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Project failures are costly: Here's how a Project Management Office (PMO) can prevent them

A PMO is a dynamic framework of services tailored to the unique needs of an organisation with a focus on delivering value. It can be rapidly and cost-effectively implemented, providing services that:

- control
- assure
- improve
- report
- and govern

across the whole delivery lifecycle.

A good PMO streamlines the bureaucracy of paperwork and approvals; delivers value that's easily recognised by Project and Programme teams; enables guardrails for creativity and innovation to thrive; and adapts to the organisation's preferred methodologies, e.g. Agile.

A PMO can implement a portfolio optimisation strategy to select and drive the best projects for maximising stakeholder satisfaction. This approach ensures you are always **"doing the right programmes and projects."** And by tailoring processes and governance to fit your projects, people, and organisation, a PMO ensures you are always **"doing the programmes and projects right."**

PMO can ensure effective **resource** and **financial management** to help ensure returns on investment are maximised and costs minimised.
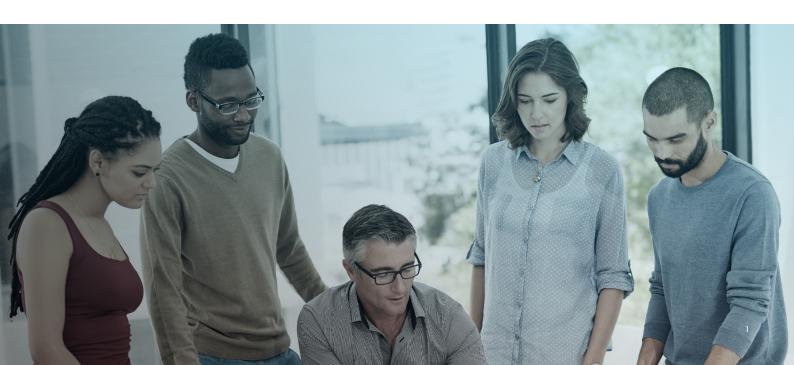
Project failure is the inability to meet key project objectives typically measured using criteria such as time, cost, quality, scope and stakeholder satisfaction.

According to recent Standish Group CHAOS Reports, approximately **31%** of projects are considered successful, **50%** are challenged (late, over budget, or with less than the required features and functions), and **19%** fail (cancelled before completion or delivered and never used). It found that Agile Projects are **three times** more likely to succeed than Waterfall projects. And Waterfall projects are **two times** more likely to fail.

> **70% of organisations have at least one project failure per year** (Source: **APM**)

Organisations with a PMO have a higher project success rate than those without. According to the Project Management Institute's Pulse of the Profession report, organisations with a PMO report a **38%** higher project success rate compared to those without a PMO.

PMO is an effective service at many levels - the 'P' in PMO can represent Portfolio, Programme, Project or all three in any given organisation. **Let's look at what a PMO can (and should) be.**

Five key advantages of an effective PMO

Modern PMOs are AI-enabled to provide better structured governance, ensure alignment with strategic goals, and enhance resource management. According to **Gartner**, "AI is going to revolutionize how program and portfolio management (PPM) leaders leverage technology to support their business goals... right now, the tools available to them do not meet the requirements of digital business."

For example, AI-enabled PMOs can:

- Produce resource needs based on project complexity, timelines and historical data to optimise workforce allocation
- Enable data-driven decision-making through automated analysis to detect trends across vast amounts of project data
- Natural language queries to inform leadership decisions with real-time updates on KPIs and metrics such as DORA and SPACE
- Introduce new methodologies for the analysis of complex quantitative and qualitative data, for example, insights into sentiment surveys.

Effective PMOs streamline delivery, improve efficiency, and strategically align projects for business success. A professionally implemented PMO will provide benefits immediately and will see a return in investment within the lifetime of the initiative.

Delivering approximately £1 million in benefits

BJSS worked with a higher education institution to provide day-to-day leadership for their PMO, delivering strategic portfolio and change management. The PMO successfully managed a portfolio and programme delivery of multiple key projects, including the first phase of Student Experience organisational redesign. Additionally, BJSS developed the PMO team, methodologies, and processes, and implemented programme management and governance, including benefits reporting across the portfolio, enabling clear information for decision-making.

An effective PMO will provide:

1 Strategic alignment and benefits realisation

As organisations continue to evolve, so too will the role of the PMO, ensuring its place as a cornerstone of operational and strategic excellence. Resulting in more predictable outcomes and delivery assurance with "necessary and sufficient" levels of control in place.

2 Enhanced efficiency and governance

Organisations face increasing complexity in managing multiple projects and portfolios, necessitating centralised oversight to improve efficiency and decision-making.

PMOs streamline reporting, reduce administrative overhead, and foster enhanced governance. PMOs also introduce necessary governance in agile or hybrid environments, balancing flexibility with control to enhance delivery certainty.

3 Proactive risk and change management

The critical role of PMOs in managing risks and integrating change management processes across project lifecycles is a significant driver. In sectors like healthcare, where operational risks are high, PMOs mitigate challenges and enable smoother transitions during transformations, reinforcing their value.

4 The drive for predictive analytics and decision support

The demand for actionable insights through intelligent reporting and predictive analytics using cutting edge technology has become a strong driver for PMO investments.

Through trend analysis and scenario planning, PMOs empower leadership with data-driven decision-making capabilities, reducing the likelihood of project failure and enabling the prioritisation of high-impact initiatives. An example of this could include, mitigation through adjusting resourcing levels to keep a deliverable on track. This could be identified through modelling a short period of increased spend on resources.

5 Control over external and internal pressures

Organisations in competitive and regulated industries, such as financial services, recognise that PMOs provide a structured framework to meet compliance standards and stakeholder expectations.

Economic pressures and the need to optimise operational costs further drive organisations to establish PMOs, which improve efficiency and enable more effective resource utilisation.

Maximising project success with PMOs

When your organisation is planning new initiatives or change programmes, you should be thinking about the advantages of embedding PMO services to ensure successful delivery of value for stakeholders. There are some project types where a PMO is particularly beneficial, for example:

Large-scale or complex projects

Assess how you will manage interdependencies across multiple initiatives that are potentially competing for the same resources. Where there is a complex interplay of technology, information and organisational deliverables, for example in technology transformation programmes, how does the business keep a line of sight on the outcomes and what may be impacting them?

Immature or transitional project and programme management practices

Survey your organisation for evidence of good practice in delivering PMO services.

- Is PMO well established but only in inaccessible pockets across the business?

- If your PMO expertise is sat with just a few experienced resources, how would you build a PMO that can operate across multiple functions to ensure delivery success?

- In complex change environments such as mergers and acquisitions how can you effectively coordinate technology initiatives that span organisational boundaries?

An organisation that has skilled project and programme managers, a supportive culture, defined project management practices, and processes for data-driven decision-making, it may achieve success without a formal PMO. However, this often requires exceptional internal expertise with an intimate knowledge of the organisation.

Typical challenges that faced in organisations without a PMO:

- Lack of standardisation and governance

- Limited strategic alignment of projects and organisational objectives

- Ineffective risk and change management

- Reduced visibility and decision-making support.

The growing necessity of a PMO

As organisations face increasing demands for efficiency, accountability, and alignment in a competitive environment, PMOs are becoming indispensable. Research highlights trends such as the need for benefits realisation, adoption of AI tooling, predictive analytics, and adaptive change management — all areas where PMOs add significant value where individual projects and programmes have a narrower focus and don't have the means to interconnect.

Furthermore, industries like healthcare and financial services increasingly rely on PMOs to handle complex portfolios and mitigate risks effectively. Some angles to explore and include in overview and potential future thought-leadership pieces: Fast pace, agile delivery, product focus rather than just project outputs, value chain, adoption of AI.

Misconceptions about PMOs

There are many misconceptions about PMO. We asked our experienced PMO community members some key questions to explore this topic.

Q **A portfolio, programme or project has never had a PMO before. Does this mean that they don't need one?**

A Just because you've managed without one, it doesn't mean that a PMO wouldn't be beneficial for them. It often means that you've managed to survive without the structure or support that a PMO can provide. This sometimes can be because pain points seen as just one of those things that no one has time to resolve, or a team could be carrying additional resources to manage the additional manual burden.

Q **What exactly is a PMO meant to do?**

A A well set-up and run PMO can provide much more value than administrative tasks. Positioned and empowered correctly, they can be pivotal in driving change, standardising processes and managing risks. The support that they can provide extends beyond the simple, helping focus on achieving strategic goals.

Q **Aren't PMO teams expensive?**

A It is a common misconception that PMOs are expensive when compared to the complete absence of a PMO team. With the right resources and skill sets, they are aptly positioned to be highly effective in supporting any portfolio, programme or project without becoming a drain on finances. Examples of this include, reduced duplication of effort, the ability to identify risks early to prevent costly mistakes and improved project success rates.

Q **Won't it take a long time to see the benefits of implementing a PMO?**

A The PMO team will be able to provide value through delivering quick wins from day one. These quick wins are often things that are deprioritised but are still necessary for a smooth operation. Benefits from these quick wins are the ability to build momentum and trust within the team, demonstrating their ability to deliver results.

Q **My work is entirely reactive, how does a PMO work within that space?**

A By anticipating business rhythms and upcoming needs, the PMO team can take a proactive approach anticipating issues before they arise, streamlining processes for efficiency and ensuring that resources are allocated appropriately. A PMO team actively promotes the principles of agile ways of working.

Q **OK, so I should go ahead and implement a PMO – what other benefits can I expect to see?**

A A culture of continuous improvement. The work of a PMO is truly never done – from project inception to closure, there are always lessons to be learned, governance to complete and expertise to share. You'll get improved visibility and reporting - PMO teams are able to maintain accurate reports, allowing stakeholders to make decisions based on data rather than instinct, manage risks and allocate accountability. And expect improved communications as PMOs engage with stakeholders across a range of seniorities.

We have the skills and experience to help you establish an effective PMO, or to run one for you. **Find out more about BJSS on our [website](#), or get in touch [here](#).**