

Strategic alignment of the project portfolio

Business



A programme of work for the implementation of a strategy is a large set of coherent guidelines that include several activities in the program so as to achieve certain objectives. It involves several processes including organising, coordination, developing, designing, training, building, etc.

In any program strategy for a project, the objectives of the organisation play a very important role. The project program strategy gives importance to the manager that would be responsible for carrying out the operations of the project, the timing and the nature of the activities, and the dealing with specific tastes of the customers. Project program strategy is highly specific to a project. However, there may be more than one strategy to be employed to meet the objectives of the project (Walter, 1999). For each project in an organisation, the program of work is managed independently. A project individual would be looking at several limitations in the resources, including time, money and the scope.

Each project manager would be determining the ongoing processes in the project through monitoring and evaluation of the performances (Brentani, 2003 & Rad, 2006). Portfolio of the project management is an approach in which various projects in an organisation are treated as smaller portions of a much larger venture (with respect to investment and resource allocations). The project portfolio management would be functional right from the initiation of the project to the completion. Certain instruments are utilised in the portfolio project management including planning, allocation of resources, evaluation, monitoring, analysing, standardization, etc. Project portfolio management is a centralised instrument that can be utilised to study the performance of several projects that may run in an organisation.

It can be utilised to compare and contrast various projects. One very important feature of project portfolio management is to determine the costs, expenditure, benefits, investments and other features of the project (Oracle, 2007). A portfolio management system would be much broader and would include several other processes such as defining the opportunities, bringing those projects into the focus that would be able to achieve some objectives, strategising, monitoring of the projects, etc (Brentani, 2003 & Rad, 2006). A portfolio management system is often utilised by an organisation to bring about success in the project. Organisations are becoming more and more suited to handle multiple projects and hence, in large organisations it would be observed that collective projects would be going on simultaneously.

An organisation would observe that the resources available at any point of time would be less than the amount of resources required by a particular project. Hence, one of the main objectives of the portfolio managers would be to effectively manage the resources of several ongoing projects. The organisation should identify the projects that are most critical and accordingly set its criteria. The management of the organisation needs to sit and figure out what the commitment of the organisation would actually be. As management of an organisation is a dynamic process, this exercise has to be done from time to time. Besides, actually managing several resources including human resources, logistics, IT, support systems, etc, time also needs to be handled.

The amendment should be very much interested in ensuring that the portfolio management processes are enabled properly. There could be a lot of changes in the corporate culture, which need to be taken care of. The <https://assignbuster.com/strategic-alignment-of-the-project-portfolio/>

organisation should ensure that the interests of each and every project are enabled. A proper flow of information of the project should exist so that the process of monitoring is effective. The organisation should be able to view the several priorities and associations that exist between the projects.

The main target of each project would be to fulfil the objectives required and thus ensure that the goals of the organisation are brought about. It is very important the projects be managed in a formal and official manner. The data that would be flowing would be much more accurate and effective in ensuring the objectives of the organisation are met. There should be a clear flow of data between the programs, projects and the portfolios (Brentani, 2003 & Rad, 2006). In the portfolio management, all the projects that are ongoing in the organisation are chosen and a standardised fashion of evaluating them is utilised. The goals and the strategies to be adopted in the portfolio management are made keeping in mind the characteristics of the organisation.

The organisation has to keep in mind that the individual projects that are ongoing in the organisation. One important thing to note that although certain modifications are made in the projects, the overall objectives of each project unit should be for the welfare and the benefit of the organisation. In the portfolio management, several modifications may be done with the strategies, objectives and the processes that may be existent in the projects. As the process of portfolio management is a very much a dynamic process, the decision-making process has to be very active. The resources allocation may be modified from time to time depending on the performance.

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One difficulty that exists in the portfolio management of the project is that several projects that do not share the same processes and objectives may work simultaneously, and it would be the task of the managers to identify common objectives. At any given point of time, a project may come into the portfolio and at any point; the managers may remove a project from the portfolio. Frequently, the organisational success would be the manner in which the portfolios of various projects are managed. An organisation should be in a position to run several projects simultaneously (Brentani, 2003 & Rad, 2006). Many organisations do not have any portfolio management process running.

Only the companies that feel that research frequently perform it and development is vital for the well being of the company. Only about 10 % of all organisations in the industry do have a strong portfolio management system in place. If a portfolio management system were not in place, then all the projects in the organisation would be given equal amount of importance or authorisation. This would result in all the projects that are going on in the organisation are given equal amount of resources. Any priority areas would not be identified, and hence there would not be a more equitable distribution of resources.

The managers of one project may be in conflict with the other over the prioritisation issues. As the areas in which the resources are to be spent are not identified and accordingly allocated, the organisation would be losing its effectiveness. The organisation would be suffering financially (Brentani, 2003 & Rad, 2006). In an organisation, the project or the program manager would ensure that the project is successful and effective in achieving its

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objectives. On the other hand, the portfolio manager would ensure that the operational activities and the maintenance programs in the organisation are smooth and functional.

The team leader and the middle scale managers usually do the project management. On the other hand, the higher staff members including the administration do the portfolio management. The higher management of the organisation would be concentrating on the portfolio, rather than the functioning of each individual project (Brentani, 2003 & Rad, 2006). In a project or a program management, the team leaders and the manager would ensure that the staff members meet the specific goals of the project. The organisations main aim would be to deliver quality products or services. The portfolio manager would instead be ensuring that the goals of each and every project are in tune with that of the organisation.

In the project management, a lot of importance is given to completing the tasks on time and ensuring that costs are limited. On the other hand, the portfolio management would be concentrating to a very less extent on fulfilling completion tasks on time and using the minimal amount of resources (Brentani, 2003 & Rad, 2006). The project or the program management should work in coordination with the portfolio management to ensure that the expenditure, financial resources and the human resources of the projects suit the very objectives of the project (and also that of the organisation). Several processes in the project such as selection of the resources, prioritisation of the targets of the project, and the resource allocation should be performed in the most appropriate manner. The decision-making of the project needs to be very active and dynamic in <https://assignbuster.com/strategic-alignment-of-the-project-portfolio/>

nature. Informed decision-making and resource allocation is very important for the project to function properly.

The project or program manager has to ensure that certain structures or a framework in the organisation is in place before the functional activities can be carried out. The project environment should be such that the objectives kept in mind can be achieved. The program manager and the portfolio manager should ensure that an environment is created that would be conducive to achieving the objectives of the organisation. The project should function as a team so that the objectives of the organisation are enabled. The team working on the project should have the skill, experience, knowledge and the competence to carry out the tasks of the project.

One of the main reasons why projects do not succeed is because they may take long time to produce the results or may consume a lot of the resources. To ensure the project is effective (to ensure completion of the tasks) and efficient (completion of the tasks with appropriate use of the resources) in its objectives, it is very much needed that both the project management and the portfolio management work in close coordination with each other. The portfolio manager would have to select only those projects that seem to be feasible for the organisation. For this, he would have to chalk out the specific skills and knowledge required for the project and also would have to compare it with the characteristics of the organisation. Once the projects have actually been selected, he has to ensure that the projects are prioritised and the resources are allocated in an appropriate manner. From time to time, the portfolio manager would have to re-evaluate the projects.

This has to be frequently performed in association with the project manager (Brentani, 2003 & Rad, 2006). The management activities of the portfolio management would be repetitive in nature. On the other hand, the management activities of the project management would be cyclic in nature. If the portfolio manager can take care of the functioning of all the projects, then the organisation can be considered to be very competitive. If a project does well, it would have an impact on the functioning of the organisation, but also on other projects (Brentani, 2003 & Rad, 2006).

Portfolio management would definitely help the organisation to grow, expand and develop. The wealth of the organisation would increase with an effective portfolio management strategy. The portfolio manager would be bringing in various assets (including infrastructure, support systems, financial resources, human resources, logistics, etc) and securities into the organisation. He would be considering investing in various ways including growth stock investing and value stock investing. From time to time, the objectives of the organisation would vary and hence, it is the duty of the portfolio managers to vary the investment pattern in the organisation. A greater amount of flexibility would be required.

The management style of the portfolio managers should also vary depending on the needs (Brentani, 2003 & Rad, 2006). A portfolio manager and the program/project manager would be concentrating on different characteristics of the project. The portfolio manager would be using the PPM (project portfolio management) tools, whereas the project manager would be using the single-project management tools. The PPM tools would ensure that the functioning becomes more and more efficient, the costs are effectively

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distributed and the profits of the organisation are increased. The project management tools would ensure that the staff members make effective use of the resources in the organisation and ensure completion of the targets that are required within the project. The project manager would have to motivate the staff so that the work is improved in quality and the project is able to achieve its targets.

Only if the management practises of the project are appropriate, could it be able to achieve its objectives (Brentani, 2003 & Rad, 2006). The program strategy would be concerning a greater amount of internal issues with relation to the project, whereas the project portfolio management would be concerning the external issues. It is necessary that the portfolio managers align their objectives as per the strategic objectives of each program. The portfolio processes should be customised to suit other management processes that would be functional in the organisation, simultaneously. Both program strategy management and portfolio management involve interacting with the clients, and hence demonstrate the importance of clients with respect to management and its processes (Stanford University, 2007).