

# The Global State of the PMO in 2011: Its Value, Effectiveness and Role as the Hub of Training

An ESI International Study



+44(0) 20 7017 7100

[www.esi-emea.com](http://www.esi-emea.com)

Across numerous industries and in every region of the world, businesses have endeavoured to boost their overall performance in project and programme management. A central element of their strategy has been to establish and continually expand their Project/Programme Management Office (PMO). A PMO is defined as an organisational body through which businesses deploy project management. As a means to an end, rather than an end itself, many PMOs take on a strategic, objectives-oriented role while other implementations tend to be more tactical in nature. Regardless of the approach, the same questions apply.

In March 2011 ESI International undertook an investigation into the global state of the PMO to determine its current perceived value, effectiveness and role as a hub of training by asking the following:

- Do organisations even know whether their PMO is effective?
- Is it deemed valuable to the enterprise as a whole?
- Is the PMO really a Centre of Excellence in which best practices are identified and made available to their project managers?

Unlike the myriad of other studies on the topic, this examination encompassed respondents from five continents in over 16 industry sectors, offering insights into the PMO from both a PMO and non-PMO staff perspective. The study made invaluable discoveries about noteworthy and significant regional differences that will help shape the deployment, operation and overall improvement of the modern PMO.

## About the Study

This study is based upon research conducted from a quantitative survey of senior-level project and programme managers from a variety of industries around the world with a total of 3,740 respondents. Over 45 percent of those surveyed were PMO staff while nearly 37 percent were non-PMO staff. Only 18 percent reported not having a PMO at all.

Key Findings:

- The discourse is shifting from determining PMO maturity to the value the maturing PMO brings.
- More transparency is needed to measure PMO effectiveness.
- The PMO is a hub of project management training for some, but its positive influence on career progression is questionable.
- The measurement of training impact is sorely neglected.
- Three in five question the value of the PMO.
- Most PMOs are not operating at a strategic level.

# PMO Structure and Function

## PMO Maturity

A majority of organisations with a PMO (58.7%) claimed they had more than one, indicating a decentralisation of responsibilities across the enterprise. In addition, nine out of ten reported that their PMO was one year old, or older, while two out of five said it was in existence for more than five years. From a global perspective, more than half of all PMOs are staffed with five or more people. One out of three PMO staff members stated their PMO has more than ten staff members while 45.6 percent of non-PMO staff members claimed their PMO had ten or more. From a regional perspective, in the Americas more than half of PMOs are staffed with more than ten people while the Asia-Pacific (APAC) and Europe, the Middle East, and Africa (EMEA) regions had a lower ranking in the category of ten or more PMO staff members than the global mean (45.6%). In essence, the North American PMO tends to be staffed with more people than elsewhere in the world.

While the PMO is coming of age, organisations are now looking more toward what the value of the mature PMO will bring as it moves out of the traditional IT department to other areas of the enterprise.

## The Location of the PMO

The location of the PMO was evenly distributed among respondents within the IT department (26.8%), within a business or commercial function (35.0%) or at the corporate level (30.0%). Stakeholder communications with the executive level are firmly in the hands of PMO staff with an overwhelming majority claiming either the head of the PMO, programme director or project/programme manager is involved. Only 4.7 percent reported that the Chief Project Officer (CPO) manages project-related communications with senior leadership. As this relatively new job description matures, CPOs should expect to take on more stakeholder communications responsibilities in the future.



## PMO Success in 2010

“Our PMO has developed and deployed an agency-wide Readiness Network, which has standardised expectations, training and policy across the enterprise.”

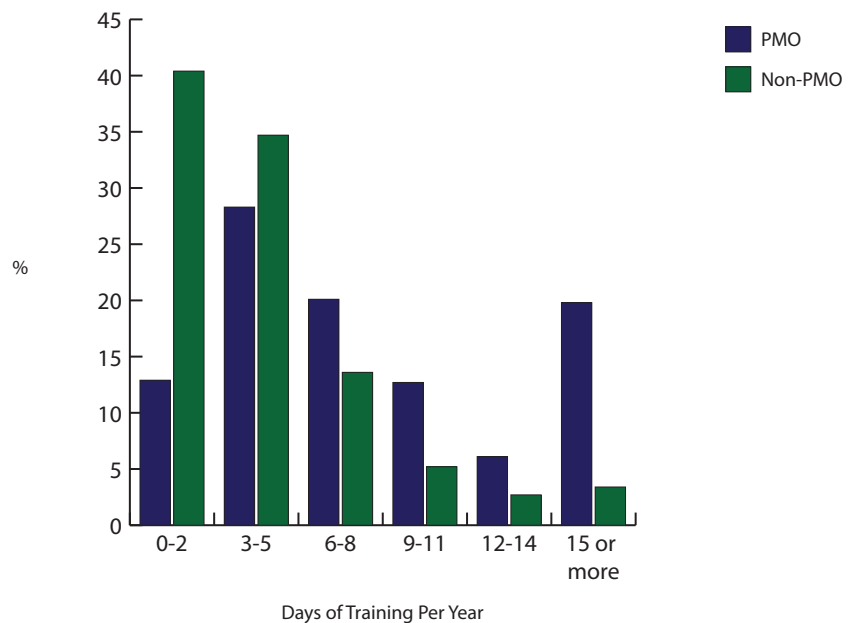
— Programme Manager in the U.S. Government

## The PMO as the Hub of Training... For Some

On a global level from the PMO staff perspective, the PMO is the hub of training for three-quarters of its project-related staff. Non-PMO staff disagree. Two out of five claim the PMO is not actively involved in the training and development of project-related staff, thereby pointing to a disparity between what the PMO offers and what non-PMO staff perceive is available. It appears to be a communication issue as supported by a further finding in the divergent view in the number of training days many PMO staff claim are available (up to 15 or more) and the number that the vast majority of non-PMO staff actually take (up to five).

### Approximately how many days of direct training per year does your PMO provide?

PMO as a Hub of Training

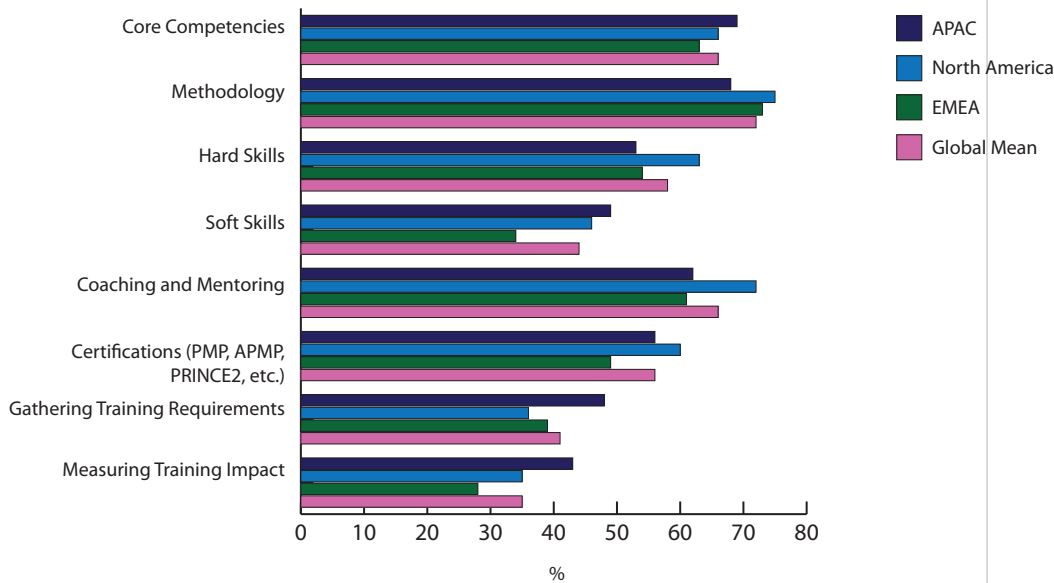


## Global Differences in Training

While both the APAC and EMEA regions have younger PMOs than the Americas, they seem to have integrated the PMO as a hub of training more than the Americas. While the North American PMO stands out in its provision of coaching and mentoring compared to the global mean, it also demonstrates its lack of training requirements gathering compared to the rest of the world. Across the board, the PMO's involvement in conveying methodology takes first place. As the chart below indicates, measuring training impact and soft skills development is lacking in particular in the EMEA region.

### How does the PMO get involved in the training and development of project-related staff?

PMO's Involvement in T&D  
(PMO Staff Perspective)



A cultural mind-shift needs to occur to emphasise the importance of coaching and mentoring.

### PMO Success in 2010

“We have been able to run multiple projects with fewer staff than what we used to due to proper resource management.”

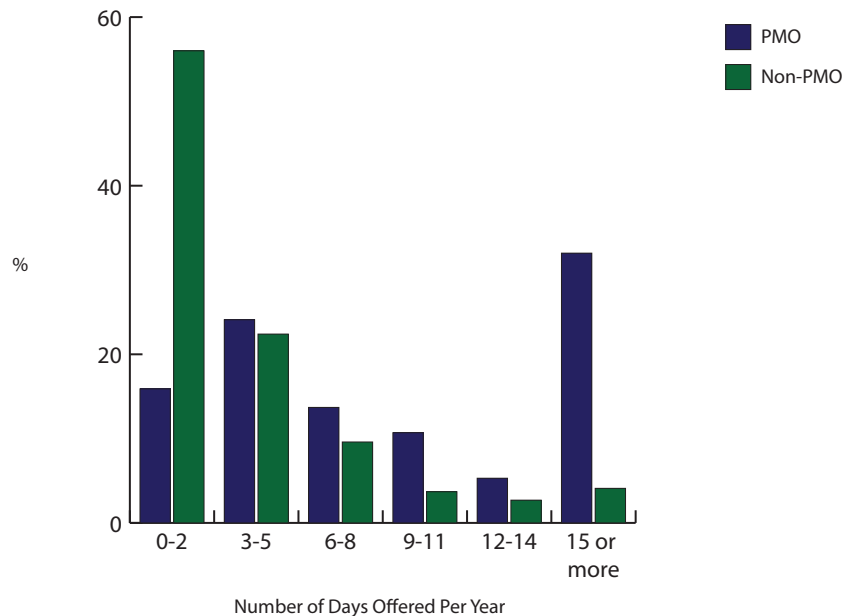
— IT Project Manager in Africa

## Miscommunication Inside and Outside the PMO

Sticking with the example of coaching and mentoring, non-PMO staff do not claim to receive as many days of training in that area as the PMO staff claim are available. The disparity could imply that while the PMO may make more than two weeks' worth of training available, the non-PMO staff lack the actual time or the knowledge about its existence to take advantage of the offering. Whether the reason lies in a lack of communication or not making knowledge transfer a priority, a corporate cultural mind-shift needs to occur to emphasise the importance of succession planning conducted through mentoring programmes.

### Approximately how many days of coaching and mentoring per year does your PMO provide (PMO staff)/ do you receive from your PMO (non-PMO staff)?

Coaching & Mentoring Provided by PMO

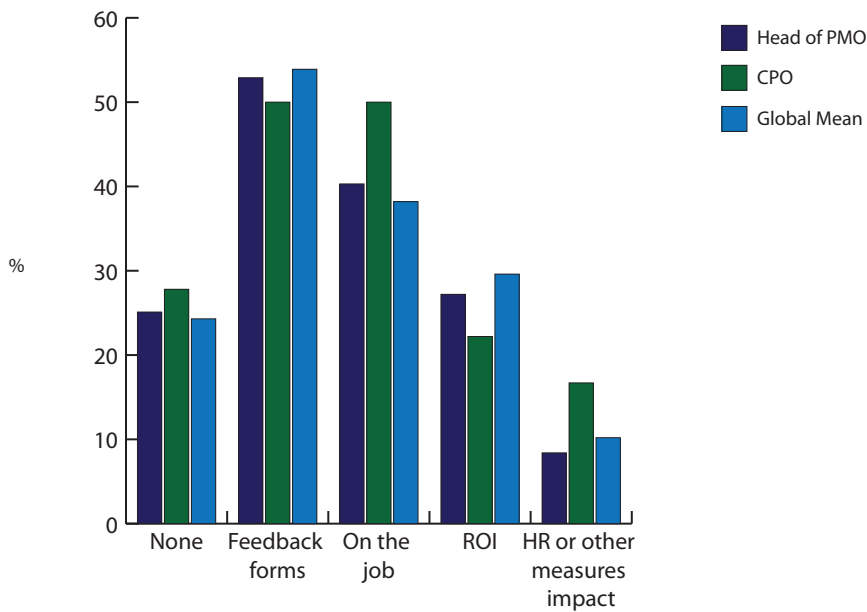


## Disparity Between Ground-Level and C-Level View on Training Impact Measurement

From a senior leadership perspective, CPOs are much more optimistic about the ability of trained staff members to implement what they have learned immediately on the job than the other groups surveyed. Most everyone is in agreement and aware, however, when no measurement is conducted.

### Which of the following methods, if any, are used by the PMO to measure the impact of training?

Methods PMOs Use to Measure Training Impact  
(Executive Perspective)

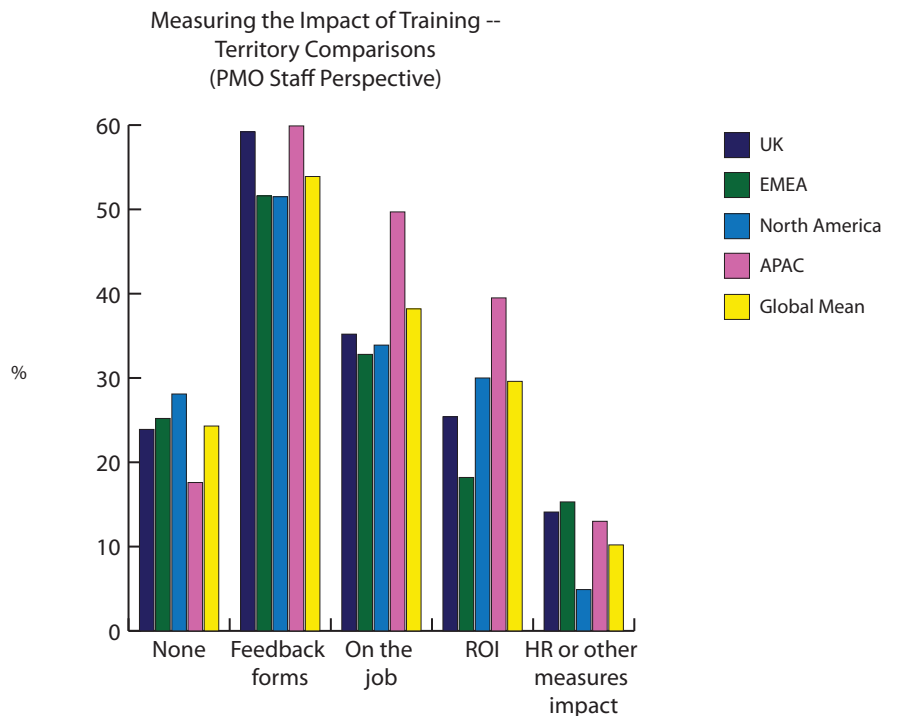


Feedback forms are a popular method of measuring training impact. But, in terms of overall training measurement, North America lags behind in this area the most.

## Lack of Training Measurement: A Global-Regional Comparison

In no other area is the global disparity as apparent as when investigating the issue of measuring training impact. The North American PMO lags behind in having no impact measurement for its training programmes (28.1%) while the APAC region supersedes the global mean in every area. These consistent results in the APAC region point to their overall cultural attitude toward training measurement. Interestingly, the UK shares some of those attitudes, especially in the country's tendency to use post-training feedback forms as a means of measuring training impact. Return on investment (ROI) and immediate implementation back on the job are particularly common measurement methods in the APAC region whereas the overall EMEA region falls short of the global mean in both those areas.

### Which of the following methods, if any, are used by the PMO to measure the impact of training?



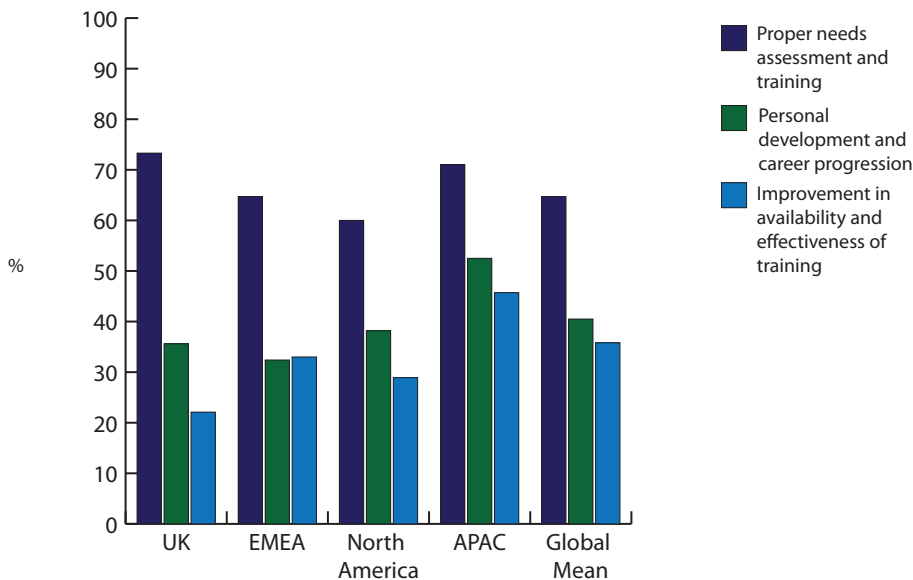
## Lack of Training Needs Assessment

Well over half the respondents view the PMO as having a positive influence in the availability and effectiveness of training; however, personal development and career progression are significantly less impacted by PMO involvement. Part of the disconnect between training and career pathing could originate in the PMO's lack of training needs assessment so that, while training is made readily available, it may not be the right kind of training that employees require to further their careers. These findings place the current PMO as an effective body for talent development into question.

The following chart illustrates the level of PMO impact on training and development from a non-PMO staff perspective. It demonstrates, by region, how many non-PMO staff responded positively to the PMO's involvement in providing effective training, enabling personal development and career management, and assessing training needs.

## The Positive Influence of PMO Involvement in Training & Development

PMOs Impact on Training by Region  
(Non-PMO Staff Perspective)



While training is made readily available by the PMO, the results indicate it may not be the right kind of training because needs assessment is often lacking. The PMO is often not viewed as a positive influence on career progression.

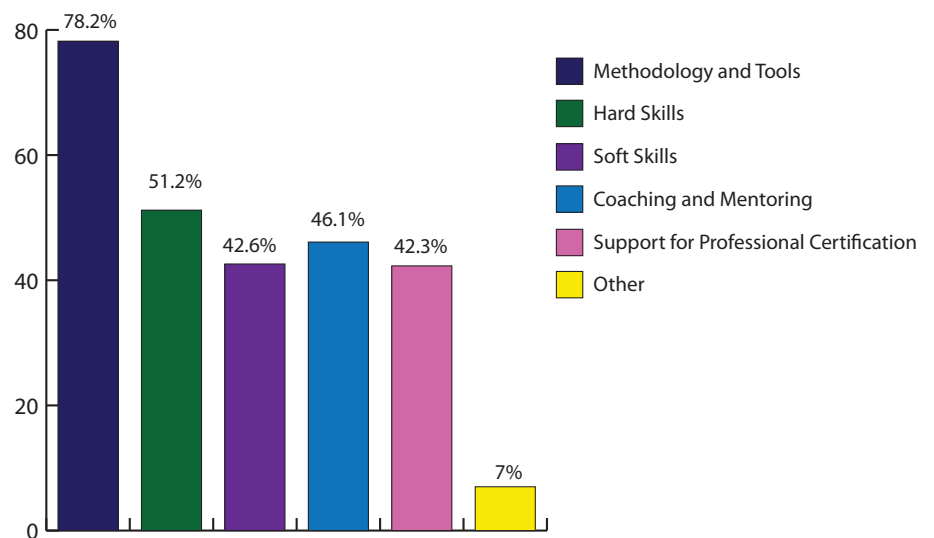


## PMO Strongest in Methodology Training

From a global perspective, the PMO is strongest as a training hub for methodology and tools (78.2%), followed by other hard project management (PM) skills such as planning, scheduling and risk management (51.2%). Coaching and mentoring (46.1%) and other soft skill training (42.6%) lagged behind considerably with the exception of the APAC region, whose results showed that over half (52.0%) claimed their PMO offered soft skills training. Globally, only around two out of five claimed the PMO played a supportive role in gaining professional certification (42.3%).

## What types of training and support do you receive from the PMO?

Types of Training  
(Non-PMO Staff Perspective)

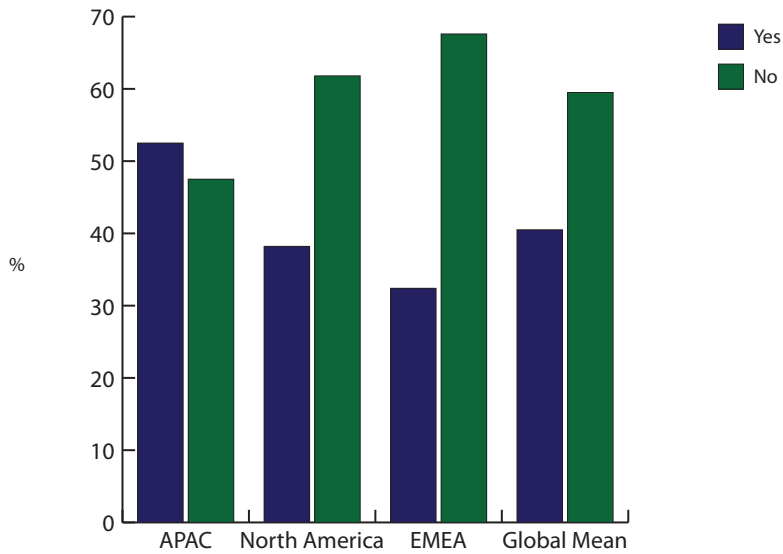


## PMO Is Not Yet Integral for Career Progression

Further investigation demonstrated that while the PMO offers various levels of training with varying levels of intensity, most non-PMO staff members were in agreement that the PMO does not assist significantly in career advancement. The only exception was the APAC region with a fairly even split between those who agree and those who do not.

## Has PMO involvement made it easier to plan your personal development and manage your career progression?

PMO's Positive Impact on Career Progression  
(Non-PMO Perspective by Region)



## PMO Challenge in 2010

“Our greatest PMO challenge in 2010 was showing real value to the project and the organisation.”

— Project Manager  
for a European  
Consulting Group

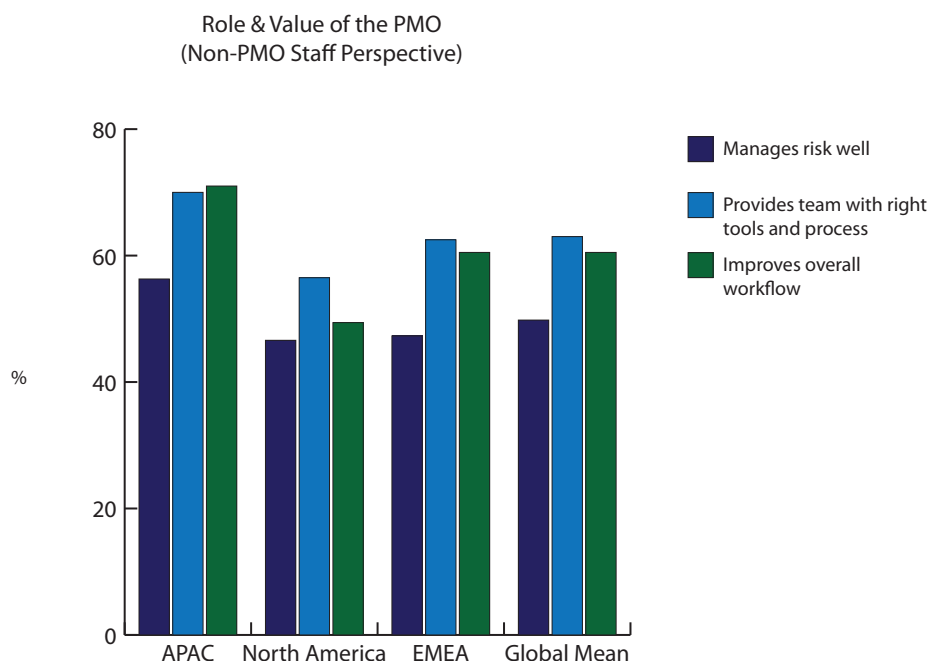
## The Role and Value of the PMO

When asked what role they think the PMO should play, nearly an equal number of PMO (22%) and non-PMO (23%) staff members agreed it should fulfil its role as a centre of excellence. From the PMO staff member perspective, nearly half claimed it should be involved in some level of project management. One senior business advisor to the Canadian government said that the PMO “should support the organisation in developing and implementing project management and project portfolio management frameworks and methodologies.” The survey findings are consistent with this claim.

### Top Value Points for the PMO

The top three areas in which the PMO is most valued came in the form of improved workflow, risk management and the provision of tools and processes. The APAC region showed the most optimism with well over half of the respondents agreeing on the PMO’s positive influence in these areas. EMEA and North America were on par with one another in terms of risk management; however, North America was also the least optimistic about the PMO’s value in improving overall workflow.

### Which descriptions best apply to your current PMO?

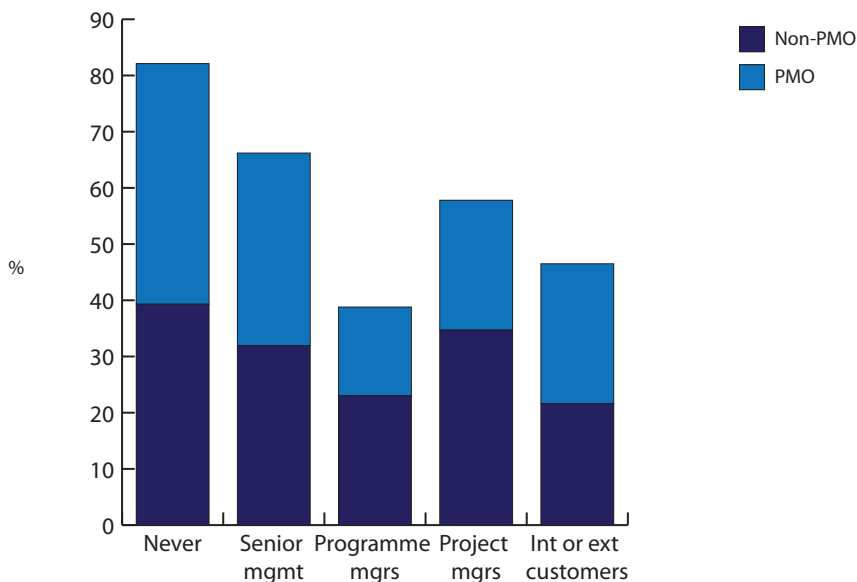


## Questioning the PMO's Value

Both inside and outside the PMO, about two in five said their PMO's value has never been questioned, while around 60 percent claimed it had. When asked who questioned the PMO's value, a disparity between PMO and non-PMO staff responses emerges. Sixty percent of PMO staff say executives and customers question the value while 58 percent of non-PMO staff say project and programme managers question the value. The divergent views may have to do with the PMO staff's proximity to the executives and their more direct exposure to executive opinion. At the same time, non-PMO staff may feel the PMO is too rigid, issuing directives to them about what and how they should do things. Further, non-PMO staff may question the value of the PMO because, as seen above, about half claim the PMO is not contributing much to their career advancement. At any rate, with 40 percent of PMO project/programme managers and 58 percent of non-PMO ones questioning the value of their PMO, its perceived value is far from clear.

### To your knowledge, has the value of the PMO recently been questioned by any of the following stakeholder groups?

PMO's Value Questioned



Whether inside or outside the PMO, a vast majority of the respondents (60%) claim their PMO's value has been questioned.

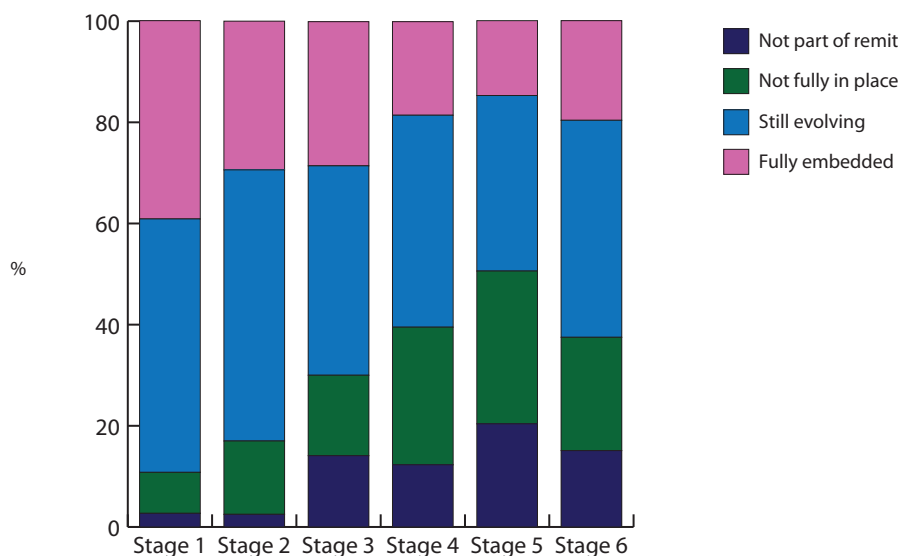
Only one in five PMOs is operating at the strategic level worldwide. PMOs are strongest in reporting on projects (stage 1) and the weakest on determining project ROI (stage 5).

## PMO Maturity on a Global Scale

EMEA, APAC and the Americas pretty much agree that the PMO is well on its way to maturity with the largest respondent pool claiming all stages (one through six) are in place but still evolving. Stages 1 and 2 have the strongest showing with most PMOs reporting completion of those stages. Stage 5 has the weakest showing as it has the highest percentage in all lower categories such as “not yet part of the PMO remit” and the lowest percentage under the category “fully proven and embedded.” Overall, most PMOs are not operating at a strategic level: only 20 percent report they engage in portfolio management, and 15 percent report that they track ROI and benefits realisation.

**The following PMO functions represent stages in the evolution of a PMO (and provide evidence of its growing maturity). Which function(s) does your current PMO fulfil?**

PMO Maturity by Evolutionary Stage



Stage 1: Gather and report on project progress and data

Stage 2: Develop and enforce standards, methods and processes

Stage 3: Manage, allocate and control PM resources

Stage 4: Manage dependencies across multiple projects and/or programmes

Stage 5: Track and report on project ROI and benefits realisation

Stage 6: Manage the health of the project portfolio

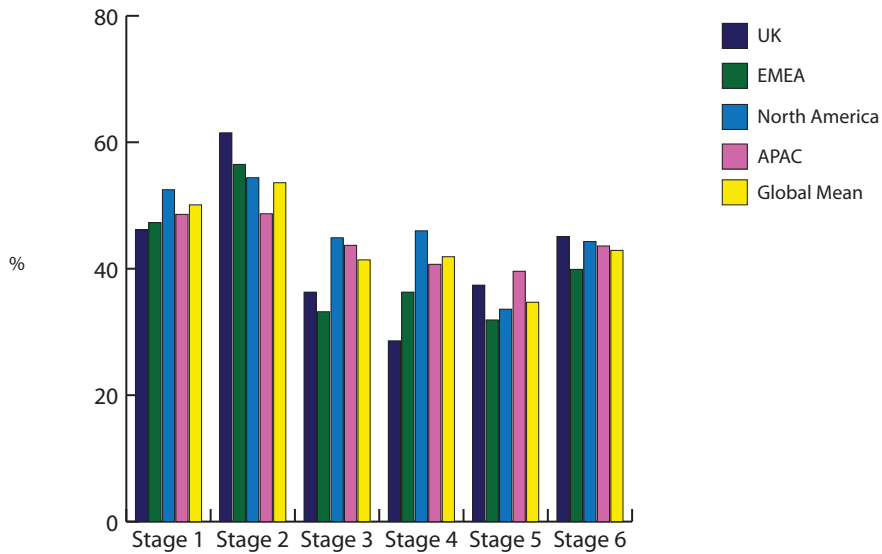


## PMO Maturity by Region

The EMEA region showed the least amount of agreement around the final stages of maturity as compared to the global mean. The UK stands out, however, with an above-average state of PMO maturity compared to the rest of the EMEA region, pointing toward its relative progress in the area of project management.

## PMO Maturity by Evolutionary Stage – Territory Comparisons

PMO Maturity by Stage & Region



## PMO Success for 2010

“Our PMO has led to the improvement of our project management system.”

— UK Head of PMO in the energy sector



## PMO Challenge in 2010

“The introduction of project management means cultural changes and this is always a challenge as we touch on new people and departments.”

— Head of PMO, Financial Services in the UK

Not only are PMOs reaching a global state of maturity, but their staff members are too.

## PMO Success for 2010

“More and more of the employees involved in our technology projects see the value of PMO involvement through the project managers. In fact, several of our front-line managers want more project managers available for lower level projects. This is a big win in our organisation.”

— Head of PMO for a US retail company



## Disparity of Ground-Level and C-Level View on PMO Maturity

Overall, senior leadership has a more optimistic view of its PMO's maturity than the PMO heads or other PMO staff members themselves. While all groups view the first two stages in a PMO's evolution with the same eyes, diverging opinions emerge by Stage 3. The CPOs and PMO heads consistently viewed their PMO as more mature than the global mean. Aligned with the disparity of opinions when it comes to training measurement, this finding reveals the CPO's removed position from the day-to-day operations of the PMO. The CPO intrinsically perceives a higher PMO maturity than those 'in the trenches.'

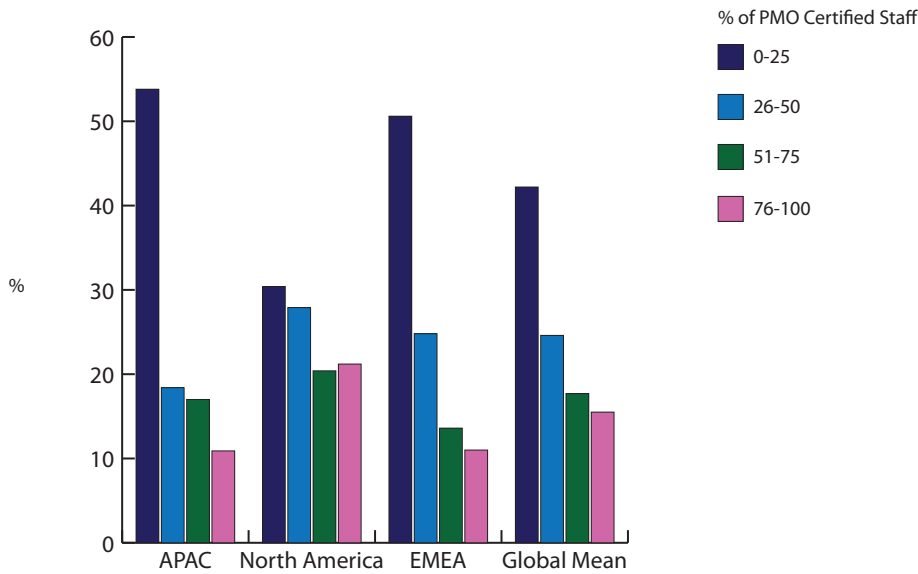
## Seasoned, Certified PMO Staff with Regional Differences

When examining the number of seasoned and certified staff members globally, an overwhelming majority of PMOs (66.8%) staffed themselves with less than or just half of their employees who have any kind of certification at all. Fifty percent of respondents in the APAC region, for instance, claim only up to 25 percent of their PMO staff members have certification while around 15 percent in the APAC region claimed up to 50 percent had certification. In North America, certification is more evenly distributed among PMO staff with one in five claiming up to 100 percent certified staff members. On a global scale, 56 percent of PMO staff reported that the PMO provides support and guidance for certification while only 42 percent of non-PMO members claimed the same.

It is clear that a large number of PMO staff were not certified at the time of this survey. These findings do not reveal those who may have been working toward their certification, but given the age of many of the PMOs responding, the achievement of earning certification may not be a strong driver for professional growth. Prior research has shown that the experience of the PMO staff is a key criterion when judging the perceived value of the PMO. Certification remains to be one indicator in which staff are viewed as either experienced or not.

## How many of your PMO staff members hold a professional certification, e.g., PMP, APMP, PRINCE2 (PMO Staff)?

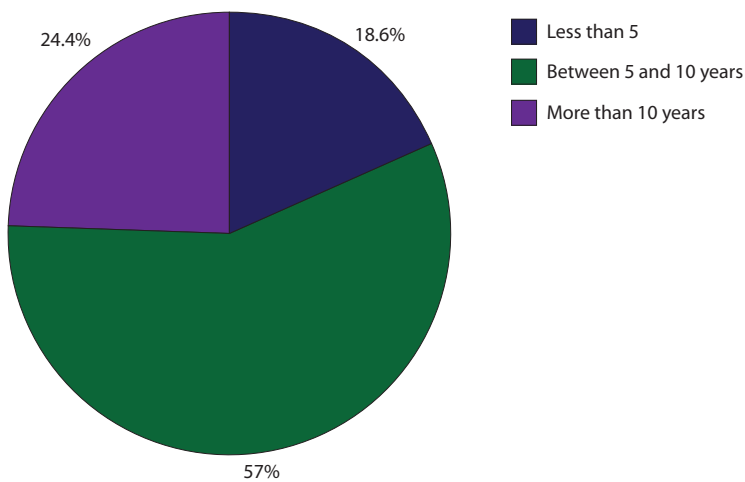
Number of PMO Staff Holding Certifications



While certification is not as evenly distributed as one might think, every region staffed its PMOs with more experienced employees. In fact, a majority of global PMO staff members were found to have five or more years of project experience (81.4%), indicating that not only the PMO is reaching a global state of maturity, but its staff members are too.

## On average, how many years of project experience do your PMO staff members have?

Average Years of Project Experience (PMO Staff)



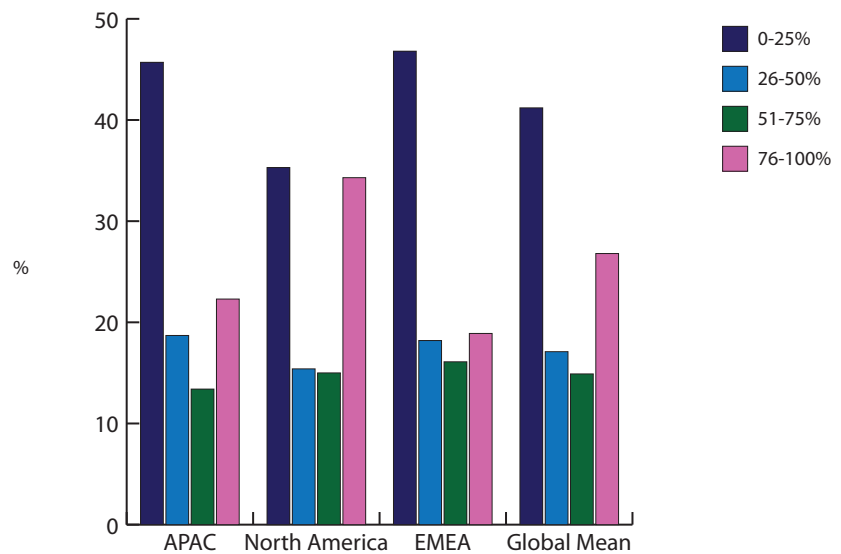
Results from North America indicate its project management culture is rapidly progressing with a 50-50 split between project managers both inside and outside the PMO.

## Who Reports to the PMO and Where?

At the same time, it was surprising to find that fewer than half of all project managers reported directly to the PMO in most of the world. In North America there was an even split between all project managers and no project managers reporting directly to the PMO, which may indicate project management is progressing more quickly there than in the rest of the world.

## Approximately what percentage of your organisation's project managers report directly to the PMO?

Number of PMs Reporting to the PMO



## PMO Strongest in Methodology and Project Monitoring

From both a PMO and non-PMO staff perspective, the global PMO has been found to contribute to a moderate degree in the areas of training, resource management and communication. Consistent with other findings, organisations reported that the PMO was responsible to a greater extent for improved processes, standards and methodologies, better project performance monitoring and project measurement.

### Key Achievements and Improvements by PMO in 2010

#### PMO Staff Perspective

Managing projects.....44%  
Resource management.....10%  
Improved communication.....7%

#### Non-PMO Staff Perspective

Managing projects.....41%  
Improved communication.....6%  
Training & reporting.....6%



India is particularly client-facing when measuring its PMO effectiveness; however overall, more transparency is needed so that non-PMO staff are equally aware of which measurement standards the organisation utilises, if any.

## PMO Effectiveness

### Lack of Transparency Around PMO Effectiveness

A key finding in this study is the lack of measurement for PMO effectiveness in most of the world. The majority of non-PMO staff respondents does not or does not know whether their organisation measures PMO effectiveness. In the APAC region roughly one out of three claims they do measure effectiveness while two out of three either do not or don't know whether they do or not. As with training measurement, North America shows the greatest need for improvement with non-PMO staff as only 18.3 percent of those respondents, as opposed to 51 percent of PMO staff, claimed their organisation measures PMO effectiveness at all. The discrepancies between PMO and non-PMO staff point to the need for more transparency about effectiveness measurement throughout the organisation.

Does your organisation measure PMO effectiveness?*					
		GLOBAL	EMEA	APAC	NO. AMERICA
YES	PMO	52%	41%	63%	51%
	NON-PMO	24%	24%	30%	18%
No	PMO	31%	38%	21%	31%
	NON-PMO	45%	42%	41%	52%
Don't Know	PMO	18%	21%	16%	18%
	NON-PMO	31%	34%	30%	29%

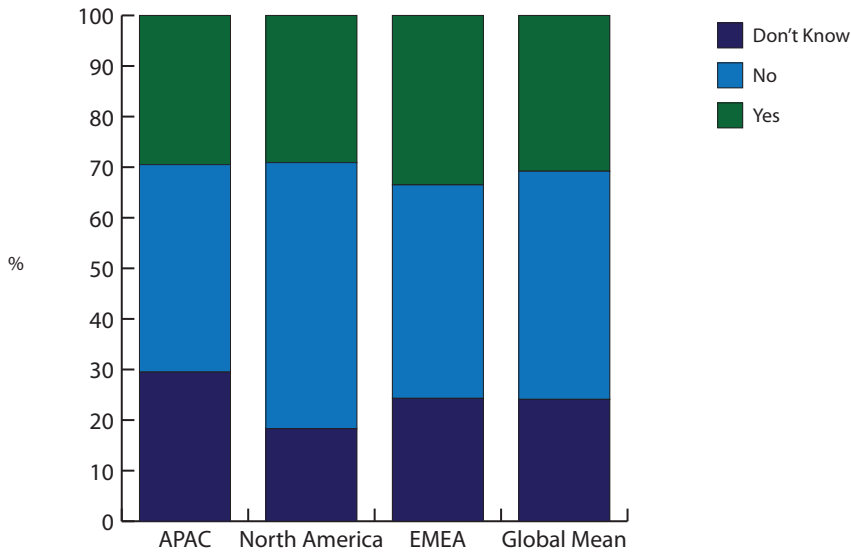
PMO	52% measure; 49% don't (know)	41% measure; 59% don't (know)	63% measure; 37% don't (know)	50% measure; 50% don't (know)
NON-PMO	24% measure; 76% don't (know)	25% measure; 75% don't (know)	30% measure; 71% don't (know)	18% measure; 81% don't (know)

\*Due to rounding, some of the percentages may exceed 100%

Staff members outside the PMO are particularly unaware of effectiveness measurements as illustrated in the chart below.

## Does your PMO measure and report formally to you and the business on its own effectiveness?

Does Your PMO Measure Effectiveness?  
(Non-PMO Staff Perspective)

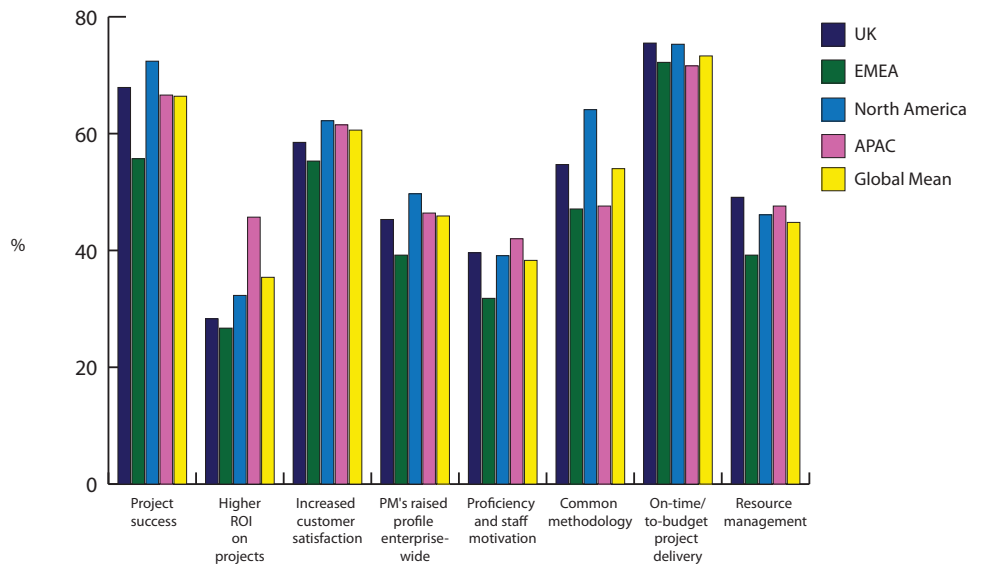


## Measuring PMO Effectiveness: A Global to Regional View

Organisations that do measure effectiveness use various methods to do so. Delivering projects on time and to budget is very much the main measuring stick for PMO effectiveness worldwide, yet that is only one piece of the PMO effectiveness puzzle. Success has not only to do with on-time and to-budget project delivery, but also with client satisfaction. On a global level, 73.3 percent claimed the PMO communicates and reports its own effectiveness through projects delivered on time and to budget while 66.4 percent claimed PMO effectiveness was expressed through an increase in successful projects. Almost 61 percent pointed to customer satisfaction. It is notable that India (71%) had the highest rankings under the category 'increased customer satisfaction' as their guide to PMO effectiveness, pointing to their client-facing perspective on the global stage. The existence of an enterprise-wide methodology as a measurement of effectiveness played a particularly important role in North America.

## PMO Effectiveness Measured By Region

How PMO Effectiveness Is Reported

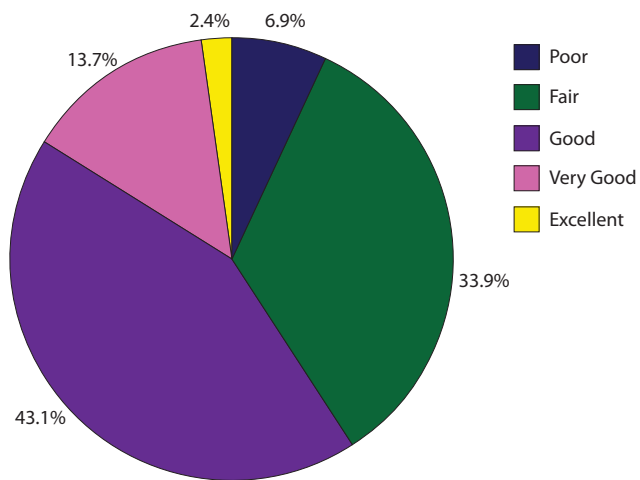


## Perceived PMO Value Is Wavering

While the establishment of official measurement for effectiveness continues to plague PMOs worldwide, the perceived value of the PMO is wavering as well. From an external perspective, more than half (60%) claim the PMO is good, very good or excellent at meeting business objectives while around forty percent rated their PMO as fair to poor. Even though PMOs are maturing, a significant number of them are not perceived as performing as well as they could. The question remains as to why. Given the global evolution of the PMO, the conversation is expected to move away from PMO maturity and more toward how well the mature PMO contributes to the organisation.

## To what degree does your PMO fulfil its role?

Degree to Which Your PMO Fulfils Its Role  
(Non-PMO Staff Perspective)



## Top Challenges and Successes

When reflecting on the past 12 months, survey responses indicate that the top three challenges facing their PMOs included process, scope and methodology adoption; stakeholder buy-in; and a lack of resources. At the same time, PMOs had well established themselves as the purveyors of methodology, showing their greatest strengths in the areas of best practices and technology. As they continue to mature, PMOs will need to fine-tune their ability to adopt training models that best serve organisational needs by measuring their ROI. It can be observed that even a mature PMO can continue to increase its perceived value to the organisation by evolving in step with the rest of the organisation. Improvements in enterprise-wide communication can help tremendously in reinforcing that value.

## Outlook

When placed into question, PMOs were most likely scrutinised by senior management, pointing to the crucial need for improvement in executive-level support of the PMO, in particular. As the reverberations from the world financial crisis slowly subside, PMO budgets will continue to be subject to intense scrutiny in much the same way that budgets for all operating divisions will be scrutinised. Budgets will only increase for those PMOs to which a greater percentage of project managers report directly into the organisation.

While the majority of respondents perceive the PMO to have significant business value, most do not have or are not aware of a standardised measurement for determining PMO effectiveness. One way in which organisations can improve their chances of PMO impact is to establish formal effectiveness measurements on both the training and PMO levels. By implementing both pre- and post-training assessments, PMOs can foster their role as the hub of training for everyone in the organisation while reinforcing their value. By measuring for PMO effectiveness, organisations can leverage the PMO not only for tactical project support, but also for more strategic, enterprise-wide professional development.

Across the globe, the PMO is excellent in conveying methodology; however to have long-term relevance, it will need to improve its ability to provide coaching and mentoring along with other soft skills training to invest in tomorrow's leaders today.

From a global perspective, this survey shows that, while PMOs have had moderate success in impacting training, improving processes and offering project support, the road to maturity also contains some growing pains. Deeply entrenched in corporate culture, the PMO may have a way to go on its path to progress, but it is also a body that most organisations at this juncture would not want to do without.

This benchmarking study serves as the first in an annual investigation that will continue to monitor PMO trends and themes to identify areas of improvement in the field of project management worldwide.

## Survey Methodology

The online survey took place from March 4-18, 2011. With 3,740 respondents and 3,030 completed surveys, the global study had a completion rate of 81%. The survey respondents stemmed from five continents and more than 16 industries, including IT (23.4%) financial services (13.7%), telecommunications (8.4%) and pharma and healthcare (8.3%). With 29 questions, of which 4 were open-ended posed to PMO staff and 25 questions, of which 3 were open-ended posed to non-PMO staff, this global study sought to measure the current state, trends and value of the Programme/Project Management Office (PMO) worldwide. The anonymous respondents only provided contact details if they wished to receive a copy of the report.



For more information about how ESI can help your organisation, call us at +44(0) 20 7017 7100 or visit [www.esi-emea.com](http://www.esi-emea.com).