

Creating a Sustainable PMO for Achieving Effective Business Results

By Dennis L. Bolles, PMP
DLB Associates, LLC

Introduction

Strategic and tactical planning are actions that the executive and senior management of an enterprise can take to assure the successful implementation of a sustainable PMO. Many enterprises have so many initiatives that generate many projects, which often need to be assembled into programs and portfolios for effective management and status reporting. Strategic and tactical planning processes assist executives establish the necessary planning and scheduling that identifies cost effective performance requirements. These performance requirements can be used by the PBMO to recommend to management if proposed programs and projects should be undertaken and if they can deliver the benefits and value desired by the enterprise. This evaluation is also necessary to determine if the planned portfolios, programs, and projects can be accomplished in accordance with the enterprise's time to market, profitability requirements, or other business needs.

Management needs a structure in which to document and review strategic planning and tactical information in order create an effective strategic business plan. In addition, the enterprise must identify and incorporate appropriate and specific tactics to ensure that only the right projects are performed and assure those projects are initiated at the right time and receive the resources necessary to be completed successfully. That organization structure is the Project Business Management Office (PBMO) which is shown in Figure 1 and described in the following paragraph.

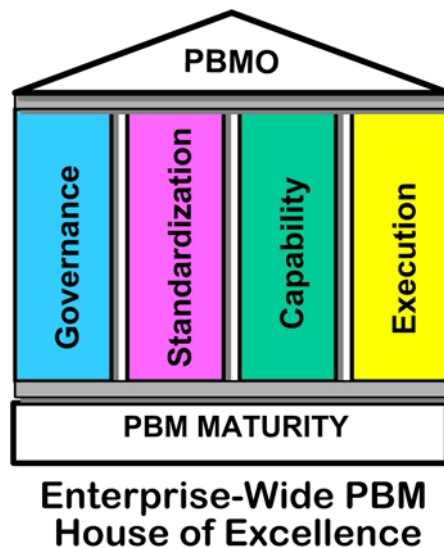


Figure 1: PBMO House of Excellence

The following is a definition of the term Project Business Management (PBM), which was created by the co-authors of “The Power of Enterprise-Wide Project Management as

Project Business Management: The utilization of general business management and project management knowledge, skills, tools, and techniques in applying portfolio, program, and project processes in order to meet or exceed stakeholder needs, and accomplish the enterprise's business objectives and related strategies. © 2007- 2009 DLBALLC and DGHELLC, All rights reserved

The various components of the PBMO house of excellence shown in figure 1 are used to define the critical functions of the PBMO organization structure.

- *Roof - Overview:* Is a view of project business management from an executive's perspective that addresses enterprise-wide project management as a business organizational concept, project management as a business function, and the PBMO as a business functional organization.
- *Pillar One - Governance:* Establishes the PBMO as a management method for setting policy and establishing charters, and business management of projects, programs, and portfolios enterprise-wide.

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- *Pillar Two-Standardization:* Examines identification and integration processes and practices, development of standardized project business management processes, documentation of enterprise-wide portfolio, program, and project management process methodology models including their associated policies, practices, and procedures.
- *Pillar Three-Capability:* Assesses the enterprise's capabilities, and capacity for the development of a project management competency model, implementation of an education and training program, establishment of a career path progression, and identifies various enterprise environmental factors.
- *Pillar Four-Execution:* Implements strategic business planning, tactical business planning, business objective (project) prioritization and selection, project initiation, stage gate reviews, project execution planning, program project execution, portfolio project execution, program and project closure, and project lessons learned/knowledge database development.
- *Foundation-PBM Maturity:* Establishes project business management process and practice as the means to achieve organizational maturity required to sustain the PBMO as a core business function. The PBMO defines how to evaluate mature institutionalized project business management best practices enterprise-wide; and summaries a best practice benchmark study survey that developed the four pillars supporting the Enterprise-wide PBMO House of Excellence.

General Business Management versus Project Business Management (PBM)

Two key aspects of general business management are operations management and project management. Operations business management (see Figure 2) includes the various aspects of strategic planning, tactical planning, objectives development, and those operational portfolios, programs, and projects that are managed by one or more internal business units that are performed using routine operational processes. True project work is very different in many areas versus operational work. Project management is used to perform projects using project management processes and normally involves multiple business units and can require external resources. However, the planning and management of projects cannot be done on a standalone basis, but rather it must be integrated with the business management aspects of the enterprise.

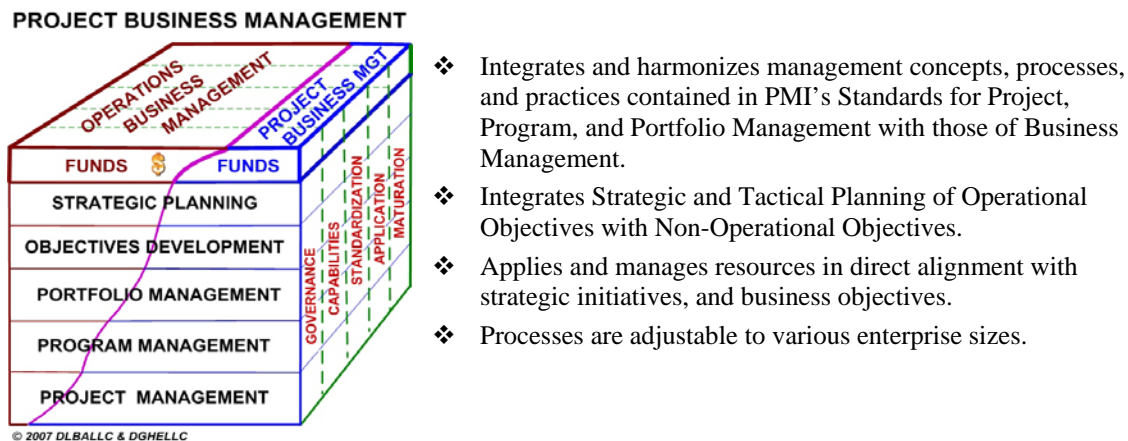


Figure 2: PBM – A Three-Dimensional View of PBM

Projects need to be an integral part of the enterprise's business in order to effectively accomplish the enterprise's strategic initiatives and business objectives. A clear understanding of what is and is not a project; what projects are operations specific; what is required to satisfactorily complete a project, and how to combine projects into programs and portfolios. The enterprise's ability to successfully manage projects depends on the proper application of specific project management processes, knowledge, skills, tools, and techniques. The proper application of these aspects of project management will have a significant impact on time to market, cost to market, and quality to market of the enterprise's projects.

Hence, the principles, concepts, and processes of project-related portfolio management, program management, and project management need to be blended with the principles, concepts, and varied processes of general business management related to a project, which provides the basis for the concept of establishing a Project *Business Management Office (PBMO.)*

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Figure 2 illustrates how operational business management and project business management processes and practices are related and need to be integrated to effectively manage an overall enterprise. However, existing PMO's are usually only concerned with the planning and management of the non-operational portfolios, programs, and projects. The graphic also shows how, for some enterprises, about two-thirds of the available funds are distributed to operational work while about one-third goes to non-operational work. This fact leads one to draw the conclusion that many processes, procedures and management methods have been developed and deployed by most enterprises for the operational side of the business, while the non-operational work side has been neglected. Consequently, the products and services delivered by non-operational work, which can shape the financial success and business future of the enterprise are not given the level of strategic planning and tactical execution required to increase the bottom line. The other issue facing many organizations is the significant number of project failures resulting from poor planning, lack of requirements definition, and lack of adequate resources to name a few. The factors that cause project failures are largely the result of inadequate strategic and tactical planning processes.

Project business management and the PBM methodology are a unique approach and structured solution to managing the project-related business of an enterprise. The set of processes and the steps within each PBM process can be adjusted and modified to suit the business size of the enterprise employing the PBM methodology. The purpose of the PBM methodology is to implement project management to serve the enterprise's strategic business initiatives and business objectives and to harness the enterprise's existing project management capabilities. The outputs of the processes contained in the PBM methodology flow down from strategies, to objectives, to portfolios, to programs, and to projects. This hierarchically integrated set of processes is used to produce the required deliverables and to assure the values and benefits desired by the enterprise can be attained. Knowing what specific actions are required and how to proceed after executive management gives the go-ahead is a key objective of the PBM methodology.

PMO's are currently employed in only a few enterprises as a successful business function at the executive level. However, I believe this practice will become a standard practice of future enterprise organizational models. Executives and business unit managers in today's most forward-thinking enterprises are already taking project management disciplines beyond handling specific projects in manufacturing, product development, services, and information technology, and adopting its powerful methods enterprise-wide. Employing project management enterprise-wide is applicable to any type of enterprise, whether it is a for-profit company, a non-profit company, or a governmental agency. Therefore, the PBMO organization structure proposed in this paper and my key note address is naturally aimed at existing enterprises with established business operations and defined functional organizations who desire to effectively achieve their strategic business objectives.

Why is the PBMO a competitive weapon and what are its benefits?

The effective use of integrated business and project management processes are becoming more widely recognized as an effective approach for achieving improvements in searching for better ways to improve time-to-market, cost-to-market, and quality-to-market. Some enterprises view project management as a key weapon in their arsenal to increase customer satisfaction and outdistancing their competition. The organization as a whole must recognize and adopt new attitudes that embrace project management best practices as the best way of doing business. 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 ensuring the enterprise's ultimate survival in today's economically challenged global market.

Establishing a PBMO provides executives ownership of an enterprise-wide vehicle to implement project management best practices across the organization. The PBMO has the requisite authority as an organizational structure that enables acceptance, adoption, and autonomy perceived by all levels across the organization.

Positioning the project management function at the top 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. We believe that establishing a PBMO ownership is the right thing to do, because global competition and economic challenges in the marketplace require new approaches to survive. Project management as a business function is one of the best answers on how to survive global competition.

"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

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Paul C. Dinsmore, an international author and speaker on the subject of enterprise project management.

There are three vary commons questions that can be asked about a PBMO:

What is a PBMO?

A PBMO is a centralized business function that provides project management business practices and processes support services. This functional group is staffed with experts skilled in providing those support services, and:

- Reports to an executive management level position independent of other functional groups.
- Provides support directly to portfolio, program and project managers and their staff or provides the managers from within the PBMO staff.
- Is responsible for developing, implementing, and monitoring the consistent application of a project business management methodology across the organization.
- Integrates the application of portfolio, program and project management business practices with the operational business practices throughout the enterprise by coaching, mentoring and training.

What factors affect the structuring of the PBMO and its positioning in the organization?

The size of the organization, type of business, number of physical business locations, quantity and complexity of projects, and functional positioning in the organization are all factors that affect how the PBMO is configured and the degree of political autonomy it has within the enterprise. Very few enterprises are organized and operated in the same fashion unless they have the same ownership. Even then the management styles of executives can affect how each individual organization is operated. There is no generally recognized standard model that is used to structure or position a PBPMO within in an organization; however, I believe the PBMO should be located it at the executive level of the enterprise and be operated as an independent functional organization.

Why should a PBMO be created?

There are three primary objectives in implementing a PBMO that in and of themselves provide sufficient reasons for creating a PBMO:

1. **Institutionalization of Project Management principles and best practices enterprise-wide:** The PBMO becomes the functional owner of project management development, implementation, monitoring, and continuous improvement of the policies, processes, and procedures across the organization.
2. **Provides a “global view” of the enterprise’s initiatives and projects:** A PBMO provides an environment where all projects and planned enterprise initiatives can easily be summarized and rolled up across the enterprise to provide a single global view. Having available to all management a global view of the status of planned initiatives and portfolios, programs, and projects in-progress is critical to the strategic planning process.
3. **Optimization of resources:** Having a global view provides an in-depth familiarity with all projects is necessary before efficient enterprise-wide resource leveling and optimization can occur. A PBMO has this capability, because it is the focal point which gathers, analyzes, monitors, and reports the current status on all projects on a regular basis.

In addition to meeting these three objectives a PBMO can provide a multitude of benefits for the entire organization. These benefits include:

- Improves coordination of product or service deliveries across all product lines (time-to-market)
- Incorporates a systematic product development approach
- Is results focus (vs. task)
- Reinforces continuous improvement through consistent repeatable processes
- Facilitates proactive management
- Improves communications throughout the organization

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- Clearly identifies and minimizes or mitigates risks
- Simplifies resource planning across multiple projects
- Enables managers to anticipate problems rather than reacting to them
- Enhances “what-if” analysis and corrective action planning
- Defines resource and timing requirements for strategic business plan initiatives
- Improves business management skills throughout the organization

It can be difficult to quantify many of these benefits associated with the implementation of project management principles and processes, especially in the short term. Key performance indicator metrics can be developed to measure, track, and record improvements once the processes have been established, but initially it will be difficult to categorically predict the specific value or worth of improvements that will be gained by incorporating the PBMO structure into the organization.

STRUCTURING THE PBMO - GOVERNANCE

The position of a PBMO within a hierarchical organization establishes its degree of authority, acceptance, adoption, and autonomy and thus “ownership” of the responsibility for establishing, distributing, and supporting project management best practices within the enterprise. Figure 3 shows an example of such a hierarchical project management organizational structure that illustrates how the PBMO might be implemented in a large organization with multiple divisions or business units or geographical regional operations. The number of layers and number of project management units within each layer depends on the size of the unit, number of annual projects in the portfolio, and the complexity of the projects within the various levels of the organization. For small to mid-sized organizations, the number of layers and functional units may be adjusted to fit the amount of control required by the project activity at each level. Figure 4 illustrates the reporting structure for a PBMO organization of this multi-tier PBMO organization.

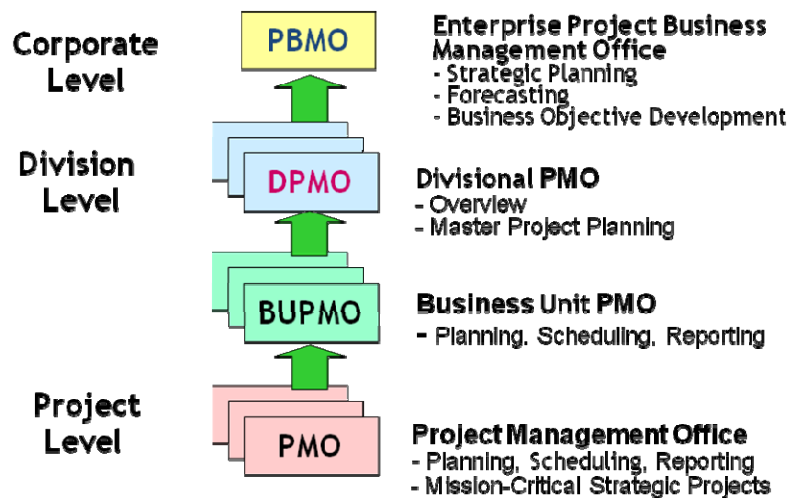


Figure 3 – PBMO Organization Structure

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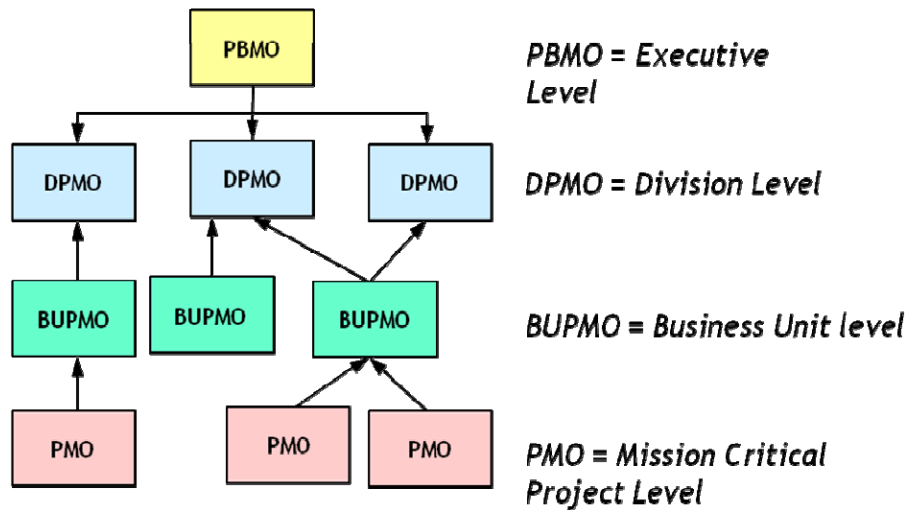


Figure 4: PBMO Functional Organization Reporting Overview

The PBMO as a Management Method

The key to successfully executing project business management best practices across an organization depends on incorporating four related elements of project business management, the first of which is governance. Governance can be defined as a system or method of management. Any management methodology that includes the planning and authorization of projects requires establishing the organizational structures within the enterprise that will institute the planning process for portfolios, programs, and projects, and manage the project authorization processes. This structure, by definition, is an enterprise project management office.

The PBMO as a Business Strategy

It is incumbent upon the executives of an enterprise to recognize that portfolio, program and project management are critical business functions that are necessary to achieve the business strategies submitted as worthy goals in support of the enterprise's vision or mission. Embedding project management as a core competency within an enterprise requires a business strategy to first accept project management as a business management function. Once accepted, but before embarking on strategically implementing enterprise-wide project management the enterprise must next prepare an organizational business strategy to create a specific organizational structure known as an EPMO at the executive level.

The PBMO has the responsibility to instill project management disciplines and manage the processes, procedures, practices, templates and tools used to apply those disciplines enterprise-wide within the organization and implementing project management as a core competency

The business purpose of incorporating project management into the strategic planning of the enterprise's overall business operations is to improve those strategic planning processes by adding a project business management perspective. This strategic addition of the PBMO organization to the enterprise can have the following benefits:

- Adds executive level project management planning input into developing business strategies.
- Identifies and implements those project business management processes applicable to the developing the enterprise's business strategies.
- Helps assure the business strategies are not in conflict with enterprise environmental factors applicable to the organization.
- Helps assure that any business strategy will support the enterprise's vision or mission when accomplished.
- Provides executives with a timely and accurate oversight capability of future programs and projects.
- Enables the maturation of the organization's project management strategic planning processes.

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The PBMO as a Business Objective

Before the enterprise's management team can effectively prioritize, select, initiate, and authorize portfolios, programs, or projects the enterprise's business objectives must be defined. The job of the PBMO is to support the definition and successful accomplishment of these business objectives enterprise-wide. This task is accomplished by applying project business management practices to integrate tactical business planning and project management planning activities.

The business purpose of incorporating project business management practices into the enterprise's tactical planning processes is to focus those tactical planning processes employed to achieve project-based business objectives. This tactical addition of the PBMO organization to the enterprise can have the following benefits:

- Adds executive level project management planning input into developing project-based business objectives.
- Identifies and implements those project business management processes applicable to defining the enterprise's business objectives.
- Assures all project-based business objectives are aligned with and support the business strategies.
- Ensures those required organizational process assets (see Section 1, Chapter 4) are available and operational to support all selected project-based business objectives.
- Ascertain that required resources are available to meet selected project-based business objectives.
- Improves the quality of the project related portion of the enterprise's budget.
- Provides an integrated enterprise-wide forecast of potential future projects.
- Enables the maturation of the organization's project management tactical planning processes.

STRUCTURING THE PBMO - STANDARDIZATION

The key to successfully executing project business management best practices across an organization depends on incorporating four related components of project business management, the second of which is standardization. Standardization in project business management can be defined as establishing a business management model composed of a set of defined project and business management processes and associated written procedures.

Standardization includes the activities required to develop:

- Project business management governance policies;
- Portfolio business management policies, processes, and procedures;
- Program business management policies, processes, and procedures;
- Project business management processes that are integrated with the development processes of the enterprise's products and services; and,
- Project management policies, plans, processes procedures, systems, tools, and templates that support the project business management processes.

Standardization requires the formal issuance, acceptance, and implementation of policies, processes, systems, plans, and procedures that are used consistently across the enterprise to authorize and manage all portfolios, programs, and projects. To have formally authorized and issued policies, plans, and procedures in project business management is not any different than having them for the practice areas and functional organizations of accounting, human resources, or safety. Standardization is the best way to effectively spread the unique competencies and skills of project business management throughout an enterprise to achieve maximum benefit.

Incorporating project management into the enterprise's overall business operations process serves two purposes:

- The business purpose is to have standard process models, methods and techniques that can be applied to all portfolios, programs, and projects.
- The purpose in the vision for enterprise-wide project management is to achieve a world-class proficiency in the consistent application of well defined project business management practices, processes, procedures, tools and techniques.

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The goal is to support inculcating project business management as a core capability and discipline that is part of the fabric of the work that the enterprise performs. From an enterprise business perspective, having standards:

- Improves efficiency and shortens the learning curve for new portfolio, program, and project managers.
- Supports schedule improvement and cost reductions.
- Enhances planning and management skills.
- Enables consistent tracking of actual versus planned schedule and cost.
- Facilitates regular management review of status.
- Aids in maturing the organization's project business management methods.
- Improves the effectiveness and capability of the enterprise to manage portfolios, programs and projects.
- Provides standardized management models and tools that support profitability and business growth.
- Improves the ability to achieve strategic business objectives.
- Improves operational business processes.
- Provides standardized material supporting project management career path development.

Experiencing the benefits that can be derived from standardized project business management methodologies requires that they become integrated into the operations of the business. The actual benefits are directly related to the extent the project business management processes are considered a natural and customary part of the work culture and the day-to-day business processes.

Iterative Management Processes

The enterprise should develop and issue an integrated model methodology for portfolio management, program management, and project management. This model should describe all the processes applicable to the enterprises overall project business management operations. The overall methodology develops the "big picture," and establishes the extent to which portfolio, program, and project management practices will be integrated into the business operations. This standardization requires the formal issuance, acceptance, and implementation of policies, processes, systems, plans, and procedures that are to be used consistently across the enterprise to authorize and manage all portfolios, programs, and projects. These include:

- Portfolio business management policies and procedures
- Program business management policies and procedures
- Project management policies, plans, and procedures
- Project Business Management System (PBMS)
- Project Business Management Information System (PBMIS)

Identifying and Selecting Applicable Processes

It is incumbent upon a fledgling PBMO, working with the enterprise's management team, to identify and select a set of processes that will form the basis for the organization's project business management operations.

The first step in this activity is to determine what current business processes of the organization will also be used as part of the future project business management operations. This requires the following evaluation:

- Identify the current business processes associated with strategic, tactical, and objective planning and execution.
- Review the current procedures documentation, or prepare a rough draft a procedure for those identified business processes.
- Extract a list of the scopes of responsibility and operational activities for the business processes.
- Prepare flowcharts of the major steps required to complete the identified business processes.
- Determine the functional responsibility assigned to complete each step of the business processes.
- Construct a hierarchical diagram of the management functions owning the identified business processes.

The PBMO's second step of the evaluation of current business processes is to determine what project related processes should be included in establishing the enterprise's new project business management operations. Less than ten years ago this activity could have been a fairly difficult undertaking. The general management discipline did not recognize the documented

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DLB Associates, LLC

definitions of project management processes, which are now considered to be generally accepted as good practices, because they were not acknowledged as common practices among the practitioners in the project management discipline

STRUCTURING THE PBMO - CAPABILITIES

The third of the four major pillars in the PBMO house of excellence is the part of the structure that evaluates the impact that individual and corporate capabilities have on the establishment of enterprise-wide project management. The PBMO assess the organization's competency and capability measurement and development, education-training and career path development, use of the work breakdown structure tool, integration of project management information systems, and earned value methodology all being key ingredients to successfully building enterprise-wide project management practices within organizations of all sizes.

Enterprise Capabilities

To have capabilities in project business management implies that specific requisite capabilities are identified, developed, and maintained over time. A large portion of my book "The Power of Enterprise-Wide Project Management" discusses those specific organizational process asset capabilities needed to implement and apply project business management.

What is also needed is the competency in the enterprise's management and staff to perform that project business management implementation and application. To ascertain that competency exists requires an assessment of the capabilities of the personnel at all levels of the enterprise involved. To develop personnel capabilities that are missing, require improving or updating to achieve a higher level of competence, the enterprise must have a training and education program related to the topics of project business management. The training and education program most effective when integrated as part of the career path development for those personnel the enterprise deemed to be qualified to become project, program, or portfolio managers.

What is Competence in Management?

Evaluating project business management personnel competencies can identify persons who are, or have the potential to become, superior portfolio, program, or project managers. These evaluations can determine what is needed in the way of training, education, and career development for each person to raise their performance levels. When project management personnel have superior competency levels, programs and projects are managed more effectively, increasing the probability of project success and a higher return on project investment. The development of project management skills will enable an organization to build a team of experienced and trained managers capable of taking on multiple projects and helping their customers achieve their goals.

Measuring portfolio, program, and project management competencies and benchmarking them against recognized project business management best practices is the first step in developing an effective project business management training program to achieve the highest level of competency in all areas.

Portfolio, Program, and Project Management Career Paths

The performance of project business management processes and activities is concerned with project team members successfully completing a set of deliverables to achieve the business objectives of a project. Project team members, referred to as project human resources, provide the skills and experience required to complete the technical work of projects to produce the products, services or results for which the project was authorized. The knowledge and skills required to produce the technical work of projects is typically obtained through formal technical training or on-the-job training that is provided or paid for by the enterprise.

Project business management is typically the specialization and responsibility of an individual manager selected to head the project. Project managers lead project teams, but in many cases they also often perform project activities that directly produce deliverables. Project managers oversee and coordinate the project work and productive interaction among team members (technical resources). The knowledge, skills and experience of individual managers who lead the planning and execution of portfolios, programs and projects require specialized training that until recent years was typically obtained primarily through on-the-job-training. Obtaining Bachelor, Masters and Doctorial degrees in project management is now becoming a common offering from more colleges and universities than in the past ten years.

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Execution is the last of the four pillars of the enterprise-wide project management house of excellence and applies the Project Business Management Methodology (PBMM) Model developed in the Standardization component. It is supervised, implemented, monitored, and controlled by the project business management office (PBMO) governance with its organization structure and positions developed in the Governance component. The PBM Methodology model employs the capabilities of the PBMO staff and the project business management system (PBMS) developed in Capabilities component to perform the execution of the enterprise's portfolios, programs, and projects.

The PBMM model employs five common project business management planning process, into which project business management content and activities have been integrated, and that will add minimal administrative cost to the normal business planning operations.

STRUCTURING THE PBMO - EXECUTION

There are a total of five elements that comprise the PBM Methodology Model (PBM³), the first three enhanced process elements relate to objective identification and selection:

- 1) *Business strategy planning process*: involves establishing a business priority strategy and business cases documented for each strategy;
- 2) *Business tactical planning process*: produces documented business objectives with stated accomplishment criteria that fully support the business strategies. They are arranged based upon the final priority rank in which they should be performed and completed and separated into two different sets of business objectives:
 - Non-project business objectives and action items that could be directly performed by the respective business units.
 - The enterprise's business objectives that need to be performed as projects.
- 3) *Project selection process*: separates the objectives to be performed as projects from the normal business unit objectives that will be handled by the next phase of the enterprises normal business execution processes. This process assembles those project-based business objectives into portfolios with programs and/or projects, programs with projects, and standalone projects.

The fourth common project business management planning process is initiation and authorization. Project initiation and authorization activities are performed on each portfolio, program, and project, which result in the approval and issuance of a portfolio, program, or project charter. This provides the formal recognition and authorization and allows the implementation planning to then be performed according to the PBM³ planning process procedures established for the enterprise by the EPMO during the standardized processes development.

The fifth common project business management planning process is the integrated execution planning of each portfolio, program, and project.

Cost Benefit of Project Business Management Planning

The benefits of effective mature standardized PBM planning increase with the complexity, size, and number of portfolios, programs, and projects and the establishment of an executive level PBMO. The intent of having mature project management business processes is to create significant benefits at low cost through documented and implemented structured portfolio, program, and project development and execution methodologies. Considering current project management research, the downside risk, of poor project execution depicted above, could be some 20% of project total costs. An integration of standardized practices, processes, and procedures is required to ensure effective project business management is used throughout the enterprise's business operations. The more uniformly and consistently a mature institutionalized project business management process is applied, the greater will be the results and benefits obtained.

STRUCTURING THE PBMO – PBM MATURITY

There are four major factors for sustaining cost effective project business management:

- Integrated business management and project management disciplines;

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- Integrated business management project related processes;
- Maturity of the integrated project business management processes; and
- Maturity and competency of the enterprise's management in applying those processes.

A significant body of literature addressing project management practices in business in recent years has indicated that successful business enterprises are becoming increasingly dependent upon the use of projects, thereby making project business management, as defined by the authors of "The Power of Enterprise-Wide Project Management", a much needed core competency. However, for project business management to be a valuable core competency in an enterprise, project success cannot be an occasional outcome. Performance that is only good, on average, cannot be considered sufficient. Repeatable successful performance on projects must be the norm, with continuous improvements of the project business management processes being sought and implemented. The more uniformly and consistently that project business management processes are applied by the enterprise and the more mature those processes are, the greater are the positive results and benefits obtained. In addition, the return on an enterprise's investment in project management will increase as the project business management processes become more mature.

If an enterprise has a project with work being performed, some form of project management, good or bad and either mature or immature will be applied to that project. Best-in-class project organizations today, viewed as having highly mature (well developed and effective project business management competency); routinely achieve on-budget, on-schedule performance. Enterprises with low project business management maturity consistently jeopardize their likelihood of delivering successful projects. Their low maturity in project business management capabilities can also lead to increased project costs, resulting from items such as late project delivery or ineffective implementation and execution of an adequate project management plan or even implementation and execution of an inadequate project management plan.

CONCLUSION

PBMO Sustainability

PBMO strategic planning *blends* the business requirements of operations and portfolios, programs and projects that support the future of the enterprise. PBM is a business management function driven by executive and senior management, standardized by and for each specific enterprise, and is applied from the executive level, down through the enterprise, to manage non-operational work.

Implementing a PBM Methodology that incorporates strategic and tactical planning is not easily accomplished and often fails for a number of reasons; such as; lack of executive support, lack of clearly defined purpose, and lack of defined goals and critical success factors. Creating a sustainable PBMO for achieving affective business results the following actions must take place:

- PBMO uses strategic and tactical planning with well established tools in the business management discipline.
- PBMO provides a standardized methodology that incorporates *strategic and tactical planning*.
- PBMO ensures projects are selected and completed in *alignment* with their business objectives and strategic initiatives.
- PBMO processes allow executive and portfolio management to *assure* correct business objectives, programs, and related projects are *authorized or terminated*.