Eight Steps to Becoming a Strategic PMO
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Disruption doesn’t just impact companies. It can also impact individual roles within organizations. New technologies have been disrupting project managers and PMOs for well over a decade. And out of that disruption, what has emerged? Opportunity.

In the past, PMOs were largely focused on keeping projects moving smoothly along at a reasonable speed: ensuring budgets were adhered to, timelines were met and roadblocks were addressed in a timely manner. At the time, this was an essential function without which projects could easily get off track and deadlines could be missed. The PMO was supported by a number of tools and solutions to help track, monitor, define, and ensure the timely delivery of projects.

As those tools matured, features were added, processes were streamlined, and reporting capabilities were included. Self-service functionality and automation were wrapped in and soon, the tools designed to help the PMO succeed were so powerful, they were making the PMO itself increasingly obsolete.

In most instances, new technologies help minimize the time required for performing repetitive and mundane tasks, allowing team members to spend more time working on the more relevant, more rewarding activities. But what if the majority of that job was disrupted by new software capabilities?

In such circumstances, the question is not what other aspects of the job to focus on, but instead, “How can I reinvent my role to provide value to an organization?” The answer for the PMO is easy: Up-level.
It wasn’t so long ago that successful decision makers typically followed their “gut.” They depended largely on an intuitive sense to lead their organizations in the right direction. Those days are now gone, replaced by a plethora of big data and numbers-based methodologies that help us understand our businesses and the markets we serve more deeply than ever before. But it isn’t as simple as inputting data into an algorithm and waiting for a response.

Today’s executives are busier than ever, so while there is an unprecedented amount of information at their fingertips, finding the right information, analyzing it and modeling out various outcomes to find the best answer isn’t something leaders have time for. And there’s the opportunity.

As the PMO is made increasingly irrelevant by new technologies, there’s a significant opportunity that places it in the center of the business. PMO leaders are now reinventing the PMO as the intelligence center of the organization, monitoring and managing the organization’s projects—ensuring alignment, maximizing ROI and identifying and evaluating opportunities against the current roster of projects.

What is a “business-aligned” PMO

The PMO is evolving into a high-visibility business function that ensures the energy and effort to deliver on the organization’s strategy is done so in a way that drives the highest possible return on investment. This is in part achieved by acting as a facilitator that ensures the organization remains flexible and adaptable, even as the needs of the organization shift with a moment’s notice due to market changes, global pandemics or any number of other internal and external events. The key responsibilities of a business-aligned PMO include:

• Functioning as a navigator that helps the organization deliver on key strategic objectives.

• Acting as a source of information for what’s going on in the organization, where resources are allocated, and what work is happening from a portfolio perspective.

• Ascertaining how a given shift will impact the organization.

• Providing the answers to the questions business leaders are asking.

• Ensuring alignment between the organizational strategy and the work underway.

• Acting as an investment manager focused on how projects (planned and underway) will impact the organization and deliver a maximum ROI.
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Transforming the role of the PMO into a strategic powerhouse can fill an important void in most organizations. But what does it look like in terms of day-to-day activities? Following are eight tactical steps that will help to elevate the role of the PMO into a strategic, business-focused department that brings significant value to the organization.

1. Stop tracking and measuring meaningless metrics.

Many PMOs spend too much time counting things that don’t matter. Teams, developers, scheduled projects, projects underway, expenses, hours, etc. all ultimately have no direct bearing on an organization. These things are frequently measured to help evaluate achievements, but at best, they only hint at any possible impact on the business.

To offer an analogy, it’s like someone learning to play the guitar tells the audience how many hours they’ve practiced, rather than performing a song to demonstrate progress. That may show a level of dedication, but it doesn’t reveal the actual inroads made towards achieving the goal.

PMOs should spend time identifying how they’re helping the organization accomplish its strategic objectives, and measuring the degree to which specific projects are achieving desired business outcomes. Measure the ability of the PM, the PMO, and developers to work together to move the business needle.

2. Shift focus from project teams to business leaders

Development teams are still going to need a PMO, but one that acts as more of a champion, adjustment facilitator and alignment manager, rather than a task master. Instead, shift a significant portion of your focus to the needs of your executive team.

Today’s leaders spend many hours analyzing and evaluating how the various environmental changes underway at any given moment will impact the ability of the organization to achieve its goals. They’re deciding when and how goals should be adjusted, and they’re looking for ways to exploit emerging opportunities capable of delivering a competitive advantage.

That’s a big job. And one that the PMO is uniquely positioned to assist with. Save these executives the time they’re spending sifting through data in search of valuable insights to assist in the decision-making process and you’ll be indispensable. Try to anticipate the questions they’ll ask and arm yourself with answers, suggestions and modeled outcomes, when possible.
3. With executives, up-level the conversation – and the vernacular.

The project parlance that works when addressing dev teams won’t be appropriate in the boardroom where business speak is required. You’re going to need to be “bilingual” and switch back and forth depending on your audience.

Moreover, you’ll need to up-level the entire conversation when working with an executive team. Here, discussing the tactical aspects of an individual project will cause eyes to glaze over and attention to wane. Don’t get bogged down in the minutia. This team is operating at the 30,000 foot level, so keep your conversations and the data you present focused on the bigger picture—investments, alternative investments, ROIs, and business-level opportunities—only drilling down when it’s absolutely necessary.

4. Think of projects as you think of your personal investments.

If you continue to define your projects in terms of time requirements, deadlines, and budgetary restraints you’re not providing maximum value. You may not be providing any value at all. Instead, define each project as an investment the organization is making. It’s an investment of time, resources, energy and focus. Then, treat that it exactly as you would your personal 401K investments.

Successful investors are active investors. They don’t just thoughtlessly purchase a stock and then hope the business succeeds. Instead, they do an living analysis of the company: Is it performing as anticipated? What are its future opportunities? What are its potential threats?

Good investors continuously monitor that investment, looking at how the company is executing, how competitors are impacting it, where the market is headed, and how it’s positioned for the future.

Taking the same approach to your company’s investment (project) portfolio will significantly increase the potential for success.

“Think of PMO leaders as investment managers whose job it is to ensure that the investment the business is making and the work the business is executing is going to achieve the highest possible return.

- Laura Barnard, Founder and CEO, PMO Strategies
5. **Ensure investments are in continuous alignment with objectives of the organization.**

Again, using personal investments as an analogy, remember that you need to check regularly to ensure your investments remain aligned with your overarching strategy. Changes may require realignment. As we get older, and look to minimize risk, we may need to reevaluate our holdings. Or, over- or under-performance by one large holding might require a rebalance of the portfolio.

A business portfolio should elicit the same approach as a personal investment portfolio. A change in the market, the organization, competitive offerings or in any number of other areas may require the realignment of project investments with business goals.

The goal here is to identify, prioritize and schedule the investments that have the best chance of delivering on strategic business objectives. And the more the environment changes, the more frequently you should be adjusting the work being done within projects to keep them aligned with anticipated business outcomes.

6. **Help development teams understand necessary adjustments, avoid unnecessary disturbance.**

In a continuously changing environment replete with new, emerging technologies, global competition and fluid customer expectations, adjustments have become almost constant. By acting as a facilitator, the PMO can present required adjustments to the work in progress in ways that ease the pressure between management and dev teams, maintain productivity, and keep everyone focused on delivery.

At the same time, a business-focused PMO will insulate development teams from the “noise” and ensure that only real issues are presented to the project manager and team. Only relevant, actionable information is shared, and it’s done so with context and in terms that resonate with development teams. Regular adjustments will still ensure the team is delivering work that correlates to business objectives, but the adjustments are made with minimal aggravation and disruption.

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Even as annual planning in most organizations has become a continuous cycle, PMO’s must keep a continuous eye on:

- Shifts in business priorities and goals
- External challenges to the ability to deliver those goals
- Variances from plan during project execution and any resulting changes in the expected benefits
- Any underperformance in terms of cost of value (not generating an acceptable return for the amount of effort and financial outlay)

By identifying upstream changes in the organization’s environment, any necessary small-scale adjustments to projects can be quickly implemented.
7. **Look outward and into the future.**

Shift your perspective from what happened in the past and what’s currently in progress to what the future may hold and how the business could seize upon emerging and anticipated opportunities. Is your current portfolio positioned for maximum benefit to the company? How could it be repositioned and how could investment capital be reallocated to projects with the greatest potential to succeed? Can your organization transform itself into a disruptor?

Obviously, every idea won’t be a game changer, but highly volatile environments tend to create big opportunities, so aim high. Use a modeling tool to provide executives with insight into what can be accomplished in what timeframe with the use of what specific resources. By modeling out a number of different scenarios you’ll provide the data necessary for management to clearly identify the projects that will deliver the biggest bang for the buck.

8. **Expand your focus and your areas of expertise.**

To maximize your chances of success in this new role, consider expanding your horizons. Strengthen your ability to help guide the business through portfolio planning, capacity and capability modeling, and risk distribution by acquiring new business skills available through any number of venues.

While reconfiguring your role and key responsibilities around improving the overall value delivered by the project portfolio might sound like a lot of work, a solid approach combined with an analytical gift might just act as a fast track to the executive team. This reimagined and significantly expanded role, if executed properly, will be high-profile, and success will have a dramatic impact on the organization. If you’re looking to one day run the company, the PMO might be a great springboard.

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**Be an example of enterprise agility**

The core responsibilities of the PMO have evolved. The department once responsible for micro-managing projects is now focused on enabling the organization to adapt and respond to new opportunities and threats as effortlessly as possible and with minimal disruption.

That includes identifying opportunities where the business could benefit by refocusing its efforts, modeling business cases and alternative scenarios to illustrate the impact of changes, shielding development teams from questions, problems and issues beyond their control, and carefully guiding them through changes to projects in ways they can understand, agree with and, when possible, adjust to with minimal disruption.

On the leadership side, the PMO is tasked with enabling smart, data-driven executive decision-making, and pointing out adjustments and opportunities that can move the business needle. Opportunity abounds for the PMO and the key to success is to remain flexible. The PMO must exude the same agility that’s required across the enterprise, taking a fresh, objective look at all projects planned and in progress, and identifying ways to increase their potential benefit to the organization.
Interested in more?

Learn more about the business focused PMO and reinventing your business for today (and tomorrow’s) world:

- Learn how to Turbocharge your PMO to increase business value, improve reliability, and accelerate delivery.
- Learn more about the PMO that delivers, because project success is business success in today’s world.
- Hear how Enterprise Agility can help your organization succeed in today’s changing world in our podcast series.
- Read about Enterprise Agility and how to reinvent your business for today (and tomorrow’s) world
- Learn more about how ITBM can help you deliver enterprise agility for better business value.

Any questions? Contact us here.

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