Abstract

The project management software market is understatedly crowded, with over 300 available options. And it is of utmost importance to take the time to understand the vast landscape of this market – and ultimately, which solution is most suitable for an organization's needs.

The various softwares present an immense difference in usability and features; but the real complication comes from the fact that the Project Management Software category, is not well defined. This results in products that potentially offer only one element of project management, i.e. reporting, scheduling or file sharing, easily slotting themselves into the project management software category, further diluting the market and making the buying process that much more difficult.

The market is bursting at its seams with project collaboration tools and project portfolio management software. This white paper will help organizations differentiate the various PM (Project Management) & PPM (Project Portfolio Management) Software categories and the benefits offered by each. Furthermore, it will detail which solution is most ideal based on the type of organization and project environment.
Identifying the Categories of PM & PPM Software

The reality is that most companies & people looking to purchase a PM Software, don’t realize the large undertaking of choosing the most viable solution, until they begin their search. Among deciding factors, such as low-end vs high-end solutions and what kind of platform the solutions are built on, the most relevant factor of all, is which category of PM or PPM software is equipped to effectively manage your projects and support project delivery success.

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<tr>
<th>PPM/PM Categories</th>
<th>Definitions</th>
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<tr>
<td>Project Collaboration</td>
<td>Basic communication and sharing of project information, documents and emails to optimize project results.</td>
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<tr>
<td>Project Management</td>
<td>Bottom up approach to manage the people, time lines, scope, budget and activities within a finite time frame for a project defined by the end customer/stakeholder.</td>
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<tr>
<td>Enterprise Project Management (EPM)</td>
<td>Takes a holistic approach to managing projects with great consideration given to their impact on the people, processes and corporate objectives. The idea is to develop a project management environment based on a group of interrelated goals that are linked to a single group of people with finite availability and talent.</td>
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<tr>
<td>Professional Services Automation (PSA)</td>
<td>Managing the entire life cycle of service-based projects from sales (CRM), project delivery, time and billing and invoicing fed back into Accounting.</td>
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<tr>
<td>Project Portfolio Management (PPM)</td>
<td>Provides a top down approach to strategically align and optimize potential and active projects with the corporate objectives and available resources grouped into different portfolios.</td>
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To simplify the purchasing process, it is essential to first have a crystal clear understanding of the 5 categories of software on a technical level and in particular, to the business benefits they support. To strengthen this understanding, one must also have a solid grasp on the type of projects coming down the pipeline, how many people are involved, who the stakeholders are, what level of reporting is required and what features will help get the job done in the most efficient and effective way.
Project Collaboration Software

At the most basic level of project management software is Project Collaboration; an undeniably better way to manage team communications versus email – which are often inundated with notifications from social media, personal emails and all other types of communications that flood inboxes and cause unnecessary distractions. Many companies are choosing to work with Project Collaboration platforms for this very reason, whether as a stand alone solution or one that is integrated in a more sophisticated PM system.

The heart of any Project Collaboration is of course, to centralize information. The model is based on providing access to all the necessary pieces of information, for all the people involved in a common task or project to be able to view and edit (if they are given permission to do so), and ultimately to create a collaborative working environment.

Project Collaboration is an essential tool for all companies, no matter how big or small. Companies that should consider a simple Project Collaboration software, over let's say a feature rich Project Management solution, are generally smaller start-ups who do not manage large projects which involve several departments of resources; and where they seldom have designated Project Managers. An ideal project for this type of solution would be a graphic design project. The designers need access to a melting pot of information, but they rarely require more advanced features, such as Gantt Charts and Budget Tracking.

An excellent feature of Project Collaboration software is its quick setup time. A company can usually expect to have this application up and running, and to have their entire staff trained to use it, within 24 hours – it’s that simple. These systems are cloud based with low monthly subscriptions, little consulting requirements and the option to cancel at anytime.

In short, here are the benefits of Project Collaboration tools:

- **Cloud storage**: Data is backed up remotely and made available to users in a given network. Information access can be turned on or off for different users.

- **Fast Production Time**: Fast turn around time on projects because of simplified information sharing.

- **Remote working locations**: Companies are increasingly working with employees from remote locations, and with multiple regional offices. Project Collaboration software, enables easy communication between team members and consequently, conserved office space and flexible work arrangements.

- **Minimal use of email**: With project collaboration softwares, workers are less prone to getting swept away by countless emails and distractions.

- **Calendar sharing**: This allows employees to give permission for their calendars to be viewed, for simplified meeting requests.
Project Management Software

Of all the categories in the PM & PPM category, Project Management software is by far the most difficult to navigate. The reason being that every solution, no matter how simple or complex and regardless of what project management tools are actually offered, slot themselves into the PM software category. It is undoubtedly the most commonly used term to describe ALL the categories of PM & PPM software.

Marketers are well tuned into this trend and do an excellent job of latching onto it. They say all the same things to describe widely different softwares, further creating confusion for potential buyers; a quick Google search for “project management softwares” provides all the necessary evidence of this. As with any industry, there’s marketing – and then there’s reality.

Ultimately, a PM software needs to address and support the role of a project manager; and put simply, they need to deliver projects on time, within the given budget and in adherence to any set specifications.

At a basic level, the software should allow organizations to plan and manage a project from start to finish, with the implication of employees at all levels. A suitable software will allow PMs to create a plan, schedule tasks and deliverables, manage resources, and easily share and adjust weekly progress reports. This is of course, with the aim of handling all the complexities of projects in an efficient and cost effective manner.

A true Project Management software will include the following list of features:

- Cost tracking and budget management
- Project Planning & Gantt Charts
- Resource management
- Document management
- Social team collaboration
- Time and expense tracking
- Risk and change management
- Dashboards and reporting
- Workflow management
- Project tracking

So which environment is ideal for a project management software? Organizations that need to plan projects, manage tasks, share and collaborate on documents, manage issues or bugs and track time are prime candidates for this type of software.
Enterprise Project Management Software

Enterprise Project Management (EPM) is the daily management of multiple projects, simultaneously.

Enterprise Project Management softwares takes a holistic view of multiple projects. Below is an excellent definition of EPM by Genius Project’s Director of Product Strategy:

“Enterprise Project Management takes a holistic approach to managing projects with great consideration given to their impact on the people, processes and corporate objectives. The idea is to develop a project management environment based on a group of interrelated goals that are linked to a single group of people with finite availability and talent.”

Businesses that manage multiple projects, need to adopt a software that will provide a complete view of their resources; and in turn, the best resources can be assigned to the most profitable projects. But as with most of the categories in the PM & PPM market, the lines often get blurry between software options for Project Management vs Enterprise Project Management.

EPM software must provide strong scheduling, dashboards & reporting capabilities, with the ability to look at all resources across multiple projects. Here is a list features the software should include:

- Project Portfolio Management
- Planning & Gantt Chart
- Resource Management
- Time & Expense Tracking
- Project Tracking
- Cost & Budget Management
- Demand Management
- Document Management
- Social Team Collaboration
- Risk & Change Management
- Dashboards & Reporting
- Phase Review Support
- Workflow Management

The key difference between good project management software and excellent Enterprise Project Management software, is the intelligence in providing a holistic view into the status of projects, resource availability and ultimately, the ability to deliver projects which are in alignment with the strategic goals of the organization, as a whole.
Project Portfolio Management

Project Portfolio Management (PPM) is a top down approach to strategizing projects.

Enterprise Project Management focuses on the daily management of multiple projects from the bottom up. Conversely, Project Portfolio Management is the evaluation of projects from a top down view, with considerations such as, which projects will be prioritized, de-prioritized, which to start working on right away and which to possibly consider cancelling.

The objective of PPM is to have a macro view of a portfolio of projects in order to assess their profitability and alignment with corporate goals & any constraints that may be imposed by external factors.

With PPM, Project Management Offices (PMOs) play a significant role in managing portfolios and those who will execute the projects. There is heavy emphasis on resource management, optimizing resources and of course working within a global budget. Organizations that have a Project Management Office are invested in project management and are the ideal candidates for a PPM software.

Here’s a great definition of PPM from Genius Project’s Director of Product Strategy:

“Project Portfolio Management provides a top down approach to strategically align and optimize potential and active projects with the corporate objectives and available resources grouped into different portfolios.”

It is evident that there are a few key elements that need to be addressed in a PPM solution; such as, “what-if” scenario planning, reporting and dashboards, to name a few. And possibly the most necessary feature, is powerful Demand Management, which is crucial for the effective assessment of a pipeline of projects.

Here is a complete list of features that a suitable Project Portfolio Management solution should include:

- Project Portfolio Management
- Planning & Gantt Chart
- Resource Management
- Time & Expense Tracking
- Project Tracking
- Cost & Budget Management
- Demand Management
- Document Management
- Social Team Collaboration
- Risk & Change Management
- Dashboards & Reporting
- What-If Scenario Planning
- Phase Review Support
- Workflow Management
- OBS Support
Professional Services Automation

In short, Professional Services Automation (PSA) can be considered like an EPM software for service

PSAs are a separate entity from all other project management softwares, since they are specifically designed for the service industry. It is a solution that will help run a professional service business from end to end.

This type of software came to exist for the purpose of linking the front office of a service business (the clients), to the back office (the accounting). For a long time there existed tools to manage both sides of the business but not all of it; hence the emergence of PSA software, which binds them all together and manages the entire life cycle of the service organization.

According to Genius Project’s Director of Product Strategy, a PSA “manages the entire life cycle of service-based projects from sales (CRM), project delivery, time, billing and invoicing fed back into Accounting.”

Since this product is specific to the service industry, it is important to be clear on what types of businesses are considered professional services. Here is a comprehensive list of examples:

- Accounting, Auditing, and Bookkeeping Services
- Adjustment and Collection Services
- Architectural Services
- Business Consulting Services, NEC
- Commercial Economic, Sociological, and Educational Research
- Commercial Physical and Biological Research
- Credit Reporting Services
- Engineering Services
- Facilities Support Management Services
- Management Consulting Services
- Management Services
- Noncommercial Research Organizations
- Public Relations Services
- Secretarial and Court Reporting Services
- Surveying Services
- Testing Laboratories

Professional services companies don’t sell products, they sell projects; ie. the deployment of a service. With this in mind, it becomes clear that a PSA software must have the ability to assist these professionals with project and resource management for their client projects.

Professional Service Organizations tend to take on large service projects, where tracking and approvals are required at several stages along the way. What makes a service project more complex is attributed to many factors. First and foremost, is the management of stakeholders, which tend to include committees, customers & project managers, at the very least. The projects generally require a multitude of services and a substantial amount of time for completion; as such, detailed schedules with tasks & milestones are a necessity. Moreover, the high-value nature of the projects trigger clients to request detailed descriptions and breakdowns of the work completed and a demand for timely delivery.
A typical PSA should include the following features to be considered effective:

- Project Tracking
- Document Management
- Time and Expense Tracking
- Dashboards and Reporting
- Resource Management
- Project Invoicing

These powerful features are linked to the accounting, payroll and CRM (customer relationship management) systems to improve efficiency of the operations; all the while increasing revenue and decreasing delayed billing.

In Summary

Increasing efficiency and project delivery success is a top priority for businesses, in order to gain and maintain a competitive edge. Trends in PM & PPM software purchases are proof of this. However, organizations still struggle with the decision of what kind of solution will yield the greatest return on their investment.

Each software encompasses the features of the category preceding it, with the addition of more features to serve specific needs. While simpler solutions such as Project Collaboration will be of use to any organization, regardless of size and complexity, it will certainly not suffice for portfolios of projects and organizations that have more formal project management practices in place.

To further assist you in evaluating which category of PM & PPM software is ideal for your business, I've put together a “cheat sheet”, detailing the user profile for each software category.
## Software Category and User Profile

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<tr>
<th>Software Category</th>
<th>Profile</th>
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| **Project Collaboration**                | • Your organization does not have any formal project management practices in place  
• You’re looking for a system to help share information across teams  
• Task management is key to what you do  
• You require dashboards and reporting at a project level |
| **Project Management**                   | • Your organization has formal project management practices in place  
• The focus is on managing one single project at a time  
• Planning, scheduling and planning are the core of what you need to do  
• You’re looking for a tool to support the role of a Project Manager |
| **Enterprise Project Management (EPM)**  | • Your organization has the need to see across projects  
• You share and manage resources across multiple projects  
• You require dashboards & reporting at an organizational level  
• Your projects impact each other and the overall organization  
• You need to match your business processes to your projects |
| **Professional Services Automation (PSA)**| • Your work on billable projects for customers  
• Your projects need to be linked to your sales pipeline and your back office  
• You are a service organization where projects are what you sell  
• You have time, billing & invoicing requirements that need to be tied to projects  
• You need to track profitability of your resources and your project |
| **Project Portfolio Management (PPM)**   | • You have a formal Project Management Office (PMO) in place  
• You need “What-if” scenario planning to see how your portfolio impacts your projects  
• You need your projects to align with corporate objectives  
• You need to manage demand  
• You need to map your business processes to your portfolio |
Some questions to consider when deciding which project management software category to purchase and implement into your organization:

1. **Ease of deployment and ease of use:** How much training will be required for your staff to begin using the system?
2. **Flexibility:** Is the system able to adapt to your organization language and business processes?
3. **Features:** Does the solution provide all the necessary features to achieve your objectives?
4. **Adoption:** How responsive is your organization and staff to this new solution?
5. **Pricing:** Does the price of the solution justify its return on investment?

The first step is to be clear on which category of software you should be exploring; the next is choosing the right vendor. We invite you to discover [Genius Project’s feature-rich solution](#) as a marker for viable PPM solutions.