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Shift PMO Priorities to Support a Digital Enterprise

PMO Research Team

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Initiatives: [Program and Portfolio Management Leaders](#)

As organizations mature in their digital business journeys, PMOs must alter their support for PPM capabilities to reflect the changing needs of stakeholders. PMO leaders need to shift their focus to support targeted talent, risk and strategy-related capabilities, to continue adding enterprise value.

Overview

Key Findings

- Stakeholders consider support for the majority of PPM capabilities measured to be valuable and effective in organizations reporting low digital maturity. However, as maturity increases, the value and effectiveness of the support dramatically decreases for a number of capabilities.
- In organizations reporting medium digital business maturity, the following PPM capabilities are valuable, but are ineffectively supported:
 - **Talent-enablement-related capabilities** – supporting teams and stakeholders to self-manage products and initiatives
 - **Risk and resource orchestration capabilities** – managing risks, estimating resources
- In organizations reporting high digital business maturity ¹:
 - PPM stakeholders place the most value on support for **strategy-related PPM capabilities** (translating ideas into execution roadmaps and identifying new business value opportunities, etc.), but indicate that the available support for these capabilities is ineffective.

Recommendations

Program and portfolio management (PPM) leaders in organizations with evolving digital business maturity should adapt their offering of PPM capability support to:

- Invest more in PPM capabilities related to knowledge and skill building of PPM stakeholders and their teams to enable them to manage products, services and capabilities across their life cycles and independently manage their initiatives.

- Provide broader PPM stakeholder support for key resource and risk-orchestration-related capabilities by managing risks that may prevent initiative success, estimating resource requirements, reducing initiatives' organizational barriers and reallocating the delivery resources of initiatives.
- Prepare for high digital business maturity by expanding support on key strategy realization capabilities, such as identifying new business value opportunities, translating strategic ideas into an execution roadmap and achieving business benefits from investments.

Value and Effectiveness of Support for PPM Capabilities Declines as Digital Business Maturity Evolves

A 2020 Gartner survey reveals that, as organizational digital business maturity increases, the value and effectiveness of the support for a number of PPM capabilities ² (refer to the About This Research section) dramatically decreases. As a result, PMO functions continuing to support traditional PPM capabilities risk becoming increasingly obsolete and ineffective, as an organization matures digitally. In response to this trend, PMO leaders must proactively identify the necessary capabilities that their stakeholders value and dedicate their time, energy and resources to ensure that these capabilities are effectively supported. This research provides an insight into the PPM capabilities that PPM stakeholders ³ deem valuable as organizations evolve in their digital business maturity.

Finding 1: PPM Stakeholders Value Talent-Enablement-Related PPM Capabilities in Medium Digital Business Maturity

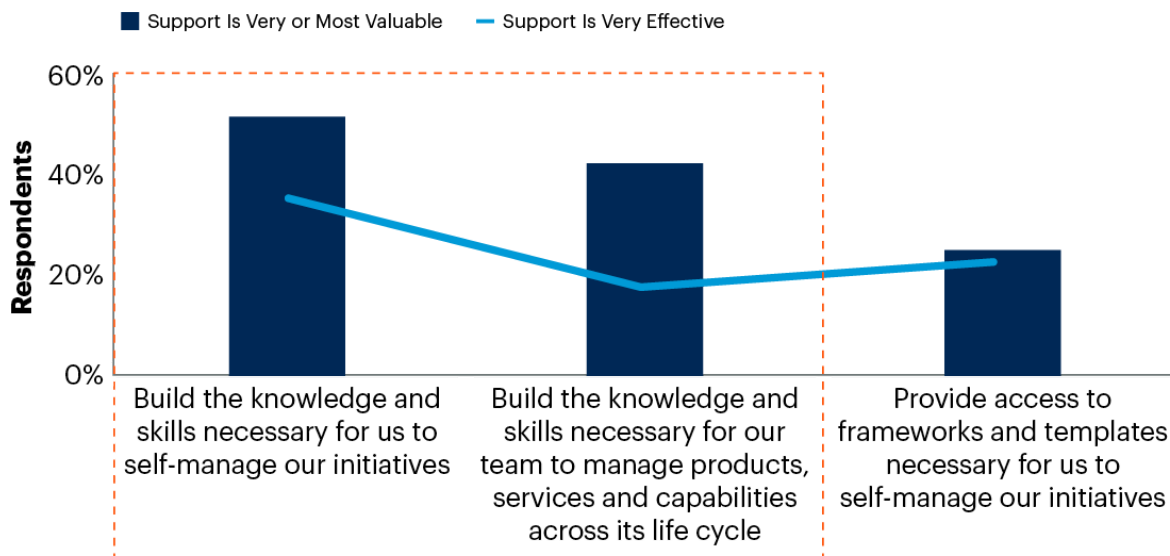
Among all talent-enablement-related PPM capabilities measured, support for two capabilities remains valuable for PPM stakeholders reporting medium-stage digital business maturity:

- Build the knowledge and skills necessary for stakeholders to self-manage initiatives.
- Build the knowledge and skills necessary for teams to manage products, services and capabilities across their life cycles.

In organizations reporting low digital business maturity, PMOs traditionally focus on upskilling and developing the project management community to successfully manage talent locally and globally. As these organizations mature to medium digital business maturity (see Figure 1), PPM responsibilities are more frequently performed by individuals outside the formal PMO function (scrum masters, agile coaches delivery teams, etc.). They must now consider how to support skill building in rising product teams functioning in an iterative delivery environment.

Figure 1: Talent-Enablement-Related PPM Capability Support for PPM Stakeholders in Medium Digital Business Maturity

Talent-Enablement-Related PPM Capability Support for PPM Stakeholders
Medium Digital Business Maturity



n = 75 PPM stakeholders reporting medium digital business maturity.

Source: 2020 Gartner Survey

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Source: 2020 Gartner Survey (n = 75 PPM stakeholders reporting medium digital business maturity)

As shown in Figure 1, PPM stakeholders in organizations reporting medium maturity consider support in two critical, talent-enablement-related capabilities to be valuable. However, the graphic also shows that these capabilities are not effectively supported.

PMO leaders must recognize the prolonged value that their talent-enablement-related capability support provides to PPM stakeholders and their teams. As such, they can invest more in providing PPM skills coaching and development support that is lightweight, embedded in workflows and designed for a distributed audience of internal customers. PMOs can explore this opportunity by providing PPM stakeholders and their teams opportunities to upskill themselves on the key “entrepreneurial” skills critical to digital business – specifically, servant leadership and stakeholder partnership.

Finding 2: PPM Stakeholders Value Resource- and Risk-Orchestration-Related PPM Capabilities in Medium Digital Business Maturity

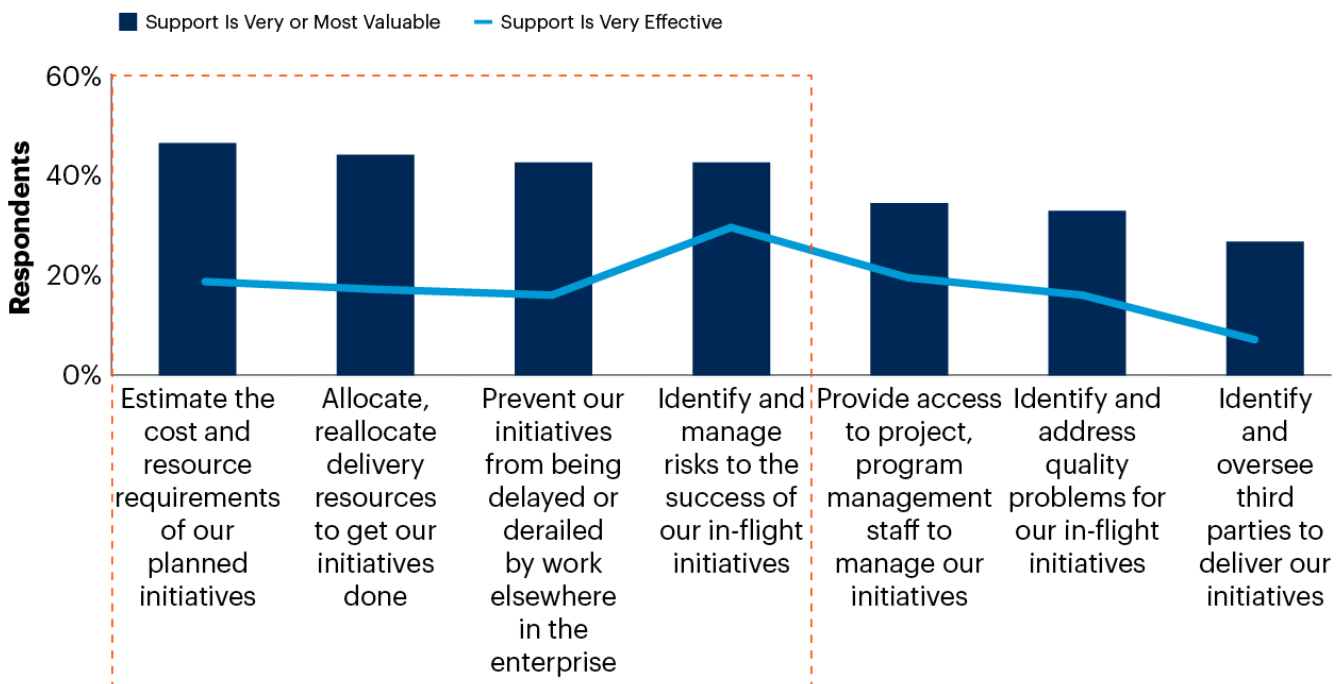
Support for resource- and risk-orchestration-related capabilities is highly valued, but ineffectively supported in organizations reporting medium-stage digital business maturity (see Figure 2). These capabilities include:

- Estimate the cost and resource requirements of stakeholders’ planned initiatives
- Allocate, and reallocate delivery resources to accomplish stakeholders’ initiatives

- Prevent stakeholders’ initiatives from being delayed or derailed by work elsewhere in the enterprise
- Identify and manage risks to the success of stakeholders’ in-flight initiatives

Figure 2: Resource- and Risk-Orchestration-Related PPM Capability Support in Medium Digital Business Maturity

Resource- and Risk-Orchestration-Related PPM Capability Support
Medium Digital Business Maturity



n = 75 PPM stakeholders reporting medium digital business maturity.
Source: 2020 Gartner Survey
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Source: 2020 Gartner Survey (n = 75 PPM stakeholders reporting medium digital business maturity)

As digital maturity increases, the emergence of organizational silos, in conjunction with the rise of interconnected work, makes it challenging for PPM stakeholders to coordinate value delivery, allocate resources and identify synergies across teams.

As shown in Figure 2, four capabilities continue to be valued in this more-advanced digital environment. However, PPM stakeholders also feel that support for these capabilities is not very effective.

PMO leaders can help PPM stakeholders estimate resource requirements by incorporating progressive estimation practices, such as t-shirt sizing and playing poker. They can also reduce initiative delays from work elsewhere in the organization by using CareFirst’s approach of systematically categorizing the organization’s most interdependent initiatives to uncover potential bottlenecks and determine future action steps. PMO leaders can also partner with enterprise

architecture functions to elevate the visibility of and better coordinate interdependent initiatives. PMO leaders looking to help PPM stakeholders manage risks that may derail initiative success can incorporate BMO Financial’s approach to the early identification of risks to project benefit realization. They can also support delivery resource allocation by mirroring Autodesk’s approach of providing dedicated resources to each product line to form a minimum viable team consisting of the smallest number of resources required to sustain core capabilities.

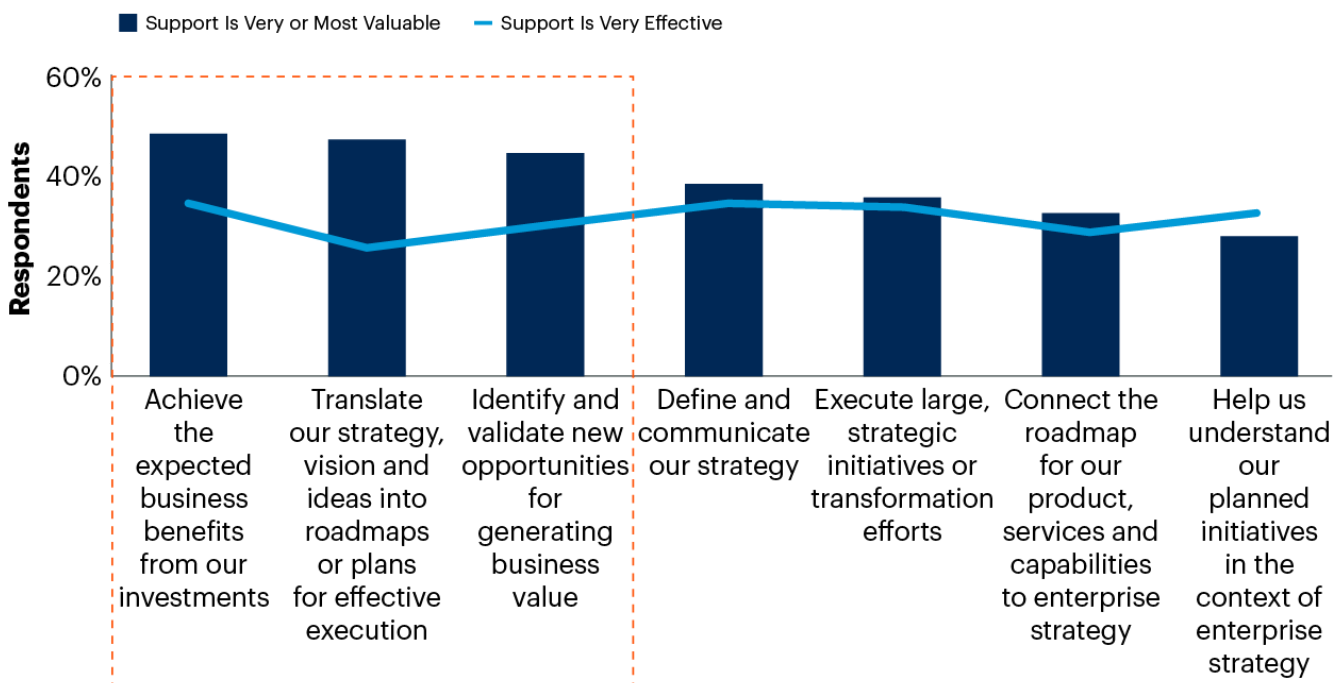
Finding 3: PPM Stakeholders Value Strategy-Related PPM Capabilities In High Digital Business Maturity

Among all strategy-related capabilities explored, stakeholders consider support for three capabilities to be the most valuable in high digital business maturity (see Figure 3):

- Achieve the expected business benefits from stakeholders’ investments.
- Translate stakeholders’ strategy, vision and ideas into roadmaps or plans for effective execution.
- Identify and validate new opportunities for generating business value.

Figure 3: Strategy-Related PPM Capability Support in High Digital Business Maturity

Strategy-Related PPM Capability Support
High Digital Business Maturity



n = 174 PPM stakeholders reporting high digital business maturity.
Source: 2020 Gartner Survey
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Source: 2020 Gartner Survey (n = 174 PPM stakeholders reporting medium digital business maturity)

In organizations that report high digital business maturity, an increase in employee digital dexterity and responsiveness contributes to higher customer-centricity and an autonomy of product teams to launch and manage digital business products. These employees have developed the skills, capabilities and mindsets to execute many traditional project (or product) management activities independently or informally. As a result, a PMO traditionally focused on supporting traditional project management, governance and compliance activities may be considered obsolete.

However, as shown in Figure 3, support for three strategy-related capabilities remains valued and ineffectively supported even in high digital business maturity. This could be because the challenge of siloed work introduced by product management can affect these three capabilities more significantly than the other measured strategy-related capabilities.

To help PPM stakeholders achieve business benefits from investments, PMO leaders can explore designing and instituting PMO services. For example, P&G introduced a thought leadership service to enable business and IT leaders to realize value within initiatives amid business constraints. For translating strategic ideas into execution roadmaps, the PMO at Nationwide helps delivery teams contextualize enterprise strategy to align their efforts with enterprise outcomes. To help stakeholders identify opportunities for generating business value, the enterprise program management office (EPMO) at Johnson & Johnson designed workshops that catered to early problem identification in order to pursue initiatives.

Conclusion

As PMOs continue to operate in organizations with growing digital business maturity, they must understand the need to evolve along with the business and shift its focus to support stakeholder needs. This research identifies the PPM capabilities on which PMOs must increase their support, but it is also essential for PMOs to explore areas in which they can scale back investment to prioritize higher-value opportunities. The survey also indicated that some PPM capabilities, which continue to be effectively supported, are not valued as high – for example, facilitating the shift to a new operating model in medium digital maturity. This is possibly because, by this stage of maturity, organizations have already made the necessary operating model shifts required to thrive in their new digital contexts.

PMOs need to avoid the traditional urge to be all things to all people and accept the reality that digitally mature businesses need targeted, more-effective PPM support. Only then can the PMO truly excel in the areas most desired by PPM stakeholders.

Recommended by the Authors

[“Project Manager Skills Required for Digital Business Success”](#)

This research will help PPM leaders identify and develop the entrepreneurial skills that are the hallmarks of project manager effectiveness for digital business.

[“Responsive Delivery Resourcing and Funding in Product Lines \(Autodesk\)”](#)

This case study will help IT leaders provide responsiveness and efficiency in resourcing models when shifting from projects to products.

[“The Intersection of PPM and Enterprise Architecture”](#)

This article explores a few examples of how enterprise architecture and PPM are collaborating to achieve enterprise outcomes.

[“Program Interdependency Dashboard \(Carefirst BCBS\)”](#)

This case study provides dashboards that visually represent interdependent components with a strong influence on program success; it serves as an early-warning indicator for potential bottlenecks.

[“Leading Indicators of Project Benefit Realization \(BMO Financial\)”](#)

This case study helps you increase project benefits capture by providing a best-practice approach to early identification of risks to project benefit realization.

[“Fund Through Uncertainty to Drive Innovation \(Johnson & Johnson\)”](#)

This case study will help PPM leaders understand how to better support innovation initiatives. They do this by adopting an iterative funding model, tailoring PMO support to business partner’s variable needs, and instilling a test-and-learn mindset to define and explore areas of uncertainty.

[“Value Realization in Product Management \(Nationwide Building Society\)”](#)

This case study showcases how PMO leaders help product teams understand how their day-to-day work contributes to strategic outcomes and ensure that enterprise leaders recognize teams’ abilities to deliver autonomously.

[“Customer-Centric PMO Services \(P&G\)”](#)

This case study will help PMO leaders reidentify their internal customer segments and design PMO services to address local pain points.

About This Research

This research draws on analysis from a 2020 Gartner Survey that includes feedback from 500 PPM stakeholders from across industries and company sizes. The survey collects stakeholders’ perceptions about the value and effectiveness of 29 specific PPM capabilities to achieve their top organizational goals.

PPM Capabilities Assessed in the Survey

- Identify and validate new opportunities for generating business value
- Define and communicate our strategy

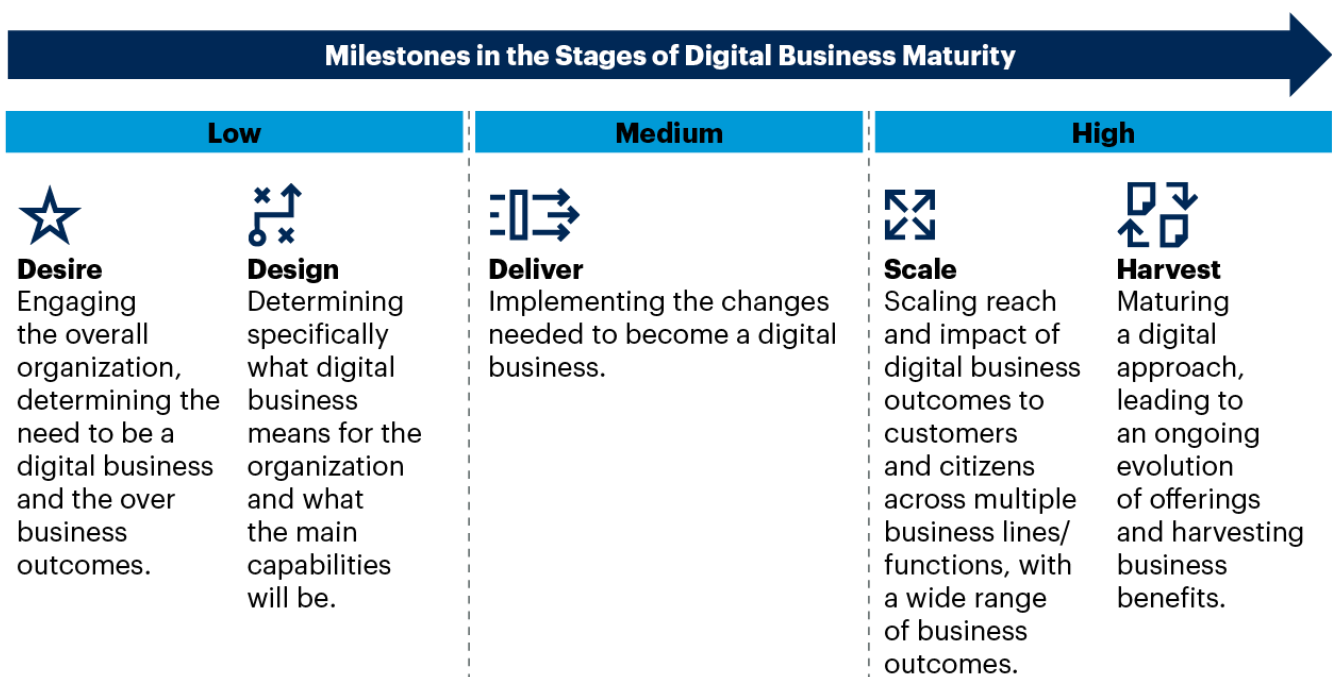
- Translate our strategy, vision and ideas into roadmaps or plans for effective execution
- Develop the justification or business case for our proposed initiatives
- Help us understand our planned initiatives in the context of enterprise strategy
- Avoid duplication of work going on elsewhere in the enterprise with our proposed initiatives
- Identify the measures of success for our planned initiatives
- Estimate the cost and resource requirements of our planned initiatives
- Execute large, strategic initiatives or transformation efforts
- Ensure employees absorb the change introduced by our initiatives
- Provide access to project, program management staff to manage our initiatives
- Build the knowledge and skills necessary for us to self-manage our initiatives
- Provide access to frameworks and templates necessary for us to self-manage our initiatives
- Obtain the information necessary for us to make decisions about our initiatives, products or portfolios
- Provide technology-enabled tools and solutions for initiative management and reporting
- Teach us how to apply new ways of working
- Identify and oversee third parties to deliver our initiatives
- Identify and manage risks to the success of our in-flight initiatives
- Identify and address quality problems for our in-flight initiatives
- Prevent our initiatives from being delayed or derailed by work elsewhere in the enterprise
- Allocate, reallocate delivery resources to get our initiatives done
- Allocate funding and prioritize our portfolio of investments
- Reallocate funding quickly when business priorities change
- Monitor the ongoing costs of our initiatives
- Achieve the expected business benefits from our investments
- Facilitate the shift to a new operating model

- Define or improve our approach to developing and launching new products, services and capabilities
- Connect the roadmap for our product, services and capabilities to enterprise strategy
- Build the knowledge and skills necessary for our team to manage products, services and capabilities across their life cycle

These capabilities were analyzed in relation to the digital business maturity of the respondents' respective organizations. As shown in Figure 4, this report categorized the maturity of an organization by the five milestones of maturity as identified in the survey – Desire and Design (Low); Deliver (Medium); Scale and Harvest (High).

Figure 4: Roadmap of the Journey to Digital Business Maturity

Roadmap of the Journey to Digital Business Maturity
Digital Business Maturity Stage Milestone Description



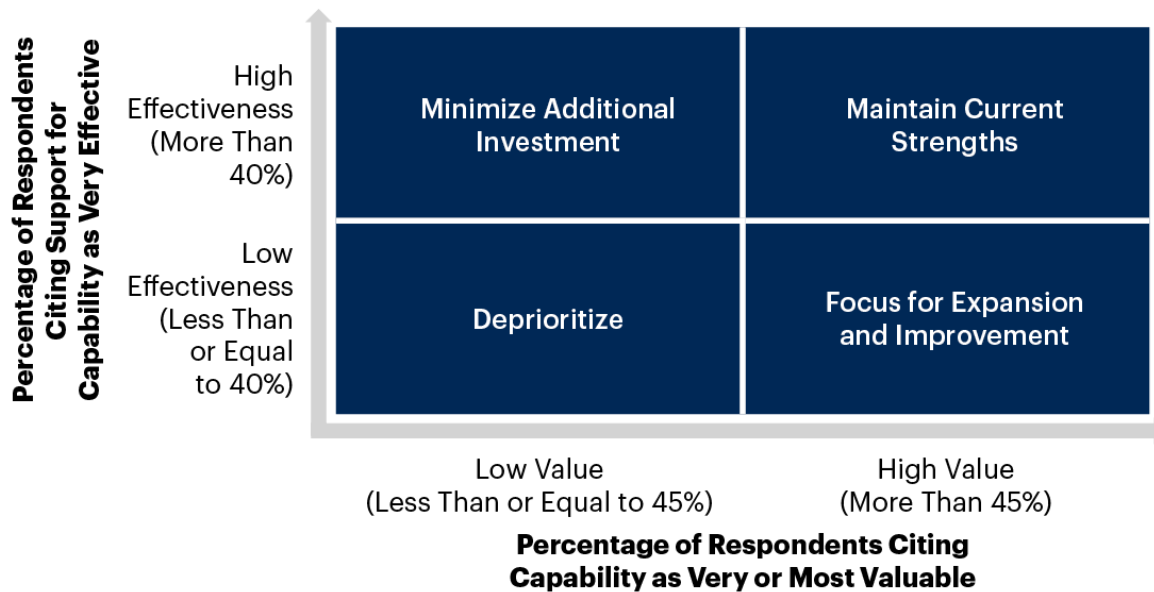
Source: Gartner
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Each capability included in the survey is placed in one of the four quadrants shown in Figure 5. This is based on value (measured on a five-point scale, 1-not valuable and 5-most valuable) and effectiveness (measured on a five-point scale, from 1-very ineffective to 5-very effective). These are rated by survey respondents relative to the average.

Figure 5: PPM Capability Prioritization Matrix

PPM Capability Prioritization Matrix

Illustrative



| | |
|------------------------------------------------------------------------------------------|-----|
| Average percentage of respondents citing capability as very or most valuable | 45% |
| Average percentage of respondents citing support for capability as very effective | 40% |

Source: Gartner
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Endnotes

¹ Refer to the About This Research section for more context on how different maturity stages were defined.

² PPM Stakeholders: Business and IT leaders and executives with project, program and/or portfolio management responsibilities.

³ PPM Capabilities: Project, program and portfolio management activities that can be executed within or beyond the PPM function, but still require a PPM-specific skill set to execute.

Presentation Deck

[Shift PMO Priorities to Support a Digital Enterprise](#)

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[Integration Teams for the Digital Era Must Support New Delivery Models](#)

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サイバーセキュリティおよびテクノロジー・リスク・マネジメントに関する取締役会からの5つの質問に対する効果的な回答

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