THE PMO SQUAD

2022 RESEARCH REPORT

TRANSFORMING YOUR PMO IN 2023

THE PMO SQUAD
Empowering People to Deliver Results

www.thepmosquad.com

ABOUT OUR RESEARCH

Many industry research reports present only the findings of that organization's own research. While this information is useful, we find it can be of greater use when compared and contrasted to research conducted by others within the industry. Within this report you will find data and analysis conducted by our team as well as comparisons to research conducted by *PMI & PWC*, *PM Solutions, Antonio Nieto-Rodriguez* and *KeyedIn*. We did not conduct our research in partnership with any of these organizations but utilized their publicly available research reports. You are invited to visit their websites to read their research reports in full.

For our report, we conducted an online survey from June to August 2022 open to respondents around the world. We received 105 responses from 31 different countries. Positions held by respondents include: Consultants, Executives, PMO Leaders, Project Managers, and Business Owners. 21 different Industries are represented by respondents with company sizes ranging from revenues less than $5M to greater than $1B. For additional information or questions about the survey email info@thepmosqud.com

PRESIDENT'S BRIEFING

Industry research is a necessary and vital tool to help us continue to improve our performance as individuals, teams, and organizations. However, if we fail to learn or improve from the research then I wonder, "Was the research really of importance to us?"

Like many of you, I've been following the research within our industry for over a decade. From year to year and report to report we see many consistent long-term trends which indicate we aren't maturing or evolving to meet business demands. It is my belief that PMOs are now ripe for a ***transformation.***

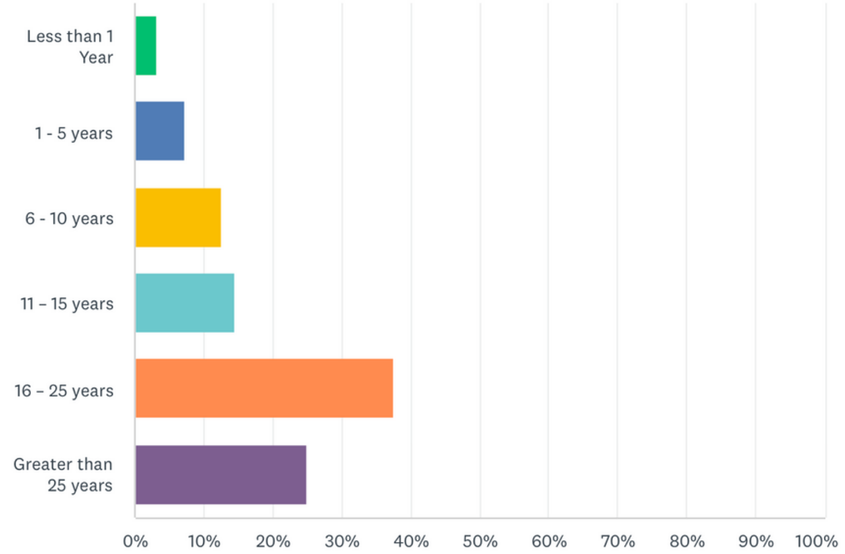
The time has come to drastically change how PMOs are built and utilized within organizations. Without this necessary transformation we will continue to see disappointing research reports and organizations minimizing the importance and value that PMOs can provide to our organizations. We have already seen the introduction of AMOs, SROs and VMOs around the world. Agility, Strategy, and Value are critical components of the coming transformation. The PMO Squad will be leading from the front supporting our clients with our expertise and our industry with contributions of community, learnings, research and support as we transform PMOs around the world.

Joe Pusz

President, The PMO Squad

MAKE UP OF RESPONDENTS

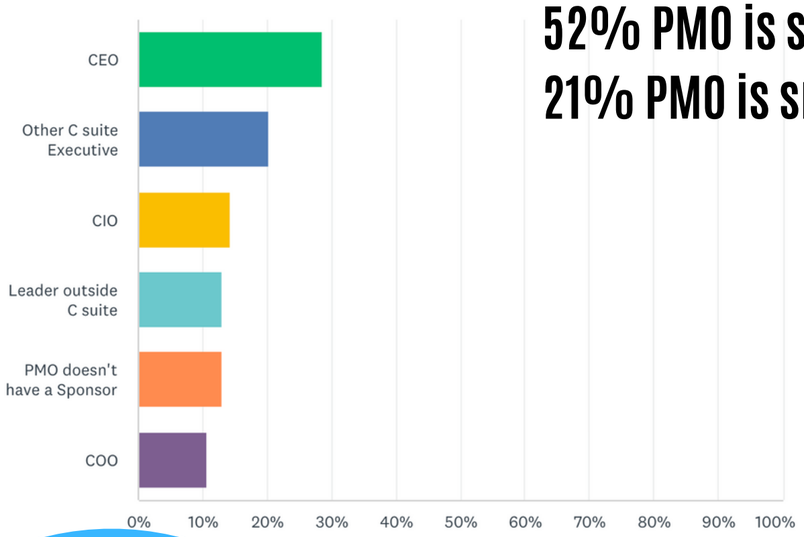
How long have you been in Project Management related roles?

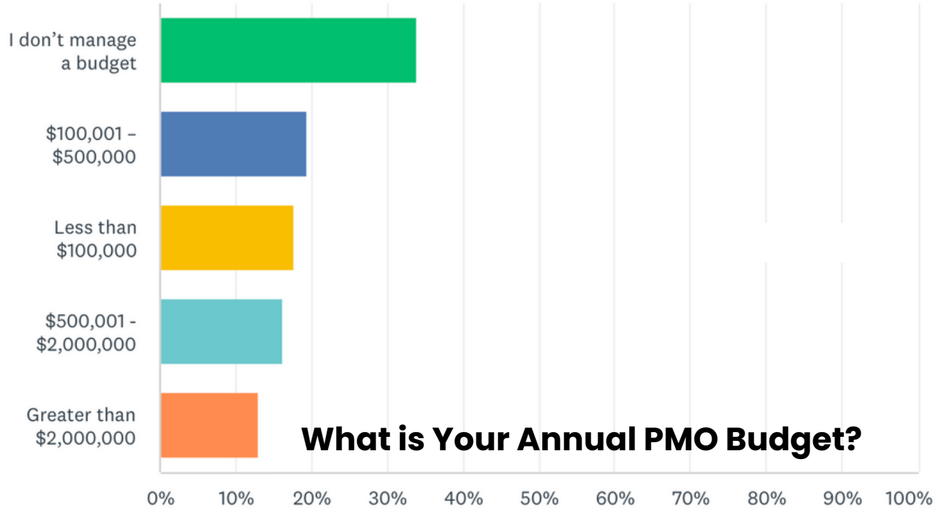


Since COVID, how has the size of your PMO changed?

27% PMO is larger post COVID
52% PMO is same size
21% PMO is smaller post COVID

Who is the sponsor of your PMO?





What is Your Annual PMO Budget?

Did You Serve in the Military?

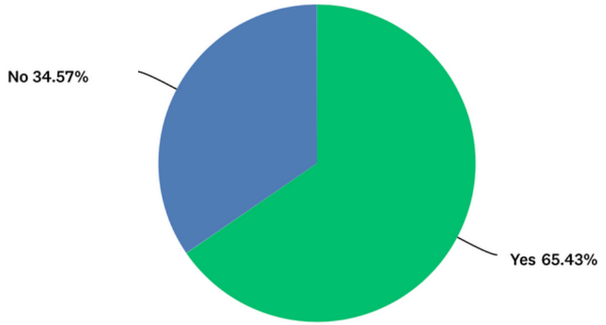
89% NO **11% YES**

MAKE UP OF RESPONDENTS

ANSWER CHOICES	RESPONSES
PMO Leader at another organization	42.86%
Project/Program Manager	22.22%
Consultant	17.46%
Manager non-PMO Business Function	9.52%
PMO Staff Member	4.76%
Other	3.17%

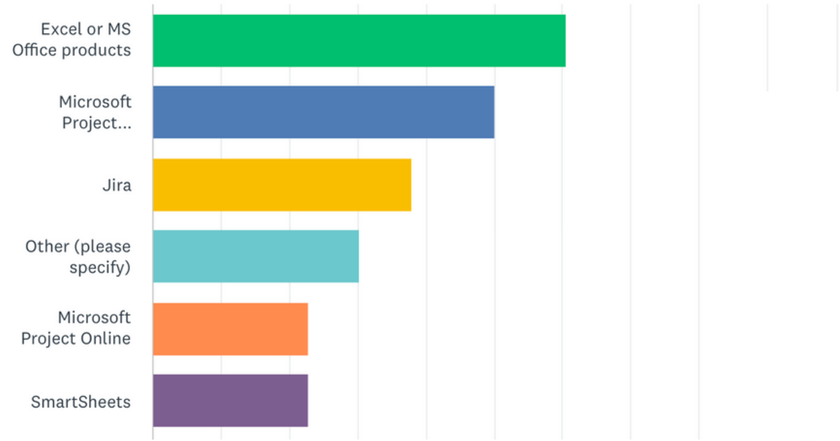
What was your role before leading your current PMO?

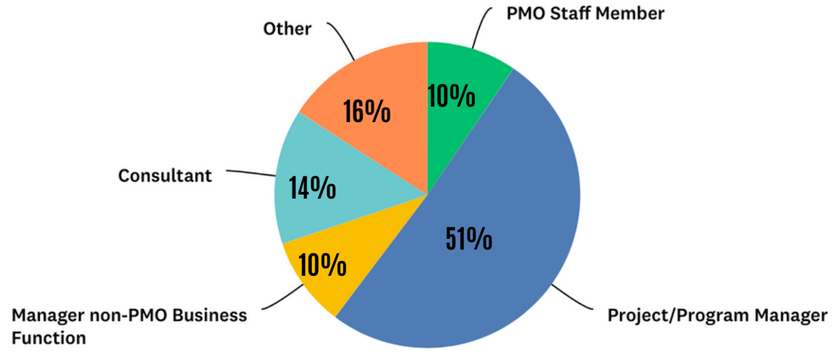
Are there any Accidental Project Managers within your current organization? (People managing projects whose primary role is not a Project Manager)



What tool(s) does your PMO use to manage projects? (Select all that apply)

Displaying the Top 6 of 37 different tools reported





What was your role before leading your 1st PMO?

Have you ever participated in a Global Research Survey?

66% NO **34% YES**

CRITICAL FINDINGS FROM OUR RESEARCH

Every survey has something which stands out. In our research, the below items stand out to us and point to significant challenges for PMO Leaders. If PMOs are not providing value to organizations nor feel they are successful it is time to end the status quo and begin transforming to impactful PMOs which do benefit their organization.

What does the data tell us?

78%

Don't Measure PMO Value

How do you know if your PMO is adding value? You measure it! Simple, right? We were surprised to find a staggering 78% of respondents don't have a formal process in place to measure PMO Value

43%

PMO's Rate Themselves as Successful

We know we have a problem when we don't even rate ourselves as being successful. Only 43% of PMO Leaders rated their PMO as successful for their organization. Time for a transformation!

59%

PMOs Which Train PMs

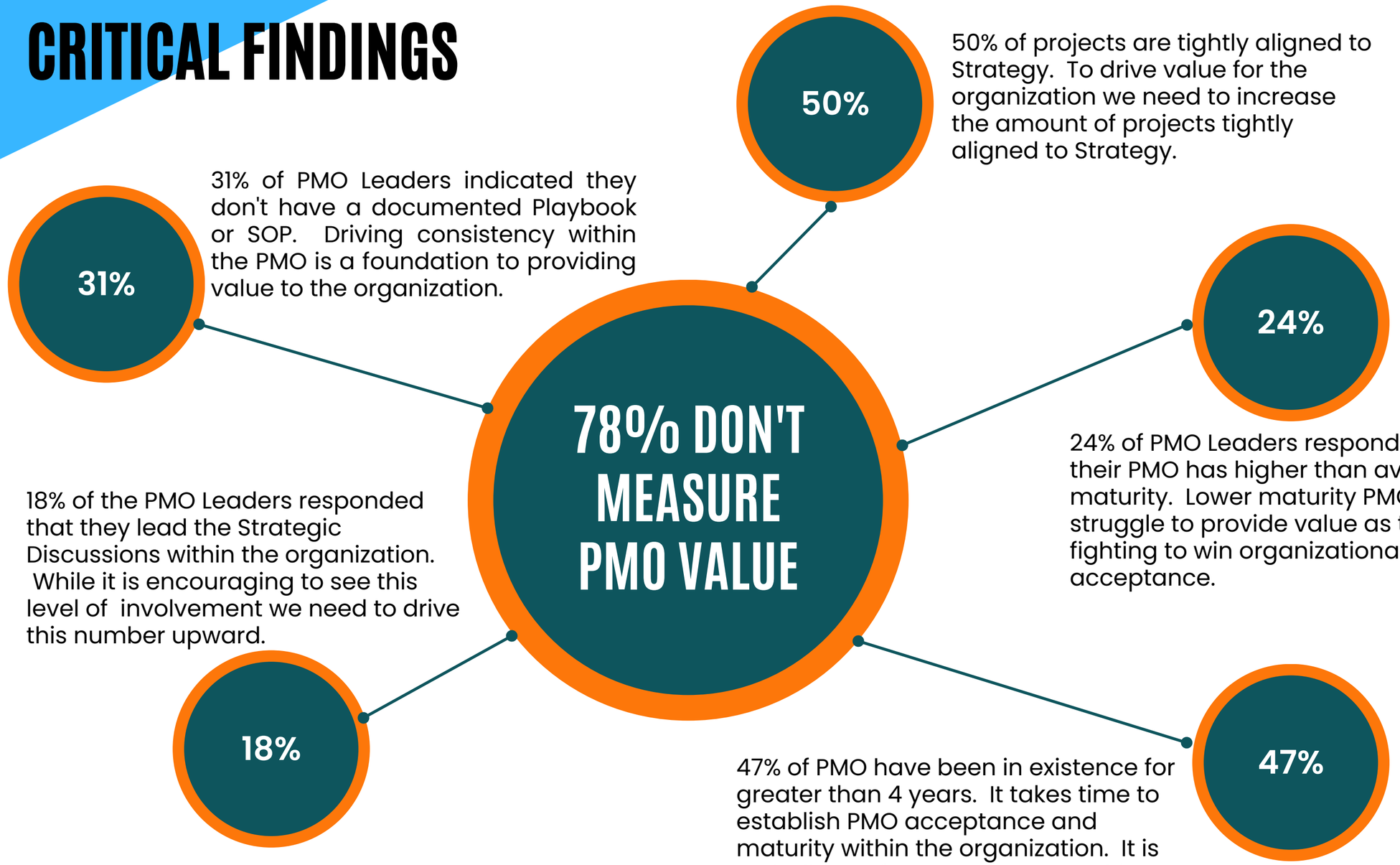
Project Delivery isn't a static skill set. It requires continuous learning and training. However, we found only 59% of PMO's provide training for their Project Delivery teams.

20%

PMO Leaders have Coaches

PMO Leaders are Leaders within the organization. However, they often don't have leadership training to prepare for the role. 20% of respondents have a professional Coach and only 41% have a Mentor.

CRITICAL FINDINGS



50% of projects are tightly aligned to Strategy. To drive value for the organization we need to increase the amount of projects tightly aligned to Strategy.

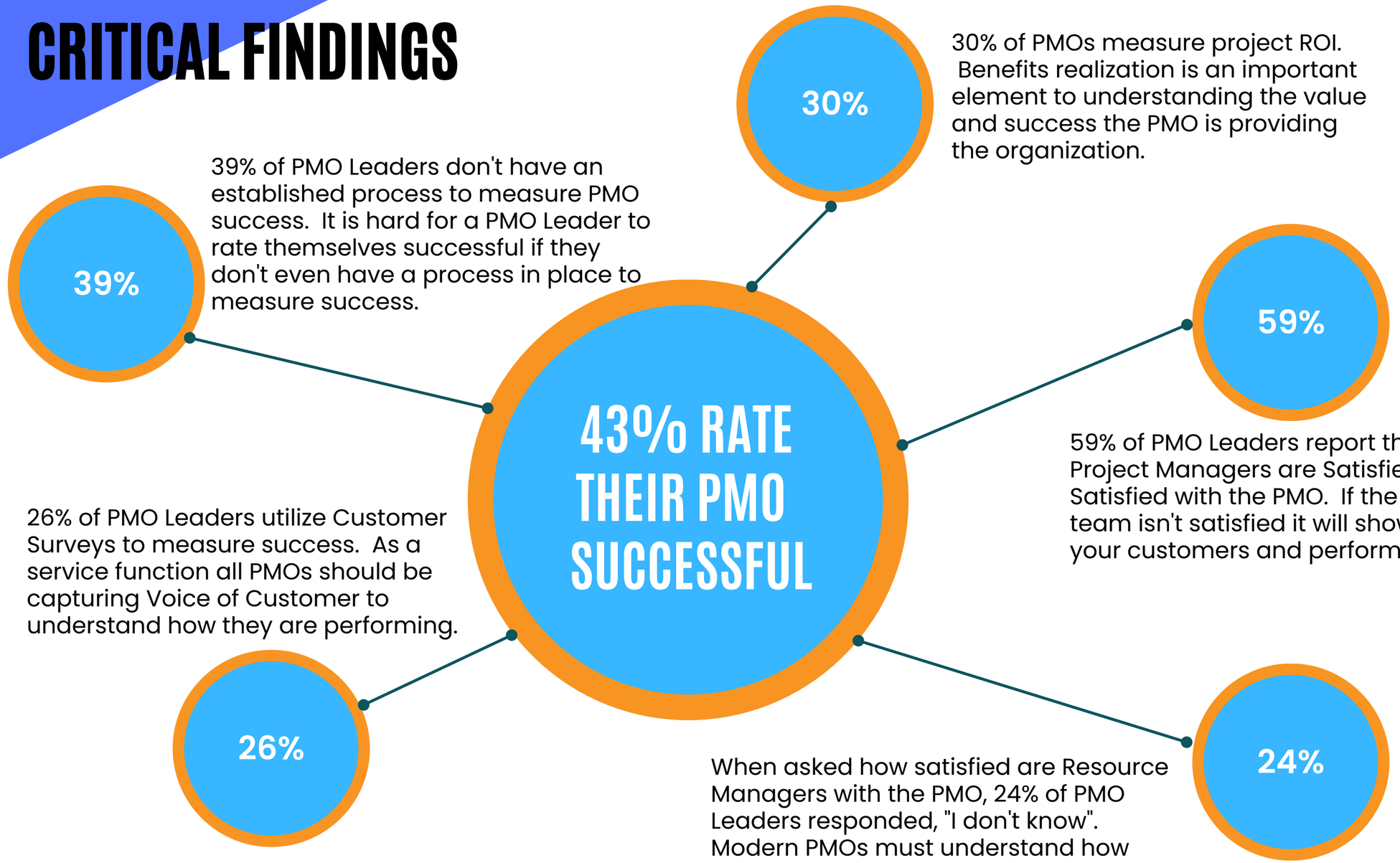
31% of PMO Leaders indicated they don't have a documented Playbook or SOP. Driving consistency within the PMO is a foundation to providing value to the organization.

24% of PMO Leaders responded that their PMO has higher than average maturity. Lower maturity PMOs struggle to provide value as they are fighting to win organizational acceptance.

18% of the PMO Leaders responded that they lead the Strategic Discussions within the organization. While it is encouraging to see this level of involvement we need to drive this number upward.

47% of PMO have been in existence for greater than 4 years. It takes time to establish PMO acceptance and maturity within the organization. It is a challenge for young PMOs to drive value.

CRITICAL FINDINGS



30% of PMOs measure project ROI. Benefits realization is an important element to understanding the value and success the PMO is providing the organization.

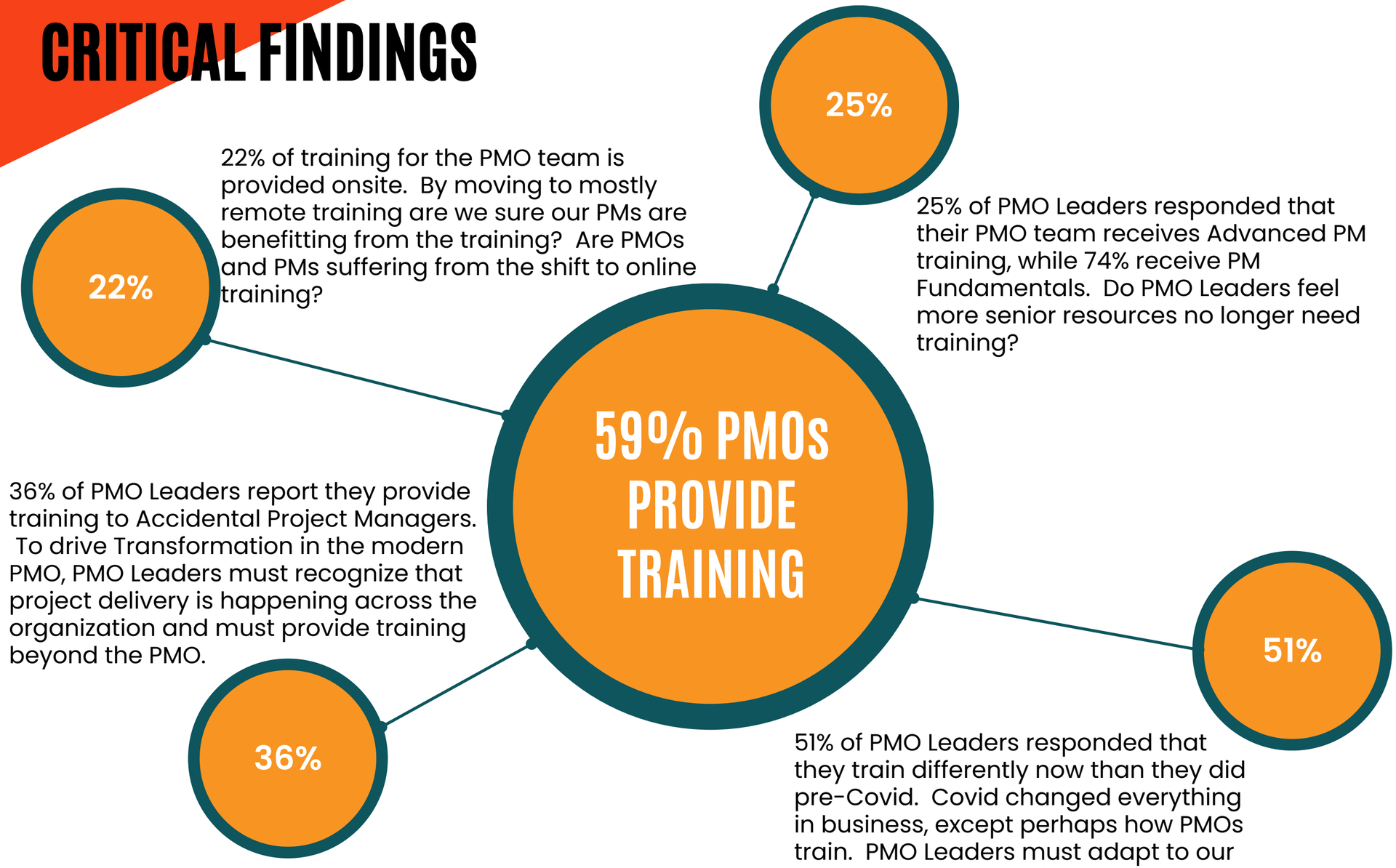
39% of PMO Leaders don't have an established process to measure PMO success. It is hard for a PMO Leader to rate themselves successful if they don't even have a process in place to measure success.

59% of PMO Leaders report that their Project Managers are Satisfied or Very Satisfied with the PMO. If the PMO team isn't satisfied it will show with your customers and performance.

26% of PMO Leaders utilize Customer Surveys to measure success. As a service function all PMOs should be capturing Voice of Customer to understand how they are performing.

When asked how satisfied are Resource Managers with the PMO, 24% of PMO Leaders responded, "I don't know". Modern PMOs must understand how others within the organization feel about the PMO.

CRITICAL FINDINGS



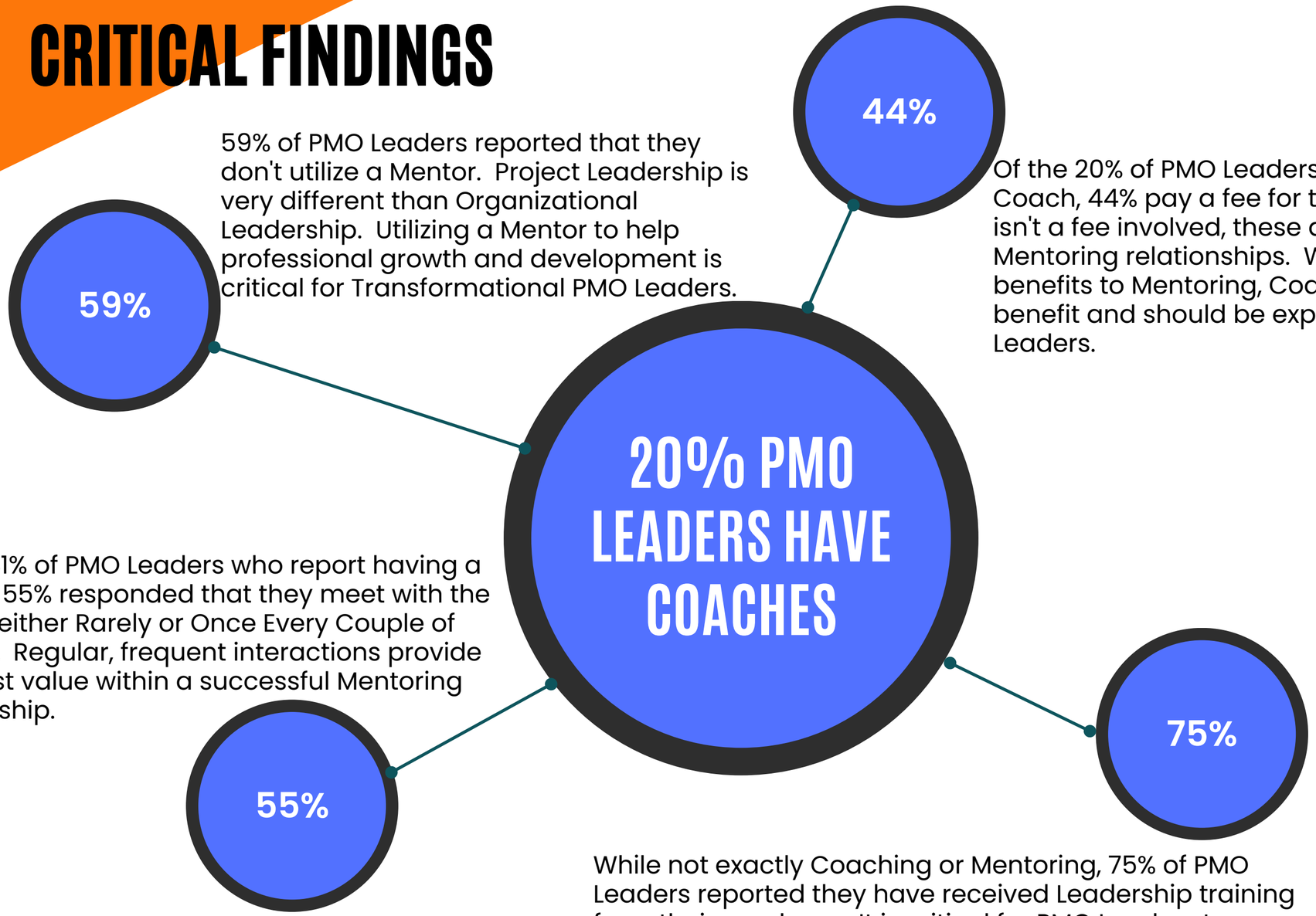
22% of training for the PMO team is provided onsite. By moving to mostly remote training are we sure our PMs are benefitting from the training? Are PMOs and PMs suffering from the shift to online training?

25% of PMO Leaders responded that their PMO team receives Advanced PM training, while 74% receive PM Fundamentals. Do PMO Leaders feel more senior resources no longer need training?

36% of PMO Leaders report they provide training to Accidental Project Managers. To drive Transformation in the modern PMO, PMO Leaders must recognize that project delivery is happening across the organization and must provide training beyond the PMO.

51% of PMO Leaders responded that they train differently now than they did pre-Covid. Covid changed everything in business, except perhaps how PMOs train. PMO Leaders must adapt to our changing business climate.

CRITICAL FINDINGS



59% of PMO Leaders reported that they don't utilize a Mentor. Project Leadership is very different than Organizational Leadership. Utilizing a Mentor to help professional growth and development is critical for Transformational PMO Leaders.

Of the 20% of PMO Leaders who report having a Coach, 44% pay a fee for the Coaching. If there isn't a fee involved, these are most likely Mentoring relationships. While there can be great benefits to Mentoring, Coaching provides added benefit and should be explored by all PMO Leaders.

Of the 41% of PMO Leaders who report having a Mentor, 55% responded that they meet with the Mentor either Rarely or Once Every Couple of Months. Regular, frequent interactions provide the most value within a successful Mentoring relationship.

While not exactly Coaching or Mentoring, 75% of PMO Leaders reported they have received Leadership training from their employer. It is critical for PMO Leaders to grow their leadership capabilities via coaching, mentoring, and/or training.

CHALLENGES FACING PMOs

What are the key challenges that PMO Leaders are facing? What do we need to improve? The results shouldn't be a surprise, as they are mostly consistent regardless who is conducting the research from the past several years.

IMPROVING VALUE DELIVERY

Here we see Value Delivery once again. PMO Leaders aren't measuring it and they identify it as their #1 challenge.

RESOURCE MANAGEMENT

Resource Management shows up in almost every research report for top challenges PMOs face. When will we finally do something about this?

STRATEGIC ALIGNMENT

Just as with Resource Management, Strategic Alignment is included in most research reports. What PMO Leaders are doing isn't working. More evidence that it is time for a transformation.

PM SKILL & CAPABILITY

When we looked at the budgets allocated for training this challenge makes sense. PMO Leaders aren't investing to upskill their PMs so it's no wonder this makes the top 4 list of challenges for the PMO.

What is your training budget for each of your Project Managers each year?

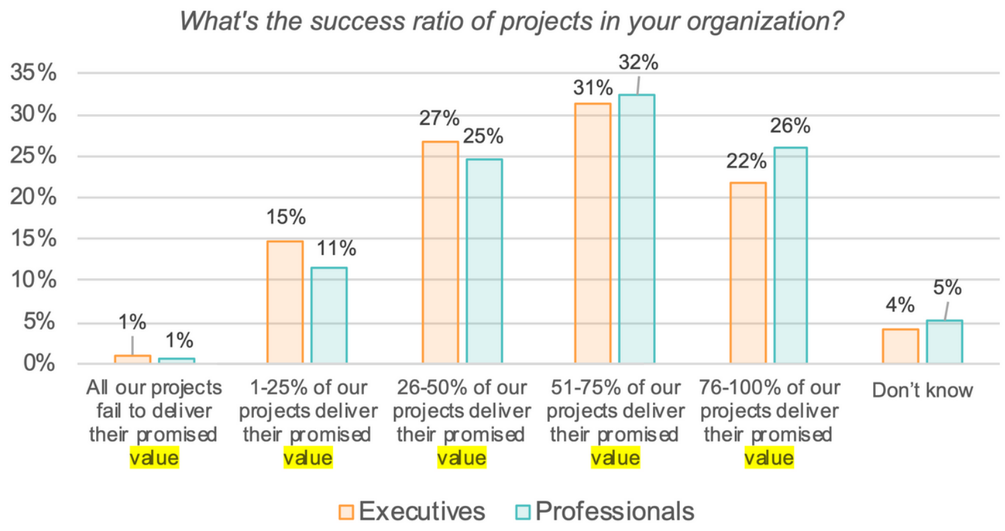
- 24% - NONE
- 48% - LESS THAN $1000 PER PM
- 18% - BETWEEN $1000 - $2500 PER PM
- 10% - GREATER THAN $2500 PER PM

CHALLENGES FACING PMOs

IMPROVING VALUE DELIVERY

Earlier in this report we shared data related to PMOs providing Value. Most importantly, 78% of respondents said their PMO doesn't measure if they are providing value. We know we need to start measuring, but what else do we know? Let's look to another industry report, *State of Project Management 2021 by Antonio Nieto-Rodriguez.* The chart below measures value delivered by successful project delivery which is different than PMO value, but it speaks to the PMO ability to drive successful project outcomes. Without project success there can't be PMO value.

- However, this means that 50% of projects don't deliver their value and waste organizations' limited resources.
- This makes project management one of the professions with the lowest success rate, in the Project Economy. This has to change, urgently.



With the introduction of new project management concepts, new competencies and the introduction of advance technology, success rates for projects will increase, creating significantly more value

State of Project Management 2021 Antonio Nieto-Rodriguez

CHALLENGES FACING PMOs

RESOURCE MANAGEMENT

The PMO Outlook Report 2023 Edition from KeyedIn will be released shortly and just as they found in their 2022 report, Resource Management is again an ongoing challenge for PMOs.

The PMO Outlook Report 2023 Edition presented by KeyedIn

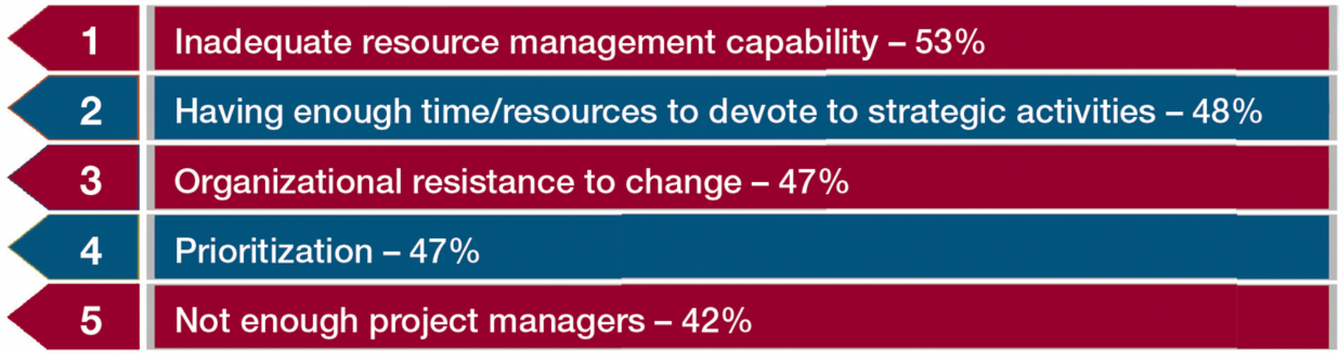
After reviewing our PMO Squad research findings and seeing for years Resource Management be a top challenge for PMOs, we got to thinking maybe we aren't asking proper follow up questions on this Resource Management challenge. Should we ask, "*Why is Resource Management on the PMO Leader*?" The great majority of company resources don't work within the PMO. The majority of resource time isn't spent working on projects. Yet, somehow this is a PMO challenge?

The transformational PMO will work with Executives to better understand resource challenges and solutions but they won't actually own this albatross. Resource allocation, capacity, and utilization is an organizational challenge not a project delivery challenge no more than it is an operational challenge. Transformational PMO Leaders will work within the same boundaries as Operational Leaders to deliver organizational solutions which drive value to the enterprise.

CHALLENGES FACING PMOs

RESOURCE MANAGEMENT

TOP FIVE CHALLENGES



Project Management 2022 Research Report presented by PM Solutions

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We also see Resource Management identified as a Top Challenge in PM Solutions report, *Project Management 2022 Research Report.*

Regardless who does the research, Resource Management is listed as a top challenge facing PMOs. This isn't new either, Resource Management has been listed going back in time from report to report. We keep identifying the challenge so we haven't been able to find the solution.

To finally solve the Resource Management challenge **it is time to transform how we approach Resource Management.**

CHALLENGES FACING PMOs

STRATEGIC ALIGNMENT

All PMOs travel a journey to maturation and acceptance within their respective organizations. Very few, if any, immature PMOs find themselves to be tightly aligned strategically with executive leaders. The real time challenges young PMOs face are more closely aligned to process development & adherence, organizational acceptance, and developing the skills and capabilities of their team. As the PMO matures and they start to see acceptance and value creation, executives begin to include the PMO in strategic discussions and planning. A challenge then for PMO Leaders is to provide value early in your PMO Journey so that you can remain a viable PMO over time, allowing for acceptance and maturation to take place.

Below you see the data shows the importance of maturing with Strategic Alignment. For the PMO Leaders who have been leading their PMO for over 5 years they reported a far greater level of satisfaction from their Executive Leadership. Perhaps the challenge for PMOs isn't Strategic Alignment, it's Survivability.

All Respondents

"How satisfied is Executive Leadership with the PMO?"

- 24% Extremely Satisfied
- 41% Satisfied
- 28% Neither Satisfied nor Dissatisfied
- 3% Dissatisfied
- 0% Very Dissatisfied
- 5% I don't know

PMO over 5 years old

"How satisfied is Executive Leadership with the PMO?"

- 80% Extremely Satisfied
- 20% Satisfied
- 0% Neither Satisfied nor Dissatisfied
- 0% Dissatisfied
- 0% Very Dissatisfied
- 0% I don't know

STRATEGIC ALIGNMENT

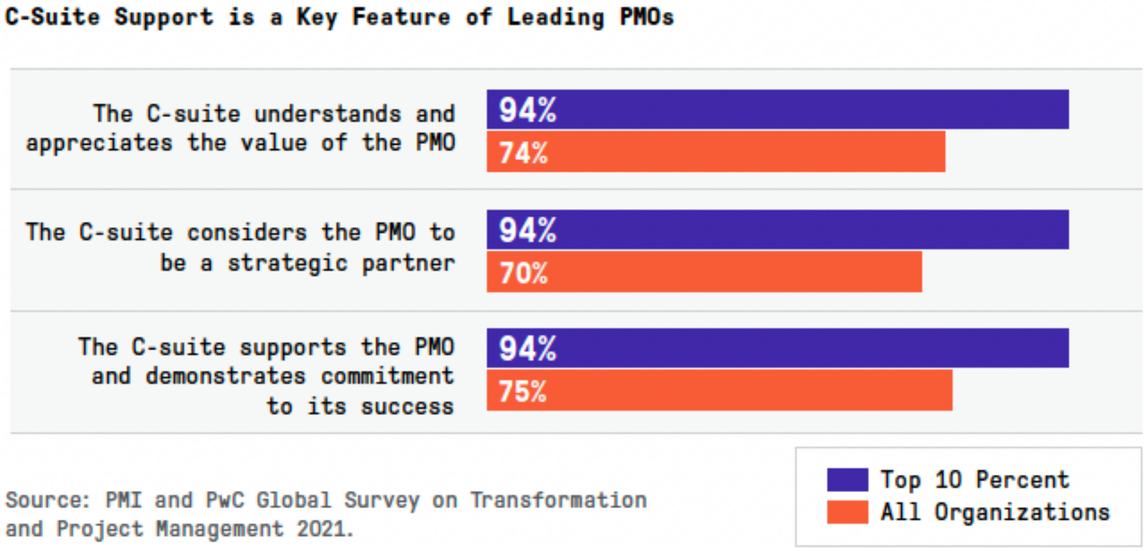
CHALLENGES FACING PMOs

Is our research unique or do we have any other research which supports this notion that PMO maturity plays a role in Strategic Alignment? We reviewed the *PMI and PwC Global Survey on Transformation and Project Management 2021* to find some supporting evidence. In that report, they state, "C-suite support is vital to enabling a more strategic PMO." The report identifies the Top 10% of PMOs and what do they do in contrast to those ranking below them. You can see some of this data in Figure 3 below which comes directly from that research.

The research also shares, "The Top Percent have also elevated the PMO function, with 89% contributing to the development of strategy all the time compared to 32% of organizations as a whole. When the PMO is involved in strategy, it can ensure resources are allocated efficiently to projects and programs by prioritizing the initiatives that contribute toward the organization's key goals.

In the *PMI and PwC Global Survey on Transformation and Project Management 2021* we see data on PMOs and Strategic Alignment.

Figure 3: C-Suite Characteristics - The Top 10 Percent versus All Organizations



Source: PMI and PwC Global Survey on Transformation and Project Management 2021.

CHALLENGES FACING PMOs

PM SKILL & CAPABILITY

When we talk training in our industry, many equate this to certifications. Our industry certifications are rarely tied to capability to deliver projects, rather they are focused on passing a test. Our research found the following are the topics PMO Leaders are investing in to train their PM teams:

- 60% Training on PM tools or technical training
- 47% Agile based training
- 45% Traditional PM training
- 37% Leadership training

We also find the impact of training to high performance in the *Project Management 2022 Research Report from PM Solutions .*

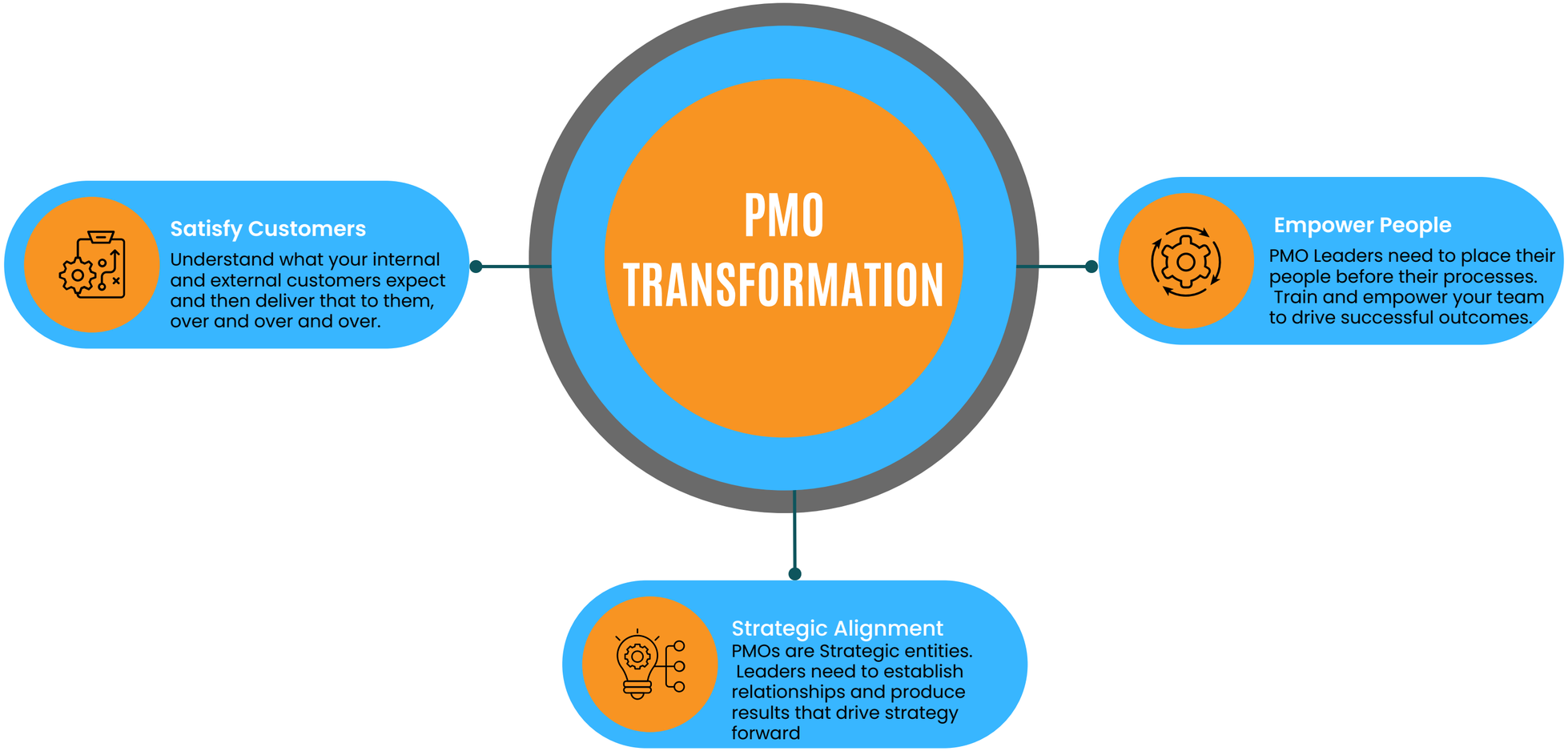
MORE TRAINING, HIGHER PERFORMANCE

This is a finding that has repeated itself in every study we have done for decades: high-performance organizations offer more kinds of training, for more days, and in more advanced topics. This year, we saw that, while nearly all (88%) offer PM-related training, and a majority of them (69%) offer PM basics training, staff in high-performing PMOs are more likely to receive PM-related training than those in low performers (97% vs. 77%). High-performing PMOs are far more likely than low performers to offer advanced PM skill development training (48% vs. 7%), business alignment training (48% vs. 3%), and leadership training (55% vs. 13%). Staff in high-performing PMOs receive more training annually (9 days) than those in low performers (5 days).

Project Management 2022 Research Report presented by PM Solutions

TRANFORMING PMOs IN 2023

What have we learned from our research and the research of others? Our key learning is that PMOs need to change. Just as with any function in an organization, if you don't provide value you aren't needed. We know PMOs can provide value, we have seen the data to support this. PMOs that have leaders who upskill their resources, drive customer satisfaction, deliver outcomes, and align strategically, succeed in providing value to their organization. The formula for success is available, but too many PMOs are stuck in the past. 2023 should be the year you transform your PMO and start delivering value to your organization.



CONTACT US

For additional information about this report or the services provided by The PMO Squad, you may contact us via phone, email, or our website. You'll probably also see us at PMI Chapter events, listening to your favorite podcasts, or participating within global communities.

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About The PMO Squad

The PMO Squad is a full service PMO and Project Management consulting firm serving clients across the United States. We established the Purpose Driven PMO framework and Project Management Journey maturity model from our experiences delivering successful client outcomes.

Our service offerings cover any and all needs an organization may have with Project Management and PMO challenges including:

- Advisory Services
- Staffing and Resource Solutions
- Education and Training

Our goal is to help you delivery projects better! Learn more about The PMO Squad and the services we provide by visiting our website or contacting us directly.