



# **Core strategic competencies for the PMO: a checklist**

*Traditionally, the PMO has been considered as an “execution” body, an entity whose primary objective was to execute projects optimally.*

***But the PMO can be much more than that.** Because of its unique position inside companies, the PMO can be a strategic business partner that enables companies to realize their strategy, and when circumstances require it, pivot their business.*

*We designed this checklist as a tool to help you build a comprehensive overview of a “strategic” PMO’s competencies, and assess your own.*

# Laying the foundation...

*Before you can start transforming your PMO into a key strategic partner, you and your team will need to be comfortable in the 3 following areas*

## 1. Make sure you and your team **understand what your company's strategic goals are.**

In his seminal book on Objectives and Key Results (OKRs), *Measure What Matters*, [John Doerr](#) points out that, *"Studies suggest that only 7 percent of employees "fully understand their company's business strategies and what's expected of them in order to help achieve the common goals." A lack of alignment, according to a poll of global CEOs, is the number-one obstacle between strategy and execution."*

So it is well worth checking that everybody understands what your organization's strategic goals mean, and how they translate to the PMO mission and objectives. After all, aligning execution on the wrong strategy certainly won't give you the results you seek!

## 2. Make sure you and your team understand **what strategic thinking means, and how it is different from the everyday work you do.**

PMO leaders have a tendency to prefer "thinking with their hands": they are the people who get things done. But for strategic thinking, you need to switch to a different frame of mind, and focus more on the organization's purpose, and the business as a whole. So that's why understanding what strategic thinking is, what it aims to do, and how it differs from other ways of thinking is essential.

Once you have a good feel for strategic thinking, then you can start experimenting with switching your thinking style to match your context.

## 3. Learn to **"Speak strategic"**

With the switch to Strategic thinking comes a switch in the way you communicate.

Sometimes, simply reframing the topic can make all the difference. For example, when talking to executives, starting the conversation with a reminder of where the project sits within the larger context of your company's strategy can help them see the project in the right light and connect it back to the things that matter to them.

"Speaking strategic" is particularly important when presenting data. The KPIs that executives need to see are slightly different from the indicators you use to oversee projects daily, and your dashboards need to show the information at the right level for the stakeholder you are speaking to.

# Level I

*At this level, the PMO focuses on providing executives with the information they need to make the best decisions*

## 1. A **single source of truth** for project and portfolio data

While the idea can appear elegantly simple, building a true single source of truth can be fiendishly difficult. For it to be useful, it needs not only to contain the key data for all projects, but that data must also mean the same thing from project to project.

In a sense, building a single-source of truth is a test of a PMO's mettle, of its ability to understand how the projects it manages work, and what information is truly important for the decision-making process. It is also a balancing exercise between the needs for complete data vs. the time and energy required on part of the project teams to fill in the information.

## 2. The **capability to report** on the key features of the PMOs projects / portfolios in a quick and effective manner

By itself, a single source of truth for project data won't be of much use if the PMO can't make sense of it, and present it in a way that enables decision making.

Equally important is the ability to do so quickly and effectively. If producing your dashboards requires a person full time for a week, the data might already be obsolete by the time it's ready to be forwarded to the appropriate stakeholder.

*“The main thing that Planisware brought to us was a Single Source of Truth. It was one system for managing a variety of items. It was the one place where we can all lock hands and say, “If this is not what you think it should be this is the place to fix it.” And in a global organization where, I think we have more than 100 offices in 45 countries [it’s] a challenge to keep all that aligned.”*

– Evan Meyers, PPRM Process Manager at Zebra Technologies

## 3. The ability to **present the information in a way that is meaningful** to stakeholders

An extension of the previous capability, the ability to present the data in different ways, at different levels of granularity depending on the person who requires it is central to the PMO's ability to enable good decision making.

This requires good knowledge of each type of stakeholder (and what matters to them), and what type and format of data will most clearly provide an answer to the questions they need to answer before making a decision.

#### 4. The ability to **create a shared view** between project teams, project managers, business teams, executives etc., and **enable top-down AND bottom-up information exchange**

The three previous capabilities were focused on the ability of the PMO to retrieve, present, and structure the data to the C-suite. But the ability to do so for *everyone* involved in project execution, and especially of creating *shared* views is also essential.

As Andy Grove observed, *“People in the trenches are usually in touch with impending changes early. Salespeople understand shifting customer demands before management does; financial analysts are the earliest to know when the fundamentals of a business change.”*

So, for the PMO to become a true strategic business partner, it needs to be able to help transmit information about opportunities, threats, potential disruptions that front-facing teams have detected back to the C-suite (in a format that is meaningful to them), and facilitate conversations across the organization (vertically but also horizontally).



# Level 2

*At this level, the PMO incorporates measurements of strategic alignment in its day-to-day processes and starts to look towards the future*

## 1. The ability to **structure the view of projects and portfolios, define strategic groupings (or axes) and link top-down strategies with tactical initiatives**

An extension of the previous competencies, the ability to look at the data and spot grouping and commonalities really takes the PMO's strategic skills to the next level.

To do this, the PMO must both have a good grasp of the projects themselves *and* the company strategy. So this is where the ability to create different views of the same portfolio can be very powerful: the PMO can experiment with different hypotheses, and start a conversation with executives around what view contributes best to understanding the level of alignment between strategy and execution.

## 2. The ability to **build roadmaps**

Because they are visual, roadmaps offer a comprehensive view understandable by everyone. So they are great tools to communicate what your organization is going to do, and why it's going to do it in a way that sparks the sort of conversations that companies need to better anticipate the future.

[In this video on the Planisware Hub](#), Keith Duncan makes a great case for why strategic roadmaps are more important than you think (and why you need one!). So if you have 12 minutes, we highly encourage you to watch it (it's not boring, we promise).

## 3. **Objectives and Key Results (OKRs)**

OKRs have recently risen in prominence as a way to set goals that stretch the organisation by using radical transparency, team (and personal) accountability, and team dynamics.

Formalised by Andy Grove, the legendary CEO of Intel, they have been used to great effect by many of the tech's darlings including Google, Netflix, Salesforce, LinkedIn but also Samsung, Siemens, Merck and Volkswagen.

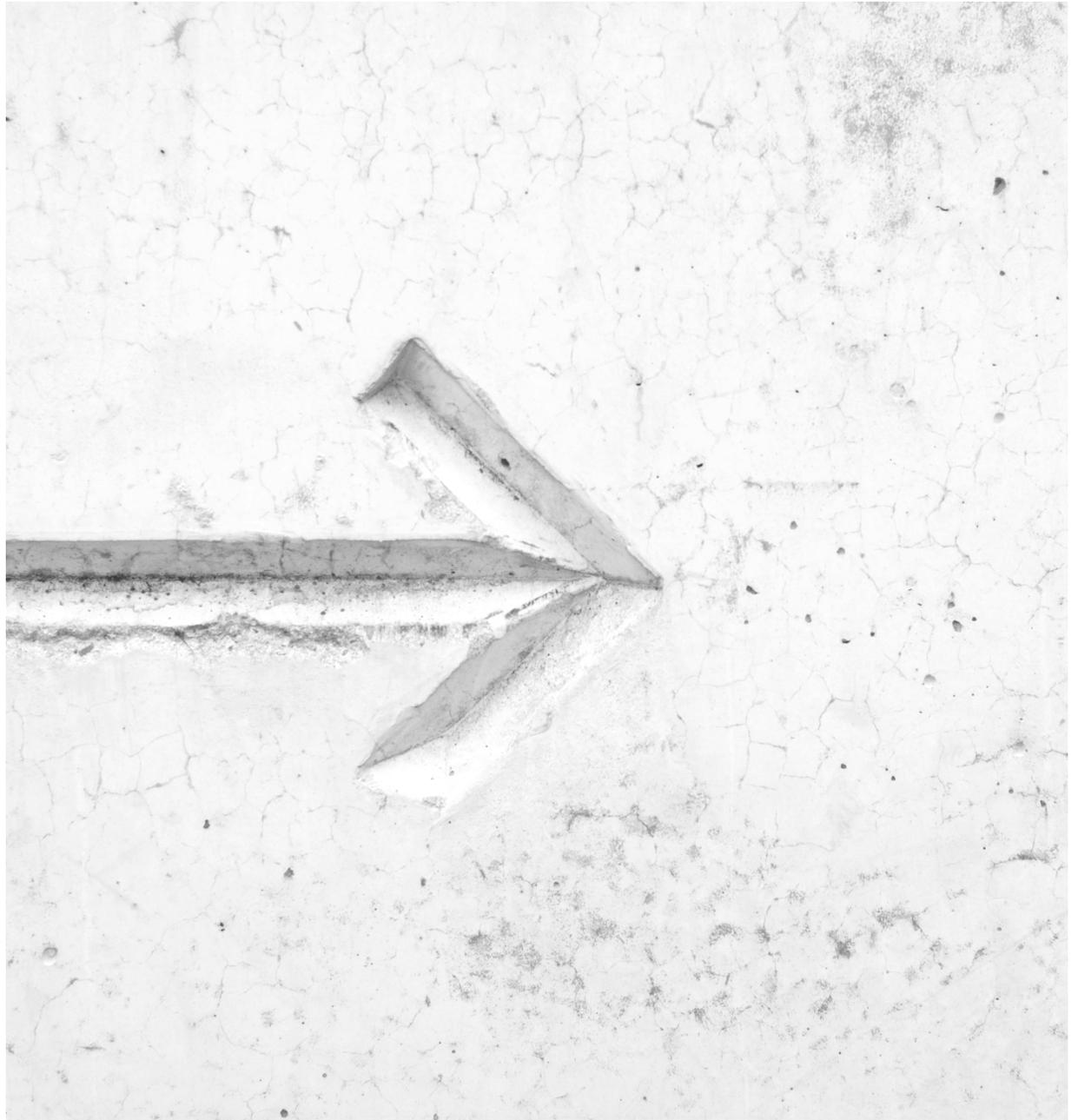
*We're about to launch a brand new series on OKRs in the context of project and portfolio management. If you'd like to be informed when it goes live, [let us know on this page!](#)*

## 4. Capacity planning

At a high level, capacity management compares a company's resource forecast to its resource availability both for the current and future timeframes. Resources are most often people, but can also include critical machineries or technologies.

Capacity planning basically asks two questions: Do I have enough of the right staff / resource to do my current projects? and Should I hire or outsource (or build) additional resources to handle upcoming projects.

Through capacity planning, the PMO is starting to consider the future, and use the tools it has available to enable executive decision making such as decisions to increase headcount or capex expenses.



# Level 3

*At this level, the PMO uses more advanced tools to explore future possibilities and scenarios*

## 1. The ability to test **What-if scenarios**

As they name suggests, What-if scenarios examine what the effect of a given change may have on a project or a portfolio. For example: What if a phase of project A starts late? What if contractor B can't make the deadline for this critical component? What if we have to reduce the budget for project C by 10%?

What-if scenarios are very valuable tools because they can start to answer the question of the effects of given disruptions in the future, and facilitate decision making: if contractor B is cheaper but contractor C is more reliable, then maybe the extra charge will be less overall than the cost of the delay?

## 2. The ability to run **advanced simulations**

Taking the previous capability one step further is the ability to run complex simulations on a group of projects or a portfolio. When several changes or disruptions combine, the number of possible outcomes is multiplied several times over, so having an engine run these simulations for you is much more effective – and allows you to pivot quickly should a disruption come out of the blue (global pandemic, anyone?..).

In some cases – for example when the risk has a high probability of occurrence, or the number of adjustments required to maintain the portfolio healthy is high – you might want to save the scenario and the adjustment, so that if and when the event occurs, you can quickly implement the changes and minimize the impact of the disruption.

## 3. The use of **Critical Path analysis**

For this very last one, we will let one of our customers explain: *“Using Planisware and having all the projects in one system, having all the costs in one system we were able to meet a challenge of a budget reduction without impacting the ultimate goals of the project.*

*So without delaying any milestone we were able to achieve our cost reduction by determining what activities were on the critical path, what spend was on the critical path and basically labelling those as “Those can't change”. Anything else that was not on the critical path we had the potential to delay.”*

*– Derek Jessup, Director R&D PPM Systems and Process at Alcon Laboratories*



# The complete Checklist

## *Foundation*

1. Make sure you and your team **understand what your company's strategic goals are**
2. Make sure you and your team understand **what strategic thinking means**, and **how it is different** from the everyday work you do
3. Learn to **"Speak strategic"**

## *Level 2*

1. The ability to **structure the view of projects and portfolios, define strategic groupings** (or axes) and **link top-down strategies with tactical initiatives**
2. The ability to **build roadmaps**
3. **Objectives and Key Results (OKRs)**
4. **Capacity planning**

## *Level 1*

1. A **single source of truth** for project and portfolio data
2. The **capability to report** on the key features of the PMO's projects / portfolios in a quick and effective manner
3. The ability to **present the information in a way that is meaningful** to stakeholders
4. The ability to **create a shared view** between project teams, project managers, business teams, executives etc.

## *Level 3*

1. The ability to **test What-if scenarios**
2. The ability to run **advanced simulations**
3. The use of **Critical Path analysis**

# Notes



# Planisware

*Planisware for us is not just a simple implementation of a software, it's actually part of a journey for CAE about cultural transformation and looking at things differently and doing it different ways and we need to benchmark, we need to look out there, we need to bring in best practices, and we know Planisware has a lot of partnerships with a lot of these big businesses from which we can learn.*

*– PMO Director, CAE Inc.*

In a world that is constantly evolving, foresight and agility are critical to the trajectory of your business. Planisware gives organizations the data and insights they need to act on emerging opportunities, to make confident decisions today, that will drive growth tomorrow. Our community of more than 100,000 users across 500 of organizations lead the way in reinventing processes, creating services, developing new products, and so much more. We empower them with cloud solutions that break the boundaries of traditional project portfolio management, connecting strategy, finance, application, and products.

Recognized as a PPM leader by Gartner and Forrester, Planisware solutions are specifically designed to help you manage the end-to-end life cycle of your organization's portfolio of projects, products and contracts. To learn more about our solutions, visit [www.planisware.com](http://www.planisware.com)