

**Building  
Project  
Management  
Centers  
of Excellence**

**Dennis Bolles**

BUILDING PROJECT MANAGEMENT  
CENTERS OF EXCELLENCE



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CENTERS OF EXCELLENCE



Dennis Bolles, PMP

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To my wife, Mary, who has  
been encouraging and supportive  
for the past 36 years, in spite of the anxiety  
my many career changes have caused her.

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## PREFACE

In my book, *Winning in Business with Enterprise Project Management* (Amacom, NY, 1998), I gave the tongue-in-cheek title “Oh Give Me a Home” to the chapter about project offices. Here’s why I used that title. In my consulting and training experiences, I have observed that most organizations do not have a common reference point for project methodologies, tools, and training. They also lack an “ambassadorship” or spot for generating advocacy on the topic, similar to practices generally used for Total Quality programs popular in the 1980s.

*Building Project Management Centers of Excellence* presents a compelling argument for establishing such a “home” for project management at the highest levels within an organization. Dennis Bolles argues that this positioning is critical to the successful adoption of project management as an enterprise-wide business solution for achieving world-class status.

The author also points out that project offices may be found at different organizational levels and under varied names, including: CPMO (Corporate Project/Program Management Office), PMCoE (Project Management Center of Excellence), PMO (Project Management Office), PSO (Project Support Office), and PO (Project Office). The book focuses primarily on the PMCoE, based on the argument that it is primarily strategic in concept and is largely coincidental with the high-level CPMO view. The PMCoE’s focus is Strategic Forecast Planning and the establishment of corporate standards that include the use of common management methodologies, processes, tools, templates, education, training, and project management competency.

Dennis Bolles supports the concept that project management should permeate the whole organization, thus justifying the need to have a PMCoE at a high level to ensure that project policies receive enough prestige and visibility to be put into practice. This means that across-the-board buy-in is required for all types of projects, from classic capital project undertakings and IT ventures, to marketing, continuous improvement, annual operational targets, and organizational change. A well-positioned PMCoE can be the key to ensuring that all types of projects are carried out effectively, no matter what their nature may be.

*Building Project Management Centers of Excellent* is a significant contribution to the growing field of literature on how to best foster excellence in project management in organizations. Dennis Bolles's substantial professional background qualifies him to put forth his experiences and views on the subject. He adds a rich collection of samples, tables, templates, and figures that illustrate how to pursue excellence in project management through the implementation of a PMCoE. I am pleased to recommend this book for those project professionals and executives who want to improve the quality of projects in their organizations.

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Many of the ideas, concepts, and materials I have used in the development of this book come from collaborations and discussions of concepts with individuals throughout my career, and in many cases just from being allowed by my superiors the time to think about and create new project management concepts and approaches for delivering services, tools, and techniques. These are the people who have either inspired me the most or had a significant impact in other ways on my professional career: Gordon M. Buitendorp, Hugh Broersma, Steve Broersma, Bruce Jipping, Randy Bassin, Phil Nunn, James Stroop, Rex Bakker, Tom Start, John DeMaria, Larry Spoolstra, Dave Theriaul, Denis Couture, Larry Lacombe, Erro Gibbs, Dalton Weekly, Steve Neuendorf, Peter Rogers, William F. Bundy, Ric Byham, Elizabeth Mallory, Jim Teer, Tim Oglesby, Brendan O'Reilly, Kelly Talsma, Dr. Harold Kerzner, and Paul Campbell Dinsmore.

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S E C T I O N I



*Establishing the PMCoE*



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# CHAPTER 1

## *Introduction*

Today's global market companies, regardless of industry and size, are looking to improve their systems and processes to become more competitive. One way they are attempting to do this is by establishing project management as a core competency throughout the organization. By setting up standardized procedures within the company, they hope to learn from past mistakes, make processes more efficient, and develop people's skills and talents to work more effectively. This book is written for those organizations that are considering taking, or that have already taken, this first step, but are having difficulty gaining the level of acceptance necessary to achieve complete success. The list of organizations attempting to integrate project management disciplines and best practices into the way they manage their businesses is expanding daily; however, those who have *succeeded* in doing so is significantly smaller. The answer for many of these companies is positioning. By positioning we mean that the group charged with the implementation of project management and best practices is positioned in the uppermost levels of the firm. It is critical that all levels of workers and managers see that the executive level of the firm supports it without hesitation, publicly, and completely. Without support from the top, it won't get off the ground. Typically, the group charged with the responsibility to get the system up and running is called a Project Management Center of Excellence (PMCoE). Positioning is a critical aspect of establishing project management as a company's enterprise-wide core competency. It must first be viewed and treated as a key business function throughout the organization. It is the first critical step toward successfully institutionalizing project

management best practices as a core competency. The first step that is required to achieve the goal of establishing project management enterprise-wide is the creation of a PMCoE that has the authority and responsibility to get the job done.

This book provides examples that show how to implement project management disciplines and practices successfully. Establishing project management centers of excellence should not be viewed as a quick-fix solution, but rather as a long-term, foundation-building effort. It is not a trivial pursuit. Deciding to establish an effective PMCoE is the opening action. It requires significant changes in organizational structure and obliges people at all levels in the company to learn new concepts of managing by applying new methods to complete the work they do. Careful planning with the tenacity to stay on track and not lose sight of the end goal is essential.

In this book, we identify the structural changes required; how to effectively manage and distribute company resources; how to develop and distribute an effective project management methodology; how to identify education and training criteria, curriculum, and performance evaluation methods; how to ensure a project's readiness before work begins; and, finally, how to identify the growth levels the organization must progress through as it matures.

## The Driving Forces

Competing globally, increasing market share, reducing costs, and improving profits—all in the pursuit of producing better products and services faster through the use of high technology solutions—are just a few of the reasons why most organizations seek better ways to improve time-to-market, cost-to-market, and quality-to-market. The effective use of project management techniques is a critical element for achieving improvements in these areas. Some firms even view project management as a key weapon in their arsenal to increase customer satisfaction and beat the competition. Dr. Harold Kerzner, Executive Director for Project Management at

the International Institute for Learning, states the case well in this excerpt from the preface of his book, *In Search of Excellence in Project Management*:\*

*Project management is no longer viewed as a system internal to the organization. It is now viewed as a competitive weapon that brings quality and value added to the customer.*

Kerzner identifies twenty-seven companies that are considered world-class organizations that excel at using project management as a strategic management tool and that have either achieved some degree of excellence or are headed in the right direction to achieve excellence in the future.

The organization as a whole must recognize and adopt new attitudes that embrace project management best practices as the normal way of working. This enables them to bring the full power of this new competitive weapon to bear in the battle of continued business growth and, in many cases, ultimate survival in today's highly competitive global market.

PMCoEs are created for many different reasons; however, they typically share an origin that involves some degree of pain, which brings about a need to take action to relieve or eliminate the pain.

Changes often occur as a result of pain, which is caused by some circumstance—either internal or external—that is outside the control of the organization. Figure 1–1 shows a simple example of how changes typically come about. These circumstances may motivate organizations to establish a PMCoE. Some examples include:

- Losing market share due to increasing global competition
- Poor cost vs. profit ratios resulting in falling or stagnant stock values
- Competition with faster time-to-market
- Changing economic conditions that force downsizing
- Effective use of fewer resources caused by downsizing

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\*Harold Kerzner, *In Search of Excellence in Project Management* (New York: John Wiley & Sons, Inc., 1998).