

Value Management Office (VMO) as a pillar of organizational value management

Value Management Office (VMO) como pilar da gestão de valor organizacional

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Authors' Notes

Conflict of Interest: The authors have not declared any potential conflict of interest.
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Cite como

American Psychological Association (APA)

Silva, L. F., & Rosamilha, N. J. (2025, Jan./Apr.). Value Management Office (VMO) as a pillar of organizational value management. Editorial.

Revista de Gestão e Projetos (GeP), 16(1), 1-12.

<https://doi.org/10.5585/2025.28191>

Abstract

This editorial explores the VMO (Value Management Office) as a structure or entity of the organization oriented to the delivery value from projects. Initially, it is necessary to understand what value means for the various stakeholders involved in the projects. This editorial also highlights that there are research opportunities related to understanding the antecedents and consequences of VMO, as well as studies that seek to understand its constituent elements. The frameworks, tools, and practices are also promising research objects, as understanding them helps overcome the challenges related to VMO implementation. It is worth noting that the delivery of value is directly related to the perception of tangible and intangible benefits of projects for the various stakeholders. Accordingly, the integration of stakeholders in projects, from planning, using the “EN 12973:2020 - Value Management Standard” can facilitate the incorporation of value management concepts and practices, as well as frameworks such as BRM (Benefits Realization Management), MoV (Management of Value), Value Stream Mapping (VSM) and PMO-MI® (Project Management Office Maturity Index), which can assist in the implementation of a VMO. Finally, several theoretical lenses and analytical perspectives can be used to understand the phenomenon of value construction from the implementation of VMO in organizations.

Keywords: PMO, VMO, project management office, value management office, project management, benefits management, stakeholders

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Resumo

Este editorial explora o VMO (*Value Management Office*) como estrutura ou entidade da organização orientada para entrega de valor a partir dos projetos. Inicialmente, se faz necessário compreender o que significa valor para os diversos *stakeholders* envolvidos nos projetos. Este editorial também destaca que existem oportunidades de pesquisa relacionadas à compreensão dos antecedentes e consequentes do VMO, bem como estudos que busquem compreender os seus elementos constituintes. Os *frameworks*, ferramentas e práticas são também objetos de pesquisa promissores, uma vez que a compreensão deles ajuda a superar os desafios relacionados à implementação do VMO. Vale destacar que a entrega de valor está diretamente relacionada a percepção de benefícios tangíveis e intangíveis dos projetos para os diversos *stakeholders*. Assim, a integração dos *stakeholders* nos projetos, desde o planejamento, utilizando norma EN 12973:2020 - *Value Management Standard* pode facilitar a incorporação de conceitos e práticas de gestão de valor, bem como *frameworks* como BRM (*Benefits Realization Management*), MoV (*Management of Value*), Value Stream Mapping (VSM) e PMO-MI® (*Project Management Office Maturity Index*) podem auxiliar na implementação de um VMO. Por fim, diversas lentes teóricas e perspectivas de análise podem ser utilizadas para compreender o fenômeno da construção de valor a partir da implementação do VMO nas organizações.

Palavras-chave: PMO, VMO, *Project Management Office*, *Value Management Office*, *Gestão de Projetos*, *Gestão de benefícios*, *Stakeholders*.

Introduction

The current corporate environment is characterized by an accelerated dynamic of change, maintained by technological innovations, global competition, and an increasing focus on sustainability (Zhou, 2024; Gomes et al., 2024). In this scenario, organizations face pressure to maximize the value of their investments, not only in financial terms, but also considering sustainable social and environmental impacts. This delivery and maximization of value intended with an organization's ventures are directly related to the benefits perceived by the various stakeholders (Kaplan & Norton, 2006; CEN, 2020). Consequently, the way to build value for organizations is through projects aligned with the needs and desires of stakeholders.

In addition, it is worth noting that the concept of value is multifaceted, and can be related to a feeling of status, differentiation, but also an attribute such as access to a competence to perform a specific activity (Bizarrias, Penha, & da Silva, 2021). Value is often associated with its monetary representation. In this sense, the value is objectively measured by the financial return on the

application of resources. The Ricardian view described value based on the abundance or scarcity of something, because a good or service has its value increased the greater its scarcity. In the utilitarian view, value is related to how much benefit a good or service provides to its recipient. In general, value can be represented by tangible and/or intangible attributes. The benefits that generate the value of a given enterprise can still be real or just the perception of value.

Regarding an organization's projects to promote value to the various stakeholders, we can say that they cannot be focused only on monetary benefits. Consequently, an organization's vision and mission should provide guidelines for projects to be aligned with the organization's long-term strategies. Thus, the necessary changes in organizational structures, innovations in products and services, as well as the adaptation to new market dynamics, require value management of organizations' projects. These projects, in turn, work as mechanisms for creating value and promoting competitive advantages.

It is important to clarify that a project is a time-bound endeavor that utilizes various resources to deliver one or more benefits, which are realized through its partial or final deliverables. In recent years, the notion of time constraints in projects has been increasingly debated, particularly due to the influence of productization logic, which has been largely driven by agile methodologies. In this complex environment, where value management and innovative project management approaches are essential, project managers must enhance their capabilities and establish structures that support them throughout the project life cycle.

Although the PMO (Project Management Office) has functions that help project managers to apply methods, tools, and practices to meet project success criteria (Monteiro, Santos, & Varajão, 2016; Ichsan et al., 2023). Agile transformation has influenced managers to be increasingly concerned with delivering value in projects (Ciric Lalic et al., 2022). This is not to say that predictive approaches were not concerned with delivering value, but the limitation of adaptation throughout the life cycle and the concentration on the iron triangle (time, cost, and scope) as a success factor meant that many projects did not deliver value in the end. The reasons for this situation can be of the most diverse, such as the absence of the initial problem that stimulated the project when it was delivered (Ika & Pinto, 2022; Rode, Svejvig, & Martinsuo, 2022).

To address these demands, the Value Management Office (VMO) emerges as a strategic model for integrating value management into organizational execution. This editorial examines the VMO's role as a catalyst for organizational transformation, emphasizing its structure, key practices, challenges, and benefits. Additionally, we explore tools such as Value Stream Mapping (VSM) and the PMO-MI® framework, which enhance the implementation of value-driven initiatives. These concepts are further analyzed through theoretical perspectives on organizational maturity, strategic alignment, and the influence of PMOs and VMOs on organizational efficiency and long-term sustainability.

Value management in VMO

The concept of VMO emerged to address the limitations of traditional PMO models. While conventional PMOs primarily emphasize governance and best practices for project control, VMOs expand their focus to encompass value creation across the entire organization (OGC, 2010). This paradigm shift reflects the increasingly uncertain and dynamic environment in which organizations operate, where success is no longer defined solely by adherence to budget and schedule constraints but also by the extent to which projects contribute to long-term strategic objectives (Aubry, Hobbs, & Thuillier, 2007).

Although they do not directly mention VMOs, Aubry, Hobbs, and Thuillier (2007) explore the evolution of PMOs and their role in organizational management with an emphasis on governance and control. The authors in their analysis offer a conceptual basis for understanding how PMOs can be transformed into mechanisms for generating strategic value. It is worth remembering that value can be understood and evaluated based on objective and subjective aspects. In addition, value can be perceived differently depending on the perspective of different stakeholders.

EN 12973:2020 - Value Management Standard (European Committee for Standardization, 2020) offers a conceptual basis for value management aligned with the principles and practices of the VMO. This standard defines guidelines that allow the creation, monitoring and sustainability of organizational value, integrating with frameworks aimed at mapping stakeholder needs and building value based on the delivery of benefits. The principles of the EN 12973 Standard include

delivering value in an objective, measurable and strategic way, ensuring that the initiatives adopted in the projects can promote clear and well-defined impacts.

In this context, collaboration between project professionals and stakeholders ensures that value management occurs in an integrated manner, promoting strategic alignment with greater stakeholder engagement. In addition, the use of tools such as BRM (Benefits Realization Management) and MoV (Management of Value) also allows VMO to prioritize initiatives with high strategic return, ensuring that decision-making is based on value construction. Concomitantly, the use of these tools, combined with the adoption of EN 12973:2020, encourages a continuous cycle of learning and improvement, promoting the progressive maturity of value management. The same can be said for the adoption of PMO-MI ® as it can ensure that organizational practices constantly evolve.

Accordingly, the inclusion of EN 12973:2020 reinforces the importance of structuring the VMO based on solid normative principles, increasing the reliability and sustainability of its practices. While organizations have a sense of the desired state after the implementation of a VMO, a structured approach to assessing the maturity and organizational impact of the PMO helps in understanding the current situation and the successful implementation of the VMO. The PMO-MI® (Project Management Office Maturity Index) is a tool that measures the effectiveness and evolution of PMOs in an organization. It allows organizations to identify gaps and implement improvements incrementally and in line with strategic priorities, impacting the delivery of value and not just the maturity of the adoption of practices and techniques.

The conceptual shift that facilitates the implementation of a VMO enables organizations to integrate methodologies such as BRM, ensuring that expected outcomes are achieved and sustained over time. Furthermore, by incorporating frameworks such as BRM and MoV, the VMO adopts a holistic approach that balances benefits, risks, and costs. This integration strengthens the alignment between strategic objectives and operational activities, fostering long-term organizational sustainability (Ko & Kim, 2019; Otra-Aho, Iden, & Hallikas, 2019).

BRM is a framework that provides a structured process for identifying, planning, delivering, and sustaining benefits throughout the lifecycle of projects and programs. This approach ensures that the results obtained are aligned with the organization's strategic expectations (Bradley, 2016). BRM stands out for including critical steps, such as identifying potential benefits,

defining clear success metrics, continuous monitoring during project execution, and post-delivery evaluation. The integration of BRM into VMO creates a direct link between the organization's strategic objectives and the practical results of projects, promoting a continuous cycle of improvement and delivering sustainable value to stakeholders.

MoV, developed by OGC, focuses on maximizing value through a balance of benefits, risks, and costs (OGC, 2010). MoV takes a systematic approach to prioritizing initiatives based on their strategic contribution, analyzing cost-benefit scenarios to ensure effective resource allocation. In addition, MoV emphasizes the importance of collaboration between stakeholders, promoting innovation in the search for solutions that maximize the value delivered. This systemic perspective ensures that organizations utilize their resources efficiently and effectively, aligning projects with their organization's strategic priorities.

PMO diagnosis for VMO implementation

The implementation of a VMO cannot be understood only by the adoption of frameworks and practices. The decision for the VMO is also a choice for the paradigm shift in the organization. To this end, it is necessary to adopt strategies to ensure that a change in values and culture oriented towards the delivery of value actually occurs. In this sense, it is necessary to have a good diagnosis of the current state of the project area, as well as the PMO when it is in operation in the organization.

To assess the maturity of an organization's PMO, several models and frameworks can be used. The PMO-MI® of AIPMO (Association of International Project Management Offices) uses a system of progressive layers, from basic diagnosis (*Tier 1*) to detailed assessment of organizational impact (from *Tier 2* to *Tier 6*). This progression allows the creation of continuous cycles of strategic improvement, integrating concepts of maturity and operational alignment. For example, *Tier 1* corresponds to the first level of diagnosis and its main objective is to assess the current maturity of the PMO in relation to the best market practices. In this phase, processes, tools, and the governance structure are analyzed, providing an initial overview of the effectiveness of the PMO. It is important to highlight that this phase does not involve assessing the impact of the PMO but is instead focused solely on evaluating the maturity of the existing structure (AIPMO, 2025).

Tier 2 represents a significant advancement in PMO evaluation by extending beyond maturity assessment to include an analysis of the PMO's organizational impact. While Tier 1 focuses on diagnosing the PMO's maturity level based on 24 performance domains, Tier 2 incorporates both quantitative and qualitative metrics to assess the value generated by the PMO within the organization (AIPMO, 2025). At this stage, the evaluation becomes more comprehensive and structured, utilizing key performance indicators (KPIs) to measure portfolio management efficiency, project return on investment (ROI), strategic alignment of initiatives, and stakeholder engagement.

The *Tier 2* diagnosis involves the collection of data through interviews, audits, performance analysis and benchmarking, allowing a broad view of the effectiveness of the PMO in delivering value. The main deliverable in *Tier 2* is a strategic report, which includes a detailed analysis of the PMO's organizational impact, recommendations for improvements, and an evolution roadmap that guides the PMO in its transition to higher levels of maturity. This report provides valuable insights to justify investments, optimize processes, and increase the PMO's influence on corporate governance.

Unlike *Tier 1*, which is restricted to the internal structure of the PMO, *Tier 2* evaluates how the PMO contributes to organizational objectives in a measurable and sustainable way. It also allows top management to make data-driven decisions, ensuring that the PMO is not just a support center, but rather an essential strategic element for value creation and organizational governance (AIPMO, 2025). In this way, for example, we can start the implementation of the VMO through an initial diagnosis with the PMO-MI® and, subsequently, with the roadmap elaborated, use frameworks such as those previously presented for the implementation of the VMO.

Challenges in VMO implementation

Despite its potential benefits, VMO implementation faces several substantial challenges that necessitate a strategic and carefully managed approach. One of the primary obstacles is cultural resistance within organizations. The adoption of new models, such as the VMO, often encounters entrenched traditional practices, which can impede the transition to a value-driven culture. According to the OGC (2010), overcoming this cultural barrier requires comprehensive

organizational change efforts, including clear communication, targeted training, and the creation of an environment that fosters acceptance of new approaches.

Another significant challenge is strategic alignment, which requires effective coordination between the different hierarchical levels of the organization. Aubry et al. (2010) highlight that the alignment between the initiatives conducted by the PMOs and the strategic objectives of the organization is essential to ensure the effectiveness of the management model oriented to the delivery of value. However, this task is complex, requiring the integration of multiple stakeholders, each with their own priorities and expectations. To overcome this difficulty, it is necessary to establish clear governance and communication processes that connect VMO goals with corporate strategy.

Defining and monitoring success metrics present another significant challenge. Osterwalder and Pigneur (2010) emphasize that without well-defined key performance indicators (KPIs), accurately assessing the progress and impact of VMO initiatives becomes impossible. The absence of clear metrics can result in a lack of direction and, ultimately, the failure of these initiatives. Therefore, VMO leaders must establish performance indicators aligned with strategic objectives, ensuring that each effort contributes meaningfully to the intended outcomes.

Ko and Kim (2019) explore the relationship between maturity in portfolio management and strategic alignment, providing relevant insights that contribute to VMO implementation. Although these authors do not directly mention the concept of VMO, their analyses show that organizational maturity is a critical factor in achieving alignment and efficiency. This alignment improves results and strengthens the organization's resilience in the face of external challenges.

These challenges highlight the importance of strong strategic leadership and an ongoing organizational commitment to evolving project value management. The application of the frameworks analyzed in this editorial, such as PMO-MI®, BRM and MoV, can help consolidate the practices necessary to address these challenges. In addition, the integration of sustainable and collaborative approaches allows the VMO to become a centerpiece in organizational transformation, promoting not only efficiency but also long-term value creation.

The focus on sustainability is another differential of the VMO. Thus, tools such as VSM make it possible to identify waste points and implement solutions that promote efficiency and environmental responsibility (Rother & Shook, 1999). In addition, by integrating social and

environmental dimensions into value management practices, VMO helps position organizations in an increasingly conscious and demanding marketplace (Hobbs, Aubry, & Thuillier, 2008).

Finally, we can say that VMO represents an evolution in organizational management, offering an integrated approach to maximize value, align strategies, and promote sustainability. It combines theoretical frameworks with practical tools to create long-term organizational impact. Although managerial initiatives can be evidenced in the sense of implementing and developing new frameworks, tools and practices, there are still many gaps to be filled. In this sense, we invite researchers to consider VMO in their research.

Final considerations

This editorial examined the evolution of the PMO into the VMO. Value management, centered on the delivery of project benefits, is a critical aspect of this transformation. However, several challenges must be addressed, including shifts in organizational paradigms, cultural adaptation, and the adoption of new frameworks, tools, and practices. This transition represents a fundamental change in organizational behavior, directly influencing how project professionals engage with various stakeholders. Furthermore, it is essential to recognize that value is a multifaceted concept, shaped by both objective metrics and subjective perceptions related to the realization of project benefits.

In this editorial, we suggest the adoption of EN 12973:2020 - Value Management - to assist in the internalization of value management concepts and practices in the organization's projects. BRM, MoV, and PMO-MI® are also mentioned, but we emphasize that these are just a few options from a set of frameworks and tools available. It is worth noting that the best solution is the one that best suits the reality of your organization.

Regarding research opportunities, we inform project management researchers that VMO studies is a promising field. The evidence of the paradigm shift in project management for value delivery is not new, but it is necessary to understand its antecedents and consequences, contributing to theoretical and managerial advances. Understanding the constituent elements of a VMO, or even how it interacts with other functional areas of the organization, is also an opportunity for study. We can say that, from the perspective of studies that deal with organizational structure, the VMO would be more aligned with matrix and projectized structures. Finally, several theoretical lenses

and analytical perspectives can be used to understand the phenomenon of value construction from the implementation of VMO in organizations.

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