

PMI GovCOP

Building Bridges Without Borders: Project Management Process Improvement on a Global

Ontario's Ministry of the Environment —Growing a Culture of Project Management,
by Ann Marie Weselan and Amanda Boyden **pg 52**

Streamlining Business Processes in Government *by Maura Imperato, PMP* **pg 38**

Delivering Value from Public Sector Change Programmes *by Roger Davies* **pg 44**

Mortal Hazard

Why catastrophic events like the sub-prime mortgage crisis and climate change are inevitable
by Bryne Purchase **pg 32**

Extract from an essay reprinted with the permission of the author & The Walrus Magazine

Unleashing the Dragon from the Den

Interview with David Barrett *by Denley McIntosh, PMP* **pg 96**

Book Reviews

Results Without Authority

Controlling a Project When the Team Doesn't Report to You

Author: Tom Kendrick **pg 20**

Book Review by Diana Jonas, PMP

Transforming Government and Public Services,

Realising Benefits through Project Portfolio Management

Author: Stephen Jenner **pg 68**

Book review by Donna Rampersaud, PMP

GovCOP Columnist

'Don't Eat the Marshmallow' —
Pro-active Steps to Avoid Distractions

Column by Michelle LaBrosse, PMP **pg 62**

Side Stepping Complexity

Author: Philip R. Diab **pg 74**

Book Review by Malado Callahan, PMP

Project Stakeholder Management

Author: Pernille Eskerod, and Anna Lund Jepsen **pg 82**

Book Review by Vahid Spencer, PMP



PMI GovCOP MAGAZINE

April 2013 CONTENTS

Spotlight on Community

- 4, 5 Message from the Outgoing Community Manager, Letter from the Editor
- 8, 36 GovCOP Council Members, 2013 Membership Report *by Winnie Liem, PMP*
- 9, 10 GovCOP Achievements, Membership WIFM? GovCOP Subscriber Benefits
- 16, 18, 20 NEW Communications Team Survey *by Diana Jonas, PMP* NEW Index of Past Magazine articles, *by Ani Hovnanian, PMP*
- 7 Online Knowledge Management Survey Results *by Winnie Liem, PMP*
- 95, 112 COP Mission, Vision, Government Extension to the PMBOK® Guide, Editorial Guidelines

Spotlight on Practices

- 20 Results Without Authority, Controlling a Project When the Team Doesn't Report to You, *Author: Tom Kendrick, Book Review By Diana Jonas, PMP*
- 68 Transforming Government and Public Services, Realising Benefits through Project Portfolio Management *Author: Stephen Jenner Book review by Donna Rampersaud, PMP*
- 74 Side Stepping Complexity *Author: Philip R. Diab Book Review By Malado Callahan, PMP*
- 82 Project Stakeholder Management *Author: Pernille Eskerod, and Anna Lund Jepsen Book Review By Vahid Spencer, PMP*

Spotlight on Practices

- 52 It's Alive! Growing a Culture of Project Management at Ontario's Ministry of the Environment *By Ann Marie Weselan and Amanda Boyden*
- 106 Risk Management and FEMA's Risk MAP Program *By Mike Godesky*
- 44 Delivering Value from Public Sector Change Programmes *by Roger Davies*
- 38 Streamlining Business Processes in Government *By Maura Imperato, PMP*
- 32 Mortal Hazard - 'Why catastrophic events like the sub-prime mortgage crisis and climate change are inevitable' *By Bryne Purchase*
Extract from an essay reprinted with the permission of the author & The Walrus Magazine
- 88 Best Practices in Adapting PMBoK Guidance for Human Resources Projects
By Fred Fanning, PMP

Spotlight on People

- 96 Interview with **David Barrett** 'Unleashing the Dragon from the Den' *written by Denley McIntosh, PMP*
- 62 **GovCOP Columnist: Michelle LaBrosse**, PMP: *Don't Eat the Marshmallow* — Pro-active Steps to Avoid Distractions
- 12 Mastering People Skills *Author: Frank Saladis, PMP Book Review By Colleen Elliott*
- 102 Improving People Skills — the key to better Project Management
By Jim Czeglédi

PMI GovCOP MAGAZINE

GovCOP Magazine is published biannually by the Project Management Institute Government Community of Practice.

Project Management Institute Headquarters
Four Campus Boulevard
Newtown Square, PA 19073-3299 USA
Tel +1-610-356-4600
E-mail pmihq@pmi.org

COP Communications Team 2013

MANAGING EDITOR

COMMUNITY LEADER COMMUNICATIONS

Diana Jonas, PMP (Canada)

ONLINE EDITOR

Ani Hovnanian, PMP (Canada)

SPECIAL PROJECTS LEAD

Denley McIntosh, PMP (Canada)

TECHNICAL ADVISOR

Octavio Escalante, CAPM (Mexico)

CONTRIBUTING WRITERS

Maura Imparato, PMP (USA)

Vahid Spencer, PMP (Canada)

Malado Callahan, PMP (Canada)

Donna Rampersaud, PMP (Canada)

Online inquiries can be made at

www.government.vc.pmi.org



If you would like to **volunteer** with the COP email: **Winnie Liem, PMP** or any COP leader of your area of interest.

If you have an article to share, ideas for stories or interview subjects, or any suggestions for the magazine, refer to the **editorial guidelines** published in this magazine then contact the **Community Communications Leader**:

Diana.Jonas@vcleader.pmi.org

Want to be recognized as
**Serious, Enthusiastic
& Dedicated**
about Project Management?



[Learn more >>](#)

“PMI” and the PMI logo are registered trademarks of the Project Management Institute, Inc.

Customer Service

WEB: <http://government.community.pmi.org>
(for address changes or customer service)

E-MAIL: The managing editor (include your full name and subscription address; no attachments, please)

PERMISSIONS: To reuse material from this publication or its Web site, or to use our logo, contact the managing editor.

REPRINTS: Contact the author individually (provided at the end of each article) and notify the executive editor.

SUBSCRIPTIONS: Join PMI and then the COP. GovCOP is a member- and sponsor-funded not-for-profit organization. To become a member of GovCOP, go to www.PMI.org.

“PMI,” the PMI logo, “PMP,” the PMP logos, and “PMBOK” ® are registered marks of Project Management Institute Inc. in the United States and/or other nations.

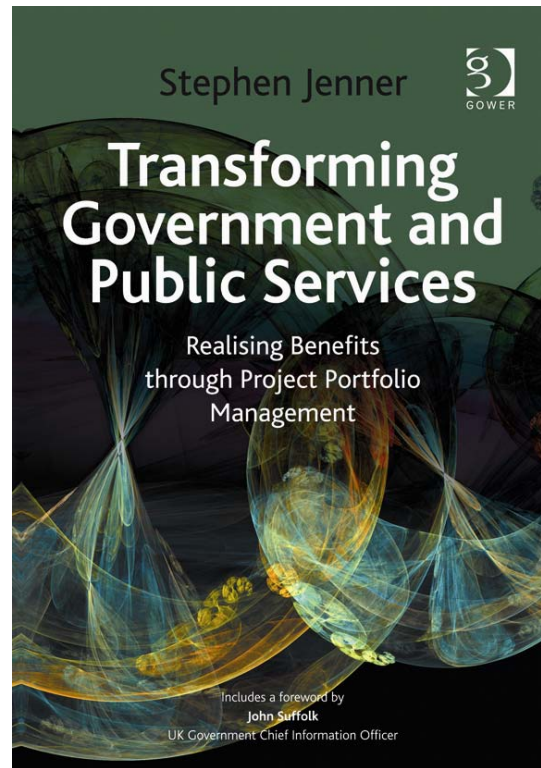
Current magazine design thanks to previous volunteer **Vajitha Ghose, PMP**. Any errors/typos or design glitches are the fault of the volunteer managing editor—all help welcome!

Published in Canada.

PUBLISHED BY
GOWER PUB CO, 2010



Stephen Jenner has 25 years experience in finance and programme management roles in the public sector including the UK Senior Civil Service from 1999- 2011. He was Director (Ministry of Justice) on secondment to the Transformational Government Group in the UK Cabinet Office. From 2005-08 he headed the CJS IT portfolio, a GBP 2bn investment in modernising justice. The approach adopted won the 2007 Civil Service Financial Management award and has been recognised internationally in reports to the European Commission, the OECD and in a short case study by Gartner. He is the co-author and chief examiner of the OGC's Management of Portfolios® and author/chief examiner for Managing Benefits™ from APMG.



In his book, *Transforming Government and Public Services, Realising Benefits through Project Portfolio Management* author **Stephen Jenner** uses his extensive experience in finance and programme management roles in the public sector to explore the case for project portfolio management, how the potential benefits can be realized, and the tools, techniques and processes that have been proven to work in complex transformational change programmes in both the UK and abroad. He supports his recommendations with examples from the practical application of these techniques in both in the private and public sectors, as well as the evidence from academic and industry research. The intent of the book is clear with a glossary that proves helpful in understanding the terminology used in a different environment. Throughout the book several key themes reappear, however, Jenner relentlessly advocates for treating projects as investments and having a 'clear line of sight' from strategic intent through to benefits realization.

Public sector project managers can definitely relate to the need for government transformation whether it is implementing project portfolio management or other change initiatives as we are under pressure today to deliver more with less due to the current economic

crisis. We are being asked to be more vigilant on the use of business and IT assets and the provision of evidence showing improved performance that demonstrates optimized value for each hard earned tax dollar. As Jenner explains, the pressure on the public sector to deliver improved services is building and must become more customer focused, and at the same time, we must realise efficiencies and savings and this need has never been greater. Of course, all this must be considered and realized in spite of shrinking budgets and rising citizen and business expectations.

Often times we have too many projects and not enough capacity to deliver, inefficient resource management, projects that do not add value, outcomes not matching goals and unbalanced portfolios. This in itself demonstrates the need for effective project portfolio management. However, to move any organization towards a project portfolio management mind set will be a huge change since this type of change is complex and encompasses technology, business processes and aspects of 'people change'. These three areas should be managed simultaneously rather than sequentially for the change to be effective. Jenner outlines a scenario public sector project managers are all too familiar with i.e. the fact that changes often cross organizational boundaries making them highly complex and requiring flexibility in order to adapt and respond to frequent shifts in policy and new legislation.

While it is clear to most that implementing project portfolio management in the public sector will definitely result in improved outcomes and now, more than ever, is critical to the success of the public sector projects given the current environment, the challenge will be convincing the decision makers that there will ultimately be sufficient ROI for undertaking project portfolio management across their enterprise. In his book, Jenner provides useful tools, processes and tips to implement project portfolio management, however, he is careful to note that the 'people change' side of the initiative will definitely require significant time,



investment and individual customization as it relates to each specific organization.

Origins and definition of Project Portfolio Management (PPM)

Jenner cites two definitions of project portfolio management from two UK organizations: one from the **Office of Government Commerce (OGC)** and the other from **The Nation Audit Office (NAO)** and concludes that essentially portfolio management is about prioritizing and selecting the optimum mix or collection of projects and programmes in terms of their:

- **Return or Attractiveness** – maximising impact, including financial returns and contribution to strategic objectives and business priorities; and
- **Risk or Achievability** – ensuring that the collection of change initiatives is deliverable, that constraints (including availability of skilled resources) and dependencies are effectively managed and the overall business change impact is manageable.

Also subject to the third 'A' of Affordability – matching the portfolio to the funding profile that is available over the planning period. He added this is not a once-off or annual planning exercise; rather it is an active, dynamic process in which resource allocation

is continually adjusted to match project performance and changes in organizational priorities and the environment. It should also be noted that portfolio management can be applied at different organizational levels, for example, at the corporate, departmental or business unit level.

The Case for Project Portfolio Management

The case was first made in 1981 when **Warren McFarlan** argued for a risk based approach to selecting and managing IT projects both individually and as a portfolio. In 1998 **John Thorp's** '*The Information Paradox*' and its focus on IT-enabled change caused an increase in

interest. Another stimulus to the growing interest in project portfolio management has come from the perception of continuing failure in project and programme delivery and benefits realisation. **This is not a localized perception, a study by the Standish Group (2004) reported an average cost escalation on IT projects of 43% and 71% of projects were late, over budget and under scope.**

Such failings have been attributed, at least in part, to the absence of portfolio management processes and techniques.

Four generic problems are associated with the absence of project portfolio management:

1. **Too many projects,**
2. **Projects that do not add value,**
3. **Projects that are not linked to strategic goals,**
4. **An unbalanced portfolio.**

There is a strong theoretical case for using project portfolio management to improve prioritization of initiatives against organizational priorities, maintain strategic alignment and effectively manage constraints and dependencies across the whole collection of change projects, programmes and initiatives. But what evidence is there that the application of a portfolio management approach has led to improved performance in practice? Given the fact that project portfolio management is relatively new and issues associated with meaningful outcomes measurement exist, it's clear that today PPM results have not yet been subject to serious and systematic evaluation. However, Jenner's theoretical case is supported by his own research and evidence such as case studies cited in the book that do, in fact, demonstrate that portfolio management can reduce costs, enable performance improvement and reduce risks. The researchers conclude that as organizations increasingly adopt project portfolio management approaches, the positive impact is strengthened.



The Prerequisites for Successful Implementation of Project Portfolio Management

Many organizations struggle to implement portfolio management effectively – they are unsure where to begin, how to sustain progress and how to ensure their efforts amount to more than just another layer of bureaucracy.

There are four prerequisites upon which effective, repeatable project portfolio management processes can be built:

A clearly articulated organizational strategy – this allows

the portfolio to be aligned strategically and provides a clear statement of the objectives or vision of a strategy, how the objectives will be achieved and what the agreed measures of success will be. He recommends the use of strategy and benefits mapping and provides an example of a strategy map to demonstrate the benefit of its use.

Top management support – demonstrates that senior management is committed to the

change and they provide mechanisms to prioritise the project portfolio in line with business objectives, ensure there is capacity to support the portfolio and that represents the optimum balance between benefits and risk. They create a clear decision making structure so that the right decisions are made quickly in line with business strategy.

Team skills and the project portfolio management function – the existence of a function able to drive the development of project portfolio management over an extended period and to provide the required analysis and reports to governance bodies is crucial. Setting up a PMO will be dependent on the organization's need. He talks about the key role of the PMO and the Portfolio Manager/Analyst.

Modular or incremental project planning – investments should be managed in the light of performance, changed circumstances and organization learning.

Expertise in project and programme management and software tools are valuable in improving delivery, however, they are not prerequisites.

Project Portfolio Management Processes

There are four key project portfolio management processes: **Establishing the Portfolio, Investment Management, Managing the portfolio ‘In Flight’ and Active Value Management.**

Establishing the Portfolio

Establishing the change portfolio encompasses four elements:

- ◆ Deciding on the scope of the portfolio – what is in and what is out.
- ◆ Agreeing on standardised processes, templates and guidance.
- ◆ Determining the investment criteria that will be used to select and prioritize investments.
- ◆ Portfolio Segmentation – splitting the portfolio into organizationally appropriate categories, for example, by project type or investment objective.



Investment Management

Jenner advocates treating projects, programmes and other change initiatives as ‘investments’ with a view of the portfolio as whole, taking into account dependencies, inter-dependencies and constraints. In terms of strategic coverage there must be a fine balance and the risks associated with long or short term returns must be considered and accepted collectively across the entire portfolio.

The projects should be carefully appraised to determine their priority in the portfolio. This should be done with consideration to the project attractiveness and in the context of their achievability. Measures of attractiveness will depend on the purpose of the investment while measures of achievability

need to take account of technical and project deliverability as well as confidence in benefits realization. Jenner further explains the techniques, method and issues with appraising projects. One of the key issues he cites is cost and benefits estimations are inaccurate and compromise the reliability of the data used to make investment selection and portfolio prioritization decisions. In some cases costs are underestimated and benefits are overstated to get the business case approved or obtain funding. He also talks about Management Scorecards and Multi Criteria Analysis (MCA), the advantages and disadvantages and the creation and use of portfolio maps in deciding on the portfolio.

On the creating the portfolio, he says management intuition and judgement are important but they need to be informed by evidence, the answer lies in recognising data and analysis can’t make the decision, but they should inform management decision making. Inclusion in the portfolio should encompass considerations of affordability, opportunity costs, flexibility, dependencies and inter-dependencies, scheduling, duplicate and overlapping projects and balance and should be done using more than one value lens.

Managing the Portfolio ‘In Flight’

Managing a portfolio is an active, ongoing process to ensure strategic alignment is maintained, returns are optimised, risks are managed effectively and investments

deliver on promises.

Effective portfolio management is:

- **An active rather than passive process.**
- **Value driven.**
- **Planning for success.**

The main elements of managing the portfolio ‘in flight’ are managing the portfolio entry point, managing the project ‘funnel’ via a project phase/stage gate process, undertaking portfolio level reviews and regular dashboard progress reporting.

Active Value Management

Value led project portfolio management has at its heart a focus on benefits that run throughout the portfolio manage-

ment process and this in turn requires establishing a benefits framework. Benefit claims must be robust and realisable, benefits must be placed at the center of the portfolio management and investment appraisal processes. Wherever possible 'book' the benefits by adjusting unit budgets or reducing target unit costs. Look beyond realising forecast benefits to value creation.

Implementing and Sustaining Progress

Successful implementation of project portfolio management is best achieved if done incrementally and with the existence of the four prerequisites. Three additional considerations should be factored in:

1. A phased implementation.
2. Building on existing processes and aligning portfolio management processes with the organization's existing strategic and business planning, budgeting and resource allocation and performance management processes.
3. A sustained training program that differentiates between project and programme management on one hand and portfolio management and on the other.

According to Jenner, factors identified as important in sustaining progress include:

1. Involving business executives from the start.
2. Continuity in key personnel.
3. Training of key personnel on an ongoing basis to minimize the impact of staff turnover.
4. The existence of a project portfolio management function to provide independent advice, support and analysis.
5. Use of appropriate software tools to streamline processes.



6. Embedding project portfolio management in the organization's planning, resource management and performance management regimes.

Achieving the full benefits of project portfolio management, however, also requires that we look beyond processes to:

Effective governance

- Direct and active involvement of senior leaders.
- Active engagement of business executives in projects from the start.
- Exceptions from the process require formal approval.
- Recognition that we operate in an imperfect world.
- Active rather than passive governance.

Appropriate behaviours

- Communicating and actively engaging those involved.
 - Leaders that 'walk the talk'.
 - Aligning the reward and recognition systems with the new behaviours.
- **An acceptance that progress requires commitment, patience, tenacity and grit.**

Measuring Success

Measurement plays an important role in communicating the priorities of the change programme and by providing a means to assess and reinforce progress. It can also help win support by demonstrating impact and payback in terms of organizational process efficiency and project outcomes. Jenner states that while most project portfolio management texts and guides include reference to a maturity framework against which organizations are encouraged to assess themselves and use in planning their roadmap for development there are a number of issues using these maturity models.

He argues that consideration needs to be given to how we measure the change portfolio as a whole – process is important but only if it leads to results and proposes an approach based on a diagnostic model that encompasses process, governance, and behavioural dimensions and that, rather than evaluating the organization against a preset definition of what maturity means at each level, engages the organization in a dialogue to determine what good looks like for the organization given its specific circumstances at a point in time. This approach he says provides a clear line of sight across the portfolio regime. A sample of the Change Portfolio Diagnostic Assessment Model is provided in the book.

While diagnostics and maturity frameworks are useful in assessing process maturity, it is also crucial that the effectiveness of portfolio management and the performance of the change portfolio as a whole are assessed to provide a clear line of sight from strategic intent through to benefits realization.



Jenner recommends that the suite of metrics should encompass both leading and lagging indicators covering four key dimensions of project portfolio performance: **delivery, efficiency, balance and impact.**

Metrics should also:

- Relate to the strategic objective of the portfolio and be tailored to the various types of the investment and the stage in the project life cycle,
- Be limited in number, and
- Encompass both qualitative and quantitative measures and indicators.

Conclusion

Jenner concludes there is a strong case, supported by academic and industry research for using project portfolio management for better outcomes. Additional benefits are linked with increasing portfolio process maturity and active management of the portfolio.

Jenner explains that project portfolio management processes and governance regimes come first and progress is built on the

foundations of the four prerequisites he outlines in his book. These prerequisites form the basis for effective portfolio management which is best approached, according to Jenner, incrementally, starting with basic key processes and building on what already exists within an organization.

Jenner cautions that achieving the benefits of mature portfolio management is no overnight exercise, however, this challenge can be overcome by adopting an appropriate approach to implementation and learning from the experience of others.

In addition, reading *Transforming Government and Public Services*, is a good first step to embarking on project portfolio management.

Please join GovCOP for a **webinar** with Stephen Jenner.
 June 24th, 2013,
PPM –Influencing the Weather?
 Sign up at: Government.vc.pmi.org

Donna Rampersaud, PMP, is a certified Project Management Professional with over 18 years of project experience, both in the technology and business areas and in both the public and private sectors. Donna has worked with clients across Ontario and globally on process improvements and implementing technologies and has a proven track record for effectively working with diverse stakeholder groups and building partnerships for successful outcomes. She has been with the Ontario Public Service for 8 years and has provided leadership for the implementation of several provincial systems.