Crosswind Learning

Crosswind Success Series:
PMP® Exam Bootcamp Manual

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3.1.3. Implementing Governance Framework

The four steps for implementing governance framework are:

- Assess
  To review and analyze the current state of governance
- Plan
  To plan for the desired future state of governance
- Implement
  To execute the governance plan
- Improve
  To review the state of governance and identify improvement opportunities

Know how to implement governance framework.

Note the similarities between implementation of governance framework and Six Sigma's DMAIC (Define, Measure, Analyze, Improve, and Control).

3.2. OPM (Organizational Project Management)

Organizational project management is a strategy framework that accommodates the alignment of project, program, and portfolio management practices with organizational strategy and goals. The framework can be adjusted as needed for the alignment of portfolios, programs, or projects with organizational goals.

Know the characteristics of OPM (Organizational Project Management).
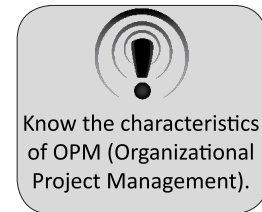
3.3. Strategic (Long Term) Planning

Strategic planning is the practice of planning for the products or services the organization will need in the future (typically in **three to five years**).   As the products or services are realized through projects, they are typically moved into organizational operations.

Projects can be created as a result of market demand, legal needs, technology updates, and customer or organizational needs.

Know the characteristics of strategic (long-term) planning.
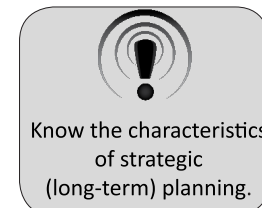
3.3.1. The Relationships Among Portfolios, Programs, and Projects

Portfolio components are aligned with the company's strategy, can be prioritized, measured, and ranked, lend themselves to grouping so they can be more effectively managed, and derive from company investment.

Portfolio management identifies the interrelationships between programs and projects and allocates resources in alignment with company priorities.

Figure 3-3: Project, Program, Portfolio Relationship demonstrates how projects, programs, and portfolios interrelate with an organization's strategic planning.
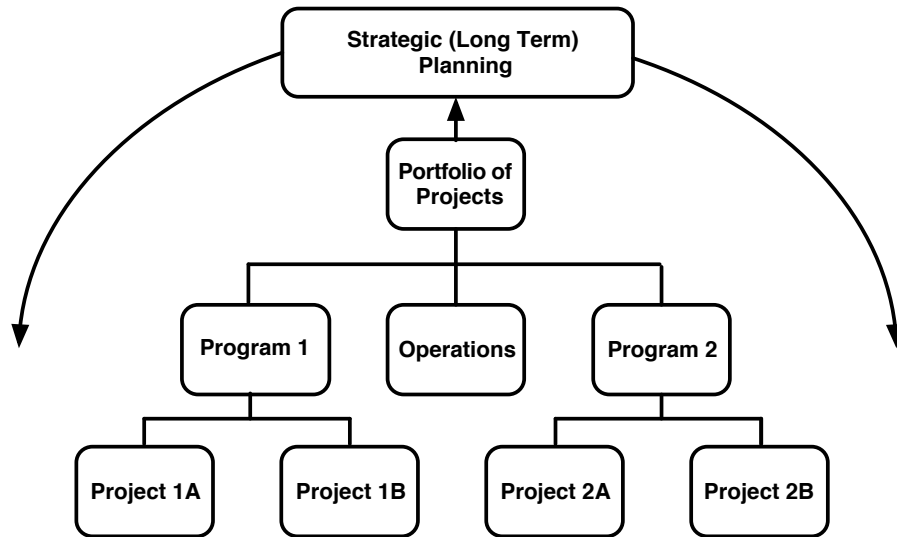
Know the relationships between portfolios, programs, and projects.
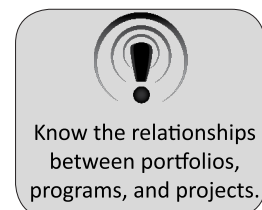
Figure 3-3: Project, Program, Portfolio Relationship

The source for the above figure is the Project Management Institute, *A Guide to the Project Management Body of Knowledge*, (*PMBOK® Guide*) – Sixth Edition, Project Management Institute Inc., 2017, Figure 1-3, Page 12
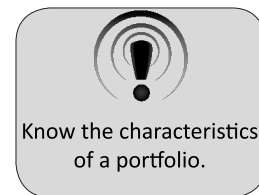
3.4. Portfolio Management

Portfolio management involves the coordinated management of one or more portfolios to align with the overall strategic goals of the company.

Know the principles of portfolio management.

The multimedia company in the example above would align resources and other assets to achieve the strategic goals aligned with the defined portfolio categories (computers, MP3 Players, CDs and movies). As the portfolios are managed, programs within the portfolios will be defined and, within those programs, projects will be started. Projects, programs, and portfolios will all contribute toward the achievement of the strategic business goals.

3.4.1. What is a portfolio?

A portfolio is a group of programs and projects that are centrally managed to align with the company's strategic plan. A company could have multiple portfolios in order to achieve it's strategic business goals and each portfolio could represent work being done for a particular product line; for a particular grouping of products; or by a particular group, division, or branch of the company.

Know the characteristics of a portfolio.

Examples for a multimedia company could include:

Computers   MP3 Players

CDs   Movies

Portfolio management focuses on doing the right work, while project management focuses on doing the work right.

3.5.   Program Management

Program management involves the coordinated management of the projects within a program to align with the strategic goals of the company.

> Know the principles of program management.

The multimedia company mentioned in the previous section (3.4.1) would align resources and other assets to achieve the strategic goals aligned with the defined portfolio categories (computers, MP3 Players, CDs and movies). As the portfolios are managed, programs within the portfolios will be defined and, within those programs, projects will be started. Projects, programs, and portfolios will all contribute toward the achievement of the strategic business goals and delivery of benefits to the company.

3.5.1.   What is a program?

A program is a group of projects that are in some way related. Typically, a program is an overall large scope of work that involves multiple projects and is established to effect a better means of control at the program level than at the separate project level and to provide a benefit. The benefit is a key differentiator between a program and its projects, as projects typically deliver products, services, or results, not benefits.

> Know the characteristics of a program.

As an example, a program to create computers might include projects that design and produce separate computer components and then assemble them to create computers.
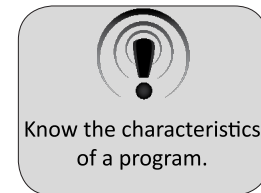
3.5.2.   Benefits Management

Benefits management involves the establishment of the benefits a program is expected to deliver to an organization. The benefits may be tangible (physical and measurable) or intangible (not easily measurable).

> Know the principles of benefits management.

Benefits management involves a number of key characteristics, including the following:

- Establishment of the program's value and impact on the company
- Identification of the benefits as they relate to the various interdependencies between projects within the program
- Establishment of SMART (Specific, Measurable, Actual, Realistic, Time-based) benefits
- Analysis of the impact that change requests may have on the expected program benefits
- Assignment of responsibility and accountability for specific program benefits

Tangible benefits are those that are definable and measurable. They could include financial performance goals, operational performance, growth in a particular market segment or product line evolution or service offerings within a company portfolio.

Intangible benefits can help improve an overall organization. They can include variables that are hard to measure such as improvements in customer satisfaction or company culture. It's important to note that intangible benefits typically contribute to tangible benefits, thus both tangible and intangible benefits are important factors in benefits management.

3.5.3. Benefits Management Plan

The benefits management plan and business case are two of the first project related documents created. They help determine what is in the charter.

Benefits management starts early in the project discovery. A benefits management plan is created and is used throughout the project to help ensure timely and appropriate delivery of benefits from the project.

The benefits management plan addresses:

- The determination of the desired benefits and the methods for their realization
- The establishment of a strategic roadmap that connects project outcomes to realized benefits
- Key metrics and processes for benefit measurement
- The roles and responsibilities associated with the management of benefits
- The communication management plan for managing the benefits of the project
- The transition of the program into operations as pieces are completed, and the methods to sustain the benefits of the project

It's vital to remember that the benefits to the organization from the project will be sustained throughout the project life cycle and beyond.

The following figure shows how the Benefits Management Plan and Business Case drive what is in the project charter and project management plan.
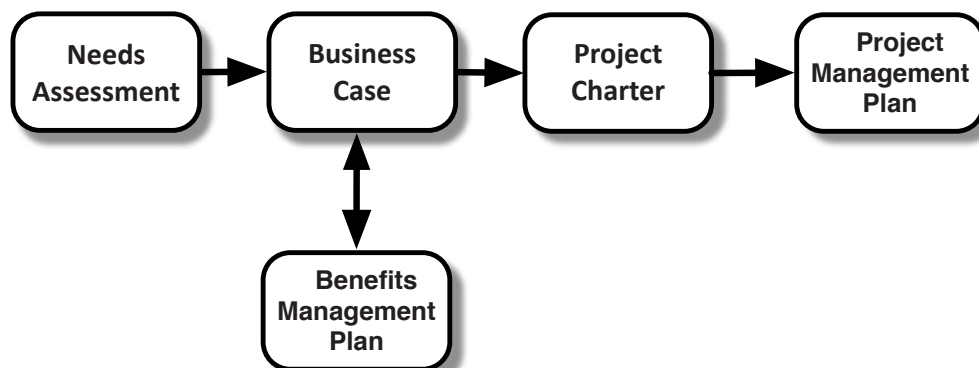

Figure 3-4: Critical Business and Project Documents

3.6. Project Influences

Enterprise environmental factors and organizational process assets (reference section 9.1, Project Influences, for detailed information) influence projects.

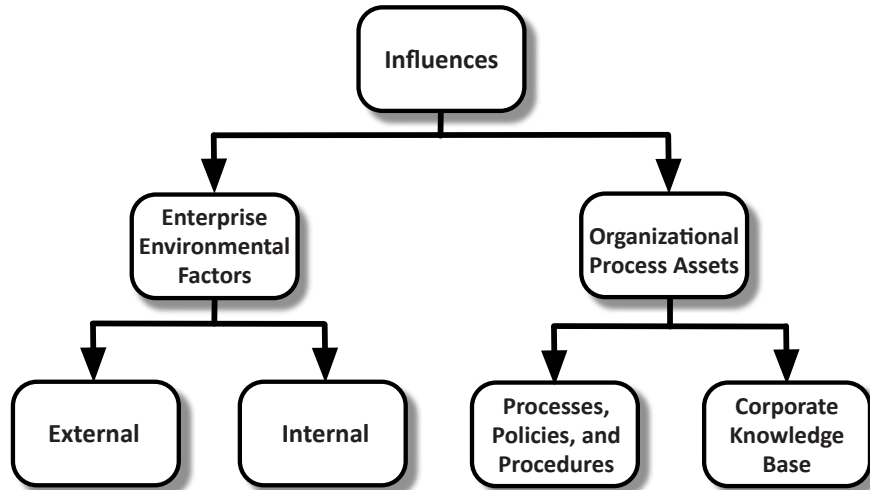Figure 3-5 illustrates the project influences.

Know the project influences.

Figure 3-5: Project Influences

The source for the above figure is the Project Management Institute, *A Guide to the Project Management Body of Knowledge*, (*PMBOK® Guide*) – Sixth Edition, Project Management Institute Inc., 2017, Figure 2-1, Page 37

3.7.   Overlap of Disciplines

To be successful, the project manager must know about project management, the project management system, the project management life cycle, the project life cycle, and the product life cycle. The project manager must also understand how those life cycles interact.

Project Management	Project management is the **application of information, skills, tools, and techniques to project activities in order to meet project needs**. It can include developing requirements, determining realistic goals, managing the triple constraint, and adapting the various plans to achieve project goals. Project management starts with selecting the processes associated with completing the work of the project and typically involves using an established methodology to align project and product requirements with the product specifications.
Project Management System	The project management system is a set of procedures, tools and techniques, processes, and methodologies used to manage projects. The system can be formal or informal and is typically supported by the project management plan during the execution of the project work. Examples of a project management system are: Agile, waterfall, hybrid, Kanban, and Lean.
Project Management Life Cycle (PMLC)	The project management life cycle includes the five process groups: initiating, planning, executing, monitoring and controlling, and closing. These process groups **can be applied to a project or to individual project phases.**