



GLOBAL PROJECT OFFICE

**The Internet Meets the
Central Project Office**

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I n t r o d u c t i o n

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n areas of technology and other

disciplines, when a situation develops that cannot be supported by current practices, a step change is precipitated to respond to the new set of circumstances. Changing needs in the field of project management dictates new practices and tools. The Global Project Office, which is the Internet-enabled generation of the central project office concept, best meets today's needs.

This paper will discuss the evolution of the Global Project Office, how it meets the needs of your project-driven business, and how to implement systems to establish your Global Project Office.



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o one event creates change. True

change is usually the result of a convergence of a number of ideas and events that synergistically creates something new. The advent of the first central project office is generally cited as having emerged in the 1960s when large-scale government and aerospace projects were driving the need for better planning techniques. In these project offices, the scheduling specialists were located together where they could access an expensive mainframe scheduling system. They followed a set of standard practices and generally provided information to their project teams rather than the enterprise as a whole

In the 1980s the development and dissemination of PC-based project-scheduling tools caused a significant shift away from the concept of the central project office. Scheduling efforts were no longer the purview of the specialist, and project planning and tracking could (theoretically at least) be done by the individual project manager. This created a situation in which it was hard to sell the value of the central project office to executives who believed effective project management could be accomplished by placing a \$500 software package on everyone's desktop computer.

The early 1990s signaled the first resurgence of the program office concept. The "global economy" emerged, increasing competition and demand for corporate agility. Companies established large reserves to fund corporate reengineering efforts. These reserves allowed the funding of a myriad of individual projects, many of which were executed across international boundaries, requiring the management of multiple languages, currencies, and local regulations. For the first time, senior management was interested in the details of where, how, and how efficiently their money was being spent. Suddenly, systems needed to support a growing multi-project, multiuser environment, whose personnel are diverse in their interest and scattered in their location. Rather than aiming solely at the project manager, tools began to support diverse roles

involved in projects: resource managers, executives, strategic planning and operations managers, accounting personnel, and the individual contributors actually executing the project work. The difficulty in consolidating islands of project information brought about the realization that decentralized control and project information was inefficient, chaotic, and nonsupportive of operational needs.

Serious project management shifted to client/server systems, with the goal of placing the vital project data in central repositories, which never quite materialized as financial and operational data still resided in non-integrated systems. Interest was growing in the integration of traditional project management systems with project accounting systems, putting further pressure on centralization and standardization, as well as cooperation between the project office and corporate finance. Executive management started to call for project portfolio management, with the goal of understanding the impact of project performance on the enterprise. Putting an enterprisewide project office in place seemed to be the perfect answer.

One Enterprise Applications vendor (Oracle Corporation) responded quickly to this need by providing out-of-the-box integration with third-party project scheduling tools. For the first time a project manager could develop a schedule showing resource hours and dollars in his normal project scheduling software and then, with the push of a button, transfer that same information to his project accounting software in order to track actuals against plan without rekeying any data. The project accounting module was seamlessly integrated with the corporate finance system, and returned to the third-party planning and scheduling system financial actuals, where plans were updated with solid performance-to-date information. This real-time, bidirectional integration satisfied project managers, corporate finance, and senior management.

This situation was a vast improvement over any that had come before and was definitely an enabling infrastructure for the central project office—but there were still some problems. The first was that client/server technology, by its very nature, is expensive to maintain. Every software upgrade that required a change on the client side (the desktop) meant in virtually all cases that highly paid information system professionals had to visit every user and help them install the new software. The second problem was that users of project software are often very mobile and therefore difficult to support. Thus, large, complicated pieces of “client” software become virtually impossible to maintain.

The Internet Meets the Central Project Office and Enables the Transformation to e-Business

The operating environment for project execution has grown even more international. In 1999, the European Economic Union eliminated trading barriers and introduced the euro currency enable companies to more easily cross international borders. And the Internet moved into mainstream business, further expanding market reach while also reducing barriers to market entry.

Oracle Corporation quickly recognized three major benefits provided by adopting an Internet computing architecture:

Internet Computing Allows Easy Access

Users of an Internet computing system only require an easy-to-use, easy-to-manage Internet browser. Any project team member, located anywhere, can securely access the full capabilities of these business applications. Browser access also means that the software loaded and managed on the desktop is minimized. Training is also minimized, since the browser point-and-click metaphor is widely and easily understood. The Internet and browser technologies have invented an entirely new style of application systems: self-service applications. From an end-user point of view, these applications are casually intuitive and therefore do not require training or support. This makes it easier to support more, diverse users, which lowers overhead costs and makes life easier for everyone.

Internet Computing Centralizes Complexity

Internet computing requires fewer IT professionals since desktop software installation and maintenance is eliminated and replaced with centralized application servers. Locating systems in a centralized data center eliminates the need for IT professionals to travel to support user communities or attempt to remotely diagnose individual PCs. By placing the complexity of software applications in a central data center, Internet computing applications can service thousands of users. To further extend worldwide reach, Internet computing architecture incorporates efficient networking characteristics that enable excellent performance over a global wide area network.

Internet Computing Consolidates Information

With processing systems in one place, information is consolidated. Business rules can be shared across operating entities. All business units can deploy new business processes or adopt the latest software versions in one global, synchronized effort. With the consolidated data available to everyone worldwide according to their level of authorization, everyone has the information they need to make good decisions.

Oracle Corporation quickly responded to market needs by offering truly Internet-enabled systems. For the first time the appropriate project software can be available to the entire team anywhere in the world as long as they have the appropriate URL and passwords. Time cards can be submitted over the Internet. Internet-based expense reporting supports multiple currencies, making life easier for the project team member who has visited five countries and exchanged currency five times during his trip.

The easier it is for end users to submit data and keep their project plans current, the easier it is for the central project office to function. With the advent of both the Internet and integrated Enterprise Applications, the central project office finally comes to realization in the Global Project Office. The Global Project Office connects remote, distributed project teams and nonintegrated islands of project data, and enables project-driven firms to function as e-businesses.

Rewards

Services of the Global Project Office

The Gartner Group cites four classes of services that can be provided by what they call a Project Management Competency Center (PMCC).

1. **Project Management Services**—trainer, consultant, mentor, and practitioner of PM practices and techniques. Includes training in project management practices and tools. Clarifies the role of projects and project management in the enterprise.
2. **Methods, Processes, and Metrics**—guardian of corporate methodology and standards, estimating guidelines and metrics, including tools and communication methods. Emphasis is on sharing and exchange rather than corporate edicts.

3. **Best-Practice Brokerage**—documents successes and blunders. Searches outside the enterprise for best practices worthy of adopting internally. Audits the implementation of project management in the enterprise and provides assistance in complying with standard project management practices.

4. **Reuse**—of project plan templates, forms, estimates, reports, etc.

The Global Project Office is broader than Gartner’s PMCC and plays a significant role in directing the firm toward its strategic goals. As such, the GPO offers these additional services.

1. Provide a neutral, centralized office for planning, negotiating, measuring, and analyzing the full portfolio of projects across the enterprise. The project portfolio is managed and analyzed from both an operational and a financial perspective, to ensure risk minimization. The GPO analyzes how the firm’s projects utilize and impact on resources as well as how individual projects or groups of projects fit into the firm’s overall business strategy.
2. Provide a central, customer-focused office to care for the concerns of the project client/customer

Benefits of the Global Project Office

The Global Project Office provides vital business benefits.

1. The GPO links dispersed project teams to help optimize work execution and utilize the best resources for each project, regardless of location.
2. The GPO provides a strategic function, managing project performance across the enterprise, monitoring trends, and identifying global problems, while still allowing project managers enough flexibility to successfully operate under regional and local conditions.
3. The GPO allows the development of a measurement and reward system that is focused on the lines of critical project success factors and encourages the development of professional project managers.
4. The GPO, with the help of enabling technology, becomes a repository for project experience, models, and standards to be shared with all project leaders. The leverage in this one area alone can be significant and will be explored later in this paper.

Business Function	Solution provided by a GPO and enabling technology	Competitive Advantage
Project Staffing	By providing Internet access to the skills and availability of all potential team members in the organization, the right team members are identified.	Project success rates are primarily determined by the quality of the staffing. Putting the right person in the right position helps ensure on-time project delivery.
Cost Control	Develop staffing plans, create budgets, and track actuals all from one integrated Internet-enabled system.	Budget overruns often due to lack of timely cost data by project basis, or due to inadequate re-costing of scope changes. Full visibility helps eliminate surprises.
Time Control	Internet-based time entry by project task helps ensure quick and easy time tracking no matter how geographically dispersed the project team.	Update project schedules automatically, automate the preparation of Earned Value Analysis, generate subcontractor invoices directly from time cards, and reduce the overhead activities of the project team.
Scope Control	Scope changes that affect a project beyond initially agreed-upon tolerances need high-level visibility and agreement. The GPO with an Internet-enabled EIS helps provide that visibility.	Scope "creep" is one of the largest factors in late, over budget projects. Internet-enabled visibility to any changes by all parties (client, vendor, management, project team) helps minimize this problem.
Quality	Provide Internet-based discussion areas, on-line document repository for best practices, quality metrics for project teams, and Internet-based education.	The GPO with Internet-enabled communication tools facilitates building a consistent definition of quality standards, no matter how geographically dispersed the project team.
Risk Management—General	Risk management and mitigation are core project management activities. The GPO can support this by offering Internet-based issue and risk tracking, easily searchable databases of lessons learned from other projects and EIS visibility of risks on a variety of projects.	The risks associated with a class of projects (technology deployment, software development, etc.) are often the same, project to project. The GPO can ensure a consistent baseline of risk management knowledge and techniques across the organization.
Risk Management—Multicurrency	Integrated operational and financial information supplied by the GPO technology foundation allows multicurrency cash forecasts and exposure evaluation.	Help minimize risk of currency fluctuations eroding project profit.
Procurement	Enabling enterprisewide access to on-line purchasing in a secure manner decreases both the cost and time required to obtain the right resources for a project.	Control purchasing while reducing operation costs; increase employee satisfaction and productivity because of streamlined process.
Communications	Project information provided to customers via secured Internet access.	Maintain customer satisfaction and loyalty with reduced personnel, which frees your project management team to build valuable relationships.
Document Management	Route documentation pertaining to contracts and budgets for operations and management to be approved, submitted and delivered per your specification.	Reduce printing costs, provide higher quality documentation to reduce support costs, and increase customer satisfaction by providing timely information.
Multidimensional Enterprisewide Views	Analyze project information across the enterprise.	Identify key attributes that are beneficial or detrimental and adjust operations accordingly.
Integrated Project Analysis	Share project information with third-party software system for tactical or strategic analysis.	Integrity of the data being analyzed does not require further validation.



he implementation of the Global Project Office entails two primary activities: the development of the business practices and organizational changes necessary to create the GPO; and the selection and implementation of the software necessary to enable the GPO to operate at peak efficiency. The focus of this discussion will be on the unique factors involved in implementing a GPO. Standard project phases and good project management techniques are assumed.

Step One: Agree on the role the Global Project Office will play in the organization

The size and charter of the Global Project Office will vary by company. For the purposes of this paper we'll assume a matrix reporting structure with the project managers reporting jointly to both the organization sponsoring the project and the Global Project Office. For our example we'll assume the Global Project Office is chartered to provide the six services we outlined earlier:

1. Provide executive management with project information, both from an operational and a financial perspective
2. Deliver Project Management services (training, mentoring, service delivery)
3. Develop and disseminate methods, processes, and metrics
4. Act as a Best-Practice repository/broker
5. Enable the reuse of project plan templates, forms, estimates, reports, etc.
6. Provide a central, customer-focused office to care for the concerns of the project client/customer

Step Two: Define and deploy Global Project Office enabling technology

As previously mentioned, although the concept of a central project office has long been discussed, it is the advent of Internet-enabled enterprise applications that now makes a GPO possible. The chart below shows Oracle Applications offerings in support of the GPO.

Enterprise Intelligence			
Project Management		Customer Relationship Management	
Resource Management	Project Costing	Opportunity Management	Contract Management
Project Planning and Scheduling	Self Service Time, Expense, and Travel Management	Financial Management	
Project Forecasting	Contract Administration	Purchasing	General Ledger
Project Collaboration	Procurement	Payables	Cash Management
Knowledge Management	Project Billing	Receivables	Assets
		Supply Chain Management	
		Planning	WIP
		Order Entry	Costing
		Inventory	
Human Resources			

Oracle's Internet Applications Supporting the Global Project Office

The Oracle Applications system has unique project-centric aspects. The “out-of-the-box” integration with a variety of scheduling tools, project resource planning, and skill inventories supports a global project management model. Dispersed project teams are linked through one global Internet-enabled project office.

The implementation of the GPO featuring Oracle Applications allows you to have e-business process flows across the enterprise. Business processes are configured with minimal, if any, customization required. Oracle Projects'Client Extensions may be used to further enable special business requirements without modifying the base code.

The collaborative efforts of the project team and enterprise are captured, reported, and maintained with significant benefits. Operating costs are lowered due to Oracle Projects' ability to track project costs and overhead in detail or summary, together with comparison to budgets. The flexibility of Oracle Projects' work breakdown structure and organization breakdown structure can ensure enterprise compliance of the business rules by all constituents. As the business rules change over time, all concerned parties are made aware and immediately can apply the rules to their projects. The Project repository has integrated current and detailed transactions available for analysis. It becomes clearer which projects are more profitable and what activities truly add value. Better decision making is facilitated through the integrated analysis and forecasting of the GPO.

Using the technology foundation, the GPO is positioned to automate business processes to achieve competitive advantage. This architecture permits the use of automation to scale business processes. For example, Oracle Workflow is used to allow more automation and increased span of control. It is also used to facilitate major changes in processes without losing control, or to identify criteria for exceptions and escalations. Oracle Workflow can monitor processes and provide alerts for exceptions, send automatic messages about events to appropriate constituents, and dispatch solutions proactively.

The implementation of a "home page" for project practitioners can expedite communications and teamwork. From this project team page you are now able to capture, produce, and publish field-developed solutions that can provide you with market advantage. By integrating security into your network foundation, you can provide access to systems and information appropriately:

- Geographic flexibility, so diverse teams can collaborate effectively
- Distributed applications so employees, no matter where they are in the enterprise, have access to the applications they need
- Automated inter-enterprise processes, so you can achieve increased productivity and accuracy

Step Three: Develop business practices that use the enabling technology to support the goals of the Global Project Office

The Global Project Office has a myriad of goals and responsibilities. Starting at the beginning of the project life cycle we'll offer some examples of how the GPO, as facilitated by Oracle's Internet applications, can provide a platform for success. We will use in our example the Global Project Corporation, a fictitious company, providing products and services to domestic and international customers. It has several divisions that are geographically dispersed. Through the implementation of the Global Project Office, we will describe a typical project life cycle that best suits the business requirements for an e-business solution. Also assume the policies, procedures, and requirements needed to complete the implementation are based on Release 11i of the Oracle Financials and Oracle Projects Applications.

Concept/Initiation Phase

This first project life cycle phase can be managed with several Oracle Applications. The first step in a project is usually the process of obtaining funding and authorization to begin the project. The GPO serves not only as a repository for examples of funding proposals or business cases, but as a support organization for actually developing the proposal. With access to headcount and financial data from the enterprise systems, a cost benefit analysis can easily be performed. The Resource Management system can be used as a tool to help develop this proposal. Oracle Project Costing is used to track indirect/overhead projects that may result in new assets, such as capital projects. Oracle Project Costing could also be used to track activity and cost associated with the identification, proposal, and negotiations of a billable project, with resulting invoices being eventually produced by Oracle Project Billing. The main objective for the e-business solution in this phase is the ability to track activity and cost for direct and indirect costs. The decision to open a project/task in this phase is at the discretion of the chief operating officer and project manager. Tracking activities and cost during this phase is advisable for future project analysis.

Design/Planning Phase

It is during this phase that most projects are initiated in the corporate system. Your e-project solution should ensure data consistency across all systems. The ability to interface data from dispersed systems and use a common set of enterprisewide business rules enables a global solution. Oracle Projects can be implemented to meet the global demands of such a project. The

multi-org and multicurrency features facilitate adherence to accounting business rules. Oracle Activity Management Gateway allows the project plan and budget to interface seamlessly and meet the corporate requirements for project creation.

Execution Phase

The Global Project Corporation uses Oracle Project Analysis Collection Pack to engage in proactive performance management. Ongoing analysis and collection of transactions are performed on a global basis. Transactions flow through the Web-enabled forms for time, expense, purchasing, and receiving. The Transaction Import is used for remote legacy transactions.

Revision Phase

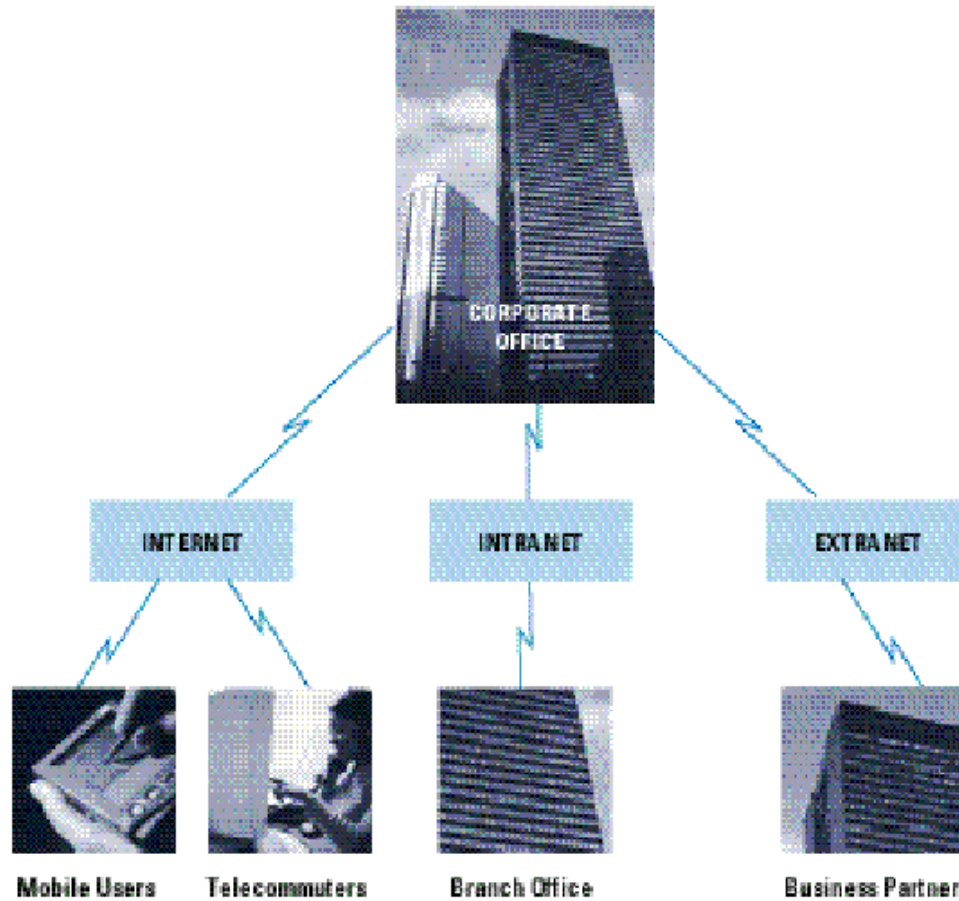
During this phase the Global Project Corporation administrative staff ensures changes to the business rules for cost, burdens, markups, bill rates, transaction controls, and other factors are met and up to date. Project managers use the Activity Gateway to communicate scope, plan, and budget changes. Exception-based management is used via workflow to alert and inform constituents of out-of-balance parameters.

Operations/Maintenance Phase

For capital and indirect project maintenance, management of the project life cycle is specialized. Once an asset is placed in service, it must be properly maintained to provide maximum value to the Global Project Corporation. Asset usage transactions are offered by Oracle Projects to easily apply the cost of assets. Oracle Projects validates enterprise business rules and project data that can be exchanged with asset management and maintenance systems. The Global Project Corporation utilizes the seamless integration of Oracle Projects and Oracle Assets for its capital projects. Since the company has diverse project management tools, Oracle Activity Management Gateway provides integration with these systems.

Retirement/Closeout Phase

The true payoff for future engagements begins here. The contract is complete, the assets are placed in service. The Global Project Corporation performs a project audit, resolves final issues, and makes final payments to vendors. The information gathered and analyzed is now ready in the



corporate repository for future use. These successes are now available for repeatable projects and lessons learned. Continuous improvements are now part of the business process for project execution.

The GPO depends on access by key personnel who need to discover where the value-added pieces of the projects exist. This analysis process is the step beyond archived information of the project. Communication flows across boundaries are more fluid with project constituents making project repository downloads on demand. The Global Project Corporation utilizes Oracle Project Analysis Collection Pack for multidimensional enterprisewide views. Key tactical and strategic reports that are based on project-driven information across its global enterprise are facilitated by the Collection Pack. The GPO process uses exception-based management to increase efficiencies. Policies and standards are defined and the system aids compliance. Should a process violation occur, notification of required action is sent to key personnel based on Global Project Corporation's business rules.

This example for the Global Project Corporation is possible through the evolution of the Internet-enabled generation of hardware and software offerings. The use of Oracle Projects makes the transition to a Global Project Office a viable solution. One of the most challenging areas of process involves the sharing of information. The GPO model should be designed around entitlement. The level of entitlement granted determines the information and system resources accessed. By using the available security technologies and the appropriate levels of security within the Oracle Applications, you can use the Oracle Applications with both internal and external constituents.

Step Four: Continuous Business Process Improvement

A perpetual part of the implementation plan is continuous improvement. A quality management program and program office are essential. As your business dynamics change you want to capture and integrate the new business processes into the Global Project Office. One approach is to use a customer-centric approach. A decision is made to go live, the transfer of data from the old system to the new is initiated, and validations are carried out to ensure that the transfer has been successful. Training is performed for all staff on a just-in-time basis. Users put their new skills into immediate use. One-on-one training is used where appropriate. The Change Management program observes the users' buy-in to the new system, and takes appropriate actions. By the end of training all users should feel comfortable using the system without external support, and management should have confidence that the system is performing as promised. Much of the control of the system will now be in the user's hands.

A post-implementation review of the GPO is carried out to ensure that the system is performing as required, and to recommend further refinements if necessary. Carrying out competency tests on user staff monitors the success of the training program, and corrective training is implemented when necessary. The success of the Change Management program is also assessed, and a continuous improvement program put in place. Full control is now maintained by the client staff, the project is formally closed, and the GPO implementation staff return to their posts.

C o n c l u s i o n



Oracle Projects meets the requirements of a global project solution. The differentiating factors are flexibility, functionality, and ease of use. Oracle's market position, financial stability, service, and support help minimize the risk associated with software selection. Oracle Projects is designed to meet the technical specifications for multiple platforms and tools, and easily interfaces legacy systems. A global project office featuring Oracle Projects can provide significant returns on investment in the areas of hardware, software, maintenance support, and implementation services.

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