

## ***Boosting Organisational Value Through Smarter Portfolio Management<sup>1</sup>***

### **Success Factors and Summary<sup>2</sup>**

By Iain Fraser

#### **Portfolio Management Success Factors**

To be successful and sustainable in the use of smarter portfolio management, your organization and its portfolio leaders must:

- Influence and intimately understand the organisations strategic vision, its purpose together with related business objectives.
- Use a value management framework as the overarching mechanism to consider and determine each portfolio content. Use this overarching mechanism to link strategic planning, portfolio planning and investment financing together.
- Establish critical success factors and a forward path for determining and managing each portfolio and its direct relationship to one or more of the organizations' business objectives.
- Consider all of the organization's work needs including portfolio, programs of work and project components. Seek to include BAU work in your portfolios, so it gets implemented via various programs of work.
- Satisfy yourselves that the required human capability (skill sets) and capacity (volume) are present or easily sourced from an existing supply chain partner or other entity.

Whilst planning at a business unit level can produce a desirable output in terms of a multi-year business plan it is often not strategic. Too often it seems that those plans go wrong in that they are not fully planned, communicated or implemented, which then causes confusion throughout the organization. This means that performance results are not complete in terms of meeting business objectives, or the needs of shareholders and stakeholders. Value is thereby lost. The

<sup>1</sup>This series of articles on smarter portfolio management are based on Iain's book "[The Business of Portfolio Management: Boosting Organizational Value Through Portfolio Management](#)", PMI, 2017.

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use of smarter portfolio management that's guided by a value management framework will result in a strategy and a business plan that is more holistic, robust, and easier to communicate through the organization and, critically, one that can be focused upon easily, modified if need be, and delivered quickly and effectively through program of work and project activity.

## Portfolio Management Summary

A modern portfolio management approach can lead to significant business performance improvement. However, caution is offered re the capability and P3M maturity of your organization. An approach to portfolio management that has the right organizational culture, business leadership capability and an EPMO that is staffed by highly capable people will work, add value and contribute towards sustained organizational performance. I term portfolio management as '**this is how we do business**' because it blends opex and capex investment into a more holistic, more efficient and balanced approach to the implementation of strategy. It protects and enhances current value and facilitates the creation of added and new value. A common mistake is that program of work and project practitioners are given responsibility to introduce portfolio management. They tend to adopt a process mentality that is based on theory or a 'flavor of the moment' solution. Those, while having good intention, usually fail due to the lack of strategic or business savviness.

The ongoing VUCA influenced world will likely create more vulnerability to your organisation through globalization, geo-political, environmental, or technology aspects. Be ready, be agile and lean, simplify, and use value-driven smarter portfolio management to get ahead.

## Previous Articles in this Series

Fraser, I. (2020). Boosting Organizational Value Through Smarter Portfolio Management: Portfolio Management Metrics and Reporting; *PM World Journal*, Vol. IX, Issue X, October. Available online at <https://pmworldlibrary.net/wp-content/uploads/2020/09/pmwj98-Oct2020-Fraser-portfolio-management-metrics-and-reporting.pdf>

Fraser, I. (2020). Boosting Organizational Value Through Smarter Portfolio Management: Portfolio Management Techniques and Tools; *PM World Journal*, Vol. IX, Issue IX, September. Available online at <https://pmworldlibrary.net/wp-content/uploads/2020/08/pmwj97-Sep2020-Fraser-portfolio-management-techniques-and-tools-series-article3.pdf>

Fraser, I. (2020). Boosting Organizational Value Through Smarter Portfolio Management: Organizational Context, Strategy, Operations; *PM World Journal*, Vol. IX, Issue VIII, August. Available online at <https://pmworldlibrary.net/wp-content/uploads/2020/07/PMWJ96-Aug2020-Fraser-portfolio-management-2-organizational-context-strategy-operations.pdf>

Fraser, I. (2020). Boosting Organizational Value Through Smarter Portfolio Management: Introduction, Overview, Enablers; *PM World Journal*, Vol. IX, Issue VII, July. Available online at <https://pmworldlibrary.net/wp-content/uploads/2020/07/pmwj95-Jul2020-Fraser-portfolio-management-introduction-overview-enablers-series-article2.pdf>

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**Iain Fraser**, Dip PPC, PMP, MoP, P3M3, PMI Fellow, Fellow PMINZ has over 30 years of global business, portfolio, program of work, project, and EPMO leadership experience from a variety of sectors such as oil & gas, telecommunications, power, banking, defence, government and technology. He is globally known for his expertise and in-sights on leveraging benefits from project-based management for business advantage. A former CEO, he is now an independent consultant, speaker and trainer. He is considered a thought-leader by his peers, has been featured on live radio, video and podcasts and has been quoted in The Times and The Telegraph of the UK. He is the author of the top-selling business book '[The Business of Portfolio Management—Boosting Organizational Value](#)' (PMI, 2017) and co-author of '[The Business of People: Leadership for the Changing World](#)' (Routledge, 2019) with Madeleine Taylor as well as other publications. More at [www.jacobite.co.nz](http://www.jacobite.co.nz)

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