PMO Practices – The controversy

Dr. Waffa Karkukly, *PMP*

January 2013
info@globalpmosolution.com

Outline

➢ Objectives

➢ Introducing the Four Controversies

  ▪ PMO vs. Project management

  ▪ PMO temporary vs. permanent

  ▪ PMO outsourcing vs. insourcing

  ▪ PMO and PPM relation

➢ How Organizations are handling these four Controversies

  ▪ Similarities
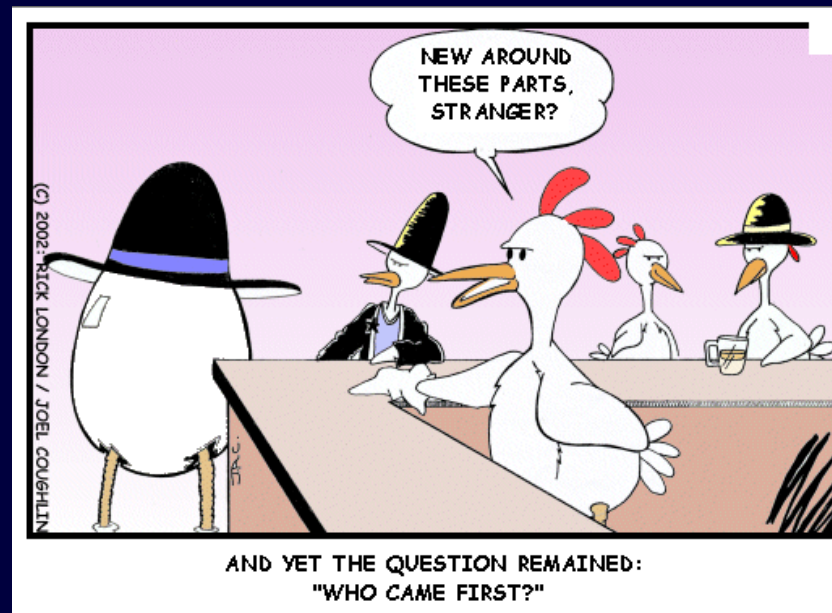
  ▪ Differences

➢ Take away

➢ Q&A

To shed light and provide insights to the different schools of thoughts pertaining to specific four practices allowing the audience to benefit from the various thinking and practices to incorporate what fits their culture, structure, and future vision.

These four practices are reflected in case studies reflecting various industries within the Canadian Market and how each organization have dealt with these areas to ensure the success of their PMO and what fits their culture.

PMO vs. Project management

Did PMO or Project management come first; it is like the chicken and the egg question.
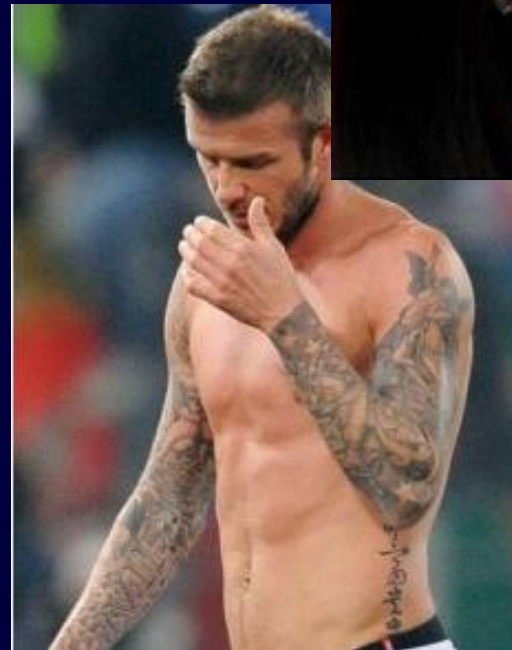
Project management is a discipline that existed for the longest time; therefore, from that perspective project management as a practice came before the notion of project management office

PMO – Temporary vs. Permanent

The decision of PMO becoming temporary function or permanent function depends on organization's culture, structure, and future vision.

While some would think the smaller an organization, the more temporary a PMO could be, and that large companies have the infrastructure to invest in a permanent PMO.

PMO – Insourcing vs. Outsourcing

➤ Contracting an existing business process to an independent organization. The process is now purchased as a service.

➤ Outsourcing may involve transfer of employees to the outsourced business partner

➤ Generally includes both foreign or domestic contracting
  - **Outsourcing** normally refers to "domestic" (in-country) contracting
  - **Offshoring** is used for "foreign" (out-of-country) contracting

Some of the questions organizations need to ask regarding outsourcing PMO are:

1. What areas of PMO to outsource
2. What are the Pros and cons to outsourcing PMO
3. When outsourcing make sense and when it doesn't
4. How to maximize the benefit of outsourcing model
5. What are the selection criteria for the outsourcing partner?

PMO vs. PPM

Having portfolio management is a sign of organizational recognition of linking strategy with execution. Some organizations link strategy and execution under one function, while others separate them into two functions, one that's concerned with Strategy and the other with execution.

Some the questions organizations need to ask when linking PMO to PPM are:

1. What is best strategy to link or unlink PPM to PMO
2. What are the short term vs. long term benefits
3. How is handover planned between the two functions
4. Who is responsible for selection, execution, and closing of projects

How Organizations are handling these Controversies – Summary of the case studies

➢ Description of the case organization
➢ Description of their four practices
➢ Sustainability elements and value-add

How Organizations are handling these Controversies – Summary of the case studies Practices

The Case Organization	PMO vs. Project management	Temporary vs. Permanent	Outsourcing vs. Insourcing	PMO vs. PPM
INSURECO	Project Management	Permanent	Hybrid	PPM within PMO
PAYCO	Project Management	Permanent	Hybrid	PPM within PMO
FoodCo	Project Management	Temporary then Permanent	Hybrid	PPM within PMO
Entertainment	Project Management	Permanent	Hybrid	PPM outside PMO

Case Studies Similarities

The selected cases had common characteristics such as: -
- Multiple stakeholders
- Similar organization structure – Matrix
- Project delivery plays a major part in structuring internal cross functional initiatives.

All have project management practices whether formal or informal prior to setting up and building their PMO's.

Case Studies Differences

➢ The selected cases differ in the following: -

▪ Types of industries they are in
▪ PMO structure and mandate.
▪ The various drivers to build their PMO's

➢ The triggers and drivers might be different, the desired outcomes across all cases are:

 improved project delivery, consistency, quality, and value-add.

Sustainability Elements

HR Factor:
- Trusting employees to share organization leaders' goals
- Empowering employees to execute on these goals
- Improving their skill sets and promoting and rewarding

Customer Factor:
- Achieved through customer relationship and measuring their satisfaction
- Achieved through ensuring that the company is customer focused and these customers are receiving quality

Risk Management Factor:
- Ensure that PMO model in place is robust and address organizational needs
- Ensure alignment of project resources to the set processes and standards
- Ensure integration of processes across the organization
- Ensure governance that enables flow of information s timely decision making

Take away

Some of the various controversies and practices organization face when making decisions on PMO and the functions of PMO
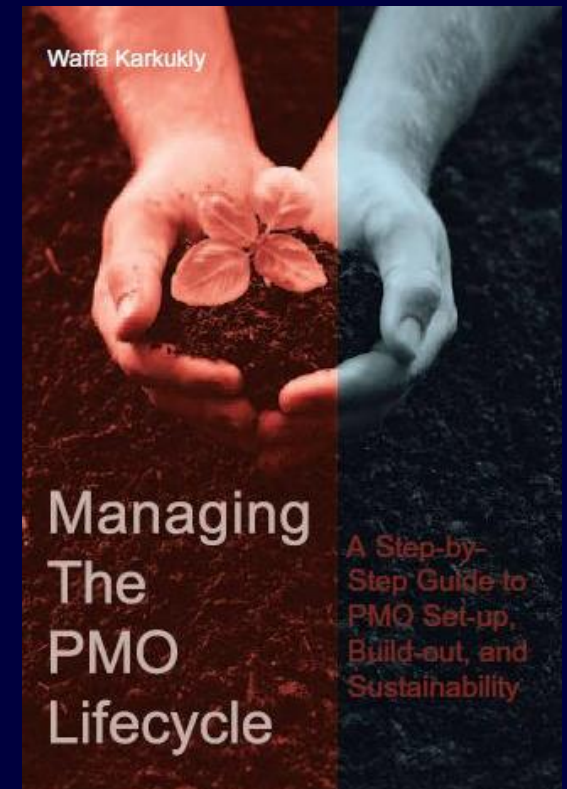
How some organizations leveraged theses practices and achieved sustainability

What to look for as practitioner in the PMO or seeking to build or improve your current PMO

About My Book

The book addresses various audiences on a corporate ladder or also for student seekers of knowledge in the practical domain of PMO's. Whether you are:

- an executive in an organization looking to build your new PMO or revitalize an existing one;

- a new PMO head and in charge to build a PMO;

- a functional (Business unit) head who is asked to work with a PMO in your organization and want to understand how to interact with this function the book will help you and your organization maximize the benefits of your interactions.

- a project manager looking to understand what it means to be reporting into the PMO, the book will help you understand your career option with a PMO;

- a student looking to become part of PMO organization and wanting to know roles, responsibilities and how this function works with other functions, then this is a must read for you.

Waffa Karkukly

Managing The PMO Lifecycle

A Step-by-Step Guide to PMO Set-up, Build-out, and Sustainability

Q&A