Building a Project Management Office

By Karl E. Burgher and Michael B. Snyder

The utilization of project management (PM) tools in higher education and the nonprofit sector is spotty. The efficient application of PM is rare. Nevertheless, some organizations have established and perpetuated a project management office (PMO): Visit Princeton University's website and you will find an extensive PM site including project portfolio information, methodology, templates, training, and best practices. As with most organizations where PMOs exist, Princeton's PMO resides within the information technology department. Some other universities have undertaken similar efforts, though usually not quite so extensive.

Many institutions do not strategically allocate resources to PM efforts—especially in the current economy, in which resources are scarce. We argue this is exactly where resources need to be allocated: No longer do we have the luxury of being anything *but* efficient. Building an office that is responsible for managing large, strategic efforts can make a huge impact on a project's success. A PMO itself does not necessarily need to be large, and its mission need not be complex, but it can be valuable to have an office whose sole mission is to ensure that complex projects are competently selected, prioritized, managed, and implemented so as to fulfill the institution's needs in an efficient, timely, and cost-effective manner. The PMO can be a home to your project methodology, documentation, and tools. Its staff can be the "go-to" people for, and the drivers of, all project-related matters, thereby ensuring progress along the intended path toward an on-time and on-budget deliverable.

This article describes exactly how a PMO was implemented in a higher education environment. Although we feature an office of information technology and the implementation of a strategic plan, the steps described in the pages that follow can be used in any office. Recall our introduction of PM into the registrar's office: PM is not just for construction and IT anymore; rather, it can benefit just about all areas.

We begin by helping you examine your own environment. Our hope is that such examination will generate sufficient ideas and courage to send others off on similar ventures, which, in turn, will increase the likelihood of campus-wide project success. Certainly, we are biased as to the benefits of PM tools and techniques. But we are not simply project managers looking for something to do. Rather, we are—and for most of our careers have been—people managers who have adapted to a faster-paced and more competitive economy.

THE ENVIRONMENTAL SCAN

Organizational Structures

While discussing the potential of PM at your organization, it is helpful to consider your organization's structure in relation to *functional* management versus *project* management. Structure can have a significant impact on how resources are assigned, who controls the budget, and who is designated the project manager (either explicitly or implicitly.)We will look at organizational structure through a lens similar to that of the Project Management Institute (PMI), in which structure is considered as one of three types: functional, "projectized" (*i.e.*, where projects own the day), or matrix.

Functional organizations locate employees within logical specialties or functions. Such organizations are hierarchical: each employee typically receives all instruction and feedback from one designated superior. Projects are managed at the manager/director level, with project details worked out at that level. A project may be assigned to the manager with the largest stake in the project—or, perhaps, with the least on his plate at the time. The manager coordinates with other managers at his level to engage resources outside of his immediate area. Resources in each functional area work independently of one another. Lower-level employees often have little or no knowledge of the bigger picture or of the goals of the organization as a whole—particularly as they pertain to an enterprise-wide project—because they often communicate only with their superior.

At the other extreme is the *projectized* organization, where teams are formed around projects rather than functions. Team members report directly to a project manager and "co-locate" with project team members. Functional groups may exist, but they report to a project manager and support the needs of a particular project, not a larger functional area. In this organization, project managers have access to the hierarchy and the resources, and all major efforts are project oriented. Departments are mini PMOs built around larger enterprise-wide strategic efforts.

The last organizational type is the matrix organization, which in our experience is by far the most common. Sadly,

it is the most poorly managed because it is the most difficult to manage. There is far more selling and leading required than in a hierarchical management environment. In fact, it has been likened to "managing volunteers." In an all-volunteer organization, purpose must be forefront, and leadership must be compassionate, for if the volunteers do not feel respected and useful, the leader soon will find himself fresh out of labor.

In matrix organizations, functional and projectized characteristics exist concurrently. Labor and monetary resources are, for the most part, divided into functional groups, but they often are pulled into various projects in support of a particular piece of work. Certain projects will require certain expertise, and they must borrow or steal resources to attain their objectives. This inevitably leads to questions concerning who truly has authority over resources. Consequently, tensions can arise among employees, project managers, and functional managers. Often, an employee simply stays loyal to her direct report and the projects seem to come last. And why not? Functionally, the line manager is the one who signs her check and performs her annual evaluation (read: authorizes a promotion and a raise.) In other cases, an employee may not like her boss or her job, or may feel she is stuck and has no upward mobility. In such cases, the "day job" suffers, and the excitement of the project wins the day. This leads to other vital duties' being ignored and functional managers possibly becoming angry (not good if you need their support.)

Matrix organizations come in three sub-types: weak, balanced, and strong. In weak matrix organizations most power lies with the functional manager. Resources are pulled from teams, but authority rests almost entirely with functional leadership. A resource usually is assigned project management work, but such work often constitutes only one of many responsibilities. This resource may be designated a project scheduler or project coordinator though typically has very limited power and defers to others on the project for nearly all decisions.

Balanced matrix organizations are characterized by better balance between functional and project managers. Project managers have more (but not all) power, and often they still have less power than the functional managers. Functional managers may control many important aspects of the project (such as budget) and may need to be consulted regarding resources or schedule. However, when the project is generally larger in stature and/or scope, a project manager will be responsible for moving the work forward. Balanced organizations may have professional project managers on staff, or they may assign the role to existing staff who can devote a good amount of time to the effort.

In strong matrix organizations the balance of power shifts toward the project manager. A project office of some type likely exists, and several project-dedicated resources are on staff. Resources assigned to the project do not technically report to the project manager, but often have few to no other job responsibilities beyond those dictated by the project manager. Responsibilities related to budget, scope, schedule, resources, and change and issue management rest with the project manager.

In any of these cases, the project manager must be strong and confident and not fear difficult conversations. In addition, she must possess the political skills requisite to influence multiple functional areas in order to ensure that projects are completed on time and on budget. Finally, she needs to be able to "manage up," as well as laterally and down, to ensure successful completion of deliverables. All managers—whether project managers or not—need to know and understand these issues. All organizations have projects that are best managed by cross-functional teams. PM in the matrix organization is not for the faint of heart: There are great days, good days, and no shortage of bad days—particularly as resources get tighter and the economy moves faster; slow, boring days are few and far between.

So why doesn't every organization have some level of PMO if, at least enterprise-wide, it can serve so well?

First, many organizations feel they already put enough thought and time into managing projects. Anyone who has finished any sort of work effort can believe he is a project manager; thus, all functional managers perceive themselves and their people as project managers at least some of the time. But are they efficient project managers? The data and success rates of actual projects should be allowed to speak for themselves—particularly when the projects are large and/or enterprise wide.

Second, maintaining some level of PMO is just plain difficult. It is challenging to dance among projects, among functional areas, and among teams. Often, teams comprise many different personalities from multiple areas, making leadership difficult. Managing "volunteers" is challenging! It can be a lot of fun, but you must really like people, you

must want to see others succeed, and you must be able to change and adjust every day.

Finally, PM in under-served project environments often has little or no career track. People do not understand that an enterprise project or program manager sees the big picture and often can manage many functional units (and even the organization as a whole). As long as project managers are not perceived to be important as functional managers or valued as a key part of organizations, then project management likely will not attract the most competent individuals. At many organizations, the primary limitation may relate to recruitment.

The remainder of this article describes how to build a small PMO in your under-projectized organization. Higher education needs to bite the bullet and establish some sort of PMO to manage and increase the success rates of enterprise-wide projects. At present, most organizations plan well, and often they initiate projects fairly well, but too often they close terribly. A project manager's job is to close, period. Once you understand your environment and how it will shape your project management, you can wade into the task of shifting the culture, laying the groundwork for PM, and building your office.

THE START: ALLOCATE RESOURCES GENTLY

A PM by any Other Name

For organizations new to project management, or that have survived any previous attempts to strong-arm PM into existence (as, for example, through the barking of the order, "Everyone will use Microsoft Project for every single task they do!"), a measured approach can be successful if a sound plan is created and then executed patiently one project or one area at a time. This slow and steady approach can prove the overall usefulness of PM to the organization.

The first step for us was to find individuals within the organization who already were doing and/or who were capable of doing project work. Perhaps someone in your organization was a project manager in a previous life. Many employees doing business systems analysis work have crossed over at times into PM. And often, team leaders—especially if they are good leaders—possess an array of PM skills. Directors/managers often have project skills but seldom have time to implement them. They often are tasked to be the project lead but either end up being a bottleneck because of capacity issues or do a great job but then neglect their management responsibilities.

If the employees you task with PM are capable, then you can start with a larger, high-profile project that requires care. If, however, they are somewhat more junior or comparatively inexperienced, then assign some smaller, less risky projects at the outset to prove that your new project manager can assess, start, manage, and complete them. Either way, emphasize and document how PM tools and behavior help keep a project on task, and on budget, and how a dedicated project resource frees those within the functional area(s) to do work, rather than get bogged down in messy processes and meetings.

The goal is to prove the real value of PM. Often, this is not as difficult as one might imagine. Usually there is no shortage of people complaining about the lack of a go-to person ("who's in charge of this thing?"), management's failure to bring the right people to the table, and last-minute, emergency requests and change orders that are the result of poor or no planning. Support your unofficial project managers well, as their failure could mean the defeat of all you are trying to accomplish. Good staff paired with good top-down support will get you the results you are after.

At Indiana State University (ISU), we began with a staff member who, despite reporting to the Office of Information Technology (OIT), somewhat serendipitously had been given the role of lead on one particular project. He and the project were handed over to the University's Chief Strategy Officer (CSO) so the project could be more closely integrated with the new strategic plan. Within a short time, the CSO (who also had considerable PM experience) realized that he had an employee who both understood PM and could thrive within its structure. The CSO had many other strategic projects to get off the ground; thus, the use of PM began in an office that already was enterprise wide and that had access to larger, high-visibility work efforts.

At ISU, most of our initial projects began as part of our strategic plan. With 45 teams undertaking some 250 tasks/projects, it was not difficult to pick some low-hanging fruit. It also was not difficult to identify large, difficult, highly visible yet appropriately funded projects with which to begin. Perhaps you have some strategic initiatives of your own to use as the foundation for a PMO test case? Every college and university seems to have a strategic plan of some sort; perhaps you should argue that you can imple-

ment yours—and that you can do so more efficiently and effectively—with a project manager or two. Projects related to our strategic plan are the primary work we now do.

Get Some Wins

Consider the following example: One project, the creation of a co-curricular record for reporting student participation in activities outside the classroom, had labored along without closure for more than a year. Numerous processes, politics, and technical roadblocks had impeded the project's progress. Eventually, the president intervened. Aware of a recent string of project wins coming out of the CSO's office, he made it responsible for the project and set a deadline four weeks hence. Immediately, a new project manager was assigned, appropriate management processes were put in place, and the project truly got started. It was a hectic four weeks, but the project was successful in terms of schedule, budget, and quality of the deliverable. This proved a huge win and provided great evidence of the potential of PM.

Around this time a new CIO was hired. Like many of the new breed, she sought to implement a more rigid set of project standards. After a continuing trend of wins (in the form of completed projects) out of the CSO's office and with a CIO and CSO both desiring tighter management of work efforts, there was a conviction that a PMO could succeed and be accepted within ISU's environment. A good case was being made with enterprise projects, but it would be valuable to have a business partner to bolster the argument for a new position.

The Functional Area PM: Grow Where You Can

Throughout a period of budget cuts, several functional areas had lost their IT and other support staff even as IT had been forced to lay off some of its own staff. This left many areas without sufficient resources to support new initiatives—particularly those involving technology. For more than a year, the division of student affairs had been requesting help and had tried repeatedly to secure funding for a project manager–type position of its own. Seizing on the opportunity, the CIO offered to pilot a dedicated project manager resource of up to 20 hours per week. The pilot would be carefully documented: Intermediate checkpoints were assigned, and a written evaluation was required. Upon completion of the pilot, the CIO and the vice president for student affairs would present the results at the president's cabinet meeting. Student affairs got its resource help, and PM now had a business champion. The pilot was overwhelmingly successful, and a formal position quickly followed. A seed had been planted, and the momentum had shifted.

SOCIALIZE AND SELL THE PM MESSAGE

Project Charters and Project Plans

The CIO began to ask her employees who led good-sized projects for project charters (white papers) and project plans. Project charters were to lay out the detail and justification for a project while project plans would provide a clear, step by step methodology.

In the case of the CSO, and the strategic plan and initiatives, this had been the routine for a couple of years and had proven an effective way of initiating a couple hundred or more projects campus-wide. And, in fact, it was not too difficult to implement given that folks already had agreed to the work effort, had ownership, and did not obtain funding until they had written a work plan, prepared a budget, and developed a schedule and management plan. Recall from our second article in this series that work plans make for better work; schedules and responsibility diagrams hold people accountable. Often, when competent employees develop these documents, the work happens without requiring much additional management.

At first, the CIO would press for documentation only when complications or confusion arose within a project. Staff often perceives documentation as adding to the burden of the work. But the benefit is that it requires teams to get organized and defines who is supposed to do what when. When projects got messy, it was easy to question why there was no blueprint to follow. When there are problems, it is more difficult to argue that time need not have been "wasted" on documentation. Requests for documentation became more frequent, with the result that staff began to prepare it from the outset, as they knew they would have to defend their position sooner or later. Despite not having standard PM documentation in place, the OIT was more consistently producing information for most of the projects it undertook. It was time to take the next step.

Time for Standards

Building on the momentum, the CIO now charged one of the project managers with creating standards and docu-

mentation for the entire office. This had been part of the CSO's process for two years during development of the strategic plan, but it had been called an RFP (request for proposals) process (which just so happen to require work plans, budgets, schedules, benchmarks, and a management plan.) The seed had been planted for documentation, work planning, and accountability across campus. The goal was to create both a detailed PM plan and supporting documentation for not only IT, but also enterprise wide initiatives. Because similar efforts had failed in the past as a result of "documentation overkill" and the forced use of tools, simplicity was a primary objective. Complete but manageable processes were needed. PM had to make sense: The work required to manage a project should not rival that required to execute the project.

In an effort to obtain good input and increase the likelihood of widespread buy-in, a project team was formed to create the standards. This team included a member of each of the four departments as well as any members currently acting as project managers. The team met every other week. First, it mapped current processes in the organization as a whole as well as within each department. Two realizations emerged: One was the need to push the IT leadership to further refine the project-intake process. It was clear that the best-laid PM plans would fall short absent a methodology for receiving and classifying projects and then assigning them to a project manager who could initiate whatever processes the standards team developed. The second realization pertained to the path forward. Now that the group was informing the development of a standard PM process, a list of deliverables could be derived. After three months' work, the group delivered the following:

- A project management checklist;
- A process for beginning-to-end management, including the names of templates to be used in the process;
- Guidelines for classifying project size;
- A list and descriptions of project roles; and
- PM templates with explanations of their required content.[1]

The CIO and IT directors provided feedback. After a couple of months and several revisions, final processes and documentation were agreed upon.

[1] *See* www.indstate.edu/strategicplan/PM for a list of all templates and documentation.

Project Requests and Prioritization

Although it often occurs before a project manager is assigned, efficient project intake is vital to a PMO's success. Organizations should maintain some type of log or list of what projects are being undertaken, their progress, their priority, and their number. Doing so will help them understand the breadth of their responsibilities at any given time. An office also needs a method for capturing project requests and evaluating them against those already on the log, both scheduled and in progress. This can become extremely political as directors, managers, and VPs seek to have their projects given priority. Someone must be responsible for assigning priority to the various projects. At ISU, the president, the CSO (as the strategic plan "owner"), the vice presidents, and the cabinet all play a role. At institutions that continually battle over the queue (where there is a "deal of the day," or where chaos management reigns), too often either nothing is given priority or everything is given top priority, with the result that resources—both labor and capital—are squandered.

Because there was no existing "master view" of large IT projects at ISU, the CIO quickly put in place a project log and asked each director to update it monthly. The new existence of a project focus prompted others to "PM up" their own areas. Within the department, each director was asked to ensure that there was a standard method for requesting projects, scoping them, and then sharing them at a weekly meeting for purposes of prioritization and scheduling (smaller projects could be handled by the departments themselves). Part of this process was to ensure that there was a project lead; this paved the way for more stringent PM standards down the road.

Presentation to the Office

As part of the next all-hands forum, two members of the standards team presented the PM material, processes, and documentation to the staff. They described the steps that had been taken to create the standard, the reason for doing so, the process and documentation itself, and a timeframe for implementation (approximately six weeks after the presentation). Each manager was asked to describe his or her own group's internal processes for capturing requests and assigning project managers so there would be no confusion as to when staff would be required to utilize the processes and when they would not be (for example, when

a project was too small or was outside the scope of the processes.) Project managers now would have an exact process for starting, managing, and completing a project.

Questions were few, but staff members were eager to review the materials so they could better understand what they were being asked to do and provide feedback. All documentation was posted on a newly created team site that the PMO was charged with managing. Immediately after the meeting, all staff members were sent an intranet link to the team site. Six months were allotted for a pilot, followed by review and recommendations for adjustments to the initial plan. The directors would be required to ensure adoption of the processes within their respective areas.

Supply to Meet Demand

As the efforts of the standards team were winding down, other developments opened a window of opportunity. A greater focus on academic support was desired, and the user services department was divided in two: one unit, academic services, would support faculty; the other unit, enterprise service, would provide general frontline services to the campus. The help desk and consultant group fit here well as one was the single point of contact for IT help and the other provided desktop support and general IT consulting. But a gap soon became apparent: Divisions lacked a mechanism to request project support, which would include a knowledgeable resource that could guide their implementation of technology applications. As the result of a foundation at the strategic level and a successful example in the student affairs division, the IT project manager role was created and staffed with two resources (one for student affairs and a second for academic affairs). The PMO was born. This office would be responsible for project management and business systems analysis for all projects assigned.

For now, this is where we are. As support takes shape and demand continues to grow, this group could grow; but for now, it is a three-person shop, including the director who is still very much a player-coach. The resources divide their time between division support and large, cross-organization projects that have an IT component to them.

SUMMARY

To be successful, there needs to be a project plan for developing the project management office. Everything can become a project if you set your mind to it (that may not mean that it *should,* but the tools apply in a variety of ways). In this case, it simply means *make a plan, follow your plan, and adjust your plan as needed.* Any new build requires time and patience in a limited resource environment. Often, the key is to start small and prove that you can deliver. One thing to know in today's economy is that money typically follows work effort success; rarely does the money come first. Someone has to take the lead, be the champion, take a risk, and inspire a group to believe. The group then digs in—it does the work—and the money and resources then often follows. Remember: funding often has to come out of someone else's budget, so tread lightly, and be sensitive to those who likely will see a decrease in their budget. Be sure that area gets some service. Soon the mantra may be that "we can do more great work with even more resources."

In the event that you fail even after rigorous due diligence, remember that the attempt in itself was a project. Some projects meet with success, and some die from a lack of support or just bad timing. Perhaps you'll need to wait for another day and for another group of champions to help you make the project office successful. In the meantime, utilize PM in the areas over which you have management authority, and call it a local win. All experiences are good if we learn from them. As a mentor of ours often repeated, there are no mistakes only learning opportunities.

Until next time,
Karl and Mike

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