



Too many projects

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The Serial PMO KILLER

Session # 346

27th October 2023




[#PMIGlobalSummit](https://www.pmi.org/summit)

Learning objectives

At the conclusion of this session, attendees will be able to:

- Analyze the root causes of having too many projects and the negative impact on the business; and
- Apply proven best practices and practical next steps to fix the problem





78% of PMOs
are called into
question

ESI

68% of PMOs
seen as
bureaucratic

Gartner PPM Summit

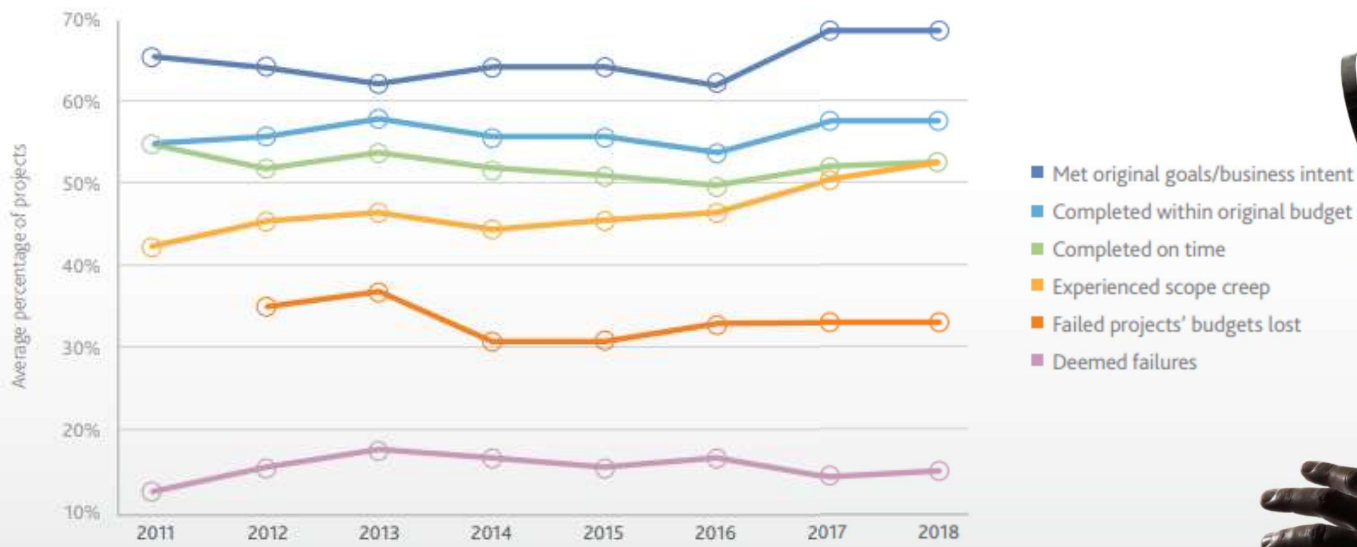
50%+ of
PMOs attempted
never go
operational

Gartner

50% of
PMOs that launch
close within three
years

APM

Figure 6: Project Performance Metrics



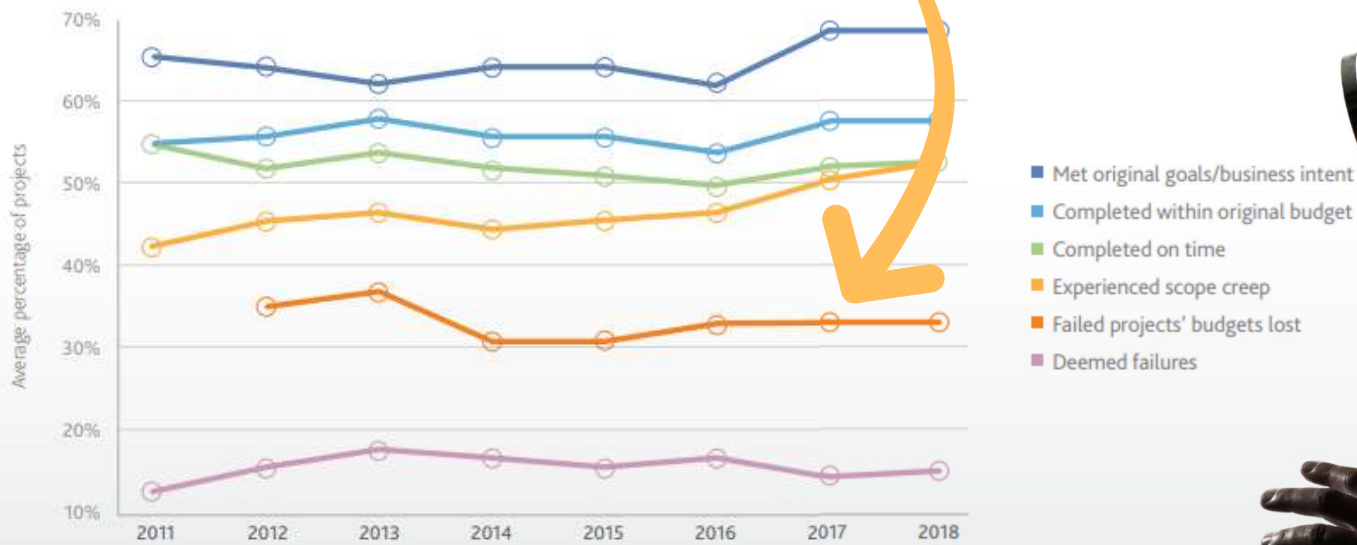
PMI data compiled at <https://www.workamajig.com/blog/project-management-statistics>



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30+% Failed,
budget lost

Figure 6: Project Performance Metrics



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ONE THIRD
OF YOUR
JOURNEYS TO
WORK



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**END
LIKE
THIS**

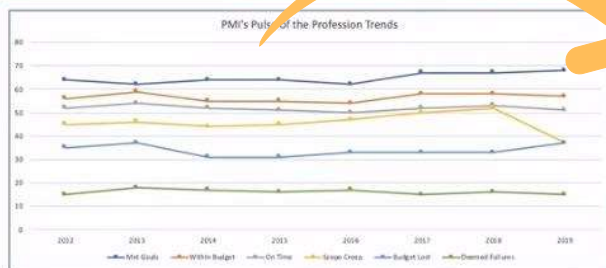


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PMO Joe (Joe Pusz)



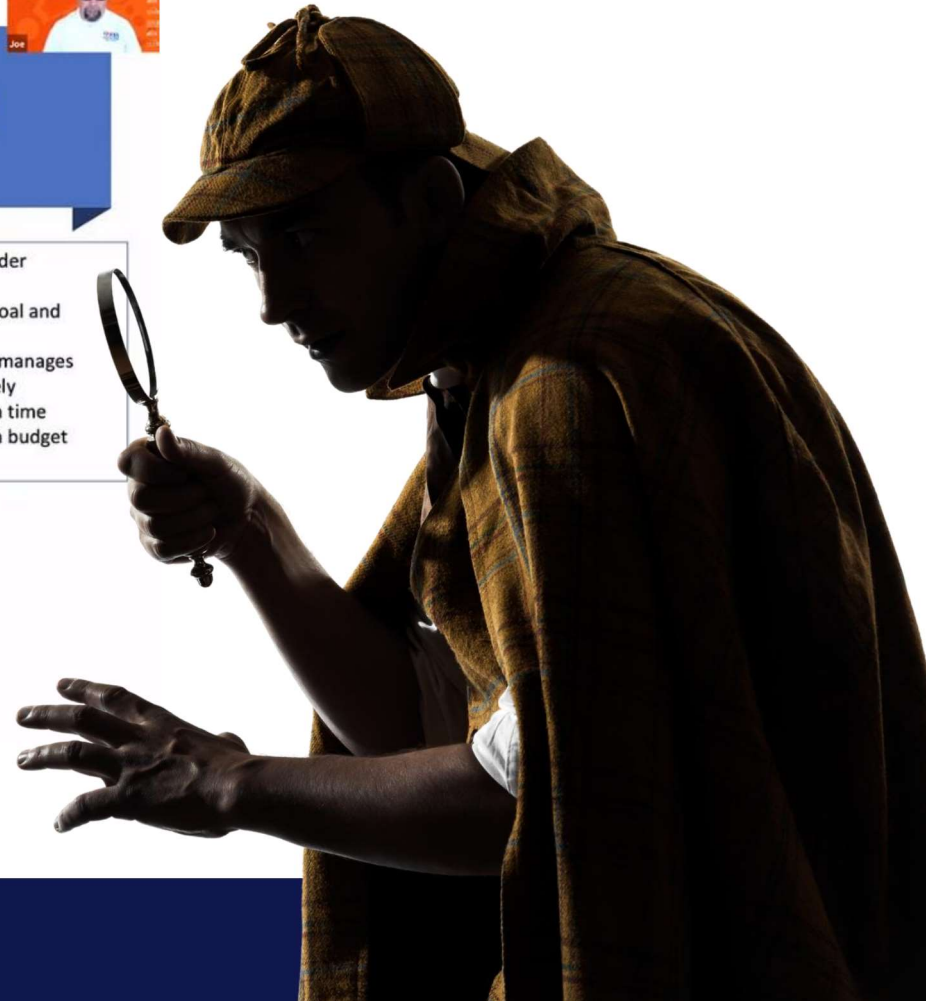
Why Does it Matter? – We aren't very good!



2020 - KPMG & AIPM

- 52 percent of projects are delivered with stakeholder satisfaction
- 51 percent of projects are likely to meet original goal and business intent
- 48 percent of respondents feel their organisation manages projects and programs effectively or very effectively
- 42 percent of projects are likely to be delivered on time
- 40 percent of projects are likely to be delivered on budget

A PwC study covering 1,640 projects found that a tiny, tiny portion of companies - 2.5% - completed 100% of their projects successfully. The rest either failed to meet some of their original targets or missed the original budget or deadlines. These failures extract a heavy cost - **failed IT projects alone cost the United States \$50-\$150B in lost revenue and productivity.** (Gallup)





ZDNET



Home / Business / Executive

Research: 75 percent believe IT projects are 'doomed'

New research describes a highly negative situation in which most survey respondents expect their projects to fail before even starting!

<https://www.zdnet.com/article/research-75-percent-believe-it-projects-are-doomed/>



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So.....



More templates




More process



More reporting



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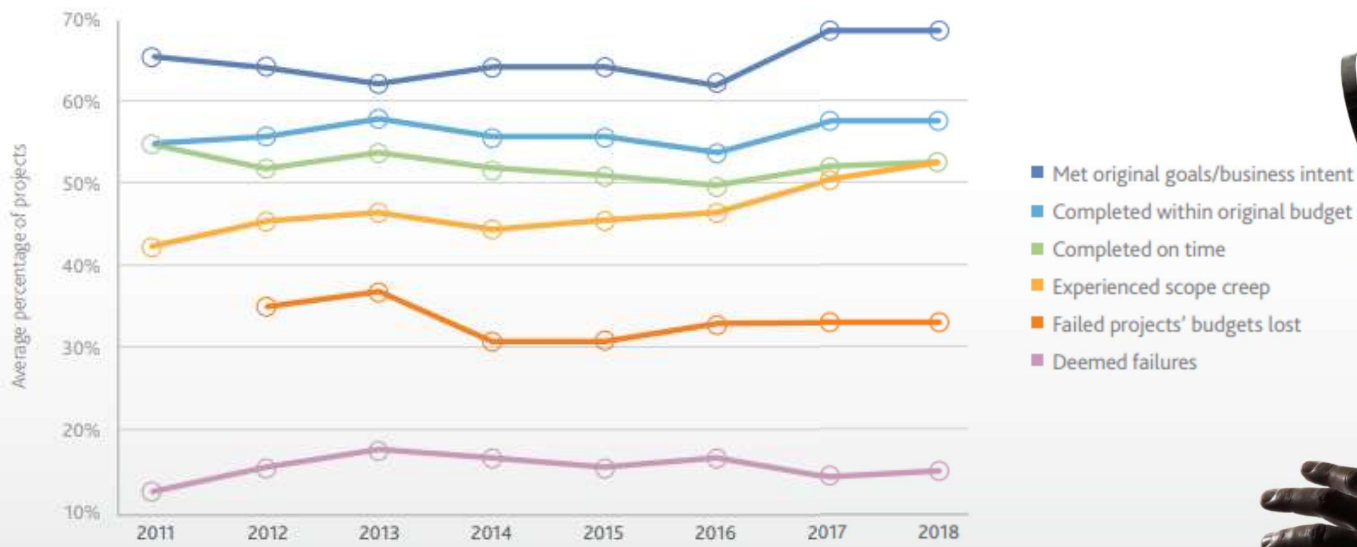
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Root cause analysis of project failure

Courtesy of Laura Barnard at PMO Strategies


Projects take
too long / cost
too much



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Projects take
too long / cost
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PMs not
managing
projects well



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Root cause analysis of project failure

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Projects take
too long / cost
too much

Project team
members
always behind

PMs not
managing
projects well



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Root cause analysis of project failure

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PMs not
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Projects keep
getting added
to the plate



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Root cause analysis of project failure

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Projects take too long / cost too much

Project team members always behind

Resource management problem

PMs not managing projects well

Projects keep getting added to the plate



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Projects keep getting added to the plate

More projects than staff to do them



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Root cause analysis of project failure

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Projects take too long / cost too much

Project team members always behind

Resource management problem

Portfolio prioritization problem

PMs not managing projects well

Projects keep getting added to the plate

More projects than staff to do them



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Root cause analysis of project failure

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86%

OF PROJECT PRACTITIONERS REPORT THEY
DO NOT HAVE ENOUGH RESOURCES
TO MEET PROJECT DEMAND



KeyedIn: The PMO Outlook Report - 2022 Edition



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EXECES MAY PULL THE TRIGGER

KeyedIn: The PMO Outlook Report - 2022 Edition



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"Professor Moriarty Stood Before Me" - Sidney

Paget



BUT THE REAL PROFESSOR MORIARTY
IN THIS STORY IS

PROJECT PRIORITIZATION



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BUT THE REAL SUPERHERO
IN THIS STORY IS

PROJECT PRIORITIZATION



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PRIORITIZE PROJECTS

BALANCE YOUR P'FOLIO

STAGGER PROJECTS



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Even a
5-year-old
knows...



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20% OF PROJECTS ARE WASTE!

According to the PMI and the Economist Intelligence Unit, 20% of projects are so badly aligned with business goals that they should be stopped.



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Prioritization and selection is HARD!

Project professional



**TOO MANY
PROJECTS?**



Prioritization and selection is HARD!

Project professional



**STOVE
PIPES?**



Prioritization and selection is HARD!

Project professional



**NO CLEAR
CRITERIA?**



Prioritization and selection is HARD!

Project professional



**EVERYTHING IS
PRIORITY 1?**



Prioritization and selection is HARD!

Project professional



**HE WHO SHOUTS
LOUDEST?**



Prioritization and selection is HARD!

Project professional



Prioritization and selection is HARD!

Project professional



Decision scientist



A photograph of two young boys. The boy on the left is shown in profile, whispering into the ear of the boy on the right. The boy on the right has a wide-eyed, open-mouthed expression of surprise or shock, with his hands held up to his face. The background is plain white.

Want to know a secret?

There is a
RIGHT way to
prioritize
projects



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A photograph of two young boys. The boy on the left is shown in profile, whispering into the ear of the boy on the right. The boy on the right has a wide-eyed, open-mouthed expression of shock or surprise, with his hands held up to his cheeks. The background is plain white.

Want to know a secret?

- 100+ methods
- Only 2 are suitable
- **AHP is the winner**

Introducing the Analytic Hierarchy Process (AHP)

Get alignment on goals

Senior leadership



Score projects

SMEs



Select portfolio

Senior leadership



Introducing the Analytic Hierarchy Process (AHP)

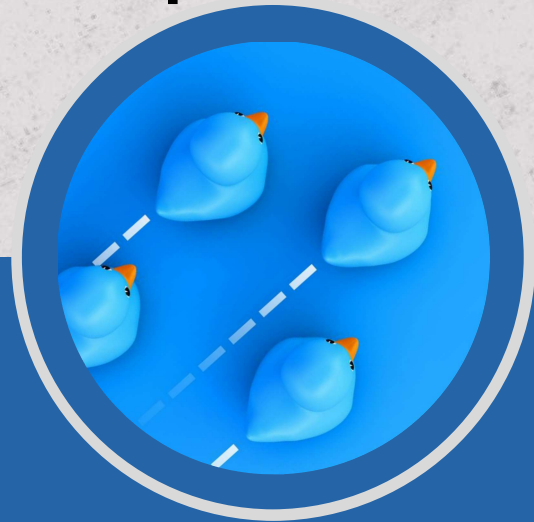
Better quality decisions



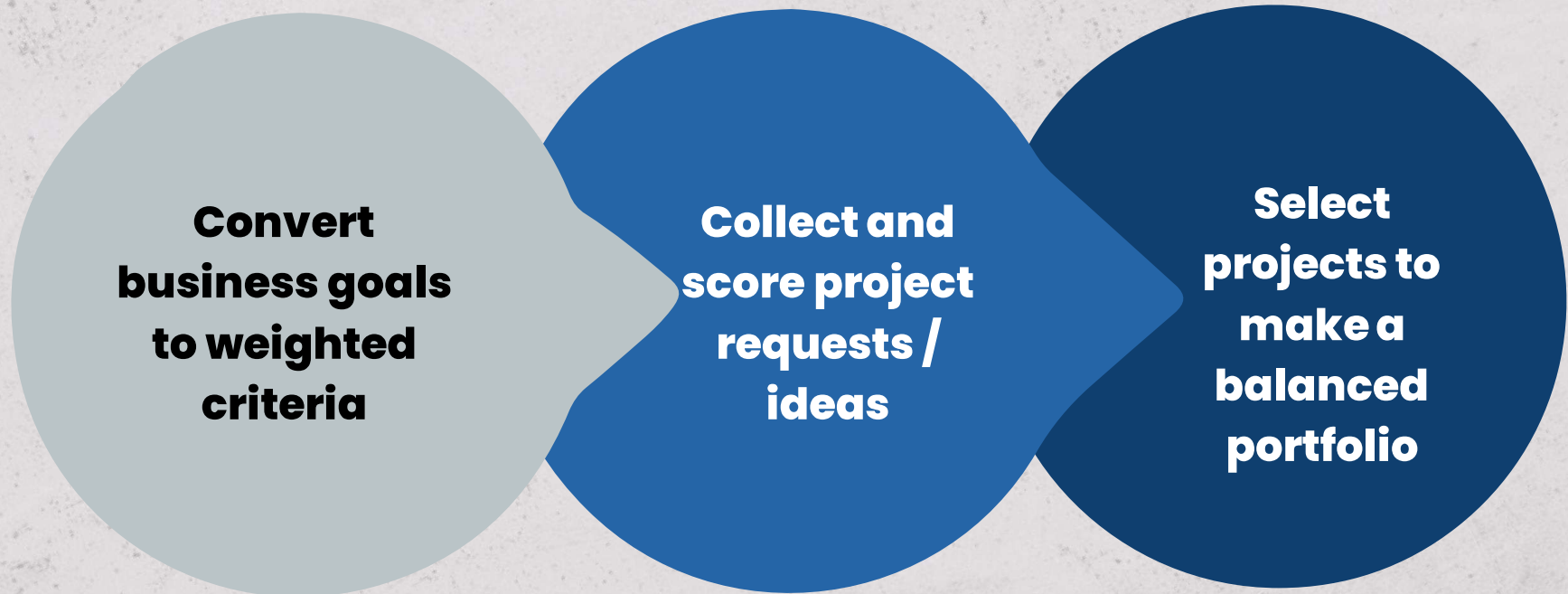
Reduces noise and randomness



Better aligned portfolio



Introducing the Analytic Hierarchy Process (AHP)



THE MAGIC IS IN THE
HOW



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I love this house. It's close to the coolest restaurants, the spa... heaven!



Are you mad?

This is the best house. The schools are great and it's a 10-minute drive to work!



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This is such an important slide that I didn't put any graphics on it...

Ready?

Here goes...



They are NOT actually disagreeing on **which house to buy**



They are NOT actually disagreeing on **which house to buy**

They are
disagreeing on which GOALS

they are trying to achieve / what criteria are important





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LOCATION HOUSE-WOW



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CULTURE / RESTAURANTS

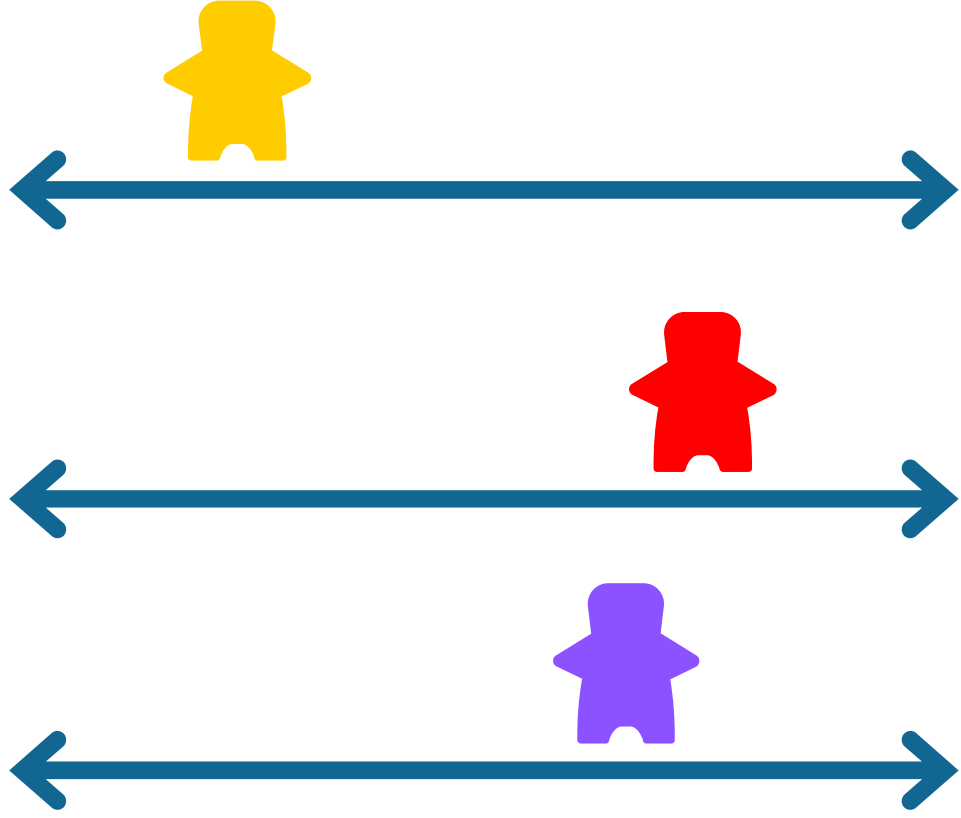
SCHOOLS

SAFETY



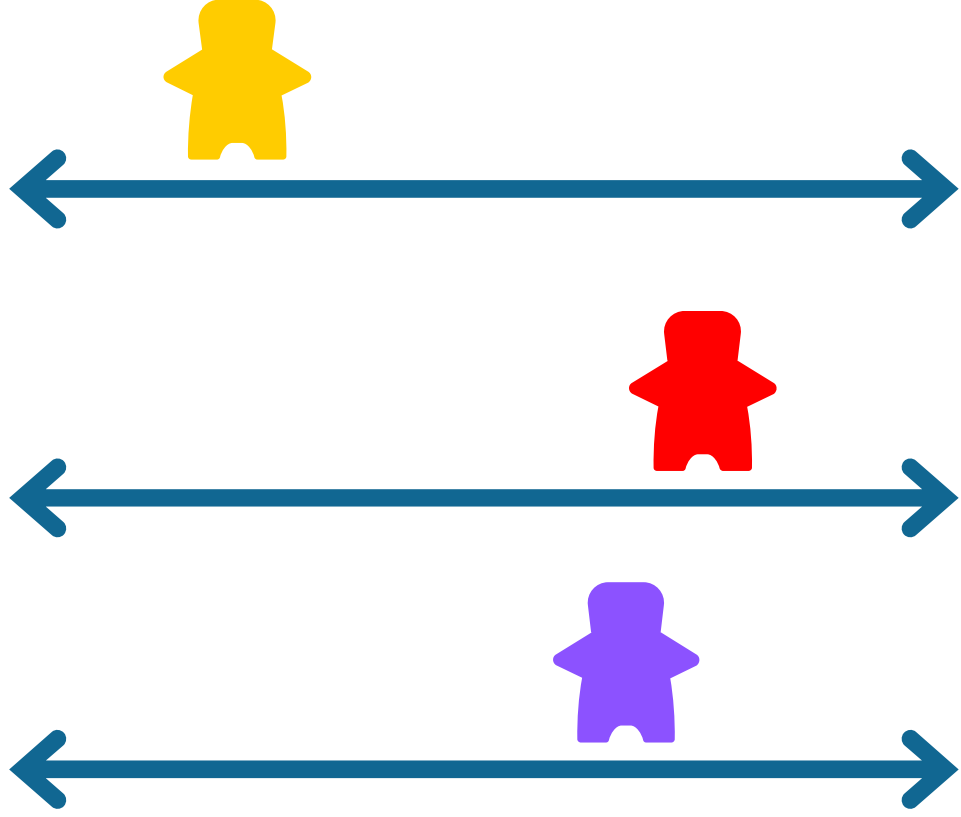
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Criterion 1



Criterion 2

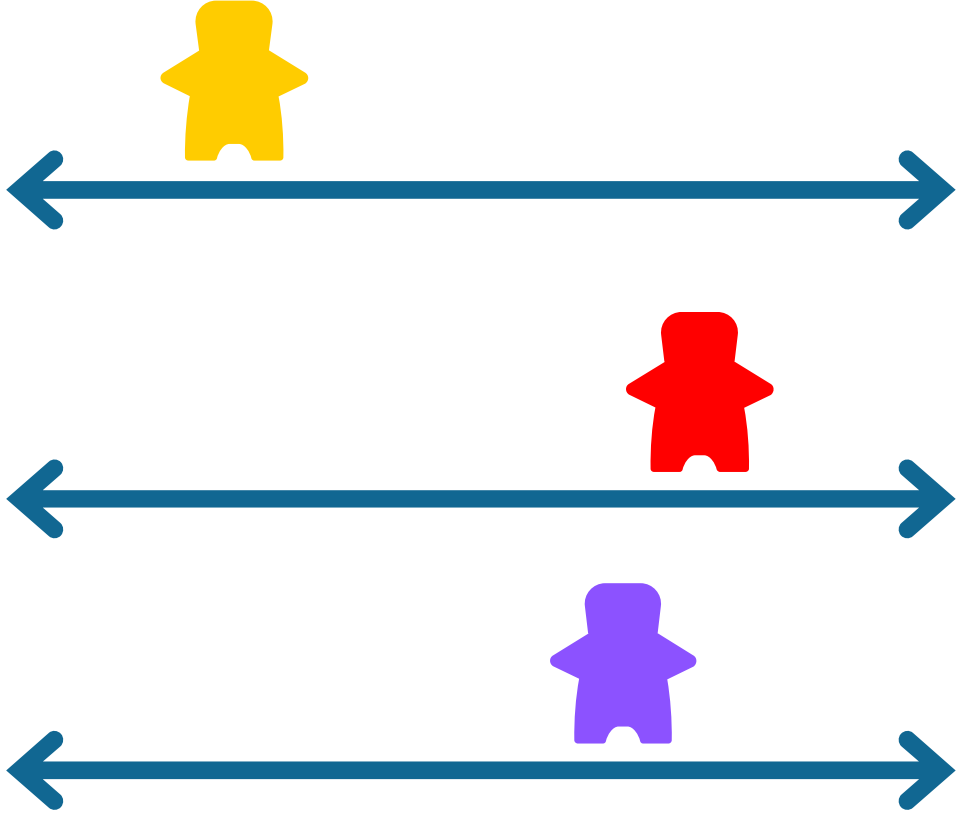
Criterion 1



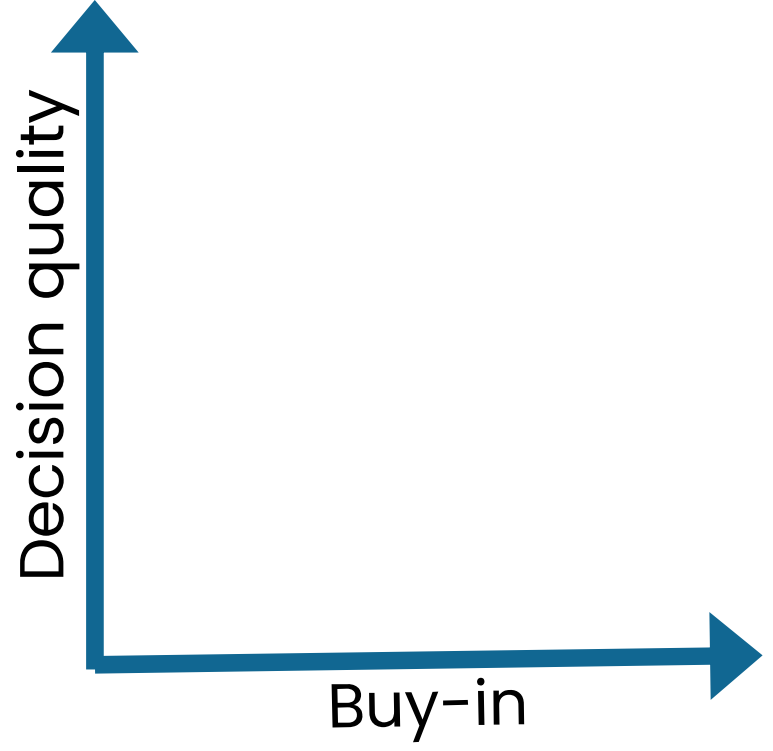
Criterion 2



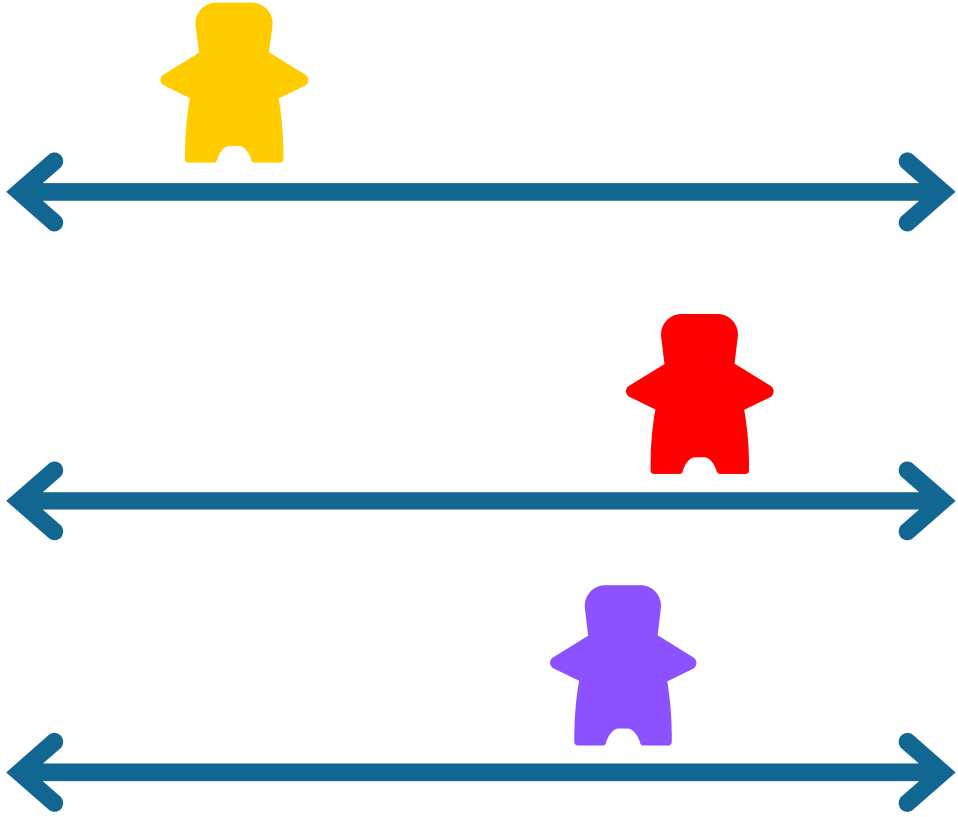
Criterion 1



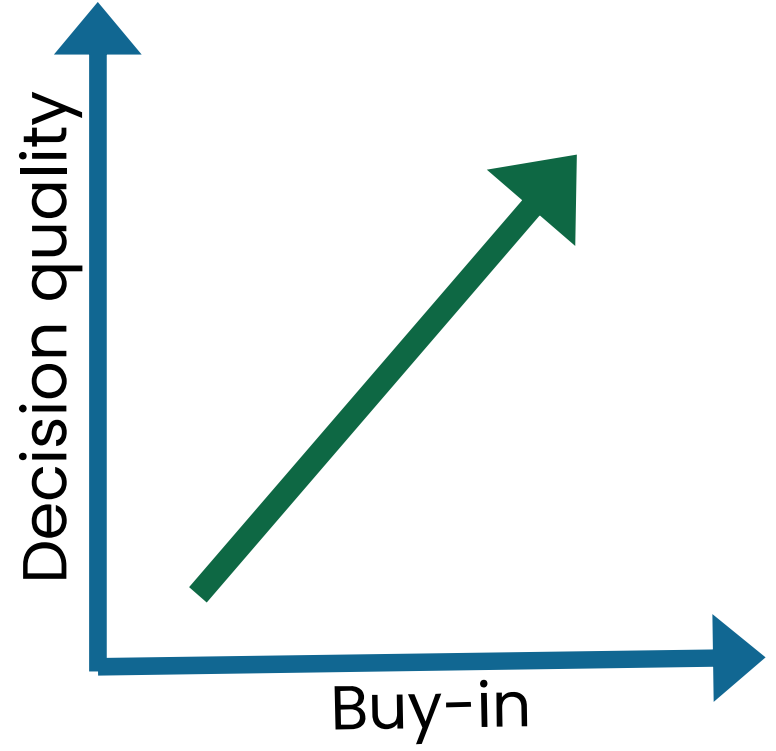
Criterion 2



Criterion 1

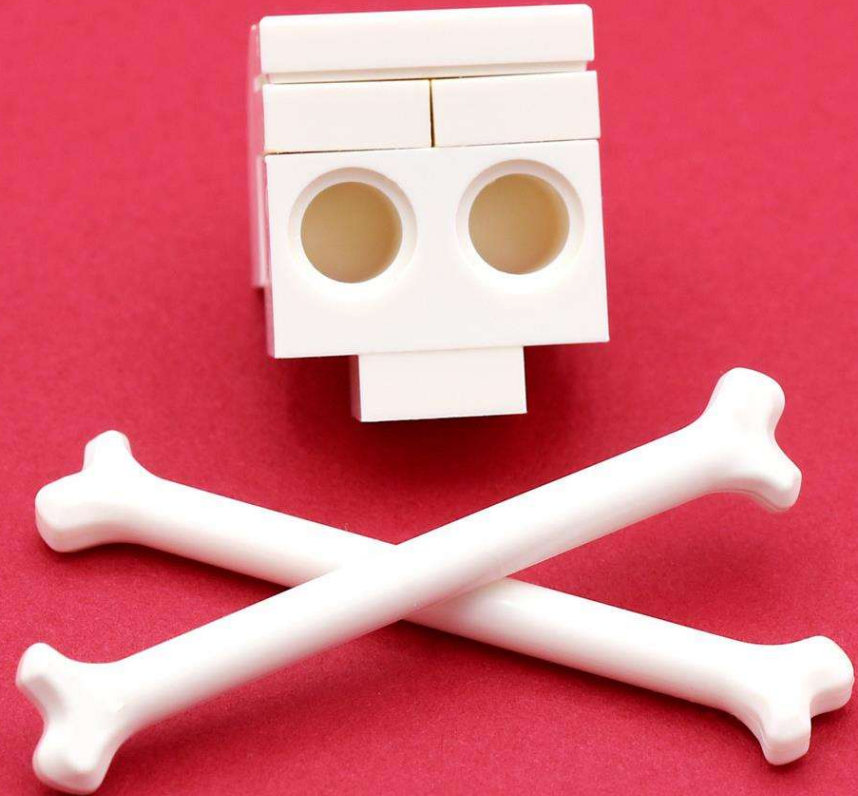


Criterion 2



Common spreadsheet problems

- Wrong criteria
- Imbalanced criteria structure
 - Binary scales
 - Fibonacci scales
 - Lack of normalized scales
 - Lack of weighting
- Lack of mechanism to collaborate
 - Wrong criteria weighting
 - T-shirt sizing
 - Inaccurate estimates
 - Noisy estimates
 - Out-of-date
- Wrong people scoring projects
 - Inconsistent weights
 - Unresolved disagreements
 - Poor visualization
 - Incorrect calculations
 - "Plateaued" data



-
-
-
-
-
-



Beware the "free" spreadsheet

\$10m investment

\$2m waste

Expect, say, 3x ROI

\$6m lost value



-
-
-
-
-
-



THAT'S ONE
EXPENSIVE
SPREADSHEET!





PRIORITIZE PROJECTS

BALANCE YOUR P'FOLIO

STAGGER PROJECTS



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0%

UTILIZATION OF RESOURCES

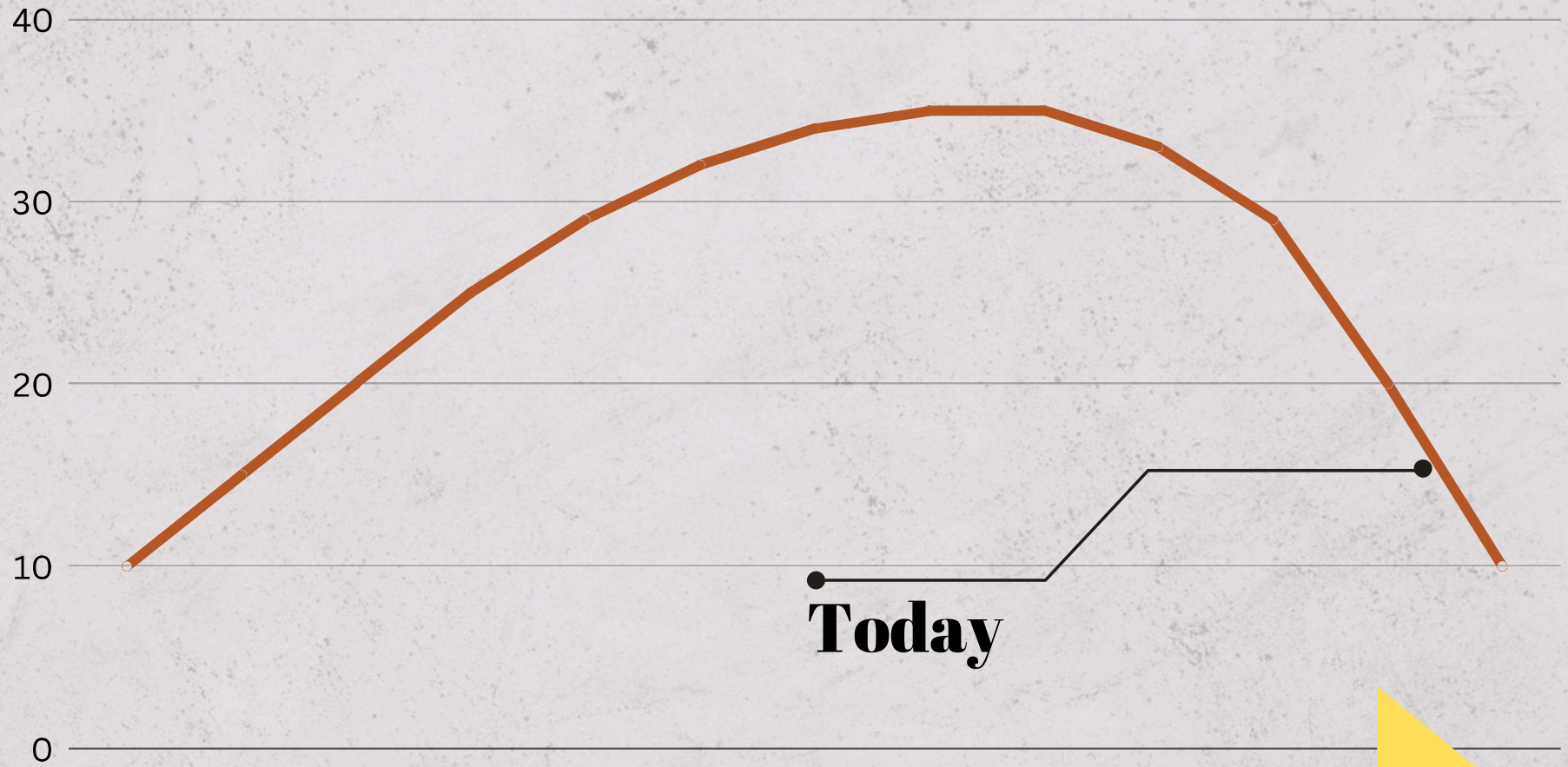


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100%

UTILIZATION OF RESOURCES

Business value delivered.

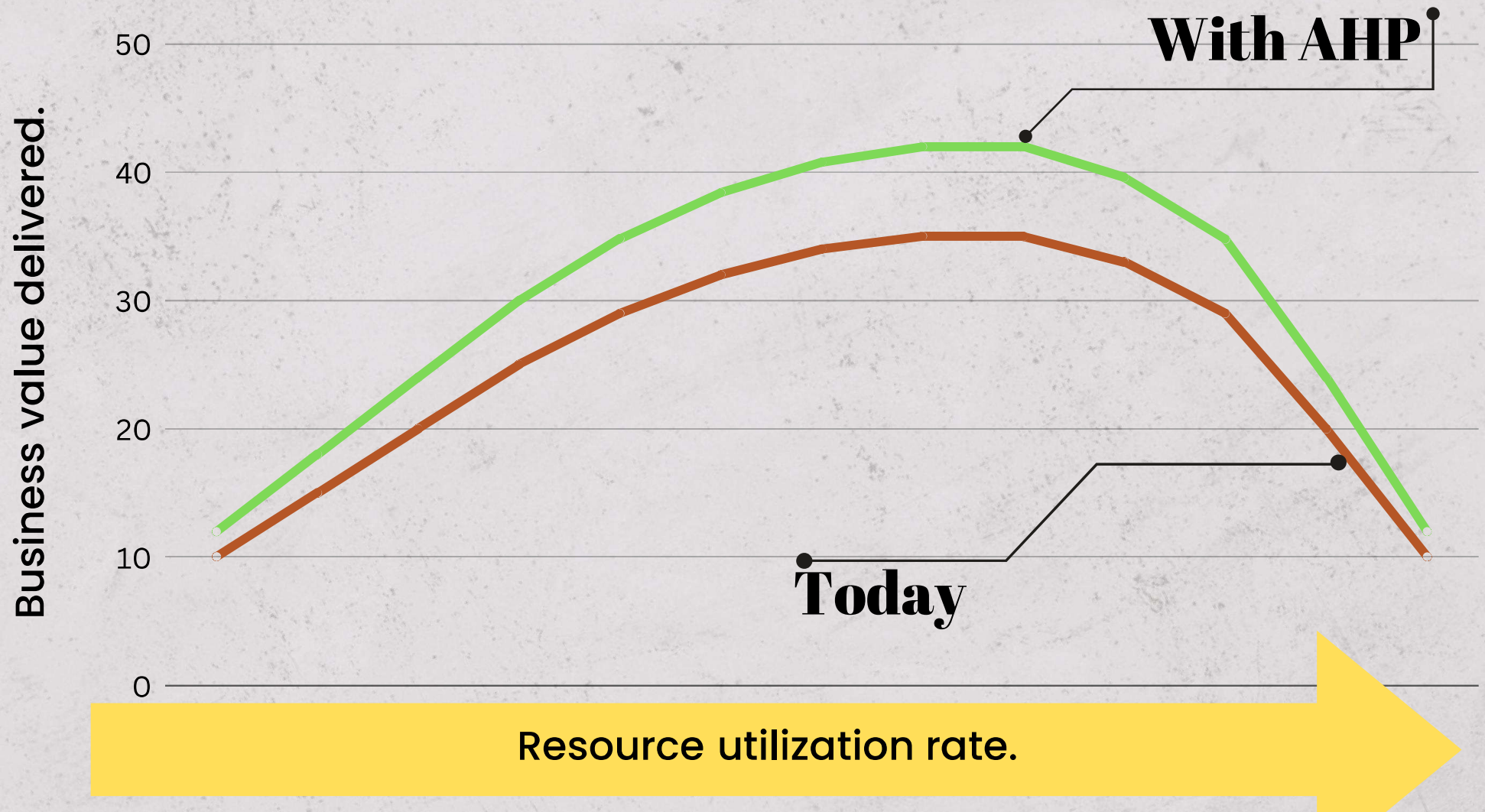


Today

Resource utilization rate.



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good prioritization

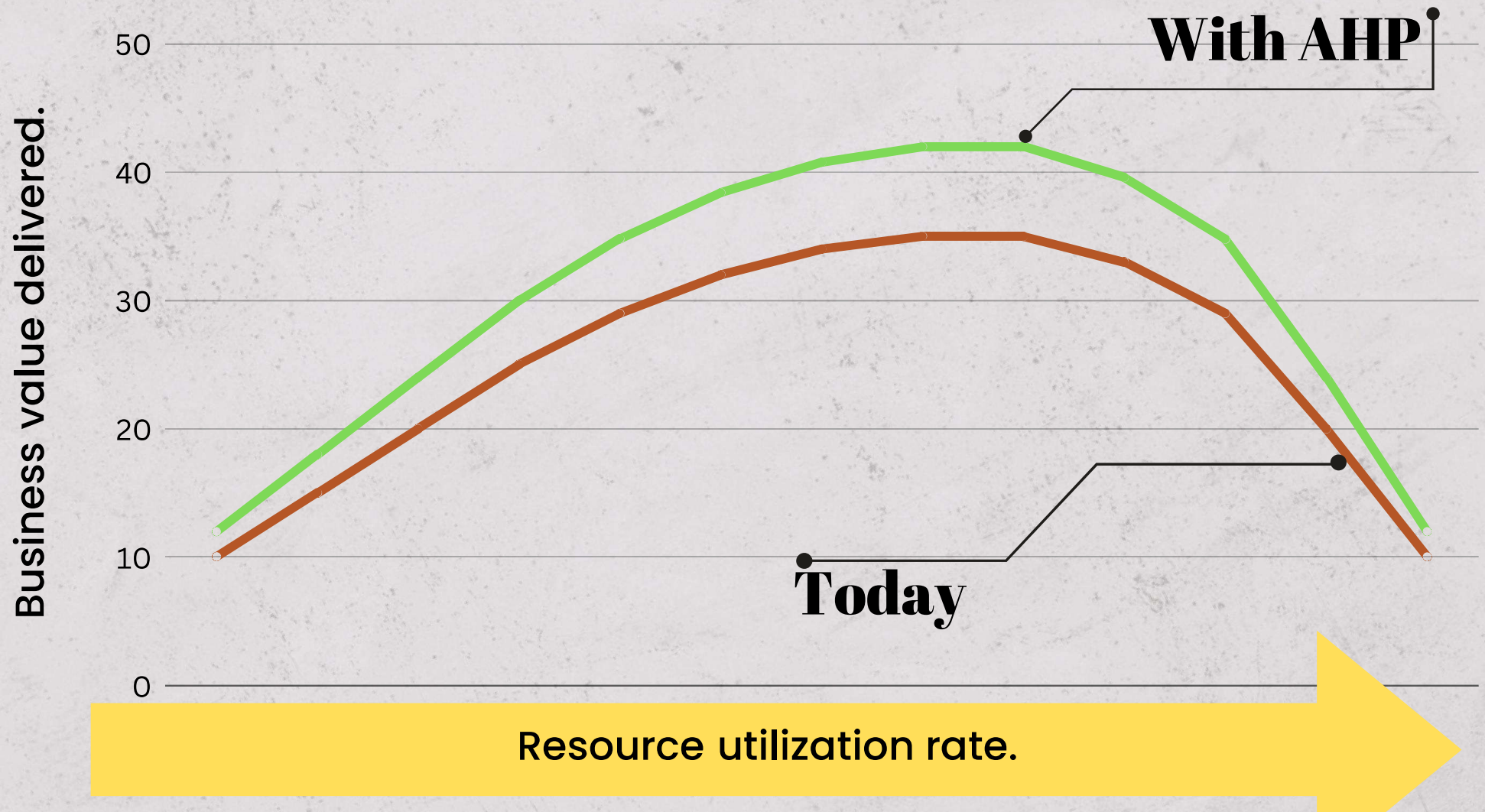
MORE PEOPLE PER CAR

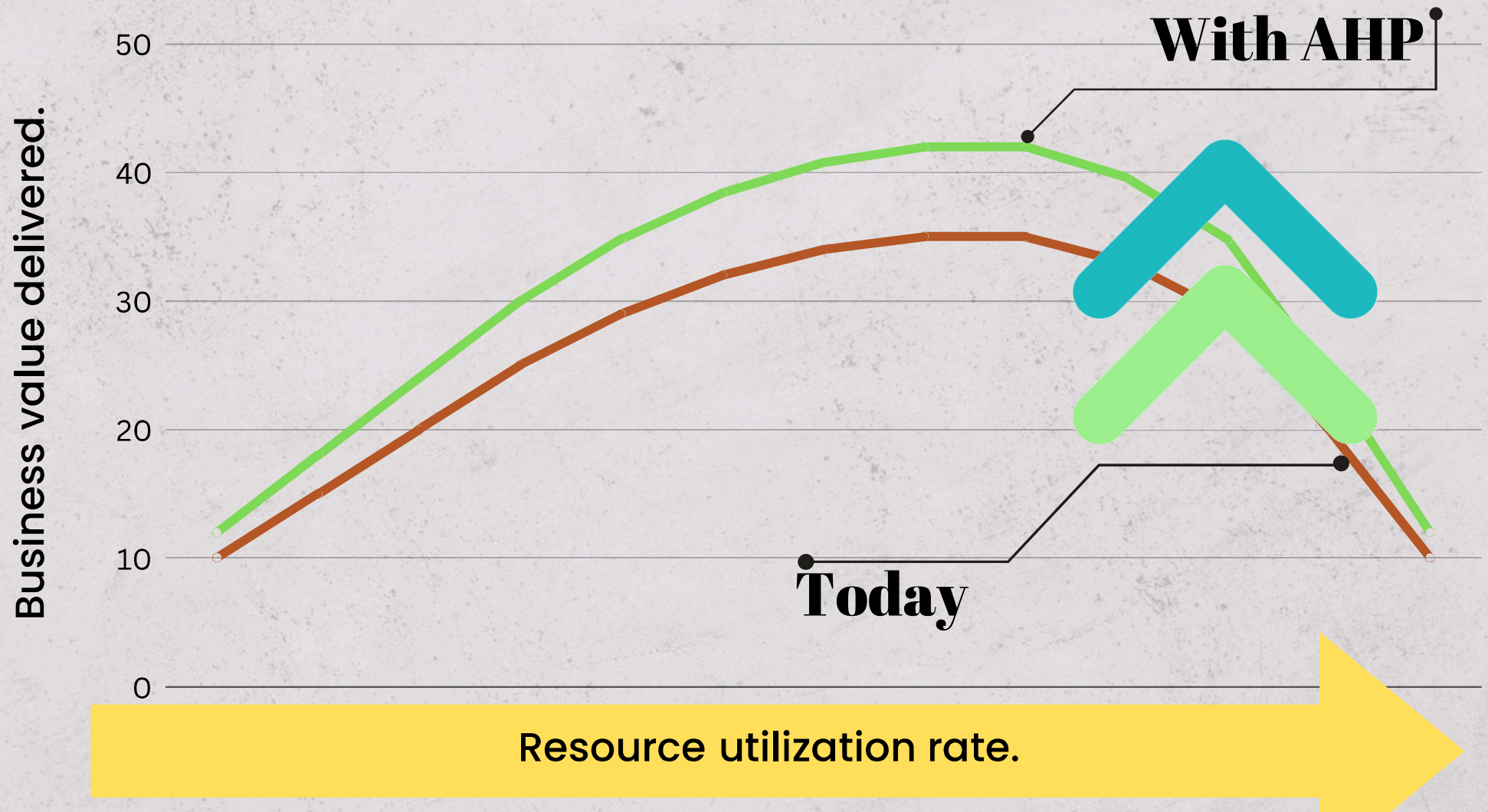


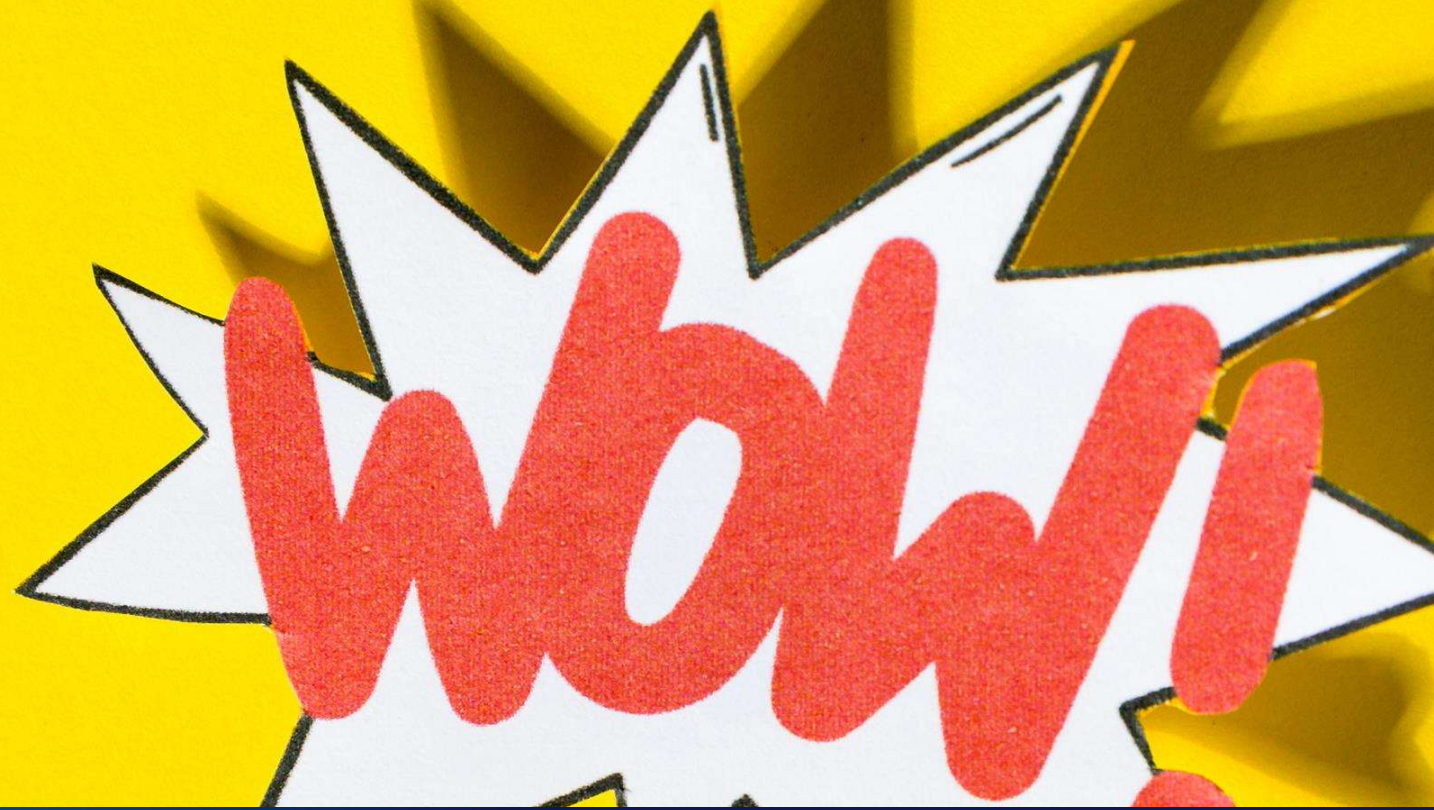
VS.



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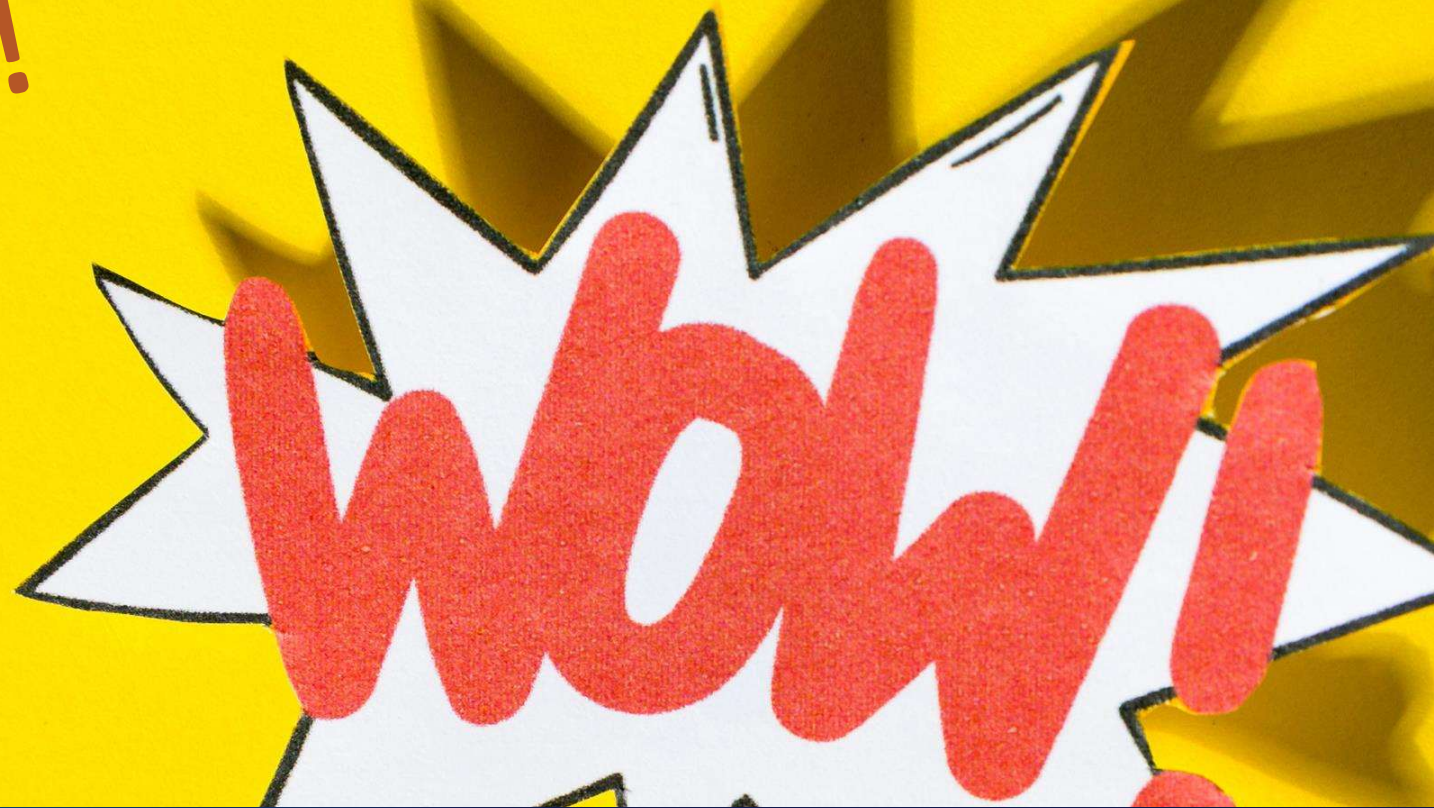






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not done
yet!



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transparent
choice



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transparent
choice



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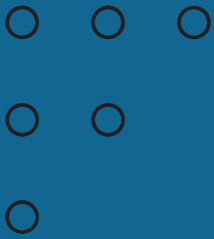


transparent
choice

Let's experiment



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Stagger your projects

Don't start them all on Jan 1!!

Schedule around most in-demand resources

Balance resource month-to-month



Staggering is hard...

Spreadsheets



Artificial intelligence
changes everything

Goal-seeking simulations

Supporting, not replacing, humans

PPM moved
the game on



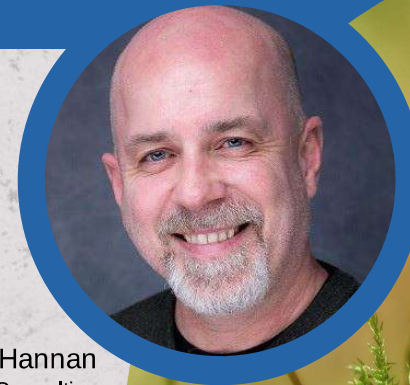
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- ○ ○
- ○
-

Case studies

State gov't, 700 person IT org
2x in one year
3x in 18 months

Telecom, 6,000 person IT org
2x in 1 year
3x in 2 years



Mike Hannan
CEO, Fortezza Consulting



.....



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STAGGER PROJECTS



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LESS WASTE / MORE VALUE

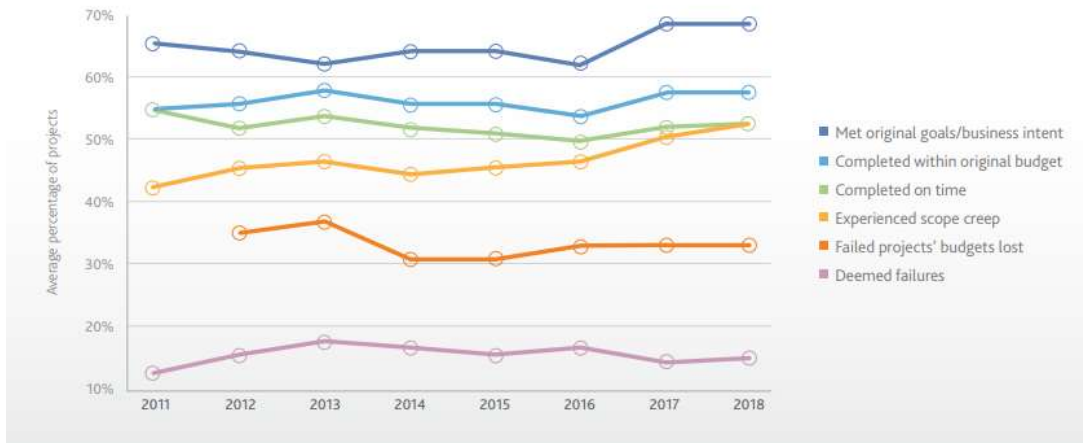
FEWER FAILURES

INCREASED FLOW



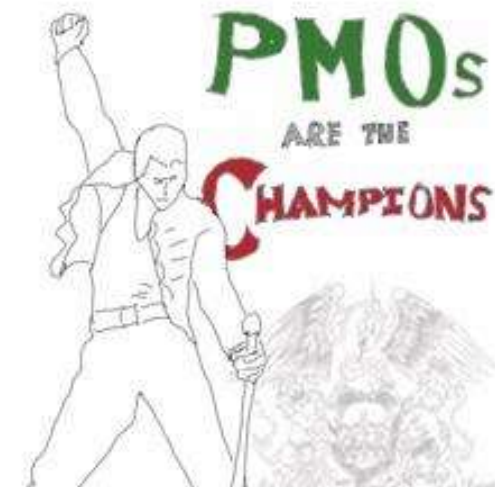
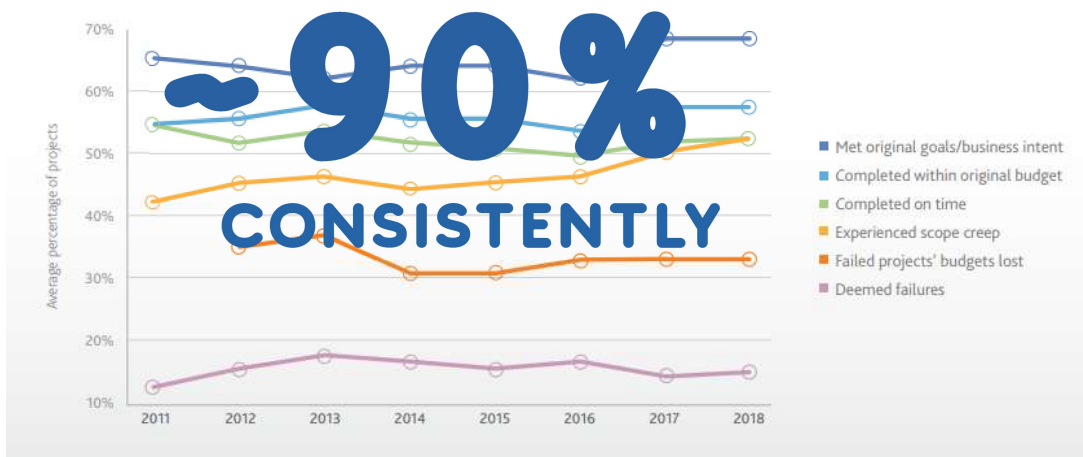
It doesn't have to be like this

Figure 6: Project Performance Metrics



Portfolio governance is the differentiator

Figure 6: Project Performance Metrics



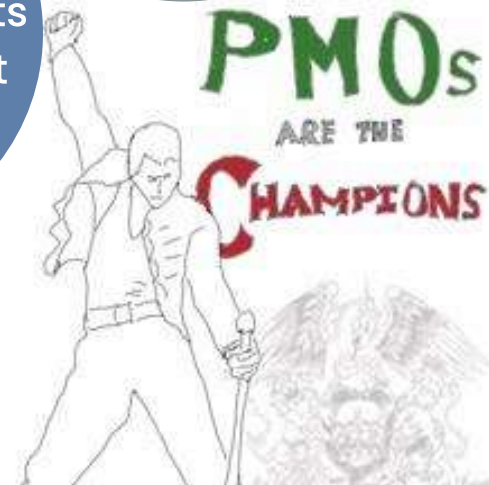
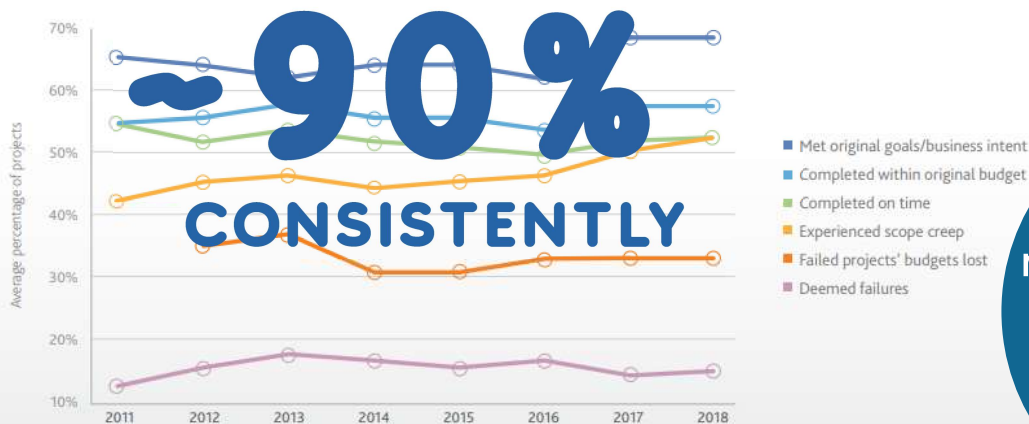
Portfolio governance is the differentiator

~31%
more projects
delivering
business
benefit

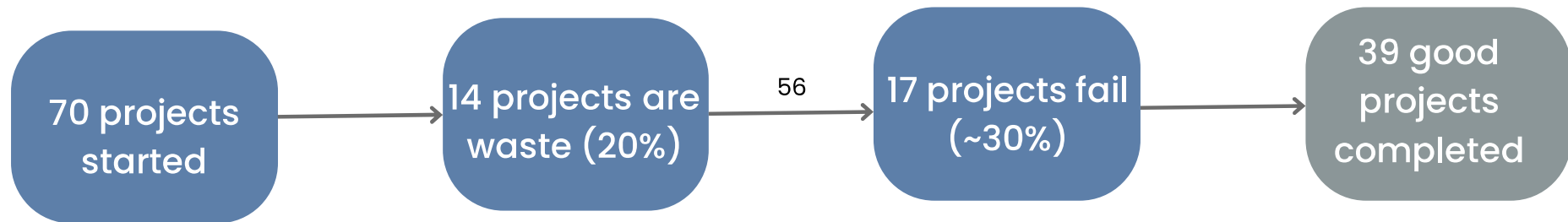
~32%+
fewer projects
over budget

~65%
more projects
delivered on
time

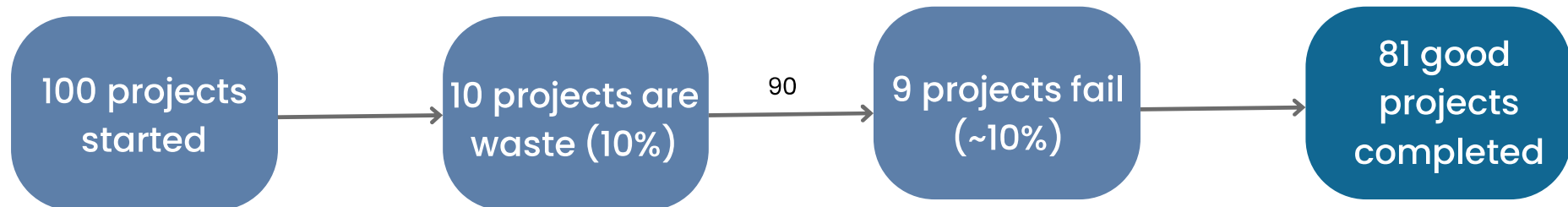
Figure 6: Project Performance Metrics



Today



Tomorrow



Today

70 projects started



14 projects waste (20%)



26 projects fail (37%)



39 good projects completed

Tomorrow

100 projects started



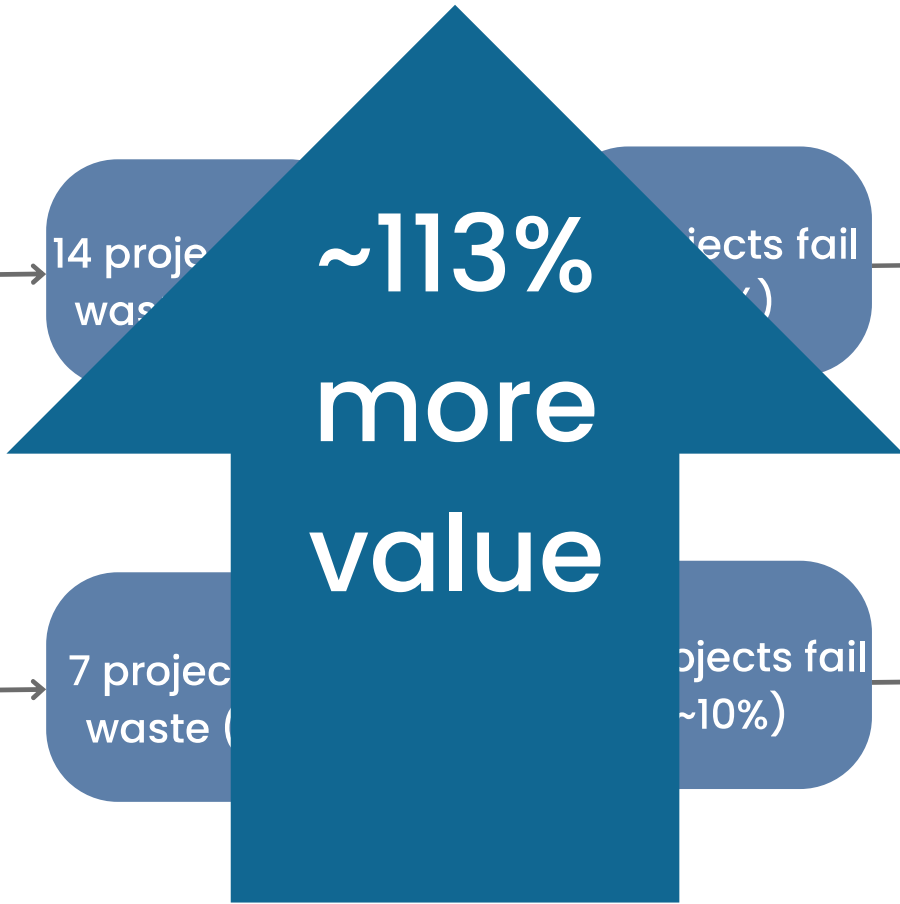
7 projects waste (7%)



13 projects fail (13%)



83 good projects completed



NOT ACTING NOW
WOULD BE A
CRIME

Stuart Easton
CEO, Transparentchoice
www.transparentchoice.com

