



**MONTCLAIR STATE**  
UNIVERSITY

Montclair State University  
**Montclair State University Digital  
Commons**

---

Department of Management Faculty  
Scholarship and Creative Works

Department of Management

---

2021

## The chief project officer: a new executive role for turbulent times

Te Wu

*Montclair State University, wut@montclair.edu*

Zhu Zhu

*Montclair State University, zhuz@montclair.edu*

Follow this and additional works at: <https://digitalcommons.montclair.edu/management-facpubs>



Part of the [Business Administration, Management, and Operations Commons](#)

---

### MSU Digital Commons Citation

Wu, Te and Zhu, Zhu, "The chief project officer: a new executive role for turbulent times" (2021).

*Department of Management Faculty Scholarship and Creative Works*. 46.

<https://digitalcommons.montclair.edu/management-facpubs/46>

This Article is brought to you for free and open access by the Department of Management at Montclair State University Digital Commons. It has been accepted for inclusion in Department of Management Faculty Scholarship and Creative Works by an authorized administrator of Montclair State University Digital Commons. For more information, please contact [digitalcommons@montclair.edu](mailto:digitalcommons@montclair.edu).

# The chief project officer: a new executive role for turbulent times

---

Te Wu and Zhu Zhu

## Introduction

Today, there are many executive level managers in organizations. The most common key members of the top management team are the Chief Executive Officer, Chief Operations Officer and Chief Financial Officer. There are many others, such as Chief Information Officer, Chief Technology Officer and Chief Marketing Officer.

In today's business environment, organizations are hiring project managers more often. The growth and heightened awareness of the importance of project management is evident across industries and especially in multinational corporations tackling the complexities of a global economy. Among project management professionals, the idea of the CPO has been around for well over 20 years, yet there are few organizations that have this role as part of their top management team.

Projects are important vehicles for implementing change and investment. According to [Williamson and Wu \(2019\)](#), a project is "a time-limited, purpose-driven, and often unique endeavor intended to create an outcome, service, product, or deliverable." Examples of projects include developing new and enhanced existing products and services; transforming or improving organizations through process, people and technology; expanding or reducing a business footprint; insourcing or outsourcing critical capabilities; implementing systems to digitize business; and acquiring and merging organizations. Distinct from traditional managers, project managers face a combination of constraints, often at the same time. For example, in business operations, managers are responsible for improvements that may occur incrementally over time. But if the organization is implementing a new information technology system to streamline and improve operations, then the project tends to have defined objectives, a time frame, resources and budgets. Combined with other constraints such as working with vendors, overcoming technology and organization challenges, projects are likely to be higher pressure and more intense efforts. Projects require strong upfront planning, tend to focus on a set of clear objectives, work in unique circumstances and command more complex team building processes.

One company that has successfully introduced the role of project manager is Telstra, one of Australia's largest telecommunications companies. In 2014, Telstra hired its first Chief Project Officer, Alicia Aitken. Like other companies, Telstra anticipated linking strategy to execution. The strategic move contributed to having a "voice of the projects" in the boardroom, which also empowered the project management office and the project managers within the company. When Peter Moutsatsos took over the role in 2017, he continued to advance project delivery on the executive level. With organizations intensifying their project efforts, it is time to re-affirm and perhaps expand the role of Chief Project Officer and other senior project executive roles. These added responsibilities may include:

Te Wu and Zhu Zhu are both based at the Department of Management, Feliciano School of Business, Montclair State University, Montclair, New Jersey, USA.

## **“Projects and the project management office (PMO) managers often lacks the authority and legitimacy to fully carry out the expected function.”**

- Accountability for the strategic initiatives of the organizations, often manifest in enterprise projects, programs and portfolios.
- Championing culture change and shifting the organization toward greater execution excellence.
- Establishing key processes, including governance, risk management, implementation methodology, project talent management and other strategic practices.

### **The chief project officer in action**

For most project managers, the top of the project management hierarchy is either aligned with the particular functional area such as technology or marketing or a PMO, where “P” can stand for project, program or portfolio even though “Project Management Office” is by far the most common.

Here we make the distinction between project (PMO), program (PgMO) and portfolio (PfMO) management offices.

Many project managers are either working in a PMO or in conjunction with a PMO. The PMO is an organizational structure that standardizes the project-related processes and facilitates sharing resources, methodologies, tools and techniques. The responsibilities of a PMO can range from the tactical to the strategic. For example, it can be a loose network dedicated to building skills. A tactical PMO’s responsibility ranges from providing essential project management support functions to the direct management of projects. There are variants, such as the program management office, that is usually created to manage a large program, or the portfolio management office that oversees a collection of projects and programs. In the more complex and strategic project management environment, the portfolio office has specific responsibility for the centralized management and condition of the portfolio that lies within its domain. The responsibility of this office may range from portfolio support functions to managing the portfolio. Larger organizations can have multiple project management offices. In an informal discussion with project professionals from large companies, many of which are global 500 companies, some organizations have as many as 30 or more PMOs across various functions, locations and products.

Reinhard Wagner, former president of the International Project Management Association and chairman of their council, says that the CPO is responsible for all project-oriented operations. The main responsibilities of the role are to:

- establish a governance system for projects, programs and portfolios;
- direct all activities in the field of projects, programs and portfolios;
- perform leadership for the project, program, portfolio managers and the PMO; and
- support all other board members in chartering or sponsoring projects in their areas of responsibility.

Additional responsibilities:

- link all activities in the field of projects, programs and portfolios to business and corporate level strategies; and

- ensure that every project supports key business goals.

In our view, the responsibilities above are still narrow. Organizations should invest in the creation of the CPO role for two primary reasons: to create a true enterprise PMO responsible for the execution of a selective few enterprise projects and programs, and to achieve sustainable excellence in strategic business execution. For example, a vice-president of Access Group, one of the fastest growing financial service companies in Delaware in the 2000s, reported directly to the C-Suites and was responsible for the enterprise portfolio, emphasizing the importance of the role. In this case, the enterprise portfolio contained 12 projects, but only a few were selected for implementation at any one time. As these projects are truly organization-wide, involving as much as 20% of the operating budget, one of the project objectives is to develop the culture and process of project execution. Having a vice president fill the project executive role resulted in improving a variety of project metrics, including the time required to implement projects. In one instance, for a new loan program approved by Congress, Access developed a product 10 days ahead of its competitors after Congress approved the legislation, resulting in a gain of over \$300m to the portfolio in only 10 days.

Today, all organizations are confronted with the reality of limited resources, and it is imperative to focus and execute strategies well. This argues for ruthless prioritization and dedication to working on the top five-to-seven enterprise programs simultaneously. The bonus structure should be part of the compensation plan for even the employees who are not directly working on these enterprise programs. Their support can be crucial for adopting the project results and covering the people who are working on these projects.

Studies have shown that in some organizations, senior managers are so disillusioned with project success that they do not even expect their projects to succeed. This negative mentality is contagious, infecting everyone in the organization. This is when the company needs a CPO to drive business execution by re-thinking the culture of the organization.

In practical cases, the CPO is higher in the organizational hierarchy than the project office executives. As the chief, he or she is responsible for strategy execution and is a standing member of the executive board. In larger organizations with many PMOs, the CPO directly manages the enterprise project, program, portfolio and PMO management responsibilities with dotted lines to other business, department, functional or product oriented PMOs. Primary activities of the chief project officer include:

- Lead projects, programs and portfolios by defining and communicating clear goals and clarifying expectations for the management of project, program and portfolio.
- Direct all activities in projects, programs and portfolios. The CPO is responsible for making the business case; for authorizing, changing, reporting, canceling and closing projects and whether projects, programs and portfolios succeed or fail.
- Align projects, programs and portfolios to organizational vision, mission and strategy, along with changes in the environment. Governance measures are necessary to keep the internal organizations capable of implementing change effectively.

**“Today, all organizations are confronted with the reality of limited resources and it is imperative to focus and execute strategies well.”**

## **“To become a Chief Project Officer or a senior project executive, individuals must command more than project and program management skills.”**

- Spearhead the development of optimal project management approaches and discipline for the organization, which can include specific methodologies, processes and key performance indicators.
- Align the company’s strategic project objectives and goals with financial resources and business plans of individual business units.
- Support other project executives in chartering or sponsoring projects in their areas of responsibility. Although each project executive should sponsor projects within his organization, this role should provide guidance on how to effectively sponsor and govern the project. This helps in enhancing the communication among board executives, senior management and their project teams.
- Track similar projects and gather lessons learned to benefit other business units. This provides a strong base for processes establishment.
- Enforce cross-organizational collaboration between business units. The CPO should be the link between the different business units and encourage knowledge exchange, team collaboration in execution and processes enhancement brainstorming initiatives.
- Gather lessons learned from similar projects across different organizations within the company.
- Report to the CEO, board and other chief officers in support of strategic business execution.

Being a member of the C-suite, the CPO has the required power and authority to transform the organization, sponsor project management and impose methodology. He or she is the project advocate in the C-suite, participates in the development of strategic goals and objectives, and influences the critical decision-making that usually impacts existing and future projects, programs and portfolios. The CPO supports other members of the C-suite to execute their responsibilities involving projects, programs and portfolios and helps them keep their focus on their primary responsibilities.

### **Criteria for becoming a project executive**

The road to becoming a CPO is not an easy one, and this fact is self-evident. Three dominant trends that should pave the way for a more dominant role of the CPO are:

1. The rising popularity of projects as the primary mechanism for organization change and growth.
2. An increase in the complexity of projects and the importance of projects to organization success.
3. Growth of the project management professional. Project management professionals grew from a few hundred in the late 1990s to over 1,000,000 active certificate holders by late 2019.

**Table 1** Key disciplines for chief project officers

#	Name	Description
1	Making strategy work	Developing good strategies are crucial for organizational success, but strategies alone cannot accomplish the goals. To realize value and achieve objectives, sound implementation is as important and sometimes can be more important than having the right strategy. Organizations need a thoughtful, pragmatic, functional and powerful framework to work on achieving strategies. This requires a close alignment of various parts of the organization and strong collaboration between senior executives to transform ideas into actions and actions in to results
2	Enabling strategic business execution	Leading effective execution is the key in achieving results and reaching company goals. Execution planning must balance the needs and constraints of the organizations and use a multi-disciplinary approach to successfully execute on strategic initiatives. Failing to attain this can cause the business to fail to thrive. Moreover, business leaders should work together with their teams on improving execution-related disciplines and addressing execution gaps. By finding the proper balance among rigor, discipline and agility, organizations can achieve sustainable execution excellence
3	Designing optimal governance in projects, programs, and portfolios	Governance is the discipline of making the best decisions for the organizations and ensuring their successful implementation. This requires a high degree of transparency and legitimacy, especially in political environments. Governance for projects, programs and portfolios is crucial for success, and it is usually the shared responsibilities of the executives to establish the right structure and processes. There should be dedicated efforts on maintaining acceptable levels of quality in governing projects. This will support in delivering world-class project delivery
4	Championing change through effective project leadership	A company's leadership team indicates whether it will succeed or fail. The change control process outlines the procedures to take whenever a change is required within a project. An effective project leadership team follows the process with strong management support in addition to maintaining governance by following the company's project management methodology
5	Managing risks across portfolios, programs and projects	Some risks may be impossible to predict. However, we can try to identify potential risks and try to work on mitigation methods based on personal experience or lessons learned from past projects. Identifying potential risks and opportunities at the beginning of any project is crucial in the project planning phase. This requires a mindset that focuses on possible future scenarios and their solutions as well as keeping the customer informed of risks
6	Engaging executive stakeholders; expectations and communication	In the middle ensures transparency in the communication with the customer and empowers trust. Project management relies on expectations, mainly those of stakeholders. Securing stakeholder trust from the beginning of the project and maintaining the right expectations leads to a high degree of project success. Regular alignment on the project progress and the status of any issue that may occur increases customer tolerance for any delays or miscommunications
7	Building and implementing a world class PMO	A world-class PMO is built on establishing a strong project management methodology that contains defined processes, risk management techniques, documentation templates and communication and reporting systems. Leadership support on executing projects using the built methodology is crucial to enhancing and empowering the processes to become more realistic and feasible
8	Leading benefits realization management	Benefits realization management is the continuous process of ensuring that the project is achieving the benefit required. It identifies the expected benefit, ensuring that it is attained at execution and sustaining the benefits after the project is complete. The acceptance criteria for the benefits have to be identified and communicated to all stakeholders to sustain a common understanding. In addition to achieving the required benefits and making the customer happy, the benefits have to be aligned with the strategic business goals
9	Crafting performance metrics for project executives	Key performance indicators and performance metrics are used to evaluate the performance of the employees and the quality of project delivery. Without these metrics, no one will be able to appraise results or provide feedback needed for improvement. In addition, key performance indicators are a motivational approach to help employees have a goal or a target to work for
10	Establishing a balanced scorecard for project environment	Communication is vital in any project. A project scorecard is a simple visual that provides a quick overview of the current status of the project. It contains the project activities, major milestones and project timelines, pending action items or other important project metric. Graphs and color coding are used to illustrate the criticality and importance if needed
11	Managing global initiatives	Working in multinationals and competing in a broad market encourages senior management to tackle global initiatives, which have unique challenges. They include cultural understanding, language barriers, time zone differences and distance as obstacles

*(continued)*

**Table 1**

#	Name	Description
12	Understanding essential financial management for projects	Financials and budgeting are the core of project management. There is nothing more frustrating to any customer than being asked to pay more than agreed. Project management authorities within any organization should provide regular training and roundtables with professionals on financial management
13	Achieving strategic value using portfolio management	Strategic portfolio management works on closing the gap between the strategy developed by the business executives and the actual results achieved at project delivery. The portfolio manager has the advantage of having an overview of the ongoing projects/program and can align with the executive level board on how to better achieve the strategic goals
14	Managing complex programs	Complex projects are intrinsically uncertain. Combined with previous bad experiences, demanding customers, limited resources or a political situation, complex projects can be extremely challenging. In all cases, dealing with complex projects require a smart project leader along with the support of management. Organizations must find the optimal balance between risk taking and finding workable solutions. Navigating uncertainties, facilitating escalations and managing customer expectations are crucial skills for experienced project executives
15	Confronting challenges in project management	Challenges always exist in any project. A skilled project manager identifies the problem, defines solutions, assigns tasks and manages execution. Stress may be a delaying factor affecting the whole team. Therefore, the project manager should always work on managing the team mood and providing support when needed
16	Leveraging agile approaches to project management	Agile project management principles embrace teamwork, collaboration, trust, good communication and response to change. Agile methodology influences continuous improvement. It is an iterative approach to project planning and applying project processes. It gives the benefit of having clear visibility on the project progress and increased project control. It also gives better return on investment as the team is always aligned with project outcomes
17	Championing transformational change	A transformational change is an extreme change in the company's direction, culture, commonly used tools and techniques or strategy. A strong, effective and cooperative leadership team is vital to be able to safely transform with the least disruptive consequences. Human nature often resists change. Therefore, the leadership team should be smart enough to understand how to deal with the situation. Transparency is one of the keys to building trust with the employees
18	Motivating and Leading Diverse Teams	Corporates are promoting cultural diversity and working on creating a friendly diverse environment that provides a place for everyone regardless of color, religion or origin. But diversity also includes skills, training, technical backgrounds, and educations. Consequently, senior management is pushing for educating employees on cultural diversity and they are looking for a larger diverse pool of candidates for recruitment on open positions.
19	Instituting an effective project management information system	Instituting an effective project management information system depends on choosing the right tools and techniques for project managers to use. This depends on factors such as the type of business and the projects, tool features and how efficient the tool is in terms of time and cost
20	Creating a culture to sustain execution excellence	Having a process-oriented culture with defined methodologies based on experience and best practice is the first step to create a culture. The company has to clearly develop and communicate company values, policies and goals for employees to fit in the environment. It establishes a culture of protocols and directions that teams are aware of and work with. This helps in maintaining the quality of delivery across the whole organization

Yet, there are very few CPOs. Most organizations expect the project management office to substitute for this role, but this is often unsuccessful because the office usually does not have the influence of a C-suite manager or the power of a board level member. Ed Kozak, author of *"The Chief Project Officer and How One Can Benefit your Organization,"* argues that the costly endeavor of building a PMO often yields limited or no value because the effectiveness of a PMO is directly correlated with the authority and autonomy given by the organization. Without a CPO at the helm, the office is unlikely to be equipped with the necessary legitimacy to true create value and direct change for the organization.

While there must be many reasons, the skills and experiences required are not often encountered. In this section, we examine the skills required for becoming a successful project executive, and in the next section we suggest additional skills to develop.

Although the following five skills are frequently cited, it should be noted that not every project executive must have all of these experiences. But having a “critical mass” of the following is essential:

- Project, program, portfolio management. This may be stating the obvious, but candidates must understand both the challenges and opportunities of project management, including selection and application of various methodologies and tackling obstacles.
- Business acumen. Project executives must have proven strong business capabilities leading projects, managing resources and delivering results. Projects at this level are rarely undertaken for the sake of projects themselves but are generally a part of much larger business endeavor.
- Profit and loss responsibility. To deliver tangible results consistently requires the learning pain of failing and succeeding, and there is practically no better learning environment than being accountable for profit and loss.
- Strategic awareness. At this level of professional growth, “just do it” is only a part of the overall equation. Doing the right things, consistently, repeatedly, with growing teams and moving in the right strategic direction are all critical skills.
- Organizational savviness. Incumbents must develop an ability to work within political organizations. Projects at the “chief level” are likely to be contentious, resource intense and highly competitive for organizational attention. Achieving results requires a high degree of sensitivity about an organization’s culture and its history, present condition, and the road ahead.

To become a Chief Project Officer or a senior project executive, individuals must command more than project and program management skills. Table 1 presents the top 20 disciplines according to our research and professional knowledge.

The chief project officer is still a new role to most organizations, and the awareness of this role is still in its infancy. But most organizations have equivalent or emerging senior project executive roles that may evolve and become executive roles. Today, organizations are strongly pushed toward project-oriented structures to adapt to the frequent changes that organizations encounter as a result of a rapidly changing environment, new marketing challenges and fast and new technology.

**Keywords:**  
Chief project officer,  
CPO,  
Project management,  
Project execution,  
Strategy execution,  
Top management teams

## Reference

Williamson, B. and Wu, T. (2019), *The Sensible Guide to Key Terminologies in Project Management*, iExperi Press, Montclair, NJ. Glossary.

## Further reading

Aziz, E.E. (2014), “The chief projects officer (CPO) position is vacant”, Paper presented at PMI® Global Congress North America, Phoenix, AZ. Newtown Square, PA: Project Management Institute.

IPMA (2016), *Organisational Competence Baseline: For Developing Competence in Managing by Projects*, International Project Management Association.

Holding, M. “The crucial role of a chief project officer (CPO) in companies today”, available at: [www.morganintl.com/blog/supply-chain-logistics/the-importance-of-the-cpo/](http://www.morganintl.com/blog/supply-chain-logistics/the-importance-of-the-cpo/)

PMI (2017), *A Guide to the Project Management Body of Knowledge (PMBOK® Guide)*, 6th ed., Project Management Institute.

PMI (2017), *The Standard for Program Management*, 4th ed., Project Management Institute.



Wagner, R. (2017), "The chief project officer (CPO) – a new role for Project-Oriented organisations", IPMA International Project Management Association, available at: [www.ipma.world/chief-project-officer-cpo-new-role-project-oriented-organisations/](http://www.ipma.world/chief-project-officer-cpo-new-role-project-oriented-organisations/)

### Corresponding author

Zhu Zhu can be contacted at: [zhuz@montclair.edu](mailto:zhuz@montclair.edu)

---

For instructions on how to order reprints of this article, please visit our website:  
[www.emeraldgrouppublishing.com/licensing/reprints.htm](http://www.emeraldgrouppublishing.com/licensing/reprints.htm)  
Or contact us for further details: [permissions@emeraldinsight.com](mailto:permissions@emeraldinsight.com)

Reproduced with permission of copyright owner. Further reproduction prohibited without permission.