



P3O and PM3



pm3 Project Portfolio Management

pm3time Complete Time Management





What is P3O?

P3O[®], is a complementary best practice guide to PRINCE2[®] and Managing Successful Programmes (MSP[®]). The official guide to P3O defines it as follows:



“ **P3O provides a decision-enabling/delivery-support model for all business change within an organisation. This may be through a single permanent office ... or be provided through a linked set of offices.** ”

The 3 in P3O as in PM3 relate to the terms: portfolio management; programme management; and project management. So P3O stands for 'Portfolio, Programme and Project Offices'.

Again using the guide's definitions:

- “ **A *portfolio*** is the totality of an organization's investment (or segment thereof) in the changes required to achieve its strategic objectives.
- “ **A *programme*** is defined as a temporary, flexible organisation created to coordinate, direct and oversee the implementation of a set of related projects and activities ... to deliver outcomes and benefits related to the organisation's strategic objectives.
- “ **A *project*** is also a temporary organisation usually existing for a much shorter duration which will deliver one or more outputs in accordance with a specific business case.

Essentially, an organisation will have a set of projects and programmes in its portfolio that it needs to deliver to meet its strategic objectives.

P3O is a guide to setting up the physical or virtual project / programme or portfolio office(s) that supports the organisation to ensure that the benefits and outcomes that are required from the projects and programmes are delivered.

For a P3O support organisation to be effective, and not an industry in itself, it must maintain the right processes that are fit for purpose in the organisation and supported by a tool that supports the P3O model. PM3 is Bestoutcome's tool that is used by many organisations to control and monitor all their change activities. It is designed to ensure that the value and outcomes of the organisation's change activities are delivered. PM3 support the concepts and functional areas of P3O.



The following tables explain how a P3O model can add value and how PM3 supports this approach.

| P3O Principle: Govern Effectively | |
|---|--|
| How P3O model can help | How PM3 supports P3O |
| Provide support to Senior Responsible Officers (SROs) and senior management | PM3 provides summary dashboard information by an automated facility that allows senior stakeholders to understand the true state of change initiatives. |
| Ensure risks, issues and changes are escalated to right decision making authority | PM3 allows risks, issues and milestones to be 'promoted' (i.e. escalated) up the change hierarchy ensuring senior stakeholders focus on what is important. |
| Ensure timely and accurate data is collected at source so that analysis and amalgamation enable quality decision making | Project, Programme and Portfolio Managers can input into PM3 all the information that is relevant to managing and governing change initiatives. There is no double entry required. This data can be summarised and reported on in a variety of ways. |

| P3O Principle: Hold people to account | |
|---|---|
| How P3O model can help | How PM3 supports P3O |
| Provide senior managers with decision support-analysing options and consequences | There are 71 standard reports in PM3, mainly focused on senior management needs. Custom reports can easily be produced from the PM3 database. PM3 also provides a 'what if' scenario modelling facility for portfolios. |
| Ensure the right decisions are escalated to the right people with relevant information to support the decision-making process | PM3 allows risks, issues and milestones to be promoted (i.e. escalated) up the change hierarchy ensuring senior stakeholders focus on what is important. |
| Roles and Responsibilities in change initiatives are defined | PM3 has a role and responsibility chart for each change initiative that makes accountability clear and unambiguous. |

| P3O Principle: Prioritise investment, align and adjust to business strategy | |
|--|--|
| How P3O model can help | How PM3 supports P3O |
| Maintain a register of all programmes and projects in the portfolio including ideas in the pipeline | PM3 provides this register and also maintains a list of pre-approved programmes and projects. |
| Ensure all initiatives are aligned to business strategy and where appropriate adjust to maintain alignment | PM3 has the concept of proposed and forecasted value that enables senior management to evaluate change initiatives and realign if appropriate. |



| P3O Principle: Safeguard value | |
|---|--|
| How P3O model can help | How PM3 supports P3O |
| Support the business case process | PM3 maintains objectives, costs, benefits, payback period and overall risk of each project and programme. |
| Provides a benefits tracking process | PM3 has a benefits tracking module that tracks the level of realization of promised programme/project benefits post go-live. |
| Provide reporting and exception management service from project to portfolio level | PM3 provides many different exception reports at project, programme and portfolio level. |
| Develop management dashboards to engage senior managers on key risks and issues that affect the delivery of the portfolio | PM3 provides a suite of dashboards and 'escalated' risks and issue reports for senior managers. |

Summary

Implementing a P3O is a challenge as it can be seen as an overhead whereas when it is done properly it can add real value to the organisation. However, meeting all the requirements of P3O is very labour intensive, costly and prone to error without employing a tool that supports the PM3 principles outlined above.

Without the tool to support P3O, the business case becomes harder to justify to senior management. The other real benefit of a tool like PM3 is that it helps drive the organisational change that is required to implement P3O. For example, if PM3 is implemented and configured to an organisation's P3O requirements then project team members, managers and senior stakeholders are 'encouraged' to follow the process.

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