



WELCOME!

**PROJECT
MANAGEMENT
SYMPOSIUM**

April 18-19, 2024

University of Maryland

Project Management Symposium

NEXT SESSION

State of Project Portfolio Management in Practice

Te Wu

CEO & CPO, PMO Advisory
Associate Professor, Montclair State University
Standard Committee Chairperson, Project Management Institute



PROJECT MANAGEMENT
CENTER FOR EXCELLENCE

A.J. CLARK SCHOOL OF ENGINEERING
Civil & Environmental Engineering Department

This session will be recorded.

Project Management Symposium

State of Project Portfolio Management in Practice

Dr. Te Wu (PfMP, PgMP, PMP, PMI-RMP)



PROJECT MANAGEMENT
CENTER FOR EXCELLENCE

A.J. CLARK SCHOOL OF ENGINEERING
Civil & Environmental Engineering Department





Agenda

- Current State of Project Portfolio Management
- Purpose of this Study
- Survey Overview
- Preliminary Results – 10 Key Findings
- Summary of Findings
- What's Coming





Current State

- The state of project portfolio management is evolving.
- While “financial” portfolio management theories has been established in the 1950s, “project” portfolio management is more recent (around 2000).
- Today, there are about 2,000 PfMP credential holders.
- The future of portfolio management is **uncertain!**





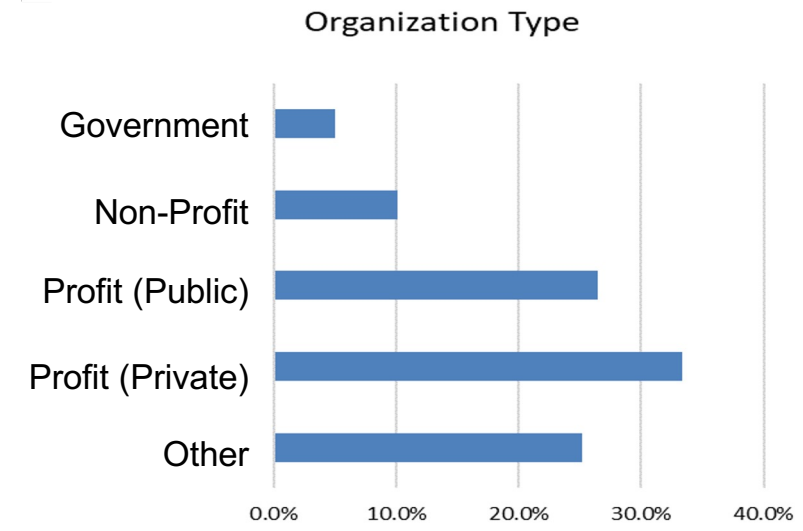
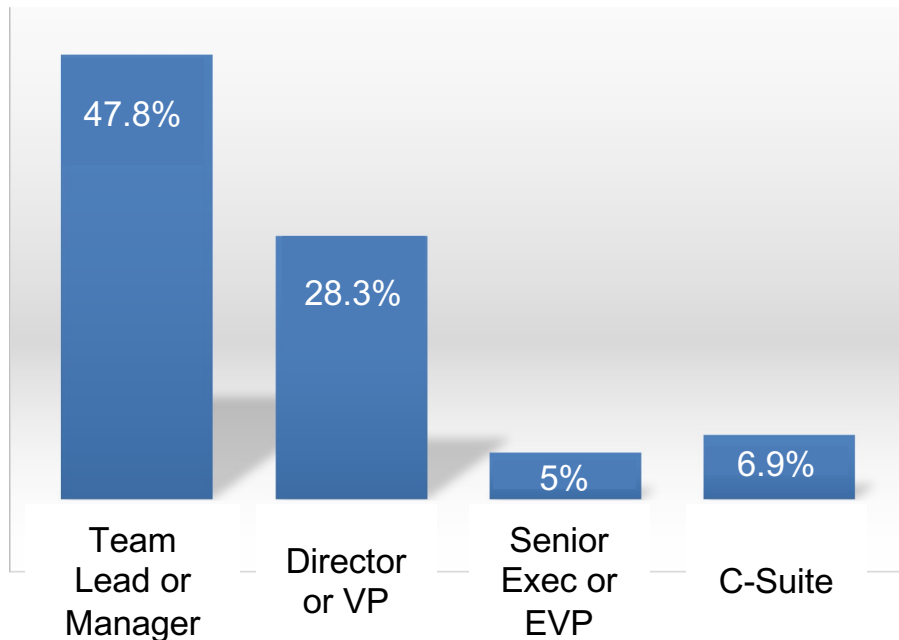
Landscape Study

1. Portfolio management practices can **differ widely** among practitioners and between theories and applications.
2. Most study assumes **optimal scenarios** in which rarely exist in practice.
3. Portfolio management's impact and value in the minds of senior executives are **limited** because of these gaps.





Respondent Profile



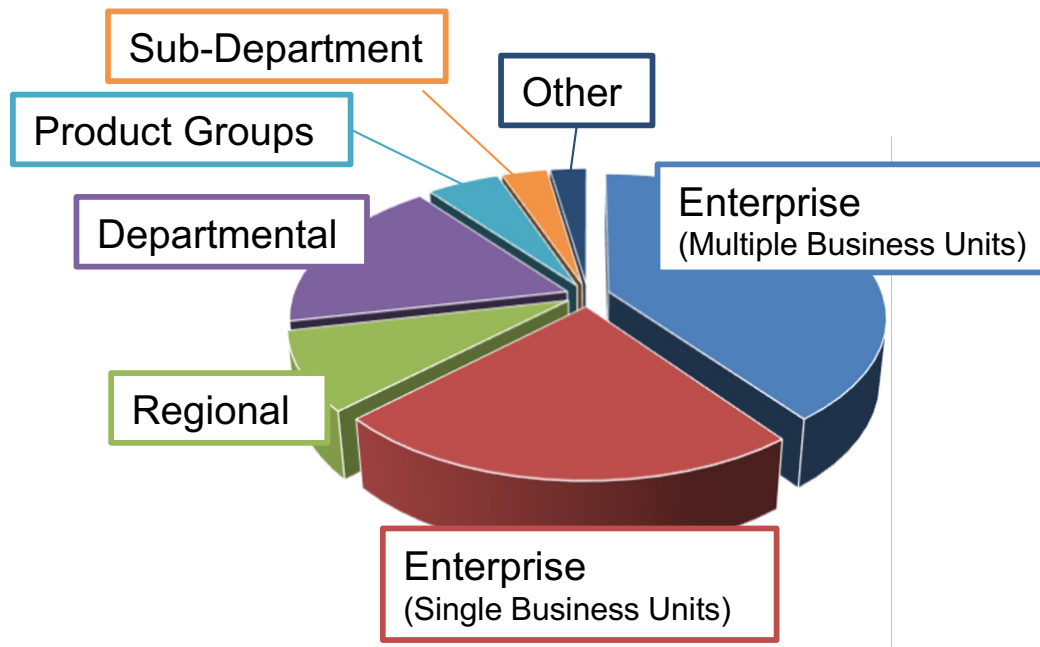


ORGANIZATION SIZE, BY NUMBER OF PEOPLE





Most Portfolios are Enterprise Level



Portfolios can exist at various levels across organizations

1. ~63% of the portfolios reside at the enterprise level.
2. ~18% of portfolios reside at a departmental level (e.g. IT, Product, etc.)
3. ~9% are organized regionally
4. ~5% are organized departmental

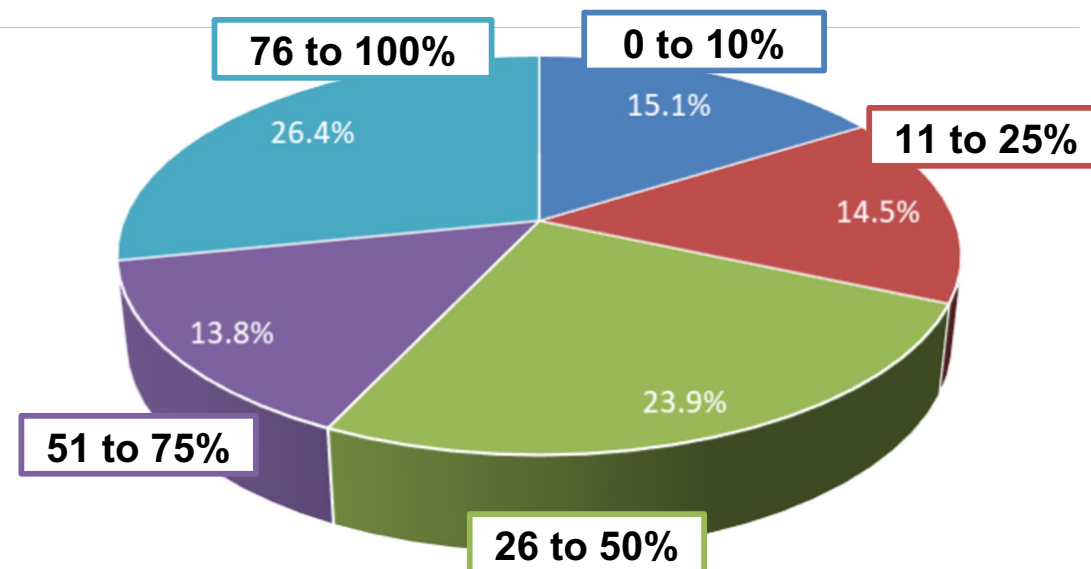




Usually NOT a full-time duty

Most portfolio managers have other responsibilities, other than portfolio management.

- 25% are dedicated full time to Portfolio Management
- 53% spend less than half of their time on Portfolio Management

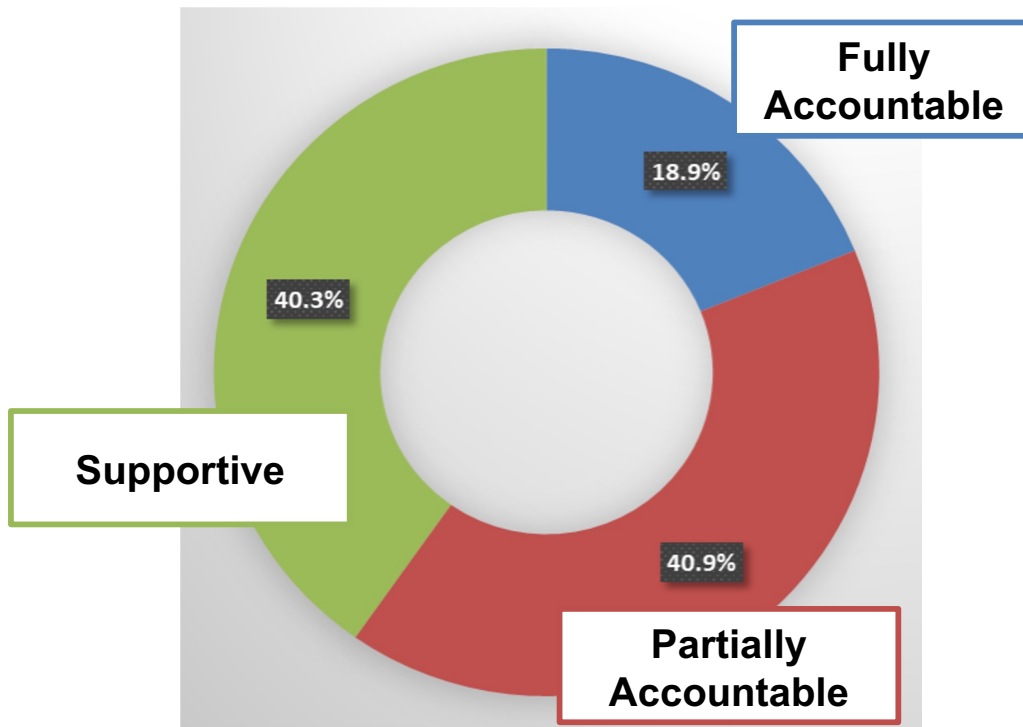


Insight: *The level of engagement on managing portfolio varies greatly among organizations.*





Managers do not “own” the portfolios



Insight: Portfolio managers have various level of accountabilities for their portfolios:

- A clear majority, or 80%, have **semi-accountability** or play supportive roles
- About 19% have **full accountability** for both the process and performance of their portfolios





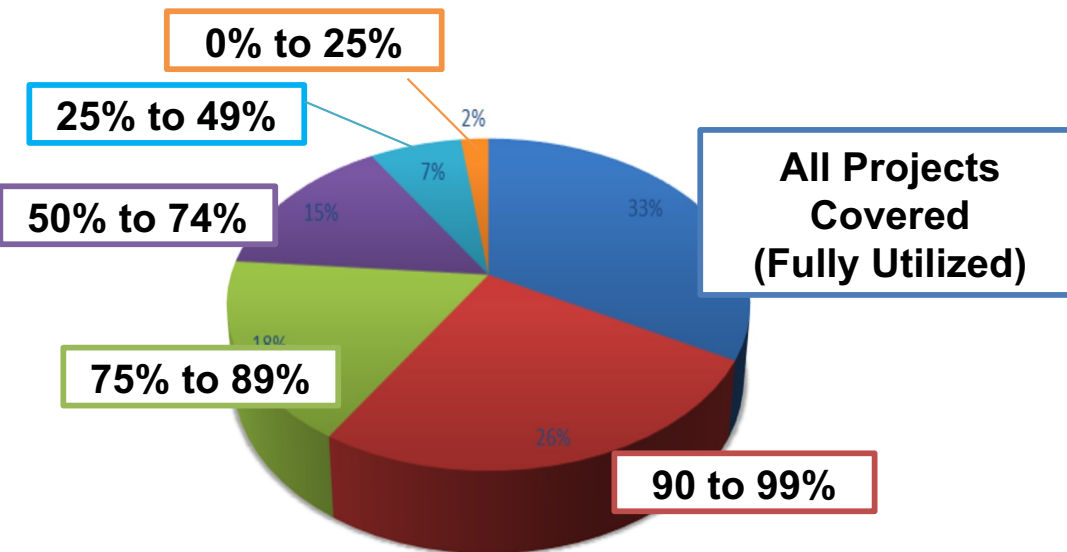
Primary Purpose is Usually Strategic Realization of Goals or Governance

Business Objective	% Highest Importance	PfM Business Objective Importance
Strategic realization of goals	48%	4.18
Governance / decision making	31%	3.95
Resource allocation	16%	3.66
Risk management	16%	3.53
Synergy among projects, programs, portfolios	16%	3.48



Usually Most Projects are Included...But!

What Percent of Projects are Covered By Portfolio Management?



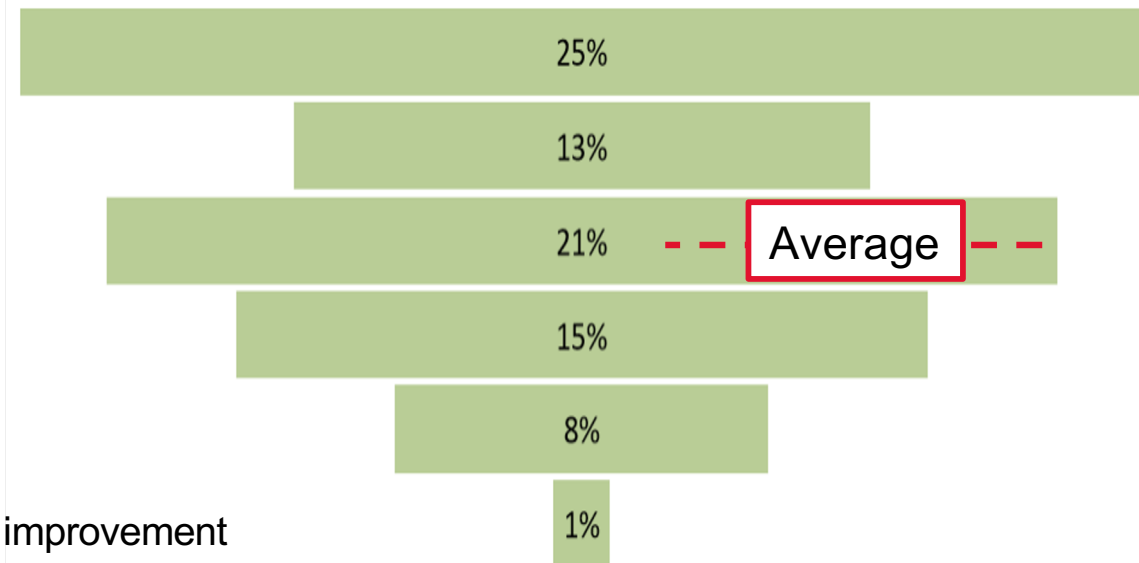
- **Big surprise**, even in organizations that instituted portfolio management, only 33% fully utilize this capability.





Portfolio Mgmt Maturity is Weak... Only 9% are Effective or Fully Mature!

- Level 0: No process or consistency
- Level 1: Some processes but lack structure
- Level 2: Standardized, but not efficient
- Level 3: Efficient, but not always effective
- Level 4: Effective with limited penetration
- Level 5: Highest level of maturity, continuous improvement



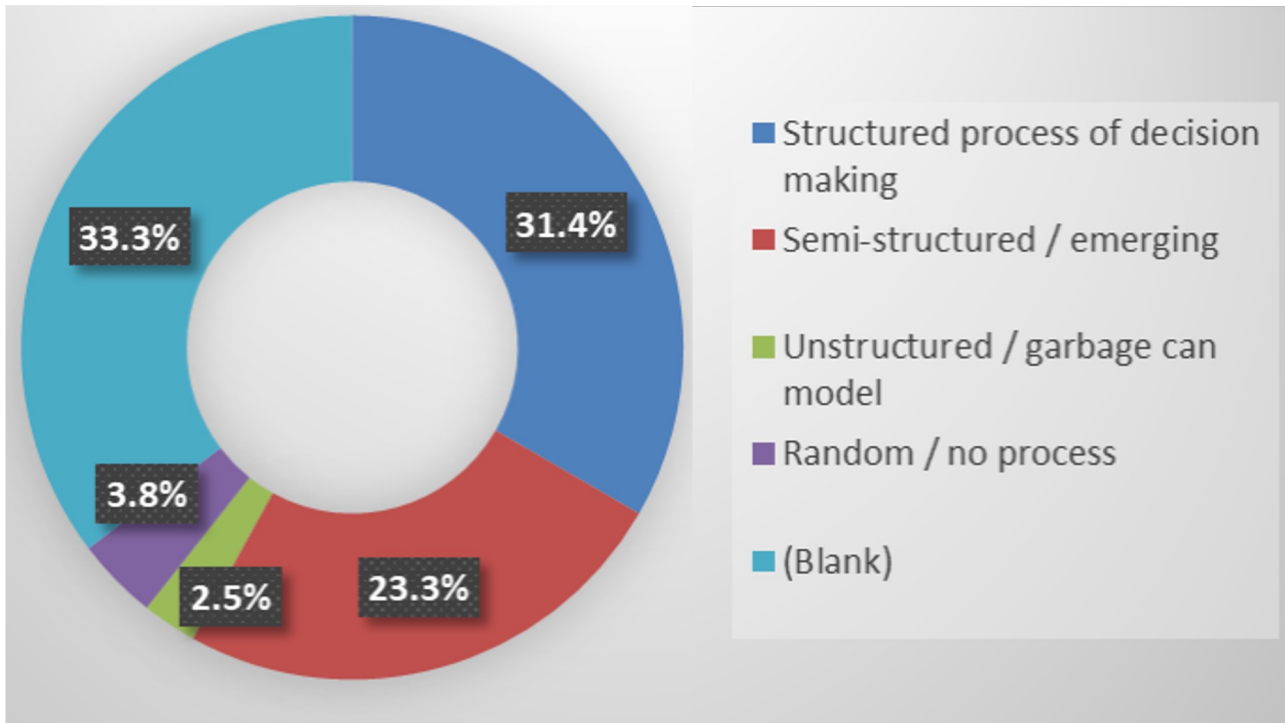
Insight: *The numbers clearly describe the situation. ...*

We have a long way to go – to make portfolio management more effective!





On a small majority have a Structured Process to Add/Delete Components



- Adding/Deleting component to portfolio is perhaps the most essential process. Yet...
- **Insight:** Only a small majority, 55% have either a structured or semi-structured process of adding/deleting components





Most Blend Internal Improvements and External Customer/Client Delivery

Most organization portfolios manage both internal and external concerns.

- Only 7% solely of *external facing* components
- Only 10% solely of *internal facing* components
- All other portfolios contain a variety of components

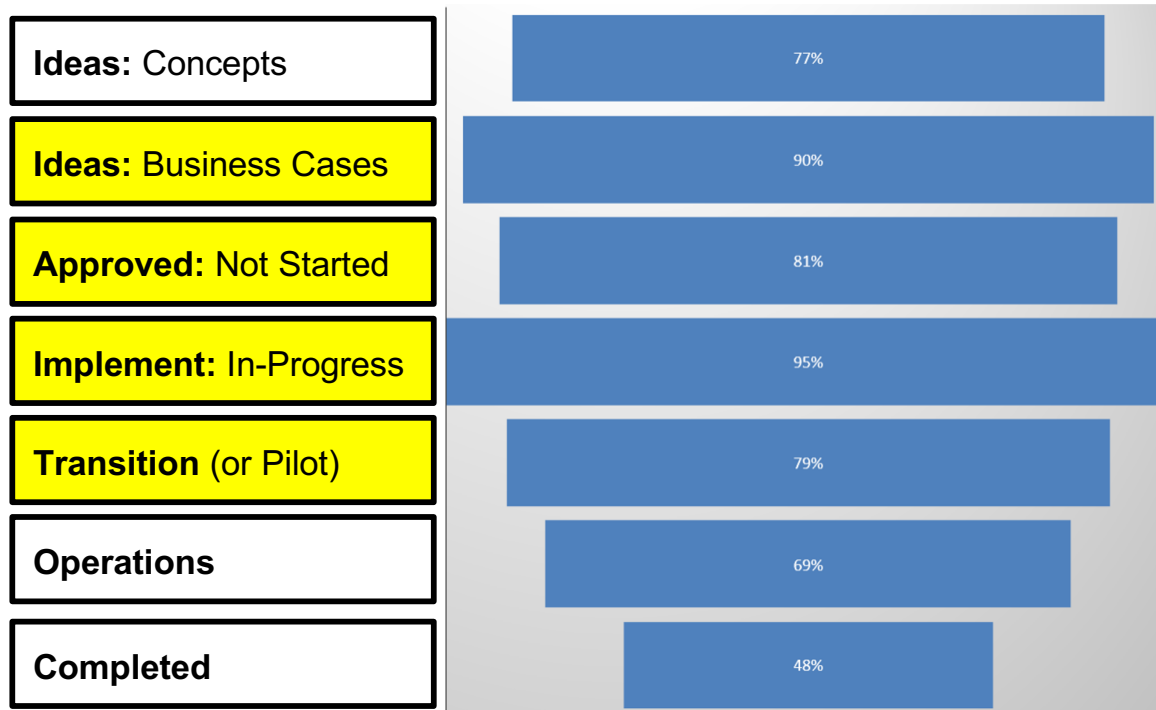
Examining the majority of the components in a portfolio

- 32% of components are external facing (e.g., client / consulting engagements)
- 16% of components are market facing (e.g. products designed for customers)
- 51% of components are internal, or for organizational improvements





And Most Track *Development* from Ideation to Transition; Fewer Track *Operations* or *Closure*



Insights. Common phases in portfolio management includes ideation, approval, implementation, and transition.

69% of respondents have Operation as a part of their portfolio life cycle.

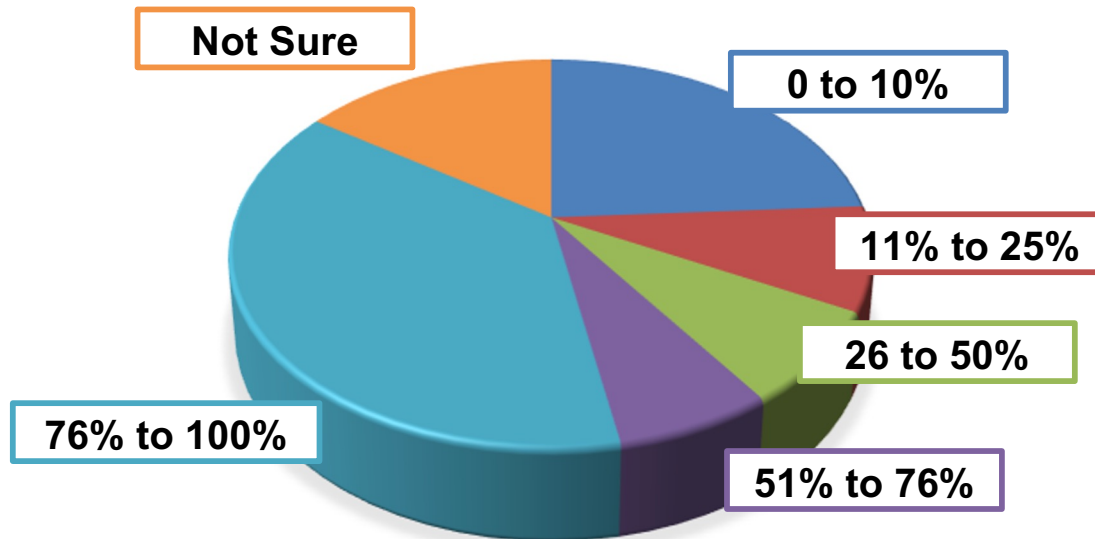
Even fewer, or 48% of respondents have completed components that are still managed as a part of the portfolio





Most of the time, Portfolio Managers fund 50% or more of Projects, because...

What Percent of Components Funded by Portfolio Manager?



- Nearly 25% of components are fully funded by portfolio managers.
- More than 15% of components are funded exclusive outside the portfolio manager's budget.
- About 15% are partially funded by portfolio managers and partially from other source.



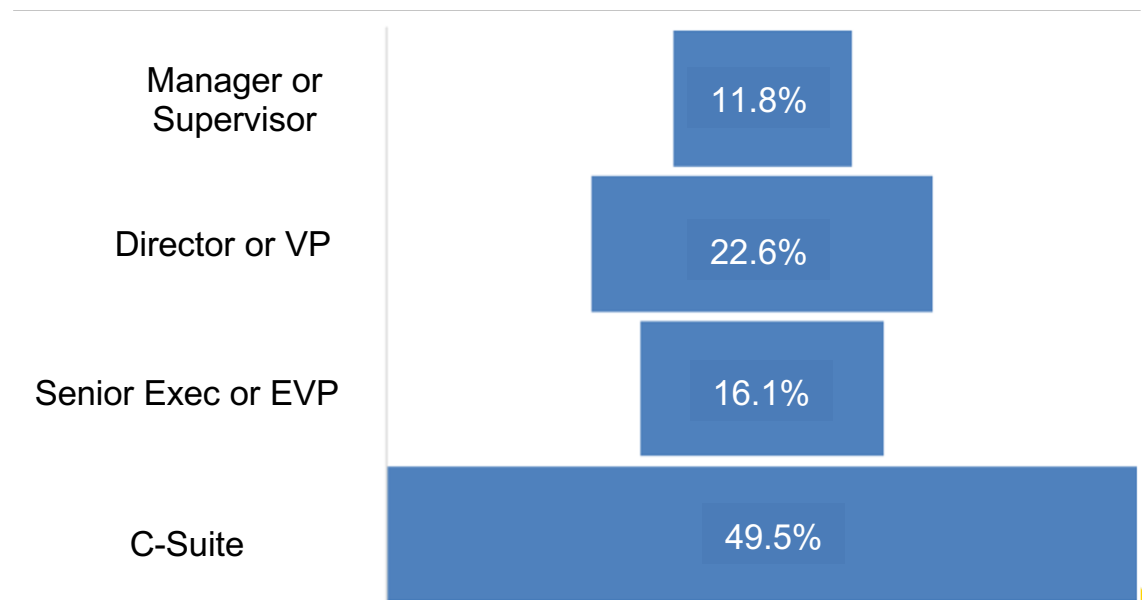


Most Portfolios are Governed at the Executive Level

Governance is still an emerging area.

Nearly 50% are governed at the C-level of organizations.

Perhaps not surprisingly, governance leans toward the upper echelon of the sponsoring organization.





Summary of Findings

- **Portfolio Purpose – Benefits and Control!**

- Primary Purpose is Usually Strategic Realization of Goals or Governance of work
- Most Portfolios are Enterprise Level and Governed at the Executive Level
- Blends Internal Improvements and External Customer/Client Delivery.

Goals are
Clear!

- **Portfolios Managers – Not the Main Job!**

- Usually it is NOT a full-time duty for the manager
- Most of the time, Portfolio Managers fund 50% or more of Projects
- But 80% of Portfolio Managers are partially or not accountable for processes and results

The Job Needs
a Professional!

- **Portfolio Management Processes – Long Way to Go..**

- There is usually a Structured Process to Add/Delete Components
- Most Projects are Included to Track Development from Ideation to Transition
- Some Track Operations or Closure
- Portfolio Management Maturity is Generally Weak...Only 9% are Effective or Fully Mature..
- We have a long way to go!

Then Portfolios
can become
Effective!





What's Coming

- **Technology advances** – digital transformation and AI revolution has already changed how we view the importance of data and its analytics
- **Agile portfolio management** – this has shifted from being a novelty to the mainstream
- **Linkages** between strategy, business architecture, and portfolio management - need to be tighter





What's Coming (Continued)

- **Value and Benefits Realizations** – Greater emphasis and re-envisioning value, such as ESG (environmental, social, and governance)
- Greater **clarity and distinction** between project, program, portfolio and other types of work – Enable organizations to apply the most appropriate approach









PROJECT MANAGEMENT
CENTER FOR EXCELLENCE

A.J. CLARK SCHOOL OF ENGINEERING
Civil & Environmental Engineering Department

About PMO Advisory

We are a PMI ATP:

- Training
 - PfMP and PgMP Bootcamps
- Consulting
- Organizing virtual summits

Virtual Summits

- Portfolio Management – 5/31/24
- Program Management – 10/1/24
- Leading Projects in a VUCA World – 12/6/24
- Rising to the Top: Becoming a Chief Project Officer – 1/31/25

2024 Project Management Symposium





PROJECT MANAGEMENT
CENTER FOR EXCELLENCE

A.J. CLARK SCHOOL OF ENGINEERING
Civil & Environmental Engineering Department

Upcoming Summit – Portfolio Management on May 31, 2025

PORTFOLIO MANAGEMENT SUMMIT 2024

May 31, 2024 | 10:00 AM to 5:00 PM U.S. E.T.

Please click the arrow to see the next banner

PRE-REGISTER NOW

ABOUT

Portfolio Management Summit 2024

Project portfolio management is emerging to become one of the most important developments in project management field for three primary reasons: 1) To stay competitive, organizations are striving to work on projects that are deeply aligned with their strategies; 2) To better tackle

Invitation Video: Portfolio Management Summit 2024
PMO Advisory



Use Coupon Code
“**UMD50**” to save 50%
off the registration fee.

Project Management Symposium





Contact Information

Evaluate Session

Name: Dr. Te Wu

Email: twu@pmoadvisory.com

LinkedIn: www.linkedin.com/in/te-wu

