1

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If Projects Were a Fleet of Ships

Strategic Planning:	Project Management:
Aim in the Right Direction	*Do Projects Right*
Portfolio Management:	Program Management:
Do the Right Projects	*Do Projects Together*

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A Portfolio of Projects

Portfolios → Programs → Projects → Tasks

Company Portfolio

Program Alpha
- Project A1
- Project A2

Program Beta
- Project B
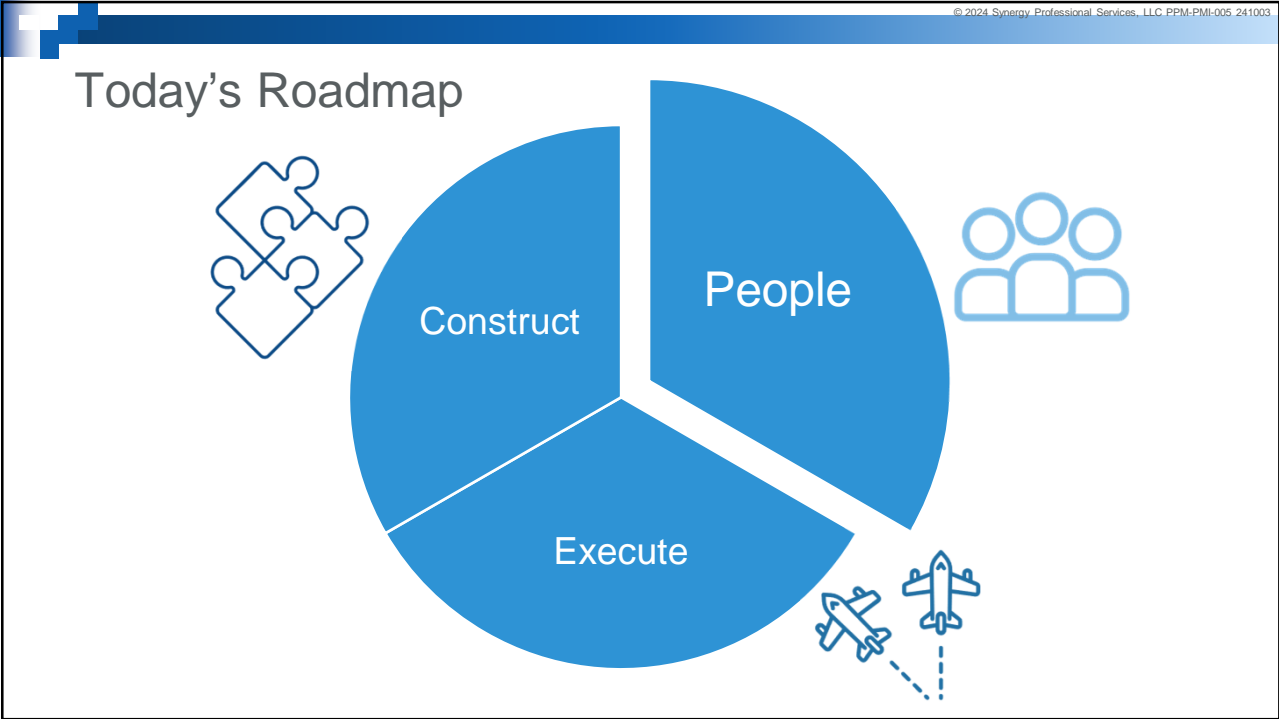- Operations

Project 3
Subproject 3.1
Subproject 3.2

Operations

Many familiar concepts and techniques apply at all levels (for example, risk management, balancing, scheduling, and resource management)

Adapted from Contemporary Project Management 2e, T. Kloppenborg exhibit 2.5

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Today's Roadmap

Construct

People

Execute

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Project Portfolio Management (PPM) and People

Shared decision-making

… about project investments

… that crosses silos

… with everyone aligned to the same compass

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PPM is a Team Sport

People make decisions …   … while PPM processes set guardrails

PPM is foremost about helping people make good decisions together

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Breakout Activity

PPM is a framework that helps people work together to make high-stakes investment decisions. If you were managing a portfolio, what people-related challenges would you anticipate?
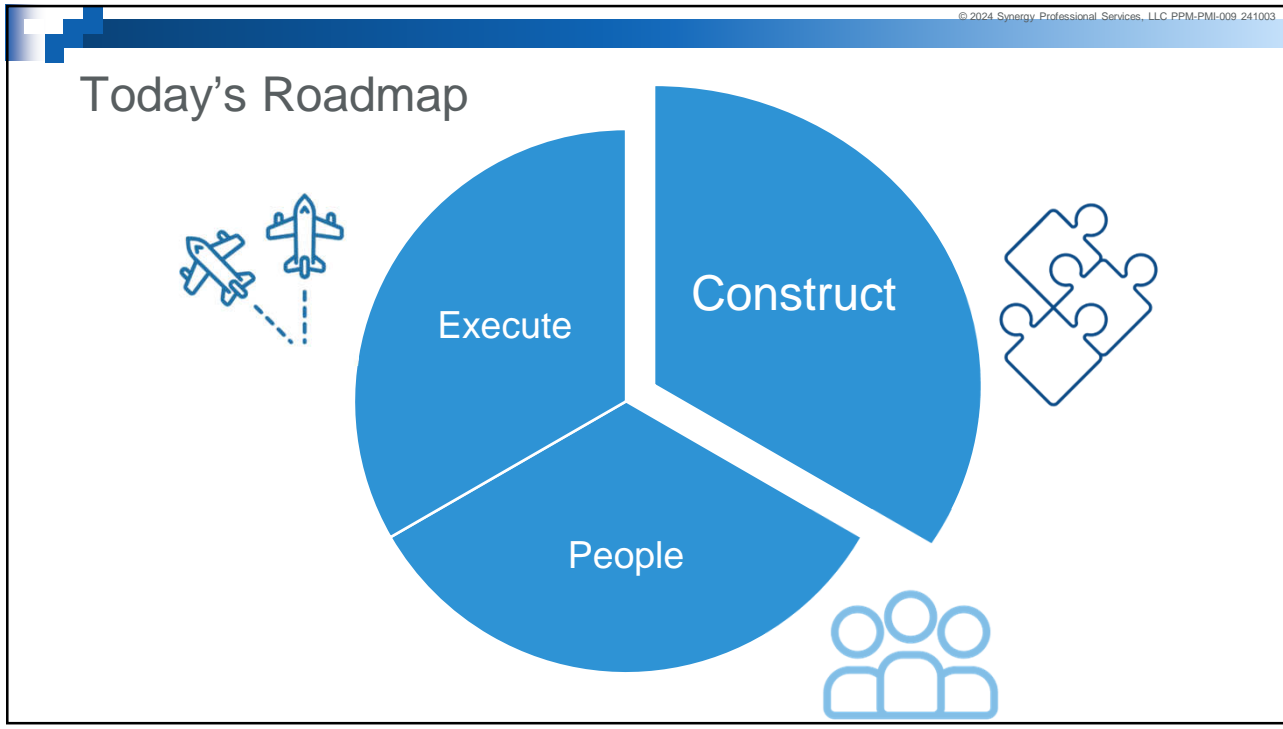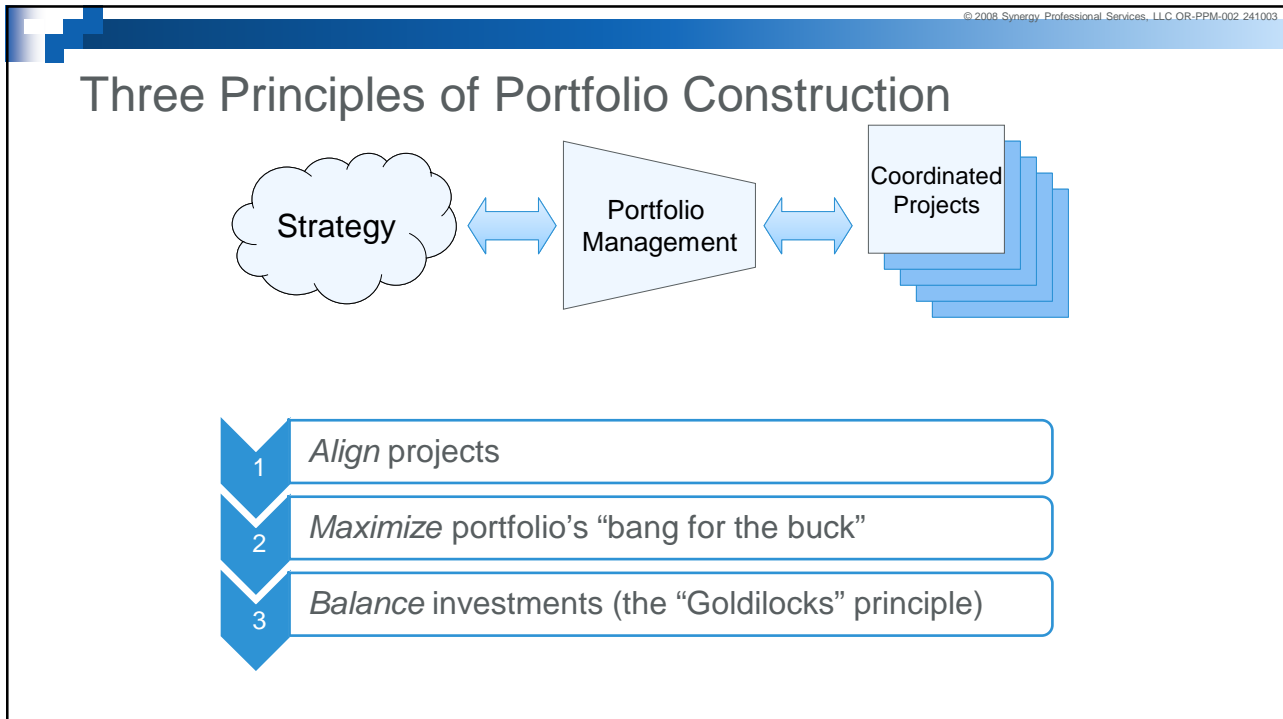
As a group, write three top insights to share back

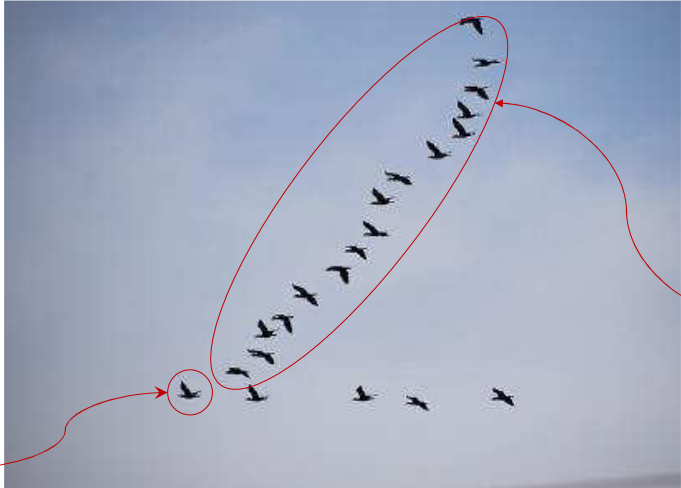**If called on, summarize one insight from your group's list**

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Today's Roadmap

Execute

Construct

People

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Three Principles of Portfolio Construction

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Strategy ↔ Portfolio Management ↔ Coordinated Projects

1 *Align* projects

2 *Maximize* portfolio's "bang for the buck"

3 *Balance* investments (the "Goldilocks" principle)

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Construction Principle #1 - Align

Align projects and programs with each other

Align to strategic direction

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Construction Principle #2 - Maximize

Don't spread your peanut butter too thin. Say yes to the best projects and no or later to the rest.

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Scoring is an Aligning and Maximizing Technique

Use "critical few" selection criteria to rate candidate projects

8   7   8

Example selection criteria used by an enterprise PMO

- Risk of Realizing Benefits
- Support of Strategy
- Risk of Delivering Project
- Mandate
- Impact on Reputation
- Financial Benefit
- Impact on Employee Wellness

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Construction Principle #3 – Balance

Verify tentative portfolio's feasibility against organizational capacity, capabilities, and bottlenecks

Adjust portfolio tradeoffs until balance is acceptable

Resource Usage By Strategic Bucket
- Transform 17%
- Grow 41%
- Run 42%

Negative Cash Flow
Positive Cash Flow

Strategic Value

Cost ($ thousand)
Cost vs. Benefit
Bubble size = Net Present Value

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Breakout Activity

If you were managing a portfolio of projects, what methods could you use to improve its alignment, maximize its value, or find a "just right" balance?

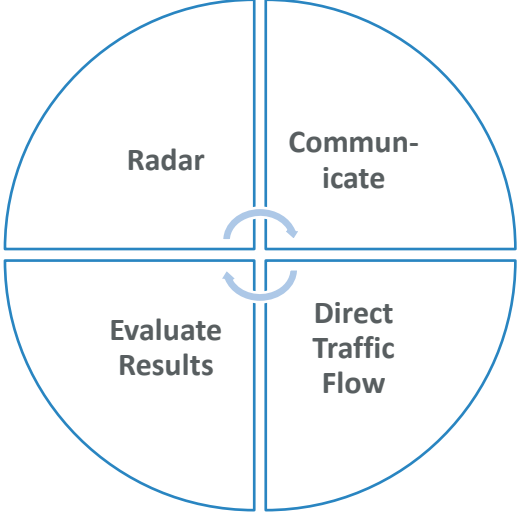**As a group, write three top insights to share back**

If called on, summarize one insight from your group's list

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Today's Roadmap

People

Execute

Construct

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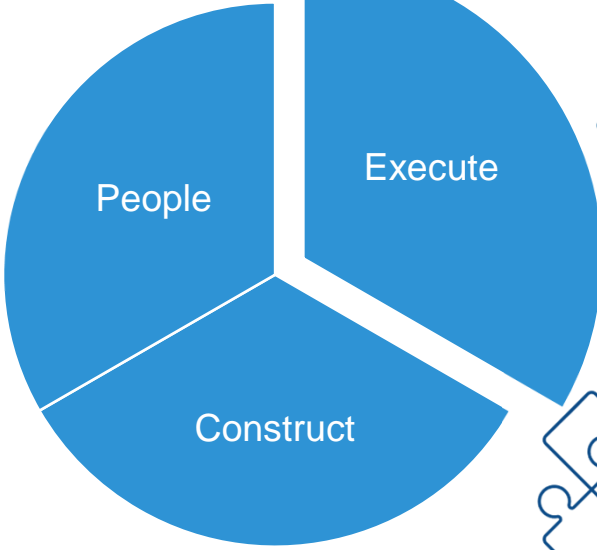
Execute the Portfolio - Air Traffic Control

- Radar
- Commun- icate
- Evaluate Results
- Direct Traffic Flow

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How to Control the Air Traffic

Radar
1. Be the unbiased, unified source of truth about all projects and programs.

Communicate
1. Build strong formal and informal communication channels across the fleet and with fleet HQ.
2. Deliver portfolio-level reports to the right people using the right channels.
3. Stay in close contact with the pilots.

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More Air Traffic Control

Direct Traffic Flow
1. Guide the traffic, on the ground and in the air (proposed, active, and closed projects)
2. Facilitate escalations, decisions, and issues that affect the portfolio.
3. Guide mid-cycle changes to the portfolio.

Evaluate Results
1. Track and review the performance of the overall portfolio and its active projects.
2. Assess benefits that are (or are not) realized after projects have been completed.

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Today's Roadmap

Conclusion
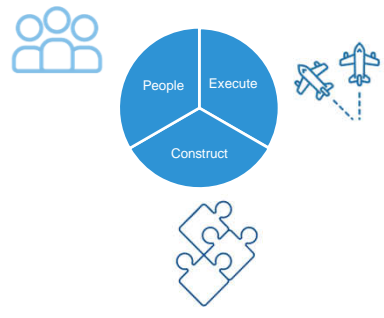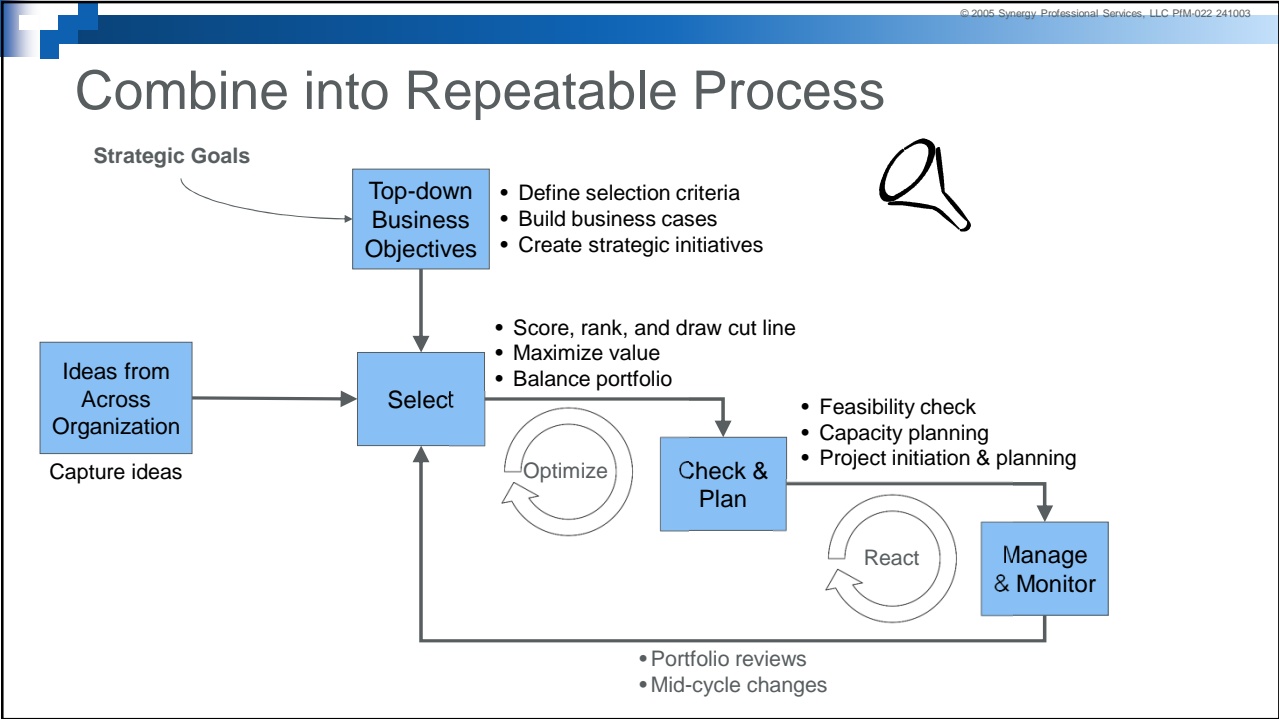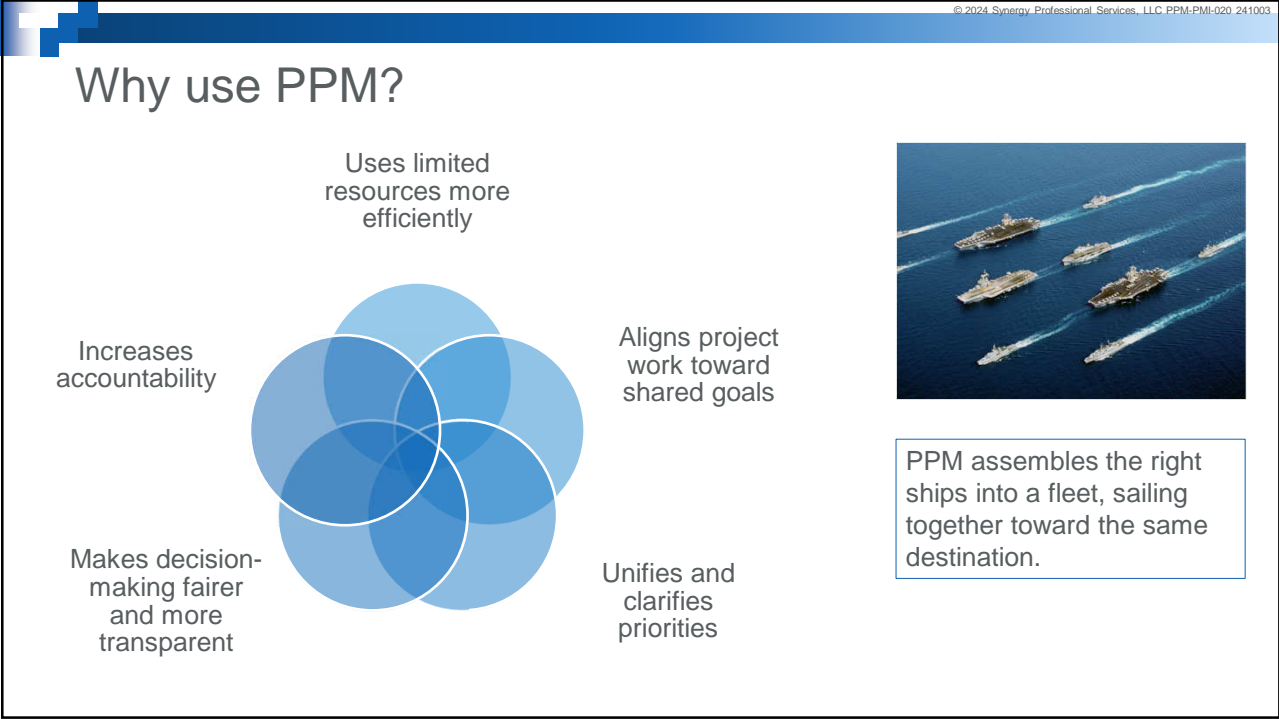
People | Execute
Construct

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Combine into Repeatable Process

Strategic Goals

Top-down Business Objectives
- Define selection criteria
- Build business cases
- Create strategic initiatives

Ideas from Across Organization

Capture ideas

Select
- Score, rank, and draw cut line
- Maximize value
- Balance portfolio

Optimize

Check & Plan
- Feasibility check
- Capacity planning
- Project initiation & planning

React

Manage & Monitor

- Portfolio reviews
- Mid-cycle changes

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Why use PPM?

Uses limited resources more efficiently

Increases accountability

Aligns project work toward shared goals

Makes decision-making fairer and more transparent

Unifies and clarifies priorities

PPM assembles the right ships into a fleet, sailing together toward the same destination.

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