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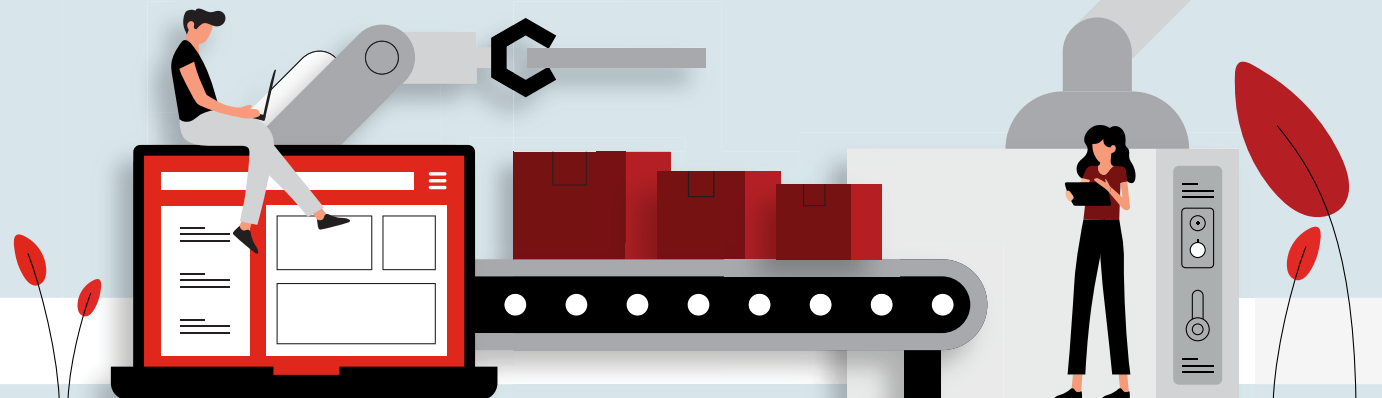
THE ESSENTIAL BUYER'S GUIDE FOR PRODUCT PORTFOLIO MANAGEMENT SOLUTIONS

Now is the time to build a more adaptive approach into your product portfolio management strategy.

OVERVIEW

Paradigm shifts in the marketplace are forcing organizations to take a more adaptive and efficient approach to delivering innovative and profitable products. Drawing on the combined experience of our customers, such as those in the manufacturing, consumer packaged goods (CPG), life sciences, and hardware technology sectors, this buyer's guide was designed to help organizations across all industries identify and address critical product portfolio management challenges.

Specifically, this guide explores the key capabilities and functions of a product portfolio management solution that enables the adaptability required to survive and thrive in today's market.

> The purpose of product portfolio management software is to support the development of products and their related projects – not the other way around. Solutions that promote adaptability differ substantially from spreadsheets and other project management tools that frequently become static, detached, and siloed. A product portfolio management solution should also be able to work in conjunction with other platforms like your product lifecycle management solution.

This guide will help organizations identify the precise elements required in a comprehensive product portfolio management solution that:

Enables prioritization of high-value products

Helps navigate change by identifying risks and opportunities

Balances the product mix across strategic initiatives

Optimizes resource capacity across the portfolio

Effectively evaluates product performance

TECHNOLOGY TO ADAPT YOUR PRODUCT PORTFOLIO IS NOW A BUSINESS IMPERATIVE

In this fast-moving marketplace full of disruption, meeting demand, increasing customer satisfaction, and ensuring product investments and innovations align with organizational strategies requires organizations to be more adaptive in managing their product portfolio through agility, visibility, actionable data, and collaboration.

New technologies, well-funded upstart competitors, and ever-increasing customer expectations are joining to drive rapid change across most markets. The situation is compounded by an influx of smart, connected products that require people with different skill sets, methodologies, and ways of working to come together to develop superior products fast.

In addition to these disruptive events, companies now require a software solution to help them navigate economic volatility.

Mission Critical: Selecting the Right Solution
Only with the right software can companies employ and maintain a dynamic approach to product portfolio management – one that allows them to pivot their portfolio quickly and strategically while also ensuring they make the right choices for sustainable and prolonged growth.

Organizations that can successfully validate new ideas and deliver winning products faster will see:

- Optimized portfolios that fuel innovation and deliver strategic objectives

- Enhanced customer experiences

- Competitive market advantages

- Defense against market disruption

- First-to-market dominance

SOME OF THE BENEFITS OF IMPROVED PRODUCT PORTFOLIO MANAGEMENT

A medical equipment manufacturer **gained $400K in annual savings** by replacing four management systems with the Planview solution.

A consumer products company **reduced their time to market by 70%** after automating their gated product development process and gaining real-time visibility into project status.

A high-tech manufacturer optimized their product roadmap and reallocated resources to **accelerate new product development by 12 months** in a rapidly growing market segment.

A medical device company **won management approval to increase R&D headcount by 10%** after illustrating how a resource shortage would prevent them from reaching critical roadmap objectives.

A semiconductor company **corrected underestimation errors of 50%** through the tracking of actual engineering time, and claimed annual R&D tax credits based on historical actuals.

WHAT IS AN "ADAPTIVE" APPROACH TO MANAGING YOUR PRODUCT PORTFOLIO?

Many organizations today are non-adaptive and, as such, are struggling to respond quickly to emerging market trends. These organizations tend to be more reactive than responsive. They use disparate, disconnected systems that lack the capacity and the software environment to support continuous change.

Implementing an adaptive approach typically requires a shift away from the status quo – evolving beyond the product portfolio management techniques and tools of recent decades.
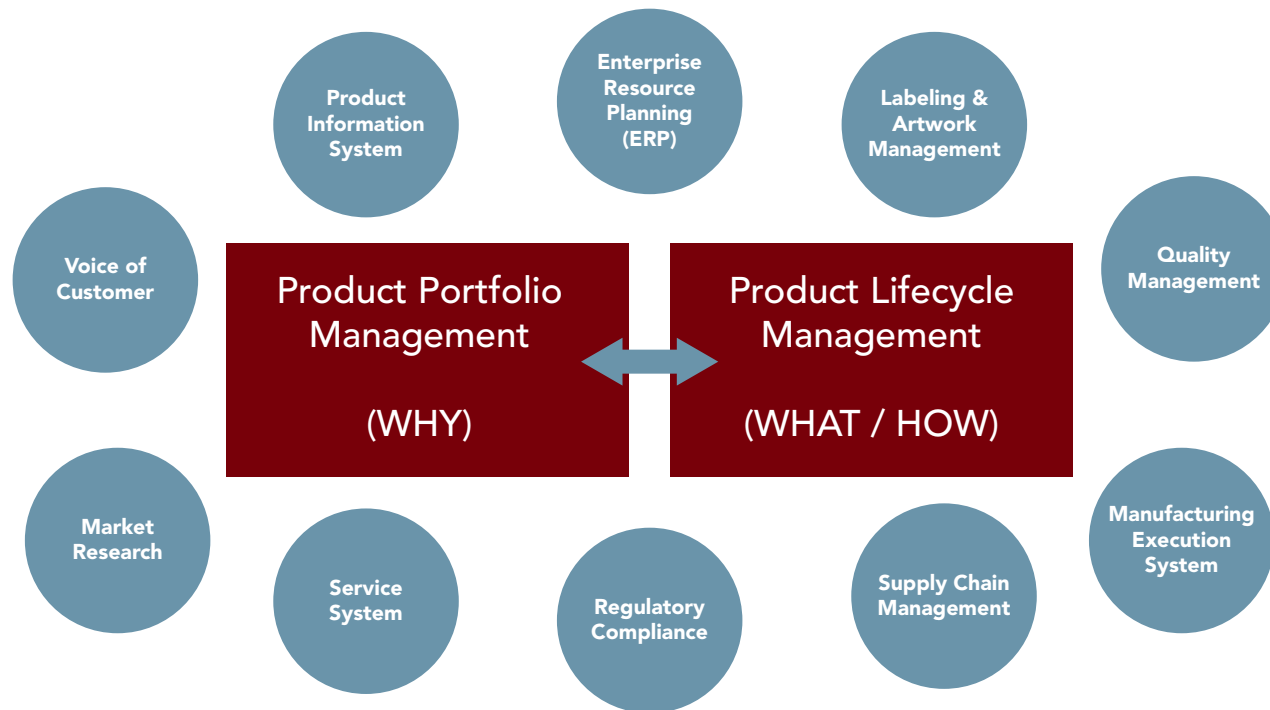
A product portfolio management solution must fit into an entire development ecosystem.

THE THREE PILLARS OF PRODUCT PORTFOLIO MANAGEMENT

Product portfolio management solutions that enable adaptivity are designed to assist companies in three key areas:

I. Optimize Business Goals and Profitability

Many moving parts must be taken into consideration to create and maintain the best business-driven portfolio possible. Antiquated solutions like spreadsheets and manual data-gathering are no longer capable of ensuring maximum value—eliminating low value ideas, focusing limited resources on products with the greatest potential.

Maximum value becomes clearer with **visibility into pipeline demand and resource capacity, the ability to capture the voice of the customer, and alignment with your organization's strategy.** Your product portfolio management software solution must act as a single source of truth enabling this clarity.

II. Adapt to Change at Speed

Disruption comes in many forms – new competition, new technologies, evolving customer preferences, rapidly fluctuating markets, and even unstable economic conditions. Every organization experiences ongoing disruption. The only way to win in today's environment is to adapt quickly with intelligence.

Efficiency requires an adaptive and integrated product portfolio management solution that connects product strategy, planning, ideation, prioritization, and development to product delivery. Any change must also be reflected in revenue and profitability, risks and opportunities, and alignment to corporate goals and strategies.

III. Accelerate Innovation

According to McKinsey, 84 percent of CEOs cite innovation as the engine that will drive future growth. It's also estimated that in the next ten years, half of the current members of the S&P 500 will be replaced by new organizations. Rapid innovation is essential.

Empowering R&D leaders to accelerate time-to-market requires a product portfolio management solution that allows for adaptation. By doing so, the solution **eliminates information silos, supports internal and external collaboration, enables cross-functional work methodologies, automates the gated product development process, and provides clear visibility into the product pipeline.**
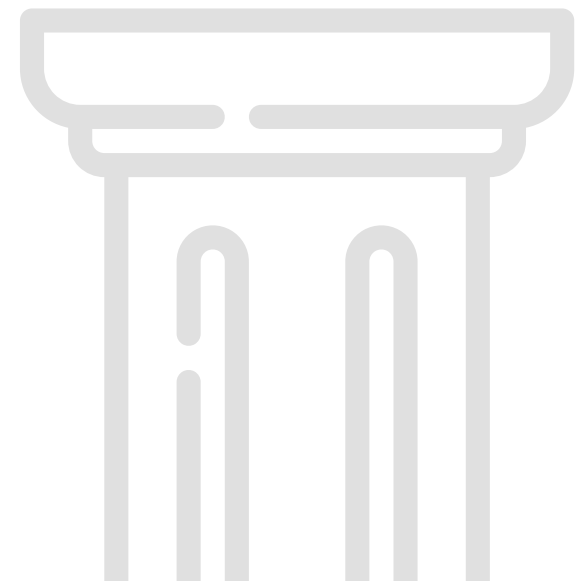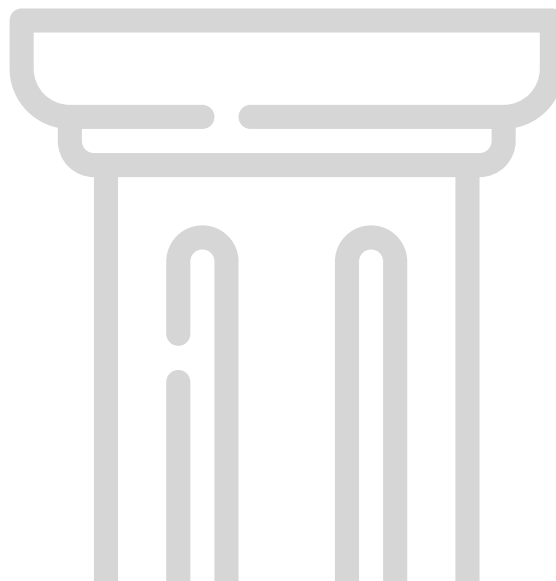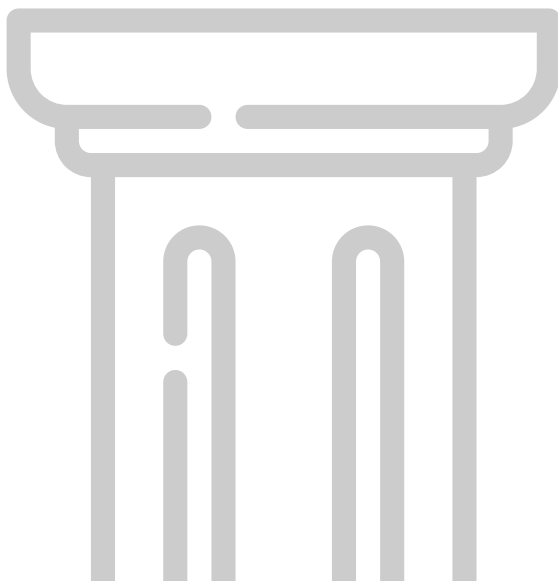
I. Optimize Portfolio Value – Deliver on Product Strategy, Prioritize Product Pipeline and Investments.

Organizations strive to optimize the product portfolio by prioritizing investments and ensuring new ideas align with business strategies, increase revenue, and drive profitability.

How these capabilities will impact your business:

Portfolio Optimization uses all available data to develop, assess, and adjust the entire product portfolio in ways that maximize corresponding business goals. This also helps identify market opportunities by keeping the organization abreast of new developments by systematically tracking market data.

Pipeline Prioritization visualizes everything in the product pipeline and helps evaluate each product's potential against the next. This ensures the work being done is prioritized to reflect each product's potential value to the organization in both the short and long term.

Investment Prioritization helps to evaluate when time, money, and resources should go towards enhancing an existing product, towards R&D to create an entirely new one, or towards different product lines in faster-growing markets.

Strategic decision-making is bolstered by weeding out lower-value ideas faster and decreasing or altogether avoiding time spent on products with an estimated inferior ROI when compared to the alternatives.

Product Delivery is significantly improved by connecting product strategy, prioritization, optimization, planning, and hybrid development in ways that maximize product value for customers, accelerate development, and identify and adapt to any required product changes at speed.

The capabilities above work together to ensure business competitiveness and adaptation, allowing organizations to pivot based on customer needs, market changes, shifts in economies, and disruptions.
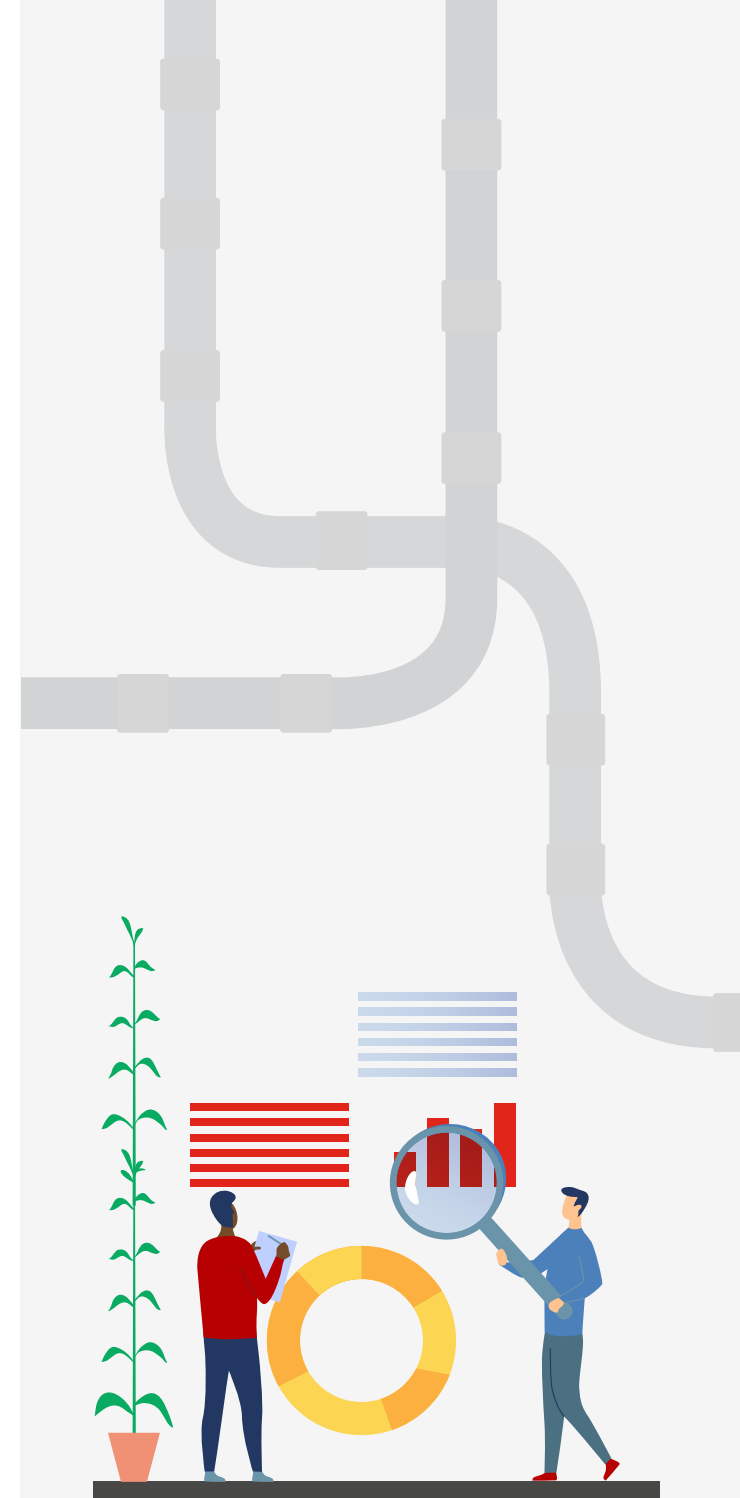
Critical Capabilities Checklist for Capturing Ideas, Visualizing Strategy, and Prioritizing Investments

Visualize global strategy, portfolio mix, and product pipeline

- [ ] A comprehensive view of all initiatives to **connect priorities to value** that meets strategic and revenue objectives
- [ ] Provide a global/unified view of all products in the portfolio and how they tie to outcomes KPIs, OKRs, and benefits on a larger scale to reprioritize product portfolio investments
- [ ] Increase R&D productivity by scoring competing investments with objective and repeatable criteria based on quantitative factors such as ROI and qualitative factors such as strategic fit, impact, and risk
- [ ] Build what-if scenarios to illustrate the effect on future states, resources, timetables, and costs across portfolios – business cases
- [ ] Evaluate multiple scenarios reflecting different business conditions to **enable quick response to market shifts** to maximize revenue and margin
- [ ] Analysis by product line to reveal areas for investment that support organizational goals

Simplify the capture of innovative product ideas

- [ ] Capture organization and customer ideas related to needs, including smart connected devices, demand for sustainable products, and digital transformations that enhance the customer experience
- [ ] Centralize organization's ideas into a single data ecosystem
- [ ] Provide workflows to support the evaluation of solutions and products for real-world/marketplace problems

REPORTING: Collect, analyze, and report on portfolio health and potential

- [ ] **Out-of-the-box capabilities that allow strategy prioritization and scenario modeling,** that also incorporate Business Intelligence (BI), analytics, and reporting
- [ ] Communicate reports on data related to observed market trends, challenges, risks, etc., to map investments to strategic OKRs (Objectives and Key Results) in the product portfolio
- [ ] Profit and loss (P&L) and funding – analyze past, current, and future revenue and costs
- [ ] Capture and consolidate reporting data from other systems to support product decision-making

II. Adapt to Change at Speed – Visualize Product Portfolio Resource and Capacity Planning

Understand how resources are currently utilized and identify capacity risks and opportunities so you can pivot with speed and efficiency, ensuring resources are focused on the highest value work.

How these capabilities will impact your business:

Configurable financial planning, resource capacity planning, and integrated roadmaps boost your ability to adapt and adjust quickly when disruptions impact projected ROI.

Visibility across the entire portfolio mix in configurable ways helps to identify areas where change can create a competitive advantage.

Alignment enables faster execution and more flexibility/adaptability when changes occur that require a shift.

Integration of costs and risk analysis allows you to improve the entire decision-making process via the ability to visualize the entire product portfolio from a central location. This helps to eliminate blind spots from the decision-making process.

Data collection and reporting ensure product development is moving forward as planned and that costs, resources, and capacity remain in line with expectations. This also acts as an early alert when changes are required.

The capabilities above work together to ensure product development projects are proceeding as planned and any discrepancies or imbalances are identified and addressed early and swiftly.

Critical Capabilities Checklist for Making Informed Business Decisions, Resource Capacity Planning, and Adapting to Change Quickly

Real-time resource capacity planning

- [ ] Identify gaps, manage dependencies, and balance resource capacity across the entire product portfolio in real-time, so resources are focused on the most profitable products

- [ ] Drill down to forecast role-based needs on a product-by-product basis – who, what skills, how many do we need

- [ ] Forecast, balance, and monitor capacity requirements for programs, investments, and staffing levels, **taking dependencies into account** to avoid costly decisions resulting in duplicate efforts, rework, or employee burnout

- [ ] Identify potential resource conflicts and gaps in real-time to ensure human and production resources are focused on the most valuable and achievable goals

- [ ] Track and manage comprehensive resource allocation and its impact on product development (role, skill, region, cost rate, certification, and area of interest) to grow resource experience and improve employee retention

Integration of costs and risk analysis

- [ ] **Enables informed decision-making** based on productivity, costs, and risks via an integrated system that consolidates data across the board

- [ ] Sort, prioritize, and balance product investments across the portfolio in multiple categories

REPORTING: Collect and analyze data points across product execution

- [ ] A single source of truth that combines various portfolio and workflow data for – costs, resources, capacity

- [ ] Complimentary to scenario planning in ways that reveal areas where an organization may need to pivot

- [ ] Tracks historical actuals and predictive capacity forecasting to leverage past lessons and prepare for the future

- [ ] Shares detailed data at each portfolio level and development stage to build a foundation for continuous improvement

III. Accelerate Innovation – Support for Multiple Ways of Working for Efficient Product Development

Enable cross-functional teams to collaborate, leverage integrated roadmaps, and streamline processes (workstreams) to decrease cycle times and deliver elevated experiences to the market faster.

How these capabilities will impact your business:

Manage increased complexity and embrace multiple ways of working to deliver an integrated roadmap, securing first-to-market advantage while enhancing the customer experience

Minimize the impact of disruptions through visibility, cross-functional collaboration, and the continuous monitoring of risks and dependencies.

Reduce product-development cycle times to bring products to market faster, improving margins and increasing brand equity.

Integrate multi-methodology work into the portfolio view, enabling Agile-Stage-Gate hybrid (as one example) development for smart, connected products, and supporting intelligent, proactive decision-making

The capabilities above work together to ensure product development processes operate at maximum speed and efficiency, especially in the face of change and disruptive events.
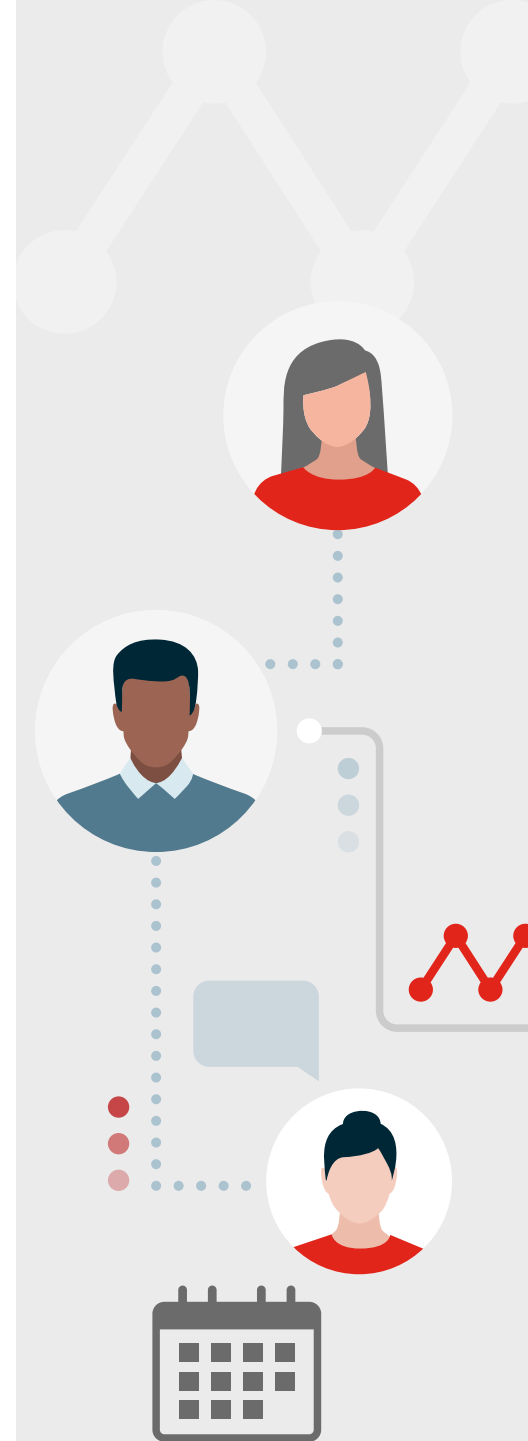
Critical Capabilities Checklist for Enabling and Accelerating Cross-functional Collaboration

Combines agile and stage-gate methodologies

- [ ] Leverage integrated enterprise Kanban boards that enable teams to use their preferred work methodology, especially in the delivery of smart, connected products.
- [ ] Oriented towards supporting and automating any methodology being used to bring the product to market
- [ ] **Support multiple methodologies** (Agile, Stage-Gate, Phase-Gate, Waterfall) and hybrid ways of working so cross-functional teams can collaborate on a variety of products
- [ ] Provides visualization teams can easily share and communicate
- [ ] Bi-directional real-time integration capabilities leveraging an API platform with systems like Agile development tools (Jira, ADO)

Integrated product and technology road mapping

- [ ] Road mapping that considers all the technology components which go into getting a product to market and **supplements the smart connected product life cycle management arena**
- [ ] Easily measure and communicate progress across multiple product roadmaps and project plans
- [ ] Provides complete visibility on progress and potential issues or opportunities at each stage of the roadmap by connecting **resources, investments, outcomes, and financial requirements**
- [ ] Indicators for key launch dates tied to the commercialization process
- [ ] Highlights and links key product component milestones with other elements to inform strategy

Track and manage changes in development

- [ ] Monitor and document dependencies and risks that come up during development cycles
- [ ] Configurable lifecycle models of product development to track areas that need attention like managing scope or improving stages
- [ ] Ability to identify variances from planned schedule to actual schedule

REPORTING: Product development dashboards

- [ ] Visibility and documentation at every stage of development to **help drive and inform stakeholders and teams** and reduce the number of meetings required
- [ ] KPIs, BIs, Analytics, and reporting – use the existing product portfolio and configured reports for status updates, notifications, and alerts to potential issues
- [ ] Real-time product revenue metrics with high-level views of capital expenditures and resource costs – avoid overspending in each area
- [ ] Shareable gated project management for cross-functional teams and organizational-wide intelligence
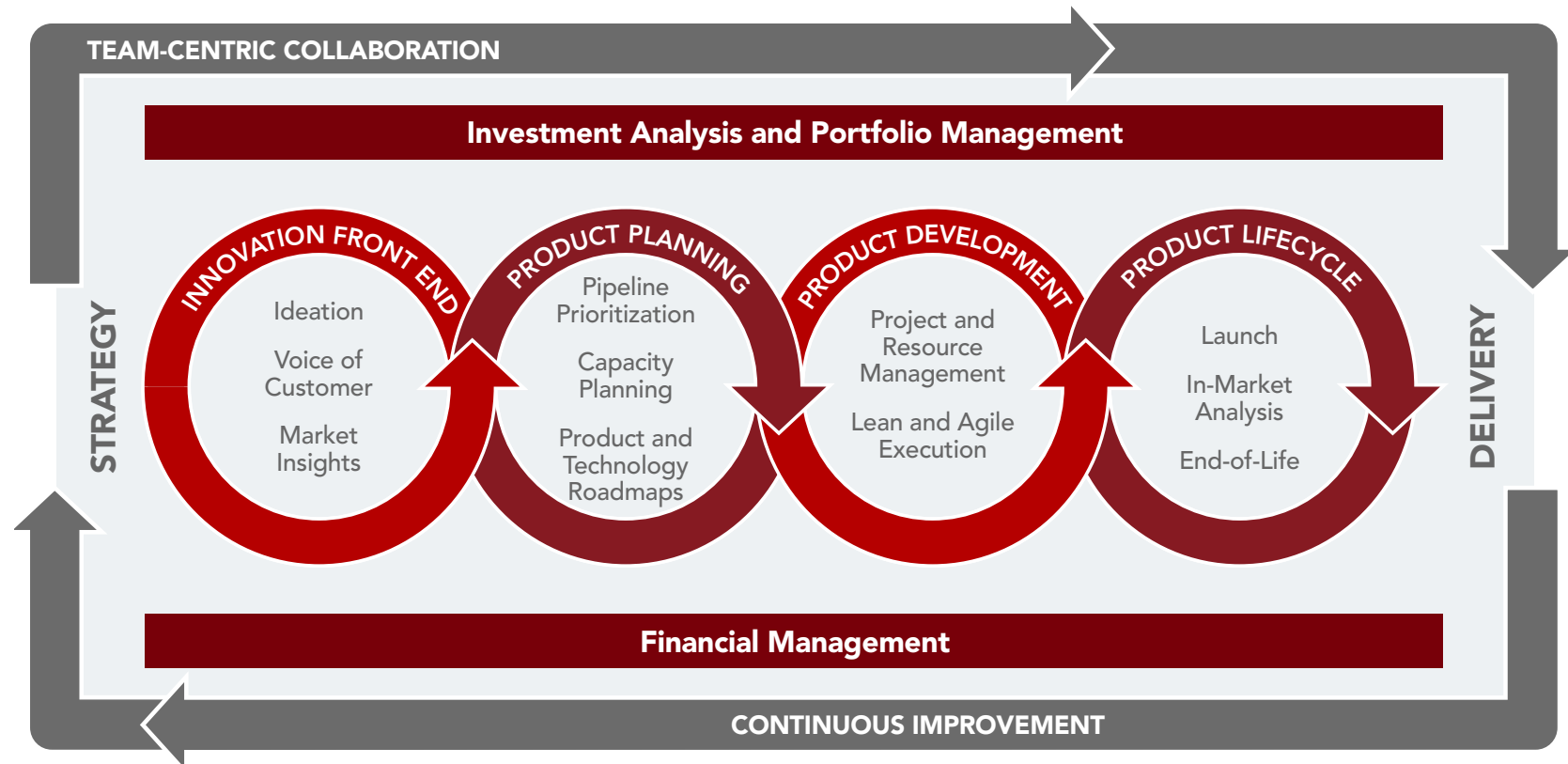
A COMPREHENSIVE PRODUCT PORTFOLIO MANAGEMENT SOLUTION...

acts as a centralized source of business intelligence that aligns your portfolio with strategic initiatives to achieve target revenue and profitability with speed and efficiency. It is:

☐ **Highly collaborative and visual** – receives input from internal and external sources while giving all teams organization-wide visibility into processes and capacity.

☐ **Centralized** – a single ecosystem that connects processes, people, and technology and contains all product portfolio management and product development information and documentation.

☐ **Business agility focused** – essential to adaptation, a continuous process corresponding to the constant change happening inside and outside the organization.

☐ **Data-driven** – integration and consolidation of clear documentation and reporting from the entire ecosystem is critical for ensuring product investments remain aligned with strategic goals.

☐ **Designed for continuous improvement** – because the product, the market, and the world are continuously changing.
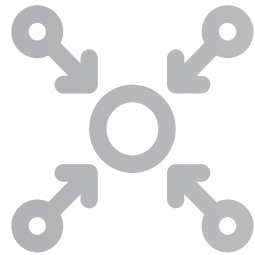
EMBRACE A MORE ADAPTIVE APPROACH TO PRODUCT PORTFOLIO MANAGEMENT

Ensuring product investments and innovations align with organizational strategies requires more adaptivity in product portfolio management. From product innovation to end-of-life, this graphic shows what that approach looks like—how, within a single ecosystem, organizations can continuously reformulate their product strategy to be more responsive in a fluid, changing marketplace.

At every stage, enabling complete visibility, collaboration, and agility with real-time actionable data is central to success

PLANVIEW: A FLEXIBLE SOLUTION FOR PRODUCT PORTFOLIO MANAGEMENT

Planview provides a global view of the product portfolio mix that simplifies evaluation.

- **Optimize innovation and see how ideas align with financial and strategic objectives**
- Gain foresight with what-if scenario modeling to reduce risks
- Drives productivity behind R&D and collect in-depth financial reporting

Planview takes the confusion out of resource and capacity planning.

- See portfolio costs, productivity, and risks in one configurable platform
- Leverage robust resource management to keep projects on time
- **Automate clear, accessible, reporting and documentation at every stage**

Planview integrates and combines intelligent road mapping with various work methodologies.

- Simplify workflows visualization and data sharing for cross-functional teams
- **Configure product lifecycle modeling to monitor connected development work**
- Pinpoint areas of product development with comprehensive road mapping

Not all product portfolio management solutions are alike.

Planview helps organizations reformulate their approach to product portfolio management in ways that render them far more adaptive. The platform allows companies looking to evolve beyond the legacy portfolio management tools of the previous decades and embrace a new way of doing business – one that considers a variety of concurrent products and their different development cycles with all the variables of a fluid, changing marketplace.

For more information, please view the **Planview product portfolio management solution demo**.

Planview stands ready to provide the best product portfolio management solution and the best technology partner in the market today to help you prepare for the future. Let us share our breadth of knowledge, extensive experience, deep understanding of market trends, and insight into your industry with you. Together we can reimagine your approach to product portfolio management.

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