



Realise the value of your PMO

How to identify the measures that matter



Tracking performance is a fundamental part of project management, but measuring the performance of the Project Management Office (PMO) and using this to demonstrate value for money continues to be a challenging area for project management professionals.

PMOs typically measure project performance in terms of the 'Iron Triangle' assessing whether the work was delivered on time, within scope and on budget. These fundamentals are key for meeting the expectations of project sponsors, but do little to highlight the additional value that the PMO has brought to the project and wider organisation. On longer term projects or transformations this can also mean that success is not evaluated until post-completion.

While new PMOs may be able to point to clear improvements in efficiency thanks to their involvement, over time the tangibility of these benefits will fade. As the PMO matures then, it is necessary to look at alternative ways to demonstrate value above and beyond these lagging indicators. In doing so, they should look to consider business impact at a holistic level.

Our research with senior project professionals and transformation leaders in the Middle East highlights how project managers provide value for money to their organisations, whether that be in building project management capacity across the organisation, or by bridging the gap between organisational strategy and execution. However, measuring these benefits can be tricky and organisations often fall back on informal, qualitative assessments which lack a temporal perspective of a project's impact and are rarely tracked or formally reviewed.



The Innovation Lab will be supporting the PMO to really build the business case for new projects. In terms of, as I said, building proof of concept or Net Present Value (NPV) or have a design thinking workshops with customers to help them shape their requirements or the solution they are looking for and really getting more information about the project before we initiate it.

Digital Leader

Maritime sector, United Arab Emirates

Establish collaboration between project owners and the PMO from the outset

What was clear from our conversations is that there is no one size fits all approach, with key benefits varying across organisations and PMOs fulfilling specific needs. But it is important PMOs don't fade into the background, they need to highlight the value they are driving and think about how to develop specific and easy to digest metrics which measure ongoing performance in the areas the PMO adds value.

Project business cases should be robust and provide the PMO with a solid foundation, allowing it to answer several key questions: What are the best measures that will demonstrate impact? Do we have the right talent in place? And how do we support governance throughout the project lifecycle, to ensure the project stays aligned with business strategy? The PMO can then ensure a strong methodology and team are in place to support business owners in project delivery. A clear business

case can also provide a PMO with specific, measurable KPIs with clearly defined target outcomes. This enables the PMO to set up a framework that provides ongoing tracking of these KPIs and outcomes, as well as tracking the holistic impact a project has on an organisation. This has the benefit of improving visibility for senior decision makers throughout project lifecycles, enhancing decision making and risk management. Additionally, it introduces another set of KPIs that can be used to convey the value of the PMO.

Showcasing the sustained impact of the PMO over time

Across our interviews, long term capacity building is considered a key way the PMO provides meaningful value to an organisation. PMOs should define a clear mechanism in which the impact and lessons learned from each project are evaluated, and this knowledge

shared across functions. From further refinement of methodologies and processes, to the upskilling of staff, the PMO can leverage the relationships it has built across the organisation to continue to build expertise and develop best practices. The ideal end state is an

organisation that has a culture of knowledge sharing, establishing a connected network of project orientated personnel (not necessarily project managers by trade) across departments who are able to inform and educate each other through their experiences.



Sustainability is an important component of 'value for money', as it isn't just about the project itself, it is about transferring knowledge and building capability within us as a client.

PMO Leader

Government and Public Sector, Kingdom of Saudi Arabia

Leveraging the PMO's role as a safety net within an organisation

Proactive risk management has been identified as an often overlooked mechanism by which effective PMOs bring long term value to an organisation. PMOs are often described as safety nets – protecting investment over the long term, and a proactive PMO will provide early detection of risks throughout a project life cycle and develop mitigation plans accordingly. The level of risk for each project should be clearly defined and visible to all stakeholders, and the PMO can provide a holistic view of risk across

an organisation's portfolio to enhance strategic planning and decision making. This bird's eye view allows risks to be identified across departments that have the potential to impact individual projects. Therefore, if close ties between the PMO and organisational strategy have been built, the PMO is in a prime position to identify opportunities and risks at the portfolio level. Building risk management capacity is a key goal of the PMO.



As the team are focused on delivering the mandate – I need a very specialised people to manage the project, not everyone understands risk management and how to mitigate risk, how to track and develop the KPIs, timelines and major milestones etc. that is why we are seeking support from the PMO to minimise risk.

Strategy and Innovation Leader

Government and Public Sector, Kingdom of Saudi Arabia



We have a project review built into the methodology, which goes to a portfolio review, which then goes to the ePMO review. Project managers give feedback, suggestions, challenges, ask for support where needed, where they see the methodology could be enhanced... From time to time, we have our specialised reviews, particularly for significant projects. We ensure we review project management, and give qualitative feedback.

Strategy and ePMO Leader

Tourism and Culture Sector, Kingdom of Saudi Arabia

Realising the return on investment from establishing a PMO

There should be no question that a PMO is a worthwhile investment, but metrics and measures need to be developed that effectively showcase the PMO value to senior leadership. Consider your own examples of what made

your PMO impactful beyond projects being 'on time and in budget'? Capture and showcase these impacts, to demonstrate the true value of the PMO and cement its place as a key asset in any organisation.

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Measures can sometimes become a simple checklist, not concerned with longer term, qualitative benefits. They are looking at it in terms of deliverables base, that's all – but it shouldn't be a simple checklist. It's about the quality of the deliverable and the value that I'm getting out of the deliverable to my own objectives and goals within the organisation.

Strategy and Innovation Leader

Government and Public Sector, Kingdom of Saudi Arabia

This report is part three of four from PwC's Middle East transformation and project management research series. Part four in our series reveals the key attributes and skills of the modern project manager.



Does our research resonate?

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How do you measure the value of your PMO?

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Do you track the maturity of your PMO?

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Does your PMO provide effective knowledge and risk management?

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