

Challenges in Portfolio Management

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Discussion Outline

- Introductions
- Portfolio Management Definitions
- Our Challenges
- Our Solutions
- What We Learned

Portfolio Management Definitions

- **PMBOK**
 - **Portfolio Management** is the centralized management of one or more portfolios which includes identifying, prioritizing, authorizing, managing, and controlling projects, programs, and other related work to achieve specific strategic business objectives.
- **3 “client” views:**
 - **Client One:** The selection, prioritization, resource allocation and status management of all programs and projects related to a given line of business within the client.
 - **Client Two:** The continuous process of evaluating and managing projects against key performance metrics and strategic business objectives.
 - **Client Three:** Providing a holistic view across investments to ensure projects are aligned with divisional and corporate objectives, ensuring business capabilities are delivered, and managing risk and returns relative to the overall budget.

Our Challenges

- **Client One:**
 - Lack of structured project scoping process, thus lack of accurate information for project prioritization
 - Lack of holistic view of resources and tracking of resource allocation
- **Client Two:**
 - Over cumbersome artifact control collection process with too stringent of a focus on form instead of content
 - Planning is burdensome; there is a lack of clear prioritization and employees receive varying perspectives of priorities
 - Poor adoption of a standardized and/or mandated tool set
 - Limited perspective on corporate wide resource supply and demand and gaps is a barrier to effective scheduling
 - Inability to consistently define and evaluate success
- **Client Three:**
 - Little guidance and structure around the budget process
 - Lack of understanding by the business community on what it costs to do business
 - Business community is unaccustomed to, and somewhat inexperienced at developing a business case to justify investments
 - No clear goals and objectives provided by senior management

Our Solutions

- **Client One:**
 - Formal “Ideation” and “Prioritization” sessions
 - Quantitative scoring method to aid in prioritization
 - Resource allocation tracking tool

- **Client Two:**
 - Streamlined process for initiative funding requests and decisions
 - Sequencing of projects and initiatives to optimize utilization of resources with rigorous focus on top corporate priorities
 - Adoption of Project Portfolio Management and Microsoft Project Server Tools
 - Project level detail in order to provide greater transparency
 - Centralized, automated and accelerated initiative reporting

- **Client Three:**
 - Identify the goals and objectives of senior management in order to align investments
 - Take ownership of the budget process and provide a structure to create business cases for potential investments

What We Learned

- **Client One:**
 - Flexibility for exceptions is always needed
 - Scoping, prioritization, and resource allocation are never an exact science (especially in a dynamic, commercial client environment)
 - Process documentation, templates and a solid communication plan are key to rolling out and maintaining the chosen portfolio management process
- **Client Two:**
 - A holistic view of the impact new processes are having on day to day business
 - Importance of communications and an operational change control process to manage and communicate why and what changes are happening ahead of time
 - SDLC methodology and control standards that are appropriate to the scope of the project
- **Client Three:**
 - Understanding the goals and objectives of senior management are key to ensuring that the organization is making the right investments
 - Educating the business community and operations on the importance of understanding costs and quantifying benefits