

The Role of Executives
in
Effective *P*roject *P*ortfolio *M*anagement

PPM

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Stating that executives need to be aligned with our portfolio management strategy seems intuitively obvious. But taking that from an intellectual statement to a behavior can be a challenge. If an alignment is not true, we soon find that new projects are being championed and interjected atop our current portfolio commitments and we are spending time defending a position rather than delivering upon it.

Assumption: Executives will impact Project Portfolio Management (*PPM*)

- Natural role in organization - decision-maker
- Formally or informally, executives will make decisions on portfolio content
- Those decisions will impact the portfolio
 - Direction
 - Ability to resource, to deliver

Informal executive decisions more typically increase the risk to achieving goals of *PPM*

- Approving lobbied-for projects outside of the process
 - Redirects investment of assets to special interests, not necessarily in strongest alignment or in balance with organization's strategy
 - behaviorally reinforces that *PPM* is hers alone, ensuring future circumventions
- "Piling-On" - deciding/demanding more projects be launched than can be resourced resulting in
 - lack of focus
 - lower % of projects completed and business objectives met
 - employee exodus when economy good

Optimization of executive impact on *PPM*

- Provide a specific role for execs in *PPM*
 - First - have a clear structure for *PPM*
 - Clearly define roles, accountabilities, source of information, review & decision calendars
- Role for execs: Investment Management - *IM*
 - Linkage: *IM* is the driver of *PPM*
 - Bound scope of executive decisions (strategy, alignment, investment categories, funding of investment, external implications)
- Transparency
 - Publicize the process
 - Publicize decisions

Leveraging executive decision-making ability

We want to tap in to that ability and direct it at the appropriate issues, at the appropriate level, in an appropriate forum that is consistent with the strategies and objectives of the enterprise

What is “appropriate” executive decision-making contributing to effective *PM*?

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