

IMPLEMENTING PROJECT
**PORTFOLIO
MANAGEMENT**

A Companion Guide to *The
Standard for Portfolio Management*

Implementing Project Portfolio Management

VIRTUAL BOOK TOUR

Webinar sponsored by:



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#4172



Agenda

- Introduction
- Biographies
- Executive Guide
 1. Understanding Portfolio Management
- Practitioner Guide
 2. Lifecycle
 3. Strategy
 4. Governance
 5. Capacity and Capability
 6. Stakeholders
- 7. Value
- 8. Risk
- Strategist Guide
 9. Strategic Business Execution
 10. System Thinking
 11. Complexity
 12. Agile Portfolio Management
 13. Cross Cultural
 14. Trends in Portfolio Management
- Next Steps

Introduction

The idea of this book first appeared in one of the early workshops of the Portfolio Standard Committee in 2015.

- Some of us wondered, as we were then creating a “principle-based standard” for the Fourth Edition of the Standard for Portfolio Management, answering the question - how can we best explain the “hows” of applying portfolio management?
- Moving toward a principle-based standard is a significant achievement with two major benefits:
 - Broader coverage focusing on the “what” of portfolio management
 - More concise standard (95 pages of core material in the 4th edition versus 135 pages in the 3rd edition)
- Eight of the original twelve members decided to work together.

Introduction – About the Book

We wanted to create a highly useful book on portfolio management, accessible to three primary groups:

- Business executives and organizational leaders – Part 1 focuses on decision makers who may not wish to know the application details but understand the value of project portfolio management
- Portfolio managers and practitioners – Part 2 of the book provides the details on how to apply portfolio management. It's mapped to the performance domains of the Standard.
- Strategists and thinkers – The primary focus of portfolio management is investment planning and execution. In Part 3, we discuss the broader implications of portfolio management and the latest trends.

Introduction – What’s In It For You?

Many thanks to those who joined us at the launch of the book tour – on the International Project Management Day, which was 11/1/18. This recording is about 1 hour in length, so thank you for sharing your time. In addition to our gratitude for your hour, we believe there are at least four important values for you.

1. Learning about the latest content of the book but more importantly the latest thinking in portfolio management
 - This book is supported by its own website: www.implementppm.com. Our plan is to provide the latest thinking there. So bookmark this page.
2. Networking and joining other practitioners with Special Discounts
 - Join the LinkedIn Forum, “Companion Guide to the Standard for Portfolio Management”, designed to support this book: <https://www.linkedin.com/groups/12086015>.
 - One of the editors, Dr. Te Wu is the CEO of PMO Advisory, one of the few PMI Registered Education Providers that offer Portfolio Management (PfMP) Bootcamps (in addition to PgMP, PMP, PMI-RMP, etc.). He will be offering a limited time offer of 25% off all training courses booked and paid for by the end of 2018. Use the Reference Code “LinkedIn ImplementPPM”.
3. Contribute and advance the field
 - If you wish to be more active, we are creating an “Advanced Portfolio Management Forum” to conduct practical research and potentially earn PfMP PDUs (offered by PMO Advisory). To sign-up, go to www.implementppm.com and scroll down.
4. You earn the highly valuable 1 Technical PDU for Portfolio Management.
 - The claims instruction is at the end of the presentation

Biographies

Editors and contributors listed by the order of their chapter contribution



Dr. Te Wu, PfMP, PgMP,
PMP, PMI-RMP

- Editor
- Chapters 1, 3, 6, 9, 14
- CEO, PMO Advisory
- Core Committee Member on two PMI Standard Teams
- US Delegate on ISO TC258
- Professor, Montclair State University, CEIBS



Steve Butler, PfMP, MoP, PMP,
Chartered IT Professional, MBA

- Chapter 3



Nick Clemens, PMP, PMI-ACP,
DWIA

- Chapter 4, 8, 12



Debbie McKee, PfMP

- Chapter 7, 9



Dr. Panos Chatzipanos, P.
Eng, RPP

- Editor
- Chapter 2, 3, 5, 11, 13
- CEO, ECONTECH SA.
- World Bank Consultant
- Core Committee Member on multiple PMI Standard Teams
- Directed two Olympic venues for the 2004 Olympics Game in Athens



Warren Long, P. Eng, PMP

- Reviewer



David Ross, PMP, PgMP

- Chair of Portfolio Standard Committee



Gary Sikma, MBA, MSM, PMP, PMI-ACP, CSM

- Chapter 12
- Vice-Chair of Portfolio Standard Committee

Part 1: An Executive Guide to Portfolio Management

- Provides a comprehensive but high-level description of portfolio management, including the what, why, who, and how.
- Everyone is encouraged to review this part, for two reasons:
 - To achieve an executive-level understanding of portfolio management
 - To understand what senior management cares about in portfolio management

- 1.1 A Case for Portfolio Management
- 1.2 Defining Portfolio and Portfolio Management
- 1.3 Relationship between Portfolio Management and Organization
- 1.4 Relationship Between Portfolio, Program, and Project Management
- 1.5. How to Make Portfolio Management Work – Essential Principles of Portfolio Management
- 1.6 How to be an Effective Portfolio Manager

Level	Pillars		Name
10	Planning		Corporate or Enterprise Strategy
9			Organization Strategy
8			Business Unit Strategy
7			Functional Strategy
6	Changing	Operating	Portfolio
5			Program
4	Project		
3	Operational Initiatives		
2	Specific Teams		
1	Tasks and Activities		

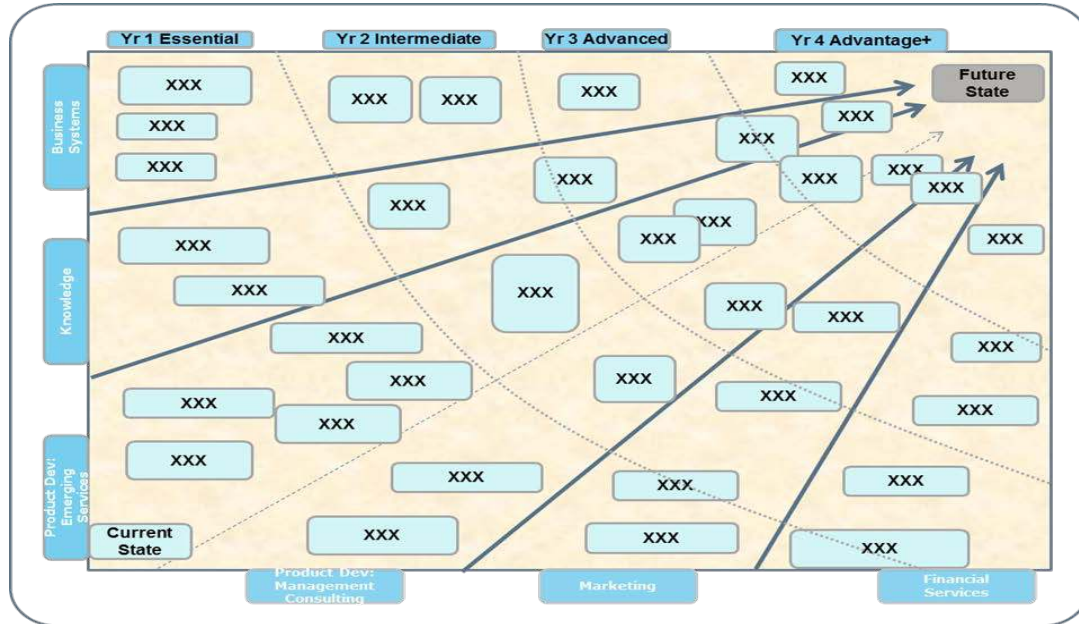
Part 2: A Practitioner's Guide to Portfolio Management

- Offers an in-depth examination of the various performance domains discussed in the Standard for Portfolio Management – Fourth Edition.
- In addition, this book goes beyond the standard with additional domains and concepts that are in practice today.
 - Each chapter offers new insights on how to apply the principles covered in the standard.
 - As appropriate, selective tools and templates are introduced.
- The following chapters are included in this Part:
 2. The Portfolio Lifecycle
 3. Portfolio Strategy Management
 4. Portfolio Governance
 5. Portfolio Capacity and Capability
 6. Engaging Portfolio Stakeholders
 7. Portfolio Value Management
 8. Portfolio Risk Management

- 2.1 The Portfolio Life Cycle within the Organizational Environment
- 2.2 Portfolio Life Cycle Management Framework
- 2.3 The Portfolio Component Stages and Portfolio Life Cycle
- 2.6 Portfolio Stakeholders
- 2.7 Portfolio Component Interdependencies and System Dynamics – Managing Dependencies and Component Interfaces
- 2.8 Organizational Influences on Portfolio Management
- 2.9 The Portfolio Life Cycle – Further Considerations



Chapter 3: Portfolio Strategic Management By: Steve Butler, Te Wu, Panos Chatzipanos



Source: Portfolio Management Bootcamp Training Materials (2016), PMO Advisory LLC.

Three General Types of Strategies:

1. Deliberate Strategy
2. Emergent Strategy
3. Organizational Learning

3.1 Strategy and Strategy Alignment

3.2 Enabling Well-Defined Strategy

3.3 Understanding Strategic Risk Appetite

3.4 Developing Portfolio Goals, Strategic Objectives & Strategic Plan

3.5 Creating the Portfolio Charter

3.6 Building the Portfolio Roadmap

3.7 Managing Strategic Alignment

3.8 Managing Component Dependencies

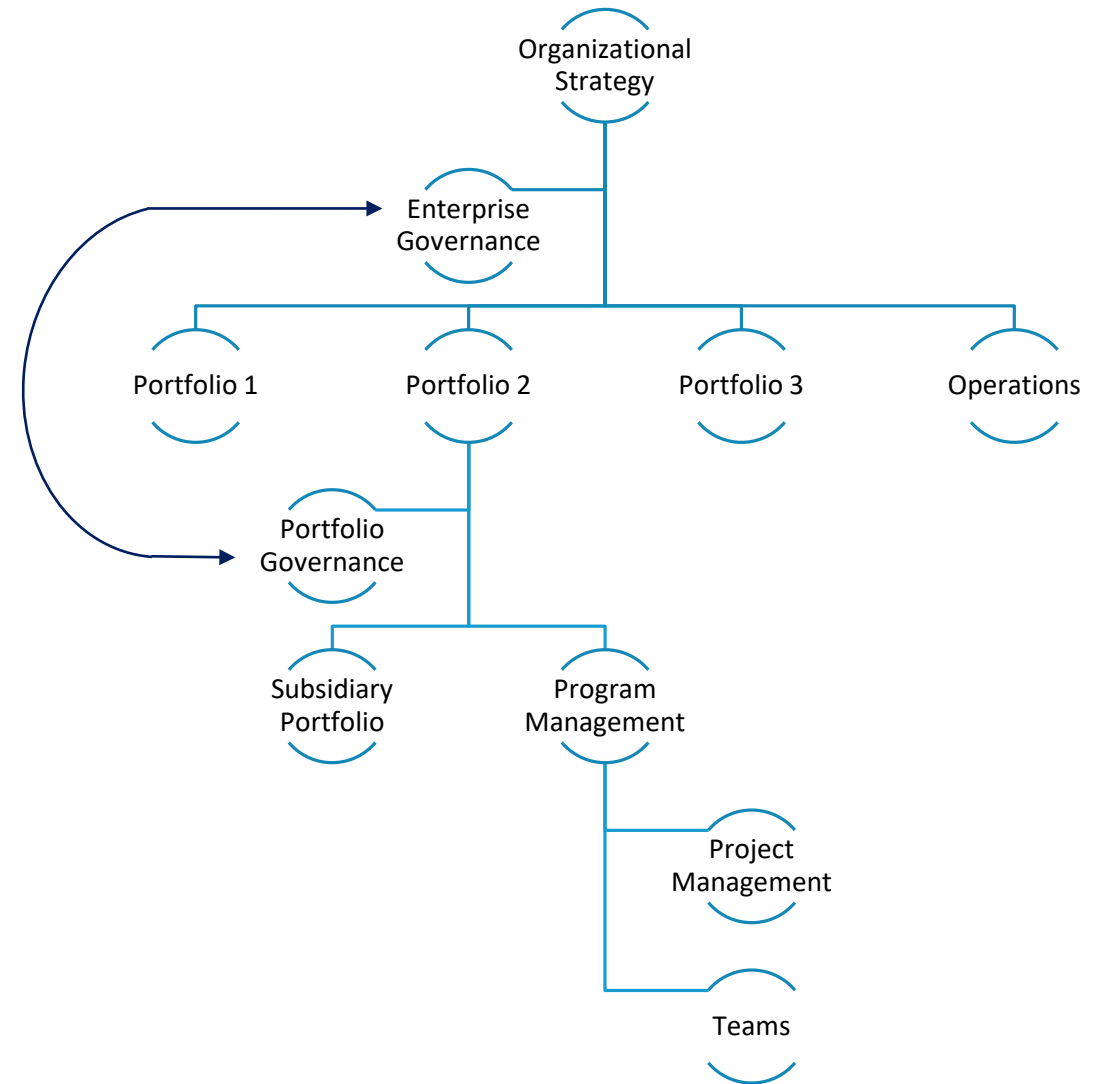
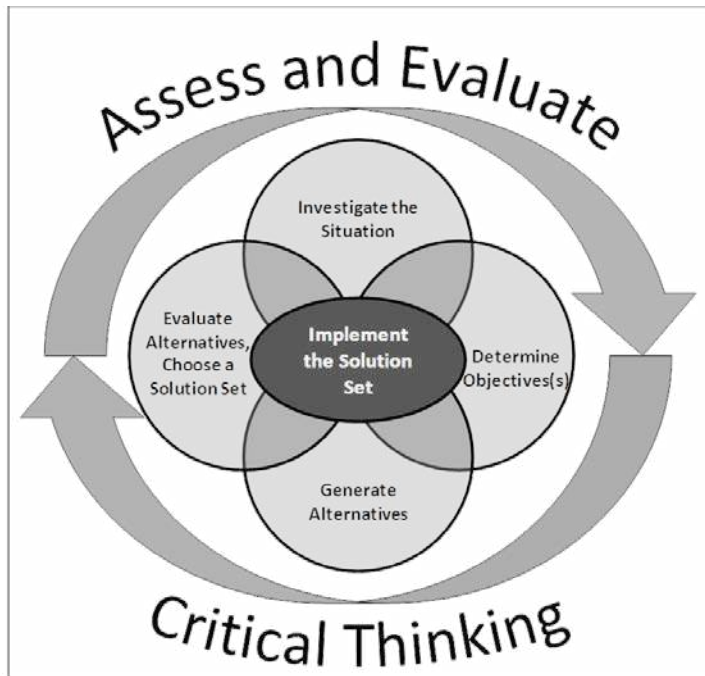
3.9 Managing Portfolio Alignment to Organizational Strategy

3.10 Optimizing the Portfolio Management Process: Using Analytical Hierarchy Processing

4.1 Governance Principles

4.2 Portfolio Governance Management

4.3 Tools and Techniques



Source: Wu, T. and Chatzipanos, P. (2018), *Implementing Project Portfolio Management: A Companion Guide to Portfolio Management*, Project Management Institute, Figure 9, Page 91.

5.1 Overview

5.2 Guiding Principles for Managing Organizational Resource Capacity and Capability

5.3 Capacity Management

5.4 Capacity Planning

5.5 Supply and Demand Management

5.6 Monitor, Control, and Optimize Supply and Demand

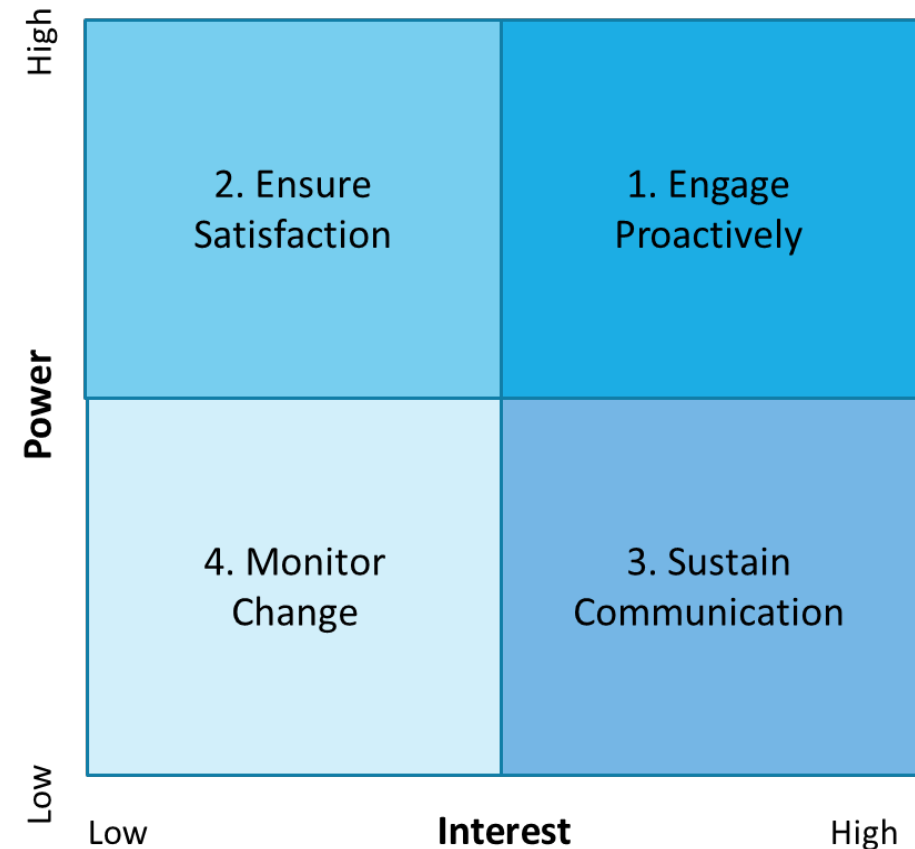
5.7 Organizational Capabilities: Assessment and Development

5.8 Balance Capacity and Capability

5.9 Performance: Analytics and Reporting



- 6.1 Defining Stakeholder Management
- 6.2 Why are Stakeholders So Critical?
- 6.3 Important Activities of Portfolio Stakeholder Management
- 6.4 How to Identify Stakeholders
- 6.5 How to Best Organize and Prioritize Stakeholders
- 6.6 How to Plan Stakeholder Engagement
- 6.7 How to Develop a Robust Portfolio Management Communication Plan
- 6.8 How to Engage Stakeholders and Manage Their Expectations Sustainably throughout the Portfolio Life Cycle



Source: Portfolio Management Bootcamp Training Materials (2016), PMO Advisory LLC.

Chapter 7: Portfolio Value Management

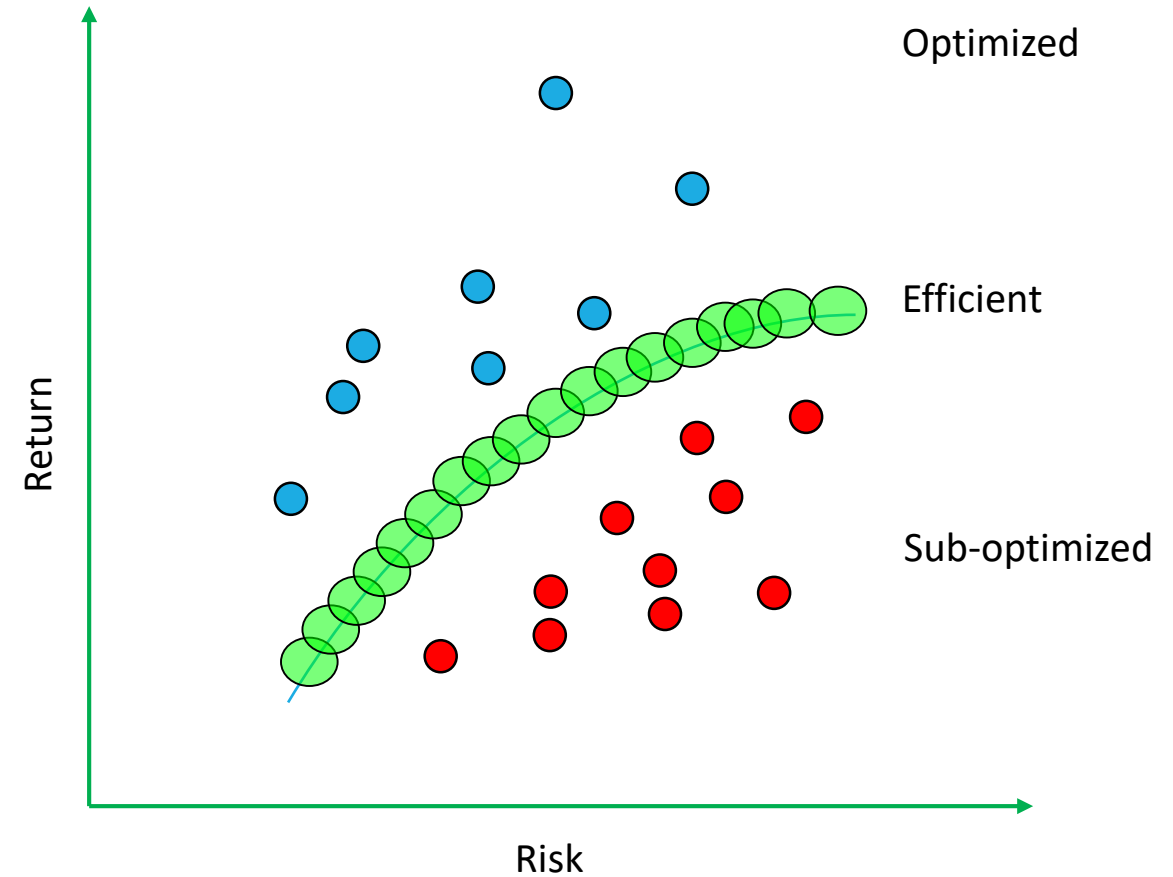
By: Debbie McKee

7.1 Setting and Negotiating Value Targets

7.2 Value Management Framework

7.3 Balancing Value and Risk,
Strategic Prioritization

7.4 Monitoring and
Measuring Value

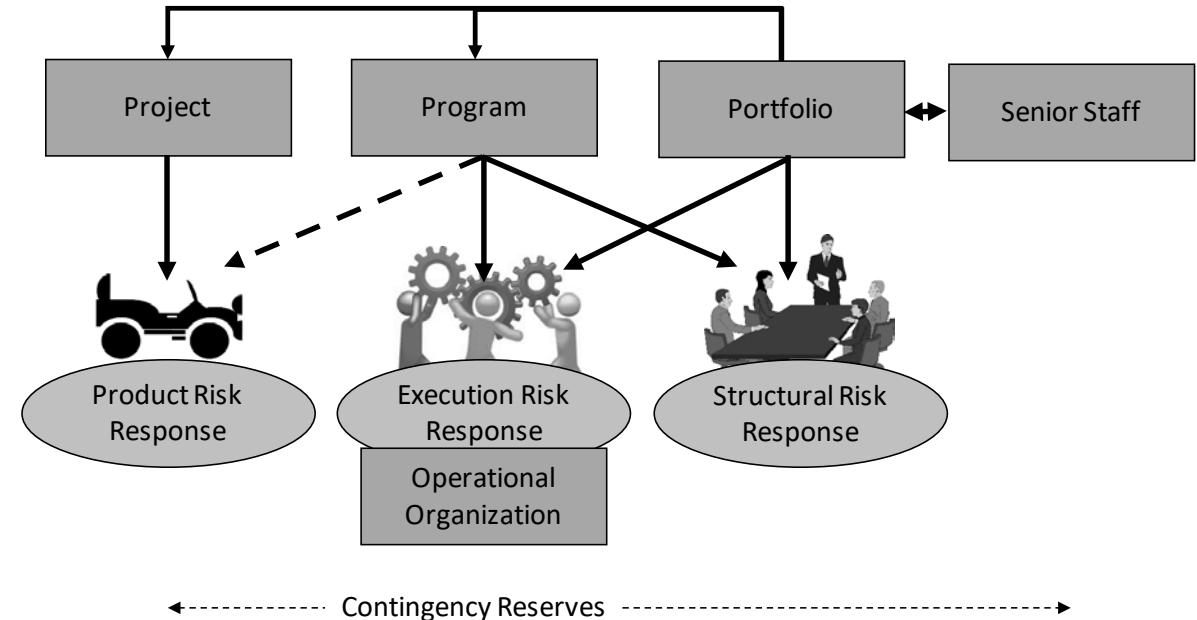


Source: Portfolio Management Bootcamp Training Materials (2016), PMO Advisory LLC.

Chapter 8: Portfolio Risk Management

By: Nick Clemens and Debbie McKee

- 8.1 Context of Portfolio Risk Management
- 8.2 Tools and Techniques
- 8.3 Risk Focus
- 8.4 Portfolio Risk Management Plan, and Risk Identification
- 8.5 Portfolio Level Risk Approach, Processes and Policies
- 8.6 Guidance to Subordinate Level Projects, Programs, and Operational Entities
- 8.7 Risks Associated with Stakeholder Engagement
- 8.8 Portfolio Risk Assessment
- 8.9 Portfolio Risk Response
- 8.10 Risk Management Overhead and the Value Proposition
- 8.11 Summary

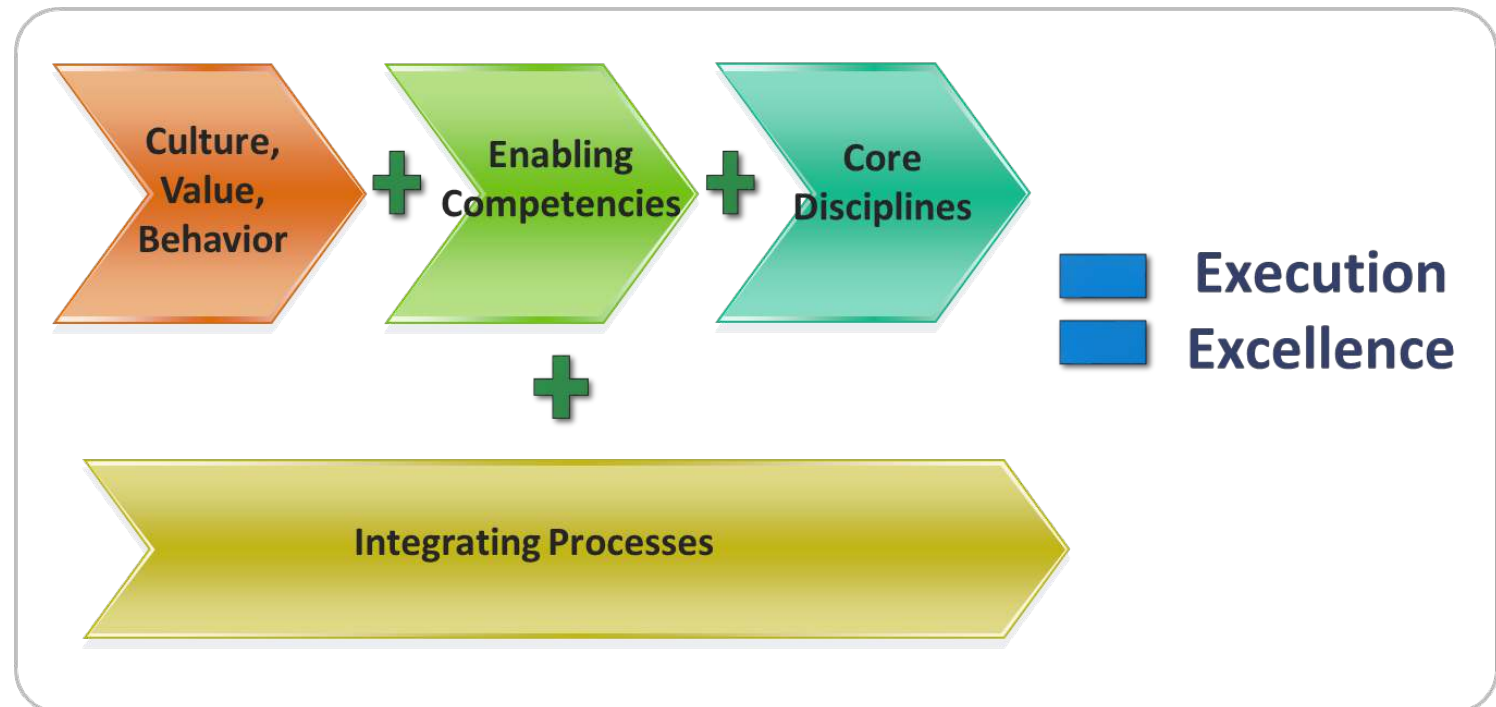


Source: Wu, T. and Chatzipanos, P. (2018), *Implementing Project Portfolio Management: A Companion Guide to Portfolio Management*, Project Management Institute, Figure 18, Page 152.

Part 3: A Strategist's Guide to Portfolio Management

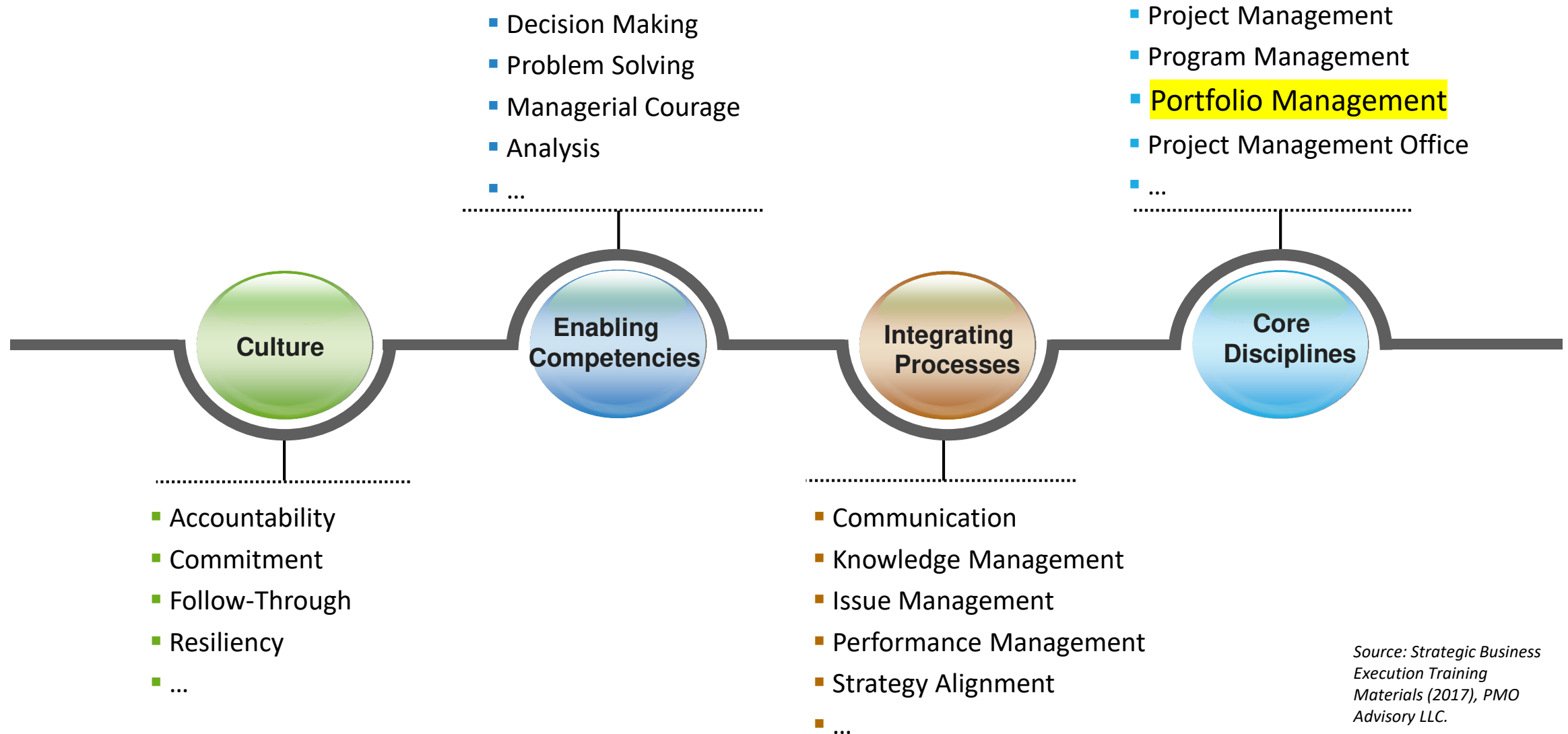
- The last part of the book is designed for tinkerers and inquisitive professionals who want to look ahead and see the future of portfolios and some areas of latest development.
- Part 3, especially the trends in portfolio management, is a true work in progress.
- Part 3 contains the following chapters:
 9. Achieving and Sustaining Strategic Execution Excellence through Strategic Business Execution
 10. Applying Systems Thinking to Portfolio Management
 11. Encountering, Harnessing, and Navigating Complexity
 12. Agile Portfolio Management
 13. Dealing with Environmental Factors and Cross-Cultural Challenges in Portfolio Management
 14. Current Trends in Portfolio Management

- 9.1 Introduction
- 9.2 Some Limitations of Today's Project Environment
- 9.3 Understanding the Strategic Business Execution Framework
- 9.4 Creating an Execution Excellence Culture
- 9.5 Enhancing Individual Competencies
- 9.6 Building and Strengthening Core Disciplines
- 9.7 Achieving Integration throughout the Organization
- 9.8 Final Words on Strategic Business Execution (SBE)



Source: Strategic Business Execution Training Materials (2017), PMO Advisory LLC.

Chapter 9: Strategic Business Execution (Continued)



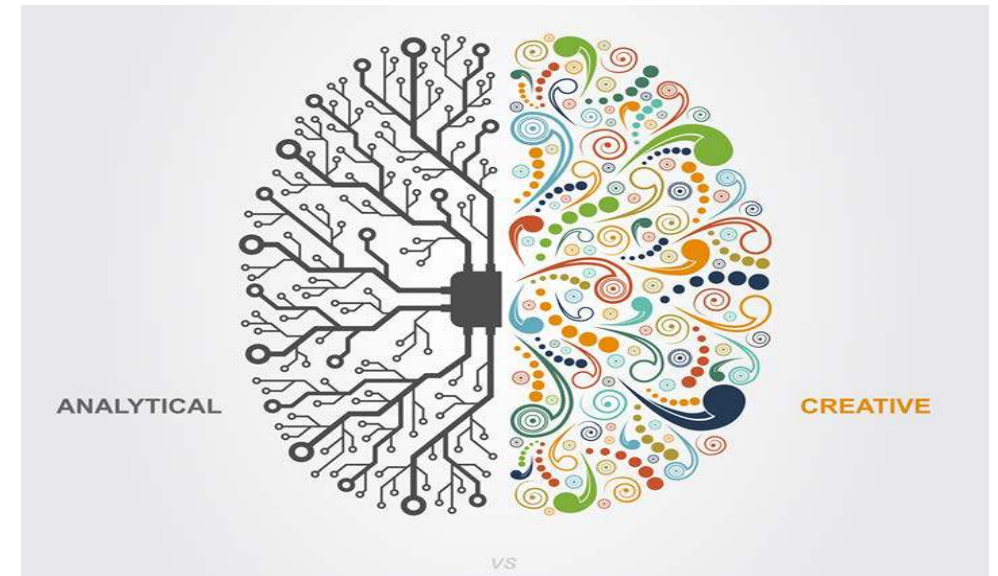
Source: Strategic Business Execution Training Materials (2017), PMO Advisory LLC.

Chapter 9: Strategic Business Execution (Continued)

Steps to achieve execution excellence through portfolio management

1. Establish a ***culture*** of doing the right things (portfolio management) and doing them the right way (program, project, and operation management)
2. Genuinely treat ***people*** as the most important asset of the organization and build the ***enabling competencies*** that are most relevant to organizations
3. Develop and nurture the ***core disciplines*** as required to achieve organizational goals
4. Create the binding forces or ***integrating processes*** that join together the organization

- 10.1 Understanding Systems - Frame of Reference
- 10.2 Systems Thinking in a Portfolio Management Context
- 10.3 Applying Systems Thinking to Portfolio Management
- 10.4 The Portfolio System and its Environment - a Holistic Approach
- 10.5 The Simple, the Complicated, and the Complex Components of a Portfolio System
- 10.6 Improving Portfolio Systems



- Wholeness (e.g. Total Organization like Left / Right Brain)
- Component interactions
- System state (stability/instability) – Change over time
- System structure, subsystems' structure; roles, behaviors, and characteristics
- Complexity (ambiguity, emergence, adaptation, nonproportionality, self-organization)

11.1 Complexity Awareness within the Portfolio Environment

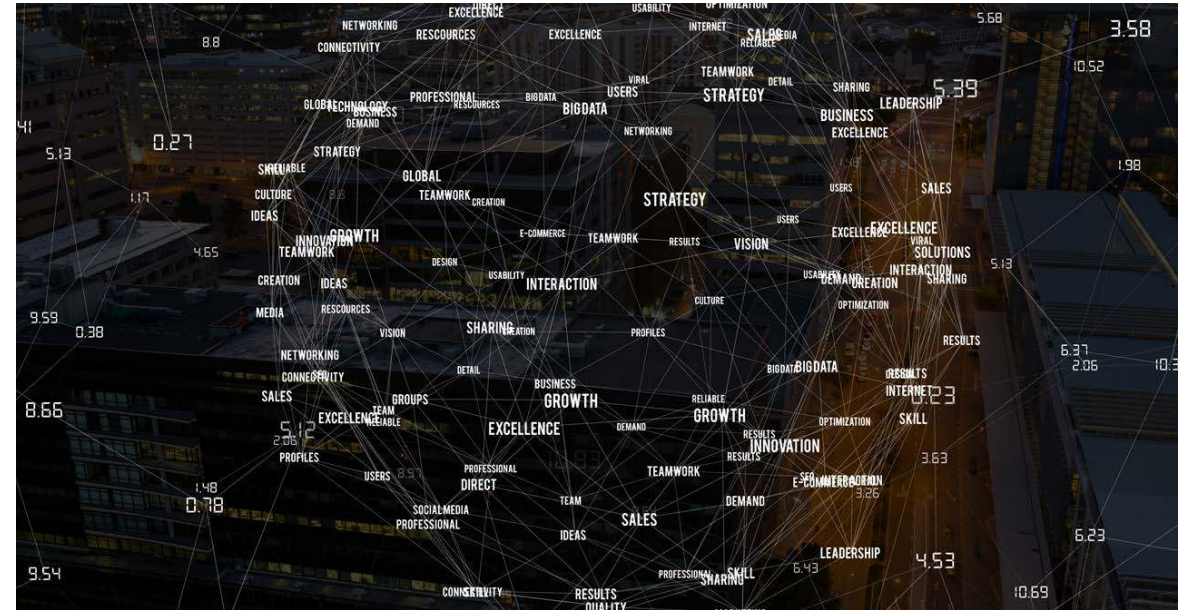
11.2 Causes of Complexity: Portfolio System Characteristics

11.3 Classification and Characteristics of Complexity in a Portfolio Environment

11.4 Evaluating the Effects of Complexity during the Portfolio Life Cycle

11.5 Navigating Portfolio Complexity

11.6 The Impact of Portfolio Complexity to the Organization - Organizational Management Framework Considerations



For strategic planning, practitioners need to consider the following factors as complexity enhancers:

- Duration of portfolio components
- Dynamics of the portfolio ecosystem
- Effects of many small changes during initial conditions that may transform the portfolio and its environment
- Changes associated with competitive situations and different goals among key stakeholders.

Correspondence Between Agile and Portfolio Management Governance Levels		
Level	Agile	Portfolio Management
0	Story (Scrum)	Task or Activity (Work Package)
1	Feature Delivery (Multiple Sprints/ Theme) Increment (Multiple Features) Epic	Project
2	Epic (Assuming Epics as multiple Themes)	Program
3		Portfolio
4		Senior Executive

Source: Wu, T. and Chatzipanos, P. (2018), *Implementing Project Portfolio Management: A Companion Guide to Portfolio Management*, Project Management Institute, Table 20, Page 242.

- 12.1 Agile Manifesto
- 12.2 Difference between Agile and Traditional Project and Task Management
- 12.3 Some Benefits of Agile
- 12.4 Why is there a Need for Agile Portfolios?
- 12.5 Strategic Alignment
- 12.6 Key Stakeholders
- 12.7 Agile and Project, Program and Portfolio Management
- 12.8 Scaling Techniques
- 12.9 Decision Cycles
- 12.10 Product Requirements
- 12.11 Funds Management
- 12.12 Conclusion

- 13.1 Ethical Cultural Considerations for the Portfolio Manager
- 13.2 Navigating Multicultural Issues within a Portfolio - Persuading in a Multicultural Portfolio Environment - Managing Human Capital
- 13.3 Component Scheduling of a multinational portfolio: Cross-Cultural Perceptions of Time
- 13.4 Organizational Culture - Performance of Organizational Change through a Cultural Lens

Hofstede's Four Dimensions of Cultural Differences

1. **Power Distance:** The extent to which the less powerful people in a group accept inequality in power and accept it as the way things are. Power distance is associated with paternalism, which is viewed as more positive in Eastern cultures than Western societies.
2. **Individualism:** The extent to which individuals primarily look after their interest and the interest of their immediate family. Individualism is directly related to team loyalty and loyalty toward the community.
3. **Uncertainty Avoidance:** The range to which people are anxious about situations they consider to be unstructured, unpredictable, or unclear, and the extent to which they try to avoid such situations by adopting strict codes of behavior and by believing in "absolute truths."
4. **Masculinity:** The extent to which the biological existence of two genders is used to define different roles for men and women.

14.1 Taking Agile from Project to Portfolio to Enterprise

14.2 Using Technology to Manage Emergent Risks

14.3 Portfolio Management Drives Innovation and Ideation

14.4 PMO and
Strategic
Execution

14.5 Achieving
Benefits
Realization at the Organizational Level

14.6 Importance of People in Portfolio
Management

TOP TRENDS



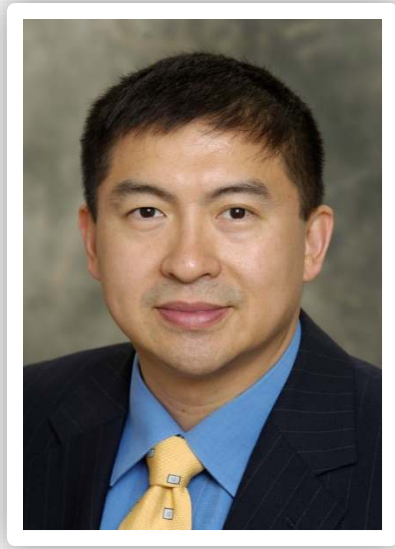
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