

Simon Harris on aspects of PM . . .

# A view on the role of the PMO

**P**roject and Programme Management Offices are being trendily re-badged. They are often now called Centres of Excellence (CoE), perhaps in an attempt to evade budget pressures from those who ask: 'So what do these people actually contribute other than red-tap and cost?'

## Contradiction

There is a contradiction at the heart of many PMOs. Who is the master of an office for management of projects or programmes? There is a choice of at least two who have different concerns.

I have run several large PMOs over the years, during which time I've seen that I had to choose whose confidences I was going to respect absolutely. The basic choice is:

- *The PMO is the extended oversight arm of the executive. The PMO charter aligns to 'tell us what is really going on'.*
- *The PMO is the project manager's support service. The PMO charter aligns to 'provide services, expert council and wise opinion, remain impartial and respect 'client confidentiality''*

It is not possible to do a decent job of either if both are assigned to the same staff simultaneously. It is a failing of the delegating management if they attempt the assignment of both, and a failing of the PMO if they accept both (without strong representation as to why it isn't sensible).

## What Is Governance ?

Any discussion of project and programme offices is a discussion rooted in concepts of Corporate Governance. Is not a 'Centre of Excellence' a grand (but poor title) for what is really 'The Office of Assistance to the Governors'?

Governors are those who are accountable for governance. But what is that? Terms like governance are often used casually without thought to what they really mean.

In 1992 The Cadbury Report suggested the following:

- '2.5 Corporate governance is the system by which companies are directed and controlled. Boards of directors. . . responsibilities . . . include setting the company's strategic aims, providing the leadership to put them into effect, supervising the management of the business . . . subject to laws, regulations and the shareholders . . .'

In 2000, Sir Adrian Cadbury said at the World Bank's Global Corporate Governance Forum:

- 'Corporate Governance is concerned with holding the balance between

economic and social goals and between individual and communal goals. The corporate governance framework is there to encourage the efficient use of resources and equally to require accountability for the stewardship of those resources. The aim is to align as nearly as possible the interests of individuals, corporations and society'.

The Committee of Sponsoring Organizations of the Treadway Commission, otherwise known in Governance circles as COSO, give us the following:

- Internal control is a process, effected by an entity's board of directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:
  - Effectiveness and efficiency of operations
  - Reliability of financial reporting
  - Compliance with applicable laws and regulations

## Observations

Perhaps I might reasonably make the following observations upon which to base further discussion of the role of a Centre of Excellence.

### Governance (Excellence) is:

It's a means to an end, not an end in itself  
Implemented by people. It's not merely policy manuals and forms, but people at every level of an organization performing their duties and receiving their linked rewards

It is only a reasonable assurance, not an absolute assurance, to an entity's management, board and ultimately shareholders whose equity is always, ultimately at risk.

## Two thoughts and a conclusion

I suggest two thoughts and a conclusion. The role of the CoE is to take responsibility to provide the accountable with the information needed to balance equity risk with return on equity (not just for shareholders but all stakeholders such as employees, tax payers and customers too).

The role of the CoE is a business-as-usual, continuing obligation

It is not the CoE's 'problem' to find itself a justifiable role, but the role of those with fiduciary duty of care over equity (human, social, staff, financial etc) to define the support they need to enact the continuous provision of Governance.

The PMO can then be reinstated as what it was and should be 'The Project (manager's) SUPPORT Office (PSO)'.

## Five drivers

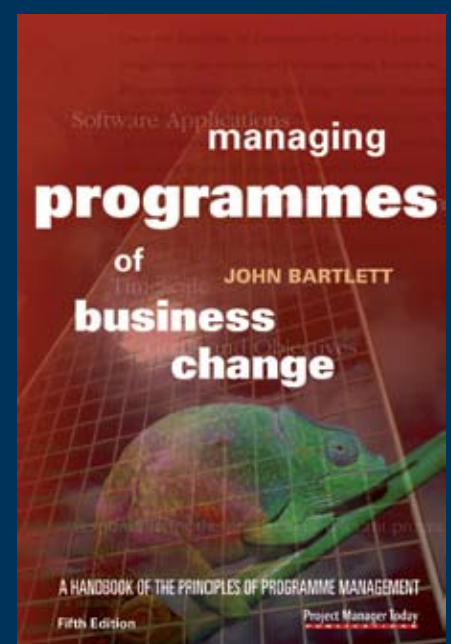
- Strategic alignment of IT with the business
- Value delivery of / from IT
- Management of IT risks
- IT resource management
- Performance measurement of IT
- Measurement is a major CobiT focus area

## About the Author

Simon Harris, PMP, CGEIT is a trainer, speaker and consultant on governance of change via project planning, tracking and control competencies. Simon's approach is to de-mystify project management. PM's place is as a normal part of any manager's abilities (like driving a car). Simon provides the PM specialists with industrial strength tools and insights into 'common sense' approaches to project management. See more at [www.Logicalmodel.net](http://www.Logicalmodel.net). Simon can be contacted via 0845 2 57 57 07 or [Simon@LogicalModel.Net](mailto:Simon@LogicalModel.Net)



**Fifth edition available next month**



[www.pmtoday.co.uk](http://www.pmtoday.co.uk)