The PMO as a Service Provider

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"A believer is like a bee, eats good and puts good, and wherever it lies it doesn't break or damage."

Mohammad (PBUH)

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Abstract

In this paper, I will show how the Project Management Office (PMO) can be viewed as a service provider, and in turn how service management concepts can be applied on the PMO to provide its services to the intended customers. I draw from ITIL and other service management best practices, showing how this can be applied in implementing and providing the PMO services regardless of the specific industry of the projects being implemented by the organization that the PMO is servicing, whether IT projects or others. I will first discuss the PMO services, and creating a service catalog for the PMO. Then the discussion moves to the Service Level Agreement (SLA) for the services provided by the PMO. Each of the stages of the service lifecycle as defined in ITIL service management framework will then be addressed as applied on the PMO services, starting from service strategy, design, transition, operation, and continual service improvement of the PMO services. An example for the PMO Service Catalog is provided in Appendix 'A', and an example for the PMO SLA is provided in Appendix 'B'.

Keywords: *PMO, ITIL, Service Management, Service Provider, Project Management, Project Management Office, Service Lifecycle*

Introduction

The Project Management Office (PMO) can be generally defined as an organization that acts as custodian of project management by performing certain roles and functions in support of the vision of the bigger organization. As such, the PMO can be viewed as a service provider of some sort of project management services to specific internal customers. It follows that service management concepts and best practices are applicable on the PMO activities as a service provider organization.

Looking at the PMO as a service provider and applying service management concepts on it should result in more streamlined and directed service provision, enhanced value realization, and achieving customer satisfaction of the PMO customers and suppliers, which eventually means meeting the PMO objectives successfully.

Despite that the form, structure, and functions of the PMO are not standardized among organizations and can vary widely based on the purpose for which the PMO is established, the nature of service provision is common, aside from the specific services and scope.

Application of service management concepts on the PMO will depend on the specific structure and functions of the PMO. It is essential to understand who are the PMO customers receiving the PMO services. Where the PMO is located in the organization, whether project managers report to the PMO head directly as part of the PMO organization itself or report to their departmental managers outside the PMO organization, and who leads the PMO and their rank in the organization, are all factors that will guide how service provision can be managed.

Although service management literature usually talks about IT service management, many of the concepts and best practices, like in ITIL and ISO 20000, are of generic nature and can be adopted for non-IT services. Thus, our discussion is not industry-specific, and it addresses PMO services regardless of the type of projects performed by the organization which the PMO serves.

PMO Services

Service Definition

The service is defined as: "A means of delivering value to customers by facilitating outcomes customers want to achieve without the ownership of specific costs and risks." [2] & [3]

From this definition, and depending on the functions assigned to the PMO, we can identify the collection of services the PMO provides to the internal organization. Typical PMO functions can be put in broad categories including but not limited to:

- Monitoring and Controlling Project Performance
- Development and Continual Improvement of Project Management Competencies and Methodologies
- Direct Project Management
- Strategic Planning and Management
- Organizational Learning and Organizational Assets Management

Specific services under these categories should then be defined and articulated with descriptions to be ready for communication to customers and further design and delivery activities.

Service providers can be of several types, including internal for single business unit, shared among several business units, or external, depending on what kind of services being provided to which customers. The PMO is considered an internal service provider, possibly shared amongst several internal business units in the overall organization. It provides internal services to internal customers, who are the other business units in the organization, and potentially collaborating with internal suppliers (e.g. logistics departments) and/or external suppliers (e.g. consultants).

In some cases, the PMO may be acting as an interface between the project customers (who are customers of the overall organization) and the internal project performing units. This can be regarded as one of the services performed by the PMO on behalf of its customers (the internal units), while these external customers are not regarded as customers for the PMO itself. In this case it resembles a call center that interfaces with its customers' customers.

Service Catalog

The service catalog is defined as: "A database or structured document with information about all live services, including those available for deployment." [3]. It is mainly the listing of all services that is intended to enable customers to identify the services that will be of value to their needs, and acts as a communication means between the service provider and customers.

Creating a PMO Service Catalog should enhance mutual understanding between the PMO and other business units (customers), and help these customers to understand the role and value of a PMO unit in the organization. The catalog should provide service descriptions in business terms that are easily perceived by the customers, not technically specialized terms.

An exemplar PMO Service Catalog is provided in Appendix 'A'.

PMO SLA

According to ISO 20000-1:2011, a Service Level Agreement (SLA) is a documented agreement between the service provider and customer(s), that identifies services and service targets. [2]

The SLA can cover multiple services and/or multiple customers in a single agreement. For example, one service can be governed by a standard agreement as it is provided to several customers, or a number of services can be governed by a single agreement with a specific customer to whom this collection of services is provided.

Service targets typically addresses aspects including but not limited to:

- Availability terms: the service is available to customers when required, according to agreed and planned up and down times.
- Capacity terms: there are enough resources to carry on increased workloads and demand on the service.
- Continuity terms: making sure that any major unknown unknowns affecting the service can be handled with recovery and continuity plans.
- Incident management terms: how incidents of different priorities are handled, in how long duration, and acceptable range of mean time between failures.
- Change management terms: the procedure for raising change requests, and the basis for accepting/rejecting them and managing implementation.

Depending on the organization structure and PMO assigned functions, the PMO may create a standard SLA for each service or each category of services it provides to any business unit, or may create a specific SLA for each unit in arrangement with this specific unit based on their needs and required support from the PMO for the type of projects performed by that unit. The PMO should make sure that it possesses or can acquire enough resources to cover demand whenever needed, and should secure relevant supporting agreements with any supplier(s) that may be deemed necessary to be enabled to provide the promised service commitments.

An exemplar PMO SLA is provided in Appendix 'B'.

PMO Service Strategy

Service strategy is different from strategic management functions that are provided by the PMO. These strategic management functions (usually part of portfolio management activities performed by the PMO) are by themselves a kind of services provided by the PMO. Service Strategy is a stage in the service management lifecycle, that is applied to all services provided by the services provider. Service strategy for services is similar to strategic management and portfolio management for projects.

In the service strategy stage, the PMO decides whether a certain service (newly proposed or a major change to an existing service) is in alignment with the PMO strategic objectives, which should in turn be already in alignment with the business strategic objectives of the overall organization. Services are evaluated, assessed, and filtered in the service strategy stage, and may be accepted, rejected, or discontinued.

At the time of PMO establishment, the service strategy and various factors determining service evaluation and selection and value realization will be defined. As the PMO evolves, it will adapt its strategy as business and market circumstances change, and as it continually improves its processes and operations.

PMO Service Design & Transition

Services once approved for inclusion as an output from the Service Strategy stage, are then moved to the design and transition stages. In the design stage, the service is designed and all aspects of operating the service later are taken in consideration so that it is ready to be implemented and then actually operated. In the transition stage, the design gets implemented, tested, and deployed in the live environment ready for switch on to be operated.

The PMO does most of this work during establishment of the PMO itself, since most services and tools to be used by the PMO after launch are actually developed during establishment. The PMO establishment broad steps can be summarized as shown in this gure from [1]:
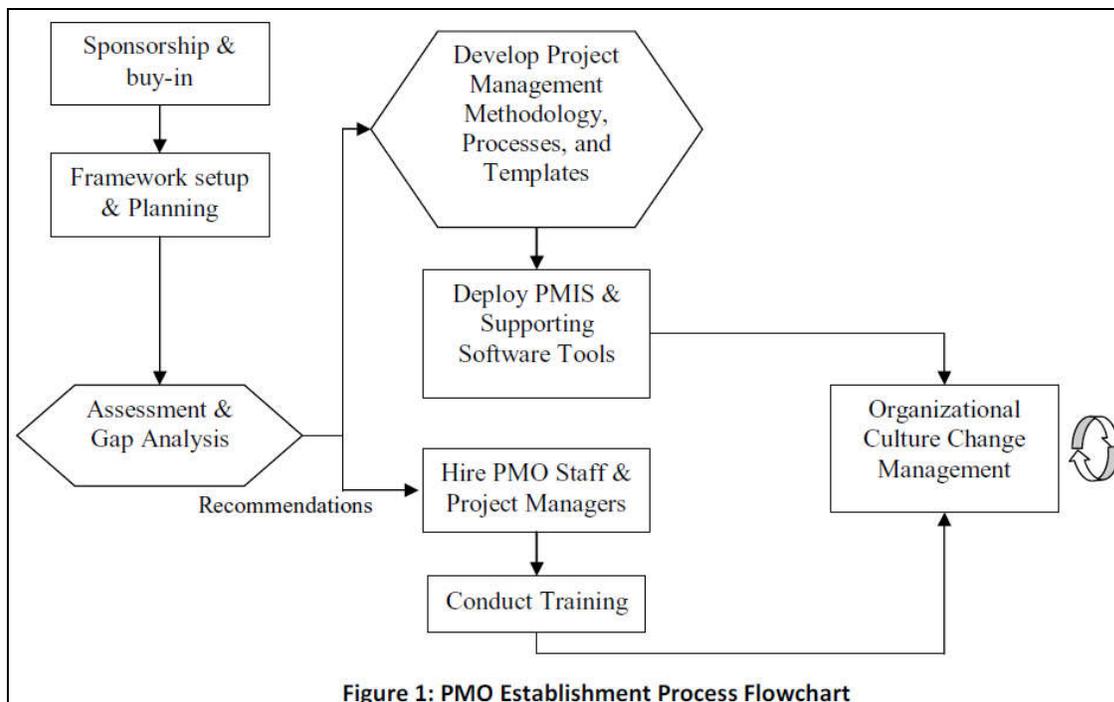

Figure 1: PMO Establishment Process Flowchart

However, as the PMO progresses in its operation after launch, the design and transition stages are revisited for newly approved / changed services as an output from the service strategy stage evaluation and filtering.

PMO Service Operation

Service Operation is the longest stage in the service management lifecycle, usually expected to be of unlimited duration or lifetime once the service is live. The Service Operation stage starts once the service has been transitioned to the live environment and accepted by the customer. Depending on the agreement with the customer and type of service, the service provider may be expected to continually provide support to the customer as long as the service is live.

The PMO enters into the operation stage once launched after establishment, as all services provided by the PMO are now live and ready for delivery. Services provided by the PMO remain in the operation stage until retired for any reason as determined by the Service Strategy activities. During operation, any service can be changed based on approved change requests, and support requests related to these services can be received from customers at any time, typically through the PMO Service Desk.

Service Desk

A service desk is the service provider's interface to customers, who receives the service provider's services. As a service provider, the PMO can employ a service desk to receive tickets of incidents and requests, in the form of calls or online reports, from its customers. For a PMO, examples of tickets received at the service desk may include issues related to customizing the project management methodology, troubles in using the PMIS, requests for information on how to develop a certain template or whether one exists, improvement recommendations, and similar concerns.

The size and structure of the service desk varies largely among service providers, depending on the extent of customer regions served, size of operations, and services provided. The PMO Service Desk can be structured following the structure of the PMO itself. In case of a central PMO with various sub-PMOs (e.g. geographical), the PMO leadership may prefer to adopt a central service desk with other local service desks, or may decide to use a virtual distributed 24x7 service desk.

Support teams should include project specialists and advisors, which may include external consultants contracted by the PMO as external suppliers of supporting services, or technical support for tools like the PMIS, possibly covered by the tool vendor.

PMO Continual Service Improvement

In the service management lifecycle, continual service improvement is an overarching stage, that actually covers improvements in all service aspects and all service management processes in any other stage, including this stage itself.

Continual improvement is a mindset more than a process. At all levels of the organization, everybody should be prepared to identify and raise any potential improvement opportunity anywhere in the organization.

Measurements and metrics are at the core of continual improvement efforts. Performance metrics and KPIs are defined to monitor various aspects of a service or a process, to discover any existing issues and resulting improvement opportunities to eliminate or proactively prevent problems.

For the PMO, continual improvement is already preached by the PMO and disseminated across the overall organization as part of the PMO mission in organizational project management. The PMO should also be applying this thinking to its own services and operation.

Maturity Assessment & Improvement

To perform continual improvement practices, the PMO may make use of maturity models that enable the PMO to perform maturity assessment and improvement of organizational project management activities, for the PMO itself and across the overall organization.

Most well known organizational project management maturity models include the Organizational Project Management Maturity Model (OPM3) from PMI, whereby proprietary specialized tools are used to apply the model to assess the current maturity score of organizational project management (OPM), covering the domains of project, program, and portfolio management, and identify gaps between the current practices in the organization and the targeted set of practices to achieve the desired business objectives. Based on the assessment results, an improvement plan is developed to fill gaps and increase maturity. The assessments and improvements should be repeated over time in continual improvement cycles.

References

[1] How to Establish a PMO, Rania Al-Maghraby, PM World Today eJournal, May 2011.

[2] ISO20000-1:2011 – Service Management System Requirements, ISO, 2011

[3] ITIL Foundation Handbook, TSO, 2012

[4] OPM3, Third Edition, PMI, 2013

Appendix 'A'

PMO Service Catalog Example

A service catalog can be automated by a software tool which utilizes a database backend and provides a user friendly interface to manage and publish the catalog. Otherwise, simple manual means can be used, like tables or organizers, to serve as the service catalog. The following is a simple example of general PMO catalog contents.

Service Name	Description	Request Method	Requester Authority	Support Contact	Prerequisites / Remarks
PM Training	Training provided to the business unit project managers and team members.	Select from list of available training courses on the intranet.	Project, Program, or Portfolio Managers / Department Heads.	PMO Service Desk Ext. 1234 Option 5	As defined for each training course.
PM Methodology Orientation	Orientation session to new project managers and other concerned staff on how to access and implement the PM methodology provided by the PMO.	Open ticket through the Service Desk.	Department Heads	PMO Service Desk Ext. 1234 Option 3 Consult the PM methodology online help manual.	Orientation sessions are organized for groups when sufficient requests are received at irregular intervals.
Direct Management of a Project	Delegating the PMO to manage a specific project on behalf of a department that doesn't employ project management professionals directly.	Open ticket through the Service Desk. Explain project scope and high level requirements.	Department Heads	PMO Service Desk online self-help portal.	Approval will be pending negotiation of SLA terms with the concerned department.

Appendix 'B'

PMO SLA Example

In this example, we assume a standard SLA covering a single service for all customers. As discussed earlier, SLAs can be of various structures, covering multiple services and/or multiple customers.

Training Service Standard Agreement

The following terms cover the PMO provisioning of training services to requesting departments.

I. **Customer Responsibilities:**

    a. The requesting department is responsible for making sure the specified prerequisites for the requested training are met and that all of the candidate trainees are aware of the prerequisites.

    b. The requesting department is agreed to cover the training expenses, as determined and agreed for each specific training, from their annual budget through an internal transaction managed by the finance department.

    c. The requesting department is responsible for assessing the trainees knowledge after training and provide the PMO with a report on the training effectiveness.

II. **PMO Responsibilities:**

    a. The PMO is responsible for making all possible efforts to provide quality training at the agreed timeframe, and to provide appropriate training facilities within the organization guidelines.

    b. The PMO is responsible for procuring an external training provider for training courses that are not currently ready to be provided by the PMO support staff.

Continued . . .