# M5L20. Portfolio Decision-Making Process

## Slide #1Portfolio Decision-Making Process

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

## Slide #2Portfolio Decision-Making

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

## Slide #3Step #1

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

## Slide #4Step #2

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.

## Slide #5Step #3

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.

## Slide #6Step #4

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.

## Slide #7Step #5

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

## Slide #8Step #6

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.