



## Fine-Tuning Project Portfolio Management (PPM) Positions Fast-Growing Company for Profitability

Although a Midwestern food manufacturer was hitting internal growth targets and seeing double-digit profit increases—much of it from popular new products—success was coming at a very high price. While the company was using project management processes, they were still working on too many projects at once, many of which were not prioritized or aligned with overall corporate strategy. This meant many important projects were delayed, putting the company at risk of being unable to leverage the opportunities that come with growth and possibly losing market share to competitors.

Aware that current success was unsustainable without increased project discipline, management realized they needed to improve filtering, prioritizing, and selecting projects as well as balancing the project portfolio to more closely align with the company's big-picture goals.

The company turned to Integrated Project Management Company, Inc. (IPM) for an experienced, impartial evaluation to assess the situation and help create and implement project portfolio management (PPM) tools and templates to ensure that the company was doing the “right work first.”

### THE IMPORTANCE OF CHANGE MANAGEMENT

IPM helped the organization fine-tune fundamental PPM steps and determine where processes were breaking down. Part of the problem involved some stakeholders within the organization who resisted formal project management processes, believing they weren't needed because the company was already doing well. IPM recognized that introducing more formalized processes within a PPM framework would represent a cultural shift that required a robust change management plan to promote across-the-board acceptance and adoption. The company needed to take this critical first step before any meaningful change could happen.

Communication was key, and an understanding of each group's responsibilities was essential. IPM collaborated with the company to develop a governance table outlining each group and individual's responsibilities in the PPM process—from executive management to individual project teams.

To improve communication throughout the organization, IPM also helped introduce an internal communications strategy, including newsletter content, intranet communications, and one-page overview documents.

By the time IPM handed off the new processes to the company, all new projects were adhering to the process (consistently using project submission forms and charters for approval and activation), and existing projects were in queue to transition to the new system.

In the first quarter following launch, the company's portfolio included 45 active corporate-level projects, three to five new projects initiated per month, 31 completed projects, and eight projects canceled as part of the governance process. Projects were evenly distributed between divisional and corporate functions, and heavily focused to the company's innovation strategies—a direct reflection of its strategic goals.

## SUSTAINABLE RESULTS

To ensure adoption and sustainability, IPM continued to provide intermittent support to the company for several months, working closely with the new portfolio manager to fine-tune the process through coaching, mentoring, monthly check-ins, and on-site support.

As a testament to IPM's contributions, company management acknowledged the IPM team's support and leadership in introducing the new system, citing their preparedness, proactivity, and dedication to the project: "They pushed back when they felt we were going in the wrong direction but were flexible to the unique needs of our organization. They quickly picked up on the key players and built required relationships to keep the project moving effectively. I am so glad we hired IPM for this project. There is no way we would have made the progress we have made without their support and leadership." ■

## BACK TO BASICS

Even the most experienced project leaders can benefit from revisiting the key elements of PPM success. PPM—which tracks projects from initial idea submission through ongoing portfolio maintenance—ensures that projects are aligned to the company's strategic goals, positioned based on resources, and balanced for long-term stability. Key components include the following:

- » **Gathering ideas** through surveys and interviews that will encourage employees to innovate new concepts.
- » **Filtering projects** by analyzing them for alignment to the strategy and business justification; a critical step in focusing the organization to the strategic imperatives.
- » **Establishing project portfolio** by scoping, estimating, and prioritizing projects, providing confidence to the organization that the goals can be met.
- » **Balancing project portfolio** by estimating the value, risk, and resources of individual projects; essential for aligning the overall project portfolio with corporate strategy.
- » **Maintaining a project portfolio** by regularly weighing the cost and value of each project against the initial plan; important for ongoing project portfolio management and incorporating new ideas.