



Project Portfolio Management - Managing the Project Pipeline

For most service departments, the demand for new projects will occasionally outweigh the department's capacity to do them. Whether it's due to financial constraints or skills being completely exhausted elsewhere, sometimes you just have to say "no".

Saying "no" is easy - it's deciding *who* to say "no" to.

Projects that bring the highest return on investment from the scarce resources available must be pushed forwards. Projects that drain resources and eat up the budget must be discarded - or at the very least, put on hold.

So how do you decide which projects stay and which ones go?

Give the projects a priority or ranking. At what level this is decided will depend on the company, and the rank each project is given may need to change in the future - perhaps at short notice. But it's important to give yourself focus; to shorten that daunting list of projects and restore some perspective.

Assess your clients. How important is that new piece of HR software? If you've got high morale and a low staff turnover, perhaps it can wait. But if you're on a massive recruitment drive and the daily flood of CVs is proving hard to handle, then perhaps that new HR software *should* be a priority. But Finance are knocking your door down too... And Sales have been using the same system for five years...

Market trends. Perhaps new regulation has brought the need for new processes - and therefore new projects. For example, when the Financial Services Authority (FSA) began regulating the previously self-regulated insurance industry in 2005, many brokers and insurers had to implement new reporting methods to comply with the regulations. Failing to meet the FSA standards would have led to large fines.

As you go through these steps, you'll find your projects will naturally begin to fall into groups - whether it's because they all have the same priority, the same client, or are as a result of current market trends.

Managing these groups - or any group of multiple projects - is called project portfolio management. Understandably, it's not easy. But having the right piece of project management software to assist you can prove invaluable.

Your software should enable you to see the impact each project has on your skills capacity. Managing large numbers of people across multiple projects is a tricky balancing act, so being able to track the progress of staff or contractors is essential.

But when bottlenecks appear and rearranging your resources becomes unavoidable, a 'What if...' function within your software will help you assess your options so you can rebalance your workforce for real.

Digital timesheets will help you to capture the actual time taken on a project, and therefore accurately predict the time it will take to complete it. Where progress is visibly slow, additional resources can be drafted in, and project costs re-estimated.

It's the software's integration of timesheet and budget facilities that will consistently aid performance measurement, and help you to identify and remedy projects that require corrective action.

Managing a single project can be difficult, so managing multiple projects will never be easy. But with an intelligent piece of project management software to offer a helping hand, perhaps you can make project portfolio management a great deal easier.

And then maybe you won't have to say "no" quite as often.

About the author:

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