FIVEM

MASTERING PROJECT SUCCESS WITH THE PERFORMANCE STRATEGY OFFICE

Streamline execution, optimize resources, and drive results with FiveM's PSO.

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Executive Summary

The Case for a New PMO Model

Project Management Offices (PMOs) are failing at an alarming rate. According to the Project Management Institute, 75% of PMOs shut down within three years of inception. This failure is particularly prevalent among small to medium-sized insurance carriers, where PMOs are often viewed as bureaucratic bottlenecks rather than strategic enablers. The consequences? Persistent project delays, budget overruns, resource misallocations, and an overall lack of confidence in the function.

FiveM Consulting introduces a transformative approach: the Performance Strategy Office (PSO) —a turnkey, managed service that provides enterprise-class PMO capabilities while eliminating the inefficiencies that plague traditional models. By combining strategic governance, flexible staffing, optimized resource allocation, and pre-built project management tooling, the PSO shifts the focus from process to outcomes.

This whitepaper explores the root causes of PMO failure, outlines the critical misconceptions that lead to negative perceptions, and presents the PSO as a scalable, results-driven solution. More than just project oversight, the PSO ensures executive visibility, data-backed decision-making, and measurable improvements in efficiency. Organizations leveraging this model see immediate value, reducing overhead costs while significantly improving project success rates. For insurance carriers and other mid-sized organizations, the message is clear: instead of trying to salvage an outdated PMO model, it's time to embrace a new approach that prioritizes performance, strategy, and execution over bureaucracy.

Problem

The Vast Majority of PMOs Are Shut Down

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According to the Project Management Institute, 25% of project management organizations are shut down after one year, with 75% shut down within three years of inception. While unsurprising that some PMOs are wound down, this staggering statistic is indicative of the challenges organizations constantly face when attempting to stand up and operationalize the function.

Small to medium size insurance carriers have particularly been challenged with ineffective PMOs. These carriers often possess a backlog of projects, prioritized by leadership with minimal faith in their PMO. This minimal faith is exacerbated by a deteriorated perception of a PMO's efficacy across the organization, viewed as "Project Police." Furthermore, carriers in this segment face a more acute challenge as they tend to be more resource constrained. Compounding the resource issue is market compensation. Median pay for insurance project management specialists exceeded $107,000 in 2023. Let's dive into what leads to a failed PMO and why the perception of PMOs has diminished.

Leading to Failure

It must first be noted that project failure is separate from PMO failure. Successful projects are dependent upon functional teams with the PMO providing oversight, facilitation and support. However, the absence of project management constructs leads project teams to failure. Exhausting a list of reasons PMOs fail would take days. From a communication and operational standpoint, there is often poor visibility for senior leaders into project and portfolio health. Undefined project governance models plague senior leaders with questions, fire drills or surprises. Minimal stakeholder engagement and management leads to course-correction mid-project or project abandonment. This creates persistent budget and time overruns as well as inappropriate staffing levels. In-flight projects often lack strategic organizational alignment resulting in functional distrust from project inception. Absent a portfolio management approach, projects may not be adequately prioritized and assessed, further misbalancing capacity and talent.

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Problem—

On the talent front, PMO leadership does not always possess the experience or executive sponsorship to drive projects. FiveM frequently sees 'haphazard' PMOs staffed with managers not due to expertise but due to availability. Subject-matter experts may be defaulted into project manager or scrum master roles with which they have no experience. Organizations are often unable to secure senior-level PMs and SMs with domain expertise aligned with their backlog. Instead, low-bar approaches materialize in avoidance of expensive and disruptive costs of training. This absence of enterprise-class skill positions management of projects for failure.

Organizational Perception

Voices on Project Management explored several reasons for a negative view of PMOs.

01. Redundancy Over Efficiency.

No centralized portfolio management leads PMOs to report through cross-functional leaders, creating multiple layers of oversight. This red tape, in the form of multiple areas of oversight and control, can be contradictory, redundant and confusing.

02. Bureaucracy Over Execution

Over-focus on administration limits capacity to drive execution. Filling forms, attending meetings, and continuous updating of dashboard functionality adds complexity.

03. Templates Over Talent

Strict reliance on frameworks and process enforcement may prevent delivery. PMOs often rely on templates rather than having experienced PMs who can assist in all areas of delivery. Yes, repeatable processes are critical, but not at the expense of trained PMs and project success.

04. Tactics Over Strategy

Inflexible PMOs are not in touch with business needs. As business needs evolve, so must the PMO approach and prioritization. Organizations may view the PMO as a tool rather than a thought-partner, inhibiting innovation.

The Need for a New Approach

With these challenges compounding, it is no surprise that most PMOs struggle to gain traction and ultimately fail. The perception of PMOs as bureaucratic, ineffective, or misaligned with business needs has led many organizations to abandon the function altogether. However, this does not mean that structured project management is unnecessary—it means the traditional PMO model is outdated and requires a fundamental shift in strategy, execution, and leadership.

Rather than attempting to salvage or restructure failing PMOs, organizations must rethink their approach to project management entirely. A model that focuses on strategic alignment, adaptability, and measurable outcomes is critical for ensuring that project execution serves business objectives rather than becoming a barrier to success. The next section explores a modern solution designed to address these challenges head-on.

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The problem with most PMOs isn't the concept—it's the execution. Organizations get stuck in rigid processes, misaligned priorities, and a lack of real business impact. We believe in a different approach: one that drives measurable outcomes, empowers teams, and aligns project execution with strategic goals.

FRANK QUINN, MANAGING DIRECTOR @ FIVEM

Solution

Introducing the **Performance Strategy Office**

FiveM has launched a turn-key managed service to provide enterprise-class PMO capabilities and flexible project management capacity known as the Performance Strategy Office (PSO). PSO shepherds projects from ideation, through governance, into execution, closure and benefit quantification. This solution allows senior leadership to focus on outcomes not process. FiveM's PSO provides:

STRATEGIC GOVERNANCE

In partnership with executive leadership, PSO creates strategic alignment and facilitates steering committees. This provides your executive and management team with the necessary information to make more informed decisions around the portfolio. Beyond steering committees, PSO includes cadenced portfolio reporting and ongoing ROI analysis. Governance processes are tailored to fit organizational and cultural needs.

FLEXIBLE STAFFING & LEADERSHIP

Just-in-time PM/SM staffing ensures optimization and leverages fit-for-purpose resourcing to reduce execution risk. Our seasoned PMs and SMs are staffed to match specific project types while maintaining key roles dedicated to your account. Experienced staff can provide guidance and thought leadership from similar projects they have managed in the past. PSO also leverages a fractional leadership model, in the form of an experienced executive director, opening opportunities for organizations to reallocate costly human capital to more strategic endeavors.

INTAKE & RESOURCE ALLOCATION

PSO staff ensures each project or product demand is fully documented and meets criteria for submission. We then work with stakeholders and project teams to ensure proper prioritization as it relates to the existing portfolio and the organization's strategic goals. Your organizational resourcing model will inform resource availability to support capacity management and scheduling, ensuring your resources are focused on the right efforts at the right time.

TOOLING & IMPLEMENTATION

Speed to implementation is supported by FiveM's pre-built tooling for project and portfolio management. Templatized ceremonies, project artifacts and reporting make the PSO a truly off-the-shelf solution allowing for increased focus on organizational change management.

PSO In-Practice

 Beyond a marked increase in project success, FiveM's Performance Strategy Office offers industry leading standards, in the form of SLAs, to secure efficient project management operations. Non-comprehensive examples include:

LAUNCH	MANAGEMENT	COMMUNICATION	CLOSE & REVIEW
01	02	03	03

Launch	
Project kick-off agenda and materials created	Within 5 days of planned project start date
Detailed project plans created	Within 5 days of project approval and confirmed project manager assignment
Initial project team granted documentation access	Within 2 days of project spin-up
Stakeholder access to documentation	Within 1 day of request

Management

Escalation of critical* issues/risks above predetermined threshold	Within 1 day of identification/confirmation
Change requests	• Acknowledged within 2 days of submission • Assessment & decision (minor*) – target 5 days of request • Assessment & decision (major*) – target 10 days of request
Resource allocation requests	Acknowledged within 1 day of request
Resource allocation analysis and recommendation	Within 5 days of request

Communication

Draft stakeholder communication plan	Within 5 days of initiation, post business case approval
Critical* project changes or issues communicated	Within 1 day of identification
Project summary report to senior management	Beginning or end of each month
Status report to stakeholders	By end of each week
Monitoring & reporting of resource utilization	Monthly

Close & Review	
Post–mortem/retrospective agenda and materials created	Within 10 days of close
Post–mortem/retrospective summary and next steps documented and communicated	Within 3 business days after meeting occurs
Finalized docs moves to central PMO storage	Within 10 days of close
All project docs archived	Within 15 days after closure, accounting for post–mortem results

* FiveM will offer perspective and guidance, however severity levels will be aligned and contracted to the unique guardrails of your organization

With a structured approach to governance, staffing, and execution, FiveM's Performance Strategy Office (PSO) ensures that projects are not only completed but deliver measurable value. By implementing clear service-level agreements (SLAs), real-time visibility, and a disciplined approach to risk management, organizations gain the confidence that every project aligns with business priorities and strategic goals.

Beyond improving project execution, the PSO drives a cultural shift—transforming project management from a compliance-driven function into a true business enabler. With a focus on accountability, agility, and long-term impact, FiveM's PSO helps organizations sustain operational excellence while continuously optimizing for future success.

Value Equation

Instead of joining the 75% of PMOs that shut down, reshape the function. FiveM's PSO delivers more with less. In addition to the below outcomes, a typical mid-size company saves ~$300,000 per year on personnel costs.

TRADITIONAL PMO

WITH PSO

Traditional PMO

- Poor visibility to project/portfolio health
- Persistent budget and time overruns driven by change and risk
- Prioritization and quality issues
- Lack of alignment with the organization's strategic goals
- Lack of available enterprise-class skills
- Over/under staffing

With PSO

- Executive visibility & ROI measurement
- Accurate budgeting and forecasting supported by risk management and mitigation
- Tailored governance
- Centralization with projects aligned with strategy
- SME project leadership with applicable expertise
- Flexibility to staff up/down

Conclusion

A Future–Proof Approach to Project Management

The traditional PMO model is broken. Years of inefficiencies, misaligned priorities, and rigid governance structures have rendered it ineffective for modern organizations—especially for small to mid-sized insurance carriers that cannot afford costly, drawn-out implementations with uncertain returns.

FiveM's Performance Strategy Office (PSO) offers an immediate, cost-effective alternative to the struggle of internal PMO overhauls. Rather than sinking resources into reviving an outdated framework, organizations can shift to a flexible, expert-led approach that ensures strategic alignment, resource efficiency, and measurable business impact.

Why settle for the old way when a better path exists?

Instead of poor visibility, budget overruns, and misaligned priorities, the PSO delivers:

- Executive visibility and ROI measurement
- Accurate budgeting and forecasting through proactive risk management
- Strategic governance customized to fit organizational needs
- Flexible staffing models with enterprise-class PM and Scrum Master talent
- Rapid implementation with pre-built tooling and optimized frameworks

Beyond operational efficiencies, the PSO helps reshape the perception of project management —from a compliance-driven oversight function to a true enabler of strategic execution. With industry-leading service-level agreements (SLAs) ensuring efficiency and accountability, organizations no longer have to choose between structure and agility.

For mid-sized insurance carriers looking to gain a competitive edge, FiveM's PSO is more than an improvement—it is a fundamental shift in how project execution is managed. The time to act is now. Don't join the 75% of failed PMOs—build the future of project execution today.

References

The following sources were referenced to provide insight into the challenges facing PMOs, industry trends, and expert perspectives on effective project management strategies.

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