Portfolio Management – Fad or Future?

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Portfolio Management – Fad or Future?

Portfolio Management is a passing fad, conjured up by consultants and others to sell us more software and services. The APM doesn’t need this distraction from its central mission.

Adrian Pyne

Portfolio Management is a key part of the future of PPM, breathing new life and relevance into it and raising its visibility with senior management. The APM needs to engage and influence in this domain.

Nigel Bell
For the avoidance of doubt…

- This is a part-improvised role play by two members of the Portfolio Management SIG Committee
- Adrian and Nigel spend their working lives with projects, programmes and portfolios
- Neither would write off PfM as a fad or claim it is *the* future
- But the arguments are based on real views expressed by real people!
Connecting Strategy to Delivery

Effective Boards have always known how to turn their strategies into properly formulated projects and programmes; PfM adds nothing new here, it just formularises and even constrains how this happens.

PfM brings structure and visibility to often opaque decision-making, opening the door to giving PPM practitioners greater influence over what is commissioned from them.
Responding to Change

Organisations are facing accelerating change on multiple fronts. But most responses to change take place in their proper place - inside an individual programme or project aimed at delivering agreed outcomes. PfM just adds management layers and risks slowing organisational responsiveness to change.

Organisations are facing accelerating change on multiple fronts. PfM provides a management framework for commissioning, changing and decommissioning projects and programmes in response to change. PfM maintains the coherence of the “big picture”.
Facilitating Innovation (1)

Innovation doesn’t always lend itself to PPM disciplines. By its very nature it needs to be free-flowing and creative, and PfM risks stifling the innovation it seeks to control.

PfM provides a framework, including e.g gate approvals, which allows innovation to be managed within PPM disciplines not as a precursor to a “proper” project or programme.
Facilitating Innovation (2)

There is a serious danger that PfM simply legitimises the launch of “innovative” projects which waste resources because they have not been properly thought through in the way PPM would do, and gets PPM a bad name.

PfM allows higher risk but potentially higher return initiatives to take their place in a risk-balanced portfolio alongside those with a “safer” risk/ROI profile.
Making Prioritisation Overt

The process of Business Case development and approval is proven. Project and programme managers need a clear Yes/No decision which reflects a programme or project’s business priority. But the priority is not relevant once it is under way, and may even be an unhelpful distraction.

Most PfM approaches go beyond Yes/No business case approval to assign relative priorities. These may change in response to changing strategy or context. Managing the impact on resourcing etc is more straightforward when priorities are explicit.
Managing resources

PfM claims to enable organisations to accomplish effective Strategic Workforce Planning and then the tactical management of resources. But these seldom work. They constrain dynamic use of resources, can slow down mobilisation and are often doomed by internal politics anyway. Why introduce a bureaucracy that can’t work?

Resources are one of the major costs of any organisation. We all know that people are having to be ever more productive – more from less. But competitive pressures mean organisations cannot ignore the intelligent management of resources. Yes it is hard, but as part of an integrated PfM it is made far easier.
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Audience Participation 1

Question time
Audience Participation 2

If overall you were swayed by the arguments that Portfolio Management is a passing Fad, raise your hand now.
Audience Participation 2

If overall you were swayed by the arguments that Portfolio Management is part of our Future, raise your hand now.
And the winner is…
Portfolio Management – Fad or Future?

Thank you for your attention and participation