How to Assess the Maturity of a PMO

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Outline

- Why a PMO Maturity Model?
- What is a Mature PMO?
- Building a PMO Maturity Model
- The PMO Maturity Cube Framework
- Results of Applying
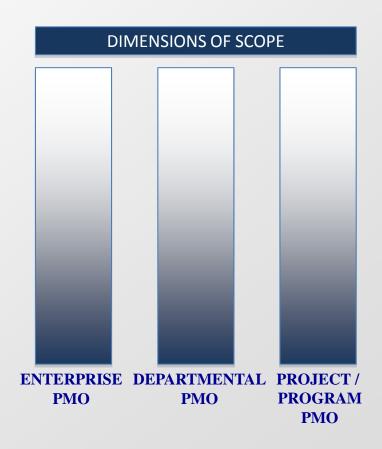- Conclusions

Why a PMO Maturity Model?

- PMOs are common in organizations worldwide.
- There is an increasing interest in evaluating OPM Maturity.
- There is a difference between OPM Maturity and PMO Maturity.
- A "reliable portrait of the population of PMOs" (Hobbs & Aubry, 2007, p. 82) shows that 50% of the PMOs "monitor and control their performance".
- PMOs are concerned with assessing and measuring their own performance.

What is a Mature PMO?

- A PMO may be seen as a Service Provider and has Clients with specific needs.

- The degree of Maturity of a PMO results from the extent to which it is capable of generating value for its Clients and for the organization as a whole.

- This is the applied concept of "fit" (Thomas & Mullaly, 2008, p. 74). The PMO should fit its clients' needs.

- The maturity of a PMO may be summed up as being the degree of sophistication it provides to each service for which it is responsible.

Building a PMO Maturity Model

- In the extensive literature, it is possible to identify various attempts to standardize the way of typifying PMOs.

- The proposed PMO maturity model consolidates the many diverse models found in the literature into two principal dimensions:

  - **SCOPE of influence and;**

  - **APPROACH of delivering its services.**

Building a PMO Maturity Model

- The Scope of Influence of a PMO comes from how wide its actions reach within the organization.

- There are three mutually exclusive possibilities:
  - The Enterprise PMO
  - The Departmental PMO
  - The Project/Program PMO

DIMENSIONS OF SCOPE

ENTERPRISE PMO   DEPARTMENTAL PMO   PROJECT / PROGRAM PMO

Building a PMO Maturity Model

- Approach has to do with how the PMO delivers its services to its Clients.

- A PMO may operate in three dimensions, and may operate in all simultaneously:
  - Strategic
  - Tactical
  - Operational

STRATEGIC

Example of service:
Manage the Project Portfolio

TACTICAL

Example of service:
Provide a Standard Project Management Methodology

OPERATIONAL

Example of service:
Monitor and Control Projects

DIMENSIONS OF APPROACH
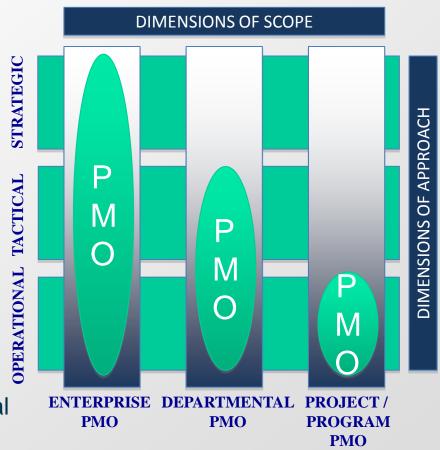
Building a PMO Maturity Model

- The PMO may provide several different types of services.

- To devise the proposed PMO maturity model, 27 services (adapted from the most common functions in PMOs, Hobbs & Aubry, 2007) were analyzed to establish how applicable they were to the model.
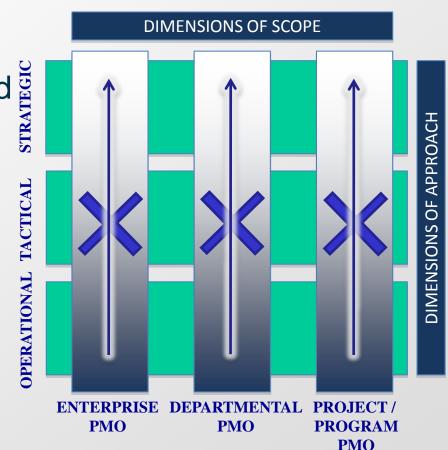
Services	Scope of Influence			Approach of Delivery		
	Enterprise	Departmental	Program - Project	Strategic	Tactical	Operational
1. Report project/program status (information) to upper (senior) management	√	√	√			√
2. Develop and implement a standard project management methodology	√	√	√		√	
3. Monitor and control project/program performance	√	√	√			√
4. Develop the competences (skills) of professionals, including training	√	√	√		√	
5. Implement and operate project management information systems	√	√	√		√	
6. Provide top management with advice	√	√	√	√		
7. Coordinate and integrate the projects in the portfolio; prioritize and rebalance	√	√		√		
...	...	...	…	...	…	…
27. Identify, select and prioritize new programs/projects	√	√		√		

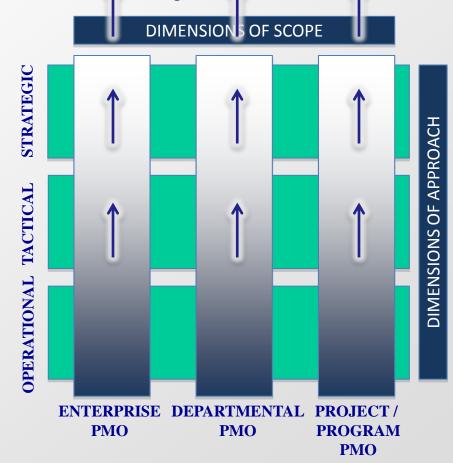Source: Adapted from Hobbs & Aubry (2007)

Building a PMO Maturity Model

- What defines the type of PMO is a combination of its scope and one of the seven possible approaches:

  1. Strategic
  2. Tactical
  3. Operational
  4. Strategic and Tactical
  5. Strategic and Operational
  6. Tactical and Operational
  7. Strategic, Tactical and Operational

DIMENSIONS OF SCOPE

DIMENSIONS OF APPROACH

STRATEGIC

TACTICAL

OPERATIONAL

P M O

P M O

P M O

ENTERPRISE PMO

DEPARTMENTAL PMO

PROJECT / PROGRAM PMO

Building a PMO Maturity Model

- In a first glance someone may think that a PMO should evolve from the Operational to the Strategic level, but…

- Is a PMO with a Strategic approach necessarily mature?

- And is a PMO with an Operational approach necessarily immature?

DIMENSIONS OF SCOPE

STRATEGIC

TACTICAL

OPERATIONAL

DIMENSIONS OF APPROACH

ENTERPRISE PMO

DEPARTMENTAL PMO

PROJECT / PROGRAM PMO

Building a PMO Maturity Model

- A PMO may evolve its maturity in each quadrant independently.

- And the client's needs should drive the PMO maturity evolution.

Building a PMO Mat...

- An example of a service matu... ...ution (1):

  Service: Develop and implement the project management methodology

  Scope: Enterprise; Approach: Tactical

Current Level →
  - Level 0 - The PMO does not provide this service.
    - Level 1 - The PMO has developed a basic methodology for the organization, but it is not used consistently on all projects.
    - Level 2 - The PMO has developed a standard methodology for the organization, aligning possible existing methodologies in different areas, and the methodology used in most projects in the organization.

Target Level →
    - Level 3 - The PMO has developed a standard methodology for the organization, and it is used by all projects as it is mandatory unless a specific waiver is requested and approved.
    - Level 4 - The PMO has developed and improved the standard methodology for the organization focusing on best practices and continuous improvement.

Building a PMO Maturity M

- An example of a service mat

Service: Provide advice to the senior m

Scope: Departmental ; Approach: Strategic

– Level 0 - The PMO does not perform this function.

Current Level ➡ Level 1 - The PMO is asked by top management to give its position on issues relating to making strategic decisions once in a while.
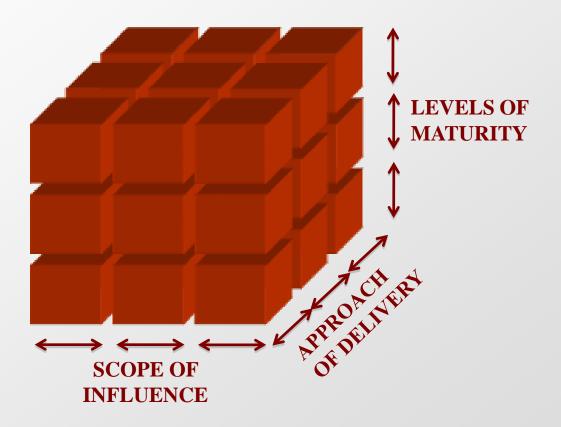
– Level 2 - The PMO is frequently asked by top management to give its position on issues relating to making strategic decisions, however, its involvement is not formally established.

Target Level ➡ Level 3 - The PMO is frequently asked by top management to give its position on issues relating to making strategic decisions and its involvement is formally established.

The PMO Maturity Cube Framework
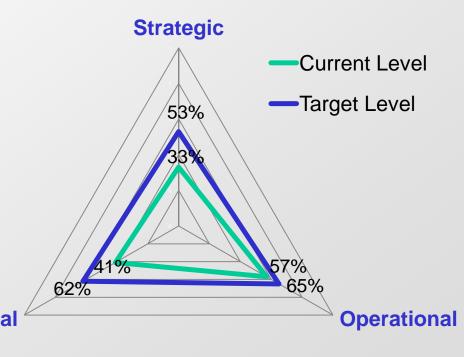
Results of Applying (1)

COMPANY A (CONSUMER GOODS) ENTERPRISE PMO

<u>PMO's Mission</u>: Serve the needs of project managers, line managers, and top management.

<u>Current Situation</u>: The operating focus
is still concentrated on operational support services and project planning
and control.

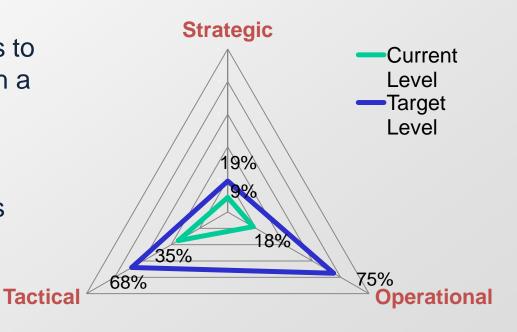<u>Target</u>: Assume more
tactical and strategic functions.

Strategic

Current Level
Target Level

53%
33%

41%
62%

57%
65%

Tactical

Operational

Results of Applying (2)

COMPANY F (ENERGY)
DEPARTMENTAL PMO

PMO's Mission: Provide services to the Engineering department, with a focus on tactical and operational aspects.

Current Situation: This PMO was recently set up so there are still some large gaps.

Target: Assume more
tactical and operational functions
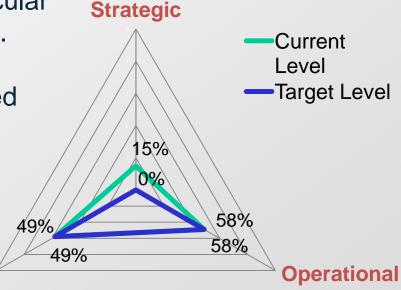in the short and medium terms.

Results of Applying (3)

**COMPANY G (RETAIL)
PROJECT PMO**

PMO's Mission: Support the organization's SAP implementation project, with a particular focus on operational and tactical aspects.

Current Situation: This PMO is outsourced and it is fully aligned in the tactical and strategic approaches. However, it is also involved in strategic activities.

Target: The PMO should "regress" in the strategic approach. In this way, the PMO will begin to be fully aligned with its mission.

Strategic

Tactical

Operational

— Current Level
— Target Level

15%
0%
58%
58%
49%
49%

Personas + Procesos: la fórmula para la excelencia en proyectos

Conclusions

1. A PMO evolves its maturity   in
each approach independently,   not from the
Operational to the Strategic approach .

2. THE BETTER THE PMO DELIVERS its services, and   ONLY
THE ONES related to the needed functions,   THE MORE
THE PMO IS PERCEIVED DELIVERING VALUE to its clients
and the organization.

The PMO Maturity Cube Website

www.pmomaturitycube.org

Next Steps

- Review and improve the levels of maturity for each established service.

- Research the correlation between the PMO services and the benefits perceived by the PMO clients. It will permit the refining of the target level and its alignment with the client's needs.

Contact us

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