

OGC Mandate for Commercialization of the Portfolio Management Guide

Background to the project

During the design workshop for *Portfolio, Programme and Project Offices* (P3O[®]), it became clear that while PRINCE2[™] and *Managing Successful Programmes* (MSP[®]) provided detailed guidance on project and programme management (PPM), there was no equivalent publication available on portfolio management. As an interim measure, OGC undertook to revise the portfolio management guidance originally developed for the centres of excellence initiative. This revised guidance was launched in December 2008 as a final public consultation draft, and was made available as a free downloadable PDF. Since then, the feedback on this document has been largely favourable, but it was felt that it would have more impact if the publication was expanded and supported by high-quality training (and possibly a qualification). Certainly, such a move would balance out the current support for P3O by having guidance and training at the three levels of portfolio, programme and project management.

Reasons for development

Following the feedback received verbally that commercialization of the guidance would be beneficial, it was decided to construct an expert group (reference group) to consider the development of a full guide and associated qualification. The reference group met and considered whether there was a need for such a development and, if so, what that development should be. The reference group recommended two publications:

- A short executive guide to be published quickly.
- Detailed practitioner guidance to be developed subsequently and supported by a foundation-level examination, with the potential to develop additional qualifications if the need was proven.

OGC requirements

To move the current portfolio management guide to the next logical stage of its development and produce a full guide along the lines of PRINCE2 and *Managing Successful Programmes*. The full guide should be of real benefit to those who currently implement, or are just starting to carry out, portfolio management.

Two audiences must be considered when developing this guidance:

- Board members and senior managers
- Practitioners working day-to-day.

Because of their different requirements, the proposal is to provide two products (an executive guide and a main guide), both written in plain English, with the main guide supported by a qualification. The requirements for the two products are that:

- The executive guide should be punchy, and written in language that senior managers and executive board members are familiar with. It must provide the business case for adopting a portfolio approach and highlight the consequences for an organization of not doing so.
- The main guide should be more detailed and aimed at practitioners who are more likely to be required to prove their knowledge and competency and so gain from an associated training and qualification scheme. It is recognized that these 'practitioners' currently exist in organizations as business planners, Programme/Project Management Office (PMO) officers, corporate strategy officers, organizational development staff etc.

Aims of the project

- To develop an executive summary on portfolio management suitable for boardroom use, telling them things that they don't already know (i.e. going beyond the obvious). In addition, it should focus on what they should expect from their managers and the benefits that will accrue.
- To develop a detailed practitioner guide aimed at those having to implement the portfolio management concepts coming from the boardroom. This need not be longer than the existing portfolio management guide, but it needs to be better pitched for its audience.

The need for the executive summary is pressing, in order to get the subject on the agenda during the downturn when investment is tight and organizations want to maximize the value of their change programme. The detailed guide can follow later.

Scope of the project

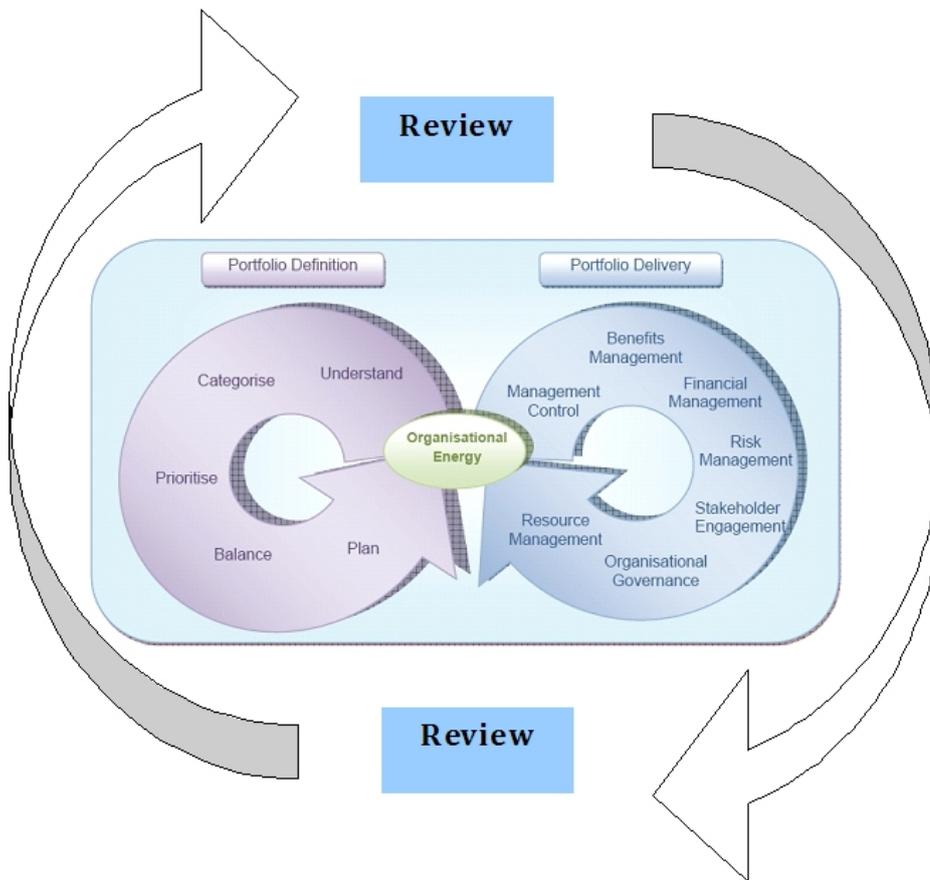
In scope

Executive summary:

- Language must be pitched at executive level and should not be technical; simplicity is key, not PPM-speak.
- It should be short – ideally four pages of A4 or a booklet of fewer than 10 pages.
- It should sound and look different from existing products.
- It should be ‘punchy’.
- Intended for leaders, not managers.
- It should give guidance and a strategic lead.
- The need for change should be emphasized – it is not about ‘business as usual’.
- The title is important; it should include the strategic concept, not portfolio management.
- It should include the P3O model and interface.
- It should cover the ‘glue’ between strategy and delivery of objectives.
- It should give a high-level picture for managing the process of delivering supports and supplement existing structure business process.
- It should be a key enabler for executive decision-making: ‘What you want to do?’ It may need more than your business plan.
- It must cover synergies and opportunities.

The full guide must cover the areas listed in the table.

Introduction	Strategic leadership Overarching statement – portfolio of change and business-as-usual Why bother? What are the benefits? Business delivery and performance Recession Budgetary pressures Risk (drawing out threats and opportunities as per M_o_R®) Strategic objectives (Departmental Strategic Objectives (DSOs) and Public Service Agreements (PSAs))
What portfolio is/is not	Cement between business planning and delivery
What is required to introduce effective portfolio management?	Do not underestimate the amount of change (time and pain) Do not underestimate the return optimized business
Portfolio management	Are we making the right changes? Why are we doing this? Are we delivering too much? Better sight of overall scale of enterprise Threats/challenges <ul style="list-style-type: none"> ○ Better sight of key risks/issues/opportunities ○ The synergies and opportunities to optimize ○ Reduce contradictions ○ Cost-cutting Strategic alignment Capability/capacity/resource allocation Skills/knowledge/experience requirements More effective assurance architecture Framework for governance Portfolio management is about strategic thinking. It does not deliver outcomes; these are delivered through PPM.



The practitioners' guide should be similar in scope/size to the existing portfolio management guide; i.e. no more than 100 pages. In addition:

- It must align with the executive guide.
- It is about alterations and additions to **existing processes** in organizations and adapting to existing organizational processes.
- It should build on what is in the existing guide, reduce repetition and expand more on how to implement it.
- If possible it should follow the *Managing Successful Programmes/PRINCE2* model.
- It should cover the principles, for example:
 - Setting the track
 - Are we on track?
 - Is it still the right track?
 - Means of breaking down silos
 - Use the principles broadly as they are currently in the *Portfolio Management Guide*: there is no need to start again with a document that has been broadly well received.
- It should cover the process framework; the existing two-cycle model is still suitable but a review cycle through both 'definition' and 'delivery' is needed.
- It should emphasize that the vision is owned higher up but the framework is owned by, for example, the change director.
- The funnel diagram might be helpful to show filtering out of change project to optimize balance
- With controls, it needs to consider the interface to services and functions provided by a P3O model.
- The cycle needs to cover:
 - Define, categorize, prioritize, balance and rebalance
 - Assure, shape challenge, test impact and assertion/assumption.
- The cycle needs to fit with existing structures, business planning cycles, corporate governance, monitoring and feedback, performance management, business planning and reforecast, strategic risk management, supplier management, knowledge management, budgets, finance and resource managements.
- Most of these are covered in the existing two-cycle model, so perhaps there are cycles within the overall cycle, but the impact of doing portfolio management needs to be reviewed.
- The need for ownership should be covered, as follows:

- Sponsorship
- Change director role.
- It should cover the need for a portfolio office, its role and accountability.
- It will also be the basis for any associated qualifications; for example, at foundation and/or practitioner level.
- It should recognize that some organizations do not have 'clearly defined strategic objectives with associated targets and measures'; therefore the whole of portfolio management cannot be based on this.

Out of scope

- Substantive changes to P3O.
- Stylistic changes to definitions in the common glossary.
- Detailed descriptions of techniques where there are a variety of well-documented approaches that can be referenced.

Quality criteria

The guide must meet the following criteria:

- Written in plain English and idiom-free.
- Aligned to existing OGC Portfolio, Programme, Project and Risk Management (P3RM) guidance, in particular PRINCE2; *Managing Successful Programmes*; *Management of Risk*; *Portfolio, Programme and Project Offices* ('alignment' could be defined as 'must not contradict').
- Beneficial to the end-user as defined above.
- Meets the aims of the project as set out in this document.
- Aligns with HM guidance:
 - Green Book
 - Orange Book
 - Corporate Code of Governance.

Quality method

Quality assurance will be carried out by the review group to be established by TSO. This will comprise experts from public and private sector organizations including training organizations. It will be managed by TSO for the guidance and APMG for the qualification elements.

The detailed scope of the products will be confirmed by OGC after the design workshop. This will follow the appointment of the lead author and will comprise members of the review group responding to the initial product description produced by TSO and the lead author.

Next steps

Once the scoping document has been issued, TSO will use this as the basis for the initial product description with the selected lead author.

The product description will be refined through a design review workshop to validate the approach and coverage.

Role	Responsibility	Members
Reference group	Provide expert input to the OGC for the production of the mandate. Review the product description to ensure it will deliver a product as outlined in the mandate.	As listed in Appendix A.
Design review group	Confirms approved changes have satisfactorily been made.	Final approval lies with OGC, but needs support/recommendation from the design review group to ensure we have a valid product description. Sign-off also required from: Janine Eves – senior supplier (TSO) Richard Pharro – senior supplier (APM Group).
Review group (appointed by TSO by invitation)	Provides an advisory role to the project manager, lead author and authoring team. Validates and approves the detailed scoping document. Validates and approves the authoring work packages. Quality reviews the draft publication(s).	Composition to be confirmed but will comprise subject matter experts and representatives from the accredited training community and those with experience of designing examinations and qualifications.
Project manager	Manages the day-to-day operations of the project, recruits authors and reviewers.	Neil Glover – TSO.
Lead author	Assist with the creation of the scoping document. Co-ordinate the team of authors if deemed necessary.	To be appointed.

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