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Maximizing ROI Unveiling the Strategic Power of Portfolio Management

PMI Germany Chapter
Darmstadt Branch

2024

Stuart Easton
CEO TransparentChoice

Project Management Institute Germany

SERIOUS

DUCKS!

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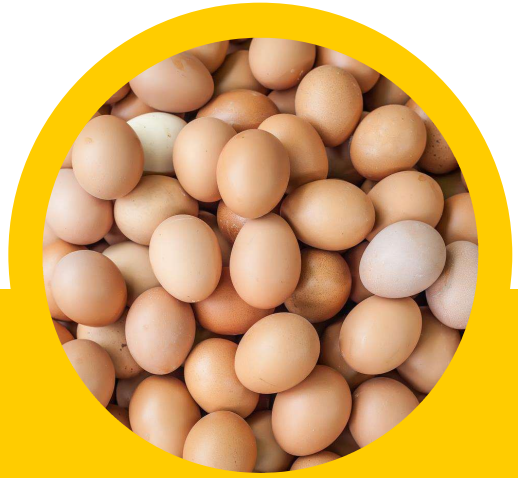
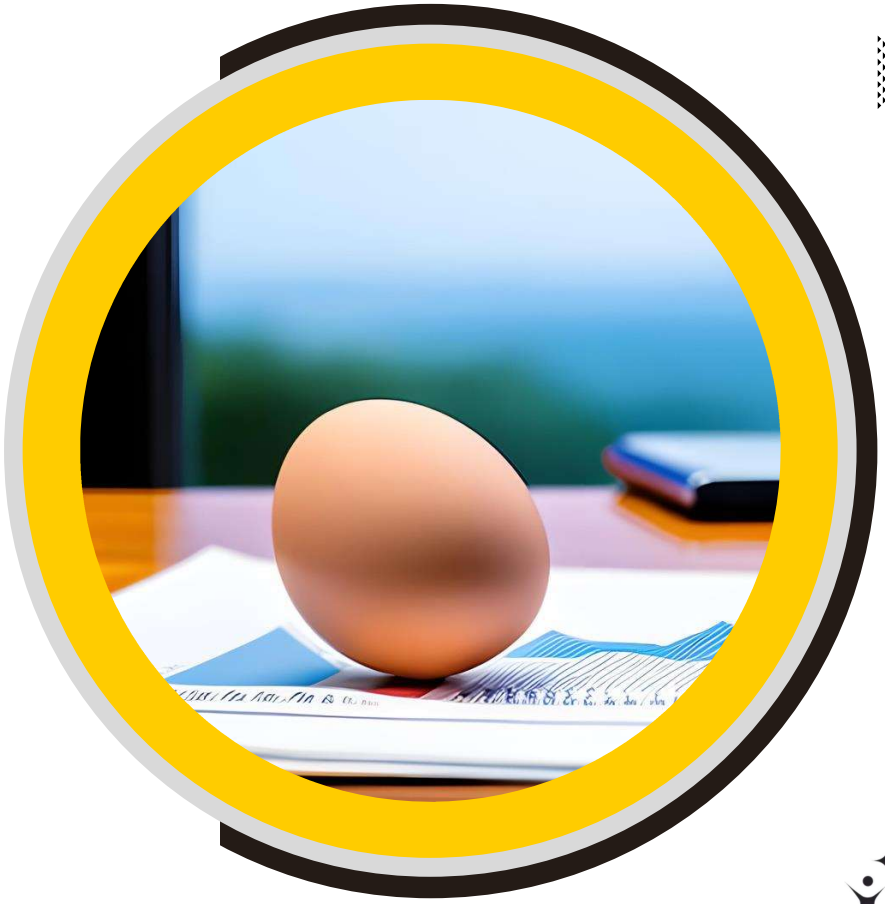
CEO of one of the world's biggest oil and gas companies...

I don't care if it's a boy duck, or a girl duck...



I just want eggs!

Execs only care about outcomes



Egg-secs

Execs only care about outcomes

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Big idea:
2x
the ROI from your portfolio
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The Return-o-matic

“What does the PMO actually DO?”

“We couldn’t operate without our PMO!”

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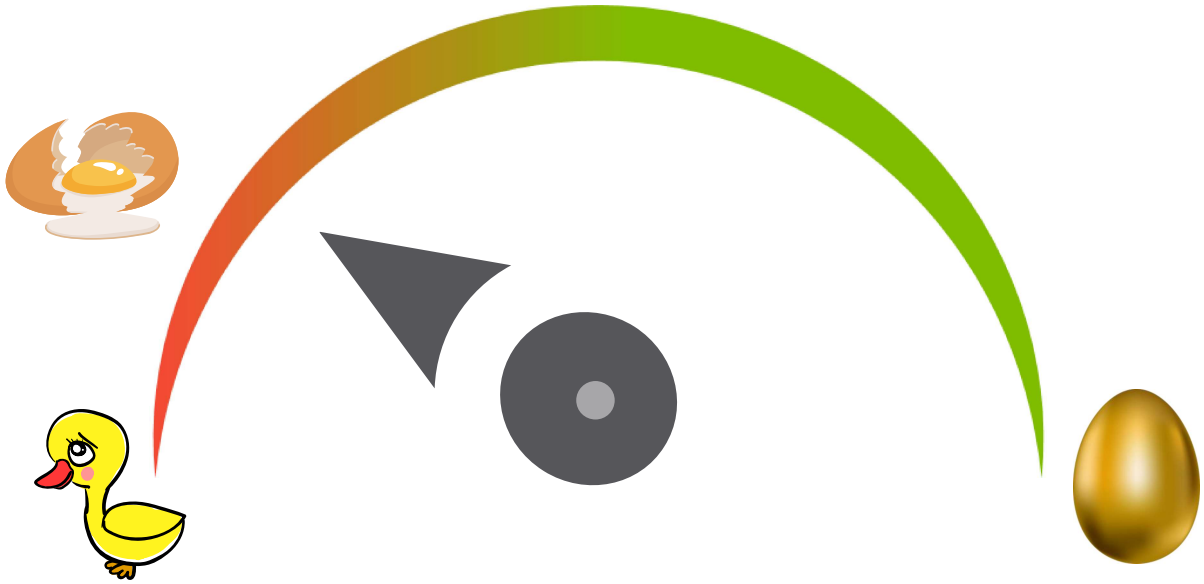
Where are we as an industry?

49% of projects unlikely to meet business goals

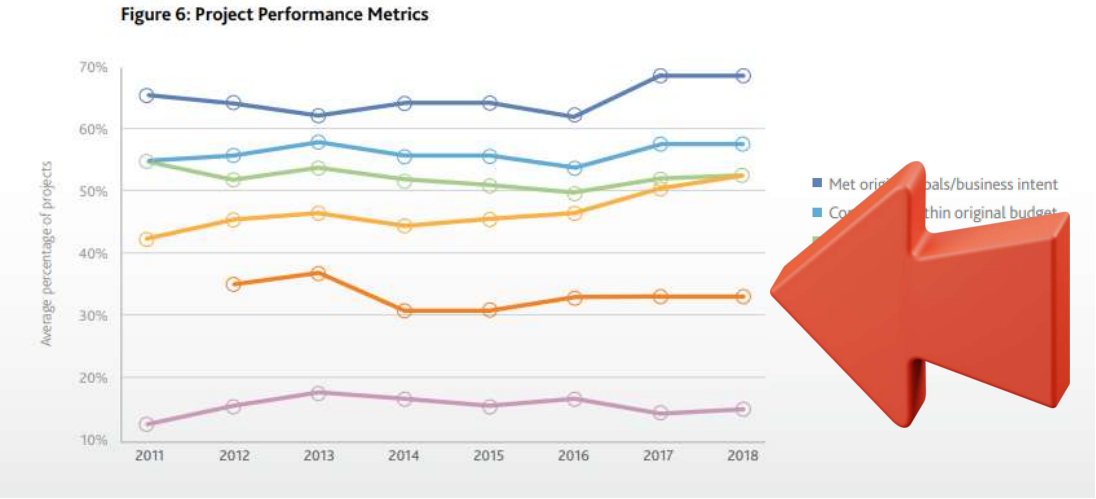


"What does the PMO actually DO?"

"We couldn't operate without our PMO!"

Source: KPMG & AIPM 2020

Project failure rates are too high!



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

Failed, budget lost!

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6 OR 7
OF YOUR JOURNEYS TO WORK EVERY MONTH

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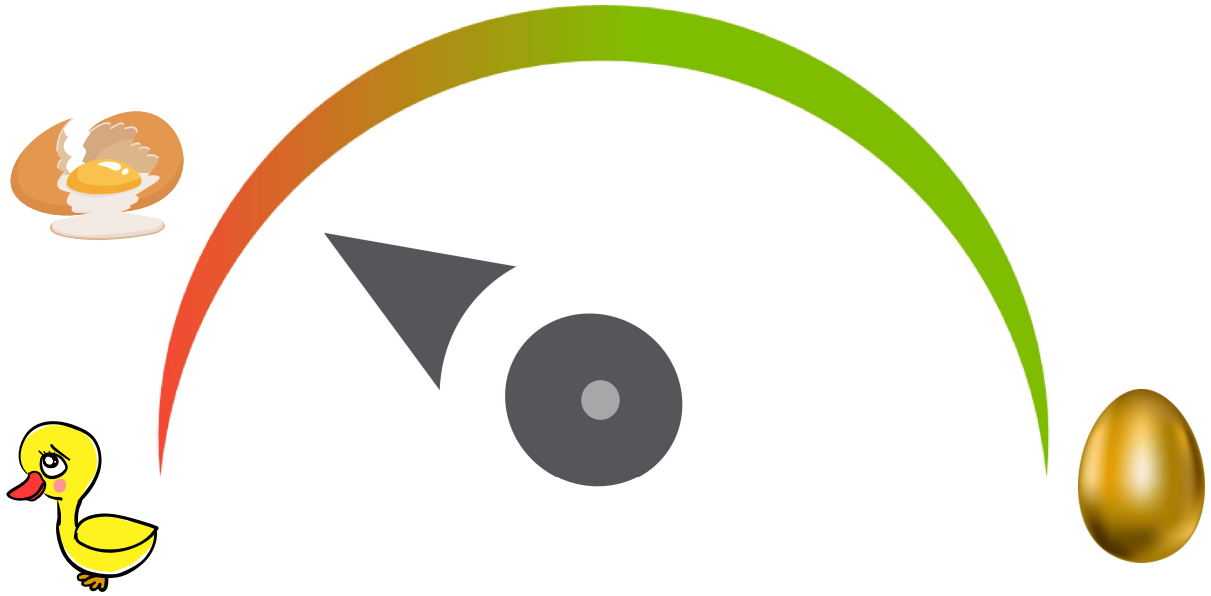
Where are we as an industry?

49% of projects miss business goals



"What does the PMO actually DO?"

"We couldn't operate without our PMO!"

Source: KPMG & AIPM 2020

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Where are we as an industry?

"What does the PMO actually DO?"

"We couldn't operate without our PMO!"

49% of projects miss business goals

58% of projects are late

Source: KPMG & AIPM 2020

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Where are we as an industry?

"What does the PMO actually DO?"

"We couldn't operate without our PMO!"

49% of projects miss business goals

58% of projects are late

60% of projects are over budget

Source: KPMG & AIPM 2020

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Where are we as an industry?

"What does the PMO actually DO?"

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Where are we as an industry?

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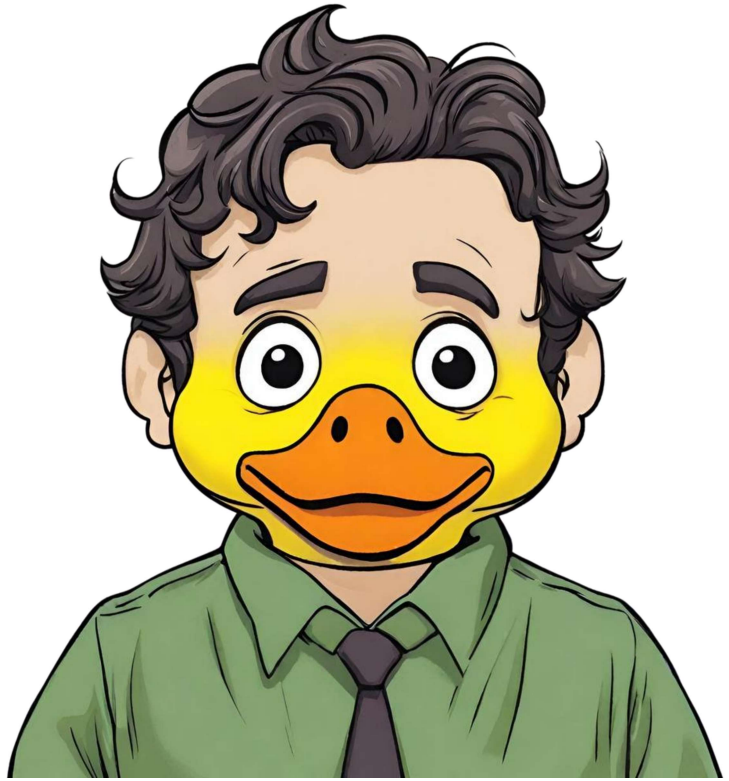

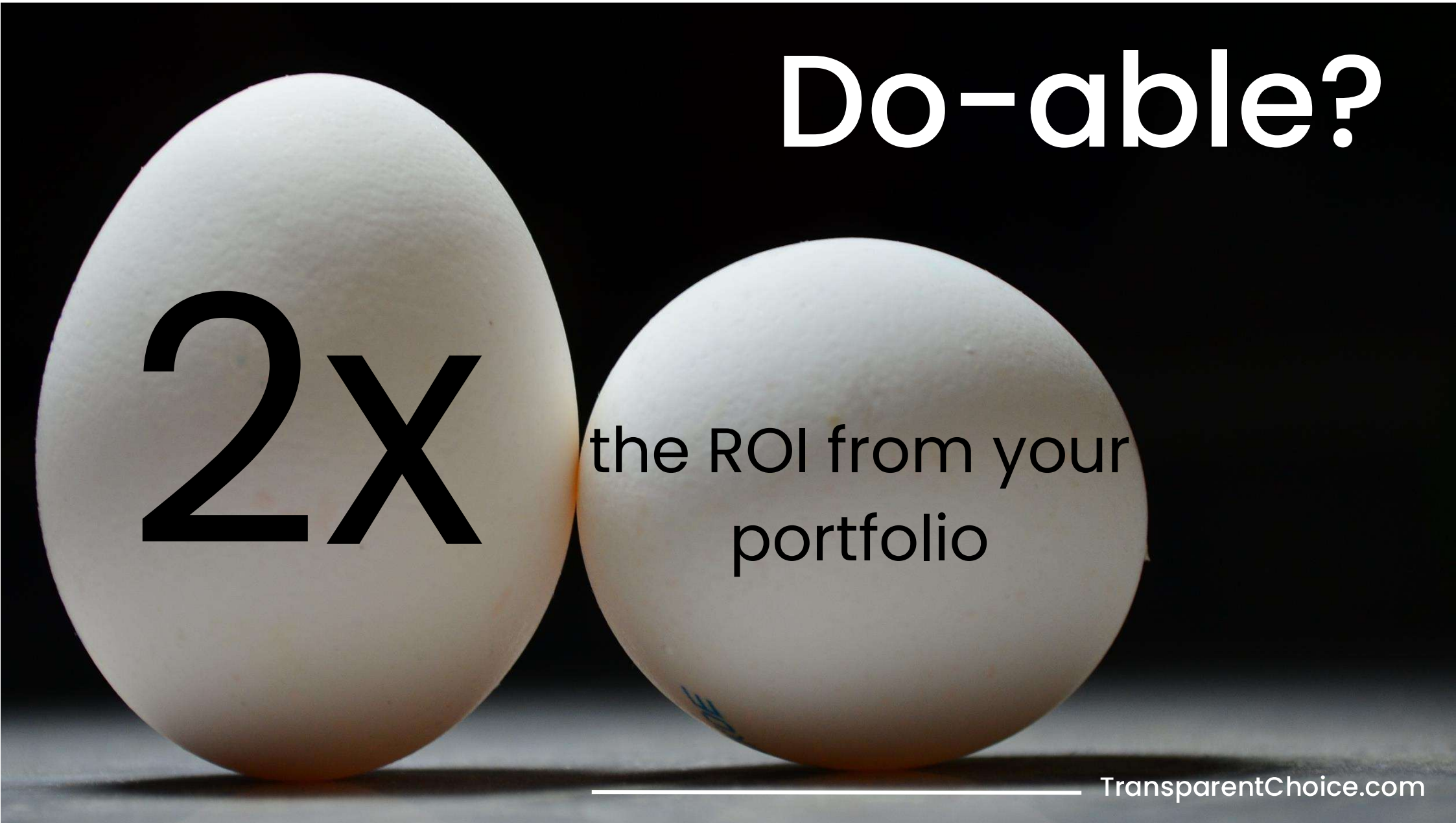
Do-able?
2x
the ROI from your portfolio
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Mike Hannan

ToC / project flow wunderkind!

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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Surprise!

the path to

2x

is not what you think... probably

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Introducing the world-famous ducktective...

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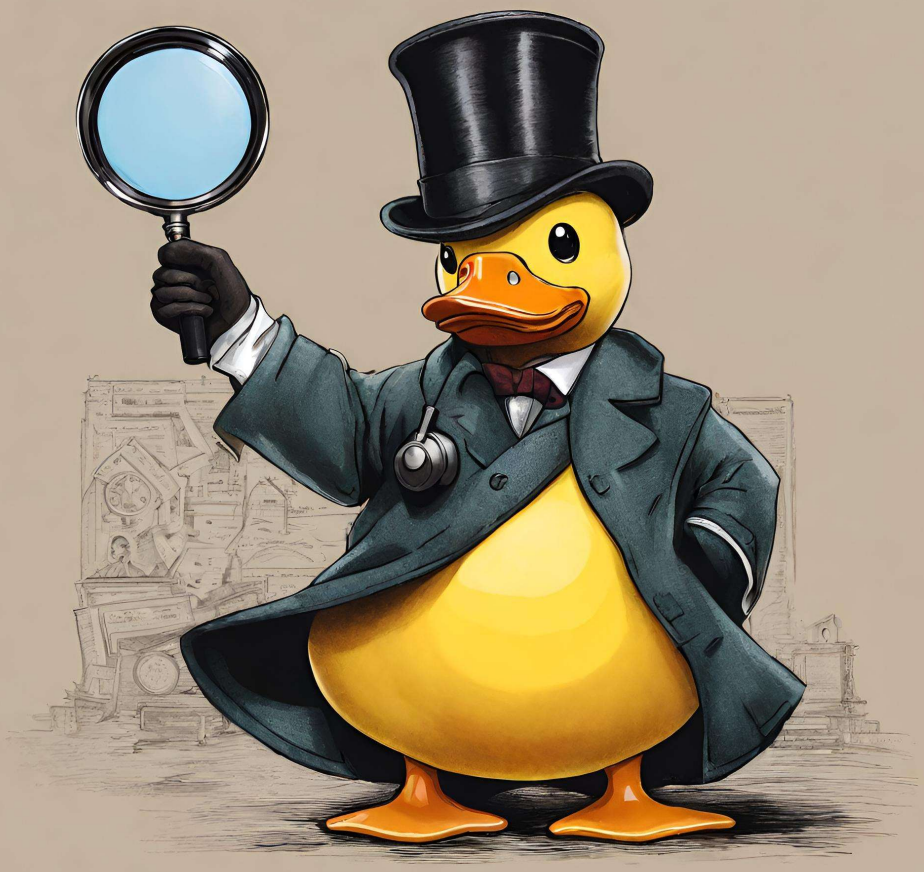
Sherduck Holmes!



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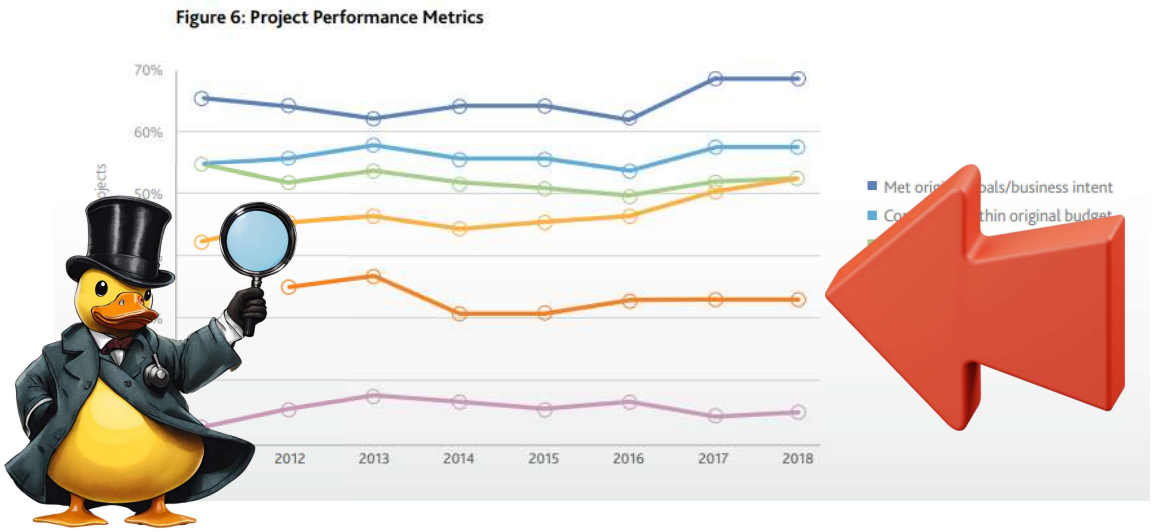
First clue...

THE USUAL APPROACH IS NOT WORKING!

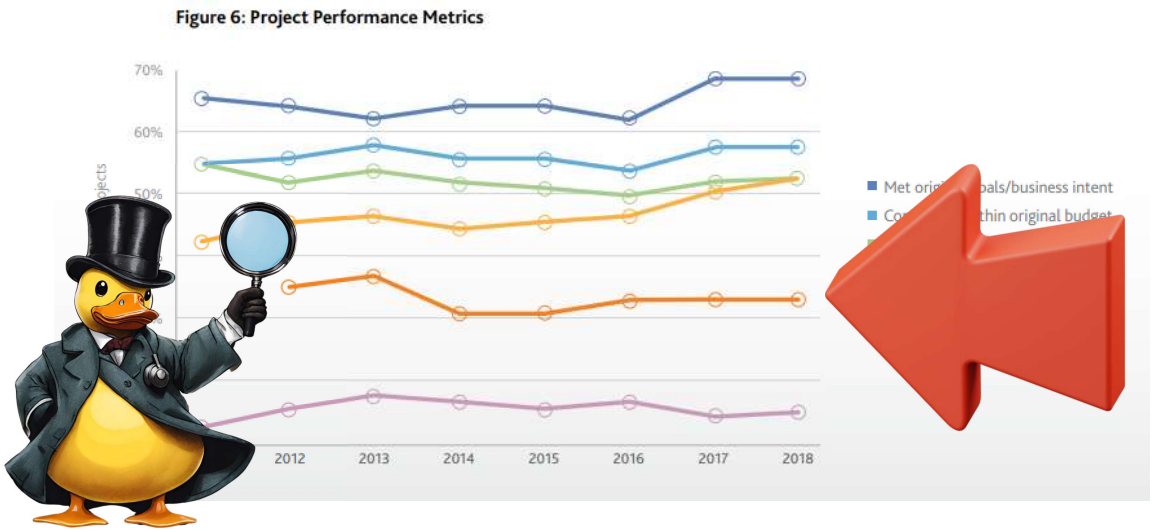


PMI data compiled at https://www.workamajig.com/blog/project-management-statistics

The PPM market is around $7bn

PMI's revenue ~$343m

You cannot “project management” your way out of this!



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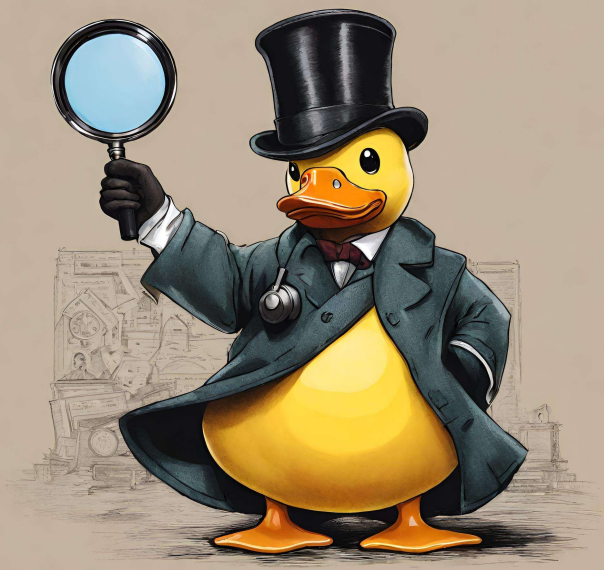
Second clue...

Duckter Watson



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Delays

Cost over-runs

Project failure

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Multi-tasking reduces efficiency

Resource contention delays projects

Delays

Cost over-runs

Project failure

transparent choice

Project Management Institute Germany

Too many projects

Multi-tasking reduces efficiency

Resource contention delays projects

Delays

Cost over-runs

Project failure

transparent choice

Project Management Institute Germany

Ineffective prioritization → Too many projects

Too many projects → Multi-tasking reduces efficiency

Too many projects → Resource contention delays projects

Multi-tasking reduces efficiency → Delays

Resource contention delays projects → Cost over-runs

Resource contention delays projects → Project failure

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Let's look at the root cause of project "failure"

Laura Barnard

PMO Global Alliance Influencer of the year

Host of PMO IMPACT Summit

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Third clue...

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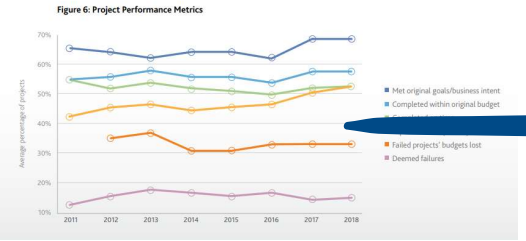
Portfolio management is the differentiator



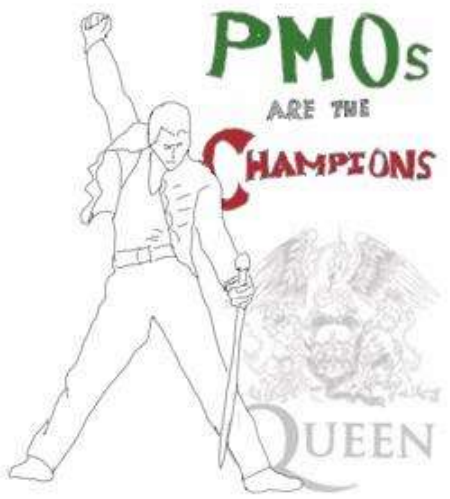
~90%

CONSISTENTLY

~65% more projects delivered on time

~32%+ fewer projects over budget

~31% more projects delivering business benefit



https://blog.transparentchoice.com/rate-your-pmo

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It’s elementary, dear Watson!

Portfolio governance / planning / management is the key!

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We know it's possible... but how can we save the day?

With the help of some super-heroes, of course.

INTRODUCING..

.

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The Eggvengers!

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20% WASTE

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

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AHP is the right tool

Analytic Hierarchy Process

Recommended by Decision Scientists

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Use the right tool

$10m investment

$2m waste

Expect, say, 3x ROI

$6m lost value

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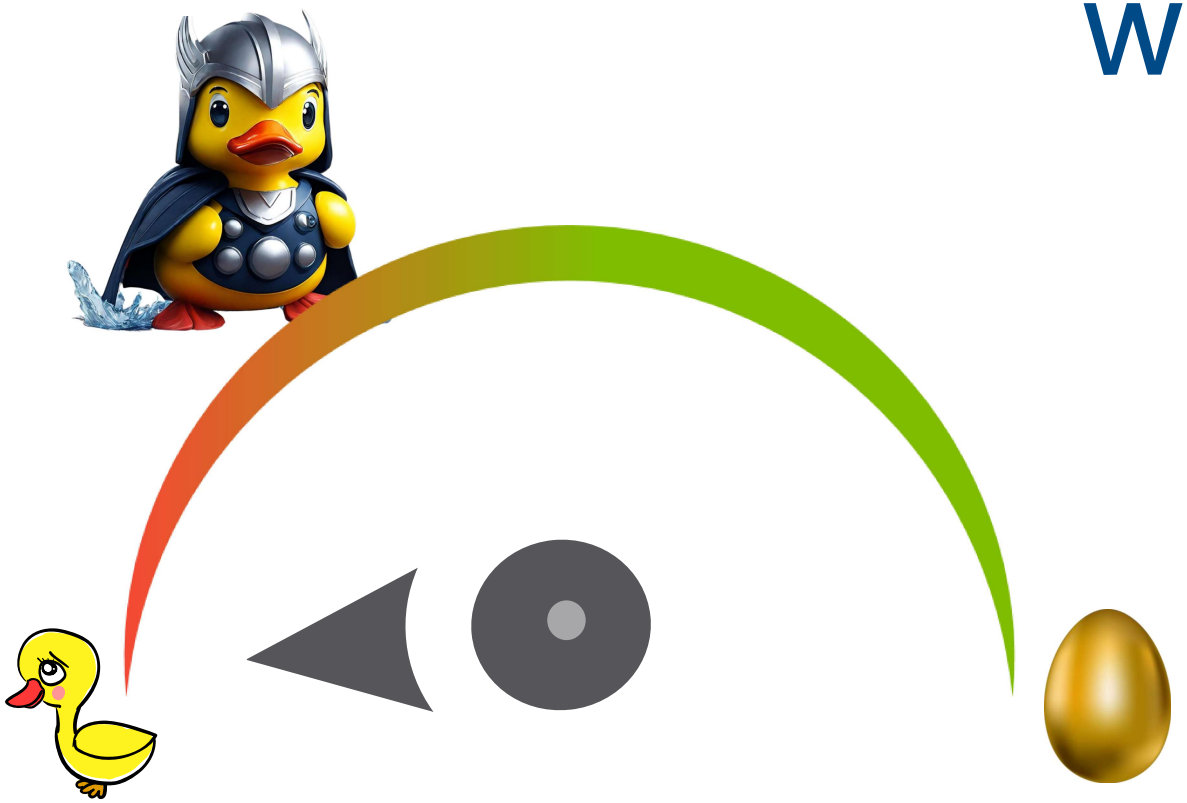
Where we started



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Source: KPMG & AIPM 2020

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AHP based prioritization saves money, deliver better eggs!

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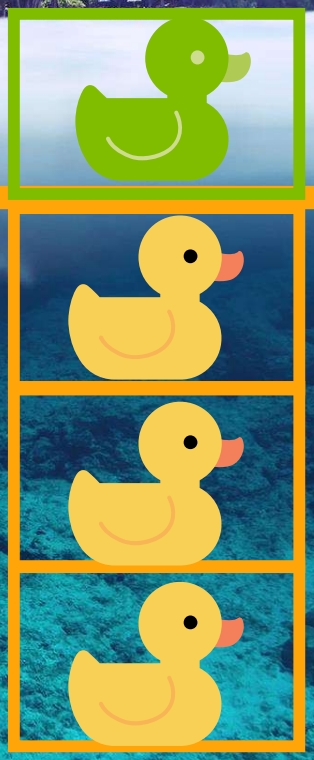
Moving your strategy forward!!



Keep the lights on / mandatory projects

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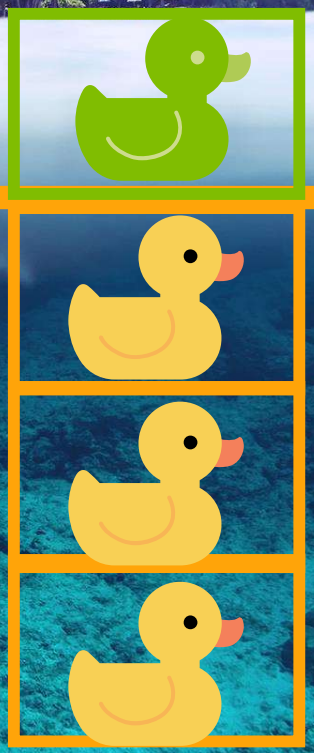
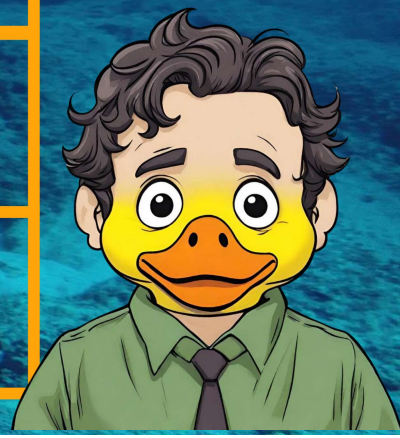
Moving your strategy forward!!



2x

Keep the lights on / mandatory projects



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0%
UTILIZATION OF
RESOURCES
transparent
choice

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100%
UTILIZATION OF RESOURCES
transparent choice

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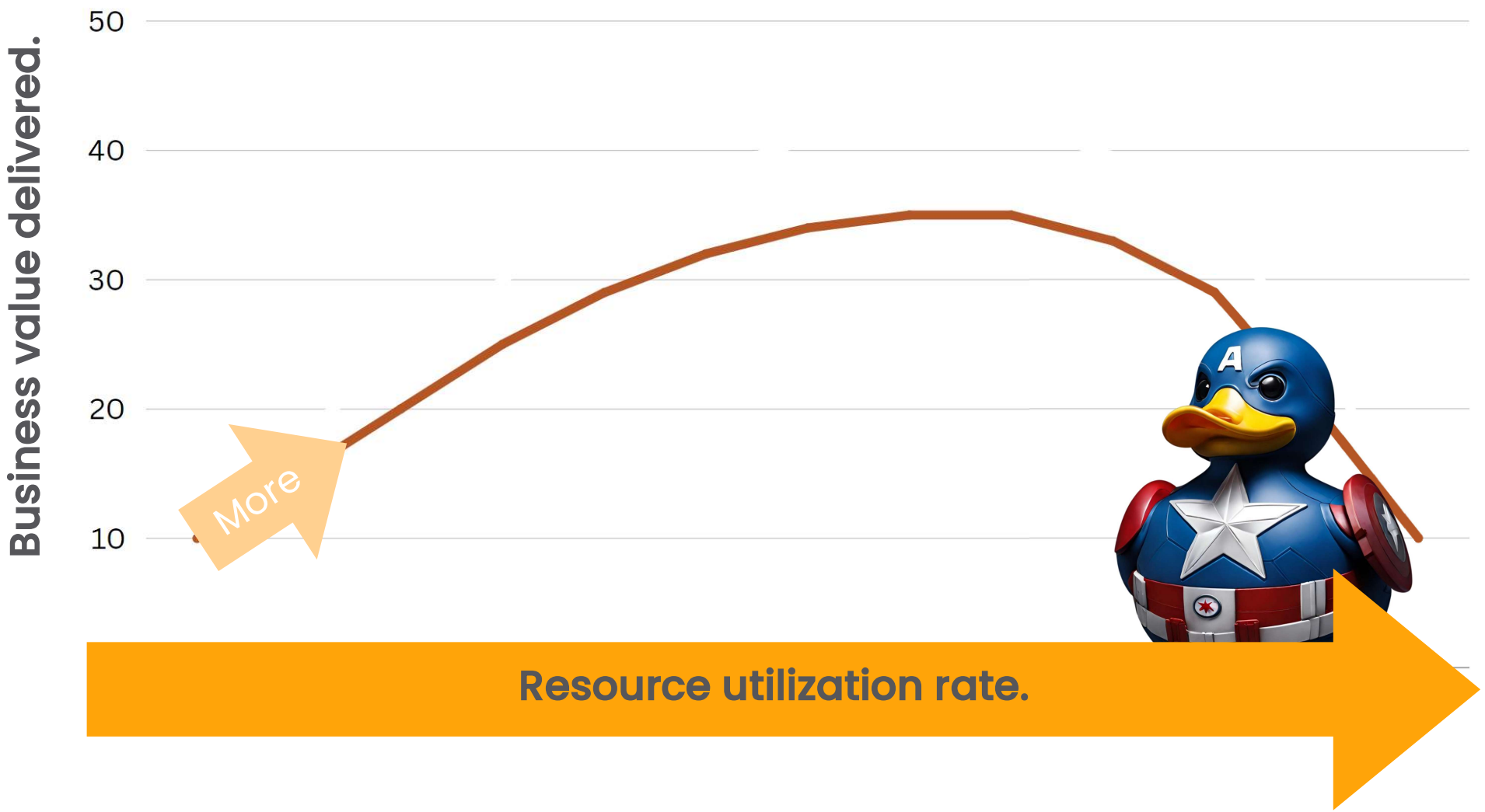

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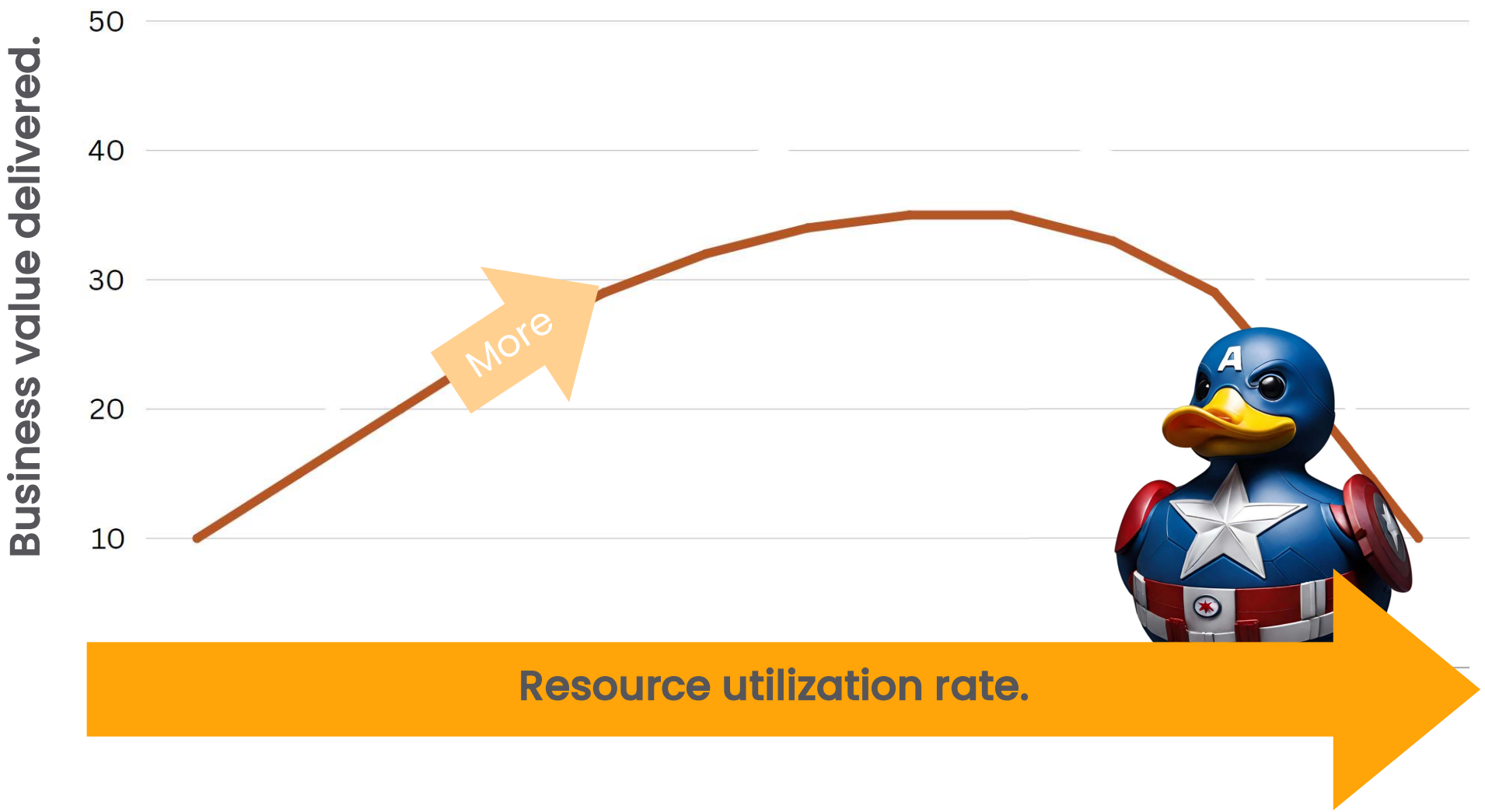

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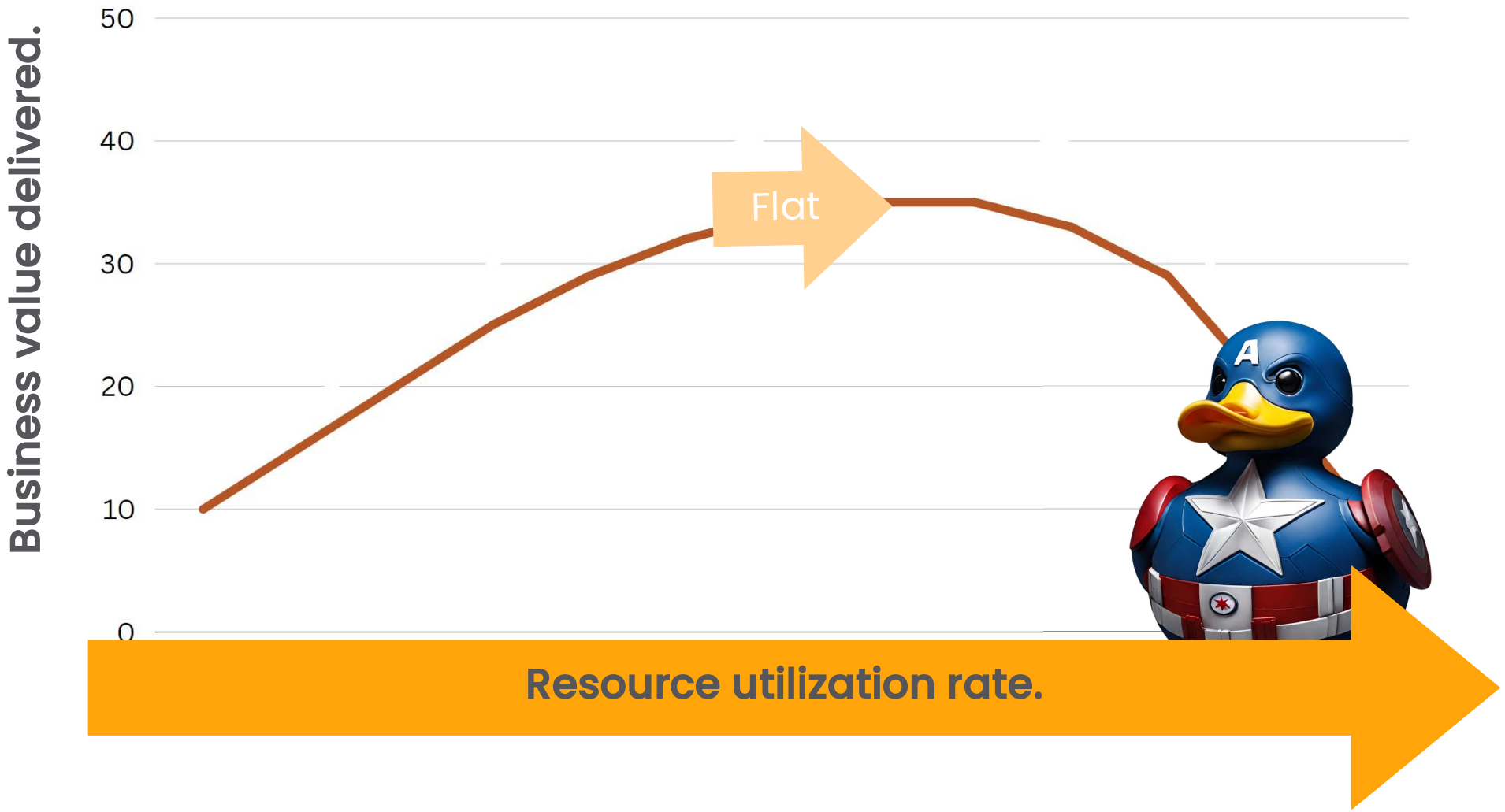

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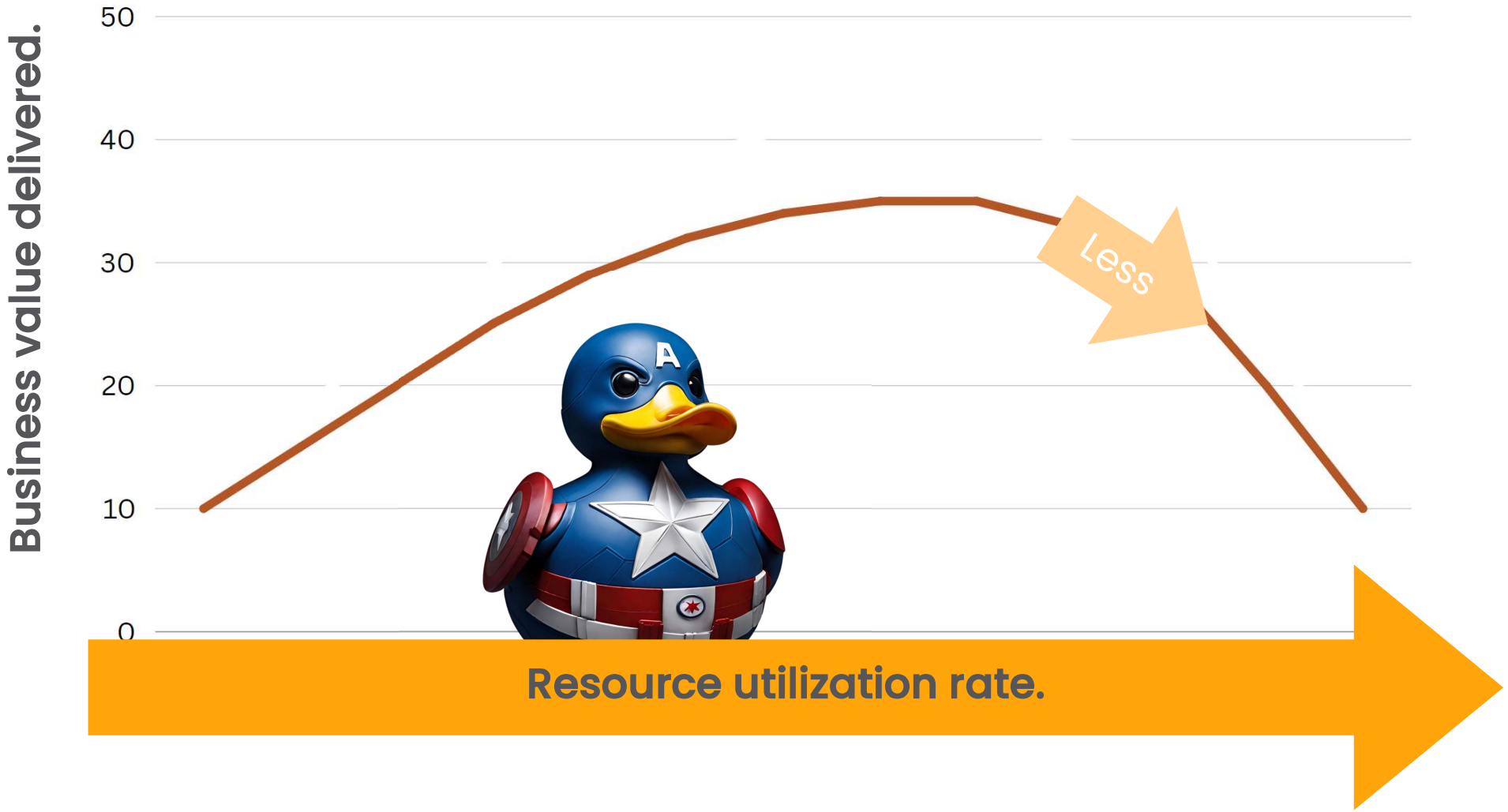

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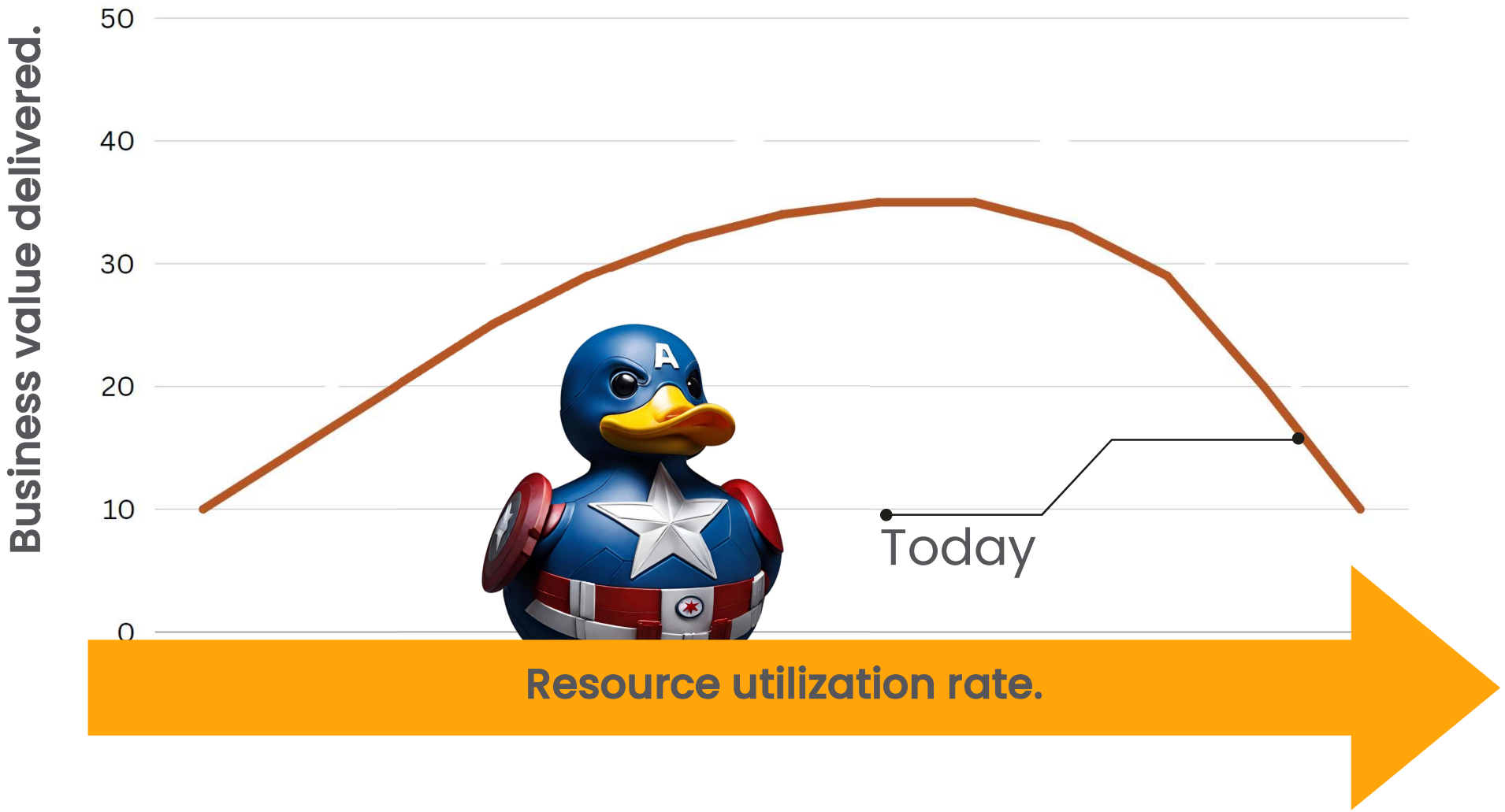

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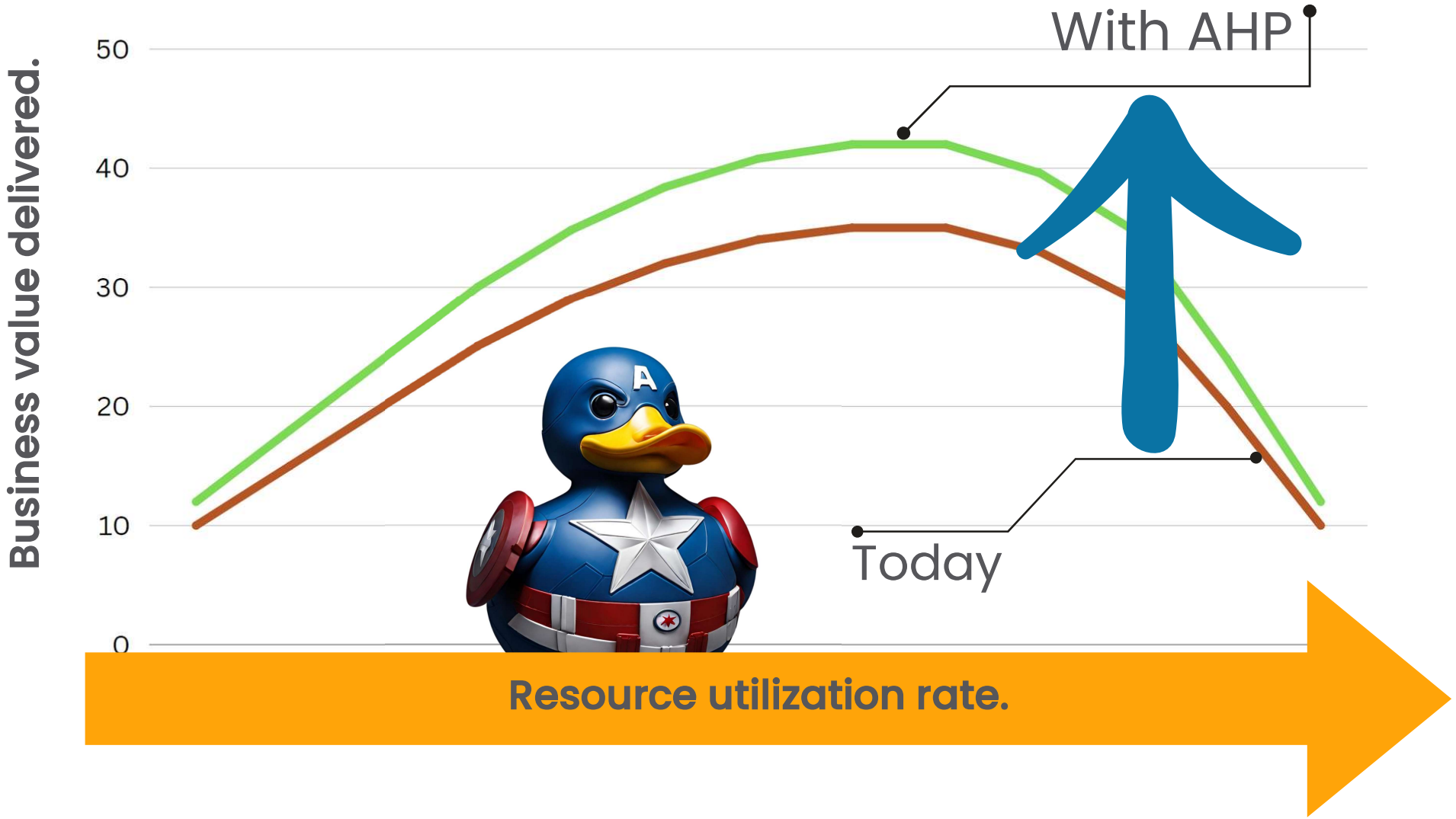

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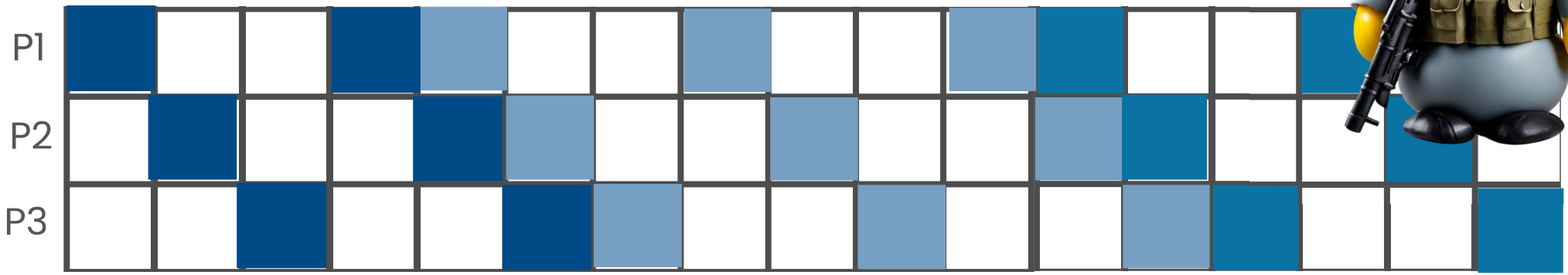
The POWER of staggering projects



Everything starts on day 1

Task switching is inefficient...
...REALLY inefficient

Value doesn't come until really late!

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Based on the work of Mike Hannan at http://www.fortezzaconsulting.com/

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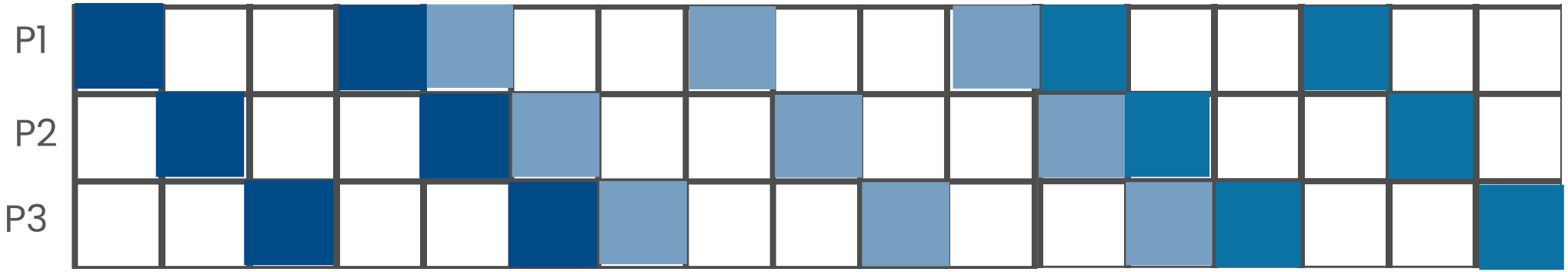
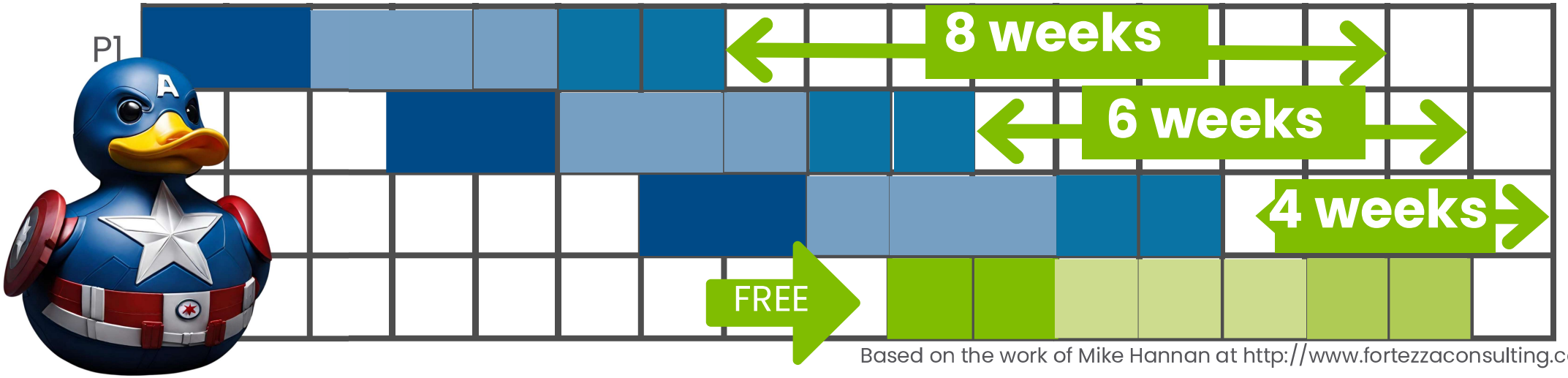
The POWER of staggering projects





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AHP based prioritization saves money, deliver better eggs!

"What does the PMO actually DO?"

"We couldn't operate without our PMO!"

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Top-of-a-higher-hill and staggering deliver staggering value!

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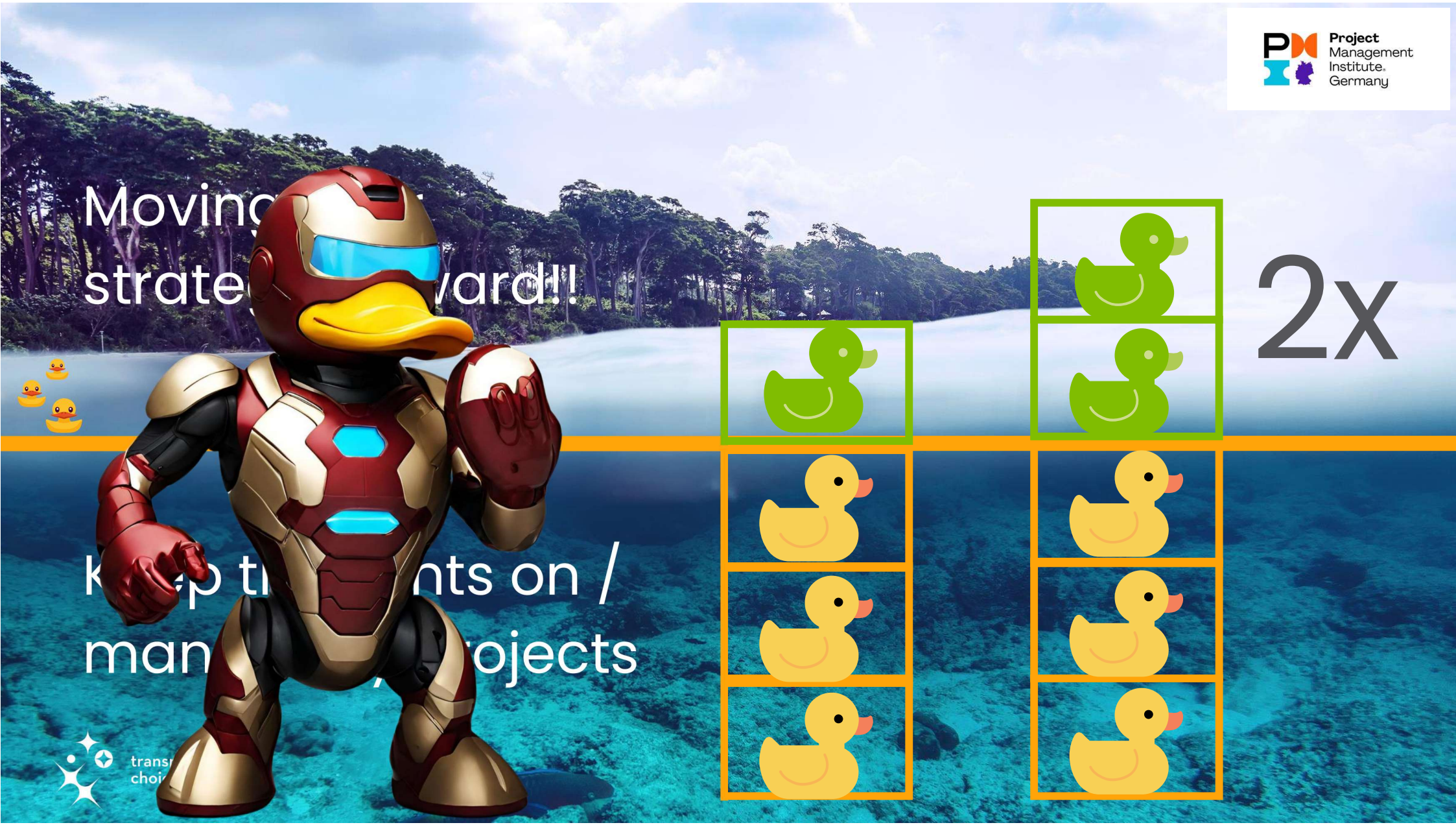
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Germany
2x

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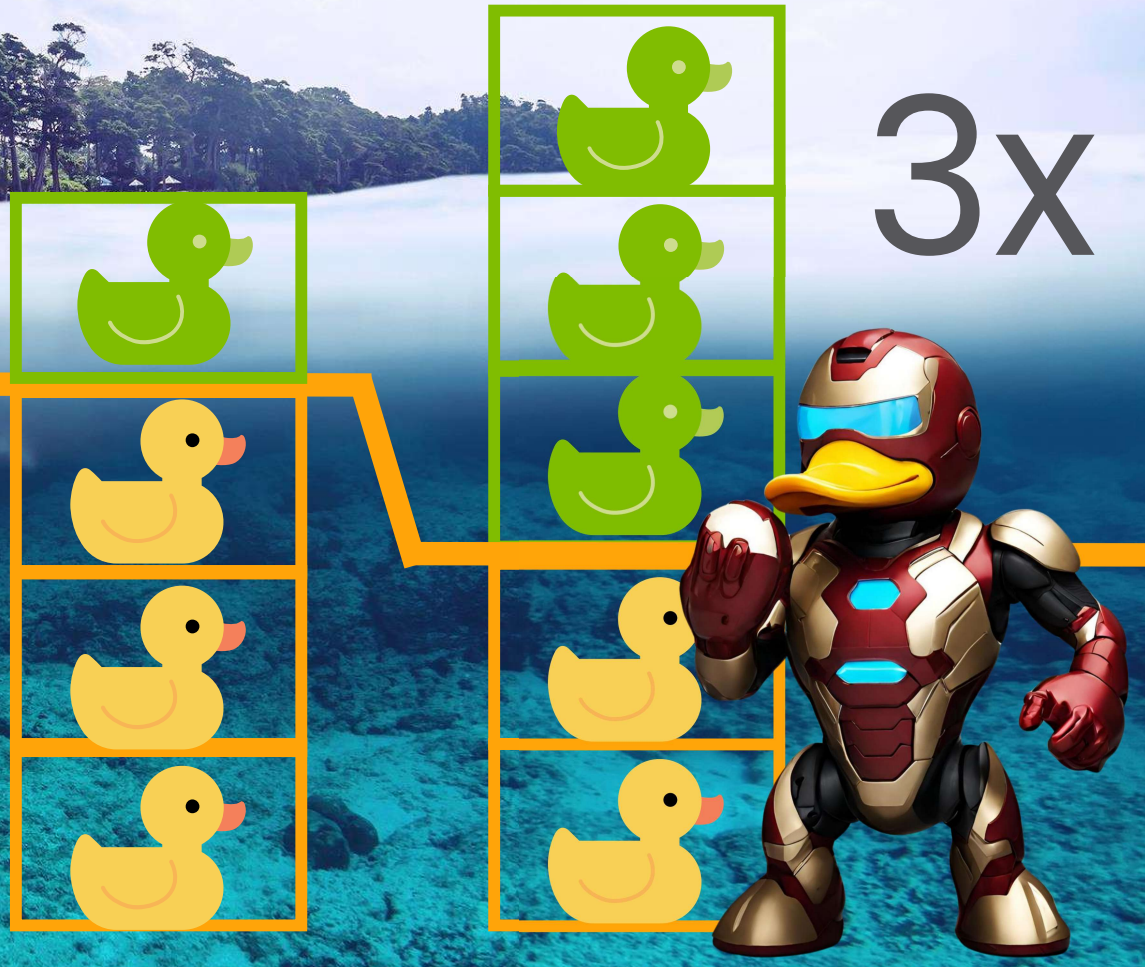
Moving your strategy forward!!

Keep the lights on / mandatory projects



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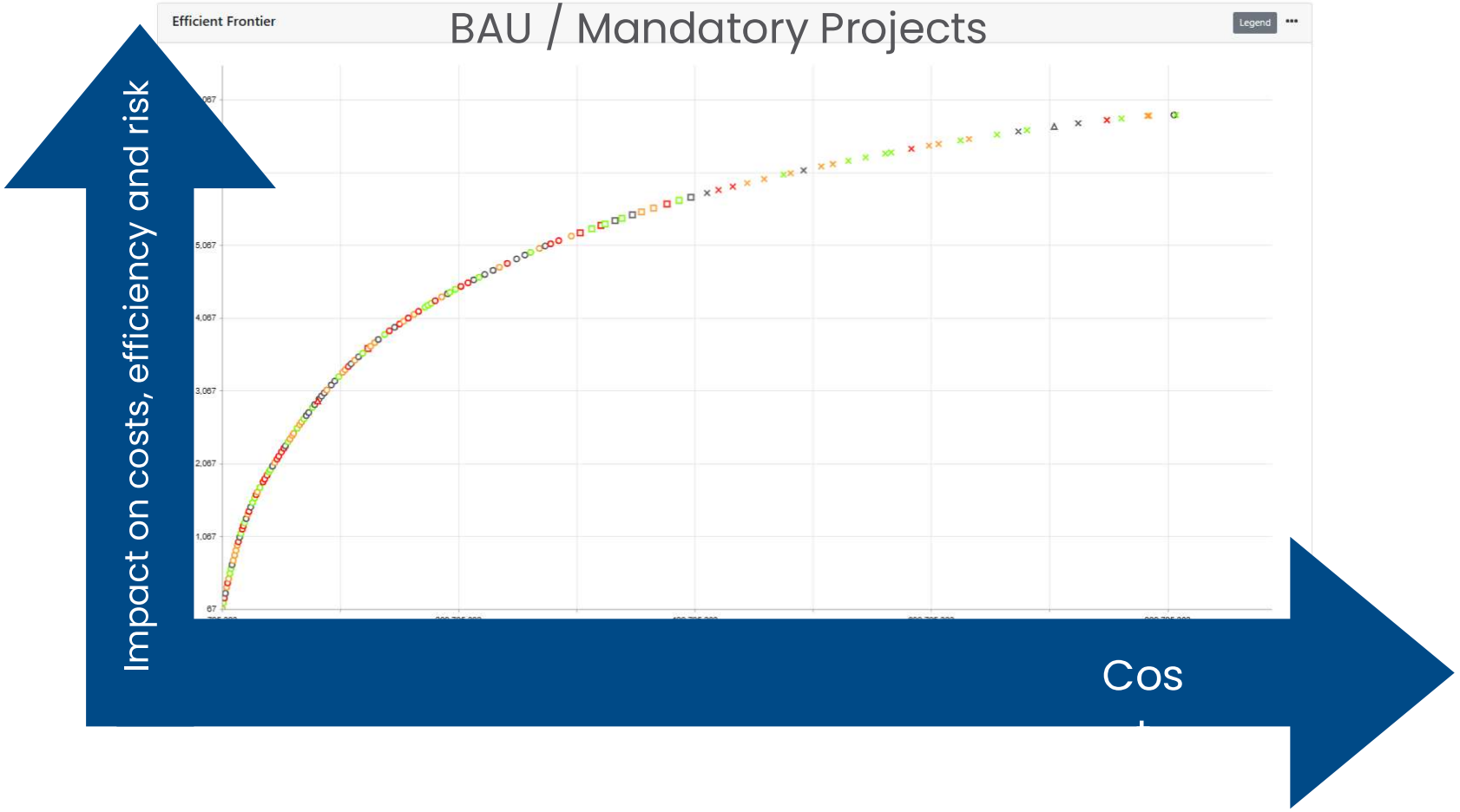

Reducing cost / boost efficiency

Reducing risk
(inc. "mandatory" projects)

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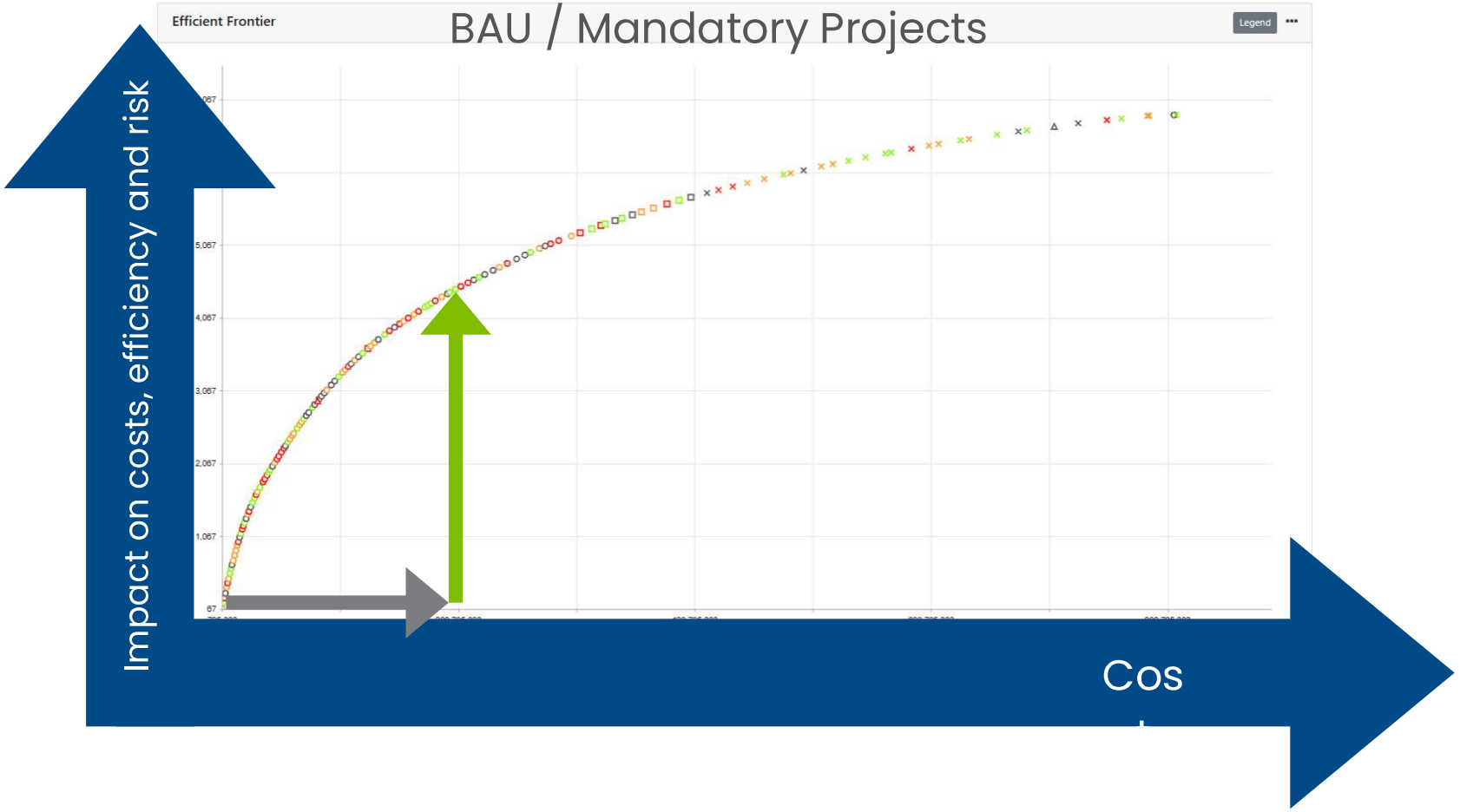
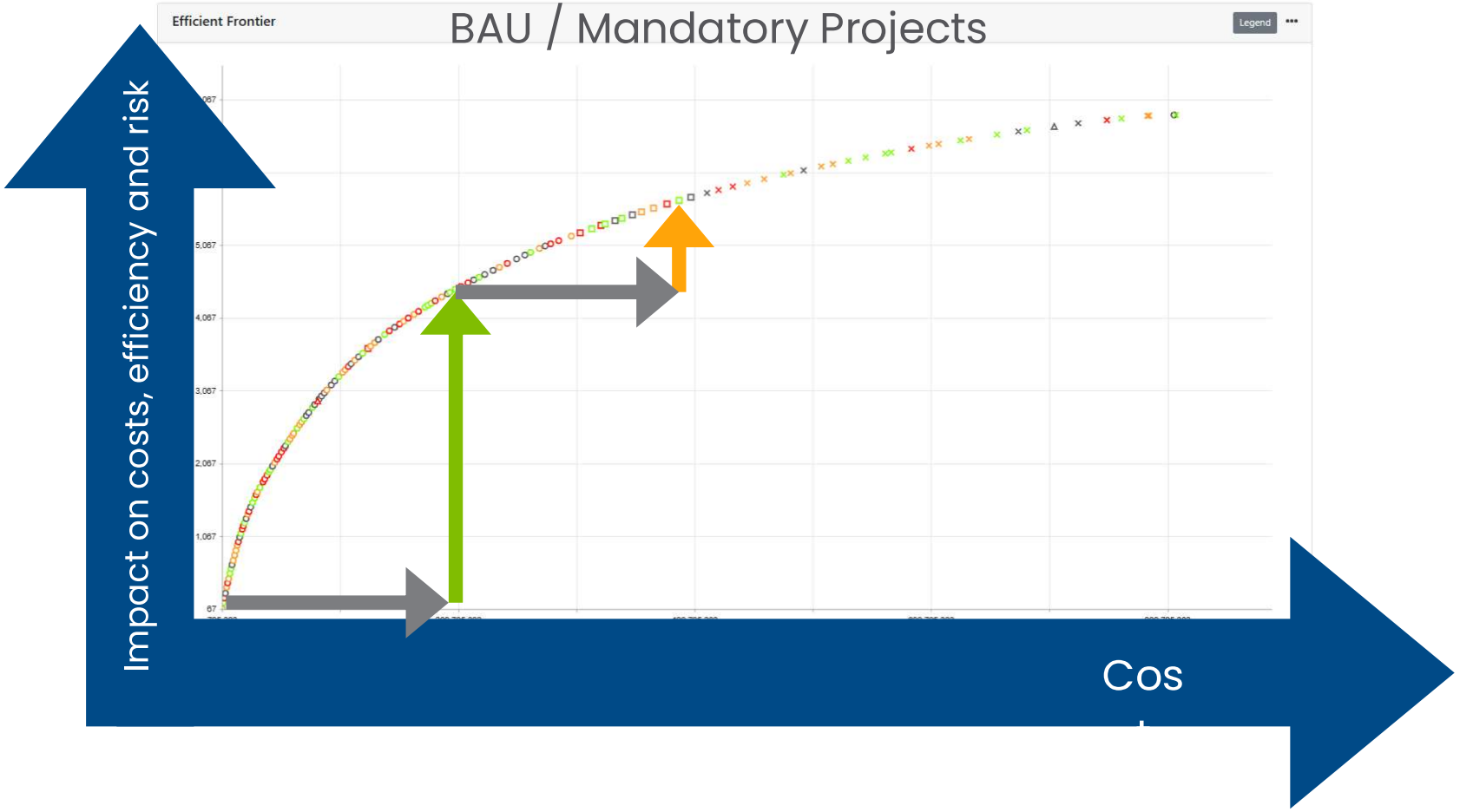
BAU / Mandatory Projects




Efficient Frontier
BAU / Mandatory Projects
Legend
Impact on costs, efficiency and risk
Cos

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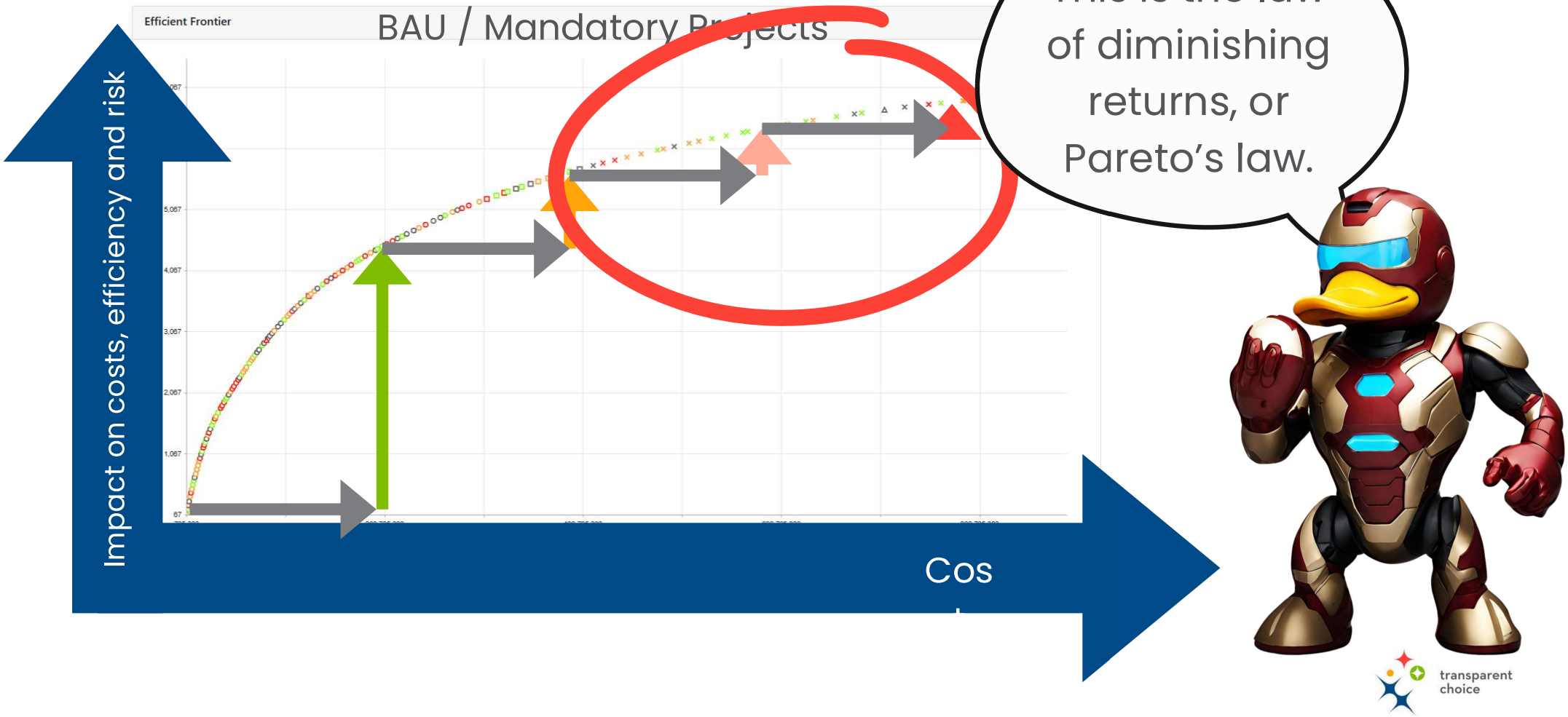

This is the law of diminishing returns, or Pareto's law.

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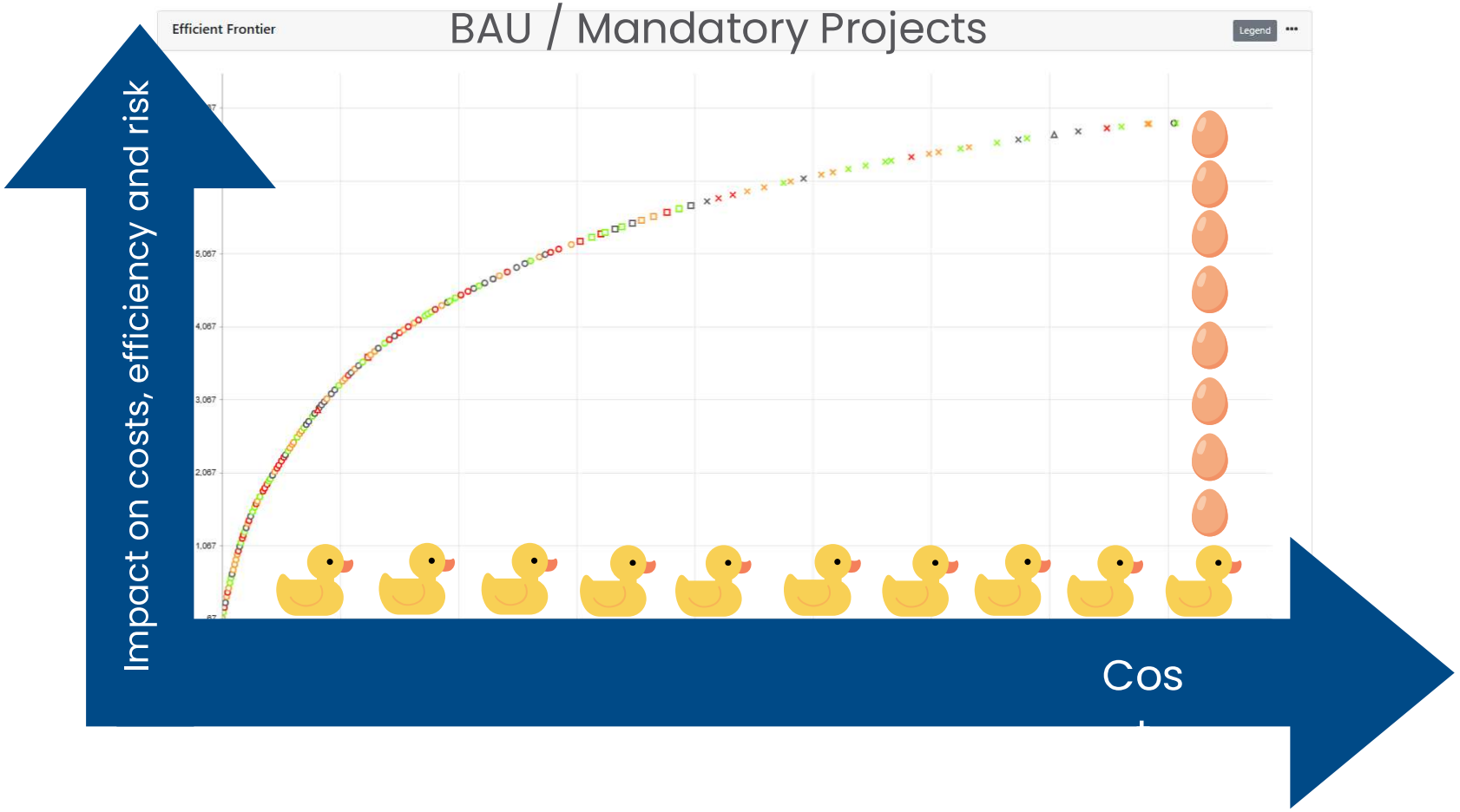
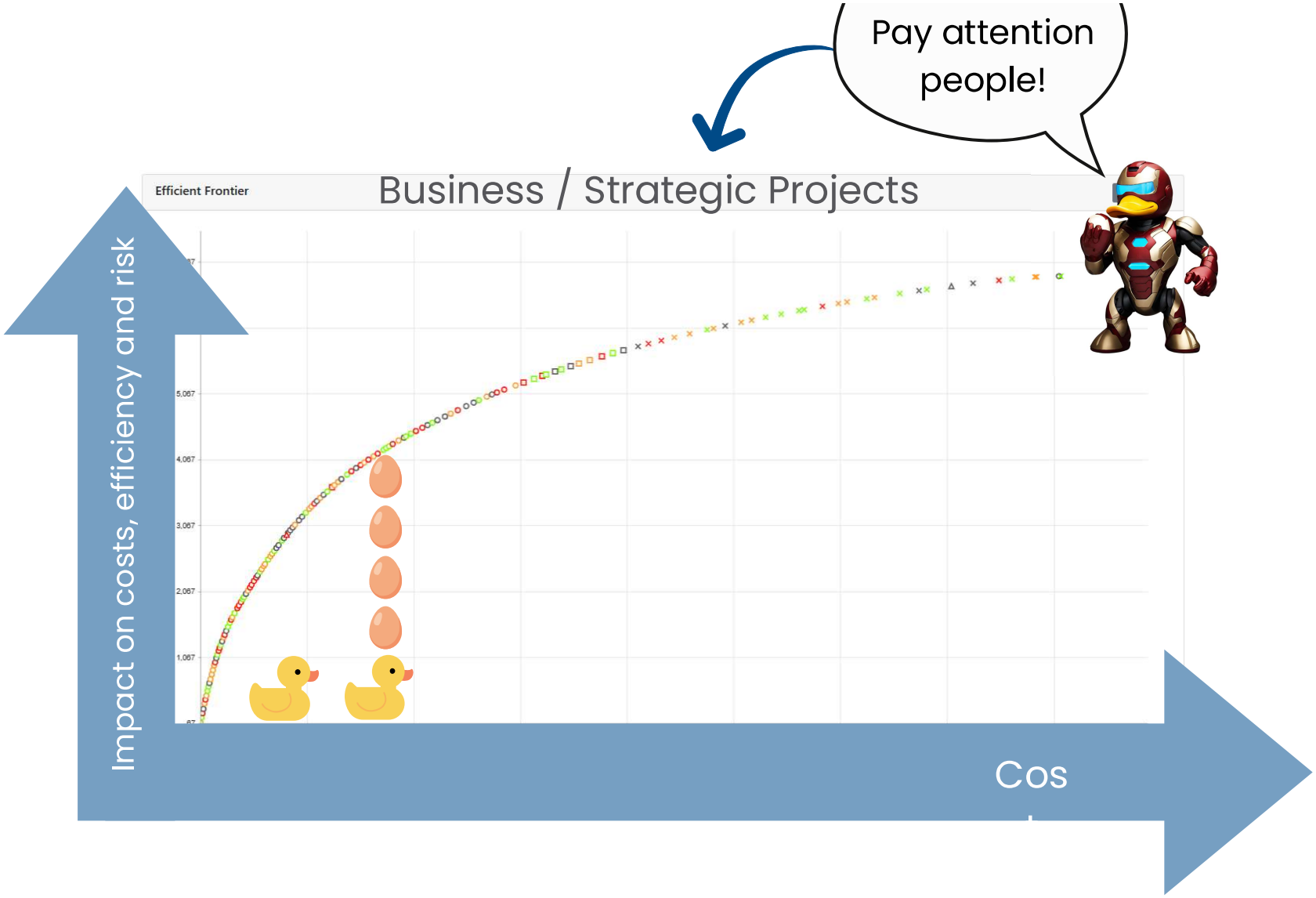


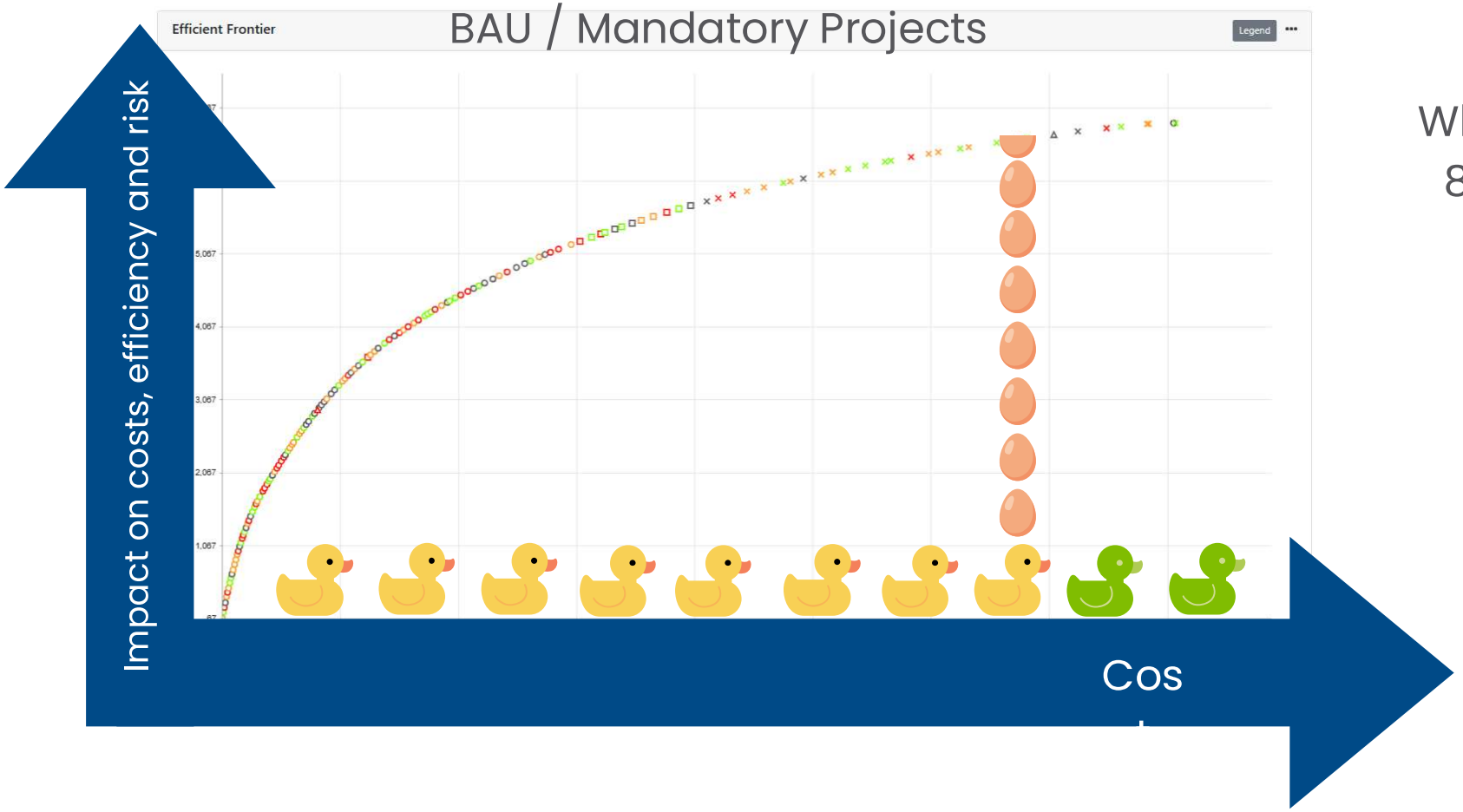
Doing 10 ducks worth of projects

Getting 8 eggs worth of value



Doing 2 ducks worth of projects

Getting 4 eggs worth of value



What if we only did 8 ducks worth of projects?

We only lose HALF an egg!

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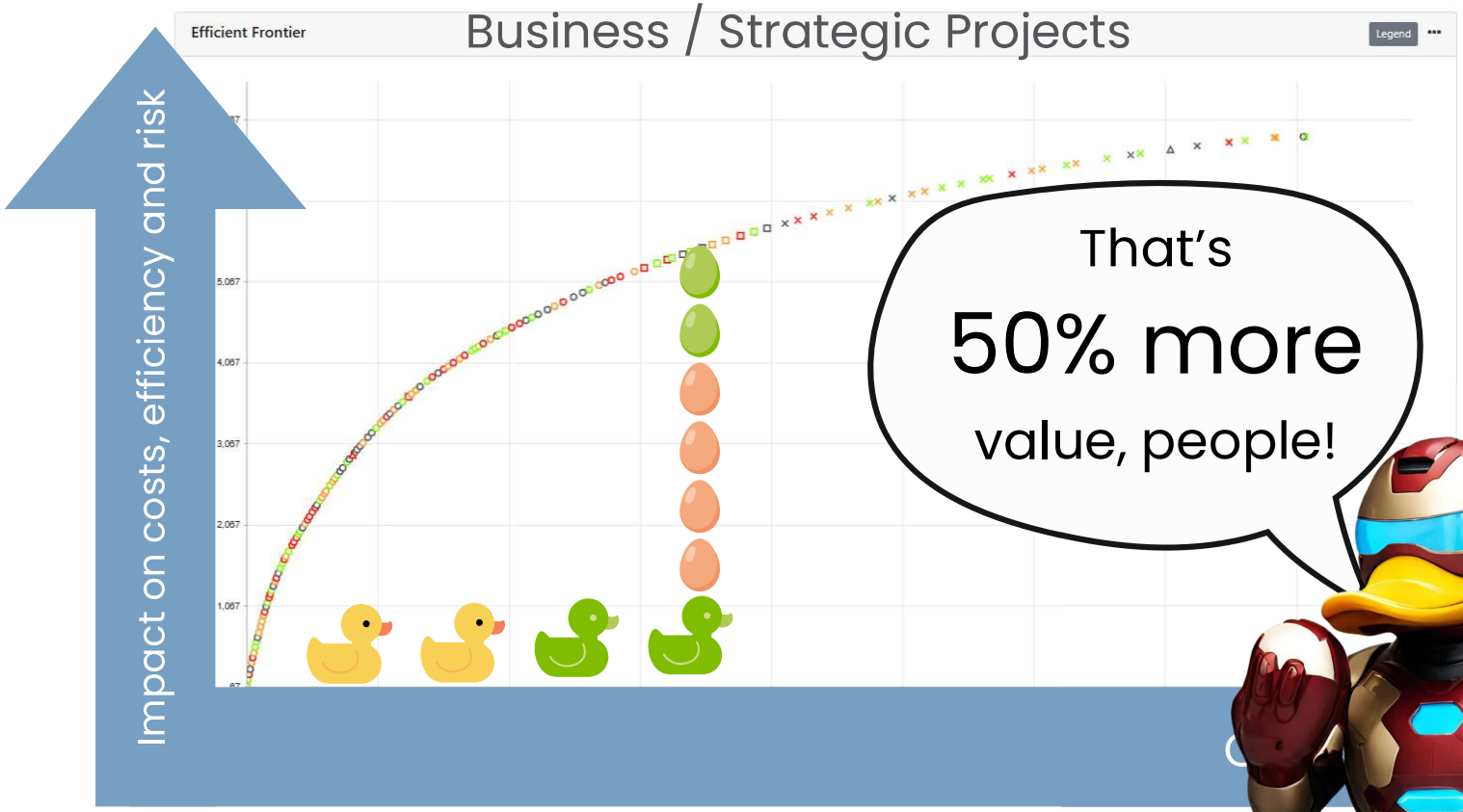

That's
50% more
value, people!

Now we have 4 ducks worth of projects

Delivering 6 eggs of value

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Top-of-a-higher-hill and staggering deliver staggering value!

"What does the PMO actually DO?"

"We couldn't operate without our PMO!"

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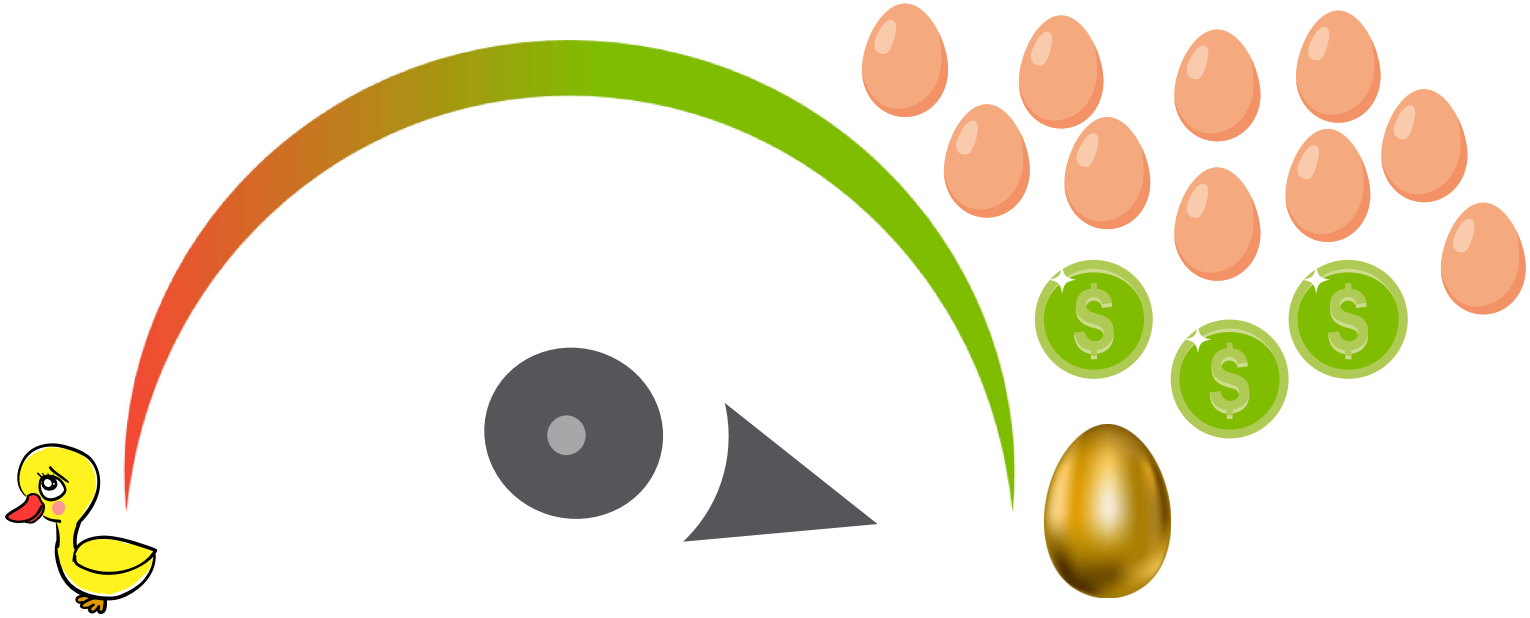
Pushing down the waterline pushes up the ROI... Bigtime!!



"What does the PMO actually DO?"

"We couldn't operate without our PMO!"

And it’s all about portfolio management
2x
Reduce waste
Top-of-a higher hill
Staggering
Push down the water
Project Management Institute. Germany
TransparentChoice.com

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