Chapter 1

Business Intelligence: Knowledge of Key Success Ingredients for Project Server 2010

In This Chapter

This chapter helps set the stage for the deep-dive and thought-provoking tour we will be taking in establishing a good enterprise project portfolio management (PPM) system.

We focus on the importance of leveraging key technology and methodology components to help create a successful foundation for meaningful reporting and maximization of PPM technologies.

We review different types of lifecycles and how to work toward alignment through business and project lifecycles to leverage the power of Project Server’s engine to reinforce best practices. We show how to work toward an end game of simple visuals and dashboards that enable business leaders, project managers, and even team members to participate in the success of their projects and what we refer to as “one version of the truth.”

What You Will Learn

* Different key focus areas you need to address in establishing a strong PPM system
* The importance of lifecycle, phases, and stages to simplify and automate management, grouping, and reporting
* How to blend technology with methodology
* Understand the difference between Project 2010 and Project Server 2010
* How to scale Project Server 2010 from top down (portfolio planning) to bottom up (detailed and task planning) and how to leverage either or both

Maximizing PPM Ingredients, Culture, and Technology for Business Success

In the world of business, the drive to getting good business intelligence (BI) has focused predominantly on the tools used to expose and graphically represent that information. Face it; BI dashboards are cool (for the most part), and the end users want to see whiz-bang graphics, nifty graphs, and other stunning visuals.

While these tools to depict information are absolutely critical to enabling more effective data analysis, they are not what BI is all about. BI is about understanding data to help make your business more productive. The end goal of any BI strategy should be to enable better understanding of the data.

Three key elements facilitate better understanding of the data: technology, process and, most important, people. Technology always gets the front row in the discussion, but it is—in our opinion—the least important. It is relatively easy to deploy technology to support business intelligence; hundreds of vendors can help you do this. However, the process and people parts of the equation are much more complex and require systemic organizational realignment and investment.

BI is an enabler that must be deeply interwoven into core business processes. Similarly, the act of transforming data into intelligence must be executed by professionals who are competent in data analysis. Companies that embed BI techniques into their core business processes and develop competency within each business unit are able to exploit the power of business intelligence. The ones that pursue BI through a technology-driven approach get lots of cool graphs, but they don’t get information that allows them to make actionable decisions.

Process Side of the Equation

Companies that see BI as strategic to their success embed BI deeply into their core processes. Just take a look at Wal-Mart. BI is pervasive throughout every aspect of its supply chains, from inventory management, to pricing analysis, to store profitability. Information is centralized, real time, and powers the company’s core processes.

Wal-Mart would not be as successful as it is without intelligence as its backbone. There are other examples as well: Continental Airlines and customer loyalty[AU: Is “customer loyalty” business intelligence? Please clarify], Dell and direct to customer[AU: is this still correct? check below also], just to name two. Each of these companies has intertwined BI into its organization[AU: reword without repeating “business”] to drive actionable decisions. In the case of Continental, identifying its most loyal customer and determining how to provide them with special treatment[AU: Does what? This is a sentence fragment; please reword] and to continue to grow their continued support and expand their customer base through the use of the information analyzed. In the case of Dell, determining promotion [AU: What is meant by “determining promotion”? “Bundle targeting”? ]and bundle targeting, this namely being use of information to maximize customer purchases based upon their needs for similar features or components to increase the revenue of each purchase [AU: Another sentence fragment; please complete]. Companies that view BI as an effort driven by information technology (IT) will extract limited value from it.

BI can be embedded into every core process in an organization. Here are some examples:

* **Human resources (HR) intelligence.** This area involves deriving deep understanding of organizational structure by a number of attributes, including size, cost, level, performance, and so on. As a company needs to grow or shrink, the HR function can easily understand and make recommendations based on deep insights into the organizational structure.
* **Finance.** The finance organization can have deep insight into the firm’s financial statements by being able to trace from its balance sheet and income statement down to the lowest level of cost detail. Robust BI can also help with robust Sarbanes-Oxley 404 compliance and with understanding product cost structure.
* **Quality*.*** Better understanding of product quality can be driven through warranty analysis, defect rates, customer feedback, and the like. By having this information at its fingertips, quality organizations can identify specific root causes of quality issues much more easily.
* **Marketing*.*** Marketing is probably the most prevalent area where BI is critical, but often it is not tightly woven into key processes. Obvious areas of focus include customer loyalty, targeting promotions, call center marketing, sales force effectiveness, and many others.
* **Supply chain and logistics.** This area also is tremendously dependent on sophisticated BI that can power inventory management, supply chain visibility, and better kanban (just-in-time ordering) practices.

People Side of the Equation

While embedding BI techniques into core processes has been challenging for most companies, having individuals on staff who actually can use BI tools, understand data and analytical results, and make decisions based on the data is even more important.

This is a key weakness at many companies, and it often results in suboptimal usage of business intelligence. BI IT professionals are extremely difficult to find; business professionals who have knowledge in data analysis are even harder to find. Part of the problem is that the American educational system (including many graduate schools) does not educate people to analyze and understand data. How many classes in high school require a focus on data analysis? How many classes in college? If America, or any country, wants to continue to be competitive, it must invest more extensively in the analytical competency at an earlier age.

The authors of this book don’t just have degrees in business, nor did we take classes in BI from the local technical training company; in many cases, we were forced to build the infrastructure or engineer tools, technologies, and metadata into common workflows to expose and analyze the data necessary to make good strategic and business decisions. In the 1990s, one of the authors had extensive fieldwork as a database administrator. When [AU: use pronoun here: he or she?]that experience is applied that experience [AU: OK? otherwise not sure what is referrerd to by “when applied”--when what is applied?]to getting to BI and integrating that data to end users, [AU: add pronoun] he found that there was a significant gap between what tools could produce and what people could easily grasp. This led to some very deep-dive conversations, and in some cases building systems that could transform information collected and gathered to something that end users could, at a glance, understand and know how to act on.

Major corporations also have largely ignored building an analytical competency. Those corporations that wish to seek an advantage should build a strong group of individuals who understand how to analyze data in each business unit. These individuals should have technical or advanced degrees as well as strong business acumen and be comfortable using highly sophisticated tools to analyze data. They should have deep training in the tool set, have an understanding of their process responsibility, and be empowered to make changes based on the results of analysis.

This is the case at very few companies. Most companies roll out a bunch of tools to a user base that does not possess the skills to use them effectively within the business function. Even where user dependence on a particular BI tool set is prevalent, most users don’t use the tools for deep analysis; they simply base decisions on the reports they receive.

BI is less about technology and more about people and process. Those companies that get it at a chief executive level are going to have a key strategic advantage. One recent example of this is Hewlett-Packard. HP made a major announcement that it was building a large data warehouse to consolidate all of its customer information. This effort was driven by the chief executive officer (CEO) of the company and was obviously a strategic enabler.

Companies that have CEOs who understand the value of BI and who back their words with actions around process integration and competency will be much more successful, while those that relegate BI to an IT thing or don’t leverage or use that information to shape their forward planning and progress, [AU: explain meaning of phrase]will continue to derive weak benefits from BI.

Business Case

In our work engagements and through many successful implementations of PPM technologies, we discovered that a foundational and essential tool is often overlooked. This tool is the business case. It provides the necessary facts and data for understanding the value, cost, and benefits of implementing a project. It also lists the assumptions used to reach the touted conclusions, the various options considered, and the required cash flow for implementing the project.

One of the keys to making the best decisions is understanding the criteria used to judge and prioritize projects. A company already has projects under way and usually has a list of possible projects to add to that inventory. How do you decide which ones to add, and when to add them? The business case is the fundamental tool for gaining facts and data about each decision criterion to enable apples-to-apples comparisons among projects.

Let us share one invaluable lesson we have learned the hard way: Even “mandatory” projects have options. (“Mandatory” projects are required to be done, perhaps by law or perhaps by your CEO.) Often people will say, “We don’t need to do a business case, we have to do this project because . . .” The truth we have unearthed is that there are multiple ways to meet mandatory requirements. For example, if the requirement is to provide an efficient mode of transport, we could meet it with a motorcycle or a sport utility vehicle. But what are the trade-offs between these two options? Even though we may have to do it, planning and analysis are still needed; these are accomplished effectively by producing a business case. In addition, a business case coupled with project plans enables scenario and option analysis to aid in the decision-making process. One of the best definitions we’ve found for a business case is:

A business case is a decision support and planning tool that projects the likely financial results and other business consequences of an action. (Schmidt, 2002[AU: provide page for definition; also, note that this is format that should be used for source notes in text. Please adjust throughout volume])

In particular, note the last part of the definition. A true business case looks at more than just the numbers. It includes financial, strategic, commercial, industrial, or professional outcomes of the project under consideration. Ideally, the business case should have more than one option from which to select, including the do-nothing, or business-as-usual, option. The decision about the project needs to be made by those people with responsibility, accountability, and authority for the resources to be allocated (e.g., people, tools, machines, computers, facilities) to achieve the desired outcome..[AU: meaning is unclear, as you haven’t mentioned these questions. What is this first question?] If you can’t wait to learn more about business cases and making good project investment decisions, feel free to go straight to Chapters 3, 8, and 10. A Key question around business cases is:

Are we optimizing our capacity?

This question puts into fancy words a simple concept: Are we using our limited money, time, equipment, material, and skilled people to get the biggest bang for the buck? Capacity optimization can also be called portfolio resource optimization. There are two key principles to understand here:

1. Optimizing resources is about balancing the demand for resources with the supply.

2. The primary aim of resource optimization is to create an open dialogue, based on factual analysis, between the portfolio management office and the business project sponsors (the decision makers).

Resource optimization is achieved through the balanced management of resources. It is about understanding, managing, and balancing the demand side and the supply side of the resource management equation.

Demand-side resource management, which concerns all the things we need in order to accomplish the projects in the portfolio, entails resisting the desire to control the details. In most demand side resource planning the organization reviews the granularity of resource types and capacity from large to small, sometimes referenced as boulders, rocks, pebbles and sand. To ease the planning for the management of portfolio resources, we group resources into three categories:

1. **Skills.** The availability of a sufficient number of people with the right skills and experience.

2. **Technology** **environment.** The capacity of the computer systems or platforms to cope with the demands of the portfolio.

3. **Facilities.** The physical infrastructure needed (i.e., networks, office space, real estate, etc., needed to deliver projects). This is much of what will be impacted by the output of the project.

We seek to understand three key planning disciplines:

1. Planning for skills

2. Planning for the technology environment

3. Planning for facilities

In effectively implementing PPM, we can engage four levers that help us to manage resource capacity constraints:

1. **Changing time scales.** Shift projects within the portfolio to flatten resource demands.

2. **Decoupling development from roll-out.** Help to flatten technical resource demand.

3. **Descoping.** Help reduce the absolute need for resources.

4. **Removing projects from the portfolio.** If none of the previous options is sufficient in managing resource capacity, projects may have to be canceled.

Supply-side resource management concerns all the things we currently have available to accomplish the projects in the portfolio. It is important to differentiate between the organization’s core competencies (those that give a competitive edge) and those competencies that can be commoditized (general skill sets not necessarily unique to the organization). For supply constraints, core competencies are increased by training and recruiting qualified people from the marketplace. Commodity skill sets are increased internally through cross-training and externally by developing and maintaining relationships with partners having different competencies and geographic footprints. There are several ways to deal with supply-side management of the technology environment: by using an application service provider (ASP) model, virtualization, or duplicate environments to better manage constraints.

In handling constraints in the supply-side management of facilities, it is beneficial to consider creative solutions, such as using temporary accommodations, hotels, regional offices, or taking over a new floor in the office building.

What Is the Project Management Lifecycle?

As your organization prepares to spend significant money on new tools to help you better manage projects, how prepared are you to achieve a return on investment (ROI)? ROI related to project and program campaigns increases as the complexity of program demands increase. The complexities that must be managed to successfully execute projects and programs are perhaps the single greatest challenge facing leadership today. Program complexity is the combined nature of multiple, unique information paths all operating at a variety of phases [AU: please clarify phrase]and stages and all requiring different levels of departmental involvement across the company. Programs have a longer lifespan than typical projects or they are comprised of different projects all driving toward a higher business goal. This growth in complexity means that the lifecycle and information required to deliver requires a better set of standards and metrics to manage the competing business and strategic demands within an organization.

Convergence theories, along with other economic and business system concepts, are pushing companies to embrace a more democratized project and program management system. Cross-sectional/cross- departmental analysis of challenges and requirements determination within an organization often proves to be a serious obstacle. Regional or departmental convergence of the adjusted processes often is not feasible. A good link is http://project-management-knowledge.com/definitions/p/path-convergence.

Project management (PM) and related business systems are modeling emerging economic systems. These economic systems (theoretical economic models) are moving away from the atomistic agent or single decision maker acting in isolation to make or lead key business decisions. These models are reflecting more and more the socialization of leaders with other stakeholders in business the system. These business drivers leading to business value are creating a more tightly coupled need for PM environments to link and showcase the link directly to the requirements and the metrics associated to delivering the business value. These requirements tied to business drivers should showcase that they will capture and deliver more of the stakeholder expectations, both quantitatively and qualitatively.[AU: simplify and clarify]

A key for many business leaders is to be able to model and visualize demand management. Leveraging demand management for project convergence means that there are strengths and weaknesses in the different approaches to PM systems. On one hand, classic PM supports a strong governance model and best practices, and its maximum efficiencies lie at the lowest-level common denominator. However, corporate globalization initiatives and related agile planning leverage a decentralized approach, more of a think global/act local approach.

PPM movements and related technical infrastructures are adopting more of the human input integrated with tools and processes. Large enterprise companies (over 1,000 employees) have struggled with maintaining control and accountability across the portfolio when launching PPM campaigns that cross departments and product lines. Small and mid-size organizations (up to 1,000 employees) have found it nearly impossible to wholly adopt user-input product requirements and process capabilities integration into PPM campaigns. The conflict is that as stakeholders are providing the push for use requirements, process cycles and capital capacity provide the controls—sometimes referred to as project bottlenecks. Companies of all sizes would love to provide virtually infinite delivery and quality to stakeholders, but it is just not possible to make everyone happy.

As an example, a U.S. automotive original equipment manufacturer (OEM) had a vehicle line that offered so many options that it was impossible to offer every possible combination to customers. The obvious question is why the OEM was offering options that are not compatible with one another. Were the program requirements different across the various commodity departments? Table 1.1 shows the strengths and weaknesses of the two conflicting theories often found in economic and governmental models regarding PPM. One side depicts the perspective of a monetary-focused system that is more of a survival of the fittest. The other is a perspective of embracing all social elements for a common good.

Table 1.1 Capital versus Social PPM

|  |  |
| --- | --- |
| Capitalistic[AU: is this term correct, or capital?]-based PPM: Revenue Driven | Socialized[AU: ok, or social?]-based PPM: Human Driven |
| Desperate resource use | Full resource utilization |
| Wide skills pool | Baseline skills pool |
| Business/process cycles | Predictive evolution |
| High product/output efficiencies | Market disparity |
| Strong balance sheet efficiencies | Internalized equity |
| Client-focused measurements | User-focused measurements |

Many times, projects are decomposed to a point that the goals and objectives stated in the charter have a marginal impact (the project is barely unique). Conversely, many projects are killed or simply fail and surpass any estimated costs and time objectives because they were unique.

It would be a huge benefit for decision makers in any size organization to finally leverage technology that addresses the need to use diverse resources, budgets, and requirements while maximizing the business life cycles. Demand management delivers this and [AU: does demand management do just that (what is discussed in first sentence)?] is a part of PPM that is becoming known as unified PM. (See Figure 1.1.)

Figure 1.1 Example Unified Project Management and Related Stakeholder Classes [01-01-exampleUnifiedProjectManagementAndRelatedStakeholderClasses.vsd]

Source: Advisicon

Aligning Project with Business Life Cycles

“I don’t understand, why aren’t these projects delivering as they promised?”

This familiar cry has been heard from business leaders and project managers for some time now. Thousands of books and articles offer answers to this question, but the frustration continues. One idea that is gaining ever more traction in answering this question is PPM: the concept of focusing on the selection and management of a set of projects to meet specific business objectives. But when business leaders and project managers review the concept of PPM, their response is often “This portfolio management stuff sounds way too simple. It just can’t be the answer!”

However, this response itself begs a question. If PPM is so simple and self-evident, why does it have such limited traction in organizations that are apparently so in need of its help? The logic of simply reviewing all projects under way in an organization and making sure they meet business needs, align with strategy, and provide real value does seem self-evident. Practice and observation tell us that, when properly implemented, PPM does work. Unfortunately, our experience also tells us that a lot of the time, the implementation of PPM leaves much to be desired, and results in responses such as:

* “This process is too complex.”
* “We don’t have time to go through all this business case stuff; we need to get to work!”
* “This process is really needed for our organization’s business projects, but mine are different and don’t need to go through all those steps.”

Apparently PPM isn’t so self-evident after all. So what do we do? Business leaders want the business to be successful. They want sound business processes they can depend on. Project managers want their projects to be successful, so the company will be successful. It sounds like we’re all on the same page, right? Wrong. Here’s where the age-old dilemma rears its ugly head for business leaders and project managers alike: There are limited resources, lots of ideas and projects, only so much time in a day, and . . . oh yes, things keep changing. This is when it becomes important for us to be able to make tough decisions.

To be successful, which projects do we invest in (and over what time frame)? We need good facts to make the right decisions. We business leaders and project managers need to be able to examine the facts when changes and issues arise that require a decision be made and acted on. And we need to weigh these facts against our gut feel for the situation (sometimes called experience) by. Then we must make a decision.

These needs may seem to be self-evident, but are they really? How do we get the facts and data we need? And how do we know we’re making the right decisions? This is where the power of PPM comes into the picture. PPM forces us to think strategically: what we want our organizations to be and what we should be doing to get there. However, it isn’t just a simple proposition to turn on, or to just install.[AU: you haven’t mentioned fixing anything. Do you mean using PPM isn’t easy?]. When implemented properly, PPM often requires organizational change across the business, and that can be very difficult to carry through, and is a combination of methodology, technology and an applied approach to the analytics metrics gathered.

Successful PPM

PPM invariably changes the culture of the business because it demands that we ask the hard questions. Your ability to answer these questions accurately will determine how well you have implemented PPM in your organization.

Project/Program Phases and Stages

Microsoft’s Project Server 2010 has grown to include some new and very powerful elements that help businesses get a handle on demand management, resource capability planning, and strategic impacts of projects.

This functionality out of the box can be integrated into a lifecycle or managed in phases and stages. The exposure of key data elements (fields) and ability to review and give approval by key stakeholders allows for excellent quality control. This is where[AU: where do you mean?] many project management offices (PMOs) or organizations created to standardize and manage project lifecycles, now with Project Server, have the ability out of the box to leverage a workflow that supports their organization’s phase gates, or project stages.

Project Server 2010 includes intuitive demand management capabilities that enable multiple stages of governance workflows, helping to ensure that projects are subject to appropriate controls throughout their lifecycle.

Each workflow may include a series of phases, which in turn includes stages. The phases and workflows establish a blueprint for your organization’s governance framework and help ensure that all projects achieve the necessary deliverables and receive managerial sign-off before moving to the next stage. (See Figure 1.2.) This audit functionality keeps stakeholders aware and accountable as projects move from business case creation to consideration to implementation.

Figure 1.2 Project Lifecycle Flow [01-02-ProjectLifecycleFlow.vsd]

Source: Advisicon

Project Server 2010 also provides the flexibility to create custom workflows and templates mapping the organizational governance structure. For additional details, refer to Microsoft Development Network for Project (http://msdn.microsoft.com/project).[AU: please introduce this list]. The following list are some of the key components that allow an organization to align both process with functional elements in Project Server to setup both manual workflows or to automate those workflows.

* **Phase.** Phases represent a collection of stages grouped together to identify a common set of activities in the project lifecycle. Examples of phases are project creation, project selection, and project management. The primary purpose of demand management phases is to provide a smoother user experience where users have the option of organizing stages into logical groups (e.g., create, select, manage, plan, close).
* **Stage.** Stage represents one step within a project lifecycle. Stages at a user level appear as steps within a project. At each step, data must be entered, modified, reviewed, or processed (e.g., propose idea, initial review).

At a technical level, each stage represents a step where data is entered or calculated or artifacts are approved/rejected before the workflow can move to the next step.

Let us understand each of these phases in detail. The box below helps breakout the key elements and goals that should happen in that stage. .[AU: is this an introduction to the box or to the text that follows? Please clarify]

type="definition"

Create

Cost, benefit, approach, resources, strategic impact, risk assessment

Select

Business drivers, strategic priorities, scenarios, impact standards, constraints, analysis

Plan

Phases, milestones, dependencies, resource management

Manage

Actuals, change control, status reporting, forecasts, issue/risk management, visibility

Closure

Sign-off, project documents, templates, lessons learned, archive

Planning in a Governed Environment

Project/Program Lifecycles: Demand Management Variations

These demand management or project lifecycle management (PLM, Project/Program Lifecycle Management, [AU: what does this acronym stand for? Change OK?]) variations can be viewed as a hierarchy within a single, unified enterprise context. Specifically, unified context allows for the application of a common semantic foundation, which in turn allows for the coordination of all related data within a single PLM repository. PLM supports active working processes and capabilities already familiar to practitioners of various PLMs.

As the hierarchy (see Figure 1.3) is examined a little more closely, some obvious conclusions arise. Products, systems, or even services can be viewed more or less synonymously as capabilities. A project might consist of one or more capabilities (or capability modules). A portfolio might consist of multiple projects, multiple products/systems, or a mix of both. This hierarchy allows for the ability to group all of these elements together and maintain the relationships between them through reporting chains, requirements, or departmental situations.

Figure 1.3 Demand Hierarchy

Source: Advisicon [01-03-demandHierarchy.eps]

Demand derives from written, verbal, or assumed requirements. Requirements represent the information between consumer and producer, between management and developers, and between planning and execution. Visibility emerges by leveraging a lifecycle framework that integrates all of those interests and participants.

PLM enables instant visibility and reconciliation of the many seemingly diverse program elements that exist across a complex enterprise. This visibility usually occurs through visual tracking and automated reports, which illustrate the potential issues and interdependent relationships between requirements and other program elements. No matter how many systems or component/vendor organizations are involved, if there is a centralized single-instance PLM framework, the various processes and lifecycles associated with an enterprise can be holistically tracked and managed.

Consolidating all of these processes and data centrally eliminates the single most critical problem facing PMOs today: the ability both to see the big picture and to drill down to specific details in an automated fashion. Today’s PMOs are essentially integrated on the fly and are top-heavy with manual processes.

The key to PLM is to understand that the PMO runs on information. That information must be easily accessible, transportable, and translatable and available directly to decision makers without going through layers of expert interpretation first. This doesn’t mean that other people don’t add value to the information; there will always be a need for diverse input, views, and skills in the PMO.

Significance of Portfolio Management and Demand Management in Today’s Evolving Market

If you have ever worked in an organization, you understand that time to market or the constant pressure to start new projects and complete existing initiatives creates imbalances of resource capability and availability and high risk. There exists a significant need to bridge the technical or reporting gap that is present between those who are doing the work and what those at the executive level believe is getting done.[AU: verify that this is stated correctly] In defense of senior management, they have heard for years from resource managers and work teams that they are overworked, yet the resources always seem to deliver.

This communication gap is compounded as new work is approved. In many cases, the annual portfolio selection process approves and moves work into the business system without the visibility[AU: who doesn’t have visibility?] to see what impact it will have on existing resources or projects.

Project Server 2010 has folded into the same system that manages the existing portfolio of work the ability to review new incoming work and compare it directly with the existing workload, by resources.

This ability is significant. The evaluation and review of demand management of future approved work with existing work enables organizations to see the impact of cost and work on a project, and by extension, the portfolio. As a result, these organizations are able to effectively prioritize the start time of projects within the portfolio and manage the organization’s staffing needs both within the context of the current workload and work in the pipeline.

In 2009, we supported a customer in developing a project office and implementation of Microsoft technology to manage, track, and get a handle on more than $300 million worth of projects each year. This customer, due to economic stimulus funds, wanted to increase the number projects to over $600 million a year. The issue was that just because projects were approved and contractors and staff were lined up to do the work, workload and infrastructure was still not getting the work accomplished, causing a backlog of projects that would continue to compound as more work was approved.

In today’s evolving market, many companies, agencies, and businesses are driving to get key projects completed in a timely manner, not only to be first to market but also to realize the business value that senior management established. As in the example just mentioned, the need to clearly understand both capacity and demand is critical before projects are started as well as during and after a project has been completed. When a project crosses the finish line, there should be a tie back to the return on investment (ROI) ensuring that it delivered the product as requested, not a project with features or functionality scuttled to make a deadline.

In today’s growing business and tightly competitive market, the company or organization that has the ability to manage, view, forecast, and adapt to these types of BI metrics will find a significant competitive advantage.

Information: What Fuels a PMO’s Success?

One of the core functional outputs of a PMO is its ability to standardize and measure key metrics across projects. In order to do this, project information must be uniform and measured. This information can cover costs, resources, work, planned, actuals for scope, schedule, and budget.

In Project Server 2010, all of this information can be tied to a project’s schedule and its collaboration portal or workspace (a SharePoint site). When combined in a uniform manner in an enterprise-based server system, it enables a PMO not only to measure key information about a single project but to review the entire portfolio of information about all projects and establish BI reporting and trends about key data points or metrics within the project office’s managed work portfolio.

Here is what makes the management of project information exciting: Imagine by touching data just once, you’ve gained the ability to pinpoint resource estimates with their actual work. Or by touching that data once, you are now able to bring in the consolidated time spent by an entire development team (who may be working in an agile system or logging work directly in Team Foundation Server) and can combine the actuals of costs or time spent and tie that information back to a project. Both of these possibilities enable both the project manager and the business managers to forecast the accuracy of the time, costs, and the work required to accomplish the remaining activities in project schedules.

Now imagine taking this information and creating a closed-loop learning process whereby new projects’ time, costs, and work estimates can be fine-tuned by existing work portfolio. This closed-loop learning process will essentially combine past, present, and future work estimates to give both project managers and business decision makers the ability to improve their project organization and reduce the effort, cost, and time in delivery of projects.

All of this is possible by touching the data only once in a single system. No wonder project offices are excited about doing more with less. Through Project Server 2010, this is not only possible but is easier than ever before to accomplish, as explained in future chapters, especially chapters 3, 8 and 10.[AU: specify which ones?].

Overview of Information Acquisition

The pursuit of information is an ancient activity that has always been a part of PM. The acquisition of information covers the entire lifecycle of projects, from estimating, to tracking the progress of work, activities, and deliverables. Even when a project is complete, the information we continue to compile helps us to see if the project delivered the intended results and provides us with the opportunity to learn from the process and improve future efforts.

User Empowerment

It is inaccurate to think that only project managers have PM skills or use PM methodologies. Any person who needs to manage multiple tasks, involving multiple persons, and has a deadline to meet can use PM.

Unfortunately, many organizations restrict the usage of PM tools to project managers and IT departments, as the tools are often viewed as too rigid, and require additional costs for skills and competencies. This practice limits the benefits of PM because other departments are deprived of the efficiency gained by using PM techniques and tools.

Most users are also unwilling to learn an extra tool for managing projects. Projects are subject to spatial dynamics where users or stakeholders end up managing projects on paper, in Outlook or Excel, or even mobile phone calendars. All these methods are inefficient and even inaccurate in some cases.

This means that Microsoft Project is useful not just for project managers but also for:

* Sales and marketing (campaign management, brand management, event management, product lifecycle management, market research, public relations)
* Human resources (training and development scheduling, recruitment planning and execution, appraisal execution, organizational development planning, growth planning)
* Finance (budgeting, variance monitoring, investment planning, mergers and acquisition planning, initial public offering planning and execution, following compliance and disclosure procedures)
* Top management (strategic planning, monitoring initiatives across departments, cash flow monitoring, resource planning, expansion planning, managing value lifecycle, crisis management)
* Manufacturing (process improvement, capacity expansion planning, building new factories, quality management, defect management, kaizen)
* Any role (manage complex interdependent tasks efficiently)
* Home users (planning parties or weddings, building/repairing a house, managing personal finance, tracking investments, buying/selling property, managing cash flow, orchestrating moving from one residence to another)

Ideally, companies are eager to tap the potential user base across all domains. However, as of now, only subsets of project managers use a formal tool, and projects often are not seen as interrelated within the corporate lifecycles. The evolution is now under way as easy-to-use interfaces and features of PM tools are such that users at all levels will find it suitable for its planning, tracking, reporting, and resource management capabilities.

Overview of Knowledge Management

Knowledge management (KM) [AU: insert throughout OK?]is a very hot topic these days with the ever-increasing need for connecting and simplifying the steps for project teams and stakeholders to get to information relating to projects, programs, or portfolios. The ability to empower end users to search, find, and quickly respond to information via a pull process versus a push process (i.e., not storing information in e-mails, desktops, hard drives, file drives, etc.) creates a more efficient and more interconnected audience of users around key project information.

While it takes time for a culture to shift from one model of information or KM systems and processes, SharePoint and Project Server 2010 are empowering organizations to expose the widest possible audience to information while maintaining an easy-to-manage, store, and communicate infrastructure that enables IT support groups to manage and do more with less.

End Game: Automation and Getting to Dashboards

KM empowers PM stakeholders to get to information. Executives and business stakeholders have found that the ability to automate work activities and drive information to dashboards help deliver some of the highest value of PM reporting and task/time management.

Project Server 2010’s ability to automate workflows (essentially giving programmability to project phases, field setting changes, or key work activities) enables teams to eliminate many manual activities, focusing time on more key activities around the PM process than just the tool.

Getting to dashboards is always one of the most exciting realizations of organizations that require demand management, resource capacity, and portfolio management. Dashboards (see Figure 1.4) essentially help us focus attention on the correct issues, in a sense, focusing on managing the exceptions, not trying to analyze the entire universe of activities.

Figure 1.4 Dashboards [01-04-dashboards.tif]

Of course, getting to a dashboard requires three key components that are important to take into account with both Project Server and SharePoint 2010:

1. Definition of dashboard thresholds

2. Linkage to key metrics rolled up from the appropriate level of detail up to the highest appropriate level

3. Understanding and creating a process around supporting, caring for, feeding, and addressing the issues that the dashboard metrics present

Many organizations spend significant amounts of time building and deploying systems but have poor results getting the information back out of the system. Project Server and SharePoint offer tools that allow for some quick drilldown and easy-to-build dashboards and reporting. (See Figure 1.5.)

Figure 1.5 Drilldown [01-05-drilldown.tif]

Using PowerPivot, Excel Services, Performance Point Server, and other BI tools, you can combine, analyze, and leverage information quickly and easily, leading to more time spent in growing and building a better PMO. (See Figure 1.6.)

Figure 1.6 Business Intelligence Analysis [01-06-businessIntelligenceAnalysis.tif]

Stakeholders in a Project Management Environment

Delivering Results, Not Surprises, with Microsoft Project 2010 and Microsoft Project Server 2010

In PM, a key component in any requirements-gathering processes is to ensure that both the stakeholders and the requirements are identified. Even if the scope of the project cannot deliver the requirements, the stakeholders should never be surprised that something will not be delivered.

Project Server 2010 gives end users a fast way to grow and mature an organization with its ability to stage or turn on all or some of the features with an organization’s maturity capabilities around project, program, and portfolio management.

Project Server isn’t a new tool but in fact is a blend of existing systems integrated to provide a full spectrum of visibility and metrics for making good business decisions and collaborative visibility into existing work.

Microsoft Project Desktop[AU: verify that Desktop shouldn’t be capped] has been in use for almost two full decades, and the collaboration portal (SharePoint) has been leveraging the enterprise (PPM) system since 2002. Project Server features combine and integrate the best of breed of the client version, embedded with SharePoint and its rich feature sets of reporting and document/collaborative Web parts.

The PPM component of Project Server is a powerful blend of features integrated with both the existing enterprise PM system and the built-in metrics of future portfolio work being brought online.

Project Server is integrated with the BI of SharePoint’s collaboration portal, business reporting capabilities.

In essence, the ability to see, plan, communicate, report, integrate, connect and review the ROI with other line of business tools (Microsoft Dynamics ERP systems, Visual Studio Team Foundation Server) leverages the richness of the Microsoft stack to enable visibility, not surprises, for project team members to senior stakeholders.

Consolidate Your Project/Program Approach

Large companies benefit from a matrix-style system of project support by scaling projects based on size, revenue, and other strategic factors. Typically, longer and more expensive projects secure executive sponsorship and corporate governance while smaller projects are created in an agile or rolling-wave planning environment. Small and midsize companies typically view most initiatives as projects because of their limited resource pool and operating capital. Many times, though, things get done through more ad hoc, reactive means. What is missing for both large and small companies is the ability to channel all campaigns through project lifecycles in order to consolidate all costs, resource usage, and requirements. Project Server 2010 supports integrated project and portfolio management capabilities.

Demand management using the tightly integrating project and portfolio management capabilities within the enterprise project management (EPM) solution provides for a consistent user interface, common data storage, and centralized administration. Improving and extending existing capabilities across the solution enables companies to incorporate (just to name a few):

* Project portfolio management
* New product development/project lifecycle management
* Internal workflows/approvals
* Regulatory and compliance management

The features of Project Portfolio Server 2007 are included on a single Project Server 2010 platform. This seamless unification of two products into one offering makes end-to-end project and portfolio management easier than ever.

type="example"

Using Project Server 2007 with Portfolio Server 2007

A branch banking division of one of the leading financial services organizations in South Africa with 680 branches saw the need to better align projects at its branches with its business strategy and to gain a single view of multiple projects in every branch. Having already implemented the Microsoft EPM solution with Microsoft Project Server, the branch banking was also looking for enhanced portfolio management functions. It chose the Microsoft Portfolio Management solution as the best for future growth, given its acquisition of Microsoft Office Project Server. The 2007 solution gave the branch banking project managers an end-to-end integrated project and portfolio management tool that helped to deliver new business value and ensure excellence in project execution.

They could achieve better collaboration among the project managers and the management team. The solution was also deployed for an IT development division with more than 450 users. Migration to Project Server 2010 will be[AU: future tense OK? OK to leave 2010 here and end of sentence?] a much shorter journey because the company will be able to migrate all of the data and processes from the previous version directly to Project Server 2010.

Looking ahead, organizations similar to the branch banking division will be able to leverage Microsoft Project Server 2010—in this case offering international financial organizations unified views of all work in one central location using the Project 2010 demand management capabilities. With Project Server 2010, project and portfolio management departments can:

* Build governance workflows to subject different types of work requests to the appropriate controls throughout the lifecycle of the issue or project.
* Standardize and streamline data collection by using configurable forms and business case templates.
* Capture all requests in a central repository to enhance visibility.

One unified Project Server 2010 system can run through the entire lifecycle of projects, from selection to implementation. A brief example of the 15 steps follows[AU: these are sequential steps? If not, should they be set as bulleted items?].

1. Create custom proposal templates.
2. Create a Web page to submit proposals.
3. Define the lifecycle for a project.
4. Create the approval process for a proposal.
5. Assess proposals through business strategy alignment.
6. Approve proposals.
7. Create project schedules and assign resources for proposed projects.
8. Define business drivers.
9. Prioritize business drivers.
10. Capture project proposals.
11. Create analyses and prioritize projects.
12. Analyze portfolios based on high-level cost constraints.
13. Analyze portfolios based on high-level resource constraints.
14. Commit selection decisions and communicate to portfolio stakeholders.
15. Create a central repository for project data.

All of this and more can be achieved easily using one centralized, collaborative environment.

Project/Program Governance

In many organizations, there remains a gap in the governing surveillance[AU: explain what term means] of project activities. Companies typically operate on the basis of a global or regional matrix of product groups and market territories.

Figure 1.7 illustrates common major business activity via business centers.

Figure 1.7 Principal Business Activities [01-07-principleBusinessActivities.eps]

Source: Advisicon

Associated with each of these business centers is a corresponding internal department. The key to improving and delivering shareholder value is to understand the requirements, or demand, since everything else flows from this process of demand creation. Years of research and focus on each of these business centers have provided companies with considerable tools and methodologies to improve the performance of each business center, tools this book will not describe. However, communication and connectivity in relation to each other[AU: each other what?] outside of their respective boundaries has been lacking.

Demand management is really the process of eliciting requirements to determine the goals, objectives, and business drivers that will enable information paths from the beginning. This is essentially doing top-down and then bottom-up planning.

Let’s assess a scenario where your organization in the energy industry has to meet a strategic target for operational profitability. The target for operating profit is set as an output from portfolio planning and strategic planning. For our scenario, we will start at shareholder return and set the outcome of an operating profit at a specific target level: 12 percent. Shareholder value related to operating profit is based on economic formulas, such as capital costs associated with staff/resources, tax, interest and expenses, along with formulas such as weighted average cost of capital or similar, which is the capital charge or the amount of money that investors expect as a minimum return from the business (matching the opportunity cost of their capital). Top-down planning using the aggregate of shareholder value/operating profit leads us to financial expense inputs (taxes, invoicing, operating costs, etc.). It also has financial revenue input, such as sales (gross profit, volume, pricing, and market share), distribution (shipments, timing, inventory), and other corporate investment channels.

Now that the top-down planning is complete (essentially a backward pass at a portfolio level), we have some direction to the thresholds and requirements that executives are looking for from projects based on shareholder input. This means that as projects progress through the various lifecycles, stages, phases, and departments, there is a direct link to the strategic objective.

Project Proposals and Strategy

Now that we have done some top-down planning and a backward pass at the portfolio level, it is time to work forward and begin bottom-up planning. In Project Server 2007, project data were dispersed throughout the organization. Even when captured as elements of a project/program, the data resided in a variety of systems, sources, and forms. Targets and requirements, for example, may have been cascaded down to the PMO via e-mail, notes, or data fields in other business systems. New information and change control in Project Server 2007 without a Portfolio Server environment meant using Web forms, Office documents, or other non–project system components to elicit changes/updates to requirements. Proposals and activity Web forms within Project Server 2007 incorporated enterprise-level fields, but the governance and initiation of tasks and projects still resided outside of the Project Server environment (organically). Using our example, as a commercial organization serving the energy industry, we will be required to provide evidence for decisions and status of the projects. Having all the data, workflows, and lifecycle stages attached to each project will be a significant benefit.

Project Server 2010 combines the Proposals feature of Project Server 2007 and the Builder module of Portfolio Server 2007 to give more flexibility and ease of use in one place. This helps program/project managers to strategize, prioritize, and choose the right projects.

A PM need not begin proposal creation right from scratch. Preloaded SharePoint lists or even enterprise project types (EPTs) can be used as a starting point for proposal creation. Furthermore, the proposals/projects can be grouped by department. Thus, a project manager from the HR department now has quick access to proposals belonging only to his or her department.

To bring about more standardization and regulation, templates can be created for project plans and a project workspace site. Hence a proposal can have not only a fixed EPT and workflow, but it can also have a fixed set of predefined activities (which can be further grouped, linked, marked as milestones, etc.) and a workspace for collaboration. An EPT represents a wrapper that encapsulates phases, stages, a single workflow, and the project details pages . Each EPT represents a single project type. Normally, project types are aligned with individual departments—for example, marketing projects, IT projects, HR projects, and so forth. Project types in Project 2010 enables users to categorize projects within the same organization that have a similar project lifecycle.

These proposals can be created and edited directly from the Web. A project can have multiple stakeholders who would like to participate in adding tasks to specific phases of a project. Additionally there might be some changes with more inputs coming from the team members. Web-based editing allows more room for individual stakeholders to contribute their share of information without being required to have Project Professional on their machine.

Once all summary information, deliverables, resource information, and cost estimates are captured for a proposal, it is then submitted for approval through a workflow. Then the approver[AU: OK to lowercase this? Check throughout] must access all aspects of a proposal and approve or reject it.

Let us consider a scenario where an HR manager is given a list of project initiatives that have to start according to fiscal year targets:

* HR payroll shared service
* HR employee information
* Training records tracking
* Performance management
* HR management system

It is not an easy job for HR managers to pick up the correct projects for implementation and then implement the projects in the correct order. A number of strategic objectives revolve around selection and prioritization of projects. Factors like business drivers, resource availability, and investment decisions all combine to determine the project kickoff order. (Examples of business drivers include increasing customer satisfaction, increasing employer satisfaction, better team collaboration, and growing revenue.)

Project 2010 capabilities help HR manager to select, prioritize, plan, track, manage, and execute these projects end to end. The tool helps determine each proposal’s impact on business drivers and other proposals, in turn generating a priority score. To begin with, each of these proposals can be associated with fixed templates and passed through predefined workflows. The HR manager can have multiple intermediate approvers approving the proposal(s) through multiple stages. Once approved, the proposal will become a potential project and tracked and managed through Microsoft Project Web Application capabilities. This leads to a more scientific method for project selection based on existing data analysis.

Profiles of Business Influencers

Business influencers can be both internal and external to how an organization decides what projects or which project approaches to take. In many companies, customers may drive business standards, processes, and workflows that surround the PM lifecycle.

Business influencers may be market conditions or non–people-oriented, environmental conditions that require certain types of information (e.g., metadata to be tracked and updated within the PM system in order to measure, sort, group, filter, or do detailed analytics). An example of this would be a seasonal or weather conditional factor that might prioritize how projects are to be started or when they are to be completed.

Another type of business influencer is the internal company influencer. In many cases, these are senior stakeholders or departments that have an influence on projects. They may influence which projects are undertaken as well as many of the reporting elements that need to be communicated on. In many cases, these internal influencers are part of the steering committees or business champions who represent, the business or organization, [AU: represent what?] and are looking for the value a project can deliver to an organization.

Whether an influencer is internal, external, or environmental, it is important to identify them and ensure that the deployed PPM system can present a clear picture to answer the business influencer’s requirements or conditions.

Profiles of Corporate Candidates

As a project stakeholder, you may be asking yourself a few of these questions:

* Does your company need this new system?
* How will your company benefit from Project 2010? Does it really need it?
* What size of organization typically adopts a demand management tool?
* Do demand management tools pertain only to large companies of over 1,000 employees?

The truth is that companies of various sizes have strategic and tactical needs. These needs are directly linked to stakeholder class requirements (e.g., customers, shareholders, and employees). Different requirements, processes, and skill sets often delineate the types of projects companies launch. Typically, the main differences between companies with staffs of 72 versus those with staffs of 52,000 are the number of digits in the balance sheet. Companies of all sizes need to remain competitive, current, solvent, and valuable to their customer base as well as accountable to their shareholders. Additionally, every project failure, regardless of company size or project specifications, has a negative impact on that organization’s bottom line, not to mention hits on intangible assets, such as credibility, morale, and customer perception.

Demands on companies today are as complex as ever before. Corporate debt may reach all-time highs, and profit margins continue to be squeezed in a growing global economy. Managing and forecasting resource capacity, ensuring quality delivery to customers, and meeting shareholder expectations means that innovation and planning have become fundamental activities that have to be efficient and effective. Organizations embracing project systems using previous versions of Microsoft Project Server today can select and prioritize projects, obtain better insight into complex, interdependent projects, and reduce project risk. What does Project 2010 provide companies? The next customer example shows how a large organization initiated a PPM solution and how Project 2010 with Demand Management capabilities has and will continue to add value.

type="example"

Microsoft Human Resources

Microsoft HR, which supports the 93,000 employees of the global software company, wanted to make better strategic decisions about its portfolio of projects. As HR developed new portfolio management processes, it worked with a prerelease version of Microsoft Project Server 2010, tailoring the software to fit the business processes of its five HR Centers of Excellence (COEs).

In early 2007, HR decided to improve the way the COEs delivered projects. “We had more than 200 projects running,” says Bruno Lecoq, director of business process in the Operation Excellence COE at Microsoft HR. “To complete all of them—and deliver them at the right time—was mathematically impossible.”

HR generalists sometimes felt overwhelmed by the sheer number of projects, says Joan Wissmann, manager of Compensation/Benefits/Performance Management COE Project Management at Microsoft HR. “One day an HR generalist might get a request for help delivering a training program. The next day, a request to explain a new benefits program. Then the day after that, a request to work on recruiting.” If HR generalists felt overwhelmed, their participation could lag, which meant that programs did not perform as well as desired.

The Microsoft HR department has used Project Server 2010 to collect information more easily and to compare and evaluate projects more effectively. The department has pared its project portfolio from 200 to 25 while bringing about greater transparency, accountability, and collaboration. Many users are not even aware that they are using Project Web App because of the ways that HR has adapted Project Server 2010 to the traditional processes and workflows at each COE. These benefits have been noted:

* Better information collection
* Fewer, better-scheduled projects
* Transparency and accountability
* Richer ways to compare projects
* Improved collaboration

Stakeholder Classes

Stakeholder class is a grouping or an identifier that helps quantify what area or functional/nonfunctional grouping a stakeholder represents. For example, accounting and engineering may have some very different reporting, tracking, or prioritization requirements; however, each requirement from each stakeholder group may be mission critical and in some cases diametrically opposed. By organizing your stakeholders into classes, you can help to rate, rank, and prioritize new proposed projects, key project metrics, or project requirements for each group. The goal in this discussion is not to drill into requirements management or best practices in mastering requirements gathering or management but to help readers understand the importance of helping to organize, rate, rank, and in many cases create different portfolio analysis in Project Server, based on stakeholder classes that represent the projects, both current and future, that will be managed or created in the PPM system.

Scalability and Succession Planning with 2010

One of the key success factors with Project 2010 and its related server and collaboration environment is the ability to scale the product based on the maturity needs of the organization. For example, many organizations start from an Excel-based planning model for tracking and reporting on projects. SharePoint combined with Project Professional will allow you to build, manage, and update schedules in SharePoint and sync with Project Professional for rich reporting.

As an organization matures, it can continue migrating information to Project Server 2010, where it can leverage a common resource pool and really begin taking advantage of a common environment for standards and for reporting and managing information. This may come as a surprise, but some organizations don’t build schedules; they actually leverage resource plans and track the high-level project information (metadata) associated with each project.

As a project organization continues its journey, it may find itself finally maturing into portfolio management or rating, ranking, and prioritizing new work proposals. Here is the beautiful thing. Many organizations have already started with rating and ranking a portfolio management process but have never achieved a detailed scheduling system or a common resource pool to uniformly track the resources needed for the work to be completed.

Project Server 2010 allows an organization to start at any point in the system and leverage, grow, and mature. Different pieces of the technology can be turned on at different times to move upward or downward to complete a more robust, richer, dynamic scheduling project, program, and portfolio management system and organization.

Technology Meets Strategy: Welcome to the Business User Network

Product managers and project managers . . . why separate these roles?

New products are essential for rejuvenating a line of business and are like vitamins for the body. If you provide less than is needed, the organization regresses. If you provide too much, you create waste, and much of this waste will end up being stored in the “great idea that never worked” pile.

Clayton Christensen, Harvard professor and best-selling business author, writes in chapter 3 of *The Innovator’s Solution* that more than 60 percent of new product development work is abandoned before market launch[AU: provide source note]. About 40 percent of the introduced products never turn a profit and are pulled back from the market. Therefore, about 25 percent of new product development investments lead to commercial successes, continues Christensen.

His statistics create a clear case for PM. Juggling the triple constraints (time, budget, and scope) minimizes misuse of resources. PM, as a discipline, offers the requisite controls to achieve this goal.

At the same time, creating a new product requires innovation, which is a bit chaotic and often comes with unstable requirements because of changes in the marketplace. Product management enters here, with its tools to build a product that conforms to customers’ wants and needs within the shortest possible time frame.

The core issue is control versus speed and innovation. This conflict can be resolved by separating the roles and assigning the responsibility for each area to two different persons.

What Are the Common Traits of the Two Roles?

Individuals who opt for either product management or project management usually share a similar career trajectory. Both functions often are a career choice of technical specialists. After advancing to management level, both leave their functional areas’ bastions and face the challenge of working in a cross-functional role, which requires strong political acumen. Thus, the ability to navigate through and get things done in a political minefield is crucial to succeed.

Finally, product managers and project managers are both required to understand the big picture, including the marketplace and their own respective organization’s priorities, while keeping an eye on the details.

What Are the Roots of the Differences?

Tracing back the discrepancies between the two roles to their sources, we find that they stem from the key differences between a “product” and a “project.”

The Project Management Institute’s *Project Management Book of Knowledge* (PMBOK) perfectly describes the discrepancy between the scope of a product and a project. A product’s scope is specified through its features and functions. A project’s scope is identified by the work itself that needs to be done in order to deliver the product. PMBOK offers further clarification: Product completion is measured against the requirements while project completion is measured against the plan prepared.

A view into their lifecycles reveals another way of seeing the differences. A product’s lifecycle is depicted with a chart that has time on its *x*-axis (often with these phases: introduction, growth, maturity and decline) and level of sales on its *y*-axis. The product’s lifecycle is most commonly used for determining the appropriate marketing mix (price, distribution channels, product features, and promotion activities). The project lifecycle, in contrast, is illustrated with cost and staff levels on the *y*-axis and time on the *x-*axis. The project’s lifecycle is used most commonly for controlling corporate resources.

What Are the Challenges in Working Together?

Recently, while consulting on a technology service development as a project manager, I [AU: use of “I” here OK? explain who it is and clarify throughout?]found myself in a constant battle with the product manager.

Let’s call this product manager Mike (not his real name). Mike had a tendency to micromanage the cross-functional project team members. The company is a matrix organization, and all the project team members were on loan from functional departments.

The new product development project was stuck in the requirements definition phase for several months. The reason for this was that the Mike-led cross-functional team silently boycotted him as a pushback to his lack of trust in their abilities. They came up with excuses ranging from “I am currently too busy on my other projects” to just plain not showing up to the weekly team meeting. The team slipped into a vicious circle.

After my first serious disagreement with Mike, which was about cosmetic issues relating to my project schedule, I realized that we needed to negotiate boundaries that we could both live with.

“Mike,” I said, “I understand that you have great intentions and would like to see everything go perfectly. However, it is time to leave some tasks for your team members.”

“What do you mean?” he replied.

“Well . . . some team members told me that they would be happy if you could focus on product-related issues and let them determine the support requirements and processes in their domain. For example, I would be happy to rearrange the activities on the schedule based on your input; however, you have not provided me a good reason for doing so, and since the schedule is my responsibility, I will not do it.”

I never had a chance to find out if I was able to convince Mike, because, after a few weeks, he was transferred to another product. The new product manager, Chris, was very cooperative. His mantra was “Don’t care how you do it, just do it fast.”

We completed the requirements in a few weeks and launched the service with a phased approach in three months.

My experience with Mike highlighted a few challenges that are common in project and product management relationships and need careful management:

* **Control versus speed.** In my case with Mike, the situation was a bit backward, because typically project managers are accused of being too controlling. However, the lesson is clear: Control, wherever it comes from, needs to be balanced with flexibility and speed. Too much control oppresses team members’ creativity and motivation, resulting in slower problem solving and slipping launch dates.
* **Crossing role boundaries.** Mike meddled with PM and other deliverables, creating animosity within the team, thus damaging teamwork. Project managers who are subject matter experts can fall into the same trap if they don’t manage the relationship with the product managers carefully.

What Works, or How to Save This Marriage

Four factors can pave the path for creating a partnership that works for product managers and project managers and can enable a fast delivery of high-quality products.

1. Mutually agreed-on priorities for the new product development project (time, cost, quality) provide the baseline for subsequent decisions.

2. A robust new product development process that defines stakeholders’ responsibilities and provides clarity around who owns what deliverables helps in avoiding time-consuming collisions.

3. Open communication builds trust and is the best lubricant for the product development machine.

4. Project managers who view product managers as internal clients and partners in delivering seem to be quicker in building a relationship based on mutual respect, which leads to the ultimate goal: delivering exceptional products to the customer.

Business Users Connected to Business Objectives

Organizations in the twenty-first century, especially in light of the posteconomic[AU: What is meant by “post-economic environment”? Why not just “economic environment”?] environment of the 2008 to 2010 period, are looking at technology platforms that can help them solve issues while being accounted for by the chief executive/financial offices as a solid investment to grow with their business, in full support of the direction the organization wishes to stretch and move.[AU: If the previous sentence really does refer to 2008-2010 only, then this should be changed to past tense and is a historical statement, not a reflection of current status; can you rephrase to bring up to date?] Microsoft Project Server 2010 [AU: multiple names must be explained at first use of project name in chapter, not at end. Clarify throughout] is meeting expectations and appealing to a wider group of business users to solve planning, forecasting, and financial control needs. This is largely attributed to its ability to slip into the sweet spot of supplying a robust technological platform that can bridge PM methodology and an organization’s individual maturity approach for growth. Project Server 2010, built on the business collaboration system SharePoint Server 2010 platform, is delivering enterprise-wide support of aligning work with organizational strategy, strong tactical execution, and meaningful BI to empower organizations to make informed decisions that impact their current situation but also provide a strong foundation for future goal achievement.

Companies are looking to better align strategy with financial planning and look to their corporate diversity, regional presences, and departmental structure for the best way forward. In this book, we address some of the main factors for scalability, best practices, and opportunities for creating wins from the potential challenges companies face when implementing a solution such as Project Server 2010. The aim is to initiate dialogue and thought around the use of and growth with Project 2010 that includes the individual products of Project Client, Project Server, and SharePoint Server.

Important Concepts Covered in This Chapter

Key concepts in this chapter will be built on in the rest of this book. Here is a short recap of the core elements covered.

* The importance of leveraging technology and culture for a successful growth of PPM
* The importance of governance, whether process or reinforced with technology and workflows, in ensuring good reporting and visualization of project/program status
* Fueling a PMO’s success with good information that is easy to maintain and report on
* Succession and scalability planning with Project Server 2010 (growing the tools with the culture)
* How to leverage business influencers and their key requirements to help ensure a good PPM system

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