

Is your PPM process ready for Digital Transformation?

Evolve or Become Extinct

In the current rapidly changing business climate, it is imperative that organizations adapt to meet changing market forces to avoid becoming also-rans. Companies must anticipate how rapidly emerging digital technologies could obsolete their products and services. The alternative is failure. Every business, nonprofit, or institution need to embrace Digital Transformation to survive.

What is Digital Transformation?

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

What are the DX Drivers and What is their Impact?

The major forces driving Digital Transformation are mobile technologies, Artificial Intelligence, Machine Learning, Internet of Things, and Cloud Computing. These technologies have already drastically changed how quickly customers can get information, thus changing the expectations of product quality and the services they expect to receive from businesses and agencies with whom they interact. Similarly, these digital tools have changed what employees, stakeholders, business partners and investors expect from organizations. If you lag behind, you can get left behind.

Why do I Need to Take Action?

The new DX normal has increased pressure on organizations to deliver on DX-focused initiatives. In turn, this pressure naturally increases the backlog of project requests submitted to IT as businesses scramble to maintain their competitive positioning.

It's not just a question of increased volumes of projects. CIOs are being asked to develop customer-facing applications and nimble platforms to help their companies compete in the new digital marketplace. At the same time, worldwide IT spending is projected to total \$4.1 trillion in 2021, an increase of 8.4% from 2020, according to the latest forecast by Gartner, Inc. CIOs are being asked to do more with less while struggling to maintain the status quo, often leaving few resources for digital transformation. As a result, IT resources are scarcer than ever.

How Will This Benefit My Organization?

As a global Project Portfolio Management (PPM) software company, we focus on the impact of DX changes within the IT department in general, but specifically in the Project Portfolio Management process and the Project Management Office (PMO).

Even before the challenges of DX, organizations without a robust PPM methodology risked 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. PPM is a natural tool to depend on for Digital Transformation projects.

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

Action Plan

There are 3 key areas of the Project Portfolio Management process to implement 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. Thus, DX will increase demand for IT resources from more stakeholders than ever before. Identifying which initiatives to select, approve and fund remains a cornerstone of PPM best practices and a critical resource to implement DX.

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 for submitting requests?**
- ✓ **Do we have quantitative measures in place to select DX initiatives?**
- ✓ **What information is gathered during the submission process?**
- ✓ **How is this information stored?**
- ✓ **How do we communicate when and why projects are/are not approved?**

2. Project Management

Once the initiatives that align 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. It's also possible that DX will require additional project manager training or competencies to implement.

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

- ✓ **Can the process scale to support managing an increased number of active projects?**
- ✓ **Do you have the skills, quantity, and availability capacity to deliver these projects?**
- ✓ **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 to stakeholders 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?**
- ✓ **Can you measure the value delivered by initiatives – as both a forecast and actuals?**
- ✓ **Can all stakeholders easily access project, program, and portfolio level metrics?**
- ✓ **Does IT need to deliver reports or are they accessible via self-service or dashboards?**

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. Based on a survey of 1,200 mid to large scale US companies, the average digital transformation budget was \$14 million in 2018 and it is expected to increase. According to IDG, 89% of companies have already adopted a digital-first business strategy or plan to do so.

Conclusion

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 the growing number of projects requested, it is vital that your PPM process enables the project team to select the right projects, to successfully deliver projects, and to provide metrics to stakeholders across the enterprise.

PPM processes and PMO functions are central components of the new DX paradigm. They enable PMs to quickly and easily select the proper initiatives. As a result, stakeholders will be able to understand the value of DX and the relevance of PPM and PMO processes culminating in successful implementation of Digital Transformation.

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® -- transforming project and program data into relevant, actionable information for making business decisions. This unparalleled insight provides assurance that your DX initiatives have the resources, transparency, and governance necessary for your business to quickly adapt and succeed.

Be on the wave or under it!

Interested in seeing Projectric in action?

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