



Program & Portfolio Management
Symposium Community

Trip Report

Program & Portfolio Management Symposium Community

Members: 180

Key Takeaways

At this year's Symposium, program and portfolio management (PPM) leaders heard speakers throughout the conference — from kickoff to closing — anticipate massive changes to IT in general. For example, 80% of CIOs expect major changes in the next three years, and 40% of them expect changes to be transformational, according to Gartner's latest CIO Survey. In the PPM realm, this will mean more and more emphasis on change and innovation. Which means that PPM leaders increasingly will be called upon to provide businesses with estimates of business value for new and often untested processes and technologies. Naturally, such estimates cannot be based on hard ROI and traditional financial metrics. They have to be evaluated on strategic fit with the company's culture and exploitation of the core capabilities, as well as with market timing and uniqueness of the new processes or technologies. This is not traditional IT language by any means, but definitely a conversation where IT has a leadership role to play.

Conference Highlights

What follows are brief synopses of some of the key presentations and workshops of particular interest to PPM leaders along with recommendations for immediate and longer-term actions.

Welcome Address

CEOs want cost reduction, more flexibility and support for growth from the IT organization, regardless of the economy. That's why 80% of CIOs expect major changes in the next three years — 40% expect transformational change. Expect old metrics (such as IT spending as percent of revenue) to give way to new metrics (such as IT spending needed to gain new clients). Seventy percent of CIOs say their organizations don't have the right skills to create the needed change. Therefore:

- Focus on pivotal roles and competencies
- Capitalize on talent globally
- Make IT attractive to digital natives

Technology-Enabled Business Acceleration

Be counter-intuitive — while cutting costs, have other staff prepare for the return to growth. If you wait till the recession ends, you'll lose months of opportunity. Schedule meetings with business executives to go over the project portfolio and decide what to keep and what to cut. Web 2.0 enables amazing productivity. Plenty of Fish, a dating site, has 2.5 million users per month, generates \$10 million a year in revenue, and is run by one full-time and one half-time worker. You need to figure out how to employ IT resources for competitive advantage. For example, a context-aware network would know where you are, what you're doing and what you need. You also need to provide mass-produced, repeatable services, not technology, to the business:

- Develop a usage measure like the kilowatt/hour
- Change the IT workforce from caretakers to service managers

CIOs and other leaders need superlative communication and an ability to influence throughout the enterprise.

New Tools and Trends for Project and Portfolio Management Success

Speaker: Donna Fitzgerald

Social capital — that is, the sharing of information people keep in their heads — is valuable only if it can be shared among the people who need it and those who have it. PPM leaders have a great opportunity in 2008 to facilitate rapid, efficient sharing of information by applying new tools and trends to the program and portfolio management process. In fact, PPM leaders can do more than facilitate — they can be the hub of information sharing as they arm the organization with the ability to answer the "who knows what, when" questions that arise around projects, change initiatives and management strategies. In this presentation, Ms. Fitzgerald offered the 100-plus attendees ideas to use e-mail, instant messaging, blogs, wikis and other social networking

tools to manage and promote an orderly process of information sharing. Attendees left with a list of immediate actions to take to begin applying these valuable tools in their own companies' settings. Suggestions included:

- Experiment with social software on the Web for your understanding and personal benefit. LinkedIn or Ning — where you can build your own network — are good choices.
- Join several established professional discussion groups and see what works and what doesn't.
- Diagnose your culture and the dominant personality types you are addressing and match tools to their needs.

Projects and Programs: The Future Must Be Smaller, Faster and Easier

Speaker: Audrey Apfel

More and more, IT is expected to make a fundamental difference in essential business processes that attract, engage and retain customers, and to do it smoothly. The concept of projects as distinct "chunks" of change is giving way to smaller, faster "bits" of change that emerge, often seamlessly, with a minimum of disruption, while maintaining executive transparency and investment control. As the business environment becomes one of reacting to constant change, and the new technologies (service-oriented architecture, business process modeling, virtualization and so on) can actually change at the speed of business, PPM leaders must retool the slow, ponderous methodologies of project management to keep pace. This presentation looked at how PPM leaders can find the real success factors that matter to top executives and how projects and programs will need to change in the future. Recommendations to the 210 PPM leaders in attendance included:

- Reinvent your approach to ensure project decisions are made close to the source, while enabling executive transparency.
- Use a "just enough" approach to projects — a lighter touch that manages only what matters or needs intervention.
- Move from an environment of highly planned, large projects to one in which change is implemented all the time, in smaller units, enabled by nimble "on the ground" decision making.

Workshop: How to Prioritize and Determine the Business Value of Innovative Projects

Speakers: Audrey Apfel and Donna Fitzgerald

While innovation is encouraged at every turn, PPM leaders continue to seek an effective way to determine the value of something that has never been tried before. During this interactive workshop, the more than 60 attendees were briefed on the "Rank" portion of the STREET framework (Scope, Track, Rank, Evaluate, Evangelize, Transfer), then asked to rank four innovative IT initiatives proposed for a hypothetical company, Clarity Electronics. Armed with a snapshot of the company's culture, size, market and capabilities, four teams were formed and tasked with applying the framework and ranking the proposals in terms of strategic fit, core capabilities, market and timing and uniqueness. All four teams chose the same initiative, but they all came at it from different angles. And though most of the attendees were basically technologists by job title, they found themselves focusing more on business issues than technological ones. While no magic metric appeared from the exercise to predict the unpredictable, attendees did express appreciation for the value of a logical, reasoned approach to a challenge they all expect to face numerous times in the coming years. Another realization was that IT leaders have key knowledge to inform the process, and in fact, IT can scan and present opportunities to the business to drive and lead innovation as well as enable the opportunities scanned and presented by others.

Predicting Change: The Practical Realities of Successful Transformation

Speaker: Diane Morello

IT leaders are frequently involved in radical business transformations that require associates to change their habits and attitudes. This presentation sketched out the various orders of change — ranging from changes in tasks, attitudes, motivations and relationships, and extending out beyond the immediate organization to partners and community. It then mapped out a series of steps to promoting healthy, successful change, with clear advice on actions to take and hurdles to avoid each step of the way. Recommendations:

- Evaluate your constituency objectively. Are they angry? Crazed? Demoralized? Take an inventory of what change efforts have succeeded and what have failed. Evaluate why.
- Re-evaluate what's going on, where and at what costs. Reprioritize change initiatives and search for what might be missing.
- Fend off pressure to revert to old practices and ways of thinking.

IT as Process Innovator and Owner: Achieving the Next Level of IT Organization Contribution

Speaker: Colleen Young

The traditional role of the IT organization as a facilitator for business process owners is primed for a shift — at least in some organizations. The nature of the shift will depend in large part on whether the enterprise "gets" business process management and if there is board-level support for it. This presentation provided the 200 attendees a framework for IT leaders to evaluate the likelihood for an IT organization to become a true process innovator in their own enterprise (as opposed to a process improver)

and suggested ways to determine the most favorable path from this point on, and position both their IT organizations and themselves personally for change. Recommendations:

- Based on the Gartner framework, review your target path to process ownership and innovation based on its real potential in your organization.
- Develop an action plan to pursue your chosen process path, assessing and adjusting continuously to ensure the approach remains relevant to current business attitudes and context.

What People Asked About

As project teams become more virtual and spread out, rather than all operating within one physical office, what are some of the new tools and techniques that PPM leaders can employ to keep teams organized and avoid becoming disjointed?

Blogs and wikis are emerging as very useful tools in the hands of skilled managers. Blogs often are a reflection of a manager's view of what constitutes a successful project and can help keep project staffers attuned and aligned. Wikis can provide an excellent channel for two-way communications — that is, feedback from staffers to managers as well as peer-to-peer exchanges of ideas and opinions.

How do you keep wikis "alive" and vital?

Despite the openness of these technologies, the conversations do not always maintain themselves. Wikis must be nurtured and attended to keep them viable. It is important that members of project teams see clear evidence of leaders' involvement in the wiki so they know their voices are being heard and their ideas considered. In a business environment there is a business purpose behind the use of these tools, so having active guides within the community is key to ensure the content is always evolving to continually add value to the participants, and that the wiki doesn't become a one-way black hole for early participants. It is also key to realize that you will never have everyone participating — tailor the tool to the active user. Don't weigh it down trying to have something for everyone.

How do we manage the scope and cost of programs and projects if we are constantly accepting new requirements?

Learn to say "yes, but" — and explain to whoever is making the request what the consequences of the change may be. It could mean a budget increase or a de-emphasis of some other aspect of the initiative. Whatever the outcome, stakeholders — all of them — must understand that there are consequences coming out of change requests.

Things to Watch For

Social networking is not just for digital natives. Wikis and blogs serve to capture knowledge that might never be shared with the broader organization. Social networking software can solve the "who knows what" problem. Improved knowledge sharing and collaboration is the foundation of increased innovation, which will be the push of the next decade.

Companies are identifying a problem with the performance competencies of their project managers. Certification has not solved this issue. Project managers are beginning to function as nothing more than project schedulers and reporters. We expect to see a new wave of criteria developed where organizations define specific performance competencies for project managers that focus on skills like negotiation, people management and experience in complex environments.

Mature companies (level 4 and above) have adopted a) phased project approval, based on resource availability, b) schedule and cost buffers in addition to a management contingency which is set aside solely for scope changes and c) rolling wave funding (only one phase is authorized at a time, and projects are stopped or killed at each phase).

Survey Results

IT Budget and the Economy

Nearly every attendee was interested in what would happen to IT budgets as a result of the current economic recession. To deal with this "elephant in the room" issue, Gartner offered results from a global survey of CIOs conducted since the economic downturn began. Here are some of those findings:

- CIOs project continued growth in IT budgets for 2008. Global IT budget growth remains unchanged at an average of +3.3% (the average is weighted based on company/budget size). More than 60% of CIOs reported no change in their 2008 IT budgets, while 23% indicated a decline in their budget averaging 10%, and 15% claimed an increase in their budget of averaging 14.75%.
- U.S. IT budget growth rates are softening. Overall U.S. IT budgets for 2008 are expected to grow, but the weighted growth rate has slowed from +3.1% in 4Q07 to an increase of +2.3%. One in four U.S. CIOs indicate that their IT budgets were reduced in the first quarter, 65% were unchanged and 10% reported budget increases.
- IT budget growth rates outside of the U.S. are accelerating. CIOs report accelerating budget growth in Europe from +3.2% in 4Q07 to +3.9% and in Asia/Pacific from +4.7% to +5.9%.

Regardless of the overall global IT budget picture, CIOs need to be prepared for challenging times ahead. At the end of the first quarter of 2008, almost one in four CIOs experienced budget reductions. That number is expected to move to one in three based on CIO contingency plans.

This represents a particular challenge to the 64% of CIOs who report not having a contingency plan.

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