

Is your PPM process ready for Digital Transformation?

Evolve or Become Extinct

Successful organizations must adapt to meet changing market forces. Companies must anticipate how emerging technologies could make their own products and services obsolete or risk failure. Embracing the Digital Transformation is necessary for any business, nonprofit or institution that seeks to survive into the future.

What is Digital Transformation?

“The reworking of the products, processes and strategies within an organization to leverage current technologies” is Digital Transformation (DX). DX requires an examination and reinvention of most, if not all, areas within an organization, from supply chain and workflow, employee skill sets and board-level discussions, to customer interactions and value to stakeholders. Effectively implementing a Digital Transformation strategy enables an organization to better compete in an economic landscape that is constantly changing as technology evolves.

What are The Drivers and What is The Impact?

The forces driving the Digital Transformation evolution are mobile technologies, Artificial Intelligence), Machine Learning, Internet of Things and, Cloud Computing. These technologies have drastically changed how quickly customers can get information, thus altering the quality of products and services they expect from businesses and other agencies with whom they interact. Similarly, this same collection of digital tools has changed what employees and stakeholders (i.e., business partners and investors) expect from organizations.

Why do I Need to Take Action?

The “new normal” has led to mounting pressure to deliver on DX focused initiatives to an increased number of project requests submitted to IT as businesses scramble to maintain their competitive positioning.

CIOs are being tasked with developing customer-facing applications and nimble platforms that help their companies compete in the new digital marketplace. At the same time, IT budgets in 2017 are expected to **rise only by 2.7%**. CIOs are being asked to do more with less -- and a lot of that “less” is going to maintain the status quo, not to digital transformation. As a result, IT resources are scarcer than ever.¹

¹Mekhala Roy, "Driving digital transformation," 2017, <http://searchcio.techtarget.com/news/450416017/Driving-digital-transformation-Strategies-from-a-CIO-turned-digital-guru> (accessed December 1, 2017)

How Will This Benefit My Organization?

This paper focuses on the impact of global changes within the IT department, specifically the Project Portfolio Management process (PPM) and the Project Management Office (PMO).

Without a robust PPM methodology organizations risk overwhelming their IT departments by investing in the wrong projects, failing to transform the business, and ultimately falling behind the competition or going out of business.

Utilizing PPM best practices to support your Digital Transformation goals increase the chances of successfully leveraging the new paradigm by ensuring that your IT department is aligned with your corporate strategy.

Action Plan

There are 3 key areas of the Project Portfolio Management process to examine to ensure your DX strategy is successful without sacrificing delivery of ongoing projects.

1. Project Selection

Digital Transformation affects all areas of an organization from sales and marketing, to supply chain to management to HR. This will produce more requests for IT resources from more stakeholders than ever before. Identifying which initiatives to select, approve and fund remains a cornerstone of PPM best practices.

Key questions to challenge your current PPM process regarding project requests include the following:

- ✓ Does our project selection process support corporate guidelines concerning Transparency and Governance?
- ✓ Who can request a project?
- ✓ What is the method by which requests are submitted?
- ✓ What information is gathered during the submission process?
- ✓ How is this information stored?
- ✓ Do we have quantitative measures in place to select DX initiatives?
- ✓ How do we communicate when and why projects are/are not approved?

2. Project Management

Once the initiatives aligning with the portfolio goals and/or corporate strategy have been identified the next step is to successfully execute them. Digital

Transformation will require new systems to be implemented, new skills to be utilized and new methodologies to be deployed.

Key questions to challenge your current PPM process regarding project management include the following:

- ✓ Can the process scale to support the management of an increased number of active projects?
- ✓ Do you have the capacity to deliver these projects in terms of skills, quantity and availability?
- ✓ How do you measure risk to both the project and the portfolio?
- ✓ Does your process allow immediate understanding of the impact of each initiative on the entire portfolio?
- ✓ Can you support stakeholders' need for near real-time project metrics?

3. *Portfolio Results/Value Delivered*

Digital Transformation means that the successful execution of Projects, Programs and Portfolios will be scrutinized by more areas of the organization than ever before. Providing metrics, results, and value will be vital to ensuring success and alignment across the enterprise.

Key questions to challenge your current PPM process regarding PPM reporting include the following:

- ✓ Do your PPM analytics support corporate guidelines concerning Transparency and Governance?
- ✓ Does your process measure the value delivered by the initiatives – as both a forecast and actuals?
- ✓ Can all of the stakeholders access project, program, and portfolio level metrics?
- ✓ Does IT need to deliver reports or are they accessible via “self-service”?

Is DX Worth the Investment?

Companies that have embraced digital transformation are 26% more profitable than their average industry competitors and enjoy a 12% higher market valuation.²

²(MIT Center for Digital Business)

Gartner characterizes "top-performing businesses" as those that have already embarked on digital transformations or where digitization is built into their business model. These organizations spent 34% of their IT budget supporting Digital Transformation efforts in 2017 and that figure will rise to 44% in 2018.

Conclusion

The Digital Transformation creates winners and losers. There is mounting pressure to deliver on DX focused initiatives as businesses scramble to maintain their competitive positioning. With an increased number of project requests submitted to IT, it is vital that your PPM process allows the IT team to select the right projects, to successfully deliver projects and to provide metrics to stakeholders across the enterprise.

Selecting the proper initiatives aligned to corporate strategy and enabling stakeholders to understand the resulting value will position the PPM process and PMO function as the focus of this new paradigm.

Projectric delivers portfolio-level KPIs and metrics via dashboards and graphs to key decision makers across the enterprise. We call this 360 view Portfolio Intelligence®; it is the transformation of project and program data into relevant, actionable information for making business decisions. This unparalleled insight provides assurance that your DX initiatives have the transparency and governance necessary for your business to quickly adapt and succeed.

Interested in seeing Projectric in action?

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