PPM Tool Selection and Implementation Considerations

By Andy Soodek

Many organizations engaging in Project and Portfolio Management (PPM) automation focus too much attention on the PPM tool itself as the answer to their challenges, and do not spend enough time planning the organizational and process transformation activities to drive real operational improvement, based on process best practices. Because tool vendors tout the benefits of using "out of the box" process accelerators to ramp up quickly, a common misstep many companies make is the underestimation of cost and effort associated with implementation, as well as the role of process maturity.

A well-defined PPM program is a system of processes, tools and people that can transform the focus of the organization, from a tactical focus on “run the business” activities to a strategic focus that fosters “growth through innovation.” Successful PPM implementations start with carefully defined goals and objectives; a phased release strategy; an understanding of total program costs; and a mindset to execute the program with strong discipline to achieve desired results. Successful companies understand that the value of a good PPM system drives enormous organizational value and requires a continuous improvement mindset that carries forward long after the implementation program is over.

A Case Study
In 2006, a PMO director of a financial services firm retained consulting services to develop a project management methodology but had little success in gaining organizational acceptance and adherence to the formal guidelines. Later, the director received funding (US$250K) to purchase and implement a PPM tool, for the express purpose of centralizing their project data in a single, centralized repository. Upon tool selection, the company brought in the PPM tool vendor’s professional services to stand up the service in a production environment. However, because no strategy or formal requirements were generated for configured functionality, the tool remained unusable and sat idle for the next four months, until additional funding could be acquired in a new fiscal calendar year.

The firm eventually brought in a consultant to drive PPM implementation and configuration strategy. Given that no strategic objectives had been defined upon purchase of the tool, and without a concrete understanding of how the project data should be used, the director asked that the consultant retrofit a business case for the acquisition of the PPM environment. Once the consultant completed initial analysis and the generation of a program roadmap and budget, the firm’s management was shocked at the cost required to enable use of the system. Significant costs associated with implementation of a development/test environment, program staffing, process reengineering, and ongoing maintenance and support simply caught management off guard. Ultimately, funding could be secured only to implement the first few phases of the program, but the roadmap for further phases and a strategy to achieve maturation were produced to serve as the guide to future success.

If you are reading this paper, you most likely already know that implementing a project and portfolio management (PPM) system can drive tremendous strategic benefits for
an IT organization, provided that you know what you plan to do with it. You may have already decided to invest in such a system but are unsure of what to consider. This paper provides general guidelines to the selection and implementation of a PPM tool. Although this paper does not make recommendations of specific tools, it provides advice to tool and process “owners” through the tool selection and implementation processes, uncovering the common considerations, concerns and critical success factors that can help or hinder the successful implementation and adoption of a tool as an enabler of PPM process. This paper provides insight into PPM implementations that the leading vendors won’t give you and which the market research firms can’t give you.

PPM tools deliver value in three key areas:

- **Financial and operational oversight of investment activities.** Through powerful reporting capabilities and analytical tools, managers should make better investment selection decisions and monitor those investments throughout their project/program life cycles. IT associates should be empowered to make critical, “game time” decisions regarding service development, given that they have a framework in which options are defined.

- **IT governance.** A PPM tool provides a repository for the capture of investment approvals, thereby demonstrating to auditors that investments are managed prudently and responsibly.

- **Enabling process.** Program and project management and development life cycle processes based on *A Guide to the Project Management Body of Knowledge (PMBOK® Guide)* – Third edition (Project Management Institute [PMI], 2004) can be partially automated to facilitate execution of complex tasks to make them easier to manage and work. Programs following formal methodology face lower risk and more predictable outcomes.

The benefits are even greater for those IT organizations that have also made the leap into IT service management (ITSM) methodologies. The ties between PPM and ITSM form the basis for comprehensive IT governance and management of IT as an enabler of business strategy. The integration of tools (e.g., PPM, Service Desk, configuration management database [CMDB]) rooted in these processes will significantly improve common management goals including:

- Communications and collaboration across disparate areas of the organization
- Aggregate collection of demand data (across development, testing and service support activities)
- Resource management capabilities to ensure that the “right” resources (human and infrastructure) are available and are assigned/allocated as needed across various efforts.

In addition to providing benefits in their own right, the information derived from various IT management systems serves as input into the portfolio management selection process. Use of a PPM tool’s analysis function strengthens management decisions regarding potential investments and the overall health of the organization.

The PPM tool is not a “magic bullet” IT governance system by itself, although it is critical component. A true enterprise governance system comprises a number of integrated or semi-integrated tools (Figure 1):

- Help desk/ticketing tool tied to a CMDB
- Asset management system
- Document management repository (including a governance process control documentation tool)
- Service catalog
- Testing tools
- Code repository
- Procurement system
- Financial/accounting management system
- Human resource information system (HRIS)

**Change Implication of a PPM Tool Implementation**

Implementation of a PPM solution will change your project management practices. While most organizations have some form of PMBOK®—based program/project management methodology, less mature organizations typically experience a degree of organizational process adherence. A PPM tool will drive more process formality and facilitate end user accountability, but it won’t shorten timelines or improve

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1 For specific PPM tool recommendations, the leading IT market research firms (Gartner, Forrester, AMR) provide annual surveys of the key market players, weighing their strengths and weaknesses, market positions, outlook, etc.

2 ITSM methodologies include: (1) Information Technology Infrastructure Library (ITIL)—a set of concepts and techniques for managing IT infrastructure, service development and service operations;

3 CMDB: Configuration Management Database—a repository of all information related to the components of an information system.
delivery quality alone. Missteps, defects and errors occur on almost every project. However, acknowledgment of risks up front allows project managers and stakeholders to plan and document appropriate mitigation strategies. The PPM tool will help set and communicate investment delivery expectations that, in turn, will help stakeholders plan their own activities in line with that outlook.

PPM tools are more than expensive project schedulers. If all you need is project scheduling, stick with MS Project as a desktop application. If, however, your organization needs to understand how one project’s schedule and resource requirements affect every other in-flight or future project, then a fully configured PPM tool will prove its worth.

Most importantly, know why you are purchasing a PPM tool, beyond centralized capture of project data, as was the case with the financial services firm in the case study. State your goals up front. Prioritize them and gain consensus from the program sponsor(s). As you develop your strategy and plans for the PPM implementation program, these goals will help shape your implementation roadmap. Without these goals set up front, you will have invested in a very expensive paperweight.

Evaluating Your Organization

Consider the Level of Effort to Implement a PPM Solution

A common mistake that many companies make when deciding to deploy a PPM tool is underestimating the level of effort required to implement and administer the application. PPM vendors commonly tout the simplicity of and short time required to implement their tool(s) in production. These claims are predicated on four unspoken, but major, assumptions:

1. The client organization is simply automating mature project and portfolio management processes.
2. The tools are often packaged with process accelerators based on standard best practices, which can help organizations ramp up quickly.
3. Tool flexibility allows customers to configure the application to fit the unique circumstances of every organization.
4. Rapid deployment of the tool turns on vanilla, “out of the box” functionality.

In fact, many of the PPM vendors use the speed of implementation as a key performance indicator for their own internal reporting. Therefore, they are incented to get your organization up and “running” as fast as possible.

Choosing a Tool in Order to Create and Implement a PPM Methodology

Companies typically choose a tool as part of a greater effort to create and implement a PPM methodology.

Most companies considering a PPM tool purchase do not have fully realized, mature PPM processes that they utilize. Often, the processes are just too complex to be effective. Successful operational adherence requires enabling technologies (such as a PPM tool) to automate workflows that support living processes. Further, PPM processes are just one part of the “IT governance” and/or the “IT as a business”
PPM processes must be developed with a nod toward these other efforts. Process integration breeds complexity but provides the benefits of operational excellence, risk mitigation and overall enhancement of portfolio management. The automation of any or all of these processes is likely to drive further process integration requirements.

PPM tool vendors build their process accelerators in a “one size fits all” design. Each vendor strives to design its tool for broad use by as many customers as possible. Further, the strategy of the leading software vendors is to group complimentary tools to create enterprise-wide IT governance systems. The goal is to create seamless systems covering both investment management and service/support components. Logically, it follows that if you buy a vendor’s PPM tool, you might also purchase its service desk tool. Process accelerators are created as product enhancements with the goal of facilitating additional sales. Unfortunately, every company has subtle differences, so while many of the conventions will prove useful to almost every customer, it is highly likely that some of the “out of the box” processes may require configuration adjustments to fit organizational controls. Companies are also highly likely to want to integrate toolsets from different vendors. In this case, even fewer automation elements of a process accelerator will be applicable in your environment, so processes will most likely require significant configuration changes.

Although the configuration capabilities of the leading PPM tools are robust, potential customers must understand that each tool introduces constraints that will require the organization to adjust its procedures to fit within the framework of the tool. Be prepared to modify your processes to fit the conventions and constraints of the tool.

Installing and turning on a PPM tool is easy. Unfortunately, without proper configuration, application support, procedural definition, documentation and end-user training, the environment is basically useless. In order to drive successful implementation, a number of resources must be assigned to specific roles as part of the implementation program:

1. **System Integration.** Every PPM vendor provides some form of professional services either directly through the vendor, through a partner or both. The guarantee of overall program success greatly increases if a PPM tool subject matter expert guides the organization through initial stages of implementation.

2. **Administration.** The three key functions that must be filled are application, infrastructure and reporting administrators. These positions will outline the tool implementation program; they will be called upon as long as the tool is in production. Given the complexity of the leading PPM toolsets, many of the leading PPM vendors provide training and certification for administrators. It is highly recommended that organizations plan for training costs and efforts to make sure they are adequately supported once the tool is in production.
   
a. **Application Administration.** The application administrator (AA) is responsible for configuration and customization of the application to fit the specific requirements of the customer. The AA will also: add users and maintain role-based access groups, maintain calendars, manage schedule templates and provide end-user support.

b. **Infrastructure Administration.** The infrastructure administrator (IA) is responsible for database administration, backup and recovery activities, application upgrades and fix packs, data and configuration migrations, and so on.

c. **Reports Administration.** While the top-tier PPM tools contain sophisticated reporting capabilities, the intricate nature of the reporting function will require configuration and customization. Most likely, custom reports must be developed to meet management needs. Only basic reports are typically packaged with the tool, and like the process accelerators, not every report will be useful for every organization. Make sure to have database experts and report developers assigned as adjunct team members to support the implementation and ongoing support of reporting.

3. **Process Analysts.** As previously mentioned, process and procedural adjustments will be required to fit into the new, automated environment. Process owners and analysts should be heavily invested in the tool selection process, determining selection criteria and prioritizing responses in line with key organizational objectives and concerns. During implementation, process analysts will work closely with the systems integrator to examine and revise processes, generate configuration requirements, and drive training initiatives. Management should empower their process analysts to make appropriate decisions and to draft the required process changes that will maximize efficacy in the new environment.

4. **Training.** Trainers also should be involved from the point at which the decision is made to invest in a PPM tool, making sure to evaluate each tool’s interfaces and
ease of use. The implementation of a PPM system (including the tool and the processes) represents a huge change for many organizations, particularly those with immature PPM processes. The importance of training and communication must not be underestimated to drive PPM success. Keep in mind that typically, full deployment is a two-year journey towards maturity, with functional deployment occurring in a piecemeal fashion. As new features are brought online, additional training materials and efforts will be required, not to mention revisions to initial training that must be made to support procedural maturity that will evolve over time.

Consider the Change Impacts that the Organization Can Accept

If executed correctly, the implementation of a PPM tool will affect every project stakeholder. Whereas project management activities were historically the exclusive domain of the project manager, project team members will now have to participate in some aspect of the project management process. The collaboration functions of PPM tools require cross-functional team participation. From basic time-tracking to risk, issue and action item assignments, automated project activities will drive team traffic to the tool, typically requiring some form of response directly in the tool. These activities are critical to the demonstration of responsible investment oversight, which is required by Sarbanes Oxley and other regulatory mandates.

Even project managers, previously accustomed to only managing project schedules in MS Project, will be faced with some new challenges. Not only will project managers continue to use an automation tool to manage schedules, they will now tie those schedules to risks, issues, action items, events, approval process workflows, financial plans and other functions, within a commonly deployed administration tool, in which other project managers are managing related and unrelated projects; all of which are under the watchful eye of a PMO. Process and tool owners should expect resistance to these changes. However, the reality may not be so bleak. Although initially it may seem as if additional project management work is being introduced, some functions will actually become easier for project managers. In particular, the generation of status reporting should become an automated process within the tool. These activities are critical to the demonstration of responsible investment oversight, which is required by Sarbanes Oxley and other regulatory mandates.

Consider the Cost Associated with Full-scale Implementation

PPM software costs vary anywhere between US$40K and US$325K, not including a standard 18% to 20% annual maintenance fee. Of course, the more expensive tools are laden with sophisticated workflow automation tools; integrated, robust reporting and document management capabilities, which actually may be overkill for some organizations but are absolutely necessary for others. Based on experience, companies should plan to spend, at a minimum, an additional 3/2 × $Cost of the PPM software on implementation and support costs.

Unplanned costs come into play once the tool is introduced and the capabilities are unveiled to senior managers, who tend to get excited about additional possibilities. Almost immediately after initial deployment of reporting, the PMO should expect requests for additional reports, configuration and feature rollout. These requests will drive up implementation costs. A realistic expectation is that total program costs should not exceed 5/2 × Cost of the PPM software, as long as your organization maintains a well-defined strategy for and controls the cost of the implementation.

$PPM Software Purchase Price × 3/2 ≤$Total PPM Implementation ≤$PPM Software Purchase Price × 5/2

Costs include:

- Hardware infrastructure (at least two environments: production and development/test), backup and recovery, system maintenance, database administration
• Professional services: system integration/process consultant engagements, system configuration
• Staff development (external training): functional and technical administrators, PPM process owners

*Not* included in the costs:
• Internal project team: program management, business analysts, stakeholders, PMO
• Stakeholders: ITSM process owners and tool managers, database administrators, infrastructure resources, business sponsors, project managers, finance

The organization should plan to commit these internal resources to the program to ensure success. **Your internal resources are critical to drive, evangelize and steer the direction of the program as well as the development and adoption of process transformation throughout the organization.**

*A cautionary note:* In rare instances, companies have gone overboard in their spending to implement PPM tools. Those companies typically made critical errors along the way, including a lack of cohesive strategy, poor communication of goals and objectives to stakeholders, inability to demonstrate value to senior leadership, and ineffective or limited training. Improper program planning will result in exponentially higher costs and unrealized benefit gains.

**Selecting a Tool**

Now that your company has committed to improving PPM processes and purchasing a PPM tool, the time has come to start evaluating your options.

**Consider and Prioritize the PMO’s Strategic Goals When Generating Requirements**

Most companies initially target the centralization of project management documentation in a single, widely accessible repository. However, given the complex capabilities that such tools possess, it may be wise to interview stakeholders across the organization to understand their PPM priorities. Present the PPM concept to representatives from legal (and regulatory), finance, marketing, operations and any other “business owners” of investments. It is likely that their input will shape your implementation strategy. Further, PPM process and tool owners will benefit from early communication of the concept, so when implementation comes in the future, you are not introducing new (and foreign) concepts at that time. Discuss the following PPM objectives and benefits:

• **Project Management Maturity and Process Enablement.** This is typically a high-priority goal of most organizations. Although most businesses have some form of project management process and employ some form of scheduling tool, the level of process maturity and adherence may no longer be suitable. While project management exists, it may be cumbersome for project managers to follow, so they just avoid the formal steps that are required for good governance. PPM tools enable process through workflow automation, and prevent forward movement without passing through phase gates. The implementation program will uncover those process areas that are the weakest and require the most improvement.

• **Portfolio Management.** Improvement in the investment prioritization and selection processes is a key goal of most organizations not currently vested in some form of PPM tool. Investment ideas tend to come into the organization through multiple channels and are approved by managers from disparate functional domains. The inherent problem with decentralized authorization of projects is that each manager may prioritize his/her investment opportunities as “critical,” employ different criteria for approval, and select opportunities that support departmental strategy without consideration to overall organizational current year priorities. Further, managers may not necessarily consider competing opportunities or the operational impact of independent investment decisions. Centralizing this function in a PPM tool, with predefined selection criteria, allows a central selection committee to assess and optimize the portfolio of investment opportunities to maximize benefits for the entire organization, and in support of organizational strategy.

• **Communication Management**
  o **Demonstration of IT Value Generation.** IT development is frequently considered a sunk cost by many companies, despite the fact that IT is typically the value enabler supporting a company’s service offerings. Through ROI and/or IRR metrics utilized in the PPM process, as well as project data collected throughout the year, senior IT managers have the ability to demonstrate the real value IT brings to the company.
  o **Oversight of IT Portfolio Activity.** Oversight is important, not just for Senior IT managers trying to gain insight into the activities of their group, but also for investment owners, who need to monitor the
project/development processes for the service that they are trying to implement. The fully configured PPM tool will serve as a central repository for IT information, incorporating imported data from other IT tools (e.g., service desk, request management, testing, code repositories).

- **IT Governance/Regulatory Compliance.** This is an extremely critical strategic business function that the PPM tools support. Through the use of automated workflows and electronic signatures, the central repository of program data makes SOX and other regulatory adherence processes relatively simple for managers and auditors.

- **Demand and Resource Management.** These are important inputs into the portfolio prioritization and selection processes, because in order to make well-informed decisions, management must understand the demand for resources, not just on current and future projects and programs, but for service support activities, as well. The resource management process looks at the entire pool of workers and capacity of available infrastructure to support all IT organizational efforts. Because the PPM tool may not capture the details of support work and does not contain infrastructure information, full demand and resource management requires data inputs from other IT systems (e.g., service desk, asset management, CMDB). Integration of PPM and ITSM processes is a necessity for comprehensive demand management.

- **Product Development.** The complex workflows around a project management life cycle mirror closely traditional stage gate methodology of product development. Many mature organizations utilizing PPM tools also use the functionality as product development enablers. Given that a new product or service starts out as an idea, which must go through the same portfolio approval process, and which often has an IT development component as part of the process to bring the product or service to market, it makes sense that the PPM tool becomes the de facto enterprise program management tool. **Expect that as the PPM tool gains traction in your IT organization, other functional departments will want to utilize its power.**

- **Cost Control/Project Accounting** One of the most common complaints between IT and finance are that the project cost numbers tracked by each department are different. PPM tools will collect and roll up financial and accounting data associated with projects/programs. The majority of project costs are based on time-tracking information, provided that resource rates are loaded upon configuration. Finance may track project costs by a different budget allocation method. **Typically, full integration of the PPM data to the financial systems is the last configuration item in a multi-phased PPM tool implementation program for two reasons:**
  1. A significant amount of project accounting data must be collected before real value can be derived
  2. Finance departments are typically slower to jump on the bandwagon than other departments, because their adoption of the PPM tool and methodology typically involves additional process reengineering within their own department

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- **Consider the Stakeholder Community**
  Who is the primary user base of the tool? Will the company limit scope of the tool to IT or to a PMO, or will other departments also manage projects in the tool? How vested are other departments in the PPM methodology adopted by IT? Although primary review of the major PPM tools will be conducted by the implementation program team, stakeholders should also review features, functions and interface. Most of the PPM training will be delivered to IT staff. However, portfolio and project stakeholders will need to access information contained within the tool. Interface and ease of use should be key decision criteria in your selection process. **Get your stakeholders involved early.**

- **Look at the Other Tools that the Organization Uses**
  Does your IT department have a preference for certain vendors, through which you can negotiate preferred pricing? Perhaps your IT department uses service desk and/or testing tools from a vendor that also offers a PPM solution. You may have enterprise architectural framework considerations that narrow the list of options. These factors should be considered as part of your selection process. **Most of the dominant PPM**
Tool vendors have built their platforms through acquisition. They are working diligently to integrate their toolsets to create seamless IT governance platforms. While most haven’t fully achieved this goal, ask for each vendor’s application roadmap to find out when these integrations may occur. Although each of the leading PPM tools possesses the capability for data imports and exports, you may be able to minimize the amount of custom configuration required by waiting until the vendors figure it out for themselves.

**A Special Note About Other Scheduling Tools**

If your organization utilizes MS Project or another scheduling tool, determine whether or not reliance on that standard scheduler is important moving forward. Some of the major vendors have designed interfaces to allow your PMs to use MS Project in conjunction with the PPM environment. However, because scheduling algorithms between MS Project and the PPM tools differ, you should question the vendors and their existing clients to determine whether or not MS Project is the right tool to use with the PPM application. Some PPM tools contain Java, web-based scheduling features that are fully integrated as part of the service offerings. These toolsets depend upon the project manager conducting all scheduling activities online, which effectively tethers the PM to the tool. So, you need to determine how important PM mobility is, and whether PMs should retain the ability to work offline.

**Read Industry Research**

Gartner, Forrester and AMR Research publish annual surveys of the PPM offerings. Although these market research firms charge for their services, the leading PPM vendors store the reports at no cost to potential clients on their websites. Read each of these annual reports, which provide high-level assessments of the industry, the players and the direction moving forward.

**Write a Request for Proposal Based on Your Organization’s Requirements**

The request for proposal (RFP) is the key document you will write to lay out your program requirements before even getting a PPM vendor involved. You should expect that each responding vendor will answer all questions affirmatively, but the questions you ask will help the vendors tailor their product demonstrations to your specific needs. Therefore, you should be sure to ask questions about use of the tool within your specific industry. Further, during the sales process, you will receive attention from a number of vendor consultants. Ask as many questions as possible during the sales process, when guidance is free. Once you sign the contract, professional services are billed to you at high rates.

Key questions to ask in the RFP should include the following:

- Ask the vendor for the application roadmap.
- Ask the vendor specific questions about interfaces to your company’s service desk, testing, document management and other governance toolsets. Ask for examples of actual integration experience with those interfaces.
- Ask the vendor for references from other clients, particularly clients in your industry.
- Ask about the implementation process.
  - Ask who implements the various tool components. Clarify roles and responsibilities up front.
  - Ask for the professional services rate card, along with a listing of services offered.
  - Ask if the vendor has implementation partners who may work at lower rates. Ask for client references for the partners as well.
- Ask for details related to the vendors’ service level agreements.
- Ask about “out of the box” reports. It’s great that all of the project data can be captured in a single repository, but how difficult is it to enter, and how is the data analyzed and presented to senior management? Examine the reports to determine whether or not they meet the needs of your organization.
- Ask questions about the complexity of developing additional reports. Typically, the PPM tools leverage external, run-time versions of reporting tools to produce reports. In order to produce custom reports, your organization will need a developer version of the software. Therefore, you may be best served by selecting a vendor that utilizes a reporting tool in use by your IT department for other services.

Once the RFP responses have been received:

- Set up meetings to interview the referenced clients about their experiences with the tool under consideration. Ask them whether they considered other tools, and what their reasons were for not selecting the other tools.
- Talk to colleagues and associates about their experiences with each PPM tool under consideration.

**Implementing the Tool**

**Plan the Implementation**

Well-disciplined program management is a critical component to successful implementation:
• Define the scope and the implementation roadmap early in the program. Define iterative phases of functionality release. This is not a simple process. Once an IT or business leadership team decides to implement a PPM solution, be prepared that each manager will have a separate vision for what the tool should do first. Spend time working through the roadmap, justifying which functions will be rolled out first, and which functions will wait for later releases.

• Define the program’s change management processes. Decide whether or not the team will accept functionality change requests that divert from the stated scope during the life cycle. If the answer is that you will accept scope changes, plan for contingency. Set aside reserve budget and resource time to support the requests. If the team will not accept these requests as scope adjustments, determine how the requests will be addressed in future programs and in what time frames.

Manage Expectations
A critical success factor for the implementation of any major software system and for the associated transformational process change is the communication of expectations to all levels of the organization. If the initial user base will be primarily IT, process owners should still consider the investment community’s needs in initial discussions and planning exercises. If the introduction of a PPM tool does not include business and IT integration objectives, then the strategy is flawed from the initial idea stage of the program.

• Senior IT Management. The initial beneficiaries of a PPM tool implementation will be senior IT managers. The PPM tool creates an environment in which program activity data is captured in a single, centralized manner…for the express purpose of reporting progress, promoting success, and escalating areas of concern. Reports generated from PPM (and service desk) tool data help senior managers communicate IT progress and the demand constraints across the organization to the larger community of stakeholders. Therefore, senior management must be involved in initial configuration requirements sessions to define what they require from the system.

• Project Managers. Although project managers will be the most active users of the PPM tool, the benefits of using the tool may not be visible to them immediately. If the focus of early implementation is to satisfy senior managers, then it stands to reason that some of the process automation functionality that will benefit project managers most must wait for later phase releases. Project management tasks will change, so project managers should be educated early that these changes will occur.

• Team Members. As project and program management processes are increasingly funneled through the PPM tool, project and program team members will be responsible for updating various project management components. These activities may include risk, issue and action item responses; project artifact, milestone or phase approvals, online discussion participation, and most certainly, time-tracking and time sheet approvals. Alert team members early and often that the changes are coming. Develop user guides and training materials to instruct team members how to use the tool’s functions. Don’t rely on the project managers to train their teams.

• Stakeholders. Once portfolio selection processes are implemented, investment owners will actively work in the PPM system. As program sponsors, customers, participants, service users and administrators, and project team members, they should have the ability to monitor progress of their initiatives. Revised PPM practices should include stakeholder activities. Driving stakeholders to the tool is a key element to enterprise-wide adoption.

Plan to Reengineer Your Project Management Processes
As previously mentioned, a PPM tool is an enabler of process, not a solution to all problems by itself. The process owners will have to reengineer some processes to work within the constraints of the tool, but more importantly, to fit the needs of the organization working under the new method of doing business. Use the implementation program as an opportunity to improve upon your processes. Consult with stakeholders and managers from across the organization to review and ensure that the proposed procedural changes can actually be realized. Process owners should review with the PMO and project managers what does and does not work with the “pre-PPM tool implementation” processes.

All successful PPM implementations programs move in phases. Early releases should focus on automation of mature processes related to either project or portfolio management. Pick the low-hanging fruit to allow the program leaders to earn quick wins and demonstrate the tool’s value. Leverage your organization’s strengths. Second, process owners benefit from the time working in the system with familiar processes to become accustomed to the tool’s conventions, which will help shape the more difficult process improvement initiatives later. Take the time to mature your methodology before attempting to automate it in the PPM tool.
• If your organization is good at making investment decisions, but doesn't have the strongest project management discipline, automate your portfolio management process first. This strategy allows you to centralize the demand data generated by the business, while most likely providing the company with additional analysis tools that may even improve the portfolio selection process.

• Conversely, if your organization is vested in effective, repeatable project management process, but the IT organization can’t say no to work requests, move your project management process into the tool first. Collect as much project activity and resource utilization data as possible, in order to justify the narrower funnel that will emerge once portfolio management is centralized and managed in a regimented fashion.

The leading PPM tools are equipped with optional best practices, based on the methodology detailed in the *PMBOK® Guide* – Third edition (PMI, 2004). Once again, beware! PPM vendors design the procedures to support as many organizations as possible, and these procedures may not fit your business model, at least not without some modifications. Consider all options. It is not a requirement of any PPM tool that you must use any of the best practices, but it is likely many of them will be applicable in your environment. So, pick and choose which “out of the box” procedures work for your company.

**Plan to Staff Appropriately**
As discussed earlier, some of the roles required to participate in the tool implementation remain long after the implementation program is complete. These include the administration, process analysts and trainers. Most major PPM implementations typically last about two years, in a phased-release approach. This includes the time to introduce and/or reengineer processes, drive them toward maturity and realize organizational adoption. Configuration of the tool may not actually require a full two years. Most likely, organizational constraints will drive the length of time to fully implement PPM. Along the way, additional features and functions may be requested by the user community; improvements to process, integration to other systems, and so on. Because these requests may or may not exist in the original program scope definition, additional programs may be required.

**Plan for Software Upgrades**
At some point over the two-year implementation cycle, in addition to the standard fix packs released by the vendor, a new full version of the software is likely to be released. Within the next five years, given the consolidation of tools supporting IT governance, additional functionality released in new versions will be significant. The vendor of the PPM tool will most certainly announce an “end of life” for the version of the software that you are implementing or are about to implement. The good news is that the software upgrade should support migration of the organizational controls configured during the implementation (save any changes to source code), so with some minor adjustments and testing, your upgrade path should be fairly consistent.

**Post-Implementation**
The process of IT transformation is not a “one and done” effort. Implementation of a PPM system (processes, people and tools) will be a gradual effort of continuous improvement. Even the most process-mature, CMMI (capability maturity model integration) Level 5 companies continue to evolve and look for opportunities to improve operations and drive efficiencies. With that in mind, PPM process owners should be receptive to change. The very business conditions that have driven your decision to implement PPM will change again. Management turnover will drive different requirements criteria, particularly associated with performance management metrics. So, take heed to these words of advice:

• **Be open to feedback.** When stakeholders and team members make improvement suggestions, look critically at the processes that you have designed and implemented. Consider the notion that there may be a better method for managing your business.

• **Acknowledge mistakes.** On a two-year program with such huge implications to IT strategy, missteps are likely to occur along the way. Recognize errors and correct them. This is a fundamental principle of continuous improvement. Alternatively, if an interested party challenges a program decision, especially if program sponsors support it, be prepared to defend the logic behind the decision. Make the naysayer a convert to your way of thinking.

• **Don’t settle.** Continue to examine your efforts to determine what additional value you can bring to the organization through process reengineering or the
introduction of new tool functionality. How tightly have you integrated the “business” into IT activities? Do all cross-functional stakeholders “feel” vested in the process?

- **Review the initial program objectives after implementation.** Did the implementation program achieve the organizational goals as defined in the business case? Is additional work required?

- **Interview stakeholders.** Don’t just ask whether the processes and tools are being used; find out how easy it is to use the new functionality. Revise the processes as necessary. Ask the user community again in six months.

References


About the Author

Andy Soodek is a Manager/Engagement Manager with Five9 Technologies responsible for both execution and management of various Project and Portfolio Management client initiatives. Mr. Soodek has extensive experience in Project and Program management, both as a PPM practitioner and thought leader, having led numerous process transformation and tool implementation programs to facilitate PMO maturity, IT Governance and regulatory compliance efforts. As the PPM practice lead, Mr. Soodek is responsible for generating Five9’s PPM and IT Governance convergence methodologies and Intellectual Property, as well as leading PPM client engagements. He can be contacted at: andy.soodek@five9technologies.com.