

WBS 9.3 Blog

PMO's Value

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Assessing and Managing Project Risk

PMGT 613

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Welcome to my week 9 blog!

This week, I've decided to tackle mandatory topic #1 and discuss how the Project Management Office (PMO) obtains value by identifying and documenting risks into a Risk Management Plan (RMP), and my experience with risk documentation at my present place of employment.

First, let's tackle the concepts of risk and value. Risk is an uncertain event or condition that, if it occurs, has a positive or negative effect on one or more project specifications (PMI, 2013, p. 559). Value is the perceived worth, utility, or importance of something. So, how does identifying and documenting risk within an RMP, add value to the Project Management Office. Simple, by identifying and documenting risk, the PMO is now in a position to determine risk impact, and develop a means to handle each risk. The value becomes evident in preventing project cost and schedule delays. Taking the time to properly identify and plan for risk adds value by not having to spend additional time, money, or other resources reacting to risks as they arise. Furthermore, identifying and documenting risks also places the PMO in a position to monitor and control risk as the project life cycle unfolds.

From a personal perspective, my organization falls short of properly identifying and managing risk. Each Project Manager (PM) has the necessary experience to understand their project risk, but tends to operate as a lone PMO rather than part of an organizational PMO. The development of a formal PMO would add value by providing a centralized location in which all PM's have a common process and location to store current and historic project data. From my point of view, I tend to identify project risk for those projects under my control, but lack access to, or

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understanding of, other PM's experience. Having a formal PMO would be a step in the right direction.

References

PMI, (2013), *A Guide to the Project Management Body of Knowledge (PMBOK Guide)*(5th Ed), Newtown Square, PA., Project Management Institute