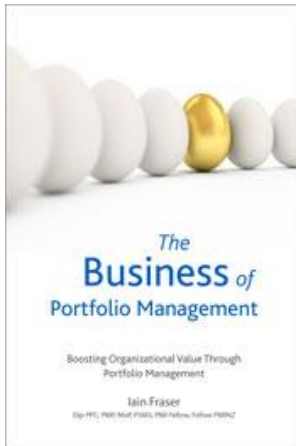


PM WORLD BOOK REVIEW



Book Title: ***The Business of Portfolio Management: Boosting Organizational Value Through Portfolio Management***

Author: **Iain Fraser** Dip PPC, PMP, MoP, P3M3, PMI Fellow, Fellow PMINZ

Publisher: Project Management Institute

List Price: \$44.95 Format: Hard Cover, 166 pages

Publication Date: 2017 ISBN: 9781628253726

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Introduction

Managing your organization's multi-million dollar project takes a lot of time, talent, and resources to succeed, but what does it take to ensure you have a high-functioning company that understands its value? If you lead or work for an organization that is stagnant or not thriving fiscally, *The Business of Portfolio Management: Boosting Organizational Value Through Portfolio Management*, is an excellent primer for you. Author Iain Fraser, a 30-year business veteran, shares his knowledge on the complex, but courageous and attainable steps you can take to cultivate a more sustainable organization portfolio.

So, what is a portfolio and what is portfolio management? A portfolio is a collection of programs of work, projects, and other work group together to facilitate effective management of that work to meet strategic business objectives. The content of each portfolio may not necessarily be interdependent or directly related. The purpose of portfolio management is to make sure programs and projects support the organization's strategic objectives and goals.

Overview of Book's Structure

The Business of Portfolio Management: Boosting Organizational Value Through Portfolio Management is a 166-page book packed with insights, processes, case studies, and strong recommendations on how best to increase value to your organization's portfolio.

The front of the publication includes background on the book's reference material, buy-in from key experts, and details on Iain Fraser's expertise. The "Acknowledgements" section informs you of the reference materials and methodologies used to write the book, as well as the organizations and subject matter experts who supported the development of this publication. "About the

Author” will reassure you Fraser is a knowledgeable business owner and consultant, who is an expert on the complex phases, levels, and intricacies of business management. Then, David L. Pells, managing editor of PM World Journal penned the “Foreword.” Pells emphasizes the critical need for strong portfolio management, the timeliness of what he describes as this “executive guide to implementing effective portfolio management,” and endorses Fraser’s ability to craft this handy resource. In the “Introduction” Fraser informs readers that he wrote the book to help readers use powerful value-driven portfolio management to link strategy and implementation. He also includes a brief synopsis on each section.

The book is comprised of four sections, each with a preceding quote to set the tone. For example, Section 1 – Organizational Woes and Wishes, which addresses the importance of embracing change and new ways of working to sustain success, kicks off with a Winston Churchill quote: “Continuous effort –not strength or intelligence – is the key to unlocking our potential.” The additional sections, which are each approximately 30-40 pages, are: Section 2 – Portfolio Management: A Way of Doing Business, Section 3: Using Program and Project Management to Deliver Change and Realize Benefits, and Section 4 – Supporting Functions: Time for Change!

The rear of “*The Business of Portfolio Management*” includes an epilogue, in which Fraser cheers his readers on to do what many organizations are unable to do: Put in much-needed work to embrace change so they can realize their organization’s value and successfully implement their strategy. The back of the book also includes a glossary, bibliography and references, index, and reader reviews by business executives who co-sign the “value” of this resource. Pun intended!

Highlights

Fraser’s book teaches you how to close gaps between what leaders plan on a strategic (organizational) level and what is accomplished on an operational level to build value creation, not value destruction. The author identifies “value management framework” as a culture-driven method of filling this gap, because it uses value strategy, value planning, value engineering, value delivery, and value capture to determine and implement the strategy through organization-wide portfolio management. Using value management to support portfolio management offers organizations the ability to develop short- and long-term plans and the means to balance capital and operational expenditures, to build better business performance.

Fraser spends a lot of time discussing the importance of portfolio, program, and project management (P3M), which means the organization understands its ability and capability to perform and deliver on all three aspects of the organization. The bottom line is the organizations must be truthful and mature to identify what it can and cannot do to support client needs. The author builds on the premise of P3M by offering organizational maturity models to determine the maturity level, which allows leadership to course correct, integrate “passionate change” throughout the company, and integrate a “this is how we do business” culture.

Benefits management is another highlight of the book. According to Fraser, “Benefits management is the process of realizing actual outcomes by breaking down strategic business objectives into programs of work and projects, then monitoring the outputs to confirm that the intended benefits have actually been achieved.” This management process gives leaders an opportunity to look at outcomes simply and closely, but over a longer period of time.

The Business of Portfolio Management has a large section on portfolio management process groups and tools and techniques, which includes a recommendation to define functional requirements, before purchasing software. For metrics and reporting, Fraser recommends portfolio-level reporting for executives include critical success factors in the form of a balanced scorecard (BSC). The BSC should be content-light with graphics, and with fewer objectives, targets, and measures. This will give executives the opportunity to take a quick look at the tangible benefits.

The author also identifies how program and project management help identify an organization’s benefits, through specific outcomes. It is vital that programs include a way to help plan, manage, measure, track, and recognize the tangible benefits defined in the program’s business case. Fraser notes that organizations should then capture the value of benefits (benefits realization) to determine if there is change (the difference between the current state and the desired future state), as well as their positive or negative impact on the desired outcome.

In the final chapter, Fraser says leaders must be open to change for portfolio management success and their influence can gain buy-in from the rest of the company. Fraser provides six principles of leadership, styles of leadership, and techniques used to propel success. Proven and tested by Fraser, he said leaders may consider gaining support from the rest of the company by referencing the acronym **HELP**: **H**umor those involved; **E**xcite them; **L**isten to them as appropriate; and **P**raise as often as you can and when relevant.

Highlights: What I liked!

Throughout the book, Fraser did a good job of reiterating how portfolio management is not process-driven like project management. In order to strive for change and be successful, organizations should look at portfolio management at a higher, more simplistic level. On page 47, Fraser said portfolio management “considers the achievement of goals and objects at a strategic level, while program of work, projects, and other work are focused on the achievement of specific outputs and outcomes – a form of subplan.” In the epilogue he supports this premise by stating, “...keeping the overall approach as simple as possible is the key to success.”

As a project manager, who often focuses on processes, budgets, timelines, and scope creep, among other project-driven factors, the book drove home the importance of leading the business of the business. Keeping this top of mind can help elevate one’s thinking on how to advance the business/fiscal aspects and value of the organization.

Who might benefit from the Book?

This book is for anyone who is open to change, who wants to take the business of their business to the next level of success, and who is willing to put in the work with colleagues/employees to determine the benefits or value of that organization. Who might that be in your organization? According to Fraser, Pells, and reader review contributors, business managers, C-level executives, portfolio managers, senior managers, and program/project managers might benefit from the book.

Conclusion

The Business of Portfolio Management: Boosting Organizational Value Through Portfolio Management offers a compact start to understanding what portfolio management is, how to measure value, and the similarities and differences between portfolio, program, and project management. Fraser said if you want to become a strong portfolio manager, you should “focus on strategic alignment and impact, investment choices, prioritization, and adding value to decision making through a value management framework.”

Why did I read the book? I challenged myself to read the step-by-step guide to understand what organization leaders must consider to successfully and strategically grow the business. I learned a lot of valuable information that I can use as a leader committed to organizational success. Is portfolio management difficult? Yes. Is it worth taking the challenge? If a leader and the company’s workforce are invested in learning how to plan and implement effective, possibly radical change to successfully grow an organization’s portfolio and value, absolutely!

For more about this book, go to:

<http://marketplace.pmi.org/Pages/ProductDetail.aspx?GMProduct=00101599501>

Editor’s note: This book review was the result of a partnership between the publisher, PM World and the [PMI Silver Spring Chapter](#). Authors and publishers provide the books to PM World; books are delivered to the PMI Silver Spring Chapter, where they are offered free to PMI members to review; book reviews are published in the PM World Journal and PM World Library. PMI Silver Spring Chapter members can keep the books as well as claim PDUs for PMP recertification when their reviews are published. 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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Kim Varner has more than 23 years of writing, public relations, marketing, event, and project management experience—as well as deep experience designing and conducting outreach to underserved populations. Over the course of her career, she has developed communications plans and content for clients across the health, education, safety, technology, medical, sports, and entertainment industries.

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