

How to Start a PPM Initiative



Introduction

Project Portfolio Management (PPM) is a strategic approach for maximizing the return on an organization's project investments. Similar to any other strategic initiative, it is delivered through changes to organization, process and technology. Gaps in any one of these can impact the overall success of a PPM initiative.

Organizations can avoid such issues by developing a roadmap for PPM capability improvement, making some key governance decisions, designing right-sized PPM and project management (PM) processes, staffing the delivery and support of these processes, and deploying the processes in parallel with the implementation of supporting technologies.

Eclipse Project Portfolio Management can provide essential technology support for a PPM initiative by reducing the administrative effort involved with project data collection and reporting, by providing time capture capabilities for project and non-project activities, and by using a template-based approach to project planning and tracking which will increase the likelihood of process compliance.

PPM Overview

PPM's origins are based on principles of financial portfolio management – balancing risk against reward when evaluating investments and optimizing the overall return of a portfolio. PPM is often confused with Enterprise Project Management (EPM) – PPM is about “doing the right projects” while EPM is about “doing projects right”.

Organizations require maturity in both PPM and in the planning and management of projects in order to reap the full rewards of a PPM initiative. Introduction of PPM practices to an organization is a strategic change management initiative similar to the introduction of Six Sigma or any other quality initiatives. As such, the success of a PPM initiative requires changes to organization, process and technology.

Organization changes driven by a PPM initiative could include governance decisions (e.g. Who has the authority to approve a project?) as well as the staffing of process or service delivery roles (e.g. a PMO manager, creation of a portfolio steering committee). PPM process changes should include the establishment or enhancement of the following processes:

- **Project intake** – a consistent approach to requesting, receiving, assessing and responding to new project requests
- **Portfolio evaluation** – regular review of active projects in the portfolio by a decision-making group to decide whether to continue to invest in these projects, to alter resource allocations, or to cancel certain projects in favour of higher value opportunities

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- **Resource management** – a consistent method for submitting and fulfilling resource requests, as well as a consistent process for releasing resources from project and non-project work
- **Project management** – consistent, right-sized processes for initiating, planning, executing and closing approved projects.

PPM tools could include a project repository tied to a resource pool, a reporting engine, a time entry system and a document or knowledge management system. These tools could either be part of a single framework or separate tools with varying degrees of integration.

What happens when you start with process?

A common approach taken by organizations starting a PPM initiative is to focus on the development and deployment of processes. This approach is often recommended by industry research or project management consulting firms. A survey done by the Project Management Institute (PMI) indicated that there was a 15% improvement in project success rates for firms that had standardized processes compared to those that did not.

There are a number of challenges with taking a process-first approach to a PPM initiative:

- The administrative effort expended in the development and ongoing maintenance of home-grown templates or tools to capture and report on project data is significant, and use of such manual templates does not scale well beyond a minimal number of projects.
- The manual effort involved in the creation of reports for different stakeholders and delays experienced in getting regular data updates from project teams can result in quality and timeliness issues. This in turn impacts the ability of senior management to make well informed project or resource decisions.
- The significant effort required by project teams to submit data (often in multiple different reports or formats) increases the likelihood of process compliance and data quality issues.
- Project managers find themselves spending more time on project administration (e.g. completing templates, creating reports, following up with team members to submit timesheets of status updates) than on true project management. This increases the likelihood of project failures.

Overall, these challenges can reduce the benefits achieved from the PPM initiative.

What happens when you start with technology?

Another popular approach to launching a PPM initiative is to start by procuring and implementing a PPM technology solution. Such software tools can be categorized as those that incorporate a generic or industry standard PM methodology, and those that adapt to an organization's PM methodology.

A challenge with tools that provide out-of-box processes is that unless an organization is willing to change its existing culture and practices to fully follow the tool's processes, staff will struggle with the changes to their daily procedures and the PPM initiative is likely to experience process compliance and tool usage issues. As such native PM methodologies are usually onerous in nature, they will not fit well in organizations that have a relaxed or ad hoc approach to project management.

The issue with tools providing no processes is that unless an organization has invested some effort in developing right-sized PPM and PM processes and takes the time to map the tool to these processes, the lack of process will only aggravate existing PPM and PM challenges because data will be entered into the tool inconsistently (or with data quality issues) across different project teams. Even worse, because senior management will now have a tool to provide visibility into project and resource data, they may make critical decisions on faulty data.

Recommended Approach

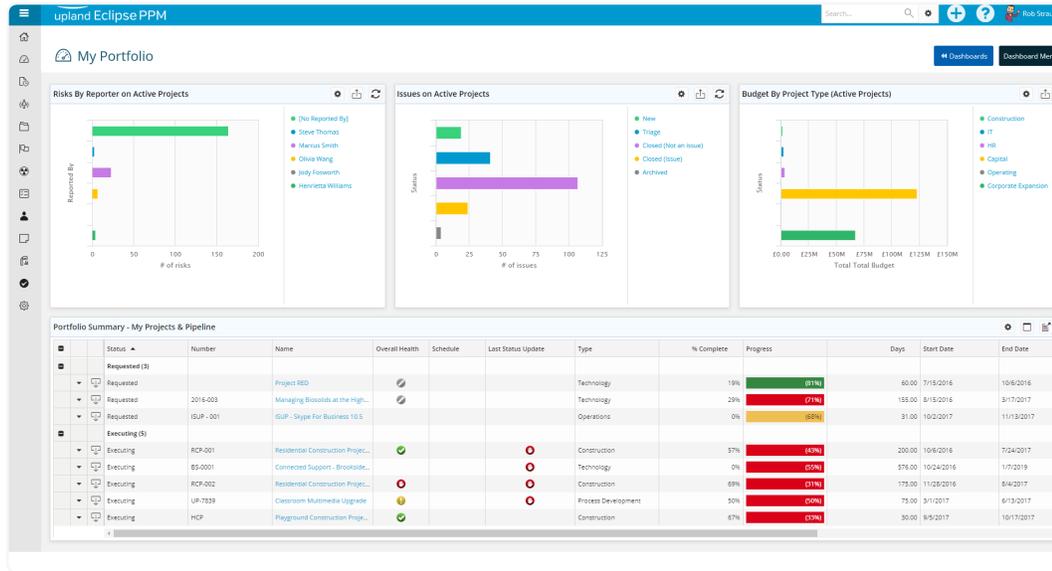
The following steps can help organizations avoid the issues that can occur if a process-first or technology-first approach is used:

1. Develop a PPM & PM capability improvement roadmap that defines short and longer term objectives as well as the business value expected by achieving these objectives. The objectives could be derived by assessing PPM and PM issues or gaps in the current environment.
2. Charter and plan the PPM initiative like any other strategic project.
3. Secure funding for the delivery of the short term improvement objectives.
4. Communicate the overall PPM initiative project plan to the organization, especially the roles that will be significantly impacted by the changes (e.g. project managers).
5. Develop or re-engineer the core PPM processes and key governance decisions. It is critical that the process changes are right-sized for the culture and maturity of the organization:
 - *What is a project?*
 - *Who has the authority to approve different types of project and resource decisions?*
 - *How are project prioritized?*
 - *What are the criteria for terminating a project?*
 - *What is expected for requesting a project and how are these requests processed?*
 - *What is expected for the planning and tracking of projects?*
6. Staff the process owner and controller roles for each of the processes defined in the previous step.
7. Procure, install and configure supporting PPM tools.
8. Define guidelines and standards for the usage of these tools and document these guidelines and standards in procedural documents that are targeted to specific roles (e.g. project managers, project resources).
9. Rollout the processes and tools simultaneously with comprehensive training that incorporates change management messages that can answer the following questions:
 - *Why is a particular procedure required?*
 - *What is in it for "me"?*
10. Monitor compliance and training issues with the changes and incorporate feedback into the processes and tools
11. Once the changes have been successfully assimilated, the next phase of capability improvements can be kicked off and this process will restart from step 3.

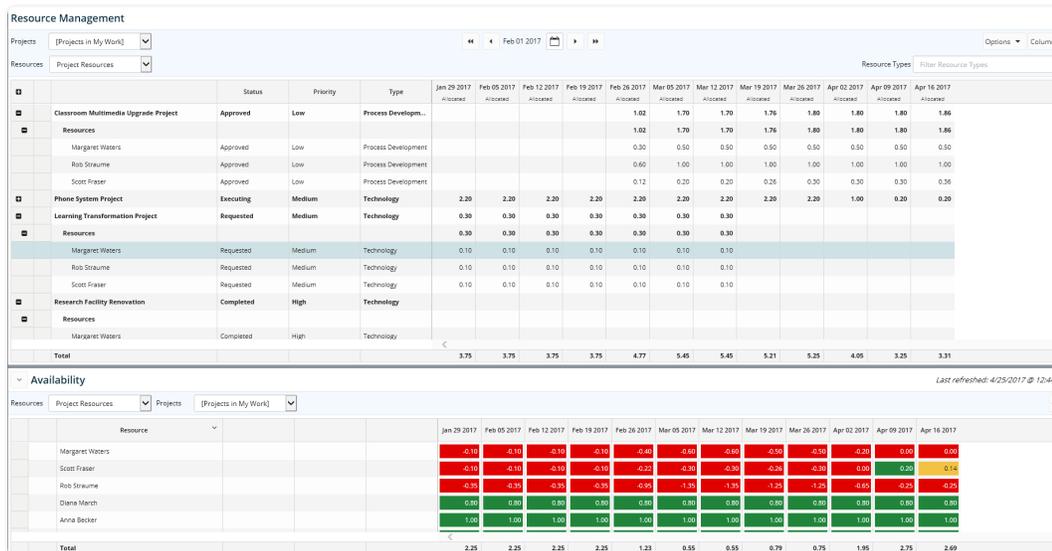
Eclipse can Support a PPM Initiative

As per the preceding sections, deployment of new or modified PPM or PM processes supported by technology increases the likelihood of compliance with the process changes and through reduction of manual effort will increase the overall value achieved from a PPM initiative.

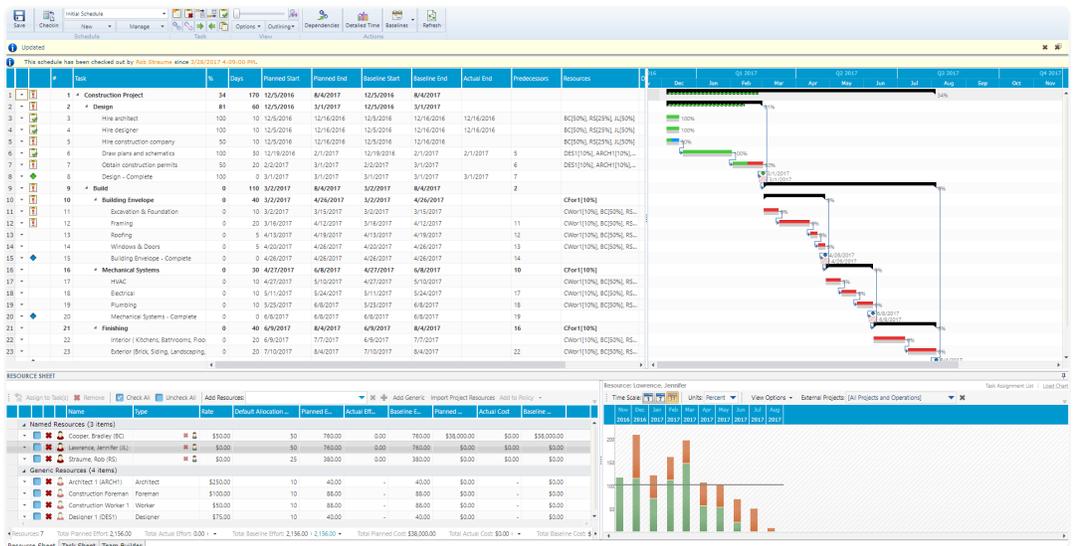
Eclipse Project Portfolio Management can provide support for a PPM and PM processes through a number of key capabilities as illustrated in the following screenshots.



Eclipse provides real-time visibility into project status as well as other key performance indicators for a subset of the project portfolio. This can help senior management make project decisions in a timely manner.



Eclipse can capture and report on resource allocation and availability (planned and actual) to support resource capacity planning decisions.



Eclipse can increase the consistency and reduce the effort involved in the planning and managing projects through the use of project and schedule templates.

About Eclipse PPM

Eclipse Project Portfolio Management software delivers a simplified, quick-to-market project and resource-management application that allows organizations to leverage cost saving tools now and deliver instant business value, all while providing a low-risk approach to scale as they grow. Upland's Eclipse PPM focuses on three key areas: Portfolio Management, Project Management, and Resource Management.

Eclipse PPM combines powerful top-level reporting with simple user interfaces. For executives, real-time strategic reports are available with a few clicks. For project managers, keeping projects up-to-date is a quick and efficient process. It's easy to use and easy to implement, so your projects can be handled smoothly and professionally anywhere, anytime.

Easy to implement, use, and support – Eclipse PPM was created with the end user in mind. Executives, Project Managers, and Resources can all access relevant information quickly and easily. Organizations are successful because user adoption is high, making Eclipse PPM a normal part of the working day.

Leading-edge technology – Eclipse PPM is an easy-to-use web-based solution. The intuitive interface allows users to customize dashboards with the ease of drag- and-drop technology, and edit project financials, schedule information, and time tracking as if they were working in a spreadsheet.

Low total cost of ownership – Eclipse PPM is hosted in a highly secure data center. This fact, combined with our streamlined implementation process and scalable licensing fees, results in low total cost of ownership for organizations of all types and sizes.

Learn more at uplandsoftware.com/eclipseppm

About Upland Software

Upland Software (Nasdaq: UPLD) is a leading provider of cloud-based Enterprise Work Management software. Our family of applications enables users to manage their projects, professional workforce and IT investments; automate document-intensive business processes; and effectively engage with their customers, prospects and community via the web and mobile technologies. With more than 4,000 customers and over 450,000 users around the world, Upland Software solutions help customers run their operations smoothly, adapt to change quickly, and achieve better results every day.

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