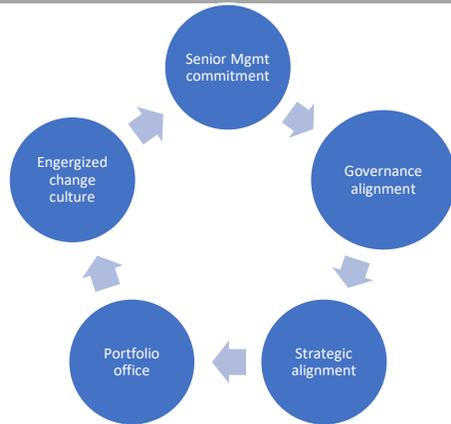


MoP offers a set of principles, practices, & techniques to help organizations safeguard their programmes & projects contribute to strategic objectives & attain maximum ROI (Return on Investment).

MoP is the Portfolio Management standard available that enables you to:

- Remove redundant & duplicate projects & programmes
- Run the right projects & programmes, delivering a measurable contribution to strategic objectives
- Realise benefits that align with corporate strategy
- Report efficiently to improve accountability, transparency, & corporate governance



MoP is based on five flexible **Principles** which provide the foundation for successful Portfolio Management (PfM) practice

**Senior Management Commitment:** Top-level support comes first in MoP's list as any change initiative struggles without it. Change initiatives must have public victors to communicate the value & benefits of Portfolio management. They need to use both the stick & carrot – ensuring compliance with PfM standards & personally demonstrating the behaviours essential to the success of the Portfolio.

**Governance Alignment:** PfM will fail without proper governance including clarity about what decisions are made. MoP provides examples & diagrams of a successful Portfolio governance structure – from Programme & Project managers up through the Portfolio Progress Group to the Director / Investment Committee level. Supporting these are the P3O model and, working alongside them: Business as Usual areas which will be impacted by the change.

**Strategy Alignment:** Change initiatives which do not deliver benefit is equal to waste & confusion. The ultimate objective of PfM is to achieve the strategic objectives of the organisation. MoP suggests a driver based model starting with very high level strategy, down to strategic objective then benefits & finally, change initiatives that will deliver them. It provides useful, practical, examples for the private & public sector.

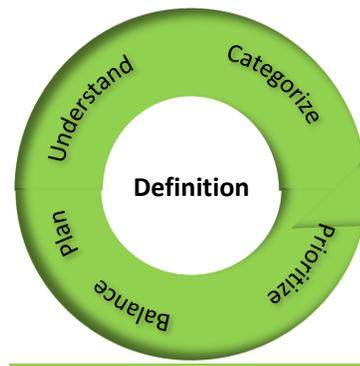
**Portfolio Office:** There has to be a business area that provides up to date & accurate information to allow good decision making by Portfolio Managers. This is the role of the Portfolio Office & this MoP principle is strongly linked to the OGC (Office of Government Commerce) standard: P3O.

**Energized Change Culture:** The success of the Portfolio depends as much on people as process so this principle recognises the need for an engaged team working together to define & deliver the Portfolio. Here, MoP gets into the 'softer side' by looking at areas such as communication, the learning organisation & listening & engagement with staff.



## MoP Summary

MoP® is structured around 5 principles & 12 portfolio management practices, grouped within 2 cycles, (**Definition** & **Delivery**) which are linked by organizational energy



**4 States of Organisational energy**

### 4 Sources of Organisational energy

- Connection—with the values & purpose of the organization
- Content—work provides sense of achievement
- Context—working practices that support & enable a good job
- Climate—growing & achieving their potential

**The Portfolio Definition Cycle purpose** is to collate key information providing clarity to decision takers on the collection of change initiatives which will deliver the greatest contribution to the strategic objectives.

**Understand** To obtain a clear & transparent view of what is in the current portfolio & the project development pipeline, performance to date, & the forecast costs, benefits, & risks to delivery & benefits realization.

**Categorize:** To organize the portfolio into groups or segments to make it easier for decision makers to understand the makeup of the portfolio & to make decisions on balance & on the optimum use of available funding & other resources.

**Prioritize:** To help senior management answering which initiatives the organization should invest in, what the most important initiatives are, & what initiatives must be resources above all others.

**Balance:** To ensure the portfolio is balanced in terms of factors such as timing, coverage of strategic objectives, impact across the business, stage of initiative development, overall risk:/return profile, & available resources.

**Plan:** To collate information from the definition cycle & create a portfolio strategy & portfolio delivery plan which will be approved by the Portfolio Direction Group

### Portfolio-level Documentation

**Portfolio Management Framework:** A single source of info on the portfolio management practices adopted by the organization & its governance arrangements

**Portfolio Strategy:** A brief description of the vision & objectives for the portfolio

**Portfolio Delivery Plan:** A baseline to monitor progress against of the planned initiatives & associated resource requirements

**Portfolio Benefits Management Framework:** A framework to ensure a consistent approach to benefits management across the portfolio

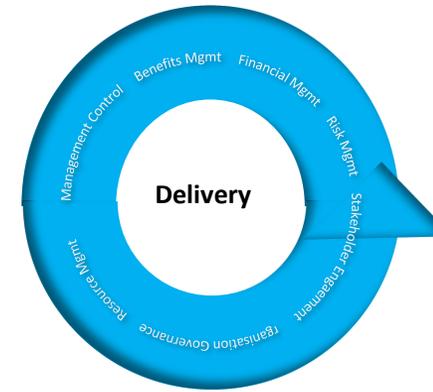
**Portfolio Benefits Realization Plan:** To summarize benefits forecasts, & a baseline to assess benefits actually realized

**Portfolio Financial Plan:** To summarize financial commitments, & a baseline to track & compare actual spend

**Portfolio Resource Plan:** A baseline to manage demand/supply for constrained resources

**Portfolio Stakeholder Engagement & Communication Plan:** A framework to ensure consistent communications across the portfolio

**Portfolio Dashboard:** To provide an overview of progress against plan



**The Portfolio Delivery Cycle purpose** : is to ensure the successful implementation of the planned change initiatives as agreed, & ensuring the portfolio adapts to changes in the strategic objectives, project & programme delivery & lessons learned.

**Management Control:** To ensure that progress, at an individual & portfolio level, is regularly monitored against its baseline. This helps ensure delivery stays on track & that the portfolio remains aligned with the strategy.

**Benefits Management:** To clearly identify & manage the benefits being realized from the portfolio, so to ensure the best use of available resources & that the contribution to operational performance & strategic objectives is maximized.

**Financial Management :** To ensure that portfolio management processes & decisions are aligned to the financial management cycle & that financial considerations form a key element in all decisions regarding the commencement & ongoing viability of change initiatives, both at individual & collective level.

**Risk Management :**To ensure a consistent & effective management of risks at both individual & collective level>

**Stakeholder Engagement :** To provide a coordinated approach to stakeholder engagement & communication, so that the needs of the portfolio customers are identified & managed, & that stakeholder support is gained by effective consultation & involvement in both portfolio cycles.

**Organizational Governance:** To ensure clarity about what decisions are made by whom, where & when, & what criteria are used.

**Resource Management :** To put in place mechanisms to understand & manage the amount of resources available & required

**MoP Roles:** Effective governance includes the responsibilities of roles within portfolio management

**Portfolio Direction Group / Investment Committee :** Makes decisions about inclusion of initiatives in the portfolio & as such approves the portfolio strategy & delivery plan

**Portfolio Progress Group / Change Delivery Committee :** Is responsible for monitoring portfolio progress & resolving issues that may compromise delivery & benefits realization

**Portfolio Director / Business Change Director :** A board member responsible for the portfolio strategy & providing clear leadership & direction through its life

**Portfolio Manager :** Coordinates the effective & efficient operation of the portfolio management practices & provides support to the above mentioned roles

**Portfolio Benefits Manager:** Ensures a consistent fit for purpose approach to benefits management is applied across the portfolio & that benefits realization is optimized from the investment in change

### First 7 steps in an evolutionary implementation

1. Obtain an outline of the current portfolio in a single place
2. Complete a portfolio delivery plan & monitor progress against it on a regular basis
3. Start tracking completed project performance compared to forecast
4. Review the current portfolio & identify dependencies
5. Establish clear governance structures
6. Define a standard set of investment criteria to be used to appraise & prioritize initiatives
7. Apply staged release of funding