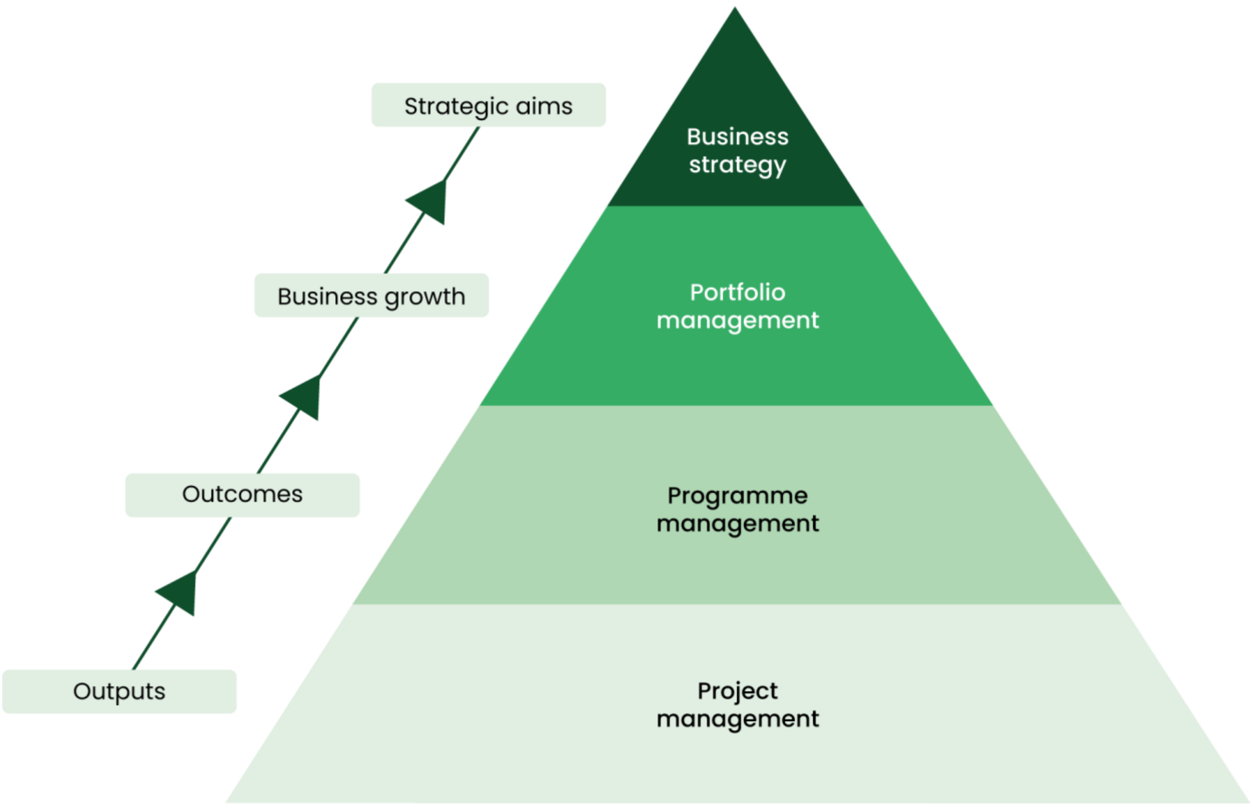
# APM information sheet:
# Projects, programmes and portfolios

Project, programme and portfolio management is concerned with managing discrete packages of work to achieve objectives. The way the work is managed depends upon a wide variety of factors.




## Projects

Projects deliver specific one-off outputs to achieve planned objectives, with a defined beginning and end. The deliverables need to be specified in advance, with a set budget and timescale.

These agreed constraints and specific outputs make it easier to manage and mitigate uncertainty.

## Programmes

Programmes bring a group of related projects together to achieve beneficial change and deliver outcomes in the business. They often have strategic business objectives that are transformational in nature and can fall across departments or business units.

Programmes have more uncertainty because the scope of work is broader and delivers at an outcome level. (See differences below for an example of outputs and outcomes.)

## Portfolios

Portfolios consist of a collection of projects and programmes which optimise strategic benefits or operational efficiency. They ensure that investment and resources are being prioritised and allocated effectively to deliver the strategy.

## What are the differences between project, programme and portfolio management?

The scale, significance and complexity of the work are obvious factors; relocating a small office and organising the Olympics may share many basic principles but offer very different managerial challenges. Scale and complexity are not the only factors. Managing a major infrastructure development for delivery to a client will need a different approach from internally managing the merger of two banking organisations.

A good distinguishing factor is often to look at the nature of the objectives. Objectives may be expressed in terms of outputs such as a new HQ building, outcomes such as staff being relocated from multiple locations to the new HQ, benefits such as reduced travel and facilities management or strategic objectives such as doubling the organisation's share price in three years.

Although projects, programmes and portfolios are often spoken of as being mutually exclusive approaches, they are just convenient combinations of managerial tools and techniques used to describe typical sets of circumstances. The concept of projects, programmes and portfolios should be thought of as just points on a gradual scale of managing effort to deliver objectives.

Projects have an end point, some programmes and most portfolios don't. As portfolios are so broad, they have the most uncertainty.

## Summary

In its simplest form one organisation could have a single portfolio containing two or more programmes and/or projects that support the strategic vision and intent of the organisation. Each programme is then broken down into its constituent projects, all of which will be undertaken in addition to the normal operations of the organisation.

Management of the relationships between the programmes, projects and business-as-usual is normally the responsibility of the senior management team within the organisation who will be carrying out portfolio management.