HR Club

Strategic Initiative Management:
The PMO Imperative

For many businesses today, generally only two things are certain: greater uncertainty and an accelerated pace of change. Globalization increases the scope of competition. Digitization hastens the pace of business. Customers are more empowered than ever before. A two-speed economy—rapid growth in emerging markets, slowing growth in developed markets—means that companies must execute in an increasingly complex world. In this environment, the ability to develop and implement new strategic initiatives and change gears rapidly is becoming a key differentiator.
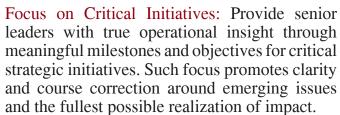

Virtually all senior executives know this, and they devote significant attention and focus to defining and developing major strategic initiatives. Still, many companies struggle to successfully implement those initiatives. The difficulty is widely attributed to shortcomings in leadership, but, in reality, it is largely associated with ineffective engagement. Too many senior executives have trouble getting the information they need—when they need it—to make the frequently necessary adjustments and course corrections that in today's business environment are critical for ensuring that large strategic initiatives will deliver their target impact.

A program or project management office (PMO) can play a crucial role in helping enable this by actively supporting the implementation of key strategic programs. However, the role of the PMO within the company must, in turn, become more strategic, and it must develop its capabilities accordingly. (Organizations use a range of terminology to describe their PMOs; in this article, PMO refers to an enterprise-level unit that works on a portfolio of strategic initiatives across the organization).

Research by the Project Management Institute (PMI), the Economist Intelligence Unit (EIU), and Forrester Consulting over the past year has identified several critical issues for successfully delivering bold change that materially impacts the role that the PMO can play. Building on that research, The Boston Consulting Group has identified the following four imperatives for improving the odds of successfully delivering strategic initiative implementation efforts— imperatives in which the PMO can serve a critical support function.

Focus on Critical Initiatives: Provide senior leaders with true operational insight through meaningful milestones and objectives for critical strategic initiatives. Such focus promotes clarity and course correction around emerging issues and the fullest possible realization of impact.

Institute Smart and Simple Processes: Establish program-level routines that track these milestones and objectives, communicate progress, and help identify issues early without adding undue burdens or usurping the businesses and functions executing the work.

Foster Talent and Capabilities: Develop and nurture the right technical, strategic and business-management, and leadership skills and capabilities within the organization.

Encourage a Culture of Change: Actively build organization-wide support for—and commitment to—strategic initiative implementation and change management as a real competitive differentiator.

Together, these four imperatives provide C-suite executives and the extended leadership team with the confidence and forward-looking course-corrective ability necessary for the organization to execute effectively and develop the skills and confidence to take on even more ambitious change. The companies that can develop these capabilities and advance their PMOs to a more strategic orientation will significantly improve their ability to implement strategic initiatives, potentially establishing a basis for real competitive advantage.

To read the full study:

http://www.pmi.org/~/media/PDF/Publications/BCG-Strategic-Initiative-Management.ashx

https://www.bcgperspectives.com/content/articles/program_management_change_management_/strategic_initiative_management_pmo_imperative