

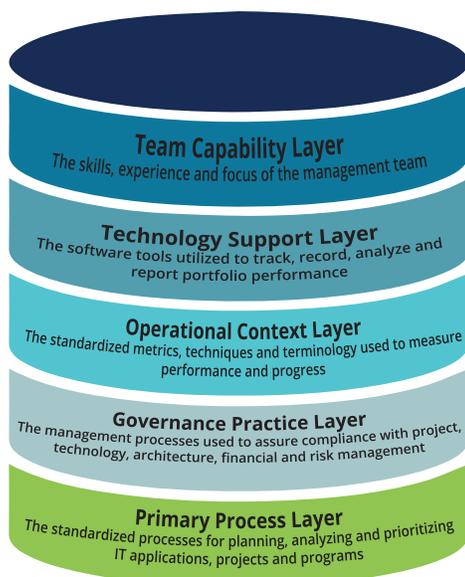


Maturing to a Portfolio Management Capability

Overview

At its basic description, Project Management (PjM) is about doing the work correctly. Most mature organizations have strong PjM processes—using proven standards like those in the Project Management Book of Knowledge (PMBOK) or a process framework like PProjects IN Controlled Environments (PRINCE2)—and are confident in their execution. They also leverage trained professionals, often working in a Program Management Office (PMO), to execute the preferred PjM processes. Collectively, this process and people approach creates a PjM-centric solution that can deliver the organization’s work correctly.

Few organizations, however, have been able to adopt a true Portfolio Management (PfM) approach. The objective of PfM is to ensure the organization is doing the correct work. The obvious difference (savings!) to the organization is the potential elimination of any work that is not properly aligned with organizational vision, strategy and architecture. With PfM an organization can say it is both doing the correct work AND doing the work correctly.



In PfM, the organization executes processes to clarify vision and strategy, drive alignment with to-be architecture, generate reliable resource data, validate performance based on shared metrics, and deliver engaged communications. This combination of understanding and shared organization commitment is key to doing the correct work.

Strong PfM, where many PjM-centric organizations hope to go, means adding connected layers of capability beyond those found in even the most mature PMOs. The Oasys Portfolio Design Framework®, shown in Figure 1, describes the layers of capability a PfM-centric organization must have.

Proven Framework

PfM requires strong processes, appropriate tools, and skilled staff working across five layers of portfolio delivery: **Primary Processes, Governance Practices, Organizational Context, Technology Support, and Team Capability**. The layers serve as levers an organization must have and use to properly manage its investments. The layers provide discrete, yet connected, processes, actions, capabilities, expectations and skills the organization must have to plan projects, govern performance, and communicate clearly.

For example, the **Primary Process Layer** contains the organization's standards for planning its projects. This standard must exist—memorialized in SOPs, identified in vendor contracts, taught by skilled PMO-level practitioners—so organizational leadership knows every project considered for funding is similarly and appropriately planned. Without this foundational standard, the organization cannot confidently measure performance of a project, nor confidently assess portfolio health.

However, primary processes alone do not provide PfM. The **Governance Layer**, containing the processes, meetings, and artifacts leadership uses to manage the programs and projects, is required. The organization also requires a common taxonomy for what is measured, how it is collected, and how it is communicated; we call this the **Operational Context Layer**. The **Supporting Technology Layer** represents the software tools typically required to support collaboration, process automation, reporting and/or analytics. And the **Team Capability Layer** recognizes that none of the layers work without skilled staff, able to focus on the processes, and execute.

Transformation from a PjM-centric to a PfM-centric approach takes work but is the natural progression for an organization seeking to optimize operational investments. Our clients have created and implemented layer capabilities within months and generated tremendous savings. To learn more about PfM or to discuss how PfM can save your organization money, please us at info@oasyic.com or give us a call at 757.272.2604

