

BEYOND THE CYCLE

Why PMOs Die and What Should Replace Them

A Practitioner's Perspective on the PMO Lifecycle and the Case for Permanent Programme Governance



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“The PMO does not die because it failed – it dies because the organisation forgot what it was for, and by the time it remembers, the PMO is already gone.”

1. The Lifecycle

PMOs have a lifecycle, and it is remarkably consistent. It follows a predictable arc: establishment with energy and ambition, a period of productive operation, a gradual decline in relevance and support, and eventual disbandment. The cycle typically runs three to five years, after which the organisation discovers it needs the capabilities it has just eliminated and begins again.

I have watched this cycle play out enough times to recognise its phases and to understand the forces that drive each one.

Phase one: the crisis. Something goes wrong — a major programme fails, a portfolio of projects misses its deadlines, a regulatory review exposes gaps in programme governance. The executive team concludes that the organisation lacks the capability to manage its change portfolio, and a PMO is established to provide it. The PMO arrives with strong executive sponsorship, a clear mandate, and the organisational attention that accompanies a crisis response.

Phase two: the contribution. The PMO delivers. It provides the portfolio visibility that was missing, introduces governance standards that bring consistency, manages cross-programme dependencies that were previously invisible, and gives the executive team the information they need to make better investment decisions. The programmes run better. The governance forums function properly. The organisation sees the value.

Phase three: the fade. The crisis that prompted the PMO recedes from memory. The programmes that were failing have been rescued or closed. The governance standards have been adopted and are running smoothly. The PMO's contribution becomes invisible precisely because it is working — the problems it prevents do not happen, and the decisions it enables appear to make themselves. The executive sponsor who championed the PMO moves on to another role. Their successor does not share the same conviction about the PMO's value, because they were not present during the crisis.

Phase four: the challenge. The organisation enters a cost reduction cycle, as all organisations periodically do. Every overhead function is scrutinised. The PMO is asked to justify its existence, and it struggles — its value is in prevention and enablement, both of which are difficult to quantify against a counterfactual. Programme managers, who have always had an ambivalent relationship with the PMO, argue that they can manage their own governance. The new executive sponsor, lacking personal experience of the crisis that created the PMO, is inclined to agree.

Phase five: the disbandment. The PMO is closed. Its functions are distributed to programme managers, its people are redeployed, and its standards are maintained in

theory but erode in practice. For six to twelve months, the organisation runs on the momentum the PMO created. Then the momentum dissipates, the standards slip, the portfolio visibility degrades, the cross-programme dependencies go unmanaged, and – in due course – something goes wrong. A major programme fails, and the cycle begins again.

2. Why the Cycle Persists

The PMO lifecycle is not driven by the quality of the PMO. Excellent PMOs die just as reliably as mediocre ones. The cycle is driven by three structural forces that the PMO cannot control.

Negative value is invisible. The PMO's most important contribution is preventing problems. A dependency that is identified and managed before it becomes a crisis has no visible impact – the crisis simply does not happen. A governance challenge that causes a programme to be restructured before it fails produces a successful restructuring, not a visible save. The PMO cannot point to the disasters it averted because they did not occur. This makes the PMO's value proposition inherently weak in a cost-justification exercise.

Executive memory is short. The executive team that created the PMO understood its value because they lived through the crisis that made it necessary. The executive team that disbands the PMO has no such experience. They see the cost, they hear the complaints from programme managers, and they have no personal recollection of what the organisation looked like without the PMO. The institutional memory that would protect the PMO is held in people, and when those people move on, the memory moves with them.

Programme managers resist oversight. This is not a criticism of programme managers – it is a structural reality. Programme managers are accountable for delivering their programmes, and anything that slows them down, adds reporting burden, or introduces external challenge feels like an impediment to delivery. The PMO, by its nature, adds these things. When the PMO is strong and well-sponsored, programme managers accept it as a necessary part of the operating environment. When sponsorship weakens, their complaints find a receptive audience.

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3. What Should Replace the PMO

The PMO lifecycle is a symptom of a deeper problem: the organisation treats programme governance as a temporary capability rather than a permanent one. The PMO is established as a response to a crisis, which frames it as a solution to a problem rather than as a standing organisational function. When the problem appears to be solved, the solution is no longer needed. The cycle only breaks when the organisation stops treating programme governance as crisis response and starts treating it as infrastructure.

What should replace the PMO is not another PMO. It is a permanent programme governance capability that is embedded in the organisation's operating model with the same permanence as its financial governance, its risk management, or its audit function. No organisation disbands its finance function during a cost reduction because financial

governance is understood as permanent infrastructure, not as a response to a specific problem.

The permanent governance capability would have several characteristics that distinguish it from the traditional PMO:

It would be chartered, not sponsored. Instead of depending on the personal commitment of an executive sponsor, it would operate under a formal charter that defines its mandate, its authority, and its governance role. The charter would be approved by the executive committee, not by an individual, and could only be changed by the executive committee. This structural protection would insulate the function from changes in individual leadership.

It would measure itself by outcomes. Instead of justifying its existence through activity metrics – reports produced, governance forums supported, standards maintained – it would measure itself by the quality of the organisation's programme governance decisions. Are portfolio decisions being made on the basis of good information? Are cross-programme dependencies being managed before they create crises? Is the organisation's benefits realisation rate improving? These are harder to measure, but they are the measures that matter.

It would be lean and analytical. The permanent capability does not need to replicate the full scope of a traditional PMO. It needs enough capacity to maintain portfolio visibility, to provide independent assurance on programme health, and to support the governance forums that make investment and prioritisation decisions. This is a smaller function than most PMOs become, but it is a more focused one.

It would own the governance design. Rather than operating within governance structures designed by others, the permanent capability would be responsible for the design and continuous improvement of the organisation's programme governance model. This includes the governance forums, their terms of reference, the information they receive, the decisions they are empowered to make, and the escalation mechanisms they use.

The transition from a cyclical PMO to a permanent governance capability is not easy. It requires the organisation to accept that programme governance is a permanent cost, not a temporary investment. It requires the executive team to formalise their commitment through a charter rather than relying on sponsorship. And it requires the governance function itself to be disciplined about its scope – to resist the expansion into operational programme support that makes PMOs simultaneously overworked and undervalued.

The alternative is to continue the cycle: establish, operate, decline, disband, regret, re-establish. The cycle is survivable, but it is costly – not just in the direct cost of repeatedly building and dismantling the function, but in the programme failures that occur during the gaps between cycles. The organisation that breaks the cycle is the one that decides programme governance is permanent infrastructure, and builds accordingly.