



Portfolio, Programme and Project Offices



Written by Sue Vowler of Project Angels, P3O® author, the purpose of this brochure is to provide an overview of Portfolio, Programme and Project Offices (P3O) and how this aligns with other OGC guidance.

The P3O range of publications Cover:

- Think P3O, an introductory overview of the guidance
- P3O Core Guidance
- P3O Pocketbook, a quick reference guide.

The P3O publications are available in a range of formats to suit users needs:

Hard Copy

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What is P3O?

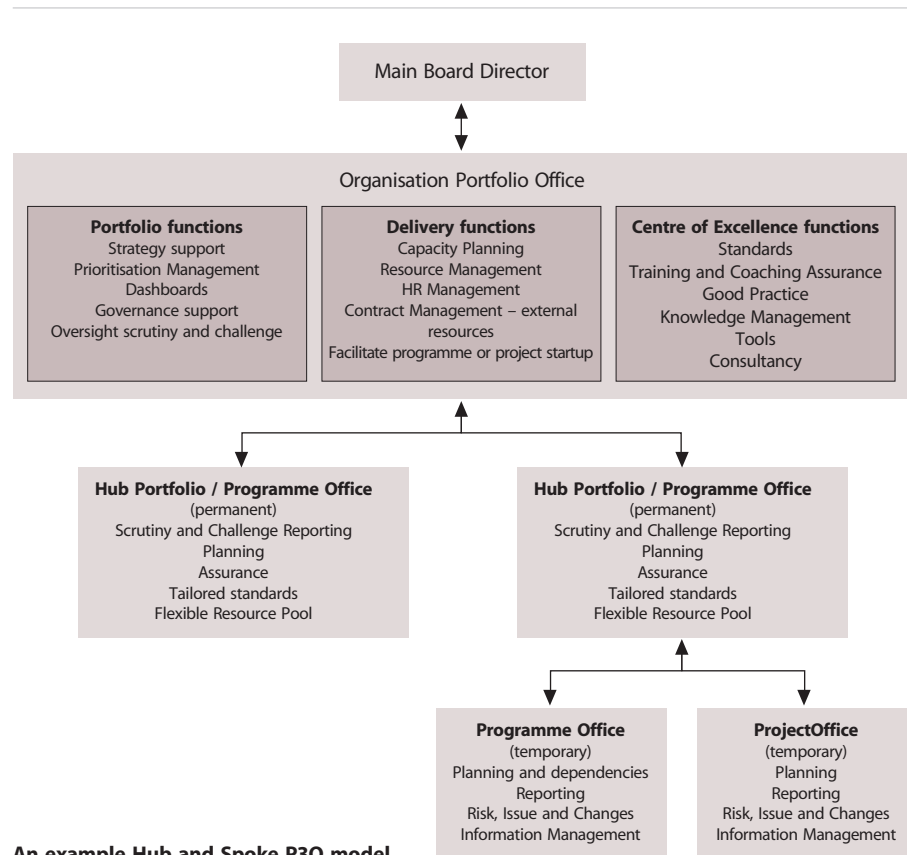
A P3O model provides the structure, governance, functions and services required for defining a balanced portfolio of change and ensuring consistent delivery of programmes and projects across an organization or department. It could successfully take many forms, all of which are explored with the P3O guidance – from a single all-encompassing physical office to a complex model made up of a permanent

Portfolio Office supported by permanent hubs and temporary Programme/Project Offices.

There is no ‘one size fits all’ approach - in a large government department or large corporate, the model outlined below may be the ideal, however in a small organization the P3O model may simply be a single individual acting as a multi tasking P3O officer.

The model to be deployed in an organization will depend on:

- the vision and goals of both the organization and the P3O Sponsor
- the business needs
- the portfolio, programme, project and risk management (P3RM) maturity of the organization
- the size of the resource pool



- the numbers of programmes and projects being undertaken
- the wider organizational, political and cultural environment
- the business divisions/departmental structure, and the geographical location of staff
- the maturity of matrix management structures.

What are the component offices within a P3O model?

A **Portfolio Office** will provide the decision support behind successful portfolio management.

Its key role is to answer the questions – “Are the right things being done?” If not “What should be added, removed or changed?” “Can the time-to-decision cycle be speeded up?” In some organizations the key question to ask may be “How can we stop doing so many of the wrong things?”

The Portfolio Office will be responsible for advising senior management on the composition of the portfolio, its progress against plans and any conflicting priorities (including impacts on business operations), risks and issues. The senior management board may have to make hard choices about programmes, projects and resources in the light of changing priorities. It therefore requires the Portfolio Office to provide the challenge and scrutiny of portfolio information and recommend options/decisions to support those choices. A Portfolio Office can add real

value by focussing decisions on the things that matter most to the organization or departmental board.

It is important that the Portfolio Office reports directly into a main board director or it will have insufficient influence over investment decisions. If there is no buy-in or ongoing consistent support from senior management then the Portfolio Office will not be effective.

Whereas a key role of a Portfolio Office is to ensure that the “right” things are delivered, there is also a requirement to ensure that change is delivered consistently and well, through standard processes and trained competent staff. A **Centre of Excellence (COE)** within the P3O model, helps the organization to “do programmes and projects right” by, providing standards, consistency of methods and processes, knowledge management, assurance and training across the full portfolio of change. This may be a team or function within the organization Portfolio Office or may be set up as a separate office. When a new programme or project is set up, the COE is the first place to go to get methods, tools, training, advice and seek guidance on any lessons learned on previous similar changes. Throughout and at the end of the programme or project, it is also the team you go back to with your lessons learned which can be used by future teams. In this way, the organization carries on up the maturity curve for programmes and projects.

When a specific change initiative is launched as a programme or project,

it may require its own temporary **Programme or Project Office**, which may be supported by and resourced from an organization - wide permanent Portfolio Office or local hub Portfolio/Programme Office (based on business units, divisions, departments or geographic regions). The temporary Project or Programme Office supports the project or programme manager and relevant board with planning, risk management, issue resolution and change management and acts as information librarian. On small projects the support may simply be provided by a multi tasking project support officer.

Why was the P3O guidance developed?

OGC’s PRINCE2®, Managing Successful Programmes and Management of Risk all touch on the need to provide adequate support structures for these best practices. However currently there is no single source of this information that either organizations or individuals can go to for guidance or advice on setting up or running an effective delivery support office in alignment with OGC’s Best Practice guidance.

This new guidance, aligned to OGC’s PRINCE2, MSP™ and M_o_R®, brings together in one place, a set of principles, processes and techniques to facilitate effective portfolio, programme and project management through enablement, challenge and support structures. P3O also bridges the gap between the strategy/ policy makers and the delivery arm of the organization.

The P3O guidance aligns with the new version of PRINCE2 – due for release in 2009 – and the 2007 versions of IT Service Management (ITIL®), Managing Successful Programmes (MSP) and Management of Risk (M_o_R) as well as the OGC Gateway Reviews and Maturity Models.

Portfolio, Programme and Project Office (P3O) guidance is universally applicable and enables individuals and organizations to successfully establish, develop and maintain appropriate business support structures that will allow:

- Informed senior management decision making on strategic alignment, prioritization, risk management, optimization of resource etc to successfully deliver their business objectives (portfolio management)
- Identification and realization of business outcomes and benefits via programmes
- Successful delivery of project outputs that enable benefits within time, cost and quality restraints.

What does the P3O guidance offer?

The guidance addresses the following key questions, often asked by senior managers and P3O practitioners alike:

- “I know we need some kind of P3O, but where do we start?” or even “Why do I need a P3O?”
- “How do I get our senior management team to understand the value a good

P3O could add to the organization and give us the money to expand?”

- “How many people with what skills and experience should I have in my P3O team?” usually followed by “Do you have a role description or set of role descriptions for myself or my team?”
- “Our P3O is not working, we’re seen as an overhead – just a bunch of administrators who add little value to either the project manager community or senior managers – we suspect our budget will be cut or taken away shortly – how do we prove our worth?”

Contents include:

- An introduction to P3O – Discussing why, when and how to use P3O models including the difference between portfolios, programmes and project environments and their different requirements
- Tools and techniques to provide Senior Management with information about the status of its agenda for business change
- Lifecycle of P3O including the set up, sustainability, continuous improvement and the close down
- Value - What value P3Os can bring to the organization including a business case, funding models and performance measures
- Example models – An overview of the different P3O models with examples
- Functions, services, tools and techniques - Details on the functions/

services and tools/techniques used by units of a P3O model

P3O provides a combination of theory and its practical application supported by examples, hints and tips and case studies. It provides guidance that individuals or companies can pick up and get immediate benefits from including:

- Real world examples and case studies
- Outline roles and responsibilities for functions within a P3O
- Example business case and supporting information to justify investment in P3O
- Sizing and tailoring guidelines
- Services/Functions tables
- Glossary – definitions of acronyms and terms.

P3O does not offer one single “magic” solution that will solve an organization’s P3O problems instantly. All organizations are different, both in size and maturity of their Portfolio, Programme and Project Management disciplines and the P3O guidance acknowledges this in its approach.

Scalability is a key focus to make the P3O guidance relevant to all kinds of organizations including those that:

- Have a temporary requirement for a P3O to support or enable an individual project or programme to achieve a specific business change more effectively

- Are small in size and where the P3O may be an individual or a function of an individual
- Are complex private or public sector organizations with significant portfolios of projects and programmes to identify, prioritise, select, deliver and realise the planned benefits.

So whether you're a senior manager responsible for funding a P3O, a manager responsible for setting up or running a P3O or an individual working within a P3O, this guidance has something for most people.

P3O guidance - fitness for purpose

In order to ensure that P3O was fit for purpose it went through a number of quality assurance processes including formal quality reviews and a pilot scheme:

Quality Review - P3O went through two review stages, where over 60 individuals read and reviewed the guidance to ensure it was fit for purpose and met with the OGC mandate. The reviewers came from a wide spectrum of organizations, with different backgrounds and varying experience within a P3O.

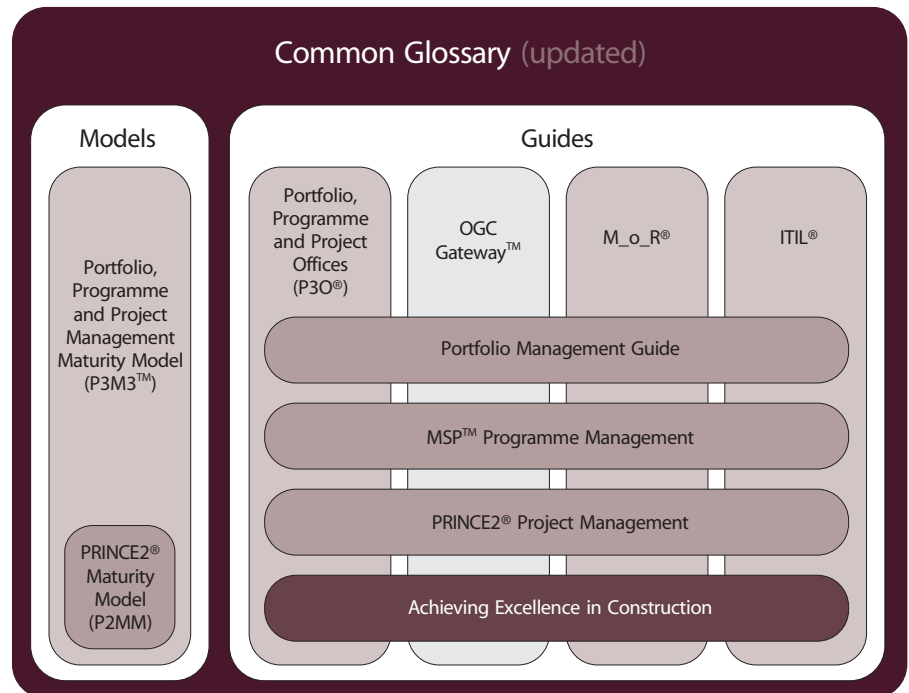
Pilot Scheme – The pilot scheme was set up to ensure the application of the guidance by an end user was achievable, i.e. does the theory work in practice.

Some quotes from Reviewers/Pilots:

- “The new P3O publication is well worth the wait...”
- “It is great to see the OGC putting Project and Programme Offices on a par with PRINCE2 and MSP, for too long it has been the Cinderella of the P3RM world”
- “The P3O manual is full of extremely practical advice and lots of resource material and that’s what we need now”
- “I wish I'd had it 6 months ago...”

Alignment with other OGC guidance

The P3O guidance is aligned and integrated with the full OGC library, including PRINCE2, MSP, M_o_R, Portfolio management, P3M3 and ITIL.



A key challenge in writing the P3O guidance was that three of the linked sets of guidance were undergoing major refreshes whilst it was being developed. P3M3 was re-released in June 2008, whilst the new Portfolio Management guide is due for publication in October 2008 and the revised PRINCE2 will be released in Q2 2009. To ensure all the guidance moved forward together whilst remaining aligned, the authors have worked closely together, sharing drafts and acting in a design authority or reviewer capacity for each other's documents. As an example of this Craig Kilford, author of the new Portfolio Management guide, acted as lead reviewer on P3O and the authors of P3O acted as key reviewers of the Portfolio Management guide. The disparity in some publication dates also posed problems in that P3O has had to take on board imminent changes to PRINCE2, ahead of its publication, to ensure disparities in approach are minimised. Conversely the revised PRINCE2 will be bringing in P3O roles and concepts when it is published in Q2 2009. The OGC Common Glossary also provided a common point of reference to ensure alignment.

The following describes how P3O and other OGC components fitted together during development:

- **P3O and Portfolio Management** – Portfolio Offices and the concepts of portfolio management are providing new challenges and being increasingly adopted across both public and private sectors. OGC's new Portfolio Management guide is being published

alongside P3O so it was essential that the two documents were aligned both in concepts and language. They shared the same research, definitions, diagrams and key concepts. The Portfolio Management guide focuses on the key principles and practices and the P3O guidance focuses on the practicalities of establishing or re-energising physical offices, functions/services, tools and portfolio reporting.

- **P3O and P3M3** – a key success factor in the introduction of P3O is an understanding of the maturity levels of the organization adopting it. P3O therefore introduces the concept of maturity modelling at an early stage and builds on the concept throughout the book. The organization's maturity levels may limit the services and functions a P3O model can offer, the adoption of the P3O model itself will drive the maturity levels of the organization upwards in a structured way.
- **P3O and PRINCE2/MSP** – adoption of a P3O model will enable the successful introduction and tailoring of PRINCE2 and MSP. The guidance also suggests planning and delivering a new or revised P3O model or unit as a project or ideally as a programme and therefore PRINCE2 and MSP language and approaches are used. The P3O lifecycle and the chapters that cover its introduction, shows how MSP can be tailored for a specific set of outcomes. The P3O guidance also has appendices outlining both key roles and functions and services which cross-reference PRINCE2/MSP approaches.
- **P3O and M_o_R** – the introduction of a P3O model or the re-energising of an existing one will inevitably face challenges along the way and M_o_R was used to identify the most likely sources of threats to the achievement of the Blueprint for the P3O. The P3O guidance also has appendices outlining both key roles and functions and services which reference M_o_R approaches.
- **P3O and ITIL** – any function such as the P3O which provides support to business change portfolios, programmes and projects must engage with business operations as effectively as they engage with the P3RM community in order to see through the realisation of the business benefits of that change. Two key stakeholder groups are the senior managers within an organization and the operational delivery teams who will run the changed organization during, through and after transition. The latter group includes service management teams who are often forgotten in many change initiatives until the latter stages of delivery, eg IT, HR or Finance.

Finally, although P3O is inextricably linked with the full OGC library of methods, it is equally applicable in organizations where other industry standards are used, such as the PMI or APM BoKs. The approach and language is such that any organization would benefit from its adoption and many other methods and research papers were considered in the development of P3O to ensure it was universal in its approach. These are referenced in the P3O guidance.

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