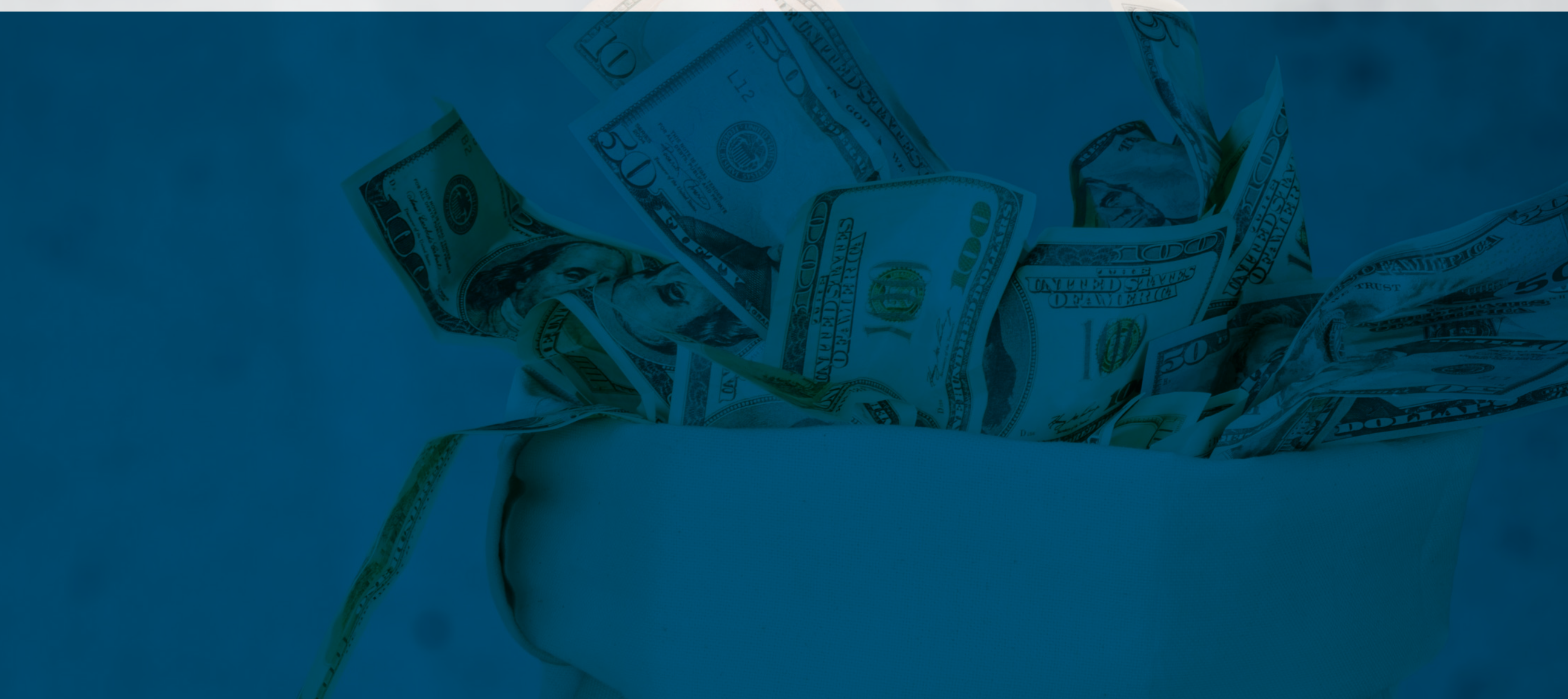


WHITEPAPER

Take It to the Bank: Four Ways to Create Strategic Value with Portfolio Planning

Connect your business strategy with project execution in a revitalized PMO

CHALLENGES:

1. Strategic planning not connected to execution
2. Poor metrics and inability to score and prioritize projects, losing track of good ideas
3. Lack of change management – can't keep up the constant rate of change
4. No visibility to know what to prioritize and when

TAKEAWAYS:

1. Connect strategic planning to project execution
2. Create an innovative PMO that prioritizes based on value
3. Overcome resource management challenges that hobble you when executing toward business innovation
4. Actionable plan to overhaul your portfolio planning process to link strategic planning and execution

Introduction: Print More Money? Take on More Projects? The Status Quo Stops Now

In monetary policy, aggressively printing more money, even though it can cover specific short-term financial obligations, is often a poor long-term strategic economic decision. The practice historically proves unwise because it increases inflation yet rarely improves quality or output ultimately decaying the value of the currency.

Likewise, in the project management world this practice is equivalent to adding more and more projects to portfolio without focusing on value, output and stakeholder satisfaction. When projects come along, they typically come into a queue and get funnelled into the portfolio when there is time/resources available. Sometimes, even, projects jump to the front of the line if they are high priority (or at least perceived as high priority). This can either bulk up the portfolio taking time and resources off of other work or build up the backlog. A clear vision, well defined intake processes and a strong commitment to quality delivery will help your company avoid this trap and reverse the damage of the status quo.

Filthy Lucre: How the Nitty Gritty, Day-to-Day "Good" Becomes the Enemy of "The Best"

Poor project performance is often directly linked to bad strategic planning. Even well-performing projects can lead to poor profit margins for the enterprise. But if assessing projects across the enterprise against the strategic plan is critically important, why isn't it happening? There are many fundamental challenges with traditional planning methods including the fact that most organizations plan annually and iterate quarterly or monthly. They measure projects based on delivery, on time/on budget, and being productive, but often get too wrapped up in the details and forget the strategic mission. They operate in departmental silos without collaborative and comparative tools.

This all makes sense and is quite necessary – but it is not enough anymore. The amount of work coming through a PMO and a piling backlog with a growing list of tasks to accomplish a project can be misguided. Not understanding the true purpose of a project and how it supports the strategic mission won't help anyone involved. Furthermore, project managers will focus on the processes

and get wrapped up in the details and lose sight of the overall purpose. When this happens, you can create a lot of excesses work just trying 'get things done' while there might be a better, more efficient way to do it or you shouldn't be spending time on it at all.

We get it: Traditional planning methods, although limited, may have gotten you pretty far, and justifying the status quo feels pretty good. Yet, is your organization focused on the customer – the individual or team who stands to gain from the project – and business goals even more than your project details? It's like a surgeon who reports the surgery went perfectly…but the patient died. If you lose sight of the strategic goal, this is likely happening. In which case you should be considering:

- Are your metrics reflecting the strategic mission?
- Have you recently aligned your project intake process to the strategic goals of the company?
- Are your resources effectively utilized?

If your answer is "no" to any of these questions, it is time to reevaluate your portfolio planning process. When you can answer "yes" to these three foundational questions, everything above will fall in line too.

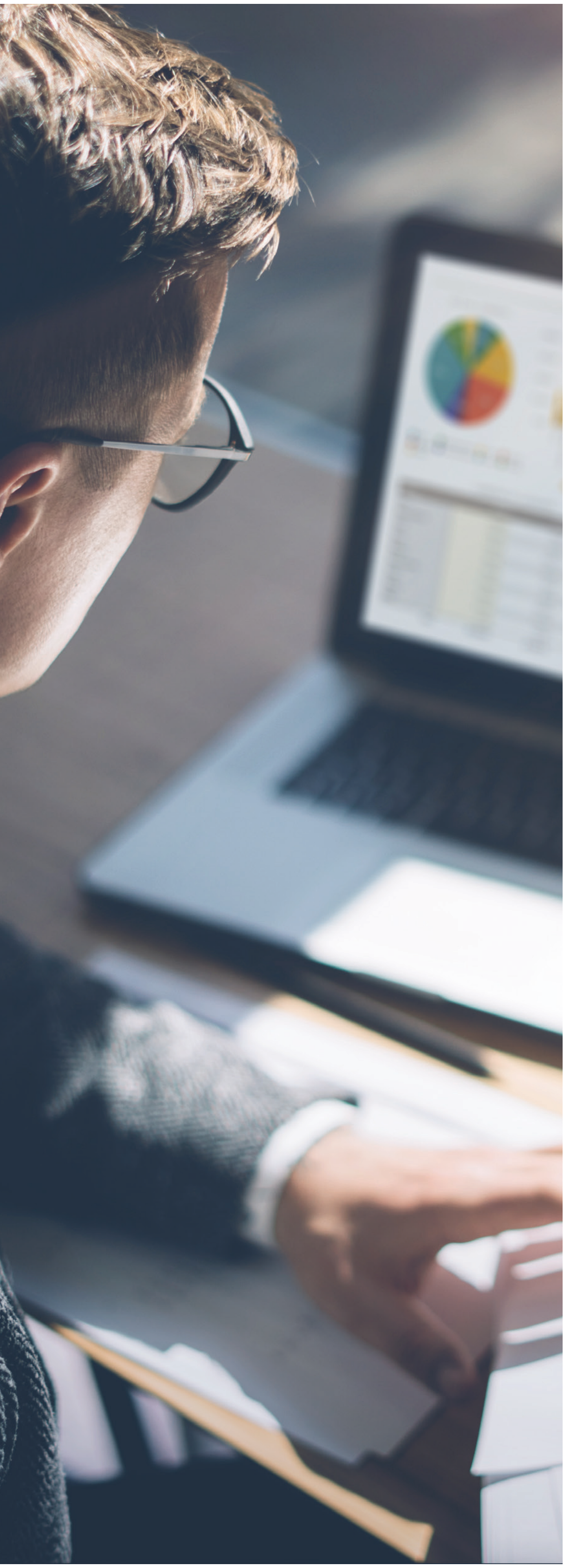
1 Is your PMO prioritizing the right projects to achieve business goals?

Can you let low-priority projects die a natural death when you need them to? Can you risk losing track of the good ideas that get put on the back-burner where good ideas go to die?

With a new, strategic prioritization model, you will create a sturdy, long-term strategic plan instead of a 'get it done right now' model that won't hold up. It's so important to automate maintenance projects on a predictable, consistent loop, so you won't spend time and resources on "keep the lights on" projects.

2 Are you using the right allocation of resources to maximize benefits realization?

This one is bigger than the perennial complaint that gaining efficiencies is a matter of getting the best resources as cheaply as you can and expecting a high-value result by scaling this. You can instead gain efficiencies via project resource utilization using solid data and real-time reactions to require fewer resources on all of your projects---for even better-quality results.



Try this: Forecast resource demand based on role-based libraries that capture all your organization's skills.

If you have the right resource data, balancing resource utilization can become a matter of aligning skillsets so that every resource with the same set of capabilities isn't completely booked while others are underutilized. Gain the visibility to show why this is happening and fix it.

Take it to the bank:

If your plan is to complete 10 projects and you start seven and then have to drop three (because they were not doable) you will not have the bandwidth anymore to get the original 10 done—that's your drain and the cost of bad planning.

3 Are you executing projects in the most strategic and profitable way?

What is the opportunity cost for using outdated PMO technology and processes? In this fast-paced, technologically innovative world, you're probably already watching them drain the power you need to keep customers and lead in your markets. Execution issues in companies like this have project managers and their leaders:

- Reinventing the wheel on every project
- Using manual and labor-intensive data management
- Making decisions with inaccurate and outdated information
- Unable to respond with agility, or with hard data about resource constraints
- Reacting and "firefighting" instead of predictive, consistent actions

Economy in project management means making sure you're dealing in the currency of trust. Most of us are so busy ensuring that project-level planning meets deadlines and deliverables that we can't look up from the backlog long enough to see the expressions on stakeholders' faces. To us, and to many of them, execution might look like success—and trust is built by hitting the numbers.

PMOs Thrive in the Environment of Constant Change

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The most valuable portfolio planning must happen continually and must consistently examine and ensure that what is being worked on is the absolute best place to be investing. Taking on the right projects from the start can save a lot of time and money rather than investing in projects that will be abandoned when something better comes along.

How do you achieve this level of strategic vision and flexible, iterative change management?

Show Me the Money: Four Best Practices to Unlock Your Planning Potential

Your PMO will identify the projects that are required to ensure success in the execution of the business strategy and develop a prioritization of all these projects to ensure the high priority ones have the proper resourcing to ensure success. A high involvement and commitment on the part of PMs or Agile leaders is required to spend the time required on the projects. Here are four steps to help get you there.

Enterprises around the globe develop strategic plans. They carefully create a vision of their future and the strategies needed to get there. However, many fail to realize their vision and fail to deliver the expected strategic results.

1 Get Buy-in

Make sure people understand how PMO activities are going to transform the business by effectively servicing customers and other constituents better. The importance of these change management conversations cannot be overemphasized: If everyone understands the strategy and vision, everyone can help to make it a reality. And make sure your change management conversations include those folks working on the front lines—these will be your most valuable resources when collaborative issues management begins to strengthen. They can quickly tell you what's working and what's not once you start working on processes for the most profitable PMO

Take it to the bank:

Cash in on change management that creates a cultural shift and includes everyone in the first meetings to make sure adoption is enhanced.

2 Establish Processes

Once you establish metrics for outcome-based results, you will begin to see which processes should stay and which needs to be ditched. A lot of people find early success by starting with the end in mind and working backwards—for example, you can create high-level strategic scoring for the most important processes—figure out how the optimal management of resources that will differentiate you as a best in class organization. Be careful not to over-process though. Just instill as much as needed and no more.

3 Align Tools

Use the tools that are aligned against the best-in-class metrics for your particular value to the customer. Then, you can forecast against role-based skillsets for stronger resource utilization. These tools must eliminate slow reporting, wherein valuable data is trapped in spreadsheets or PowerPoints. Your PMO tool must streamline and centralize information for decision-making so that teams may meet during new, outcome-based meetings that report so much more than just the status.

These tools, and the data they deliver, will lead to a governance framework in which demand and intake are linked to value creation. When you have these processes in place, and the tools to enable them, then it doesn't matter how mature the PMO is. You will keep stress, uncertainty and risk down, and make it much more likely that your high-value resources stay on board, creating client value for you and exciting careers for them.

4 Anticipate Change

Once your tools enable the prime processes that spell success for your company, their visibility across the PMO will allow you to identify red flags early and adapt to change. With real time insight for decisions you'll better manage risks that can topple the whole portfolio, not just a specific project. Portfolio planning that creates values and delivers stakeholder expectations builds trust—and trust is the main thing that you must spend in collaboration with clients, sponsors and project managers on the front-lines.

Solid data that supports real-time response means that uncertain times do not lead to scarcity or lack of resources based on missteps and yesterday's mistakes. With the right identifiers to anticipate these changes and deal with the risks inherent in them, you're working optimally for the results you'll need to ensure the most valuable future.

Take it to the bank:

Data-driven visibility allows you to consistently handle change and manage the risks associated with it.

Good as Gold: How Arysta Changed the Currency of PM

Our customer, Arysta Lifesciences, had multiple global PMOs working under a fractured planning processes, so there was “no common currency” when measuring success. Five global business units consolidated project management processes within KeyedIn. With a far-flung $58M portfolio, they developed the outcomes-based change that helped them bring year-end actuals to within $100K of budget. Losses were much higher than this before Arysta put the processes, tools and change management checks-and-balances into effect that allowed them to create true PMO power and gain trust with PMs and C-Suite executives alike.

Checklist for Change: Put Your Money Where Your Mouth Is

Let’s see if we can leave you with a simple list to use to move your portfolio planning actions from activities to awesome, strategic effect. Don’t just get busy—get busy gaining more strategic benefit for customers, markets, using the value-based metrics that matter. If you’d like to hear more about this topic, watch our on-demand webinar.

Get Buy In	Create Processes	Align Tools	Anticipate Change
Change management plan	Processes=safety net	Identify opportunity cost of outdated/ insufficient technology	Manage risks better during intake
PM-level input	Metrics-based planning	Remove manual processes and unnecessary hurdles	Use scenario modelling
Find political pitfalls	Intake and demand processes	Align real-time data for decisions	Lock in resource capacity planning for back-up
Mutually defined goals	Start with “must-haves”	Analyze for strategy	Forecast using up-to-date data
Instill visibility and agreed upon metrics	“Can only manage what you measure”	Automate “lights-on” tasks	Become predictable in the best way

Conclusion: Cha-ching! The Payoff

Enterprises around the globe develop strategic plans. They carefully create a vision of their future and the strategies needed to get there. However, many fail to realize their vision and fail to deliver the expected strategic results. Unfortunately, executive teams cannot pinpoint the reasons for this dilemma so they repeat the strategic planning cycle over and over, always hoping that the next strategic planning session will bring better results. And of course, it doesn't. In our experience, continually and consistently examining the value of what is being worked and following the four best practices above will ensure your strategic plans are successfully executed and achieve the maximum payoff.

About KeyedIn™ Projects

KeyedIn Projects is a supremely flexible solution for managing projects, programs and entire portfolios – from a single platform that provides a comprehensive view of the status of every project. Used by project managers, boardroom decision-makers, and frontline users, KeyedIn Projects increases success rates and profit margins, enables better decisions about project selection, planning, and prioritization and optimizes resource usage across the entire business. Headquartered in Minneapolis, KeyedIn has hundreds of customers worldwide, including Walgreens Boots Alliance, LexisNexis and OfficeDepot.

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