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Project Portfolio Management for BI – Creating the Collaboration Necessary to Execute

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Business Intelligence (BI) program and project managers spend the bulk of their time ensuring that *projects are completed correctly*. But even BI projects that succeed in meeting a timeline and budget can be failures if the results don't address prioritized business needs and objectives. Some of the leading factors in project failure are, according to Standish research, incomplete requirements, lack of user involvement, lack of resources, unrealistic expectations and lack of executive support. Project portfolio management is one way to address those problems.

Project portfolio management (PPM) is a process that ensures that the *correct projects are completed* and the correct people are involved in prioritizing them. Some organizations refer to this process as *governance*.

PPM has traditionally resided within a project management office (PMO), with the BI program manager and/or among BI project leaders. But choosing projects that create value is inherently a strategic activity and should involve corporate leadership. If the BI team is prioritizing its own work, they become their own customer, and no one is satisfied in the end.

Most of the written work on PPM and governance focuses on the structural features or methods for managing a portfolio of projects. However, a study done for an IEEE conference in 2002 showed that effective governance processes are characterized by both methodological comprehensiveness and *social interventions* where key stakeholders build collaborative relationships and shared understanding. The social interventions result in a partnership.

In our TDWI class titled *Power, Politics, and Partnership in DW Projects*, we define partnership as "a relationship in which we are jointly committed to the success of whatever process we are in." We show that the success or failure of partnerships is largely, albeit tacitly, impacted by the different positions people hold in the corporation. Our framework establishes the corporate positions as Tops, Middles, Bottoms, Customers, and Providers. Predictable patterns of behavior occur in response to the organizational roles people play, and they have become ingrained in most corporate professionals.

There are two partnerships imperative to successful governance and PPM: (1) the partnership between functional heads who are peers (Middles), and (2) the partnership between Customers and their Providers (business and IT respectively).

According to a report done for *SearchCIO.com* by Harvard Business School, March 15, 2004, IT has so far operated without the constructive involvement of the senior management team. That is in part true because obtaining the involvement and collaboration of corporate leadership is hard to do. The success of PPM depends on the partnership within the senior management team members or Middles. And there are patterns of behavior that occur for the people in these positions. Regularly, we ask Middles, "who is on your team?" And regularly, they answer by naming the people who report to them. When we ask, "who do you serve?," they point up the organization chart to their boss and/or down to their team members. Very rarely do they point across the organization chart to their peers. In fact, they often view those peers as

opponents when it comes to competing for IT and/or BI resources. They each have responsibility for specific areas and typically have limited collective responsibility.

One of the most powerful social interventions that can take place for successful PPM for BI is “middle integration” where the Middles begin to think and act like a team. They look across the organization and identify which BI projects will serve the whole business. This requires that the members of the group be willing to do what is in the best interest of the organization, creating horizontal goals that serve the whole organization and not just their functional areas.

The first step in middle integration is awareness. If Middles are educated on the pitfalls of their traditional segregated patterns of behavior and the benefits of integrating, they will become aware of the power that can result.

The next step is to charter an effort where the Middles operate as a team to execute PPM methods.

Components of a PPM method might include:

- Creating categories of projects such as mandatory, investment, or business opportunity
- Preparing the value case for business opportunity projects
- Defining criteria for project selection
- Scoping projects in chunks for success
- Determining risk
- Managing the risk to increase value
- Managing and leveraging project interdependencies
- Continually adjusting portfolio composition

The BI team leaders must be included as Middles in this process. Just as projects can fail without senior leadership involvement, PPM can fail for lack of BI project manager input. Without the input and buy-in of project personnel, it is difficult to maintain continuity between the project selection and execution phases. When business and IT function together, it introduces another partnership required for successful PPM—the one between the business users and the BI team. Using our framework to describe organizational roles, the business users are the Customer. The BI team is the Provider.

Customers hold their Provider responsible for delivering what they need. The pattern of behavior that appears repeatedly is that Customers feel neglected when they don't get what they want. And,

as a result, the Provider feels deserted and blamed. It often becomes personal. Each of the parties make up a story in their head to explain the problems, making themselves the hero, naturally. The players on both sides get mad, get even, or withdraw.

But if they are aware of these natural tendencies, they can take a partnership stand where they remember their commitment to the success of the process. They can have understanding and empathy for the other party's world, not take it personally, stay focused on what they want to accomplish, and be strategic.

A specific prescription for the Customer is to get involved in the delivery process. This starts with their participation in the PPM process. If projects are prioritized properly and aligned to the business objectives, the Customer will be better equipped to do their job and contribute to business success, and the partnership between business and the BI team will be sustainable.

The prescription for the Provider is to involve the Customer in the delivery process early, explain BI methods and techniques, and negotiate expectations. This can all be done in the PPM process.

As the IEEE study showed, the key to effective PPM is “social intervention” resulting in collaboration and partnership. The PPM process must include education so that all stakeholders are aware of the typical, predictable patterns of behavior that occur between Customers and Providers and within Middles and how they disintegrate partnership. It must include education on creating new patterns of behavior to leverage the power that PPM and partnership can provide to BI success.

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