Transforming tradition: the Project Management Office

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"It is not the strongest of the species that survive, not the most intelligent, but the ones that are most responsive to change." Despite the origin of this quote being in contentious debate, one cannot fault the logic behind it. And it is not only attributable to the origin of species but to companies as well. Digital disruption has had a big impact on organizations. While some organizations are thriving, others are losing their market share. How does this digital transformation affect the Project Management Office (PMO) and what role can the latter play in this transformation process?

Digital disruption is a transformation that is caused by emerging digital technologies and this impacts the organizations, their structures, their services and their business models. The PMO, as part of the organization is impacted by this disruption without exception. According to the global non-profit organization Project Management Institute (PMI) the impact of technology on PMOs is vast, as highlighted by Table 1 below.

Table 1: PMOs affected by disruptive technologies–Global survey

Technology	Impact	
Cloud	**66%**	☁
Digitalization	**54%**	▣
Artificial Intelligence (AI)	**25%**	▶
Internet of Things (IoT)	**24%**	🚗
Blockchain	**11%**	₿

Traditionally, an organization would typically update its operating-model design once every 3 to 5 years. In a digital world, organizations are doing so more frequently and we expect things to change on a regular basis. As per PMI research, more than 55 percent of PMO directors say the charter for their PMO has changed in the past five years. Traditional PMOs that have focused on overseeing the tactical activities of a program, project or portfolio, now face more reporting, more paperwork, and more meetings. These PMOs often track schedule, scope, and costs, commonly referred to as the "iron triangle".

With transformation programs often overlapping, a "need for speed" in transformational journeys has led to the need for organizational design and operating models that are flexible and agile. Many traditional PMOs fall short of their potential as they do what they have been doing for years and fail to adapt to change and are removed from the organization charts eventually leaving unhappy stakeholders and earning a bad reputation.

Traditional PMOs have been really slow in responding to change, following the same old reporting standards and charts. Transformation PMOs on the other hand, have been more open to technological advancement, using agile, cloud-based tools to keep their stakeholders engaged and involved in the process via their mobile devices. PMOs really need to be seen as transformational and leading edge rather than merely as a support system or an administrative body. They are the ones that help organizations focus on alignment to customer experiences and ensuring that the vision, the means of achieving it, and all of its success metrics align with, and support, the business strategy. We know that any change in organizations, whether

operational or transformational, will always be delivered through projects. Thus, the PMO will always be the central entity to deliver transformation. The transformation PMOs are expanding knowledge as new approaches are added and combined with traditional project management fundamentals. ❯

Table 2: Project management through a traditional office vs. an agile office

Function	Traditional PMO	Agile PMO
Tracking	Controls process through regular meetings, sets plan. Tracks progress by comparing completed work to actual baseline plan.	Monitor agile team's work ,delivered in terms of "story points," completed during each sprint, known as "velocity". Agile PMO can monitor velocity to monitor the performance. Also monitor the progress of working software.
Coordination	The PMO is also responsible for coordinating the different projects and their project managers. This includes, for example, standardized resource management.	An agile PMO can orchestrate the work planning process, facilitating coordination among agile delivery teams.
Governance	Governance is performed through project status reporting of milestones and deliverables etc. Information is aggregated and might be delayed, depending on the reporting cycle (e.g. fortnightly).	• Governance performed through daily stand-ups, Scrum of Scrums, 'Project walls' and Leadership Boards. • Information is available 'real-time'. Regular product demonstrations at both the program and project levels take the place of traditional phase-gate governance reviews, freeing teams to rapidly release functionality without requiring formal approval. • Risks, cross-project impacts, and dependencies are integrated planning sessions without formal governance board review.
Annual planning	Centralized annual planning is performed yearly and only adjusted if something major happens.	• In an agile organization the strategy, goals and targets are set. However, the roadmap on how to get there will be adjusted during the year. • Planning will be done on a regular basis and the current situation and market will be analyzed. Corrective actions will be taken accordingly. • Decision making is distributed and not centralized anymore, which requires a high level of communication, trust and accountability.
Resources management	PMO organizations struggle with having more projects underway than resource capacity to do the actual work. Sometimes an individual resource can be assigned to multiple projects at the same time. This often results in productive loss of individuals, delay of project outcomes and therefore delay in business benefit realization.	The work is based on the number of resources available and not on the number of projects. The importance here is that the team is pulling the work and not overloading its team members. There is no individual work assignment.

Function	Traditional PMO	Agile PMO
Benefits tracking	Not many traditional PMO measure the benefits. Measurements are an afterthought. Many PMO do the post completion evaluation but the metrics, measurements or baselines are hardly included early in business case. Reporting and tracking of outcomes once the project has been deployed is hardly done.	Agile PMO focus on measurements and benefits. Organizations, which follow an agile approach tend to focus on benefits and measurements from the beginning. They typically use a lean or business model canvas, form hypothesis to benefit to results. As agile PMO are close to customer and project teams they can track the benefits on the go.
Documentation requirements	Business cases and detailed project plans will be created in form of documentation as a means of governance and justification e.g. the person who wrote the document thought of all the requirements. Documentation is required as sponsor and business owner will be less engaged in the project.	The very high level business case will be developed with the extended team (including development team and management), therefore only lightweight documentation is required. Since the sponsors and product owners belong to the team and meet on a regular basis (in some cases daily), corrective actions can be performed when required (via Executive daily scrums). Documentation is reflected in lightweight representations such as mock up screens, not necessarily a Word document.
Portfolio management	Portfolio management consists of prioritization, strategic alignment, portfolio reporting, resource management allocation , opportunities and investment analysis, risk management and benefits realization tracking and reporting.	Responsible for reporting out of portfolio strategy, prioritization; resource allocation; maintains Epic lightweight business case and Epic progress reporting, risk, dependency and impediment reporting.
Knowledge management	Knowledge management defining knowledge management policies, managing intellectual collateral/property, lessons learned, content management and collaboration.	Repository of agile training, guidance and support & agile transformation coaching etc. however most of the training is on job.
Standard, tools & methodology	Standards, methodologies and processes methodology definition; metrics definition; process development and improvement and PM tools are key here.	Agile process standards for Scrum and Kanban teams; what will be measured at the team, program and portfolio levels.

Conclusion

To properly respond to digital disruption, organizational agility is the need of the hour. The PMO can be a key differentiator, and the Transformation PMO can accomplish this by creating a flexible framework that fosters the investment process, managing multiple types of work, adopting lean techniques, and providing tools and support that adapt well to increasingly agile environments. In today's disruptive world, if you're planning to create a new PMO, think pragmatically and embrace digital disruption. There is no silver bullet, yet the Transformational PMO needs to learn quickly. Complete consideration should be taken in the choice to use agile or traditional methods, or a mix of both. The experts in the domain of PMO have to implement their tools wisely, as per the organization's needs and transformational requirements. Successful companies can only stay on top by focusing on building new digital services to compete with digital businesses and automating their traditional processes. Only then can they increase their chances of survival. ●

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