ALTERNATIVES TO A PMO

THREE COMMON ALTERNATIVE CONCEPTS THAT SOME ORGANISATIONS MAY ADOPT IN PLACE OF, OR PRIOR TO, A PMO ARE THE PROJECT SUPPORT OFFICE, OUTSOURCED PMO OPERATION AND THE PROJECT MANAGEMENT COLLECTIVE
ALTERNATIVES TO A PMO

An organisation that is considering a PMO may look for alternative ways to manage their projects before implementing a fully-fledged Project Management Office. These solutions may be a deliberate step in a PMO maturity plan or may just naturally come into being.

Three common alternative concepts that some organisations may adopt are:

• The Project Support Office
• Outsourcing PMO operations
• The Project Management collective
THE PROJECT SUPPORT OFFICE

What is a Project Support Office?
A Project Support Office (PSO) is either a temporary or permanent organisational group that provides services to support project teams that are responsible for a specific portfolio of projects.

The PSO usually operates at departmental level and is focused on providing support, improving quality and maintaining existing processes and standards.

Benefits of a Project Support Office
A PSO is a good at providing tactical project support to key projects at departmental level, however for a PSO to evolve into a PMO role, it needs to widen both its supply and demand responsibilities.

It can develop to have greater involvement in business cases and the delivery of project benefits, and can perform a more significant role in coordinating the use of resources across projects and so contribute to portfolio management.

Limitations
Although the PSO is a good first step in providing project support it differs from the PMO that is established to work across the whole organisation in-line with business strategy.

It tends to lack the strategic input of a PMO and has less influence on change.

OUTSOURCING

Outsourcing
Some organisations consider outsourcing their PMO function to companies that specialise in this particular area.

Benefits of outsourcing
Outsourcing to experts has clear benefits to an organisation. Set-up times are minimal and the organisation is provided with experienced consultants/PMOs either on or offsite. Cost savings are usually seen as one of the lead benefits of this solution.

Dashboards, templates and reporting standards from an outsourcing company will usually be exceptionally good as they are driven by the PPM software that the outsourcer is using. As the PMO/Consultant is already trained in the software they can usually identify what will work best for your organisations particular scenario and processes.

Outsourcing can reduce the problems associated with ‘organisational memory loss’ – knowledge of tools, systems and processes leaving the business through staff turnover.
OUTSOURCING (CONTINUED)

Limitations
Potential problems to outsourcing are data confidentiality risks and tensions between internal project teams and external consultants in the way that the PMO is being operated.

As PMO’s are set-up to deliver business strategy there is a strong argument for them to be placed within the organisation.

An organisation considering outsourcing must choose the vendor carefully. There will be tactical, strategic and cultural risks that must be considered and mitigated – what might be right for you now, might not be the best solution a year down the line.

The softer skills involved in Project Management become very important in this scenario.

THE PROJECT MANAGEMENT COLLECTIVE

The Project Management collective isn’t necessarily an alternative to a PMO, but it is something that happens within project teams before the need for a PMO has been identified.

The Project Management collective is usually made up of internal Project Managers, Business Analysts and consultants. In some cases there may be a Programme Manager who has responsibility for a number of projects usually across the department.

Limitations
This type of set-up can lead to inconsistencies in processes, templates, project methodology and best practice. This solution can also be influenced by the ‘person who shouts loudest’ and my personal agendas. The collective makes best practice had to establish and maintain.

As projects get more complex and the project portfolio grows the need for a more mature solution, a PMO, is often identified.
SUMMARY

We know that the Project Management Office (PMO) can be vital in providing the organisation with a framework to manage diverse projects, complex budgets and resources in-line with business strategy.

However there is no one size fits all solution and each of the above solutions reflects a different stage of the maturity curve. The solution that is right for you has to be defined in the context of your own organisation's maturity.