

BEST PRACTICES

AGILE PORTFOLIO MANAGEMENT



Jochen Krebs

Praise for *Agile Project Management*

This book is the missing link for large enterprises seeking to apply an agile approach to portfolio management.

—Mike Cohn, Author of *Agile Estimating and Planning*

Jochen Krebs has written a book that demystifies what happens in large organizations where various interdependencies can mystify and confuse teams making the journey to agile methods. It belongs on the bookshelves of forward-thinking executives and project managers at all levels.

—Peter Rivera, SVP, Executive Creative and Program Director, AOL Programming

This book addresses a sorely neglected area in the overall discussion of Agile methods. The solutions to many of the issues organizations face when adopting Agile methods like Scrum and XP lie in effective portfolio management, and Jochen has done well to bring this topic to the fore.

—Sanjiv Augustine, President Lithespeed, Author of *Agile Project Management*,
Co-Founder of Agile Project Leadership Network

This is an absolute must read. Jochen simplifies a very complex concept and delivers a book that is easily read and provides a very pragmatic approach to Agile Portfolio Management.

—Robert Eagan, Director of Global Project Management Methodology
for a major New York Financial Organization

*Jochen Krebs' new book, *Agile Portfolio Management*, breaks new ground in the Agile canon by providing specific techniques for organizing work in Agile organizations at the program and portfolio level. As larger IT organizations adopt Agile broadly, many find that their legacy project selection, budgeting, and portfolio management processes are impediments to realizing the full competitive benefits their Agile development organizations can support. Joe's book will provide*

Agile Portfolio Management

Table of Contents

Cover

Copyright Page

Contents at a Glance

Table of Contents

Acknowledgments

Introduction

Part I: Agile for Managers

Part II: Defining, Planning, and Measuring Portfolios

Part III: Organization and Environment

Who Is This Book For?

Find Additional Content Online

Support for This Book

Questions and Comments

Part I: Agile for Managers

Chapter 1: Motivations

Managing Expectations

Late Changes

Requirements Paralysis

Ambiguity

Too Many Requirements

Too Few Requirements

Change Control Board

Time to Market

Table of Contents

Innovation

Funding

Summary

Chapter 2: Agile Software Development

Definitions

What Is Agile?

Agile Processes

Agile Manifesto

Agile Alliance

Agile Project Leadership Network

Key Practices of Agile Development

Iterative-Incremental Development

Test-Driven Development

Continuous Integration

Face-to-Face Communication

Things You Observe in an Agile Project

Pair Programming

Daily Stand-Up Meetings

Stories About Requirements

Team Rooms

Frequent Releases

Self-Organized Teams

Summary

Chapter 3: Project Management

Traditional Project Management

Work-Breakdown Structures

Gantt Charts

Critical Path Analyses

Project Reports

Summary About Challenges

Agile Project Management

Table of Contents

Project Management Declaration of Interdependence

Roles and Responsibilities

Roles

Responsibilities

Summary

Part II: Defining, Planning, and Measuring Portfolios

Chapter 4: Foundation

Facts

Organization

Functional Organization

Projectized Organization

Matrix Organization

Composite Structure

Project Management Office

Terms and Definitions

Project

Program

Portfolio

Stakeholders

Goals

Too Many Projects

Projects Rarely Get Terminated

Not Enough Resources Are Available

Lack of Metrics

No Vision

Summary

Chapter 5: Metrics

Metrics

Progress (Velocity)

Quality

Team Morale

Table of Contents

Reporting

- Status Report

- Interpretation

Summary

Chapter 6: Return on Investment

- Goals and Objectives

- The Increment

- Financial Models

 - Payback Period

 - Net Present Value (NPV)

 - Internal Rate of Return

 - Cost-Benefit Analysis

- Benefits Provided by Projects

 - Decreasing Benefits

 - Benefits Deadline

 - Increasing Benefits

- Risks

- Technology

- Summary

Chapter 7: Project Portfolio Management

- Balancing the Project Portfolio

 - Avoid Pursuing Too Many Projects at Once

 - Balance Your Portfolio with Risky and Rewarding Projects

 - Balance a Portfolio with Visionary Projects

 - Avoid Small Projects That Limit Vision and Impede Development

- Initiating a Project

 - Implementing a Process for Collecting Ideas

 - Presenting the Business Case

 - Assessing a Business Case

 - Collecting and Managing Proposals

 - Competitive Projects: May the Best Project Win

Table of Contents

Selecting a Project

- Go/No-Go

- Pausing a Project

- Accelerating a Project

Summary

Chapter 8: Resource Portfolio Management

Balancing the Resource Portfolio

- Lack of Vision

- Too Many Projects and Not Enough Resources

- Projects Require Different Skills

- Lack of Feedback from Resources

Roles and Resource Pools

Skills Transfer

- Agile Training

- Mentoring

Globally Distributed Development

Corporate Networks

Certification

Summary

Chapter 9: Asset Portfolio Management

Balancing the Asset Portfolio

- First Its an Asset, and Then Its a Roadblock

- Is Built to Last a Positive Attribute?

- Total Cost of Ownership

Summary

Chapter 10: Portfolios in Action

The Portfolio Dashboard

A Sample Scenario

- First Iteration

- Second Iteration

Table of Contents

Third Iteration

Summary

Part III: Organization and Environment

Chapter 11: Portfolio Management Using Scrum

Overview of Scrum

Scrum Challenges

Portfolio Backlogs

Project Portfolio Backlog

Resource Portfolio Backlog

Asset Portfolio Backlog

Roles

Portfolio Owner

Portfolio Master

Portfolio Manager

Activities

Portfolio Sprint Planning Meeting

Portfolio Scrum Meeting

Portfolio Sprint Review Meeting

Metrics

Scrum Certification

Summary

Chapter 12: Project Management Office

The Challenges of Managing Agile Projects

Agile Project Teams Are Empowered and Self-Organized

Agile Processes Are Empirical

Milestones Monitoring vs. Progress Reporting

Best Practices for Project Management

Defining the Roles and Responsibilities of an Agile PMO

The PMO and Portfolio Management

Choosing the Right Tool for the Agile Job

Overhead and Profits

Table of Contents

Applying Models, Standards, and Regulations in an Agile Environment

Getting the Most from Your PMO

Mentoring

Staffing

Training

Manuals and Release Notes

Release Teams

Metrics

Status

Portfolios

Summary

Appendix: Additional Resources

Books and Articles

Web Sites

Index

About the Author