

Strategic Portfolio Management for Luchtverkeersleiding Nederland

"From project-driven management to strategy-driven management"

We can finally see where the bottlenecks are and the consequences of the agreements we make.

Hans Ooms

Project leader and controller, LVNL



About LVNL

Luchtverkeersleiding Nederland - LVNL - regulates air traffic within Dutch civilian airspace and everything that comes with it. For example, renewing and managing technical systems, providing aviation intelligence, providing training for LVNL and producing aviation maps and publications.

The Project Organisation

LVNL has an average of about 180 different projects running in parallel. These projects range from very large projects like the replacement of the traffic control system, to small projects like replacing a beacon. Some projects are unique and one-off, some a repeat of previous projects.



employees



projects per year



flights per year

LVNL's role is unique. That's why LVNL develops a lot itself: systems - both software and hardware such as radars - to support their operations, procedures and manuals, and the training to use those systems and procedures properly. Project teams therefore always include people from the various disciplines of the organization:

- operations
- procedures
- systems
- training



Government



www.lvnl.nl



Schiphol, the Netherlands



The trigger

Before Fortes Change Cloud was introduced within LVNL, the Board and Management Team determined which projects should be started. The project management department then started the project and interacted with the departments to assemble the right team and arrange resources.

As projects progressed, unforeseen circumstances occurred - as in any organization - and new projects were started. That put pressure on capacity. The bottlenecks that then arose were resolved by department managers. They determined which projects were given priority. The consequence was that the actual steering of the organization was largely at the departmental level.

From the Control Department, the need arose in 2019 to better streamline portfolio management. A new modern system was being sought to keep track of the large number of projects centrally and to get a more strategic grip on the deployment of scarce capacity. LVNL chose Fortes Change Cloud (FCC).

Portfolio Management

First, the project organization is provided with the replacement tools for project management. When that is completed, portfolio management is introduced within the organization.

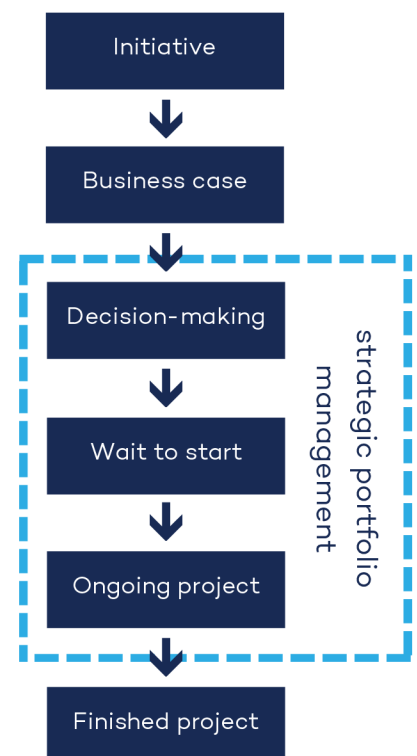
A Portfolio Management Board (PMB) is established for this purpose. This board team meets once every six weeks to review the project portfolio and make decisions.



The process from idea to completed project is divided into phases. These phases are arranged in FCC. The process looks as follows:

An idea arises from the internal organization that needs to be implemented in a project and requires an investment from a department. This initiative is briefly described and includes a rough estimate of the required resources.

When it matches the goals of the organization, the proposal is enriched. It is developed into a business case. The estimate of man hours needed is refined. The business case also includes which financial flows are involved,



who must participate in the decision and what regulations it must comply with.

Once the business case is sufficiently developed, it moves to the next stage in the project funnel: decision-making. As a decision document, it is submitted to the PMB. In addition, the manufacturability - the matching of capacity supply and demand - of the project portfolio is also discussed within the Resource Management Consultation. A decision is made. If it is positive, the project goes to the "wait to start" phase.

The Resource Management Consultation (RMO) assesses the best time to start projects so that resources are actually available. Projects are prioritized based on their strategic importance to the organization and organizational objectives. The portfolio is thus optimized.

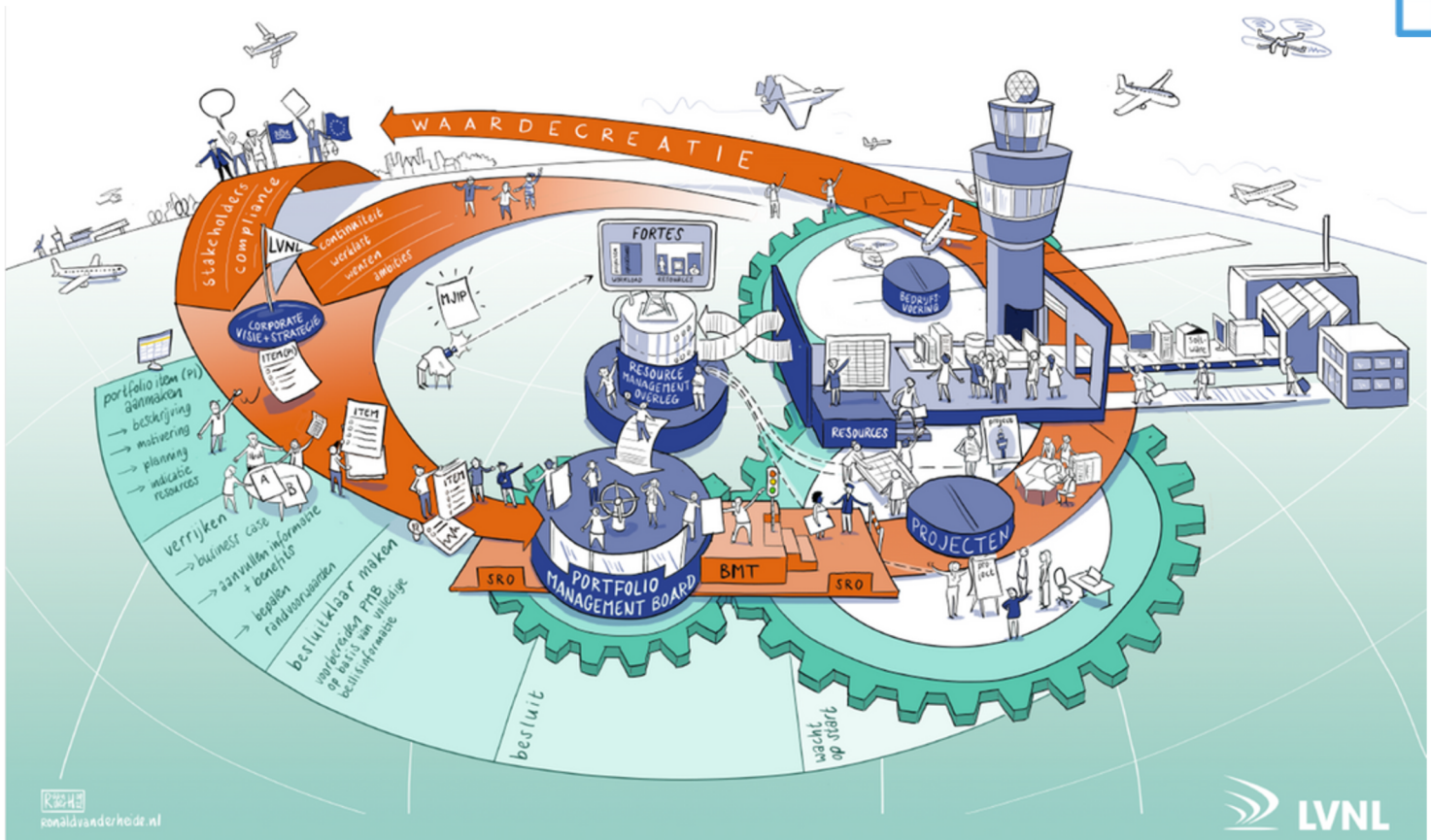
Within Capacity planning, critical resources are closely monitored. Within LVNL, air traffic controllers are an important critical resource. They are necessary for the day-to-day operations of LVNL. Air traffic controllers are involved in many projects because they need to be trained in new systems or procedures, for example. You can only give people training on a limited basis. Not only because of the necessary continuity in daily operations, but also because people cannot learn something new every week.

All projects with a positive decision make up the investment plan for the years ahead. Strategic Portfolio Management involves looking several years ahead. LVNL looks five years ahead. By looking well ahead, you identify bottlenecks in your critical resources at an early stage.

By calibrating every six weeks, you can constantly make adjustments on the basis of current insight and remain more flexible as an organization.

Strategic Portfolio Management

In the process view on the previous page, three phases are shown in a light frame. These are the phases within which strategic portfolio management takes place.



Infographic of the process for Capacity planning. Source: LVNL Nederland

Implementation

In 2019, FCC was first set up for the replacement demand: the planning system. All project managers were trained in the use of FCC for

- planning of activities
- linking resources to projects
- planning based on skills rather than departments

Project planning was an important foundation. After all, people need to be able to write hours on the right activities.

Then, in 2020, the portfolio management project started.

Because portfolio management as an activity was new for LVNL, the various departments and the MT were involved in the development with great regularity during the project.

Fortes is linked to two systems:

- The HR system for automatic synchronization of available capacity.
- Qlik Sense for management information.

In 2021, the first pilot project on strategic portfolio management was launched. This was followed by a road show through the organization to take employees through the how and why. An infographic was designed for these talks to make the process clearer.

Next steps

The next step for LVNL is mostly about optimization. The system and processes are in place. The focus is now on human behavior.

Employees are becoming more enthusiastic and financially there is a better overview. Managers and controllers no longer work with their own individual Excel sheets. It still happens that people skip steps or provide insufficient information about a project to make a decision. On the other hand, not every small recurring project needs a detailed business case. The right balance must be found in the coming period.



Source: LVNL



Areas for learning and improvement

Not everything within the project went smoothly. As learning points, LVNL sees the following:

At an earlier stage, LVNL ran a pilot with the possibility in Fortes to let project leaders request resources themselves, which were or were not assigned by the department managers. They stopped doing that because

- Not all project leaders consistently requested their resources. Behavior undermines the process in such a case.
- Projects depended on resources from different departments. Because not all departments assigned the same priorities, projects then sometimes lacked some of the necessary resources. Decision-making had to be at the strategic level, not at the departmental level.

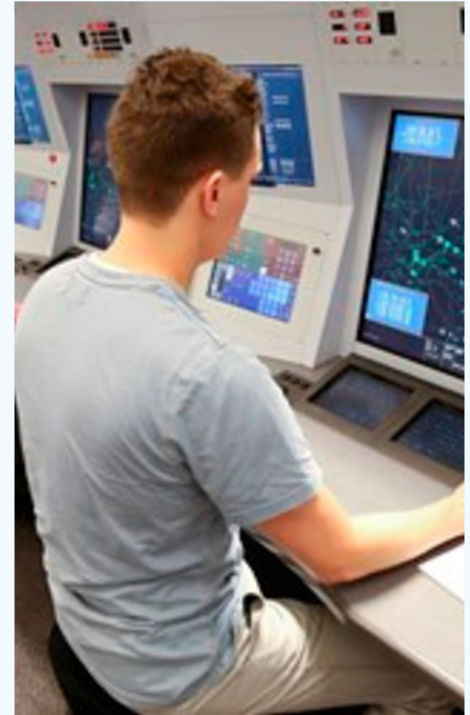
With more than 180 projects running, information must be consolidated into reports and presentations. That's where the organization is still searching for the right form.

Strategic steering works best when projects are clearly linked to strategic goals. This can still be improved within the organization. Providing the full information for every project always benefits the quality of the decision-making so this is helpful in every way.

The Results

The positive results of the new way of working can already be seen:

- ✓ More control over the deployment of critical resources
- ✓ The malleability of the portfolio is now managed.
- ✓ Process, information and decision making are captured in 1 system: Fortes
- ✓ There is a longer planning horizon
- ✓ Decision making takes place centrally based on the entire portfolio and associated resources rather than individual estimates.



Source: LVNL

This case study was created with the assistance of Hans Ooms, project manager and controller at LVNL. As project manager, he led the implementation of project management and strategic portfolio management with Fortes Change Cloud.

ABOUT FORTES

Fortes has been developing solutions for effective management of projects and project portfolios for more than 20 years. Fortes Change Cloud is the number one local and central Dutch government solution for Strategic Portfolio Management. Fortes supports programs, projects, agile teams and Strategic Resource Management, matching available manpower to current and future demand.

Fortes stands out for its great ease of use, flexibility and scalability. It supports everything from a small department with a handful of projects to a large ministry with dozens of portfolios and more than 1,000 initiatives.

Want to know how Fortes can help you get a better grip on your strategic direction? Then request a demo today.



One platform to connect the dots

Fortes Change Cloud

