



Business
Improvement
Architects

2010

**How a Project Management
Office Can Improve
Organizational Effectiveness
Executive Summary**



Business Improvement Architects
December 2009



President's Message

A lot of change has occurred since we launched our first global study of Project Management Offices in 2005. We have moved from a healthy world economy to a global recession. There is a 'psyche of fear' and companies are taking a hard look at spending and searching out ways to reduce waste.

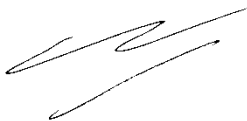
The findings from our current Survey of Project Management Offices provide some valuable insights about PMOs—what they must do to survive and more importantly how they can contribute positively to their company's bottom line. This study is a follow-up study designed to track changes and progress over the course of the last 5 years. Many of the questions we have posed are intentionally consistent with our prior study so that we are able to see the changes that may have occurred since last time.

In a climate of limited resources such as now, PMOs will be expected to generate savings and efficiencies for their organizations. It will be up to those who manage the PMO to demonstrate that they are doing this. Our report includes six cost effective recommendations concluded from our 2010 research data. These recommendations can help your PMO to demonstrate a positive and measurable impact on your organization's bottom line.

We hope that you find this preliminary executive summary useful and welcome your feedback. The full report will be published in December 2009 and available for sale. It will provide you with valuable insights into how PMOs and EPMOs are contributing positively to their organization's bottom lines despite a global recession.

If you are interested in learning more about this report, please contact me directly at mstanleigh@bia.ca.

Yours truly,



Michael Stanleigh, President
Business Improvement Architects

Executive Summary

Introduction

With economic pressures looming over the world, most executives are seriously pondering how to manage the impact of outside forces on their business results. Just as with individual consumers, who are “tightening their belts” right now, it isn’t surprising that many organizations, even those that may be economically healthy, are seriously considering whether or not to cut fixed spending with layoffs. These layoffs will be more likely to occur in non-revenue generating departments and PMOs are vulnerable.

Project Management Offices (PMOs) are often seen as non-revenue generating and vulnerable in difficult economic times. Yet they can provide important benefits to an organization if they are well-managed. Our most recent research of PMOs provides some valuable insights about how PMOs can add to their organization’s bottom-line.

Key Findings

Here are some of the highlights from our most recent Project Management Research initiative:

1. **Effective Project Management drives organizational success.**

- The majority of projects that get delivered do not add value to their organization. This is because they do not articulate how their success helps the organization to reach one of its corporate strategies. When projects are run that align with and support corporate strategies they propel the organization to succeed. Organizations that are able to assess their projects for strategic directive before they approve them are highly successful.

For more information: [Project Prioritization Process](#)

2. **Project Management is most effective when supportive structures are in place.**

- Employees often find themselves serving on a variety of project teams, being led by various project managers while reporting directly to functional managers. This creates a reporting dilemma for them that can undermine their project work. Their functional managers are not always supportive because they are uncertain what these resources are doing or perceive that their employee’s project work intrudes on departmental priorities. This makes it difficult for employees to be able to complete their project work.

For more information: [Total Performance Management™](#)

3. Sponsors and managers play a critical role in project success.

- The management team, including functional managers, provide sponsorship and resources for projects. If they do not view projects as a tactical function that supports the organizational strategies, they are more likely to remove a resource, which, in turn, affects project success. Our research shows that many sponsors and managers fail to support their employees work on projects. This is a frequent reason for project failure.

For more information: [Strategic Project Management](#)

4. Organizations are struggling with how to manage a portfolio of projects.

- In today's complex organizations, employees often find themselves serving on a variety of project teams. Because of work on multiple projects, it becomes difficult to know where their priorities or time should be spent. This often leads to conflict. PMOs play a crucial role in helping sort this out when they have systems in place to manage a portfolio of projects.

For more information: [Project Culture Initiative™](#)

5. Lack of consistency in project processes and templates are negatively affecting project delivery.

- The research indicates that project teams do not always use consistent project management processes, tools and templates and PMOs may not always be aware of this fact until projects run into problems. Successful PMOs undertake regular project audits and health checks to make sure that all projects are on track and in good health. Those PMOs that fail to ensure consistency on the use of project management processes, tools and templates as well as the accuracy of project team reporting, have a higher risk of failure.

For more information: [Project Audits and Health Checks](#) and [Project Audit Video](#)

6. Knowledge retention is not being documented or passed on for future project success.

- It's surprising how few Project Teams are undertaking proper Project Close-out procedures. Because of this, many organizations do not benefit from the learning of their project teams. Even when projects fail, and especially so, there is learning. Without proper Project Close reports, the experiences of the project teams are lost because there is no system in place to retain it or pass it forward. There is an opportunity for PMOs to implement proper systems for documenting lessons learned when closing a project and retaining this information so that it is available for the benefit of other project teams.

For more information: [Project Management Training](#) or [Project Management Coaching](#)

Conclusion

In a climate of limited resources such as now, PMOs and EPMOs will be expected to generate savings and efficiencies for their organizations. It will be up to those who manage the PMO to demonstrate that they are doing this. The full research report provides valuable insights into how PMOs and EPMOs are contributing positively to their organization's bottom lines despite a global recession. As well, it explores the changes from our last global study, *"From Crisis to Control: A New Era in Strategic Project Management."*

The 2010 study recommends ways to improve your organizational effectiveness with project management, including how to:

- ✓ Drive organizational success with project management.
- ✓ Create the supportive structures needed for project management to thrive.
- ✓ Gain sponsor and management support.
- ✓ Communicate and market the PMO/EPMO to the department/organization.
- ✓ Manage the challenges of portfolio management.
- ✓ Deliver consistency in project processes, tools and templates and improve project success rate.
- ✓ Document and retain knowledge from projects for future benefit.

If you would like to order the full report, please contact us:

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About Business Improvement Architects

Business Improvement Architects is a management consulting firm that helps organizations achieve operational success. We work with executives and managers to make sure that every person and every department is working in the most effective and efficient way. We provide training, consulting and products to improve performance in the following core areas:

- [Project Management](#)
- [Strategy and Leadership Development](#)
- [Innovation](#)
- [Quality Management](#)

- [Change Management](#)

For more information please visit our web site at www.bia.ca.

About Michael Stanleigh

Michael Stanleigh, CEO of Business Improvement Architects (bia™) is a professional Management Consultant, coach and award-winning trainer. He works with executives and senior managers around the world and has been instrumental in helping his clients increase productivity and profits with his clear processes and quality approach.

Michael holds a number of leadership positions including: faculty member of Memorial University in Newfoundland in the Centre for Management Development and faculty member of the American Society for Quality. He is also a Certified Speaker Professional (CSP) the highest designation among professional speakers and a member of both Canadian Association of Professional Speakers (CAPS) and the International Federation of Professional Speakers. Michael is a member of various professional associations and has served as a past executive of the Project Management Institute (PMI) as well as the International Society of Strategic Management and Planning, Ontario Society for Training and Development (OSTD) and American Society for Quality (ASQ). He has been featured and published in over 500 different publications worldwide.

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