



○ **Align, Adapt, and Transform with Strategic Portfolio Management**



**What do we need most in the face of change?** This has been a top-of-mind question for C-level executives – even before the pandemic changed the professional landscape.

Disruption is a part of life. Whether from economic shifts, emerging technology, changes in the marketplace, or a global pandemic, one thing's for certain – disruption is not going away.

We need to learn how to build adaptation into the fabric of our organizations.

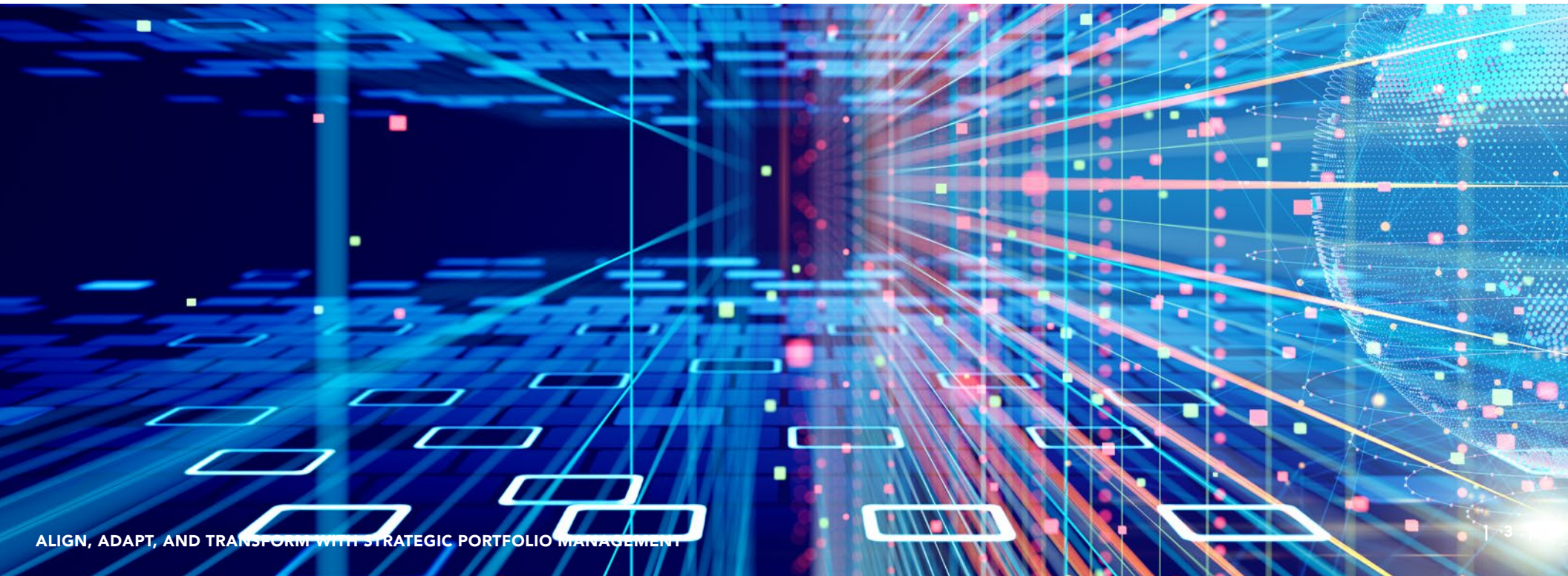
Companies need a balance of stability and openness to flexibility when faced with disruption. They need a way to get reliable outcomes while harnessing organizational agility and proactively embracing transformation.

○ In the **2022 Gartner® Magic Quadrant™ for Strategic Portfolio Management**, Gartner predicts companies that make the shift to Strategic Portfolio Management are twice as likely to beat their competitors in five arenas:

1. **Speed to successfully compete for initiatives**
2. **Speed to launch new initiatives**
3. **Ability to realize expected business value from initiatives**
4. **Ability to respond to disruptions**
5. **Speed ideas make it through the innovation funnel**

## Contents

What Is Strategic Portfolio Management? .....	5
How Is Strategic Portfolio Management Different from Project Portfolio Management?.....	6
How Strategic Portfolio Management Drives Business Value.....	7
What Do Executives Need to Achieve This? .....	8
Strategic Portfolio Management Answers the Big-Picture Questions.....	12
Accelerate Value Delivery in Your Organization.....	13



What is standing in the way of achieving reliable outcomes, organizational agility, and transformation? Three major pain points:

- 1. The inability to aggregate and reconcile data from multiple sources and systems:** Leaders don't have access to executive dashboards to inform real-time decision-making
- 2. Slow governance and approval processes:** Internal processes slow to respond to business and market changes can undermine your competitive edge
- 3. Inability to run multiple scenarios to assess the impact of decisions:** Dynamic planning is an essential competency in the face of uncertainty

These pain points reflect a major shift all businesses are desperate to make. A change from traditional project-based management toward more dynamic, outcome-based methods.

Strategic portfolio management provides a path toward tackling these pain points. It's a way to connect all the interdependent work efforts in a portfolio using a dynamic, outcome-driven approach.

Organizations that fail to make the necessary shifts to address these pain points are doomed to fall behind their competition. But those who get it right can expect to come out on top.

**Now that we've touched on the benefits of strategic portfolio management, let's dive a little deeper.**



## What Is Strategic Portfolio Management?

We define strategic portfolio management as an organization's process to select, prioritize, and control resources within its portfolio of programs, projects, and initiatives used to meet strategic goals and objectives.

Practicing strategic portfolio management allows organizations to achieve three big-picture objectives: Implementing change, maintaining current initiatives, and optimizing return on investment of those initiatives.

More specifically, strategic portfolio management helps organizations:

- Generate deep insights for executives to drive strategic decision making
- Practice accurate, holistic communication
- Balance timelines, dependencies, and budgets effectively between different groups
- Gather business intelligence data in real time
- Make decisions around portfolio funding and priorities, drive outcomes, and communicate to stakeholders how initiatives contribute to organizational goals

**Practicing strategic portfolio management allows organizations to achieve three big-picture objectives:**

- 1. Implementing change**
- 2. Maintaining current initiatives**
- 3. Optimizing ROI on those initiatives**

# How Is Strategic Portfolio Management Different from Project Portfolio Management?

Strategic portfolio management is the process organizations use to determine how to utilize available resources within a portfolio to achieve strategic objectives.

Project portfolio management is the centralized management of how projects are completed across a portfolio.

There are several key differences between the two.

<b>Strategic Portfolio Management</b>	<b>Project Portfolio Management</b>
Strategic portfolio management has a broader focus on business strategy.	Project portfolio management focuses on completing projects as planned.
Strategic portfolio management is outcome-based.	Project portfolio management is output-based.
Strategic portfolio management uses Objectives and Key Results (OKRs) as leading indicators to help organizations to invest where results are being realized.	Project portfolio management relies on Key Performance Indicators (KPIs) as lagging indicators, delaying market responsiveness.
Strategic portfolio management connects strategy to delivery, helping organizations prioritize the activities that have the greatest impact on business outcomes.	Project portfolio management focuses more on execution, with looser ties to strategy.



# How Strategic Portfolio Management Drives Business Value

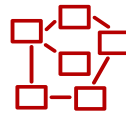
Strategic portfolio management provides leaders with what they need during times of change: Reliable outcomes, organizational agility, and transformation.



## Reliable outcomes

The ability to plan, execute, and measure outcomes reliably is key to maintaining strategic alignment in the face of change. Note the word outcomes here, not outputs.

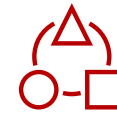
Measuring outputs is far simpler than outcomes, but it's the outcomes that equate to actual business value.



## Organizational agility

Organizational agility is the company's ability to adapt to change. Agility occurs when organizations can adapt to external and internal changes.

Organizational agility allows organizations to meet customer demands and expectations at speed, while maintaining a continuous competitive advantage.



## Transformation

Strategic portfolio management primes organizations for transformation, unlocking innovation and enabling the business to continue to evolve.

In order to maintain a competitive edge, organizations need to generate new value and unlock new opportunities to drive new growth.



## What Do Executives Need to Achieve This?

We established that reliable outcomes, organizational agility, and successful transformation are the elements organizations need to succeed in the face of change.

But what does it take to develop them? Three elements:

- **Purposeful agility**
- **Rapid innovation**
- **The right platforms and ecosystems**

Purposeful agility is responding to what's ahead instead of reacting to the environment. It's learning the right things to do, doing those things, and doing them right.

Rapid innovation is the ability to predict what is needed and have the processes and competencies in place to deliver reasonably on time – ideally, ahead of the competition.

Finally, organizations need the right platforms and ecosystems.

**Just as you cannot expect to build a sturdy house without a strong foundation and the right tools, you cannot practice strategic portfolio management without platforms and ecosystems that can handle agility at speed.**

Let's dive a bit deeper into each of these competencies.





## Purposeful agility

Unlocking purposeful agility at scale requires a few key elements:

### Enterprise strategy alignment

Doing the right things across an organization requires alignment about what those things are. Enterprise strategy alignment is key for achieving and maintaining purposeful agility.

### Demand management of strategic initiatives

Have a single, central place to capture demand. This ensures there are no priority conflicts between departments.

### Adaptive governance

Purposeful agility requires Agile, adaptive governance optimized for the enterprise's adaptability and more Agile ways of working.

### Investment and capacity planning

Organizations need a way to optimize resource constraints and identify gaps and dependencies to maximize the value of their investment decisions.

Understanding the capacity available for prioritized investments, organizations can focus on scheduling the highest priority work and shift capacity to better align with their strategic goals.

### Adaptive funding

You can't have purposeful agility in delivery without funding practices that can move with the same level of agility.

Strategic portfolio management requires adaptive funding. When priorities shift, executives have visibility into controlling and allocating funding based on real-time information.

Attaching business metrics and funding information to all initiatives allows executives to make funding decisions in real time, eliminating wasted time. This can lead to significant savings for the organization.



## Rapid innovation

Rapid innovation is at the top of every executive's wish list.

To sustainably deliver innovative products and solutions, you must have an environment that supports and fosters innovation. Executive visibility and reporting, coordination and collaboration across teams, and benefits realization are all required ingredients for creating this environment.

### ○ Executive visibility and reporting

The free, transparent, instantaneous flow of information is essential for innovation.

Executives need to know where to push the gas pedal, where to put on the brakes, and how to optimize for innovation. To achieve this, they need the ability to see, measure, compare, and analyze data that reflects the real-time health of the business.

### ○ Coordination and collaboration across platforms

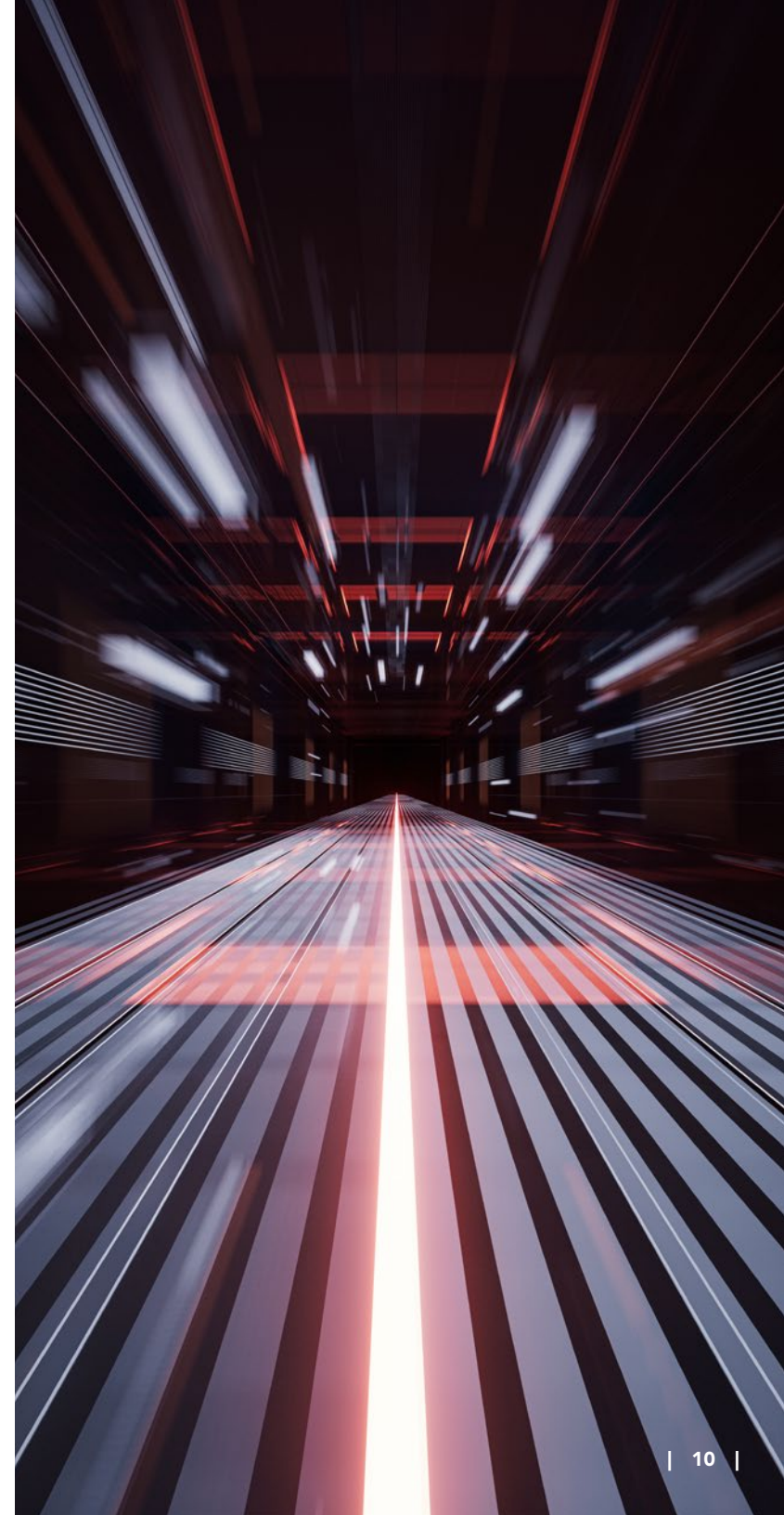
Rapid innovation requires work to be connected seamlessly and in real time.

Coordination and collaboration across platforms allow the EPMO to monitor and facilitate discussions between PMOs to mitigate risk and increase collaboration and cross-organizational work.

### ○ Benefits realization

Another key element to rapid innovation is real-time tracking and monitoring how benefits are realized.

Monitoring value-based metrics on the initiatives being delivered allows the EPMO to evaluate the tangible and intangible benefits of initiatives through calculations like NPV, ROI, and IRR.



## Right platforms and ecosystems

Organizations need the right platforms and ecosystems to practice strategic portfolio management.

Key capabilities include:

- Connecting strategy to delivery
- Enabling data-centric decision-making
- Gaining an enterprise line of sight
- Delivering on strategy

### ○ Connect strategy to delivery

Connecting strategy to delivery means providing end-to-end visibility into the work of delivery teams throughout your organization, and having the right platforms and ecosystems is essential.

They enable delivery teams to employ both Agile and hybrid ways of working – while still gaining visibility into prioritization, value, dependencies, and delivery confidence across teams.

### ○ Gain enterprise line of sight

The lack of a single enterprise line of sight is one of the biggest killers of digital momentum, and it's a top reason for stalled transformations.

When delivery teams use different work methodologies and toolsets, leadership gets limited visibility into the status of cross-functional efforts. The right platforms and ecosystems will provide a single line of sight across the enterprise.

### ○ Data-centric decision making

Pools of disconnected data are a chief obstacle to smart decision-making.

Correlating data manually via spreadsheets takes too much time and wastes valuable resources. The right platforms and ecosystems enable data-centric decision-making at every level of the organization.

### ○ On-strategy delivery

To deliver on strategy, you need everyone in the organization to maintain alignment as strategy evolves.

The right platforms and ecosystems will quickly cascade changes to priorities and plans throughout your organization. That way, you can take advantage of new opportunities and ensure that strategy and delivery stay aligned.

# Strategic Portfolio Management Answers the Big-Picture Questions

We began this eBook by asking what we need most in the face of change. The answer to this big-picture question is truly an amalgamation of the answers to many other questions.

- How do we create an environment suitable for innovation, agility, and transformation?
- What tools do we need?
- What cultural shifts need to take place?

These answers vary depending on who you ask.

CTOs, CIOs, and CFOs face specific considerations that strategic portfolio management can help answer. Below are some of the concerns each executive may have.

### CTO:

- How can we implement technology-driven initiatives to reduce organizational complexity and accelerate innovation?
- How can we build greater interest in, and support for, the actions defined in our technology roadmap?
- How can we expedite the path from experimentation to delivery of new solutions aligned to business outcomes?

### CIO:

- What can be done to connect different parts of the organization, so we can empower teams, maximize productivity, and drive value?
- What performance measures can we implement for technology investments to track impacts on operational capabilities and business outcomes?
- How can we become aligned with other technology leaders to help ensure clarity of purpose and mission and avoid duplication of functions?
- What can we do to enhance visibility while eliminating data, process, and decision roadblocks that inhibit teams' ability to deliver value?

### CFO:

- How can finance help the organization shift from simply deploying agile practices to becoming an innovative, agile organization?
- How can data-driven insights drive predictive performance and strategic decisions?
- How can we evolve our decision-making governance to reduce data complexity and promote speed without compromising quality?

Strategic portfolio management can answer these top-of-mind questions and concerns by enabling companies to become more adaptive to change, while ensuring the organization invests in initiatives that align with their overarching strategy.

## Accelerate Value Delivery in Your Organization

In the face of constant change, organizations need a way to get reliable outcomes while harnessing organizational agility, and embracing transformation in a forward-thinking, proactive manner.

Strategic portfolio management provides a path toward tackling the pain points covered. It acts as a way to connect all the interdependent work efforts in a portfolio in a dynamic, outcome-driven way.

These pain points reflect a major shift that all businesses are desperate to make: The move from traditional project-based methods toward more dynamic, outcome-based methods that measure success by the value delivered.

Empower your organization to deliver strategic outcomes that drive value amid change and disruption. Access our [on-demand Strategic Portfolio Management demo](#) to discover how you can connect the dots between strategy and delivery in your organization.



## About Planview

Planview has one mission: to build the future of connected work. Our solutions enable organizations to connect the business from ideas to impact, empowering companies to accelerate the achievement of what matters most. Planview's full spectrum of Portfolio Management and Work Management solutions create an organizational focus on the strategic outcomes that matter and empower teams to deliver their best work, no matter how they work. The comprehensive Planview platform and enterprise success model enables customers to deliver innovative, competitive products, services, and customer experiences. Headquartered in Austin, Texas, with locations around the world, Planview has more than 1,300 employees supporting 4,500 customers and 2.6 million users worldwide. For more information, visit [www.planview.com](http://www.planview.com).

