



RICARDO
VARGAS

5 Things you Must Know to Implement a PMO with Minimum Costs

Project Management 2010: Project Management with Minimum Costs
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Ricardo Viana Vargas, MSc, IPMA-B, PMP
ricardo.vargas@macrosolutions.com.br
Twitter: rvargas

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Ricardo Viana Vargas, MSc, IPMA-B, PMP

Ricardo Viana Vargas is a project, portfolio and risk management specialist. During the past 15 years, he has been responsible for over **80 major projects** in various countries in the areas of petroleum, energy, infrastructure, telecommunications, information technology and finances, comprising an investment portfolio of over 18 billion dollars.

He was the first Latin American volunteer to be elected Chairman of the Board for the **Project Management Institute (PMI)**, the largest project management organization in the world with close to 500,000 members and certified professionals in 175 countries.

Ricardo Vargas has written **ten books** on project management, published in Portuguese and English, which have sold over 200,000 copies throughout the world. In 2005 he received the PMI Distinguished Award for his contribution to the development of project management and the PMI Professional Development Product of the Year award for the PMDome® workshop, considered the best project management training solution in the world.

He is a project management professor for various MBA courses, and actively participates on editorial boards for specialized journals in Brazil and the United States. Vargas is a recognized reviewer of the **PMBOK Guide**, the most important reference in the world for project management, and also chaired the official translation of PMBOK into Portuguese.

He is a chemical engineer and holds a master's degree in Industrial Engineering from UFMG (Federal University of Minas Gerais). Ricardo Vargas also holds a Master Certificate in Project Management from George Washington University and is certified both as a Project Management Professional (PMP) by PMI and as IPMA-B by the International Project Management Association. He attended the Program on Negotiation for Executives at **Harvard Law School**.

Over an eleven year timeframe, which began in 1995, Ricardo, in conjunction with two partners, established one of the most solid Brazilian businesses in the area of technology, project management and outsourcing, which had a staff of **4,000 collaborators** and an annual income of 50 million dollars in 2006, when Ricardo Vargas sold his share of the company to dedicate himself on a fulltime basis to the internationalization of his project management activities.

He is a member of the Association for Advancement of Cost Engineering (**AACE**), the American Management Association (**AMA**), the International Project Management Association (**IPMA**), the Institute for Global Ethics and the Professional Risk Management International Association (**PRMIA**).

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Project Management and Corporate Strategy

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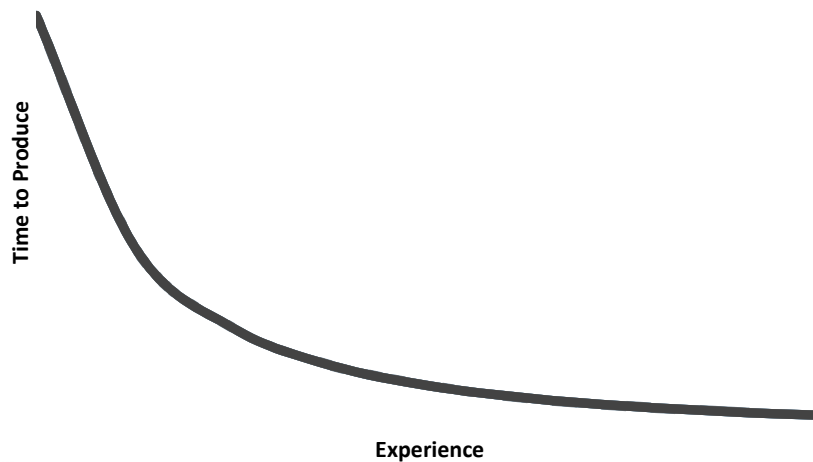
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Adapted from "The Project Age: Working Paper n1 – 2005 Catinet Consel Development Inc.

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Routine and Projects – Routine View

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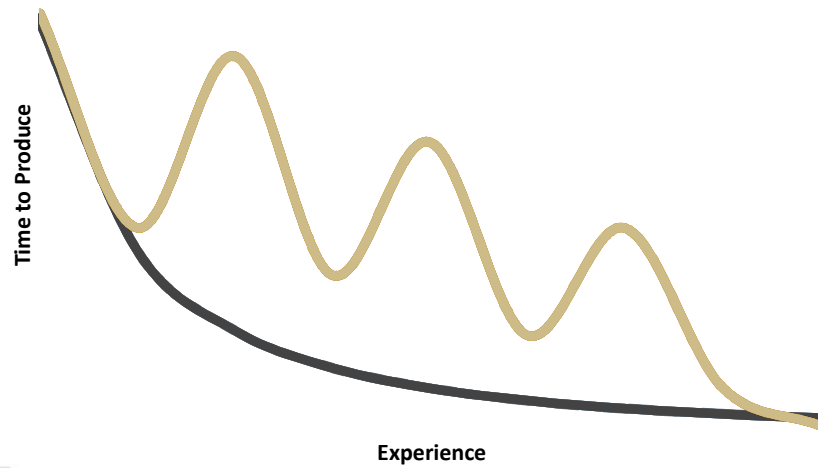


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Routine and Projects – Project View

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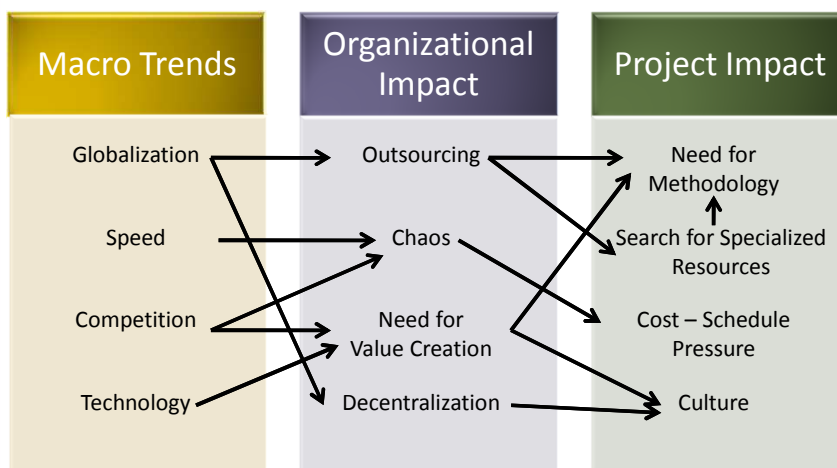


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Macro Trends and Project Impact

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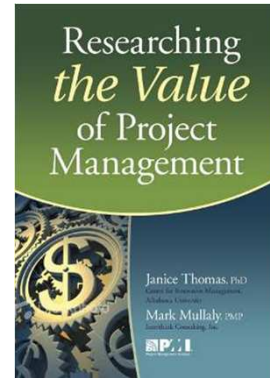
PMI Study about the Value of PM

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Execution
Value

Integration
(Strategy)
Value

Learning Value



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Nowadays

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A steeper decline
than the Great
Depression

Organizations are
cutting cost of
operations and
projects

Business
environment amid
instability and
uncertainty

Existing projects
harder to sustain

Several project
facing big delays

New projects
facing a much
harder start



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5 Things you Must Do Now!

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1 First Things First

There is no time and no money to do everything immediately

Prioritize scope, risk and team management

- Why not Time and Cost?

Create a simple process to control scope changes and track risks

Motivate people to study and learn PM techniques

Forget big, complex and large implementation if you do not have the money, people and empowerment for that

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2 Work Hard to Change Corporate Culture



All changes must start with changes in the human behavior

Very hard work but very cheap work (in a cash perspective)

People are motivated to help if they understand what they need to do and what is expected from them

Seek for proper sponsorship and support from from the executive team

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3 Use Basic Software Tools

Start with basic programs like Microsoft Office and Project

Integration, resource pool and enterprise solutions are great, but you can start without them

Even very large and complex projects will benefit from a simple software approach

Keep it simple: it reduces cost and maintenance efforts



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4 Search for Internal PM Talents

Internal talented people reduce costs

Talented and motivated people strongly help address cultural change

Create internal events to discuss and develop people on project management

Develop internal trainers

Instead of using a "consulting company" to fully implement your projects, use them for "coaching"



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5 Choose One Initiative to Start

Start with a project or department with enough motivation to overcome challenges

One project/department will reduce implementation costs

It will also increase the possibility of reaching the organization's tipping point for PM

Do not implement everything at the same time



5 Things You Must **NOT** Do

- 1 Believe that PM Software is everything
- 2 Forget sponsorship
- 3 Implement it aiming to create a punishment environment
- 4 Implement it only because it is a fashion and everybody is doing that
- 5 Expect immediate results



Conclusions

Keep focused on details

There is no magical pill

Take care of your allies

Transform tough people by



1

- Including them in the process

2

- Reinforcing the positive sides

3

- Do not putting yourself as the PMO "Owner"

4

- Treat it naturally. It is not the first new thing... and not the last...



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VARGAS

Thank You Very Much!

🌐 ricardo.vargas@macrosolutions.com.br
✉ www.ricardo-vargas.com
🌐 ricardo.vargas
🐦 [rvargas](https://twitter.com/rvargas)
📧 rvargas@hotmail.com

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