

Optimize Outcomes With Program Management Across Product Lines

By Anthony Henderson

Gartner[®]

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.

- Ensure effective orchestration across product delivery by collaborating with product managers or teams to proactively address encumbrances such as resource contention.

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.

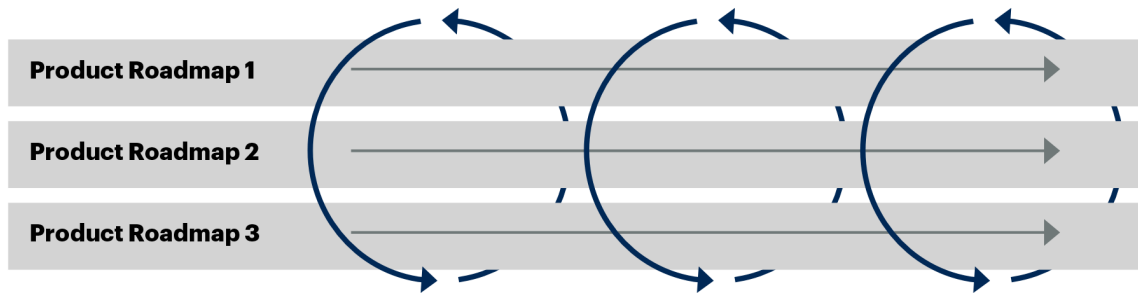
Product managers have the task of defining and delivering the efforts required to drive business capabilities for realizing these outcomes. However, these products cannot be delivered as stand-alone silos but require coordination to manage the interdependencies across product lines. The inability to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



Source: Gartner
739161_C

Gartner.

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

Adaptive Program Management Framework

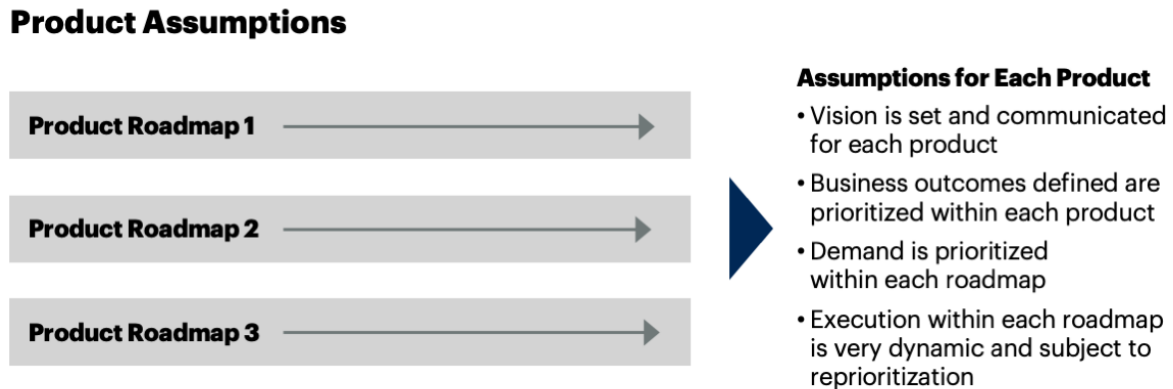


Source: Gartner
739161_C

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



Source: Gartner
739161_C

Gartner

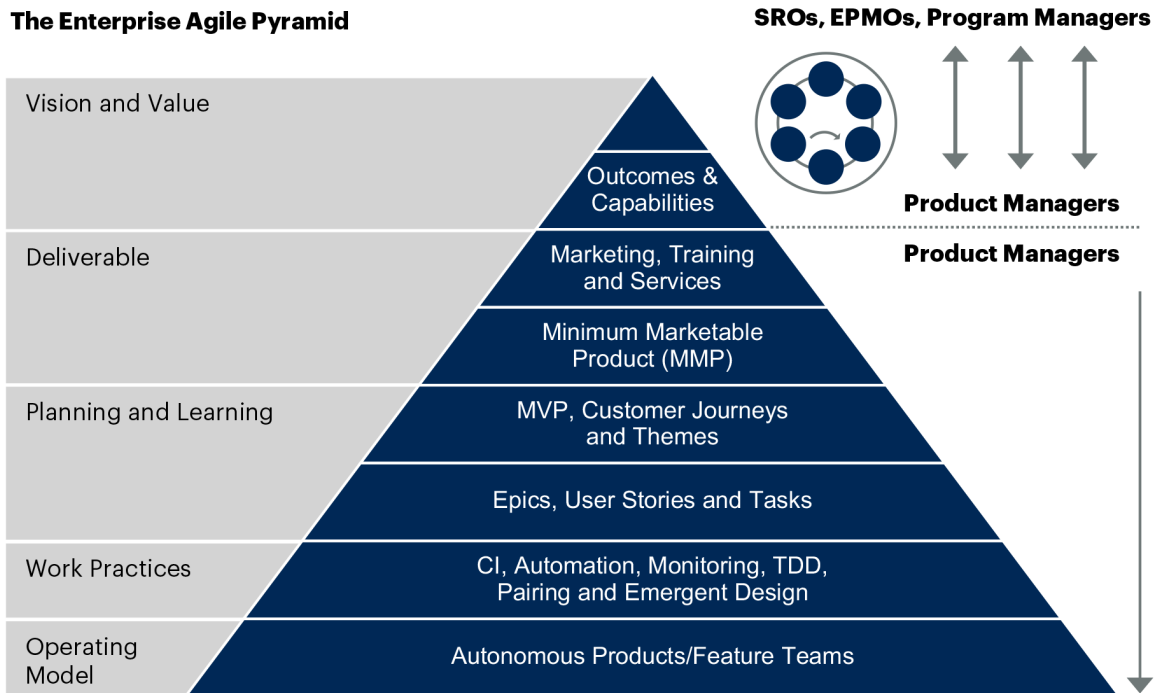
Even in instances where all assumptions hold true, the application of a cross-product perspective will identify potential complexities, gaps and constraints that are not readily apparent to the product manager.

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).

Figure 4. PPM Leaders and Product Managers Focus on Vision and Value

PPM Leaders and Product Managers Focus on Vision and Value



Source: Gartner
739161_C

Gartner.

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

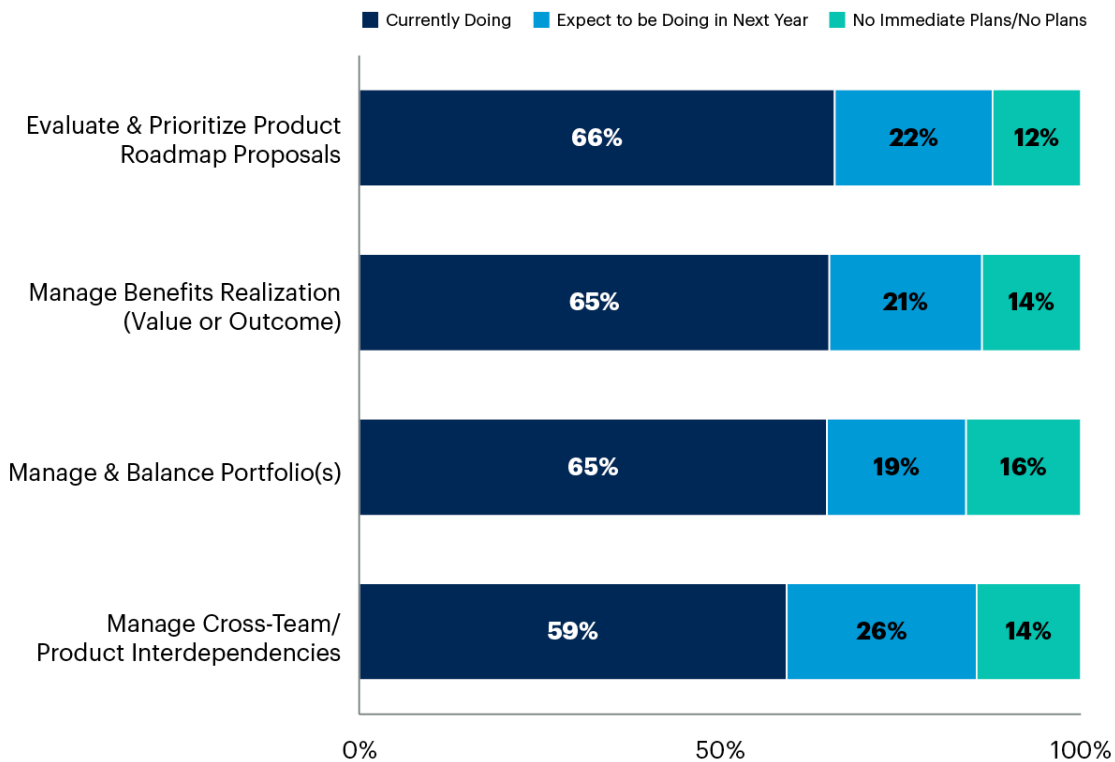
The product manager is a key role in the execution of product-centric delivery and advancement of an organization's digital initiatives. Organizations are continuing to adopt pay-for-performance programs for both individuals and teams as they adjust their compensation practices to acquire and retain 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, ² respondents shared what they are doing or planning to do to support continuous delivery (see Figure 5).

Figure 5. PPM Leaders' Support of Continuous Delivery

PPM Leaders Direct Support of Product Management



Source: Gartner
739161_C



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.

Acronym Key and Glossary Terms

Product (Digital Business)	A product is a named collection of business capabilities valuable to a defined customer segment. A product may be just software and data. Alternatively, it may be composed of any combination of software, hardware, facilities and services, as required to deliver the entire product experience. A product may be a repeatable service (for example, a subscription service), or it may be a platform (one-sided or multisided). Although products (in the context of digital business) principally serve external customers, software organizations can also apply a product model to any collection of business capabilities delivered in a coherent value stream to internal customers.
Product Management (Digital Business)	In digital business, product management is the process of conceiving, defining, delivering, monitoring and refining products in, and withdrawing products from, a market in order to maximize business results. Product management tasks range from researching markets, customers and competitors to analyzing customers and products, to developing and maintaining a product vision and roadmap. They also include working with product delivery teams to test and prioritize the delivery of product capabilities in order to maximize customer value and business impact and derive growth from digital initiatives. These tasks are performed by people with a wide range of titles, such as product manager, product owner, business analyst, product marketer and service manager. Tasks are often distributed within a product management team according to the skills of its members, who may range from strategic visionaries to detail-oriented virtual members of a delivery team. Product management must accommodate the rapid delivery cadence of digital business by emphasizing speed and innovation, while managing a complex environment with many dependencies. Artifacts such as roadmaps have shorter shelf lives than those associated with physical consumer products, and therefore suit approaches that are lighter in weight, such as lean startup.

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

© 2021 Gartner, Inc. and/or its affiliates. All rights reserved. Gartner is a registered trademark of Gartner, Inc. and its affiliates. This publication may not be reproduced or distributed in any form without Gartner's prior written permission. It consists of the opinions of Gartner's research organization, which should not be construed as statements of fact. While the information contained in this publication has been obtained from sources believed to be reliable, Gartner disclaims all warranties as to the accuracy, completeness or adequacy of such information. Although Gartner research may address legal and financial issues, Gartner does not provide legal or investment advice and its research should not be construed or used as such. Your access and use of this publication are governed by [Gartner's Usage Policy](#). Gartner prides itself on its reputation for independence and objectivity. Its research is produced independently by its research organization without input or influence from any third party. For further information, see "[Guiding Principles on Independence and Objectivity](#)."

Actionable, objective insight

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.

[Download Research](#)

Webinar



Leverage Strategic Portfolio Management to Enable 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.

[Read Article](#)

Resource Hub



PPM Insights

Drive stronger performance on your most critical priorities.

[Learn More](#)

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   