

9 Simple Steps **to Convince Your Leadership to Adopt Project Portfolio Management**

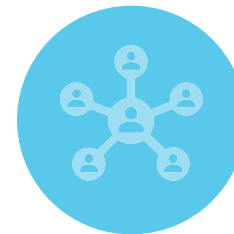


Introduction

Projects are the center of your business, so effectively managing them should be top of mind. We hear so much about project and portfolio management, but how many organizations are really doing it effectively? Why is establishing and maturing a PPM discipline so difficult? The root cause is disparate systems and lack of process standardization that make reporting and managing projects and portfolios very challenging. This ebook will give you some simple steps to help gain support for PPM adoption.

What is the Definition of PPM?

Wikipedia does a great job on the definition: “PPM is the centralized management of the processes, methods, and technologies used by project managers and project management offices (PMOs) to analyze and collectively manage current or proposed projects based on numerous key characteristics. The objectives of PPM are to determine the optimal resource mix for delivery and to schedule activities to best achieve an organization’s operational and financial goals, while honoring constraints imposed by customers, strategic objectives, or external real-world factors.



PLAN
(RESOURCES)



ANALYZE
(KPIs & METRICS)



PROJECT STATUS

Steps to Make a Case for PPM:

1

CONDUCT AN HONEST APPRAISAL OF YOUR PROJECT MANAGEMENT DISCIPLINE

The first step in correcting a problem is to admit that you have one. Once you admit that your project performance and overall maturity is not where you want it to be, you can make a case for change. You will need to find the right sponsor for the project, preferably one that has a stake in the success of the project. Understanding the organizational goals will give you vital information into the motivations of key stakeholders.

This next point is critical. Do not focus your business case on poor performance only. Successful business cases address the key components necessary to achieve business goals, such as financial performance, operational performance, and compliance. Linking project management maturity to these metrics is crucial. Executives often struggle to understand that project management maturity is cultural. Make it clear that unless a project management maturity culture is established, it will revert back to chaos. The future vision for project management maturity must be communicated on the basis of how it can positively improve financial outcomes. Approval for a business case often comes down to the financials. A great business case will identify the benefits of the project.



2

DECIDE TO IMPROVE YOUR PROJECT MANAGEMENT DISCIPLINE AND MATURITY

Now that you have admitted there is an issue, it is time for your leadership to make the decision. They have decided the project is worthy and the decision is to get started. Next, form a tiger team that is in charge of project management maturity. If you are not familiar with a tiger team, it is a diversified group of experts brought together for a project and/or a need. They are assigned to find solutions to unique situations or problems. They are almost always populated with mature experts who know what's at stake, what needs to be done, and how to work well with others.

In this case, the team will need to be cross-functional. Their strengths are their great reputation within the organization, knowledge, and communication skills. You will need this team to fix the old issues but also to make project management maturity a priority going forward. The selection of the leader is very important. The leader will have a very hard job fighting the “we have always done it that way” line. The objective is to have the entire organization feeling a sense of pride in successful execution of projects.



3

PUT TOGETHER A PLAN

Just like with any project, there needs to be an established plan to help coordinate the moving parts and cross functional tasks. What are we going to do? Who is assigned to do it? When will it be completed? Establish a meeting cadence with the team as well as the sponsors or execs. The scope of the project will dictate the meeting and coordination needs.

Quick note: defining what is in scope and what is not is important for this team. Project management maturity truly does affect the entire organization and this team can easily get overwhelmed with multiple priorities. Also, there may be multiple teams working in tandem, so definition of work and the schedule are critical.



4

CREATE/UPDATE POLICIES AND PROCEDURES

What is a policy? A policy is a guiding principle used to set direction in an organization. A procedure is the series of steps to be followed as a consistent and repetitive approach to accomplish an end result. Just because you have policies and procedures does not mean they are applicable to your organization today and does not mean people are using them. The tiger team may also have a policy and procedure lead. They are critical; helping the business understand what part they play in successful project execution is HUGE.



5

SELECT AN INTEGRATED TOOL THAT WILL MAKE THE PROJECT LIFECYCLE COME ALIVE.

Selecting the right tool for your organization is critical. Selecting the wrong tool can be very costly to implement and—even worse—costly to maintain. A tool will not necessarily solve your problems, but it is an enabler to maintain process adherence. You will have more success if you pick a tool that is truly integrated and is centered around the concept of the project.

When you are picking a tool, make sure you can answer the following questions:

- ✓ Is it project based?
- ✓ What is the architecture of the software? Web Based? One Database? Cloud Ready?
- ✓ Is the company you are buying from customer-centric?
- ✓ Will the system require customizations?
- ✓ Will it meet the needs of the teams?
- ✓ Will the organization save money and time from the proper usage?
- ✓ What is the TRUE cost of ownership?

What Makes a Project Based ERP Special?

- ✓ Transactions are attached to a project, department/organization, and a general ledger account
- ✓ A time collection system attaches charges directly to the tasks that the individual works on
- ✓ Costing architecture is tailorable for each project and task (Work Breakdown Structure (WBS))
- ✓ Visibility is provided into the financials of each project (i.e. profit, cost, billing)
- ✓ A resourcing tool provides project managers with information on what skills are available at what time
- ✓ Complete financial reporting with the project in mind
- ✓ Project based key performance indicators to help drive the organizational and project goals
- ✓ System controls that send notifications when project restraints are met, configured to the needs of your business

The selection of the ERP system is not the scope of the tiger team, but an assessment of what it can be.

6

TRAIN THE TEAM

A training plan must be a part of the ongoing activities to mature your project management discipline. Since this comes at the end, it is easy to want to skimp on this in an attempt to save money; trust me, it will cost you down the road. Role-based training is the best. Look at the policies and procedures that affect that person and/or team. Train them on their specific duties but be sure to tell them WHY and WHO they are affecting downstream if they do not follow the process.

Most likely the organization has spent a lot of money on tools or they will be spending a lot of money, so give the teams tool training (train the trainer or receive training from the software company itself). You want to maximize that investment.



7

ASSES YOUR TALENT BASE

Make sure you have the right people in the right jobs. If there are changes that need to be made, make them. You may have a very talented accountant doing project management. Maybe he is great at debits and credits, but he is not a great leader. MOVE HIM! Assess where there are talent gaps and look to make those strategic hires.

8

KPIs TO DRIVE PROJECT PERFORMANCE

Establish standard KPIs for the business. This will help everyone understand the status of projects and their effect on the overall business. They should be a real-time visual representation of the role-based information needed to manage projects. You should be able to quickly see with colors and graphs where you are against your plans. Key Performance Indicators (KPIs) provide actionable insights to help you run your business on one single screen. The advantages of using KPIs are:

- Focus on corporate and strategic goals
- Real-time information gives you the ability to be proactive vs. reactive
- Study lessons learned so improvements can be made in the future
- Insight into what types of projects to chase



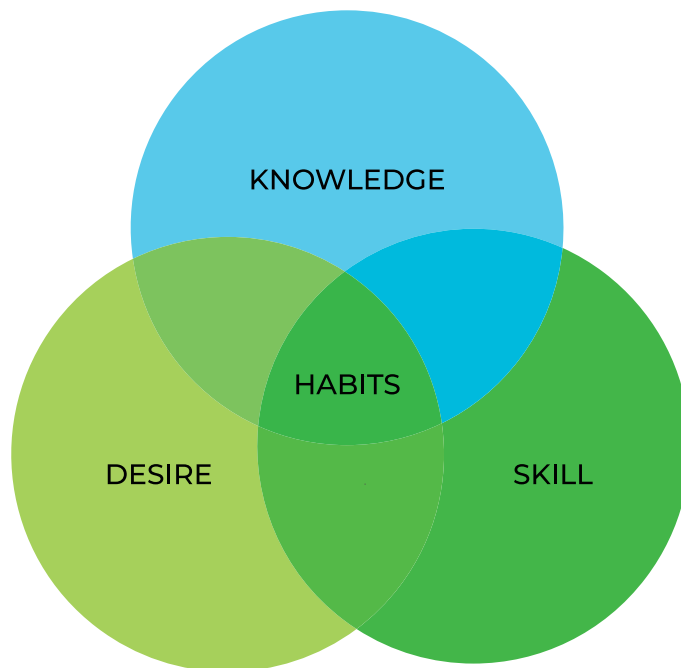
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CONTINUOUS IMPROVEMENT

You may recognize this from Steven Covey's *7 Habits of Highly Effective People*:

- **Knowledge** – what to and why to
- **Skills** – How to
- **Desire** – Want to

The intersection of these three is the formulation of habits. In this case, the habit will be to follow the project management best practices.



Source: *The 7 Habits of Highly Effective People*, Stephen R. Covey



Benefits of PPM:

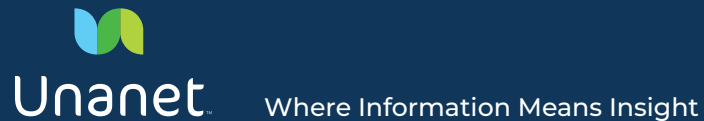
- ✓ Common communication of business information produced from sound processes, assuring decisions are made based on accurate information that align with corporate goals
- ✓ Ability to manage the opportunity pipeline of all projects that can be rolled up to program and portfolio
- ✓ What-iffing and modeling aids decision making by allowing you to establish the best path for the business. Revenue, cash, project, new orders, and growth are a few financial metrics that support strategy
- ✓ Enterprise planning of resources assuring right resources, right time, and right place
- ✓ Analyze KPIs at all levels of the organization and communicate to the enterprise
- ✓ Portfolio reporting and drill down so that the status of all projects can be analyzed as a part of the overall portfolio
- ✓ Visibility into all the projects in a portfolio, making sure that all projects are performing to expectations
- ✓ Common governance of projects and programs, allowing for a repeatable and tailorable process for all project sizes and types.



Bring PPM to Your Organization with Unanet's Project Management Software

What better way to achieve project management maturity than with project management software supporting your projects? Unanet's Project Portfolio and Project Portfolio Financials software offer one single source of truth for every aspect of your projects: expense reporting, budgeting and forecasting, time reporting, pipeline management, and more. We've helped over 2,000 customers transform their project management processes.

Contact Unanet today for more tips for adopting PPM or to see Unanet in action!



Unanet is a leading provider of ERP solutions purpose-built for Government Contractors, A/E, and Professional Services. More than 2,000 project-driven organizations depend on Unanet to turn their information into actionable insights, drive better decision-making, and nurture business growth.



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