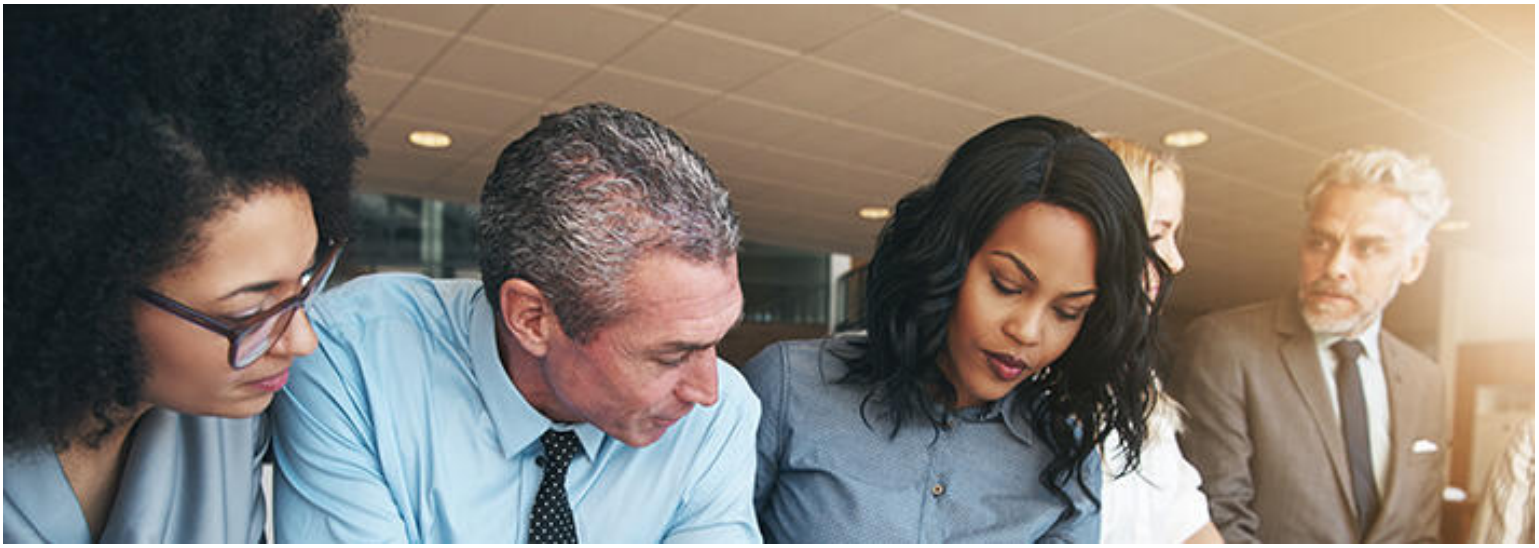
Get the Big Picture: Four Steps for EPM Success



With enterprise portfolio management (EPM), large projects are centrally evaluated to determine overall progress and effectiveness, actual project spend versus budget, and continued alignment with the larger, strategic objectives of the organization.

It's tough to see the big picture when you're "inside the frame." That's the underlying principle behind enterprise portfolio management (EPM), a top-down way for health care organizations to select and manage multiple projects and resources across the entire enterprise to maximize project portfolio value.

With EPM, large projects are centrally evaluated to determine overall progress and effectiveness, actual project spend versus budget, and continued alignment with the larger, strategic objectives of the organization. EPM is particularly valuable for health care organizations which often run multiple large projects simultaneously and frequently encounter ongoing project resource conflicts.

That was the constraint faced by a rapidly growing health care system which quickly discovered it could no longer manage new large-scale projects as if it were its older, smaller organization. The health care system could readily assess individual projects but lacked a big-picture view of the type, size, duration and risk of all of its project investments. The result? Unplanned operational and financial impacts from conflicting projects which led to recurring staff frustration as well as delays in project implementations and the realization of project benefits.

In response, the health care system devised and implemented an EPM process to more effectively prioritize its

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project resource allocations, timing and capacity, and ultimately guide its project investment decisions. While establishing an EPM system took time and resources up-front, it has helped the organization standardize the decision-making information presented to review and approval authorities and improved internal visibility into inflight work and capacity constraints in the system. The lessons learned by this health care system around EPM can serve as a guide to other health care organizations seeking similar gains in major project processes and outcomes.

Four Key Steps for EPM Success

You'll first want to determine if an EPM approach is appropriate for your organization. The answer is likely "yes" if you're regularly encountering any of the following:

1. Projects which are frequently delayed, leading to additional remediation costs, uncollected revenue and/or a delayed return on investment
2. Projects which spiral into "turf battles," pitting business units, departments or teams against one another
3. Projects which do not or no longer align with and support organization-wide business goals
4. Projects which do not or will not deliver long-term value to the organization

Once you've determined the need to institute an EPM approach, you'll have a much higher likelihood of success if you adhere to the following four fundamental recommendations.

1. **Ensure top-level buy-in across the enterprise** – Understand that instituting EPM processes may represent a significant change to some within your organization. As with any significant change, some individuals may be resistant to EPM, no matter its merits, unless they're brought on board early in the process to understand EPM and help establish it within the organization. To gain top-level buy-in, consider facilitating brainstorming workshops with your organization's senior executives to define the EPM scope, scale and desired outcomes. Ultimately, your goal is to design and develop a multi-phased, enterprise-wide rollout strategy for EPM, to facilitate gradual understanding and adoption of EPM by staff. A phased rollout strategy might include adding a new project intake and vetting process, standardizing project proposal documentation and creating a project inventory listing key criteria for evaluation.
2. **Establish proper EPM governance and oversight –** While individual projects can succeed with a relatively simple management structure, such as just a project manager and business sponsor, an EPM system comprised of multiple projects requires formal standards and multiple personnel for governance and oversight. Start by creating an EPM charter delineating the mission, purpose and goals of the EPM. Designated EPM governance stakeholders and administrators should include representatives from multiple departments, to ensure cross-enterprise buy-in and accountability. Governance standards should be established for project proposal submissions and decision-making, communications, resource management

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and leadership.

3. **Establish baseline financial management standards** – For greater objectivity and standardization in project approval and oversight, establish a standard set of financial metrics to facilitate consistent project evaluation across the project portfolio. Having these standards in place will enable data-driven discussions about projects, facilitate dialogue about potential project trade-offs, and allow for a more consistent evaluation of risk and return across the portfolio. It will enhance the confidence of EPM decision-makers, as well as significantly reduce the likelihood of any unwelcome financial "surprises" in a major project rocking the organization.
4. **Create a robust library of EPM tools and resources** – Generally, a well-functioning EPM should have a master plan for program communications (who gets informed when and why), a project approval matrix (who decides what, based on what criteria, and when) and a map of EPM process flows from intake through approval. Add to this an EPM master calendar for project tracking and reports displaying expenditures, forecasts, risks, and other data aggregated at the portfolio level. To assist departments which are planning to submit a project proposal, it's useful to have a specific, standardized proposal template, spelling out decision-making expectations and standards. EPM decision-makers will benefit from having standardized forms for proposal scoring, vetting and scoping/kick-off. For project tracking, it's useful to have a template facilitating tracking against budget and enterprise strategy.

Better Oversight, Improved Collaboration

By instituting an EPM structure, processes and resources, you will more likely gain the foundational project portfolio management capabilities you need to facilitate the success of your large-scale projects. You will also prospectively note other positives, such as improved project collaboration and engagement among staff members. Health care organizations with multiple sizable projects would be wise to check the potential "big-picture" benefits of adopting an EPM approach.

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