TABLE A1

FROM:

Identifying and overcoming the challenges of implementing a project management office

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Table A1. Comprehensive list of PMO implementation challenges (from Phase I)

	Challenge	Description
	PMO tools	
	Lack of inter-operability between multiple tools used for PM activities	Multiple IT project management and time-tracking systems are in use in various organizational divisions. Lack of inter- operability between these systems causes problems in capturing actual cost and effort, and decision-making.
		Limited functionality of PMO tools limits their usability, and creates inefficiencies, resulting in disuse or misuse of the tools. In addition, most PMO tools offer limited customizability. Even if the customization is possible, it is often not simple and requires lots of time and effort to implement.
B	PMO resources (including huma	n and financial)
	Failure to recognize the soft	Implementing a PMO is more than creating templates and structures for projects. A common problem is focusing on these
	skills needed during PMO implementation	elements and failing to recognize the importance of the soft skills needed to implement a PMO in an organization.
	Lack of experienced project managers and PMO leadership	Many PMO initiatives do not have experienced project managers and leaders who understand the challenges of a PMO implementation and who are aware of the political terrain in the organization.
~	Lack of dedicated resources in the PMO implementation team	In most PMO projects, the team members are shared resources, often pulled into other non-PMO projects. Typically, the PMO resources have regular (non-PMO) support tasks that preempt PMO project work, making scheduling and commitment difficult.
B4	Difficulty in staffing PMO with most experienced personnel	The most effective resources for staffing the PMO are those that understand the project and the current environment. Unfortunately, these folks are also the ones most valuable to the legacy organization and are hardest to free up for working in the PMO.
B5	Lack of stability and continuity of PMO resources and stakeholders	There are various instances in which the key PMO resources change midway or at some point in the project. This may turn out to be a major risk if it happens at a critical time in the project. Sometimes, even the stakeholders change, putting the whole implementation at risk.
	Increased administrative workload placed on project managers	PMO implementations typically generate additional administrative tasks. The project managers have to perform these tasks, which takes up an inordinate amount of time. This increased workload leaves little time to work on improving processes, project closure, lessons learned, and other activities between projects.
B7	Lack of defined funding and chargeback model for PMO implementation	The PMO implementation requires adequate financial resources. Without defined funding and an adequate chargeback model for the resources who work directly on projects, the PMO cannot be successful.
С	PMO sponsorship/stakeholder c	ommitment
	Lack of full support of the	Executive and stakeholder buy-in and active sponsorship are necessary for any PMO implementation. This is often difficult to
		achieve with the executives husy schedules and competing priorities. Many two implementation. This is often diffect to a do not see the need for the PMO and therefore do not wholeheartedly support it.
C2	Lack of stakeholder commitment to common methodology and tools for the PMO	Many projects suffer from inadequate acceptance and commitment of the stakeholders (including project managers, end-users, and executive management) to common PM tools and implementation methodology. Getting project managers to follow a common methodology can be difficult given wide variances in interpretation of the Project Management Body of Knowledge (PMBOK) and because they are used to their own techniques.
	PMO role/charter/definition	
	Poor definition and communication of PMO goals and purpose	Most organizations do not devote sufficient time and attention to define the goals and purpose of a PMO. In addition, some organizations fail to communicate the PMO mission/charter to the entire organization, leading to reluctance in accepting the PMO initiative.
D2	Role, authority, and responsibility of the PMO is poorly defined or understood	Many organizations fail to specify the role of the PMO. Along the spectrum of PMO-light (i.e., no direct authority over projects) to PMO-heavy (i.e., direct authority over projects), organizations do not clearly specify what the role of the PMO is.
D3	Lack of a governance model	A governance model with defined relationships between PMO and project teams, such as escalation procedures and hand-off points, is often not well defined.
E	PMO design/scope	
E1	Lack of defined scope and size of PMO implementation	There is a constant struggle to manage demand for additional functionality and changing business requirements in any PMO implementation. This failure to 'freeze' the scope of PMO implementation creates difficulties in sizing the work effort, and project planning.
E2		Implementing a PMO has its challenges even for one organization at a single site. Multiple sites, multiple divisions, and different functional processes require more complex PMO design and implementation. Addition of new organizational units (due to
	organizations	mergers, acquisitions, etc.) adds to this complexity. Organizations need to consider the impact of resultant design changes.
E3	Unclear reporting needs across the organization	Most organizations have different reporting needs across various divisions. Reporting to whom and what and at what frequency has always been a challenge in implementing a PMO. Difficulties in standardizing reporting for executives at different levels lead to a lot of rework.
	Failure to design a PMO around a company's specific needs	Some PMO leaders think that there is only one correct way to build a PMO – they tend to treat all projects and programs as if they are the same, without regard to differences in size, scope, value, or organizational culture. A PMO that excels in one company may fail miserably in another. Many PMO initiatives fail to accommodate specific needs of the organization.
F	PMO Implementation process	

	Challenge	Description
F1	Lack of clearly defined organizational processes and	In many organizations, the processes and workflows remain poorly defined. This results in difficulty in mapping the existing processes and workflows to those dictated by the PMO.
	workflows	
F2	Lack of knowledge management during PMO implementation	The PMO often lacks a library of prior projects to analyze and aid in handling different situations. Additionally, common access to methodologies, case studies, lessons learned, and challenges faced during any project implementation are not available.
F3	Not managing the implementation of the PMO like a project	The implementation of a PMO is often done without adhering to basic project management procedures such as work breakdow structures, milestones and deliverables, risk analysis, etc.
F4	Lack of training and communication on PMO implementation to all stakeholders	With all the change required from a process definition/implementation/improvement perspective, there has to be a certain amount of training commensurate with the change ushered in by the PMO. A formal training and communication plan is often missing.
F5	Failure to capture lessons learned during PMO supported projects	Some organizations do not conduct any introspective analysis and post-mortems on PMO support to individuals, teams, project, and program delivery. There is no formal process to report the findings to all stakeholders in order to capture lessons learned. This would facilitate continuous improvement to processes and procedures. Unfortunately, such ability is often missing.
G	Organizational culture	
	Rigid corporate culture and	Changing the culture of an organization to 'think differently' is always a challenge. A successful PMO requires a change in mindset, centered on a 'projectized' organization. This is not something that most organizations are used to, or know how to handle.
G2	Failure to manage negative perception of PMO	Businesses view PMOs as a threat instead of an enabler to the business. When a company announces the creation of a PMO, many employees start thinking that the idea is to police or control them. They also see the PMO as another layer of management that they have to navigate around to get anything done.
H	PMO implementation strategy	
	Lack of prioritization and sequencing of projects across organizational units	Implementation of a PMO competes (in terms of time and resources) with other portfolio projects within the business. Portfolio balance is always a challenge. It is difficult to get the right mix of resource support, training, and coaching while maintaining other projects/baseline activities to run the business. A defined process for cross-organizational project prioritization is often missing.
H2	Failure to manage expectations of PMO implementation among stakeholders	An organization will have several, often conflicting, expectations of a PMO. The PMO must first identify the intentions of the organization's leadership, and then address these expectations within the organization.
H3	Lack of appropriate change management strategy	Any PMO implementation involves managing all aspects of change – including people issues, process issues, structure issues, and compliance issues. The most obvious, but surprisingly among the most challenging part of establishing a PMO is evolving and implementing a clear change management strategy.
H4	Failure to manage interpersonal relationships	Success of PMO depends on developing healthy relationships with cross-functional teams in a project as well as across divisional boundaries. Avoiding an 'Us' (project teams/end users) <i>vs</i> 'Them' (PMO team members) conflict is essential to a successful PMO. This is especially true in multi-vendor situations (cross-functional teams and the PMO team representing different organizational units/vendors).
H5	Failure to align PMO implementation strategy to organizational strategy	The original objectives of establishing a PMO can lose relevance when there are changes in the organizational strategy. It is essential to maintain strategic alignment to ensure leadership focus and support. Failure to achieve this will decrease the value of PMO to the organization.
I	Organizational structure and str	rategy
I1	Failure to align organizational structure to support PMO implementation	PMO teams need to have a defined hierarchy within the organizational structure – preferably a dotted parallel line relationship with the project sponsor, which ensures that various cross-functional teams have an indirect reporting relationship to the PMO Many times the PMO is placed at the same level as the cross functional teams in a project, which hampers efficient working of the PMO.
I2	Problems due to complexities of onsite–offshore coordination	Many PMO projects now use the onsite–offshore model. This creates co-ordination problems within the PMO team, as well as between the PMO team and other project teams.
J	PMO evaluation and recognition	n
-	Difficulty in evaluating the effectiveness of PMO in the organization	It is easier to make a business case for implementing a PMO; it is much more difficult to measure the success of the implementation. The metrics remain skewed, non-quantifiable, and not always collected at the point of origin. This makes it difficult to evaluate the cost-to-value ratio of the PMO to the organization.
J2		Many project teams view a PMO as just another reporting mechanism for senior management, offering little 'real assistance' to the project teams. The challenge is getting the business units to recognize the value/efforts of a PMO.

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European Journal of Information Systems

ISSN: 0960-085X

EISSN: 1476-9344

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