Is Your PMO Delivering Results?

By [Phil Lynch](#)

A robust and operationalized Project Management Office (PMO) can be felt throughout an organization. Project management is a necessity and is so ubiquitous that many organizations devote departments and specific project managers to lead critical initiatives. Large-scale projects or changes in an organization often require the creation of a formal PMO to ensure proper oversight. Even a formal PMO, however, does not guarantee the success of an organization or the projects under its management.

Why Was Your PMO Created?

Organizations are not always afforded the luxury of deliberately creating or thinking through the responsibilities of a PMO. Additionally, as an organization matures, the requirements of their PMO may change. The Project Management Institute defines a PMO as "a management structure that standardizes the project-related governance processes and facilitates the sharing of resources, methodologies, tools, and techniques."[1] This broad and encompassing definition allows organizations to form their PMO into a variety of types with varying degrees of structure and influence. However, managers should describe PMOs by their ability to enact change within the organization and can refer to the PMO type as Strong or Weak.

Strong PMOs are those we typically think of as controlling or assertive in their style. Generally, these PMOs enforce a set of standardized rules and are involved in most project-related decision making. In this model, leaders are empowered to act as dedicated project managers and conduct project selection and implementation in sync with corporate strategy.

Weak PMOs are those that seemingly exist in title alone. This model works to coordinate meetings, activities, and resources without decision-making authority or standardized rules. Weak PMOs often lack dedicated project managers and the people who lead them often juggle their project management duties with additional tasks in the organization.

Noting the above differences, organizations often create a PMO without understanding their desired results. By default, this lack of strategy fosters a Weak PMO without a clearly defined need or role within the organization.

What Signals a Struggling PMO?

There is no universal solution for designing a PMO, even at the industry level. When organizations select and implement a structure, they must balance competing tensions including objectives, size constraints, PMO maturity, corporate culture, degree of control, flexibility, and business or process orientation. Despite the best of intentions, problems can arise, and managers need to recognize them as such.

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[1] *A Guide to the Project Management Body of Knowledge 5th Edition.* (Project Management Institute, 2013)

While Weak PMOs are more likely to need transformational change, both Strong and Weak PMOs may fail to yield all their intended benefits. Even without direct metrics, managers have qualitative warning signs their PMO is not performing. Poor communication between the PMO and business leadership can lead to a lack of delivered value, trust, role understanding, clear schedule, and budget. An overworked staff can also hinder the PMO's ability to support business strategy. While output is imperative, management's focus on production over the team's wellbeing may indicate the need for change.

Successful PMOs have metrics associated with projects, such as return on investment, earned value, and customer satisfaction. A PMO without metrics may further signal the need for intervention. Metrics managers can leverage to assess the performance of their PMO include the degree of change in project scope, projects completed within budget, deadlines met, required level of staffing, number of failed projects, percent of budget lost on failed projects, and staff turnover. Significant failings in these metrics indicate a problem with your PMO.

Why Isn't Your PMO Performing?

Whether Strong or Weak, there are a variety of reasons organizations may not recognize the benefit of their PMO. Four of the most common pitfalls are a lack of 1) alignment with corporate strategy, 2) organizational power, 3) staff and structure, and 4) training and required skill sets.

Lack of Alignment with Corporate Strategy

Organizations often evaluate project alignment with a scorecard to quantify how strongly a project aligns with strategic goals. However, these scorecards have a higher chance of failing when the PMO was not involved in the card's development or in constructing the corporate strategy. Corporate PMOs are the "boots on the ground" for implementing and developing projects, and often require involvement at a strategic planning level. As a company evolves, projects may no longer align with strategic goals, and poor communication can further exacerbate misalignment, causing inefficient allocation of company resources. For example, heavily regulated industries may need to shift project-devoted resources to meet new compliance regulations. However, a PMO needs the power to temporarily shelve existing projects to push for compliance completion and achieve the required corporate regulatory goals. If a PMO is pushing misaligned projects, it cannot drive results or performance for the broader company.

Lack of Organizational Power

Many organizations structure a PMO to report and track progress on projects, but not to drive actual change and influence the projects. This approach limits the power of a PMO to influence and enact change as a strategic partner. A properly implemented PMO creates organizational impact by helping managers execute projects on time and within budget. Organizational best practices authorize their PMO to make critical decisions with the influence and capacity required to ensure projects progress and achieve their desired results. These may include deciding on resource trade-offs, approving change orders, making schedule changes, or other strategic decisions. An effective PMO should be closest to the project within an organization and, subsequently, be best suited to make necessary changes.

Lack of Staff and Structure

When an organization lacks adequate staff, employees already carrying full workloads often receive additional PMO activities and responsibilities. As a result, these employees struggle to accomplish additional responsibilities effectively because they compete for time with the employees' existing duties. When this happens, the PMO does not receive the attention required to guide projects or make critical decisions. Even well-developed PMOs undergo structural improvements to meet the changing needs of an organization. These changes can occur due to the type and level of staff necessary to manage initiatives. Managers must evaluate the degree of specialization and coordination required to maximize allocation of resources and employee skill sets.

Lack of Training and Required Skill Sets

An effective PMO requires individuals with the experience and skillset for leading complex projects. Even the subtlety of management style and amount of necessary cooperation changes how PMOs operate and the skillsets needed to succeed. Project managers require strong organization skills, ability to collaborate cross-functionally within the organization, ability to synthesize large amounts of information, and ability to present the information for action to organization leaders. Further, project and program managers should possess the capabilities and experiences aligned with the initiatives under their purview. These capabilities may vary by discipline; for instance, the skills and tasks associated with an information technology project differ drastically from a construction project. The skills of those in the PMO should match domain knowledge for associated projects.

What Can Your Organization Do?

Organizations should assess their PMO to ensure they are receiving the desired benefits. Effective PMOs require strategic alignment with the organization, the authority to make critical decisions, appropriate staffing, and capabilities aligned with project requirements.

Before embarking on the quest of establishing a PMO and assigning tasks, leaders must define their goals and objectives. These must align with the corporate strategy to ensure the PMO advances the organization. Further, leaders must ensure the PMO is empowered to make decisions or define a mechanism to make critical decisions when required. The PMO doesn't need to make all decisions, but proper reporting structures, communication norms, and escalation paths need to be defined.

Devote the time and resources to implement a PMO properly. Not every organization needs to hire a team of project and program managers; however, if the PMO responsibilities are to be assigned internally, assess existing responsibilities of those tasked with the additional workload to ensure the necessary bandwidth exists.

Ensure the proper skill sets are present. When assigning resources to a PMO, ensure the skill sets of those tasked match the needs of the projects. Just because someone is effective in their current role does not guarantee success in a PMO capacity. The projects under the purview of the PMO will also require some domain knowledge and expertise. Ensure the PMO structure includes the requisite specialization.

When an organization is struggling to establish a PMO, or identifies a lack of ability to adequately manage a PMO, consider the use of outside entities. These can include consultants, new hires into the

organization, or other temporary resources to advance the organization. SLKone possesses the skillsets, experience, and ability to align and design a PMO within your organization.