*PM World **Journal***
Vol. VI, Issue III – March 2017
www.pmworldjournal.net

From Zero to Hero
by Alan Shefveland
Advisory Article

From Zero to Hero: Four Ways to Stop
PMO Failure in its Tracks

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It's not just Dilbert cartoons where projects are doomed before they begin. Real-life PMOs are no stranger to failure. In the past three years, PMI research found that 75 percent of Project Management Offices closed or failed to add value.

Yet, while project success metrics are less than optimistic, effective project management can deliver tremendous business value by improving project execution and strategic resource alignment. Businesses agree. An astounding 97 percent of organizations believe project management is critical to business performance and organizational success.[1] In fact, the increasing drive to complete more projects on time and on budget with fewer resources means demand for project management discipline is greater than ever.

Stakes are high for underperforming PMOs. High-performing PMOs nurture capabilities that enable successful strategy implementation, contribute value to their organization and impact financial performance. While these high-performers are perceived as integral to strategy implementation initiatives, underperformers who ineffectively manage programs are viewed as cost-centers that offer little value to their organization.

In reality, some projects will fail and yet, many failures are easily avoidable. In these situations, failure rarely has anything to do with project management itself. Taking a few relatively simple corrective steps can quickly illustrate the PMO's value and head off trouble before it impacts how the PMO is perceived.

Read on to learn some of the most common warning signs and actions you can take to go from project failure to project hero.

Warning #1

You're asked, "How does that project map back to our goal this quarter?" and you have no clue.

What to do: Ideally you discussed the PMO department's metrics when you first began your role. However, as business goals change, sometimes they are not communicated to each department. This is especially true in business climates that revere adaptation and transformation. In fact, almost 80 percent of project management executives don't know how their projects align with their company's business strategy.[2] It is critical to regularly connect with the business leader to

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ensure that your projects are consistently mapping back to operational efficiency and business value. Book that meeting before it's too late.

Warning #2

You receive multiple emails asking for the status of Project X.

What to do: The term "over-communication" is overused for a reason–30 percent of the time, project failure can be attributed to poor communication.[2] Proactively offer update the leadership team and take a hard look at your reporting to ensure you provide a true and complete picture of the portfolio at all times. Better still, once you've established two-way of communication, ask if the project is a dependency for another objective. Consistent communication and robust reporting will help projects stay on course and build trust and cooperation with your stakeholders who will recognize your efforts to align projects with larger initiatives.

Warning #3

While walking down the hall, you overhear someone from another team comment: "I don't even know what the PMO does."

What to do: Adopt an outward focus. Remember the PMO was created to serve the needs of the business. When coworkers do not know why the PMO exists, what it is or what the PMO's objectives are, it's often because the PMO's mission has not been effectively, and repeatedly, communicated across the full entire team. Hint, here's a sample mission statement for some inspiration: "The PMO exists to provide a standard approach to project delivery, full and accurate visibility into project status and effectively prioritize project management resources to support the organization's strategy."

Now that you've got a clear mission statement, ask to present an update at the next company meeting or contribute project milestones to the intranet news page. Include metrics that support business objectives to remind everyone you're all working toward the same goal together.

Warning #4

Your project success rate is low–and that's not going to change next quarter, either.

What to do: First, revisit or repeat steps 1-3. Consider it your checklist. Step one: Ensure alignment with business goals. Step two: Confirm you're proactively communicating project status to stakeholders as part of a robust reporting plan. Step three: Verify your organization is aware of the PMO's mission.

If the first three steps are done effectively, stakeholders should be aware of at-risk projects, understand why they're falling behind and be confident in the steps that are already underway to address project threats.

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However, don't take comfort in this reassurance for too long. Immediately consider steps to ensure a higher project success rate. Complete an audit of your project tracking tools to ensure your toolkit meets the needs of your organization. While needs will shift depending on your organization's maturity, you should have access to real-time insights into your resources and a big-picture view of your current projects. Next up, work with your team to establish a standardized process for determining when to cut a project that just isn't working. Twenty percent of project failure is blamed on limited resources[3]. Eliminating a doomed project could free up resources for a future successful project.

Conclusion

In a turbulent environment where the unexpected has become the norm, agile organizations lead the pack. Project leaders, business leaders and stakeholders must work together to build greater agility. When they do, they'll solve problems, take smarter risks and deliver innovative products and solutions faster—all key components of success.

References

[1]*Project Management Institute: Pulse of the Profession 2016: The High Cost of Low Performance*
[2]*Changepoint: Did you know? Executives lack visibility into organization and performance is at stake*
[3]*Project Management Institute: Pulse of the Profession 2015: Capturing the Value of Project Management*

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