ABOUT THE REPORT

This 2015 edition of The Project and Portfolio Management Landscape report represents the second annual online survey conducted by Innotas, a leading provider of cloud portfolio management solutions, and on behalf of Innotas through affiliates between Jan 1, 2015 to March 30, 2015. The 2014 survey results were not released publicly, but will be referenced throughout this report for comparison and trend identification purposes. A total of 126 respondents completed the survey and for the purposes of this report, these respondents will be termed organization. The respondents and survey results represent the responses of project and portfolio management functions across a variety of enterprises, including project managers, program managers, the PMO, IT management, and the CIO. The online survey was not based on a probability sample and therefore no estimate of theoretical sampling error can be calculated. For more questions please contact Innotas at info@innotas.com.
Executive Summary

Today’s business landscape is rapidly evolving—with social, cloud, mobile, and big data reinventing how enterprises are planning, prioritizing, and executing key business initiatives. CIOs, IT, and PMOs must embrace this digital transformation to drive more strategic value for their organizations—successful delivery of a projects is simply not enough. Improving business agility, optimizing resource pools, and leveraging analytics to stay aligned with the business needs will be demanded from key stakeholders. Investing in increasing efficiency of project and portfolio management processes, tools, and best practices will become essential.

In this year’s study, we uncovered several noteworthy trends such as:

- Over 50% of organizations say their projects and resources are not well aligned with business goals
- 37% of organizations say resourcing is their top challenge
- 61% of organizations have a formalized PMO initiative
- Scoring continues to be the leading methodology for prioritizing influx of work

Our goal is to help facilitate and encourage healthy conversation between project delivery teams and key stakeholders within your organization. This report can be use to benchmark your organization, provide insight into overcoming common challenges, and uncover best practices in the field of project and portfolio management.
Project Management Office (PMO) Adoption & Maturity

Formalized PMO is the Way to Go

The Project Management Office (PMO) is critical for planning and executing projects and key initiatives. PMOs help drive efficiency and are held accountable for defining and maintaining project management standards within an organization.

As compared to 2014, organizations who have a formalized PMO is relatively flat, only slightly decreasing from 64% to 61%. For 2015, 28% of organizations have adopted an ITPMO, which represents an increase from 13% in 2014. This increase is most likely attributed to CIOs and IT organizations as a whole becoming more influential in driving business strategy for organizations. EPMO adoption also increased to 17% (up from 6% in 2014). This upward shift towards more enterprise-wide PMOs implies that organizations are seeing increased value contribution from these groups—resulting in investment to standardize the project delivery process across the enterprise.
What is an ITPMO?
A PMO that is primarily responsible for planning, executing, and successfully delivering IT initiatives and projects. Projects are typically technology driven and directly related to the CIO’s charter.

What is an EPMO?
A PMO chartered to successfully plan, execute, and deliver key initiatives and projects that span across the enterprise. Typical focus is on delivering business value in a uniform and consistent approach across all facets of an organization.

61% of organizations have a formalized PMO

61% of organizations have a formalized PMO

DOES YOUR ORGANIZATION HAVE A PMO?

- NONE 39%
- YES (ITPMO) 28%
- YES (EPMO) 17%
- YES (GENERAL PMO) 16%
Delivery Maturity Remains Strong

Execution remains a strong point in 2015, and mostly unchanged, with 64% of organizations defining their project management delivery maturity as “medium.” Most organizations believe they have robust execution processes in place once projects have kicked off, but there is still room for improvement as only 19% defined their maturity as “high.”

MATURITY IN PROJECT MANAGEMENT DELIVERY

<table>
<thead>
<tr>
<th>Year</th>
<th>Unchanged</th>
<th>Medium</th>
<th>High</th>
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</thead>
<tbody>
<tr>
<td>2014</td>
<td>19%</td>
<td>66%</td>
<td>15%</td>
</tr>
<tr>
<td>2015</td>
<td>17%</td>
<td>64%</td>
<td>19%</td>
</tr>
</tbody>
</table>
Top Challenges

WHAT IS YOUR BIGGEST CHALLENGE?

Although organizations reported that resourcing is less of a challenge than 2014, it maintains the top position heading into 2015. Benefits realization has dropped as a top challenge and potentially signifies the confidence organizations have in their ability to execute once projects have begun. Alternatively, prioritization has become a greater challenge year over year and alignment is garnering more focus—implying that project and portfolio management teams are placing increased emphasis on improving planning processes to create more value for their key stakeholders.

Key Takeaway: Resourcing is still #1 challenge for most organizations
Over 50% of organizations say their projects and resources are not well aligned with business goals

Quick Tip: Focus on business alignment to drive more value
Scoring is the most popular method amongst organizations who have a formal methodology for aligning and prioritizing projects. This is largely unchanged from 2014, where 50% of organizations reported scoring as their methodology of choice. Organizations that are not using any formal methodology to rank their projects or work decreased to 24% from 29% in 2014, representing overall increase in maturity and usage of best practices amongst polled organizations.

**Best Practice:** Organizations should turn to scoring for prioritizing their projects.
It’s All About Resources

Organizations Continue to Struggle with Resource Capacity

A staggering 61% of organizations say they lack the proper resource capacity to meet project demands. This is a slight decline from 2014, where 74% of organizations responded as not having enough resources to accomplish the desired work. This decline could be attributed to a stronger economy and increased awareness of the resource gaps between required capacity and requested demand of work. However, this is not surprising as the top challenge for organizations has been resourcing for the past two years.

With close to two-thirds of organizations still struggling with finding enough resources, there must be an emphasis placed on optimizing the available resources to ensure delivering maximum value. This will require organizations to ask the tough question: “Are our resources working on the right projects at the right time?” This brings us full circle to the importance of project prioritization and maximization of resource efficiency.

OVER 60% of organizations do not have enough resources to manage project demand
Application Management Must Be Emphasized

To increase the efficiency of your resources, a logical place to begin is by understanding the organization’s split between innovation projects and maintenance work. In most organizations, a bulk of the resources are executing projects and initiatives that are related to supporting the plethora of enterprise applications.

Of the organizations surveyed, 72% of organizations reported leveraging the same resource pool for new projects and application maintenance. Separating innovation or growth projects from the maintenance or keeping the lights on (KTLO) work naturally forces resource prioritization—enabling available resources to stay focused on the highest-impact projects and work.

Although a majority of organizations have common resource pools for all enterprise work, a majority (69%) do not have direct responsibility of the application portfolio. This mismatch of resource usage and lack of ownership can cause misalignment across the organization and result in poor use of resources or reduced return on investment. Organizations need to consider creating application portfolios that roll up all related work and resources into a consolidated view—enabling data-driven decision making and improved resource utilization.

Quick Tip: Identifying growth projects from maintenance work is the first step in making a higher impact.
Portfolio Management Tools

Poor Adoption of Tools

Project and portfolio management tools are designed to create process for project management and strategically define a system for resource optimization. With a portfolio management solution in place, organizations are better equipped to execute on their initiatives, achieve desired results and ultimately drive more value for their organizations. However, a staggering 55% do not have a portfolio management tool in place today. Lack of tool adoption creates challenges for organizations by creating a gap for measuring, monitoring, and having a system of accountability.

DO YOU HAVE AN IT PORTFOLIO MANAGEMENT SOLUTION?

<table>
<thead>
<tr>
<th></th>
<th>YES</th>
<th>29%</th>
</tr>
</thead>
<tbody>
<tr>
<td>NOT YET, BUT PLAN TO</td>
<td>16%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>NO</td>
<td>55%</td>
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55% of organizations do not have a portfolio management tool to assist in improving their overall performance.
About Innotas

Innotas, the leading provider of Cloud Portfolio Management solutions, delivers a seamless way to manage projects, resources and applications across the enterprise. Innotas solves the challenge of visibility and tracking the portfolio of IT and Product Development projects. The solution aligns effort and budgets to meet company goals, while enabling prioritization and agility for planning resource capacity. The result is a standardization of work execution across silos of project management teams. Innotas’ solutions include Project Portfolio Management (PPM), Predictive Portfolio Analysis™ (PPA), Application Portfolio Management (APM), Resource Management, Agile Portfolio Management, and the Innotas Integration Platform. Founded in 2006, Innotas is headquartered in San Francisco.

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