

## «I want to implement projects that make a strategic contribution.»

«The impact of projects on contemporary society has become immense. Unfortunately, the evident wastage through improper selection of projects and/or their improper formulation and conduct is equally immense. Together, this represents a serious diminution of our collective capital assets and a consequent drag on our economies.»

Harvey A. Levine

### The Dilemma

Enterprise project portfolio management extends all the way from the vision of the executive suite, through project management to the actual realization of benefits, to the business itself and its consequent successful competitive positioning. Key to this new project portfolio lifespan is selection of the right projects in the first place.

The second thing to recognise is that we are dealing here with three different groups of people who don't speak the same business language. You have the governance group, that is, business executives such as CEOs, COOs, CFOs, CIOs, senior functional managers, or even strategic planners. These are the people who run the company within which projects take place and are responsible for keeping the organization afloat.

Then you have the program/project group, who plan and implement designated projects, and finally, you have the operations group, the production or «business-as-usual» people who keep the organization moving.

Each group has a different mindset.

Senior executives are interested in successful products and services. The program management group is interested in running successful projects, and the operations group is interested in efficient, cost-effective product deployment. So the primary project management issue for executive management is not «Will the project be 'on time' and 'within budget'?», important though that may be, but **«What benefits will this project bring to the organization, when, and how risky is it?»**

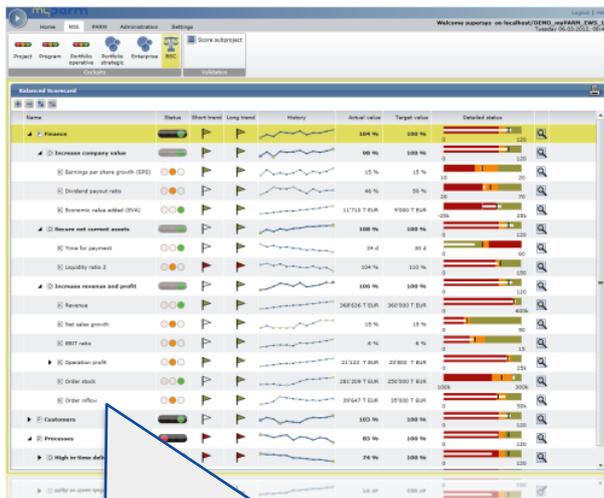


Enterprise project portfolio management encompasses five phased components as follows:

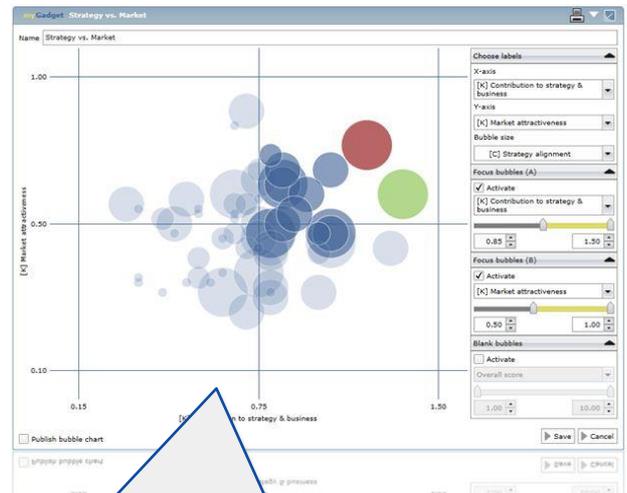
1. Identification of needs and opportunities (effective governance)
2. Selection of the best combinations of projects (the portfolios)
3. Planning and execution of the projects (project management)
4. Product launch (acceptance and deployment of deliverables)
5. Realisation of benefits (efficient operational usage).

The lifespan approach makes a cogent case for a consistent project management methodology. This is indispensable for generating and collecting the requisite project selection and decision-making data. But it makes an even stronger case for establishing a central project or program office to facilitate the collection and transfer of this data and unify the project direction, priority assignment of limited resources and so on. Such an office must also facilitate the transfer of requisite information back to the various project managers so that they have the information available for making rational **corporate-beneficial** rather than just **project-beneficial** decisions.

«This is how we fix the problem.»



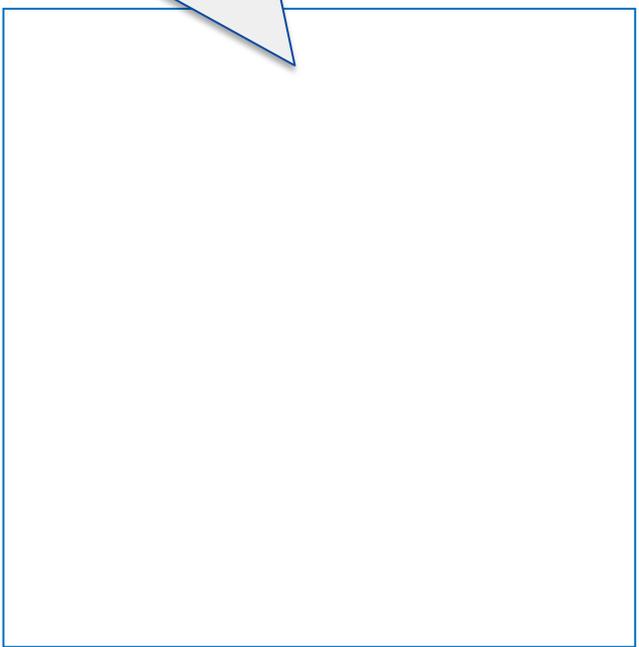
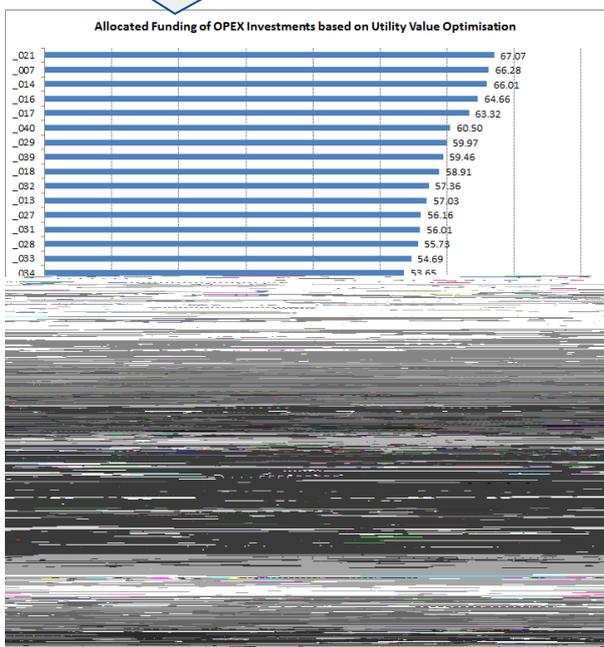
**Governance Level**  
Your perspectives, goals and KPIs together with trend indicators



**Enterprise Project Portfolio**  
Utility theory as basis for a multiple objective decision analysis

**Selection and Optimization**  
Selected projects based on the Monte Carlo Simulation

**Project Execution**  
Resource allocation as a main issue



**Further information**

Do you have any questions or would like further information on the application?  
Eduard Pfister will be pleased to give you a personal consultation and tell you more  
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