

33RD IPMA WORLD CONGRESS

27-29 NOV 2024

ROLE OF A PMO IN EXECUTING STRATEGY A COJ PERSPECTIVE

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Joburg

a world class african city



01

CONTEXT SETTING

- COJ Context
- Strategy Execution Trends
- Execution Challenges
- Bridging the gap

02

ROLE OF PMO IN EXECUTING STRATEGY

- Conceptual Design
- Design Considerations
- Key Success Factors

03

THE PMO IN ACTION

- Cities Comparison
- Value add
- Key considerations

04

CONCLUDING REMARKS

- Summary
- Next Steps
- Hope as a strategic asset

COJ, home to 5.8 million people, operates as a complex multi-divisional city of contradictions, shown by the high HDI yet highest inequality in the world, underscoring need for effective strategy execution in realizing key outcomes.



SOCIAL



HUMAN DEVELOPMENT INDEX

0.71
Min – 0 | Max - 1



INEQUALITY (GINI COEFFICIENT)

0.61
equal – 0 | unequal - 1



QUALITY OF LIFE

62%
Source: GCRO, QOL, 2020/21



CUSTOMER SATISFACTION

61%
Source: COJ (22/23), Polling

ECONOMIC



GDP CONTRIBUTION

16.05%
Source: S&P global, 2024



GDP GROWTH RATE

2.7%
Source: S&P global, 2024



UNEMPLOYMENT RATE

33.5%
Source: Stats SA, QLFS, 2023



POVERTY RATE

50.8%
Source: S&P Global, 2024



PEOPLE – 5.8 Million

Source: Stats SA 2024 midyear estimate



~40,000 staff, 12 MEs, 13 Departments,
10 Group Functions

ACCESS TO FORMAL SERVICES (Stats SA 2023, Census 2022)



DWELLING
89.8%



ELECTRICITY
94.1%



REFUSE REMOVAL
90.5%



WATER
98.3%



SANITATION
93%



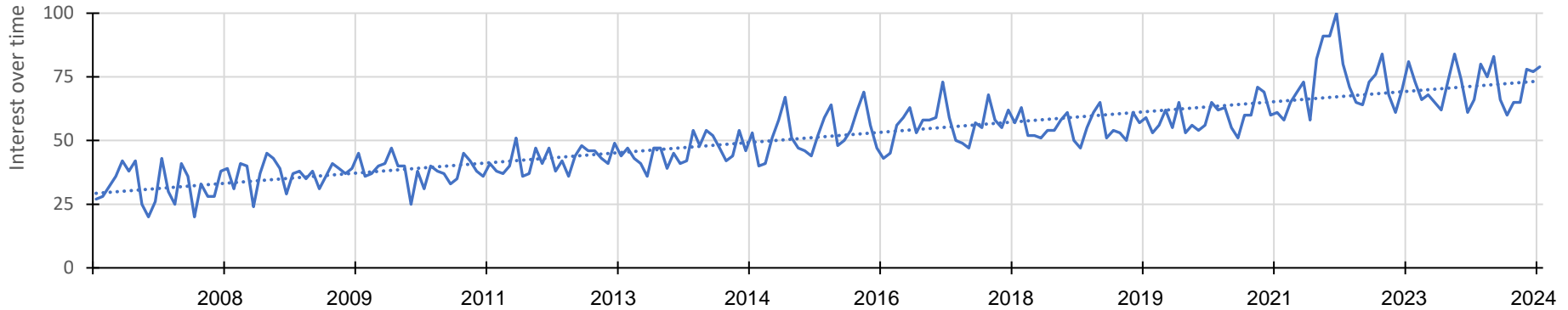
HOUSEHOLDS
1.96 Million

STRATEGY EXECUTION TRENDS – GLOBAL



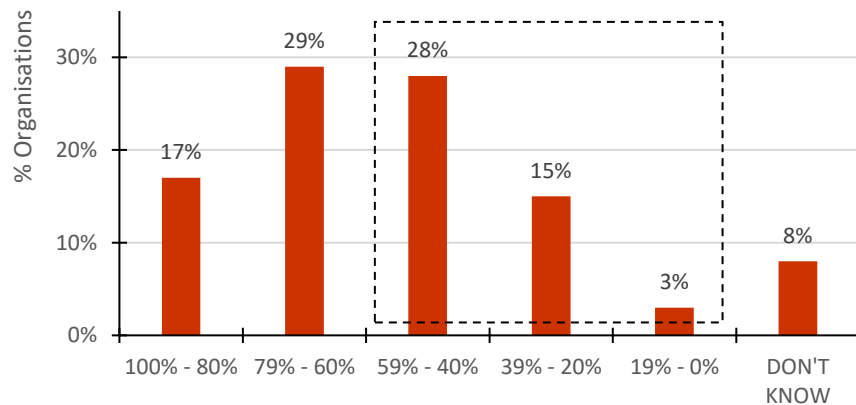
Global trends emphasize growing importance of strategy execution, yet only 17% of organizations consistently meet >80% of strategic objectives. Strengthening execution capabilities is vital to bridging the strategy-to-delivery gap.

Google Search Term: Steady growth in 'Strategy Execution' over time



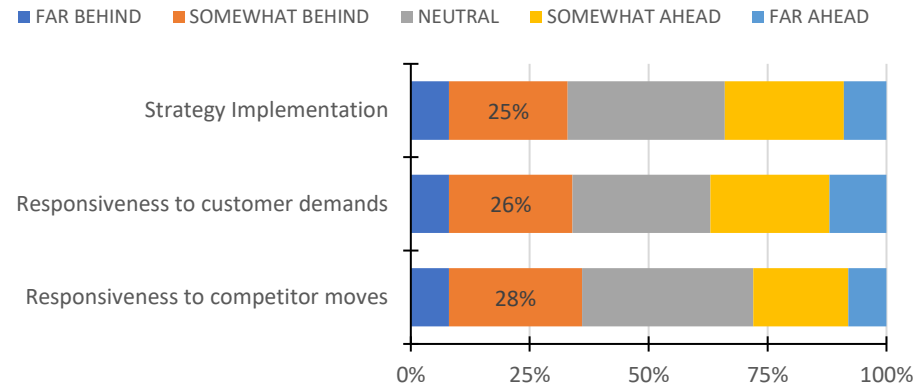
Source – Google Trends <https://trends.google.com/trends>

% Strategic Initiatives meeting expectations



Source – HBR Survey, 2018

Strategy Implementation against outward responsiveness



Source – HBR Survey, 2018

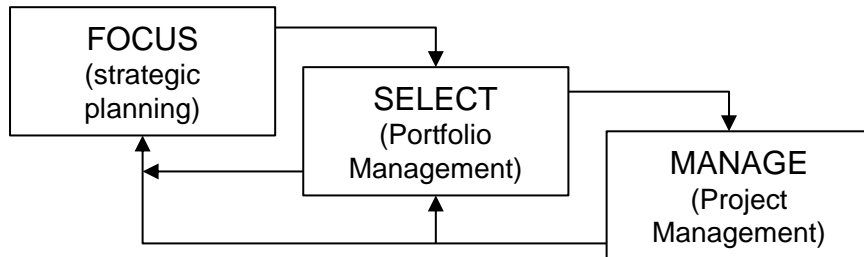
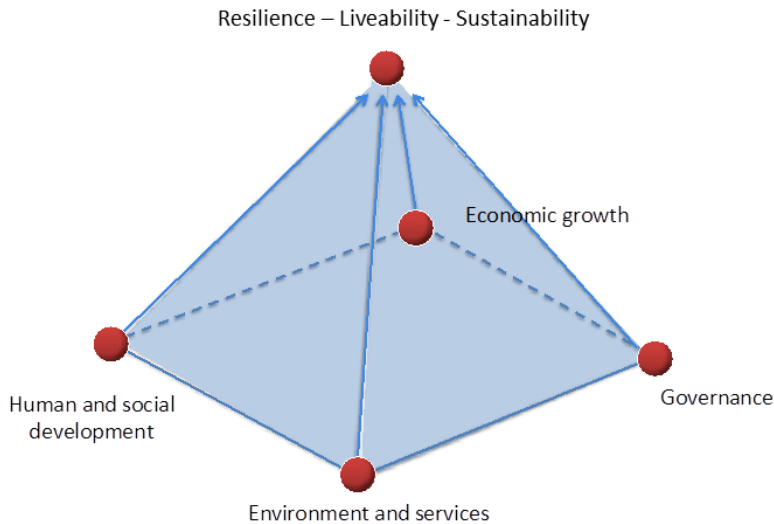
STRATEGY EXECUTION TRENDS – COJ PERSPECTIVE



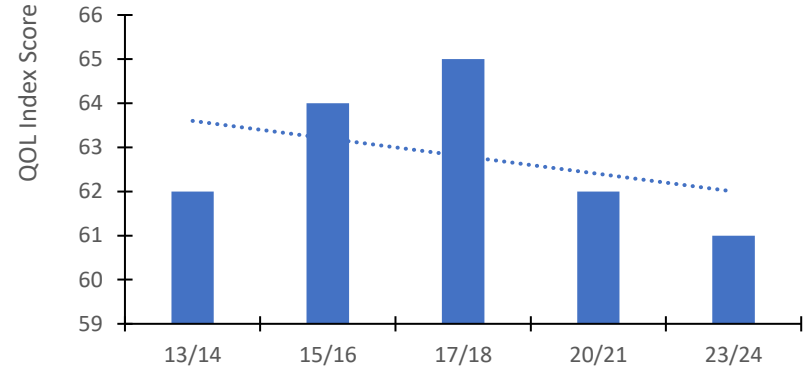
The GDS 2040 envisions a resilient and liveable city, but declining Quality of Life scores and low customer satisfaction reveal a disconnect between strategic intent and outcomes. Closing this gap is essential to realizing long-term vision.

COJ Growth and Development Strategy 2040

The City of Johannesburg commits itself to pro-active delivery and the creation of a city environment in 2040 that is resilient, sustainable and liveable.

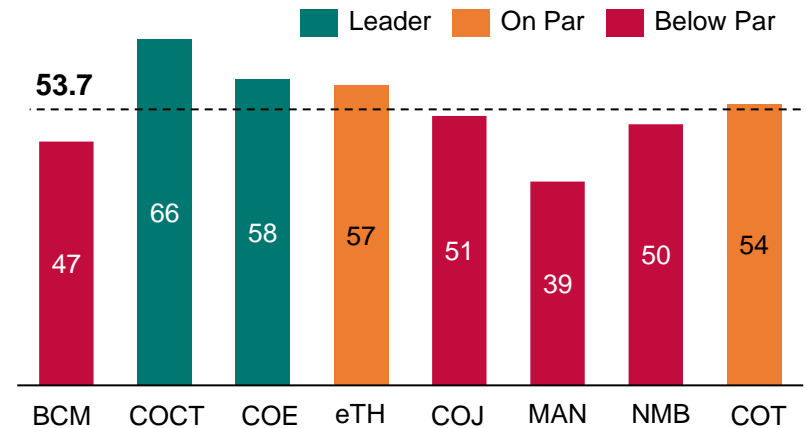


Quality of Life Survey Results



Source – GCRO, 2024

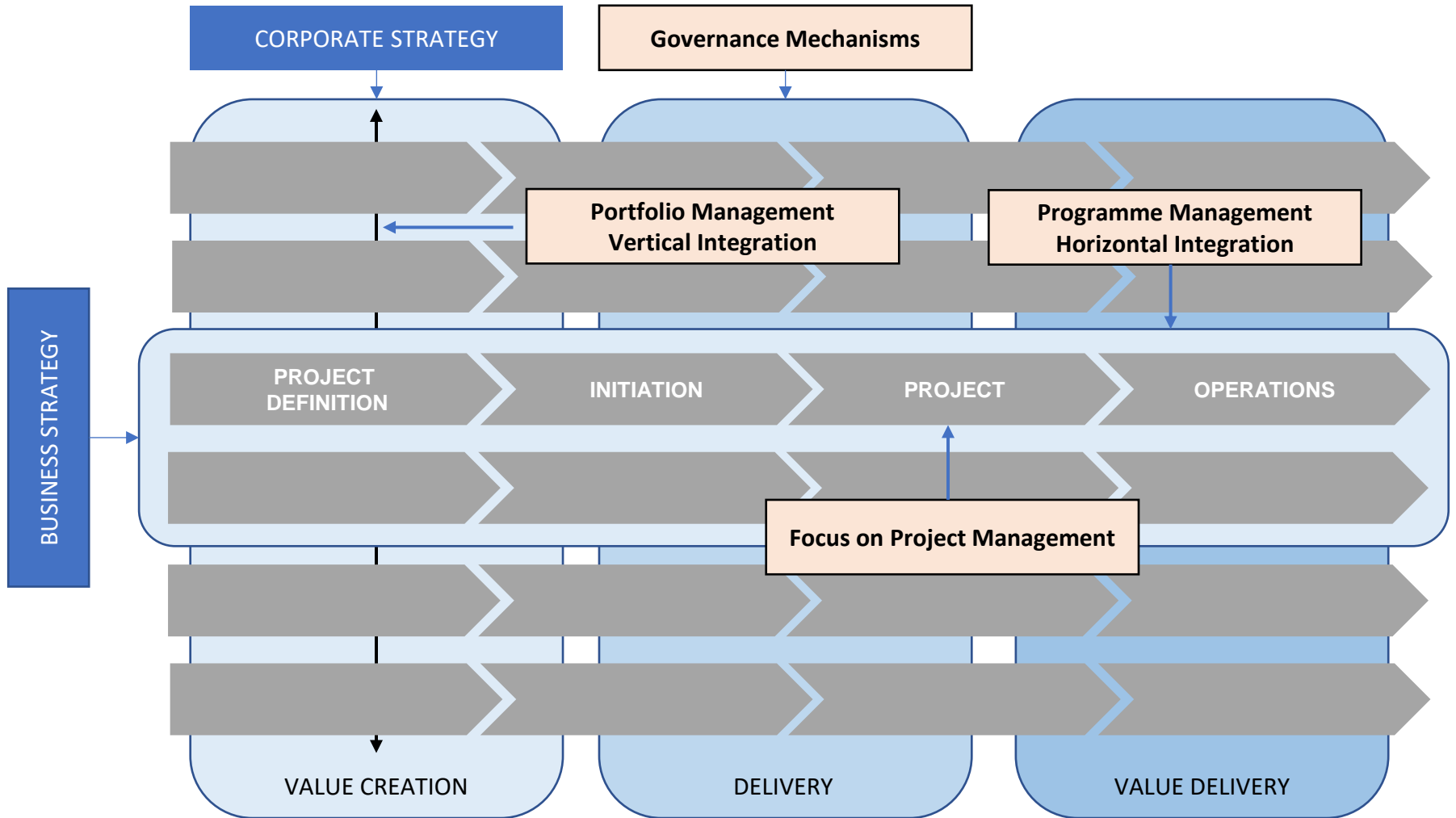
Customer Satisfaction levels



Source – Consulta - <https://blog.consulta.co.za/tag/sa-csi/>

EXECUTION CHALLENGES

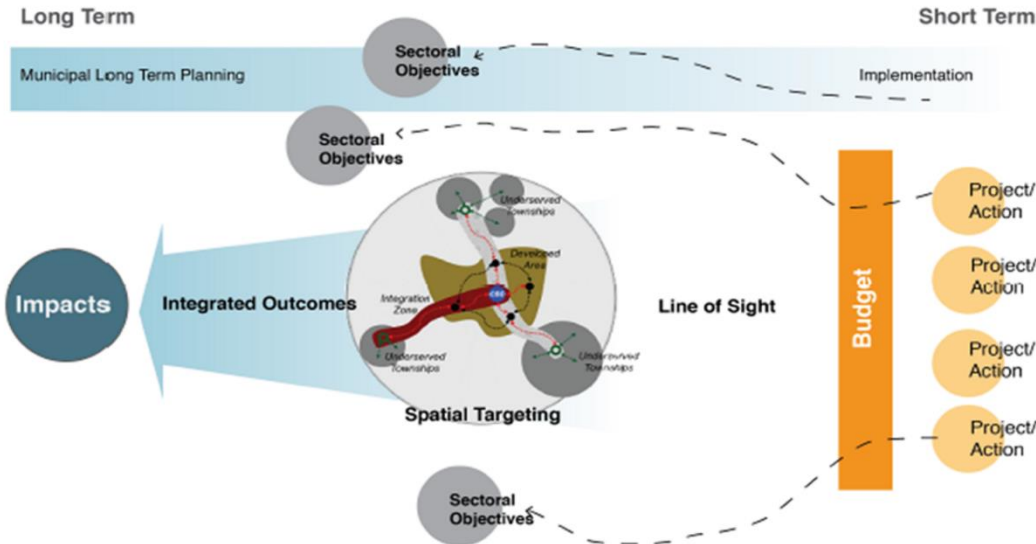
A structured Portfolio, Programme and Project Management (PPPM) approach aligns strategy with execution to unlock value. Understanding COJ's unique challenges is key to improving outcomes.



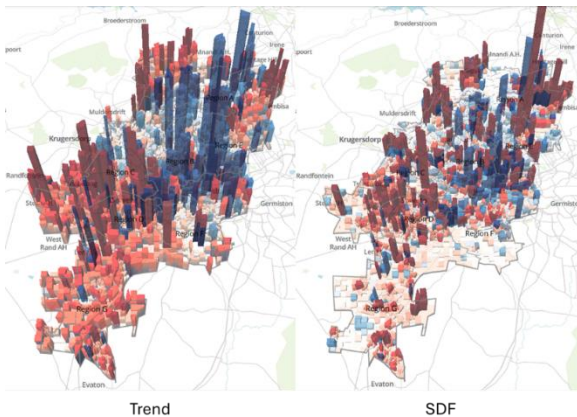
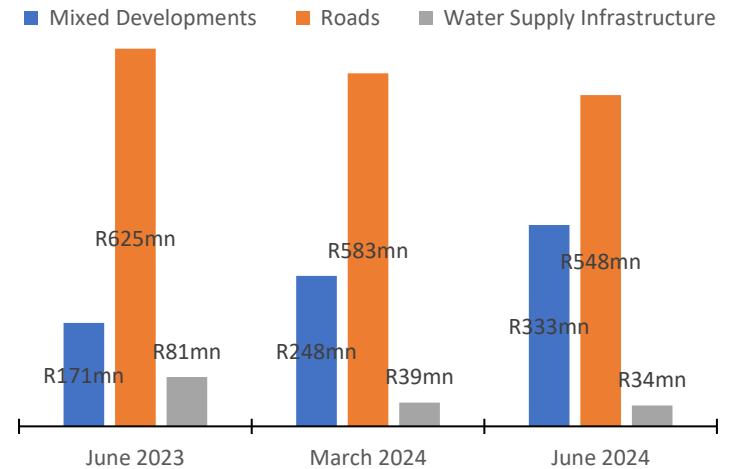
EXECUTION CHALLENGES - INTEGRATION



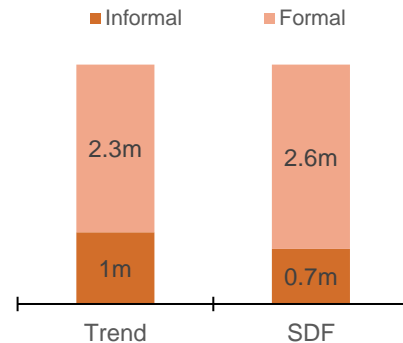
Weak integration undermines COJ's spatial framework and critical priorities like water infrastructure. Aligning budgets and priorities is essential to reversing this trend.



Budget Amendments Illustration (23/24)



% Informality by 2040

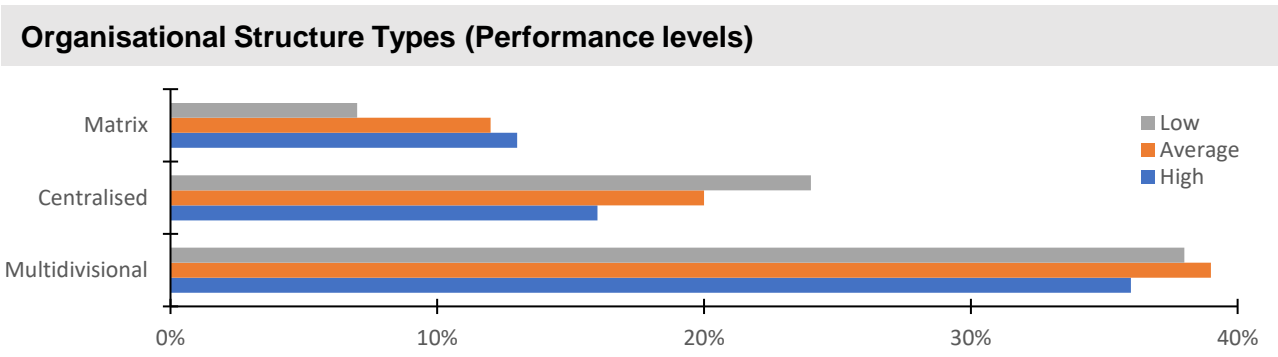


Key Insights:

- Lack of cohesive line of sight from long-term plans to implementation exacerbates disjointed outcomes,
- Weak integration hinders the realization of the Spatial Development Framework (SDF),
- Budget misaligned with sectoral priorities, e.g., water infrastructure funding decreases,
- Spatial development framework trends indicate rising informality if no intervention is taken.

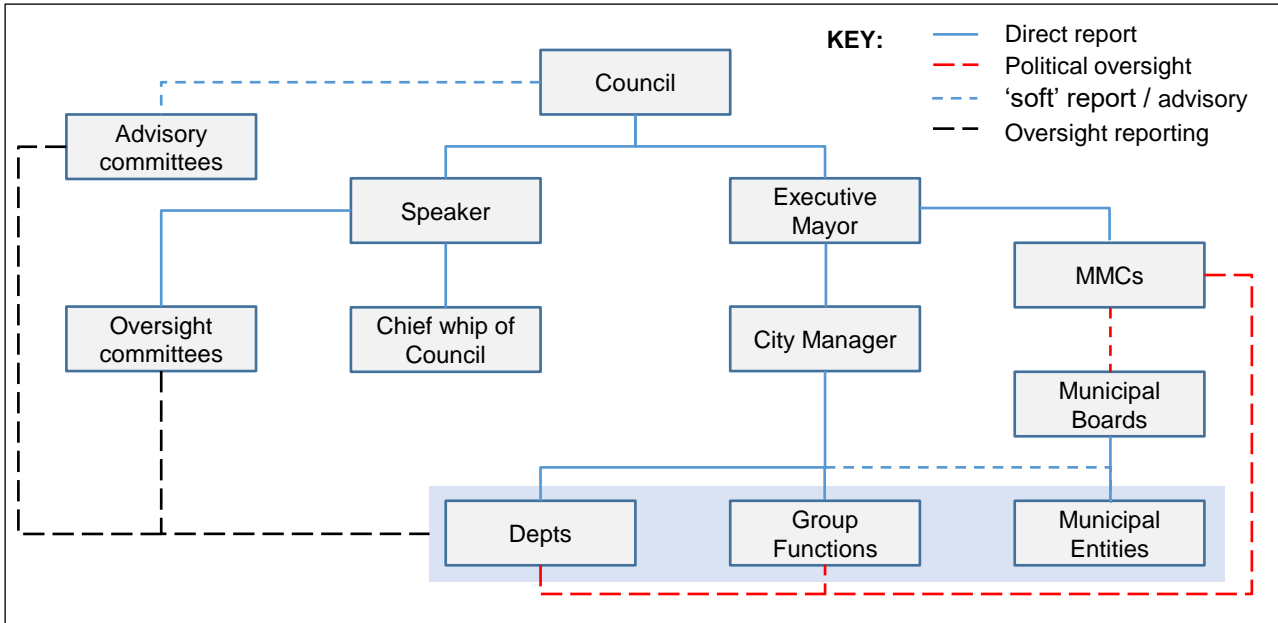
EXECUTION CHALLENGES – ORGANISATIONAL STRUCTURE

COJ's multi-divisional structure, while promising, suffers from silos and inefficiencies. Strategic governance and collaboration can transform this into an enabler.



Source – Brightline, 2020

- Key Insights:**
- Multi-divisional structures are common demonstrating that structure alone does not inhibit strategy execution;
 - High performers are shown to leverage structures through robust integration,



- Key Insights:**
- Multi-divisional i.e., departments, group functions, and municipal entities supporting the City Manager to align actions with council objectives,
 - Reporting lines are convoluted, with unclear decision routes that delay decision-making,
 - Fragmented reporting structure creates silos, limiting cross-departmental collaboration and alignment (critical for translating strategic priorities to outcomes)

EXECUTION CHALLENGES – FRAGMENTED PROCESSES



Fragmented processes undermine COJ’s strategy execution, while standardized methodologies and execution tools reduce flaws by 75%. Streamlining these processes is critical to ensuring consistency and delivery excellence.

No.	Department	% Projects on schedule		
		2018/19	2019/20	2020/21
1	Johannesburg Development Agency (JDA)	100%	50%	100%
2	Community Development	5%	28%	66%

Source – COJ Annual Report, 2021

Key Insights:

- JDA’s project delivery success is attributed to its standardized Project Methodology
- Transitioning to a formalized system in 2019/20 improved project delivery to 66% by 2020/21 for Community Development.
- Nationally, fragmented processes remain a concern, prompting National Treasury to recommend a unified LG framework. .

Flaws on Strategy Execution	Any execution tool	No execution tool	Grand total
None	3%	1%	4%
1 – 20%	20%	5%	25%
21 – 40%	17%	9%	26%
41 – 60%	8%	0%	8%
61 – 80%	5%	3%	8%
81 – 100%	1%	4%	5%
Unknown / Not Identified	20%	3%	23%
Grand Total	75%	25%	100%

Source – Brightline, 2020

Key Insights:

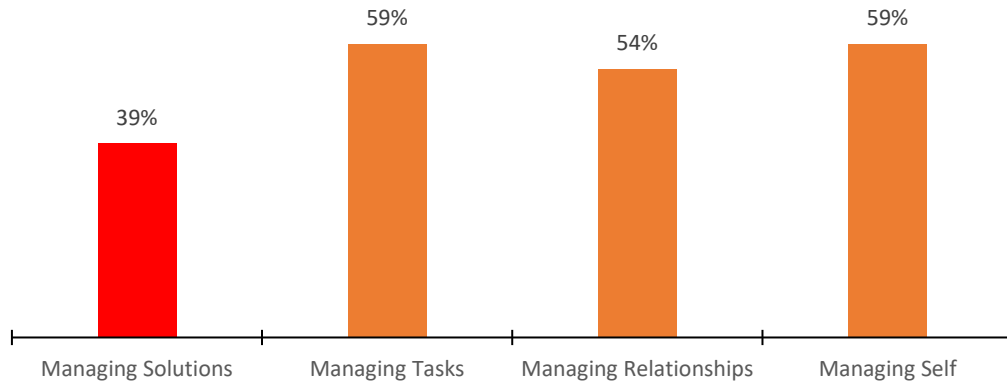
- The absence of execution tools correlates with a higher prevalence of flaws in strategy execution, ranging from minor inefficiencies to complete failure,
- Organizations using execution tools perform significantly better, with 75% of respondents indicating fewer flaws in strategy execution compared to those with no tools (25%),
- Execution tools drive success by introducing consistency, accountability, and visibility, reducing failure rates associated with fragmented and inconsistent processes

EXECUTION CHALLENGES – LIMITED CAPACITY



COJ's limited capacity in managing solutions impedes effective execution. Prioritizing internal talent development can enhance efficiency, with organizations focusing on this approach achieving 52% faster strategy execution.

COJ Skills Audit (Group Heads, Directors, Deputy Directors)



Source – COJ Skills Audit, 2021

Key Insights:

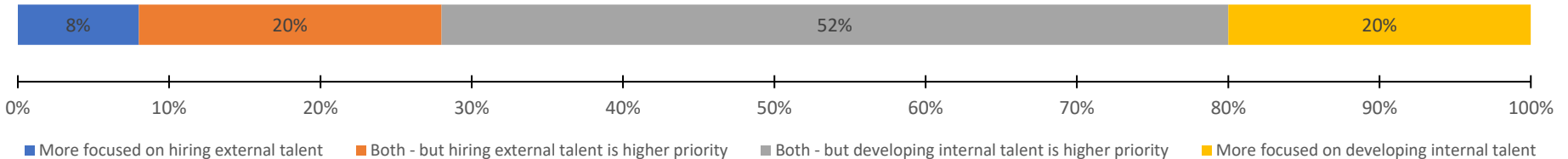
- Skills Audit reveals managing solutions scored the lowest (39%) level 3 and 4 staff,
- A lack of focus on internal capacity-building correlates with slower execution efficiency, underscoring the value of sustained employee development for strategic success,
- Organizations prioritizing internal talent development outperform competitors in strategy execution efficiency, with 52% reporting faster execution

Strategy Execution Efficiency vs. Method of Capacity Building

Same or slower strategy execution efficiency than competitors



Faster strategy execution efficiency than competitors



Source – Brightline, 2020

BRIDGING THE GAP



Institutionalizing an integrative structure, standardizing tools, and enhancing governance are key to addressing execution challenges. These capabilities enable targeted interventions that improve strategic delivery outcomes.

Capability	Challenges addressed				Benefits
	Integration	Structure	Processes	Capacity	
An institutionalised structure that enables improved selection, coordination and integration	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<ul style="list-style-type: none"> A Portfolio that are better aligned to strategy that achieve long-term impacts Better integration and improved project delivery
A standardised and consistent supported by systems and tools	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<ul style="list-style-type: none"> Improved quality of PPPM supported by better standardised processes Improved ability to understand, evaluate and manage aggregate risk
Improved programme and project controls and governance creates improved insight	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<ul style="list-style-type: none"> More efficient use of budget and efficiency Identified, sequencing conflicts managed or resolved
Integration coordination and communication as well as knowledge management	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<ul style="list-style-type: none"> Continuous improvement and change management Engaged stakeholders; Continuous learning and improvement

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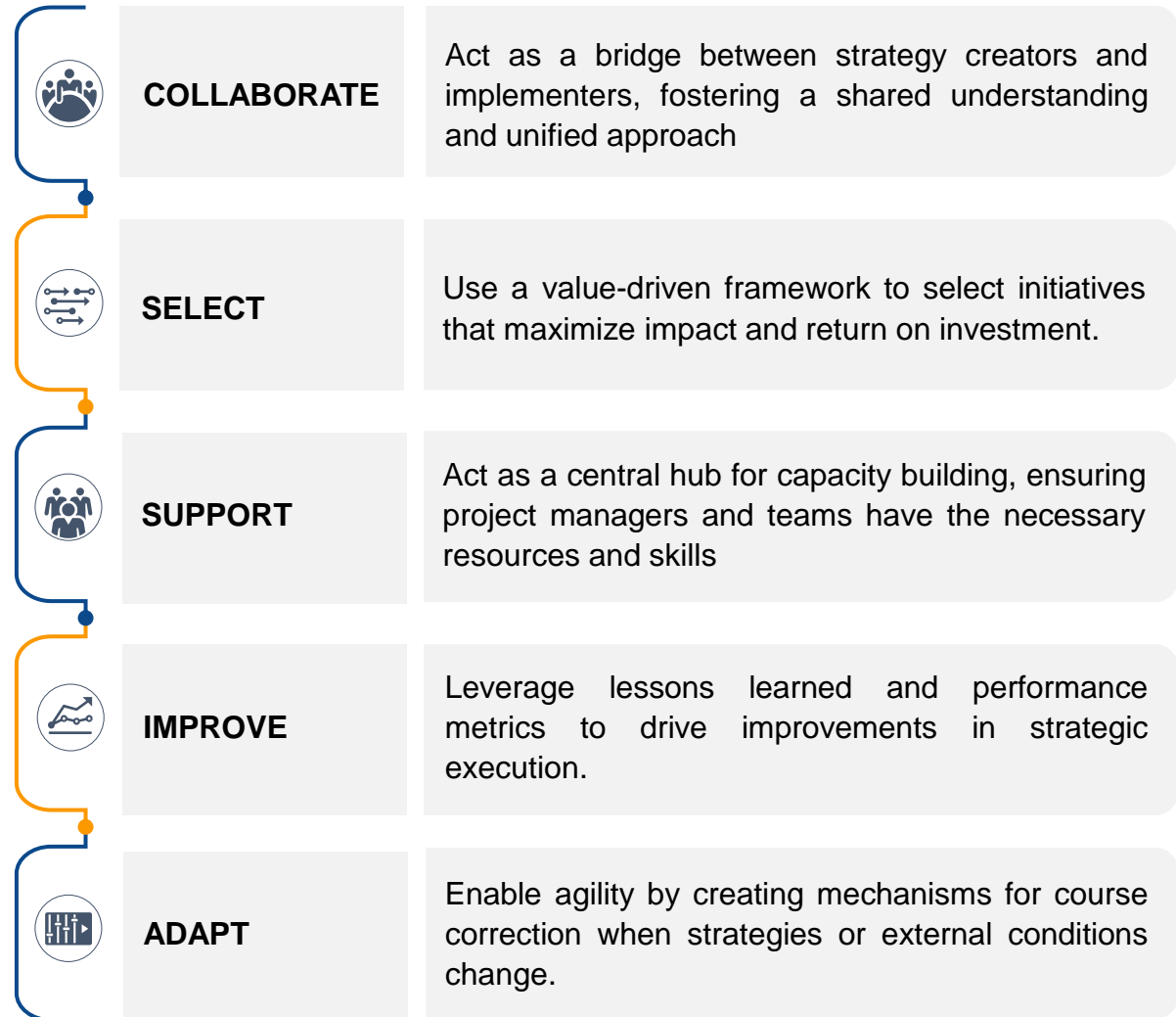
04

CONCLUDING REMARKS

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CONCEPTUAL DESIGN

An SPMO acts as a central force bridging strategy and execution, fostering collaboration and ensures adaptability for impactful delivery.



DESIGN CONSIDERATIONS – PRINCIPLES

A tailored SPMO integrates service delivery needs, enhances coordination, and ensures agility in responding to organisational evolving complexities.

1 The structure and services of the SPMO needs to acknowledge and be aligned to the City's service delivery requirements

2 SPMO design will need to consider the complexity of the City's current planning landscape and should encourage integration and coordination

3 SPMO should incorporate centralised and decentralised components as required and should be agile in responding to changing needs of the City

4 SPMO focus should consider the differences in types of programmes and projects as well as varying level of maturity of departments/entities






5 SPMO should be a critical link between strategic and operational work and must empower leadership with better oversight, insight and information for more informed and accurate decisions



DESIGN CONSIDERATIONS – TYPES OF PMOS



Selecting the right PMO type is crucial for embedding strategy execution within an organizational structure. Aligning the model to organisational needs ensures strategic integration, adaptability, and operational efficiency.

PMO Type	Description	Structure Alignment	Rationale
 STRATEGIC PORTFOLIO OFFICE MODEL	Focuses on aligning projects and programs with the organization's strategic goals.	Centralized	Ensures alignment with organizational strategy; top-level oversight.
 TEMPORARY PROJECT OFFICE MODEL	Established to manage specific, short-term programs or projects with clear objectives.	Matrix	Cost-effective for temporary initiatives; tailored focus on defined goals.
 'HUB AND SPOKE' OFFICE MODEL	Centralized office ("hub") overseeing multiple decentralized PMOs ("spokes") across divisions.	Multi-Divisional	Balances centralized governance with local adaptability
 CENTRE OF EXCELLENCE MODEL	A centralized knowledge hub providing best practices, tools, and training for PMO functions.	Centralized	Enhances organization-wide capability; drives continuous improvement.
 SHARED SERVICES MODEL	Provides standardized PMO functions and services across the organization on a shared resource basis.	Functional	Cost-effective through resource optimization; fosters standardization

DESIGN CONSIDERATIONS – KEY FUNCTIONS



A hub-and-spoke SPMO model integrates strategic, operational, and tactical domains, enabling aligned and effective project execution.

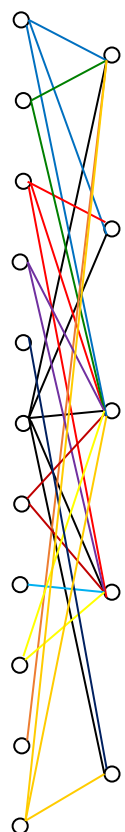
Knowledge creation domains	<p>STRATEGIC <i>Strategic Intent</i> <i>Strategic Development</i> Focus on facilitating / Supporting Strategic Decision Making</p>		<p>SPMO Function 3</p> <p>Portfolio Management Selection; Prioritisation; Demand / Supply; Capacity Planning; <u>Benefits Realisation</u></p>	
	<p>OPERATIONAL <i>Good Practice</i></p> <p>Focus on achieving operational excellence through consistent Work practices, methods and Capability support</p>	<p>SPMO Function 1</p> <p>Centre of Excellence <u>Capability</u> Improvement; Policies, Standards, Methodologies; <u>Professionalization</u>; Training, development and <u>coaching</u>; Knowledge Management; Subject Matter Experts</p>	<p>SPMO Function 2</p> <p>Programme and Project Management Support Project Administration; Data Capturing; Tools Support; <u>Reporting Support</u>; Contracting; Suppliers;</p>	<p>SPMO Function 4</p> <p>Transversal Programme Management Coordination of <u>delivery</u>; Integrated reporting; Resource Management</p>
	<p>Tactical <i>Service, Quality</i></p> <p>Focus on supporting the delivery of change 'on-the-ground' by providing support</p>			<p>SPMO Function 5</p> <p>Project Management <u>Manage</u> scope, time, cost, risks, issues; Change Control</p>

DESIGN CONSIDERATIONS – KEY FUNCTIONS



The SPMO integrates its KPAs with COJ mayoral priorities, ensuring alignment between strategy and execution. This alignment enables impactful delivery on objectives like financial sustainability and infrastructure development.

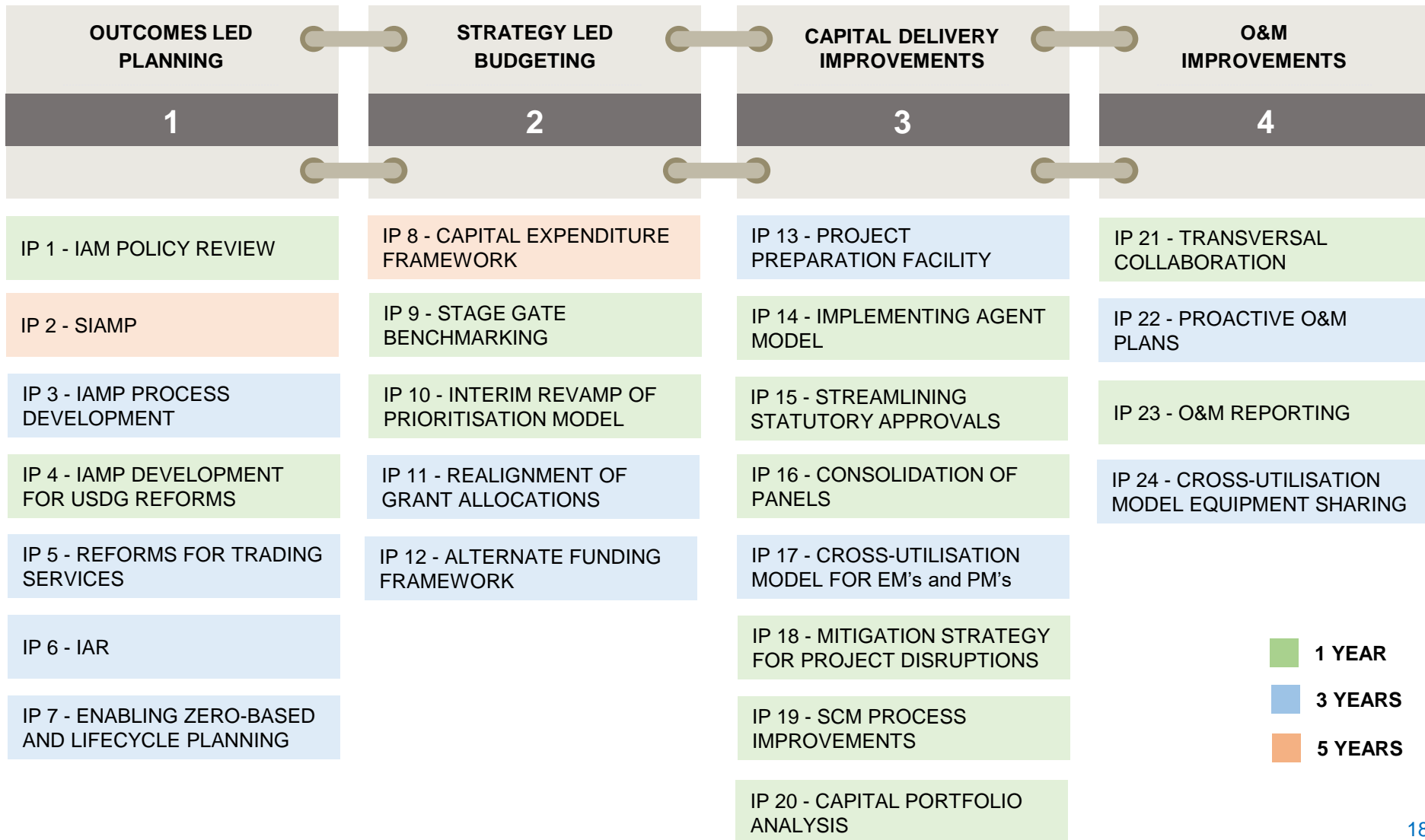
Mayoral Priority	SPMO KPA	Description	IAM IP
Financial Sustainability	Outcomes-Based Planning	Establish a needs-based approach for optimal resource allocation and life-cycle management of infrastructure assets, to ensure alignment with strategic objectives and long-term outcomes.	IP 1 – 7
Energy Mix			
Sustainable Service Delivery	Strategy-Led Budgeting	Align financial planning with long-term infrastructure priorities , to optimize the utilization of capital budget (incl. grants) and leverage alternative funding sources for enhanced project implementation	IP 8 – 12
Job Opportunity and Creation			
Good Governance	Capital Delivery Improvements	Proactively manage capital portfolio overcoming systemic challenges , to ensure timely and efficient delivery of capital projects and enable realization of long-term value through tactical programme and project delivery .	IP 13 – 20
Infrastructure Development			
Safer City	O&M Improvements	Enhance the management of assets through proactive O&M planning, to improve service delivery by resolving multidisciplinary challenges, and inculcating the discipline of life-cycle-based IAM.	IP 21 – 24
Active and engaged Citizenry			
Sustained Economic Growth	Integrated Infrastructure Management	Create a standardized and structured environment for efficient IAM by embedding effective infrastructure asset management practices.	IP 25 – 29
Green Economy			
Smart City			



DESIGN CONSIDERATIONS – INCREMENTAL APPROACH



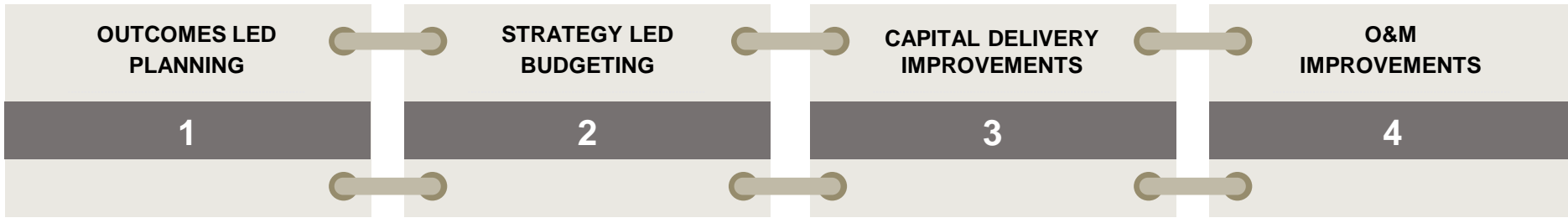
Bridging strategy and execution is an incremental journey, requiring targeted initiatives to improve maturity. The phased approach ensures sustained progress toward strategic alignment and operational excellence.



DESIGN CONSIDERATIONS – INCREMENTAL APPROACH



Bridging strategy and execution is an incremental journey, requiring targeted initiatives to improve maturity. The phased approach ensures sustained progress toward strategic alignment and operational excellence.



IP 25 - DEVELOPMENT OF COMPREHENSIVE IAM PROCESSES (Including PPM processes)

IP 26 - GOVERNANCE IMPROVEMENTS

IP 27 - CAPACITY AND CAPABILITY BUILDING

IP 28 - CLOSING FUNDING GAP FOR CAPITAL AND O&M NEEDS

IP 29 - FORMALISING PARTNERSHIPS FOR IAM

- 1 YEAR
- 3 YEARS
- 5 YEARS

KEY SUCCESS FACTORS

An SPMO's value hinges on organizational factors like leadership buy-in, a clear mandate, and awareness of its functions. These elements enable the SPMO to align stakeholders and deliver impactful execution outcomes.



Buy-in and support of Political Leadership

The design, establishment and delivery of a fully functional SPMO in a large complex environment requires the unwavering support of the City's political leaders



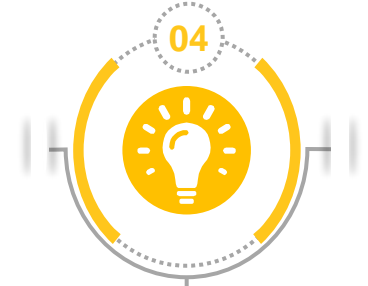
Buy-in and Support of Departments

The delivery entities in the City has felt the greatest impact of an intervention like the SPMO. Their buy-in and support continues to be fundamental to the success of the initiative



Mandate for the SPMO

The mandate has provided the SPMO with the authority and reach that it requires in line with its proposed functions. It assisted to give it the legitimacy that it needs to positively influence the way in which PPM is undertaken in the City.



Awareness of the functions of the SPMO

There needed to be a clear understanding within the various entities and departments about the functions and the purpose of the SPMO. This was to ensure that there is no misalignment of expectation between the parties.

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PMO IN ACTION - CITIES COMPARISON



PMOs in COJ, Cape Town, and Ekurhuleni demonstrate diverse models that effectively bridge the strategy-execution gap, tailored to city-specific priorities.



City of Cape Town



Ekurhuleni



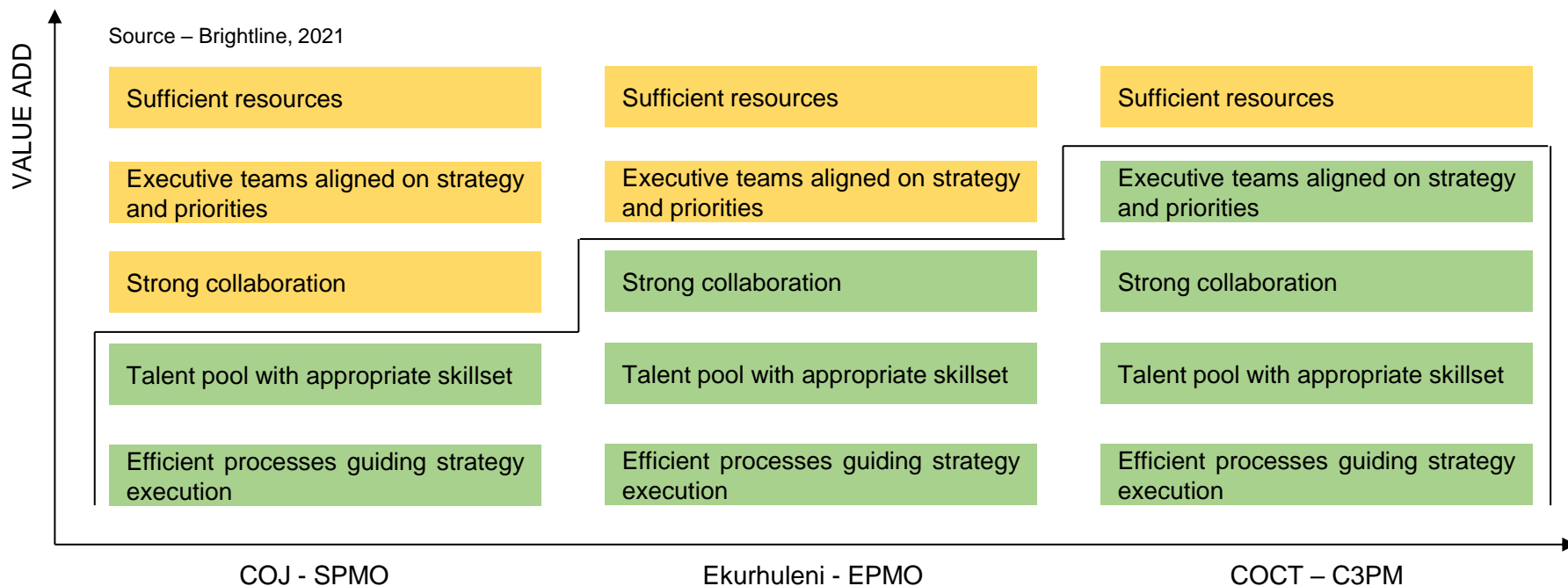
City of Johannesburg

PMO Name	C3PM	EPMO	SPMO
Vision	To drive PPP&M excellence towards improved service delivery	To enable successful project implementation toward a creative and developmental City.	To serve as the City's hub for driving infrastructure PPPM excellence
Reporting Line	<pre> graph BT C3PM[C3PM] --> ED[ED: FP&R] ED --> CM[City Manager] </pre>	<pre> graph BT EPMO[EPMO] --> CM[City Manager] </pre>	<pre> graph BT SPMO[SPMO] --> COO[COO] COO --> CM[City Manager] </pre>
Service Offerings	<ul style="list-style-type: none"> ▪ PPP&EM organisational maturity ▪ PPP&EM individual competence ▪ PPP&EM project excellence 	<ul style="list-style-type: none"> ▪ PPPM standardization ▪ Central Project execution ▪ Training/Capability Development 	<ul style="list-style-type: none"> ▪ IAM value chain improvements ▪ Transversal Programme Delivery ▪ Training/Capability Development

PMO IN ACTION – VALUE ADD



Key enablers are critical for PMO-driven strategy execution. Organizations with these traits demonstrate better outcomes in satisfaction, revenue, and infrastructure efficiency.



STRATEGIC INDICATOR OBSERVATIONS (2022/2023 annual report comparison)

- Satisfaction Index - 51
- Water Access – 98.3%
- Revenue Growth – (7%)
- Economic Growth (GDP) – 2.7%
- Infrastructure Efficiency – 92%

- Satisfaction Index - 58
- Water Access – 73.8%
- Revenue Growth – (5%)
- Economic Growth (GDP) – 3%
- Infrastructure Efficiency – 94.8%

- Satisfaction Index - 66
- Water Access – 99.1%
- Revenue Growth – 4.8%
- Economic Growth (GDP) – 4.06%
- Infrastructure Efficiency – 93.5%

Source – Annual Reports, 2023 – COJ, Ekurhuleni, COCT

PMO IN ACTION – KEY CONSIDERATIONS



A PMO's success in bridging strategy and execution relies on leadership support, cutting-edge technology, and collaboration. Addressing structural inefficiencies and fragmented reporting lines is critical for impactful delivery.



Key Insights:

- Multi-divisional organizations, like COJ, require seamless alignment between departments, group functions, and municipal entities to ensure consistent translation of strategy into execution.
- Key enablers of PMO effectiveness include cutting-edge technology (21%), effective executive leadership (18%), and high-caliber talent (15%), which drive alignment and execution efficiency.
- Convolved reporting lines and unclear decision routes delay decision-making and hinder the PMO's ability to act effectively as a strategic enabler.
- Fragmented structures limit cross-departmental collaboration, reducing the PMO's capacity to align strategic priorities with actionable outcomes.

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CONCLUDING REMARKS - SUMMARY

Organizations face strategy execution challenges but is well-positioned to bridge the gap through an SPMO. Tailored approaches and robust frameworks ensure long-term value

CONTEXT

- COJ operates as a complex multi-divisional organization facing challenges that warrant better strategy execution,
- Trends show growing emphasis on bridging the gap between strategy and execution to achieve sustainable outcomes,
- Many Organizations' landscape demands a coordinated approach to align long-term outcomes with delivery.

ROLE OF PMO

- An SPMO serves as a multi-dimensional strategic hub, ensuring consistent project delivery and strategic execution,
- They enhance transversal collaboration, fosters adaptability to navigate the complex course from strategy to execution,
- Tailored PMO approaches required to address specific organisational level priorities (not a one-size fits all)

CONSIDERATIONS

- Successful PMO implementation depends on critical enablers to overcome inefficiencies and fragmented collaboration,
- Incremental maturity in project methodologies and governance frameworks is critical to creating long-term value,
- A robust institutional framework is required to integrate PMO in organizations, ensuring sustainability and scalability



CONCLUDING REMARKS – ADAPTING TO CHANGE



Adaptability and collaboration are essential for navigating complexity. PMOs must embrace change to foster resilience and achieve impactful outcomes.



STRENGTHEN COLLABORATION ACROSS SILOS

Cross-departmental collaboration within a PMO framework enhances alignment and ensures seamless strategy-to-execution transition.



LEVERAGE TECHNOLOGY AND DATA

Cutting-edge technology and robust data systems empower PMOs to provide real-time insights for agile decision-making and course correction.



EMBED ADAPTABILITY IN STRATEGY EXECUTION

PMOs must foster flexibility in processes and decision-making, ensuring organizations can adjust to shifting priorities and unforeseen challenges.



CULTIVATE LEADERSHIP AND TALENT

High-performing organizations prioritize leadership buy-in and the development of skilled teams to navigate complex transformations effectively.



PRIORITISE LEARNING AND INNOVATION

Organizations that embrace a "fail fast, learn fast" mindset are better positioned to innovate and sustain strategic performance over time.

Adaptability and collaboration are at the heart of successful PMOs, enabling them to navigate complexity and drive impactful execution. Embracing change fosters resilience and strategic agility for long-term success..

HOPE AS A STRATEGIC ASSET



Hope inspires action. Let us seize the moment to bridge strategy and execution, creating a resilient and prosperous future for all.

01

EMPOWERING PEOPLE

By fostering **collaboration and leveraging diverse talents**, we can transform challenges into opportunities, driving impactful outcomes that benefit our communities

02

PURPOSE DRIVEN LEADERSHIP

Aligning our actions with a **clear vision and shared purpose** enables us to navigate complexities with confidence, ensuring that our strategic initiatives lead to meaningful progress..

03

PERFORMANCE WITH INTEGRITY

Commitment to excellence and ethical practices not only enhances performance but also builds trust, laying the foundation for sustainable development and a brighter future.



“We are now faced with the fact that **tomorrow is today**. We are confronted with the **fierce urgency of now**. In this unfolding conundrum of life and history, there ‘IS’ such a thing as being too late. This is no time for apathy or complacency. This is a **time for vigorous and positive action.**”

- *Martin Luther King Jr.*



Thank you

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