

# The PMO Makes Everything Go

Top 10 Tips to Building an Effective Program  
Management Office



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For federal executives, the value of having a program management office (PMO) as a centralized management structure to oversee programs is immeasurable. At its most basic level, the PMO ensures that projects within a department or division are managed consistently and working toward the same goals. Benefits include more efficient processes, money better spent, and better outcomes. Specifically, the PMO provides:

- A structure to standardize PM practices, facilitate IT project portfolio management, and determine methodologies for repeatable processes.
- Improved project success rates. In CIO research reports from July 2, 2003, 50 percent of respondents say project success (on time, on budget, on target) rates have increased as a result of a PMO.
- Increased efficiency and productivity. Team members understand their individual roles and goals of the project, providing a framework for everyone to work toward the same end.
- Disciplined methods for planning, executing, and closeout.
- Reduced cost from process reuse. The PMO is a repository for process and training assets, bringing efficiencies in savings or economies of scale.

Although the benefits of PMOs are clear, many organizations lack the skillsets to build a PMO and must seek outside help. Even if you carefully select a contractor, your worries are not over. Without instituting the 10 steps below, you could be at the mercy of your prime contractor and risk your projects and valuable resources. If the 10 steps could be distilled into one, that kernel would be: Carefully plan your PMO at least four to six months before setting it up. You will need the lead time because each part or process in a PMO has a

ripple effect and affects the others. Expanding on this, the 10 steps are:

### **1. Create acquisition strategy, program, and expenditure plans before work begins.**

Acquisition planning requires the greatest amount of work by program leadership because they must first draft a solid program implementation plan based on a clear vision of the end goal or state. This information is covered in the overall program acquisition plan. Additionally, program personnel should be as specific as possible on how acquisition activities will be conducted during the program. In other words, you have to understand how to buy your products, how they will help you accomplish your end state, and how your end state determines the prime contractor you are going to select. You can waste a lot of time and effort if nobody knows what the end state is. People lose focus and it is hard to integrate tools, data, and legacy systems. Program resources—both people and tools—need to be guided by a vision to provide focus. Everything is tied to your program expenditure plan.

### **2. Define your guiding principles up front—such as the Practical Software and Systems Measurement (PSM) framework, Software Engineering Institute’s (SEI) Capability Maturity Model (CMM®) (for example, the Software Acquisition (SA)-CMM, Capability Maturity Model Integration (CMMI), and People-CMM), the Project Management Institute’s (PMI) Body of Knowledge (PMBOK®) Guide, and SEI’s IDEALSM (initiating, diagnosing, establishing, acting, and learning) organizational improvement model. Make sure you have strong executive support.**

Once an organization decides on how it will do business, senior management can make an informed decision concerning the guiding principles it will use. If you define your guiding

principles up front, everyone knows the framework (such as various SEI CMMs) on how to do business going forward and the data and measurements to use. You need measures to help run your business and to avoid being overwhelmed. Measures should be taken periodically, not only on contractor performance in terms of cost, schedule, and number of resources versus productivity, but also in terms of the government's performance in these areas. This will help track progress more effectively, better identify problem areas, and deploy resources to resolve issues and mitigate risks. Earned value management is a must for any large program or project these days.

**3. Define your organizational structure to include all key stakeholders, customers, and users.**

Your PMO's governance needs to be defined with clear roles, responsibilities, and authorities for all players. The PMO should be customer-facing and product-centric, integrating all projects and efforts. A stovepiped PMO organizational structure will not work. A matrixed approach is required because all projects need to be coordinated and integrated. You also need a human capital plan to ensure there are sufficient government and contractor personnel to effectively and efficiently carry out program responsibilities. Depending on the scope of your program(s), you may need to plan ahead as much as three to five years out. Otherwise you run the risk of running out of money. Don't let your budget dictate what you need—take care of the organizational structure first and then your capital plan.

**4. Use data management and quality plans upfront to create and define measures, data quality, and interoperability using standards.**

You need data standards around how you're going to translate new and old data. Otherwise, you will spend a lot of valuable time sifting through

redundant, unnecessary, or dirty data (data that is inconsistent because it has been inadequately tested among legacy systems—for example, a data element that is coded five different ways). Source data should be stored in one place only, accessible to system applications and users. The collection of more reliable data and measures will greatly enhance your ability to predict outcomes.

**5. Create standards for all acquisition project plans (APPs) and execute from the time the PMO's internal review board (IRB) funds each project through the time the task order closes it out—in other words, throughout the entire life of the project.**

Each project needs its own plan. The APP guides the implementation of specific project-related activities and must be developed once a product or service requirement has been identified. You need to know the complete acquisitional life cycle (preaward/planning, execution, and transition to support) of the entire project before the IRB approves your funds so you can plan and be ready to kick off the effort accordingly. As each APP is being developed, you need to include the requirements management (RM) as well as the operation and maintenance (O&M) teams. It is too late if you wait to do this at the statement of work (SOW) and task order award stage. You will have a huge number of change requests (CRs) from vague contractual requirements and O&M services and infrastructure requirements that will kill your organization because of additional overhead and unplanned costs overruns.

**6. Stand up a process improvement and quality management (PIQM) team in the PMO.**

A PIQM team should be selected as soon as possible after the strategic documents are written, because, as with any new program, it is to your advantage to build process assets quickly. Training can then begin and you can

institutionalize the knowledge of how you do business. Perform a review after six to twelve months; if your processes aren't working, you can fix them. Waiting longer than that institutionalizes a nonstandard way of doing business—which is the opposite of what you want. Corrective action requests can arise from PIQM process asset reviews, a subset of guiding principles. Selecting the SEI IDEAL model is a way you can do process improvement in a structured way, from concept to institutionalization.

A PIQM team can provide these capabilities:

- Facilitate creation and maintenance of process assets, including tracking mechanisms such as an asset portfolio and CMM compliance management applications.
- Collaborate with staff and management to provide expertise and help set expectations.
- Support training related to process improvement and process implementation.
- Facilitate and manage process assessments using SEI's CMM frameworks.
- Provide process consultation for the project staff and organization senior management.
- Support the software/systems/solutions acquisition process board (SAPB) for needed business solutions through continuous process improvement of assets.
- Facilitate strategic process improvement goals and objectives.
- Design and execute a process asset library (PAL) for the organization.
- Perform quality assurance reviews of assets in production for institutionalization and usability.

**7. Formulate a tool and repository strategy after the acquisition strategy, program plan, and vision efforts are completed. Target integrated tool suites that can grow with the program and create key repositories, such as a PAL, and measures when the PIQM team is in place.**

**7. Formulate your tool and repository strategy early. It is helpful to find a tool with a suite because the tool needs interoperability to consolidate and migrate data. Don't be cheap. Otherwise you may end up rekeying or converting data into a plethora of databases. And systems that grow too fast or aren't built for the job can crash and create rework and wasted overhead dollars.**

**8. Build out a human capital plan so staffing is planned—contractor and government— as the program grows and is not an afterthought.**

The OMB and GAO direct the execution of resources. You need to articulate where government and contractor personnel—your subject matter experts (SMEs)—are going to come from. If you don't, you will be scrambling for money and people in the middle of your project, which almost guarantees cost overruns and greater scrutiny. In addition, the project won't have people consistently assigned to do gate reviews. SMEs are needed to answer the questions: Is it the right product? Is it usable by the customers, end users, and stakeholders?

You need to actively recruit for the skillsets you require. You can work with matrixed management for only so long. If you don't start delineating full-time employees, people will burn out, resulting in high turnover.

**9. Stand up your training team with your PIQM team so institutionalization can occur as fast as process assets are created. For maximum efficiency, training needs to be designed by functions or roles, not each activity. Develop a clear, crisp program orientation class that all employees attend so everyone is on the same page for the “end-state” and fully understands the program’s mission and goals.**

Your training team comes right after your PIQM team. After the PIQM team has built your first wave of process assets, you need to hand them off. The workers need to know the plan, vision, and business operations of your program.

**10. Engage the RM and O&M teams with pre-award and acquisition planning so products are built right the first time and with clear, traceable, bidirectional contractual requirements.**

Requirements need to be defined tightly at the beginning or kick-off meeting of a project, so that there are requirements with bidirectional traceability at the end. Clarity, standards, traceability, and accountability around your contractual requirements ensure that you have strong legal ground to support your position. Good requirements minimize operations overhead, change, and rework. Bad requirements mean that numerous CRs abound. If the requirements don’t stand up, the contractor can name the price and you will have to pay it. In a nutshell, you need the RM and O&M people to catch problems up front in the planning efforts using very good contractual requirements to keep the program clean.

If you don’t have your O&M people involved, you don’t know who is going to support your program. Will the contractor have the skills to maintain it? You have to have people who are skilled and can fix problems going in—not learn on the job.

## **CONCLUSION**

The contractor may be executing the PMO, but you control it. After you set up your PMO according to the 10 steps and before you hire your prime contractor, make sure the company you employ has the scalability and flexibility to meet your evolving management support needs according to plans for your acquisition(s), program control data, budget, expenditure, quality, process improvement, measurements, communications, integration, and human capital. You also need to clearly communicate to the contractor the project goals, what constitutes success, and what the success measures are. You will then have a greater chance for project, program, and agency success.