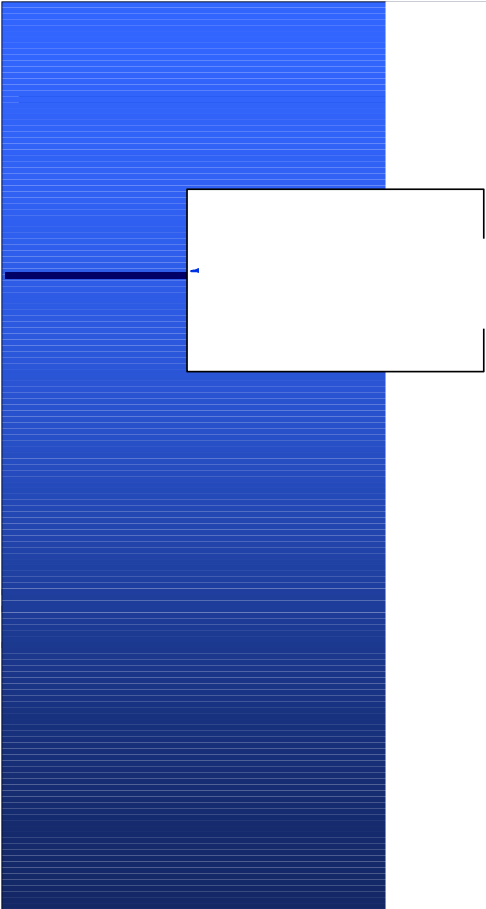




PMO: Direction & Organization

July 28, 2003

Discussion Document

Agenda

❖ Industry Models & Guidelines

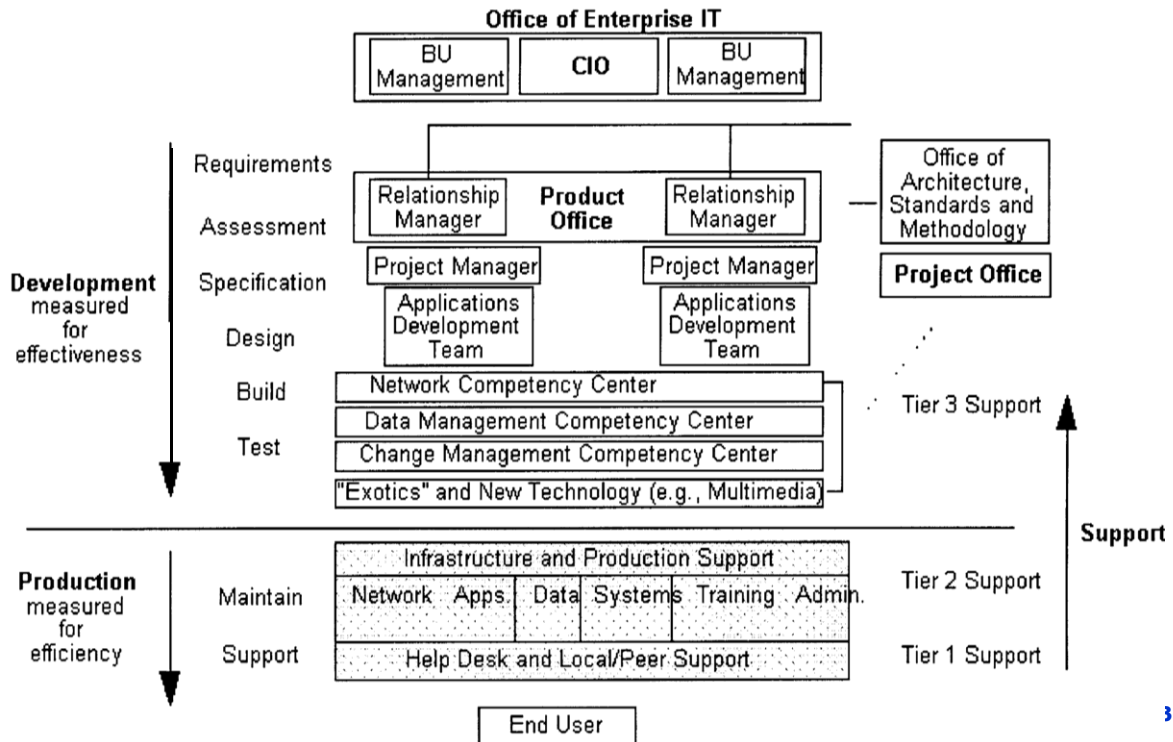
- ✓ Models of PMO Organization & Roles
 - GartnerGroup
 - Teratec
 - Ascendent One
 - CIO Magazine
 - A Local Company's PMO Organization
- ✓ Models of PM & PMO Growth
 - The PMO CMM
 - CMMI: Integrated Project Management
- ✓ Latest Industry Advice: Pros & Cons of PMOs
- ✓ A Comprehensive, Big-Picture Model

❖ Proposed PMO for IT

- ✓ Proposed IT PMO Organization
- ✓ Proposed Organization Mapped to Project Framework

GartnerGroup: “In Search of the Perfect IT/IS Organization”

The Role-Based Organization - Aligned by Governance, Process and Communications



3

Teratec: “PMO White Paper”

Taratec Development Corporation
Project Management White Paper
Paper PM002

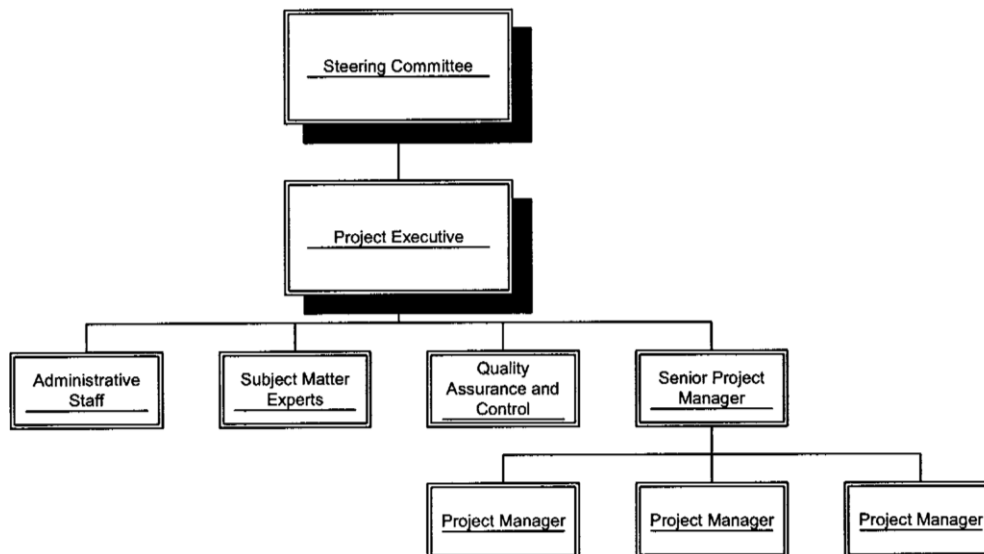
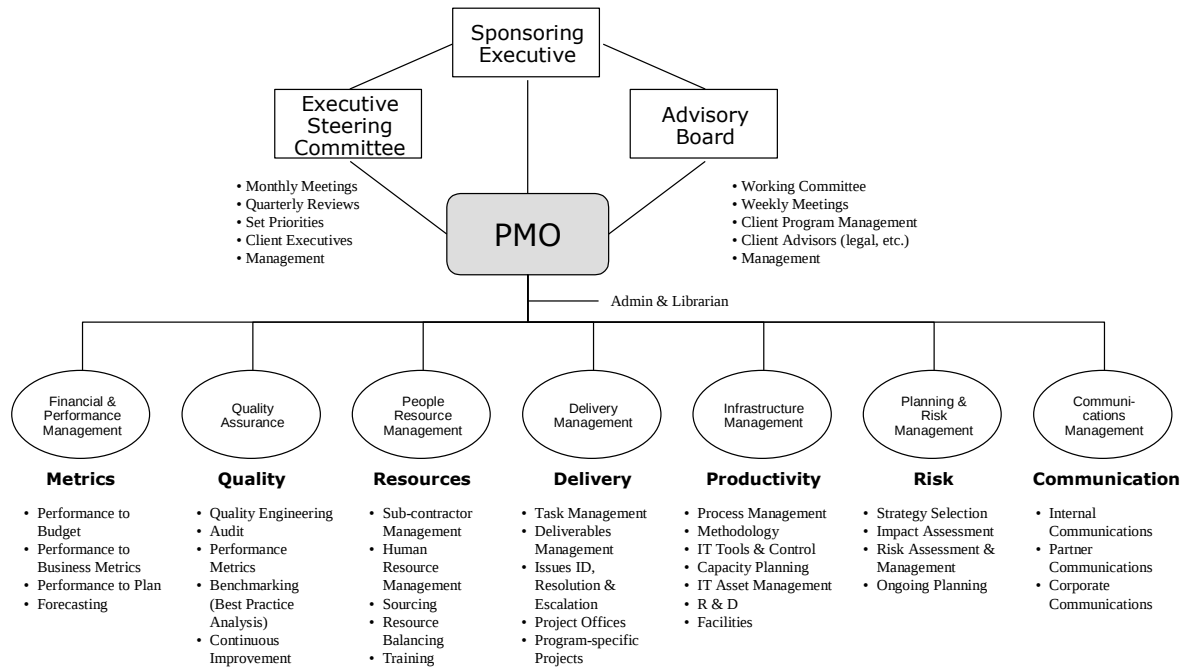


Figure 4: Example of a standardized PMO framework

4

AscendentOne: “Program Management Principles”

Model Program Management Office



5

CIO Magazine (7/1/03): “What a PMO Does”

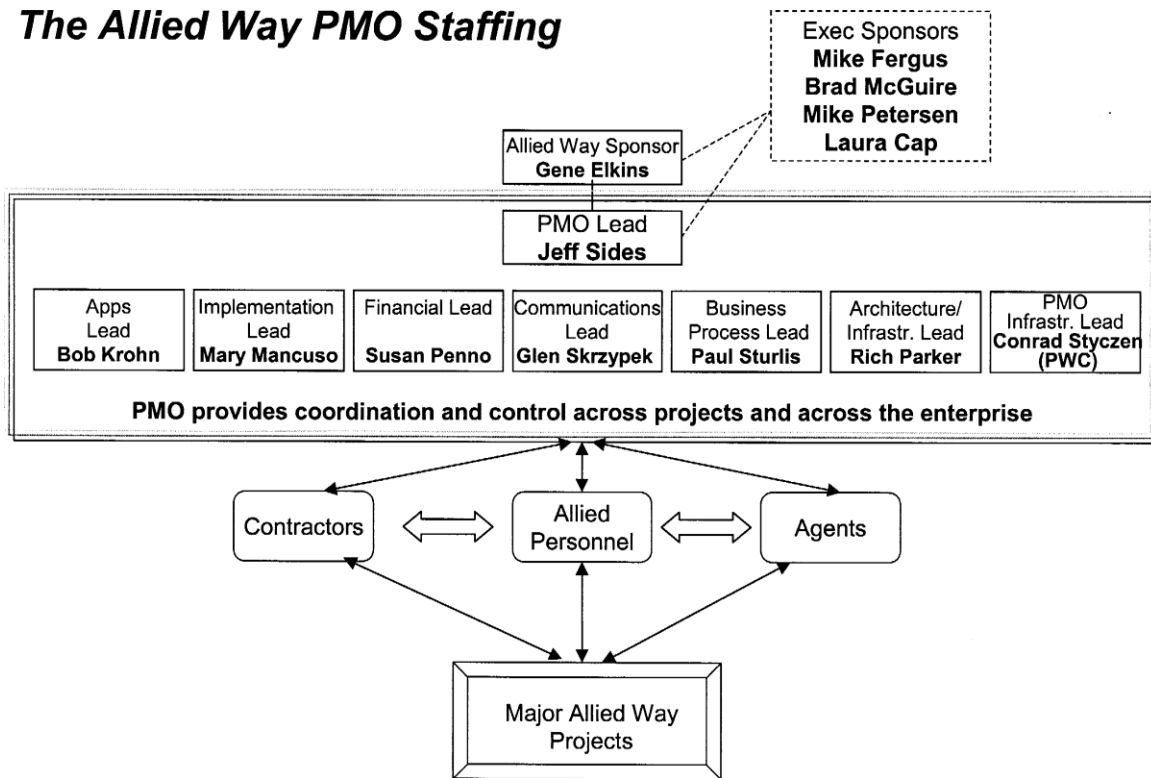
During the life cycle of a project, a PMO can instill project management discipline and align it with a company's overall strategic goals



6

A Local Company's PMO Organization

The Allied Way PMO Staffing



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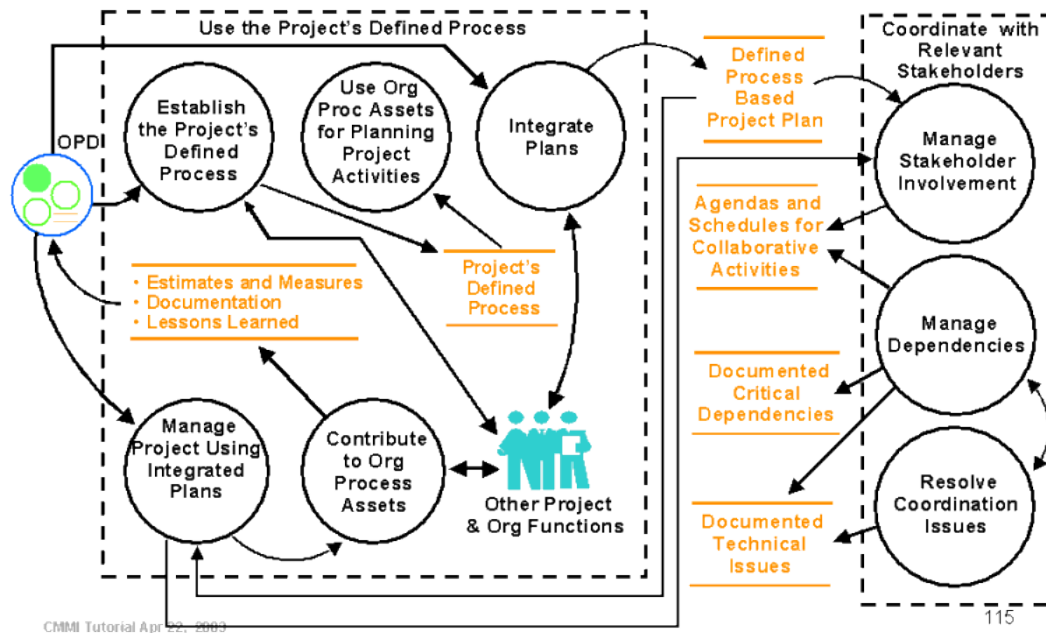
PMO Capability Maturity Model

Maturity Level	Key Process Area Concentrations	Strategic Inflection Point	Effective Span	
5 Incorporated	Value Management, Business Continuity Planning, Procurement Management, Outsourcing and Contract Management, PM Center of Excellence	Integration with Business	Enterprise/ Industry	Result Value Risk
4 Managed	Program Process Management, Project Integration Management, Project Performance Management, Vendor Management, PM Career Path, Staff Performance Management, Customer Relationship Management, Contingency Management, Communications Management	Dynamic Micro-Level Change	Multiple Business Units	
3 Defined	PM Methodology, Skill Management, PM Training, Risk Management, Change Management, Staff Resource Management, Environment Resource Management, Conflict/Issue Management	Static Macro-Level Change	Multiple Projects	
2 Stable	Planning, Estimation, Tracking, Risk Identification, Schedule Management, Budget/Cost Management, Scope Mgmt., Progress Reporting	Stabilize Performance	Single Project	
1 - Initial	Acquiring New PMs			

8

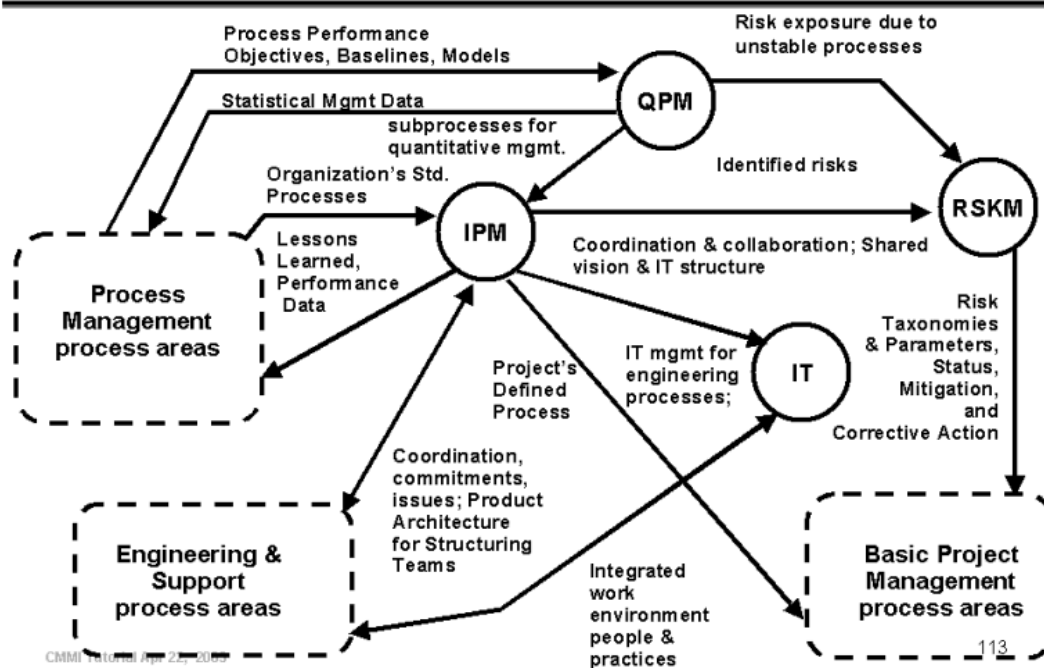
SEI CMMI: Integrated Project Management

Integrated Project Management - Context



SEI CMMI: Integrated Project Management

Advanced Project Management PAs



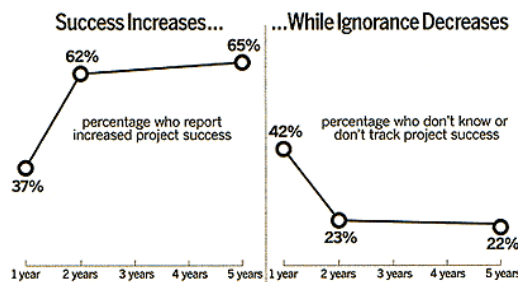
CIO Magazine (7/1/03): "Office Discipline: Why You Need a PMO"

Summary

More and more I.T. Organizations are creating project management offices (PMOs) to provide the structure and expertise needed to improve project success rates. Most respondents to a recent survey of IT executives have seen improvement in project success rates through their PMOs' standardized practices and repeatable processes. At Sun Life Financial's American subsidiary, three metrics determine PMO effectiveness: accuracy of cost and schedule estimates and project stakeholder satisfaction. Thanks to the PMO, from 2001 to 2002, these measures improved 25 percent, 31 percent and 9 percent, respectively. But companies looking for a quick reduction in costs may be disappointed; 74 percent of PMO users reported no cost benefit. The type of PMO must be compatible with corporate culture: one might act as a consultant, providing project managers in business units with training, guidance and best practices; another lends project managers to business units to work on projects.

PMOs: The Longer You Have Them, The Better They Work

The CIO/PMI survey showed PMO age has an increasing effect on project success improvement. At the same time, the percent of respondents not tracking project success rates decreased—two signs that PMOs help instill project discipline.



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ComputerWorld (7/21/03): "Value of PMOs Questioned"

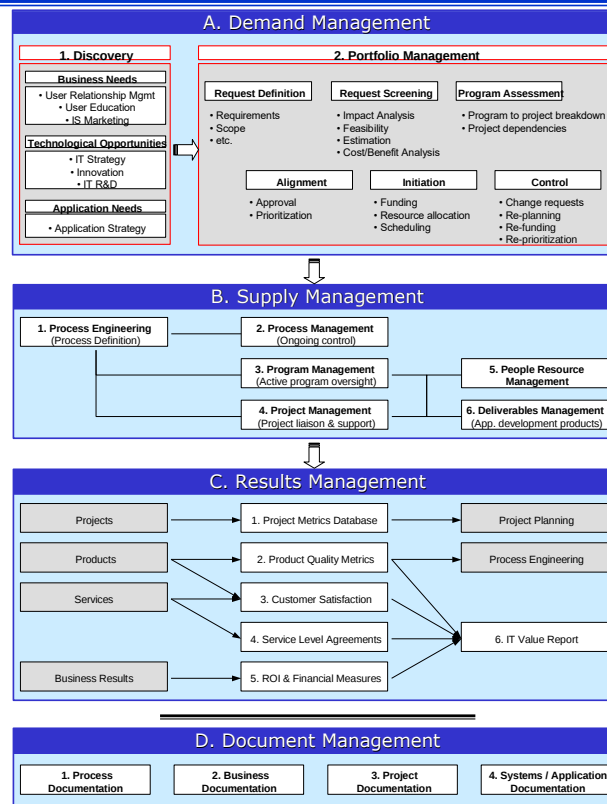
Extracts:

- Most companies have established project management offices (PMO) to help them enforce standard IT processes during IT/business projects, according to a recently released report by Forrester Research Inc. But many PMOs continue to spend too much time compiling reports for senior management and not enough time ensuring that projects are delivered on time and within scope.
- The problem, Pohlmann said, is that too many PMOs serve as "process cops and report compilers" for executive teams and often "lose sight of what they're supposed to be doing—to make sure projects are running effectively."
- IT departments have to be more rigid about which projects they're willing to take on, he said. "IS departments are so ingrained with the idea of being a service organization that to say no to a customer is almost taboo," said Garrow. He advocated calling on executive management "to assist and, in many cases, say no on behalf of the IS function so they can maintain the customer relationship with user departments."
- An effectively run PMO, said Christian, "needs to have a domain of expertise to evaluate not only what's going on with a particular project, but also to evaluate the market for insights into whether staff has the right skill sets to deliver projects, organizational behaviors, etc."

Also from ComputerWorld (7/17/03):
"Forrester: PMOs on the rise, but effectiveness dubious"

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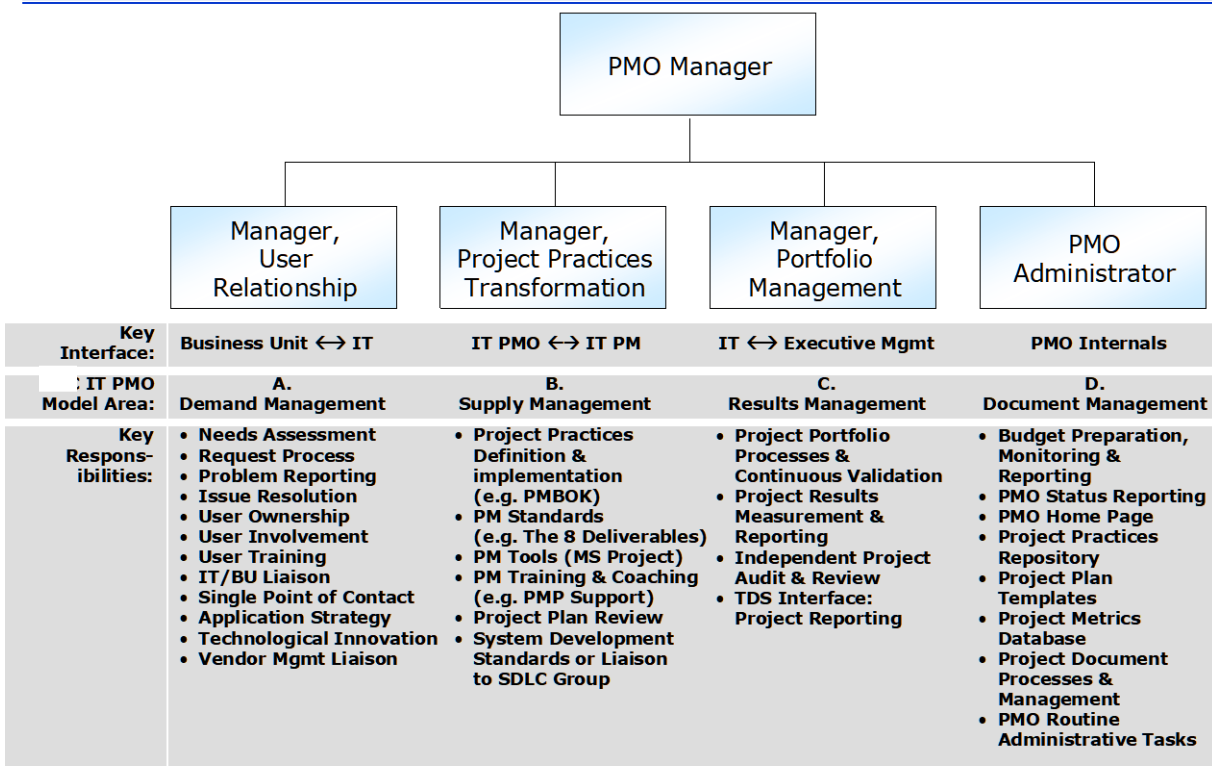
Proposed IT PMO Model: A Comprehensive Model



Mark D. Dattoli

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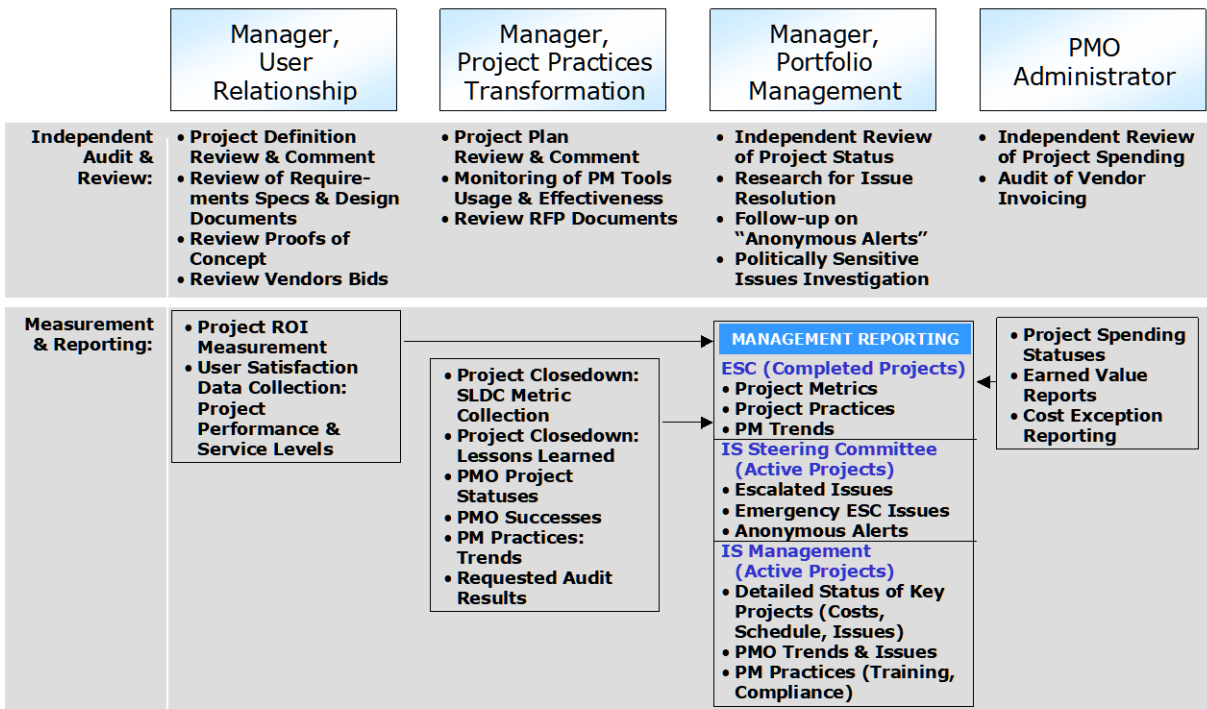
Proposed Organization Structure



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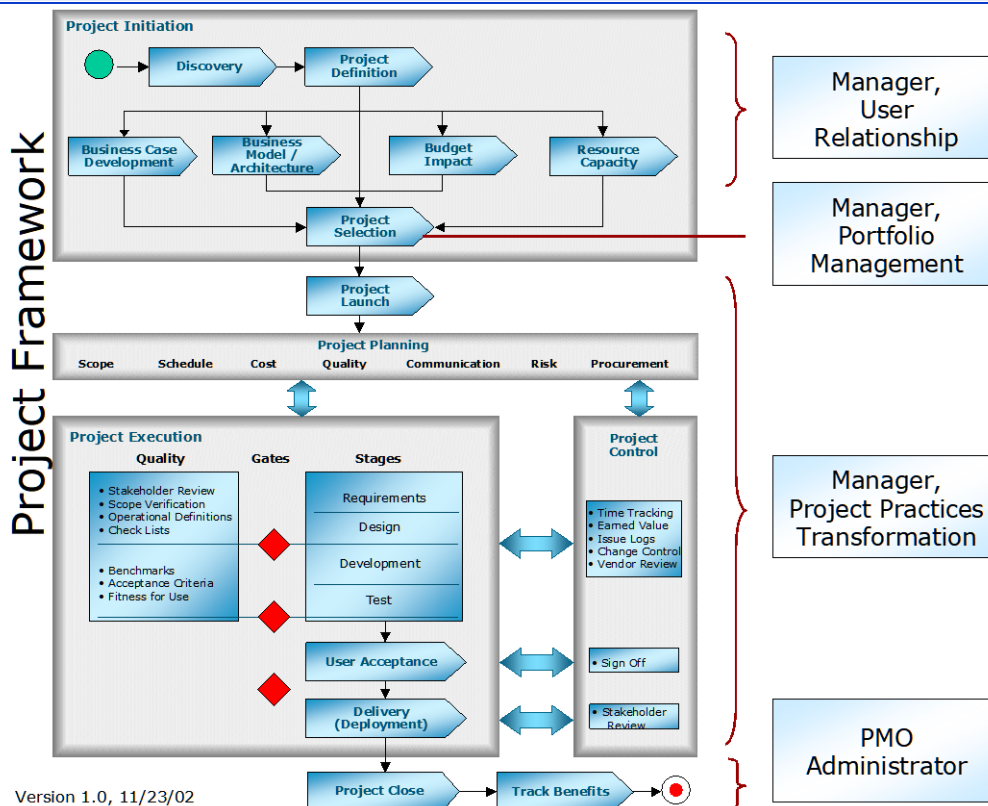
Proposed Organization Structure (continued)

Other Key Responsibilities:



15

Proposed Organization Mapped to Proposed Project Framework



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