

Design of Portfolios for Greater Success

The Missing Link

Organizations face growing demand to deliver better results from complex initiatives, projects and programs. They must do this in the face of constrained resources ... complex partnering, extended enterprises and outsourcing relationships ... and time to market pressures. But how?

Industry analysts – including Gartner Group and Forrester – describe Project Portfolio Management (PPM) as key aligning projects with business strategy and resource capacity. Vendors are happy to help with a growing array of PPM software tools – project description, portfolio analysis & selection and detailed scheduling and resource allocation. But what's missing?

For complex businesses ... that's most businesses today ... there's a critical missing link: effective DESIGN as part of portfolio selection, configuration and management.



What Makes DESIGN Special ... and Critical?

At the front end, traditional PPM – developed and most broadly applied in the IT arena – helps with enumerating candidate projects, weighting and ranking them against business strategy and priority, and guiding selection. Downstream, PPM can do a good job of detailed scheduling, resource allocation, tracking and reporting progress. But PPM has limited in the ability to provide superior DESIGN insight, and encourage optimization of portfolio and project performance that DESIGN can deliver. There's an important distinction between the concepts of DESIGN and the PLAN, illustrated below:

DESIGN: *verb.* To create the form or structure of something in a skillful or artistic way.

PLAN: *verb.* To work out in some detail how something is to be done or organized.

Planning may be sufficient for routine, repeatable projects with limited uncertainty. DESIGN is essential to optimize performance and manage risk in enterprise initiatives. This includes portfolios of projects or initiatives with significant interdependency and those that tap shared resource pools, inside or outside the company. Examples include:

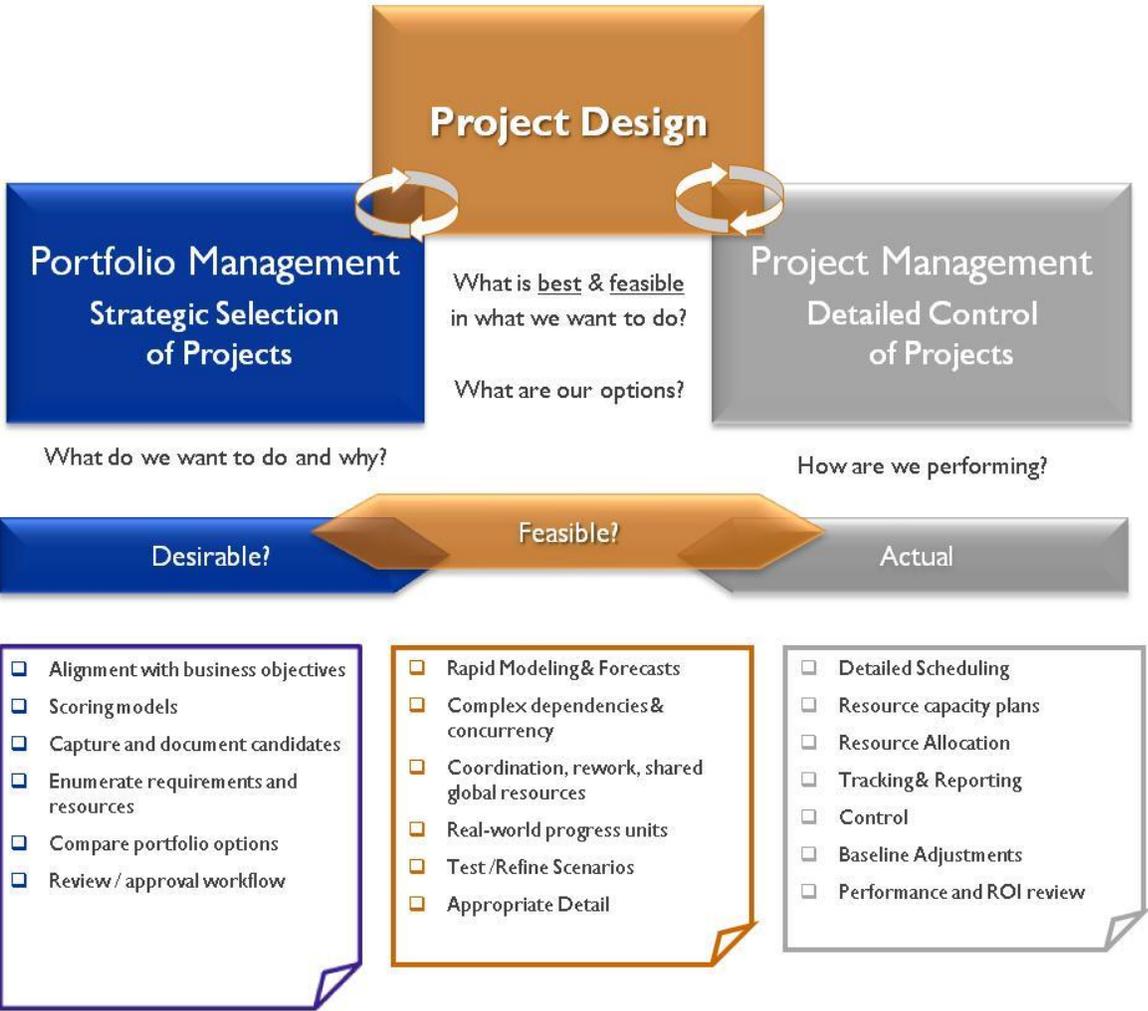
- IT Portfolios, particularly those that span business units and functions
- Post-merger integration
- New product portfolios and calendars
- Managed services and outsourcing transitions
- Strategic transformation

Where Does Good DESIGN Matter?

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What Makes
DESIGN
Different?

The figure below illustrates the importance that DESIGN plays in bridging the gap between traditional portfolio management and detailed project planning and management. When deployed effectively, DESIGN encourages interaction and iteration to improve both strategic selection of projects and successful implementation.



Where does
DESIGN fit?

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Seasoned business strategists, IT executives and project management professionals readily appreciate the unique design concepts and capabilities embodied in Global Project Design's TeamPort™ approach and software.

These capabilities intentionally complement and extend traditional PPM techniques and tools, rather than try to replicate them:

- **Rapid Modeling and Forecasts** – highly interactive, collaborative modeling environment that captures “best current thinking” about the structures of Product (output), Teams, and Work. Particularly effective during the “fuzzy front-end” of portfolio design
- **Complex Dependencies and Concurrency** – realistic expression of work that proceeds in parallel, but with substantial interaction. Captured visually and automatically incorporated into forecasting of portfolio performance.
- **Coordination, Rework, Shared Global Resources** – realistic handling of the 40% or more of effort, cost and schedule that is not associated with direct work.
- **Real World Progress Units** – ability to design and forecast progress in units of output or results, in addition to traditional effort and costs. Senior executives generally think in these real world units (components delivered, consolidations completed, courses delivered) when making trade-offs, setting expectations and measuring progress.
- **Test and Refine Scenarios** – the ability to quickly see the consequences of altering portfolio configuration, project assumptions and resource levels on overall portfolio performance.
- **Appropriate Detail** – rapidly converts a modest amount of input into in useful insights, baseline portfolios drawn from a preferred scenario. Avoids the traps of pseudo-accurate data entry and excessive structure that prevent typical project management tools from supporting effective design.

*It's better to be reasonably correct
than precisely wrong ... and late.*

GPD's TeamPort™ method and software incorporates experience and insights from complex portfolios and projects in industries and applications that include:

- electronics and aerospace new product introduction;
- software and systems integration development and deployment
- petroleum exploration and chemical production
- offshore and managed services deployments.

GPD's approach incorporates extensive research at MIT and University of Tokyo into the interaction and performance of teams in actual complex global environments.

A Fresh
Approach
to Portfolios