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Project Management Office Lifecycle (PMOLC): The Set-up, the build-out, and the sustainability journey

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Abstract

PMOs have been taking on a more prominent role in their level of authority, structure, reporting lines and mandate. Project Management Offices (PMOs) have been growing and going through change and transformation and today literature defines PMO types, roles, functions, as well as their impact on performance. The lifecycle journey that PMOs go through requires attention since there is little or lack of knowledge regarding PMO lifecycle (PMOLC) pertaining to set-up, build-out, and sustainability.

Due to the evolution of the PMO and there is a need to cover the lifecycle of PMO which would allow those interested in building PMOs to learn what is required in each phase of the PMOLC, the complexities associated with each phase, and the challenges and rewards. The PMOLC has not been fully explored nor has it been discussed in detail; hence, this research makes valuable contributions to the practicality of the project management field in general, and sheds light on the PMO practices in particular. Further, the research adds valuable insights to the mechanics governing the establishment of PMOs. Results will lead us to:

- Determine the PMOLC complexities, shed light on the nature of each phase, and the skills required to build each phase
- Determine similar and different challenges in each phase in the lifecycle

Keywords

PMO lifecycle, PMOLC, set-up, build-out, sustainability

Research Questions

- Which phase in the PMO lifecycle is more complex?
- What are PMO challenges in each phase in the lifecycle?
- What is the PMO leader's role in the PMO lifecycle?
- How does PMO authority level impact change management and project management?

Research Methodology

The research approach adopted is quantitative. Quantitative methods include the historical, descriptive, correlation, causal-comparative, experimental, action research, and developmental (Taylor, 2005). Quantitative researchers tend to be interested in whether and to what extent variances in one variable explain variance in another (Maxwell, 1996). The underlying principle of quantitative research is measurement (Simon, 1969).

A survey was conducted to collect data regarding the set-up, build-out, and sustainability of the PMO. The web-based survey consisted of 25 questions that uses a 5-point Likert-type scale and was developed and made available on-line to PMO leaders who had set-up, built, or supported a PMO, and were PMO professional volunteers across geography and industry. There were 100 respondents who logged on to the survey website between April 2011 and June 2011. Not all respondents who started the survey completed; 8 were excluded because they did not complete the first question. All remaining respondents who partially completed the survey stopped at the start of a new section. Of the 92 who took the survey, 67 completed the survey for a completion rate of 73%.

Survey Findings

Research results from the web-based survey lead to the finding that PMO set-up and build-out phases are more complex than the sustainability phase. Additionally, the findings show the effect of executive leadership support in an organization and the skill set and role of the PMO leader.

➤ **PMOLC complexity**

The findings of this research describe the complexity of PMOLC. Whether one or more of the three PMOLC phases (set-up, build-out, and sustainability) are more or less complex than the other. The survey suggests that 44% found the build-out most complex, while 34% found sustainability to be the most complex, followed by 32% for the set-up.

➤ **PMOLC challenges**

The findings of this research describe the challenges of PMOLC and identify similarities or differences based on each phase. While funding, leadership support, and governance were ranked high as challenges pertaining to set-up and build-out phase, the survey found continuous improvement, reporting/KPI, and quality management to be the highest on list of challenges pertaining to the sustainability phase. While cost / value ranked closely as a challenge for all phases ranging between 29% and 32%, similarly the adoption of methods or tools ranked at the same level independent of the PMOLC phase ranging between 34% to 36%.

➤ **PMO leaders leadership skills**

The findings of this research describe the various skill set and leadership qualities required to run the various PMOLC phases. While 36% believe that the skill set and leadership required to run (set-up and build-out) are different from those of the sustainability phase, 24% believe that the leadership and skill set do not differ regardless of PMOLC phase.

In addition, the survey shows the role of individuals in the PMOLC phase and whether those who set-up and build-out, do sustain the PMO or each phase is independent of who did it. When PMO leaders were asked about their role in each phase of the PMOLC, 52% had built a non-existent PMO, while 19% re-built or transformed an existing PMO and these results pertain to the PMOLC phases of set-up and build-out.

➤ **PMO Authority and adoption**

The findings of this research describe the level of authority of PMO and its impact on project management and change management adoption in an organization. The results show a strong correlation between the levels of authority PMO has and the level of change management and project management adoption. The survey shows that 76% believe that the higher the authority, the more PMO's influence in change management and PM adoption.

In another question surveying the types of PMO's authority, 56% of PMOs were authoritative. The overall results show more PMO's are adopting authoritarian role which is having an impact on increased adoption in change management and project management.

Lastly, the survey shows that the reporting level of PMO and PMO leaders' title and position in the organization is on the rise. 40% of PMOs reside at corporate level, and 47% of PMO leaders at the C or Executive level.

The following sections describe the detailed findings of demographic and descriptive results.

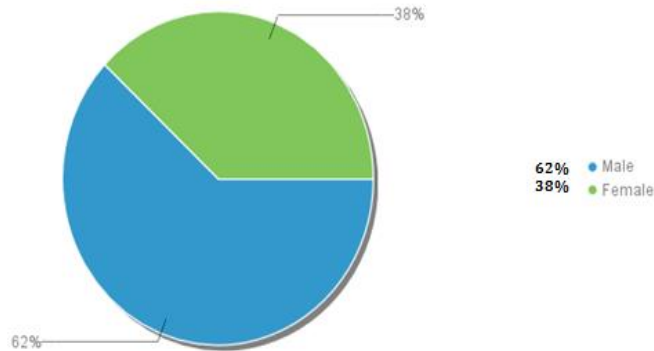
Demographic Data

The survey instrument collected categorical information for descriptive purposes. The following categorical data was collected: geographic location, age group, gender, and finally the number of PMOs in an organization

- The largest number of respondents, 45%, belonged to the 35-44 age groups. The second largest, 35%, belonged to the 45-54 age groups. Other percentages are shown in table 1 below:

Age	Percentage
Under 25	0%
25-34	4%
35-44	45%
45-54	35%
55-64	16%
65 or Above	0%
TOTAL	100%

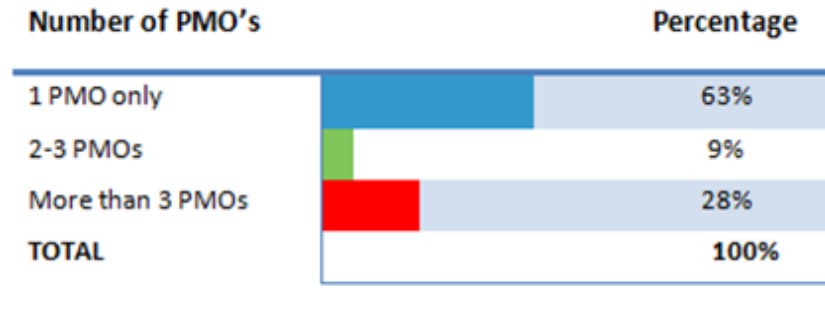
- Of the respondents, 62% were male, while 38% were female. Percentages are shown in graph1:



- Respondents came from eight (n=8) geographic locations. The largest number of respondents belonged to one geographic location, Canada at 35%. The second largest number was from the US at 25%. Other percentages are shown in Table2

Geographic Location	Percentage
US,	25%
Canada,	35%
Latin America	4%
Europe,	20%
Australia	0%
Asia Pacific	4%
Other, please specify:	13%
TOTAL	100%

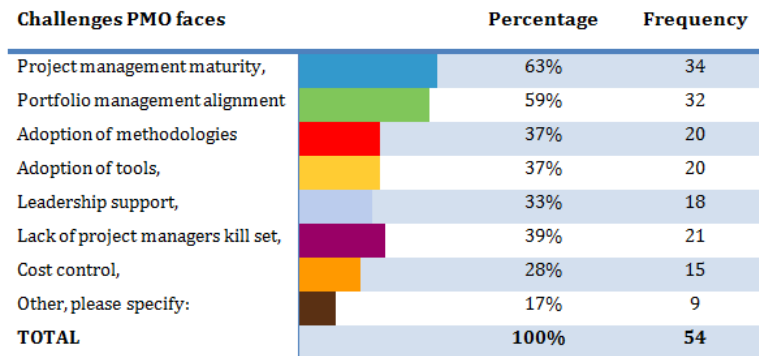
- Respondent organizations varied in the number of PMOs each had. The largest number of respondent organizations had only one PMO at 63%, followed by those who had more than 3 PMOs at 28%



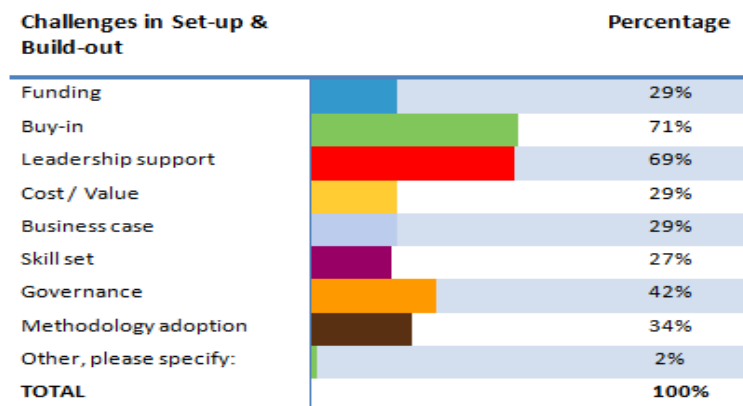
Descriptive Data

The following section provides descriptive statistics of continuous survey data. The statistics were derived from Likert-type scale responses.

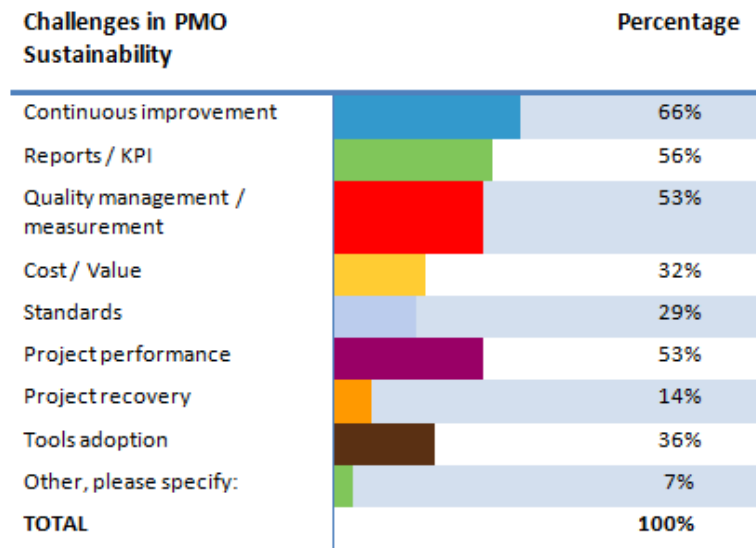
- What are PMO challenges in each phase in the lifecycle? The highest rating was 63% for project management maturity, followed by 59% portfolio management alignment. Graph3 shows the details for the question



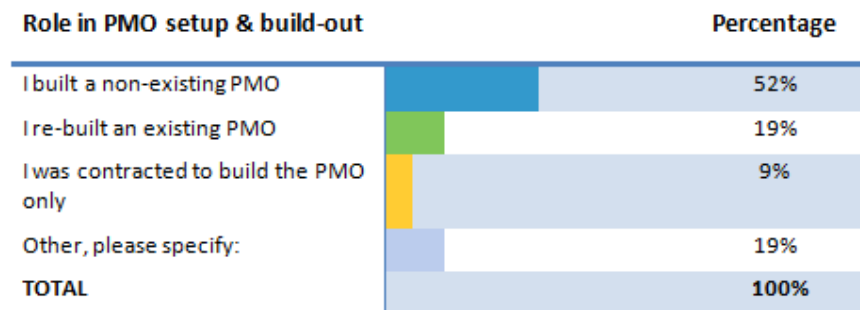
- What are the unique challenges in the Setup and build-out phase? The highest rating was 71% for buy-in, followed by 69% for leadership support. Graph 4 shows the details of the question



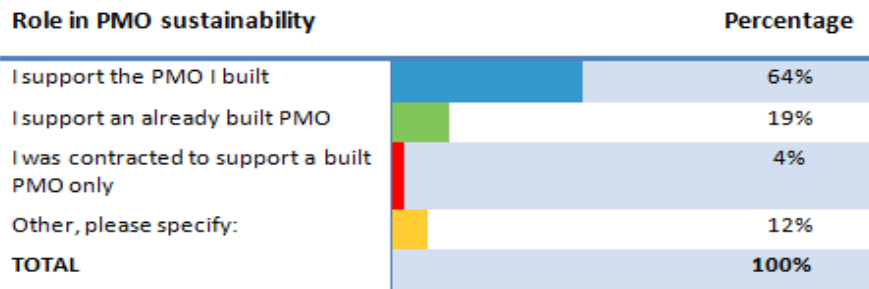
- What are the unique challenges in the sustainability phase? The highest rating was 66% for continuous improvements, followed by 65% Reports/KPI. Graph 5 shows the details of the question.



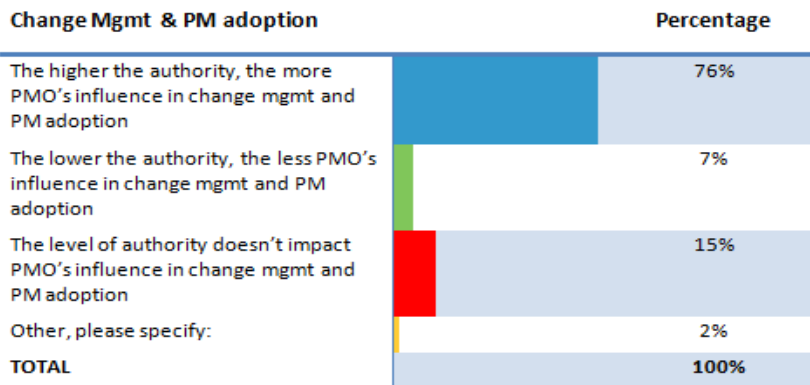
- What is the PMO leader’s role in PMO lifecycle?
 - What is your role in the PMO set-up and build? The highest rating was 52% for those who built a non-existing PMO. Graph 6a shows the details of the question



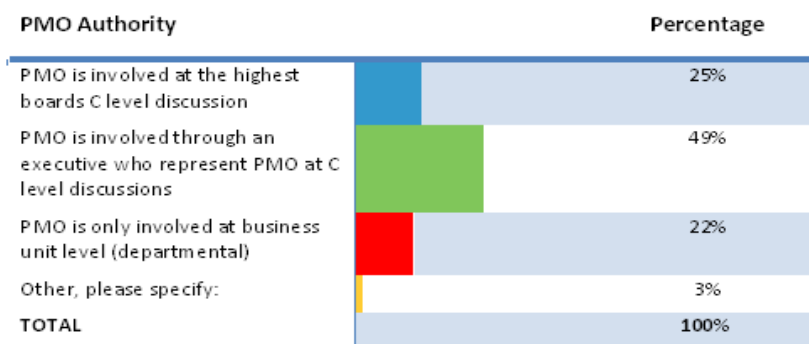
- What is your role in the PMO sustainability and support? The highest rating was 64% for those who support the PMO they built. Graph 6b shows the details of the question



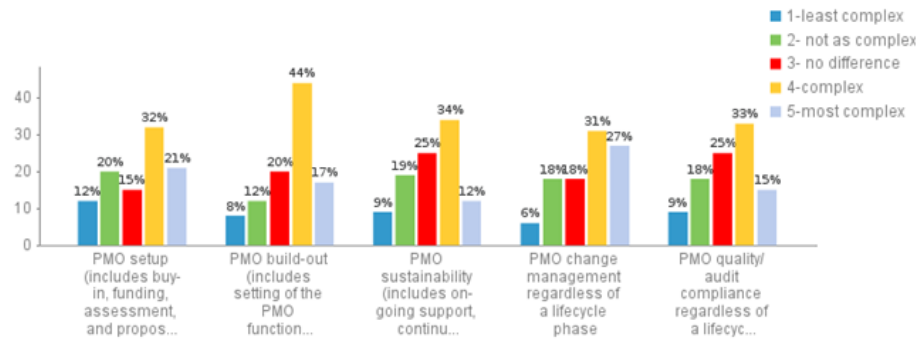
- How does PMO authority level impact change management and project management? The highest rating was 76% for “The higher the authority, the more PMO’s influence in change management and PM”. Graph 7 shows the details of the question



- How do you define your PMO authority/influence in the company’s hierarchy? The highest rating was 49% for PMO authority through executive, followed by 25% for PMO being involved at the C level discussions. Graph8 shows the details of the question



- Which phase in the PMO lifecycle is more complex? The highest rating was 44% for PMOLC being complex in setup-and build-out, opposed to 17% viewed it as most complex. Graph2 shows the details to the question.



Conclusions

Research outcome lead to the conclusion that PMO lifecycle is complex; the set-up and build-out phases are more complex than sustainability phase. Additionally, the findings show the effect of executive leadership support in an organization and the skill set and role of the PMO leader in the various phases; as well as the level of authority of PMO and its impact on project management and change management in an organization.

- PMO lifecycle is complex; the set-up and build-out phases are more complex than sustainability phase.
- PMO challenges differ by phase specifically between (set-up and build-out) vs. sustainability, but there are also some similar challenges regardless of phase (Value / Cost, Adoptions of tools & standards)
- The level of authority of PMO and its impact on project management and change management in an organization is correlated to the level of authority PMO has. (Survey shows 56% were authoritative PMOs)
- Lastly, the reporting levels of PMO, PMO leaders' title, and position in the organization are on the rise. (Survey shows 40% of PMOs reside at Corporate level, and 47% of PMO leaders at the C or Executive level)

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About the Author

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Dr. Waffa Karkuly, PMP is the President and Managing Director of Global PMO Solutions, www.globalpmosolution.com. With over 15 years experience in IT, project management, and PMO establishments, Waffa has extensive experience in project management, particular expertise specializing in establishing practical PMOs and revitalizing and assessing value proposition of existing PMOs. Waffa has helped fortune 100, midsize, and small size organizations improve their project management practices. PPM set-up and PMO establishments through building scalable standards and proven solutions that improved the delivery process of an organization. Waffa holds a BSC in Information Systems from DePaul University, an MIT from Northwestern University, and a PhD from SKEMA School of Business. She is a project management professional (PMP) certified, and an active PMI member speaking at many PMI events. Waffa Karkuly can be contacted at karkuklyw@yahoo.com.