

# The Role of a Program Management Office in Project Portfolio Success

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# Abstract

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In this paper, author Greg Williams, Vice President at Cumming, discusses the complexities inherent in a large capital program, and describes the value and benefits of utilizing a Program Management Office to manage and navigate those complexities. A well-run PMO — one that is thoughtfully implemented, utilizes key best practices, and both connects and empowers individual team members — is adaptable, dependable, and can greatly enhance the likelihood of program success.

# Introduction

Organizations with a portfolio of capital projects often rely on project management consultancies to ensure the successful delivery of the projects their businesses demand. Naturally, project managers are on the front lines of these efforts and lean into their experience leading projects to help secure successful outcomes. Individual project managers, however, can find themselves struggling to connect the dots and keep projects moving forward in organizations that require coordination with various departments/divisions, business groups/customers, and other contracted vendor partners. What's more, as portfolios grow in volume, complexity, and/or geographic spread, the project management team will also grow; if not properly managed, this can lead to the program becoming reliant on a style of leadership and collaboration that is akin to the game of "Telephone," where knowledge is passed from project manager to project manager. Those familiar with the "Telephone" game know how this usually ends.

Instituting a Program Management Office (PMO) is a proven way for organizations to address or, better yet, avoid having these circumstances become complications, allowing each individual project manager to consistently deliver an efficient and quality product.

When implemented properly, PMOs are the connective tissue that allows teams to perform at their best. The PMO connects project delivery teams through carefully curated and well-maintained sources of truth, toolkits, and dedicated subject

matter experts. Together, these elements provide clarity to all divisions and stakeholders within a program, and help connect teams and clients to the health of their project portfolio through a series of standardized processes, ongoing education, customized dashboards, regular and accurate reports, and insightful business reviews.

The PMO model offers unambiguous value to the client, who benefits through more efficient project delivery approaches; the reduction of unnecessary risk, which often leads directly to cost savings; and an enhanced ability to make decisions backed by hard data.

Still, PMOs are not a magic solution. To succeed, they must be built on a foundation of adaptability, dependability, and best practices, as discussed in more detail below.

## 1. Adaptability

PMOs are not one-size-fits-all and must be tailored to meet the needs of each organization. When the decision to create a PMO is made, it is a good idea to work backwards from a clear set of goals and objectives. This helps define what success will look like for the PMO and allow the PMO Lead to optimize the team's composition accordingly. Once the PMO



is in place and empowered, its ability to quickly respond and pivot as organizations grow, reorganize, and change their priorities is critical. PMOs built on a rigid set of prescriptive and preconceived platforms will not successfully navigate periods of change. PMOs must strike a delicate balance of being cross-functional with a keen understanding of the nuance and complexities of the program, while at the same time making sure to insulate the larger team from those complexities that do not affect them. Without this balance, even the smallest change can become a nightmare to manage.

With regard to a team's composition, it's important that PMOs are not constructed solely of specialists. Balancing a team of subject matter experts (SME) with individuals of broader and more varied experience allows teams to widen their lens and respond more quickly and thoroughly when new requests for assistance arise.

## 2. Dependability

There are a variety of factors that contribute to earning an individual's or team's confidence and trust. Irrespective of a particular circumstance, dependability is a hallmark in achieving this type of relationship. Organizations depend on project managers to consistently deliver a quality product that is on scope, on time, and within budget. In turn, project managers depend on clear and stable operational policies, procedures, and guidance. Increasingly, however, the only constant is change and it is the job of the PMO to balance these countering forces and minimize disruption to the organization and project managers.

The best framework for achieving dependable operations is a centralized and accessible source of truth for process and policy, which is then supported and reinforced through regular training and strong, consistent governance. Underpinning this framework is seamless change management, which ensures that the most up-to-date information is always available. As programs grow, diversify, or expand into new markets, scaling without a reliable model in place compromises efficiency, increases risk, and damages the client experience as new team members are forced to pave their own way.

Dependability is also paramount in account operations and management, namely in keeping clients and/or sponsors apprised of the health of their individual projects and overall program. PMOs, therefore, are often enlisted to develop and deliver a variety of reports on workload, performance metrics, budgets, risks, and more, as well as to provide the context and data needed for more comprehensive business reviews. To this end, PMOs are also charged with maintaining the integrity of reported data through routine trainings and audits.

The backbone for account operations is annual planning and the construction of the program's rhythm of business, captured in a master plan that maps out all deliverables along with their associated cadence and work-backs.

## 3. Best Practices

Being adaptable does not mean starting from scratch. PMOs must leverage previous experience, lessons learned, industry trends, and their broader team's expertise in order to quickly begin providing value to the organization and teams that they support.

Often referred to as best practices, these elements come in many forms, including templates, philosophies, software programs, controls, and more. Best practices are most effective when they can be molded to fit into existing applications or stood up as new additions.

Typically, PMOs can draw from as many as 25 best practices, from across a wide range of industries and methodologies. Below is a sample of best practice offerings:

- **Project Management Guides and Toolkit** — Develop an easily accessible and comprehensive resource for all processes, tools, and templates, including well-defined roles and responsibilities across all stakeholders. Organizations will benefit by having this structure in place early. As mentioned throughout, it drives consistency and scalability; however, it also serves as the business requirement template when implementing another best practice: project management software (see below).
- **Project Management Software** — Select and implement project management software that offers organizations efficiencies in project planning, task management, data management, reporting, communication, and policy governance.
- **Project Controls** — When an organization requests additional due diligence and rigor to tighten up costs or schedules, PMOs can provide project controls tools — along with SMEs who know how to use them — to keep projects from experiencing cost overruns and schedule delays.
- **Rhythm of Business** — Create a master plan that identifies account/program operations deliverables and establishes associated cadences for reporting, reviewing, and maintaining the overall success of the program.
- **Contractor/Supplier Delivery Process & Selection** — Whether an organization is working on a single project or a portfolio of projects, PMOs can offer programming consultation to ensure the best value is achieved. This starts with selecting the best delivery method (e.g., GMP, design-build, integrated project delivery), followed by rigorously reviewing qualifications and proposals and, as necessary, taking part in negotiations to source the appropriate contractor and suppliers for the job. For project portfolios, this could include a select set of preferred contractors and suppliers to balance resourcing across the portfolio.
- **Continuous Improvement** — PMOs should always be looking for opportunities to streamline existing processes, bridge gaps, or build upon successes by leading ongoing improvement initiatives.

## Roles + Responsibilities of a PMO

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In addition to the roles and responsibilities that would be associated with the best practices previously mentioned, other areas of focus for PMOs include:

- **Cross-functional partnerships** — Build relationships that remove obstacles and streamline processes with any business unit or division that relates to and/or is the source of project dependencies. This includes, but is not limited to, strategic/occupancy planning, legal, procurement, security, finance, accounts payable, IT, and EHS, as well as other vendor partners.
- **Governance** — Provide programmatic oversight to operations to ensure adherence to policies and procedures. This can be accomplished by establishing and auditing project standards and approval gates that guarantee compliance, lower risk, and create value.
- **Change Management** — Work with all stakeholders to deploy new or altered tools, policies, and processes by demonstrating the need or value associated with the change. This will lead users to adopt and evangelize, rather than simply comply.
- **Training** — Provide all new team members with a robust onboarding process, followed by an extended training program that partners them with experienced colleagues. Additionally, providing periodic refresher training sessions will help maintain a high level of quality and client satisfaction.
- **Project Intake** — For large portfolios, having a single point of contact for project request vetting and assignment provides requesters, approvers, stakeholders, and project managers with aligned expectations and a consistent experience.
- **Capital Planning** — Facilitate the strategic conversation and support the consolidation of capital improvement projects for the development of a capital budget and delivery schedule in alignment with operational business and growth objectives.
- **Reporting and Analysis** — Create easily digestible reports that provide insights and help drive business decisions.

## Conclusion

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Organizations need strong individual project managers to bring projects to life. When working as part of a team dedicated to delivering a complex and growing capital program, however, even the most experienced project managers can fail when the operational foundation of the program is lacking. Program Management Offices (PMOs) build the foundations on which programs succeed. By implementing best practices, being adaptable to varying and changing needs, and establishing a sense of dependability and trust, successful PMOs create an environment that allow individual project managers to focus on the scope, schedule, budget, and quality of their projects by minimizing the externalities that are often associated with capital programs. All too often, the realization that a PMO is needed occurs after continued or significant loss of time, money, or both. Early PMO consultation, even if the initial engagement is temporary, will greatly enhance the long-term success an organization's capital plan.



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Greg is a Vice President at Cumming, where he leads a large PMO team overseeing a nationwide construction program for one of the most recognizable companies in the world. Greg has a bachelor's degree in mechanical engineering, a certificate in construction management, and an MBA, with diverse work experience that spans project management, business management, and engineering.