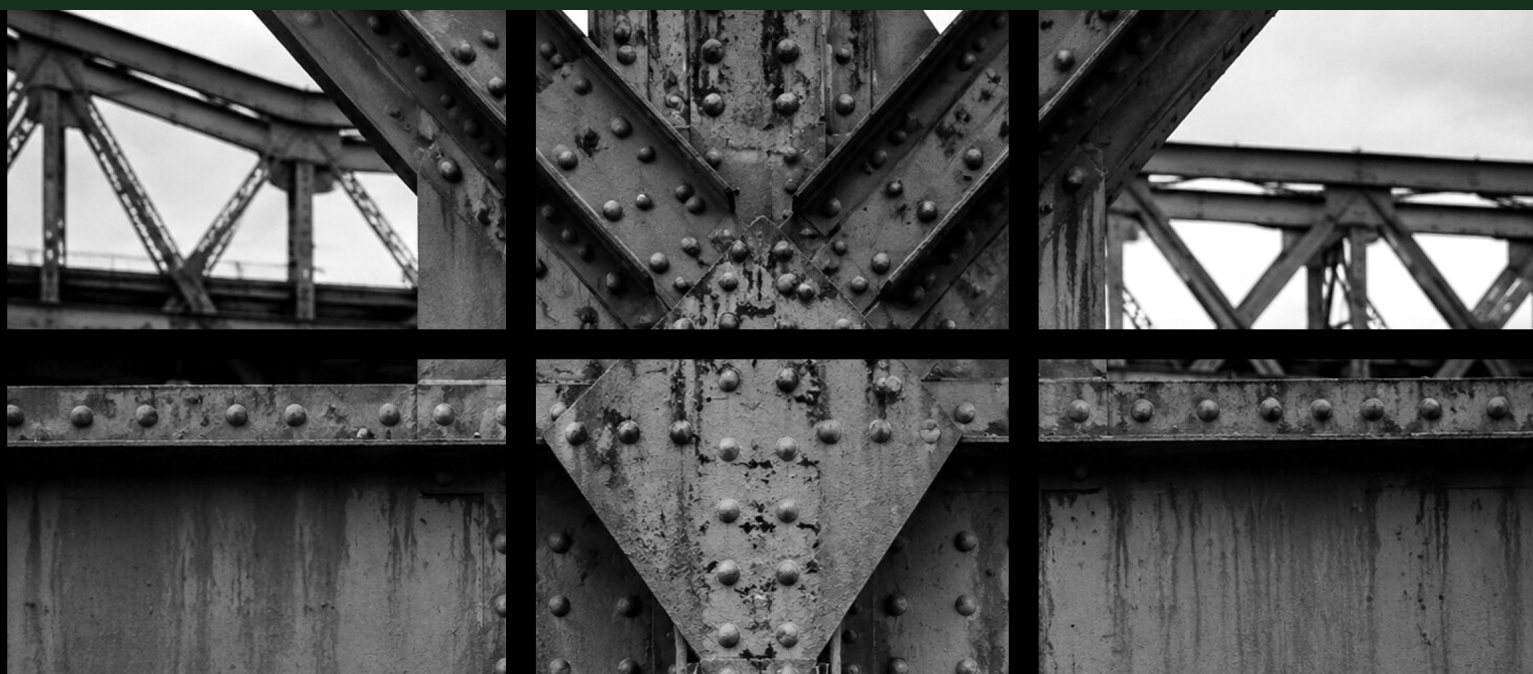


BEYOND THE STATUS PACK

Reporting Function or Decision Engine? The PMO's Founding Choice

A reflection on the identity crisis built into the programme office at the moment of its birth



Giovanni Leonardi

February 2002

Contents

1. Executive Summary	3
2. The office that was built to reassure	3
3. Why reporting wins at birth	4
4. Why the founding choice is so hard to reverse	5
5. The tension worth keeping open	5
6. What a decision engine would actually require	6
7. The choice being made right now	7

Reporting Function or Decision Engine? The PMO's Founding Choice

Programme · No. 10

Originally written February 2002 | Re-edited and re-rendered for the WhereBeyond Edition, 2025

“An office created to reassure will spend its life explaining what happened; an office created to decide will spend its life changing what happens next – and almost every PMO is quietly assigned the first job while being given the second name.”

1. Executive Summary

The programme management office is having a moment. After two years in which technology spending ran ahead of discipline and a good deal of it was subsequently written off, organisations are standing up PMOs at a pace that would have seemed extravagant three years ago. The office is presented, almost universally, as an instrument of control – the mechanism through which a chastened organisation will finally see its portfolio clearly and spend its money wisely. This essay reflects on a tension buried inside that founding promise, and argues that most PMOs are being born with an unresolved identity that will shape, and often limit, everything they later become.

The tension is between two very different things a PMO can be. It can be a reporting function: the place where status is collected, consolidated and presented upward, so that leadership can see what is happening across the portfolio. Or it can be a decision engine: the place where that information is turned into choices – where programmes are challenged, reprioritised, accelerated or stopped. These are not two points on a spectrum of the same thing. They demand different people, different authority, different relationships to power, and different definitions of success. And the overwhelming majority of PMOs are being created to do the first while being described, and measured, as though they will do the second.

This essay examines why the reporting identity is the one that tends to win at birth, why that choice is so difficult to reverse later, and what the honest alternative would require. It holds open a genuine tension rather than resolving it cheaply: a pure decision engine without a reporting foundation is a fantasy, and a reporting function is not a failure simply because it reports. But the essay argues that the founding choice matters enormously, that it is usually made by default rather than on purpose, and that an office which spends its first year proving it can produce a reliable status pack will find, when it later reaches for real influence, that it has trained the entire organisation to see it as the people who make the pack.

2. The office that was built to reassure

A programme office is three weeks old. Its first substantial deliverable, due at the end of the month, is a consolidated portfolio report: some thirty programmes, each reduced to a status, a spend-against-budget figure, a milestone position and a short narrative. The

team — a head of office and a handful of analysts and coordinators — has spent most of those three weeks building the machinery to collect this: the templates, the submission dates, the spreadsheet that rolls it all up. The report, when it lands, is genuinely useful. For the first time, the executive can see the whole portfolio on a small number of pages. There is relief in the room. This, everyone agrees, is what had been missing.

Now ask what happens next. The report shows that four programmes are red and two have been red for some time. The executive notes this, asks a question or two, and requests that the relevant sponsors "come back with a recovery plan." The meeting ends. The PMO files the report and begins collecting next month's. Nothing about the portfolio has changed except that it is now visible. The office has told the organisation what is happening. It has not helped the organisation decide what to do, and — this is the point — nobody expected it to, because whatever the founding memo said about "driving delivery" and "ensuring value," the thing it was actually built to produce was the report.

This is the quiet reality of most PMO foundings. The office is commissioned in a language of decision and control — it will "grip the portfolio," "stop the waste," "ensure the organisation invests in the right things." But the capability that is actually stood up, funded and staffed is a reporting capability. The gap between the two is not noticed at birth, because in the first months a reporting function and a decision engine look identical: both begin by gathering information. It is only later, when the information is gathered and the question becomes what now, that the two diverge — and by then the identity has usually set.

3. Why reporting wins at birth

That the reporting identity tends to prevail is not an accident of individual choices. Three forces push almost every new PMO towards it.

- It is what the sponsor can specify. An executive commissioning a PMO after a period of overspend knows, concretely, that they lack visibility. "I cannot see my portfolio" is a precise, articulable problem with an obvious deliverable: a report. "My organisation makes poor investment decisions" is equally true but far harder to convert into a founding brief. So the brief that gets written specifies the visible, buildable thing, and the office is shaped around it.
- It is what can be staffed quickly. A reporting function needs coordinators, analysts and a robust process — capable people who can be recruited or redeployed in weeks. A decision engine needs something much rarer: people with the seniority, the credibility and the mandate to challenge a programme sponsor and make it stick. Those people are expensive, scarce and slow to place. Under the time pressure of a post-crisis founding, the office is built from the talent available, and the talent available builds a reporting function.
- It is what demonstrates early value. A new office under scrutiny needs to prove itself fast, and a status pack is a visible, monthly proof of existence. A decision engine's value — the programme stopped before it wasted another year, the priority reversed in time — is real but slow, contested and hard to attribute. So the office, rationally, produces the proof it can produce, and trains itself and its audience to regard that proof as its purpose.

Each of these forces is reasonable on its own. Together they mean that the PMO's identity is usually decided not by a deliberate choice about what the office is for, but by the path of least resistance in its first hundred days. The organisation backs into an answer to the

most important question about the office without ever consciously asking it.

The most consequential decision about a programme office – whether it exists to report or to decide – is almost never made deliberately. It is made by default, in the first hundred days, by the simple fact of what is easiest to specify, staff and show.

4. Why the founding choice is so hard to reverse

If this were merely a slow start, it would not matter much; an office could report in year one and grow into deciding in year two. The reason the founding choice matters so profoundly is that it is unusually sticky, for reasons that are structural rather than merely habitual.

Consider what an office establishes about itself in its first year of reporting. It teaches every programme sponsor that the PMO is the body to which one submits – a recipient of information, not a source of authority. It teaches the executive that the PMO is where the pack comes from – a service, not a partner in judgement. It staffs itself with people whose skills and instincts are collection and consolidation, and who may have neither the standing nor the appetite to challenge a director twice their seniority. And it defines its own success as the timeliness and accuracy of the report, so that its people are rewarded for producing the pack well, not for changing what the pack describes.

Each of these is a small thing. Together they constitute a settled position in the organisation's understanding of itself: the PMO is the reporting function. When such an office later tries to become a decision engine – to challenge a programme, to recommend a stop, to arbitrate a priority – it is not stepping up; it is stepping out of role, and the whole organisation feels the transgression. "Since when does the PMO tell us to cancel programmes?" is the response, and it is a fair one, because the office spent a year establishing that this was not what it did. The reporting identity is a trap not because reporting is bad but because it is a position, and positions, once occupied, are defended by everyone who has arranged themselves around them.

There is a worked illustration of the cost. Imagine an office that, in its second year, correctly identifies that a large programme has lost its business rationale – the market it was built for has moved, and continuing will waste a further substantial sum. The analysis is right. But the office has no standing to act on it: it can put a red status on the report and a note in the narrative, and it does. The report is received, the note is read, and the programme continues for another nine months until the sponsor themselves concludes the same thing the PMO concluded three quarters earlier. The office was correct and inert – not because it lacked the insight, but because it had spent its founding year becoming the kind of office whose insights are filed rather than acted upon.

5. The tension worth keeping open

It would be easy to turn this into a simple verdict – reporting bad, deciding good – and that would be wrong. The tension deserves to be held open honestly, because both poles contain a truth, and the strongest challenge to this essay's argument comes from the reporting side.

The challenge runs thus: a decision engine without a reporting foundation is not a serious proposition. An office that arrives challenging programmes and recommending stops, before it has earned trust by producing information the organisation relies on, will be resented and ignored — and rightly, because it will be making consequential judgements on a base of data it has not yet proven it can gather. Reporting is not a lesser thing the PMO must escape; it is the foundation on which any right to decide is built. Visibility genuinely was missing, the status pack genuinely is valuable, and an organisation that can finally see its portfolio has gained something real even if nothing yet follows from the seeing. On this view, the reporting-first path is not a trap but an apprenticeship: the office earns its authority to decide by first proving it can be trusted to describe.

This is a strong argument and it is partly right. Reporting is the foundation, and an office that despises reporting will build on sand. But an apprenticeship is defined by its intention to end — the apprentice becomes the master — and that is exactly what is missing in most PMO foundings. The problem is not that offices begin by reporting; it is that they begin by reporting without any design for becoming anything else, and a foundation laid with no building planned on top of it is just a floor. The honest position is neither "reporting is beneath us" nor "reporting is enough," but this: reporting is the necessary beginning of a journey that most offices never consciously intend to take, and intention, declared at the founding, is what separates an apprenticeship from a permanent junior post.

“Reporting is the foundation of the right to decide. But a foundation laid with no building planned on top of it is not a foundation — it is just a floor, and most programme offices are quietly built as floors.”

6. What a decision engine would actually require

If an organisation genuinely wanted its PMO to be a decision engine — not instead of reporting, but on top of it — the reflection above implies what it would have to do differently, and none of it is about better templates.

1. Name the intention at the founding. The single most useful act available to anyone commissioning a PMO is to decide, out loud and on purpose, which kind of office it is meant to become, and to say so in the founding brief. An office told from birth that reporting is its first phase and deciding its second will make different early choices than one that drifts into reporting by default. The question the theatre of most foundings skips — report or decide? — must be asked deliberately, because it will be answered either way.
1. Staff for the second phase before it arrives. A decision engine needs at least some people with the seniority and credibility to challenge a sponsor and be heard. If every hire in year one is a coordinator, the office has already chosen reporting regardless of what its brief claims. The mandate to decide has to be embodied in people the organisation already respects, and those people must be in the office before the moment it needs to act, not sought after.
1. Attach the office to real authority. A decision engine cannot decide on borrowed nerve. It needs a genuine connection to the body that allocates money and stops

programmes — not as the producer of that body's papers, but as a participant in its judgement. Where the PMO merely feeds the decision forum, it is a reporting function however it is described; where it sits inside the decision, it can be an engine. The wiring, not the wording, determines which.

1. Measure it by decisions, not documents. An office rewarded for the timeliness of its pack will optimise the pack. An office asked, each year, "what did the portfolio do differently because you existed" is being held to the standard of a decision engine, and standards shape institutions more surely than mission statements do.

7. The choice being made right now

Across a great many organisations this year, PMOs are being founded in a spirit of sober correction — the grown-up response to a period of undisciplined spending, the mechanism by which the portfolio will finally be gripped. The intention is genuine and the need is real. But the office being built to serve that intention is, in most cases, a reporting function wearing the language of a decision engine, and the gap between the two will not announce itself until the office is a year old and discovers that it can see everything and change nothing.

The reflection worth leaving is simply that this is a choice, and that it is being made now, quietly, in the first weeks of each new office — in who is hired, in what the first deliverable is, in whether the founding brief asks the office to describe the portfolio or to shape it. An organisation that makes the choice consciously may still choose reporting, and may be right to, for now. But an organisation that makes it by default will almost always end up with the office it did not quite mean to build: diligent, visible, trusted with the truth, and powerless to act on it. The PMO's identity crisis does not arrive in its difficult adolescence. It is present, unresolved and decisive, at the moment of its birth.