

An introduction to portfolio management – the theory and in practice webinar
Question and Answers
Tuesday 19 May 2020

Questions	Answers
<p>As a project manager, how would you suggest engaging a senior management team/coaxing them into portfolio management and realising the benefits of this? Have you any experiences of doing this yourselves?</p>	<p>Put simply you need to show them the value, or more pertinently, the burning bridge of them not doing portfolio management. Usually the best place to start is to detail the change activity occurring in the organisation all in one place (which in itself will be a major step forward) and try to identify how much is aligned to the org strategy and how much is 'personal projects'. You'll quickly be able to evidence wasted money and people. Towards the beginning of our book there's a section on energising senior stakeholders and identifying the burning bridges you might find helpful. It's free to download for APM members.</p>
<p>Do you see any scope for applying AI to Portfolio Management?</p>	<p>Absolutely, in many ways AI is far more relevant at the portfolio level as one of the challenges at the portfolio level is that there is so much data it can be hard to find the patterns and/or know where to direct the portfolio teams limited attention. Really simple techniques like random-forest analysis can be incredibly helpful in identifying areas of risk from the data that simply haven't been spotted yet.</p>
<p>How do you balance or make it work political expectations with Portfolio Management prioritisation principles in a local council?</p>	<p>The flippant answer is - with difficulty! There's a very similar challenge in central government where prioritisation goals can change based on a sudden crisis or news headline. The proper answer, though, is that all industry's and portfolios are subject to sudden changes of strategy (the current situation being a classic example). My suggestion would be to split the portfolio into stable and unstable portfolios (i.e. stable would be non-political and therefore relatively fixed and non-stable being transformations that have a significant political angle and are therefore subject to change). For the non stable portfolio you'd want both more contingency to manage the uncertainty and you'd want to carve the programmes into lots of small deliverables (rather than big bang) as that makes it easier to deal with rapid changes to those deliverables. I'd very strongly argue that increased uncertainty doesn't get rid off the need for an organisational strategy and some form of alignment of the transformation to that strategy.</p>
<p>I have experience of an organisation which could prioritise the portfolio within business areas (based on budget split assumptions) but struggled to do so at the cross -business level. How common do you see this - its a C-level issue - and how is it resolved?</p>	<p>I think we answered this on the call but specifically - it is actually very common, it's not ideal but far better than having no portfolio management. I'd try and ensure there is a cross-business portfolio function that at least approves the general strategic direction and cost of each business portfolio to provide some semblance of strategic alignment.</p>

<p>Is portfolio management something to replace programme management or is it to work alongside programme management?</p>	<p>Again I think we looked at this on the call and I'd definitely say they compliment each other. Portfolio Management looks to optimise the overarching portfolio (so it says what the programme should try to deliver) and provides assurance of the portfolio (acting as the air traffic controller to the 'programme pilot'). And programme management 'lands the plane safely'!</p>
<p>What is the best tool/software out there to manage your portfolio?</p>	<p>It's absolutely horses for courses. I'd argue the first place to start is to decide what portfolio management needs to do in your organisation - you'd be amazed how much of that can be done with simply spreadsheets. Once you've stabilised the service and matured the data and processes then, if wanted, you could look at the software that provides flexibility whilst coming closest to the service you currently offer.</p>