

THE SHAPE AND NATURE OF PMOS



Highlights from the Major Projects Association event
held on **4th June 2015**

There are many approaches adopted for the shape and nature of PMOs and this has led to two key questions arising: Does one size fit all? Is a PMO a function or capability? The Major Projects Association hosted a seminar, followed by a debate, which explored this subject.

“The role of traditional PMOs will be replaced by “Change Platforms” – enabling access through portals and apps to a broader range of services, data analytics, knowledge repositories and collaborative forums.”

Tim Parr, Partner, Deloitte LLP

The various approaches used to establish PMOs range from a centralised structure to distributed localised structures, or a hybrid structure such as a ‘hub and spoke’ model. Some PMOs may even span organisational boundaries, for example when a ‘thin’ client uses a delivery partner. Fortunately, there are a number of guides that can help these choices: **P3O®**, **PMBok®**, **APMBok** and the **IUK Project Initiation Routemap**.

Whatever approach is used, PMOs add value through helping maximise the effectiveness and efficiency of the organisation’s projects – and those that do not focus on value can end up being universally disliked because:

- Project and Programme Management (PPM) personnel consider them as the ‘police’.
- Senior leadership consider them as an overhead.
- Middle managers consider them as ‘interfering snitches’.

Research by Sue Vowler for P3O® indicates that nearly 50% of PMOs are shut down within two years and, based on this work, has highlighted the seven deadly sins that can erode the value of a PMO and lead to their demise.

AVOID THE SEVEN DEADLY SINS OF PMOS:

1. Falling for the ‘one-size-fits-all’ trap
2. Inappropriate staffing
3. Lack of evolution or trying to introduce too much too soon
4. Becoming the enforcer
5. Overdoing the process and spending too much effort on reporting the past
6. Not engaging across stakeholders and having a ‘fortress mentality’
7. Not flying your helicopter and staying in the weeds

Sue Vowler, Director, Project Angels

In the future PMOs may become a virtual change platform exploiting new technology and millennial behaviours. The change platform will be global; cloud-enabled; provide analytics and insights from ‘shared data’; will focus on visualisation of such data; will create knowledge; and elements of it are to likely be delivered off/nearshore

‘A PMO can mean different things to different people and indeed can be called many things, e.g. Programme Management Office, Portfolio Office, Centre of Excellence. Furthermore, it’s not uncommon for a functional team, say in finance, to be performing asks that many would associate with a PMO. So rather than focus on the label of a PMO it’s best to focus on what a PMO does, e.g. setting standards, monitoring, reporting, control, analysis, assurance, resourcing, prioritisation, planning, continuous improvement, knowledge management.’

Andy Murray, Director, Outperform UK Ltd

SOME EXAMPLES OF THE ADOPTION OF PMO PRINCIPLES IN ORGANISATIONS

PMOs have evolved from project ‘support’ offices focusing on project outputs to integrated enterprise offices focusing on business value from portfolios of projects. Enterprise offices rely on corporate structures and processes, which are continually changing, so unfortunately Enterprise PMOs are difficult to sustain.

Transport for London (TfL) have journeyed from multiple PMOs that had grown organically and haphazardly to a more coherent, centralised model with a single PMO. The role of the centralised PMO further evolved over time as the needs of the organisation it served changed. Although the centralised model was driven by the need to save money, the new model is being driven by responding to the needs of the projects and leadership: more services, less interference, getting closer to the business and less ‘ivory tower’ initiatives. TfL is now moving to a hub and spoke model.

SKF is a global organisation that delivers a variety of projects (e.g. research, product development, client delivery and business change) in countries with varying underlying maturity. The Group PMO comprises only three people and their role is to increase the capability and capacity of the organisation through helping establish and then support 18 local PMOs by providing common frameworks and tools. ‘Brutal standardisation’ has been the key to success as the organisation now has a common vocabulary and common ways of working. Oxford City Council’s PMO was set up to support

'Running a PMO should be like driving a car: spend most of your time looking ahead and occasionally looking in the rear view mirror. Too many PMOs spend all their time reporting on the past. If we only look in our rear view mirror, we will crash. It's about getting the right information to the right people at the right time.'

Sue Vowler, Director, Project Angels

a single programme. Their Business Transformation programme, triggered by a report citing poor value for money, set out a four-year plan to overhaul the organisation. However, the Council only had three project managers and no underlying delivery/change capability. Therefore, a five-person PMO was established to support the programme through ten functions, such as developing toolkits, providing training and 'fast-start' project initiation.

These functions were 'enablers', and the PMO ensured they kept bureaucracy to a minimum (e.g. one-page reports) and maintained a service approach (e.g. they provided an 'issue solving' service rather than simply issue reporting). The programme was a success, in spite of the context that spawned it.

VIEWPOINT: CAPABILITY OR FUNCTION? CENTRAL OR DISPERSED?

PMOs are the 'professionals' in the organisation and custodians of the standards – therefore they must be central. PMOs need to be credible, relevant and visible. This is how they add value. They should be a capability.

'PMOs are often too academic, too generic and disconnected from the projects they serve. To add value they must be credible, relevant and visible.'

Jim Luffman, Director of Project Management, Rolls-Royce

VIEWPOINT: CAPABILITY OR FUNCTION? CENTRAL OR DISPERSED?

PMOs bring discipline to project delivery. They are an 'in-between organisation' sitting between the deliverers and the leadership. PMOs are therefore a central function with the capability sitting in the wider organisation.

'PMOs are the guardians of the truth. But just having access to the data doesn't help you understand the data. You still need insight from project experience and a contextual understanding.'

Simon Springate, Head of Project Controls, CH2M

PMOs are both a capability and a function – a spectrum. But where more radical approaches are needed to deliver a project then the PMO needs to sit closer to the capability end of the spectrum than at the function end of the spectrum.'

'If a PMO is successful it will be seen as a capability, if not then it will be seen as a function.'

Simon Webb, Consultant, Highways England

POINTS FOR FURTHER DISCUSSION:

- PMOs are important to prevent failure, give confidence and improve delivery, but can easily stray from this goal. So, are you guilty of any of the seven deadly sins?
- One size does not fit all. PMOs also need to evolve as the context changes, so do you know what type of PMO you need now and next?
- The nature of the PMO (function or capability) depends on the maturity of the organisation. However, a PMO is integral to driving up the maturity of the organisation. Do you know how your PMO is contributing to maturity? Do you know how your leadership is driving up maturity?

more > Major Projects Association reports

more > Major Projects Association seminars

With grateful thanks to Tim Parr and Deloitte LLP for hosting this event.

With grateful thanks to Andy Murray of [Outperform UK Ltd](#) for his significant contribution to the production of this document.

Seminar chairman:

Roy F Hill, CH2M

Seminar speakers:

Ben Brownlee, BBC
Tim Harding, Transport for London
Johan Human, SKF
Andy Murray, Outperform UK Ltd
Tim Parr, Deloitte LLP
Sue Vowler, Project Angels

Evening debate chairman:

Tim Parr, Deloitte LLP

Expert panel members:

Jim Luffman, Rolls-Royce plc
Simon Springate, CH2M
Simon Webb, Highways England

Participating organisations:

Acciona
AECOM
Amec Foster Wheeler
Amey
Anglian Water
BAE Systems
BBC
Berkshire Consultancy Ltd
CH2M
Deloitte LLP
DEFRA
Department of Energy & Climate Change
EC Harris LLP
Environment Agency

FCO Services
Gatwick Airport
Highways England
Jacobs Group
KPMG LLP
Laing O'Rourke plc
London Legacy Development Corporation
Mace Group Ltd
Major Projects Association
Moorhouse Consulting
Mott MacDonald
National Audit Office
Network Rail Ltd
Nuclear Decommissioning Authority

Outperform UK Ltd
Ove Arup & Partners International Ltd
Parsons Brinckerhoff
Project Angels
PwC
Rolls-Royce plc
SKF
Sunbeam Consulting
Transport for London
Turner & Townsend
UK Power Networks
Wood Group PSN

For further information contact the Major Projects Association at:

mpa@majorprojects.org 01865 818030 www.majorprojects.org