

Global Project Management

Prepared by Dr. Asma Abuanzeh

PMG 661

Lecture 7



Global Program and Project Offices

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Global Program and Project Offices

Many international companies and partnerships aim to implement a worldwide standard for program and project management practices, and to align the methods and procedures of different companies, countries and organizational units working on the same program or project. Program and project offices can achieve these goals. This lecture reviews the different definitions and objectives of project and program offices, and the main services they provide to foster innovation and improve the effectiveness of global programs and projects.

Defining project offices

Defining project offices

Many companies and authors use the term project office and its derivatives to mean different things:

Defining project offices

- The concept of a Project Support Office (PSO) is one of a central pool of skilled resources to provide the roles of Project Support, such as clerical support, configuration librarians and possibly PRINCE2® consultants to individual projects. (...) A PSO provides continuity of standards across all projects. The office can be the center of expertise in the PRINCE2® method, any software packages used (such as planning and control software), configuration management and the quality review technique. (OGC, 2002).

Defining project offices

- A Project Management Office (PMO) is an organizational unit to centralize and coordinate the management of projects under its domain. (...) A PMO oversees the management of projects, programs, or a combination of both. (...) The PMO focuses on the coordinated planning, prioritization and execution of projects and subprojects that are tied to the parent organization's or client's overall business objectives. (PMI, 2004).

Defining project offices

- The Project Management Office (PMO) (...) is the department or group that defines and maintains the standards of processes, generally related to project management, within the organization. The PMO strives to standardize and introduce economies of repetition in the execution of projects. The PMO is the source of documentation, guidance and metrics on the practice of project management and execution.

Defining project offices

This lecture employs the generic term 'project offices', the meaning of which can encompass the three definitions above:

A project office is an organizational unit composed of skilled professionals in project and program management, which centralizes, coordinates and oversees the management of portfolios, programs and projects in its domain. The project offices also define and maintain project management standards and methodologies, and are the keepers of the project documentation, templates and metrics.

Defining project offices

The project offices interact with all hierarchy levels of the company in different ways. Figure below illustrates the relationship between the organizational project office and four groups of stakeholders: the executive board, the program and project managers, the team members and the customers. The next sections will define the two main categories and types of project offices (Project Management Offices and Project Support Offices), and describe the exchange of information and the main services provided to these stakeholders (illustrated by the arrows in Figure).

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Defining project offices

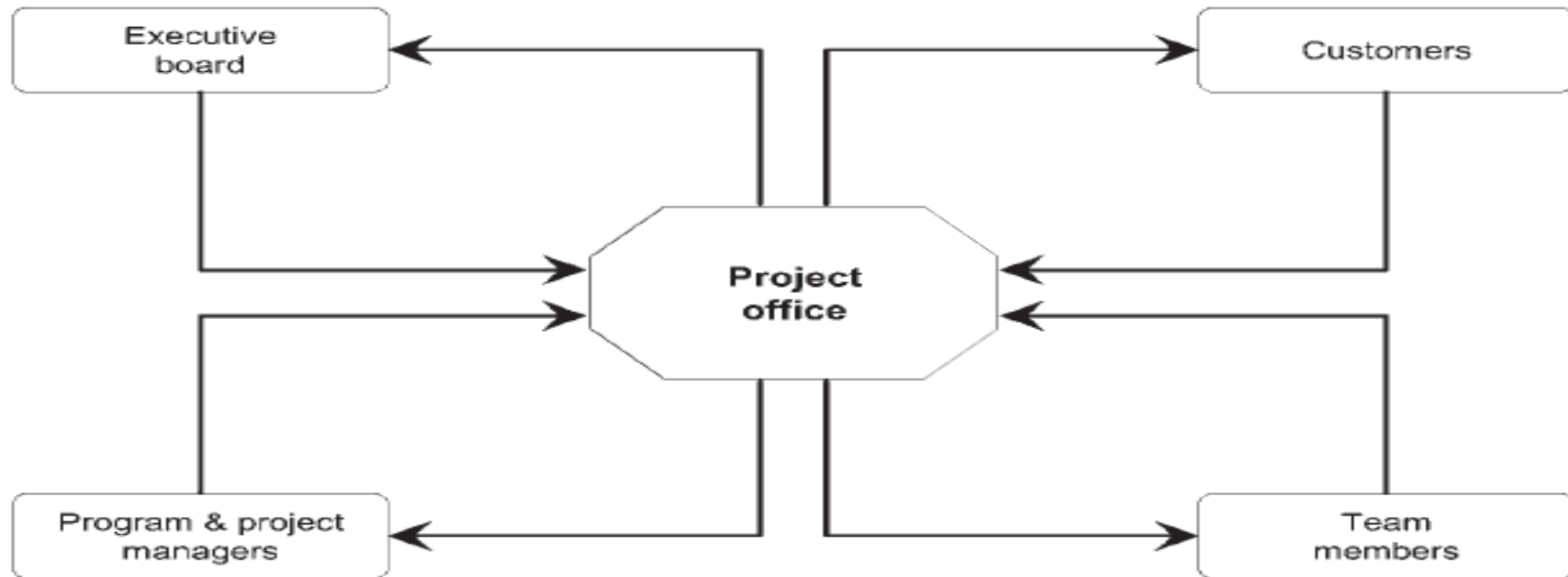


Figure 13.1 Project office and the stakeholders

Program or Project Management Offices (PMO)

The PMO is a permanent team directly linked to the organizational structure, coordinating the management of the portfolios, programs and projects of one company or organizational unit. The PMO team members can be distributed across various countries (Global PMO). Different types of PMO exist in international companies, depending on their hierarchical position and the main functions provided to the organization: corporate, regional, functional and outsourced.

Program or Project Management Offices (PMO)

- **Corporate PMO Figure below** – this type of project office provides portfolio management functions for the whole organization and focuses on collecting program and project information to establish priorities, allocate resources and decide on project initiation, continuation or termination. These decisions are taken together with the company executive board, in order to align the program and project execution to the corporate strategies.

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Program or Project Management Offices (PMO)

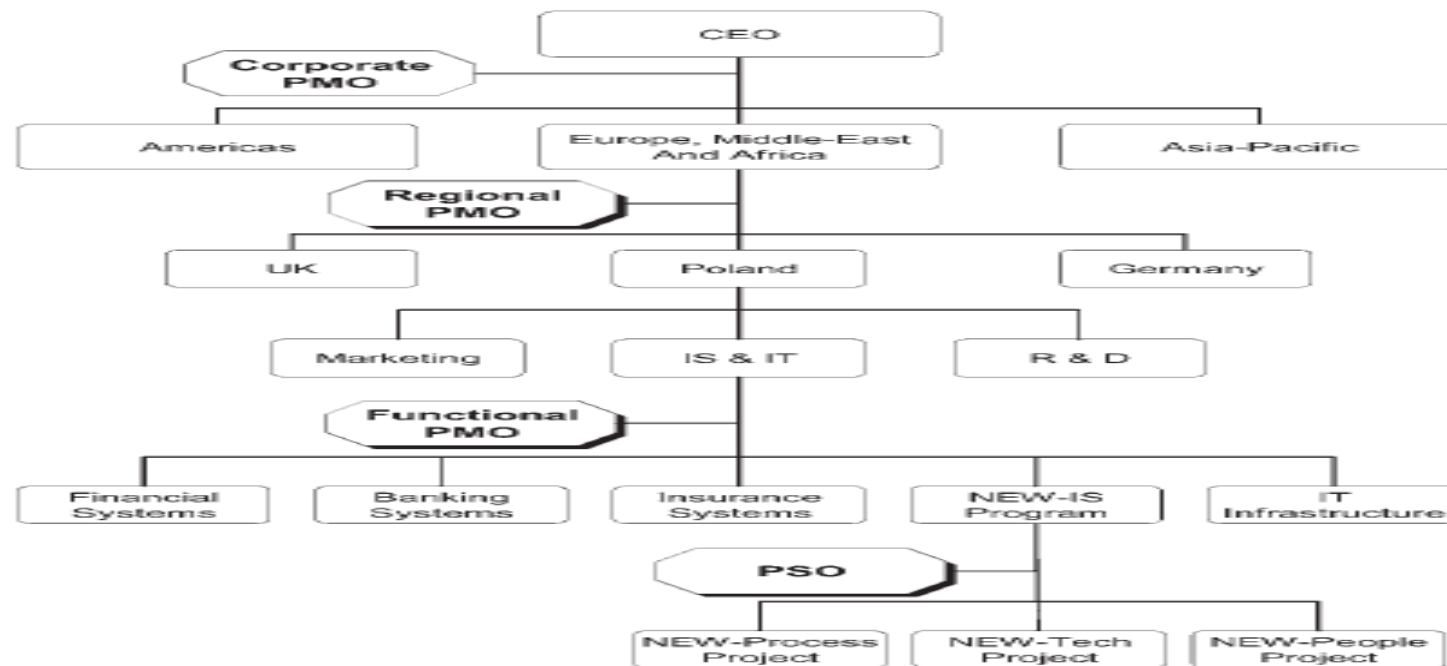


Figure 13.2 Different types of project office – examples

Program or Project Management Offices (PMO)

- **Regional PMO Figure above** – international companies can opt to combine the administration, prioritization and ‘stage gate’ decisions for various global projects and programs according to their geographical locations. The regional PMO will perform these activities for a logical cluster of countries, grouped by different criteria such as geographical regions (for example, Americas or Asia-Pacific), cultural affinities (for example, Germanic, Arabic or Anglo-Saxon) or languages (for example, Spanish, Portuguese or English). The regional PMO can be subordinated to a corporate PMO, to regional directors, or both.

Program or Project Management Offices (PMO)

- **Functional PMO Figure above** – the functional PMO centralizes the administration, prioritization and stage gates decisions for strategic projects and programs executed under the responsibility of one functional area or division. The organization can have one functional PMO for each core department such as Information Systems, Marketing and Research and Development. The functional PMO can be subordinated to a corporate PMO, to functional directors, or both.

Program or Project Management Offices (PMO)

- **Outsourced PMO Figure below** – a novel form of PMO consists of specialized companies providing services to smaller organizations that wish to benefit from the advantages of a centralized project office, with specialized individuals and reduced costs. Usually this form of PMO will focus on performing program and project management activities and providing consolidated information on the progress and status of the organization's programs, projects and portfolios.

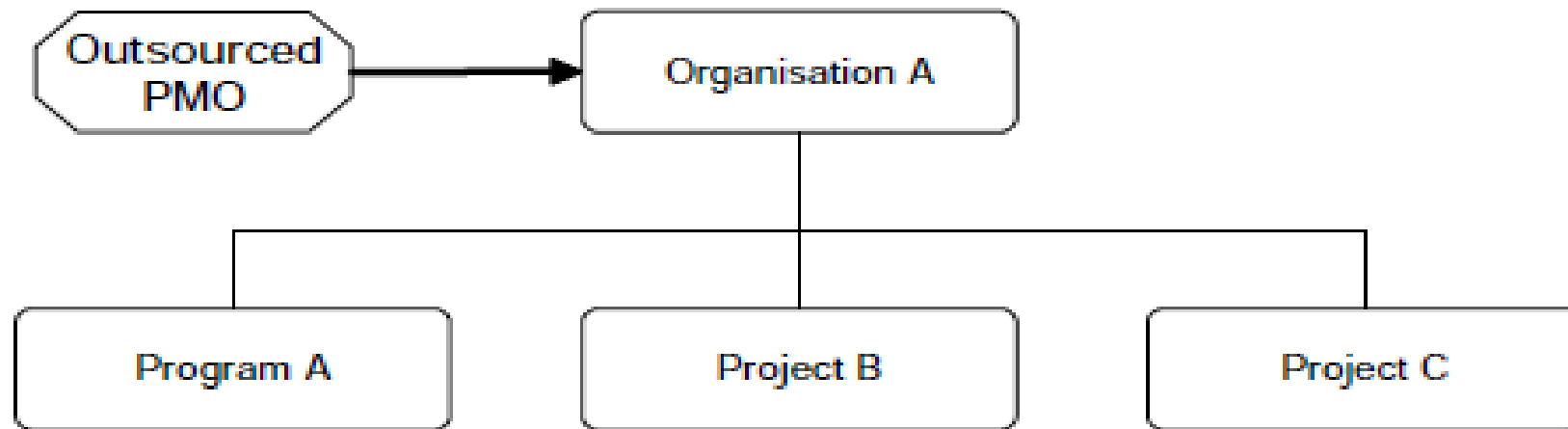


Figure 13.3 Different types of project office – outsourced PMO

Program or Project Support Offices (PSO)

The project support office is a team directly linked to the program or project organization, providing support to the program and project managers on the use of tools, techniques, templates, reporting and knowledge management. The program or project life span will determine the duration of the PSO.

Program or Project Support Offices (PSO)

When attached to global programs and projects, the PSO can contain team members from the different organizations and countries (global PSO), to align processes, tools, methods and templates, and to facilitate the exchange of information across the various knowledge bases. This will also simplify the organization of meetings using different calendar systems and locations, and the collection of information from team members located in different places see Figure below.

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Program or Project Support Offices (PSO)

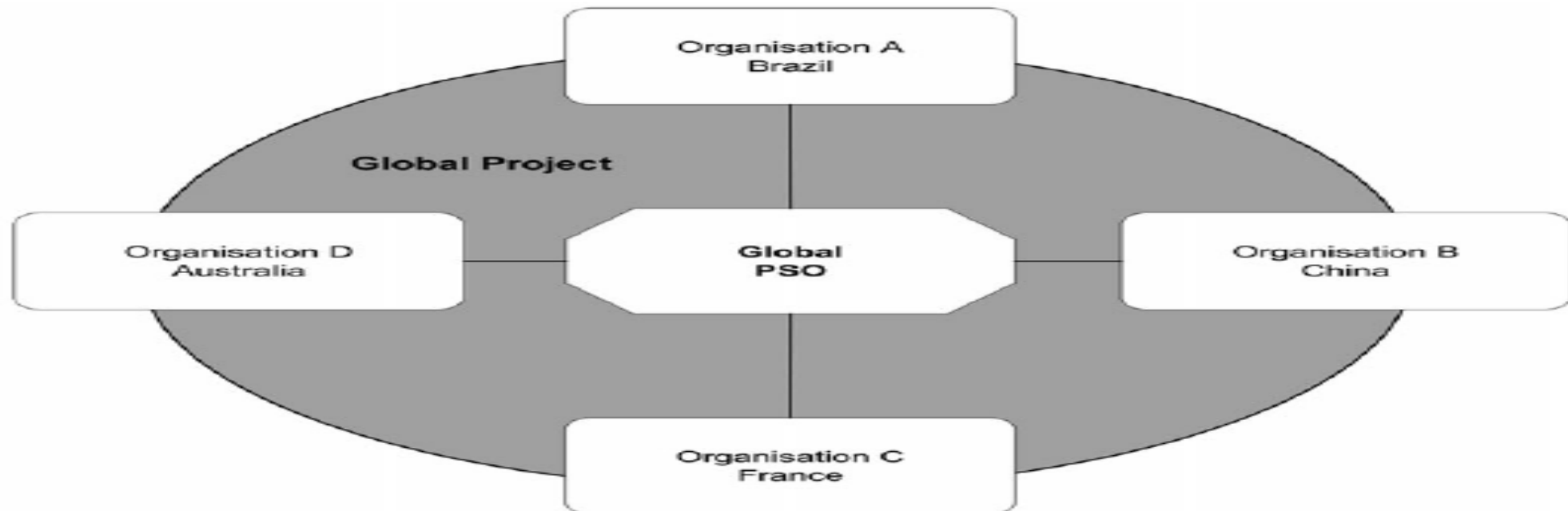


Figure 13.4 Different types of project office – global PSO

Features of global project offices

Global organizations can create project management offices to implement strategic control, balancing the centralization and decentralization needs of global projects and programs. Different subsidiaries and departments around the globe can propose different initiatives to the global PMO. Instead of defining the strategy, the global PMO will promote decentralization and review, make suggestions, approve, coordinate, provide support and allocate resources to these initiatives.

Features of global project offices

The centralization of knowledge will help to track the timescale, budget, quality and customer satisfaction levels of projects in different countries, and to manage the cross-dependencies between various local initiatives, global projects and global programs.

Features of global project offices

The main categories of services provided by the global project offices to local subsidiaries and other departments will now be described in more detail: knowledge management, management of portfolios, management of programs and projects and support to program and project managers.

Project knowledge management services

- **Central lessons-learned database** – global projects can benefit from past experiences of project teams that worked with the same countries, cultures, stakeholders or customers. The PMO can own the database and make sure that all project teams use and update the lessons-learned information.

Project knowledge management services

Centralized configuration management – the PMO and PSO can make sure that the product configurations are consistent across various countries and organizations, by understanding the different policies and systems.

Project knowledge management services

- **Centralized risk repository** – the PSO can ensure all risks are tracked and followed up correctly by the global team members; the PMO can make sure the risks are managed consistently across the organization, and escalate ‘top ten’ risks for executive information and actions.

Project knowledge management services

- **Centralized repository of project issues** – the PSO can confirm that all issues are tracked and followed-up on time by the global team members; the PMO can ascertain that the issues are managed consistently across the organization, and escalate ‘top ten’ issues for executive information and actions.

Project knowledge management services

- **Centralized repository of quality standards** – the PMO and PSO can provide information for quality control processes and collect their results, making sure that the quality level is maintained within corporate standards for project deliverables executed by different companies and locations around the globe.

Project knowledge management services

- **Project reporting** – the PSO can produce the reports on the project metrics and progress, adapting them to other organizational unit formats, organizing translations into local languages and converting amounts to different currencies.

Project knowledge management services

- **Information distribution** – the PSO can distribute information such as the project performance metrics, risks, issues, achievements and changes to the stakeholders in various organizations and countries according to the project communications plan.

Project knowledge management services

- **Scheduling database** – the PSO can track the actual activity durations and the use of contingencies, classifying this information according to the company or country that executed each task, and working together with the PMO to make this information available for future projects.

Project knowledge management services

- **Project dictionary** – the global PSO can maintain a project dictionary that will help the stakeholders to translate the project terminologies to their own methods and standards. The PMO can perform the same task at an organizational or departmental level.

- **Identification and categorization of portfolio components** – the corporate PMO can monitor new projects and programs being initiated in different organizational units and countries, and include them in the portfolio if they satisfy basic criteria such as geographical span, size and importance.

- **Evaluation and selection of components** – the corporate PMO might evaluate the new initiatives and consolidate the information required by the decision-making process. The PMO can make recommendations to the executive managers or portfolio review board, who decide upon the prioritization, acceptance or rejection of the programs and projects. The establishment of a corporate PMO to manage the portfolio helps to keep the mix of components aligned to the organizational strategy, by taking impartial decisions regarding programs and projects being requested by different countries or organizational units.

- **Prioritization, balancing and allocation of resources** – the corporate PMO can use the program and project characteristics (such as funding, risk level, return on investment and duration) to constantly monitor and revise the execution priorities. A project ranking can influence the allocation of resources, and may also determine the suspension or termination of certain programs and projects.

- **Portfolio reporting** – the corporate PMO can collect the performance indicators from the various programs and projects, preparing consolidated reports that will inform the executive management of the overall performance of the portfolio, allowing strategic decisions that may affect the individual components.

Portfolio management services

Examples of information to be produced are project workload, health status, strategic opportunities and risks. The corporate PMO can organize translations between different languages and convert the monetary amounts to different currencies, when presenting the information to stakeholders across the globe.

Program and project management services

- **Program management** – the regional, functional and outsourced PMOs can be responsible for the management of strategic or complex programs, executed or sponsored by their organizational units, and for making sure the benefits realization is attained. As an example, companies can group global program managers in the PMO, and give them responsibility for specific types of global programs.

Program and project management services

- **Project management** – the regional, functional and outsourced PMO can be responsible for the management of strategic or complex projects executed or sponsored by their organizational units. When a project is initiated, the PMO can apply pre-defined selection criteria (such as cross-functional participation, costs, duration or risk level) to determine if a project manager from the PMO is required, or if the assignment of a project manager from the functional teams is recommended.

Program and project management services

- **Project recovery** – when high deviations to project scope, cost, time, quality or customer satisfaction are foreseen, the PMO can assign a senior project manager to assess and recover the project. For example, a global PMO might identify that the reason for delays, conflicts and deviations is the poor communication between team members in different countries, and recommend a skilled project manager to provide coaching on the Global Project Management Framework©. The PMO can also take over the management of a project during long absences of the project manager.

Support to program and project managers

- **Monitoring and health checks** – the PMO can track the evolution of project metrics, and recommend remediation actions when critical variations are foreseen. The PMO can also perform health checks to assess the correct use of methodologies and global project management good practices, recommending the project managers to follow coaching or training sessions to correct the deviations.

Support to program and project managers

- **Coaching and mentoring** – the PMO can provide coaching and mentoring over distance (see Chapter 5), on project management methodologies, soft skills and the Global Project Management Framework.

Support to program and project managers

- **Training** – a corporate or regional PMO can organize external training sessions to leverage the project management skills from different organizational units and countries. A corporate PMO is also well placed for the coordination of internal training sessions on the company methodologies and good practices, fostering their adoption by all projects of the organization.

Support to program and project managers

- **Establishing a career path** – the corporate PMO can establish a career path for program and project managers, linking the professional experience, training and credentials with the complexity and size of the initiatives.

Support to program and project managers

- **Corporate project management methodology, good practices and standards** – the corporate PMO can investigate different methods, methodologies, good practices and standards from departments and external organizations across the globe, and consolidate them into a uniform set of corporate policies and processes.

Support to program and project managers

- **Specific project management methodology, good practices and standards** – the functional PMO can develop a set of policies and processes that are particular to their specific knowledge areas, which should complement (and not replace) the corporate standards. These practices must be understood and adopted by (or adapted to) customers, suppliers and partners involved in the project.

Support to program and project managers

- **Global project management good practices and standards** – the corporate PMO can guide the implementation of the Global Project Management Framework© in different organizational units across functions, regions and countries. The functional and regional PMOs can adapt the framework, by validating if the practices and recommendations comply with local cultures, ethics and rules, and making suggestions based on their own experience with global project management from different cultural and functional perspectives.

Support to program and project managers

- **Collaborative tools and techniques** – the PMO can coordinate the implementation of the collaborative technologies , the dissemination and publishing of the guidelines , champion their use and adoption, and provide support to other project and program managers. The corporate PMO can coordinate the deployment of standard tools across different departments, countries and regions, streamlining the communication across borders.

Support to program and project managers

- **Project management tools and techniques** – the corporate, functional and regional PMO can provide examples and support to foster the use and adoption of software tools, methods and procedures for standard estimating, planning and control.

Support to program and project managers

- **Project management maturity** – the PMO can coordinate the implementation of strategic programs to evaluate and increase the organization maturity on project management.

Chapter

07

Resources:

Global Project Management

Communication, Collaboration and Management
Across Borders

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Thank You