

# Agile + Portfolio Management: Bridging the Gap Between Agile Teams & Management

Management teams are focused on *what to do*. Agile teams are focused on *how to do it*. Bridging the gap is challenging, yet critical to your business.



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# Introduction: Agile Is Effective, *But Something Is Missing*

Organizations around the world have been switching to agile development for faster delivery, quicker response to customer feedback, and iterative product improvements and releases. Agile is a dream for developers because the focus is on “doing” and not scoping elaborate plans. **Agile projects are known to increase product quality by up to 63% and reduce time to market by up to 37%, but they propose a variety of challenges for PMOs and executives—lack of visibility, poor release planning, resource management, and the risk of strategic misalignment.** The focus on minimal long term planning does not provide the predictability, measurement capabilities or transparency that is required to operate and run your business.

Agile gets developers into a “flow” mindset, allowing your teams to deliver innovative results quickly, without getting bogged down with heavy planning or business metrics. However, those metrics just happen to be what program managers care about and are measured by.

**No debate:** Agile makes development teams and IT organizations more effective than ever—making your company more competitive. However, PMOs and executive management still need visibility into the project portfolio—including all of those agile projects—or nobody wins.

In this whitepaper, we’ll show how portfolio management can help bridge the gap between agile teams and management to create a winning agile enterprise. By utilizing a holistic, portfolio view of resource allocation, project prioritization, project and release progress, and translation of agile terms into business metrics, agile projects can closer align to strategic business objectives and program managers can better manage resource utilization, and overall portfolio health. Portfolio management provides the visibility needed to ensure that the organization as a whole is well aligned, on track, and adequately prepared to take on future initiatives.

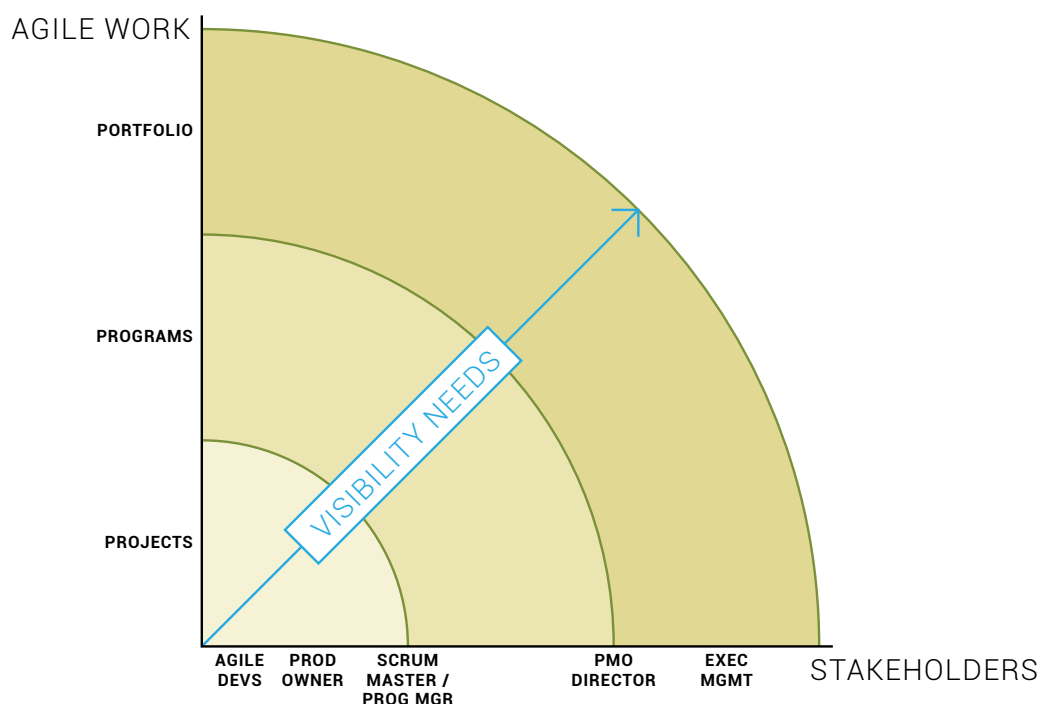
# The Gap Between Agile Teams and Management

For PMOs and executives, one of the biggest challenges of managing agile teams and projects is that they do not have a strong focus on long term planning. Agile Teams are not asked to create detailed plans, traditional timelines, or cost estimates in the planning phase. Instead, resource requirements and timelines are measured using sprints, story points, and velocity for their respective product. Releases are based on a “cutoff” date and not around meeting well-defined requirements; development work is based on incremental advances and iterative feedback from customers and stakeholders. Building predictability into a release is challenging, causing nightmares for PMOs and executives who are focused on programs and the portfolio. Although agile teams and management groups have similar goals—**getting to market quicker, reducing costs, and increasing product quality**—their measurements and areas of focus remain fundamentally different. While executive management is concerned with “what” to do from a top down perspective, agile teams are tasked with “how” to get it done from a bottom up perspective. Figure 1 details the paradigm seen in most agile organizations. The different focus areas between these two groups cause organizational, performance, metric, and visibility gaps.


Category	Executive Management	Agile Teams
Execution Style	“What” To Do	“How” To Do It
Objective	Strategic Alignment & Meeting Business Needs	Responding Quickly to Market
Planning	Predictive & Prescriptive	Iterative & Incremental
Roadmap & Release Visibility	2 to 4 Quarters (~ 6 to 12 Months)	2 Sprints (~ 4 Weeks Out)
Terminology	Timelines • Roadmaps • Priorities Release Dates • Strategy • Alignment	User Stories • Epics • Velocity Story Points • Tasks • Sprints
Desires	Quicker Time-To-Market • Reduced Costs • Higher Product Quality	

Figure 1: Focus Areas of Agile Teams vs. Management

In Figure 2, we see the visibility continuum for the typical agile enterprise. As agile work gets rolled up from the project level to the portfolio level (vertical axis), there are different stakeholders (horizontal axis) that are involved with different visibility needs (diagonal arrow). The visibility requirements increase as you move up agile work levels and across organizational stakeholders. This lack of visibility creates huge gaps between the different stakeholders—causing disconnects and increasing tension throughout the organization. For example, agile developers and product owners are hyper focused on their project and responding quickly to feedback (“how” to do it). The scrum master and program manager are typically toeing the line between the projects and programs—managing cross-team dependencies, ensuring adequate resources between projects and release planning—thus requiring increased visibility and reporting than developers. PMO directors and executive management are focused on the portfolio, requiring all relevant project and program data to be rolled up into easy-to-use dashboards, reports, and key performance metrics to manage the business (“what” to do). The result is increased predictability and forecasting, which the outer layers of the organization have been accustomed to from decades of traditional waterfall development.



**Figure 2:** Visibility Requirements Across Agile Work Levels & Stakeholders



Providing the right level of visibility for agile projects is a difficult and challenging task. The requirements will vary from organization to organization and should ultimately be designed to provide insight into project alignment against strategic objectives—answering the question, **“Are we working on the right things?”**

In addition to visibility, release and progress reporting for agile projects also fall short of executive management expectations. Once an organization is comfortable that the right priorities are being executed on, the natural question to ask is, **“When will these features or projects be delivered?”** Providing reports to demystify what will be in the next release, when certain user stories or epics are forecasted for completion, and how those items are progressing is critical to bridge the gap between the different layers in your organization.

Every agile organization needs a single front door where all stakeholders have instant access to the relevant and applicable data to quickly make the correct business decisions—making your organization truly agile. **Agile + Portfolio Management is the Answer.**

Agile Portfolio Management software integrates with existing agile execution tools to track and manage development projects at the program and portfolio levels—enabling reports that are typically not available in the agile development tools. Organizations that have adopted agile development methods do not want to (and should not need to) disrupt the existing productive gains and slow their time-to-market. It is important to allow development teams to continue working in their agile tool of choice. The goal is to leverage the existing agile data and minimize impact to the development teams, while providing the necessary visibility for better decision making.

When combining portfolio management capabilities with agile, you can:



### **Keep Everybody Aligned with Organizational Priorities**

Focus resources on the right things at the right time. Putting portfolio governance in place prevents rogue work from making its way to the development teams. Don't let projects get the green light because somebody had the political clout to push them through.



### **Create a Pre-Backlog to Keep Everyone on the Right Path**

Prioritization is hard. Features requests and bugs pile up in the backlog and get stuck in an endless queue. Agile Portfolio Management solutions can provide a pre-backlog for agile projects, letting you move work into the agile development arena only when it is ready to be worked on. Developers will no longer dive into work that hasn't been prioritized or approved, such as work that is waiting for a signed customer commitment.



### **Track Time and Costs**

Executives want to know about resource (people) time for analysis and financial metrics. Enterprise accountants want to capitalize labor related to building products so they can expense it over the correct time period. An Agile Portfolio Management solution can give everybody a clear picture of how resources are spending their time, even enabling accountants to differentiate between capital and non-capital labor costs.



### **Consistent Reporting for All Projects**

Even among the agile faithful, it's pretty rare to have a 100 percent agile adoption. In fact, recent studies show that 53% of organizations practicing agile claim to have a "hybrid" agile plus waterfall approach. Most organizations have and will continue to have waterfall projects, even after going "all in" with agile—it's just natural. With an Agile Portfolio Management tool, organizations can roll all project data into one place and analyze it using standard project reporting metrics that can be viewed in configurable reports and dashboards.



### **Get a Single Source of Truth**

When you pull reporting into a single system, you get the kind of transparency that PMs, PMOs, and executives demand. If things are falling off the tracks, you'll know about it immediately through reports and dashboards that monitor everything in an easy-to-interpret, intuitive way.



### **Consolidate Resource Planning and Management**

While developers are hyper-focused on completing the current sprint, PMs are balancing both the current priorities *and* everything that's on the horizon (requests). With an Agile Portfolio Management tool, you can understand where resources are spending their time, increase predictability for future releases, improve resource forecasting, and plan headcount.

#### **Agile Portfolio Management Benefits**

- ✓ Increase Strategic Alignment
- ✓ Better Visibility and Planning
- ✓ Accurate Cost Tracking
- ✓ Detailed Resource Planning and Management
- ✓ Consistent Reporting and Metrics

# Conclusion:

## Portfolio Management Makes Agile Better

Agile makes great things possible: higher customer satisfaction, faster delivery, tighter collaboration. But if agile makes your job harder, you're not working with the process, but against it. Executives need agile project visibility through resource management, dashboards, and analytics—without interrupting the pace of work that developers must maintain to keep the organization competitive. Adopting an Agile Portfolio Management solution will enable better decision making and improve agile project ROI.

### Other Helpful Resources

#### **Rethinking Your Flight Plan:**

How Air Traffic Control Provides A Model For Successful IT Portfolio Management

 [Download Whitepaper](#) ▶

#### **5 Ways to Get Your Application Portfolio Under Control**

How Application Portfolio Management Can Streamline Your Enterprise & Foster Innovation

 [Download Whitepaper](#) ▶



# About Innotas

Innotas, the leading provider of Cloud Portfolio Management solutions, delivers a seamless way to manage projects, resources and applications across the enterprise. Innotas solves the challenge of visibility and tracking the portfolio of IT and Product Development projects. The solution aligns effort and budgets to meet company goals, while enabling prioritization and agility for planning resource capacity. The result is a standardization of work execution across silos of project management teams. Innotas' solutions include Project Portfolio Management (PPM), Application Portfolio Management (APM), Resource Management, Agile Portfolio Management, and the Innotas Integration Platform. Innotas is ranked a "Leader" in the Gartner Magic Quadrant for Cloud-Based Project and Portfolio Management Services and a "Visionary" in the Gartner Magic Quadrant for Integrated IT Portfolio Analysis. Founded in 2006, Innotas is headquartered in San Francisco and has hundreds of customers nationwide, across healthcare, government, education and other industries. For more information, visit [www.innotas.com](http://www.innotas.com) or call 866-692-7362.

**Innotas**

111 Sutter Street, Suite 300  
San Francisco, CA 94104

Tel: +1.415.263.9800  
Toll-free: 1.866.692.7362

[www.innotas.com](http://www.innotas.com)  
[info@innotas.com](mailto:info@innotas.com)

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