

From Projects-Driven to Goals-Driven

Chris Potts



This is What I Do

Worldwide practitioner in Enterprise Investment

Organisational Excellence at Investing in Change

Since 1999 | 28 Countries | Hundreds of Organizations | Thousands of People



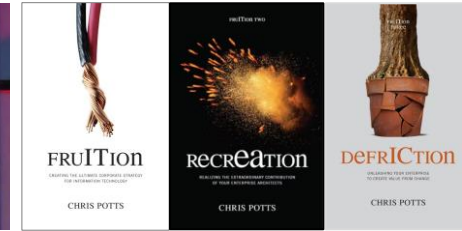
Mentor



Trainer



Speaker



Writer

Focus

How people invest their
creativity and ambition

together with
know-how, technologies and money

in changes that deliver
our enterprise goals

EIPMM®

www.eipmm.com

Some Theoretical Foundations

Economics

The Four Factors of Production

Investment

Modern Portfolio Theory, Diversification

Strategy

Scenario Planning, Theory of Constraints

Behaviours

Transactional Analysis, Drama Triangle

Architecture

The Vitruvian Triad

Key Principles

Achieving our goals for investing in change while taking the minimum risks

Some of our goals are not mutually exclusive to the extent that we may have to take risks

From Projects-Driven to Goals-Driven

100%
Compliance

The Essence of The Story

To create the value we need from
all the changes happening in our markets ...

... we need to be excellent at investing in
some changes of our own

Being Excellent at Investing in Change

Goals-Driven Agile Efficient

Achieving our investment goals

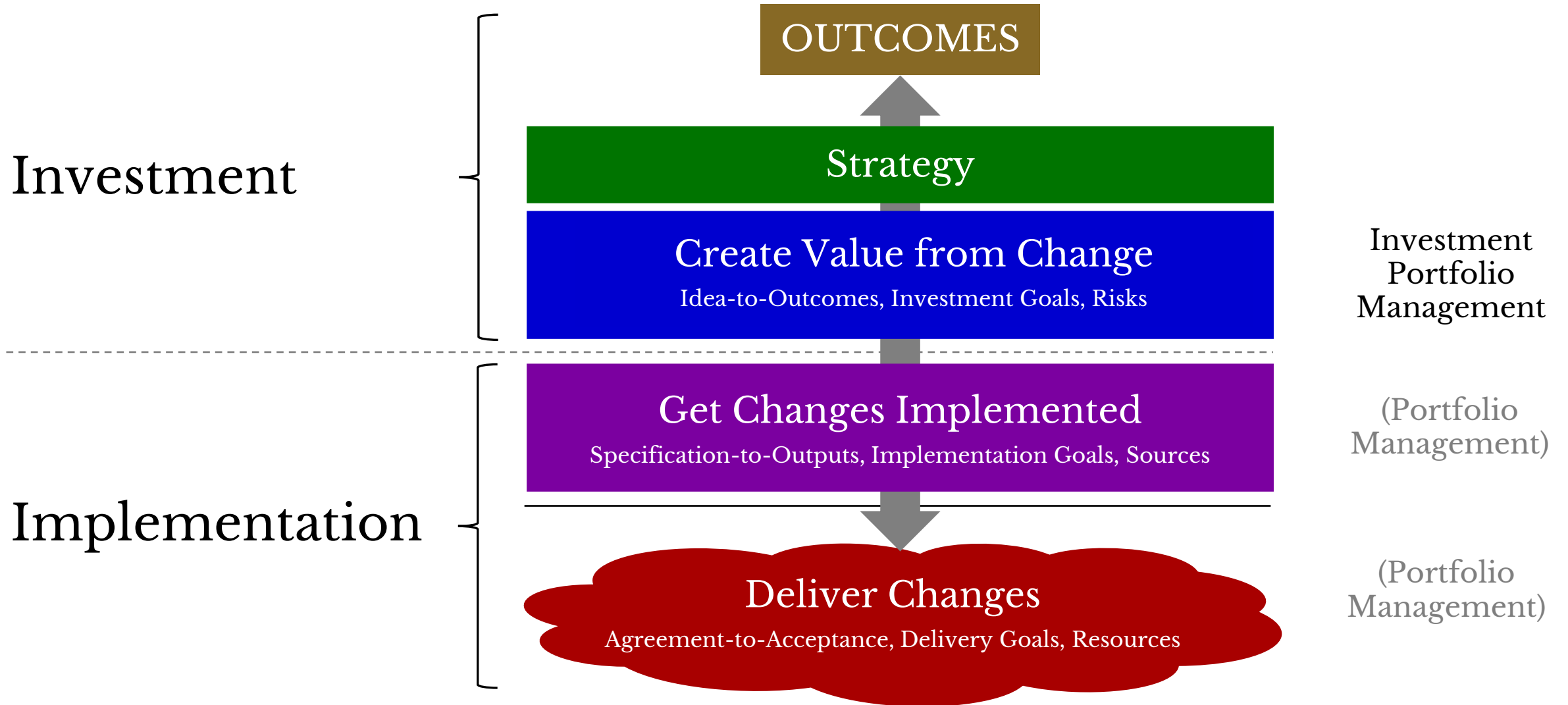
Achieving our implementation goals

Agile in our choices of changes to invest in

Minimising the resources we are investing

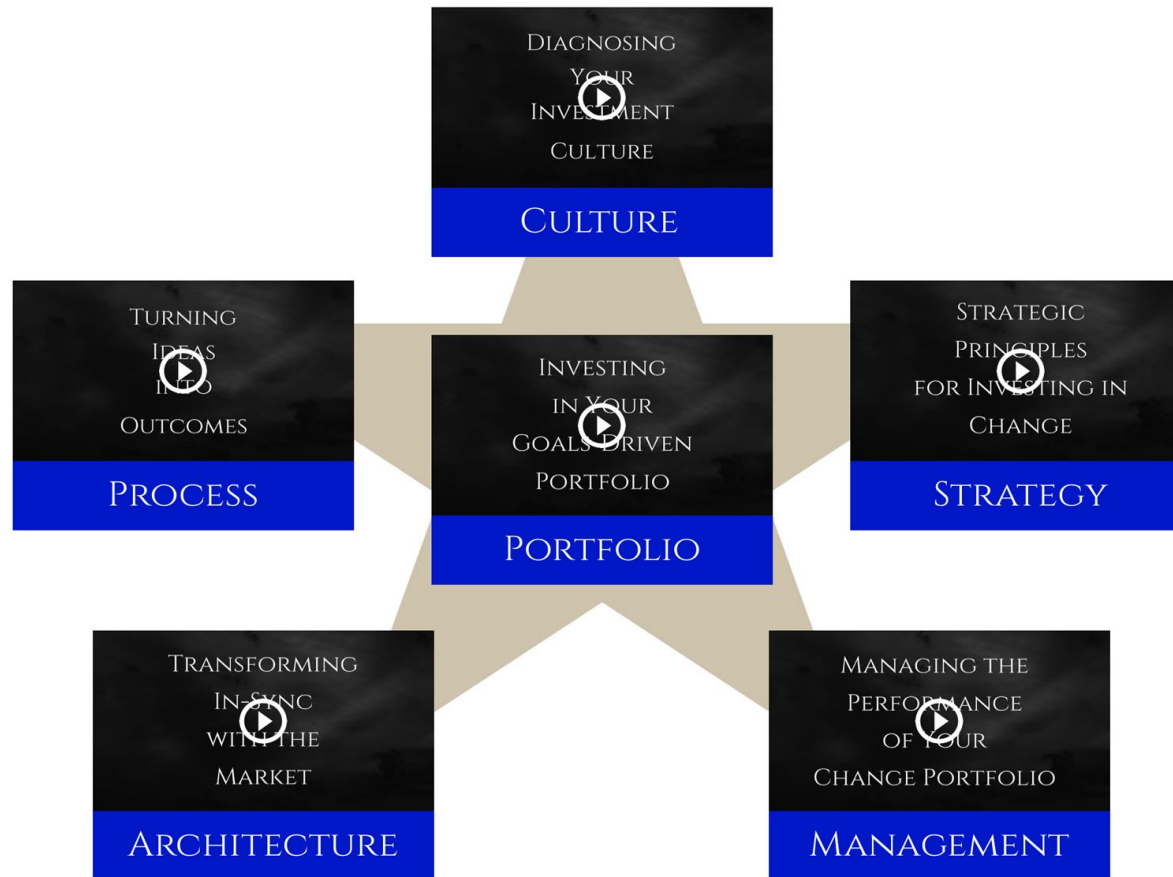
Minimising the risks we are taking

The Value Chain for Enterprise Investment



EIPMM®

Customised Investment

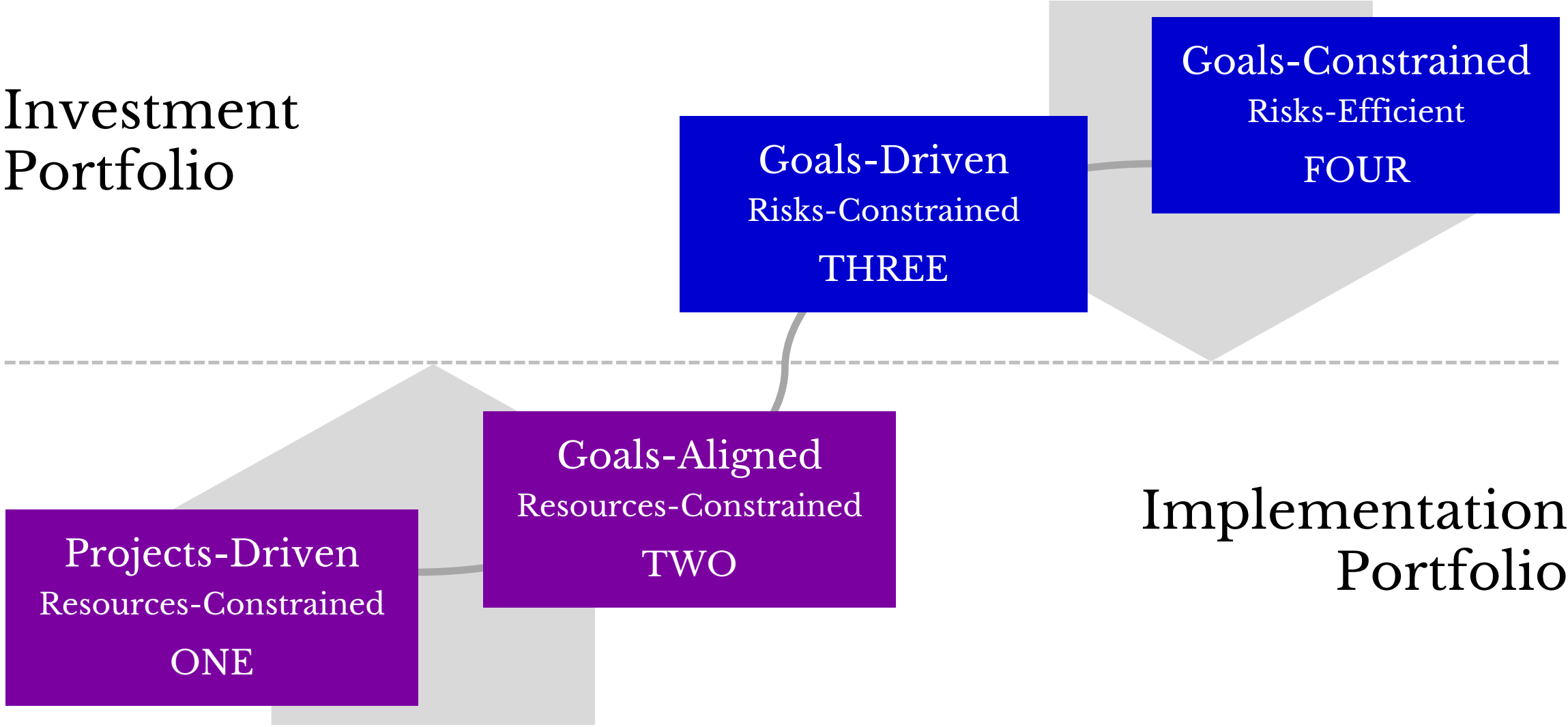


Goals-Driven, Projects-Driven

	Goals Driven	Projects Driven
Achieving our investment goals	Light Green	Light Red
Achieving our implementation goals	Dark Green	Dark Green
Agile in our choices of changes to invest in	Light Green	Light Red
Minimising the resources we are investing	Dark Green	Dark Green
Minimising the risks we are taking	Light Green	Light Red

The Four Generations of Change Portfolio

Investment
Portfolio



The Four Generations of Change Portfolio

FOUR

Goals-Constrained

Portfolio is created from investment goals

Investment goals determine the selection of projects

Portfolio performance: risks incurred to achieve investment goals

THREE

Goals-Driven

Portfolio is created from investment goals

Investment goals steer the selection of projects

Portfolio performance: achievement of investment goals

TWO

Goals-Aligned

Portfolio is created from projects

Projects are linked with investment goals

Portfolio performance: success of projects

ONE

Projects-Driven

Portfolio is created from projects

Investment goals are unknown or not used

Portfolio performance: success of projects

Goals–Driven or Projects-Driven?

The quickest way to check

What's the first column?



Projects				

The Four Generations of Change Portfolio

Investment
Portfolio

Goals-Driven
Risks-Constrained
THREE

Goals-Constrained
Risks-Efficient
FOUR

Projects-Driven
Resources-Constrained
ONE

Goals-Aligned
Resources-Constrained
TWO

Implementation
Portfolio

Projects-Driven Portfolio (Sample)

Project ID	Project Name	Project Costs*			Post-Project Opex Impact*	Net Present Value*	Delivery Status
		Capex	Opex	Total			
0946	Customer Incentives Rollout	0.0	121.9	121.9	+0.0	+195.0	Amber
0966	ERP Implementation	18 740.3	6 811.2	25 551.5	+1 261.4	+38 327.3	Amber
1006	XXA Launch	0.0	2 640.0	2 640.0	+1 450.0	+5 280.0	Amber
1011	Rebranding Stage 4	0.0	671.2	671.2	+4.8	+1 141.0	Amber
1015	Cost Efficiencies Programme	1 104.6	904.6	2 009.2	-2 307.8	+1 105.1	Green
1046	Marketing Database Upgrade	2 006.7	123.5	2 130.2	+413.5	+4 473.4	Amber
1057	Key Accounts Team - IT Systems	377.8	0.0	377.8	+22.5	+680.0	Green
1106	Procurement Process	131.6	336.8	468.4	+9.6	+1 405.2	Green
1130	Digital Strategy Phase 3	2 680.0	331.0	3 011.0	+610.2	+7 226.4	Green
1149	Worldwide Channel Synergies	2 994.0	446.1	3 440.1	+588.9	+5 160.2	Amber
1155	HR Department - Operating Model	0.0	120.5	120.5	-11.3	+168.7	Amber
1163	Application Simplification Project	560.3	21.5	581.8	-336.1	+640.0	Amber
1189	XXB Launch	0.0	1 850.2	1 850.2	+1 204.1	+1 665.2	Green
1210	Global Sales Reorganisation	0.0	336.5	336.5	+21.5	+387.0	Red
1237	Project C-C-U	1 204.7	95.6	1 300.3	+0.0	+1 560.4	Green
1254	FRE-16a Compliance	2 176.6	245.9	2 422.5	+13.5	+7 509.8	Green
1265	Customer Awareness Stage 1	0.0	1 781.0	1 781.0	+115.6	+997.4	Green
1267	Brand Management	1 300.0	4 815.4	6 115.4	+955.1	+8 072.3	Amber
1300	Regulator Review	0.0	1 437.7	1 437.7	+0.0	+2 976.0	Green
1309	Digital Strategy Phase 2	0.0	1 157.8	1 157.8	+0.0	+764.1	Green
1322	Brand Agency - Project Flash	0.0	974.5	974.5	-33.2	+1 851.6	Red
1390	I-Refer Project	15.0	781.4	796.4	+5.6	+684.9	Green
1401	GRXS Version 5.0	2 395.0	486.1	2 881.1	+1 505.0	+4 609.8	Amber
1427	NFT Launch	1 200.5	2 799.1	3 999.6	+2 990.3	+10 079.0	Green
		36 887.1	29 289.5	66 176.6	+8 483.2		

*All amounts are in EUR 000. Costs include actual expenditure, and the cost-equivalent of employees' time.

The Four Generations of Change Portfolio

Investment
Portfolio

Goals-Driven
Risks-Constrained
THREE

Goals-Constrained
Risks-Efficient
FOUR

Projects-Driven
Resources-Constrained
ONE

Goals-Aligned
Resources-Constrained
TWO

Implementation
Portfolio

Getting To Know Our Investment Goals

Fully-developed Goal =
Value Type
+ Target Outcome
+ Date

Sample Investment Goals (Primitive - Value Types)
Revenues
Operating Expenses
Productivity (or Efficiency)
Brands
Products & Services
Customers
Employees
Structure
Legal & Regulatory Compliance
Business Continuity
[Something Else - Optional]
[Something Else - Optional]

Each Goal
has its own
measures of success

Goals-Aligned Portfolio (Sample)

Project ID	Project Name	Project Costs*			Post-Project Opex Impact*	Net Present Value*	Delivery Status
		Capex	Opex	Total			
0946	Customer Incentives Rollout	0.0	121.9	121.9	+0.0	+195.0	Amber
0966	ERP Implementation	18 740.3	6 811.2	25 551.5	+1 261.4	+38 327.3	Amber
1006	XXA Launch	0.0	2 640.0	2 640.0	+1 450.0	+5 280.0	Amber
1011	Rebranding Stage 4	0.0	671.2	671.2	+4.8	+1 141.0	Amber
1015	Cost Efficiencies Programme	1 104.6	904.6	2 009.2	-2 307.8	+1 105.1	Green
1046	Marketing Database Upgrade	2 006.7	123.5	2 130.2	+413.5	+4 473.4	Amber
1057	Key Accounts Team - IT Systems	377.8	0.0	377.8	+22.5	+680.0	Green
1106	Procurement Process	131.6	336.8	468.4	+9.6	+1 405.2	Green
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1267	Brand Management	1 300.0	4 815.4	6 115.4	+955.1	+8 072.3	Amber
1300	Regulator Review	0.0	1 437.7	1 437.7	+0.0	+2 976.0	Green
1309	Digital Strategy Phase 2	0.0	1 157.8	1 157.8	+0.0	+764.1	Green
1322	Brand Agency - Project Flash	0.0	974.5	974.5	-33.2	+1 851.6	Red
1390	I-Refer Project	15.0	781.4	796.4	+5.6	+684.9	Green
1401	GRXS Version 5.0	2 395.0	486.1	2 881.1	+1 505.0	+4 609.8	Amber
1427	NFT Launch	1 200.5	2 799.1	3 999.6	+2 990.3	+10 079.0	Green
		36 887.1	29 289.5	66 176.6	+8 483.2		

*All amounts are in EUR 000. Costs include actual expenditure, and the cost-equivalent of employees' time.

Project Probability Paradox (Cultural)

The higher the probability that a project will be approved
the lower the probability that it will succeed

The Four Generations of Change Portfolio

Investment
Portfolio

Goals-Constrained
Risks-Efficient
FOUR

Goals-Driven
Risks-Constrained
THREE

Goals-Aligned
Resources-Constrained
TWO

Projects-Driven
Resources-Constrained
ONE

Implementation
Portfolio

From Goals-Aligned to Goals-Driven

Transforming the same data

Project ID	Project Name	Project Costs*			Post-Project Opex Impact*
		Capex	Opex	Total	
0946	Customer Incentives Rollout	0.0	121.9	121.9	+0.0
0966	ERP Implementation	18 740.3	6 811.2	25 551.5	+1 261.4
1006	XXA Launch	0.0	2 640.0	2 640.0	+1 450.0
1011	Rebranding Stage 4	0.0	671.2	671.2	+4.8
1015	Cost Efficiencies Programme	1 104.6	904.6	2 009.2	-2 307.8
1046	Marketing Database Upgrade	2 006.7	123.5	2 130.2	+413.5
1057	Key Accounts Team - IT Systems	377.8	0.0	377.8	+22.5
1106	Procurement Process	131.6	336.8	468.4	+9.6
1130	Digital Strategy Phase 3	2 680.0	331.0	3 011.0	+610.2
1149	Worldwide Channel Synergies	2 994.0	446.1	3 440.1	+588.9
1155	HR Department - Operating Model	0.0	120.5	120.5	-11.3
1163	Application Simplification Project	560.3	21.5	581.8	-336.1
1189	XXB Launch	0.0	1 850.2	1 850.2	+1 204.1
1210	Global Sales Reorganisation	0.0	336.5	336.5	+21.5
1237	Project C-C-U	1 204.7	95.6	1 300.3	+0.0
1254	FRE-16a Compliance	2 176.6	245.9	2 422.5	+13.5
1265	Customer Awareness Stage 1	0.0	1 781.0	1 781.0	+115.6
1267	Brand Management	1 300.0	4 815.4	6 115.4	+955.1
1300	Regulator Review	0.0	1 437.7	1 437.7	+0.0
1309	Digital Strategy Phase 2	0.0	1 157.8	1 157.8	+0.0
1322	Brand Agency - Project Flash	0.0	974.5	974.5	-33.2
1390	I-Refer Project	15.0	781.4	796.4	+5.6
1401	GRXS Version 5.0	2 395.0	486.1	2 881.1	+1 505.0
1427	NFT Launch	1 200.5	2 799.1	3 999.6	+2 990.3
		36 887.1	29 289.5	66 176.6	+8 483.2

Goals (Value Types)	0946	0966	1006	1011	1015	1046	1057	1106	1130	1149	1155	1163	1189	1210	1237	1254	1265	1267	1300	1309	1322	1390	1401	1427
Revenues																								
Operating Expenses																								
Productivity																								
Brands																								
Customers																								
Products & Services																								
Employees																								
Structure																								
Compliance																								
Business Continuity																								

Goals (Value Types)	Projects	Project Contributions	Project Costs	Future Cost Impacts	Implementation Probability	Investment Probability
Revenues	1046		2,130.2	+413.5	Medium	
	1057		377.8	+22.5	High	
	1130		3,011.0	+610.2	High	
Operating Expenses	1149		3,440.1	+588.9	Medium	
	1015		2,009.2	-2,307.8	High	
	1106		468.4	+9.6	High	
Productivity	1155		120.5	-11.3	Medium	
	1210		336.5	+21.5	Low	
	1011		671.2	+4.8	Medium	
Brands	1265		1,781.0	+115.6	High	
	1267		6,115.4	+955.1	Medium	
	1309		1,157.8	+0.0	High	
	1322		974.5	-33.2	Low	
	1401		2,881.1	+1,505.0	Medium	
Customers	0946		121.9	+0.0	Medium	
	1390		796.4	+5.6	High	
Products & Services	1006		2,640.0	+1,450.0	Medium	
	1189		1,850.2	+1,204.1	High	
	1427		3,999.6	+2,990.3	High	
Employees	1237		1,300.3	+0.0	High	
	0966		25,551.5	+1,261.4	Medium	
Structure	1163		581.8	-336.1	Medium	
	1254		2,422.5	+13.5	High	
Compliance	1300		1 437.7	+0.0	High	
	-		-	-	-	-
Business Continuity						
Note: Revenues and Costs are in GBP 000; Costs include actual expenditure plus the cost equivalent of employees' time			66,176.6	+8,483.2		

*All amounts are in EUR 000. Costs include actual expenditure, and the cost-equivalent of employees' time.

The Essential Transformation

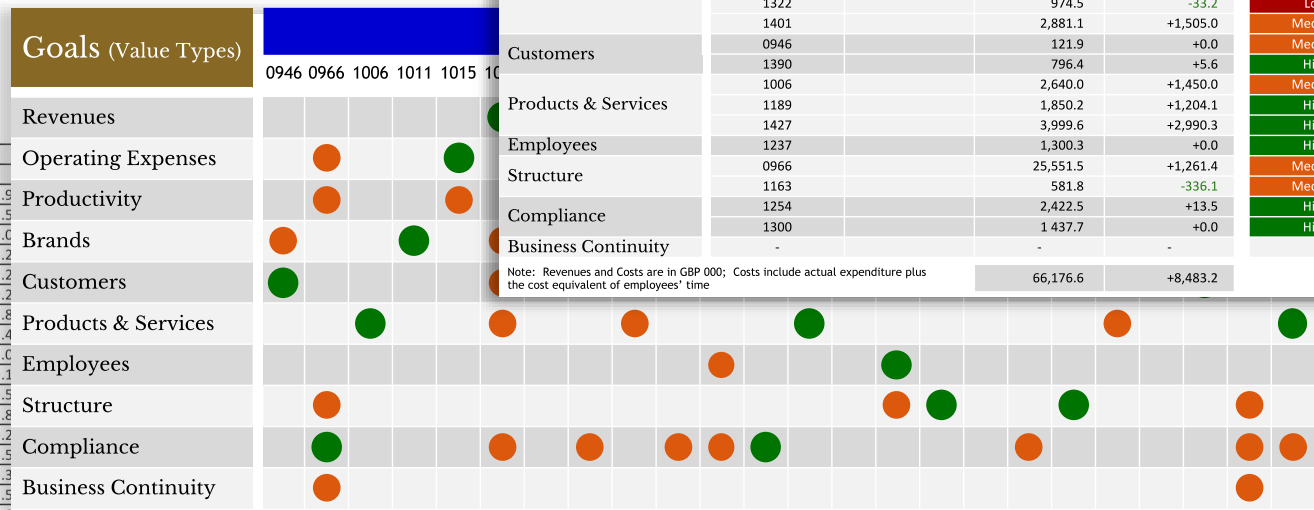
The Goals/Projects Matrix

Goals (Value Types)	Current Projects																							
	0946	0966	1006	1011	1015	1046	1057	1106	1130	1149	1155	1163	1189	1210	1237	1254	1265	1267	1300	1309	1322	1390	1401	1427
Revenues						●	●		●	●				●										
Operating Expenses		●			●							●		●										
Productivity		●			●			●		●	●			●				●					●	
Brands	●			●		●			●								●	●		●	●		●	
Customers	●					●			●	●							●					●		
Products & Services			●			●			●				●							●				●
Employees											●				●									
Structure		●													●	●			●				●	
Compliance		●				●		●		●	●	●						●					●	●
Business Continuity		●																					●	

From Projects-Driven to Goals-Driven

Transforming the same data

Project ID	Project Name	Project Costs*		
		Capex	Opex	Total
0946	Customer Incentives Rollout	0.0	121.9	121.9
0966	ERP Implementation	18 740.3	6 811.2	25 551.5
1006	XXA Launch	0.0	2 640.0	2 640.0
1011	Rebranding Stage 4	0.0	671.2	671.2
1015	Cost Efficiencies Programme	1 104.6	904.6	2 009.2
1046	Marketing Database Upgrade	2 006.7	123.5	2 130.2
1057	Key Accounts Team - IT Systems	377.8	0.0	377.8
1106	Procurement Process	131.6	336.8	468.4
1130	Digital Strategy Phase 3	2 680.0	331.0	3 011.0
1149	Worldwide Channel Synergies	2 994.0	446.1	3 440.1
1155	HR Department - Operating Model	0.0	120.5	120.5
1163	Application Simplification Project	560.3	21.5	581.8
1189	XXB Launch	0.0	1 850.2	1 850.2
1210	Global Sales Reorganisation	0.0	336.5	336.5
1237	Project C-C-U	1 204.7	95.6	1 300.3
1254	FRE-16a Compliance	2 176.6	245.9	2 422.5
1265	Customer Awareness Stage 1	0.0	1 781.0	1 781.0
1267	Brand Management	1 300.0	4 815.4	6 115.4
1300	Regulator Review	0.0	1 437.7	1 437.7
1309	Digital Strategy Phase 2	0.0	1 157.8	1 157.8
1322	Brand Agency - Project Flash	0.0	974.5	974.5
1390	I-Refer Project	15.0	781.4	796.4
1401	GRXS Version 5.0	2 395.0	486.1	2 881.1
1427	NFT Launch	1 200.5	2 799.1	3 999.6
		36 887.1	29 289.5	66 176.6



Goals (Value Types)	Projects	Project Contributions	Project Costs	Future Cost Impacts	Implementation Probability	Investment Probability
Revenues	1046		2,130.2	+413.5	Medium	
	1057		377.8	+22.5	High	
	1130		3,011.0	+610.2	High	
	1149		3,440.1	+588.9	Medium	
Operating Expenses	1015		2,009.2	-2,307.8	High	
	1106		468.4	+9.6	High	
	1155		120.5	-11.3	Medium	
Productivity	1210		336.5	+21.5	Low	
	1011		671.2	+4.8	Medium	
	1265		1,781.0	+115.6	High	
Brands	1267		6,115.4	+955.1	Medium	
	1309		1,157.8	+0.0	High	
	1322		974.5	-33.2	Low	
	1401		2,881.1	+1,505.0	Medium	
Customers	0946		121.9	+0.0	Medium	
	1390		796.4	+5.6	High	
Products & Services	1006		2,640.0	+1,450.0	Medium	
	1189		1,850.2	+1,204.1	High	
Employees	1427		3,999.6	+2,990.3	High	
	1237		1,300.3	+0.0	High	
Structure	0966		25,551.5	+1,261.4	Medium	
	1163		581.8	-336.1	Medium	
Compliance	1254		2,422.5	+13.5	High	
	1300		1 437.7	+0.0	High	
Business Continuity	-		-	-	-	-
			66,176.6	+8,483.2		

Note: Revenues and Costs are in GBP 000; Costs include actual expenditure plus the cost equivalent of employees' time

*All amounts are in EUR 000. Costs include actual expenditure, and the cost-equivalent of employees' time.

Basic Goals-Driven Portfolio (Sample)

Goals (Value Types)	Projects	Project Contributions	Project Costs	Future Cost Impacts	Implementation Probability	Investment Probability
Revenues	1046		2,130.2	+413.5	Medium	
	1057		377.8	+22.5	High	
	1130		3,011.0	+610.2	High	
	1149		3,440.1	+588.9	Medium	
Operating Expenses	1015		2,009.2	-2,307.8	High	
Productivity	1106		468.4	+9.6	High	
	1155		120.5	-11.3	Medium	
	1210		336.5	+21.5	Low	
Brands	1011		671.2	+4.8	Medium	
	1265		1,781.0	+115.6	High	
	1267		6,115.4	+955.1	Medium	
	1309		1,157.8	+0.0	High	
	1322		974.5	-33.2	Low	
	1401		2,881.1	+1,505.0	Medium	
Customers	0946		121.9	+0.0	Medium	
	1390		796.4	+5.6	High	
Products & Services	1006		2,640.0	+1,450.0	Medium	
	1189		1,850.2	+1,204.1	High	
	1427		3,999.6	+2,990.3	High	
Employees	1237		1,300.3	+0.0	High	
Structure	0966		25,551.5	+1,261.4	Medium	
	1163		581.8	-336.1	Medium	
Compliance	1254		2,422.5	+13.5	High	
	1300		1 437.7	+0.0	High	
Business Continuity	-		-	-	-	-
			66,176.6	+8,483.2		

Note: Revenues and Costs are in EUR 000; Costs include actual expenditure plus the cost equivalent of employees' time

Basic Goals-Driven Portfolio (Sample)

Goals (Value Types)	Projects	Project Contributions	Project Costs	Future Cost Impacts	Implementation Probability	Investment Probability
Revenues	1046	+10,310.0	13.6%	+1,635.1	Medium	Low
	1057				High	Medium
	1130				High	Medium
	1149				Medium	Medium
Operating Expenses	1015	-2,307.8	3.0%	-2307.8	High	High
Productivity	1106	+1.1	1.4%	+19.8	High	Low
	1155				Medium	Medium
	1210				Low	Zero
Brands	1011	+38%	20.5%	+2,547.3	Medium	Medium
	1265				High	High
	1267				Medium	Low
	1309				High	Low
	1322				Low	Low
	1401				Medium	Medium
Customers	0946	+14%	1.4%	+5.6	Medium	High
	1390				High	High
Products & Services	1006	On-Time Launches x3	12.8%	+5,644.4	Medium	Medium
	1189				High	High
	1427				High	Medium
Employees	1237	+1.0	2.0%	+0.0	High	Medium
Structure	0966	Achieved x2	39.5%	+925.3	Medium	Low
	1163				Medium	Medium
Compliance	1254	Compliant x2	5.8%	+13.5	High	Zero
	1300				High	High
Business Continuity	-		0.0%	+0.0	-	-
			100.0%	+8,483.2		

Note: Revenues and Costs are in EUR 000; Costs include actual expenditure plus the cost equivalent of employees' time

Prioritising Longer-Term Goals

Goals (Value Types)	Shorter-Term Priorities
Revenues	✓
Operating Expenses	
Productivity	
Brands	✓
Customers	
Products & Services	✓
Employees	
Structure	✓
Compliance	
Business Continuity	



Projects



Provisions

The Four Generations of Change Portfolio

Investment
Portfolio

Goals-Driven
Risks-Constrained
THREE

Goals-Constrained
Risks-Efficient
FOUR

Projects-Driven
Resources-Constrained
ONE

Goals-Aligned
Resources-Constrained
TWO

Implementation
Portfolio

Goals-Constrained Portfolio (Sample)

Goals (Value Types)	Outcomes Required from Change		Projects	Project Contributions	Project Costs	Future Cost Impacts	Implementation Probability	Investment Probability
	This Year	Next Year						
Revenues	+9,000	+12,000	<p>Agile in our choices of changes to invest in</p>					
Operating Expenses	-2,500	-3,500						
Productivity	+2.0	+5.0						
Brands	+30%	+10%						
Customers	+12%	+20%						
Products & Services	On-Time Launches x3	20,000 Additional Customers from Product Innovations						
Employees	+1.0	+1.0						
Structure	Structural Innovation Targets Achieved x2	(To Be Decided)						
Compliance	Compliant x2	Compliant x?						
Business Continuity	Achieved	Achieved						

Note: Revenues and Costs are in EUR 000; Costs include actual expenditure plus the cost equivalent of employees' time

In Summary

From Projects-Driven to Goals-Driven

Towards excellence at investing in change

The foundation for agile investments

Four Generations of Change Portfolio

Multiplying the value of the Portfolio Management Office

A technical, political and cultural journey

Thank You

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