

Project Portfolio Management

- Oude wijn in nieuwe zakken, of niet?
- A Benchmark of Current Business Practices

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PPM, a definition:

PPM organizes a series of projects into a single portfolio consisting of reports that capture project objectives, costs, timelines, accomplishments, resources, risks and other critical factors. Executives can then regularly review entire portfolios, spread resources appropriately and adjust projects to produce the highest returns.

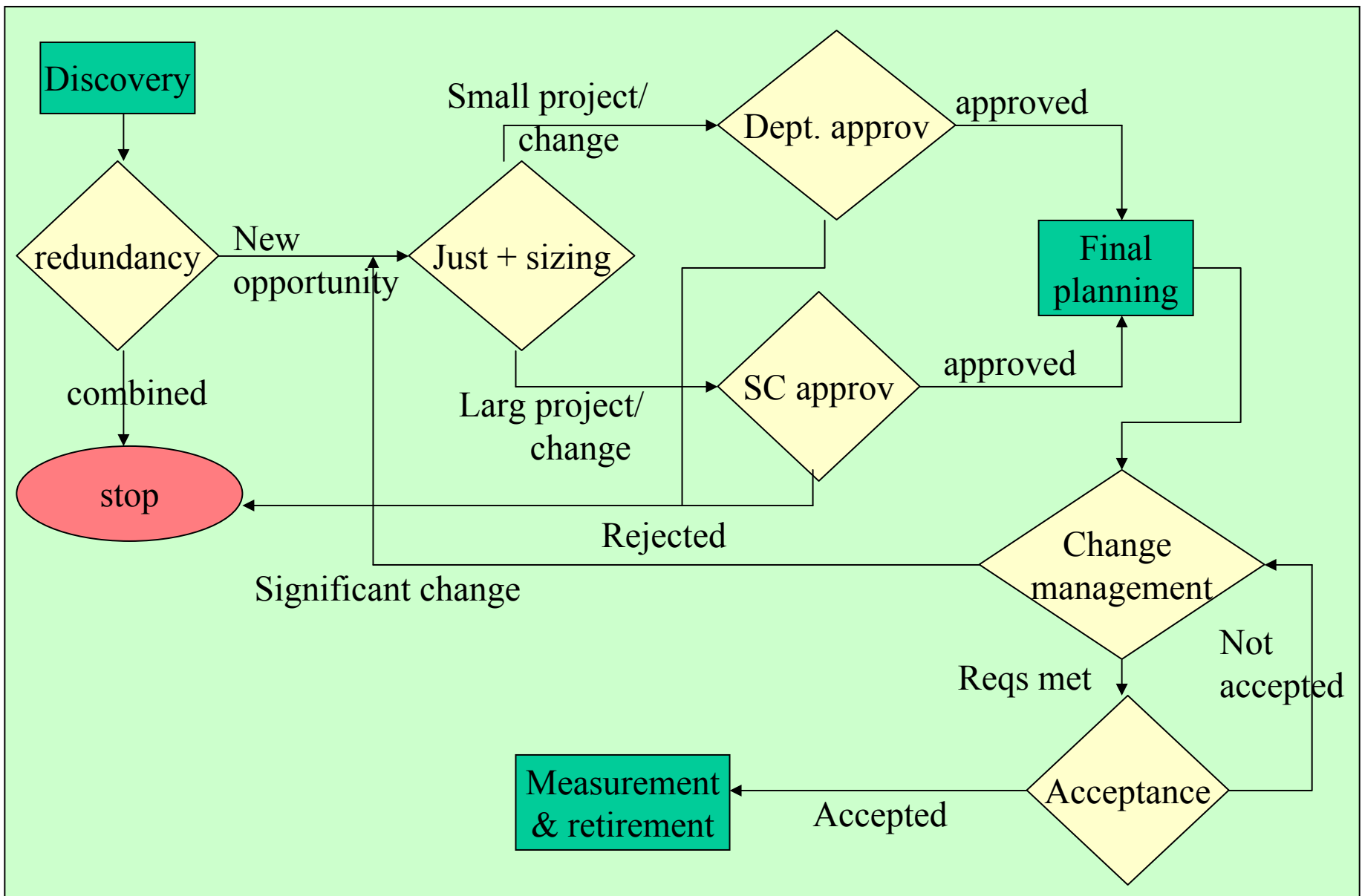
Important issues:

1. Start with prioritising business strategies. Portfolios can then be assembled and assessed based on how they meet those strategic needs.
2. Technology PPM is component of Technology Governance strategy.

K O S T E N :				
		Intern:	Extern:	
Eenmalige kosten (gehanteerd intern tarief =)				
	Ontwikkelkosten personeel:			
	Ontwikkelkosten overig:			
	Totale ontwikkelkosten:			
Jaarlijks terugkerende kosten:				
	Onderhoudskosten (per jaar):			
	Beheers- en gebruikskosten (per jaar):			
	Totale jaarlijkse kosten:			
R I S I C O - B E O O R D E L I N G				
Risicofactor		Waarde:	Gewicht:	Totaal:
	Organisatie:			
	Specificatie:			
	Complexiteit:			
	Technisch:			
	Infrastructuur:			
	Totaal:			
	Geschatte doorlooptijd project (in maanden):			---
B A T E N				
Kwantificeerbare baten per jaar:				
Innovatief systeem:		0 ja 0 nee		
Niet kwantificeerbare baten:				
		Waarde:	Gewicht:	Totaal:
	Strategic match:			
	Management informatie:			
	Concurrentievoordeel:			
	Concurrentiepositie:			
	Infrastructuur match:			
	Totaal:			
Eindbeoordeling:				

Portfolio Management Process goals:

- A benefit of PPM is the elimination of redundancy.
- PPM is surfacing + evaluating opportunities for successful investing.
- PPM Captures the Right Information From the Right People.
- Consensus + Cost, Benefit And Risk Considerations for decisions.
- Respond With Agility To Change (investment opportunities, business priorities, cost projections and resource constraint assumptions).
- Continuously Improve



Observations (1): Some figures

- 64.1% of the respondents have a PPM process in place.
- 97.5% rate PPM important to the organization.
- 85.0% have developed their PPM processes themselves (rather than hiring consultants or implementing PPM software).
- A wide variety of methods for selecting and prioritizing projects.
- Microsoft Project 2002 Enterprise is most-used software for PPM.
- Most organizations monitor and report project performance.
- Org. review portfolios monthly (34.2%) or quarterly (36.8%).

Observations (2): How to continue ?

- PPM is new. 53.8% < 2 years, 23.1% > 5 years
- Organizations' PPM practices are immature. 60.9% are at level one or two (on a scale of 1-5) in PPM maturity.
- For those that have **no** PPM process in place, the biggest challenge to implementing PPM is lack of executive support (65.2%), not well developed project management processes (52.0%) and lack of broad organizational support (52.2%).
- For those **with** PPM in place, the biggest challenge is in collecting project metrics (65.8%), more organizational support (44.7%) and more information on resources (50.0%).

Observations (3): Implementation issues

- There is no standard practice for who (what organizational unit) is responsible for performing PPM (for IT on business unit level).
- Org. moderately satisfied with their PPM methods (not easy to use). Very few would rate their method as excellent.
- Most organizations do not know their ROI for implementing PPM. Of those that do, most (20.6%) see a ROI of 5%-25%
- A significant number of organizations do not have enough resources in place to make their project portfolios achievable.

Observations (4): Strong & weak points

➤ How well do project portfolios perform?

Strong points:

- inventory of project data with documented schedules + budgets
- mapping their projects to business strategy; aligned with the business objectives
- working on the right projects
- cost savings
- optimizing the project portfolio
- planning from a portfolio perspective

Observations (5): Strong & weak points

➤ How well do project portfolios perform?

Weak points:

- calculating risk levels,
- no information about available resources
- modeling alternative portfolios and optimizing their portfolios
- killing poor projects
- in having the right number of projects
- in having data available to evaluate projects
- in having projects done on time
- allocating resources optimally
- not eliminating project redundancies