

CASE STUDY

Government of the Netherlands -
Ministry of the Interior and Kingdom Relations

› TRANSFORMING DUTCH GOVERNMENT PORTFOLIO MANAGEMENT WITH P3M3



GLOBAL
PROJECT
PERFORMANCE

meetbare groei in
verbetermanagement

“Portfolio, Programme, and Project Management Maturity Model gives an independent perspective about whether we are doing the right things and in the right way. Together with Management of Portfolios (MoP) best practice, it provides a very structured way to define what is needed in a complex environment such as government and break down the work needed to improve and step up to a higher level of portfolio management maturity.”

Martijn Blok, Portfolio Manager – Real Estate

INTRODUCTION

The Ministry of the Interior and Kingdom Relations (BZK) is one of twelve ministries within the Dutch government. It is responsible for formulating policy, preparing legislation and regulations along with coordinating policy implementation.

Its overarching purpose is safeguarding democracy and effective public administration, with specific responsibilities including the quality of personnel and management in central government, public housing, and government buildings.

There are nine Directorates General within the ministry, covering areas such as Digitalisation Public Sector and Society, Spatial Planning and Shared Services.

ICT activities – making access to government services better, faster, cheaper – are a significant part of the ministry's portfolio.

MAJOR INITIATIVES HAVE

**5m to
178m**

total costs

**2.5
to 11 years**

duration

In 2020, the organisation introduced Management of Portfolios (MoP) as a standard management method for the development of its portfolio management frameworks. PeopleCert's Portfolio, Programme and Project Management Maturity Model (P3M3) and associated accredited consulting services were adopted to inform and plan improvement opportunities and measure achievements progressively.

In 2023, the CIO of the Ministry of the Interior and Kingdom Relations commissioned a formal **Portfolio, Programme, and Project Management Maturity Model (P3M3) assessment to evaluate the progress** made in the development of both strategic and operational portfolio management governance, **confirm achievements**, and **inform further improvements**.

This initiative was conducted by Global Project Performance - a PeopleCert Accredited Consulting Partner (ACP).

GOALS AND CHALLENGES

The overall goal for the ministry was to ensure that its portfolio management capabilities enable the organisation to invest its scarce resources in change initiatives (projects and programmes) that are expected to deliver best value for money.

This takes into account risk exposure and appetite, as well as delivering these initiatives effectively and efficiently in line with its associated business case objectives. In other words: **doing the right things and doing the things right**. As the government must be able to respond adequately to changing political priorities and circumstances, it is of vital importance that the portfolio management maturity of the organisation is sufficiently defined, embedded, and assured to enable adequate organisational agility.

As in many other organisations, the ministry has been carrying out projects and programmes to deliver change. However, portfolio management aims to manage the initiatives collectively and enable the organisation to direct scarce resources to where they add most value to society and achieve social return on investment (SROI).

A ministry with nine Directorates General and multiple entities and organisations is inherently complex. The **challenge to professionalise portfolio management** is augmented by the fact that (as in most organisations) the ministry must achieve this transformation in times of **constrained resources and organisational energy**.

At the start of its improvement initiative in 2020, the organisation decided to use a **bottom up and incremental change strategy**. Each of the nine organisational entities within the scope of the initiative were mandated to define, introduce, embed and integrate portfolio management within their own organisation first. Once established, this formed a foundation to further integrate portfolio management across the organisational entities in scope.



The P3M3 assessment in 2023 was aimed at evaluating portfolio management maturity within nine organisational entities of the Ministry of the Interior and Kingdom Relations.

“We had built a community of portfolio managers from each entity in the ministry and provided them with a policy framework to comply with. While we had also conducted some self-assessments, I felt we needed a more objective view of our performance and maturity level.”

Magchiel van Meeteren, CIO for BZK

Within the Real Estate organisation of BZK, CIO **Hans Loonen** was already focused on improving portfolio management: “When I joined the department, we had only a list of projects, which is very different from thinking in portfolio terms. I’m used to setting goals and prioritising what to achieve, so for me it was a no-brainer to find a mechanism to do this better.”

SOLUTION

Global Project Performance conducted PeopleCert's P3M3 assessment across nine organisational entities of the ministry to identify their portfolio management maturity.

THE P3M3-ASSESSMENT COVERED ALL SEVEN P3M3 PROCESS PERSPECTIVES:

Organisational
Governance

Management
Control

Benefits
Management

Stakeholder
Management

Resource
Management

Risk
Management

Financial
Management

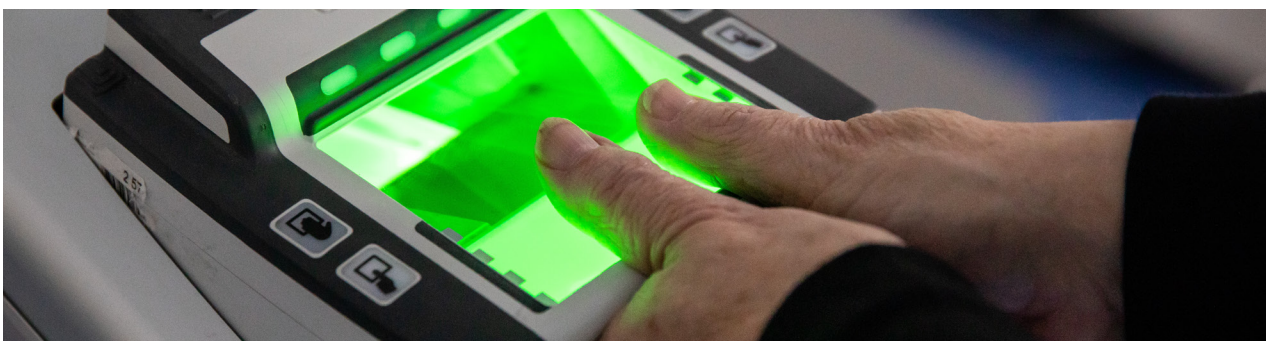
For each process perspective, **the 13 P3M3-threads were reviewed:** process, standards, planning, behaviours, assurance, organisation, techniques, information and knowledge, infrastructure and tools, asset management, commercial-buy, commercial-sell and model integration.

"P3M3 is a useful aid to assess the quality of portfolio management. In other words: do the processes and behaviours enable and result in useful, reliable decision-making-information for the organisational governance boards. P3M3 takes into account the entire business change lifecycle, from strategic intent to confirming benefits realisation (SROI)."

Peter Postema, Director at Global Project Performance

In hectic organisations with increasing performance pressures, people tend to focus on 'getting things done'. That is a good thing but not at the expense of quality of management. P3M3 assessments are engaging initiatives that provide an often-rare opportunity to organisational leadership and communities of practice to reflect on the quality of management and associated improvement opportunities.

The introduction of portfolio, programme and project management is often not supported with a formalised change initiative, resulting in insufficient priority and leadership. P3M3 assessments help to **engage organisational leadership and the community of practice** to build well-informed and objective, committed improvement plans. Evidence has shown that these approaches have a much higher success rate as opposed to informal approaches that deny the complexity associated with the transformation of portfolio management.




THE ASSESSMENT IN 2023 CONFIRMED ACHIEVEMENTS IN EACH OF THE NINE PARTICIPATING ORGANISATIONAL ENTITIES, SUCH AS ESTABLISHMENT OF:

 foundational portfolio management frameworks


 a governance board at senior management level for portfolio investment decision-making


 Portfolio Management Offices


 a live and engaged community of practice in pursuit of benefits realisation


 increased formality and oversight over projects and programmes and their status

HOWEVER, IT ALSO BECAME APPARENT THAT THERE WAS ROOM FOR IMPROVEMENT IN:


 completing the scope of portfolio management frameworks covering all P3M3 process perspectives and threads, enabling portfolio management to be operated more effectively and efficiently

 focusing more on the management of the collective portfolio rather than monitoring individual projects and programmes

 enhancing the practices associated with strategic portfolio management or portfolio definition

 consistent application of organisational standards and associated behaviours

 improvement of the organisational portfolio management learning cycle to ensure lessons from experience are shared and implemented going forward

 establishing common portfolio management standards across each of the nine organisational entities to enable integration at the central organisation level

It was recommended that each of the nine organisational entities would address the previous findings and, in a formalised change initiative, ensure that improvements would be appropriately resourced and supported by the organisational leadership.

To enable a cost-efficient realisation of the improvements and to enhance standardisation, it was recommended that a **central portfolio management** framework would be developed and used for implementation in each of the nine organisational entities, while tailoring it to local circumstances and specific requirements. The requirement for the framework was to achieve P3M3 level 3: when an organisation tailors it appropriately and implements it consistently.

“Many of my views on portfolio management were substantiated by the P3M3 assessment and this helped us set up a portfolio roadmap to look at projects, resources and goals; giving us a way of prioritising initiatives that we didn’t have before.”

Hans Loonen, CIO – Real Estate



RESULTS

As a result of the assessment, steps have been taken to agree **how each organisation should develop its portfolio process** with more concrete actions and definitions as a starting point. Consequently, people are now taking action to grow the professionalism of portfolio management to a higher maturity level.

DEVELOPMENT OF A CENTRAL MANUAL

Using a central manual and adjusting it to the needs of each department enables a more focused portfolio management. Each department has a different emphasis, but the manual gives them all the **necessary guidance** to – for example – strengthen processes and create reports, including dashboards. And, at project manager level, it means that **better quality data** is generated to support decision making at the portfolio management level.

STRENGTHENING PORTFOLIO MANAGEMENT

Portfolio management has achieved more influence – including the **creation of a director-led portfolio board** – and **governance has improved** in that:

all nine assessed organisations have produced an improvement plan and a goal to reach P3M3 level 2 or 3 by Q3 2025

portfolio management milestones and planning are discussed in monthly meetings

RISK MITIGATION AND PORTFOLIO MANAGEMENT CONTINUITY

An established framework created and tailored with P3M3, a portfolio board, and better processes, result in a **clearer cycle of portfolio management** which reduces the risk to its performance from changes in management personnel. In this instance, either an interim or permanent portfolio manager can quickly take over and run the processes. In addition, “a customised project portfolio management tool provides consistent, reliable and current decision-making information about change initiatives and within change initiatives”, as Peter Postema, Director at Global Project Performance highlights.

“The most important thing is to be able to follow a repeatable process. With that in place, I can be sure that work is happening. We now have an action plan based on every aspect of P3M3 and Management of Portfolios (MoP) best practice to help us move to a higher level of portfolio management maturity.”

Martijn Blok, Portfolio Manager – Real Estate



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