all effective changes

The effective PMO in the Digital Era

INTRODUCTION

January 2021
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First article of the range which guides the PMO on how to effectively support the Digital Era.

Photo Pexels: Josh Boot

Summary:

This range of articles explains what the PMO can do to adapt to the Digital Era. By following pragmatic steps, the PMOs can start to transform their role. It enables them to support and govern the complete Portfolio, Program and Project environment across silos and thus contributing to making their companies far more profitable and sustainable into the future. It will prevent that they are being perceived as being part of the problem of the 70% failure of Digital Transformations and exceeding the budget and time of these Transformations!

What are the researchers saying?

In the article **'The Identity Crisis Of A PMO In Times Of Digital And Agile Trends'** of Forbes[1] they state that:

'Why call it an identity crisis? The explanation is found in trends in recent years toward implementing or improving business agility. In this case, top management's focus on the "digital transformation" impacts PMOs as well as the way of working and organizational structure. The impact before, during and after a digital transformation is an organizational implementation of agile practices and principles — in other words, a new work culture built on new methodologies like scaled agile.
Here, it's all about the quality reviews, minimizing risks, controlling the budgets and measuring progress toward milestones and deliverables. In this environment, "story points" and "business epics" won't help you, and classical questions asking when you'll be done and how much it's going to cost will pop up sooner or later.'

In the **'Digital transformation is forcing the traditional PMO to evolve'** article of the Innovation Enterprise Channels[2] they state that:

'Research suggests a surprising level of wastage among organizations undergoing digital transformations, with an average of 9.7%, a loss of approximately $126m (£97m) being invested into projects for every $1.3bn (£1bn) invested. This means PMOs are coming under increasing scrutiny and need to adapt accordingly in order to avoid being perceived as part of the problem.
Gartner has predicted a number of key trends that PMOs should be aware of and adapt for, as follows: Decentralized PMO functions that are currently commonplace will start to disappear, in favor of the centralized enterprise PMO (EPMOs). These will effectively become 'change hubs' in a highly connected business network. Over 50% of businesses are expected to have introduced an EPMO model within the next three years. This is even more necessary if the company is adopting agile methodologies, where constant change and re-allocation of resources is the norm.'

In the **'Reshape the role of the PMO for the digital era'** article of TechTarget[3] was:

'Digitization is dramatically changing the nature, ownership and stakeholders of IT's strategy, governance and management activities. In response, the project management office, or PMO, must shift its focus from governing and delivering projects to supporting digital transformation.
As a result, PMOs are facing significant pressure to transform. The project, program and portfolio management processes they create and oversee have been designed for predictability and consistency, not the speed and flexibility required to meet digital demand.'

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[1] https://www.forbes.com/sites/forbestechcouncil/2020/01/30/the-identity-crisis-of-a-pmo-in-times-of-digital-and-agile-trends/
[2] Digital transformation is forcing the traditional PMO to evolve | Articles | Chief Innovation Officer | Innovation Enterprise (theinnovationenterprise.com)
[3] https://searchcio.techtarget.com/tip/Reshape-the-role-of-the-PMO-for-the-digital-era

Conclusion regarding the Researchers' findings:

The researchers are saying that the role of the PMO will change due to the Digital Transformation and Digital Era. The PMO needs to change in order not to be seen as part of the problem that more than 70% of the Digital Transformations fail. They also say that the decentralized PMO will disappear and centralized enterprise EPMOs Change Hubs will expand.

They state that the current toolsets can't keep up with the changing nature of project delivery. Therefore it is almost impossible to support and govern effectively across silos and boundaries especially when it comes to interdependencies. This combined will have a heavy price tag for any company with substantial sized Programs and Digital Transformation programs.

What is the current picture?

Looking at what the researchers are saying one can conclude that it is a very grim picture we are dealing with. The larger Programs are crucial for a company's future and very often of their survival. This is also the reason that exceeding budget and time often is taken for granted. Soon the PMO will get the blame of these failures if they are not going to change their role and the way they support the business.

Looking into that with a bit more depth one can see that there are hardly any solutions available to support the PMO in their new role. They are trying to change their processes and to support and govern across silos while they are relying on historic data provided by program managers and project managers and traditional toolsets which are missing the speed and flexibility needed.

What they need are tools that are capable to manage across silos, lift the boundaries, link the interdependencies, proactively manage high level deliverables, have an automatic change process and thus are flexible enough to keep up with the changing nature of agile project delivery. These solutions should support management to manage on the basis of a reliable overview and transparency. None of the researchers is talking about them since everybody accepts that there are no solutions available.

However there is one existing Boundary Lifting Management Application called ProActive®[4] that is just created for that purpose.

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[4] A Boundary Lifting Management Application is a Transparent Management Application which is lifting all existing Boundaries and has 24x7 dashboards with automated triggers, connecting all Portfolios, Programs and Projects Cross Silos into one single source of truth. ProActive® of All Effective Changes is such an Application https://proactive.global and https://effectivechanges.com/tools

Conclusion

It is clear and of great importance for the PMO to change their role, processes and tools suitable for the Digital Era which needs speed and flexibility. Their role is to support management to be in control of the complete Cross-Silo Portfolio, Program and Project environment, to steer their Company effectively into the Digital Era. Preventing that strategic Programs are exceeding timelines and budget or even worse, fail. This is not only valid for large companies and corporations but also for small/medium companies, profit or non-profit, mature or not mature. The PMO who is capable of to transform into a Digital Era PMO will survive and is capable of saving any company a substantial amount of money which will give the company a competitive advantage by being more sustainable and profitable.

The article range on 'The effective PMO in the Digital Era', explains how the PMO can make the shift in a pragmatic way so that they can support companies to achieve their goals needed for the Business to survive and grow. All of this supported by tools and aids based on a proven and practical methodology[5].
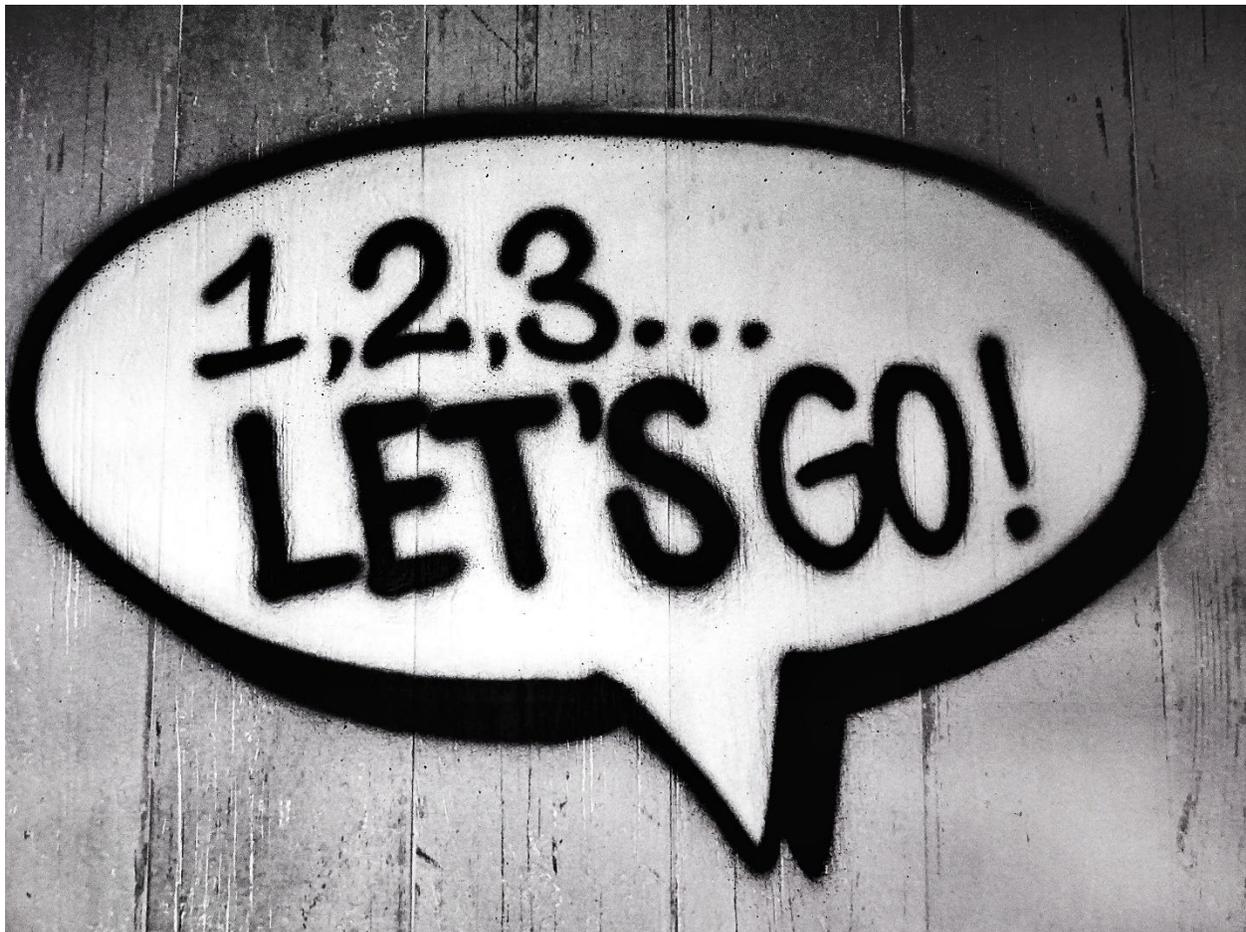

Photo: Pexels Sevenstorm Juhaszimrus

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[5] The book: 'step by step Realizing a Successful Digital Transformation to Industry 4.0' ISBN: 978-94-91779-14-5 describes the methodology. https://effectivechanges.com/book

Article range on: The effective PMO in the Digital Era

1. ## What needs changing to effectively support the Digital Era?

   This article explains the challenges for the PMO, why projects fail, what the frameworks are, what all projects have in common and what the real responsibilities are of the PMO.

2. ## Support management based on transparency.

   This article explains why support of the management should be based on trust and showing them overview. It also will show why details and micromanagement will not be successful and why empowered teams are key. Monitoring progress on high level management items is crucial to be successful.

3. ## What supports the PMO with their challenge?

   This article explains which key ingredients are needed to succeed and what the PMO has to their disposal to support them with this challenge.

4. ## How to start making the difference.

   This article explains what can be done to change direction and bring in the structure needed to making the difference. These are pragmatic steps based on years of experience.

5. ## Fixing the basics.

   This article explains how to fix the basics in a company and where/how to start doing this.

6. ## Effectively support across silos.

   This article explains the difficulties to support management across silos and the challenges it has. It also will explain what needs to be done on how to support them effectively across these silos.

7. ## Effectively support Agile environments.

   This article explains the difficulties to support management with the speed and flexibility of Agile environments and the challenges it has. It also will explain what needs to be done on how to support management effectively to control these Agile environments.

8. ## Effectively support mixed environments.

   This article explains the difficulties to support management with mixed environments and the challenges it has. It also will explain what needs to be done on how to support management effectively with these mixed environments.

9. ## The Digital Era PMO.

   This article is the last one of this range and it explains the role and responsibility of the Digital Era PMO, what is needed to be the right PMO with the right mindset, what kind of Team does the PMO need and how to support effectively in the Digital Era.