

# Is the era of the Project Management Office at an end? <sup>1, 2</sup>

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## Introduction

The concept of the Project Management Office has been around for every part of my career stretching back to the early 1980s, but its history goes back much further. For offices where the concepts of project management are now ubiquitous, how is it possible that some firms are eliminating or scaling down their project management offices? Is the era of the PMO over or is it just evolving into something else?

Over the coming pages we'll take a brief look back at how we got to where the project management office is today and then look more in depth at PMOs that are in multi-project/multi-project manager organizations to see how they might be being evaluated internally and whether that is an appropriate response to a changing world.

## Where did the PMO get its start?

The term "Project Management Office" dates back to the 1930s but project management offices have probably been around for as there have been projects. The PMO term was invented by the US Air Corps who wanted to corral their projects and enable better decision making, specifically around finances. Project Management Offices for the longest time referred to the office that the overall project manager and his team worked out of. The notion of multi-project project management offices with multiple project

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<sup>1</sup> *Editor's note: Second Editions are previously published papers that have continued relevance in today's project management world, or which were originally published in conference proceedings or in a language other than English. Original publication acknowledged; authors retain copyright. This paper was originally presented at the [15<sup>th</sup> UT Dallas PM Symposium in May 2023](#). It is republished here with the permission of the author and conference organizers.*

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managers working on multiple projects and shared or contended for a pool of resources came much later.

In the 1970s Ken Olsen and Digital Equipment Corporation took the Matrix Management Concept that had been invented in the US aerospace industry and popularized the concept<sup>3</sup>. DEC would move on from the concept in the 1990s, but the expansion of high tech and the project management industry took to matrix management in a big way.

Now a project management office made a lot of sense. It could be the clearinghouse where many projects and their project managers and many resource managers could share and collaborate.

There are certainly issues with the notion of matrix management but it is, by far, the most common project structure I encounter in high tech, pharmaceutical, defense, and aerospace, even though the words matrix management might not be used to describe it internally.

## **What type of PMO are we discussing here?**

Project Management Offices for a single project certainly still exist and are plentiful. If you think of creating a construction project such as a high-rise building then the PMO might well be in a prefab trailer shack on the site. These days the only thing that would separate the same office from 100 years ago is probably the internet and Wi-Fi connections inside. In this discussion, I'm going to leave those PMOs aside.

In an EPC (Engineering, Procurement, Construction) project, for a mega project such as the creation of an airport or offshore oil rig, there might also be a single project manager and a Project Management Office that serves that project manager but in this case, the project is so large, it contains numerous large sub projects and sub-contractors that the type of PMO is more akin to those in a high-tech environment. Each sub project and each sub-contractor will have their own project managers and these people must work inside the overall structure.

In high tech, defense, aerospace, software, and new product development we find similar structures and the PMO must accommodate numerous projects.

What we are discussing here is a multi-project, multi-project manager environment. In particular, in these environments, we find that critical resources are not unlimited. They are contended for.

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<sup>3</sup> Edgar H. Schein (2010). DEC Is Dead, Long Live DEC: The Lasting Legacy of Digital Equipment Corporation.

## **Three categories of Project Management Office**

There are numerous definitions of what kind of Project Management Office categories there are. In my experience, every project management office has its own unique characteristics. But the three more popular categories would be these:

### **1. Supportive**

The Supportive Project Management Office are less intrusive than other categories. They see themselves as a central point for providing resources to project managers and other members of the project management structure. That may include templates, schedules, training, corporate policies, reporting structures and more. A Supportive PMO often acts as the reporting mechanism for management and even as the source of Project Portfolio Management systems and reporting. When this type of PMO interacts with senior management, it continues to function in a supportive role, letting management make the portfolio and priority decisions it needs to make and then helping to translate those decisions into actionable information to be consumed by project managers down the line.

### **2. Controlling**

A Controlling Project Management Office will be somewhat more intrusive. This PMO might have been given some authority to enforce policies and procedures and attempt to mandate project management being done in a particular way. Rather than just providing templates and training, it might include directives to project managers to only use the templates provided or only use the project management processes it authorizes.

### **3. Directive**

A Directive Project Management Office will affect projects from within the PMO itself. Rather than interacting with project managers who are outside the PMO, this type of office will have the project managers working for the PMO. This brings the Directive Project Management Office to a position of authority in guiding not just how projects are managed but what is done in each project. This might go all the way down to individual assignments and schedules within each project. When a Directive PMO interacts with management, the relationship is typically one where management expects the PMO to be responsible for the results of each project rather than just reporting on them.

## **The PMO under attack**

In a multi-project, multi-project manager environment and perhaps particularly if resources might be shared across projects, there is plenty of opportunity for conflict. Indeed, the whole concept of a matrix management environment is designed conflict in which the desires of the organizational structure compete with the desires of the project structure.

In this type of world, the PMO has always been under attack. Even in the most generous corporate environment, whether you are a team leader, a project manager, or a resource manager, you won't be happy with any constraints the Project Management Office puts on you.

Many years ago, I was presenting an enterprise project management solution to the engineering department of a worldwide aerospace company. "Look how we'd show where the projects are progressing," I said. "But how would we know what we're really looking at," said the senior VP. "Why would the project managers even tell the truth about their results? I certainly never did as a project manager. That would be especially true if the results were bad."

It brought me up short. My altruistic notions of how everyone could clearly see how the organization is doing across all projects was not at all well received. Project Managers in the room all looked uncomfortable. The system was never adopted and the notion of an enterprise PMO was, for the moment, shelved. It wasn't a technology thing. It was a disconnect between what management thought should be done and what project managers were willing to do.

Project Management Offices can come under attack from above too. It's a cliché to say that "project managers have lots of responsibility but no authority." It's a cliché because it's so often true. Management looks to the project management office not just as the bearer of bad news but also holds them to account for the results. When a Project Management Office leader then asks if they'd prefer to have the PMO be more directive, management demurs, thinking that this will likely result in negative reactions from the project staff.

Even putting the Project Management Office into an organigram is often a massive challenge. Do they fit in the hierarchy? Do they have authority? The most common place for the PMO to exist in an organizational chart is a dotted line off to the side of someone. In this case it's shown as somewhere between the CEO and other senior executives. It could just as easily be from the Chief Operating Officer, the Head of the Engineering

Department, or the Chief Information Officer. Where it is almost never shown is along the lines of authority.



The degree to which the PMO can exist outside the hierarchical structure gives it enormous leverage to appear as an unbiased reporter and organizer of the work. But this also makes the Project Management Office very vulnerable to attack.

Let's look at some of the ways the PMO is experiencing attacks right now:

### **Fund Starvation**

When times are somewhat more challenging for a business, looking for vulnerable places to cut costs is a common phenomenon. We've heard from numerous people about the project office losing funds and, as a result, losing staff, losing budget to renew or buy project management tools and other resources.

### **Staff re-allocation and no resupply**

An easy way to cut costs for the PMO is to simply not replace people who have left or, to transfer people out of the department to project teams or elsewhere and then be reluctant to restaff the losses.

## **Removal of executive support**

Without support from management, a PMO will find it difficult to continue. And, particularly in the last couple of years, this has been all too common.

## **A shift from centralized to de-centralized PMOs**

There has been a movement in some management circles to take the central project management office and state that “project management will now be done in each group or in each project. “We’re not ending the PMO,” states management. “We’re just decentralizing.” Needless to say, this results very quickly in the PMO ceasing to exist.

## **A shift from human to automation**

Some software vendors point to how their automated solutions will give management “everything they used to get from their expensive PMO.” This is perhaps a great way to sell software or software services but as the PMO evaporates, it often becomes apparent that the automation of the project management function depends heavily on humans to provide the structure and process needed.

## **A shift from matrix management**

While there has been a shift in the commitment to matrix management, the more an organization structures itself to be hierarchical or to adopt another management structure, the more challenging it can become for a Project Management Office to find a home internally that makes sense.

## **A shift to Agile project management**

In some organizations, there has been a movement towards Agile. “We’re all Agile now,” I often hear. “That’s great,” I reply. “And where do you get your budget from?” That question is often responded to with stony silence. There has been a lot of movement even in the PMI who’s latest PMBOK talks about all projects needing to be “iterative” (some cannot be of course). But this has fueled team-level interest in having all projects be a bottom-up exercise rather than top-down. The need for a project management office in this case is questionable.

## **Pandemic effects**

The pandemic and the resulting shutdowns caused an immediate accelerator effect on project offices. As offices shifted rapidly to remote only work, a cry of “Where is everyone?” arose. Now in-person project meetings have become remote meetings on Zoom or Teams. For management, the shutdowns had them hyperfocus on survival. “Can we even continue to function?” Then, once they were certain that operations were functional, the shift became on operations not strategy.

In 2022 both Google and Apple expressed concern that while operations were successfully being supported, via remote work, working remotely was stifling innovation. “Innovation isn't always a planned activity. It's bumping into each other over the course of the day and advancing an idea that you just had. And you really need to be together to do that,” said Tim Cook of Apple<sup>4</sup>. Whether that ultimately turns out to be true or not for high tech projects, what also started to occur with remote work was some organization executives abdicating their interest in the project management process, and the Project Management Office in particular, while they focused on areas of greater concern to them.

With management in a remote work state of mind, technology vendors leapt into action. Zoom showed massive growth in 2020 and again the year following. Microsoft gave free access to millions of licenses of Microsoft Teams for a year when shutdowns occurred and have since bundled Teams licenses into Office 365 licenses, so this has become a common way for teams to communicate. Microsoft has pushed this tool as a primary method of collaboration for project teams and has started to de-emphasize other tools it has promoted in the past for enterprise project management. Some organizations we have worked with have explained that they have followed Microsoft's lead and will move away from products like Project Online in favor of other methods of project management. Losing a centralized enterprise project management tool can be a blow to a centralized Project Management Office and this too becomes an avenue of attack on the whole concept.

Even with many high-tech organizations shifting to in-person work or hybrid work where some work is conducted in person and other work can occur remotely, the communications challenges of the PMO remain.

## **What are the most vulnerable PMOs?**

If we were to think for a moment about the Project Management Office types, the Directive PMO is by far the most vulnerable. The challenge for a Directive or Controlling PMO is

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<sup>4</sup> <https://www.vox.com/recode/22690190/apple-remote-work-from-home-employee-cher-scarlett-janneke-parrish>

that they face attack from multiple directions at once. Where the closer relationships between managers in the PMO and the senior executives would have been a key asset pre-pandemic, this leverage has been diminished since. Plus, the push-back that would naturally occur with any controlling management continues unabated and has perhaps been further emboldened by teams being able to work remotely with less oversight possible from the PMO or from management.

By contrast, the Supportive PMO has the position of being a resource for everyone. When offices shut down in 2020, many Supportive Project Management Offices were sought out to provide templates, resources, and training to support projects now being run with personnel working remotely. In the years since, many Supportive PMOs have shifted their collateral so it can be consumed more remotely. Training is rarely done on-site and is now made available as on-demand online course materials. The online service products for learning such as Teachable or LinkedIn Learning provide a remarkable toolset to get training into a format where it can be consumed by your project personnel. Supportive PMOs have been more likely since the start of pandemic shutdowns to adapt their materials and resources for the project managers and other project personnel to be consumed wherever they are. Directive or Controlling PMOs have spent more time in trying to determine how to manage people directly when they work remotely.

## **Getting Back on Track**

It's fair to say that the Project Management Office and the concept of a centralized PMO has never been more at risk. Even as organizations come out of the pandemic, there are forces at work within them committed to not return to a previous method of working on projects.

Should we give up? Is the Project Management Office just a relic of a bygone era?

I think not.

All the reasons PMOs were first created remain. There needs to be a method of communicating the decisions of upper management and an organization's owners into actionable work. There needs to be a way for that work to be executed and reported on in such a way that it can be combined with all other workers and given to management to make strategic decisions.

Had you forgotten about the budget? Management has not. They didn't forget about it for a minute before, during or after the pandemic. Even as teams had a sensation of more autonomy, management has looked to budgets and actuals and determined how to move forward. For those who continue to promote "Remote work forever" there is risk. If an



organization is forced to use only remote workers, what incentive do they have to use those workers who work close to the office? Offshore workers are abundant, highly trained, and eager to take some of those positions. This alone has caused some workers to accept hybrid schedules with little argument.

So even if individual team members are not as interested, the concept of a Project Management Office still carries tremendous attraction for management.

If your Project Management Office is at risk or you are worried it might be at risk, here are a couple of actions you could take right away to help it become more relevant.

### **Self Advocate**

It's remarkable to me how many Project Management Offices fail to promote themselves. Any PMO that has made it through the pandemic shutdowns should be taking action to advocate for their relevance. There are many ways to do this, but starting with internal communications, newsletters, blogs, social media, internal email blasts, webinars, free internal courses, and more can make a huge difference. Having an internal portal or website can not only be used as a place for internal users to consume collateral that has been created centrally, it's an opportunity to promote the PMO's brand.

Making self-advocation a regular part of the PMO is something every PMO should adopt and budget for. Supportive PMOs are probably in a better position to do this as they are typically organized around distributing information and being a central point of contact but the advice carries for other types of Project Management Offices as well.

Branding in general is a helpful part of this strategy. Get an internal logo, a common website URL to point users and management to and a common look and feel.

### **Reinvolve the C-Suite**

So many people have told me in the last year that the executive branch of their organization seems to have forgotten about project management. For many organizations, the pandemic had project personnel thrust rapidly into being self-sufficient teams and being somewhat independent or even disconnected from management. For most organizations, operations continued just fine. It's only in the last year or so that executives seem to be trying to re-establish some level of project control. For those in the Project Management Office, this is your opportunity to get them re-involved. There are project management processes that might have been on automatic for a while but economic conditions has senior management looking at how to be more profitable, more

cost conscious and more productive. Using the PMO to help translate budget priorities into project actions is a natural.

For those organizations where executives have been pitched by individual teams that the old project management thinking just isn't needed anymore, try re-introducing the PMO into the process and advocate for the advantages that would be lost if management tries to have teams work independently.

### **Shifting to a Supportive Project Management Office**

For those who are in Controlling or Directive PMOs, it is worth considering a shift to a more Supportive structure. That isn't appropriate for everyone of course, but we've seen Supportive PMOs get more traction in remote, hybrid or even returning from hybrid models. Supportive PMOs will be more focused on being an essential provider of the corporate project culture and the guardians of processes, concepts and tools that support project management at the organization.

### **Look at Distinguishing Project Management Processes by Perspective**

In some organizations there is pushback from those at a team level who have spent a lot of time and effort trying to be more effective using Agile. In other organizations there is push back towards the PMO and towards enterprise project management in general because management has spent effort working on new portfolio management processes to select projects and prioritize the spending of money on both existing and new projects. In some places, the PMO is thought of as the schedule-keeper, calculating schedules and analyzing resource capacity to get projects done.

There is no need for any of this to be in conflict. One of the challenges for many in the project management industry is that we use the term project management as though it is commonly understood at every level of the organization. That was fine in the 1980s when promoting the idea of project management was important to get traction for the whole concept of managing projects but how that has evolved is that we think that project management is all one thing.

It is not.

For a senior executive, thinking of project management is often a spreadsheet looking at forward looking estimates and how to make commitments for a year from now on how to spend money. For a project manager in the PMO, project management is perhaps a schedule of high-level tasks and resource category level capacity to see when a project

can get accomplished and keeping it on track. For a team leader or team member, project management is a short-range conversation of accepting an assignment and getting it complete this week or next. While none of these need be directly connected, they are all very different perspectives.

We have recommended creating at least three levels of project perspective. Let's call them Strategic, Operational and Tactical. At the Strategic Level, the time frame is a few months from now to a few years from now and the notions of portfolio management fit perfectly there. The most common tool of display is possibly a spreadsheet or PowerPoint. At the Operational Level, the time frame is inside the current fiscal or calendar year and the most common tool of display is possibly a GANTT chart or a resource histogram. At the Tactical Level, the time frame is a few days to a few weeks and the most common tool of display is possibly an Agile Board.

For the Project Management Office, this doesn't require any conflict. If we distinguish these needs from their different perspectives, then the PMO can support and empower them separately and, at the same time, be the glue that holds them all together. Budget and portfolio priorities can be translated into high level schedules. Those tasks can be further translated into a functional backlog for scrum masters and team leads to turn into actionable tasks. Agile boards can literally be white boards on a wall or automated to assist tasks being assigned and in turn to communicate project progress back up to the PMO.

Where the PMO can make the most difference in this kind of structure is first to help distinguish what is in each perspective and how those perspectives should stay separate. While there might be a manager who wants to see task progress in real time, it's not productive. "How often are you prepared to make a personal decision when you see a task update at an individual level?" I've often asked an executive. Not every hour. Not every day even. Once a week or maybe once a month, is the most common reply. Once that's pointed out to management they understand that what they are focusing on every day isn't what the team lead or individual is focusing on and it's easier to distinguish one perspective from the next.

The next place the PMO can help is to make swim lanes of those perspectives and to help keep everyone in their lane. Simple guidance can make a huge difference here and, once again, this helps to make the case for why the Project Management Office is indispensable.

Finally, communicate, communicate, communicate. It's silly to think that everyone knows what the PMO is doing and what difference they might be making if no one talks about it. Keeping in communication with everyone is a key element of self-advocacy.

## Wrap up

We've covered a lot in a few short pages. Yes, the PMO is under attack. No, that doesn't mean that the era of the Project Management Office is over. But it also doesn't mean that the concept of a PMO or enterprise project management is guaranteed either.

The pandemic brought into stark relief the challenges that a corporate Project Office faces and how continual self-advocacy for the PMO has to be put into the cultural foundation of the office.

With shutdowns not even completely over and business shifting in many parts of the world from a growth focus to a value focus, efficiency is, once again, a priority in many organizations. That makes now a great time to promote the value and contribution the Project Management Office brings to the organization.

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## About the Author



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**Chris Vandersluis** is the president of EPMGuidance based in Tampa, Florida, and HMS Software based in Montreal. HMS Software has been a leading provider of project management and enterprise timesheet systems and services since 1984. HMS Software's TimeControl is recognized around the world as the most flexible project-oriented timesheet system.

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