



## **PMO SIG November 2015 Meeting Summary**

### **Discussion Topic: Outsourcing the PMO**

#### **Reasons to consider outsourcing the PMO**

- Organization has no resources
  - ♦ PMs may all be outsourced
  - ♦ PMO also outsourced with external PMs
- Analyze core competencies of organization
  - ♦ Assess strengths and weaknesses
  - ♦ Decide what needs to be kept inside the organization
  - ♦ PMO may not be a strength, and not critical to keep inside
- Financial decision
  - ♦ Headcount and expense of PMO eliminated
- Organization needs expertise from outside
  - ♦ Augment internal staff or provide training
- Need for impartial third party to manage
  - ♦ Highly political organization needs to avoid internal politics
    - Usually doesn't work – someone 'pulls the strings', manages outsourcer
    - Internal Execs/Sponsors have more clout to overcome politics
  - ♦ Outsourced contract
    - Third party assesses delivery performance to determine compensation, penalty
- Need for scapegoat
  - ♦ To handle an ugly situation
  - ♦ Act as 'whistle blower' to management
- Trust
  - ♦ Sometimes external partner can be trusted more than internal
    - This is a bad sign, organization has some deep issues
- Threat to counter organizational weakness
  - ♦ If organization claims to have insufficient resources, use outsourcing as a threat
  - ♦ Internal resources may be provided if outsourcing threat is dangerous (or perceived to be dangerous)

#### **Outsourcing Partners**

- In 1980s "Big 8" accounting firms' consulting businesses marketed their talents and best practices for project management
  - ♦ PMOs emerged from these early partnerships
  - ♦ PMOs developed into internal organizations, some with external resource partners
- In 21<sup>st</sup> century big offshore outsourcers have taken the market
  - ♦ Outsourcers providing a good portion of the resources, including PMs
  - ♦ Project management essentially outsourced
- Companies engage outsource partners because
  - ♦ Need resources to perform certain specific functions
  - ♦ Seeking process improvement from external experts
  - ♦ Develop expertise via knowledge transfer



### **Risks of outsourcing**

- Can lose expertise internally
  - ♦ Too reliant on external skills and knowledge
- Outsourced PMO can be easily eliminated with budget cuts
  - ♦ Lose entire function with cutting a budget line item

### **Next Meeting**

Next meeting is in December.

### **PMO SIG Discussion Topics to Consider**

#### **Proposed Topics (items in bold are recent suggestions)**

1. PMO Practice
  - a. **Types of Charters**
  - b. **Using BAs in PMO Models**
  - c. PMO Resources - Templates, Websites, etc.
  - d. PMO Governance and Portfolios
2. PMO Promotion
  - a. Looking at the PMO from the Outside
  - 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
  - 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. Sphere of control vs outside your control - knowing the difference
  - b. **Internal Audit Projects**
  - c. **Enforcing Results Offshore**
  - d. Thanksgiving Project Management (November meeting?)
  - e. Model PMO Job Descriptions (Maude Fribourg has sample, find others)
  - f. **Several 15-minute talks on PMO topics of interest**



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Attending: Adella Rosenthal, Charles J. Cante, Jason Fox, Marcelo Chan, Marlo Moss,  
Richard Loeb

November 10, 2015  
8:15 – 9:15 PM

Chair: Richard Loeb, PMP  
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