
The Portfolio Decision Board:

Value Based Project Selection and Prioritization

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Components

- ◆ Common business problems
- ◆ How to implement a Decision Board:
 - Critical Success Factors
- ◆ Project evaluation factors
- ◆ Ranking strategies for portfolio management
- ◆ Tips to get started



What is the problem?

- ◆ Increased expectations by taxpayers
- ◆ State budgets have reduced funding available for capital expenditures

Net Result:

Fewer people = More work!

Definition

Project Portfolio Management

The *art* and science of applying knowledge, tools and techniques to a collection of projects in order to evaluate the appropriate mix of work that will systematically and strategically further an organization's goals.

Benefits

- ◆ Provide a reasoned and fair process for justifying project decisions
- ◆ Enables decision makers to use strategic data to set priorities versus ad hoc decisions
- ◆ Reduce inefficiency and waste

The Portfolio Decision Board

- ◆ People
- ◆ Process
- ◆ Tools
- ◆ Written Charter
- ◆ Sponsor
- ◆ Team Leader
- ◆ Members
- ◆ Advisory Members



Critical Success Factor: Charter

- ◆ Purpose, Scope, Team Responsibilities
 - ◆ Decision making authority
- Focus: Enterprise Projects



Critical Success Factor: Executive Sponsor(s)

- ◆ Leadership
- ◆ Strategic Plan: Vision and execution
- ◆ Visibly support through actions



Critical Success Factor: Team Leader

- ◆ Enterprise project focus
- ◆ Organizationally aligned
- ◆ Full member of team



Critical Success Factor: Team Members

- ◆ Enterprise view of agency
- ◆ Represent major divisions
- ◆ Upper management level (Director or Ass't)
- ◆ Empowered to make decisions



Team Members

Full voting rights (13):

- ◆ Taxpayer Assistance
- ◆ Documents and Payments Processing
- ◆ Criminal Investigation
- ◆ Financial Services
- ◆ Collections
- ◆ Motor Fuels
- ◆ Corporate Tax
- ◆ Personal Taxes
- ◆ Taxpayer Assistance and Collection Center
- ◆ Tax Research
- ◆ Unauthorized Substance
- ◆ Sales and Use Tax
- ◆ Examination



Team Members

Advisory Members (4):

- ◆ Technology Services
- ◆ Production Systems Integration/Support
- ◆ Applications Development/Support
- ◆ Chief Security Officer



Process: Decision Making

Model:

- 📁 What should we do?
- 📄 What can we do?
- 📄 Decide (prioritized list)
- 📄 Do it (communicate)



Developing an Inventory

- ◆ Capture basic information on each project
- ◆ Business Reason
- ◆ Scope
- ◆ Financial Impacts
- ◆ Risk Factors
- ◆ Timetables
- ◆ Major Milestones
- ◆ Resource Requirements



Process: Categorize the Projects

- ◆ Project Types
(Business Driver)

- ◆ Strategic
- ◆ Operational
- ◆ Infrastructure
- ◆ Mandate



Process: Develop Selection Criteria

Business Drivers

- ✓ Customer Service
- ✓ Revenue Generation
- ✓ Cost Savings



Process: Weight Criteria

Business Drivers

✓ Customer Service	55%
✓ Revenue Generation	25%
✓ Cost Savings	20%



Process: Resource Allocations

Allocation to Current Projects

- ✓ Skills
- ✓ Utilization
- ✓ Assignment Data

Needs for Future Projects

- ✓ Skills
- ✓ Utilization
- ✓ Assignment Data



Tools: Prioritization Model

The Decision Board categorizes projects:

- ◆ The business submits Service Requests for project work
- ◆ Using the evaluation criteria, the Board prioritizes and establishes target dates for projects within categories
- ◆ IT establishes a resource allocation matrix based on priorities and dates and submits the matrix to Decision Board for approval (Plan of Record)
- ◆ The Board checks and adjusts priorities based on resource matrix



Tools: Business Case

Better information = Better decisions

- ◆ Proposal stage
- ◆ Business case must show value
- ◆ Effective criteria will shape organizational behavior



Tools: Balancing the Portfolio

Focuses on the optimal mix of work

- ◆ Visual displays are helpful
- ◆ Quadrant diagrams often used
- ◆ Software is available to do aid this work

Focus on the people and process 1st!



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Communication Plan

Key to Success

Mandatory Elements:

- Audience
- Action
- Frequency
- Owner (responsible party)







Tips to Get Started

- ◆ Assess level of organizational pain
- ◆ Gain Executive support
- ◆ Write charter for Decision Board
- ◆ Gather input from perspective members
- ◆ Continue to do make adjustments, monitor progress through maturity



Additional Resources

-  [Advanced Project Portfolio Management and the PMO: Multiplying ROI at Warp Speed](#), Gerald Kendall, PMP & Steve Rollins, PMP
-  ["The Future is EPM"](#), [PM Network](#), April 2004, Deborah Bigelow, PMP.
-  ["The Sum of All Parts"](#), [PM Network](#), April 2004, Natalie Bauer.
-  [How to Get Value Out of a Project Management Office \(PMO\)](#)", Gerald Kendall and Steve Rollins, International Institute for Learning, Inc. White Paper.

Presentation designed by

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