



INSIGHTS

Enterprise Project Management

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August 2003

Defining Enterprise

Operating systems like Windows and DOS and companies like SAP and Oracle have helped the term enterprise become an integral part of everyday life in businesses and homes around the world. However, the term enterprise has several meanings. So what does it mean when enterprise is applied to project management?

When applied to project management, enterprise means:

- An undertaking, especially one of great scope, complication or risk
- An entity
- Systematic and industrious activity
- Eagerness to venture

Enterprise also describes a project-centric organization. Project-centric organizations are dependent on the success of each incremental venture. Having resources and capabilities to execute business initiatives is the difference between on-time on-budget efforts, and delayed, over-budget projects. Tools alone cannot and will not guarantee success in achieving business objectives. The blend of people with knowledge and experience, formal processes, and the right technological tools compose the operations of enterprise project management (EPM).

EPM is a collection of the following existing practices in singular project management:

- Planning and budgeting
- Human resource management
- Time and expense management
- Budget management
- Risk management
- Issue management
- Status reporting
- Knowledge management and collaboration
- Why Enterprise?

Why Enterprise?

Singular project management is a part of the core of successful EPM. However, the ability to collect information on multiple projects, whether still an idea, in-progress or complete, differentiates an organization's ability to get the most value out of its investments. Stakeholders and managers are also increasing the demand for information on multiple projects, but the methods for gathering it are difficult.

EPM methods and tools are emerging in the marketplace to enable organizations to meet these needs. However before utilizing EPM methods and tools, organizations

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need to take into account several considerations. The seven key considerations listed below can help organizations understand the critical elements in establishing a successful EPM landscape.

1. Commonality

EPM methods rely heavily upon a common language and tools. Common tools will greatly increase the ability to easily aggregate and then disseminate both knowledge and status information regarding a portfolio of projects. A shared methodology for singular project execution is also beneficial for managers, but may not necessarily be a critical success factor for an organization. Commonality among these facets of project management is not a prerequisite. However, a high degree of commonality yields significant benefits for the entire organization.

2. Scalability

Scalability of a project management system is one of the most common features mentioned when describing an enterprise environment. Using web-based technologies, EPM systems can now easily scale from portfolios of small entities to global organizations. Furthermore, the EPM methods employed through the implementation of governance models, common methodologies, and shared resources can greatly improve the effectiveness of an IT organization's ability to enable their customers to achieve strategic and tactical business objectives.

3. Planning

The planning function of an EPM structure is vital to maximizing value from investments. Both strategic planning, as well as accurate planning for individual projects are critical for an organization in order to set expectations for their respective constituents. Evaluating past projects, current progress, and future plans will yield much more accurate and predictable outcomes.

4. Progress Monitoring

The persistent progress reporting performed in many organizations today is frequently an exercise in futility. Oftentimes a painful series of semi-automatic and manual compilation tasks results in an ever-changing portfolio report that is usually out of date at the time of presentation. This all-too-common issue means that executives who continually rely on these portfolio progress reporting methods could be making poor decisions or losing opportunities. Progress reporting utilizing effective EPM methods can greatly improve the decision-making abilities of executive steering committees.

5. Managing Risk

Managing risk is an essential activity for any successful business. While evaluating risk at the project level can be useful, it does not provide a complete picture of

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the risks that the organization could face. By evaluating risk across a hierarchical structure, management is given the ability to look across the organization. This should permit the consolidation by any dimension to give an accurate view of risk exposure. Reporting functions tied to risk can provide not just information about which projects are behind schedule, but what the resulting impact will be on the organization. Recent developments in EPM software solutions have made dramatic improvements in managing portfolio risks. This enables decision-making bodies to take proactive steps and develop contingency plans to deal with portfolio risks prior to their occurrence.

6. Project Portfolio Analysis

The ability to analyze a portfolio of projects is one of the greatest differentiators between an enterprise project management system and a single project manager. While managing a single project does not require an analysis and comparison of other projects, managing an organization with multiple projects does. Performing a portfolio analysis across an enterprise can yield valuable information. By evaluating projects together, organizations can establish benchmarks. These benchmarks can be used to compare similar projects against one another and determine their relative success.

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Determining the proper project strategy is also important. Organizations have limited resources, with each project having its own set of determining factors like duration, resources and return on resources. By utilizing portfolio analysis, one can balance these factors against one another and determine the best strategy for implementing projects. Some projects may be accelerated and given additional resources to capture a window of market opportunity or a faster return on investment. Other projects may be slowed down or abandoned to reduce expenses. Without this type of project portfolio analysis, organizations cannot make fully informed decisions regarding their project strategy. While this type of information can sometimes be derived from other corporate sources, EPM solutions simplify project development, distribution and analysis.

7. Information Broadcasting

Employing EPM methods dramatically improves the information availability and accuracy of the project portfolio. In many instances, decision-making bodies can now access EPM dashboards with minimal investment. By employing EPM solutions like dashboards, organizations can bring to life a real-time distribution of information on multiple projects. Performance management is a direct result of information broadcasts.

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Conclusion

EPM systems have matured. Through the addition of related functionality and issues these toolsets have dramatically changed the nature of project management, both singularly and collectively. Rather than a project manager being solely responsible for keeping a project on track, the entire organization can efficiently coordinate activities using EPM processes and technologies.

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New generation processes and technologies enable stakeholders to fully examine the current status of project portfolios, perform what-if analysis and make better informed decisions at the management level. Individual workers can see up-to-date information of activities and report back on progress, risks and issues. Project managers will be able to maintain tighter project controls to help deliver on time and on budget projects. Just as companies have realized benefits from ERP applications, which connect routine job functions such as purchasing, billing, accounting, payroll and inventory together, EPM processes and technologies will provide benefits from project controls for dynamic activities. Organizations that perform information technology projects, research and development activities, new product development, discreet manufacturing, process manufacturing, and any other project focused on improving efficiencies can benefit from EPM processes and technologies.

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