Project Management Leadership Group
"Lead the Way!"

"Rapidly Implement a Culture of Project and Portfolio Discipline"

Montgomery PMI Chapter
October 19, 2005

Bill Stewart - President/CEO

www.pmlg.com 1-888-252-0808

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THE PROJECT MANAGEMENT REVOLUTION

1970's   Project Manager? "Engineering degree…misunderstood role. Many unsure when to apply them to the job.

1980's: TQM

Technology and Time-to-Market

Automated PM Tools

MBA Programs Focus on

1990's: Fortune Magazine – Number One Job

The Program Office

Enterprise-wide Decision Support Tools

MBA Programs Focus on Leadership and Team Building Skills

We Know Why Projects Fail-Why Don't We Do Something About It

- In a study performed at Raytheon, approximately 40% of the total project budget was spent in rework costs

- The cost of rework can approach 50% for the largest software projects. Because of their large number, and the multiplying effect, *finding and fixing requirements errors consumes between 70% - 85% of total project rework costs*

- 31% of all software projects are canceled before completed ($81 billion waste)

- 53% of projects will cost 189% of estimates

- 9% on time and on budget (large companies)

- 16% on time and on budget (small companies)

- Study this year from KPMG – only 2% of business executives satisfied with project results

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Fortune Magazine Article – 1999
WHY CEO'S FAIL

- Report Cards were created for dozens of CEO'S that had lost their jobs.

- Primary Conclusion as to Why They Failed:
  - They Did Not Deliver on Their Promises
  - They Failed to Execute Their Strategic Vision

The Old CEO

- ➢ Imperial And Highly Visible
- ➢ Focused On Building Personal Wealth, Not Corporate Success
- ➢ Has Courage

The New CEO

- ➢ Humble
- ➢ Less Interested In Developing "Stars" And More On Developing A Successful Team And Organization
- ➢ Focused On Organization Success…not Personal Success

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THE FUTURE OF PROJECT MANAGEMENT AND THE PMO

21st Century

- Project Management as a Requisite Leadership Skill
  - More CEO's, CIO's and other executives with Project Management background.
  - Perception of qualities of great leaders has been reshaped - Project Management recognized as a requisite leadership quality
- The PMO becomes the "Center for Tactical Delivery"
  - EPMO
  - Internal Consulting Organization
  - Reporting to a Chief Project Officer or CEO
  - The Leadership Development Center for the Corporation

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A Culture of Discipline

"All companies have a culture, some companies have discipline, but few companies have a *culture of discipline.*"

From *Good to Great* by *Jim Collins*

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A Culture of Discipline

- To have the integrity to do what is right

- A consistent approach to planning and execution

- To put in place the infrastructure to protect the organization, its clients, its employees and its stockholders or constituents

- To not "dump process", but to simplify it when the "going gets tough"

- To not "wing it"

- To be realistic

What is Execution?

≤ The Tactical Delivery (Through Projects And Programs) Of Strategic Vision/Initiatives And Goals.

What is Consistent Execution?

≤ The Approach To Project Management Is The Same Across The Organization (Divisions, Groups, Etc.)…No Matter The Type Of Project.

What is Discipline?

≤ The Integrity To Do What Is Right For The Organization, It's Clients And Personnel.

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Why Is It So Difficult To Change a Culture?

People Are Afraid Of Change…they Need A Leader To Reassure Them

Good Is OK, Isn't It? Why Be Great?

The Word "Planning" Turns Some People Off

Misconceptions Or Stereotyping:

- Of Project Management
- Of The Role Of The Project Manager

Misconceptions of Project Management

⬱ The Salt Lake City Olympic Committee

⬱ "Bill, it's too early for project management…Lets talk about it again sometime in the future."

⬱ A CIO after a Maturity Assessment

 ⬱ "What's the fun of being a project manager if you cannot change the forms?

⬱ A PMO Director

⬱ They better be doing the right things…I pay them enough!"

⬱ A CEO during a Summit

⬱ "PM's…now there is an interesting group of people…yes…they are my engineers aren't they?

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Great Leadership

- Vision Setters

- Execute Vision

- Great Communicator…Great Listener…Collaborator…Negotiator…Problem Solver

- Great Motivator

- Shows Empathy but Deliverable Oriented

- Puts Infrastructure in Place for Success

- Never "Dumps" Process

- Demonstrates Integrity

- Ethically Moral

- Team or Organization Builders

- Focused

- Tenacious

- "Walks the Talk"…Is Visible

- *Knows and Can perform Critical Path Method*

- *Uses Gantt Charts and Variance Reports to Manage Projects*

- *Uses Earned Value to Manage Projects*
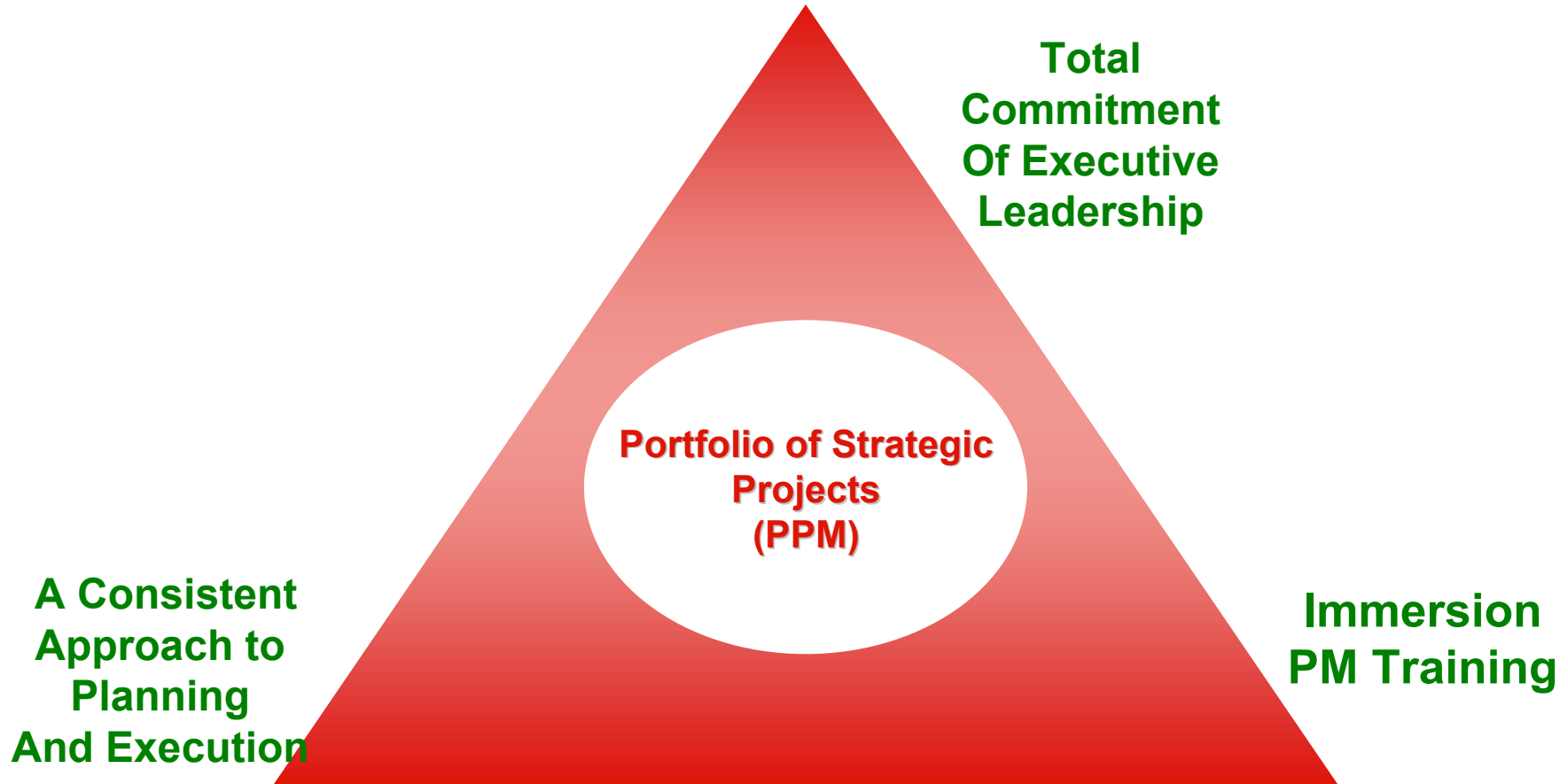
- *Creates WBS and Conducts Bottom Up Estimates*

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"Leadership is Action

Not a Job Title…

Project Management is Action"

Bill Stewart

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What Is the Project Manager?

⮬ The tactical leader.

- – This is the individual responsible for all aspects of the successful project management (tactical) delivery of the solution
- – Insures that the project management processes are implemented and used consistently across the project

⮬ Responsible for delivering the project solution on-time, within budget and meeting customer requirements

⮬ Responsible for inspecting deliverables

⮬ Responsible for implementing a communications plan that clearly defines roles and responsibilities, status reporting, issues management, documentation management and other key areas as defined in PMBOK

⮬ Utilizes the project management scheduling system as a decision support tool

The Key To Rapidly Moving to a Culture of Disciplined Execution

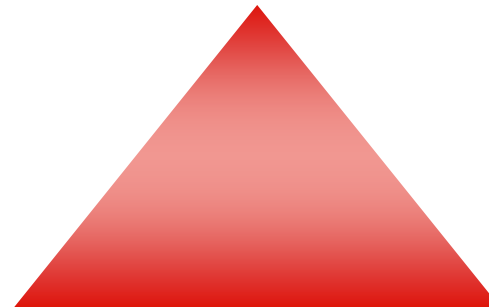**Total Commitment Of Executive Leadership**

Portfolio of Strategic Projects (PPM)

A Consistent Approach to Planning And Execution

Immersion PM Training

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The 3 Key Elements To Rapidly Changing to a Culture of Disciplined Execution

Begin conducting workshops

Executive Knowledge

Start conducting immersion Training immediately

Need to agree on consistent approach ASAP

Strategic Success

Consistent Approach to PM

Immersion Training

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The CEO or Top Executive
"The Buck Stops Here"

- Need to Think Tactically as Well as Strategically
- CEO's and Executives are No Longer "Above the Details"
- Makes a Decision to Raise the Standards
- Communicate Clearly the PM Initiative to the Entire Organization
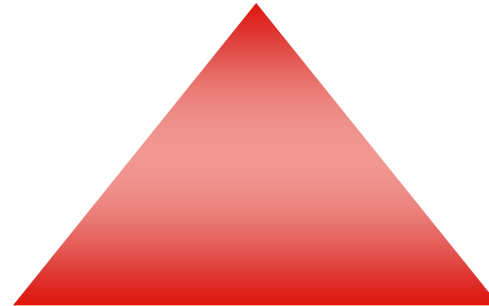 Organizations Take on the Personality of Their Leader

**Total Commitment
Of Executives**

"Good is the Enemy of Great"

From *Good to Great* by Jim Collins

**Total Commitment
Of Executives**

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Making the Decision to Become Great

- Inspiration or desperation?
- By making changes, we change the behavior
- By changing the behavior, we can achieve our destiny
- Yet, for every action there is a reaction (pain and/or pleasure) …if cannot commit 100%...Then the pain is greater than the pleasure.
- It takes leadership courage

Total Commitment Of Executives
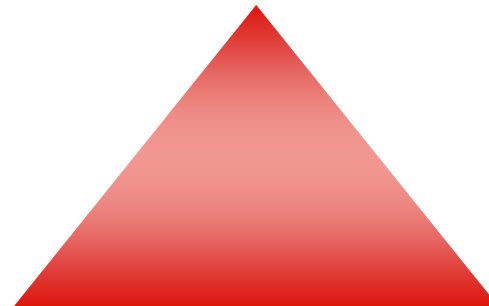
"Being responsible sometimes means pissing people off."
Colin Powell

Good leadership involves responsibility to the welfare of the group, which means that some people will get angry at your actions and decisions. It's inevitable, if you're honorable. Trying to get everyone to like you is a sign of mediocrity: you'll avoid the tough decisions, you'll avoid confronting the people who need to be confronted, and you'll avoid offering differential rewards based on differential performance because some people might get upset.

**Total Commitment
Of Executives**
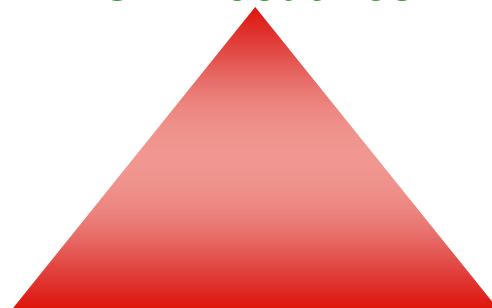
The Power of Vision

In a 1953 Study at Yale University, the graduating class was asked how many present had a clear set of goals with clear written plan for achievement. Only 3% stated that they had clear goals and a plan. 20 years later, the 3% that had goals appeared to be happier and more successful. They were worth more financially than the other 97% combined.

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Establish A Destiny - A Vision For Project Management

- What are your references of success? - Many leaders don't have references – you have to create some for them

- You may have to study success

- Paint a vision 6 months into the future - what will the organization look like in 6 months if we implement a consistent approach to project management

Total Commitment Of Executives

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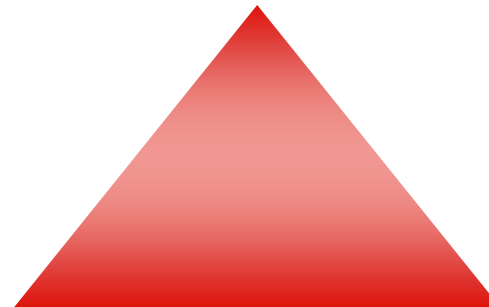
Visioning Exercise

➤ Ask Your Sponsor or Highest Level Executive the Following Question: If we implement a consistent approach to project execution and you were to walk around the organization in 6 months or one year, what would you expect to see that is different?

➤ We would like you to take a moment and write down your own vision of what you would expect to see different in six months or one year.

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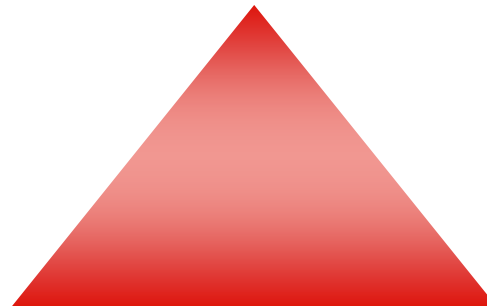
Executive Clearly Communicates the Vision to the Organization

- From the CEO or Top Executive

- Clearly Communicated:

  "The Strategic Success and Long Term Viability of this organization depends on how successfully will deliver on our promises. Beginning today, we are implementing an infrastructure and the training required to help make each of us better leaders and executers of the projects and programs that will determine our destiny.   We will all be evaluated by how well we execute our strategic vision across the organization. This is imperative."

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Of Executives**

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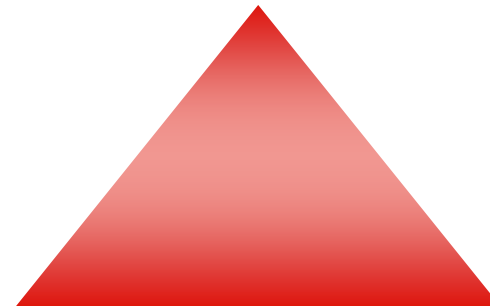
The PMO

When asked about the top benefits of having a PMO,
the executives surveyed listed:
implement PM standards (62%)
- increased internal customer satisfaction (38%)
- increased employee productivity (39%)
- lower costs (27%) and
- increased external customer satisfaction (25%).

Benefits of the PMO

PMO's "Breath Life Into Project Management"

Project-Level Benefits
- Individual projects completed successfully
- Provides the infrastructure for success
- Coaching and mentoring for project managers
- Documented plans and schedules
- Mutual accountability (customer, team, management)
- Improved communications and teamwork
- Provides system for problem anticipation, prevention, detection, and solution
- Workloads matched to resource availability
- "Personal trainers" to project managers
- Selecting and managing the enterprise tool

Strategic Benefits

- Portfolio management and prioritization
- Financial payoff savings due to greater efficiencies and effectiveness
- Improved quality
- Improved collaboration and communications across the organization
- Competitive edge
- Increased customer satisfaction

1. Manage as a Project

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                        ┌─────────────────────┐
                        │   Project Office     │
                        │    Implemented       │
                        └─────────────────────┘
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Plan	Office Definition	Facilities and Equipment	Tools	Organization Analysis	Processes	Training
Schedule	Mission Statement	Vision Room	Methodology Tool	Maturity Assessment	PM Process	Project Management
Charter	Staffing	Project Office	PM Tool	Change Management	Methodologies	Tools
Communication Plan	— Skill Sets — #Resources — Recruiting		Metrics	Sponsorship		Coaching & Mentoring
						Management Consulting

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Work Breakdown Structure For Project Office Implementation

Project Office Implementation

Plan 1.0
- Schedule 1.1
- Charter 1.2
  - Objective
  - Scope
  - Risk Assessment
- Communication Plan 1.3
  - Senior Mgmt Concurrence Dissimination Across Organization
- Gap Analysis and Needs Assessment 1.4
- Vision Statement 1.5
- Business Case 1.6
- Pilot Plan 1.7

Office Definition 2.0
- Project Office Charter and Mission Statement 2.1
- Budget 2.2
- Staffing 2.3
  - Skill Sets
  - #Resources
  - Recruiting
  - Acquisition Plan
  - Job decription
- Roles and Responsibilities 2.4
- Operating Procedures 2.5
- PR Plan 2.6
  - Web Site 2.6.1
  - Newsletter 2.6.2
  - Surveys 2.6.3
  - Testimonials 2.6.4
  - User Group 2.6.5

Facilities and Equipment 3.0
- Vision/War Room 3.1
- Office Equipment Supplies 3.2
  - Equipment
  - Furniture
  - Supplies
- Communications 3.3
  - Phone
  - Network
- Project Office Equipment 3.4
  - Hardware
  - Software

Standard Tools 4.0
- Methodology Tool 4.1
- Integration Plan 4.2
- Enterprise-wide PM Tool Selection 4.3
  - Requirements
  - Evaluation Criteria
  - Product List
  - Eval Present Tools
- Lessons Learned Library 4.4
- Troubled Project Recovery Process 4.5
- Project Metrics 4.6
- Resource Management and Capacity Planning 4.7

Organization Analysis 5.0
- PM Maturity Assessment 5.1
- Sponsorship Determined 5.2
- Measurement Criteria and Process 5.3
- Portfolio of Projects 5.4
  - Strategic Linkage to Project Level
  - Project Priorities Process
  - Initiation Process
- PM Skills Assessment 5.5

Standards 6.0
- Worldclass PM Processes 6.1
  - Time Mgmt
  - Scope Mgmt
  - Cost Mgmt
  - Quality Mgmt
  - Risk Mgmt
  - Contract Mgmt
  - Communications
  - Integration
  - HR Management
- Project Notebook 6.2
- SDLC Methodology 6.3
- Documentation 6.4
  - Guidelines Revised
  - Handbooks Revised
  - PM Glossary of Terms
- Dashboard Reporting 6.5
  - Project reporting
  - Management Reporting
  - Client/Steering Committee Reporting

Training/Knowledge Transfer 7.0
- PM Certification 7.1
  - Assessment
  - Career Dev. Doc
  - Curriculum
  - PMP Training
- Coaching & Mentoring 7.2
- Senior Management Training 7.3
- Project Office Training /Mentoring 7.4
- Methodology Tool Training 7.5
- PM Tool Training 7.6
  - Microsoft 98 Class
  - Enterprise Wide Tool
- Rollout Training (Tailored to Processes) 7.7
  - 3 Day Class
  - 1/2 Day PM Class

Start With the "What" First
Using Work Breakdown Structure Approach

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Program Office Schedule

Task Name	Duration	Start	Finish
⊟ **Project Office Equipment and Facilities**	**7 days**	**Thu 05/17/01**	**Fri 05/25/01**
Identify facility requirements	1 day	Thu 05/17/01	Thu 05/17/01
Assist in selecting facility	1 day	Thu 05/17/01	Thu 05/17/01
Determine software requirements	3 days	Fri 05/18/01	Tue 05/22/01
Standardize and purchase software	1 day	Wed 05/23/01	Wed 05/23/01
Identify project office equipment requirements	1 day	Thu 05/24/01	Thu 05/24/01
Install telephones	1 day	Wed 05/23/01	Wed 05/23/01
Install Lan connections	1 day	Fri 05/25/01	Fri 05/25/01
****Project Office Equipment and Facilities Comp	0 days	Fri 05/25/01	Fri 05/25/01
⊟ **PM Process Development**	**12 days**	**Thu 05/17/01**	**Fri 06/01/01**
⊟ **Process Development**	**4 days**	**Thu 05/17/01**	**Tue 05/22/01**
Process committee buy-in	1 day	Thu 05/17/01	Thu 05/17/01
Select process review committee	1 day	Fri 05/18/01	Fri 05/18/01
Prepare facilitated session	1 day	Mon 05/21/01	Mon 05/21/01
Conduct facilitated session	1 day	Tue 05/22/01	Tue 05/22/01
⊟ **Gap Analysis**	**2 days**	**Mon 05/21/01**	**Tue 05/22/01**
Collect processes	1 day	Mon 05/21/01	Mon 05/21/01
Conduct gap analysis	1 day	Tue 05/22/01	Tue 05/22/01
⊟ **Process Templates**	**4 days**	**Wed 05/23/01**	**Mon 05/28/01**
Develop process templates	3 days	Wed 05/23/01	Fri 05/25/01
Make recommendations for process templi	1 day	Mon 05/28/01	Mon 05/28/01

2. *Get a Physical – Maturity Assessment At the Start and One Year Later*

- Provides realistic picture of the entire organization
- Raises the Program Office to CEO level
- Helps Identify:
  - Gaps in processes
  - Cost of Projects and the Cost of Project Failure
- "Plants the Flag" by Benchmarking
- Shows the benefits of moving to the next level
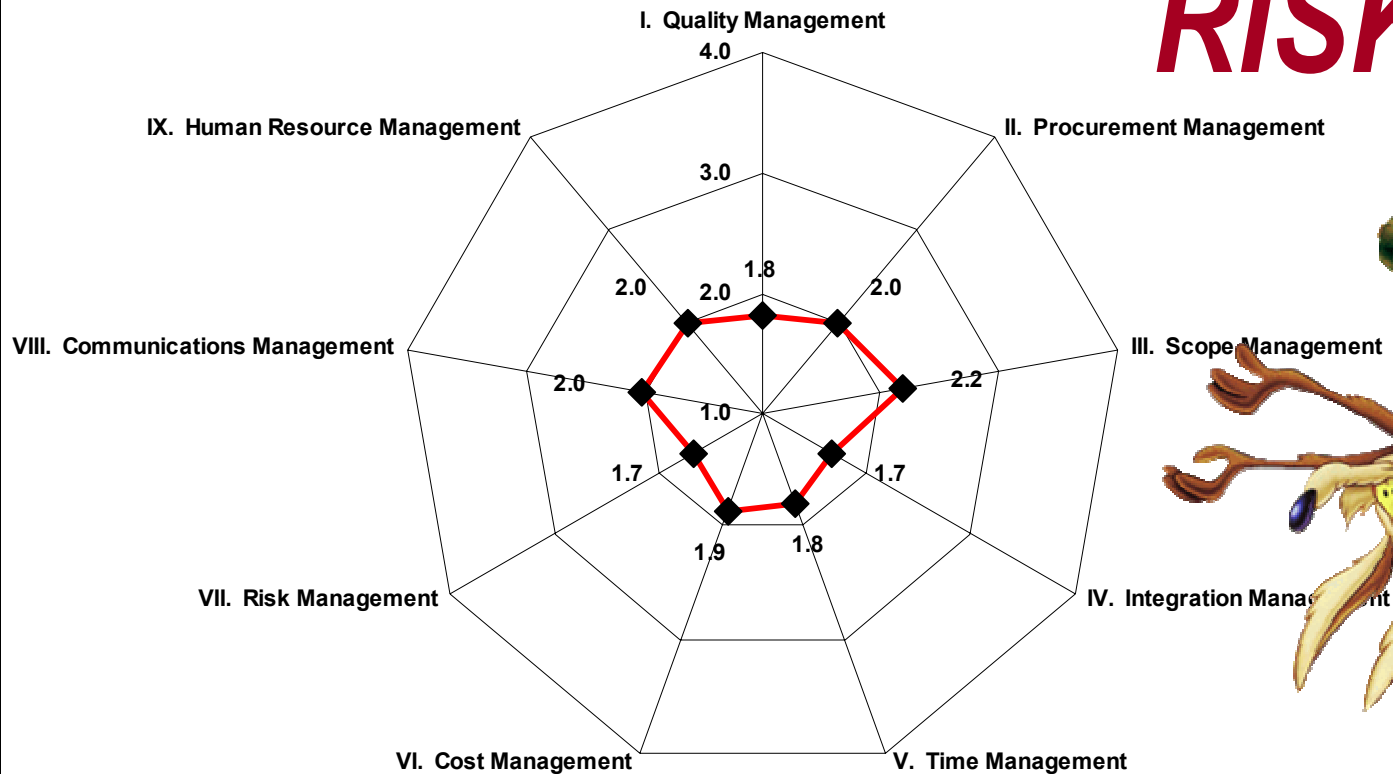- Sets the Stage for Rapid Maturation

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Software Development

Typical Environment:

- Project Management processes are not blended into SDLC
- No consistent usage of SDLC and PM Methodology
- Weak requirement identification skills
- Lack of requirements tools
- No traceability between requirements and plan
- Lack of training for SDLC
- Poor estimation skills
- Lack of metrics
- Poor resource and skills management
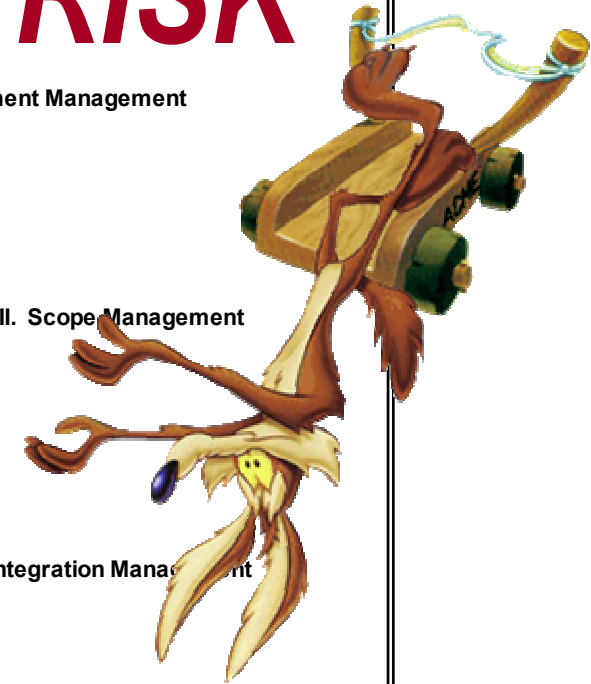
- **Successful Environment:**
  - SDLC governance is established with standards and PM methodology blended.
  - Requirements management processes and tools are in place
  - Training in Requirements management
  - Traceability tools are in place
  - Consistent usage of SDLC on all projects
  - Resource and skill management is in place and successful

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Project Management Maturity All Areas

Assessment Summary by Knowledge Area

RISK

I. Quality Management
II. Procurement Management
III. Scope Management
IV. Integration Management
V. Time Management
VI. Cost Management
VII. Risk Management
VIII. Communications Management
IX. Human Resource Management

4.0
3.0
1.8
2.0
2.0
2.0
2.2
1.0
2.0
1.7
1.7
1.9
1.8

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3. Develop and Communicate a Mission Statement

Develop skilled project managers through training, consistent processes, performance measurement and career development

To support the process, organizational structure, training, reporting and systems required to maintain an enterprise discipline for project management within the corporation.

To provide leadership, visibility, coordination and professional project planning, scheduling and management support to senior management and to ensure the successful and timely completion of projects

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4. *Staff With Grey Hairs*

⋖ Would you put your most inexperienced staff into the Strategic Planning group? Then why would the most inexperienced project managers go into the PMO?

⋖ The PMO must set the example:

– Attend the same boot camps as other project managers

– Walk the talk

– Be respected enough to be requested

– Consistent in their approach

⋖ Do lead by credentials

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5. *Auditing Is The "Kiss Of Death" For A PMO*

- Keep the Auditing function (Quality Assurance) out of the PMO
- Change the names to Quality Assessments
- Use unannounced assessments
  - Announce they will be held…but not when
  - "You have one hour to forward documentation"
- Consists of interviews, documentation review, observation and inspection
- Use a combination of narrative findings, conclusions and recommendations and some numbering or highlighting.

6. *The PMO is a Services Organization*

- You are a consulting organization, providing services to a wide range of professionals from the CEO down.
- Create a Customer Service Program
- Create PR plan
- Request feedback

7. *Rapidly Implement A Consistent Approach to Planning and Execution*

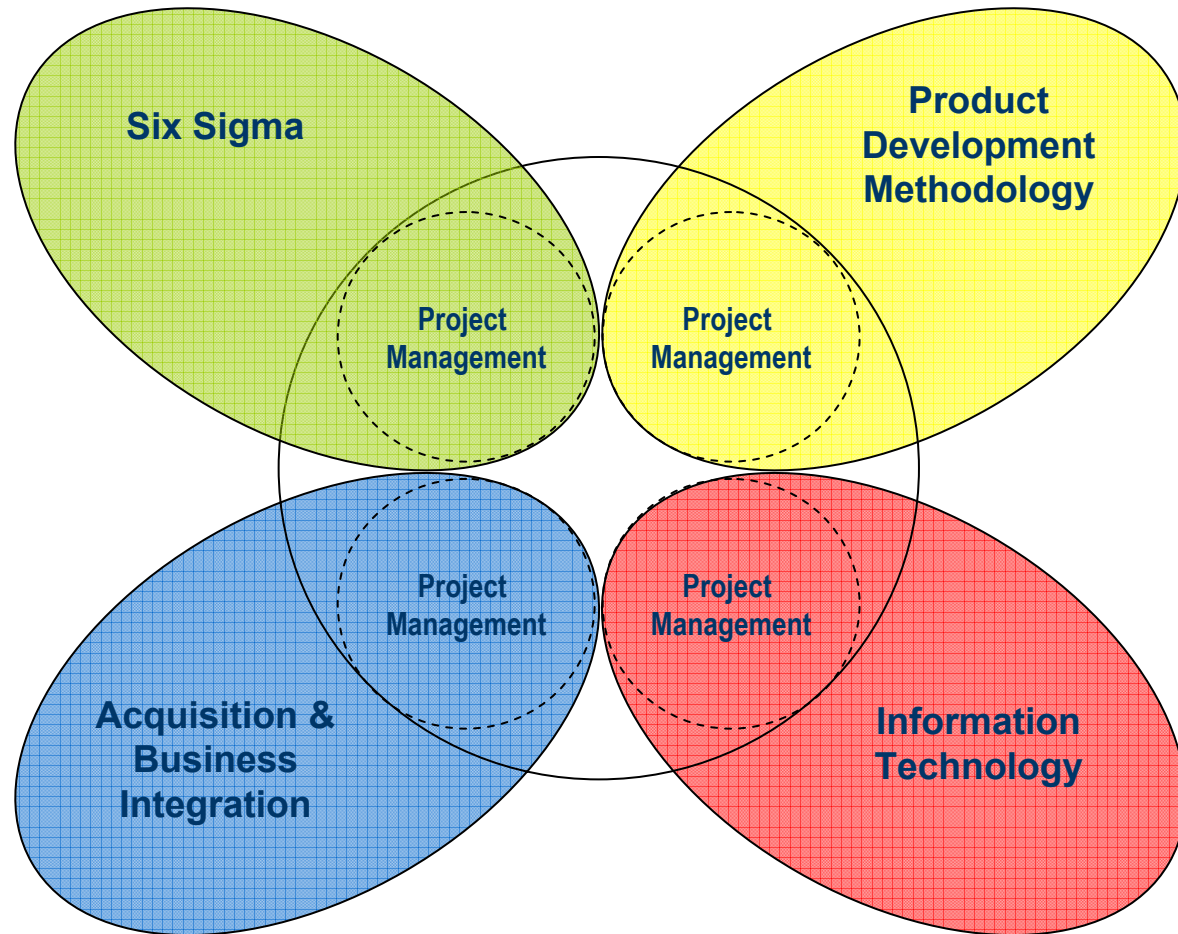Universally, all Charters, SOW's, Scope documents should have the same 6 or 7 elements:

- ➤ Vision
- ➤ Problem, Need or Opportunity
- ➤ Objective or Solution
- ➤ Scope
- ➤ Assumptions and Constraints
- ➤ Schedule
- ➤ Risks

**A Consistent Approach
To Project Management**

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"Strategy = Execution = Project Management = Great Leadership"

Meeting Customer Needs

Project Management

Internet Solutions
Movies & Television
ERP
Military Operations
Facilities
Aerospace
Software Development
Sporting Events
Logistics
Construction

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Consistent Across All Projects

Six Sigma

Product Development Methodology

Project Management

Project Management

Project Management

Project Management

Acquisition & Business Integration

Information Technology

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A Standard Approach to Planning

The Operations Order	The Project Charter
Commander's Intent	Vision
Situation	Problem, Need or Opportunity
Mission	Objective or Solution
Concept of the Operation	Scope and Schedule
Risks	Risks
Assumptions and Constraints	Assumptions and Constraints
Schedule or Tactical Plan	Schedule
Communications	Communications
Support	Support Plan

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THE PROJECT MANAGEMENT PROCESS

(Click On the Phase Title to Take You to That Page, Or Click on the Process to go to those Templates)

Initiation Phase

Outputs

Project Proposal Form → Proposal Check off → Cost Benefit Analysis → High Level Project Charter

High Level WBS → High-Level Risk ID → Quality Review → Phase Signoff

Planning Phase

Outputs

Team Charter → Comm Plan → Change Control → Detailed Project Charter → Detailed WBS
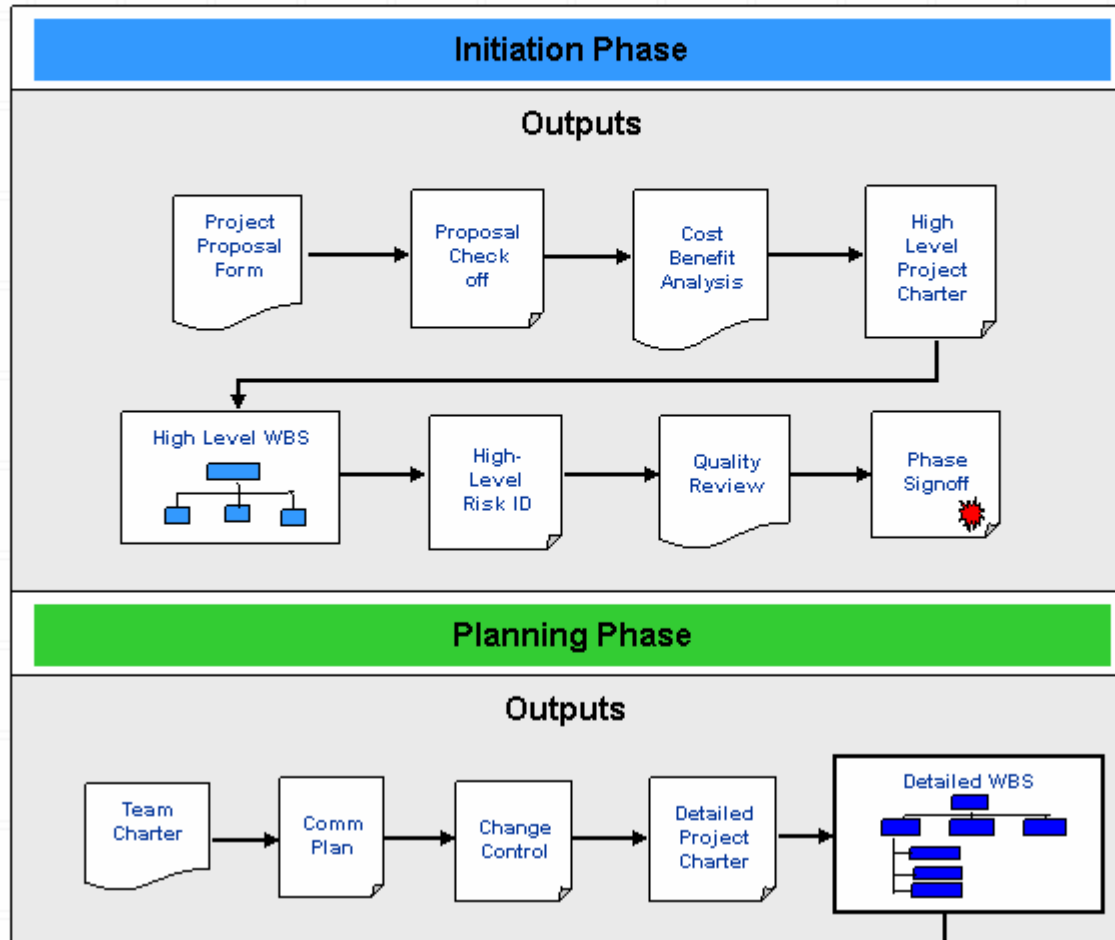
Steps to Implementing A Consistent Approach To Project Management

- Review Present Processes and Identify the Gaps (Gap Analysis or Maturity Assessment)

- Select A Review Team

- Conduct Sessions With The Review Team and Provide Several Choices From Which to Select

- Incorporate Into an Easy-To-Use PM Guidelines

- Roll Out With Tailored Internal Project Management Immersion Training

- Easiest Method…Buy a Web Based Methodology and Tailor it.

The Accidental Project Manager

- Little or No Experience Managing Projects

- Lack of Effective Project Management Training

- Weak Leadership Skills in Team Building, Communications, Problem Solving

- "Hopes that Team Members Will Deliver"

- "Hopes that Vendor/Contractor's Will Deliver"

- Does Not Have the Discipline and Skills to Apply the Minimum Process Tools and Techniques to Help Ensure Success.

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Immersion Training

"*Theory is Nice Until Practical Walks Into Room*"

- Experiential-based training. Focuses on the *applying proven tools and techniques, not on the theory of project management.* Experientially based training. Rapidly matures the PM and leadership skills of attendees because it places them in simulated project situations that they may not typically experience for months or years. They return to their company with the knowledge and experience to proactively eliminate the problems they experienced during the training.

- Tailored to your processes and environment.

- Builds teamwork and communications across functional areas

- Provides project managers with the discipline and enthusiasm to use consistent planning and execution across the organization.
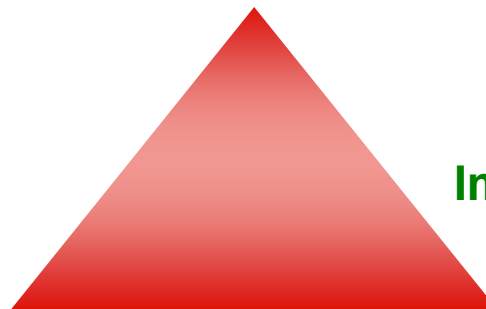
- Provides the fastest and biggest PMO "Homerun"

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Immersion Training

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"Leadership is the art of accomplishing more than the science of management says is possible."
- Colin Powell

➢ **Science:**
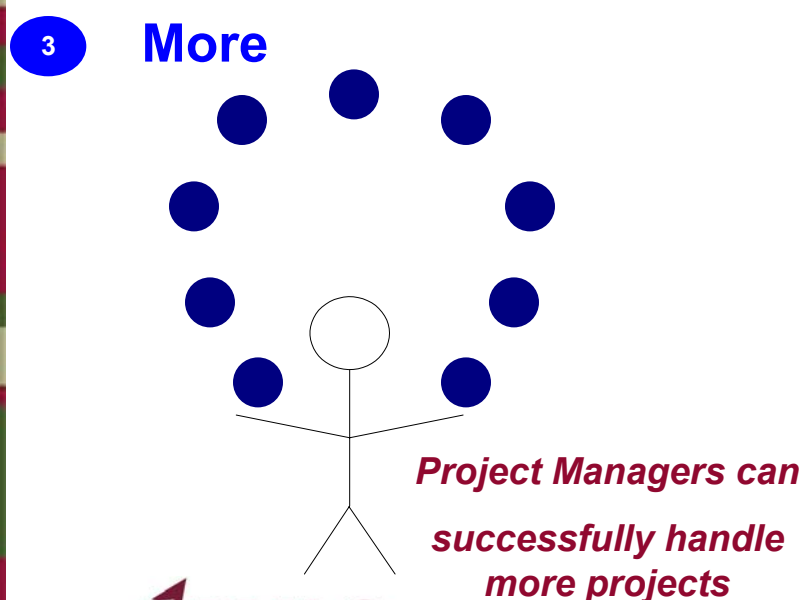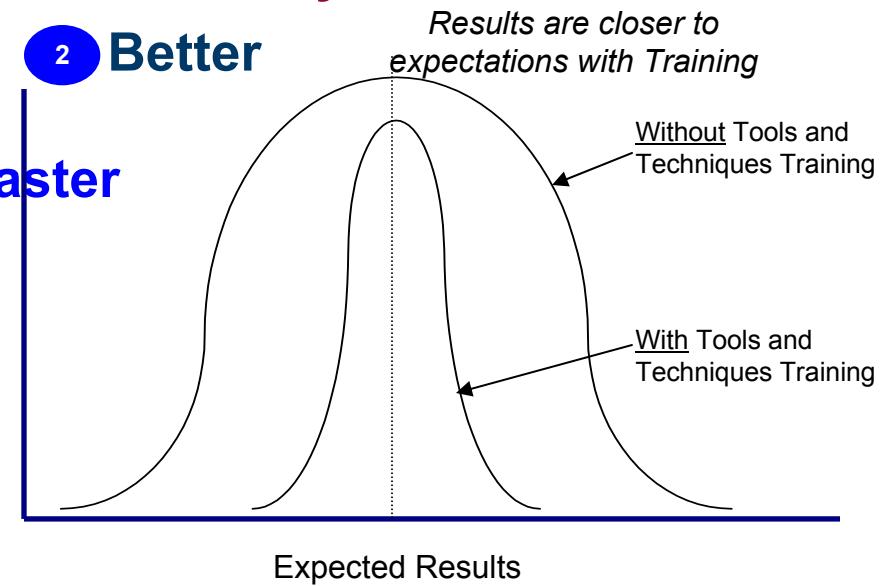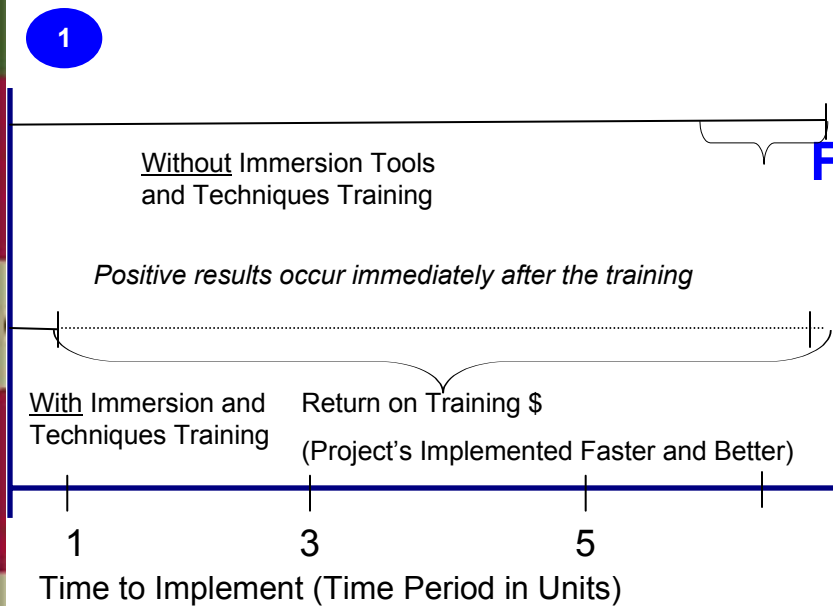The processes and tools necessary to successfully plan and execute projects

➢ **Art:** Leadership skills
- Instilling Trust
- Building and Motivating Teams
- Communication
- Demonstrating Integrity
- Solving Problems
- Delivering on Promises

Immersion Training

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Immersion Training Creates Many Benefits

1

Without Immersion Tools and Techniques Training

Positive results occur immediately after the training

With Immersion and Techniques Training

Return on Training $

(Project's Implemented Faster and Better)

| 1 | 3 | 5 |

Time to Implement (Time Period in Units)

2 Better

Faster

Results are closer to expectations with Training

Without Tools and Techniques Training

With Tools and Techniques Training

Expected Results

3 More

Project Managers can successfully handle more projects

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**1 + 2 + 3 = Benefits Across All Divisions**

Key Message

All of the organization will benefit if project managers and teams speak the same language and plan and execute consistently particularly in cross-divisional projects

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Learning Comes Through Applying

Immersion Training

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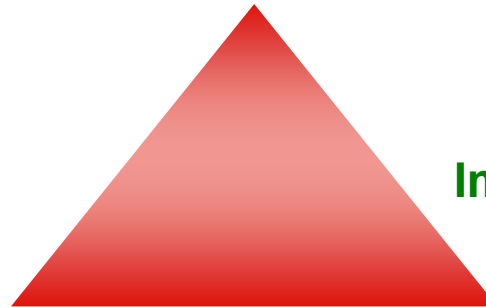
What Is the Test of an Outstanding Project Management Training Program?

➢ Project Managers Have Significantly Matured in Their Leadership Skills

➢ They Can Rapidly Apply What They Have Learned to Their Present Projects…You See Immediate, Positive Results

➢ PM's are "Sold" on the Tools and Techniques…They are Enthusiastic and They Have the ***Discipline*** to Apply the Infrastructure Necessary to Be Successful.

➢ PM's Have Experienced the "Pain" of Failing on Simulated Projects So That They Will Not Do It Again on Live Projects.
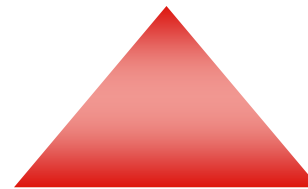
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#9 Education of Sponsors, Executives and Business Leaders

- PM Workshops
  - ➢ Identify barriers created by management that can cause project management to fail
  - ➢ Learn what to inspect – "you can't expect if you don't inspect"
  - ➢ How to ask for information and how to act upon it.
  - ➢ Participate in an exercise in identifying potential project trouble spots.
- Executives evaluated based on how they support execution (project management) across the organization

**Total Commitment
Of Executives**

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You Can't Expect If You Don't Inspect!

Project Excellence Check Sheet

	Yes	No
1. *Project Charter* contains, at minimum, a clear statement of:		
➤ Vision (Linkage to Strategic Initiative	☐	☐
➤ Problem or Need Statement	☐	☐
➤ Objective or Solution Statement	☐	☐
➤ Scope Statement with In and Out of Scope Defined	☐	☐
2. *Detailed Work Breakdown Structure* has been created. It is decomposed to the work package level. Code of account has been assigned and the deliverables can be traced back to the requirements document.	☐	☐
3. *Communications Plan* contains:		
➤ *Means of Communication:* describing when to use E-mail and when to communicate verbally.	☐	☐
➤ *Responsibility Matrix* assigning ownership to all deliverables derived from the WBS.	☐	☐
➤ *Organization Chart* showing team members and clearly defined stakeholders.	☐	☐
4. Issues are tracked on an *Issues Log* and are assigned to a specific individual for resolution. Resolution is current.	☐	☐
5. *Risks* have been identified and mitigation plans developed to avoid or lessen the affect of identified project risks.	☐	☐
6. The project has been developed in Workbench at the detailed level with tasks size at 80 hours or less	☐	☐
7. An updated detailed *Project Schedule* is immediately available to determine status of tasks in progress.	☐	☐
8. Does the project have an up-to-date schedule and does hner or she know the *Critical Path?*	☐	☐
9. The project manager is able to describe any *Variance* in cost or scope from the original baseline of the project.	☐	☐
10. Team members know the strategic purpose of the project.	☐	☐
11. *Scope Change* process is in place to assess project impact. Changes are tracked on an up to date *Scope Change Log*	☐	☐

10. The Project Notebook

- Make it a requirement that project managers carry one at all times

- Speeds decision making

- Keeps project managers "on the horse"

- Improves credibility (instant access to information; organization; thoroughness)

- At a minimum:

  - ➢ Charter

  - ➢ Responsibility Matrix

  - ➢ Up-to-Date Schedule and Status

  - ➢ Issues Log

  - ➢ Change Control Log

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Portfolio Management

Portfolio Management

- The act of prioritization of projects and balancing resources based upon status and attractiveness of projects
- Achieves enterprise-wide integration of strategy and organizational activities
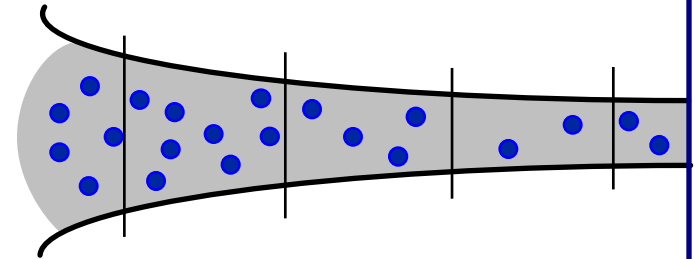
Portfolio Management

Typical Environment:

- Management is not sure how many projects and programs are underway

- Status of projects and programs is unknown or inaccurate

- Projects and programs are not clearly tied to strategic initiatives

- Prioritization decisions are based on the "Squeaky Wheel"

- Dependencies between programs and projects are not identified and managed

Successful Environment:

- Projects and Programs are tied to Strategic Initiatives

- Projects and Programs are plotted and tracked based on Strategic Value and Degree of Difficulty

- Gating is Used at Each Phase to Determine Viability to Continue

- PMO Facilitates Priority Decisions

- Level of Commitment (FT; PT) Determined.

The Project Portfolio


```
┌─────────────────────────────────────────────────────────────┐
│             Portfolio of Programs and Projects                │
└─────────────────────────────────────────────────────────────┘
        │                                                │
   ┌──────────┐      ◀ ━ ━ ━ ━ ━ ━ ━ ▶       ┌──────────┐
   │ Program A │                              │ Program X │
   └──────────┘                              └──────────┘
     │      │                                  │      │
┌──────────┐  ┌──────────┐            ┌──────────┐  ┌──────────┐
│Project A1│◀--▶│Project An│          │Project X1│◀--▶│Project Xn│
└──────────┘  └──────────┘            └──────────┘  └──────────┘
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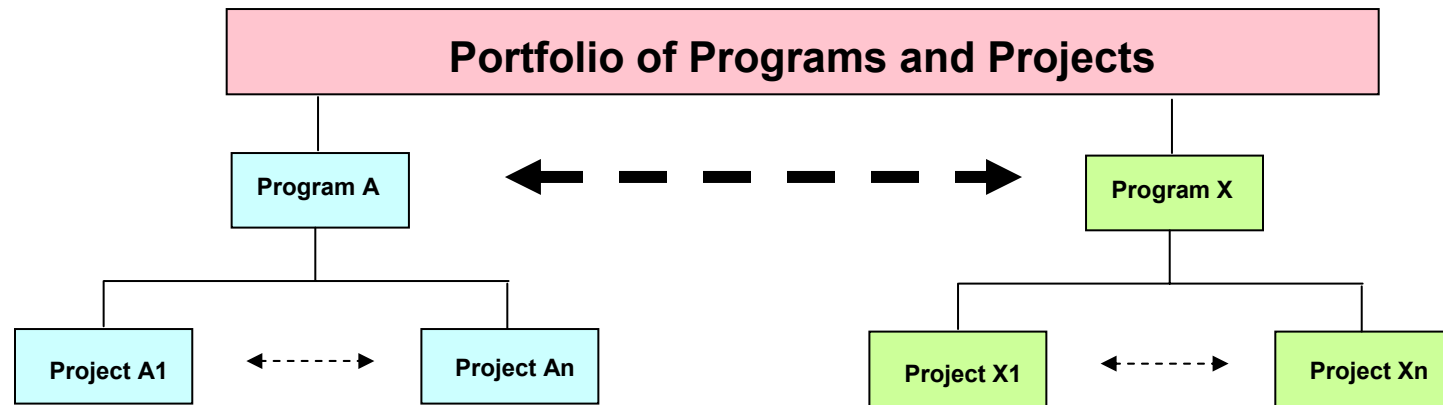
1. The current approach is to group projects into programs, and define all of these in the organization's Project Portfolio

2. The aggregation of the projects into programs is known as the Project Portfolio

3. One way to view the Project Portfolio: it's how we will deliver the Strategic Plan and component Business Unit Plans

The Portfolio Management Process

```
              ┌─────────────────────────┐
              │      Establish the      │
              │  Portfolio Environment  │
              └─────────────────────────┘
             ↙                           ↘
┌──────────────────┐          ┌──────────────────────┐
│    Prioritize    │          │  Determine Resource  │
│   Project Work   │          │   Capacity/Demand    │
└──────────────────┘          └──────────────────────┘
             ↘                           ↙
              ┌─────────────────────────┐
              │       Optimize the      │
              │        Portfolio        │
              └─────────────────────────┘
                          ↓
              ┌─────────────────────────┐
              │       Manage the        │
              │        Portfolio        │
              └─────────────────────────┘
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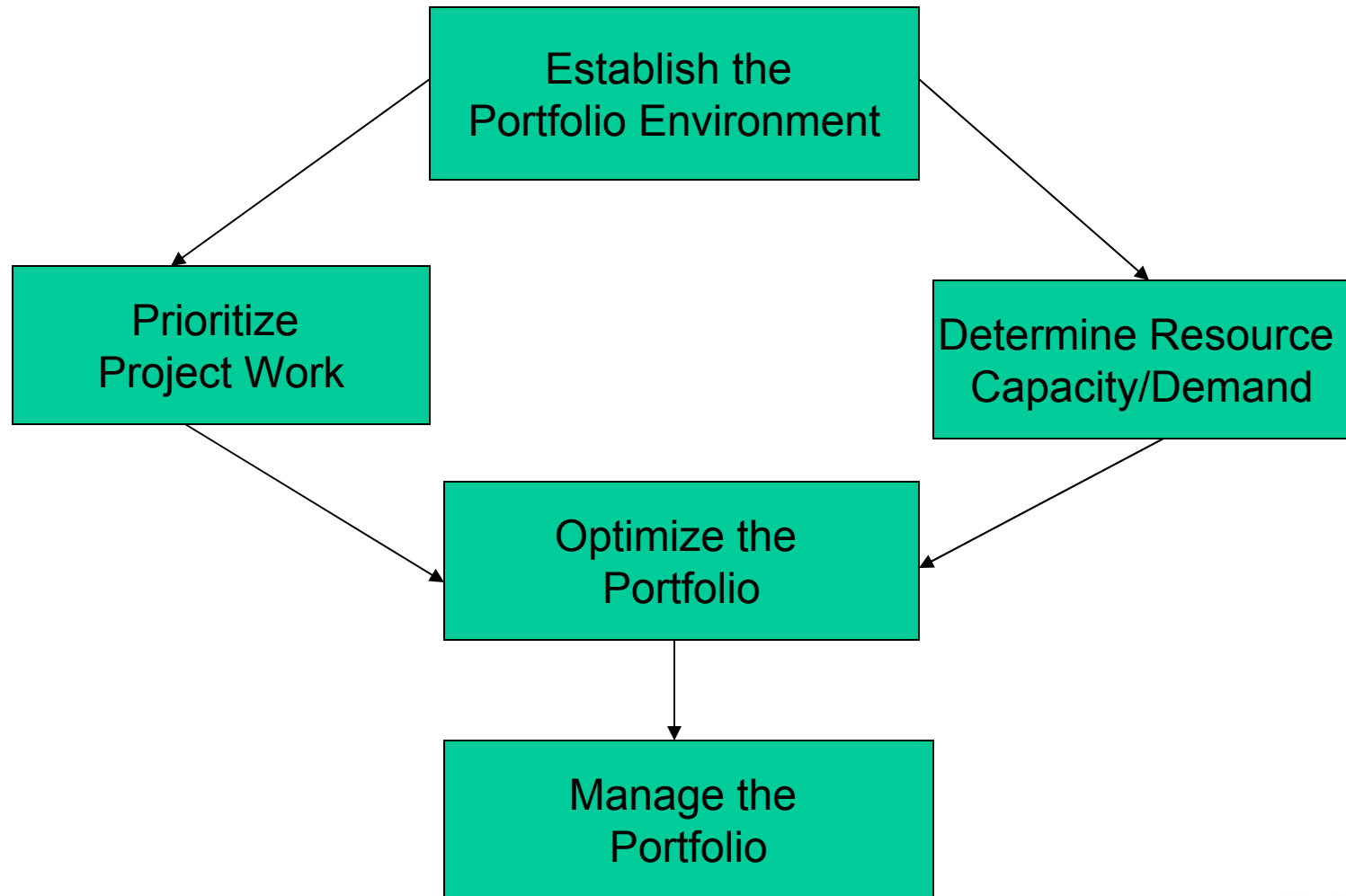
Establish the Portfolio Environment

- **Determine Project Organization Levels**

  – Analyze organization funding hierarchy

  – Determine appropriate management structure

  – Validate with executive management Team

Establish the Portfolio Environment

•Create Portfolio Management Team

- – Determine and assign sponsor
- – Determine and assign team members
- – Define roles/responsibilities
- – Develop team tharter
- – Validate project directory with sponsor

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Establish the Portfolio Environment

•**Establish Portfolio Management Processes**

- – Determine portfolio processes
- – Validate with sponsor
- – Communicate to project teams

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Prioritize Project Work

•**Establish Project Types**

– Identify types of project work

– Define parameters

– Allocate budget

Prioritize Project Work

• **Develop Prioritization Criteria**

- – Identify business strategies
- – Define prioritization criteria
- – Establish weighted values
- – Define scoring model

Prioritize Project Work

•Identify Project Work

- Classify by project type
- Perform quality review
- Add proposed projects to project repository
- Submit proposed projects to portfolio management team
- Update project repository with status

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Prioritize Project Work

•Prioritize Projects

- – Score proposed projects (using scoring model)
- – Rank projects and assign priority
- – Validate priority with sponsor

Determine Resource Capacity/Demand

• **Define Resource Capacity**

– Define resource pool

– Determine resource availability

– Update resource information in repository

Determine Resource Capacity/Demand

•Estimate Resource Demand

- – Determine resource requirements from proposal project proposals

- – Validate resource requirements with Sponsor

- – Update project repository with validated resource requirements

Determine Resource Capacity/Demand

- **Analyze Resource Capacity vs. Resource Demand**

  – Consolidate resource information
  – Perform "gap analysis" of capacity vs. demand

Optimize the Portfolio

•**Develop Detailed Plans**

– Analyze high-level resource utilization

– Authorize detailed planning

– Validate with sponsor

– Communicate decisions

Optimize the Portfolio

•**Estimate Detailed Resource Requirements**

- Review detailed plans
- Resolve variances against high-level estimates
- Validate with sponsor
- Update project repository

Optimize the Portfolio

- **Analyze Portfolio Resource Utilization**

  – Review project repository

  – Analyze capacity vs. demand

  – Propose recommendations to optimize utilization

Optimize the Portfolio

- **Authorize Project Resources**

  – Authorize resource usage

  – Update project repository

  – Validate with sponsor

 – Communicate to project teams

Manage & Monitor Portfolio

- Implement processes
- Provide training
- Make project repository "public"
- Perform continual project assessments
- Balance the portfolio

Portfolio Evaluation Process

Two basic measures of influence to take
into consideration when evaluating a portfolio are:

1) the **impact** of a project/program on the strategic
objectives

2) the **complexity**, or level of difficulty, of each
project/program.

Project and Program Evaluation

Strategic Impact Value

Degree of Difficulty Value

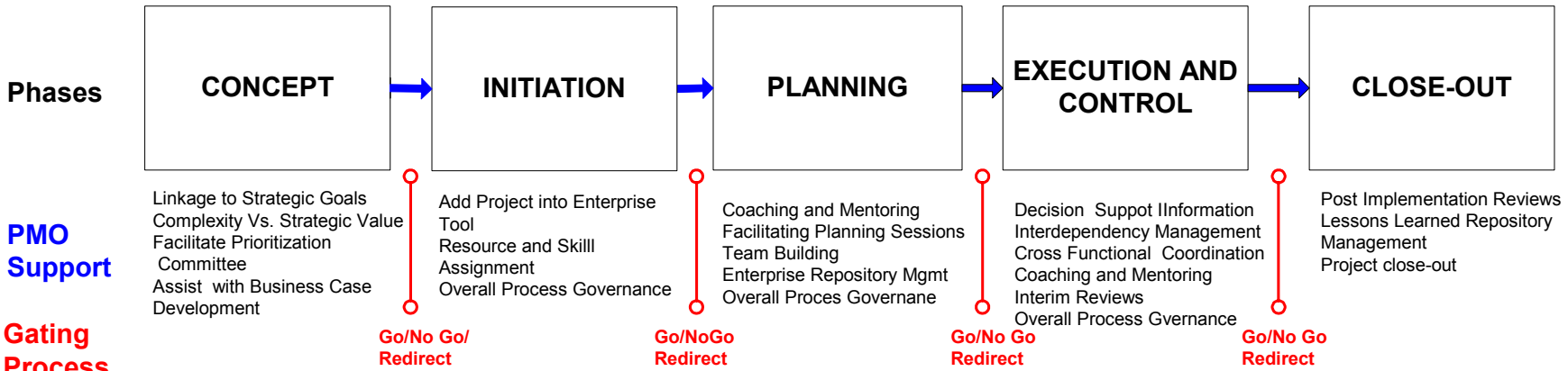○ Proj A ● Proj B ○ Proj C ○ Proj D ● Proj E
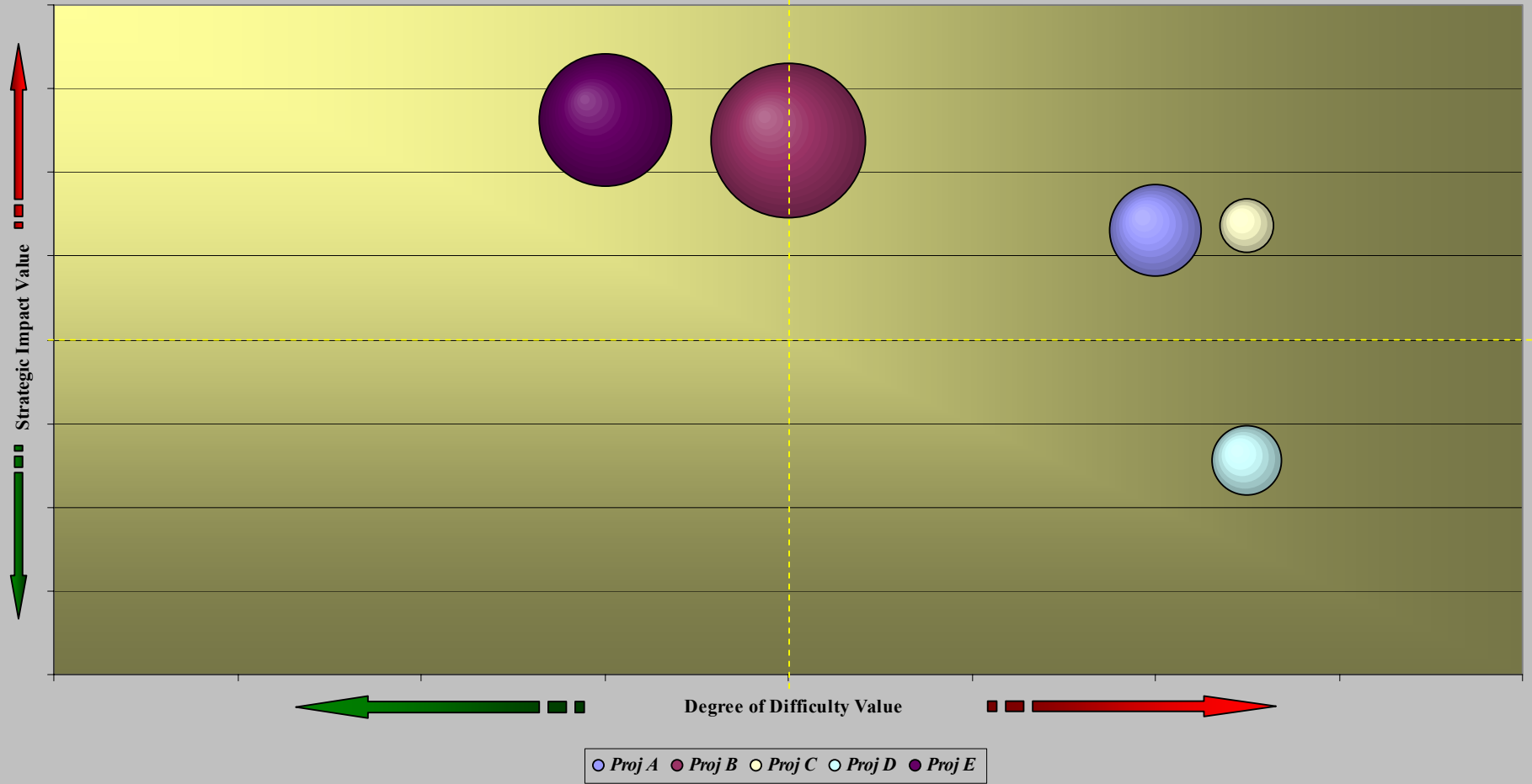
Make Tough Decisions

- Some Projects Must Be Deferred

- Quantify the Value of Projects that Have Nebulous Business Benefits

- Eliminate Projects That Don't Fit…and Do It Now

- Define Those Projects That Are Impacted By the Outcome of Others

Gating Process

IT Core Governance Across The Program and Project Lifecycles

Phases	CONCEPT	INITIATION	PLANNING	EXECUTION AND CONTROL	CLOSE-OUT

PMO Support

Linkage to Strategic Goals Complexity Vs. Strategic Value Facilitate Prioritization Committee Assist with Business Case Development	Add Project into Enterprise Tool Resource and Skilll Assignment Overall Process Governance	Coaching and Mentoring Facilitating Planning Sessions Team Building Enterprise Repository Mgmt Overall Proces Governane	Decision Suppot IInformation Interdependency Management Cross Functional Coordination Coaching and Mentoring Interim Reviews Overall Process Gvernance	Post Implementation Reviews Lessons Learned Repository Management Project close-out

Gating Process

Go/No Go/ Redirect   Go/NoGo Redirect   Go/No Go Redirect   Go/No Go Redirect

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PM and Enterprise Tools

Typical Environment:

- Sporadic use of scheduling tools
- Lack of quality training in PM Tools
- Lack of PM Tool Guidelines
- Lack of Templates
- Lack of Enterprise tools for roll-up to executive level
- Management does not use the information for decision making

Successful Environment:

- Scheduling tool is used as a decision support tool
- Projects are planned in detail in the PM scheduling tool
- All projects are tracked in scheduling tools
- An enterprise tool is implemented for rollup to executive level
- Dashboard reporting is defined and used regularly.
- The information in the enterprise tool is drillable
- PM's receive training in the tool that is focused on functionality, not features

The Danger of Dashboard Reporting

Art by Geoff Latter

The Engine is not Connected to The Instrumentation

Implementation of Enterprise Tools

⮞ If information is not directly generated from the scheduling tool it is an expensive folly

⮞ Ensure that the tool provides "drill-ability"

⮞ You are at risk if the scheduling tool is difficult to use

⮞ Provide proper training in the scheduling tool

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Recap: Rapidly Moving to a Culture of Disciplined Execution

Leadership

- Decision to Change
- Define and Communicate a Vision of the Future
- Leadership Workshops
- Inspect…Walk the Talk

Strategic Success

Consistent Approach to Project Management

Immersion Style Training, i.e. Boot Camps

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- Maturity Assessment – a Reality Check
- Develop Consistent Approach
- Provide Easy to Use Guidelines

- Challenging and Experiential
- Leadership and Communications
- Practical Experience w/Processes
- Fundamentals

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Case Study – Major Automobile Corporation

≤ Excessive rework costs, several runaway projects, a stalled PMO implementation, lost credibility with clients.

≤ Action Taken:

- Nov. 04: Maturity Assessment (Reality Check)

- Dec. 04: Executive Workshop

- Dec 04: Developed PM Processes/Toolkit with Guidelines

- Jan – July 05: Conducted 4 Boot Camps (80 PM's)

- Feb – On site mentoring for selected projects and programs

- March – Niku training

- July – More executive workshops with the business side

- August – Unannounced project assessments by external organization

- October – Another reality check

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"Translating Strategic Vision Into Portfolio Success"™