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Project and Portfolio Management 101
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What is Project and Portfolio Management?

PPM is about IT, the PMO and all Business Functions. Managing a portfolio of key work, projects and initiatives for a business involves cooperation and interchange based on easily obtainable, factual data about the status of the portfolio of current activities. To successfully accomplish these companies need clear functional linkages, handoffs and responsibilities plus an automated system to easily enable the flow of the processes which the business is built upon. In the end, the dream of a highly flexible, customer-centered, non-bureaucratic, command-and-control system/center for the business' activities is achievable.

What it takes to do it

A number of very impressive PPM systems are now available commercially. Like any software the hard work is in the details of technical and process implementation to stand-up the application. However, PPM may be on the more difficult side. Much more than ERP even, PPM systems get at the very core of how people work; the process elements, workflow accountability, resource assignments, money tracking, time expenditure and ROI.

The steps involved

• Requirements gathering and analysis across the organization

> If the organization has not been involved in process reengineering and process controls implementation before, this will be a significant effort. Virtually every process that is involved in the areas being considered for implementation will have to be thoroughly understood. Who does what, who approves, approval points, resource skills needed, target objectives, department handoffs and resource costs are but a few of the data elements needed.

• Vendor evaluation, pilot/POC management and selection

> What is most important? The various top Gartner Quadrant vendors all provide a full services PPM suite, but are the organizations needs most centered on workflow, cost management, schedule tracking, opportunity initiation, dashboards or resource management for instance. Choose the vendor after knowing the critical attributes you are looking for, and then ask for a proof of concept to be performed

• Process definition specific to a PPM implementation

> Just defining processes is not enough. PPM wants the workflow. Many companies who believe they have a good idea of their processes have never even tried to put the tasks of the processes into a workflow. It is a whole different view of what is happening.

• Workflow analysis and design

This is not easy. Here you are trying to standardize, or at least limit the number of paths a typical process flow can take. Do all the members of an IT development group for instance follow the same steps to get to a full QA'd release? Probably not. So, to get the workflows defined, it really becomes an organizational design issue to some extent, dealing with the guts of how people perform their jobs.

- PMO alignment

  The PMO is usually a main user of PPM software. However, to get the results desired, the entire organization needs to buy in to use of the software, since basically it is the rest who are really feeding the system with data for the PMO to manage with. Buy-in across the organization needs to drive these implementation, not one group only.

- Technical setup management

  Implementation can be rather difficult. Installation is akin to that of an ERP setup. Since it is somewhat foreign to most people, it is best left to the vendor to provide these services.

- Organizational preparation for PPM

  What are the goals? If it is resource cost control for example, be sure this is well bought in to. PPM can do a great job at pinpointing resource utilization, but will the first line managers support the efforts to deal with the facts as they become available? If streamlining the portfolio of projects is the goal, has the business established clear criteria for project ranking – ROI, Productivity or other?

- Portfolio segregation and management design

  Who owns what projects? Are they managed as a total business group, or are there multiple portfolios with different objectives and ranking criteria? This needs to be established as a philosophy and design up front.

- Executive dashboard analysis and design

  One of the key benefits of implementing PPM is the reporting output in the form of various dashboards which provide KPIs on projects and portfolios. If the senior management of the company are the type who want to keep a close eye on expenditures, a focus on financial dashboards is needed. On the other hand, if senior management is more focused on implementations achievements with customers, as another example, then the dashboard development would take on a different flavor. All the top PPM products provide canned dashboards, but they also give a lot of flexibility to create your own. Up front design of the desired reporting outputs is critical to setting up and utilizing the software. Unlike ERP, where reporting is driven from the transactions data, PPM dashboards really are the final goal to achieve a well managed set of processes and projects.

- Overall implementation management

  To do the job right the implementation of PPM is an ideal candidate for a PPM system (if that were possible). All aspects of processes, tasks, resources, goals, finances, measurements, dashboards and workflow must be well thought out. The implementation will be more about business processes than technology. Put a well rounded, experienced process and technology team in place that can cut through all possible red tape to getting the job done. But have the senior management buy-in very, very clearly defined.