

Developing the Project Portfolio Management process and maturity step by step

Matti Haukka

Partner, Senior Consultant, Project Institute Finland Ltd.

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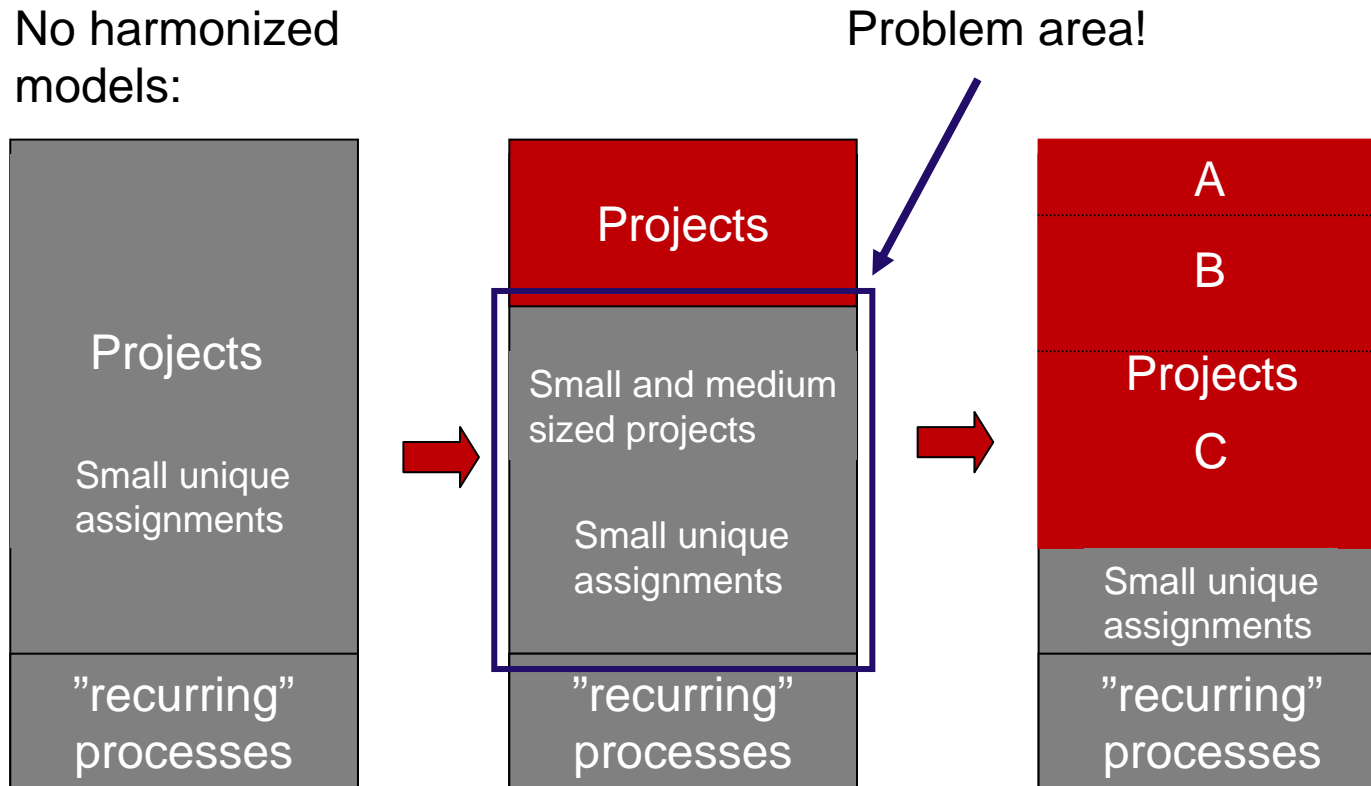
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Challenge of PPM

- It is not so much the process and the system itself but how some basic prerequisites are working:
 - Competence and processes of single PM
 - Key roles (Project Owner, PMO, PM and PPM Board)
 - Strategy towards the Project Orientated company

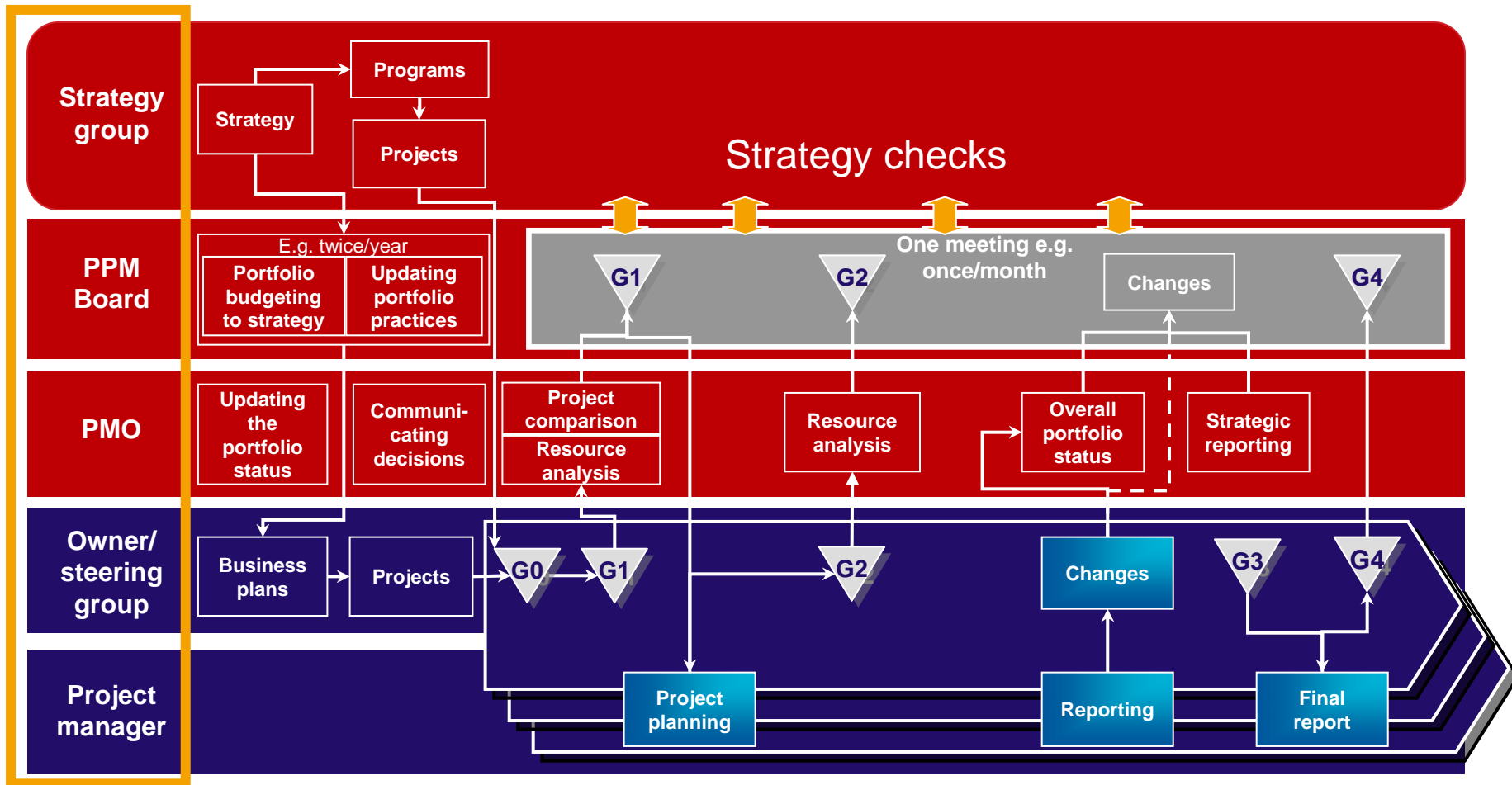
Which tasks and endeavors should be managed using PM and PPM processes:

No harmonized models:



The blocks describe the distribution of work time of personnel in a company that has many projects

Project portfolio management process



Five steps of PPM maturity model

More **"What you get?"**
than **"How well?"**

5. Pre- and Post-project evaluation of business benefits and continuous development of project culture

4. Systematic project prioritization

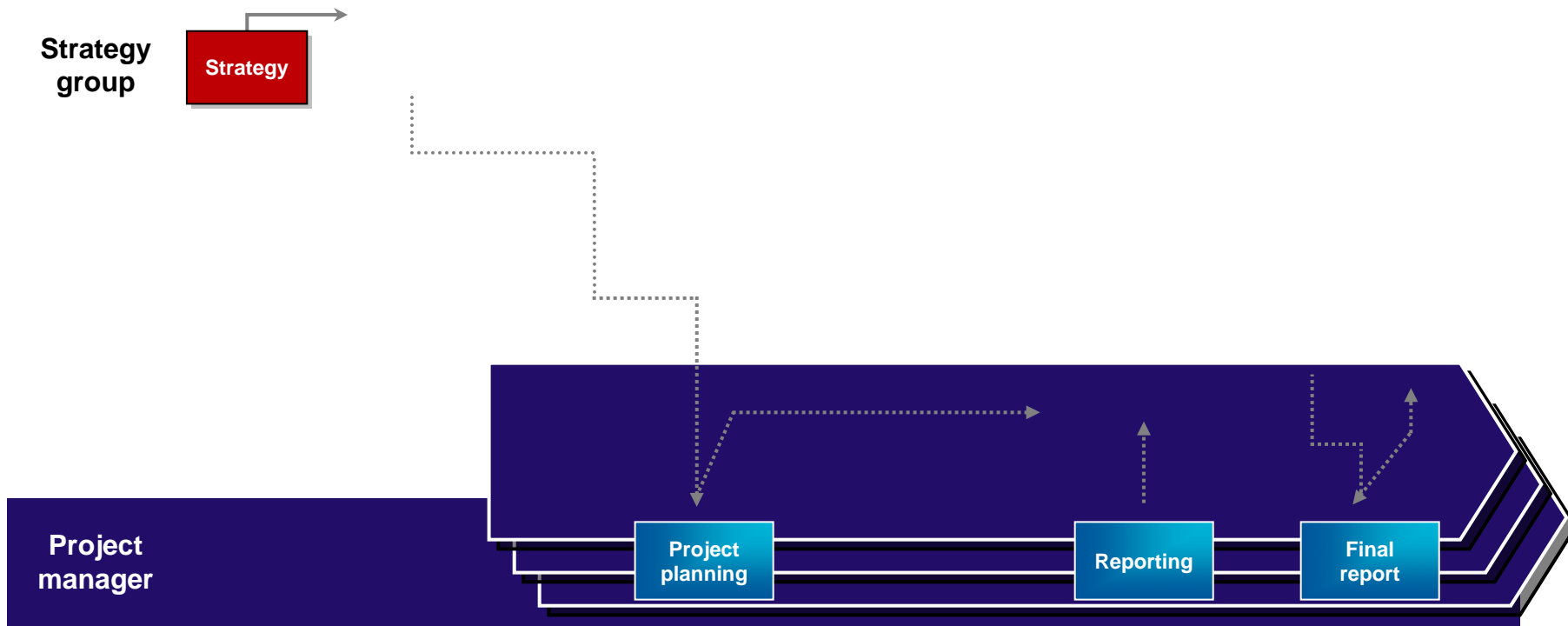
3. Resource management across all projects and other work

2. Awareness of the status and balance of projects

1. Awareness of ongoing projects

Efficiency of project business.
Faster realization of strategy

What you have on the beginning?



1st step of PPM maturity model

Key Role:
Project Owner

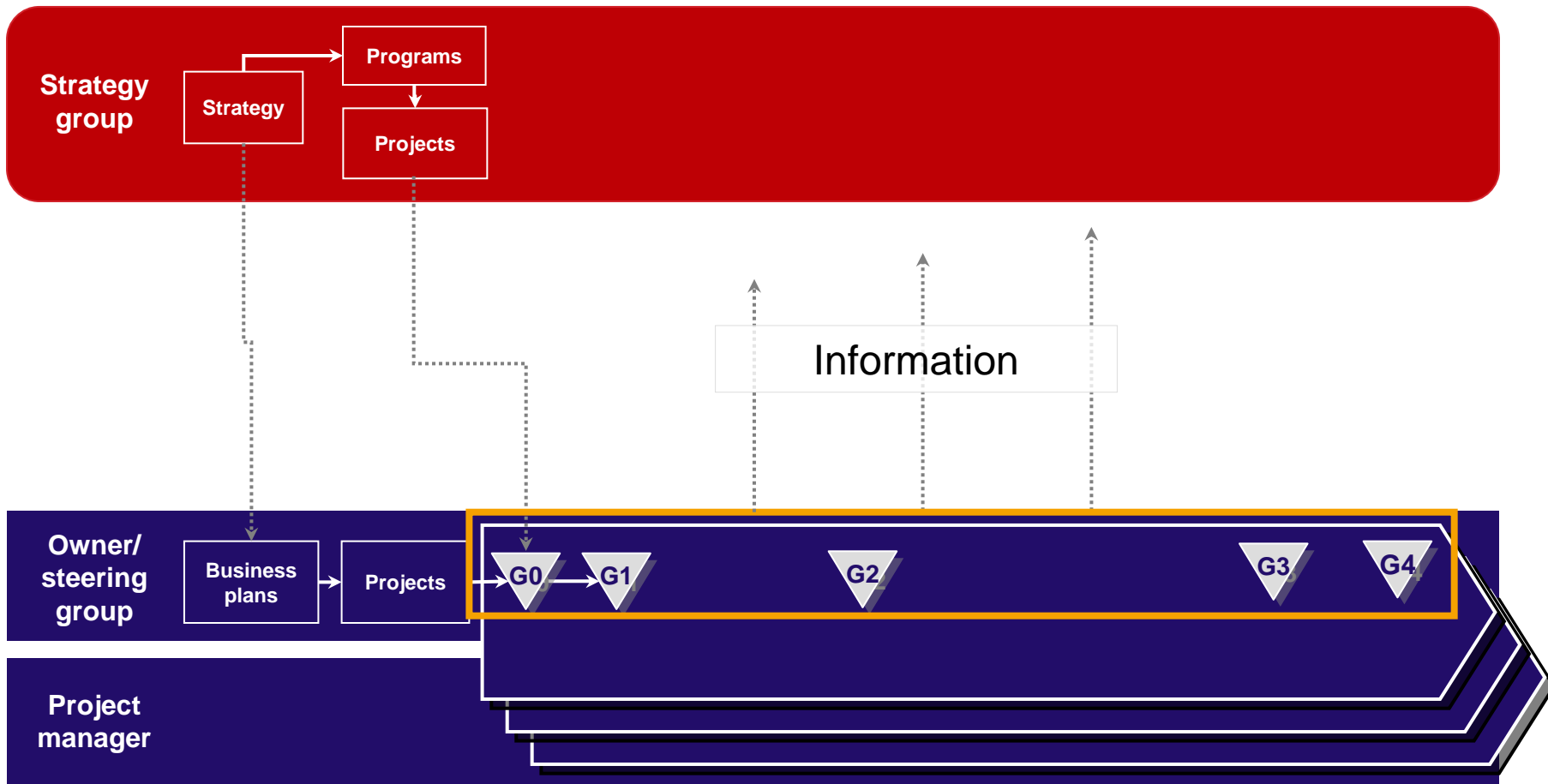
1. Awareness of
ongoing projects

Project
Owners

Level 1 prerequisites of functioning PPM

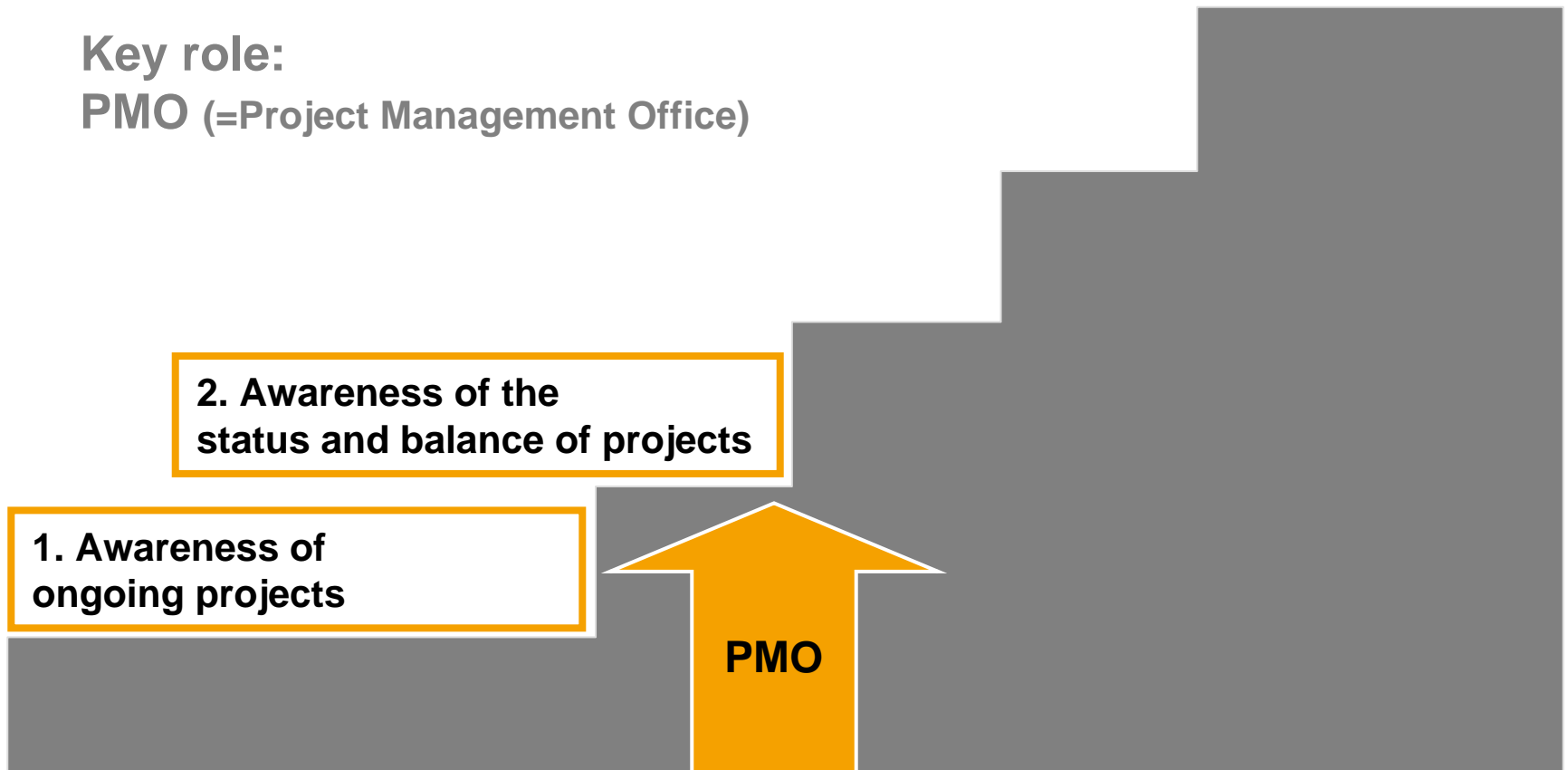
- Decision point model (stage-gate model)
- Clear definition of a what is managed as a project
- Updated project database
- **Project Owner is the key role**

Project portfolio management process (1st level)

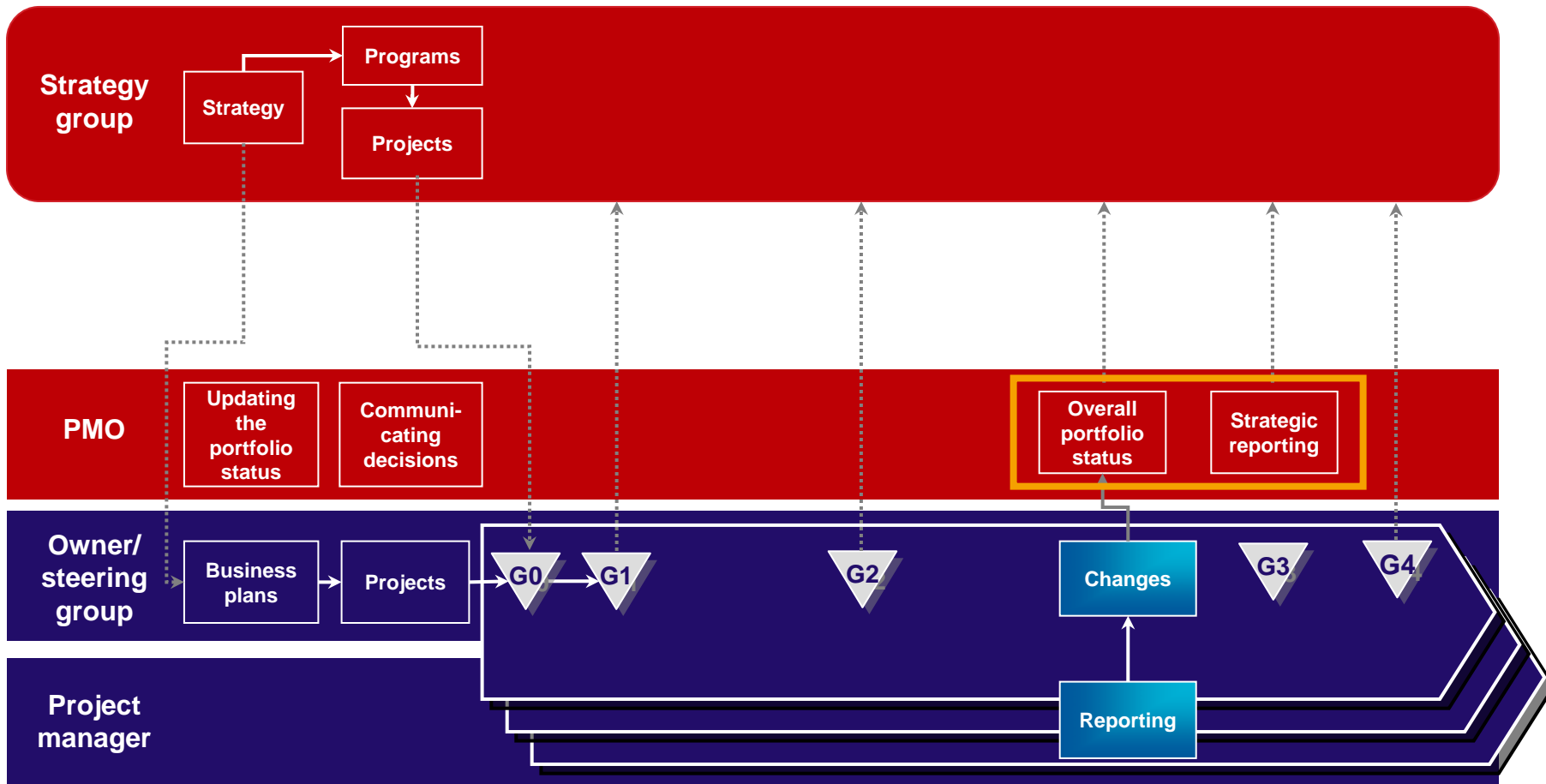


2nd step of PPM maturity model

Key role:
PMO (=Project Management Office)



Project portfolio management process (2nd level)



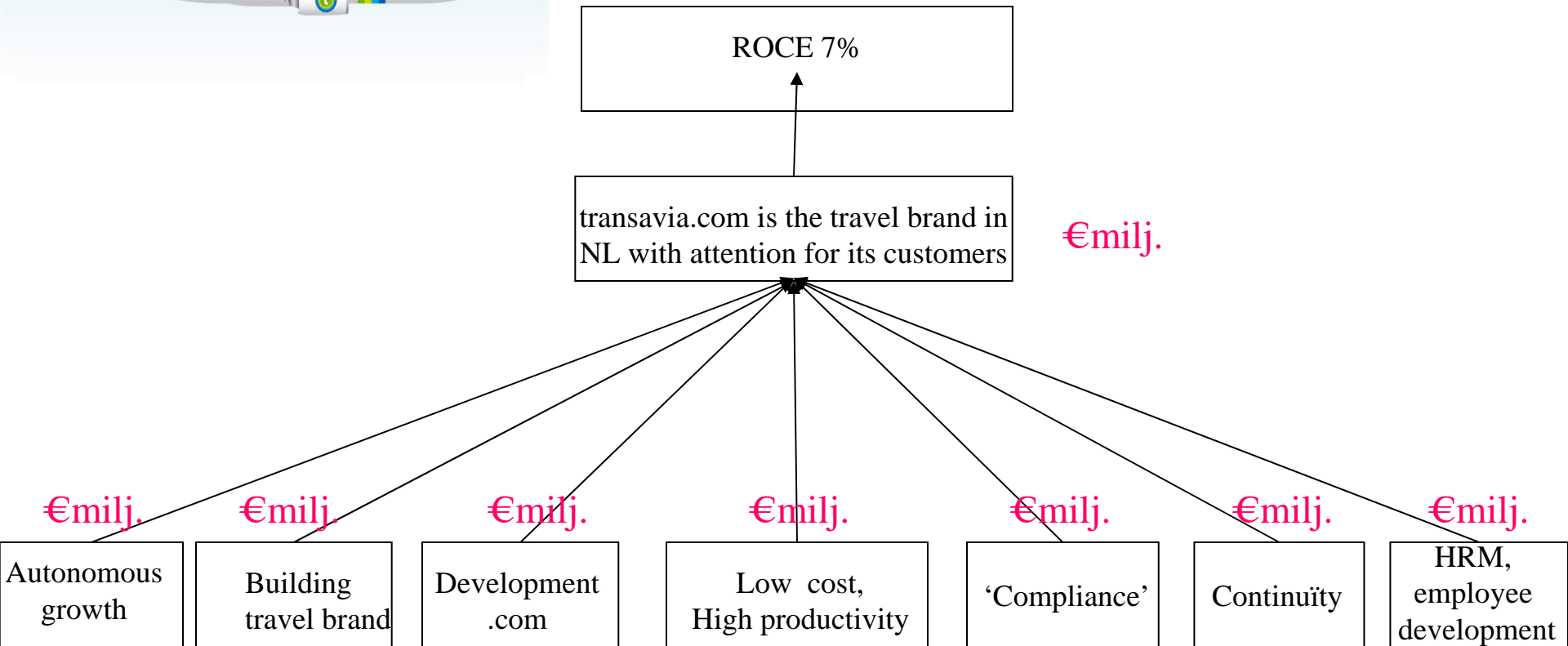
Level 2 Prerequisites of functioning PPM

- Harmonized Project Model
- Quality of status reporting should be good enough
- Project should have visible links with strategies
- PMO should be established

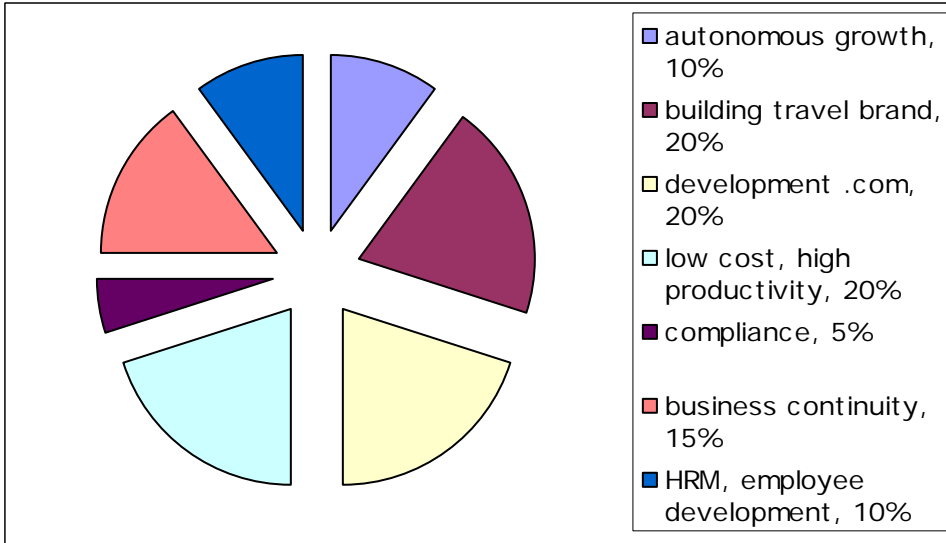
Transavia.com focus area's



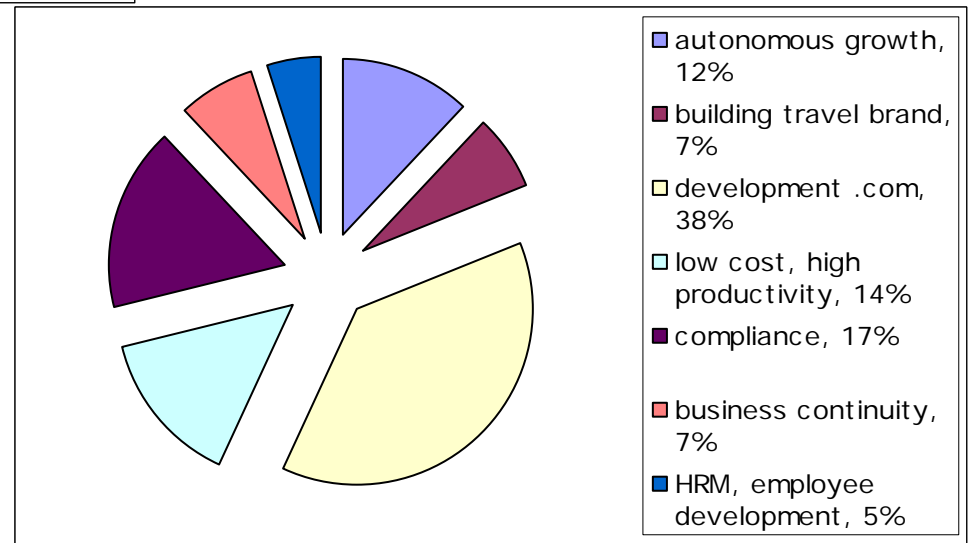
Gerard Geurtjens, IPMA Advanced training course H : Managing Corporate Project Portfolios, Copenhagen March 2006, 2007, 2008 and 2009 ,Shanghai 18-20 October 2007, Croatia October 2008



Planned



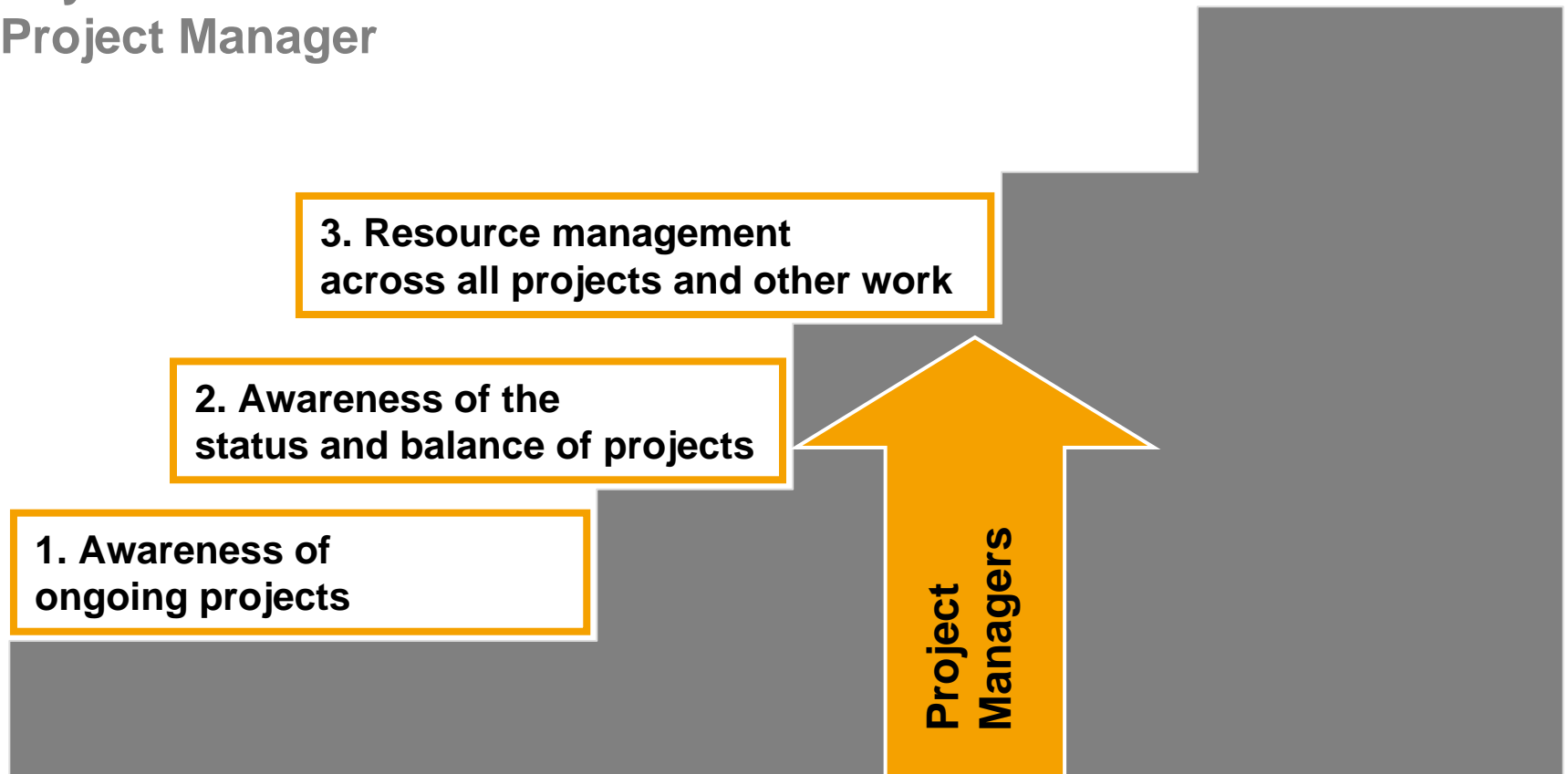
Actual



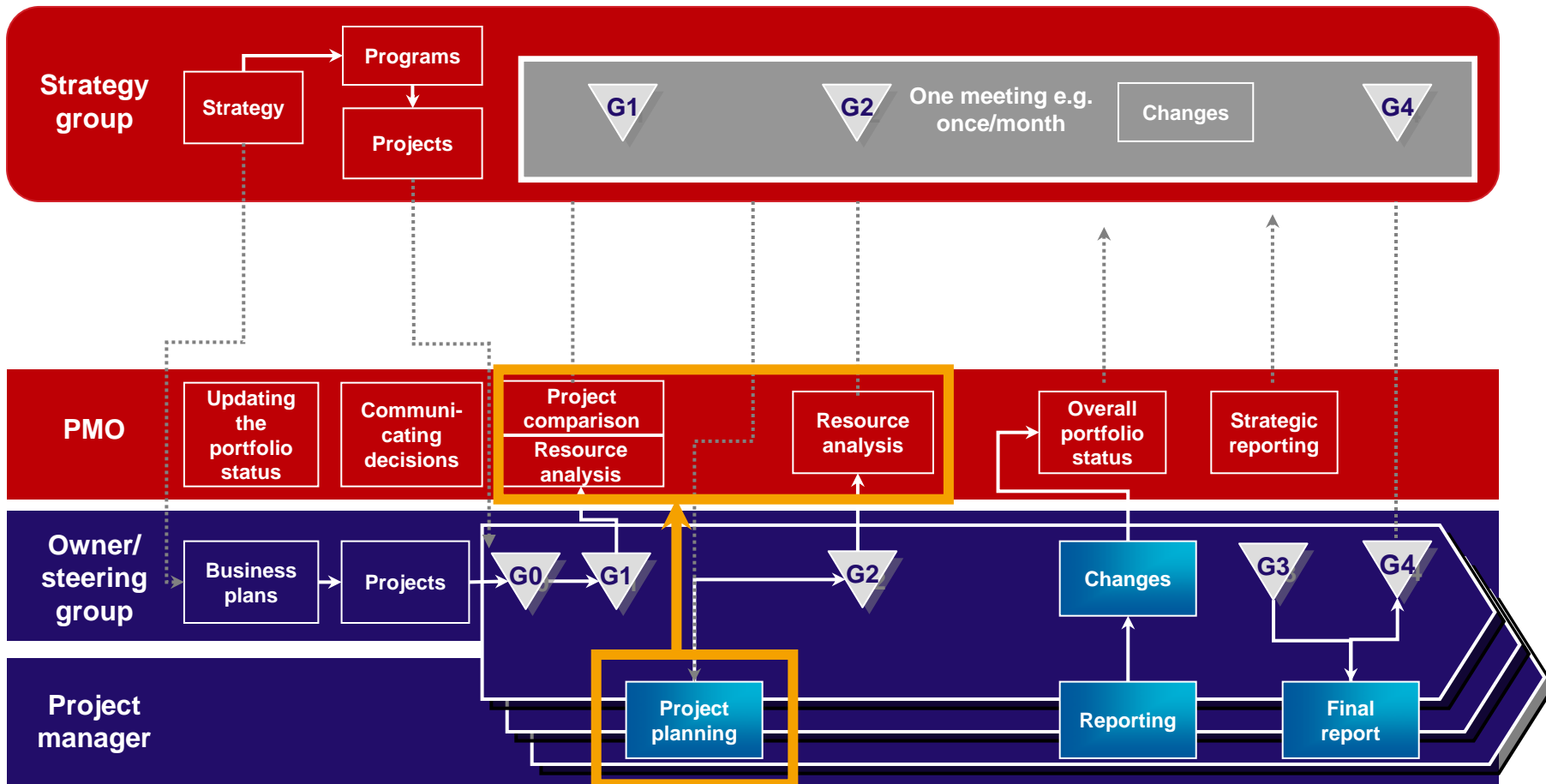
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3rd step of PPM maturity model

Key role:
Project Manager



Project portfolio management process (3rd level)



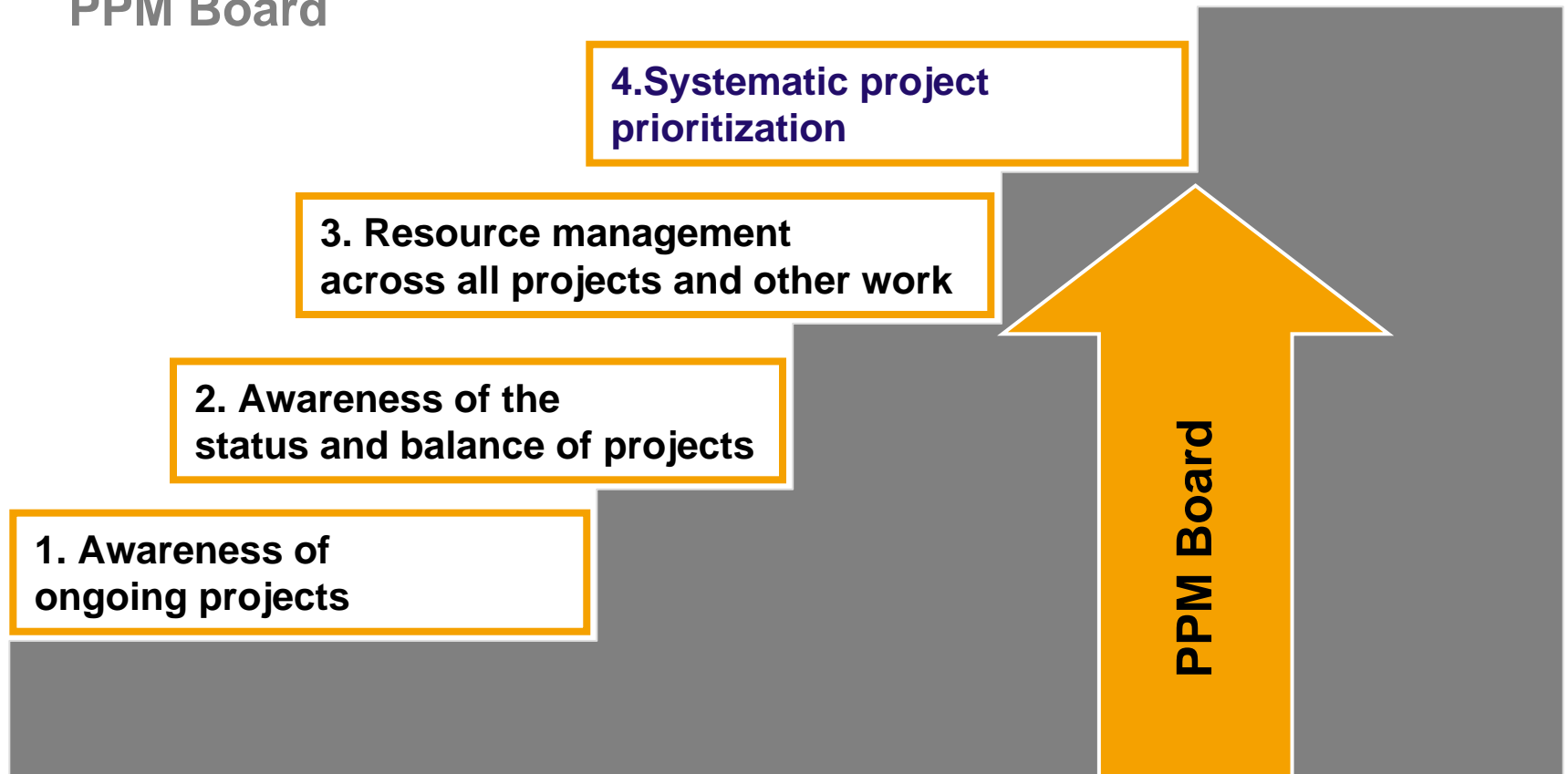
Five steps and PPM maturity model

Level 3 Prerequisites of functioning PPM:

- High quality planning, control and re-planning procedures
- Rules and principles to solve conflicts in use in a uniform and agreed manner
- Advanced PM and PPM software tools
- Project Manager is the key (critical) role

4th step of PPM maturity model

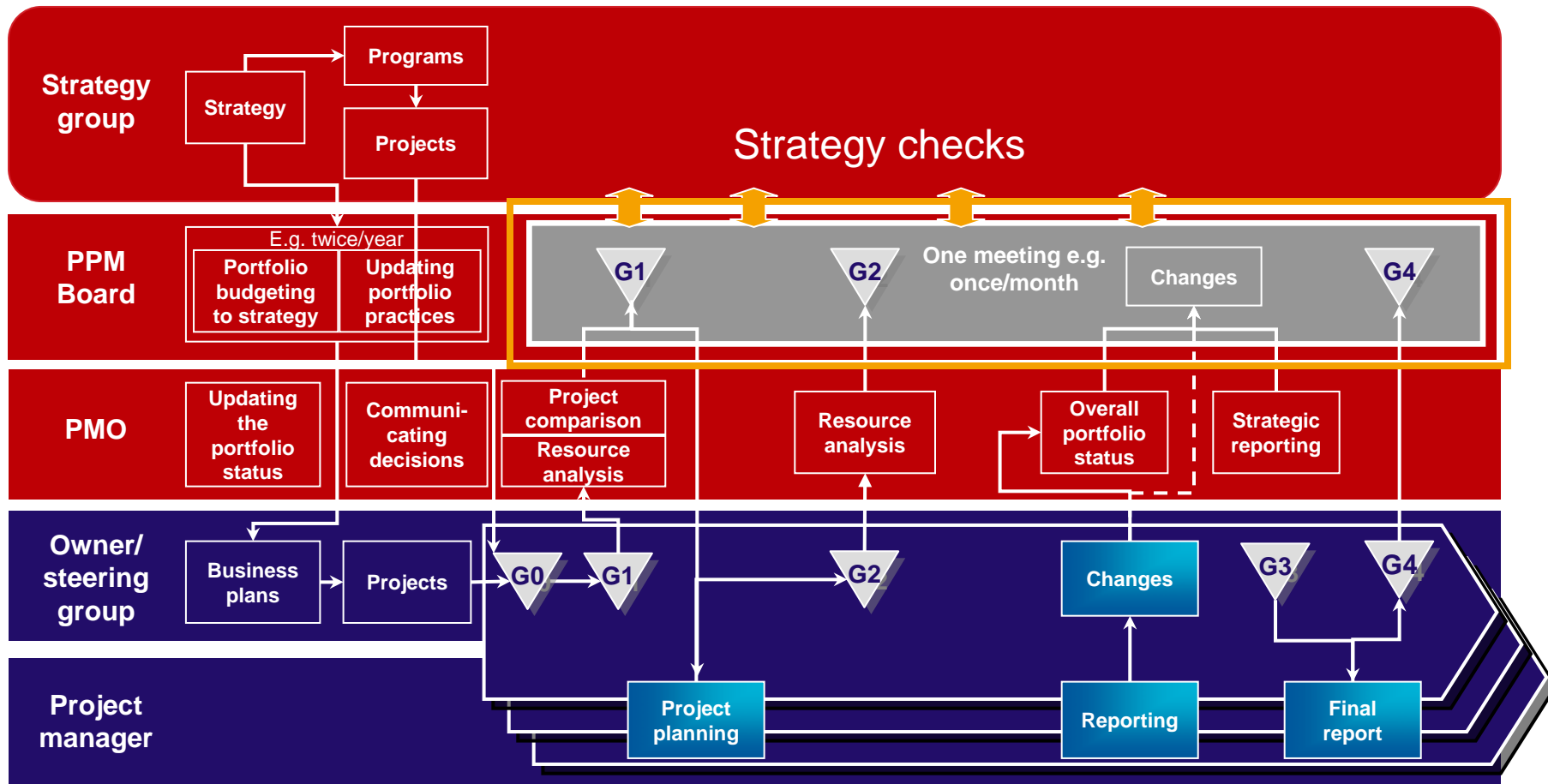
Key role:
PPM Board



Level 4 Prerequisites of functioning PPM

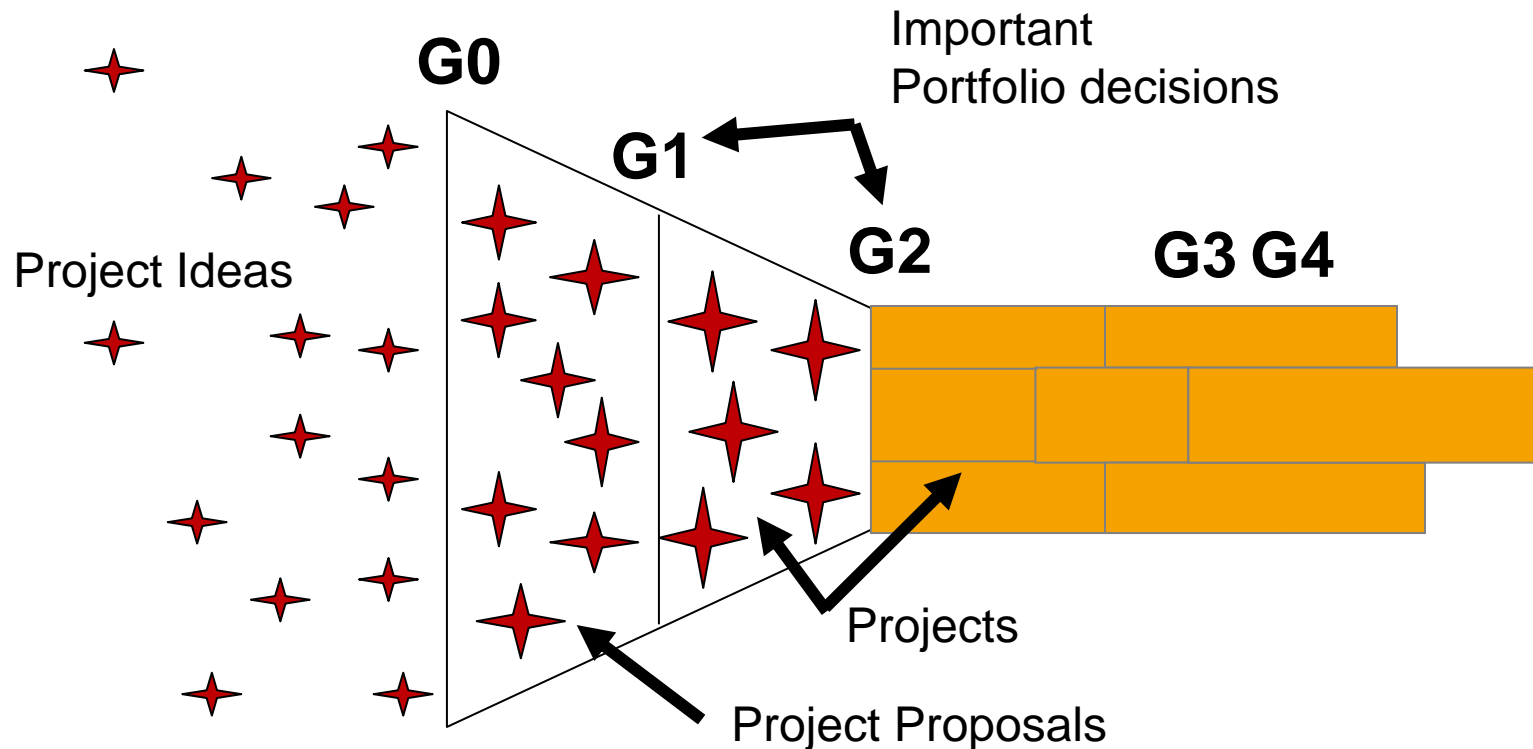
- Owner's responsibility on achieving the business benefits and total success of the project should be emphasized
- **PPM Board and its willingness and ability to put time effort on PPM**
- **Strategic level PMO** should be established

Project portfolio management process (4th level)



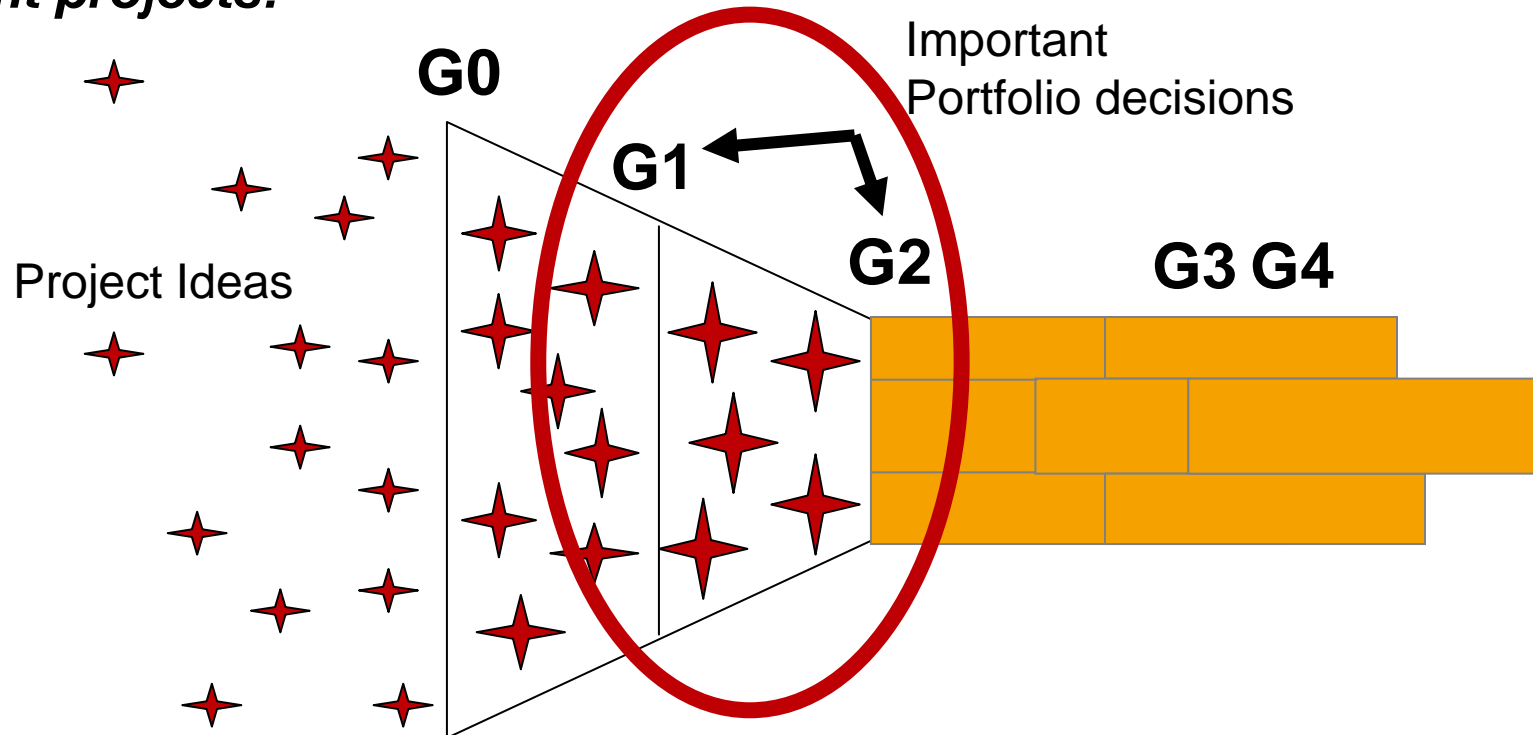
Level 4: Selection and Prioritisation

We should have a funnel – not a tunnel !



Selecting the right projects

*If Owners, PMO and PM's are taking care of their responsibilities, PPM Board can concentrate more on its most important task: **Selecting the right projects!***



5th step of PPM maturity model

5. Pre- and Post-project evaluation of business benefits and continuous development of project culture

4. Systematic project prioritization

3. Resource management across all projects and other work

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Project Oriented Organisation

PBO (Project Based Organisation)

- Less hierarchy in permanent organisation
- Project ownership as a main role of management
- Project business success as a part of score cards
- No "shattered" projects
- Effective and systematic use of programme management approach

”Shattered” project

- An entity (collection of ”projects”) which is not producing any business benefits until its all projects have completed should not be ”shattered” into separate projects

Developing a product.



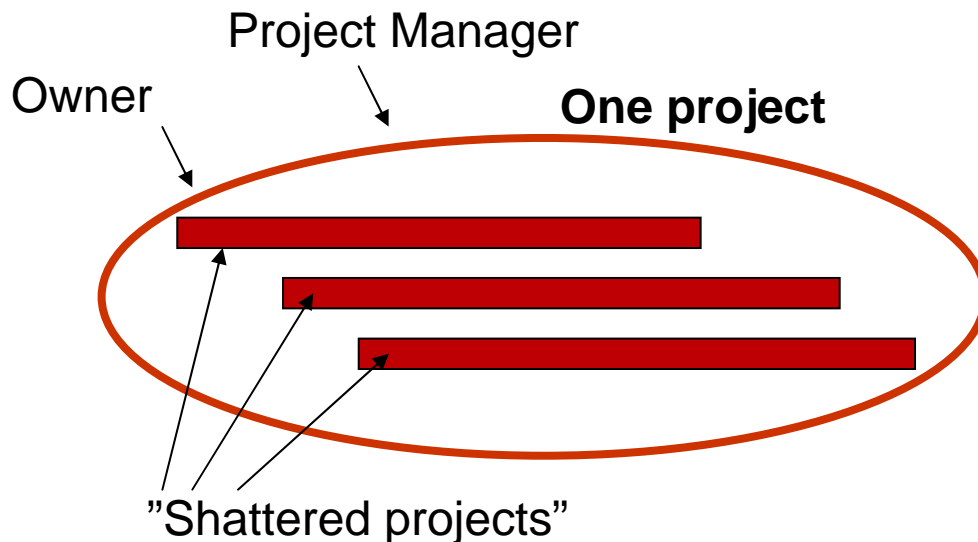
Production dev.



Marketing

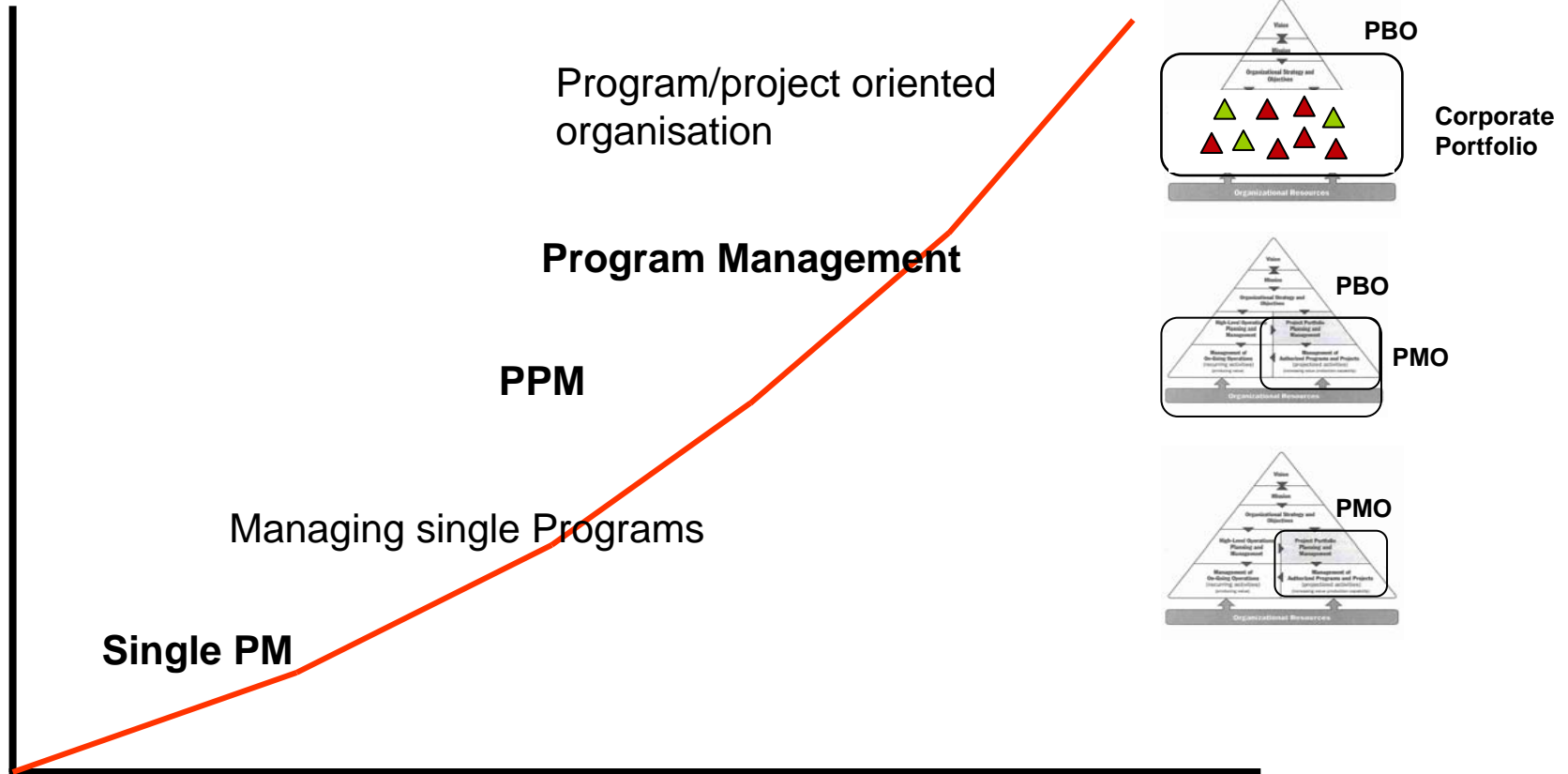


- Long Time to Market
- Missing communication



Overlapping shortens Time to Market, but due to need of intensive communication, coordination and integration this entity should be managed as one project, and an owner who takes the whole responsibility on business benefits must be recognized.

Developing PM Culture



Source: Thiery (adjusted)

Summary and main conclusions

- Do not try to develop only your PPM Process and system – think what are the main prerequisites to achieve the success
- Biggest challenge is that the project ownership is working in a good manner – put your first efforts (training, guidelines, metrics, support and coaching) to develop this

Thank you!

Questions?

You are able to hear more on IPMA Advanced Course H
”Managing the corporate project portfolios”

Instructed by: Matti Haukka and Gerard Geurtjens