

M5L20. Portfolio Decision-Making Process

Slide #1

TEXAS A&M UNIVERSITY
Engineering

Portfolio Decision-Making Process

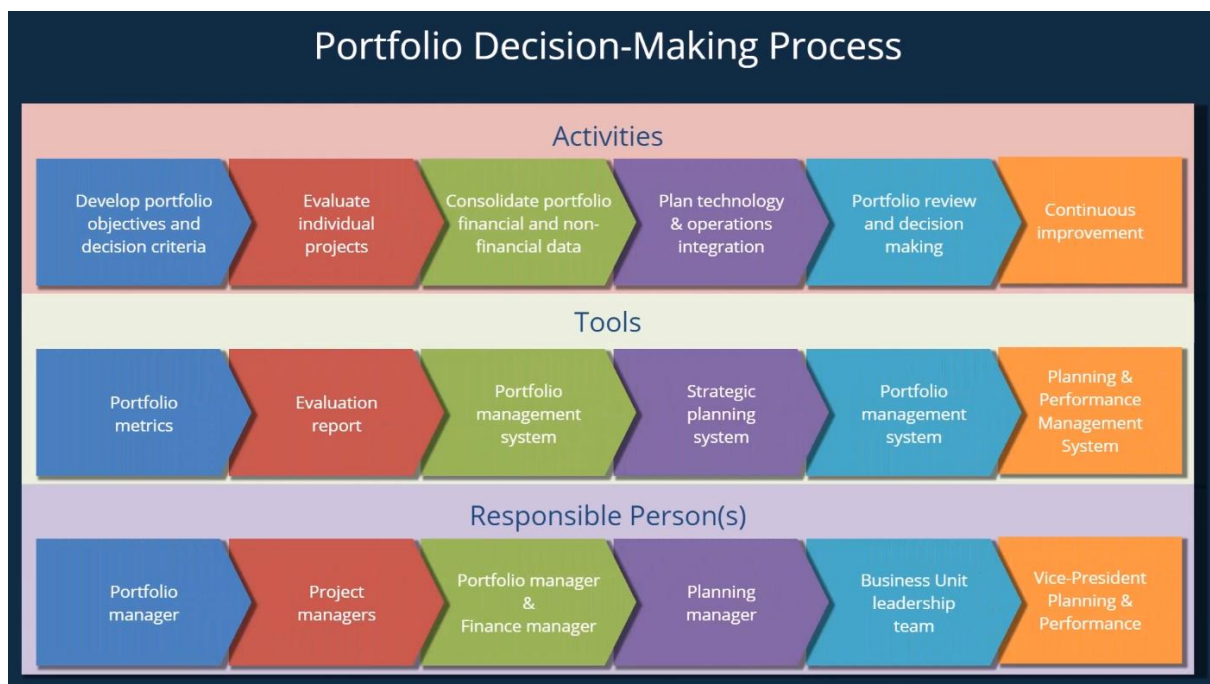
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TCMT 612 | Technical Management Decision Making

MASTERS OF ENGINEERING TECHNICAL MANAGEMENT

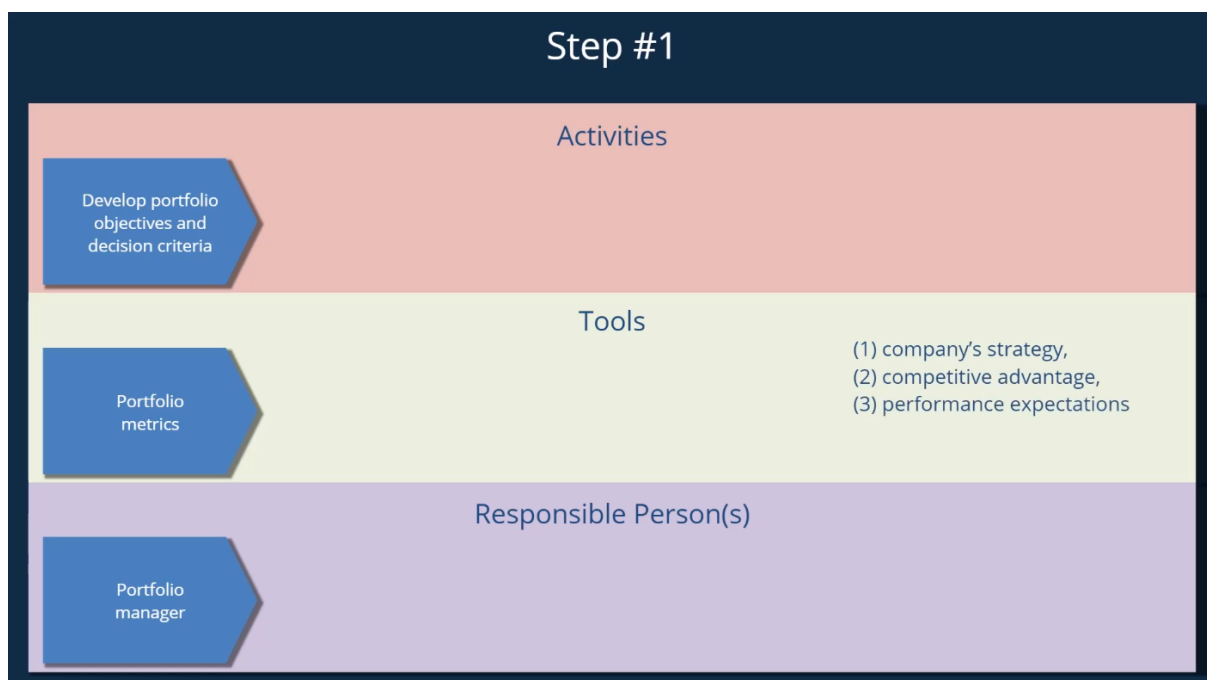
In this topic, we will go through the steps of the portfolio decision-making process.

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The portfolio decision-making process typically includes the following six steps.

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First, a portfolio manager develops a set of portfolio objectives and decision criteria based on the company's strategy, competitive advantage, and performance expectations.

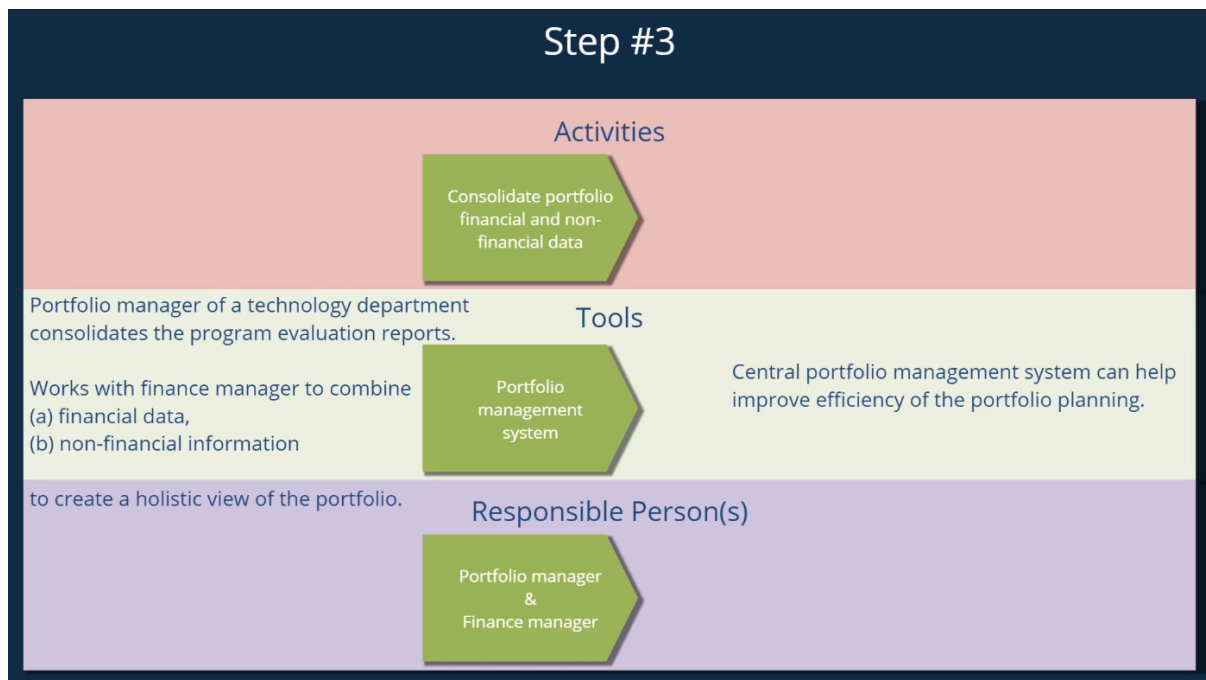
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Second, project managers follow the evaluation metrics to assess their projects.

Program managers are also involved in this step to support individual project assessment and compile the program assessment report.

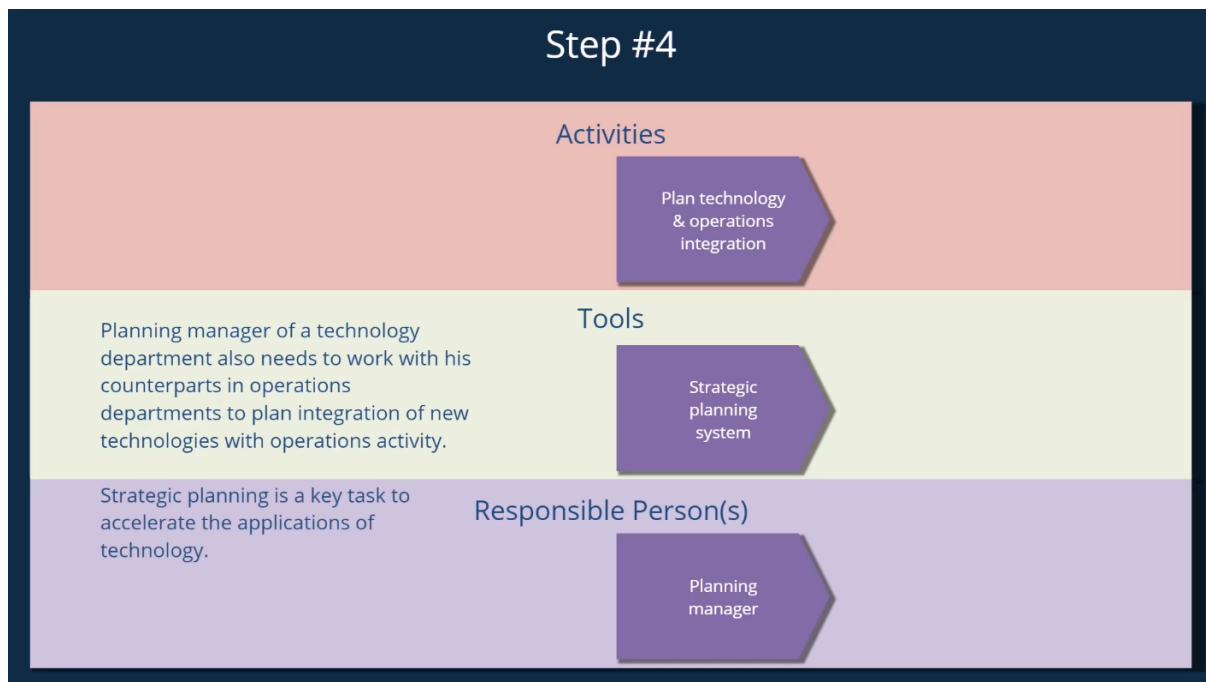
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Third, the portfolio manager of a technology department consolidates the program evaluation reports and works with finance managers to combine financial data and non-financial information to create a holistic view of the portfolio.

A central portfolio management system can help improve efficiency of the portfolio planning.

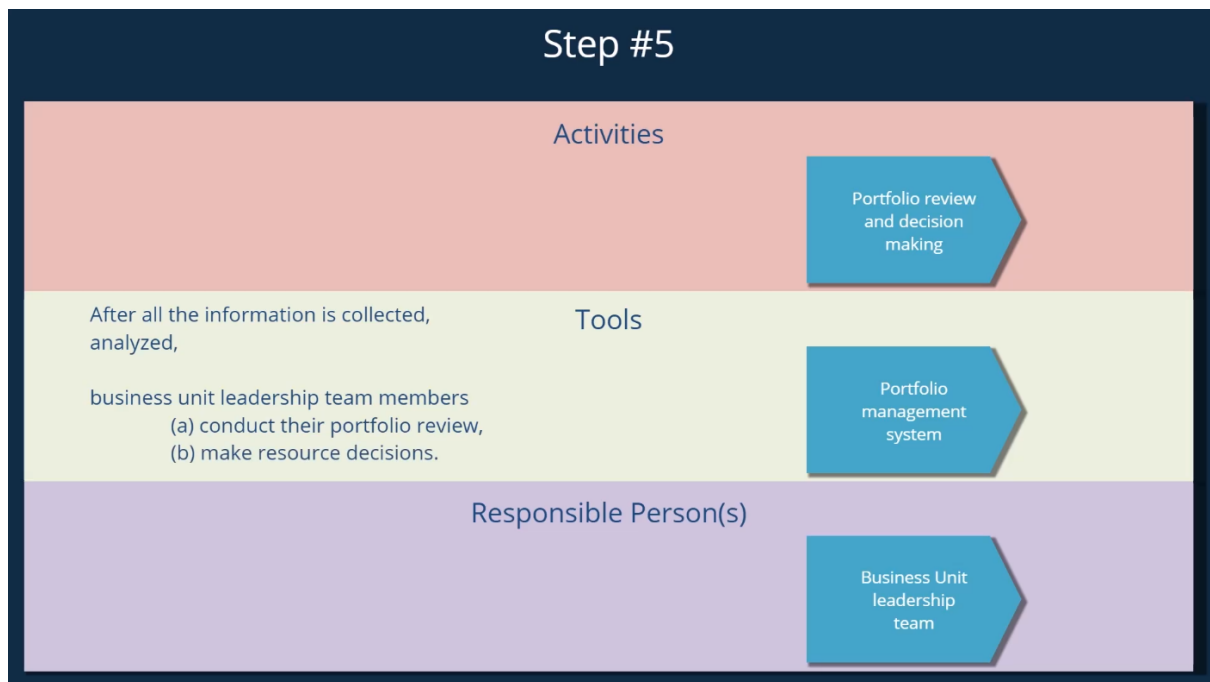
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Next, planning manager of a technology department also needs to work with his counterparts in operations departments to plan integration of new technologies with operations activity.

Strategic planning is a key task to accelerate the applications of technology.

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When all information is collected and analyzed, business unit leadership team members conduct their portfolio review and make resource decisions.

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Many organizations follow a continuous improvement process to periodically evaluate and improve the efficiency and effectiveness of project execution to maximize the value of a portfolio.

Also, the department will adjust the portfolio when a company's business objectives change, and typically the vice president of planning and performance management is responsible for this step.