PMOs Adding Value

Published in The Office column, in The Project Manager, April-May 2010

The phone call from the finance department went something like: "Geoff, the programme seems likely to spend its entire budget for this financial year. Does that seem right to you?" "Yes, we're delivering great value for money, aren't we?" Click.

It seems that the financial folk had formed a habit of reserving only half of the funds budgeted for IT-related projects in a financial year, since for years this had been the level of performance achieved. As a result of our hard work in the PMO, we had actually improved value delivery performance significantly.

I helped set up and oversee a programme as PMO manager in a large Government Department. The PMO sat within the IT Division. The sponsor and project manager of one of our large projects sat in another Division, which had had a fraught relationship with IT for many years, because of several experiences where IT had attempted to dictate their business direction. Our first few meetings were decidedly chilly. We had several battles to fight over the next six months.

The first battle was over money, of course, and hence quite bruising. We had decided that to improve performance management, and to maximise our ability to add value to the programme as opportunities arose, we would not release any of a project's budget until the project's scope had been agreed, its key stakeholders engaged, and an effective governance structure established. And then, budget would be released on a stage-by-stage basis, but only on successful completion of the previous stage. For some projects we compromised, by releasing funding to cover project scoping activities where this was needed, but we maintained our line on funding release thereafter. It took a long while to earn trust in this area.

The second battle was more refined. Early in the programme, we established a weekly meeting of project managers with the PMO. We took great care to avoid replicating the role of each project's governance group, and called the meeting a "Programme Coordination Meeting". We asked each project manager to informally share status with their peers, not provide a formal status report. And we ensured they got more from the meeting than the PMO did. Over a period of time, the trust of the project managers grew.

The PMO tried to add value in many other ways, with minimal disruption to those governing projects and the project managers themselves. The one I think project managers appreciated most was that the PMO took on the task of reporting to stakeholders other than its own Project Board. But we gave project managers a right of review before we dispatched any such consolidated report.

We also added value by rebalancing project funding at mid-term reviews, to find additional funding for some projects by working with other project managers to free up budget that they now seemed unlikely to need. We did this in a sensitive manner, without coercion or publicity, so that no project manager or sponsor felt their project had been unfairly stripped of resources.

We improved value delivery performance significantly. All our running projects were well-scoped and well-governed. Cross-project dependencies were effectively managed. We had a productive environment where project managers openly shared experiences and advice and where possible attempted to support each other's projects. They actually appreciated the PMO!

And after a few months, the project manager from the other Division finally attended our coordination meeting for the first time, to a rousing welcome back to the fold. And she kept on attending because we had proved to everyone that we provided great value. Especially to her!