



PMO SIG June 2014 Meeting Summary

Discussion Topic: Vendor Management Office Value

Measuring the value of a Vendor Management Office (VMO)

- Customer Satisfaction Survey
 - Customers of VMO are PMs that use outsourced IT services
- Charter for VMO
 - Should be source for some criteria, possible measurements
- Beneficial to have a baseline (pre-VMO) to compare against
- Metrics for the vendors not the same as metrics for VMO

Creating VMO metrics

- First, if possible, build or expand the VMO charter
 - Charter should define “What is success?”
 - If no charter exists, propose a ‘straw man’ model to executives for charter
 - i) Turn the perceived need that initiated the VMO into a substantiated and established need fulfilled by the VMO
 - ii) Opportunity to influence what you want the charter and metrics to be
- Inventory of all vendors the organization is using
 - Look for redundancies, opportunities to improve
 - If there are vendors not managed by VMO, estimate benefits to include in VMO
- Look to higher goals of organization, e.g. customer satisfaction, to align VMO targets to help achieve higher goals
- What keeps executives awake at night? (Ask them.)
 - Look for opportunities to apply VMO to the concerns of the executives
- If dollar savings was the only expectation set up front, focus on the dollar metrics
- VMO scope may cross over multiple business areas and budgets
 - Challenge to pull together total savings picture for VMO
 - Challenge to present to audience interested in their specific budget(s) vs. ‘big picture

Risks of poor vendor management

- Overruns on charges
- Vague or risky contract termination
- Audit findings versus proactive/preventive controls



Added value from VMO

- Onboarding of new vendors
 - Can be a long process, can benefit from experienced coordination
 - Can be optimized via VMO
 - i) Contract consistency
 - ii) Contract 'tightness', e.g. clauses for reporting, termination
- Following all onboarding and standardization of vendor management
 - Demonstrate need to maintain vigilance
 - Dismantling MO could lead to 'fires' returning
 - Show any scenarios that could have happened, things VMO caught, prevented, repaired
- Look for opportunities to expand VMO and extend value
 - To other organizations
 - To operations (vs. projects)

Discussion Topics for Next Season

- Focusing on Your Sphere of Control (Changing the things you can)
- Types of Charters
- Using BAs in PMO Models
- Internal Audit Projects
- Enforcing Results Offshore

Next Meeting

Next meeting is in September. Topic TBD. Have a good summer!

PMO SIG Discussion Topics to Consider

1. PMO Practice
 - a. PMO Resources - Templates, Websites, etc.
 - √ b. PMO Best Practices to support learning and process improvement within project teams
 - √ c. Coordination to roll out Agile in your organization
 - d. PMO Governance and Portfolios
2. PMO Promotion
 - a. Looking at the PMO from the Outside
 - b. PMO Promotion in the Academic World
 - c. Promoting the value of the PMO
 - d. Explaining the benefits of the PMO
3. Organizing and Starting the PMO
 - a. Defining the Role of the PMO
 - b. Supporting Organizational Decisions
 - c. The PMO and Cross Organizational Matrix Management
 - d. Lifecycle of a PMO, how to start one and pitfalls at different stages of the lifecycle
 - e. Where should the PMO be migrated into with a company that re-organizes, downsizes?



- f. Criteria to establish a PMO in your organization - When does it NOT make sense to have a PMO?
- √ g. Should the PMO be in-sourced or out-sourced? Why?

4. Other

- a. PMO Practices vs. Upper Management
- √ b. Client Cultures
- c. Model PMO Job Descriptions (Maude Fribourg has sample, find others)
- d. Keeping PMOs Active
- e. PMO – Current and Future
- √ f. Working with a Multi-generational Workforce
- √ g. PMO Myths

★ In progress

√ Completed

Attending: Agatha (Tina) Podhaiski, Dan Renda, Daniel Walsh, David Morgen,
David Rabinowitz, Diane DiPaola, Dorothy Cunha, Gary Venner, Howard Paul,
Jason Fox, Joe Palau, Maude Fribourg, Peter Taylor, Ray Francis, Richard Loeb,
Sidney Szydlow

June 10, 2014
8:15 – 9:15 PM

Chair: David Morgen, PMP
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Scribe: Jason Fox, PMP
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