Principles of Execution

Tips and Techniques for Effective Project Portfolio Management
Roadmap

- Develop A Shared Vision for Portfolio Management
- Understanding the Difference between Project Management Reviews and Portfolio Management Reviews
- 3 Soft Skills Portfolio Managers Must Develop
- Portfolio Optimization and Categorization
- Risk Management For Your Portfolio Management Environment
- Portfolio Governance
Develop A Shared Vision for Portfolio Management

- Shared Vision
- The Difference
- Top 3 Skills of Portfolio Managers
- Optimization and Categorization
- Portfolio Risk
- Portfolio Governance
Develop a Shared Vision

“Good business leaders create a vision, articulate the vision, passionately own the vision and relentlessly drive it to completion,” Jack Welch
## Conduct a Gap Analysis

<table>
<thead>
<tr>
<th></th>
<th>What</th>
<th>Where</th>
<th>When</th>
<th>Who</th>
<th>How</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current State</strong></td>
<td>What Happen?</td>
<td>Where is the confusion?</td>
<td>When is it done?</td>
<td>Who does the work?</td>
<td>How is it sequenced?</td>
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<tr>
<td><strong>Future State</strong></td>
<td>What should it look like?</td>
<td>Where will it change?</td>
<td>When will it change?</td>
<td>Who will do this?</td>
<td>How will it be timed and resourced?</td>
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<tr>
<td><strong>Gap</strong></td>
<td>What is different?</td>
<td>Where will it be different?</td>
<td>When are the differences needed?</td>
<td>Who will identify and validate the gap?</td>
<td>How will the gaps be improved?</td>
</tr>
<tr>
<td><strong>Actions to Close Gap</strong></td>
<td>What will be done to address the gap?</td>
<td>Where will it be addressed?</td>
<td>When will it be addressed?</td>
<td>Who will make the decision and complete it?</td>
<td>How will it be rolled out?</td>
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</table>
### Conduct a Capability Assessment

<table>
<thead>
<tr>
<th>Capabilities</th>
<th>Demand Mgt</th>
<th>Portfolio Selection</th>
<th>Portfolio Tracking</th>
<th>Portfolio Reporting</th>
<th>Financial Planning</th>
<th>Financial Tracking</th>
<th>Benefits Realization</th>
<th>Project Scheduling and Tracking</th>
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</table>

**Legend**
- [ ] Capability implemented
- [ ] Capability implemented but limited
- [ ] Capability not implemented

*Images of Throughput and OpEx/CapEx are present.*
Develop a Portfolio Strategic Plan

- Portfolio Vision and Objectives
- Organizational Structure and Area
- Measureable Goals and Guidance
- Allocation of Funds
- Portfolio Benefits, Performance Results, and Value Expected
- Communication Required to Ensure Successful Change and Implementation
- Key Assumptions, Constraints, Dependencies, and Risks
- Portfolio Prioritization Model, a High-Level Prioritization, Decision-Making Framework
Make Portfolio Management a Business Issue

Speed

Tools

Methods

Value
Don’t Underestimate the Power of Culture

Implementing Project Portfolio Management should establish a culture, not just a system, that enables a process for systematically aligning the organization’s attitudes, behaviors and actions, which should result into a interrelated and prioritized portfolio that yields better outcomes while minimizing the investment of the organization resources.
<table>
<thead>
<tr>
<th>Shared Vision</th>
<th>Understanding the Difference between Project Management Reviews and Portfolio Management Reviews</th>
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<td>Top 3 Skills of Portfolio Managers</td>
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<td>Portfolio Governance</td>
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</table>
Portfolios, Programs, and Projects
The Project, Program and Portfolio Management Relationship

- Portfolio Management creates the environment for deciding which programs, projects, and operational work to invest in.

- Program Management provides the structure for managing multiple interrelated projects that deliver the business benefits and strategic outcomes as a collective unit.

- Projects are a sequence of activities with a defined beginning and ending that generate a defined deliverable.
Focus on the **Results Chain** for Output, Outcomes, and Impacts

- The Results Chain helps you think more analytical about the cause and effect of your portfolio.
Soft Skills Portfolio Managers Must Develop

Top 3 Skills of Portfolio Managers

- Optimization and Categorization
- Portfolio Risk
- Portfolio Governance
Oriented Towards Strategy

Portfolio Managers are oriented toward achieving the company’s strategic and financial goals.
Facilitator of Executive Decision Making – Stakeholder Management

Portfolio Managers must be successful in enabling effective and efficient Portfolio decision making geared towards value creation at the highest levels of the organization.
Highly Analytical and Business Focused

Portfolio Managers conduct analysis and generate insights and recommendations to enable high level Governance decisions that must be communicated in the language of the business.
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</table>
Optimizing the Portfolio

- Capability and Capacity Analysis
  - HR
  - Financial
  - Assets
- Weighted Ranking and Scoring
- Quantitative and Qualitative Analysis
  - Cost Benefit
  - Quantitative
  - Scenario
  - Probability
  - SWOT
  - Market / Competitor
  - Business Value
Categorizing Investments Types

- Transform the Business – 10%
- Grow the Business – 25%
- Run the Business – 65%
Organizations that use the EF methodology are able to reduce waste or increase value creation by 20 to 40%.
Shared Vision
The Difference
Top 3 Skills of Portfolio Managers
Optimization and Categorization
Portfolio Risk
Risk Management For Your Portfolio Management Environment
Portfolio Governance
Use a SWOT Analysis to Identify Risk

Strategic Analysis

Internal
- Strengths: build; enhance
- Weaknesses: resolve; reduce

External
- Opportunities: exploit; expand
- Threats: avoid; thwart

Throughput
OpEx CapEx
Use the TOWS Analysis to Identify Potential Strategies

<table>
<thead>
<tr>
<th>External Opportunities (O)</th>
<th>External Threats (T)</th>
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<th>Internal Strengths (S)</th>
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<td>Maxi-Mini Strategy</td>
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<th>Internal Weaknesses (W)</th>
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# Pugh’s Risk Strategy Matrix

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<tr>
<th>Risk Strategies</th>
<th>Risk 1</th>
<th>Risk 2</th>
<th>Risk 3</th>
<th>Risk 4</th>
<th>Time</th>
<th>Cost</th>
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<tbody>
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<td>Risk Strategy 1</td>
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<td>Risk Strategy 2</td>
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<td>Risk Strategy 3</td>
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<td>Risk Strategy 4</td>
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<td>Orchestrating Your Portfolio Governance Process</td>
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Governance Framework

Source: COBIT® 5, figure 12. © 2012 ISACA® All rights reserved.
PPM Governance Decision Process

Portfolio Lifecycle

Decision Makers
CEO, CIO VPs and Senior Mgt

Key Decision
3 to 5 year Strategic Vision

Meeting Frequency
Annually

Meeting Input
Strategic Plan and Annual Budget

Portfolio Strategic Planning

Portfolio Management Office

Portfolio Strategic Planning

CEO, CIO VPs and Senior Mgt

Prioritize Project Proposal, Approve Charters

Quarterly

Review Business Case, Report on Alignment of IT Portfolio Spending

Portfolio Management Office

CIO, Director EPMO, SBU Executives, Mg. Dir

Project Managers, Senior IT, Business Lead

Day to Day Project Management, Resource allocation, project tracking

Weekly

Project Execution plan, track and monitoring

Program & Project Execution
Q&A
Portfolio Management Training

A Comprehensive Overview of Project Portfolio Management Principles, Concepts and Techniques
By Gerald J. Leonard

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