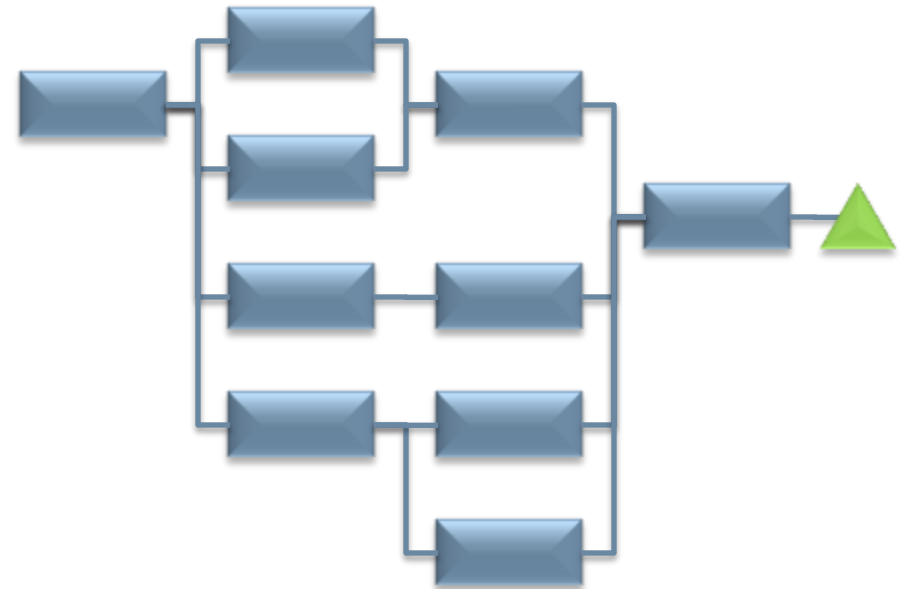
Agenda

- Introduction
- Basis of the Framework
- Types of Project Management Offices
- Selecting the PMO Type for the Organization's Needs



Overview of Process

- Goal
 - A framework for categorizing Project Management Offices (PMOs)
- Process
 - Reviewed literature on PMOs
 - Reviewed PMI-sponsored research
 - Incorporated our experience
 - Extended the model to be more comprehensive
- Result
 - A framework that is consistent with observation
 - Can be used to select PMO types to fit an organization's needs



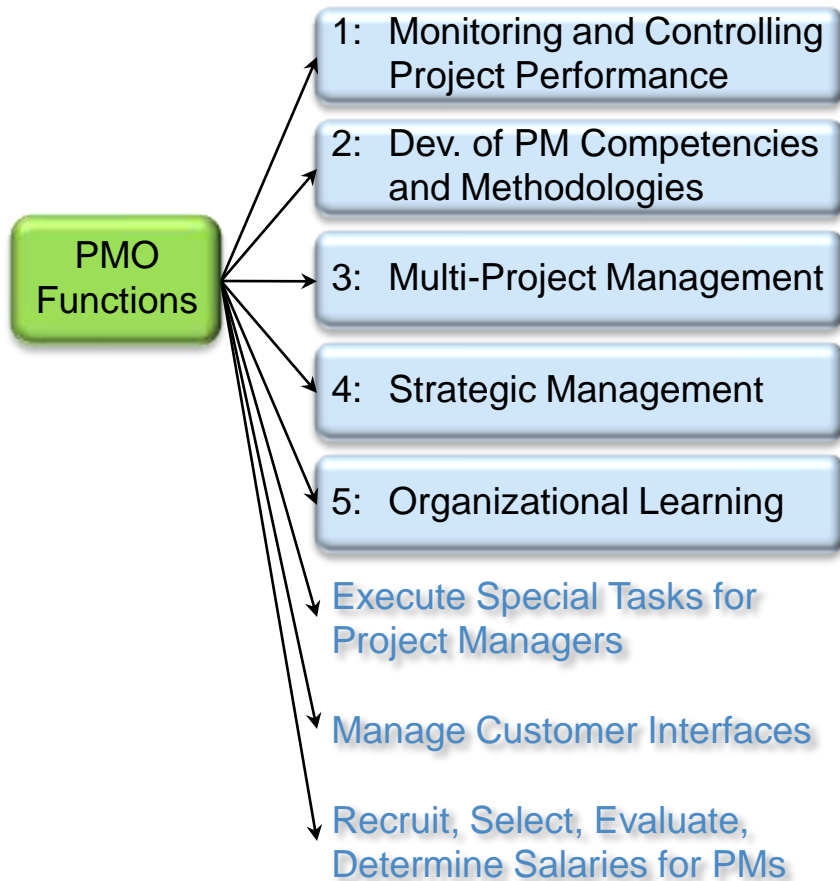
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Basis of the Framework



Basis of the Framework



- Research by Hobbs
 - PMI-sponsored
 - Looked at current state of PMOs
 - Performed 2005 – 2008
 - 500 respondents
 - Did not include single-project PMOs
 - Did not look at PMOs that “managed projects”
- Findings
 - Addressed PMO functions, not types
 - Found five common clusters or groups of functions
 - Three orphan functions



Framework of PMO Types

- Start with function groups from research
- Define five corresponding PMO types
- Extend the framework
 - Include functions not identified
 - Include management of single projects
 - Include direction and control functions
- Total of seven types of PMOs
- Three of these types will be further subdivided

1: Performance Monitoring and Reporting

2: Tools, Methods, and Training

3: Project Direction and Control

4: Strategic Advisors

5: Organizational Learning

6: Project Support

7: Project Managers Pool



Management Control Model

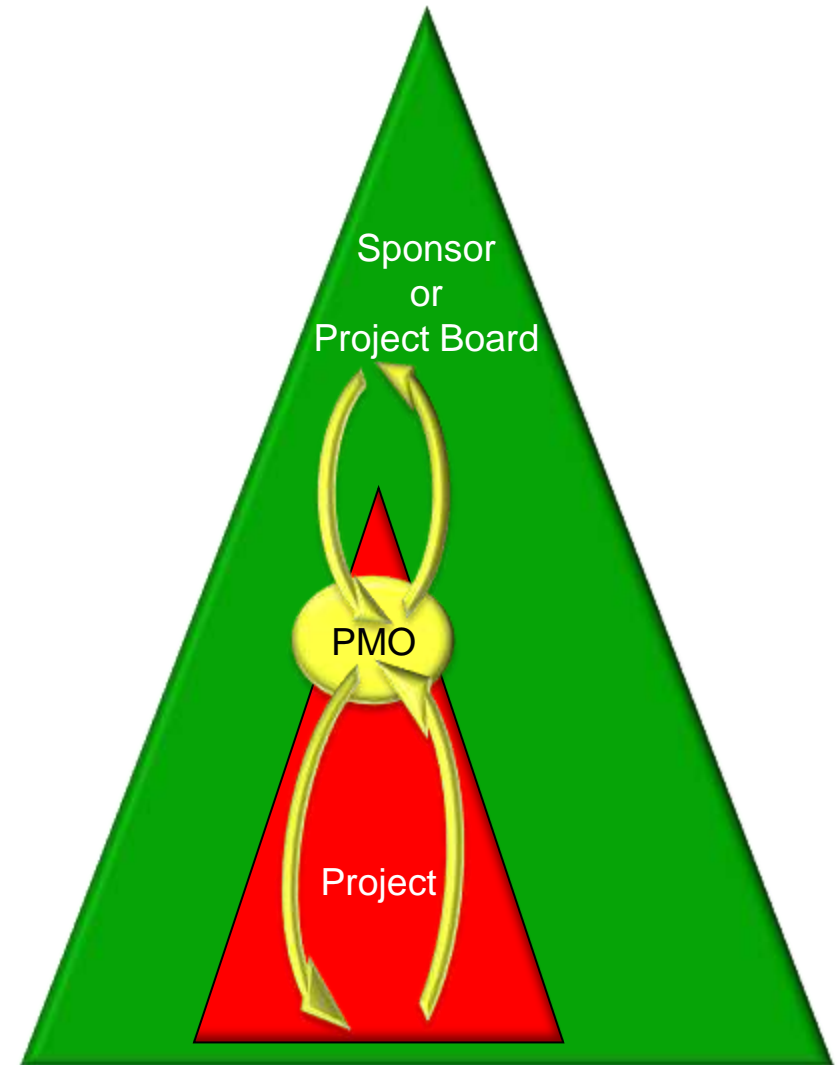
- Role of management
 - To achieve results
- Process
 - Continuously cycle through the control loop
 - Make plans
 - Monitor and analyze performance
 - Make decisions
 - Give direction
- Keep the project on track





PMO in the Control Loop

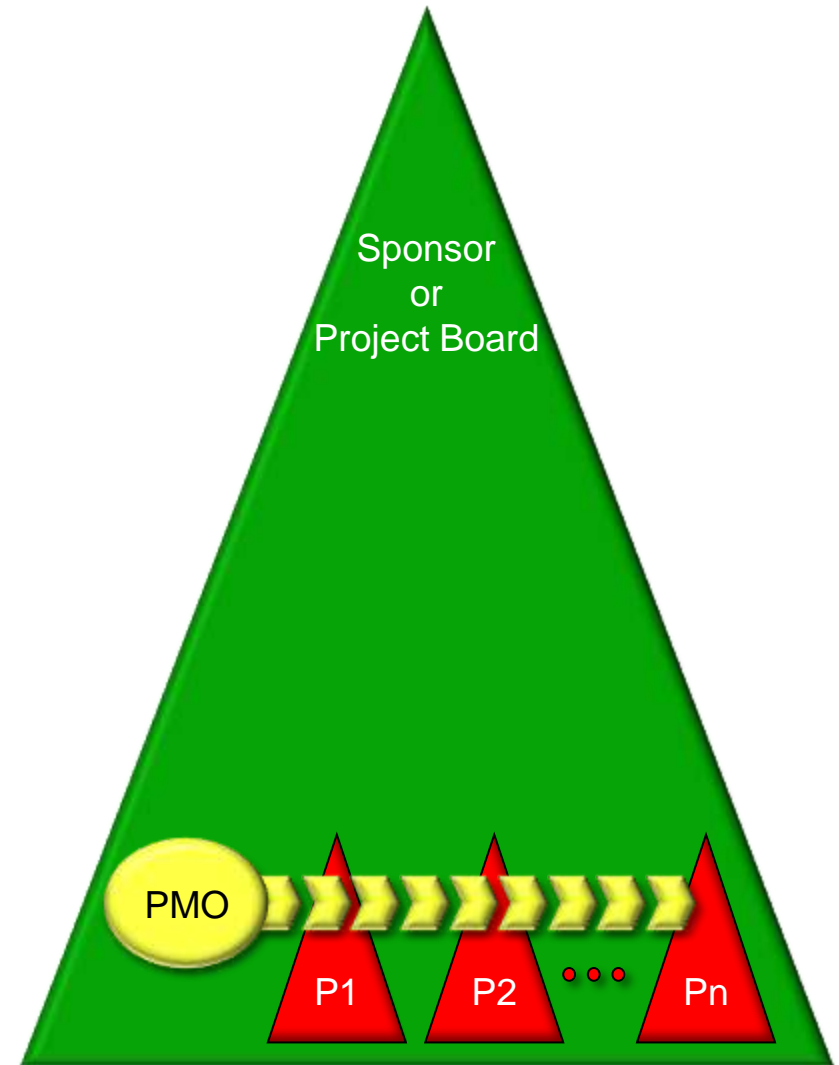
- Management role can be performed by
 - Individual
 - Team
- Division of responsibility on team
 - By specialty
 - By area within the project
- Two principal levels of management control
 - Between project sponsor or board and project manager
 - Between project manager and team





Multi-Project PMO

- PMO functions can be shared by more than one project
- Contributes to
 - Economies of scale
 - Standardization of process
 - Specialization of skills



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Types of Project Management Offices



Type 1 PMO – Monitoring & Reporting

- 1: Performance Monitoring and Reporting
- 2: Tools, Methods, and Training
- 3: Project Direction and Control
- 4: Strategic Advisors
- 5: Organizational Learning
- 6: Project Support
- 7: Project Managers Pool

1a: Project Monitoring and Reporting

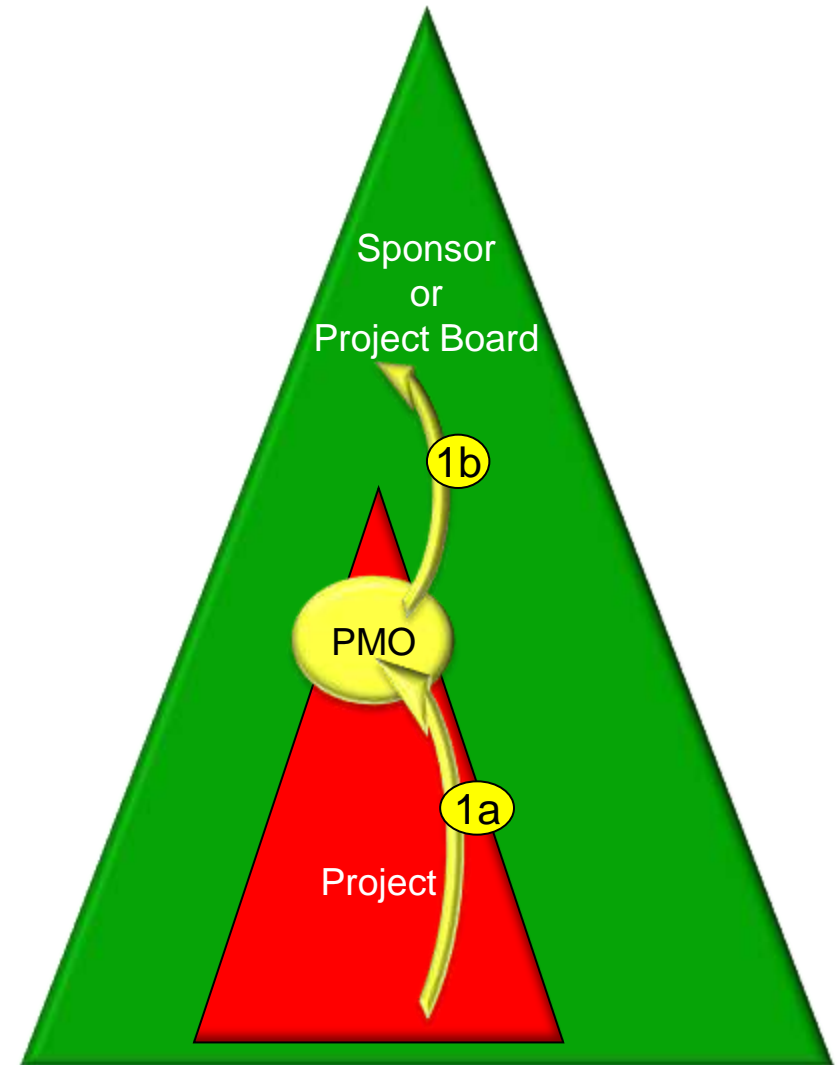
1b: External Project Reporting

- Principal Roles
 - Information management office
 - Support decision making
 - Collect project information
 - Analyze and distribute project information
- Other Notes
 - Staff management, rather than line management function
 - Type 1 PMO adds value throughout project life cycle



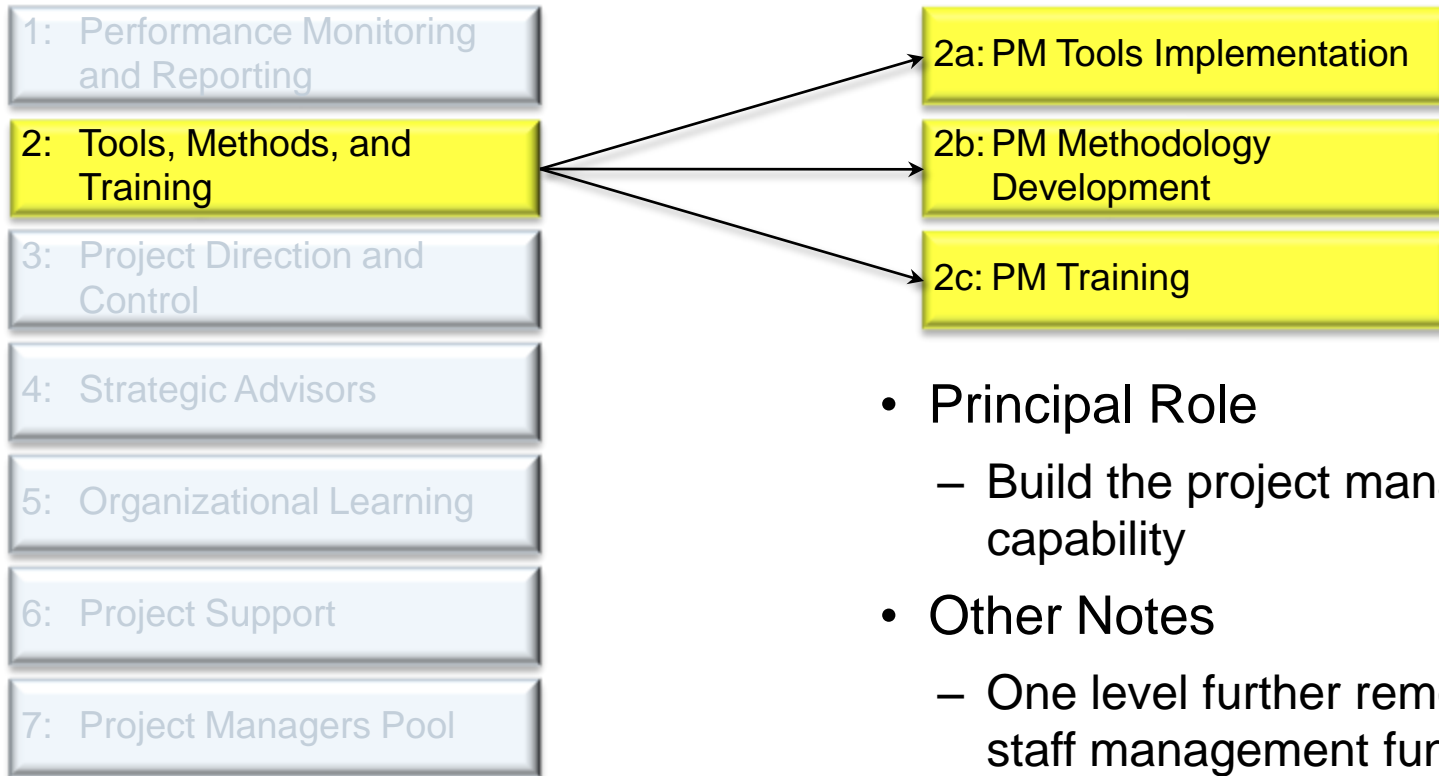
Type 1 PMO – Information Managers

- Level of Operation
 - PM – Team (1a)
 - PM – Sponsor (1b)
- Typical Functions
 - Development and maintenance of plans, schedules, budget
 - Monitoring project status
 - Measuring expenditures
 - Analysis of project performance
 - Reporting to upper management
 - Update of information within project scoreboards
 - Operation of the project information systems





Type 2 PMO – Tools, Methods, and Training

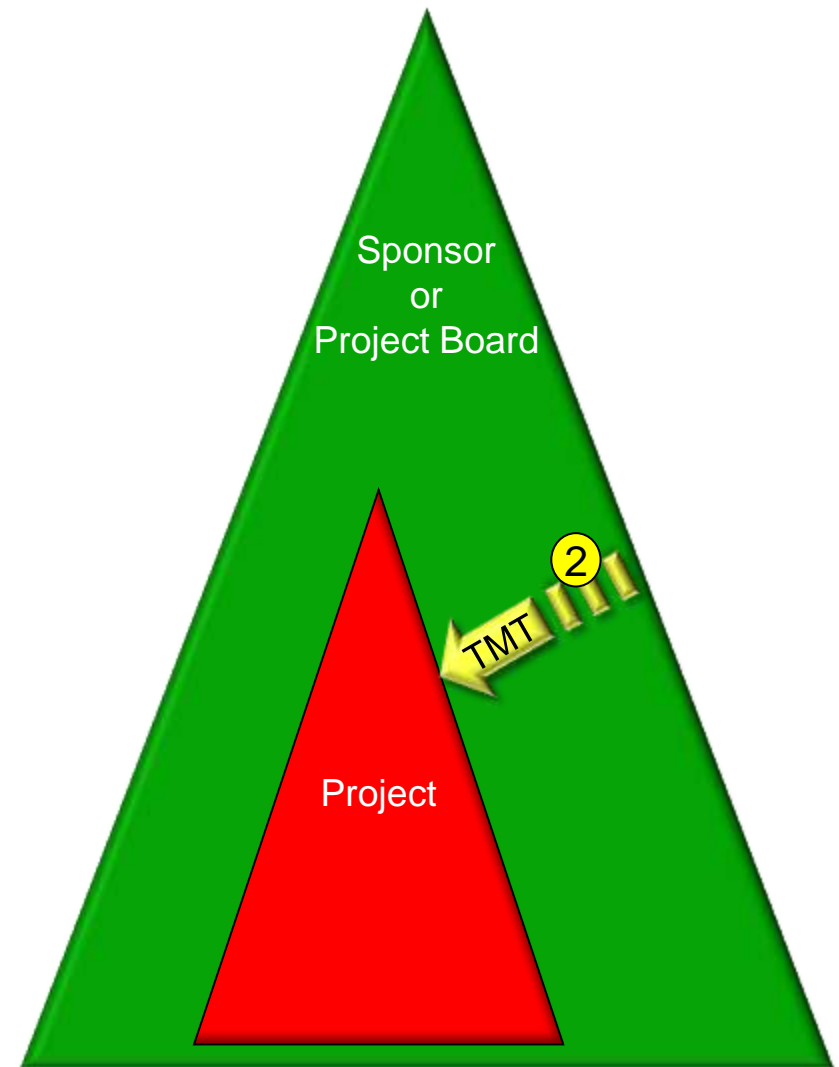


- **Principal Role**
 - Build the project management capability
- **Other Notes**
 - One level further removed from staff management function
 - PMO typically has greatest contribution at early phases of project



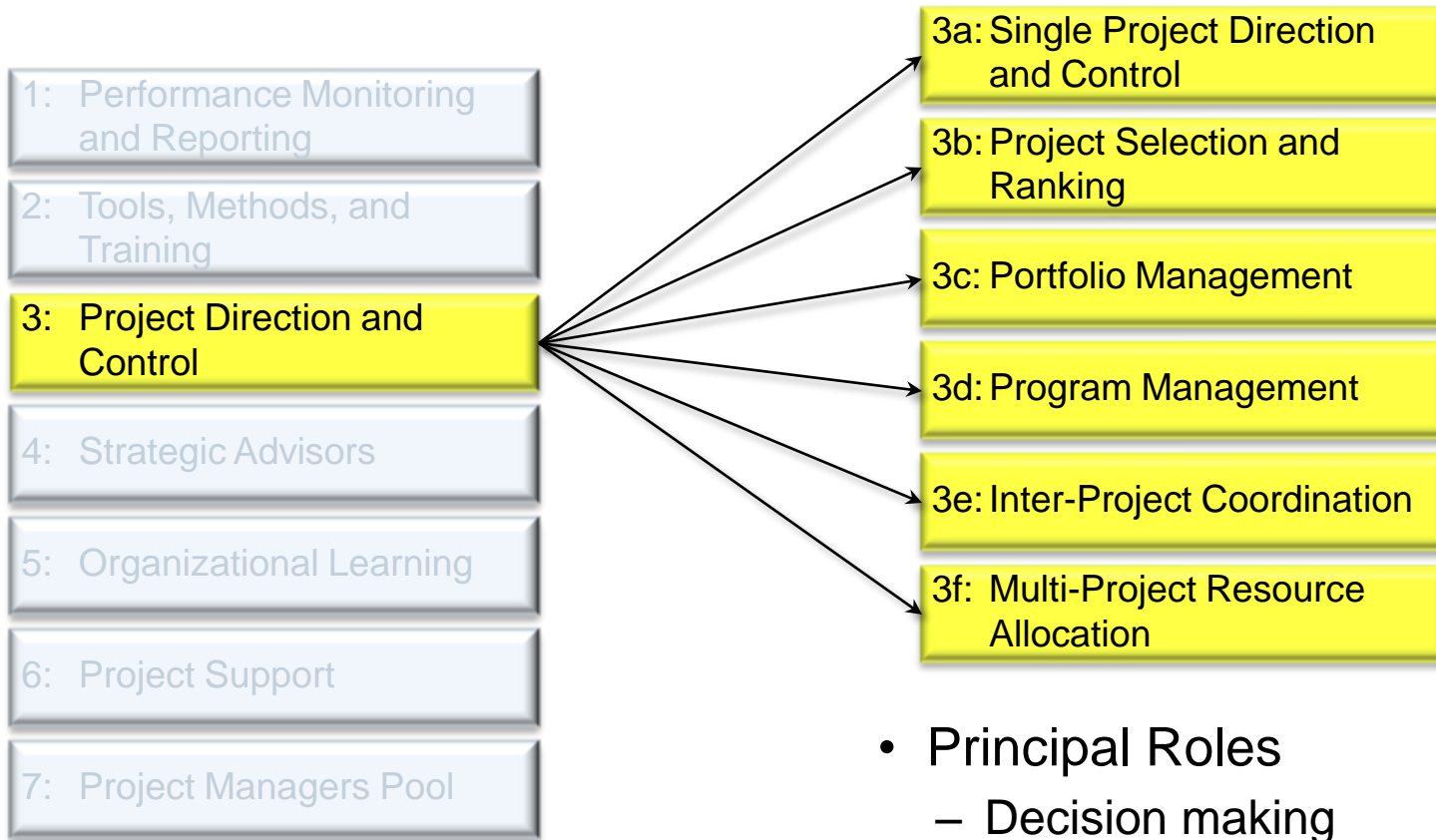
Type 2 – PM Capability Developers

- Level of Operation
 - From the organization across projects
 - Within a project
- Typical Functions
 - Implementation of PM tools and systems
 - Development of PM methods and practices
 - Development and delivery of PM training and mentoring
 - Promotion of PM practices





Type 3 PMO – Direction and Control

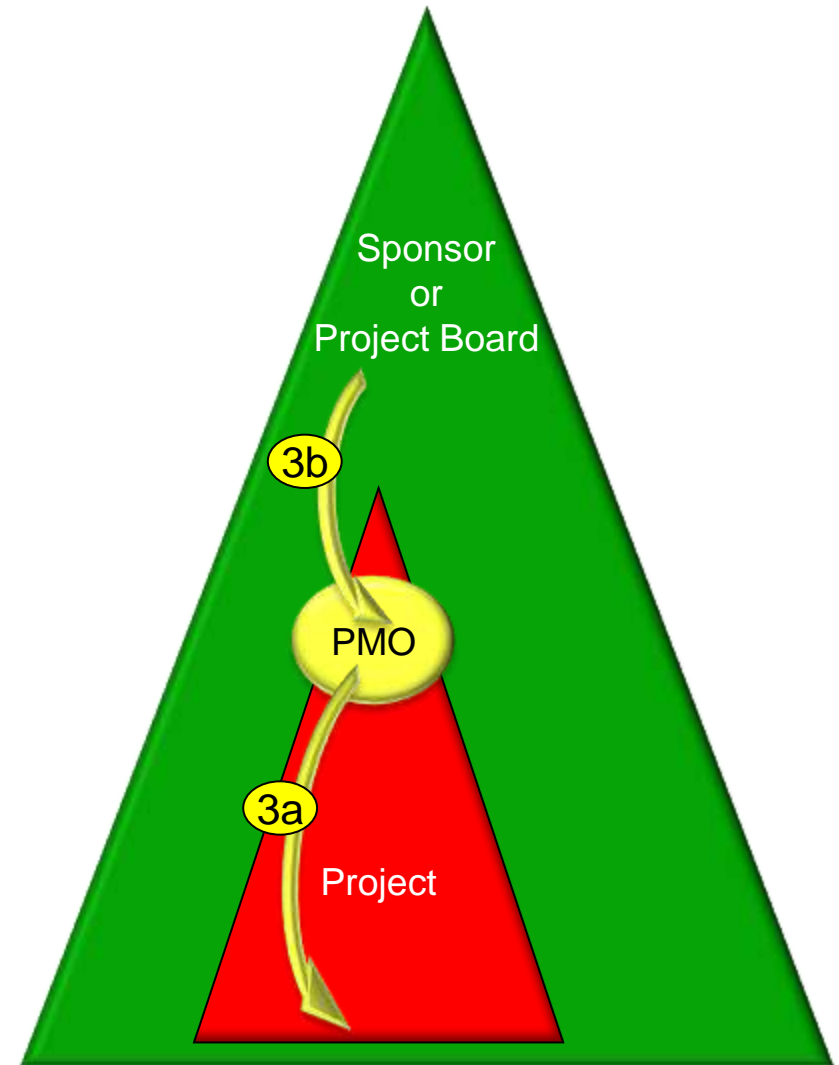


- Principal Roles
 - Decision making
 - Providing direction
 - Providing control



Type 3 PMO – Project Managers

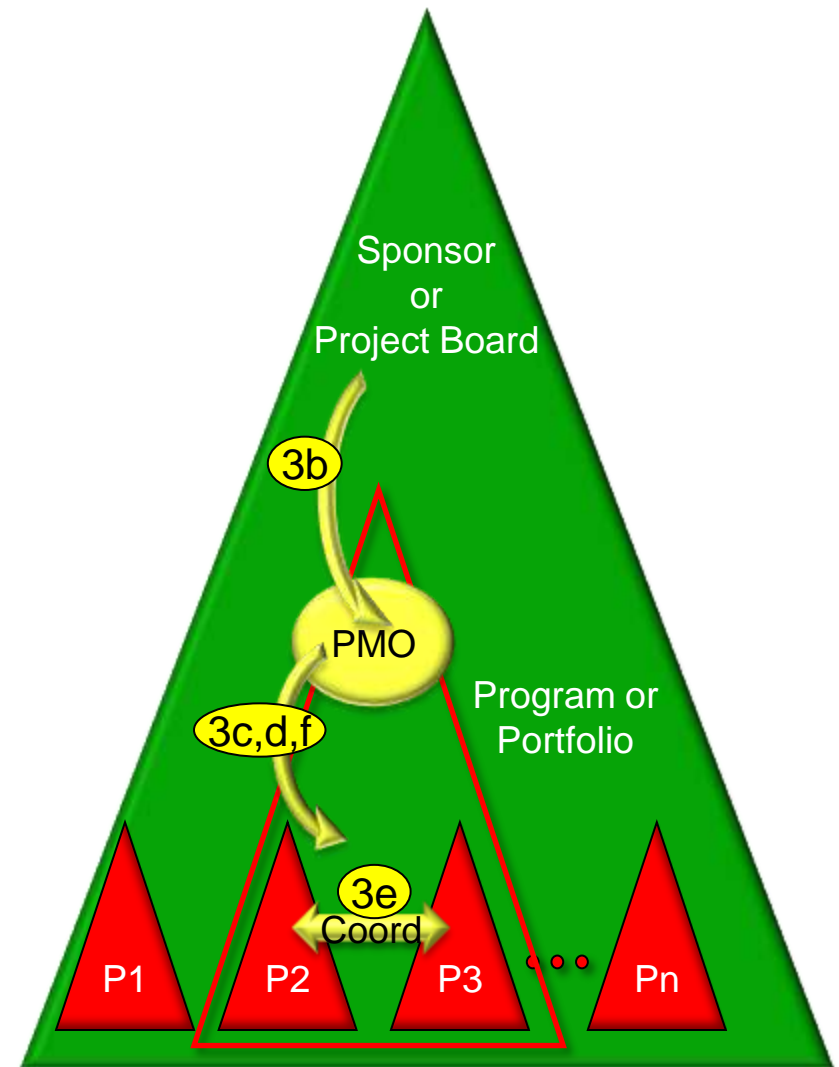
- Level of Operation
 - 3a: Project Manager – Team
 - 3b: Sponsor – Project Manager
- Typical Functions
 - Manage one or more projects
 - Identify, select and prioritize new projects
 - Use analysis of type 1 PMO to support decisions
- Other Notes
 - Direct line management, rather than staff management function
 - Type 3 PMO adds value throughout project life cycle





Type 3 PMO in Multiple Projects

- Level of Operation
 - 3b: Sponsor – Portfolio or Program Manager
 - 3c: Program Manager – Projects
 - 3d: Portfolio Manager – Projects and Programs
 - 3e: Inter-Project Coordination
 - 3f: Multi-Project Resource Allocation
- Typical Functions
 - Manage one or more portfolios
 - Manage one or more programs
 - Allocate resources between projects
 - Coordinate between projects





Type 4 PMO – Strategic Advisors

1: Performance Monitoring and Reporting

2: Tools, Methods, and Training

3: Project Direction and Control

4: Strategic Advisors

5: Organizational Learning

6: Project Support

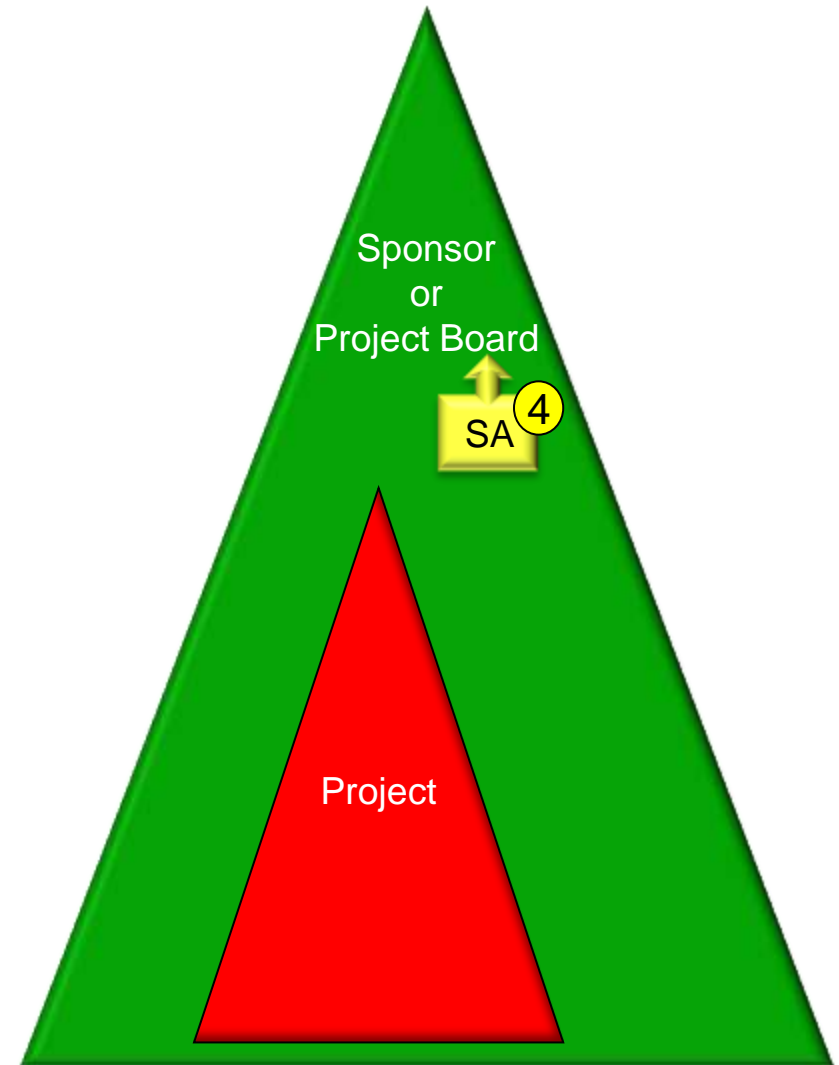
7: Project Managers Pool

- Principal Roles
 - Strategic decision-support to executive management
- Other Notes
 - Staff management, rather than line management function
 - Type 4 PMO can add value to executive decision-making at any point in time
 - A Type 4 PMO may be set up ad-hoc
 - During the annual budgeting process
 - When project selection decisions are required



Type 4 – Strategic Advisors

- Level of Operation
 - Sponsor, Project Board, or Functional Executives
 - Typically interact with projects at macro level
- Typical Functions
 - Networking
 - Environmental scanning
 - Benefits management
 - Strategic planning
 - Advising executive management





Type 5 PMO – Organizational Learning

1: Performance Monitoring and Reporting

2: Tools, Methods, and Training

3: Project Direction and Control

4: Strategic Advisors

5: Organizational Learning

6: Project Support

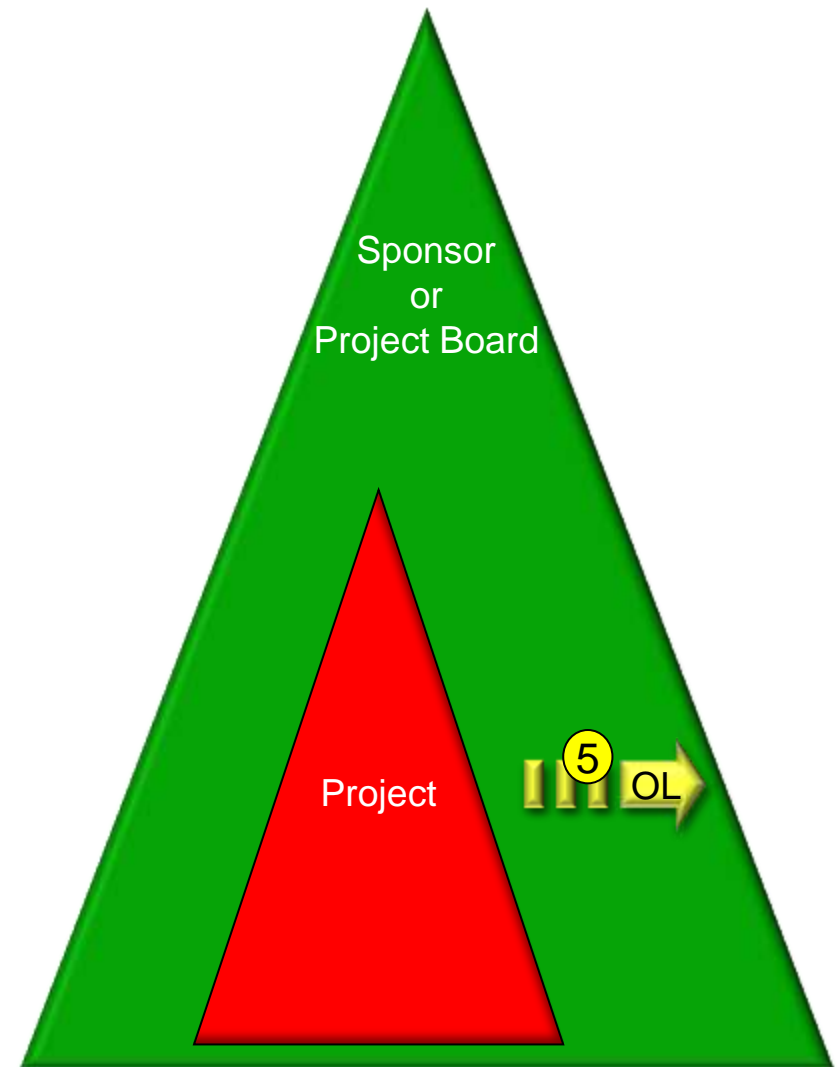
7: Project Managers Pool

- Principal Roles
 - Capture lessons learned from projects
 - Incorporate lessons learned into corporate experience base
 - Share lessons learned with organization
- Other Notes
 - One level further removed from staff management function
 - Type 5 PMO will collect information from a project during closeout
 - It will add value to other projects during initiation and planning



Type 5 – Organizational Learning

- Level of Operation
 - Between the Project and the Organization
- Typical Functions
 - Conduct post-project reviews
 - Conduct project audits
 - Manage database of lessons learned
 - Manage database of corporate risks
 - Manage archives of project documentation
- Benefits
 - Organization at large
 - Other projects





Type 6 PMO – Project Support

1: Performance Monitoring and Reporting

2: Tools, Methods, and Training

3: Project Direction and Control

4: Strategic Advisors

5: Organizational Learning

6: Project Support

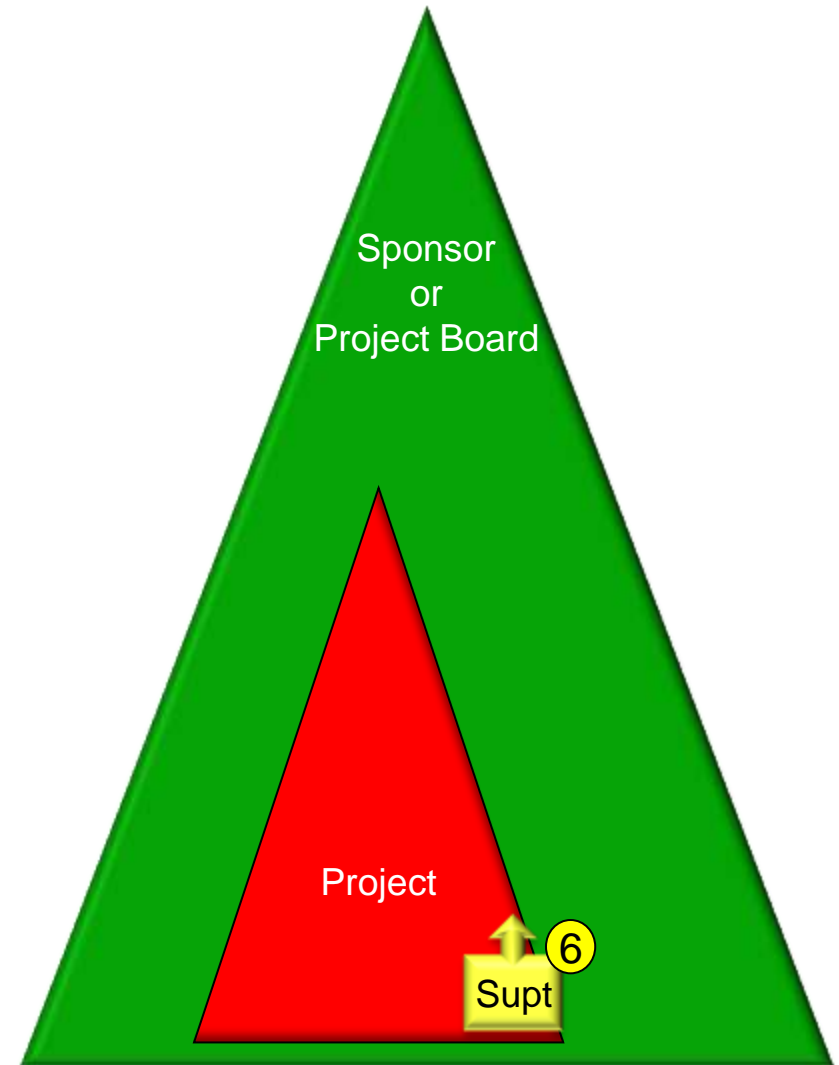
7: Project Managers Pool

- Principal Roles
 - Support to the project manager
 - Support to the project
- Other Notes
 - Administrative support to Management
 - Type 6 PMO adds value throughout project life cycle
 - May include extra staff during proposals, planning, and at key delivery points



Type 6 – Project Support & Admin

- Level of Operation
 - Within the project
- Typical Functions
 - Customer liaison
 - Administration and secretarial tasks
 - Preparation of presentations
 - Repository management
 - Stakeholder communications





Type 7 PMO – Project Managers Pool

1: Performance Monitoring and Reporting

2: Tools, Methods, and Training

3: Project Direction and Control

4: Strategic Advisors

5: Organizational Learning

6: Project Support

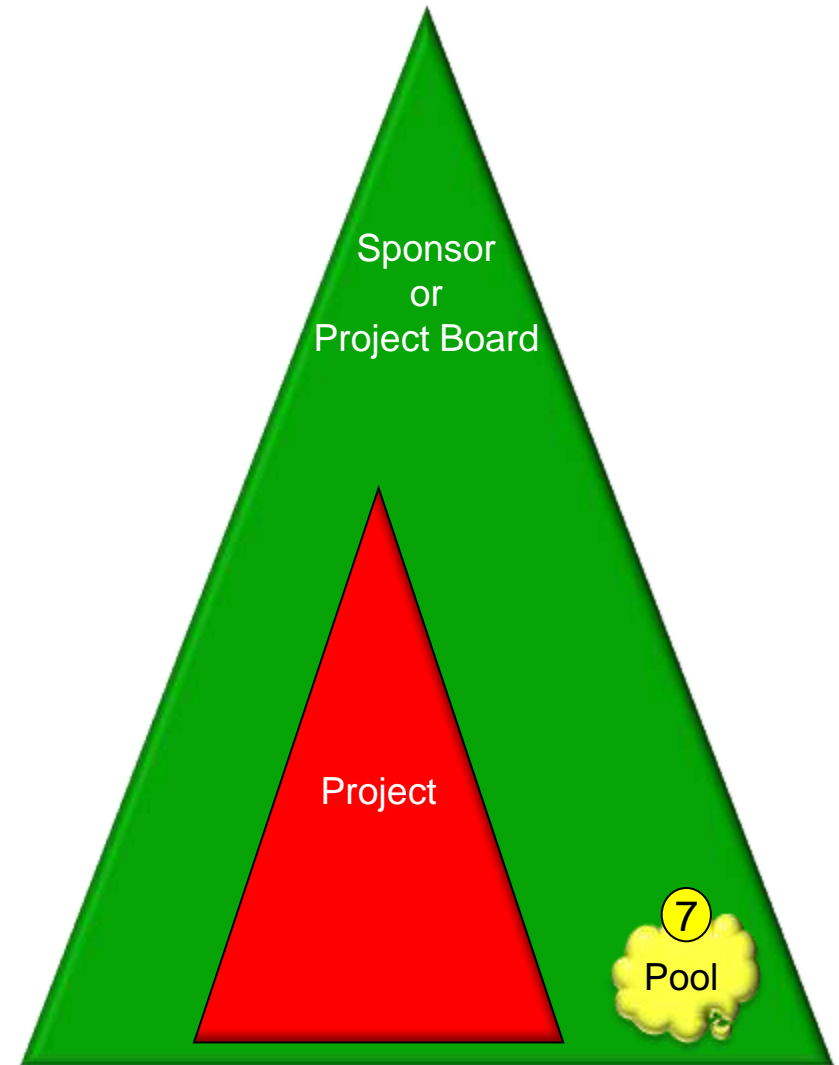
7: Project Managers Pool

- Principal Roles
 - Respond to the organization’s need for project managers
 - Provide a “home” for unassigned PMs
- Other Notes
 - Not involved with active projects
 - While in the type 7 PMO, PMs are not adding adds value
 - Value comes when they are assigned to a project



Type 7 – The PM Pool

- Level of Operation
 - Outside the project
 - Not involved with the project
- Typical Functions
 - Skills upgrade
- Motivation
 - Capacity to respond to demands
 - Peer support to PM function
 - Allow specialists to report to a specialist manager



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Selecting the PMO Type for the Organization's Needs



Type 1 PMO – Performance Monitoring and Reporting

Implement Type 1 PMO if ...

- Managers want better information to make decisions
- Executives want standard reports
- There is an executive mandate for increased visibility
- The organization is willing to invest in the management infrastructure



Avoid Type 1 PMO if ...

- The organization does not accept unpleasant performance news
- The organizational objective for the PMO is not clearly in support of this PMO type
- There is no executive mandate for increased visibility





Type 2 PMO – Tools, Methods, and Training

Implement Type 2 PMO if ...

- It is to support Type 1 & 3 PMOs
- PM is new to the organization
- New EPM systems are required
- The mandate for the PMO is clear
 - Delivering training, or
 - Developing standards and templates, or
 - Implementing tools



Avoid Type 2 PMO if ...

- The real need is for operational level project management control
- Any measurable difference in project performance is required immediately
- The PMO is not staffed with experienced, respected, managers
- The PM systems, processes, and skills are well entrenched and are working well





Type 3 PMO – Project Direction and Control

Implement Type 3 PMO if ...

- The organization wants better control on its projects
- Functional managers are willing to relinquish some authority to PMs
- There is an executive mandate for control
- The organization is willing to invest in the management infrastructure



Avoid Type 3 PMO if ...

- The organization is not interested in change
- Executives are not willing to support the PMs in getting resources
- The organizational objective for the PMO is not clearly in support of this PMO type
- There is no executive mandate for increased PM control





Type 4 PMO – Strategic Advisors

Implement Type 4 PMO if ...

- Executives require analytical support for on-going decision making
- Executives require analytical support for short term decision making
- Annual budget planning drives project selection and approval, requiring extensive decision making



Avoid Type 4 PMO if ...

- The real need is for operational level project management control
- The strategic analysis does not make use of good operational level data
- The PMO is not staffed with experienced, realistic, managers
- Decisions are to be made based on “gut feel” rather than on information





Type 5 PMO – Organizational Learning

Implement Type 5 PMO if ...

- The same mistakes are being repeated from one project to the next
- The organization has a culture of learning
- New assignments pull people away from proper project close-out activities
- The organization is willing to invest in infrastructure to support process improvements



Avoid Type 5 PMO if ...

- Experience will be ignored
- Tough lessons will be glossed over
- New projects are not encouraged to incorporate lessons learned from past projects
- No additional investment will be made





Type 6 PMO – Project Support

Implement Type 6 PMO if ...

- Some administrative functions can be centralized
- Projects can use shared services
- Economies can be expected from combining operations
- Projects typically need significant
 - Documentation
 - Contract management
 - Other administrative functions



Avoid Type 6 PMO if ...

- What the organization really wants is monitoring or management control
- There are few commonalities between projects





Type 7 PMO – PM Pool

Implement Type 7 PMO if ...

- The organization anticipates significant increase in demand for PMs



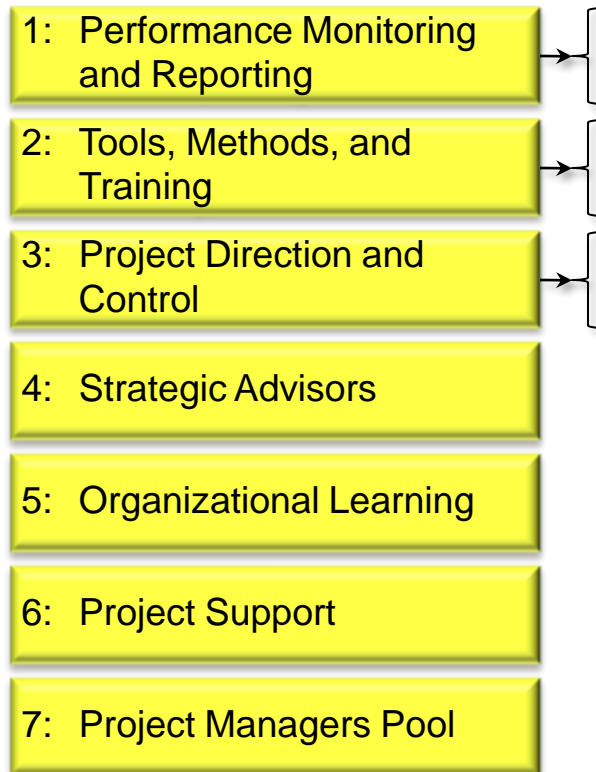
Avoid Type 7 PMO if ...

- The real need is for operational level project management control
- Overhead cost management is important





Conclusion



- We have identified seven broad types of PMOs
 - Some types further broken down
 - Total of fifteen distinct PMO types
- Types 1 and 3 are an essential part of management control
- Type 2 is the easiest to start, with uncertain short term results
- Type 4 can be a viable resource to executive managers
- Type 5 and 6 can provide economies to the organization
- Type 7 produces few benefits to organization

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End of Presentation

Questions?



For More Information

- Alan Boyce
 - 613-592-5050
- **Boyce, A. (2009).** *A Framework for Describing Project Management Office (PMO) Functions and Types.* Ottawa, ON: SOMOS Consulting Group Ltd.
 - <http://www.somos.com/resources/know/whitepapers/frameworkpmotypes>
- **Hobbs, B. (2007).** *The multi-project PMO: A global analysis of the current state of practice.* Newtown Square, PA: Project Management Institute.
 - http://www.pmi.org/PDF/PMO%20Whitepaper_FINAL_launch%20copy.pdf



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End of A Framework for Describing PMO Functions and Types

Thank you
Alan R. Boyce