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Manage Your Project Portfolio, Second Edition

Increase Your Capacity and Finish More Projects

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Manage Your Project Portfolio

Second Edition

Increase Your Capacity
Finish More Projects

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See Your Future

Portfolios make the organization's choices transparent.

When you decide what to work on first, second, third, and never, you calm the interruptions. The people and teams work on the most important work. They don't multitask, or get distracted with "bright shiny object" syndrome.

People and teams can deliver what the organization needs, when the organization needs it.

Managing with a Project Portfolio

Portfolios make choices clear because they help leaders restrict which work the project staff starts and finishes. If you use project portfolios, you have the maximum flexibility as a manager. But if you've never seen a portfolio or you've never used one, you might be concerned, as one of my colleagues explained: "But, JR, if I commit to a project portfolio, I won't have the flexibility I need to manage what my group does when. I can't be responsive to the needs of the organization. I won't be a team player."

A portfolio can help you be responsive, especially when project teams work feature by feature in short time periods. When you manage the portfolio, you limit the number of active projects. The fewer number of active projects you have, the less competition the projects have for the same people. That lack of competition for people allows them to finish projects faster. You increase the number of completed projects, which reduces the total number of projects the organization needs to manage and allows new projects to start. That makes it easier to manage the portfolio. Managing the portfolio increases your organization's throughput.

Signs You Need to Manage the Project Portfolio

You might not think you need to manage the project portfolio. I've seen these signs in organizations when they need to manage their project portfolio:

1. You have emergency projects.

2. You have to respond "right now" to projects in progress and fixes.

3. You have too many emergency fixes.

4. You have many projects that are in progress and you can't tell when any of them might finish.

5. You don't seem to have the "right" people on any project. Even if you move people around like chess pieces, the projects never seem to finish.

6. When you release projects, the teams don't feel as if they are "done."

7. You're surprised by some projects you do finish. Not all the projects appear to be congruent with your corporate strategy.

8. You can't actually tell the status of the projects in flight. Some look "green" until they are "red." Some require fire-fighting to complete.

9. You feel as if you have the same experts working on more than one project or fix. You always need Tom or Susan to finish every project.

You might have more problems. The real problem is you have no throughput through the organization, so everyone works on everything, with the result that you can't finish anything when you want. Your *Cost of Delay* is huge.

You'll still have difficult decisions to make. You may not know if your mission needs to change. You may have loud discussions about which project really is number one. And, as you work through those decisions, you'll discover that you are performing the difficult work of leading the organization by deciding what to do now, what to do later, and what not to do.

When you live with a project portfolio, the portfolio allows you to create a master plan. It creates a transparent link from the projects with their deliverables and releases to the portfolio.

Managing Without a Project Portfolio

Managing without a project portfolio leaves you and everyone around you with all sorts of debt.

When you don't manage the project portfolio, you incur management debt by having to make more and more critical decisions without sufficient data. The products incur technical debt in the form of people taking shortcuts to complete projects because they have too much to work on to take the time to do whatever they need to do right. And as an organization, you incur capability debt, because people (managers and technical staff) can't improve their capabilities when they're overburdened with too much work to do.

When your organization's management refuses to make a project portfolio, that lack of decision making is guaranteeing at least one or more schedule games. Or people will decide which project to work on first, and that decision may not agree with yours. Without project portfolio management, you have more projects competing for the same—and limited—number of people. You find you can't commit to which people work on which projects when, you're awash in emergency projects, and you and your staff are running yourselves ragged multitasking.

If you've read *Manage It! [Rot07]*, you'll recognize the Pants on Fire and Split Focus schedule games. If you've ever had a manager say, "Do project 1 first," and then, hours or days later, that same manager says, "Do project 2 first," you have been part of the Pants on Fire game. No one can decide which project is most important. The project team feels as if they have whiplash. They don't finish enough on anything.

The Split Focus schedule game occurs when a manager tells a person, "Please work 50 percent on project 1 and 50 percent on project 2." I most often see Split Focus with more than three projects—that somehow, a human being is supposed to focus on more than one thing at a time.

People do not "focus" on more than one thing at a time and perform well. Think of focus as a laser. The beam is coherent, a single beam with a tight circle so you can highlight one thing. When people focus on their work, they can finish it. When they try to work on several different things at a time, they don't make progress.

You might be a manager wondering why I'm saying this. "Johanna, I split my focus all the time. I'm always working on several projects. I can't take the time to focus on just one thing at a time."

If you are a manager, I believe it. Managers perform different work than technical people. Yes, managers are knowledge workers. However, they often focus on the strategic view of the work, which means they can't finish a task to completion this afternoon.

Teams of knowledge workers can collaborate together to move a feature to done. Teams develop the products—tactical work. If you have teams that work together over time, they learn how to collaborate and learn together. Managers often change their "teams," so they collaborate differently than technical teams do. Managers tend to require more information for their work than a single product development team does.

If managers worked more collaboratively on smaller chunks, they might be able to work more as a project team. I'll discuss this more in Chapter 10, *Scaling Portfolio Management to an Enterprise,* on page ?.

When you don't manage the project portfolio, you prevent the people from finishing projects quickly. You have more and more unfinished projects and fewer completed projects. That increases the number of projects you have. And the more projects you have competing for the same staff, the more disorganized and split you become, and the more emergencies you generate for overlooked and neglected projects (like the ones you or your manager forgot about until they became emergencies). All this increases organizational complexity and makes it harder to manage the portfolio and, even worse, to finish anything of value for the organization.

The lack of decision making at the top flows down to lower-level managers and technical leads. It's tough to be a senior manager. If you're in a tight financial situation, making the wrong decision can make things much worse. I've worked with senior managers who were paralyzed by the fear of not making enough money, not having the right mix of products, or some other issue. They literally could not decide how to rank the project priorities in a portfolio. If you're in that position, start at *How to Define a Mission When No One Else Will,* on page ?. The mission will help guide your decisions. An agile approach to your projects allows you to take on risky projects, by helping you manage the risk, as in *Rank the Projects by Risk,* on page ?.

If you're a first-level or middle manager, it's possible your management hasn't decided on a corporate strategy. If that's true, you can use your portfolio to help them decide by defining your mission along with your portfolio. See Chapter 13, *Define Your Mission,* on page ?.

Whatever you do, don't hide from ranking the projects in your portfolio. When you or your manager refuses to make a project portfolio, your lack of decision making guarantees at least one or more schedule games. Or people will decide which project to work on first—and that decision may not agree with yours.

Why Some Managers Don't Like Project Portfolios

Some managers are concerned that project portfolios restrict their options.

They do. You commit to honor these restrictions until the next time you evaluate the portfolio. Several managers have said, "But I won't get to move people around day by day to where I need them." Exactly. I assume you want your staff to complete projects. Moving people around frequently—and incurring the costs of multitasking—is the wrong action. The books *Quality Software Management: Volume 1, Systems Thinking [Wei92]*; *Slack: Getting Past Burnout, Busywork, and the Myth of Total Efficiency [DeM01]*; and *Multiprojecting: The Illusion of Progress [Rot04]* all discuss this. The University of Michigan's Department of Psychology website has a great collection of articles that discuss the costs of multitasking.[1]

Project portfolios restrict your ability to move people around. And, they help you focus on the right work *for now*. If you use a project portfolio, you will find you have more choices of when to start and finish which work, assuming you use lean and agile approaches to your product development; see Chapter 11, *Evolve Your Portfolio,* on page ?.

Beware of Multitasking

Multitasking is the fastest way to waste time. With enough multitasking, you can bring all work to a dead stop.

When you manage your flow of work through the teams, you can stop—or, at the very least, much reduce—the emergencies. Your teams will feel a sense of accomplishment as they finish projects. The teams will have a chance to complete features so the features don't return with defects.

When you don't manage the flow of work through the teams, every single team—or worse, every single person—decides *for themselves* what to work on when. Maybe your organization has a ton of work in progress, with nothing totally done. You might ask people or teams to multitask. However, multitasking is the fastest way to slow everything down and finish nothing.

Another problem I've seen with multitasking is the "bright shiny object" syndrome. That's when people say, "Something interesting is over there," and they work on that. They interrupt themselves.

"Bright shiny object syndrome" is not limited to people or teams. Managers can have the same problem.

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1. http://www.umich.edu/~bcalab/multitasking.html

If the managers interrupt people enough, the people don't think it's worth focusing and finishing. When you manage the project portfolio, you can help manage "bright shiny object" syndrome and help people finish one project at at time.

If you don't decide which project is first, second, and third, you encourage people to work on zero projects.

A Tale of Three Projects
by: Aiden, Hapless Developer

I'm sitting at my desk, completely stuck. I have three must-finish-now, ultra-high crisis projects. Every time I start one, someone interrupts me with a question on one of the others. I can't escape anywhere—people have found me in the cafeteria, in the meeting room, in the lab. My manager came by yesterday morning to tell me the first project needs to be done now. Then he came by after lunch to tell me the second project needs to be done now. I stopped working on the first and started on the second. Then he told me at the end of the day that I need to finish the third.

I can't decide what to do first. What's the point of working on any one of these projects? He'll just come by and tell me to change before I finish anything. Maybe I'll work on my résumé or play a game of solitaire.

You want people excited about working for your company. That's part of creating a great work environment. Continuous multitasking doesn't just prevent people from accomplishing work; it also creates low morale. Managing the project portfolio isn't easy. But it's necessary.

Everyone, no matter where you are in the organization, needs to know enough about portfolios to collect their work, organize it, to help evaluate each piece of work against the other work, and to be able to say no to more work.