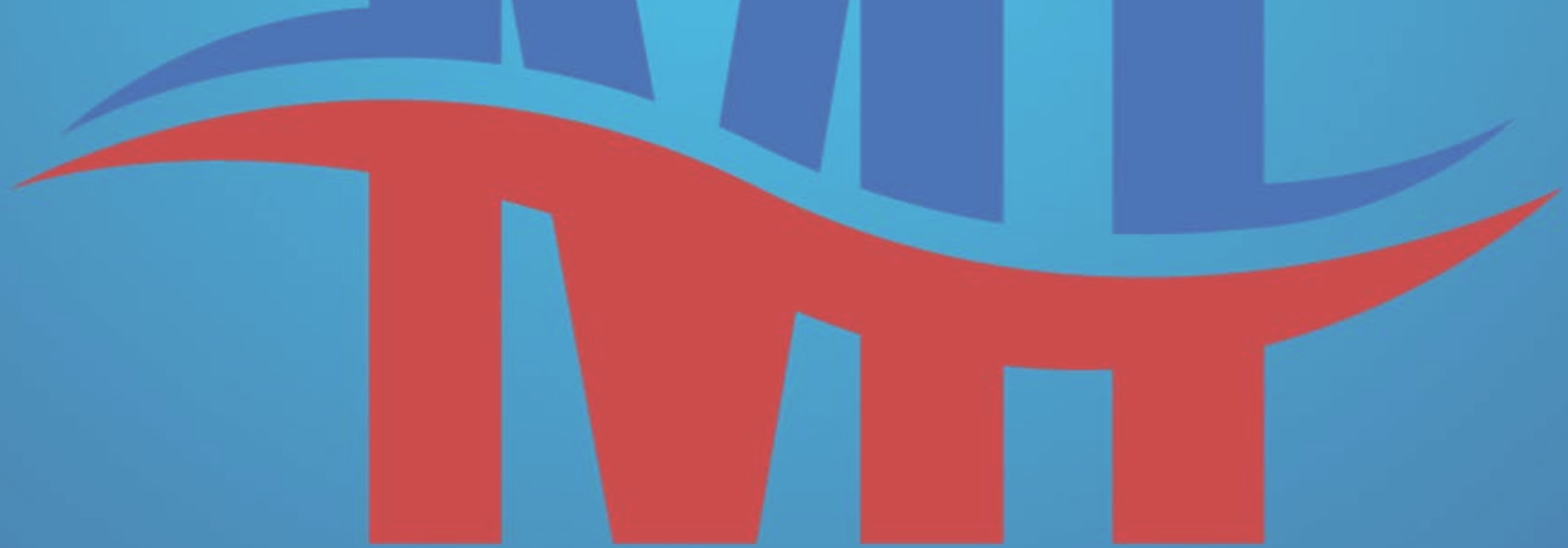


# Mana'olana International, LLC (MI)



*Applying practical solutions to today's complex business problems*

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# The Virtual Project Management Office (VPMO)

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# Agenda For Today's Presentation

## Project Management Offices (PMOs) and the Virtual Environment

- Introduction to the PMO
- What Do PMOs Do?
- PMO Structures and Types
- Virtual Project Teams
- The Need for a Virtual PMO (VPMO)
- Building the Business Case for the VPMO
  - Champion/Stakeholder Support
- Best Practices for a Successful VPMO Implementation

## Behavioral/Soft Issues & Best Practices for Each

- Trust
- Change
- Culture
- Communication

## VPMO Training and the Future

- Training
- Looking Ahead/Food For Thought

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# Project Management Offices (PMOs) and the Virtual Environment



## Project Management Offices (PMOs) and the Virtual Environment

### What is a Project Management Office? (PMO)

- ⑩ According to *Project Management Body of Knowledge (PMBOK)*
- ⑩ **An organizational body or entity assigned various responsibilities related to the centralized and coordinated management of those projects under its domain. The responsibilities of a PMO can range from providing project management support functions to actually being responsible for the direct management of a project.**
- ⑩ **(Project Management Institute 2008, p. 435)**



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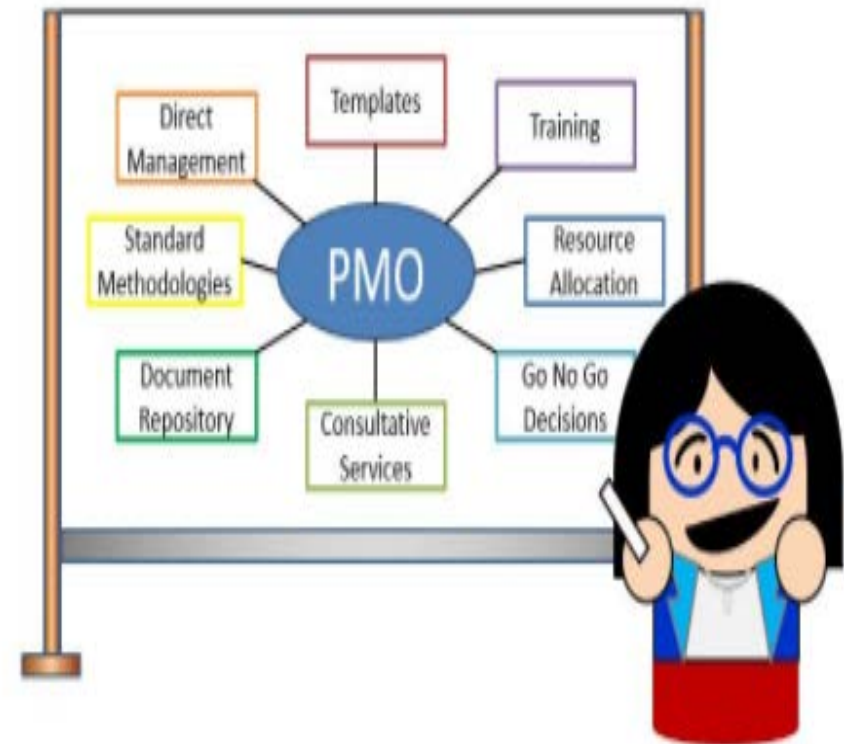
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## Project Management Offices (PMOs) and the Virtual Environment

### □ What Do PMOs Do?

- ⑩ Deploy new or revised standardized processes and templates throughout the organization, facilitating organizational learning
- ⑩ Maintain a repository of materials that can be used by other project managers leading similar projects
- ⑩ Provide consultation, training/education and mentoring for project managers
- ⑩ Provide governance/oversight function
- ⑩ Track and report on project metrics organization-wide
- ⑩ Provide resource allocation functions for the various projects within the portfolio





## PMO Structures and Types

### ❑ PMO Structures

- ❑ PMOs can be classified as centralized, decentralized, or a hybrid of both

### ❑ PMO Types

- ❑ The Enterprise Project Management Office (EPMO)
- ❑ The Information Technology (IT) PMO
- ❑ Other PMOs such as departmental or functional PMOs; Engineering PMO, Customer Service PMO, Ambulatory PMO, Finance PMO, Human Resources PMO

***NOTE: Within each of these other types of PMOs, there could exist a wide variation in the level of standardization as it relates to the use and consistent application of a repeatable methodology, policies, processes, procedures, templates, etc.***



## PMO Structures and Types Continued



### ❑ *The Virtual PMO (VPMO)*

- ❑ Still somewhat of an emerging concept – Designed to cater to the virtual project and the needs of the virtual project manager.
- ❑ Also referred to as **external** or **outsourced** PMOs
  - ❑ Allows the organization the flexibility to "buy or outsource" VPMO services, functions, and products (*al la carte*) to reach their desired outcomes without building those functions in house and encumbering a great deal of overhead
- ❑ VPMOs can be staffed on a full or part time basis depending on the organizations' size, needs, goals, etc.
- ❑ Works well for organizations who are on the lower end of the PMO maturity model or for those who don't have a PMO and may never have the resources or need to build one.
- ❑ Easily sustainable





## Project Management Offices (PMOs) and the Virtual Environment

### Virtual Project Teams

- On virtual projects, more than 50% of the project team members are not resident in the same physical location
- Virtual teams juggle more complexities such as managing technology, time zones across geographical boundaries, collaboration challenges, cultural considerations, etc.

### Success Factors for Virtual Project Teams

- HR policies
- Training, education and development
- Standardized organizational and team processes
- Organizational culture – creation of a culture of trust
- Leadership support of virtual teams
- Technology availability - VPMOs must provide the necessary tools and services to allow virtual project teams to succeed





## The Need for a Virtual PMO

*Is a VPMO right for my organization?*

### Considerations when establishing VPMOs

- The company's culture and attitude of leadership toward organizational change
- The number of projects it undertakes
- Number of project managers who work in remote settings
- Offshore development
- Contractual requirements
- Location of clients (collocated or not)
- Location of subcontractors & vendors (collocated or not)
- Whether project personnel must travel to the project site
- Whether the project is international, regional, or national in nature





## Project Management Offices (PMOs) and the Virtual Environment

### Virtual Projects

- Rely heavily on technology
- Have increased risk

### Business Justifications for Doing Virtual Projects

- Increased productivity (estimated productivity increases from 15% - 40% for virtual employees)
- Better access to global markets because virtual teams can cross national boundaries (virtual teams can traverse national boundaries via many modes of communication, therefore individuals no longer have to be present on-site to be effective)
- Fewer managers (making use of shared leadership or “Lean” leadership model)
- Positive environmental impact (reduced auto emissions)



### Drawbacks of Doing Virtual Projects

- Cost to set up and maintain home offices
- Communication challenges (including workers' feelings of isolation from others in the organization)
- Difficult to change the mindset of some leaders who may subscribe to the “out of sight, out of mind” philosophy

***It is essential to develop a solid business case to support the establishment of a virtual PMO.***



## Building the Business Case for the VPMO

- Business Cases for VPMOs should address the following aspects:**
  - Determine success factors
    - Ensure success factors are measurable and important to leadership
  - Analyze requirements (technology hardware/software requirements)
  - Organizational placement of the VPMO
  - Functions of the VPMO (will the VPMO also handle any aspects of portfolio management?)
  - Implementation strategy and high-level timeline
  - Education/training model
  - Reporting and metrics
  - Economic justifications (ROI/cost savings)
  - Environmental justifications
  - Strategies for marketing the VPMO





## Champion and Stakeholder Support

- ❑ Successful PMOs/VPMOs are those that have leadership support
- ❑ VPMO Champions must be forward-looking and progressive-thinking leaders who understand the complexities involved with establishing something new or altering something that is established (such as an existing PMO)
  - ❑ VPMOs should have one senior executive as their VPMO champion who helps the VPMO staff navigate the politics of the organization

## Rallying the Stakeholders around the Implementation

- ❑ VPMOs should have a robust communications plan from the outset – Messaging is key!
- ❑ The implementation of the VPMO is an organizational change in most cases that should be communicated throughout the organization. As such, an organizational change management plan should be created to support the implementation
- ❑ The organization's most senior leaders should announce the creation of the VPMO and explain what the VPMO will do
- ❑ Don't forget obtaining the support of the PM's who will be members of the VPMO





## Best Practices for a Successful VPMO Implementation

- Take a close look at the organization to ensure its ready for a VPMO (consider its current stage of maturity and what can be done to advance its mission)
- Devise a logical implementation approach that fits the maturity of the organization
- Ensure there is sufficient collaboration and involvement of the other departments within the organization
- Ensure you leverage the use of the organizations PPM tool/system optimizing the management of managing the projects.
- Ensure you consistently evaluate what is and is not working within the VPMO (feedback loop)
- Ensure templates, policies, processes and procedures are continuously evaluated and updated as required. (continuous improvement aspect)

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# Behavioral/Soft Issues

*Trust, Change, Culture and Communication*



## Soft Issues that are Significant in a VPMO

### Trust:

- Building Trust (Empowerment = Trust)
- The Pillars of Trust (Communication, Predictability, Honesty, Credibility, Passion, Courage, Competency, Integrity)
- Assessing Trust (Assess the elements of trust that exist and that are lacking in an organization)
- Managing Politics

### Best Practices:

- ❖ *The VPMO needs to ensure the project manager and the team members are equipped to foster and increase trust and understand how to cope with change.*
- ❖ *Holding people accountable for producing good work will improve quality, increase the team's chances of success and build even more trust*
- ❖ *VPMOs need to be able to set up the project managers and project teams for ultimate success*

**“Virtual organizations that dismiss the importance of trust will most likely fail” (Cascio 2000; Hage and Powers 1992; Kezsbom 2000)**





## Soft Issues that are Significant in a VPMO

### Change:

- Responding to Change
- Coping with Change
- Supporting Change
- Branding Change
  - Name the Change
  - Create an identity for the brand (identify its goals)
  - Integrate the brand into the organizational culture
- Delegating Change

### Best Practices:

- ❖ *Everyone fears the unknown. Communicate change well in advance so everyone sees it coming. Unless it is a surprise party, few people enjoy surprises!*
- ❖ *Learning and change are connected. One must connect change to learning to reduce resistance because training is conceptually linked to improvement.*
- ❖ *When encountering strong resistance to change, openly challenge the other party to change for the good of the organization. Sometimes appealing to a person's emotional side helps him or her to move forward and stop the negative behavior. (Take one for the team!)*
- ❖ *Always lead by example – ones actions will be observed by a multitude of stakeholders.*

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## Soft Issues that are Significant in a VPMO

### Culture:

- Understanding the Culture
- Coping with Dysfunctional Culture
- Change Culture
- Creating a Flexible Culture
- Balancing Different Needs

### Best Practices:

- ❖ *Be an integral part of the VPMO*
- ❖ *Never underestimate the power of “peer pressure”. Just hearing about an act of kindness can encourage others to perform further acts of kindness in a pay-it-forward kind of way*



## Soft Issues that are Significant in a VPMO

### Communication:

- Special Consideration in a VPMO
- Challenges
- Communication with Stakeholders
- Organizational Structure and Communication
- Coping with Negative Communication
- Delivering Clear, Direct, and Cross-cultural Information
- Delegating and Proliferating Communication

### Best Practices:

- ❖ *Consider that everyone involved in a VPMO will not speak English as their primary language. Consider multiple forms of communications; Emails, Phone Calls, Instant Messages (IM's), Video Chat, even periodic face to face constant to ensure that everyone understands the message*
- ❖ *Designate a time each week to reach out to the more distant member(s) of the VPMO (off-shore team members).*
- ❖ *VPMO team members must learn not only to communicate more, but also to improve the distribution of information. Make communication important and make it count!*

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# VPMO Training and the Future



## Training

- Determining what kind of training is necessary
- Making the right kind of training available via the right delivery modes
- Further education

## Best Practices:

- ❖ *Training Programs must train for the technology available and should include virtual tools*
- ❖ *The VPMO must promote learning as an organizational value add*
- ❖ *The VPMO needs to teach some level of competency and appreciation for project management and project management skills*

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## Looking Ahead & Food For Thought

- VPMOs are here to stay
- VPMOs do not always have to use the latest technology.
- A technological platform must drive the Project Management life cycle from end to end
- “Virtualness” drives business value
- Remember, the competition is continually improving – keep an eye on what others are doing and make sure your organization isn't lagging behind!



# Thank You!



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