Program Management Office a Best Practice?

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Program Management Office (PMO) a best practice?
IT Program Management Office (PMO)* is emerging as a best practice for the vast majority of Fortune 500 companies. Yet, the term "best practice" may not be fitting if all that is taking place here is another project management layer in the IT organization.

IT is constantly under fire as it leads the path of automation via business effectiveness and efficiency. PMO was a created as a best practice to drive IT initiatives while being accountable to the business for benefits including and not limited to ROI. Today, PMO is largely staffed by seasoned program and project directors/managers, most of whom hold PMI certification.
Starting with efficiency, Nicholas G. Carr in his article in the May, 2003 issue of Harvard Business Review, lashed out advocating that IT has become a commodity and no longer provide a strategic advantage. While debatable, I submit however, that for strategic effectiveness, there is much work to be done in IT. Many today understand the concept of people, process, and technology. Yet, we see leaders deploying PMO practice by the letter and missing out, "really missing out," on the spirit!

I submit that PMO will be a costly overhead depending on your perception of the following as "myths or realities!"

People: "I know; therefore, I am!"
"I have been here over ten years and let me tell you, "they" mess us up every time," says the tenured sales team member, referring to IT.
Technology: "We are ahead of the game."
"the ROI last year was over 250 percent. This included platform standardization and other initiatives that accounted for an increase in response rate to new customer inquiries as well as additional savings from increased processing speed from our new servers," says this CIO.

Processes: "If it's working, don't fix it."
"Over the last five years we have been growing at an average rate of 20 percent and we continue to gain market share even in this slow economy; therefore, our processes must be working," says this CEO.

I further submit that unless the following premises are addressed, "PMO does NOT matter."

I. People and Process.
Premise: An organization's processes exist to promote customer value creation. Therefore, it makes good sense to include the "people" dimension of staff, vendors, and suppliers as part of the overall value process. In addition, healthy process-based organizations have clear accountability across the enterprise by assigning a success performance measure to each process, PMO is no exception. People make these processes work (not the other way around). A clearly defined "customer experience" is to include an internal customer experience with PMO in order to ensure that all relevant workgroups are part of that experience.

II. People and Technology.

Premise: Technology is an extension of human behavior, and is thus only as effective as the people performing it. This is where over half of major initiatives falter-read the history of ERP, CRM, and the likes... The use of multiple technological tools without an integrated view of performance indicators, focus on customer value creation, and importantly, relevant workflow makes the technology an added baggage with little to no "user adoption."

III. People and People.

Premise: A customer-centric strategy is first and foremost a behavioral strategy embedded in all relationships to external and internal customers. This is where we see well-regarded organizations fall short. Employees, partners, vendors, and suppliers are often at odds. When things don't go as planned, internally and externally, finger pointing dominates. Many performance systems promote turf protection: For example, HR and performance incentives frequently focus on departmental goals, which are often isolated from the total customer value creation. Again, if PMO to behave as a "leading practice" linking it to performance systems is paramount, where the collective process of value creation is rewarded in addition to the desired individual behavior.

IV. Process and Process.

Premise: Interdependent processes monitored by key performance indicators (KPIs) are the backbone of enterprise performance. Capability and Maturity Model (CMM)© (SEI) has emerged as an imperative for graduating an IT organization across higher performance levels. Successful measurement is at its core. Therefore, assigning KPIs by "process" in order to gauge ongoing effectiveness from PMO touch-points to customers. The most effective processes are those that use cause and effect with suggestive intelligence capabilities.

V. Process and Technology.

Premise: A technology solution is a collection of processes that promotes or hinders customer value creation. Merely installing an application and its processes - often after much customization - and adopting those processes as your own does not make your enterprise effective in creating customer value. The enterprise must revisit processes to optimize workflow, not disrupt it with the new technology. The marriage between processes and technology can be happy or a troubled one, depending on whether the organization enables process intelligence. PMI already provides a set of standards that many IT organizations adopt-a good starting point. PMO tools should be configured so that business rules, notification engines, and auto-suggestion capabilities can escalate relevant developments to relevant managers.

VI. Technology and Technology.

Premise: Technology infrastructure should be smart, self-monitoring, self-healing, flexible, integrated, extensible, and scalable. As I mentioned earlier, smart technology is becoming a "doing-business imperative."
Today, in the enterprise value delivery chain, Web Services, XML and integration gateways make it possible to monitor processes out to other vendors and supply chains. In an era of off-shore renaissance, the on-shore and off-shore become part of the extended enterprise.

To bring it all into perspective, how well we understand and sanction these components determine the scale of customer value creation and subsequent enterprise effectiveness. To "harness enterprise dynamics is to channel all its people and systems resources" to create value, enforced by value management, supported by intuitive IT solutions, and measured by balanced metrics that gauges external

and internal customer effectiveness. When these components co-exist in harmony, performance is unleashed. PMO is positioned to be the change agent of IT.

* PMO acronym is used for both Program and Project Management Office
note: minor edits were made to select statements for subject relevancy