Six Symptoms that Signal a Need for Portfolio Management

by Austin Locke

I've only been really sick once in my life. And by “really sick”, I mean ready-to-hang-it-up kind of sick. It happened at the worst time and in an unfortunate place.

I was living in the Amazon in northern Brazil. One day, I took a seven hour boat ride down the Amazon River, from one small city to another. This boat was not a luxury cruise ship, and lacked all accommodations except for one hard plastic chair for each passenger. It was in this situation that I experienced sudden onset of the worst possible combination of physical symptoms. There were no doctors, no beds, and nowhere to stop. It was a seven hour ride I’d rather forget.

As it turns out, I had Dengue Fever, a virus transmitted by infected mosquitos. Here’s the catch with Dengue: symptoms don’t appear for up to a week after you’ve been bitten, and then they appear all at once. If I had even recognized the slightest symptoms of illness in the previous days, I never would have boarded that boat and would have placed myself in a situation where I could receive some relief.

You’ve heard about Portfolio & Pipeline Management (PPM). You likely understand that PPM is a dynamic decision process that prioritizes projects, steers investment decisions, and boosts innovation. But how do you know if PPM is right for you? What are the organizational symptoms that signal a need for improved portfolio management within your business? Here’s a brief overview of the symptoms so you have time to prepare, get help, and make changes before you find yourself with Dengue Fever on a seven hour boat ride.

Companies without effective PPM are in a precarious situation. Many of the problems overwhelming product development initiatives are directly related to poor portfolio management. If any of the following symptoms appear within your organization, you need to improve your portfolio practices:

1. Far too many projects for the available resources, leading to increased time to market and higher failure rates
2. Logjams of projects, leading to increased cycle times, slower times to market, and poor product quality
3. Too many mediocre projects, leading to underwhelming launches and too few exceptional product winners
4. Too many projects failing, leading to poor growth from innovation
5. Lack of a rigorous selection criteria, leading to projects being selected for all the wrong reasons
6. Projects lack strategic direction, leading to the organization to an unknown destination

If any of these symptoms sound too familiar, look to improved portfolio management as a solution. PPM is fundamental to successful new product development. It works to ensure a balanced portfolio that is both full of high value projects and aligned with your business strategy. By addressing the symptoms above with portfolio management, you can avoid the devastating end result of poor new product performance.

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