Creating Business Prioritization for Projects and Portfolios

By: Chris Vandersluis

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Chris Vandersluis

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- President and founder of HMS Software based in Montreal, Canada. HMS is the publisher of the popular TimeControl timesheet system for project management environments
- An economics degree from Montreal's McGill University Over 30 years of experience in the automation of project management and timesheet systems.
- Member of the PMI since 1986
- Was on the Microsoft's Enterprise Project Management Partner Advisory Council for 5 years (2003-2008)
- Published in numerous publications including Fortune Magazine, the American Management Association's Project Management handbook, a columnist for Computing Canada, PMI's PMNetwork, Project Times magazine and Microsoft's TechNet
- Author of the popular blog EPMGuidance.com

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Want the presentation?

This handout:

www.epmguidance.com/resources/pmimn2015.pdf

The slides:

www.epmguidance.com/resources/pmimn2015slides.pdf

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Introductions

- Let's figure out who's in the room
  - Industries?
  - Has an existing PPM process
  - Has been mandated to create a PPM process
  - Hope to create a PPM process in the future

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Today's Agenda

- Introductions
- What is PPM for you?
- Defining Project Portfolio Management?
- Defining a Project Prioritization Process
- Creating project prioritization
- Stage Gating
- Pairwise comparison exercise
- Automation of the PPM process
- Deploying Business Prioritization Process
- Pitfalls, Sinkholes and avoiding both

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Discussion

What is Project Portfolio Management (or Portfolio Project Management) for you?

What is Project Portfolio Management?

Defining Project Portfolio Management

- This is a highly topical subject, but what do we mean by it?
- Project Tracking at the summary level?
- Annual Budgeting?
- Project Grouping?
- Project Selection
- Product Lifecycle Management

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Project Portfolio Management

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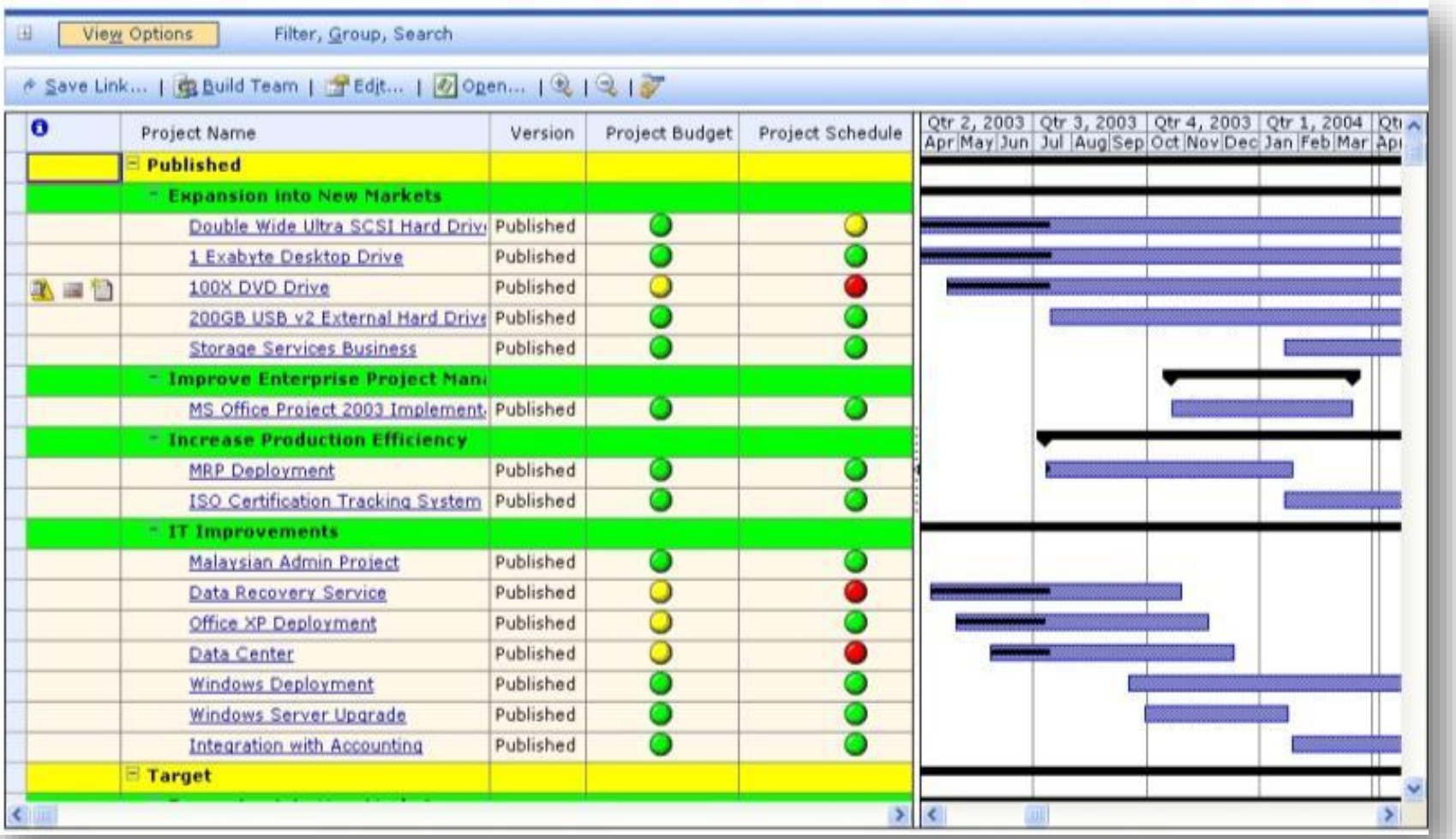
PPM: Project Grouping



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PPM: Project Dashboards

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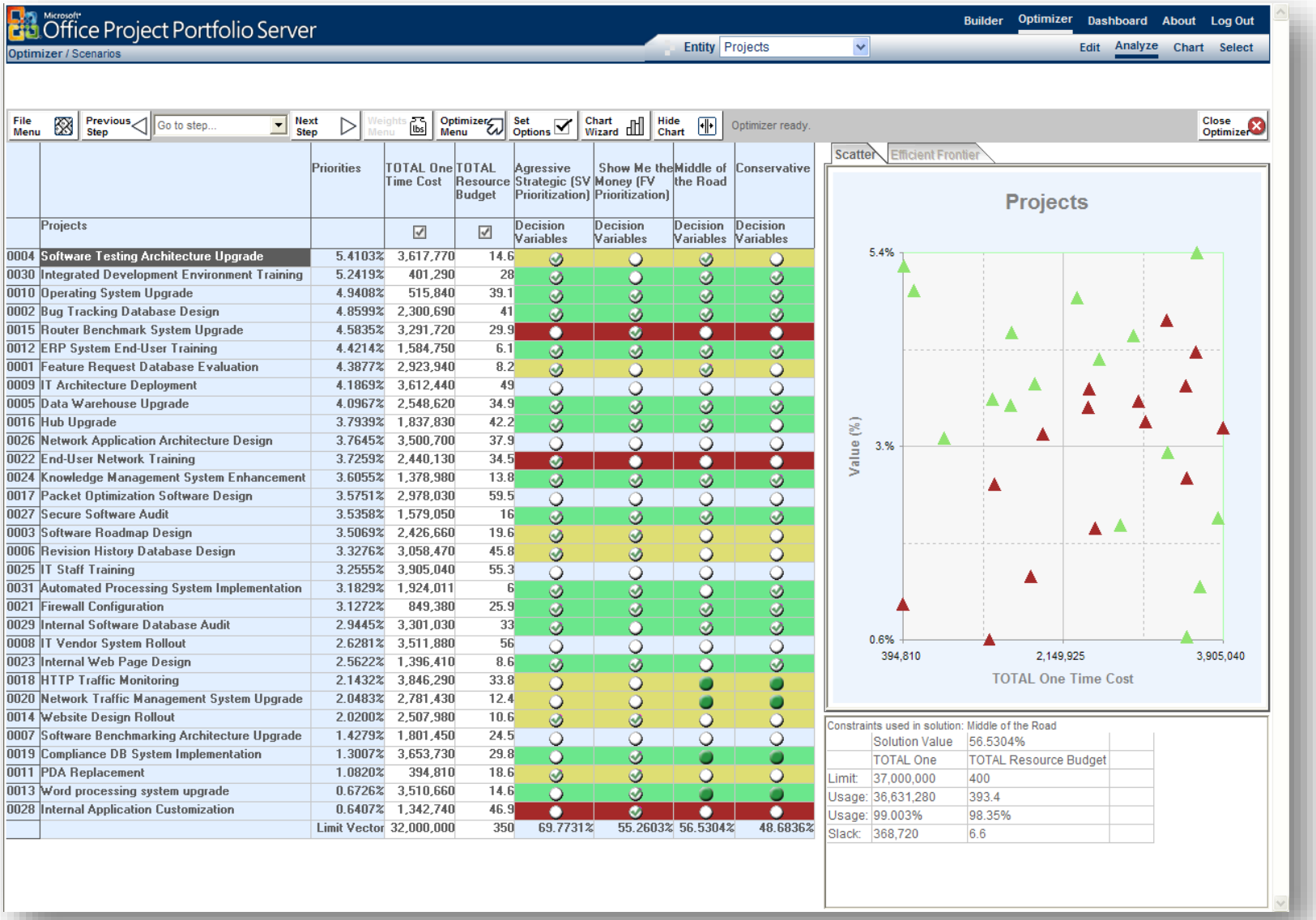
PPM: Project Selection



	Projects	Priorities	TOTAL One Time Cost	TOTAL Resource Budget	Agressive Strategic (SV Prioritization)	Show Me the Money (FV Prioritization)	Middle of the Road	Conservative
			☑	☑	Decision Variables	Decision Variables	Decision Variables	Decision Variables
0004	Software Testing Architecture Upgrade	5.4103%	3,617,770	14.6	✓	○	✓	○
0030	Integrated Development Environment Training	5.2419%	401,290	28	✓	○	✓	✓
0010	Operating System Upgrade	4.9408%	515,840	39.1	✓	✓	✓	✓
0002	Bug Tracking Database Design	4.8599%	2,300,690	41	✓	✓	✓	✓
0015	Router Benchmark System Upgrade	4.5835%	3,291,720	29.9	○	✓	○	○
0012	ERP System End-User Training	4.4214%	1,584,750	6.1	✓	✓	✓	✓
0001	Feature Request Database Evaluation	4.3877%	2,923,940	8.2	✓	○	✓	○
0009	IT Architecture Deployment	4.1869%	3,612,440	49	○	○	○	○
0005	Data Warehouse Upgrade	4.0967%	2,548,620	34.9	✓	✓	✓	✓
0016	Hub Upgrade	3.7939%	1,837,830	42.2	✓	✓	✓	○
0026	Network Application Architecture Design	3.7645%	3,500,700	37.9	○	○	○	○
0022	End-User Network Training	3.7259%	2,440,130	34.5	✓	○	○	○
0024	Knowledge Management System Enhancement	3.6055%	1,378,980	13.8	✓	✓	✓	✓
0017	Packet Optimization Software Design	3.5751%	2,978,030	59.5	○	○	○	○
0027	Secure Software Audit	3.5358%	1,579,050	16	✓	✓	✓	✓
0003	Software Roadmap Design	3.5069%	2,426,660	19.6	✓	✓	○	○
0006	Revision History Database Design	3.3276%	3,058,470	45.8	✓	✓	○	○
0025	IT Staff Training	3.2555%	3,905,040	55.3	○	○	○	○
0031	Automated Processing System Implementation	3.1829%	1,924,011	6	✓	✓	○	✓
0021	Firewall Configuration	3.1272%	849,380	25.9	✓	✓	✓	✓
0029	Internal Software Database Audit	2.9445%	3,301,030	33	✓	○	✓	✓
0008	IT Vendor System Rollout	2.6281%	3,511,880	56	○	○	○	○
0023	Internal Web Page Design	2.5622%	1,396,410	8.6	✓	✓	○	✓
0018	HTTP Traffic Monitoring	2.1432%	3,846,290	33.8	○	○	●	●
0020	Network Traffic Management System Upgrade	2.0483%	2,781,430	12.4	○	○	●	●
0014	Website Design Rollout	2.0200%	2,507,980	10.6	✓	✓	○	○
0007	Software Benchmarking Architecture Upgrade	1.4279%	1,801,450	24.5	○	○	○	○
0019	Compliance DB System Implementation	1.3007%	3,653,730	29.8	○	✓	●	●
0011	PDA Replacement	1.0820%	394,810	18.6	✓	✓	○	○
0013	Word processing system upgrade	0.6726%	3,510,660	14.6	○	✓	●	●
0028	Internal Application Customization	0.6407%	1,342,740	46.9	○	✓	○	○
		Limit Vector	32,000,000	350	69.7731%	55.2603%	56.5304%	48.6836%

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EPM vs. PPM

"If EPM is about doing projects right, PPM is about doing the right projects"

Ben Chamberlain
Microsoft Product Manager
Project Portfolio Server

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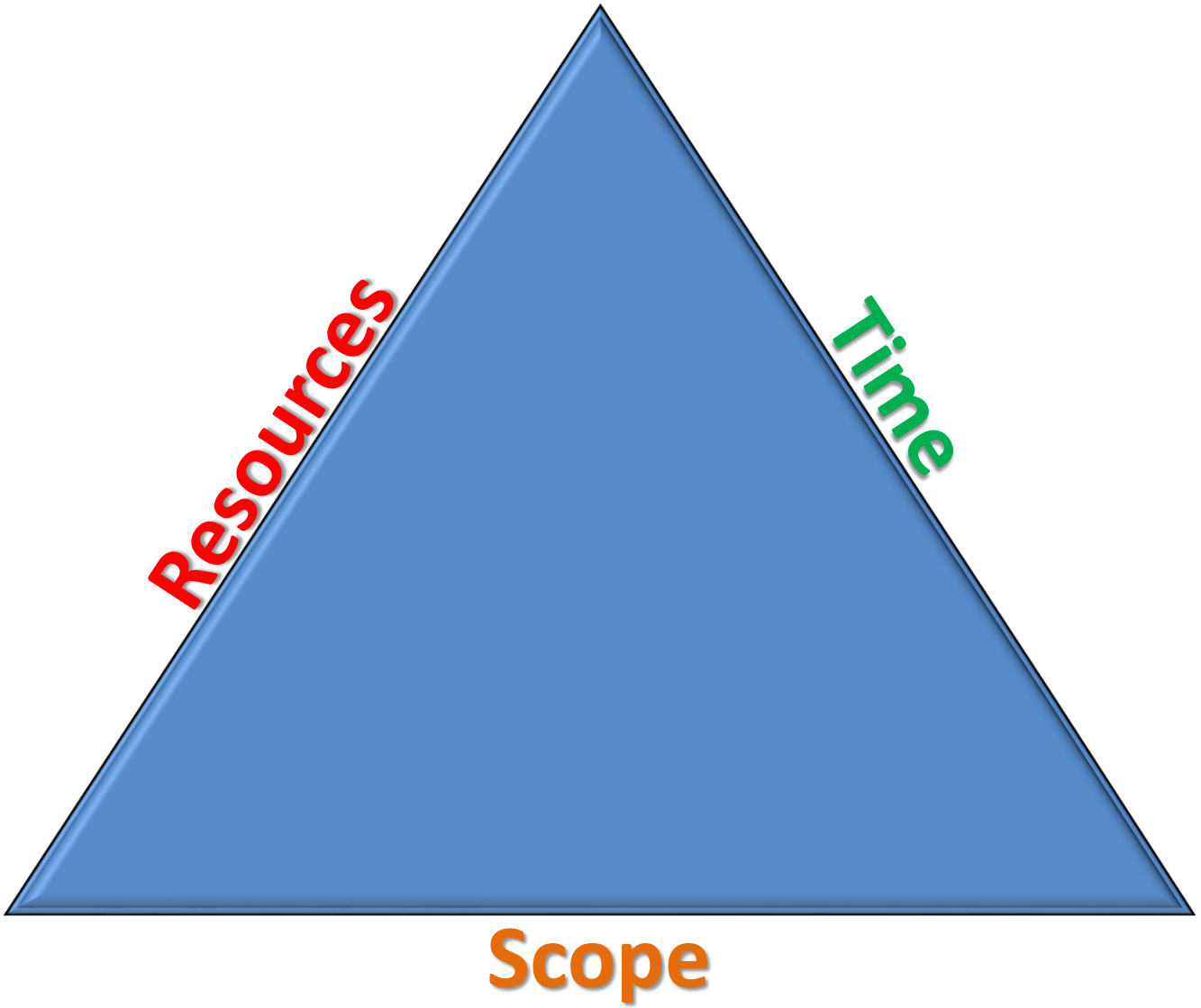
Defining a Project Prioritization Process

Project Constraints



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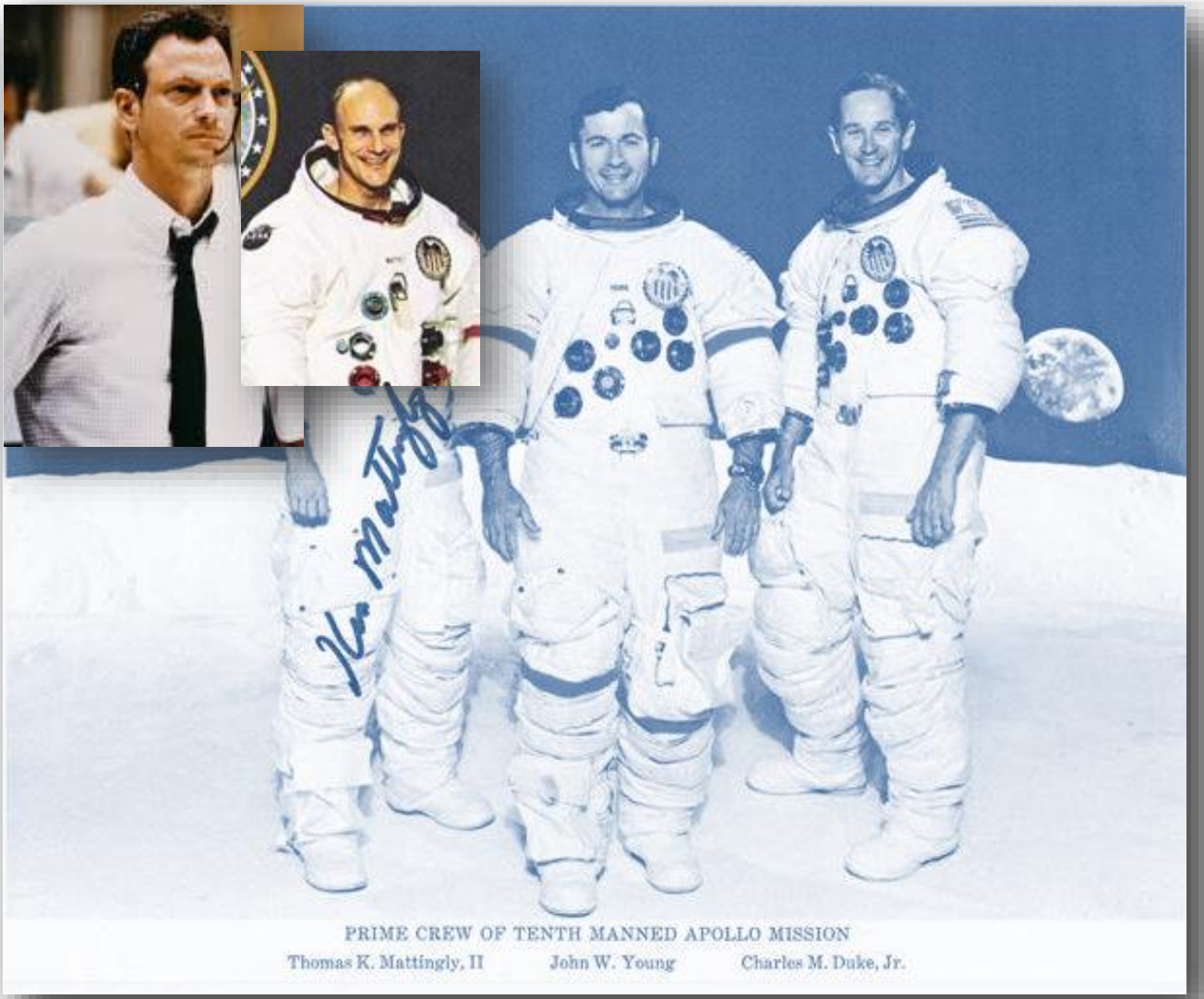
Ken Mattingly



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What is project management?

"What is a project? It is an exercise of producing a defined result with insufficient resources."

Rear Admiral, Ken Mattingly

Apollo 13 Astronaut, VP Lockheed

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No prioritization? Then why have PM?

No one has an abundance of resources

…nor should they

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Between 1999 & 2001 American companies spent $130 billion on technologies never used

Mastering the Three Worlds of Information Technology
(Harvard Business Review, A. McAfee
Nov. 2006, pp. 141 -149)

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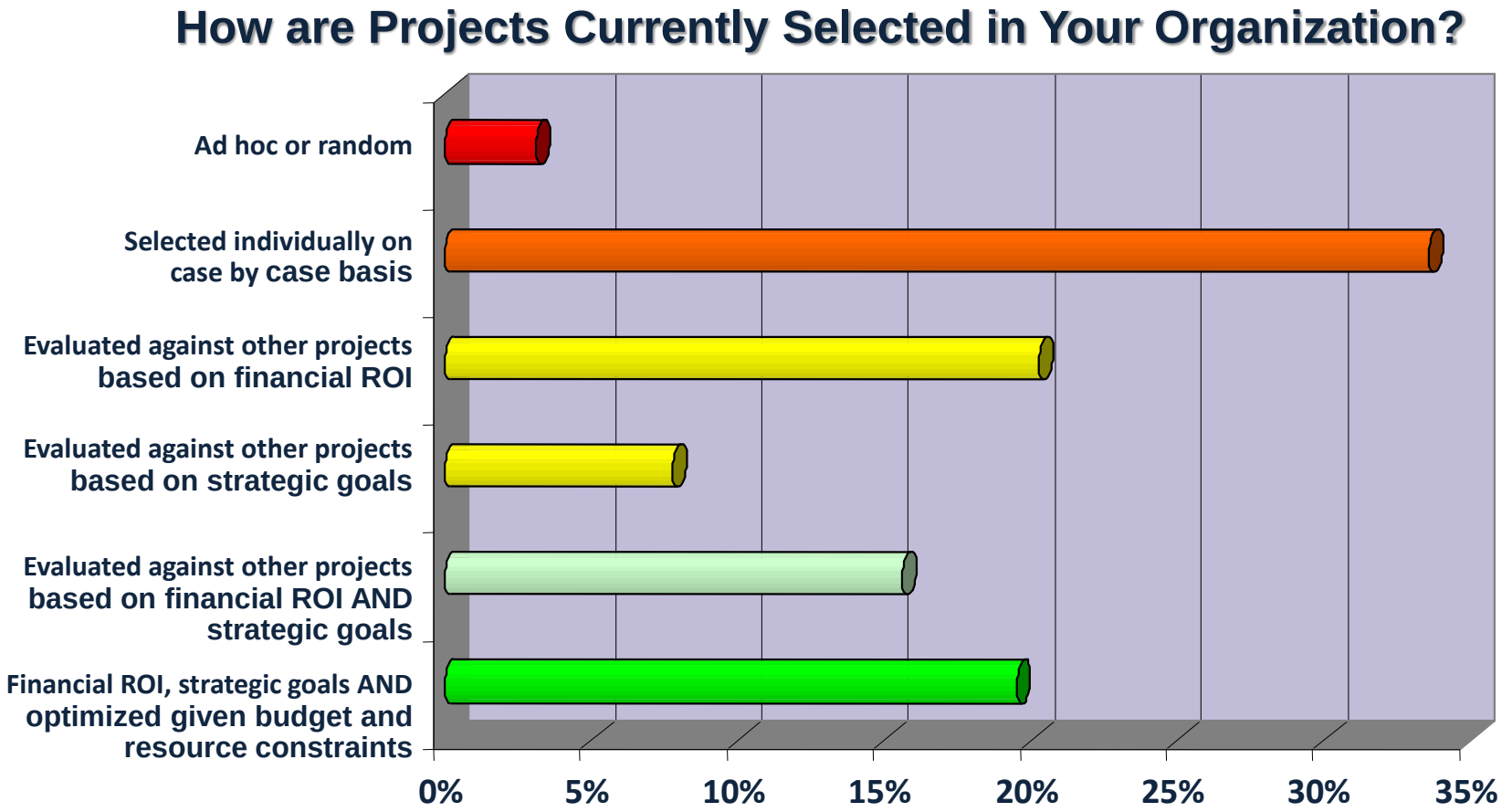
PPM Selection survey



Source: UMT Poll Responses from 128 Webcast Attendees, February 7th, 2006

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Project Prioritization

- "When project initiatives are assessed only as a narrative, prioritization becomes a battle of narratives".

- The result is that:
  - All projects are listed as priority 1
  - All projects have, in theory started
  - Prioritization is done on an ad-hoc basis

- The goal: "Find a process that breaks ties"

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What do Executives need?

A sip from the firehose

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What do Executives need?

- The biggest challenge for Business Decision Makers is the deluge of data; data from all sorts of various sources and in myriad formats.
- There is no shortage of data but a profound lack of knowledge and, by extension, of decision making ability
- Business Decision Makers want data volume decreased and decision making increased.

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According to a survey done of 385 IT and Finance VPs, 82% do not possess information which is of sufficient quality, trustworthiness or usefulness to manage their operations.

Computing Canada, April 7, 2006

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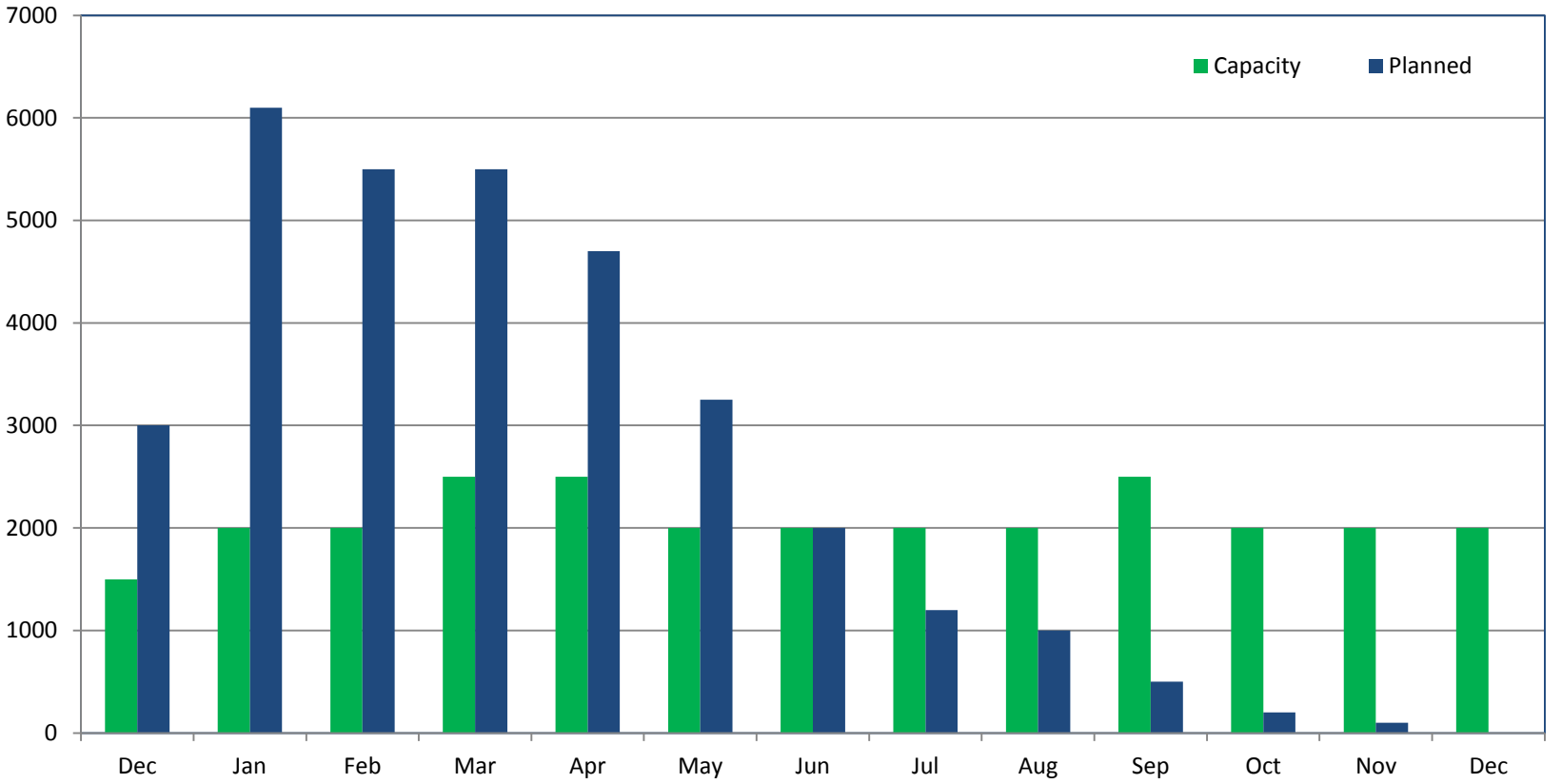
CREATING PROJECT PRIORITIZATION

Non-prioritized projects



As of Feb 1, 2010

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The Portfolio Prioritization Process

- Identify Business Drivers
- Develop questionnaires for measurement in each category
- Determine the inter-driver impact through pairwise comparison
- Assess answers for the questionnaire for each project
- Calculate priorities based on the questionnaire answers
- Prioritize a summary schedule based on the priority listing and identify which projects would be done first based on the priority and which will not be accomplished based on limited resources
- Review the results and force projects into the priority list where required with the understanding that other projects would then not be completed.

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Business Drivers vs KPI's

- **Business Drivers** are short sharp statements that express the shared focus of the organization in actionable terms.

- **Key Performance Indicators** are Measurements of past performance that empower management to action when results are not occuring as expected.

- New Project initiatives are based on Business Drivers

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Rules for Business Drivers

- Choose 4 to 8 business drivers
- Have the drivers align to goals that are recognizable by all of management
- Include relevant managers in the selection and relevance of the business drivers (These are the same managers who are requesting projects)
- Look to your mission statement, strategic goals, current business challenges, global or regional initiatives to find business drivers

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Business Driver Characteristics

- Business Drivers should be:
  - Measureable
  - Action oriented
  - Unique
  - Leveled
  - Attainable
  - Clear to all decision makers

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Business Driver Examples

- Become the industry leader ← Actionable?
- Replace the mainframes ← Driver or Project?
- Enhance IT environment
- Grow number of new clients
- Increase clients ← Duplicate
- Reduce competition ← Not Attainable
- Increase employee retention and productivity ← 2 Drivers
- Grow change management capabilities
- Improve service delivery

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Business Driver Matrix

	Improve Market Share	Improves customer satisfaction	Project Risk	Alignment to Strategy
Improve Market Share		Market Share is strongly more important than Customer Satisfaction	Market Share is Strongly more important than Project Risk	Market Share is Moderately more important than Alignment to Strategy
Improves customer satisfaction			Customer Satisfaction is Equal to Project Risk	Customer Satisfaction is Strongly less important than Alignment to Strategy
Project Risk				Project Risk is Moderately less important than Alignment to Strategy
Alignment to Strategy				

Improve Market Share	Increase market share by 10%
Improve customer satisfaction	Increase overall customer satisfaction by 10% as measured by the quarterly customer satisfaction survey
Project Risk	Exposure to project risk as assessed in our project risk matrix scoreboard
Alignment to strategy	Degree of alignment to one of the 4 key strategic goals as published by the board of directors for this year

Description	Score
Strongly more important than	9
Moderately more important than	3
Equal to	1
Moderately less important than	0.33
Strongly less important than	0.111

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Business Driver Matrix Score

	Improve Market Share	Improves customer satisfaction	Project Risk	Alignment to Strategy
Improve Market Share		Market Share is strongly more important than Customer Satisfaction	Market Share is Strongly more important than Project Risk	Market Share is Moderately more important than Alignment to Strategy
Improves customer satisfaction			Customer Satisfaction is Equal to Project Risk	Customer Satisfaction is Strongly less important than Alignment to Strategy
Project Risk				Project Risk is Moderately less important than Alignment to Strategy
Alignment to Strategy				

Description	Score
Strongly more important than	9
Moderately more important than	3
Equal to	1
Moderately less important than	0.33
Strongly less important than	0.111

	Improve Market Share	Improves customer satisfaction	Project Risk	Alignment to Strategy	Alignment to Strategy
Improve Market Share		9	9	3	21
Improves customer satisfaction	0.111		1	0.111	1.222
Project Risk	0.111	0.33		0.33	0.771
Alignment to Strategy	0.33	9	3		12.33

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Driver Matrix Scores

Driver Matrix							
	Weighting		Scores				
			Project 1	Project 2	Project 3	Project 4	Project 5
Improve Market Share	21	59	0	1	2	3	4
Improves Customer Satisfaction	1.22	3	0	1	2	3	4
Project Risk	.771	2	4	3	2	1	0
Alignment to Strategy	12.33	35	0	1	2	3	4
Total:	35.321	100	8	103	198	293	388

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Project Questionnaire

- Create multiple choice answers for fundamental questions to determine the impact of each project on each project driver:
  - Extreme
  - Strong
  - Moderate
  - Low
  - None

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Driver Questionaire Examples

Business Drivers	An initiative's impact on this driver is:
Enhance Quality of Products and Services	**Extreme** – if it increases business partner satisfaction by >=3% **Strong** – if it increases business partner satisfaction by >=2% **Moderate** – if it increases business partner satisfaction by >=1% **Low** - if it increases business partner satisfaction by <1%
Improve Accuracy of Core Processes	**Extreme** – if it improves FCI **and** DPMO by 33% on one process or 8% across all processes **Strong** – if it improves FCI **or** DPMO by 33% on one process or 8% across all processes **Moderate** – if it improves FCI or DPMO by 16% on one process or 4% across all processes **Low** - if it contributes to improve FCI or DPMO on one or more processes
Reduce Cycle Time for Key Processes	**Extreme** – if it improves cycle time by 25% in one process or avg. of 7% across multiple processes **Strong** – if it improves cycle time by 13% in one process or avg. of 4% across multiple processes **Moderate** – if it improves cycle time by 7% in one process or avg. of 2% across multiple processes **Low** - if it contributes to improve cycle time in one or more processes
Effectively Manage Operational Risk	**Extreme** – if it improves operational risk stability by >=2% **Strong** – if it improves operational risk stability by >=1% **Moderate** – if it improves operational risk stability by >=.5% **Low** - if it improves operational risk stability by <.5%
Enhance Transparency of Products and Services	**Extreme** – if it increases transparency score in business partner satisfaction by >=3% - **Strong** – if it increases transparency score in business partner satisfaction by >=2% **Moderate** – if it increases transparency score in business partner satisfaction by >=1% **Low** - if it increases transparency score in business partner satisfaction by <1%
Reduce Cost of Operations	**Extreme** – if it reduces ongoing expense by >=$10MM **Strong** – if it reduces ongoing expense by >=$5MM **Moderate** – if it reduces ongoing expense by >=$3MM **Low** - if it reduces ongoing expense by <$3MM
Create Opportunities for New Revenue	**Extreme** – if it provides revenue growth opportunities for 4 or more bus. partners **Strong** – if it provides revenue growth opportunities for 3 or more bus. partners **Moderate** – if it provides revenue growth opportunities for 2 or more bus. Partners **Low** - if it provides revenue growth opportunities for 1 or more bus. Partners
Improve Associate Satisfaction	**Extreme** – if it reduces turnover by >=1.35% and increases associate satisfaction by >=1% **Strong** – if it reduces turnover by >=1.35% or increases associate satisfaction by >=1% **Moderate** – if it reduces turnover by >=.7% or increases associate satisfaction by >=.5% **Low** - if it contributes to reducing turnover or increasing associate satisfaction

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Real World example of questionaire

Compliance	Extreme threat	Threat to the institution's existence or major criminal or civil liability
	Strong threat	Threat to the institution's reputation
	Moderate threat	Threat to operational requirements
	Weak threat	Threat of minor sanctions
	No threat	Does not affect Compliance
Strategic Need	Extreme Benefit	Strategic objective cannot be performed without this project
	Strong Benefit	Strategic objective would be significantly advanced
	Moderate Benefit	Strategic objective would be advanced
	Weak Benefit	Strategic objective would be slightly advanced
	No Strategic Benefit	There is no strategic benefit
Operational Business Need	Extreme Benefit	Function cannot be performed without this project
	Strong Benefit	Operational efficiency and/or quality would be significantly improved
	Moderate Benefit	Operational efficiency and/or quality would be improved
	Weak Benefit	Operational efficiency and/or quality would be slightly improved
	No Business Benefit	There is no operational business benefit
Risk	No Risk	Risk is not a factor in this project
	Minimal risk	There are minimal risks to this project
	Some unknowns	This project has some unknowns. There is a slight probability this project will be over time and over budget
	Skills unavailable	The skills required to complete this project are weak or unavailable internally. There is a significant probability this project will be over time and over budget
	Extreme risk	There are many unknowns of technology and/or architecture. There is a significant probability this project will not be successful
Number of Stakeholders	All	Affects every stakeholder in the institution
	More than 10,000	Affects more than 10,000 stakeholders
	More than 5,000	Affects more than 5,000 stakeholders
	More than 1,500	Affects more than 1,500 stakeholders
	Less than 1,500	Affects less than 1,500 stakeholders

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Prioritized project list

	Projects	
0004	Software Testing Architecture Upgrade	5.4103%
0030	Integrated Development Environment Training	5.2419%
0010	Operating System Upgrade	4.9408%
0002	Bug Tracking Database Design	4.8599%
0015	Router Benchmark System Upgrade	4.5835%
0012	ERP System End-User Training	4.4214%
0001	Feature Request Database Evaluation	4.3877%
0009	IT Architecture Deployment	4.1869%
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0021	Firewall Configuration	3.1272%
0029	Internal Software Database Audit	2.9445%
0008	IT Vendor System Rollout	2.6281%
0023	Internal Web Page Design	2.5622%
0018	HTTP Traffic Monitoring	2.1432%
0020	Network Traffic Management System Upgrade	2.0483%
0014	Website Design Rollout	2.0200%
0007	Software Benchmarking Architecture Upgrade	1.4279%
0019	Compliance DB System Implementation	1.3007%
0011	PDA Replacement	1.0820%
0013	Word processing system upgrade	0.6726%
0028	Internal Application Customization	0.6407%

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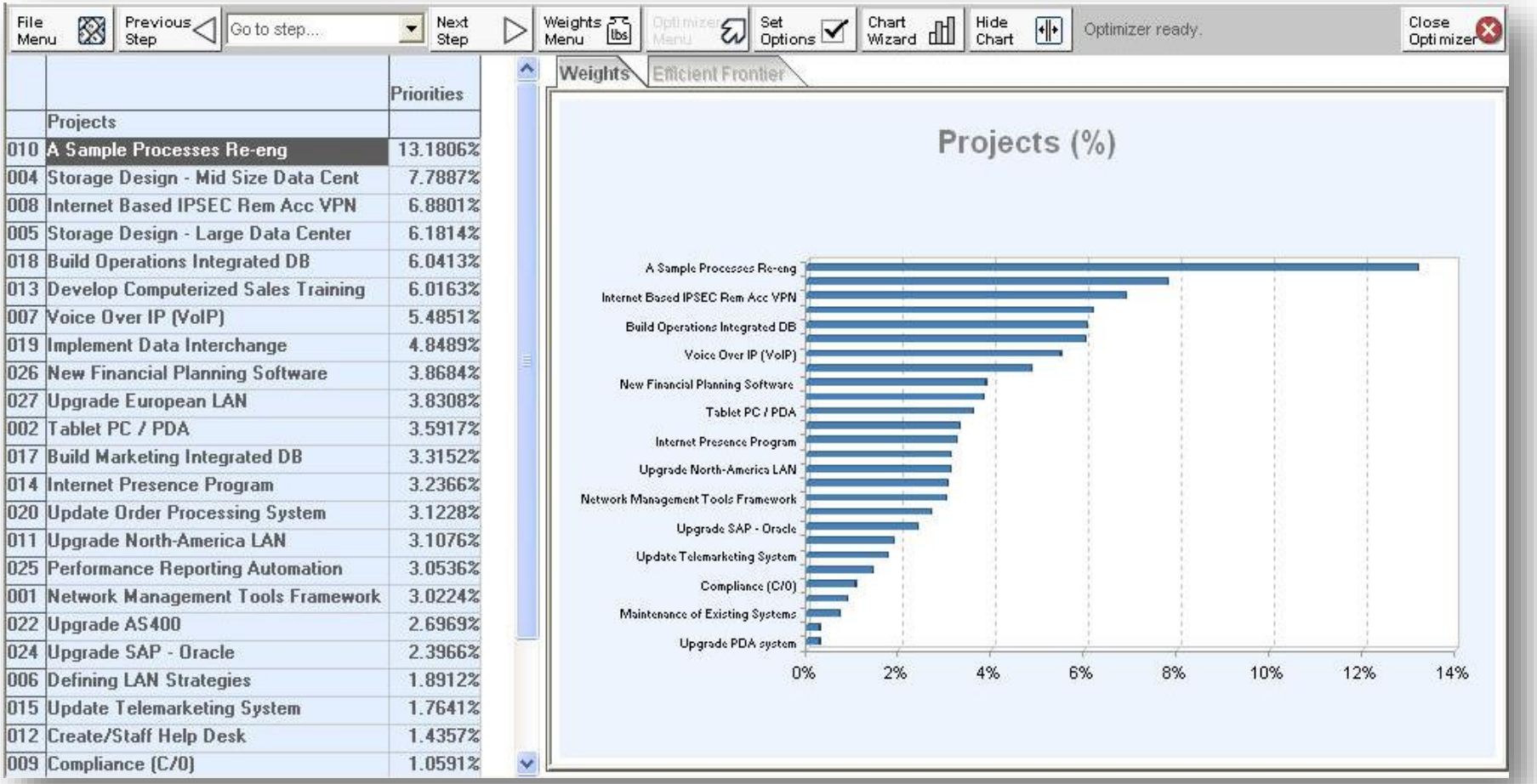
Ranking projects



	Projects	Priorities
010	A Sample Processes Re-eng	13.1806%
004	Storage Design - Mid Size Data Cent	7.7887%
008	Internet Based IPSEC Rem Acc VPN	6.8801%
005	Storage Design - Large Data Center	6.1814%
018	Build Operations Integrated DB	6.0413%
013	Develop Computerized Sales Training	6.0163%
007	Voice Over IP (VoIP)	5.4851%
019	Implement Data Interchange	4.8489%
026	New Financial Planning Software	3.8684%
027	Upgrade European LAN	3.8308%
002	Tablet PC / PDA	3.5917%
017	Build Marketing Integrated DB	3.3152%
014	Internet Presence Program	3.2366%
020	Update Order Processing System	3.1228%
011	Upgrade North-America LAN	3.1076%
025	Performance Reporting Automation	3.0536%
001	Network Management Tools Framework	3.0224%
022	Upgrade AS400	2.6969%
024	Upgrade SAP - Oracle	2.3966%
006	Defining LAN Strategies	1.8912%
015	Update Telemarketing System	1.7641%
012	Create/Staff Help Desk	1.4357%
009	Compliance (C/0)	1.0591%

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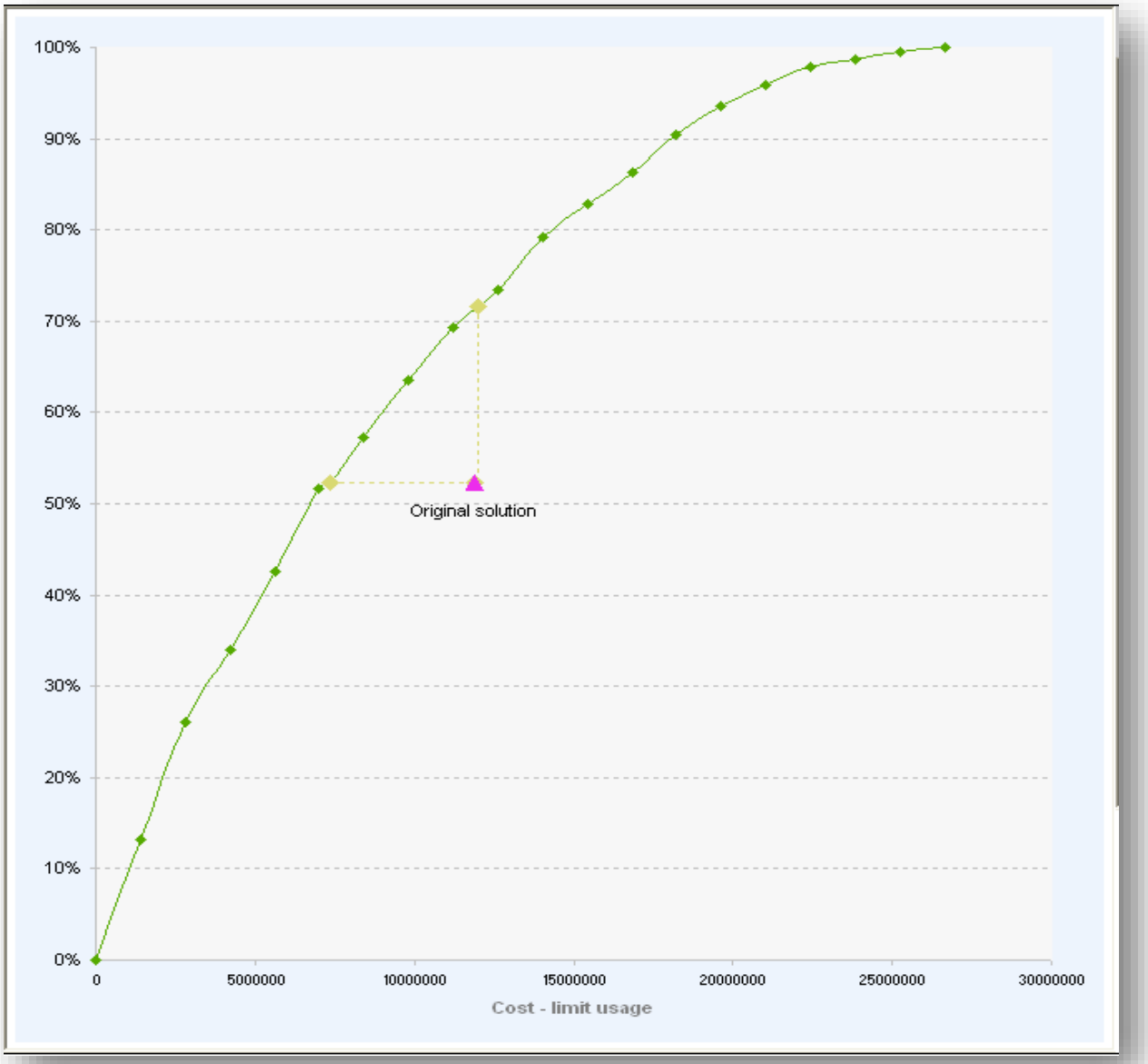
Projects within your capacity



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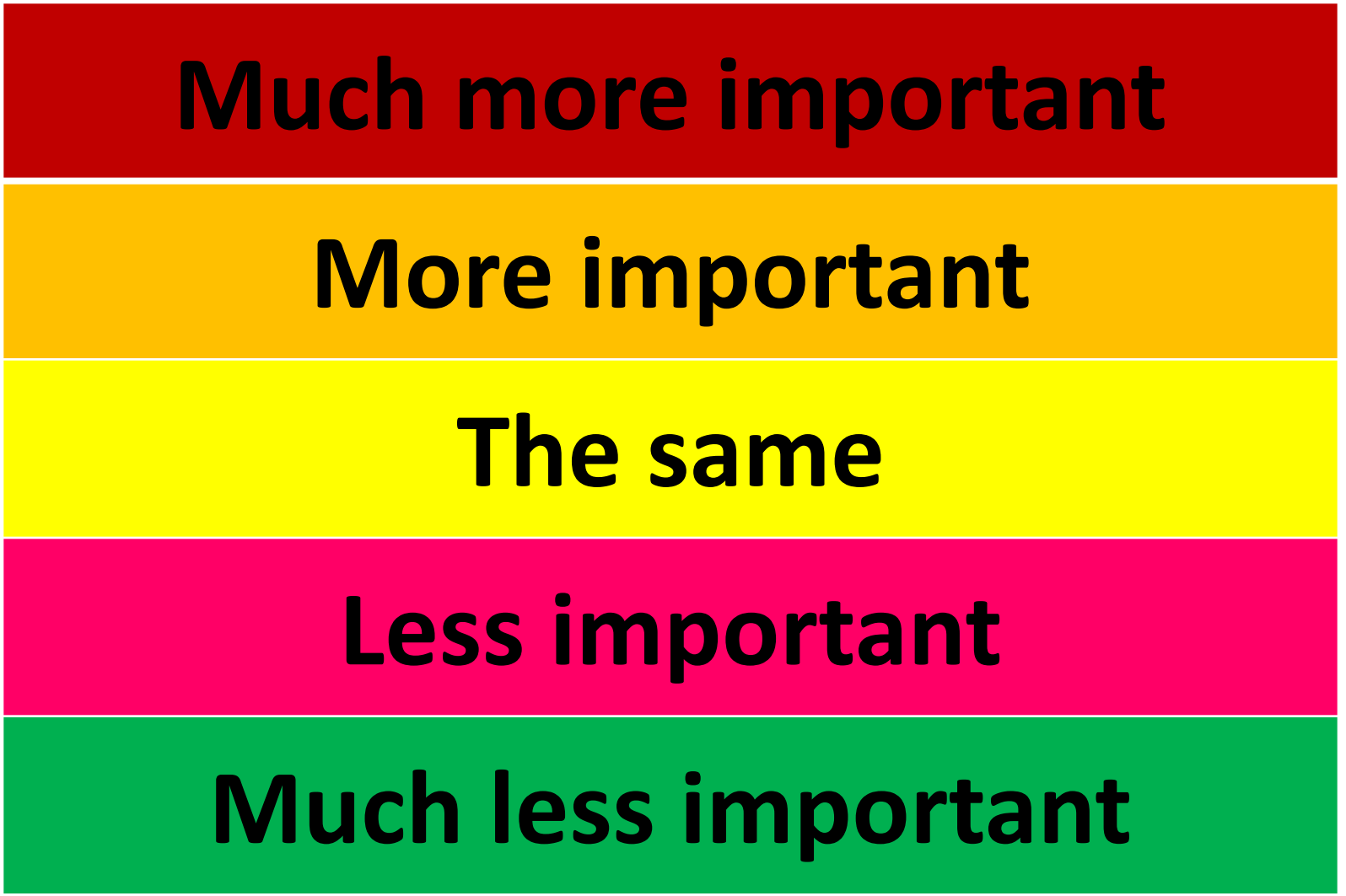
Pairwise Comparison Exercise

Pairwise comparison



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Stage Gating

Ongoing prioritization

- We've just covered project selection and initiation so far, but if we go any further, it's worth talking about stage-gating.

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Stage-gating

- The term Stage Gate was coined in Montreal at McGill University
- The concept was the result of the study of the effective practices of a large number of organizations by Dr. Robert Cooper

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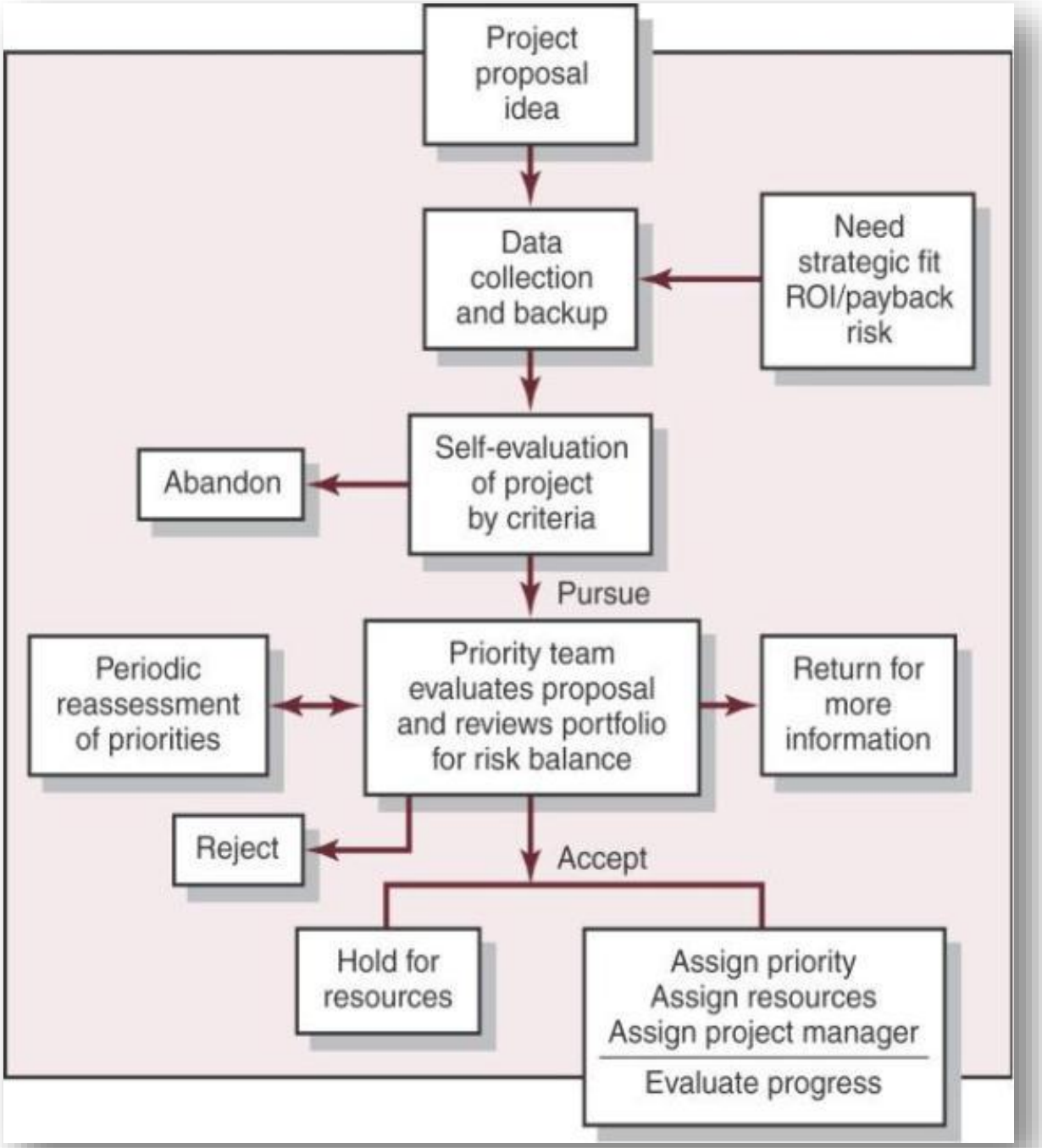

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Can you cancel a project?

Cancel a project?

If you can’t cancel a project, the value of PPM becomes questionable

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PPM Pitfalls

- "We have stage gating, it's just that all the gates are open"
- "We have project cancelling criteria, we're just not allowed to cancel the project"
- My compensation is tied to the success of this project, not its cancellation

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Quitting? It's not in our nature!

- Project Managers are hard-wired not to quit.
- We are the results oriented, challenge-motivated, never-say-die, make-it-happen, see-the-glass-half-full kind of people
- So it goes against the grain when someone wants to talk about cancelling a project.
- Cancel? I want to be in the session where we save the cancelled project.

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It’ll make it…

We’re the folks who are cheering for the boat to make it over the wave in the movie The Perfect Storm

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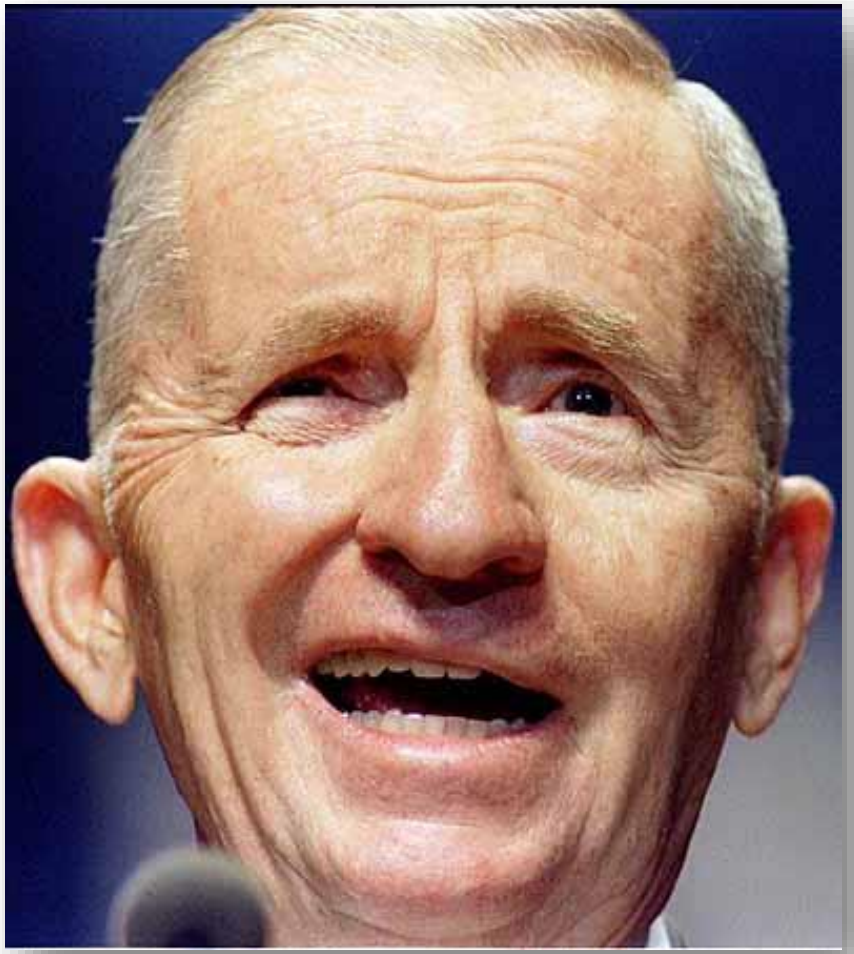
A note on giving up from H. Ross Perot

Most people give up just when they're about to achieve success. They quit on the one yard line. They up at the last minute of the game one foot from the winning touchdown.

H. Ross Perot



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How do you know if it's time to stop a project?

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When the Horse Dies:Dismount!

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Beating a Dead Horse

Dakota tribal wisdom says that when you discover you are riding a dead horse, the best strategy is to dismount. However, project managers sometimes try some of the following ideas they:

- Change riders
- Buy a bigger whip
- Rename the horse
- Stay very quiet while on the dead horse and hope no one notices
- Appointing a committee to study the horse.
- Send the rider for additional training
- Outsource the riding of horses
- Do a study of dead horses
- Harness two or more dead horses together to see if the cart will go any faster
- Add funding to increase riding performance
- Say things like, "This is the way we have always ridden this horse.“
- Automate the dead horse to see if software can make it ride faster
- Rewrite the description of horses to ensure yours can’t be defined as either dead or even a horse
- Reclassify the horse as “living impaired”

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Automating the Project Portfolio process

PPM Software (Wikipedia)

And that's just Wikipedia…

https://en.wikipedia.org/wiki/Comparison_of_project_management_software

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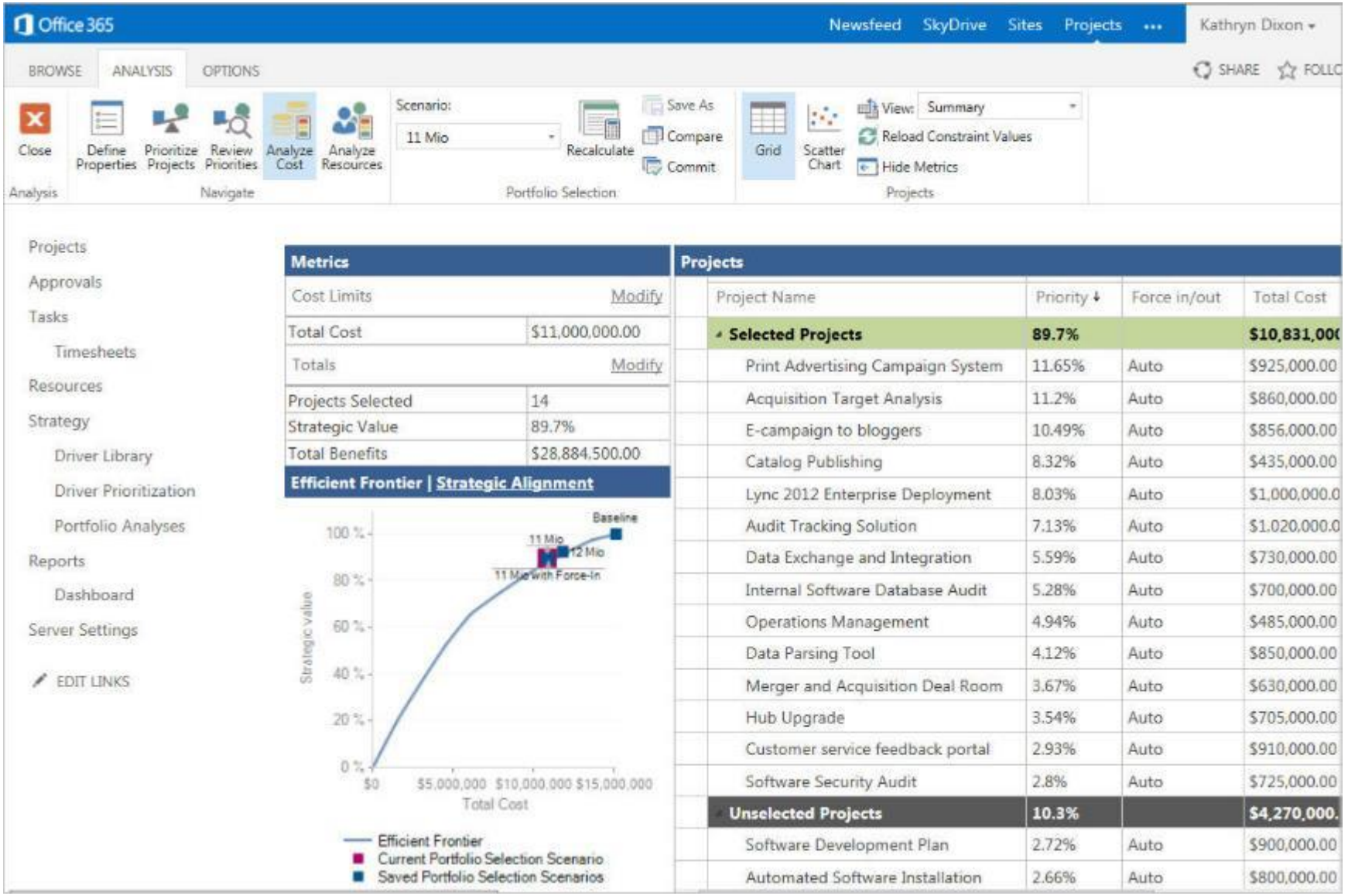
Microsoft Project Server



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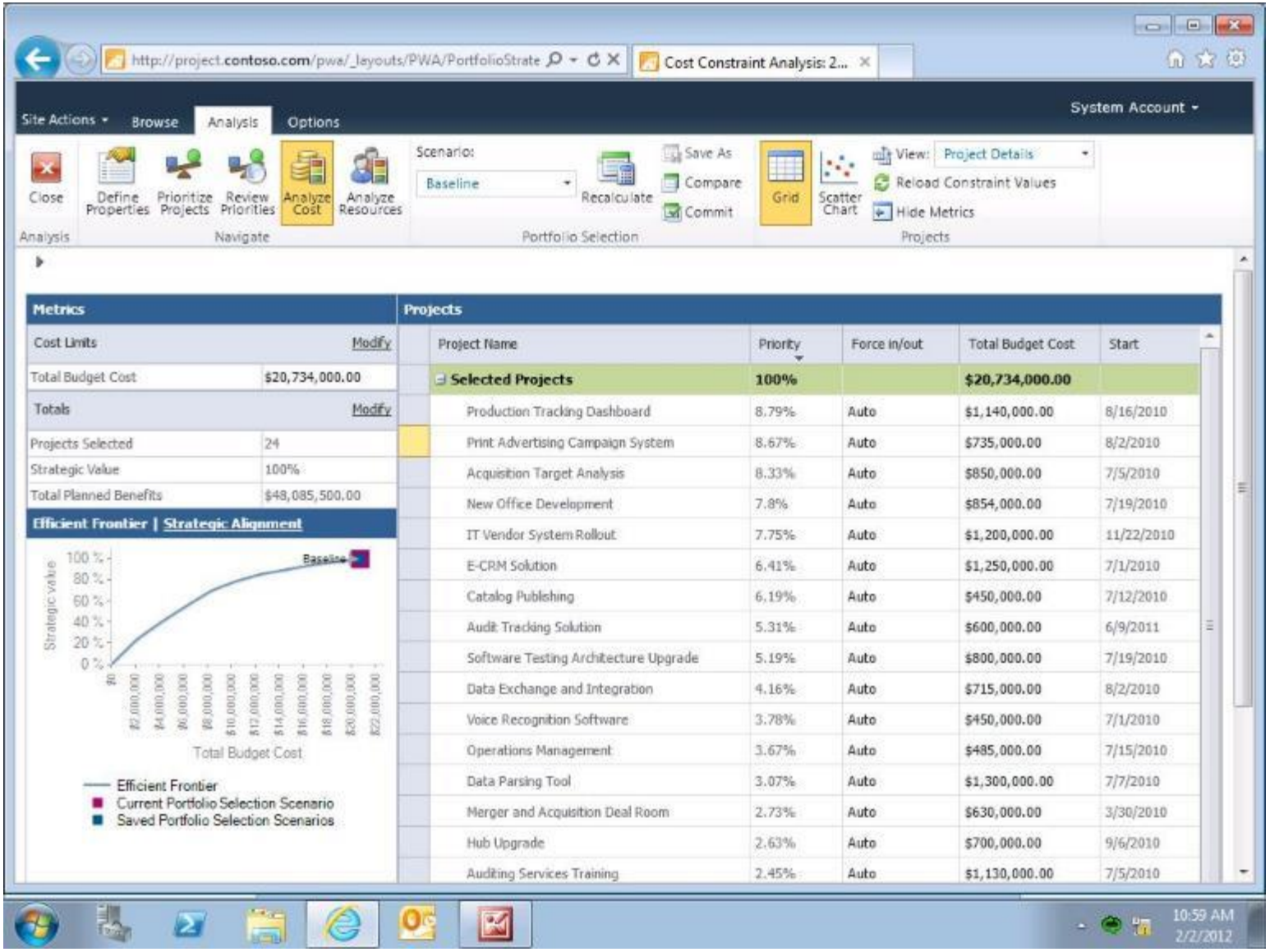
Microsoft Project Server



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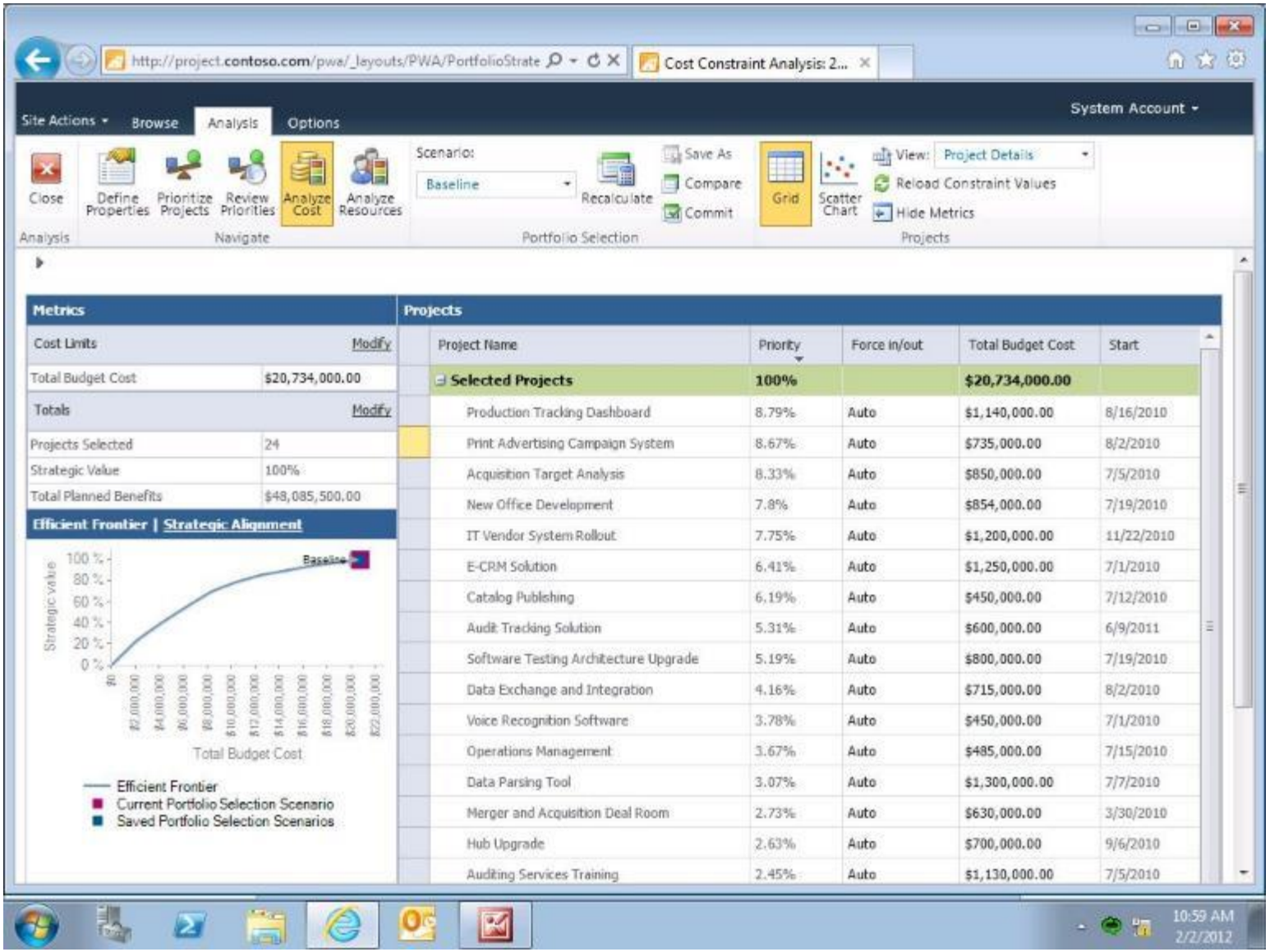
Microsoft Project Server



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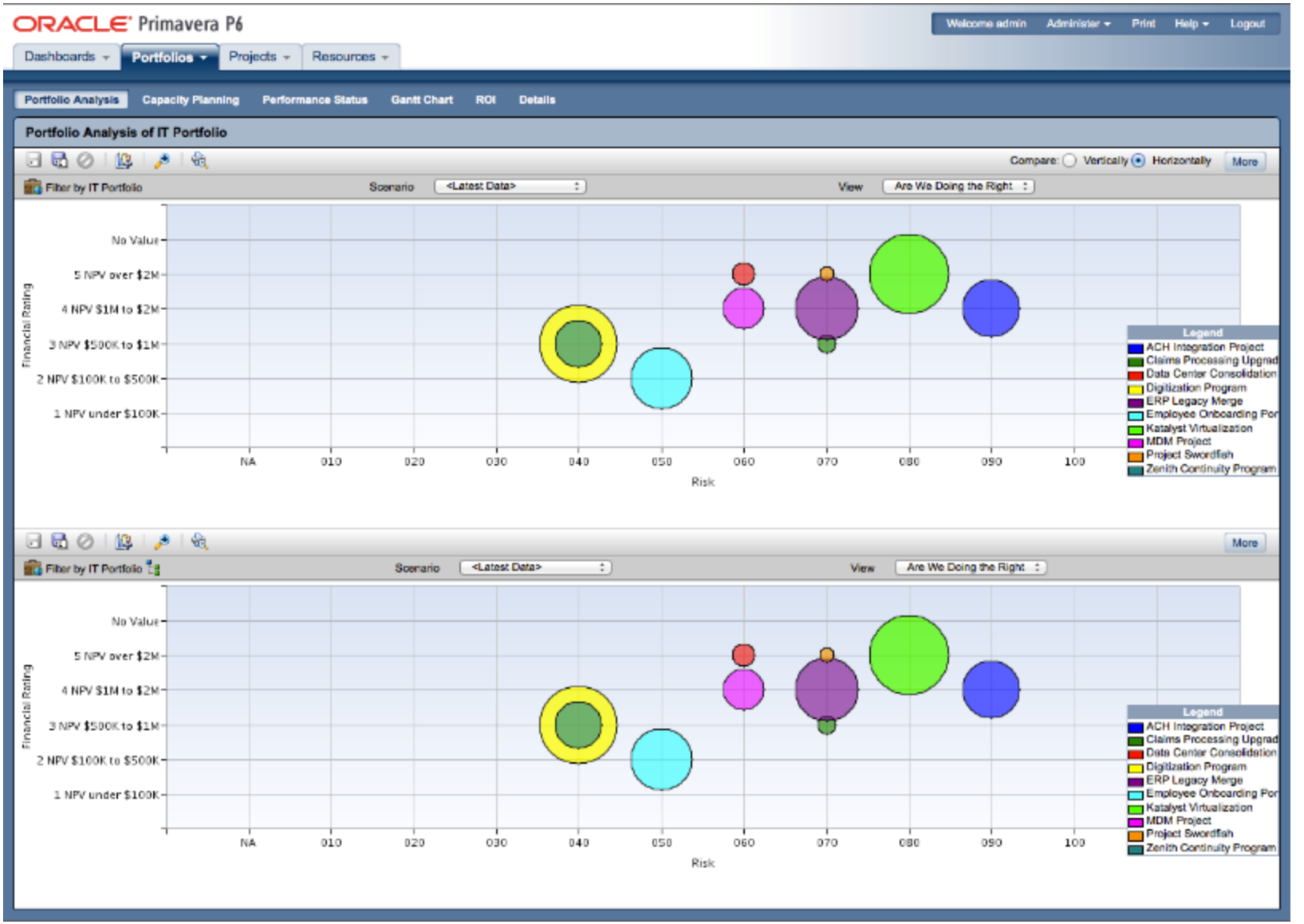
Primavera EPPM



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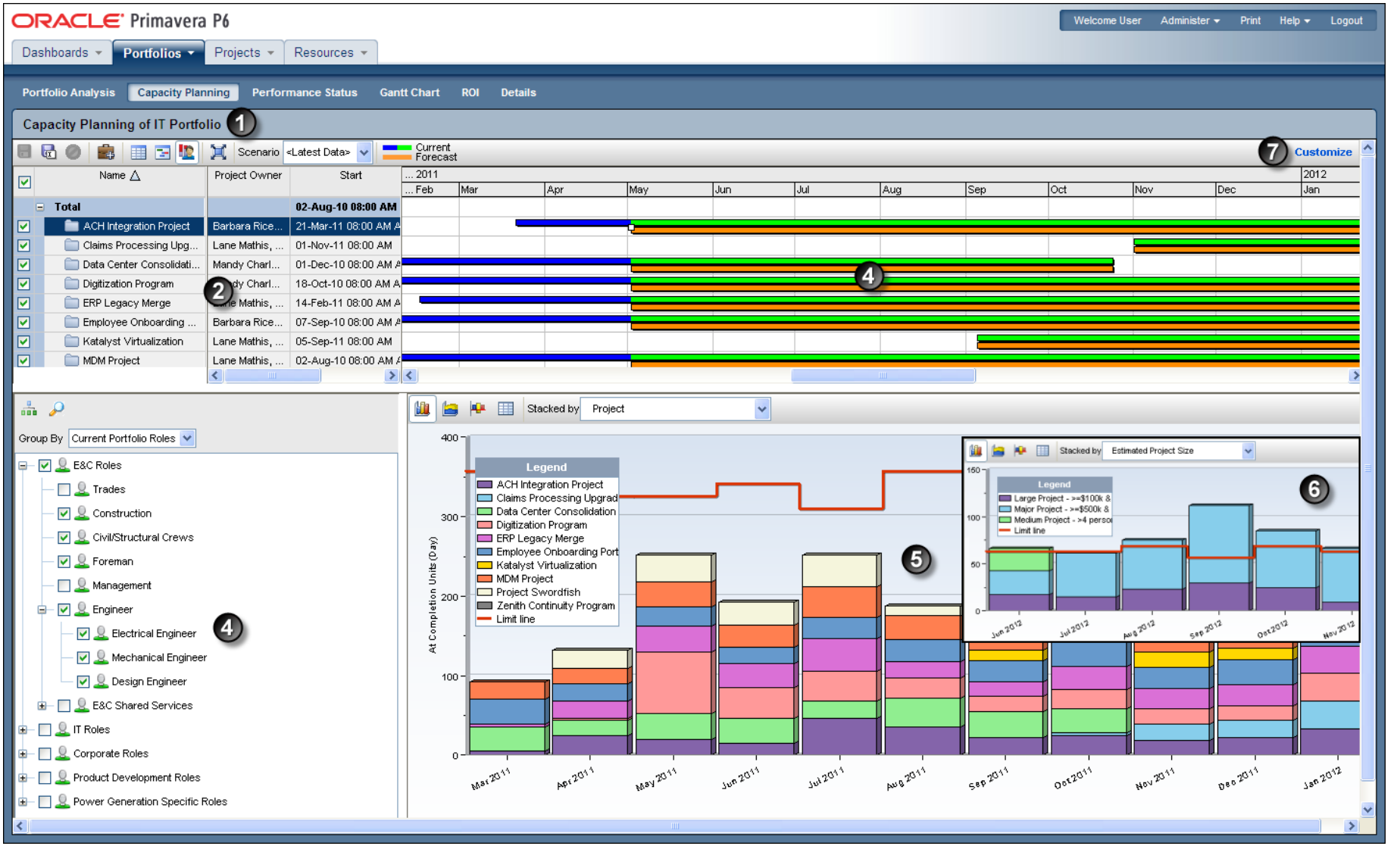

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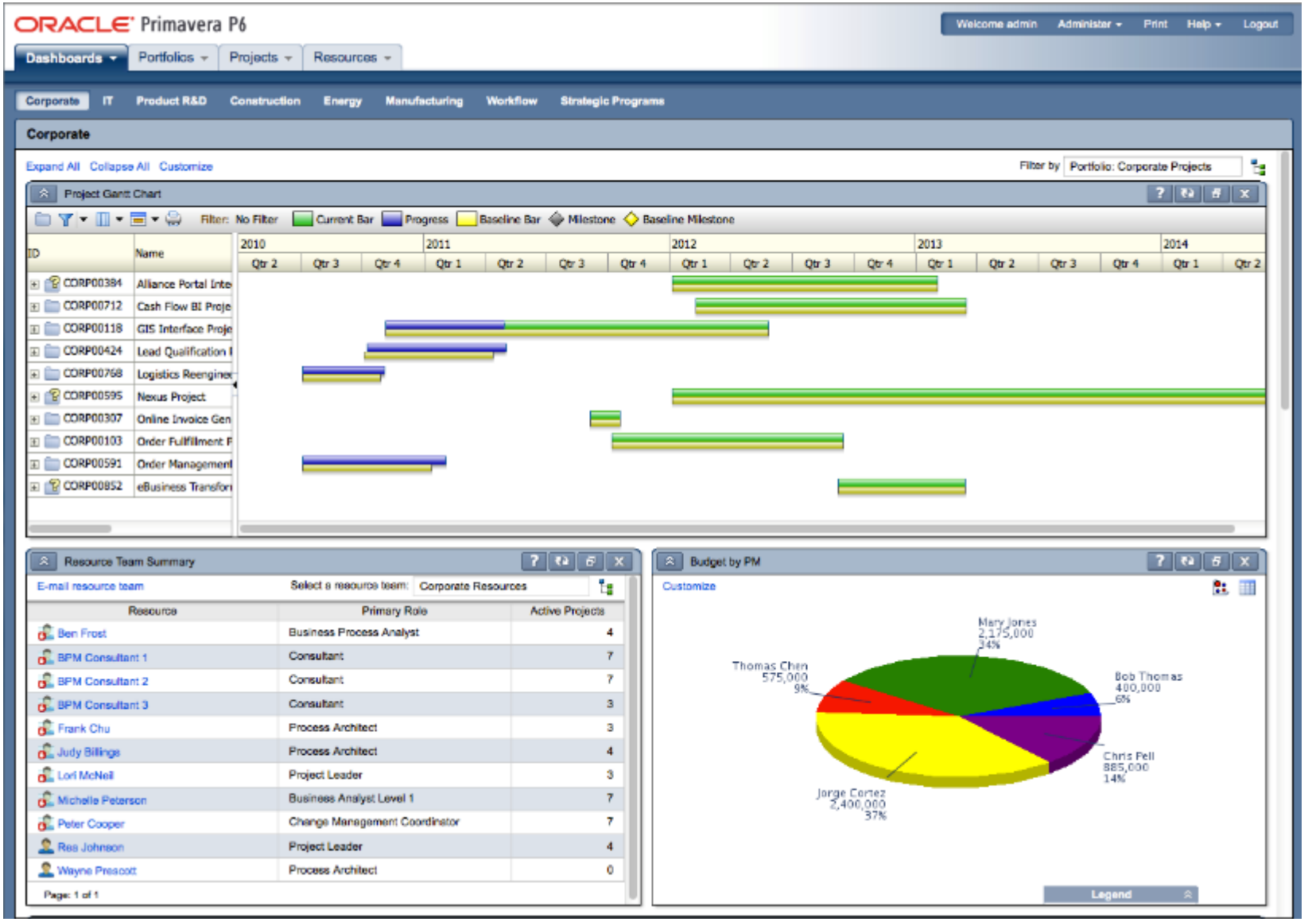

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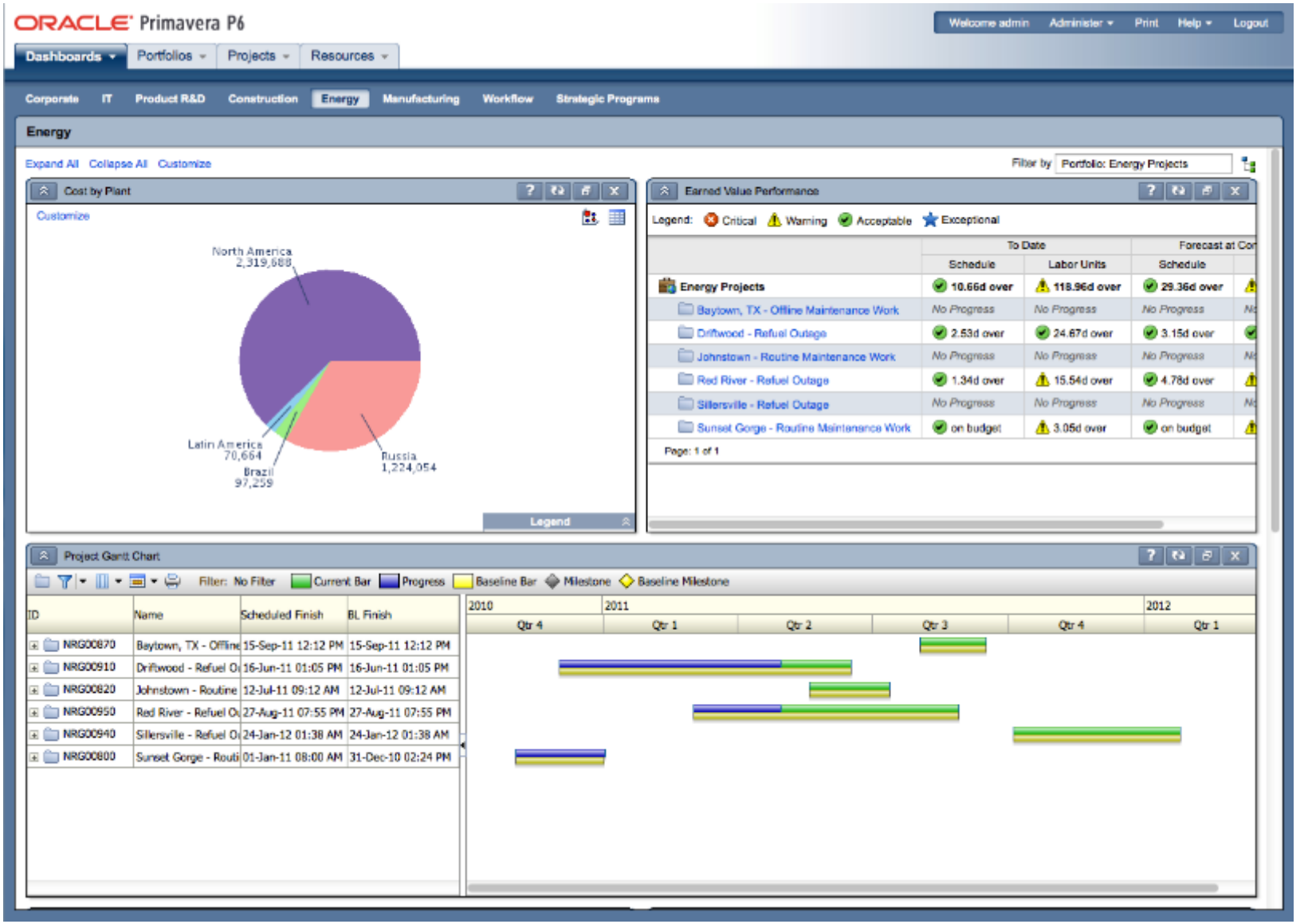

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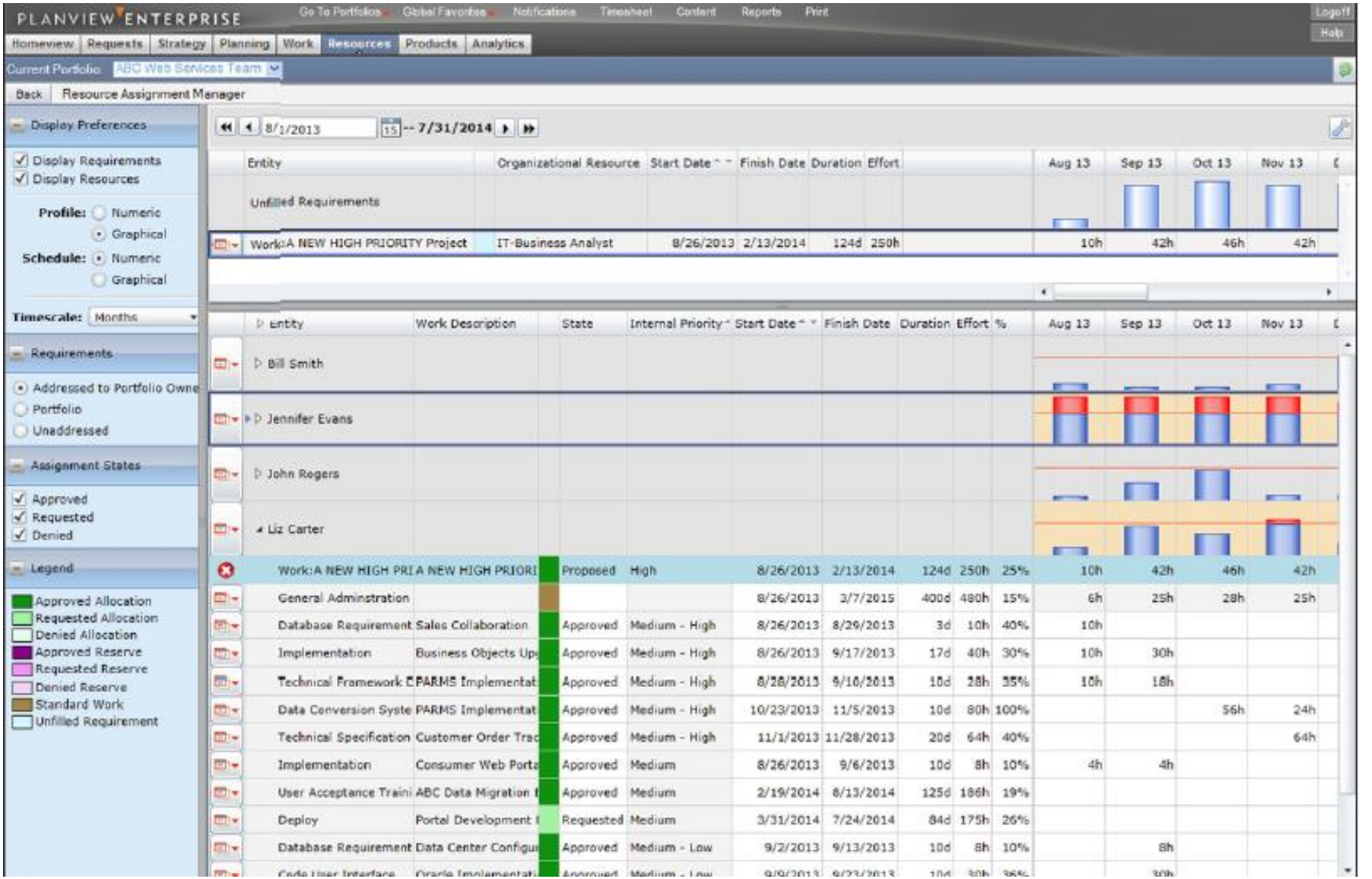
Planview



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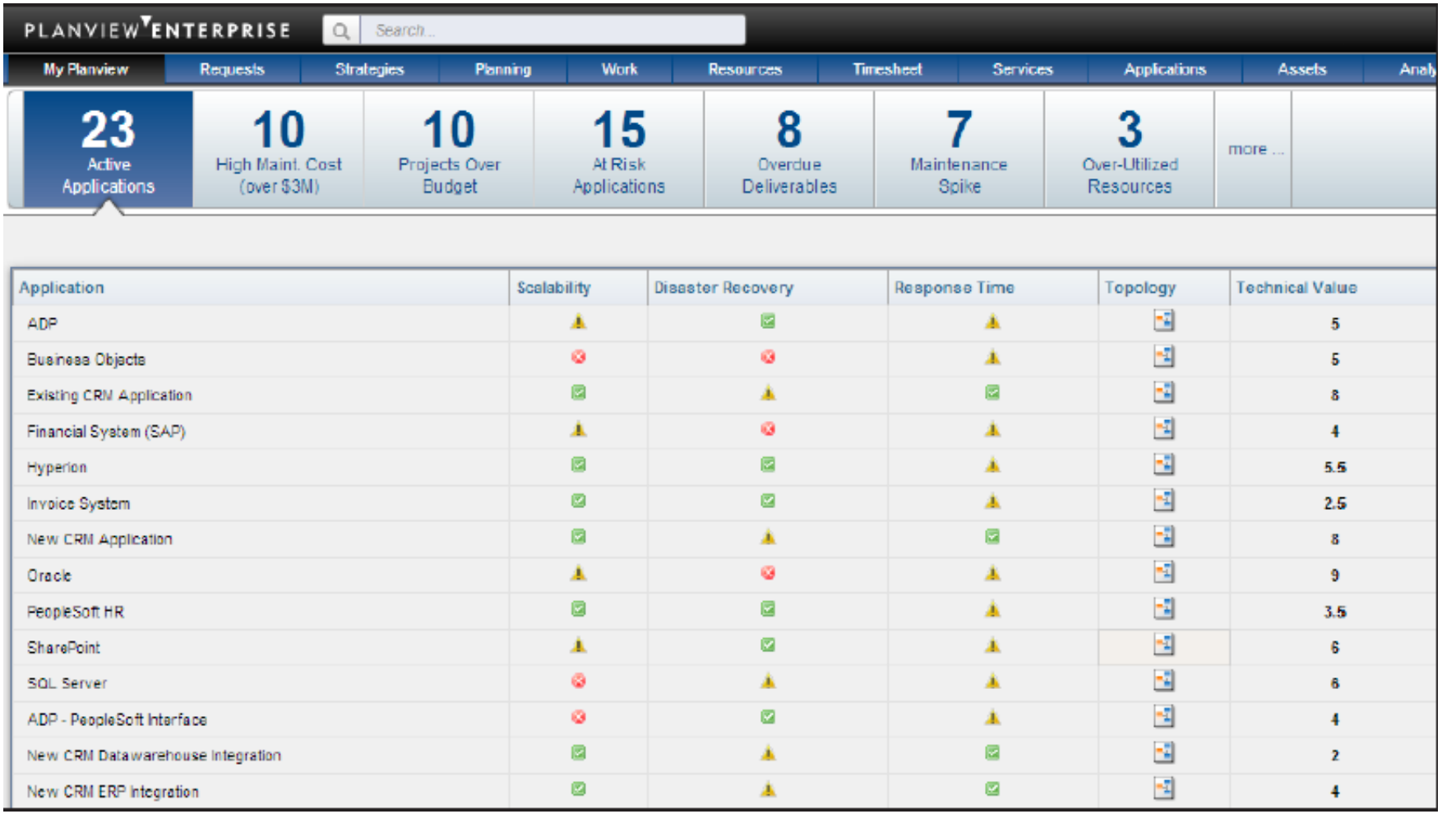
Planview



Application	Scalability	Disaster Recovery	Response Time	Topology	Technical Value
ADP	⚠	✓	⚠		5
Business Objects	✗	✗	⚠		5
Existing CRM Application	✓	⚠	✓		8
Financial System (SAP)	⚠	✗	⚠		4
Hyperion	✓	✓	⚠		5.5
Invoice System	✓	✓	⚠		2.5
New CRM Application	✓	⚠	✓		8
Oracle	⚠	✗	⚠		9
PeopleSoft HR	✓	✓	⚠		3.5
SharePoint	⚠	✓	⚠		6
SQL Server	✗	⚠	⚠		6
ADP - PeopleSoft Interface	✗	✓	⚠		4
New CRM Datawarehouse Integration	✓	⚠	✓		2
New CRM ERP Integration	✓	⚠	✓		4

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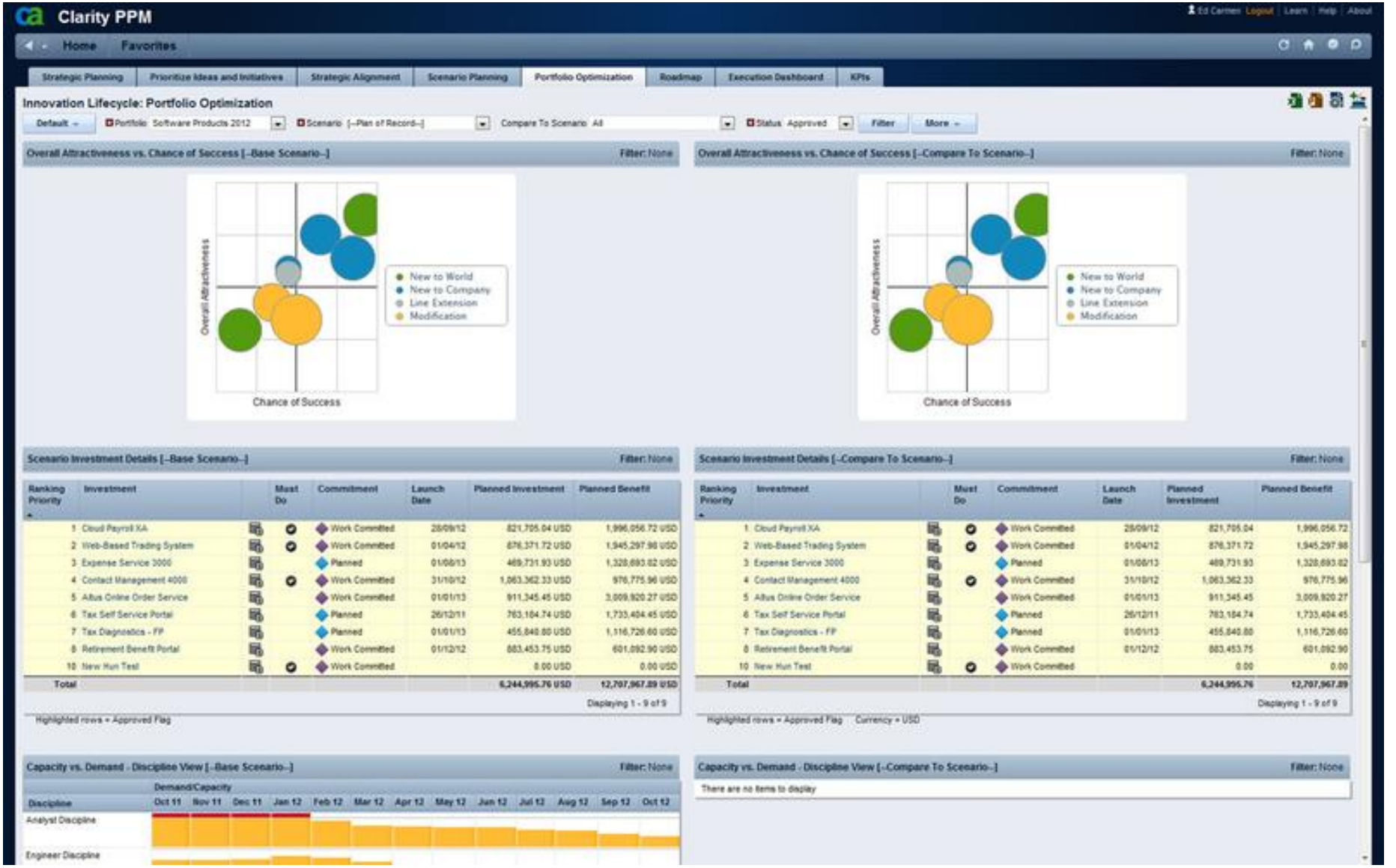
Clarity



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Daptiv (Changepoint)

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Successful automation tips

- Don’t automate until you know what you’re automating (And don’t let the tail wag the dog!)
- Process, process, process will always be more important than the look and feel of a screen
- Make sure you budget expertise (internal or external)
- … and training
- … and time.

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Deploying Business Prioritization Process

SHARE YOUR DEPLOYMENT EXPERIENCES FOR PPM

Deploying Business Prioritization

- Common expectations
  - Technology will solve everything
  - It can be done by Friday… this Friday
  - All employees will adopt without objection
- It’s not a technology project, it’s change management
- Instituting organizational culture change

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We all want PPM… don't we?

- It seems so desirable…
  - Integrated resource capacity planning
  - Executive-level real-time dashboards
  - Instant decision making
  - Improved efficiency
  - No more management-by-emergency

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But what does it take?

Yes, an objective analytical approach to prioritizing our projects based on our business priorities sounds great but do you have what it'll take to deploy it as a culture?

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Common expectations

- It will be ready instantly
- It is all about the technology
- It's just like we do now but on the Web
- No one will require training
- It will never affect my projects

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Most common request

"We just bought this PPM Software product… Can you come make it work?"

Our most common response:
"What would you like it to do?"

Most common reply
"Don't you know?"

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Establish deployment team

- Identify Key Stakeholders
- Identify internal expertise resources
- Engage external expertise (if required)

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Identify Business Objectives

- Executive and Stakeholder workshops
- Identify management role impact
- Prioritize business objectives and create a Master Deployment Plan
- Establish milestones and metrics

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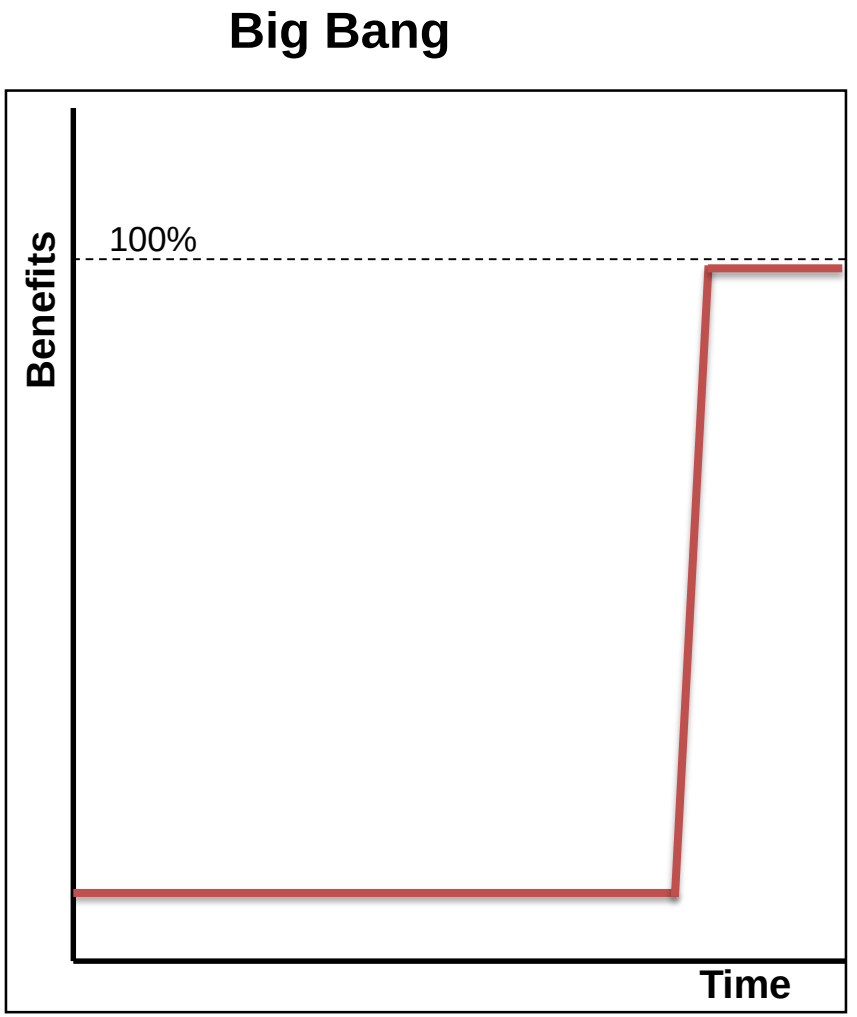
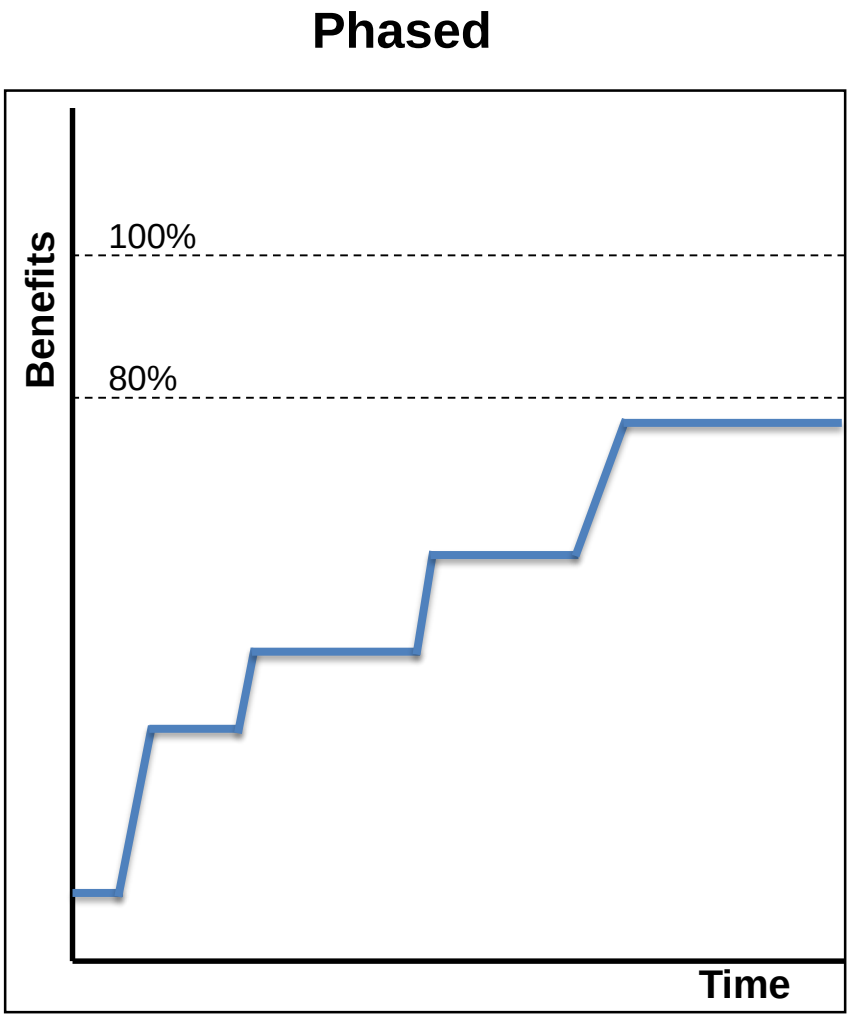
Big bang or phased deployment?





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Big Bang or Phased implementation?

- Big Bang
  - Better chance of reaching 100% of originally perceived benefits
  - Better chance of reaching 0% of benefits because:
    - Project is cancelled
    - Team changes
    - Priorities change
    - Organization changes
- Phased
  - Better chance of not getting to 100%
  - Chances of getting some benefits are close to 100%
  - Secret is targeting the biggest initial benefit for the lowest risk

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Phased deployments are lower risk

- It's natural to want to push every vector at once
- We ask:

"For the first phase, what is the minimal deployment, the deploying of which will return a positive return on investment every cycle going forward?"

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Pitfalls and Sinkholes

Montreal Sinkhole (2013)

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Tampa Sinkhole (2013)

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So… we're done… right?

- Sorry, no.
- Just because you know how to create a project prioritization process doesn't mean it will be adopted with open arms by everyone
- There are still barriers to overcome and pitfalls and sinkholes to avoid

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Challenges

- Resource Capacity Analysis and Management
- Nature's barriers to prioritizing
- Common pitfalls
- More pitfalls
- User resistance

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Resource Capacity Challenge

- Our end goals are to:
- Determine what projects can be accomplished
- Determine that we are doing the projects which will give the best return on investment to our organization
- Ensure that the most important projects get priority access to our resources
- So, shouldn't we resource level down to the individual?

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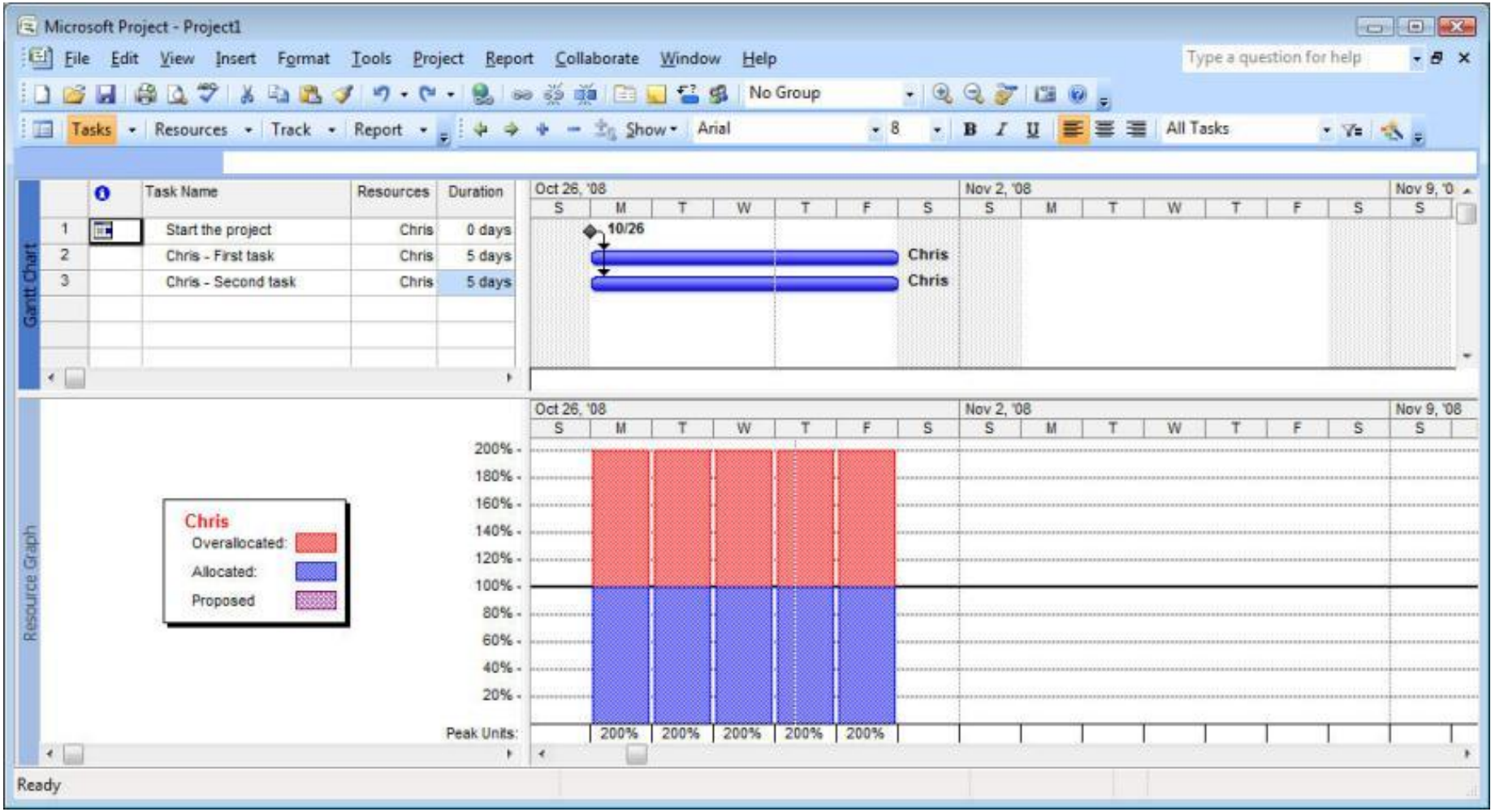
Individual Res Leveling challenge



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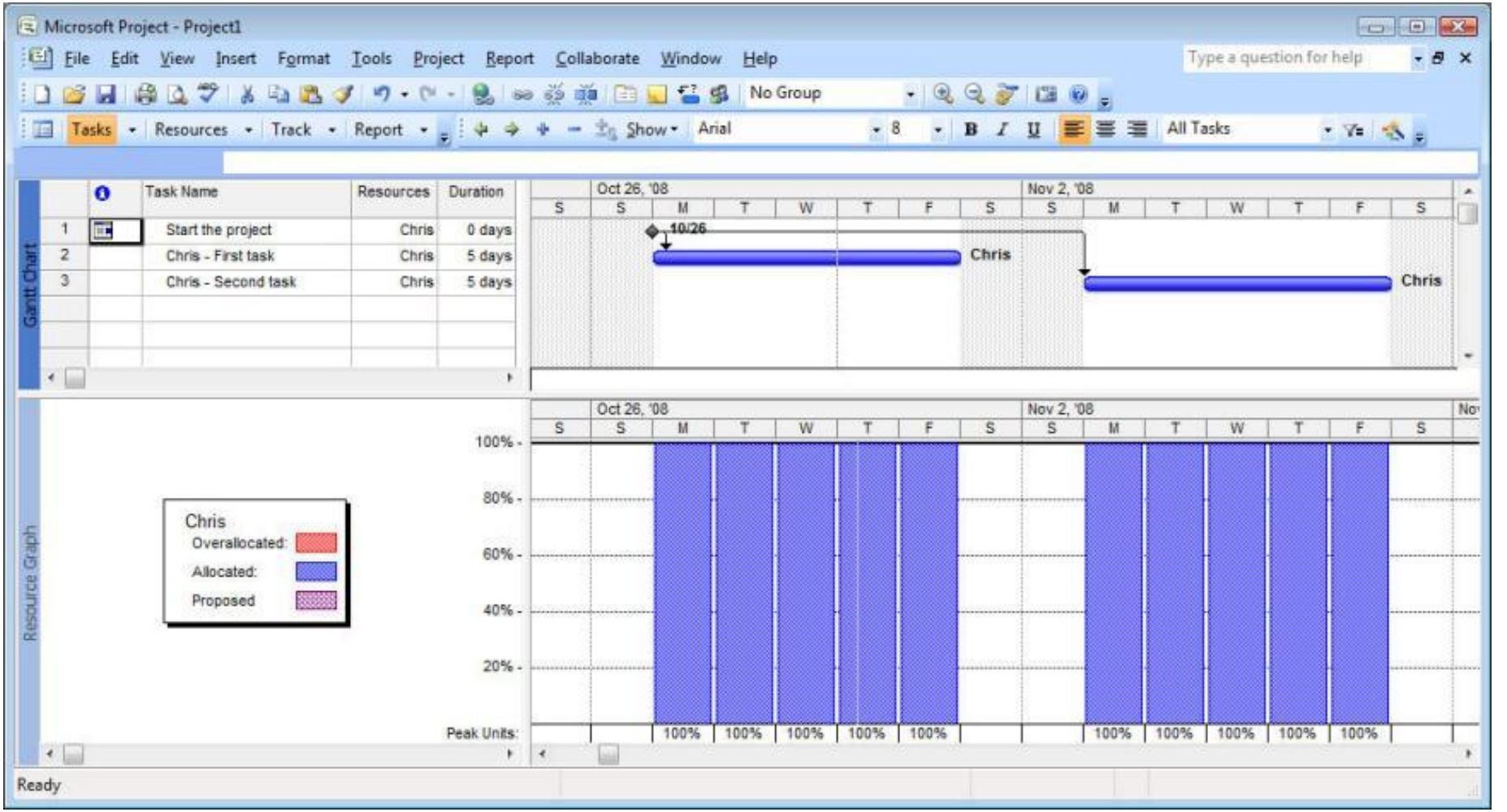
Individual Res Leveling challenge



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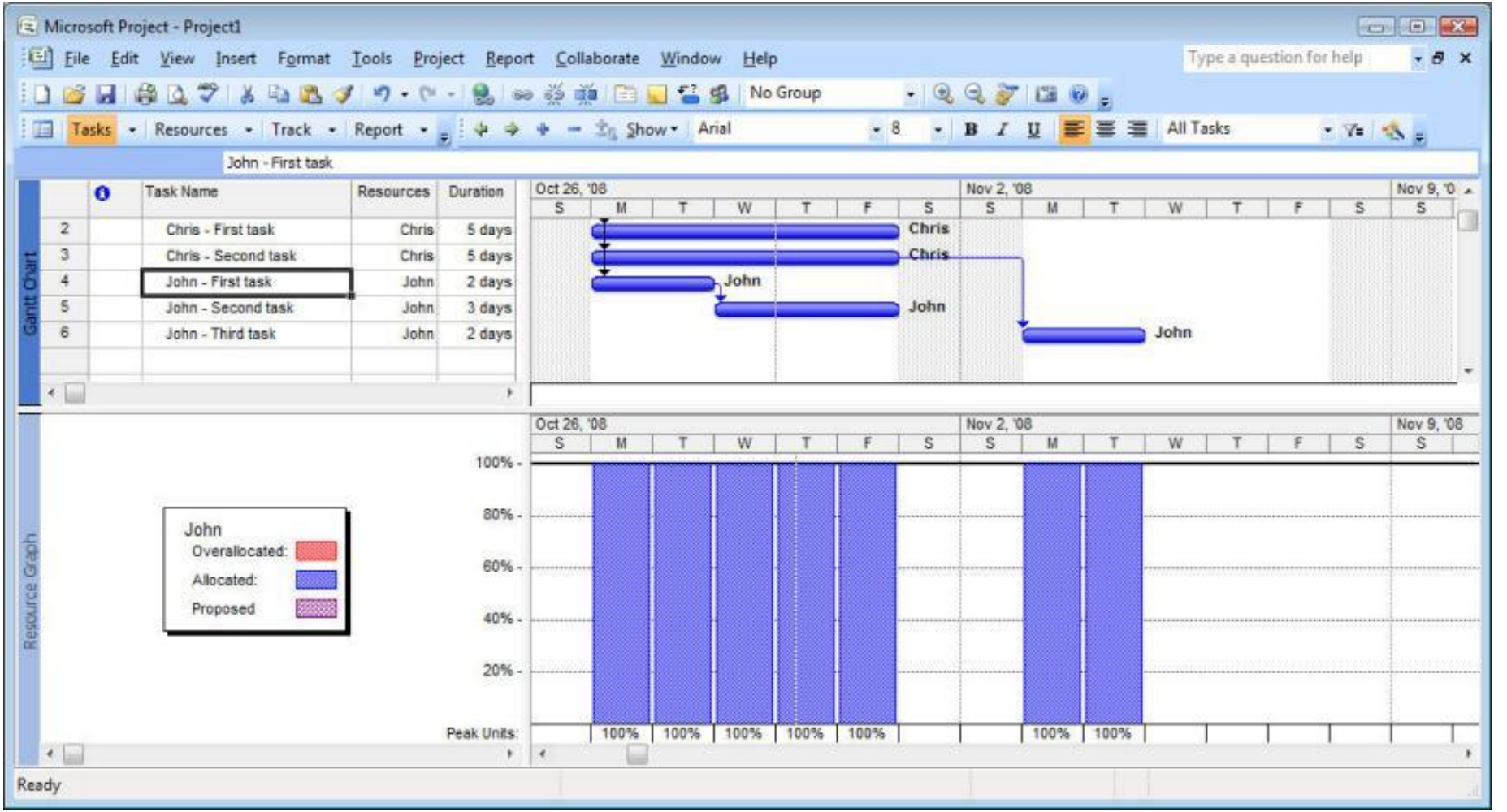
Individual Res Leveling challenge



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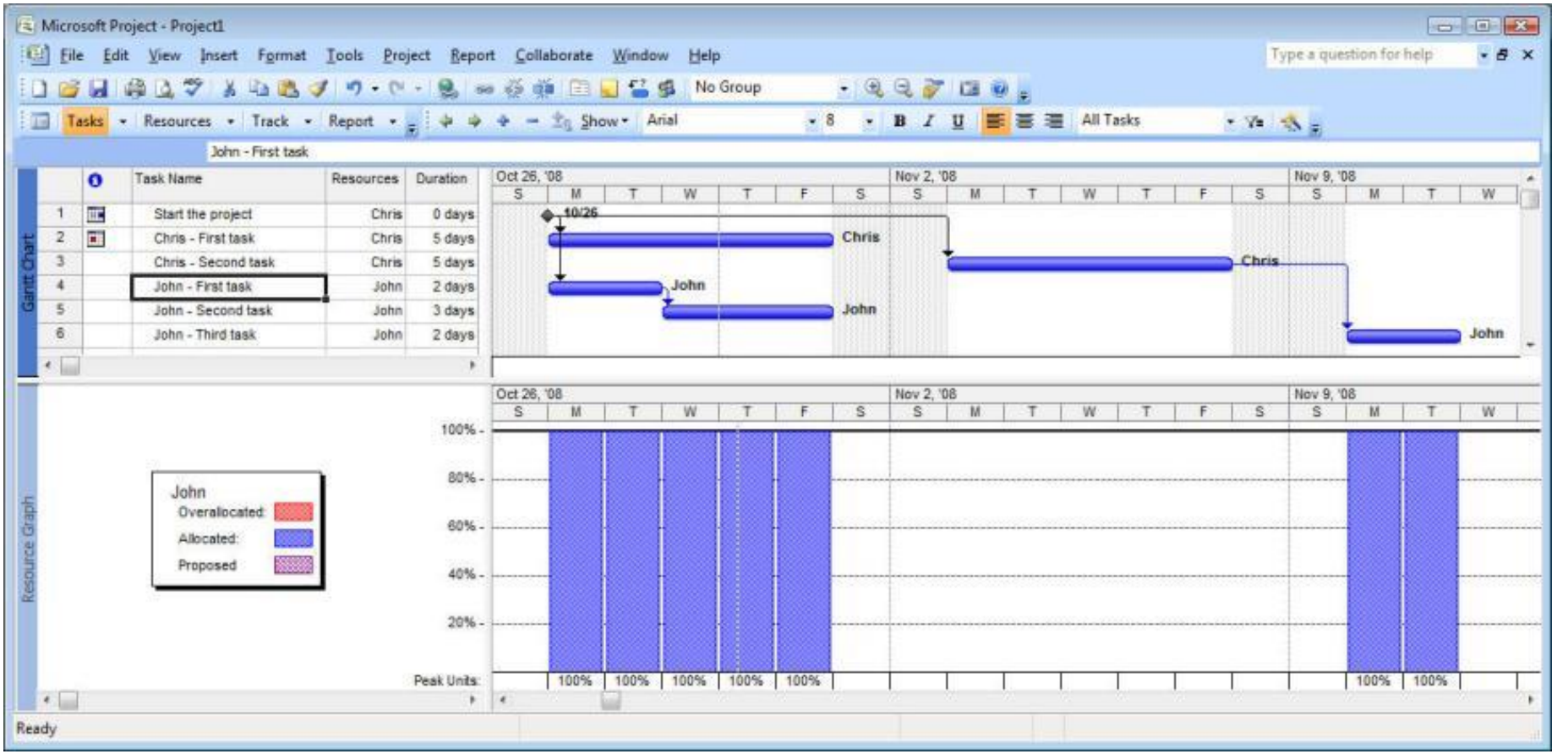
Individual Res Leveling challenge



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Resource level from the top down

- Do your resource capacity planning from 30,000 feet
- Resource level first at the total manpower level
- Then, if successful, go to a skill/category level with a small number of skills/categories.

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Nature's barriers to sharing

- Project managers have gotten used to controlling their own data. The advent of low-cost, easy-to-use pm tools means that virtually anyone can produce 1st class project reporting. Project managers like having the ability to do their own analysis before anyone in management sees it.
- As hard as it is to believe management in some organizations may actually punish those who deliver bad news.

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Nature's barriers to prioritizing

"Tag. You're it!"

- Even if they are not punished management in some organizations may inundate a project manager with questions and concerns if they could see project data in real time.
- No manager wishes to make their project a second priority. Everyone thinks their work is the most important possible.

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Set the rules before the game starts

- Getting buy-in for a new procedure or the way data will come together is much easier if we are talking theoretically.
- Try to avoid establishing these rules on the fly with live production data.
- The problem with live data is that the impact of usage changes is instant and has a real and immediate effect on the very employees trying to establish an organizational standard.

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Set Management's rules before they play

- Same goes for management. If we talk about general rules for prioritizing projects then there is a chance of getting them accepted.
- If we just try to prioritize existing projects, the emotional attachment to moving a project to anything other than top priority makes the exercise almost impossible.

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Hot tips to encourage prioritizing

- Set up the rules long before you try prioritizing live projects
- Create a metric for determining what makes a high vs. low project – not a subjective opinion
- Define a referee for any desired exceptions before the process is implemented. Get agreement that the referee's word is final ("we don't argue balls and strikes")
- Get senior management support early on. There are bound to be concerns as the process is implemented. Make sure you've got the backing you need before they arise.

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Project Portfolio Management (or is it Portfolio Project Management?)

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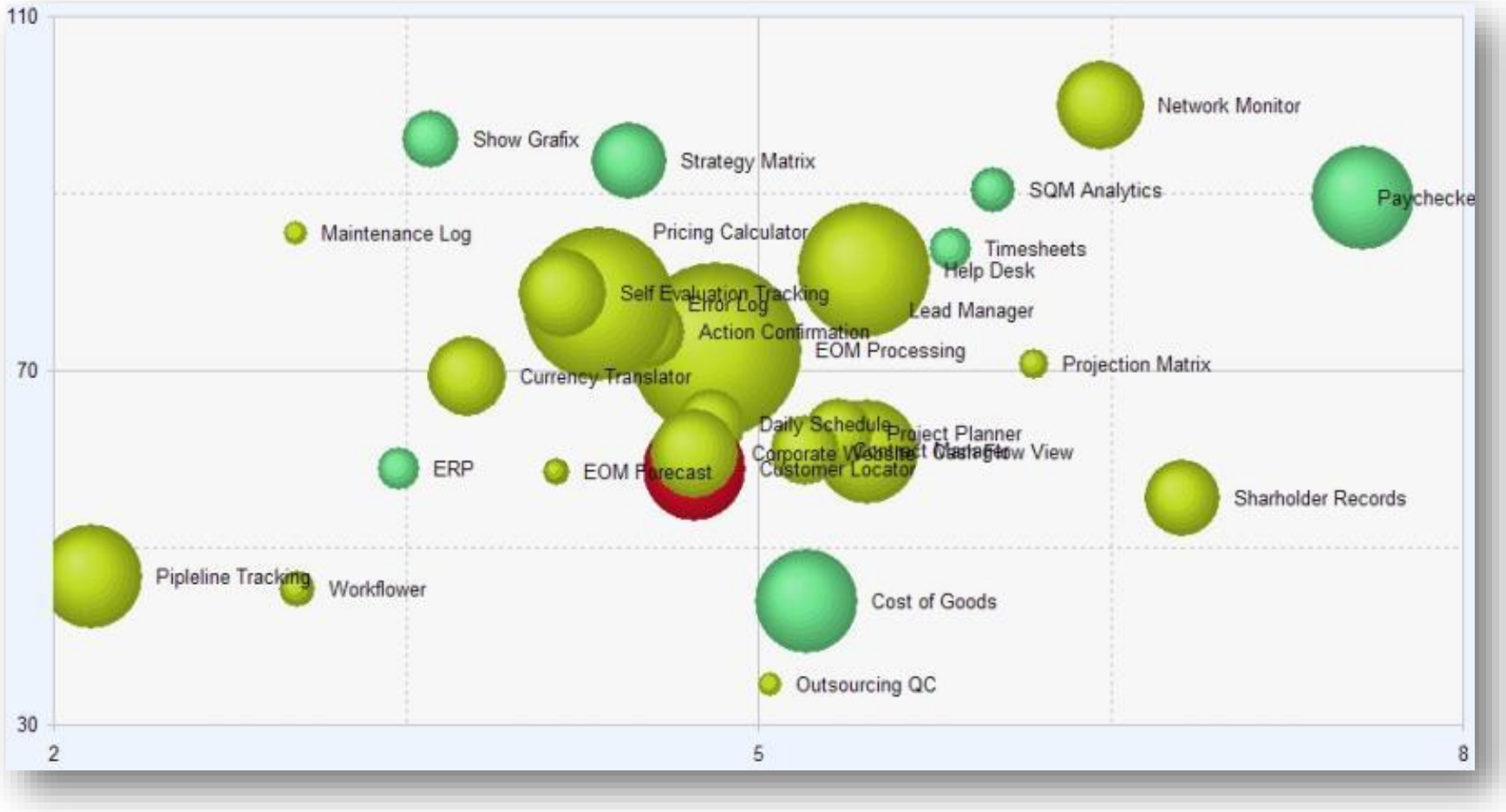
PPM: Project Selection



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Dashboard madness

Top 5 Projects By Risk

Name	Stage	Status	EV
Paris	Planning		NA
King	Design		
Spike	Design		
Siren	Planning		NA
Seven	Planning		

Top 5 Projects By Expense

Name	Stage	Status	EV
Siren	Planning		NA
Spike	Design		
Paris	Planning		
King	Design		NA
Seven	Planning		

	All
	Target
Innovation and Enhancements	
Main	
Innovation KPI	
Details	
Resource Utilization	
On Budget	
On Time	
Expectation of Quality	

Strategic Bucket Matrix

		Customer Satisfaction	Cost
Customer Experience			
E-Transactions			
Fast Processing			
Product Quality			
Regional Expansion			

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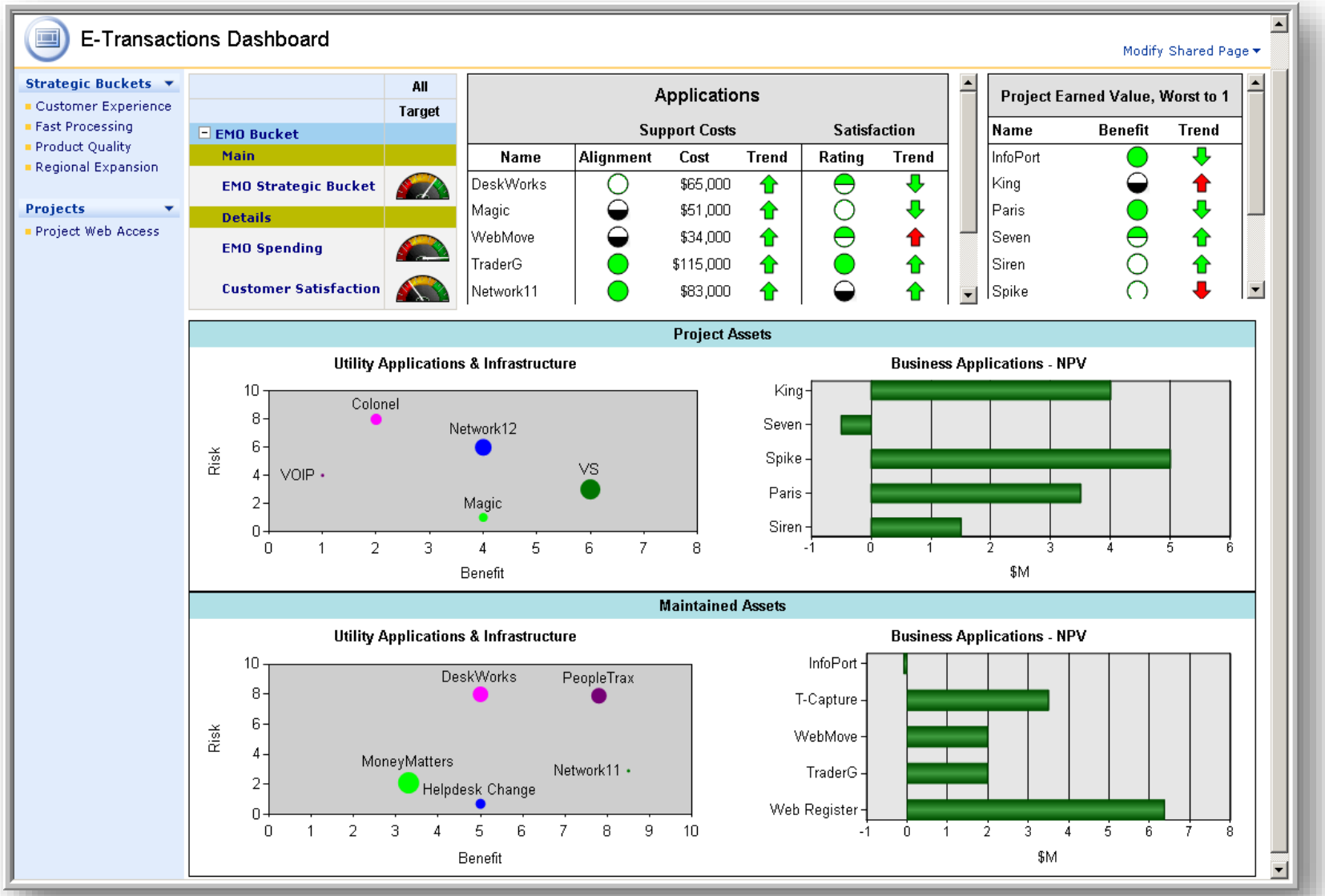
Dashboard examples 1



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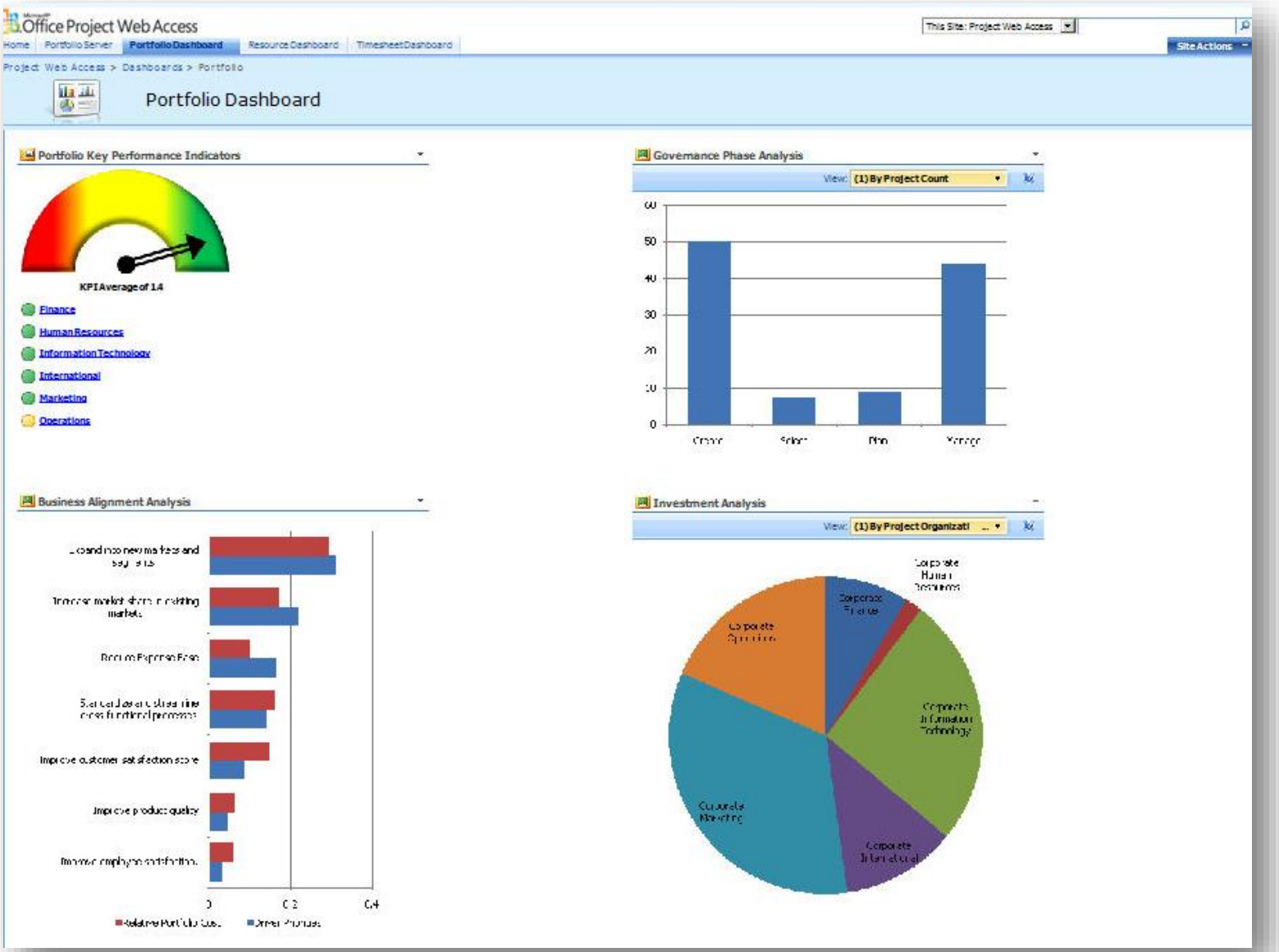
Dashboard examples 2



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Common pitfalls

- No project planning for the project portfolio system
- No requirements or scope established
- It's all about technology – once it's installed, the problem is solved!
- No budget allocated
- No executive sponsor support or too short term

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User Resistance

In completed EPM deployments, what challenges were experienced as an "extremely" or "somewhat challenging" aspect of deployment?

Challenge	Percent experienced
Culture change (user resistance)	**100%**
Lack of knowledge on EPM system and requirements	**100%**
Executive sponsorship	**80%**
Importance of PM to the Organization	60%
Long-term funding	60%
Current state of PM processes and practices	40%
Technological capabilities	40%
Competing initiatives	40%

*Preliminary Results of EPM System Implementation Benchmark Survey, Center of Business Practices, 2004

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Some *more* Pitfalls

- Real Time Project Management
- Dashboard madness
- Big Bang Deployments

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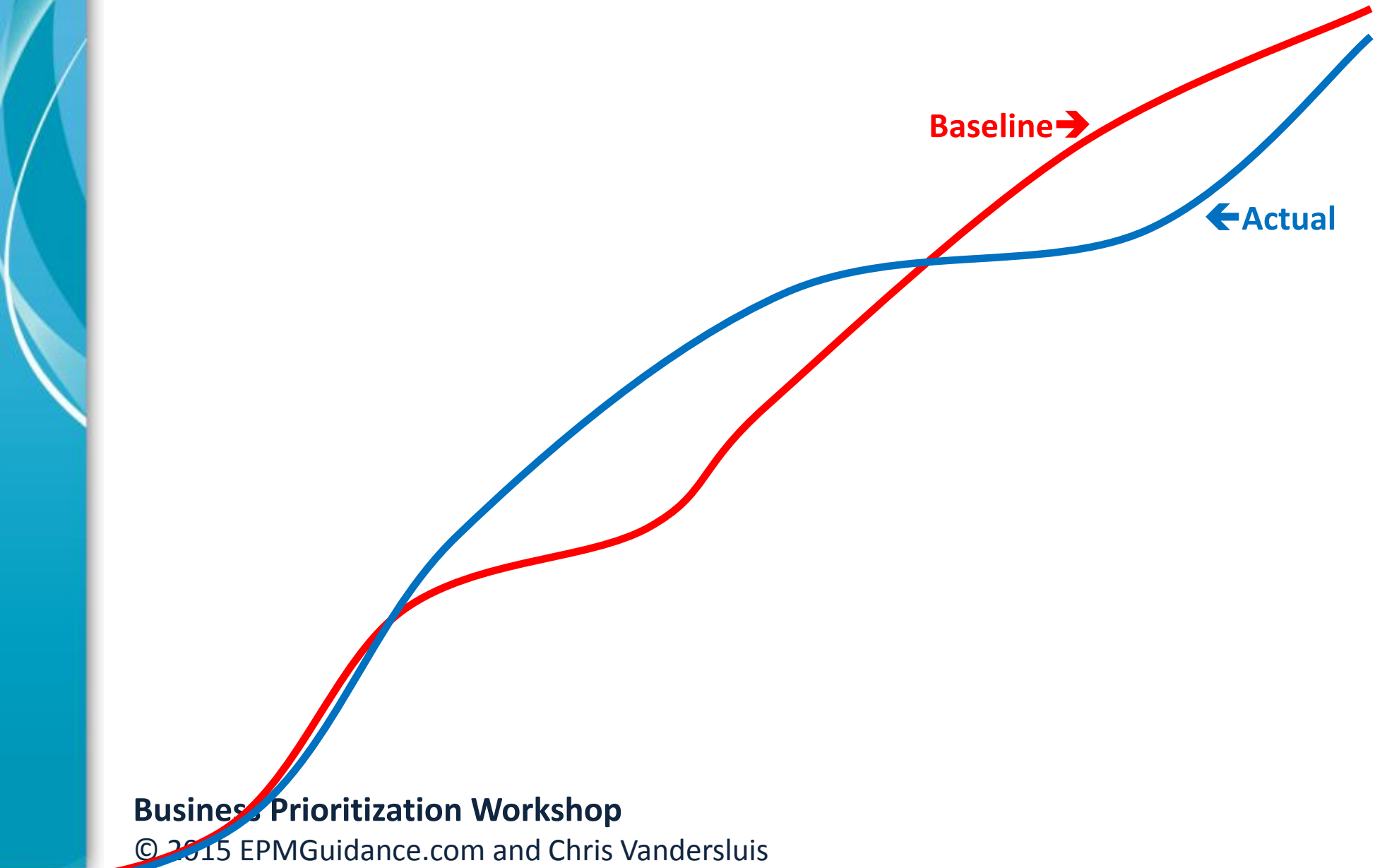
Real Time Project Management



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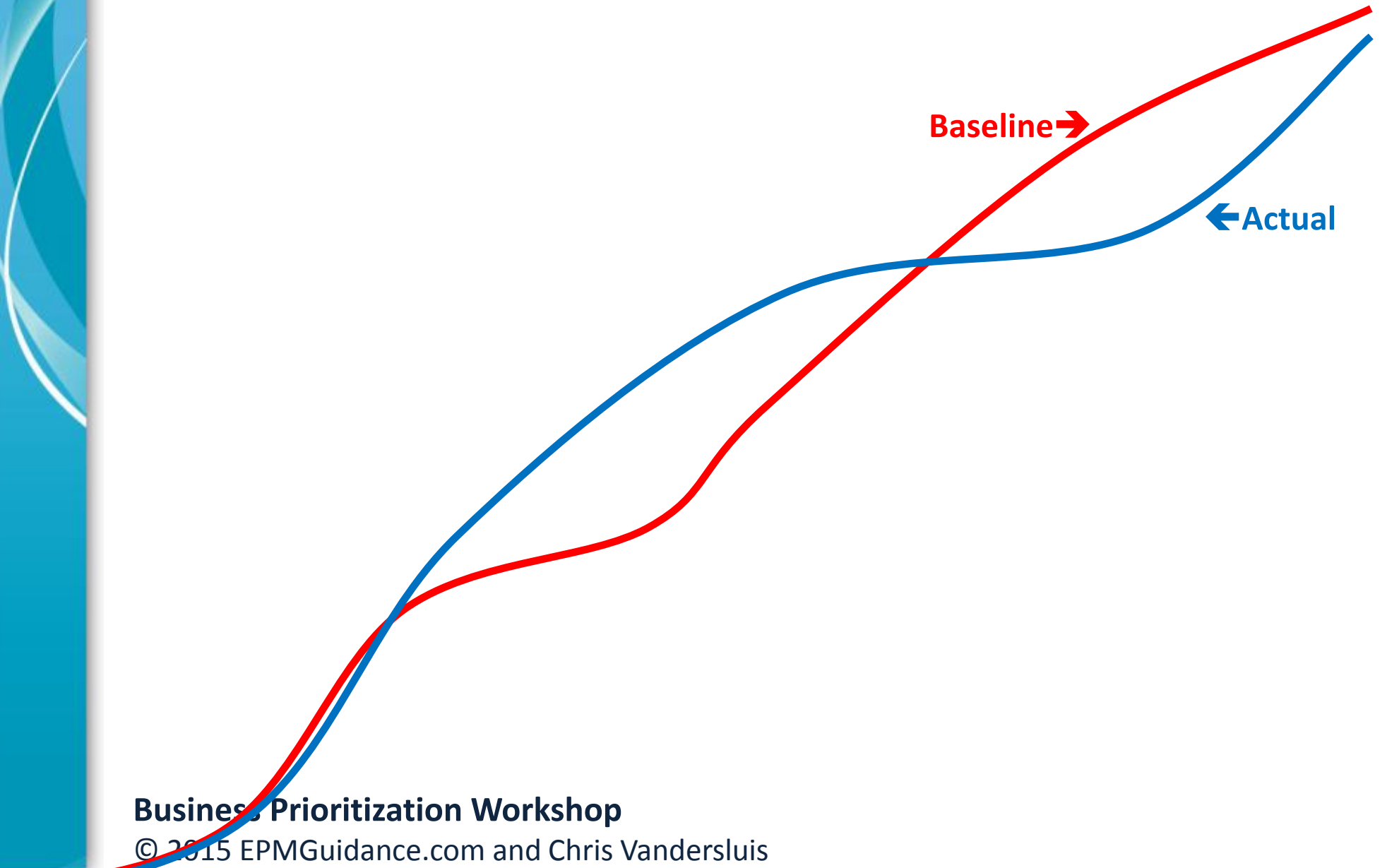
Real Time Project Management



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So, if it's not real time, how real is it?

- How often should you review your business priorities?
- How often should you change priorities?
- There is a cost to change
- How fast can you make strategic level decisions
- What about projects in progress?

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Pitfall Avoidance

Avoiding the pitfalls

What we see most often:

- ❑ No charter
- ❑ No schedule
- ❑ No executive sponsor
- ❑ No budget except for software
- ❑ No dedicated team
- ❑ No success metrics
- ❑ No expectation of changes in culture

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Change Management is key

- Some of the challenges you'll face include:
- Acceptance of centralized standards and who gets to make them
- Creating a common coding structure so data comes together
- Convincing everyone to participate
- Convincing management to support the project long-term

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Overcoming change resistance

- Tools in your arsenal?
  - You control the display
- Have a plan and manage like a project
- Have management sponsorship
- Return on investment for each type of user
  - People will need to invest time and effort – what will they get back?

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Overcoming change resistance

- Become the path of least resistance
  - Templates
  - Do it manually or on a white board so everyone can follow the process and not blame the software
  - Easy to follow process
- Consider objections and ways you can overcome them.
  - e.g.:
    - Consider a temporary amnesty
    - Consider establishing rules for project prioritization
- Communicate, communicate, communicate
  - Seminars, lectures, white papers, presentations

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Overcoming Change Resistance

- Get sufficient authority and then impose the change
  - How can employees thwart this method?
- Be democratic, take a majority vote
  - What are the negative implications of this?
- Trim-tab

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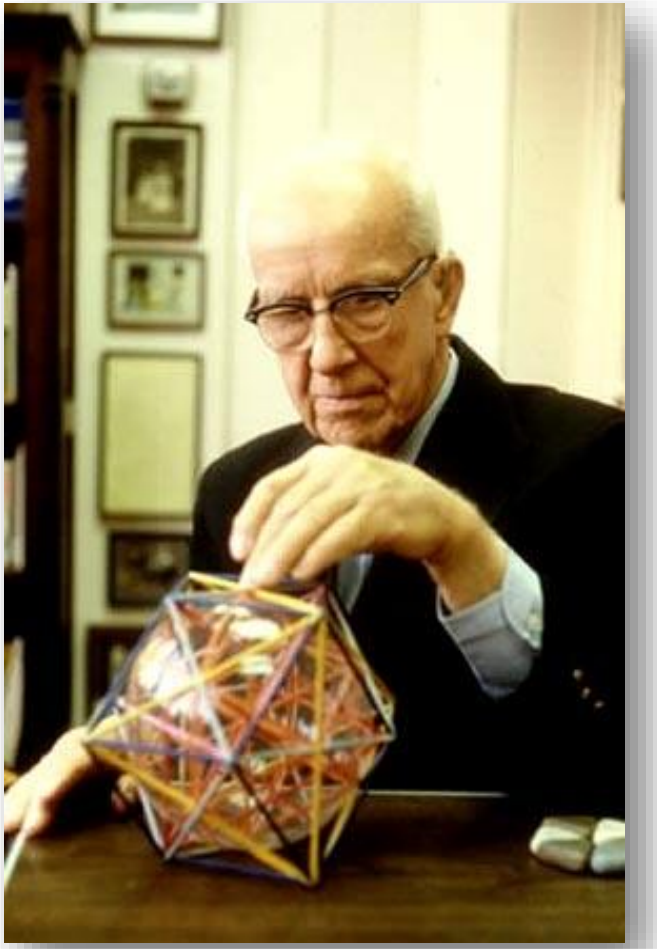
Buckminster Fuller

- Who was Bucky Fuller?



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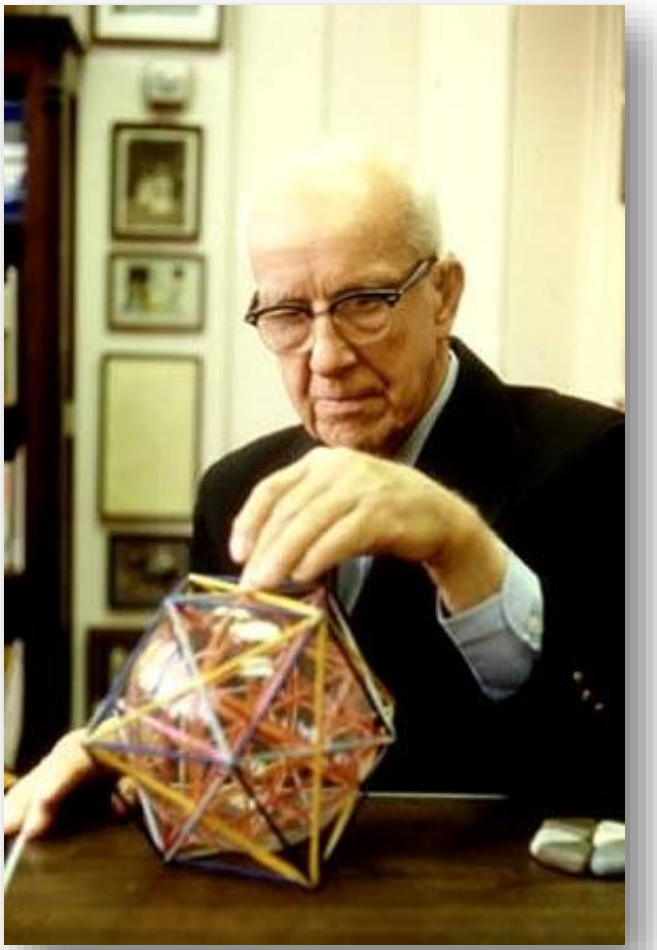
Buckminster Fuller

- Who was Bucky Fuller?

In 1927 Fuller resolved to think independently which included a commitment to "the search for the principles governing the universe and help advance the evolution of humanity in accordance with them... finding ways of doing more with less to the end that all people everywhere can have more and more."



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Turning the ship

Queen Mary 2

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Ship Rudder

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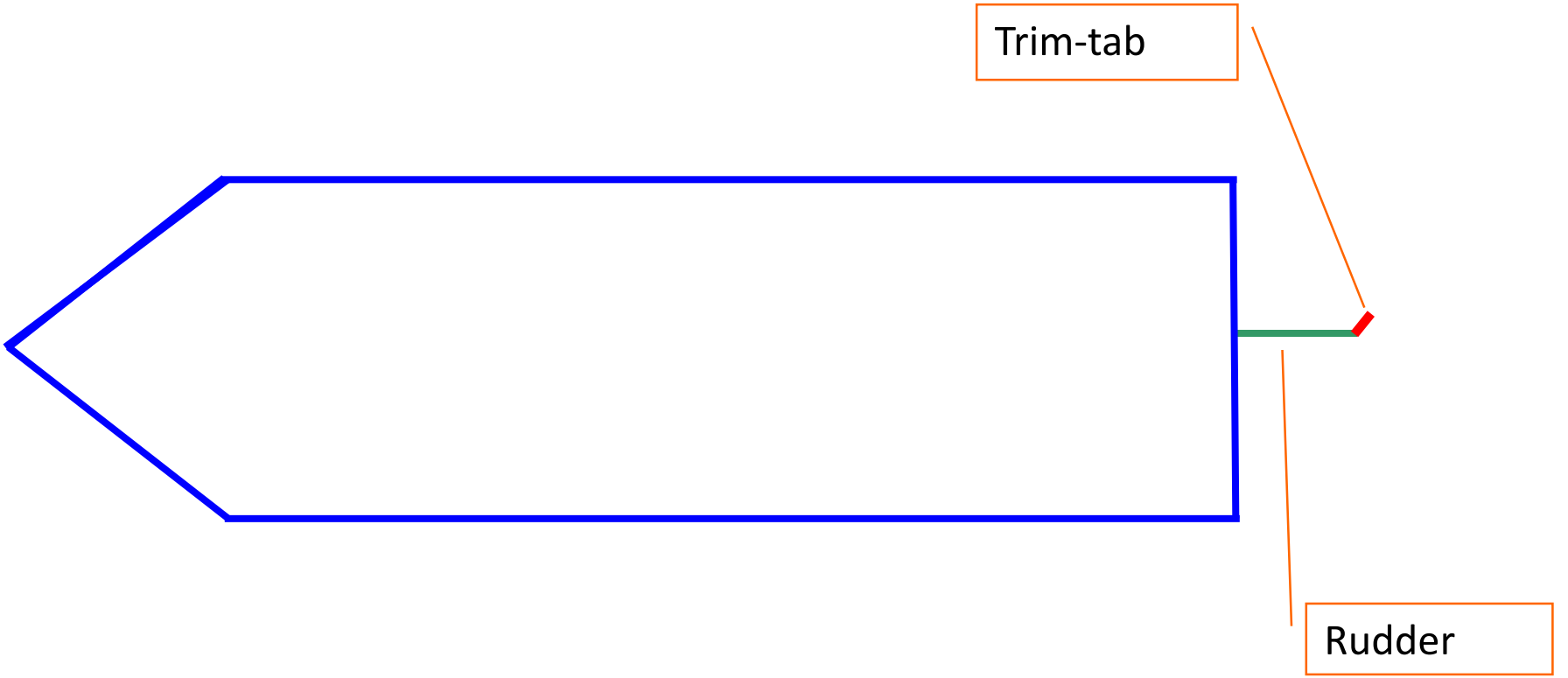
Buckminster Fuller's Trim Tabs



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Trim Tabs

"Something hit me very hard once, thinking about what one little man could do. Think of the Queen Mary—the whole ship goes by and then comes the rudder. And there's a tiny thing at the edge of the rudder called a trim tab. It's a miniature rudder. Just moving the little trim tab builds a low pressure that pulls the rudder around; takes almost no effort at all.

"So I said that the little individual can be a trim tab. Society thinks it's going right by you, that it's left you altogether. But if you're doing dynamic things mentally, the fact is that you can just put your foot out like that and the whole big ship of state is going to go."

"So I said, call me 'Trim Tab'."

Buckminster Fuller

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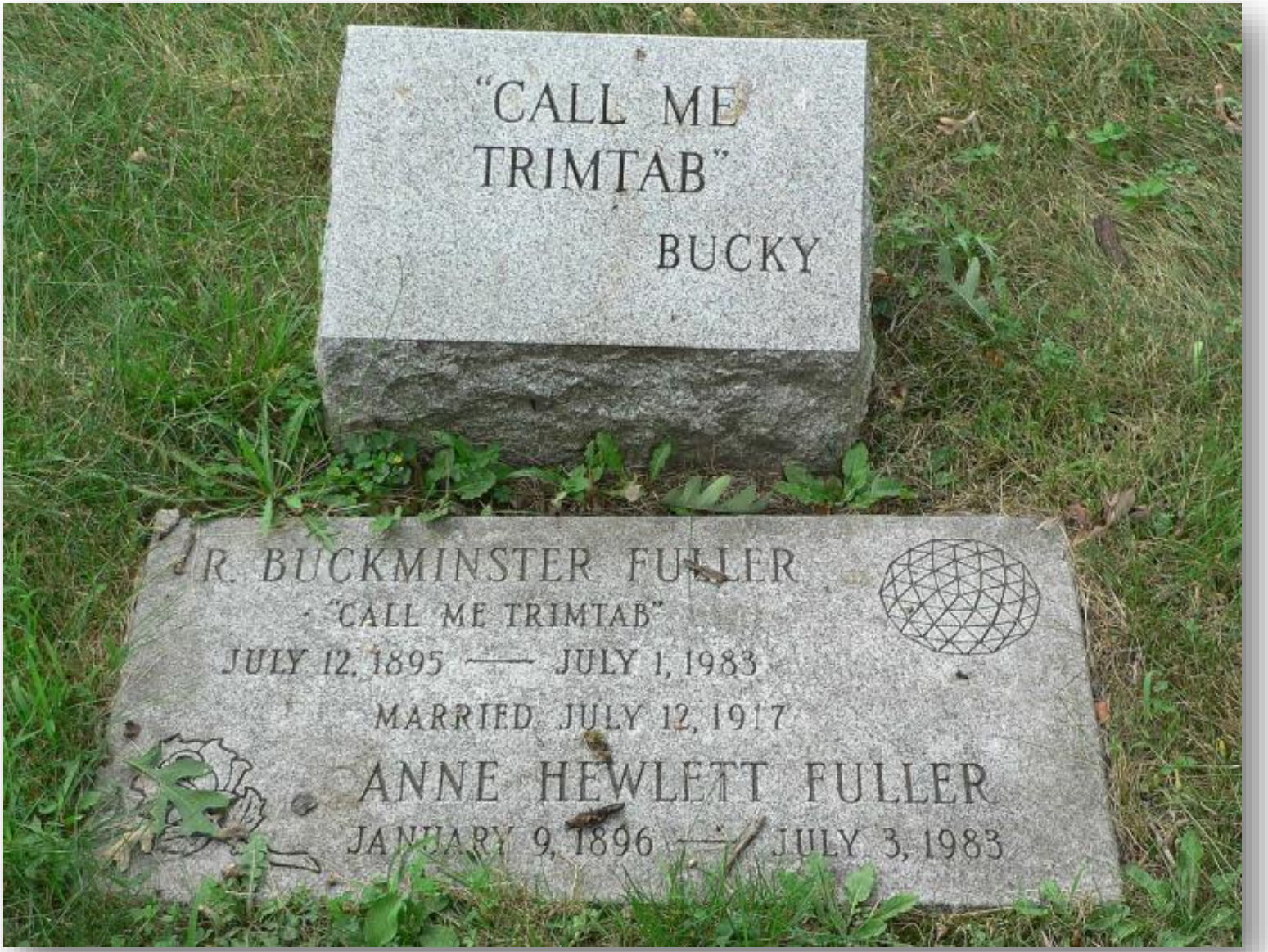
http://en.wikipedia.org/wiki/Trim_tab#Trim_tab_as_a_metap

Bucky's gravestone



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Creating your PPM environment

1. Define what PPM is and should be to the organization
2. Define the business drivers
3. Agree on the questionnaires and their answers
4. Get agreement for the process not the results
5. Activate, monitor and adjust
6. Automate

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Wrapping Up

What have been your take-aways from today's session?

Wrapping up

We've discussed:

1. What is Project Portfolio Management?
2. Defining a Project Selection Process
3. Deploying Business Prioritization Process
4. Pitfalls and Sinkholes
5. Pitfall Avoidance

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A battle plan lasts, until contact with the enemy.

Napoleon Bonaparte

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