



HELLENIC AMERICAN UNION

An educational public charity

Center of Excellence in Project Management

Organisational Portfolio Management based on the Pfm² Methodology



Nicos Kourounakis – MASc, PMP, MBA, Pfm²
President of the PM² Alliance
Methodology Expert & Consultant

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About the Speaker



Nicos Kourounakis is a Management Consultant and Trainer. Over the past 12 years, he has been leading consulting projects at EU Institutions such as the European Commission, the European Parliament, the European Council, the European Central Bank, the European Investment Bank, and several EU Agencies.

Nicos has also been involved in many international projects in Canada, the United States, the United Kingdom, and across Europe, working both with large organizations as well as with smaller ventures and start-ups.

He is the Co-Author of several European Union publications such as the PM² Project Management Methodology Guide (2012, 2016, 2018), the Agile PM² Guide (2014), the PM²-PPM Portfolio Management Guide (2017), and the ITSRM Guide on IT Security Risk Management (2020) and recently of the ENGAGE Methodologies (2022) of the European Parliament (released by DG ITEC).

He is also the Author of the [Pfm² Guide for Portfolio Management \(2021\)](#) and the PgM² Guide for Programme Management (Dec 2022).

He holds an MBA from McGill University, Montreal, Canada, a MASc in Electrical Engineering from the University of Victoria, Canada, and a BSc in Physics from the Aristotle University of Thessaloniki, Greece. He has also achieved several Certifications such as PMP, PRINCE2, IPMA-D, PM² and Agile PM².

<https://pfm2.website/author/>
<https://www.linkedin.com/in/nicoskourounakis/>

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Author & Publications Evolution



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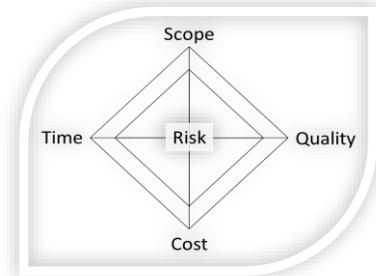
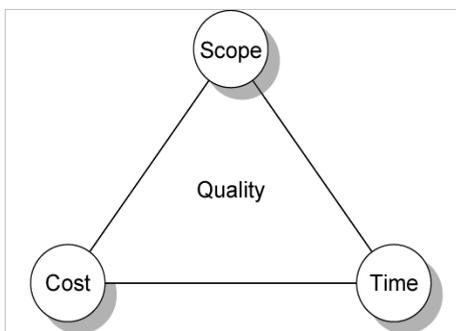
Projects are (organisational) Investments



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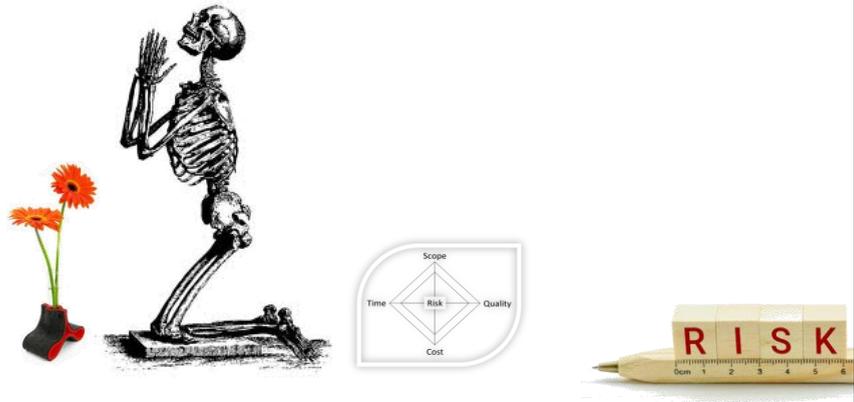
Project (Investment) Objectives



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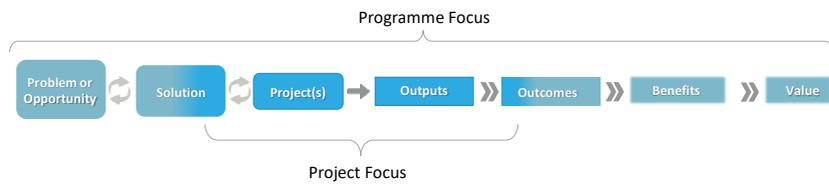
Business Risk vs Implementation Risk



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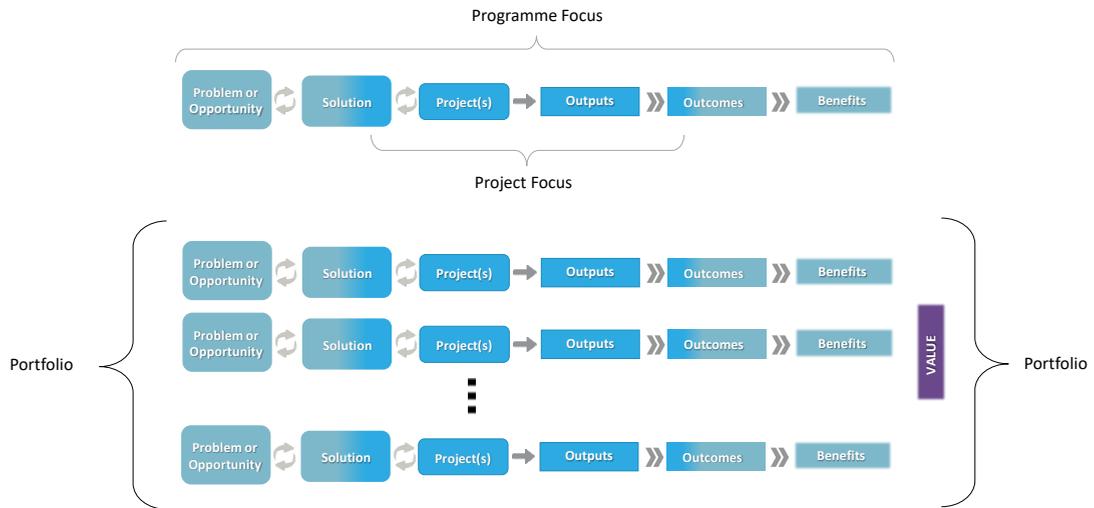
Where do projects come from?



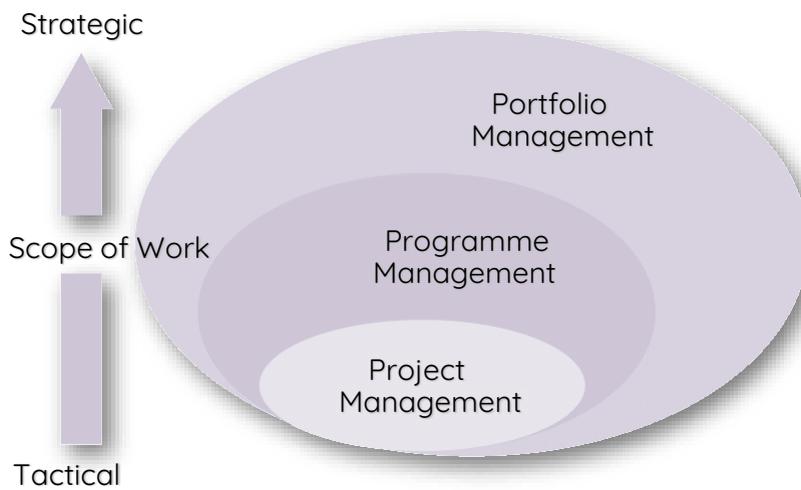
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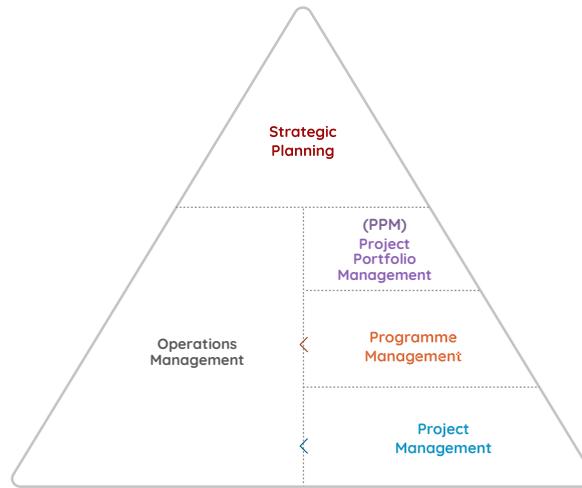
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Project, Programme & Portfolio focus



Projects, Programs & Portfolios





For organisations to succeed they need to:

- Do the right Projects
- Do projects right

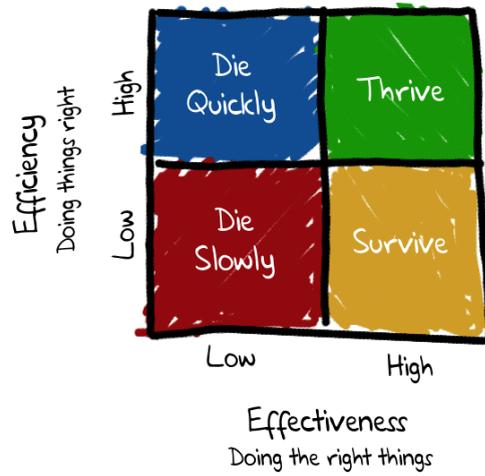
Project Management

Portfolio Management



Many issues and risks observed at the Project level are related to the lack of (effective) Portfolio Management ...

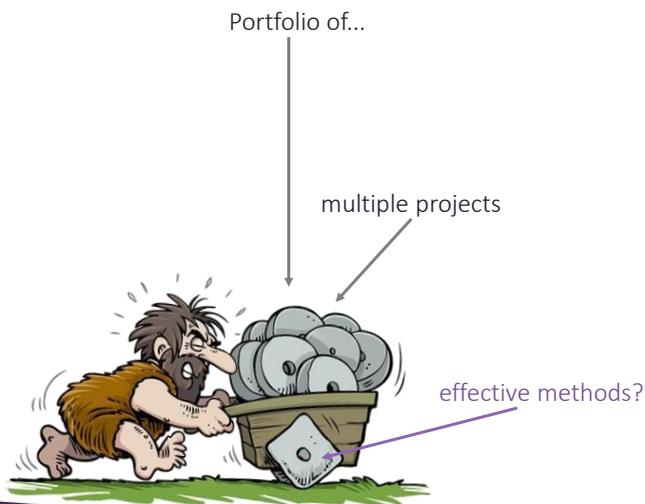
Effectiveness vs Efficiency



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We have the Squared Methodologies



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Need better Management?

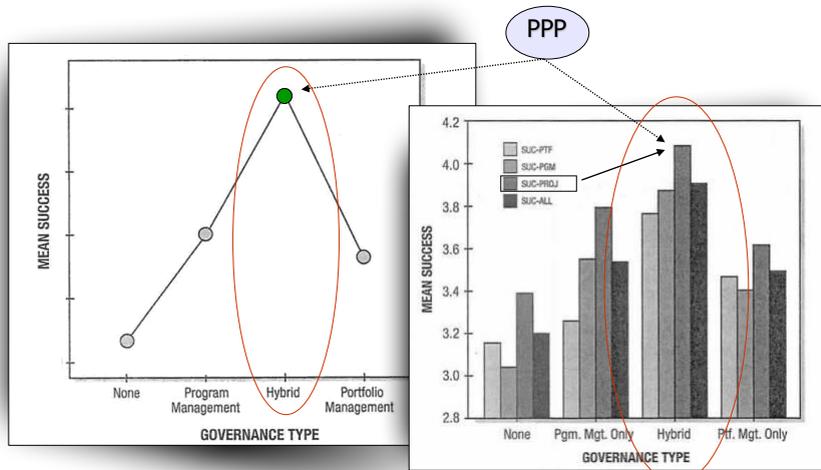
... or are you too busy with being inefficient?



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Project Management Performance



PMI - Middle Managers in Program & Project Portfolio Management
Tomas Blomquist, Ralf Muller, 2006

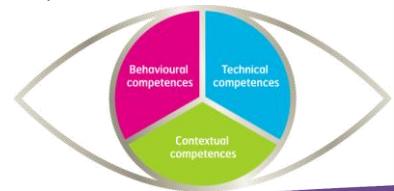
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Why is Portfolio Management Relevant to PMs?

Contextual awareness:

- How is my project connected to strategy?
- Why is it supported/sponsored? What is its priority?
- Are there any related projects/synergies?
- How can changes in budget or strategy affect my project?
- What are my Risk Management and Stakeholder Management priorities?
- What are the “touchpoints” between the PM and PFM domains/layers?



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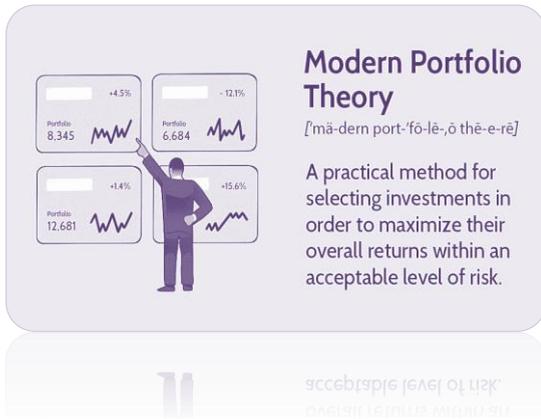
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Modern Portfolio Theory

In the early 50s, **Harry Markowitz** created a unique approach to investing in stocks, evaluating the performance of a portfolio of assets.



Modern Portfolio Theory
[mä-dern port-'fö-lë-,ò thë-e-rë]

A practical method for selecting investments in order to maximize their overall returns within an acceptable level of risk.

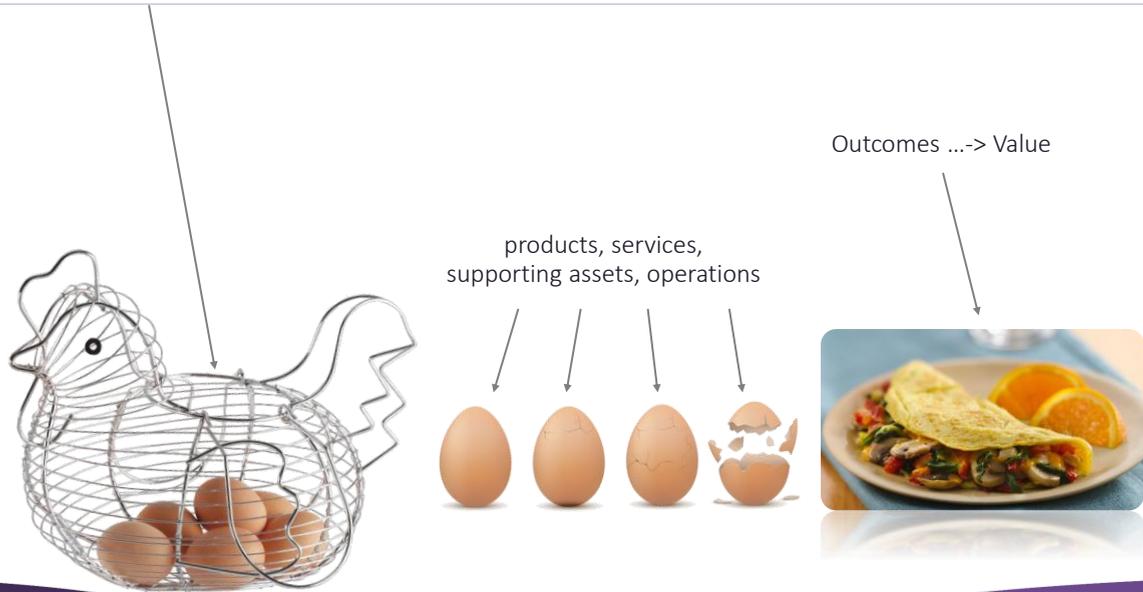
Portfolio	Value	Return
Portfolio 1	8,345	+4.5%
Portfolio 2	6,684	-11.1%
Portfolio 3	12,681	+1.4%
Portfolio 4	-	+15.6%

- At the core of MPT is the concept of diversification which involves a trade off between **risk** and **return**.
- In 1981, Warren McFarlan described how creating a portfolio of projects and managing these projects together could “**minimize disasters**” and increase results from projects.

Investments: Stocks vs Projects



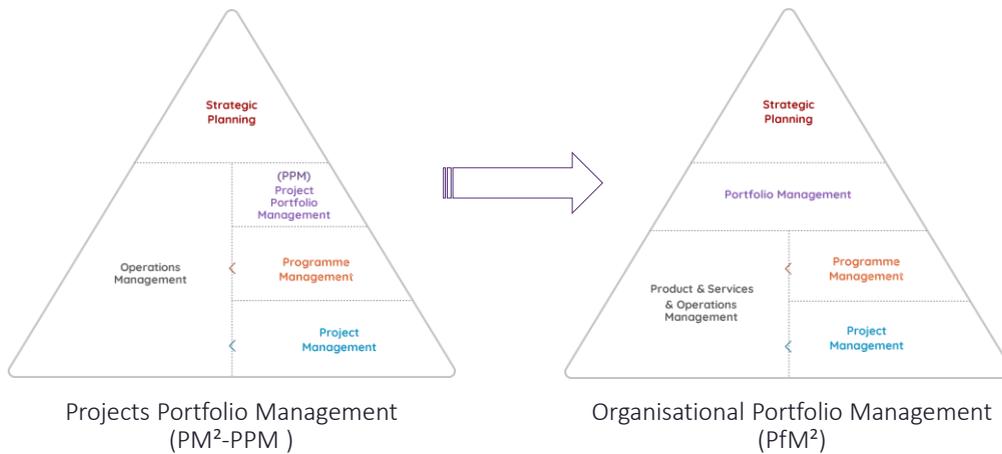
Organisational Portfolio!



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Project Portfolio vs Organisational Portfolio Management



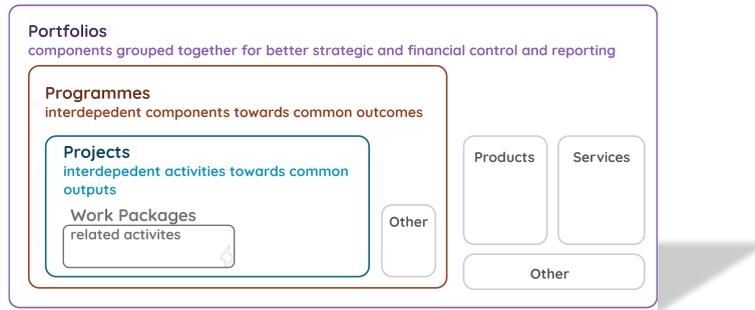
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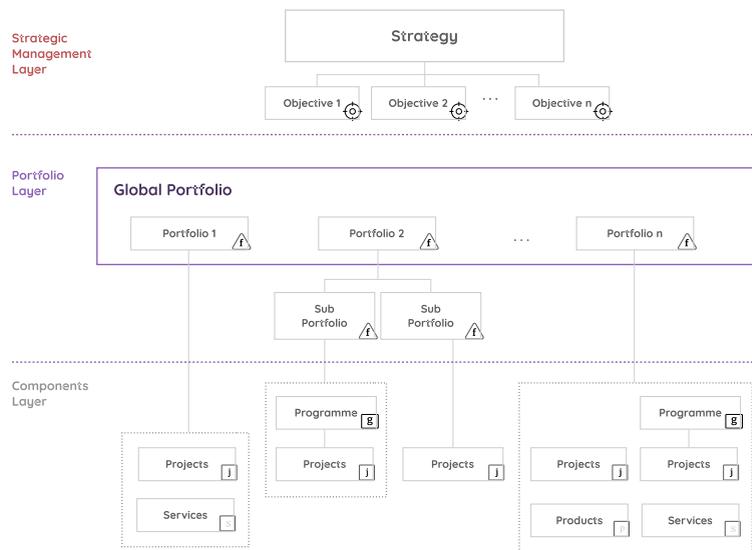
What is an Organisational Portfolio?

Organisational Portfolios are constructs that **group together (organisational) investments** which can be organisational **programmes** or **projects**, but also relate to investments required to operationally **support and exploit the results** of these programmes and projects.

Organisational Portfolio Management provides better strategic, financial and value creation focus for the portfolio as a whole.



Example of an Organisational Portfolio Structure



The Methodology Pillars

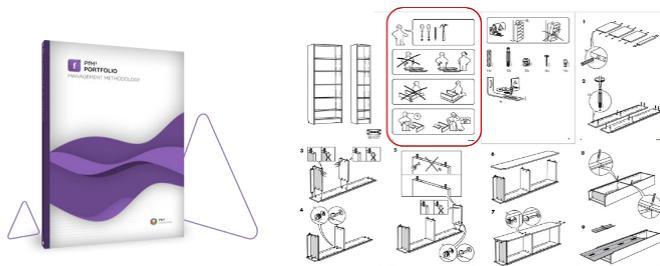
1. A Process Model (management processes and activities)
2. A Governance Model (Roles & Responsibilities)
3. Portfolio Artefacts
4. Portfolio Mindsets



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A Lean & Effective Portfolio Management Methodology



Methodology answers important questions:

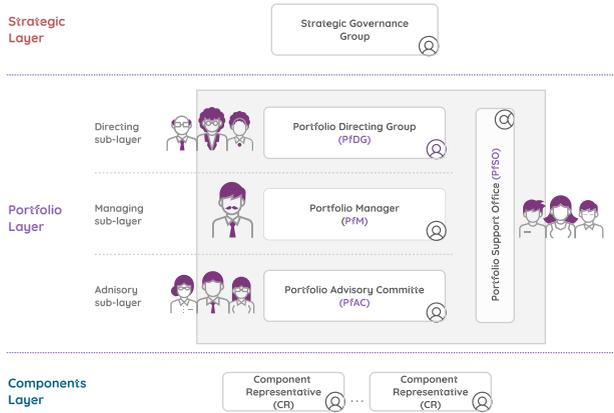
WHY?

- What (needs to be done)?
- When (do we need to do it)?
- Who (should do it)?
- How (do we do it)?

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The PfM² Governance Model



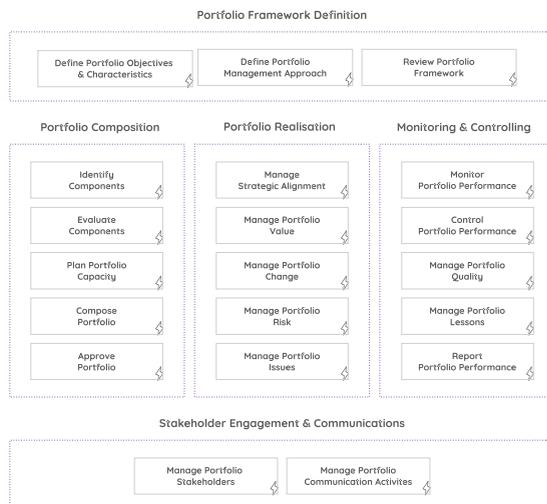
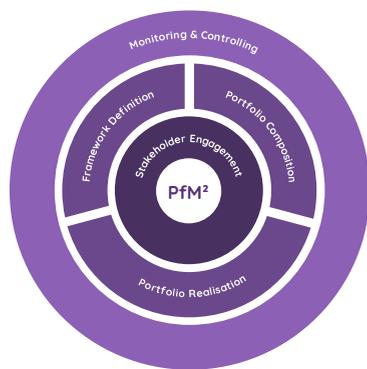
Portfolio Framework Definition	PDG	PFM	PFAC	PSO	CR	LSO
Define Portfolio Objectives & Characteristics	A	R	C	S	I	I
Define Portfolio Management Approach	A	R	C	S	I	I
Review Portfolio Framework	A	R	C	S	C	C
Portfolio Composition	PDG	PFM	PFAC	PSO	CR	LSO
Identify Components	A	R	C	S	C	C
Evaluate Components	A	R	C	S	C	C
Plan Portfolio Capacity	A	R	C	S	C	C
Compose Portfolio	A	R	C	S	I	I
Approve Portfolio	A	R	I	S	I	I
Portfolio Realisation	PDG	PFM	PFAC	PSO	CR	LSO
Manage Strategic Alignment	A	R	C/S	S	I	I
Manage Portfolio Value	A	R	C/S	S	C	I
Manage Portfolio Change	A	R	C/S	S	C	I
Manage Portfolio Risk	A	R	C/S	S	C	I
Manage Portfolio Issues	A	R	C/S	S	C	I
Portfolio Monitoring & Controlling	PDG	PFM	PFAC	PSO	CR	LSO
Monitor Portfolio Performance	A	R	C	S	C	S
Control Portfolio Performance	A	R	C	S	C	C
Manage Portfolio Quality	A	R	C	S	C	C
Manage Portfolio Lessons	A	R	C	S	C	S
Report Portfolio Performance	A	R	C	S	C	I
Stakeholder Engagement & Communications	PDG	PFM	PFAC	PSO	CR	LSO
Manage Portfolio Stakeholders	A	R	C	S	I	I
Manage Portfolio Communications	A	R	C	S	I	I
Portfolio Artefacts	PDG	PFM	PFAC	PSO	CR	LSO
Portfolio (Management) Handbook	A	R	C	S	I	I
Portfolio Communications Plan	A	R	C	S	I	I
Portfolio Composition & Analysis Report	A	R	C	S	I	I
Benefit Matrix	A	R	S	S	C	C
Portfolio Logs	A	R	C	S	C	C

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The PfM² Process Model

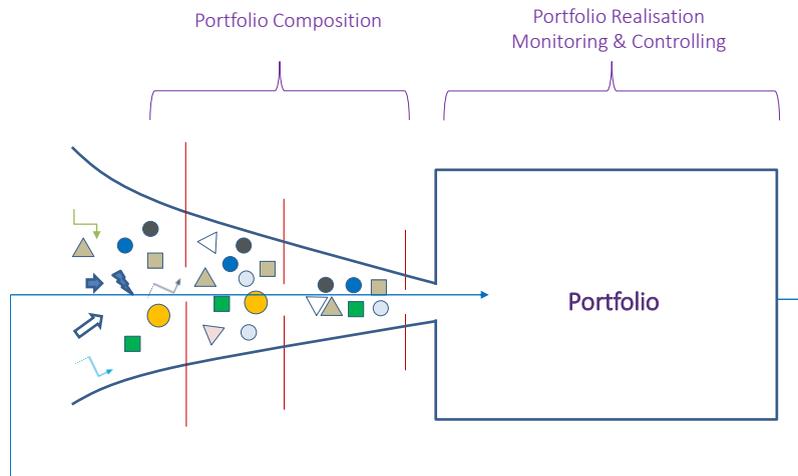


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The Portfolio Funnel



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Portfolio Composition – Identification of Component Types



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Portfolio Orientation

The degree to which an organisation is oriented towards effectively harnessing the value of Portfolio Management. The necessary conditions for Organisational Portfolio Orientation are:

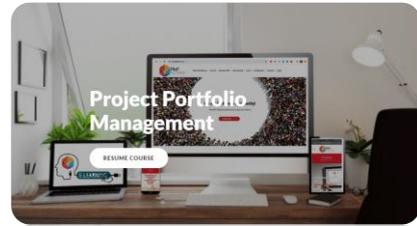
- strong organisational commitment to **strategic effectiveness, operational efficiency, risk management, accountability, and transparency.**
- viewing all work performed as an **organisational investment** in operations or transformations.
- organisation-wide **recognition** of the **value** of portfolio management as a performance **enabler.**
- **seamless integration** of portfolio management processes and mindsets into the everyday work done across the organisation.
- strong Portfolio **Governance** based on **data-driven decision-making** and integrated reporting from all levels.



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Online Trainings!



Find here usefull supporting training material (and more)

Participant Pre-Course Survey

Please take our pre-course survey for background and expectations mapping.

[Start the survey](#)

It will take you 5-5 minutes to complete the survey. The collected information will not be viewed or shared with anyone else other than the instructor and will be deleted after the completion of the course.

<https://www.hau.gr/en-us/training/seminars/portfolio-management-master-class>



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