

Use Your PMO to Drive Business Results

When positioned as business partners, rather than order takers, PMOs have the power to make big impact.

By Gaylord Wahl

Today's Environment

As competitive pressures increase, the imperative to invest wisely and to ensure those investments come to fruition also increase. Having a clear view into your portfolio of business initiatives and an effective way of allocating budget and resources to each can yield significant returns.

Conflicting priorities, constrained resources and tight timelines contribute to a complex situation. While organizations have created Program/Project Management Offices (PMOs) to help solve these problems, many are still in their infancy and are not able to deliver the type of results needed to advance their organizations' strategies.

Our Perspective

PMOs should strive to position themselves as business partners, not order-takers. To do this, PMO leaders should consider five key strategies, and focus on objectives that advance maturity.

Governance Strategy

Governance is about decision-making and stewardship. Choosing the right project investments and ensuring that the project portfolio produces business value requires the discipline of project portfolio management – the methods for prioritizing and selecting projects based on their importance and potential for effective completion.

Start by implementing the basics – for example, a project submission and review process based on a simple business case, high-level effort assessment, and an executive willing to sponsor the effort. Mature governance bodies are efficient, because they utilize detailed quantitative metrics for project valuation (risk, reward, investment, ROI), resulting in stronger alignment between business strategy and project investments. They also rely on 'what-if' scenario planning capabilities to consider alternative portfolio compositions, rather than frequently shifting project priorities in hopes that a magic combination will appear to meet business objectives.

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Execution Strategy

While governance is about doing the right things, execution is about doing things right. As a first step, standardizing on a set of common tools, templates, and a project lifecycle enables project managers to manage in a consistent fashion.

Achieving repeatable project execution involves using metrics to measure progress, using a common risk management approach, instituting change control processes, and maintaining a historical database of project performance to track execution performance over time. The PMO's ultimate goal is improving project throughput. Measure progress toward this goal by using root cause analysis to identify bottlenecks (often resource constraints), and then implementing process improvement strategies to eliminate them.

Skills Strategy

Superior project execution requires a high level of project management competency. Start by evaluating project manager skills and developing improvement plans. Improving project execution performance can be accomplished by using peer mentoring, project post-mortems, and by matching project manager skills to project complexity. Strive to turn project managers into project leaders by helping them improve their communication, negotiation, and business skills. Alternatively, hire more experienced staff.

Internal Marketing Strategy

To reposition a PMO from order-taker to business partner requires PMO maturity as well as stakeholder awareness and understanding of your vision and goals. Make the business case for the PMO by meeting one-on-one with project sponsors to understand their goals and their business. Develop a strategy to link improved

PMO success to your stakeholders' business success. If you're able to make this connection, and begin to deliver projects on time that deliver value, then stakeholders will develop a strong preference for the services your PMO has to offer.

Tools Strategy

Many immature PMOs make the mistake of believing an expensive commercial tool will solve all their problems. This rarely happens. Sophisticated commercial project portfolio management and enterprise project management tools can be highly effective providing the PMO is already mature and adept at governance and execution. Many effective PMOs, however, use basic tools such as spreadsheets and project scheduling products that function quite well to accomplish results. The key is to match the tool to the ability of the users, and then scale up when maturity improves.

The Bottom Line

Conflicting priorities, constrained resources, and tight timelines will always be the norm. By focusing on governance, execution, skills, internal marketing, and tools, your PMO can mature into a business partner, not an order taker. And when the partnering begins, real business results follow.