

P30[®]

Portfolio, Programme, & Project Offices



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Context of P30

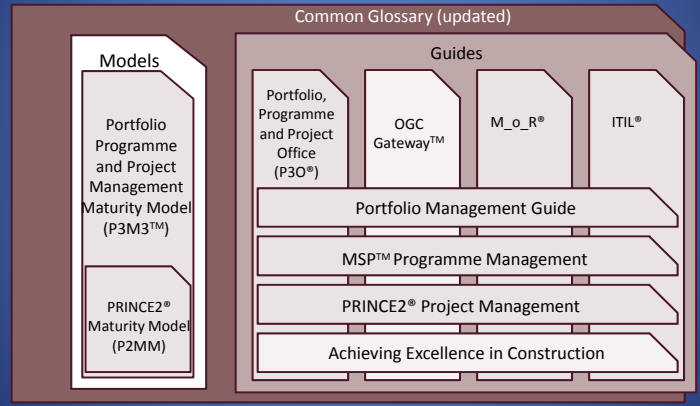


Fig 1.4



Portfolio Management :-

“a coordinated collection of strategic processes and decisions that together enable the most effective balance of organisational change and business as usual/operations.”



Overview

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Projects:-

“.....temporary organisations which will deliver one or more outputs in accordance with a specified business case.”

“Managing Successful Projects with PRINCE2” (OGC publication) gives detailed guidance



Overview

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Programmes:-

“.....temporary, flexible organisations created to co-ordinate, direct and oversee the implementation of a set of related projects and activities in order to deliver outcomes and benefits related to the organisation’s strategic objectives.”

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Overview



Context of P30



Fig 1.1

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Overview



Context of P30

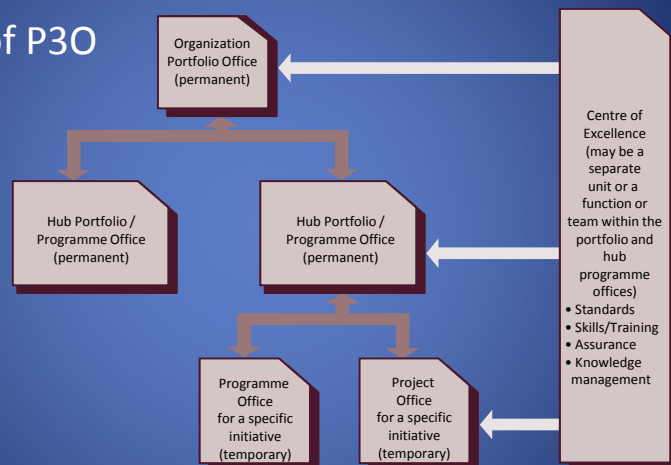


Fig 1.2



Context of P3O

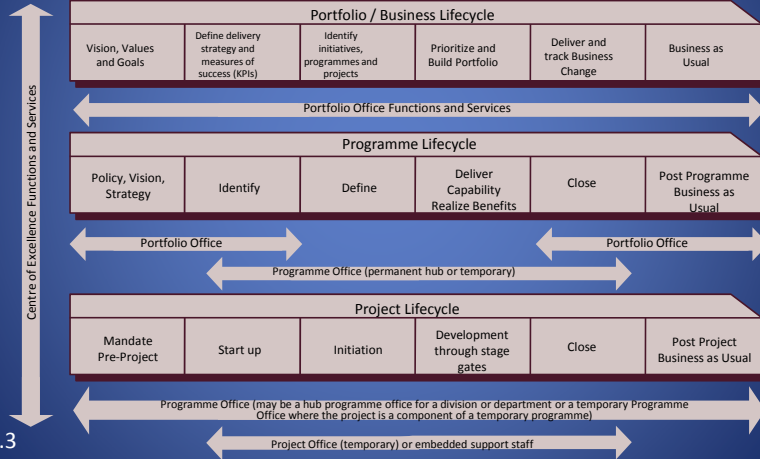


Fig 1.3



Why Have a P3O



Why Have a P30

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The Value Matrix

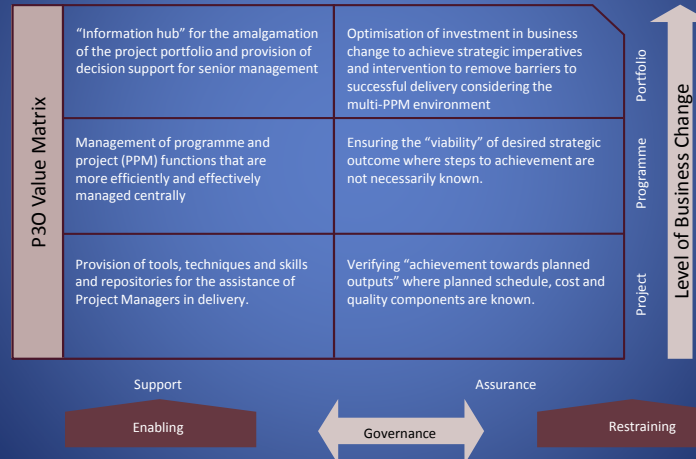


Fig 2.2

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Why Have a P30

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Principles for measuring P30 success:-

- Programme & Project success rates relative to capital cost, duration, operating cost & benefit realisation
- Improved portfolio balance (overall risk, Programme & Project life-cycle stages, strategic alignment, & investment type)
- Enhanced contribution to strategic objectives



Why Have a P3O

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P3O capability & linked benefits:-

Capability

Can enable the selection of the right programmes and projects

Benefit

Reduced risk, quicker starts, quicker to market, increased confidence in investment

“Pet” or rogue projects stopped at the initial investment stage gate

business strategy proved or disproved quickly and cheaply before major investment is committed



Why Have a P3O

AFA

P3O capability & linked benefits:-

Capability

Can enable optimisation of organisational investment

Benefit

Money spent on the right programmes and projects,

Focus on strategic returns and regulatory or “must do” programmes and projects

Balanced portfolio, growth ensured, “business as usual” happy and functioning



Why Have a P3O

AFA

P3O capability & linked benefits:-

Capability

Can enable maximisation of returns from investment

Can enable right resource allocation to programmes & projects

Benefit

Portfolio returns the right mix of strategically aligned benefits

Cost savings

Resource assignment matches priority



Why Have a P3O

AFA

P3O capability & linked benefits:-

Capability

Can maintain alignment of programmes & projects with strategic objectives & targets

Can resolve resource contentions & conflicts

Benefit

Programmes & projects can be stopped where misaligned

Improved decision-making

Reduces management overheads

Scarce resources better used

Costly 'just in time' external resources



Why Have a P3O

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P3O capability & linked benefits:-

Capability

Can identify & manage interdependencies

Can evaluate aggregate level of programmes & project risk implications

Benefit

Reduces delays
Helps prioritise activities

Influences decisions to start/not start programmes or projects

Informs possible re-scoping to reduce overall exposure



Why Have a P3O

AFA

P3O capability & linked benefits:-

Capability

Can monitor progress of programmes & projects against key outcomes

Can ensure outcomes of one programme or project do not negate outcomes of another

Able to co-ordinate change control

Benefit

Helps ensure successful delivery

Helps achieve VfM & efficiency gains from programme & project rationalisation

Ensures RFCs reach correct organisation

Offers opportunity to 'bundle' related RFCs to form a project



P3O Models

P3O Models

- Organisation Portfolio Office Model
- Hub and Spoke Model
- Temporary Office Model
- Virtual Office Model
- Small Organisation Model

Organisation Portfolio Office Model :-

- single permanent organisation level
- focussed on :
 - strategic portfolio support
 - planning
 - delivery support
 - COE functions
- temporary programme and project offices set up for new initiatives



Hub and Spoke Model :-

- large organisation
- multiple decentralised permanent hub portfolio offices, serving :
 - specific divisions
 - geographical regions
 - business units, departments or functions



Temporary Office Model :-

- no permanent office exists
- temporary programme and project offices (or individuals with support skills) set up for new initiatives



Virtual Office Model :-

- no physical central office
- functions carried out by business or functional units



Small Organisation Model :-

- very small office, or
- single individual
- usually focussed on :
 - consistency of methods
 - training



Functional Areas:-

- Strategic Planning or portfolio support functions/services
- Delivery support functions/services
- Centre of Excellence (COE) functions/services



Tailoring an appropriate model determined by:-

- organisation size
- physical & governance structures
- resourcing policies
- organisational maturity
- These factors influence :
 - P3O Model to be deployed
 - number of separate offices
 - functions & services offered
 - physical location of component offices

Key Features to consider:-

- Centralised vs De-centralised
- Permanent vs Temporary
- Physical vs Virtual

P3O Implementation



P3O Implementation

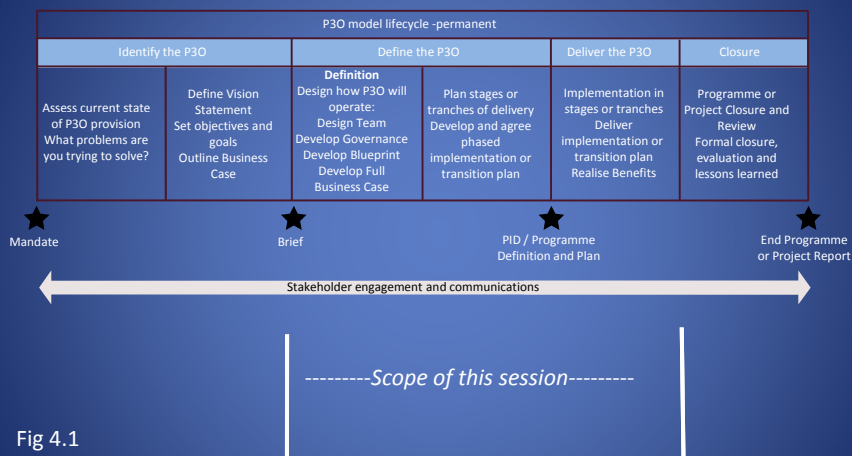


Fig 4.1



P3O Implementation

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Key Activities in the 'Definition' Stage:-

1. Team - Establish the Team
2. Vision - Refine the Vision Statement
3. Stakeholder – Develop:
 - Stakeholder Analysis,
 - Stakeholder Engagement Strategy
 - Communications Plan
4. Blueprint - Develop the P3O Blueprint
5. Benefits – Develop:
 - Business Case
 - Benefits Profiles
 - Benefits Management Strategy
6. Risk - Develop:
 - Risk Register
 - Risk Management Strategy



P3O Implementation

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The Blueprint:-

- Processes (functions & services – app F)
- Organisation (align to portfolio, programme & project organisation/governance decision-making)
- Tools & Techniques (to support P3O business processes & information flows)
- Information Flows (Reports – names & recipients)



The Blueprint (Section 3) - Tools & Techniques

Selection considerations must match :

- Organizational Maturity
- P3RM capability
- P3RM tools can support organizational capability maturity improvements across portfolio, programme and project management



P3M3 Model - perspectives supported by P3RM Tools:

Management Control

Organisation Governance

Benefits Management

Financial Management

Stakeholder Management

Risk Management

Resources Management



P3O Implementation

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The Blueprint (Section 4) - Information Flows

- Need to integrate with Blueprint Section 2 (Organisation)
- Need to align with requirements of:
 - Governance groups e.g. Senior Management Board, Divisional Boards, Programme & Project Boards, Steering Groups
 - Components within the P3O Model [e.g. between portfolio, programme and project offices]
 - Programme and Project delivery groups
 - Corporate support functions e.g. Finance, Audit, Quality, Procurement, Marketing and Communications etc.
 - Benefit Owners
 - External [if required]
- Need to align with:
 - principle of management by exception
 - use of highlight and exception-based reporting.

At this stage detailed contents of reports not required (will be detailed in subsequent initiatives to deliver the capability)

High level overview of the content of Management Dashboards will add value and buy in



Portfolio, Programme & Project Management Maturity

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Maturity Models

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- Software Engineering Institute – Carnegie Mellon University (CMM)
- Organizational Project Management Maturity Model (OPM3)[™] - PMI
- Private Organisations' models
- Project Management Maturity Model – PMMM
 - Office of Government Commerce – UK
 - Developed from SEI model
 - External assessment process
- P3M3 – extension to Portfolio & Programmes

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PMMM – Standard 5 Levels

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Level 1	Level 2	Level 3	Level 4	Level 5
Awareness	Repeatable	Defined	Managed	Optimised
Can the organisation recognise projects and run them differently from its on-going business?	Does the organisation ensure that each project is run with its own processes and procedures to a minimum specified standard?	Does the organisation have its own centrally controlled project processes <i>and</i> can individual projects flex within these processes to suit the particular project	Does the organisation obtain and retain specific measurements on its project performance <i>and</i> run a Quality Management organisation?	Does the organisation run continuous process improvements <i>with</i> proactive problem and technology management?



Mix and Match

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- An organisation can be assessed for:
 - Project – P1M3
 - Programme and Project - P2M3
 - Portfolio, Programme & Project - P3M3
- Is likely to be at different levels
 - E.g. P1 Level 3 & P2 Level 2



Visualising your Capability

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Improves capability and effectiveness														
Uses P management metrics to monitor performance against goals														
Has centrally controlled, flexible P management practices														
Has local P management practices														
Recognises P Management														

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First Steps

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Improves capability and effectiveness												
Uses P management metrics to monitor performance against goals												
Has centrally controlled, flexible P management practices												
Has local P management practices												
Recognises P Management												

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Moving Forward

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Improves capability and effectiveness												
Uses P management metrics to monitor performance against goals												
Has centrally controlled, flexible P management practices												
Has local P management practices												
Recognises P Management												

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For more information on P3O (Portfolio,
Programme and Project Offices)

www.AFAprojects.com/training_P3O.asp

