Project Portfolio Management: 
how organizations can measure and improve their performance

PMI® Standard for Portfolio Management

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Agenda

• Evolution of PMI® standard of PfM
• PfM definition and high-level view
• The organizational context of PfM
• Summary of process framework
• Role of the Portfolio Manager
• Conclusions and Q&A session
Evolution of PMI® standard of PfM

- 2nd edition - December 2008
- 3rd edition (exposure draft) - March 2012
- 3rd edition (final version) - December 2012
Major differences between 2nd and 3rd edition

- From 2 to 3 Process Groups
  - Defining Process Group
  - Aligning Process Group
  - Authorizing & Controlling Process Group

- From 2 to 5 Knowledge Areas
  - Portfolio Strategic Management
  - Portfolio Governance Management
  - Portfolio Performance Management
  - Portf. Communication Management
  - Portfolio Risk Management

- From 14 to 16 Processes
PfM definition and high-level view

Portfolio management is the **centralized management** of one or more portfolios to achieve **strategic objectives**. It includes a set of **interrelated organizational processes** by which an organization prioritizes, selects, and allocates its limited internal resources to best accomplish organizational **vision, mission, and values**.

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Portfolio
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Subportfolio
  ↓
Programs
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Projects
  ↓
Other Work
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Programs
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Projects
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Projects
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Subprograms
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The organizational context of PfM

- Vision
- Mission
- Organizational strategy & objectives
  - High-level operations planning & management
  - Project portfolio planning & management
  - Management of on-going operations
  - Management of programs & projects

Organizational resources
Integrated view of overall portfolio strategy
Key Documents and PFM Process Interactions

Enterprise/Organization

Organization Process Assets
Organization Strategies & Goals
Enterprise Environmental Factors
Inventory of Work

Defining Process Group

Aligning Process Group

Portfolio Strategic Plan

Portfolio Charter

Portfolio Roadmap

Portfolio Process Assets

Portfolio Managem. Plan

Portfolio

Portfoli Reports

Governance Decisions

Projects/Programs

Portfolio Component Reports

Authorizing & Controlling Process Group
Intraorganizational PfM process relationships

Executive Management

- Vision
- Mission
- Strategic Plan
- Strategic Objectives

Portfolio Management

- Define Portfolio
- Define Portfolio Roadmap
- Define Portfolio Charter
- Develop Portfolio Strategic Plan

- Define Portfolio
- Authorize Portfolio
- Develop Portfolio Manag. Plan
- Develop Pf. Communication Manag. Plan
- Develop Portfolio Risk Manag. Plan

Non sequential processes

- Manage Strategic Changes
- Optimize Portfolio
- Provide Portfolio Oversight
- Manage Supply & Demand
- Manage Portfolio Value
- Manage Portfolio Information
- Manage Portfolio Risks

Project & Program Management

- Project/Program Management
- Project/Program Performance
- Project/Program Closeout

Operations Management

- Operations

Defining Process Group
Aligning Process Group
Authorizing/Controlling Process Group
Role of the Portfolio Manager

- Establishing and maintaining a PfM methodological framework
- Guiding the selection, prioritization, and balancing of the portfolio
- Ensuring the alignment of portfolio components with strategic goals
- Establishing and maintaining infrastructure and systems to support PfM
- Continuously reviewing, reallocating, reprioritizing, optimizing the portfolio
- Providing key stakeholders with timely assessment of portfolio components
- Supporting senior level decisions making by ensuring timely communication
Conclusions and Q&A session

- Many improvements compared to the 2\textsuperscript{nd} edition
  - Clear framework of knowledge areas and process groups
  - Emphasis on communication and stakeholder management
  - Better integration with the other standards (PMBoK & Program)

- Organizational issues should be analyzed in depth

- Iterative & adaptive planning should be reinforced

- A new certification path (PfMP) should be offered