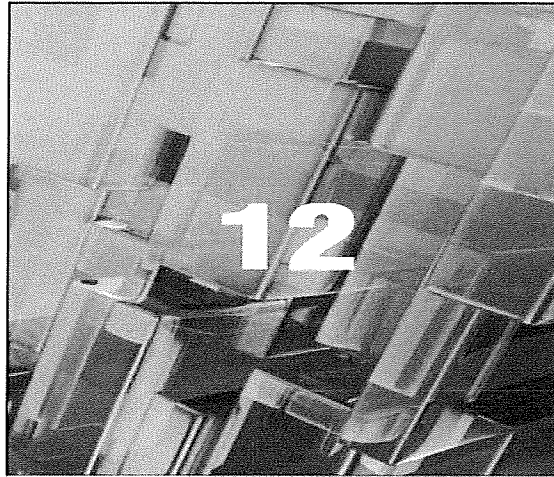




The Project Office

12.0 INTRODUCTION

As companies begin to recognize the favorable effect that project management has on profitability, emphasis is placed upon achieving professionalism in project management using the project office (PO) concept. The concept of a PO or project management office (PMO) could very well be the most important project management activity in this decade. With this recognition of importance comes strategic planning for both project management and the project office. Maturity and excellence in project management do *not* occur simply by using project management over a prolonged period of time. Rather, it comes through strategic planning for both project management and the PO.

General strategic planning involves the determination of where you wish to be in the future and then how you plan to get there. For PO strategic planning, it is often easier to decide which activities should be under the control of the PO than determining how or when to do it. For each activity placed under the auspices of the PO, there may appear pockets of resistance that initially view removing this activity from its functional area as a threat to its power and authority. Typical activities assigned to a PO include:

- Standardization in estimating
- Standardization in planning
- Standardization in scheduling
- Standardization in control
- Standardization in reporting
- Clarification of project management roles and responsibilities
- Preparation of job descriptions for project managers

- Preparation of archive data on lessons learned
- Benchmarking continuously
- Developing project management templates
- Developing a project management methodology
- Recommending and implementing changes and improvements to the existing methodology
- Identifying project standards
- Identifying best practices
- Performing strategic planning for project management
- Establishing a project management problem-solving hotline
- Coordinating and/or conducting project management training programs
- Transferring knowledge through coaching and mentorship
- Developing a corporate resource capacity/utilization plan
- Supporting portfolio management activities
- Assessing risks
- Planning for disaster recovery
- Auditing the use of the project management methodology
- Auditing the use of best practices

In the first decade of the twenty-first century, the PO became commonplace in the corporate hierarchy. Although the majority of activities assigned to the PO had not changed, there was now a new mission for the PO:

- The PO now has the responsibility for maintaining all intellectual property related to project management and to actively support corporate strategic planning.

The PO was now servicing the corporation, especially the strategic planning activities for project management, rather than focusing on a specific customer. The PO was transformed into a corporate center for control of project management intellectual property. This was a necessity as the magnitude of project management information grew almost exponentially throughout the organization.

During the past 15 years, the benefits to executive levels of management of using a PO have become apparent. They include:

- Standardization of operations
- Company rather than silo decisionmaking
- Better capacity planning (i.e., resource allocations)
- Quicker access to higher-quality information
- Elimination or reduction of company silos
- More efficient and effective operations
- Less need for restructuring
- Fewer meetings that rob executives of valuable time
- More realistic prioritization of work
- Development of future general managers

All of the above benefits are either directly or indirectly related to project management intellectual property. To maintain the project management intellectual property, the PO must maintain the vehicles for

capturing the data and then disseminating the data to the various stakeholders. These vehicles include the company project management intranet, project websites, project databases, and project management information systems. Since much of this information is necessary for both project management and corporate strategic planning, then there must exist strategic planning for the PO.

The recognition of the importance of the PMO has now spread worldwide. Enrique Sevilla Molina, formerly Corporate PMO director for Indra, states:

We have a PMO at corporate level and local PMOs at different levels throughout the company, performing a variety of functions. The PMO at corporate level provides directions on different project management issues, methodology clarifications, and tool use to local PMOs.

Besides supporting the local PMOs and Project Managers as requested, the main functions of the corporate PMO include acting on the following areas:

- Maintenance and development of the overall project management methodology, including the extensions for Program and Portfolio levels
- Definition of the training material and processes for the PMs
- Management of the PMP certification process and candidates training and preparation
- Definition of the requirements for the corporate PM tools

The Corporate PMO reports to the financial managing director.

A typical PMO does not have profit and loss responsibility on projects, nor does a typical PMO manage projects for external clients. According to Jim Triompo, group senior vice president at ABB:

The project office does not deliver projects. The projects managed by the project management office are limited to process/tools development, implementation, and training. The project management office is sometimes requested to perform reviews, participate in division-level risk reviews, and operational reviews in various countries.

Most PMOs are viewed as indirect labor and therefore subject to downsizing or elimination when a corporation is under financial stress. To minimize the risk, the PMO should set up metrics to show that the PMO is adding value to the company. Typical metrics include:

- Tangible measurements include:
 - Customer satisfaction
 - Projects at risk
 - Projects in trouble
 - The number of red lights that need recovery, and by how much added effort
- Intangible elements may also exist and these may not be able to be measured.
 - Early-on identification of problems
 - Quality and timing of information

12.1 BOEING¹

Not all companies use the term Project Management Office. In some companies it is also call a Community of Excellence or a Community of Practice. Every company has their own unique goals and objectives for a PMO. As such, the responsibilities of the PMO can vary from company to company. The following information on Boeing was provided by Kerry Braaflat – Boeing Executive Sponsor for Project Management; Stephen Markgraf – Leader Boeing Enterprise Project Management Office; Scott Sears – Leader Boeing Project Management Community of Excellence; Christine Baker – Prior Leader Boeing Project Management Community of Excellence; and Sherry Kytönen – Boeing Senior Portfolio Project Manager:

The Boeing Enterprise Project Management Office sponsors a Project Management Community of Excellence (PjMCoE) that exemplifies Project Management best practices and promotes the Project Management discipline across The Boeing Company.

A Community of Excellence (CoE) within Boeing is a formally chartered group that functionally aligns with at least one business organization, has enterprise representation, and is committed to business engagement, knowledge sharing and application across the entire Boeing Company.

The PjMCoE operates as a voluntary interest group with more than 5,400 active Boeing members and is one of the largest interest groups within Boeing. The PjMCoE started out in 1997 as an informal Project Management interest group that included only 75 members. The purpose of the PjMCoE can be described as having the responsibility to lead and manage a Boeing-wide forum for increased awareness of the skills, discipline and profession of project management. The PjMCoE is foundational to project management success at Boeing and provides the following services to both its members and the business:

- Provide a Forum of Networking, Collaboration & Support
- Provide Project Management Mentoring, Coaching & Training
- Host Annual PMP® Study Group
- Assist Hiring Managers
- Provide Project Managers and Project Teams with available Resources

The PjMCoE has its own Steering Team with defined responsibilities that support CoE products and services and is representative across all Boeing operating groups and sites. The Steering Team is foundational to the achievement of the CoE charter, facilitation of regular meetings, oversees operation of an effective management information system, ensures all engagement requests receive a response, and notifies aligned organizations when contacted by project teams, programs or functions with requests for support.

In support of the continued development of the project management skill, the PjMCoE provides support to its members by offering the following:

- Libraries containing Project Management–related books, periodicals, methodologies, software, periodicals and presentations
- SharePoint and web site with regional chapter information and news

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- Knowledge centers providing mentoring and coaching services and information on Project Management certifications and degrees
- An annual PMP® study group hosting 16 live and recorded training sessions and lessons learned to assist in preparing for the PMP® exam. The first PMP® study group started in 2000 and has had a 95% pass rate for those who actually took the PMP® exam. By 2013 the PMP study group kick-off meeting had more than 400 employees in attendance
- Assistance for managers seeking to hire or promote Project Managers
- Bi-monthly WebEx meetings hosting guest speakers and offering Professional Development Units used toward accreditation
- Annual Project Management Conference and Expo attracting Boeing employees and contractors from around the world

PjMCoE maintains a strong ongoing relationship with PMI and is a registered PMI Education Provider. As such, the PjMCoE provides bi-weekly training events to its members, provides instructors to support the delivery of Boeing specific project management classes and offers other ad-hoc training offerings that provide Boeing employees with an opportunity to obtain Professional Development Units towards the re-certification on their PMP® certifications. Training modules in MS Project, Milestones Professional and Risk, Issue and Opportunity Management, Leadership, Communication and Virtual Team Management are also available. In 2012 alone, the PjMCoE provided training to more than 10,000 employees by offering more than 15,000 hours of training opportunities.

Many employees take advantage of the Mentoring and/or mentee and consultations services to assist them in career development and project management skills. Mentoring also provides visibility of opportunities for both managers and employees.

In 2013 the PjMCoE will be partnering with Boeing's Global Corporate Citizenship team to identify volunteer opportunities for Project Managers to support community service projects.

12.2 PHILIPS HEALTHCARE SOFTWARE CUSTOMER SERVICES²

**Project Management
Excellence with a Global
Project Management Office
(PMO)**

Michael Bauer, head of the Global PMO at Philips Healthcare Software Customer Services, describes how the PMO supports a global operating clinical informatics solutions business to reach Project Management Excellence.

Philips Healthcare and Software Customer Services

Philips is a strong, diversified health and well-being company, operating in all global geographies. About 118,000 employees work in the three businesses Healthcare, Consumer Lifestyle and Lighting.

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Philips Healthcare³ provides meaningful innovations that improve the quality of care, enhance patients' lives and enable the delivery of better outcomes at lower cost. Philips Healthcare operates in five main business areas: Imaging Systems; Patient Care and Clinical Informatics (PCCI); Home Healthcare Solutions; Global Customer Services; and Healthcare Transformation Services.

Philips is a world leader in cardiology solutions, and has a strong presence in cardiology, oncology and women's health. Philips helps clinicians diagnose, treat and manage today's most prevalent diseases such as congestive heart failure, breast and other cancers, respiratory and other coronary artery diseases as quickly, effectively and efficiently as possible. The focus is on understanding the complete cycle of care—from disease prevention to screening and diagnosis through to treatment, monitoring and health management—and choosing to participate in the areas where Philips Healthcare can add significant value. Philips Healthcare believes clinical excellence and continuous innovation around the patient experience can fundamentally change healthcare as we know it.

Patient Care and Clinical Informatics (PCCI) provides clinical informatics and patient care solutions that simplify clinician workflow, improve financial outcomes, and help improve and save lives.

Philips Healthcare Software Customer Services (SCS) implements and supports clinical information solution projects in hospital organizations. Philips Healthcare SCS provides project management, implementation services and solution customer care to ensure superior customer experience across the entire solution life cycle. SCS is a global organization operating worldwide with a single focus—the successful implementation and customer care for Philips Healthcare Clinical Informatics solutions.

The Clinical Informatics solutions (based on highly configurable software products) offered are:

- Radiology PACS (picture archiving and communication system) and RIS (radiology information system) systems
- Cardiology PACS systems
- Cardiovascular information systems
- Intensive care, anesthesia and OB (obstetrics) care clinical information systems

The breadth of complexity in Clinical Informatics projects spans across:

- Standalone solutions in group practice or small departments
- Multiple applications across multiple departments
- Multi-hospital deployment
- "Greenfield" implementations across all modalities⁴ and applications

Implementing Clinical Informatics projects is a local activity performed in each hospital organization in each country, often in the local language. SCS operates with both local and centralized resources. This global/local organizational design often leads to a

3. See as well <http://www.healthcare.philips.com/main/> for more information.

4. E.g., imaging modalities, like XR, MRI, CT.

virtual working environment with specific requirements to efficiently run the projects. The requirements and maturity levels in each country/market and from each hospital customer greatly varies. Each project in a hospital is unique and varies in duration (from weeks to years), in size (up to multi-million euros/ dollars) and in complexity (from stand-alone solution for one clinician to regional distributed solution for thousands of users).

SCS has an awareness that each organization leaves an imprint with the customer, an experience made up of rational and emotional aspects which determines what Clinical Informatics customers associate with the Philips brand, what Philips means to them. This is especially pronounced in a services business. Customer experience⁵ is at the heart of a relationship that translates into whether customers repeatedly rely upon the organization's capabilities and embrace them as a trusted advisor.

This fundamental understanding of the vital importance of customer experience—the way it is created and delivered—in forming the basis for continued business success and differentiation in the market has lead SCS to taking a holistic approach to customer experience management. SCS has a vision and strategy based on customer experience and has shaped culture and operations to support the realization of this vision.

SCS applies this customer experience focused approach across the entire solution life cycle from the point in time the customers share their vision and mandate Philips with the realization, through solution implementation and post-go-live customer care. In this context, **Project Management Excellence** is a key strategic ingredient in ensuring SCS reliably and repeatedly delivers the desired customer experience. Hence, building and sustaining Project Management Excellence and reaching a high level of project management maturity with Clinical Informatics solution implementation projects is an adamant ambition of vital importance for both, the customer and Philips.

According to the Project Management Institute's 2012 Pulse of the Profession survey⁶ only 73% of projects at organizations with high project management maturity meet their original business goals and intent. For Philips Healthcare Software Customer Services the ambitions for successful project implementation are high and require high project management maturity for a Clinical Informatics business. This was the key strategic driver to implement a Global PMO. SCS uses the term **Project Management Excellence** with the focus on the following important aspects:

- **People:** Well educated, certified, skilled (hard, soft) and continuously trained project managers (and project teams) with a professional mindset, appearance and behavior. This also includes recruiting the best project manager talents.⁷
- **Processes:** Highly efficient, standardized, repeatable and well documented processes, which are continuously improved.
- **Tools:** Highly integrated and efficient tools, templates and applications from the project acquisition until the end of the project.

5. Sources for customer experience concepts: <http://www.cxp.org/>, <http://www.temkingroup.com/>, <http://www.beyondphilosophy.com/>

6. Source: PMI's *Pulse of the Profession* March 2012, page 6.

7. See as well for importance of Project Management talent management: PMI's *Pulse of the Profession In Depth Study: Talent Management*, March 2013.

Project Management Excellence is not seen as a static goal; the ambition is to continuously raise the bar for project management maturity as well as oversee overall project management (PM) competencies and project delivery capacity.

Project Management Office

The establishment of a global Project Management Office (PMO) was a clear strategic decision and has full support from top management to drive project management strategically.⁸ The PMO enables the ambition of **Project Management Excellence**, where the following aspects need to be highlighted:

- Project Management Excellence matters to SCS – key aspect to value and improving skills, processes and tools.
- Change Management – identify, drive and implement improvements and changes in the organization.
- Standardization – enable standardized practices and processes across product domains and regions.⁹
- Continuous learning – train, review and mentor as required.
- Facilitation of a PM Community of Practice – key aspect to enable to Share, Learn, Leverage, Network and Communicate.¹⁰

In building of the global Project Management Office (PMO) the following conditions were considered:

1. PMO positioning: Senior experts in Project Management that guide the organization through changes towards Project Management Excellence with strong Change Management.
2. PMO focus: The PMO itself does not implement customer-facing projects in hospitals themselves but focuses on supporting the local project manager/project teams.
3. Project Management Consultant: Implementation of a dedicated senior subject matter expert role to provide consultancy for the project managers in all the countries. The aim of the Project Management Consultant position is to advance the project management processes, tools and methodologies to truly reflect the ambitions of Project Management Excellence.
4. Project Support: Implementation of a dedicated operational project management process role to support operations, maintain the various platforms for information and knowledge sharing, train on operational aspects.
5. PMO integration in operations and geographic regions: The Global PMO is highly linked to the project implementation organizations in the respective countries to enable close alignment. PMO Team members are located in various locations to allow for a truly global reach.

8. See as well for importance of strategic support of Project Management: PMI's *Pulse of the Profession*, March 2013, page 3.

9. "High-performing organizations are almost three times more likely than low-performing organizations (36 percent vs. 13 percent) to use standardized practices throughout the organization, and have better project outcomes as a result." Source: PMI's *Pulse of the Profession*, March 2013, page 10.

10. See as well <http://wenger-trayner.com/Intro-to-CoPs/> for more information about Community of Practice (CoP).

Project Management Office Services Offering

All PMO services are positioned around the Project Managers. The Project Managers are central to all initiative areas and projects of the PMO, as shown in Figure 12–1.

- The initiative area **Skills and Competencies** focuses on all aspects to train, educate and certify the project managers (and project teams). This includes the following services:
 - Designing and maintaining the SCS Project Manager curriculum
 - Organization of PMI PMP/CAPM¹¹ and Prince2 Foundation and Practitioner certification preparation training
 - Organization of SCS specific training, conferences and webinars
 - Mentoring of new project managers
 - Creation of trainings around internal tooling/process/methodology
 - Facilitation of best practices, lessons learned, knowledge sharing and management
 - Talent management



Figure 12–1. Project excellence pyramid diagram.

11. PMI (Project Management Institute) Project Management Professional (PMP)/Certified Associate in Project Management (CAPM)

- The initiative area **Tools, Processes, Methodology** focuses on all aspects to improve tools, processes and methodology. This includes the following services:
 - Standardization of Project Management practices and processes
 - Design of the SCS Project Management framework SUCCESS 2.0
 - Improvement of the IT system landscape related to project management
 - Creation of templates (e.g., SOW, WBS, risk register) adapted to used methodologies and related business
 - Support of all improvement by strong change management
- The initiative area **Operations** focuses on all aspects to ease the life of the project managers (and their managers) from an operational perspective:
 - Support specific projects in trouble, project recovery, project health checks
 - Support project operations on system landscape
 - Maintain the platforms for information and knowledge sharing
 - Train on operational aspects
 - KPIs and reporting
 - Standardized communications.

Project Manager Community of Practice

As mentioned the project managers are central to the PMO services, in particular the Community of Practice (CoP). A CoP has the following characteristics:¹²

1. Shared domain of interest (project management)
2. Members are practitioners (project managers)
3. Engagement of the members in joint activities

The Global PMO supports and facilitates the CoP in close teamwork with a CoP core team. The latter consists of volunteering project manager practitioners from different geographic regions. The goal of the SCS PM CoP is to Share, Learn, Leverage, Network and Communicate among the project managers. Engagement in the CoP varies from very active contributing members to passive participation. In addition, the PM CoP is one way to reach out to the project managers to share information.

The exchange in the CoP itself helps build individual and group competencies, resolve problems and avoid re-inventing the wheel. The CoP itself also provides a feedback mechanism to the PMO to help enhance and develop its services and its future direction via various tools (e.g., with using polling technology, the CoP can advise on preferences and priorities). From the beginning, the project managers are involved actively and their voice is taken into account.

Activities include regular online meetings to exchange information on the key topics, support in the preparation of face to face training and conferences, as well as build new artifacts in creation of new content for a specific product domain or project management processes. Online CoP Meetings are a repeated success. It's the best way to get the instant feedback from the community for the community.

12. Source: <http://wenger-trayner.com/Intro-to-CoPs/>

Processes

Within Software Customer Services standard processes and methodologies are used throughout the lifecycle of a project. Figure 12–2 gives an overview:

It shows how Philips Healthcare processes are structured, how PMI process groups are mapped and how the process frameworks overlap for smooth handoff between areas of responsibilities within SCS.

- **Order Acquisition:** Tight teamwork between sales and project management is highly important in Clinical Informatics solution projects following a defined Sales Bid Management process.
- **Order Realization:** SUCCESS 2.0 is the SCS project management framework supporting the right milestones, templates, acceptance, reporting, etc.—all consistent with PMI and Prince2 combined with best practices from clinical informatics. SUCCESS 2.0 is closely related to the Sales Bid Management Process and enables a smooth handoff to the Customer Care area.
- **Customer Care:** ITIL¹³ is an industry best practice to set up a highly efficient, state-of-the art IT services concept.
- **Customer Experience:** To make current customer experience visible at different project milestones and later in the customer care phase customers are invited at key touch points in the Software Customer Lifecycle to share their feedback with the SCS organization. The survey process continues beyond implementations and upgrades, with ongoing support and maintenance. Feedback received is evaluated

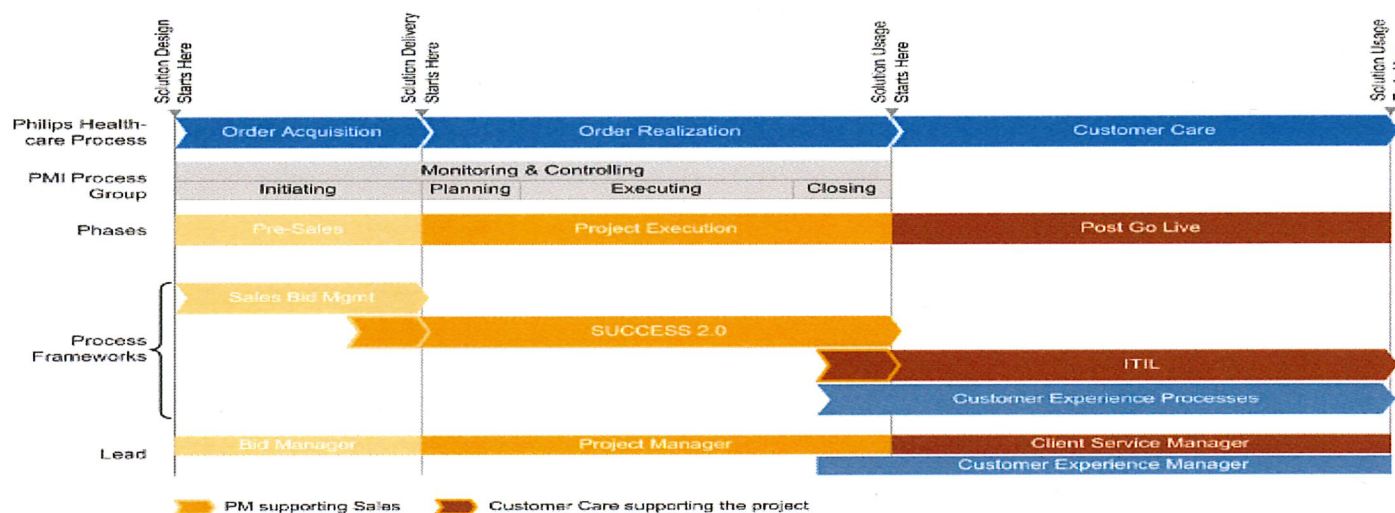


Figure 12–2. Overview of standard processes and methodology.

13. ITIL (IT Infrastructure Library) developed by the Office of Government in Commerce (OGC) in the United Kingdom.