



Project and Portfolio Management 101: A Beginner's Guide



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Introduction

Today, it feels like work is moving faster than ever before.

With new hybrid work norms and increasingly dispersed teams, it's more essential than ever to have a pulse on what work is happening, who's working on what, and how your efforts are driving toward organizational goals.

In this ebook, we'll provide an overview of project and portfolio management, or PPM, along with best practices and actionable steps to help you:

- Manage multiple projects at once
- Better field and prioritize new requests
- Ensure you have the right people for each project
- Maintain the visibility needed to make better decisions



What is project and portfolio management?

According to the Project Management Institute (PMI), project portfolio management is:

The centralized management of one or more portfolios that enable executive management to meet organizational goals and objectives through efficient decision making on portfolios, projects, programs, and operations.

Essentially, PPM enables organizations to evaluate current and potential projects based on set factors that show its propensity for success, risks, and alignment with strategic goals, enabling better prioritization, scheduling, and funding decisions.



Eight out of ten project managers say that PPM is becoming a more fundamental aspect of overall business success.

Source: Axelos

Difference between project management, portfolio management, PMO, and PPM



Objective



Goal

Project management

Plan, track, execute, and deliver a project that's been prioritized by stakeholders.

Focused on execution — it's about "getting it done"

Portfolio management

Connect multiple projects or programs with standardized data to roll up reporting across efforts.

More about how work is progressing company-wide

Project Management Office (PMO)

Establish standards for reporting, what constitutes a project, how to manage projects, and the enforcement of these standards.

More operational — it's about "how we do it"

Project and portfolio management (PPM)

Evaluate, prioritize, and deliver the mix of projects that best align with high-level organizational goals, helping teams ensure they are working on the right stuff.

Very strategic — it's about "what we're doing, and in what order"

Is project and portfolio management right for your organization?

Finding the right processes and tools to help set and execute on priorities is key to your organization's success. And, although PPM is not necessarily for everyone, here are some questions to ask in order to determine whether it is right for your team.

If one or more of these questions is important for you, or if you're struggling to answer them, then PPM is a good place to start.

What are all the projects we have in flight?

What's the status of all the work across our team? Our organization?

How does that work align to our greater strategy and what impact will it have on the business?

Do we have the right people or teams to do the work?

Where can we cut costs or take on new projects?

What does the future look like for our business?

Top 7 benefits of project and portfolio management

The high-level benefit of project and portfolio management is creating a system that helps you consistently field, prioritize, manage, and report on projects and programs across your organization.



Only 43% of companies reported that they either "most of the time" or "always" complete their projects within the bounds of their established budgets.

Source: Wellington



When implemented properly, project and portfolio management can also provide many indirect benefits, including:

1 Improved project outcomes
PPM enables you to prioritize projects and maximize the success of each individual project, as well as your organization as a whole.

2 Alignment on strategic goals
By factoring in high-level strategy with day-to-day prioritization and execution, stakeholders and executives have a better understanding of how work is contributing to the highest-priority objectives.

3 Reduced risk
Risk evaluation should be an initial step of your process to identify and mitigate risk before you begin a project.

4 Minimized silos
If you don't empower your employees to get their job done, they will find ways to empower themselves. Most often, this includes adopting one-off tools and processes, resulting in siloed data and efforts that hinder success.

5 Improved resource planning
Your people are your most valuable resource. With a real-time understanding of who is working on what and which projects are coming down the line, you can better plan for hiring needs.

6 Enhanced forecasting
With a clear view of all projects in the queue or in flight, you're able to make better forecasting decisions for resources, budget, and impact.

7 Increased employee engagement and retention
When you have the right people for each project, you reduce the risk of overloading or underutilizing your team, ensuring you retain your most valuable assets.

Key components of successful PPM

An effective PPM solution is composed of a few key components that make it successful. Let's walk through them.



Inventory existing work

This initial step is essential to understanding current obligations, upcoming deliverables, work statuses, and resource demands.

Get started with these simple tips:

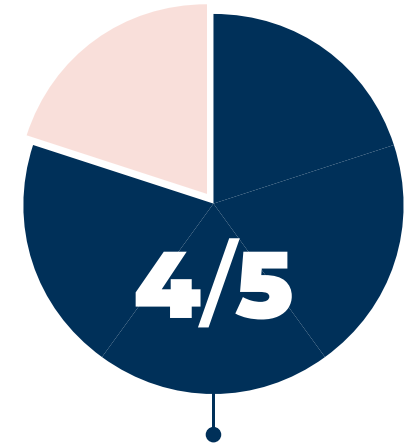
- **Create one system-of-record to document and track all projects in flight.** Extra kudos if this is a real-time location that your team and other stakeholders have access to.
- **Determine consistent criteria to track project details and progress.** Meet with stakeholders to determine high-level requirements typical for their projects. This may include key milestones, RACI breakdowns, budgets, approvals, and more.
- **Understand which performance indicators determine success.** For each project, understand the goals and metrics important to success and identify where each is being tracked.
- **Consolidate and document your project management processes.** Creating a consistent process for managing projects across your program improves your ability to have a pulse on the status across projects.



Demand management & intake

Project intake and prioritization is your first line of defense to keep your team focused on the highest priorities and avoid overload. Here are some tips to set up your intake process:

- **Create a consistent way to submit new project requests.** Set up an easy intake form that teams can easily access and submit from anywhere, ensuring you get the proper information to review and prioritize new requests.
- **Set notifications to alert you when new requests come in.** This ensures you stay on top of requests to ensure they are routed for review in a timely manner.
- **Use automation to your advantage.** As requests move through your process, keep business owners informed with automated alerts to effectively communicate status.



4 out of 5 project managers report that they can't get by without PPM.

Source: Axelos



Evaluation and prioritization

Having a consistent, repeatable process to evaluate the potential risks, projected successes, and overall alignment to organizational goals of each proposed project will help to determine if work is approved to start, and in what order. Evaluation strategies can vary based on industry or type of project, but most successful PPM systems include:

- **Risk mitigation:** Calculating and taking steps to reduce or prevent adverse effects on any proposed component
- **Planning and scheduling:** Setting up a project timeline with tasks broken out by phase
- **Resource management:** Identifying and allocating the proper talent and technical expertise for each project
- **Budget alignment:** Reviewing proposed budgets and making adjustments to take into account constraints
- **ROI forecast:** Defining how you will measure success based on how much return you expect



Monte Carlo Simulation

A computerized risk analysis technique based on probability distributions.



Decision-Tree Analysis

A visual depiction, connecting possible courses of action to determine viability of each project.



Scoring Model

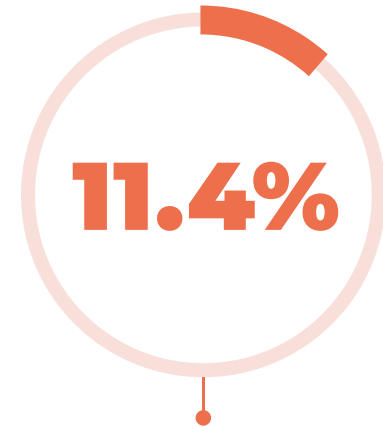
Rates projects on numeric scale in several categories to create a total project score.



Resource management

By ensuring you have the right people working on the right stuff, you reduce the risk of burnout and increase employee engagement and retention. Here are some key factors to consider at this stage:

- **Keep a record of your team's skills and preferences.** This could include anything from work hours and timezone or proficiency in another language, which could come in handy depending on the needs of each project.
- **Create one location to track and manage out-of-office details.** Enable team members to easily submit out-of-office requests and set alerts to notify you of new submissions so you can make adjustments to project plans.
- **Ensure your project resource management and planning tools are integrated.** Trying to keep multiple tools updated can impact success if something is missed in one or the other. Look for an integration that updates bidirectionally and in real time.



11.4% of all resources are wasted due to inferior project management processes.

Source: PMI



Project execution

Now that you have both your intake and prioritization process dialed in and also the right people to tackle the work, it's time to focus on delivering the projects on time and on budget. Here are some helpful best practices to get you there:

- **Keep a record of your team's skills and Find a flexible project management tool.** Although projects within an organization may have similar phases, it's essential you find a tool that allows your team to adapt it to fit their project needs.
- **Create templates for your team to get started quickly.** Create and bundle project templates that incorporate best practices so that your teams can start projects off on the right foot and waste less time recreating the wheel.
- **Give team members and stakeholders access to the work.** Be sure to share project plans and dashboards with all involved stakeholders to reduce time providing status updates and sharing details.





Reporting and monitoring

With multiple projects at different stages, you need a way to monitor and report on the progress and performance of work without hours spent on tedious, manual status reports and meetings. Let's take a look how:

- **Bring key metrics to the forefront.** Set up automated reports at the start of your project so your team spends less time scrambling to respond to status and update requests and more time actually doing the work.
- **Give stakeholders the trees without the weeds.** Create and share an all-up portfolio dashboard for executives to quickly find the high-level health of your portfolio of projects, but still allowing them to dig into the details if needed.
- **Ensure your reporting and project management tools are connected.** Making informed business decisions requires real-time information. Connect reporting with project plans so that status and performance roll up as the work happens.

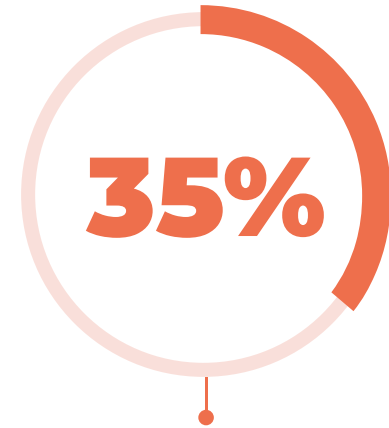


Finding the right project and portfolio management tool

Simply put, traditional PPM tools aren't making the cut. The majority of the PPM solutions on the market are expensive and rigid, leading to low adoption and wasted time and money.

Often geared towards a dated “set it and forget it” planning system, they don't factor in the increasing pace of business, shifting priorities, or the realities of a dispersed workforce.

What's more is that modern teams are rejecting these solutions and asking for — if not demanding — more user-friendly and agile solutions that help them move quickly and stay ahead.



Only 35% of project managers are 'somewhat or very satisfied with' the systems in place.

Source: Wellington

10 key factors to consider for a PPM tool

1 Usability

Is the interface easy to use? What is the learning curve? Are there resources to help team members get started and realize value quickly?

2 Flexibility

Will the tool adapt to your processes and working style? Can users set up their own solutions without needing the help of IT?

3 Collaboration

Is there a limit to the number of people that can be shared to project plans and dashboards? Do stakeholders need to be licensed in order to view or manage their work in the tool?

4

Communication features

Are there in-app communication features? Does the tool update in real time? Can you monitor version control?

5

Cloud-based vs. on-premises software

How difficult is the actual implementation, and what are the costs? What security risks does the software pose? Will there be ongoing maintenance costs?

6

Reporting

Does the tool offer data analysis or analytics? If so, are they automated and real-time?



7 Integrations

Does the tool integrate with other programs you already use?
Can it pull data from multiple resources?

8 Data storage

How much data and what file types can you store within the app?

9 Mobile

Is the program accessible via mobile devices?

10 Dashboards

Does the tool offer dashboards? If so, are there limits to the amount of data or information that can be included?



Conclusion

Fundamentally, the way people work and contribute to their organizations continues to change rapidly. With the right PPM solution, everyone involved should be empowered to focus on the most important, impactful work.

To accomplish this, the whole team needs a single source of truth they can see, trust, and most importantly, actually use. They need technology solutions that unlock them, not get in the way with overly-prescriptive processes that don't map to how they actually work.

And, leaders need real-time visibility into what's happening across the business so they can quickly and strategically pivot while empowering their valuable talent.

See how Smartsheet, a collaborative work management platform, can help connect your people with your technology in order to drive these operational shifts forward and make strides toward organizational goals.

[Watch a demo](#)

About Smartsheet

Smartsheet (NYSE: SMAR) is the leading cloud-based platform for dynamic work, enabling teams and organizations to plan, capture, manage, automate, and report on work at scale, resulting in more efficient processes and better business outcomes. Over 80% of the companies in the Fortune 500 rely on Smartsheet to implement, manage, and automate processes across a broad array of departments and use cases. To learn more about Smartsheet, visit smartsheet.com.