Optimize Outcomes With Program Management Across Product Lines

By Anthony Henderson
Optimize Outcomes With Program Management Across Product Lines

Published 17 February 2021 - ID G00739161 - 9 min read

By Analyst(s): Anthony Henderson

Initiatives: PMO Evolution for Digital

Myopic execution of individual product roadmaps can result in suboptimally realized strategic objectives. To optimize these outcomes, program and portfolio management leaders must apply adaptive program management principles to ensure outcome-driven coordination across product lines.

Overview

Key Findings

- Enterprises investing in digitalization are realizing suboptimal returns from their digital initiatives.
- Product managers “owning” the product outcomes will likely focus solely on their specific initiative without regard to integration across products.
- Dedicated agile teams in support of product management are not a reality, as organizations are still utilizing shared resources across teams.

Recommendations

As digital business momentum increases, PPM leaders responsible for evolving program management offices (PMOs) for digital needs must apply adaptive program management practices to:

- Define a shared vision for realizing the strategic objectives by aligning capabilities and outcomes across product lines and reorganizing product management efforts accordingly.
- Improve coordination and engagement across products by identifying and mitigating the collisions across product roadmaps and applying a program approach for sequencing outcomes.
Introduction

Between 60% and 70% of all respondents in the 2021 Gartner CIO Agenda Survey expect an increase of funding for digital initiatives in 2021. Consequently, organizations continue to progress their digital transformations and are increasingly adopting product-centric approaches to drive more frequent delivery and realization of strategic objectives.

Product managers have the task of defining and delivering the efforts required to drive business capabilities for realizing these outcomes. However, these products cannot be delivered as stand-alone silos but require coordination to manage the interdependencies across product lines. The inability to coordinate across products or product lines will result in the suboptimized delivery of business outcomes and in not realizing strategic objectives.

Program and portfolio management (PPM) leaders must apply adaptive program management practices to support the improved optimization of the delivery of business outcomes across products or product lines. This must be done in partnership with product managers to ensure a common strategic vision and to coordinate the management of existing interdependencies and constraints.

Orchestration across products that enables a shared understanding of the interdependencies, constraints and risks across those products is necessary to yield optimal results (see Figure 1).
Figure 1. Orchestrating Cross-Product Delivery

Orchestration via Adaptive Program Management

Analysis

Define a Shared Vision Across Products

As organizations increasingly deploy product-centric approaches, the ability to optimize across products or product lines becomes critical to the attainment of strategic objectives. This scenario is like the classic linear programming challenge of optimizing across a number of objectives, within existing constraints, to realize the best outcome for the whole. For example, one of the organization's strategic objectives is customer growth, and there are two products in place to drive order fulfillment and customer experience capabilities. Each product roadmap consists of its own vision and set of prioritized business outcomes for delivery. However, what has not been determined is a shared vision across products for realizing the strategic objectives and related alignment of the products’ business outcomes.

In the 2020 Gartner CEO Survey, planning, execution and culture, outside of market conditions, were cited as the greatest problem areas causing underperformance from digital investments (see 2020 Gartner CEO Survey: The Year of Recession). While there may be several factors driving these results, the fact is that siloed delivery within each product team produces a myopic-view void of a cross-product perspective. Cross-product orchestration can promote a more needed, broader perspective focusing on optimizing the realization of strategic objectives.

While each roadmap has defined messages and blueprints, PPM leaders can apply practices from the “envision” phase (see Figure 2). They need to ensure all understand the strategic objectives relative to what success looks like, from an enterprise perspective. This includes:
Facilitating the confirmation and socialization of the collective capabilities from the products.

Ensuring clarity regarding the alignment and potential resequencing of the targeted business outcomes across the collective.

Defining and confirming the shared vision across the products.

Engaging in the dynamics of the product delivery to ensure uncompromised strategic objectives.

Figure 2. Adaptive Program Management Framework
Identify and Mitigate Collisions Across Product Roadmaps

When applying adaptive program management principles, PPM leaders must be cognizant of the role of the product manager. Therefore, they should not apply the framework in its entirety, rather they should be judicious in deploying practices that best fit their organization's level of product management maturity. Some assumptions for products are shown in Figure 3.

**Figure 3. Product Assumptions**

<table>
<thead>
<tr>
<th>Product Assumptions</th>
<th>Assumptions for Each Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Roadmap 1</td>
<td>• Vision is set and communicated for each product</td>
</tr>
<tr>
<td>Product Roadmap 2</td>
<td>• Business outcomes defined are prioritized within each product</td>
</tr>
<tr>
<td>Product Roadmap 3</td>
<td>• Demand is prioritized within each roadmap</td>
</tr>
<tr>
<td></td>
<td>• Execution within each roadmap is very dynamic and subject to reprioritization</td>
</tr>
</tbody>
</table>

Even in instances where all assumptions hold true, the application of a cross-product perspective will identify potential complexities, gaps and constraints that are not readily apparent to the product manager.

Harvard Business Review highlighted that high-performing teams spend more time interacting with key stakeholders to ascertain and anticipate roadblocks and opportunities in their efforts to successfully execute against strategy. ¹

By applying a cross-product perspective, PPM leaders will work with product managers to proactively address integration challenges and seize potential synergies. As the number of products increases, so will additional stakeholders that will require reorientation to the north star of a common vision of the strategic objectives. (To follow the north star means to remain focused on the goal set out for the future journey and act accordingly.) This collaboration between PPM leaders and product managers will occur at the “vision and value” layer (see Figure 4).
PPM leaders will apply practices from the “order” step of the adaptive program management framework to reveal interdependencies. The identification and potential mapping of product interdependencies can include:

- Analysis of all product capabilities, associated business outcomes, and related business processes, technologies, data and personnel (see 3 Steps to Managing Distributed Portfolios in an Increasingly Digital World)
- Validation of the “supplier” and “receiver” products or product lines of the business outcomes
- Review of the timing for delivering the product outcomes
- Determination of potential gaps or constraints related to achieving outcomes
- Determination of co-dependencies and/or opportunities to drive execution synergies
- Identification of environmental, legal or social considerations
Based on the results from the aforementioned interdependencies, PPM leaders and product managers can collaborate to mitigate the resulting impacts that may even include resequencing business outcomes. A potential outcome may also be the development of a cross-product, portfolio-level and/or product-line-level roadmap that highlights interdependencies so they can be proactively managed.

This is obviously not a one-and-done exercise given the fluidity inherent in product-centric delivery. PPM leaders need to also partner with product managers to define roles, structure and governance (for example, a decision rights matrix) to facilitate the dynamic decision making required to support continuous delivery.

**Ensure Effective Orchestration Across Product Delivery**

The product manager is a key role in the execution of product-centric delivery and advancement of an organization's digital initiatives. Organizations are continuing to adopt pay-for-performance programs for both individuals and teams as they adjust their compensation practices to acquire and retain digital talent (see Revitalize IT Compensation Practices to Compete for Digital Talent). If applied without regard to the broader enterprise objectives, this performance incentive can also exacerbate product managers’ myopic perspectives to managing products or product roadmaps.

PPM leaders applying adaptive program management techniques will serve as “strategy stewards,” orchestrating across product delivery and providing an understanding that proactively addresses constraints.

This cross-product orchestration includes the application of practices associated with the “create/build” and “evaluate results” steps of adaptive program management within the context of planning and control. That said, PPM leader engagement is less about command and control and more about collaboration and orchestration for applying governance-driven approaches to satisfy market-driven and customer-centric needs. This is all applied through the lens of ensuring alignment with and allegiance to the confirmed strategic objectives. PPM leader engagement in product delivery and strategy execution is not a new concept. In our study on PMOs and ContinuousNext, respondents shared what they are doing or planning to do to support continuous delivery (see Figure 5).
PPM leaders need to provide program-level contributions in concert with product managers to:

- Identify and manage cross-product interdependencies and risks.
- Proactively resolve resource shortages and other constraints for the delivery of business outcomes.
- Track and manage the delivery of business outcomes and communicate status and results.
- Monitor spending and value delivery.
- Collaborate across product line silos to ensure the realization of strategic objectives.
- Coach program managers to proactively consider the larger, cross-product dependencies.
<table>
<thead>
<tr>
<th>Acronym Key and Glossary Terms</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Product (Digital Business)</strong></td>
</tr>
<tr>
<td><strong>Product Management (Digital Business)</strong></td>
</tr>
</tbody>
</table>
Evidence

1 How the Most Successful Teams Bridge the Strategy-Execution Gap, Harvard Business Review.

2 The Gartner PPM and ContinuousNext Study 2019 was conducted to understand how PMOs or PPM functions can enable or hinder ContinuousNext (i.e., continuous improvement) at their organizations. Respondents were screened to be leaders and involved members of PMOs, enterprise PMOs (EPMOs) and strategy realization offices (SROs) at organizations with more than $500 million in worldwide revenue focused on digital business and continuous improvement.

Document Revision History
Optimize Outcomes With Program Management Across Product Lines - 22 October 2019

Recommended by the Author
Some documents may not be available as part of your current Gartner subscription.

Embrace an Adaptive Program Management Life Cycle
The 2021 CIO Agenda: Seize This Opportunity for Digital Business Acceleration
2020 Gartner CEO Survey: The Year of Recession
3 Steps for Starting SAFe Lean Portfolio Management
Video: Introduction to Product Management
How PPM Leaders Can Help Resource Management in Product Teams
Revitalize IT Compensation Practices to Compete for Digital Talent
Position your IT organization for success. Explore these additional complimentary resources and tools for software engineering leaders.

**Research**
Shift PMO Priorities to Support a Digital Enterprise
Learn how PMOs can build strategy-related PPM capabilities.

**Webinar**
Leverage Strategic Portfolio Management toEnable Business Agility
Discover how CIOs and IT leaders can use 3 key SPM attributes to scale and harvest digital business investments.

**Article**
3 Steps to Start Lean Portfolio Management
Organizations are increasingly looking to agile frameworks to manage costs while delivering value and agility effectively.

**Resource Hub**
PPM Insights
Drive stronger performance on your most critical priorities.

Already a client? Get access to even more resources in your client portal. Log In
Get More.

Get actionable, objective insight to deliver on your most critical priorities. Our expert guidance and tools enable faster, smarter decisions and stronger performance. Contact us to become a client:

**U.S.:** 1 800 213 4848

**International:** +44 (0) 3331 306 809

Become a Client

Learn more about Gartner for IT Leaders
gartner.com/en/information-technology

Stay connected to the latest insights