

Evolution of Project Office

by T. R. Block

Project Management became a major approach to managing business and government undertakings in the 1990s. Although men and women have been carrying out projects for thousands of years, it is only today that project management has become a recognized management discipline.

Phenomenal Growth

The explosive growth of project management can be seen in several ways. For example, the Project Management Institute (PMI) had a membership that ranged from 6,000 to 8,000 for many years. Then in the mid 1990s, membership suddenly grew to more than 25,000. Similarly, in the 1980s, 50-60 people were certified annually as Project Management Professionals. By the mid 1990s, this figure climbed to 3,000 a year.

The newfound importance of project management was not lost on the management community. In his book *Liberation Management* (1983), Tom Peters identified mastery of project management as a key to survival and success in chaotic times. In 1995, two articles in *Fortune* identified project management as the career path of choice.

What is Project Management?

Project management is a management approach concerned with getting the job done on time, within budget, and according to specifications. The primary focus is on results. When professionals carry out projects, they direct their efforts to achieve clearly defined results say, building a bridge, developing a new database system, designing a training curriculum, writing advertising copy, or cleaning the garage. Infinite resources are not available to apply to projects. Project managers operate under the universal triple constraints of time, budget, and specifications. Time constraints can be brutal. To be competitive, organizations must do their jobs faster, faster, faster. It is not unusual for a project team to be asked to achieve a nine month job in seven months. Budget constraints demand that project teams do more with less. Constraints on specifications limit the range of discretionary action that project teams can employ in producing deliverables.

A collection of management tools has emerged to help project teams do their jobs. Schedules help teams handle time constraints. Project management makes heavy use of specific scheduling tools such as PERT/CPM networks, Gantt charts, and milestone charts. Managing budget constraints is made possible by means of another set of tools, such as Scurves, earned value analysis, and assorted cost estimating methodologies. Finally, the specification constraint is handled by needs/requirements definition techniques and well established change management procedures, such as configuration management.

One of the most distinguishing features of project management is that work is usually carried out by cross functional teams of borrowed resources. For example, on a software development project, software designers are borrowed from the design shop. When they have finished their work, they return to the design shop. Similarly, testing is carried out by borrowed resources coming from the testing shop, code writing by borrowed resources from the programming shop, and so on. This approach is called matrix management.

Work carried out under the project management approach radically differs from work executed in traditional functional organizations. In traditional organizations, professionals do their jobs in an environment in which job roles are readily defined and management control is rooted in chains of command.

A Solution to Modern Business Challenges

The project management approach is well suited to today's chaotic business environment, where nothing seems to be clear. This environment is characterized by such phenomena as downsizing,

outsourcing, inverted pyramids, reengineering, customer focus, worker empowerment, and the need for crossfunctional solutions to complex problems.

Project management's ascendance is closely tied to the new business environment. Consider, for example, some of the advantages of matrix management in today's chaotic world. Using borrowed resources enables organizations to use resources cost effectively. You borrow whom you need, employ their skills, and then send them back to their functional home when they are done. Matrix management also enables organizations to put together cross functional teams reflecting the multifunctional substantive needs associated with today's business solutions. A team can be assembled by recruiting someone from the sales department, someone from engineering, someone from finance, and so on. Finally, when implemented properly, matrix management enables employees to acquire broad experience of their organization's activities.

Before the 1940s, projects were implemented haphazardly. During World War II, the exigencies of the war forced governments to seek more systematic ways of carrying out projects. Project management emerged as a discipline in the 1950s, primarily in the construction and defense sectors of the economy. Today virtually all industries employ project management. Its most explosive growth is occurring in knowledge based industries such as information technology, telecommunications, finance, and pharmaceuticals.

The Project Office

As the practice of project management has grown, so has the demand for a systematic method of implementation. Organizations have acted quickly to acquire project scheduling software, send employees to project management training programs, and even establish project management academic degree programs. Companies can do something else to enhance their project management: establish project offices.

Defining a Project Office

The project office is staffed by project management professionals who serve their organization's project management needs. The duties and functions of project offices vary by organization, although in recent years differing roles have converged (see Figure 1). Project offices today carry out some or all of the following functions:

- Supply project management support to the project team. Project office personnel can make the lives of project team members easier by assuming administrative chores for project scheduling, report production and distribution, project management software operation, and maintenance of the "visibility room" and the project workbook.

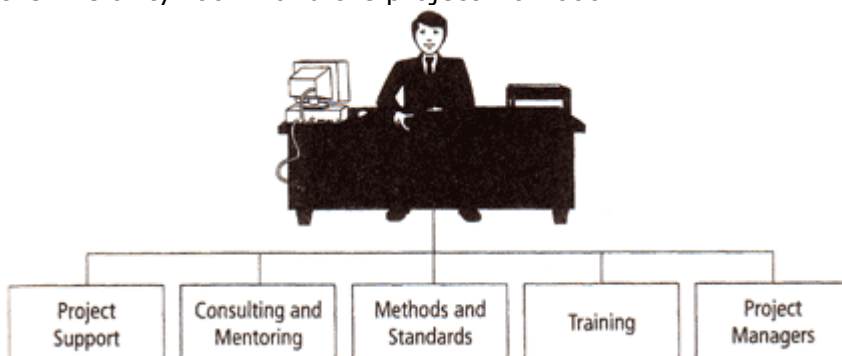


Figure 1. Project office -a full-service provider

- Providing the organization with project management consulting and mentor: As organizations move toward "projectizing" their efforts, they need to develop personnel who can serve as internal project management consultants, thereby providing the organization with the expert insights it needs to execute projects effectively. These consultants usually are housed within project offices.
- Developing and maintaining project management methodologies and studies for the organization. For organizations to carry out projects consistently, common methodologies and standards must be developed and promulgated. Project offices are well suited to do this.

- Providing project management training to the organization. Adopting project management approaches requires organizations to train employees in project management principles. Training material and instructors can originate in project offices.
- Providing the organization with managers who can run projects. Project offices can house professional project managers who can be assigned to carry out the organization's projects as they arise.

Each of these functions of the project office is treated in separate chapters later in this book.

The Need for a Project Office

If an organization carries out projects only occasionally, there is no need to develop systematic capabilities to engage in project efforts. In this case, establishing a project office would be analogous to killing mosquitoes with a shotgun. However, as an organization directs more of its energy toward implementing projects, an ad hoc approach to project management leads to inefficiencies and can even be dangerous. With more projects, the need for a project office becomes more compelling.

When a project office is established, the organization can develop a consistent approach to implementing projects. Beyond this, if the project office is configured to serve the whole organization, it can play an important role in integrating organization spanning, cross functional activities. It can also nurture project management professionalism. Employees engaged in project work are more likely to achieve and maintain the highest level of insights on and attitudes toward project management.

Today's project offices have antecedents in the project offices of the defense and construction industries, which have always been project focused and organized to centralize project management activities in a single place. However, these traditional project offices were different from those we see emerging today. They generally served the needs of a single, large, complex project. For example, if a project to build a fighter aircraft was initiated, a project office (often called a program office) would be established. In the civilian sector, a project to build a coal-fired power plant would be run through a project office established specifically to serve the project's needs (see Figure 2. Progressive benefits of a project office).

Global Recognition
Profitability Improvement
Productive Project Teams
Organizational Improvement
Culture Shift to Project Management
Staff Professionalism in Project Management
Predictable, Reusable PM Tools and Techniques

Figure 2. Progressive benefits of a project office

In contrast to this traditional approach, today's emerging project offices serve the broader project management needs of the organization. They are not set up to handle a specific project, but rather to serve multiple projects and the organization overall.

We help You to implement Your own **Project Office**.

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