

Evolve into a Multi-Faceted Strategic Partner

Master the 4 competencies of a Savvy PMO



Today's executives expect more from PMOs than ever before to create business value by driving efficiencies and fueling growth strategies in the midst of continuous change. This goes beyond delivering projects on time and on budget.

Approaches that have served PMOs well for years can hinder a business that needs agility, flexibility, and innovation. [PMOs that find it hard to adapt face dissolution or are relegated to run-the-business projects.](#)

While your PMO has achieved the first steps of success, your stakeholders are counting on you as a PMO leader to continue the journey. Consider these questions:

- Does your PMO focus on standards and processes above all else and cling to typical PPM methodologies and tools?
- Is your PMO taking a leadership role in the business or does management avoid your PMO except for administrative project tasks?
- Is your PMO able to communicate business value by touting only “on time and on budget” metrics?
- Can your PMO pivot work and strategic direction at a moment's notice (with ease and in lockstep with the business' needs)?
- Does your PMO support the way agile teams and others in the organization are working?
- Is your PMO in danger of being marginalized, disbanded, or restructured?

Your response to these questions may be an indication that it's time to plan your next move. Build on initial successes and evolve into a “Savvy PMO” that helps your organization create and sustain business value.



The Perils of an Overly Bureaucratic PMO

For those who have transitioned away from an ad hoc, reactive approach to reliance on more formalized rules and processes, you're on the right track. At this point, you may have already invested in a PPM tool and started to centralize project information, collaborate, and track basic project costs.

However, swinging the pendulum too far to the point of rigidity creates challenges for future growth. Here are the signs that an organization has overcorrected on the traditional aspects of project and portfolio management.

Too Process Oriented

- Concerned primarily with compliance, performing an endless cycle of administrative tasks
- Stick to a one-size-fits-all approach to work, despite the variety emerging in projects, and work types
- Control-focused, may be perceived as out of touch "paper pushers"

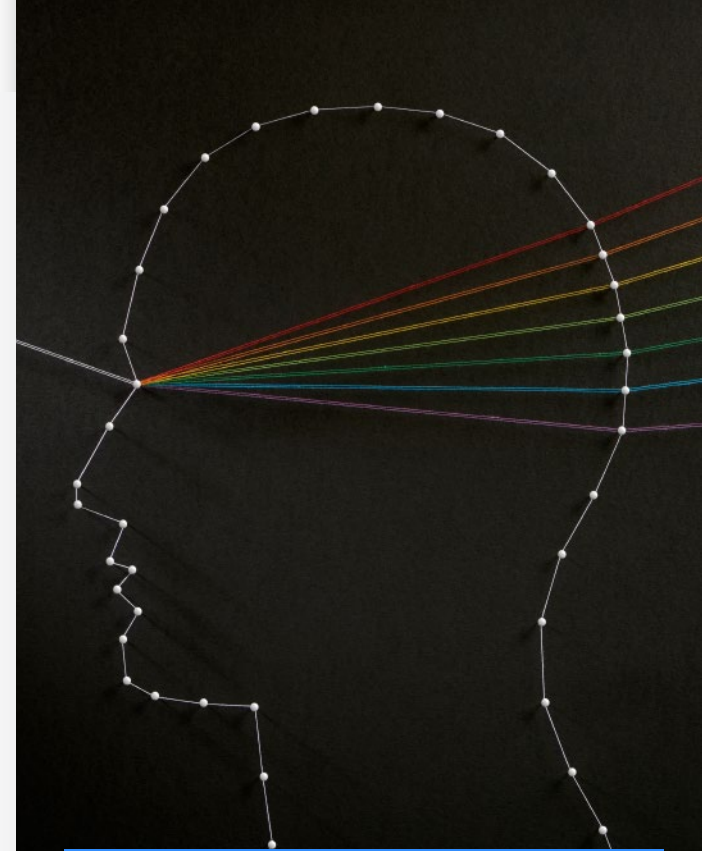
Execution on Autopilot

- Assembly line approach to execution, accepting all work and moving projects down the line
- Prioritization is based on nebulous guidance, premature estimates, and insufficient detail
- Executing the wrong projects

Value Blind

- Finds it difficult to quantify overall contribution to the organization's strategic objectives
- Too often, they define value as tracking to a plan, despite flawed budgeting and estimating
- Relies on vanity ROI metrics to claim success (such as project schedules and status)

Ready to elevate your PMO's successes beyond governance and on-time project delivery? Read on to discover the 4 essential competencies of a Savvy PMO.



PMOs Need to Evolve

The Project Management Institute (PMI)'s 2020 Pulse of the Profession® research asked survey respondents to identify the factors that are most important to their future success. The top three were:

- 1. Organizational agility (35%)**
- 2. Choosing the right technologies to invest in (32%)**
- 3. Securing relevant skills (31%)**



What is a Savvy PMO?

The Savvy PMO excels at aligning work and resources to strategy, ultimately doing the right work that drives value for the business.

- They employ just enough governance to facilitate execution while ensuring everyone is working on what's most impactful
- They can turn on a dime, helping the organization quickly adapt when opportunities arise, conditions change, or priorities shift

Savvy PMOs build competency in the higher value aspects of project portfolio management (PPM): demand management, prioritization, resource planning and portfolio management, integrating these disciplines in a central PPM tool to provide visibility beyond project status to continuously link strategy to delivery across the organization.

Instead of process enforcer, Savvy PMO leaders become advisors to the business, backed up by data-driven insights. For example, with a holistic view of demand and resource capacity, the PMO can counsel business leaders on what can realistically be achieved, and which additional resources are needed. No longer held captive by guestimates, opinions, or vanity projects, Savvy PMOs work with stakeholders to identify and prioritize projects that will deliver the most business value.

Finally, the Savvy PMO does not get lost in the rigor and detail of day-to-day execution but instead informs and ensures that the work is on strategy by taking a more collaborative, portfolio-based approach. They empower project teams to do what they do best, no matter how the teams work, such as supporting Agile project teams by helping to manage bottlenecks around key resources or skills.

Four Competencies of a Savvy PMO

To make a bigger impact on the business, your PMO can move away from project-level work and towards becoming a value-driver, focusing on expanding your spectrum of attributes beyond centralized projects. Take the next steps to move away from the PMO comfort zone of project reporting fundamentals and carry out a plan of action to achieve more impact. Evolve into a multi-faceted strategic partner: set your course to become a Savvy PMO.



4 Competencies of a Savvy PMO

1 Visibility and Reporting

Visibility is the heart of the Savvy PMO, providing a steady flow of meaningful insights to the stakeholders who make critical decisions. The right data, analytics, and reporting elevate the organization's ability to mitigate risk, capitalize on new opportunities, and deliver what customers want faster. PMOs can ensure the portfolio aligns with the strategy, balances capacity against demand, links plans and resources to execution, and course-corrects as needed.

Providing this strategic insight requires the ability to visualize and analyze trends and interdependencies across projects. With data integrated into one centralized solution, you can go beyond project status reporting and gain a real-time view into the status of resources and activities tied to strategic objectives. With these insights, you can work with stakeholders to manage performance, identify and resolve issues, and measure against key performance indicators (KPIs).

Visibility gives the PMO an edge in making strategic recommendations. To facilitate the best business decisions together with their stakeholders, Savvy PMOs can evaluate growth and innovation plans, compare trade-offs between proposed decisions, and prioritize initiatives while considering funding and resource capacity.

Growing into greater visibility and information sharing is crucial to working with stakeholders. For example, Savvy PMOs provide their executives with fast access to new levels of visibility, helping customize information to their needs. You can provide insights to executives that answer questions such as:

- Are we working on the right work to support our business goals and objectives?
- Do we have enough people with the right skills available to complete the work?
- Are we within budget and getting the expected return on investment?
- Do we have the right mix of projects and products to meet our strategic initiatives?

Ultimately, the visibility offered demonstrates its value and how uniquely critical the PMO is to driving business success.

Savvy PMOs Guide to Visibility and Reporting eBook



The PMO is in a unique position to enable visibility that elevates the organization's ability to mitigate risk, capitalize on new opportunities, and deliver what customers want faster.

Use The Savvy PMO's Guide to Visibility and Reporting to design the set of insights that bring six areas of visibility to the business.

2 Demand Management and Prioritization

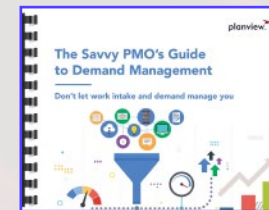
Having a defined, flexible demand management function that ensures the organization approves and prioritizes the highest value work is essential to staying on track with company goals and strategy. The Savvy PMO centralizes requests, and new demand intake, and then establishes a consistent, transparent, and easily understood process.

Stakeholders should have the means to easily and objectively evaluate all incoming work based on key business factors. These include criteria such as alignment to strategy, risk mitigation, customer impact, overall improvement, financial benefit, and more.

Scoring helps to assess and categorize demand based on its overall organizational benefit. PMOs can use a simple calculated score of key data or a scoring model to represent business metrics. At the end or as part of the request workflow process, relevant gate approvers and stakeholders can score on quantitative factors (e.g., ROI), or on qualitative ones (e.g., strategic fit, impact, risk). PMOs can then use these scores for prioritization, which is equally as important.

Similar to demand management, prioritization requires an established process and just enough governance involving the right people, criteria, timing, and methods. Establishing your prioritization process in tandem with a demand management process can yield significant benefits.

[Savvy PMOs Guide to Demand Management eBook](#)



[Savvy PMOs Guide to Prioritization eBook](#)



Effective work intake will help improve prioritization and the ability to answer questions like “What is the real value or benefit of this work and how important is it relative to other projects and initiatives?”

Check out The Savvy PMO's Guide to Demand Management and The Savvy PMO's Guide to Prioritization to establish or elevate your work intake and prioritization processes.

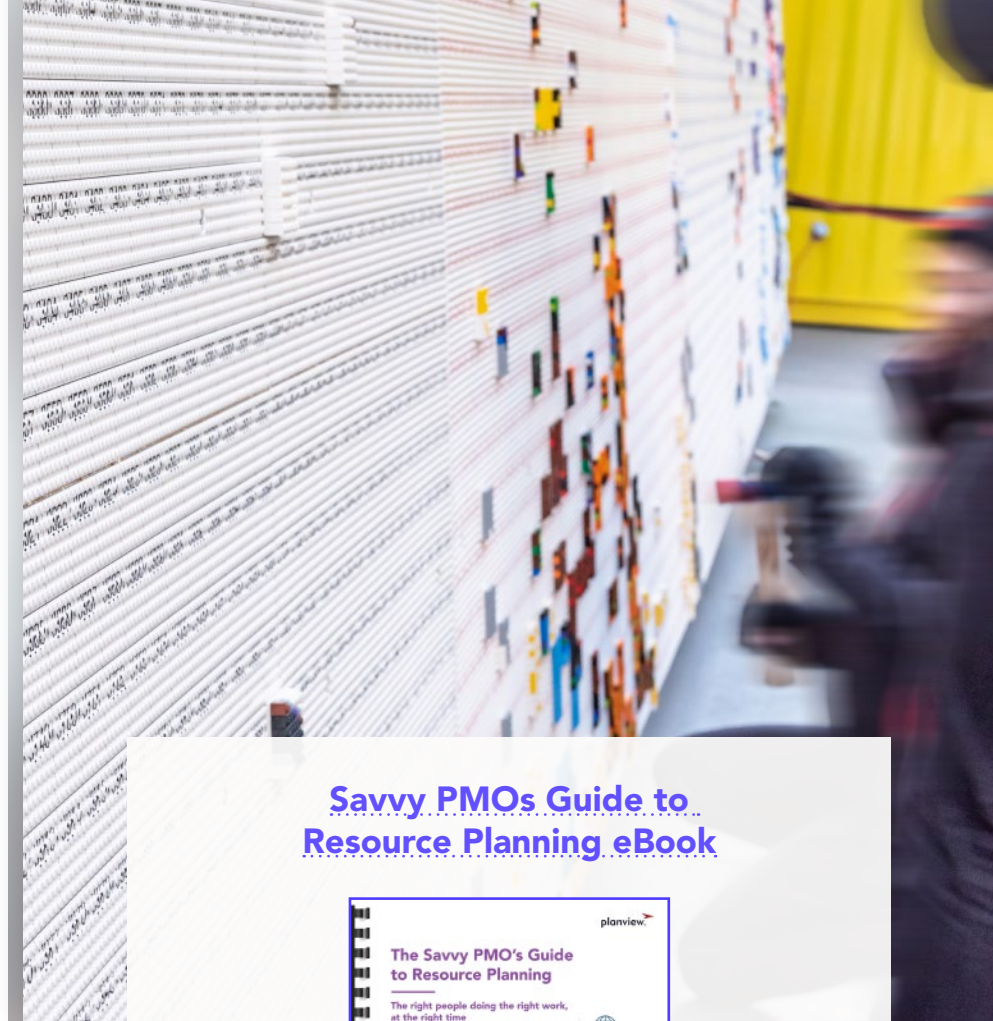
3 Resource Planning

Without effective resource planning, demand management and prioritization can be a hollow exercise. You may not have the staff to complete all the projects you've prioritized as the highest value. This makes it critical to factor resource constraints into work intake and prioritization processes.

A PMO may start with the basics of resource management – begin with an initial set of resources and then track and analyze their work in line with current and future needs. Savvy PMOs have a holistic, real-time view into both resource capacity and incoming demand. This data helps track resources, determine which projects are paramount at any given time, and then continuously align them.

Using this information, you can advise the organization on which projects and tasks need staffing attention and accurately forecast true resource demand as well as future resource gaps. You can also track financials by “costing” both the planned and actual time of people based on the appropriate rates for that work, resource, or resource role. In addition, you can begin to compare past forecasts to actuals and adjust future work as necessary.

Almost as magical as a crystal ball, some Savvy PMOs leverage What-If scenario planning, allowing them to create multiple scenarios and compare trade-offs between proposed decisions. For instance, with scenario planning you can determine your optimal portfolio with your current resources and re-plan your portfolio when resources are needed or availability changes.



[Savvy PMOs Guide to Resource Planning eBook](#)



Effective resource capacity planning is optimized when combined with defined prioritization and demand management processes.

Use the interactive checklist at the end of this guide to improve resource planning and be well on your way to becoming a Savvy PMO.

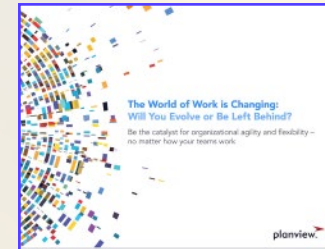
4 Different Ways of Working

As focus shifts to creating business value, the PMO's approach to the execution phase must shift as well. Your teams are likely already rising to this challenge by taking different approaches to how they can best accomplish work.

Instead of adherence to a set methodology, the Savvy PMO supports all work approaches – from Agile to collaborative, to traditional, or a combination of these. You should advocate for the best methods and work management tools to deliver the desired outcome rather than force fitting into a single solution. This empowers teams to innovate and deliver value in line with strategy.

The Savvy PMO drives more flexible ways of working while continuing to support traditional project methodologies. This requires adapting your portfolio management approach that will help you stay in line with strategy - integrating data from these different work tools into your centralized PPM solution. With the insights generated from these integrations, your PMO can show overall progress against plans while planning resource capacity, shifting priorities, and evaluating new requests.

The World of Work is Changing: Will You Evolve or Be Left Behind? eBook



From lean and agile to collaborative to iterative and beyond, teams are applying different work methods to get the job done. Adapting to the changing world of work is a balance.

The Savvy PMO can be the catalyst for organizational agility and flexibility – no matter how teams work.

Chart Your Growth Plan to Become a Savvy PMO

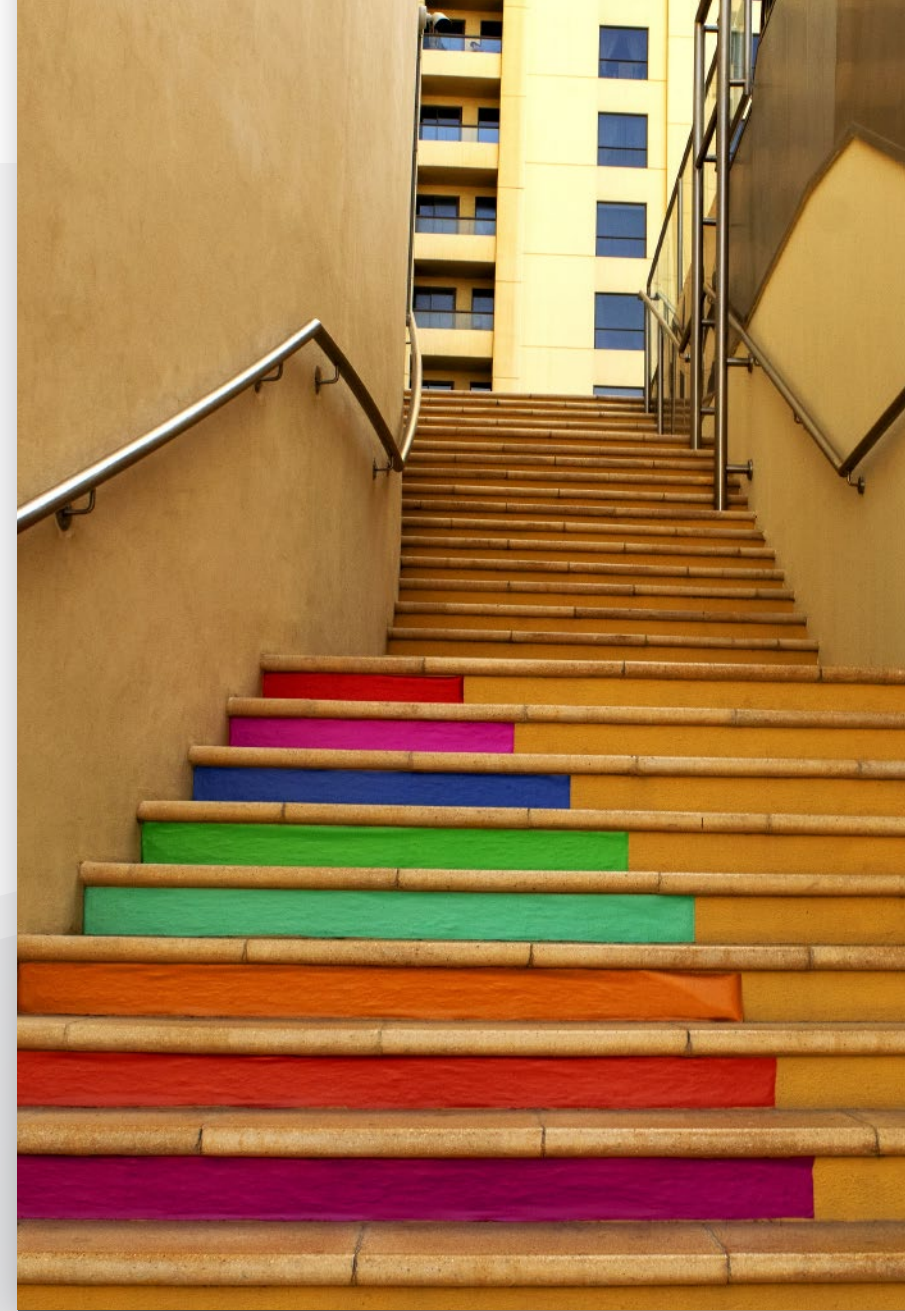
By improving your competencies in these four areas, you'll be well on your way to becoming a Savvy PMO. While traditional project management approaches are still relevant, learn about different work methodologies and start applying those to your repertoire. Establish, formalize, or upgrade your demand management, prioritization, and resource planning processes. Employ the right balance of agility and governance across your organization to ensure alignment to strategy.

Also, change your perspective: Don't ask, "How can we get the business to understand how we manage projects?" Instead, explore the possibilities with questions such as:

- "What are you looking to deliver?"
- "What are the goals and outcomes you are trying to achieve?"
- "What value does this bring to the business and will it help us achieve our strategy?"

Strive to adapt and evolve as the business changes. That means understand where your PMO currently is on its journey, define what your next steps are, and make a plan to see how quickly your organization can move towards affecting the change that will enable value. Savvy PMOs don't stop growing and evolving – they continuously ask:

- Are we investing in the right activities and tools to generate value?
- Are we measuring performance and outcomes?
- Are we succeeding in driving the right level of change for our customers?



Become Savvy with the Right PPM Solution

The right PPM solution can facilitate continued growth with an integrated portfolio management approach. You will be better equipped to drive timely delivery, foster agility, and align strategy with work on an ongoing, cross-functional basis.

At a high level, using a robust and dynamic PPM solution enables Savvy PMOs to evolve beyond the basics of project management to:

- Centralize projects and create a single source of truth and align work with the organization's strategic plans
- Generate the insights and visibility through reports and dashboards that help drive decision-making, faster
- Prioritize and rank projects based on resources and their value in achieving strategy
- Perform a "what-if" analysis to predict the effects of shifts in resources and priorities
- Enable teams to do their best work with tools they need to get things done and feeding that information back to the portfolio



Your Partner to Evolve Your Maturity Beyond Projects and Elevate your PMO's Success

No matter where you start, Planview will partner with you on your journey to becoming a Savvy PMO. With 30+ years in the market, Planview has gained the knowledge and experience from working with thousands of PMOs who have been in your shoes. These Savvy PMOs integrate planning and delivery and confidently deliver high-value work that matters to their business. Get Savvy with Planview by your side and take advantage of best practices, guidance, frameworks, and support for your constantly improving organization and connect strategy to delivery across the business.

Want to learn more about how you can become a Savvy PMO? Visit [Planview.info/savvy-pmo](https://planview.info/savvy-pmo).