



Successful implementation of digital portfolio tools

Good portfolio management is increasingly critical to organisational success. Many EPMOs are seeking to leverage anything they can to be better at providing good advice and support to investment decision-makers. The lure of a digital tool is highly attractive and the business justification is presented as a compelling one. The investment story typically goes something like this... 'A digital portfolio tool will enable us to optimise our portfolio, increase our overall investment value for money, provide transparency about investment progress and performance, reduce risk across the portfolio, manage resources more effectively, increase productivity, realise efficiencies...' the list goes on. Some organisations do reap some of these benefits. Many, it seems, do not.

GETTING TO SUCCESS

There are some success stories out there. The ones we know about tend to be smaller implementations that are well-tailored to the organisation's specific context. Some weren't even called portfolio tools. The key to their success, in our view, was that they met the needs of the people they relied on to get the data right – the delivery community.

We recently helped a large and complex policy group implement a simple portfolio management tool. It's called their work programme management tool. It took time to work with the managers and their teams to get the design of new ways of working, and then the tool, right. It took time to work alongside people, helping them in practical ways, as the tool started to be used. There were tweaks to be made to get it right once it was in use.

A year later, they are using it well and it is providing the benefit they were seeking - the ability to identify and stop doing the less important stuff and to focus their efforts on what matters most. As a down-stream benefit they received another million dollars in operating funding. They could demonstrate to their leadership the tradeoffs that needed to happen in a reliable, evidence-based way. A pretty good outcome for them and their organisation.

CHANGE MANAGEMENT AND BENEFITS ARE DIRECTLY LINKED.

Implementing a digital portfolio tool is a business change and if it is not planned and managed in this context, the expected business benefits will be reduced or destroyed. Many EPMOs that introduce a portfolio tool have not considered how ready the business is for that tool, or the level and type of business change that will be required to make it effective.

IT IS PEOPLE, IT IS PEOPLE, IT IS PEOPLE

Here's the thing; a portfolio tool will NOT improve the competency or skills of your Project Managers – and may even amplify their lack of knowledge and skill. For example, if they don't fundamentally understand or care about risk, a tool really won't help.

Furthermore, if your tool doesn't make life better, easier, simpler or faster for the project delivery teams, they will not use it properly – and therefore the information it holds cannot be relied on. Your project delivery people will continue using the applications, documents, spreadsheets, white boards or post-it notes that do make their life easier and these will remain the real 'source of the truth'.

CRITICAL BARRIERS TO SUCCESS

So what stops EPMOs from seeing and managing the change impacts well enough to make the introduction of a digital tool succeed? I think some core assumptions can get in the way:

- That the EPMO and project delivery teams are naturally aligned in their goals and priorities – in truth, these two functions have a healthy tension in a mature organisation, or outright conflict in a dysfunctional one.
- All our normal biases – optimism bias, confirmation bias, cognitive bias; anything that helps us convince ourselves that it'll be relatively 'inexpensive, fine, simple, easy, seamless' – or whatever. Without the right level of planning, effort and change management it really won't be.
- That project delivery teams care about the EPMO – many really don't. They are likely to care much more about their SRO, business owners, team members and stakeholders. This has a profound impact on thinking about who the real customers are across the investment system.
- That project people 'do' change well – the reality is that change which impacts on them will be as hard for them as the next person.



About the Author

Karen is the Founding Partner of Tregaskis Brown. She is a sought-after advisor to executive teams on the governance and effective control of portfolios and major programmes of change. She is valued by her clients for her ability to challenge their thinking and encourage fresh ways of looking at strategic issues.

WHAT MIGHT HELP?

Effective change and business impact management is crucial for success if you are serious about introducing a digital portfolio tool that delivers real and enduring benefits. There are no short cuts or silver bullets. Our advice is:

- Take time to get a robust, honest understanding of what your project delivery community would find useful from their perspective – and start with addressing that, even if it's not a portfolio priority.
- Invest heavily in 'people capability' so that when a tool is proffered, its usefulness is immediately apparent to the cohort of expert practitioners. You will never convince a Project Manager who has no real idea how to plan a complex project properly that a digital schedule will make their life easier. That's because it will, in reality, make it harder. And you have no chance convincing a Project Manager who is proud of heaving things over the line in a spray of gravel, having relied on heroic overtime, last-minute de-scoping, multiple dramas and more than a dash of compromise.
- Tailor your tool for the job – complex, risky, expensive portfolios and projects need much heavier-duty tools than simple ones. Don't implement a jackhammer to crack a few nuts.
- Chunk your implementation activity down to do-able and immediately useful changes so that each improvement sticks before you introduce the next one.
- Be willing to set aside your desire to implement a digital portfolio tool if there is no genuine, immediate benefit available to your project delivery teams – you probably have more important problems to solve first.