Portfolio size – Is bigger really better when it comes to your portfolio of programs and projects?

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In our fast paced world, change is constant, it needs to be constant, and improvements need to happen quickly. Customer expectations are constantly changing, and technology is evolving so quickly, opening up new possibilities, and generating new customer expectations. This means that operational improvement initiatives are constantly being identified and initiated, and the more significant, costly and risky changes need to be structured into projects and programs for effective management.

So how much is enough? How much is too much? How to strike the balance?

Balance is the key. An important element of portfolio management is to provide guidance and governance for starting, continuing and ceasing change initiatives across operations and programs of projects. It is about making sure an organisation gets the best "bang for its' buck" in terms of scarce funding and change capacity available, and focusses on the right initiatives at the right time. There are key elements to consider for the right size portfolio of the right initiatives for your organisation at a point in time. Often bigger is not better – but it all depends on the context.

Regular (at least annual) portfolio reviews should consider:

- Funding availability for all initiatives for the current and future financial years
- Which stakeholders are impacted across all the initiatives – positively (ie benefits expected) and negatively (ie change disruption)
- Relative costs and benefits by initiative for the current and future financial years
- Progress and percentage completion
  - If key factors change, the cost to complete may be worthwhile if an initiative is nearly finished, but not worthwhile if it is in its early stages
- Risks or impacts of not completing an initiative
  - Sometimes the benefit of an initiative is to deliver risk mitigation, which is best highlighted by considering what could happen if you don't complete the change
- Operational requirements – immediate and future vision
- Customer expectations – immediate and future business direction
- Technology available and expected for release in the future, and timing of releases
  - Sometimes it is better to delay an initiative until a new product release will enable greater capability and benefits, or cease an initiative if technology will make the change redundant or significantly reduce the value proposition
- External drivers such as political, legislative, economic factors in the organisation's region and in its clients' regions

When less is more

If you have too many initiatives planned that will impact the same set of stakeholders, you could end up with "change fatigue" in that stakeholder group, and the value proposition could be lost for all initiatives. You will possibly also struggle to get enough subject matter experts from within the business to contribute to the change solutions and implementations in the desired timeframes. Sometimes it is hard to keep track of and effectively manage many initiatives, so risk levels increase.