

Article

Re-engineering your way to a Project Management Office

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The emergence of the project office is being driven by the desire to improve and standardize the success rate of Business and IT projects that continue to increase in breadth and complexity. Another driver for the project office phenomenon is the need to relieve project managers of the administrative requirements associated with successfully managing projects.

In the past, a project office was defined as a structure to develop best practices as well as maintain focus on the project management discipline. It was generally recognized as a repository of project information controlled at the strategic level of an organization. Currently, the concept is being refined out of necessity and assumes more of an operational support role for the project manager. Within this context, the project office is more appropriately defined as an organizational mechanism that assists the project manager in consistently achieving project goals by providing assistance in planning, estimating, scheduling, contracting/procurement, monitoring and controlling the project. Organizations implementing this type of project office methodology are leading the way toward a model for world-class project management.

Project office functions can be virtual or staffed. Many forward-thinking organizations are blending the aforementioned strategies and utilizing the project office to support strategic, operational and tactical objectives. In addition, the project office staff is comprised of both dedicated and just-in-time personnel.

Functions of a Mature Project Office

A mature project office provides many types of services. Corporately, the project office is generally regarded as a Project Management Center of Excellence. The professionals who staff these project offices should be experienced and trained in advanced management and leadership skills, as they will continually collaborate with senior project personnel, senior management, and staff at customer decision-making levels. Ancillary resources either assigned to the project office or to a specific project must also behave in alignment with the norm.

Some of the services performed by project offices include specific needs training, best management practice (BMP) development, administration, consulting and mentoring. In large firms, it also provides a home base for project managers as we have described in earlier paragraphs.

Specific Needs Training

The project office should be concerned with training relevance and consistency. In addition to staffing fulfillment, the project office should provide a full range of specific needs training for project managers and project teams. This training should be delivered on a scheduled basis as well as through a request cycle for organizational needs outside of the PMO. In essence, this format will promote the PMO as a resource center.

Best Management Practice Development/Methods and Standards

Project management processes are developed, used, refined, and implemented throughout the organization as best management practices by the project office. For example, the project office should enforce a project management process that spans the project selection to project closure phases. From



these processes, metrics are developed to measure project performance and improvement. These best practices and lessons learned are stored in a repository for use on subsequent projects, hence building accuracy, mitigating risk and reducing cycle time. The data is accessible and used by the core PMO team and any other resource working inside the PMO structure.

Currently, many mature project management organizations use their intranet and website as repositories for best management processes and practices. A mature project office should eventually utilize external benchmarking to further improve project performance and organizational efficiency.

Project Administration

In most organizations, project management means scheduling. In addition to scheduling, the project office should also be involved in project planning, resource estimating, contracting/procurement, project control, variance analysis and administrative support. The administrative support can be significant. Recent studies indicate that over 50% of the project manager's time is devoted to administrative tasks.

Project Consulting & Mentoring

Many organizations are using internal consulting/mentoring to supplement and complement their formal project management training. The mentors/consultants can develop inseparable relationships with project managers if they provide value to the project. The reputation of a project office is built upon continued responsiveness to the project management needs of the organization.

This model works well in organizations that are utilizing a more virtual design. Project managers who are not necessarily working under the PMO, but who are working with the established methods may call upon the PMO to provide consultation. The relationship imbeds continuous learning and improvement into the organization's corporate norms.

Project Managers

The project office is an ideal place to maintain a pool of project managers. Project managers may be assigned to the project office in order to monitor their career development, job assignments and job performance. Based on the project manager's availability and experience, they are subsequently assigned projects of commensurate duration and complexity. Project managers that are in the pool can use down time for personal development by attending training courses or serving as mentors or peer review personnel. Understandably, resources in the pool will have other job responsibilities. Utilization of the pool concept will allow a project office to expand and contract with the project portfolio. In addition, it provides a dynamic model for performance management, allowing far better control over cross-functional performance. Human Resources will play a critical role in the build out of this model and should be integral in its development and implementation.

Client Considerations

The functions as listed above are a cross-sectional view of a mature PMO's functionality. It is important that this overall functionality be considered prior to the development and implementation of a PMO. Unless the end-state model is planned first, the development of processes, tools, and methods will be interruptive. Experience shows that it is not a wise practice to develop and implement a project methodology and/or PMO without utilizing the practices that it espouses. The failure to lead by example has resulted in the collapse of many PMO efforts, leaving a bad taste in the mouths of the project resources.

The development of a project methodology and project management office is a sizable effort. When a simultaneous reorganization effort is factored in, the risk level is elevated and the probable success level of both efforts is lessened. This illustrates a compelling reason for both of these end-state models to be well defined at the outset.

In 95% of the PMO implementations we have been involved with, the organization undergoes a detailed assessment of the project management norms, culture and competencies of the project organization. In this case, the business clients would also be included in the assessment to ascertain the perceived level of service from the IT organization, identify critical interfaces and cross-functional work flow as well as obtain buy-in for the project management methodology. The IT organization is a service provider to business units; therefore, it must gain approval from, and seek collaboration with, the client for the methodology to be assimilated.

Project success is largely dependent upon the amount of detail extracted during front-end planning. For this reason, most methodology and PMO development efforts are phased in over time, driven by a detailed plan relative to the complexity of the methodology/structure, and results of an organizational assessment. In addition, the rate of change that is organizationally acceptable must be considered.

The assessment will also identify the areas at which milestones, quality control checkpoints, communication processes and other critical Business–IT interfaces should be designed into the methodology. Specific needs training will be based on the competency assessment results. The results can be utilized to create a human resource-based project management career track embracing the necessary training, experience and time on the job elements required. These elements will not be limited to the PMO. In support of our earlier recommendations, these norms and competencies should be made visible and accessible to the entire organization.

The utilization of an experienced PMO consulting organization that understands the strategic, operational and tactical interfaces of project management would ease the overloading of PMO resources and assist in the control and redirection of the cultural repercussions that are inherent in such a change-based effort.

Summary

Undertaking a parallel reorganization and PMO effort will understandably add to the complexity of work. However, it is our opinion that doing them in a vacuum will not render optimum results. If the IT organization is being reorganized to promote cross functionality, service provision and internal efficiency, a standard project methodology is a requirement.

A well-executed process and methodology implementation will allow Business and IT to come together prior to actual work beginning. The benefits of this union are as follows:

- Business/IT expectations are clarified
- Measurable processes are created for both the implementation of project work and continuous support
- Performance measurement programs will be established allowing for cross functional consistency around reasonable expectations
- Human Resources will become integral in resource availability and competency issues allowing for more focus on the project manager's part
- The project portfolio will be guided more directly by the organization's strategic initiatives
- Cost factors will be compared more accurately
- Change will be managed more effectively

The aforementioned bullets are meant to be a macro look at the impact on the enterprise. Obviously, cultural norms, business environment and competency issues will need to be observed prior to formulating the assessment or stating recommendations.

Undertaking a project of this capacity can be overwhelming if not approached methodically. However, the end result as indicated above offers a variety of direct and ancillary benefits to the project management function and the entire organization.

For more information regarding this topic we can be contacted at info@amsconsulting.com.