KEYEDIN™
PROJECTS

NAVIGATING THE PROJECT MANAGEMENT MINEFIELD

How project management, program management offices and project portfolio management transform underperforming projects into a competitive edge

Topics included in this paper

- Major challenges in project management
- How PM, the PMO and PPM work together: ensuring visibility, governance, productivity and control
- The benefits of an integrated approach
- The consequences of a lack of integration

Introduction

Projects, and the ability to deliver them on-time and on-budget, represent a significant investment for an organization. Because of the critical nature of effective project management, more attention needs to be paid to how their value impacts the overall business strategy.

More and more companies are realizing that projects should no longer be viewed as "one-off" isolated entities, but as a core element that drives the future profitability of the business. In fact, the effectiveness of an organization's project management process can make or break the bottom line of the business.

With this in mind, stakeholders are demanding greater accountability in the way projects are selected, managed and delivered. This is the common imperative for today's high-growth organization. Whether this is accomplished through project management (PM), a program management office (PMO), or project portfolio management (PPM), the goals are the same.

Although many PM, PMO and PPM practices were initially developed within IT departments, in recent years it has become a mainstream feature in a wide range of industries, offering businesses of all sizes a simple framework for selecting, prioritizing and delivering projects and programs.

This white paper outlines the project pitfalls that cost companies invaluable time and money, and covers the project management roles that can be synergized to turn projects from an organizational drain to a competitive advantage.

Major challenges in project management

The main challenge facing businesses in achieving successful project delivery is this: mastering the multifaceted collaborations necessary to successfully execute the key project components seamlessly - and doing this as a natural extension of the business rather than as separate, alien and conflicting entities.

Successful integration at the strategic and operational level seeks to address this issue by enabling the business to align resources and project investments with corporate objectives, driving greater ROI from projects across the board.

The pain points: seeing the need for better project management solutions

Many of the risks inherent in business change are often found in poor execution and oversight, rather than mismanagement and bad strategy from advisors. From planning to execution, there are critical risks that integrated project management, program management, and project portfolio management can help mitigate:
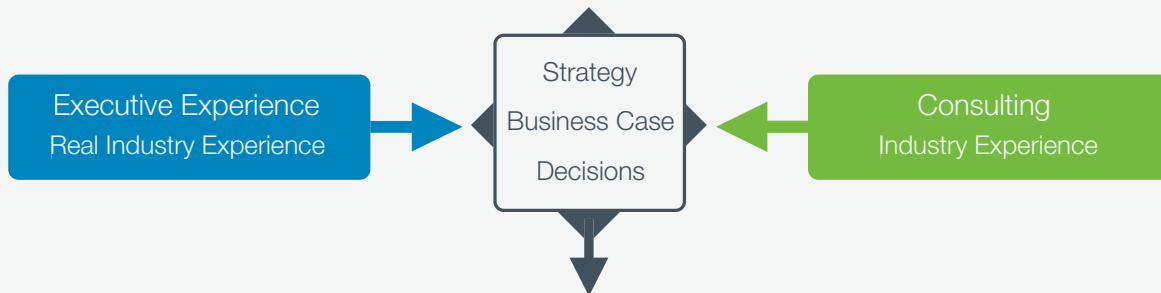
- Lack of uniformity and rigor in how initiatives and projects are proposed, budgets requested and assigned, and impacts supported and justified.

- Forecasting and planning activities not synchronized with subsequent project execution and management.

- Senior management does not have visibility into project execution, including milestones, issues and benefits realization.

- Individual projects and initiatives are not synchronized with activities elsewhere, causing dependencies to be overlooked or ignored and leading to adverse impact on customers and employees.

The above factors can compound to create five major liabilities for an organization:

1. Negative market perceptions
2. Inability to deliver expected benefits
3. Cost overruns
4. Diminished customer and supplier relationships
5. Talent flight

It is obvious that any of these five factors can be a significant organizational liability, but experiencing multiple negative factors can lead to severe competitive disadvantage. Fortunately, integrated project, program and portfolio management efforts provide a better way to execute individual projects while also straddling the gap between the projects themselves, the management process and their accountability to the business.

From a strategic viewpoint, stakeholders can see which projects are delivering the organization's strategy. From an operational viewpoint, managers are empowered with the tools, resources and accountability to successfully execute project delivery as part of the organization's overall strategy. The chart below illustrates the organizational roles of players within a project framework.

Executive Experience	Strategy	Consulting
Real Industry Experience	Business Case	Industry Experience
	Decisions	

Enterprise Program Management Offices (EPMO)

- Create PMO processes and governance
- Develop standard tools and templates
- Chart of Authority
- Communicate goals

- Review project opportunities
- Review benefits/value scoring
- Prioritize and provide approval to proceed with business case

- Review business cases
- Prioritize
- Approve/deny accordingly
- Ensure project summary rolls into PMO portfolio

- Tollgate reviews - review project value, budget, schedule, and issues
- Approve and coordinate communication and change management plans
- Re-visit project assumptions

- Approve transition and ongoing funding
- Review post completion analysis

Project / Program Managers

- Identify projects
- Define benefits/value
- Gather supporting data & assumptions

- Complete Business Case
- Create project harter
- Fill out P&L project template

- Initiate detailed project planning
- Execute all activities
- Execute communication and change management plans

- Close out project/ transition budget
- Ongoing measurement of intended project benefits

How PM, PMO and PPM work together: ensuring visibility, governance, productivity and control

The business cannot manage the project mix without the management of the individual projects. There is a fine balance between the detailed management of the projects themselves and the portfolio perspective required to inform the business of their impact. Put simply, it is not enough for the business to manage the project mix without also ensuring efficient project management. To use the analogy of a symphony, each instrument must play its part of the score correctly in order for the entire orchestra to create beautiful music.

The relationship between portfolios, programs and projects

In order to implement an effective project framework, it is essential to understand the relationships between project portfolio management, program management and project management. In summary:

- A portfolio represents the collection of programs and projects within the business. Portfolios provide a structured environment for deciding which projects to fund, to sustain or to eliminate.

- A program is the process of managing multiple, ongoing, interdependent projects. Programs are focused on business outcomes rather than outputs - they are about business management as well as technical management.

- Projects are a series of planned activities with clearly defined start points, end points and deliverables. Projects manage the estimated and actual start and complete dates for project tasks.
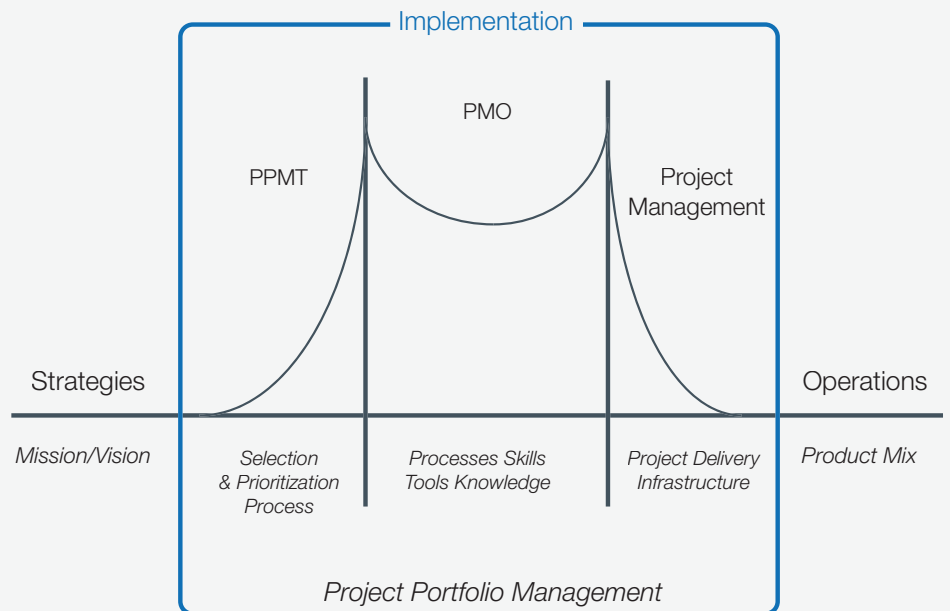
An even simpler way to express it would be this:

	Project Portfolio Management (PPM)	**Program Management**	**Project Management**
Focus	Deliverables linked to strategic objectives	Process to create deliverables	Deliverables
Scope	Selects, prioritizes and optimizes entire project portfolio	Multi-project and interdependencies	Single project
Communication	Across the business	Among projects	Within a project
Organization	Project portfolio management team	Program management office	Project team

The benefits of an integrated approach

Creating a continuous mechanism that ensures projects remain aligned with their strategic intent, that assumptions defined in their original business case are adhered to, and that decisions made during development are based on timely and accurate data will deliver many important benefits to your organization:

- Enacts a standard methodology for starting, managing projects, and making them accountable to the business.

- Empowers the business with control over project GO/KILL/HOLD/FIX decision making.

- Creates a repeatable process for prioritizing, selecting and executing projects.

- Provides early warning for any potential problems in meeting program and project milestones.

- Makes it easy for different stakeholders to access project information relevant to their interests.

- Gives a better understanding of resource utilization, ensuring that the right staff is deployed on the right projects.

- Helps stakeholders calculate the financial impact of canceling an underperforming project.

- Helps decision makers switch priorities based on organizational needs.

- Redeploy staff quickly based on accurate real-time information.

- Reduces project reporting timescales at the executive and board level, allowing more accurate decision making and faster reactions to market changes.

Implementation

PMO

PPMT

Project Management

Strategies

Operations

Mission/Vision

Selection & Prioritization Process

Processes Skills Tools Knowledge

Project Delivery Infrastructure

Product Mix

Project Portfolio Management

How Project Management, Program Management Office and Project Portfolio Management work together

The consequences of a lack of integration

The consequences of failing to implement an integrated project, program and portfolio management PPM/PMO/PM approach impacts the business in several ways. Because no framework exists to provide actionable insight into projects at the aggregate and individual level, there can be a reluctance to kill poor and mediocre projects, with resources spread too thin. At the strategic level, companies enact the wrong mix of projects that have little or no strategic alignment with the overall corporate mission. At the project level, execution suffers, employee morale is degraded, and the consequences on customer relationships and revenue are considerable.

By contrast, implementing an effective project framework brings a universe of benefits: resources are more effectively utilized; and projects generate positive cash flow and contribute to the company's health and future success. The key factor that delivers these benefits is the synchronization of PMO, PPMT and PM resources that make projects work from top to bottom.

About KeyedIn™ Projects

KeyedIn Solutions drives business performance in project management with simplified SaaS solutions. We enable our customers to jettison the rigidity and expense of on-premise enterprise systems for more agile and cost-effective solutions – with no compromise on features or functionality. We focus on a handful of specialized vertical markets, such as professional services, where our experience enables us to offer expert consultancy and customization to ensure our SaaS solutions dovetail perfectly with our customers' requirements.

About KeyedIn™ Solutions

KeyedIn Solutions is focused on helping organizations simplify processes, improve performance and drive results. The company's Cloud-based software systems not only offer greater flexibility, but effectively scale as business needs dictate and can be implemented quickly, delivering a measurable ROI months, or even years ahead of on-premise systems. And KeyedIn offers a true SaaS model, making its solutions affordable for every budget.

KeyedIn Manufacturing is an ERP system that helps custom manufacturers work smarter so they can increase productivity and bring new products to market quickly, for a distinct competitive advantage. KeyedIn Projects, the company's project management suite, helps businesses and professional services organizations improve everything from project initiation to execution by managing programs based on top-line strategy and delivering profitable projects to the bottom line. And when new solutions need to be developed quickly, KeyedIn clients turn to KeyedIn Flex, the company's rapid application development (RAD) platform for affordable applications designed just for them.

When businesses need results fast, they look to the Cloud – and turn to KeyedIn Solutions. You should too. Keep up with us at **www.keyedin.com**

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www.keyedin.com

Corporate Headquarters

5001 American Blvd West
Suite 1010
Minneapolis, MN 55437, USA
p +1 866 662 6820

EMEA Headquarters

Maple House
Woodland Park
West Yorkshire, BD19 6BW, UK
p +44 (0)1274 863300