

Advanced Project Portfolio Management



INTERNATIONAL
THEORY OF CONSTRAINTS

+865-430-3128

www.tocinternational.com

email:

KendallJacquelyn@cs.com

Featuring:

- **A new method of strategic planning and choosing the right project mix**
- **How to deal effectively with the multi-project environment and constant resource conflicts**
- **How to balance a portfolio for better ROI**
- **An eight step process that any organization can implement**
- **Governance advice**
- **Ways to dramatically accelerate projects**
- **A convincing presentation approach to gain executive support and involvement in portfolio management**
- **Tools and templates**

TWO DAY WORKSHOP

Introduction

According to surveys, research and case studies, there is a high value to improving Project Portfolio Management. For example, the Performance Measurement Group analyzed over 1,000 projects and cited a 20-30% improvement in time to market for new products. Dr. Harold Kerzner, in his popular book *Project Management – A System's Approach*, 8th edition, includes Critical Chain case studies documenting 300% more projects completed, with average duration cut by 50%.

The goal of project portfolio management is to improve the return on investment from projects. The examples cited above prove that it is possible to do so. Why is it so hard for most organizations to achieve this goal? If we can answer this question correctly, then we know what obstacles the process must overcome and what a participant must learn in a workshop in order to get significant results in their organization.

We hear many complaints from organizations about their projects. For example:

- Many projects are delivered late, over budget, or not within original scope. According to Standish Group statistics, this represents over 70% of all projects.

- Team members, project managers and resource managers face conflicting priorities
- Functional leaders have difficulty getting commitment for project resources from other functional areas
- Projects take too long to complete
- Some projects do not yield expected results, or, in some cases, any results

These complaints are just examples of the dozens of cases we have analyzed. From examination of these undesirable project situations, we found four root problems common to most organizations in portfolio management practices that cause these and many other negative effects:

1. **There are too many active projects – more than the capacity of resources available to do the project work.**
2. **Some of the projects will never yield tangible or significant results.**
3. **Some (in some cases, many) projects are not tied directly to the organization's goals, in a rigorous way.**
4. **The project portfolio is not balanced.**

In all four cases, we find certain top management practices perpetuate the problem. Therefore, at the heart of any successful project portfolio management improvement effort, there must be a process



to show executives how to change practices that damage project results. We have learned, through 10 years of experience in this field, that there is a great challenge in doing so. *Executives want to improve project management results. But the right executive actions are counter-intuitive.*

In this workshop, we address both the correct processes to dramatically improve project portfolio ROI *and* how to educate the executives to make such improvements permanent and easy to implement.

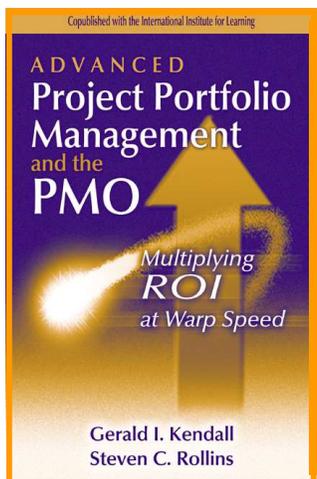


WORKSHOP CONTENT



Connecting executives to the Project Portfolio

Based on the Project Management Institute's #1 selling Portfolio Management Book



Building a Strong Foundation for the Governance Process

This workshop documents an easy-to-follow eight step process that any project portfolio manager can use, either in starting the process from the ground up, or in improving an existing process. The eight steps describe how to take existing and usually grossly incomplete data about projects and build the compelling information needed to drive improvement.

In this workshop, participants learn both strategy and tactics for improving the project mix within an organization. Based upon the powerful concepts in the bestselling book by Kendall & Rollins, *Advanced Project Portfolio Management and the PMO*, you will learn how to take a portfolio and make it perform better than ever before. Every participant will receive a complimentary copy of this 434 page text – a US \$69.95 value.

One key to performance is to learn how to balance a project portfolio based upon factors that are vital to your organization's short term and long term health. The workshop will take you through several realistic examples, having you practice your decisions and seeing the result on an example portfolio. Balancing risk with opportunity, short term and long term, research and development, market side and supply side projects are all vital to high ROI. For those par-

ticipants who are not the decision-makers, the workshop shows how to make recommendations on portfolio balancing that will be taken very seriously by senior management.

Another vital component of this workshop is how to deal with the multi-project environment. *The challenge to any portfolio manager goes well beyond tracking all of the projects in the portfolio. The portfolio manager must know how to align multiple projects in the portfolio to jointly meet organization goals.* Further, every portfolio manager has a need to flow better projects through the organization faster than with current approaches. This workshop introduces an approach to multi-project management that has been successfully implemented in hundreds of organizations worldwide.

Participants will gain exposure to a new method of strategic planning, designed specifically to enable an organization to choose the right project mix. Most organizations today (about 70%) are constrained by their markets. If they could sell more products and services, they have the internal capacity to deliver without further investment. Therefore, it makes sense for these organizations to strategically initiate projects that will help win more sales. However, the projects that exist in most companies today

are often oriented to internal improvements that will not significantly impact sales. How does a portfolio manager know if the organization strategy is correct? How should a strategy be executed that will help the portfolio manager deliver the increase in ROI? If these questions are not answered correctly, then even the best portfolio manager will face an impossible challenge, trying to do a better job at delivering the wrong projects for the organization.

The workshop introduces why some current strategic planning processes are flawed, and how to correct them with a holistic approach – one that gains the buy-in and commitment of the entire senior management team. While participants are not expected to become experts at strategic planning overnight, the concepts introduced in the workshop and further documented in the workshop text and referenced materials are sufficient for most participants to have a favorable impact on their organization's strategy.

Since the success of any portfolio manager is tied to influencing executives to change some of their practices, this workshop answers the question, **“How do I convince the senior management to implement these new ideas?”** One of the workshop modules suggests an

approach to overcome senior management resistance to change. Participants will be given a sample presentation that they can customize, to capture executive support and intensive involvement necessary for an excellent governance process.

This workshop is filled with exercises that build each participant's knowledge and confidence in managing a portfolio correctly. The workshop has been designed by Project Management Professionals (Certified PMPs) with the real-life knowledge and experience to cause an immediate impact and success for any organization that implements the eight step process.

YOU WILL MASTER THE FOLLOWING:

- Objectives of project portfolio management
- The four portfolios (Project, Goal, Asset and Resource) – Data content, interrelationships and influence on results
- Accelerating project delivery
- Improving project flow – multitasking, matching active projects to resource capacity, exploiting the strategic resource, relay runner work ethic
- The new approach to strategic planning (How to stop the destructive silo approach, how to address the organization's biggest constraints, how to choose the right project mix)
- Connecting organization goals and projects (active and planned)
- Analyzing the connections between projects, resources and assets
- Understanding the fallacy of most current project priority systems
- Prioritization – How to derive a recommended ranking of projects
- How to run a governance meeting, with recommendations on approving, deactivating and terminating projects
- How to balance a portfolio (supply-side and market-side, research vs. development, short term vs. long term, risk vs. opportunity, infrastructure and process improvement vs. bottom line improvement)
- Avoiding the trap of becoming too involved in the details
- Integrating the Portfolio Management function with a PMO

Learn practical, straight forward concepts that you can apply immediately to increase the ROI on your organization's project investment.



Master how to accelerate the delivery of the right projects to meet organization goals

WHO SHOULD ATTEND

Anyone responsible for supporting or influencing the project portfolio in their organization will benefit immensely from this workshop. Members of Project Management Offices (PMOs) will find the concepts presented here particularly useful for increasing the likelihood of the PMO having a positive impact in the short term. Executives involved in program man-

agement or those who have functional or top executive responsibility will also find that this program helps them to deliver their responsibilities much more effectively. Any individuals who are responsible for strategic planning or execution within their organization, including process improvement experts, will find this program useful. The program

will also provide useful knowledge to senior project managers or program managers with an interest in project portfolio management. Those persons tasked with how to better manage the multi-project environment will also gain a better understanding of why the constant resource and priority conflicts exist and what to do about it.



Anyone who influences their organization's project portfolio should attend

AGENDA

- 1. Introduction to Advanced Project Portfolio Management**
 - Participant and instructor introduction and expectations
 - Workshop objectives
 - Workshop structure – modules and approach
 - How project portfolio management is positioned relative to project management, the PMO and strategic planning
 - “Advanced” – what is new and important in portfolio management
 - Portfolio exercise – first try, debriefing, lessons learned

- 2. The Eight Step Process – Steps 1 to 3**
 - Step 1 - Collect, report and complete the Project portfolio
 - Cost/Benefit analysis – Is the Project portfolio healthy?
 - Portfolio exercise – Second try, debriefing, lessons learned
 - Step 2 - Develop the Goal, Resource and Asset portfolios
 - Step 3 - Link Project, Goal & Asset portfolios & assess
 - Portfolio exercise – Third try, debriefing, lessons learned

- 3. The Eight Step Process – Step 4, Balancing the Portfolio**
 - Portfolio balance concepts
 - Opportunity vs. risk
 - Templates – Opportunity and Risk
 - Opportunity Ranking factors
 - Organization goals
 - Customer / Market impact
 - Competitive, legal or other urgency
 - NPV per strategic resource unit
 - Short, Medium or Long Term
 - Risk Ranking
 - Product / Service Quality, Catastrophe potential
 - Marketing
 - Financial
 - Technical Risk
 - Feasibility
 - Complexity
 - Rank projects according to templates only, exercises and debriefing
 - Market side vs. supply side
 - Research vs. development
 - Infrastructure or process vs. meeting current period goals
 - Short term vs. long term
 - Balancing allocation to the asset portfolio
 - Balancing across functional areas – what makes sense?
 - Portfolio exercise – Fourth try, debriefing, lessons learned

- 4. Multi-Project Management – Matching Active Projects to Capacity**
 - Multitasking simulations
 - Staggering projects according to the strategic resource



- Multi-project Critical Chain
- Multi-project executive and management reporting

5. The Eight Step Process – Steps 5 through 7

- Step 5 - Determine the organization's project capacity
- Portfolio exercise – Fifth try, debriefing, lessons learned
- Step 6 - Suggest a prioritization according to accepted criteria / organization goals and capacity
- Step 7 - Develop recommendations for accelerating projects / improving ROI
- School example exercise, recommendations

6. The Eight Step Process – Step 8 – The Governance Meeting

- Preparing for a Governance meeting – Submissions, what-if analysis, impact on existing environment, status of current portfolio
- Operations planning and budgeting
- Prioritization, Selection, finding and allocating resources, initiating
- Deactivating / Terminating
- Step 8 - Facilitate the governance meeting, Agenda
- Pre and post meeting communications

7. Strategy – Choosing the Right Project Mix

- Generic definition of a “good strategy”
- Problems with current strategic planning processes
- The connection between strategy, initiatives and the Project Portfolio
- The starting point - identifying the supply chain constraint
- Exercise – Correct initiatives based on supply chain constraint
- The process to gain executive commitment to minimum projects
- Moving from the supply-side to the market-side

8. Selling Executives on the Correct Project Portfolio Management Model

- Recognizing the problem
- Recognizing the executive role in the problem
- Overcoming the resistance to change
- Gaining necessary involvement, support and active governance

9. What Next? The Road Map to Ongoing Improvement

- The Five Focusing Steps
- Improving project portfolio performance
- Cycle time acceleration
- NPV per strategic resource unit, # of projects
- Methodology – Quality and Risk
- Pareto Principal
- Six Sigma, Lean, TOC, Deming



Facilitator Profiles



Gerald I. Kendall, PMP

Gerry is a world expert in the Theory of Constraints. He is a Project Management Professional (PMP) with extensive senior management and consulting experience. Gerald has worked with clients across the U.S., Canada, Mexico and Asia dealing with issues of change management and organizational strategies. His experience includes extensive work in the supply chain, project management, labor relations, production logistics, marketing, sales, operations and human resource development. He has worked in strategic planning with the senior executives of a wide range of industries including medical products and services, shipbuilding, aluminum and steel production, high technology, food production and electric and water utilities.

Gerry is a graduate and silver medal winner of McGill University, and author of the books *Viable Vision*, *Advanced Project Portfolio Management* and *the PMO and Securing the Future, Strategies for Exponential Growth Using the Theory of Constraints*. He is certified in all six TOC disciplines by the Theory of Constraints International Certification Organization.



Jacquelyn K. Kendall, PMP

Jacquelyn Kendall is an expert in the areas of Theory of Constraints, supply chain improvement, strategic planning, production logistics, organization and training, management skills, union relationships, finance and measurements and market development. Jacquelyn has facilitated public training programs with York University in Toronto, Canada, as well as public and on-site executive and management training programs with thousands of individuals and dozens of groups over the past 10 years.

Jacquelyn's clients include aluminum and steel companies, food service and cigarette multinationals, judicial systems, leading health insurance companies and a wide variety of manufacturers and distributors. She has worked with union presidents, CEOs and senior management teams of many organizations, helping them find the common ground across functional areas to implement successful improvement strategies. She is certified in all six TOC disciplines by the Theory of Constraints International Certification Organization.

For More Information or to set up a program on your site:

Contact: Jacquelyn Kendall at TOC International

Phone: 865-430-3128

Email: Kendalljacquelyn@cs.com

www.tocinternational.com