

Business Driven PMO Mandate

Primer and Template

Mark Price Perry

We have all heard the adage in one form or another made popular by Winston Churchill during World War II in which he warns, “He who fails to plan is planning to fail.” When it comes to setting up and managing a PMO, one could argue that no advice is greater than this advice and warning from Mr. Churchill. Why? It is because what most PMO managers do under the name of planning, though well intended, is not planning at all.

Problem

The problem that most PMOs have with respect to planning is not so much that it is not done, rather that business planning as a concept is not understood and business planning as a discipline is not effectively carried out. In research conducted by BOT International, 83% of PMO managers developed their plan for the PMO following the prescribed advice listed below that has regrettably been advocated within the formal project management community for many years:

- Step 1: Pick a PMO Model
- Step 2: Draft a PMO Charter
- Step 3: Review the PMO Charter with the boss
- Step 4: Route the final PMO Charter to the leadership team for review and signature
- Step 5: Present to the leadership the PMO charter and explain what a PMO is to them
- Step 6: Show quick wins and continually “Sell the PMO”

Following this approach, is it a surprise to anyone that 25% of PMOs are closed within their first year, 50% of PMOs are closed within two years, and 75% of PMOs are closed by their fourth year?

That this approach continues to be advocated and defended in the project management community is hard to believe. One would think that the poor track record of PMOs alone would be sufficient enough to compel a new way of thinking about how to set up and manage a PMO not to mention an examination of what PMOs need to do in order to be a lasting concern and value to the

business. The fundamental problem of the traditional approach to PMO setup and management can be seen in three specific areas:

1. The solution (the PMO) is advanced prior to the business problem being defined
2. The PMO proponent tells people what a PMO is, but does not listen to what they need and want
3. The planning approach is rushed and not collaborative

First, the PMO proponent who often has a bias in the outcome advocates their solution prior to a proper vetting and prioritization of the project-related business issues that the organization faces. This almost always results in a “putting the cart before the horse” exercise, misguided PMO plan, and false start for all involved. Often times, this approach is accompanied by a mindset that it will take too long to have all of the parties meet as a team to arrive at a consensus position, so wouldn’t it be better for the PMO advocate to rapidly develop the PMO plan on behalf of those served by the PMO? This is a recipe for disaster.

Second, the PMO proponent engages in activities to tell the leadership team members what a PMO is, to explain to them the various standards for managing projects, programs, portfolios and maturing organizational project management capabilities. This all makes sense within the practicing community of certified project managers, but this does not resonate with the leadership team. Business people speak the language of business, not the language of project management. Business people want to know not just the “means to the ends” but the “ends to be achieved.” Put another way, if the PMO is the answer, then what was the question? The foundation and value of the PMO is rooted in the project-related business issues and opportunities that the PMO serves. If those issues and opportunities are not first firmly established, then the PMO stands on a weak foundation and will soon crumble.

And third, in addition to being rushed, the planning approach typically employed is that of a well-intended individual drafting a PMO plan in a vacuum rather than in a collaborative, rich in discussions and debate, forum of those to be served by the PMO, their PMO. The end result is a cookie-cutter plan that lacks a proper mandate and is devoid of proper business goals and measurable objectives for which the PMO is held to account and for which success and value can be measured.

For most organizations, the PMO is not a staff organization that has the time, luxury, and budget to advance project management tools and techniques for the sake of it all. Few leadership teams will remain committed to such a concern. To take root, add value, and last, PMOs must be established with an effective, collaboratively developed, and continually restated, business driven PMO mandate.

Solution

The Business Driven PMO Mandate is the solution to the PMO setup problem. There are many ways to facilitate the business driven PMO mandate. When developing the mandate for the PMO, three important factors to keep in mind include:

1. It is important for PMO proponents to recognize that business planning is a process, not an activity that one person can do and wish upon the organization. The PMO mandate must be collaboratively developed.
2. Business planning involves the definition of that which is to be addressed and the creation of a shared vision, mission, goals and measurable objectives that serve as fulfillment of that which is to be addressed. A PMO plan that only provides “people, process, tools” strategies and activities in the form of PMO functions and services is incomplete and inadequate.
3. Only the constituents served by the PMO can specify, prioritize, and agree to the project-related issues and opportunities to be pursued by the PMO, their PMO. Similarly, it is only the constituents of the PMO that can state the value of the PMO which is expressed by the business value to them of having their project-related issues and opportunities addressed.

A highly effective technique and solution for establishing a business driven PMO mandate with the leadership team served by the PMO is the Nemawashi technique. The term Nemawashi refers to a commonly used Japanese consensus building approach. For example, using the Nemawashi technique, if a PMO proponent wanted to meet with members of the leadership team to advance the idea of having a PMO, prior to scheduling a meeting for all involved to meet, first the PMO proponent would have to meet individually with each of the leadership team members. The purpose of these individually meetings would be to discuss and review the scope of the intended group meeting, to share and exchange ideas, and most importantly to hear the opinions, advice, and needs of each of the participants and to ensure those needs are addressed in the broader scope of the proposed team meeting and deliberations. Only after such time has the PMO proponent met with and satisfied the concerns of each participant in the proposed meeting can they meet as a group.

Contrast this with the western-style business approach; the PMO proponent calls a meeting with the leadership team, a preconceived solution is presented and teed up for approval, issues and objections are noted, and the PMO plan is advanced with no real unanimous agreement or consensus on anything. The PMO is left to toil through its activities as defined in the PMO Charter which was skim-read and signed by all parties. And after the PMO honeymoon period is over, typically six months to a year, the

PMO is either shut down or it is re-planned. For a majority of PMOs, the re-planning of the PMO merely involves replacing the PMO manager with a harder driving PMO manager whose only change to the PMO strategy and activities is to engage in “Selling the PMO” and, in essence, to trick people into being happy with the PMO. This too runs its course and one of two events happens next; (1) the PMO is either shut down or (2) the leadership along with whomever they have confidence in at that point to be their PMO manager debates the question, “What problems do we have for which a PMO of some kind can be a solution for?” When this second option takes place, the PMO is finally setup based upon business need which it should have been all along.

For those seeking to avoid the unnecessary mishaps of the traditional PMO setup approach, the Nemawashi technique offers an alternative approach for establishing a business driven PMO mandate. This is depicted the steps outlined below.

1. The facilitator of the Nemawashi process to determine the business driven PMO mandate should obtain from the leadership team the list of individuals that are needed to participate.
2. The facilitator should explain the Nemawashi process with each individual participating.
3. The facilitator should meet with each individual for the purposes of completing the one page Business Driven PMO Setup – Nemawashi Template (see attachment 1: Business Driven PMO Mandate Template - Individual Leadership Team Member Input).
4. After all of the leadership team participants have participated in the individual meeting and have completed their individual template with their own information, then all participants can meet as a team to discuss, debate, and arrive at a unanimous consensus on the purpose of the PMO and a one page completed Business Driven PMO Setup – Nemawashi Template representing the going-forward position and agreement of the leadership team (see attachment 2: Business Driven PMO Mandate - Leadership Team Consensus Input)
5. This process can be repeated as needed to arrive at a leadership team consensus.
6. From this mandate, the strategy of the PMO can then be developed and executed. Important to note, until such time as the PMO mandate has been established, a decision to have a PMO should not be made and the activities to develop a PMO strategy should not be undertaken.

Generally speaking, for an average PMO with six to ten leadership team members participating in the Business Driven PMO Mandate process, the calendar time required to complete the process can range from two to six months. This approach, even when conducted over a six month period, is of high value to the leadership team and properly casts both the purpose of the PMO and the quantitative and

qualitative value to the business of its PMO. Once the leadership team determined Business Driven PMO Mandate is established, the PMO manager and team can then develop the PMO strategy and present it for leadership approval. Again, the Nemawashi process can be used by the PMO manager to first review the PMO strategy for understanding, suggestions, refinement and individual approval prior to meeting with the leadership team as a group to review and approve the strategy for the PMO.

Attachment 1: Business Driven PMO Mandate

Individual Leadership Team Member Input

Template

PMO Mandate Input	Individual Leadership Team Member Input
Top three problems to be solved by the PMO	1.
	2.
	3.
Vision statement	The vision of the PMO is to...
Mission statement	The vision of the PMO is to...
Top three goals and objectives	Goal 1:
	Measurable Objective 1:
	Value to business of achieving this objective:
	Goal 2:
	Measurable Objective 2:
	Value to business of achieving this objective:
	Goal 3:
	Measurable Objective 3:
	Value to business of achieving this objective:

Attachment 2: Business Driven PMO Mandate

Leadership Team Consensus Input

Template

PMO Mandate Input	Unanimous Agreement of the Leadership Team
Top three problems to be solved by the PMO	1.
	2.
	3.
Vision statement	The vision of the PMO is to...
Mission statement	The vision of the PMO is to...
Top three goals and objectives	Goal 1:
	Measurable Objective 1:
	Value to business of achieving this objective:
	Goal 2:
	Measurable Objective 2:
	Value to business of achieving this objective:
Goal 3:	Measurable Objective 3:
	Value to business of achieving this objective: