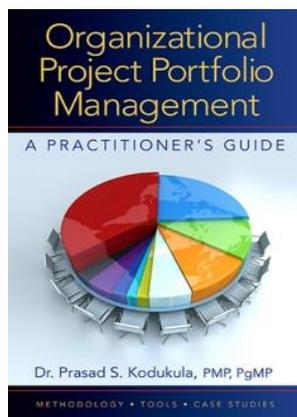


PM WORLD BOOK REVIEW



Book Title: ***Organizational Project Portfolio Management – a Practitioner's Guide***

Author: **Dr. Prasad S. Kodukula, PMP, PgMP**

Publisher: **J. Ross Publishing**

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Reviewer: **Eldon J. Zorinsky, PMP**

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Introduction to the Book

Organizational Project Portfolio Management – A Practitioner's Guide written by Dr. Prasad S. Kodukula, PMP, PgMP, offers a logical and straight-forward process-based methodology and tools that facilitate the design, creation, and management of balanced portfolios at any level of the enterprise. The techniques and tools described are very generic and, as such, are not limited to particular businesses or industries, the types of projects contained within the portfolio, or where the portfolio management group is positioned within the organizational or enterprise hierarchy.

Overview of Book's Structure

The book's 17 Chapters are organized into four main sections followed by appendices. Section 1 (Chapters 1 through 5) covers project portfolio basics that includes, among other things, portfolio definitions, distinctions between projects, programs and portfolios, and portfolio process models. This section also reviews how principles of financial portfolio management are relevant to managing project portfolios.

Section 2 (Chapters 6 through 10) describes project portfolio management methodology. The first chapter of this section introduces a four-phase approach to Project Portfolio Management (PPM), with the remaining four chapters focusing on each of those four phases which include: building the portfolio foundation; portfolio design; portfolio construction; and monitoring and controlling the portfolio.

Section 3 (Chapters 11 through 16) discusses project portfolio management tools and techniques including project financial evaluation, project prioritization, uncertainty and risk management, Earned Value Management (EVM) and resource planning. This section also includes a discussion of the Portfolio Management Office (PMO) along with a review of the current state of the practice, issues of scope, function, maturity and structure. It concludes with comments on the role of the PMO in PPM.

Section 4 (Chapter 17) presents some very thoughtful “mini” case studies with exercises that provide the reader with opportunities to utilize some of the methods and tools presented in the prior sections. Additional information is available from the Publisher:

WAV™ offers downloadable charts for managing resources, discounted cash flow and Monte Carlo simulation spreadsheets, and worksheets for portfolio and project case examples in the book — available from the **Web Added Value™ Download Resource Center** at www.jrosspub.com

Highlights: What’s New in this Book

The author points out that because project and program management have evolved and matured significantly over the last two decades, portfolio management has now become the “new frontier.” As such, most of the books dealing with portfolio management have been published within the past ten years. They typically cover topics that tend to be industry-specific, or focus on product portfolios or portfolio tools, with only a few dealing with general principles and processes.

The goals set forth by the author in producing this 2014 work were to provide practitioners with a new generic, practical, and processed-based methodology along with a corresponding tool set for designing, building and managing project portfolios that was:

- 1) not specific to any particular business or industry;
- 2) applicable to any portfolio regardless of its location within the organizational hierarchy or the types of projects it contained; and
- 3) capable of creating “balanced” portfolios with the desired mix of different types of projects that would serve to lower overall investment risk. An ancillary intent was to insure that the methodology was also compatible with the “balanced scorecard” (BCS) framework already being used by some organizations wherein there is a requirement to establish goals in different domains (e.g., financial, customer, business process, and employee).

Highlights: What I liked!

The author clearly meets the objectives outlined in his book. He demystifies project portfolio management (PPM) by clarifying key concepts at the project, program and portfolio level, establishing well-defined organizational and management objectives and benefits, then overlaying a process-based methodology supported by a tool kit onto this basic foundation that facilitates a very logical, step-by-step structured approach to project portfolio design, creation and management that can be easily understood and used, even by those who may not be especially familiar with project management approaches and concepts. These principles are then solidly reinforced by very well thought out “mini” case studies presented in the final section of the book.

By examining the logical equivalency between financial portfolio management and project portfolio management, organizations can begin to embrace the idea that projects need to be viewed *collectively* as a strategic “investment” as opposed to individually as tactical expenditures. If such a “project portfolio” is properly defined, designed, built and managed, it can be effectively utilized to advance the strategic objectives of the company. If a continuous PPM process can be implemented so as to achieve steady-state operation over time (i.e., a continuously reviewed and updated portfolio consisting of existing/ongoing projects + new projects minus terminated, completed or deferred projects – where all project-related decisions and deliverables are strategically aligned to the goals of the particular organization and ultimately, the enterprise), the organization (along with the enterprise) will be able to more efficiently utilize its human, financial, and capital resources, reduce overall risk, minimize redundancies, sustain strategic alignment at all levels, and ultimately achieve more consistent performance and growth over time. In other words, PPM can significantly enhance shareholder value.

This book is a “must read” that sets a new benchmark with regard to understanding and implementing a process-based project portfolio management methodology. It is clear, concise and very well written. The author engages the reader by presenting complex organizational and enterprise constructs and real-world product and service scenarios then, in straight-forward fashion, explains how to effectively apply PPM concepts to build strategically aligned portfolios and establish performance metrics that facilitate both monitoring and controlling of that portfolio.

Who might benefit from the Book

Anyone with an interest in learning more about Project Portfolio Management (PPM) would benefit from reading this book. This includes Portfolio Managers, Senior Managers (e.g., C-level executives), Decision Makers, Project Sponsors, PMO staff and finally, Project and Program Managers. I would also add functional managers, technical leads and SMEs to this list.

Conclusion

Organizational Project Portfolio Management – A Practitioner’s Guide written by Dr. Prasad S. Kodukula, PMP, PgMP, provides valuable guidelines, structure and supporting tools that enable enterprises to bridge the gap between project and program management methodologies and a project portfolio management (PPM) approach, irrespective of business or industry type and independent of the portfolio’s content or position within the enterprise hierarchy.

Organizations that understand the need to align their business strategy with a structured approach to project selection and execution at the enterprise level and that can develop the discipline to implement and sustain a PPM approach over time will reap the benefits that come from viewing these projects collectively as an “investment,” rather than individually as expenditures. Such organizations are able to utilize all of their resources (human, capital and financial) more efficiently and cost-effectively over time which, in turn, leads to a more rapid pace of innovation and subsequent commercialization of new products, technologies and services that

ultimately drives greater shareholder value and a higher level of stakeholder satisfaction.

Organizational Project Portfolio Management – A Practitioner’s Guide, First Edition, by Dr. Prasad S. Kodukula, PMP, PgMP published by J. Ross Publishing; June 2014, ISBN 978-1932159-042-4 \$49.95 USD – direct price; 264 pages, hard cover. More at <http://www.jrosspub.com>.

Editor’s note: This book review was the result of cooperation between the publisher, PM World and the Dallas Chapter of the Project Management Institute (PMI Dallas Chapter – www.pmidallas.org). Publishers provide the books to PM World; books are delivered to the PMI Dallas Chapter, where they are offered free to PMI members to review; book reviews are published in the PM World Journal and PM World Library. Reviewers can keep the books and claim PDUs for PMP recertification. PMI Dallas Chapter members are generally mid-career professionals, the audience for most project management books. If you are an author or publisher of a project management-related book, and would like the book reviewed through this program, please contact editor@peworldjournal.net.

About the Reviewer



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Eldon Zorinsky is an experienced technology executive, program director, certified Project Management Professional (PMP) and registered Professional Engineer in the State of Texas who specializes in leading culturally diverse, geographically dispersed teams of technical and business professionals in the definition, development and commercialization of new products and technologies. He received his Doctor of Engineering degree in Electrical Engineering and Master of Science degree in Engineering Management from Southern Methodist University in Dallas, Texas. He also earned a Master of Science degree in Physics from the University of Missouri at Columbia, MO and a Bachelor of Science degree from Creighton University in Omaha, NE. He holds numerous patents in the areas of semiconductor devices and device isolation and over the course of his career, has successfully lead product and technology development and commercialization efforts that generated combined revenue of nearly \$1B. Eldon is an active member of the Dallas Chapter of PMI and is currently serving as a volunteer with the Chapter's Professional Development Group. He is also a member of IEEE, The Engineering Management Society, AAAS, and The American Vacuum Society. Email: ejzorinsky@gmail.com