

# PROJECT MANAGEMENT OFFICE (PMO) FOR STRATEGY ALIGNMENT: CASE OF THE MINISTRY OF INDUSTRY, TRADE, GREEN AND DIGITAL ECONOMY IN MOROCCO

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## *Abstract:*

*The purpose of this article is to analyse the relationship between the establishment of a Project Management Office (PMO) and strategic alignment within a public organization. This study presents the experience of implementing the PMO in the Ministry of Industry, Trade, Green and Digital Economy (M.I.C.E.V.N). With a view to strategic development, modernization of operational processes and efficiency of its management, the (M.I.C.E.V.N) has set up a PMO to accompany it in the alignment and implementation of these strategic projects. Through this experience we analyse and discuss the constraints and difficulties associated with the implementation of the PMO. Our results present how the PMO can facilitate the strategic alignment, raising constraints related to human capital, setting deadlines, driving change and allocating budgets.*

*Keywords: project management office, strategic management, strategy implementation, PMO maturity models, project management process*

## **1. Introduction**

Executing or implementing a strategy is an important pillar of its success. However, on this point the tools are scarcer and reflection must integrate the contributions of other areas of management. While strategic choices always involve some risk, the implementation of the strategy still presents some uncertainty (Rozenzweig, 2009). It is difficult to anticipate the reaction of members of an organization to change. In particular, the transposition of “good practices” from one company to another does not ensure the success of their implementation. Strategic choices will run counter to the power structure in the organization. Thus, new incentives will have to be created in the company.

Among the objectives of the Project Management Office (PMO) is to coordinate a set of projects conducted simultaneously. Organizations are forced to manage a very different set of projects. The issue is crucial when it comes to a public sector organization, with their urgent desire to modernize their way of managing and standardizing processes across their regional and provincial representations.

In Morocco, we have witnessed the emergence of several sectoral strategic plans. These strategies have been developed in portfolio, program and project management. And to support their strategies, several government departments and agencies have set up a Project Management Office (PMOs).

Thus, we put interested in the organizational structure in place (PMO) within the Ministry of Industry, Trade, Green and Digital Economy (M.I.C.E.V.N) while noting the main concepts related to this structure.

Through this study, we are seeking to find out what the Department is pursuing in implementing the PMO. This will allow us to better understand the problems related to the creation of such a structure and the added value of this type of management in strategic alignment.

To do this, we propose a literature review to operationalize the concept of PMO, its models, it's implementation steps, and its relationship with strategic alignment. Then, through exploratory interviews with ministry stakeholders (M.I.C.E.V.N), we present the project management system set up (PMO) in order to facilitate the strategic alignment and discuss the constraints and difficulties related to its implementation. Thus, before starting the literature review, let's present the methodology we have followed.

## 2. Methodology

To solve our problem, we opted in this article for a unique case study treated in depth (Yin, 1984).

Our research was interested to a change project set up by the Ministry to improve the rural Trade.

We were interested by the Ministry of Industry, Trade and the Green and Digital Economy (M.I.C.E.V.N) because of the establishment of a PMO structure for project management. We also wanted to explore the process of strategic alignment within the Moroccan public sector. A sector little covered in literature.

We conducted an exploratory study on data analysis (studies, internal documents, activity reports, websites, etc.), and supplemented by a qualitative study in the form of interviews with actors and stakeholders involved in change projects within the ministry.

We have sought to engage with these actors to enrich our study and answer our problem: How to set up a PMO system to ensure strategic alignment and what are the difficulties associated with its implementation?

Our sample consists of ten people from different levels of the department, which allows us to analyze the differences in views. All of the actors in the study sample are as follows in the (Table 1):

**Table 1**

**Presentation of our sample according to their hierarchical level within the department**

<b>Interviewed</b>	<b>Sampled workforce</b>
Central managers	3
Regional leaders	2
Provincial officials	2
Middle Office	3
<b>Total</b>	<b>10</b>

*Source: Compiled by the author*

Thus, we move on to the literature review, we start by presenting the concept of PMO, its models and its implementation steps.

### **3. Presentation of the concept Project Management Office System (PMO)**

The PMO is a part of the organization that centralizes all or part of the management and support to the management of projects, programs, and project portfolios of a company. Its objective is to advance the success capabilities of projects by improving their management, methods and procedures, and the necessary resources and skills. In this, it can act both on the project itself, but also on the company as a whole. The PMO is the source of documentation, guidance and advice for companies that need answers to specific issues (Davies and Brady, 2000).

The role of the PMO is to improve and expand project management methods within the company. This function is exercised on each project, but also at the level of the organization as a whole. The PMO will therefore have several roles related to its missions (Quang and al.,2007): 1/ Promote progress in the project management development plan to maintain and strengthen management's involvement in the process. 2/ Archive and organize information about projects carried out so as not to lose memory of the techniques developed. 3/ Share the knowledge accumulated with all project management teams, including through detailed guides. 4/Train teams in project management techniques.

Thus, the PMO is the guarantor of a coherent set of project management methodologies. It can be at the heart of a Center of Excellence in Project Management and aim for the maturity in project management of its organization. (Abdi and Kaddoura, 2011).

The concept of the PMO includes operational, central and strategic activities (Swift, 2009). All three attached to the Information Systems Direction in to varying degrees: The first, operational, is at the service of the project manager because it is one of the tools to enable him to implement operationally the processes related to these projects. It also consolidates the data to produce project-by-project indicators and participate in its follow-up. The second is affiliated with a project and monitors its budget. Like the previous one, it consolidates indicators and provides target reporting to the system information director. It also organizes and monitors the deployment of project management processes and tools. The third serves as a variation of the general director's strategic objectives. In practice, he leads the working groups in charge of improving processes and offers expertise in terms of approach. Finally, it manages IT risks by assessing the strategic risks of high-sensitivity projects at its level.

The PMO is a tool that facilitates the implementation of the corporate strategy. They can be seen as an alignment approach between the company's overall strategic vision and the projects to be undertaken (Karayaz and Gungor, 2013).

### **4. The PMO model's**

The concept of "project management" has been the subject of several scientific studies. In which we find the PMO. Each theorist was interested in this notion from a different angle of view. Hence, the wealth of theories about the PMO.

Four models of PMO has been identified by (Garfein, 2005). The first being, the 'Project Office, which offers information to top management for arbitration. The

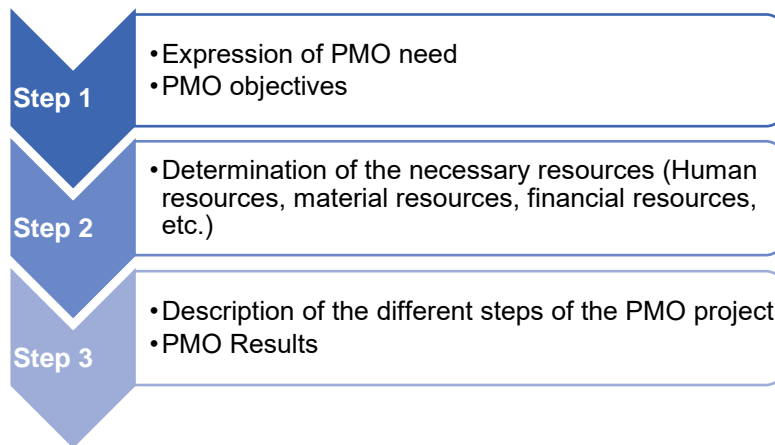
second, 'Basic PMO', develops a procedure for selecting projects according to defined criteria, on the one hand, and on the other hand synthesizes the performance of the different projects in the same dashboard. The third, 'Mature PMO', aligns projects with the company's strategy, sets up a procedure for allocating resources to projects and develops methods for prioritizing projects. The fourth, 'Enterprise PMO', provides real-time information for decision-making and defines the overall capacity for project portfolio implementation.

(Englund Graham and Dinsmore,2003) offer three models of PMO. The first, 'Project Support Office', allows project planning, identification of the tools needed to manage project activities, etc. The second, 'Project Management of Center of Excellence', includes functions that aim to ensure the updating of project management methods and skills through standardized procedures promoting best practices and seminars allowing management to increase skills. The third, 'Program Management Office', defines the responsibilities and skills required for each link (project manager and project team), identifies the criteria for project selection and ensures their alignment with the company's strategy.

These different possible combinations of the PMO device and its function have given way to a pluralistic translation of this concept among companies. So today we are talking about the PMO of information systems, the PMO strategy still the PMO of the HR function. These variations only enrich this notion even more.

## 5. PMO implementation steps

Implementation of a PMO goes through three steps as summarized by the author in the Figure 1: First, detecting the real need for PMO. The latter has its origin in the objectives that the decision-makers have set, the role assigned to the PMO (strategic, operational or both) but also in the context in which the organization operates (Karayaz and Gungor, 2013).



**Figure 1. Summary of PMO implementation Steps**

*Source: Karayaz and Gungor, 2013*

Secondly, other factors to consider when implementing the PMO include the need to focus initially and clearly on the team responsibilities required to support the

implementation of the PMO. This should be accompanied by the establishment of the PMO structure, the resources needed of the communication model to ensure effective interaction with the PMO (Tengshe and Noble, 2007).

Finally, it is important to describe all the steps of the PMO in every detail: Teams, planning, financial resources, material, agenda... Definition of the business direction of measures and indicators as well as the continuous improvement process are recommended (Desmond, 2015). On the other hand, PMO should not be confused with strategic planning, both of them serves as the expression of the strategy in action. Nevertheless, the subtlety to the pretension of these two concepts in the level of detail offered by each (Do valle and al., 2008).

Indeed, strategic planning is a tool that translates the strategic vision to managers. However, the PMO builds collaboratively projects that facilitate the implementation of the strategy with managers and employees. This work offers all the employees of the company a unified vision of the new strategic directions (Crawford and al., 2010).

As a result, the PMO device is more clear than strategic planning. He consolidates the latter by importing a table of answers to the questions: who does what? When? how? With whom? With what budget? What for? And those at all levels of the hierarchy.

This approach allows employees to participate in strategy building, in the sense that, they participate in the development of the project portfolio by wish they are concerned. Thus, decisions are no longer imposed vertically, but they come as much from senior management as from employees. This bottom-up approach is also part of the success secrets of a strategy implementation (Liu and Yetton, 2007).

The PMO achieves an entity's strategic objectives because it unifies language between different cross-cutting projects that involve different trades (Qing-Lan and Chang-Wei, 2008).

## **6. Empirical study**

In this section we will, first, explain the approach taken in order to operationalize a strategy. Second, we will outline all the steps in implementing the PMO approach within the ministry.

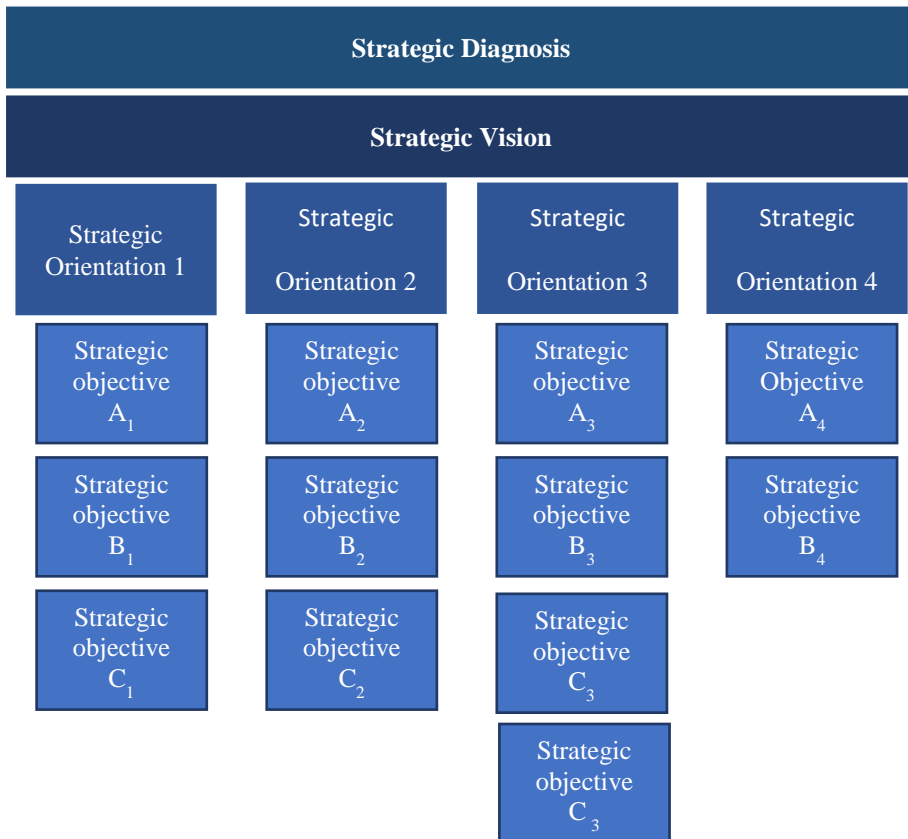
### ***6.1. Declination of strategic vision to strategic objectives and then in project***

As presented in the Figure 2 below, an internal and external diagnosis is deployed to determine the strategic vision that will be divided into several strategic directions and objectives.

After the determination of the strategic vision and its variation into a set of objectives comes the fateful stage to its implementation: the variation of these concepts into projects. The logical next step is to translate into activities related to projects and strategic ambitions chosen.

To do so, throughout the preliminary work carried out, for each strategic orientation the first interlocutor concerned by the latter is identified. Therefore, the first step in the construction of the project portfolio involves preliminary meetings with the interlocutors in each direction.

Thus, the organization's new strategic vision is divided into four strategic directions. These have been divided into about 20 strategic objectives, each subject for one or several projects.



**Figure 2. Strategy declination steps**

Source: Lecoq, 2013

**Table 2**

**Declination of strategic vision to strategic objectives**

<b>Strategic Vision</b>	The ministry is a public institution serving the Moroccan citizen. It is the guarantor of the development, the sustainability of its profession and thus that of the economy of the Kingdom of Morocco.
<b>Strategic directions</b>	Ensuring the efficient sustainability of its business
	Generalize access to one's core business
	Providing efficient and quality service to the citizen
	Deploy the means necessary to achieve your ambitions

Source: Activity report of the Ministry of Industry, Trade, Green and Digital Economy, Morocco, 2019

The implementation of the new strategic ambition (Table2), in fact, depends on the organization adopted by the entity. The latter must be at the service of strategic objectives. It is in this context that the PMO device alongside pilot indicators and reporting tools is required.

### 6.2. Determining the governance instances of the PMO

Three levels of governance are proposed for the deployment of the PMO approach to managing the organization's operations (Table 3).

All three levels of governance are materialized by appropriate governance bodies. These instances have been designed according to the specifics of the different professions. Each is entrusted with specific objectives. All of this information is recorded in a table that shows all the bodies of each level of governance, the objectives assigned to each, the deliverable of piloting and monitoring of projects, the managers of each project.

**Table 3**

**Synthesis of the governance instances of the PMO**

Governance	Instance	Objectives
Strategic piloting	Executive Committee	Make decisions to ensure that objectives are met and to align top management's position on major issues
	Human Capital Committee	Adopt an effective policy for the management and development of the human capital of the ministry
	Risk and Audit Committee	Ensure control of the internal and external risks to which the ministry is exposed
Operational piloting	Trade Committee Central	Tracking the achievement of objectives and making cross-cutting decisions to ensure their achievement
	Support Committee - Central	Track the performance of support functions and make decisions to improve them and achieve the goals set
	Claims Committee	Track the performance of the entity in terms of the satisfaction of claims of internal and external service recipients and to rule on contentious cases
Operational monitoring	Trade Committee - Regional	Track the performance of regional directorates and make regional decisions to improve them
	Support Committee - Régional	To support the region by identifying and making available the means necessary to achieve its objectives

Source: Activity report of the Ministry of Industry, Trade, Green and Digital Economy, Morocco, 2019

A project consists of:

1. Project duration (start date and end date);
2. Project manager;
3. Project sequence (activities);

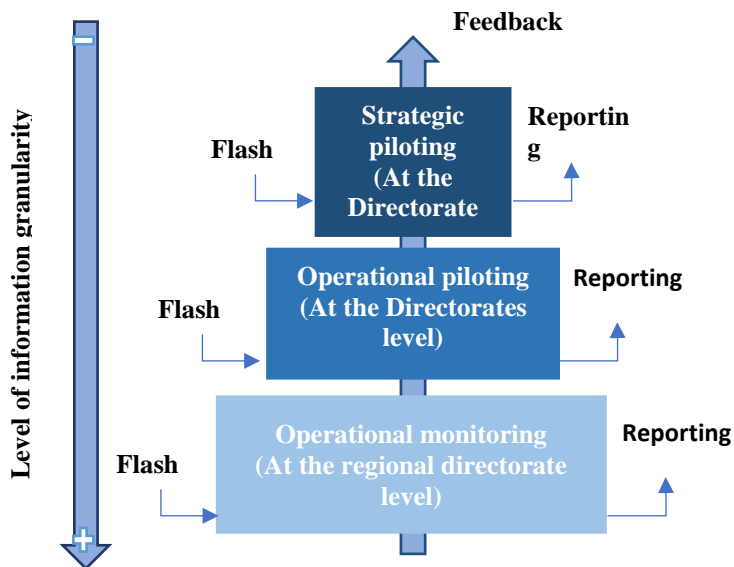
4. Project team;
5. Budget.

All these selected projects were designed in collaboration with the project manager himself. Here, the project stages (activities) are limited in time, the budget as well as the managers of each activity listed.

### 6.3. Implementing PMO process

As soon as the project portfolio is established and the governance instances are decided, PMO's work makes sense even if its launch consists of the construction of these two components presented above.

All PMO committees are provided with flash reports of activity. These documents are developed by project managers. They see the status of each of the activities related to the projects that are the subject of the committee. However, the level of detail presented differs.



**Figure 3. Implementation steps of the PMO**

Source: Karayaz and Gungor, 2013

Indeed, from the bottom, operational monitoring is devoted to the progress of the activities of one or more projects. The operational committee is studying the progress of the project as a whole. Finally, the steering committee is studying the progress of the site. A construction site being a set of projects serving the same strategic objective (Figure 3 above).

To close, we have observed the implementation of the ministry's PMO system, which aims to manage its portfolio of projects in order to bring it to a successful completion. We can conclude by summarizing the strengths and weaknesses of the PMO approach undertaken by the ministry in the (Table 4) bellow.



**Table 4**  
**Strengths and weaknesses of the PMO approach undertaken by the ministry**

Strengths	Weaknesses
Clearer device in terms of actors' responsibilities	Lack of proactivity on the part of human resources
More efficient management of the project portfolio	Non-compliance with pre-set deadlines
Decision-making support	Binding financial and budgetary procedure

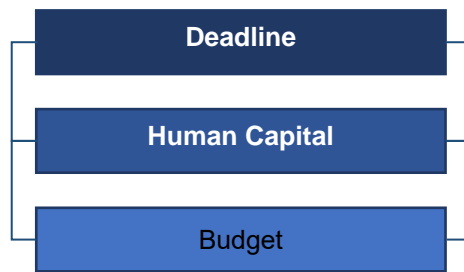
*Source: Compiled by the author*

The PMO approach is a tool whose implementation adapts to the specifics of the entity wishing to exploit it, from an in-depth diagnosis of the existing. Certainly, this tool provides a clear, scientific and structured framework for the implementation of the strategy as announced by (Liu and Yetton, 2007). Nevertheless, in the realization of this PMO, some challenges still remain.

**6.4. Analysis of constraints related to the implementation of the PMO for strategic alignment**

The PMO system put in place by the ministry is still in progress. The latter has had successes as well as some of the challenges it faces. Based on the conclusions of the case study as well as the obstacles of the PMO system identified, we will try to provide an answer to each of them.

Instances of the "Operational Monitoring" interviewed revealed the obstacles summarized in the figure 4 below.



**Figure 4. Constraints associated with the implementation of the PMO**

*Source: Compiled by the author*

The first point is the delays. They are often insufficient because they do not take into account the recurring work that the person in charge of the task is carrying out every day. When setting deadlines, project managers and their team ignore each other's administrative responsibilities. In this sense, the PMO system comes in addition to the usual tasks of public servants. Changes to the entity do not negate its core activities. In other words, its service remains operational throughout the implementation of the selected transformations. This dual work must be taken into account when setting deadlines for project implementation.

Another possible obstacle, which is the motivation and commitment of human capital arises from this observation. The collaborators are the first bearers of projects

designed by the top management and the project team. They are at the heart of the issue of implementing the strategy. Therefore, their commitment to the strategic objectives and strategic vision of the organization is more important than the PMO system itself. We can consider the need for this accession as a prerequisite for the PMO approach. To do this, best practices promote a participatory and collaborative approach whose interest is to involve employees in the construction of strategic objectives as well as projects bearing these directions.

Thus, we land directly on our second obstacle: human capital. As mentioned above, human capital is at the heart of change because it is what carries ambitions of the organization. In some cases of reform, strategic objectives given to collaborators responsibilities are not within their original qualifications. In other words, employees find themselves in a situation where they struggle to perform their tasks. As a result, projects cannot be completed either on time or in the form they were designed to. Because, in this case, public servants must first step up their skills in order to be able to carry out the new activities assigned by decision-makers. One solution would be to train employees so that they can quickly adapt to the challenges posed by the project.

Added to this, the lack of staff. Indeed, some reforms have a larger human size than that made available to the institution. Others carry out restructuring projects whose prerequisites require the recruitment of talent.

Thus, we are moving towards our third point: the budget. The latter is a major challenge to the implementation of the strategy. As a public body, the ministry submits its budget to the Ministry of Finance before it is voted in parliament. This procedure takes several months.

In this context, the public institution makes speculative forecasts regarding these needs for the project with a 3-year horizon. Unfortunately, the forecasts and the budget granted by the parliament are not always consistent. This is because the needs themselves cannot have been defined. The important thing in this is that the gap between the budget forecasts and the actual budget must be controlled. In this sense, it must not radically handicap the reform agenda.

Thus, we studied each of the obstacles detected, all are linked because one leads to the other as we have seen. Nevertheless, the causes are diverse even in our case study. The complex solutions are to be defined because several players need to be considered in such a complex administrative system. However, based on our analysis of the facts, we are holding a common thread that we consider to be essential; that of human capital.

## **7. Conclusion**

The main objective of the PMO is to assure the declination of the strategic vision in project portfolio in order to assure the implementing of the strategy efficiently.

The PMO approach is increasingly adopted by organizations who are obliged to implement strategic projects involving real organizational transformation. However, the literature is still lacking a framework for supporting the implementation and the management of PMOs. By this article, we try through an inductive approach to attract enrichments.

It is clear that the human capital of an entity is at the heart of its transformation. He is the bearer of change. Therefore, it should not be averse to change. However, in our case study we were able to observe the resistance to change of collaborators.

That's why a change-driven approach is being advocated to better understand the implementation of the PMO for strategic alignment. A lead that could enrich research on the strategic role of the PMO.

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