

# PMOs of Today and Tomorrow<sup>1</sup>

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## INTRODUCTION

The PMO of *yesterday* never was, the PMO of *today* is not, and the PMO of *tomorrow* never will be just an “office.” The PMO is, was, and will continue to be a functional “organization” for the business management of projects, project-programs, and project-portfolios, which is a Project Management Organization (Hubbard & Bolles 2014).

*Today*, the deployment of a Project/Project-Program/Project-Portfolio Management Organization (“PMO”) has become a key business, management, and organizational function at an enterprise’s executive-level and at a business-unit’s executive-level, for successfully achieving desired business results in the enterprise’s management of its projects, project-programs, and project-portfolios.

However, Hubbard and Bolles’ PMO case studies (Bolles & Hubbard 2012 and 2015) and research by others (Hobbs & Aubry 2010) indicate that: 1) No single view of the Project Management discipline, or a single form of an associated PMO implementation exists, which will allow any enterprise to solve the larger issues presented when managing projects to achieve business benefits, value, and profits; 2) PMOs in different industries, different regions, similar sized enterprises, or in private or public enterprises do not vary systemically in the manner in which they are structured or the functional roles they fulfill; and 3) The organizational structure and the functional roles employed by a PMO are driven by the enterprise’s political and organizational context.

This research also led the co-author’s to develop and publish a set of PMO Frameworks and Models (Hubbard & Bolles 2014) that reflect the PMOs being employed by some enterprises *today*, and which can, and will, benefit many enterprises *tomorrow*.

## STRUCTURING, TYPES, and FUNCTIONING of PMOs

The co-author’s ongoing search of the project and business management literature identified issues causing confusion when communicating about PMOs and in understanding PMO structuring, positioning, functioning, and use within an enterprise

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## **Structuring and Organizing in Business**

Minimizing miscommunication regarding PMOs requires establishing a mutual understanding of some commonly used terms related to organizational management and structuring of PMOs within a business enterprise. Therefore, having a definition of *management*, *organization*, *structure*, *functional organization*, *business unit*, and *division* – as presented below in a project business management context – improves communication concerning PMOs with the *management* of an enterprise and project management practitioners.

*Management* is used in three different contexts. “*Management*,” as an action, is the organizing and coordinating of the activities, organizations, personnel, and materiel of a business, or a unit of the business, in order to achieve the defined strategic initiatives and business objectives of the enterprise. While “*management*,” as a process, consists of the interlacing functions of creating corporate policy, vision, and mission and then organizing, planning, monitoring, controlling, and directing the enterprise’s resources in order to achieve the objectives of that vision and mission. In addition, “*management*,” as personnel, are those directors, executives, and managers with the authority and responsibility to make decisions for the enterprise, to administer the business of the enterprise, and to manage each *organization* within the enterprise.

Each of those “*organizations*,” in a business context, is a semi-social grouping of personnel that is structured and managed to pursue and meet a defined set of specific goals and objectives instituted by the management of the enterprise. These *organizations* are classified as open-systems – which mean their boundaries allow exchanges of data, information, and materiel with other organizations within the larger enterprise, and therefore they affect and are affected by the sociological, cultural, and political aspects of the enterprise. All these *organizations* have *management* who determine the relationships between the personnel and the different tasks, and assign the role, responsibility, and authority to perform each different task, or sets of tasks.

Organizations are grouped and related to each other to constitute the “*organizational structure*” of an enterprise. An *organizational structure* in business is typically a hierarchical arrangement of the governance of the various levels of the organizations within an enterprise. That *organizational structure* determines how the roles, responsibilities, authorities, and power are assigned, controlled, and coordinated, and how information flows and is communicated between the different organizational-levels of management within an enterprise. In general, that *organizational structure* is influenced by the enterprise’s business strategy and related objectives.

There are usually a number of different organizations within the *organizational structure* of an enterprise. The one of interest from a PMO perspective is the “*functional organization*” that is the classically structured organization where the assigned personnel are grouped and structured hierarchically, managed through clear lines of authority, and directly report to one manager in the leadership position of that organization. Functional organizations come in various sizes and perform various functions within an enterprise. There are two functional organizations commonly referred to with respect to types of PMOs – *business unit* and *division*.

A “*business unit*” is a *functional organization* of any size within the enterprise, which: serves as a logical element, component, or segment of the business; has a defined placement in the enterprise’s *organizational structure*; represents a specific business function; and is chartered to perform a relatively well-defined business production, service, or support operation – such as: information technology, accounting, service centers, product production, sales, human resources, marketing, engineering, quality assurance, construction, or project/project-program/project-portfolio management.

A “*division*” is a specific *organizational structure* within an enterprise that is configured from groups of *business units* that together are responsible for a product line or service, and/or market segment, and/or geographic area. It is an autonomous unit of the enterprise that is small enough to be flexible, but large enough to exercise control over the majority of the factors, which could affect, both positively and negatively, its long-term performance and sustainability. A *division* represents a major organizational business component of the enterprise. Therefore it: has a specific or unique strategic focus; is usually more flexible and more agile than the enterprise as a whole; has a mission and objectives that are independent from, or at least considerably different from, other divisions; and is used by large enterprises to enable that company to respond more quickly to changing market conditions and economic changes.

### **Describing the PMO Models of Today and Tomorrow**

To properly discuss and understand PMOs, a description of each type of PMO is needed in a quasi-standardized form, which can be applied *tomorrow* and is still applicable *today*. By employing the organizational and structuring terms defined above, a summary of the purpose, primary role, responsibilities, and organizational position within an enterprise can be characterized and stated for each of the nine major types of PMOs. These PMOs descriptions are presented and introduced below in the order of their primary role and position within an enterprise:

- **Project Support Organization (PSO)**: An administrative *functional organization* specifically established to be responsible for developing, maintaining, and providing a limited set of project management standards-based methodologies and processes for the management of projects. The PSO is organizationally positioned under a lower-level *business unit* in support of the other groups or individuals within that business unit, which actually perform the *management* of projects.
- **Project Management Organization (Project PMO)**: A *business unit* established specifically for the *management* of projects. The Project PMO is assigned various responsibilities related to the centralized and coordinated management of those projects under its domain, and may be responsible for developing and maintaining a set of project management standards-based methodologies and processes for its own use. A Project PMO is organizationally positioned under a *business unit* or *division* that performs the *management* of projects. A Project PMO can also be positioned under a Program PMO or a Portfolio PMO and be deployed as the *functional organization* responsible for the management of the projects within those programs or portfolios.
- **Major-Project Management Organization (Major-project PMO)**: A unique *business unit* of fixed scope and limited duration established specifically for the *management* of a single major project. The Major-project PMO is assigned various responsibilities related to the centralized and coordinated management of that one project, and may be responsible for developing and maintaining a set of project management standards-based methodologies and processes for its own use. The Major-project PMO is organizationally positioned within the *business unit* or *division* that has the business responsibility for the successful completion of that major project.
- **Program Management Organization (Program PMO)**: A *business unit* established for the *management* of a single project-program or a set of project-programs. A Program PMO is assigned various responsibilities related to the centralized and coordinated *management* of those programs of projects, and may be responsible for developing and maintaining a set of program management standards-based methodologies and processes for its own use. The Program PMO has the business responsibility for delivering the business value and benefits that those programs and associated projects represent within the business objectives of the strategic initiatives of the enterprise. The Program PMO is organizationally positioned under a division or higher-level business unit.

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- Portfolio Management Organization (Portfolio PMO): A *business unit* established for the *management* of a single project-portfolio or sets of project-portfolios, and also, in some instances, the management of project-programs. The Portfolio PMO is assigned various responsibilities related to the centralized and coordinated *management* of those portfolios and programs of projects, and may be responsible for developing and maintaining a set of portfolio management, and program management, standards-based methodologies and processes for its own use. The Portfolio PMO has the business responsibility for delivering the business value and benefits, which those projects, programs, and portfolios represent within the business objectives of the strategic initiatives of the enterprise. The Portfolio PMO is organizationally positioned under a division or major business unit.
  - Project Management Center of Excellence (PMCoE): An administrative *functional organization* specifically established to institute, develop, and maintain project management, program management, and portfolio management standards-based policies, methodologies, and processes for the *management* of project, programs, and portfolios. The PMCoE's functional responsibilities are: to promulgate project, program, and portfolio management policies, standards, methodologies, and processes; to ensure the effective and efficient use and sharing of common project management discipline methodologies, processes, systems, tools, templates, and lessons learned; and to provide the associated project management discipline education, training, and competency development. The PMCoE is organizationally positioned under, and directly reports to the senior management of a division, or a major business unit, or the enterprise. [Bolles 2012]
  - Business Unit Project Management Organization (Business Unit PMO): A *functional organization* established within a specific major *business unit* for the *management* of projects, programs, and portfolios that are within the control of that business unit. The Business Unit PMO is assigned various responsibilities related to the centralized and coordinated *management* of the business unit's portfolios, programs, and projects, and may be responsible for developing and maintaining a set of project management, and/or program management, and/or portfolio management standards-based methodologies and processes for its own use. The Business Unit PMO is organizationally positioned under, and reports directly to, the manager of that major business unit.
  - Division Project Management Organization (Enterprise PMO): A *functional organization (business unit)* established within a specific *division* of an enterprise for the *management* of projects, programs, and portfolios that are within the control of that division. The Division PMO is assigned various responsibilities related to the centralized and coordinated *management* of the division's portfolios, programs, and projects, and may be responsible for developing and maintaining a set of project management, and/or program management, and/or portfolio management standards-based methodologies and processes for its own use. The Division PMO is organizationally positioned under, and reports directly to, the executive manager of that division.
  - Enterprise Project Management Organization (Enterprise PMO): A *business unit* established specifically for the enterprise-wide, or division-wide, *management* of all project-portfolios, project-programs, and projects. The Enterprise PMO also performs all the functional responsibilities of a PMCoE. The Enterprise PMO has the business responsibility for delivering the business value and benefits, which those projects, programs, and portfolios represent within the business objectives of the strategic initiatives of the enterprise. The Enterprise PMO may have as direct reporting business units: Division PMOs, Business Unit PMOs, Portfolio PMOs, Program PMOs, Project PMOs, and Major Project PMOs. The Enterprise PMO is positioned at the executive-level as a direct report to the chief executive officer of the enterprise or a *division*. This is the functional organization the co-authors call the *Project Business Management Organization*<sup>™</sup> (PBMO<sup>™</sup>) [Hubbard & Bolles 2012].

The Project Business Management Organization model of the Enterprise PMO is a component of the co-author’s Project Business Management™ (PBM™) framework shown below in Exhibit 1 (Hubbard & Bolles 2014), which provides for interfacing and integrating the project management policies, processes, and methodologies with the operations business management policies, processes, and methodologies.

The Project Business Management Organization is part of the organizational and management philosophy called Project Business Management™, which places project management and its associated functional organizations within the overall management contexts of a business and its operations. Therefore, Project Business Management can be described as the utilization of integrated general business management and project management methodologies, knowledge, skills, tools, and techniques when applying project-portfolio, project-program, and project processes 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. In this context of business management, the Enterprise PMO can be understood as a corporate business-unit function with a title and responsibility similar to traditional business functions such as finance, engineering, marketing, sales, manufacturing, information technology, etc., which provide leadership and have “ownership” of their respective functional disciplines.

Project Business Management	PBM Organization						Operations Business Management	OBM Organization					
<b>PBM Model</b> <i>Project Management</i> Integration & Harmonization	Governance	Methodology	Capability	Planning	Execution	Sustainability	<b>OBM Model</b> <i>Operations Management</i> Integration & Harmonization	Governance	Methodology	Capability	Planning	Execution	Sustainability
	Organizational PBM							Organizational Management					
	Management of Strategies							Management of Strategies					
	Management of Objectives							Management of Objectives					
	Project-Portfolio Management							Management of Portfolios					
	Project-Program Management							Management of Programs					
	Project Management							Management of Projects					
	Management of Resources							Management of Resources					
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Exhibit 1. – Framework for Project Business Management (PBM) and PBM Organization (PBMO) Model

PMOs based upon the PBM model can be the management vehicles used to integrate project, operational, and business processes, thereby creating and establishing project business management at the level of the enterprise where the PMO is located.

The current (*today*) role and the future (*tomorrow*) role of the PMO, its positioning within the enterprise, and the related PMO management frameworks are based upon the co-authors’ ongoing research. The descriptive models above are for the nine primary types of PMOs that were successful yesterday, are being successful *today*, and will be successful *tomorrow*. However, their success and the associated positive impact upon an enterprise was, and is, fully dependent upon: 1) How well they perform the functions and execute the roles, responsibilities, and authorities given by their respective model; and 2) How adept they are at gaining acceptance from not only the stakeholders within their business unit, but also from the stakeholders within the enterprise’s other business units.

## **Relationships amongst – Differences between – PMO Models**

A review of the quasi-standardized statements above for each of the nine PMO types can elicit in the reader a desire to explicitly understand the similarities, difference, and relationships amongst the various PMOs. This is also true when reading the various and dissimilar ways these PMOs are described within the project management literature.

Why do so many different PMOs exist? Simply put, these nine types of PMOs have arisen and become relevant because each can be employed/applied to serve a specific role in the management of projects, programs, and portfolios, or some combination of project management, program management, and portfolio management. The primary similarities and differences between PMOs, and the various potential relationships that can occur amongst these PMOs are noted below:

### ***PSO versus PMCoE***

- The Project Support Organization (PSO) and the Project Management Center of Excellence (PMCoE) are similar in function, but very different in scope.
- The PSO is focused on methodologies and process at the project level and may perform some project status reporting. Most PSO do not provide training and a PSO seldom morphs into a PMO.
- The PMCoE covers the methodologies and process for projects, programs, and portfolios as well as education and training. A PMCoE of *today* is both positioned and able to become either a Business Unit PMO, or a Division PMO or an Enterprise PMO *tomorrow*.

### ***Project PMO versus Major-project PMO***

- The basic Project PMO is designed to support multiple projects, while the Major-project PMO is purposely designed to support one project. Therefore, there is a difference in the administrative and management functions each provides.
- The PMO provides a set of project management methodologies and process meant to be usable on multiple projects. Therefore, PMO training of staff, if provided must be done using those common documents.
- The Major-project PMO can employ customized methodologies and process and train its staff using only those specific documents.
- The Major-project PMO manages a specific strategic mission-critical project for the enterprise. Whereas the Project PMO is associated with managing projects within a given business unit.

### ***Program PMO***

- A Program PMO can be seen conceptually and functionally as being similar to larger scale PMO. However, the Program PMO is only focused on those projects that form the project-program, plus any related *work* that is out-side the scope of the specific projects within the project-program.
- Programs are common in government, particularly within the military. Programs are fairly common in physical construction and industrial manufacturing, but not as common in other commercial businesses.

- Program PMOs, where they do exist in business, would be as a business unit positioned under a Portfolio PMO, a Business Unit PMO, a Division PMO, or an Enterprise PMO

### ***Business Unit PMO versus Division PMO versus Enterprise PMO***

- These three PMOs are identical in form, function, and purpose. The primary business difference is the organizational level to which each type of PMO reports within the enterprise. Because of those differences in reporting level, each PMOs relative range of influence and the level of business impact will also be different.
- These three PMOs are fully-functional upper-level management organizations providing the actual management of projects, programs, and portfolios.
- In addition, each PMO promulgates at its organizational-level, the requisite project, program, and portfolio management policies, standards, methodologies, and processes. Each also ensures the effective and efficient use and sharing of common project, program, and portfolio management methodologies, processes, systems, tools, templates, and lessons learned. All three PMOs, like the PMCoE, provide the associated project management discipline education, training, and competency development within their level of the enterprise.

### ***Portfolio PMO***

- A Portfolio PMO, depending on where it is positioned within the enterprise and what functions it provides, can be conceptually understood to be just another name for a Business Unit PMO, or a Division PMO, or even an Enterprise PMO.
- However, the Portfolio PMO is commonly the project-portfolio focused business unit under a major Business Unit PMO, a Division PMO, or the Enterprise PMO, which is responsible for performing the management of portfolios as part of that higher-level PMO.

This understanding of the functionality and potential use of each PMO type, within a business context, provides a basis for determining how PMOs can be employed *today* and *tomorrow*.

## **TODAY's and TOMORROW's PMOs**

Which type of PMO was employed yesterday, which PMO types are being employed *today*, and which PMO types might be employed *tomorrow* continues to shift, and their functions and organizational structures seem to morph – as if blown by the winds of change in the global markets.

### **The Winds of Change**

Megatrends in the world's business environment are always reflected in how various enterprises do business, and adjust and adapt to the new reality established by those trends. These winds of change have included: the move to mass production; introduction of the integrated circuit; composite materials; the mini-computer; streamlined construction methods; complete digitalization of data and information; personal computers; mass movement of digitized data and information; intranets; the internet; mass wireless-telecommunication; manufacturing robots; the national healthcare system changes; big-data; RNA gene-modification; and proliferation of software applications for almost everything. Most of those changes have resulted in cost reductions within manufacturing production and business transactions, faster time to market, shorter time between innovations, and they have forever changed how products and services are planned, designed, developed, made, and marketed.

Changes and advances in technology – in areas such as: mechanization, production, materiel, electronics, digitalization, medicine, pharmaceuticals, marketing, handling, and deliver – and their associated disruptions to business is not a new phenomenon. However, the risks, rewards, and opportunities represented by each megatrend are different and continually shift over time. The business consequences of reacting, or not reacting, to those megatrends and the timing of those actions, can be significant to the sustainability of an enterprise's business.

Most megatrends have had profound implications for the business strategies of various enterprises, and a recognizable impact upon their organizational structures, and the market structures of the affected industries. Therefore, the competitive advantage has flowed, and still flows, to those enterprises that are first to recognize and react to the prevailing trends and the associated shifts in opportunities.

Megatrend changes require an enterprise to innovate and develop new or modified products, services, software applications, and production methods in order to compete and maintain their position, or to advance their position, within their industry and the broader marketplace. Therefore, to compete, an enterprise must prepare new or revised strategies, which requires developing related strategic initiatives with supporting business objectives. The associated strategic business plan can then evolve into a myriad of projects. Some of those projects or groups of those projects (programs) will create the desired outcomes, and when combined with other projects (portfolios) will meet the new strategic initiatives.

Remaining competitive requires innovation and managing changes within the enterprise's business units, business practices, methodologies, and processes – especially those related to the discipline of project management. The megatrends in business over the past fifty-years are responsible for elevating the discipline of project management and the associated project/program/portfolio management organization (PMO) from: 1) Being located in, and being applied to projects within, the lower-level business units of most companies; to 2) Being positioned at, and applied to projects, project-programs, and project-portfolios located at, the upper organizational levels within many major enterprises.

## **PMOs of Today**

*Today*, in a world where every company is striving for effective competitive business weapons, the project/project-program/project-portfolio functional organization has gained recognition.

Although the current use of a PSO can enhance the ability of a business unit to uniformly manage projects, it can do little to develop project managers and ensure the effective management of projects. The competitive capacities provided by a PSO to an enterprise are minimal and the PSO (sometimes called a Project Administrative Office) does not manage projects. Therefore, a PSO will not be a sustainable functional organization over the long term.

The Project PMO is the typical project management functional organization of today, providing a set of project management methodologies and process meant to be usable on multiple projects within an enterprise. However, unlike the PSO, the PMO manages projects, and does enhance the enterprises competitive capacities. As such it will be a sustainable over the long term, when it becomes a part of a larger PMO type that has a substantial business role.

The Major-project PMO does provide the support and management necessary for managing mission critical projects and is an important functional element for advancing an enterprise's complete capacity. The standalone Major-project PMO is typically found in large enterprises that perform a limited number of major projects.

The Program PMO, the Portfolio PMO or the Project Management Center of Excellence (PMCoE) located with enterprises of today, if well established, are in a position to be sustainable for the long run and enhance the organization's competitive advantage in the future.

Those enterprises of today who have established an Enterprise PMO and, depending on the size and number of geographical locations and product or service offerings, are in the best position to evolve into the Enterprise PMO of tomorrow, which is sustainable over the long term.

Many of today's PMOs, at various organizational levels, have advanced operationally to the stage where they are performing the majority of the tactical aspects in their management of project, programs, and portfolios, as enumerated in the related standards from the Project Management Institute. This is a necessary business function. However, delivering a project or set of projects that, when completed, do not satisfy the enterprise's strategic initiatives and associated business objectives is not good enough from a competitive and strategic business perspective. Those projects when completed must also deliver the benefits, value, and return on investments the business required from those projects. Therefore, a business short-coming of many, but not all, PMOs of today is a lack of focus on the strategic governance aspects of managing and delivering projects.

However, Hubbard and Bolles' PMO case studies (Bolles & Hubbard 2012 and 2015) show that many Enterprise PMOs of *today*, positioned at the enterprise-level, are being successfully employed to explicitly address strategic initiatives, tactical objectives, business requirements, and stakeholder needs associated with projects, project-programs, and project-portfolios.

*Today* the discipline of Project Management and its related Project/Program/Portfolio Management Organizations are employed at all major organizational levels, including the senior executive-level, within businesses around the world. Project Management is *today* well recognized within the field of business management, just like accounting, and is also acknowledged by academia. Within business management circles, there is a recognition that project management is a business function, which has matured to the point where it now enables enterprises to become world-class leaders in their markets – and with that leadership recognition the seeds of the PMOs of *tomorrow* have arrived on the winds of change.

## **PMOs of Tomorrow**

*Tomorrow*, the tactically and administratively oriented PMOs of *today* will either morph into, or be replaced by, the business-driven and strategically focused PMOs (Bolles & Hubbard 2008; Hubbard & Bolles 2014; Forester Research 2013; PMI 2013b; BCG 2013; and ESI 2013).

The PSO of today, will as a minimum, be supplanted by the PMCoE of tomorrow. Because, a business requires the enterprise-wide application of those policies, methodologies, and process, which are unique to its way of doing business and are required to maintain its competitive edge. The exception maybe the successful PSO-like organization within an architectural-design-construction enterprise, which provides planning, scheduling, monitoring, cost control, and reporting services from initiation to completion for all of that enterprise's projects.

Major projects will continue to exist. Therefore, those enterprises that do not have many projects that are complex and of significant size will tomorrow continue to establish, use, and then disband a Major-project PMO.

The individual Project PMO of tomorrow will no longer function as an autonomous organizational entity within a lower-level business unit. Instead, although it may still be positioned where it now is, it will function either directly or indirectly as a part of a corporate-level Enterprise-wide or Business Unit-wide PMO, which the enterprise will have established to remain competitive.

Within those enterprises that manage portions of their business using defined portfolios and sub-portfolios, the Portfolio PMO will be employed to manage those portfolios as a sub-function within an Enterprise PMO.

The Program PMO will still be found performing its intended functions within large governmental organizations that are not politically positioned to also establish an Enterprise PMO. In addition, within business enterprises, it will operate as a specific sub-function under an Enterprise PMO or a sub-function under a Portfolio PMO that is part of an Enterprise PMO.

However, the prevalent types of PMOs operational *tomorrow*, within successful enterprises, will be the major Business Unit PMO, and the Division PMO or the Enterprise PMO. This outcome is being driven by the results being delivered by these types of PMOs *today*. The implementing and streamlining by PMOs, within a business context on an enterprise-wide or division-wide basis, of the practices, methodologies, and processes of the project management discipline, has become renowned for keeping enterprise strategic initiatives on track and business objectives in focus within a wide array of industries (BCG 2013).

There are still business issues that exist *today* that must be overcome by *tomorrow*, to successfully sustain and obtain the benefits from the PMO of *tomorrow*. Those issues include the many enterprise-specific organizational, sociological, functional, cultural, process, budgetary, business, and managerial challenges to the successful implementation and operation of an Enterprise PMO (Hubbard & Bolles 2013). Those impediments must be removed, to allow *tomorrow's* PMO to be focused on ensuring the enterprise's growth, business success, and return on investment.

Every business unit within an enterprise, whether it is overhead consuming, such as accounting and marketing, or it is profit generating, such as a product production line, must be shown to provide a benefit and economic value to the enterprise. Therefore, to be a viable business unit *tomorrow* a PMO must begin *today* to identify, explicitly measure, and then prove its benefit and value. The following are the business actions necessary for a PMO to establish its economic worth:

- Select, prioritize, initiate, and execute only projects supporting strategic initiatives and business objectives.
- Direct the distribution of enterprise funds and resources, while assuring those funds and resources are effectively applied across the enterprise to only those projects that support strategic initiatives and business objectives, thereby giving those projects, from the very start, the best opportunity to succeed.
- Assess multiple categories of risk, including technical, project delivery, and operational risk. Prioritize and document identified risks and develop control strategies for higher-level risks.
- Identify and document non-performing projects and cancel each non-performing project, or place the project work on hold.
- Identify and document changes in business strategy, budgeted funds available, or requirements and establish the associated effects on projects-in-progress. Then re-prioritize or place on hold affected projects.
- Develop and then measure PMO selected key performance indicators for each strategic initiative, each business objective, each project-portfolio, each project-program, and each project of any significance.
- Report upon, and take corrective action as necessary for, each PMO selected key performance indicator.
- Formally and routinely communicate the measured value and identified benefits of the PMO to the enterprise's executive management.
- Develop and maintain PMO support of, and support for, operational organizations and foster inter-organizational collaboration.

Most of *today's* PMOs are being tasked with mastering the important tactical aspects of project management. Some of *today's* PMOs are being given the business related responsibility for managing strategic decisions to optimize the spending across the enterprise's portfolios, programs, and projects, and to deliver the related business benefits and business value. *Tomorrow's* PMOs, will be assigned the full spectrum of responsibilities for managing projects, programs, and portfolios, and maximizing the return on investment for their enterprise.

*Tomorrow's* business goal for the project management discipline is to have the major Business Unit PMO, the Division PMO, and the Enterprise PMO of *tomorrow* directly supporting the enterprise's vision, mission, strategies, and culture by integrating and harmonizing the business management of operations with the business management of projects. From a competitive business perspective, to be sustainable and successful, the PMO implementations of *tomorrow* must drive the delivery of the benefits, value, and return on investment, which every enterprise has desired and now must demand from each project, each program with projects, and each portfolio of projects.

### ANALYSIS and CONCLUSIONS

Research of *today* (Bolles & Hubbard 2012, 2014, and 2015) shows the operation of an Enterprise-level PMO or a Division-level PMO or a Business Unit-level PMO reflecting our Project Business Management (PBM) models can lead, and has led, to enterprise-wide quantifiable improvements in the management of an enterprise's project-portfolios, project-programs, and projects. However, only the Enterprise-level Portfolio/Program/Project Management Organization (PMO), which the co-authors call the Enterprise PMO, has actually demonstrated the capability to deliver the enterprise-wide business results actually desired from the business initiatives in the enterprise's strategic plan. The establishment *today* of a PMO as an operationally-business-based organizational function at the Division-Level, or major Business Unit-Level, or Enterprise-Level (for forward looking companies), based upon our PBM framework and models, provides a solid framework and foundation for *tomorrow* in establishing and uniformly applying the disciplines of project business management leadership, standards, and methodologies (processes, procedures, and techniques) [Bolles & Hubbard 2012 and 2015].

The refined and proven Major-Project Management Organization (PMO) of *yesterday* is still here *today* and will be there *tomorrow*, for it serves a business purpose. The Project Support Organization of *yesterday* and *today* will all but disappear *tomorrow*. The Enterprise Project Management Center of Excellence PMO (Enterprise PMCoE) in companies *today* will slowly morph into the Executive-level Enterprise-wide PMO of *tomorrow*. Those Division PMOs and major Business Unit PMOs of *today* will grow into key functional business organizations *tomorrow*, will handle the management of all projects at the Division or major Business Unit level, and will be functionally equal to other organizational business functions at that same level of the enterprise.

The Enterprise PMO of *today* will become a common, ubiquitous, and sustainable business organization in the successful business enterprises of *tomorrow*; just like the finance and accounting organization has already become *today* and will continue to be *tomorrow*. An effective and efficient Enterprise PMO that is operating at the enterprise's executive-level currently provides, and will continue to provide, a key complete advantage for the enterprise within its industry and marketplace, when provided with executive management support.

Executive support and cross-functional support, are today's and tomorrow's key organizational and political factors for PMO sustainability, at any organizational level. ESI™ in Section 4 of its study, *The 2012 Global State of the PMO* (ESI 2012), noted the following finding: "The lack of executive support was named as the number one reason for the disbandment of the PMO, according to survey respondents. These findings show that executive buy-in is crucial for the health [*sustainability*] of the PMO."

In addition to executive support, PMO health has many factors, including – organizational, sociological, political, cultural, maturity, and sustainability (Bolles & Hubbard 2009). PMO maturity can be seen as an evolution of the application of the knowledge and skills of the practice of project management as it becomes a core competency at all levels of the enterprise. Project management maturity (PMI 2013a) is viewed as the level of institutionalization of project management best practices on an enterprise-wide basis. PMO sustainability may be further understood through the following structural analogy: In developing and operating a PMO, each of the seven PMO elements (as shown under “PBM Organization” in Exhibit 1) are of equal importance, since the strength of implementation and operation of each of those elements has an impact on the performance of the others. Therefore, if one or more elements are weak, the structure is not sustainable. This analogy applies as well to the necessity that all of the seven elements must be strong because they are inter-related, and weakness in one or more may lead to the business failure of the PMO.

Many PMO implementations of *today* can drive, and already are driving, the successful delivery of the benefits and value, which the enterprise desires from each project, each program with projects, and each portfolio of projects and *tomorrow* will also drive return on investment --- and, yes, the success of some enterprises.

Projects have become and will continue to become more complex and the types of projects will continue to be more varied. Project managers, project-program managers, project-portfolio managers and their teams will continue to be asked to produce more with less. In addition, the project stakeholders, including key executives and clients, *today* expect – and *tomorrow* will demand – organizational innovation, agility, and responsiveness, and for each portfolio, program, and project to deliver the promised business benefits, value, and return on investment.

Therefore, the Enterprise PMO of *tomorrow* will routinely be employed by businesses to solve the larger business issues, complexities, and interfaces associated with the enterprise’s projects, project-programs, and project-portfolios. So each and every project, program, and portfolio supporting the enterprise’s strategic initiatives can be successfully planned, managed, and delivered – regardless of its type, scope, or complexity within that enterprise’s specific industry – the Enterprise PMO of *tomorrow* will provide the leadership, training, education, common methodologies, formalized processes, standardized procedures, and useful tools and techniques to the company’s project managers, program managers, portfolio managers, and other management professionals.

The Age of Project Management has been coming and is now arriving. The broad business-wings of the project management discipline are bringing it forward on the increasing winds of change created by today’s megatrends in business, which are blowing forcefully throughout today’s businesses and commerce. This can be seen and felt through the evolving Enterprise-Wide Project Business Management Organization that *today* is becoming, and *tomorrow* will be, an accepted and necessary organization and business-function at the senior executive-level within most enterprises.

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**Dennis Bolles, PMP**, President – DLB Associates, LLC, has over forty-five years of experience in multiple industries providing business and project management professional services. He assists organizations, as a Subject Matter Expert (SME) consultant, to achieve their business strategic objectives with the analysis of their business process improvement needs and development of business and project management capabilities.

He has been a member of the Project Management Institute (PMI) since 1985, received his PMP® certification in 1986 (#81), and is a founding member of the PMI Western Michigan Chapter, serving on its Board of Directors and in several positions since its 1993 inception. Bolles performs speaking engagements and assists Project/Program/Portfolio Organizations (PMOs) start-up teams begin the planning and implementation processes; conducts on-site organizational project management capability assessments; provides virtual and periodic on-site support for development of business and project management methodologies, policies, procedures, processes, systems, tools, and templates for organizational governance and corporate strategy; assists in the implementation of a project business management methodology that integrates strategic planning, business objective development, portfolio management, program management, and project management processes to achieve strategic objectives and maximize operational efficiency enterprise-wide through the development and management of Project Management Organizations.

Bolles served as a member of the PMI Virtual Community of Practice Advisory Group (VCAG) advising the Manager of Community Development on future program enhancements and initiatives that would increase the value of PMI's Communities of Practice and further develop their leadership to mature their communities. He was the PMI Standards Project Manager who led the project core team to a successful completion and on-time delivery of the Project Management Body of Knowledge (PMBOK®) *Guide* Third Edition in 2004. He has served on and has contributed to multiple PMI Standards bodies over the past 20 years.

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