

Delivering Business Value: Implementing a Successful PMO

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Components

- ◆ Exploring Business Value
- ◆ How to Link the PMO Strategically
- ◆ Plan for Success – A Staged Approach
- ◆ Common Pitfalls to Avoid
- ◆ A Goal Worth Pursuing



What is Business Value?

The measurable contribution of an individual or team that is both proven and perceived as valuable by achieving the strategic goals of the organization

Net Value Statement

“The PMO is in business to help the organization reach its goals. Almost everything else is waste of effort.”

Strategic Alignment

- ◆ People
- ◆ Process
- ◆ Tools
- ◆ Written Charter
- ◆ Executive Sponsor
- ◆ Data
- ◆ Metrics



Critical Success Factor: Charter

- ◆ Executive Summary
- ◆ Vision
- ◆ Mission
- ◆ Measurements for Success
- ◆ Assumptions/Constraints
- ◆ Risks



Critical Success Factor: Executive Sponsor

“Help Executives Execute”

- ◆ Select projects that best meet corporate objectives
- ◆ Deconflict need for competing resources
- ◆ Identify overlap and integration among projects
- ◆ Kill projects that are not aligned



Critical Success Factor: Processes

- ◆ Project methodology
- ◆ Templates
- ◆ Gate reviews
- ◆ Initiation process
- ◆ Risk analysis
- ◆ Issues tracking



Critical Success Factor: Data

- ◆ Establish a governance board
- ◆ Gain buy-in and understanding on business drivers
- ◆ Tie project benefits to business drivers
- ◆ Use data to focus PMO on priorities, as the board sees them



Critical Success Factor: Metrics

Determine metrics that fit your culture

HP Global Example – Year 1

- ◆ # of projects that have business cases
- ◆ # of active projects identified and managed (tiered A,B and all)
- ◆ # of projects completed
- ◆ # of people that have completed PM training
- ◆ # of total resources in the PM system resource pool



Plan for Success: Phased Implementation

- ◆ 30 days: Every project is identified
- ◆ 90 days: Every project has a business case, Governance board established, critical metrics determined
- ◆ 1 year: Data on successes, trends
- ◆ 3 years: Mature strategic linkages established



Plan for Success: First 30 Days

- ◆ Sell and communicate PMO goals
- ◆ Involve key stakeholders (early adopters)
- ◆ Pick your first projects carefully
- ◆ Hire excellent staff
- ◆ Maintain close ties with your executive sponsors

Report PMO accomplishments!



Plan for Success: 90 Days

- ◆ Sell and communicate PMO goals
- ◆ Connect PMO activities to organizational needs (governance board)
- ◆ Coach and mentor
- ◆ Execute training plan
- ◆ Maintain close ties with your executive sponsors

Report PMO accomplishments!



Plan for Success: 90 Days

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Plan for Success: 1 Year

Deliver an annual benefit statement showing results:

- Measure against baselines (schedule, budget, scope)
- Contributions to organizational culture (training, development of people)
- Communication of projects (successfully completed, total number of resources involved)

Forecast Future Plans!



Plan for Success: 3 Years

Continue to prove value by showing:

- More projects driven successfully to completion
- Reduction of cycle time for projects
- Alignment of project portfolio in support of the organization's strategic plan



5 Common Pitfalls to Avoid

- 📄 Do not become known as the process police!
- 📄 Do not lose touch with your stakeholders – keep your lines of communication open
- 📄 Avoid project management acronyms – speak the language of business, in business terms
- 📄 Never lose your professionalism
- 📄 Do not try to undertake too many objectives for the PMO without gauging the capacity of the organization for cultural change and ensuring executive support






A Goal Worth Pursuing

How will you deliver business value
in your organization?



Additional Resources

-  [Advanced Project Portfolio Management and the PMO: Multiplying ROI at Warp Speed](#), Gerald Kendall, PMP & Steve Rollins, PMP
-  [Implementing a Global Program Management Office](#)”, [PMI Global Congress 2003](#), Don Kingsberry and Jake Stewart.
-  [How to Get Value Out of a Project Management Office \(PMO\)](#)”, Gerald Kendall and Steve Rollins, International Institute for Learning, Inc. White Paper.

Thank you

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