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Trifecta PPM2 Methodology
Dennis Wiggins
Advisory Article

Trifecta PPM2 Methodology: Product / Project Portfolio Management - PPM2 [1]

Dennis Wiggins, CEO
Analytics Plus PPM2, LLC

"Driving a business at the C-Level is just like driving a race car while monitoring the dashboard gauges except the dashboard are suite of cross-functional performance metrics!"

The premise of this article is to demonstrate the impact of "Digital Transformation" on the Product & Project Portfolio Management (PPM2) disciplines using pre-programmed models incorporating Project Management Office (PMO) Best Practices for real time communication to the C-Level – **The "GAP"**.

First, I would like to say that most vendors do not provide both a Product & Project Portfolio Management (PPM2) solution. An earlier version of the Analytics Plus PPM2 solution was awarded the Project of the Year (POY) by the PMI Atlanta Chapter (2nd largest in United States, 3rd largest worldwide). Also, it was evaluated by the Institute of Industrial Engineering a 2.9 out 3.0 (which is equivalent to 97%) and recommended for academics training!

So, you should be aware the "Digital Transformation" for Product / Project Portfolio Management (PPM2) has already begun ready or not. Leadership must be able to apply critical thinking to clearly see organization business objectives in the mirror through the smoldering smoke (as you are blinded) by ranking PPM software vendors with incomplete solutions!

The question you should ask is this vendor a practitioner of PMO Governance or are they providing a PPM interim (band aid) solution that will require contractor costs to support the software application ad hoc reporting gaps? Also, is the information not included in the Product / Project Portfolio Management Tool critical to the business. It is my opinion, that the more you know about the performance of your organization the more successful quality improvement productivity will be for corporate profitability.

The question prior to incurring Product / Project Portfolio Management costs is whether it achieves 80% to 90% of the tasks for projects in flight through automation and integration throughout the process for PMO Governance. This requires the vendor to be able to customize the application for the nominal count of critical tasks desired the business not included in the software application.

All government & business organizations need to understand the benefits realization during the decision-making process in selecting a 2021 Product / Project Portfolio Management (PPM2) Tool. Let us take a moment and consider the combined costs associated with PMO's for PPM

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software applications: Procurement Cost or SaaS Expense, software training, process re-engineering, licensing and break fix maintenance, and contractors to generate ad hoc reports not generated by the PPM Tool.

Most employees are studying for various certifications (i.e. PMP, Portfolio, Governance, Agile, Scrum, etc.) to demonstrate their qualifications for employment opportunities while vendors are interviewing PMO Governance to determine pain points for the development of interim (band-aid) PPM software under the guise of a Product / Project Portfolio Management (PPM) without understanding the **Big Picture**, or going **Full Circle** to the **End Game**.

But such a large investment should be designed and developed by PMO Governance Practitioners with a holistic view of PMO Governance instead vendors with tunnel vision – focusing on the critical pain points at the current time.

It is my opinion, that the trend going forward will be technical certification of Product / Project Portfolio Management tools which are designed and developed by PMO Governance Practitioners which the aforementioned certifications will be mandatory to understand data inputs and outputs into the preprogrammed models.

This will eliminate the recuring costs of consulting firms or contractors being required to come in and trouble shoot their current PMO Governance issues at expensive hourly rates; but image if the Portfolio Management was tailored to for both Product & Project including "PMO Governance Best Practices" while incorporating Software Development Life Cycles (SDLC) in a single software application.

Most of the PPM Tools that I have evaluated only achieve approximately 35% to 45% of the best practices for the PPM discipline, and most do not include earned value management (evm) the critical base foundation. Basically, you have procured a PPM software application for the organization that is required to add-on resources for its deficiencies to complete the remaining 55% to 65% of the critical tasks to delivery projects on time within budget.

PPM Demand Due to COVID 19 Pandemic

If we stop for a moment and recap what has happened in 2020; record high unemployment, increased remote workforce, food banks, record stock market declines, rejection of climate warming, position decline of the United States on the World Stage, and finally record deaths due to the COVID 19 Pandemic World-wide just to highlight the obvious issues.

The COVID 19 Pandemic has only highlighted the mandatory requirement for 2021 PPM2 Software Tool selection to be reliable and scalable with real time reporting to the C-Level.

The **primary concern** resulting from COVID 19 is real time reporting to C-Level Executives; minimizes the escalation process and provides timely corrective measures to Project Managers for the Projects in Flight, Portfolio Management and PMO Governance.

A **secondary concern** is the bottleneck in the business process due to excessive communication channels with remote staffs due to COVID 19; streamlining of communication channels is a

mandatory requirement (i.e. reduced emails). This can only be achieved through a central repository with viewing & updating capabilities of Communication Plan, Status Reports, Action Items, Issues & Risks (AIR Log), Meeting Agenda & Minutes. What would be the need for email correspondence between stakeholders, and core team members outside of the central repository other than confidential issues?

Quality Improvement Productivity (QIP)

To understand the value proposition to shareholder value; consideration must be given to the following: organizational transformation, benefits realization, resource optimization, risk mitigation, transparency, automation & integration, and real time collaboration.

The diagram below demonstrates key performance metrics for **Quality Improvement Productivity (QIP)**.

Wall Street's primary concern is to increase shareholder value. There are two (2) ways to achieve this result; increase sales or cost reduction. Therefore, our focus is on cost reduction driven by Quality Improvement Productivity (QIP) resulting in Continuous Improvement (CI) which require monitoring and tracking for a PPM Health Check supported by a Pseudo Information Technology

Profit Center to demonstrate the value proposition of PMO Governance to Corporate Shareholder Value.

It is my opinion, because Project Portfolio Management (PPM) is cost accounting a modified perception must be deployed throughout business organizations to demonstrate the value proposition as organizations change their technology infrastructure from legacy applications to new applications for "Quality Improvement Productivity (QIP)". Again, this is the value proposition which requires monitoring and tracking for the PMO Governance Health Check.

Trifecta PPM2 Methodology

The members of Team Exec at ANALYTICS PLUS PPM2, LLC understand the **Big Picture**, as we go **Full Circle**, for the **End Game**.
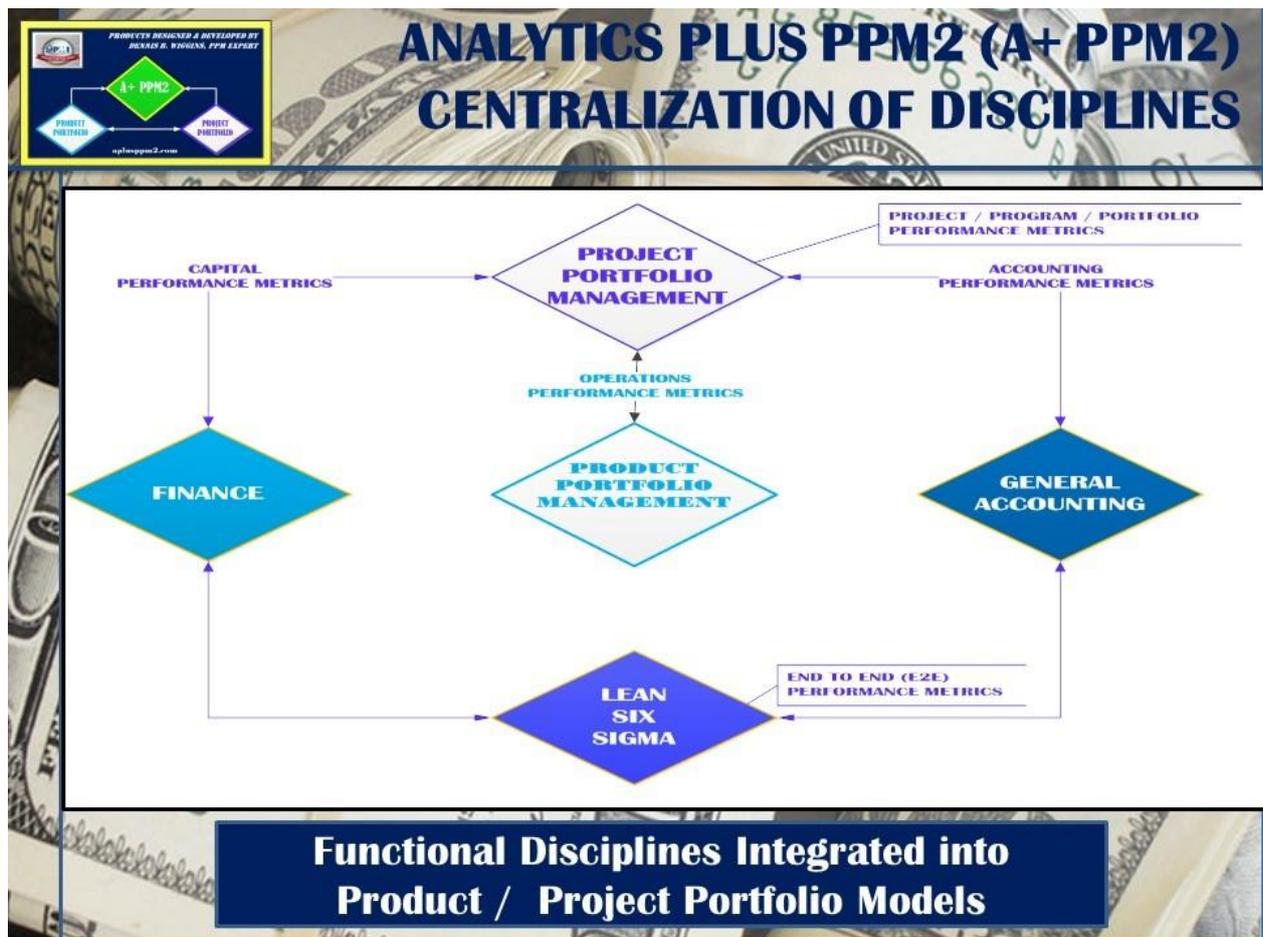

Our view at Analytics Plus PPM2, LLC is **Strategic Governance (Top Down)** at the C-Level bridged to **Tactical Governance (Bottom Up)** the execution of projects in flight by the Project Management Office (PMO). But the members of Team Exec require **Full Circle**.
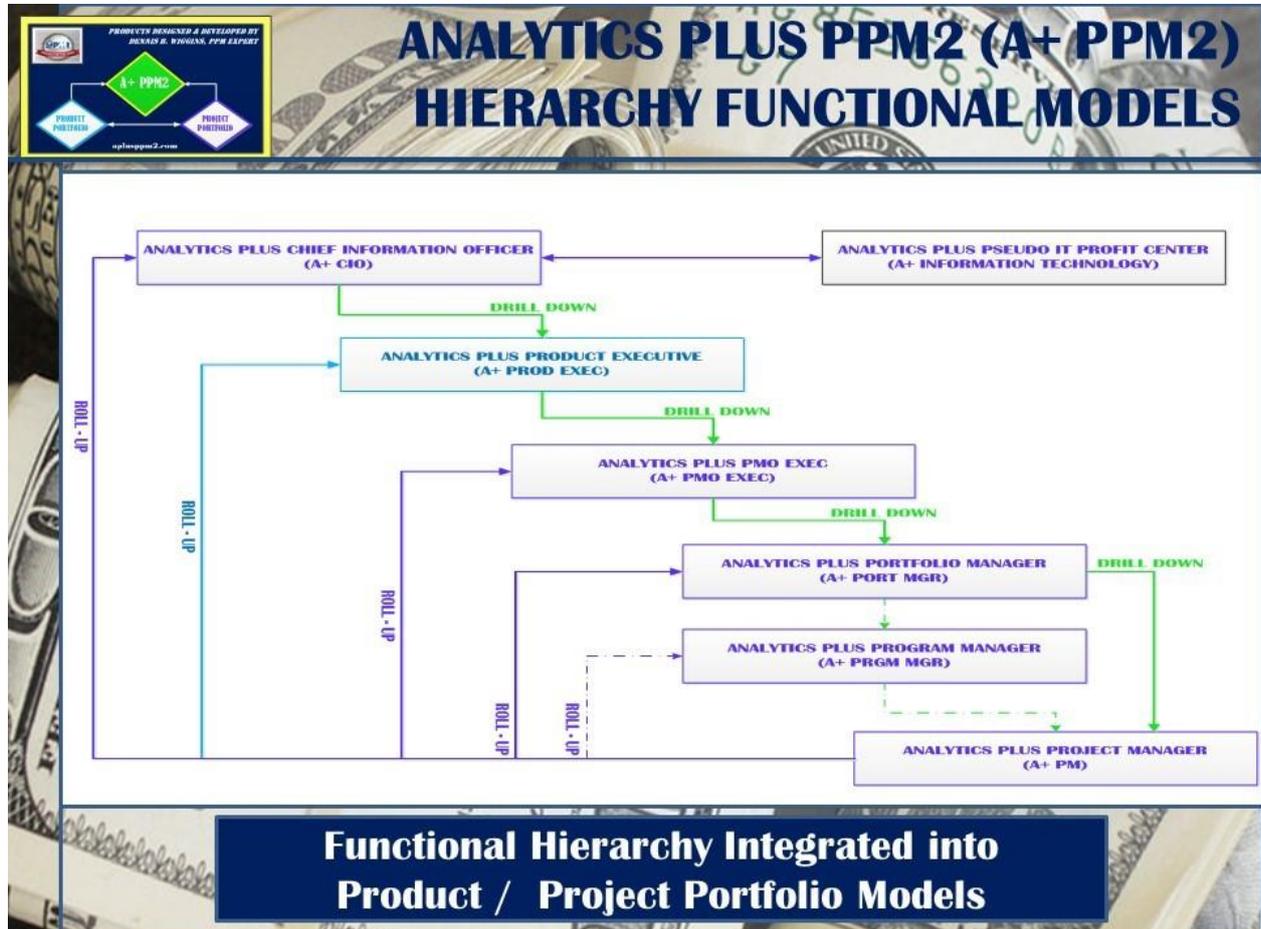
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"Where you start is the finish line, and anything short of it is tunnel vision!"
- Dennis Wiggins, CEO, Analytics Plus PPM2, LLC

A+ PPM2 Model - Cross Functional Discipline

(Automation & Integration)

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A+ PPM2 Model – Organization Hierarchy Structure

(Automation & Integration)

2021 Product / Project Portfolio Management Tool Selection

(Digital Transformation – Top 20 Point Checklist)

Digital Transformation 1: Strategic Governance (Top Down) bridged to Tactical Governance (Bottom Up) as demonstrated in the above diagram.

Digital Transformation 2: Chief Portfolio Officer (CPO) Organization Hierarchy real-time roll-up & drill down as demonstrated in the above diagram.

Digital Transformation 3: Merged all required cross-functional disciplines such as: General Accounting, Finance, Operations, Project Management, for comparison of "Strategic Execution" to "Tactical Execution" on a real time basis.

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Digital Transformation 4: Corporate structure drill down reporting levels which are as follows: Enterprise, Business Unit, Portfolio, Programs and Projects. This provides corporate level functions with a real time performance review that is reliable, scale-able and sustainable.

Digital Transformation 5: A key component of the A+ Models is "Predictive Analytics" which is based on "Earned Value Management (EVM)". Since, EVM has not been totally adopted by corporations; but, taught in Universities & Training Companies worldwide. Team Exec only thought it appropriate that the Analytics Plus Models (A+ Models) have a built-in "Tactical Governance Toolbox" which can be used for in-house training because end-users can extract KPI metric definitions from the internet, and link them directly next to the KPI metric in the A+ Model as an explanation point of reference. Because each CPO Level is responsible for different metrics in the A+ Models, resources will evolve into becoming an expert at their respective level; the learning curve principle of deep practice to master their craft.

Digital Transformation 6: Re-defined "Roles & Responsibilities" throughout the CPO Organization Hierarchy which are as follows: Project Manager, Program Manager, Portfolio Manager, PMO Executive & CPO. The reason being is the real time automated and integrated reports at their respective levels are designed to fast track corrective measures without duplication of effort in the spontaneous evolution of PMO Governance into maturity.

Digital Transformation 7: General accounting categories are tracked on a weekly basis which can be distributed to accounting department for review and systems validation for accuracy. This includes color coding and scoring as well. Also, accounting principles applied to track historical trends at all corporate levels: Enterprise, Business Unit, Portfolio, Program and Project.

Digital Transformation 8: Time Management for resources is tracked in the models for accurate and real time updating for labor costs. In addition, the weekly updating will display historical trending by resource which is used for comparison budget vs actual. In addition, it is color coded (R/Y/G/B) and scored (1 - 10) to ensure resource is operating within budgeted parameters.

Digital Transformation 9: Resource Management notification alert is sent via MS Outlook to the project manager, resource manager and assigned resource a week in advance of start date of task which is color coded yellow to emphasize arrival date. On the due date another alert is sent this time is color coded red to emphasize tardy arrival. This too will be sent to the same audience for timely corrective measures for the assigned resource. This information will be displayed in Gantt chart and can be applied to the core team resources.

Digital Transformation 10: Capacity Planning for contractors & employees for the following: resource allocation %, resource utilization %, resource hours, resource full time equivalents (FTE's) and reconciled to labor costs from general accounting. Tracking for this information is weekly and year to date with the capability to display historical trending. Finally, all capacity planning KPI performance metrics are color coded (R/Y/G/B) and scored (1-10). Performance alerts can be established to notify managers and supervisors (via MS Outlook) when a designated score is reached negative or positive.

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Digital Transformation 11: Critical Path Method (CPM) monitoring and tracking activities to ensure that there is no schedule push to delivery date which is displayed in gantt charts flagging activities delivered on time (G), and past due (R). All of the critical path method activities can be displayed in a single Gantt chart which can be reviewed for real time corrective measures, plus the available for "Continuous Improvement".

Digital Transformation 12: Risks (SWOT) are monitored and tracked in A+ Model on a weekly basis for the probability factor and the expected monetary value. This information is compared to thresholds and is color coded (R/Y/G) and scaled (1 - 10).

Digital Transformation 13: Centralized collaboration in A+ Models to track & retain all notes, agenda's, minutes, status reports ensuring proper communication to departments by applying RACI (Responsible / Accountable / Consulted / Informed) methodology. This information is retained for the entire project life which at the project close transforms into part of the project artifact without any manual intervention.

Digital Transformation 14: Bookmarks are like those used by the internet within the A+ Model application. It is a "Tactical Governance Toolbox" which is equivalent to a "Knowledge Champion" for PPM KPI metrics. Any of these metrics can be bookmarked with definitions which links the metric for viewing upon logging into the A+ Model. Basically, each end-user can customize their own view of performance metrics at their respective level. This functionality is applicable to all data, dynamic project status reports, exception reports, gantt charts, dashboards, briefing books, etc. - a quick information content table selected by the end user.

Digital Transformation 15: The Chief Portfolio Officer (CPO) distributes the Strategic Road-map rough order of magnitude (rom) dollars for Strategic Initiatives. But we have provided the CPO, PMO Governance and Portfolio Manager with the ability to retain a portion of the rom dollars after the core team determines baseline. This discretionary retention of dollars is to ensure the organization can achieve all initiatives.

Digital Transformation 16: CFO working capital allocation monitored and tracked from the baseline, project sources of cash, project uses of cash, and estimate at completion.

Digital Transformation 17: Built in "Governance Gates" which is a real time audit tool for data validation during Tactical Governance (bottom up). Because the data is rolling up through the CPO Organization Hierarchy at each level there are Governance Gates (a Go/No Go Decision). This built in audit tool is a group of reconciling cross checks for data validation prior to releasing information to the next level for final approval. It pinpoints the potential metric that is not reconciling properly requiring the respective hierarchy to review, update and resubmit.

Digital Transformation 18: Pseudo Information Technology (IT) Profit Center for monitoring and tracking project capitalization of postings required to the Balance Sheet. This too would apply to posting of project expenses to the Income Statement. The value proposition to the Chief Portfolio Officer (CPO) is the capability to track the financial impact resulting from the productivity improvements (cost reductions) for the corporation.

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Digital Transformation 19: International currency conversion based on exchange rates for major countries. A provision that will allow PMO Governance international valuation if tax provisions are better in different countries. This would require review by the following departments: tax, accounting and legal to determine the financial impact to the corporation.

Digital Transformation 20: The "Analytics Plus Chief Portfolio Officer (A+ CPO)" has the capability to archive projects which become the corporate artifact with no manual intervention. All information will be retained in the model such as: automated KPI metrics, audit trail for data entry, notes, agenda's, minutes, charts, graphs, status reports, etc.

When selecting a 2021 PPM Solution it is suggested that you use this article as a checklist to determine if the ranked leaders, challengers, visionaries, and niche players as reported by Gartner to understand the **"Trifecta PPM Methodology"** or have them explain their vision on how their tool gets the information to the C-Level in a real time manner. It should be clear by now that for each gap there will be an add-on cost to complete the critical business objectives. Again, if the PPM Tool is not solving 80% to 90% of the Strategic Governance & Tactical Governance then build a "Manual Task Vs Digital Transformation" worksheet illustrated below to factor the add-on costs for critical tasks required for staffing augmentation. If the holistic benefits realization is negative because of add-on costs; well no more needs to be said because it should be clear. I am predicting that by using this checklist you will discover that ranking vendors are not totally clear about the PPM discipline because of its competing constraints, project portfolio management dynamics, and dependency nature.

PMO Governance Critical Task Driven Cost Checklist

Deficiencies in PPM Tools require staffing augmentation to complete critical tasks to consolidate performance metrics for C-Level reporting. Therefore, the corporation must determine if the selected PPM Tool has productivity gains with the existing staff. If not, which critical tasks are omitted, cost impact, and the staffing augmentation to achieve the Strategic Initiatives? Finally, this analysis would require a detailed listing of all critical tasks; not just the "Highlighted Top 20 Digital Transformation" from the "Analytics Plus Chief Portfolio Officer (A+ CPO) Model".

Analytics Plus Chief Portfolio Officer (A+ CPO) Model
Highlighted Digital Transformation Tasks
Digital Transformation Vs Manual Task

PMO Governance Task Costs in Comparison to Digital Transformation

Digital Transformation (DT)	PMO Current State	PMO Project Count	PMO Resource Monthly Hours, Per Project for Task	PMO Resource Avg Billable Rate	Staffing Augmentation (Contractor)	PMO Task Monthly Costs	PMO Task Annual Costs	Functionality Included in PMO (YES / NO)
EXAMPLE BELOW								
Digital Transformation 13 - Centralized Collaboration	Emails	40	17.2	$ 55.00	$ 4,125	$ 41,965	$ 503,580	YES
Digital Transformation 1						$ -		
Digital Transformation 2						$ -		
Digital Transformation 3						$ -		
Digital Transformation 4						$ -		
Digital Transformation 5						$ -		
Digital Transformation 6						$ -		
Digital Transformation 7						$ -		
Digital Transformation 8						$ -		
Digital Transformation 9						$ -		
Digital Transformation 10						$ -		
Digital Transformation 11						$ -		
Digital Transformation 12						$ -		
Digital Transformation 13						$ -		
Digital Transformation 14						$ -		
Digital Transformation 15						$ -		
Digital Transformation 16						$ -		
Digital Transformation 17						$ -		
Digital Transformation 18						$ -		
Total		40	17.2	$ 55.00	$ 4,125	$ 41,965	$ 503,580	

Footnotes: Example Computation

1) **PMO Project Count:** The total number of projects in flight under PMO Governance
2) **PMO Resource Hours:** The resource hours to achieve the monthly computation of the PMO Current State. Example computation is as follows:
   Emails projection is 4 hs weekly per project, times weeks per month (4.3) = 21.5 hrs.
3) **PMO Average Billable Rate:** The employee average rate billable for all PMO Staff ($55).
4) **Staffing Augmentation (add on):** Projects 75 hours per month will be from contractors times PMO Avg Billable Rate ($55) = $4,125.
5) **PMO Task Monthly Cost:** Project Count (40) times Email Monthly Hrs Per Project (17.2 Hrs) = 688 Hrs, times PMO Avg Billable Rate ($55) = $37,840
   Plus Staffing Augmentation = $4,125 for a Total PMO Task Monthly Cost for Emails = $41,965
6) **PMO Task Annual Cost:** PMO Task Monthly Cost for Emails = $41,965, times Months Per Year = 12, resulting in an Annual Email Cost of $503,580

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Dennis Wiggins has over 25 years of experience and am an expert in the Product / Project Portfolio Management (PPM2) discipline. He is a Domestic & International Instructor for the following: Project Management, Lean Six Sigma Green Belt & Black Belt Courses. In addition, he is a domestic and international speaker for Product / Project Portfolio Management discipline.

Mr. Wiggins is a PMO Governance Leader contracted through Accenture (Big 4) Consulting for BellSouth Network Services; a $250 million-dollar portfolio with approximately 140 projects in flight and 80 to 90 Project / Program Managers. He has reduced Project Portfolio Management (PPM) cycle time reporting in a matrix structure for Executives from 1 month to 1 week. This resulted in a significant reduction in costs resulting from timely escalation and delivery of projects.

He is founder of Analytics Plus PPM2, LLC which automates and integrates the Chief Portfolio Officer (CPO) Organizational Hierarchy from the Project Manager, Program Manager, Portfolio Manager, PMO Governance, Product Owner, up to the Chief Portfolio Officer (CPO).

Dennis is a graduate from the State University at Old Westbury College with a Bachelor of Science in Business Management with a concentration in Finance. He is also a graduate of a world-renowned Financial Management Program (FMP) with General Electric with the following certifications: Project Management Professional (PMP), and Lean Six Sigma Black Belt (LSSBB).

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