

Scheduling & cost control in an Enterprise-wide project management (EPM) Environment.

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Abstract:

This paper explores the benefits/ possibilities of using OPM-EPM in business enterprises to assess and plan for improvement in Scheduling and cost control of the future. By reading this paper one may gain a clearer idea about Portfolio, Program and Project Management working toward the enterprise-wide project management or Enterprise Project Management.

One of the Basis is OPM3® , a standard that explains excellent business practices in the area of Organizational project management or enterprise project management. It emphasizes two main concepts that will help organizations to measure and improve practices. The first point is choosing the right projects to execute organizational strategies and the second is implementing the processes required to manage a project to achieve success continuously and predictably. OPM3® will help organizations to reexamine their pursuit of strategic objectives via best practices and capabilities in achieving these within the organization frame work.

The next basis is EPM tools and total solutions, Total Solutions (TS) may be a new phrase coined by a few and one such is this author. The paper is giving all details about the acronym EPM and also a view on what it can do to help in Total solutions. The paper is also to review trends in scheduling as per the tools like PRIMAVERA P3 for engineering and construction.

Introduction:

Global Business trends dictate that all organizations set a vision for the future and follow a business strategy to meet continuous growth with success. The 21st Century has ushered project management as a recognized part of business management that organizations will incorporate to gain success in meeting the business goal. One of the recent trends is following Portfolio Management for choosing only the right projects to meet the vision. The other is the capability to use Organizational/Enterprise Project Management that allows Portfolio, Program, Project Management implementation to meet the organization vision/strategy through project success. Many refer to the concept but do not explain that all these can be achieved only through a proper integration of all process and systems that we call Total Solutions. This paper is to present a few of the ideas and best practices in use..

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PMA (IPMA India), life member, Project Management Institute (PMI®) USA from 1994. Member of: ACCE International, PMI SIG - Risk and PMO – SIG, College of scheduling F.I.E. {Fellow The Institution of Engineers (INDIA)} Chartered Engineer (India).. Active participation in OPM3® development & update project of PMI®'s from 2001 to 2006. Presenter & co-presenter for: OPM3 Workshops in Hyderabad, Bangalore, Chennai, Asia-Pacific PMI® Global congress and IPMA global congress New Delhi. Now involved with various industries to see how OPM-EPM can be used or is being used as leading Consultant for tools/techniques in EPM. User of CPM/PERT from the '70s and PRIMAVERA & MS Projects from the earliest version and use of the latest versions. till date. One of the few in this region to research, provide consultancy, train on planning, cost engineering, scheduling and contract management based on standards and best practices. (FIDIC based also)

This paper is based on the research done by many organizations including PMI® to find a model or a process by which organizations will be able to introduce the concept of linking business strategy to operational level successes. In respect to EPM this paper is to highlight the use of tools to meet the Organizational Project management needs for portfolio, program and project management. EPM is mainly for the Communication and Collaboration from top to bottom and bottom to top. In order to understand the use of EPM one must have full knowledge of the organizational project management concepts and better also in details Portfolio, program and project management as given in respective standards

Organizational Project Management Maturity:

To understand the concept this section will start with an assumption that readers are used to project management as defined by the various global standards and also are aware about business strategy or vision. Reference to project management is generally what is applied to individual projects. The business strategy may be like reducing cost by 20% or increasing market share by 30% or entering new business areas. Further this paper will start from the bottom level as many do use and understand it better in this case it is projects.

PROJECTS: Today there are many standards and methodologies that have been established by various professional bodies for project management. Managing **individual projects** is becoming more successful but this success many times does not meet the business objectives. One of the key issues is the disconnection between the results achieved at the operating level to those at the strategic or organizational level.

PROGRAMS: In order to mitigate this disconnect many organizations had started to use an additional tier

for managing multi-projects at the **Program** level. Programs do fulfill part of the needs like resource optimization, multi-project coordination & reporting, process supports, projects initiation and closeout. Program level or program management does not help fully in meeting the business objectives.

PORTFOLIO: The introduction of the **Portfolio** tier or portfolio management has finally bridged the gap between projects success and business strategy. At the level of portfolio it is more for business strategy fulfillment. Portfolio management is basically to select only the projects that meet business strategy. Portfolio management helps in defining the portfolios, prioritizing portfolios, selection of portfolios, reviewing with respect to capabilities and accessible resources and finally reviewing the portfolio.

OPMM: The above has lead to another new concept Enterprise Project Management or OPM (Organization Project Management). This spans the Project, Program, Portfolio Levels of process & organization. It has also been established that organizations following this Organization Project Management have a better success rate than those that are not using it. This capability to use Organizational/Enterprise Project Management (Figure 1) that allows Portfolio, Program, Project Management implementation to meet the organization vision/strategy through the projects success is call organizational Project management maturity.

Enterprise-Wide Project Management:

The most well known concept is the tools that provide the EPM solutions. This paper is mainly to highlight the use of EPM.

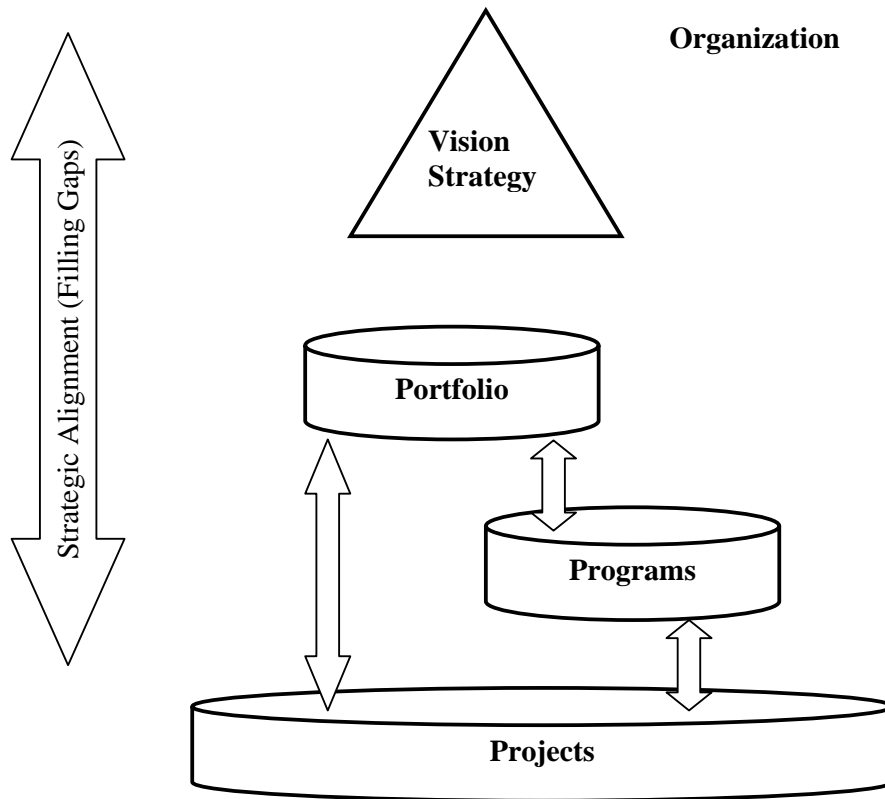


Figure 1: Organizational Project Management

Enterprise Project Management From Wikipedia, the free encyclopedia

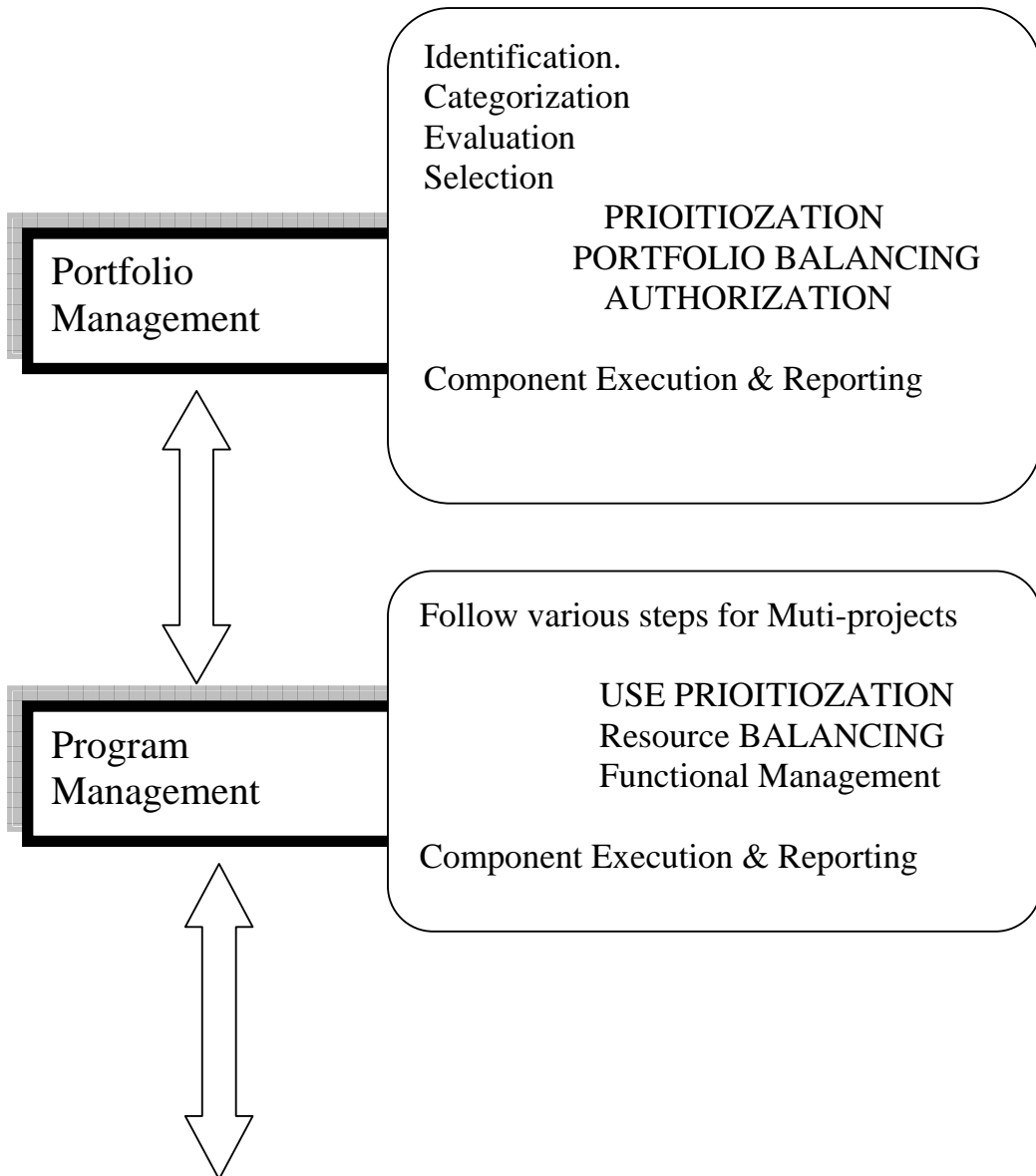
Quote...”Enterprise Project Management, in broad terms, is the field of organizational development that supports organizations in managing integrally and adapting themselves to the changes of a transformation.....Unquote

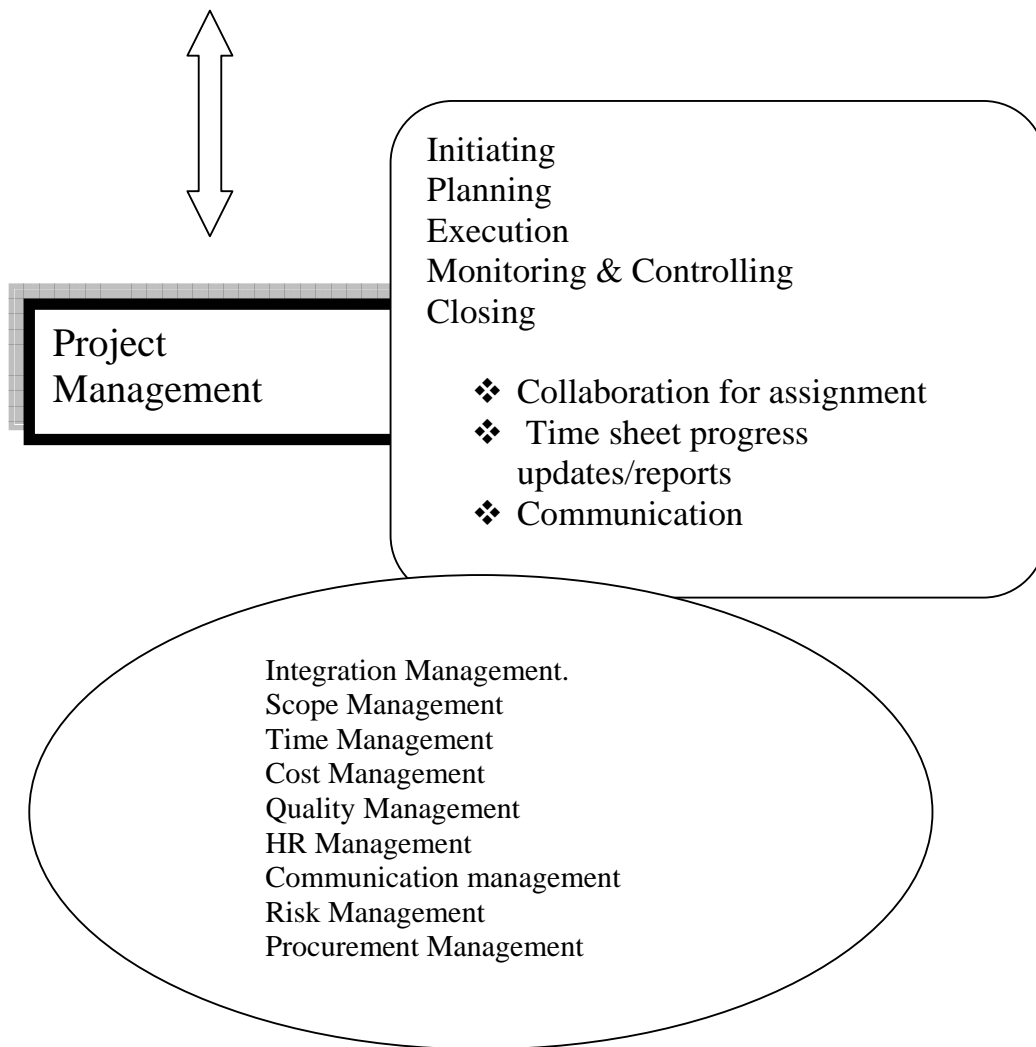
It also says Quote “From an IT management point of view, Enterprise Management essentially means enterprise-wide network administration, which is becoming increasingly complex. The corporate network environment is no longer tied to a single vendor, let alone a single platform. More and more, corporate intranets are multi-domain, multi-protocol, multiplatform systems. They contain hardware and operating systems from a number of different, competing vendors. This situation creates administrative overhead that can easily make the cost of owning such networks prohibitive for all but the largest and most profitable organizations.....Unquote

The Practice:

What one has read so far is the concepts and everyone has to read more than what is given herein as this is a very limited part of the knowledge required for using EPM.

The following flow will give a clear view of EPM required to meet OPM fulfillment.





A Scheduling tool that uses the concept is PRIMAVERA® P3 for engineering and Construction. If one will follow the way the tool requires data be entered is clear that it is based on the OPM concept. One has to start by building the EPS (Enterprise project Structure) that is nothing but the organization structure or the enterprise structure. One must at this stage keep in mind that Portfolio management has to be done if one is using the EPM module of PRIMAVERA. If one sees the way to use the tool it will be clear how the flow from top to bottom and from bottom to top is achieved. It is not within the scope of this paper to discuss the complete use and operation of the tool so it is best to stop here and request all readers to review the use of PRIMAVERA® EPM software. However the point to be noted is that the concept of OPM is being now incorporated in the project management tools and Portfolio, Program Project is been managed.

Conclusion:

The paper started with a brief on Organization Project Management or Enterprise Project Management and went on to explain the need for a model and use of a tool. To understand how to use EPM or Enterprise-wide Project Management by use of tools likePRIMAVER® EPM one may have to know about Portfolio, Program and Project management in details. The paper is to create a general idea about Portfolio, Program and project Management working toward the enterprise project management maturity. **In conclusion** the point to be noted is that an awareness among all the levels in organizations is provided for having only projects that align with the business strategy within the organization's portfolio. This alignment of projects to business portfolio or objectives is driven by the fast growing technology and competitive business.

References

1. Organizational Project Management Maturity Model OPM3™ Knowledge foundation.
2. <http://office.microsoft.com/en-us/epmsolution/HA101656441033.aspx#2> and other Microsoft EPM documentation.