

Taming Change with Portfolio Management: Unify Your Organization, Sharpen Your Strategy, and Create Measurable Value

Pat Durbin and Terry Doerscher. Austin, TX: Greenleaf Book Group, 2010. 352 + xiii pages. US\$24.95.

Taming Change is packed with information for executives, project managers, product development professionals, and business process improvement specialists. Organized into six sections, each of the 20 short chapters concludes with an outline summary of the concepts presented in that chapter. As this text is best used as a reference, the outline summaries can help the reader target chapters for a more in-depth study.

Section 1 presents the case for action with the premise that change is inevitable and continuous in organizations today. Portfolio management is a superior tool set to manage that cycle of change. Further, in Chapter 2, the authors show evidence that today's project environment is more about managing knowledge and knowledge workers than simply accomplishing multitasking skills.

Principles of portfolio management are described in Section 2. In particular, "portfolio management allows you to group a set of common subjects, like products, projects, or resources, so they can be managed collec-

tively" (p. 33). This is a recurring theme throughout the book: common tools and business processes define shared information and collaboration for increased work productivity.

Portfolio management is a way to view all information at different levels, simultaneously, and with varying degrees of detail. Several key sets of information are identified for a detailed portfolio description:

- operational planning (Strategic Portfolio);
- investment analysis (Investment Portfolio); and
- work and resource management (Execution Portfolio).

Management information is categorized as either demand (work and deliverables) or capacity to address those demands (people and money).

Chapter 5, Building Portfolio Information, gives a brief "how-to" guide, if you are designing a portfolio management system from scratch. The best tip given by the authors here is to start small and simple while adding complexity later, as needed.

Operational planning is investigated in depth in Section 3, discussing the leadership team's impact on shaping the future goals of the organization. The authors define operational planning as a steering function involving budgets, product roadmaps, and staffing plans. Having such plans in place will increase flexibility, agility, and responsiveness in the organization.

The theme of Chapter 8 is managing the operational planning process. As "few organizations can survive without new ideas" (p. 118), the authors suggest using the portfolio toolkit to manage ideas by engaging a wider audience. A named benefit owner should be assigned to consistently evaluate ideas quantitatively and against uniform standards. Thus, portfolio management eliminates wasted resource consumption, and project managers can focus on the time, cost, and quality of initiatives.

Specific examples of designing and managing resource capacity against work demands are given in Chapter 10, Resource Capacity Planning. The authors advise "total planned capacity utilization for future years should be consciously tapered off to allow availability for inevitable additions in future planning cycles" (p. 153). Further guidance for capacity planning is to assess required internal versus external resources and headcount (instead of budgetary allotments) and continuous reassessment of in-progress initiatives for verification purposes.

Section 4, Investment Analysis, will attract product and project managers with measures to evaluate each proposal on its own merits. Helpful flowcharts guide the reader through the investment analysis decision process

to ensure the reconciliation of top-down strategies with bottom-up tactical plans. Keys to successful investment analysis are consistency, balance, and flexibility. Investments should be categorized among a variety of “must-do” to “nice-to-have” requirements in order to complete comparative analyses of all projects in the portfolio, a fundamental outcome of the portfolio management business processes.

For most new product development and innovation professionals, the meat of the book is delivered in Sections 5 and 6. Managing the execution portfolio, described in detail in Chapters 14 and 15, presents good workflows for organizations to manage business processes and make decisions, specifically regarding the delicate demand and capacity balancing act. A prime benefit of the portfolio management process is to reduce (or eliminate) the time-killing, unplanned work that may be important, but not more critical, than previously prioritized work. A long-term benefit of classifying work by type allows a tight feedback mechanism, such as those employed by postlaunch reviews, to accumulate an accurate historical record for continuous improvement efforts.

Finally, implementing portfolio management (Section 6) offers specific action plans to create and build the project/product management office (PMO). Roles and responsibilities of individuals reporting into this central function are described. One role is the instructor, or evangelist, for the PMO and all portfolio management work.

Another task for the PMO is to develop a portfolio process map (Chapter 17) to provide a “visual table of contents” (p. 300) for how the organization works. Such process maps ensure that the organization operates efficiently, both in the short term and in the long run.

Any individual or team tasked with selecting and implementing software solutions for portfolio management will find Chapters 18 and 19 invaluable. Tips and lists of probing questions for selecting a software vendor abound, including intangibles such as working relationships. Gap assessment guidance is provided to guide the organization into a successful portfolio management implementation, a “change” in and of itself.

Overall, this is a good book recommended for the vast array of personalities working in new product development and innovation. Early sections give strategic guidance to senior management that is considering whether portfolio management is right for their organization (it is!). Later sections provide detailed “how-to” tools, including implementing a cycle of improvement for the PMO. *Taming Change* should find itself among the reference section in the working library of any product or project manager.

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