

The Project Management Office



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Summary: There are three kinds of project management office (PMO) and each is appropriate for organizations in different stages of their project development. Each of the PMO forms also has significant advantages, disadvantages and unintended consequences.

Far too many project office efforts fail. Some create so much paperwork and so many forms that compliance is low and scorn high. Others provide no useful data to decision-makers and waste a great deal of project manager time trying to enforce cumbersome academic methodologies. Let's look at some of the options:

The Weather Station

Just like your friendly TV weather person, this project management office reports on what is going on but does not try to influence it. This PMO bothers none of the PMs leading projects. These Weather Station people accumulate data about projects and summarize it for executives without making any decisions or enforcing any standards. They just pass on their information to anyone who is interested. It often turns out that no one uses their data. The weather station can be implemented painlessly and if the information is focused, they can serve decision-makers' needs.

The Control Tower

In the Control Tower PMO, the project office gives direction to project managers on methodology including project initiation, acquiring resources and correcting variances. While each PM manages his or her own project the PMO will alert them to impending problems and also identify situations where the PM is not adhering to the methodology, particularly during scheduling and the verification of deliverables.

Command Central

This project management office, may be the home department for all or most of the organization's project managers and they report to the PMO management, not project sponsors in operating units. The Command Central's enforcement of a consistent methodology is strict. This PMO is actively involved in the evaluation of new projects and recommends approval or rejection to executives. They usually play a configuration management role (analyzing changes to projects and changes to the specifications of project deliverables).

Which is the Best?

So what's the best kind of project management office? The answer depends on the state of project management in the organization. What kind of organization needs a Weather Station?

Weather Stations are a good solution for organizations at the chaos stage in managing their project. The Weather Station's data distribution can help with resource allocation and priority issues. The Weather Station also sounds innocent and does not trigger a lot of turf battle like the other two types. But it does not have the clout to resolve issues with lending resources across functional lines, project prioritization, or the problems of initiating too many projects.

Then organizations need to take the next step up and handle the turf wars that usually arise when the Control Tower PMO is implemented. Their role in controlling initiation and enforcing standards for new projects steps on the toes, and the fragile egos, of sensitive functional managers. Yet emerging from the project chaos requires more centralized control and enforcement to instill a disciplined approach and a consistent methodology.

The Command Central PMO pays off when larger organizations have a significant number of cross-functional projects. Then centralization of the project managers (at least for cross-functional projects) can improve training and utilization of the project managers, as well as ensure a consistent methodology. This type of PMO is useful if management is:

- ❑ unable to control the initiation of new projects⁶
- ❑ unable to exercise control over the organization's portfolio of projects and
- ❑ unwilling to enforce an organization-wide protocol for planning, approving and tracking projects.

Effective PMOs are rare. We see them only in organizations that have solved the authority problems of cross-functional projects and developed a cadre of skilled project managers who apply a consistent protocol for planning, budgeting and tracking their projects. Then the PMO allows line managers and PMs sufficient "elbow room" for creativity while still allocating resources properly and coordinating the organization's initiation of projects.

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