

Maturing project organizations: effective project portfolio management

„Real portfolio management is the key enabler that allows organizations to identify and execute strategic change.”

- Gartner

PROJECT PORTFOLIO MANAGEMENT APPROACH

We often see projects as isolated, independent organisms that live their own life and seek their own goals. It is, however, rarely the case. Most projects are interconnected and the question is often not „whether”, but „by how much”.

Project Portfolio management is a relatively new approach of seeing the „big picture”. Gartner¹ recognizes this function as a key enabler for organizations to implement strategic change: transform from reactive, ad-hoc project organizations to operating well-integrated, effective practices and continuously optimize them.

Gartner defines five levels of program and portfolio management maturity in the organization. Most organizations seem to be

somewhere in level 2 – where portfolio management processes and structure start emerging. On the other hand, changing market conditions (competition, customer demands) are forcing organization to quickly move up the maturity ladder.

This change is not so straightforward. It is not sufficient to implement formal processes or define formal roles. The main challenge is enabling these roles to make effective decisions and provide timely, trustworthy data to base these decisions on. While that is possible for one or two separate projects, it is easy to lose oversight when the number climbs over 10, 50, 100 projects, which is not unusual even for a medium-sized organization.

TECHNOLOGY AS SUPPORT FOR MATURITY

While maturing project organizations brings enormous benefits and opens up completely new opportunities for growth, the transformation of processes and culture is never easy. In many organizations the process becomes bureaucratic and employees lose the sense of accomplishment and self-realisation that was there before the changes. Time and effort spent on adjusting to changes and gathering information for reporting seems wasted and benefits are far from achieved.

This is where technology plays an important role. According to PMI², both the demand of knowing the status of each project as well as demand for information on what needs to be done next, put a large strain on resources in most approaches described as best practices. Technology can solve this challenge by providing needed information faster, more precise and aggregated on the right level that each receiver needs.

Similarly, Gartner¹ places technology as a core dimension, critical for project and portfolio management implementation success. As data-driven decision making becomes the most recognized, best statistically-backed approach to decision making, technology is no longer „something for the IT guys to worry about“, but part of the foundation every business functions on.

Sources:

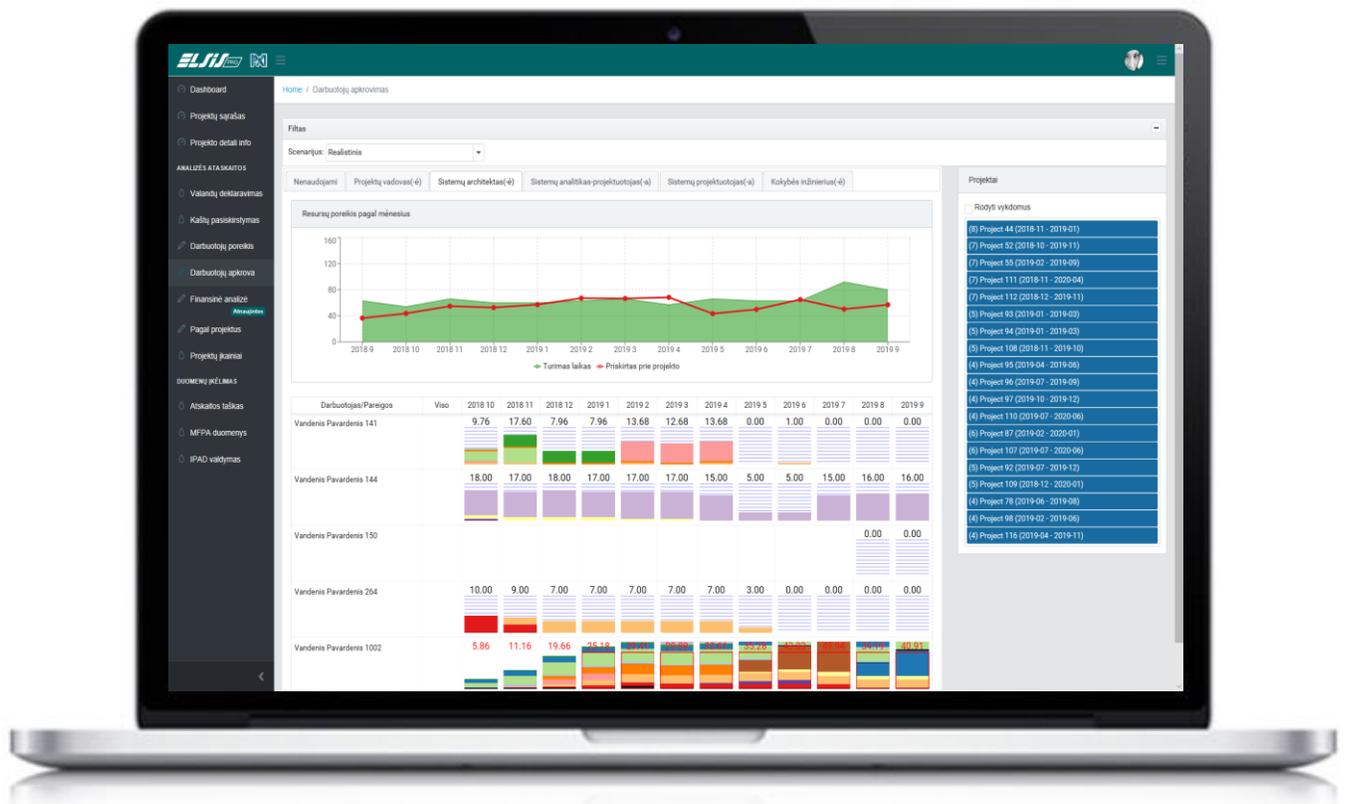
¹ Gartner: <https://www.gartner.com/doc/2837917/itscore-overview-program-portfolio-management>

² PMI: <https://www.pmi.org/learning/library/project-portfolio-management-maturity-model-6126>

“Technology’s value comes from doing business differently because technology makes it possible”

- MIT Sloan





ELNIS SOLUTION: INTEGRATED PROJECT ANALYTICS DASHBOARD

Being a project organization, we in Elnis know the challenges of running multiple complex projects at the same time very well. That is why we developed Integrated Project Analytics Dashboard to help organizations like us make better decisions:

- **Project information:** our tool provides real time project information, taking it from project management tools, like JIRA, financial management tools, resource management systems etc.
- **Resource management:** supports decisions on optimal resource allocation, future resource demand, competence demand etc.
- **Financial management:** combines information on past projects, ongoing projects and future possibilities using information from project management tools and CRM.
- **Provides aggregated information at the right level:** each project team member, project manager, financial controller or top level executive gets only the precisely aggregated information for relevant and timely decision making.

ABOUT ELSIS

- Elnis was established in 1991 and has over the past 26 years grown to be a leading player in the Baltic region within information technology and communications (ICT) and intelligent engineering systems.
- We create innovative decision support software and custom-made integrative solutions combining our experience with newest technologies and non-standard thinking.