Ten Steps to Comprehensive Project Portfolio Management – Part 7
Tips on Step 10

By R. Max Wideman

This series of papers has been developed from our work in upgrading TenStep's PortfolioStep™.
For more information on TenStep's internal consulting methodology, please visit
http://www.portfoliostep.com/0.0.0PortfolioStepHomepage.htm

In this Part 7 we will cover:

- Tips on Step 10 – Improve the Portfolio (Benefits & change)
- Product Launch: Transfer of care, custody and control
- Product success
- A different sort of project?
- Different stakeholders?
- Ramping up the use of the product

Tips on Step 10 – Improve the Portfolio (Benefits & change)

Improving the portfolio may just mean that you want to juggle the work, or the Portfolio Components, around a bit. Or it may be you can see ways to improve the portfolio management processes. Generally, these are relatively minor moves that you can make with little difficulty and little fan fair. Much more likely is that you need to redirect the goals of your portfolio as a result of a strategic change ordained by executive management with a consequent need for portfolio "improvement".

However, this is not likely to happen until management can see and experience the results of the portfolio outcomes in terms of the actual benefits being realized. And this in turn will not be clear until three important intermediate steps have taken place all of which fall within the responsibility of the Operations people. For this reason we have grouped the following four sequential headings together as a part of this Step 10 – Improve the Portfolio.

They may be collectively described as Strategic Change and are:

1. Product launch
2. Benefits harvesting
3. Benefits reporting, and
4. Improving the portfolio

Product Launch: Transfer of care, custody and control

You really cannot start to properly gather benefits from your portfolio work or the products of projects unless they are properly launched and established. Regrettably, this is often a vital step that "falls between the cracks". Project management believes that their work is done once the product is created, tested and proved functional according to requirements. Operations and support people are content to wait to be called when needed. Why should they "interfere" sooner? Meantime the frustrated user of a new product or service is busy deciding that "the old way" was far superior until, after several weeks, even months, they come to realize the advantages of the new product. In short, there is a gap in the flow of communication, improvements and consequent benefits.

Filling the transition phase gap

This gap corresponds to the transfer of the products of the portfolio work to the "care, custody and control" of the user. This is an important concept that is not generally recognized in project work. What does it mean? It means the formal handing over of a project's completed deliverable into the hands of the new owner of this product and, more particularly, into the hands of the user or users. Someone must also take responsibility for the product's care, usage and maintenance. In practice, it is a transition period in which a number of activities should be organized and conducted, but that may vary according to the product and the relationship between the parties.

Where IT projects are concerned, typical activities that are generally well recognized include: Introduction, rollout, marketing or promotion, training and support. In addition, this is the time when project records including "lessons learned" and "construction history" must be sifted and archived should the product need to be "reopened", or for when it comes time to upgrade. Also, accounts must be closed and costs finalized for purposes of establishing relevant asset investment value Training in the use of the new product will also be necessary. This may include "Change Management" that arises from any revision to the way people should think and work. And finally, this transition phase includes the traditional product support to fix any bugs or minor interface changes that surface as usage ramps up to full capacity.

Selling the product

Perhaps the best answer is to look at it as an opportunity to "sell" the product into its operating environment. Here are Ten Tips for preparing to sell your project's product to the product's users:

1. Make sure you understand the product's value
2. Target those who will value it and be responsible
3. Clearly communicate the benefits it will bring
4. Understand how people actually buy, or buy in
5. Differentiate on value (not on cost)
6. Listen hard, sell softly
7. Make your user's job easier to adopt and adapt
8. Sell to the individual, not to the organization
9. Provide product use initiation or startup support
10. Better yet, become a part of the user's team

Product success

When it comes to eventual feed back for purposes of improving the portfolio, a key metric is obviously the answer to the question: "Was the product a success?" Measuring product success raises some major issues. On what basis can we agree that the product was indeed a success?

- Was it bought?
- Was it used?
- Did users like it, i.e. did they evince a measure of "satisfaction"?
- Did it make money?
- Was the product an enabler of the intended benefits?
- And did it produce those benefits in sufficient measure?

And, we might add, if it did, who cares if the product was late and over budget?

Of course, there is always room for improvement – otherwise we'd never make any progress. But in the IT world, the very idea of upgrades has become a part of the business plan. We can reckon that almost any software will either be reworked as an upgrade version, or supplanted by a newer and better application. Indeed, if that does not happen on a one to two year cycle, we may even be disappointed.

This attitude has become so all pervasive, that we even get disappointed when more solid artifacts fail to be significantly upgraded, and that applies across the spectrum from cell phones, to household equipment, to sports gear, to cars. Eventually, it comes down to whether the driver for change is a real need to improve over the previous model, or is it a device to be able to sell the latest "new and improved" must-have?

Theoretically, the "market" will, or should, decide but that is not always the case. Certainly, if the product fails in a big way on any of the questions we raised above, the product and hence the project will have been a failure. But the opposite does not necessarily hold true. For instance, the answers to the above questions may all be very positive simply because of a very slick and powerful selling ("marketing") campaign. A campaign designed to convince people that this product is just what they want to fill a need – even if they have not recognized that need before!

Clearly there is a lesson here for the project management fraternity. It is not sufficient these days to be "on time, on budget", nor even that the product works just the way it should and satisfies all the "requirements". At the time of the transfer of the project's product into "the care, custody and control" of the users, the product needs to be marketed. It needs to be sold into the market place, that is, into its working environment.

Then, and only then, upon completion of a successful marketing campaign, will the product be a success and, therefore, the project can also be called a success. Of course, that costs money, and management must be prepared for it because that is not strictly a part of the project's "construction" budget.

A different sort of project?

Some times the effort involved in launching a product, particularly a major product or whole program, is such that you will find it desirable to make it into a project in its own right. True, the characteristics of this project will be different from what we are traditionally used to, i.e. the delivery of an enabler product. What we are used to is a project that produces a product that meets a real need. One that results in a solution that is carefully constructed as a response to clear objectives that have been determined, owned and established by the organization. If we chose, such a product could be developed, built or acquired from outside of the organization, i.e. outsourced, and certainly outside of the environment in which the product will be embedded.

Instead, the "project" that we are now speaking of is a project that is designed to achieve the transfer of the care, custody and control of a product to the users. The goal is to implant the new product in such a way that the planned benefits will actually be realized. We may describe this as a business change project.

A business change project is different because it takes place in the business operating environment, often involves new ways of working or a new business state, and often involves a serious change in business culture and attitudes. Changes in business culture and attitudes can be one of the most difficult challenges for the project manager. Nevertheless, the basic project management approaches are similar.

Distinguishing between enabler projects and business change projects helps you to:

- Highlight the importance of both, including the need to cost, budget and plan both
- Recognize that each will be funded and managed differently
- Ensure that business change is neither neglected nor squeezed, especially when budgets are tight or later reduced

Of course it is not unusual to find that a particular business change requires a series of enabler projects, In which case, that series of enabler projects should be managed as a program.

Different stakeholders?

In the context just described, a stakeholder may be defined as any person, group, or organization who will be affected by, or have influence over, the proposed investment in change. Or, you could say: "Anyone who can throw a spanner in the works!" The typical list of stakeholders will include clients, customers, users, indeed, anyone who buy and/or receive products and services. Sometimes you may have to include customers' customers and even their customers. For example, a project to change Air Traffic Control systems and procedures should not only recognize the airlines as stakeholders, but also the airline's passengers, as well as the passengers' relatives and friends awaiting the plane's arrival.

One of the high-risk areas of business change is any stakeholder who has not bought into the change. Such people are often simply viewed as a problem. You should take the positive stance and see people as a major part of the solution. In most change initiatives benefits arise through the way people eventually behave differently:

- People communicate more effectively
- Staff take on new responsibilities
- Managers make better decisions
- Clients and customers produce more
- Suppliers deliver sooner

And so on

The challenge is how to equip and motivate people to behave differently. This generally requires engaging and involving them, so that their ideas are heard and considered, and they buy in to the change. An enabler project may deliver a product but a business change has to deliver business benefits. Without buy in, business change is rarely successful.

Therefore, stakeholder involvement should cover all of:

- Creating the vision
- Agreeing the objectives
- Identifying the benefits
- Determining the dependencies between enablers and changes
- Selecting from solution options
- Acquiring the capabilities
- Implementing the changes
- And tracking the benefits

As you can see, this covers the whole life cycle of the portfolio.

Ramping up the use of the product

When it comes to revving up the deployment of a particular product, here are seven suggestions for introducing the product and gaining its acceptance and use:

1. **Make the new product readily available**. People find new things threatening, especially if they have not chosen them themselves. So give people the option to try it and ask them how they find it. Note, don't ask them what they think of it because that invites them to search for all the possible things that could be wrong, largely based on what they have been used to previously.
2. **Try out the product on a project**. If appropriate, try out the new product on a project, or even on a trial basis, where it can come under close scrutiny and prove its usefulness.
3. **Get product usage**. Get the new product used by an increasing number of people supported by appropriate training. The idea is to move the product through the learning curve stages of "interesting" to "familiar" to "essential".
4. **Demonstrate saving in effort**. Show how the new product saves effort, makes work easier, or provides other advantages compared to the existing products. Be careful to avoid talking about saving time. In many people's minds that's "code" for saving people which translates into loss of jobs
5. **Roll out**. Once the use of the product has been validated under working conditions, plan a rollout or cutover. People naturally tend to resist change but if they can all move together, they will be less fearful.
6. **Training and support**. Continue training and support until the product is well established and fully integrated.
7. **Give credit**. Once the product is generally accepted, give credit to those responsible for creating the product and extol the benefits of the product to the organization.

Who should pay?

The question of who should pay for the cost of the effort involved in the transfer of the care, custody and control of the product to the users as described above is sometimes a contentious issue. From an overall corporate perspective, it is all a part of the original investment. After all, the asset is not viable until it is fully integrated and fully productive, and the full benefits begin to flow.

A useful rule of thumb is that "Any cost that would not have been incurred had it not been for the launch of this project, should be considered as a part of the investment in the product". Hence the project should pay.

However, both the project management people and the operations people will be involved and some of the costs will fall to each side. If all of the costs, including those of the operations people, are carried by the project budget, then there is the feeling that Operations are getting a free ride. Conversely, if Operations carry all of the costs described in the previous section, they will inevitably cut back on some essential activities that they may be unwilling to recognize, such as training, coaching and selling.

The best approach is for you to establish a split budget to which both project management and Operations management can charge and be held accountable to cover their respective activities from the list shown above. Since you have established this transition as a distinct phase, the phase should be planned to involve the appropriate stakeholders just like all the other project phases.

Coming next

In Part 8 we will provide more tips on Step 10.

Email: max_wideman@sfu.ca