The Value of a PMO in Life Sciences

A Guide to Launching an Effective Project Management Office

Inside:

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Introduction: PMO Strategy

Project management is a major challenge in modern life sciences organizations. In a field where mistakes can quite literally cost lives, every detail matters.

This puts enormous pressure on project management offices (PMOs) to oversee successful projects. An organization's PMO must turn lofty aspirations into step-by-step tasks that keep everyone in the organization working toward the same goals.

Simply put, an effective PMO turns strategy into reality.

Despite the importance of PMOs, many life sciences organizations run ineffective PMOs or lack them altogether. The Project Management Institute (PMI) calls this "talking a good game about strategy" while failing to align PMO strategy with implementation.

PMI research reveals that 90% of executives say the execution of strategic initiatives are the key to success, but 61% view their own organization as struggling to implement its strategies. If your organization falls within that 61%, it's time to take a fresh look at your PMO.

In this whitepaper, we'll look at setting up an effective PMO including programs, portfolios, and compliance. We'll also share best practices for keeping a life sciences PMO strong and successful.

Good news: Improving your PMO is well worth it. In the U.S. alone, **PMOs are delivering about $71 million in added value through new revenue and cost reductions.**

Setting up a PMO for Project Management

Whether your life sciences organization lacks a PMO or has an existing PMO that could run more effectively, start by considering its structure. When looking at the influence or amount of control a PMO has in the overall organization, there are **three main types** of PMO structures: supportive, controlling, and directive.

Supportive PMOs operate in a consultative role, providing support and serving as a central repository of information. They have a low level of project control.

Controlling PMOs provide support and oversight, but also require compliance. They have a moderate degree of control.

Directive PMOs directly manage projects and exert the highest degree of control over the project management process.

In the life sciences, successful PMOs are often controlling or directive due to the high level of regulatory influence and the need for scientific rigor. In fact, a life sciences company that restricts its PMO to a purely supportive role may later find its lack of control to be the root cause of strategic implementation failures.

A life sciences PMO project typically addresses one or more of four main goals:

1. **To improve a process**, like getting therapies to patients faster
2. **To launch a product**, like a treatment for a disease
3. **To deliver time-sensitive results**, like an urgent vaccine
4. **To implement new technology**, like a machine that improves patient quality of life

In the pursuit of these goals, life sciences PMOs serve many roles and functions. Some of the **most important project-related functions** of a PMO include:

- Providing an overall project management strategy
- Scoping individual projects
- Defining project goals and tasks
- Risk management
- Maintaining rigorous standards
- Keeping people and departments on track
- Adding clarity when projects become bogged down by confusion
- Coordination of training and educational initiatives
- Resource management
- Benchmarking and improving project effectiveness
- Managing project budgets and costs

Program Management

In addition to overseeing projects, a PMO also handles program management. **Program management** involves taking a higher-level view that rises above individual projects to observe all projects together as a whole.

Proper program management **finds benefits and efficiencies otherwise unavailable to each project individually**. A program manager may group related projects into categories in order to find the similarities that indicate the potential for greater efficiency.

A PMO program manager's role includes:

- Defining program standards
- Prioritizing initiatives
- Ensuring proper funding
- Monitoring resource availability/capacity
- Finding and coordinating project interdependencies
- Finding economies of scale
- Refining processes for better outcomes
- Ensuring outcomes meet organizational goals

When a PMO has a talented program manager, the entire organization benefits from their expertise. Strong program management in an organization offers two big benefits:

- Efficiencies through the formation of **cross-functional teams**
- Opportunities for **transformational organizational objectives**

For a life sciences company, good program management supports the type of flexibility and innovation it takes to be a leader in the life sciences industry.

Portfolio Management

Portfolio management takes a successful life sciences PMO to an even higher level. Your PMO portfolio includes all of your individual projects and programs, plus any other work that contributes to your overall strategic objectives.

While a project manager or program manager has an array of goals, a portfolio manager has a single primary goal: **optimal resource allocation**. The Project Management Institute calls this "**doing the right work**," as opposed to just doing work.

According to PMI research, up to 30% of investments in project deployments are wasted due to sub-optimal resource allocation. That's where portfolio management comes in. A portfolio manager examines every project and program to see whether it's both necessary and operating optimally. Portfolio management is less concerned with what is happening and more focused on *why* and *how* it's happening.

A PMO portfolio manager handles activities like:

- Categorizing projects and programs to further strategic decision-making
- Creating key performance indicators (KPIs) and evaluation scorecards that shed light on success and failure rates
- Setting organizational priorities
- Authorizing activities
- Making recommendations to top executives

Portfolio management in a PMO serves the key function of **portfolio balancing**, or prioritizing and rearranging a mix of activities to ensure an organization stays on track to reach its highest-level strategic goals. Through these efforts, a life sciences company ensures it never strays from its ultimate purpose of serving patients and improving their quality of life.

Quality and Compliance

Any discussion about the value of a PMO must involve quality and compliance. These are key issues in the life sciences, where maintaining extremely high standards is an everyday challenge.

What Does "Quality" Mean for a PMO?

In some industries, the concept of quality is rather ambiguous and subject to interpretation. But in the life sciences, quality is measured with data.

Although there are many methods, tools, and techniques for gathering the data needed for project quality management, they all involve **three main activities**:

- **Quality planning**: Establishing quality metrics
- **Quality assurance**: Analyzing processes for continuous improvement
- **Quality control**: Monitoring metrics for satisfactory quality

A PMO is charged with preserving the quality of your organization's endeavors, and thus the quality of the organization itself. Although individual project champions often become emotionally attached to their projects, the PMO must remove emotion from the equation and keep the focus on quality.

Compliance Requirements in the Life Sciences

Due to the strict compliance requirements of the industry, a life sciences PMO faces perhaps the most daunting challenge of any PMO: avoiding regulatory noncompliance. Flub a single detail, and the future of your organization could be in jeopardy.

Compliance management is a type of **complexity management** that involves skillfully coordinating numerous compliance activities, hitting benchmarks with precision, and preventing anything from slipping through the cracks.

A life sciences PMO's compliance activities include:

- Gathering regulatory standards and keeping them up to date
- Developing the organization's regulatory/compliance strategy
- Identifying risks to compliance and ongoing risk management
- Monitoring for noncompliance and near-noncompliance
- Adapting the compliance plan due to the inherent uncertainties of project management

In addition, the PMO serves the essential role of coordinating compliance-related communication among various internal and external stakeholders, such as regulatory authorities, legal counsel, C-suite executives, R&D, and more.

Best Practices for Setting Up PMOs

As you establish an efficient and effective PMO, it's helpful to know how other organizations are doing the same thing successfully. Here are some PMO best practices from the experts at **Gartner** and **FlexPro**.

Get top-down support from senior leadership.

It's hard for any PMO to be successful if it doesn't have support from the top. Your CEO/President should be a vocal champion of the PMO and help establish its authority.

Start small and build bigger.

If your organization currently has no PMO, or if your PMO has some diehard skeptics, start small at the project level. Use this as a proof-of-concept, then build up from project management to include program and portfolio management.

Demonstrate value early.

A new PMO can be a fragile organism, so it's important to solidify its status within your organization. Set up some early wins for easily-achievable projects. This familiarizes your staff with the process so they'll feel more confident moving forward within the PMO framework.

Tailor your PMO to your organization.

Every PMO should be as unique as its organization. Ensure yours is customized to your current needs, resources, and leadership support. A poorly-tailored PMO can be just as bad as an absent PMO - if not worse.

Acquire the right resources.

In order to have the best PMO, you'll need the best people, partnerships, skills, knowledge, and tools. Make an investment in your PMO resources now, and it will pay dividends for decades to come.

Provide status reports.

A key role of the PMO is to provide timely updates. In these updates, focus on the big picture of what really matters in the life sciences. Summarize complex topics and write in lay language, free of scientific jargon. Your updates should appeal to a diverse audience of stakeholders.

Highlight achievements and show alignment.

Demonstrate that the PMO is meeting the organization's goals and show how its successes are aligned with its strategy. Focus on the PMO's constant achievements rather than its occasional failures. Show how the PMO is helping the organization outpace its competitors in the life sciences.

Engage with a consulting firm.

If you're struggling to set up a PMO or keep it running smoothly, consider hiring experts in project management. After the PMO launches and finds a good rhythm, your consulting firm can step back into a more advisory role that supports your continued success.

For More Information

As you can see, PMOs hold immense value and potential for life sciences organizations.
To learn more about PMOs and implementing them effectively, connect with the project management experts at FlexPro. We specialize in serving the project management needs of the world's life sciences companies.

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