

*YOUR COMPANY
LOGO*

PROJECT MANAGEMENT OFFICE (PMO) CHARTER

for

<Company Name>

Version x.x

<Version Date>

Prepared by: <PMO Lead or PMO Sponsor>

Authorized by: <Executive Body>

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GENERAL TEMPLATE INSTRUCTIONS:

[This “PMO Charter” template is for a company that will be establishing a Project Management Office (PMO), focused on Information Technology projects. However, this template is generic and you can easily apply specific sections to non-IT project focused PMO organizations. For example, if you are establishing a PMO for construction or real estate projects, you should use the structure of the document and the existing sections, such as the “Executive Summary”, “Objectives”, “Metrics”, “Critical Success Factors”, etc. Simply adapt the content of the section to best fit your industry.]

As you begin to use this template, initially do the following:

- *Search and Replace “<Company>” or “<Organization>” with the name of your organization*
- *Search and Replace “<Executive Body>” with the name of the group who authorized (or will authorize) creation of your PMO*
- *Search and Replace “<PMO Sponsor>” with the name of the person who is sponsoring the PMO*
- *Search and Replace “<PMO Lead>” with the name of the person who will supervise and lead the PMO operations*
- *Watch for other items in <angle brackets> where you will need to substitute text appropriate to your organization*
- *As you complete each section, delete the instructional text (the text in italics and surrounded by [brackets])*

TABLE OF CONTENTS

EXECUTIVE SUMMARY1

INTRODUCTION3

PMO JUSTIFICATION3

PMO VISION4

 PROJECT SUCCESS4

PMO MISSION5

PMO OBJECTIVES5

 1. ESTABLISH & FACILITATE PROJECT SELECTION6

 2. ENCOURAGE A PERFORMANCE FOCUSED PROJECT ENVIRONMENT6

 3. DELIVER SUCCESSFUL IT PROJECTS6

 4. BUILD PROJECT MANAGEMENT DISCIPLINE & PROFESSIONALISM8

 5. KEEP <ORGANIZATION>'S MANAGEMENT TEAM AND PROJECT MANAGEMENT COMMUNITY INFORMED8

 6. SERVE AS <ORGANIZATION>'S AUTHORITY ON PROJECT MANAGEMENT METHODS AND PRACTICES9

CRITICAL SUCCESS FACTORS9

PMO METRICS10

PMO STAFFING.....11

PMO SPONSOR.....12

PMO ORGANIZATIONAL STRUCTURE.....12

PMO STAKEHOLDERS.....12

PMO AS A LEARNING ORGANIZATION13

PROPOSED STRATEGY TO ESTABLISH THE PMO14

PMO DRAFT BUDGET15

FUTURE OF THE PMO15

APPENDICES.....16

 APPENDIX A : FREQUENTLY ASKED QUESTIONS (FAQ).....17

 APPENDIX B : VALUE OF A SUCCESSFUL PMO TO THE ORGANIZATION20

 APPENDIX C : EXPECTED BENEFITS FROM THE PMO FOR SPECIFIC CUSTOMERS21

 APPENDIX D: PMO SUCCESS FACTORS.....23

 APPENDIX E : STEPS THE <ORGANIZATION> CAN TAKE TO ENHANCE PROJECT SUCCESS24

 APPENDIX F : GLOSSARY OF TERMS, ACRONYMS, AND ABBREVIATIONS26

EXECUTIVE SUMMARY

*[This Executive Summary should provide an overview of the purpose, objectives, staffing, leadership, and critical success factors of your PMO organization. Make sure you specify who designated the creation of the PMO and the name and title of the Executive Sponsor. **Some “generic” content for this section is provided below.**]*

The <Organization> Project Management Office (PMO) is a service organization created for the specific purpose of supporting <Organization>’s Information Technology (IT) *[or state as appropriate in your industry]* Program.

The mission of the PMO is two-fold:

- Guide key (IT) projects to a successful conclusion
- Create a foundation for consistent project success throughout the organization. Do this through development of a strong and pervasive Project Management (PM) discipline within the organization’s project teams.

In support of that mission, the PMO has four primary objectives:



Through sponsorship by <PMO Sponsor> and supervision by <PMO Lead>, the PMO gains:

- *Authority* it needs to promote <Organization>-wide organizational change effectively

- *Independence* that can sustain objectivity
- *Oversight* that can keep its work aligned with the organization's business strategy
- *Legitimacy* as it fosters an effective, enterprise approach.

The PMO has three sources of staff:

- Direct appointment of existing or new <Organization> staff into the PMO
- Temporary assignments from other departments (report to PMO via dotted line)
- Contracted staff (as needed to provide expertise or staffing not available within <Organization>).

The PMO operates under this guiding principle:

The success of the PMO is derived exclusively from the success of its customers.

Note: See Frequently Asked Questions in **Appendix A** and Glossary in **Appendix H** for definition of terms and concepts used in this document.

INTRODUCTION

*[This section introduces the reason or reasons for this document. **Some “generic” content for this section is provided below.**]*

<Organization>, through its <Executive Body>, has authorized the creation of an Enterprise Project Management Office. The purpose of this charter is to establish agreement on key aspects of the PMO in advance of its implementation.

This charter is, in effect, the organizational mandate for the PMO to exist. This document defines the purpose, vision, mission and functions of the PMO. It states who the PMO's sponsors and primary stakeholders are, the services that it offers and the staffing and support structures required to deliver those services.

This charter is not the project plan for implementing the PMO, but instead a statement of what the PMO will do once it is fully implemented.

PMO JUSTIFICATION

*[This section provides the details regarding the reason or reasons for establishing the PMO. Make sure these are the reasons as agreed to by your organization's senior management before authorizing the creation of the PMO and authorizing the budget. **Some “generic” content for this section is provided below.**]*

Establishment of the PMO arose out of the perception that the organization's (technology) projects were not adequately meeting the needs of those for whom they were undertaken. The observable problems with these projects include: *[note: make sure to quantify the following “problem” areas]*

- missed delivery dates,
- cost overruns,
- incomplete deliveries, and
- dissatisfied customers.

<Organization>'s Senior Management Team is aware of a wide variety of possible causes for these difficulties.

<Organization>'s purpose in establishing the PMO is to provide a means for eliminating those problems that have arisen due to inadequate or poorly applied Project Management practice. Note, however, that establishment of a PMO also carries the possibility of additional benefits as listed in *Appendices B and C*.

PMO VISION

*[Keep this succinct. The Vision should capture the spirit of what you are trying to accomplish in just a few words. **An example and some “generic” content for this section is provided below.***

Successful IT Projects. Every Time.

Project teams and Project Managers are encouraged to be creative, adopt new approaches, expand their skill set and take appropriate levels of risk in their pursuit of this Vision. (See section below on “PMO as a Learning Organization”).

PROJECT SUCCESS

*[It is very helpful to establish a definition of success here that can be applied to all that the PMO does. Discuss “success” with the executives in your organization and then distill their comments into a definition that fits your culture. **Some “generic” content for this section continues below.***

Based on input from <Organization>’s executive management, the PMO considers a project to be a complete success when the following are true *[note: make sure to quantify these “success metrics”, as best as possible, with the agreement of your senior management]:*

- Pre-defined Business Objectives and Project Goals were achieved or exceeded (i.e., the project satisfied the need that created it)
- A high-quality product is fully implemented and utilized
- Project delivery met or beat schedule and budget targets
- There are multiple winners:
 - Project participants have pride of ownership and feel good about their work
 - The customer is happy
 - Management has met its goals.
- Project results helped build a good reputation
- Methods are in place for continual monitoring and evaluation.

PMO MISSION

[*The Mission of the PMO should be fully in support of the Vision. The Mission expands upon the Vision and provides guidance on how the Vision will be made manifest. **An example and some “generic” content for this section continues below.***]

Provide a solid foundation for <Organization>'s Information Technology Program by creating an environment of measurable, disciplined Project Management professionalism where:

- **Project success is the norm**
- **Project teams are proud of their work**
- **Project teams are rewarded for high levels of performance**
- **Internal customers reap the benefit of a carefully planned investment**
- **The citizenry wins through improved service or lower cost.**

The PMO operates under the following primary guiding principle:

The success of the PMO is derived exclusively from the success of its customers.

PMO OBJECTIVES

[*The PMO Objectives, as agreed to by the senior management of the PMO should be fully in support of the Vision. The Mission expands upon the Vision and provides guidance on how the Vision will be made manifest. **Some “generic” content for this section continues below.***]

For each objective, the PMO will develop one or more SMART¹ targets against which to evaluate performance. PMO performance will be reviewed quarterly. SMART targets will be evaluated and renewed annually. PMO governance and leadership will agree upon the validity and usefulness of all targets.

¹ SMART = Specific, Measurable, Attainable, Results-oriented, Time-delimited

Primary PMO Objectives are:

- **Establish and facilitate project selection criteria aligned with <Organization>'s business objectives and direction.**
- **Encourage a project environment focused on performance and execution**
- **Deliver successful projects**
- **Build Project Management discipline and professionalism among <Organization>'s staff**
- **Keep <Organization>'s Management Team and Project Management community informed**
- **Serve as the <Organization>'s authority on Project Management methods and practices**

Listed below is the specific work that the PMO will perform in order to meet its objectives.

Note: *This list is not exhaustive. PMO implementation may involve introduction of this work in a phased manner.*

1. ESTABLISH & FACILITATE PROJECT SELECTION

The PMO will work with the Finance Team, and with the approval of <Organization>'s Executive Management Team, establish quantified criteria for the selection of projects. These criteria will be ROI-based and conform with <Organization>'s overall business objectives regarding Return on Investment.

2. ENCOURAGE A PERFORMANCE FOCUSED PROJECT ENVIRONMENT

All projects for which the PMO is accountable for successful delivery, will be regularly monitored and measured for performance using Earned Value (EV) or some other performance calculation. All projects will be encouraged to regularly self-monitor performance and share these performance measurements with Project Sponsors and Stakeholders.

3. DELIVER SUCCESSFUL IT PROJECTS

The PMO collaborates with IT and <list other key players> to manage the IT Projects portfolio:

- As part of a management team that includes <list members>, assist in development and articulation of <Organization>'s technology strategy
- Work with <list players> to make the IT project-selection process successful
- Maintain and publish a master IT projects schedule, including critical milestones

- Assist IT and <list players> with project resource management
- Warn <Executive Body> of IT projects at risk and provide recommendations
- Perform capacity planning with IT and <list players> so that <Organization> makes optimal use of its resources.
- Regularly, as agreed, monitor and measure project performance
- Work with the Project Manager and Project Sponsor to make adjustments to under-performing projects

The PMO manages all Enterprise IT projects either directly or indirectly (per definitions that follow) and is accountable for successful project delivery.

- The PMO *directly* manages other projects on request:
 - Sponsors make their requests to the PMO. PMO, IT, and <list other groups> collaborate to decide where PMO resources should be allocated
 - PMO provides Project Management services for the project
 - PMO is accountable for successful project delivery
 - PMO deals directly with the Sponsor
 - PMO enforces its Project Management methodology and standards on these projects.
- The PMO *indirectly* manages other projects on request:
 - Sponsors make their requests to the PMO. PMO, IT, and <list other groups> collaborate to decide where PMO resources should be allocated
 - Department provides the Project Manager for the project
 - Project Manager reports on dotted line to PMO for duration of project.
 - PMO provides guidance to the Project Manager but under normal circumstances would not provide direct Project Management services.
 - PMO is accountable for successful project delivery
 - PMO deals directly with the Sponsor and Project Manager
 - PMO enforces its Project Management methodology and standards on these projects.

In addition, the PMO <list additional services here>:

- Performs quality audits on request
- Performs risk audits on request
- Provides Business Analysis services (e.g., Requirements Analysis, Joint Application - Development sessions) on request.

Note: The PMO encourages the use of its published Project Management methodology and

standards and best practices in all IT projects. However, the PMO only enforces its published Project Management methodology and standards on those projects for which it is accountable for successful project delivery.

4. BUILD PROJECT MANAGEMENT DISCIPLINE & PROFESSIONALISM

- Mentor² PMO project teams (and other project teams by request)
- Assist project teams in all phases of their projects from project definition to rollout
- Train³ <Organization> Project Managers in a full range of Project Management topics
- Create and maintain a Project Management Core Team composed of <Organization> staff who work as Project Managers on IT projects. Work with this team as a means of building and sharing Project Management expertise.
- Work with <Organization> in development of a Project Management Career Track
- Recognize excellence in Project Management in accordance with a focused Reward and Recognition Program.
- Serve as honest broker on all issues brought forward to the PMO by Project Managers.
- Participate in the performance reviews of Project Managers who report to PMO on dotted line
- Provide training to all levels of <Organization> management so that supervisors, middle managers and executives each understand their role in making projects a success

5. KEEP <ORGANIZATION>'S MANAGEMENT TEAM AND PROJECT MANAGEMENT COMMUNITY INFORMED

² Mentor in such areas as:

- " RFP Development
- " Vendor Management
- " Risk Assessment
- " Issue Management
- " Team Development
- " Organizational Change Management

³ Training venues can include:

- " Formal Project Management classes
- " In-service training electives (sponsored through Personnel and designed for each department)
- " Special seminars and workshops
- " Supervise fundamental Project Management training provided by a third party

- Report to <Executive Sponsor> on:
 - Enterprise projects – *monthly*
 - Other projects – *quarterly*
 - Special projects – *only upon request*
 - Metrics that measure PMO effectiveness – *annually*
 - Issues and opportunities – *as they arise*.
- Under the direction of <Executive Sponsor>, provide regular reporting to the Executive Management Team.
- Maintain and publish a “Lessons Learned” database
- Maintain the PMO Web site
- Serve as the “technology-to-English translator” for the <Executive Body>.

6. SERVE AS <ORGANIZATION>'S AUTHORITY ON PROJECT MANAGEMENT METHODS AND PRACTICES

- Set <Organization>'s Project Management methodology and standards
 - PMO works with an advisory group of <Organization> Project Managers to update and maintain the methods, practices, and standards
 - Methods and Standards are posted on the PMO Web site
- Be the resident advocate for good Project Management practices in the organization.
- Select Project Management tools for organization-wide use
- Serve as the official source of project templates and other project aids.

CRITICAL SUCCESS FACTORS

[The PMO's “Critical Success Factors”, as agreed to by the PMO governance team and PMO Leadership, should be fully in support of the PMO Objectives and aligned with your company's business objectives. **Some “generic” content for this section continues below.**]

The following may be considered necessary steps <Organization> can take that help ensure PMO success:

- Implement a Rewards and Recognition Program that specifically supports the Project Management process and achievement of project objectives.
- <Organization>'s Senior Management Team provides the PMO with unanimous, visible, and vocal support
- Introduce PMO functions in a phased manner. Do not try to do it all at once.
- <Organization>'s Senior Management Team supports the process of Organizational Change. Managers recognize that some groups and individuals will embrace the change in Project Management practice better than others

A list of additional Success Factors is provided in **Appendix D**. The PMO will be more successful in the long-term if these factors can be achieved.

In addition, **Appendix C** presents numerous steps <Organization> can take in conjunction with establishment of an PMO in order to hasten and enhance benefits from the PMO.

PMO METRICS

[The PMO Metrics, as agreed to by the PMO governance team and PMO Leadership, should be fully in support of the PMO Objectives and aligned with your company's business objectives. **Some "generic" content for this section continues below.**]

Metrics should measure those aspects of PMO performance that are directly related to its Mission. On that basis, the following areas of focus can be used to judge PMO value:

- Are the organization's projects more successful over time?
- Is there evidence that <Organization> staff is taking a more professional approach toward project management discipline and practices?
- Are the attitudes of <Organization> staff regarding project activities and results improving?
- Are the products of the organization's projects meeting their business objectives?
- Is <Organization> meeting those business objectives directly aligned with project performance and project success?

The PMO staff will develop or acquire appropriate instrument(s) with which to obtain objective measurements. The PMO Sponsor will approve the instrument(s) before they are used. Examples:

- Improvement in project success over time can be measured through decreases in schedule and budget variances or the tone of customer comments

- Project Management approach can be measured by quality and timeliness of project planning documents, accuracy of time and cost estimates, and effectiveness at managing risk
- Staff attitudes can be measured through use of a short survey.

A team composed of staff from the PMO, <list other sources> can perform the assessment.

PMO STAFFING

*[The PMO's "Staffing", as agreed to by the PMO governance team and PMO Leadership, should be fully in support of the PMO Objectives and aligned with your company's resource objectives. **Some "generic" content for this section continues below.**]*

Once fully implemented, the PMO has the following permanent staff:

- Director (PMP)
- 1 Project Manager (PMP)
- 1 Project Coordinator
- <list other staff>

During its first year, the PMO has one planned contracted staff member. Other contract staff may be added as required.

- 1 Business Analyst (1 year; second year optional)
 - Performs requirements analysis, joint application design
 - Assist business departments with project documentation and in preparing and editing RFPs and contracts
 - Mentors <Organization> staff in analysis techniques and requirements management
 - Provides training in ROI analysis; assists with Rational Unified Process implementation
- <list other contracted staff>

The PMO also can have temporary staff in the form of departmental Project Managers who report via matrix on a dotted line to the PMO Director or to a PMO Project Manager. This can occur when a department:

- Supplies the Project Manager but requests that the PMO indirectly manage the project
- Requests this arrangement as a means of mentoring their Project Manager.

The PMO maintains an office:

- For its own staff
- For temporary staff (e.g., department project managers on temporary assignment)
- Where Project Management library materials are kept
- Where <Organization> Project Managers and project teams can meet to strategize or work out project issues.

PMO SPONSOR

The project to establish the PMO is sponsored by <PMO Sponsor>. The sponsorship of the PMO has the direct approval of <Organizations>'s Senior Management Team.

PMO ORGANIZATIONAL STRUCTURE

PMO reports to the PMO Governance Board consisting of the PMO Sponsor <PMO Sponsor>; the PMO Leader <PMO Lead>; and member of the Senior Management Team <Name of Position>. Through alignment with the <PMO Sponsor>'s office and the Senior Management Team the PMO gains:

- *Authority* it needs to promote <Organization>-wide organizational change effectively
- *Independence* that can sustain objectivity
- *Oversight* that can keep its work aligned with the <Organization>'s business strategy
- *Legitimacy* as it fosters an effective, enterprise approach.

Initially, all PMO staff report to the Director, PMO.

PMO STAKEHOLDERS

The PMO regards the following as primary stakeholders:

Stakeholder	Relationship with PMO	Expectations of PMO
-------------	-----------------------	---------------------

<ul style="list-style-type: none"> ▪ <Executive Team Member> 	Executive Team Oversight	<Executive Team Member> is a member of the PMO Governance Board and provides Senior Management Team oversight.
<ul style="list-style-type: none"> ▪ <PMO Sponsor> 	PMO reports to the PMO Sponsor	<PMO Sponsor> supervises the PMO director and provides the PMO guidance on PMO business objectives and supports the PMO’s efforts to achieve them
<ul style="list-style-type: none"> ▪ Director of IT 	Collaborative partner	The Director of IT looks to the PMO as a source of expertise and support in all matters related to management and successful delivery of IT projects.
<ul style="list-style-type: none"> ▪ IT Department staff 	Customer	The PMO supports the IT Department in its mission to deliver successful IT projects
<ul style="list-style-type: none"> ▪ Department Heads ▪ <List other executives> 	Customer	As <EXECUTIVE BODY> members, department heads expect the PMO to provide guidance, drive projects to success and deliver updates
<ul style="list-style-type: none"> ▪ <Organization> Project Managers ▪ Other <Organization> Management staff ▪ All <Organization> staff engaged in projects 	Customer	Expect the PMO to set the PM standard; provide training and mentoring; work with the <NAME OF EXECUTIVE BODY> to create an environment conducive to project success

PMO as a Learning Organization

[The “PMO as a Learning Organization” is a statement of the PMO’s relationship to its Stakeholders. These statements are in full support of the PMO Objectives and aligned with your company’s business objectives. **Some “generic” content for this section continues below.**]

The PMO models itself as a Learning Organization in its relationship to the <Organization>’s Executive Management, Project Managers, Project Teams and Customers. A learning organization may be defined as “an organization that facilitates the learning of all its members and continuously transforms itself to achieve superior competitive performance.”

Learning organizations have the following characteristics:

- Are adaptive to their external environment and continually enhance their capability to change/adapt
- Develop collective as well as individual learning, and use the results of learning to achieve better results
- Learn from both failure and success, understanding that finger-pointing and blame are detrimental
- Link individual performance with organizational performance
- Foster inquiry and dialogue, making it safe for people to share openly and take risks
- Embrace creative tension as a source of energy and renewal

The PMO will express its Learning Organization orientation through many means, including:

- Positive use of Lessons Learned exercises to encourage continual improvement in projects
- Maintenance of a Lessons Learned database to promote organizational learning
- Encouragement of cross-training and “stretch” assignments
- Promotion of continual learning and professional growth in Project Management
- Working with staff to develop the ability to consistently select and execute projects with significant positive ROI

PROPOSED STRATEGY TO ESTABLISH THE PMO

*[The PMO’s “Proposed Strategy”, as outlined in this section, provides the steps to establishing the PMO. This outline should be agreed to by the PMO governance team and PMO Leadership, and be in support of the PMO Objectives and aligned with your company’s business objectives. **Some “generic” content for this section continues below.**]*

- Gain agreement on PMO Charter from the Senior Management Team at the <Date> Meeting.
- Gain <EXECUTIVE BODY> approval of PMO Business Case consisting of:
 - PMO Requirements (high level)
 - Implementation Strategies and Schedule
 - Project Plan
 - Cost Estimates
- Refine and agree upon PMO performance targets (SMART)
- Establish PMO review process and performance metrics

- Establish a budget
- Acquire PMO space and equipment
- Acquire PMO staff.

PMO DRAFT BUDGET

*[The PMO’s “Draft Budget”, as outlined in this section, provides the 2-year cost estimates for establishing and running the PMO. This initial budget is agreed to by the PMO governance team and PMO Leadership, and be in support of the PMO Objectives and aligned with your company’s business objectives. **Some “generic” content for this section continues below.**]*

PMO cost during the first two years of operation will depend on how it is implemented. A draft budget is presented in Appendix I. It also may be viewed through the following document link:

Draft PMO Budget – [create link here](#)

FUTURE OF THE PMO

*[Since the majority of this document is to describe the establishment of the PMO, this section describes the continuing operation of the PMO. **Some “generic” content for this section continues below.**]*

The PMO as described in this document is only a starting point. <Organization>’s Senior Management may choose in the future to expand or diminish the scope of services that the PMO provides, depending upon whether or not the PMO continues to provide value. The <Organization> can obtain a regular measure of that value through use of objective measures (see section entitled “PMO Metrics”).

As Project Management becomes institutionalized within the fabric of the <Organization> work environment and <Organization> culture transforms to embrace it, the need for having the PMO report to the highest level of executive management may diminish. In this case, the PMO could be transferred to a department, e.g. Information Technology or Administrative Services. On the other hand, should <Organization> management choose to expand the scope of PMO services to include projects outside of IT, it would be advisable to maintain the connection with the <Position of Sponsor>’s office until the next round of culture change runs its course.

APPENDICES

APPENDIX A : FREQUENTLY ASKED QUESTIONS (FAQ)

What is a *Project Management Office (PMO)*?

[A PMO is an] organizational entity established to assist project managers throughout the organization in implementing Project Management principles, practices, methodologies, tools, and techniques. [*Project Management Terms – A Working Glossary*, J. LeRoy Ward (ESI 2000)]

What is a *Project Portfolio*?

A Project Portfolio is any group of projects that are being managed together for any of a number of reasons, including:

- All projects are related to the same goal or set of Business Objectives
- Projects are interrelated via shared inputs and outputs
- Projects share resources.

Is the PMO a permanent <Organization> feature?

This depends on the value the PMO brings to the <Organization>. If the PMO outlives its usefulness it should be retired. If it consistently provides good value, it should be retained.

What does it mean that “The PMO manages select IT projects either directly or indirectly”?

If the PMO provides the person who is the Project Manager, then the PMO is managing the project directly.

If the Project Manager is a contractor or a staff member from another department who reports to the PMO via matrix assignment, then the PMO is managing the project indirectly.

“Manages” means that the PMO is directly responsible for all aspects of project planning, execution and close. It also means that the PMO Project Management Methodology applies.

The problem with Reward & Recognition Programs is that the truly deserving people all too often get left out. How can you make it practical?

It is possible to design a Rewards and Recognition Program so that there is a full spectrum of awards (e.g. certificates of appreciation, a free lunch, attendance at a conference, an accelerated performance review). For example, the <Organization> could allow team members and Project Managers to provide many small rewards that would recognize exemplary performance at all levels. It is also possible with a modest budget to provide significant awards that are meaningful to the project teams, e.g. Project Team of the Year, PM of the Year, Project that Pulled Itself out of the Dumpster Award, etc

Will the Director of the PMO have a disproportionate amount of control?

No. Business Sponsors own their projects. The business community is responsible for defining the business objectives in their projects. IT is the source of technical expertise. The PMO exists solely for the purpose of making the projects succeed, using the criteria for success that came from their customers.

In addition, the PMO can only impose its Project Management Standard when the PMO is directly responsible for success or failure of the project. For all other projects, the PMO PM Standard is highly recommended, but optional.

How will the PMO properly evaluate department PMs who work through the PMO on a project?

The PMO will only evaluate Project Managers on their work as Project Managers. This can be done, for example, by comparing a Project Manager's actual performance against a checklist of standard Project Management tasks and skills, so that the Project Manager and their department can properly evaluate the Project Managers' strengths as well as areas in need of improvement.

The PMO would not evaluate a Project Manager on non-project work.

What is the role of the PMO in project selection?

The PMO will have one seat (and one vote) on the <name of representative body in your organization>.

As the < name of representative body in your organization> considers projects for funding, the PMO can provide insight from the project management perspective (e.g. likely risks, specific staffing requirements)

Training in Project Management is one of the activities proposed for the PMO. Will the PMO staff do that training or can that actually be done by a third party?

There would be no problem with having fundamental Project Management training done by a third party. However, advanced topics (especially as they relate specifically to <Organization>) might best come from PMO staff and other organization Project Managers.

Are there any specific pitfalls that the <Organization> should watch out for while implementing the PMO?

An underfunded PMO will have difficulty fulfilling expectations.

The PMO work plan should not require PMO staff to spend so much time compiling reports for senior management that there is not enough time to ensure that projects are delivered on time and within scope

If the PMO staff become “Process Police” or “Document Nazis” they are headed down the wrong road. Project documentation exists for the benefit of the project and the organization, not for the fulfillment of some document standard.

Where the PMO is responsible for projects, it is essential that the PMO staff keep in close contact with the respective project teams. Assigning too many projects to the PMO can be counterproductive.

APPENDIX B : VALUE OF A SUCCESSFUL PMO TO THE ORGANIZATION

In general, the value of a common IT Project Management process includes:

- Reduced cycle time
- Reduced delivery costs
- Improved quality of project deliverables
- Early identification of project issues, budget, scope, and risks
- Knowledge leverage and reuse
- Improved accuracy of estimates
- Improved perceptions of IT organization by clients
- Improved people and resource management
- Reduced time to get up to speed on new projects
- Elimination of the thrash (e.g. false starts, self-defeating conflict, indecision) that is so common in failing projects

In addition to the above, a successful PMO:

- Eliminates duplication of data and processes among Project Managers
- Collaborates with <Organization> staff to implement effective processes for managing all IT projects
- Cultivates “unusual” levels of cooperation
- Institutes new operating mode with detailed definition of process, roles, and measures
- Promotes change from *status quo*, upstream and downstream of IT mission
- Nurtures organizational neutrality
- Instills a passion for the profession of Project Management’s processes, practices, and tools

APPENDIX C : EXPECTED BENEFITS FROM THE PMO FOR SPECIFIC CUSTOMERS

- **Executives**
 - PMO provides timely feedback about project goals, status, accomplishments, and issues
 - Organization has an increased probability of meeting corporate business goals
 - Organization receives timely warning about critical issues and possible steps toward resolution

- **Functional Managers**
 - PMO provides metrics to ensure staff is performing adequately and projects are on schedule and on budget
 - PMO maximizes chances of project success, resulting in less rework and reduced cost of product delivery
 - Project guidance helps departments maximize use of resources
 - Departments can obtain Project Management resources when needed
 - PMO helps the departments to integrate Project Management Methodology into their Product Methodology

- **IT Department**
 - Promotes change from *status quo*, upstream and downstream of IT mission
 - Assists IT management in establishment of effective processes for managing all IT projects
 - Clients develop improved perceptions of the IT organization

- **Project Managers**
 - PMO improves Project Managers' execution through the establishment of a consistent framework for the management of projects and defining methodologies, best practices, and guidelines
 - PMO enhances the capabilities of the Project Managers by providing mentoring, training, and career development
 - Training, coaching and mentoring move Project Managers more quickly through the learning curve
 - Suggests to Executive Management solutions to organizational issues that may hinder project success

- **External Customers**
 - Increases probability of meeting customer requirements and expectations
 - Aims at increasing customer satisfaction
 - Provides single point of contact for multiple projects within same customer

- **Finance**

- Project teams are able to provide periodic data of project actuals
- Project teams are able to provide supporting documentation to expedite invoices collection

- **Human Resources**

- PMO establishes and provides quantifiable metrics for the evaluation of personnel
- A Project Management Career Track facilitates the Project Manager's career path and training.

APPENDIX D: PMO SUCCESS FACTORS

The PMO will be more successful in the long-term if the following can be achieved:

- The PMO functions and services/deliverables are prioritized and implemented in a time-phased manner
- The organization selects an PMO leader who has the right set of skills and experience
- A consistent approach to planning and managing projects is implemented across the organization
- Internal Project Management training is provided at all levels (from staff to Senior Executive)
- Project Management is recognized as a core competency (i.e. as part of the organization's culture)
- The PMO's balance between project support and control functions is defined and communicated to ensure that departments understand what is expected of them and what they should expect from the PMO
- The PMO staff understands the culture; the organization intentionally modifies its culture to support its goals
- The PMO leverages industry standards and best practices
- The organization defines its strategy; the PMO focuses on those projects central to realization of the strategy
- The PMO adjusts its operation based on continuous customer feedback
- The PMO designs a scalable Project Management system (process and tools)
- The organization recognizes that some groups and individuals will embrace Project Management change better than others.

APPENDIX E : STEPS THE <ORGANIZATION> CAN TAKE TO ENHANCE PROJECT SUCCESS

▪ **Focus on *Teams***

- Define the Core <Organization> Values for Project Management (e.g., “Be a team player”). Give special recognition to those who abide by these values.
- Ensure that <Organization> staff assigned to projects are given sufficient time to carry out project tasks
- Create incentives to help staff overcome their aversion to risk
- Provide management with training in matrix management
- Give IT an opportunity to gain experience with new (and needed) technologies by funding an ongoing R&D effort
- Train existing IT staff in and/or hire new staff with Business Analysis skills
- Provide workshops on Effective Communication

▪ **Focus on *Organization***

- Articulate a vision for the Technology Program (in progress)
- Prioritize needs and then define immediate, mid-term, and long-term goals for the Technology Program
- Map proposed projects to Technology Program goals. Set realistic expectations: Support only those projects with a reasonable chance of successful completion within the defined time.
- Make “Incorporation of an enterprise view in daily work” a Core <Organization> Value
- Make “Be a leader” a Core <Organization> Value
- Acquire sufficient IT staff to successfully complete and maintain its projects

▪ **Focus on *Project Management***

- Identify <Organization> staff who have interest in a career in Project Management. Provide them with both formal training and on-the-job experience (e.g., have them work under PMO guidance or as deputy Project Manager to PMO staff).
- Ensure that novice project team participants receive appropriate training and coaching in the Project Management Methodology
- Require thorough project pre-planning before project funds are released
- Encourage a culture of continual improvement in Project Management skills. Use a Project Management Maturity Model as an indicator of organizational growth.
- Make “Managing Projects For Success” a Core <Organization> Value
- Develop in-house expertise in Testing / Quality Control, Quality Assurance, Business Analysis

- Apply the Project Management Methodology to all IT projects
- Manage risk proactively
- Use a formal Change Management process whenever scope is ill-defined or likely to change.

APPENDIX F : GLOSSARY OF TERMS, ACRONYMS, AND ABBREVIATIONS

Term	Definition
best practice	<p>According to the North Carolina IRMC’s <i>Approved Principles, Policies, and Standards</i>: Superior method or innovative practice that contributes to improved process performance, product quality, or business effectiveness. [http://irmc.state.nc.us]</p> <p>Another definition is: ... a technique or methodology that, through experience and research, has proven to lead reliably to a desired result. A commitment to using the best practices in any field is a commitment to using all the knowledge and technology at one’s disposal to ensure success. The term is used frequently in the fields of health care, government administration, the education system, project management, hardware and software product development, and elsewhere.</p> <p>In software development, a best practice is a well-defined method that contributes to a successful step in product development. Throughout the software industry, several best practices are widely followed. Some of the more commonly used are: an iterative development process, requirement management, quality control, and change control.</p> <p>An iterative (meaning repetitive) development process, which progresses in incremental stages, helps to maintain a focus on manageable tasks and ensures that earlier stages are successful before the later stages are attempted. Requirement management addresses the problem of creeping requirements, which is a situation in which the client requests additional changes to the product that are beyond the scope of what was originally planned. To guard against this common phenomenon, requirement management employs strategies such as documentation of requirements, sign-offs, and methodologies such as the use case. Quality control is a strategy that defines objective measures for assessing quality throughout the development process in terms of the product’s functionality, reliability, and performance. Change control is a strategy that seeks to closely monitor changes throughout the iterative process to ensure that records are intact for changes that have been made and that unacceptable changes are not undertaken.</p> <p>A best practice tends to spread throughout a field or industry after a success has been demonstrated. However, it is often noted that demonstrated best practices can be slow to spread, even within an organization. According to the American Productivity & Quality Center, the three main barriers to adoption of a best practice are a lack of knowledge about current best practices, a lack of motivation to make changes involved in their adoption, and a lack of knowledge and skills required to do so. [Reference B]</p>
CEO	Chief Executive Officer
CIO	Chief Information Officer
e.g.	for example
PMO	Project Management Office

Term	Definition
FAQ	Frequently Asked Questions
i.e.	that is; in other words
IT	<ul style="list-style-type: none"> ▪ Information Technology Department (<Organization>) ▪ Information technology <p>Generic term that includes equipment, hardware, computers, software, firmware, and related procedures, systems, ancillary technologies, technologies that cause content to be active in any way, documentation, services (including support services) and related resources. It includes subsystems, interconnections, and interconnected systems. <i>[Reference B]</i></p> <p>See also: <i>IT</i></p>
IT project	Any project that involves computer-based technology, requires IT Department resources and involves more than \$50k in expenditures.
PM	Project Management
PMO	Project Management Office
PMP	Project Management Professional
R&D	Research and Development
SMART	Specific, Measurable, Attainable, Results-oriented, Time-delimited
TBD	to be determined