

An Enterprise Approach to Project Management

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In today's global market companies, regardless of industry and size, are looking to improve their systems and processes to become more competitive. One way they are attempting to do this is by establishing project management as a core competency throughout the organization. By setting up standardized procedures within the company, they hope to learn from past mistakes, make processes more efficient, and develop people's skills and talent to work more effectively. The list of organizations attempting to integrate project management disciplines and best practices into the way they manage their businesses is expanding daily; however, those who have *succeeded* in doing so is significantly smaller. The answer for many of these companies is positioning. By positioning, we mean that the group charged with the implementation of project management and best practices is positioned in the uppermost levels of the firm. It is critical that all levels of workers and managers see that the executive level of the firm supports it without hesitation, publicly, and completely. Without support from the top, it won't get off the ground. Typically, the group charged with the responsibility to get the system up and running is called a Project Management Center of Excellence (PMCoE) or Corporate Project Management Office (CPMO). Positioning is a critical aspect of establishing project management as a company's enterprise-wide core competency. It must first be viewed and treated as a key business function throughout the organization. It is the first critical step toward successfully institutionalizing project management best practices as a core competency. The first step that is required to achieve the goal of establishing project management enterprise-wide is the creation of a business function that has the authority and responsibility to get the job done.

Positioning is equated with authority in organization structures; the closer something is to the top, the higher its level of autonomy, authority, and responsibility. Establishing project management in most organizations is very difficult to do, because managers are afraid of losing their authority and control over the resources that are assigned to them. Workers are afraid of being held accountable for performing a new set of requirements. This fear, expressed as resistance, comes from lack of information and understanding about how the changes will affect their jobs. Positioning the project management function at the highest level within the organization provides the measure of autonomy necessary to extend its authority across the organization while substantiating the value and importance the function has in the eyes of executive management.

Establishing project management centers of excellence should not be viewed as a quick-fix solution, but rather as a long-term, foundation-building effort. It is not a trivial pursuit. Competing globally, increasing market share, reducing costs, and improving profits - all in the pursuit of producing better products and services faster through the use of high technology solutions - are just a few of the reasons why most organizations seek better ways to improve time-to-market, cost-to-market, and quality-to-market. The effective use of project management techniques is a critical element for achieving improvements in these areas. Some firms' even view project management as a key weapon in their arsenal to increase customer satisfaction and beat the competition.

The organization as a whole must recognize and adopt new attitudes that embrace project management best practices as the normal way of working. This enables them to bring the full power of this new competitive weapon to bear in the battle of continued business growth, and in many cases ultimate survival in today's highly competitive global market. Changes often occur

as a result of pain, which is caused by some circumstance - either internal or external - that is outside the control of the organization. These circumstances may motivate organizations to establish an enterprise project management approach. Some examples include:

- Losing market share due to increasing global competition
- Poor cost vs. profit ratios resulting in falling or stagnant stock values
- Competition with faster time-to-market
- Changing economic conditions that force downsizing
- Effective use of fewer resources caused by downsizing
- Implementing new technology to become more efficient
- Managing changes brought on by dynamic growth
- New executives who have seen it add value elsewhere

Project management has the greatest impact on a customer's recognition of an organization as a world-class leader in time-to-market, cost-to-market, and quality-to-market. Completing projects successfully on a consistent basis is a basic requirement to receive excellence awards from most customers. This is the goal of every organization. If projects are an integral part of the business, it stands to reason that there should be a clear understanding of what is and isn't a project, and what is required to satisfy the customers.

Organizations that sell products or services should recognize that their business livelihood depends on completing projects that directly affect their bottom line. They also should realize that completing projects successfully on a consistent basis requires the application of specific knowledge, skills, tools, and techniques. Doesn't it make sense then that such an important business function be established at the executive management level of the organization? How else can a company ensure that projects are managed successfully across the organization, and that strategic, mission-critical projects are given the best opportunity to succeed from the very start?

Positioning the project management function in a hierarchical organization structure establishes its autonomy and thus "ownership" of the responsibility for setting up, distributing, supporting, and managing the application of project management best practices within the company. Enterprise-wide adoption of project management best practices calls for single ownership of the function. Establishing common practices across an organization at all levels is very difficult, if not impossible, without a sole ownership being clearly established. Ownership must be recognized as an independent business function at the highest level of the organization to enable the authority that is required to distribute, monitor, and control the distribution of the disciplines required to achieve enterprise-wide project management best practice capabilities.

"Enterprise project management is an idea whose time has come. Applying project management on a broader basis within the organization adds speed and productivity to ongoing processes," states Paul C. Dinsmore, an international author and speaker on the subject of enterprise project management. Dinsmore has written a number of articles and a recent book that provide valuable insights into the issues affecting successful implementation of enterprise-wide project management best practices as well as some practical approaches to overcoming common obstacles.

Area business leaders, who are interested finding out more about enterprise project management, will have an opportunity to do so on April 9, 2002, when the Project Management Institute (PMI®) Western Michigan Chapter is hosting Paul Dinsmore who will discuss this topic in a one-day workshop. More information about this event can be found on their Web site <http://www.westmichpmi.org/seminar2002.htm>.

Dennis Bolles, president of DLB Associates, LLC, is a certified Project Management Professional (PMP®) with nearly 25 years experience in increasing professional performance levels within many organizations. He excels in developing multi-functional teams to improve business workflow processes utilizing Six Sigma and other methods to achieve “world-class” capabilities in meeting the needs of internal and external customers. He is a published author of many project management articles, and a book entitled Building Project Management Centers of Excellence, (ISBN 0-8144-0717-X), released by Amacom in June 2002. For additional information visit the DLB Associates, LLC web site at www.dlballc.com or contact the author by email at dbolles@dlballc.com.