Program and Portfolio Management Leaders Primer for 2020

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Initiatives: Program and Portfolio Management Leaders

PPM leaders play a vital role for organizations, ensuring successful delivery of initiatives that maximize value while providing the enterprise with capabilities to meet its goals. This initiative provides the foundation for consistent delivery of successful initiatives in an ever-changing world.

Scope

This initiative focuses on helping leaders evolve the enterprise's project, product, program and portfolio capabilities in order to successfully deliver change and digital business outcomes.

The topics we cover include:

- **Leadership**: Proven leadership techniques and talent strategy to drive successful change and change delivery in an evolving dynamic world.

- **Relationship management**: Navigating the connections and dependencies in the PPM ecosystem to realize business and IT strategy.

- **Function design**: The scope, organization structure and roles of the PPM function now and in the future to ensure effective support enabling constant change.

- **Function management**: The management, recalibration and maturity development, budgeting and governance of the PPM function.

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Analysis

Figure 1. Program and Portfolio Management Leaders Overview
Digital business impacts all but a handful of organizations. Eighty-two percent of CEOs have a digital transformation or management initiative,¹ up from 62% in 2018. The rationale for embracing digital business is clear, as it leverages technology to connect with partners and customers more quickly and in new ways. Doing this increases the value proposition of the enterprise, but also introduces increased levels of change and complication. Not only must organizations transform and adapt more rapidly, but also how they do so is different. Organizations are, once again, turning to PPM and PMOs to address these heightened levels of change and to navigate strategy realization through effective execution.

PPM leaders are now expected to deliver the strategic enterprise vision through the provision of the appropriate practices and processes, and, at the same time, balance the development of skills and competencies, and enable partnerships and talent. How do PPM leaders begin to navigate these dynamics? This initiative provides foundational content and guidance on establishing and evolving a PMO/PPM function to consistently enable and deliver digital business outcomes. For those who are digitally mature, we recommend the PMO Evolution for Digital initiative for further insights.

Topics
Both seasoned and new PPM leaders must overcome the challenges faced as their enterprises try to scale digital business. PPM leaders must have the appropriate skills and tools to ensure the appropriate design of specific functions. These functions must be well-managed and staffed appropriately in order to enable successful change that maximizes value and minimizes organization change pain. PPM leaders must also embrace new forms of leadership to enable effective relationship management, because achieving digital business growth requires cross-functional collaboration.

Our research in this area addresses the following topics:

**Function Design**

The function design topic covers the scope, organization structure and roles of the PPM function now and in the future. PPM leaders need to ensure their functions are effective in creating and maintaining approaches to program, product, project and portfolio management in order to effectively support constant change. Also covered is advice on how to design or adapt the function to business and IT expectations, and how to mature capabilities over time.

**Questions Your Peers Are Asking**

- How do we design our PPM structure, scope and responsibilities to meet business needs?
- What roles are required for a successful PPM function?
- How do we adapt the PMO to support agile delivery and digital products?

**Recommended Content**

Some recommended content may not be available as part of your current Gartner subscription.

- “How PMO and PPM Roles Will Change in the Digital Business”
- “PMO Charter Template”
- “5 Tips for Effective PMO Strategic Plans”
- “Evolving for Digital Business: 6 Key Roles for Today’s PMO”
- “PPM Leaders’ Role in Scaling Enterprise Agility”

**Planned Research**

- Roadmap to drive and direct PMO/PPM formation
- Job description for the PMO manager
- Reimagining PMO/PPM in a product line model
Function Management

The function management topic covers maturity, budgeting and governance of the PPM function. PPM leaders must assess their current state, understand the gaps and plan to evolve the management aspects of their organizations. This includes identifying opportunities for rebalancing the PPM team, and establishing critical success factors for the function. PPM leaders also require effective performance metrics and benchmarks to enable calibration.

Questions Your Peers Are Asking

- What processes and practices can I use to manage the PMO function?
- How do we assess the effectiveness of the PMO function?
- What are our peers doing and how do we compare?

Recommended Content

- “Survey Analysis: PPM Leaders Must Enable Constant Change”
- “Drive Up PPM Value and Reduce Risk With Effective Gate Reviews”
- “How to Ensure the PMO Supports Product Managers”
- “How PPM Leaders Can Leverage Lean Principles”
- “Ignition Guide to Creating an Onboarding Plan for Project Managers”
- “3 Ways to Enable Your Organization to Better Absorb Change”
- “How to Manage Your Vendors During a Digital Transformation Program”

Planned Research

- Ensuring the appropriate support for change management success
- Best practices for portfolio management
- Insights from IT Score for PPM on PMO/PPM maturity in other organizations
- Supporting the organization in optimization and management of funding models
Leadership

The leadership topic covers research on the vision, role and competencies of the PPM leader and staff. This role is impacted by the continuing trend of moving toward team-based, product-centric delivery and growing collaboration. PPM leaders must evolve their leadership style and competencies to support this change. They must have a vision for the future of their function and talent needs, understand how roles will evolve, and provide guidance on functional strategy creation.

Questions Your Peers Are Asking

- What skills and competencies are needed for the PPM leader and staff in the digital age?
- What critical activities and outcomes do new PPM leaders need to pursue to be successful in their first 100 days and beyond?
- What future trends and challenges will affect the role of the PPM leader?

Recommended Content

- “PMO Digital Leadership Survey Results”
- “Predicts 2020: Evolving PPM for Digital Business at Scale”
- “Entrepreneurial Skills Reference Guide”
- “Enterprise Leadership: What Continuous Change and Digital Require of PPM Leaders”
- “Survey Analysis: Follow the Lead of EPMOs in Digitally Mature Organizations to Enhance Performance”
- “How PMO and PPM Disciplines Will Change in the Digital Business”
- “The PMO Leader's First 100 Days”
- “The EPMO Leader's First 100 Days”

Planned Research

- 2021 PPM leadership vision
- Skills and competency development for PPM staff
- Driving effective PPM with organizational change management (OCM)
Relationship Management
Increasingly, initiatives have many stakeholders; therefore, PPM leaders must collaborate with peers in business and IT to deliver business outcomes and effectively communicate to diverse constituents. This topic helps the function realize business and IT strategy through relationships and promote the value of the function. The relationship management topic covers the connections and dependencies in the PPM ecosystem as PPM comprises essentially collaborative disciplines.

Questions Your Peers Are Asking
- How can PPM leaders understand the needs and priorities of their sponsors and stakeholders?
- How can PPM leaders manage effective partnerships with key stakeholders and sponsors?
- How can PPM leaders design and use metrics, reporting and dashboards to identify issues and demonstrate value?

Recommended Content
- Some recommended content may not be available as part of your current Gartner subscription.
  - “How the City of Cambridge Enhanced Its IT Strategy Realization and Performance”
  - “Driving Project Sponsor Effectiveness to Achieve Improved Outcomes”
  - “Ensure Your Portfolio Dashboards Focus on Change, Actions and Decisions”
  - “Portfolio Dashboard on a Page”
  - “How PPM Leaders Can Modernize the Ways They Measure the Value of the PPM Function for Digital Business”
  - “Toolkit: KPIs and Metrics for a Delivery PMO”

Planned Research
- Maintaining PMO/PPM relevancy
- Value tracking and reporting for digital initiatives
- Exploring ways to enable the PPM ecosystem
- Demonstrating and communicating PPM value
- The role of the relationship manager (i.e., business relationship management [BRM])
Suggested First Steps

- Interact with Gartner analysts to identify research and Toolkits hand-selected for your unique situation and to receive in-context advice.

- Connect with Gartner analysts and peers to learn more at the annual Gartner Program and Portfolio Management Summit.

- Take the “IT Score for Program & Portfolio Management” to assess your organization’s current capabilities and to identify improvement opportunities.

- Learn how PPM leaders can embrace the shift to enterprise agile and continuous delivery models with “Evolving PMOs in an Enterprise Agile World.”

- For advice on PMO strategic planning, consult “5 Tips for Effective PMO Strategic Plans.”

- For insights around changing skills and capabilities, review “How PMO and PPM Roles Will Change in the Digital Business.”

- Use “Ignition Guide to Creating or Updating the Competency Model for Project Management Staff” to help define and roll out a competency model aligned with the organizations’ ambitions.

- Review “Ignition Guide to Strategic Planning for the PMO” to help you establish strategic objectives for your PMO and develop action steps.

- Read “How to Ensure the PMO Supports Product Managers” when preparing for new roles and rebalancing teams.

Essential Reading

- As digital business evolves within the organization, use the “Leadership Vision for 2020: Program and Portfolio Management Leader” to evolve and calibrate your function.

- For insights on PMO roles to support digital business transformation, read “Evolving for Digital Business: 6 Key Roles for Today’s PMO.”

- For ways to accommodate continuous change, consult “Enterprise Leadership: What Continuous Change and Digital Require of PPM Leaders.”

- Consult “Emerging Roles for the Project Manager in Solutions Delivery” when redesigning project manager roles, to adapt them for the new context of solutions delivery in today’s digital business.

- “Use Critical Soft Skills for Effective PMO Leadership” to learn about key attributes that PPM leaders need to run PMOs.
To help PPM leaders identify and develop the entrepreneurial skills that are the hallmarks of project manager effectiveness for digital business, review “Project Manager Skills Required for Digital Business Success.”

Study “A Sponsor Bill of Rights (Nationwide Building Society)” for a clear set of project manager engagement expectations from the perspective of project sponsors.

Review “How the City of Cambridge Enhanced Its IT Strategy Realization and Performance” for insights on ways to maximize the chances of achieving strategic goals.

Review “OCM Best Practices for Successful Change Adoption of Programs and Projects” for best practices on change adoption.

As a new PMO leader, you have only 100 days to gain credibility and to create the perception that the PMO adds value in your organization, “The PMO Leader’s First 100 Days” can help.

Learn how to increase project sponsor effectiveness with “Driving Project Sponsor Effectiveness to Achieve Improved Outcomes.”

Use “Ignition Guide to Creating an Onboarding Plan for Project Managers” to reduce time to productivity for new project managers.

Use “3 Ways to Enable Your Organization to Better Absorb Change” to learn three ways in which PPM leaders can increase change absorption at their organizations.

Use “Ignition Guide to Updating the Project Manager Role and Career Path” to update the PM role, job description and career path.

Review “The EPMO Leader’s First 100 Days” to get your EPMO off to a flying start.

Review “PPM Leaders’ Role in Scaling Enterprise Agility” to understand the new structures and mindsets that are needed to drive transformation across the business.

Read “Effective End-to-End Stakeholder Communication for PPM Staff” to explore how highly effective PPM staff communicate with stakeholders to achieve business outcomes.

Tools and Toolkits

PPM leaders who adopt enterprise leader behaviors are more likely to achieve superior performance. Read “PPM Leader Action Plan to Improve Enterprise Leadership Tool” to develop an action plan.

For an example of a complete PMO charter document and a ready to use template, explore “Toolkit: Confirm the PMO Function With a PMO Charter.”
“Toolkit: Framework to Score, Evaluate and Prioritize Projects Easily” offers a quick way to score and rank initiatives or projects.

For quick access to a collection of PMO job descriptions, please refer to “Toolkit: Key PPM Job Descriptions to Accelerate the Setup of Your PMO.”

Evidence

1 “2019 CEO Survey: The Year of Challenged Growth”

Recommended For You

Leadership Vision for 2020: Program and Portfolio Management Leader

4 Tips to Boost Program Management Acumen

IT Score for Program & Portfolio Management

Debunking 5 Stakeholder Management Myths

Toolkit: Checklist for ITScore Program and Portfolio Management Maturity Assessment

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gartner.com/en/information-technology/role/program-portfolio-management-leaders

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