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Learn How to Set Up and Run a Project Management Office

Organizations around the world are implementing formal project management processes and discipline to deliver their work initiatives on time, within budget and to an agreed upon level of quality. Part of the ability to execute better, faster and cheaper comes from the organization's ability to implement common processes and practices across their entire organization. That way there is very little learning curve for the project manager and the team members as they transition from one project to another.

If you only have a couple projects going on at any one time, you may be able to gain the advantage of organizational standards by providing consistent training and having the handful of project managers follow similar processes. However, the larger your organization gets, and the more projects that are executed at one time, the more difficult it becomes to enforce this organizational consistency, and without this consistency the full value of implementing a common project management methodology is not reached. Consulting firms have tended to recognize this and usually have a common framework or a full methodology that all consultants utilize. However, this is not prevalent in other types of companies.

Many companies have attempted to solve this problem through centralized organizations that are responsible for varying aspects of project management methodologies. Organizations call this group names such as Project Office, Enterprise Project Office, Project Management Center of Excellence and the Project Management Resource Team. Here, we will use the term Project Management Office (PMO). In some companies, the PMO organization contains only one person. In other organizations, the PMO team could be quite large.

YR2K Projects Brought PMOs to the Mainstream

Although the concept of the Project Management Office has been around for many years, for many organizations the awareness level was raised because of the recent YR2K problems. Many companies, especially larger ones, realized that they needed a concerted and coordinated effort to ensure that their systems could withstand the YR2K cutover. The basic infrastructure of a PMO was implemented, although with a single-minded focus to coordinate the projects for the YR2K fixes. After YR2K passed, many companies disbanded the infrastructure, while others realized the long-term value in continuing to coordinate aspects of project management centrally.

There are many potential products and services that a PMO can offer, depending on the needs of the organization and the vision of the PMO sponsor. Before the PMO can be successful, they must gain agreement from the management team on their overall role and the general expectations they need to achieve. A typical PMO is responsible for deploying a consistent project management methodology within the organization, including processes, templates and best practices. This is not a one-time event, but a broad initiative that could cover a number of years. Some organizations set up a PMO to do much less than that. Some PMO's try to achieve much more. Since consultants tend to



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be further along in their adoption of common project management processes; many companies utilize them to assist them in this effort.

A PMO costs money and time to run. The hope is that the investment in the PMO will be more than saved by implementing common processes and practices that allow every project within the organization to be completed better, faster and cheaper.

The PMO Value Proposition

The value provided by a PMO is summarized below. Although PMOs can be established to provide a narrow or broad set of services, this list includes many of the common responsibilities a full PMO would perform. In general, a PMO

- Establishes and deploys a common set of project management processes and templates, which saves each project manager, or each organization, from having to create these on their own. These reusable project management components help projects start-up more quickly and with much less effort.
- Builds the methodology and updates it as needed to account for improvements and best practices. For instance, as new or revised processes and templates are made available, the PMO deploys them consistently to the organization.
- Facilitates improved project team communications by having common processes, deliverables, and terminology. There is less misunderstanding and confusion within the organization if everyone uses the same language and terminology for project related work.
- Provides training (internal or outsourced) to build core project management competencies and a common set of experiences. If the training is delivered by the PMO, there is a further reduction in overall training costs paid to outside vendors.
- Delivers project management coaching services to keep projects from getting into trouble. Projects at risk can also be coached to ensure that they do not get any worse.
- Tracks basic information on the current status of all projects in the organization, and provides project visibility to management in a common and consistent manner.
- Tracks organization-wide metrics on the state of project management, project delivery and the value being provided to the business. The PMO also assesses the general project delivery environment on an ongoing basis to determine the improvements that have been made over time.
- Acts as the overall advocate for project management to the organization. This includes proactively educating and selling managers and team members on the value gained through the use of consistent project management processes.



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You Must Build a PMO that Makes the Most Sense to your Organization

There are almost as many varieties of PMO as there are companies. There are strong PMOs and weak PMOs. There are some that have many responsibilities in the organization and some that have only a few. Some companies rely on the PMO to be responsible for all areas of project management and project execution. Other companies only want the PMO to provide a consolidated reporting view of all the projects in the organization.

Before you can jump in and start up a PMO, you must first define what the PMO will look like. Without this foundation, all of the other work you do will be in jeopardy.

The place to start creating your PMO is through a formal organizational definition. The value of defining a logical organization is twofold. First, you gain clarity and agreement on what you are doing and why. This information is communicated to clients, stakeholders and your own staff so that everyone starts off with a common set of expectations. Second, this exercise provides a framework for the PMO to guide decision-making in the future. For instance, you would not want to undertake any projects that did not help you achieve your organizational objectives. Likewise, major decisions can be evaluated based on whether they fit into your strategy.

Building a Logical Organization

The term "logical organization" means that when the definition is complete, the organizational structure will only exist on paper. Once the logical organization is defined, you still need to actually staff the PMO at the right level to support the logical organization. The following major components are used to define your logical PMO. Many companies have the expertise to perform this definition by themselves. However, defining missions and strategies is something that you do not do every day. That is why consultants are sometimes brought in to assist. There are consultants that specialize in these organization assessments. They can facilitate the definition process and make sure that the resulting logical organization provides a firm foundation for the subsequent staffing and project execution.

Mission: Describes what the PMO does, how it is done, and for whom. It is a very general statement, usually aligning the PMO to the value it provides to the business. An example of a PMO mission statement is "The Acme Project Management Office (PMO) implements and supports project management methodology to enable our organization to deliver projects faster, cheaper, with higher quality and within estimates and expectations."

Strategy: There may be many ways to achieve your mission. A strategy is a high-level set of directions that articulates how the organization will achieve its mission. Defining a strategy also helps get the PMO aligned in the same direction as strategies in the rest of the company. Strategy defines how you will do things over the long-term - say three years - and is used as an overall framework for the more detailed tactical decisions that are made on a month-to-month and day-to-day basis.



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Sponsor: All organizations do not have a sponsor, but a PMO typically does. In this respect, a PMO is similar to a project and, in fact, many PMOs are established with a project. The sponsor is the person responsible for the PMO funding, and in many cases the sponsor is the manager that the PMO reports to. Sponsors are important for all initiatives, but they are absolutely critical for a culture change initiative such as this.

Clients: Clients are the main individuals or groups that request and utilize the products and services your organization provides. (These people may also be referred to as customers.) While there may be many stakeholders (below), it is important to recognize who the clients are. They should be the ones the PMO focuses on - to help them meet their project and business objectives.

Stakeholders: These are the specific people or groups who have an interest or a partial stake in the products and services your PMO provides. Internal stakeholders could include organizations you work with, but who are not directly under the PMO umbrella. External stakeholders could include suppliers, investors, community groups, and government organizations.

Objectives: Objectives are concrete statements describing what the PMO is trying to achieve in the short-term, perhaps up to one year. The objectives should be written at a low level, so that it can be evaluated at the end of the year to see whether it was achieved or not. A well-worded objective will be Specific, Measurable, Attainable/Achievable, Realistic and Timebound (SMART).

Products / Services: Products describe tangible items that the PMO produces, and are typically produced as the result of a project. Services refer to work done for clients or stakeholders that does not result in the creation of tangible deliverables. Services provide value by fulfilling the needs of others through people contact and interaction. The PMO achieves its objectives through the creation of products and the delivery of services.

Transitional Activities: Transitional activities are the specific activities and projects that are required to implement the physical PMO. If the PMO is new, these activities describe the work required to build and staff the new organization. This does not imply the creation of a full workplan, but it includes the immediate activities required to get you to the point that the PMO workplan can be put into place.

There are other aspects of the organization that can be defined as well, including the PMO vision, principles, goals, skills, roles and responsibilities.



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PMO Job #1 – Defining and Supporting Project Management Methodology

First and foremost, most PMOs are responsible for the project management methodology. On the one hand this is obvious, but there is more to this responsibility than you might think. In general, the project management methodology refers to the processes, procedures, templates, best practices, standards, guidelines, policies, etc. that you use to manage projects. The methodology must also be adaptable to meet the changing needs of the business, and it must add value to the projects that utilize it. In addition, as new technologies and methods emerge, the methodology should evolve to reflect those improvements.

All projects create deliverables / products. At the end of many projects, the deliverable that is produced needs to be supported and maintained for some period of time into the future. In many cases the product, and the related support, can go on indefinitely. Project management methodology should be viewed in terms of a product. The methodology is deployed into the organization through one or more projects. The processes, templates, training, etc. that make up the methodology are some of the deliverables that are produced. These deliverables, and the methodology in general, need to be supported and improved over time. The support could be very simple. For instance, you may decide to redesign a template based on feedback from members of your organization. On a more complex note, the PMO may be asked to implement processes in new areas. For instance, after the basic project management rollout, your sponsor may ask the PMO to implement a metrics program within the organization.

The point is that coming up with the holistic approach to implementation, and then having a successful rollout, is only part of the long-term focus of the PMO. The PMO needs to continue to support and update the methodology, and continue to make sure it is relevant in the organization. The initial development and the subsequent support of the project management processes are known as Methodology Management.

There are three major areas of methodology management – methodology development, support and enhancement.

Methodology Development

In the past, if you wanted a project management methodology, most companies spent the time to develop one from scratch. This was not necessarily difficult, since most of the basic project management processes have been known for some time. However, developing a process from scratch could be very time-consuming, especially if it is built at a detailed level.

With the arrival of the Internet, other options are available. New methodologies have been developed and introduced into the marketplace. Now, just as with a software package, there are three ways to obtain a project management process.

- **Build.** Companies still have the option to build a custom methodology from scratch.



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- **Buy.** There are now alternatives to look at to purchase and bring in-house. Consultants tend to have methodologies, some of which are strictly for internal use, and some of which are for sale to client companies. These can still be expensive, although in many cases they are priced very reasonably. If you purchase a methodology, you might be ready to start training and rollout within 30 days.
- **Buy and customize.** The third alternative is to purchase a methodology as your starting point and then customize it based on your own needs. This allows you to only spend the time required to develop or integrate your own organization standards, templates and processes.

Methodology Support

There is an old adage about the deliverables produced by projects. That is, the day you begin to deploy your product is the day you need to be prepared to support it. This is true with project management methodology as well. When you provide templates and training to the first people in your organization, you must be prepared to support the people and the products from then on.

Examples of support include:

- Answering questions about the methodology and how best to apply it on individual projects.
- Helping people find things.
- Maintaining the document repository if there are hardware, software or linkage problems.
- Providing ongoing training classes for new and current employees.

Methodology Enhancement

The last category of methodology management is the enhancement of the methodology over time. This includes areas such as the following:

- Expanding and extending the current processes. For instance, you may initially deploy a basic quality management process, and then later extend and expand the processes to raise the quality bar higher.
- Creating new training classes and extending the entire project management curriculum.
- Enhancing processes and templates to make them more valuable and easier to utilize.

Enhancements don't have to imply more and more processes and templates. It is possible that you could be reducing as well. For example, you may have had two Status Report templates for two different stakeholder audiences that can later be consolidated into one. One caution for PMOs is that you don't want to over-engineer the project management process. If you do too much extending and have too many methodology requirements, you will start meeting resistance from project managers who think the methodology is getting in the way of delivering projects faster and cheaper.



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Building Project Management Skills Through Training and Coaching

Once the methodology has been selected, the PMO has to work to get the organization to adopt the common processes. Two of the primary ways this is done is through training and coaching services.

Training is one of the premiere services offered by PMOs. In fact, in many organizations, the primary role of the PMO is to offer project management training to the staff.

Coaching refers to working with individual project managers or project teams to transfer knowledge and teach new skills. This is usually done in-person, but can also occur over the phone or through emails.

Determine your training needs and how to resolve them

Like many of the services offered, training must be considered holistically, along with any other services that the PMO is offering. It doesn't make sense to just start teaching classes. Project management is a very broad field. There are dozens of classes that can be offered, in many different formats and delivery modes. The PMO must take a step back first to determine the subjects that most sense to teach to each audience, as well as the timeframe and dependencies of the subjects. The following steps will help.

- 1. Determine the scope of training.** An early and fundamental decision to make is the scope of your training effort. One basic assumption is that if you offer project management training, the project managers will be the primary focus. However, there are other stakeholders as well. You need to decide what, if anything, you will target to project managers, team members, functional managers, clients and external partners. You must also decide on content scope. For instance, will you just teach methodology skills, or will you teach classes in soft skills as well (such as listening, leadership, etc.)?
- 2. Determine the training needs.** The PMO should assess the skill levels of the organization within the overall scope that was determined earlier. This may have been done in an earlier organization assessment. If not, then you need to gather feedback from managers, clients and team members to find out strengths and areas for improvement.
- 3. Create your Training Strategy and Plan.** Now that you have determined what you need, you need to determine how you will do it. The Training Strategy describes how you will implement training at a high level. The Training Plan describes the details behind the strategy. The Training Plan gets down to the detailed level of determining the specific classes to offer, the order of the classes, how the classes will be developed and how they will be delivered.

There are many options to consider for training. For instance, customized classes can be developed and taught by the PMO. This option is especially valuable if the class must be delivered to many people and the cost of sending everyone to outside public courses is prohibitive. You also have the option of using consultants to help build the training classes much more quickly. You can look at distance learning options such as



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webinars to reach your remote staff economically. You can also look at computer-based training. There are many options to look at when developing the entire training curriculum. Once you have approval on these documents, you are ready to execute the plan.

- 4. Develop and teach the training curriculum.** This is basically the execution of your Training Plan. You would buy, build or outsource various portions of your training needs, based on costs, priorities and capabilities.

Coaching is more personal and targeted

Coaching is different from training. Training implies a formal teacher-pupil relationship, and the formal instruction of material. Coaching is less structured, and usually involves talking through situations and describing or demonstrating how project management techniques can assist. (Note that in some organizations, this type of service might be called project management consulting, or mentoring.)

If your PMO provides coaching services, you will need to be clear about what these services include. It is difficult for every Coach to have expert knowledge in all aspects of project management, especially when the deployment project is new. Instead, the coaching services should be aligned to the areas being deployed at that given time. For instance, if your PMO is initially deploying definition and planning skills to the organization, the coaching services should be on those same topics. The Coaches must be experts in those areas. On the other hand, if a project manager wants coaching on quality management, the Coach may have more limited knowledge. Later, when the PMO focuses on deploying quality management, all the Coaches should be knowledgeable in the subject.

You must also be clear on whether you will provide coaching in non-project management processes. For instance, if you are coaching on project management, you may get a request to help create a Test Plan. If the scope of your PMO includes project management only, this is a request you would not be able to help with. However, if your PMO also performs coaching on the development life cycle, then perhaps you would be able to help. Likewise, your PMO might receive a request to help a project team use a scheduling tool. Again, if this were not a part of the coaching service you are offering, you would need to decline the request.



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The PMO Should Perform Audits and Assessments to Validate Progress

The PMO can validate whether all of this work is effective through a combination of project auditing and organization assessments.

Project-Level audits

Many of the services provided by the PMO, such as coaching and training, are designed to build capability and increase skill levels. The auditing service, however, serves two functions.

- You audit to check compliance. It is used to ensure that project managers are using the new project management processes. The results of the project audits will be used as input into the periodic organization assessments.
- Auditing can also be an opportunity for coaching. During the audit, you can help the project manager understand how the methodology is applicable to their project. If project managers are open minded, a project audit could be an opportunity to learn new things about how the project management processes apply to them.

Project audits are one way for the PMO to validate that the project teams are utilizing the appropriate project management processes. It is one thing to provide training and coaching and have all the appropriate processes and templates defined. It is another thing for the new processes to actually be adopted and utilized by the project teams. If you want to change the culture and make sure that the new processes are sticking, you must make sure that the project teams are utilizing them correctly. The purpose of the auditing session is to determine how well the project manager and project team are utilizing the project management methodology. During the project audit, a member of the PMO asks a series of questions to ensure compliance with the required processes and procedures.

Some companies could utilize consultants in some (or all) of this project management deployment. Project auditing is another service that consultants can execute effectively. Although the internal PMO will handle this service in most companies, project auditing is a stand-alone service that outside parties can also handle effectively. In fact, there are companies that have special expertise in auditing. In some cases, having an outside party perform the audits gives the process an extra air of legitimacy that will cause senior management to pay attention.

Keep the Management Structure Responsible as Well

If your organization is set up with the project managers reporting directly into the PMO, then the adoption of project management processes is within the control of the PMO. However, in most organizations, the project managers continue to report into their functional organizations. In any culture change initiative middle management plays a key role in overall success or failure. Middle managers can be a huge asset if they are behind the culture change. Unfortunately, they can also be the biggest obstacles to overcome if they are not totally on board. (Unfortunately this is more typical of the general role that middle managers play.)



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To help reinforce the responsibilities of the managers, the results of the project audit should be documented and sent back to the project manager, as well as the manager of the project manager. In addition, the results are summarized and sent to the project sponsor, Steering Committee and other management stakeholders. If a team is not using the standard processes, the senior managers and the sponsor ultimately need to ask questions. These questions to the managers are designed to make sure that the middle managers understand the important of pushing the changes within their organization.

Don't Audit All Projects

The auditing process can be time consuming. Just as it is not possible to provide coaching for all projects, it is also not practical to audit all projects. Actually, you don't need to. As was discussed previously, much of the push to implement standard project management processes is going to come from senior and middle managers. If you audit a project in a certain department and they come out pretty well, it is likely that the other projects in that same area will come out well also since the functional manager is probably helping with the push. On the other hand, if you audit a project and they are not following the standard procedures, it is likely a sign that the manager from that area is not being supportive of the methodology, and other projects in that area will probably have problems as well. Raising visibility of the problem projects should bring organizational pressure to bear to make the proper changes.

Organization Assessments

Audits are done on a project-by-project basis. However, on a periodic basis (yearly or semi-annually) the PMO should look at the entire organization and assess how well the project management processes are being integrated into the work routine. This is a similar process to what was done at the beginning of the initiative in the Current State Assessment, although the follow-up assessments are not nearly as detailed or rigorous. The assessments can consist of feedback from project audits, interviews with key managers and stakeholders, antidotal feedback and any metrics that are available. These assessments are compared to the prior assessments to gain a sense for the progress being made. This information is especially interesting to the sponsor and other management stakeholders who need to understand how the implementation is going and whether it is successful or not.

If you are implementing to a large organization, you will probably find that some areas are implementing the processes more effectively than others. For that reason, the assessment needs to be sure to cover all major departments or divisions.

By performing a number of assessments over time, the PMO can gain a sense of the whether project management processes are being successfully integrated into the organization. Assessments also offer the opportunity to take corrective actions if the new processes are not being successfully integrated into the organization.



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Leverage the PMO to Consolidate Project Status and Metrics

One service that is typically associated with a PMO is to provide common, roll-up reporting on the state of all the projects being executed within the organization. This concept can be extended so that the PMO tracks a complete, portfolio-wide view of all active, pending and historical projects.

On the surface, this might seem like a trivial exercise. However, it can be quite time-consuming. First, the PMO must work with the management stakeholders to define what is in the consolidated status report. Some organizations like to keep each project to one line, with some type of overall status indicator such as green (okay), yellow (caution) or red (trouble). If the reader wants more information, he or she can follow-up with the project manager. Other organizations like to see a full status report on each project. If there are questions or concerns, the status report may contain the answers that the reader is looking for, without have to follow-up further with the project manager.

Problems gathering the status

The PMO needs to collect status information on each project, consolidate it and report it. However, like all activities that rely on people, this can be easier said than done. Your PMO will probably encounter the following challenges.

- **Timeliness.** First, chances are all the project managers will not send you the required status information within the timeframe you need it.
- **Accuracy.** In many cases, the information will not be accurate. For instance, the project manager may make his or her project appear to be on schedule, even though not all scheduled activities are completed. Their rationale is that they will make up the activities in the next reporting period. You may spot this if the accomplishments for the previous period do not reflect the same work that was supposed to be completed according to the prior Status Report.
- **Completeness.** In many cases, the information on the report is accurate, and it may also be timely. However, you may find that it is not complete. For instance, the information provided may be very brief and does not provide a real sense for the status of the project.

Overcoming the status reporting problems

Of course, these problems need to be overcome. The PMO can address these types of chronic problems through activities such as the following:

- **Explain who is requesting the information and what it will be used for.** This is a key aspect of consolidated reporting. People do not like to spend the time to provide information if they don't feel it will be used. If they understand who is requesting the information, it might take on more priority in their mind.
- **Be clear on the information you need and use what you are requesting.** You want to be clear on the information you need and how it will be used. Make sure that you do not ask for status information that you don't need it for consolidated reporting.



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- **Clearly communicate when the Status Reports are due.** The PMO will have difficulty gathering status information from some percentage of project teams. Make sure that you don't give anyone the excuse that they did not know when it was due.
- **Follow-up with project managers on items that need further explanation and clarity.** If you receive status information that does not contain the content or format you need make sure you follow-up with the project manager. This follow-up is designed to make sure that the project managers know what you need differently, with the hope that you won't then have to continue to follow-up with them afterward.
- **Use the governance process if necessary.** If you find that the PMO is spending too much time running around for the information every month, you are going to have to go back to the sponsor for help. This is where you need backing on the process governance. Senior managers need to be held accountable if project managers in their organization cannot get the status reports in correctly and on-time.

Consolidated Metrics

There are a number of places where the organization gains value with the implementation of project management. If the PMO does not attempt to track and quantify some of these benefits, the organization will have no idea what value has been provided. In general, the metrics associated with project management value are also indirectly indicative of the value of the PMO. For instance, if more projects complete within expectations, it would indicate the value associated with project management, and would, in turn, point out the value provided by the PMO.

Organizational Metrics

One of the most difficult items the PMO will be asked to work on is determining the value of the project management. It is one of the more fundamental questions for your sponsor and senior management to ask. And yet it is also one of the most difficult to successfully answer. There seems to be intuitive value in implementing a standard project management methodology, but if you try to quantify the value, you will quickly become stuck. It is a little like holding a cloud. From the distance, it seems like there should be something there that is solid that you can get your hands on. However, the closer you get, the more vague and transparent everything becomes. There are a couple approaches to these organizational metrics. One is to rely on industry research and look for companies and case studies that are similar to your organization to compare yourselves to. The thought is that if someone else was able to measure value and you are a similar company implementing in a similar way, you should be able to claim similar value.

Second is to actually try to calculate the value associated with using a methodology. For instance, the PMO can work with project managers on different types of projects to determine cost savings associated with maintaining good scope change procedures, managing risk proactively, and managing client expectation effectively. As you continue to interview a subset of the project managers, you should start to see some trends that you can apply to the rest of the projects in your organization.



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Third, look for the reuse value associated with using the common project management process. Again, this approach asks project managers to estimate the savings associated with using similar processes on multiple projects and getting their estimate of the cost and time savings associated with reusing the common processes on an ongoing basis.

There are some areas of service where the PMO does not already have a sufficient level of expertise. Metrics could be another one of these areas. Many companies do not know much about defining and capturing a good set of metrics. Some consulting firms have a strong expertise in this area that could be leveraged to make sure you start off on the right foot.



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Rounding out the PMO with Other Product and Service Offerings

It is difficult to address all the potential services having to do with PMOs, but here is an attempt to summarize some of them. Keep in mind that probably no single PMO will undertake responsibility for all of the services mentioned below. However, understanding the nature of the many services that can be offered will help you determine the most important areas that will be offered by your PMO.

Establish and Support a Document Repository

One of the value propositions to deploying common project management processes is the ability to reuse processes, procedures, templates, prior examples, etc. However, the ability to reuse documentation does not come about like magic. If project managers want to see whether there might be pre-existing material that would help them, they are not going to be expected to contact every other project manager. To facilitate process and document reuse, the PMO needs to establish and manage a Document Repository. This could be as easy as setting up a directory structure that everyone in the organization can access. It might also be more elaborate and multi-functional, like a tool specifically designed for document management. Depending on how you implement this facility, you need to properly set up a classification structure, make sure that only approved information is posted there, make sure the information stays current and relevant and make sure that the facility is actively marketed and utilized by the organization.

Convert Key Learnings to Best Practices

At the end of every project, the project manager, team, client and major stakeholders should get together in an end-of-project meeting to discuss what was planned and what actually happened. At some point in the meeting, you should turn your attention to lessons-learned. The lessons should be collected and consolidated in the Document Repository. One problem, however, with lessons-learned is that they typically only apply to that one project.

As the PMO collects more and more key learnings, they may start to see patterns emerge in the lessons-learned. At some point, lessons-learned from projects can be raised from the level of a best practice. A best practice statement implies that the benefit can be gained for all projects, not just the few that reported it.

Coordinating a Common Resource Pool

All companies need to have a process to staff projects. In some companies, the resources are allocated per business units. In other companies, all of the project people are assigned to one central staff. Since the PMO is a focal point for all project management related activity, it is the right place to manage these common resource pools. The resource pool could be for project managers only, or it could be for all potential project team members. Creating a common resource pool involves taking a skills inventory of all shared resources and keeping track of when each person will become available from their current project. The PMO can then have the information available as new project are



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ready to start, or the PMO can, in fact, have certain projects started based on the availability of skillsets.

Document Review Service

Document reviews can be offered on a stand-alone basis to help ensure that project managers are utilizing the standard templates as they were intended and that they are being completed clearly and consistently. This service basically just involves project managers sending in project deliverables to receive a quick review and feedback. The PMO is not “approving” the document, but they are providing feedback on the content, format and readability of the specified document.

Defining the Role of Contractors on Projects

Most companies utilize contractors for some portion of their workload. The question that your company must answer is how best to utilize contractors and how best to utilize employees. There is not one answer that fits all companies. Each company and each organization must determine the things that are most important to them, and create an overall policy for utilizing contractors within that context. For instance, one company might decide that their business runs on their legacy systems, and they are not going to trust contractors to keep these applications running. Another company may decide that the legacy systems represent the past, and that new projects represent the future. In that company, they may decide to rely on contractors for support, but they may prefer to utilize employees for new projects. Likewise, some companies insist that all senior positions be staffed with employees. Other companies do not have a problem placing contractors in any position where they are short of employees or do not have the right employee available. The PMO can help determine the right policies for your company.

Benchmarking

As your company becomes more sophisticated utilizing metrics, you might realize that collecting internal data on internal projects is valuable, but can only take you so far. You don't really know how efficient and effective your project delivery is unless you can compare how you deliver projects against other companies. Benchmarking studies (one-time) and benchmarking programs (longer-term) are a way to compare your organization against others. Benchmarking requires that you gather a set of predefined metrics that describe the result of very well defined processes. The resulting metrics that are captured from other companies, using the same set of processes and definitions, can be used to create benchmarking statistics that allow you to compare your organization against others. This information can be evaluated to determine if there are similar changes that can be applied to your organization to achieve similar results.

Benchmarking is an area that few companies want to try to start on their own. It requires a lot of work, and the processes you define need to be applicable to a range of outside companies. If you are going to benchmark, you are generally going to need to utilize an outside firm that specializes in benchmarking. This company may already have the core set of processes, metrics and benchmarks defined. They can also spend the time to get



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other companies involved, they can conduct the study and they can help interpret the results.

Summary

Many companies are finding that they must build project management capability if they are going to meet the business challenges in the future. The next important observation is that project management processes should be implemented consistently across the organization. This leads to efficiency and helps to deliver projects even better, faster and cheaper. The next question is to determine how best to identify the common project management processes and make sure that they are leveraged as needed by the entire organization.

Many companies give this responsibility to one or more people in a Project Management Office (PMO). There are many structures for a PMO and many types of services that the PMO can offer. Each organization must first determine the services that are important to them and then create an overall approach to implementing. Since this is a culture change initiative, the effort can be time-consuming and difficult. However, the rewards are also large. If the PMO is established with a clear vision, strong sponsorship and a solid approach, it can be a vehicle for creating a tremendous amount of value for the company.