**PROJECT MANAGEMENT OFFICE (PMO) CHARTER**

**for**

**Arch Coal, Inc.**

**Version 1.1**

**February 28, 2020**

**Prepared by: M. Bret Blackford**

**Authorized by: John Zeigler, SVP & CAO**

**Allen Kelley, VPIT & CIO**

**Document Version History**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***Version*** | ***Date*** | ***Description of Changes*** | ***Author / Editor*** | ***Approved By*** |
| 1.1 | February 28, 2020 | Initial version | M Bret Blackford |  |
|  |  |  |  |  |
|  |  |  |  |  |

**Document Executive Sponsor/Owner**

|  |  |  |
| --- | --- | --- |
| ***Name*** | ***Title*** | ***E-mail*** |
| John Ziegler | Senior Vice President & Chief Administrative Officer | jZiegler@ArchCoal.com |
| Allen Kelley | Vice President Information Technology & Chief Information Officer | aKelley@ArchCoal.com |

**Document Distribution**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| ***Name*** | ***Type of Copy*** | ***No. of Copies*** | ***Title*** | ***Org*** | ***E-mail*** | ***Tel.*** |
| TBD | TBD | TBD | TBD | TBD | TBD | TBD |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |

Table of Contents

[**EXECUTIVE SUMMARY** 4](#_Toc33623118)

[I**NTRODUCTION** 5](#_Toc33623119)

[**PMO JUSTIFICATION** 5](#_Toc33623120)

[**PMO VISION** 6](#_Toc33623121)

[**PROJECT SUCCESS** 6](#_Toc33623122)

[**PMO MISSION** 7](#_Toc33623123)

[**PMO OBJECTIVES** 7](#_Toc33623124)

[1. ESTABLISH & FACILITATE PROJECT SELECTION 8](#_Toc33623125)

[2. ENCOURAGE A PERFORMANCE FOCUSED PROJECT ENVIRONMENT 8](#_Toc33623126)

[3. DELIVER SUCCESSFUL IT PROJECTS 8](#_Toc33623127)

[4. BUILD PROJECT MANAGEMENT DISCIPLINE & PROFESSIONALISM 9](#_Toc33623128)

[5. KEEP ARCH COAL’S MANAGEMENT TEAM AND PROJECT MANAGEMENT COMMUNITY INFORMED 10](#_Toc33623129)

[6. SERVE AS ARCH COAL’S AUTHORITY ON PROJECT MANAGEMENT METHODS AND PRACTICES 10](#_Toc33623130)

[**CRITICAL SUCCESS FACTORS** 11](#_Toc33623131)

[**PMO METRICS** 11](#_Toc33623132)

[**PMO STAFFING** 12](#_Toc33623133)

[**PMO SPONSOR** 13](#_Toc33623134)

[**PMO ORGANIZATIONAL STRUCTURE** 13](#_Toc33623135)

[**PMO as a Learning Organization** 13](#_Toc33623136)

[**PROPOSED STRATEGY TO ESTABLISH THE PMO** 14](#_Toc33623137)

[**FUTURE OF THE PMO** 14](#_Toc33623138)

[**APPENDICIES** 15](#_Toc33623139)

[**APPENDIX A :** FREQUENTLYASKED QUESTIONS (FAQ) 15](#_Toc33623140)

[**APPENDIX B :** VALUE OF A SUCCESSFUL PMO TO THE ORGANIZATION 18](#_Toc33623141)

[**APPENDIX C :** EXPECTED BENEFITS FROM THE PMO FOR SPECIFIC CUSTOMERS 19](#_Toc33623142)

[**APPENDIX D:** PMO SUCCESS FACTORS 21](#_Toc33623143)

[**APPENDIX E :** STEPS ARCH COAL CAN TAKE TO ENHANCE PROJECT SUCCESS 22](#_Toc33623144)

# EXECUTIVE SUMMARY

The Project Management Office (PMO) is a service organization created for the specific purpose of supporting Arch Coal’s Information Technology (IT)Program.

The mission of the PMO is two-fold:

* Guide key (IT) projects to a successful conclusion
* Create a foundation for consistent project success throughout the organization. Do this through development of a strong and pervasive Project Management (PM) discipline within the organization’s project teams.

In support of that mission, the PMO has four primary objectives:

|  |  |  |
| --- | --- | --- |
| **Deliver successful IT projects** | 🡪 | Provide Project Management services and oversight for select IT projects |
|  |  |  |
| **Build Project Management professionalism among Arch Coal’s staff** | 🡪 | Mentor, train, and guide the organization’s project teams as they learn and then adopt PM best practices in their projects. |
|  |  |  |
| **Keep Arch Coal’s Management Team and Project Management community informed** | 🡪 | Provide a variety of regular updates ranging from monthly status of enterprise projects to an annual report on the organization’s progress at institutionalizing Project Management. |
|  |  |  |
| **Serve as Arch Coal’s authority on IT Project Management practice** | 🡪 | Set the standard, provide the tools (e.g. Risk Evaluation tool, templates) and then be the resident advocate and model for good Project Management practice. |

Through sponsorship by CAO and supervision by CIO the PMO gains:

* *Authority* it needs to promote Arch Coal’s wide organizational change effectively
* *Independence* that can sustain objectivity
* *Oversight* that can keep its work aligned with the organization’s business strategy
* *Legitimacy* as it fosters an effective, enterprise approach.

The PMO has three sources of staff:

* Direct appointment of existing or new Arch Coal staff into the PMO
* Temporary assignments from other departments (report to PMO via dotted line)
* Contracted staff (as needed to provide expertise or staffing not available within Arch Coal).

The PMO operates under this guiding principle:

**The success of the PMO is derived exclusively from the success of its customers**.

# INTRODUCTION

Arch Coal, through its Executive Body, has authorized the creation of an Enterprise Project Management Office. The purpose of this charter is to establish agreement on key aspects of the PMO in advance of its implementation.

This charter is, in effect, the organizational mandate for the PMO to exist. This document defines the purpose, vision, mission and functions of the PMO. It states who the PMO's sponsors and primary stakeholders are, the services that it offers and the staffing and support structures required to deliver those services.

This charter is not the project plan for implementing the PMO, but instead a statement of what the PMO will do once it is fully implemented.

# PMO JUSTIFICATION

Establishment of the PMO arose out of the perception that the Company’s IT projects were not adequately meeting the needs of those for whom they were undertaken. The observable problems with these projects include:

• missed delivery dates,

• cost overruns,

• incomplete deliveries, and

• dissatisfied customers.

Arch Coal’s Senior Management Team is aware of a wide variety of possible causes for these difficulties.

Arch Coal’s purpose in establishing the PMO is to provide a means for eliminating those problems that have arisen due to inadequate or poorly applied Project Management practice. Note, however, that establishment of a PMO also carries the possibility of additional benefits as listed in *Appendices B* and *C.*

# **PMO VISION**

|  |
| --- |
| **Successful IT Projects. Every Time.** |

Project teams and Project Managers are encouraged to be creative, adopt new approaches, expand their skill set and take appropriate levels of risk in their pursuit of this Vision. (See section below on “PMO as a Learning Organization”.)

## **PROJECT SUCCESS**

Based on input from Arch Coal’s executive management, the PMO considers a project to be a complete success when the following are true:

* Pre-defined Business Objectives and Project Goals were achieved or exceeded (i.e., the project satisfied the need that created it)
* A high-quality product is fully implemented and utilized
* Project delivery met or beat schedule and budget targets
* There are multiple winners:
  + Project participants have pride of ownership and feel good about their work
  + The customer is happy
  + Management has met its goals.
* Project results helped build a good reputation
* Methods are in place for continual monitoring and evaluation.

# **PMO MISSION**

|  |
| --- |
| **Provide a solid foundation for Arch Coal’s Information Technology Program by creating an environment of measurable, disciplined Project Management professionalism where:**   * **Project success is the norm** * **Project teams are proud of their work** * **Project teams are rewarded for high levels of performance** * **Internal customers reap the benefit of a carefully planned investment** * **The citizenry wins through improved service or lower cost.** |

The PMO operates under the following primary guiding principle:

**The success of the PMO is derived exclusively from the success of its customers**.

# **PMO OBJECTIVES**

For each objective, the PMO will develop one or more SMART[[1]](#footnote-1) targets against which to evaluate performance. PMO performance will be reviewed quarterly. SMART targets will be evaluated and renewed annually. PMO governance and leadership will agree upon the validity and usefulness of all targets.

Primary PMO Objectives are:

* Establish and facilitate project selection criteria aligned with Arch Coal’s business objectives and direction.
* Encourage a project environment focused on performance and execution
* Deliver successful projects
* Build Project Management discipline and professionalism among Arch Coal’s staff
* Keep Arch Coal’s Management Team and Project Management community informed
* Serve as the Arch Coal’s authority on Project Management methods and practices

Listed below is the specific work that the PMO will perform in order to meet its objectives.

## ESTABLISH & FACILITATE PROJECT SELECTION

The PMO will work with the Finance Team, and with the approval of Arch Coal’s Executive Management Team, establish quantified criteria for the selection of projects. These criteria will be ROI-based and conform with Arch Coal’s overall business objectives regarding Return on Investment.

## ENCOURAGE A PERFORMANCE FOCUSED PROJECT ENVIRONMENT

All projects for which the PMO is accountable for successful delivery, will be regularly monitored and measured for performance using Earned Value (EV) or some other performance calculation. All projects will be encouraged to regularly self-monitor performance and share these performance measurements with Project Sponsors and Stakeholders.

## DELIVER SUCCESSFUL IT PROJECTS

The PMO collaborates with IT, corporate departments, and operations to manage the IT Projects portfolio:

* As part of a management team that includes CIO, Director of Application Services, and Director of Infrastructure and Operations in development and articulation of *Arch Coal*’s technology strategy
* Work with involved departmentsto make the IT project-selection process successful
* Maintain and publish a master IT projects schedule, including critical milestones
* Assist IT and corporate departments with project resource management
* Warn CIO of IT projects at risk and provide recommendations
* Perform capacity planning with IT and affected corporate departments so that Arch Coal makes optimal use of its resources.
* Regularly, as agreed, monitor and measure project performance
* Work with the Project Manager and Project Sponsor to make adjustments to under-performing projects

The PMO manages all Enterprise IT projects either directly or indirectly (per definitions that follow) and is accountable for successful project delivery.

* The PMO *directly* manages other projects on request:
  + Sponsors make their requests to the PMO. PMO, IT, and department heads collaborate to decide where PMO resources should be allocated
  + PMO provides Project Management services for the project
  + PMO is accountable for successful project delivery
  + PMO deals directly with the Sponsor
  + PMO enforces its Project Management methodology and standards on these projects.
* The PMO *indirectly* manages other projects on request:
  + Sponsors make their requests to the PMO. PMO, IT, and department heads collaborate to decide where PMO resources should be allocated
  + Department provides the Project Manager for the project
  + Project Manager reports on dotted line to PMO for duration of project.
  + PMO provides guidance to the Project Manager but under normal circumstances would not provide direct Project Management services.
  + PMO is accountable for successful project delivery
  + PMO deals directly with the Sponsor and Project Manager
  + PMO enforces its Project Management methodology and standards on these projects.

In addition, the PMO:

* Performs quality audits on request
* Performs risk audits on request
* Provides Business Analysis services (e.g., Requirements Analysis, Joint Application -Development sessions) on request.

|  |
| --- |
| **Note:** *The PMO encourages the use of its published Project Management methodology and standards and best practices in all IT projects. However, the PMO only enforces its published Project Management methodology and standards on those projects for which it is accountable for successful project delivery.* |

## BUILD PROJECT MANAGEMENT DISCIPLINE & PROFESSIONALISM

* MentorPMO project teams (and other project teams by request)
* Assist project teams in all phases of their projects from project definition to rollout
* Train *Arch Coal* Project Managers in a full range of Project Management topics
* Create and maintain a Project Management Core Team composed of *Arch Coal* staff who work as Project Managers on IT projects. Work with this team as a means of building and sharing Project Management expertise.
* Recognize excellence in Project Management in accordance with a focused Reward and Recognition Program.
* Serve as honest broker on all issues brought forward to the PMO by Project Managers.
* Participate in the performance reviews of Project Managers who report to PMO on dotted line
* Provide training to all levels of *Arch Coal* management so that supervisors, middle managers and executives each understand their role in making projects a success

## KEEP ARCH COAL’S MANAGEMENT TEAM AND PROJECT MANAGEMENT COMMUNITY INFORMED

* Report to CIO and CAO on:
  + Enterprise projects – *weekly*
  + Other projects – *monthly*
  + Special projects – *only upon request*
  + Metrics that measure PMO effectiveness – *annually*
  + Issues and opportunities – *as they arise*.
* Under the direction of *CIO,* provide regular reporting to the Executive Management Team.
* Maintain and publish a “Lessons Learned” database
* Maintain the PMO Web site
* Serve as the “technology-to-English translator” for *Senior Management and corporate departments.*

## SERVE AS ARCH COAL’S AUTHORITY ON PROJECT MANAGEMENT METHODS AND PRACTICES

* Set Arch Coal’s Project Management methodology and standards
  + PMO works with an advisory group of Arch Coal Project Managers to update and maintain the methods, practices, and standards
  + Methods and Standards are posted on the PMO Web site
* Be the resident advocate for good Project Management practices in the organization.
* Select Project Management tools for organization-wide use
* Serve as the official source of project templates and other project aids.

# **CRITICAL SUCCESS FACTORS**

The following may be considered necessary steps Arch Coal can take that help ensure PMO success:

* Implement a Rewards and Recognition Program that specifically supports the Project Management process and achievement of project objectives.
* Arch Coal’s Senior Management Team provides the PMO with unanimous, visible, and vocal support
* Introduce PMO functions in a phased manner. Do not try to do it all at once.
* *Arch Coal*’s Senior Management Team supports the process of Organizational Change. Managers recognize that some groups and

A list of additional Success Factors is provided in ***Appendix D*.** The PMO will be more successful in the long-term if these factors can be achieved.

In addition, ***Appendix C*** presents numerous steps Arch Coal can take in conjunction with establishment of an PMO in order to hasten and enhance benefits from the PMO.

# **PMO METRICS**

Metrics should measure those aspects of PMO performance that are directly related to its Mission. On that basis, the following areas of focus can be used to judge PMO value:

* Are the organization’s projects more successful over time?
* Is there evidence that Arch Coalstaff is taking a more professional approach toward project management discipline and practices?
* Are the attitudes of Arch Coalstaff regarding project activities and results improving?
* Are the products of the organization’s projects meeting their business objectives?
* Is Arch Coal meeting those business objectives directly aligned with project performance and project success?

The PMO staff will develop or acquire appropriate instrument(s) with which to obtain objective measurements. The PMO Sponsor will approve the instrument(s) before they are used. Examples:

* Improvement in project success over time can be measured through decreases in schedule and budget variances or the tone of customer comments
* Project Management approach can be measured by quality and timeliness of project planning documents, accuracy of time and cost estimates, and effectiveness at managing risk
* Staff attitudes can be measured through use of a short survey.

A team composed of staff from the PMO can perform the assessment.

# **PMO STAFFING**

Once fully implemented, the PMO has the following permanent staff:

* Director (PMP)

The following positions might be needed after implementation of the PMO:

* 1 Project Manager (PMP)
* 1 Project Coordinator

During its first year, the PMO has one planned staff member, the Director of Project Management. Other contract staff may be added as required.

* 1 Business Analyst (optional future staff)
  + Performs requirements analysis, joint application design
  + Assist business departments with project documentation and in preparing and editing RFPs and contracts
  + Mentors Arch Coal staff in analysis techniques and requirements management
  + Provides training in ROI analysis; assists with Rational Unified Process implementation

The PMO also can have temporary staff in the form of departmental Project Managers who report via matrix on a dotted line to the PMO Director or to a PMO Project Manager. This can occur when a department:

* Supplies the Project Manager but requests that the PMO indirectly manage the project
* Requests this arrangement as a means of mentoring their Project Manager.

The PMO maintains an office:

* For its own staff
* For temporary staff (e.g., department project managers on temporary assignment)
* Where Project Management library materials are kept
* Where Arch Coal Project Managers and project teams can meet to strategize or work out project issues

# **PMO SPONSOR**

The project to establish the PMO is sponsored by CAO. The sponsorship of the PMO has the direct approval of Arch Coal’s Senior Management Team.

# **PMO ORGANIZATIONAL STRUCTURE**

PMO reports to the PMO Governance Board consisting of the PM; the PMO; and member of the Senior Management Team. Through alignment with the office and the Senior Management Team the PMO gains:

* *Authority* it needs to promote Arch Coal-wide organizational change effectively
* *Independence* that can sustain objectivity
* *Oversight* that can keep its work aligned with the Arch Coal’s business strategy
* *Legitimacy* as it fosters an effective, enterprise approach.
* Initially, all PMO staff report to the Director, PMO.

# **PMO as a Learning Organization**

The PMO models itself as a Learning Organization in its relationship to the Arch Coal’s Executive Management, Project Managers, Project Teams and Customers. A learning organization may be defined as “an organization that facilitates the learning of all its members and continuously transforms itself to achieve superior competitive performance.”

Learning organizations have the following characteristics:

* Are adaptive to their external environment and continually enhance their capability to change/adapt
* Develop collective as well as individual learning, and use the results of learning to achieve better results
* Learn from both failure and success, understanding that finger-pointing and blame are detrimental
* Link individual performance with organizational performance
* Foster inquiry and dialogue, making it safe for people to share openly and take risks
* Embrace creative tension as a source of energy and renewal

The PMO will express its Learning Organization orientation through many means, including:

* Positive use of Lessons Learned exercises to encourage continual improvement in projects
* Maintenance of a Lessons Learned database to promote organizational learning
* Encouragement of cross-training and “stretch” assignments
* Promotion of continual learning and professional growth in Project Management
* Working with staff to develop the ability to consistently select and execute projects with significant positive ROI

# **PROPOSED STRATEGY TO ESTABLISH THE PMO**

* Gain agreement on PMO Charter from the Senior Management Team.
* Gain Senior management approval of PMO Business Case consisting of:
  + PMO Requirements (high level)
  + Implementation Strategies and Schedule
  + Project Plan
  + Cost Estimates
* Refine and agree upon PMO performance targets (SMART)
* Establish PMO review process and performance metrics
* Establish a budget
* Acquire PMO space and equipment
* Acquire PMO staff.

# **FUTURE OF THE PMO**

The PMO as described in this document is only a starting point. Arch Coal’s Senior Management may choose in the future to expand or diminish the scope of services that the PMO provides, depending upon whether or not the PMO continues to provide value. Arch Coal can obtain a regular measure of that value through use of objective measures (see section entitled “PMO Metrics”).

As Project Management becomes institutionalized within the fabric of the Company’s work environment and culture transforms to embrace it, the need for having the PMO report to the highest level of executive management may diminish. In this case, the PMO could be transferred to a department, e.g. Information Technology or Administrative Services. On the other hand, should management choose to expand the scope of PMO services to include projects outside of IT, it would be advisable to maintain the connection with the CIO’s office until the next round of culture change runs its course.

# **APPENDICIES**

## **APPENDIX A :** FREQUENTLYASKED QUESTIONS (FAQ)

What is a Project Management Office (PMO)?

[A PMO is an] organizational entity established to assist project managers throughout the organization in implementing Project Management principles, practices, methodologies, tools, and techniques. [*Project Management Terms – A Working Glossary*, J. LeRoy Ward (ESI 2000)]

What is a Project Portfolio?

A Project Portfolio is any group of projects that are being managed together for any of a number of reasons, including:

* All projects are related to the same goal or set of Business Objectives
* Projects are interrelated via shared inputs and outputs
* Projects share resources.

Is the PMO a permanent Arch Coal feature?

This depends on the value the PMO brings to Arch Coal. If the PMO outlives its usefulness it should be retired. If it consistently provides good value, it should be retained.

What does it mean that “The PMO manages select IT projects either directly or indirectly”?

If the PMO provides the person who is the Project Manager, then the PMO is managing the project directly.

If the Project Manager is a contractor or a staff member from another department who reports to the PMO via matrix assignment, then the PMO is managing the project indirectly.

“Manages” means that the PMO is directly responsible for all aspects of project planning, execution and close. It also means that the PMO Project Management Methodology applies.

The problem with Reward & Recognition Programs is that the truly deserving people all too often get left out. How can you make it practical?

It is possible to design a Rewards and Recognition Program so that there is a full spectrum of awards (e.g. certificates of appreciation, a free lunch, attendance at a conference, an accelerated performance review). For example, Arch Coal could allow team members and Project Managers to provide many small rewards that would recognize exemplary performance at all levels. It is also possible with a modest budget to provide significant awards that are meaningful to the project teams, e.g. Project Team of the Year, PM of the Year, Project that Pulled Itself out of the Dumpster Award, etc.

Will the Director of the PMO have a disproportionate amount of control?

No. Business Sponsors own their projects. The business community is responsible for defining the business objectives in their projects. IT is the source of technical expertise. The PMO exists solely for the purpose of making the projects succeed, using the criteria for success that came from their customers.

In addition, the PMO can only impose its Project Management Standard when the PMO is directly responsible for success or failure of the project. For all other projects, the PMO PM Standard is highly recommended, but optional.

How will the PMO properly evaluate department PMs who work through the PMO on a project?

The PMO will only evaluate Project Managers on their work as Project Managers. This can be done, for example, by comparing a Project Manager’s actual performance against a checklist of standard Project Management tasks and skills, so that the Project Manager and their department can properly evaluate the Project Managers’ strengths as well as areas in need of improvement.

The PMO would not evaluate a Project Manager on non-project work.

What is the role of the PMO in project selection?

As Arch Coal considers projects for funding, the PMO can provide insight from the project management perspective (e.g. likely risks, specific staffing requirements)

Training in Project Management is one of the activities proposed for the PMO. Will the PMO staff do that training or can that actually be done by a third party?

There would be no problem with having fundamental Project Management training done by a third party. However, advanced topics (especially as they relate specifically to Arch Coal) might best come from PMO staff and other organization Project Managers.

Are there any specific pitfalls that the Arch Coal should watch out for while implementing the PMO?

An underfunded PMO will have difficulty fulfilling expectations.

The PMO work plan should not require PMO staff to spend so much time compiling reports for senior management that there is not enough time to ensure that projects are delivered on time and within scope

If the PMO staff become “Process Police” or “Document Nazis” they are headed down the wrong road. Project documentation exists for the benefit of the project and the organization, not for the fulfillment of some document standard.

Where the PMO is responsible for projects, it is essential that the PMO staff keep in close contact with the respective project teams. Assigning too many projects to the PMO can be counterproductive.

## **APPENDIX B :** VALUE OF A SUCCESSFUL PMO TO THE ORGANIZATION

In general, the value of a common IT Project Management process includes:

* Reduced cycle time
* Reduced delivery costs
* Improved quality of project deliverables
* Early identification of project issues, budget, scope, and risks
* Knowledge leverage and reuse
* Improved accuracy of estimates
* Improved perceptions of IT organization by clients
* Improved people and resource management
* Reduced time to get up to speed on new projects
* Elimination of the thrash (e.g. false starts, self-defeating conflict, indecision) that is so common in failing projects

In addition to the above, a successful PMO:

* Eliminates duplication of data and processes among Project Managers
* Collaborates with Arch Coal staff to implement effective processes for managing all IT projects
* Cultivates “unusual” levels of cooperation
* Institutes new operating mode with detailed definition of process, roles, and measures
* Promotes change from *status quo*, upstream and downstream of IT mission
* Nurtures organizational neutrality
* Instills a passion for the profession of Project Management’s processes, practices, and tools

## **APPENDIX C :** EXPECTED BENEFITS FROM THE PMO FOR SPECIFIC CUSTOMERS

* **Executives** 
  + PMO provides timely feedback about project goals, status, accomplishments, and issues
  + Organization has an increased probability of meeting corporate business goals
  + Organization receives timely warning about critical issues and possible steps toward resolution
* **Functional Managers** 
  + PMO provides metrics to ensure staff is performing adequately and projects are on schedule and on budget
  + PMO maximizes chances of project success, resulting in less rework and reduced cost of product delivery
  + Project guidance helps departments maximize use of resources
  + Departments can obtain Project Management resources when needed
  + PMO helps the departments to integrate Project Management Methodology into their Product Methodology
* **IT Department** 
  + Promotes change from *status quo*, upstream and downstream of IT mission
  + Assists IT management in establishment of effective processes for managing all IT projects
  + Clients develop improved perceptions of the IT organization
* **Project Managers** 
  + PMO improves Project Managers’ execution through the establishment of a consistent framework for the management of projects and defining methodologies, best practices, and guidelines
  + PMO enhances the capabilities of the Project Managers by providing mentoring, training, and career development
  + Training, coaching and mentoring move Project Managers more quickly through the learning curve
  + Suggests to Executive Management solutions to organizational issues that may hinder project success
* **External Customers** 
  + Increases probability of meeting customer requirements and expectations
  + Aims at increasing customer satisfaction
  + Provides single point of contact for multiple projects within same customer
* **Finance** 
  + Project teams are able to provide periodic data of project actuals
  + Project teams are able to provide supporting documentation to expedite invoices collection
* **Human Resources** 
  + PMO establishes and provides quantifiable metrics for the evaluation of personnel
  + A Project Management Career Track facilitates the Project Manager’s career path and training.

## **APPENDIX D:** PMO SUCCESS FACTORS

The PMO will be more successful in the long-term if the following can be achieved:

* The PMO functions and services/deliverables are prioritized and implemented in a time-phased manner
* A consistent approach to planning and managing projects is implemented across the organization
* Internal Project Management training is provided at all levels (from staff to Senior Executive)
* Project Management is recognized as a core competency (i.e. as part of the organization's culture)
* The PMO’s balance between project support and control functions is defined and communicated to ensure that departments understand what is expected of them and what they should expect from the PMO
* The PMO staff understands the culture; the organization intentionally modifies its culture to support its goals
* The PMO leverages industry standards and best practices
* The organization defines its strategy; the PMO focuses on those projects central to realization of the strategy
* The PMO adjusts its operation based on continuous customer feedback
* The PMO designs a scalable Project Management system (process and tools)
* The organization recognizes that some groups and individuals will embrace Project Management change better than others.

## **APPENDIX E :** STEPS ARCH COAL CAN TAKE TO ENHANCE PROJECT SUCCESS

**Focus on *Teams***

* Define the Core Arch Coal Values for Project Management (e.g., “Be a team player”). Give special recognition to those who abide by these values.
* Ensure that Arch Coal staff assigned to projects are given sufficient time to carry out project tasks
* Create incentives to help staff overcome their aversion to risk
* Provide management with training in matrix management
* Give IT an opportunity to gain experience with new (and needed) technologies by funding an ongoing R&D effort
* Train existing IT staff in and/or hire new staff with Business Analysis skills
* Provide workshops on Effective Communication

**Focus on *Organization***

* Articulate a vision for the Technology Program (in progress)
* Prioritize needs and then define immediate, mid-term, and long-term goals for the Technology Program
* Map proposed projects to Technology Program goals. Set realistic expectations: Support only those projects with a reasonable chance of successful completion within the defined time.
* Make “Incorporation of an enterprise view in daily work” a Core Arch Coal Value
* Make “Be a leader” a Core Arch Coal Value
* Acquire sufficient IT staff to successfully complete and maintain its projects

**Focus on *Project Management***

* Identify Arch Coal staff who have interest in a career in Project Management. Provide them with both formal training and on-the-job experience (e.g., have them work under PMO guidance or as deputy Project Manager to PMO staff).
* Ensure that novice project team participants receive appropriate training and coaching in the Project Management Methodology
* Require thorough project pre-planning before project funds are released
* Encourage a culture of continual improvement in Project Management skills. Use a Project Management Maturity Model as an indicator of organizational growth.
* Make “Managing Projects For Success” a Core Arch Coal Value
* Develop in-house expertise in Testing / Quality Control, Quality Assurance, Business Analysis
* Apply the Project Management Methodology to all IT projects
* Manage risk proactively
* Use a formal Change Management process whenever scope is ill-defined or likely to change.

1. SMART = Specific, Measurable, Attainable, Results-oriented, Time-delimited [↑](#footnote-ref-1)