

5 top reasons for PMO failure

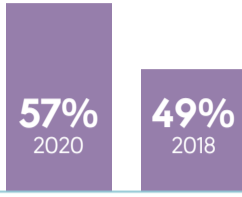
Learn the top reasons why 20% of all PMOs fail and the approaches that could make all the difference to success.

THE STATE OF PMOs IN AUSTRALIA

The good news?

More Australian organisations are using PMOs.

57% of organisations use a PMO to co-ordinate projects, **8% more** compared to 2018.



The bad news?

Some organisations find their PMOs aren't working, so **19%** of organisations have disbanded their PMO in the past two years.

Why?

Because only **37%** of Australian organisations rate their PMO as 'very or extremely effective' in its ability to support and effect change.

WHY PMOs FAIL

1 UNABLE TO PERFORM A STRATEGIC ROLE

Most PMOs fulfil an administrative function, but those with strategic oversight are more successful¹.

- **90%** of PMOs perform project status reporting duties
- **36%** of organisations with a strategic PMO reported that their projects regularly achieved all of their business goals compared with just **22%** of those without a strategic PMO



Number of organisations regularly achieving all their business goals



A strategic PMO made organisations 59% more likely to regularly achieve all of their business goals than not having one.

Source: [PMI's State of the Modern PMO report](#)

Management of resources correlates very strongly to PMO effectiveness².
Despite this...

2 POOR RESOURCE MANAGEMENT

- **Less than half** of PMOs lead resource management initiatives for projects
- **Less than one in four** use a project portfolio management or resource management software solution.

3 FIXATION ON GOVERNANCE AND COMPLIANCE

Governance is important³, but the role of the PMO is changing.

PMOs are now expected to perform a support function to enable:

- better agility
- improved decision-making
- faster resource deployment⁴.

When benefit performance is visible, projects are more likely to achieve business goals⁵.

4 LACK OF VISIBILITY

Lack of visibility can also lead to:

- misunderstanding around the purpose and function of the PMO
- mistrust of the PMO
- difficulty obtaining information and resources
- undervaluing of the PMO's role.

5 INABILITY TO TRACK BENEFITS

- **Less than 20%** of PMOs facilitate post-project benefits tracking
- But organisations delivering successful projects are more likely to have formal benefits management practices in place - **85%** versus **78%**.



31% of organisations that managed more than 75% of their projects through PMOs regularly achieved all business goals... for those who managed below 50% [of their projects] through PMOs it was 26%.

Source: [PMI's State of the Modern PMO report](#)

With the PMO taking a more strategic, enterprise-wide position in organisations, it is essential that PMO managers learn where their biggest challenges will be to forewarn their organisations and boost their chances of success.

To strengthen your PMO with the skills and knowledge required to navigate a dynamic business environment, [contact the experts at PM-Partners](#) or call us on 1300 70 13 14 today.

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