



FORTEZZA

CONSULTING

STAND FIRM

The Most Valuable Portfolio Management Skill They Never Taught You

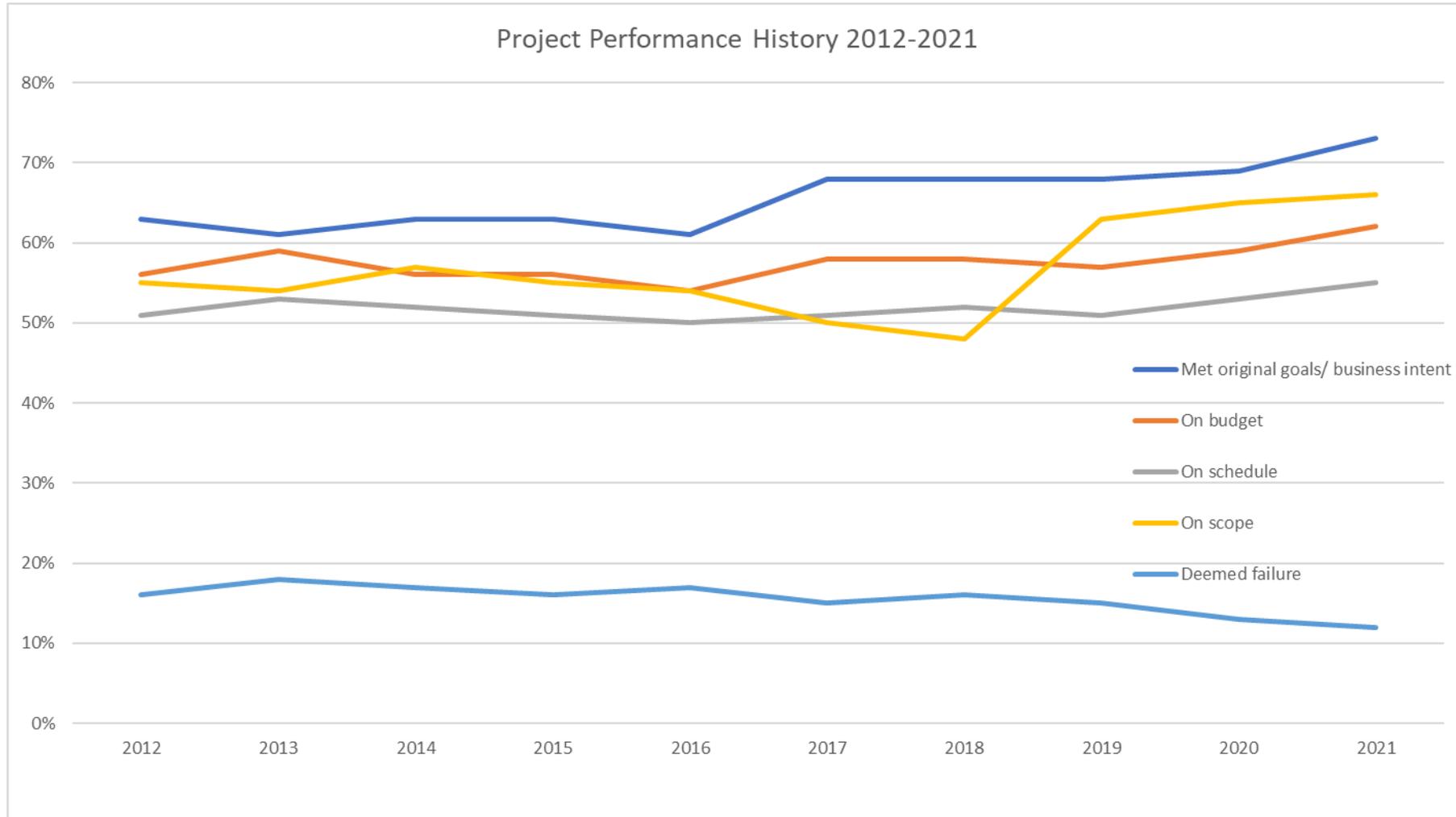
**Presented by Michael Hannan
Founder & Principal Consultant**

*TransparentChoice Webinar Series
January 27, 2022*

My promise to you for this session:

1. You will learn why project portfolios are not designed to maximize impact.
2. You will learn a single technique that can amplify project portfolio performance *dramatically*.
3. You will never think about project management the same again.

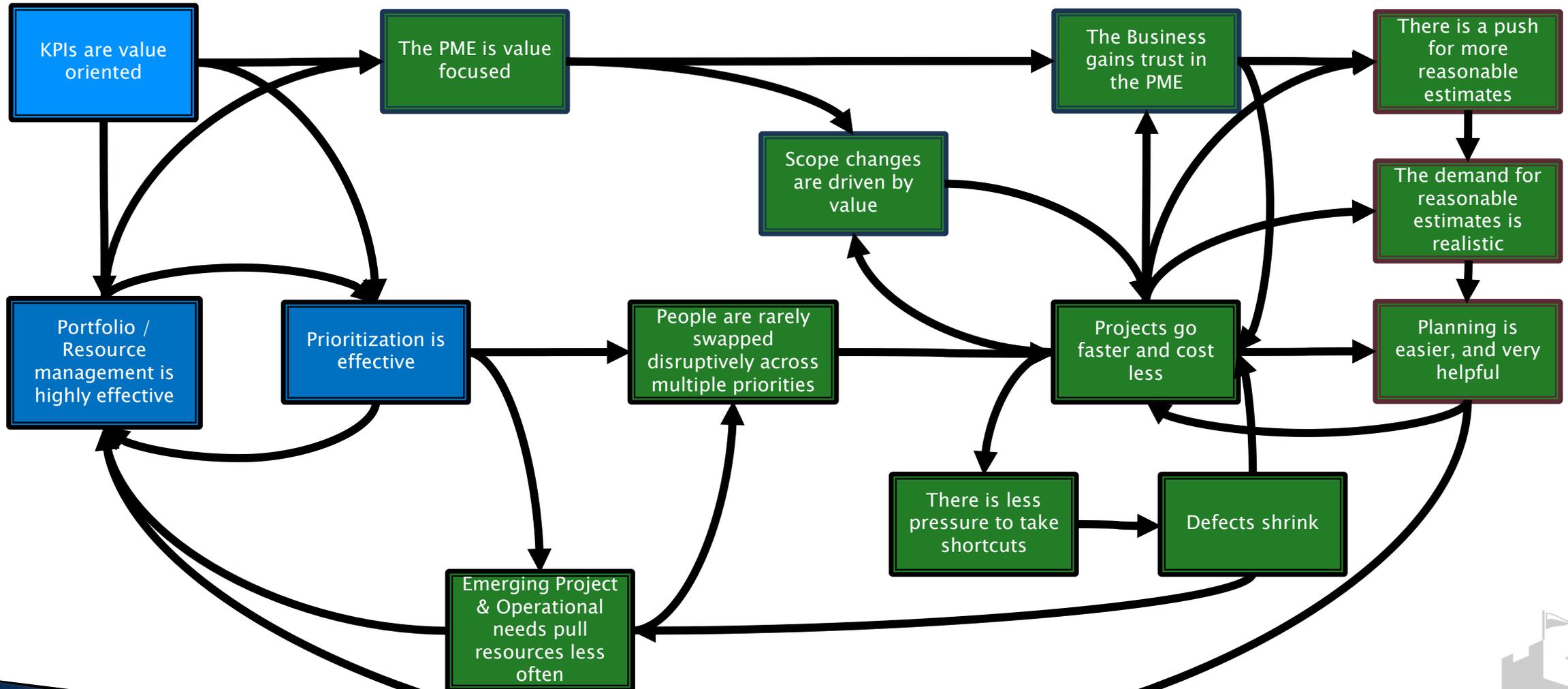
The Situation



Source: PMI *Pulse of the Profession*, Feb 2018, Mar 2021



Flipping Vicious to Virtuous



The Root Problem is Definitional!

▶ Definition of “Project”

- Project Management Institute:
 - “A temporary endeavor undertaken to create a unique product, service or result.”
- Much better:
 - “An **investment** in time and resources undertaken to generate maximal positive impact.”

▶ Definition of “Project Management”

- Project Management Institute:
 - “The application of knowledge, skills, tools and techniques to project activities **to meet project requirements.**”
- Much better:
 - “The application of knowledge, skills, tools and techniques to project activities **to maximize the return on project investments.**”

▶ Definition of “PMO”

- Project Management Institute:
 - “A management structure that standardizes the project-related governance processes and facilitates the sharing of resources, methodologies, tools, and techniques.”
- Much better:
 - “The **most powerful generator** of ever-higher returns on project investments.”



So, We Only Need to Change Three Things!

1. Our Definitions

2. Our KPIs

3. How We Manage Flow

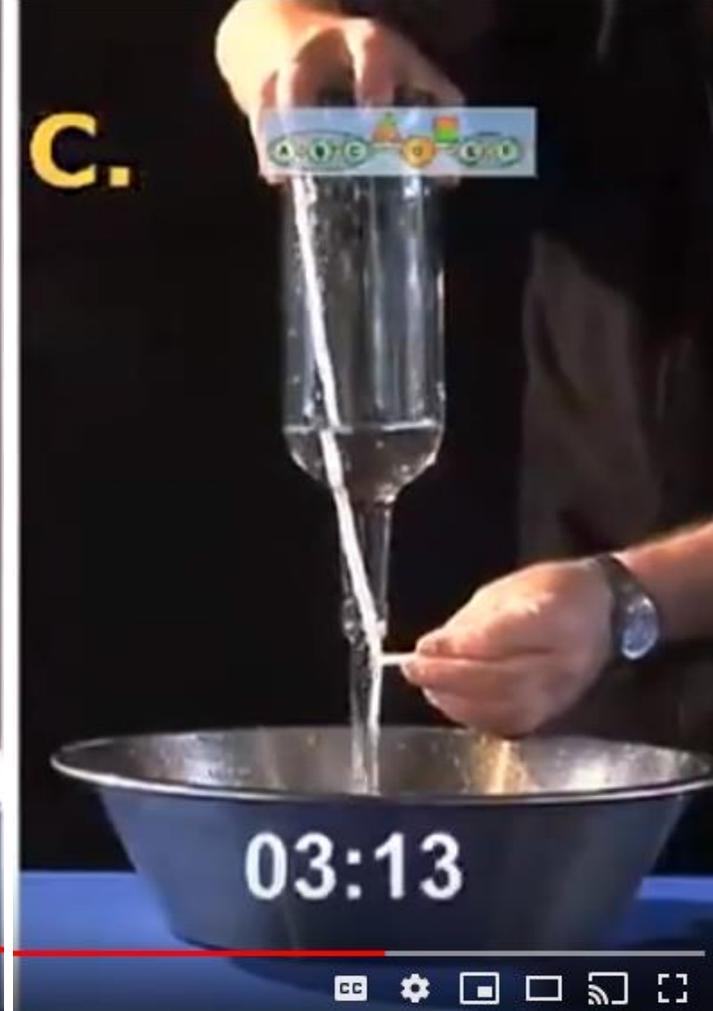
Maximizing Flow Through a Bottleneck



~1 gallon/minute



~2 gallons/minute

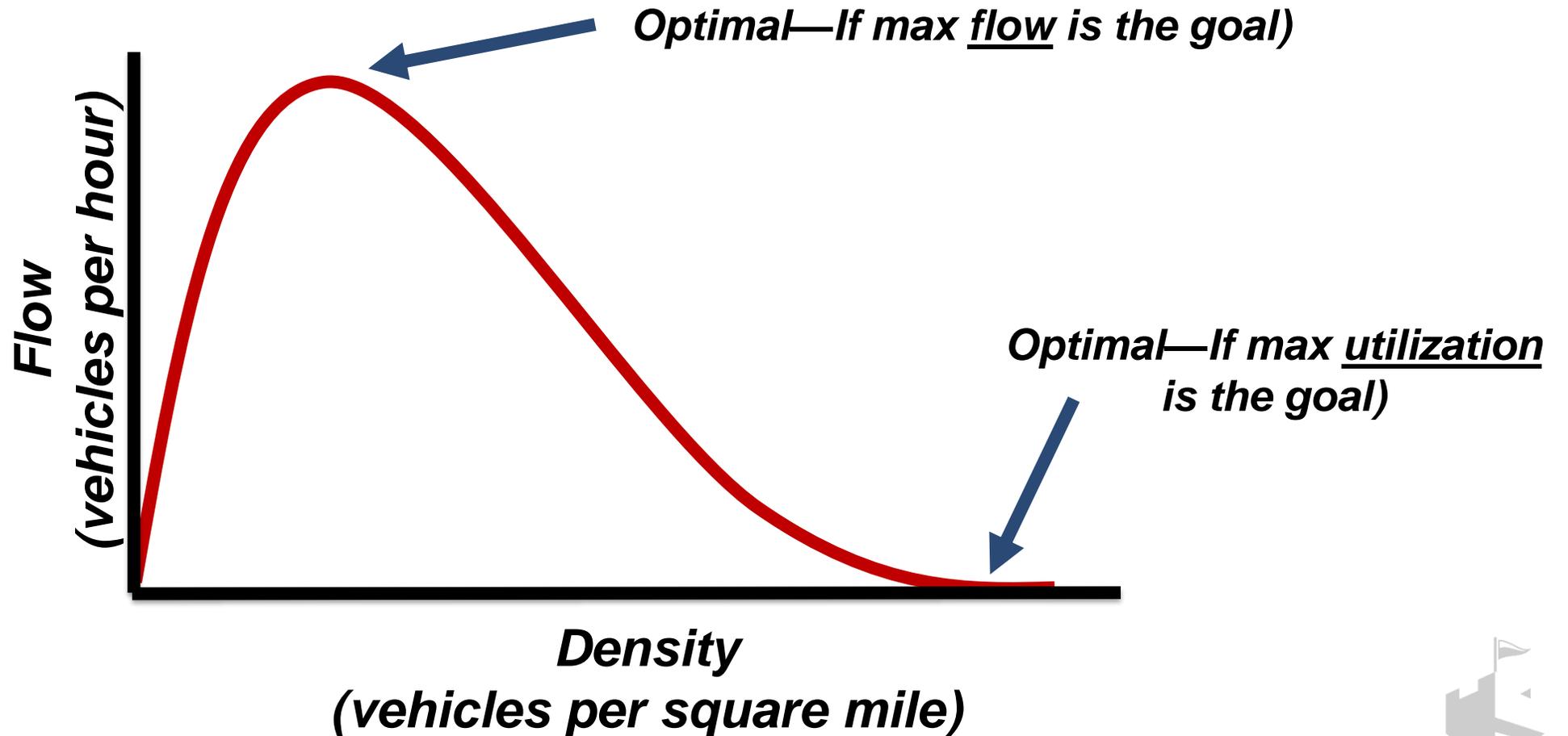


~4 gallons/minute

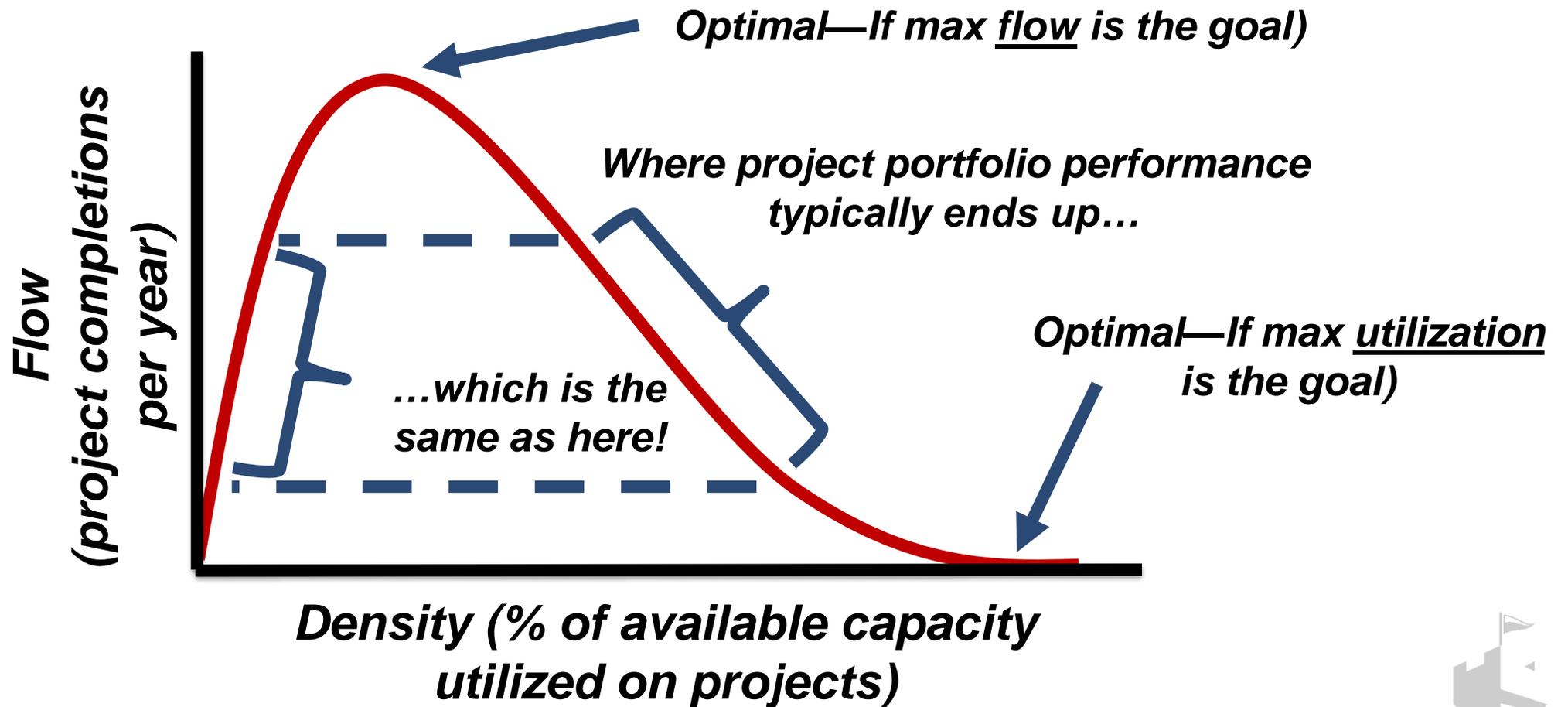
See <https://youtu.be/PMiTVUDiNQ4> for the video, or Youtube search “bottleneck flow”



Which Point on the Flow Density Curve is the Optimum?

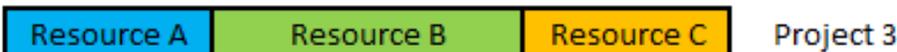
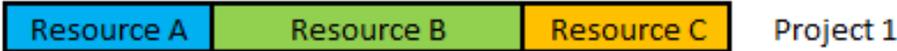


Which Point on the Flow Density Curve is the Optimum?



The Illusion of Progress

Wk 1	Wk 2	Wk 3	Wk 4	Wk 5	Wk 6	Wk 7	Wk 8	Wk 9	Wk 10	Wk 11	Wk 12	Wk 13	Wk 14	Wk 15	Wk 16	Wk 17
------	------	------	------	------	------	------	------	------	-------	-------	-------	-------	-------	-------	-------	-------



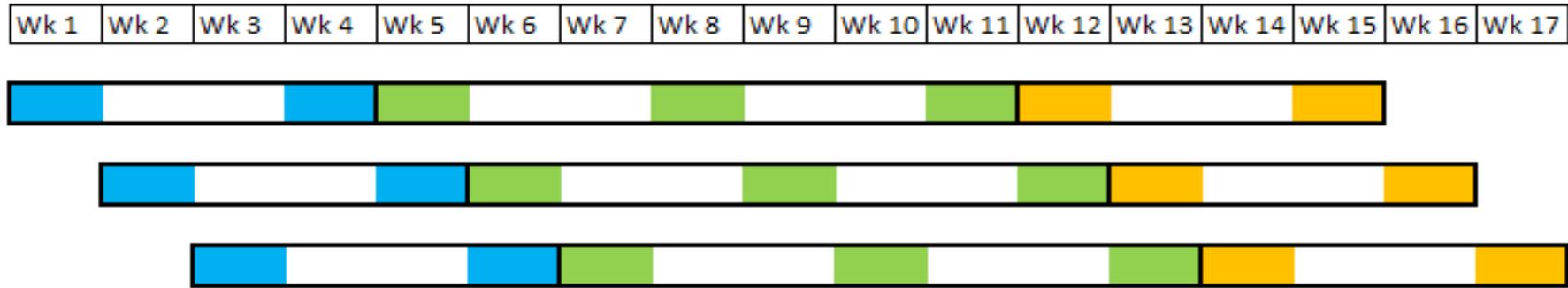
Wk 1	Wk 2	Wk 3	Wk 4	Wk 5	Wk 6	Wk 7	Wk 8	Wk 9	Wk 10	Wk 11	Wk 12	Wk 13	Wk 14	Wk 15	Wk 16	Wk 17
------	------	------	------	------	------	------	------	------	-------	-------	-------	-------	-------	-------	-------	-------



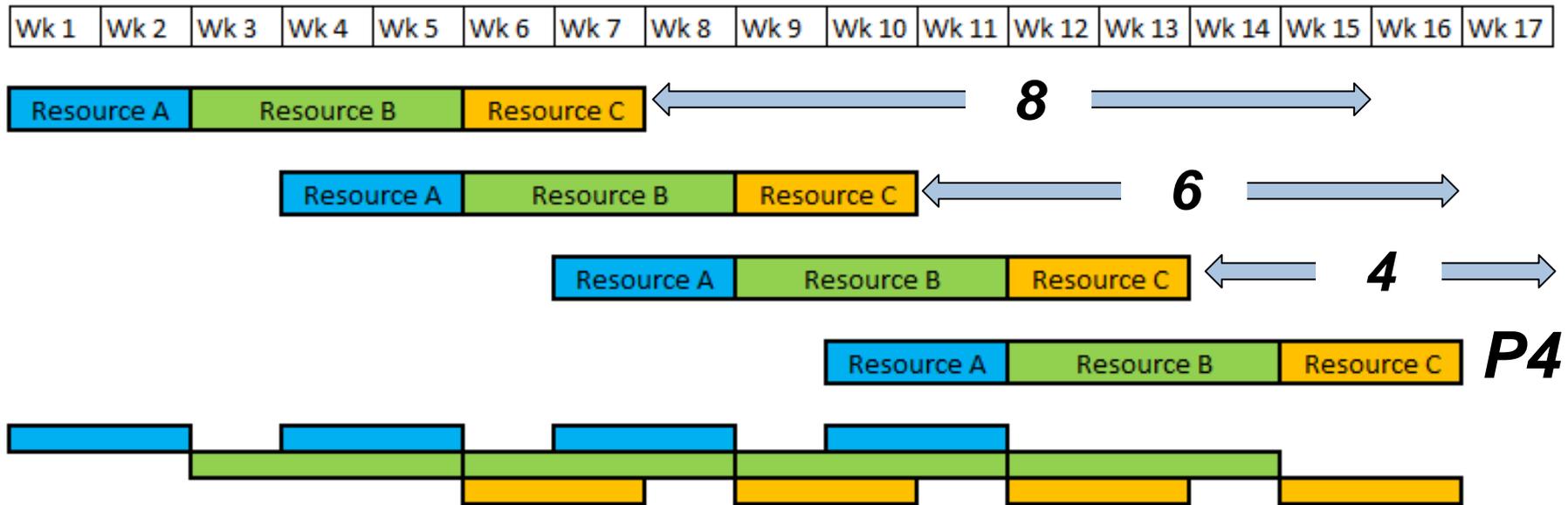
High resource utilization



Simultaneous Projects



Staggered Projects

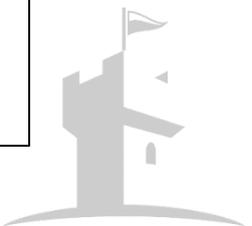
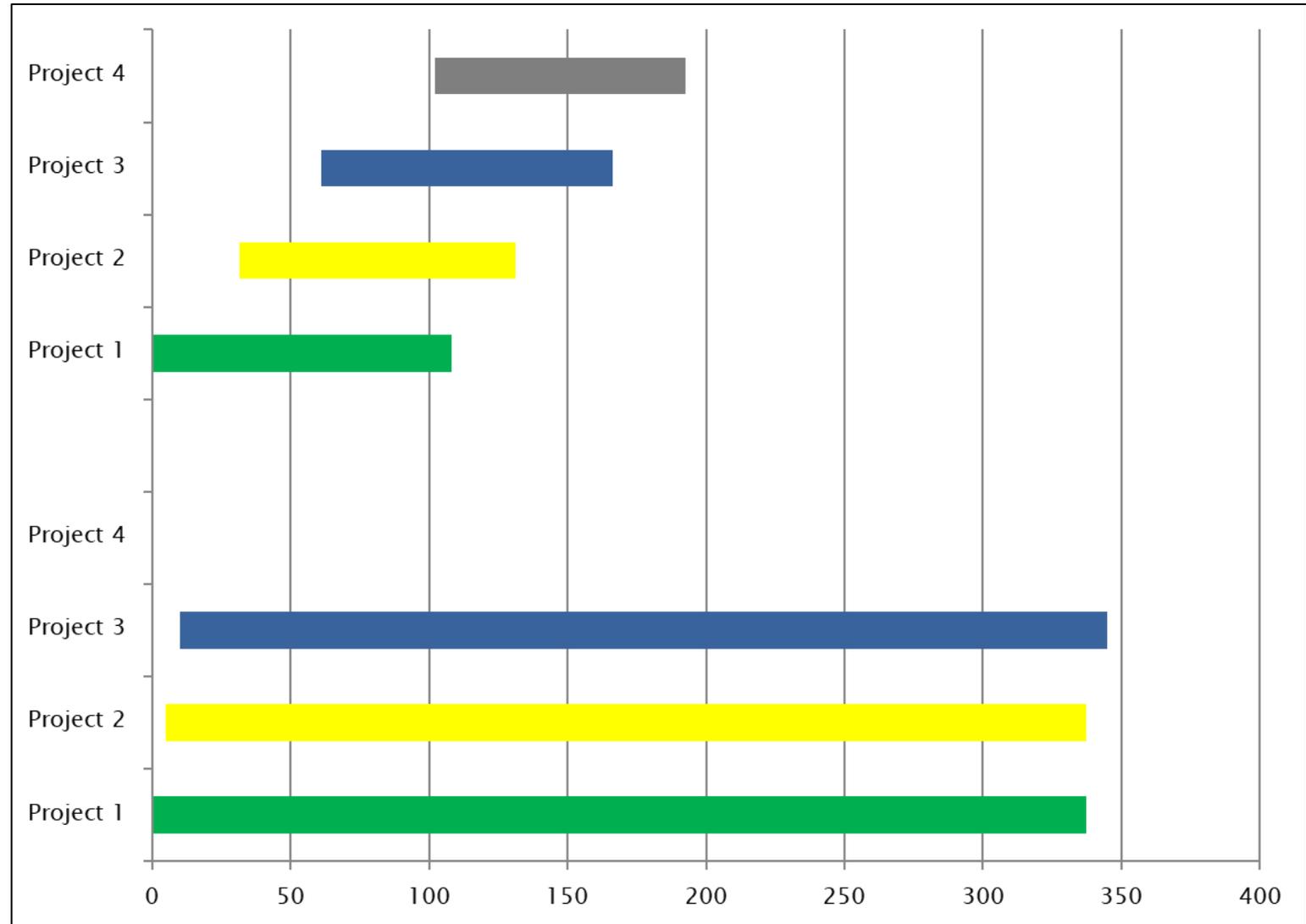


Sample Results from a Client's Gamified Simulation

Happy to coach you on how to facilitate this game for your organization—I'll even do it for free!

Hit me up on LinkedIn:

<https://www.linkedin.com/in/mbhannan/>



How Improved Flow Amplifies Impact

	<u>Current</u>	<u>Future</u>
Total Annual Investment Cost of Project Portfolio	\$100M	\$100M
Total Number of Projects Completed per Year	100	300
Typical Return (Impact) of a Successful Project	\$3M	\$3M
Total Return (Impact) of Project Portfolio	\$300M	\$900M
Net Return (Impact) of Project Portfolio	\$200M	\$800M
Impact (ROI) of Project Portfolio	200%	800%

2X Speed = 3X Projects = 4X Impact

How Easy Is It to Change These Three Things?

✓ 1. Our Definitions

✓ 2. Our KPIs – Just the flow of completions!

✓ 3. How We Manage Flow

Lessons From History

- Dunkirk, May 1940
 - 339,000 people in need of sea rescue
 - Effective direct communication
 - Attack on hold (mostly)
 - They can see the rescuers coming
 - Young, fit, battle-ready soldiers, some injured
 - Limited docking space is a major problem
 - No real threat of chemical or biological weapons
 - Unprecedented in size, yet pulled off in 9 days



challenging

people in need of sea lift

communication

underway

rescuers; also hard to breathe

allians, including elderly & the injured

docking space is an even bigger

threat of chemical or biological

in size, but you only have 9



This is How Much the Flow Would Have to Improve

Dunkirk: ~1,500 people rescued per hour



 = 500 people

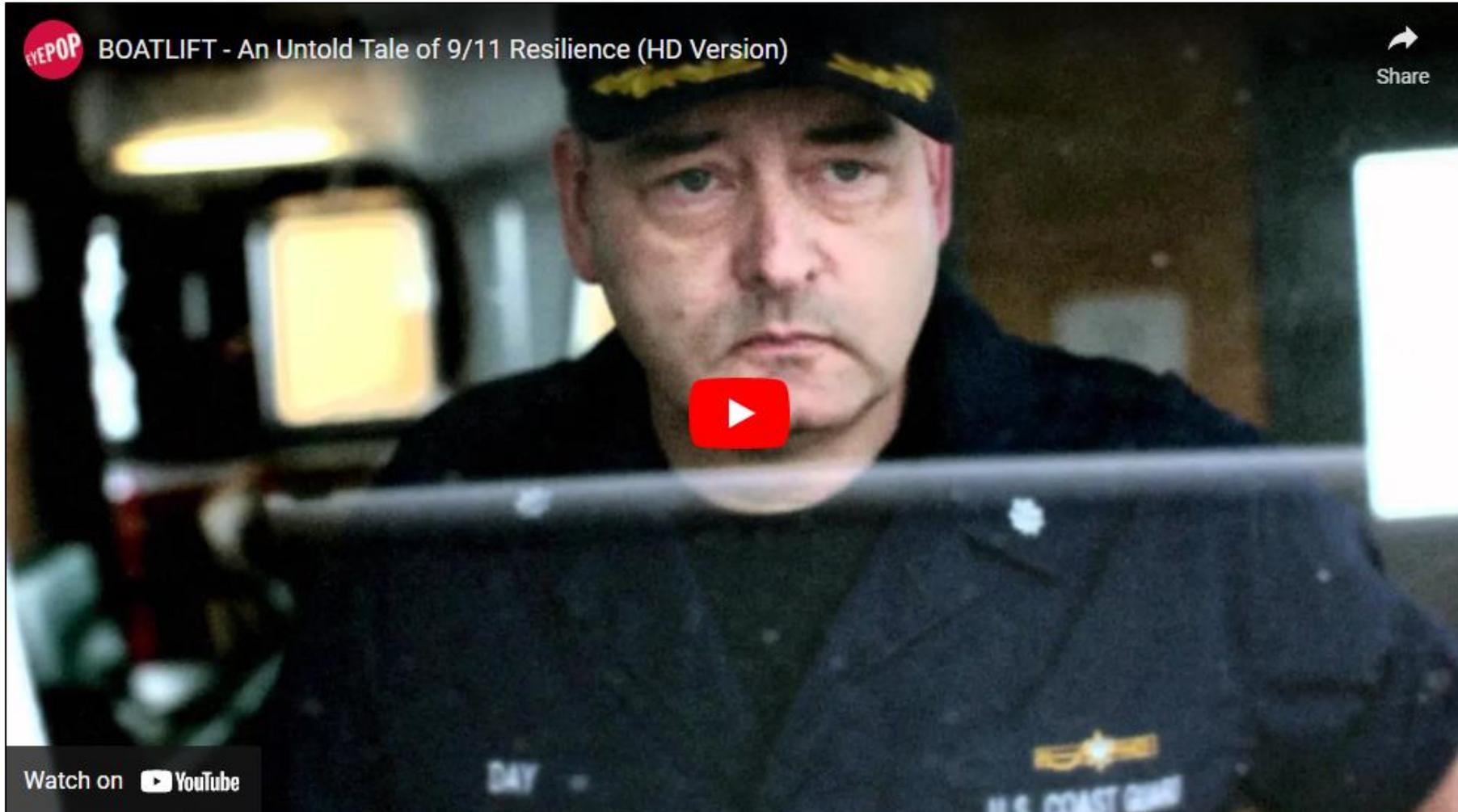
Your challenge: Rescue ~55,000 people per hour



Would You Believe That This Scenario is Real...That It Actually Happened?



How Did Our Flow-Maximizing Leaders Do?



<https://www.youtube.com/watch?v=18lsxFcDrjo>



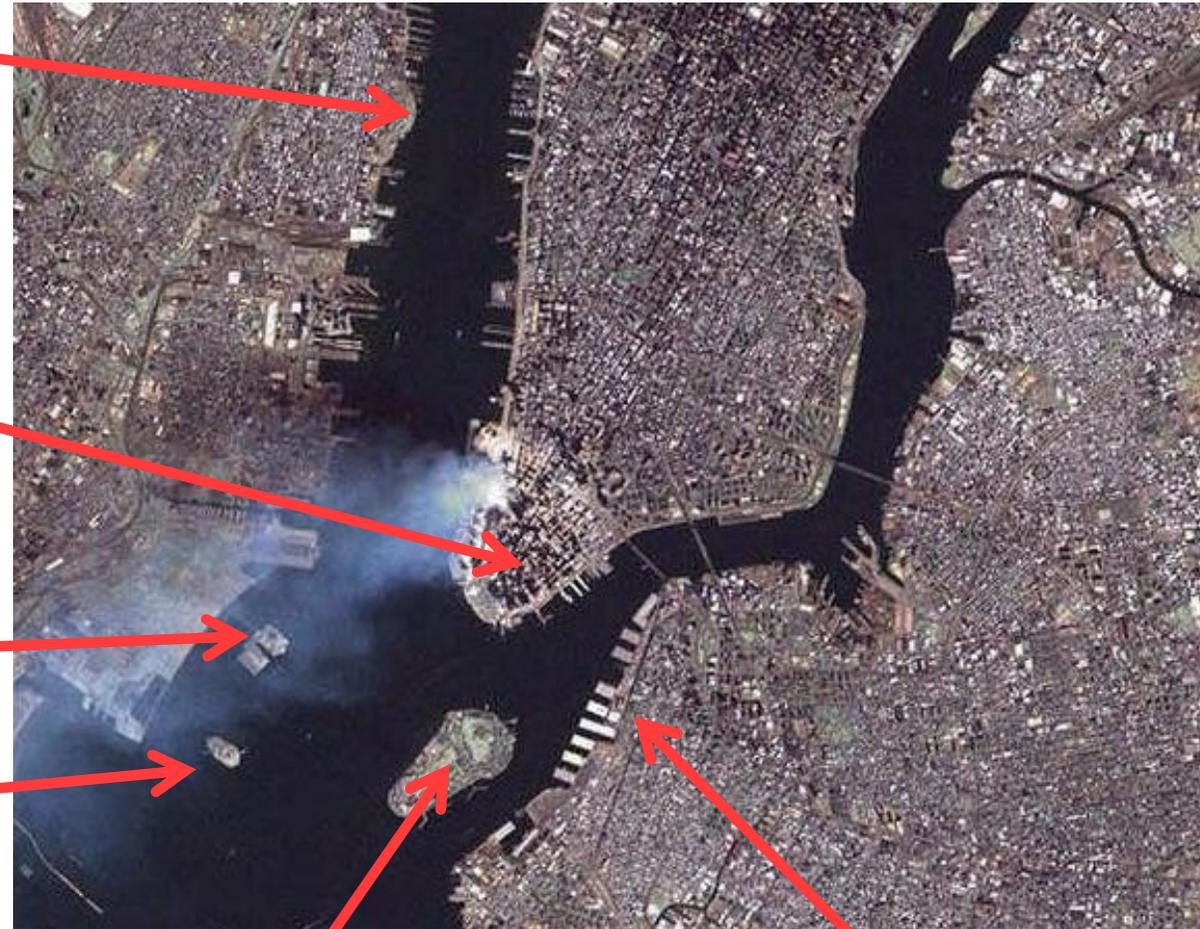
How Did They Achieve a 35X Improvement in Flow?

Hoboken, NJ
(major hub for
commuter trains)

Lower
Manhattan

Ellis Island

Statue of
Liberty



Governor's Island

Brooklyn
waterfront



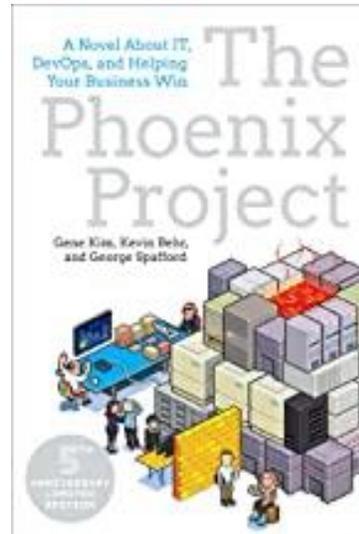
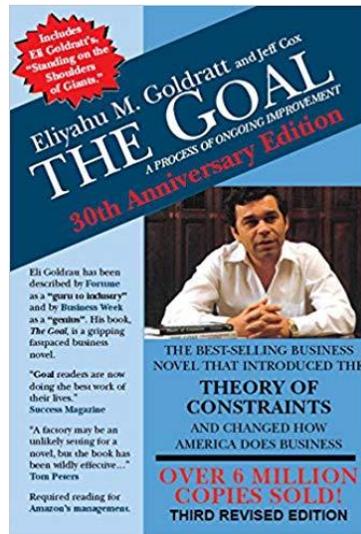
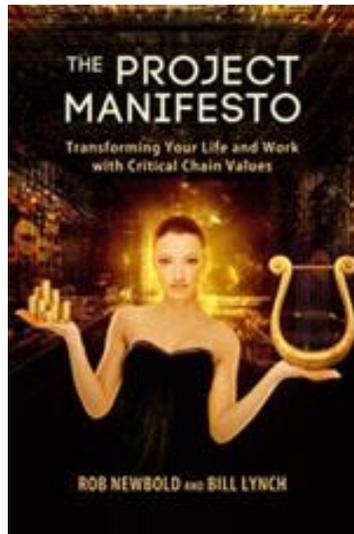
Sample Results

- ▶ Project-team velocities almost instantly speed up by 30%, and often double within six months
- ▶ The portfolio rate of project completions often doubles—and sometimes triples—within one year
- ▶ Portfolio due-date performance shoots up to 95% or better—one client portfolio recently went from 27% to 99% in just six months
- ▶ The highest-priority projects get completed ~5X faster than originally planned
- ▶ One startup client went from almost-out-of-business to leapfrogging the #1 competitor in its space within one year



How Can I Learn More?

- ▶ The blog
 - www.FortezzaConsulting.com/blog
- ▶ The book—just \$7.99 on Amazon for the Kindle version!
 - www.FortezzaConsulting.com/new-book
- ▶ Other recommended books



Q&A



Contact info:

Michael Hannan

Founder & Principal Consultant

Mike@FortezzaConsulting.com

+1 301.520.0899