

Contents

Dedication	vii
Contents	ix
List of Figures	xiii
Foreword	xv
Acknowledgments	xvii
About the Author	xix
Chapter 1 Introduction	1
Chapter 2 Context of Portfolio Management	3
2.1 Differences between Projects, Programs, and Portfolios	6
2.2 Uncertainty, Ambiguity, and Complexity	8
2.3 The Portfolio Management Governance Model	12
2.3.1 Establish the Organizational Strategy	13
2.3.2 Assess the Organizational Capabilities	14
2.3.3 Analyze Current Set of Activities and Initiatives	14
2.3.4 Forecast Future Commitments	15
2.3.5 Reconcile Resource Allocation with the Organization's Capability	15
2.3.6 Analyze Performance Data	17
2.4 The Organizational Context of Portfolio Management	17

2.5	Various Perspectives of Portfolio Management	26
2.5.1	Time and Performance	26
2.5.2	Decision Making	27
2.5.3	Delivery and Strategy	28
2.5.4	Portfolio Management Agility	29
Chapter 3	The First Pillar: Organizational Agility	31
3.1	What Is Organizational Agility?	31
3.2	Organizational Inertia	32
3.3	Factors of Inertia	32
3.3.1	An Organization: Such a Thing Does NOT Exist	32
3.3.2	Resistance and Limited Ability to Change: The Sponge Effect	33
3.3.3	Organizational Entropy	34
3.3.4	What Creates Entropy and the Illusion of Mastery?	35
3.4	How to Overcome Organizational Inertia?	36
3.4.1	Simplicity and Parsimony	36
3.4.2	Optimizing the Organizational Structure	37
3.4.3	Developing Cooperation	39
3.4.4	Breaking the Traditional Model of Uniqueness of Accountability and Encouraging Collaboration	41
3.5	Triggering a Collaborative Mindset Within the Organization	45
3.5.1	Establish an Appropriate Incentive System	46
3.5.2	Expand the Field of Accountability	46
3.5.3	Reward Collaboration, Make It Worthy, and Make Individualism Unprofitable	48
3.5.4	Communicate and Spread Your Strategic Objectives and Your Strategic Vision	49
3.6	The Role of the Project Management Office in Portfolio Management and in Organizational Agility	50
Chapter 4	The Second Pillar: Your Organization's Strategy	57
4.1	Defining Your Strategic Horizon	58
4.1.1	Measuring Organizational Inertia	58
4.1.2	Calculating Your Strategic Horizon	60

4.2	Constructing Your Strategic Vision	62
4.2.1	Aiming at Value	63
4.2.2	Strategy and Governance	63
4.2.3	Organizational Structures and Portfolio Structure: The Dog or the Tail?	65
4.3	Constructing Your Portfolio's Strategy: Building the Opportunity Chain	71
4.3.1	Stating the Initial Concept	71
4.3.2	Who Are Your Stakeholders? How Do They Feel? The 4i's Model	75
4.3.3	Expressing the Expectations	79
4.3.4	Identifying the Needs	80
4.3.5	Formalizing the Objectives	81
4.3.6	Determining the Strategic Contribution of Each Candidate Component	82
4.3.7	Constructing the Strategic Alignment Model	83
4.3.8	Functional Analysis, Critical Success Factors, and Key Performance Indicators	85
4.4	Integrating the Opportunity Chain throughout the Organization	88

Chapter 5 The Third Pillar: Risk 95

5.1	Specificities of Risk Management at the Portfolio Level	96
5.1.1	Specificities in Risk Identification	97
5.1.2	SWOT Analysis Explained	100
5.1.3	Defining the Appropriate Risk Management Governance Structure	103
5.1.4	Specificities in Risk Analysis	108
5.2	Consolidating the Portfolio Risk Profile	112
5.2.1	Assessing the Risks, Component's Risk Scoring, and Individual Profile	113
5.2.2	The Portfolio Risk Profile	113
5.2.3	The Initial Snapshot and Component Selection	116
5.2.4	The Evolution of the Risk Profile	116
5.3	Exploiting Opportunities; Or the Deadly Trap of Threat Mitigation—A Matter of Mindset	117

Chapter 6	The Fourth Pillar: Resource Demand Planning	121
6.1	Analyzing the Current Capability	121
6.2	Anticipating the Needs in Resources for Current and Potential Components	123
6.3	Reconciling Bottom-Up and Top-Down Perspectives	127
6.4	Establishing a Regular Resource Demand Planning Process	127
Chapter 7	Managing Your Portfolio	129
7.1	Defining Your Portfolio's Roadmap	130
7.2	Delivering and Managing Benefits, Value, and Performance Triggers	133
7.3	Assessing Performance	135
7.4	Tracking Risks Within the Portfolio	137
7.5	Ensuring the Strategic Alignment	139
7.6	Realigning and Pushing Your Strategic Horizon Forward	140
7.7	Prepare the Next Iterations of Portfolio Management	141
Chapter 8	Evolution and Future Developments in Portfolio Management	143
Chapter 9	Conclusion	147
9.1	Portfolio Management as an Organizational Maturity and Agility Trigger	147
9.2	Developing the Appropriate Mindsets	149
9.3	Benefits of Portfolio Management	149
9.4	Portfolio Management Implementation, Success Factors, and Prerequisites	151
Lexicon		153
References		157
Index		159