

Challenges of enterprise Project Portfolio Management

Large organizations often count their active projects and initiatives in the hundreds, with different departments and business units pursuing a wide variety of objectives. With so many simultaneous activities underway, it can be easy for a company's short-term operations to fall out of alignment with its long-term goals.

In order to better organize and direct their activities, most large companies group their projects and programs into portfolios. These are collections of independent projects that may not affect each other directly, but can be coordinated to work toward one or more of a company's long-term objectives. A continuous focus on project portfolio management is essential for maintaining enterprise-wide consistency between project activities and strategic business goals.

Here's a look at the key challenges that a company must overcome in order to implement a successful project portfolio management strategy.

✔ Demands vs. resources

One of the most common challenges faced by organizations, especially new or rapidly-growing businesses, is a shortage of people who are both qualified to manage a project portfolio and have the availability to do it. A company's top project managers are usually busy with the day-to-day needs of critical projects and don't have time to devote to strategic, long-term considerations.

The other side of the resource management coin is how effectively the project management team can easily allocate project resources to ensure that they are fully utilized within a given project or portfolio. Senior executives, on the other hand, are often unwilling or unable to wade into the details of specific projects. The result, too often, is that portfolio management becomes a part-time effort shared by several people and owned by no one.

✔ Project and portfolio funding

Effective portfolio management requires a careful alignment of strategic goals, funding sources and well-managed projects. Companies must ensure that adequate money is available for their important initiatives, but they also must be able to identify projects and programs that are losing money or are failing to deliver the expected benefit.

In order to get the maximum return on its investment, an organization should have a clearly-defined strategy with measurable goals. Once its strategy is in place, a company is in a better position to determine which projects should receive funding and how much should be invested in each project. And of course, detailed financial reporting is essential for measuring success, finding areas for improvement and identifying projects that should be scaled back or cancelled.

✔ Technological support

By its very nature, a project portfolio is too large and multi-faceted for any person to manage without sophisticated technological tools. Enterprise project portfolio management software is the key to aligning projects with strategic goals and allowing managers and company leaders to monitor short-term and long-term results. The right portfolio management solution can provide visibility into budgets, resource allocations and timeline performance, not only for individual projects, but for a company's entire project portfolio. When the right people have the right tools at their disposal, portfolio management challenges become a thing of the past.



Learn more by watching our informative product tour, or get started with a 30-day free trial today!