

EXPERT SERIES

The "Expert Series" is a collection of articles, papers and writings by PM Solutions' associates and other industry experts that provides insight into the practice and value of project management.

How to Start up and Roll out a Project Office

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Introduction

As ad hoc and informal approaches to managing projects continue to be less than effective in meeting time-to-market goals, the need for a Project Office becomes more compelling. This article provides an approach that addresses the immediate needs of an organization yet, at the same time, considers longer-term solutions to improve project management. You will see how to achieve immediate value while positioning yourself for the long run. The approach is based on the results of successfully implemented Project Offices within organizations and has been refined through consulting experiences and industry research.

The Problem

Your staff is working hard—harder than ever before—yet projects seldom complete on time. The most frustrating part is no one knows why this occurs or what causes the unexpected delays and cost overruns. To make matters worse, each division has a different way of discussing progress; lack of consistency makes communications downright confusing. Obviously, a reasonably structured method for managing projects is needed, so you decide to implement a Project Office with consistent project management practices. This decision poses a different problem—with little time and limited resources, you need improvement now. Competitive pressure is strong, and you want to focus on product development, not another process change. How can you implement a Project Office and improve project management practices yet, at the same time, continue with product development and business operations?

The Solution – A Top-Level Overview

The answer: Make a conscious effort and deliberately plan to focus on immediate value and business necessities. The key is to keep the implementation simple, focused on value, and structured with a plan. To jumpstart the Project Office implementation, begin with a tactical focus and consider immediate concerns, business necessities, and minimal needs.

Although the focus is short-term in the beginning, longer-term solutions should be considered and preliminary steps undertaken to lay the groundwork on broader, more complex issues. Long-term solutions address permanent maturity efforts that will result in long-term value to the organization and ensure that you achieve your time-to-market timeframe not just once but again and again, thanks to repeatable processes.

To accomplish this, we recommend a four-phase approach:

- *Phase I—Establish the Foundation*
- *Phase II—Startup with Short-Term Initiatives*
- *Phase III—Rollout with Long-Term Solutions*
- *Phase IV—Support and Improve*

The Solution—A More Detailed Discussion

Phase I— Establish the Foundation:

In this phase you define the Project Office and determine your immediate concerns and long-term objectives. As appropriate, you start with an assessment of your current capabilities, goals and objectives. Baselineing against a Project Management Maturity Model identifies the baseline positioning of project management within the organization and aids in planning future tasks and activities. A series of meetings is held with key stakeholders and subject matter experts to understand current capabilities, challenges, issues, and goals. Based upon the discussions, an assessment report is developed which captures the current state and future vision along with an improvement plan recommending short-term initiatives and long-term solutions.

After developing the top-level improvement plan, you determine the Project Office functions and staffing, identify stakeholders (to include key management, mentor programs, and pilot projects), and prepare a communications strategy. This phase ends with the Project Office having the go-ahead to proceed with funding and with immediate staffing needs approved.

Phase II – Startup with Short-Term Initiatives:

In this phase you startup the Project Office, put in place short-term initiatives, and initiate the project mentoring effort. Project Office startup includes staffing the office for near-term needs, initiating communication activities, and making the organization aware of the Project Office and its responsibilities.

Two efforts are initiated to demonstrate the immediate value of the Project Office within your company: short-term initiatives and project mentoring. The short-term initiatives are solutions to immediate concerns and take care of issues surfaced by key stakeholders. These are items that can be implemented quickly while at the same time they take care of organizational top-priority concerns. Examples include:

- An inventory of your projects (new product development, information technology, business enhancements, etc.)
- Deployment of a project management methodology
- Summary reports and metrics
- Project reviews
- Brown bag training lunches
- Support for new projects and projects in need
- Project planning or project control workshops
- Identification and deployment of one or more pilot project initiatives
- Templates

In conjunction with the short-term initiatives, the second effort undertaken is project mentoring. Project mentoring is an excellent way to provide immediate project management value to projects that are in the initial startup phase or are in need of support, without waiting for the implementation of formal training programs, or process rollouts. Phase I ends when the short-term initiatives are in place and the team is ready to exclusively focus on longer-term solutions started in Phase I.

Phase III– Rollout with Long-Term Solutions:

There are increasing benefits to organizations as they mature their project management capabilities. Phase III focuses on improving/streamlining the processes, developing people, and putting in place a more permanent support structure necessary for project management to succeed. In this phase we develop the long-term solutions, continue the project mentoring effort, conduct additional pilot tests (as appropriate), and gradually rollout the fully functioning Project Office. Examples of critical success factors include:

- Process/methodology tailoring and continuing development
- Development of a training curriculum
- Detailed reports/metrics development
- Resource management
- Tool deployment
- Project manager career progression and certification
- Project portfolio management
- Organizational change and transition planning.

All of these items take time to develop and the deployment should be done incrementally starting with pilot tests on select projects. The assessment and improvement plan done during Phase I provides the overall long-term goals and objectives for the Project Office, and this phase develops, pilot tests, and rolls out the methods, standards, training, and support activities to achieve the overall goals.

Phase IV– Support and Improve:

In this phase, the Project Office is operating and supporting the organization. They conduct day-to-day activities, refine project management activities, and expand the involvement of the Project Office where appropriate. Training and other initiatives continue under the direction of the Project Office. Key stakeholders provide feedback on the Project Office's efforts and activities are continually refined.

What Works

We have found key activities that work and don't work in a Project Office implementation. Typically, if you keep these in mind, your implementation will be successful.

What Works – The Top Five

- Keep it simple
- Focus on Value
- Plan
- Secure Executive Sponsorship
- Communicate

Keep it Simple

First and foremost, be realistic and work the basics. If your staff can't explain why they are doing a particular project and they can't identify their 60-day plan, focus on helping those areas first. Don't

worry about a sophisticated estimating process yet—focus on simply understanding the project goals (a project charter) and developing basic plans. Once you identify these basic needs, stay focused and don't do too much too soon. Employ the minimum project management essentials (such as project management plans, project schedules, project metrics, and project reporting) and startup the office to help project teams. Don't try to optimize every aspect of project management.

Focus on Value

This point goes hand in hand with the first one. Determine the organization's most pressing concern and fix it. Find what hurts the most and focus on it. Talk to key stakeholders at all levels within the organization. Try to fix one key concern for each level. Sometimes the immediate fix is an interim solution that is done inefficiently (such as manual reports)—but at least the report provides information and insight with some degree of confidence. Whatever you choose to do, link the goals of the Project Office to the organization's goals and explain how the Office and project management practices help meet the organization's goals.

Plan

Although it is painful and appears to be nonproductive, take the time to plan up front. The plan will help set expectations and facilitate communications. Establish incremental goals to show progress and results to the organization. Identify specific short-term and long-term solutions and explain how, in some cases, an interim solution will set the stage for a long-term objective (for example a report that is done manually). Make sure you plan enough time to conduct pilot tests and train individuals before setting in place the new process or tool.

Secure Executive Sponsorship

No matter what you do, without executive sponsorship, *you will fail*. Make sure you understand who cares, who will be most affected, and who makes decisions. Get them involved from the beginning. Find out their needs, expectations and goals. Identify their concerns and work to address them. Remember to *keep it simple*, *focus on value*, and *plan*. Understand the problems at different levels. Identify an executive “cheerleader” and encourage as much “cheering” as possible. Establish a project board and plan regular status review meetings.

Communicate

The best idea goes nowhere if you keep it to yourself, surprise everyone at the last minute, and expect the new idea to be accepted and practiced. People don't like surprises (not these kinds of surprises). Explain what you are doing and most importantly why. Let everyone know how the Project Office and the new business practices will help them. Package a “story” and spread it around. Say the same message over and over, tailoring it for the different levels of the organization. Communicate your goals and successes via different avenues—a project board, status review meetings, brown bag sessions, e-mail, or communiqués. Just get the word out.

A Real Life Experience –“Executive Focus on Value”

A financial services company decided to deploy project management methodology in their information technology organization. The deployment plan focused on three key project office areas : 1) Deployment of a standard project management process and methodology, 2) Project management tool development and deployment, and 3) Training for the staff affected by the project management initiative. Regular meetings were established to communicate developments and expectations with two primary career groups: the project managers and the project planners. A standard approach to managing projects was developed, deployed, and taught to all project teams. Project brochures were distributed listing the “Top 10” projects; their deliverables, milestones, and quality metrics. Entire project teams received performance bonuses based on delivery against the “Top 10” goals. Directors and Vice-Presidents routinely participated in project reviews and led meetings to discuss the value of the divisional project management initiative. *Actual Improvements:* Planning was sufficient for all stakeholders to understand expectations for the project. Most of the “Top 10” projects were delivered on time and satisfied or exceeded the quality metric goals. Experience was developed to further enhance delivery quality for future projects. *Lessons Learned:* Mentoring support was critical in the first phases of project office deployment due to severe lack of internal project management competency. Methodology efforts were started and redirected on three occasions, because it is critical to deploy an effective methodology and integrate that tailored methodology into project management training initiatives.

A Real Life Experience – “The Global Office & Time-to-Market Reductions”

A new product development organization wanted to decrease the time-to-market period for new products. The Project Office decided to modify their project management practices in an effort to reduce time-to-market. The Project Office put in place a mentoring program, project planning and estimating, project tracking and control, and additional project coordination/communications avenues. The Project Office ensured that the project management methodology was established and followed. The organization started planning and showing the impact to key milestones. Regular meetings were held to address issues. The Project Office enabled comprehensive resource capacity planning and project prioritization, resulting in better planning for resource demand. The attention and focus placed on project management caused Project Teams to place closer attention to detail and place better discipline in meeting deadlines. The net result was a reduction in the launch cycle of a particular product by two months, resulting in an increase of tens of millions in revenue. *Lessons Learned:* 1) Project methodology buy-in at the business unit level is critical. Those buying in saw their time-to-market improve while others who didn’t “pay for the service” languished and time-to-market even got worse. 2) Take small incremental steps and show results continuously (keep it simple and focus on value). 3) Get an executive sponsor high in the organization.

What Doesn't Work

Just as there are key activities that work in a Project Office implementation, there are factors that hinder progress. Avoid doing these things. At minimum, recognize what is going on and change your behavior and approach.

What Doesn't Work – The Top Five

- Do it All at Once
- Procrastinate
- Forget Key Stakeholders
- Demand before Provide
- Work in a Vacuum

Do it All at Once

There are three factors to a Project Office implementation: People, process, and tools. Obviously changing all three at once is a very complex undertaking, to be avoided if possible. Change the tool environment but keep the process the same; or change the process but use the same tool environment. A phased approach makes this feasible. Don't do it all at once: you may not be able to deliver and people will get confused.

Procrastinate

Once you make the decision to implement a Project Office, move on it. Don't hesitate or partially support the idea. You will lose support and focus and the organization will stop believing in the concept. In addition, the longer you take to implement, you may encounter organizational changes and upheaval. Such adjustments may result in changes in your executive sponsorship and other key stakeholders. Priorities may change and the effort may lose support and funding, resulting in an unsupported attempt that won't work.

Forget Key Stakeholders

Earlier, we mentioned the importance of executive sponsorship. Executives are not the only key stakeholder or customer of the Project Office. There are other customers, including project managers, project teams, functional/resource managers, and line managers. Just like the executives, get these stakeholders involved from the beginning and determine their needs, expectations, and goals. Understand the problems at different levels; otherwise, you may overlook a key concern.

Demand before Provide

A Project Office must be viewed as an entity that helps—an entity that provides services to ease project management administration and to facilitate smart business practices. All of this results in an improved track record of project delivery. The Project Office should never be in a position of always demanding information and seldom providing services. You will not be successful by always demanding—you win by providing.

Work in a Vacuum

In a Project Office implementation, a team approach wins. The office is intended to serve multiple customers, each with personal experiences and ideas to share. Incorporate other people's ideas and acknowledge them and give credit where due. Learn from other's experiences—don't re-invent the wheel. Find out individual requirements and needs and design accordingly and appropriately. Don't work in a vacuum—you miss a lot of good stuff.

A Real-Life Experience – “If Only We Knew This Before”

The airline was adding a new type of aircraft to their fleet. A new technology passenger convenience unit was planned as part of the rollout. With four years of development and production expected, a subcontractor was chosen to build the units. Five years after the contract, the subcontractor is asking for a delay in delivery and more money. The technology also is now two generations old. On reviewing the situation, we find performance and technical specifications were severely lacking from the start (especially the performance specifications). No requirement was levied on the subcontractor regarding the specific project reporting requirements and delivery milestones. Little (or no) accountability for schedule delays and cost overruns were included as part of the contract. What happened? During contract negotiations, the airline failed to include specifications with sufficient detail to include operating performance characteristics and requirements. No provision was established in the contract for the subcontractor to adequately plan and control the development project or to report on-going status to the airline. Many delays, technical complications, and overlooked deliverables built up to create a project disaster. *Lessons Learned:* The airline itself did not perform sufficient project planning nor did it require the same from one of its key stakeholders – the subcontractor. The airline delayed reaction until the damage was already done – then wanted to put project controls in place. In the end, no one was happy; a poor deliverable was produced, airplane delivery was delayed, costs were overrun, and protracted litigation ensued.

A Real-Life Experience – “Too Much Too Soon”

An Information Technology organization saw the need for standard project management practices and a central office to manage ongoing efforts. The project budget was expected to increase significantly and management recognized the need to smartly manage the resources. The organization was going from an informal project management environment to one with more structure in process and tools. Both process and tools were being changed at the same time and most Project Managers did not welcome the change. The Project Office effort progressed smoothly until the Project Managers were asked to change their tool environment and be more disciplined in drafting project management plans. The leadership was focused on other pressing issues and did not have time to support the Project Office initiative. There was rebellion on one side and lack of interest on the other. The initiative was pushed to the back burner and significantly decreased in scope and importance. Several factors contributed to the situation: organizational changes and upheaval, changes in priorities, doing it all at once, and lack of executive sponsorship. *Lessons Learned:* 1) Keep things simple and focused on value to “preserve” the initiative during the organizational changes. 2) Put in place a strong communications program to obtain buy-in from all key stakeholders. 3) Introduce the tool environment and new processes in an incremental fashion. 4) Secure and repeatedly work to keep executive sponsorship.

Final Words for Success

A decision to implement a Project Office does not need to be followed by a lengthy, drawn-out implementation. You can't afford it—time is short and you are faced with limited resources, competitive pressure, and the need to do business. The way to implement a Project Office is to first focus on immediate

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value and business necessities. You should design an implementation approach that takes care of these immediate concerns and in parallel lays the groundwork for longer-term solutions. The key is to keep the implementation simple, focused on value, and structured with a plan. Don't try to do it all at once. Build an Office that provides services to ease administration and put in place smart business practices. The net result will be a structured, consistent method to manage projects and an understanding of project performance—resulting in overall better project performance.

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