Why a data-driven approach will drive the PMO of the future

A data-driven approach is the only way for a PMO to thrive in today's complex business environment. Discover how data helps PMOs deliver real value.

Contents

POWER
FRAMEWORK

The project economy

Value in today's organisations is increasingly generated through projects, but it hasn't always been like this.

During the last century value in organisations was driven by operations. The better a business ran, the more value it generated. But today, operations can't keep up with the pace of development.

Economic growth doesn't come from slow-moving bureaucratic institutions. We now see innovation and long-term value generated from dedicated teams, skunkworks projects, and agile startups. They all use project-based approaches to quickly take advantage of the latest opportunities in tech, consumer demand, or market shifts, then scale rapidly for the overall benefit of their organisation.

> So, to extract the $20 trillion potential of project activity, it's predicted that by 2027, organisations globally need 88 million people in project management oriented roles.

Again and again, however, research shows that organisations waste an extravagant amount of time, money, and opportunity through ineffective project delivery. Take recent PMI surveys, for example, coming up with figures such as this: 30% of projects undertaken in Europe failed to meet their objectives, and 40% of projects failed altogether.

11.4%
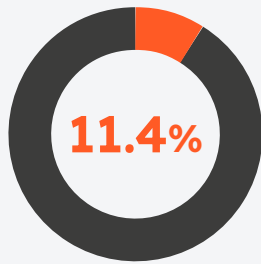
Organisations waste 11.4% of investment due to inferior project management processes.

If companies want to thrive in this new project economy, they need to think about project management differently. And to do that, they need a PMO that can join all the dots generated by projects to create strings of valuable insights that enable better decision-making and investment choices. Yet many organisations are firmly stuck with disconnected data silos and stand-alone tools.

10%
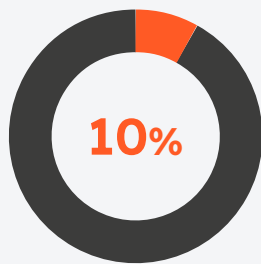
Organisations without mature value delivery capabilities within projects will see their outright project failure rate increase by almost 10%.

PMO Challenges

**In our recent [State of PMO survey](), we identified 5 key challenges to today's PMO:**

1. Efficient project demand processing
2. Implementing PPM tooling
3. Project and portfolio governance
4. Responding to executive data requests
5. Being recognised for delivering value

Collecting data from projects and portfolios to support sound decision making is a core purpose of the PMO. Doing it well goes a long way towards solving those PMO challenges. Today, too many PMOs capture disparate information and process it manually with Excel, with no single source of truth across programmes or portfolios.

PMOs will not realise their potential if these issues are left unaddressed. If it is true that many PMO do not feel valued by their leadership then here is a clear opportunity to change perceptions and demonstrate value.

58%
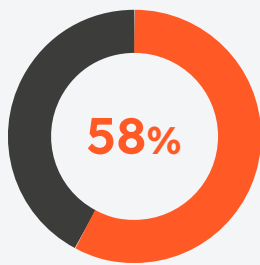
Just 58% of organisations fully understand the value of project management.

23%
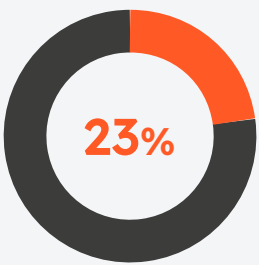
Only 23% of organisations use standardised project management practices across the entire organisation.
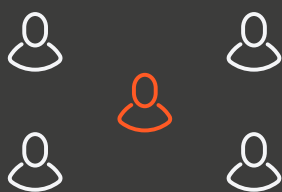
Only 1 in 5
fully agree that their organisation acknowledges their PMO for delivering value.

46%
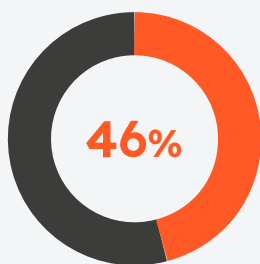
Only 46% of organisations make project management a cultural priority.

38%

38% of PMOs aren't satisfied that their project investment decisions are rational and aligned to organisational strategy.

Defining a data-driven culture

> **"**
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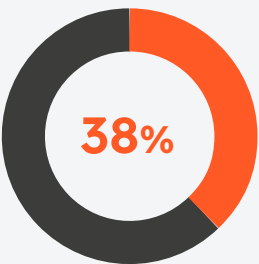> For leading and lagging companies alike, the emergence of data analytics as an omnipresent reality of modern organizational life means that a healthy data culture is becoming increasingly important.
>
> **Why data culture matters**
> McKinsey

A data-driven culture is when progress and decision are measured and influenced by data – there are no 'gut feelings' or intuition in the way to bias the outcomes.

A data-driven culture uses data as the primary source to extract business insights. While companies have always been interested in data, the degree of influence data has at the decision-making level is much higher in a data-driven culture.

The aim of a data-driven culture is to empower all employees to actively use data to enhance their daily work by making decisions more successful, initiatives more effective and competitive advantages larger.

It can't happen without cloud

The trend towards data-driven approaches would be impossible without the explosive growth of cloud technology. Businesses globally now have the computing power to take advantage of automation and machine learning to make sense of the masses of data in their ecosystem.

Having data and analytics in the cloud removes barriers to access and trust while strengthening data governance. This influences important behavioural changes in how people use data to collaborate, innovate, and solve business problems.

This paradigm is exemplified in Microsoft's Power Platform – the technology that is at the heart of Microsoft's cloud-based business intelligence and productivity tool strategy.

The Power Platform enables a data-driven culture for any organisation

The Power Platform contains tools and services like Power Apps (for low code, rapid application development), Power BI (for business analytics) and Power Automate (for process automation and integration). These market-leading tools are available to any business that uses Microsoft's services in their tech stack today.

Power Apps
Low Code Application Development

Power BI
Busines Analytics

Power Automate
Workflow Automation

Power Virtual Agents
Chatbots

The Power Platform can join up siloed collaboration and work management tools and combine them with world-class artificial intelligence components to deliver amazing capabilities. This allows the Power Platform to enable three key pillars of capability for PMOs:

PILLAR 1

Gather more data more efficiently

Make it easy for people to capture information with tailored and efficient applications on any device. More data sources are unlocked through integrations between systems and enabling third parties like suppliers, partners, or customers to contribute information.

- **Power Apps** allows you to deploy project apps with simple user experiences that you can personalise for user roles and devices. This improves adoption and data entry quality. It also acts as a means of engaging third parties like suppliers or customers to directly contribute information.

- **Power Automate** provides connectors to integrate with hundreds of applications, cloud services and databasess. Simply plug in and harvest data from departments, work management, and planning tools to enrich your data set and connect users.

- **Artificial Intelligence** features take your data gathering capabilities even further thanks to Robotic Process Automation, bots, automated forms processing, imaging, and language services.

PILLAR 2

Assure and secure data

Safeguard data from inappropriate use and ensure compliance. With clear accountability and engaged stakeholders, you can build a culture of trust and empowered decision-making.

- Data assurance is dependent on user adoption. At the end of the day, good data quality relies on people to put the right data in the right place in a timely manner.

- The Power Platform is home to Teams and other collaborative tools that people in an organisation likely use already. By keeping things familiar and accessible for users, you increase the likelihood of securing higher quality data.

- Unlike third-party PPM tools, the Power Platform stores all data in your own Microsoft tenant. This removes data hosting concerns and keeps your data protected by your other IT security processes.

- Within the platform, role-based security controls provide powerful facilities to secure access and visibility of data down to field level. Auditing is available to track field-level history showing who made updates, and when.

Turn data into business value

Convert rich, quality data into insights, empower analytics and engage stakeholders with attractive dashboards they will love to use.

- If your organisation has chosen the Microsoft cloud, then it's likely that **Power BI** is your strategic BI of choice. It opens a world of opportunities to publish engaging dashboards and empower data analytics. PMOs can use this to deliver better reports, engage senior leadership, and demonstrate the value they bring to projects and the organisation at large.

Data-driven PMOs

With the right infrastructure in place, we can now work on processes and their adoption to implement the data-driven approach we're aiming for. This unlocks a wide range of benefits.

Resource management

Every project organisation faces resource challenges. But resourcing is an area that is particularly hard to get right. It depends on so many data points, many of which are in constant flux. Resource capacity across a diverse resource pool with different skills and roles, demand from projects, business as usual, constantly changing forecasts – this is never easy.

However, capturing capacity and demand at the right level is achievable and will answer these important questions: **can we take on new work? And can we get our existing work done?**

Collaboration and teamwork

A data-driven culture inspires informed communication and collaboration between team members.

According to the [Project Management Institute](), poor communication is one of the top reasons for project failure. When team members contribute and share project data that represents the "single source of truth", this promotes transparency and avoids conflict. In turn, this strengthens the team's working relationships and generates trust.
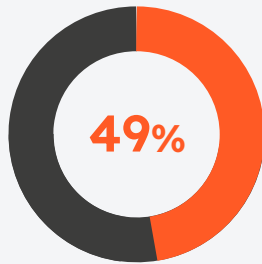
49% of businesses say that a key benefit of project management tools is on team communication.

Governance and compliance

A data-driven approach must focus on assuring data quality, completeness and timeliness. The trick is to automate data analytics to identify late, overdue or missing information. Rather than manually checking and chasing late reports, PMO will gain time to focus on effective governance and actively driving process maturity. Non-compliant projects or stakeholders are easily identified, and a focus on coaching and mentoring is facilitated.

Better investment choices

Budgets and resources are finite, so it's important to know which projects to invest in. Aligning project ideas to strategic priorities, establishing scoring and prioritisation mechanisms, implementing lean portfolio management – all rely on good information.

A data-driven approach will support rational and consistent decision making for an optimized, balanced, feasible and strategically aligned portfolio roadmap.
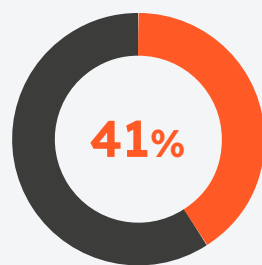
Only **41%** of organisations with an enterprise-wide PMO report that it's highly aligned to the organisation's strategy.

Continuous improvement

Gathering historical data and having it readily accessible increases the chances of future project success. With the data in hand, you can perform 'lessons-learned' activities that go into much greater depth than simple hindsight.

Reduced admin

Say goodbye to:

- Time wasting double-entry of data
- Gathering individual project reports
- Copy and pasting in Excel
- Manually creating and distributing report packs with PowerPoint

Data-driven PMOs can transform these processes through single data entry and instant identification of data that is missing or out of date. They can create and distribute reports automatically, while stakeholders enjoy self-service access to fresh data across multiple formats and devices. Project managers benefit by not having to double-enter project updates or worry about putting reports together.

50%
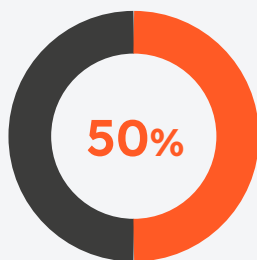
50% of respondents said that they spend one or more days manually collating project reports.

Reduced risk

Risk management cannot be effective unless it is data-driven. In situations where organisations operate in silos, risks that could potentially have a negative impact on other departments are obscured. But when data is democratised and centralised, it allows for consistent risk capture and visibility.

Informed decision-making = Increased project success

Increased depth, history, quality, and timeliness of data will support better decisions, which in turn increases the chances of project success – the outcome everyone is striving for.

Enhanced reputation

PMOs continually struggle to demonstrate their value to senior management, often because they lack the data to prove that their actions have positive impact. A data-driven approach helps the PMO to prove its value, engaging stakeholders and thus enhancing its reputation and increasing its influence.

More than that: PMOs have the opportunity to be seen as the guiding light for data-driven business culture and setting the example for other areas of the organisation.

SOURCES

https://www.pmi.org/learning/careers/job-growth

https://www.pmi.org/learning/thought-leadership/pulse/pulse-of-the-profession-2021

https://www.pmi.org/-/media/pmi/documents/public/pdf/learning/thought-leadership/pulse/pmi-pulse-2020-final.pdf

https://www.powerframework.com/state-pmo

https://www.capterra.com/project-management-software/user-research/

https://www.rolandberger.com/publications/publication_pdf/roland_berger_project_management_offices.pdf

https://www.gartner.com/en/documents/3938520/pmo-digital-leadership-survey-results

Is this the future for your PMO?

If you want your PMO to thrive in an increasingly complex business environment and deliver real value, only a data-driven approach will get you there.

It takes technology, people, and process

Technology provides the foundation for your transition towards a data-driven future, but this is just the beginning of the journey. Start by addressing the fundamentals:

1 If all your data is hidden away in spreadsheets and distributed across a multitude of disconnected systems, then your priority must be to create a centralised repository for your data.

2 Choose project and portfolio management tools that integrate seamlessly with your company's digital enterprise stack. If your organisation uses Microsoft Cloud, make the most of the Microsoft Power Platform which integrates with your existing tools and promotes optimum user adoption.

3 As with any change project, get senior sponsorship and ongoing engagement: only when leadership uses portfolio data, will they understand what data is truly needed for higher quality decision making. Moreover, once the data gets used, any data quality gaps will be surfaced.

4 Equip and enable your team through training on data-driven approaches and tools. But coach your executives too: Don't just publish some dashboards to them, help them understand how they can interact with them to give them the information they need.

5 Actually use portfolio data whenever you can e.g. by running review meetings with live dashboards rather than Power Point decks.

6 Communicate how the data is being used: help project teams buy into the process and cooperate with it because they understand why it is important.

7 Demonstrate the benefit: Explain how this new data has delivered benefit and supported better results; doing so with stories is even better.

8 Make sure you have clear roles assigned for process ownership and governance and actively manage this as a journey of continuous improvement.

With these measures, you can create positive momentum towards a data-driven culture for your PMO and create the foundation for truly insights-based project and portfolio management.

POWER FRAMEWORK

About Power Framework

Get visibility and control for consistent success in Project and Portfolio Management, with market-leading capabilities in Microsoft's Power Platform. Power Framework applies the limitless capabilities of Microsoft's Power Platform to manage demand, strategic execution, project status, resources, milestones, risks, project documents and much more.

Learn more