

**PGCS** PROJECT AND PROGRAM MANAGEMENT SYMPOSIUM  
◦ Better Management ◦ Better Projects

## Enterprise Portfolio Management: What good looks like based on TBH's cross-sector experience

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11<sup>th</sup> August 2021



## Agenda

- Enterprise Portfolio Management Objectives
- Stakeholder Engagement
- Example Portfolio View
- Project and Program Prioritization
- Evaluating Proposed Initiatives
- Integrated Reporting Systems
- Tools Roadmap and Transition
- Portfolio Optimisation
- Resource and Demand Management
- Assurance Mechanisms
- Achieving Enterprise Portfolio Maturity



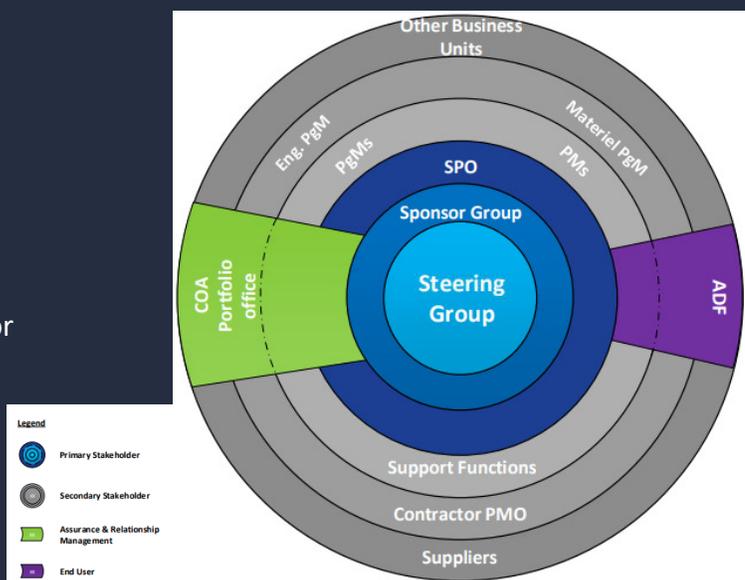
# Enterprise Portfolio Management

What does “good” look like?



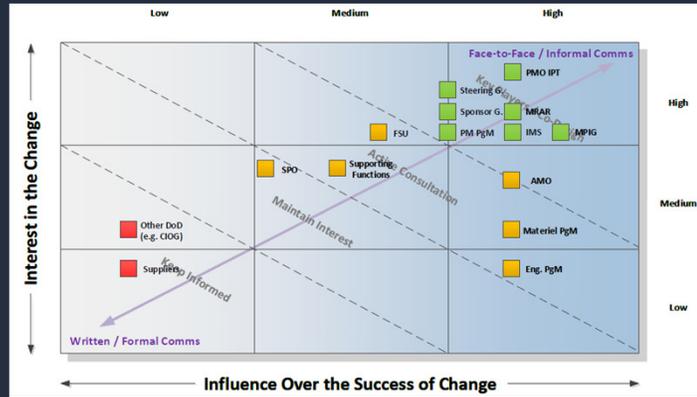
# Stakeholder Engagement

- Stakeholder Engagement Map
- Identifies:
  - Who are the stakeholders?
  - What is their level of influence?
  - Are they close to the problem or solution?

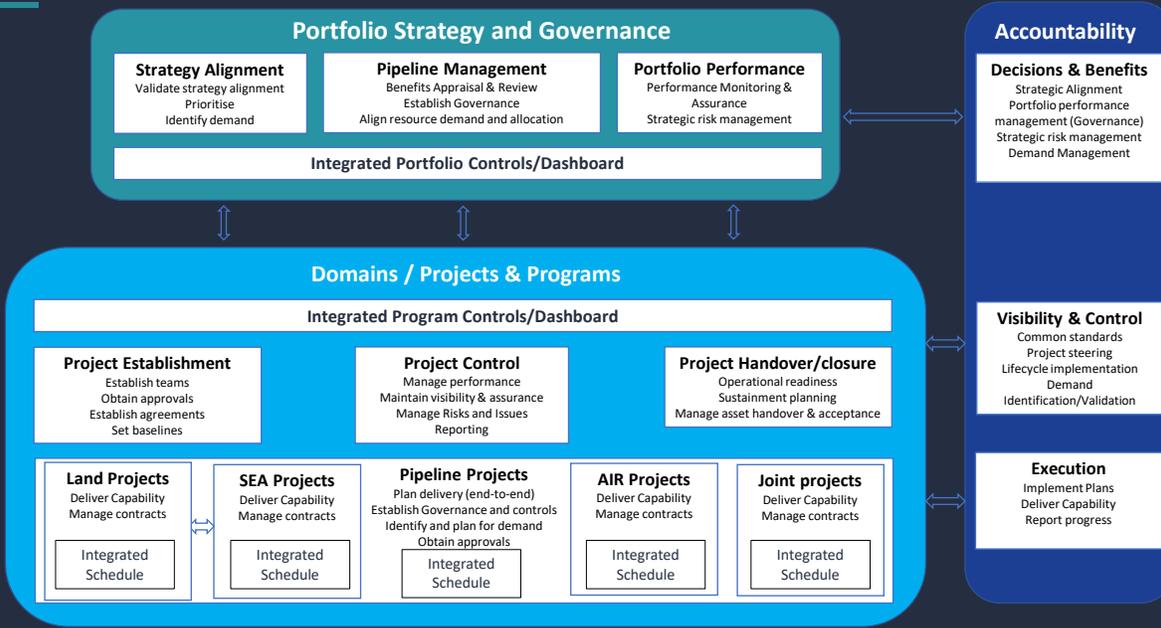


# Stakeholder Engagement

- Interest – Influence Matrix
- Enables:
  - Targeted comms strategies and plans
  - Position the change plan for success

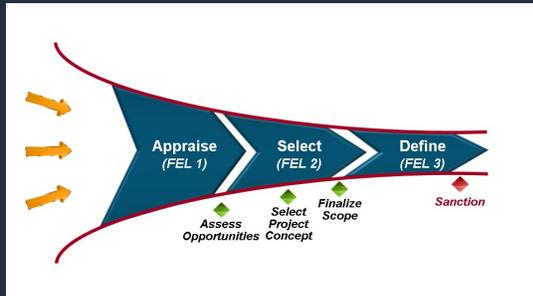


# Example Portfolio View



# Project and Program Prioritization

Is your portfolio a **Funnel** or **Tunnel**?



VS



# Prioritising and Ranking Initiatives

- "Strategic Pillars" define enterprise priorities
- These are established by:
  1. Identifying the priorities (criteria)
  2. Applying weightings to the criteria
  3. Scoring the criteria
  4. Ranking the criteria identified

**Strategic Criteria**

Criteria / Benefits	A	B	C	D	E	F	G	H	I	Total
A Placemaking		A:2	A:1	A:1	A:1	A:1	A:1	A:1	A:2	12
B Policy Objective Addressed			B:2	B:1	B:1	B:1	B:1	H:1	B:1	10
C Road System Efficiency				D:1	E:2	F:1	G:2	H:1	C:1	7
D Access and Mobility					D:2	D:1	G:2	H:1	D:2	6
E Public Transport System Efficiency						E:1	G:2	H:1	E:1	6
F Revenue							G:2	H:1	F:2	4
G Economic Activity								G:2	G:2	12
H Value for Money Achieved / Cash Flow Managed									H:2	7
I Funding and Commitments									I:2	5
<b>Score</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>	<b>I</b>	<b>55</b>
	10	7	1	6	4	3	12	7	5	

**Criteria Rankings**

Priority Order	Criteria / Objective	Score
G	Economic Activity	12
A	Placemaking	10
H	Value for Money Achieved / Cash Flow Managed	7
B	Policy Objective Addressed	7
D	Access and Mobility	6
I	Funding and Commitments	5
E	Public Transport System Efficiency	4
F	Revenue	3
C	Road System Efficiency	1

# Evaluating Proposed Initiatives

1. Initiatives are “tested” (evaluated) against the “strategic pillars” and benefits identified
2. Initiatives are ranked according to the criteria
3. The rankings inform investment decisions

Strategic Alignment of Programs

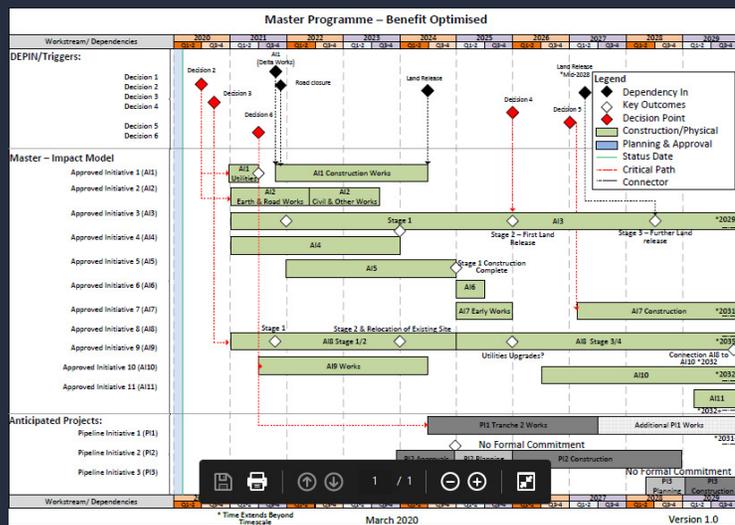
Current Objective/Business Score	Strategic Pillars (G-A-I-C)										TOTAL	RANKING
	G	A	H	B	D	I	E	F	C			
Program 1	2	2	2	2	2	2	2	2	2	2	20	2
Program 2	3	3	3	3	3	3	3	3	3	3	30	1
Program 3	1	1	1	1	1	1	1	1	1	1	10	3
Program 4	1	1	1	1	1	1	1	1	1	1	10	5
Program 5	2	2	2	2	2	2	2	2	2	2	20	4
Program 6	2	2	2	2	2	2	2	2	2	2	20	4

Prioritisation

T. Wt.	Alternative	Rank
407	Program 2	1
394	Program 1	2
394	Program 3	2
382	Program 6	3
370	Program 5	4
338	Program 4	5

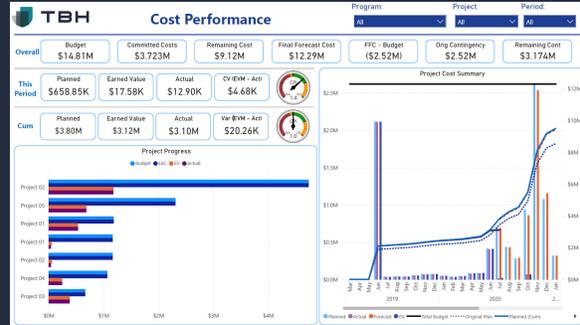
# Portfolio Optimisation

- Prioritising projects and programs in the portfolio achieves portfolio optimisation
- Factors to consider include:
  - Accelerating benefits realisation
  - Sequencing and deconflicting projects and programmes
  - Resource demand and availability across the enterprise
  - Annual budget availability and optimisation
- This view also shows in flight and pipeline projects



# Integrated Reporting Systems

- Enterprise reporting systems dependencies:
  - Integrated project and programme reporting mechanisms
  - Automated reporting systems
  - Quality data at project and programme levels
  - Data alignment between systems holding project and programme data
    - CWBS should be used to achieve data integration
- Dashboard solutions often used to achieve:
  - Horizontal and vertical data integration
  - Single "source of truth" status reporting at all levels
  - Reporting in the formats required/desired by executive management and other stakeholders
    - Summary and detailed reporting
    - Performance alerts and "drill down" capabilities



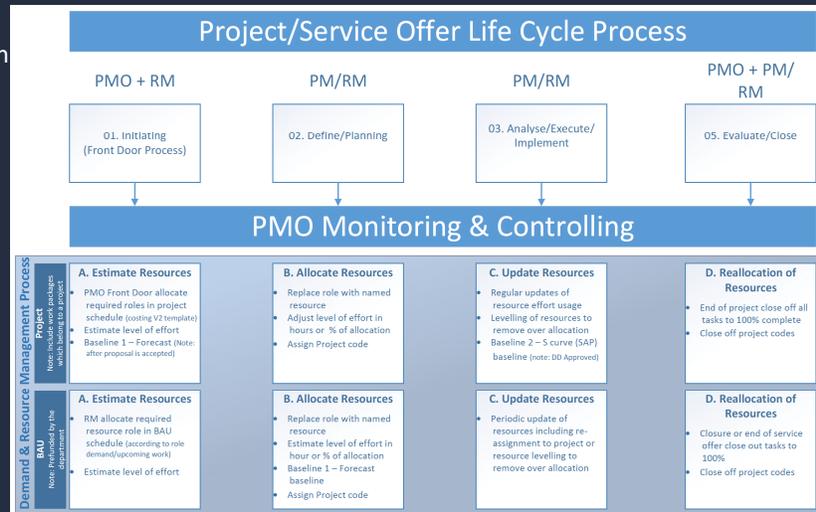
# Tools Roadmap and Transition

- Approach for tools transition:
  - Develop a Roadmap
  - Map current, transition and future state for tools
- Identify:
  - Stakeholders and relevant processes
  - Actions required
  - Current problems and the benefits of change
    - Include transition phase

	Current State	Transition State	Future State												
<b>Systems</b>	<table border="1"> <tr> <th>Usage:</th> <th>Owner/Section:</th> </tr> <tr> <td> <ul style="list-style-type: none"> <li>MySfIA: Capability &amp; Skill Management, Resource Planning</li> <li>SAP: Cost Forecast, Actual Effort / Cost, Time Sheet &amp; Leave Booking, WBS/WEAR Management</li> <li>Costing (Excel): Cost Analysis, Account Analysis</li> <li>MSPS: Work / Activities, Deliverables, Stage Gates</li> </ul> </td> <td> <ul style="list-style-type: none"> <li>IT Business Services (Work Force Mgmt)</li> <li>Finance</li> <li>Front Door</li> <li>IT Business Services</li> <li>PMO</li> </ul> </td> </tr> </table>	Usage:	Owner/Section:	<ul style="list-style-type: none"> <li>MySfIA: Capability &amp; Skill Management, Resource Planning</li> <li>SAP: Cost Forecast, Actual Effort / Cost, Time Sheet &amp; Leave Booking, WBS/WEAR Management</li> <li>Costing (Excel): Cost Analysis, Account Analysis</li> <li>MSPS: Work / Activities, Deliverables, Stage Gates</li> </ul>	<ul style="list-style-type: none"> <li>IT Business Services (Work Force Mgmt)</li> <li>Finance</li> <li>Front Door</li> <li>IT Business Services</li> <li>PMO</li> </ul>	<table border="1"> <tr> <th>Usage:</th> <th>Owner/Section:</th> </tr> <tr> <td> <ul style="list-style-type: none"> <li>MySfIA: Capability &amp; Skill Management</li> <li>SAP: Cost Forecast, Actual Effort / Cost, Time Sheet &amp; Leave Booking</li> <li>MSPS: Cost Analysis, Work / Activities, Project / ERM, Stage Gates, Resource Demand &amp; Planning</li> </ul> </td> <td> <ul style="list-style-type: none"> <li>IT Business Services (Work Force Mgmt)</li> <li>Finance</li> <li>Front Door/PMO</li> </ul> </td> </tr> </table>	Usage:	Owner/Section:	<ul style="list-style-type: none"> <li>MySfIA: Capability &amp; Skill Management</li> <li>SAP: Cost Forecast, Actual Effort / Cost, Time Sheet &amp; Leave Booking</li> <li>MSPS: Cost Analysis, Work / Activities, Project / ERM, Stage Gates, Resource Demand &amp; Planning</li> </ul>	<ul style="list-style-type: none"> <li>IT Business Services (Work Force Mgmt)</li> <li>Finance</li> <li>Front Door/PMO</li> </ul>	<table border="1"> <tr> <th>Usage:</th> <th>Owner/Section:</th> </tr> <tr> <td> <ul style="list-style-type: none"> <li>MySfIA: Capability &amp; Skill Management</li> <li>SAP: Global Cost Forecast, Actual Effort / Cost</li> <li>MSPS: Work / Activities, Project / ERM, Stage Gates, Resource Demand &amp; Planning, Cost Analysis / Baseline, Working WBS / Approval</li> </ul> </td> <td> <ul style="list-style-type: none"> <li>Work Force Mgmt</li> <li>Finance</li> <li>PMO</li> </ul> </td> </tr> </table>	Usage:	Owner/Section:	<ul style="list-style-type: none"> <li>MySfIA: Capability &amp; Skill Management</li> <li>SAP: Global Cost Forecast, Actual Effort / Cost</li> <li>MSPS: Work / Activities, Project / ERM, Stage Gates, Resource Demand &amp; Planning, Cost Analysis / Baseline, Working WBS / Approval</li> </ul>	<ul style="list-style-type: none"> <li>Work Force Mgmt</li> <li>Finance</li> <li>PMO</li> </ul>
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<b>Processes</b>	<ul style="list-style-type: none"> <li>Cost estimation/forecasting → Process documented?</li> <li>Reporting process across all systems → manual/some automated</li> <li>Skills alignment → role matching</li> <li>Resource demand and allocation → manual</li> </ul>	<ul style="list-style-type: none"> <li>Schedule Management Framework and templates;</li> <li>Process for forecast vs. actual hours for projects and work packages;</li> <li>Reporting requirements/process refined.</li> </ul>	<ul style="list-style-type: none"> <li>PMO Processes defined, agreed and socialised;</li> <li>Process for cost estimation, validation and management.</li> <li>Process for forecast vs. actual hours BAU activities;</li> <li>Reporting automated.</li> </ul>												
<b>Stakeholders</b>	<ul style="list-style-type: none"> <li>Project Management Office</li> <li>Front Door</li> <li>Project Managers</li> <li>Finance</li> <li>System Developers</li> </ul>	<ul style="list-style-type: none"> <li>Project Management Office</li> <li>Centre of Excellence</li> <li>Directors</li> <li>Project Managers</li> <li>Finance</li> <li>System Developers</li> </ul>	<ul style="list-style-type: none"> <li>Project Management Office</li> <li>Centre of Excellence</li> <li>Directors</li> <li>Project Managers</li> <li>Finance</li> <li>System Developers</li> </ul>												
<b>TBH Action</b>	<ul style="list-style-type: none"> <li>TBH Identification &amp; Understanding</li> <li>What data is captured and in what program?</li> <li>Who is using what data?</li> <li>Is there redundant data?</li> <li>Do we need to clean data?</li> </ul>	<ul style="list-style-type: none"> <li>TBH Support &amp; Training</li> <li>Project planning &amp; scheduling;</li> <li>New system processes;</li> <li>Test costing sheet in Project Server;</li> <li>Finance</li> <li>Simplify &amp; centralise functionality.</li> </ul>	<ul style="list-style-type: none"> <li>TBH Monitoring</li> <li>Re-training where required;</li> </ul>												
<b>Findings / Result</b>	<ul style="list-style-type: none"> <li><b>Current Problems</b></li> <li>Silos &amp; Functional overlaps between systems; limited visibility of work volumes; inefficiency in resource planning &amp; allocation;</li> <li>Low understanding &amp; uptake of demand management; limited visibility of performance;</li> <li>Lack of clarity of stakeholder information needs is limiting relevance for evidence-based decision making.</li> </ul>	<ul style="list-style-type: none"> <li><b>Future Benefits</b></li> <li>Enhanced efficiency of service delivery;</li> <li>Improved visibility &amp; access to information;</li> <li>Improved customer relationship;</li> <li>Enhanced decision making capability.</li> </ul>	<ul style="list-style-type: none"> <li><b>Future Benefits</b></li> <li>Centralised information;</li> <li>Sustainable information service;</li> <li>Improved understanding &amp; uptake of demand management;</li> <li>Clarified stakeholder information requirements.</li> </ul>												

## Resource and Demand Management

- Resource and demand management processes through a project lifecycle
  - Estimate resources
  - Allocate resources
  - Update resources
  - Reallocate resources
  
- Resource demand and allocation should also be
  - Consolidated
  - Resource contentions
    - Allocations prioritised against the portfolio priorities

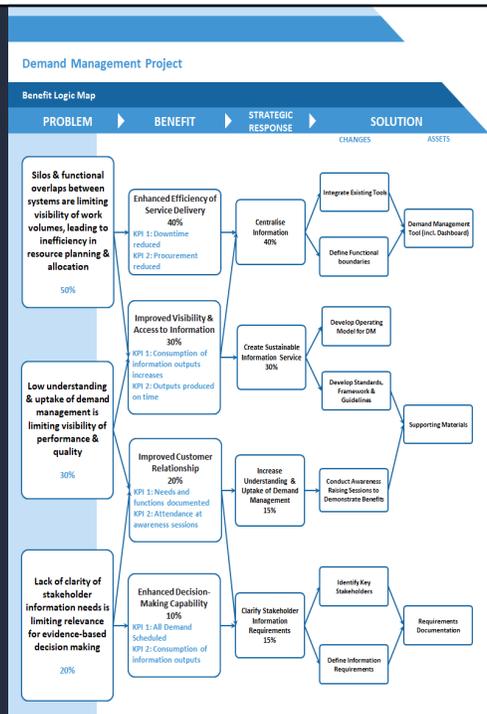


## Assurance Mechanisms

- A common scenario for senior project delivery executives
  - *“The biggest issue in my job is that by the time I find out a project is in trouble, its too late for me to be able to influence the outcome”*
- Project and program assurance has many names
  - Project health check
  - Independent Assurance Review (IAR)
  - Performance Audit (ANAO)
- The objectives are similar
  - Does claimed performance align to actual performance?
  - Are there performance issues the enterprise needs to know about?
  - What are the options for proactively addressing performance issues?
- There are many truisms on this topic
  - *“Bad news never gets better with age”* ☹️

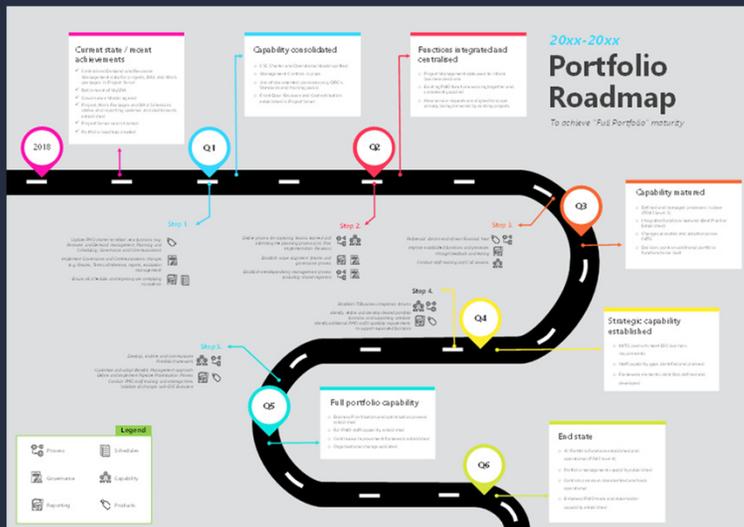
# Achieving Enterprise Portfolio Maturity: Benefits Logic Map

- Benefits Logic Maps provide full traceability from
  - Problem Statement
  - Benefit to be achieved
  - Strategic Response
  - Solution
- Traceability is:
  - From problem to benefit to solution
  - Solution back to the to problem
    - Addresses the later “why are we doing this?” question
- This example is from a resource demand management project



# Achieving Enterprise Portfolio Maturity: Roadmaps

- Very useful for laying out the plan for achieving enterprise portfolio management maturity
- Requires considerable effort to develop and implement
- Visualize the path for change and improvement
- Useful for engagement and communication
- Implementation of “quick wins” is also important
  - Builds momentum for change



## Achieving Enterprise Portfolio Maturity: State Benefits of the Future State

**Future State**  
*will be better  
because...*



Clear empowerment and accountability for decision-making



More efficient and effective delivery, improving the value and customer experience



Improved visibility enabling the customer to make informed and effective decisions



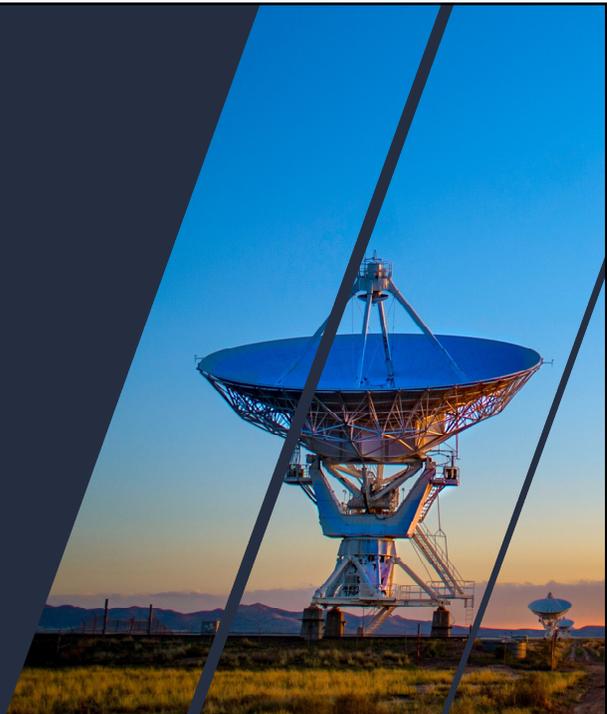
Improved communication and collaboration between teams



Allowing strategic decisions to be made by the <organization>



## Questions?





## TBH's Services

- 
**Strategic Advisory Services**  
 Bid Strategy/Win Themes, Competitor Analysis, Partner Analysis, PMO and Project Management advice. Bid management assistance that complies with requirements. Australian Industry Content compliance.
- 
**Project Planning and Scheduling**  
 Development, statusing, reporting and Critical Path analysis of Integrated and/or Contract Master Schedules
- 
**ASDEFCON tendering and contracting**  
 Understand, provide advice, develop and deliver to the ASDEFCON requirements
- 
**Cost and Earned Value Management**  
 Develop cost reports and forecasts which align with the project schedules. Implement EVM. Deliver EVM reports. EVM analysis of project status (cost and schedule).
- 
**Project, Program and Portfolio Management (P3M) Office**  
 Analyse, design, establish, advise or work within a project, program or portfolio management office
- 
**Risk Management**  
 Implement Risk Management System Identify and quantify risks. Establish mitigation measures, ongoing risk monitoring and management reporting
- 
**Integrated Project Controls**  
 Align Cost, Time, Risk and Issues into a consolidated project controls system
- 
**Schedule Risk Analysis**  
 Utilise risk registers and historical records to perform quantitative assessments of time and /or cost risks
- 
**Integrated Baseline Reviews**  
 Planning, preparation, training, participation and collaboration to ensure readiness for IBR, providing confidence to all parties of successful IBR outcome
- 
**Claims and Dispute Resolution**  
 Independent, expert advice in relation to delays and cost over-runs. Initiate proactive solutions to mitigate these issues

\* See TBH Services Framework Defence - Services FINAL 210623 for a full catalogue of TBH Defence Services

# Contact Us

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 for more information