



WHITEPAPER

Revolutionize Project Delivery through Agile Portfolio Management

Respond faster to changing priorities, deliver strategic projects more quickly and accurately plan capacity through an Agile approach to portfolio management.

IN THIS PAPER:

1. Manual project and portfolio management strategies can create stalls and stops in your operations
2. Elements of successful Agile Portfolio Management
3. Deliver products, not projects, to achieve a consistent focus on value that results in desired outcomes
4. Centralizing your projects - regardless of methodology - will close the visibility gap and make everyone more effective
5. Improvement should be an ongoing process that measures actions against results



Introduction

If there is one concept that every organization understands, it's that change is hard. Shifting from the comfortable way you've always done things to a brand-new strategy can seem like a daunting task. However, just because your traditional methodology is comfortable doesn't mean that it is actually making things easier — or that it is efficient, sensible or profitable. And it certainly does not mean it is customer-friendly. Former General Electric CEO Jack Welch is known for advising organizations to, "Change before you have to." Welch understood that proactive change was critical to becoming a winning organization and he enthusiastically embraced and applied the concept within his operations.

You would be hard-pressed to find a business today that still relied on a staff of typists banging out memos, bills of sale and customer communications on old-fashioned typewriters. Yet thousands of organizations still rely on similarly siloed technology and antiquated methodologies for some of their most high-level operations.

One of the most surprising examples of this is found in the strategies companies use to implement portfolio management and project delivery. The project management office (PMO) is a foundational part of operations and critical to business transformation. Your PMO determines which projects are a priority, assigns deliverables and objectives, manages capacity and designates resources. Yet many organizations neglect optimization of this critical operation, resulting in lost time, money and, most importantly, customers.

This white paper will help you take on the challenge of optimizing your portfolio management strategy by leveraging the same kind of Agile concepts that have revolutionized project execution for the past decade. By embracing Agile methodologies at the portfolio level, your PMO will become the driver of responsive change in your enterprise, addressing and improving your greatest business challenges, including prioritizing customer satisfaction, streamlining alignment with corporate objectives, and developing key performance indicators for continuous success. You'll be equipped with the responsive processes, tools and confidence necessary to transform your organization.

PART ONE: WHY SHOULD YOU CHANGE YOUR PORTFOLIO MANAGEMENT STRATEGY TO FOCUS ON AGILITY?

In a fast-paced business climate with sky-high customer expectations, traditional portfolio management methodologies simply will not cut it. In short, the old way of doing things is not working. Sustainable business growth in a digital economy requires organizations to think differently and adapt quickly. In fact, the results of a recent Gartner survey note that faster strategic project delivery is the number one factor driving organizations to shift their methods of portfolio management.¹

Common Pain Points in Traditional Portfolio Management

- Failure to live up to expectations
- Unable to keep pace with rapid changes
- Lack of clarity
- Effectiveness inhibited by time-consuming, manual functions
- Focus on deliverables, not customer satisfaction
- Fragmented organizational structures or unbreachable silos
- Skill and resource shortages
- Inaccurate forecasting

Are any of these pain points familiar? There is a solution: Agile Portfolio Management. Once a solution used solely by software developers in product development, Agile methodologies have quickly expanded to other industries across multiple levels of management and operations. The same principles that drove the creation of the Agile Manifesto in 2001 work equally well in project delivery and portfolio management. Agile is flexible and scalable, and can be applied to individual projects or across multiple projects, teams and deliverables at the same time.

How Agile Portfolio Management Works

An Agile methodology breaks work into actionable, short-term sprints, with adaptations implemented on the fly. This allows for faster delivery — without sacrificing quality. In order to ensure exceptional outcomes and superior customer satisfaction, change is allowed at any time in the process. This flexibility and iterative execution create continuous opportunities for improvement. The end results are:

- Improved customer satisfaction
- Faster delivery times
- Fulfillment on commitments — promises made are promises kept
- Innovative results
- Continuous growth and advancement
- Enhanced communication
- Better forecasting
- Measurable results

“Faster strategic project delivery is the number one factor driving organizations to shift their methods of portfolio management.”¹

Gartner Survey

Key Markers of Agile Portfolio Management

Here are some key markers of successful Agile Portfolio Management:

- Customer satisfaction is the ultimate goal in all phases of operations
- Applied from the top down — full integration across teams and levels
- Change is always welcome when it results in the best customer outcomes
- Focus is on continuous improvement via an iterative planning process
- Teams deliver products, not projects
- Responsive to strategic business objectives
- Project and portfolio management are centralized, regardless of methodology

Case Study: Agile Project Management

The RiverStone Group's mission is to provide solutions to insurers and reinsurers by paying valid claims on time, ensuring finality and creating peace of mind for sellers. The company operates across multiple offices and affiliates throughout the US, UK and Europe.

Pains Prior to Agile Portfolio Management

- No transparency into project/product operations, making it very difficult for business leaders to tie individual initiatives back to the broader product roadmap.
- Needed to move to a product-centric model that goes beyond start and end dates to manage a product lifecycle from inception to sunset.
- Little visibility into a portfolio that includes numerous project types and workflows, including software development work being executed in Jira.
- No capacity planning to determine how much work a team could accommodate.
- Lengthy delays in the approval process for new products.

Customer Benefits

- Agile Portfolio Management allows the Riverstone team to accommodate many project types and workflows to identify the company's top 10 initiatives that will deliver the most value to the business.
- Company executives have full transparency into product operations and the expected benefits of each initiative.
- Accurate visibility of resource capacity and utilization, allowing leadership to understand what each team is working on and when they can take on more work.
- Stakeholders can easily identify and correct bottlenecks in the product workflow and approval process with native Keyedin Projects (KIP) reports and integration with Microsoft PowerBI.

Key Takeaways: *To become more strategic, you must become more Agile. Continuous customer satisfaction, whether your "customer" is internal or external, is a staple of Agile and should be a strategic organizational priority. Agile portfolio management requires maintenance and follow-through.*

PART TWO: 4 ELEMENTS OF AGILE PORTFOLIO MANAGEMENT

Now that you have a good understanding of why your organization should shift to Agile, let's take a deeper look at the how. A solid Agile Portfolio Management strategy must rely on four key elements: innovation, investment, backlogs and integration.

Innovation: Focus on solutions that result in an excellent customer experience (CX) while simultaneously enhancing overall business value. (Hint: Focusing on the first part almost always delivers the second.) Seek opportunities to create offerings that no one else has. This requires that your organization keep its finger on the pulse of your industry to track changes in environment and explore emerging technologies. And of course, you should commit to deliver what you promised when you promised it.

Investments: Always invest in areas that have best chance of success. This requires that your investment of time, money and resources be as Agile as your overall management strategy. Be prepared to shift your investments quickly and do so as often as is required. Focus on projects and initiatives that create and drive value and innovation. Adaptive, Agile investment requires consistent monitoring, which we discuss further in Part Four.

Backlogs: One of the challenges of adjusting to an Agile methodology lies in adjusting how you fill your pipeline. The speed of Agile requires organizations to create a backlog list of pre-prioritized initiatives that are ready to go at a moment's notice. Maintain and continually prioritize the backlog — don't create an artificial ranking. This ensures that you'll never be wasting time and resources on an initiative that isn't delivering value, innovation and CX. It also keeps projects from getting lost in the shuffle or accidentally de-prioritized.

Integration: Effective Agile portfolio management should work from top to bottom. End-to-end management starts with the leadership, who guides the what, when, why and how and works simultaneously with portfolio management and work execution. The trick to effective integration is that it must be applied to all strategic initiatives at all times. Your PMO should translate the needs of leadership to action, while also providing data that allows them to adapt mid-deliverable. Work execution should deliver on the orders from the top within the guidelines of the portfolio — and it should provide feedback to quickly change and grow mid-work. This concept should apply at every phase, from planning to realization.

Key Takeaways: Agile portfolio management strengthens your organization through innovative growth, properly directed investments and a well-managed pipeline. The success of these initiatives depends on full-scale integration from idea to execution, with buy-in from all levels of the organization.



“55% of organizations have made the decision to shift from project delivery to product delivery.”¹

Gartner Survey

PART THREE: THE AGILE WORK METHODOLOGY – DELIVER PRODUCTS – NOT PROJECTS

Implementing the key elements of an Agile portfolio can be greatly enhanced by a shift from project delivery to product delivery. According to a survey conducted by Gartner, 55 percent of organizations have made the decision to shift from project delivery to product delivery. The Agile-driven strategy has been touted in a variety of C-suite publications and it’s a top topic in the biz blogosphere. What’s driving this trend? Success, of course. In a Gartner survey of more than 1,000 companies, all of them reported benefits from the shift to a product-centric delivery methodology, including improved internal engagement, improved customer engagement, accelerated delivery, and lower costs.

The Difference Between Project Delivery and Product Delivery

Project delivery, whether through waterfall, Agile and hybrid management methods, focuses simply on accomplishing tasks against a set of deadlines and the desired outcome is based on completion. While this is a pretty standard way to operate, it comes with a key drawback: The potential for growth ends when the project does. And that’s not the only way an organization can leave money on the table in how they deliver. When an organization is focused solely on delivering projects, there’s also the tendency for work to become siloed, not to mention project neglect and resource shortages. When organizations experience these challenges, they often blame them on immediate circumstances instead of symptoms of a more global problem with delivery as a whole.

Product delivery is an iterative, open-ended strategy that focuses on customer satisfaction. There is always room for improvement, investment and advancement. Think of it this way: When a person makes a car purchase, they follow a checklist of wants and needs and accomplish a list of tasks (securing funding, test driving, titling) with the end result being the purchase of the car. However, unless that car is going to sit in the garage, it’s going to require an ever-evolving list of maintenance to protect the initial investment. These items include regular oil changes, detailing, fluid re-fills, tire rotation, etc. And there are always future improvements like adding in a remote starter or upgrading the stereo system to add new value that enhances your original investment.

The former action is a single goal accomplished; the latter, a continuous focus on investment, maintenance and improvement. A product delivery strategy isn’t tied to any specific project management methodology; it’s Agile because it drives an organization to rapidly evolve by continuously looking for opportunities to innovate, create and deliver what no one else has through building upon, and learning from, previous accomplishments.



Projects	Products
Start and end dates	Ongoing benefits tracking
Task lists	Milestones and deliverables
FIFO project delivery	Flexible, prioritized backlog
Fixed review cycles – annual or quarterly	Flexible review cycles – daily or weekly
Linear planning	Iterative, modeling scenarios
Ad hoc resource management	Skill- and role-based capacity planning
Ad hoc project intake	Intake scoring and management

Key Takeaways: *Prioritize initiatives based on what is important to the business but don't just manage activities – measure outcomes. Product management ensures you are working toward the right goals and achieving business benefits regardless of how you get there. It also creates a culture of change and improvement to hold your organization accountable to its most imperative business objectives. Project management ends when the project does. By contrast, product management evolves constantly with customer satisfaction as the true end goal.*

PART FOUR: AGILE PORTFOLIO MANAGEMENT – REGARDLESS OF PROJECT METHODOLOGY

Most organizations feature pockets of project activity – all drawing on a limited group of resources – throughout the company, with no standard work methodology: some teams leverage Agile methods, others traditional Waterfall, and still others, a hybrid of the two. The next step in establishing an Agile Portfolio Management process in your organization is to close that visibility gap by bringing all of your relevant projects together, regardless of the specific project type and approval workflow, into a single portfolio, allowing timely and effective decision-making. Keeping projects centralized at the portfolio level allows executive leadership to understand the true investment of the portfolio and allows initiatives to be measured against their individual objectives rather than standardizing and trying to give all projects the same weight of importance – it's just not realistic. With an Agile Portfolio Management approach, the efforts of a development team working in Jira, an infrastructure group managing a Waterfall project and a design team using a simple stage-gate process can all be rolled up to a single portfolio view, enabling true capacity planning, prioritization and more.

Portfolio-level Visibility

Portfolio management, unlike project management, factors in resource requirements and budget constraints across all projects and allows you visibility from the top down. When all work is rolled up to the portfolio level you can see where bottlenecks are and which areas have the most risk involved – and then make decisions to ensure the success of the portfolio. If

The screenshot displays the Keyedin Projects software interface. At the top, the user is identified as 'Project & Resource Manager (Strategic Level - Michael)'. The main view is a 'Stage Gate' workflow, showing a grid of project cards across five stages: Scope (2 projects), Business Case (1 project), Develop (2 projects), Test/Validate (1 project), and Launch (0 projects). Each card displays a project ID (e.g., PRJ_101), name (e.g., FY19 Strategic Project 1), and status (Green or Amber).

Scope	Business Case	Develop	Test/Validate	Launch
PRJ_101 FY19 Strategic Project 1 Project Status: Green	PRJ_135 FY19 Strategic Project 5 Project Status: Green	PRJ_102 FY19 Strategic Project 2 Project Status: Green	PRJ_136 FY19 Strategic Project 6 Project Status: Green	
PRJ_104 FY19 Strategic Project 4 Project Status: Amber		PRJ_103 FY19 Strategic Project 3 Project Status: Green		

Agile projects are siloed into their own portfolio or managed individually, you can't easily tell the impact of change on the entire process. Adding portfolio-level structure and reporting across all projects – while still allowing teams to execute in whatever tool suits them best – helps create a true Agile portfolio, giving leaders and executive management better visibility and insight into all projects and product investments.

Key Takeaways: *Change your operational mindset and focus for enhanced agility and effectiveness. Don't be afraid of methodology – execute in whatever method suits the project, and then roll up reporting, resourcing, and more into a single management framework. Waterfall, Agile and hybrid approaches can live in harmony.*

PART FIVE: NEVER STOP IMPROVING

Every seasoned leader knows that the key to success is to never assume you've achieved perfection. However, recognizing the need for responsiveness and continuous improvement does not have to feel like a hamster wheel of failure-focused thinking. An Agile portfolio strategy requires your PMO to master the mindset that every change is a new victory in delivering the best results to your customers. As Forbes contributor Steve Denning describes it, "The Agile organization is a growing, learning, adapting living organism that is in constant flux to exploit new opportunities and add new value for customers."ⁱⁱ



How Do You Measure Success?

In order to measure success for future growth and continuous innovation, reporting is imperative. When time-bound, task-based projects are replaced with products that deliver ongoing value, PMOs can begin to practice principles of continuous improvement. Unlike traditional portfolio management – where a quarterly or annual planning process doesn't provide a large enough sample to really measure efficiency – the faster, iterative planning enabled by Agile Portfolio Management allows PMOs to measure each step in the planning process and adjust it as inefficiencies are identified.

In addition to traditional measures like on-time delivery or budget vs. actuals, the Agile organization can add a variety of key performance indicators that serve as a foundation for continuous improvement, such as:

- Measuring the time project requests stay in each stage of the approval process to identify potential bottlenecks.
- Tracking which skills are required for each project or product type and measuring the availability of those skills.
- Measuring stakeholder satisfaction along with the realization of specific, pre-determined benefits.
- Identifying a dynamic list of top projects/products based on alignment with key strategic goals.
- Tracking the relative effectiveness of projects/products based on the work methodology used.

Key Takeaways: *Commit to a mindset of continuous improvement backed by comprehensive, accurate reporting. Find opportunities to grow and succeed by leveraging the faster, iterative planning cycles of Agile Portfolio Management to identify process inefficiencies and become more responsive to stakeholder feedback and satisfaction.*

Conclusion

If your organization is still following a traditional portfolio management strategy, you may be experiencing multiple pain points that can be resolved by becoming more flexible, more adaptive — more Agile. Change is intimidating, but it is also necessary if your organization wants to stay competitive and deliver the best in products and customer service. Take the leap and re-invigorate your portfolio and project management strategies by leveraging Agile methodologies in your organization.



About KeyedIn Projects

KeyedIn Projects is a supremely flexible solution for managing projects, programs and entire portfolios – from a single platform that provides a comprehensive view of the status of every project. Used by project managers, boardroom decision-makers, and frontline users, KeyedIn Projects increases success rates and profit margins, enables better decisions about project selection, planning, and prioritization and optimizes resource usage across the entire business.

Using a broad feature set optimized for top-down portfolio and resource management, KeyedIn has helped companies worldwide embrace the benefits of Agile Portfolio Management, enabling them to respond faster to changing priorities, deliver strategic projects more quickly, accurately plan resource capacity, and improve customer and stakeholder satisfaction.

Visit www.KeyedIn.com or contact 866-662-6820 to learn more.



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