

Successful implementation of digital project portfolio tools

By Karen Tregaskis, Managing Partner, Tregaskis Brown

Karen has previously written about how Executives can extract value from PMOs and talked about 'PMOs – the good and the bad' in a short video, both available on our website. This article is written for those who are leading, managing or working in PMOs and provides important insights into the implementation of digital portfolio tools.

Good portfolio management is increasingly critical to organisational success. Many EPMOs are seeking to leverage anything they can to be better at providing quality advice and support to investment decision-makers. The lure of a digital tool (e.g. Planview, Psoda, i-lign) is highly attractive and the business justification for implementing such a tool is frequently presented as a compelling one. The investment story typically goes something like this... *'A digital project portfolio tool will enable us to optimise our portfolio more easily, increase our investments' value for money, provide transparency to the executive team about how well their change investments are doing, reduce risk across the portfolio, manage resources more effectively, increase productivity, realise efficiencies...'* the list goes on. It rarely turns out to be true.

ELUSIVE BENEFITS AND ILLUSORY DASHBOARDS

Some organisations do reap some of these benefits. Many, it seems, do not.

I remember an occasion when a Chief Executive excitedly showed me a stunning dashboard illustrating how well his portfolio of projects was performing, his investment pipeline, his overall risk and the benefits he was achieving. As I looked at the attractive dashboard that had been produced using the new portfolio tool, my heart sank. Much of the data was incorrect. My company was familiar with a number of the larger projects and I knew their real performance metrics, I knew the flaws in many of the business cases and that there was an absence of evidence-based business planning and strategic intent upon which a future pipeline could be reliably built. The information going into the portfolio tool did not accurately (or even approximately) reflect the organisation's current or future reality. I commented that I thought the dashboard was an attractive work of fiction and that it could not, in my view, be relied on for important decision-making. Obviously, this is not what a Chief Executive who had just spent well over \$1m on implementing a digital portfolio tool wants to hear. Foolishly, I didn't think carefully about how to frame my thoughts or pause to consider they might not be welcome. They weren't. Never the less, within a year the tool was decommissioned and the EPMO disestablished.

GETTING TO SUCCESS

There are some success stories out there. The ones we know about tend to be smaller implementations that are well-tailored for a specific business unit. Some aren't even called portfolio tools. The key to their success, in my view, is that they meet the needs of the people they rely on to get the data right – the delivery community.



We recently helped a large and complex policy group implement what is a simple portfolio management tool. It's called their work programme management tool. It took time to work with the managers and their teams to get the design for the new way of working and the tool right.

It took time to work alongside people, helping them in practical ways, as the tool started to be used. There were tweaks to be made to get it right once it was in use. They are now using it well and it is providing the benefit they were seeking - the ability to identify and stop doing the less important stuff and to focus their efforts on what matters most.

As a down-stream benefit they received additional operating funding because they could demonstrate to their leadership the trade-offs that needed to happen in a reliable, evidence-based way. A pretty good outcome for them and their organisation.

CHANGE MANAGEMENT AND BENEFITS REALISATION ARE DIRECTLY LINKED

Implementing a digital project portfolio tool is a business change and if it is not planned and managed in this context, the expected business benefits will be reduced or destroyed. Many EPMOs that introduce a portfolio tool have not considered how ready the business is for that tool, or the level and type of business change that will be required to make it effective.

IT IS PEOPLE, IT IS PEOPLE, IT IS PEOPLE

Here's the thing; a project *portfolio tool* will **NOT** improve the competency or skills of your Project Managers – and may even amplify the negative impacts if they lack knowledge and skill. For example, if they don't fundamentally understand or care about risk, a tool really won't help.

If your tool doesn't make life better, easier, simpler or faster for the project delivery teams, they will not use it properly – and therefore the information it holds cannot be relied on. Your project delivery people will continue using the applications, documents, spreadsheets, white boards or post-it notes that do make their life easier and these will continue to be the real 'source of the truth'.

DELUSIONS THAT GET IN THE WAY

What stops EPMOs from seeing and managing the change impacts well enough to make the introduction of a digital tool succeed? I think the following delusions can often get in the way:

- That the EPMO and project delivery teams are naturally aligned in their goals and priorities – in truth, these two functions are often in tension and sometimes in conflict.
- All our biases – optimism bias, confirmation bias, cognitive bias; anything that helps us convince ourselves that it'll be relatively 'inexpensive, fine, simple, easy, seamless' – or whatever. Without the right level of planning, effort and change management *it really won't be*.
- That project delivery teams care about, or even respect the EPMO – many really don't. They are likely to care *much more* about their SRO and business owners. This has a profound impact on thinking about who the real customers are across the investment system.
- That project people 'do' change well – the reality is that change which impacts *on them* will be as hard for them as the next person.

WHAT DOES HELP?

Good change management and business impact management is crucial for success if you are serious about introducing a digital portfolio tool that delivers real and enduring benefits. There are no short cuts or silver bullets.

My advice is:

- Take time to get a robust, honest understanding of what your project delivery community would find useful from their perspective – and start with addressing that, even if it's not a portfolio priority.
- Invest heavily in 'people capability' so that when a tool is proffered, its usefulness is immediately apparent to the cohort of expert practitioners. You will never convince a Project Manager who has no real idea how to plan a complex project properly that a digital schedule will make their life easier. That's because it will actually make it harder. Tailor your tool for the job – complex, risky, expensive portfolios and projects need much heavier-duty tools than simple ones. Don't implement a jackhammer to crack a few nuts.
- Chunk your implementation activity down to do-able and immediately useful changes so that each improvement sticks before you introduce the next one.
- Be willing to set aside your longing for a digital project portfolio tool if there is no genuine, immediate benefit available to your project delivery teams – you probably have more important problems to solve.

IF YOU'D LIKE TO TALK MORE ABOUT WHAT MIGHT WORK FOR YOU, PLEASE DON'T HESITATE TO GET IN TOUCH...



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About the Author



Karen is the Director and Managing Partner of Tregaskis Brown, which she was instrumental in establishing in 2002.

Karen is a sought after advisor to executive teams on the governance and effective control of major programmes of change. She is valued by her clients for her ability to challenge their thinking and encourage fresh ways of looking at strategic issues.

Key clients have relied on Karen's expertise to re-design corporate and change governance models, improve the quality of investment governance and management, develop effective strategic and business plans and review underperforming areas of business.

Karen is one of New Zealand's most experienced accredited ILM (Investment Logic Mapping) facilitators. She is known for her pragmatism and commitment to finding solutions that are right for the client.

