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The Yin and Yang of Enterprise Project Portfolio Management and Agile Software Development: Combining Creativity and Governance

How to gain a comprehensive picture of enterprise value using enterprise project portfolio and Agile software development methods

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Introduction

Companies are under more pressure than ever to deliver new business value as quickly as possible – to react to each market gyration with speed and precision to maintain competitive edge. Adding to this complexity is the multifaceted nature of businesses and the demand for projects that implement new business systems and create products that take advantage of the latest in technical innovations.

It's no wonder that many organizations have adopted Agile development methods to help manage their software projects. Agile helps firms move quickly and iterate rapidly in a dynamic environment, with self-organized teams of developers, product and business experts whose goal is to frequently deliver new software or business value.

Agile has gone mainstream according to research analysts. Companies are starting to use a combination of the Agile project management (primarily Scrum techniques) along with the staged methods that many Enterprise Project Portfolio Management systems grew up espousing. According to Forrester Research Inc. in Cambridge, Mass., "Teams are puzzling out the mix of methodologies and combining them to fit within their organizational realities, blending Agile and non-Agile techniques and practices to create a hybrid methodology that fits larger organizations," according to a report. The good news is that they can work well together and the evolving nature of enterprise project portfolio management is helping to paint a comprehensive picture of project status and business value no matter what project paradigm is used.

The combination of Agile and Enterprise Project Portfolio Management systems provides high-level visibility of projects, resources, schedules and business value for the entire organization. When executives don't have visibility to all the work, then they're making decisions with less than all the important information. Without this information, making decisions about future projects can be detrimental to the business.

An Enterprise Project Portfolio Management system can provide the perfect complement to Agile project management and a comprehensive portfolio view of the entire business.

The Benefits of Enterprise Project Portfolio Management

Combining Enterprise Project Portfolio Management with Agile and non-Agile project paradigms enables greater visibility into the overall project portfolio to minimize unwelcomed surprises.

Gaining an enterprise perspective and enabling governance

Agile techniques are deployed to support work efforts that ultimately make up projects or programs. But highly effective organizations must look at those small-scale projects in relation to the business strategy as a whole and to other projects also taking place within the organization. How can executive level management be made aware of the progress to create business value and measure that against the importance of other projects that are currently under way? What's more, how do other project managers know what resources are being used across all their projects and which employees are free to take on new projects? An Enterprise Project Portfolio Management system can help evaluate portfolio progress and communicate necessary changes.

The mix of both Agile and non-Agile approaches works best for organizations that need to fit Agile into *a broader release cycle*, according to Forrester. In many cases, the development team contributes components to a larger release that is delivered on its own, lengthier timeline. An Enterprise Project Portfolio Management system can complement Agile development by tying in a project's progress and resource needs to the overall project performance and provide crucial governance across the project portfolio.

Provide a consistent view and improve decision-making and productivity

According to the Agile Alliance, the five tenants of Agile development include close collaboration between individuals, frequent delivery of business value and self-organizing teams. This combination of principles has been proven to be highly effective but there are a variety of specific practices that would satisfy these tenants. Forrester indicates that, Agile development is not used consistently today within organizations. Scrum and other Agile methodologies prescribe a set of techniques that, when used collectively, are intended to lead to successful software development and delivery. However, teams do not usually implement all of these techniques simultaneously. An Enterprise Project Portfolio Management system can maintain a consistent view of project resources, financials and value to the business. Furthermore, this overall view can be used to make more informed decisions about what practices work best in what contexts that ultimately lead to greater productivity and efficiency.

Minimize Risk

Companies that deploy a mix of Agile and non-Agile software tools may do so because of *regulatory and compliance requirements*. The rules that govern an organization may not support full Agile adoption. For example, in heavily regulated industries, such as the pharmaceutical and financial service industries, compliance requirements add work in the form of additional testing, documentation, and reviews. In these cases, an organization will need to evaluate closely if Agile software tools or an Enterprise Project Portfolio Management system would be the best in to handle these compliance and regulatory issues.

Communicate Progress

Scaling Agile requires automation tools. In a Forrester interview one vice president of a large financial company described the need for automation, he said: “When you have one project on a whiteboard with Post-its, it is fine, but when you have five or six projects, the whiteboard approach just does not cut it. We haven’t even got enough whiteboards.” Automation is required because sharing status beyond a daily Sprint meeting is time-consuming. This is particularly true when the team is spread across many locations or shared across several projects. The ability to quickly and easily share status information is crucial when the team self-selects work and changes direction based on that work’s results.

Combining Agile and Enterprise Project Portfolio Management

Enterprise Project Portfolio Management provides visibility to the enterprise project portfolio while the Agile software tool enables teams to work with the tools and methodologies that make them the most productive.

Combining Agile and Enterprise Project Portfolio methods enables management to understand exactly what their organization has planned to do, how well they are doing against that plan, what they have spent to date, how much progress they have made, what is running behind schedule, what needs to be reworked or rethought, and an experience-based forecast of what it will take to finish each project and the ripple effects of being late. Executives can get an accurate picture of each project’s progress to make informed decisions.

What are the benefits of Rally Software’s integration with Oracle’s Primavera P6?

Oracle and Rally Software link Agile software development projects from Rally with enterprise projects in Oracle’s Primavera P6 Enterprise Project Portfolio Management. Together, these solutions allow

organizations to easily evaluate their entire project portfolio in Primavera P6 and select the optimal mix of projects while maximizing the productivity of their workforce.

Organizations now have the ability to manage their *entire* project portfolios and leverage the relevant data to make decisions without interrupting the project work software developers prefer to do in an Agile tool. This integration enables their teams to work in the solution that is best suited for their working style thereby increasing their productivity and morale while still gaining the information they need to effectively manage their projects.

Developers focus on working in their Agile development environments and avoid wasting time performing double data entry (in both the Agile and Enterprise Project Portfolio Management environment).

The integration enables consistent visibility into the entire project portfolio minimizing unwelcomed surprises, fostering better decisions, managing risk, and tracking progress. In addition, organizations can streamline tracking of R&D spend and compliance reporting to secure potential tax credits.

Summary

The mix of both Agile and non-Agile development methods in project management both empowers the development team to figure out how best to achieve positive results. The use of Enterprise Project Portfolio Management over Agile and non-Agile teams, keeps executives and senior managers informed with a view of how the project portfolio is impacting business value, financials and resources.

Oracle's Primavera P6 Enterprise Project Portfolio Management solution combined with Agile lifecycle management tools from Rally Software give organizations the best of both worlds – quick, collaborative product iterations *and* a comprehensive, high-level portfolio view of the organization – the perfect combination for business success.



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