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MASARYK INSTITUTE OF ADVANCED STUDIES



DIPLOMA THESIS

Vytvoření Project Management Center of Excellence

Creating a Project Management Center of Excellence

2024

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Study degree programme: Innovation Project Management

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MASTER'S THESIS ASSIGNMENT

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Syllabus: 1. Introduction; 2. Theoretical part - definition and types of Project Management Office, process of establishment, critical success factors; 3. Practical part - analysis of Project Management Center of Excellence implementation in the selected company using internal documents and comparison with theoretical aspects, suggestion for improvement and next steps; 4. Conclusion.

Methods: analysis, description, comparison, questionnaire survey, guided interview.

Bibliography / sources:

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SALAMEH, H. N. Bani. "A Framework to Establish a Project Management Office." European Journal of Business and Management 6 (2014): 19-26

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Acknowledgment

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Abstract

The purpose of this diploma thesis is to conduct a comprehensive analysis of the case of an implementation of a Project Management Centre of Excellence within a selected company. Through the examination of a real-life case study, the research intends to identify both successful and problematic aspects faced during the implementation process. The study implements a multi-faceted methodology that includes analysis, description, and comparison. Furthermore, a questionnaire survey and semi-guided interviews have been employed to obtain insights from important stakeholders in the implementation of the Project Management Centre of Excellence. Based on the results of the project management maturity evaluation and information obtained through interviews and internal documentation, this study provides practical recommendations for improvement and guides on how to further address the complexities of the Project Management Centre of Excellence operation.

Keywords

Project Management Office, Project Management, Centre of Excellence, Project Maturity, P3O, PMO, PM CoE.

Abstrakt

Cílem této diplomové práce je provést komplexní analýzu případu implementace Project Management Centre of Excellence ve vybrané společnosti. Záměrem výzkumu je prostřednictvím zkoumání reálné případové studie identifikovat úspěšné i problematické aspekty, s nimiž jsme se v průběhu implementace setkali. Táto práce využívá metodiky analýzy, deskripce a komparace. Dále bylo použito dotazníkové šetření a polostrukturované rozhovory s cílem získat poznatky od důležitých stakeholderů podílicích se na implementaci Project Management Centre of Excellence. Na základě výsledků hodnocení vyspělosti projektového řízení a informací získaných prostřednictvím rozhovorů a interní dokumentace poskytuje tato studie praktická doporučení ke zlepšení a návody, jak dále řešit složitost fungování Centra Excellence projektového řízení.

Klíčová slova

Project Management Office, projektová kancelář, projektové řízení, Centre of Excellence, projektové řízení, projektová vyspělost, PMO, PM CoE.

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Introduction

The 2021 Harvard Business Review concluded that project-based employment is the future as projects are replacing operations. However, the success rate for projects is alarmingly low, suggesting that often they do not meet deadlines, exceed budgets, or deliver poor results. To succeed in the emerging project economy, businesses need to adopt effective project management practices, ensure executives have the necessary qualifications to sponsor projects and provide modern training to managers. Creating a Project Management Office, also known as a Project Management Centre of Excellence, can be a strategic first step in improving project success rates. By employing centralized oversight, standardized procedures, and support, Project Managers can enhance the efficacy and efficiency of their project deliveries with the assistance of a PMO.

The decision to select this topic is driven not only by the increasing global relevance of project management Excellence in Project Management but also by the author's ambition to explore more theoretical bases and influence the real implementation by learning from more modern sources also from the academic field.

This thesis analyses the implementation of a Centre of Excellence in Project Management in a selected multinational company. Its main objective is to evaluate the implementation process, identify successful and problematic areas as well as possible reasons behind them, and suggest ways to improve the Centre's future performance to maximize its value for the organization.

The theoretical part of this thesis focuses on the definition of key terms in the field of project management and their interrelationships, the historical context of the development of the project management office, the classification of types and services of the PMO. There is a description of the benefits that a PMO can bring to an organisation, what steps need to be taken to establish a Project Management Office and what are the success factors associated with it. It also explains what Project Management Maturity is and why it is important in the context of a PMO.

The practical part introduces a selected company and the specifics of its Project Management Team and its transformation into a Project Management Centre of Excellence. The process is described, analysed, and compared to literature sources, utilizing internal documents as primary sources for comparison with theoretical insights. The methods used also include a survey and semi-structured interviews in order to evaluate the current maturity state of Project Management and get more insights into the implementation.

The final section of the practical part offers further suggestions and recommendations for improving the operation of the Project Management Centre of Excellence in the selected company.

This thesis aims to contribute to a better understanding of the complexity and ambiguity that arises in the context of multinational companies, and to provide suggestions for further improving the Centre of Excellence in order to be sustainable and increase its impact in the company.

TEORETICAL PART

1 Foundations and Historical Background

As a starting point to address the topic of the Project Management Office, it is crucial to comprehend the associated terms and concepts, and their coexistence within the context of implementing organizational change. The responsibility of change management often lies with portfolio, programme, and project management.

1.1 Key terms and interconnections

Various definitions of project, programme, and portfolio terms can be found in the literature on project management. For the purposes of this research, the author concentrates on globally recognised frameworks created by Axelos and the Project Management Institute.

A **project** could be defined as a temporary initiative that is initiated to deliver a unique result with limited resources. It requires defined start and end dates, specific objectives, and the need for coordination to achieve organisational goals.

AXELOS Limited in PRINCE2 (2017), explains the project as a "temporary organisation that is created for the purpose of delivering one or more business products according to an agreed business case."

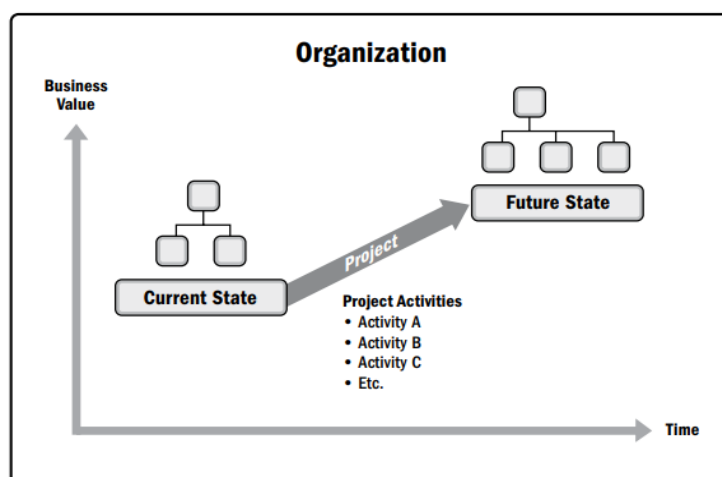
PMI in PMBOK (2017) emphasises that results should be unique, even though some parts of the project could be repeated from already existing ones.

Both methodologies state that projects are meant to implement changes in the daily operations of an organisation. Its aim is to fill the gap between the desired state and the current one.

Munnis and Bjeirmi (1996) suggest that project management is an effective tool for addressing unique and challenging tasks. They believe that it is more effective in implementing complex change than traditional management techniques, such as the use of traditional functional departments in hierarchically structured organisations. Project management is often associated with complex problems, which are referred to as projects.

The diagram below illustrates how project activities can affect business value.

Figure 1: Project impact on business value



Source: PMI, 2017

A *program* is a collection of strategically connected projects that are managed together to achieve broader organizational goals. Compared to projects, programs are often larger in scope and require more resources. On the other hand, they are typically smaller in scale and more focused than programs.

PMI (2017) defines programs as “a group of related projects, subsidiary programs, and program activities that are managed in a coordinated manner to obtain benefits not available from managing them individually”.

AXELOS Limited (2013), a P3O guidebook focused on “design, implementation and operation” of program, project and portfolio offices, created by Axelos, suggests a more complex explanation of the term: “a temporary, flexible organization structure created to coordinate, direct and oversee the implementation of a set of related projects and activities in order to deliver outcomes and benefits related to organization’s strategic objectives”. Their duration is usually no more than a couple of years.

Portfolio in the context of project management, represents the sum of a company's efforts required to achieve changes.

As per PMI’s (2017) PMBOK definition, “portfolio is a collection of projects, programs, subsidiary portfolios, and operations managed as a group to achieve strategic objectives.” Projects and programs included in a portfolio do not have to be related.

Archer and Ghasemzadeh (1999) underline that project portfolio creation is “the periodic activity involved in selecting a portfolio, from available project proposals and projects currently underway, that meets the organization's stated objectives in a desirable manner without exceeding available resources or violating other constraints”.

To summarise, program and project management focus on delivering changes correctly, while the portfolio focuses on ensuring that the correct initiatives are selected for implementation.

Business as usual, or operations, refers to the standard way of working in companies that delivers consistent results on a daily basis.

According to Roberts (2022), tasks within a business as usual are repetitive and aimed at financially and personally supporting the delivery of products or services that the company provides. Such activities typically do not have defined end dates, and resource planning is usually done on an annual basis.

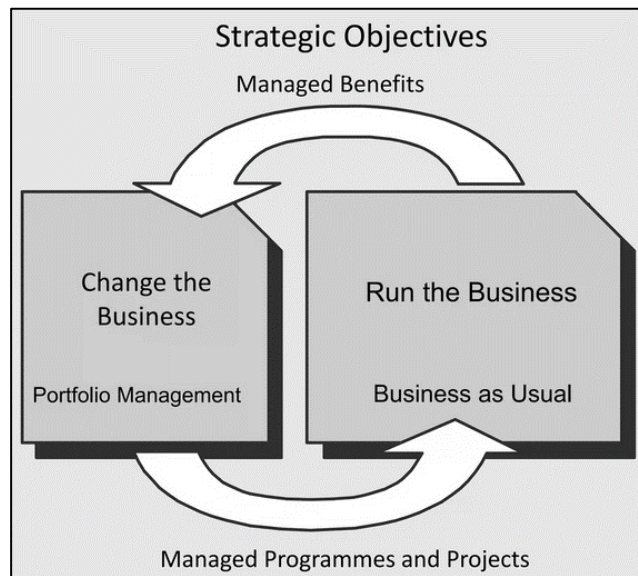
Nowadays, many enterprises utilise project management to address complex transformations. However, organisations that are project-driven would benefit from implementing broader project management standards and best practices in order to be more effective (Gareis, 2006).

Depending on the approach and chosen project methodology, project results may be transferred to business as usual or operations at specific stages.

Changes requested within the project may have a direct impact on business as usual. According to PMI (2017), “ongoing operations are outside of the scope of project however they are intersecting areas where the two areas cross”.

The interconnection between project portfolio management and business as usual is illustrated in the picture below.

Figure 2: Interconnection between Portfolio management and Business as Usual

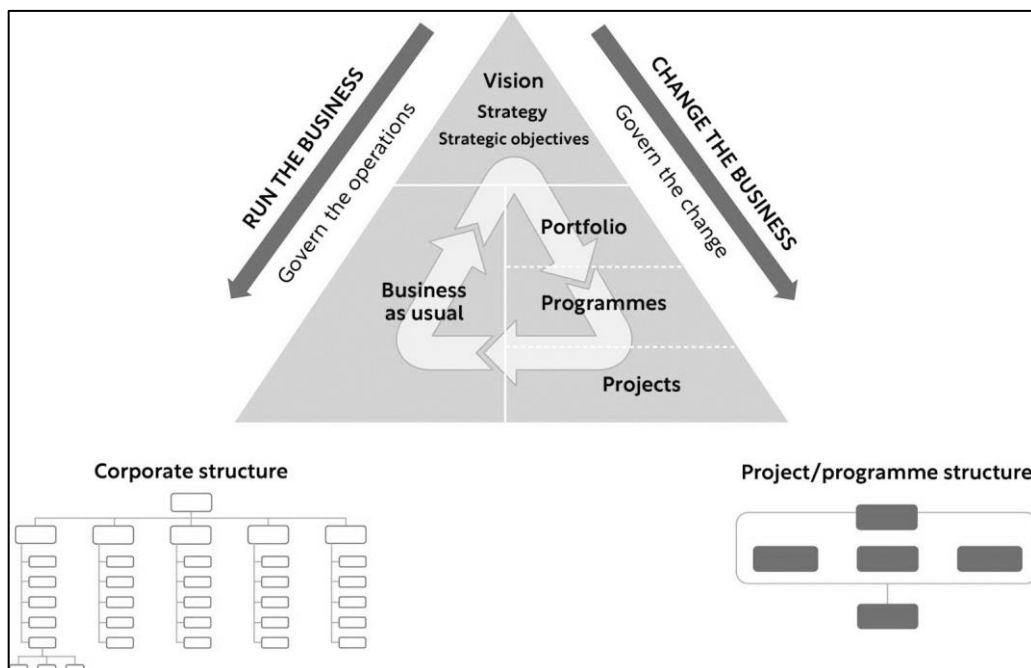


Source: AXELOS Limited, 2013

Launching new projects in circumstances where the expected output has a defined deadline, the deliverables are unique and there is a high level of uncertainty, requires different management strategies to those used in day-to-day operations. In such an environment, the use of project management ensures more efficient and tailored decisions.

The governance triangle, shown below, expresses the fundamental ways in which the governance of Business as Usual and change differ.

Figure 3: Governance in Business as Usual and Projects



Source: Garland and Morey, 2022

Decisions about Business as Usual are typically made within the commonly used hierarchical corporate structure. However, this type of organization chart is ineffective for project, program, and portfolio-related decisions as it was not designed for delivering changes. Therefore, decisions on programs and projects must be made quickly and efficiently.

Using the typical corporate organization chart for project decision-making may lead to slower progress. This is why projects and programmes need their own governance structure to enable faster, more efficient, and successful decision-making (Garland and Morey, 2022).

In today's rapidly changing business environment, the coordinated deployment of portfolio, program, and project office functions can add value by providing a reliable and trustworthy foundation for accurate decision-making. This, in turn, can have a positive impact on the daily operations of an enterprise.

1.2 Historical context

To comprehend the development of project management to the point where a Project Management Office (PMO) became a necessary separate unit, it is crucial to acknowledge the changing requirements for project delivery over time.

There are only a few sources that concentrate on the history of project management offices compared to project management history. Darling and Whitty (2016) state that the history of project offices was not documented over time in English and is inadequate. Based on descriptions of activities similar to those of a Project Management Office, these authors present their perspective on the evolution of Project Offices over time.

Darling and Whitty (2016) describe the early history of the Project Office as follows:

- 1800 – 1930:

In 1805, in Britain, a concept of the Project Management Office was mentioned in the context of a group that managed a government strategy in the agricultural sector and taxation towards better outputs.

A hundred years later, a governmental document in the USA mentioned a project office in the context of engineering and defence cost supervision. However, the term 'project office' remains undefined.

The literature generally describes the project office as a group responsible for implementing initiatives and overseeing resources.

- 1930 – 1950:

The term 'Project Management Office' was first mentioned in 1939 in relation to a public housing project by the US government. A limited description of the term was provided in this governmental project.

Kerzner (2003) divides the modern project office into three historical stages, starting from 1950.

- 1950 – 1990:

In the 1950s, the concept of the Project Office began to resemble what we currently refer to as a project office. The purpose of establishing project offices during that period was to maintain closer customer relations within extensive government-funded military projects. Assigned resources were grouped to serve a particular customer. The number of projects could have been referred to as programs, as personnel may have dedicated over 10 years to a specific project and extensive budgets. Project offices functioned both virtually and in reality. Personnel working on such projects were the only ones trained in project management and composed a sustainable project team. The headcount in project offices played a secondary role compared to technologies and planning. In the past, project resources were not closely monitored as customers were willing to pay related costs and were seen as a source of profit rather than a cost like other departments.

During the 1980s, project offices were downsized, and project management training became mandatory for employees across organizations. Line managers also became accountable for the success of projects.

- 1990 – 2000:

The 1990s began with an economic downturn that had a significant impact on office workers. In an effort to increase efficiency, management explored unconventional techniques, including project management, which at that time extended beyond traditional sectors such as defence and construction. Management realized that project management could benefit a company's income, leading to its establishment as a profession and a component of the corporate reward system.

The recognition of professionalism has led to the establishment of a standardized project management certification program. This program served as proof of proficiency in all key areas of the project office function, such as standardisation of planning, reporting, roles and responsibilities, and risk management.

The project office is often renamed as a Centre of Excellence, which is mainly accountable for reporting to interested parties and actualizing planning. These changes in the role of the project office have been rather challenging.

- 2000 – nowadays:

By the turn of the millennium, project offices had become a standard feature of corporate structures.

According to PMBOK (2017), modern PMOs are responsible for a wide range of tasks, including the development and maintenance of procedures, tools, methodologies, and knowledge, decision-making support, governance setup, resource allocation, and project manager coaching.

Karkukly (2015) brings a financial point of view on PMO functioning. "Organizations seeking to control costs, improve project delivery success and standards, and create business value will invest in creating a PMO. Judging by the rise in PMO numbers today, there is no doubt that PMOs add value. While this is mainly true, the costs and the efforts associated with establishing a PMO are being questioned due to increased expectations from executives". Many companies seek outsourcing of some or all of the PMO setup as well as duties.

Darling and Whitty (2016) add that “PMO has become an asset, a commodity to be traded upon and a badge to be worn to attain certain privileges”.

Salameh (2014) concludes that “Presently, no globally defined standard or model to define the structure, steps, or outline of PMO formation exists”.

Project management nowadays is becoming increasingly complex, and organizations are recognizing the need for a structured approach to the area of project management. Enterprises considering having PMO should have some level of project management before creating a Project Management Office.

2 Office types and characteristics

The definitions used to describe the Project Management Office and its function have evolved over time. In the previous chapter, the authors mentioned that some terms are used interchangeably to refer to a PMO.

2.1 PMO definitions and functions

Salameh (2014) identified additional names for PMO during her empirical research, including Project-management center of excellence, Project Office, Centre of Excellence (CoE), and Centre of Expertise.

According to PMI (2017), “a project management office (PMO) is an organizational structure that standardizes the project-related governance processes and facilitates the sharing of resources, methodologies, tools, and techniques. The responsibilities of a PMO can range from providing project management support functions to the direct management of one or more projects”.

In Grey and Larson’s (2006) assertion PMO represents a centralized department or entity inside a corporation, that monitors and enhances project management practices.

In parallel, Stewart (2010) in Karkukly (2015) augment this perspective by adding, that “PMOs can act in the capacity of mentors or centers of best practice, as a Project Director may mentor PMs through a project” and agrees that project management office’s “functional purpose is frequently to improve project management capabilities within an organization”.

PMI (2017) provides a broader description of the role of the PMO in an organisational context. It defines the Project Management Office as the point where the organisation’s data, programmes, portfolios, and projects meet to ensure that strategically important initiatives are properly addressed and deliver value.

Kwak and Dai (2000) define PMO as an entity comprising full-time employees who provide managerial support, administrative, training, consulting, and technical services.

AXELOS Limited (2013) presents the Centre of Excellence in P3O through its practical role. that ensures consistent delivery of the portfolio, programs, and projects. It provides standards, methodologies, procedures, knowledge management, support, assurance, and training across the entire portfolio of changes. Additionally, it may offer strategic supervision, examination, and challenge throughout an organization's program and project portfolio. The Centre of Excellence enhances the company's capability and capacity in program and project delivery.

It is important to note that a CoE may function within the broader scope of the Portfolio, Programme and Project Office's activities or it may be the sole function of those offices (AXELOS Limited, 2013).

A global definition of a Project Management Office is not possible due to the customization of different PMOs to meet the varying demands of businesses (Desouza and Evaristo, 2006).

Karkukly (2015) expands on this point of view, emphasizing that PMOs can perform various activities and take many forms. However, the main purpose of having a PMO is to improve the delivery of results both within and outside of an enterprise.

While every project is unique, a PMO is expected to provide some level of standardisation throughout project management delivery. Like the types of PMO, there is no universal list of what the Project Management Office should do and in which ways.

Hill (2004) groups PMO functions into five diverse categories:

- Practice Management

Provides a standardised approach to project management within an organisation. It involves the development of project management methods, tools, and practices, as well as supporting a collaborative project management environment, accessing document archives, and a reference library. The aim is to enhance project management capabilities at the project level.

- Infrastructure Management

Helps to establish a professional project management setting by examining the current state of project management and developing improvement plans. It introduces the policies and monitoring mechanisms required to achieve competency targets and provides support in understanding interested parties and governance for the project's success. Additionally, it ensures that all necessary equipment and sites are prepared for a project.

- Resource Integration

Oversees the skills, accessibility, and effectiveness of project assets. This function empowers the PMO to work closely with resource managers to secure, allocate, and oversee project managers and team members. It enables the PMO to coordinate project management training and support the career growth of project managers.

- Technical Support

Provides project management advice and support to project managers and teams by combining the expertise of professionals. Offers mentoring, a range of project planning and facilitation activities, conducts project audits and reviews, and provides necessary support for project recovery when required.

- Business Alignment

It ensures that the business perspective is incorporated into project management. This function oversees project portfolio management and supports executive engagement in project management, including overseeing project contributions to company success.

PMI research conducted in 2013 was also focused on finding out what primary and secondary functions Project Management Offices perform in practice. Respondents indicated categories, that are similar to the above-mentioned Hill's (2004):

- Standards, Methodologies and Processes
- Project/Program Delivery Management
- Portfolio Management
- Talent Management
- Governance and Performance Management

- Organizational Change Management
- Administration and Support
- Knowledge Management
- Strategic Planning.

Block (1999) outlines the specific responsibilities of the PMO, which include:

- Safeguarding project consistency and coordination across the company
- Setting standards and frameworks for all projects within the business
- Conducting reviews of project quality
- Assisting executives with creating a project portfolio that helps the organization achieve its strategic goals
- Assigning resources to projects
- Ensuring that project managers receive the necessary education and support
- Retrieving and preserving completed project documentation, defining patterns
- Supporting executives in tracking the project portfolio by defining KPIs and comparing all projects to those metrics
- Managing the project knowledge management system.

Given that some PMOs function as Centres of Excellence and are implemented in environments with Project Portfolio Management already in place, or in organizations with a high level of maturity in Project Management processes and a significant allocation of resources, it is crucial to provide a precise list of functions and services that a permanent Centre of Excellence can offer, as proposed by ALEXOS Limited in P3O (2013).

Table 1: List of CoE services

Function	Potential CoE service
“Programme and project kick-off and closure	Programme or project fast-track mobilization service - tailoring advice/guidance, templates/ processes, facilitated workshops, library set-up. Support closure process through independent workshops on lesson sharing. Capture good-practice examples for inclusion in good-practice repository.

	Define/advise on programme or project assurance services - delivery, technical, benefits, stakeholders, risk, audit and compliance.
Stakeholder management	<p>Define stakeholder engagement and communications planning processes and template.</p> <p>Facilitate stakeholder identification and communications workshops.</p> <p>Advise on key stakeholders and influencing strategies.</p> <p>Be aware of stakeholders with an interest in the organization's delivery portfolio; identify gaps overlaps and potential conflicts of interest.</p>
Planning	<p>Define planning standards for the portfolio, programme and projects to enable ease of roll-up of milestone data and dependencies.</p> <p>Provide planning assistance to projects - templates, resources, planning workshops.</p> <p>Provide estimating support through experienced staff or estimating database.</p>
Human Resources management	<p>Assist in the recruitment and evaluation of Programme and Project Manager.</p> <p>Provide standard role descriptions for PPM (Project Portfolio Management) staff, including support staff and programme/project delivery staff.</p> <p>Maintain a database of resources for people, their skills/ attributes, location, availability, contact details and lead responsibility for the resource.</p> <p>Define a process for selection of key PPM roles.</p> <p>Define strategy for developing/ acquiring skills/competencies.</p> <p>Ensure HR practices and procedures are aligned with successful operation of programme and project management.</p>
Benefits management	Develop standards for benefits management, including processes, templates and tools.
Performance checks	<p>Manage portfolio/programme or project performance improvement plan (PIP) template, enabling process and resource (fed by lessons).</p> <p>Recommend ways to reduce or shorten project lifecycle times through effective working practices.</p>
Monitor and review	<p>Develop standards - processes and templates - for monitoring and review.</p> <p>Develop time-recording standards and systems.</p>
Reporting	Provide reporting standards, templates, tools and reporting timetable (checkpoints, highlights, programme and portfolio status reports).

	Define and monitor traffic-light status to ensure consistency of reporting.
Risk management	<p>Develop the overall risk management strategy, processes and templates.</p> <p>Develop/source/tailor tools for managing risk and train the organization in their use.</p> <p>Facilitate independent risk workshops.</p> <p>Clearly communicate the risk management strategy, and the benefits of following it, to all personnel involved with the portfolio, programme and projects.</p> <p>Advise on risk mitigation and contingency planning.</p>
Issue management	<p>Develop the overall issue management strategy, processes and templates.</p> <p>Develop/source/tailor tools for managing issues and train the organization in their use.</p> <p>Facilitate independent Issue management workshops.</p> <p>Clearly communicate the issue management strategy, and the benefits of following it, to all personnel involved with the portfolio, programme and projects, including business operations.</p> <p>Establish the portfolio, programme or project issue management process, ensuring that procurement/ commercial leads on contractual issues and changes.</p> <p>Review the effectiveness of issue identification and resolution processes.</p> <p>Facilitate cross-portfolio/programme impact analysis workshops.</p>
Change management	<p>Develop the overall change control strategy, processes and templates.</p> <p>Develop/source/tailor tools for managing change and train the organization in their use.</p> <p>Facilitate independent change impact assessment workshops.</p> <p>Clearly communicate the change management strategy, and the benefits of following it, to all personnel involved with the portfolio, programme and projects, including business operations.</p> <p>Facilitate cross-programme impact analysis for changes that affect the wider portfolio arena.</p>
Finance	<p>In conjunction with finance, develop and maintain the portfolio, programme or project financial processes, controls and templates, paying particular attention to audit requirements.</p> <p>Develop the business-case process and templates.</p> <p>Provide advice/guidance on developing business cases and going through the approvals process.</p>

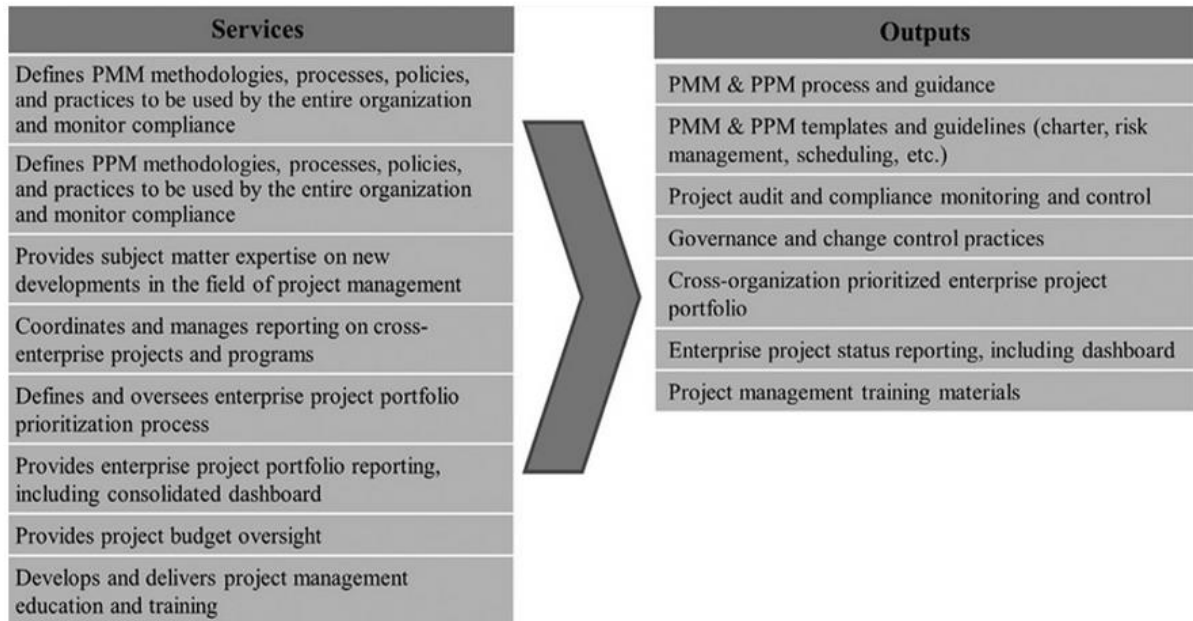
Commercial	Work with procurement/commercial teams to agree standards for purchasing within a programme/ project environment.
Quality assurance	<p>Provide a stage-gate review or gateway support/coordination service.</p> <p>Provide health checks, assurance or audits through a risk-based approach geared to the programmes and projects that need it most.</p> <p>Enable/conduct post-programme/ project reviews.</p> <p>Develop, implement and promote a comprehensive quality strategy.</p> <p>Agree standards and establish clearly defined quality methods for staff to apply.</p> <p>Assure the development of portfolio, programme and project quality plans.</p> <p>Monitor quality performance.</p> <p>Provide guidance on quality criteria, reviewers and sign-off authority to ensure cross-portfolio/programme(s) consistency.</p> <p>Analyse feedback from reviews, including stage-gate reviews/ gateway, health checks, post-programme/project reviews, audits and lessons.</p>
Information management	<p>Develop and implement configuration management standards and processes.</p> <p>Develop/source tools for configuration management.</p> <p>Develop/source tools for collaborative working.</p> <p>Develop information strategy.</p> <p>Develop standard information library structures and templates.</p>
Standards and methods	<p>Develop and implement standard PPM methods and approaches.</p> <p>Develop tailoring/flexing guidelines for standards, methods and approaches.</p> <p>Provide links to other standards, e.g. ITIL for service management.</p> <p>Ensure tools and processes facilitate collaborative working across team, department and organization boundaries.</p> <p>Advise on PPM (project, program management) tools/software.</p> <p>Reduce project life cycles through effective methods.</p>
Other	<p>Work with procurement/commercial to establish frameworks for the acquisition of:</p> <ul style="list-style-type: none"> -Contract resources -Plant and equipment

	-Facilities/building space”.
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Source: Own creation, based on ALEXLOS Limited P30, 2013

Karkukly (2015) provides a notable perspective on how to view PMO services as a means of delivering tangible outputs on the picture below.

Figure 4: Sample PMO Services and Outputs



Source: Karkukly, 2015

Due to the variety of types, approaches, and levels of maturity of PMOs, the extent of their responsibilities is defined in various ways. While some authors and methodologies provide detailed examples, others stick to generalized categories of functions. It is crucial to tailor the responsibilities of a PMO to the specific organization and its expectations. It is also essential to consider not only functions and roles but also the outputs that a PMO provides to its customers.

2.2 PMO types

The meaning of PMO terms can vary between organizations, and the position of PMO within a company can also be perceived differently.

In their analysis, Szalay et al. (2018) assessed 20 research papers on the topic of PMO and identified 38 categories of PMO mentioned in 95 forms. The authors narrowed down the list of PMO types to the following five:

- Dedicated PMO

Project and program offices are set temporarily, specialized types of PMO could be placed under this definition.

- Business Unit PMO

As the name indicates, those are focused on supporting specific organizational divisions. This type is the most applied.

- Enterprise PMO

Its focus is on strategic alignment of changes initiatives, as programs or projects with a wider business strategy.

- Project Support Office

PMOs of this kind are in charge of enabling particular delivery processes in a company.

- Centre of Excellence

CoE is accountable for standards, frameworks and providing tools.

In 2013, PMI conducted a survey to investigate the practical aspects of PMO types. A group of experts formulated five types of PMO, which correspond to the types defined by Szalay et al. in 2018. 53% of the respondents who were PMO workers indicated that the types fully or almost fully reflect the PMO where they work. Meanwhile, 43% of the participants stated that the description at least partially fits their PMO:

- Organizational Unit PMO/Business Unit PMO/Divisional PMO/Departmental PMO

This type is in 53% of respondents' organizations.

- Project Support/Services/Controls Office or PMO

Survey results showed that this type is adopted within 44% of respondent's employers.

- Enterprise/Organization-wide/Strategic/Corporate/Portfolio/Global PMO

This sort of PMO is implemented in 39% of companies.

- Centre of Excellence/Centre of Competency

35% of results show that the CoE type of PMO was functioning within survey participants' organizations.

- Project-Specific PMO/Project Office/Program Office

Almost the third (31%) of respondents replied that they work for this type of PMO.

The survey results confirm the typology proposed by Szalay et al. (2018) is applicable to people employed in PMOs. This is an important step in understanding the current PMO environment in enterprises (PMI, 2013).

In the contrary to categories above, Hill (2004) offers classification of PMOs based on the level of complexity of performed tasks and competency:

- Project Office

This stage is the least advanced out of the five stages and does not fully fulfil the meaning of PMO. The office is in control of meeting project timelines, ensuring agreed quality, and efficient resource management through the usage of project management best practices. Typically, it operates with one Project Manager leading one or more projects. Several of these offices could exist simultaneously across an enterprise.

- Basic PMO

The first level of a PMO is known as the Program Office. Its main function is to ensure standardisation and establish a methodology for repeatable projects, while adhering to the company's policies and standards. The Program Office serves as the Program Manager and oversees multiple Project Managers on various projects. This role could be performed by a part-time employee.

- Standard PMO

It could be established without passing two previous phases. This role acts as a mediator between the business and project environments, creating the necessary support and governance for projects. It assists numerous Program and Project Managers, as well as Senior Program Managers. At this point, both full-time and part-time employees may be involved.

- Advanced PMO

Represents a more developed standard PMO that acts as an independent unit, providing a unified and exhaustive capability for meeting the enterprise's goals. In addition to the internal customers listed above, the PMO includes a Director and Subject Matter Experts.

- Centre of Excellence

The CoE is responsible for managing projects throughout the entire company, but it does not necessarily carry out all of the functions of the PMO types listed above. Its actions are aimed at achieving continuous improvement and enhancing partnerships across divisions to meet organizational goals. The CoE is involved in multiple programs, and both the Project Management Director and company-wide staff are part of it.

Karkuky (2015) shares the perception that CoE is different from PMO and notes that some companies refer to their PMO as a Centre of Excellence. This author suggests that CoE is intended to support project managers and the enterprise.

Another noteworthy categorization is proposed by Kendall and Rollins (2003):

- Repository

The PMO acts as a repository of project, methodology, and standard knowledge. This type is common in organizations with decentralized governance or those that encourage distributed project ownership that is spread across business units.

- Coach

A more elaborate Repository model, where PMO shares project management practical knowledge throughout the company and coordinates collaboration across projects.

- Enterprise

This type works within governance where PMO is a part of most projects, irrespective of its size. The Enterprise model often requires a significantly higher investment and has a broader mission and managerial sponsorship. Project managers are assigned to projects depending on actual demand.

- Deliver now

The goal of this model is to provide the management with a significant quantifiable value within a short time frame. At the beginning, it might be focused on improving delivery in key projects. Performance of this PMO is supported by executive management and might be linked to their success metrics.

PMOs can be categorized in various ways. Some authors classify them by functionality, while others focus on their role in increasing organizational project management maturity (Salameh, 2014). According to Szalay et al. (2018), "defined PMO types can provide different services based on their own specific operation and processes, they can be at different maturity levels, and their performance evaluation can be based on their independent mission".

2.3 Benefits of having a PMO

With the evolution of project management and its widespread acceptance and implementation, a need for a unit that will support project management processes and employees in their activities, furthermore, will coordinate the strategic side of the delivery management rises (Kaleshovska, 2014).

Dai and Wells (2004) noticed that the demand for a centralized project-coordination function in the corporate sector has risen in response to the increased quantity, size, and velocity of projects. This growth appears to be linked to the popularity and spread of PMOs.

ALEXOS Limited (2013) elaborates on this idea by adding: "when a new program or project is set up, the CoE can provide methods, tools, and training, along with advice and guidance from lessons shared during similar, previous changes. The CoE will provide the means for program and project teams to capture lessons that can be used by future teams. In this way, the organization can continuously improve program and project delivery". "When a new program or project is set up, the CoE can provide methods, tools, and training, along with advice and guidance from lessons shared during similar, previous changes. The CoE will provide the means for program and project teams to capture lessons

that can be used by future teams. In this way, the organization can continuously improve program and project delivery”.

Rathore (2010) outlines major benefits of having a PMO:

- More projects are completed on schedule and on budget, in an efficient manner.
- Improved strategic alignment between corporate objectives and initiatives launched.
- Investing in initiatives that bring value.
- Improved resources and risk management.
- Decrease of overlapping initiatives and increased awareness of projects in a pipeline.
- Improved communication and faster decision-making.
- Enhanced cross-departmental collaboration.
- Increased profits on projects implemented.

Karkukly (2015) emphasizes that the primary benefit of a PMO is its ability to connect a company's governance, strategy, and goals with project and portfolio management efficiency. Kaleshovska (2014) also supports this idea and refers to the CHAOS report (1995) on the interconnection between project success rates and PMOs. A Project Management Office can reduce project failure rates by up to 80%.

In enterprises with multiple projects, there is a high probability of varying approaches across initiatives. In such cases, Project Management Office can help to establish a common language throughout the company (Greengard, 2013).

Hill (2004) acknowledges that a PMO assists both project managers and organizations in understanding and implementing best project management practices. Additionally, a Project Office can aid in adapting and integrating business interests into projects.

Karkukly (2015) lists the ways through which PMO could elevate project delivery:

- Standards

Creates common tools, templates, and processes for all projects within an enterprise.

- Education

Offers project management educational possibilities across parties interested in project management improvements. This is an important factor of the change in the company culture, and it is frequently necessary to underline methodology's authority.

- Readiness

Ensures project's preparedness to use defined techniques and frameworks. This process could include a pre-project evaluation of a project's chances of success as well as an initial risk assessment.

A PMO performs critical functions in project administration, contributing to the successful and efficient management of projects and overall organizational performance.

Creating a Project Management Office can offer significant strategic advantages by providing the necessary support for projects to deliver their full value without disrupting current operations. "Developing a PMO is about transforming project management so that we can do more—more collaborating, more sharing of knowledge and skills and tasks, more development of teams" (Greengard, 2013).

3 Evaluation and establishment of Project Management Centre of Excellence

As each organization's environment for PMO implementation is unique, it is crucial to comprehend the key factors that contribute to successful implementation and the implementation process itself. Understanding these factors can help focus efforts on areas that require additional attention to ensure the continued viability and future growth of the PMO is considered.

3.1 Maturity of PMO

Knowledge of an organization's project management level, strengths, and areas for improvement, based on information from various sources, enables companies to establish a process for better project management performance (Spalek, 2015).

Maturity models allow enterprises to assess the current state of the project management system and determine the steps for its development (Karkukly, 2015).

The maturity level represents the PMO's pursuit of continuous improvement. It can also serve as an internal measurement and target-setting tool for the PMO, bridging the gap between real-world practice and best practices from other institutions and academic fields. This leads to project advancement and improved visibility of PMO results (Szalay et al., 2017).

According to Pinto et al. (2010), the maturity of a PMO is determined by its ability to create value for both its clients and the entire company.

Over the past four decades, various maturity models have been developed to objectively measure assignments, ranging from operational to strategic ones. These frameworks have been developed in both academic and private sectors (Szalay et al., 2017; Fabbro and Tonchia, 2021).

Seelhofer and Graf (2018), in their research, identified 7 models out of 36 accessed, which, according to the authors, have academic importance and are considered relevant by project management experts. Although many authors have created numerous maturity models, many of them consist of five levels of maturity. The goal of all these models is to assist companies in enhancing their project management performance. The comparison table created by authors is presented below.

Figure 5: PMO maturity models' overview

Model (Acronym)	Origin (Year)	Description	Maturity Levels	Industry Application
Capability Maturity Model Integration (CMMI)	Humphrey (1988)	Eliminates the need to use multiple models for software development by integrating various CMM models.	1-initial; 2-managed; 3-defined; 4-quantitatively managed; 5-optimized	Airline, automotive, banking, education, engineering, health care, IT, telecommunications
Berkeley Project Management Process Maturity Model (PM2)	ibbs and Kwak (2000)	Integrates previous practices, processes, and maturity models to improve project management effectiveness and allow benchmarking.	1-basic project management processes; 2-individual project planning; 3-systematic project planning and control; 4-integrated multi-project planning and control; 5-continuous project management process improvement	Engineering/construction, IT, telecommunications, manufacturing
Organizational Project Management Maturity Model (OPM3)	PMI (1998)	Helps organizations understand project, program, and portfolio management and measuring maturity by a wide-ranging set of best practices.	1-standardization; 2-measurement; 3-control; 4-continuous improvement	construction, education, engineering, gas and energy, health care, IT
Kerzner Project Management Maturity Model (KPMMM)	Kerzner (2002)	Presents methods to assess and verify each level of project management maturity. Extension of the CMMI model.	1-common language; 2-common processes; 3-singular methodology, 4-benchmarking; 5-continuous development	Education, health care
Project Management Maturity Model (PMMM)	Crawford (2006)	Allows organizations to systematically and efficiently develop and measure their project management capabilities.	1-initial process; 2-structured process; 3-organizational standards; 4-managed process; 5-optimized process	Airline, construction, education, IT
Project Management Maturity Model (ProMMM)	Hillson (2001)	Allows diagnosis of the current maturity level and need for improvement; provides a foundation for progress evaluation. Based on CMM, EFQM Excellence Model, and Risk Maturity Model.	1-naïve; 2-novice; 3-normalised; 4-natural	-
Portfolio, Programme, and Project Management Maturity Model (P3M3)	OGC (2006)	Provides three maturity models that can be used separately to focus on specific areas of the organization and to help assess the relationship between portfolios, programs, and projects.	1-awareness; 2-repeatable; 3-defined; 4-managed; 5-optimized	Public sector, transportation

Source: Seelhofer and Graf, 2018

Fabbro and Tonchia (2021) point out to some more similarities that maturity models have:

- Assessment

Outcomes of this process is an evaluation of the organizational project management skills, as well as the benefits and drawbacks of the project management model.

- Body of knowledge

Abilities and skills and key performance indicators in relation to maturity levels. They are very similar across the models. There are lists of best practices for each maturity stage, along with the prerequisite capabilities needed for each one.

- Improvement

The models' improvement function outlines the most crucial steps and demonstrates how to advance. Aimed to discover how to create long-term organizational strategies and proceed in meeting key performance indicators goals.

Fabbro and Tonchia (2021) also indicate methods of providing evaluations and empathizing the objectivity of the last one:

- Self-assessment
- Guided interviews
- Audits (e.g. external evaluations)

AXELOS Limited (2013) adds that in companies with low maturity, anecdotal evidence might be the only one available.

Gartner, Folkedal (2018) bring attention to other 4 aspects that should be pillars for building a Centre of Excellence, in parallel with maturity models:

Figure 6: Pillars for building a Centre of Excellence

Pillar	Description
<u>E</u>ducate	Improve the quality of project delivery through development of content, tools, training curriculum, and sponsorship of certification processes that enhance project management practices. Cultivate continuous learning and promote mentorship. Recognize and share best practices from the project management community.
<u>E</u>mpower	Enrich project management capability through standard processes for project management and project management norms.
<u>E</u>valuate	Institute objective measurement of project performance using standardized metrics that focus on accurate evaluation of project health.
<u>E</u>ncourage	Create a trusting and rewarding atmosphere that encourages the use of PMO tools and participation in the community of best practice. Establish a PM retention mechanism for talented PMs.

Source: Gartner and Folkedal, 2018

The Project Management Maturity Model is a tool used to assess an organization's project management capability. This procedure allows for the identification of the current level, desired level, and necessary strategies and actions to reach it. The assessment results of the model can be used as a promotional tool both within and outside of the company.

3.2 Success factors for PMO establishment

Historically, Project Management Offices have had varying roles and provided diverse services depending on their utilization within an organization. However, despite these developments, the overall number of failed projects remains alarmingly high. While the precise number varies, the majority of sources agree that it is unacceptable. PMOs often fail to meet stakeholder expectations. Thus, it is important to understand not only how to prevent failure but also how to manage the implementation process, including the achievement of key success factors (Gartner and Folkedal, 2018).

Karkukly (2015) indicates 2 major obstacles that can prevent PMO success:

- Ignorance on the management level

If the mandate to create a PMO is given without a clear understanding of its capabilities, there is a high chance of misunderstanding the PMO setup targets. Furthermore, if the PMO sponsor lacks project management knowledge, the interpretation of successful PMO implementation and its responsibilities becomes subjective.

- Being overly ambitious

If executives expect too much from the PMO at the outset, without considering the need to introduce changes to the organization's way of working gradually, it could result in the Office's failure to function effectively.

AELOS Limited (2013) presents some more threats, which can be summarized as follows:

- Employees' aversion to changes

If management reduces support for the PMO over time, this could affect resistance to changes, as project management employees may feel like they are losing control over their responsibilities. It is necessary to explain the new setup and ensure that it is understood by all affected parties.

- Too much focus on tools and processes

The PMO mindset should not overestimate the importance of tools and templates over the actual quality and value of information. It is important to educate employees before implementing tools to avoid frustration and resistance to change.

- Expectation that PMO will take ownership over business change

Project Management is not responsible for the results of business as usual, it is an instrument that helps the Business Owners to facilitate change.

The elements that contribute to success should be derived from the attention points listed above. It is important to have a comprehensive view of the success contributors to minimize difficulties during PMO implementation.

Raharjo et al. (2018) identified the primary factors for successful PMO implementation from the literature:

- Sponsorship from the highest management and stakeholders

Karkukly (2015) indicates this factor as the most important element of success. Identifying the right Sponsor is a critical success factor. But it does not imply that if a manager in a company wants to support a PMO, the PMO should be under his or her jurisdiction. The Sponsor must be objective and have no conflict of interest in the process or content of the job being delivered. Continued support is intended to protect the PMO against politically charged agendas that might appear after the PMO's initial setup. Directing development and advocating for PMO are examples of appropriate assistance. Only then will the PMO be able to survive.

“Close partnerships with senior leaders allow the PMO to play an active part in strategic planning and support execution. Business outcomes improve, and core competencies and consistent objectives are used across industries and regions” Greengard (2013).

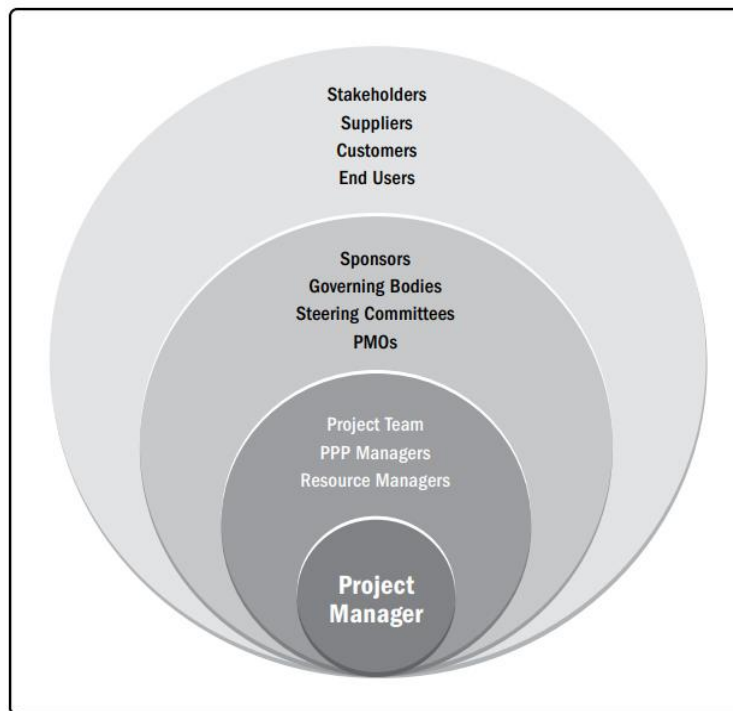
- Resource team with knowledge and abilities, including the capacity to create value for the company

After creating the proper sponsorship, the second task is to hire the right people for the PMO. To ensure sufficient quality of services and credibility, assigning or recruiting staff with a required skill set is necessary. If people within PMO do not use common language and approaches, quality will likely decrease (AXELOS Limited, 2013).

Not having the correct sponsorship and not having suitable people who can connect with the vision and objective might be an issue for the PMO's longevity (Karkukly, 2015).

From a Project Manager's perspective, PMI (2017) provides an example of a Project Manager's Sphere of Influence and states that 'the project manager maintains a strong advocacy role within the organization'. Project managers can improve the overall project management skills and capacity of the organization by participating in knowledge transfer or integration activities. They also aim to demonstrate the benefits of project management, promote it within the company, and enhance the effectiveness of the PMO. Therefore, it is important to obtain their support for implementation as well as keep those parties informed and consulted with (PMI, 2017).

Figure 7: Spheres of Project Manager influence



Source: PMI, 2017

- The PMO leadership competency

A PMO head's responsibility is to establish "what is proper" for the company, and this must be accepted by the Sponsor, in order to assure support and compliance (Karkukly, 2015).

- Having defined a goal, purpose, implementation roadmap, standard procedures, functions, responsibilities, and a defined organizational structure

To ensure the success of a PMO, it is crucial to engage in strategic planning at an enterprise level, focusing on long-term value, sustainability, and success. This involves designing and building a scalable PMO that considers strategic growth. A strategic perspective is necessary to ensure the continuous delivery of value. It is important to note that the PMO's placement in the organizational hierarchy has a direct correlation with its potential for success. According to Gartner and Folkedal (2018), 76% of high-performance PMOs report directly to the Executive Vice President or C-level.

Kerzner (2003) agrees and adds that "maturity and excellence in project management does not occur simply by using project management over a prolonged period. Rather, it comes through strategic planning for both project management and the project office". The author continues, with a point that determining which tasks should be under the project office's authority is typically easier than deciding how or when to accomplish them.

Karkukly (2015) underlines the importance of small steps at the beginning, meaning not necessarily the number of staff involved, but also the number of services provided. Every function selected to be provided within a PMO, should also begin with focusing on small wins and aim for being more elaborate. This, among other things, helps to accept changes within a company.

Jose et al. (2010) state that a business driven PMO needs to adopt a maturity model, and project management framework, and define performance measurements and indicators. Authors also add to the list of contributors to the favourable outcome of PMO setup:

- Implementation of continuous improvement process

Gartner and Folkedal (2018) highlight that it is crucial to calculate from the outset that the PMO and its service portfolio are likely to continue to grow along with project management knowledge.

Karkukly (2015) suggests supporting this by planning regular checkpoints and retrospectives to ensure the PMO is operating effectively, and that workload and staffing levels meet the Sponsor's expectations. In addition, while the management of the organization provides feedback and direction, the PMO should not solely focus on obtaining support from top management. The use of 360-degree feedback promotes consistent and continuous improvement and demonstrates the ability to adapt to the organization's needs.

Kaleshovska (2014) and AXELOS Limited (2013) encapsulate the principal factor that, given that every business is unique, different Project Management Office setups are needed to meet the organizations' demand. Thus, correspondence and integration of PMO structure into enterprise' structure is essential for success.

3.3 Steps to establish a PMO

Considering the variety of Project Management Office models and functions, the next logical step is to contemplate the process of PMO implementation. Practitioners faced with this question encounter a lack of widely used manuals, templates, or best practices (Rincon, 2014).

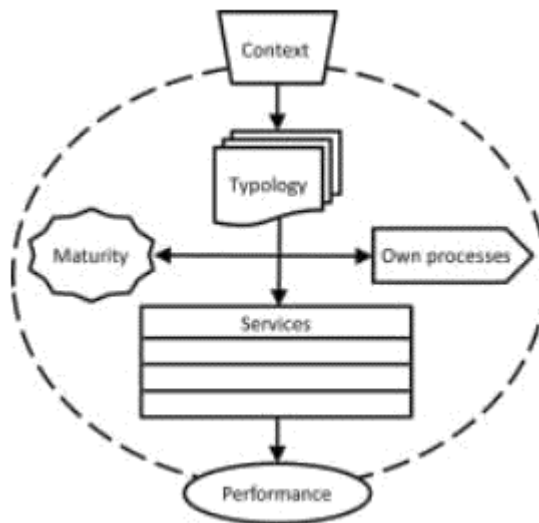
As each PMO and its formation is unique, Bolles and Hubbard (2015) attempt to summarise the findings from Hobbs and Aubry's book (2010) based on research of PMOs:

- “PMOs in different industries, different regions, similar sized enterprises, or in private or public enterprises do not vary systematically in the manner in which they are structured or the functional roles they fulfil”.
- The political and organizational context of the company determines PMOs services and format.
- PMOs should be formed in a context-specific environment.

The authors mentioned above conclude that when composing a PMO, there are a wide variety of possibilities for its structure, functions, and strategic importance.

Szalay et al. (2017) propose accessing PMO setup from six perspectives, as shown in the scheme below, to address the inconsistent approaches to PMOs.

Figure 8: PMO setup from 6 perspectives



Source: Szalay et al., 2017

The Project Management Office is a crucial component of a larger organisation and requires a comprehensive understanding of its future structure. The organization in which the PMO is being implemented should establish a context for the PMO to ensure that it benefits from its performance.

This perspective includes the selection and execution of projects, which enhances project outcomes and the organization's mentality. The context and performance of a PMO are crucial factors that link it to external elements.

The PMO's typology determines its role, level, and position within an institution. To functionally describe a PMO, one should consider the range of activities, services, and value it provides.

It is also important to conduct a thorough examination of the PMO's activities and working procedures. This involves assessing the internal operations of the organization, the categories of activities that come under its jurisdiction, and the style and level of management applied to these processes.

As explained at the beginning of this chapter, there are various models available for evaluating the maturity of a PMO. These models take into account the sophistication of its functions, stakeholder interests, and organizational requirements (Szalay et al., 2017; 2018).

According to Salameh (2014), PMO implementation should be treated as a project. This involves standard management phases, including planning, execution, monitoring, and control, as well as project management attributes such as schedule, scope, and resources. The author analysed best practices and approaches to PMO setup and summarised them into 12 stages:

- Understand how the Organization defines success

PMOs should be in line with the organization's vision, strategic goals, business objectives, culture, and departmental relationship. This understanding helps to implement effective project management methodologies that are tailored to the company's strategy and objectives.

- Formulate PMO strategy, mission, and objectives

The PMO strategy outlines a process and roadmap to achieve the mission with a focus on long-term objectives, the purpose of the PMO, its functions, and service gaps. The mission statement should indicate the role and value that the PMO provides to the organization, as well as its methods and target audience. Short-term objectives should be achievable quickly to increase PMO support. Long-term strategic objectives should address governance, change, and talent management.

- Define PMO type and functions

PMOs differ depending on the organizational settings and roles. During this step, it is required to outline the Project Management Office's practices, way of services delivery, and administrative assistance. The PMO assumes a more strategic role as its scope expands.

- Determine PMO Success Criteria and Metrics

PMO Sponsor and enterprise's top management should be involved in defining metrics and reporting.

- Define PMO Organizational Structure

The success of a Project Management Office depends on its formal organization, integration, and communication with other divisions. The PMO must have an authority level defined, as well as communication channels and conflict resolution methods.

- Decide on the number of PMO employees

The number of staff required for a Project Management Office depends on the type of PMO and the complexity of the projects or portfolios it serves. The PMI Pulse of the Profession (2013) found that project managers make up 16% of PMO professionals. As PMO functions expand, the number of staff required increases.

- Write a PMO Charter

Establishing a PMO should be treated as a project, with objectives, vision, success criteria, scope, budget, timeline, and integration processes documented in a PMO Charter.

- Ensure Top-Management dedication and assistance

The success of a Project Management Office relies on ensuring key stakeholders and top management are committed to support the PMO.

- Approval of the Charter

A formal PMO launch meeting with stakeholders marks the start of the initiation and execution process. Obtaining a formal approval from the PMO executive sponsor is crucial.

- Build the Project-Management Methodology and Processes

The Project Management Office must define the methodology and ensure its integration with existing processes within the organization. To integrate a defined project-management

methodology into a new PMO, audit it to ensure it is followed and identify gaps. The PMO is responsible for supporting and updating the methodology to ensure its relevance to the organization.

- Train the staff

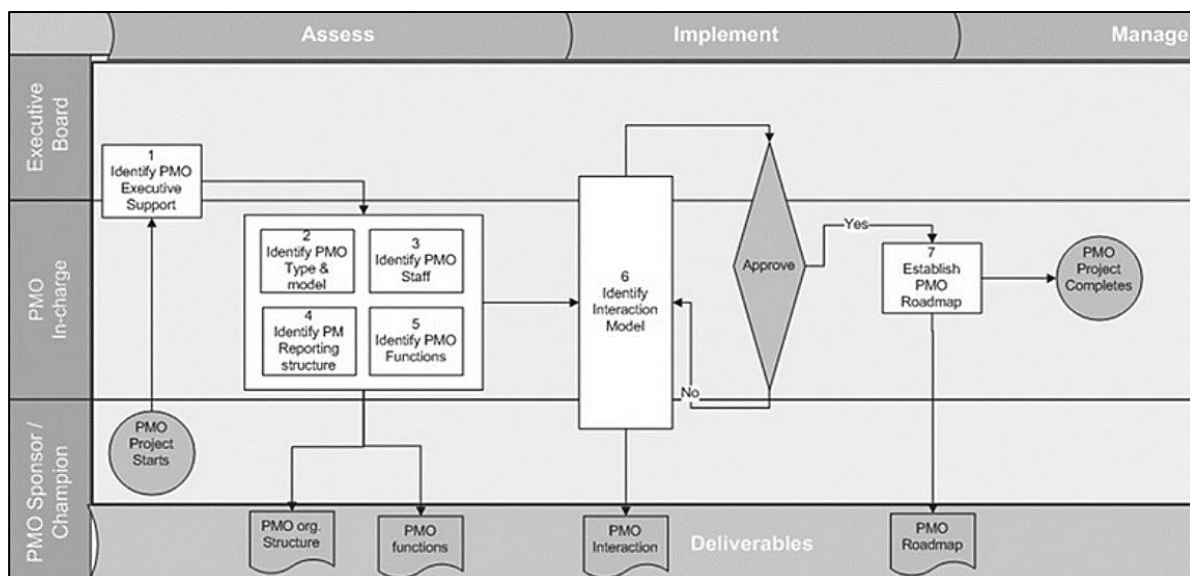
Training should be provided to executives, project managers, PMO staff, functional managers, and employees to ensure the integration of the PMO mission, objectives, processes, templates, and framework.

- Follow PMO metrics and ensure continuous status updates

The success of a Project Management Office can be dependent on its ability to track, monitor, report, and enhance the progress of projects and portfolios within the organization. To ensure continuous success, PMO performance status should focus on the current status and challenges related to chosen metrics. Continuous improvement and enhancement of PMO are necessary to cultivate a culture built on best project-management practices and move towards an Enterprise or Centre of Excellence PMO.

Karkukly (2015) proposes her version of the implementation steps, those are graphically represented below.

Figure 9: PMO implementation



Source: Karkukly, 2015

The primary distinctions between steps proposed by Salameh (2014) and Karkukly (2015) lie not only in the quantity of steps but also in their sequence. Karkukly (2015) recommends commencing with identifying the sponsor and reporting structure. The author proposes that the PMO could be based on existing teams or roles or established as a new part of the organization. However, understanding an organization's success criteria is not mentioned. As the next step, the author suggests focusing on defining the type and model of PMO, skipping the mission formulation. Identifying the PMO employees is indicated prior to reporting structure and functions, which is the opposite in case of the Salameh's (2014) approach. Karkukly then suggests specifying how the PMO will interact with other departments and what rights it has towards them.

Approving the PMO Roadmap indicates that both authors agree on approaching PMO establishment as a project. However, Salameh (2014) refers to it as a Charter.

In this Karkukly's approach, project management methodology and training are not considered as part of the PMO setup phase.

According to the ALEXOS' Limited (2013) implementation lifecycle, it is suggested to start with an assessment of the current state, envision the future state, and document it. The next step is to define stakeholders, team, business case, and plan. The third phase involves delivering capability, benefits realization, and review, followed by closure.

Regarding the establishment timeframe of a PMO, Aubry and Hobbs (2010) found, after analysing a survey completed by 502 Project Management Offices, that the most common duration was 1 to 2 years (over 35% of respondents). The second most popular answer was from 6 months to a year (around 27%).

Essentially, the methods discussed above share fundamental components, with variations in detail and sequence. It is crucial to establish connections among internal and external key elements before finalizing the implementation of the Project Management Office.

When building a PMO, it is essential to acknowledge that the implementation of a PMO in each organization will differ, as the environment and expectations of the Project Management Office vary. Being aware of success factors can help to focus on areas that require special attention to ensure the sustainability of the PMO and its future growth in maturity.

PRACTICAL PART

4 Company and team introduction

An analysis of the company's background, including its mission, and core values, will be presented to establish a comprehensive understanding of the organizational context. Furthermore, the chapter delves into the composition and roles of the team impacted by setting up the Centre of Excellence.

4.1 Introduction of the selected company

ABC Group, an anonymized multinational banking and insurance corporation, conducts its largest business activity in the Central and Eastern European markets.

A leader in its field, ABC owns a substantial number of banks, insurance companies, and other financial management firms. The primary focus of the Group includes retail banking, insurance, asset management, and corporate and private banking, with involvement in European debt capital markets and cash equity markets. However, the company is also actively engaged in international banking business through its foreign partners and banking correspondents.

ABC continues to expand by acquiring additional banking and insurance companies, making it one of the three strongest holding companies in the Central and Eastern European region.

Presently, the company is driving towards decentralized corporate governance to facilitate further development. Each entity was given its own objectives and leadership, but ABC Group's governance is aligned with strategic choices and business models, ensuring that this structure promoted effective decision-making and individual accountability.

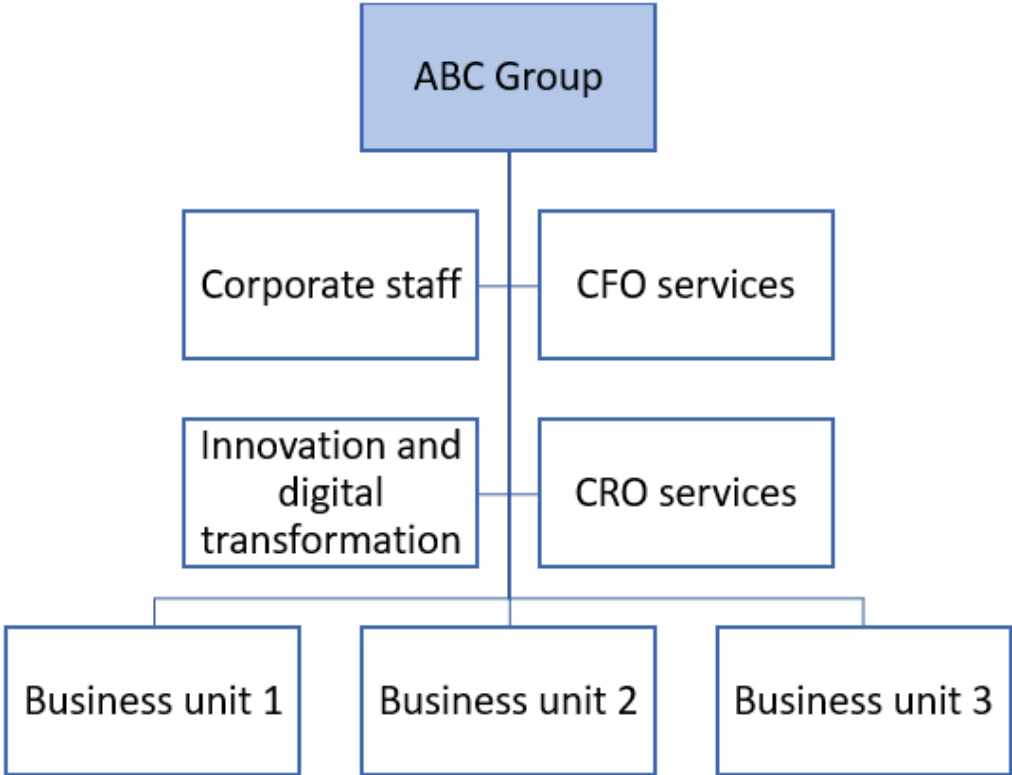
As bankers, the Group offers sustainable investment options to customers and ensures that they make wise choices when saving and investing. Their experience is available to every customer who wishes to increase their assets based on their unique preferences and risk tolerance. They sustain the economy amidst difficult circumstances, such as those presented by the coronavirus outbreak, by utilizing the deposits entrusted by clients to offer loans to individuals, firms, and government agencies. Correspondingly, they possess an investment portfolio, which results in an indirect investment in the economy.

As an insurance provider, ABC assists clients in minimizing their risks and operating with peace of mind. The company strives to offer the best insurance coverage at an affordable cost on a daily basis, while also investing in a superior claims-handling service. Furthermore, ABC develops campaigns to prevent accidents based on our understanding of causes and has a lengthy record of accomplishment of partnering with organizations that promote welfare, support victims, and enhance road safety.

In addition, the organization offers a comprehensive array of essential services to clientele. These services include corporate finance, leasing, trade finance, cash management, payments, and money and capital market products. They also seek to contribute to the economic system in this manner. ABC strives to ensure that all of our actions take into account the societal and environmental impacts and sets specific goals in this regard. At the same time, the company claims to be deliberately focused on areas in which they, as bank-insurers, can have a beneficial impact on society, wherever possible. The ambition of the Group is to offer proactive and data-driven solutions to meet clients' needs and be recognized as a reference for bank-insurance in all its core markets.

By the end of 2022, ABC had over 42,000 workers, roughly half of whom were based in Central and Eastern Europe, and it had serviced 13 million clients in its markets (Annual report of the company, 2022; Materials provided by the company, 2023).

Figure 10: Organizational Chart of the selected company



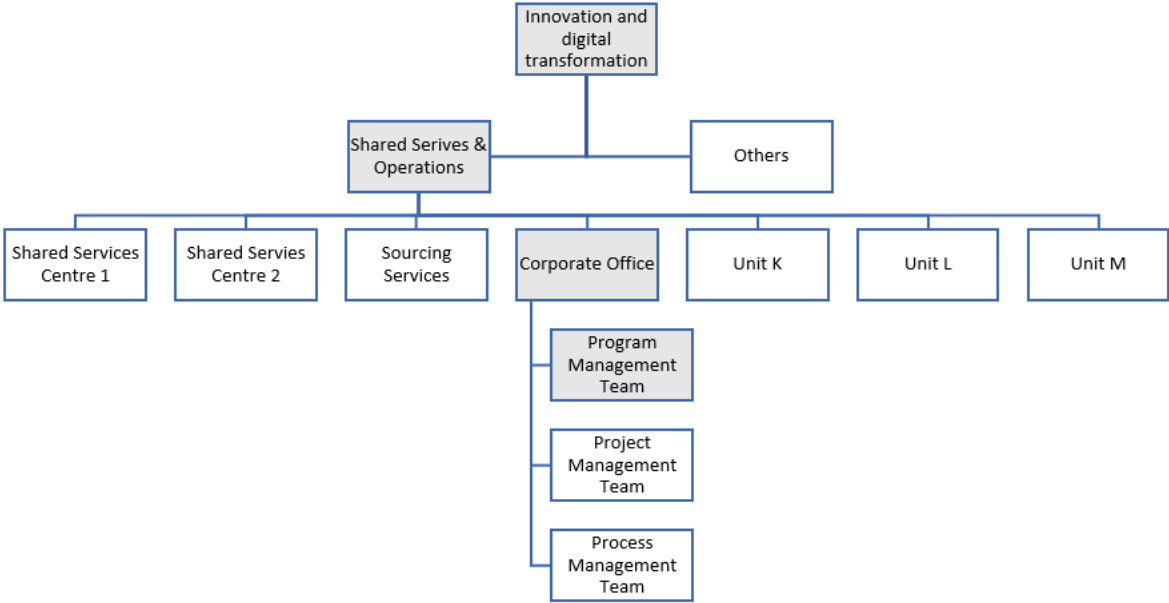
Source: Own creation based on public materials of the company, 2023

4.2 Description of the Project Management Team

The Project Management Team within the ABC Group is hierarchically located under the Innovation and Digital Transformation unit, within the Shared Services division and Corporate Office domain. The domain is responsible for implementing strategic changes and its support.

Simplified representation of the organization structure, that is focused on indicating the position of the team is shown on the following page.

Figure 11: Team's position within the organizational structure



Source: own creation based on materials provided by the company, 2023

The Team is composed of 20 people, located across 2 European countries. Their duties involve supervising and carrying out numerous projects throughout the Shared Services unit. Collaboration with various departments is a key aspect of their work to guarantee timely and budget-compliant project completion aligned with desired objectives. In accordance with the particulars of the industry and the company, the team employs a range of project management methodologies and tools to precisely plan, execute, and oversee the progress of projects.

Prior to the decision to establish a Project Management Centre of Excellence (CoE or PM CoE), the team was primarily responsible for supplying internal projects with Project Managers and provided ad hoc project management consultancy to colleagues leading changes in their teams. During its 7-year tenure, the team has developed 2 unique project management methodologies, which are currently being successfully utilized in various company projects. These methodologies have significantly enhanced project efficiency, delivery speed, and consistency.

Examples of projects with strong strategic impact led by team members include building a new Shared Services Centre in Europe within nine months, implementing e-signing, redesigning HR IT architecture, and implementing the SAFe methodology in selected teams, among others.

The Head of the Team conducted a SWOT analysis, revealing some weaknesses such as inadequate experience and skills among some team members, insufficient PMO services, overreliance on methodologies and guidelines, or the opposite - ignoring them, not learning enough from experience, and lack of awareness about the services that team offers.

However, the analysis also uncovered various strengths, including highly skilled team members and an overall team commitment, a positive team environment, and well-developed frameworks exclusively for ABC's internal projects.

One of the team's opportunities is to expand its service provision across the Group by presenting a methodology that considers the company's specificities outside of the typical project requesters and utilizes modern project tools.

The following were listed: an increase in project complexity, a greater number of variables in those projects in which we consider ourselves to be experienced, and a deficit of requests for the management of complex projects.

Among the job responsibilities of the Project Manager with ABC Group are:

- Achieving project objectives and benefits within defined time and budget constraints, as directed by the Sponsor.
- Planning, coordination, and tracking all activities and results of assigned projects.
- Adhering to defined project methodologies and ensuring quality of implementation.
- Ensuring effective solutions transfer into business as usual.
- Reporting progress on all aspects of the project to the extent necessary and appropriate and keeping all stakeholders informed and/or involved.
- Carrying out advisory and consulting activities in defined areas.
- Maintaining and developing company-wide project management standards across the organization.

There is a significant focus on individual proactivity and development initiatives towards the entire team. This involves encouraging team members to take charge of team operational tasks and proactively seeking opportunities for self-improvement and growth. Besides, it involves cultivating a collaborative and supportive atmosphere where team members can exchange ideas and learn from their peers.

5 Description and analysis of the Centre of Excellence

This chapter details the process of setting up a Project Management Centre of Excellence in the chosen company. Description of the PMO setup is done from the 6 perspectives proposed by Szalay et al. (2017) and described in Chapter 3 of the theoretical part. Those perspectives are Context, Typology, Maturity, Own Processes, Services, and Performance. Evaluation is done by author of the thesis and was progressively consulted with the Head of Project Management Team and senior team members.

5.1 Description of setting up a Centre of Excellence

Context

The mandate to transform the existing Project Management Team into a Project Management Centre of Excellence was given to support the strategic change in the perception of Shared Services Centres within the Group. The aim is to increase their ability to add value by performing not only back-office activities but also tasks requiring specific expertise.

To support this change, a separate programme was launched to transform some of the teams into Centres of Excellence, including the Project Management Centre of Excellence. As usual for the Shared Services Centres project, a Project Manager from the Project Management Team was assigned to deliver the change. The Project Manager's role on this project was to oversee the transformation process and ensure that the Project Management Centre of Excellence was aligned with the strategic goals of the business. In addition, the assigned Project Manager worked closely with other teams within the Shared Services Centres to identify areas where specialised expertise could be leveraged to further improve value delivery.

The implementation team for Project Management Centre of Excellence setup consisted of all members from the Project Management Team, with a Head of PMT as a main hands-on Sponsor. The Sponsor was responsible for monitoring progress, and resolving major issues that arose during the implementation phase.

The programme to which the project belongs has developed internal criteria for teams that are required to transform in order to be recognised as Centres of Excellence. In addition, these teams were instructed to use the Business Model Canvas to facilitate the transformation of the teams' services. These teams were guided to start the project by completing the relevant templates. This approach was designed to facilitate a comprehensive analysis of the team's current operations, identify potential areas for improvement and develop a strategic roadmap for transformation.

In accordance with the programme guidelines, the next step in the implementation was to hold workshops, led by the assigned Project Manager, to gather the Project Management Team's perspective on the gaps between the current state and the desired criteria, and to rethink the team's business model using the Business Model Canvas template provided. During these workshops, the Project Manager encouraged open discussions and brainstorming sessions to ensure that all team members had a chance to contribute their ideas and insights. This collaborative approach helped identify potential improvements and solutions to close the gaps and align the business model with the desired state.

By utilizing the Business Model Canvas, team was able to evaluate key aspects such as value proposition and customer segments, enabling them to drive successful change within the team's respective areas of expertise.

Figure 12: Business Model Canvas for the project

Key Partners	Key Activities	Key Resources	Value Proposition
<p>Sponsor: Head of PMT (Project Management Team)</p> <p>Initiated by: Program Management Steering Committee of the Program.</p>	<p>In order of priorities:</p> <ol style="list-style-type: none"> 1. Project Management services across ABC Group. 2. Trainings: learning paths for PMT members and interested parties from ABC. 3. Mentoring and consulting: for PMT members and interested parties from ABC . 4. Maintain standards and quality of CoE: knowledge building and sharing, maintaining of templates and methodologies, creating platforms for experience sharing. 	<p>Expirienced project managers with good communication and facilitation skills, knowledge of project management frameworks, internal methodologies, governane structures and best practicies.</p> <p>Experience to mentor experts from different departments.</p> <p>Exact owners of the CoE services to be indicated in PMT Ownership Matrix.</p>	<p>Ensure delivery of business changes and its benefits across the ABC by providing Project Management services.</p> <p>Core areas of value:</p> <ol style="list-style-type: none"> 1. Facilitate changes trough project management services. 2. Provide trainings, mentoring and advisory.

Customer segment	Cost Structure	Channels	Revenue Streams
<ol style="list-style-type: none"> 1. ABC managers who want to get PMs to deliver projects. Added value delivered trough facilitation of changes by PM. 2. ABC employees who want to grow in their ability to lead projects. Added value deliverd by sharing best practicies. 	<p>Within implementation of recognition of PM CoE, the structure will likely change and new charging rules will be defined.</p>	<p>Project portfolio management meetings - to promote services.</p> <p>Newsletters - to promote the team services & trainings.</p> <p>Sharepoint - overview of services.</p>	<p>Satisfaction surveys: for projects delivery, trainings and</p> <p>Feedback sessions: with Program Managers, Managers of trainings participants,</p> <p>Involvement of stakeholders to service development.</p>

Source: Materials provided by the company, 2023

Value proposition helped to define the missions of the Centre of Excellence:

- Provide Project Management services across ABC to different departments and domains. Be recognized and valued as a reliable service provider for the ABC Group.
- Help ABC employees who want to grow in their ability to lead projects: via training, mentoring, consulting, and sharing best practices and knowledge.

By offering comprehensive project management services, the PM CoE aims to streamline and enhance project execution within ABC. This includes providing support to various departments and domains, ensuring efficient and successful project delivery. Additionally, the Centre of Excellence strives to establish a strong reputation within the ABC Group by consistently delivering reliable and high-quality services, ultimately becoming the go-to service provider for all project management needs.

The criteria developed internally for recognition as a Centre of Excellence within Shared Services are rather general and do not take into account the area in which the teams operate. This approach leaves room for interpretation by the team, which carries out a gap analysis based on an assessment of the extent to which the criteria are met. It is possible that the mandate was given without understanding the specifics of project management.

For example, "Recognised competence is in place" may seem obvious to the team focused on a particular type of task, but on the other hand, the criterion does not indicate how recognition is measured.

Below is the representation of how the Project Management Team performed the assessment of some of those criteria.

Figure 13: Evaluation of internal CoE criteria

CoE Recognition Criteria		Comments to criteria definition	PMT	
DEVELOPMENT			Evaluation	Comment to evaluation
1	Recognized competence on place		Recognized by the partners, group...	Fully in place PMT is considered to be competent in managing business and nearshoring projects.
2	Hiring experts but mostly focus on developing of experts			Fully in place People hired to work for PMT are required to have PM experience and then further developed in the team, based on individual and company needs.
3	Possibility of development path		Growing and HR aspect must be part and detailed when setting up a CoE	Partially in place
4	Training program (métier) within the CoE	Different and extended than in the academies		Partially in place Currently solved on individual basis. There is a Learning Buffet available for individual learning.
5	Training program development criteria and evaluation	Test	Choosing one criteria is mandatory	Not in place
		Tasks		Not in place
		X years of experience		Not in place
		Certification		Not in place
		Combination of those above		Not in place
None	N/A			
6	Trainers/Coaches (SMEs). Back-ups	Internal	Choosing one criteria is mandatory	Partially in place Trainers for Intro to PM are interchangeable.
		External		N/A

7	Knowledge owner (holder) - Competence center			Partially in place	Owners for methodologies and current training are defined.
8	Competence center defines own standards in:	Knowledge storing		Partially in place	There are defined rules for storage. Revision and update needed.
		Knowledge development		Partially in place	There is an adaptations plan in place to define what knowledge needs to be built when joining the team. Learning buffet is available to obtain missing knowledge per PM wish. Standards for maintaining and development if PM knowledge is not defined.
		Documents/ Templates		Partially in place	Variety of templates are available, however revision is needed.
		Requirements	service request requirements	Partially in place	Partially in place for business projects.
		Methodologies (WoW)		Partially in place	There are internally developed Transition and Business project methodologies for SSO projects.
9	Up-2-date with regulations, trends, requirements	Competence center directly	Choosing one criteria is mandatory	Fully in place	PM methodologies are followed and adapted to company's needs.
		Customer of the CoE's services		N/A	Compliance with regulation remains client's responsibility.

Source: Materials provided by the company, 2023

From the above criteria, it is clear that there is a strong emphasis on education, empowerment and encouragement, which Gartner, Folkedal (2018) consider to be pillars for building a centre of excellence, in parallel with maturity models. The only pillar missing from the full list is evaluation.

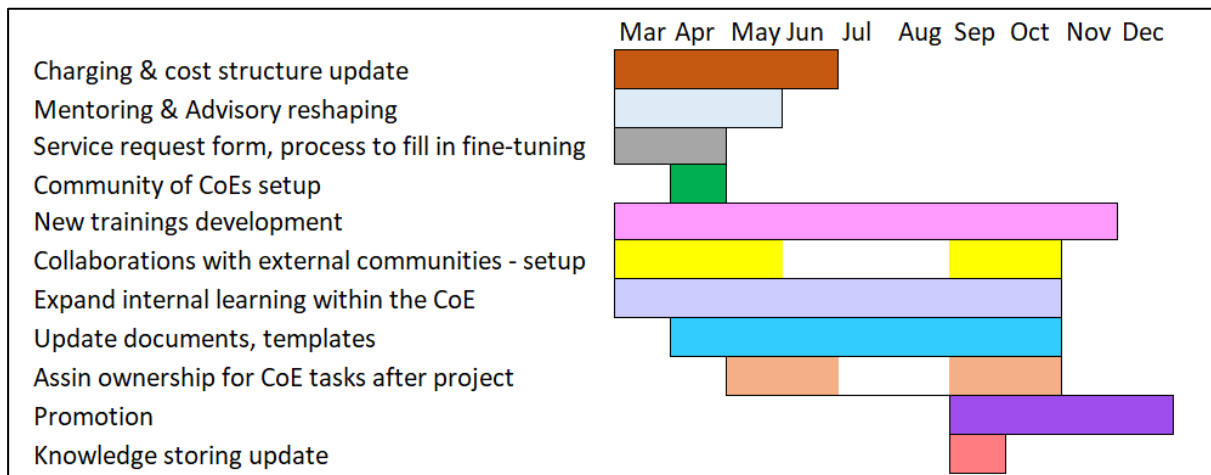
Overall, however, this approach to identifying the missing factors supports Bolles and Hubbard's (2015) perspective that the PMO should be formed in an organisation-specific environment.

The next milestone in the establishment of a Centre of Excellence was the creation of the Project Charter. Based on the identified gaps, the project scope for the establishment of a Project Management Centre of Excellence was formulated. The project scope was defined as follows "To ensure that the Project Management Team is recognised as a Project Management Centre of Excellence by addressing the identified gaps. Ensure that a sufficient service portfolio is available and assign permanent owners for PM CoE tasks to ensure sustainability after project completion. Develop training programmes for Project Managers in PMT & for ABC" (Materials provided by the company, 2023).

It is important to note that the strategic vision of the Project Management Team defined in December 2022 is fully in line with the CoE criteria. This fact shows the organisational support for the team's vision and increases the buy-in of the team members.

The formulation of project tracks and deliverables, particularly within project work packages, was also aided by the assessment of the criteria.

Figure 14: Project's work packages delivery timeline



Source: Materials provided by the company, 2023

Project's objectives for setting up a Project Management CoE were listed in the Charter as well, based on Project Management Team's value proposition and identified gaps:

- “1) Improve the sustainability and quality of Project Management service delivery.
- 2) Ensure sufficient and centralized Project Management learning and support opportunities for ABC employees (outside of PMT), based on demand from stakeholders.
- 3) Increase knowledge and experiences within the Project Management Team in such a way so PMT can support the full ABC organization in Project Management competence.
- 4) Further improve an environment and a culture to do research, to collaborate with other competence areas within but also outside the ABC Group, to share and gain knowledge.
- 5) Document learning & development opportunities for Project Management team members.
- 6) Re-design charging model for managing projects and providing trainings.
- 7) Update service portfolio in a way to connect Project Management services and tools into a whole picture, well comprehensive for outsiders to PMT.
- 8) Enhance & promote PMT brand outside of Shared Services to receive more project requests from outside of Bulgaria & Czechia” (Materials provided by the company, 2023).

During implementation, the main focus of the delivery team was to expand the portfolio of services by developing three new training courses and specifying services to help occasional Project Managers deliver successfully, such as Mentoring and Advisory. Another focus was on the professional development of Project Managers within the team, where a knowledge matrix was developed to assess the skills of individual Project Managers and summarise the current state of the team. New, more accurate templates were developed for documenting project progress.

Later in the implementation, to help change the perception of the team's services, new logos and intranet pages were developed to help position the team as more than just a group of Project Managers. These visuals were designed to showcase the team's diverse skills and expertise beyond project management. By highlighting their additional capabilities, the team aimed to attract a wider audience and demonstrate their value as a versatile and diverse group.

Challenges encountered during implementation include:

- Limited guidance at programme level. Guidance was available at the outset, but when the discussion moved to defining more specific project management objectives, no answers were provided.
- Identification and involvement of stakeholders. The sponsor of the programme under which the project is managed only attends reporting meetings. Practical sponsorship was provided by the PMT leader. It was not clear who the end users of the future PM CoE services would be.
- Involvement of potential users of CoE products.
- No clarity on promotion. Although there was a need to promote the services, it was not possible to tailor the promotion channels due to complications in identifying stakeholders.
- Low average seniority of PMs in the team. This is in line with the results of the SWOT analysis carried out by the PMT leader and may have an impact on the team's service delivery.
- Resource allocation. The project to establish a PM CoE is specific to the members of the PMT, as each Project Manager is part of this Project Delivery Team, in addition to their responsibilities for managing the projects they are assigned to manage.

Currently project implementation is almost ready, and transfer to business as usual is ongoing. This transition process involves assigning specific tasks and roles to individuals within the business-as-usual operations of the team, ensuring that they are fully equipped to handle it in ongoing operations.

Typology

The type of PMO was determined by the mandate of the management - the Centre of Excellence. Szalay et. al (2018) state that the CoE is responsible for standards, frameworks, and the provision of tools, which corresponds to the current responsibilities of the PMT.

Hill (2004) states that the CoE is responsible for the functioning of project management across the organisation, taking action to achieve continuous improvement and enhancing interdepartmental partnership to achieve organisational goals. Given the isolated position of the Project Management Team within the Shared Services division, this does not currently reflect the reality, but the expansion of services is one of the objectives of the future Project Management Centre of Excellence.

Compared to the AXELOS' Limited P3O (2013) definition, the CoE should provide standards, methodologies and procedures, knowledge management, support, assurance, and training across change and be a focal point for improving the organisation's capability and capacity in programme and project delivery, which is in line with the expectations for the Centre of Excellence described in this chapter.

Maturity

The most notable discrepancy, when compared to Szalay et al.'s (2017) approach to establishing a PMO, is the absence of a maturity model in the baseline assessment. This dissertation provided the motivation for the maturity assessment, which took place towards the end of the project. The evaluation is described in detail in Chapter 6.

Own processes

Most of the processes were defined prior to the start of the project and have only been updated or extended in scope during the transition to the Project Management Centre of Excellence. The team has developed internal project management frameworks with associated processes and documentation.

Services

The Project Management Team has focused on providing projects with project managers, ad hoc mentoring, and an Introduction to Project Management training for internal stakeholders. Within the team there is an internal project methodology that has been developed and documented based on best practices, together with supporting templates that provide a degree of consistency throughout the project management delivery. Within the team there is also a practice of collecting lessons learnt, peer review of the project document and archiving of project files. Governance models within projects and programme delivery have also been defined by the team, along with a process for requesting new projects. The PMT leader's responsibilities also include capacity planning for project managers to ensure adequate resource allocation. There is also a strong focus on the training of project managers. Feedback on training is collected regularly, but on project quality it is inconsistent.

As the team was mainly perceived as a source of project management services, there was a need to define what additional services could be offered in the context of being a PM Centre of Excellence. New training and consultancy services were introduced.

In both cases, there is evidence of a lack of value and quality management. It is crucial for the team to establish clear processes and guidelines for monitoring and evaluating the results of their services. By implementing benefits realisation and quality assurance measures, the team can improve its overall performance and ensure successful project delivery.

Performance

Improvements in performance will be observed or measured in the future. However, the expected benefits of setting up a Centre of Excellence were listed, and the evaluation method was indicated in some of them.

Figure 15: Benefits out of CoE implementation

Benefit description	Evaluation method; related assumptions	Baseline measurement	Benefit Owner	Realization Phase
Expansion of PMT services portfolio, especially trainings	New trainings and consulting services introduced.	There is 1 training currently provided by PMT (Intro to PM) and mentoring services mentioned in service portfolio on SharePoint	Head of PMT	Implementation
Projects delivered for outside of CZ & BG GS	Growing number of requests from ABC departments that didn't request PM services earlier, from outside of Shared Services. Measure by MD spent on outside of Shared Services projects vs. total MD spent on projects.		Head of PMT	After project closure
Cost structure improvement	New way of charging to be introduced. Defined charging method if the project is for client outside of Shared Services and trainings charging as service. Possibly, increased number of MDs charged vs. Overhead MDs.		Head of PMT	After project closure
Improvement in knowledge management	Updated templates, storing structure is more understandable, team capabilities of the team members (training, mentoring -wise)	Some templates looks outdated, storing structure would use an improvement and as new tools are being implemented - new templates in those tools (e.g. MS Planner, Teams) are to be introduced.	Project Manager of the project	Implementation
Opportunities to learn from others (CoEs, Communities of Practices)	Established ways to cooperate with CoEs and CoP, external organizations	0 cooperation established	Project Manager of the project	Implementation

Source: Materials provided by the company, 2023

These benefits differ significantly from what is often seen as the benefits of having a PMO, as none of them are linked to reducing project failure rates or linking strategy and change initiatives.

However, the benefits focused on improving knowledge are consistent with what Karkukly (2015) sees as opportunities to improve project delivery.

5.2 Analysis of the implementation phases

From the start, the change was treated as a project and a project manager was assigned. Scheduling, scoping, and resource allocation took place. Standard management phases were used: planning, execution, and monitoring. This is in line with best practices for setting up a PMO as described by Salameh (2014).

From the point of view of the success factors listed in the theoretical part of this thesis, the author of this thesis hypothesises that this implementation shows signs that some success factors are not met.

If the mandate to establish a PMO is given without understanding its capabilities, there is a high probability of misunderstanding the objectives of the PMO establishment. In addition, if a PMO sponsor lacks project management skills, the interpretation of a successful PMO implementation and its responsibilities will be subject to individual interpretation. From another point of view, sponsorship from top management and stakeholders was partially present - through participation in monthly reporting meetings.

Kaleshovska (2014) and AXELOS Limited (2013) emphasise that the alignment and integration of the PMO structure with the corporate structure is essential for success. And this success factor was achieved organically by building the CoE based on the Project Management Team.

Another success factor listed by Karkukly (2015) was having a resource team with knowledge and skills, including the ability to create value for the company, which was partially achieved due to insufficient capacity planning of the delivery team, which caused several delays during the implementation of the project.

The analysis of the implementation steps based on the sequence proposed by Salameh (2014) is done using the internal documents provided and the experience of the author of the thesis, who is part of the implementation team.

Table 2: Evaluation of CoE implementation steps

Implementation step	Done within the accessed company?	Comment
Understand how the Organization defines success	Done	PMO is in line with the strategic goals, the success of the setting up a CoE will be measured by meeting the organization's criteria provided at the very beginning of the assignment.
Formulate PMO strategy, mission, and objectives	Done	PMO's purpose, functions, and service gaps definition were done among first steps within the project.
Define PMO type and functions	Done	The definition of the type of PMO was pre-defined by the mandate to set up a Centre of Excellence. Project Management Office's practices, way of services delivery and its support were addressed.
Determine PMO Success Criteria and Metrics	Partially	PMO Sponsor and enterprise's top management were involved in the definition. However, the main success criteria are meeting internal criteria for being recognized as CoE, which is not specific enough for the PMO.
Define PMO Organizational Structure	Done	The CoE's position in the organization was predefined as it is built based on the Project Management Team, without any changes in personnel.
Decide on the number of PMO employees	Done	No changes, compared to the PMT.
Write a PMO Charter	Done	The project charter was written by the Project Manager assigned and reviewed by the Head of PMT and Program Management.

Ensure Top-Management dedication and assistance	Partially	The top management is committed to the idea of having Centres of Excellence, however the extent of on-hands support during execution is limited.
Approval of the Charter	Done	A formal approval from the Program Steering Committee, under which project belongs was obtained.
Build the Project-Management Methodology and Processes	Done	The project management methodology, its support and update are performed by the Project Management Team on a regular basis.
Train the staff	Done	Prior to the project, the team consisted of dedicated project management professionals. With adding new trainings, demand for trainers increased and educational sessions for new trainers were organized.
Follow PMO metrics and ensure continuous status updates	Partially	No PMO metrics are defined. Implementation status of the PM CoE's setup is done monthly on the Program Management Steering Committee. Continuous improvement is a part of the team's culture.

Source: Own creation, 2023

Further comparison with the PMO implementation phases proposed by Salameh (2014) shows that the sequence of some of the implementation steps was different from the sequence in the table above. The definition of the PMO type was made before the start of the project. The project management methodology, tailored to ABC Group, also existed before the project. The organisational structure was also defined in advance.

This analysis shows that success criteria and metrics are not sufficiently specified and that these omissions or partial executions could potentially lead to inefficiencies, delays, and a lack of desired results. It is critical to address these gaps to ensure successful and effective implementation.

Without clear success criteria and metrics, it will be difficult to measure the impact and effectiveness of the CoE. In addition, the lack of specificity in these areas has led to confusion and misalignment among team members, hindering their ability to work towards a common goal. It is therefore essential to define and communicate these success criteria and metrics to ensure the smooth and successful implementation of the CoE.

6 Assessment of Project Management Centre of Excellence Capabilities

This chapter evaluates the maturity of project management in the selected company. Additionally, it includes interviews with the management team, providing strategic perspectives and discussing challenges. The combination of those insights aims to present a comprehensive view of the organization's project management landscape.

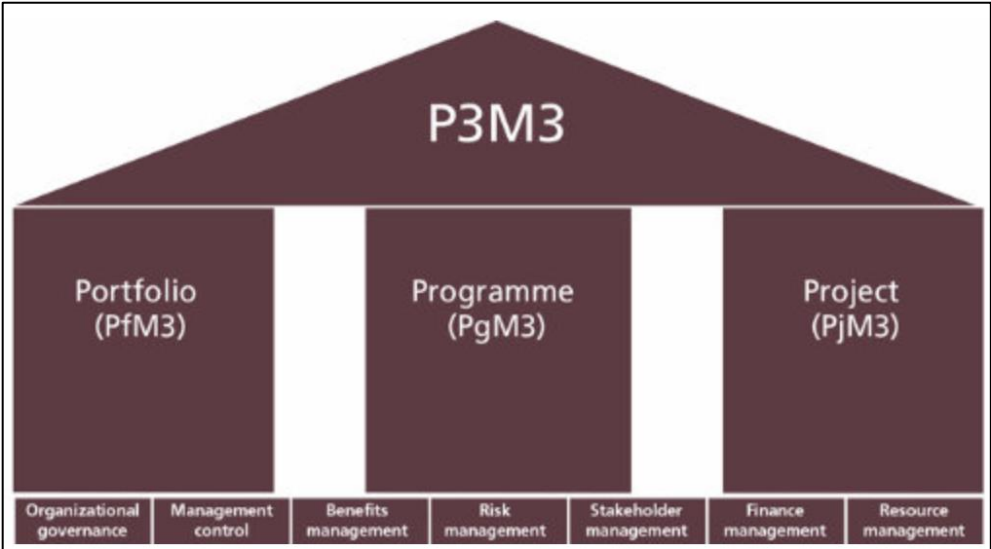
6.1 Project management maturity survey

The survey conduction is proposed by the author of this thesis and logically follows on from the gap analysis carried out (see Chapter 5), but is specifically designed for Project Management, which allows for more accurate results and leaves less room for interpretation of individual criteria. Ideally, the analysis should have been carried out together with the gap analysis in order to objectively identify the starting point for the establishment of the Centre of Excellence.

In the absence of a maturity assessment at the beginning of the project, it was decided to carry it out towards the end of the Project Management Centre of Excellence project. By conducting the maturity assessment at the end, any potential gaps or areas for improvement could be identified and addressed before the Project Management Centre of Excellence was finalized, considering project management specifics and lessons learned from the project. In addition, conducting the maturity assessment allows more specific goals to be set for the PMO in general, defining its strengths and serving as a basis for further diagnostic assessment and improvement plans.

The P3M3 model provides a comprehensive assessment of an organisation's portfolio, programme, and project management maturity. Each of these 3 areas consists of 7 perspectives and 3 sub-areas, resulting in a total of 21 questions per area.

Figure 16: P3M3 model



Source: AXELOS Limited, 2013

The questionnaire is based on the P3M3 Project Management Self-Assessment. The questions of the questionnaire are designed to find out the current status and perception of project managers and their supervisors. It addresses the state of project management from 7 perspectives:

- Organisational Governance evaluates the reasons why the company wants to do what it does and which projects it wants to do.
- Management Control examines whether projects are progressing as planned and within their mandate.
- Benefits Management looks at whether projects are worth doing in the eyes of stakeholders.
- Financial Management focuses on the processes of obtaining and managing the money to deliver projects.
- Stakeholder Management ensures those who care and those who need to care.
- Risk management reviews how the company deals with uncertainty.
- Resource management ensures the company has the capacity to deliver. (AXELOS Limited, 2013; Portman, 2018)

The model recognizes five levels of maturity, ranging from Level 1 where there is minimal awareness of the process to Level 5 where the process is fully optimized.

- Level 1: Awareness of process
- Level 2: Repeatable process
- Level 3: Defined process
- Level 4: Managed process
- Level 5: Optimized process (Portman, 2018)

Each of the 21 multiple-answers questions in the assessment allows respondents to indicate how they perceive the level of maturity for that particular process. The first answer in each question listed in the questionnaire represents a lack of awareness of the project-related process (Level 0), the following answer options represent a particular level of process maturity, e.g. the second option in each question indicates level 1 maturity, and so on.

Example of the question and answers from the questionnaire is shown below.

Figure 17: Question 1 from the questionnaire

Which statement best describes our Organization Governance?

- We launch projects at will, perhaps in response to a particular problem has arisen. They operate outside day to day governance structures.
- We are starting to draw up rules for project approvals and there is sometimes evidence of associated documentation.
- Our projects are subject to some form of formal approval, although it may be possible to bypass those mechanisms.
- We have a common and consistently applied approach to project governance, including an approach to scaling the rigour (strictness) of projects approvals and assurance.
- Our project approval process includes criteria to evaluate the value of the project in context of the wider portfolio, not just on its own merit.
- We have a dynamic relationship between the corporate plan and our portfolio of projects, with both being flexed to optimize the achievement of corporate objectives.

Source: Own creation based on AXELOS Limited, 2015

To ensure content validity, the questionnaire was pilot tested with one of the respondents. The questionnaire was distributed online using Microsoft Office Form to a sample of 20 participants from the Project Management Team in 3 European countries, including the Head of PMT. The response rate was 80%, with 16 people completing the questionnaire. The respondents were purposely selected based on their direct involvement in the PMT activities. The questionnaire was completed online simultaneously by each team member within 30 minutes to ensure a high response rate and to help understand the questions in real time.

Evaluation of answers

The table below summarises the results of the completed questionnaires. The first column shows the number of questions in the questionnaire. The next two columns show the topic associated with each question. The table also displays the level of maturity based on the most common answer given by the Project Management Team, including the Project Manager. The PMT members were not provided with maturity levels in the questionnaire; descriptive statements were used instead. The results provided by the PMT leader are presented in a separate column. The last row of the table shows the average perceived maturity level, calculated from the most common maturity level in the responses. In addition, the averages per perspective assessed are indicated.

Table 3: Evaluation of maturity

#	Perspective accessed	Sub-area accessed	Level of maturity (PMT)	Average level of maturity / perspective (PMT)	Level of maturity / perspective (Head of PMT)	Average level of maturity / perspective (Head of PMT)
1	Organizational Governance	Organization	3 - Defined process	3 - Defined process	2 - Repeatable process	2 - Repeatable process
2		Process	3 - Defined process		2 - Repeatable process	
3		Performance	3 - Defined process		2 - Repeatable process	
4	Management Control	Organization	2 - Repeatable process	3 - Defined process	3 - Defined process	3 - Defined process
5		Process	3 - Defined process		3 - Defined process	
6		Performance	3 - Defined process		2 - Repeatable process	
7	Benefits Management	Organization	2 - Repeatable process	2 - Repeatable process	1 - Awareness of process	1 - Awareness of process
8		Process	2 - Repeatable process		1 - Awareness of process	
9		Performance	3 - Defined process		2 - Repeatable process	

10	Risk Management	Organization	3 - Defined process	3 - Defined process	2 - Repeatable process	2 - Repeatable process
11		Process	4 - Managed process		1- Awareness of process	
12		Performance	3 - Defined process		2 - Repeatable process	
13	Stakeholder Management	Organization	3 - Defined process	3 - Defined process	1- Awareness of process	1 - Awareness of process
14		Process	4 - Managed process		1- Awareness of process	
15		Performance	3 - Defined process		1- Awareness of process	
16	Finance Management	Organization	3 - Defined process	3 - Defined process	1- Awareness of process	2 - Repeatable process
17		Process	3 - Defined process		2 - Repeatable process	
18		Performance	2 - Repeatable process		2 - Repeatable process	

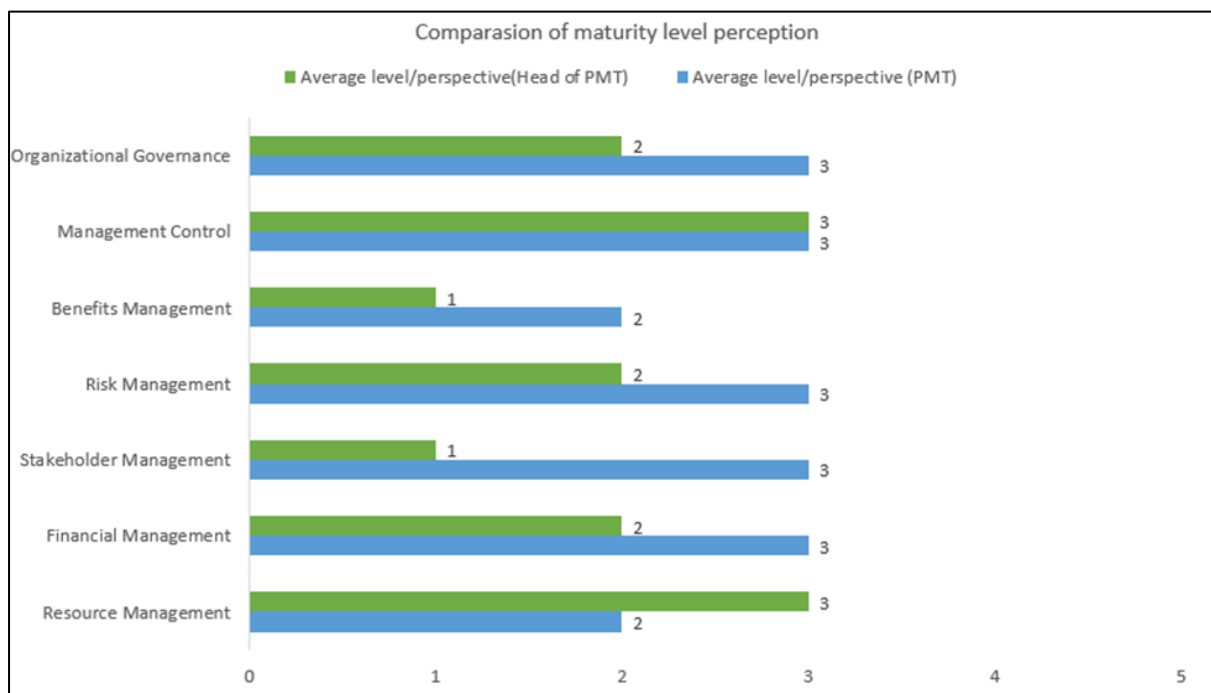
19	Resource Management	Organization	2 - Repeatabe process	2 - Repeatabe process	3 - Defined process	3 - Defined process
20		Process	3 - Defined process		3 - Defined process	
21		Performance	2 - Repeatabe process		2 - Repeatabe process	
AVERAGE MATURITY LEVEL			2.7		2	

Source: Own creation, 2023

The first striking result of the questionnaire is that none of the teams' results indicate unawareness of project management processes. On the other hand, none of the teams' responses indicate level 4 (managed process) or 5 (optimised process).

The data also shows that the PMT leader has a different perception of the team's maturity level compared to the team average. For most perspectives, the team leader gave lower ratings. Upon further investigation, the only area where the team's perspective matched with its manager's perception was management control, i.e. focusing on the correspondence of the project's progress with the defined project boundaries and expectations.

Figure 18: Difference in maturity level perception



Source: Own creation, 2023

Descriptive statistics reveal the following key findings:

- Overall Project Management Maturity Level: The average level of project management maturity in the organization, calculated from responses across all dimensions, is 2.7, indicating a low to moderate level of maturity in the organization's project management practices.
- The assessment by the Head of PMT indicates an average score of 2. This points towards a project management approach in the organization that is moderately immature.
- While the general level of maturity is rather low, there is only one area that shows notable variability: Benefits Management indicates a difference of 2 levels between the Head of PMT's perception (Level 1) and the team's average (Level 3).
- The team views Organizational Governance, Management Control, Financial Management, Risk Management and Resource Management as slightly better performing areas.
- Maturity of project management is only perceived similarly in 14% of areas accessed when comparing the team's average with the Head of the Team and Head of Corporate Office's perception.

Examining the frequency distributions provides a detailed understanding of how respondents perceive specific perspectives in evaluation:

- The process element of organisational governance received the highest number of responses corresponding to the most refined level, with 19% of respondents selecting level 5 as their answer. Nonetheless, the majority of responses, accounting for 44% of participants, pointed towards Level 3. 69% of people rated this area as Level 3 or higher, which is a strong result.
- In terms of Organization Governance, 75% chose a Level 3 statement when evaluating project management performance, with the remaining 25% split evenly between Level 2 and Level 3.
- Stakeholder Management received significantly different evaluations from survey participants. 25% of people chose Level 1 as their answer, while 19% picked Level 2. The largest group, consisting of 38% of participants, went for Level 3. Only 6% were in favour of Level 4, and 12% evaluated the Stakeholder Management performance characteristics of Level 5. Based on this outcome, it is necessary to ensure that this aspect is equally understood by the team.
- The top-performing area based on the responses, with 94% indicating Level 3 and above, is Risk Management, specifically in terms of performance. This implies that no immediate improvements are necessary in this area.
- On the other hand, the area with the poorest results is Benefits Management in relation to processes, with 63% of the answers registering Level 2 or lower. As comprehending if projects are delivering the anticipated results is vital, it is recommended to focus on benefits realization with giving it a top priority.

The results are open to interpretation in relation to which level should be considered final. The author of the thesis suggests that the lower rating, which corresponds to level 2, should be used as the final one.

The breakdown of results per question is available in the Attachment 1.

Possible limitations of this survey could be a subjective view and a tendency for respondents to give more favourable answers and to overestimate the maturity of processes. In addition, some responses may be poorly understood or misinterpreted due to their wording in English, which is not the native language of the respondents. Another possible limitation is that the sample represents the project management maturity of a particular team, rather than the ABC Group as a whole. The questionnaire is not tailored to the industry in which the company operates and does not capture its cultural aspects. These limitations could potentially affect the generalisability of the results within the ABC Group.

It would be more effective to measure maturity before and after project implementation, but in line with the company's priorities, the main focus of the project was to meet internal organisational criteria to be recognised as a Centre of Excellence.

Despite these limitations, the survey can still provide valuable insights into the project management maturity of the team. It's important to be aware of these limitations and to take them into account when interpreting the survey results. In addition, the survey can be used as a starting point for identifying areas for improvement and developing targeted strategies to improve project management practices within the team. It is important to supplement the survey results with other sources of data, such as the interviews in the following chapter or observations, to gain a more complete understanding of the project management condition in the team.

6.2 Interviews about establishing Centre of Excellence

As a qualitative research method, semi-structured interviews were conducted by the author of this thesis to explore the perspectives of the Project Management Team Leader and the Corporate Office Leader on the transformation of the Project Management Team into a Project Management Centre of Excellence. A purposive sampling strategy was used to select 2 participants with expertise in managing project management teams at different organisational levels. Ethical considerations, including informed consent and confidentiality, were rigorously addressed and the study was approved by ABC's Risk Department. The semi-structured interview guide was developed based on a thorough literature review, the conclusions of which are presented in the theoretical part of this thesis.

The interviews were conducted face-to-face with each participant separately, lasted approximately 40 minutes, and were recorded with the consent of the participants. The interviews were transcribed by the author of this thesis.

Thematic analysis was used to analyse the collected interview data. The themes that emerged, such as the motivation for establishing a CoE, the understanding of its relationship to strategic goals, and the perception of project management in the ABC Group, provide valuable insights into understanding CoE establishment.

The semi-structured interview guide presented below was developed by the author of this thesis (the interviewer) and provided to the respondents 3 days before the interview took place to ensure that the questions were well understood. The interview guide consists of a series of open-ended questions aimed at gathering in-depth information about the research objectives. It was designed to encourage respondents to provide detailed and thoughtful answers, allowing for a comprehensive analysis of the data collected. The questions are listed below:

- Tell me about your role within the company?
- How is your role related to setting up the Centre of Excellence?
- What was the motivation to change the PMT into the CoE, what was the context of this decision?
- What practical consequences do you expect out of setting up a CoE?
- How do you expect CoE to generate added value?
- What impact on the Corporate Office do you expect?
- How would you describe the level of management support for this project? How was it represented in practice?
- What would you say are the success factors for the project CoE setting up for you?
- What benefits do you expect out of having a CoE?
- What functions you consider are mandatory for the PM CoE?
- What changes do you recognize happened during the PM CoE project?
- Are you satisfied with the progress of implementation?
- Do you think that treating a CoE setup as a project was the right approach or would you rather do it gradually, as a part of Business as usual?
- Do you consider the CoE recognition criteria sufficient for setting up a CoE?
- What do you consider to be the most important metrics in the PM CoE project?
- What went well in setting up the Centre of Excellence?
- What would you consider a development area?
- Does the organization have its own centrally controlled project processes and can individual projects flex within these processes to suit the particular project?
- Does the organization obtain and retain specific measurements on its project management performance and run a quality management organization to better predict future performance?
- Does the organization run continual process improvement with proactive problem and technology management for projects in order to improve its ability to predict performance over time and optimize processes?
- How would you describe the desired state of PM CoE in 2 years?

Evaluation of answers

The most valuable insights from the interview are summarised below.

The Head of the Project Management Team described the current role of the team, mentioning that in addition to leading projects, the team also performs some Project Office tasks, specifically standardising project management practices across the division, reporting standards and processes, performing portfolio management tasks and mentoring, as well as consulting in project management.

The interviewees provided an insight into the motivation behind the transformation of the Project Management Team into a Centre of Excellence, stating that it was in line with the strategic direction of the company and the team to "have a recognised place to go for project management, or it could be training or mentoring to grow in this area". Increasing skill levels and team size were also mentioned. Once the mandate was given by the General Manager, the project to set up a Centre of Excellence started.

The establishment of a Centre of Excellence is seen more as an acknowledgement and improvement of current responsibilities and project management practices than as a new function. When responding to the most visible change that has happened to a team during the implementation of the change, the expansion of the training portfolio to include 3 new project management courses for the ABC audience was mentioned. In addition, there has been a review and update of current practices and efficiencies in knowledge management.

In terms of project management practices, it was also mentioned that ABC's IT departments are working with the Scaled Agile Framework (SAFe) and the CoE has no ambition to interfere with this at the moment. The added value of the Centre of Excellence lies in its ability to facilitate changes in the business that are often led in a different way than SAFe. Even if these are not led by professional Project Managers, the CoE will be available "to provide the necessary basics and guidance".

Among the success factors for the establishment of a CoE mentioned by the Head of PMT are a recognised competence and management support, not only for its establishment, but also for the enforcement of the developed methodology and way of working on projects. Regarding the competence itself, the interviewee mentioned that it could be the main challenge for the team now, due to the uneven level of experience among the team members, as some have more than 7 years of experience and others almost 1 year. The Head of the Corporate Office mentioned the willingness to implement changes through the project, as there is still some resistance to using project management services.

The perception of management support for the creation of a Centre of Excellence differs between the Head of the Project Management Team and the Head of the Corporate Office. While the Head of PMT believes that "top management support was the initial enabler, but since then the level of support has decreased as there are multiple implementations of Centres of Excellence across the division", the Head of Corporate Office mentioned "full support".

Both interviewees agreed that the right approach was to treat the establishment of a Centre of Excellence as a project, rather than threatening it as business as usual with incremental improvements. The overall project of setting up a Centre of Excellence on the basis of the Project Management Team was rated positively.

The answers to the question on the perception of project management maturity led the interviewees to conclude that the team is currently unable to meet the demand for its services due to the complexity of the projects requested and the above-mentioned lack of experienced Project Managers. Both participants agreed that "the organisation has its own centrally controlled project management processes" and that "individual projects can be flexible within these processes to suit the particular project". This statement was taken by the interviewer from the P3M3 self-assessment of project management maturity to confirm the results of the questionnaire in the previous chapter. This description corresponds to maturity level 3 - defined processes. These answers indicate a discrepancy

between the PMT leader's specific answers in the questionnaire and when asked in a more general way. When presented with the description of the higher level of project management maturity, both participants agreed that this did not fit the description of the current state.

Areas for future development were identified as providing estimates, developing the knowledge of project managers, and learning from mistakes. It was also mentioned that not enough management controls are in place to adequately predict project performance. In addition to this, the Head of Corporate Office also indicated that lessons learned from completed projects are not taken into account in the future when similar projects are being executed and, on top of it, they are not reflected in the updating of processes or methodologies. This contrasts with the view of the PMT leader.

The Head of the Project Management Team also mentioned an attempt to implement a new role that would focus on supporting Project Managers in the quality of their services by providing guidance, advice, peer review, assistance with project challenges, apart from their project management responsibilities. However, this initiative was not supported within the team, possibly due to fear of being judged or lack of confidence in the proposed candidate and was therefore not implemented.

A potential risk for the Centre of Excellence was the risk of becoming too theoretical, and the author of the thesis suggests that this concern may explain the reason for having PMO and project management functions within the same team.

In terms of future vision, the Head of PMT mentioned raising the level of competence of team members to be able to deliver more complex projects and expanding the scope beyond the Shared Services departments. The Head of Corporate Office wants the PM CoE to be "compliant with the changes in the market, up to date". Here it is important to mention some organisational context provided by the Head of PMT: the implementation of new technologies in the company is challenging due to major restrictions on the software used.

The interview method is valuable for qualitative research; however, it comes with several limitations. These include the subjectivity and biases of both respondents and the interviewer, the potential for bias where participants provide answers perceived as socially or professionally acceptable, and the limited generalizability of findings due to the context-specific nature of interviews. Even though interviews were conducted in a friendly atmosphere, with no time pressure, the interviewer's presence may influence responses, and variations in interviewer skills can impact data quality. Minor misunderstandings or vagueness were addressed by the interviewer through providing additional, paraphrased questions. Even though some questions were not clearly answered, the interview provided some valuable insights into judgment of the management.

Memory unreliability and concerns related to confidentiality may restrain participants from sharing freely. The inclusion of the Project Management Maturity assessment and internal documents in this thesis adds further depth and triangulates the insights gained from the interviews.

7 Suggestion for next steps

Based on the information gathered from internal materials provided by ABC Group, analysis of the implementation project, conducting a project management maturity assessment and interviewing the managers involved, the author of the thesis prepared a list of suggestions for the next steps.

Ensure meeting success factors

As described in the analytical part of this thesis, the establishment of this Centre of Excellence lacks some key success factors. In view of this, the author of this thesis suggests that great attention should be paid to changing this situation. Fulfilling the success factors for a CoE is important not only for its establishment, but also for its daily operation and long-term sustainability.

- Conduct an assessment to understand the organisation's current project management capabilities, challenges, needs and strategic goals. This assessment should involve stakeholders from different levels of the organisation.
- It is also important to re-evaluate the scope of services, considering the specifics of the project management delivery processes. Clearly outline the services that the PM CoE provides to the organisation.
- Attention should be paid to ensuring the availability of qualified and experienced staff who can effectively manage and drive the activities of the PM CoE.
- In addition, it is vital to develop strong partnerships with senior management to gain their continued support and understanding of the CoE's activities and to promote them throughout the organisation.
- Regularly review and update the strategic direction of the CoE to adapt to changes in the organisational landscape.

Maturity level

During the writing of this thesis, the author carried out an assessment of the project management maturity level of the team for the first time. The measurements made within the practical part of this thesis and can be used as baseline data for comparison to follow the future development of the team. Based on the results of the maturity assessment, specific steps are proposed to enable more advanced project management performance:

- Regular monitoring and reassessment of project management maturity levels is critical for organisations to remain aware of their current status and identify areas for improvement. The author of this thesis suggests that this assessment should be carried out on an annual basis to provide a comprehensive assessment of the organisation's progress and to help set future goals for improving project management practices. It provides valuable insight into any changes or developments that may have taken place within the organisation, ensuring that it remains in line with industry standards and best practice, which has been identified by the Head of Corporate Office as one of the objectives of the CoE.

- The overall perception of the project management maturity level by the PMT Manager and the team is inconsistent. The first step will be to further analyse and openly discuss the cause of the discrepancy with the team. By understanding the root cause of the inconsistency in the perception of project management maturity, the team can work towards a solution that aligns everyone's understanding and expectations. This open discussion will not only promote better communication, but also help to identify areas for improvement and implement the necessary changes to improve overall project management effectiveness. Undertaking an independent, externally led assessment may also be used to address the issue.
- By assessing the maturity of programme and portfolio management, the organisation can gain understanding of the underlying factors contributing to project-level challenges. This assessment helps to identify areas for improvement and enables targeted interventions to improve overall project performance. In addition, understanding maturity can help set realistic expectations and align strategies to effectively address any identified gaps or weaknesses.
- Benefits Management was identified as the weakest area by the majority of the team, so the author suggests that this area should be primarily addressed. By improving benefits management, the team can effectively demonstrate the positive impact of project management to stakeholders. This can be achieved by regularly reviewing and updating the identified benefits throughout the duration of the project to ensure that they are aligned with stakeholder expectations and objectives. In addition, implementing a benefits monitoring and evaluation standard can help track the progress and success of benefits realisation, providing valuable insights for future projects and portfolio management.
- From the current findings of the assessment, it is clear that Stakeholder Management is also one of the perspectives that should be addressed first, as the experience of team members varies. Improving stakeholder management is critical to ensuring effective communication and collaboration within the team. By implementing a consistent approach and providing supporting tools, the team can improve its understanding of stakeholder needs and expectations, leading to better decision making and project outcomes.

Services

The proposed adaptation of the Centre of Excellence services aims to address any inconsistencies and gaps identified through the Project Management Maturity Assessment and interviews. By using the results of these assessments, the organisation can implement targeted improvements and align its project management practices with the best practices described in the literature.

- In addition to the mentoring and advisory services currently provided by the Centre of Excellence, offering a range of project planning and facilitation activities, conducting project audits and reviews, and providing the necessary project recovery support where required can help improve project outcomes and support Project Managers.
- Define processes and templates for stakeholder engagement and communication planning. Facilitate stakeholder identification and communication meetings. Document guidance on key stakeholders and influencing strategies. Identify and record gaps, overlaps and potential conflicts of interest between stakeholders with an interest in the organisation's delivery portfolio.

- Develop the business case definition and evaluation process and templates, as these are critical in assessing the viability and potential success of a project and whether the project will lead to the realisation of benefits.
- Analyse and encourage the collection of feedback from quality reviews, including stage reviews and post-programme/project reviews. This analysis helps to understand common issues or areas for improvement across different phases of projects or programmes.
- Support senior management in tracking the performance of the Centre of Excellence by defining its key performance indicators and regular reporting to measure the effectiveness and impact of the PMCC. This may include metrics related to project success rates, resource utilisation and stakeholder satisfaction.
- Promote basic portfolio, programme, and project management training for top management to ensure a comprehensive understanding of the benefits and importance of these disciplines. This will enable top management to make informed decisions on resource allocation, risk management and strategic portfolio planning.

Team's operations

- The capacity of people assigned to PMO activities should be planned alongside project management activities. This is crucial because the success of the project management activities and the CoE activities can be mutually influenced by capacity constraints. By carefully assessing and planning the capacity of these people, the team can ensure that the necessary people are involved. Regular assessment of resource needs and advocacy for additional staff based on the evolving responsibilities of the CoE is recommended.
- Updating job descriptions may be necessary to ensure that staff understand and accept changes in their roles and responsibilities. This will also help to create a sense of legitimacy and recognition for the new responsibilities introduced by the establishment of the Centre of Excellence.
- Given that the current scope of the Project Management Team/Centre of Excellence is within one division of the Group, it is important to extend the standards beyond that division to ensure consistency and alignment across all divisions. By extending the standards, the organisation can maximise efficiency and effectiveness in project delivery, ultimately leading to improved overall performance across the Group.
- As it is known that some teams are using the SAFe method of project management, it may be worth investing money, time, and effort to ensure that the Centre of Excellence is qualified to support this type of framework.
- For support services (such as project progress reviews) to be successful, it is necessary to promote a culture of continuous improvement more actively in the team.

It will be beneficial to review the above suggestions with the Head of PMT and create an improvement plan for the next year, define recurring activities throughout the PMO lifecycle and assign responsibility for them, as well as a reporting system and performance indicators. Analysing and improving the success of the Project Management Centre of Excellence requires a holistic approach. Regular assessments, feedback mechanisms and a commitment to continuous improvement are essential to ensure that the CoE remains a valuable asset to the organisation's project management.

Conclusion

The goal of this diploma thesis was to describe and analyse the implementation of a Project Management Centre of Excellence by identifying areas that were in line with best practices from literature sources and those that deviated. The study identified successful practices such as treating the implementation as a project, assigning a knowledgeable team, and responding to the current needs of the organisation. However, discrepancies were noted in the sequence of implementation steps, inconsistent support from management, and a lack of understanding of the project management context during the assignment to implement the CoE.

The theoretical part of the thesis emphasised tailoring PMO activities to the needs of the organisation, which required a comprehensive assessment before establishing a CoE. To address this discrepancy, the practical part of the thesis derived valuable input for CoE implementation from a project management maturity assessment and understanding stakeholder perspectives by conducting interviews with them. The vague formulation of expectations for the CoE and the lack of performance tracking for the activities of the Project Management Office in particular contributed to the mismatch between team and stakeholder perceptions.

Internally developed criteria for Centre of Excellence recognition were considered too broad, lacking specificity for Project Management requirements. However, the alignment with the Project Management Team's strategic vision displayed organisational support in implementing improvements and increased support from team members. As CoE was formed on the existing team, repositioning of service provided was necessary.

The given recommendations are intended to improve the performance of the CoE whilst also addressing its specific needs. To achieve this, it is necessary to address the gaps identified in this work, to develop detailed action plans and to ensure effective communication and cooperation between all stakeholders in order to ensure the success of the implementation project and its continuous improvement.

The significance of this research goes beyond the chosen company and provides valuable lessons for establishing a PMO in diverse industries and organizational contexts. Furthermore, this thesis enhances the understanding of the intricacy involved with CoE implementations. The establishment of the Centre of Excellence requires early definition of objectives and targets, as well as building and fostering strong partnerships with key stakeholders. It is vital to have tools for consistent monitoring and evaluation of performance metrics, as these data are essential for identifying areas for improvement and implementing necessary adjustments. It is essential to have well-trained personnel who can competently lead and participate in various initiatives within the CoE, as well as to foster a culture of continuous improvement within the organisation. The findings confirm that creating a Centre of Excellence in Project Management has no universal solution, but instead demands a unique approach that takes into account the particular characteristics and objectives of each organisation.

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Attachment 1 – Results of the Project Management Maturity questionnaire

Attachment 1 – Results of the Project Management Maturity questionnaire

No.	Area	L0	L1	L2	L3	L4	L5	Avg lvl /area, all	Head of PMT	Avg lvl area/Head of PMT
Q1	Organizational Governance	1	0	3	6	2	4	3	2	2
Q2		0	1	4	7	1	3		2	
Q3		0	0	2	12	2	0		2	
Q4	Management Control	0	0	8	5	1	2	3	3	3
Q5		0	1	4	9	1	1		3	
Q6		0	1	5	8	2	0		2	
Q7	Benefits Management	0	2	7	5	1	1	2	1	1
Q8		1	3	7	2	3	0		1	
Q9		0	0	2	8	6	0		2	
Q10	Financial Management	0	0	3	7	6	0	3	2	2
Q11		0	1	2	3	8	2		1	
Q12		0	0	1	10	5	0		2	
Q13	Stakeholder Management	0	1	3	8	3	1	3	2	1
Q14		0	2	3	4	5	2		2	
Q15		0	4	3	6	1	2		1	
Q16	Risk Management	0	3	5	7	1	0	3	1	2
Q17		0	0	3	9	3	1		2	
Q18		0	0	6	6	3	1		2	
Q19	Resource Management	0	1	7	5	2	1	2	3	3
Q20		0	0	5	9	2	0		3	
Q21		0	3	7	2	3	1		2	