Expanding the Value of Your PMO – A Quick Tip Guide

In today’s environment of rapid change, it is critical for PMOs to continually evolve and seek ways to bring greater value to the organizations they serve. There are many ways PMOs can expand their value considering their unique role in the management of projects, programs, portfolios and strategy implementation. PMOs can bring distinctive skills, insights and approaches, given their position in the organization.

Based on the insights of experienced PMO leaders, this Quick Tip Guide provides you with practical tips on expanding the value of your PMO in the following areas:

- Strategic Alignment
- Benefits realization mapping
- Stakeholder management and business partnering
- Culture of continual improvement
- Project delivery approaches
- Organizational change management

We invite you to use this guide as part of a conversation with your peers, as you consider how to expand the value your PMO can bring to your organization.
Strategic Alignment

How do you know if your portfolio will deliver the organization’s strategic plan and goals?

A value-added PMO places significant focus on strategic alignment. Your PMO should play a pivotal role in aligning your organization’s portfolio of projects and programs with its strategy. It is uniquely positioned to ensure the benefits of the projects and programs are well defined and map back to the strategic objectives and goals of the organization. Your PMO should also help drive and support successful implementation of your organization’s most strategic projects and programs.

All well-planned strategic initiatives, regardless of origin, justification or need, start with a clear and solid organizational strategy that guides critical initiatives and related investments. As markets, conditions, environments and stakeholder needs change, your organization’s vision and strategy may also change, so they remain an accurate compass for all activities of the organization.

FIGURE 1: STRATEGY IMPLEMENTATION AND VALUE CREATION

Strategic initiatives take the concrete form of programs and projects which, in turn, have expected, specific strategic goals, deliverables and outcomes. The programs and projects follow related, organizationally suitable delivery approaches and make sure you “do things right.”
Strategic Alignment (continued)

Your PMO can provide value in strategic initiative management by focusing on the following areas:

COMMUNICATING STRATEGY | Clearly communicate organizational strategy, choices and goals to stakeholders, and guide leaders of portfolio management and intake processes. Focus on collaboration, integration and cross-departmental management.

SETTING GOALS | Support, clarify and drive the processes for capturing departmental goals, and for validating and assessing proposed initiatives against the stated strategy accordingly.

PLANNING | Facilitate the necessary assessments, planning and integration of related initiatives and programs formed to deliver the required outcomes—whether it concerns change or new products and services.

BENCHMARKING | Develop common goal-setting and benchmarking models for your business initiatives.

SCENARIO MODELING | Collaborate with business leaders and finance for strategic portfolio scenario modeling and planning, as well as long-range planning and develop related business cases.

CREATING BUSINESS ROAD MAPS | Assist your portfolio business units with high-level road maps to illustrate key planned activities and benefits, and leverage them for all leadership and governance communication.

MAINTAINING ALIGNMENT | Continuously review the portfolios and confirm that you “do the right things” in line with current strategy.

REVIEWING OPPORTUNITIES | Organize regular opportunity reviews to consistently guide the organization to expect, anticipate and embrace change and maximize outcome—incorporate change and opportunity reviews and assessments. Grow capability to identify and integrate change to drive organizational agility.

LEADING CHANGE | Guide organizational change initiatives, develop methods by productizing your processes and tools, and provide leadership for change initiatives more broadly across the organization.

Benefits Realization Mapping

Do you have visibility to the benefits delivery dependencies across projects and programs in your organization?

A PMO is uniquely positioned and well equipped to potentially add significant organizational value by focusing on effective benefits realization management techniques.

Benefits realization mapping enables the identification and analysis of benefit dependencies and linkage. This critical practice helps PMOs evaluate and understand how benefits will be achieved; how benefits elements are linked to key project and program processes, inputs and deliverables; and the associated linkage between desired outcomes, strategic goals and overall milestones. Visualization allows for early identification of breakage and disconnects.

To perform benefits realization mapping, PMOs can leverage the use of benefit breakdown structures and
benefit realization road maps to break down, analyze, capture, and visually illustrate linkage and key milestones to increase clarity, focus and success.

**BENEFIT BREAKDOWN STRUCTURE**

This tool enables the logical decomposition and visual identification of key elements required to connect desired outcomes to the needed activities, deliverables and related benefits.

- Visually illustrate the expected outcomes, dependencies and resulting benefits.
- Decompose to an adequate level of depth as needed. Figure 2 provides an example benefit breakdown model. Use this model to guide further analysis and planning of benefit mapping and delivery.
- Use the breakdown structure to review, map, communicate and validate dependencies among stakeholders in an interactive manner.

**FIGURE 2: HIGH-LEVEL BENEFIT BREAKDOWN STRUCTURE**
Benefits Realization Mapping (continued)

**BENEFITS REALIZATION ROAD MAP**

This tool *(as shown in Figure 3)* captures the main activities, milestones and dependencies needed to prepare for and enable, realize and sustain the benefits required to achieve the strategic goals in a logical and sequential format.

- Experiment with variations of the format to find the elements and features that resonate best with your stakeholders.
- Indicate on your benefit realization road map the linkage between various activities. These groups of activities might fall in completely different departments and management of the interdependencies is critical for benefits realization.
- Record in your benefits register the metrics you plan to utilize when you measure the eventual benefits realization.
- Track the changes, as benefits often accumulate progressively over a period of time into ongoing benefits sustainment.
- Focus on the linkage among activities and the realization of benefits they should enable at an overall level to avoid delays, misunderstandings or other gaps that can easily erode the overall project/program benefits.

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**Strategic Goals**

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<tr>
<th>Owner: A. Smith</th>
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<tr>
<td><strong>REDUCE COST OF INVOICING — REDUCE # FORMATS BY 60% ($1M)</strong></td>
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<td><strong>NEW CLOUD SERVICES PLATFORM — IMPROVE TIME TO MARKET 40%</strong></td>
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<td><strong>INCREASE REGION 3 CUSTOMER SATISFACTION BY 1.3</strong></td>
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This tool captures the main activities, milestones and dependencies needed to prepare for, enable, realize, and sustain the benefits required to achieve the strategic goals in a logical and sequential format.
FIGURE 3: HIGH-LEVEL BENEFITS REALIZATION ROAD MAP EXAMPLES
## Stakeholder Management and Business Partnering

Do your stakeholders view your PMO as a trusted business partner or as an administrative overhead?

PMOs have many types of stakeholders, including senior executives, project and program managers, portfolio managers, business operations leaders and external business partners. Strong stakeholder management can have a significant impact on your PMO’s influence and effectiveness in your organization. It can be the difference between your PMO being viewed as an administrative overhead organization or a trusted business partner helping to drive the business forward. Your PMO can amplify its value by taking a deliberate approach to how stakeholders are managed and fostering business partnerships with key stakeholders.

### QUICK TIP

Solicit stakeholder feedback with a periodic customer satisfaction review.

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<th>FOCUS AREAS</th>
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| Develop project, program, portfolio managers and PMO leaders with business acumen. | ■ Ensure project, program and portfolio managers are trained on how the business works, the business strategies and goals, and how to speak the language of the business. This can be done with business-focused training sessions, by shadowing business partners and even spending “a day in the life” with key PMO customers.  
  ■ Ensure the project and program methodologies (e.g., templates, tools, reports) keep the business benefits, needs and perspectives front and center during all stages of the project or program.  
  ■ Ensure PMO leaders get a seat at the table in multi-functional leadership teams so they have a broad perspective of what’s going on in the organization, and what the challenges and priorities are. This will help a PMO leader translate strategies and goals into specific, actionable projects. |
| Build a reputation as a trusted, objective advisor.                        | ■ When it comes to portfolio decision making or dealing with tough project issues, often stakeholders have competing agendas or differing points of view. Outline common principles and guidelines for decision making and issue resolution. Leverage best practices from a variety of areas, such as risk management and benefits management.  
  ■ Play a leadership role in bringing the parties together in an objective, data-based manner. Make recommendations and facilitate decision making that will advance the strategies and goals of the organization. |
| Promote stakeholder commitment to project outcomes.                       | ■ Upfront, seek out formal alignment with executive sponsors to the business outcomes that projects will deliver.  
  ■ Educate key business stakeholders on their roles as sponsors, what is expected of project managers and key questions they should be asking in reviews.  
  ■ Make executive sponsors and business operations leaders aware of their critical role in organizational change management and operationalizing business outcomes.  
  ■ Intervene when stakeholders are not as engaged as they should be. |
| Take a customer-centric view of PMO stakeholders and solicit periodic feedback. | ■ Conduct customer satisfaction reviews on a periodic basis (e.g., quarterly or semi-annually), preferably via one-on-one discussions with stakeholders. It’s an opportunity to discuss what areas the PMO is doing well in, and where the PMO can improve. This can be done with a mix of survey-like quantitative questions and open-ended qualitative questions. |
The following is a sample set of questions. This should be adjusted based on the role of the PMO, adding more specific questions where appropriate.

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| Excellent 5 | Very Good 4 | Good 3 | Fair 2 | Poor 1 | N/A |

1. Overall, how would you rate the PMO in terms of:

   - Providing standards, methodologies and processes?
   - Delivering projects and programs?
   - Enabling portfolio decision making and alignment with strategy?
   - Developing project, program and portfolio management talent and capability?
   - Planning and monitoring project/program performance and benefits realization?
   - Enabling organization change management for key change initiatives?
   - Facilitating strategic planning?
   - Overall, meeting your expectations?

2. What has gone well? What do you like about the PMO?

3. What can be improved for the future?

4. What value has the PMO driven for your area of the organization?
When a PMO is being established, a lot of focus is on getting the tools, processes and methods in place, and building the project managers’ capabilities. At some point in your PMO’s evolution, the foundational capabilities are established and you can take a critical look at whether the tools, methods, training, and processes are producing the expected business results.

From that assessment, you can identify things that are working well and contributing to success, things that are potentially hindering projects and gaps of unmet needs. Your PMO is in a unique position to foster a culture of continuous improvement, not just a single project, but systemically across the organization.

The following quick tips provide a general framework for fostering continual improvement.

BUIDL ORGANIZATIONAL CAPABILITY IN CONTINUAL IMPROVEMENT

- Embed continual improvement methods into your organization’s project methodologies.
- Train and coach project and program teams on a variety of continual improvement techniques.
- Make after-action reviews a normal part of the project process.

QUICK TIP
Leverage a variety of continual improvement techniques to gain insights about PMO improvement opportunities.

What are tangible ways your PMO can foster continual improvement in the project delivery organization?

- When capturing lessons learned, encourage project teams and sponsors to include recommendations for future projects and for the PMO about how tools, processes, methods, and training could be improved.
- Showcase “role model” projects sharing their lessons learned in different forums, such as executive leadership teams and within project manager communities of practices. This builds the collective knowledge of the organization.

COLLECT DATA ABOUT WHAT IS WORKING, WHAT IS NOT, AND WHAT CAN BE IMPROVED

- Leverage existing performance- and governance-related metrics. Supplement them, if needed, but do so sparingly so it doesn’t become an extra burden on the projects.
- Conduct periodic project quality reviews by objective parties who can look across multiple projects. Observe what is really happening. Don’t assume everyone is following every process or using every tool or method.
- Capture lessons learned from all projects centrally in a consistent way.

LOOK FOR INSIGHTS FROM THE INFORMATION

- Leverage PMO experts to categorize data and look for trends. Classify lessons learned into categories, such as scope management, sponsorship and benefits management. Identify what projects most often attribute their success or challenges to.
- Dig deeper with the most/least successful projects. Talk with the project managers and sponsors. Conduct root cause analysis for the tougher issues.
- Leverage continual improvement techniques to gain insights (e.g., value stream analysis or Five-why analysis).
- Identify the top themes (e.g., “Top 10 Lessons Learned”).
- Watch out: Be careful not to over analyze the data. It’s better to be directionally right and do something with the key insights rather than spend a lot of time doing in-depth analysis.
TAKE ACTION FROM THE INSIGHTS

- Develop PMO continual improvement goals and an action plan. Using the top themes, define and prioritize the indicated actions. Set measurable improvement goals and periodically revisit them. The actions can be things the central PMO can do, things project managers can do and things project sponsors can do. An action might be to stop doing something if it isn’t adding value and clearly driving project success.

- Share insights with the broader organization in a way that is relatable and actionable. Share both the context and the “why” the PMO has reason to believe the action will drive improvements in business outcomes.

PMOs can foster a culture of continuous improvement, not a just a single project, but systemically across the organization.
There are many project delivery approaches to choose from, such as predictive (waterfall) approaches, agile, iterative frameworks, and hybrid models. Rarely does one delivery approach fit all organizations or project types.

Organizations with a centralized, top-down hierarchy requiring technical precision, life impacting specifications and tolerances or engineering rigor may consider a predictive delivery approach. In contrast, organizations with a decentralized, people-empowered culture that requires creativity, innovation and rapid development—but not life-critical precision or tolerances—may consider an agile approach. Depending on the needs of the organization and the project, a hybrid delivery approach may be appropriate by combining the various best practices to fulfill a business need.

Introducing a new delivery approach or combining delivery approaches requires training, coaching and change management. Be aware of the characteristics and impacts of each approach and ensure you have stakeholder support and buy-in.

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Expanding the Value of Your PMO

**Project Delivery Approaches**

Are your project delivery approaches maximizing value for your organization?

**QUICK TIP**

Train portfolio, program and project managers to be proficient in several delivery approaches as different projects may require distinct capabilities and tailoring.

**QUICK TIPS**

The PMO can add value related to project delivery by considering the following:

- Training project managers to be proficient in several approaches.
- Providing guidance to project managers to select the right delivery approaches.
- Having meaningful conversations with your teams and stakeholders to assess the performance of your current delivery approaches.
- Understanding who your stakeholders are and engaging them in the refinement of existing delivery approaches.
- Rigorously eliminating wasteful, non-value-added activities.
All approaches to project delivery have a place within highly flexible organizations. These organizations choose their approaches based on project characteristics and organizational needs.
Projects and programs are continually delivering changes—to business models, work processes, tools, organizational structures and job responsibilities. A critical factor in ensuring strategy is implemented and benefits are realized is effectively managing the people side of those changes. This is done through organizational change management (OCM) practices which involve processes, tools and techniques used to manage the people side of change and achieve a desired business outcome.

PMOs have traditionally focused on project, program and portfolio management; however, as your PMO evolves it can expand its influence and amplify its value by incorporating OCM best practices into its project delivery approach. Strong OCM builds confidence that your organization’s strategic goals and objectives will be delivered.

The following are some quick tips for how a PMO can incorporate OCM:

- Adopt guiding principles from the organization
  - Align your change management initiatives to your organization’s vision, mission, strategy and values.
  - Align and integrate OCM methods with your portfolio, program and project management methodologies.

- For major strategic, transformational initiatives, ensure the change work is appropriately reflected in the portfolio processes.
  - Recognize the amount of work that might be required for change activities (e.g., attending training, transitioning between the old and new ways of working) and that sufficient resources are allocated.
  - Ensure there is clear accountability for ownership of change work. The work should be with individuals who have credibility and authority in their respective areas of your organization.
  - Discuss any concerns if change is happening too much and simultaneously. Work with portfolio decision makers to appropriately balance the portfolio plans.
- At the portfolio level, in addition to tracking project and program performance, track progress of change efforts by tracking key, change-related milestones and progress toward implementation of business outcomes and benefits realization.

- Build organizational capability in OCM.
  - Staff change managers on key initiatives.
  - Build an awareness and engagement plan with not only the organization’s leaders, but importantly with the frontline staff and the consumers of change.
  - Provide change management training and coaching not only to change managers, but to project and program managers, business partners and sponsors.
  - Staff learning and development experts and communications experts who can help with effective communications and training and enablement activities.
  - Provide a repository of case studies and best-in-class examples of change management artifacts.

- Develop a comprehensive strategy and plan to develop and confirm change readiness which includes training, rehearsals and validation scenarios.

- Ensure and sustain adoption of organizational changes by revising policies, procedures and workflows to align to the new paradigm shift.
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