



Portfolio Management Maturity Model

How proficient is your company at making well-informed decisions at project and multi-project levels to enhance your organization's overall ROI? This is, in essence, the purpose of having project portfolio management.

Portfolio management serves as a strategic tool that helps organizations identify and eliminate constraints, prioritize client expectations for improved alignment, implement adaptive resource management, and ensure alignment with overarching strategic goals.

The purpose of our model is to facilitate a rapid assessment of an organization's maturity, focussing on evaluating its current status to identify opportunities for improvement and aligning priorities to draft a well-defined growth roadmap.

Cognizant's maturity assessment takes a snapshot of basic capabilities within a two-week timeframe. The assessment's progress can be tracked through platforms like MIRO, providing real-time interactions with the consulting team.

Navigating the Portfolio Management Maturity Model

Our Portfolio Management Maturity Model is a comprehensive and proven approach that assesses and improves an organization's portfolio management practices. By evaluating current processes and capabilities, this model takes them from basic project management to strategic portfolio optimization.

Pillars of the maturity assessment



Strategic planning:

This pillar involves creating a portfolio plan and roadmap to establish a shared understanding of the program among the team, clients and stakeholders. It sets the course for effective management.



Project execution:

This encompasses translating the project plan into action and managing the project according to the established plan. The execution phase involves coordinating people and resources, ensuring alignment with the management plan and performing as planned.



Communication and stakeholder management:

This pillar ensures that all stakeholders are well-informed and actively engaged in the process. It fosters a clear understanding of the portfolio's goals, objectives and progress. Effective stakeholder management allows organizations to assess and manage the interests and expectations of various parties.



Risk management:

Here, potential risks and uncertainties within the portfolio are identified, and proactive measures to effectively mitigate them are applied. For instance, introducing dependency management provides a structured approach to handle cause-and-effect relationships between tasks, projects, program and portfolios.



Strategic alignment:

This pillar focuses on aligning the portfolio with organizational goals, ensuring that every project contributes to the overarching mission of the company.



Processes:

This encompasses various stages of work, including planning, initiation, execution, monitoring and closure. Resource planning, for example, enables informed decisions about resource allocation, ensuring that projects receive the right resources at the right time.



Organization:

This focuses on maximizing ROIs by prioritizing projects that offer the most value to the organization.



Performance:

Here, the focus shifts to progressing through the maturity levels, building on strengths and addressing weaknesses for continuous improvement.



Governance:

This serves as an oversight function that aligns with the organization's governance model and spans throughout the entire project lifecycle.

Why is the maturity model important?

Understanding the importance of the maturity model is crucial for organizations seeking to optimize their project and portfolio management practices. Here are some key reasons why this model is significant:

- **Enhancing decision-making:** The primary purpose of project portfolio management is to enable well-informed decision-making. By assessing maturity levels, organizations gain valuable insights into their status, allowing them to make data-driven decisions that can significantly enhance their overall return on investment (ROI).
- **Strategic alignment:** The model places a strong emphasis on strategic alignment. Ensuring that every project contributes to the overarching mission of the organization is vital for success. It aligns projects with the company's strategic goals, fostering a sense of purpose and direction.
- **Risk mitigation:** Identifying potential risks and uncertainties within the portfolio and proactively addressing them is essential. Effective risk management, as facilitated by the maturity model, helps organizations protect their investments and maintain project stability.
- **Efficiency and effectiveness:** The model enables organizations to streamline their processes from project planning to closure. This leads

to increased efficiency and effectiveness in managing resources, resulting in cost savings and improved project outcomes.

- **Stakeholder engagement:** Active and informed stakeholder engagement is critical for project success. The model emphasizes the importance of clear communication and stakeholder management, ensuring that all parties are aligned with the project's goals and objectives.
- **Resource optimization:** Resource planning is a key component of the maturity model. It helps organizations allocate resources effectively, ensuring that projects receive the right resources at the right time.
- **Continuous improvement:** The model focuses on performance and governance, driving organizations to progress through the maturity levels. It encourages the identification of strengths and weaknesses, fostering a culture of continuous improvement and excellence.
- **Strategic planning:** This is fundamental to project portfolio management. Having a portfolio plan and roadmap, as highlighted by the model, provides organizations with a clear path for effective management and goal achievement.
- **Cultural change:** Implementing the maturity model requires a cultural change within an organization. It encourages a shift toward data-driven decision-making, proactive risk management and a strong focus on strategic alignment.



Each pillar addresses an opportunity

Organization

- Ceremonies
- Architectural solutioning
- Vendor management
- Procurement management
- Training and development
- Knowledge management

Project execution

- Collaboration enablement
- Change management
- Release management
- Requirements management

Governance

- Compliance and regulatory management
- Project governance
- Program progress evaluation
- Financial governance
- Quality management

Risk management

- Risk and issue management
- Risk management in contracts
- Dependency management

Communication and stakeholder management

- Stakeholder management
- Conflict management
- Communication management

Strategic alignment

- Innovation management
- Strategic alignment
- Sustainability management

Processes

- Business case development
- Resource planning
- Program closure
- Budget planning
- Pricing and licensing
- Estimation
- Scope management
- Enabling tools

Performance

- Process maturity
- Program reporting
- Benefits realization

Strategy planning

- Planning and roadmap
- Benefits management

Purpose and benefits of this model

Purpose

The purpose of this model is to assess the maturity of an organization in different areas around data excellence, identify opportunities, create a prioritization diagram and define a clear roadmap.

We will assist clients to enhance their capabilities and effectiveness in the given area, which leads to better performance, efficiency and outcomes.

Also, the maturity model offers a structure through a methodical approach which evaluates, benchmarks and identifies improvement opportunities to enhance the organization's performance and capabilities, fostering a culture of continuous improvement and excellence.

Benefits



Informed decision-making

Leveraging quality data allows for accurate analytics and insights, resulting in better strategic decisions. Aligns with consumer demand and market trends.



Enhanced customer experience

Consistent, high-quality data enables personalized marketing and customer engagement. Leads to higher customer retention and brand loyalty.



Cost-efficiency

Clean, well-managed data minimizes redundancy and streamlines operations, leading to cost savings. Enables optimal resource allocation and increases profitability.



Increased development speed

Speeds up the development of new solutions; thanks to the known data quality of a dataset.



Increased data quality

Less data quality issues because they can be raised in a systematic way.



Setting the right incentives

Incentivizing employees to maintain good data quality because they could be measured against it.



Deliverables

Deliverables covered during rapid assessment

- Opportunity diagram
- Prioritization matrix
- KPIs

Opportunity diagram

The opportunity diagram below serves as a portfolio management tool that helps identify and evaluate potential projects for portfolio inclusion. It pinpoints the ones most likely to deliver the highest value to the organization, guiding the selection process.

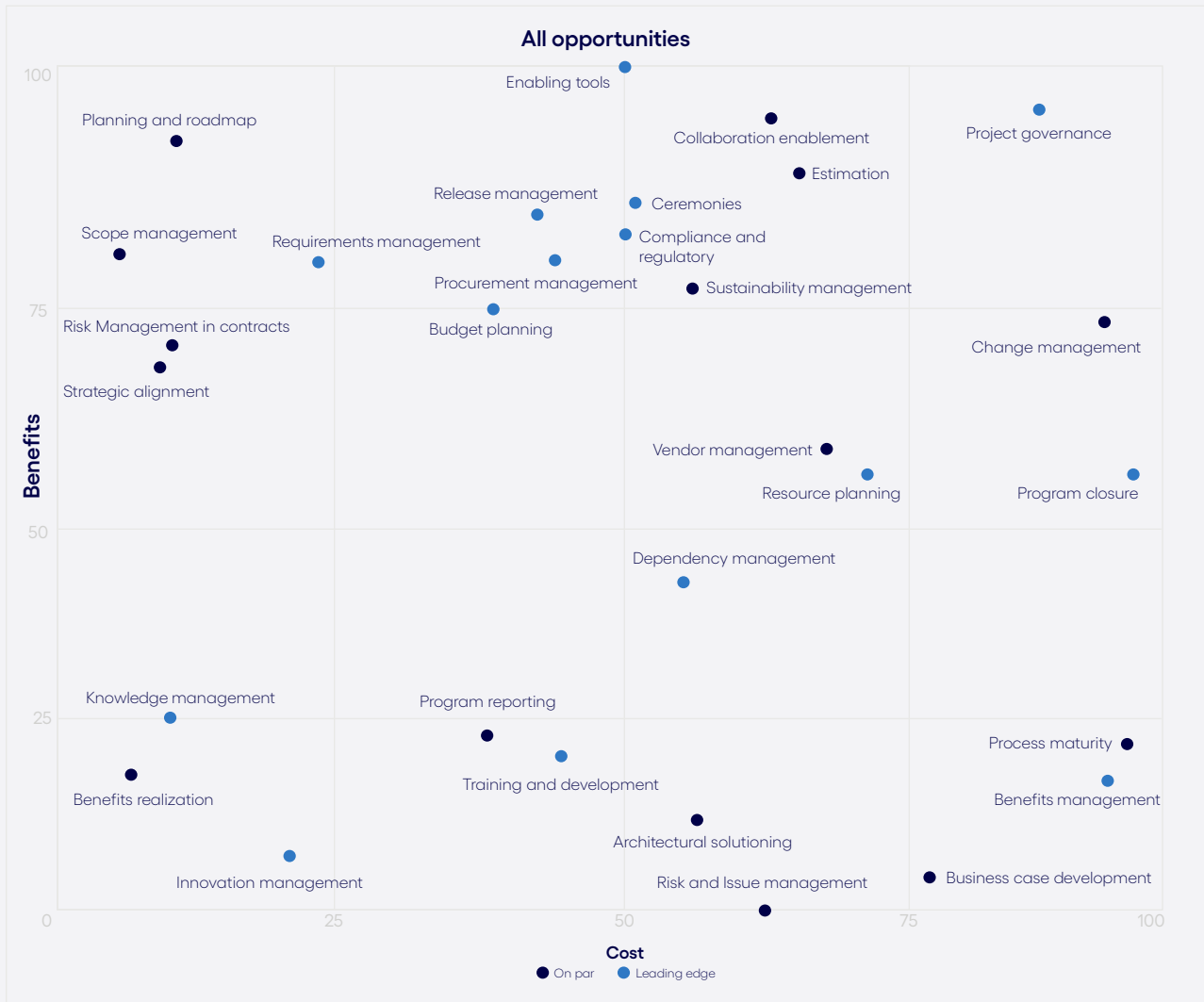
This diagram shows issues found during an assessment of portfolio management. The issues can be found within the sticky notes. The color of the sticky note indicates its proximity to closest related fundamental pillar as described in the assessment tool. Additional plain text is used to structure the bullet points and identify patterns in issues found.



Portfolio Management Opportunity Diagram

Prioritization matrix

This prioritization matrix offers a structured approach to decision-making, which is especially valuable when addressing complex problems or evaluating multiple projects, tasks or ideas. With access to rankings, clients can pursue what closely aligns with their established criteria and highest potential for desired outcomes.



Portfolio Management Prioritization Matrix

KPIs

Successful project management is rooted in delivering results for the business. Key performance indicators (KPIs) include:

- Progress tracking
- Data-based decision-making
- Performance measurement and tracking

Question	Level	KPI 1	KPI 2	KPI 3	KPI 4	KPI 5	KPI 6	KPI 7	KPI 8	(To be checked, integrated or modified KPIs)
How do you build long term strategic and short term project plans?	1	•	•							<ul style="list-style-type: none"> • Strategy alignment score • Project planning accuracy rate • Ratio of long-term to short-term projects • Percentage of projects aligned with strategic goals • Percentage of projects completed on time and on budget • Strategy execution score • Resource utilization rate • Efficiency of project delivery (time, cost, quality)
	2			•	•	•				
	3							•	•	
What process is in place to identify and track the business benefits that are realized by the program/project?	1	•	•							<ul style="list-style-type: none"> • Benefit realization rate • Business value score (BVS) • Benefit identification and tracking accuracy • Benefit delivery on time and on budget • Percentage of benefits realized versus planned • Rate of business change requests (BCR) • Stakeholder satisfaction score • ROI of the program/project
	2			•	•	•				
	3							•	•	

KPI recommendations to measure improvements in Portfolio Management

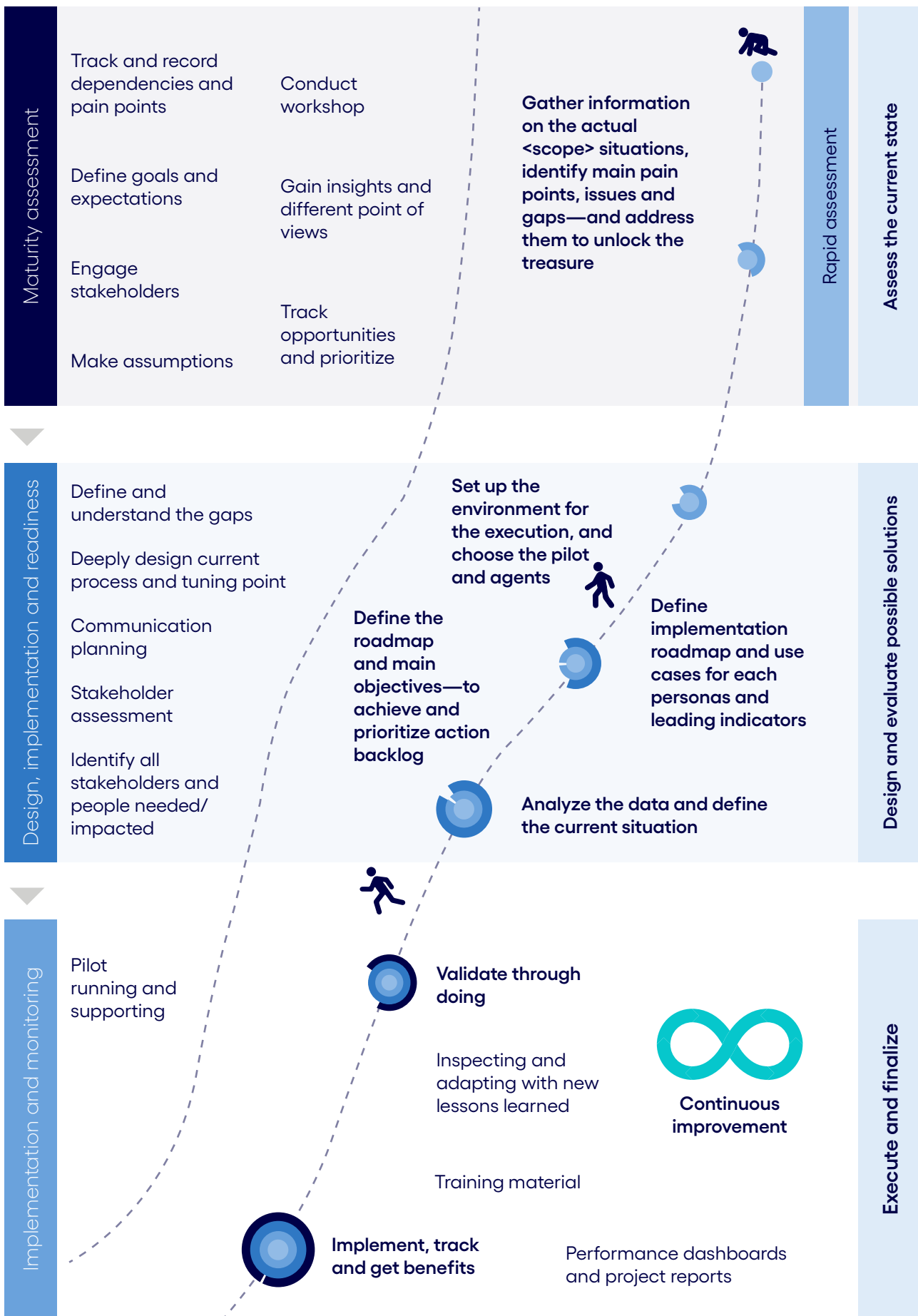
Our approach to unlock clients' potential

We help clients unlock value within their business processes by harnessing the power of data to discover insights that will guide their transformation journey. In that sense, the maturity assessment is the first step, gathering the building blocks that indicate the current state of their processes. At the same time, we gain insights about their goals and expectations. Using this information, we provide an agile, data-driven and high-level diagnostic approach—to identify the challenges and dependencies that can impact the actions required to bridge the gap between their current situation and their desired outcomes. This is the blueprint that guides the design of the transformation roadmap.

The second stage involves detailed design for enhanced results. This includes prioritizing initiatives and establishing measurable KPIs that define the expected improvements for each project. The roadmap also requires the identification of significant milestones to track progress and the impact of the prescribed measures.

The final step is the implementation of the transformation plan while closely monitoring the deployment of each project—tracking challenges, gains and lessons learned to facilitate agility and foster a culture of continuous improvement.

The image below represents our standard approach to consulting/implementation engagement.



Our approach to unlock all the potential value

Roadmap

The roadmap provides a guide to explore further opportunities in our consulting methodology. The maturity model is only the first step of an iterative and collaborative process in which our clients can decide the level of support needed to achieve their business objectives. From gathering requirements to documenting expectations and prioritizing objectives, we leverage data to design tailored solutions that accelerate their transformation journey. To ensure their success, we support the implementation stage, using agile methodologies to evaluate the impact and value of individual projects, making adjustments to the roadmap when needed for enhanced impact.



Authors

Stefano Montanari, Head of Retail and Consumer Goods - Stefano.Montanari@cognizant.com

Shruthy Muruganantham, Consultant - Shruthy.Muruganantham@cognizant.com



Cognizant (Nasdaq-100: CTSH) engineers modern businesses. We help our clients modernize technology, reimagine processes and transform experiences so they can stay ahead in our fast-changing world. Together, we're improving everyday life. See how at www.cognizant.com or [@cognizant](https://twitter.com/cognizant).

World Headquarters

300 Frank W. Burr Blvd.
Suite 36, 6th Floor
Teaneck, NJ 07666 USA
Phone: +1 201 801 0233
Fax: +1 201 801 0243
Toll Free: +1 888 937 3277

European Headquarters

280 Bishopsgate
London
EC2M 4RB, England
Tel: +44 (0)1 020 7297 7600

India Operations Headquarters

5/535, Okkiam Thoraipakkam,
Old Mahabalipuram Road,
Chennai 600 096
Tel: 1-800-208-6999
Fax: +91 (0)1 44 4209 6060

APAC Headquarters

1 Fusionopolis Link,
Level 5 NEXUS@One-North,
North Tower, Singapore 138542
Phone: +65 6812 4000

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