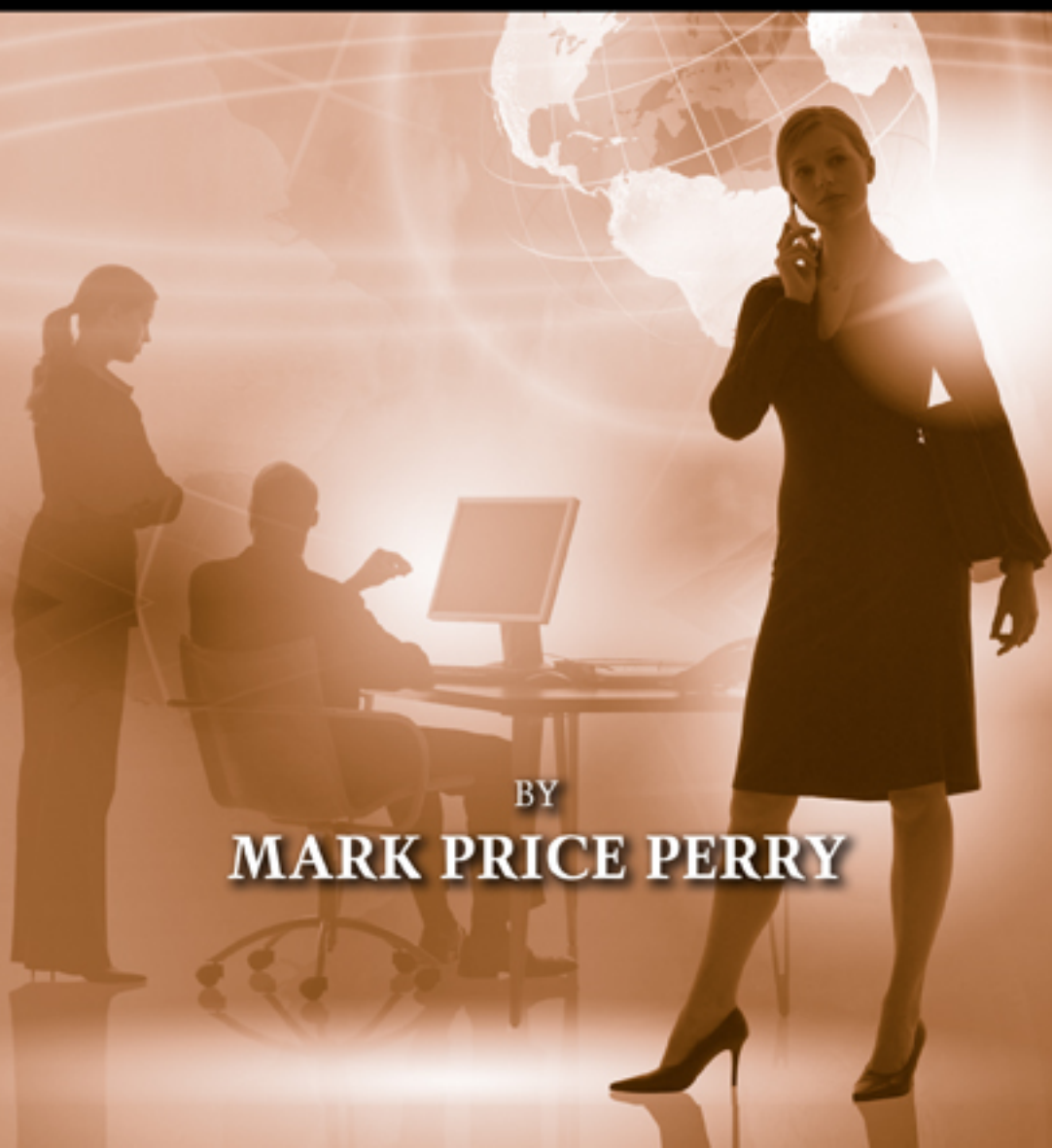


BUSINESS DRIVEN PMO SUCCESS STORIES

Across Industries and Around the World



BY

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Project Management Community Mind-set All Wrong

For quite some time, I have advocated that the formal project management community mind-set is all wrong with respect to the PMO as an organizational entity of some kind within a business setting such as a commercial for-profit firm, a governmental institution, or a nonprofit organization. In my two previous books, *Business Driven Project Portfolio Management* (2011) and *Business Driven PMO Setup* (2009), as well as numerous white papers that I have submitted and presentations and workshops that I have conducted, I have shared my observation that the formal project management community focus in terms of PMOs is entirely too centered upon the *means* (PMO models, methodology, tools, training, and technical project management techniques) to the end and not focused enough on the ends to be achieved in terms of the specific business problems, the business need that the PMO exists to address and meet, and the benefits to the business of having met those needs.

Some of my business driven PMO colleagues suggest that those who weigh in and shape the formal project management community do not have the requisite training, executive development, and experience in business management, financial management, and organizational development and leadership to understand and speak the language of business. As a consequence, the formal project management community has invented and has adopted its own jargon and language. Now, after so many years and as a matter of self-determination and preservation, it

stays within this comfort zone, chooses to focus on that which exists in this alternative world, and ignores and has a blind spot for that which is outside of it. One unintended consequence of many is a disconnection between business professionals and project management professionals (PMPs) in terms of perspectives, behaviors, and language. Simply put, business people don't speak project management and project management people don't speak business.

Not long ago I had the pleasure to meet Harvey Levine, who is the author of a very good book on project portfolio management (PPM). Harvey was attending one of my PMO workshops, and I must admit, upon learning that he was in attendance I was quite nervous having him in the audience. It wasn't so much because Harvey is a recognized subject matter expert and guru in project management, PPM, and the management of the PMO and that I have far more to learn from him than the other way around. Nor was it because he has written dozens of white papers and a few very good books on the subject and is often credited as the early pioneer in what is now commonly referred to as PPM. All of that did weigh in, mind you, but what made me just a little bit anxious was the fact Harvey was a Project Management Institute (PMI®) Fellow, a past President and Chair of PMI from 1983 to 1986, and he was instrumental in establishing PMI's certification program. And in the next three hours I was going to present provocative material and engage the audience in workshop exercises that would reveal and prove, with one real-life business case example after another, that the formal project management community mind-set with respect to the PMO is all wrong and that there is far too much focus on knowledge and certifications and far too little focus on the practical application of project management and end results achieved.

In short, PMI was the mother, the formal project management and PMO community was her child, and I was calling her baby ugly. This was what made me just a bit apprehensive and overly careful in my choice of words throughout my Business Driven PMO Setup and Management workshop. Imagine my surprise when, after the workshop concluded, Harvey commented that the workshop was spot-on and addressed the core, fundamental problems and issues that threatened the success of PPM as a management practice and the implementation of a PMO as a business driven, goal-oriented, organizational entity. Imagine further my surprise when Harvey Levine mentioned to me that, after discussions with PMI leadership about strategy and direction, he withdrew his membership in PMI over concerns that PMI was becoming too commercialized in terms of revenues, certifications, and products and losing its way and losing its place

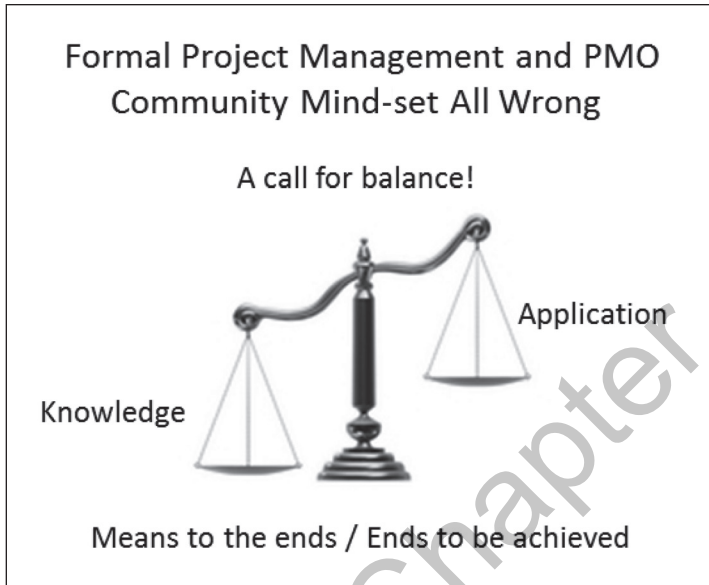


Figure 3.1 Mind-set all wrong: a call for balance

as a trusted industry standards organization for the advancement of project management standards and best practices.

So what exactly is it about the mind-set of the formal project management and PMO community that is all wrong? Many people advocate, and I agree, that it is the unbalanced focus between the means to the ends and the ends to be achieved, as depicted in Figure 3.1.

This unbalanced view is the myopic, all-consuming focus on such things as PMO models, project management methodologies, tools, training and certifications, and technical project management know-how without the accompanying focus on what these things are intended, or even can achieve, for the organization. In layman's terms, it is putting the horse before the cart. When this happens, as it far too often does, you inevitably have a runaway freight train of well-intended ideas that result in a calamity of mishaps, errors, and organizational frustrations. Why? Because the ideas for the practical application of project management and the setup of the PMO are not based upon the end results achieved of solving specific business problems and meeting specific business needs; hence, they seldom do!

Let's examine a few examples of the formal project management and PMO community mind-set. The following five points represent the

perspectives and mind-sets of very well-known people in the formal project management and PMO community who often present at the conferences and events of the community. Naturally, I will not disclose the names of these people as I have no desire to publicly embarrass anyone; my only aim is to reveal what I believe are incorrect views that contribute significantly to PMO execution difficulties and in many cases PMO failures. For each of these points regularly advocated within the formal project management and PMO community, I will provide a counterpoint.

- ◆ Point 1: PMO placement in the organization
 - The PMO should report to the CEO or COO and it should be enterprise in scope. If not, the PMO will not have the full view of the projects of the organization, it will not be able to strategically align the projects to the strategy of the company, and it will not have the power to get things done.
- ◆ Counterpoint 1: PMO placement in the organization
 - Although there can be tremendous value in an enterprise PMO that reports to a CEO or COO, the enterprise PMO is but one of many types of PMOs. Not every PMO needs to be an enterprise PMO and not every PMO needs to report to the CEO or COO. This mind-set overlooks the tremendous value that PMOs can provide to the many different constituents in the many different places within the organization from lines of business to divisions, departments, and functional teams. Where a PMO should be placed and who it should report to should be driven by needs of the business, not a narrow view and predetermined mind-set of what a PMO should be.
- ◆ Point 2: Considerations for setting up a PMO
 - Unless an organization has a lot of projects and named project managers, you don't need a PMO. Establishing a large PMO with complex methodologies and tools would be overkill.
- ◆ Counterpoint 2: Considerations for setting up a PMO
 - Why does a PMO have to be a large PMO with complex methodologies and tools? The mere fact that the organization does not have a lot of projects is likely to mean that there will be a wide variety in the project management skill of those who have some kind of project to manage. It is not just named project managers who have the formal title of project manager who manage projects. In such organizations a one-person PMO, or even a virtual PMO in which the responsibility of setting up and managing the PMO is an assigned duty of a functional manager, can be of tremendous

value. By standing up and making available tempered guidance that is easy to access, promotes skill development through learning as you do, *and* is based upon the business need for how to manage projects, significant improvement in the management and delivery of these project efforts can be realized.

- ◆ Point 3: Project management methodology
 - The purpose of a project management methodology is to apply the standards and practices for project management that are contained in the PMI Guide to the PMBOK.
- ◆ Counterpoint 3: Project management methodology
 - The purpose of a project management methodology is not to apply the standards and practices for project management that are contained in the PMBOK. The purpose of the project management methodology is to ensure a consistent and repeatable outcome whether based upon one standard in particular, multiple standards collectively, or parts of both standards and emerging best practices yet to become a standard. It is important to note that the PMBOK is a project management body of knowledge, not a methodology. As a body of knowledge, it does not provide contextual guidance for projects of different types and sizes. It also does not provide guidance for the PMO and project-related work that takes place before initiating a project and after closing it. As a body of knowledge for plan driven projects, the PMBOK fails to provide any guidance with respect to other approaches for the management of projects and project-related work such as those contained in the contemporary field of study referred to as complex adaptive systems. Organizations that seek to merely apply the PMBOK as a project management methodology will fail.
- ◆ Point 4: Project management training and certification
 - PMOs should develop an ongoing project management training program that seeks to certify all project managers and provide basic project management training to all employees in the organization.
- ◆ Counterpoint 4: Project management training and certification
 - For most businesses and organizations it is not possible, practical, or affordable to train all employees in project management. Training strategies, including certification of project managers, should be driven by business need, not a mind-set that every project manager should get a PMP and every employee should learn basics in project management. Though well intended,

strong advocates of project management with such views actually do project management a disservice as this mind-set can result in a misplaced focus. Rather than developing business driven strategies for training related to specific areas of need, the purpose of training is measured in terms of certifications for project management staff and attendance in basic project management training for all others. Rather than viewing the PMO as a business unit that has accountability just like other business units in the organization, the PMO is viewed as a center of excellence. Rather than being viewed as a needed organization that ensures the project-based success of the company, the PMO is viewed as bureaucratic overhead staff that makes work for other people.

- ◆ Point 5: Technical project management approaches
 - If you are not using earned value management (EVM), then you are not reporting project performance accurately or managing the project properly.
- ◆ Counterpoint 5: Technical project management approaches
 - EVM is not appropriate for all projects. Although EVM might be suitable for plan driven projects with fixed requirements such as building a parking garage, where, with the possible exception of weather and the time it takes to get building permits, all that is needed to know such as materials (concrete, wood, steel) and resources (workers) is knowable, EVM may not be required or even possible for other projects. This is especially the case for projects where requirements are not knowable, not to mention small projects, where the project is over before such time as earned value techniques can be sensibly applied. Use of techniques like EVM should be a matter of PMO policy, not mandatory for every project, and projects should not be viewed as improperly managed just because EVM was not used.

It would not be hard to go on and on with these points and counterpoints. If such mind-sets were those of just a few misguided project management and PMO enthusiasts, they could be dismissed. Regrettably, these mind-sets are commonplace and continually perpetuated within the formal project management and PMO community. But how do our executive and leadership teams feel about all of this? Do they also share the view that the formal project management and PMO community mind-set is all wrong in these matters?

As part of our 2012 PMO survey, we asked the functional executives of the 80 companies in the survey if they agreed with the mind-set of

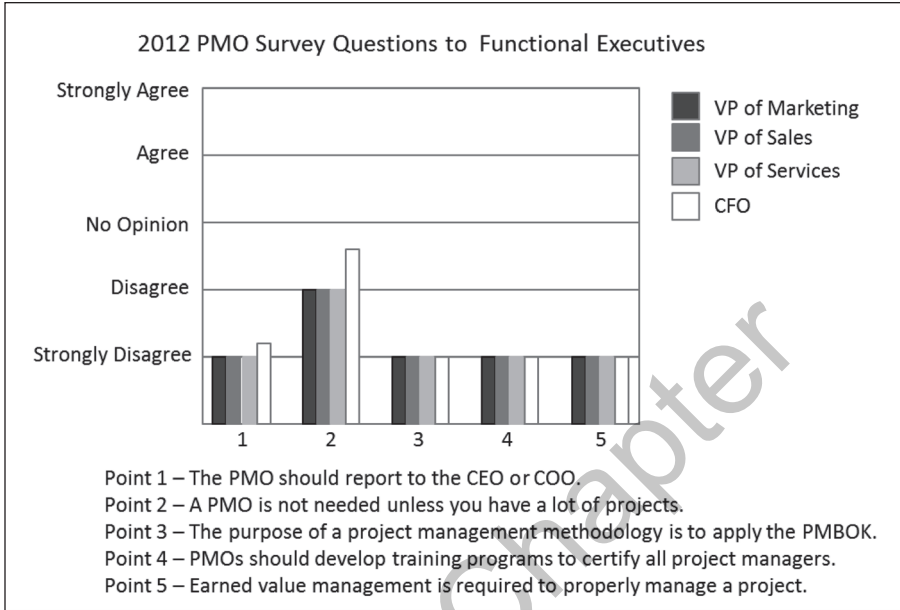


Figure 3.2 Degree of leadership team agreement

the formal project management and PMO community as represented by the five views just given on (1) PMO placement, (2) considerations for having a PMO, (3) project management methodology, (4) project management training and certification, and (5) technical project management approaches. As shown in Figure 3.2, it is quite clear that the members of the leadership team do not agree with the views of the formal project management and PMO community.

The point of bringing to the attention of the formal project management and PMO community that their mind-set toward project management and the PMO is all wrong is not intended to unfairly criticize the community, nor is it to suggest that all the advances in project management that have been attained should now be summarily dismissed. To the contrary, the point is to shed a rather bright light on what we all know as a public secret. There needs to be more business focus and accountability for business results within the project management community.

The PMO is not a country club. With rare exceptions, for most businesses the PMO is not a Community of Practice and the PMO is not a Center of Excellence. The idea that at Level 5 of PMO maturity the PMO

becomes a Project Management Center of Excellence is nothing but misguided folly. Being good at what we do merely gives us the opportunity to play the game, and that should never be confused with the final score.

The sooner the formal project management and PMO community recognizes that it has a mind-set problem, the sooner it can then not just learn how to speak the language of business but embrace it in their views, convictions, and business driven strategies for the practical application of project management and effective use of PMOs. At that point we will have a balance between the means to the ends and the ends to be achieved with respect to project management and PMOs. This, I truly believe, will be followed by a significant improvement in the performance and track record of PMOs.



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