Successfully Introduce Lean Project Portfolio Management with Meisterplan

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The Guide to PPM that Finally Works

Project portfolio management can be so easy - with Lean PPM and Meisterplan. On the following pages, we will show you step by step how to introduce lean yet effective project portfolio management to your company and how to implement it with Meisterplan. With sub-portfolios, scenario simulation, reporting, and more, you can ensure that the information you need right now is available during each meeting, and that challenges can be resolved as they arise. This ensures that your organization always makes the right decisions for a valuable and achievable portfolio.

Personal Support

If you would like personal support or advice during the introduction of Meisterplan to your company, our Customer Success team is always at your service.
Phone:  +1-888-908-5834 (North America)
        +49-7071-3667-7600 (Europe)
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Always Stay Up-To-Date

We’re constantly improving the Lean PPM method and the Meisterplan software. You’ll always find the most up-to-date version of this guide available for download at meisterplan.com/lean-ppm-guide.pdf.
Document version:  1.1.4

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1 Introduction and Configuration

The 4 Success Factors for the Introduction of PPM to Your Company

We have helped countless clients implement project portfolio management. Therefore, we know that it takes more than a good PPM method and a good tool to firmly establish long-term portfolio management in a company. Here we reveal our four success factors for a sustainable and successful introduction of PPM.

High Acceptance through Simplicity
The right decisions depend on correct data and the absence of shadow systems or collateral agreements. Therefore, the key success factor is that all those involved in project portfolio management - from senior management to the portfolio coordinator to project managers and resources - accept the process and the tool used. That's why Lean PPM only includes the truly necessary meetings and Meisterplan only maintains the project information that is actually needed for the next portfolio decision. This ensures that following the processes and maintaining the tool do not become annoying chores which only take time away from the actual work that needs to be done.

High Acceptance through Added Value
The acceptance of project portfolio management will be even greater if the value added by doing it happens quickly and is transparent to all. Therefore, be aware of the specific problem that PPM solves for each employee and actively communicate the benefits. Take advantage of the in-depth visuals and reporting functions available in your PPM tool. For example, show the company board how portfolio value has been increased, or show a key employee how his or her constant overbooking has been solved.

Start Fast, Scale Later
Company-wide rollouts of new processes, structures or tools are often extremely time-consuming, tedious and risky. It is easier and faster to introduce project portfolio management in one area or division of the company. After that, Lean PPM with Meisterplan can be extended to other business areas using the experience from the initial introduction.

Start Where the Pain Is the Greatest
Different business areas benefit differently from project portfolio management. For the maximum effect and to use as a role model for other areas, it is best to select a highly dynamic area. For example, choose an area that experiences a lot of technological change or one that has key resources that are chronically over-booked.
The Basis for Sustainable Decisions: The PPM Process
Once you have found the right use case and the right area for the launch, introducing the process begins. We will show you which meetings and roles you need for Lean PPM.

Overview – the 4 Areas of PPM

Project portfolio management is the key to getting the right projects done at the right time and with sufficient resources. Each form of PPM consists of four areas, most of which run concurrently and interact with each other:

- In the “Strategize” area, evaluation criteria for projects are defined.
- In the “Collect” area, new project initiatives are collected and evaluated.
- In the “Decide” area, the composition of the portfolio is decided.
- In the “Execute” area, the active project portfolio is controlled.

This process is now managed through regular meetings with clearly defined participants, inputs and outputs.

Meetings
Figure 2 shows you the Lean PPM meeting structure at a glance. For a detailed description of all meetings with participants, input and output, see meisterplan.com/project-portfolio-management/project-portfolio-management-templates.
Roles
In order for the meetings to succeed, the participants should be well-prepared and purposeful during the meeting. For this, it is essential that everyone involved in the PPM process understands their role.

<table>
<thead>
<tr>
<th>PPM Role</th>
<th>PPM Responsibility</th>
<th>Typical Organizational Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initiator</td>
<td>• Brings in initiative</td>
<td>Management, Experts, Key Account Managers</td>
</tr>
<tr>
<td></td>
<td>• Captures initiative and develops it into project proposal</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Presents project proposal to Pipeline Review Committee (if required)</td>
<td></td>
</tr>
<tr>
<td>Portfolio Coordinator</td>
<td>• Responsible for company’s project portfolio or part thereof (e.g. for business unit or program)</td>
<td>Head of PMO, PMO Team Member, Business Unit Manager, Program Owner, IT Coordinator</td>
</tr>
<tr>
<td></td>
<td>• Guides other roles through entire process</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Translates strategy into project prioritization criteria</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Supports Initiator during idea phase, e.g. facilitates resource requirement estimates</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Creates portfolio suggestions</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Prepares decision-making meetings (outside of execution phase)</td>
<td></td>
</tr>
<tr>
<td>Pipeline Review Committee Member</td>
<td>• Review, evaluate and prioritize initiatives</td>
<td>Department Managers, Business Experts</td>
</tr>
</tbody>
</table>

(Continued on next page) Table 1: These roles contribute to good project portfolio management.
<table>
<thead>
<tr>
<th>PPM Role</th>
<th>PPM Responsibility</th>
<th>Typical Organizational Role</th>
</tr>
</thead>
</table>
| Portfolio Board Member | • Responsible for seeing strategy through to execution by using successful project portfolio management  
• Exerts control over active portfolio  
• Makes decisions regarding issues in active portfolio  
• Decides on the future project portfolio and the respective budgets | Senior Management                    |
| Project Manager        | • Reports project status  
• Reports resource requirements for project  
• Escalates project issues  
• Presents project to decision-making bodies (if required) | Trained Project Manager             |
| Resource Manager       | • Ensures correct mapping of resources to roles and skills  
• Staffing: (re-)assigns resources to projects  
• Resolves day-to-day/tactical resource management issues | Team Lead                            |
| Team Member            | • Works on assigned projects                                                                                                                                                                                      | Employee                             |
| Execution Steering Member | • Responsible for strategy execution through individual projects  
• Exerts control over active projects  
• Makes decisions regarding issues in active project  
• Resolves project management challenges | Department Managers, Senior Management |
| HR Department          | • Keeps employment records up-to-date, including hire/termination date, departmental allocation, work schedule, holidays                                                                                          |                                     |
| Strategy Manager       | • Works with Portfolio Coordinator to translate strategy into evaluation criteria (strategy workshop)                                                                                                           |                                     |

(Continued from previous page) Table 1: These roles contribute to good project portfolio management.

To learn more about Lean PPM, visit our website at meisterplan.com/project-portfolio-management.
Customize Meisterplan for Your Business in 7 Easy Steps

When the roles are assigned and the meetings are scheduled, you can then configure the tool. Meisterplan comes pre-configured for Lean PPM, so you can customize the tool to fit your organization's needs in just seven simple steps.

⚠️ Users with Demo Data:

Click the DELETE DEMO DATA button in the header to delete our demo data if you haven't already done so.

⚠️ Users with an Empty Database:

If we have set up your system with an empty database at your request, you should configure standard portfolios and project fields in addition to the seven steps already done so.

Project Phases/Milestones

Customize the preconfigured project phases (under Manage > General Settings) to reflect the progress of projects from planning to execution to completion. How you structure your projects will affect how you work with milestones. If you later add milestones to your projects, they can start or end a project phase.

Stage Gates

A smooth PPM process depends on making explicit and transparent decisions. Stage gates support this goal because they can be used to clearly define which levels a project has already reached before approval. Under Manage > Fields, select the project information field “Stage Gate” and complete the pre-configuration to set up the following stage gates:

- New
- Seeking Review
- Seeking Approval
- Reviewed
- Active
- On Hold
- Completed
- Rejected

To learn more about Project Information Field Configuration, please visit our Help Center.

Project Information Fields

When it comes to the question of what additional project information is needed to make informed portfolio decisions, less is usually more. It is better to have a small amount of cleanly maintained data than an abundance of incomplete information and outdated fields. Under Manage > Fields, you can edit the preconfigured fields and add additional fields. To learn more about Project Information Fields, please visit our Help Center.
<table>
<thead>
<tr>
<th>PPM Role</th>
<th>Access Level</th>
<th>Edit Rights</th>
</tr>
</thead>
</table>
| Initiator User               | User           | - Edit Plan of Record  
|                              |                | - Change project rank  
|                              |                | - Change, add and delete allocations  
|                              |                | - Change project schedule  
|                              |                | - Add projects and programs  
| Project Manager User         | User           | - Edit Plan of Record  
| Portfolio Manager User       | Portfolio Manager | - Add projects and programs  
|                              |                | - Delete projects and programs  
|                              |                | - Change project schedule  
|                              |                | - Change project rank  
| Resource Manager User        | Data Manager   | - Edit Plan of Record  
|                              |                | - Use resource pool and edit absences  
|                              |                | - Change, add and delete allocations  
| Portfolio Coordinator User   | Administrator  | - Edit Plan of Record  
|                              |                | - Change project rank  
|                              |                | - Sort project list by project score  
|                              |                | - Change, add and delete allocations  
|                              |                | - Change project schedule  
|                              |                | - Auto-schedule multiple projects  
| Pipeline Review Committee Member User | User | - Edit Plan of Record  
|                              |                | - Change project rank  
|                              |                | - Sort project list by project score  
|                              |                | - Change, add and delete allocations  
|                              |                | - Change project schedule  
|                              |                | - Auto-schedule multiple projects  
| Execution Steering Member User | User | - Edit Plan of Record  
|                              |                | - Change, add and delete allocations  
|                              |                | - Change project schedule  
| Strategy Manager Viewer      | Viewer         | - None  
| Portfolio Board Member Viewer | Viewer         | - None  

Table 2: Depending on the role of a Meisterplan user, the appropriate access level is chosen.
Organization Units (OBS Structure)
With efficient project portfolio management, decisions are made where the most knowledge exists. For dividing the portfolio into sub-portfolios as well as for resource management in general, it is helpful to map the structure of your company or organization in the PPM tool. In the Resource Pool under Organization (OBS), you can edit the preconfigured structure and create your own departments, locations or teams. Read more about the OBS structure in our Help Center.

Roles
For Lean PPM, the resource cost of projects is specified at the role level during the proposal and rough planning phase. It is only in the detailed planning phase, after the resolution of the new portfolio, that individual resources are staffed to the project. In Meisterplan (in the Resource Pool under Roles), you can create roles such as Senior Developer or Junior Advisor. More about using roles in Meisterplan can be found in our Help Center.

Users
In order for all those involved in your project portfolio management process to contribute to an optimal portfolio, each user needs to access Meisterplan with user’s rights suitable to his/her role. Create a user profile for each participant (go to Manage > Users). The access level as well as edit rights determine to which data a user should have write access. The access levels and edit rights for each role are: shown in Table 2. Learn more about user management in Meisterplan in our Help Center.

(Sub-)Portfolios
The bigger your organization is, the more you gain by dividing the entire portfolio into multiple sub-portfolios. First of all, decentralization reduces the complexity of the PPM process, making it more manageable. In addition, decentralization in the sense of “lean” is efficient because decisions and conflict resolutions can often already take place where the most detailed knowledge is available.

First, edit the preconfigured portfolios (via the Manage Portfolios option in the Portfolio menu at the top left in the header). To do this, configure the usage rights for the standard PPM portfolios (“Pipeline: New”, “Pipeline: Review”, “Planning: Active + Approved + Seeking Approval + On Hold”) so that the corresponding roles can work with them. Simply delete unnecessary preconfigured portfolios. Depending on the size and structure of your company, you can create the following portfolios with matching filters and give access to the corresponding Meisterplan users (also via Manage Portfolios in the Portfolio menu). Learn more about creating and managing portfolios in our Help Center.

<table>
<thead>
<tr>
<th>Portfolio</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portfolios for portfolio managers, program managers or multi-project managers</td>
<td>When responsibility and management are divided into individual portfolio areas, each manager has access to the projects assigned to him/her.</td>
</tr>
<tr>
<td>Portfolios for project managers</td>
<td>Each project manager maintains the status and progress of his/her own projects.</td>
</tr>
</tbody>
</table>

Table 3: The management of portfolios is decentralized through sub-portfolios.
Bring Your Data into the Tool

After the configuration, Meisterplan is ready for your data. Before the new Lean PPM process can start, projects that are already in process and their corresponding resources must first be entered or imported into the tool. It’s best to start with the resources, because then the allocations for each project can be created right when you add the project to Meisterplan.

Depending on the size of your business, you can either manually create resources and projects in Meisterplan, or you can use one of the available integrations, such as Microsoft Excel, Smartsheet, or Jira, to import the data.

Particularly for manual creation, decentralization makes sense. Have resources and skills added to the tool by resource managers or by the HR department, and have projects and allocations added to the tool by your project managers.

The Bring Your Own Data into Meisterplan Help Center article explains what data you need and how to bring it into Meisterplan.
2 Implementation of Lean PPM with Meisterplan

In order to achieve sustainable project-driven results under dynamic conditions, there is no way around having a project portfolio management process. Through this process, the selection of new projects, the compilation of a strategic and feasible portfolio and the consistent execution of planned projects are structured and controlled with the help of defined meetings and roles. The result is higher earnings and happier employees.

In the first part of this guide, we showed you how to successfully introduce PPM in the business, tailor Meisterplan to your needs, and import the active portfolio and resources into the tool.

In this second part, we will now show you step by step how to implement Lean PPM with Meisterplan in your daily work.
Translate Your Corporate Strategy (Strategize)
In the "Strategize" area of PPM, the participants ensure that the decisions to be made in the other areas can be based on the corporate strategy.

PPM Context and the Roles Involved
The Portfolio Coordinator and Strategy Manager are responsible for translating the corporate strategy. They develop criteria for the strategic evaluation of projects in the biannual strategy workshop, and if necessary, adapt them to changes to the corporate strategy. The Portfolio Coordinator also configures the PPM tool when needed.

This evaluation option for projects forms the basis for creating and executing a portfolio in the other PPM areas that is as valuable as possible and in line with the corporate strategy.

Implementation in Meisterplan
For defining and weighting the project criteria against each other during the Strategy Workshop, Meisterplan is not necessary. Only the detailed definition of individual project score values is done later in the tool.

Defining and Weighting Project Criteria

⚠️ Various Possible Approaches to Evaluation
In principle, depending on the strategic orientation, different approaches for evaluating projects make sense. For example, the net value of the projects could simply be used as the sole criterion if the company has no more strategic goals than making profits. For Lean PPM with Meisterplan, we recommend classifying projects using a project value that incorporates several strategic criteria.

In the Strategy Workshop, criteria for the strategic evaluation of projects are defined and weighted against each other. To use the strategy manager’s time efficiently, this is initially done outside of Meisterplan. Still, the list of criteria should be maintained digitally, so that the current state is visible at the next strategy workshop.

**Step 1:** Create or update the list of project criteria derived from the company’s strategic goals (e.g., "Profit Contribution", "Amortization Duration", "Benefit for Core Market X", "Benefit for Digital Transformation", "Risk").

⚠️ Try to Have as Few Criteria as Possible
If you have more than 5 project criteria, it makes sense to combine related criteria. The simplicity of the process is one of the success factors for the introduction of PPM.

**Step 2:** Define the (updated) relative weighting of these project criteria (e.g., 3x, 3x, 1x). The result of the strategy workshop can then look like in Table 4, for example.
Defining Project Value Contributions

To evaluate projects, a score is used that reflects how far a single project contributes to the achievement of the strategy. That score is the sum of this project’s individual project criteria scores.

In Meisterplan, a project’s total score is given as the project value. The individual project criteria are created as project fields.

**Step 1:** In the left hand side sidebar, under Manage, open the Fields view.

**Step 2:** Now create a new project field of the Lookup type for each project criterion. The result can be seen in Figure 4.

<table>
<thead>
<tr>
<th>Project Criteria</th>
<th>Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit Contribution</td>
<td>5x</td>
</tr>
<tr>
<td>Amortization Duration</td>
<td>3x</td>
</tr>
<tr>
<td>Benefit for Core Market X</td>
<td>2x</td>
</tr>
<tr>
<td>Benefit for Digital Transformation</td>
<td>2x</td>
</tr>
<tr>
<td>Risk</td>
<td>2x</td>
</tr>
</tbody>
</table>

Table 4: Project criteria are defined in the Strategy Workshop.

*Figure 4: Project criteria as project fields in Meisterplan.*

**Step 3:** For each gradation of a criterion, create a corresponding Lookup Value in the respective field. For example, "High", "Medium", and "Low" values for the Profit Contribution field.

**Step 4:** Define for each gradation of a project criterion how many points should be contributed to the overall score of the project. The easiest way to do this is to first determine the highest score, based on the relative weighting of this criterion. This can then be done, for example, according to the principle shown in Table 5.
Table 5: The weighting of the criteria determines the highest score.

<table>
<thead>
<tr>
<th>Project Criteria</th>
<th>Weighting</th>
<th>Highest Score Possible</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit Contribution</td>
<td>5x</td>
<td>50</td>
</tr>
<tr>
<td>Amortization Duration</td>
<td>3x</td>
<td>30</td>
</tr>
<tr>
<td>Benefit for Core Market X</td>
<td>2x</td>
<td>20</td>
</tr>
<tr>
<td>Benefit for Digital Transformation</td>
<td>2x</td>
<td>20</td>
</tr>
<tr>
<td>Risk</td>
<td>2x</td>
<td>20</td>
</tr>
</tbody>
</table>

With the highest score as a landmark, you can now set the score of the other grades. Enter the corresponding number as the project score value of the respective Lookup Value. If you’ve set all the scores for a criterion, the result should look like in Figure 5.

Figure 5: The finished project criterion “Profit Contribution” in Meisterplan.
Now, you have defined the evaluation model for projects, and you will use this model from now on to measure how well your portfolio conforms to strategy. If adjustments are made in the next strategy workshops, apply these same adjustments in Meisterplan. For example, if the weighting has changed, change the score of the respective gradations. If there are completely new strategic goals, define corresponding project criteria and their weighting in the workshop, and then create these criteria in Meisterplan as a new project field.

Now all activities from the PPM area "Strategize" have been implemented with Meisterplan. The strategy is defined and up-to-date and can be used as a basis for further activities in the "Collect", "Decide" and "Execute" areas.
Management of the Project Pipeline (Collect)
In the "Collect" area of PPM, opportunities are being created to add new project initiatives to the project portfolio.

PPM Context and the Roles Involved
New project initiatives are brought into the project portfolio management process by project initiators. They are examined and prioritized in two stages, first by the Portfolio Coordinator and then by the members of the Pipeline Review Committee.
This ensures that the initiatives are evaluated against the corporate strategy as translated in the "Strategize" area, and that they are best prepared for deciding on the future portfolio in the "Decide" area.

Implementation in Meisterplan
Initiators can create their project initiatives directly in Meisterplan and, if needed, link them to more detailed project proposal documents maintained in other systems (e.g. internal wikis). The tool is also used during the Proposal Coaching meeting so all participants have the same level of knowledge. The portfolio coordinator can even monitor the pipeline before the next planning cycle.

Creating New Project Initiatives
For an efficient PPM process, new project initiatives are created in a decentralized fashion by the initiators themselves in Meisterplan. To avoid wasting time, the initiatives should not be detailed any further in case they are rejected.

Step 1: Open the "Pipeline: Initiatives" portfolio.
Step 2: Review existing proposals to avoid creating duplicate initiatives.
Step 3: If there is no project already in Meisterplan for your initiative, create a new project.
Step 4: For the new project, select the Stage Gate "New".
Step 5: If the initiative already contains a project profile in another system, enter the link to the profile in the project information field Project Profile.

First Review of New Project Initiatives
The first review of the new project initiatives will be done in the Proposal Coaching meeting with the portfolio coordinator and the initiators. To avoid wasting time with initiatives which will get rejected later, the Portfolio Coordinator first ensures that the initiatives created do not contain duplications or proposals with no chance of greenlighting for the foreseeable future. The remaining initiatives will be further developed so that they can be objectively evaluated later in the process.

Step 1: Open the "Pipeline: New" Portfolio to see all the initiatives.
Step 2: Delete duplicate initiatives and hopeless proposals, and briefly explain the reasons to the initiator.
Step 3: For all other initiatives, the portfolio coordinator and initiator fill in the project details together:

- Project fields, particularly fields for strategic evaluation
- Financial events
- Roles and rough allocations
- Milestones
- Dependencies other projects, if applicable
- Advice for the Pipeline Review Committee is added to the Notes field, if applicable

Step 4: If the details have been sufficiently defined, the initiative will be put under the Cut-Off Line. The project in Meisterplan should now look like Figure 6.

Step 5: Finally, change the Stage Gate of the project to “Seeking Review”. The project will no longer be part of the “Pipeline: New” portfolio.

If there is not enough information to fill in all of the details for an initiative, leave the Stage Gate as “New”. The initiator must then provide the necessary information in the next Proposal Coaching meeting. The result of the meeting is, in any case, an initial refinement of the project pipeline.
Deciding on the Portfolio (Decide)
In the “Decide” area of PPM, the inputs from the “Strategize”, “Collect” and “Execute” areas converge and make it possible to decide on the future portfolio.

PPM Context and Roles Involved
The path to deciding on the future portfolio begins with the members of the Pipeline Review Committee, who re-examine and rank the project initiatives proposed in the “Collect” area. Using this prioritized list as well as the active projects, the Portfolio coordinator will design his proposal for the future portfolio that he will submit to the members of the Portfolio board. They will discuss the proposal, and at the end of the discussion, they will decide on the future portfolio. The portfolio coordinator then, in turn, communicates the future portfolio to other portfolio managers and project managers responsible for executing it.

Implementation with Meisterplan
For maximum transparency and efficiency, all involved use Meisterplan: The Pipeline Review Committee instantly sees the initiatives, the coordinator designs his proposal directly in the tool, and the Portfolio Board sees at a glance how the projects are doing. Meisterplan supports every step with its extensive reporting functionality.

Second Review of New Project Initiatives and Mutual Prioritization
So far, Proposal Coaching has generated a list of projects that have been proposed for inclusion in the portfolio. However, future planning is easier if the proposed projects are already prioritized relative to each other. (“If only one of these five proposals fits into the portfolio, we would most like to have this one there.”). Depending on the nature of the projects and the structure of the organization, a second validation (e.g., by technical experts or individuals with different perspectives) is necessary.

In the Pipeline Review Meeting, participants will review all projects up for review and make the decision on each project as to whether to continue scheduling, request further specification, or to reject. All approved projects are then prioritized relative to each other.

Step 1: Open the *Pipeline: Review* Portfolio in Meisterplan.

Step 2: Filter the project list by the Stage Gate "Seeking Review" (see Figure 7) so that only the projects that the Pipeline Review Committee should decide on in the first part of the meeting are visible.
Step 3: The Portfolio Coordinator presents each initiative to the Pipeline Review Committee for consideration: What is the project? What are the benefits and costs associated with it? What is the resource requirement? What are the dependencies?

To visualize any dependencies, you can switch to the portfolio showing all projects during the meeting.

Step 4: A clear decision is made regarding how to proceed with each project:
- If an initiative is not defined clearly enough, it will be reset to the Stage Gate “New”. The initiative must then be reworked in Proposal Coaching. You can use the Note field to record what improvements are necessary.
- If there is no corporate interest in implementing a specific project (and the Pipeline Review Committee has the authority to decide this), the initiative can be immediately rejected and the project moved to the Stage Gate “Rejected”.
- If the initiative is properly defined, and there is a need for implementation, then the initiative will be approved by the committee for further scheduling and moved to the Stage Gate “Seeking Approval”.

Step 5: To ensure that only projects that have already been reviewed are visible for the second part of the meeting (the mutual prioritization), filter the project list by the Stage Gate “Seeking Approval”.

Step 6: Sort the projects in the “Pipeline: Review” portfolio by project score via the More Actions menu in the toolbar for the Portfolio Designer view. Select ALL PROJECTS and confirm to sort all projects in the active portfolio by their project scores derived from your criteria (see Figure 8).
By sorting according to strategy contribution, the order of the already-approved projects now best reflects the strategy of the company. However, depending on the situation and when needing to decide between several projects with the same high strategic contribution, further evaluation criteria and priorities may be necessary.

Meisterplan supports this with additional features, such as:

- Gantt chart color schemes where project bars are colored depending on their attributes, for example, by business area or strategic project criteria
- Integrated pivot reports that, for example, use diagrams to show the projected net profit of the project proposals (see Figure 9)

⚠️ **Filter Reports**

When you work with reports in the Portfolio Review meeting, always filter the projects displayed in the report so that only projects of the relevant stage gates (“Seeking Approval” and/or “Reviewed”) are displayed.
Step 7: If necessary, use the analysis options described above as support during the prioritization.

Step 8: If the committee decides to deviate from strict sorting according to strategic contribution, simply change the rank of the respective project via drag-and-drop.

This completes the mutual prioritization and second validation of the new project initiatives. You should now have a clear recommendation on which new projects should be included in the portfolio, and the new initiatives have been specified as realistically as possible.

Create a Proposal for the Future Portfolio
The strategy was formulated, new initiatives were collected and assembled into a qualified recommendation, and the ongoing projects were carried out in the “Execute” area. It is now up to the portfolio coordinator to consolidate all these aspects into a portfolio proposal that is as valuable as possible while still being feasible. The portfolio coordinator will then present this proposal to the decision-makers, and finally a decision on the new portfolio will be made.

Planning Cycle
Several properties of an organization, such as size, affect how often the future project portfolio is planned. In this guide, we use quarterly planning, which in our experience suits many organizations. If a longer or shorter cycle is more appropriate for your business, only the gaps between activities change - the principle remains the same.

For the proposal of the future portfolio, the portfolio coordinator initially focuses on one question: Which project is the most valuable? This question is also the main concern of the Pipeline Review Committee. However, the design of a portfolio is not just a simple sorting according to strategy and/or profit contribution. The feasibility of the portfolio, continuous resource utilization, dependencies on other projects and external factors such as legal frameworks must also be considered. The human factor in terms of feasibility must not be forgotten - a good proposal doesn’t come from the computer alone. The portfolio coordinator aims to achieve the highest possible acceptance of major changes compared to the active portfolio by getting into personal contact with those affected, even before a decision is made.

All Meisterplan users are informed about the beginning and end of the planning phase. Project managers or program managers who change the plan of record during the planning phase are responsible for aligning their deviations with the new approved portfolio. The portfolio coordinator keeps an eye on any changes in order to clarify possible problems at an early stage.

Why Not Freeze the Plan of Record?
In principle, during the planning phase, you could simply deprive all users of write access to the plan of record. As a rule, this will only hide changes, but not prevent them. After all, the execution of the ongoing projects doesn’t stop while the portfolio managers work on their plan for the upcoming portfolio. It is more efficient to be clear about any problems and solve them immediately rather than hide them.

Step 1: Create a new scenario called “(Copy) PoR before Planning QX”, replacing “X” with the number of the next quarter to be planned. You can use this scenario to check whether there have been changes to the plan of record since the beginning of the planning phase, by comparing the scenario to the Plan of Record.
Step 2: Inform (e.g., by email) all Meisterplan users who have write access to the plan of record about the beginning of the planning phase, and make it clear that they themselves are responsible for aligning any changes to the plan of record data with the decision of the Portfolio Board.

Step 3: Create a new scenario called "Portfolio Proposal QX". Make sure that you open a portfolio that contains all the projects before you create the scenario. Then open the new scenario.

Step 4: Open the planning portfolio "Planning: Active + Approved + Seeking Approval+ On Hold", which contains only projects with the respective stage gates.

Step 5: Create a proposal for the most valuable strategy-compliant portfolio that is still feasible in terms of the capacity of available resources.

This can be done using the same helpful features already used in the Pipeline Review Meeting:

- Sort the project list by project score to prioritize the projects with the highest strategy contribution (if you only want to sort projects below the Must-Have line by project value, select the first project under the line before sorting, and select the option to sort only the projects starting from that selection.)
- Gantt chart color schemes, coloring project bars, for example, by business area or strategic project criteria (see Figure 10)
- integrated pivot reports on costs, net profit and other key figures of the projects
- external reporting and BI software such as Tableau Online or Power BI

Figure 10: To aid decision-making in planning, the projects are colored according to their profit contribution.
Step 6: In the scenario manager, call up a scenario comparison between your proposal scenario and the Plan of Record to see which projects have the greatest differences in terms of schedule, budget, resources, etc. For longer planning cycles, the portfolio coordinator should also check which changes have been made to the planning data since the beginning of planning. To do so, he can use the previously created copy scenario.

Step 7: Open a scenario comparison between the copy scenario "(Copy) PoR before Planning QX" and the Plan of Record. Make a note of relevant differences.

Step 8: Show portfolio managers and relevant project managers your plan, especially deviations from the current Plan of Record. Explain the background and get feedback to ensure that your plan is widely accepted before senior management makes the decisions. If problems arise from any changes in the Plan of Record made after planning has already begun, contact the person responsible for the change right away.

Since subsequent changes are not the responsibility of the portfolio coordinator, he should only adjust the plan after planning has begun if it is makes sense and is necessary.

Step 9: If applicable, adjust the plan based on the feedback from the project managers.

Step 10: Create at least one copy of the planning scenario as well as one copy of the Plan of Record using the scenario manager. Those will be used during the Portfolio Board Meeting.

This completes the proposal for the future portfolio. It is now time to present both the current portfolio and the proposal to senior management and make a decision regarding the future portfolio.

Decision Regarding the Future Portfolio
So far, a lot of energy and manpower have gone into project portfolio management. To make sure that all efforts are not in vain, it is essential that a comprehensive decision is made about the future portfolio based on the portfolio coordinator’s consolidated plan.

In our experience, decision-makers, regardless of the size of the organization, usually have the same needs in such a meeting. Before planning, they first want to know what is currently being done and what the current projects’ status is.

Therefore, in the context of Lean PPM, we recommend splitting the Portfolio Board meeting into two parts. Take stock of the current situation at the beginning, and then make the decision regarding the future portfolio.

Meisterplan in the Portfolio Board Meeting
We recommend working directly in Meisterplan during the Portfolio Board Meeting. In doing so, you will have the opportunity to simulate suggestions and objections from the other participants, such as "But couldn't we tackle this one project earlier?", directly in the scenario and visually demonstrate if the option is feasible.

However, we have also seen that some companies find it easier to decide on the future portfolio by working with a PowerPoint presentation prepared by the portfolio coordinator, where he or she uses screenshots from Meisterplan instead of using the application during the meeting.

Before the start of the meeting, let’s quickly review all the scenarios that the Portfolio Coordinator should have prepared in Meisterplan (see Table 6).
Part 1: Reviewing the Current Portfolio

In this part of the meeting, the portfolio coordinator ensures that all participants get an overview of the current portfolio, in particular the differences compared to the last decision and the opportunity to dive deeper into critical projects. If you already used Meisterplan during the last planning cycle, you should have a scenario called "Approved Portfolio Q[X-1]" which you then use to visualize the difference between the current Plan of Record and the last decision. If you did not use Meisterplan before, the portfolio coordinator explains key differences without the scenario comparison as visual aid.

Step 1: If you have a scenario showing the last decision, open the scenario "(Copy) PoR before Board Meeting". In order to focus first on the projects, collapse the resource view and initially color the Gantt chart neutrally, e.g., by workload.

Step 2: In the scenario manager, open a scenario comparison between this scenario and the "Approved Portfolio Q[X-1]" scenario. This visualizes changes, such as changes to a project’s duration, in the Gantt chart in Meisterplan (see Figure 11).

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portfolio Proposal QX</td>
<td>shows the proposal of the portfolio coordinator</td>
</tr>
<tr>
<td>Approved Portfolio Q[X-1]</td>
<td>shows the last decision</td>
</tr>
<tr>
<td>(Copy) PoR before Board Meeting</td>
<td>shows the current Plan of Record, to be compared to the last portfolio decision</td>
</tr>
<tr>
<td>(Copy 1) Portfolio Proposal QX</td>
<td>Backup of the proposal so that it can be quickly returned to, if required, when the simulation of change requests has rendered the actual planning scenario unusable.</td>
</tr>
</tbody>
</table>

Table 6: These scenarios should be provided by the portfolio coordinator for the Portfolio Board Meeting.
Step 3: For the other participants, highlight relevant differences between the last planning and the current situation. Where have projects shifted significantly? Where did new dependencies arise? Use the notes for the projects in the corresponding project field, if applicable.

Step 4: Close the comparison and the scenario so that the Plan of Record is displayed again. Now, color the projects in the Gantt area according to their status. This allows you to quickly identify critical projects (see Figure 12).

![Figure 12: With help from the Gantt color scheme, you can quickly identify critical projects during the Portfolio Board Meeting.](image)

Step 5: Show the other participants the critical projects. If required, deep dives can be made using the project profile linked to the project’s URL field.

Step 6: Depending on the interests of the other participants, additional overview functions such as pivot reports or external BI software can be used.

If all meeting participants are informed and have a clear understanding of the current portfolio, then the portfolio proposal for the coming quarter can be presented and a decision can be made.

Part 2: Decision Regarding the Future Portfolio
The portfolio coordinator presents his proposal in Meisterplan. To emphasize the highlights, he again uses the visual support functions and evaluations that are integrated in the tool. Depending on the context, he can also use external reporting software as needed.

Step 1: Open your planning scenario. Again, it makes sense to color the projects in the Gantt chart neutrally, for example, according to workload, and collapse the resource view.
Step 2: Open the scenario comparison between the planning scenario and the Plan of Record to visualize the differences. Explain the strategy behind your proposal and the changes to the current portfolio.

Step 3: Use the evaluation functions of Meisterplan to emphasize your strategy and to illustrate the advantages of your proposal compared to the previous portfolio.

Some suggestions:

• You can show the members of the Portfolio Board at a glance how much net profit the projects included in your portfolio proposal would achieve, for example, with the integrated pivot reports (see Figure 13). For comparison, you can then show the same report for the current Plan of Record.
• Higher resource utilization is visualized via the histograms in the resource view.
• Using the scenario comparison between your proposal and the current Plan of Record can make it clear that your proposal enables, for example, the two most important projects to be implemented more quickly than in previous planning.
• With external reporting and BI software you can expand the evaluation options of Meisterplan in order to get to the heart of your planning.

Step 4: Initiatives and alternative suggestions from other participants can be simulated directly in the scenario. You can answer questions such as: “Can we handle another project?” or “Couldn't we start this project earlier?” Thanks to the graphical indicators in the project and resource section of the Portfolio Designer view, all participants can directly see the answer to such questions.

Quickly Return to the Original Plan

If you want to quickly restore the Portfolio Coordinator's original proposal while simulating change requests, simply open one of the copies of the proposal scenario.

Step 5: After all questions from other participants have been answered and all feasible requests for changes have been implemented, the binding decision is made. In order to make this explicit, you should directly change the stage gates of the individual projects – newly approved projects which will start right away get the Stage Gate "Active", approved projects which will start later get the Stage Gate "Approved". Paused or stopped projects get the Stage Gate "On Hold". Finally, in closing the meeting, rename the planning scenario to “Approved Portfolio QX".
Deciding on the portfolio is the key decision for project portfolio management, and thanks to Meisterplan, it is based on facts, not on gut feelings. The Portfolio Coordinator can now complete the Portfolio Board Meeting in an organized fashion.

Follow-Up on the Decision
To prevent the scenario manager in Meisterplan from becoming too crowded, it is advisable not to permanently keep all planning and approved scenarios. As a rule, after the decision for the following quarter is made, the current quarter’s approved plan is no longer needed in Meisterplan.

Therefore, archive the scenario “Approved Portfolio Q[X-1]”, and hide archived scenarios in the scenario manager.

Next, the approved portfolio will be communicated to those who implement and control it.

Communication of the Decision for the Future Portfolio
First, the decision will be shown to the relevant portfolio managers and project managers. Then the projects from the approved scenario are transferred to the Plan of Record, where all users can then, as the planning cycle comes to an end, go back to regularly making changes just as they did before planning started.

Optional: In Meisterplan, make a scenario comparison between the approved scenario and one of the copies of your original proposal. This will allow you to directly show portfolio managers and project managers how much the approved plan deviates from your original plan, which you had previously agreed upon with the portfolio managers and project managers.

**Step 1:** Open the approved scenario and perform a scenario comparison with the Plan of Record. What are the priorities of the plan? What new initiatives have been scheduled?

**Step 2:** Make the decision clear by going through the projects individually with the respective project managers and applying them (by right-clicking in the project list and selecting the corresponding option in the context menu) from the approved scenario to the Plan of Record. For projects where changes are introduced after the planning had started, the portfolio coordinator leaves it up to the project managers whether to reconcile the changes and the new decision themselves, or whether the coordinator simply moves the project from the approved scenario to the Plan of Record.

**Step 3:** If necessary, export the new data to connected systems (project management software, etc.).

**Step 4:** Inform all Meisterplan users with write access to the Plan of Record that the planning is now complete and changes to the Plan of Record can be carried out normally.

In this way, you have ensured that all parties are immediately informed about the new decision and can start with the implementation.
Execution of the Approved Portfolio (Execute)
In the “Execute” area of PPM, the portfolio approved in the “Decide” area will be implemented.

PPM Context and Roles Involved
The approved project portfolio is executed by the selected resources (project teams). Project managers keep track of the respective project status. During the execution, questions and problems inevitably arise that need to be solved. This happens in several stages. First by the project managers and resource managers involved in the Resource Conflict Resolution meeting. What is not resolved there is then a topic for members of the Execution Steering Committee. Any issue that is still unresolved, the Portfolio Coordinator brings to the next Portfolio Board Meeting.

Implementation with Meisterplan
Particularly when executing projects, it becomes clear that project portfolio management only works when resource management is a constant part of the process. With Meisterplan, all involved not only see the projects, but also the resulting resource utilization.

Solving Resource Conflicts
The longer resource conflicts remain unresolved, the longer portfolio implementation is inefficient. The local solution “on site” is supported by the explicit representation of the utilization in Meisterplan by histogram. Thus, the project leaders concerned can independently seek a solution or do so with the portfolio coordinator as moderator by setting up a Resource Conflict Resolution meeting.

Step 1: Open the sub-portfolio affected by the conflict in Meisterplan.

Step 2: Identify the conflict and analyze the utilization of the affected resources. Here, the Portfolio Designer view also displays non-portfolio projects and associated allocations of selected portfolio resources, so that you don’t lose sight of the overall picture (see Figure 14).
Step 3: Solve the conflict, for example, by shifting resources between projects, by re-prioritizing the list of projects, or by moving projects or individual phases. If a potential solution to the conflict is more complex, you can create a new scenario and simulate the impact of the solution.

Step 4: Inform resources affected by allocation changes and, if project plans change, the Portfolio Coordinator as needed.

Step 5: If necessary, inform the Portfolio Coordinator about issues that cannot be resolved. These will then be addressed in the Execution Steering Committee meeting.

By using the Resource Conflict Resolution meeting, most resource conflicts can be resolved without the involvement of other decision-makers.

Solving Operational Multi-Project Management Problems

At-risk milestones, broken dependencies, resource conflicts that cannot be resolved on an ad hoc basis - all of these challenges potentially jeopardize the overall portfolio. To answer them early, another regular meeting will be held.

Similar to the Pipeline Review Committee, the Execution Steering Committee is made up of business unit managers, experts and other relevant stakeholders. Together, they make cross-project portfolio conflicts explicit and search for solutions. The meeting also addresses unresolved issues from the last Resource Conflict Resolution meeting.

Step 1: Open the main portfolio or any affected sub-portfolios in Meisterplan.

Step 2: Color the Gantt chart by project status to quickly identify critical projects.

Step 3: If necessary, use scenarios to simulate problem solving.
Step 4: Problems that cannot be solved in this meeting are recorded and taken to the next Portfolio Board meeting by the Portfolio Coordinator.

Thanks to the multi-stage conflict resolution meetings in the “Execute” area of PPM, the portfolio coordinator only addresses the necessary topics with board members during the portfolio board meeting.
Review: Lean Project Portfolio Management with Meisterplan

Efficient project portfolio management for a value-added and strategy-led portfolio requires that correct decisions can be made quickly. Meisterplan is the ideal tool to support this process by ensuring that the strategic contribution of individual projects can be quantified at all times, project dependencies and resource utilization are clearly visualized, and processes and meetings are decentralized.

The described PPM process can be easily adapted to individual circumstances in your organization. Don't need a distinct Pipeline Review? Validate and prioritize new project initiatives during Proposal Coaching. Your Portfolio Coordinator can't join every Conflict Resolution meeting? Let his tasks be carried out by Portfolio Managers. We will gladly assist you in the adaptation of the process, the implementation of Meisterplan and in training users.

**Personal Support**

If you would like personal support or advice during the introduction of Meisterplan to your company, our Customer Success team is always at your service.

Phone:  +1-888-908-5834 (North America)  
+49-7071-3667-7600 (Europe)

Email:  cs@meisterplan.com
Appendix

All in one place for your reference: These portfolios and scenarios enable the implementation of lean project portfolio management.

Portfolios for Lean PPM with Meisterplan

<table>
<thead>
<tr>
<th>Portfolio</th>
<th>Meeting/Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pipeline: New</td>
<td>Create new project initiatives, Proposal Coaching</td>
</tr>
<tr>
<td>Pipeline: Review</td>
<td>Pipeline Review</td>
</tr>
<tr>
<td>Planning: Active + Approved + Seeking Approval + On Hold</td>
<td>Create a proposal for the future portfolio</td>
</tr>
<tr>
<td>All Projects</td>
<td>Portfolio Board</td>
</tr>
<tr>
<td>Sub-Portfolios per Project/Portfolio Manager</td>
<td>Resource Conflict Resolution, Project Steering Committee</td>
</tr>
</tbody>
</table>

Table 7: Use these portfolios for Lean PPM with Meisterplan.

Scenarios for Lean PPM with Meisterplan

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Meeting/Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approved Portfolio Q[X-1]</td>
<td>Portfolio Board Meeting (compare last decision to current status)</td>
</tr>
<tr>
<td>(Copy) PoR before Planning</td>
<td>Create proposal for the future portfolio (check if Plan of Record was changed since beginning of planning cycle)</td>
</tr>
<tr>
<td>(Copy) PoR before Board Meeting</td>
<td>Portfolio Board Meeting (compare current status to last decision)</td>
</tr>
<tr>
<td>Portfolio Proposal QX / Approved Portfolio QX</td>
<td>• Create proposal for the future portfolio</td>
</tr>
<tr>
<td></td>
<td>• Portfolio Board Meeting (present proposal / approve portfolio)</td>
</tr>
<tr>
<td></td>
<td>• Communication of the decision regarding the future portfolio</td>
</tr>
<tr>
<td>(Copy X) Portfolio Proposal QX</td>
<td>Portfolio Board Meeting (if required, return to original proposal after simulation of alternatives)</td>
</tr>
</tbody>
</table>

Table 8: Use these scenarios for Lean PPM with Meisterplan.