

HOW TO SET UP A SUSTAINABLE PMO

Turn your organization into a competitive machine

with



ITM Platform



www.itmplatform.com | info@itmplatform.com | +34 918 052 188
© ITM Platform 2018. All rights reserved.

INTRODUCTION

Why you need this guide

The decision to introduce or redesign a Project Management Office (PMO) usually comes from the executive level and has significant impact on an organization.

This guide walks you through the design and implementation process, encompassing both technical and organizational aspects. It will help you incorporate a PMO into your company as smoothly as possible.

It is aimed at top management, heads of PMOs and project leaders, whether or not they adopt ITM Platform as their PPM tool.



*Projects are
the engine for
the delivery
of corporate
strategy.*

Contents

Design is king

We will focus on how to choose the best PMO for your business and create a road map for implementation. We also discuss the benefits that the PMO is expected to deliver.

Building bridges

The PMO should operate across departments to coordinate projects and teams, rather than working in isolation.

Best practice

We explore what defines a good PMO. Above all, it should offer clarity and direction, and create the right conditions for portfolio management within the organization.

Action points

We give guidance on the procedures that the PMO should put in place, giving pointers on when and how to integrate new processes into the organization.

INDEX

- 1. Designing a PMO**5
 - Which type of PMO meets the needs of my organization?6
 - How do you define a good PMO?9
 - Define the value that you expect a PMO to add 10
 - Road map.....11

- 2. Before you set up the PMO**12
 - Keys to success.....13
 - Common roadblocks.....14

- 3. Embedding the PMO**15
 - Define responsibilities and competencies..... 16
 - Planning model and financial resource management 20
 - Organization, people and documentation..... 22
 - Communication..... 24
 - Governance model 25
 - Integration 30

- 4. Why choose ITM platform**.....32
 - ¿Why choose ITM Platform? 33
 - References 34

1

Designing a PMO

"If you have ten minutes to create something lasting, spend nine of them planning."

Which type of PMO meets the needs of my organization?

The first step on this journey is to ask one question: **what kind of PMO suits my organization?** There is no 'one size fits all' solution. An effective PMO is one that both meets the demands of today and adapts to those that may arise tomorrow.

To define the mission and function of our PMO we should consider the standard models on offer and assess them based on the unique needs of our business. That way we can determine which PMO best suits our reality.

Since no two businesses are exactly the same, the design process is bound to vary from organization to organization.



In the eBook [Roadmap to define your own Project Management Office](#) we described the widely accepted types of PMO: 'weather station', 'control tower' and 'resource pool'. Instead of using those terms in this document, we will draw a distinction between **strategic** and **tactical** PMOs.

The first step on this journey is to ask one question: what kind of PMO suits my organization? There is no 'one size fits all' solution. An effective PMO is one that both meets the demands of

today and adapts to those that may arise tomorrow.

- ▶ A **strategic PMO** measures – and ultimately determines – how a project drives forward corporate strategy.
- ▶ An **operational or a tactical PMO** is more focused on the success of individual projects.

An operational or a tactical PMO will ensure projects deliver their expected value. Strategic PMOs go beyond this to play an active role in planning strategy and will monitor and evaluate projects against the company's strategic plan.

An operational or a tactical PMO will ensure projects deliver their expected value. Strategic PMOs go beyond this to play an active role in planning strategy and will monitor and evaluate projects against the company's strategic plan.



Which type you choose will depend on variables such as: **the nature of the business, its organizational maturity and management model.**

▲ A **mature organization** has clear and established processes, executed by staff trained in those procedures. The holy grail in business excellence is when your people know what they are doing and are constantly striving to improve.

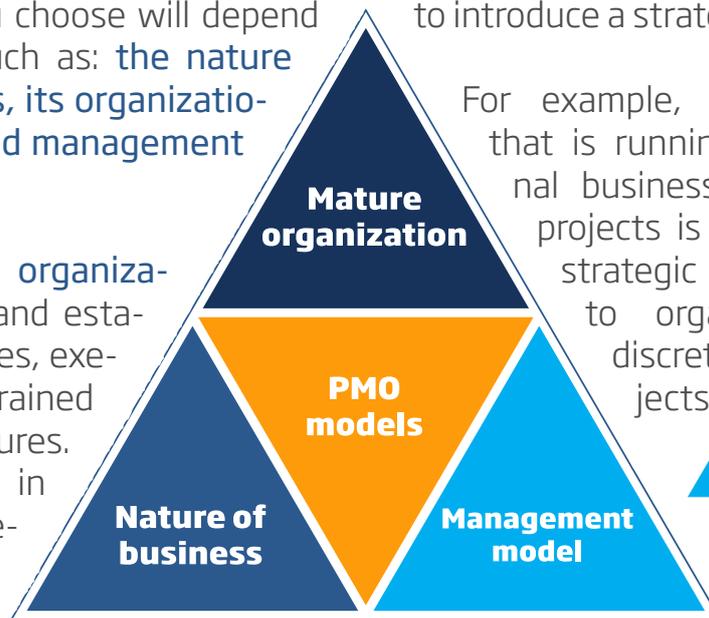
If your company is one of the lucky ones with a high degree of maturity, then implementing a strategic PMO should work like a charm. Organizations with a lower maturity level (and don't worry there are plenty of those!) would be better off concentrating on the basics and introducing an operational or a tactical PMO.

▲ In practice, all organizations manage projects, whether they know it or not. What does your company do day-to-day? In other words, what is the **nature of your business**? Spend some time considering if the efficient management of projects is key to the success or failure of your company.

The greater the impact of projects on the business, the more need there is

to introduce a strategic PMO.

For example, an organization that is running cross-functional business transformation projects is crying out for a strategic PMO in contrast to organizations with discrete unrelated projects.



▲ What is your company's **management model**? If management is

project-based instead of/or in combination with other models - eg management by objectives - it makes sense to implement a strategic PMO, since this PMO model highlights the relevance of projects to the organization.

If you want the PMO to have managerial - rather than operational - functions, then you should opt for the strategic PMO model.

▼ If the managing board is closely involved in the definition and delivery of projects, then this is fertile ground for the strategic implementation of the PMO. On the other hand, if the board's involvement with the project portfolio is limited, this means pro-

jects are less relevant to the business – in this case, choosing an operational or a tactical PMO is the best option.

If the PMO has the power to “kill” projects, then it is strategic in nature.

That means the PMO a) understands the business, b) is aware of the resources in use and c) understands the value added by each project. To sum up, the PMO has **the information needed to make informed choices**.

If this is not the case, then the PMO should be **operational** (providing administrative support to projects, support to the reporting mechanisms in place, and guiding project leaders) or **tactical** (managing the methodologies, resources and tools).

There is no merit in choosing one type of PMO over another. One is not necessarily more complex than another; they just fulfill different needs.

Not every company requires a strategic PMO. We cannot stress this enough. If what your company needs is a tactical PMO then stick to that! Don't overcomplicate life. In contrast, if a strategic PMO is required then you may want to establish a tactical one as the first step.



If the PMO has the power to “kill” projects, then it is strategic in nature.

How do you define a good PMO?

Regardless of the PMO you choose, there are **four universal parameters** that are markers of quality and excellence:

- ▶ **1. Provides clarity:** because of its objective and unbiased audits, the PMO is a source of transparency and intelligent analysis. It doesn't just throw data at you.
- ▶ **2. Facilitates decision-making:** gives senior management oversight of the portfolio allowing them to make coherent decisions. Imagine your company is a car, the PMO provides the headlights that allow you
- ▶ **3. Enhances accountability:** the PMO defines roles and responsibilities, motivating and empowering people; ultimately this will also allow them to be held accountable.
- ▶ **4. Encourages shared ownership of goals:** the biggest challenge for a PMO is to be accepted within the organization. Sharing the vision and expected benefits is a good way to get stakeholders on board.



These four questions might help to plan the future of our PMO:

1. Which projects should we pursue?

Or, which are the projects that meet our organization's goals in the most efficient way?

2. Which projects should we start?

Out of all the project proposals in front of us, which should we prioritize? What's the best way to plan ahead and optimize resource allocation?

3. Which projects should we continue?

Looking at the projects already in place, which of them are accomplishing what's expected of them? Which of the non-performers should continue?

4. Which projects should we kill?

Following on from the previous question, which projects aren't worth continuing because the resources would be better employed elsewhere?

To answer these questions, the PMO should align its PPM (project portfolio management) processes with your company goals. Managing the portfolio of projects means asking every day: how are the projects, programs and portfolios facilitating the achievement of my company's goals?

If you can offer real-time information about on-going projects that help with decision-making the PMO will quickly win supporters.

Define the value that you expect a PMO to add

1. Governance
2. Organization
3. Planning
4. Cost Management
5. Asset Management
6. Risk Management
7. Information
8. Quality Management
9. Change Management
10. Resource Management
11. Communication Management
12. Procurement
13. Document Management

Depending on the type of PMO on the table you will need to stress some aspects more than others. A strategic PMO will focus more on Governance, Organization and Planning, whereas a process-focused (tactical/operational) PMO should concentrate on Quality Management, Change Management and Document Management.

You cannot design a PMO without working out which model suits both the business and its clients.

Roadmap

Planning and implementing a PMO has a rhythm of its own. Don't be tempted to rush. You risk chaos if the process **rushes ahead of the organization's own maturity by trying to tackle all the stages at once.**

Roll out the implementation by building on and consolidating the previous stages.

To create a consistent roadmap, you should consider:

- The maturity of the organization.
- The goals suggested by the Board of Directors.
- The available resources.
- Positive and negative environmental factors.

With these parameters, we know our start and end points, the resources available and the pace at which we should go.

An example of a Road map



Let's take as an example Booksy360, a mid-sized publishing company. This is their roadmap divided into four stages, starting from a tactical PMO and moving towards a strategic one.

Period 1

Booksy360's PMO steering group decides to establish a basic communication system, using a common language. In this system planning is based only on timeframes and deliverables. Document templates are created for each project type. Stakeholders will receive reports about the status of their individual projects and Booksy360's board will be kept up to date via a regular portfolio report.

Period 2

All communication channels are now established. The PMO encourages collaboration between units and projects. Inventory and purchasing are

added as extra elements to plan, manage and control. Resource management is now based on professional profiles, such as editors, writers and production engineers.

Period 3

Formal risk management starts, agreed by all departments. Alongside this Booksy360 initiates change and quality management. Even if these were taking place informally before, now they are at the heart of the process.

Period 4

The final stage is when the actual strategic contribution starts. But it is long way down the line so for now Booksy360's steering committee predicts it will include portfolio planning, benefit realization management and governance.

2

Before you set up the PMO

Once the PMO is defined with the road map that we've just created the next step is to implement it effectively.

The process of implementing a PMO varies from company to company, but the tools are more or less the same for every organization. We just need to select the most suitable tools and techniques.

Keys to success

A good plan is only useful if it can be implemented in the field. For that you need adequate resources and a favorable environment.

Before creating a PMO:

- ▶ **Ensure that your people have the right skill set**

If you have neither the team nor the required skill set, it's a good idea to limit the scope of the PMO so that it can be set up without the risk of failure. Embarking on a PMO without the appropriate know how is like setting sail on a ship without skilled sailors, the enterprise will unravel at the first ill wind.

- ▶ **Start with high-visibility, high-impact projects**

Like every other business unit the PMO must prove its worth from the very beginning to win over naysayers. A smart PMO manager will look to deliver early wins on to the scoreboard. This is not always easy because of its cross-functional – and according to detractors – unnecessary nature. Tackle the most widely acknowledged problems first.

- ▶ **Identify the needs of the business clearly**

The organization and the business have needs that may or may not have been explicitly identified. Meeting these needs should be your starting point. That way you'll start off on the right foot, giving you enormous leverage when it comes to defending your decisions in the future. Do your research.

For example, as a PMO expert you may consider it vital to set up a document template repository. But maybe what your stakeholders actually need is a way to decide how progress on projects is measured.

- ▶ **Have a solid framework that is integrated into the business**

A PMO that acts as a lone wolf is destined to fail. It is important that there are simple, fluid communication channels to ensure that everyone is working in the right direction. Put these in place from the outset.

- ▶ **Draw up clear key performance indicators**

Having a lot of indicators does not necessarily mean having lots of information. Make sure that you not only have the right tools but also that the **KPIs are relevant to your business.**

Common roadblocks

Taking into account these factors should help you avoid the most frequent problems in the PMO process such as:

1. Not having enough support from the Board

Without explicit support from the board of directors, it's very difficult for a PMO to succeed. The organization does not understand that a PMO can actually help - or even worse - sees it as threat. Until the PMO has been consolidated and fully incorporated in the business, having support from the board is extremely important.

2. Acting as a law enforcer

A common problem in PMOs is the risk of becoming an enforcer of the processes, instead of being the source of support and guidance. If the PMO merely acts as the policeman of the organization, then stakeholders will not seek help or accept its role.

3. Lacking a framework or methodology

It is relatively common that PMOs start with the efforts of a small number of motivated people, but without any tangible methodology. Project management is a science - or an art, depending on your view - in itself. Only experienced managers opera-

ting within the correct framework can minimize risks.

4. Not matching offer with demand

If the PMO and its services do not match the needs of the organization but rather focuses on its own agenda, then this constitutes a major problem. The PMO risks being dismantled or dismissed.

5. Implementing a tool without a process, or a process without a tool

In the average organization, processes and tools go hand in hand. Implementing one without the other is not feasible, since the tool enables the process and the process is transmitted through the tool.

B

Embedding the PMO

Let's get started! We're going to go through the main milestones and their corresponding functional modules to set up a solid PMO consistent with our design.

Remember everyone's starting point is different. Whether or not you have signed up to ITM Platform the following steps are going to be useful.

Defining a framework

Each business manages their projects following a specific framework that should be clear and shared by the entire organization. We'll guide you through **planning, implementing and disseminating your PMO framework**.

Project types

First decide what kind of projects you're running; the type of project will also govern its lifespan.

As you implement (or relaunch) the PMO it's a good moment to reflect on the variety of projects in the portfolio and possibly take time to redesign them.

A PMO can also manage operations if they consist of specific tasks that are assigned to different teams. Managing projects and operations together from the PMO is especially useful when the resources and clients involved are the same.

This is the case with software development projects, or products that require maintenance by the same team that developed the original project.

The Kanban methodology is useful for managing services because it offers an organized structure in which you can see

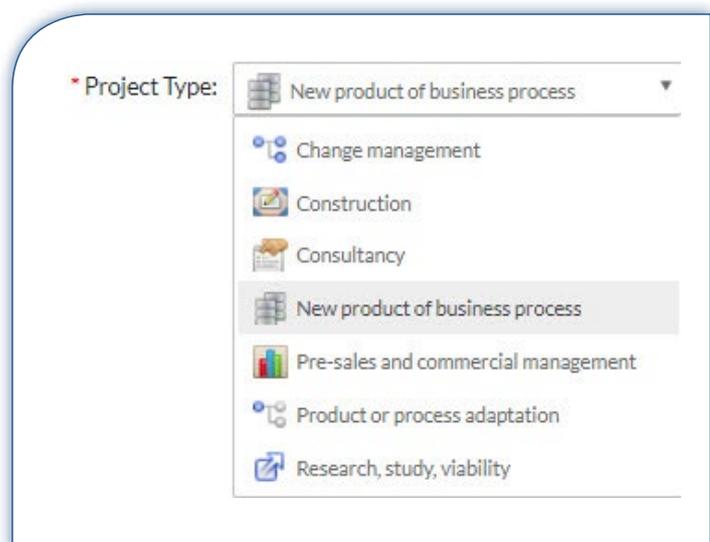
the status of tasks at a glance. More importantly it allows you to limit the flow of work according to your resources.

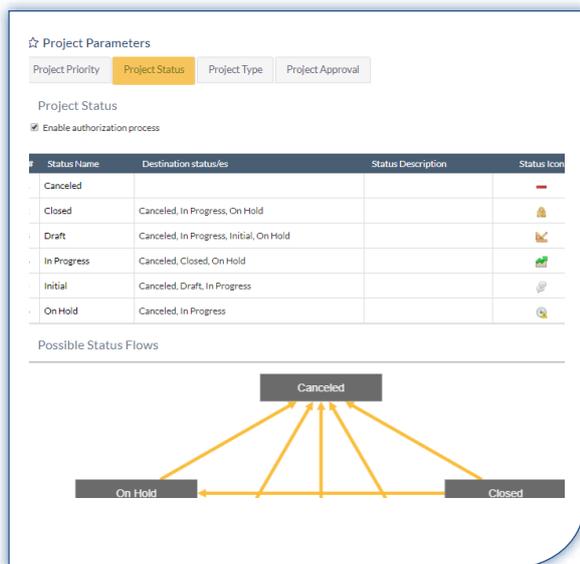
The service concept is also incorporated into ITM Platform - you can create entities for the sole purpose of managing operations.

Workflows

A workflow allows you to map out all the possible statuses that a project goes through. Make sure it is based on the business's procedures - don't be tempted to invent statuses that do not reflect the reality of the company.

The workflow is defined by two main components. The first is the changing **status of a project**. For example, we can decide that when the status of a project is designated as 'draft'





that can only be changed to 'started' or 'discarded'.

The second component to consider is the conditions for changing the sta-

i *A word of advice: do not replace the work of defining organizational procedures with a workflow. The workflow should be a conveyor belt, not a control mechanism.*

tus and who is authorized to grant permission for that change.

Make the conditions for changing statuses as simple as possible; you can always increase the complexity later, and you may even find that there is no need to do so.

Priorities

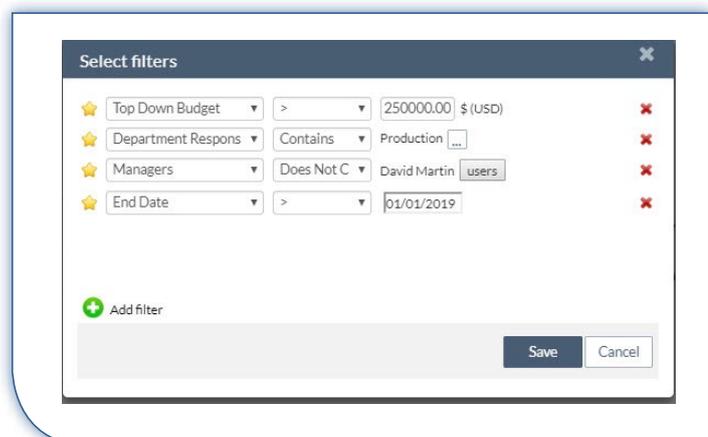
It's very easy to configure the different degrees of priority in ITM Platform, but the work of a PMO starts way before this: you have to agree what each priority means.

It should be extremely clear what "high priority" or "medium priority" means. Obviously, medium is higher than high, but does that mean that you shouldn't start with the medium priority ones until the high priority ones are finished? Should we put twice as many resources into high priority versus medium priority?

The PMO should know the actions associated with each priority and make this clear to everyone else so that the organization makes homogenous decisions.

Risks

Good project management is in essence risk management and a PMO ensures that this function happens consistently throughout the decision-making process.



Identifying risks is a tricky business as it's often subjective and affected by personal bias. The PMO standardizes procedures using criteria and tools approved by the board, backed by the project managers.

The formula $\text{impact} \times \text{probability} = \text{exposure level}$ is only useful if it leads to consistent decisions by project managers.

Waterfall or agile methodologies?

With ITM Platform both these methodologies can co-exist in one integrated portfolio as long as the PMO establishes criteria to decide on the appropriate methodology for each project.

Some organizations make all decisions – waterfall or agile – based on politics. This kind of decision making can lead to patchy results.

To determine which methodology to use the PMO should ask:

If your organization decides on agile methodologies for all projects - while at the same time demanding medium and long-term deadlines - the methodology probably hasn't been chosen on the basis of solid criteria.

- Is the result of the project relatively uncertain or are we well aware of the outcomes?
- Is the project subject to deadlines which govern the date of deliverables or is a short-term vision of all the tasks enough?
- Are sponsors and clients willing to have continual involvement in the project without knowing the final outcome? Or will they be happy to be less involved and just accept the final outcome?

☆ Project Parameters

Project Priority | Project Status | Project Type | Project Approval

Add New Priority

#	Priority Name	Priority Description	Priority Icon	Default	
1	High	Budget overrun by 20% granted.		<input type="radio"/>	✗
2	Low	Resources and budget subject to availability		<input type="radio"/>	✗
3	Normal	Stick to budget and resources allocation		<input checked="" type="radio"/>	✗
4	Urgent	Withdraw resources from lower priorities		<input type="radio"/>	✗

Project templates

One of the major benefits of a PMO is that it allows you to capitalize on knowledge accumulated from previous projects. Be sure to put mechanisms in place to recover the lessons that have been learned. That way the know how isn't lost when the project ends but can be applied later on.

Creating project-specific templates means the contents can be re-used in future projects. Another benefit of templates is to re-use frequently used structures just by changing dates and figures. It's similar to those cooking programs when the chef says 'here's one I prepared earlier'.



A good PMO ensures that the knowledge stays within an organization, and not only at the level of the individuals involved.

Planning model and economic management

Tracking expenditure and revenue flows answers one of the burning questions of every board: "How much are we actually investing in our projects?". This question often crops up when we are talking about internal, IT or transformative projects.

The planning and follow-up model should be agreed with the finance directorate and business units, so that project managers understand the parameters for action, how they should monitor budgets and use of resources.

The PMO should issue clear instructions on:

1. Which cost elements to monitor, especially in terms of hours and purchasing.
2. How to incorporate external suppliers: hours or deliverables.
3. Which metrics to use: hours, cost, profit, earned value, progress etc.
4. How frequently to measure each parameter.
5. Standardized periods for reporting working hours.
6. Measuring income and profit margins.

In the following sections we analyze these topics in greater depth, highlighting their integration into ITM Platform whenever possible.

Cost of working hours

If you require oversight of the estimated hours, actual hours worked and their cost, the module of standard costs and provider rates must be defined. Carrying out the definition in collaboration with the finance and HR departments will ensure that the project's financial management is line with the organization's policies and procedures.

ITM Platform offers a module to establish the standard cost from an abstract level down to the most detailed one:

- ▶ **General:** hourly cost of any task. Useful in the conceptual phase of the project.
- ▶ **Internal and external:** whether you use your own people or outside contractors this allows you to define the hourly cost in a generic fashion.
- ▶ **Cost per professional profile:** allows you to define the standard cost of the internal personnel for each profile, within different time-frames.

► **Provider rates:** similarly, provider rates can be fed into the system, allowing you to compare costs per person and per provider.

Purchases and acquisitions

Purchasing is one of the key activities in any company. When managed properly it enables easier planning and follow up of cash flow.

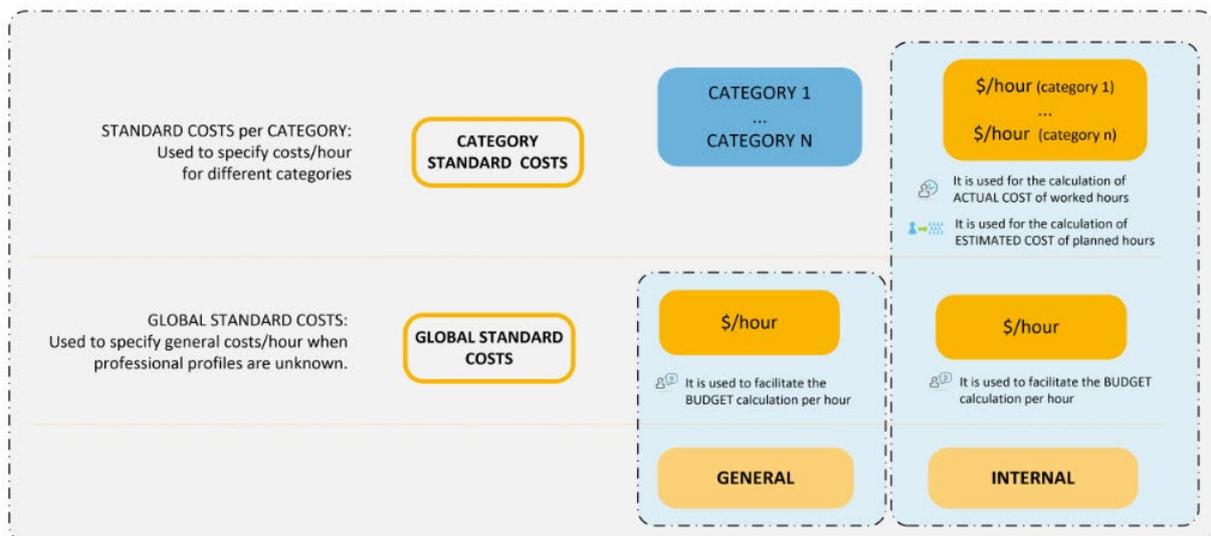
Normally, purchase management is incorporated in the early stages of maturity, typically **before** monitoring working hours. Nonetheless, it is important that projects synchronize their purchasing with the organization's financial management, so that both are in agreement.

The purchase flow is a kind of workflow and it must be linked to a procedure previously agreed with the financial and purchasing directorates, ensuring that each project's purchasing is in line with purchasing practices in general.

In addition, budget accounts grouping purchases must be used homogeneously.

Revenue

Similarly to purchasing, the classification and time management of the project revenues should be synchronized with the organization's regular financial procedures. The system will then be able to create reliable margins and client profitability.



Organization, people and documentation

The users are the ones that bring a project management system to life, either as collaborators or external consultants. It is imperative that the PMO believes, manages and offers support to all of them.

Collaborators or suppliers, everyone is a source of talent



Responsibilities

A good PMO provides a framework that helps project managers allocate resources correctly because:

- ▶ Projects frequently borrow resources from other business units.
- ▶ Assigning responsibilities haphazardly normally leads to management problems down the line.

ITM Platform offers various options to help you define the roles in each project from configuring access permissions to the specific function of every project member.

You can also assign a 'task manager' to each task. This task is now converted into a sub-project and the assigned task manager is able to follow up on it.

Organization

Integrating the company org chart into a PMO tool is a useful way to **classify and identify** projects/people/activities etc within the functional hierarchy. Later on you can also use it to **analyze outcomes**.

Capacity: planning and follow-up

Managing capacity is a task requiring the utmost efficiency. **It is crucial for the PMO find the balance between:**

- ▶ Efficient management that avoids both over-allocation of resources and non-productive time.
- ▶ The competing demands of business units and cross-unit projects vying for a limited pool of resources.

Managing capacity should be linked to demand management. Frequently, over-allocation of resources is a sign that you cannot keep up with demand.

The PMO should have the means to identify this situation and the power to fix it.

ITM Platform offers an excellent module that allows the PMO to plan globally, while analyzing individual capacity and availability.

Whatever its responsibilities are, at the very least the PMO should offer a long-term view of the demand on resources and raise a red flag when imbalances are detected.

Projects & Services	21-12-2018 to 27-12-2018			28-12-2018 to 03-01-2019			04-01-2019 to 10-01-2019		
	Demand	Allocated	Gap	Demand	Allocated	Gap	Demand	Allocated	Gap
75% TOTAL DEMAND 655:48H TOTAL ALLOCATED 489:08H	74%			71%			64%		
▶ New product line	66:28	66:28	0:00	24:03	24:03	0:00	20:01	20:01	0:00
▶ Winter promotion	30:31	30:31	0:00	58:31	58:31	0:00	40:00	40:00	0:00
▶ Local 180 purchase	0:00	0:00	0:00	0:00	0:00	0:00	0:00	0:00	0:00
▶ Customer service	33:20	0:00	33:20	33:20	0:00	33:20	33:20	0:00	33:20

Professional categories/Users	21-12-2018 to 27-12-2018			28-12-2018 to 03-01-2019			04-01-2019 to 10-01-2019		
	Capacity	Allocated	Availability	Capacity	Allocated	Availability	Capacity	Allocated	Availability
▼ Engineer (Internal)	120:00	63:09	56:51	120:00	22:20	97:40	120:00	17:06	102:54
▶ David Martin Production Manager	40:00	50:59	10:59	40:00	4:15	35:45	40:00	3:51	36:09
▶ Team Member Analyst	40:00	9:39	30:21	40:00	13:50	26:10	40:00	9:24	30:36
▶ Travis Orellana Production Manager	40:00	2:31	37:29	40:00	4:15	35:45	40:00	3:51	36:09
▶ New product line		2:31			4:15			3:51	
▼ Account Manager (Internal)	40:00	7:45	32:15	40:00	11:05	28:55	40:00	6:40	33:20
▶ Victoria Snelling Sales Manager	40:00	7:45	32:15	40:00	11:05	28:55	40:00	6:40	33:20

It is crucial to define the PMO's role in assigning resources.

Communication

If people are the beating heart of project management then communication between them makes project management possible.



The PMO's role is to set up formal communication channels, and to promote and facilitate informal communication between collaborators.

Formal communication is related to following up on tasks; it involves specific channels to help team members learn the status of projects and tasks.

The PMO has to define key moments when relevant information will be delivered to stakeholders, with the PPM system as the backbone of this process.

Within ITM Platform you have an alert system based around messages that can be adapted to each organization. For the sake of clarity, the PMO ensures that the messages reflect the priorities and language of the organization.

- ▶ **Formal communication** ensures that the required information is delivered to the relevant people in a timely fashion.
- ▶ **Informal communication** enhances

efficiency, enabling team members to discuss and deliver information with all the background at their fingertips.

The social communication system within ITM Platform means you always have the background. It's not just for sending messages, but also creates a log that can be reviewed and used as a learning tool.

Documentation

Whether it is a task, risk or purchase, every element of every project can generate its own support documentation.

The PMO has several roles when it comes to documentation. The main priority is to reinforce clear management, standardize procedures and ensure that information is properly used.

- ▶ Defining which documents are indispensable, when they should be created and to what entity they should be assigned.
- ▶ Defining documentation formats, in coordination with other business units.
- ▶ Offering an access system to templates and supporting documents, as well as the procedures to use them.

Governance and management models

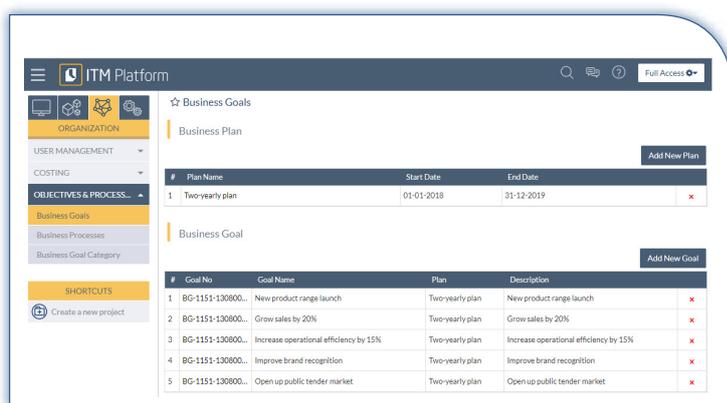
Once the operational and general project management phases are achieved, the PMO can incorporate **strategic assignments** that connect portfolio management with long-term planning and goals.

We will start by outlining the strategic components because they are the guiding compass of a PMO. We will end with the governance and management models.

Plans and objectives

If the organization has a strategic plan, this process is extremely simple: you should only insert the objectives in the "OBJECTIVES" section within ITM Platform.

If it doesn't, this is a good opportunity to create one, since ordering the prio-



The screenshot shows the ITM Platform interface with a sidebar on the left containing navigation options like ORGANIZATION, USER MANAGEMENT, COSTING, OBJECTIVES & PROCESS, Business Goals, Business Processes, and Business Goal Category. The main content area is divided into two sections: 'Business Plan' and 'Business Goal'.

Business Plan Table:

#	Plan Name	Start Date	End Date
1	Two-yearly plan	01-01-2018	01-12-2019

Business Goal Table:

#	Goal No	Goal Name	Plan	Description
1	BG-1151-130800...	New product range launch	Two-yearly plan	New product range launch
2	BG-1151-130800...	Grow sales by 20%	Two-yearly plan	Grow sales by 20%
3	BG-1151-130800...	Increase operational efficiency by 15%	Two-yearly plan	Increase operational efficiency by 15%
4	BG-1151-130800...	Improve brand recognition	Two-yearly plan	Improve brand recognition
5	BG-1151-130800...	Open up public tender market	Two-yearly plan	Open up public tender market

rities of a project portfolio is contingent upon having a clear, defined and shared strategy.

Prioritization and strategic alignment

A formal strategy helps shape the project selection process through **strategic demand**.

By prioritizing both objectives and projects within ITM Platform, one can determine the value of each project and submit them for approval.

Prioritization is a golden opportunity for a strategic PMO to align the project portfolio with the objectives set by the board of directors.

Prioritizing objectives comes first and is normally the responsibility of the managing board. Nonetheless, this can also be coordinated by the PMO.

The aim of this step is to organize business objectives (or criteria, when talking about non-for-profit organizations) by assigning them a value from zero to a hundred.

There are several methods that allow you to eliminate biases whenever possible.

As shown on Figure 3, ITM Platform offers a pairwise-comparison system, in which all the objectives are compared on a 'all-against-all' basis. The final result scales and ranks objectives.

Prioritizing projects is carried out in a similar fashion, although normally by a different team. The goal is to evaluate the contribution of each project to each objective.

Figure 4 shows a qualitative methodology (Harvey Balls) to assess projects and objectives, allowing you to derive a visual score.

Selecting projects

Using these tools we can create an intelligent filter for demand that will end up being represented on an agile portfolio. The main goal of this methodology, explained in more detail in [White Paper on project-based management](#), is to rationalize project demand through long-term planning.

The selection scheme starts with demand (ideas or initiatives) that need to be evaluated based on their individual value, using one of the previously mentioned techniques. This will allow you to filter the projects that yield a

greater cost-benefit.

The initiatives approved will be transferred to a backlog that feeds the living portfolio.

Best practice is when the PMO steering group is involved in planning and follow up in tandem with the board.

ITM Platform has a prioritization and selection module for components (projects or services) that enables decision-making. It uses elements like scenarios and what-if analysis, the **efficient frontier** in which you can see the optimal combinations between cost and value, or **objective coverage**, according to the relevant selection.

This figure shows the strategic alignment module present in ITM Platform.

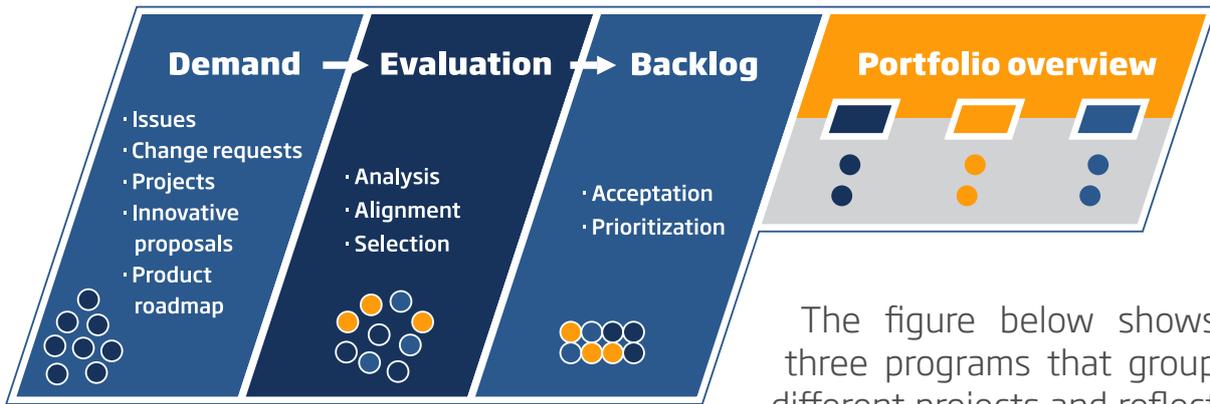
Component Prioritization based on Business Goals for "Optimistic - 110% sales" Scenario

For each component, please enter the numerical importance over(100%)(do that for every business goal)

	Open up public tender market	Grow sales by 20%	New product range launch	Improve brand recognition
New product line	●	●	●	○
New flagship product	●	●	●	○
Spring campaign	○	○	○	●
Winter promotion	○	○	○	●
Customer service department	●	○	○	●

The portfolio can also be organized by **programs** which are higher-level management units. These allow you to:

- create unique management units linked to business goals.

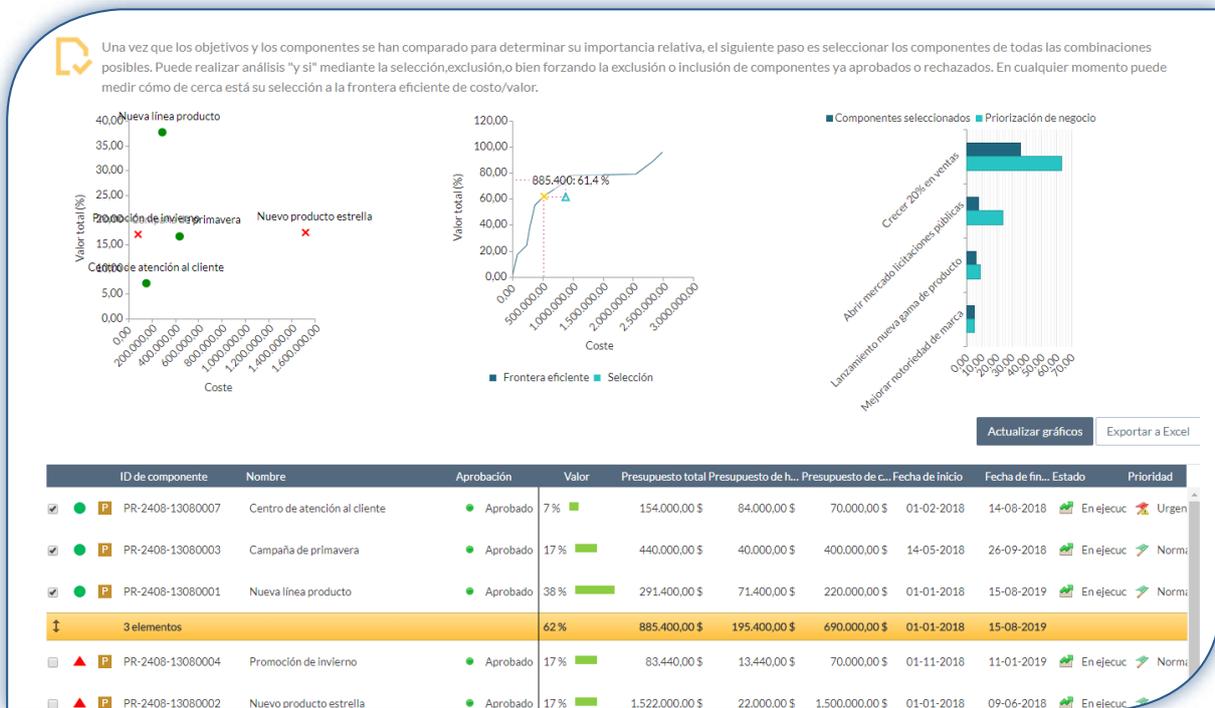


The figure below shows three programs that group different projects and reflect cross-departmental strategic

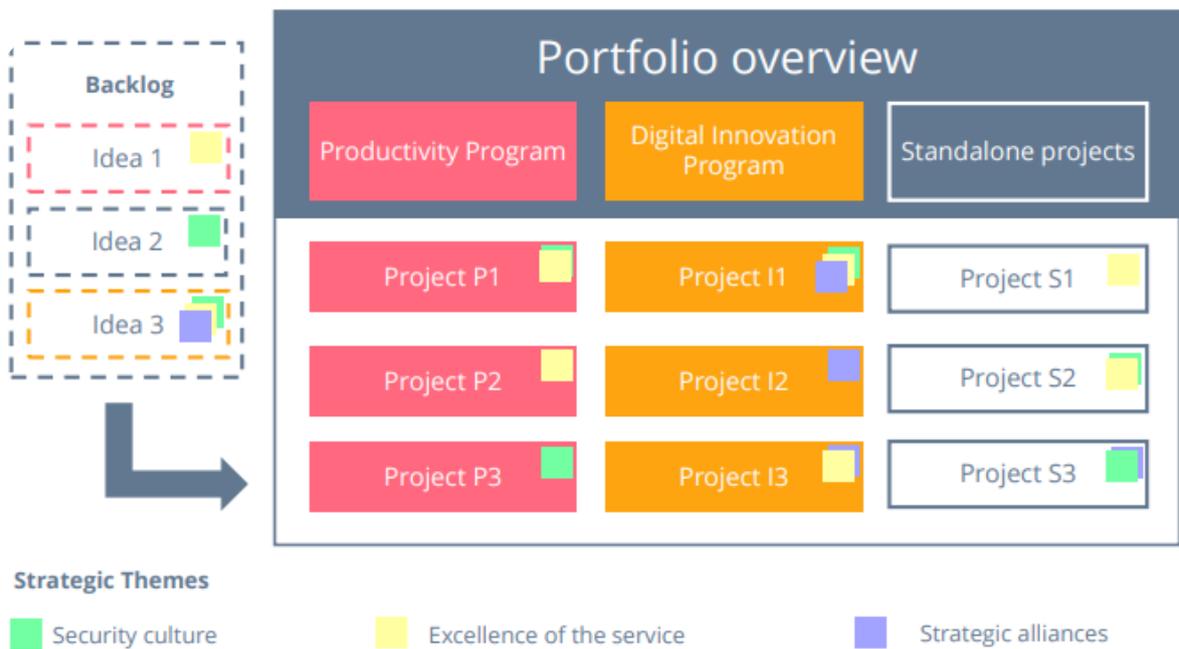
- manage budgets at a higher hierarchical level than the project itself.
- generate scenarios that may yield different outcomes depending on changes in the environmental variables.

themes.

The previous steps highlight the value contribution of each project and the resource impact that this selection will have.



This figure shows the strategic alignment module present in ITM Platform.



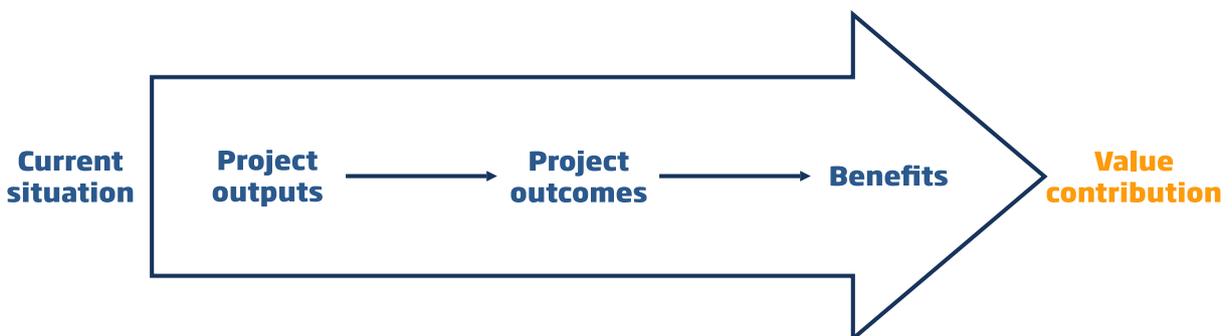
Benefit realization management-

The benefits of the outcome of a project (or of a program of projects) are the combination of the results and the effects of that outcome in the business:

The ultimate objective of a strategic PMO is benefit realization management or simply put value management. Quite frequently, **benefits from several**

projects combined, or from a program of projects. Therefore, the organizational benefits go far beyond the individual project and its manager.

Some organizations appoint benefit realization managers to promote this. An alternative idea is to **empower project managers themselves to follow up on their projects after the deliverable date.**



EMBEDDING THE PMO

This is a simple way to ensure that project managers understand their mission in the most global sense: how it really benefits the business.

Integrations

ITM Platform's Integrations



In an efficient organization, everything is connected: people, projects and information systems form a relationship ecosystem that is fully reflected in a PPM tool.

ITM Platform offers a complete range of integration possibilities between systems and people. It is a good idea to offer workshops on this topic so that team members are aware of the tools available. Otherwise they may well ignore them.

Generally, there are four complexity levels - and therefore, four possibilities - to integrate systems:

1. Standard connectors delivered by ITM Platform to connect, for example Jira from Atlassian Software with ITM Platform, or import files from MS Project.
2. Generic connectors that allow you to integrate ITM Platform and several other apps, through Zapier.
3. Connectors with analytic systems like Power BI, Qlick or even

MS Excel, capable of reading, in real-time, the data stored in ITM Platform and create graphical representations of such information.

4. Lastly, the most powerful and flexible connector, is to use ITM Platform's API that can virtually connect any system with the project management. For example, you can connect clients with CRM or invoicing with ERP.

Integration does not just mean connecting programs with each other, but also the people that use them, ensuring that the relationship with ITM Platform is simpler and easier.

1. Teambot for Slack - When connected with Slack, this bot allows for the team members to perform multiple tasks in ITM Platform without leaving their favourite working environment. For example, reporting working hours or knowing which tasks are pending for today.

2. Teambot for e-mail - Teambot is useful in many situations, and probably the most accessible one is via e-mail. Everybody has an e-mail account! All you have to do is to send an e-mail and teambot@itm-platform.io will reply with the content you need.

The PMO has to supply these artifacts, but also engaging team members in periodic workshops in order to leverage their value.

4

Why choose ITM platform

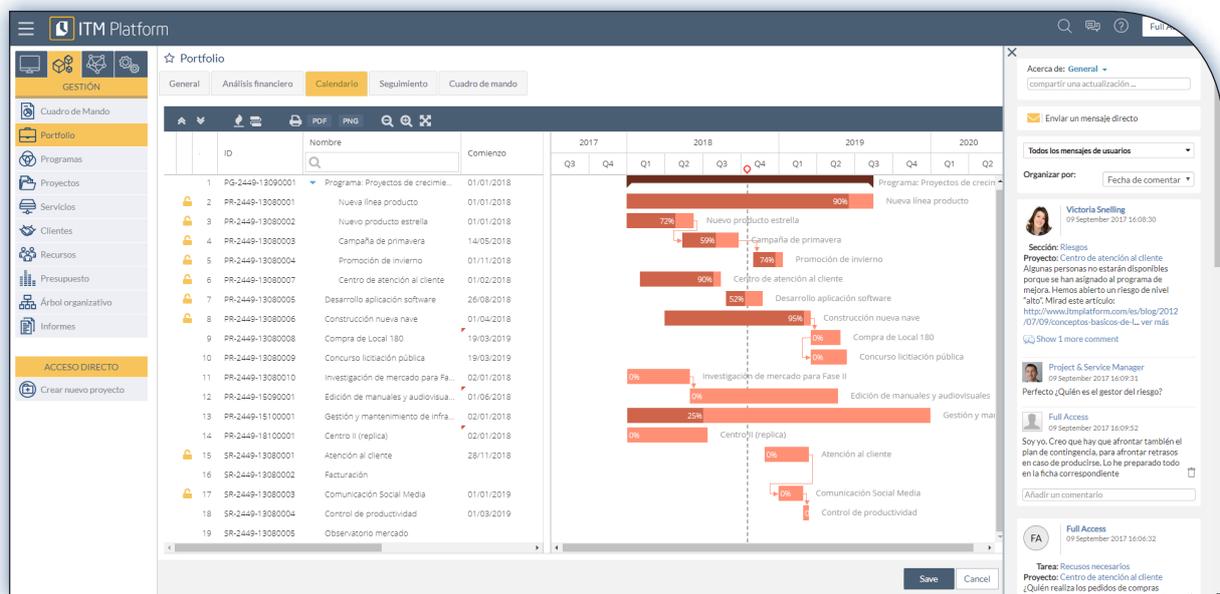
ITM Platform is a unique solution to support the planning and creation of a PMO both at the corporate and departmental level.

¿Why choose ITM platform?

- ▶ Enables a complete range of features, from project management to strategic planning.
- ▶ Easy to use. ITM Platform's navigation system guides the user through and smoothens the learning curve.
- ▶ Quick configuration. ITM Platform does not need long and pricey configurations, despite being completely adaptable and customizable.
- ▶ Quick ROI: ITM Platform adds value way beyond their cost and is, without a doubt, the market leader.

Please request a personalized demo at info@itmplatform.com

Please follow ITM Platform's blog: <https://www.itmplatform.com/en/blog/>



References

Desouza, K, and Evaristo R. (2006) "Project management offices: A case of knowledge-based archetypes" International Journal of Information Management, Volume 26, Issue 5, Pages 414-423

Hobbs, B., and Aubry, M. (2007). "A multi-phase research program investigating project management offices (PMOs): the results of phase 1." Project Management Journal, Vol. 38, No. 1, pp. 74-86.

Pemsel, S., & Wiewiora, A. (2013). Project management office a knowledge broker in project-based organisations. International Journal of Project Management, 31(1), 31-42.

Ing. Fco. Javier González Martínez, PMP, MCP, SCM™, SDC™, SPOC™, STC™, SAMC™, QA Audit, ITIL Certified Socio Fundador Kinectara® Consultoría "Importancia de la Administración del Portfolio de Proyectos" "PMO vs PMP" (2017 - 2018)

Pinto A., M, De Matheus Cota, M., and Levin G. (2010). "The PMO Maturity Cube, a Project Management Office Maturity Model". PMI Research and Education Congress 2010, Washington D.C., USA



Turn your organization into a competitive machine