



Project and Portfolio Management Future Trends and Challenges

1. Introduction

Over the last decades, PPM (Project and Portfolio Management) has been a tool widely used to help organizations structure their activities, improve their efficiency, reduce time to market and generate value, as well as to be used as a framework for effective resource and cost management.

As organizations and teams are changing constantly, so has PPM also evolved and extended its overall scope, opening fields of opportunities to new environments and contexts where PPM would not even have been imagined a few years ago.

This white paper aims to present the most representative trends that PPM has to tackle in order to keep on bringing value to organizations and project teams.

We will focus on chosen examples based on available studies and explain how PPM will address future challenges.

For simplicity, we use the words «project managers», but keep in mind that our considerations also apply to portfolio managers.

2. An overview of Future Trends

As the environment of the organization is becoming more complex, the techniques developed are getting more specific: PPM has to adapt by transforming its tools, using new functionalities and linking to new knowledge domains.

Below we will explicit 5 representative domains in which PPM has an essential role to play by adapting its own processes and by driving the corresponding behaviors.

We have no doubt that these situations are quite challenging, but also provide great opportunities to use PPM efficiently and creatively.

2.1. Trend 1 : Agile and Waterfall

Increasing project complexity has led to reconsidering the overall project management practices. For this reason, Waterfall-type classical projects are not always the optimal response to manage activities, resourcing, costs and facilities in fast pace environments.

This acceleration has promoted the use of Agile project management methodologies especially dedicated to innovation driven endeavors e.g.

- The design of a mobile applications
- Development of new functionalities, new devices for medical - pharmaceutical purposes

The main advantages is its adequacy with an increasing demand for flexibility in the course of project management lifecycle, based on

- Simplification of the governance levels and processes
- Shortening of the decision pathways

Today, project managers need to become “hybrids”: they will have good notions of Agile practices, and be ready to choose most adapted project management that suits the actual situation in the course of their project. “One size fits all” methodologies are no longer suited to the needs.

2.2. Trend 2 : Organization resourcing

How can we imagine a project that would not involve any human contribution, any specific skills ?

Thus, all the processes of resource management are integrated as part the of project - portfolio management.

Up to recently, in large organizations, the management of resources was not considered as necessary for the project/portfolio management. Management was used to consider hiring or sub-contracting to maintain flexibility between project demand and availability of resources. In other words, skills were at stake, not the individuals.

Times have changed: the availability of resources is now a bottleneck. What was acceptable for small projects is definitely impossible in complex organizations and larger projects: a full resource management process becomes indispensable.

The project manager needs to work closely with functional management to check the ability from the organization to provide requested capabilities (individuals and skills, costs, facilities, ...) that will ensure the project is running as planned.

This practice generates added value, as a consistent resource management process supports the project manager in quantitative aspects all along the project life cycle, such as in

- Building a real budget process, based on all the types of costs
- Challenging the estimation of the needs and target accuracy
- Collating actuals through time tracking and building archive data and experience for the estimation of future projects

2.3. Trend 3 : Digitalization and Cloud

Digitalization has gained a strong momentum during the last 5 years..

Disruptive digital-based endeavors are being developed and related projects are initiated at a fast pace.

In addition, as we stated before in the chapter dedicated to hybrid methodology, more and more domains are covered by digitalization approach. Any large organization looking for integrated solutions will turn to digital applications, sooner or later.

Ideally managed in Agile mode, these projects request project managers who are most versed in in the many variants of the Agile practice. Any project manager, today, should master traditional and Agile methodologies and be prepared to manage digitalization aspects in the scope of their projects.

But the digital aspects here have also another impact on project managers : they need to include in their scope of work all the aspects of business analysis for the design of digital application. In many cases, they will have to work closely with the business analysts on the user requirements definition.

PMOs will play a leading role by supporting the delivery of such technologies across the organization, also by adopting these new technologies as forerunners.

2.4. Trend 4 : Project and Portfolio Management Offices

Generating value at the project level and ensuring alignment to the strategic vision of the organization at the portfolio level are two objectives which are managed jointly by a dedicated structure : the PPMO (project and portfolio management office).

This type of structure has started to spread in the last 10 years according to the PMI:

- in 2018, presence of a PPMO structure increases by one third roughly the number of projects fully aligned to the organizational strategy.
- In 2017, more than 70% of organizations have a PMO

Project managers have now also dedicated activities that ensure that the PPMO structure is fully operational in the organization.

Among them, we can mention :

- Ensuring processes are shared and understood between users
- Helping to define common templates and operate tools with best practices
- Bottom up reporting on resources, risks, costs, etc. all the way up to the portfolio level

2.5. Trend 5 : Remote work, global and virtual teams

Alongside the increasing complexity of the projects, the project teams are now deploying more and more diversified hard and soft skill sets .

Project teams have become more and more multi-geographical and multicultural. We will not develop here the multi-cultural aspects, but concentrate on the latter location based issues.

Because of costs, environmental consciousness and work life balance issues having everybody around the same table is no longer justified.

The concept of virtual - remote teams is now common place. As a direct consequence, the communication dimension becomes crucial for a team's success.

The project manager needs to have strong notions of remote management and master the new concepts of communication and data sharing. The project manager needs also, in these conditions, to improve her ability to foster the cohesion within these virtual teams. The corresponding workload to make the team "glue together" should not be minimized.

3. Conclusion: Adapt, Integrate and Innovate

Finally we can also mention the following areas or topics that will impact the daily work of project and portfolio management:

- **Artificial intelligence** : more and more aspects of project management will be achievable by AI. Examples : resource and cost management, reporting dashboards, drifts detection in budget or plans, ...
- **Big data, data science, Analytics** : adapt the project life cycle to these specific endeavors
- **Professionalization** : increase use of standards, referentials, but also the increasing demand of PMP® – PfMP® – PgMP® certified managers
- **Increase amount of work** : more and more activities will be covered at the project level, thus generating complexity and increasing duration
- **Change management aspects amplified** : complex projects generate a great deal of change and we need to ensure commitment of the key users
- **The development of portfolio and program management levels** : improve predictability at the organizational level has become key, in order to build the bridge between project performance and portfolio alignment to corporate strategy

PMOs are more and more integrated to the organization and thus will need to support the alignment of all projects to the organizational strategy. The need to adapt to change will increase because organization are moving and adapting to a market in never ending movement.

We trust that modern Project Managers, today and tomorrow, will always find the potential to keep aligned to actual constraints from their own market, and play a central role in this continuous adaptation process.

4. About the author

Jean-Eric Ancel is an expert consultant for Altran Switzerland since 2014.

He has a scientific background (PhD and post doc in Life Sciences chemistry) and has over 25 years as a project leader, manager, planner and portfolio manager for the full value chain of pharmaceutical development.

He has worked for companies such as Sanofi Pasteur, Roche, JnJ, UCB, Ferring, ...

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Altran ranks as the undisputed global leader in Engineering and R&D services (ER&D), following its acquisition of Aricent.

The company offers clients an unmatched value proposition to address their transformation and innovation needs. Altran works alongside its clients, from initial concept through industrialization, to invent the products and services of tomorrow.

For over 30 years, the company has provided expertise in life sciences, aerospace, automotive, defense, energy, finance, railway and telecommunications. The Aricent acquisition extends this leadership to semiconductors, digital experience and design innovation. The Altran Group generated revenues of €2.916 billion in 2018, with some 47,000 employees (300 in Switzerland) in more than 30 countries.

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