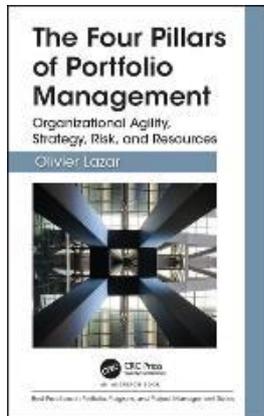


## PM WORLD BOOK REVIEW



Book Title: ***The Four Pillars of Portfolio Management: Organizational Agility, Strategy, Risk, and Resources***

Author: **Olivier Lazar**

Publisher: CRC Press

List Price: \$79.95 Format: Hardcover, 169 pages

Publication Date: October 2018 ISBN: 9781138601321

Reviewer: **B. K. Gamble, MBA, PMP, PHR**

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### Introduction

The basic premise of Olivier Lazar's book is his description of the four pillars of Portfolio Management: Organizational Agility, Strategy, Risk, and Resources. Prior to reviewing each of the four pillars, the author introduces and describes the differences between Projects, Programs, and Portfolios. Throughout the book, Olivier consistently contrasted the differences between Projects, Programs, and Portfolios and how they interact with each other.

### Overview of Book's Structure

Chapter 2 provides the context of Portfolio Management. In this chapter, Olivier identifies the following levels: strategic, operational, project, program, and governance layers. This chapter provides a clear explanation of the differences between Projects, Programs, and Portfolios.

Chapters 3, 4, 5, and 6 provide a detailed review and tools for each of the four pillars of Portfolio Management in greater detail: Organizational Agility, Your Organization's Strategy, Risk, and Resource Demand Planning.

Chapter 7 (Managing Your Portfolio) introduces the Portfolio Roadmap as the essential planning tool for pacing the various components within your portfolio. Olivier stresses the importance of maintaining alignment of the portfolio with the organization's strategy.

Chapter 8 (Evolution and Future Developments in Portfolio Management) provides a look into the future of how artificial intelligence (AI) will automate many of the project management activities that are usually performed by the PMOs.

Chapter 9 (Conclusion) notes the importance of using our limited human resources in a way that creates real value. How a company treats its human resources and considers them in the value creation process is the true competitive advantage for an organization.

The book provides a table of figures as well as a lexicon of terms the author uses throughout the book.

## Highlights

Olivier did a great job of defining and providing good examples of Portfolio Management, Program Management, and Project Management throughout the book. The author stressed the importance of having a governance layer in place to support and integrate all the levels (Portfolio, Program, and Project) into a single framework.

The role of Portfolio Management is to translate the organizational strategy into a plan and execute this plan through the various programs and projects. Portfolio Management provides the connection between the operational and tactical layers and the human resource management layers in the organization.

Portfolio Management also provides the channel through which the strategy will be made visible, understandable, and shared throughout the entire organization and even outside the organization. The author makes it clear that the strategy has to be made public. Everyone in the company must be aware of the strategic vision and the strategy. The strategic vision is what drives people and what commits and engages them.

In Chapter 2 (Context of Portfolio Management), Olivier explained the differences and the pros and cons of three different organizational structures: functional, projectized, and matrix in the context of Portfolio Management.

In Chapters 3-6, the emphasis was on providing an in-depth description of each of the four pillars. It is in chapter 3, where the author defines organizational agility as the ability of the organization to introduce change when and how it's necessary to secure the achievement of its objectives and its business sustainability. Olivier defines organizational inertia as the lag in the implementation of strategic decisions. Regarding the Risk Pillar, the author suggests that we embrace a different perspective for risks by looking at the glass half full versus the glass half empty.

Chapter 7 discusses strategies for Managing Your Portfolio. Portfolio Management is continuous, ongoing, and an iterative process. It is an agile process rather than a waterfall process. If the critical success factors for the portfolio are properly defined, they should correspond to the Pareto principle (80/20) where 20% of the components cover 80% of the expected value and eventually 80% of the performance to be generated.

Chapter 8 provides a view of how Artificial Intelligence will automate project-related tasks that PMOs currently manage. Chapter 9 concludes by discussing organizational maturity and the necessity of organizations to develop the appropriate mindsets in order to embrace and accept change.

### **Highlights: What I liked!**

I liked the author's emphasis throughout the book about the importance of people in the organization. He equated organizations to people in the sense that everything that is done in an organization is done by people, for people, and with people. Olivier noted that organizations need change but there is always the tension where people prefer the comfort of stability and continuity. People are naturally resistant to change but organizations need change to be agile and to improve their competitive advantage.

I loved the author's explanation of simplicity and parsimony as the approach for overcoming organizational inertia. If something does not lead to action, then it's not information, it's noise. Processes should lead to a tangible result. Make sure the organization is producing the right result for the right purpose. This is what motivates people, gives sense to their efforts, and encourages them to uphold their commitments. Olivier stressed if a process, guideline, or tool is not used or is even misused, don't question the people. Question the process, guideline, or tool first.

Olivier referenced many resources in his book. He supported the four pillars with wonderful figures and tools which made the information and principles easy to understand.

### **Who might benefit from the Book?**

This book is recommended for Portfolio Managers, Program Managers, and Project Managers. Because Portfolio Management focuses on strategy, I would recommend this book for anyone interested in learning more about how to manage portfolios to which foster agility and strategic alignment at the organizational level.

### **Conclusion**

*The Four Pillars of Portfolio Management* provides a good, thorough understanding of Portfolio Management and the importance of defining and implementing framework which fosters alignment with the organization.

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For more about this book, go to: <https://www.crcpress.com/The-Four-Pillars-of-Portfolio-Management-Organizational-Agility-Strategy/Lazar/p/book/9781138601321>

*Editor's note: This book review was the result of a partnership between the publisher, PM World and the [PMI Alamo Chapter](#). Authors and publishers provide the books to PM World; books are delivered to the PMI Alamo 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 Alamo 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.com](mailto:editor@peworldjournal.com).*

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## About the Reviewer



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**B. K. Gamble** is currently the HR Training and Development Manager for a non-profit operating foundation in the Texas Hill Country and is a member of the Project Management Institute (PMI Alamo Chapter). B.K.'s career was focused in the Information Technology arena for over 25 years; she jumped on the Project Management band wagon 15 years ago.

B. K. has a B.S. in Computer Science, a M.B.A. in Information Systems, and has held the Project Management Professional (PMP) certification since 2001. She recently acquired the PHR certification. B. K. has varied interests but considers herself to be a "life-long" learner and seeks opportunities to improve herself by learning new skills and serving others.

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