

SATM

Innovation & Technology Management News

Summer 2002

Volume 6, Issue 2

Alliance for

A Business Resource at
STEVENS
Institute of Technology

Technology
Management

The Role of the Project Management Office

Parviz F. Rad

More and more people are working on projects, and are using project management processes and tools, and everyone wants to improve project success. But, many struggle to achieve the desired results. Formal literature and anecdotal data contain many examples of cases where a project falls short of expectations in one or more critical areas, or in terms of client satisfaction.

One of the most significant developments in recent years has been the formalization of the implementation of the Project Management Office (PMO) and its increased importance to the organization. Because of the beneficial effects of implementing a PMO, increasingly more organizations opt to establish a PMO to support and manage its project management efforts. No longer is it solely an

organization with staff to provide support for schedule development and monitoring activities and the use of project management software on a single large project. Rather, it is now becoming essential for the future success of the organization. Such a trend will only increase, as projects become a way of life for more and more organizations, and more organizations move toward implementation of the management by projects philosophy.

The PMO has been described as a group of individuals authorized to speak for a project and as a means of nurturing project management capabilities from the perspective of improved methods and procedures. In many ways, the PMO is akin to the discipline of-

(Continued on page 2)

Project Management Office (continued from page 1)

ices, such as civil engineering, mechanical engineering, computer engineering, etc., that are found in engineering design houses. The analogue for the PMO in pharmaceutical research can be found in departments such as cardio-vascular, gastrointestinal, and neurosciences. The PMO is referred to by different titles, such as Project Office, Project Support Office, Project Management Office, Program Management Office, Project Management Group, Project Management Center of Excellence, or Directorate of Project Management. Independent of the operational title, a PMO is the organizational entity with full-time personnel to provide a focal point for the discipline of project management.

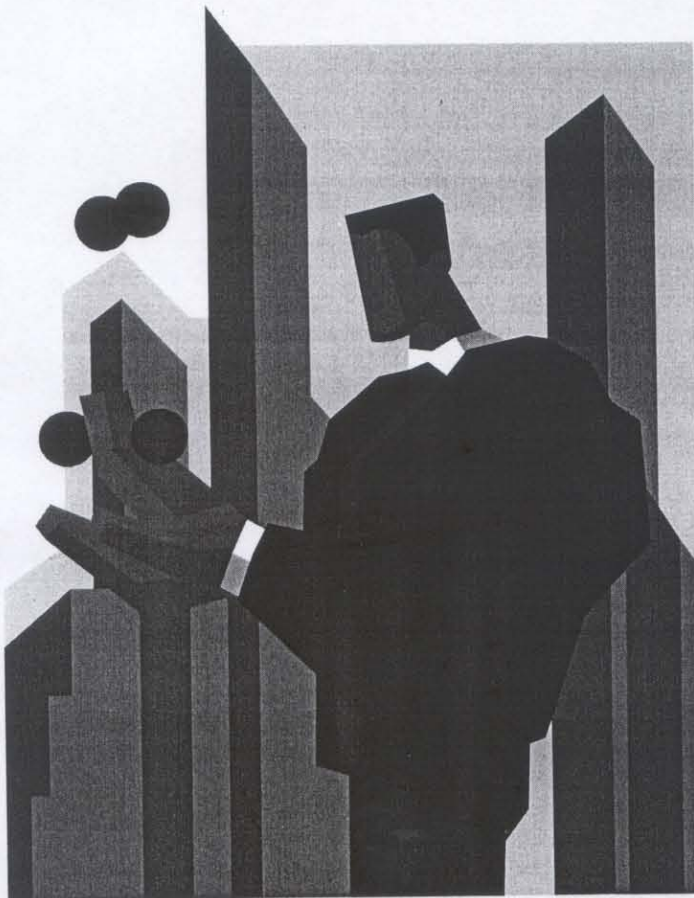
Among other things, the PMO will provide an infrastructure for tools and expertise in the area of project management. To serve the ongoing success of organizational projects, and to highlight the benefits of formalized project management, the PMO will maintain a clearinghouse for project management best practices. In order to serve the immediate project needs, the PMO will provide an infrastructure for current project managers in dealing with difficult situations and will establish an assistance program for the project.

There are a multitude of descriptions for the functions of a PMO. The primary reason is that this concept is evolving, and, therefore some descriptions tend to be outgrowths of the previous descriptions. Descriptions thus focus on different portions of the PMO functions. Probably the most widely used description of functions include those that assist projects. If these are complemented by organization-oriented functions, then the resulting PMO will be an exceptionally effective unit in achieving project management maturity, and more importantly, in facilitating higher profits and in maintaining the competitive advantage of the organization. The PMO then essentially acts as the interface between the project managers and the organization. Even at this point, the PMO

can change the entire direction of the organization to one in which there is enterprise project management. Notwithstanding, the organizational goals and needs might dictate adoption of only a small set of these functions.

A fully developed project management office will have the facility to provide services and organizational focus in core and supporting areas of project management. The PMO's mission and objectives are met by training, consulting, and mentoring the project-related personnel;

by augmenting the project teams; and by serving as a clearinghouse for project management best practices thus promoting communication throughout the organization. A subtle and yet important function of the PMO is to heighten the organizational awareness of the importance of integrating project management procedures and project management culture into the organization. No longer is it appropriate for individual project managers to determine specific project management approaches; instead, the PMO will adopt a standard methodology for use on all projects within the organization. By far, the most exciting functions of the PMO are to instill a project management culture and to facilitate the organizational recognition of the project management profession.



The activities of the PMO can be divided into two separate

categories of project-focused and enterprise-oriented. The former is divided into augmenting, mentoring, and consulting. The latter is divided into training, archiving, practicing, and promoting.

Project-Focused Functions

Augmentation is the most direct route for improving project performance in the PMO will provide personnel to the project for the performance of certain tasks. Mentoring is the process by which PMO personnel will

(Continued on page 6)

Project Management Office (continued from page 2)

work together with project personnel in order to assure proper execution of certain tasks. Finally, consulting is the process by which the PMO will provide occasional problem-solving ideas. The misplaced haste, and unplanned fast pace that is normally imposed on projects, often advances augmenting, mentoring, or consulting as substitutes for training. Formal training is the next logical step, in the unlikely event that the urgency of project missions allows such excursions.

The PMO will provide mentoring and establish consulting services in all areas of project management. Mentoring and consulting efforts will allow current project team members to perform satisfactorily for the benefit of the project at hand. By comparison, training will enhance the general competence of the organization, and improve the effectiveness of future project managers. The areas of coverage of these activities will be planning, estimating, scheduling, risk management, people management, and general assistance in imple-

menting the project. Proper use of appropriate software for each of the project phases will be included in these PMO functions.

The PMO should establish guidelines for company-wide competencies, project-specific skills, and situational crisis management tools. These guidelines would be used when it is determined that PMO personnel will be involved in recovery of a project. The PMO and the project team will jointly agree if a mentoring, consulting, or augmenting relationship will be useful and/or necessary. The PMO and the project team will define the basic elements of this relationship, including the expected benefit of the relationship, the level of direct involvement of the PMO staff in the project, immediate goals, project goals, and major milestones. Additionally, the agreement will include details on frequency of contact, duration of each session, and responsibilities of each party. As the starting point, a matrix such as the one shown in figure 6 should be used to map the areas and modes and assistance that should be expected of the PMO.

The project-focused functions generally have a short-term impact on the project, even if they are provided by the PMO, although ideally the PMO should be primarily focused on the long-term project management missions of the organization. Project-focused functions are intended to have immediate impact on the performance of the project, and they are usually for remedial purposes. More often than not, project-focused functions are the only ones that are available to the project managers by way of assistance and facilitation through an abbreviated form of the PMO, which is sometimes called the Project Office. These solutions provided by this category of functions are instant, with almost immediate results. However, the fact cannot be over-stated that the overall cost of providing such short-term facilitation is far more than providing proactive long-term solutions. In many ways, augmenting, mentoring, and consulting are time-critical, and therefore they are akin to crisis management.

Enterprise-Oriented Functions

The PMO is the focal point for project management improvement and enhancement. This mission is met by establishing best practices and by providing training in all project management knowledge areas. It becomes the responsibility of the PMO to focus on areas such as development of lessons learned and standardized methodologies. The PMO serves as a facilitator, an enabler, and an advocate for improved performance across all projects in the organization. The PMO will

**Visit the Stevens
Alliance for
Technology Management
Web Site
to download articles
from
previous SATM
Newsletters**

<http://attila.stevens-tech.edu/stmm/index.html>

Project Management Office

continually define quantitative objectives for improving project management processes. It will maintain an extensive yet orderly archive of project performance data, together with an evolving list of lessons learned for all aspects of project management. The next natural step is to integrate and disseminate these best practices into the enterprise project management policies. Then, each project is considered as an opportunity for learning how to improve project processes and organizational approaches.

The PMO can provide easy to use and accurate models and procedures for estimates and for schedules. It can provide and support enterprise level project management tools for scheduling, resource management, time reporting, estimating, configuration management, requirements management, risk management, and a central repository for lessons learned.

Ultimately, the PMO can and should establish measurable objectives for continuous improvement of enterprise project management competence. It is crucial to develop organizational goals for the improvements in project management competence and then to compare the attained progress to the planned objectives. Essential in this process is the development of strategies for data collection, data refinement, data analysis, and reporting of the project performance results. In order to gauge the effectiveness of the project management activities, data will be collected that would compare the progress in competence enhancement to its planning targets. To ensure that the organization obtains the best payback from its investment in professional project management, a continuous improvement program, with attention to lessons learned, can serve as the optimal formula for long-term organizational success.

This paper contains excerpts from a book titled *Project Management Office, A Comprehensive Look At Function and Implementation*, by Parviz F. Rad, and Ginger Levin, CRC Press, 2002

Parviz F. Rad is a Distinguished Service Professor and Director of the Project Management Program at Stevens Institute of Technology. He holds an M.Sc. Degree from Ohio State University and a Ph.D. from Massachusetts Institute of Technology. He has over 30 years of professional experience during which he has served in governmental, industrial, and academic capacities. He has authored and coauthored over fifty publications in the areas of engineering and project management. Dr. Rad has been recognized as a Professional Civil Engineer, Certified Cost Engineer, and as a Project Management Professional.