

# **Making PMOs Critical to Business: 5 Imperatives for the Future of PMOs**

**By Marisa Silva**

## **Introduction**

Project Management Offices (PMOs) face an underlying paradox in their *raison d'être*. While they exist to meet the needs of the business, if all projects were being successful, in principle, then there would be no need for PMOs. A question thus should be asked: how to make PMOs critical to business? Can projects be successfully delivered and organizations live happy ever after even if no PMO are in place?

This article argues that in order to go beyond a state where the justification for PMOs is bounded by the failure and temporality of projects, PMOs need to raise their profile and position themselves as a sustainable source of value by responding to five key challenges, which are imperatives for their future: alignment, sustainability, agility, foresight, and value.

Because the best way to predict the future is still to create it!

## **5 Imperatives for the Future of PMOs**

### **1. The imperative of Alignment**

Alignment represents the extent to which projects are in sync with the strategic objectives of the organization and should be a vital criteria for selection of which projects it puts forward. If positioned at the strategic level, PMOs can play a key role in ensuring alignment since they are by nature enablers of alignment at the strategic, operational, and cultural level. PMOs help bridge the chasm between as-is and to-be, today and the future, the company's vision and the company's day-to-day, project managers and executives, high-level strategy formulation and strategy in-the-trenches implementation.

Bearing this in mind, PMOs which want to survive in the years to come need to enhance their catalogue of functions and services towards the mission of alignment, starting by develop Portfolio Management capabilities. The PMO's push for strategic alignment, business case review, or support in the selection and prioritization of the portfolio pipeline ensures that only the projects that are aligned and can deliver business benefits are carried out and that projects which are not aligned and are not worthwhile are stopped. Alignment is what saves your company money and keeps it the right direction. It is the certainty that your organization's vision is being delivered.

## **2. The imperative of Sustainability**

In broad sense, a project is always a legacy to the world. Being the de-facto vehicle for change, projects are inherently well placed to shape not just the organization but the legacy organizations want to leave behind them. In fact, the legacy of a project does not end when the project is delivered but actually extends beyond the project lifecycle, with the potential to impact not just the project team or direct customers but also surrounding communities, whole cities, and ultimately the planet. Consequently, in a time where megaprojects are becoming the new normal and wicked problems such as climate change or starvation are real and not getting better, to include sustainability as a core responsibility of professional project managers can no longer be just an aspiration but is now an imperative for the future.

Your PMO is the place to start. PMOs need to be the driving force shaping the organization's Project Management culture, and that includes making sustainability part of it. PMOs should develop guidelines for the incorporation of sustainability principles in projects and encourage project managers to look beyond the classical tripe constraint and actually factor in requirements around sustainability. Let's not forget: every project is a chance to make the world a better place.

## **3. The imperative of Agility**

Agility is the ability to rapidly respond to changing conditions in the organizational environment (e.g. new product launched by a competitor, client needs changed, etc.) by re-configuring your original structure, allowing you to quickly react, adjust, innovate, and take advantage of emerging opportunities. This doesn't mean rebranding Project Managers as Scrum Masters or having stand-up meetings every morning but is instead a call for adaptive planning and rapid adaptation. Remember the quote from Darwin (which, by the way, does not actually belong to Darwin<sup>1</sup>): "it is not the strongest of the species that survives, nor the most intelligent that survives. It is the one that is the most adaptable to change."? This is what agility is about – how quickly you adapt.

Organizations and complex projects are operating in the edge of chaos, the delicate distance between stability and total randomness, thus the challenge for PMOs is to position Project Management and particularly Project Portfolio Management in a strategic as well as agile way, ensuring the right balance between the governance and control that brings predictability to organizations and the agility and flexibility that allows them to innovate and respond to change in an effective way. Moreover, even PMOs are still sometimes accused of being too bureaucratic and inflexible in their approach or processes hence agility comes not just as a response but as a real need for the sustainability of PMOs.

## **4. The imperative of Foresight**

While agility is the ability to adapt to change, Foresight is the ability to anticipate that change, enabling the development of capabilities of preparedness, informed risk

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<sup>1</sup> <https://www.darwinproject.ac.uk/six-things-darwin-never-said>

management, and resilience. It is impossible to predict the future but you should not neglect the ability to imagine how different versions of the future may unfold. Kodak, Blockbuster and Nokia, key players in their industry a couple of years ago, learned this lesson the hard way when they failed to foresee the game-changer disruptions ahead. Their failure was a failure of imagination.

Most of the time, strategic surprises don't emerge without warning. The overload of information can distract us though. It is thus important to keep your mind open to different versions of the future and pay attention to the surrounding environment. Peter Drucker, the management guru, once said "I never predict, I simply look out of the window and see what is visible but not yet seen". It's time for PMOs to start doing the same. PMOs need to recognize that projects shape the future but are also shaped by it, and they need to plan for the long-term with this new mindset. "How will the world look like after this project is delivered?", "Is this project future-proof, will it still be relevant in 10, 20, 50 years' time?", "How is our project portfolio affected if a certain scenario occurs in the mid-term?" – are questions that should be in a PMO's mind. PMOs need to claim to themselves a proactive role in shaping the future of their projects and business. They must lead from the future, not the past.

## **5. The imperative of Value**

According to latest findings from ESI's The Global State of the PMO 2015, 72% of PMOs had been challenged by senior management, with "lack of perceived value" being the main reason (44%) for it. It seems like Executives are not getting what they expect from PMOs. So, what's wrong?

There are as many types of PMOs as there are companies in the world. Each PMO is unique and so will the value they add be. However, a starting point for this panorama may be the fact that value lies in the eyes of the beholder, making it a subjective and pluralistic concept. Could it be the case that what is value for the PMO is not value for its key customer, the PMO Sponsor? Maybe. It is thus essential that the PMO poses the question and understands from its key stakeholders what their expectations and concerns are, i.e., what their view of value is so that the functions and services provided by the PMO delivers what is relevant to them.

Also, it is sometimes the case that PMOs are challenged not because they are not adding value, but because they are not communicating that value. In order to build reliability, trust, and accountability, it is fundamental for PMOs to continuously show how they are adding value by measuring and reporting their key performance indicators (KPIs). At the end of the day, it all comes back to a simple question that fully summarises your customer satisfaction: would the Sponsor recommend the PMO?

Value is your bang for the buck, and, for this article, is also what you can expect from the combination of alignment, sustainability, agility, and foresight. Value measures how relevant, meaningful, critical you are to the business. Value is the ultimate imperative of a PMO.

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## Conclusion

The PMO of the future exists in a world where the profession of PMOs gets the same recognition as of Project Managers. A world where Project Managers are not pushing away the PMO but where PMOs are indispensable for Project Managers and for their projects to succeed. A world where Executives cry for a PMO in their organizations because they know that a PMO will bring alignment, sustainability, agility, foresight, and value! In a nutshell, the future of PMOs happens in a world where PMOs are critical to business.

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## About the Author



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**Marisa Silva** is an accomplished Project and Portfolio Management (PPM) professional and trainer with experience gained internationally and cross-industries. Passionate about PPM and Project Management Offices (PMOs), Marisa has developed her career from management consulting and has held positions as PMO Analyst, PMO Manager, PPM consultant, PPM Competency Centre Manager, and Country Manager. Currently she works as PMO Analyst at Oxford University Press.

Marisa holds a BSc. in Management, a specialization in Competitive Intelligence, a PgDip in Foresight, Strategy and Innovation, and is currently a MSc. candidate in Strategic Management of Projects, at University College London (UCL). As a trainer, Marisa delivered over five hundred hours of training in Project Management foundation and advanced courses and PMP preparation courses. She is certified as a PMP, PMD Pro Level 2, PRINCE2, MSP, and P3O professional, as well as a Microsoft Certified Professional (MCP) in regards to PPM tools.

Marisa has authored Project Management articles and scientific papers presented and published in international conferences, and is also an active member of the Project Management community and professional bodies. She is an APM PMO SIG Committee member, member of PMI, APM, Founding Member of the IIBA Portugal Chapter, and has served as a volunteer in the PMI Portugal Chapter. Marisa can be contacted at [marisa.silva.14@ucl.ac.uk](mailto:marisa.silva.14@ucl.ac.uk).