

Power of Enterprise-Wide Project Management
By Dennis L. Bolles & Darrel G. Hubbard
(A book review by R. Max Wideman)

Introduction

"Looking for a quick fix – skip this book. Looking for a new edge and a competitive advantage to position your company for success in the long run – then read on!"

So opines Richard Byham¹ in the Foreword to this book. The implication, of course, is that the contents of the book call for heavy reading and at over 300 pages of closely packed text, tables, charts and illustrations indeed it is. Byham goes on to explain:

"*The Power of Enterprise Project Management* is a straightforward guide to establishing project business management (PBM) as an *integrative* business function for forward-thinking companies. The PBM methodology model developed in the book provides you with a simple easy-to-follow top-down hierarchical integrated blend of strategic, tactical, portfolio, program, and project planning and execution processes."²

Well, we are not so sure about the "straightforward" part, but what we do know is that all of that has been a challenge to cover in many project management books, let alone all in one book. We also learn from this statement that project management, or at least project *business* management, is a subset of general business management and not a separate management profession. Why? Because project business management is one of general management's *functions*. Indeed, the title of the book's Preface categorically states: "Project Management Is a Business Function".³

Byham then asks:

"How many programs and projects fail because of poor coordination, limited resources, faulty assumptions, not being the right project at the right time, and mid-management infighting? Where does that generally get resolved – at the executive level, where direction, priorities, and resources are determined and the final decisions made. So start there first to achieve success, rather than ending there to minimize failure."⁴

Now, that is surely very good advice!

What this book does for the reader is to provide the ground work for an "enterprise-wide project management office" (EPMO) at the executive level and, for those so inclined and the necessary financial capability, a massive bureaucracy to go with it, complete with all the details. As authors Dennis and Darrel explain:

"If executives and business unit heads can recognize that managing projects has a significant impact on an enterprise's bottom line and that their abilities to successfully manage projects depends on proper application of specific project management processes, knowledge, skills, tools, and techniques, then it makes sense to establish such an important business function at the executive management level of the enterprise."⁵

After you have paused for breath, consider that the key to this observation is "proper application" because in the case of *improper* application, the "significant impact" could be anything but desirable. From experience we know that in times of financial crisis, the first department to go is the program or project management department. Trust us, we've been there more than once! So, whatever your position is in this hierarchy, ***keep your resume up to date!***

Book Structure

Following the usual introductory sections, the book is very well laid out into six sections, each of several chapters, and subsections. Each Section is introduced with an organization chart displaying the chapters and their contents. These are handy for navigating your way through the copious information. The Sections and Chapters are as follows:

Section 1: Overview

1. Executive Office Level View
2. The EPMO as a Business Organization
3. Enterprise-Wide Project Management as a Business Concept
4. Integrating Projects with Business Strategies and Objectives

Section 2: Governance

5. The EPMO as a Management Method
6. Setting Policy and Establishing the Charter
7. Managing Portfolios, Programs, and Projects

Section 3: Standardization

8. What is Standardization
9. Identifying and Integrating Processes and Practices
10. Enterprise-Wide Project Business Management Methodology
11. Creating Policies, Plans, and Procedures

Section 4: Capability

12. Capabilities and Competency
13. Education and Training
14. Effective and Efficient Work Breakdown Structures
15. Project Business Management System
16. Earned Value and Real Project Cost Accounting
17. Communications and Risk Management

Section 5: Execution

18. PBMM Integrated Planning and Execution
19. PBMM Strategic Business Development
20. PBMM Business Objective Development
21. PBMM Component Selection and Initiation
22. Portfolio, Program, and Project Authorization
23. Portfolio PBMM Planning and Execution
24. Program PBMM Planning and Execution
25. Project PBMM Planning and Execution

Section 6: Maturity

26. Process and Practice and Practice maturity
27. PMO Case Study Results

(Plus an Epilogue and three Appendices)

In addition to all this content, the authors explain how you can get still more useful information directly from them, such as seventeen EPMO templates and earlier articles written by the authors, including a maturity model and a copy of their PMO Case Study Surveys Summary Report.⁶ In the foregoing, EPMO stands for Enterprise-Wide Project Management Office; PMO stands for Project Management Office; and PBMM stands for Project Business Management Methodology.

What we liked

It is important to recognize that Dennis Bolles and Darrel Hubbard were responsible for leading the Project Management Institute's ("PMI's") core team of its project to upgrade the Guide to the Project Management Body of Knowledge to its 2004 Third Edition. As such, authors Dennis and Darrel are heavily immersed in the Institute's view of project management and this is reflected in much of the text and many of the illustrations.

In this context, the authors have strived to answer the following questions that they say are frequently asked by executives and senior managers, and to do so with practical how-to information:⁷

- What does project management have to do with the overall management of the enterprise?
- How can project management be related to the enterprise's business operations?
- How can project management processes be incorporated or integrated into the business management processes?
- How can project business management benefit the enterprise?
- How can a project management functional organization be incorporated into the enterprise's organizational structure?
- How can mature project business management practices and processes add value to the enterprise's operations?

To this end, the authors have developed a series of "basic models" designed to successfully establish an Enterprise-Wide Project Management Office (EPMO) as the means to integrate project and business processes. An EPMO is defined as an independent business unit function established at the highest level of the enterprise. It has the authority, acceptance, adoption, and autonomy required to establish, monitor, and control the distribution of resources required to successfully apply project business management best practices across the whole enterprise.⁸

The EPMO encompasses the integrated application of: Multiple functional organizational structures; Portfolio project-related management practices and processes; Program project-related management practices and processes; Project management practices and processes; and Business operations management practices and processes.⁹ It is staffed with experts skilled in providing project management business practices, processes, and support services.¹⁰

Statements like that should warm the cockles of any project practitioner's heart! Various other terms are defined according to PMI's official definitions.

The authors justify the establishment of an EPMO with three simple reasons:¹¹

- Institutionalization of Project Management Principles and Practices
- Provision of a Global View of the Enterprise's Initiatives and Projects, and
- Optimization of Resources

And there then follows a long list of benefits to the organization that includes such things as:

- Improved product or service delivery time (time to market)
- Incorporation of a systematic project-based product development approach
- A results versus task focus
- Proactive project business management
- Identification and minimization of risks
- Defined resource and timing requirements, and Improved project business management skills

throughout the organization

Much that is familiar

As you work your way through the book you will encounter much that appears somehow familiar from PMI publications, but elevated to a more senior management level above the standard management of a single project. For example, the following Figure is reminiscent of that found in the PMBOK Guide, but fortunately easier to follow.

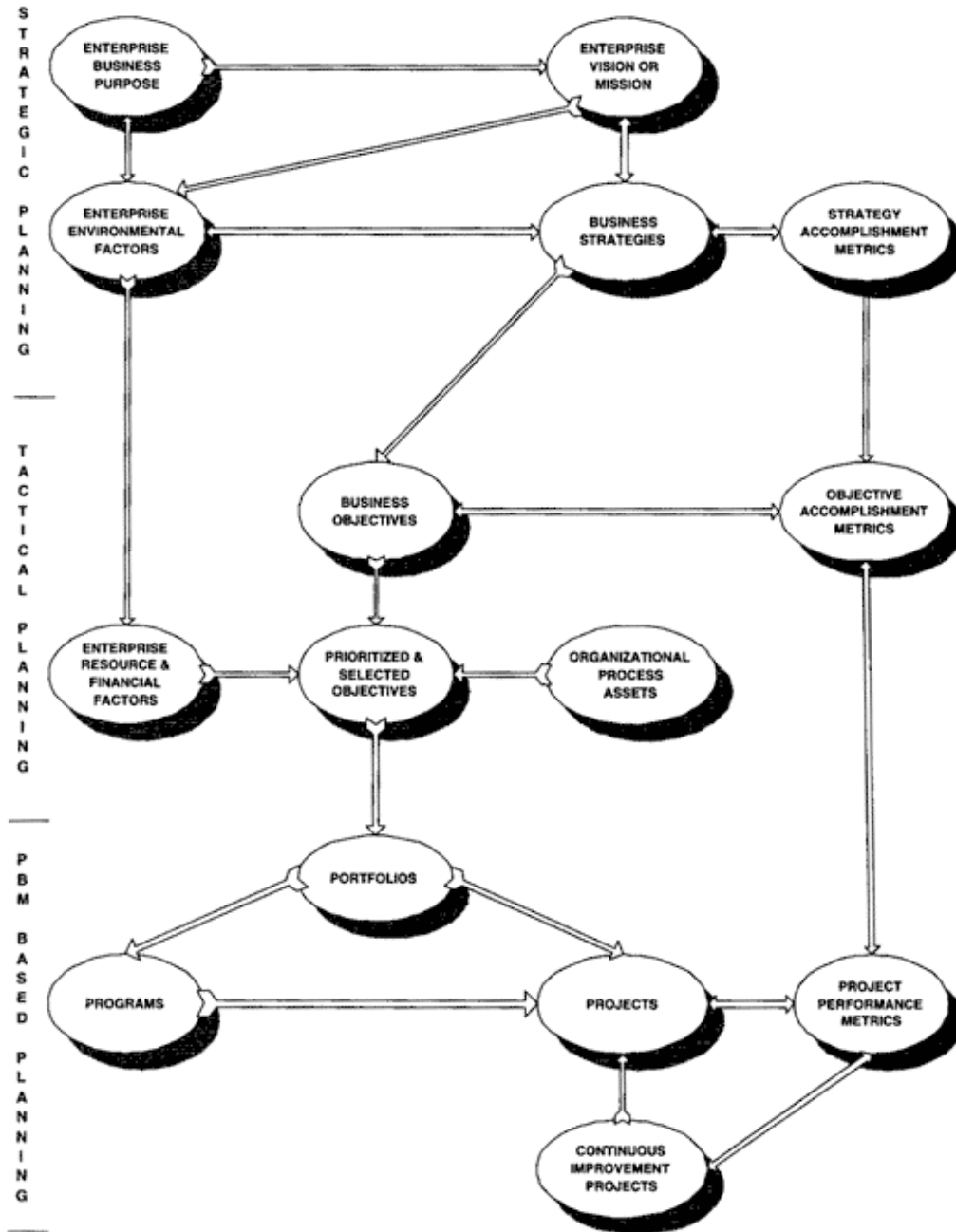


Figure 1: Hierarchy of Business Planning Components¹²

Other somewhat familiar subjects that you will encounter include such topics as: planning (Chapter 4),

cultural change (Chapter 6), methodology and process models (Chapter 10), education and training (Chapter 13), work breakdown structures (chapter 14), and earned value (Chapter 16). And all of that is to say nothing of the infamous Initiating-Planning-Executing-Monitoring&Controlling-Closing processes (Chapter 25). Here things get really interesting and where, true to form, "Note: Not all process interactions and data flow among the processes are shown", see Figure 2. (You can just read that in the bottom left hand corner of the flow diagram.)

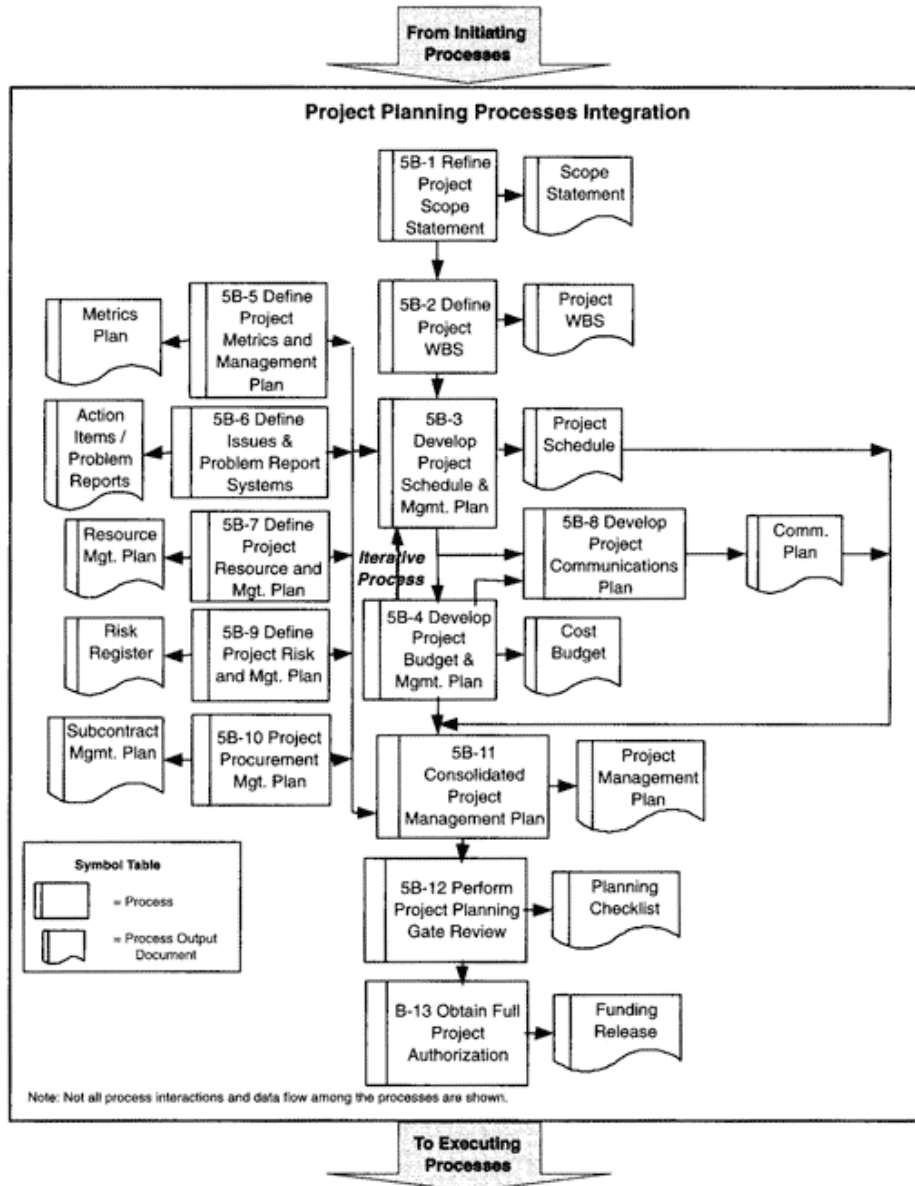


Figure 2: Project Planning Processes Integration¹³

Each of the subjects are dealt with in detail and supported by carefully itemized tables and long bulleted lists. Of particular value in setting up an EPMO as recommended are the corresponding position descriptions. A particular position that we rather fancied, because it has a nice ring to it, would be to become a "BUPMO Manager". What is a BUPMO Manager you ask? Well, it's the manager of a Business Unit Project Management Office. If that doesn't satisfy you, you can seek promotion to become a DPMO (Division Project Management Office) manager – but somehow that doesn't sound quite so

exciting. Either way, you obviously first have to get recruited to a pretty substantially-sized organization that can sustain those kinds of opportunities.

Of course, you also have to have the requisite qualifications and experience. For example, the position description for a BUPMO manager is described as: a "a senior or midlevel manager located in a business unit office that provides leadership of and supervises and manages the BUPMO. Experience/Education: 3-5 years + PM, 5-7 Years + Industry, BS, PMI-PMP."¹⁴ And then there follows a list of responsibilities that contains no less than twenty-eight bullets, the sort of list that would make the average human resources position description writer swell with pride.

Downside

Notwithstanding the extensive detail in the book, we have to confess to some disappointments. The first example is that for those that are already convinced of the intrinsic value of, and necessity for, project management, then the justification described earlier is fine. However, we suspect that the first question that top executives are likely to ask is not "How do we institutionalize project management practices? Or even "How do we get a global view of all of our projects and optimize our resources?" Rather, they will ask, "What do we get for the money?"

Chapter 2 purports to describe "The Business Case for the PMO".¹⁵ However, the purpose of a Business Case is to provide a compelling justification for proceeding with any project initiative, and the description in this chapter is far from making a solid case. As far as we could see, Business Cases are not mentioned again until we get to "Documenting the Strategic Business Plan and Business Cases"¹⁶ where we learn about "What is the purpose and content of a simple business case document?"

As the authors correctly observe:

"A business case articulates the intent and desired benefits of a specific strategy in a feasibility study format. Each Business Case provides the bases for authorizing further [project business management] planning activities, so that an adequate definition of the intent of each strategy initiative and supporting objectives can be developed."¹⁷

Well, we are not sure about the necessity for a "feasibility study format" but we take all of this to mean that the identified benefits must justify the expenditure of resources on the particular initiative – or, we presume, the initiative will not be funded.

But to be fair, the authors are not alone in their shortcomings in their Chapter 2 description. PMI's PMBOK Guide in fact mentions "Business Case" only once in the whole document and this only as one of eleven bullets listing the recommended contents of a Project Charter.¹⁸ Considering that a Value Proposition or Business Case is the essential primary instrument required by executive or senior management to assess the relative merits of competing potential initiatives, this seems a serious weakness. Or perhaps it just illustrates the narrower focus of project management as a subset discipline in the overall scheme of general management. Either way, the Business Case is a fundamental requirement of project portfolio management that, in turn, is the best rationale for establishing a *Project Portfolio Management Office* that might otherwise be given the label *EPMO*.

Our second disappointment is that there is very little focus in the book on the subject of benefits arising from the products of the projects being selected and managed. It is as though project management is an end in itself, when surely the object of the exercise is to produce new products and services better, faster, cheaper, so that *better benefits can be harvested sooner*. Also missing is the all-important

feedback of information from operational units reporting on how well the new products are serving the organization. Without that, there is no mechanism for "continuous improvement" in the management of a project portfolio. Figure 3 illustrates this absence in the authors Project Business Management Methodology data flow model.

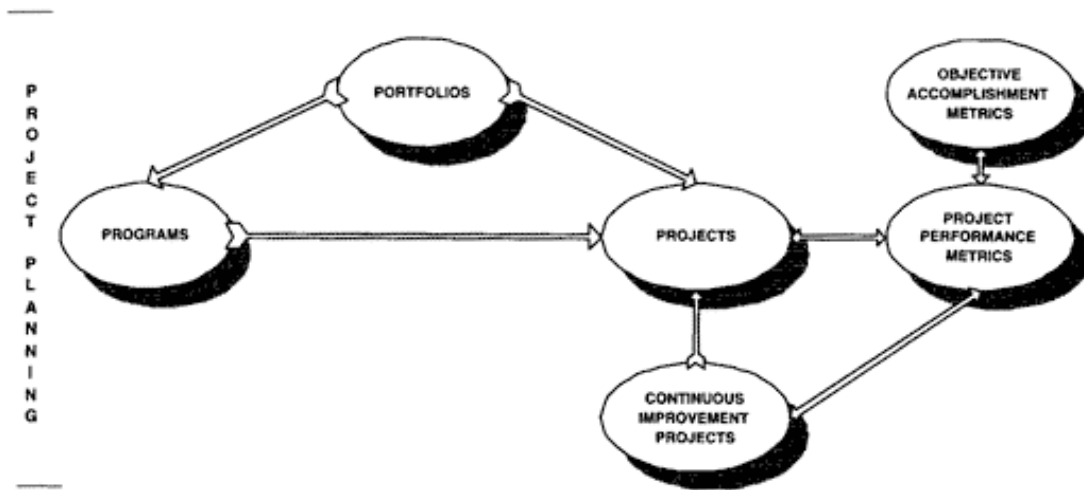


Figure 3: PBMM Portfolio/Program/Project Data Flow¹⁹

Our final regret is really only minor. The text is laced extensively with numerous acronyms. For the intermittent reader it would be very helpful to have both a Glossary of new terms introduced in the book as well as a table listing all those acronyms.

Summary

This book provides a masterly description of how to install an all-pervasive project management influence in a very large organization. One might shudder at the thought of the sort of political infighting that could occur in the lower management ranks without very strong leadership from the top. Such a cultural change takes determination and time – and lots of both.

However, as this book's cover sheet observes:

"In a world where every company is striving for the most competitive weapon, project management has become renowned for streamlining processes and keeping initiatives on track in a wide array of industries. And applying the principles on an enterprise-wide basis has proven to completely transform companies by improving both their bottom lines and the quality of their products. Although industries like aerospace, construction, and engineering have adopted the principles and practices of Enterprise-Wide Project Management, or EPM, for years, many other businesses find the task of keeping their teams, departments and divisions aligned with larger organizational goals daunting."²⁰

Here, the "other businesses" referred to often imply those in the business of, or heavily involved in, the information technology (IT) sector where the projects are significantly different. IT projects tend to be far more numerous, of much shorter duration, and individually less capital intensive. Interestingly, a competing management philosophy in this arena is the "Agile Project Management" approach that appears to be the very antithesis of the sort of heavy organizational setup described in Dennis and Darrel's book.

We are not particularly partial to either extreme, but perhaps one day the two may even come together in some sort of practical middle ground. In the meantime, maybe the authors will consider producing a second edition that addresses the omissions that we have identified so that the book is less process driven and more outcomes oriented.

R. Max Wideman
Fellow, PMI

Postscript

As some readers will know, after completing a book review our practice is to submit the text to the author and ask them to check our work to make sure that we have not made any errors of fact. This is what Dennis Bolles and Darrel Hubbard had to say.

"Hello Max,

"We have to say that you have captured much of the essence of our book and provided a factual point of view. We both appreciate the amount of effort you spent in reviewing our book. A primary objective in the book, from our perspective, was to position project management, in the minds of business executives, as a business function that needs to be owned and managed across the enterprise by a top-level executive. This business function, which we call the EPMO, is seen organizationally as an equal player in company politics and executive power, thereby helping assure the enterprise is doing the right things as well as just doing things right. Being positioned at the executive level makes the EPMO no more likely to be disbanded than quality or safety.

"We believe, and others like Dr. Harold Kerzner have agreed, that project management is going down the same road as quality did. The need for managing quality emerged in the 1960s and was developed into what became called Total Quality Management (TQM). In the 1980s TQM was recognized and embraced by executives as a business function that needed to become a core capability and be implemented across the enterprise.

"We don't disagree with your "downside" issue concerning the need to know the cost for establishing EWPM. Our position is to counter that question with "What is the cost of underwriting failed strategic and mission critical projects?" Literature abounds with statistics that talk about the failures of projects, especially in the IT area. There is little data available regarding the cost of developing and managing PMOs. However, we would suggest that a PMO is in the same category of business functions as safety, quality, marketing/sales, accounting, and IT.

These are places where those types of functions that support the business are not profit generators, but rather part of the enterprise's planned, budgeted, and managed overhead. We argue, and we propose, that if the bottom line of the business depends on completing projects to develop products and services, then those projects must be managed in the aggregate at the top of the organization to ensure that the organizations resources being expended on any given project are aligned with its strategic business goals and objectives.

"It is our intent to follow this book in late 2008 or early 2009 with our next book, which will address, in part, the details of the issues you brought up in your review. We plan to use actual case studies with organizations who have succeeded and some who have not succeeded in establishing EWPM. We will show how our PBM methodology can be sized to the reader's organization and blended with what you call agile project management. Our thoughts are to develop the book in a textbook format that would be greatly expanded to the 600-800-page size. This will also allow us to show how organizational business management and project business management can be integrated to benefit the enterprise and ensure the products produced by the projects are beneficial to the enterprise's operations.

"One of the issues, to which you alluded, was your concern that an organization would have to be very large to employ our vision of EWPM. Dr J. Davidson Frame's review in the June 2007 PMI Journal, used the term "Humongous, Inc," to indicate that he felt the contents of our book limits its overall usefulness to large, complex or global organizations. We would not disagree with yours or Dr Frame's evaluations; however it is our belief that organizations of any type or size can also benefit by applying our PBM approach and can scale the EPMO structure and PBM methodology model to fit their respective requirements. The multi-tiered EPMO structure we presented is intended to provide a model to provide the structure, roles and responsibilities that could be used by companies of all sizes who want to create a PMO at one or more levels.

"We appreciate the fact that you have taken the time and effort to write such a well thought out review and for your willingness to post it on your web site. We also plan on posting your review on Dennis's website as well.

"Warmest regards,

"Dennis Bolles, PMP

"DLB Associates, LLC

"*The Power of Enterprise-Wide Project Management* AMACOM 2006

"*Building Project Management Centers of Excellence* AMACOM 2002

"Website: <http://www.dlballc.com>

"Darrel G. Hubbard, PE

"D.G.HUBBARD ENTERPRISES, LLC

"Project Business Management (PBM): The utilization of general business management and project management knowledge, skills, tools, and techniques in applying portfolio, program, and project processes to meet or exceed stakeholder needs, and to derive benefits from and capture value through any project-related actions and activities used to accomplish the enterprise's business objectives and related strategies."

¹ Director, Continuing Education at the University of South Florida.

² Bolles, Dennis L., and D.G. Hubbard, *The Power of Enterprise-Wide Project Management*, AMACOM, New York, 2007, p xv

³ Ibid, p xvii

⁴ Ibid, p xv

⁵ Ibid, p xvii

⁶ Ibid, pp305-309

⁷ Ibid, p xix

⁸ Ibid, p xviii

⁹ Ibid, p25

¹⁰ Ibid, p10

¹¹ Ibid, p10-11

¹² Ibid, Figure 4-1, p38

¹³ Ibid, Figure 25-2, p276

¹⁴ Ibid, p62

¹⁵ Ibid, Section 2.1, pp18-20

¹⁶ Ibid, Section 19.2, pp218-222

¹⁷ Ibid, p220

¹⁸ Guide to the Project Management Body of Knowledge, Third Edition, Project Management Institute, 2004, p82

¹⁹ Bolles, Dennis L., and D.G. Hubbard, *The Power of Enterprise-Wide Project Management*, Figure 21-1, p245

²⁰ Ibid, front cover sheet