

Presentation to PMISCC Conference (2009) on:

**“A Framework for Establishment of a PMO
in a Public or Private-sector Environment
in the Caribbean”**

by:

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Conclusion

The performance of the PMO (as a centralized Project Management Standards and Oversight Unit) is measured by the extent to which it has **improved** the organization's Project Management Maturity Level and Project Management Competency level, in **facilitating improvements** in the organization's planning process, implementation performance and economic impact of its development programmes.

Topics

1. What is a PMO ?
2. What is Project Management Maturity (PMM)?
3. What are the Relationship among the Project Management Framework, the PMO, the PMM Level and Project Management Competency Level ?
4. Why Projects Fail ?
5. How to Improve Project Management Performance ?
6. What is the role of the PMO in improving performance ?
7. What are the components of the Project Management Framework ?
8. How do we implement the PMO ?

THE PLANNING & DEVELOPMENT LIFE CYCLE

- Strategic Thinking
- Policy Planning
- Strategic Planning
- Development Financing
- Programme Planning
- Project Planning
- Project Implementation
- Project Monitoring
- Operations Start-up
- Quality Improvement
- Operations Management
- Ex-Poste Programme Evaluation

Public Sector vs Private Sector Environments

- Politically driven
- Emphasis on equitable delivery of goods and services to the public, even when uneconomic.
- Highly centralized form of decision-making
- Most project units operate in a weak matrix structure
- Career paths not well defined, no reward systems
- Theory X Culture
- Performance driven
- Emphasis on profits, market share, sustainability and shareholder returns
- Greater degree of decentralization in decision-making
- Greater willingness to use strong matrix and projectized structures
- Better defined career paths & reward systems
- Theory Y Culture

Why Projects Fail ? (1)

- Lack of consistency among policy planning, defined strategic objectives and project design as we move forward through:



Project Management provides the basis for transforming Strategic Plans into action plans, to facilitate efficient, timely and effective implementation.

In so doing, we follow defined steps in the project management life cycle, including Monitoring and Evaluation.

However, performance, in terms of impact, is not achieved and measured until the project deliverables are effectively used in operations.

In that context, there is a close relationship among the processes of Strategic Planning, Project Management & Operations Management.

WHY PROJECTS FAIL ? (2)

Weaknesses in the organization's institutional capacity to adopt and use proven:

- Project Management Methodology
 - Project Cycle Management Methods
 - Project Management Knowledge Areas
 - Project Management Best Practices
- Organizations could significantly improve project management performance by adopting and using known project management methodologies, processes, templates and best practices.
 - In particular, the active sharing of information, on successes and failures, as well as on templates and lessons learned, among similar organizations in the region, could provide for more cost-effective economic impact.
 - In many cases, there is no need for each organization to reinvent the wheel.

WHY PROJECTS FAIL ? (3)

- Unwillingness or inability to adopt, integrate and use readily available Project Management Software Tools, in facilitating project planning, project implementation, project monitoring and programme evaluation.
- Many projects are implemented without proper project plans
- In many cases, users of Microsoft Project 2007 are using less than 25% of the software facilities
- Most project plans are not properly structured and linked and present misleading and deceptive information to persons using these plans to manage project implementation and to monitor project performance.

WHY PROJECTS FAIL ? (4)

- Lack of a Centralized Project Administrative Facility
- Weaknesses in Project Management Organization Design
- Weak Project Management Communications / Decision-Making Structures
- No proper Change Management Process
- Lack of a centralized facility responsible for the definition of uniform Project Management Standards, Procedures and Controls
- Poor definition of Project Position responsibilities, associated qualifications and levels of responsibility and authority.
- Lack of a proper decision-making framework, including the use of a Project Steering Committee

Why Projects Fail ? (5)

- Poor Project Management Maturity Levels:

- Refers to the degree to which an organization has standardized its project management processes, to make many processes substantially repetitive.

e.g. the use of project templates and checklists

Maturity improvement can be achieved across the nine Knowledge areas and five Process Groups:

- Scope Management
- Time Management
- Cost Management
- Risk Management
- Quality Management
- Procurement Management
- Human Resource Management
- Communications Management
- Integration Management

What is a PMO ?

- The **Project Management Office (PMO)** in a Public or private-sector environment is the centralized department or group responsible for the definition, implementation, enforcement and monitoring of uniform standards, processes and controls applicable to the host environment, with the clear objective of improving project management performance and impact across the organization.
- The PMO is part of the Organization-wide Project Management Institutional Framework

WHAT THE PMO IS NOT ?

- The PMO is neither a Programme Management Unit or a Project Implementation Unit.
- The PMO itself does not have direct responsibility for the planning or implementation of any programme or project.
- The PMO provides services to these units and the wider organization, in adopting and using standards, processes and systems, and acts in an advisory and oversight capacity.
- It may carry a responsibility for administering the PMIS and for Monitoring and Evaluation.

What is Project Management Maturity ?

- The Project Management Maturity of an organization refers to the extent to which it is able to use uniform processes, standards, and procedures, specified by the organization, as well as the extent which they could make one-time processes, repetitive.
- There are several well-defined maturity levels.

PMM Level 0

Level 0: Chaotic - No evidence of documented processes or practices. Normally everyone is doing the best they can, however no one is doing it the same way.

No recognition of the benefits of using project management methodology and project cycle management processes.

Most organizations are still at PMM level 0.

PMM Level 1:

- **Level 1: Adhoc** - Documented processes are executed but not formalized. One can see this outcome with the unpredictable results in project execution and the heroics of staff to get the job done.
- Trained personnel doing their best but working within an adhoc framework.

PMM Level 2

- **Level 2: Repeatable** - A consistent methodology is deployed and is repeatable. (repeatable processes are supported by forms, templates and checklists; however wide spread use has not occurred).
- Individuals groups within the organization will be utilizing the methodology (and it will be working for them).
- IT creditability is also at the skeptical level with limited use of project management software tools. Results just beginning to be consistent and reliable.

PMM Level 3

- **Level 3: Responsiveness** - Anyone here can deliver the results, however the overall organization also knows the benefits that can be achieved through the use of a more formalized Project Management Framework, and are achieving some benefits in pockets.
- Emergence of a more formalized project management organization including the PMO
- IT credibility has risen to the acceptance level. IT will begin to be openly included in planning.
- Emergence of a more formal Decision-making / Communications / Monitoring Framework

PMM Level 4

- **Level 4 Business-Driven** - All projects will be focused on delivering the business benefits. i.e. greater consistency among strategic planning , project management and operations management

Project engagement will be based on ability to deliver results and to drive business strategy . Deployment of projects across the organization.

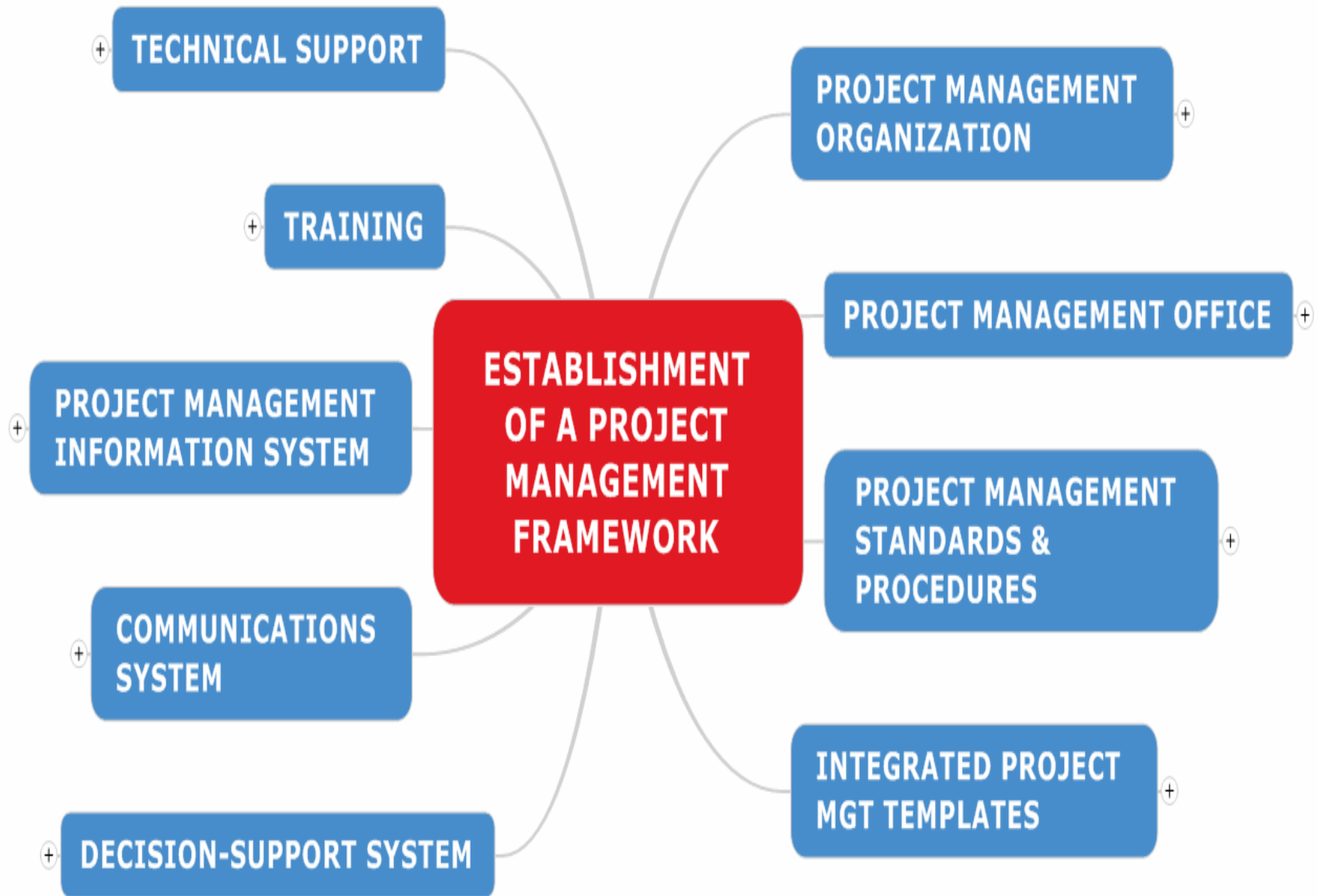
Metrics for continuous improvement will be managed in a self-feeding loop, resulting in a culture of Continuous Improvement

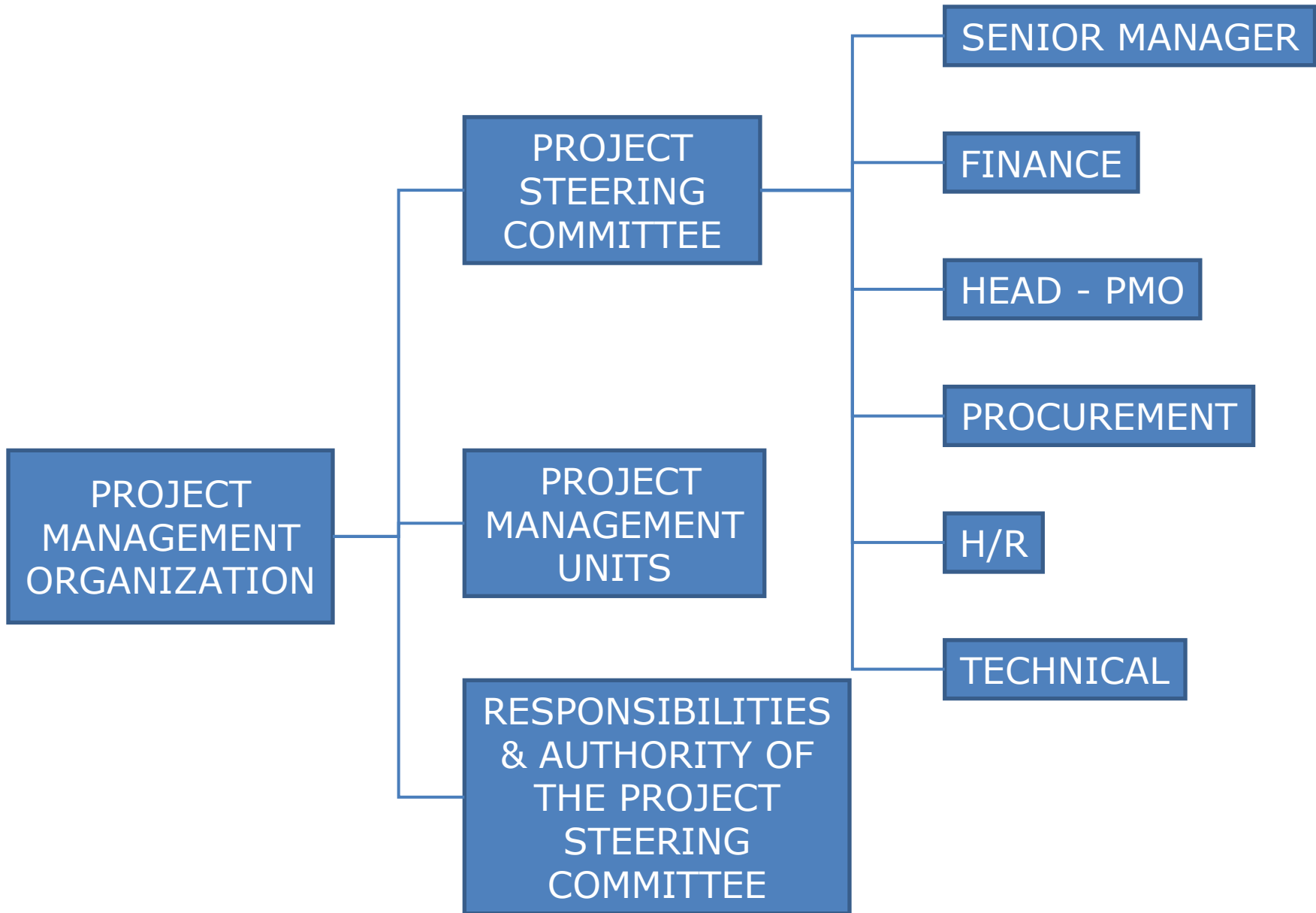
IT is trusted to deliver upon commitments. Use of organization-wide Project Management Information System, including Monitoring and Programme Evaluation.

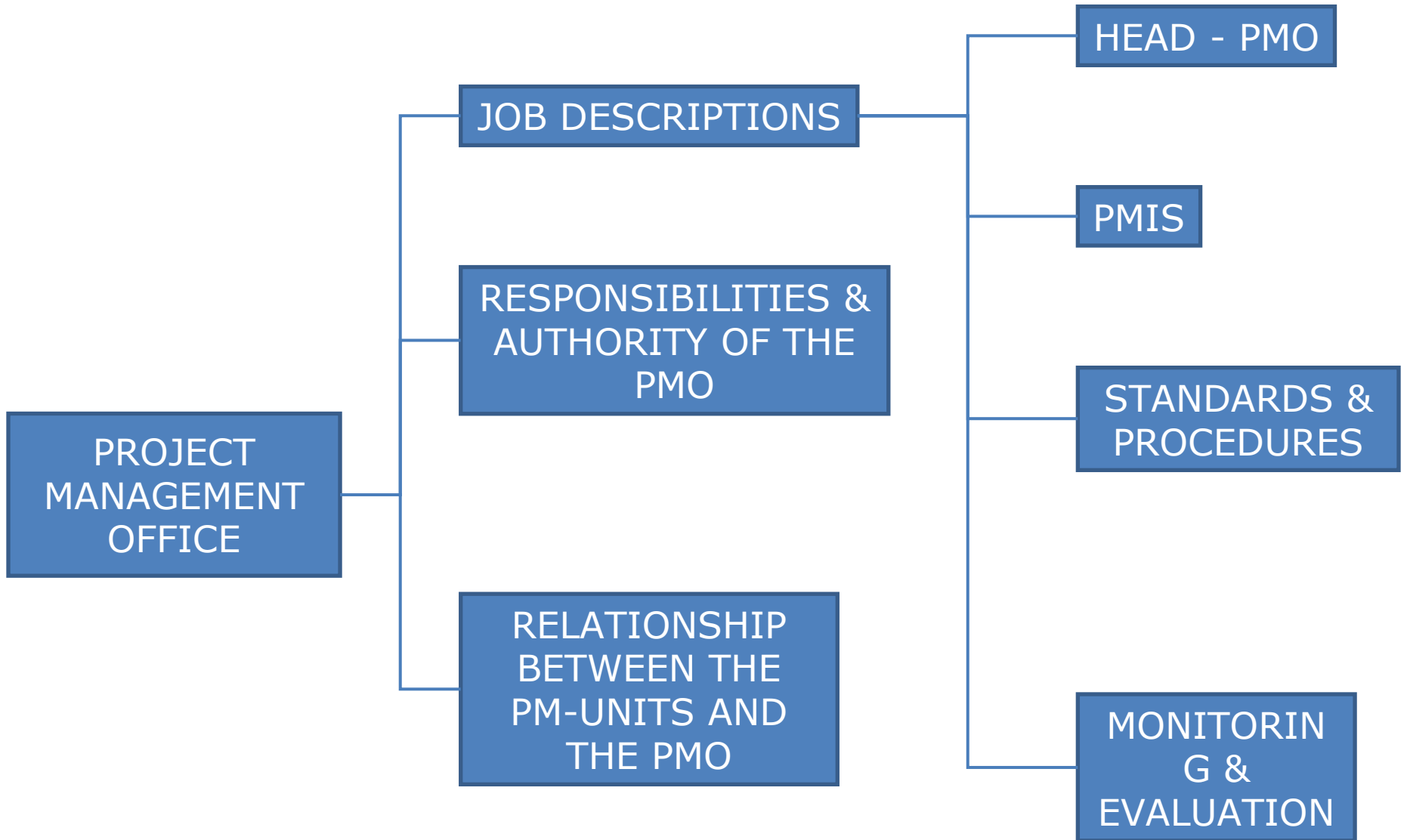
More structured emphasis on vertical and horizontal integration of projects, where required.

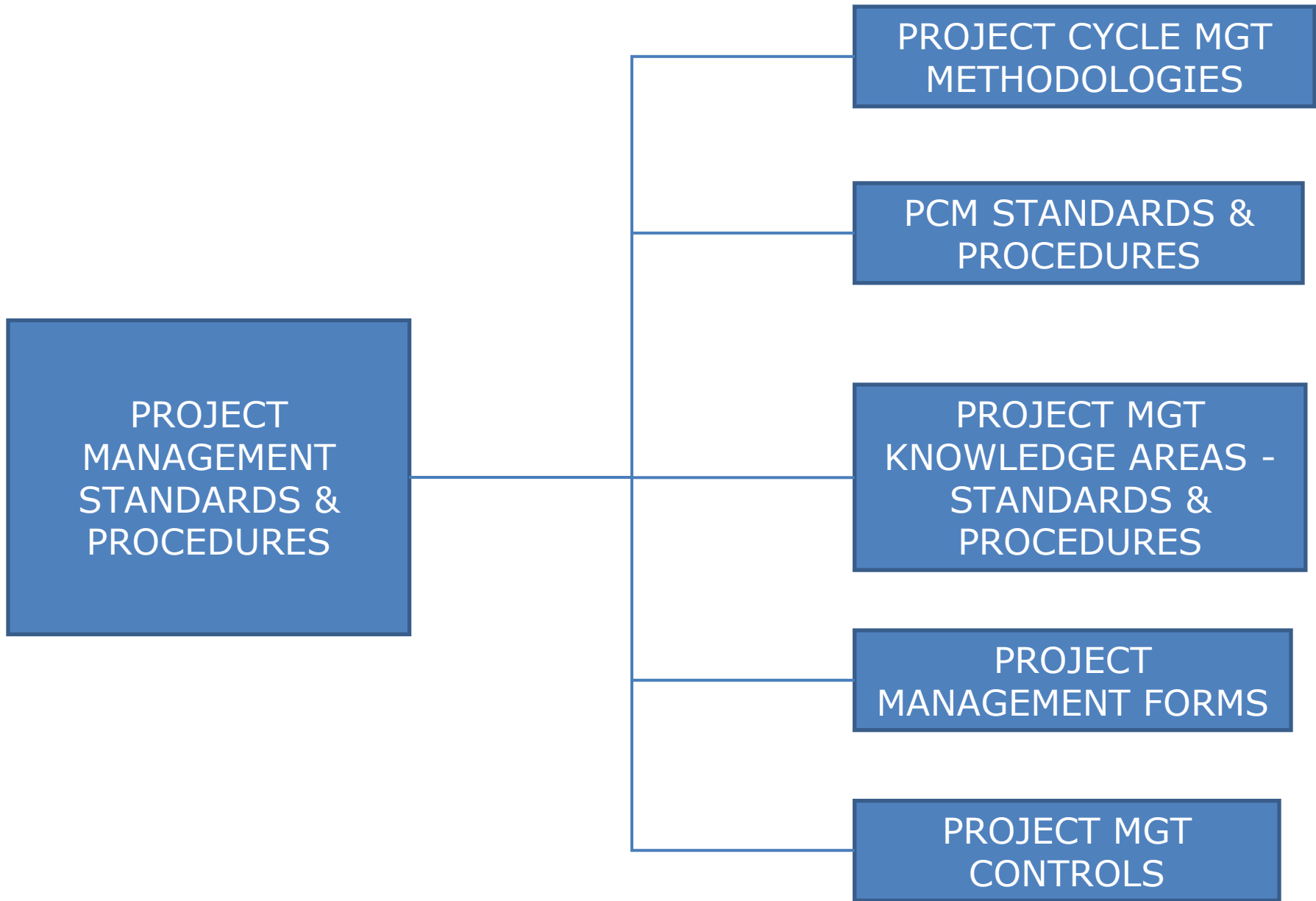
The Relationship between the PMO, the PMM and the Competency level within the Organization

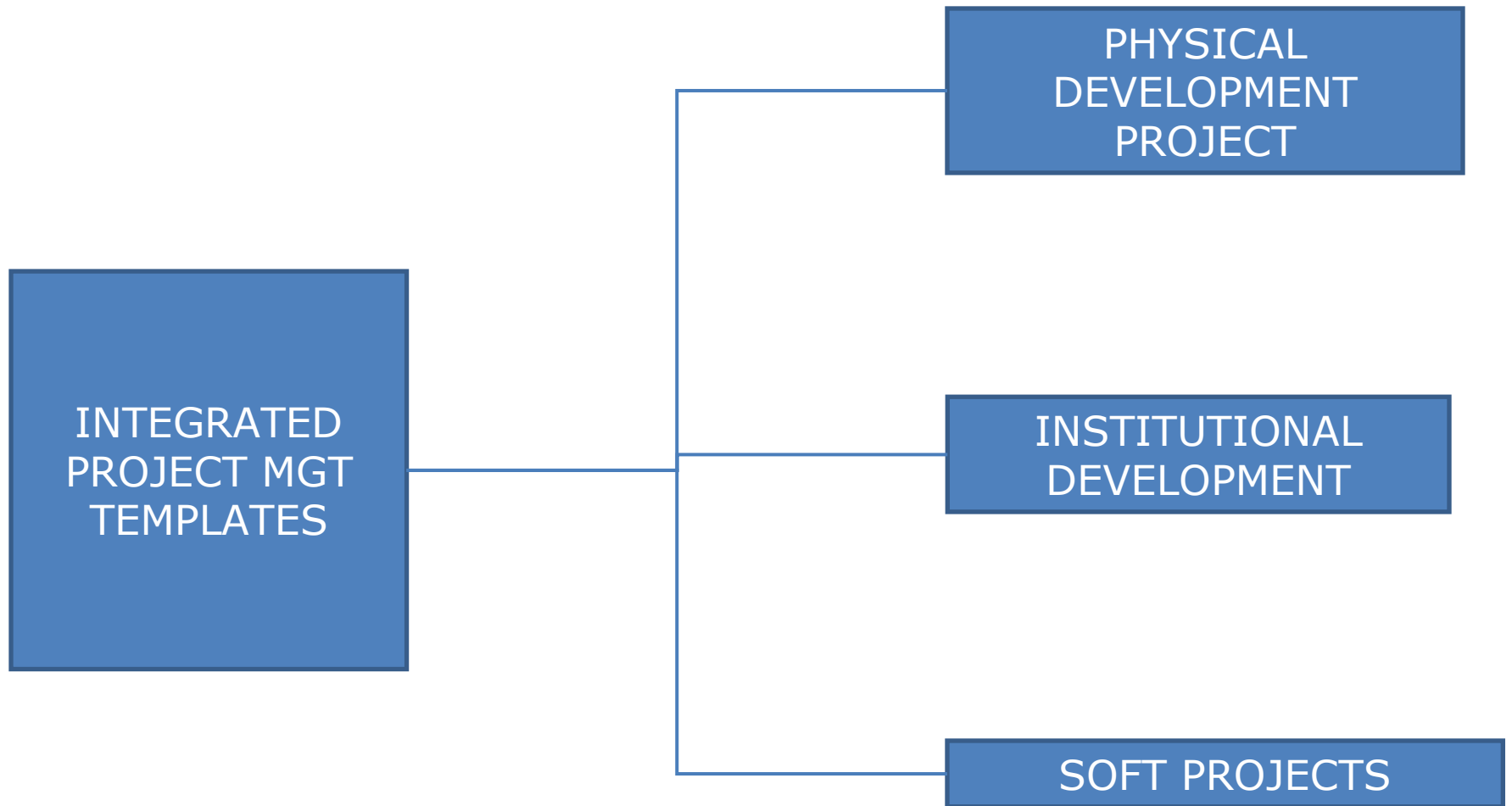
- The Project Management Office should be set up to take into account the maturity of project management in the organization and the competence of the project team members.
- The role of the PMO should vary as project management in the organization matures and the team member competency increases.
- Over time the PMO's role should move from directing to coaching to supporting and finally to delegating.

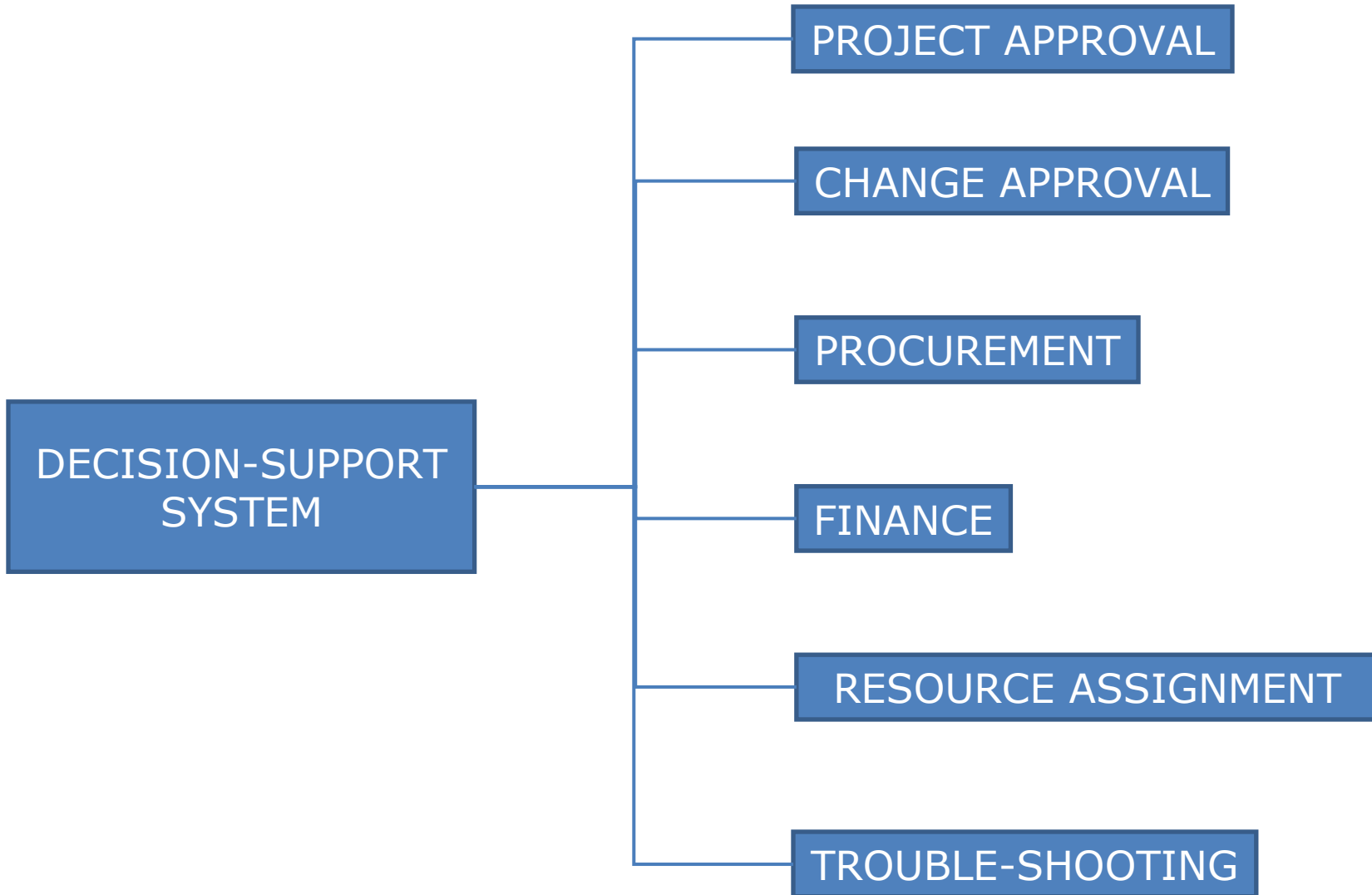


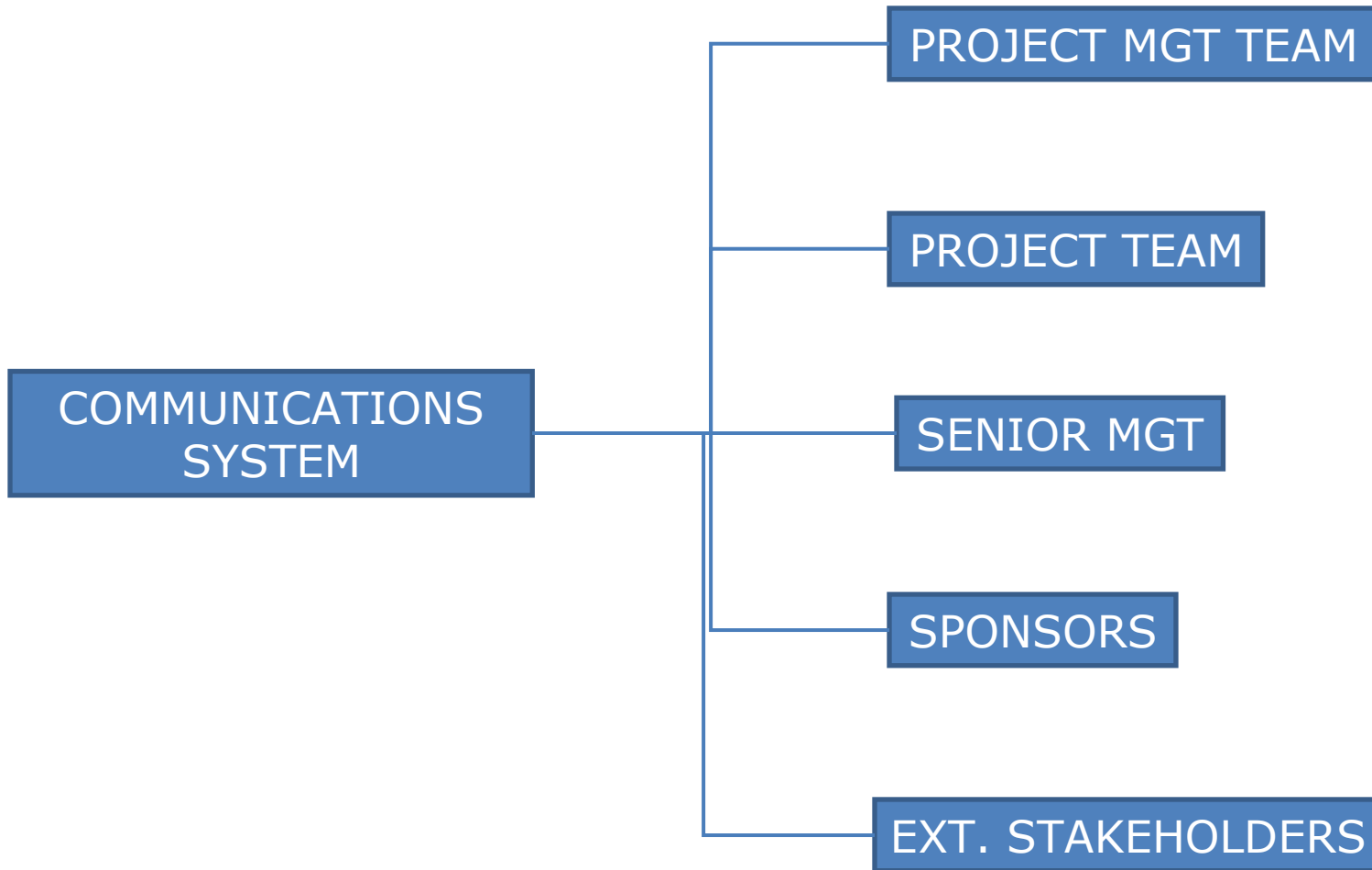


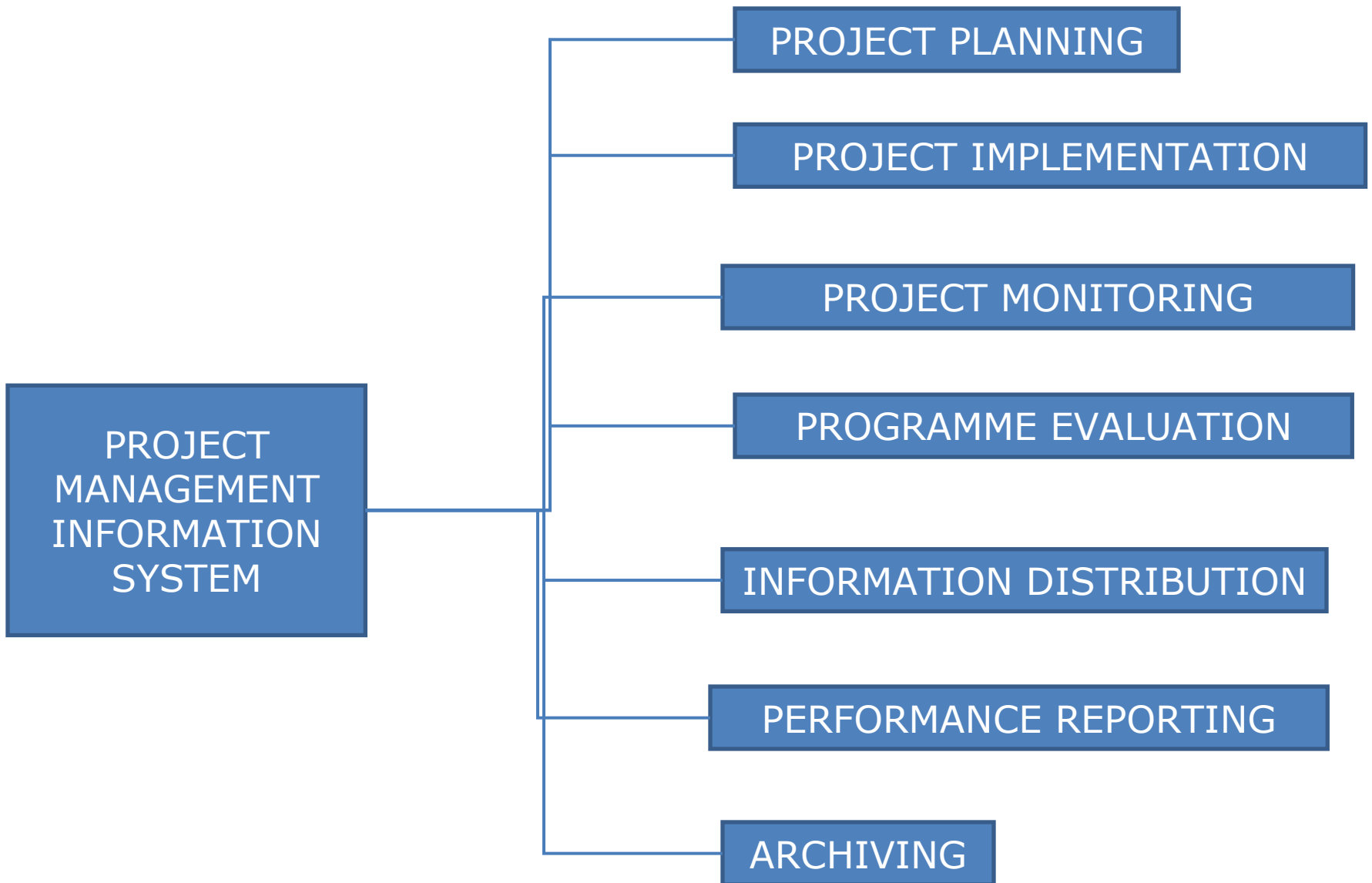


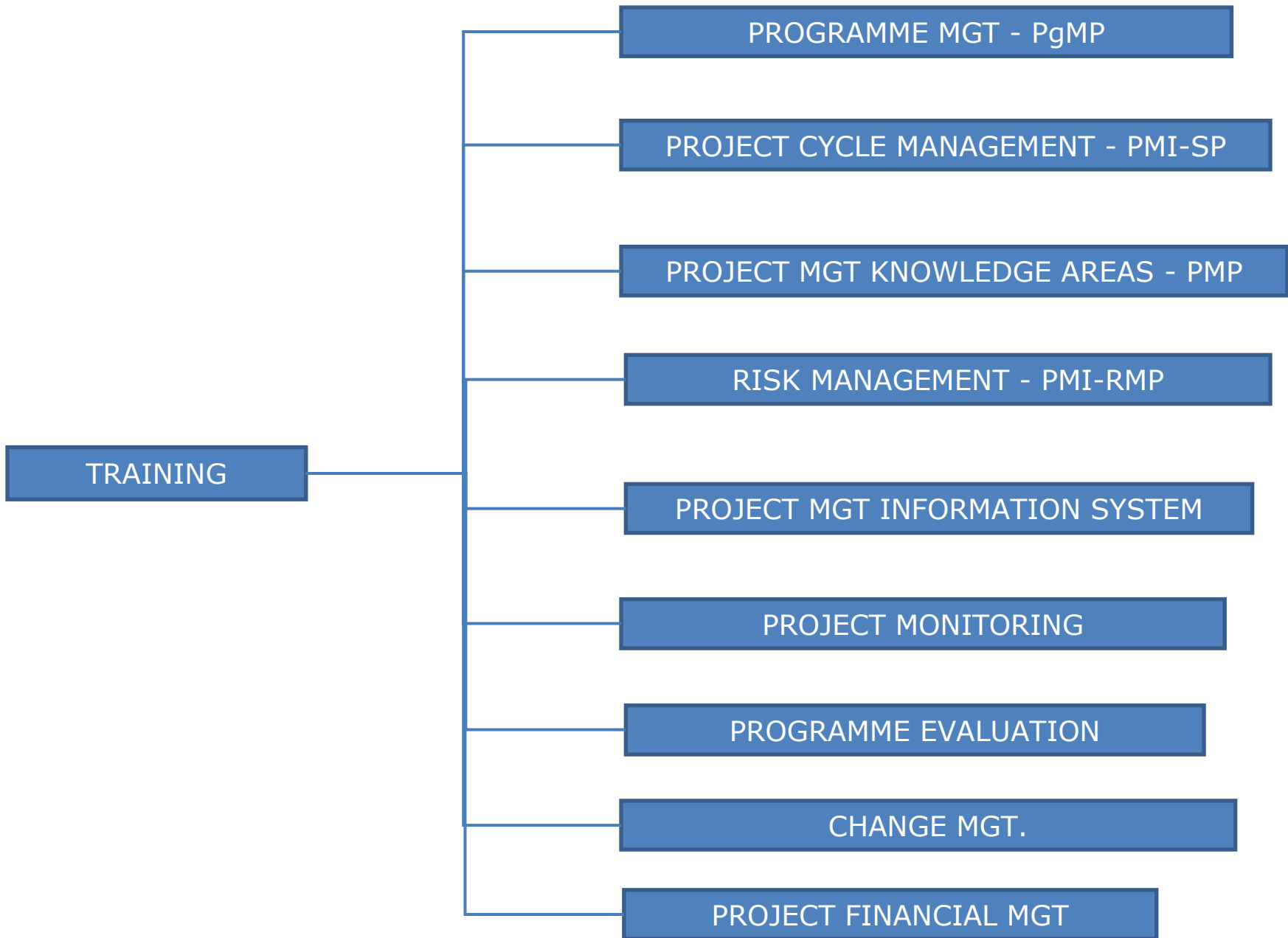


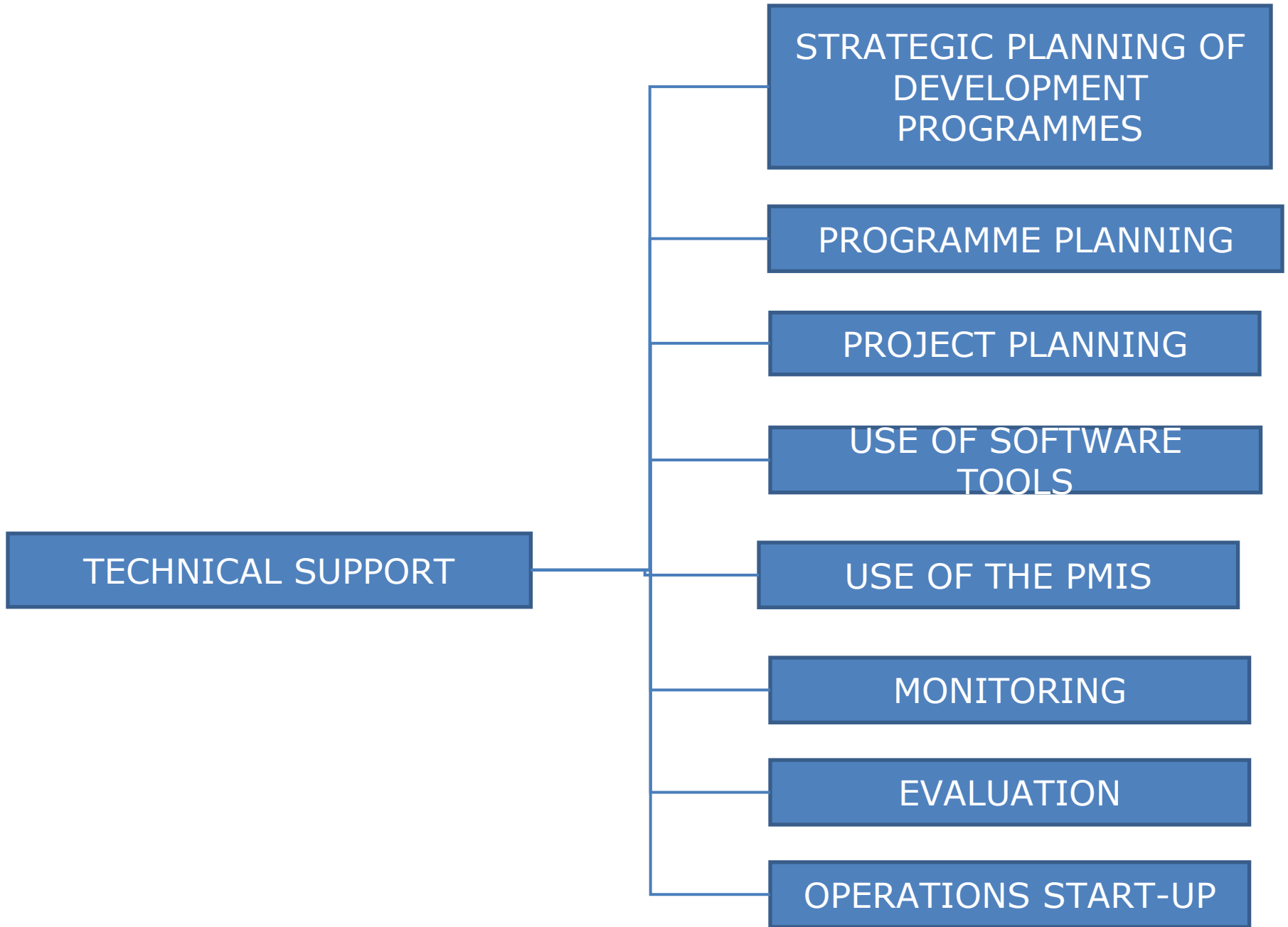












RECOMMENDATIONS

Short-Term:

- (a) Conduct software-based Training Course/Workshop in Project Cycle Management using software packages - (8 days)
- (b) Conduct training in Procurement Management – (1 days)
- (c) Conduct a Diagnostic Analysis of a Prison's Organization - Project Management Institutional Capacity and Performance (6 days)
- (a) Define and Establish the Position of Project Administrator (1 day)
- (b) Adopt, integrate and use Project Management Software Tools - (2 days)
- (f) Establish or Outsource the capacity to Monitor Project Execution Performance - (2 days)

Medium Term:

- (a) Establish the Project Management Office - (4 days)
- (b) Develop a Project Management Standards and Procedures Manual - (10 days)
- (c) Develop at least four Project Templates - (20 days)
- (d) Identify, source, purchase, install and use an enterprise-wide Project Management Information System, suited to the Prison's defined needs – 1 month
- (e) Establish a Project Management Decision/-Making / Communications Structure with associated systems (2 weeks)

Thank You

“We will make it if we try”

- Black Stalin