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Bottom-up view on challenges to project management

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Results of a new global study conducted by ESI International reveal project portfolio management (PPM) challenges from a "bottom-up," project and program management perspective. Leading concerns noted by project and program managers polled in the study included: greater need for PPM improvement given the economic downturn; lack of PPM experience, tools or process in commercial and public organizations; redundancies and conflicts in project portfolios; and inconsistent project reviews with poor follow-up. Survey respondents were project and program management professionals representing government, as well as commercial industries in financial services, telecom, IT, energy, pharma & health, professional services, manufacturing and other sectors in the United States, the United Kingdom, Europe and Asia.

"ESI's global *Project Portfolio Management Survey* provides senior management with insights to guide them in charting a path to increased ROI from their project portfolios," said Mario Artl, PMP, vice president of client solutions, ESI. "The survey's focus on project and program managers rather than senior executives offers a reality check for executives to ponder."

Funding Challenges and the Economy

The survey's results indicate that discrepancies between expected project results and project funding and available resources are among the most pressing issues encountered by project and program managers.

- Globally, 70.5 percent of survey respondents agree that the gap between available funds and project deliverables is increasing.
- 60 percent of global survey respondents report that the funding approval process has become more complicated and time consuming. Reduced funding for projects and higher-level funding approval requirements are listed as causes.
- U.S. government entities face the converse challenge of managing significantly larger project funds because of economic stimulus activities.
- 70 percent of commercial survey respondents say that resourcing projects is increasingly difficult and less predictable. In the U.S. government sector 100 percent of survey respondents agree.

More frequent changes in strategic direction were also cited by 58 percent of respondents as a challenge, with Europe appearing least affected at 48 percent and the U.S. most affected at 88 percent. In addition, a shift in focus toward tactical projects at the expense of strategic projects compared to previous years was reported.

Imbalance in People, Process and Tools

"While many organizations have taken a tool-centric approach to improving PPM, equal attention should be paid to people and process improvements," said Artl. "Survey responses define a need to close critical skill gaps in project and portfolio management, and improve PPM processes. Consistent methods for project selection, approval and review as well as greater PPM agility to respond to strategic changes are imperative to maximize portfolio benefits."

In fact, more than 50 percent of all respondents observed portfolio management challenges as a result of people-, process- and tools-related deficiencies, with 83 percent of U.S. government sector respondents expressing concern in this regard. And with only 27 percent reporting the use of a software-based PPM solution, integration of adequate tooling into the PPM process also appears to be an issue.

PPM Process Gaps

Survey responses revealed clear indications that a lack of PPM process maturity can ultimately affect organizational success.

- 71 percent of respondents report redundancies and conflicts in project priorities.
- Fewer than half of respondents agree that a consistent approach for screening, prioritizing, selecting and approving projects is defined and applied in their PPM process.
- Resource conflicts and work overload for critical resources were reported by 73 percent of respondents, with the U.S. commercial sector reporting 85.6 percent.
- Only 29 percent of respondents consider their organization mature or very mature, in respect to their PPM process.

PPM Basics Overlooked

Some foundational aspects of project oversight and management response hinder PPM success in practice.

- A considerable number of organizations do not perform any project reviews. Specifically 17.1 percent of U.S. commercial respondents and 22.7 percent of government sector respondents reported no project reviews are performed.
- 39 percent of respondents stated that corrective action is taken quickly as a result of the project review process.
- 50 percent of survey participants from the government sector reported that no improvement action takes place.

“Identifying the issues and challenges in the PPM process from the level of project execution provides insights needed to improve fundamentals that underlie PPM process success,” said Arlt. “A focus on adequate process definition and the training of all PPM stakeholders is essential to improving the PPM process and ultimately, the achievement of overall strategic goals.”

The full ESI *Project Portfolio Management (PPM) Survey* report is available for free download at www.esi-intl.com/ppmsurvey. A Webinar, *Project Portfolio Management in a Time of Significant and Rapid Change*, discussing the results may be viewed on-demand at www.esi-intl.com/ppmwebinar.

About ESI International

ESI, a subsidiary of Informa PLC, helps business people around the world improve the way they manage projects, contracts, requirements and vendors. As the global leader in project management learning programs, ESI is committed to providing relevant courses that help clients build talent and drive their results. In addition to more than 100 courses delivered in 22 languages at more than 85 locations worldwide, ESI offers eight certificate programs through its educational partner, The George Washington University in Washington D.C. Founded in 1981, ESI’s worldwide headquarters are located in Arlington, Va. To date, ESI’s programs have benefited more than 1 million professionals worldwide.

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