

## Portfolio management tool selection

Are you in?

### Recognise any of the following ?

- The organisation has grown very fast: simple became complicated, complicated became complex and complex became chaotic.
- Lack of transparency and standardization makes it difficult to make informed data-driven project, resource and portfolio management decisions.
- The Project Management Office (PMO) are seen as an administration office and lack proper mandate to make a positive impact on the growth of people's PPM skills and competences.

These situations cannot be 'solved' by implementing a portfolio tool, but the tool can be a crucial ingredient to provide structure and transparency to your portfolio management data.

### Stats in favour of implementing a portfolio solution



**5% efficiency increase per 150 resources [PMI, 2015]**



**400% increase in IT implementation speed [PMI, 2015]**



**250% ROI [Forrester, 2009]**

*"The most-used portfolio solution by far is Microsoft Excel. It is readily available, flexible, everyone knows the basics and it is powerful. So, why do you even need a (proper) portfolio management tool?"*

## Portfolio management tool selection

Excel or a portfolio management tool

### Why do I need a portfolio solution?



1. The prioritization and selection of your portfolio based on scenario planning which takes strategic value, budget and resource availability into account.
2. Easier to report and keep track of your portfolio data on a larger scale: a Portfolio management tool allows you to slice, dice and group all your portfolio information at any level.



3. "Most projects are like watermelons: green from the outside, red from the inside" [Treur, 2018]. Be realistic and track project progress based on a baseline (snapshot).
4. Ideally, resources are allocated and prioritized according to business value and project benefits. You will need a portfolio tool that accommodates your allocation process making the most of everyone's availability.



5. Project workflow automation: Use workflow functions to standardize routine processes such as Stage-Gates or document approvals.
6. The more complex your organisation the more complex your organisation information needs and ability to share amongst people. Excel is not up to this task.

*Do you still think a portfolio management tool is what you need? This whitepaper presents a good practice 5-step approach for guiding you through the process of selecting a portfolio management solution.*

Read more to find out

## Portfolio management tool selection

Good practice approach

### 1. The playfield

The following steps can offer you direction in selecting a tool that fits your purpose:

- 1** Create common ground with likeminded colleagues that recognise the need for change and support your initiative.
- 2** Ensure buy-in from senior management by providing them with information they need to make data driven decisions.
- 3** Define your high level requirements: technology preferences, processes that need to be supported (prioritized list), portfolio information needs, organisation of implementation and functional / technical support.
- 4** Create a compelling business case.
- 5** Choose the right team and partners to support you with the implementation and adoption.



#### TIPS #1

- Create a stakeholder map and set up a communication plan
- Management support is not an option. It is a must
- Don't make a large time-consuming study out of this. The initial goal is to find out if your change ambition is viable
- Ask yourself the question if you are prepared to put your 'neck on the line' for the success of making the change

"Someone needs to be the project champion. The person that is personally responsible and fully engaged to make the implementation of the portfolio management tool a business success."

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Good practice approach

### 2. Gather Information

The goal is to gather the information you need to come to a solution 'shortlist' of tool-candidates. You will need expert knowledge to collect data to build your business case.

- Consult experts and organisations that have done this (recently) before
- Don't lose momentum. Set a goal to accomplish this within 1 month
- A Request for Information (RFI) can be a useful method to gather information about various suppliers and tools early in the process



#### TIPS #2

- Portfolio solution builders like CA PPM, ServiceNow and Microsoft can be a great source of information. They have built an ecosystem of partners that have tons of experience in implementing these solutions
- Take a look at the latest Gartner and Forrester reports
- The more you want the more complex your solutions will become. Focus on what you really need (minimal viable product) and don't get distracted by all the nice features

"Experienced implementation partners like Odysseus will make a crucial difference in your journey. Find a partner that matches your organisation and one challenges you when needed, since success will be determined in the long run."

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### 3. Build a Business Case

You now have the content backbone to write a business case.

Now it comes down to *money vs value*. Which benefits are we aiming for and what budget do I need to accomplish this?

- Start small and simple. Do not go for a big bang such as “making our resource allocation process transparent”.
- Find a programme or number of projects (with a certain cohesion) to start your journey.
- Be clear about which benefits you want to accomplish.



#### TIPS #3

- You will need to have budget for Management of Change. This includes communication plans, resistance plans, coaching and training
- Budget should cover ongoing support and improvements. An implementation is not a 1-off. (*See 5. Post Implementation: Improvement through small steps*)
- Voice of the customer: take all your stakeholders into account: from senior management to end user

“Making it work without active senior management involvement is nearly impossible. Active means their presence and involvement during all stages of the change lifecycle / roadmap.”

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Good practice approach

### 4. Select your Implementation and Adoption partners

Why do you need outside parties to help you and what to look for?

- Someone that has done this (numerous times) before will have invaluable know-how and expertise.
- An outside partner has no internal interests and is 100% dedicated achieving the agreed upon outcomes and has no internal contradicting interest.



#### TIPS #4

- Build a strong team that consist of process and technology experts, who together with change managers ensure deployment and embedment of the change.
- Ask for references and a potential reference visit
- Go for action, not a study: Demo's and 1-pagers over massive requirement checklists

"Be realistic about initial results. You need to make a shift from doing the things right (data quality and project management) to doing the right things (portfolio management and strategy execution)."

## Portfolio management tool selection

Post Implementation

### 5. Post Implementation: Improvement through small steps

You made a decision, the implementation is completed and you celebrated the GO-Live. This is just the beginning.

- Proof of value: have an instrument in place to monitor your KPIs
- Handover responsibilities to ongoing functional and technical support
- Own an active backlog and roadmap that provide structure and direction to further tool development
- Continue to educate your workforce on portfolio management practices and knowledge and have reinforcement mechanisms in place to stimulate and reward agreed-on behaviour

#### SPRINT

- ▶ Implement additional functionalities based on roadmap and backlog

#### MEASURE

- ▶ Measure results: are you achieving the benefits you set out to reach?

#### EDUCATION & REINFORCEMENT

#### TECHNICAL AND FUNCTIONAL SUPPORT



#### Contact info

Tel: 085 484 7306

Mail: [info@odysseusnl.com](mailto:info@odysseusnl.com)

#### Address

Papendorpseweg 95

3528 BJ Utrecht

The Netherlands