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Project Portfolio Management Playbook

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Management Playbook

Idea Portfolio

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Thinking Portfolio is a simple, yet powerful, solution for those who want to move from spreadsheets to a professional idea portfolio management tool, but don't want to spend years on implementation. In addition to idea portfolios, our SaaS based platform is used for project portfolio management, IT application and service portfolio management.

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1. Project Portfolio Management

The Absolute Basics of Service Portfolio Management

A company's service portfolio can be defined as a group of services that are listed in terms of their value for business. This portfolio can include everything from in-house services to outsourced ones.

Service portfolio management is the process of managing and improving the business through careful assessment of quality requirements, associated costs as well as their changing financial value. The main goal of service portfolio management is to maximize the realization of value to the business and meanwhile balance the risks with the costs.

How does service portfolio management help?

To manage your service portfolio successfully, there are five questions you must always ask yourself. These five questions include understanding the reasons for a client wanting to buy your services, why they should buy it from your company, your price and charge backs, allocation of capabilities and resources as well as understanding your strengths, weaknesses, risks and priorities. When it comes to successful service portfolio management, product managers play an important role as they are expected to manage the services and products throughout their lifecycle.

A product manager is also responsible for focusing the project on important tasks and coordinating as well as owning the service catalog.

Sub-processes of service portfolio management

Portfolio management for services can be divided under three sub-processes including analysis, approval/rejection and review. The objective of the first step is to define the outcomes of the new proposed or altered services and analyze the impact on other services in the portfolio. The second step in managing the service portfolio includes submitting a formal proposal anid having it authorized by the responsible management team. The final step in the process is to review the changes and assess the services periodically to ensure that the portfolio is being managed effectively and aligns with the service strategy.

What does a service portfolio contain?

Any service portfolio contains three subsets. The service catalog is the section of the portfolio that is visible to your customers and provides an insight into the services and products your business delivers. The service pipeline includes the list of services that are currently under development or consideration for a specific market or demographic. The pipeline also includes details of the projected growth of the portfolio in the future.

The service pipeline can also include goals, priorities as well as short term and long term goals of your business. The last subset of the portfolio is the retired services that include products and services that are soon to be withdrawn or have already phased out. This section of the portfolio overlaps with service transition.

How to Make an Ordinary Project Business Owner Great?

While some may think that factors like certifications in project management is crucial in a project PMO lead, in fact it is among the most underrated criteria while hiring one. What is seen as a far more important attribute is the individual's ability to understand the project. This allows the PMO to initiate, monitor and manage better, and see if it rings true with the company's core goals and objectives. Here is a look at some other attributes that can transform an ordinary PMO lead to a great PMO lead.

Intra-organizational connections

The PMO lead should be have good connections with the PMO team as well as the other departments in the organization. There are times when the PMO comes across situations in the course of the project cycle where issues crop up right in the middle of a busy schedule. Resolving these issues is a matter of getting organizational assistance, and when the PMO director is well-connected with the various departments it becomes easy to have these issues resolved in a timely manner. Else, valuable time may be lost in the process, which may just tip the project from a success to failure.

PM experience

While there have been instances where corporate executives who haven't had an experience as a project manager have taken on the role, it has not always been the best move for businesses to have their PMO lead by inexperienced professionals. Many a times businesses just settle for resource managers. The truth is that there is more to the role of a PMO than just an experience in resource management can offer. A PMO lead who has a good track record in project management roles, has a good understanding of the general workflow in the department. While they won't be micromanaging the projects, they will by managing the PMO resources. They will be setting up and managing the PM software schedule, and imposing the best practices to support fast project deliveries in the organization.

Communication

Just as in the case of project managers, excellent communication skills are indispensable when it comes to PMO directors. From in-office policies to processes, the PMO lead should be easily able to communicate this information across the corporate chain. The PMO lead should have the ability to communicate convincingly with customers and clients, to enhance their trust and confidence in the business.

How to Make an Ordinary PMO Great

There are certain traits that set certain project management offices apart from the rest, having them garner success stories with projects. Here are some of traits that make for a great PMO.

Coherent project and organizational objectives

While each project has its own set of benefits to an enterprise, a good PMO will ensure that the goals of the project and the enterprise are on the same page. As and when the corporate environment changes, a good PMO will see how the prevalent projects will have be dealt with to adapt to the business landscape, whether they have to be shelved, turned down or modified.

Good success rates

A sound PMO will ensure that the project is well on track even before it has started, by allocating the resources and budget effectively. The PMO will keep a close watch on the project operations to see that it does not run into any troubles, and offer solutions that work well with everyone in case they do face any hiccups. The PMO's role is to work in close quarters with project managers to set the initiation, planning, execution, control, reporting, and completion of the project in place. The PMO offers useful project templates, and revises these templates when required so the documentation is adept. The PMO will also make sure that there are no confusions when it comes to guidelines, and there are only the required number of minimal documents for easy reference. The PMO

acts as a partner who is a helpful resource, instead of being an intimidating body that employees hesitate to approach. A good PMO must be able to consistently improve the execution capabilities of the team, so it makes for a faster delivery. The PMO will make sure that the project meets its target, and well in time as well!

Competency

PMOs just like any other vertical in an organization need to evolve and stay competent. Activities and skills related to project management need to be revisited and improved over time through standard certifications. A good PMO will also have mentoring sessions for the various project managers so they can foster a healthy culture. This is also when project managers can seek guidance and build networking relationships with the rest of the team. Members of the PMO should also be receptive to feedback offered by others in the organization and see when and where it can be incorporated.

Project Portfolio

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What Makes A Project Portfolio Difficult To Manage?

Project portfolio management is easier than it looks. Businesses often face a number of challenges when it comes to managing their project portfolio effectively. If you want to keep your project portfolio under control it is important that you identify the difficulties of challenges that you are facing with your project portfolio. Sometimes, there could be too many issues that project managers end up confused about what the real problem is. Here are a few challenges that can make managing your project portfolio difficult.

Too many projects at once

One of the biggest challenges in portfolio management arises when there are multiple projects that need to be taken care of at the same time. Sometimes, lack of a PMO leaves the responsibility of project portfolio management on the individual project managers. Sometimes, one project manager is left to handle multiple projects at the same time, which results in lack of focus and a failure to deliver.

Lack of senior management support

At times, the lack of senior management buy-in of the requirements as stated by project managers can also lead to poor portfolio management. Senior management's lack of understanding of the benefits of having a PMO or necessary resources, manpower or budget can also make it difficult to manage project portfolio of the organization. Also, support for one project and none for another can also make it difficult

for project managers to manage their project portfolios efficiently.

Misallocation of resources

Lack of resources or sharing of the same resource for multiple projects can also create trouble for project managers in an organization. Misallocation of resources, especially when more than one project is being handled by a project manager at a time, can lead to misallocation of resources – under or over allocation of manpower, tools etc – to the project. This can prevent one team from delivering results and can hamper the overall productivity of the project manager.

In-house politics

The biggest challenge that a project manager or PMO can face with project portfolio management is in-house politics and the company culture. These two things can prevent adoption of new and innovative strategies and technology that can make project management easier and management of multiple projects efficient. Resistance to the new technology or strategies, basically change, can prevent progress of a project or more, thereby making it hard for the organization to handle its project portfolio efficiently.

Positive Project Portfolio Management

Today's ever-changing business environment often presents numerous challenges, while positive signs are few and far between. The project portfolio and its projects are part of this business environment. External and internal changes and improvements are driven to completion according to plans, which can at times take an emotional toll on the employees. By adopting a positive, enthusiastic approach in how we handle the status quo, business environment and active projects can offer a completely different view on matters. Now is the time to harness positivity and open ourselves up to success and good ideas.

Positive project management aspects include, among others, the following items:

1. Recognise projects that have reached targets that have been set more successfully in the project plans.

2. Among the projects completed during the previous quarter, nominate the best project and find out from the project team and interest groups what their secret to success is. Share the secret with the entire organisation and celebrate it!

3. Discuss which decision, brilliant analysis or new aspect created via the project portfolio was the best one during the last month. Discuss this and get inspired to come up with another two analyses or new aspects during the next month.

4. Task the project managers with identifying and indicating successes they have experienced during their own projects, and encourage them to record the successes in the status report of the subsequent project.

5. In a group, nominate the most encouraging and positive project manager and acknowledge their impact in the organisation. Remember, anyone can strive to encourage and inspire others.

6. Choose one project from the portfolio, and think how you could contribute to the successful completion of the project. When it is for a good cause, do it by any means necessary!

7. Nominate the top chairman of a control group for the current year – a person who others should aspire to be like. Describe how that person has created an exceptionally positive atmosphere through control group work, or how their personal efforts have helped the project manager and the team toward success!

8. Think honestly about what might be personally hindering your success, and ask for help. Asking someone for help is a true recognition of the peer's skills and valuable insight – you might get a positive surprise!

9. Make the decision to kick-start the next project portfolio summary and analysis meeting in positive spirit. Each participant should indicate what opportunities and successes they can perceive in the projects. Discuss the opportunities and topics covered during the meeting. Create the foundations and the atmosphere for success.

10. Identify top project managers and ask them to coach and mentor other project managers. This enables the recognition of top skill in the organisation and the distribution of know-how through peer-to-peer encouragement. Peer experiences and teachings should always be paid attention to.

11. Share the list of positive feedback and encouragement methods, and remember to keep the spirits up. Remember to ask the question "What is going well with the project?" You might be in for a positive surprise in terms of the answers you will receive.

5 Questions to Help You Maximize the Value of Project Portfolio Management

As a part of a growing organization, you may be faced with handling multiple business projects at a time. To handle them efficiently, you could choose software or rely on personal expertise. Regardless of how you decide to manage your project portfolio, there are certain aspects of management that you should consider. If you have too many projects and limited personnel, time or money, you can manage your project portfolio by asking five important questions. These questions can help you maximize the value of your project portfolio and increase ROI.

1. How can you maximize value and control risk factors?

One of the biggest key factors that make a project successful is handling risk factors the right way. You can maximize the value of the project by integrating business drivers like costs, returns, risks and strategies in one platform and objectively evaluate your choices. You can choose from many dedicated software to run simulations and generate tables and charts that help you make the right choice based on mathematical calculations.

2. How can you track multiple projects together?

Tracking multiple projects can help you keep a grasp over each initiative and ensure that the right projects are getting priority. Tracking these projects can also help you channel resources in a smart and planned way to get the best out of each initiative in your portfolio.

3. How you can prioritize budgets with business metrics?

Apart from relying on experience statisticians and your personal knowledge, you can rely on software that can help project ROI of your portfolio. You should create multiple budgets to ensure that the business metrics of each project are being met appropriately. You can create multiple business models and explore different combinations and constraints to get the best ROI from your project portfolio.

4. How can you align them with project management?

A smart way to manage your project portfolio is to assign clear cut signs and symbols for important changes. For example, color coding and organizing files can help you keep track of both major and minor changes in the project and help you remain up-to-date. Assign a baseline that aligns with your project management guidelines and regularly compare your projects to ensure that they are working in accordance with the portfolio.

5. How can you facilitate quicker results with better decisions?

You can create interactive charts and detailed reports on your progress to minimize time wasted in unproductive meetings. To get faster results, you must use unique methods to speed up the decision making process without compromising on making educated and informed choices.

Five Ways to Communicate your Project Portfolio Inside your Organization

Project portfolio management (PPM) is an effective internal organization tool which articulates the nature and purpose of a project and also in determining the outcome. Here are some of the ways in which you can communicate a PPM inside your organization.

Power Point Presentations

This is a classic computer program that has been the pitch-factor behind millions of successful projects across the world. Its popularity is rooted in its user friendly interface and versatility across different platforms. PPT is often best used in combination with a live speaker and a projector slide-show to a live audience. A variant of PPT is the Windows Live Movie maker which offers a slightly advanced functionality and output.

PPM Software

Information Technology has apparently all the solutions for even the most uncommon applications. It also has one for some of your PPM needs. This is particularly useful for bigger organizations responsible for handling numerous projects. They provide with a platform that lists the projects in order by their priority, schedule, budget and other factors. There are both commercial programs for purchase and open source programs that are worth a try.

Infographics

A picture can be worth a thousand words and when formatted into a sequential layout in combination with information in text, it simply becomes an infographic. They can be shared on micro blogs, social networks, emails and also a collection of them can even be included into an e-book. The ease of availability and use of image editing software programs makes it a good option for PPM.

Animation/Live Videos

If your company can afford professional video producers then you'll have the luxury of one of the popular story telling mediums for your PPM. Videos are interactive, entertaining and can bring every member of your project on to the same page in just a matter of minutes by helping you communicate the most intricate details with a fluid narrative. If you cannot afford a professional then you may even try your best with a home camcorder and freeware video editing program.

Screen Recorder

This is the least known computer application which actually has a great potential for corporate needs being helpful in both interaction and economy. A screen recorder allows you to record your on-screen activity and store it as a video file. A popular example of this kind of application is the Khan Academy Channel on YouTube.

6 Key Points for Good Portfolio Management Leadership

Good portfolio management can help businesses achieve greater value making it a vital tool for success. It can help you make better decisions, execute strategy and manage change across the organization. It takes a few simple steps to adopt best practices in product portfolio management.

Involve everyone

PPM is an ongoing activity and not a one-off event. It is all encompassing. Good portfolio management will involve people across the organization. With the buy-in of the wider audience, its chances of being more effective are higher. Business leaders may not take kindly to having their control relinquished to a more democratic approach. Nor will they like having their work closely scrutinized. Be sure to get them on board for good portfolio management leadership.

Have a clear portfolio management process

All projects must be evaluated for their contribution to business value. If it adds little value to the customer or long-term strategic objectives it is likely to fail. Update the databases regularly so all information is current and gives you an eye on ground realities.

Lay out clear performance measures

Cluster based on goals or purpose. Have multiple portfolios to distribute funds appropriately and help simplify decision making. When objectives are laid down, it is critical to also have parameters to track the extent to which a goal has been met. The mod-els and parameters may need to be updated as the information and understanding improves. Have a scorecard for senior management to evaluate performance. This scorecard must cover financial and non-financial parameters.

Recognize risk

Project Portfolio Management leaders know they need to factor in risk. Knowing the possible outcomes and risks allows businesses to prepare for various eventualities. Risks at the portfolio level must be clearly identified and quantified. A system to manage the risk must be put in place.

Have a strong analytic software or tool in place

A templatized data tracking software with robust graphical and reporting capabilities help enable quick decision making. A dashboard view with access to all relevant stakeholders allows for a snapshot view of the scenario. Such analytic tools must also allow you to drill down to a project level. This helps improve transparency and ensure that everyone is kept up to date on all decisions. It also allows you to track the impact of a decision centrally.

Actively manage the portfolio. After initial approvals, schedule regular reviews. This allows you to shut down derailed projects and stem the financial loss.

Improving Strategy Deployment with PPM

It is common for all businesses to start projects and take up initiatives to achieve their different business objectives. However, not all businesses utilize Project Portfolio Management (PPM) as a tool to take decisions regarding the projects to be undertaken and executing them to accomplish strategic goals. When PPM is used for managing projects, it leads to an improvement in the deployment of strategy.

For several organizations, there are a set of environmental changes constantly taking place, such as globalization, technological advancements, emerging economies and so on, which impact the operations of the business in many different ways. These are challenges as well as opportunities to learn, grow and expand.

How different businesses manage and lead with this kind of environmental change reflects on their strategy to deal with competition and various kinds of complexities in an effective way.

Role of PPM in providing strategy

The aim of PPM is to provide a methodology to transform strategy and goals into the most lucrative projects as well as deals. It also involves a focus on the management and implementation of projects so as to deliver the desired business goals and objectives.

With the correct PPM practice, managers can understand how to prioritize their focus and efforts on various projects so as to get the maximum positive impact on accomplishing core objectives.

A business decides to implement PPM based on an analysis of whether it meets the overall objectives of an organization. If the PPM tool is utilized correctly, it enables the firm to meet its corporate goals which ultimately contribute to the overall organizational strategy.

Practicing PPM

Having discussed the role and various benefits of PPM, it needs to be mentioned that putting it into practice may not be very simple. It is the job of the management to ensure that every project undertaken is delivering results, which are in line with the strategic goals. Another objective of the PPM is clubbing the various project initiatives into portfolios. This leads to more effective management of projects and greater efficiency. The decision on prioritization of projects and allocation of resources is also part of the PPM implementation plan.

Success can be achieved only when each stage is executed properly. Any incorrect move can cost funds and lead to wastage of time as well as resources. However, proper execution of PPM will bring increased rewards to the business.

Utilizing PPM for Constant Business Innovation

Leading multinational companies in many sectors have already started using Project Portfolio Management to drive innovation into their business. Even in difficult economic times, the major force behind increasing profitability, stock value, and gaining competitive advantage is product and service innovation.

With the correct portfolio mix, a business is able to meet its own goals and objectives as well as those of the customers. It also enables a business to adjust to the various changes taking place in a dynamic business environment, so it can respond appropriately to new and innovative industry trends.

With the help of solutions offered by Project and Portfolio Management (PPM), a business can become equipped to incorporate and lead innovation driven practices across the entire enterprise and also take confident decisions.

Value of Innovation – Doing the Right Things

Several organizations today are making efforts to enhance their returns on investment made in innovation by emphasizing solely on the process of improving product manufacturing.

Most of these companies have invested in various kinds of IT processes (such as PLM and ERP) or development of niche products, and there is a major focus on enhancing the efficiency of processes, minimizing mistakes, and reaching the market quickly.

To gain competitive advantage and accomplish business objectives, companies must understand that innovation is not only about executing processes in the right way, but also about doing the right things. This means that projects need to be delivered efficiently, and more importantly, the organization needs to invest in putting together the right mix of resources to deliver stable and long-term financial results.

Getting Adequate Return on Investment

It has been observed that even after making huge investments in innovative business practices, businesses don't seem to get satisfactory returns. This is mainly due to inadequate technological support for the innovative processes undertaken by the business, because of which some of the crucial issues such as strategic forecasting and planning, management of resources, and product portfolio management are left unaddressed.

A direct result of this situation is that organizations do not get an overall detailed view of the innovation portfolio. This results in huge overheads with regards to management reporting for the organization, which has to undertake manual collection and consolidation of data. Key decisions regarding innovation investment opportunities are often due to inaccurate or incomplete records and data.

Are you looking at the competition through the windshield or the rear view mirror?

Project portfolio management can provide quite concrete opportunities for companies. And not just in terms of strategy. Project portfolio management impacts the entire organisation and its ability to top quality service to its clients. This involves particularly the development of the organisational architecture from a business standpoint.

You must develop services that save the client's time. You must provide services that are easy to utilise and beneficial to the client. Achieving this status requires significant changes that begin with the current status and determining the ideal status. Operating plans must be aligned with the overall architecture of the organisation, and each project in the portfolio must have a concrete connection to a strategic outline or solution.

Act before your competition

Provide better service to your clients by engaging in business-oriented organisational development. This should be an organisation-wide progress where the project portfolio is utilised.

Make sure you act before your competition – otherwise it may be too late!

Avoid the following issues typically related to project and change management:

1. Nearly 70% of all organisations lack experienced project managers specialising in ICT projects.

2. A key element of a successful project is business-oriented requirement definition

3. Only an estimated 35% of organisations monitor the successfulness of IT projects

4. Only around half of all IT projects are carried out on time and on budget

5. Still almost a third of development work is carried out without a project plan or a specially defined project

6. In the future, IT project operations will continue to trend towards becoming more networking-oriented

7. It is not enough to have sporadic success in projects

8. Over 30% of all projects end without any official completion!

9. Less than 5% of organisations consistently achieve the projected benefits

Tips on How to Define and Plan PPM Procedures and Guidelines

It is important for an organization to manage and categorize their project portfolio while handling several projects. Categorization helps in the alignment of projects with the goals of the organization. PPM or Project Portfolio Management is actually a management process. The purpose is to help the organization gain information using several methods so that projects can be analyzed and sorted according to certain criteria.

Some benefits of Project Portfolio Management

* The organization is able to easily adapt to changes in the business environment
* Generation of higher returns as a result of constant updating and reviewing of projects
* Enables the organization to focus on strategies best suited to achieve targets
* Provides an edge over competitors
* Tools for Project Portfolio Management

An organization can use several tools for

PPM. Some of them include:

* Evaluating projects using suitable and systematic methods
* Planning of resources
* Performing a Cost Benefit Analysis
* Getting timely access to required information
* Preparing project reports on a regular basis

Important questions to be analyzed under PPM

Managers who plan PPM procedures need to focus on essential questions that need to be addressed. These include the following:

* Is the organization making a correct investment in the right project?
* Is the company's capacity being utilized optimally?
* Is execution of plans actually taking place?
* Can all the changes be successfully incorporated by the organization?

- Are all the estimated benefits being realized?

This model, addressing five vital questions with regards to Project Portfolio Management, indicates that the project manager should take an initiative to answer these questions before the project begins and also during the time of its execution. The successful implementation of the project is highly dependent on answering the above mentioned questions.

Project Portfolio Management process

It is true that many organizations fail to put a Portfolio Management process in place. The following steps can be taken to define a process for PPM:

1. A structure for portfolio management needs to be defined.

2. A plan for Portfolio Management needs to be laid out.

3. There is also a need to decide on the Basic Evalu-

ation Metrics.

Once the process of defining as well as choosing and executing the portfolio is in place, the organization can undertake important steps towards Project Portfolio Management.

The aim of Project Portfolio Management is essentially to bring down inefficiencies and reduce potential risks while dealing with various projects.

Additional Factors That Lead to Success with PPM

Management of projects and portfolios is something that happens in every organization. Whether or not you take additional measures, new initiatives will continue to roll out and new software will be built. However, you should also know that more than 50 percent of all projects fail to a certain degree. This happens mainly because companies do not pay attention to tools, processes, policies and structures applied on the portfolio. It has been found that organizations that pay more attention to these factors are more likely to succeed. To ensure that the success rate remains consistent if not too high, there are several factors that should be considered.

Strong leadership

The success of any PPM relies on its leader. A PMO director is a dedicated professional who can lead projects and deal with successes and failures. A strong leader can increase the chances of success for a project portfolio by furthering the career of project managers and making sure that all tools and resources are being used efficiently.

Defined processes

The right document shells, templates, policies and processes that govern the PMO and the organization should be in place to increase its success rate. With repeatable and easy to use templates for similar projects, you can save a lot of time and can recognize the reasons for success and improve upon these features.

High visibility

In any organization, the PMO should have enough visibility to prove that it will soon become an indispensible part of the company. In time, the PMO should also become the go-to point for any project related information, issues and undertakings. The PMO should ensure that all projects go through it and see that the internal organizations are equipped to handle these tasks.

Executive backing

A major success factor when it comes to PPM is executive backing. Regardless of your plan and the structure of the portfolio, it is very important to have the support of the executive and management team of the organization. This is where all the funding comes from and it is upto you to prove that your efforts are bringing your positive results.

Experienced personnel

Simply having a good leader or a plan is not adequate to ensure the success of your portfolio. It is also important to have experienced employees who know exactly how to handle different situations. Before you spend most of your time looking for qualified project managers, take some time out to put together a team of talented and experienced employees who have the potential and caliber to take your PPM methods to success.

6 Project Portfolio Management Tips for Beginners

Project portfolio management or PPM can be a tricky proposition for beginners. While there are several set methods to go about setting it up, you should follow a few tips and tricks that can bring you better results. The following six tips can help you make the best of your company's PPM and provide quick, profitable and tangible results.

1. **Methodologies in project portfolio management can easily get outdated as they are static in nature.** Instead of focusing on methodology, give your attention to PPM processes as well as best practices that can be scaled when necessary. Depending on the size and type of the project, these PPM processes should not just record the intended functions but also mark other factors including the 5 Ws and 1 H that is, who, why, when, where, what and how.

2. **Ensure that the best practices and processes you use for PPM have caretakers who regularly review and improve them.** Whether through suggestions or periodical feedback, process owners for PPM can institutionalize the processes and improve best practices as well as execution capabilities. It is better to choose people oriented processes that serve specific functions to promote consistency and efficiency in knowledge sharing.

3. **Don't wait for a problem to crop up before you review PPM processes.** Ensure that you establish certain process owners and encourage them to find better and more streamlined ways to improve existing methods. Preparing for unexpected problems is an equally important part of maintaining a positive and effective portfolio.

4. **Do not adopt new processes for portfolio management and project management simply based on their current industry popularity.** It is important to first find out the different processes that do or do not work for your organization. When managing different PPM processes, it is important to recognize and apply practices that extend beyond the industry standards.

5. **Apart from adopting the right methodologies, it is also important to create a secure space to store important project information and documents.** This includes information like the deadlines for project reports, different methods to store project data through a PPM tool, risk analysis, earned value management and so on.

6. **Provide features and functions for collaborations in your PPM processes.** Many organizations today want to use existing platforms for enterprise collaboration instead of placing information in additional repositories. Create new tools and processes for collaborated work to effectively manage multiple projects. This process can also improve the workflow and efficiency of the organization and lead to better management of the project portfolio.

Back to Basics on Project Portfolio Management (PPM)

As an operating business, you may be required to handle multiple projects at a time. To ensure that all your projects are progressing smoothly and on time, it is important to maintain a portfolio. Termed as project portfolio management, this process can help you organize and categorize projects based on your organizational goals. It is also valuable when acquiring information and sorting out projects based on criteria and priority. There are several tools and techniques you can use to measure the success and efficiency of your PPM model. Some popular techniques used to measure PPM include the scoring technique, visual mapping and heuristic models.

What are the objectives of PPM?

The objectives of PPM are designed to bring desired results from teams with several factors outlined for reference. The first objective of project portfolio management is to create a descriptive document that includes vital project information like the name, cost factors, business objectives as well as estimated time frame. The second objective for a PPM is to evaluate the project regularly and ensure that it is able to meet its targets. This will ensure that the project follows all quality standards and remains on track in terms of deadlines. The third objective of adopting a PPM system is to choose the right team members. These players, with their collective skill sets, will become major contributing factors to achieve the objectives of the project.

How you can benefit with PPM

PPM ensures that all your projects have objectives and quality standards to bring about targeted results. This method can also be used to change the structure of the organization and improve methods for project execution. Maintaining an efficient PPM will allow your organization to tolerate and adapt to changes quickly. Continual monitoring and reviewing of projects will ensure high quality deliverables and increase returns. You can also easily identify dependencies in your organization and remove inefficiencies to gain competitive advantage over other companies. A project portfolio management system will help you focus on the right strategies to achieve your targets rather than concentrate on the project alone.

Tools for project portfolio management

Several tools are used to make project portfolio management a useful and efficient model. Some of the most essential features of this process include planned resources, systematic evaluation methods, analysis of cost benefits, tracking of costs and benefits, information access to the right people, regular progress reports, as well as impeccable communication solutions.

Optimizing the Use of Key Resources in a Project Portfolio

A project portfolio management system can help you prepare and achieve your objectives and increase chances of financial profits. With the right management system in place, you can remove a lot of the guesswork and ensure that your executives and management make the right decisions, whether planned or during an emergency. The idea of a project portfolio management is fairly new and there are several businesses who consider it to be confusing or complex. To combat this, many companies have built in-house cloud-based management systems to assist them.

However, to make this system more effective, it is important make optimum use of the key resources involved in managing a project portfolio. In any project portfolio management system or software, the following features play an important role in optimizing resources.

Portfolio management

Proper portfolio management can help you decide what projects to take on and which ones to avoid. They are also effective in tracking the current progress of each active project and can help you efficiently manage multiple resources including assets, employees and budget. Several factors are considered by the management system when analyzing portfolios.

Financial management

Budget is an important resource that should be handled carefully to increase ROI and to reduce risks. Especially for larger businesses, budgeting involves a lot more than simple profit or loss statements. This is why financial management systems or tools can be used to track associated costs for each project. These systems can also project real time assessment and performance indicators whether or not you are using your financial resources in the right manner. Indicators of over spending and over allocation can be programmed into portfolio management software.

Problem management

Error reports as well as change requests are common for all projects and do happen in multiple stages of the portfolio. A management tool with issue management features are beneficial as they help you prioritize and assist you in directing resources accordingly. These features ensure that your resources are being used on the right project at the right time.

Resource management

One of the biggest resources for any business is its employees. Any company that has more than five employees should ideally choose management software that guides them in channeling the right skills into the right project. An employee resource management tool can allow you to deploy your staff and maximize their investment and time on the right projects. Similar software will also help you understand the different projects that require or are consuming more resources than necessary. With this management tool, you can ensure that the skill set and experience of all your employees are being used optimally.

5 Ways to Improve Your Project Portfolio Management

Effective portfolio management is an important element in the success and growth of business across all industries. In fact, the 2012 Pulse of the Profession study conducted by the Project Management Institute proves just that. The report showed that out of all the projects undertaken by organizations considering themselves as highly effective in managing portfolios, 62% met or exceeded the expected return on investment (ROI).

Whether it's for increased customer satisfaction, effective cost reduction, or better revenue growth; even you could achieve your organizational goals by improving your project portfolio management. Here are five useful tips to help you out:

1. **Training for senior management** – By improving the knowledge and understanding of portfolio management at the highest level, you could be on your way to success. This enables senior management to ensure that the projects are undertaken and developed according to the organizational strategy. Eventually, you can focus on spreading the knowledge across the organization. For gaining all the benefits of portfolio management, everyone involved should have a clear understanding of the process, how it works, and why it is necessary. In fact, the study also showed that in 89% of highly effective companies, project leaders and staff are educated on the process and practices involved in portfolio management. On the other hand, the number is just 25% in case of minimally effective organizations.

2. **Create a culture of prioritizing portfolio management** – For effective portfolio management, the process itself should be deeply rooted and prioritized uniformly throughout the organization. This would involve executives showing their support of portfolio management by way of investment and communication.

3. **Set aside resources for portfolio management** – Improving your portfolio management would also involve dedicating organizational resources for effective solutions. It would be best if you leave it to professionals, so you need to ensure that the organization invests in the right talent.

4. **Implement the right techniques and tools** – For an organization, it would be much easier to maintain a competitive edge by utilizing the correct tools and practices for portfolio management. Make use of portfolio management software and applications in addition to other tools for an efficient management system. Along with this, you will also need to establish a set of practices for achieving your strategic goals. Standardizing portfolio management is a critical step for improving effectiveness within the organization.

5. **Establish an elaborate strategy** – To ensure the effectiveness and success of your portfolio management, prioritize on establishing a clear and realistic strategy as well as your organizational goals in terms of portfolio and project targets. This motivates the entire team to work efficiently for portfolio management, as they have a better understanding of the goals and constraints involved in the project.

How to be successful in project portfolio management development – TOP 8 experiences

1. Keep it simple!

Keep things simple, always try to find the key elements in each development phase and simplify it. The implementation of a typical strategic portfolio management operating model and tools takes around 100 days.

Development processes which tend to drag on are unlikely to yield positive results. According to our experience, the complicated way has never worked in practice.

2. Earn the support of the management

In the event that management aspires to develop their operative or tactical project management, they often skip participating in the development process while focusing on strategic matters.

You have to earn the support of the management. According to our experience, portfolio management has never been successful without the support of the management!

3. Development in phases

Utilize the operating models and solutions which suite the maturity of the organization. According to our experience, what works in one business unit may not work in the entire organization.

Portfolio management should guide the entire organization, not merely the needs of only one business unit or sector. According to our experience, different business units can have several project management tools, but the entire organization should only have one simple portfolio management solution.

4. Always from top to bottom

Project portfolio management is developed through strategy. We have discovered in practice that building project management from bottom to the top does not bring portfolio management to the level of strategic planning sought by the management.

Project management and portfolio management solve different problems, which is why their related operating models and processes should be distin-

guished from one another. The key interest groups of strategic portfolio management are the management and the decision-makers of the company.

5. Solve one matter at a time

When solving project portfolio management matters, it is good to keep in mind that you are not solving operative project management issues. If you aim at too many targets at once, it is very likely that the end result does not match the expectations and demands of the management.

6. Start with the operating model

By developing the project portfolio management operating model, you do not have to solve all project management practices.

You have to accept the fact that different business units may utilize different project templates and tools, but that the organization should have only one clear portfolio management model.

7. Utilize the experience

Project portfolio management often requires years of experience in business development. It is vital that you bring along the best experts of the organization and the most in-depth knowledge in the development. According to our experience, without the most skilled people, failure is likely.

8. Good tools require no training

Select a solution which requires no training as the support tool of portfolio management. The management can only spend a restricted amount of time per project in a month, and they cannot spare more than a few minutes for learning the support tool. According to our experience, good tools require no training.

Project portfolio management is part of change management

Implementing changes thoroughly requires good planning, execution, staff coaching and communications, and often other processes and tools as well. Well-implemented change is not an incredible solo act; it requires extensive cooperation throughout the organization, where everyone has a role to play. The management is responsible for enabling changes and eliminating obstacles to development. Top and middle management tasks are vital in providing support for practical measures. Interest groups are also important, and we should also see the changes from the perspective of our customers.

If the changes are meant to produce additional value and benefits to the customer, it is essential to communicate this through all available channels to the customers. Internal communication plays a key role, and is known to almost always pose one of the most significant challenges.

Change is always multi-layered; when we change processes, product specifications or implementation methods of a service, we also change the way our staff thinks. Change is one of the most challenging and risky elements for an organization.

Tools should be utilized as quickly as possible during change

We have grown accustomed to having our working appliances help us reach a meeting on time, approve invoices or recognize projects that do not support the company strategy, or whose business case is out of date. This is commonplace to nearly all working communities. Tools should be implemented early in the change process, so that their advantageous functions can be utilized in supporting better, quality practices

and thereby enabling the company to be successful.

If the tools are not conducive to the organization's efforts, the staff tends to resort to their own Excel or PowerPoint software. If the staff is not provided sufficient information on organizational changes, they will communicate via e-mails, hold unofficial meetings and take other measures to stay up to date on matters. In a worst-case scenario, this happens too late or with false information.

Successful change requires the right tool

Tools are not the be-all and end-all of success; an organization also needs know-how and operating models. However, significant development and change processes cannot be solely based on know-how and operating models. Tools should be implemented early enough, so that staff can learn to use them correctly. Tools provide cohesion to operating models, thus supporting success in a multi-layered and ever-evolving business environment, regardless of whether the organization operates in multi-national business or public sector.

Good project portfolio management practices are not rocket science

It should be clarified that good tools do not require days or weeks of training and constant use. The best solutions are often the ones that are the most simple to use and easy to understand; today's tools are expected to be intuitive, not requiring advanced training. The best tools today are more like services that guide users through various activities, facilitating work and saving precious time, which will ultimately benefit the end-customers of the organization.

Portfolio Resource Management
Thinking Portfolio® – Easy to use, fast to implement

Thinking Portfolio is a simple, yet powerful, solution for those who want to move from spreadsheets to a professional project portfolio management tool, but don't want to spend years on implementation. In addition to project portfolios, our SaaS based platform is used for idea management, IT application and service portfolio management.

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Put your ideas into a portfolio

Many companies are drawn to large brainstorming events, idea campaigns, and open innovation web forums. Some collect ideas as a continuous process. In both cases, the management and post-processing of ideas is a laborious task. Managing ideas as a portfolio makes this task easier and builds a bridge between innovation and implementation.

The concept of an idea portfolio

An idea portfolio is a method of collecting, scoring and analyzing ideas in a consistent manner. As a technical solution it can be a website that allows its users to post and share ideas and rank them according to predefined criteria. The collected information is stored in a database from which it can be retrieved for analysis and post-processing.

How to get good quality ideas

An idea portfolio can retrieve information from both internal and external sources. However, how you define what kind of ideas you are looking for is not irrelevant.

Julian Birkinshaw, Cyril Bouquet, and Louis Barsoux recently conducted a three-year study of group innovation practices in 13 leading global companies (Source: MIT Sloan Management Review, Winter 2011). Their findings revealed that online innovation forums yield the best results when the problem is well defined and narrow. Conceptual questions don't work: e.g. "We are looking for radical new approaches to customer service in our retail bank — any ideas?"

You must provide some raw material for people to latch to. An analogy, for example, could do the trick: "How could we make our retail bank more like your favorite restaurant?" Technical questions that focus on certain tasks in a process or specific uses of a product are also a good choice.

The study also indicated that people are not very keen on building upon other people's ideas on web forums. In-person brainstorming is better suited for that. Our own experiences support that view. Furthermore, it is easier to get people to take part in a time-limited campaign than asking them to regularly revisit a forum.

Idea management needs a system

In 2006 IBM launched a 72-hour Innovation Jam to uncover new business opportunities. The online campaign attracted 57,000 visitors – employees, clients, and partners – and produced 30,000 posts. Even much smaller companies can generate hundreds of ideas during similar events. But without a proper system in place, finding the best ideas from a large mass is time-consuming.

The experience of UBS Investment Bank's Idea Exchange illustrates the challenge. As one of their managers put it: "Preliminary sorting, then scoring and giving feedback on such a large number of ideas took a huge amount of time and effort by category owners and subject matter experts. The ideas coming through were good, but if we are to do it again we need a repeatable, dashboard-style reporting system for quantifying results and keeping the momentum going."

TOP 5 Benefits of using an idea portfolio

- You get ideas that are focused on the right issues

- Idea generation becomes an open, transparent, and systematic process

- You can manage a large number of ideas with reasonable effort

- Idea generation integrates seamlessly with project portfolio management

- People participate eagerly when they see how ideas lead to action

Our client's experiment

In 2010 we organized an idea campaign for a professional services organization. They invited their staff of 300 to the online event and asked them to generate ideas on how to support their clients' sustainability efforts. The outcome was over 120 ideas. A team of experts chose 20 that they considered to be the best for voting.

All employees participated in the voting process. Finally, the three ideas that received the most votes were awarded. The organization not only gave the winning employees recognition, but they also got resources for working out solutions from the ideas. Another result of the campaign was a database of categorized and evaluated ideas that our client could use in the future. Based on the positive feedback, they are now considering involving customers and partners in future campaigns.

For the event we used our own online tool. It allows the attendees to post their ideas on a simple, but visual form, and see what others have posted. Attendees can then vote on ideas or evaluate them, e.g. based on business potential and ease of implementation. As a result, the tool creates online charts for analyzing the results.

Turning ideas into successful projects

As "bottom-up" ideation is becoming increasingly popular, critics argue that formal executive screening could hamper innovation. There are examples of great ideas that the top management rejected at first. However, Birkinshaw, Bouquet, and Barsoux claim that, "at some point all these innovations were picked up and then prioritized by top management. Successful innovations, in other words, need both bottom-up and top-down effort, and very often the link is not made."

Once you have the ideas categorized, ranked, and analyzed according to your portfolio criteria you can select the ones that are worth pursuing. A feasible idea offers a desirable solution to a compelling problem. If you can describe the value, costs, and risks of implementing the solution, you have a business case.

A business case study should use the same evaluation criteria as the project portfolio of the organization. That way the top management can see how well the proposed project serves the strategy of the company. When you are able to connect idea generation with project portfolio management you can be confident that your organization is focusing on the right things.

2. Project Management

6 Things that a Successful PMO Won't do

Running a successful Project Management Office (PMO) may seem simple enough. After all, with a good system and an experienced team, what more could one need? But bad project management can boil down to things that seem right on the surface, but could have extremely negative repercussions in the long-run.

Not knowing who is right for the job

Having the right people on point positions is key. Poor resourcing decisions can snowball into project delays and even failure. On the flip side, a good project manager will never allocate a task that someone is unequipped to handle. This will allow them to focus on the bigger picture and step away as the team takes charge of their individual tasks.

Expecting miracles from technology

Having a good process in place for project management is important. A bad project manager might feel his job ends at allocating tasks and setting up a system. After all, the system is built to trigger alarms for big deviations. Not so. The onus of managing these systems falls on the PMO. A successful project manager monitors for adherence and reviews milestones and data to take corrective action mid-course. This helps prevent bigger, potentially disastrous events getting triggered.

Having a Project Manager who micromanages

Sometimes, a wonderful person can also be a bad project manager. An attempt to help out team members and bail them out of tough spots can be detrimental to the cause. Individuals thrive on challenges and must cope with issues that crop up. This will help them with their professional growth, and by stepping in for them, you are denying them the chance to learn.

Being over ambitious

Taking on too many projects at one go can cripple a team's ability to function efficiently. Add to that inflexibility and you're guaranteed to fail. Good PMOs know never to agree to impossible time-lines and over ambitious projects.

Being inflexible

Just as bad as being a yes-man, is being completely inflexible. A successful project manager will never close the door on change. As projects progress, risks change, influencing factors change and so too, should the project approach. Being adaptable is a virtue in project management offices.

Not communicating enough

Regular meetings and reviews are important. Without this, a project manager and his team operate in silos. When problems crop up, it takes inordinately long to spot and fix them. By being non-communicative, a project manager closes lines of communication both ways. Team members will hesitate to approach him for counsel or to own up to problems. It is important to keep all stakeholders in the loop and get buy-in from senior management. A successful PMO has everyone on the same page.

6 Things that a Public Sector PMO Needs

Project Management Offices (PMOs) are underutilized in the public sector, but can have significant impact on the efficiency of these government agencies. As the public demands more for its tax dollars, and governments put in place austerity measures, public sector organizations have had to tighten up. With a good PMO, an agency is able to deliver more, with greater efficiency.

Close alignment to organizational goals

Unless a PMO is aligned to the agency's overall strategy and goals, it is destined to under-perform. The team must first identify the role the PMO is expected to play in the organization. Once done, its roles and responsibilities can be clearly laid out. Strategic PMOs now function as businesses with the business, allowing them to bring private sector efficiencies and methods to otherwise bureaucratic environs.

Project plans

Public sector enterprises often work with budget constraints and limited resources. A good project plan with all variables factored in can help accurately estimate spends and spot attention areas. It will also estimate the resources needed to execute a project. This helps with budgeting and planning for the future.

Centralized project management software

With several stakeholders, bureaucracy and a lot of red tape to cut through, public sector PMOs can save themselves a lot of time and money with a robust software system for project management. With the relevant systems online, accountability and transparency are also taken care of.

Measures and metrics

The PMO in a public sector set up, as with its private sector counterparts must have a way to track projects. Monitoring projects to check for deviation from timelines and goals becomes even more important in the face of budget cuts and possible public ire

from delays. These metrics and measures must be mappable to executive friendly reports so that updates can be shared from time to time.

Regular communication

Listening to the 'customer' is as important in public sector undertakings, as it is for private firms. Present plans to possibly skeptical customers and actively engage them in discussions. See if the plan aligns with their needs and overall organizational goals. Be open to listening. Review and adapt the plan to factor in their feedback. This will also help you get their buy-in and approval on projects.

A strong leader

The success of public sector PMOs hinges on having the right people. And none is more important than the person who steers the boat on the PMO front. A good leader needs to be assertive and should be able to hold his own with people in positions of authority. Besides his own negotiation skills and technical know-how, he should also have credibility within the system so that he (and the PMO) get the respect and leeway they need.

His influence must cut across agencies in the public sector organization. These units may traditionally have operated in silos, with minimal interaction. For complex projects involving inter-dependencies, the PMO leader's role will be to get lines of communication going so collaborative projects can work. He will also need to keep the public interests in mind while ensuring seamless execution of projects, even with changes of senior level leadership in agencies. He will need to be the glue that holds it all together.

Define the PMO of 2015

In 2015 Project Management Offices will have to face new challenges while delivering value to their organizations. The project management office is geared towards establishment and accomplishments of goals linked to stakeholders needs. As firms move from traditional processes towards more agile operations, PMO has to play an active role in the process by making their leaders more adaptable to new technology.

In today's challenging business environment project management is a combination of hard decisions and soft management skills to improve business and have a definite growth path. The goal of PMO is to guide project managers so they understand strategic importance of decisions taken by the organization and play an active role to improve performance and profits.

Different schools of thought have defined PMO of 2015 in their own manner, depending on the importance of work assigned to them.

1. **PMO of today is a multi-project entity** – According to a recent white paper published by Dr. Brian Hobbs of University of Quebec, PMO is an integral part of an organization's project management structure and are linked to multiple activities at a single point of time. These PMO have low number of resources who are experts in their field and can manage multiple projects and are elite groups with limited decision making responsibilities.

2. **Corporate culture managing group** – According to a recent article, project management office has to implement regulations within a corporate's work culture to reduce inefficiency and lack of responsibility. The PMO will establish a culture of process improvements to facilitate strategic planning and management of intellectual assets within an organization.

3. **Creating value and enhancing corporate performance** – A PMO creates and enhances value of its employer by organizing a set of per-

formance standards for accomplishing all activities within the organization. It sets up key process steps and applies performance metrics to project activities thereby enhancing overall corporate performance and value.

4. **PMO as central nervous system** – The PMO of 2015 will be a strategic point which will control all vital function of an organization related to people, time, money and effort applied. It will work like a central nervous system by constantly improving reflexes and performance.

5. **Evolving role in dynamic business environment** – In today's global business environment wherein companies are facing new challenges related to technology, business processes and regulatory changes, PMO has to play an evolving role. The PMO of 2015 has to be dynamic with ability to take on diverse responsibilities and carry on give meaning to project management.

6. In the modern business environment PMO is a social unit comprising of complex structures which make up an organization and is constantly evolving to face business challenges.

PMO and Communication Skills

A project manager's office or PMO is the focus of all activities that are being carried out in an organization. A project management team has to plan, track, manage and report progress of work being carried out within an organization. Team managers and coordinators have to coordinate with their team members and project office about requirements and expectations to ensure that work is done as per client expectations and instructions are not misunderstood.

An effective project manager is able to manage different teams seamless towards common organizational goals and maintain cordial relationship between management and workers. Though professional certifications are a big plus for project managers, practical experience is more important as it helps them manage people of varied work cultures together and motivates them to achieve the common goals.

Importance of communication skills in PMO

The staff of PMO office has to manage relationship and communication between different groups working on a project and have to be proficient in interpersonal communication skills, making presentations and also in managing customer relationships.

Interpersonal skills

This ability will help to exert influence on different levels within the organization to get work done in time and on schedule. The have to build relationship with team managers and communicate management decisions and expectations effectively to build consensus on operations. These skills are not inherent and are acquired with time depending on the roles that each staff member has been assigned and also by training imparted to them after induction.

Presentation skills

PMO duties do not end with assignment of responsibilities to each group but extends further to communication of specific requirements of each task on a project by project basis. During this phase a project manager's oral and written communication skills are put to test as they have to identify ideal people fit to do the tasks and explain them clearly to avoid confusion and mishaps. The project management team has to draw out detailed a plan of implementation which will be communicated to the team.

Managing customer relationships

PMO staff has to lay focus on implementation of deliverable which will lead to achievement of customer delivery goals. They have to be in constant touch with customer project team to understand their requirements and sync them with organizational activities to maintain delivery of each project phase on schedule. Managing amicable customer relationship throughout the project development phase is critical for the successful delivery of completed project as per customer specifications.

For a project management office to work effectively the management should provide them with professional work environment and technical expertise with competitive salary.

Six Common Ways to Be a Better Project Management Office

Managing projects is a second nature to many managers, in spite of not having a proper structure to do it. Every day is hectic with new initiatives, new software being built, tested and launched constantly. All these are projects ultimately depend upon their managers for success. The leaders who have a proper and structured project management office have an undeniable edge and advantage over the others.

Listed below are the ways in which you can make your project management office much better.

1. Leadership

A good PMO needs, first and foremost, a good PMO director. He/she must be dedicated and strong. He/She must be given enough time to do complete the project. He/She must be responsible for the development of the project managers and the one who handles all the tools related to the project.

2. Experience

Just looking for certified employees is not enough. Consider their experience and their track record.

3. Expert and executive backing

The backing of the executive management team is critical. The funding depends on them and it is what the customers see.

4. Visibility

The PMO must be bestowed with high visibility in the organization. Everyone must understand its im-portance and realize that it is to be approached for all project related undertakings. All project information should pass through the PMO, so it project members should be assured and informed that it is fully capable to handle the various responsibilities. In absences of the assurance, it would fail as no one would believe in its chances survival.

5. There must be defined processes, policies and templates

The policies and protocols of the PMO should be clear and defined. With proper templates in place, your organization will be all set to taste success. You will not be leaving anything to luck. With them the required tools in place, you can record, track your efforts, analyze the result and know what was responsible for it.

6. The PMO must have the authority to take action

PMO must be given the strength and authority to make any important key decisions and take the necessary actions. The executive management must support its every move. The PMO director must have the last say to make the critical decisions and must be able to communicate it to the project managers. It would insure that the important projects don't have to wait and can proceed unimpeded.

Five Tips for Customer Enthusiastic PMO

When discussing about project management offices (PMOs), one of the most important factor is often left untouched- customer service. Outside the world of PMO, customer service is often associated with sellers who are trying to escalate their revenues by adding as many customers as possible. Their aim is to attract all kinds of prospective buyers to purchase their products and services.

The fact is that PMOs should operate in a similar fashion. However, they need to focus on reducing costs rather than increasing revenue. Their emphasis should be on consistently delivering value rather than aimlessly acquiring more customers.

PMOs are essentially service groups who carry out the sale of products and services to customers. These include the various PMO divisions, IT departments, project groups and business teams. PMOs should never sell processes, especially the complex ones. The PMO is seen as an expensive exercise from the business point of view when there is too much focus on the process.

How PMOs should help Customers

PMOs need to 'add value' to every project and deliver the products/services to various categories of customers. Here are some ways through which PMOs can help their customers:

- **Make Life Easier for Customer:** In order to achieve this, a clear and well-formulated value proposition must be offered by the PMOs. This could be a direct statement of benefits of the PMO accompanied by the approximate cost to be borne by each category of customers to enjoy those benefits.

- **Delivering Value:** Concrete and visible value should be delivered by PMOs when selling products and services to customers. Various important outcomes are a direct result of this process like better execution of project, higher productivity, better investment decisions, greater value, reduction in cost and so on.

- **Segmenting Customers:** PMOs work very well when they divide their customers into various segments and deliver products and services specifically to meet the requirements of a particular segment.

- **Minimum involvement of Senior Members:** It is not necessary to involve senior members as their real interest lies in making sure that the investment in a particular project leads to competitive business advantage.

- **Targeting Products:** It is extremely crucial that the PMO focus on the products that it is selling to a particular customer segment. The right segment must be addressed with the right product at all times. It saves both time and cost.

It is important to standardize and correctly size the solutions offered under PMO. This helps in both building customer relationships and lowering the overhead costs of the project. Last but not the least, good leadership is extremely important to build a customer enthusiastic PMO at all times.

Evaluation of Project Management Office

A project management office is essential for any organization that is handling more than one active projects at the same time. It is required to ensure that the projects and their execution are done with the same guidelines to which, the organization adheres.

It is also important to evaluate the project management office from time to time. This helps an enterprise keep up with the standards of the project execution. It also allows to keep the management as well as employees at all levels of the organization work to their best abilities.

What are the advantages of evaluating a project management office?

Evaluation of a project management office is needed to ensure its efficacy. Here are some ways a project management evaluation evaluation helps:

- A project management evaluation helps an organization know if the program is still effective. As the wants and size of the organization change, the project management office might also need an overhaul. Also, with the change in project sizes or change in management, an evaluation of project management office might be the need of the hour.

- A project management evaluation also is an important tool for stakeholders to hold the management accountable, in case there are problems in project execution.

- A project management evaluation helps the management as well as the project team understand what went wrong with the project execution and how the same can be avoided in the future. It is also helps a company understand what is right with the project and how to continue doing it.

How is evaluation of project management office done?

The evaluation of project management office is done in many ways:

- The evaluation can be conducted by the organization or through external agencies.

- If the organization is handling the evaluation, then either the people who worked on projects are involved in the process or other employees are included in it. At times stakeholders also get involved in the process if there is a requirement for it. At other times stakeholders do the evaluation along with the project team. The project team is involved in the evaluation so that the members can understand what went right or what went wrong with the project handling and help the organization with their experience.

- External agencies are asked for project management evaluation if the organization needs the help of an expert or some technical support. If the organization feels that peer evaluation could be biased for some reason, it can opt for evaluation from external agencies.

Why CIO Needs a PMO Approach?

For years now, IT departments of companies have been struggling to execute multiple projects within the given budget and time period. Today companies are all about getting in more business and so, numerous projects run simultaneously, each needing detailed monitoring by the IT department. This has made several departments adopt the PMO or Project Management Offices approach as a means to enhance IT performance, reduce costs, improve quality and speed up the delivery of projects.

How PMOs can help CIOs

CIOs can make effective use of PMOs as they help in determining the structure which leads to standardization in terms of project management and also gives way to portfolio management of IT projects. Another key driver is the Sarbanes-Oxley Act. This requires the disclosure of investments by companies, including major projects which are likely to have an impact on the operating strategy and performance of a company. This act makes it imperative for com-

panies to keep a close check on the expenditure incurred on a project along with its progress.

According to Andre Spatz, who was a former CIO at UNICEF, the CIO plays a critical role in the governance methodologies related to management of projects. In serving at the CIO position from 1997 through 2006, Spatz made sure that he took the co-ownership of every project along with the business managers whose organizations were accountable for results of efficient project execution.

Case study: CIO Dennis L'Heureux uses PMO for Rockford Health

Like many other CIOs facing similar situations today, Dennis L'Heureux's IT firm is being burdened with more projects than it can actually execute. L'Heureux, says that they are unable to meet the ever growing demand. He has been serving as the Rockford Health System CIO for the last 14 years. He maintains that business managers have to be consistently told that their demand surpasses the company's

capacity to deliver.

To structure and organize the various projects being handled by Rockford Health, a project management office was created by L'Heureux sometime back. It is the job of the PMO officer to suggest which employee should be put to work on which project, forming different project teams. L'Heureux on the other hand manages the communication with the senior management with respect to the staff required for the various ongoing projects. He also determines the time period for which the services of each of those people should be utilized for the projects allotted.

According to L'Heureux, his role as CIO in project management is a delicate mix of several fields -politics, art, resource identification and the likes. He carefully shadows the business managers who have been given the role of project heads. Their failure makes him accountable and their success makes him bask in glory.

From L'Heureux's experience, we understand how it is the responsibility of the CIOs of companies to establish discipline standards with regards to project management. They need to communicate the goals and objectives clearly in a manner that is understood by the business managers and the working staff.

Making Your PMO Tasks Effective

Project Management Office is basically a body that has various responsibilities with respect to the centralization and coordination of projects under its realm of work. These responsibilities could be related to providing support facilities for management of project or undertaking direct supervision and responsibility of a project.

How do PMOs help organizations?

Many organizations globally are now allotting large sums of money to the execution of various programmes and projects. The successful management of change has slowly become an important factor for the overall success of any organization. Also, an integral part of this success is the investment in various kinds of projects. Several organizations still find it difficult to properly execute all their projects and strongly believe that allocating money and effort for the implementation of PMOs has made a huge difference to their success story.

Creating a clear plan for a project

It is important to understand and comprehend what type of PMO you need for your organization. There are different types of PMOs. There is usually a specific goal at the center of all Program Management Offices. For example, it could be delivering a project that adheres to the standards of governance. Most PMOs at the enterprise level cover a work portfolio and are usually given reports from the various division offices.

It is crucial to establish early alliances and work on a communication plan. Involve your stakeholders in various kinds of informal and formal talks to get an idea about the type of authority or sway they have. The project agreement needs to be filled out with all kinds of preliminary data and other relevant information. Make sure that you have a strong plan for a business case. The idea is to invest enough time in the PMO, thinking of it as a project in itself.

Review the project charter

Once you have finished working on the project plan/agreement, take a step back and get some reviews from your peers in the organization. You could get some needed support as well as feedback for a successful launch and get a step closer to the desired result.

It is important to ensure that the C-level executives are in agreement with your project charter for long term success. Try to be realistic with setting of goals and time lines. A PMO implementation usually involves a big change task. It is advisable to have healthy expectations and have your assumptions supported by a premeditated degree of confidence.

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6 Characteristics of an Effective Project Management Officer

Project management officers are vital to any business as they can take important decisions that lead to great ideas. While good PMOs are hard to find, great ones are even rarer. However, all good PMOs share certain traits and characteristics that make them an effective and valuable part of the team. Here are six of the best traits you should cultivate to become an effective and profitable project management officer in your organization.

1. Transparency

PMOs today have great insight into the cost and progress of a particular project. They are also knowledgeable in handling and allocating the right resources for the right projects. An effective project management officer can distribute resource information, schedule and talk about costs to the intended stakeholders to keep all involved parties abreast with the latest updates.

2. Consistency

Good PMOs have consistent and repeated practices for project management that are continually used throughout the organization. To become a success, all projects are regarded with the same quality standards and other requirements. Good PMOs also eliminate redundancies and bureaucratic practices that affect projects.

3. Flexibility

The ability to adapt to unique portfolio and project needs is a telltale sign of a good PMO. Project delivery styles are largely determined by organizational structures as centralized PMOs bring many benefits to the business itself.

4. Communication skills

Communication skills is considered to be one of the most important traits of a successful executive, whether the CEO or PMO. By creating a stable and transparent line of communication between the technical team, managers, executives and stakeholders, a good PMO's abilities are judged based on his/her capability of communicating clearly and honestly.

5. Organization

Organizational skills are critical for a PMO as they are responsible for scheduling and budgeting in the project. The ability to prioritizes tasks, assess as well as allocate resources and keep a constant tab on the budget is key to the success of any project. With the right organizational skills, a PMO can remain in control of the project and ensure that no resources are being wasted or misused.

6. Problem solving

Regardless of the nature, size and urgency of a project, mistakes and problems are bound to emerge. Instead of panicking or playing the blame game, a good PMO determines the cause of the problem and takes immediate steps to rectify the mistake. By effectively handling difficult solutions and taking brave decisions, a project management officer can make a big difference in a project's outcome.

Top 5 Skills of a Project Management Officer

Each business has a separate department for project management and while the roles and responsibilities vary, some skills remain a prerequisite. The job profile of the project management officer changes from company to company and mainly depends on the size and nature of the business. It also depends on the stage of project implementation. Regardless of these differences, here are five essential skills that are important for any PMO.

Organization

Needless to say, the job of a project management officer requires a fair share of multitasking. Apart from handling different aspects of a single project, you may be required to supervise multiple projects at a time. With the right organizational strategies, you can manage and monitor tasks, statistics, and information in a simplified manner. By staying up to date on all of the details necessary for each project, you can prevent a number of problems in the future. Apart from handling larger and more significant tasks in a project, you should also take organizational measures to address minor requirements and tasks that are often important.

Problem solving

It is important to exercise as much control over a project as possible. It is understandable that as a project management officer, you may not have complete control, but you must possess the skills to resolve problems and ensure that the project is on track. Problem solving skills are not just handy when problems arise, but can be used to foresee potential effects and obstacles of the project and steps can be taken to prevent these drawbacks.

Communication

Communication skills take precedence for any project management officer, as it is necessary to relay important information to different personnel in the company. You should be aware of the expectations from the project and report all positive and negative developments to the necessary authorities.

Awareness

If you are an experienced PMO, you are already aware that your role never remains constant. Requiring evolution at each step, it is important to keep up-to-date with the latest techniques and resources used for project management. By being aware of the recent developments, you can incorporate new and more effective methods into your organization for greater success rates.

Negotiation

As a project management officer, you are required to network and build relationships with different professionals to complete the project as intended. Working hand in hand with other professionals and negotiating with them can ensure favorable results from your endeavors, making it an all-important skill if you are a PMO.

Five Most Critical Skills IT Project Managers Should Possess

While some IT professionals are natural leaders, others work hard to instill certain skills that are essential to handle any project. Apart from tending to the smallest details of the project, IT project managers are required to focus on the big picture and keep pace with the impending deadlines. Here are the most essential and critical skills that IT projects managers should have.

Analysis

Also referred to as impact analysis, project managers should possess the ability to understand and analyze the impact of the project and the subsequent resulting changes. It is important to be able to analyze and manage the project while making changes to it as required. These analytical skills will also help you keep the project on track without overlooking essential changes.

Communication

As an IT project manager, it is imperative to communicate with your team as well as stakeholders to keep the project running as smooth as possible. These communication skills include conveying problems and risks to the responsible individuals as soon as they are detected, scheduling regular meetings to discuss and resolve problems, listening to the issues presented by your team and stakeholders, and keeping your seniors updated.

Teamwork

Team building is an essential skill possessed by a good IT project manager to keep the operations smooth and running. Since most projects are often hectic and long, it is important to keep the team together and motivated. Some examples of team building include regularly speaking with the team members, taking them out on recreational activities like dinner or drinks, and engaging in activities and games that are likely to create a stronger bond within

your team.

Time management

IT project managers handle and juggle several duties and responsibilities at a time, from managing the team, looking into minute details, understanding the big picture, and meeting deadlines. To be able to handle these tasks with ease, it is very important to manage your time seamlessly. To understand how to manage your time effectively, you can read inspirational books on time management, employ software and apps, or even work with a fellow employee to make time for all the essential tasks surrounding the project.

Conflict management and problem solving

Managing conflicts and crisis in projects is perhaps one of the most difficult and despised tasks undertaken by project managers. However, it remains one of the most important skills when heading any

project. These skills include understanding the different sides of the conflict and listening to the issues posed by different parties, setting up meetings, and taking the initiative to reach a consensus before the project faces any significant delay.

How to Make an Ordinary Project Manager Great

Did you know that only two percent of project managers in any workforce are rated as excellent by both their co-workers and clients? It does not come as a surprise that project management requires much more than just managerial skills to give the desired results.

So, what makes a project manager a great one? Here are some traits that ordinary project managers need to develop to become better at their job:

An ordinary project manager takes care of scheduling, communication and production. Great project managers get involved in strategic vision execution and team building skills.

Best project managers change themselves according to the changing requirements. They are cognizant of the techniques which will bring the best out of team members. A great project manager is also sufficiently flexible, so that the team can adopt changes quickly and make incremental progress, which can be achieved as well as measured.

Ordinary project managers stay on the road. Great project managers understand that there will be bumps on the way and formulate solutions in real time.

Smart project managers understand that the top priority of any project is to satisfy the customer and that definitions of success can vary over time. They understand that certain projects may have higher aims and they strategize based on long-term goals.

Ordinary project managers worry about accomplishing the tasks. Great project mangers know that negotiation, problem-solving and collaboration are very important for successful results.

Great project managers have excellent negotiating and collaborating skills. They are proficient in the four negotiation related phases:

- Collecting documents, facts and data so that the case can be presented well
- Disclosing required information with the team
- Concentrating on common objectives and interests
- Ensuring that all the stakeholders are firmly on the board

Ordinary project managers get anxious over outcomes. The great ones are confident of their ways to secure a solution.

Great project managers are very particular when it comes to being aware of the challenges of a specific project. They ask the right questions. Answers that they obtain, are evaluated and then collaborated to get best solutions without any second guessing.

Ordinary project managers tend to hire talented team mates. Great project managers how to use an individual's skills in the correct manner at the right time. They know the importance of having everyone on board to extract the best teamwork, which is essential for a successful project.

How to Get Results Fast in an Internal Development Project

Any company, regardless of its niche, has two types of projects that include internal and external development. External development projects are known to cater to customers and clients and are expected to make money, whereas internal projects are known to utilize this revenue to benefit the company. While it may appear that internal projects are not critical or valuable, you should not ignore the potential benefits provided by them. Just like profit-driven external projects, internal development can bring about change and require dedication and attention.

You can channel the money generated from external customer projects to help you bring results like competitive advantages, increased revenue, as well as cost saving. The planning and execution of these internal development projects are crucial and there are several methods and ideas you can adopt to get better results faster.

Adopting the right steps to get results

A long term change management program does not usually attract commitment or urgency. If your internal development project is a long term one, it is best to break it down to sizeable tasks and impose deadlines. This will ensure that you get favorable results as fast as possible without affecting other initiatives. The results derived from smaller tasks and projects are visible, measurable, and more concrete compared to waiting for the entire project to be completed. Apart from breaking down the project, you can also start by allocating a small section of your employee's daily deadline to complete the internal development project.

In most companies, employees are required to juggle external and internal projects and without adequate time, you can expect them to provide tangible and quality results. Allow them to dedicate one day a week or any suitable schedule where they can concentrate only on the internal development project. Another tactic you can adopt is to include project models that are simple, clear, and precise. Similar to external projects, even your internal development project can be approached in an organized and streamlined manner with a simple yet adequately detailed model.

Maintain employee relationships

Some of the most important factors that influence the outcome of a project include proper communication and credit. It is important to highlight the benefits and functions of the internal project to allow your employees to dedicate and commit to it. If you want to make changes or adjustments to the project model, ensure that you communicate the same to your employees and the management. Above all, ensure that you give due credit to the employees and follow up on the internal project to ensure that it is still viable and helpful to your business

How to Succeed in Internal Cross-Functional Development Projects

If your business is expanding, you may have to work on cross functioning development projects more often. In simple terms, a cross functional group can be defined as a team of professionals with different fields of expertise working together for a single goal. A cross functional group of professionals can include people from different departments including marketing, sales, finance, operations, human resources, or IT and can range from all employee levels within the organization. In some cases, cross functional teams can come from outside the company in the form of suppliers, customers, consultants and partners.

Managing a cross functional team

Cross functional development teams generally function as self directed groups that are assigned tasks unique to their expertise. However, as a manager you are required to keep tabs on all groups within the project and ensure that the teams are working in sync. One of the biggest benefits of cross functional development teams is the promotion of creative, innovative and out of the box solutions. Since members from different expertise approach a single task in different ways, you can take advantage of multiple perspectives to the same problem and reach the best solution. In today's competitive business world, innovation is given importance as it can give your business a competitive advantage.

With cross functional development projects, you can initiate a creative collaboration. These teams are equally useful for both special projects as well as day-to-day business processes within the organization. While the end benefits of a cross functioning team are well worth the effort, managing and leading the team can become a challenge. If you are planning on leading a cross functional team, it is important to have enough working knowledge of all processes to communicate, understand and lead the team to find solutions. Apart from directing multiple team members in various disciplines, leaders are also required to channel variations of input into a single consolidated output.

Benefits of managing cross functional teams

Self directed teams of cross functional professionals have become more influential in the decision making process in many business structures. It has managed to change several traditional business processes by making decision making a multi-directional process. Instead of channeling the process in just one direction, businesses today are choosing to diversify to enhance the deliberation and decision making process. Cross functional teams provide a bigger scope for information with greater depth, helping the business reach larger demographics. Additionally, today's decision making process is less goal dominated and focuses on making the best choice with multiple perspectives.

How to Use Business Development Projects as a Learning Opportunity

Every organization has a business unit that solely caters to business development, a section that creates long-term plans for profitability and growth. Roughly divided into three main objectives, business development projects are executed to fulfill one or more of these purposes. The three pillars of business development projects include increasing customer base and its value, establishing and expanding the business in new markets, and creating lasting and meaningful partnerships with clients, other businesses, or customers.

If you want to become successful at business development, it is important to foster a number of qualities and master roles in marketing, sales, networking, negotiations, contract review, as well as project management. Working with business development projects provides you with a world of experience when you deal with a multitude of business units within the organization. Another reason why business development projects are exciting and educational is because these projects affect the growth of the business and are based on the recent market and business trends.

Putting business development into practice

Regardless of the niche or size of your company, building a business development program is a core area in building the growth strategy. Even if your company is a start-up or recently established, it is a good idea to employ at least one professional to handle business development. The ideal candidate for business development is someone who is well con-

nected to the marketing and sales departments of your company. A detail-oriented, smart, motivated, and enthusiastic person can best handle business development as they can effectively sell your company's products.

Research and development for business development

One of the most important skills you will pick up working with business development projects is that of research. Before you plan your strategies for the company's growth, ensure that you understand the industry, its clockwork and the current trends. To gain a stronger hand over research, start by figuring out the current state of the industry, competition, external threats, current sales, business opportunities, and potential use of new technologies.

Analysis of data from your research

After you have gathered essential data and information on current and future trends, you should move on to analyzing it. Start by identifying the best opportunities to increase sales or find new customer markets. Ensure to make important considerations like competitions, demographics, market opportunities, return on investment, core strategies and the reason as to why this niche would prove to be profitable. You should also evaluate your core product and service model to determine whether or not it caters to the customer's needs and gives them something original.

Creating Commitment in Internal Development Projects

To ensure the success of any project whether internal or external, commitment from the team is important. When your team holds the project in high regard and gives the project adequate time and effort, they are committed to the success of the project. If you are planning an internal development project for your company, building commitment from your team and employees is essential. Committed individuals ensure that they follow-through and stick with the project to generate momentum and finish the job as intended.

What makes commitment so important?

Creating commitment within a group or an organization is akin to strengthening its core. Commitment among employees and core members has many benefits including an increase in efficiency and cooperation. If your group acts as a single entity, working in unison, you are more likely to generate profitable results. Committed employees also ensure that the project does not lose momentum and power through difficult times. There are higher levels of cooperation in teams that consist of committed and determined individuals.

While working together on the same project, individuals often find efficient methods of achieving results. They cooperate to figure out better strategies and correct any mistakes made during the planning or execution process.

When can you build commitment?

Creating a sense of commitment and responsibility among employees is not a one-step process but a recurring one. When teams cooperate and take decisions as a group, the employees tend to feel valued and go the extra mile to show their commitment. Overcoming obstacles, working through project conflicts, and appreciating each other's contribution can strengthen the core team and increase their chances of success. Additionally, respecting the project manager and cooperating with each member of the group brings better results, rather than indulging in petty arguments and highlighting other's mistakes.

How you can build commitment

Groups that learn from their previous setbacks and mistakes in an unbiased manner are likely to succeed, as the team members try not to repeat the same mistakes. A great way to bring a group together and build a sense of commitment is to highlight the goals of the project, your vision, the time invested in completing the project, as well as the purpose of the project.

After presenting your project to the intended core team, you should move on to individual and collective responsibilities and highlight the importance of each member of the core team. When employees understand their role clearly, you can expect them to show enthusiasm, cooperation, and commitment to your internal development project.

Identifying the Business Benefits of an IT Project

To be successful, all business projects should have a clear objective, practical implementation, and deep understanding of all the related costs and benefits of the project. While it may seem relatively simple, understanding and defining business benefits can be tricky sometimes. To break down the concept in a simple and comprehensible way, business benefits can be divided into three major types – soft benefits, hard benefits, and productivity.

Determining and measuring hard benefits

These benefits include measurable firm commitments in terms of savings or revenue. Your business manager may claim hard benefits due to an increase in revenue or savings. He may make additional changes to the project, like increasing revenue growth by increasing sales and expanding market shares. Additionally, other changes like cost reduction in terms of electricity and other resources, and eliminating unnecessary employee positions can be made.

Understanding the soft benefits

Soft benefits are usually anticipated benefits in any business project, and are generally not accompanied by solid statistics. These benefits sometimes carry a small amount of risk, because of which business managers are hesitant to make adjustments in the budget. If savings or revenues are based on unsubstantiated estimates or educated guesses, business managers may not prefer soft benefits. However, they do provide considerably in terms of benefits.

An important type of soft benefit is cost avoidance, an automated process that allows businesses to increase processed transactions without increasing the headcount. Although you may not have made any adjustments to your current budget, productivity improves without incurring any additional expenses. This makes cost avoidance an important benefit. Risk-oriented benefits for business projects are considered in terms of anticipated growth, whether for revenue increase, cost reduction, personnel reduction, or cost avoidance.

Increasing productivity

IT projects mainly consist of automating manual business processes, and streamlining or simplifying complex ones. When fewer employees and lesser time are required to complete a job or to generate good results, you are increasing productivity within your organization. Productivity benefits are considered as reduction, since the effort required to complete a task is greatly reduced. Generally, full-time equivalents (FTEs) work about 2,000 hours a year.

Productivity is generally considered as a soft benefit, since increase in productivity cannot always be achieved in the same way as revenue generation. Many times, your company may be unable to cut down on employees or resources, which in turn limits the productivity. But an increase in productivity is considered as a benefit because it reduces overtime, headcount, and subsequent costs.

6 Things that Successful Project Managers do

Project management doesn't end with handing out responsibilities and organizing meetings. Nor should it mean you are the one fixing the tiniest of issues that crop up. Good project managers know how to enable, empower and manage their teams to efficiently deliver business driven goals.

Have a business driven approach

A great project manager doesn't just need good business acumen, he needs to be business focused. Motivated by the strategy of the organization and aligned to customer needs. Understanding business drivers helps project managers achieve better success rates. Ensure you completely understand project objectives. Identify risks upfront. Have plans in place to limit risk and action plans to manage each eventuality. Periodically review.

Oversee, don't micromanage

While it can be tempting to get involved in the details, a good project manager steers clear, instead fo-

cusing on the bigger picture. Have regular meetings so you are in the loop but do not get into the nitty gritty. Put the right people on the job and don't second guess them.

Set systems in place, don't be afraid to use tools

Online project management tools are an effective way to monitor the team and milestones. Know what technology tools are available and pick the right software for your needs. Ensure you know the system inside out and use it to improve project efficiency and timeliness. Remember, collaborative software can't do your job for you. A good project manager doesn't substitute tools for human interaction. Use it as a complementary tool.

Set clear goals, hold people accountable

Set regular milestones that act as markers to tell you when your project goes off track. This allows you to correct course before things flare up. Clearly set

out responsibilities from the start and don't leave room for speculation. When something goes wrong, a successful project manager knows exactly who to hold accountable. Monitor and take action when needed.

Be assertive

There is nothing worse than a project manager who doesn't have the respect of his team. Being able to assert yourself in meetings with stakeholders is vital. If you need to push back on unrealistic time-lines or expectations of senior management, you must be able to do so. Resolving challenges during a project requires firm, decisive action. Don't sit back and wait for a solution to present itself.

Get everyone on board

Having the buy-in of all stakeholders is central to project success. Work your interpersonal skills to the bone. Ensure team members have healthy working relationships. Establish a good rapport up and down the chain. Play on people's strengths and give them guidance when needed. Cultivate an atmosphere that is open and where communication is encouraged. This will reduce chances of a problem going unreported and will help you be more responsive to the customer.

What Makes Women the Best Project Managers

Project Management – a largely male dominated domain until recently, is now seeing more and more well qualified women taking the helm.

Being great communicators

Women can use their communication skills to get an edge over men in project management. Being assertive without coming off as abrasive, and using gentle persuasion to get buy-in from senior management helps the team and PMO. Regular conversations with stakeholders help the PMO align to business goals and get everyone on board. It also helps them keep lines of communication open with team members.

Creating an environment for people to thrive

Women project managers are able to groom their teams well. Their innate ability to nurture and help their teams build up their skills translates to better career growth for individuals. Providing them with the right inputs and training that they require, as and when they need it is important. Collaborative projects tend to work well with women leaders. They are able to get people together to work towards a shared purpose. This means less project delays and better on-time performance.

Seeing the other side

Women in general, are believed to be more sensitive and empathetic. Female project managers can use this to their advantage. A successful project manager has the ability to look at things from a macro perspective. Understanding the 'other side' or a varied point of view can be critical in project management. Sometimes, what seems an unnecessary stretch on the surface of it, may turn out to be very crucial as a business driver.

Keeping it simple

By steering clear of technical jargon designed to impress superiors and subordinates, a women project manager is able to simplify the complex. There is little scope for misinterpretation if things are kept straightforward. This way, discussions tend to be more efficient and everyone has a clear, common sense of purpose.

Multitasking

Women are inherently good multi-taskers, having done this on a daily basis all their working lives – juggling home and work. Project managers can use this skill to handle multiple deliverable and process myriad project requirements all together.

Dealing with challenges

A non-judgmental atmosphere helps the team be open about their needs and challenges. An astute women project manager might actually uncover simmering problems before they turn into raging fires. A high emotional quotient helps spot interpersonal conflict before it flares up. Combined with good communication skills, a woman PM can help tackle issues quicker and manage risk better.

The Critical Role of a Project Manager

Today project management is fast becoming a necessity for every business organization in all industries. So, the role of a project manager is gaining immense importance and is becoming a chosen career path among several young professionals. Those professionals who have taken up project manager roles usually have skills that can be utilized in all kinds of industries, right from IT to FMCG to other business services.

Project Manager skills

Every project undertaken by a business organization is very crucial as it requires leadership skills and expertise of the manager handling the particular project. Thus, the role of the project manager in aligning IT goals and business objectives and meeting time-lines for completing the project is very crucial .There is a set of skills that are required to be possessed by him as he takes the lead in a project.

One of the primary skills required to be a successful project manager is strong communication and excellent organizational qualities. You should be able to handle multiple activities and tasks at the same time and have a clear understanding of the roles of various departments across the entire organization.

As you decide to become a project manager, you must try and get the correct education for the role. There is no specific degree or qualification that defines the role of a project manager. However, you do need to have some sort of specialization and training in the particular field that you wish to work in. Certification from the industry will lend you a competitive edge in getting the best jobs available in the profession.

Why is the Project Manager role so vital?

Here is a look at the various tasks that need to be undertaken by a project manager in executing a project:

- A project manager needs to establish the direction and execute the management of the entire project.

- She needs to clearly define, lay plans and manage the scope of the particular project for his entire team

- She needs to undertake a cost and time analysis with regards to the project. This includes creating a schedule, determining time-lines, distributing resources and budgeting .

- The project manager also needs to pay close attention to the various quality aspects of the project including the process itself. She has to set various parameters for quality measurement at regular intervals.

- A manager also needs to pay attention to the people working in his team by encouraging and motivating them from time to time so that everybody moves in the right direction.

The Deadly Sins of Project Management

The success of an organization depends upon the quality of project it is able to undertake and deliver successfully on schedule. Sometimes even with the best of efforts and intentions projects get delayed or do not work the way client wants them to resulting in disrepute to organization and team members. So what is the difference between success and failure and what measures should an organization take to complete every project successfully? Both professionally managed private organizations and bureaucratically managed public organizations are vulnerable to project failure and in current scenario of tough competition from local and global brands the situation has become more risky

Six deadly sins of project management

1. Inexperienced project managers – The success of every project is determined by the experience of project manager assigned to complete it. If he/she does not have the required qualifications or experience to manage people and resources they will not be able to convey client requirement effectively leading to slow down at every stage due to mistakes.

2. Poor training – Every organization and its managers should have specific rules about work culture and deadlines which make it easier for people to communicate during projects. Formal work training should be a vital part of every business as rate of success and failure between trained and untrained project teams is nearly 70 percent.

3. Lack of formal project management process – Every project should have a structured management process for project managers to track success at each level and plug loopholes in work. A systematic work schedule ensures that all tasks flow seamlessly into each other and can be measured at each level. Without a formal project process things will be done in a chaotic manner and collating everything at the end will be a messy affair.

4. Poor communication – Instead of having a hit or miss communication channel leading to misunderstanding and shifting of responsibilities upon each other have a formal channel of communication. This will ensure that all team members are in sync and there are no chances of miscommunication or missing information within the ranks.

5. Fluctuating expectations –Draw out a clear delivery schedule and get acceptance from all stakeholders to avoid problems during final delivery. Avoid changing work schedules and commands on a regular basis as this will lead to uncertainty within the team.

6. Unreasonable deadlines – Have realistic project schedules and keep them instead of accepting what clients blindly without understanding your limitations. Though taking on a challenging project and trying to complete it on time is an exciting prospect it, abnormally tight deadlines can be detrimental to an organization's reputation.

Six Lessons that Project Managers Could Learn from Elephants

Elephants are majestic creatures that have remained mysterious to humans though they have been domesticated thousands of years ago. Tales of their bravery and intelligence have been carried through generations which can teach us a few things about community life. Startups with brilliant plans and experienced project managers sometimes fail to implement their tasks or time or fail to recognize business opportunities and fall behind others. Here are a few lessons that project managers can learn from these intelligent animals who have managed to survive for centuries in the midst of harsh environmental changes and pressure from human settlements.

1. Learning from mentors – Like a calf learns its first lessons humbly from its mother and other senior cow elephants in the herd and hones its survival instincts, project manager should also display humility before experts more experienced than them. Expertise and experience of seniors will help project manager avoid problems and maximize potential of success.

2. Awaiting recognition – The present trend among people is to work hard and achieve success at a faster pace to be considered as achievers in society and workplace. In this thirst for recognition and quick fame people fail to take time to appreciate efforts of others which have helped to bring them to this level. The ideal work culture should be to let your work speak for itself instead of hankering after glory.

3. Developing a thick skin – People in general lack a healthy attitude towards criticism and comparison and tend to develop negative reactions. The right approach would be to develop and thick skin like an elephant which is extremely tough and take criticism in a positive manner to improve work standard and use it as an enriching experience.

4. Optimal use of strength – Just as an elephant uses its massive strength to pull a tiny shrub or a large tree with the same deftness a project manager also should know where to use their expertise. Each individual is endowed with strength and ability to perform tasks and project manager has to recognize these abilities of team members and put them to effective use.

5. Effective communication – Elephants communicate with each other continuously to stay in touch and also to discuss about vegetation and water resources. In digital age man has much more tools of communication in hand to share ideas and convey progress reports. The key lies in sharing details at appropriate times to manage project progress.

6. Surviving against adversity – As firms grow and expand there will be bigger challenges for project managers as they will have to compete against bigger brands and people more experienced than themselves. Strong managers have to develop survival instinct to give a fair fight to all opponents and complete project successfully.

5 Questions Business Owner Should Ask About a Project Business Case

Project management is all about understanding what the client wants and delivering it as expected. To understand, a project business owner or manager must not hesitate to ask questions. Whether you are an IT business project management consultant or company catering to the needs to diverse clients from across industries, here are 5 questions that you must ask your client to achieve success.

What does the business aim to achieve with the project?

Before you accept a business project case, you need to ask the client what they wish to achieve with this project. Every business project has specific requirements and is aimed to achieve a specific goal. Only if you know what the goal is will you be able to create a plan, choose a methodology and use the right resources that will take you through the right path. The biggest risk you would take by not asking this question is working towards with something that no one really wants.

What resources do we have?

Once you know what your goal is, your next question should be about the resources. What resources do you have – manpower, technology, space, and permissions etc to get started with the project? No matter how good your business case plan is, you will not be able to go through with it unless you have the right resources.

What are potential roadblocks to this project?

Every project comes with its set of risks. So what are the possible risks and roadblocks to your project? Learning about them will enable you to develop strategies to get around them or thwart them from preventing your project's progress. Discuss the possible risks and barriers to the project with the client and always keep them in loop. Sometimes the business owner may have the solutions you need to go around these roadblocks.

What are the methodologies I can apply for this project?

Every business project case is different from the other. Therefore the methods and strategies you use for project development will also differ. The next question should be about what kind of strategies or methodologies you must apply in order to make the project a success.

How does the success or failure of the project affect the business?

This is perhaps the most important question you must ask. There is always a possibility that the project can go awry and fail in achieving the results you expect it to. The question is – can the business afford it? How bad will the consequences be if the project fails? And how can you minimize the damages should the project be unsuccessful.

Obviously, you will not start on such a negative premise, but knowing the consequences the failure of the project has on the business will help you develop a contingency plan that can reduce the losses.

The Benefits of Following Up on a Completed Business Project

Despite being an important step in any venture, follow-up on completed business projects are often overlooked. After a project has been completed, follow up is an essential component in the evaluation and monitoring phases. Post-completion, follow up ensures the sustainability of the project, and allows you to monitor and communicate the developments. You can perform follow up by spinning off new projects based on the original, or conduct internal supervision to continually monitor the progress and make necessary improvements.

Why should you follow up?

Following up on a completed project can serve many purposes and provide a number of benefits. One of the main purposes of following up on a business project is to control the impact and functions of the project, through verification and implementation. It is also important to maintain flexibility in decision making and using an adaptive approach. This can be achieved through feedback from regulatory agencies, and project managers in charge of the venture.

Another key purpose to follow up is to improve technical as well as scientific expertise, especially if the projects were based on specific scientific methods. You can also evaluate the efficacy and utility of these methods through different tasks, better understand them, and adopt newer technologies. This form of follow up helps improve the overall quality of the project. Follow up is also necessary to create public awareness for different projects and evaluate the response gathered by the intended demographic.

Supervising follow up on completed business projects

Following up on your project allows you to bridge the gap between planning and implementation of ongoing and future ventures. This practice not only determines and predicts the consequences of the project, but also provides your company the opportunity to evaluate the negative effects. You can start a follow up supervision program at your company with six simple steps. Start by determining the scope and needs of the follow up, and understand the goals and objectives you intend to accomplish with the program.

Next, define the time plan, methodologies, as well as the tools you will use to conduct follow up. These tools and resources can include anything from interviews with stakeholders, tests, visiting the project site, and any other activity relevant to your project. After you have determined the necessities of the program, move to financing the follow up. After your budget is ready, assign responsibilities and roles to different members of your group. After your employees have completed their tasks, gather and evaluate the data to represent them in a comprehensive report.

Identifying the Business Benefits of an IT Project

To be successful, all business projects should have a clear objective, practical implementation, and deep understanding of all the related costs and benefits of the project. While it may seem relatively simple, understanding and defining business benefits can be tricky sometimes. To break down the concept in a simple and comprehensible way, business benefits can be divided into three major types – soft benefits, hard benefits, and productivity.

Determining and measuring hard benefits

These benefits include measurable firm commitments in terms of savings or revenue. Your business manager may claim hard benefits due to an increase in revenue or savings. He may make additional changes to the project, like increasing revenue growth by increasing sales and expanding market shares. Additionally, other changes like cost reduction in terms of electricity and other resources, and eliminating unnecessary employee positions can be made.

Understanding the soft benefits

Soft benefits are usually anticipated benefits in any business project, and are generally not accompanied by solid statistics. These benefits sometimes carry a small amount of risk, because of which business managers are hesitant to make adjustments in the budget. If savings or revenues are based on unsubstantiated estimates or educated guesses, business managers may not prefer soft benefits. However, they do provide considerably in terms of benefits.

An important type of soft benefit is cost avoidance, an automated process that allows businesses to increase processed transactions without increasing the headcount. Although you may not have made any adjustments to your current budget, productivity improves without incurring any additional expenses. This makes cost avoidance an important benefit. Risk-oriented benefits for business projects are considered in terms of anticipated growth, whether for revenue increase, cost reduction, personnel reduction, or cost avoidance.

Increasing productivity

IT projects mainly consist of automating manual business processes, and streamlining or simplifying complex ones. When fewer employees and lesser time are required to complete a job or to generate good results, you are increasing productivity within your organization. Productivity benefits are considered as reduction, since the effort required to complete a task is greatly reduced. Generally, full-time equivalents (FTEs) work about 2,000 hours a year.

Productivity is generally considered as a soft benefit, since increase in productivity cannot always be achieved in the same way as revenue generation. Many times, your company may be unable to cut down on employees or resources, which in turn limits the productivity. But an increase in productivity is considered as a benefit because it reduces overtime, headcount, and subsequent costs.

Project resource management problems are side effects of other issues (TOP 5 perspectives)

1. Resource management is not a solution for productivity

Productivity is a common objective of resource management. While productivity is an appropriate measure of operational efficiency, it should not be seen as the focus of resource management. In fact, resource management is often quite far removed from the input-output ratio focused on producing the maximum amount of satisfactory output in the least amount of time. This often calls for changes in key processes rather than resource management.

2. Resource management is not a solution for project predictability

Predictability is achieved through an understanding of changes in the operating environment and customer needs. If operations are managed and predicted from a resource-oriented perspective, the focus will shift to the issue of how to produce goods and services that meet expectations and requirements. In this sense, resource management is a mechanism

for reacting to changes in predictions rather than a method for making the predictions themselves.

3. Other problems may lie behind challenges to resource management

A common problem is that one key person is required to work on too many projects simultaneously. In such cases the problem is not one of resources, but of decision-making. The resource problem can be mitigated by starting fewer projects. It should also be noted that a greater focus on change management could likely eliminate 80% of problems, which means that it is more effective to invest in improving change management rather than spend time and money on managing problems. Perhaps a significant proportion of resource management problems can be solved simply by starting fewer projects?

4. Resource management fails to produce the expected benefits

Resource management yields different benefits in

different areas. In internal development projects, it can help provide a deeper understanding of the share of internal resources of annual development investments in relation to cash flow and delivery projects. In many cases, resource management needs to be linked to knowledge management and personnel expenses. The expected benefits will not be achieved without these links to HR and financial management. Another frequent problem is failing to define the goals for developing resource management and the relevant metrics used to gauge benefits. Has your organization defined effective metrics for measuring benefits?

5. The implementation of resource management is too focused on the individual level

Resource management is often implemented all the way to the level of the individual employee. However, analyzing the situation at the level of individual working days is not always necessary. In many cases the assessment of monthly rather than daily figures is sufficient. It is worth remembering that if resource management at the monthly level requires one unit of a given resource, reliable resource management at the weekly level requires 10 units of the same and resource management at the daily level requires 100 units. It should also be noted that the cost of resource management tools represents less than 5% of the total, while the life cycle costs of resource management represent 95%. It is important to have a clear business case for resource management. The monthly level is often the most effective time span for decision-making and corrective action.

IT vs Corporate Project Portfolios

My first encounter with Project Portfolio Management (PPM) sprung from the needs of our clients' IT departments. They were inundated with all sorts of development projects. Some were directly attributable to the IT department, but the majority of the initiatives came from business units. The solution was to create an IT project portfolio which included projects that the IT department was involved in. Soon it became evident that almost all projects had a connection to IT.

IT departments have often been the prime movers in PPM because they try to optimize the use of their limited resources. Prioritizing projects is one of their most essential portfolio management tasks. Prioritization happens at least once a year during budgeting, but in the ever-accelerating pace of change project decisions must be done constantly.

There are basically two types of criteria for project decision-making: strategic and operational. My experience is that the IT management's view of PPM is more often operational than strategic. Their main concerns are:

- How to spend investment money in different technologies and solutions,
- How to manage resources so that the most critical projects can be done in time and budget

Internal customers are not satisfied if project spending is dictated too much by the capabilities of their IT department. They expect a more business-oriented decision process.

Many of our corporate IT clients have identified the dilemma and have tried to incorporate business and strategy-related criteria in their project portfolio. They can, for example, try to evaluate how projects contribute to achieving the company's strategic goals. They are also able to visualize how balanced the portfolio is according to selected business criteria.

We have seen how the initiative of the IT department to take the project portfolio to a more strategic level has lead to an increased interest in the business owners of the IM systems. They have concluded that all internal development would benefit from the use of PPM and want to implement it corporation-wide. This implies that every project must be evaluated using the same corporate criteria.

Are there grounds for having separate IT project portfolios? Some of our PPM clients have solved the question by having a portfolio structure that allows augmented content for IT. The enterprise architecture-related criteria are used corporate-wide, while the IT management specific content is visible to those who are directly involved in IT decisions.

How PMO Is Adding Value to a Project Manager

The Project Management Office is slowly making its way to mainstream project management. Although a number of companies are opening up their PMOs, not all have been able to truly reach their full potential. Companies that have actually benefited from project management offices are those which had the PMO and the project manager working in sync. PMOs can add significant value to the work that project managers do, but only when the processes are followed as defined.

Here is how PMO can add value to a project manager's role in a company.

PMO improves the chances of success

With the implementation of PMOs, the probability of a project failing has gone down significantly, project managers have noted. Just as the failure of a project can impact the project manager's reputation as well as credibility in a negative way, success of the project can boost his or her standing in the company.

Delivery under budget made possible

At a time when completing and delivering the project without exceeding the budget is difficult, PMO enables project managers to deliver their projects well under budget, according to some studies. The standards that the PMO creates and maintains within the business are what make it possible for project managers to deliver the project under budget.

Reduced cycle time, more projects to handle

PMO can make multi-tasking better which ultimately leads to reduced project cycle times. With standardized project processes, teams will be able to deliver real results in terms of the overall project cycle time. This means the business can handle more projects and deliver quality work in less time.

Better productivity

PMO makes it possible to employ resources in a costoeffective manner. Proper allocation of resources will enable each and every member of the project to deliver their best, which eventually will improve overall productivity in the company. Not only can PMO improve productivity, but it can do so while ensuring that the project gets the necessary attention and resources it needs for completion.

Standardize processes

PMO can standardize the methodologies and process that make the project manager's job a lot simpler, but no less significant. Standardized processes imply consistent performance and also make IT project portfolio management more effective. The PMO supports and delivers the standards and tools that the project manager also contributes to, so that the company can perform and deliver better results. Also, as mentioned earlier, standardized processes

3. Project Risk Management

Making Decisions Based on a Good Business Case

Any business must make a decision which will ultimately produce some kind of product that can be either goods or services. An important decision can affect the company, the products and its employees.

- **Plant:** The decision to invest in new factories, or in upgrading the present ones
- **Products:** The decision to start new lines
- **People:** The decision to invest in the form of development and training

Most decisions are dependent upon its predictability. A distinction exists between non-programmed and programmed decisions. The programmed decisions are routine, straightforward and repetitive and can be managed by formal patterns, like stock re-ordering by the company. In contrast, non-programmed decisions are consequential, novel and unstructured. There is no single solution for managing the situations that have not been encountered earlier. In general, three levels exist when it comes to decision making within a company.

1. **Short term operating control decisions**: These involve frequent predictable and short term operations.

2. **Periodic control decisions:** They are made less often and concerns the monitoring of how effectively the organization is when it comes to manage its resources. To give an example, these can include review of the pricing strategies applicable for a few products, and the reviewing of problems which occur in a continuing company budget. These also include the re-appraisal of methods of using the sales force. These kind of decision involves checking and rectifying problems that are concerned with meeting the company goals.

3. **Strategic decisions:** These decisions concern the overall strategy. They frequently need substantial utilization of judgment by group or person who are entrusted with making such decisions. This is due to the fact that such decisions will invariably require considerable analysis, and important information chunks will often be missing, therefore presenting the involvement of risk. Such decisions could involve new product development, investment in new marketing strategies or new plants.

Decision Trees

These are named like that as there is a way they separate into a number of branches or outcomes from the original stem or decision. These trees are techniques for tracing all known outcomes when it comes to a specific decision so that all the possible consequences can be drawn out.

In any decision tree, the points at which the decisions are made are represented through squares or decision forks. The points where the probability or chance comes into effect are represented through circles.

Manage your Business Environment Risks with Project Portfolio

A business is subject to multiple environmental risks including market, legal, operational and strategic risk as well as risk from factors like governance and hazards like terrorism, civil unrest and more. An effective Project Portfolio Management (PPM) strategy can help a business be prepared for multiple contingencies, allowing the management team to make more informed decisions. Project Portfolio Risk management can help identify some of these risks in advance to determine what the likely impediments to successful project completion are likely to be.

The benefits

Managing business environment risks with the project portfolio empowers companies to be able to negotiate fair contracts, make better decisions, and even improve collaboration between teams. Well managed portfolios with robust risk assessment plans are less likely to face project delays or budget overruns.

Knowing the possible financial impact of a certain risk factor, as well as estimating the likelihood of this event can help with more accurate estimates of project ROI (return on investment). PPM software estimates can also help in cost benefit analysis vis a vis environmental risks. What-if scenarios can help with more accurate estimates. For instance, an unstable economic environment, and a prolonged recession can result in overcapacity in the market. This increased competition drives prices down.

A robust PPM strategy can enable a business to react to market pressures quickly and price products competitively in the face of competition. It can also give a business better control over price fluctuations across the supply chain. Internal transfer of production to low cost locations becomes possible if this contingency plan has been worked out in advance.

A change in the business environment, from an increase in input costs that can negatively impact profit margins, to an environmental calamity that can hamper projects, are contingencies that need to be planned for. Managing this environmental risk well

improves the ability of a business to be agile and of the management to take quick decisions so that projects may be successfully completed or alternative measures taken.

Implementation of a sound risk management strategy for the project portfolio

A stepwise approach to assessing and controlling project risks must be followed:

- Identifying possible risks: This step may require brainstorming to visualize all possible risks in the business environment from market risks to legal and environmental risks. Background research on recent events and regulatory changes must also be taken into account.

- Analyzing the risks: Each risk factor must be explored in detail to see the likelihood of its occurrence and the outcomes if it does happen.

- Managing the risk: This step requires the team to look at how the company would handle a particu-

lar event.

Periodic reviews

Identifying portfolio risk at a project as well as portfolio level are core to a successful PPM strategy. Periodic risk assessments/reviews are needed to factor in new developments and take corrective action quickly.

Mastering Risks with PPM

Well-designed project portfolio management (PPM) tools and methodologies go a long way in helping an organization cope with multiple projects, deadlines and gauging of performance levels. Risk management is an invariable aspect of PPM, and without the former, PPM will fall flat.

Varieties of risks

To understand how to master risks, one must understand what constitutes a strategic risk. Simply put, it is a system of analyzing potential opportunities or problems which are crucial to the organization. There are many kinds of risks that could affect projects, including market risks, strategic risks, operational risks, legal risks and risks from external sources. While project risk management is based on probability and linear events and reactions, strategic risks take into consideration complexities of organizations, systems and external environments. Strategic risks need greater focus on management of opportunities and don't respond to tools of probability. Strategic risks are present at the programs, portfolio, operations and projects levels.

Good communication matters

Effective strategic risk management involves several steps. Checking the kind of communication present in an organization is a vital element. There should be a platform for debate and a culture of openness. The team should be able to take ownership of the risk process as a collective unit. Helping all the staff members understand what it is that the organ-ization and PPM team are looking for would help in the search for risks or opportunities.

Risks should be split into branches where all the categories or details are looked into, so as to analyze the big picture. How the risk might unravel itself later should be understood in great detail. Other techniques that can be employed are concept mapping, pattern recognition, and spotting problems beforehand. Carrying out frequent reviews and updates are crucial tools of risk management and the whole staff should be involved. If all these efforts are made part of an everyday routine, overheads can be minimized.

Ways to manage risk

There are four ways to manage a risk that has been identified within an organization. They include acceptance, avoidance, shifting and mitigation. Acceptance does not require any further steps and seems to be the easiest. Avoidance comes into play when one particular vendor is replaced with another, for instance. Shifting is all about transfering a risk to a third party, essentially outsourcing a task to someone with expertise. Risk mitigation would mean taking up programs or steps that can lower the probability of risk.

IT Portfolio Management Could Be Your Early Warning System

The crux of IT Portfolio Management lies in analyzing the right areas/projects a business should invest in, to gain maximum Return On Investment (ROI). The multi-layered methodology for implementing IT Portfolio Management ensures that resources, such as financial and human, are invested in projects which deserve them the most based on the value and criticality of each project towards the smooth functioning of the business as a whole. It is the effective investment of the organizational resources that result in building and sustaining projects that reap maximum ROI for the business and also give organizations the competitive edge to excel in the respective business areas.

Risk Profile Analysis

A very important aspect of IT Portfolio Management lies in the Risk Management and Mitigation part of the process. As a part of the whole process of managing the portfolio, it is imperative to analyze the risks involved in each venture or project that a business undertakes. It not only helps in determining the potential threats to successful completion of any project but also helps the organization to prepare itself for such eventualities by having a mitigation plan in process.

IT Portfolio Management – Strategic Decision Making Tool

For the overall organization, IT Portfolio Management can provide clear data on the investments made on various projects and help the management make strategic financial decisions at the right time. At any given point in time, a well managed IT portfolio should be able to give clear understanding of the ROI and risks involved in any of the project investments made by the organization. Such a system can help an organization take strategic and informed decisions such as stalling the riskier than anticipated projects, re-budgeting for projects which need financial boost as their ROI is higher than anticipated and so on.

An effectively implemented IT Portfolio Management system serves a crucial role in an organization by providing critical information and raising timely flags to take corrective measures while arresting any eventuality which may cost an organization dearly, if ignored in the absence of any such governance model. Thus, it is important that IT Portfolio is managed by following the industry standard methodology that can be tailored for each organization depending on its business model and requirements. IT portfolio management provides the much needed governance for the investments made by the organization and plays a crucial role in not only maximizing the profitability of each business unit but also helps the organization as a whole gain a competitive edge in the market by being able to deliver on high value projects each time.

Riskiness as a viewpoint for categorizing projects

Understanding of the overall risk level of a project is important from several aspects. It can provide background information of significance for different decision-making needs. For example, in the early stages of a bidding process, a company must make bid preparation decisions. This is often done by comparing and contrasting different options.

Look at the following figure. It presents the estimates of overall risk levels of three different project options. With respect to their overall risk levels, our possible reasoning is illustrated by certain animals, whose characteristics are associated with the overall risk estimates. The "Ant" project is equipped with risks that seemingly can only cause minor disturbing and insignificant impact. The "T-Rex" project is rife with possibilities for a catastrophic problem, but its occurrence is unlikely. The "Lion" project is the most serious one, since likelihood of a disturbingly severe problems is high.

Generally, this approach of categorization of projects based on their qualities is beneficial. Often, we tend to use the word "project" in too loose a manner, blurring the focus of our intent. Thus, it can be difficult to properly articulate and communicate the characteristics and qualities of each project in question. Unfortunately, the project management textbooks and standards generally omit the categorizations of projects, despite the apparent benefits of such categorization.

Therefore, I encourage everyone interested in top-quality risk management solutions to focus on project categorizations, based on each pro-

ject's riskiness. Such categories can provide vital structuring of data for communication and further decision-making. This can be of significance particularly for project portfolio management, where the manager constantly needs to understand the positions and priorities of projects.
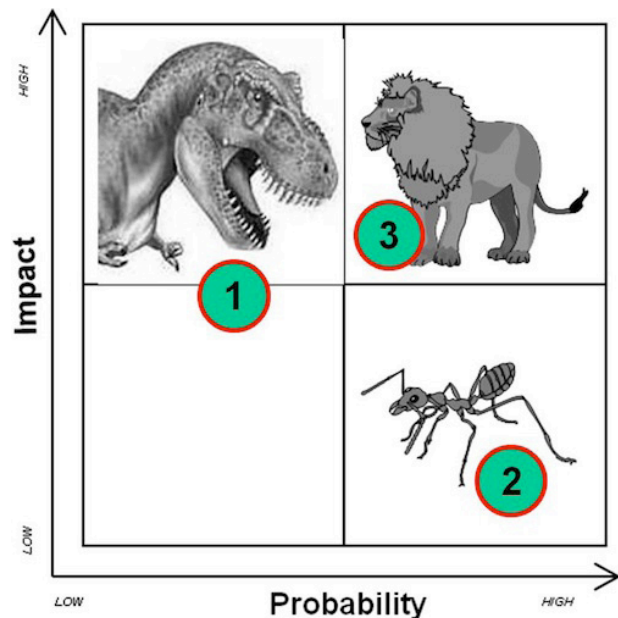

Figure: Visualizing the overall risk level of three different project options.

How to get comparable risk estimates

My earlier discussion under the title "Riskiness as a viewpoint for categorizing projects" pointed out the significance of defining and understanding the overall risk level of project, and how this forms a starting point for categorizing projects, which is necessary when comparing and contrasting different project options. Naturally, this is one of the key tasks of project portfolio management.

Credibility of the overall risk estimates is essential, but it can be difficult to achieve. The focused and measured comparison of risk estimates is one of the key aspects behind this credibility. Particularly, risk estimates of projects of interest (typically prepared by a variety of people) can be challenging when targeting comparable estimates. It is a well-known fact the individuals can have clearly different understandings of risks, in terms of qualities and resultant priorities. This makes preparation of comparable estimates a challenging task. Therefore, the methodological soundness is vital in the preparation of overall risk estimates.

However, results from various psychometric studies are encouraging and helpful in this situation. These results show that cognitive structuring of risk, using qualitative terming, is rather similar across nations and irrespective of cultural background. Therefore, the use of carefully selected qualitative terms as a basis for risk analyses can result in risk estimates that are sufficiently comparable with one another.

The risk analysis approach of Thinking Portfolio® Risk Analysis has been developed according to the principles explained above. The terms explaining the severity of impact and risk likelihood are each composed of six qualitative ratings. Basically, this approach has shown its potential and gained merits in numerous cases and earlier applications.

In addition to the comparability aspect, the credibility of overall risk estimates includes additional aspects, as well. These will be covered in my upcoming discussions.
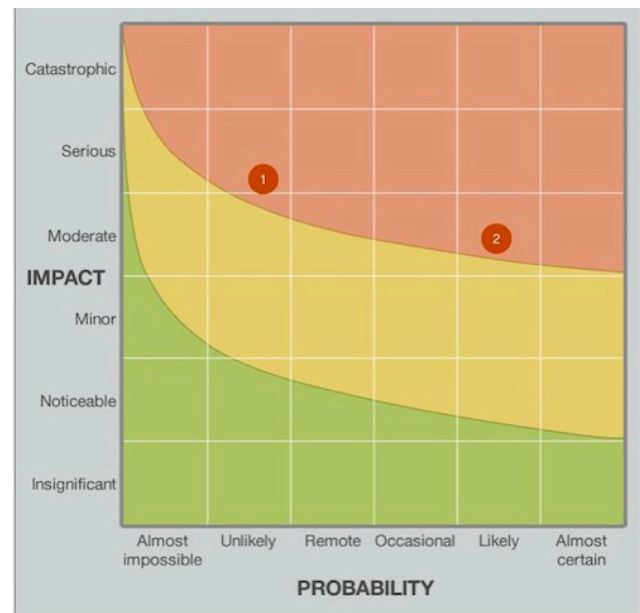

Figure: Thinking Portfolio® Risk Analysis tool uses of qualitative terming as a basis for targeting comparable estimates

When Should You Consider Terminating An IT Project Prematurely?

An IT project manager of a company will have to take several serious decisions that make or break a project, or even terminate the project entirely. While most projects are terminated on completion, some have to be severed prematurely if certain aspects of the project are undesirable. Terminating a project prematurely can result in strained relationships with the stakeholders, clients, and leave a black mark in your career. However, such terminations are sometimes necessary.

While the decision of terminating a project has negative connotations, sometimes they are the soundest judgments you can make. Project termination is an organized business process like any other aspect of project management, and it requires clear communication, detailed discussions with the project management team, and a mutual decision, which considers the effects of the move on all members of the organization.

Reasons that lead to unavoidable project termination

Ranging from technical failure, to lack of support from the parent organization, there could be many reasons to terminate a project. Some of them are –

- Technical snags
- Unrealistic, ambiguous specifications or requirements
- Drastic changes in project requirements
- Lack of planning, risk management or obsolete results
- Inadequate tools, materials and human resources
- Lack of support from parent organization

- Natural disasters
- Lack of support from management or customers
- Miscalculated profit markets i.e. significantly lower profit margins than expected

While the reasons are many, even the process of terminating a project requires intensive participation by the IT project manager.

Minimizing the ill-effects of premature project termination

By keeping your company informed of the latest developments in the project, whether positive or negative, you can minimize the risk of terminating the project in question.

- The project strategy must be communicated within the organization, including reasons as to why these strategies are being chosen. You should also determine the conditions in which the project may or may not support the intended strategies.
- It is important to set goals and criteria for project success as well as project termination. These criteria can be included in terms of budget, schedule and scope.
- Organize open discussions with the board on confronting the problems and finding solutions for the project. If you are left with no choice, discuss the termination process.

As a responsible IT project manager, you can take several steps to ensure that the negative effects and consequences of a project termination are kept as low as possible. The key to achieving this feat is clear, continuous and honest communication.

Top Mistakes in Project Portfolio Management

Project Portfolio Management is at the heart of the success of any organization. Any business that has its PPM in places and corresponding execution tasks to back it, has got the success recipe right for the most part. Then again, it isn't as easy as it sounds, as many businesses cant seem to quite master PPM. Here's a look at some PPM mistakes that businesses can avoid to get there.

Emulating best PPM practices without assessing your business

When it comes to PPM, merely mimicking the industry leaders and their implemented strategies does not help you make the cut. In fact, most small and mid-level businesses are not in position to implement these practices right off the bat. Let's take the example of a mature business versus a start-up; the former has consistent evaluation protocols to measure how various projects are impacting the business, while the latter has to still set up ways to obtain this information whether it's resource estimates or ROI, let alone analyze it. What this means is enterprises will have to adopt PPM strategies only after getting a fair assessment on their standing.

Thinking in terms of just funds and budgets

Funds and budgets are among the first few attributes that businesses use as a benchmark to make a priority list. So what project management comes down to is prioritizing projects that have adequate funds, while the ones without funds are just postponed. When you look at the big picture, this clearly does not qualify as a good PM strategy with regards to the corporate goals. What businesses need to do is review the requirements for specific projects, and lay down strategies accordingly, for smooth project management.

Sidelining risks and returns

Many businesses overlook potential negative developments while managing portfolios. Not weighing the risks and returns on projects is as good as turning blind-eye to a potentially bad project.

The one way this issue can be addressed is by classifying projects into separate groups, and seeing where they stand with respect to the broader business goals. For instance, key projects would translate to ones that are essential to keep your enterprise afloat, while support projects are necessary but do not have a crucial role to play when it comes to your corporate success. Then again, some projects may come under strategic category, which have a potential to drive your business forward in the future. This type of a clear assessment should help evaluate returns in the long-term and short-term, and watch out for potential risks.

Top 6 Critical Security Issues for a PMO

The project management office staff faces security theft issues from the time a project is accepted till the time it is delivered and as it passes through various stages of development. Projects in every industry be it software, manufacturing, research and even construction can suffer if security breaches are recognized and information is stolen by rivals. Depending upon the criticality of project, the team members have to be careful about varied security issues ranging from information theft to sabotage which can spell disaster for organization's reputation. Companies can follow a proactive approach to security issues by installing firewalls and restricted entry into project area or a reactive approach by trying to secure a breach after information has been stolen.

Common security issues of PMO

1. Identification of security flaws – In today's connected world wherein information can be downloaded into USB or smartphones and transferred within seconds firms have to close all loopholes in their security process. Regular audit of projects under process can help identify if there are any flaws and plug them immediately.

2. Monitoring work schedules – Information handling is a critical part of project and by ensuring that work is handed to actual person on schedule will keep it secure. Information is generated at every project level and has to flow through regular channels for security.

3. Allowing only authorized personnel – Industrial espionage is a real threat in today's cut-throat competitive business world and companies can keep their information secure by providing personnel with identification which cannot be duplicated.

4. Usage of copyright information – In carrying out their work companies buy tools and information from patent owners at high cost which can be misused by personnel if these are not secured by project managers. Most organizations have a "need to know" policy during these situations and protect access to these kinds of sensitive tools through passwords.

5. Slowdown in Project process – When two or more companies are working on competitive projects then they may try to slow down each other's' progress by unscrupulous means. This can be avoided if project management office allots realistic time bound tasks to all personnel so work gets done well before schedule.

6. Security of personnel – When a company is working on defense projects which can affect the safety and sovereignty of the nation then it becomes more critical for PMO to also ensure safety of its personnel. If they are working on sensitive projects enemy forces may harm them to secure information about their projects so their security becomes the PMO's responsibility.

Today is also a good day to do the project portfolio stress test

Typically the stress test comprises a number of "What if?" calculations which are used to analyse, in different situations and scenarios, prerequisites which help to cope with any difficult times in future. Portfolio management includes methods which can be applied as a part of project portfolio analyses and management.

You can start the project portfolio stress test by tracing a situation where you have to make cuts to the development investments, 30% off, for example. The starting point of the project portfolio stress test is the fact that the scenario to be analysed is possible.

The stress test can also be used to analyse how big a cut or squeeze the project portfolio can bear before the entity loses its power. The portfolio's power is formed from different development programmes and projects which often have strong connections between them. The project portfolio stress test is important for future preparations. We receive daily new ideas and Business Cases for analysis, and by identifying the stress level the project portfolio can bear we can also observe the entity against which new ideas and Business Cases are assessed.

A glance from the project budget to the cash flow it produces

It is important that cash flow is strongly observed in project portfolio management. A project which is realised only within the budget and the timetable does not bring business benefits if there is no need for its final results at the time of completion. With a view to the future it is important to terminate these projects which have lost their Business Cases even in the last stages of the project. This means that an up-to-date Business Case is just as important as the project's budget and timetable.

Priority must be given to the development of project portfolio management

An organisation without a project portfolio is adrift – this is why it is especially important to act fast and implement at least a simple method of project portfolio management. Spread sheets are a good place to start and many have already done so. After listing the project we can move on to a more illustrative tool. One of the quick-to-use, cost-effective and easy to understand tools is the popular Thinking Portfolio project portfolio. At its best the Thinking Portfolio project portfolio can be utilised as a cloud service within one month. Finally I quote the view of a consultant in the Bank of Finland: "These results are like a five-day weather forecast – not the final truth, but on such firm basis that they are interesting".

Aligning IT Projects and Strategies through Project Portfolio Management

Project portfolio management or PPM is a business process that allows and prepares companies to align a number of components like IT projects, application development, resources, and initiatives. Transforming companies to operate as project-oriented groups, project portfolio management allows you to treat IT as a financial asset. With project portfolio management, you can seamlessly integrate scope, pipeline, time, skills, cost, procurement, reporting, forecasting, communication, as well as risk management.

Similar to managing a portfolio of different types of investment like bonds, real estate, and stocks PPM allows you to easily manage multiple projects. This process allows your company to maintain a balanced portfolio, increase your rate or return, and minimize the risks involved in individual projects. Through PPM, managers and executives can closely manage and monitor project portfolios to align with the business objectives and schedules as well as to identify risks and address them immediately.

Why should your business adopt PPM?

Whether your business is an established one or a newly launched start-up, project portfolio management is equally beneficial. Here are some reasons your company should adopt PPM.

- **Improved governance for IT assets:** Many start-ups and IT companies lack accountable departments that handle consistency and decision making. Through project portfolio management you can create a framework, which ensures that all IT decisions are in alignment with the overall strategy adopted by your business. PPM allows you to set business goals, establish quality standards, as well as prioritize investments.

- **Improved success rates for projects:** It is a well known fact that clarified business objectives and support from the executives increases the success rate for a project. With project portfolio management you can achieve both these requirements and significantly improve the success rate of all IT projects undertaken by your organization.

- **Limited resources and IT budget:** If your company is a start-up, you may often face budget constraints as well as limited resources. By managing existing resources through project portfolio management, you can make the best of your situation and increase productivity. This improvement in productivity can be made in terms of tools as well as employees.

Some of the biggest advantages of adopting PPM include better governance of IT and resources, reduced cost, increased productivity, as well as predictable project outcomes. Additionally, companies can also align closely with the project requirements and make informed decisions that consider all important aspects of the project. PPM also allows you to make better decisions when it comes to staffing and allows you to monitor all developments in the project.

Project Portfolio Management Mistakes that You Should Avoid

As project managers, it is important to create plans that effectively cover all aspects of project lifecycles. Despite experience and knowledge in the field, some common mistake and errors may arise. Here are some of the most common mistakes made when managing IT portfolios.

No tangible investment strategies

It is a common practice in many IT companies, whether start-ups or larger corporations, to directly start with budgeting and funding. The projects scoring higher on the priority list are picked off based on the budget until the funds have been completely exhausted. The remaining projects are simply postponed or backlogged. When prioritizing projects, it is important to understand the individual needs of different business units and then create strategies that are helpful in achieving broader business goals.

Ignoring return profiles / risks

A common mistake made by many companies in managing IT portfolios is ignoring the risk factor. Lack of planning and assessment for returns as well as risk profiles is an essential part of management as it allows your company to be prepared for any negative developments. Not giving risk assessment and return profiles enough importance can lead to initiatives that are low on risk as well as returns, starving your organization. With the right assessment, you can make use of innovative, as well as game changing IT initiatives.

When it comes to IT portfolio management, you can categorize projects into four broad categories that include strategic applications, key operational applications, support applications, as well as high potential applications. While planning for the first three categories are commonly addressed in companies, many tend to consider high potential applications owing to lack of research and planning in risk assessment.

Focusing on lists instead of the big picture

Companies also tend to simply make lists of IT projects rather than considering the big picture. It is important to take a holistic and strategic approach to portfolio management. If you simply evaluate a project based on budget or time, you are not addressing the core business values and understand very little of the portfolio objectives.

Overlooking budgeting for mundane projects

It is not advisable to include only new and/or important initiatives in your company's portfolio. Ensure that ongoing projects that are often sidetracked are also given enough time and budget to provide overall benefits. With the right initiatives and strategies, you can enable your company to monitor and use resources in an appropriate manner. These resources include everything from investments, business processes, IT portfolio etc and should be used with minimal duplication.

Project Portfolio

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