

THE IMPACT OF A STRATEGIC APPROACH TO PPM ON RESOURCE DEMAND PLANNING

A real-world, practical guide to resource demand planning in the Digital Age

Topics Included in This Guide:

- How to Structure Yourself for Success
- Project Deliverables vs. Strategic Portfolios
- Change is Inevitable, Pain is Optional
- The Role of the PMO
- Becoming the Complete PMO

TOPICS COVERED IN THIS WHITEPAPER INCLUDE:

- BECOMING A STRATEGIC LEADER
- PMO STRUCTURES THAT EMPOWER STRATEGIC GOALS
- PPM ROLES THAT DELIVER SUCCES

Introduction

In our last white paper - *How to Harness the Five Crucial Areas of PPM for Resource Demand Planning Success* - you learned how to ensure enhanced visibility into your resources across the enterprise. We showed you where your resource planning capability is impacted by new adaptive and agile project management techniques. We also shared best practices to manage resource demand better. Now, we will share how you can overcome common stumbling blocks and move beyond meeting project and portfolio deliverables to become a strategic leader in your company.

Sound Familiar?

In immature PMOs, project portfolio managers (PPMs) assume that projects are vetted against enterprise-wide, strategic goals within the functional departments that issue them. However, this is not always the case. If your PMO is relegated to the “arms and legs” of portfolio management and not expected to be the “brain” behind every endeavour, you’re missing out on one of your most important functions.

Structure Yourself for Success

Here’s how you can identify whether or not your PMO stands on an executive branch—one with vision and partners that recognize the “profitable punch” a strategically-empowered PMO can deliver.

Resource demand planning from this strategic viewpoint must have the appropriate structure to work. The PPM team must also be empowered with technologically-enabled visibility so they can plug in the numbers that back up the strategic plan—and show a ROI of their own activities when supporting these goals.

Whether you are in the project selection process or prioritizing your current slate of projects, our advice is to use facts to make the argument—provided that your PMO can prove the necessity of its reprioritization with solid numbers.

Decisions, Decisions

FURTHER READING

[PPM MASTER CLASS](#)

The Project Portfolio Management decision structure usually involves the Executive Board of an enterprise; the Project Portfolio Management Team (PPMT); and the Program Management Office (PMO). Each area theoretically supports one another in resource demand planning capabilities that enables them to reach project, program and portfolio decisions.



As the PMO leader, a PPM should direct this process via an information repository that provides vital project management services, training, documentation, progress reporting and lessons-learned data. This “decision” engine (see graphic, above) feeds into your portfolio management to give you the ability to upgrade your PMO from a “cost center” to a change agent.

Project Deliverables vs. Strategic Portfolios

FURTHER READING

[PPM ROI CALCULATOR](#)

A PMO that excels at resource demand planning at the nuts-and-bolts level of project deliverables seems good enough to anyone standing within the organization watching the work get done. But as the PMO leader, you need to sell yourself as a strategic partner when connecting your organization's projects to the business's strategic direction. You can accomplish this using the "decision-engine" powered by solid experience, a continuous improvement process and consolidated progress reporting.

You are leading a Project Portfolio Management Team whose members help Executive Board members make Go/Kill/Hold/Fix portfolio decisions based on resource demand, strategic goals and capacity thresholds. These people should also use the strategic business objectives provided by the Executive Team to prioritize projects and provide guidance to the PMO—if they are given the heft they deserve in the company. If not, they just deliver the progress reports and wait to be told what to do.



To be recognized as a true strategic partner, you need to have visibility into every project and every resource drain on your company's bottom line, every day. To sell the benefits of Project Portfolio Management to the business, you can lead with potential return on investment (ROI) and the potential return on opportunity (ROO) for your portfolio management function. Ask yourself the above questions to determine whether you are fully capable of leading strategic change in your organization.

Change is Inevitable, Pain is Optional

FURTHER READING

[PPM MASTER CLASS: ORGANIZING THE BUSINESS FOR PPM](#)

Your accountability, credibility and help from on high is dependent upon your ability to manage PPM as a constantly evolving change project, so executive buy-in and sponsorship is essential. In a mature organization, the executive sponsor always sits on the PPMT to represent the interests of the business and to gain on-going visibility in order to provide long-term sustained support for PPM. Your customer “pain points” in this area can be solved when they have a strategic PMO on their side that uses solid, tactical management procedures to measure and deliver on strategic activities.

Examine the chart below and place yourself somewhere on the continuum from tactical partner to transformational leader.

Responsibility	Immature Resource Demand Planning	Mature Resource Demand Planning	Strategic Partner	Change Agent/ Game Changer
Portfolio definition and strategy	“Voice” of PPMT only matters as related to capacity	“Voice” of PPMT is equally weighted to strategic leaders	PPMT is valued consultant to strategic leaders on Executive Board	PPMT is trusted with the “reins” of decisions by Executive Board partners
Alignment of resources and business strategy	Reacts to micro-details without strategic impact	Proactively manages entire picture of capacity against macro-goals	Input one of the main decision-drivers for strategic portfolio management	Given much of the responsibility for aligning resource demand (not just resources) against strategic goals
Analysis, portfolio selection, prioritization and authorization	“Arms and legs” of Executive Board’s “brain”	Provides proactive planning to realize goals via prioritization	PPMT institutes internal performance and continuous improvement plans that are used as an overlay for these activities	PPMT uses improvement programs to become primary decision-makers in portfolio management with sign-off by Executive Board partners
Portfolio execution and monitoring	Operational and Tactical	Strategic	Vision-Centric	Transformational

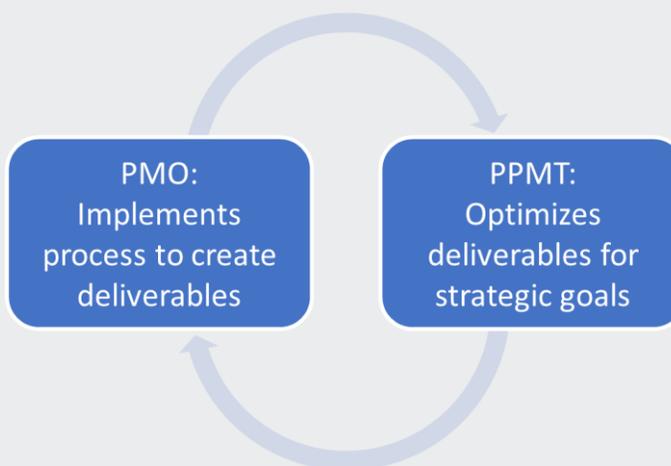
Moving On Up

THE ROLE OF THE PMO:

- MANAGING PROJECT INTERDEPENDENCIES
- IMPROVING PROJECT DELIVERY PROCESSES
- REPORTING AND ANALYSIS OF PROJECT PERFORMANCE
- ANALYZING RESOURCE BASED COSTS
- DISTILLING BEST PRACTICES AND STANDARDS
- SUPPORTING THE PROJECT MANAGER WITH TRAINING TEMPLATES AS WELL AS THE PROJECT DELIVERY PROCESS

As you might already know, the relationship of the PMO and PPMT is crucial for bridging the strategic and operational divide. If you are a relatively new department, the gulf between you and your Executive Board can be even wider. Typically a PMO addresses the problem of fragmented project information distributed across the business and acts as a means of centralizing and standardizing this information. However unlike the PPMT, the role of the PMO is much wider as shown in the chart to the left.

There are a number of relationships between the PPMT, PMO and projects with respect to focus, scope and communication. The focus of the PPMT is to create deliverables linked to the organization's strategic objectives. Their scope is to select, prioritize and optimize the entire portfolio of projects and communicate this to the entire business. By contrast, the PMO's main focus is to provide the business with program management capabilities - this involves implementing a process for creating deliverables that the PPMT will link to the strategic objectives.



FURTHER READING

[EBOOK: RESOURCE DEMAND PLANNING IN A DIGITAL AGE AN EFFECTIVE AND STEAMLINED APPROACH](#)

The Complete PMO

The scope of the PMO is across multiple projects and needs to reflect the interdependencies between those projects. Finally, project management is focused on delivering the individual projects. Visibility of your resources is critical. However, visibility of resources across time literally dictates how strong a strategic partner you can be.

To be that strategic partner when it comes to resource demand planning, you will want to have a complete picture of the demands being made on the business. You need to minimize those projects that “come from nowhere” (although they are inevitable) and when you do have to manage them, your resource demand planning won’t crack under the pressure. And you must be able to quickly re-prioritize resources.

All of these levers will exert undue pressure on a PMO that isn’t mature enough to look across the portfolio, across time, to manage resource demand. Yet the truly empowered PMO uses highly evolved resource demand planning skills to deliver not only portfolio success, but an opportunity for the business to innovate.

Next time, we’ll talk about how you can manage your portfolio to enable innovation. We’ll give you solid direction to help you move from tactical to transformation leadership—even when you are managing both adaptive and predictive projects at the same time. And, we’ll give you six, actionable ways to get you there.

About KeyedIn™ Solutions

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

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

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



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