



Select Language ▼
Powered by Google Translate

[Home](#) |
 [Archives](#) |
 [Our Authors](#) |
 [Project Management Training](#) |
 [Agile Project Management Training](#) |
 [Go to Main UK site](#) ▼

[Home](#) / [Portfolio Management](#) / Strategy Implementation Needs Great Portfolio Management

See our Project Management training courses »

Strategy Implementation Needs Great Portfolio Management


Posted by: Strategy Execution |
 in Portfolio Management, Strategy Execution |
 4 July 2019 |
 0 comments


Share this:

[LinkedIn](#) |
 [Twitter](#) |
 [Facebook](#) |
 [More](#)




TWEETS BY @2080STRATEGYEX


 Strategy Execution - now part of Korn Ferry
 Follow
 5,849 tweets 2,951 followers


 Strategy Execution - now part of Korn Ferry
 23 Mar
<https://t.co/kmz5boNL8x>

13 Signs of High Emotional Intelligence
 Wonder what emotional intelligence looks like in everyday life? Here are 13 examples.
[ow.ly](#)

[Reply](#) |
 [Retweet](#) |
 [Like](#) |
 View


 Strategy Execution - now part of Korn Ferry
 20 Mar

WEBINAR – 2ND APRIL 2020



See our Project Management training courses »

SUBSCRIBE TO OUR WEEKLY BLOG DIGEST EMAIL

Email *

SUBSCRIBE!

ABOUT OUR BLOG

Strategy Execution helps people around the world improve the way they manage their projects, contracts, requirements and vendors through innovative learning. This blog is to re-enforce our commitment to the industry and provide a useful tool to the PM Community.

In recent years, **portfolio management** has evolved from an administrative process, in which projects are selected and prioritised, to one of the key ways in which organisations can focus on strategy implementation. This is achieved, in the most part, through the enhancement of strategic dialogue amongst the management team and, most crucially, the **alignment of projects around the most critical strategic initiatives**.

In this article I talk about the latest developments in portfolio management, drawing on my own experience as Head of Portfolio Management for three leading multinationals, as well as the dozens of workshops with top executives and senior government officials that I have facilitated around the world.

Effective Portfolio Management

Aligning most of the projects and programmes to the organisation's strategies is one of the most important benefits of implementing organisational portfolio management.

Any of the theories you will find on the topic will tell you that all your projects and programmes should be aligned to at least one of your **organisation's strategic objectives**.

In reality, however, an organisation is much more complex and, more often than not, there are no clear strategic objectives. There is also likely to be a lack of alignment between the corporate strategic objectives and the ones from the different business units, departments or functions.

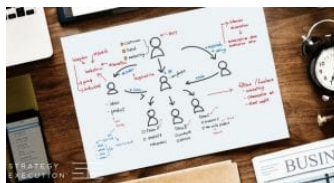
The reality is that matching all your projects and programmes to strategic objectives is impossible. Instead, it is much more important to focus on the most important projects and programmes – the top 20 projects/programmes basically – and ensure that these are at least fully aligned with the strategic objectives.

Portfolio management also involves ensuring that all the strategic objectives have the required means and resources allocated if they are to be successful. This refers to both the short and long-term, including the day-to-day activities as well as the projects and programmes.

When Things Go Wrong

One of the main reasons that many companies fail is because they do not have established portfolio management practices in place.

This was the case with Nokia, who developed the technology for smartphones earlier than most of their competitors but decided not to launch projects in this field and instead, focused on exploiting the success of their existing products.



We believe reskilling for the future will be one of the defining talent trends for 2020 and beyond.

<https://t.co/YnmkF06Kz8>

TRENDING POSTS



Curiosity is the New Normal

🕒 28 April 2020



Asking the Right Questions to Solve Problems Better

🕒 11 July 2019



Agile + PMO = Love

🕒 19 July 2018



Project Governance: Establishing an Effective Steering Committee

🕒 2 May 2019



Seven Aspects of Project Risk in 2020

🕒 20 April 2020

Visit **Strategy Execution**
EMEA | Americas | Asia Pacific



ADAPTIVE STRATEGIC EXECUTION PROGRAMME



POPULAR COMMENTS LATEST



🕒 Top Skills Project Managers Need
8 January 2015



🕒 How to Highlight Skills in a Project Management CV
30 March 2015



🕒 What Does the Steering Committee Do?
12 January 2015



🕒 What are Organisations Looking for When They Ask for "Stakeholder Management Skills"?
7 March 2016



🕒 7 Ways To Mitigate Risk on Projects
24 November 2016



🕒 The Seven Activities of Project Closeout
6 October 2016

This fatal decision was due to poor portfolio management.

With the right portfolio management process, as well as an execution mindset in place, Nokia would still be one of the leading telecom operators in the world, I believe.

Kodak is another well-known organisation that failed because it did not have a mature portfolio management practice in place that could support the executive team by implementing their strategies.

Portfolio Management and Risk Management

If portfolio management is to be effective it should always be linked to the two organisation-wide processes of budgeting cycle and enterprise risk management.

To look at risk management from a portfolio management perspective is to consolidate the risks of each individual project on a global level. This is the most traditional way, yet, after years of observing how executives make decisions on which projects to invest, I have begun to look at risk in a different way.

For example, if the risk appetite of the senior executive team is very low, they often don't want to take the risk of not being compliant, missing a market opportunity or not having the latest technologies, and will, therefore, tend to do as many projects as possible.

If the executives are risk takers, on the other hand, they tend to focus much more on fewer projects. This other way of looking at **risk management** and its link to portfolio management – in relation to doing the right projects – is the way I think we will see it develop over the coming decades.

Portfolio Management in Corporate Culture



Every time I carry out the first round of prioritisation talks with top management, the discussion turns into a very interesting strategic dialogue. I have seen the benefits of this, for example, when the CEO asks the director of sales the following questions:

"How are we going to meet that international growth target if we currently only invest in existing markets or

compliance takes up to 60 per cent of our project capacity? How is this sustainable in the long term? What would be the consequence if we were to balance our portfolio and invest more in growth and cost optimisation, and less in compliance?"

One of the key roles of portfolio management, therefore, is to enhance the strategic dialogue at the top of the organisation, which can then cascade to the rest of the organisation. Once the executive team have been led to understand this, portfolio

TOPICS

Select Category ▼

PROJECT MANAGEMENT TRAINING



RECOMMENDED LINKS

[Henny Portman](#)

[PMO Flashmob](#)

management will become embedded in the organisation and, most importantly, within its corporate culture.

Developing “Portfolio Mindsets”

In all the companies I have worked for I have seen how low-profile project/programme managers, immersed in the middle of the organisation, have grown to become project/programme leaders – taking responsibility for the execution of one of the top 20 strategic programmes in the organisation and reporting to the executive team.

In order to achieve that career leap, however, project and programme managers must be able to change their mindset, expand their knowledge about the organisation and know their products, services, market and competition, inside out. They should also understand the main concerns of the executive teams.

By being able to link a project/programme to all these matters and express how it can address some of the organisation's issues, in order to take it to the next level, you can convince leaders of the value of project management and project managers like you. All of this is reflected in the PMI's Talent Triangle™ of leadership, technical and strategic and business management skills.

What Portfolio Managers Need to Consider

One of the most complex matters when diving into the details of portfolio management is resourcing projects correctly – something which can be thousands of people working full or part-time on projects in large organisations.

The challenge comes when resources are contributing to projects in addition to their day-to-day operational responsibilities, from departments like IT or finance. These resource contributors – those who are providing resources to some of the strategic projects – are where most of the bottlenecks are found.

For this issue, I recommend focusing on resourcing the most important projects and getting the commitment from the different departments on staffing for these projects, while allowing some flexibility and leaving it up to each department to decide and execute their own projects with their remaining resources.

Terminating Projects

When I began working in portfolio management, over 15 years ago, I too thought that terminating a project was not an option. If a project was not going well, the common reaction would always be: “How can it be possible to stop a project? No, we must continue working on it until it is completed, whatever it takes.”



However, over the years I have learnt that for every project that is stopped, the more focused the organisation becomes. With every terminated project comes an opportunity to learn and do better next time.

Having seen it in my own career, I am now a big believer that stopping projects once in a while is very healthy for any organisation – as long as the lessons learned become embedded in the organisation so that they can be used in further projects.


*If you enjoyed this post, make sure you **subscribe** to our **RSS feed**!*


Share this:



Like this:

Loading...

Previous:  The Top Four Project Management Books for Project Leaders to Read this Summer

Next:  Asking the Right Questions to Solve Problems Better

ABOUT STRATEGY EXECUTION



Strategy Execution's Blog brings weekly insights and guidance in portfolio, programme and project management. Sign up to receive articles in your inbox

View all posts by Strategy Execution (38)



RELATED ARTICLES
