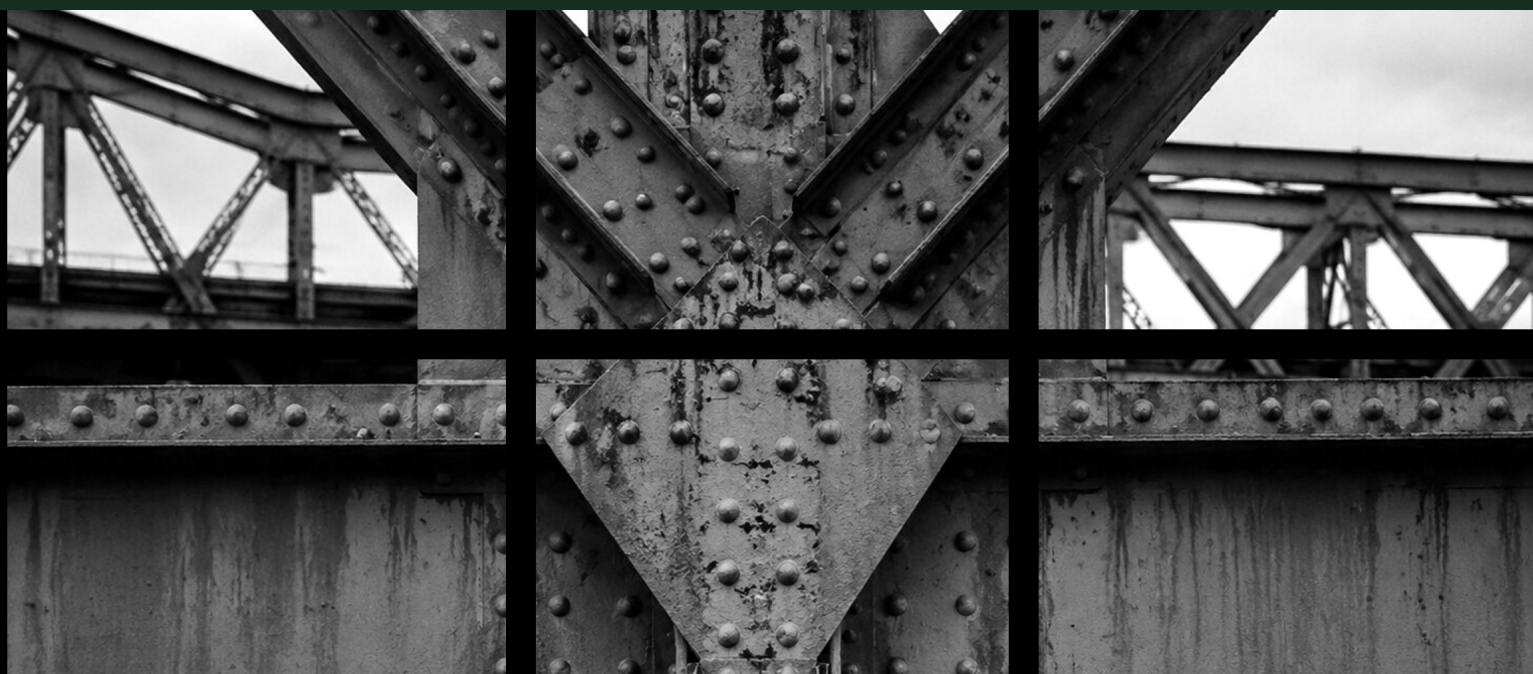


BEYOND THE REPORT

The PMO Empire: Why the Offices Multiplied and the Value Did Not

A Practitioner's Perspective on the Rise of the Programme Office in Large-Scale Change



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1. Executive Summary

Something strange has happened to the programme office over the past few years. It has multiplied — spectacularly, across almost every large organisation running serious change — and yet it is remarkably hard to find anyone who will tell you, without hesitation, that their programme office has made their programmes succeed. The office has become a fixture, an expectation, a sign of seriousness. What it has not obviously become is a source of value.

This essay is an attempt to understand that gap. It is not an argument that programme offices are useless; the best of them are among the most valuable functions in a change portfolio. It is an argument that the reasons offices have proliferated are largely disconnected from the reasons offices create value, and that this disconnection explains the pattern we now see everywhere: more offices, larger offices, better-tooled offices, and no corresponding rise in the fortunes of the programmes they serve.

I want to trace how the office grew, why it grew in the way it did, and what separates the rare office that earns its keep from the many that merely report on the failure of everything around them. The distinction, I will argue, comes down to a single question the office is rarely asked to answer: does it make delivery better, or does it only make delivery visible? The two are constantly confused, and the confusion is expensive.

2. The Empire Nobody Decided to Build

No one, so far as I can tell, ever sat down and decided that large organisations should run a standing bureaucracy dedicated to the administration of change. The programme office arrived the way most institutions arrive — incrementally, in response to pain, each expansion justified locally and none of it planned as a whole.

The first offices were modest and genuinely useful: a small team keeping the plan current, chasing the actions, making sure the programme manager was not personally maintaining a spreadsheet at midnight. Then the portfolios grew. A board that once oversaw three programmes found itself overseeing thirty, and it wanted a consolidated view. So a portfolio office appeared above the programme offices to roll their reports together. Then the methods arrived in force — the structured project method with its stage boundaries, the programme framework with its tranches and its blueprint — and each method implied a body of people to administer it, to hold the templates, to check that the stages were being observed. Then the auditors and the new reporting obligations arrived, wanting

assurance that money was controlled, and the office became the place where assurance was manufactured.

Each of these steps was reasonable. Together they produced something no one intended: a layered estate of offices — project, programme, portfolio, sometimes a central "centre of excellence" above them all — employing a great many capable people, consuming a substantial slice of the change budget, and answering to no single account of what it was for.

The programme office is one of the few functions in a modern organisation that grew to its current size without ever being asked to prove its return. It was justified by analogy — serious organisations have one — rather than by evidence. That is the root of the trouble.

3. Why It Grew: Four Engines

If the growth was not planned, it was not random either. Four engines drove it, and it is worth naming them because each produces a different kind of office — and only one of the four reliably produces a valuable one.

The first engine is the demand for visibility. As portfolios grew and boards became more remote from the work, senior leaders wanted to see. The office became the eyes of the board — collecting status, consolidating it, presenting it upward. This is the most common origin, and it produces an office optimised for reporting: fluent in RAG ratings, highlight reports, and dashboards, and largely silent on whether any of the things it reports on are actually improving.

The second engine is the demand for control, sharpened considerably by the new financial-reporting obligations now bearing down on listed companies. Someone had to demonstrate that change spending was governed, that stages were gated, that approvals were documented. The office became the custodian of process compliance — the keeper of the templates, the enforcer of the method. This produces an office optimised for conformance, fluent in whether the right document exists, and largely indifferent to whether the document is any good.

The third engine is the demand for capability. Some organisations, more thoughtfully, built offices to raise the standard of delivery: to coach project managers, to spread what worked, to intervene when a programme was in trouble. This is the engine that produces the valuable office. It is also, by some distance, the rarest, because it is the hardest to staff and the slowest to show a result.

The fourth engine is the least discussed and the most corrosive: the demand for reassurance. Where senior leaders are anxious about change they do not understand, an office is a comfort. Its existence signals that something is being done, that the risk is being managed by someone, somewhere. This produces an office optimised for the appearance of grip — thick with process and reporting, because process and reporting are visible, and thin on the harder, less visible work of actually improving outcomes.

The uncomfortable observation is that three of these four engines produce an office that is busy, well-regarded, and fundamentally beside the point. Only the third — capability — bends the curve of delivery. And capability is precisely the engine that is easiest to underfund, because its returns are diffuse and delayed while the returns of a good dashboard are immediate and flattering.

4. The Reporting Trap

The deepest reason PMO value has failed to keep pace with PMO growth is that the majority of offices have settled into the business of reporting on delivery rather than improving it — and the two look far more alike from the outside than they are.

Consider what a reporting office does. It collects status from programmes. It challenges the odd rating. It assembles a consolidated view. It presents that view to a board. It records the actions. This is real work, done by able people, and it produces a genuine artefact: the board can now see. But notice what it does not do. It does not change the trajectory of a single programme. A programme that was going to be late is still going to be late; it is now late visibly, in a well-formatted report, a little earlier than it would otherwise have been known. Visibility is not nothing — early warning has value — but it is routinely mistaken for control, and the mistake is where the money goes.

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The reporting trap is seductive because reporting is measurable, repeatable, and safe. You can staff it, systematise it, and demonstrate it. You can show the board a thicker pack each month and feel that the office is maturing. Meanwhile the harder question — are the programmes actually more likely to succeed because this office exists? — is never posed, because the office's own metrics are all measures of its activity, never of its effect. An office judged on the quality of its reports will produce excellent reports about failing programmes and consider itself to be performing well.

There is a further, subtler cost. The act of feeding the office changes the programmes it observes. When a programme manager spends two days a month producing the pack the office requires, in the format the office prescribes, that is two days not spent managing the programme. Multiply across a portfolio and the office is not merely failing to improve delivery; it is imposing a tax on it. The programmes subsidise the visibility of their own decline.

5. The Conformance Illusion

Running close behind the reporting trap is the conformance illusion — the belief that if the method is followed, the outcome will follow. Offices built by the control engine become the guardians of the method: they check that the stage-gate paperwork is complete, that the templates are populated, that the mandated documents exist at the mandated points.

The illusion is that a populated template is evidence of thought. It is not. A business case can be immaculately formatted, fully compliant with every template requirement, and completely detached from any real analysis of whether the thing is worth doing. A risk register can have the correct columns, be updated on the correct cadence, and contain nothing that anyone actually acts upon. The office that polices conformance can certify all of this as being in order, because “in order” has come to mean the artefacts exist and are

current, not the thinking behind them is sound.

This is how an organisation ends up with programmes that are fully compliant and quietly failing. The method was designed as a scaffold for judgement; in the hands of a conformance office it becomes a substitute for judgement. The programme manager learns to satisfy the office rather than to run the programme, and the two activities diverge until satisfying the office is a full craft in its own right — one that the ablest people learn to perform with a certain weary cynicism.

6. The Value That Does Exist — and Where It Hides

It would be too easy, and untrue, to conclude that the office is a mistake. I have seen offices that were unambiguously worth several times their cost. It is worth being precise about what those offices did differently, because the difference is instructive.

The valuable offices were, without exception, in the capability business. They did some reporting and some conformance-checking — those functions have to happen — but they understood these as hygiene, not as their purpose. Their purpose was to make the next programme go better than the last. Concretely, that showed up in a handful of ways.

- They intervened early and practically. When a programme showed signs of trouble, the office did not simply escalate the red rating; it put an experienced hand alongside the struggling manager and helped fix the thing. The office held delivery talent, not just administrative talent.
- They carried memory. They knew why the last three programmes of this type had overrun, and they made sure the next one did not repeat the pattern. This is the single function an office is structurally best placed to perform — individual programmes are transient, but the office persists and can accumulate what they cannot.
- They improved the quality of decisions, not just their documentation. When a business case came through, the office asked whether the benefits were real, not merely whether the benefits section was complete. It brought challenge, not just checking.
- They earned the right to be listened to. Because they were manifestly trying to help delivery rather than to police it, programme managers brought them problems rather than hid problems from them. An office that is feared is told what it wants to hear; an office that is trusted is told the truth, which is the only basis on which it can be useful.

What unites these is that the valuable office measured itself by the success of the programmes, not by the volume of its own output. It would have regarded a beautiful report about a failing programme as a failure of its own. That single inversion of the scorecard is, I have come to believe, the whole difference.

7. The Cost of the Empire

It is worth dwelling on what the proliferation has cost, because the costs are real and largely unmeasured. The direct cost — the salaries of a great many analysts, coordinators, and administrators across the layered offices — is substantial but at least visible. The indirect costs are larger and hidden.

There is the tax on delivery already described: the time programmes spend feeding offices that do not improve them. There is the dilution of accountability: when an office consolidates and presents the portfolio view, the ownership of the numbers subtly migrates from the programme managers who created them to the office that packages them, and something is lost in that migration — a programme manager who knows the office will re-present his status is a fraction less the owner of it. And there is the opportunity cost, which is the cruellest: the capable people staffing the reporting and conformance machine are, very often, exactly the people who could have been improving delivery if the office had been built around the capability engine instead. The empire does not merely fail to add value; it absorbs the talent that might have added it.

8. What the Pattern Tells Us

Step back from the office itself and the pattern says something larger about how organisations respond to the difficulty of change. Faced with something hard to control — a portfolio of complex, uncertain, interdependent programmes — the institutional reflex is to build a function that looks like control: that produces the reports, holds the process, and reassures the anxious. This is easier than the alternative, which is to build genuine delivery capability, because capability is slow, expensive, and hard to demonstrate, whereas the apparatus of visibility can be stood up in a quarter and shown to the board the following month.

The programme office is thus a mirror. Its proliferation-without-value reflects a preference, widespread and rarely admitted, for the signs of control over the substance of it. The offices multiplied because the signs were what the organisation actually wanted — the reassurance, the visibility, the demonstrable conformance — and the offices delivered those things faithfully. That the programmes did not improve was, in a sense, never the point, which is exactly why it went unnoticed for so long.

The honest test for any office is brutally simple and almost never applied: if this office were quietly closed tomorrow, would the programmes it serves become more likely to fail? For the valuable office the answer is plainly yes. For most of the empire, the honest answer is that no one would be able to tell.

9. Toward a More Honest Office

I do not want to end in mere diagnosis, because the pattern is not a fate. An organisation that wishes its office to be worth its cost can choose to build it around the capability engine, and can hold it to the only scorecard that matters.

That means resourcing the office with people who have delivered, not only with people who can administer. It means judging the office by the trajectory of the programmes it touches, not by the thickness of its reporting pack. It means being willing to let the office intervene — to be a help rather than an auditor — which requires senior leaders to tolerate an office that sometimes tells them their favourite programme is in trouble. And it means keeping the office small and sharp rather than large and comprehensive, because the value was never in the coverage; it was in the judgement.

Most of all it means asking the question the empire was built to avoid: not are we visible? and not are we compliant? but are the programmes better because we exist? An office that can answer that question honestly, in the affirmative, is worth whatever it costs. An office that cannot has confused its own growth with its own worth — which is, in the end, the story of the empire entire.