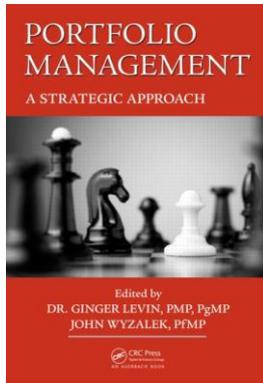


PM WORLD BOOK REVIEW



Book Title: ***Portfolio Management – A Strategic Approach***

Authors: **Dr. Ginger Levin, John Wyzalek**

Publisher: Auerbach Publications (CRC Press)

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Reviewer: **S. Lance Van Nostrand**

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Introduction

This book defines strategic portfolio management and its value to furthering business objectives and how it enhances an organization's agility in responding to constantly changing market needs. It provides tools and techniques to use in the portfolio management team and an awareness of the critical success factors that must be addressed and measured to know that a portfolio management activity is adding value and maintaining management support necessary for its continued existence.

Overview of Book's Structure

The book is a compilation of papers whose coverage falls into the topics of the 18 chapters. Stepping back a bit further I can generalize these chapters into 3 main areas: the underlying theory and advantages of portfolio management, Tools and techniques that have been used successfully, and managing organizational expectations and stakeholders to allow portfolio management to institutionalize and become an integral part of business operations.

At first I was concerned about the approach of assembling papers of others because writing styles can vary quite a bit, as well as the quality of the work. This can make reading a 358 page book more of a chore as the reader adjusts, however the authors have done well to select contributors that blend well and been able to adjust where necessary to maintain a relatively consistent delivery. There are times where concepts are repeated or issues solved in different ways but it's very manageable as alternate approaches to solutions come from successful practitioners that have found their own ways to be successful.

Highlights

A few chapters provided me the most inspiration. Chapter 2 on Portfolio Selection and Termination provides guidance on identifying congruent work efforts and forming collections of projects, operations and support activities that become portfolios. Not

all work need be part of a portfolio so a high degree of common strategic mission within the portfolio can be achieved.

Chapter 6 on Portfolio Governance is a critical reminder that monitoring the efficiency of the portfolio and reporting to stakeholders not only fulfills the Portfolio Management mission but reminds stakeholders that the portfolio management team is integral to its success. However, the portfolio management team itself is not above the same meritocracy rules that apply to any business investment. My experience is that often the organizers of portfolio management teams, not necessarily the P&L leaders that participate, are part of the business cost structure and often don't contribute directly to revenue, brand advancement, or technology advancement. Therefore portfolio management must constantly show it is adding value and helping to implement strategy.

Chapter 10 focuses on building the bridge between organizational strategy and portfolio management and tackles the challenging task of making tangible structure from often very high level strategic direction. I found this useful because upper management is often smooth in delivery but often lacking in the kind of lower level direction that allows teams to make clear choices. Chapter 18 addresses this directly and terms this gap the "zone of uncertainty". Often the strategic direction can be a bit hard to pin down exactly making multiple interpretations possible. When faced with several good options at the tactical level I find management wanting "all of the above" whenever possible and challenging management to find a way. To a degree this is good and drives organizations to achieve more, but when choices must be made at least there can be some tools and techniques to make rational and defensible decisions.

Highlights: What I liked!

Often books that apply to large organization operations describe perfect fragile structures that don't apply well to the ever changing environment of modern business. The emphasis on organizational agility, inclusion of profit/loss (P&L) leaders, and a process to periodically refresh the impact of changing strategic objectives makes this book a template for modern business.

Who might benefit from the Book?

The audience for this book is larger than the authors' targeted audience. The ideas presented on how to implement a strategic approach to portfolio management apply not only to large corporations with several departments representing internal and external project collections as well as operations and change management. It also applies to smaller businesses that are growing and needing a way to manage their growth by aligning project investment with business objectives.

Conclusion

To a large degree *Portfolio Management* provides many perspectives on how to focus on the "right things" both by soft skills and methodology. The assumption, however, is that portfolio management activities are already occurring in team

oriented ways (that can be improved in efficiency and effectiveness). Early mention of management support is emphasized strongly but a chapter on developing this would really help those wanting to initiate these practices in needy environments.

Some of the contributing authors related stories of growing product line management systems into portfolio systems but I see this as a general practice as limited and usually will end at department boundaries. Others clearly are consultants who arrive in companies with management support, or at least the patina of it, in place looking for help in this area.

Portfolio Management has been helpful for me to take steps in my organization to improve the strategic review of the work being performed across functional organizations and establish processes to recommend the future path for these efforts. In growing companies like mine there are often “oracles” that have supreme influence over how funds are allocated and project priorities. At some point these singular leadership systems break down as projects fall “out of view” and the complexity of changing business opportunities across different product lines is too much requiring an increase in the leadership team, or at least a restructuring of it.

This book covers both the establishment and optimization of portfolio management teams which is most helpful for readers faced with either opportunity.

For more about this book, go to: <http://www.crcpress.com/product/isbn/9781482251043>

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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Lance Van Nostrand is the CTO of Immersive Media Company and leads projects, research and operations in a high tech environment of a small company. Prior work includes system engineering work across multiple facilities for Carestream Health and also the Kodak Research labs. He has experienced project and portfolio management activities in both small and large companies and understands the striking differences in the challenges that must be overcome to be successful.