Charter
Project Management Office

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1.0 PMO STATEMENT OF PURPOSE AND MANDATE

The function of the Project Management Office (PMO) is to centralize and coordinate the management of all projects and provide the infrastructure and competence necessary to manage multiple projects. This is done by standardizing project management practices, facilitating IT project portfolio management, and determining methodologies for repeatable processes.

With concurrence from corporate leadership, the PMO establishes policies and procedures and creates and defines standard project management processes to ensure efficient management and timely completion of all Plexus projects. The PMO plans, directs, and ensures the successful management of projects using its available resources to assist project management teams. It provides technical assistance in identifying, evaluating and developing methods and procedures that are efficient, effective and meet good business practices. The PMO ensures that project managers (PMs) are adequately trained and assists them in the management, reporting, and control of their projects. It maintains communication with senior management, both within and across organizations, to ensure smooth operation of all projects.

1.1 BACKGROUND

Plexus Scientific Corporation has grown to the point where it can no longer afford to manage projects without established processes and procedures. Employees are being placed into project management positions with no guidance or training on managing projects and expected to manage effectively and produce a profit for the company. This, however, is not proving to be the case with many projects—many are operating at a loss due to the PMs' lack of understanding of their role and responsibilities. This has created the need for an organization that provides the focus needed to ensure that the PMs are trained and have the tools necessary to manage projects effectively for company profitability.

1.2 ORGANIZATIONAL CONTEXT

The PMO is a corporate asset that spans project management of the entire company and falls under the leadership of the Director of the Project Management Office (DPMO). The DPMO directly communicates with all Plexus business groups and PMs to provide guidance on project management processes, training for project management, and assistance needed to ensure that projects are profitable. This individual will also work closely with corporate staff.

The DPMO will work closely with the Quality Manager to ensure that quality processes are integral in the project management process. He or she will coordinate with the Vice President for Business Development (BD) to ensure that PMs are part of the BD process for follow-on work and with the Proposal Manager to build effective project management, beginning with the proposal process. The PMO will also oversee Plexus LI projects to ensure that they remain profitable.

The DPMO reports to and is directed by the Plexus CEO. The CEO will evaluate the performance of the PMO and its Director annually.

2.0   CUSTOMERS AND STAKEHOLDER CUSTOMERS

There are numerous Plexus customers who will reap benefits from the PMO:

CEO—The CEO is concerned with ensuring that Plexus remains a strong company that is competitive and continues to grow its market. To meet these interests, the PMO will maintain oversight of all projects in the company to raise awareness of project status, increase the accuracy of project estimates, and ensure the timely and cost-efficient delivery of quality projects. This will ensure the financial health of all current projects.

CFO—The CFO is concerned with ensuring that PMs are completing the financials required to determine the financial health of Plexus. The PMO will assist the PMs in this endeavor by ensuring that standard processes are in place and that PMs are trained on these processes, Standardizing processes will result in efficiencies gained providing time to PMs to meet financial processes.

VP for Business Development—The VP for BD is focused on ensuring that the PMs understand their role in working with current clients to ensure customer satisfaction and follow-on work. The PMO will support BD by creating a standard job description that defines the PM's role as the direct interface to the customer and ensuring that all PMs understand their roles and responsibilities.

Group Managers—The Group Managers are focused on ensuring that projects are producing the revenue needed to meet projected annual goals. The PMO is an additional resource for providing oversight of projects and additional support to projects that are struggling to stay within budget. He or she will also support the proposal process to ensure that the Statement of Work is effectively analyzed to ensure submission of an accurate cost proposal.

Proposal Manager—The Proposal Manager is focused on ensuring that all requirements of the RFP are completed according to the timeline established in the Plexus proposal process. One of the responsibilities of the PMO is to establish standard processes for project management for the PMs. The PMO will support the Proposal Manager by ensuring that established project management processes complement the proposal process while simultaneously starting projects on a firm footing.

Quality Manager—The Quality Manager is focused on ensuring that all products and services provided to our customers meet or exceed their expectations and that trustworthy relationships are developed, creating total client satisfaction. The PMO can support the Quality Manager by incorporating responsibility for quality management and quality assurance into the PM job description and by incorporating quality processes into the project management process. The PMO will ensure that all PMs are trained and actively working with established processes.

Program Managers—Program Managers have responsibility for a portfolio of projects that are similar in scope. Managing multiple projects require enterprise efficiencies to be in place. The PMO will assist program managers by working with the CTO to put processes in place that will provide program managers with the tools necessary to manage multiple projects efficiently.

Project Managers—PMs are the backbone of Plexus, as their efforts determine the amount of profit that is realized for the company. The PMs are focused on what is expected of them, what the project management processes are and meeting the requirements necessary to complete their project. They should be provided the tools to effectively manage, standardized processes to follow and be trained on the processes and tools. This is the primary responsibility of the PMO to ensure that all PMs are provided tools and trained on the tools and processes for effective project management across the company. At the same time, the PMO holds the PMs accountable for using the tools and following the processes to ensure favorable results.

Plexus LI—Plexus LI is focused on establishing effective management processes early on to prevent the establishment of inefficient processes and the need to retrain personnel. The PMO, as the standards bearer for Plexus, can transfer all processes to Plexus LI and assist its personnel with training on project management processes and tools.

2.1 STAKEHOLDERS

Internal Stakeholders—The internal stakeholders of the PMO are virtually the same as the customers, except for the addition of the accounting staff under the Chief Financial Officer and the Contracts Officer.

Accounting Staff—The PMO will interface with the accounting staff to ensure efficiency in Plexus' process and that all PMs are trained and operating in accordance with the processes in place. This will ensure timely and accurate billing and invoicing and improved project management.

Contracts Officer—The PMO will benefit the contracting process by enabling the PMs to develop more accurate cost proposals more efficiently.

External Stakeholders—External Stakeholders are individuals, groups and clients that will be recipients of the efficiencies and cost effectiveness that are gained by the standardization of processes in Plexus.

Contracting Officers—Receiving Contracting Officers will benefit from the ability of Plexus PMs to develop more accurate and cost-effective proposals as information providing historical experience on performance is captured.

Clients—Efficient management of projects by Plexus PMs should lead to requirements in the Statement of Work being accomplished on time with high quality deliverables. Information gained through effective management will lead to more accurate cost proposals which may lead to cost reductions to the clients.

3.0 SERVICES OFFERINGS

Plexus is establishing a PMO to provide a single point of management, control, and accountability for the establishment, development, implementation, and maintenance of a single set of project management standards, practices, and procedures; to serve as the single enterprise point of contact for project management consulting and education; and to lead the

implementation of major enterprise projects for the organization. The PMO will engage and collaborate with Plexus' business groups to leverage existing practices and develop useful tools for deployment to the organization. The PMO will initially undertake the following responsibilities:

- Serve as a consultant for project management questions at all levels of the organization

- Design a standard project status reporting process, document the status of all current project efforts, and create a single summarized report for management on a monthly basis that details project efforts in the organization

- Design and implement a single project chartering process to be used by all Plexus groups for establishing and authorizing project efforts

- Create a set of standard templates to be used by PMs for documenting project assumptions and managing project risks

- Conduct a comprehensive review of existing project control processes and create a standardized process library and project methodology to be used by PMs for leveraging organizational and external best practices

- Develop a standardized project management training curriculum to provide new PMs with the skills required to competently execute projects

In addition to the initial PMO activities previously cited, the PMO will also pursue the following long-term objectives:

- Review major project management software solutions and recommend to management a suite of solutions that addresses current limitations in project governance, management, and reporting

- Maintain a master catalog of project assets, including charters, schedules, budgets, progress reports, issues logs, lessons-learned documents, and related project documents and establish a process to allow PMs to search these assets and extract relevant knowledge for use in current and future projects

- Lead the delivery of major enterprise project efforts by attracting and retaining a core group of talented PMO PMs whose primary focus is on the successful delivery of enterprise projects

- Establish a PMO Steering Committee to guide further development of the PMO according to business needs

3.1   SERVICES OF THE PMO

Consulting

The consulting role involves the functions associated with providing project consulting and mentoring to Plexus personnel, and the functions associated with managing corporate projects. In its consulting capacity, the PMO will serve as a center of expertise for project management in the organization. PMs, project team members, project stakeholders, and those who have an interest in project management, should be able to rely on the PMO as a source for competent,

timely advice on project-related matters. In addition, the PMO should be the first point of contact for questions regarding project management processes, organizational project standards, reporting requirements, and other areas of project work in which defined standards exist. If a question arises regarding project management, the PMO should be able to answer it or seek feedback from other experts in the organization or externally. The following are a few consulting responsibilities that the PMO would have:

- Mentoring PMs

- Consulting on troubled projects

- Assisting with implementation of organizational best practices for particular project efforts

- Leading lessons-learned sessions and conducting project audits

- Assisting business groups with project selection, vendor analysis, and other project processes

- Leading project efforts

To function effectively in a consulting role, the PMO must have several elements in place, as described in the following paragraphs.

Knowledge Management

The PMO will play a significant role as the source for knowledge management in the organization as it relates to project activities. Such knowledge can range from internal project assets to organizational know-how and lessons learned to external knowledge sources such as books, externally provided training courses, and industry standards.

The PMO will work directly with the Quality Manager and Proposal Manager to establish a knowledge repository. The processes of capturing, cataloging, and maintaining knowledge can be time-consuming in organizations where numerous projects are undertaken and a significant number of project assets exist. However, without a central knowledge repository, project assets tend to either remain within the division or department in which particular projects were undertaken or, over time, become lost within the organization.

The PMO, in conjunction with the Quality Manager and Proposal Manager, will establish and maintain a central repository for items such as project status reports, project closeout reports, lessons-learned documentation, and key project deliverables. The PMO will publish a set of knowledge management standards for the project community. This will enable the community to gain awareness of the types of knowledge that are of interest to the company and integrate these knowledge assets into project processes. The PMO is responsible for reviewing the knowledge assets received and cataloging relevant items in the knowledge repository, and discarding duplicate or irrelevant items. Over time, a significant database of organizational project management knowledge will emerge. When a new project is chartered, the PM can look to the organizational project management knowledgebase as a source of documentation on past, similar projects or for organizational best practices relevant to the type of project being undertaken. This offers significant value to the organization in terms of eliminating rework and encouraging

the use of project best practices to increase the likelihood of project success. The following are a few knowledge management responsibilities:

- Assembling project assets from across the organization

- Identifying and documenting organizational best practices

- Creating knowledge repositories and providing access to these repositories to the organization

- Creating project management training materials

- Conducting introductory project management training for new PMs and advanced project management training for experienced PMs

- Providing access to white papers, journals, conference proceedings, and other external resources of interest

Training and Professional Development

The PMO will play a significant role in training and development of PMs. As the center of expertise for project management in the organization, the PMO is the logical place to house central responsibility for project management training. This does not necessarily imply that the PMO will have sole responsibility for the execution of training activities, but project-relevant training will be coordinated through the PMO to ensure consistency with organizational standards and practices and ensure that quality training is being provided to the organization.

The initial focus of the PMO will likely be on the gaps in the project management training curriculum that should be addressed. The PMO will work with the business groups to develop all new project management training activities to bridge identified gaps. It is important to realize that the pure concepts of project management are typically not the only types of knowledge that members of the project management community within the organization must acquire. Additional skills in areas such as negotiating, time management, interpersonal communication, and other related topics are very relevant for project practitioners. When planning for training, the PMO should consider these and other relevant general business topics as well.

Professional Development Opportunities

In many organizations, training is linked to the broader topic of professional development. Professional development focuses on the entire range of activities that are available to employees to help encourage career growth and personal development. Training is one key aspect of professional development. In addition, access to external industry resources, participation in symposia and conferences on relevant project management topics, and exposure to Best in Class and new project management techniques are among other areas of professional development. The PMO should play a role in finding suitable professional development activities beyond pure training and making those activities available to PMs and project team members on a regular basis. These activities do not necessarily need to involve significant investments of time and money. Learning experiences such as quarterly lessons-learned reviews or monthly lunch sessions to review new trends in project management can provide significant value to the organization without extensive investment.

The Portfolio Management Role

Of particular note is the role of the PMO as maintainer of the enterprise project portfolio, a high-level view of all of the projects that the organization is undertaking or considering undertaking, along with the status of each effort. The enterprise project portfolio represents the complete view of project efforts in the organization. It is best maintained by a central body that is responsible for the portfolio contents and for reporting on the status of the portfolio to management, along with specific recommendations for action in cases in which one or more projects in the portfolio are not meeting their intended objectives. The portfolio process is enhanced when a single set of standard methods for reporting project progress, adding or removing projects from the portfolio, and providing status to management is maintained. The PMO will play an active role in ensuring that these processes exist and are consistently followed. Absent these processes, portfolio data is often inconsistent, limiting the benefits of maintaining a project portfolio.

## Establishing and Maintaining Standards

The initial focus of PMO efforts in the standards area will be to understand what is currently in place and to develop a plan to standardize existing processes in a common model that can be used broadly within Plexus. Once standard processes are established, the PMO will have the responsibility and authority to enforce these standards company-wide. The following are a few responsibilities for developing and maintaining standards:

- Defining organizational standards for key project processes

- Creating standard tools for use by PMs for project tracking, estimating, or other common project functions

- Leading the implementation of standards and tracking compliance with organizational standards

- Managing centralized project functions such as portfolio management and enterprise project status reporting

4.0 PMO STRUCTURE

PMO Structure Chart
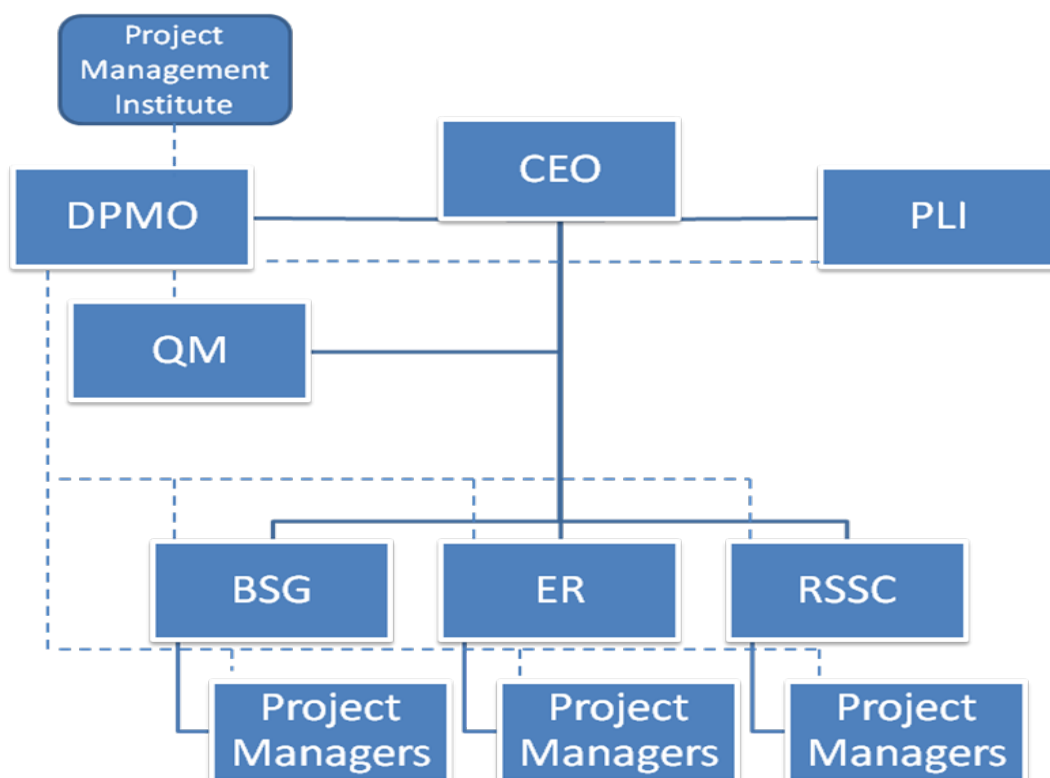
4.1 ROLES, RESPONSIBILITIES, ACCOUNTABILITIES AND AUTHORITIES

CEO—The DPMO reports directly to the Plexus CEO and receives direction from the CEO. The DPMO will keep abreast of industry standards in project management through association with the Project Management Institute and provide advice to the CEO for process changes that may need to be made in the company. The DPMO will provide the CEO reports on the health of each project, i.e., meeting requirements, profitability, and quality management performance.

Plexus LI—Plexus LI is a subsidiary of Plexus and has the same CEO. Currently, as no PMs exist in Plexus LI, the DPMO will manage existing projects of Plexus LI. As Plexus LI continues to grow and the need arises to hire PMs, these PMs will report to the DPMO.

Group Managers (BSG, ER, RSSC)—The DPMO will work directly with the group managers to ensure that all projects are profitable while simultaneously meeting client expectations. The DPMO will offer advice on corrective actions that can be taken to rectify projects that are not meeting objectives.

Project Managers—The DPMO works directly with the PMs to provide standardization in project management with processes and tools, training on the tools and processes, and advice for corrective actions that may be needed to get a project back on track.

Corporate Staff (VP for BD, CFO, Comptroller, Proposal Manager)—The DPMO will work directly with all corporate staff to ensure that required data and information is flowing both ways to maximize efficiencies in project management

5.0   PMO SUCCESS PROFILE

Critical Success Factors

The critical success factors will be based on the actions that need to be accomplished in the first year of the PMO to ensure that projects are managed properly in order to maximize corporate profits. Success factors will be established in each of the subsequent years by the CEO with input from the DPMO. Actions considered critical in this first year are as follows:

- Standardize the proposal process, including an effective Work Breakdown Structure and cost proposal development

- All PMs using and trained on Microsoft Project Professional 2007

- Create a project management template for Project Professional based on the Plexus proposal process

- Create a project management template for Project Professional that accesses a labor resource pool by labor category and fee structure

- Implement SharePoint and Deltek Cobra, and train corporate management and PMs in their use

- Create a standard reporting process that will allow senior managers to quickly evaluate project health

- Record all projects currently being worked in Plexus LI in Project Professional and ensure they are being managed effectively

Measures of Success

The measure of success for the DPMO for the first year of the PMO will be the accomplishment of all critical actions previously cited.