



How to Lead PM Strategy for New Directors of Project Management Organizations

You have been tasked with leading your company's project management strategy as a Director of PMO. You are moving away from being in the weeds on project execution and now have a seat at the table where strategy, organizational goals, ROI, timelines, budget and resource availability must all coalesce into operational success. You might be thinking about how you bring added value to the position and demonstrate that your leadership is a positive contribution to your company's goals and bottom line.

We have created this guide to help you bring together all these factors and leverage your knowledge and resources to impact the business. There is no question that incorporating strategy into planning for work and resources pays off. In a recent [McKinsey & Company study](#), the authors found that, "S&P 500 companies that excel at maximizing their return on talent generate an astonishing 300 percent more revenue per employee compared with the median firm."

Higher-Level Focus on PM with Resources and Strategy

While project managers are tasked with more detailed oversight of time, tasks and budgets on one or more specific projects, a Director of PMO must take a more holistic view of projects in each portfolio and how they impact strategy and resource plans. For too long, organizations have failed to effectively manage the connection of resources and strategy – impacting their ability to create a sustainable competitive advantage. While this often manifests as a failure to deliver on a particular project, the unfortunate truth is that the longer-term effects negatively impact an organization’s ability to innovate, transform, and be profitable – everything a business needs to be successful.



Want a refresh on the basics of managing resources and making the transition from product management to strategic focus? Read our [Guide to Developing Skills as a Resource Manager](#).



Creating the Right Strategy with Strategic Portfolio Management and Resource Management

There is a balance that every successful business needs to strike – keeping your eyes on achieving strategic goals while also making sure employees' workload and future availability are maximized. You can't achieve your company's goals without continually making sure that your strategy focuses on the right projects, products, roadmaps, and constant checks to make sure that the projects being executed actually align with that strategy. You can't complete the work if employees are overallocated, burnt out, or tasked with assignments that do not match their skillsets. Importantly, if the work getting done is the wrong work – spending time on lesser priorities or projects with later deliverables - that burnout was for nothing.



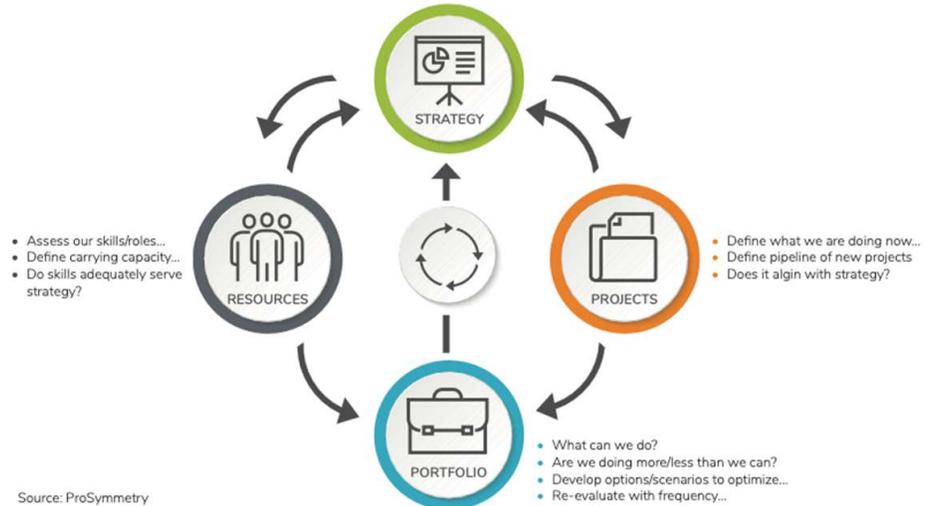
What is Strategic Portfolio Management?

Strategic Portfolio Management (SPM) is the process of contributing to the strategy for the entire business and building the supporting projects, products, roadmaps and plans to execute that strategy. SPM is designed to produce an executable plan. It's not just about the strategy and important decisions, but also whether and how the work gets done while considering budget, ROI, market and talent. It's the portfolio of work that will help your business achieve that strategy's goals.



What is Resource Management?

Our ability to finish projects and accomplish our goals is fundamentally determined by having qualified people. Without people, we can't do work, we can't execute projects, and we can't implement strategy. Resource Management (RM) helps us most effectively utilize our people to achieve our business goals. RM helps match our supply of people (resource capacity) and our demand for people (resource allocation).



How to Align RM and SPM

The core purpose of SPM is focusing on business strategy to guide decisions and get work completed. The core purpose of RM is effectively using resources to deliver on the organization's strategy. For too long, organizations have failed to effectively manage the connection of resources and strategy – impacting their ability to create a sustainable competitive advantage. This often manifests as a failure to deliver on a particular project, but in the long-term it can negatively impact an organization's ability to innovate, transform, and be profitable. Resource Management helps business strategy reach the finish line. While Strategic Portfolio Management sets up the focus and strategy well, RM helps execute the strategy with the right people, with the necessary skills, using the correct plan via effective business processes.

For more read about aligning strategy and resources, read our [Guide to Strategic Portfolio Management and Resource Management](#).



How to Stay on Track with High-Level Strategic Portfolio Management

There are a few key areas to help keep you on the right track as you transition into your new role and ensure you're helping achieve portfolio and strategy success as a result of your team's work.



Track Key Performance Indicators (KPIs): KPIs are one of the best ways to ensure your efforts are aligned and effective. KPIs like resource utilization rate, time tracking and capacity vs demand will help keep you on track. To learn more about KPIs in strategic portfolio management, read our blog post here on the [Best KPIs for Resource Management](#).



Focus on Resources: If resource management helps us effectively utilize our people to achieve our business goals, then there are natural stages to how this is achieved. For some organizations, it starts with simply looking ahead to how employees can be better assigned to projects that maximize their job skills and don't overwork them. For more advanced teams, that can involve more proactive analysis of roles, responsibilities and projects 18 months to two years out for better resource forecasting, capacity and workforce planning. To learn more about how your team and entire organization can evolve your PM strategy to more mature planning, read our Resource Management Maturity Model in our [PMO's Guide to Great Resource Management](#).



Utilize a Platform Built for Resource Planning: Managing resources across large organizations with differing priorities, skills, and teams can be overwhelming — especially if you're still relying on Excel. It's important to have real-time visibility, improve team collaboration, and make better decisions by leaving behind the limitations of spreadsheets. Learn how modern resource management tools can streamline resource planning and simplify complexity for organizations with our webinar, [Scaling Resource Management: Why PMOs Need More Than Excel](#).

What you Need from your PM Software

To be able to execute on strategic initiatives, you will need to have the necessary tools in place to help you analyze data and track projects.

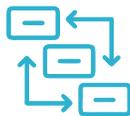
Purpose-built resource management software like Tempus Resource is the ultimate tool for helping resource managers stay ahead of the curve, plan for bottlenecks, effectively reallocate when new initiatives arise, and more. Some features that are valuable include:



Capacity Planning: Tempus Resource goes beyond assigning people to tasks. Its Capacity Planning provides solutions to see the big picture and take action to maximize productivity.



Skill-Based Planning: Instead of tracking employee skills in a stagnant Excel sheet (or not at all), Tempus Resource's Skills Database makes it easy to identify skills shortages and where current employees could be upskilled. When planning project demand, project managers can define not only what roles are needed but also the skills that role must have for the project to be successful.



Scenario Planning: When projects and resources do need to shift, the [What-If scenario planning](#) feature allows resource managers to test exactly how changes would affect the portfolio without altering their real data. This sandbox feature enables resource managers to find the best solution that keeps the portfolio on track.



Financial Tracking: Tempus Resource’s Project Financial Management feature can help project managers create cost categories to control how financials are tracked and managed. Features including identifying capital spend versus expenses, costs versus revenue, planned or budgeted costs versus actual costs and a flexible API that can seamlessly integrate Tempus Resource with a company’s financial reporting tools can help update and evaluate financial forecasts and how projects are keeping to budgets.



Individual and Agile Team Resource Planning: As a new Director of PMO, you have learned that the term “resources” mean different things to each group in the PMO. IT PMO teams are likely referring to roles and Agile teams. Product Development teams are likely grouping their people by reporting manager, product or Agile teams and maybe people. Internal Audit teams are thinking skills, experience and milestones. With Tempus Resource, the entire PMO can conduct resource planning in the way that makes the most sense to them. Both traditional concepts of resources and Agile teams can be used to create a capacity plan.





While Tempus Resource focuses on bottom-up planning, Tempus Portfolio emphasizes top-down planning. In your new role, you not only have to manage the details of the plan but also how those plans align with your leadership's strategic vision, goals and initiatives and making sure each level of the organization is in sync. Some features of Tempus Portfolio that will help you do this are:



Strategic Alignment: Connect every project and initiative within each portfolio to the organization's overall strategic goals. It is critical to be able to understand the company's vision, goals, values and translating them into projects that support. In Tempus Portfolio, managers can connect value needed from the strategy to the projects that will deliver it. At a glance, you can articulate how individual projects, across the organization, support the company's long-term success.



Prioritization and Resource Allocation: Allocate the budget and the CapEx/OpEx breakdown to see where each portfolio is financially. Plan your portfolio demand by role or skills to understand what type of people it will take to complete the work and when those people are available. Prioritize your people and your budget for the portfolio that delivers the most value.



Adaptability and Risk Mitigation: Strategic portfolio and project leaders need to be able to adapt to changes in the market and new opportunities. In Tempus Portfolio, you can model out each scenario to determine what option will drive the most value and what changes need to be made in order to achieve that. Model your project, resource and financial options in real time, with your live data feeding the model to come to the table with smart decisions.



Measurement and Communication: As the Director of the PMO, you need to be aware of each project in flight, what risks to the timeline or budget are going to put the entire portfolio at risk and what the completion of each project will mean for the organization. This requires good relationships with your project, program, product and portfolio team members so you can accurately and efficiently report to leadership about each portfolio's status.

Further Reading



To learn more about steps a Resource Manager or Project Manager can take to ensure a project's success, read our [Guide to Successful Projects](#).



Looking for a platform to help you manage your portfolio and resources, along with tracking what-if situations, employee time tracking, and financials? Read our [Buyers' Guide for Resource Management](#).



In strategic planning, it's important to consider the skills of your resources. Learn more about evolving your PM efforts with our [Guide to Leveraging Skills in Your Resource Planning](#).



Auditors and business leaders who are not currently using Tempus Resource but are interested in exploring its features can arrange a demo with the Tempus Resource team by visiting <https://www.prosymmetry.com/schedule-demo>.