



[Print](#)  
[Close](#)

## Survey Identifies 'Bottom-Up' PPM Challenges

July 14, 2009

**Survey Identifies project portfolio management challenges from the perspective of project and program managers.**

Project and program managers are facing an abundance of “bottom-up” challenges when it comes to project portfolio management, according to results of a new study conducted by ESI International. Major concerns include a 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 in the government sector and financial services, telecom, IT, energy, pharmaceuticals and health, professional services, manufacturing and other commercial sectors in the United States, Europe and Asia.

“The survey’s focus on project and program managers rather than senior executives offers a reality check for executives to ponder,” said Mario Arlt, PMP, vice president of client solutions for ESI.

### **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 Arlt. "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," Arlt said. "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 survey report is available for download at [www.esi-intl.com/ppmsurvey](http://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](http://www.esi-intl.com/ppmwebinar).

The survey was conducted online during April and May 2009 and totaled 470 respondents who reported project portfolio sizes ranging from less than 10 to greater than 1,000 annually.

Copyright © 2009 projects@work All rights reserved.

The URL for this article is:  
<http://www.projects@work.com/article.cfm?ID=250319>