

## Project Portfolio Management

Part III of the Project Management Series

By c. myers corporation

**H**ow many “extra” employees do you have to work on projects? If your credit union is like most successful businesses, the answer is usually *none*.

Most managers and executives wear multiple hats, two of which are department head and project manager. A successful department head most often translates into an unsuccessful project manager since projects are usually managed independently of one another and not collectively as a portfolio. This leads to inefficiency, confusion and frustration.

### Introduction

A successful method for getting projects completed on time and on budget has many similarities to successfully performing and completing daily tasks that your members expect. You wouldn't open a teller window if you didn't have a person ready to perform the necessary task, you wouldn't open a call center without phones and you certainly wouldn't advertise car loans without having loan applications available.

These three examples are common in that each has an established

business need and requires certain resources and tools necessary to meet members' expectations. However, many credit unions create projects without fully understanding the impact and relationship to the business as well as the time and resource requirements. In short, projects are not getting completed.

Consider creating a disciplined structure to help ensure that the projects most important to the credit union and its members will be completed, on time and on budget.

### Project Selection & Execution Guidelines

Project Portfolio Management (PPM) is such a structure. It brings consistency and efficiency to project selection, scheduling and resource allocation. It is a key tool necessary for building efficiency and ensuring strategic objectives and annual goals have the best opportunity to be successfully completed.

Below are high-level guidelines for creating a structure to manage project selection and project execution.

### Communication

Communicate throughout the organization your plan on how the projects will be completed. This communication should be in line with the following guidelines.

### PPM Team

Create a PPM team. This should be done immediately following or in conjunction with communication. This team is usually made up of relevant people in senior management. (It is recommended that not everyone in senior management serve on the PPM team, as this usually leads to delayed decisions. It is also recommended that the senior IT person be on the team since most projects will involve IT resources.)

The one skill required for all team members is strategic thinking, as they must:

- Identify and prioritize the projects that best fit the credit union's goals and strategy
- Intentionally limit the number of projects so the important projects get the resources and attention needed. This is usually the toughest since it is common for many businesses to say *yes* to all projects
- Guide the balancing of resources with needs

- Identify proposed projects that are not really projects and should be handled through other processes
- Eliminate projects that likely will incur excessive risks and/or costs
- Balance the short-, medium- and long-term projects
- Review project scope and dig into duration, assumptions and risks. Ask challenging questions of the project manager that lead to verification of time and duration commitments. You will want to pay special attention to third-party impact
- Review status of all projects weekly. Try to stay high level and look at milestones as opposed to tasks. A milestone is used as a project checkpoint to validate progress and requires no effort and zero duration

The PPM team should use a dashboard that easily demonstrates the progress of each project. Using color coding (such as **red** for behind, **yellow** for in danger of being behind and **green** for on track or ahead of schedule) helps the PPM team easily identify trouble spots and react properly as needed to bring the project back in line. (See example on the next page.)

#### Decision Filter

Immediately implement a project decision filter comprised of at least one of the following two criteria:

- A documented business case that directly ties the project to the strategic objectives of the

credit union or that meets a regulatory requirement

- Provides a financial benefit to the credit union by either increasing revenue and/or lowering costs

Further, each proposed project presented to the PPM team should have a general scope developed outlining the goals, objectives, required resources, duration and cost.

#### Training and Tools

Provide training and tools to assist employees in the transition to this new structure. Many employees will need training to successfully pass through the project decision filter. To make the training easy, provide templates and education on the use of the templates.

#### Feedback

Finally, focus on providing constructive feedback and assistance, as most employees will struggle at first in meeting the new requirements.

### Summary

In summary, by providing a sound structure to select and manage projects, you will increase your organization's project success rate and improve your overall organizational efficiency. The three results a credit union can expect by implementing a Project Portfolio Management process are:


1. A realistic means to implement strategic plans
2. Rationality in the allocation of resources
3. Visibility to project work and project resources

If you would like to discuss specific issues that relate to your credit union's Project Portfolio Management process, feel free to contact us at: **800.238.7475**.

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- John Myers, President
- Dan Myers, Senior Consultant

### About c. myers

Since the volatile 1980s, c. myers' principals have been providing sound decision information to executives in the financial services industry.

For the last 18 years, hundreds of credit unions, including 25% of those over \$100 million in assets and 50% over \$1 billion, have found value in our proven and practical approach to addressing emerging and complex business issues. 

## Example Dashboard

Your Credit Union		Progress Indicators For All Bold Steps				c. myers		
		Estimated Hours Remaining <b>1769.95</b>						
		Percent Complete <b>0.07%</b>						
#	BOLD STEP	STATUS	DUE DATE	NEXT MILESTONE	PROGRESS NOTES	TEAM LEADER	HRS LEFT	AREA IMPACT
1	Member Service Project	ON TRACK	06/30/10	Complete Surveys	...	Me	562	Service
2	Merger Analysis	CAUTION	07/31/10	Approved RFP	...	You	58	Ops
3	North Branch Opening	BEHIND	12/31/10	Break ground	...	Him	1062	Service
4	Enterprise Risk Management	ON TRACK	10/30/10	Identify and prioritize business intelligence	...	Her	87.95	Ops

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