Common Ground Through PPM

What do an IT project manager and a top-ranked business executive have in common? Aside from the occasional fondness for caffeine (all those late work nights!), perhaps more than one might originally suspect. For while both IT and senior management have usually operated in their own separate spheres, both groups are tasked with establishing goals that will help move their businesses forward.

Traditionally, these two groups go about achieving these goals in different yet somewhat similar ways. Executives engage in strategic portfolio planning, the business process by which organizations determine the set of new product development initiatives they will fund (and which ones they will not) to help achieve their overall business objectives. Meanwhile, IT project managers embark on IT portfolio management, which focuses on the investments, projects, and activities of IT departments.

Common ground through collaboration

Wouldn’t it make more sense — and be more efficient — to combine those two practices? After all, both sides are committed to seeing their organizations succeed. And in today’s business climate, success is often the result of collaboration among traditionally siloed teams. In IT, this most commonly manifests itself through DevOps, where operations and development teams pool their resources to accelerate application development.

But let’s extend that philosophy to connect IT with senior business leadership. IT is increasingly becoming a significant factor in the success of today’s enterprises, and we’re seeing more IT administrators have a seat at the executive management table. If a business is to succeed, senior executives need input from their organizations’ technology teams to truly gauge the feasibility of developing capabilities that are under consideration. At the same time, IT needs input and insight into what those capabilities are, so they can produce the appropriate solutions to bring them to fruition and satisfy the needs of their business leader colleagues.

For this to occur, business and IT teams must break down the barriers that may exist between their groups — and that’s where project portfolio planning comes into play. Project portfolio planning creates a platform where both business and technology teams can communicate with each other and learn about their needs and expectations, so that each can properly plan the development of solutions that will help their organizations. It also lays the groundwork for senior business leaders and IT executives to be able to prioritize upcoming projects and determine whether or not the budget and resources exist to make them happen.

The project portfolio planning process

The main goal behind project portfolio planning is to determine the maximum capabilities that can be delivered within the confines of budgets, resources, and time. Prioritization of projects is a large part of the process, as is alignment of those projects with strategic business goals. Business and IT teams work together to build business cases and return on investment scenarios that justify the effort and cost involved in project development. This research and discussion helps determine which projects ultimately get green lights, while others get delayed or shelved completely.

The first phase of project portfolio planning should be the prioritization phase, which requires the development of detailed scope estimates for all potential projects. In this phase, IT teams must acquire as much insight as possible into the expectations of their business executives, and understand what type of functionality will be necessary to realize those expectations. This is critically important, as it helps teams gain a clear sense of exactly what they wish to accomplish for each project in the portfolio. Ultimately, this phase helps determine the feasibility of each of the projects-in-waiting, thereby allowing teams to prioritize the ones they want to devote time and resources to building.

Unfortunately, many teams struggle with this initial step. Some may feel that it's too early in the process to be able to develop an effective and detailed scope estimate. Others may take a misinformed (though well intentioned) shot at it by applying numbers that have no real basis in reality. Still others may disregard estimating and scoping entirely based on the rationale that they practice lean or agile development methods that, they believe, do not require estimation practices.

None of these approaches are effective. In fact, organizations that do not take the time to engage in the scoping and estimation process at the outset are more than likely doomed to not meet their development and business goals (and yes, this applies to organizations dependent on agile development, too). The process itself does not need to be extremely detailed, especially early on, but there needs to be something in place that helps both business and IT teams gain some sort of idea as to the viability of the projects that are on their drawing boards. If not, teams risk spending time and money on projects that are, at best, non-essential or, at worst, may never even get off the ground.

Indeed, scoping out projects helps teams gain a better understanding of what is feasible and what is not, given budget, resources, and even historical comparisons to the cost and work associated with past projects. The information gleaned from that initial scope should be combined with the answers to several questions -- Which projects absolutely need to be done in the short term? Which can be pushed back? What's most important to our overall business success? The answers can help project teams create accurate and worthwhile IT to-do lists.

Finally, it's important for IT teams to make sure they have the resources necessary to actually complete the projects. Sadly, that's not always the case. Individuals are often pulled in different directions due to budget and time constraints, and may be unavailable to work on new projects. If that's the case, it's decision-making time yet again. Managers will need to decide if they want to bump projects until later in the planned development cycle, or extend their timelines for completion. Of course, they could always decide to reallocate or add more resources, but that may require hiring new employs (which could impact corporate budgets and financials) or taking resources away from another project (which could impact the completion of that other project).

A challenging (and rewarding) process

Project portfolio management can be extraordinarily challenging. In a sense, the process is something like the business equivalent of physical building blocks. All of the pieces (business and IT) must work together to form a complete whole. Certain pieces must form the basis of the structure (estimation and prioritization), and even after it's begun, there's always going to be a constant and delicate balance between making sure the pieces work properly (resources) so that the whole project doesn't topple over before it's completed.

And yet, project portfolio planning can also be extremely rewarding. It can foster a closer and better working relationship between IT managers and business leaders. It can also provide them with a roadmap toward working together as a single team to create and deliver viable projects that will bring true value to their organizations.