

Portfolio Alignment Solution

Many organizations struggle with the translation of strategy to the actions taking place in the portfolio of projects and programs that deliver strategic value. Some take the approach of implementing tool sets without careful consideration of how to structure the implementation to get maximum value from what the tools provide. Tools can only be as effective as the information on which they are based and yet many executive teams make the mistake of thinking that tools are going to make up for lack of leadership. This solution is antidote for fuzzy translation between where the organization is headed strategically and where the time, talent, effort, energy and money are being spent in the organization. This workshop is designed to uncover and capitalize on the hidden opportunities in the integration of organizational intent with organizational decision-making. Historically, organizations have been disconnected between the processes of vision creation and action planning. What we create in this solution is the context with which to design the portfolio management system such that the executive team's intentions are carried out in what actually gets funded and finished. That is why we created this solution to engage leadership teams in a process by which they can lead the business using enterprise project portfolio management. It begins by developing an understanding of the foundation of the organization. The end result of this solution is to create a coherent set of design elements to build value in the organization moving forward. The benefit of this workshop is applicable to organizations of all sizes from small non-profit associations to large multi-billion dollar global enterprises.

Business Challenge

A technology company in an exploding market had the best of all possible problems: too much demand. The unfortunate part was that there was no means by which to decide which opportunities to engage and which to decline. Since the company had limited capacity, they needed a way to guide the decision making process that maximized the return on their efforts while aligning the work with their strategic direction. There was a feeling in the organization that they were misaligned but there was no good way to confirm or deny the sense of misalignment. With limited capital and high levels of expectations, the company could not afford to waste valuable time on low value targets. Many organizations use simplified processes with which to choose their actions. Some attempt to create systems and processes build on return on investment (ROI) or net present value (NPV) or measurements of that sort. The problem with this approach is that it severely limits the decision making process by slanting it toward actions that can be calculated and away from actions that are strategic in nature. This company was no exception and was beginning to feel the effect of the lack of focus.

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Solution

Working with a team of executives under the sponsorship of the organization leader, a simple system of decision-making was created using a balanced set of decision criteria. The criteria were selected based on the factors that drive the business results in the short term while building the business for long-term success. An easy to use model was built for the client to use in analyzing the existing pipeline of opportunities and committed orders. This allowed the team to evaluate the balance of risk and reward in the opportunity management pipeline and make the decision process transparent to the entire organization.

Results

The organization transformed from one of chaos and confusion to clarity and commitment. The remarkable effect of the change to the organization is its ability to increase speed of delivery and flexibility. Since the decision inventory is clear and transparent, changes can be made to direction weekly. The level of conflict in the organization has declined substantially and conflict resolution is quick and painless. In the process of the analysis, a substantial risk was identified that stemmed from an overload of emphasis being placed in an unattractive risk/reward area of the business. Within a month, the company had re-aligned their opportunity management pipeline to match their intended balance. This got the attention of their board and soon became a standard for other areas of the business to emulate.

Summary

There is no more central imperative of leadership than the development of clear decision making in the enterprise. For empowerment to have any value, leaders must give up the idea of telling people what to do and begin to teach people how to decide. The portfolio alignment solution outlined here is the fastest and most powerful way we have found to create decision making capability in an organization. Our process of developing decision making systems have helped our clients make higher quality decisions at greater speed while maintaining agility. In this fast paced and uncertain world, this is a critical skill. To learn more about how our unique blend of transformation services work or to get started on taking advantage of the opportunities to make a significant impact on value creation, call us at StratEx Advisors, Inc. at 530-672-8178 or simply email mark@stratexadvisors.com