The Project Management Office

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Command Centre in Action

All of us must have watched in movies, the military version of the Command Centre where typically walls are lined with large geographical maps, charts and huge screen display, facility filled with teams of personnel working round-the-clock; intensively glued to their computer monitors and of course, key personnel receiving information and giving command in respond to rapid changes in the situation. In the commercial setting, similar scenarios are being played out on a daily basis in command centres such as air traffic control centres; organisations supporting critical operations on a regional or global basis and those monitoring unauthorised intrusion into networks of computer systems.

In smaller physical setting, the Project Management Office (PMO) operates in similar fashion possessing the three key characteristics of a Command Centre (War room): *taking inputs* (receiving information such as status/progress reports, feedback from stakeholders, etc), *processing information* (collation, analysis and evaluation of collected data) and *providing outputs* (performance reports, trend analysis, dash board and recommendations).

There is no standard Project Management Office and it exists in varied form in different organisations. This can range from a very small PMO with only the project manager and a project administrative staff to one with a permanent organisation structure comprising the PMO Director, program managers, project managers, project leads, project technical staff, business analysts, project admin executives, etc in a projectized organisation[1] set up.

Depending on the continued and sustained application of standardised capabilities, the PMO in an organisation could typically evolves through 4 or 5-level of competencies depending on the definitions of the certification bodies. According to the Organisational Project Management Maturity Model (OPM3®) that was built upon the Project Management Body of Knowledge (PMBOK®), the 4 stages of maturity are: (1) Standardise (2) Measure (3) Control and (4) Continuously Improve.

PRiSM® and Capability Maturity Model Integration (CMMI®) on the other hand defined a series of 5 stages of the PMO competency continuum. In the case of PRiSM®, the 5 stages are distinguished as follows: (1) Project Office: Project Oversight (2) Basic PMO: Process Control (3) Standard PMO: Process Support (4) Advanced PMO: Business Maturity and (5) Centre of Excellence: Strategic Alignment. Similarly, CMMI advocate the 5 stages as (1) Initial (2) Managed (3) Defined (4) Quantitatively Managed and (5) Optimising.

PMO in Practice

Not unlike military or other command centres, the project management offices are often involved in 3 key areas of activities. The first is providing project oversight where the PMO is the one-stop centre for the receipt and dissemination of calibrated information that includes reporting, collaborative actions and facilitation of decision making. It is also the central source of established standards, preferred practices and project management templates that are necessary to support the various project activities in a timely and effective manner. Finally, the PMO provides leadership, mentoring and training of the project managers and team members in achieving the project and project management objectives.

According to the study by PMI; "Pulse of the Profession: Driving Success in Challenging Times" that was released in Mar 2012; it noted that despite the slow down in global

economic conditions, the number of organisations that have a PMO increased from 63% (2010) to 67% (2011). Organisations that adopted standardized project management practices increased from 59% (2010) to 63% (2011). The study covered more than 1,000 professionals across a variety of experience level and industries.

In a separate study of over 3,000 respondents across the globe (43% Europe, 25% Asia excluding Australia and 22% US) in 2012 by ESI International[3], 72.4% of the respondents indicated that their organisations have a PMO in place (down from 82% in 2011) with 45% reporting that their PMO are over 5 years old.

While these are positive news, the value of the PMO has consistently been challenged by the organisations and very often, even by senior management of the organisations. In the same ESI survey, it was noted that almost 90% claimed the reason for disbandment was the result of restructuring based on an executive decision or change in management. To quote from the survey report: "….a full two out of three respondents said that when the value of an active PMO was questioned, it was usually by senior management itself. Around 55% claimed their PMO was indeed put into question by various key stakeholders, a move up from about 40 percent in the 2011 survey".

So why are the values of the PMO being challenged?

From anecdotal evidence, some PMO are too narrowly focused in implementing the project governance framework and strict adoption of project management methodologies. As a result, staffs in the PMO are constantly chasing the project teams to submit numerous types of complicated status reports on time, generating voluminous performance and trend analysis reports weekly/monthly and rushing through issues meeting merely as a required governance process.

On the other side of the scale where the organisation structure is functionally entrenched, the PMO is given very little or no authority in terms of project management, resources allocation and prioritisation. In these organisations, the PMO exist for basic project co-ordination and status reporting functions.

In between these extremes, some organisations involved the PMO only at the implementation stage after the project evaluation and selection phase and project charter has been approved. Without involving the PMO early in the project, inputs from the PMO could not be given and planning assumptions such as time line and budget could not be reviewed. Other organisations involve the PMO only when the project is facing difficulties and expect the PMO to put the project back on course quickly. In other organisations, staffing in the PMO are stretched very thin as they are concurrently involved in multiple projects resulting in insufficient attention given to the projects under management. In other cases, training of PMO staff, career development, and reward recognition are lacking leading to high turnover of these staff and generally, deterioration in the overall project management competency level.

Balancing the Needs

As a general approach, the PMO should mirror the organisation's core business and functional structure as this will provide alignment with the organisation's strategic objectives. While projects are temporary endeavours in nature to achieve a set of business objectives, many organisations are increasing being involved in a number of internal and external projects with larger projects often lasting more than a year. Hence, it is imperative

that such organisations incorporate the PMO as part of its permanent structure so that senior management are not only supporting but are acquaint with its activities.

In similar context, the PMO is expected to be provided with its pre-requisite autonomy to perform its functions but these must be reviewed against pre-determined key performance indicators and the established corporate governance structure.

Organisations that want to maximise the value of their PMO should involve this entity in their strategic planning sessions so that selected projects are aligned with organisation's requirements. Investment in training, provision of career development and reward schemes for project management staff will lead to continuity and more sustainable project management competency. Finally, the PMO will not ensure project successes unless the organisations are prepared to support the assigned projects, adopt vigorous risk management in conjunction with project management methodologies and be prepared to embrace organisation changes as part of the change management process that could be instrumental in re-positioning the organisation to successfully support the project implementation. The PMO will be contributing to its greatest value to the organisation when it attains the business maturity and centre of excellence level.

References:
[1] Figure2-5 Projectized Organisation, Page 25, PMBOK 5th Edition, 2013
[2] The report "Pulse of the Profession: Driving Success in Challenging Times" can be found at: http://www.pmi.org/business-solutions/pulse.aspx
[3] A copy of the report can be downloaded at:
http://www.esi-au.com/pdf/Reports/PMO_survey_report2012_AUS.pdf

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