Executive PMO – Blending Project Management and Business Management

By Darrel G. Hubbard, PE, President, D.G.Hubbard Enterprises, LLC
and
Dennis L. Bolles, PMP, President, DLB Associates, LLC

Abstract

Enterprises can no longer afford to continue to authorize, fund, or execute projects without a clear driving strategy. The authors' research shows that enterprises have identified opportunities to improve the alignment of project execution with corporate strategies and objectives that support the enterprise's mission and vision, through the use of executive-level PMOs. The executive PMO is being seen as the change agent and unifying force within the enterprise. It has the ability to influence outcomes, lead projects that are enterprise-wide, and encourage and drive collaborative cooperation among the various business units to deliver desired benefits and value.

The research results were extracted from detailed full-text project management office case studies prepared and submitted in 2012 by both commercial and governmental enterprises in response to a formal questionnaire. The case studies are documented in the authors' book, A Compendium of PMO Case Studies: Reflecting Project Business Management Concepts. The extensive survey instrument was based upon the authors' Project Business Management (PBM) model and related Project Business Management Organization (PBMO) concept. The paper presents conclusions relating to the future of PMOs, which include challenges being experienced in implementation and maturation; types of benefits and values being delivered; roles, responsibilities, and authorities; and positioning within the enterprise.

Introduction

The business pressures during the recent period of global expansion and the following recession resulted in a growing number of enterprise-wide projects. The additional requirements necessary to handle these projects exacerbated the issues already associated with what had been the normal ways many enterprises were doing

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business. To put this in perspective, about 25% of all the goods and services produced in human history were produced in the last 10 years. The global economy is influencing organizations to establish better means of managing portfolio, programs, and projects, and to prioritize their projects and programs to achieve business results and value more efficiently and proficiently.

During this time of change, another key challenge emerged for business. The time allotted for projects and programs to be vetted, and changes to be accommodated, is being condensed. This challenge affects the enterprise’s ability to ensure that projects and programs align with existing strategies that support the enterprise's mission and vision. Enterprises can no longer afford to continue to authorize, fund, or execute projects without a clear driving strategy.

A mounting pressure continues for large enterprises in the marketplace to apply more formal business management principles, practices, and processes to the projects in their portfolios and programs. Many executives and business unit leaders recognize that the effective management of their projects has a measurable impact on their enterprise’s bottom line. Management also recognizes that they depend on the proper application of specific business, portfolio, program, and project management processes. In addition, managers are beginning to apply those same portfolio/program/project management principles, practices, and processes to operationally-based projects.

Therefore, enterprises are addressing the business challenge of improving the alignment of corporate strategy with project execution, by establishing a more formal “project management office” type organization. These special organizations may be identified as project, program, or portfolio management offices, but they all fit under the general business management heading of “PMO.” Companies are implementing PMOs including those at the project level, originally called project support offices (Bolles, 2002), to those at the C-suite level, commonly identified as enterprise PMOs (Bolles & Hubbard, 2007).

The actions necessary to implement an integrated business approach to managing all the projects, programs and portfolios within the business is a concept the authors termed Project Business Management (Bolles & Hubbard, 2007). Using the term Project Business Management eliminates any confusion and suppresses the reader's assumptions as to just what the term project management means when used in a business context. Adopting and managing an approach that integrates portfolio, program, and project management processes and best practices with the enterprise’s business processes and best practices requires single ownership at an executive level. This business unit, chartered to implement those integrated Project Business Management practices and processes, the authors named the Project Business Management Organization.
Development of PBM Research Model

Academic research on PMOs began in the early 2000s. This academic research (Aubry & Hobbs, 2010, 2011) is slowly providing insights into various aspects of PMOs and the forces that change them. That research to date, which covers a range of PMO structures, in general has not provided significant business insights for practitioners to develop, implement, operate, or sustain a PMO.

During the past 15 years, the authors, as part of their consulting practices and entrepreneurial endeavors, and applying their experiences with program and project offices, which started in the mid-1960s, have used heuristic methods to research, develop, and refine their construct for the functioning of a PMO. Within this research methodology, a construct is something that has been systematically built or assembled from separate parts in an ordered way to create a theory as a result of systematic thought, especially a complex theory or subjective notion such as the functioning of a PMO.

A PMO construct developed in this way may be viewed as an enterprise model, which is a representation of the structure, activities, processes, information, resources, behavior, and constraints of an enterprise or portion thereof. From an operation’s perspective, the enterprise model represents what is planned, what might happen, and what has happened. This PMO construct may also be viewed as a business reference model, which describes the business operations of an organization, where the operations are independent of the organizational structure that performs those functions.

The authors’ PMO construct is a defined subset of the range of possible PMOs. The construct is based upon, limited to, and restrained by the authors’ construct for Project Business Management, which is based upon an organizational management viewpoint.

Project Business Management Organization – The PBMO Construct

The authors defined the construct of the Project Business Management Organization in their second book (Bolles & Hubbard, 2007) as a business unit positioned at the executive level of the enterprise, operating as an independent functional organization, and recognized by every level of the organization as having the autonomy, roles, responsibilities, and authority to implement and apply, on an enterprise-wide basis, those Project Business Management best practices developed specifically for the enterprise.

To place this construct in a management context, the authors define a business unit as “any sized functional organization within the enterprise that is charted to perform a relatively well defined business support operation, such as accounting, a service center, product production, sales, human resources, marketing or a project management office.”
PMI and the authors define an enterprise as a company, business, firm, partnership, corporation, or governmental agency. This includes associations, societies, for-profit entities, and not-for-profit entities. They also define organization as a group of persons organized for some purpose to perform some type of work within an enterprise. This includes business unit, functional group, department, division, or sub-agency.

The definition of the Project Business Management Organization established by the authors infers that it can include the three most common PMOs: project management office, program management office, and portfolio management office.

PMI (2006a, 2006b, 2008) described the function of the project management office as an organizational body or entity assigned various responsibilities related to the centralized and coordinated management of those projects under its domain. The responsibilities of the PMO can range from providing project management support functions to actually being responsible for the direct management of a project (PMI, 2008).

PMI (2006a) described the function of the program management office as a critical portion of the program’s infrastructure. The program PMO is seen by PMI as supporting the program manager with the management of multiple, unrelated projects. While there are many varieties of program management offices within organizations, for the purposes of the program management standard, PMI (2006a) viewed the PMO as providing support to the program manager by: defining the program management processes that will be followed; managing schedule and budget at the program level; defining the quality standards for the program and for the program’s components; providing document configuration management; and providing a centralized support for managing changes and tracking risk and issues.

In addition, for long, risky, or complex programs, PMI (2006a) saw the program management office as providing additional support in the areas of managing personnel, managing contracts and procurements (especially international procurements), legal support, and other support as required. Since some programs continue for years, PMI (2006a) saw the PMO as assuming many aspects of normal operations that overlap with the larger organization’s operational management.

Within its standards, PMI (2006b) has not identified the portfolio management office as an organizational entity. PMI (2006b) described portfolio management specifically as a management activity and clearly defined the roles managers have with respect to projects, programs, and portfolios. However, none of these roles’ statements included the management of the related PMO.

The weaknesses in these PMI descriptions are that PMOs are not seen to be organizations that manage, but are portrayed as administrative support functions to some manager and therefore subject to the whims and vagaries of the operational aspects of the enterprise. These types of pseudo-PMOs were not part of our study.
PMOs with those titles, but where the manager is responsible for management of the PMO, were part of our study.

Viewing the authors’ higher-level construct of the Project Business Management Organization from an executive perspective, it can be seen as the application of Project Business Management practices and processes on an enterprise-wide basis using an enterprise-wide Project Business Management office to support the management of the enterprise’s projects, programs, and portfolios.

The premise here is that an executive-level, enterprise-wide Project Business Management Organization is created to implement the Project Business Management methodology to direct diverse and resource-intensive portfolios, programs, and projects across the enterprise. Many programs and projects fail because of poor coordination, limited resources, faulty assumptions, not being the right project at the right time, or mid-management infighting. These issues are generally resolved at the executive level, where strategies are set, business objectives are defined, where direction, priorities, and resources are determined, and the final decisions are made.

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Exhibit 1 – Project Business Management House of Excellence Model

**Project Business Management Organization – The PBMO Model**

The research of the general business literature and review of many works on organizational operations and project operations lead the authors to a view and understanding of the basic business elements that are commonly present in most functioning organizations, business units, and PMOs. These principles generally guide how an organization and its associated culture are perceived to behave or operate. The majority of those elements were reduced into, or summarized within, six major business-related constructs.
These were defined as: governance, methodology, capability, planning, execution, and sustainability. In general, these six interrelated business-based elements were found to be necessary to create, operate, and maintain a business organization such as a PMO, which the authors generically call the PBM organization. A visual representation of the authors' PBMO construct, which they call the “PBM House of Excellence” model, is shown in Exhibit 1. This model illustrates the seven key business components of the authors’ Project Business Management Organization construct.

Various interfaces and integrations are considered among the six supporting elements of the PBM House of Excellence, which are necessary to implement a Project Business Management Organization as a business function.

The authors define Project Business Management as the use of integrated general business management, portfolio, program, and project management knowledge, skills, tools, and techniques in applying portfolio, program, and project processes. The purpose is to meet or exceed stakeholder needs, and to derive benefits from, and capture value through, any project-related actions and activities used to accomplish the enterprise’s business objectives and related strategies.

Operations management, and what is generally called project management, must coexist within the enterprise and support the various business aspects of the company. The PBM construct provides a holistic business view of the various aspects of project management, when coupled with the related business aspects of operations management.

Exhibit 2 – Project Business Management Model

A visual representation of the PBM construct was created by the authors and called the Project Business Management model. The PBM model is a simplified vision of the
complex interfaces and interactions of operations business management and Project Business Management. The model is useful to practitioners in analyzing interfaces and process interactions and designing a PBM organizational operation. This Project Business Management model, shown in Exhibit 2, illustrates the integrative and interface constructs of the authors' Project Business Management construct.

The Operations Business Management and the Project Business Management segments of the cube represent the main business functions of an enterprise. Both management functions are involved with applying the enterprise’s resources and employing the five common management constructs associated with the continuum from identifying the need for a project to completing that project by meeting the stated objectives of the enterprise.

Those individuals involved in the information technologies (IT) industry and IT-based functions will see that this model can be a way of representing what is being called Business Process Management (BPM). For those involved with applying agile practices to project management, this model can also be seen as applicable when specific interfaces are identified and a limited set of processes are selected to apply the model.

The PBM Organization, by employing the five common business elements (governance, methodology, capability, planning, and execution), manages the business aspects of the Project Business Management portion of the cube. The PBM Organization continues its operations when management employs the sixth common business element shown in the PBM House of Excellence Model, sustainability.

Research Methodology and Instrument

Research Methodology

The authors’ PBM Organization model and the related PBM model provided a valuable basis for creating a comprehensive and cohesive survey tool. An extensive questionnaire was the research instrument. The survey of 73 items included 11 demographic data questions and 62 questions requiring a written descriptive response. The questionnaire covered the seven common business elements within the PBM House of Excellence model (Exhibit 1) and the six management processes and interfaces in the authors’ updated Project Business Management model (Exhibit 2). Plus, it required the supply of data related to the enterprise and supporting non-textual items.

Each enterprise was specifically invited to provide case study information for inclusion in the book, A Compendium of PMO Case Studies: Reflecting Project Business Management Concepts (Bolles & Hubbard, 2012). The full-text qualitative case studies are of PMOs that are situated within their enterprise’s organizational context. The purpose for these case studies was to allow the authors to present to a wider audience those Project Business Management Organizations, generically known as PMOs.
(project, program, portfolio or equivalent offices), that have manifested vision and business insightfulness in carrying out new ideas, methods, or processes.

Each case study supplied comprehensive responses to the survey’s information requests.

**Research Instrument**

The new survey instrument obtained PMO information and data in nine major areas, as summarized below.

**Enterprise Information**

The instrument solicited specific data such as business name; industry; country and state/province location; size in number of full-time employee equivalents; and size in annual sales revenue in US dollars.

**Office Demographics and Structure Information**

The instrument solicited information and data, with respect to the organizational structure, such as name of business unit; title of leader/manager; position within the enterprise structure; reports to title of person; size in number of full-time employee equivalents; how internally structured; annual operating budget; organizational background; innovations and best practices; and potential future impact.

**Governance Information**

The instrument solicited descriptions related to items, such as: how the PMO presents itself as an executive-level management business function; how it addresses setting policy; how it provides an organizational model for the business management of portfolios, programs, and projects; how it provides an organizational model for the establishment of portfolio, program, and project management offices; and what the relationship of the PMO management is to the enterprise’s operational management.

**Methodology Information**

The instrument solicited descriptions related to what methodologies and standardization the PMO implemented across the enterprise, and covered items, such as identification and integration of processes and practices; development of standardized Project Business Management processes; and documentation of enterprise-wide portfolio, program, and project management process methodology models, including their associated policies, practices, and procedures.
Capability Information

The instrument solicited specific descriptions related to capabilities, such as development and assessment of the enterprise’s abilities; project management competency models; education and training programs; career path progression plan; and key Enterprise Environmental Factors (see Bolles & Hubbard, 2007; PMI, 2008).

Business Planning Information

The instrument solicited specific descriptions related to planning items, such as strategic business planning; tactical business planning; business objective (project) development and prioritization; and project identification, selection, and authorization.

Business Execution Information

The instrument solicited specific descriptions related to execution items, such as what role the PMO has in project selection, prioritization, and initiation; portfolio, program and project execution planning; stage-gate reviews; and performance metrics selection and application.

Sustainability Information

The instrument solicited specific descriptions related to sustainability such as the overall impact of the PMO over a sustained period (e.g., customer satisfaction, productivity, reduced cycle time, growth, building or changing organizational culture, etc.) and quantitative data to illustrate the areas in which the PMO has had the greatest business impact.

Other Information

The instrument solicited additional comments and required providing related figures, tables, and other graphics.

Research Results

A conclusion to be drawn from the literature research is that while establishing PMOs was a business practice starting in the post-World War II era with the defense and construction industries, the practice of creating PMOs in other industries was just beginning to immerse in the 1990s. The level of acceptance, executive positioning, authority, and autonomy of the PMO within an organization’s structure has only been achieved, to any great extent, in the past six years.

The authors gathered the initial research information between 1997 and 2006, soliciting data from various organizations that had recently set up their PMO, or were in the process of doing so. The responses were compiled into a summary report, that was organized into five categories with a number of topics in each category, which were each cross-referenced to the survey’s 34 questions.
The significant conclusions derived from analyzing this initial PMO research are the following:

- Approximately 45% of the PMOs ceased to exist during the survey period, based on follow-up research, because:
  - The PMO did not deliver identifiable business benefits and value to the enterprise.
  - The PMO could not define clearly either its purpose or role in supporting project management. This resulted in the PMO being viewed as ineffective and unable to produce business results to validate cost to exist.
  - The PMO lacked sufficient executive support to sustain its operating as a PMO.
  - The issues that impacted effective PMO startup and ongoing operations were the same for the enterprises that joined the survey near the end as they were for the enterprises that joined at the start.

The information gathered during this initial research phase was then used to expand the authors’ PMO Case Study Survey instrument, which was used to gather the additional information contained in this PMO Case Study research paper.

The expanded research resulted in a set of PMO case studies prepared and submitted in 2012 by various enterprises in response to the formal survey tool. The full-text formal case studies were requested from those enterprises that have exhibited excellence and innovation in developing and maturing an organizational structure to support the effective management of projects, programs, and/or portfolios.

Each enterprise shared the “what” and the “how” for the business actions used to develop and manage its PMO. Those business case studies also gave descriptions that indicated how each enterprise was successfully employing the Project Business Management model.

Research summarized in this paper is based upon the full-text case studies that provide practical how-to information that for-profit, non-profit, and governmental enterprises can use to implement a Project Business Management Organization. The enterprises included in the research represent 24 diverse industries.

The PMO survey research information the authors obtained during the past 15 years, combined with the additional research information produced from other sources, provides some interesting insights.

**Demographic Data Analysis**

The following points summarize part of the demographic information included within the study.
• The new case study participants represent 10 industries. Of those PMOs, 60% are functioning at the enterprise-wide level and report to a senior executive, and 85% of the enterprises have headquarters in the U.S.

• Of the case study participants, 55% have firmly established their positions within their organizations as providing benefits and value, while the remaining 45% have executive support and have a clear vision and have created a plan identifying what needs to be done to rise to the next level.

• An outcome from the research confirmed the idiom that “a PMO by any other name is still a PMO,” and produced an interesting list of PMO organization names. Examples include:

- Corporate Project Management Office
- Project Management Center of Excellence
- Delivery Services
- Enterprise Program Management Office
- Enterprise Portfolio Management Office
- Executive Project Management Office
- Information Technology PMO
- Information Systems PMO
- New Product Development PMO
- Project Management Service Unit
- Strategic Project Office

• The following are examples of the PMO title, the PMO leader’s title, title of the position to which the PMO reports, and the associated application span of the PMO within the enterprise:

<table>
<thead>
<tr>
<th>PMO Title</th>
<th>Leader’s Title</th>
<th>Direct Report Title</th>
<th>PMO Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate PMO</td>
<td>Asst. VP CPMO</td>
<td>VP Strategic Management</td>
<td>Enterprise-wide</td>
</tr>
<tr>
<td>Executive PMO</td>
<td>Audit &amp; Admin. Manager</td>
<td>Managing Director</td>
<td>Enterprise-wide</td>
</tr>
<tr>
<td>Program PMO</td>
<td>PMO Manager</td>
<td>VP Program Management</td>
<td>Enterprise-wide</td>
</tr>
<tr>
<td>Enterprise Portfolio Management Office</td>
<td>VP Enterprise Portfolio Management Office</td>
<td>Chief of Staff for the Chief Operating Officer</td>
<td>Enterprise-wide</td>
</tr>
<tr>
<td>IS PMO</td>
<td>PMO Supervisor</td>
<td>IS Director</td>
<td>Localized</td>
</tr>
<tr>
<td>PMO</td>
<td>PMO Leader</td>
<td>New Development Director/ GM</td>
<td>Localized</td>
</tr>
<tr>
<td>PMO</td>
<td>Director</td>
<td>Assistant VP, Products and Services</td>
<td>Localized</td>
</tr>
</tbody>
</table>

The research indicates that the title of the PMO leader, and the management level to which the PMO directly reports, drives both the perceived level of authority of the PMO and how the PMO is used within that enterprise. This positioning dictates whether the
PMO services are provided enterprise-wide or are localized to a specific functional or regional part of the organization.

The research also shows that the positioning of the PMO at the highest level of the organization has a direct influence on the PMO’s acceptance across the enterprise, its level of authority, and the level of autonomy that the PMO has within the enterprise’s structure. This positioning also influences directly the long-term sustainability of the PMO, and its ability to fulfill its role as a business function within the operational and business management structures of the organization.

**Contextual Responses Analysis**

The research resulted in the following key business-related points, which are drawn from an analytical review of the responses to the wide range of survey questions.

**PMOs Presented Themselves as Executive-Level Management Business Function:** The PMOs that have the greatest impact on their companies also have an influential structural position within the organization, and present themselves as an executive-level management business function. Case study examples:

- “The Enterprise Portfolio Management Office (EPMO) is responsible for managing the enterprise portfolio of projects and it is led by the Chief Financial Officer and Chief Operating Office.”
- “The PMO was established as an enterprise-wide PMO with project oversight responsibility company-wide reporting to the Chief Information Officer.”
- “The PMO is an independent, enterprise-wide department, which is Vice President-directed, reporting directly to one of two Executive Vice Presidents.”

**PMO’s Impact on Enterprise and Organizational Structure:** All of the PMOs provide benefits and value to the company and are recognized and accepted as an integral part of the enterprise’s organizational structure. PMOs add value to the organization by providing leadership of the improvement and expansion of project management best practices throughout the company. This is accomplished partially by overseeing project management coordination, standardization, and communication on a portfolio of projects, delivering actionable decision-support information to an oversight committee, and ensuring training and coaching is provided for successful project completion.

**Methodologies and Standards Implemented by PMOs:** The number and depth of standardized practices and methodologies employed varied positively with both the organizational position of the PMO within the enterprise and the maturity of the PMO. Standardization involved documented policies, processes and procedures enterprise-wide. These included prioritization process, business requirements, cost benefit analysis, charters, communication plans, action item reports, issues management, lessons learned, risk management, change management, performance evaluation, post-project evaluations, and life cycle management, to name a few.
PMO Role in Strategic Business Planning, Tactical Business Planning, and Business Objective Development: Each enterprise employed its PMO as an integral part in each of these processes. Strategic business planning (long-term) sets the direction for developing the operating plans (annual, short-term). The operating plan identifies corporate objectives and corporate action steps to be flowed as tactical plans to become departmental business objectives, which are converted into departmental action steps. The departmental action steps are then formed into forecast plans that are submitted to the PMO to incorporate and manage in the corporate portfolio of projects and programs.

PMO Role in Project Identification, Selection, Prioritization, and Authorization: The exact role of each PMO related to project identification, selection, prioritization, and authorization is driven by its specific defined role within their enterprise. All PMOs supported the strategic selection and chartering of projects, and facilitated the project prioritization and authorization processes. Examples include departmental forecasted projects and programs are identified, prioritized, and listed as part of the departmental planning process, while others are listed and initiated as needed. New projects are integrated into the departmental planning process by submitting a new project proposal form that is reviewed and authorized by a company vice president, which is then submitted to the PMO to initiate. This type of process allows projects to start if/when they are needed, as long as they are authorized by a company vice president, so the time required to start work on new projects is minimized.

PMO’s Impact on the Enterprise: Fully functioning PMOs all have a positive impact on the enterprise’s selection and timely completion of those “right” projects, which provide value to the business and that deliver the desired and promised benefits. Among the values that enterprises reported as being added to the company by the PMO:

- Project management maturity advancement
- Increased success in producing winning sales proposals
- Increased market (customers) confidence in their ability to deliver
- Organization transformation of processes and systems
- Improved efficiency
- Strategic and competitive advantage
- Structured and coordinated approach to all projects
- Improved business results
- Improved positioning to win larger projects
- Improved assurance and reputation for successful projects
- Enterprise and talent capability advancement

Conclusion
The interest in developing PMOs of one type or another has been growing since the mid-1990s. The number of books and articles continues to grow as project, program, and portfolio management practices grow worldwide. The decision to conduct this research is a result of the continued interest in the PMO portions of the authors’ books.
(Bolles, 2002; Bolles & Hubbard, 2007) and PMO community feedback. The feedback indicated a need for full-text case studies of PMOs that show how various PMOs are organizationally positioned and function within an enterprise.

The authors’ research results have led to many conclusions relating to the future of PMOs that are of interest to enterprise executive level managers who are either implementing or operating a PMO:

**PMO Implementation and Maturation Challenges:** Establishing and implementing a sustainable PMO requires explicit executive action and continuing support. Challenges faced include raising the organization’s project management maturity level enterprise-wide; improving operational transformation of project execution within the functional organization; and maturing the area of portfolio management, especially within strategic planning and prioritization, to name a few.

**Benefits and Value Delivered by PMOs:** The operation of these PMOs has led to quantifiable improvements in the management of the enterprise’s projects, programs, and/or portfolios and demonstrated real business benefits and value for their organizations. Examples are improved collaborative effort and integration of the organization; faster execution of specific political needs; more efficiency fostering lower cost; project management maturity advancement; organizational transformation of processes and systems; and improved business results.

**PMO Roles and Responsibilities in the Future:** In those organizations that have recently implemented a PMO, the role will be to establish it as an enabling functional unit providing services that create a home for project management and that supports excellence in project execution. The PMO will define the path to developing project management maturity and competency within the organization. It will assess project performance and implement continuous improvements. The purpose of the PMO will be to design, develop, and deploy a common project management methodology that will ensure project and proposal success using an integrated approach across the business.

**PMO Function and Authority:** The PMO organization must be positioned as a functional business unit with executive level authority to be accepted at all levels of the enterprise as having the authority to advance the efficient usage of the enterprise’s resource capabilities. With its position at the corporate level, the PMO has the authority to improve efficiency and revenue earning capability by including new services offerings and revenue streams.

**PMO’s Authority in the Future:** The future PMO will be established as an executive-level business function, which can create a culture that evolves the organization to become superior to any competitor in project management performance. It will facilitate the enterprises’ ability to consistently deliver business value and realize benefits that will result from the improvements in standardization, compliance, and enterprise alignment.
Future Positioning of the PMO: The PMO will be positioned as a functional business unit owned by a senior executive, with the PMO leader having the authority and responsibility to lead enterprise-wide the organizational changes necessary to achieve continuous improvements in all areas related to the management of projects.

Summary

Project Business Management and the use of a Project Business Management Organization are shown as a business approach to managing the project-related business of an enterprise. Establishing a Project Business Management Office at the corporate level provides the requisite authority, acceptance, adoption, and autonomy necessary to establish ownership of and responsibility to institute and oversee the effective application of the principles and practices of the Project Business Management methodology across the enterprise.

The organizational structure of any specific PMO is dependent upon how the enterprise establishes and uses business units within its culture and business operations. For example, a business unit might be a direct report to an executive and by its direct line position within the organization have the authorities associated with any business unit at that level. Alternately, the business unit could be located as a staff function to an executive, such as quality assurance usually is, and draw its authority directly from the executive to which it reports.

The research results confirm the experience of practitioners, which is that the possible organizational structures for a PMO will be as varied as the combination of industries and enterprises. The PBM office portion of the PBM Organization construct reflects the form of the PBM office within the specific organizational hierarchy of the enterprise where it is located. Therefore, because no two companies are alike, customization of the PBM Organization for business size and type is a given, as was shown in the variety of PMOs in the case studies.

Generally stated: The PMO is now viewed as a beneficial change agent and a unifying force within the enterprise. It has the ability to influence outcomes, lead projects that are enterprise-wide, and encourage and drive collaborative cooperation among various and disparate business units. The research shows that the sense of where PMOs are going is no longer in question. PMOs positioned at the executive level of an enterprise now play a key role in the business planning, prioritization, authorization, and management of portfolios, programs, and projects. PMOs will oversee management of cross-enterprise projects and will ensure that the projects within the operational business units are also managed to meet the enterprise’s business needs and deliver the desired benefits and value.
References


About the Authors

Dennis Bolles

Dennis Bolles is the President of DLB Associates, LLC and has more than 40 years of experience in multiple industries providing business and project management professional services. He has been a member of the Project Management Institute (PMI®) since 1985 received his Project Management Professional (PMP®) certification in 1986 (#81) and is a founder/charter member of the PMI Western Michigan Chapter serving on its Board of Directors in several positions since its 1993 inception. Dennis is the PMI Standards Project Manager who led the project core team to a successful completion and on-time delivery of the PMBOK® Guide Third Edition in 2004. He has served on and contributed to multiple PMI Standards over the past 20 years.

Dennis is a published author of many project management articles, served as Key Note speaker at PMI Congresses in St. Petersburg, Russia, Athens, Greece, and Santiago, Chile. He is a guest speaker at PMI Chapter Dinner meetings and Professional Development Days across the USA, a presenter at several PMI North American Congresses and other Symposiums, and presents Webinars for PMI Chapters and Communities of Practice around the world.


Darrel G. Hubbard, PE is President of D.G.Hubbard Enterprises, LLC providing executive consulting and assessment services. He has 45 years of experience in executive, consulting, line management, and technical positions; was a project manager on commercial projects; and a designated “key person” under government contracts. Mr. Hubbard holds a bachelor’s degree in mathematics and physics with a minor in chemistry from the University of Minnesota at Moorhead. He is a registered Professional Engineer in Control Systems in California.

He joined PMI in 1978 (#3662), is a charter member of the PMI San Diego Chapter, and was deputy project manager for the PMBOK® Guide Third Edition. He is a published author of many articles, was the Exhibitor Chairperson for the 1993 PMI Symposium, a presenter at several PMI Congresses and other Symposiums, and guest speaker at PMI Chapter meetings. He is a contributing author to The AMA Handbook of Project Management, AMACOM, 1993 and is co-author of the books The Power of Enterprise-Wide Project Management, AMACOM, 2007 and A Compendium of PMO Case Studies: Reflecting Project Business Management Concepts, PBMconcepts, 2012.

He can be contacted at Darrel.Hubbard@dghellc.com. Visit the PBMconcepts website at www.PBMconcepts.com for information about current and future book projects.