

Clearing an Obstructed View – How Can Project Managers Gain Insight into Their Portfolios?

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Timely visibility! It is generally accepted wisdom that this quality is a key ingredient for C-level success. But it remains both an elusive and oftentimes misunderstood concept in project portfolio management—sometimes even the most seemingly straightforward questions about if a project budget is on track, or who is involved on a given project are difficult to answer. Therefore, if visibility is needed for success, the lack of visibility is a major, if not critical, dilemma.

So, why is the information reaching executives so poor? And is there more to the issue than just the quality and quantity of information? These are the questions that project managers and executives face—here are the answers to help remedy the situation to gain and share a more complete and accurate view of project portfolios.

The Role of Excessive Optimism

Unsurprisingly, project teams do not always divulge all information to their superiors. They tend to only flag headline information—not all relevant details—to avoid a conflict and more difficult operating conditions. The Cranfield School of Management found that this is primarily attributed to the role of excessive-optimism that occurs in project management, especially in the planning and delivery stages of a project¹.

Project teams also tend to apply this optimism when something is going wrong with a project. They do not share the information with executives, because they expect the project to be successful in the end—which is not always the case. And, they believe that as soon as they raise a red flag they will be judged with additional oversight, administration, and reporting requirements, resulting in further obstacles to completion.

However, the reality is that if the C-suite has all of the information—good and bad—executives are able to identify strategies and drive the action needed to get a project back on track.

Other than leading to missed deadlines and overspending, the lack of visibility caused by over-optimism can have more profound effects, cause critical issues to escalate quickly and extending the time it takes to find a solution—all of which can happen very publicly.

¹ Neely, A., Yaghi, B., Youell N., "Enterprise Performance Management: The U.K. State of the Art," <http://www.som.cranfield.ac.uk/som/dinamic-content/media/CBP/Areas%20of%20Expertise/UK.pdf>

Clearing the Road to Complete and Timely Visibility

To overcome these obstacles, executives must enact a cultural change across their organization. This can be achieved through more anonymous information, most often delivered via a greater use of applications and mobile devices in real-time.

Anonymous feedback allows teams to be honest about what is going on with a project and enables senior executives to see a more complete picture in a timely manner. And, while it is in the early stages of maturity, the gamification of corporate applications has potential to accelerate this feedback, which could prove to benefit organizations by getting a higher volume of feedback from the ground level and in more real-time.

By gaining a clear view of their organizations and projects, senior executives are able to more effectively assess a situation armed with the information to make the right decision for their organization.

Consider the Opportunity, Not Just the Risk

The cultural issue also extends to the C-suite and how they process the portfolio information they receive—more often than not, the project portfolio is viewed as a series of risks to be managed. Operations and delivery teams typically spend most of their energy on identifying and managing risk—causing most of the information that is provided to senior executives weighted towards what could go wrong.

However, this risk-focused outlook ignores the great rewards that often result from project risk such as increased revenues through improved contractor performance, or changing strategic priorities.

Shifting how executives view the portfolio to be more opportunistic is a major cultural change. And for any cultural change to be successful, every process and system also needs to change. In this case, it's critical to examine the current technology that supports project portfolio management.

Risk analysis tools are currently extremely well-established, and so opportunity analysis tools are needed to create balance. The information provided by these tools, can enable executives to actively encourage operations teams and the PMO to report in a way that aligns with strategic objectives, as well as milestone-driven progress. This kind of enterprise project portfolio management (EPPM) methodology can also help identify patterns of opportunity across a portfolio, turning the portfolio into an asset that produces measurable benefits of greater returns or higher stock prices.

With these tools and methodologies in place, the C-suite's view of the portfolio transforms from a series of risks to an investment that is able to flex in different directions as changes occur.

Think Outside the Box

But perhaps the most challenging part of shifting project portfolio management culture is that the culture goes beyond the four walls of the C-suite's organization—suppliers, contractors, and others are critical players, too.

Similar to the typical relationship between executives and project managers, currently, suppliers and contractors are often judged solely against questions of deadlines and cost management. Because there are other factors to consider, this mindset often results in executives not taking the extra step to get more strategic information—and therefore visibility—into third-party partners, and oftentimes at their peril. To get more complete information from outside of the organization, executives should judge the suitability of suppliers and contractors with a focus on gaining a complete view of their business practices, including criteria such as other clients and suppliers.

There is no question that the need for full visibility across an enterprise is vital for senior-level executives to gain a clear view of what is happening within their organizations and concurrent projects—and that obtaining that view is immensely difficult to achieve. So, start small. Assess the culture, process, tools, and technologies that are employed for gaps in information and agreement on strategy. Then, put in place strategies to get to the truth of a situation, create an organizational focus on both opportunities and risks, and obtain both an internal and external view. You might not create an unvarnished view of the organization. But, it will at least remove some of the blind spots, enabling executives to make more informed, and ultimately better, decisions for portfolios.

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