7 Steps to set-up a PMO

How to set-up a PMO in 7 steps!

Thank you for taking the time to download this simple guide on how to set-up a PMO in 7 steps.

The guide is based on one of the blog post - How to set-up a PMO. The reason for making this available as a separate download is to provide a consolidated guide to the different blog posts.

This guide has been designed to be used in conjunction with the content contained on the blog. Within the steps you will find links that provide more information on a particular topic.

Wishing you success with your PMO.

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Guide

You have been asked by senior management to set up a Project Management Office (PMO) to manage one or more projects or programmes. So what do you do first?

The whole process of establishing a PMO (especially where a PMO does not exist and is a new concept) can appear to be a very big, even unachievable, task.

Good news. I am going to break the process down into steps based on my experience of designing and building PMO's.

Step 1 – Define the objective(s) of the PMO

It is important to have a clear understanding of the scope and objectives of the PMO as what needs to be established for a reporting PMO is a lot less than for a pro-active PMO. You can find the definitions of the different types of PMO within posts 3 to 5.

Aim to capture the objectives of the PMO in a number of small bullets that make it easy to articulate and agree with sponsors and stakeholders.

I find this is a good exercise as it also helps me to clearly define on what needs to be achieved.

Step 2 – Sponsorship

This step is an absolute 'must have'. Without senior / executive sponsorship mandating the requirement of a PMO, you will find it very difficult, even impossible, to implement.

You should capture the objectives of the PMO as defined in step 1 and then agree them with the PMO sponsor. You should then get the PMO sponsor to communicate that a PMO is going to be formed, the objectives of the PMO and to confirm that you have the mandate to set up the PMO.

This step will help remove a lot of barriers and pushback.

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Step 3 – Define PMO tools and processes

Based on the agreed objectives, list the functions that the PMO will need to support. Again to make it easy, consider what high level functions are required, and then go into more detail at lower levels within function,where necessary.

I use the following list of high level PMO functions that I have adapted from the Project Management Institute Book of Knowledge.

- Planning (milestones)

- Financial planning (budget)

- RAID management (Risks, Assumptions, Issues, Dependencies)

- Reporting (report types, reporting diary)

- Quality assurance

- Change control (scope, costs, schedule, benefits)

- Resourcing (org design, recruitment, resource planning)

- Communication

- Procurement

- Project document storage

All of these are part of project methodology and tools / processes (including software).

More details of each function can be found by accessing the links above.

Step 4 – PMO organisation

After you have worked out what tools and processes need to be established, you can then think about how many and what type (skills) of resources you need for the PMO.

Again it is important that you build a PMO that will be able to deliver the objectives of the PMO. This step can be very tricky as, until the value has been demonstrated, senior management are reluctant to invest in resources.

To overcome this barrier, it is worth reminding the sponsor that the purpose of the PMO is to provide transparency through accurate reporting allowing the early identification of issues / risks that will impact successful delivery. The up front cost saves a higher long term cost when dates are missed, benefits fail to materialise, etc.

Step 5 – Engage and communicate

Very important step. Identify the key stakeholders to the PMO, especially those responsible for managing the projects and programmes. Make sure they know what you are aiming to do, what is expected from them and most important, how you are going to help them.

Tip: If the information flow is one way with the PMO demanding information (usually by threat of naming and shaming), you will fail.

The best PMO's I have built is where a PMO provides support to the project managers, becomes a partner fostering an environment of trust. In this situation the project managers will be honest, tell you about the problems and then you can help them solve them. This means more projects stay on track and everyone is happy (especially you as leader of the PMO as you can demonstrate the value of the service).

Step 6 – Monthly PMO routines

Each month or more frequently, the PMO will be expected to provide a status of the projects and programmes. Therefore, it is important to get these routines up and running as quickly as possible. Even if you have not built out all the tools and processes, you should aim to get the reporting routine up and running as quickly as possible. This is a quick win and will give senior management confidence that you have everything under control.

Step 7 – PMO charter

Steps 1 – 6 covers a number of areas. Therefore, it is a good idea to capture these key elements in a project charter. A good project charter will cover all of these points in a way to clearly articulate:

- PMO objectives

- What the PMO will / won't do

- Organisational model (including roles & responsibilities)

- Tools and processes

- Monthly reporting requirements

Conclusion

If you follow these steps you will quickly be able to design and build a PMO. Remember, you do not have to have it all perfect and ready on day 1. You can implement in phases. I personally like to have the day 1 plan, the week 1 plan and month 1 plan. You can lay this out in a simple roadmap so everyone know's what to expect.

Another tip to help accelerate the PMO setup is to consider the PMO Template Framework and the PMO Manual, both official resources designed by PM Majik.

You can find out more details on the next page together with many other resources designed to assist change professionals to achieve results.

The PMO Manual

If you are looking to really get a kick start with the design and implementation of your PMO, you may be interested in The PMO Manual by PM Majik.

This 220+ page contains practical step by step guidance to designing and implementing a PMO.

Click here for more details…..

PMO Template Framework

A "PMO in a Box" solution. This contains all of the core templates to support projects and allow the efficient consolidation of information for central reporting.

Comes with guides, instructions, video tutorials, support and more.

Click here for more details…..

Quality Assurance Framework

Complete solution for establishing a project / programme QA process and management reporting. Comes with 120 pre defined assurance questions.

Comes with guides, instructions, video tutorials, support and more.

Click here for more details…..

Metrics Framework

This framework helps you to define meaningful project metrics and implement tracking and reporting.

Comes with guides, instructions, video tutorials, support and more.

Click here for more details…..

Planning Workshop Framework

This framework helps you to define, plan and run a project planning workshop to rapidly define a project plan.

Comes with guides, instructions, video tutorials, support and more.

Click here for more details…..

Mobilization Framework

This tool allows the rapid shaping and mobilization of projects, programmes, PMO's, etc and provides clear reporting of progress.

Comes with guides, instructions, video tutorials, support and more.

Click here for more details…..