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Does Your Company Need A CPO?

A Case for the Central Project Office and a Chief Project Officer

Project Management is one of the fastest growing, widely recognized trends of the last decade. Its recent popularity can be seen in many quarters. Over 50% annual growth in membership in the Project Management Institute is just one sign of this popular movement. Similar growth can be seen in project management certification candidates, formal project management educational programs, project management web sites and project management articles. As a forty-year consultant/practitioner of project management, this writer has certainly appreciated the growth in opportunities for project management trainers and consultants. But has been accompanied by increasing frustration about the way that project management is being implemented in those organizations that have recently come to embrace this discipline.

Below are a few simple questions. Answer them truthfully. Then think about the answers.

- Is your company running without a CEO?
- Who do your engineers report to?
- Do you have an accounting or finance function? Who do they report to?

Even in this day of flat organizations and multi-discipline teams, almost all of you will have replied that your organization does have a CEO, that engineers report to an Engineering Manager, and that there is a Chief Financial Officer (or similar title) heading up the finance function and watching out for the firm's financial health and objectives.

Is this bucking the trend? Or does it still make irrefutable sense to maintain hierarchical structures within our organizations? Without defined leaders in these important functions, who will define the department's mission? Who will set the standards? Where will the leadership and mentoring come from?

You won't find many organizations without structured functions for Information Systems, Human Resources, Marketing and Sales, Procurement, etc. (where applicable). Yet there is one vastly important function, in many organizations, that has been declared exempt from this rule. That is the project management function.

Most of our organizations have discovered the impact of "projects" on the success of the enterprise, and have acknowledged "project management" as a distinct and valuable discipline. What they have yet to recognize is the importance of implementing project management under the same structures and centralization that has become the paradigm for most other disciplines.

As an emerging discipline, it is even more essential that we provide structured leadership for project management than any other function in the enterprise. Through this centralized leadership, we can meet so many important needs, which would not be served without the project office function. The Project Office addresses these needs:

1. It creates a cadre of people skilled in the art and science of project management.
2. These people view their job totally as project management, eliminating the conflict with other responsibilities. Measurements (and rewards) can be developed more along the lines of critical project success factors.
3. These people reside outside of the individual technical functions, removing home territory biases.
4. The PO becomes a repository for project experience, models and standards ... to be shared with the all project leaders.
5. The PO maintains awareness of the "big picture", seeing the whole project and all of the projects. Therefore, the PO is more readily able to monitor trends and see global problems. The PO is in a better position to provide information and reports to senior management, and to make recommendations to resolve conflicts and problems.

The Gartner Group (among others) has documented the justification for the Project Office (or the Project Management Competency Center). They cite four classes of services that can be provided by such a group, in an IS organization:

6. *Project Management Services* - trainer, consultant, practitioner of PM practices and techniques.
7. *Methods, Processes and Metrics* - guardian of corporate methodology and standards, estimating guidelines and metrics. Emphasis is on sharing and exchange rather than corporate edicts.
8. *Best-Practice Brokerage* - Documents successes and blunders. Search outside the enterprise for best practices worthy of adopting internally.
9. *Reuse* - of project plan templates, estimates, etc.

If our projects are to be successful, we must create an environment that will recognize project leadership as a separate and distinct discipline, and provide a structured organization to house these essential skills and to foster the development of standards and expertise. Through the project office we accomplish the following:

10. Clarify the role of projects and project management in the enterprise.
11. Establish a standard project management methodology, including tools and communication.
12. Develop forms and templates to facilitate the development of project estimates, plans, and reports.
13. Provide for training in project management and project management tools.
14. Provide guidance and mentoring.
15. Develop a cadre of trained and competent project managers and project control specialists.

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16. Audit the implementation of project management in the enterprise and provide assistance in complying with standard project management practices.
17. Perform a watchdog role to assure that good project management practices are being applied.
18. Gather project experience and data for use in future projects and to improve project management methods.
19. Provide a neutral, centralized office for planning, negotiating and analyzing projects, and for reporting throughout the enterprise.
20. Provide a central, customer-focused office to care for the concerns of the client/sponsor.

If you do not embrace the project office concept, then examine what you are doing now for project management and ask if you are supporting all of the important functions listed above.

The implementation of a computer-based project management capability imposes a need for special skills. It is often assumed (erroneously) that all managers and senior practitioners possess these skills. In the typical IS organization, we tend to designate people such as Senior Systems Analysts as Project Leaders, assuming that they will capably undertake the role of work manager, resource manager and project manager. Yet this overlooks several impeding conditions.

21. Project management skills are weak or non-existent.
22. The Project Leader views self as a technical leader and concentrates on management of the technical content of the work. Furthermore, the measurements (and rewards) may be more aligned with technical success and management of resources (which are more easily and visibly measured than "project" success).
23. The Project Leader is embedded in a functional unit, while the work crosses functional boundaries. It is difficult to eliminate or overcome biases, or for the Project Leader to convince other functions to put aside high priority work for their projects.

Similar theory exists in engineering, manufacturing and other type organizations. Just change the job titles.

It has been my experience that a computer-based project management capability cannot be developed and implemented by committee (unless that committee is operating under the leadership and direction of a recognized project management function). The implementation of a computer-based project management capability involves five phases: Methods (practices), Tool Selection, Training, Implementation and Audit. All of this must be accomplished under the direction and coordination of the Project Office.

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When we recognize the role of the Project Manager (vis-à-vis the Functional Manager) we can readily see why this takes a special set of skills and conditions. Here are some of Key Things that a Project Manager Must Do:

- ❑ Get all key players on the project team
- ❑ Manage task interfaces
- ❑ Clearly identify task completion
- ❑ Communicate task completion
- ❑ Manage responsibility interfaces
- ❑ Question blurry responsibilities
- ❑ Clarify delegation levels
- ❑ Balance needs of Project, Client, Organization
- ❑ Identify stakeholders & their definition of project success
- ❑ Balance project objectives with other objectives
- ❑ Act as a Catalyst, and when necessary, a Devils Advocate
- ❑ Promote Effective Communication and Wide Participation in Decision Making
- ❑ Manage Conflicts

Obviously, we cannot take it for granted that any senior person or even any manager will have the skills and temperament for project management. Some of these skills can be learned, but many important qualifications are embedded in a person's personality. Unless we recognize that project management is a distinct discipline, requiring a special set of skills and capabilities, we cannot expect to implement a successful project management function in the enterprise. And until we recognize that these skills must be located in a structured function, with dedicated and empowered leadership, any project management skills that are available will flounder like a ship without a rudder.

So it is that we must add to the cadre of "chiefs" to which we entrust the success of the enterprise. We must add a Chief Project Officer (CPO), to support all of the functions discussed above, and to lead the organization in meeting its project portfolio objectives.

As we closed the 20th century, we saw the spread of the "chief" philosophy to the centralization of corporate technology. Recently, in a survey of Chief Technology Officers, the CTO's were asked: "what keeps you awake at night?". At the top of the list was "completing projects on time."

Call it a Project Office. Call it a Project Management Competency Center. Call it Project Mentoring. The name does not matter. But development of a separate, recognized, structured organization with personnel skilled in project management, is essential to having a successful project management function, and in turn, bringing your projects to a successful completion. For most of us, project success equates to success of the enterprise. Can we afford to do less?

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