

# **When the Lights Stay On: How IT PMO Governance Turns Hotel Technology Into Competitive Advantage <sup>1</sup>**

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## **Abstract**

Luxury hospitality sits at an unusual intersection: it is one of the most operationally complex industries in the world, and one of the least mature in how it manages technology as a strategic asset. After ten years leading IT projects and programs inside international hotel groups, including Marriott, Mandarin Oriental, Barcelo Group and Golden Tulip, the author has watched technically sound projects fail repeatedly because the governance structure around them was not built for the environment. This paper presents a hybrid IT PMO framework that addresses the three failure modes the author has encountered most consistently: governance without sponsorship, stakeholder misalignment across operational silos, and infrastructure debt that accumulates invisibly until it becomes a strategic liability. The argument is grounded in PMI research, Cornell hospitality studies, and Hospitality Technology lodging benchmarks, and is written for project and program managers who work in or are moving into the hospitality sector.

## **1. Introduction: The Boardroom Conversation Nobody Wins**

There is a conversation that happens in hotel boardrooms everywhere, eventually. A general manager asks why IT costs so much. A CFO asks what the return is. And the IT project manager, if positioned at the right level, has to explain infrastructure investment in terms that mean something to people whose world is measured in RevPAR, NPS, and occupancy rate.

I have had that conversation dozens of times, in four countries, across five international brands. The pattern is consistent: strong technical execution fails when governance is weak, and well-designed strategy collapses when stakeholders are not aligned before a project starts. PMI's Pulse of the Profession 2024 confirms that across industries, project approach (agile, waterfall, or hybrid) does not determine outcomes nearly as much as the quality of governance and sponsorship around the project. The average project performance rate across all approaches was 73.8 percent. What separated high performers from low performers was not the methodology. It was the structure.

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This paper is not about which technology hotels should buy. It is about how project and program managers in luxury hospitality can build the governance and delivery machinery that lets technology actually do what it was purchased to do. The stakes are measurable. Cornell University's School of Hotel Administration found that a one percent improvement in a hotel's online reputation score translates to a 1.42 percent increase in RevPAR. Every percentage point of guest-facing technology reliability that a PMO protects is not a technical metric. It is a commercial one.

## 2. What the Data Says About IT Projects in Complex Environments

The numbers on IT project failure are not obscure. McKinsey and Oxford University studied 5,400 large IT projects and found that 45 percent came in over budget, 56 percent delivered less value than forecast, and 17 percent were severe enough to threaten the organization itself. The Standish Group's CHAOS 2020 report, covering nearly 50,000 projects across 1,000 organizations, found that 66 percent of technology projects ended in partial or total failure. Large projects, those above ten million dollars, succeeded less than ten percent of the time.

PMI's own research adds precision to the diagnosis. Organizations that treat project management as a strategic competency waste 28 times less money than those that do not. When executive sponsors are actively engaged on more than 80 percent of a portfolio, project success rates improve by 40 percent. And in PMI's 2025 Pulse, project professionals with strong business acumen showed 27 percent lower failure rates than those without. In hospitality, where business acumen means understanding PMS workflows, brand standards, RevPAR mechanics, and guest experience economics simultaneously, this finding is not incidental. It describes the exact profile of the IT program manager the sector needs but rarely builds.

**Figure 1: IT Project Performance Benchmarks**

Metric	Value	Source
IT project cost overrun (large projects)	45% over budget on average	McKinsey / Oxford, 2012
IT project value shortfall	56% less value than forecast	McKinsey / Oxford, 2012
Projects ending in partial or total failure	66% of all projects	Standish CHAOS 2020
Success rate: large projects (>\$10M)	Under 10%	Standish CHAOS 2020

Success rate uplift with active exec sponsorship	+40% across portfolio	PMI Pulse 2018
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Sources: McKinsey & University of Oxford (2012); Standish Group CHAOS 2020; PMI Pulse of the Profession 2018.

Hospitality adds its own complications on top of these industry-wide patterns. Hospitality Technology's 2024 Lodging Technology Study, drawing on responses from properties representing over 10,000 hotels, found that 69 percent of hotels cite legacy system integration as their top technology challenge, 63 percent of IT budgets are consumed by maintaining existing systems rather than building new capability, and only 43 percent of hoteliers feel confident in their ability to demonstrate ROI from technology investment. This last figure is the one that matters most for PMOs: if the sponsoring organization cannot measure value, it cannot sustain investment, and the governance structure collapses under the first budget cycle.

**Figure 2: Where Hotel IT Budgets Go**

Budget Allocation	Share of IT Spend
Legacy system maintenance	63%
New system implementation	30%
Security and compliance	~5%
Innovation and experimentation	Remainder

Sources: Hospitality Technology 2024 Lodging Technology Study; Skift Research Hotel Technology Priorities 2025.

### 3. The Hybrid IT PMO Framework

The framework described here was built iteratively across PMS migrations, network modernization programmes, cybersecurity compliance projects, and digital guest experience rollouts in luxury and upper-upscale properties. It does not replace PMBOK or agile. It applies both at the level where each works best in a hotel context.

#### 3.1 The Governance Layer

The governance layer establishes who has decision authority, what requires steering committee input, and how conflicts between IT priorities and operational demands are resolved. In a luxury hotel group, this means a steering committee that includes the General Manager, CFO, Director of Rooms or Operations, and the IT program lead. No project above a defined threshold (the author uses a 30-day or 100K threshold as a rule

of thumb) should be initiated without documented scope, budget, and outcome commitment from this group.

PMI's Pulse of the Profession 2018 found that 26 percent of all project failures trace directly to inadequate executive sponsorship. In hospitality, the number is almost certainly higher, because IT decisions are routinely made by procurement, operations, or brand standards teams without the IT program manager in the room. The governance layer exists to fix that structural gap before the project starts, not after it fails.

### **3.2 The Delivery Layer**

Hotel operations do not pause for technology projects. The delivery model must be designed around operational continuity as a hard constraint. The approach that has worked best in the author's experience is two-to-three week sprint cycles with an explicit zero-guest-impact rule built into each sprint goal. Every sprint ends with something operational, not a document or a slide deck. An operations manager who does not follow project methodology should be able to see and react to what each sprint produces.

PMI's 2024 Pulse found that hybrid methodology usage increased 57 percent between 2020 and 2023, and that performance was statistically equivalent across predictive, hybrid, and agile teams when governance and sponsorship were in place. For hospitality IT programs, which combine the capital-project logic of network infrastructure with the product-iteration logic of PMS configuration, hybrid is not a compromise. It is the right tool.

### **3.3 The Stakeholder Alignment Layer**

Luxury hospitality has a stakeholder problem that most project management training does not address. The people who decide whether a technology investment succeeded are often not the people who approved it. A General Manager who approved a CRM implementation will judge its success through the lens of repeat bookings and upsell revenue. A front office manager will judge it through the lens of whether check-in time got shorter. A guest will judge it through whether the hotel remembered their preferences without being asked.

The alignment layer manages these three measurement frames simultaneously. In practice, this means a weekly operational check-in with department heads, a bi-weekly steering update, and a monthly value scorecard written in operational language. System uptime is expressed as a percentage of check-in transactions processed without error,

not as a raw availability figure. Budget burn is expressed as a percentage of projected cost-per-room improvement, not as a variance against a capital line item.

## **4. Three Failure Modes From the Field**

These are not theoretical failure modes. They are the three patterns the author has encountered repeatedly across brands, geographies, and project types.

### **4.1 Governance Without Sponsorship**

A governance structure exists on paper but the executive sponsor is not actively engaged. Projects get approved but not protected. When an operational crisis competes with a project milestone for the same resource, the project loses every time because nobody at the executive level is tracking the cost of that trade-off. The fix is not to add more governance documentation. It is to hold a briefing with the General Manager before every sprint cycle that quantifies what is at risk if the milestone slips in terms the GM tracks: room nights, ADR, guest satisfaction score.

### **4.2 Stakeholder Misalignment Across Operational Silos**

The IT program manager and the Director of F&B agreed on the scope of a POS integration project in the kick-off meeting. Six weeks later, the F&B team discovers that the integration does not cover the banqueting module because banqueting was not listed as a scope item. The IT team knew this. The F&B team thought it was included. The gap was not technical. It was a translation failure: the IT team described scope in system terms, and the operations team heard it in workflow terms.

The intervention is a structured pre-project session the author calls a workflow walk: before any system is specified, the project team shadows each department through a full operational shift, mapping every point at which technology touches the guest journey or the back-of-house process. The output is a workflow map, not a system requirements document. When scope boundaries are drawn on that map, both teams are looking at the same thing.

### **4.3 Infrastructure Debt as Strategic Risk**

Infrastructure debt is the accumulated cost of deferred technology investment. It is endemic in hospitality because the capital allocation culture of hotel groups, particularly those operating under management contracts, creates strong structural incentives to defer infrastructure spend to the next ownership cycle. McKinsey's research on technical debt across enterprise technology estates estimates that debt may represent up to 40

percent of the technology estate in large organizations, with 10 to 20 percent of new-product budgets diverted to debt servicing rather than new value creation.

In hospitality, the consequences are not abstract. VikingCloud's 2025 State of Hospitality Cyber Report found that 82 percent of North American hotels experienced a cyberattack in summer 2024, with POS systems (72 percent), guest Wi-Fi (56 percent), and front-desk terminals (34 percent) as the primary attack surfaces. IBM's 2024 Cost of a Data Breach report puts the average hospitality sector breach at 3.86 million USD. These are not IT-risk metrics. They are operational and reputational ones, and they translate directly into the RevPAR and brand-equity terms that hotel leadership tracks.

The PMO intervention is to reframe infrastructure investment requests as operational risk management rather than capital expenditure. A network that cannot support a new property management system is not a technology limitation. It is a revenue risk, because it prevents the property from deploying the commercial and service tools that drive rate and occupancy in the current market. Framed that way, the infrastructure investment competes differently in a capital allocation meeting.

## **5. Measuring IT Value in Hospitality Terms**

The most important shift a hospitality IT PMO can make is learning to measure its work in the language the business already uses. Three metrics have proved most useful in the author's experience across luxury and upper-upscale properties.

The first is RevPAR-linked technology reliability. Cornell University's Center for Hospitality Research found that a one-point increase on a five-point review scale allows a hotel to increase prices by 11.2 percent without losing occupancy. Guest-facing technology reliability is one of the strongest predictors of review score movement, particularly in the luxury segment where operational tolerance is lowest. A PMO that tracks system availability as a percentage of guest-touchpoint interactions processed without error can draw a direct line to this coefficient.

The second is cost per available room improvement. Technology-enabled process automation, automated check-in, integrated revenue management, predictive maintenance scheduling, contributes directly to this metric by reducing the labor and material cost of delivering a room night. Oracle and Skiff's joint 2022 research across nine markets found that 73 percent of travelers are more likely to choose a hotel offering self-service technology options, and 74 percent want AI-tailored services and offers. The

demand signal is clear. The PMO's job is to build the delivery infrastructure that captures it.

The third is security posture as a brand-protection metric. In a sector where 71 percent of guests say they are more likely to return to a hotel that provides valued technology and data security, cybersecurity investment is not purely defensive. It is a loyalty driver. A PMO that frames security projects in these terms will find its business case far easier to advance than one that leads with compliance risk.

**Figure 3: Technology Performance to Commercial Outcome Linkage**

IT Performance Metric	Commercial Outcome	Source
+1% online reputation score	+1.42% RevPAR	Cornell / Anderson (2012)
+1 point on 5-pt review scale	+11.2% ADR premium (no occupancy loss)	Cornell / Anderson (2012)
Self-service tech availability	73% of guests more likely to choose the property	Oracle / Skift (2022)
Data security and tech trust	71% of guests more likely to return	HT Customer Engagement Study (2024)

*Note: Cornell coefficients are all-chain-scales averages; luxury-specific coefficient is approximately 0.49% RevPAR per 1% reputation improvement.*

## 6. What This Means for the PM Community

For PMI members working in or transitioning to hospitality, the central insight is that project management competence is necessary but not sufficient. The hospitality sector rewards practitioners who can operate at two levels simultaneously: the technical level, where systems, infrastructure, and integrations live, and the operational level, where RevPAR, guest satisfaction, and brand standards live. The ability to translate between these levels, quickly, credibly, and without simplifying either, is what distinguishes a PMO that earns a permanent seat at the strategy table from one that gets called in to fix projects after they go wrong.

PMI's chapter communities, including those in Montreal and Toronto, which serve significant concentrations of hospitality industry professionals, can accelerate this development through sector-specific knowledge sharing. The author's experience as a multi-chapter PMI member and former PMI Morocco Chapter Ambassador has consistently shown that the most valuable professional development in hospitality IT

comes not from technical courses but from conversations with peers who have navigated the same organizational dynamics in different brands and markets. The patterns repeat. The solutions, when they work, are transferable.

The hospitality sector is also underinvested in formal program management practice relative to its complexity. CBRE's 2025 Global Hotel Outlook identifies luxury as the most resilient chain scale in terms of RevPAR performance, with top luxury brands generating a 41 percent cumulative RevPAR premium over the weakest luxury brands between 2019 and 2024. That premium is increasingly technology-enabled. The PMs and program managers who can build and run the governance structures that deliver it have a genuine and growing competitive advantage in a sector that is only beginning to invest in this capability formally.

## 7. Conclusion

The conversation about IT value in luxury hospitality does not have to be the same one every year. With the right PMO structure, a delivery model calibrated to operational constraints, a measurement framework built in hotel terms, and sponsorship that is engaged before problems surface rather than after, technology can move from the expense line to the strategy table.

This does not require new methodology. PMI's frameworks, applied with genuine understanding of how luxury hotels actually operate, are more than adequate. What requires investment is the domain knowledge to apply them correctly, and the organizational positioning to apply them at the right level. Both are achievable. The author has seen them achieved, and has seen what changes when they are.

For the project or program manager reading this who works in a hotel office, a regional headquarters, or a brand technology team: the work you do has more commercial consequence than the current conversation about it suggests. Build the governance. Measure the outcomes. Tell the story in the language of the business. The boardroom conversation changes when the numbers are in the right currency.

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**Abdellah Aitibour** is a PMP-certified Senior IT Manager, IT Project and Program Manager, and TEDx Speaker with over ten years of hands-on experience leading technology transformation and IT governance programs inside luxury and international hotel groups. He has directed IT projects and programs at properties operating under Marriott International, Mandarin Oriental, Barcelo Hotel Group, and Golden Tulip Hotels, spanning network modernization, PMS and POS implementation, cybersecurity compliance, and regional IT PMO development across Africa and Europe.

Abdellah holds CCNP, AZ-104, MCSE, NSE4, VCP, ServiceNow CSA, and Oracle certifications. He is an active member of PMI Montreal Chapter, PMI Toronto Chapter, and PMI-OGA North America, and served as Ambassador of the PMI Morocco Chapter. He speaks at chapter events and professional forums on the intersection of IT program management and hospitality operations, and publishes on digital transformation and IT governance. He is currently based in Montreal, Quebec, Canada.

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