Different drivers for PfM in organisations

This section will talk about the arguments for portfolio management, the barriers to implementation and how to sell it in an organisation.

David Dunning, on behalf of the APM Portfolio Management (PfM) SIG

Quick Revisit – The Benefits of PfM

- More "right" programmes / projects

- Removal of redundant, duplicate, poorly performing projects

- More effective implementation of programmes / projects – consistent approaches and improved dependency management

- Better resource utilisation and collaborative working (both projects and BAU)

- Holistic risk management

- Enhanced transparency, accountability and governance

- Improved engagement and communication between senior management and staff

- Greater benefits realised (and that support strategic objectives)
Reference: MoP™ Office of Government Commerce, 2011

- **The arguments are quite simple…but we need to get in front of the right people**

- **the barriers to implementation include lack of understanding of**
  - **what it is or**
  - **how to do it**
  - **and clarity of benefits possible**

- **how to sell it in an organisation?**
  - **Clarify the pain**
  - **Show a solution**
  - **Show its achievable**

Quick Revisit – Key principles for success

- Alignment with governance framework
- Alignment with strategic objectives
- Use of a portfolio office
- Energised culture
- **Senior management commitment**
  - **Senior champion and clear roles / accountabilities**
  - **Active engagement - Fast decision making**
  - **Rewards and recognition alignment**

In this space - what is the Cx level interested in?

- Business related 'stuff' - clarity, not waffle
- **NOT** P3M process related hocus pocus
- **DEFINITELY NOT** tool related hocus pocus
- Bang for buck please, I have a lot on….

In this space - what is the Cx level interested in?

- What is does my strategy mean in terms of Transformation?
  - Can we actually do it?
  - How much will Transformation cost (resource, money, risk)?
  - What is the value of the Transformation? (Benefit, revenue, saving)
- How am I assured my business system works?
  - What happens if something changes?
  - Are we performing?
- Bang for Buck?
  - How can I check that Transformation is happening?
  - Am I realising the value of those changes?

The arguments are quite simple…but we need to get in front of the right people

Introduction to the Transformation Building Blocks

apm

Portfolio, Programme and Project Management

Base Capability

Commonly exploited tools, joined up data.

Good quality, reliable information.

People & Process

Best practice templates and update cycles people understand.

Commonly understood processes and tools operated by capable people.

Insight & Management

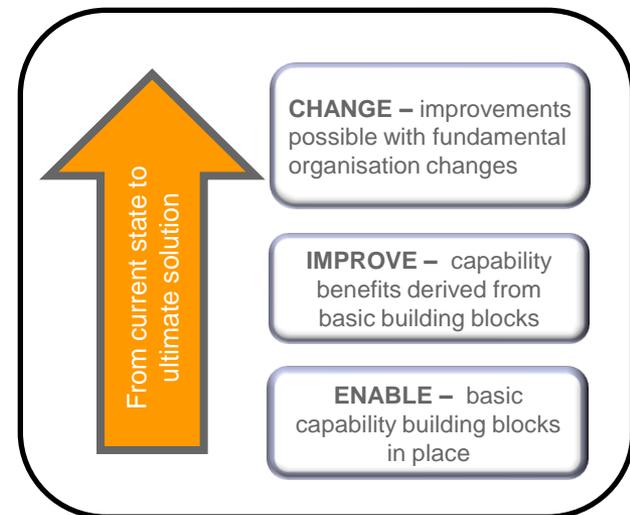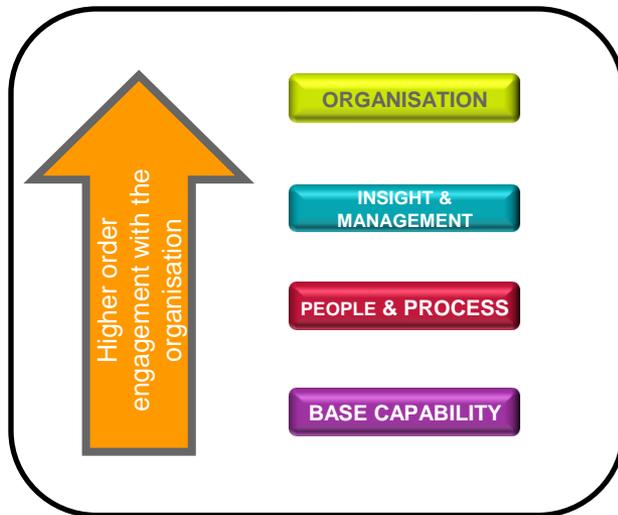Universal interactive reporting methods and tools.

Integration 'designed in'. Ability to share useful information not corporately reported.

Organisation & Leadership

Organisation components in place to thought lead, support, govern and scrutinise delivery.

Strategy led delivery and benefit realisation.

the barriers to implementation include lack of understanding…

There are 2 transformation dimensions:

Left diagram — Higher order engagement with the organisation:
- ORGANISATION
- INSIGHT & MANAGEMENT
- PEOPLE & PROCESS
- BASE CAPABILITY

Right diagram — From current state to ultimate solution:
- **CHANGE –** improvements possible with fundamental organisation changes
- **IMPROVE –** capability benefits derived from basic building blocks
- **ENABLE –** basic capability building blocks in place

Scope and Timing

Reference: CPS Consulting Framework 2012

	BASE CAPABILITY	PEOPLE & PROCESS	INSIGHT & MANAGEMENT	ORGANISATION
CHANGE	• Tools joined up with other tools • Data integrity • IT strategy alignment	• Interpretation not a gamble • Processes relied upon by the business • People capability not an issue	• Flexible Insight to spot issues • Meaningful analysis on reliable information from reliable process • Supporting key business processes	• Scrutiny and oversight of the portfolio • Strategy drives delivery and delivery informs strategy • Future resource needs from strategy
IMPROVE	• Tools aggregate information easily • People use tools & follow basic usage model • Accuracy and reliability	• Common Information • Processes joined up and operated • People capable of following processes	• Common data schemes in different systems • Common reports extended to integrated information • Aggregated information for further collaboration	• Support and governance in place • Exec level use of information for decision making • Skill development / acquisition
ENABLE	• Common planning & collaboration tools • People have base tool capability • Data Accuracy	• The right management information • Common procedures • Enough of the right people	• Common reports defined • Information sources understood and manually worked together • Common ways of collaborating around information	• Standard tools & processes owned • Initial link between strategy & delivery visible • Capability hiring approach

the barriers to implementation include lack of understanding…

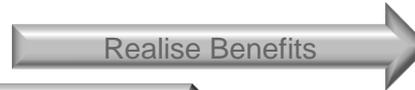association for project management

Transformation

Identify

Define

- Identify – the problems to be solved
- Assess – what the implication is
- Define – the solution and the roadmap

Phase 1 Vision = **ENABLE**
- Assessment
- Design
- Change

Realise Benefits

Assessment | Design | Change

Phase 2 Vision = **IMPROVE** – build upon the capability enabled.
- Design
- Change

Realise Benefits

Design | Change

Phase 3 Vision = **CHANGE** – deliver benefits beyond what is possible with improvement alone.
- Design
- Change

Realise Benefits

Design | Change

Initiation | Phase 1 Enable | Phase 2 Improve | Phase 3 Change

the barriers to implementation include lack of understanding…

Reference: CPS Consulting Framework 2012

Problem	Outcome	Benefit
Resource management – unsuitable model for managing going forwards	• Central place – for resources, skills, plans. • Process for long term planning and resource allocation. • Update cycle to control allocations for plans 'in flight'	• More efficient use of resource pool. • Ability to be more agile • Reduce the cost of managing issues resulting from ineffective resource management. • Increase delivery certainty from greater timescale predictability
Lack of visibility of work in flight / approaching and lack of visibility of timescales.	• Central place for plans and other project controls. • Common reporting portal. • Replace current manual reports with more automated / on demand report soluti...	• Reduce cost of reporting • Increase predictability for the business leading to less time spent introducing changes • Improve reputation with the business
Incomplete approach to fo... load, unsatisfactory transiti... real plan	• ...ide... • ...st... • ...od... • ...terms and near term work. • Review priority model to require alignment to strategy	...starts from greater ...now and into the future ...e of resources • ...management time spent resolving issues which could have been avoided. • Enables more effective prioritisation – more if the important work is done.
Ineffective collaboration on project controls and no central configuration management approach for document	• Project Collaboration environment. • Document Library, common project controls. • Cross project issue, risk, lesson learned reports	• Less time managing documents, less issues resulting. • Less storage space needed. • One place to look for documents, less time searching for the right version. • Better learning. • Less time spent assembling cross project reports
Ineffective Performance measurement and management	• Common progress cycle from common plan structures, supporting common metrics	• Less time spent capturing status. • Less time spent starting up plans and project controls. • More reliable planning leading to less issues to manage. • Increased predictability leading to reputation benefits and business time saving.

Problem ▸ Outcome ▸ Benefit

how to sell it in an organisation….
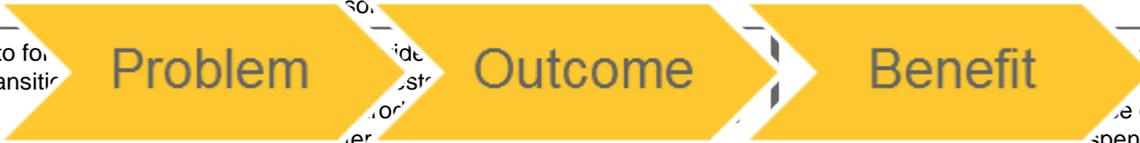
What game to play?

Top Down – Strategic
- Very fast or very slow
- All or nothing
- Dependent on the personalities involved
- Resources
- Energy and drive can be very effective
- ***Missing out on benefits*** while waiting until you get backing

Bottom Up
- Get *something* moving
- More effort
- Less effective (shoestring)
- Greater penetration than top down?
- Better 'stick'
- ***Spending*** while waiting until you get backing

Barriers

- CXO agenda full

- No perceived problem

- No CXO knowledge of Portfolio Management

- Uncertainty of cost / benefit

- Culture 'wrong'

- Wait, or make an assertion

- Gather evidence, present

- Pick the right way / moment, brief.

- Seek funding to define costs / benefits

- Really?

First Step?

- What is the problem?
  - Health check? Gap analysis?
  - Internal perception gathering?
  - Outline Case…

- Then….
  - Consolidate backing
  - Vision
  - Enablers for change
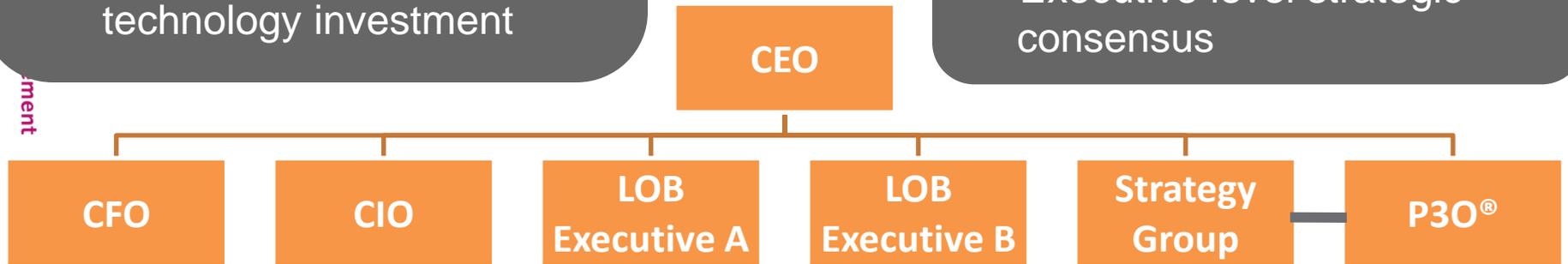 - Full business case…

Benefits

Chief Information Officer
- Foster collaboration around good information
- Fit P3M with the rest of the business
- Maximise the value of technology investment

CEO/Strategy Group
- Operationalise strategy
- Executive level strategic consensus

CEO

| CFO | CIO | LOB Executive A | LOB Executive B | Strategy Group | P3O® |

CFO
- Typical owner of P3O®
- Optimise investment allocation
- Standardised financial forecast and tracking
- Project Sponsor visibility

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- iness benefit link
- r resource dema
- nce change and

P3O®
- Real-time visibility
- Life Cycle frameworks
- Reportable repository
- Inter-project coordination
- Skill leverage & escalation

how to sell it in an organisation….