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Global Business Consulting

Project Prioritisation: Strategic Roadmaps for Success

Aligning your project portfolio to business goals

Face the Future with Confidence®

Any business leader will tell you that executing projects on time and within budget while achieving the intended outcome is a giant feat for any organisation. Throw a global pandemic into the mix, which drove many organisations to turn inward and go full force into self-help mode, starting or maintaining long-term internal improvement initiatives in an already tumultuous business environment, and time and budget objectives become even more difficult to achieve.

Over the past two plus years, these conditions have created a dynamic in which companies have taken on a multitude of improvement projects concurrently without taking a step back and addressing whether they are actually feasible and well aligned with the evolving strategic goals of the organisation.

To illustrate this, as one organisation was on the path to an IPO, it started to ramp up improvement initiatives and go into project overdrive to prepare for the public offering. After experiencing numerous challenges, including resource constraints and budget over-expenditure, this company decided that a more systemised approach to project execution was required. Improved strategic alignment, well-planned resource management and a prioritisation methodology with an enterprise-wide lens were all needed to improve the organisation's project success rate. This organisation has now set a standard for creating a roadmap and prioritisation plan to execute strategic projects.

To alleviate the stress of completing projects, organisations need to define a centralised project methodology, create a PMO and governance committee, and build a roadmap that guides project prioritisation and portfolio management.

Some of the questions this enterprise needed to answer were "How do these projects align to our evolving strategy and goals as an organisation?" and "Do we have the necessary resources, bandwidth, and expertise to undertake and complete these projects?" Many organisations are inclined to overcommit to new projects, and before they realise it, they have multiple projects in progress simultaneously and the same employees are working across many of them, taxing their time, focus and overall workloads. Internal improvements can become a source of burnout not only for the employees but also for the company as a whole, resulting in incomplete projects and a dilution of the overall business strategy and end goals.

In order to alleviate the stress of competing projects, organisations need to define a centralised project methodology, create a project management office (PMO) and governance accountability committee, and build a roadmap that guides project prioritisation.

A centralised project methodology

The example provided by that pre-IPO company is nothing unique, as we see many other organisations struggling with the same challenges in a variety of business contexts. Because this company lacked a centralised project methodology, projects were being initiated sporadically and independently by numerous functions and departments, straining available staff and resources that were able to support them. Lack of cross-functional communication and collaboration did not allow for proper change and impact analysis to occur, resulting in duplicative efforts and significant rework. Key questions such as “Does this change impact other teams?” or “Does this cross over with any other projects that are already in progress?” were not raised.

In this and similar situations, the absence of a centralised project methodology allows for projects to run in multiple directions, without leadership realising the implications on other teams or parts of the business. The result is reduced ability to achieve objectives because of disorganisation and lack of focus and coordination, along with frustration among stakeholder groups. On the other hand, a centralised approach and methodology for decisions and governance over internal projects alleviates these pain points.

Establishing a PMO

A centralised function or PMO is charged with creating an enterprise-wide standard project methodology. This methodology establishes a formal intake process for how projects will be run throughout the organisation, including how each project will be assessed and qualified to move forward or, conversely, delayed or denied for implementation.

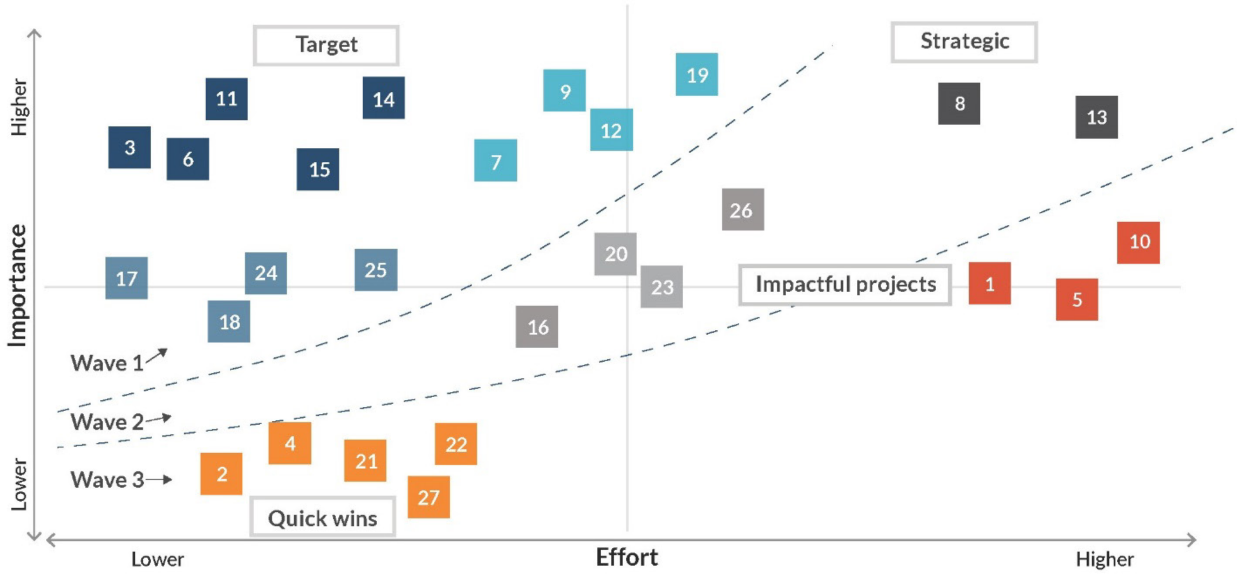
Under this PMO operating model, as each potential new project is being considered for implementation, the PMO conducts a vetting process to determine whether it is timely and achievable and aligns to the goals of the organisation. Key questions and considerations in this process should include, but are not limited to, the following:

• What is the business case? Does the project align to our current strategic priorities?
• What are the key performance indicators (KPIs) and other metrics of success?
• What risks is the organisation facing by taking on the project? What risks is the organisation continuing to face by staying stagnant? As a result, what are the plans for mitigating and/or managing those risks?
• Have the necessary change management requirements been defined?
• What resources (internal staff, contractors, consulting or outsourcing firms, etc.) are available to undertake the proposed project? Do we have access to people with the right skills to complete this project successfully and achieve the desired goals?
• Considering the entire life of this project, what will be its total cost? Have we conducted a forecast analysis for potential revenue generation or cost savings?
• What measures will be in place to track and report on the project's progress and achievement of key milestones?

PMO governance

Once a centralised PMO of project management professionals and supporting methodologies are established, a PMO and governance accountability committee should be formed. The committee should consist of internal stakeholders representing various departments and functions throughout the organisation, such as finance, technology, operations and risk management. This group provides feedback from the wider business and ensures alignment with company-wide strategic priorities while supporting the established project methodology.

In addition, the committee facilitates leadership approvals and governs the go/no-go process for each project. It also reviews business cases to determine whether the project will be built into the budget for the upcoming financial year or if it should be deprioritised for the time being. Through this project qualifying process, the number of initiatives competing for company resources at the same time can be reduced to an achievable project portfolio. These projects can then form a strategically prioritised roadmap for execution with support from the PMO.



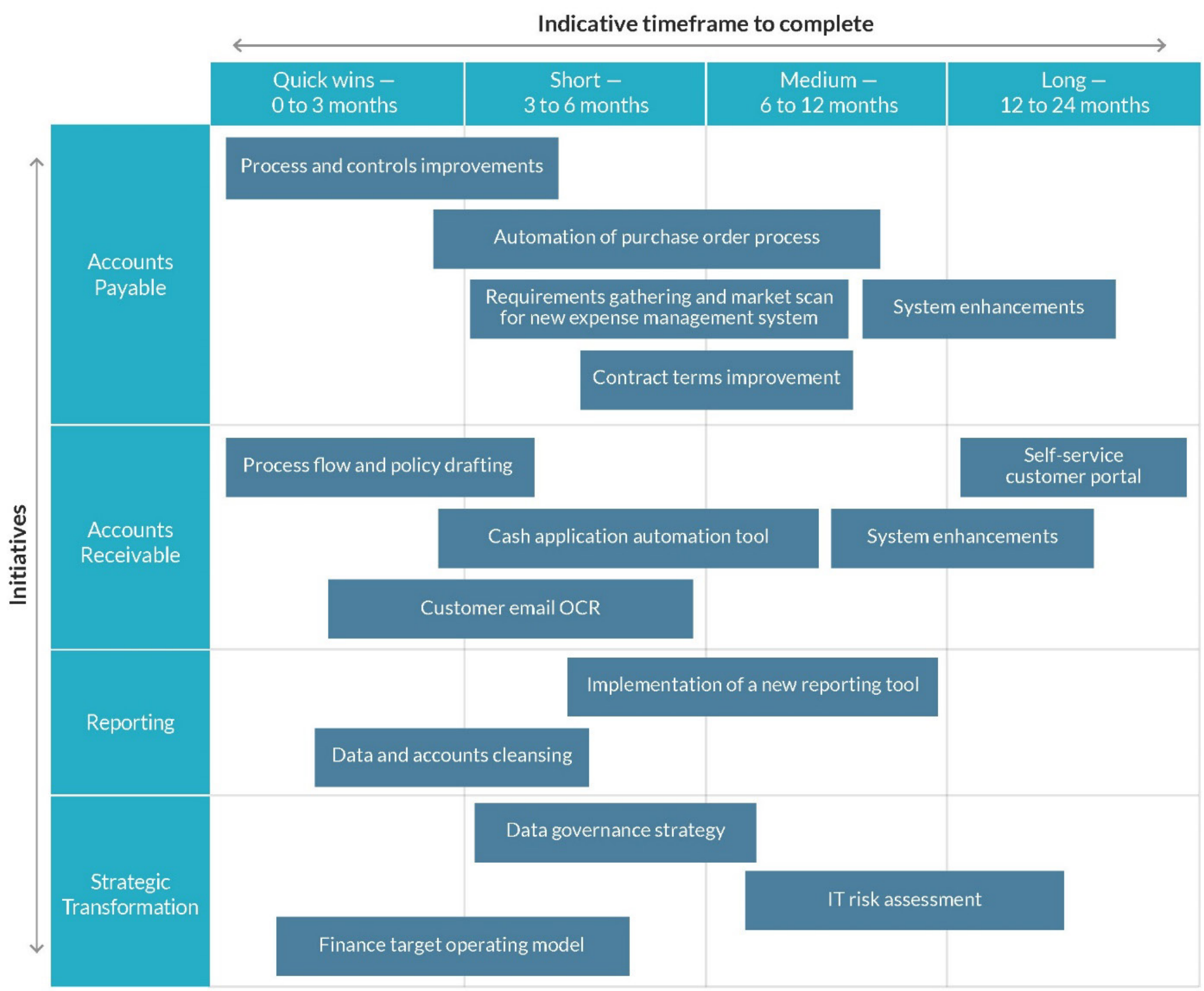
A strategically prioritised project roadmap

Once the organisation has created a project methodology and established a PMO and governance accountability committee, it should next develop a prioritisation matrix for execution such as the one shown in the graphic above. A project roadmap defines a pathway forward to address identified risks, issues and dependencies and drive process standardisation. In addition, the roadmap defines the initiatives to address the process gaps identified during the current state assessment. While roadmaps will vary by company, this example represents some general guiding principles. As shown, this roadmap methodology starts by plotting the proposed project initiatives onto an Importance/Effort Matrix, then breaks them down into four categories:

- **Target projects** are those that result in the highest improvement return for the smallest level of effort to implement and should be considered the highest priority for implementation.
- **Strategic investments** are the projects that require the greatest amount of effort and investment to implement but also yield the highest return to the business. These are considered a medium/high level of priority.
- **Quick wins** are defined as smaller, incremental improvements that can be made with little cost and effort. Quick wins should be considered a medium/low priority, as they do not drive significant value but can get some short-term wins on the board while being done on an ad hoc basis when resources become available.
- **Impactful projects** reside as a lower priority, driving small positive changes for the business but requiring a medium to high amount of effort to implement. These projects tend to be put off until additional budget and resources can be made available.

Rank	Effort	Importance	Category	Priority	Phases
1	Low	High	Target	High	Wave 1
2	Medium	High	Target	High	
3	Low	Medium	Target	High	
4	High	High	Strategic Investment	Medium	Wave 2
5	Medium	Medium	Impactful project	Medium	
6	High	Medium	Impactful project	Low	Wave 3
7	Low	Low	Quick win	Low	

Example of prioritised roadmap



Once these categorisations have been determined, projects can be mapped into waves or phases of implementation based on where they fall on the matrix, forming the prioritised roadmap. This allows the organisation to strategically execute the project portfolio, with the right amount of skilled resources and budget planned for each of the proposed improvement initiatives.

In closing

As companies continue to undertake a growing slate of internal projects, prioritising them and the resulting demands for budgets and resources have become essential. Without an established roadmap for projects along with a clear methodology and approach for governance, companies risk experiencing internal disarray, miscommunication among leadership, projects that fail to deliver on their promised ROI, and a workforce left drained and pulled in many directions at once. Building in rigour and structure around an organisation's project environment helps increase the success rate of organisational improvements and facilitates a dynamic culture of continuous improvement.

How we can help

Businesses must strive to streamline processes and leverage technology to achieve effective change management. For example, this may include process improvements for financial processes, integrating risk considerations into performance management activities, addressing new accounting requirements, and cost reductions. Implementing these processes results in improvements to cash flow, control and optimisation of costs, and risk management.

Protiviti's Business Performance Improvement professionals combine proven services and capabilities to enable lasting business transformation with sustained results. From process tweaks to major organisational structure optimisation, back office to external financial reporting, cost reduction to working capital issues, we apply innovation, collaboration, and technology acumen across your company. Among the many ways we help organisations is with effective project and program management. We assist businesses with implementing the appropriate tools, resources, and processes to plan and organise their project portfolio, enabling successful execution of project deliverables through well managed scopes and schedules.

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