Index

financial plans 83 Note: page references in italics refer to figures. guidance and templates 71, 73-4 performance management 10, 21 accuracy of forecasting 57, 73 achievability 11, 20, 57, 59, 74 portfolio manager's role 102 ad hoc implementation 45, 46 reliability 73 valuation of benefits 83 affordability 20, 48, 74 American Express 73 business change directors 30, 68, 74, 76, 102 business change impact evaluation, multi-level analytical hierarchy process 59 Ashfield District Council 14 portfolios 31 business change lifecycle 16, 71-3, 72, 91 Aston Martin 65-6 attractiveness 11, 57, 59, 74 review schedules 76 update downloads 89 balanced scorecards 33 business value and criticality matrix 63 balancing 62-6, 66, 101 baseline data 66, 67, 71, 74, 112 Cabinet Office 13, 35, 87 Cambridgeshire County Council 91 benefits categorization 53-6, 54, 55 categorization 79-80, 80, 111 benefits 79-80, 80, 111 portfolio definition and delivery cycles 48 mandatory projects 59 portfolio management 13-15 stakeholders 88, 89 strategic objectives' alignment with initiatives see also portfolio segmentation 32 - 5champion-challenger model 46-7, 72, 88 validation 79, 80 change delivery committees (CDCs) 29-30, 101 valuation 83 benefits calculation rules, Standard Chartered Bank change initiatives alignment with strategic objectives 32-7, 33, 38, 111 51-2, 53, 55 benefits eligibility rules 79-80 attractiveness and achievability 11, 57, 59, 74 benefits forecasts 101, 102, 103 inclusion in organizational portfolios 31 see also benefits modelling portfolio direction group's role 101 benefits management 79-83, 111-12 portfolio management objectives 9 benefits management framework 79, 102, 116 portfolio office's function 38, 51, 52 benefits managers 82, 102-3 staged/phased implementation 10 benefits-mapping workshops 35, 103 benefits modelling 34-5 see also categorization; prioritization climate, organizational energy source 47 see also benefits forecasts collaborative working xi, 22-3 benefits realization 9, 77, 102 financial management 67, 83 benefits realization plans 79, 81-3, 103, 116 Best Management Practice guides, MoP and 5, 6 performance management 67 portfolio balancing 63 'big bang' implementation 45, 46 portfolio direction group's role 101 Boston Consulting Group (BCG) 58 portfolio director's role 102 bottom-up approaches 51 risk management 85 Bruch, H., and Vogel, B. 47 stakeholder engagement 88 'bubble' matrices 59, 60, 61 budgeting 15, 20-1 strategic planning 51, 67 comfortable energy 47 see also financial management communication 27, 46, 88-90, 101 business as usual (BAU) 15, 19, 19 see also documentation; graphical business cases representations; stakeholder engagement change initiatives 33

connection, organizational energy source 47	staged/phased implementation 10
consultation see collaborative working; stakeholder	DICE® scores 58
engagement	documentation
content, organizational energy source 47	business case guidance and templates 73
context, organizational energy source 47	portfolio-level 115–16
continuous improvement 47	portfolio strategies 90–1
control limits, financial management 83	programme and project information template
corporate governance see organizational	107
governance	see also benefits management framework;
corporate standards see standards	benefits realization plans; delivery plans;
corrosive energy 47	portfolio dashboards; portfolio financial
cost-effectiveness, portfolio management 10	plans; portfolio management frameworks;
Cranfield Information Systems investment portfolio	portfolio resource schedules; portfolio
53	strategies; stakeholder engagement and
Criminal Justice System Information Technology	communication plans
(CJS IT) 56, 80–1, 89–90	driver-based models 21, 33–5
criticality and complexity matrix 63	Driver and Vehicle Licensing Agency (DVLA) 82
decision-conferencing 36, 60	East Hampshire District Council 36
decision-making	employee engagement 41, 88
senior management and 27	energized change culture 41–2, 102
see also governance	see also organizational energy
delivery	energy states 47
business change lifecycle and 71, 72	Enterprise Portfolio Management Council 93
categorization and 53	entry criteria, categories 53
portfolio definition cycle output 48	escalation procedures
portfolio direction group's and progress group's	management control 71
role 101	multi-level portfolios 30
portfolio-level review content 77	portfolio benefits manager's role 103
portfolio management objective 9	portfolio governance 91
portfolio office's function 38, 39, 63, 91	portfolio manager's role 102
see also change delivery committees (CDCs);	portfolio progress group's role 101
delivery plans; implementation; portfolio	risk management 85
delivery cycles	see also management by exception
delivery confidence assessments 57–8, 58	estimating 73
delivery plans 48, 66–8, 115	European Parliament 56, 61
as baseline 66, 67, 71, 74	evolutionary implementation 45, 46
benefits realization plans 81	
business change directors 68, 102	financial management 67, 77, 83–4, 85
financial plans 84	see also budgeting; estimating; investment
portfolio direction group's role 101	appraisal
portfolio manager's role 102	financial metrics 56–7, 83
portfolio office's function 38, 67–8	see also investment appraisal
portfolio progress group's role 101	financial plans 83, 84, 116
staged/phased implementation 10	forecasting
demand, resource management 92, 93	costs and benefits 10, 57, 73, 83
dependencies maps 63	resource availability 92
dependency management 21, 85–7	
portfolio-level review content 77	gap analysis 52
portfolio manager's role 102	gap closure 92
portfolio office's function 38, 85	governance
portfolio progress group's role 101	energized change culture 41

role descriptions 30 see also organizational governance; portfolio transformational flow 12 governance multi-criteria analysis (MCA) 56, 57 graphical representations 63 multi-level portfolios 30-1 see also portfolio maps National Audit Office 27 health check assessments 77, 97-8 Heintzman, R., and Marson, B. 34, 34 net present value (NPV) 56 Highways Agency 72 HM Revenue and Customs (HMRC) 29, 36, 60, 72 objectives Home Office portfolio dashboard delivery portfolio management 9 assessment 77 see also strategic objectives 'one version of the truth' 74 optimism bias 57, 73, 83 impact assessment, portfolio management 119 organizational energy 13, 41, 47, 47 implementation 10, 13, 45-6 organizational governance 13, 15, 24, 29-30, 90-1 see also delivery; post-implementation reviews organizational portfolios, change initiative inaccuracy of forecasting 57, 73 inclusion 31 incremental implementation 46 information technology see software initiatives see change initiatives P3M3® 3, 6, 47, 71 P3O model 6, 38-9, 39, 46 internal rate of return (IRR) 56 pair-wise comparisons 36, 59 investment appraisal 'parent' and 'grandparent' portfolio reviews 31 data reliability 73 payback, prioritization metric 56 portfolio benefits manager's role 102 performance management portfolio direction group's role 101 business cases 10, 21 portfolio manager's role 102 collaborative working 67 reviews 38 portfolio-level review content 77 staged/phased implementation 10-11 templates 74, 75 portfolio management and 15, 21 portfolio office's function 39 investment committees (ICs) 29-30, 101 investment criteria 10-11, 83 stakeholder engagement 88 see also portfolio dashboards categorization and 53, 55, 56 IT see software performance monitoring 10, 112 PESTLE analysis 52 Peterborough City Council 78, 78, 84, 92-3 Jeffery, M., and Leliveld, I. 13 planning portfolio definition cycle 66-8 key performance indicators (KPIs) 112 see also strategic and business planning Porter's five forces analysis 52 management by exception 16, 71, 74 see also escalation procedures portfolio, definition ix, 11 portfolio benefits management framework see management control 71-9, 91 benefits management framework mandatory projects, prioritization 59 portfolio benefits manager see benefits managers media 89 portfolio benefits realization plans see benefits metrics 21, 33, 119 realization plans see also financial metrics portfolio boards 30 Ministry of Defence 61-2 portfolio dashboards **MIT 13** benefits management 79, 81, 82 monitoring see progress monitoring dependency management 85 MSP (Managing Successful Programmes) 6, 16 benefits management 79, 80 example 76 financial management 84 benefits modelling and value profiling 35 Home Office 77 'programme' and 'programme management'

definitions 11

management control 71, 74, 76

portfolio dashboards continued portfolio benefits manager's role 103	stakeholder engagement and communication plans 88
portfolio manager's role 102	portfolio management model 12–13, 12
portfolio office's function 38, 74	see also portfolio management principles
purpose and content 116	portfolio management practices ix, 12–13, 102
risk management 85	portfolio management principles ix, 27–42
portfolio definition cycles x, 45, 48	portfolio managers, role description 102
portfolio direction group's role 101	portfolio maps 59, 60, 61, 63, 66
portfolio management model 12, 13	portfolio offices 38–40, 91
practices 51–68	balancing 63
portfolio delivery cycles x, 45, 48	change initiatives 38, 51, 52
portfolio management model 12, 13	collaborative working xi, 22–3, 51, 63, 67, 85, 88
portfolio progress group's role 101	delivery 38, 39, 63, 91
practices 71–93	dependency management 38, 85
portfolio delivery plans see delivery plans	information collection 51
portfolio direction groups (PDGs) 29–30, 101	management control activities 72–3
portfolio directors 30, 68, 74, 76, 102	multi-level portfolio governance 31
portfolio effectiveness reviews see portfolio-level	portfolio dashboards 38, 74
reviews	portfolio delivery plans 38, 67–8
portfolio financial plans 83, 84, 116	portfolio director's role 102
portfolio governance 10, 29–32, 29	portfolio governance 30
budgeting 21	portfolio strategies 38, 67–8
portfolio management frameworks 30, 73, 91	progress monitoring 38, 74
portfolio-level documentation see documentation	reporting 38, 63, 74
portfolio-level reviews 71, 76, 77	role in reviews 38, 51, 72
benefits management 79, 81	stakeholder engagement 88
portfolio benefits manager's role 103	standards 38, 71
portfolio direction group's role 101	portfolio progress groups (PPGs) 29–30, 101
risk management 85	portfolio resource schedules 92, 116
sustaining progress 47	portfolio segmentation 36, 56, 83
portfolio management ix–16	see also categorization
budgeting 15, 20–1	portfolio skills registers 92
definition ix, 11	portfolio strategies 66–8
health check assessment 97-8	as baseline 67, 71
impact assessment 119	business change directors 68, 102
performance management and 15, 21	documentation 90–1
resource management 20–1	portfolio definition cycle output 48
staged/phased implementation 10, 46	portfolio direction group's role 101
strategic and business planning 15, 19-20, 20	portfolio manager's role 102
strategic objectives and 9, 19–20, 32–3, 36, 51–2	portfolio office's function 38, 67–8
portfolio management cycles ix, x, 12–13, 45–8	purpose and content 115
see also portfolio definition cycles; portfolio	post-implementation reviews 10, 73, 79, 83, 103
delivery cycles	PRINCE2™ 6, 12, 16, 30
portfolio management frameworks	prioritization ix, 56–62
management control processes 71, 73, 91	categorization and 53
portfolio direction group's role 101	information reliability 73
portfolio director's role 102	investment criteria 10–11
portfolio governance 30, 73, 91	performance monitoring 10
portfolio manager's role 102	portfolio direction group's role 101
purpose and content 115	portfolio manager's role 102
risk management strategy 85	portfolio segmentation 36, 56
	risk management 85

senior management and 27	balancing 63
strategic objectives and 33	categorization and 53
value profiling 34	multi-level portfolios 31
prioritization reviews 38	portfolio direction group's role 101
productive energy 47	portfolio director's role 102
programme, definition 11	portfolio-level reviews 77
programme management	portfolio management and 13, 15, 20-1
definition 11	portfolio office's function 38
portfolio management and x, 11, 12, 13, 15–16,	portfolio progress group's role 101
21, 48	stage/phase gates and 74, 77, 83
portfolio offices and 38, 39	see also employee engagement; financial
programme and project information template 51,	management
54, 107	resource schedules 92, 116
programmes	return or attractiveness' 11, 57, 59, 74
portfolios and 12	reviews
see also change initiatives; P3O model	dependency management 86–7
progress	investment appraisal 38
sustaining 46–7	management control 71, 72
see also portfolio progress groups (PPGs)	portfolio direction group's role 101
progress monitoring 10, 38, 46, 71–9	portfolio office's role 38, 51, 72
see also reviews	portfolio progress group's role 101
	risk management 85
progress reporting 10, 71, 74–6, 103	
project, definition 11–12	stage/phase gates 76–7
project management	benefits management 79, 81
definition 12	benefits manager's role 103
portfolio management and x, 11, 12, 13, 15–16,	portfolio office's function 38, 72
21, 48	risk management and 85
portfolio offices and 38, 39	sub-portfolios 30–1
projects	see also portfolio-level reviews; post-
portfolios and 12	implementation reviews; prioritization
see also change initiatives	reviews; progress monitoring
public sector service value chain 34, 34	reward and recognition processes 46
	'risk or achievability' 11, 57, 59, 74
quick wins 10, 46	risk management 21, 38, 84–7, 101
	risk potential assessments 57
rating and weighting 36, 60	role descriptions 30, 91, 101–3
reference class forecasting 57, 73, 83	'run the business, change the business' 19
reliability see accuracy of forecasting	
reporting	scalability x
benefits management 79, 82	segmentation 36, 56, 83
consultation on formats 76	senior management 27–8, 88–9
existing information systems and 21	decision-conferencing 36, 60
portfolio benefits manager's role 103	energized change culture 41
portfolio manager's role 102	implementation 46
portfolio office 38, 63, 74	sustaining progress 46, 47
progress reporting 10, 71, 74-6, 103	service profit chain 34
risk management 85	service transformation agreement 35, 80
rules for 30	skills registers 92
see also portfolio dashboards	software 10, 47, 63
resigned energy 47	stage/phase gates
resource forecasting 92	funding release 11, 74, 77, 83
resource management 92–3	management control 71, 76–7, 91
Company Compan	

stage/phase gates continued
resource allocation 74, 77, 83
reviews 76–7
benefits management 79, 81
benefits manager's role 103
portfolio office's function 38, 72
risk management and 85
staged/phased implementation 10, 46
stakeholder categorization 88, 89
stakeholder engagement 13, 15, 87–90
champion-challenger model 46–7, 72
consultation on reporting formats 76
portfolio-level reviews 77
sustaining progress 46
workshops 89
see also employee engagement
stakeholder engagement and communication plans
88, 102, 116
Standard Chartered Bank, benefits management
guidelines 111–12
standards 71, 73, 85
portfolio benefits manager's role 102
portfolio office's function 38
resource forecasting 92
start gates 11, 77
strategic and business planning 15, 19–20, 20, 51,
67
strategic objectives
alignment with change initiatives 32–7, 33, 38,
51–2, 53, 55
balancing 63
categorization and 53, 55
pair-wise comparisons 59
portfolio management and 9, 19–20, 32–3, 34,
36, 51–2
portfolio office's function 38
sub-categories 53
sub-portfolios 30–1, 53
supply, resource management 21, 92, 93
sustaining progress 46–7
SWOT analysis 52
SVVOT dridiysis 52
top-down approaches 46, 51
'Tornado' diagrams 63, 64
training 72, 102
transparency 11, 13
Twitter 89
understanding portfolio definition cycle practice

validation
benefits 79, 80
estimates 73
valuation of benefits 83
value and cost matrix 63
value management 39
value profiling 34, 35
weighting and rating 36, 60

Weighting and rating 36, 60
Weill and Ross 13
workshops
benefits-mapping workshops 35, 103
stakeholder engagement 89

YouTube 89

51-2

Acknowledgements

The commissioners and publishers are grateful to the following for their contributions to the planning, design and development of this new Best Management Practice guidance.

Authors

Stephen Jenner Chair of the APM Portfolio

Management Specific Interest Group

Craig Kilford Cansoti.com

Project governance

Mike Acaster Project executive, OGC
Eddie Borup Senior user, BPUG
Janine Eves Senior supplier, TSO
Neil Glover Project manager, TSO

Richard Pharro Senior supplier, APM Group Ltd

Further contributions

A wide range of stakeholders were involved in the design and review of this guidance to ensure that it reflects best practice in this emerging field. Grateful thanks are due to the individuals and their organizations, set out below, for their contributions to the new guide.

Design review

Malcolm Anthony, PWC UK; Tim Banfield, National Audit Office; Nicky Bloomer, ACPO (Terrorism & Allied Matters); Richard Caton, London Borough of Hackney; Tim Ellis, Royal Borough of Kensington and Chelsea; Chris Hobson, Citi Ltd; Darren Hughes, HMP & YOI Reading; David Palmer, Home Office; Mike Pears, Department for Education; Stephen Tatler, HMRC; David Watkinson, Identity and Passport Service (IPS); Andy Woodward, NHS Connecting for Health.

Reviewers

Nicky Bloomer, ACPO (Terrorism & Allied Matters); Kevin Brooks, Treetops Training Ltd; James Butler, Program Framework; Marcus Byrne, NHS Walsall; Richard Caton, London Borough of Hackney; Graham Colborne, Silver Chain, Australia; Arthur Coppens, Getronics Ltd; Terry Dailey, Northamptonshire County Council; Alan Dickinson, The Knowledge Alliance; Tim Ellis, Royal Borough of Kensington and Chelsea; Alan Ferguson, AFA; Chris Ferguson, Novare Consulting Ltd; Dan Fisher, Cambiel; Ross Garland, Ross Garland and Associates; Peter Glynne, Deloitte MCS Ltd; Sarah Harries, Open Reach; David Hinley, Enodatum Ltd; Michael Hougham, GMEC; John Howarth, Tanner James; Piotr Kotelnicki, CRM plc; Kaye Law, Portfolio Office, SOCA; Kevin Ling, SureChange Ltd: Vincent Marsi, HiLogic; Bruce McNaughton, Customer Driven Solutions Ltd; Andy Miller, PWC UK; David Palmer, Home Office; Kevin Parker, UK Sport; Adrian Pyne, ProgM (the APM programme); Paul Rayner, Logica; Tim Reeks, HMRC; Michelle Rowland, A&J Project Management Ltd; Abubaker Sami Ali, Blue Nile Dairy Company, Sudan; Richard Sellwood, Catalyze; Rod Sowden, Aspire; Caroline Stanger, Stanger Consulting Ltd; Jennifer Stapleton, Outperform UK Ltd; Stephen Tatler, HMRC; Andy Taylor, Aquila Business Services Ltd; Dr Bernd Vogel, Henley Business School; Sue Vowler, Project Angels; David Watkinson, Identity and Passport Service (IPS); Phil Wilson, Catenary Solutions; Andy Woodward, NHS Connecting for Health.

Case studies and examples

Tim Carroll (Standard Chartered Bank); Heather Darwin (Peterborough City Council); Victoria Ford (DVLA); Paul Hirst (HMRC); Bob Kitchen (Catalyze); David Palmer (Home Office); Rob Parker (Pcubed).

One of the greatest challenges an organization faces is to manage the complexity of all the change programmes and projects it has in flight. The need to prioritize investment and focus on those projects that deliver the organization's strategic needs has never been more acute. All sectors face the continuing challenge to deliver more with less.

This new guide describes, in the portfolio definition cycle, how to identify the right programmes and projects to deliver and, in the portfolio delivery cycle, how to make sure they continue to meet the organization's strategic needs and provide the benefits they promised. The guide provides valuable insights for managers charged with delivering their organization's change initiatives, as well as practical guidance for those who have the task of day-to-day management of the portfolio of work.



in partnership with HM Government



