Portfolio Management Made Easy with Project 2013

Presented by Jacques Goupil

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Today’s Speaker

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- Microsoft Community Leader Award 2012
- PDD Instructor and Speaker at PMI-MN 2013 Conference, Project Summit 2013, and Microsoft Project Conference 2012
- Board Member of the Boston YMCA, and Boston & South Florida MPUG Chapters
- Lead SME and writer for the MCTS Exam 70-178, Managing Projects
- MPUG Project 2010/2013 Certification Instructor
- Life-long trainer and consultant with strong background in project management, specializing in developing and improving PM processes for clients and training.
- Volunteer with the YMCA, enjoy traveling with family, and training for races.
Today’s Agenda  9:45 – 10:45

Topics
• Benefits and Challenges of Portfolio/Demand Management
  • Project Online/Project Server 2013 Overview
• Understanding project selection
• Resource utilization and capacity/demand tracking across your organization in order to select portfolios
• Scenario based analysis
• Increased flexibility with Scheduling

Call to Action and Reference Links/Materials
Session Goals

Goals:

1. Make your portfolio management easy
2. Understand the Demand Management benefits of Project 2013
3. Determine how to select the right projects
4. Get your Questions answered
Questions for the Audience
By a show of hands

1) Who uses a Project and Portfolio Management Tool?

2) Who uses Microsoft Project Server?
   1. 2007?
   2. 2010?
   3. 2013?
   Project Online?
“Analyzing what you haven't got as well as what you have is a necessary ingredient.”  
Orison Swett Marden

“The first rule of any technology used in a business is that automation applied to an efficient operation will magnify the efficiency. The second is that automation applied to an inefficient operation will magnify the inefficiency.”  
Bill Gates

Quote from Jawaharlal Nehru
Portfolio Management made Easy with 2013

Topics

• **Benefits and Challenges of Portfolio/Demand Management**
  • **Project Online/Project Server 2013 Overview**
  • Understanding project selection
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What is Demand and Portfolio Management?

Demand Management
- Capture all Projects & Proposals
- Establish business value

Portfolio Management
- Select the Right Projects
- Identify business value

Project Management
- Deliver the Project
- Realize business value
PPM Terminology

• **Demand Management**: a unified view of all work in a central location. The process of capturing all project initiatives to gain visibility, standardize data collection, enhance decision making, and instill governance to all initiatives.

• **Project Portfolio Management**: “the centralized management of one or more portfolios, which includes identifying, prioritizing, authorizing, managing and controlling projects, programs, and other related work to achieve specific strategic business objectives” – PMI™

• **Project Portfolio**: a collection of projects or programs and other work that are grouped together to facilitate effective management and share the same cost or resource constraints.

• **Business Drivers**: unique, measureable strategic business goals.

• **Impact Statements**: the description associated with project impact rating levels from none to extreme.
PPM Terminology

- **Portfolio Analysis**: Analyzing and committing projects that will yield the most value (ROI) for the portfolio
- **Cost Analysis**: process of applying cost constraints
- **Resource Analysis**: a subset of cost analysis; process of applying resource constraints
- **Governance**: provides a set of guidelines to effectively create and deliver all types of work, enhance accountability and align spending with the organization’s strategic objectives
Benefits of Portfolio Management

• **Right mix of Projects:** Optimize the returns on the *entire* portfolio

• **Balanced Risk:** Just like your Stock/Investment Portfolio - Minimize risks and optimize returns

• **Balanced Resource Allocation:** PPM quantifies and compares projects resources

• **Strategic Alignment:** Redirects projects with business objective change

• **Optimize Budget:** Align projects (investments) with

• **Project Success:** Elevates communication and ensures projects receive the support for success and ensure alignment between projects and business strategies.
Recognize when Portfolio Management is needed

Many companies focus on managing and executing individual project but do not concentrate on the portfolio or their projects.

The Result: Pool or suboptimal performance, returns for the entire portfolio

Recognize when Portfolio Management is needed

• Unclear goals and/or missing strategic objectives
• Prioritization and Alignment of goals and strategic objectives is not defined thoroughly
• Project selection and prioritization process is not well defined or based on weak process/methodology
Successful Project Portfolio Management

Are we investing in the right initiatives based on the company business priorities?

Which investments will produce an optimized portfolio of project?

Are there areas that we are willing to forgo strategic alignment?

What are the consequences of changes in strategic direction?
Microsoft project portfolio management

Create
Demand management

Select
Portfolio management

Plan
Work Planning & Resource Management

Manage
Collaboration & Reporting Time Management
Project Portfolio Management Solution
Microsoft Project 2013

Create Projects
- Business case development
- Risk Assessment
- Strategic Alignment
- Resource Needs
- Benefits
- Business Objectives Ranking

Select the Right Projects
- Project Prioritization
- Cost/Benefit Analysis
- Project Selection
- ROI

Plan & Manage
- Plan and Manage the projects
- Resource Management
Microsoft PPM Solution
Microsoft Project Server 2013 or Microsoft Project Online
Take action

Get started quickly

Simple guide
Take action

Access virtually anywhere

Project web app

Rich scheduling capabilities in Project Web App (PWA).
Portfolio Management made Easy with 2013

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Understanding Portfolio Selection - Analysis with Project Server 2013 or Project Online

Defining and communicating business strategy

Driving executive consensus around business driver priorities

Objectively prioritizing competing projects

Identifying optimal portfolios

Portfolio Selection and Analytics Challenges

Align business drivers, prioritize project portfolio investments, and **deliver** results with the intended business value to maximize ROI.
Understanding Portfolio Selection-Analysis
with Project Server 2013 or Project Online

Preparing the solution for Project Selection and Portfolio Analysis

1) Strategic Objective: Defining your Business Drivers and Impact Statements

2) Project/Proposal Priorities: Prioritizing your Business Drivers, Cost assignment (Consensus and the Consistency Ratio)

3) Portfolio Constraints: Analyze portfolio based on high-level Cost categories and time-phased resource requirements
   Cost Constraint Analysis selects projects yielding the most value with the lowest cost

4) Portfolio Analysis: Override tools selections (if necessary)
Strategic Objective: Business Drivers

• A Business Drive is **descriptive** and **measurable**

• Drivers must have the following criteria:
  1. Easily understood by everyone
  2. Be measurable
  3. Specific enough to allow a measured value to be assigned (Impact Statement)

Examples: Improve employee satisfaction, Expand into new markets, etc.
Strategic Objective: Impact Statement

- Impact Statements allow each project to be measured against this business driver.
- The impact rating describes how strongly a given project contributes to the business driver.
- Default Ratings range from None to Extreme
Driver Prioritization Type

• Two ways to prioritize business drivers:
  
  • **Calculated**: Rate the importance of each driver against each of the other drivers selected in the prioritization using Microsoft’s fixed seven-point scale.
  
  • **Manual**: Manual prioritizations allow portfolio managers full flexibility to specify priority values for each driver.

• **Department**: Drivers can be viewed by all departments or only individual department. The prioritization's department selection will filter the list of available drivers to be prioritized.
Manually vs Calculated Priority Type

Use **Manual** if ...
- You already have a prioritized list for your business drivers
- You want flexibility to change the weight of the Prioritization Allocation.
- If a third party tool or spreadsheet is already used to prioritize business drivers

Use **Calculated** if ...
- You are not sure which to use
- Want drivers to be compared with the same weight.
Review Priorities

• Driver Priority will be listed by priority order
• The Consistency Ratio – Microsoft’s algorithm with review your pairwise matrix selections to confirm there is consistency.
• Most organizations strive for a Consistency ratio of 80% or higher

What should you do if your ratio is below 80%?
• Confirm the Drive Prioritization (again)
  • Rule out any mistakes
  • Information received
• Validate the prioritizations
  • Did the team spend quality time on the priorities?
  • Are the drivers misaligned or poorly defined
Strategic Impact: Setting individual projects

• The projects need to have the Strategic Impact completed for Portfolio Analysis
Strategic Impact: Confirming Resource Plan

- The resource plan is used to estimate resources at the early stages of project initiation (rough estimates). Estimate in hours, days, or FTE.
  - Resource Plan - early stage (rough) estimates
  - Project Plan – when project is scoped the resource estimates is more accurate
  - Project Plan until – used for rolling estimates. Allows the portfolio to split the resource estimate between project plan and resource plan. If you have part of the project in execution and resource plans for other parts.
Demo of Project

Understanding project selection

Understanding project selection

Business Drivers

- Definition (Impact Statements)
- Pairwise Comparison
- Priority Matrix

Prioritize Projects

- Resource Plan
- Score Business Drivers
- Compare Projects
Portfolio Management made Easy with 2013

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• Increased flexibility with Scheduling

Call to Action and Reference Links/Materials
Resource and Demand Utilization Tracking

Project Server 2013 allows for real-time resource and demand tracking

**Resource Center:** View resources availability and assignments

1) **Resource Assignments:** Allows visibility of resource assignments across all projects
2) **Resource Availability:** Shows assignments by resource, project, and remaining availability

Notes on Generic Resources:
- Role or skillset (example: Project Manager, Development, Analyst)
- Used for resource forecasting by Role
- Can be a placeholder if resource is not known
- Mapped to named resource in resource details
See all demand to accurately identify resource surpluses and deficits.

Flexible PPM
Effectively manage resources

Compare demand to capacity
Demo of Project

Resource utilization and capacity/demand tracking

Resource utilization and capacity/demand tracking

Resource Utilization

- Resource Assignments
- Resource by Project
- Remaining Availability
- Work
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Scenario-based Analysis

This is the sweet spot for Project Server 2013

• Using Cost and Resource Constraints to run what-if scenarios
• Save the baseline (if you had full budget and resources for all the projects
• Leverage Project Dependencies
• Force-in or Force-out specific projects (Regulatory, Executive ‘Pet Project’)
• Generate New Hire Reports and Resource Deficiency reports
• Revisit and Re-analyze the Portfolio when needed
Scenario Based Analysis

Visualize your portfolio or projects

Rationalize your decisions

Scenarios (Cost and Resource)
Can save multiple scenarios
Flexible PPM

Improve governance & control

Optimal portfolio

Evaluate portfolio investment and select optimal project portfolios.
Flexible PPM with Portfolio scenarios

Make data-driven decisions

Resource deficiency

Scenario-based comparison reports
Flexible PPM with Portfolio scenarios

Make data-driven decisions

New Hire reports
Flexible tool allows force-in/out and shows all project movement (in/out) from the last scenario.
Flexible PPM with Portfolio scenarios

Scenario Comparison Report
Great visibility with what-if analysis

Compare your portfolio scenarios prior to committing the portfolio

Compare Portfolio Selection Scenarios

<table>
<thead>
<tr>
<th>Portfolio Selection Scenario Name</th>
<th>Additional Resources (Work)</th>
<th>Projects Selected</th>
<th>Strategic Value</th>
<th>Additional Resource Constraint (Cost)</th>
<th>Additional Resources (Work)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$12M with 2 New Hires</td>
<td>1,322,800</td>
<td>12 of 24</td>
<td>69.24%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Baseline</td>
<td>0</td>
<td>11 of 24</td>
<td>60.07%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Compare Project Selection

<table>
<thead>
<tr>
<th>Projects</th>
<th>Priority</th>
<th>$12M with 2 New Hires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shared GPS devices for transportation</td>
<td>8.26%</td>
<td>Resourced</td>
</tr>
<tr>
<td>Print Advertising Campaign System</td>
<td>8.15%</td>
<td>Resourced</td>
</tr>
<tr>
<td>Acquisition Target Analysis</td>
<td>7.84%</td>
<td>Resourced</td>
</tr>
<tr>
<td>E-campaign to bloggers</td>
<td>7.34%</td>
<td>Forced-in</td>
</tr>
<tr>
<td>Removable protective lining</td>
<td>7.29%</td>
<td>Resourced</td>
</tr>
<tr>
<td>Knee and Elbow Pads</td>
<td>6.03%</td>
<td>Resourced</td>
</tr>
<tr>
<td>Catalog Publishing</td>
<td>5.82%</td>
<td>Resourced</td>
</tr>
<tr>
<td>Lync 2012 Enterprise Deployment</td>
<td>5.62%</td>
<td>Resourced</td>
</tr>
<tr>
<td>Audit Tracking Solution</td>
<td>4.99%</td>
<td>Resourced</td>
</tr>
<tr>
<td>Helmet with integrated survivor</td>
<td>4.88%</td>
<td>Not Resourced</td>
</tr>
<tr>
<td>Data Exchange and Integration</td>
<td>3.91%</td>
<td>Not Resourced</td>
</tr>
<tr>
<td>Internal Software Database Audit</td>
<td>3.69%</td>
<td>Not Resourced</td>
</tr>
<tr>
<td>Voice Recognition Product</td>
<td>3.55%</td>
<td>Not Resourced</td>
</tr>
</tbody>
</table>
Analysis Options can be set for the portfolio.

Flexible PPM with Portfolio
Multiple scenarios

Project Dependencies
Resource Type (Internal/External)
Allocation Threshold
Cost Rate Table
Committing Project Scenarios

Commit the scenario when ready

Committing the Scenario may trigger approval workflows
Demo of Project

Scenario-based Analysis

Portfolio Comparisons
- Baseline
- Cost Analysis
- Resource Analysis
- What-if Scenarios
Portfolio Management made Easy with 2013

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• **Increased flexibility with Scheduling**

Call to Action and Reference Links/Materials
Manage and Execute your projects via the web with ease. Increase visibility and collaboration.
Manage a project's lifecycle through each stage by utilizing Visio to enable the creation and management of visual workflows in SharePoint Designer.
Strengthen everyday collaboration

Make data-driven decisions

Rich reporting tools with a familiar Excel-like experience help you quickly and easily measure progress.
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Call to Action

Calls to Action
1. Start incorporating these techniques today
2. Complete survey and register your PDUs
3. Check out our Blogs / webcasts
4. Get LinkedIn with me (Jacques Goupil)
5. Let me know if you have any questions

LinkedIn: www.linkedin.com/in/jacquesgoupil/
Our Site: www.ppmworks.com
Blog: http://blogs.ppmworks.com
References PPM

Helpful Sites

- Main Product Site
  http://www.microsoft.com/project/
- MPUG site: http://mpug.com
- PPM Works: http://ppmworks.com

Helpful Links

- Solution Comparison:
- Hitchhikers Guide to Demand Management:
- Portfolio strategy with Project Server 2010

Helpful BLOGS

- http://blogs.msdn.com/project/  Project Team
- http://blogs.msdn.com/chrisfie  Christophe F (MSFT)