

PROJECT MANAGEMENT OFFICE *PMO*

http://www.tutorialspoint.com/management_concepts/project_management_office.htm Copyright © tutorialspoint.com

Introduction

When organizations grow, they establish different entities for governing respective practices.

The Project Management Office *PMO* is the entity created for governing the processes, practices, tools and other activities related to project management in an organization.

This office *team* defines and maintains the standards for project management in the organization.

Usually, the management of the organization assigns a team of experts in the field of project management in order to run the project management office.

The organization looks for qualifications such as PMI certifications and extensive experience is managing large projects when selecting people for the project management office.

Building a Project Management Office

Due to the complexity of present projects, the project management function should be a matured and streamlined practice.

Therefore, organizations look for better ways of managing the projects in order to maximize the profit margins. For this, organizations look into process optimization, productivity enhancement and building their bottom-line.

Since there are many parameters involved in the project management function *such as people, technology, communication and resources*, governing the project management function by the senior management can be risky.

Therefore, a project management office is the ideal solution for building and maintaining the project management practice as a capable function of the organization.

Implementing a project management office is as same as any other organizational change project. Therefore, it is approached with a strong and rigid methodology with a lot of experience.

There are a number of key steps involved in building a project management office and PMBOK *Project Management Body of Knowledge* can be a great reference for this purpose.

Is It an Overhead?

Some traditional organizations view the project management office as an overhead. This is mainly due to the fact that the organization is small enough where there is no explicit need for a project management office.

In such organizations, the general management can govern project management practice. For the rest of the organizations where there are large projects, a project management office is a lot more than an overhead.

At present, the world economy is at a recession. Therefore, a lot of companies look at cutting costs in order to retain in the corporate environment.

Among the ways of doing this, cutting down staff and closing down departments have become two popular options. In such cases, project management office has become an easy victim, as it does not add any figure to the bottom-line of the company.

Therefore, it has become a challenge for the project management offices to justify their work to the upper management.

The Advantages of an PMO

Project management is one of the key functions of an organization. Therefore, refining the processes related to project management could add a lot of value to the organization's bottom-

line.

This is what exactly a successful project management office does.

Why Does PMO Fail?

Based on the historical statistics, only one-third of project management offices work and the rest do not work as expected.

This is one of the main concerns that senior management faces when deciding to build a project management office for an organization. The management is doubtful about the success of the project management office from the beginning.

One of the main reasons for project management office to fail is the lack of executive management support. In most cases, the executive management does not have enough knowledge on how to support and guide a project management office.

Secondly, incapability of the project management office causes failures. This is mainly due to the people and resources assigned to the project management office.

Conclusion

Project management office is one of the entities that will add value to large organizations in the long run. A project management office could be an overhead for smaller scale organizations and such establishment may end up as a failure.

A successful project management office can enhance the productivity of the project teams and cause a lot of cost savings. In addition to that, it can make the organization a more matured and capable entity.

Loading [MathJax]/jax/output/HTML-CSS/fonts/TeX/fontdata.js