

BEYOND THE ORG CHART

Enterprise PMO Versus Programme PMO – The Scope Confusion That Undermines Both

A Practitioner's Perspective on the Structural Ambiguity at the Heart of Programme Office Design



Giovanni Leonardi

April 2007

Contents

1. Executive Summary	3
2. The Apparent Simplicity of the Distinction	3
3. Where the Confusion Takes Root	4
4. The Cost of the Confusion	5
4.1 The programme PMO is hollowed out	5
4.2 The enterprise PMO is overwhelmed	5
4.3 Governance gaps appear at both levels	5
5. The Structural Forces That Sustain the Pattern	5
5.1 The single-PMO mental model	6
5.2 Career structures and talent markets	6
5.3 The reporting line problem	6
5.4 Budget and headcount pressures	6
6. What a Clearer Design Would Look Like	6
6.1 They define the enterprise PMO's scope negatively	6
6.2 They invest in programme PMOs as first-class functions	7
6.3 They design the interface explicitly	7
6.4 They accept the cost	7
7. The Deeper Problem: Authority and Accountability	7
8. The Cross-Era Lens	8
9. Conclusion	8

Enterprise PMO Versus Programme PMO – The Scope Confusion That Undermines Both

Programme · No. 74

Originally written April 2007 | Re-edited and re-rendered for the WhereBeyond Edition, 2025

“The enterprise PMO that tries to run programmes and the programme PMO that tries to govern the portfolio are both failing – but they are failing at different things, and the organisation rarely notices until the damage is structural.”

1. Executive Summary

The distinction between an enterprise PMO and a programme PMO ought to be straightforward. One governs the portfolio – prioritising, sequencing, and allocating resources across the organisation's full slate of change. The other serves a specific programme – coordinating its constituent projects, managing its interdependencies, and driving it toward defined outcomes. In practice, however, the boundary between the two is routinely blurred, ignored, or never drawn in the first place. The result is a scope confusion that compromises both functions: the enterprise PMO is dragged into operational detail it was never designed to handle, while the programme PMO is starved of authority because its mandate is subsumed by a central function that does not understand the programme's internal logic.

This essay examines why this confusion persists, what structural and political forces sustain it, and what it reveals about the deeper challenge of designing governance that matches the actual shape of organisational change. It argues that the scope confusion is not a definitional problem to be solved by better role descriptions, but a symptom of a more fundamental failure: the unwillingness of most organisations to make hard choices about where decision-making authority actually sits.

2. The Apparent Simplicity of the Distinction

On paper, the two functions occupy different levels of the governance architecture. The enterprise PMO – sometimes called the corporate PMO, the central PMO, or simply “the PMO” – operates at the portfolio level. Its concern is the organisation's overall investment in change: which programmes and projects are funded, how resources are allocated across them, whether the aggregate portfolio is balanced, and whether the expected benefits are being realised at a strategic level. It reports to the executive or a portfolio board, and its authority derives from that proximity to strategic decision-making.

The programme PMO, by contrast, is embedded within a specific programme. It exists to serve the programme manager and the programme board. Its scope is bounded by the programme's own objectives, and its work is intensely operational: managing the programme plan, tracking interdependencies between projects, coordinating stage gates, consolidating risk and issue registers, and ensuring that the programme's internal governance operates with the rigour the complexity demands.

The distinction, in theory, is one of scope, authority, and reporting line. The enterprise PMO looks across; the programme PMO looks within. The enterprise PMO is permanent (or at least enduring); the programme PMO lives and dies with its programme. The enterprise PMO aggregates and prioritises; the programme PMO coordinates and delivers.

This is clean. It is logical. And in my experience, it almost never survives contact with reality.

3. Where the Confusion Takes Root

The blurring begins in the way most enterprise PMOs are established. Rarely are they designed from first principles as portfolio-level governance functions. More commonly, they grow out of a specific need – a troubled programme that demanded better oversight, a new executive who wanted visibility across the change portfolio, a compliance requirement that necessitated standardised reporting. The enterprise PMO inherits whatever scope was politically convenient at the moment of its creation, and that scope is almost never purely strategic.

In the organisations I have observed, the pattern is remarkably consistent. The enterprise PMO starts with a mandate that sounds portfolio-level – "provide visibility across all programmes and projects" – but is immediately operationalised in ways that pull it into programme-level work. It builds templates that programme teams are required to use. It defines stage-gate processes that it then administers. It runs consolidated reporting cycles that require it to understand programme internals in enough detail to challenge and validate the data. Before long, the enterprise PMO is not governing the portfolio; it is policing the programmes.

This drift happens for several reasons, each reinforcing the others:

- The portfolio function is hard and politically exposed. Genuine portfolio management – deciding which programmes to fund, which to stop, and how to reallocate resources – requires executive authority and political capital. Most enterprise PMOs lack both. It is far easier to busy oneself with reporting standards and process compliance than to challenge a senior sponsor's pet programme.
- Programme PMOs are often weak or absent. In many organisations, programmes do not have their own dedicated PMO function. The programme manager is expected to handle coordination alongside everything else, or a few programme support staff are given the title without the capacity. When programme-level governance is thin, the enterprise PMO fills the vacuum – not because it should, but because no one else will.
- Executives conflate oversight with control. The board or executive team that sponsors the enterprise PMO often does not distinguish between knowing what is happening across the portfolio and directly managing how programmes operate. They want one function that does both, and the enterprise PMO, eager to demonstrate its value, obliges.
- Standardisation becomes an end in itself. The enterprise PMO's most visible early deliverable is usually a set of standards – templates, processes, reporting formats. These are genuinely useful at the portfolio level for aggregation and comparison. But the act of enforcing them draws the enterprise PMO into programme-level conversations about how work is planned, tracked, and reported, which is properly the programme PMO's domain.

4. The Cost of the Confusion

The consequences of this scope blurring are significant, and they fall disproportionately on the programmes themselves.

4.1 The programme PMO is hollowed out

When the enterprise PMO absorbs programme-level functions, the programme PMO – if it exists at all – is reduced to an administrative appendage. It cannot design governance arrangements that suit the programme's specific needs because the enterprise PMO has already dictated the framework. It cannot own the programme's reporting narrative because the enterprise PMO controls the templates and the consolidation cycle. It cannot act as the programme manager's trusted adviser on coordination and risk because its authority has been subsumed.

The result is a programme PMO that is neither autonomous enough to add real value nor integrated enough into the enterprise PMO to benefit from its strategic perspective. It occupies an organisational no-man's-land, accountable for coordination but stripped of the authority to coordinate on its own terms.

4.2 The enterprise PMO is overwhelmed

The enterprise PMO, meanwhile, finds itself drowning in operational detail. A function designed to serve a portfolio of fifteen or twenty programmes cannot simultaneously manage the internal governance of each one. The reporting cycles become longer. The consolidation process becomes a negotiation with every programme about what the numbers really mean. The enterprise PMO's staff spend their days chasing data and challenging status reports rather than analysing portfolio-level patterns and advising executives on strategic trade-offs.

The irony is acute: the enterprise PMO's attempt to add value by going deeper into programmes destroys its ability to add value at the portfolio level, which is the only level where its existence can be justified to an executive audience.

4.3 Governance gaps appear at both levels

The most damaging consequence is that neither level of governance works properly. The portfolio is not genuinely governed because the enterprise PMO is too busy with programme-level detail to perform portfolio-level analysis. The programmes are not genuinely supported because the enterprise PMO's interventions are standardised and compliance-driven rather than tailored to each programme's actual coordination challenges.

The scope confusion does not create a stronger governance architecture – it creates two half-functions, each operating in the other's territory, each too compromised to do its own job well.

5. The Structural Forces That Sustain the Pattern

If the costs are so clear, why does the pattern persist? The answer lies in several structural forces that are rarely surfaced in discussions about PMO design.

5.1 The single-PMO mental model

Most organisations think of "the PMO" as a single entity. The idea that different levels of governance require different functions – with different reporting lines, different skill sets, and different mandates – is not intuitive to executives who want simplicity. "We have a PMO" is a comforting statement. "We have a portfolio governance function and a set of programme-level coordination functions that operate independently but align through defined interfaces" is not.

This mental model is reinforced by the professional literature and by the consulting firms that advise on PMO design, many of which present the PMO as a single scalable function rather than acknowledging the fundamentally different nature of portfolio-level and programme-level governance.

5.2 Career structures and talent markets

The people who staff enterprise PMOs and programme PMOs are often drawn from the same talent pool and follow the same career trajectory. A programme coordinator becomes a senior programme office manager, then moves to the enterprise PMO as a natural progression. This creates a skills profile that is stronger on operational coordination than on strategic portfolio analysis, and it means the enterprise PMO is culturally predisposed to do programme-level work because that is what its people know how to do.

5.3 The reporting line problem

Programme PMOs typically report to the programme manager. Enterprise PMOs typically report to a director or the CIO. When the enterprise PMO also exercises programme-level functions, the programme manager faces a governance arrangement where part of their programme's coordination function reports to someone else. This is a recipe for friction, and the usual resolution is either that the programme manager disengages from the PMO (leading to shadow governance structures) or that the enterprise PMO backs off (leading to inconsistency).

5.4 Budget and headcount pressures

Maintaining both an enterprise PMO and dedicated programme PMOs across multiple programmes is expensive. In organisations under cost pressure – which is to say, in most organisations – the temptation is to consolidate into a single function and hope it can serve both purposes. This is a false economy, but it is one that appeals to finance directors who see two PMO budget lines and instinctively want to merge them.

6. What a Clearer Design Would Look Like

The organisations that handle this well – and they are fewer than one would hope – share several characteristics.

6.1 They define the enterprise PMO's scope negatively

Rather than listing what the enterprise PMO does, they are explicit about what it does not do. It does not manage programme plans. It does not administer stage gates. It does not own programme-level risk registers. It does not dictate how programmes organise their internal coordination. This negative definition is harder to erode than a positive one, because it creates a clear boundary rather than an aspirational scope.

6.2 They invest in programme PMOs as first-class functions

The programme PMO is not an afterthought or an administrative add-on. It is staffed with people who understand the programme's domain, who report to the programme manager, and who have the authority to design governance arrangements that fit the programme's specific needs. The enterprise PMO provides frameworks and standards; the programme PMO adapts them.

6.3 They design the interface explicitly

The relationship between the enterprise PMO and each programme PMO is governed by a defined interface – what data flows upward, in what format, at what frequency, and what the enterprise PMO will and will not do with it. This interface is negotiated, not imposed. It treats the programme PMO as a peer in the governance architecture, not a subordinate.

The organisations that get this right treat PMO design as an exercise in separation of concerns – not as an exercise in consolidation.

6.4 They accept the cost

Good governance at two levels costs more than a single blurred function. The organisations that sustain the distinction accept this as a legitimate cost of managing complex change, rather than treating it as overhead to be minimised.

7. The Deeper Problem: Authority and Accountability

Underneath the scope confusion lies a more fundamental issue. The enterprise PMO and the programme PMO represent two different kinds of authority: strategic prioritisation and operational coordination. These are genuinely different capabilities, requiring different skills, different information, and different relationships with the rest of the organisation.

The persistent tendency to conflate them reflects a broader reluctance in many organisations to distribute authority clearly. If the enterprise PMO governs the portfolio, it must have the power to stop programmes, reallocate resources, and challenge senior sponsors – which is politically uncomfortable. If the programme PMO governs the programme's internal coordination, it must have the autonomy to design its own processes and push back against central mandates that do not fit – which challenges the enterprise PMO's authority.

The scope confusion, in other words, is not really about PMO design. It is about whether the organisation is willing to be honest about where decisions are made and who is accountable for them. The enterprise PMO that absorbs programme-level functions is often an organisation's way of avoiding that honesty – creating the appearance of

governance without confronting the question of who actually decides.

“The enterprise PMO that tries to run programmes and the programme PMO that tries to govern the portfolio are both failing – but they are failing at different things, and the organisation rarely notices until the damage is structural.”

8. The Cross-Era Lens

This confusion is not new, but it has intensified as organisations have increased their appetite for complex, multi-year transformation programmes. A decade ago, many organisations ran a handful of significant projects and a central PMO could plausibly oversee them all. The growth of programme management as a discipline – and the corresponding growth in the scale and complexity of what organisations attempt – has outpaced the evolution of PMO design.

The result is that many organisations are running a governance architecture designed for a simpler era of change against a portfolio that demands something more sophisticated. The enterprise PMO is a product of the project oversight era; the programme PMO is a product of the programme management era. The two have been forced to coexist without anyone redesigning the governance architecture to accommodate both.

This is, perhaps, the most important point. The scope confusion is not a problem to be solved by writing better role descriptions or drawing clearer organisation charts. It is a signal that the organisation's governance architecture has not kept pace with the complexity of its change ambitions. Until that deeper redesign happens – until organisations treat PMO design as an exercise in governance architecture rather than an exercise in function definition – the confusion will persist, and both the portfolio and the programmes will continue to pay the price.

9. Conclusion

The distinction between the enterprise PMO and the programme PMO is not academic. It is the difference between governance that works at two levels and governance that works at neither. The organisations that blur the boundary do so for understandable reasons – cost pressure, political convenience, the seductive simplicity of a single function – but they pay a price that is rarely measured and almost never attributed to its real cause.

The path forward is not complicated in concept. Define each function's scope clearly, invest in both, design the interface between them, and accept the cost. What makes it hard is that it requires the organisation to confront questions about authority, accountability, and the distribution of decision-making power that most leadership teams would rather leave ambiguous.

The scope confusion, in the end, is a mirror. It reflects an organisation's willingness – or unwillingness – to govern its own change with the same rigour it applies to its operations. And until that reflection prompts a different answer, the pattern will repeat.