
ENTERPRISE PROJECT MANAGEMENT OFFICE (EPMO) CHARTER

for

<Your Organization Name>

*PUT YOUR LOGO
HERE*

Accepted by <Executive Body> <Date>

Revision x.x

<Date>

DOCUMENT HISTORY

Document Revision/Release Status

<i>Revision</i>	<i>Date</i>	<i>Description of Changes</i>	<i>Author / Editor</i>
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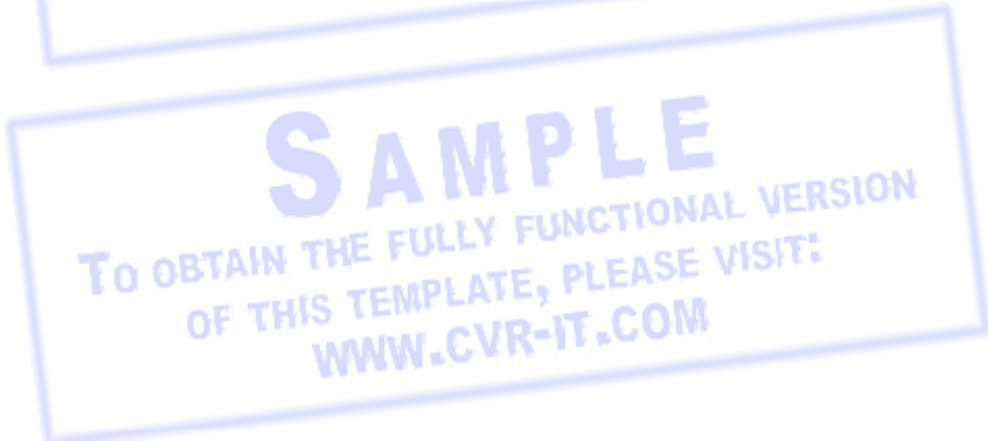
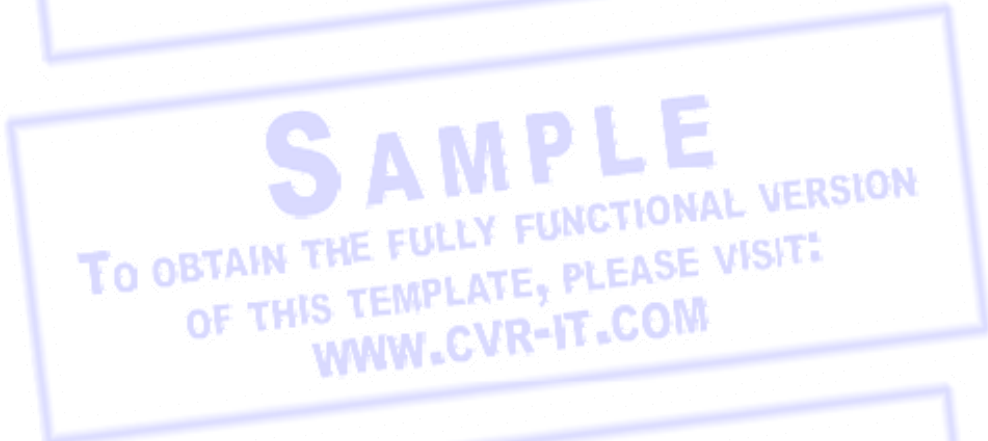
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¹ All area codes <xxx> throughout this document unless noted otherwise.

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[This Charter is for an organization that is creating an Enterprise Project Management Office with special focus on Information Technology. It is made generic so that you can easily make use of those portions of the text that apply to your PMO. See the companion document to this one, "EPMO_Charter_Template_Instructions" for details on how to develop a complete PMO Charter.]

Do the following:

- Search and Replace "<Organization>" with the name of your organization
- Search and Replace "<Executive Body>" with the name of the group who authorized (or will authorize) creation of the EPMO
- Search and Replace "<Name of EPMO Sponsor>" with the name of the office that will sponsor the EPMO
- Search and Replace "<Name of EPMO Supervisor>" with the office of the person who will supervise the EPMO
- Watch for other items in <angle brackets> where you will need to substitute text appropriate to your organization
- As you complete each section, delete the instructional text (in italics and surrounded by [brackets])

]

EXECUTIVE SUMMARY

The <Organization>² Enterprise Project Management Office (EPMO) is a service organization created for the specific purpose of supporting <Organization>'s Information Technology (IT) Program.

The mission of the EPMO is two-fold:

- *Guide key IT projects to a successful conclusion*
- *Create a foundation for consistent IT project success throughout the organization. Do this through development of a strong and pervasive Project Management (PM) discipline within the organization's project teams.*

In support of that mission, the EPMO has four primary objectives:

Deliver successful IT projects ...	→	Provide Project Management services and oversight for select IT projects.
Build Project Management professionalism among <Organization> staff ...	→	Mentor, train, and guide the organization's project teams as they learn and then adopt PM best practices in their projects.
Keep <Organization>'s Management Team and Project Management community informed ...	→	Provide a variety of regular updates ranging from monthly status of enterprise projects to an annual report on the organization's progress at institutionalizing Project Management.
Serve as <Organization>'s authority on IT Project Management practice ...	→	Set the standard, provide the tools (e.g. Risk Evaluation tool, templates) and then be the resident advocate and model for good Project Management practice.

Through sponsorship by the <Name of EPMO Sponsor> and supervision by the <Name of EPMO Supervisor>, the EPMO gains:

- *Authority* it needs to promote <Organization>-wide organizational change effectively
- *Independence* that can sustain objectivity

² Hereinafter referred to as <Put short Name (e.g. acronym) Here>

-
- *Oversight* that can keep its work aligned with the organization's business strategy
 - *Legitimacy* as it fosters an effective, enterprise approach.

The EPMO has three sources of staff:

- Direct appointment of existing or new <Organization> staff into the EPMO
- Temporary assignments from other departments (report to EPMO via dotted line)
- Contracted staff (as needed to provide expertise or staffing not available within <Organization>).

The EPMO operates under this guiding principle:

The success of the EPMO is derived exclusively from the success of its customers.

Note: See Frequently Asked Questions in **Appendix A** and Glossary in **Appendix H** for definition of terms and concepts used in this document.

INTRODUCTION

<Organization>, through its <Executive Body>, has authorized the creation of an Enterprise Project Management Office. The purpose of this charter is to establish agreement on key aspects of the EPMO in advance of its implementation.

This charter is, in effect, the organizational mandate for the EPMO to exist. This document defines the purpose, vision, mission and functions of the EPMO. It states who the EPMO's sponsors and primary stakeholders are, the services that it offers and the staffing and support structures required to deliver those services.

This charter is not the project plan for implementing the EPMO, but instead a statement of what the EPMO will do once it is fully implemented.

EPMO JUSTIFICATION

Establishment of the EPMO arose out of the perception that the organization's enterprise technology projects were not adequately meeting the needs of those for whom they were undertaken. The observable problems with these projects include missed delivery dates, cost overruns, incomplete deliveries and dissatisfied customers. <Organization>'s Management Team is aware of a wide variety of possible causes for these difficulties.

<Organization>'s purpose in establishing the EPMO is to provide a means for eliminating those problems that have arisen due to inadequate or poorly applied Project Management practice. Note, however, that establishment of an EPMO also carries the possibility of additional benefits as listed in *Appendices B and C*.

EPMO VISION

Successful IT Projects. Every Time.

Project teams and Project Managers are encouraged to be creative, adopt new approaches, expand their skill set and take appropriate levels of risk in their pursuit of this Vision. (See section below on "EPMO as a Learning Organization".)

PROJECT SUCCESS (A DEFINITION)

Based on input from <Organization>'s executive management, the EPMO considers a project to be a complete success when the following are true:

- Pre-defined Business Objectives and Project Goals were achieved or exceeded (i.e., the project satisfied the need that created it)

-
- A high-quality product is fully implemented and utilized
 - Project delivery met or beat schedule and budget targets
 - There are multiple winners:
 - Project participants have pride of ownership and feel good about their work
 - The customer is happy
 - Management has met its goals.
 - Project results helped build a good reputation
 - Methods are in place for continual monitoring and evaluation.

EPMO MISSION

Provide a solid foundation for <Organization>'s Information Technology Program by creating an environment of Project Management professionalism where:

- **Project success is the norm**
- **Project teams are proud of their work**
- **Internal customers reap the benefit of a carefully planned investment**
- **External customers win through improved service or lower cost.**

The EPMO operates under this guiding principle:

The success of the EPMO is derived exclusively from the success of its customers.

EPMO Goals

For each Goal, the EPMO will develop one or more SMART³ targets against which to evaluate performance. Performance can be reviewed quarterly. Targets can be renewed annually. The <list all key players> should agree upon the validity and usefulness of all targets. Primary EPMO Goals are:

³ SMART = Specific, Measurable, Attainable, Results-oriented, Time-delimited

- **Deliver successful IT projects**
- **Build Project Management professionalism among <Organization> staff**
- **Keep <Organization>'s Management Team and Project Management community informed**
- **Serve as the <Organization>'s authority on IT Project Management practice**

Listed below is the specific work that the EPMO will perform in order to meet its Goals.

Note: *This list is not exhaustive. EPMO implementation may involve introduction of this work in a phased manner.*

1. DELIVER SUCCESSFUL IT PROJECTS

The EPMO collaborates with IT and <list other key players> to manage the IT Projects portfolio:

- As part of a management team that includes <list members>, assist in development and articulation of <Organization>'s technology strategy
- Work with <list players> to make the IT project-selection process successful
- Maintain and publish a master IT projects schedule
- Assist IT and <list players> with project resource management
- Warn <NAME OF EXECUTIVE BODY> of IT projects at risk and provide recommendations
- Perform capacity planning with IT and <list players> so that <Organization> makes optimal use of its resources.

The EPMO manages all Enterprise IT projects either directly or indirectly (per definitions that follow) and is accountable for successful project delivery.

- The EPMO *directly* manages other IT projects on request:
 - Sponsors make their requests to the EPMO. EPMO, IT, and <list other groups> collaborate to decide where EPMO resources should be allocated
 - EPMO provides Project Management services for the project
 - EPMO is accountable for successful project delivery
 - EPMO deals directly with the Sponsor
 - EPMO enforces its Project Management standards in these projects.
- The EPMO *indirectly* manages other IT projects on request:
 - Sponsors make their requests to the EPMO. EPMO, IT, and <list other groups> collaborate to decide where EPMO resources should be allocated
 - Department provides the Project Manager for the project

-
- Project Manager reports on dotted line to EPMO for duration of project. EPMO provides guidance to the Project Manager but under normal circumstances would not provide direct Project Management services.
 - EPMO is accountable for successful project delivery
 - EPMO deals directly with the Sponsor and Project Manager
 - EPMO enforces its Project Management standards in these projects.

In addition, the EPMO <list additional services here>:

- Performs quality audits on request
- Performs risk audits on request
- Provides Business Analysis services (e.g., Requirements Analysis, Joint Application - Development sessions) on request.

Note: *The EPMO encourages the use of its published Project Management standards and best practices in all IT projects. However, the EPMO only enforces its published Project Management standard in those projects for which it is accountable for successful project delivery.*

2. BUILD PROJECT MANAGEMENT PROFESSIONALISM AMONG <ORGANIZATION> STAFF

- Mentor⁴ EPMO project teams (and other project teams by request)
- Assist project teams in all phases of their projects from project definition to rollout
- Train⁵ <Organization> Project Managers in a full range of Project Management topics
- Create and maintain a Project Management Core Team composed of <Organization> staff who work as Project Managers on IT projects. Work with this team as a means of building and sharing Project Management expertise.

⁴ Mentor in such areas as:

- RFP Development
- Vendor Management
- Risk Assessment
- Issue Management
- Team Development
- Organizational Change Management

⁵ Training venues can include:

- Formal Project Management classes
- In-service training electives (sponsored through Personnel and designed for each department)
- Special seminars and workshops
- Supervise fundamental Project Management training provided by a third party

- Work with <Organization> in development of a Project Management Career Track
- Recognize excellence in Project Management in accordance with a focused Reward and Recognition Program.
- Serve as honest broker on all issues brought forward to the EPMO by Project Managers.
- Participate in the performance reviews of Project Managers who report to EPMO on dotted line
- Provide training to all levels of <Organization> management so that supervisors, middle managers and executives each understand their role in making projects a success

3. KEEP <ORGANIZATION>'S MANAGEMENT TEAM AND PROJECT MANAGEMENT COMMUNITY INFORMED

- Report to <NAME OF EXECUTIVE BODY> on:
 - Enterprise projects – *monthly*
 - Other projects – *quarterly*
 - Special projects – *only upon request*
 - Metrics that measure EPMO effectiveness – *annually*
 - The progression of the organization along the steps in the Organizational Project Management Maturity Model (OPM3)⁶, including an assessment near the start of EPMO operations – *annually*
 - Issues and opportunities – *as they arise*.
- Maintain and publish a “Lessons Learned” database
- Maintain the EPMO Web site
- Serve as the “technology-to-English translator” for the <NAME OF EXECUTIVE BODY>.

4. SERVE AS <ORGANIZATION>'S AUTHORITY ON IT PROJECT MANAGEMENT PRACTICE

- Set the IT Project Management standard
 - EPMO works with an advisory group of <Organization> Project Managers to update and maintain this standard
 - Standards are posted on the EPMO Web site
- Be the resident advocate for good Project Management practice in the organization.
- Select Project Management tools for organization-wide use
- Serve as the official source of project templates and other project aids.

⁶ See Appendix D

CRITICAL SUCCESS FACTORS

The following may be considered necessary steps <Organization> can take that help ensure EPMO success:

- Implement a Rewards and Recognition Program that specifically supports the Project Management process
- <Organization>'s Management Team provides the EPMO with unanimous, visible, and vocal support
- Introduce EPMO functions in a phased manner. Do not try to do it all at once.
- The organization's Management Team supports the process of Organizational Change. Managers recognize that some groups and individuals will embrace the change in Project Management practice better than others

A list of additional Success Factors is provided in **Appendix E**. The EPMO will be more successful in the long-term if these factors can be achieved.

In addition, **Appendix F** presents numerous steps <Organization> can take in conjunction with establishment of an EPMO in order to hasten and enhance benefits from the EPMO.

EPMO METRICS

Metrics should measure those aspects of EPMO performance that are directly related to its Mission. On that basis, the following areas of focus can be used to judge EPMO value:

- Are the organization's IT projects more successful over time?
- Is there evidence that <Organization> staff are taking a more professional approach toward management of the organization's IT projects?
- Are the attitudes of <Organization> staff regarding IT project work improving?
- Are the products of the organization's IT projects meeting their business objectives?
- Is the <Organization> progressing along the OPM3 scale?

The EPMO staff will develop⁷ or acquire appropriate instrument(s) with which to obtain objective measurements. The EPMO Sponsor will approve the instrument(s) before they are used. Examples:

- Improvement in project success over time can be measured through decreases in schedule and budget variances or the tone of customer comments

⁷ For example, using the "Goal-Question-Measure" technique.

- Project Management approach can be measured by quality and timeliness of project planning documents, accuracy of time and cost estimates, and effectiveness at managing risk
- Staff attitudes can be measured through use of a short survey.

A team composed of staff from the EPMO, <list other sources> can perform the assessment.

EPMO STAFFING

Once fully implemented, the EPMO has the following permanent staff:

- Director (PMP⁸)
- 1 Project Manager (PMP)
- 1 Project Expeditor
- <list other staff>

During its first year, the EPMO has one planned contracted staff member. Other contract staff may be added as required.

- 1 Business Analyst (1 year; second year optional)
 - Performs requirements analysis, joint application design
 - Assist business departments with project documentation and in preparing and editing RFPs and contracts
 - Mentors <Organization> staff in analysis techniques and requirements management
 - Provides training in ROI analysis; assists with Rational Unified Process implementation
- <list other contracted staff>

The EPMO also can have temporary staff in the form of departmental Project Managers who report via matrix on a dotted line to the EPMO Director or to an EPMO Project Manager. This can occur when a department:

- Supplies the Project Manager but requests that the EPMO indirectly manage the project
- Requests this arrangement as a means of mentoring their Project Manager.

⁸ Project Management Professional

The EPMO maintains an office:

- For its own staff
- For temporary staff (e.g., department project managers on temporary assignment)
- Where Project Management library materials are kept
- Where <Organization> Project Managers and project teams can meet to strategize or work out project issues.

EPMO SPONSOR

The EPMO project is sponsored by the <Position of Sponsor>.

EPMO ORGANIZATIONAL STRUCTURE⁹

EPMO reports to the <Name of Position>. Through alignment with the <Name of Position>'s office the EPMO gains:

- *Authority* it needs to promote <Organization>-wide organizational change effectively
- *Independence* that can sustain objectivity
- *Oversight* that can keep its work aligned with the <Organization>'s business strategy
- *Legitimacy* as it fosters an effective, enterprise approach.

Initially, all EPMO staff report to the Director, EPMO.

⁹ See *Appendix G*

EPMO STAKEHOLDERS¹⁰

The EPMO regards the following as primary stakeholders:

Stakeholder	Relationship with EPMO	Expectations of EPMO
<ul style="list-style-type: none"> <Position of Sponsor> 	Sponsor	Sponsor provides the EPMO guidance on EPMO business objectives and supports the EPMO's efforts to achieve them
<ul style="list-style-type: none"> <Name of Position> 	EPMO reports to the <Name of Position>	<Name of Position> supervises the EPMO director
<ul style="list-style-type: none"> Director of IT 	Collaborative partner	The Director of IT looks to the EPMO as a source of expertise and support in all matters related to management and successful delivery of IT projects.
<ul style="list-style-type: none"> IT Department staff 	Customer	The EPMO supports the IT Department in its mission to deliver successful IT projects
<ul style="list-style-type: none"> Department Heads <List other executives> 	Customer	As <NAME OF EXECUTIVE BODY> members, department heads expect the EPMO to provide guidance, drive projects to success and deliver updates
<ul style="list-style-type: none"> <Organization> Project Managers Other <Organization> Management staff All <Organization> staff engaged in projects 	Customer	Expect the EPMO to set the PM standard; provide training and mentoring; work with the <NAME OF EXECUTIVE BODY> to create an environment conducive to project success

¹⁰ See Appendix C

EPMO as a Learning Organization

The EPMO models itself as a Learning Organization in its relationship to the <Organization>'s Executive Management, Project Managers, Project Teams and Customers. A learning organization may be defined as "an organization that facilitates the learning of all its members and continuously transforms itself to achieve superior competitive performance."

Learning organizations have the following characteristics:

- Are adaptive to their external environment and continually enhance their capability to change/adapt
- Develop collective as well as individual learning, and use the results of learning to achieve better results
- Learn from both failure and success, understanding that finger-pointing and blame are detrimental
- Link individual performance with organizational performance
- Foster inquiry and dialogue, making it safe for people to share openly and take risks
- Embrace creative tension as a source of energy and renewal

The EPMO will express its Learning Organization orientation through many means, including:

- Positive use of Lessons Learned exercises to encourage continual improvement in projects
- Maintenance of a Lessons Learned database to promote organizational learning
- Encouragement of cross-training and "stretch" assignments
- Promotion of continual learning and professional growth in Project Management
- Working with staff to develop the ability to consistently select and execute projects with significant positive ROI

For a full discussion of how a government agency (Army Corps of Engineers) has worked with Learning Organization Principles in the context of the adoption of Project Management, see the following: <http://www.hq.usace.army.mil/cepa/learning/lodocline.htm>

An excerpt:

Cultural change requires an understanding of all the dynamics in the Corps. Our strategy for change must take a holistic approach to align these dynamics to our desired end state. New

initiatives, narrowly-focused, responding to the latest trend or management article will likely not yield enduring and widespread change. Initiatives focused solely on organizational structure will have limited success without aligning the other dynamics within the culture. When many initiatives are not integrated with each other, confusion will impede change. The Tower of Babel described in the Bible was an engineering project with high ideals. It failed because of multiple languages and a lack of integration in its plans.

Our attempts to institutionalize Project Management as our business process since 1988 have been frustrated because we did not view the change holistically. We focused on the system and structure, yet did little to change the skills and attitudes our people needed, the style of our leadership, and other elements of our culture. Clearly, we must understand all the dynamics, and how to align them with the desired end state.

PROPOSED STRATEGY (Brief Overview):

- Gain agreement on EP MO Charter from the <NAME OF EXECUTIVE BODY>
- Gain <NAME OF EXECUTIVE BODY> approval of EP MO Business Case consisting of:
 - EP MO Requirements (high level)
 - Implementation Strategies and Schedule
 - Project Plan
 - Cost Estimates
- Perform an OPM3 assessment¹¹
- Refine and agree upon EP MO performance targets (SMART)
- Establish EP MO review process and performance metrics
- Establish a budget
- Acquire space and equipment
- Acquire staff.

EP MO INTERACTION WITH EXISTING <ORGANIZATION> ORGANIZATION

- EP MO provides representatives to the <NAME OF EXECUTIVE BODY> and <list other groups>.
- The EP MO is part of a team that manages the IT Projects Portfolio. This team has representation from EP MO, <list other contributors>.

¹¹ See Appendix D

-
- The EPMO provides the following regular reports:

- a. *Monthly Projects Progress Report* – delivered to <NAME OF EXECUTIVE BODY> (covering all Technology Fund projects and others on request)
- b. *Quarterly Update* – delivered to the <NAME OF EXECUTIVE BODY> on EPMO progress
- c. *Annual OPM3 Report* – delivered to the <NAME OF EXECUTIVE BODY>
- d. *Lessons Learned* – as they are received from project teams, published on the EPMO home page.

- EPMO coordinates <Organization>-wide organizational-change efforts (i.e. create a “project management culture”) with the <Organization>'s Organization Development officer
- EPMO maintains regular contact with department heads.
- EPMO Director participates as part of the <Organization> Executive leadership (i.e. <List of Executive Positions>) in development of the <Organization>'s Business Strategy and Business Plan.

Additional information on this topic may be found in Frequently Asked Questions (**Appendix A**).

EPMO DRAFT BUDGET

EPMO cost during the first two years of operation will depend on how it is implemented. A draft budget is presented in Appendix I. It also may be viewed through the following document link:

Draft EPMO Budget – [create link here](#)

FUTURE OF THE EPMO

The EPMO as described in this document is only a starting point. <Organization> Management may choose in the future to expand or diminish the scope of services that the EPMO provides, depending upon whether or not the EPMO continues to provide value. The <Organization> can obtain a meaningful measure of that value through use of objective measures (see section entitled “EPMO Metrics”).

As Project Management becomes institutionalized within the fabric of the <Organization> work environment and <Organization> culture transforms to embrace it, the need for having the EP MO report to the highest level of executive management may diminish. In this case, the EP MO could be transferred to a department, e.g. Information Technology or Administrative Services. On the other hand, should <Organization> management choose to expand the scope of EP MO services to include projects outside of IT, it would be advisable to maintain the connection with the <Position of Sponsor>'s office until the next round of culture change runs its course.

APPENDICES

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SAMPLE

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APPENDIX A : FREQUENTLY ASKED QUESTIONS (FAQ)

What is a *Project Management Office (PMO)*?

[A PMO is an] organizational entity established to assist project managers throughout the organization in implementing Project Management principles, practices, methodologies, tools, and techniques. [*Project Management Terms – A Working Glossary*, J. LeRoy Ward (ESI 2000)]

What is a *Project Portfolio*?

A Project Portfolio is any group of projects that are being managed together for any of a number of reasons, including:

- All projects are related to the same goal or set of Business Objectives
- Projects are interrelated via shared inputs and outputs
- Projects share resources.

Assuming that the EPMO reports initially to the <Position of Sponsor>'s office, does it have to stay there? Under what circumstances might it move (e.g. to a department)?

There are good reasons to place the EPMO at inception in the <Position of Sponsor>'s Office (see Appendix G). In the future, if changing the EPMO reporting structure would bring value to the <Organization> then the <NAME OF EXECUTIVE BODY> should consider doing so.

Is the EPMO a permanent <Organization> feature?

This depends on the value the EPMO brings to the <Organization>. If the EPMO outlives its usefulness it should be retired. If it consistently provides good value, it should be retained.

What does it mean that "The EPMO manages select IT projects either directly or indirectly"?

If the EPMO provides the person who is the Project Manager, then the EPMO is managing the project directly.

If the Project Manager is a contractor or a staff member from another department who reports to the EPMO via matrix assignment, then the EPMO is managing the project indirectly.

“Manages” means that the EPMO is directly responsible for all aspects of project planning, execution and close. It also means that the EPMO Project Management Methodology applies.

How will IT Resource Planning be done?

Each IT project team is responsible for providing project baselines, including schedule and resource plan. The resource plan specifies what roles are required by the project as well as when they are needed.

Project teams are responsible for accurate and timely status reports

The EPMO is responsible for compiling and analyzing the status reports and updating the Master Projects Schedule

EPMO, IT and <list others> are jointly responsible for establishing the impact of changes in project baselines (e.g. changes in when specific roles will be needed by a given project)

Using the above information, IT is ultimately responsible for IT resource planning

The problem with Reward & Recognition Programs is that the truly deserving people all too often get left out. How can you make it practical?

It is possible to design a Rewards and Recognition Program so that there is a full spectrum of awards (e.g. certificates of appreciation, a free lunch, attendance at a conference, an accelerated performance review). For example, the <Organization> could allow team members and Project Managers to provide many small rewards that would recognize exemplary performance at all levels. It is also possible with a modest budget to provide significant awards that are meaningful to the project teams, e.g. Project Team of the Year, PM of the Year, Project that Pulled Itself out of the Dumpster Award, etc

Will the Director of the EPMO have a disproportionate amount of control?

No. Business Sponsors own their projects. The business community is responsible for defining the business objectives in their projects. IT is the source of technical expertise. The EPMO exists solely for the purpose of making the projects succeed, using the criteria for success that came from their customers.

In addition, the EPMO can only impose its Project Management Standard when the EPMO is directly responsible for success or failure of the project. For all other projects, the EPMO PM Standard is highly recommended, but optional.

What does the Business Analyst do?

- Facilitates development of Requirements for specific projects
- Provides ROI expertise
- Works in parallel with EPMO Project Managers to facilitate project definition, work breakdown structure, etc.
- Mentors organization staff who wish to enhance their analysis skill set

How will the EPMO properly evaluate department PMs who work through the EPMO on a project?

The EPMO will only evaluate Project Managers on their work as Project Managers. This can be done, for example, by comparing a Project Manager's actual performance against a checklist of standard Project Management tasks and skills, so that the Project Manager and their department can properly evaluate the Project Managers' strengths as well as areas in need of improvement.

The EPMO would not evaluate a Project Manager on non-project work.

Is the EPMO a case of unneeded bureaucracy?

The EPMO as proposed is designed to impose a minimum of bureaucratic overhead. <Organization> Departments are free to call on the EPMO for its expertise, but there is no requirement that they do so. The only mandate that exists to date came from the <NAME OF EXECUTIVE BODY>, e.g. that all IT projects produce baselines (Scope, Schedule, Budget and Resource Plan).

In the absence of an EPMO the <Organization> would have to devise another mechanism to promote adoption of a formal Project Management discipline by staff.

What is the role of the EPMO in project selection?

The EPMO will have one seat (and one vote) on the <name of representative body in your organization>.

As the < name of representative body in your organization> considers projects for funding, the EPMO can provide insight from the project management perspective (e.g. likely risks, specific staffing requirements)

Training in Project Management is one of the activities proposed for the EPMO. Will the EPMO staff do that training or can that actually be done by a third party?

There would be no problem with having fundamental Project Management training done by a third party. However, advanced topics (especially as they relate specifically to

<Organization>) might best come from EPMO staff and other organization Project Managers.

Does every department have to have a Project Manager on staff? Where does that person come from?

It is not necessary for every department to have a project manager on staff. While larger departments may already have such staff; smaller ones may not be able to afford the position.

When a department without its own project manager has need to conduct an IT project, they may request assistance from the EPMO. The EPMO may be able to manage it directly, or may arrange to supervise a consulting Project Manager.

Are there any specific pitfalls that the <Organization> should watch out for while implementing the EPMO?

An underfunded EPMO will have difficulty fulfilling expectations. The State of Texas failed to fund its PMO and results have been very disappointing. See <http://www.window.state.tx.us/etexas2003/gg18.html>

The EPMO work plan should not require EPMO staff to spend so much time compiling reports for senior management that there is not enough time to ensure that projects are delivered on time and within scope

If the EPMO staff become "Process Police" or "Document Nazis" they are headed down the wrong road. Project documentation exists for the benefit of the project and the organization, not for the fulfillment of some document standard.

Where the EPMO is responsible for projects, it is essential that the EPMO staff keep in close contact with the respective project teams. Assigning too many projects to the EPMO can be counterproductive.

APPENDIX B : VALUE OF A SUCCESSFUL EPMO TO THE ORGANIZATION

In general, the value of a common IT Project Management process includes:

- Reduced cycle time
- Reduced delivery costs
- Improved quality of project deliverables
- Early identification of project issues, budget, scope, and risks
- Knowledge leverage and reuse
- Improved accuracy of estimates
- Improved perceptions of IT organization by clients
- Improved people and resource management
- Reduced time to get up to speed on new projects
- Elimination of the thrash (e.g. false starts, self-defeating conflict, indecision) that is so common in failing projects

In addition to the above, a successful EPMO:

- Eliminates duplication of data and processes among Project Managers
- Collaborates with <Organization> staff to implement effective processes for managing all IT projects
- Cultivates “unusual” levels of cooperation
- Institutes new operating mode with detailed definition of process, roles, and measures
- Promotes change from *status quo*, upstream and downstream of IT mission
- Nurtures organizational neutrality
- Instills a passion for the profession of Project Management’s processes, practices, and tools

APPENDIX C : EXPECTED BENEFITS FROM THE EPMO FOR SPECIFIC CUSTOMERS

- **Executives**
 - EPMO provides timely feedback about project goals, status, accomplishments, and issues
 - Organization has an increased probability of meeting corporate business goals
 - Organization receives timely warning about critical issues and possible steps toward resolution

- **Functional Managers**
 - EPMO provides metrics to ensure staff is performing adequately and projects are on schedule and on budget
 - EPMO maximizes chances of project success, resulting in less rework and reduced cost of product delivery
 - Project guidance helps departments maximize use of resources
 - Departments can obtain Project Management resources when needed
 - EPMO helps the departments to integrate Project Management Methodology into their Product Methodology

- **IT Department**
 - Promotes change from *status quo*, upstream and downstream of IT mission
 - Assists IT management in establishment of effective processes for managing all IT projects
 - Clients develop improved perceptions of the IT organization

- **Project Managers**
 - EPMO improves Project Managers' execution through the establishment of a consistent framework for the management of projects and defining methodologies, best practices, and guidelines
 - EPMO enhances the capabilities of the Project Managers by providing mentoring, training, and career development
 - Training, coaching and mentoring move Project Managers more quickly through the learning curve
 - Suggests to Executive Management solutions to organizational issues that may hinder project success

- **External Customers**
 - Increases probability of meeting customer requirements and expectations
 - Aims at increasing customer satisfaction
 - Provides single point of contact for multiple projects within same customer

- **Finance**

- Project teams are able to provide periodic data of project actuals
- Project teams are able to provide supporting documentation to expedite invoices collection

- **Human Resources**

- EPMO establishes and provides quantifiable metrics for the evaluation of personnel
- A Project Management Career Track facilitates the Project Manager's career path and training.

APPENDIX D : ORGANIZATIONAL PROJECT MANAGEMENT MATURITY (OPM3)

Organizations differ greatly in their approach to and use of Project Management practices.

At one extreme are organizations that have no formal Project Management process at all. In these organizations projects are dealt with on an *ad hoc* basis with whatever staff and skill that happens to be available at the time. In general, project success in these organizations is truly a hit or miss proposition.

At the other extreme are organizations that have integrated Project Management process into their very fabric. Project Management process is full integrated into all other corporate systems and the entire staff is engaged in continuous improvement of every aspect of Project Management. Project success in these organizations is a more routine occurrence.

One of the primary roles of the EP MO is to:

- Determine where the organization currently falls in the Project Management maturity model
- Establish where the organization wants to be
- Develop and execute a plan to move the organization to that higher level.

It is proposed here that the <Organization> use OPM3®, a formal model designed by the Project Management Institute. PMI has just published this new standard in December, 2003. You can obtain information about PMI's Organizational Project Management Maturity at:

<http://www.pmi.org>

As a part of its implementation, the EP MO will perform an OPM3 assessment of the <Organization>. Thereafter, the EP MO will report on an annual basis on the <Organization>'s progression through the model as a reflection of its growing Project Management maturity.

APPENDIX E : EPMO SUCCESS FACTORS

The EPMO will be more successful in the long-term if the following can be achieved:

- The EPMO functions and services/deliverables are prioritized and implemented in a time-phased manner
- The organization selects an EPMO leader who has the right set of skills and experience
- A consistent approach to planning and managing projects is implemented across the organization
- Internal Project Management training is provided at all levels (from staff to Senior Executive)
- Project Management is recognized as a core competency (i.e. as part of the organization's culture)
- The EPMO's balance between project support and control functions is defined and communicated to ensure that departments understand what is expected of them and what they should expect from the EPMO
- The EPMO staff understands the culture; the organization intentionally modifies its culture to support its goals
- The EPMO leverages industry standards and best practices
- The organization defines its strategy; the EPMO focuses on those projects central to realization of the strategy
- The EPMO adjusts its operation based on continuous customer feedback
- The EPMO designs a scalable Project Management system (process and tools)
- The organization recognizes that some groups and individuals will embrace Project Management change better than others.

APPENDIX F : STEPS THE <ORGANIZATION> CAN TAKE TO ENHANCE IT PROJECT SUCCESS

- **Focus on *Teams***

- Define the Core <Organization> Values for Project Management (e.g., “Be a team player”). Give special recognition to those who abide by these values.
- Ensure that <Organization> staff assigned to projects are given sufficient time to carry out project tasks
- Create incentives to help staff overcome their aversion to risk
- Provide management with training in matrix management
- Give IT an opportunity to gain experience with new (and needed) technologies by funding an ongoing R&D effort
- Train existing IT staff in and/or hire new staff with Business Analysis skills
- Provide workshops on Effective Communication

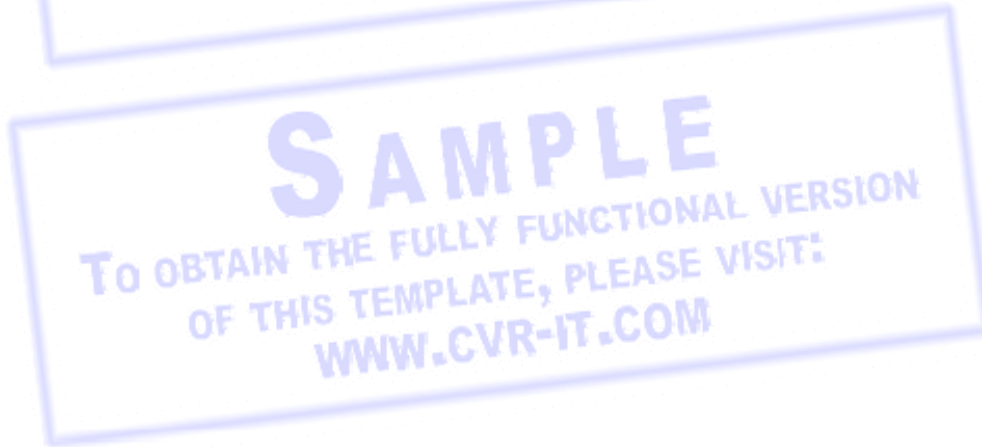
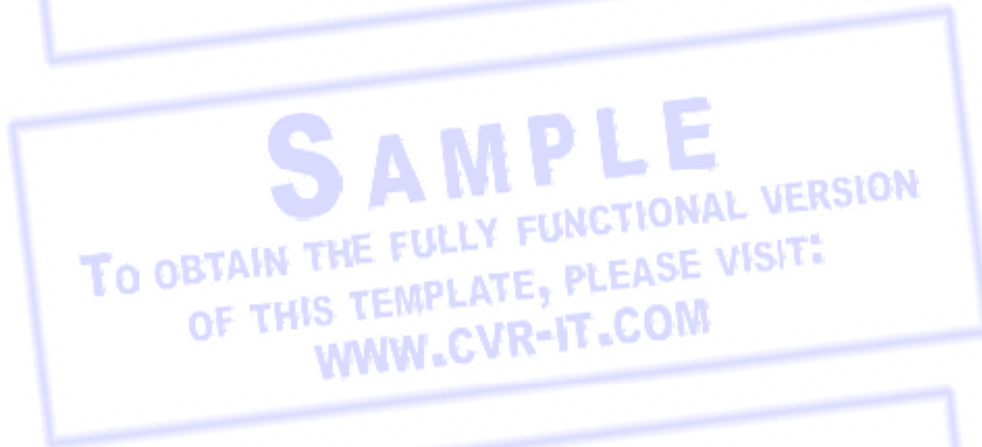
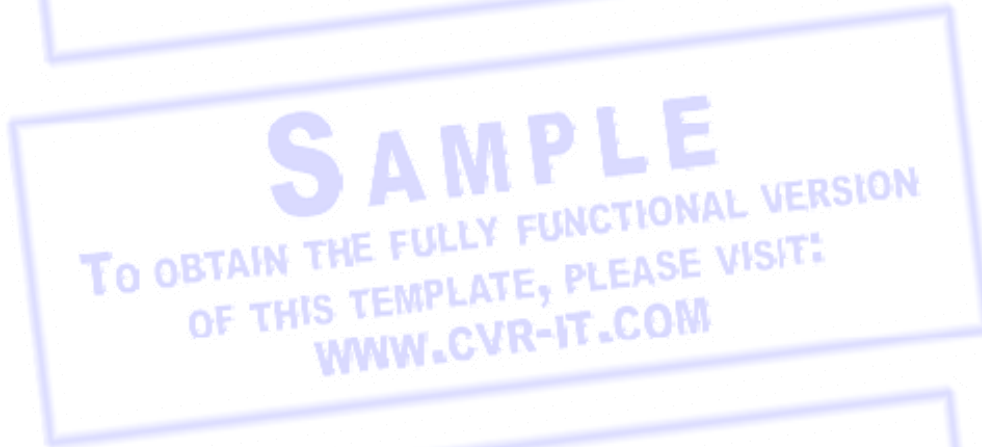
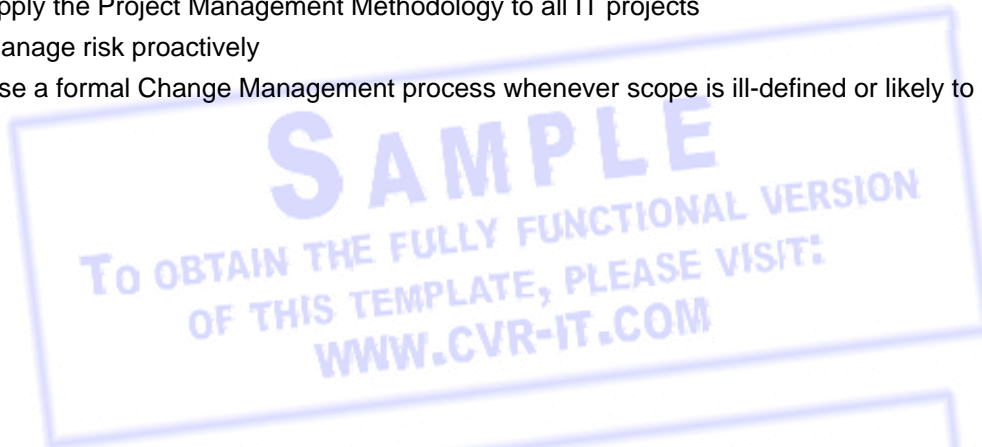
- **Focus on *Organization***

- Articulate a vision for the Technology Program (in progress)
- Prioritize needs and then define immediate, mid-term, and long-term goals for the Technology Program
- Map proposed projects to Technology Program goals. Set realistic expectations: Support only those projects with a reasonable chance of successful completion within the defined time.
- Make “Incorporation of an enterprise view in daily work” a Core <Organization> Value
- Make “Be a leader” a Core <Organization> Value
- Acquire sufficient IT staff to successfully complete and maintain its projects

- **Focus on *Project Management***

- Identify <Organization> staff who have interest in a career in Project Management. Provide them with both formal training and on-the-job experience (e.g., have them work under EPMO guidance or as deputy Project Manager to EPMO staff).
- Ensure that novice project team participants receive appropriate training and coaching in the Project Management Methodology
- Require thorough project pre-planning before project funds are released
- Encourage a culture of continual improvement in Project Management skills. Use a Project Management Maturity Model as an indicator of organizational growth.
- Make “Managing Projects For Success” a Core <Organization> Value
- Develop in-house expertise in Testing / Quality Control, Quality Assurance, Business Analysis

- Apply the Project Management Methodology to all IT projects
- Manage risk proactively
- Use a formal Change Management process whenever scope is ill-defined or likely to change.



APPENDIX G : ORGANIZATIONAL STRUCTURE (FROM PMO TENSTEP¹²)

The PMO should report to the Sponsor, if possible.

No matter what type of PMO is established, you will have a greater chance of success if the PMO is aligned as high as possible within the organization. For instance, if you are building the PMO for the IT organization, and if your sponsor is the CIO, then you would like the PMO to report directly into the CIO. If you are trying to implement within the entire company, then the PMO should report into the CEO. Let's face it - the deployment of Project Management within the organization will not be popular with everyone. This is true with any culture change initiative. That is one reason culture change initiatives are difficult to implement successfully.

Part of this organizational resistance can be overcome if the PMO has a position of power. If the PMO reports into a lower level manager, people won't always feel the need to behave in a manner that the PMO wants. If the PMO reports to the CEO, or whoever is sponsoring the initiative, they will have easier access to the high-level managers that can help the change stick. If the PMO reports directly into the sponsor, you still do not have a guarantee of success. However, the chances of success are certainly greater.

¹² <http://www.pmostep.com/210.0Definition.htm>

APPENDIX H : GLOSSARY OF TERMS, ACRONYMS, AND ABBREVIATIONS

Term	Definition
best practice	<p>According to the North Carolina IRMC’s <i>Approved Principles, Policies, and Standards</i>: Superior method or innovative practice that contributes to improved process performance, product quality, or business effectiveness. [http://irmc.state.nc.us]</p> <p>Another definition is: ... a <i>technique or methodology that, through experience and research, has proven to lead reliably to a desired result. A commitment to using the best practices in any field is a commitment to using all the knowledge and technology at one’s disposal to ensure success. The term is used frequently in the fields of health care, government administration, the education system, project management, hardware and software product development, and elsewhere.</i></p> <p><i>In software development, a best practice is a well-defined method that contributes to a successful step in product development. Throughout the software industry, several best practices are widely followed. Some of the more commonly used are: an iterative development process, requirement management, quality control, and change control.</i></p> <p><i>An iterative (meaning repetitive) development process, which progresses in incremental stages, helps to maintain a focus on manageable tasks and ensures that earlier stages are successful before the later stages are attempted. Requirement management addresses the problem of creeping requirements, which is a situation in which the client requests additional changes to the product that are beyond the scope of what was originally planned. To guard against this common phenomenon, requirement management employs strategies such as documentation of requirements, sign-offs, and methodologies such as the use case. Quality control is a strategy that defines objective measures for assessing quality throughout the development process in terms of the product’s functionality, reliability, and performance. Change control is a strategy that seeks to closely monitor changes throughout the iterative process to ensure that records are intact for changes that have been made and that unacceptable changes are not undertaken.</i></p> <p><i>A best practice tends to spread throughout a field or industry after a success has been demonstrated. However, it is often noted that demonstrated best practices can be slow to spread, even within an organization. According to the American Productivity & Quality Center, the three main barriers to adoption of a best practice are a lack of knowledge about current best practices, a lack of motivation to make changes involved in their adoption, and a lack of knowledge and skills required to do so. [Reference B]</i></p>
CEO	Chief Executive Officer
CIO	Chief Information Officer
e.g.	for example
EPMO	Enterprise Project Management Office

Term	Definition
FAQ	Frequently Asked Questions
i.e.	that is; in other words
IT	<ul style="list-style-type: none"> ▪ Information Technology Department (<Organization>) ▪ Information technology <p>Generic term that includes equipment, hardware, computers, software, firmware, and related procedures, systems, ancillary technologies, technologies that cause content to be active in any way, documentation, services (including support services) and related resources. It includes subsystems, interconnections, and interconnected systems. <i>[Reference B]</i></p> <p>See also: <i>IT</i></p>
IT project	Any project that involves computer-based technology, requires IT Department resources and involves more than \$50k in expenditures.
OPM3®	Organizational Project Management Maturity
PM	Project Management
PMO	Project Management Office
PMP	Project Management Professional
R&D	Research and Development
SMART	Specific, Measurable, Attainable, Results-oriented, Time-delimited
TBD	to be determined

Reference Source Legend

Reference	Description	URL (<i>http://</i>)
A.	IBM Reference/Glossary	www-1.ibm.com/ibm/history/reference/index.html
B.	whatis.com®	whatis.techtarget.com
C.	Defense Logistics Agency (DLA)	www.dla.mil/j-6/records/overview.htm