

# Delivering complex change at scale: A more strategic approach to managing portfolios of change

Our clients are increasingly accountable not just for running their organisations but for delivering complex, highly interdependent change. Delivering change at scale will always be difficult, but in our view taking a smarter, more strategic approach to portfolio management can maximise the long term value of change and reduce delivery risk.

Done well, Portfolio Management – the prioritisation, co-ordination and control of interconnected programmes of change to deliver in support of strategy – can be a powerful tool for senior management. When effective it can drive forward change in an integrated, transparent manner, ensuring effective utilisation of scarce resource and minimising risk.

However, realising the value of a portfolio management capability is difficult to get right.

We often see portfolio management functions lost in the detail as opposed to driving out clarity, avoided by delivery stakeholders rather than sought out for advice, adding to the weight of process not removing it. In short, functions that end up looking in to the delivery party rather than driving it forward. Done poorly, portfolio management can be counter-productive, all too easily adding complexity and cost and frustrating efforts to deliver change on the ground.

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In our view, a more strategic portfolio management capability; one that **focuses on outcomes needed for senior management** and **operates more smartly on the ground**, can more effectively enable change at scale.

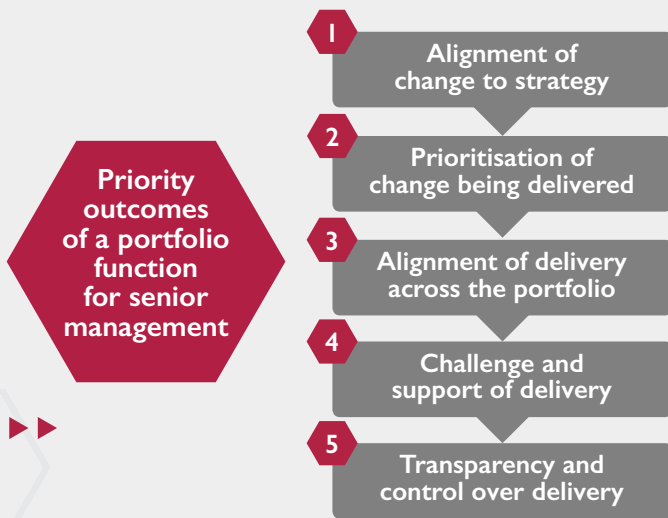
This requires **re-prioritising “what”** the management function should focus on and just as importantly **re-assessing “how”** this function should deliver.



## Narrowing in on the “What”: Focusing on key outcomes

Any portfolio function has to “earn its keep” fast by proving its value – critically to both senior management and also to delivery teams on the ground. Too often we see functions with a long list of responsibilities but with no clear prioritisation of purpose.

In fact prioritisation is vital; it's getting the big things right that really delivers value for the organisation. Doing this well also earns the function the remit to do more. What are these priorities? Combined, delivering the below form the basis of a high value portfolio management capability:



### 1. Alignment of change to strategy:

*Easy to say, hard to do.*

Building genuine management confidence that a change portfolio is driving delivery of business strategy is core to a portfolio management function. Practically bringing to life the “business case for change” at every level and ensuring hard conversations are had where needed (initially and on an ongoing basis) is what the function is there to drive. This ongoing alignment should be at the heart of enabling the right level of executive discussion and challenge.

### 2. Prioritisation of change being delivered:

*Not a one off event.*

Scarce resource, whether its budget, people, technology, management time, supplier expertise or stakeholder capacity for change makes managing a portfolio a tricky proposition. A good portfolio management function drives this on a continual basis. It does this by bringing a rigour and openness to proceedings – minimising the opportunity for discussions to become clouded in the politics that come with numerous stakeholders trying to push “their” change through at all costs. Without it, and without the tension that this deliberately brings, change agendas quickly become bloated and unresponsive to pressures from above. A portfolio function is there to remove this risk.

### 3. Alignment of delivery across the portfolio:

*Integrated – where necessary.*

Broad ranging portfolios of change often bring a challenge around interdependence. Most commonly this takes the form of “clashing delivery dates” and their impact on programme plans. However a myriad of other less obvious interdependencies often lurk beneath the surface. A good portfolio functions’ job is to continually unearth these, make the connections and drive discussion to a point where there is confidence in an integrated plan. Just as importantly, the function should act as a catalyst to “free” change from the burden of being interdependent on others where this is not the case.

### 4. Challenge and support:

*Good cop / bad cop.*

Many portfolio functions don't get this right, or don't even try, but we believe it's vital. Projects are complex things to deliver and portfolios of projects more so; they need help and guidance to succeed. They also need to be clear that someone is monitoring them and holding them to account for delivery. Providing both of these elements from one function may sound counter-intuitive but in our experience is hugely valuable.

Providing value to projects – in the form of advice on how best to resolve resource or delivery conflicts, on how to escalate issues in the right way to minimise adverse reactions or on how to connect to other parts of the organisation are all things a good function should be delivering for project teams. The value this delivers helps “open the door” to projects accepting the hard ongoing challenge that a good portfolio function should also drive as a matter of course, on status – “is everything really all green ?!”, and on plans, benefits and costs.

### 5. Transparency and control:

*What senior management need above all else.*

It's relatively easy to provide a “veneer of control” over how a portfolio of change initiatives is being delivered; pages of status reports with healthy looking traffic lights, detailed plan after plan, status meetings galore. However there is no substitute for whites of eyes discussions with those really accountable for delivering outcomes. Smart governance with the right attendance and facilitation can do this.

Likewise well-structured transformation roadmaps focused on a small number of key milestones and interdependencies serve to bring the status of delivery up a level. This enables vital horizon scanning and informs management teams to make the timely course corrections needed. This is the heartland of what good portfolio management should be about.

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## Evolved thinking on the “how”: A smarter, more agile approach

Delivering all of the above successfully and efficiently places a range of demands on how a strong portfolio operation needs to function and how it operates within the wider organisational context. This requires a real change in emphasis. Local circumstance will drive focus in particular areas and there are many other factors to consider but our view is that the following principles are core to driving success:

### Key design principles for a smart portfolio function

- 1 Build authority in from the outset
- 2 Ensure independence of perspective
- 3 Know your audience
- 4 Start and stay small and high powered
- 5 Retain an emphasis on outcome not process

#### 1. Build authority in from the outset:

*Top down.*

To be successful, a portfolio function needs to be sponsored and supported top down. It needs to be, and be seen to be, the engine of portfolio change for the senior management team it is delivering for and to talk with this authority. If done well this gives the function the remit it needs to operate effectively. However, implicit in this is the need for the management team it serves to have really understood its value and its function.

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#### 2. Ensure independence:

*Freedom of perspective.*

So much of the activity of a portfolio function is predicated on it being able to say it as it is, call out the difficult messages and break through embedded positions. Its effectiveness is curtailed as soon as it's seen not “walking the talk” on independence.

It's important therefore to think hard about where the function sits in the organisation, both in regard to functions and business units. Placing the function outside of the line accountability of directors who are also sponsoring material parts of the portfolio is important, equally avoiding the risk of the function being seen as a mouth piece for IT or for finance is desirable. Compromises need to be made here but this “independence check” is key to success.

#### 3. Know your audience:

*Work with not against culture.*

How a portfolio capability is implemented, how it engages with its stakeholders up and across the organisation and how it operates in the day to day should all be coloured by the culture it's operating within. This is true for most functions but particularly here as it's these cultural norms that are at the heart of how organisations deliver change best.

Getting this wrong will doom a function to pushing on closed doors and needlessly antagonising. However, understanding the organisations approach to risk and failure, its attitude to process, its historic experience of change and how stakeholders are motivated to deliver will all help engage with and drive forward the organisation most effectively.

#### 4. Start and stay small and high powered:

*No standing army.*

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Keep the team small and high powered – you don't need a standing army to make a big difference.

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As discussed a portfolio management function should do a few vital things very well – at least to start with before it earns the right to expand remit. Our experience shows that resourcing a team with a small number of experienced, pragmatic individuals who balance understanding of how to deliver change with knowledge of the organisation keeps the function lean and effective. You don't need a standing army to make a big difference. It also sends a signal to the organisation that efficiency is an important factor both to the function and the portfolio as a whole.

Likewise the team have to have credibility with stakeholders from the start and the combination of soft and hard skills to deal with senior sponsors through to programme delivery teams.

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## 5. Retain an emphasis on outcome not process:

*Pragmatism first.*

Too many portfolio functions become a slave to process and inadvertently lumber the organisation with this, quickly creating a low value industry that distracts from the delivery at hand.

Deliberately placing outcomes at the centre of the functions' remit helps avoid this (as does the size of the team). Clarity of delivery does not come from tomes of status. Likewise timely management of risk does not come from endless risks logs but from well managed discussion and clear accountability. Experience pays here as does setting up the team with the confidence to remain flexible; to respond to feedback and change approaches that don't work; and to push ahead with those that do.

**Managing complex change at scale will always be hard and time consuming. Given the scale of investment it will always be filled with risk. However putting in place a more strategic portfolio management capability; one that drives outcomes for senior management and operates more smartly on the ground, will maximise the ability of an organisation to manage these risks and deliver lasting change.**