
Enterprise Project Governance¹ *How to Manage Projects Successfully Across the Organization*

What is Enterprise Project Governance?

By Paul Dinsmore & Luiz Rocha

This is the first article of the series *Enterprise Project Governance (EPG): How to Manage Projects Successfully Across the Organization*. It will cover the what, why, who, when, and where of EPG.

The field of managing projects shows an ever-broadening scope – from ad hoc single-project approaches to a complex all-encompassing view of portfolios, programs and projects. This evolution peaks at the level of enterprise project governance, the umbrella of policies and criteria that comprise the laws for the sundry components that make up the world of projects.

In real life, scenarios of governance in project management vary from free flowing *laissez-faire* to formalized corporate PMO oversight. The typical ways project management is handled in organizations are:

1. **Laissez Faire** (“whatever will be will be”). Projects are carried out as required using intuitive approaches or methodologies that vary from one project to another. Nobody knows how many projects are underway in the company or the status of all the projects.
2. **Departmental** (“territorial”). Each department or area develops methodology and practice appropriate for that department. No cross-fertilization exists with other departments.
3. **PMOs, project management offices** (“one or several?”). Some companies have multiple PMOs, either at different levels or different regions. They are sometimes connected, yet often operate independently.
4. **Corporate level PMO** (“top down oversight”). Here, a chief project officer, or corporate project management office, or strategic project management office, cares for the implementation of strategic projects and for the overall project management practice in the company, including project portfolio management.

¹ This series includes articles by Paul Dinsmore and Luiz Rocha, authors of the book *Enterprise Project Governance*, published by AMACOM in the USA in 2012. The articles are extracts and summaries of key topics from their book, providing information and guidance on one of the most important aspects of portfolio, program and project management today – governance. For information about the book, go to <http://www.amacombooks.org/book.cfm?isbn=9780814417461>.

EPG goes a step further, proposing an all-encompassing approach to the management of projects across an enterprise, involving all players, including board members, CEO, other C-level executives, portfolio managers, PMO managers and project managers. This book focuses on this over-riding issue of enterprise project governance and shows how the components of projects fit under its protective umbrella.

What is EPG anyway?

Enterprise project governance is a framework residing under the umbrella of top management and corporate governance aimed at ensuring the alignment of the corporate portfolio and its programs and projects with overall strategy, and that actions are pro-actively taken to confirm that everything stays on track to ultimately create value for the organization.

Why implement EPG?

Enterprise project governance is designed to meet an urgent need: to find a way to deal intelligently and efficiently with the numerous projects and programs demanded by the marketplace, evolving technology, company stakeholders, regulatory agencies and the quest to innovate - all of this, to be done with limited resources and at record-making speed. EPG presents an orderly and effective organizational approach for dealing with these critical issues.

Who are EPG stakeholders?

Enterprise project governance stakeholders include initiators, change agents and affected parties. An initiator might be a board member, the CEO, the CIO, other C-level executive or an influential middle manager. Once planted the seeds, active participation is required from change agents such as corporate PMO players, PMO members, IT participants, and HR agents. The parties benefited include organizational stakeholders that need projects performed effectively, and the professionals that deal directly or indirectly with projects.

When is it right to implement EPG?

When the time is right, is when EPG should be implemented! So, how to know when the time is right? The conventional approach is to do a size up of the situation, using internal or external resources. A quick project management maturity assessment is helpful to understand the depth of knowledge and competency available in the organization. Answers to these questions also help evaluate the right time frame: What is the benefit? Is our culture ready for this? Who could lead such an undertaking?

Where should EPG be implemented?

Implementation of enterprise project governance is facilitated when situated in a fertile setting and surrounded by influential stakeholders. Let's say a specific business unit has

major challenges in implementing its projects and strong awareness among its executives. That is a good place to implement EPG. A ripe spot for initiating EPG is where a high-level champion of the cause resides, and a solid need for structuring projects exists.

How to go about implementing EPG?

Enterprise project governance can be implemented on sundry ways. How to proceed depends on factors like: the actual need, the existing culture, presence of a champion, and a feasible plan for making the implementation. Initiative for promoting the EPG concept may start at different levels, such as the board, CEO and executive team, middle management, or the professional level “bottom up” approach. This book is aimed at providing examples and cases of what works and what doesn’t work with respect to managing multiple projects and major strategic projects across an enterprise. The relationship between the components of EPG and suggestions on how to implement EPG are shown in the chapters abridged at the end of this chapter.

Is it necessary to use a comprehensive EPG approach to achieve effective project management across the enterprise?

Even though an orchestrated program under the EPG label stands the best chance of generating effective results on a timely basis, formal EPG is in reality an evolutionary approach involving different initiatives depending on each organizational setting.

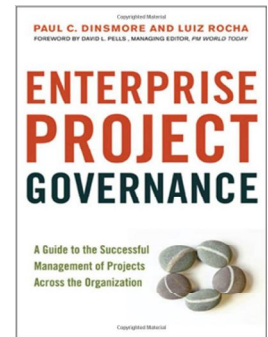
A number of reasons justify using incremental approaches to upgrading the overall effectiveness of project management across the enterprise. Some of these include: minimal awareness in the organization about the impact project management at all levels has on overall results, and lack of a project management culture, including trained professional and managers. Other reasons include insufficient sponsorship to champion the cause and lacking expertise in change management techniques.

In these settings, where the scenario isn't yet favorable for a formal program, partial initiatives are appropriate, such as:

1. Intensify training programs in the basics of project management;
2. Stimulate use of project management techniques across the enterprise in all types of project including engineering, TI, R&D, new product development, marketing and HR;
3. Create awareness at executive level through the literature, benchmarking and conferences;
4. Identify potential sponsors for a broader program;
5. Stimulate implementation and development of PMOs.

With these measures in place, an organization will be on its way to producing highly successful projects of all natures across the enterprise. Where scenarios are favorable, however, a comprehensive EPG program offers an accelerated, holistic and integrated way to guarantee optimal project performance and boost overall organization results.

Enterprise Project Governance describes proven techniques for dealing with simultaneous initiatives and ensuring that programs and projects align with the priorities, resources, and strategies of the organization - and ultimately create value. Containing examples and case studies, the book provides readers with practical methods for incorporating enterprise project governance into their organization's culture, synchronizing it with corporate governance, and maximizing efficiency and results across departments.



Whether one's view is from the boardroom, the executive suite, the project management office, or the project trenches, this is an important guide for anyone managing multiple projects. For more about the book, go to <http://www.amacombooks.org/book.cfm?isbn=9780814417461>.

About the Authors



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Paul Dinsmore is President of Dinsmore Associates, and a highly respected specialist in project management and organizational change. A certified project management professional (PMP), he has received the Distinguished Contribution Award and Fellow Award from the Project Management Institute (PMI®). He regularly consults and speaks in North America, South America, Europe and Africa. Paul is the author and / or editor of numerous articles and 18 books, including the *AMA Handbook of Project Management*. Mr. Dinsmore resides in Rio de Janeiro, Brazil.



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Luiz Rocha has 35+ years of experience in the industry and business consulting. Luiz worked with Andersen Consulting and Deloitte in the USA and Europe when he had the opportunity to manage multi-cultural and geographically dispersed projects in Latin America, North America and Europe. In Brazil he worked with Dinsmore Associates and Petrobras. Luiz is an engineer by background, MSc. in industrial engineering from UFRJ – Brazil, PMP-PMI and IPMA certifications. He is also a published author with two previous books, *Business Metamorphosis*, in Brazil, and *Mount Athos, a Journey of Self-Discovery*, in the USA.