



## White Paper 2025-02

### How to Setup a Centralised Project Management Office within an Owner Organisation

*Large Capex projects can be a major business risk for owner organisations. When a sufficiently large project portfolio is foreseen, it will be useful to rationalise project management approaches, reporting, and implement portfolio-wide analysis. The overarching objective is to rationalise project setup, ensure proper processes and systems are used consistently, and build a basis for recovering project data. Based on our experience supporting owner clients, this White Paper exposes how to successfully implement an owner project management office.*

#### From individual project teams to a project management office (PMO)

Setting up project owner teams is a challenge covered in our [White Paper 2024-07 'How to setup a proper project management capability within an owner organisation'](#). As a principle, owners need to have sufficient capabilities within their own teams to be successful. For owners with little experience in Capex projects, mobilising and setting up individual project teams can already be quite daunting. When the owner faces a portfolio of substantial projects, it can be more effective and certainly better from a longer-term perspective to centralise and rationalise all aspects related to project management and control methodology, and infrastructure definition and deployment (such as specific information systems). In addition, a centralised project management office would have dedicated competent people available to support projects in their setup phases, allowing project managers to concentrate on mobilising the team and operational issues.

The presence of a centralised project management office developing consistent methods and processes is an important criteria for assessing the maturity of a project organisation. It is correlated to the overall project portfolio performance.

#### Role of a project management office

Basic roles of a centralised project management office include:

- Producing and updating all project management and control methods, processes etc,
- Systematically deploying those methods throughout the organisation (both for management and project teams),
- Choosing and deploying project management and control specific information systems,
- Supporting the setup of all major projects,
- Facilitating the project management network within the company to exchange experience, improve recognition of the project management roles,
- Participating actively to monthly project reports and be a member of project steering committees,
- Providing executive management with aggregated indicators at portfolio level,

**Implementing a centralised project management office is a must for owner organisations that deal with a sufficiently large portfolio of Capex projects**

- Facilitating lessons learnt and gathering of project management data from all projects in the portfolio – this role will become increasingly important with the advent of Artificial Intelligence capabilities.

In addition, the centralised project management office may be given additional operational roles for specific projects, in particular in the case of:

- Capex projects in early development stage, where full teams have not yet been mobilised,
- Portfolios of multiple smaller projects where each project does not warrant the assignment of full-time project control personnel.

There is a benefit of combining methodological and practical activities so that the team remains grounded. Nevertheless, it remains important that sufficient capacity bandwidth be kept for back-office process and infrastructure work.

To be noted, the project assurance function is different, in particular in terms of reporting line (the project management office is fully in the operational line, while project assurance needs to report independently). The objectives and setup of project assurance is described in our [White Paper 2025-03 'How to Setup a Project Assurance Function within a Wider Project-Driven Organisation'](#). Improvement initiatives may sometime couple both functions, or have them sitting in the same department, but their remit is very distinct. Outcomes of the project assurance work may however feed process and systems improvement work performed by the project management office.

#### Organisation of the centralised project management office

A centralised project management office generally consists of a small number of project control professionals (cost control, schedule, project risk, document control) as well as possibly, contract management and procurement specialists. It is led by an experienced project control manager or project manager.

It generally reports to an executive in charge of projects.

## Setting up a project management office: a journey

### The journey

The investment in project management methodology and information systems is often triggered and justified by one or several larger projects, and then is spread to all significant capital projects.

Quickly, a centralised project management office department is setup to take charge of the maintenance and development of requirements and infrastructure across all projects. It often starts by hiring an experienced PMO director, providing support and advice to projects, as well as facilitating a network of project managers. This first mission is more in the remit of facilitation, resource provider and advice to individual projects.

The project management office role then progressively crystallises as well in project controlling and portfolio reporting roles, taking a lead in portfolio value management as soon as sufficient infrastructure is developed to allow this process. The main change is that progressively, the PMO gets the power to enforce its processes and information systems, rather than stay on a facilitating and supporting mode.

### Gaining acceptance

While generally supported by projects in setup phase as it will spare them substantial time and effort, ongoing projects may show resistance to the establishment of a centralised project management office, because it will disturb them and possibly create additional work, in particular in the area of reporting. The implementation delay towards the full establishment of a newly setup centralised project management office will thus need to last until legacy projects operating under a legacy approach are closed out. It may be accelerated by change

management plans that take advantage of an executive level impetus and leadership, and the possibility to retrofit ongoing projects at key phase changes.

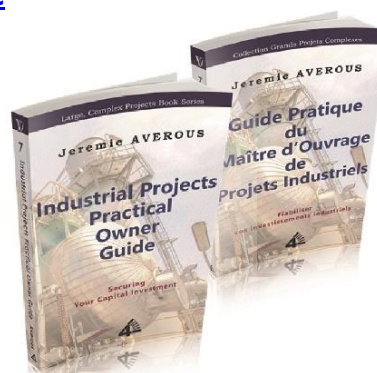
### Summary

Implementing a centralised project management office is a must for owner organisations that deal with a sufficiently large portfolio of Capex projects. The increase in maturity it provides to the organisation will increase overall delivery performance, improve the visibility on the entire portfolio and allow portfolio-level management of transverse issues. Implementing such an organisation is a journey that requires sufficient change management for organisational acceptance.

**The presence of a centralised project management office developing consistent methods and processes is an important criteria for assessing the maturity of a project organisation**

### Read the Industrial Projects Practical Owner Guide

Available on all e-bookstores such as [Amazon.com](https://www.amazon.com), [amazon.co.uk](https://www.amazon.co.uk) and on [Kindle](https://www.amazon.com/kindle-dbs)



We Empower Organizations to be Reliably Successful in  
Executing Large, Complex projects.

Discover more on  
[www.ProjectValueDelivery.com](http://www.ProjectValueDelivery.com)