

The Project Management Office  
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## Introduction

Most companies today face the necessity of executing a continuing stream of strategic and highly complex projects. Examples of such projects include the development and introduction or implementation of new products, processes, and systems; design, construction, maintenance, or relocation of major facilities; marketing campaigns; mergers and acquisitions; and special events. Any given company may have dozens of such projects underway at all times, and success on each project is essential to achieving and maintaining competitiveness.

Each project team is typically quite diverse – consisting of people who represent different functional areas of the company, have different educational backgrounds, live and work in different nations and cultures, and may even speak different languages. The individuals who are selected to manage these projects face major challenges, especially since their primary job (such as engineering, marketing, etc.) may not involve project management as a primary requirement or skill.

To support their project managers and to increase their probability of success, many companies have begun to create and staff a “project management office” (or “PMO”). The purpose of this paper is to explain the general concept, purposes, specific responsibilities, and requirements associated with an effective project management office.

## Concept

A project management office is a staff function that:

- Builds, maintains, and improves the project management system (project management policies and procedures, planning templates, project management software tools, standard codes for identifying resources and costs, standard report formats, etc.) in the organization, and
- Supports project managers and their teams in the effective application of sound project management principles and techniques to achieve project success.

Specifically excluded from this definition (although they may be included in other versions of the project management office concept) are the following responsibilities:

- To conduct financial or cost/benefit analyses to determine what projects will be undertaken.
- To actually manage projects, including the unilateral development of project plans and the direct control of performance. This is the responsibility of the individual appointed to manage each project working collaboratively with their team.
- To perform tasks in projects that are normally the responsibility of other functional

groups, such as procurement, quality assurance, legal, or human resources departments.

## Purposes

While recognizing that projects are managed by project managers and their teams, the over-riding purpose of the project management office is help ensure the success of every project with respect to the quality, time, and cost dimensions of performance.

More specifically, the purposes of the project management office are:

- To provide for ongoing ownership and responsibility for the application of project management in the organization.
- To provide a permanent home for project management expertise/knowledge, as individuals enter and leave the organization over time.
- To acquire the tools required to manage projects effectively and efficiently.
- To ensure the consistent application of project planning and control processes on all projects.
- To promote concise communication regarding projects within the organization.
- To provide computer support for the project management process, freeing project managers to focus on building the team and managing the work.
- To organize and maintain an organizational repository of project information that has value in planning future projects.
- To conduct portfolio-level analyses (such as workload projections for specific resources) across multiple projects.
- To continuously improve the project management system and the practice of project management within the organization.

## Responsibilities

The responsibilities of the project management office can be divided into two groups: (a) those related to building and maintaining the project management system, and (b) those related to supporting the effective application of sound project management principles and techniques on specific projects:

- Responsibilities in building, maintaining, and improving the project management system
  - Determine training needs for project managers/teams and acquire the appropriate training at the appropriate time.
  - Establish and document project management policies and procedures.
  - Create an approach to establish priorities across multiple projects and a methodology to apply those priorities to the project planning and control processes.
  - Analyze the requirements for project management and related software tools; and acquire, implement, integrate, and maintain those tools. Evaluate new tools as they become available.
  - Develop and disseminate standard coding structures and report formats.
  - Create project planning templates (charters, work breakdown structures,

- precedence networks, schedules, budgets, etc.)
- Collect and organize databases of actual project performance data (durations, resource usage, costs, quality measures, etc.)
- Perform project management process audits and take action to correct process deficiencies.
- Responsibilities in supporting the effective application of sound project management principles and techniques on specific projects
  - Facilitate (and ensure proper methodology of) the project chartering/planning process as performed by the project team.
  - Facilitate (and ensure proper methodology of) the project control/updating process as performed by the project team.
  - Perform data entry of project plan and actual performance information.
  - Utilize the project management software tool(s) to perform analyses and generate reports as required.
  - Analyze technical, policy, and resource relationships across multiple projects.
  - Perform workload, cost, and cash flow roll-ups across multiple projects.

## Requirements

For the project management office concept to work effectively, the following conditions must exist:

- Senior management must be committed to the disciplined and consistent application of formal project management to all projects.
- The project management office should report directly to an executive or an executive group at the level of project sponsorship; that is, the same level to which project managers report.
- The project management office must be staffed with individuals who collectively possess the following types of knowledge, skills, and personal traits:
  - Expertise in project planning and control methodologies
  - Expertise in using project management software tools
  - Expertise in implementing and integrating software tools
  - Familiarity with the business, technical, and political aspects of the projects performed in the organization.
  - Interpersonal skills
  - Group facilitation skills
  - Analytical skills
  - Communication skills
  - Process discipline
  - Attention to detail
- The project management office must be equipped with the computing hardware and software necessary to support the function.

**About the Author, the Project Success Method & Project Success Inc**

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Co-founder and former Executive Vice President

Tom is heavily involved in the development and delivery of PSI's courses. In addition to his work with PSI, he is Professor Emeritus of Management at Georgia State University. He also served the University as Chair of the Department of Management and as Interim Dean of the College of Business Administration. Previously, he was an Assistant Professor of Industrial and Systems Engineering at Georgia Tech.

Tom has provided project management consulting and training services for a variety of business, government, and non-profit organizations. He developed and marketed one of the first PC-based software tools for project scheduling and cost control. Prior to beginning his academic career, Tom served in the U.S. Army Management Systems Support Agency at the Pentagon and was employed as an industrial engineer with a national firm in the printing industry. He holds bachelors and masters degrees in Industrial Engineering from Georgia Tech and a Ph.D. in Business Administration from Georgia State University. Tom has received several awards for teaching excellence and public service.

Since 1983, Atlanta, GA based Project Success Incorporated (formerly YCA) has been providing Project Success Method project management training and consulting services to hundreds of successful organizations, including many of the largest and most profitable Fortune 500 companies.

The **Project Success** clearly defines a proven approach to superior project performance. While an estimated 70% to 90% of corporate strategic initiatives fail, companies that employ The Project Success Method® consistently plan and control their projects successfully, delivering projects faster, more effectively, and at lower cost. The **Project Success Method** is a blueprint for planning and controlling projects of all sizes and provides the missing link between strategy formulation and implementation. The methodology is not software-specific and requires no prior project management training or professional certification. Most importantly, the Project Success MethodSM is easy to learn, highly effective and can be implemented quickly in as little as 5 days." PSI consultants have been engaged in more than 10,000 projects in 25 countries on six continents. For more information contact [walter.urban@projectsuccess.com](mailto:walter.urban@projectsuccess.com) 519-766-9295 or visit [www.projectsuccess.com](http://www.projectsuccess.com).