

Evolving the PMO Into a Strategic Asset

By Kim Allin

Many organizations rely upon their enterprise Program Management Office (PMO) to help develop project plans, manage issues and risks, and report progress. While these activities are an integral part of the PMO, companies have an opportunity to incorporate additional activities into their PMO to enhance its value and effectiveness. This article provides some recommendations to help evolve your PMO into a more strategic asset.

Revitalizing the PMO

Assuming your organization has a PMO in place, a significant amount of time and effort needs to be spent on transformation activities. The following steps can assist with forming the basic structure behind the PMO revitalization work effort.

1. Obtain Executive Sponsorship

Given the plethora of activities, tasks, and distractions that most employees have on their plates, obtaining executive sponsorship for the PMO is critical to its success. At a minimum, the executive sponsor should be responsible for owning and communicating the PMO vision, establishing its priorities, and staffing the right resources. Absent an effective leader, the PMO will have difficulty evolving into a strategic asset.

2. Create a Vision

Once an executive sponsor has been identified, a new vision for the PMO should be created and communicated. The vision should provide employees with clarity regarding the strategic role the PMO will play in the future. While the vision itself should be straightforward, it should take into account desired activities for which the PMO will be responsible in the future. For example, the PMO can lead value-added activities such as understanding where critical resources spend their time, aligning projects to business strategy, and prioritizing key initiatives.

3. Develop Enterprise Resource Capacity Planning

One of the key activities that can help transform the PMO into a strategic asset is providing detailed information on the time allocation of critical resources. At many companies, executives do not have enough information to understand the projects or activities that are consuming the most time or resources. Moreover, as the list of projects, initiatives, and regulatory requirements grows, critical resources are often assigned too many work efforts and their risk for burning out may increase. Executives need visibility to these critical issues, which an enterprise resource capacity planning modeling can provide.

While not an exact science, developing an enterprise resource capacity planning model assists with increasing awareness of resource allocation. Enterprise resource capacity planning can help address the following questions:

- Where are critical resources spending the most time?
- Are resources being staffed to projects that align with achieving the business strategy?
- Are key resources being stretched too thin?
- Should key resources be removed from non-critical projects?

Implementing resource capacity planning can assist in identifying -- and potentially saving -- resources before it is too late.

4. *Define, Align, and Prioritize Projects Against Business Strategy*

The Program Management Office should have insight not only into current projects in process, but should also have awareness of future projects in the pipeline. Since there may be various definitions of a “project,” the PMO should establish the requirements for an effort to qualify as a project. For example, to avoid extremely small efforts, one requirement could define the minimum amount of work effort involved to qualify as a project. Once project definitions are established, a process for submitting project requests to the PMO should be developed, reviewed, and communicated.

Once the PMO has the ability to review new and existing projects, it can begin its work on aligning projects to business strategy. New and future projects should be assessed on a regular basis to validate whether they help the company to achieve its business strategy. Projects that align closest to the enterprise strategy should be prioritized to the top of the list.

Once projects are prioritized, critical resources should be assigned to the highest priority efforts. If possible, critical resources should also be moved from lower to higher priority efforts where they are able to add the most value to the organization.

If certain projects no longer meet the needs of the business, the PMO should document a recommendation for delaying or cancelling the project. From there, decisions on whether to delay or cancel these efforts can and should be made.

Implementing a Revitalized PMO

To implement a revitalized PMO, the right people need to be in place to lead and execute the transformation. Finding the right leader for the PMO change effort is critical to ensuring a successful revitalization effort. The day-to-day leader of the PMO must have the ability to lead an effort requiring significant, ongoing change. If an incumbent is leading the PMO today, that person’s skills set should be evaluated against the new PMO expectations. If this person does not meet those expectations, it is unrealistic to expect that they will learn the new skills in a compressed timeframe.

Once the right leader for the PMO revitalization effort has been identified, the support resources also need to be evaluated against an updated set of skills. Existing PMO resources should be evaluated against the new requirements. Once an assessment has been completed, changes should be implemented as soon as possible.

As noted at the outset of this article, revitalizing the PMO requires significant time and effort. A brief article like this can only scratch the surface of all that is involved to execute a successful PMO transformation. That said, it is our hope that the information provided in this article can help you move down the path to transforming your PMO into a strategic asset.

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