



**TO PMO OR NOT TO PMO:  
A PROJECT MANAGEMENT OFFICE CASE STUDY  
FOR FLIGHT OPERATIONS**

Jónína Kristín Snorradóttir

Thesis of 12 ECTS credits  
**Master of Project Management (MPM)**

May 2014



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12 ECTS thesis submitted to the School of Science and Engineering  
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*Paper presented as part of requirements for the degree of Master of Project Management (MPM) at the Faculty of Industrial and Mechanical Engineering and Computer Science, Reykjavik University May 2014*

## **ABSTRACT**

The purpose of this paper is to examine the value of establishing a project management office within a Flight Operations Division, FOD. The knowledge and use of project management methodology is examined and expectations of managers towards establishing a new PMO is evaluated. Information gathering in the research involved quantitative and qualitative methods, through semi-structured interviews and questionnaires.

The results show that Departments' managers are using varied project management methodology but want more structure when working on projects, and they believe a PMO will reduce tension between operations and projects. Support from the executives in favor of the establishment of the PMO exists, which is fundamental to the prosperity of the PMO.

## **1.INTRODUCTION**

This study is conducted in collaboration with Flight Operation Division, FOD, of a leading airline in Iceland. Escalating competition and growing demands in perspective, efficiency and effectiveness in projects, there are many who consider this question; of whether the PMO can help in the journey of developing project management and project culture within companies. The purpose is to examine whether a Project Management Office, PMO is suitable for the FOD. When FOD is mentioned in this article, it refers to all the departments within the Flight Operation Division. These departments are supervised by the FOD as shown on the organizational chart, see figure 4. The head of the FOD is an Vice President and the main responsibilities of this office is to ensure that all policies, procedures and techniques are enforced to maintain and operate aircraft safely.

The FOD is divided in to five departments, the highest priority is operational function to run safe aircrafts. For some time this division has been implementing LEAN methodology and more projects are emerging within the department. Causing conflict between these two activities; running operations and managing projects. Projects vary in size, complexity, scope and cost. Projects are fading away, overlap occurs between departments and because operations is the main focus of the division, a further structure of project management methodology might be advisable for managing projects.

PMO would bring to the equation various definitions, roles and functions, as a unit or a department within the organization. It defines and maintains standards for project management; a source of documentation and accountability. PMO personnel can operate as consultants to individual departments and/or manage projects directly through the PMO.

This study will focus on the FOD; evaluate the current use of project management methodology and view the expectations of departments' managers toward the establishing of a PMO. An attempt will be made to answer the question, whether establishing a PMO would overall be beneficial for the FOD and the airline.

## **2. LITERATURE REVIEW**

### **2.1 Management and Operations**

In project management the term *project* has a specific definition according to ISO 21500 the first Project Management International Standard: "A project consists of a unique set of processes consisting of coordinated and controlled activities with start and end dates, performed to achieve project objectives. Achievement of the project objectives, requires the provision of deliverables conforming to specific requirements." (ISO Copyright Office, 2012).

According to Pmbok "operations management is responsible for overseeing, directing and controlling business operations. Operations involve supporting the day-to-day business, and are necessary to achieve strategic and tactical goals of the business" (Project Management Institute, 2013).

Flight operations are defined as ; The office of the senior vice president of flight operations is responsible for developing flight operations policies, procedures, and techniques to promote the safe, efficient and progressive operations of aircraft (Wensvenn, 2007, p. 223).

## **2.2 PMO Definition**

Over the years, many researchers have presented a definition of PMO but there is a degree of discrepancy in their definitions. Definitions have evolved significantly over the years and it has been argued that the PMO has no specific definition (Desouza & Evaristo, 2006) yet another scholar states that “PMO is an area that centralizes certain activities also called functions or services related to the practice of project management, with the goal of making the organization achieve better results through projects” (Pinto, 2013).

The Project Management Institute (PMI) definition of a PMO “a project management office (PMO) is a management structure that standardizes the project related governance processes and facilitates the sharing of resources, methodologies, tools and techniques. The responsibilities of a PMO can range from providing project management support functions to actually being responsible for the direct management of one or more projects” (Project Management Institute, 2013, p. 10).

(Dai & Wells, 2004, p.524) have similar definition as PMI and define it as “an organizational entity established to assist project managers, teams and various management levels on strategic matters and functional entities throughout the organization in implementing project management principles, practices, methodologies, tools and techniques”.

## **2.3 Types of PMOs**

The earliest model of a PMO is by Dinsmore (1999) proclaims that PMO has four types; starting with a single project entity; multi project entity; project support office, project management center of excellence and program management office (Hobbs & Aubry, 2007).

Project Management Institute PMI (Project Management Institute, 2013) identifies several types of PMO structures in organizations, each varying in the degree of control and influence they have on projects within the organization, such as:

•**Supportive.** Supportive PMOs provide a consultative role to projects by supplying templates, best practices, training, access to information and lessons learned from other projects. This type of PMO serves as a project repository. The degree of control provided by the PMO is low.

•**Controlling.** Controlling PMOs provide support and require compliance through various means. Compliance may involve adopting project management frameworks or methodologies, using specific templates, forms and tools, or conformance to governance. The degree of control provided by the PMO is moderate.

•**Directive.** Directive PMOs take control of the projects by directly managing the projects. The degree of control provided by the PMO is high.

Pinto, Costa, & Levin (2010) pointed out there has been many attempts to standardize the way of typifying PMOs, Englund, Graham and Dismore 2003, presented five types of PMOs;

- **the single control project office**, directed toward just one project and that is more operational in the way it operates
- **the strategic project office**, directed toward the whole of the organization, and that operates strategically
- **the business unit project office**, directed at an area or department and that operates either strategically or tactically;
- **the project support office**, directed toward the whole company, but that has an operational role; and finally,
- **the project management center of excellence** which focuses on continuous improvement and innovation.



Pinto et al. (2010) developed a PMO maturity model which sums up the main standard ways of typifying PMOs in essentially two principal dimensions;

- scope (project, program PMO; departmental PMO; enterprise PMO)
- approach (strategically, tactically; operationally or with all three).

The service was evaluated from two aspects; if it was applicable to each and every type of scope of PMO and if it was service of strategic, tactical or operational nature. By doing this it is possible to conclude 21 possible types of PMO's (Pinto et al., 2010).

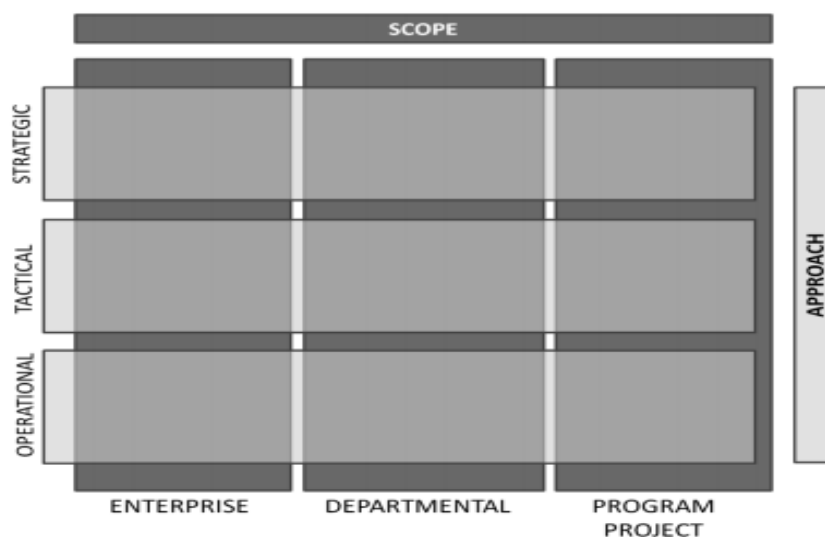


Figure 1 The nine quadrants resulting from the relationship between scope and approach

The Model defines PMO as a combination of its scope and one of the seven possible different approaches (strategic, strategic-tactical, strategic-operational, tactical, tactical-operational, operational and strategic-tactical-operational) resulting from the services offered to its customers (Pinto et al., 2010).

## 2.4 PMO Function

Because of the variety of the roles of the PMO, it has been difficult to provide a simple and accurate description of what a PMO is and its roles (Hobbs & Aubry, 2007). A PMO can be seen as a service provider, which has clients with specific needs (Pinto et al., 2010). Hobbs and Aubry, (2007) identified 27 different functions of PMO's in their research and the variety of importance of the function in different organizations, this was classified into five groups of functions by (Hurts & Thomas, 2009). Table 1

<b>1. Monitoring and Controlling Project Performance</b> <ul style="list-style-type: none"> <li>• Report project status to upper management</li> <li>• Monitor and control of project performance</li> <li>• Implement and operate a project information system</li> <li>• Develop and maintain a project scoreboard</li> </ul>	<b>2. Development of Project Management Competencies and Methodologies</b> <ul style="list-style-type: none"> <li>• Develop and implement a standard methodology</li> <li>• Promote project management within organization</li> <li>• Develop competency of personnel, including training</li> <li>• Provide mentoring for project managers</li> <li>• Provide a set of tools without an effort to standardize</li> </ul>	<b>3. Multiproject Management</b> <ul style="list-style-type: none"> <li>• Coordinate between projects</li> <li>• Identify, select, and prioritize new projects</li> <li>• Manage one or more portfolios</li> <li>• Manage one or more programs</li> <li>• Allocate resources between projects</li> </ul>
<b>4. Strategic Management</b> <ul style="list-style-type: none"> <li>• Provide advice to upper management</li> <li>• Participate in strategic planning</li> <li>• Benefits management</li> <li>• Network and environmental scanning</li> </ul>	<b>5. Organization Learning</b> <ul style="list-style-type: none"> <li>• Monitor and control performance of PMO</li> <li>• Manage archives of project documentation</li> <li>• Conduct postproject reviews</li> <li>• Conduct project audits</li> <li>• Implement and manage database of lessons learned</li> <li>• Implement and manage risk database</li> </ul>	<b>Other Functions (Not in Any Group):</b> <ul style="list-style-type: none"> <li>• Execute specialized tasks for project managers</li> <li>• Manage customer interfaces</li> <li>• Recruit, select, evaluate, and determine salaries for project managers</li> </ul>

Table 1 Importance of 27 PMO functions grouped into factors

The latest definition from PMI is based on the same elements as the previous ones. According to the newest edition from the PMI (Project Management Institute, 2013) the primary function of a PMO is to support project managers in a variety of ways which may include, but are not limited to:

- Managing shared resources across all projects administered by the PMO
- Identifying and developing project management methodology, best practices, and standards
- Coaching, mentoring, training, and oversight

- Monitoring compliance with project management standards, policies, procedures, and templates by means of project audits
- Developing and managing project policies, procedures, templates, and other shared documentation (organizational process assets)
- Coordinating communication across projects

Pinto(2013) used the findings of Hobbs and Aubry 2007 and designed the PMO Mix Manager, where it is possible to evaluate whether the PMO is meeting the expected benefits of its clients. The model can also be used to map expectation of clients for a creation of a new PMO. Pinto 2013 also pointed out that if these needs are not fulfilled the PMO loses reliability and support from their clients and executives. appendix 1

## **2.5 PMO Value**

„One of the first steps in creating value for the organization is for the project office to change the organization’s mind-set so it sees projects as investments, not as costs.“  
(Englund, Graham, & Dinsmore, 2003)

PMOs are usually formed to address a specific set of problems (Hurts & Thomas, 2009; Pinto 2013). Hurts and Thomas (2009) say when these problems are addressed, effective PMOs identify new goals and objectives for themselves, which may require new structure and processes for the PMO. But as long as the core project management ideology and focus is preserved, they will continue to provide and add value to the organization. Hurts & Thomas (2009) claim that an effective PMO continues to add value by changing and reinventing themselves as long as they stay focused on the principle of improving project management in the organization.

Building a good PMO does not necessarily guarantee the sustainability of project management competency or project management value. Certain elements need to be set in place, as well as certain activities regularly carried out, in order to facilitate the sustainability of a value adding PMO and the sustainability of project management competency (Hurts & Thomas, 2009).

„Projects are not normally seen as investments because their costs are normally expensed. At first glance, that approach looks practical; after all, the majority of project costs are salaries, and those costs are normally expensed in the departments of people working on the project“ (Englund, Graham, & Dinsmore, 2003).

Pinto (2013) pointed out that it is common to find PMOs performing services that are not meeting value expectations; some are not committed to the practical application and effective results. This results in loss of support because they do not generate perceived value for their clients and the organization.

“ Building a project management competency and an effective PMO function that continues to deliver value is not a one-time effort, nor an overnight one-it is an ongoing, continuously evolving investment that needs to be managed by qualified, visionary, effective leaders.” (Hurts & Thomas, 2009).

## **2.6 PMO maturity**

Once a PMO has been set up in an organization it has to develop and mature with time (Aubry, Muller, Hobbs, & Blomquist, 2010). The variation in PMO roles can be justified due to the level of PMO maturity, organizational needs, and organization maturity (Aubry, Muller, Hobbs, & Blomquist, 2010). Hill, (2004) has classified the PMO maturity into five levels as illustrated in Figure 2, each level of the PMO has a definite role and

the level of authority and staffing gradually increases depending on the level of maturity. Hill 2004 indicates that organizations must select which maturity level suits their operations, for most organizations stage 3 is enough, not all organizations aim for stage 5.

STRATEGIC ALIGNMENT				
BUSINESS MATURITY				Stage 5 CENTER OF EXCELLENCE  Manage continuous improvement and cross department collaboration to achieve strategic business goals. <ul style="list-style-type: none"><li>- Multiple Programs</li><li>- Vice President or Director of Project Management</li><li>- Dedicated PMO technical staff.</li><li>- Enterprise wide support staff</li></ul>
PROCESS SUPPORT			Stage 4 ADVANCED PMO  Apply an integrated and comprehensive project management capability to achieve business objectives. <ul style="list-style-type: none"><li>- Multiple projects</li><li>- Multiple PMs</li><li>- Program Managers</li><li>- PMO Director</li><li>- Dedicated PMO technical &amp; support staff</li></ul>	
PROCESS CONTROL		Stage 3 STANDARD PMO  Establish capability and infrastructure support and govern a cohesive project environment. <ul style="list-style-type: none"><li>- Multiple projects</li><li>- Multiple PMs</li><li>- Program Managers</li><li>- Director/ Senior Program Manager</li><li>- Full time &amp; part PMO office</li></ul>		
PROJECT OVERSIGHT	Stage 2 BASIC OFFICE  Provide a standard & repeatable PM methodology for use across all projects. <ul style="list-style-type: none"><li>- Multiple projects</li><li>- Multiple PMs</li><li>- Program Manager</li><li>- Part-time PMO support staff</li></ul>			
Stage 1: PROJECT OFFICE  Achieve Project deliverables & objectives for cost, schedule & resources utilization. <ul style="list-style-type: none"><li>- 1 or more projects</li><li>- 1 Project Manager</li></ul>				

**Figure2):** PMO capabilities across PMO competency, Adapted (Hill 2004)

Organizations change and mature and PMOs that are not capable of evolving tend to diminish over time, so they are constantly being challenged to ensure that their practices continuously mature (Pinto, et al, 2010).

A.Pinto (personal communication, May 1, 2014) stated that the Hill's model is too simple and it was not empirically tested. Hill's idea is that a PMO that covers the whole organization is a mature PMO or a strategic PMO which according to Pinto is a wrong approach. Pinto argues that it is common to have an enterprise PMO that operates strategically, tactically and operationally. See figure 1

As referred to above Pinto et al. (2010) created a maturity model especially for PMO's, which can be seen graphically in Figure 3.

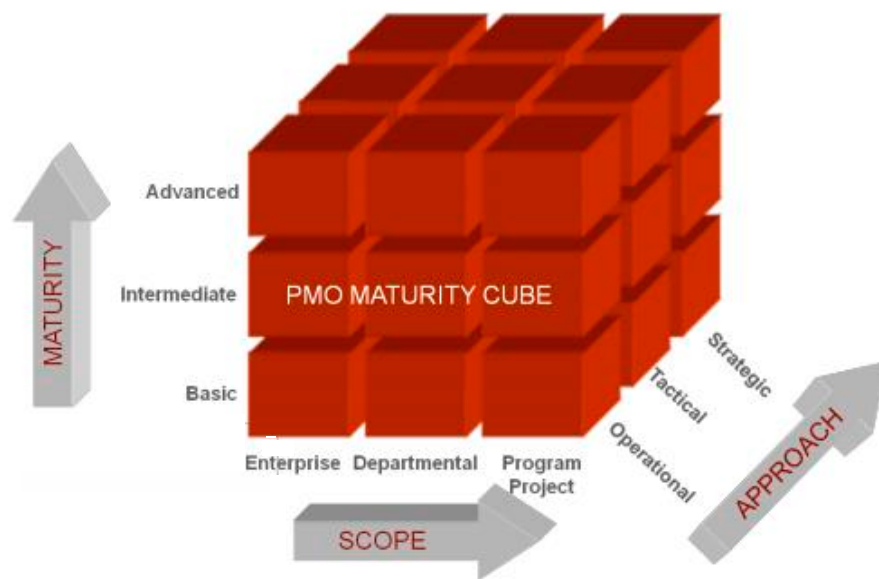


Figure 3. The Three Dimensions of the PMO Maturity Cube

“The three dimensions that comprise the cube are scope (enterprise, departmental, or program-project), approach (strategic, tactical, or operational) and finally the maturity level (basic, intermediate, or advanced)” (Pinto et al., 2010, p.13). The maturity model is carried out with a questionnaire, and it provides information about the current level of maturity for the PMO (Pinto et al., 2010).

## 2.7 Implementing a PMO

Meredith and Mantel (2010) maintain that the best way to implement a PMO is to treat it as a project and apply recognized project management procedures. It is very important to have full commitment from the top management of the organization and to involve a senior management sponsor who is determined to see this project through to success.

When developing and implementing project management methodology it is important to involve the staff in the process, which will increase the sense of ownership and commitment to the methodology and managing the projects (Hurts & Thomas, 2009).

Hill (2004) and Hobbs and Aubry (2007) agree that a few high level functions are more manageable to implement than the long and unorganized list of possible functions. Also it is important to adapt and adjust them to fit the needs of the organization.

### **3. RESEARCH PROJECT**

A case study was carried out in cooperation with an organization in the airline business. The objective is to gather information and analyse status of project management in FOD; to assess their knowledge and application of project management methodology; evaluate their expectations for establishment of a PMO and in conclusion analyse if a PMO is the correct move in their development of Project Management.

The company in question is a leader in the aviation industry in Iceland. The company was founded in 1937 and has since then grown, developed and established. The company has 24 aircrafts and the employees are approximately 2,853 in full time jobs. The company headquarters are in Iceland and operation include 38 destinations both in Europe and America. This project was specifically done in cooperation with the FOD which is divided into five departments with around 50 employees. See figure 4.

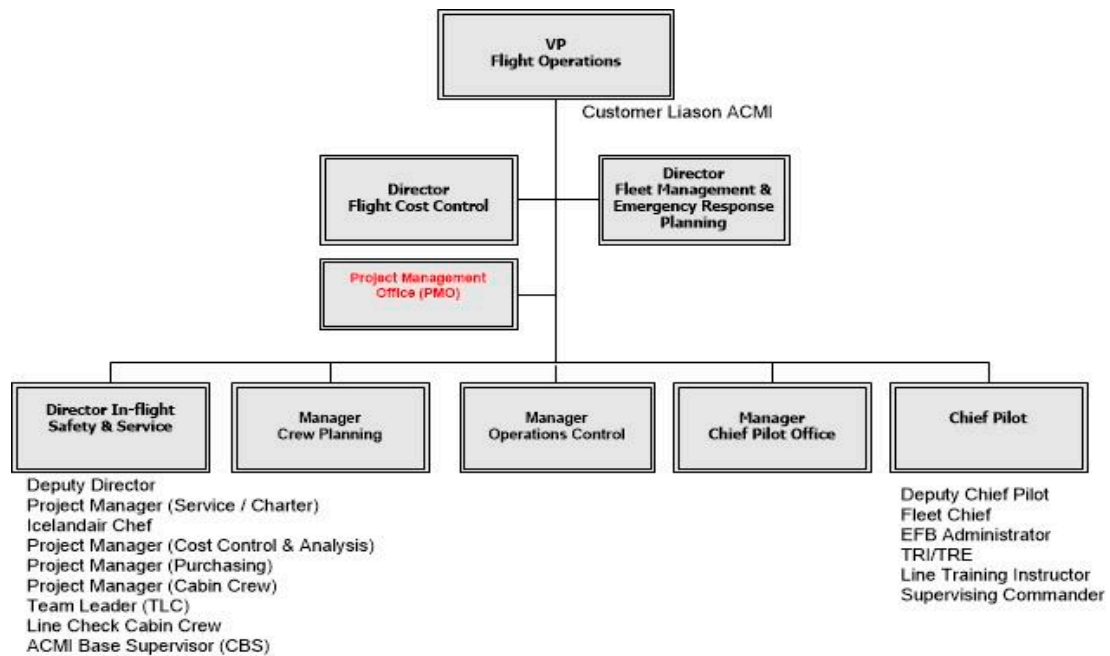


Figure 4 Flight Operations division

Activities and responsibilities of the departments are diverse and everything relates to operating safe aircrafts, training of pilots and cabin crew, and keeping track of updating regulations concerning aviation. Daily operations is the core function and time occupier of the FOD but in recent years the number of new projects outside the core function has increased and consumes more time from daily activities.

The FOD is one of the largest divisions in the airline and according to the departments' managers there is a lack of transparency of projects and overlap occurs in departments and division. There is no professional project manager working in the division, but the departments' managers have extensive experience and diverse educational background. According to the Vice President, VP of FOD he wants clearer vision and framework for the management of projects. It can be concluded that there is



a need for better overview on projects, professional management and clear procedures for running projects.

### **Research methodology**

Quantitative and qualitative methods were used in the research, involving both semi-structured interviews and questionnaires. These consisted of examining the current situation on one hand, and evaluating the potential benefits of establishing a PMO on the other

#### **1. Current situation:**

- a. To evaluate the current situation in FOD, departments' managers were interviewed and the following questions were asked see p.19
- b. The same group of people also answered two questionnaires to evaluate their state of knowledge in project management methodology and what methodologies they were practising. The questionnaire is based on a questionnaire from Anna Gyða Pétursdóttur (2012) which based and designed hers on Berner and Hobb's model from 2006. The list in this research contains 42 items that are not an exhaustive list, but the author considered it suitable for this study.

#### **2. Potential benefits of PMO**

- a. In the progress of this research a SWOT analysis was implemented in cooperation with three of the executives individually. The Vice President of Flight Operations, the Project Manager of the PMO, and the Manager of Chief Pilot Office.

- b. The Organization has decided to set up a PMO for the FOD, and at the moment it is only functional for one project that reaches outside the division. A new online survey, PMO Mix Manager was sent to all the expected customers to evaluate their expectations to the PMO. PMO Mix Manager is a database with 27 of the most common functions of PMO's and each person prioritize what they think is the five most important benefits.
- c. The following questions were sent to the Project Manager of the PMO
- Why do you want set up a PMO?
  - What expectation do you have for the PMO?
  - Define the mission and vision of the PMO
  - Define the PMO functions/services
  - Where do you see the PMO in the organizational chart?

## 4. RESULTS

In this section the five research methods results are presented.

### 4.1 Use of methodology

Table 2 summarizes what methodology departments' managers are using in their projects and its ranked into very often or often, rarely or never.

What methodology do you use in projects?	Very often/often	Rarely	Never
Time schedule	5		
Work breakdown structure	5		
Define scope	5		
Status meeting	5		
Risk analysis	5		
Project plan	5		
Start up meeting	4	1	
Project description	4	1	
Project close out	4		1
Cost analysis	4	1	
Need analysis	4	1	
Communication plan	3		2
Stakeholders analysis	3	2	
SharePoint	2	3	
LEAN management	2	3	
Progress report	1	2	2
Uncertainty analysis	1	2	2

Table 2 Use of Project management methodology

**4.2 Results from interview with departments' managers, more detailed answers can be seen in appendix 2.**

**Are you working on projects? Do you differentiate between operational work and projects?**

The definition of a project was read aloud for the interviewees and they all agreed that Flight Operation is working on projects and they understand the difference between project and operation.

**Do your projects overlap with other departments? If so where is the most common overlap?**

All department managers say there is a considerable overlap in their projects both between departments and also with other division outside the Flight Operation. It is very different to what extent and where the overlap occurred, it depends on the nature of the operations of each department.

**Do you feel you need increased structure for current projects?**

Most agreed that it would be good to get a better structure for projects, they have different educational background and clearly many need help and guidance in larger projects. Even though many have great experience in working on projects, not all of them know what the appropriate methodology is.

**Do you have perspective on projects in your department and the field?**

Most mentioned that they have a good perspective of the projects in their department and with the advent of visual table and fixed departments' managers meetings once a week gives a better overview of the larger project in the division.

**Has the nature of the job changed past years? Are more projects then before?**

All agree that a great change has taken place in the division, there is a greater awareness of the importance that a new vision is needed to run the project through a certain process. Development of processes in both projects and operations is taking place. A new computer system to facilitate communication between departments and divisions has been introduced. All agree that there has been a significant increase in projects in recent years and they are taking more time than before.

**Are conflicts between operations and projects?**

All participants agree there are conflicts between operations and project. Operation is something that has to be done; it is the core work in the departments.

**Would you like to be able to seek a consultation or guidance from a project manager for your projects?**

All agree they would like to be able to do so, and it would be beneficial for project success in Flight Operations.

### **Do you think PMO is beneficial for Flight Operations?**

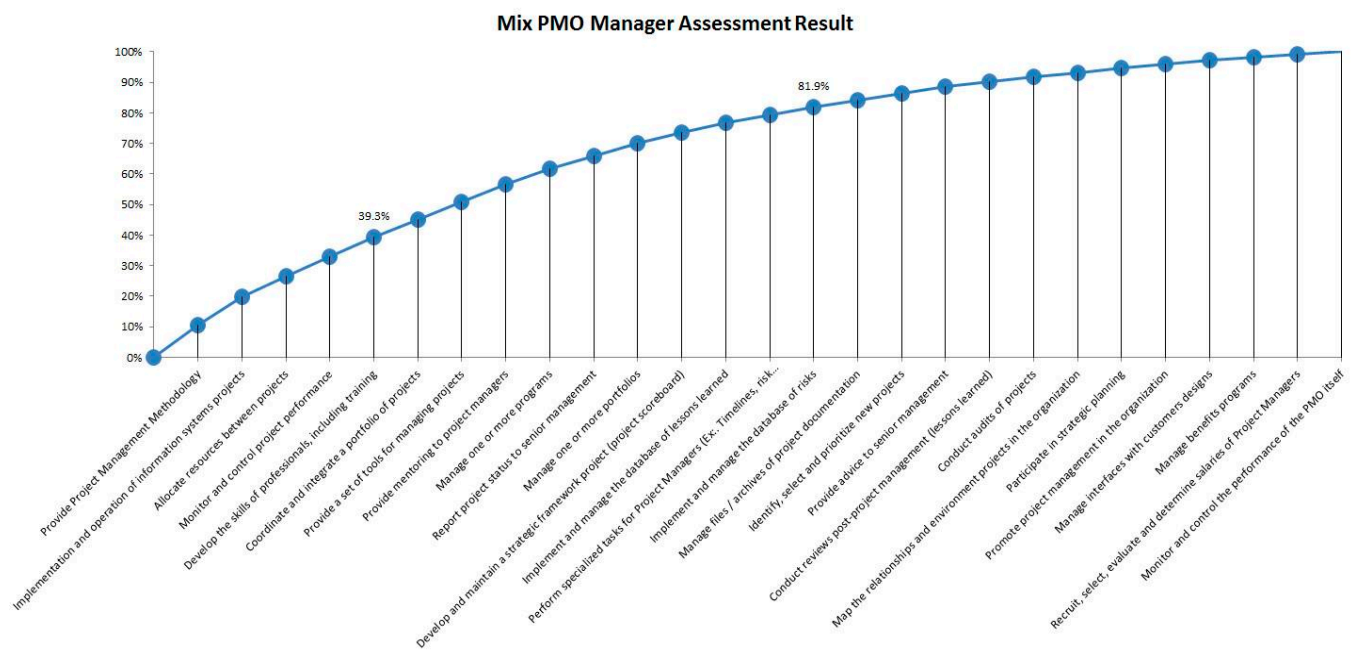
All agree that the PMO could be beneficial for the division, it will harmonize procedures and the methodology that will be used in projects. Also for developing skills of professionals, including training and mentoring staff in project management. The PMO will help delegate the right resources to projects.

### **4.3 SWOT analysis**

The executives have variable opinions in the SWOT, but what they have in common with regards to the strength of the PMO is that it will provide mentoring in project management, give a better overview of projects in the division and a better communication between departments. See appendix 3.

#### 4.4 PMO MIX MANAGER

Department managers have different views on what are the five most important benefits of the PMO. According to the PMO Mix Manager they have to implement 15 of the 27 services to fulfil the expected benefits. Thus by implementing about 50 % of the procedures the company will gain 80% of the benefits of the PMO.



**Figure 5 Results from PMO MIX MANAGE**

#### 4.5 PMO questions

Following are quotes from the interview with the head of the PMO. Full answers may be seen in appendix 4.

Questions	Answers
<b>Why set up a PMO?</b>	-consistent project management processes to facilitate increased efficiency, more consistent quality and less cost of projects.
<b>What expectations do you have for the PMO?</b>	- standardized and cross-functional departmental system will bring the current project management level to a formalized professional level.
<b>Define the mission and vision of the PMO?</b>	<p>-the mission is to be able to deliver projects faster, more cost effectively and with a higher quality by establishing and promoting best practices, standardized processes and project management methodology.</p> <p>-the vision is to enhance the awareness and collaboration in the division and ensure consistent delivery of the projects.</p>
<b>Define the PMO functions/services</b>	<ul style="list-style-type: none"><li>-Keep track of a project</li><li>-Implement methodology</li><li>-Provide project vision</li><li>-Provide training</li><li>-Standardize processes</li><li>-Advocate Project Management as a tool</li></ul>

Table 3. Results from interview with head of the PMO



## 5. Discussion

In the interviews with the departments' managers, it is evident that they need a better balance between operations and projects; there is a conflict, as there is a restriction of time to effectively carry out both these functions. There is also a lack of overview within and across the departments, projects fade away and are left unfinished, and there is overlapping in projects. This indicates that the FOD needs more structure and support when they are working on projects, which could result in better results and performance in projects. Most agree that the implementation of a PMO would enhance the development of project management in FOD.

The interviews reveal that the idea of a PMO is supported by the departments' managers and executives, which is a key factor in establishing a PMO according to Meredith & Mantel (2010), along with knowing customer expectations.

Analysing the use of project management methodology by the FOD shows that the departments' managers are using a variety of methods. As departments are not using consistent or the same methodology many of them pointed out the need to adopt better practices, standards and improved coordination within the FOD.

When PMO is established, the purpose is to meet a certain need of the customer or company. It is necessary to understand who the customers of the PMO are, establish their needs and expectation. If the PMO is not fulfilling these needs, it loses support and reliability (Pinto, 2013).

In the results from the PMO Mix Manager where the departments' managers prioritised what they thought to be the five most important benefits from the PMO, it is evident that they have diverse needs. According to the results the PMO would need to implement around 50% of the services, i.e. 15 out of 27 most common services that PMO provides, to gain 80% of the benefits from the PMO. The ideal result according to

Pinto, (2013), is to implement as few services as possible that maximises the benefits of the PMO, or 80% benefit from 20% of the services. It does not mean that the result for the airline is bad, but more effort needs to be put in to the implementation of these 15 services and they have to be aware of the likelihood of failing if they are not consistent in their process of implementation.

It is only a few months since the decision was made to establish the PMO as a departmental unit for FOD. Its function today is to manage one comprehensive enterprise project. The answers from the head of the PMO reveals that he is in the process of adopting project management methodology and to acquaint himself to what a PMO involves. His answers indicate that he is laying the foundation for the PMO, but as Hurts & Thomas, (2009) pointed out it is almost never successful to force changes on departments, one must involve other managers in the process of methodology development because it increases the sense of ownership, commitment and greater chance of success.

## **6. CONCLUSION**

The research indicates that the division should set up a permanent PMO for several reasons. It is evident that there is a need for more structure in project management as projects fade away and overlap, employees need more guidance in project management methodology. There is a will and support among the departments' managers and the executives in the division to set up a PMO which is critical since support is of vital importance for the implementation process.

Flight Operations must define the mission and vision of the PMO, and identify the needs of their clients and they can use the PMO Mix Manager "as a tool." They need

to define the PMO function/service based on the identified needs of their clients and implement each function and establish the respective processes, responsibilities and performance indicators. They also need to measure the performance of each implemented function and make adjustments. When establishing a PMO it is advisable to do it on a departmental level to begin with, because there is more chance of success when the PMO serves a well-defined area, example of the location can be seen in figure 4.

According to the PMO Mix Manager the departments' managers have different needs. It is recommended that a PMO specialist coordinates with all the departments' managers to find the five most important benefits for the PMO that would be the most beneficial for the FOD overall. Working within a timeframe to implement services that will fulfil those most urgent needs, this should increase the benefits from the PMO.

When the new version of the PMO Mix Manager is realised this summer it will be possible to see what benefits each manager selects, not only the services that needs to be implemented to meet the benefits. The division should conduct a new survey later this year and find out if the manager's needs are still as diverse, and if so then they can agree on what benefits are most important and choose which services to implement to maximise the benefits of the PMO.

Benchmarking with another airline that operates a PMO would provide an interesting insight and guideline for the airline in establishing and development for their PMO

## **7. ACKNOWLEDGEMENT**

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## Appendix 2 Results from interview with departments' managers

### **Are you working on projects? -Do you differentiate between operational work and projects?**

The definition of a project was read aloud for the interviewees and they all agreed that Flight Operation is working on projects and they understand the difference between project and operation.

The nature of some of our projects are; when you have done them once, they become operational. Such as hiring of pilots every year, that process has a beginning and an end even though it is an operational process

### **Do your projects overlap with other departments? If so where is the most common overlap?**

All department managers say there is a considerable overlap in their projects both between departments and also with other division outside the Flight Operation

It is very different to what extent and where the overlap occurred, it depends on the nature of the operation of each department.

### **Do you feel you need increased structure for current projects?**

Most agreed that it would be good to get a better structure for projects, they have different educational background and clearly many need help and guidance in larger projects, even though many have great experience in working on projects, not all of them know what the appropriate methodology is.

## Appendix 2 Results from interview with departments' managers

### **Do you have perspective on projects in your department and the field?**

Most mentioned that they have a good perspective of the projects in their department and with the advent of visual table and fixed department managers' meetings once a week gives a better overview of the larger project in the division

Perspective, yes in my department, but not the whole field, it is not my role

For last few months new projects have been listed in SharePoint and that is giving a good perspective

Perspective, no I do not, it is better to know more than less, we have to ensure that department manager are well informed, since we stopped using minutes of the meeting and if you are not present at the weekly meetings its harder to seek information about the meeting

Yes I have perspective over projects that I am involved in , I don't think about others

### **Has the nature of the job changed past years? Are more projects then before?**

All agree that a great change has taken place in the division, there is a greater awareness of the importance that a new vision is needed to run the project through a certain process. Development of processes in both projects and operation is taking place. A new computer system to facilitate communication between departments and divisions has been introduced. All agree that there has been a significant increase in projects in recent years and they are taking more time than before.

The distinction between operations and projects are not always clear enough

We have to be careful not to fade away from our purpose and that is to keep an save operation

Other departments outside this range are constantly throwing projects to Flight Operations that should be done outside of this department or by other people



## Appendix 2 Results from interview with departments' managers

### **Are conflicts between operations and projects?**

All participants agree there are conflicts between operations and project. Operation is something that has to be done; it is the core work in the departments.

Because the nature of our work, operation has to come first and it can't wait, projects sometimes pay for that.

Conflict can arise when there is a lack of resource occurs.

Yes there are conflicts; we have our operations which is always a priority, every month it is like that and it's the nature of our operations in this department.

### **Would you like to be able to seek a consultation or guidance from a project manager for your projects?**

All agree they would like to be able to do so, and it would be beneficial for project success in Flight Operations.

Yes, I think it would clearly be helpful to the division to be able to seek that kind of assistance and help.

Yes, definitely, because we have variable background and experience in project management

### **Do you think PMO is beneficial for Flight Operations?**

All agree that the PMO could be beneficial for the division, it will harmonize procedures and the methodology that will be used in projects. Also for developing skills of professionals, including training and mentoring staff in project management. The PMO will help delegate the right recourses to projects.

## Appendix 2 Results from interview with departments' managers

Many of our projects fade away because of lack of time and I think it will be good to get the PMO which will have a perspective of all projects in the field.

The PMO will become the centre of project management in our field

People are in isolation/silos even within departments and I think the PMO will help us to work better together

We need an IT person in the PMO who works very closely with the PM and shareholders, we are often struggling to finish technical projects because there is lack of resources. We need IT person who understands the nature of our projects.

## Appendix 3

### SWOT ANALYSIS

Strengths	Weaknesses
Systematic work process	Projects may move slower and lost opportunities
Monitor and control of projects	
Develop competence in Project management	Projects may move slower
Providing mentoring in Project Management	
Harmonize methodology	People will not run larger projects through the PMO
Increased efficiency	
Better overview of all projects in the division	
	That projects will become extensive and shut down
Co-utilize resources	
Savings	Insufficient resources in the PMO, it could become an obstacle
Better communication between departments	
Better communication with suppliers	Higher expenses
Central data base for knowledge	
Database for documents	Reduced creativity
Coordinated implementation of all major systems / projects in Flight Operations	Definite inflexibility
Minimizing the cost of implementation of projects	
Standardized and disciplined work methods	Fewer involved in projects
Easier financing projects when more departments are involved	
Opportunities	Threats
If the organization does not provide PMO's for all areas there are potential impacts	Competitiveness increases
Takes too long to get information from suppliers because of the coordination	Better utilization of equity in projects
	More opportunities are found in integrated groups in PMO
Centralization compulsion to move the PMO beyond Flight operation	Easier to raise funds for projects within the company
Certain threat to have knowledge in one place	Implement the same methodology into other areas of the organization
	Higher likelihood of success
Different views of the PMO	Less expensive and better solutions
	Less chance of mistakes
Support from senior management	More Appealing workplace for people with professional education
Resistance to change	Projects from other areas

## Appendix 4

The following is the result of interview about the expectations for the role and objectives of the PMO in Flight Operation .

### **Why set up a PMO?**

Project Management processes should be implemented consistently across the Flight Operations Department and supporting entities. The aim being efficiency and to help deliver better, faster and cheaper projects results. Implementing formal project management processes and discipline will help to deliver work initiatives on time, within budget and to a standard level of quality.

### **What expectations do you have for the PMO**

The more projects that are executed at one time, the more difficult it becomes to enforce consistency, and without this consistency the full value of implementing a common project management methodology may not be reached. The expectation is therefore that the standardized and cross-functional departmental system will bring the current project management level to a formalized professional level, again in order to achieve cost efficiency, faster and better project results.

### **Define the mission and vision of the PMO**

**Mission:** The Icelandair Flight Operations Project Management Office (PMO) implements and supports project management methodology to enable the organization to deliver projects faster, cheaper, with higher quality and within estimates and expectations. Through the project management experience, the PMO will establishes and promote best practices, standardize processes, and project management methodology to effectively manage staff, project resources, project goals, and to aid gaining efficiencies and achieving cost savings.

**Vision:** The PMO aims to create a foundation within Icelandair Flight Operations department for enhancing awareness and collaboration, increase efficiency, and more consistent delivery of the right projects at the right time with the right resources. The PMO aims to make project management processes and tools the way the company works together as an organization and conducts daily operations. It aims to ensure that all relevant projects are aligned with company's goals, and strategic and business needs.

### **Define the PMO functions/services**

§ Establishes and deploy common set of project management processes and templates, which will save each project manager, or each department/organizational entity, from having to create these on their own. These reusable project management components will help faster project start-ups and achieve it with much less effort.

## Appendix 4

§ Build the methodology and update it as needed to account for improvements and best practices.

§ Facilitate improved project team communications by having common processes, deliverables, and terminology.

§ Provides training to build core project management competencies and a common set of experiences

§ Delivers project management coaching services to keep projects from getting into trouble.

§ Tracks basic information on the current status of all relevant projects in the department/organization, and provides project visibility to management in a common and consistent manner.

§ Tracks department/organization-wide metrics on the state of project management, project delivery and the value being provided to the business.

§ Assesses the general project delivery environment on an ongoing basis to determine the improvements that have been made over time.

§ Acts as the overall advocate for project management to the department/organization. This includes proactively educating and selling managers and team members on the value gained through the use of consistent project management processes.