

EXPERT SERIES

The “Expert Series” is a collection of articles, papers and writings by PM Solutions’ associates and other industry experts that provides insight into the practice and value of project management.

CPOs And The Bottom Line: *The era of the “accidental” project manager is over.*

by Debbie Bigelow Crawford, PMP, PM College

How, you ask, can a CPO make a difference?

The answer:

- » Implement good project portfolio management
- » Support a strong governance program
- » Provide effective training programs
- » Develop a strong project management staff
- » Provide clear job descriptions demonstrating a positive career progression
- » Push project management to the strategic and decision-making level.

An easy task? No. But the path to success is being cleared and the value of these six activities is well documented. The need for good project management is being touted regularly by business analysts. And more importantly, project management has been shown to improve business performance. The Center Business Practices reports an average of 21% improvement in those organizations who have initiated project management initiatives.

Implementing good project portfolio management is a key success factor. Organizations implement their strategies through projects. Projects are how an organization’s strategic business vision becomes reality. A CPO needs to insure that their organization’s projects are aligned to that vision — that they work on the right projects (Center for Business Practices research shows 70% of organizations report better alignment with more mature portfolio management practices).

Good governance is a necessity. Organizations that have good governance practices in place are able to realize a premium of more than 20 percent from their investors (McKinsey’s Investors Opinion Survey, June 2000). Focusing on improving governance practices has become critical recently, ensuring that leadership, organizational structures, and processes are in place to support the success of the enterprise’s strategies and objectives.

Project management is not a simple or intuitive activity, and providing tools and training alone does not ensure that the right behaviors or culture develops. It is the CPOs’ job to make sure that the project management staff is a competent one. Fully trained and certified project managers will more likely be able to establish realistic project performance baseline measures, identify and escalate issues, negotiate corrective actions, and sensibly navigate political and cultural situations. Project management certification validates knowledge of how to run a project, the “hard skills” required; but not necessarily the competencies needed in the “softer” side of project management. Both hard and soft skills are required to ensure project success. Center for Business Practices research shows 60-70% improvement in outcomes like schedule performance, productivity, and quality when the staff is competent. A CPO needs to know what it takes, and then ensure that it happens.

Analysts caution that in 2005 the strategic direction of business and technology will change. The attributes that CPOs should look to build in their project managers include:

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- » Strong financial management skills
- » Industry knowledge and the ability to think critically about business strategy
- » Improved capability in process analysis and design.

Organizations need to start embracing the complex roles of the project management staff providing them the opportunity to acquire and hone their skills and competencies, as well as the ability to grow within the organization. The era of the “accidental” project manager is over. The approach to hiring and training project managers needs to change. Roles and positions necessary to support the growth and sustain project management practices throughout the organization need to be identified. Expected performance standards need to be established. The CPO must drive the development of a project management career path that clearly demonstrates how an individual can progress from a team leader to a project executive within the organization. By doing this, the organization begins to value the profession of project management.

If you want productivity and, ultimately, your bottom line to soar, you need to develop the competency of your project management staff, utilize an effective portfolio management approach, and insure that appropriate governance processes are in place. Value the profession and build your organization’s culture to effectively execute projects, and subsequently improve your organizational performance. The more productive your project management staff performs, the greater value is returned through effective and timely project executions. Understanding your role as CPO and ensuring these components of strategic performance management are implemented will improve your bottom line!

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