

Project selection and portfolio management: keflavik paper company's case

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Project Selection and Portfolio Management – Keflavik Paper Company Firms in pursuit of attaining competitive advantage are bombarded with opportunities; however no organization enjoys infinite resources to be able to pursue every opportunity and therefore it is necessary to select those opportunities for which resources are available and capability to deliver product (Jeffrey, 78). Excessive reliance on cash discount flow resulted in problems of knowledge transfer as learning in organization was not really transferrable. As suggested by consultant, project should be selected in consonance with the strategic goals and vision of the company instead of making profit analysis.

It is known fact that many projects are motivated from the need for change which may be due to declining profit or competition in the market. Therefore companies should undertake different projects but within the company's strategic goals and objectives. Some of the key criteria in portfolio management viz; the project must relate organizational objectives, should be flexible enough to respond to changes, should be easily modified if trial applications require changes, must be simple enough to be used by people in all areas of the organization, and the experiences should be easily transferred through organizational learning (Jeffrey, 79).

Keflavik paper represents a perfect example of a company sacrificing its company's objectives for the sake of profit. Lack of proper screening model in project selection, neglecting the organizational learning, inability to provide resources to multiple projects are demonstrated in this case. Therefore it is necessary to select only those projects which meet the company's strategic objectives in long run, which may return good profits

and its experience can be transferred on to other projects.

Works Cited

Jeffrey, Pinto, K. Project Management: Achieving Competitive Advantage, India: Dorling Kindersley (India) Pvt. Ltd., 2009. Print