

Project Management Is A Business Function

DLB Associates, LLC - Dennis Bolles, PMP

Project management has the greatest impact on a customer's recognition of an organization as a world-in-class leader in time-to-market, cost-to-market, and quality-to-market within in their respective list of suppliers. Meeting and exceeding customer expectations by completing projects successfully on a consistent basis is the basis for receiving excellence awards from most customers. This is the goal of every successful organization. If projects are an integral part of the business, it stands to reason that there should be a clear understanding of what is and isn't a project, and what is required to complete them to the customer's satisfaction.

Organizations that sell products or services should recognize that their business livelihood is dependent upon completing projects that directly affects their bottom line. They also should realize that completing projects successfully on a consistent basis requires the application of specific knowledge, skills, tools, and techniques.

If executives and functional managers recognize that managing projects has a significant impact on an organization's bottom line and the ability to successfully manage projects is dependent upon the proper application of specific knowledge, skill, tools, and techniques. Doesn't it make sense that such an important business function be established at the executive management level of the organization? How else can a company ensure that projects are managed successfully across the organization, and that strategic mission critical projects are given the best opportunity to succeed from the very start?

Positioning of the project management function in a hierarchical organization structure establishes the degree of authority, acceptance, adoption, and autonomy and thus "ownership" of the responsibility for establishing, distributing, supporting, and managing the application of project management best practices within the company as shown in Figure 1.1.2.

Project Management Organization Reporting Structure

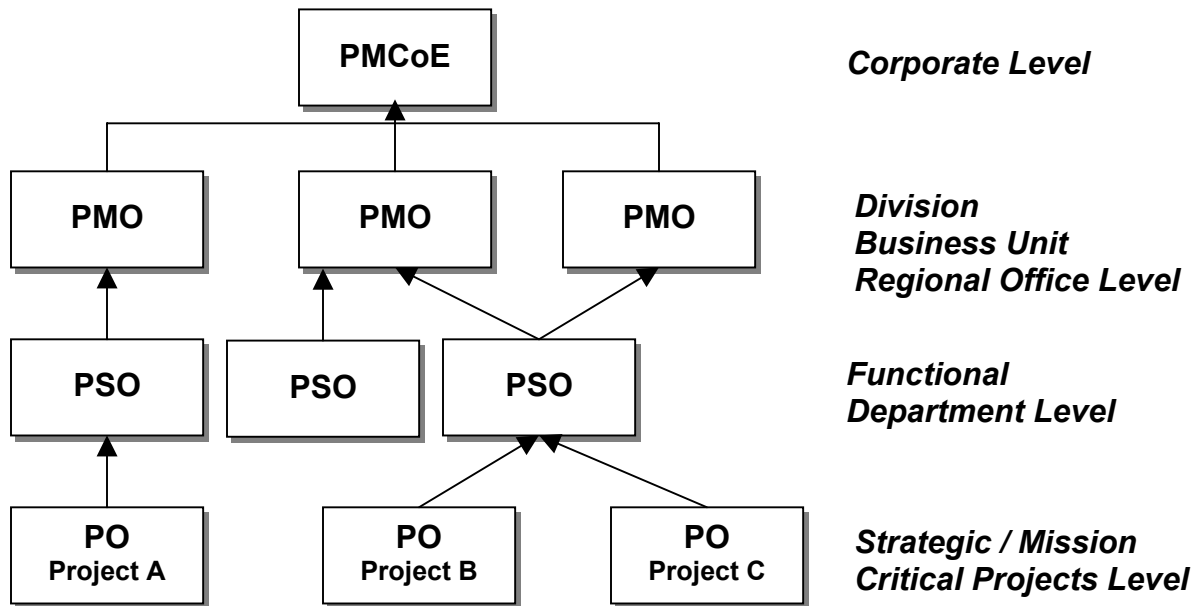


Figure 1.1.2

Enterprise-wide adoption of project management best practices calls for single ownership of the function. Establishing common practices across an organization at all levels is very difficult, if not impossible, without a sole ownership being clearly established. Ownership must be recognized as an independent business function at the highest level of the organization to enable the authority, acceptance, adoption, and autonomy that is required to establish, monitor, and control the distribution of the disciplines required to achieve enterprise-wide project management best practice capabilities.

Establishing the PMCoE organization structure is a significant undertaking and it will meet with resistance at various levels of the organizations for many different reasons. One of the major reasons is the most obvious, but is seldom given sufficient consideration. People generally resist changes in life because they do not understand why the changes are necessary or how the changes will impact them. The typical reaction is “Don’t rock the boat!” Most prefer the status quo to doing something new, especially when it involves how they perform their work. Department managers sometimes referred to, as “the frozen middle” will resist organizational changes, because they may lose their most valued employees, their project managers, if they are moved into a PMCoE/PMO/PSO as part of the restructuring process, and people = power in most companies. Communicating the benefits for establishing project management as a business function to all levels of the organization is a critical step in making it happen.

Dennis Bolles, president of DLB Associates, LLC, is a certified Project Management Professional (PMP®) with nearly 25 years experience in increasing professional performance levels within many organizations. He excels in developing multi-functional teams to improve business workflow processes utilizing Six Sigma and other methods to achieve “world-class” capabilities in meeting the needs of internal and external customers. He is a published author of many project management articles, and a book entitled Building Project Management Centers of Excellence, (ISBN 0-8144-0717-X), released by Amacom in June 2002. For additional information visit the DLB Associates, LLC web site at www.dlballc.com or contact the author by email at dbolles@dlballc.com.