# The Escient PMO Survey: 2021 Results

escient

This is the 5th year Escient have conducted this survey.

Over this period we have seen some turbulent times for many businesses. Last years report reflected this in its theme—how PMOs were weathering the storm...

This year, analysing the results, we see a renewed optimism and the theme that comes through is one of adaptability.

We asked a few new questions this year and this report provides some insights into the changes we've noted and how PMOs have adapted over the past 12-24 months.
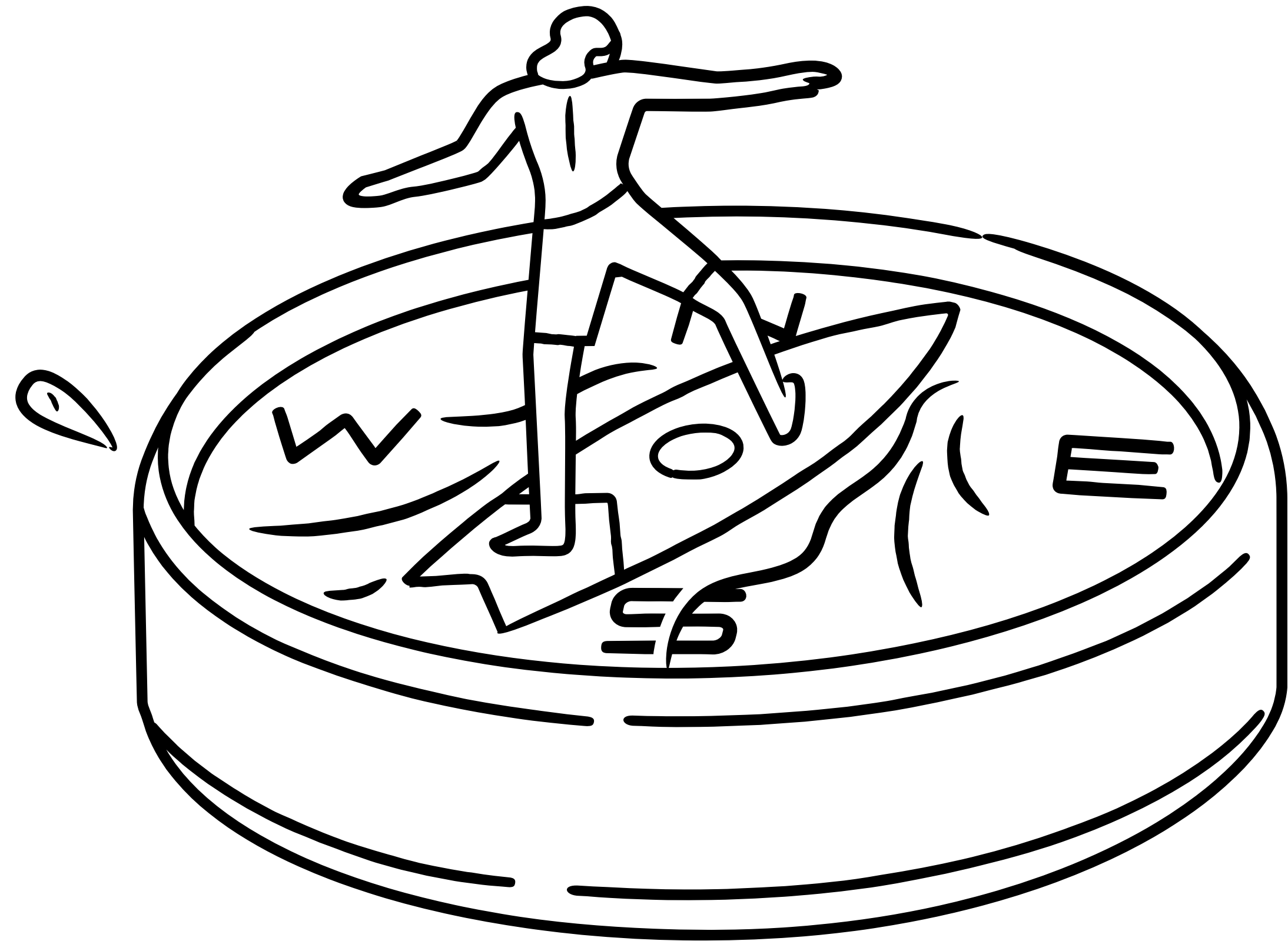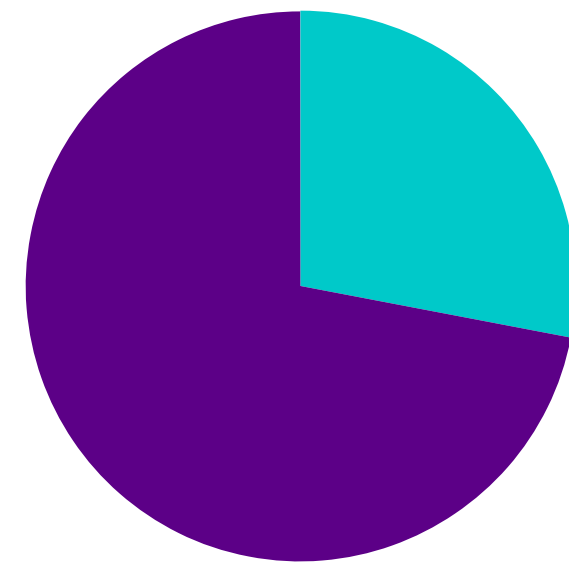
Key Takeaways

48% of PMOs are expecting to grow.

The single biggest takeaway this year is the level of optimism from PMOs in 2021 compared to 2020.

Where last year a record 23% of PMOs were reporting pressure to downsize, this year that number is only 5%. And a record 48% of PMOs were expecting to grow.

28% of PMOs are less than 12 months old.

**We also saw a record number of new PMOs—28% less than a year old.**

Last year we surmised that some organisations that would otherwise have made a decision to stand up a PMO may be deferring such decisions. This supposition seems to be borne out in the data this year with fewer in the 1-2 year age bracket but more new PMOs.
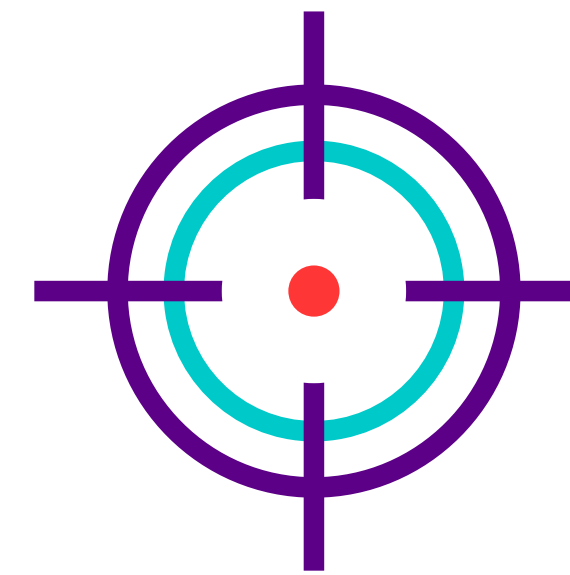
Strategic alignment becomes the primary focus for improvement.

This year saw a dramatic rise in the importance of Strategic Alignment and how PMOs are assisting organisations map their initiatives to their strategy. From a lowly 13th most important priority in 2020, this has jumped to 1st in 2021.

As organisations have adjusted their strategy over the past 12-24 months, PMOs have recognised the need to continue to ensure projects remained aligned to these adjusted strategies.
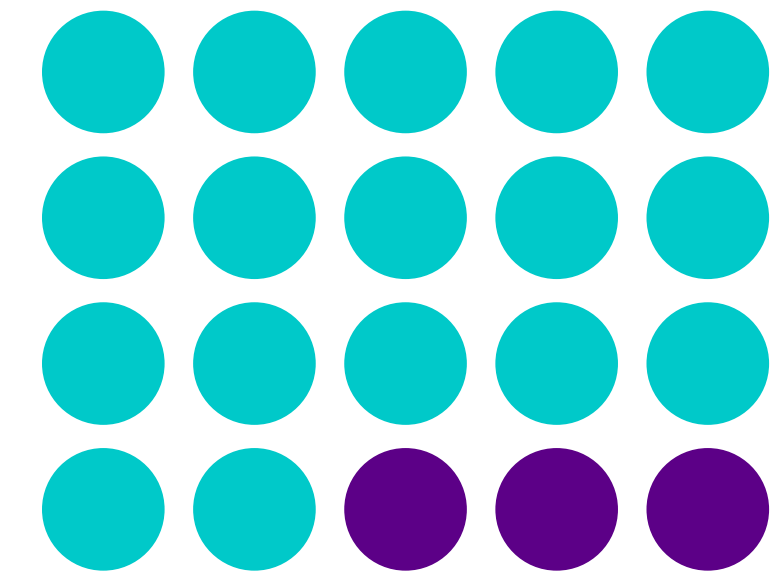
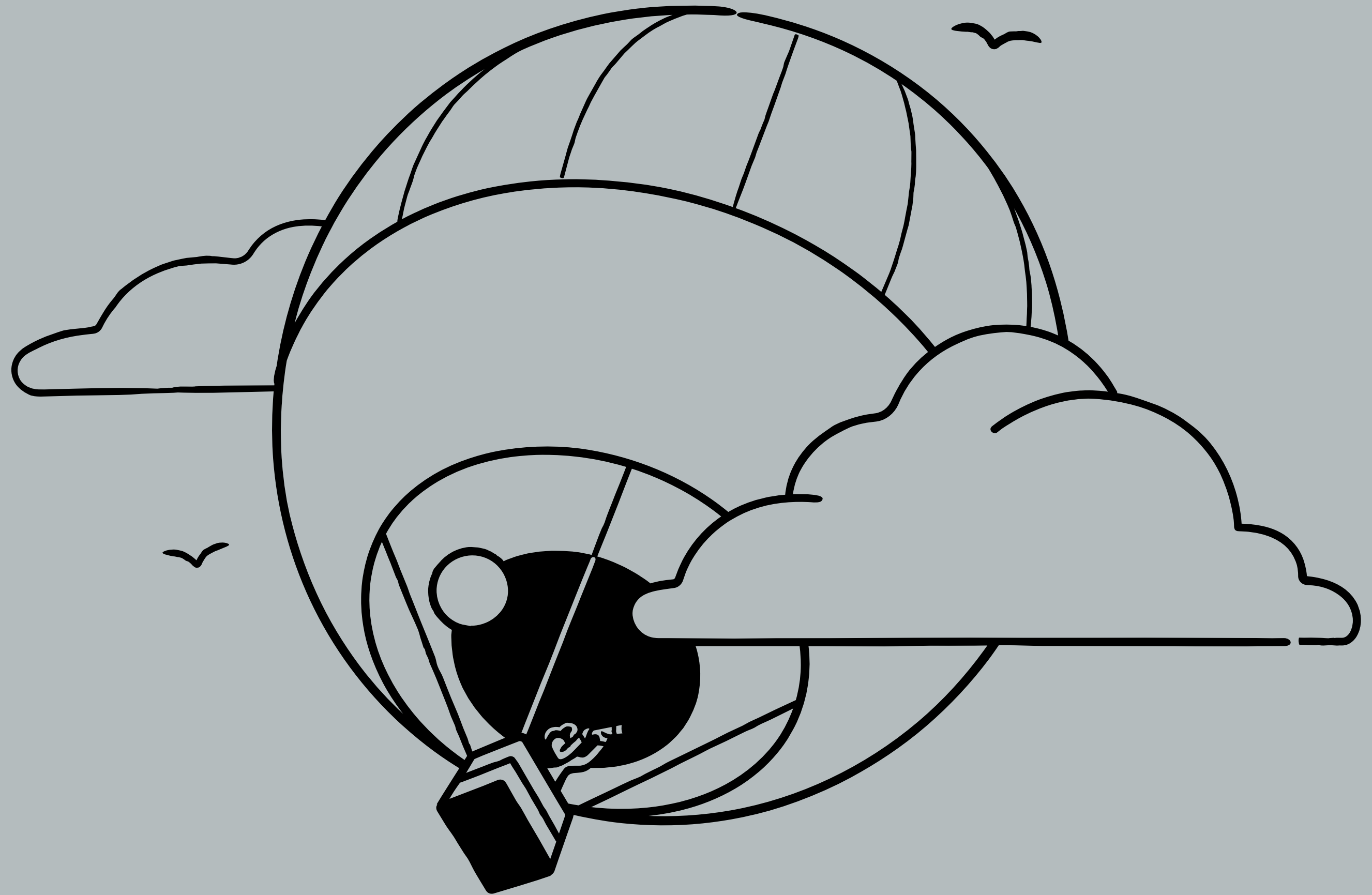## 85% of PMOs reporting no or minor impact to project delivery.

In further signs of adaptability, at almost 85%, the vast majority of PMOs reported no impact or only minor impact on project delivery based on the need to work from home over the past 12 months.
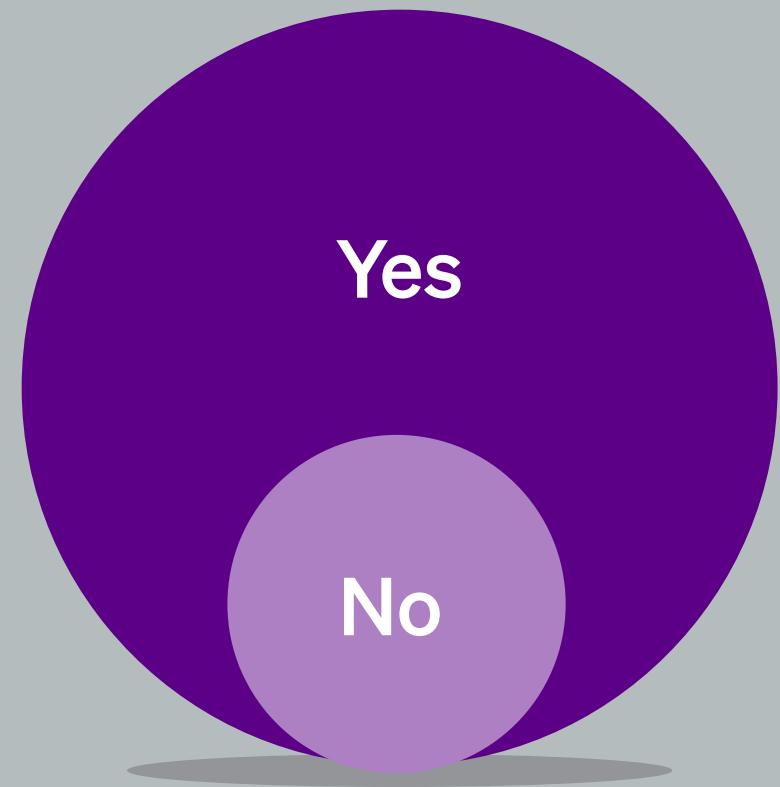
In addition, 88% reported no staff impact as a result of COVID-19 and lockdown measures.

Survey
Overview

Do you have a PMO?

Although this is a PMO survey, for the 2nd year running we asked people who didn't have a PMO to also respond and provide reasons why.

This year 20% of the responses we received were from organisations without a PMO. There are many reasons a PMO may not suit an organisation. Half of those cited **a low level of project management maturity** within the organisation.

Are you still called a PMO?

Around 45% of respondents were adhering to the name PMO but for some this referred to a Portfolio Management Office, some the Program Management Office and others the Project Management Office.

EPMO was another common name. Others, to name a few, included Portfolio Execution Office, Portfolio Office, Program Agility Office, Project Services and Project Success.

QLD 27%

WA 5%

NSW 12%

SA 17%

VIC 29%

ACT 10%

20% Financial Services

17% Utilities, Energy, Extraction

51% Other

12% State Government
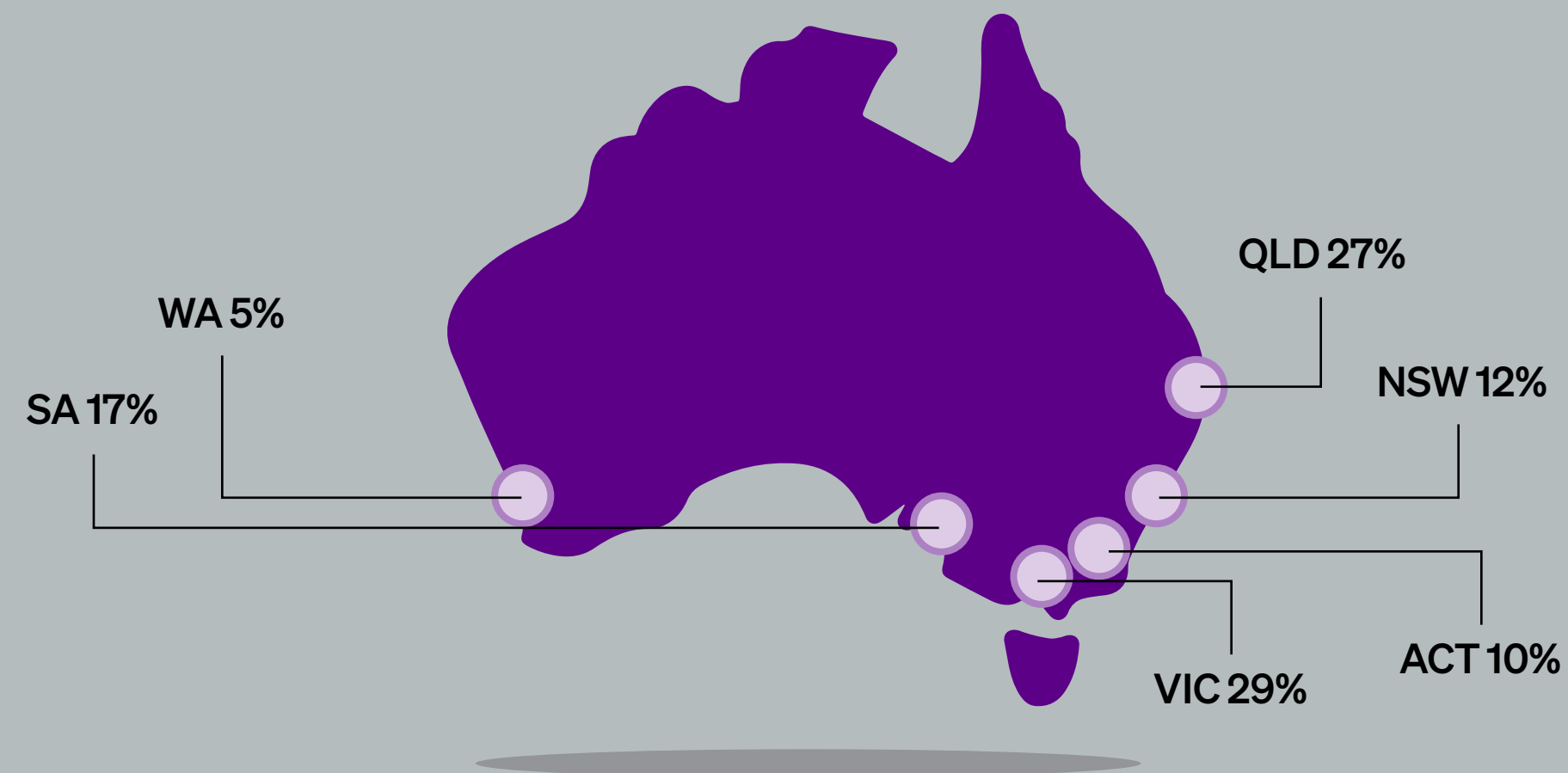
Where are you based?

We received responses from NSW, Victoria, South Australia, Queensland, Western Australia and the Australian Capital Territory.

We had a big drop in responses from NSW this year with all other states remaining fairly stable. This movement likely reflects a slight change in our approach to gathering responses rather than a real drop in the number of PMOs in each state.
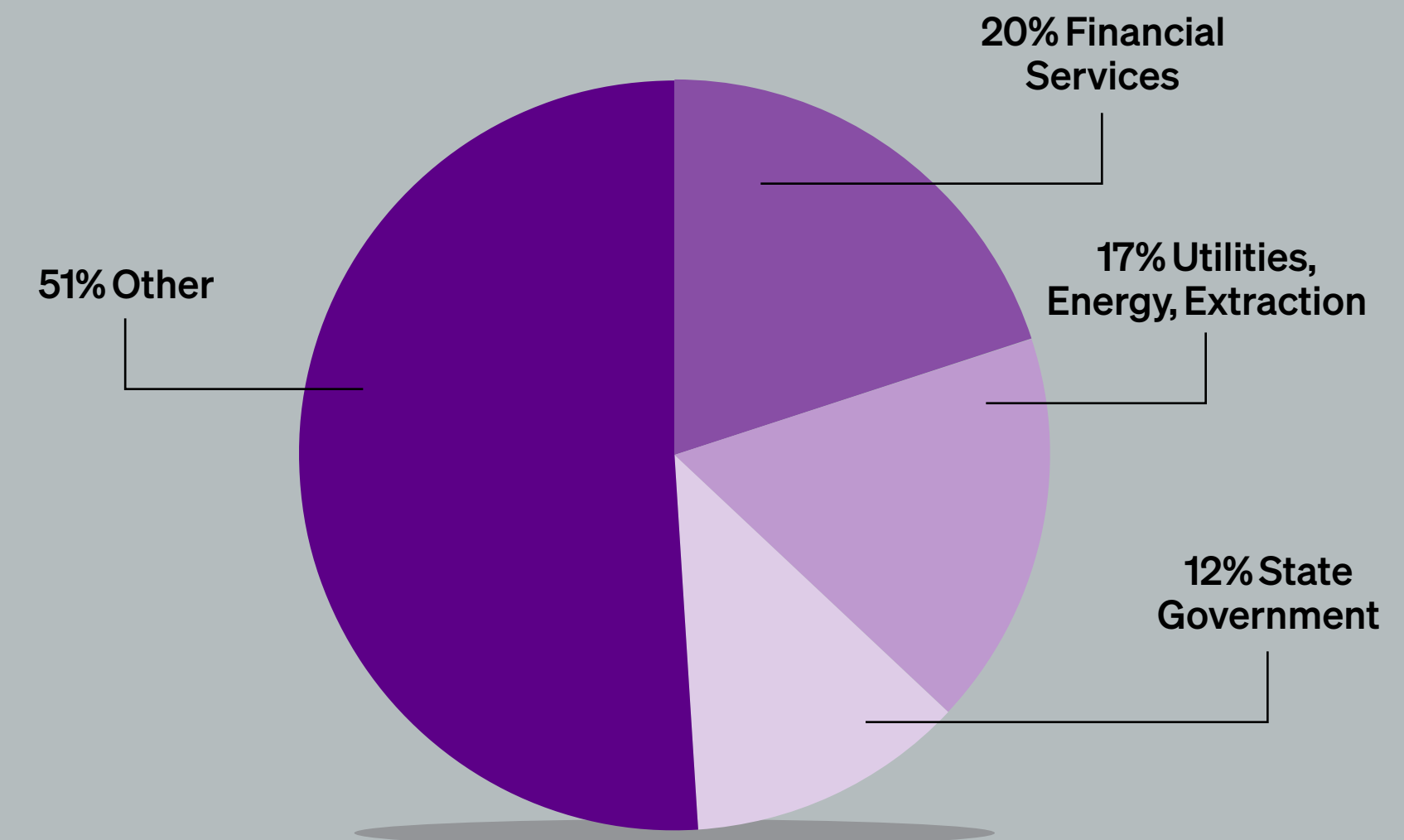
What industry?

Financial Services PMOs comprised the largest single sector of responses at 20%.

Responses from Government PMOs was also high— 20% in total. This included 12% State, 5% Local and 3% Federal Government.

Utilities, Energy and Extraction industry PMOs comprised another large portion of responses at 17%

29% Other

25% IT/CIO

3% Finance/CFO

25% Operations/COO

18% CEO

8%
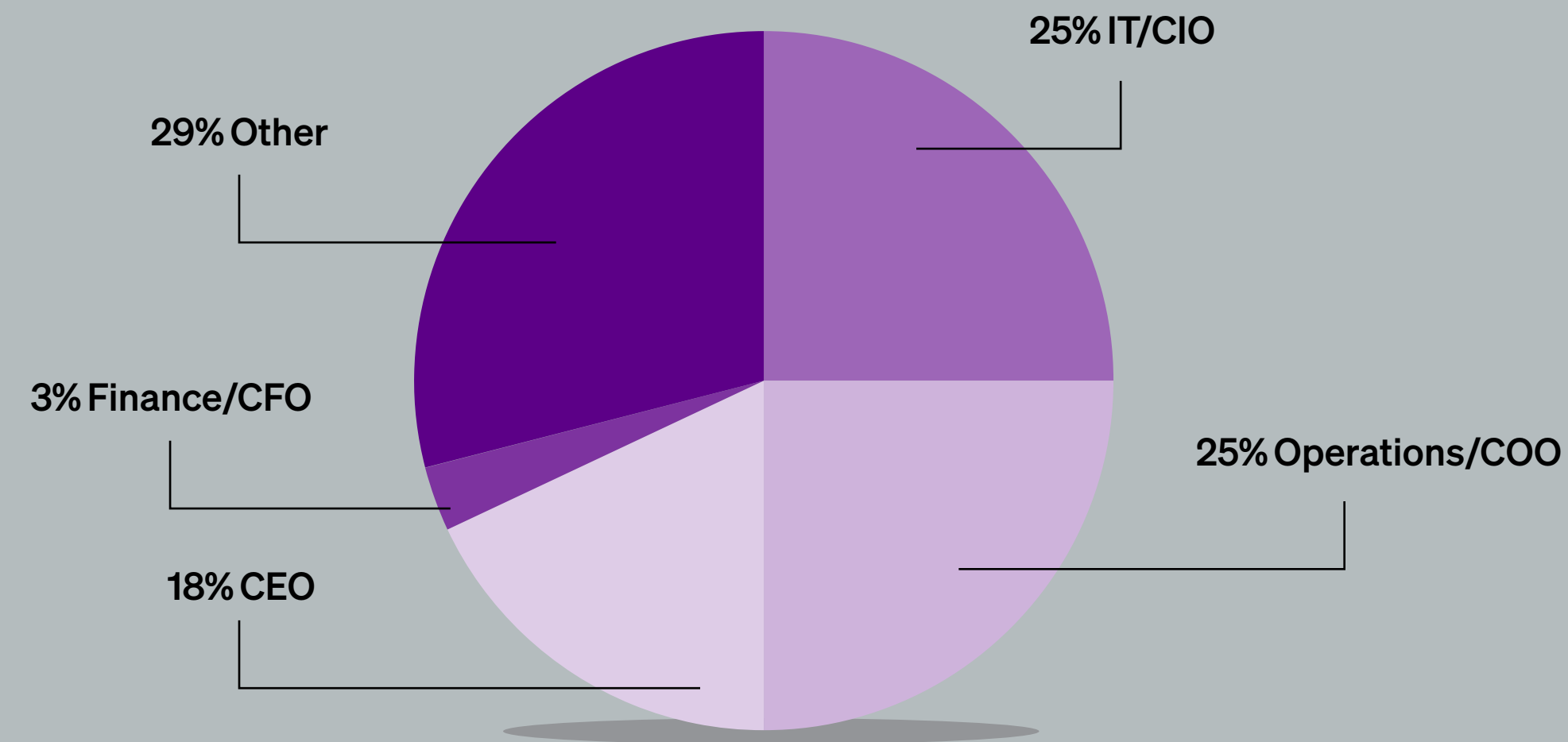
Reporting Line?

The proportion of PMOs reporting through to IT or to the CIO continued to drop. From 52% in 2019 to 29% in 2020 and now down slightly again to 25%.

The proportion reporting through to Finance or to the CFO has dropped significantly. From 13% in 2020 down to just 3% in 2021.

The biggest increase however was in the reporting line to Operations which grew from 10% in 2020 to 25% in 2021.

IT Projects?

Last year PMOs responding to the survey reported that approximately 51% of projects in their portfolio were 'IT Projects'. That fell to 43% overall this year.

Last year we also noted a marked difference between the proportion of 'IT Projects' in 'IT PMOs'—i.e. those that reported through to the CIO – vs others. This year that difference seems to have evaporated with no appreciable difference between IT and Non-IT PMOs.

2021
2020
2019
2018
2017

0% 20% 40% 60% 80% 100%

EPMO

Program

100%
80%
60%
40%
20%
0%

2017 2018 2019 2020 2021

Supportive

Controlling

Directive
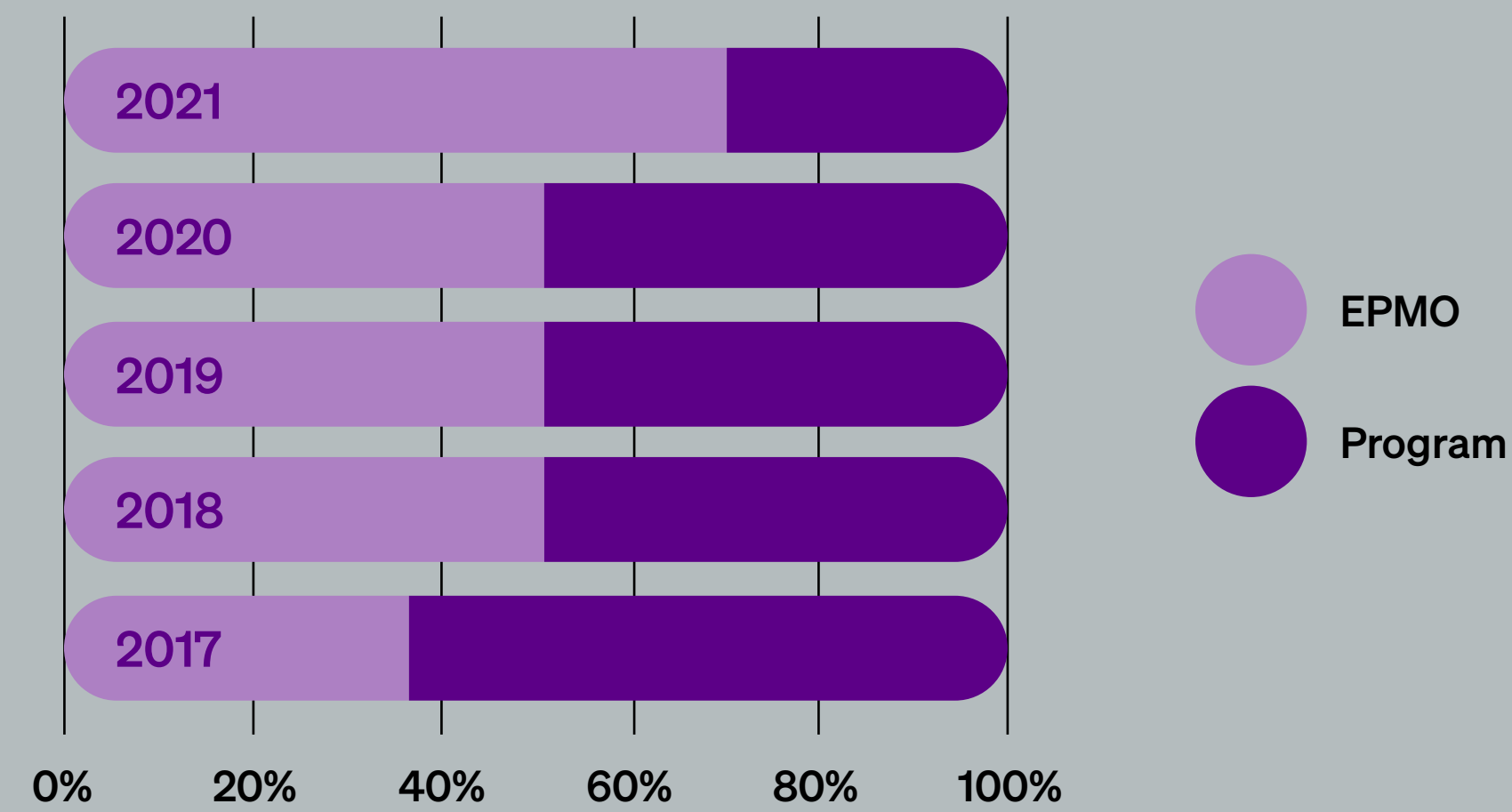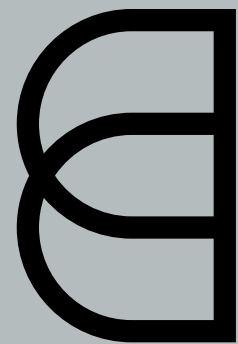
Type of PMO?

As with previous years, approximately 15% of responses were from Program PMOs. Excluding these and focusing just on permanent PMOs, for the last few years there's been roughly a 50/50 split between Enterprise PMOs and PMOs that are instead across a subset of projects—i.e. Portfolio PMOs.

This year that changed markedly with EPMOs now by far the majority of respondents—approximately 71% of all permanent style PMOs.

Style of PMO?

**The labeling of PMOs as either Supportive, Controlling or Directive seems to have been around since the mid 2000s.** Over the past 5 years of conducting this survey we've seen the 'controlling' style take precedence.

In 2021 controlling style PMOs comprised 48% of responses— around the same as in 2020. Directive style PMOs were the significant increase—up from 20% in 2020 to 33% in 2021.

PMO Size
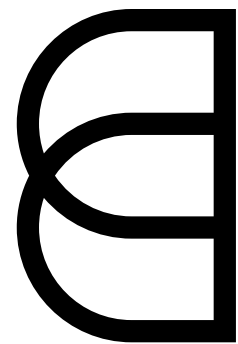
PMO Full-Time Equivalents

For the past 5 years we've asked how many full-time equivalent people work for the PMO, not including Project Managers but more PMO roles.

Last year we began reporting on a bi-modal pattern that seemed to be emerging in terms of the number of staff within the PMO. Excluding Program PMOs, rather than a traditional bell curve, we saw these modes being (i) smallish 2-3 person PMOs and (ii) larger PMOs with 8 or more FTEs.

This year we see that bi-modal trend even further reinforced—with a 2-3 person PMO now by far the most common—but we've also seen an increase in larger PMOs. We believe part of the reason for this is the increased incidence of 'new' (smaller) PMOs coupled with some consolidation of established portfolio PMOs into larger EPMOs.

Number of PMO FTEs

2020   2021
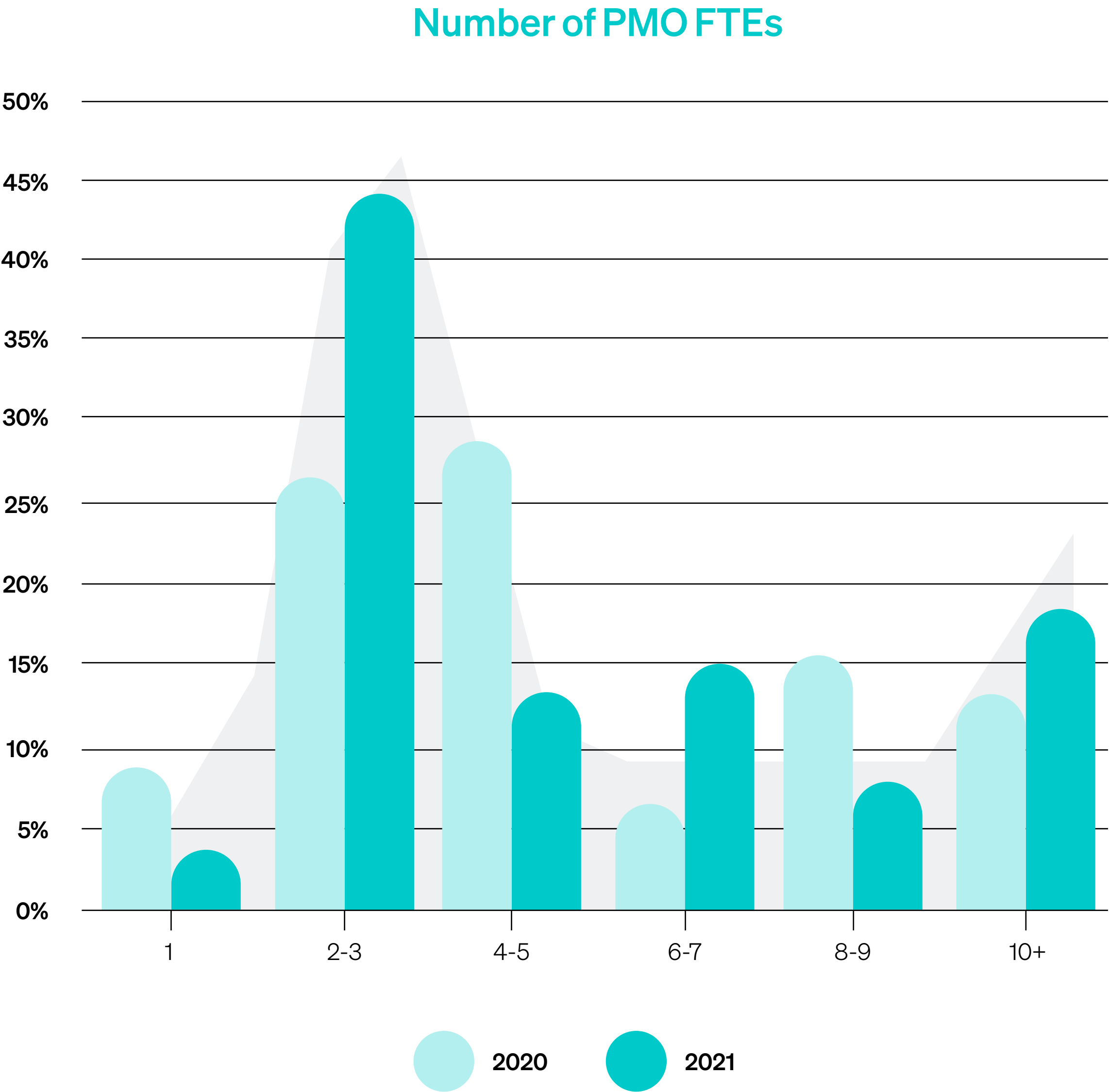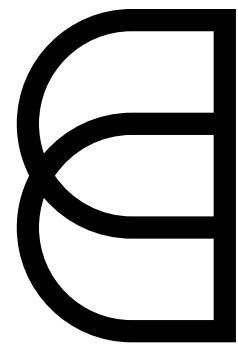
Size Pressures

As mentioned in the Executive Summary, a record low percentage of PMOs reported expecting to downsize (5%) and a record high percentage of PMOs reported expecting to grow (48%).

This is a very encouraging turnaround from previous years and bucks the trend we've been observing where (in previous years) more and more were expecting to downsize and less expecting to grow.

Our observation is that this reflects a generally more buoyant market sentiment —especially at the time this survey took place—when lockdowns were being lifted, vaccination rates were growing rapidly and COVID case numbers were dropping. For many organisations there was likely a backlog of projects and new initiatives putting increased demands on PMOs.

Growth Expectations

Year	Downsize	Grow
2021	-5%	48%
2020	-23%	28%
2019	-13%	37%
2018	-8%	43%

Downsize   Grow
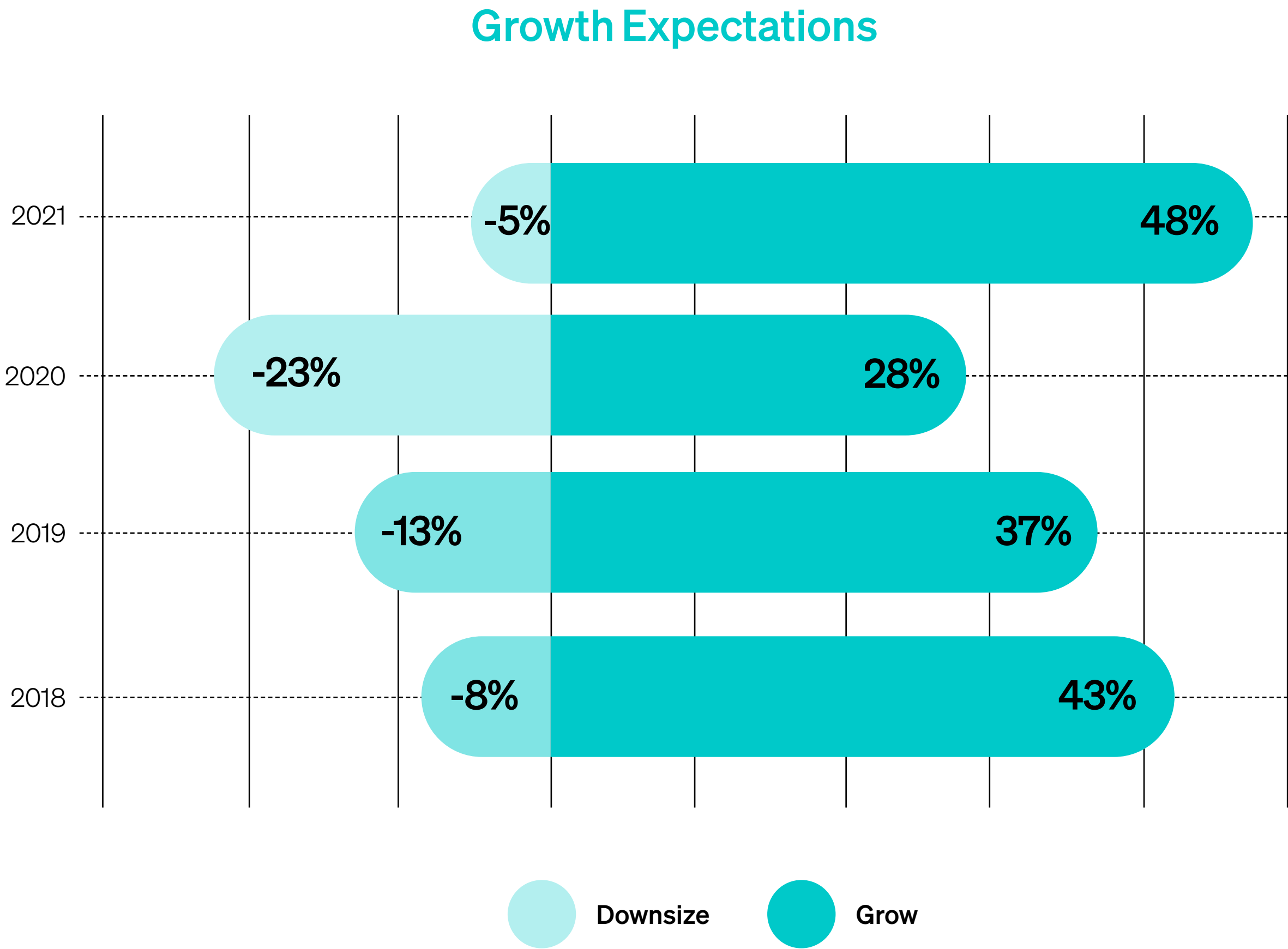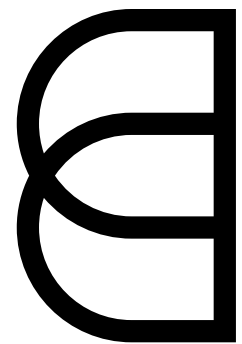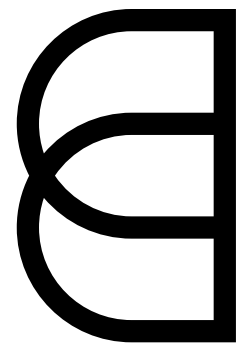
Portfolio Size

We asked survey participants about the average number of projects 'on the go' at any one time. In 2021 there was an increase in the number of PMOs managing large portfolios.

As with the FTE modeling, we see an odd bimodal distribution in the above chart—an increase in large portfolios but also an increase in smaller portfolio and a drop in the incidence of portfolios in the 41-80 project range.

One reason for this may be that we're seeing (i) a rise in the number of 'new' PMOs who perhaps 'start small' alongside (ii) a consolidation of established portfolio PMOs into EPMOs.

Portfolio Size

Legend: 2017, 2018, 2019, 2020, 2021
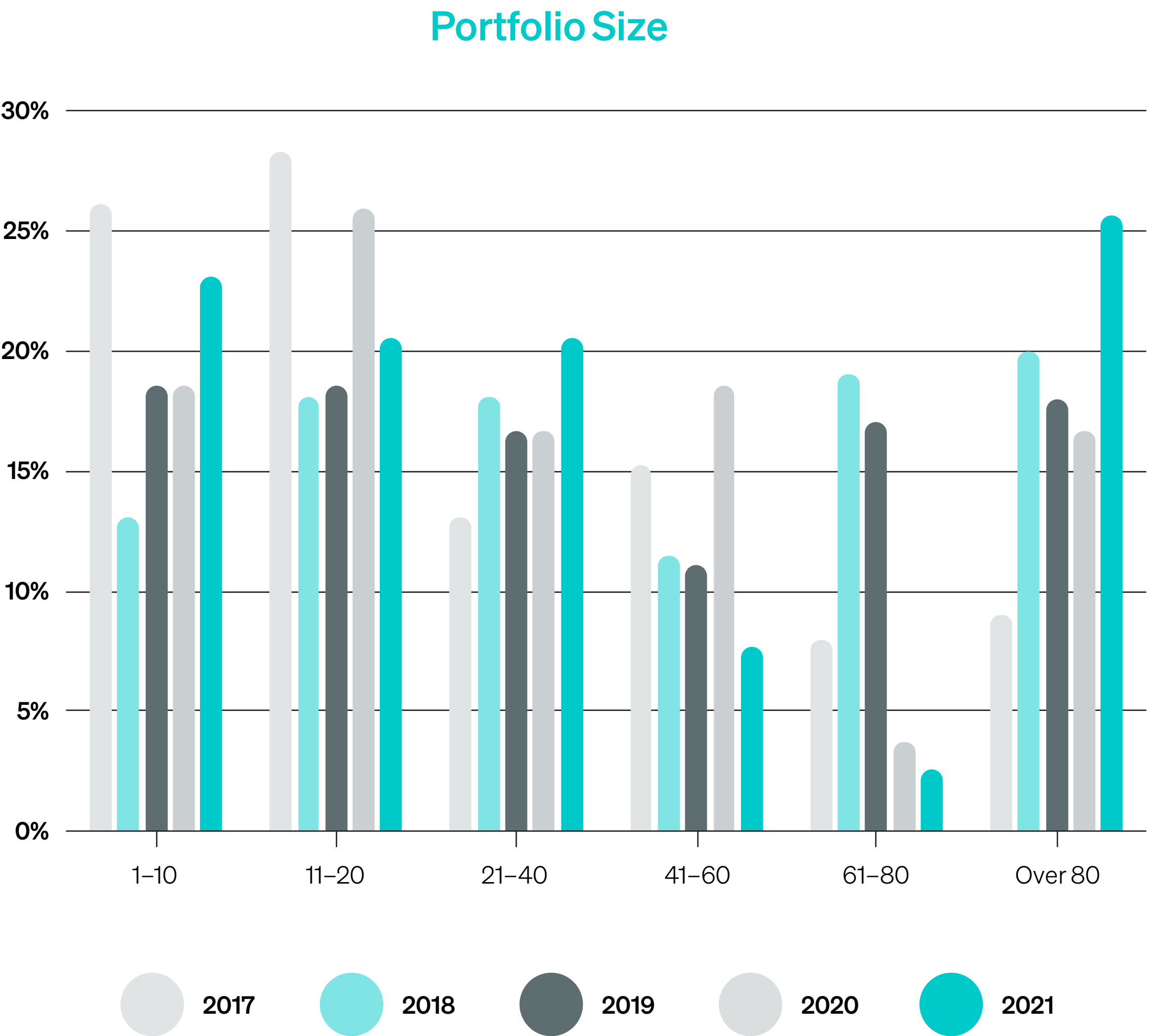
Annual Project Spend

Survey respondents have provided us with a guide as to the overall annual spend on projects per annum and in 2021 this seems to have dropped slightly.

Whilst there are still many PMOs reporting an annual project budget over $100m, there are now just as many with an annual spend in the $16m to $50m range.

Whilst in part this could be attributed to the bimodal pattern we see in the number of concurrent projects, it's also likely reflective of some fallout from the lean times most organisations have been through. That is, many organisations and PMOs are trying to increase their efficiency and do more with less.

Annual Project Spend

Legend: 2019, 2020, 2021
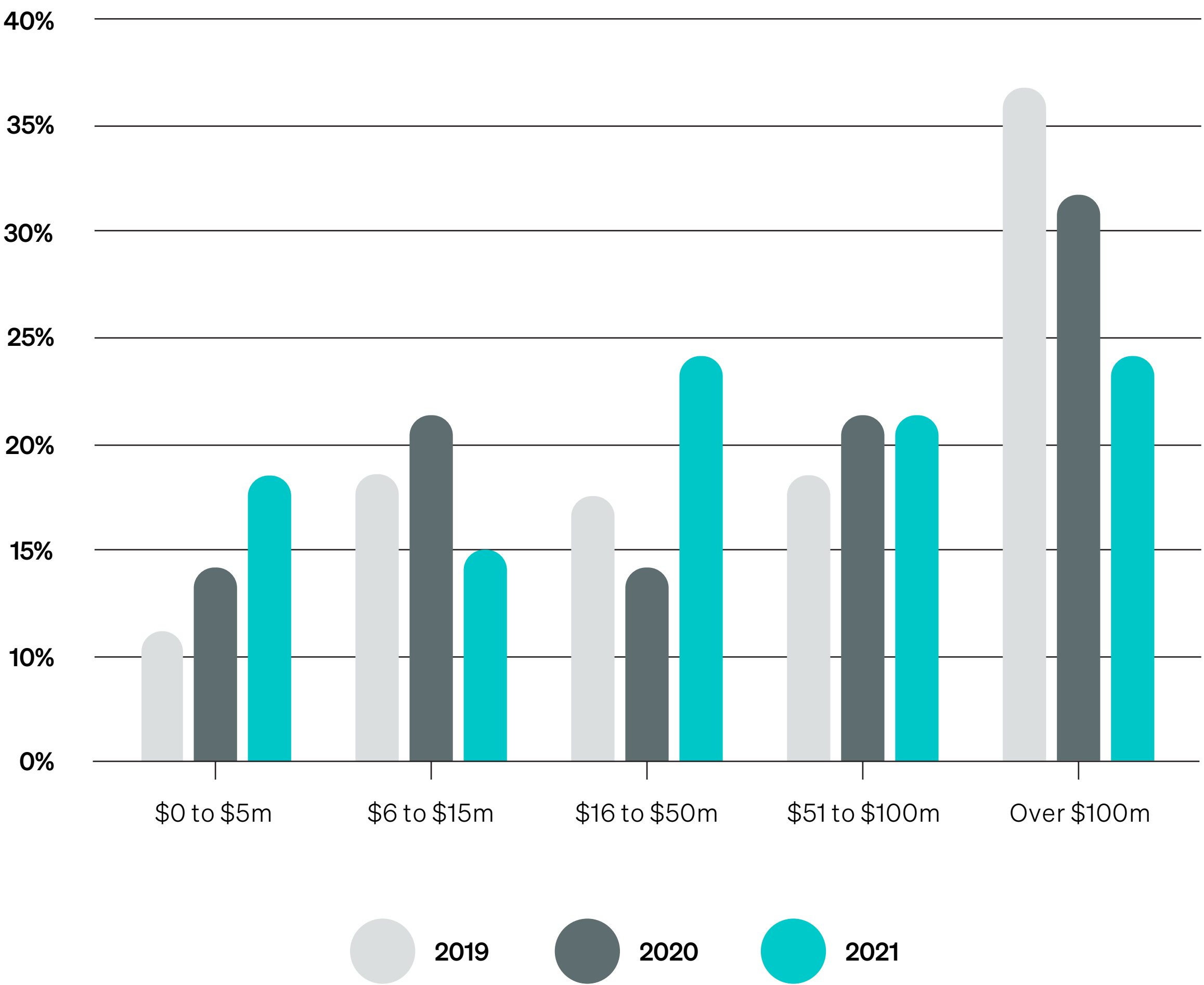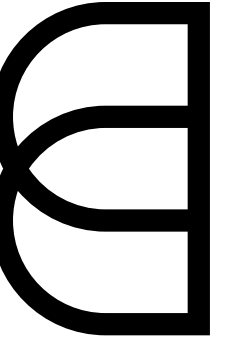
PMO Efficiency

Last year we introduced the concept of a *PMO Efficiency Rating*.

This is a measure of the number of FTEs a PMO employs versus the size of the PMO portfolio, the number of functions being provided and the style in which the PMO is operating (Supportive, Controlling or Directive). The expectation is that, as PMOs offer more functions across a larger range of projects, there will naturally be a higher demand in terms of effort from the PMO. Similarly a PMO operating in a purely Supportive capacity will have lower demands of effort compare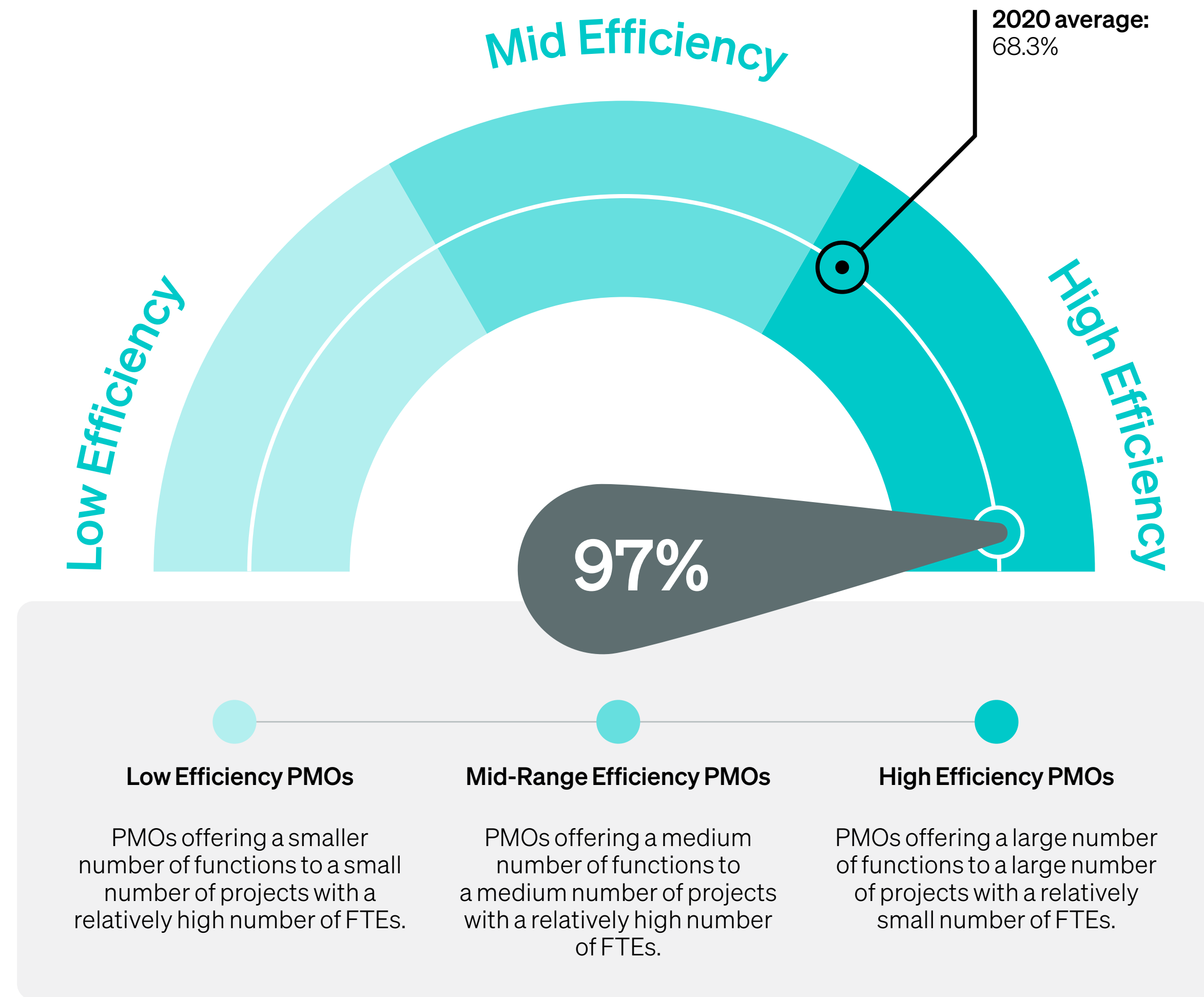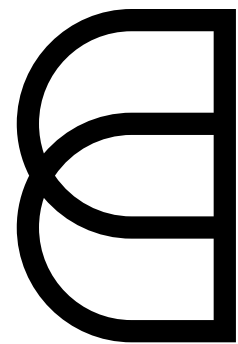d to one offering more assurance style functions of a Controlling style PMO and more again for a Directive style PMO which will need to manage the Project Managers, etc. reporting to it.

Last year, looking back over the previous 4 years and hundreds of responses, we found an average PMO Efficiency Rating of 68.3%.

This year, just looking at 2021 results, we see a massive jump in efficiency ratings to an overall average in 2021 of 97%. This suggests that in 2021 PMOs were doing more with less—a remarkable result.

Mid Efficiency

Low Efficiency

High Efficiency

2020 average: 68.3%

97%

Low Efficiency PMOs

PMOs offering a smaller number of functions to a small number of projects with a relatively high number of FTEs.

Mid-Range Efficiency PMOs

PMOs offering a medium number of functions to a medium number of projects with a relatively high number of FTEs.

High Efficiency PMOs

PMOs offering a large number of functions to a large number of projects with a relatively small number of FTEs.

PMO Longevity

From the survey's inception we have asked for an indication of how long the PMO has *existed in its current form*. Whilst PMOs continually evolve, this is to acknowledge that there are occasions when some undergo a more significant transformation—in terms of scope, style, reporting line, functions, etc.

PMOs (non-program): Last year we saw a significant drop in the relative number of 'new' PMOs—i.e. those less than 1 year of age.

This year, in keeping with the theme of growth and renewed optimism, we have a higher proportion then ever of such new PMOs.

Last year we surmised that some organisations that would otherwise have made a decision to stand up a PMO may be deferring such decisions. This supposition seems to be borne out in the data this year with fewer in the 1-2 year age bracket but more new PMOs.

As we wrote in our report last year, it is critical for the longevity of a PMO to tailor its service offering to the specific needs of their organisation. When those needs are evolving as we've seen over the past 12-24 months, the PMO must adapt in turn.

PMO Age in Years

Legend: 2018, 2019, 2020, 2021
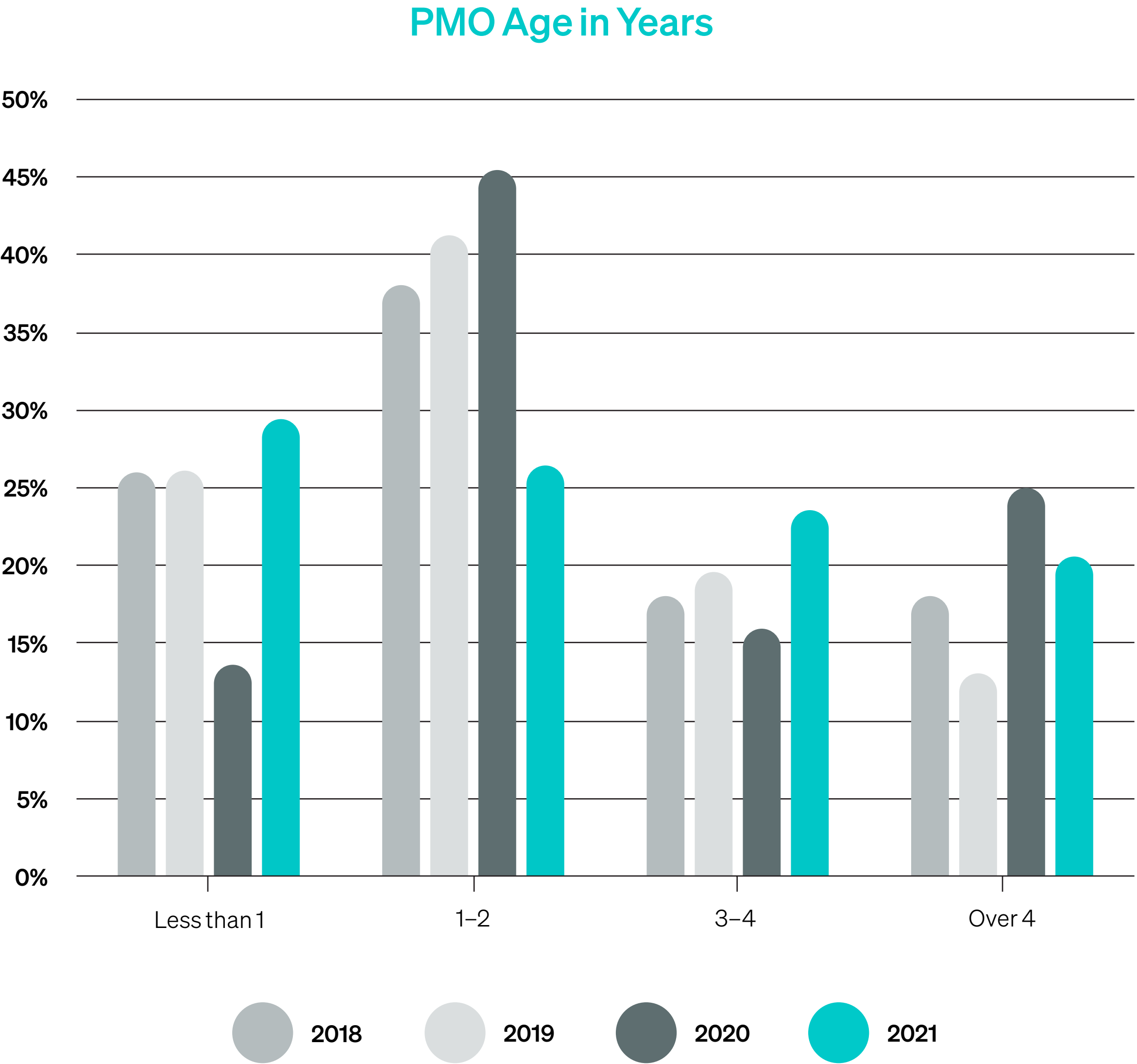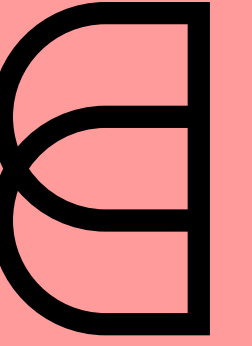
PMO Methodology and Tools
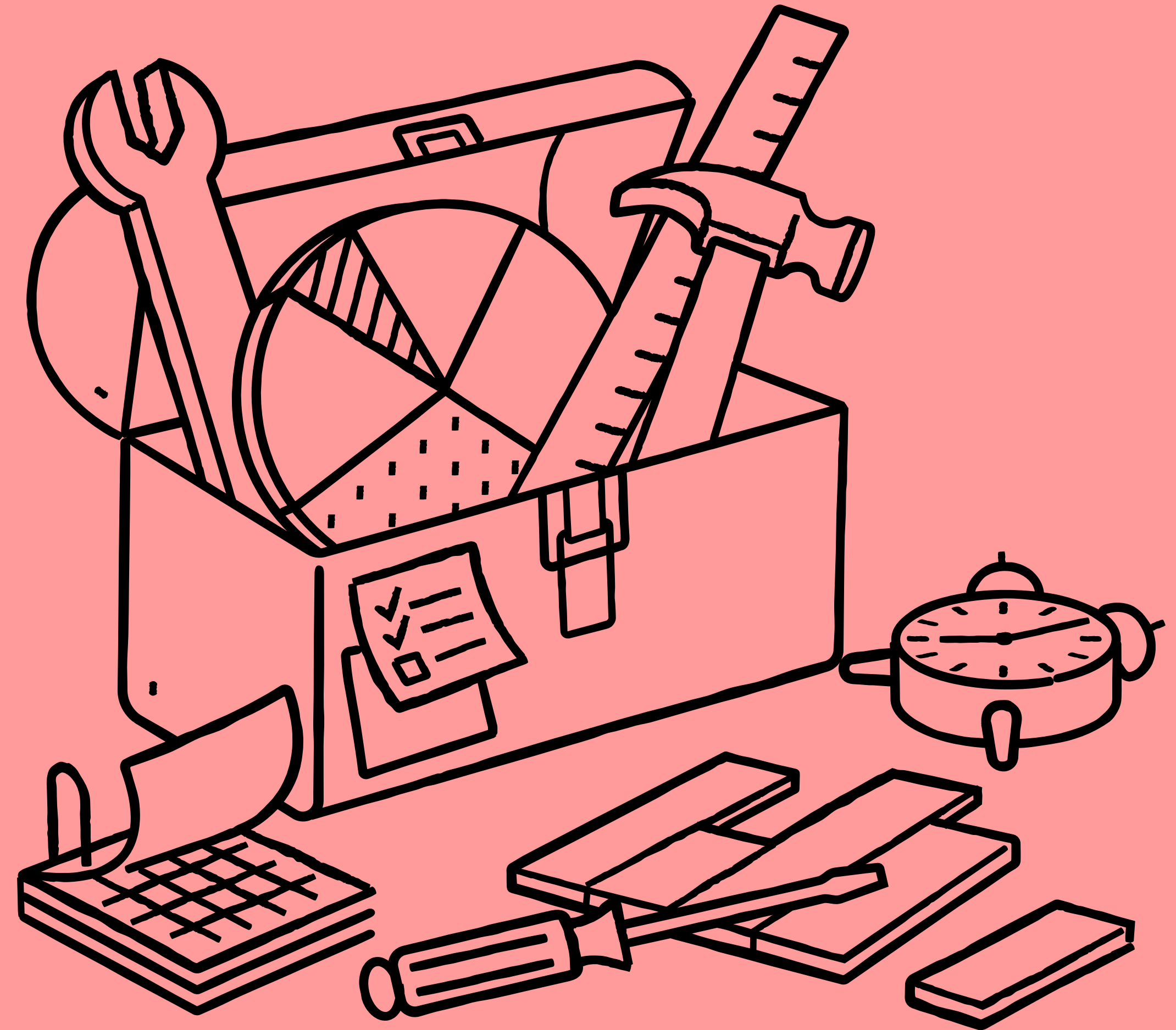
Methodology

Over the years we've been running this survey we have asked questions about the methodology by which most of the PMOs projects are run.

Regardless of the way we've asked the question, we've seen no real overall shift in the methodology of projects within the domain of PMOs, particularly over the past 12 months. Around half of respondents reported most projects within the PMO ran a mostly traditional, waterfall approach, 17% were 'pure' agile and the remaining third more of a hybrid approach.
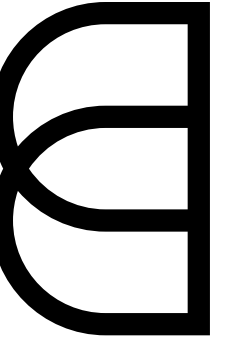
This varies from industry to industry so, for instance, in the public sector a higher percentage (74%) remained a traditional waterfall methodologies and only 29% adopted an MVP approach but for the most part we haven't seen a massive jump in 'pure agile' adoption over the past few years.

This year we also asked what percentage of projects respondents thought adopted a Minimal Viable Product Approach (MVP). Again this is more to tease out whether some agile principles are being adopted. The overall average was 38% and this is roughly in the range we'd expect from the banding of the hybrid and agile methodologies.

Hybrid/Other: 35%

Traditional: 48%

Methodology of Projects

Agile: 17%
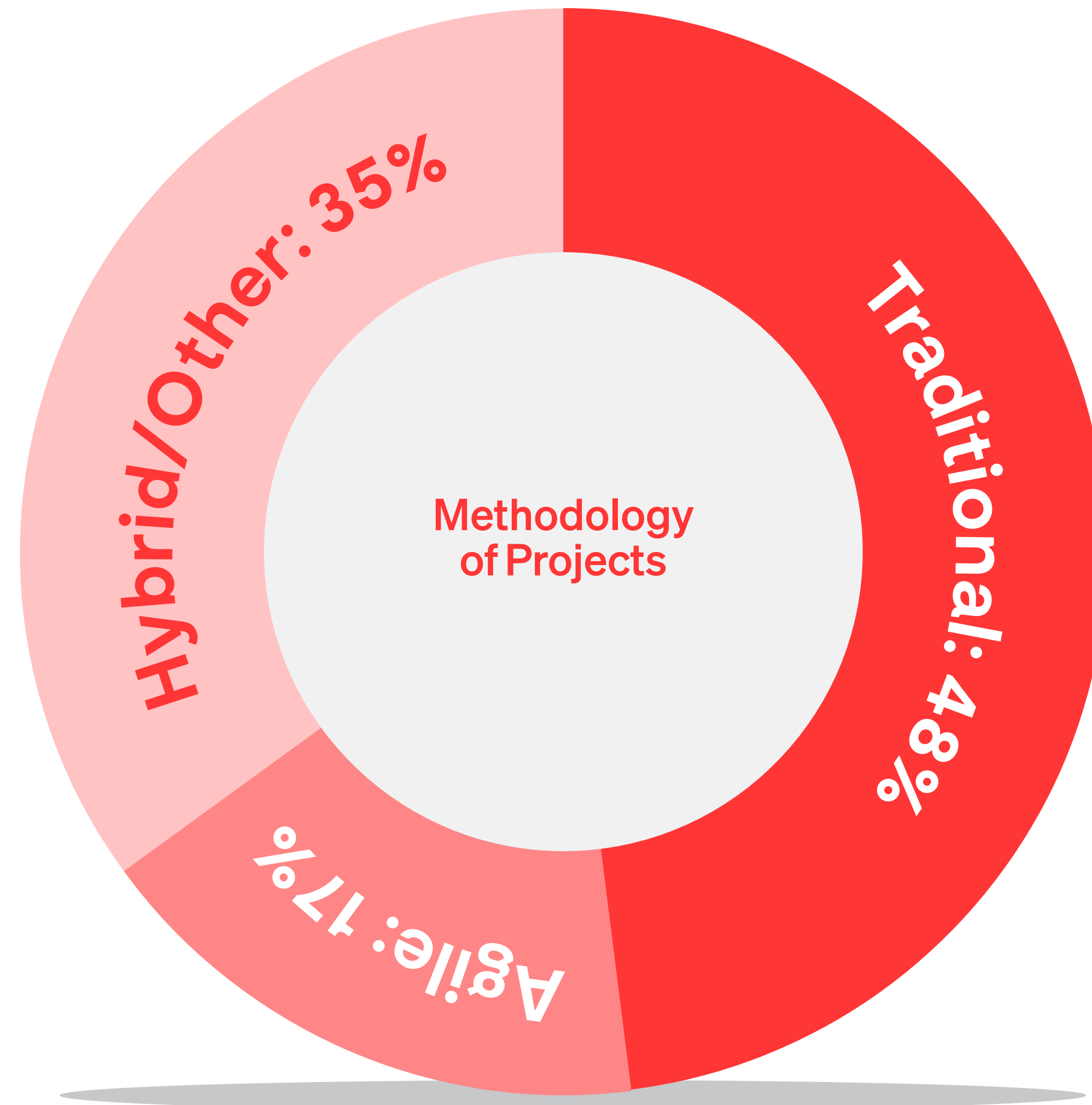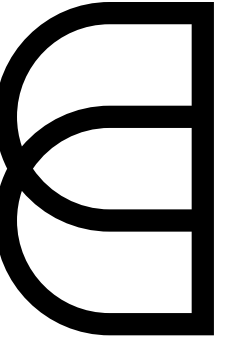
PMO Tools

We have also asked over the past 5 years what toolsets the PMOs use. We've provided some options to select from as well as an 'other' category.

As with methodology, there was little change in toolsets over the past 12 months.

- **Microsoft Excel** remains the tool most PMOs (78%) use in some capacity. Although it is never a PMOs only tool.

- **Sharepoint** remains the 2nd most popular at 71%

- **Microsoft Project / Project Online** usage dropped a little from 69% to 61% during the year

- **'Other'** was the largest growth area in tool usage. Nominated tools in this category were too numerous to list here but included the likes of Smartsheet and Todoist.

We also asked this year whether the last 12 months of remote working, etc. had necessitated some sort of toolset change in order to continue to deliver projects. Around 30% advised there had been no real toolset changes, 56% advised increased reliance on existing tools and only 17% adopted new tools.

Microsoft Excel
Used by 78% of respondents

Microsoft Sharepoint
Used by 71% of respondents

Other
Used by 41% of respondents
and includes tools such as
Smartsheet, Todoist, etc

Microsoft Projects
Used by 61% of respondents
down from 69% in 2019
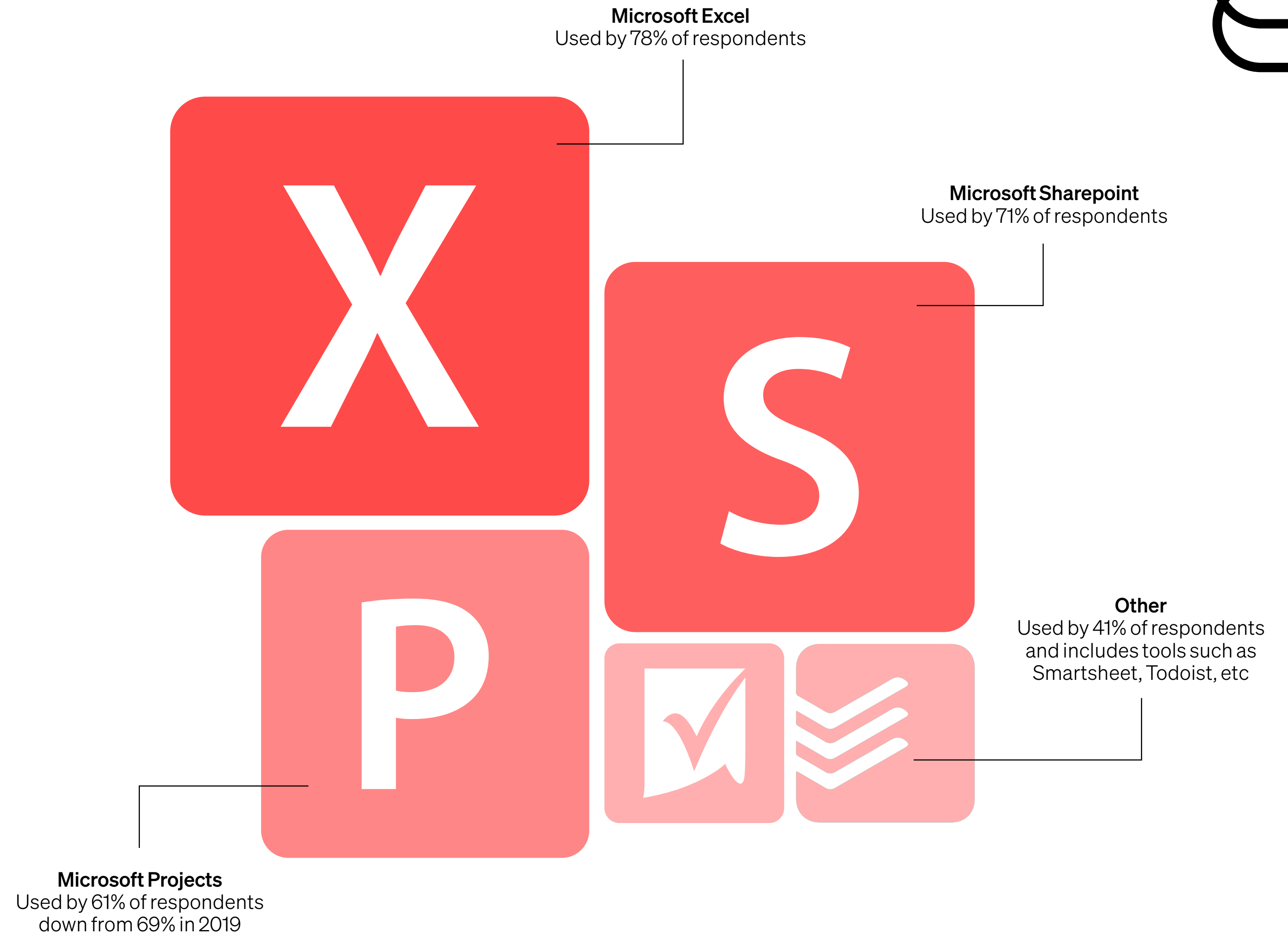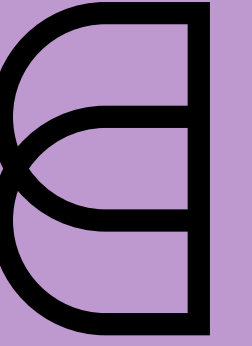
PMO
Functions
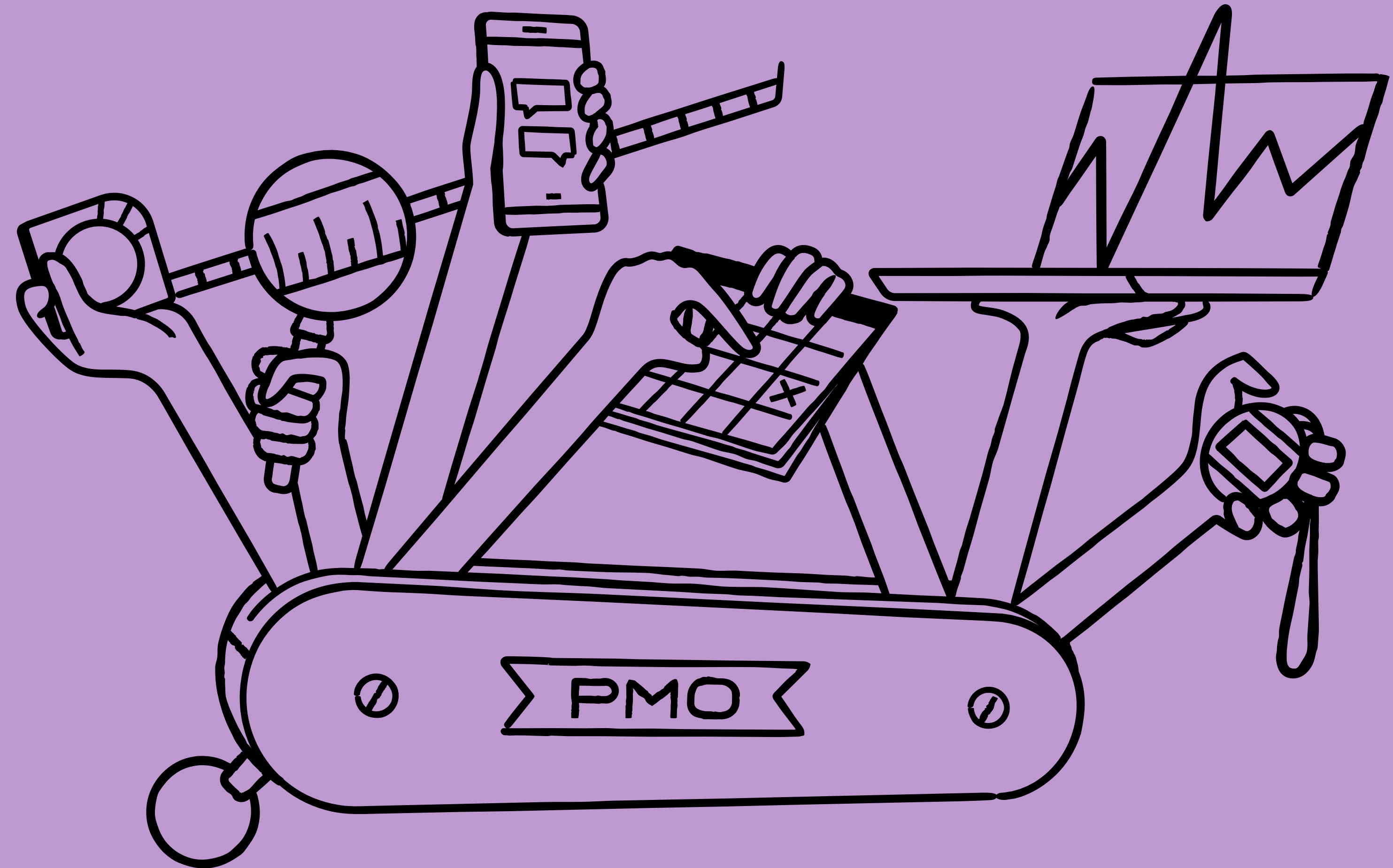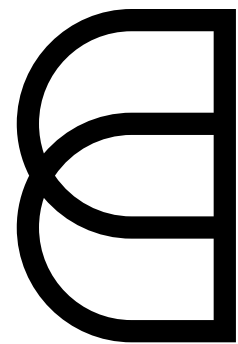
PMO Functions

We have asked survey participants over the past 5 years to select from a range of functions we believe make up the core set that most PMOs provide.

Over the next page we explore which functions are most popular but, at an overall level, this year the average number of functions offered by PMOs increased slightly from 10.6 in 2020 to 11.1 in 2021.

Most PMOs continue to rely in-house for the provision of all functions with only 7% outsourcing to some form of PMO-As-A-Service provider.

As reflected in the **PMO Efficiency Rating** mentioned earlier—there is a complex relationship between the number of functions a PMO offers, the size of portfolio, the style with which it operates (supportive, controlling or directive) and the number of FTEs available to the PMO. There is not a 'right' number of functions for a PMO to offer—it very much depends on the context within which the PMO operates.

Histogram Number of Functions Offered by PMO

The average number of functions offered is 11.1
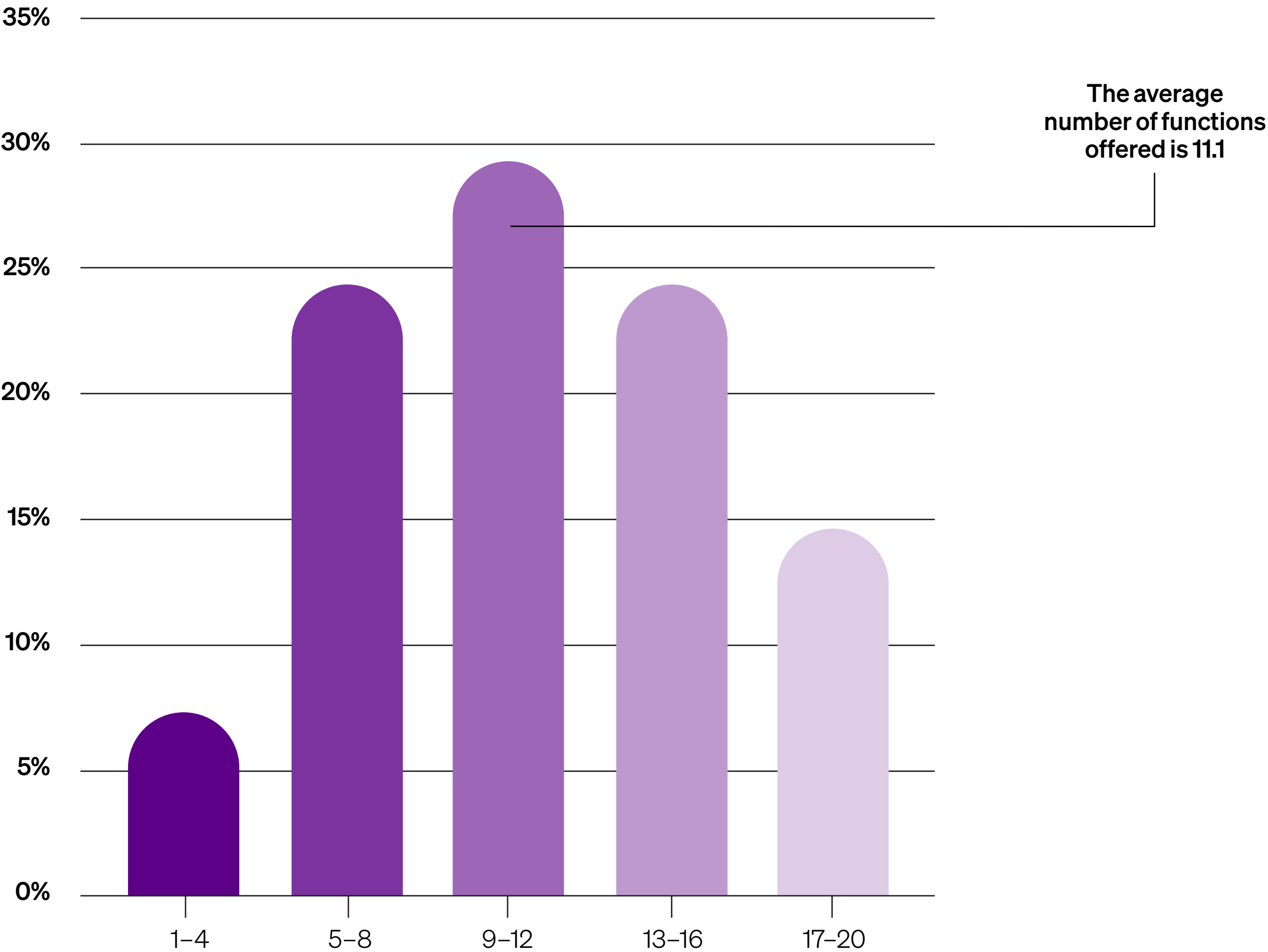
PMO Functions

Functions with significantly increased popularity over the past 12 months are:

- Communications / Change Management
- Resource / Demand Management

The first point will be addressed under the CMO function later in our report (page 25). With regards to the second, this is clearly a function in demand and the increasing demand perhaps reflects the need to re-examine and balance resources in project portfolios realigned over the past 12-24 months.

The big drops in popularity we believe are perhaps more reflective of the volume of new PMOs that haven't yet adopted some functions rather than any PMOs stopping the provision of these functions.

FUNCTION	POPULARITY		CHANGE
	IN 2020	IN 2021	
Portfolio Analysis / Management	65%	68%	3%
Communications/Change Management	31%	54%	22%
Project Assurance / Quality Management	63%	63%	0%
Strategy Maps/Assistance	48%	44%	-4%
Consolidated Online Dashboards	56%	44%	-12%
Vendor/Supplier Management	17%	22%	5%
Benefits Management	44%	41%	-3%
Resource/Demand Management	50%	78%	28%
Master Scheduling / Dependency Management	42%	50%	8%
Training/Mentoring	63%	66%	3%
Time/Schedule Management	35%	44%	9%
Governance / Committee Support	89%	83%	-6%
Cost/Budget Consolidation/Management	61%	66%	5%
Consolidated Reporting	94%	88%	-7%
Risk/Issue Consolidation/Management	70%	68%	-2%
Project Initiation Support	76%	76%	0%
Project Sites / Repositories	54%	38%	-17%
Timesheeting	33%	29%	-4%

← Shading indicates popularity of each function. Most popular is indicated in green, mid-range in orange, and least popular in red.
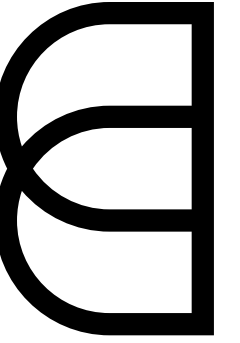
Changes to PMO Skillset

This year we added a question regarding the need for PMOs to adopt a new skill set or significantly alter the nature of services provided.

Approximately 40% of respondents reported that there had been changes required to the skillsets within the PMO over the past 12 months. Examples of these changes included:

- Simple growth due to the PMOs being newly formed
- Strategy Mapping / Analysis, Portfolio Analysis
- Change Management
- New tools, new methodology (e.g. SAFe)

The fact that most PMOs were able to make these changes without reporting them as major issues during lockdowns and other disruptions again highlights the resilience and adaptability being illustrated.

Has there been any changes to PMO skillset required over the past 12 months?

No

Yes

41% of respondents reported that there had been changes required to the skillsets within the PMO
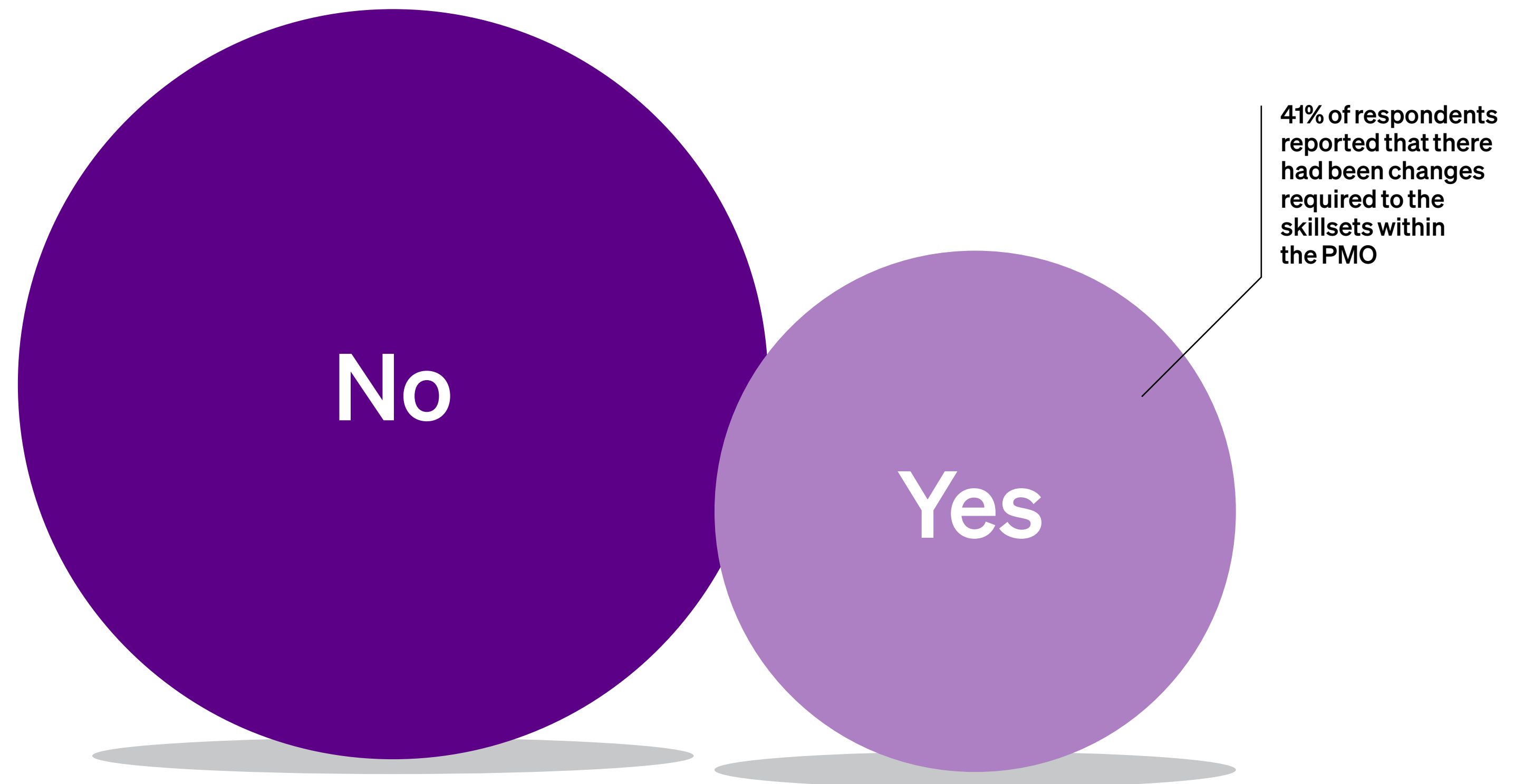
CMO Functions

For the 3rd year in a row we asked participants if a separate Change Management Office (CMO) or other entity dedicated to change management exists within the organisation?

The number of PMOs reporting that no CMO was in place dropped from the high of 52% in 2020 to 38% in 2021.

However the proportion of PMOs reporting that they offered CMO functions more than doubled from 13% in 2020 to 30% in 2021.

In part we believe this reflects organisations recognising the importance of change management in a period of unprecedented change. It also highlights the adaptability of organisations and PMOs to absorb such functions in a relatively short period of time with very few suggesting that this has been a major issue.

We asked PMOs whether they'd observed any real shift in responsibility for change management over the past 12 months. While 59% reported no real change, 22% reported this responsibility had shifted more to the business and 14% to project managers. Only 5% reported a shift more towards specialised Change Managers.

Many PMOs have absorbed CMO functions over the past 12 months.
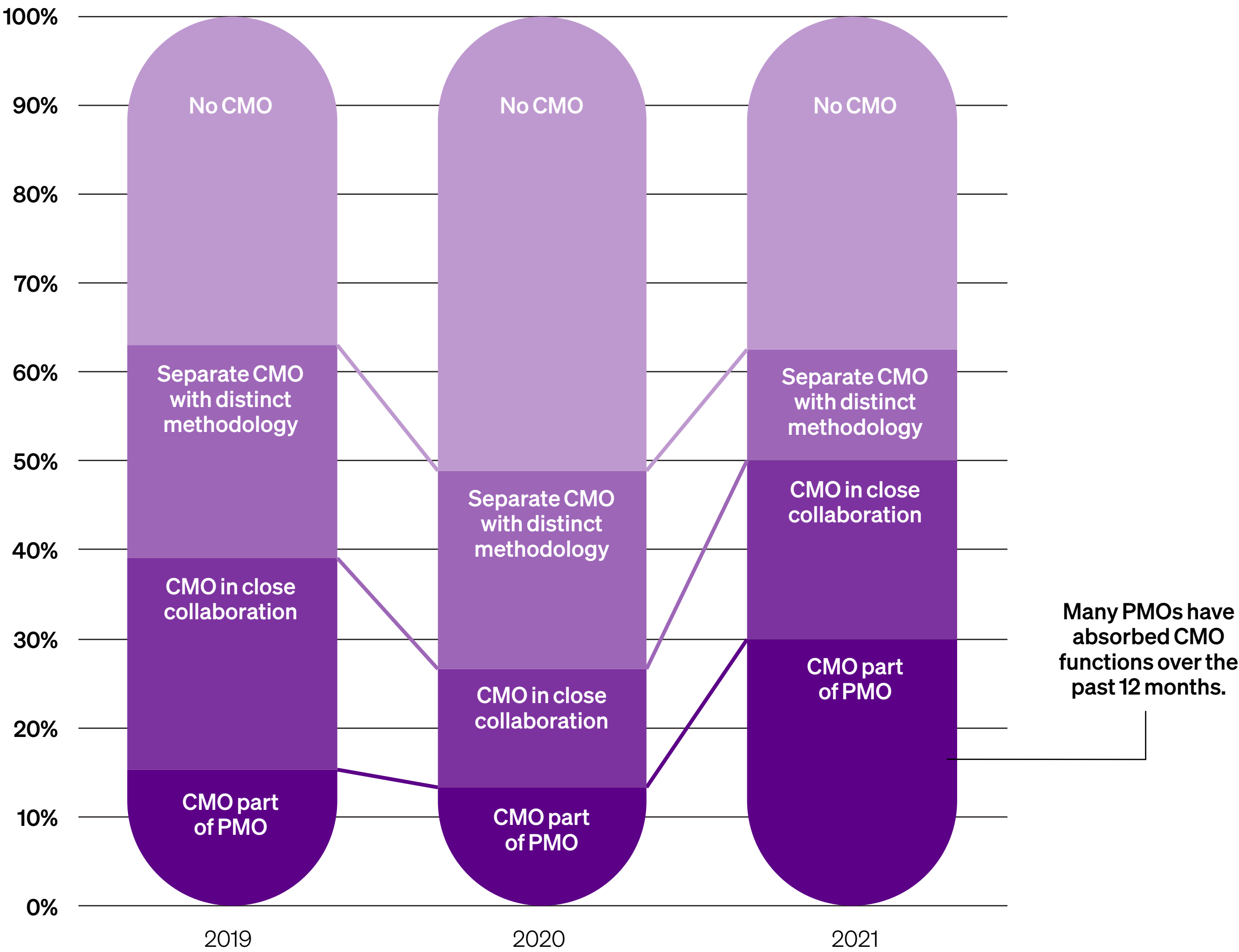
Challenges, Benefits and Focus for Improvement

PMO Challenges

The Challenges facing PMOs has been a consistent question across the lifespan of the survey. Survey participants were asked to rank a list of challenges we often see arising as Low, Medium or High then assigned a score 1 for Low, 2 for Medium and 3 for High.

The chart illustrates that there are no changes in the top challenges faced by PMOs and only slight changes to the less significant challenges.

This year as a new question, we asked survey participants what new challenges they had faced over the past 12 months.

- **34%** reported challenges around **staffing and structural changes**
- **20%** reported challenges **adapting to demands for a new service offering**
- **18%** reported that **spending on projects reduced**
- **11%** reported challenges around **working from home** and **other ways of working implications**

Overall PMOs ranked all challenges having less impact in 2020 and only 12% reported an impact on PMO staffing as a result of COVID-19.

CHALLENGE	CHALLENGE RATING	RANKING CHANGE
Obtaining accurate and timely financial information	2.28	-
Obtaining accurate and timely resource forecasting	2.25	-
Quality of project delivery throughout the organisation	2.15	-
Reporting quality: projects, PMO & stakeholders	2.15	-
Aligning projects to organisational strategy	1.98	-
Quality or number of PMO resources	1.83	1↑
Adapting to changing project methodologies	1.78	3↑
Implementing benefit management principles	1.78	1↓
PMO Branding/Visibility within the organisation	1.70	-
Toolset or challenges implementing EPM tools	1.68	1↑
Lack of buy-in / interest from stakeholders	1.62	3↓
Perception that PMO is too bureaucratic	1.58	1↑
Challenges changing PMO styles	1.43	1↓

2021 Specific PMO Challenges

18% reported
that spending
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34% reported
challenges around
staffing and
structural changes.

11% reported
challenges around
working from home
and other ways of
working implications.

20% reported
challenges adapting
to demands for a
new service offering.

PMO Focus for Improvement

As well as addressing the challenges PMOs are reporting, we also ask what are the top 3 functions the PMO is focused on improving over the coming year.

The number 1 focus for improvement ranked by PMOs in 2021 was Strategy Mapping and assistance with Strategic Alignment. This represented a massive climb from the 12th most critical focus area in 2020.

The majority of 2021 focus areas lost standing in 2022—perhaps indicating that PMOs felt they had 'got on top of' these areas and moved on to focus on other functions.

The increased focus on Time/Schedule Management likely reflects the criticality of ensuring ongoing delivery of projects to schedule in a more intense revitalised portfolio.

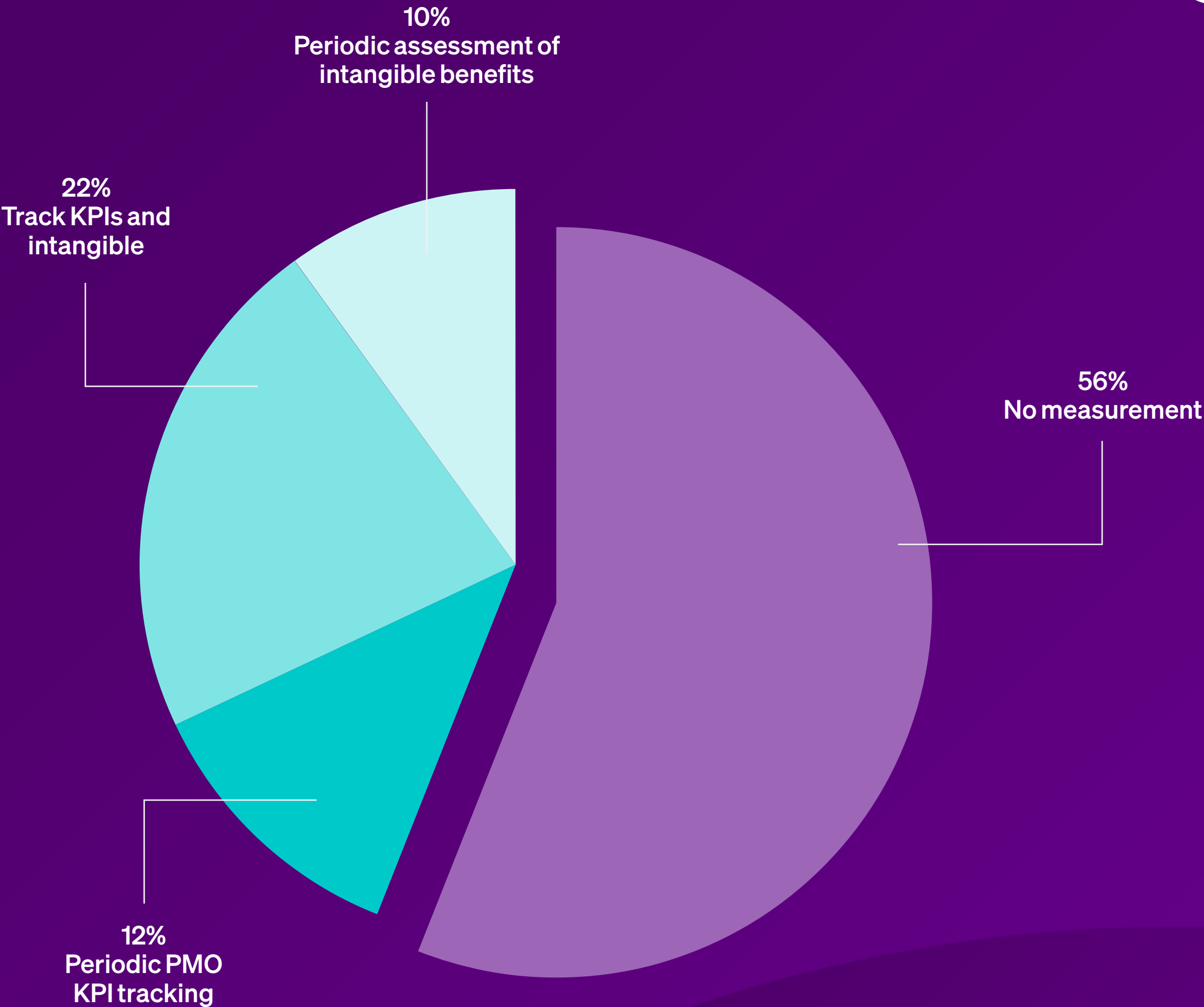| TIER	FOCUS	2021 SCORE	2021 RANK	2020 SCORE	RANK CHANGE
1	Portfolio Analysis / Management	19%	3	4	1 ↑
1	Communications/Change Management	8%	9	4	5 ↓
1	Project Assurance / Quality Management	10%	6	8	2 ↑
1	Strategy Maps/Assistance	22%	1	12	11 ↑
1	Consolidated Online Dashboards	1%	17	14	3 ↑
1	Vendor/Supplier Management	3%	15	15	-
2	Benefits Management	17%	4	1	3 ↓
2	Resource/Demand Management	20%	2	3	1 ↑
2	Master Scheduling / Dependency Management	6%	10	6	4 ↓
2	Training/Mentoring	6%	10	12	2 ↑
2	Time/Schedule Management	9%	7	16	9 ↑
3	Governance / Committee Support	6%	10	2	8 ↓
3	Cost/Budget Consolidation/Management	13%	5	6	1 ↑
3	Consolidated Reporting	4%	13	9	4 ↓
3	Risk/Issue Consolidation/Management	3%	14	10	4 ↓
3	Project Initiation Support	8%	8	10	2 ↑
3	Project Sites / Repositories	2%	16	16	-
3	Timesheeting	1%	17	18	1 ↑

PMO Benefits

Finally, we asked THE BIG question—does your organisation measure the benefits the PMO provides?

We were unsurprised to see only a slight increase in the number of PMOs measuring their contribution to the organisation over the past 12 months. In 2021, around one third of PMOs reported some form of regularly monitored KPI measures in place. A further 10% are measuring benefits only in an intangible sense. While the majority of PMOs report having no measurement system in place, this proportion has been trending down over the past few years, from 69% in 2019 to 62% in 2020 to 56% in 2021.

At Escient we encourage new and existing PMOs to determine a set of KPIs around the value they are adding to the organisation and regularly report on these. In 2019 we observed that PMOs that have been around for a while are much more likely to be measuring their value. Pleasingly in 2021, this has been confirmed with almost 60% of PMOs over 4 years of age measuring their value in some form as opposed to around 20% of the rest of the PMO population.

10%
Periodic assessment of intangible benefits

22%
Track KPIs and intangible

56%
No measurement

12%
Periodic PMO KPI tracking

So, in conclusion, what have we learned from the 2021 survey?

PMOs have shown remarkable **resilience** to weather the past couple of years and continue to deliver projects through lockdown, remote working and other challenges.

Organisations are **rebounding** from 2020 and the resurgence in projects is placing increased pressure and importance on the PMO.

PMOs are now being required to demonstrate **adaptability** in the face of the changing needs of their organisations.

Acknowledgments

Thank you.

Thanks to all the participants that left their contact details in their response this year. Without your participation these reports are not possible. Particular thanks to those that have been repeat responders.

Your contribution over the years allows us to provide the trend data that we have coming in this, our 5th year of reporting.

Thanks to Studio Landmark for the design and creative direction of this report.

Further information.

If you would like advice on the most appropriate measures that your PMO can be putting in place to measure value or for any PMO or Project Delivery needs, feel free to reach out to us at pmo@escient.com.au

You can also find out more about Escient at www.escient.com.au

About the author.

Matt Robinson is the author of this PMO Survey and is a Director and founding consultant with the NSW office of Escient. Matt is a senior project professional with over 20 years of projects experience in a wide variety of roles from managing the delivery of large, complex projects and programs to setting up Project Management Frameworks, PMO setup, uplift and management, Project Assurance and Business Analysis.

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About Escient.

Every day, Escient is helping to shape the future—for organisations, society and the planet. We help organisations deal with today's ever-changing landscape so they can thrive in its complexity. And we help them make a more positive impact, by becoming more human and being purpose led.

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