Multi-Project Management
Increasing regulatory requirements, cost-cutting measures, digitization and ongoing optimization - the complex and parallel challenges banks are facing today can rarely be solved efficiently in traditional line organizations. Instead, project work is becoming increasingly important. In a multidimensional project landscape of an organization, however, individual projects can no longer be viewed separated from each other. Digitization as an integrated and integrative discipline is characterized by the consideration of various interfaces and of end-to-end processes - not by isolated components. Instead of an incomplete digitization strategy with isolated solutions, a comprehensive modernization of all processes must be driven forward. Many companies therefore increasingly focus on planning and control of the entire project landscape and no longer only on individual projects - an integrated, holistic view becomes necessary. The importance of multi-project management (MPM) is growing.

In addition to classic line or matrix functions, many companies have project-oriented organizations in which, they have their own teams for the implementation of projects on a permanent basis. This knowledge-intensive discipline of project management requires bundling and targeted development of expertise.

Portfolios, programs and projects must be aligned with the strategic goals of the company in order to achieve the desired success. Separate control of individual projects across program boundaries makes it difficult to align them with corporate goals. Due to the lack of a holistic approach, synergy effects are not exploited - disputes over limited resources are inevitable under these circumstances.

Simultaneous processing of several projects requires transparency of prioritization and status of all projects in order to create a clear basis for decision-making and, if necessary, early intervention options for the multi-project manager. However, the parallel management of several projects also entails the risk of losing focus on the original individual project objective.

The aim of MPM is to increase the effectiveness and efficiency of complex project work. This can be achieved with a suitable combination of projects through an optimized use of technical, financial and human resources as well as content-related coordination. A professional MPM can become a decisive success factor.
Definition

Multi-project management refers to the selection, planning, comprehensive control and monitoring of the entire project landscape of a company or another organizational unit. At the same time, potential conflicts between the individual projects are considered.

A portfolio includes all projects of a company, also those without thematic integrity. A program, on the other hand, summarizes several thematically related projects. Multi-project management represents a further stage. Within a company’s portfolio, there may be several projects that are to be processed jointly as part of a multi-project approach or pursue a common goal. One example would be to increase the efficiency of all projects in a department - these projects do not all have to be part of the same Program as well as to represent the entire Program (Fig. 1).

Similar to portfolio management, MPM considers possible conflicts between projects. This takes place across Program boundaries and thus in an environment with potentially competing goals between the respective projects.

Fig. 1: Relationship between portfolio, Program, project and multi-project management
Benefits and success factors

The correct application of MPM, enables apart from the use of synergies and thus resources across projects, also the combination of project know-how and experience of the employees. The MPM makes the creation of links between company and project goals possible as the early detection of any conflicts that may arise. The higher effectiveness has an impact on competitiveness. Clear priorities, effective communication and a high degree of transparency reduce complexity.

In the age of classic, agile and freely combined project management methods, the MPM can „normalize“ the different approaches of individual projects to a higher-level perspective and compare project data as the progress stages. This facilitates the reporting to the top management. Projects with dependencies, which are coordinated with different, freely selectable approaches in planning and control, are optimized.

When managing a large number of parallel projects, challenges such as inefficient scheduling, resource conflicts or cost increases are not uncommon. These problems result from various reasons such as the lack of overview of all projects and resources, unrealistic planning, incorrect priorities or inadequate project structures. Targeted approaches can eliminate these factors. The success of the means used and the MPM depends above all on the following points:

- **Project selection and prioritization**: Based on an analysis of the portfolio, top management prioritizes and implements those projects that can optimally support and implement the company’s goals. In MPM, projects are managed together which are linked by e.g. common goals, specific content overlaps or process-related superordinate with each other.

- **Framework**: The processes surrounding MPM, such as reporting and communication channels, must be defined and accepted by all stakeholders. Goals, structures and tasks must be clear to all involved parties.

- **Resource management**: The division of team members should be analogous to the prioritization of projects and possible interdependencies should be considered. The aim is to plan employees with the necessary skills as early as possible and make them available at the right time. Otherwise, project costs increase because too few
suitable employees are available at the required time or projects cannot be completed on time.

- **Project plan:** A particular focus is on the project plan, as projects often compete for the same resources such as budget and personnel and do not exist independently of each other. Changes in time, cost or resource planning of an individual project often have an impact on other projects. Careful scheduling and cost planning, the definition of the project structure and - especially in MPM - clarity about interfaces to other projects and a corresponding communication plan are therefore indispensable.

- **Rules:** Transparency and clear rules are not only crucial for the selection, implementation and prioritization of projects, but also for resource allocation and uniform evaluation. Standardization of project processes enables the reduction of additional and duplicate work. This also prevents misunderstandings caused by ambiguity.

- **Project Management Office (PMO):** Finally, the establishment of a project office as an organizational unit in the project structure, as it is also used in other project forms, is of central importance for multi-project coordination. The PMO acts as an instance between project and team leaders, decision-makers and controllers and thus supports professional multi-project management. Critical human, time or financial resources are planned centrally via the PMO in order to efficiently manage the multi-project environment. Standards and methods, management, progress monitoring and, for example, data quality assurance should also be created centralized. In addition to resource conflicts and project delays, cost and expense overruns can thus be identified and reduced at an early stage. Analog to portfolio management, it is recommended to monitor all projects in MPM by means of continuous monitoring in order to be able to react as quickly as possible to changes - this is also a task of PMO. It is not advisable to focus solely on the typical success criteria of time and budget, since these factors alone have little significance for the benefit of the project result. Regular reviews show whether the originally planned benefit is still feasible or whether a realignment is required. This also includes terminating critical, unsuccessful or obsolete projects at the right time. In this way, capacities can be gained for all further projects.
Synergies. It is necessary to use the synergies that arise within the scope of the MPM. Experience from the most diverse projects and knowledge of employees can be made available through suitable knowledge and information management. An appropriate knowledge sharing system can support this process. In this way, the individual projects can benefit from each other. An appropriate communication plan helps to create transparency in cross-project dependencies.

If the success factors listed are considered within the framework of multi-project management, the advantages of project diversity can be effectively exploited.

MPM Tools

Many tools and methods are used equally in the portfolio, program and project management environment and differ primarily from the applied perspective. A transfer can usually be made between the disciplines without any problems. For illustration purposes, two methods are presented which are used in MPM.

1. Portfolio-Techniques

For the illustration and prioritization of projects the so-called portfolio technique can be used as an example. In general, this very flexible technology is used for the evaluation of similar objects (e.g. projects). To this end, one should first be clear about which superior common goals are to be achieved. These in turn are used to determine criteria and an appropriate weighting. These success criteria can, for example, lie in customer benefit (Fig. 2).

The criteria are then evaluated in a table on a predefined point scale for each project and multiplied by the weighting defined at the beginning. The strategic importance of the individual projects finally results from the summed, weighted score of the success criteria (see score in Fig. 3). High values for individual projects illustrate a high strategic value compared to other projects. Such projects are usually prioritized and carried out with appropriate planning and attention.

### Weighted success criteria

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer utility</td>
<td>50%</td>
</tr>
<tr>
<td>Feasibility</td>
<td>30%</td>
</tr>
<tr>
<td>Radicalness</td>
<td>20%</td>
</tr>
<tr>
<td>Sum</td>
<td>100%</td>
</tr>
</tbody>
</table>

Fig. 2: Weighted criteria for success
The next step involves the visualization of projects according to their scores in a matrix and other variables such as effort or profitability (Fig. 4). By calculating a score, more than two dimensions can be considered for this two-dimensional representation, as shown in this example.

### 2. Dependency Analysis

In traditional project management, interdependencies between projects are generally paid less attention. Multi-project management, its overarching perspective and the possible conflicts between Program objectives, however, have to consider this fact. Synergies and conflicts can be identified with the dependency or interdependence analysis, which enables the derivation of suitable recommendations for action.

For this purpose, the projects to be analyzed are entered in the rows and columns of a matrix. The use of paired comparison shows to what extent a project in a row influences the project in a column.

A scale is defined for this purpose (e.g. from 0 = no influence to 5 = strong influence). The type of influence is defined in advance. The sum of the rows result in the value of the effects of one project on other projects. The sum of the columns shows how much a project depends on other projects (Fig. 5).
This results in different types of projects which require different approaches: Critical projects are interdependent in both directions: they strongly influence others, but are also affected by others. Active projects have a great influence on other projects, passive projects are influenced by other projects. Projects that can be carried out relatively isolated in this context are characterized by little interaction with other projects.

In general, the task of multi-project management is to ensure appropriate information flows and regular communication among the projects in order to be able to react in a timely manner to changes and challenges.

**Conclusion**

The high relevance of a central coordinating and controlling function across several projects becomes particularly clear in an environment with scarce resources and diverging goals. A lack of overview, control and communication across several individual projects inevitably leads to conflicts, duplication of effort and uncoordinated results; a lack of focus results in ineffectiveness and inefficiency. No MPM is therefore not an option.

A multi-project manager is not least a manager who can also contribute to the culture in the respective projects and thus to the motivation and performance of the project members. This function is located at a central point and provides orientation in order to carry on the company’s direction and orient the project managers towards common goals.
Our team of project managers can actively support you with their long-time experience from different and international project environments in successful planning and implementation of projects. Alternatively, we are also available as sparring partners and coaches or support you to restructure your project environment with associated processes and tools tailored to your needs.

We see ourselves as modern consultants who work with their clients in a target- and relationship-oriented manner. With us you have a dynamic partner by your side who combines new and proven methods. Contact us for a not binding offer.
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