

P O R T F O L I O   H E A L T H   P L A Y B O O K

# A Deep-Dive Guide for Executive Leadership & PMO Directors

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Assess, Score, Monitor and Report on Consulting Portfolio Health Using AI-Powered Decision Support

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# 1. Introduction & Purpose

This playbook provides Executive Leadership and PMO Directors with a structured, repeatable framework for assessing, scoring, monitoring, and reporting on consulting portfolio health. It is designed to work alongside an AI-Powered Decision Support Tool, as outlined in the companion white paper, but is equally effective as a standalone manual process.

Portfolio health is not a single number. It is a multi-dimensional view of how well a collection of engagements is performing against schedule, budget, quality, risk, and client satisfaction — and how well the organization is positioned to deliver on future commitments.

*"The goal of portfolio health monitoring is not to create reports — it is to create the conditions for early intervention before small problems become expensive ones."*

## Who This Playbook Is For

- Executive Leadership: Gain a consolidated, objective view of portfolio performance to support strategic decisions, resource allocation, and client confidence.
- PMO Directors: Establish standardized health monitoring practices, drive consistent reporting, and build a culture of proactive risk management.

## How to Use This Playbook

1. Read Section 2 to understand the overall health framework.
2. Use Section 3 to configure your 13 key metrics.
3. Apply the RAG scoring system in Section 4 to every active engagement.
4. Complete the Scorecard Template in Section 5 monthly.
5. Follow the review and escalation processes in Sections 6 and 8.
6. Use the PMO Director Checklist in Section 9 for ongoing governance.

## 2. Portfolio Health Framework

The Portfolio Health Framework organizes all monitoring activity across five interconnected dimensions. Each dimension contributes to the overall health score of an engagement, and together they provide a complete picture of portfolio performance.

Dimension	Key Question	Primary Metrics	Weight
Schedule	Is work being delivered on time?	SPI, Milestone Adherence	20%
Financial	Is work being delivered within budget?	CPI, Burn Rate, Revenue Realization	20%
Risk & Issues	Are risks being managed proactively?	Risk Count, Escalation Frequency	20%
Quality	Are deliverables meeting expectations?	Acceptance Rate, Rework Cycles	20%
People & Client	Are relationships and resources healthy?	Utilization, Attrition, CSAT, Scope Changes	20%

*Each dimension carries equal weight (20%) in the composite health score, ensuring no single area of underperformance can mask problems elsewhere in the portfolio.*

### 3. The 13 Key Health Metrics

The following 13 metrics form the measurement backbone of the portfolio health framework. Each metric includes its definition, data source, measurement frequency, and health thresholds for RAG scoring.

#### S C H E D U L E

Metric	Definition	Data Source	Freq.	GREEN	AMBER	RED
<b>Milestone Adherence Rate</b>	% of milestones delivered on or before due date	Project schedule / PM update	Weekly	>=90%	75-89%	<75%
<b>Schedule Performance Index (SPI)</b>	Earned Value / Planned Value. SPI >1 = ahead, <1 = behind	ERP / Project tool	Bi-weekly	>=0.95	0.85-0.94	<0.85

#### F I N A N C I A L

Metric	Definition	Data Source	Freq.	GREEN	AMBER	RED
<b>Budget Burn Rate vs. Plan</b>	Actual spend vs. planned spend at reporting date	Finance / ERP system	Monthly	Within 5%	5-15% over	>15% over
<b>Cost Performance Index (CPI)</b>	Earned Value / Actual Cost. CPI >1 = under budget	ERP / Finance system	Monthly	>=0.95	0.85-0.94	<0.85
<b>Revenue Realization / Invoice Lag</b>	Days between milestone completion and invoice issuance	Finance system	Monthly	<=15 days	16-30 days	>30 days

#### R I S K & I S S U E S

Metric	Definition	Data Source	Freq.	GREEN	AMBER	RED
<b>Open Risk Count + Severity</b>	Number of open risks weighted by severity score	Risk register	Weekly	0-2 high risks	3-5 high risks	>5 high risks

<b>Issue Escalation Frequency</b>	Number of issues escalated to leadership per month	Issue log / PM report	Monthly	0-1 per month	2-3 per month	>3 per month
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**Q U A L I T Y**

Metric	Definition	Data Source	Freq.	GREEN	AMBER	RED
<b>Deliverable Acceptance Rate</b>	% of deliverables accepted by client on first submission	Project record / PM log	Per deliverable	>=90%	75-89%	<75%
<b>Rework / Revision Cycles</b>	Average number of revision rounds per deliverable	Project record	Per deliverable	<=1 round	2 rounds	>=3 rounds

**P E O P L E & C L I E N T**

Metric	Definition	Data Source	Freq.	GREEN	AMBER	RED
<b>Resource Utilization %</b>	Billable hours / available hours per resource	Time tracking system	Monthly	75-90%	91-100% or 60-74%	>100% or <60%
<b>Turnover / Attrition Rate</b>	% of project team members who left during the engagement	HR system	Quarterly	0%	1-2 departures	>2 departures
<b>Client Satisfaction Score (CSAT)</b>	Client-rated satisfaction score (1-10 scale)	Client survey	Quarterly	>=8/10	6-7/10	<6/10
<b>Scope Change Frequency</b>	Number of approved scope change requests per month	Change log	Monthly	0-1 per month	2-3 per month	>3 per month

## 4. RAG Status Scoring System

The RAG (Red, Amber, Green) status system provides an immediate, intuitive signal of engagement health at every level — from individual metrics to full portfolio roll-up. The following rules govern how RAG status is assigned and escalated.

### Individual Metric RAG Rules

Status	Definition	Required Action
<b>GREEN</b>	Metric is performing within acceptable thresholds. No intervention required.	Monitor and maintain. Include in weekly status.
<b>AMBER</b>	Metric is trending negatively or approaching a critical threshold. Attention required.	PM to develop corrective action plan within 5 business days.
<b>RED</b>	Metric has breached critical threshold. Immediate intervention required.	Escalate to Program Manager and PMO Director within 24 hours.

### Engagement-Level RAG Composite Score

An engagement's overall RAG status is determined by the following rules applied across all 13 metrics:

Overall Status	Criteria
<b>GREEN</b>	All 13 metrics GREEN, OR up to 2 metrics AMBER with active corrective plans in place.
<b>AMBER</b>	3 or more metrics AMBER, OR 1 metric RED with a corrective plan in place and leadership notified.
<b>RED</b>	2 or more metrics RED, OR any single metric RED without a corrective plan, OR executive escalation triggered.

*Important: A single RED metric in Financial (budget overrun) or Client (CSAT below 6) should be treated as an automatic engagement-level RED regardless of all other metric statuses.*

## 5. Portfolio Health Scorecard Template

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Complete this scorecard monthly for each active engagement. The completed scorecard should be reviewed in the Monthly Health Review (Section 6) and retained as a governance record.

### Engagement Header

Engagement Name	Client	Program Manager	Review Date
Project Phase	Contract Value	% Complete	Overall RAG

### Metric Scorecard

Metric	Current Value	RAG Status	Comments / Corrective Action
Milestone Adherence Rate			
Schedule Performance Index (SPI)			
Budget Burn Rate vs. Plan			
Cost Performance Index (CPI)			
Revenue Realization / Invoice Lag			
Open Risk Count + Severity			
Issue Escalation Frequency			
Deliverable Acceptance Rate			
Rework / Revision Cycles			
Resource Utilization %			

<b>Turnover / Attrition Rate</b>			
<b>Client Satisfaction Score (CSAT)</b>			
<b>Scope Change Frequency</b>			
<b>OVERALL ENGAGEMENT RAG</b>			

## Key Risks & Issues This Period

Risk / Issue Description	Severity	Mitigation / Action	Owner

## Executive Summary Notes

### Key achievements this period:

- 1.
- 2.
- 3.

### Top concerns requiring leadership attention:

- 1.
- 2.
- 3.

## 6. Monthly Health Review Process

The Monthly Portfolio Health Review is the cornerstone governance event for PMO Directors and Executive Leadership. It ensures that health data is reviewed, acted upon, and documented consistently across the portfolio.

### Review Meeting Structure

Time	Segment	Content	Owner
0-5 min	<b>Opening</b>	Review agenda, confirm attendees, state any urgent items	PMO Director
5-20 min	<b>RED Engagements</b>	Deep dive on all RED-status engagements. Review corrective plans.	Program Managers
20-35 min	<b>AMBER Engagements</b>	Review AMBER engagements. Confirm corrective plans are on track.	Program Managers
35-45 min	<b>Portfolio Trends</b>	Review portfolio-level trends: financials, resource utilization, risk concentration.	PMO Director
45-55 min	<b>Decisions Required</b>	Escalations, resource reallocation, client conversations needed.	Executive Leadership
55-60 min	<b>Actions &amp; Close</b>	Confirm action items, owners, and due dates. Schedule follow-up if needed.	PMO Director

### Pre-Meeting Preparation Checklist

- All scorecards submitted by PMs no later than 3 business days before the review
- PMO Director reviews all scorecards and flags discrepancies or missing data
- RED engagements: corrective action plans prepared and distributed 24 hours in advance
- Portfolio trend summary prepared by PMO Director
- Executive pre-read distributed 24 hours before the meeting

## 7. Executive Dashboard Guidance

Executive Leadership requires a high-level, visually clear view of portfolio health that can be consumed in under five minutes. The Executive Dashboard should contain no more than four components, updated monthly.

### Component 1: Portfolio RAG Summary

A single table showing all active engagements with their overall RAG status, engagement name, program manager, and contract value. Sorted by RAG status (RED first).

RAG	Engagement	Program Manager	Contract Value	Key Concern
RED	[Engagement Name]	[PM Name]	\$[X]M	[Top issue]
AMBER	[Engagement Name]	[PM Name]	\$[X]M	[Top issue]
GREEN	[Engagement Name]	[PM Name]	\$[X]M	On track

### Component 2: Portfolio Financial Snapshot

Total portfolio budget vs. actuals, total revenue recognized vs. plan, and aggregate CPI across all active engagements.

### Component 3: Top 5 Portfolio Risks

A simple ranked list of the top five risks across the entire portfolio, with owner and mitigation status. No more than one sentence per risk.

### Component 4: Resource Health Indicator

Aggregate resource utilization rate across the portfolio, number of staff over 100% utilized (burnout risk), and number of open critical roles.

*Executive Dashboard Principle: If an executive needs to read more than one page to understand the portfolio's health status, the dashboard has failed its purpose.*

## 8. Escalation & Intervention Playbook

When a metric or engagement reaches RED status, a structured escalation process must be followed. Speed and clarity of escalation are critical — ambiguity in this process is a leading cause of small problems becoming client-threatening crises.

### Escalation Triggers

Trigger	Notify Within	Escalate To	Required Output
Single metric turns RED	24 hours	Program Manager	Corrective Action Plan
Engagement overall turns RED	24 hours	PMO Director + Exec Leadership	Recovery Plan + Client Communication Plan
Budget overrun >15%	Immediately	PMO Director + Finance + Exec Leadership	Financial Recovery Plan
Client CSAT drops below 6/10	Immediately	Exec Leadership + Account Lead	Client Escalation Plan
2+ team member departures	48 hours	PMO Director + HR + Program Manager	Resource Continuity Plan
3+ scope changes in one month	End of week	Program Manager + Exec Leadership	Scope Review Meeting

### Corrective Action Plan (CAP) Requirements

Every RED metric must have a CAP that addresses the following within 5 business days:

- Root cause analysis: What caused the RED condition?
- Immediate stabilization actions: What is being done right now?
- Recovery timeline: When will the metric return to GREEN?
- Owner: Who is accountable for execution of the CAP?
- Review cadence: How often will progress be reported?

*A corrective action plan without a named owner and a specific recovery date is not a plan — it is a wish.*

## 9. PMO Director Checklist

Use the following checklists to ensure all portfolio health governance activities are completed consistently each week and month.

### Weekly Checklist

<input type="checkbox"/>	Review all milestone adherence updates from PMs
<input type="checkbox"/>	Check risk register for new HIGH or CRITICAL risks added this week
<input type="checkbox"/>	Confirm any AMBER metrics have active corrective plans in place
<input type="checkbox"/>	Review resource utilization alerts for anyone >100% utilized
<input type="checkbox"/>	Confirm all RED metrics from prior week have CAPs in progress
<input type="checkbox"/>	Send weekly portfolio status summary to Executive Leadership
<input type="checkbox"/>	Follow up on any overdue corrective action plan milestones

### Monthly Checklist

<input type="checkbox"/>	Collect all 13-metric scorecards from all Project Managers
<input type="checkbox"/>	Review scorecards for completeness and data accuracy
<input type="checkbox"/>	Assign engagement-level RAG status to all active engagements
<input type="checkbox"/>	Prepare portfolio trend analysis (financial, schedule, risk)
<input type="checkbox"/>	Distribute executive pre-read package 24 hours before monthly review
<input type="checkbox"/>	Facilitate Monthly Portfolio Health Review meeting
<input type="checkbox"/>	Document all action items and owners from the review meeting
<input type="checkbox"/>	Update portfolio health log / historical record
<input type="checkbox"/>	Confirm all CAPs from prior month are on track or closed
<input type="checkbox"/>	Review resource utilization forecast for next 90 days
<input type="checkbox"/>	Conduct client satisfaction check-ins where CSAT is AMBER or RED



Report portfolio health summary to Executive Leadership

## 10. Glossary of Terms

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Term	Definition
<b>CSAT</b>	Client Satisfaction Score. A quantitative rating (typically 1-10) of client satisfaction collected via survey or structured conversation.
<b>CPI</b>	Cost Performance Index. An earned value metric calculated as Earned Value divided by Actual Cost. CPI >1 indicates under-budget performance.
<b>Corrective Action Plan (CAP)</b>	A documented plan to address a RED metric, including root cause, stabilization actions, recovery timeline, and named owner.
<b>Earned Value (EV)</b>	The budgeted value of work actually completed at a given point in time.
<b>Escalation</b>	The formal process of notifying leadership of a metric, engagement, or situation that has exceeded defined thresholds and requires intervention.
<b>Milestone Adherence Rate</b>	The percentage of scheduled milestones delivered on or before their planned due date within a reporting period.
<b>PMO</b>	Project Management Office. The organizational function responsible for defining and maintaining project management standards, governance, and reporting.
<b>Portfolio Health</b>	A multi-dimensional assessment of how well a collection of consulting engagements is performing across schedule, financial, risk, quality, and people dimensions.
<b>RAG Status</b>	Red / Amber / Green. A traffic-light system for communicating health status at a glance. Red = critical, Amber = at risk, Green = on track.
<b>Resource Utilization</b>	The ratio of billable hours worked to total available hours for a given resource, expressed as a percentage.
<b>SPI</b>	Schedule Performance Index. An earned value metric calculated as Earned Value divided by Planned Value. SPI >1 indicates ahead-of-schedule performance.
<b>Scope Change</b>	A formally approved modification to the agreed scope of an engagement, typically documented through a change control process.