

The purpose and challenges behind a PMO implementation

PMO Alignment

In today's business landscape there are many organisations facing a wide gap between what their Project Management Office (PMO) is doing and what senior management is expecting from them. Unfortunately, often this misalignment results in a challenge for the PMO and dire consequences for the business.

The boxes below show the misalignment that can occur between the PMO and senior management.

50% of PMOs close within 3 years or are restructured (Association of Project Management).

Only 58% of organisations fully understand the value of project management or see value in the PMO (PMI, Pulse of the Profession 2018).

Only 33% of projects were successfully completed leading management to question the value of the PMO (Standish Groups CHAOS report).

68% of stakeholders perceive their PMO's to be bureaucratic (Gartner PPM Summit).

Purpose of the PMO

Increasingly, we see the PMO evolving beyond an administrative function to one that is strategic in nature and more closely aligned with the delivery of key business objectives.

As the pace of business increases, and with it the expectation of faster returns on investment, the PMO is now being recognised as playing a vital role in delivering business value. Therefore, it is essential to understand how PMO implementations are struggling and what can be done to mitigate this.

Challenges of a PMO Implementation

There are many reasons why a Project Management Office (PMO) implementation could be potentially unsuccessful. In our experience, the most common challenges are not process or technology related concerns but people and change management issues.

Here are the top five reasons why we see unsuccessful PMO implementations.

1. Internal politics, culture & adoption

It is incredibly difficult for a PMO to satisfy multiple stakeholders who often have differing goals, yet it is expected that the PMO achieves this. Commonly, PMOs will experience resistance to change from many stakeholders, hindering their pace of adoption and ultimately their success.

2. Impact on existing processes & software systems

Unfortunately, when a PMO is lacking organisational support, it typically lacks the necessary funds to support a well-designed and highly capable PPM solution. Without access to an innovative and adaptive PPM solution, the PMO will struggle to efficiently unite all previous process, resource and software systems and effectively connect project teams across the organisation in the new world of hybrid work.

4. Lack of executive support and vision

Executive stakeholders often think that the PMO's primary function is to consolidate reports, create templates and coordinate resources. Those who understand the evolution of project management know that there is a lot more to the responsibilities and functions of a PMO and its ability to align project work to and achieve the organisation's strategic goals. This misconception at executive management level often results in little support and advocacy for the full PMO function.

3. Inability to agree on a common approach for managing projects

When a PMO is missing executive sponsorship and dealing with competing goals, it becomes difficult for stakeholders to agree on one common approach. Resistance from misaligned stakeholders can be incredibly frustrating and a contributing factor to PMO time management and prioritisation issues. This impacts both the PMOs and the organisation's ability to deliver their strategic work.

5. Shifting business/project priorities

With the constantly changing business landscape, business leaders and their software solutions need the ability to adapt at any point and effectively shift priorities. This agility becomes difficult when a PMO is already struggling to gain sponsorship and agreement from their executive stakeholders and when they don't have clear visibility of projects and resources. When the PMO is not focussed on strategy, even less guidance is available on the order of priorities.

Supporting and Evolving the PMO

It is critical that you review the common causes of unsuccessful PMO's and focus on these areas when establishing your PMO. You must ensure clarity from the outset on the type of PMO you are establishing and its ongoing focus and responsibilities, both of which should be agreed upon with the executive sponsor before implementation. Clear understanding of responsibilities, objectives and measurable value to the business can then be defined to ensure that the PMO has a clear alignment to organisational strategy and goals. This joint focus will mitigate confusion and the potential for a silo mentality around authority and expected value.

At the heart of any project management structure, there needs to be a PMO leader who understands the ever-evolving landscape in which the PMO operates. They must continuously evolve their PMO to be a proactive, strategic function aligned to the goals of their organisation, supporting the achievement of both business value and adaptive, continuous, and compliant delivery.

[View the full whitepaper to learn how you can evolve your PMO >](#)