



Effective PMO Efforts

Challenging the Status Quo

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About the Research

How would you rank the health of project management at your organization? Drawing on key insights learned from a national survey, commissioned by Smartsheet, this e-book intends to identify the success and challenges that companies face during project management efforts.

The survey findings are based on responses from 442 completed surveys, and all participants reported having some involvement with their company's project management efforts. Annual sales revenue of companies participating in the survey ranged from under \$1 million to over \$500 million, yet opinions concerning onboarding effectiveness remained consistent regardless of company size.

Based on this research, Smartsheet discovered that project management professionals are challenged by projects that take too long, go over budget, and result in overall lost revenue to the business. In particular, we learned that:

- ✓ **70%** know effective project management is important for their business
- ✓ **Only 15%** currently have effective project management efforts
- ✓ **50%** reported that delays increase project costs
- ✓ **Almost 40%** have lost at least **10%** of projected revenue due to project delays
- ✓ **Over 40%** reported most delays occur during the project initiation phase

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*55% Performance gap
between importance of
effective project management
and ability to deliver*

- ✓ **Over 50% reported key causes of project delays include:**
 - Poor communication
 - Client caused schedule slippage
 - Lack of clarity and set expectations

- ✓ **Over 67%** evaluate project management success by looking at whether projects are completed on time

- ✓ **Top barriers to project management office success include:**
 - Demand and project prioritization (**55%**)
 - Changing and evolving business processes and environments (**46%**)
 - Lack of team adoption of prescribed tools and processes (**46%**)
 - “Business as usual” was also cited as a barrier to project success (**38%**)

Project Management Offices

What We Know vs. What We Do

Increased demand and complexity of projects results in project management teams that are constantly in reactive mode - busy fighting fires rather than getting ahead of tasks and deadlines. This results in projects that are behind schedule and over budget becoming the new norm or “business as usual”.

With **over 70%** of survey respondents reporting that they know effective project management is important for their business, why then, of those same **70%**, did only **15%** say their efforts are currently effective? That means **more than 55%** of us know effective project management is crucially important, but aren't successful in implementing improvements in our businesses. That's a big performance gap.

Additionally, when projects are delivered late, it affects your bottom line. **Almost 40%** of respondents lose **at least 10%** of projected revenue due to project delays, while **over 25%** report that project delays result in a loss of projected revenue of **up to 20%**. Those are significant numbers and represent a serious revenue problem that needs to be fixed.

The question becomes, why do we have this disparity between knowing effective project management matters yet not implementing the steps necessary to make it successful?

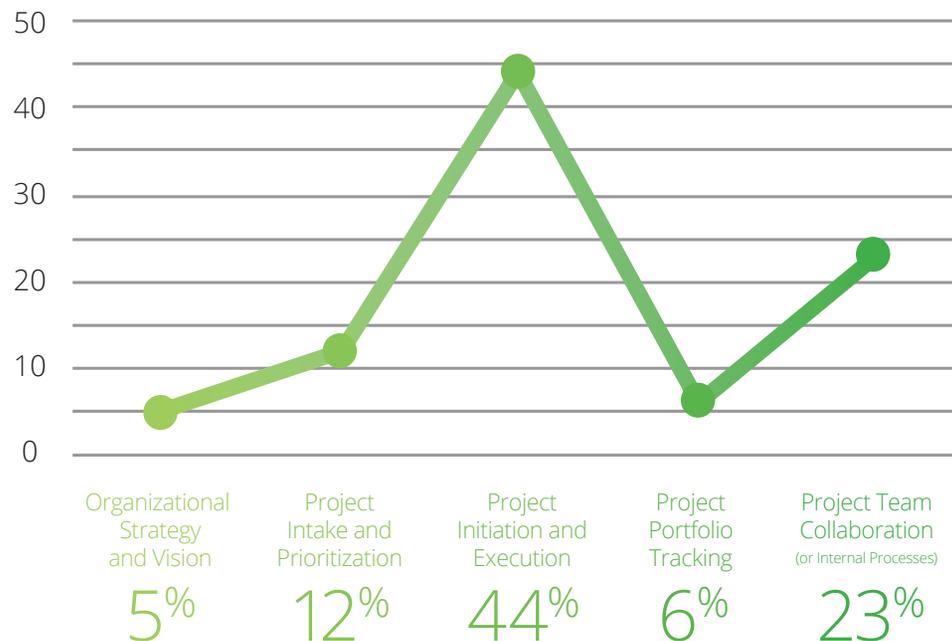


Top Barriers to Project Management Office Success

Top Barriers to Project Management Office Success

The biggest barrier to project management success starts with delays in the project management lifecycle - **about 80%** of respondents reported that delays increase project costs and **71%** that delays result in loss of projected revenue.

Knowing and being aware of when those delays typically occur can help:



Whether delivering projects to external or internal customers, every day a project is late results in delayed time to value or loss of revenue all together.

Top Barriers to Project Management Office Success

To reduce potential delays, project management leaders must also be aware of the common barriers that impact projects, and help reduce risk from the start.

Here are the top five reported barriers that hinder PMO success.

1 Poor Demand and Project Prioritization Management

Over half of respondents said managing demand and project prioritization was an issue. As more projects come into the pipeline and take time away from existing projects, resources become thin and project management leadership struggle to find balance and prioritize.



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2 Changing Business Processes and Environments

With the speed of technology today, business processes and environments are constantly evolving. This requires that PMOs either adapt to the change or get swallowed up with it. A lack of appropriate change management can lead to disorder and confusion among the team, and ultimately project delays.



Over 45% of respondents state that lack of team adoption of prescribed processes hinders their success

3 Lack of Team Adoption of Prescribed Tools and Processes

When project managers aren't following the same processes across the board, mistakes can be made and delays will occur. Often team members either aren't aware of set standards, or the tools and processes are too complex and rigid for them to actually get the work done.

4 Multiple Disconnected Processes and Methods

Without a universal work management platform or structured process, managing projects becomes trickier. Work gets done in silos and details get lost within the different tools being used - including email and Excel.

5 “Business as Usual”

Thirty-eight percent of project managers cited “business as usual” as a top barrier. This means they don’t always know why they struggle with delays but they do and have simply accepted this sub-optimal state as the status quo.



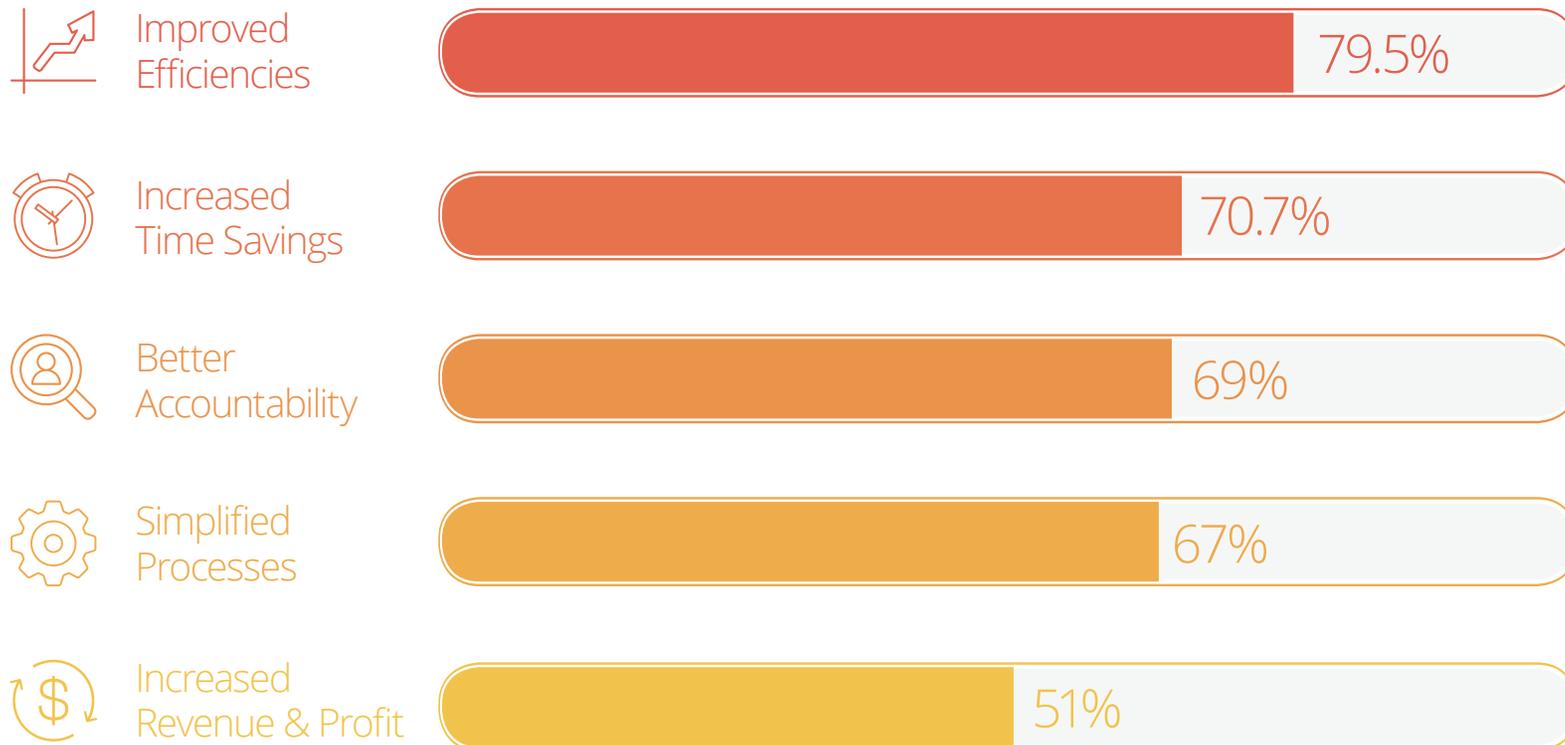
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Positive Impacts from Improved Project Management

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If those same project managers could identify the cause of delays and take steps to avoid them, they would experience dramatic improvements, including:





5 Ways to Decrease Delays and Increase Project Revenue

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The cost of doing business doesn't have to include losing revenue every time you start a new project. With the right tools and processes in place, you can increase control and visibility into PMO efforts and ensure success.

Here are five ways that you can avoid delays and save your bottom line:

① Improve Transparency

Share agreed-upon timelines with everyone to ensure stakeholders understand milestones they should be tracking to. This sets expectations upfront, and provides a baseline for discussion when changes are requested that impact scope.

② Increase Control

Implementing repeatable processes that everyone is aware of and that are regularly updated is essential to successful project management programs. With processes in place, you'll ensure that your team follows a consistent workflow, so that they can quickly identify potential issues before they occur.

3 Provide Visibility

Create a single source of project and process tracking with a work management tool to ensure the right people have access to real-time project information. That way, no team member is left behind, and no customer (whether internal or external) is stuck in the dark.

4 Automate Processes

Keep work moving forward with reduced manual effort and dashboards that roll up all necessary documents, status updates, and timelines. Ensure you have automated alerts set to notify you and relevant team members as changes occur, deadlines are approaching, or status is updated.

5 Track the Right Success Metrics

Establish and track the right success metrics, including revenue milestones. Projects often focus on operations without explicitly tracking how much revenue is delayed and how much revenue is forgone when projects are late.

With **only 15%** of project management teams feeling like their efforts are effective, it can feel impossible to lead new projects to success.

When your team manages thousands of details and hundreds of internal and external stakeholders, not having the right tools and processes in place can lead to increased costs per project, missed revenue targets, and have a major impact on your organization's overall success.

The secret to effective project management is to understand the potential causes of delays and catch mishaps before they snowball out of control. With these top factors and tips to avoid them, you can identify potential risk and mitigate issues before they occur.

Don't let one seemingly small factor affect your next project and end up costing you big in the long run.

Organizations need a way to get work done, not just talk about it. Smartsheet is the best way to plan, track, automate, and report on work, enabling you to move from idea to impact - fast. Smartsheet's cloud-based work management platform empowers collaboration, drives better decision making, and accelerates innovation for over 70,000 brands in 190 countries, including more than 50 percent of the Fortune 500. Named by Forbes as one of the world's top private cloud companies, Smartsheet complements existing enterprise investments by deeply integrating with applications from Microsoft, Google, Salesforce, Atlassian, and many others.

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