

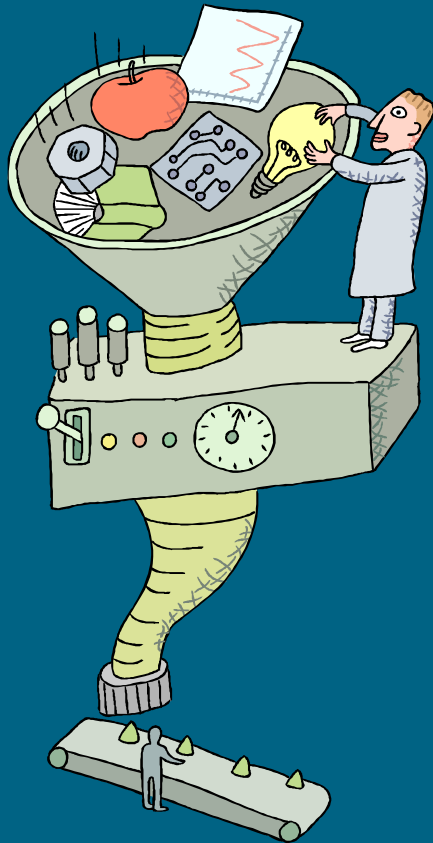
Session 484 Managing a Portfolio of Projects

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Session Goals

1. Identify appropriate project prioritization criteria
2. Align projects with organizational goals
3. Steps to launch a portfolio management process

1st Project Evaluation Criteria



Do you need to
Manage your
Investment
Portfolio?

The benefits to
doing so

What are your
objectives?

Why???



Generic:

- Ensure proper project investments
- Minimize resource contention
- Ensure consistency across projects
- Improve probability of success without relying on "brilliant" behavior of one person

Specific:

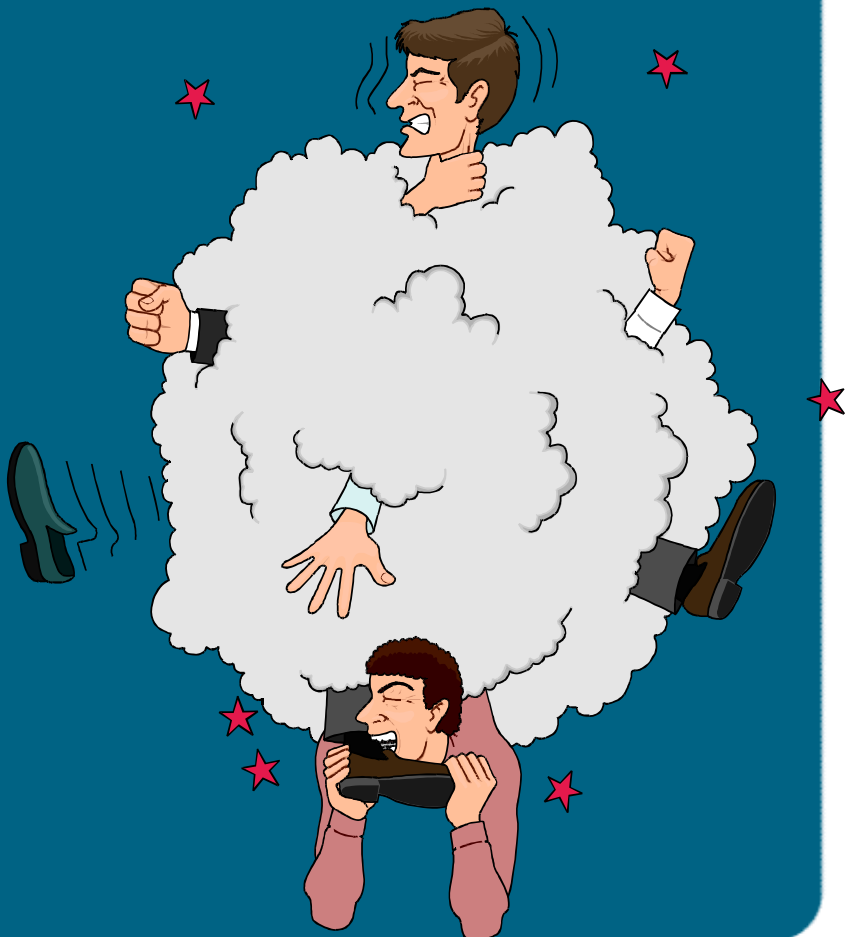
- Increase Profit
- Improve Market Share
- Reduce Costs
- Minimize IT investment

What are your top 3 goals F03?

- Attract & Retain employees

Value	Benefit to Employers	Benefit to Employees
<ul style="list-style-type: none"> • Std measurement 	<ul style="list-style-type: none"> • Yardstick of progress 	<ul style="list-style-type: none"> • Equality
<ul style="list-style-type: none"> • Standard quality 	<ul style="list-style-type: none"> • Reduce oversights 	<ul style="list-style-type: none"> • Less rework
<ul style="list-style-type: none"> • Improved oversites 	<ul style="list-style-type: none"> • Early warning 	<ul style="list-style-type: none"> • Fewer
<ul style="list-style-type: none"> • Cost savings 	<ul style="list-style-type: none"> • Fewer failures 	<ul style="list-style-type: none"> panic requests • Lower
		<p>Turnover</p>

How do you
spend your
money?



➤ Do you know??

➤ Measure Project Investment against organization goals

➤ Project Timing in the Portfolio – urgency vs. value

Survival of the Fittest

What you Need to Decide



Who

- Authority to allocate resources
- Visibility of organizational goals

Criteria

- Vote
- Affinity Diagrams
- Historical Perspective
- Mandatory vs. discretionary projects

Communication

Resource Constraints

2nd
Align
Projects
With
Business
Goals

Once you understand your specific goals, you can "rank" them

Which is most important?

Which is least?

Where do the constraints fit in the priority?

**Common
Business
Criteria
(use to
group
projects)**

Value to
Organization
Alignment
w/Relevant Goals
Urgency
Resource
Constraints –
BUDGETS??
MIN

Project Start Up - Big Bang, Concurrent, Phased

Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10
Big Bang cost = 1,000,000 Benefit 325,000/month									
Phase 1 - Cost 300,000 Benefit 75,000/month			Phase 2 - Cost 350,000 Benefit 50,000/month			Phase 3 - Cost 350,000 Benefit 100,000/month			
Phase 1	Phase 2	Phase 3	Phase 1	Phase 2	Phase 3	Phase 1	Phase 2	Phase 3	Phase 3

Big Bang total cost = 1,000,000
Benefit starts in Month 11

Phase Approach total cost = 1,000,000 - early benefit

Phase 1 75k/mo * 7 months = 525,000

Phase 2 50,000/mo * 4 months = 200,000

NET COST = 275,000

Consecutive total cost = 1,000,000 - early benefit

Phase 1 75k/mo * 4 months = 300,000

Phase 2 50,000/mo * 2 months = 100,000

NET COST = 600,000

3rd
Launch the
Portfolio
Management
process

Apples to Apples

- Common Information
- “Valid” information
- Preset Evaluation Points

Explain the Rules

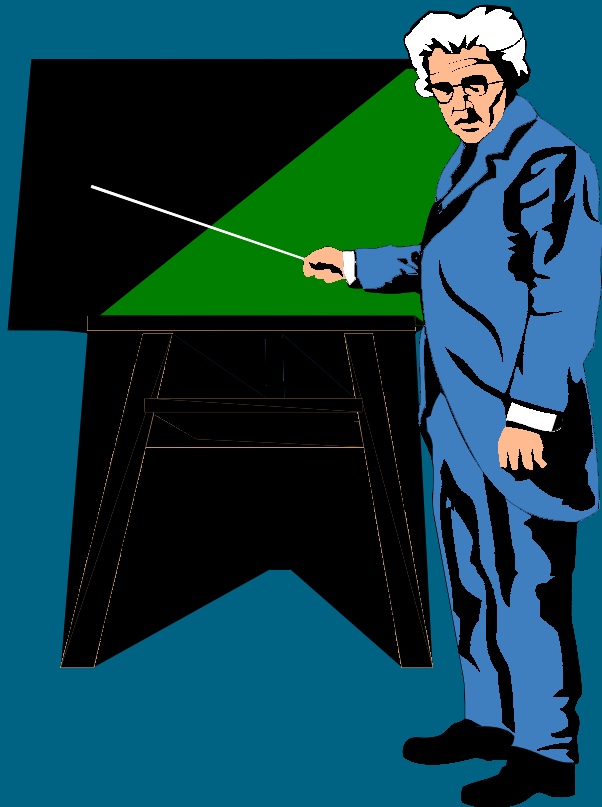
- Fair
- Objective
- Consistent
- End run/stealth policy

Common **Valid** Information



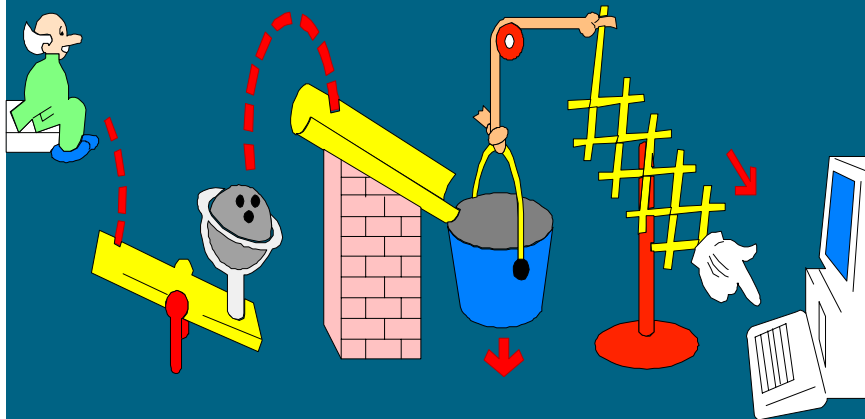
- Based on Goals & constraints
- Validated by Whom?
- Who pays for preparing the business case?
- Who evaluates and when?

Explain the Rules



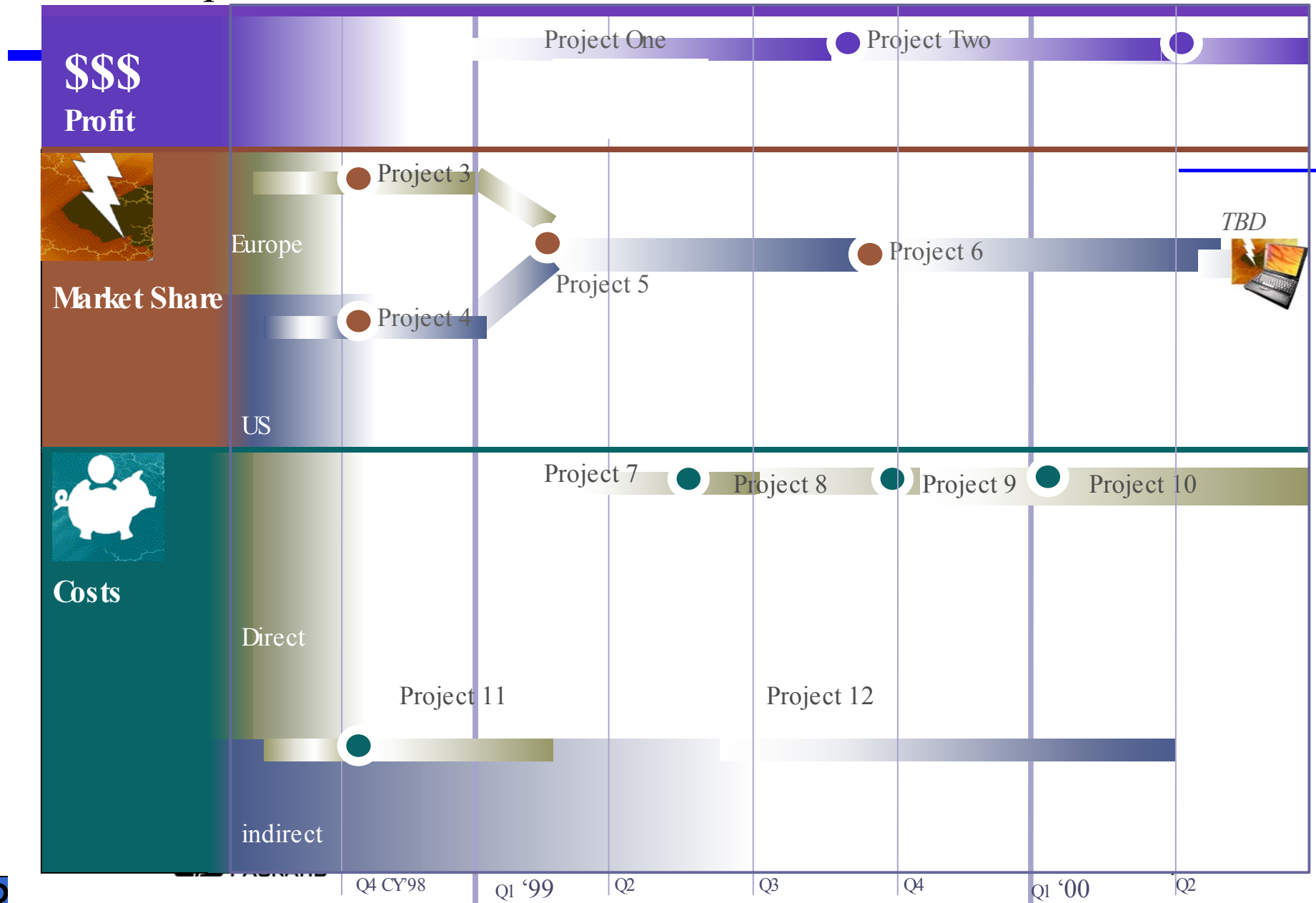
- Design the Process
- People can't use what they don't understand
- Formal classes and one on one
- Overview and specifics
- More than one time

Integrate Project Schedules

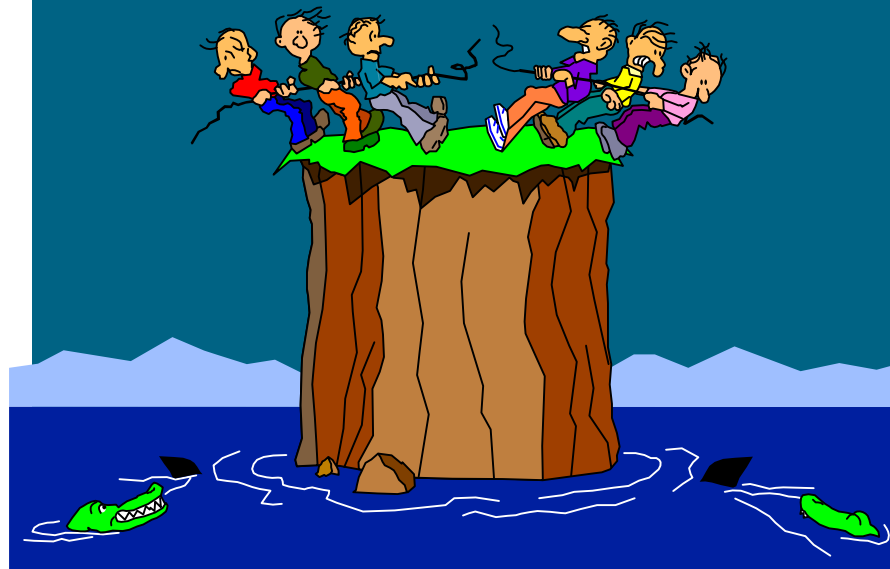


- Create one timeline for Portfolio
- Show summary blocks (one line per project)
- Include interface points connecting the projects one line per interface point.
- CLEARLY COMMUNICATE DEPENDENCIES.

Roadmap/Plan of Record



Resource Issues



- Constrained Resources & how to “stretch” them
- Consecutive vs. concurrent Impact
- Identify down time
- Decisions Based on Priority (value + urgency)
- Consider tradeoffs
- Plan for gear change
- Plan to grow resources

Clear Value



- Where is the PAIN in Your organization?
- Minimize Project Overhead, Maximize Project effectiveness
- The change in your organization is the value
- This does work
- Estimated 30% saving in cost
- Reduce Time to market
- Balanced Portfolio
ST/LT Risk/Cash Cow

