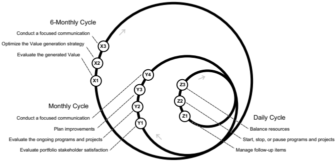
P5.express

The minimalist portfolio management system



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Management activities list

Daily Cycle

Introduction

P5.express is a minimalist, practical management system for portfolios of programs and projects. It helps organizations make the best use of their available resources by focusing on the most Valuable yet balanced set of programs and projects. It also helps reduce conflicts and rework by involving the whole organization and preventing programs and projects from being run with poor coordination and in isolation.

Like all other systems in the OMIMO (Open Minimalist Modules) family, it's modular, meaning that you can use it in any setup without being limited to using it with programs or projects that use OMIMO systems; e.g., your projects may be run using P3.express, micro.P3.express, DSDM®, Scrum, PRINCE2®, or any other system without causing problems for P5.express.

P5.express can be implemented in most organizations regardless of the type of projects they have or whether they conduct the projects for themselves or for external customers.

P5.express can be implemented before or after implementing structured program or project management systems. Its implementation has a higher priority in many organizations than program or project management.

Usually, it’s best to have one portfolio management system per organization, and P5.express is designed for such a singular setup. Some large organizations that have separate project delivery divisions, each capable of delivering a specific type of project but unable or unoptimized to deliver the rest, may benefit from having a hierarchy of portfolios. For such organizations, P5.express can be used at the lowest level of the portfolio hierarchy to work with programs and projects, along with a separate management system for portfolios of portfolios. OMIMO doesn’t provide a system for the latter. In any case, hierarchical portfolios are not as optimized as singular ones and, and therefore should be avoided unless they are really necessary.

All programs and all projects that don’t belong to a program (called “standalone projects” in OMIMO) must be directed in the portfolio management system, with no exceptions. In addition to optimization and balancing, this helps to avoid conflicts. Projects that are not standalone should be directed in their programs rather than directly in the portfolio management system.

Process

The P5.express diagram illustrates its process. Each node on the diagram is a management activity, and you can read about each of them by clicking on the node in the online manual or by opening its section in the downloaded version. Note that this is a reference manual rather than a training resource.

The management activities fit into three cycles:

- **6-Monthly Cycle:** It’s run every 6 months or whenever an important decision has to be made to refine the Value generation strategy.
- **Monthly Cycle:** It’s run every month to monitor the portfolio and continuously improve how the portfolio management system works.
- **Daily Cycle:** It’s run continuously (it can be any day, but not necessarily every day) to implement the Value generation strategy.

Organizations that work with large projects that last for a long time can replace the 6-Monthly Cycle with an annual one.

Note that projects and programs are temporary, with a beginning and an end, whereas portfolios are continuous, without an inherent beginning or end. You start your journey of structured portfolio management at some point, but that start is an implementation of the process rather than part of the process itself. That’s why you don’t see a start or an end in P5.express.

Roles

There are two roles in P5.express:

- Portfolio board member
- Portfolio manager

Portfolio board

The portfolio board is a diverse group of high-level managers in the organization who work together and make all the important decisions about programs and standalone projects in an integrated, holistic way.

Composition:

- **Core members:** All the department heads (executives) in the organization or their equivalents should be core members on the portfolio board. They can have equal or unequal votes. Some core members can have the power of veto, but it's better to avoid that if possible to improve collaboration.

- **Proxy members:** Each core member can have a proxy to represent them in workshops when they cannot be present and also to sponsor some of their related programs and projects. Regardless of the presence of the core member, the proxy should attend all workshops to stay aware of strategies. Proxy members must be authorized to make decisions on behalf of the core members in their absence.

There must be a single person in each program or standalone project responsible for its justification, communicating high-level decisions, funding, and resourcing. This person is referred to here as the “sponsor”, but they can have any title. In the case of Scrum and its derived systems, their default “product owner” role can satisfy the sponsor function to some degree. Alternatively, a separate sponsor role can be added to such projects.

Sponsors of all programs and standalone projects must be selected from the portfolio board. Each program or project sponsor is the only person who communicates high-level decisions with their project or program.

Portfolio manager

The portfolio manager's role is primarily one of facilitation and coaching, but they also have a decision-making threshold used in the Monthly Cycle and Daily Cycle to make the process faster and smoother. The portfolio board makes all the important decisions, and the portfolio manager's decision-making authority should be used to interpret the board's decisions rather than to reflect personal opinions. The portfolio manager should not have a direct role in any program or project, to avoid conflicts of interest.

In large organizations, there can be a

few support staff to help the portfolio manager.

Each program or standalone project should have a single person representing its management, coordination, and evaluation concerns. This person is referred to here as the “program manager” or “project manager”, but they can have any title. In the case of Scrum and its derived systems, their default “scrum master” role can satisfy this function.

The portfolio manager is in contact with program and project managers for various reasons. However, the portfolio manager should avoid communicating any decisions to them and rather let the decisions go through the program or project sponsors.

Portfolio managers must avoid micromanagement and ensure the portfolio board members do not micromanage either, especially as program or project sponsors.

When there’s a single portfolio management system, its portfolio manager reports to the head of the organization. When there’s a hierarchy of portfolios, the portfolio manager reports to the portfolio manager of the parent level.

Documents

The following are the default documents in P5.express:

- Portfolio Description
- Value Generation Matrix
- Global Follow-Up Register
- Global Health Register
- Business Cases

Remember not to collect data you don’t need, and to keep the documents simple and purposeful. You also don’t have to use complicated software – start with simple tools and switch to more sophisticated ones only if you have good reason to.

The following is a short description of

each document.

Portfolio Description

The Portfolio Description is a dynamic text that documents the following key information:

- Organizational strategy, mission, vision, etc.
- Decision-making threshold of the portfolio manager (in exact or rough forms)
- Portfolio board members and their voting powers
- The voting method and its calculation
- Organizational processes and policies that impact portfolio management
- The unit of measure for investments and benefits

The Portfolio Description is first created when implementing P5.express, and it can then be updated in the X2 activity.

Value Generation Matrix

The Value Generation Matrix lists programs and standalone projects on one dimension and their information on the other. It increases visibility and transparency by clearly describing the organization’s strategy for generating Value.

The following are the mandatory fields in the matrix: name, sponsor, status, progress, investment, benefits, Value, Value categories.

The matrix can be implemented in a spreadsheet or using a specialized tool. An example of the matrix as a spreadsheet is available, which shows how it changes in activity X2.

Global Follow-Up Register

The Global Follow-Up Register is a list of risks, issues, change requests, improvement plans, and lessons learned that impact multiple programs or projects. To make sure there won’t be mistakes, such items should not be repeated in the local registers of programs and projects, but rather, their managers should use the global register alongside their local registers. All programs and projects in the portfolio must have such local registers.

Each item in the Global Follow-Up

Register should have a *custodian*. Each custodian should be one of the portfolio board members or program or project managers.

Global Health Register

The Global Health Register stores the results of evaluating the satisfaction of portfolio stakeholders (portfolio board members, program managers, and managers of standalone projects).

Business Cases

Each program or standalone project should have a Business Case created in the portfolio management layer to describe its purpose and justification with the following main elements:

- Why this program/project?
- Alternative options
- High-level requirements
- Expected benefits (covering the positive and negative impacts)
- Method of measuring benefits
- Estimated investment (time, cost, etc.)
- Execution strategy (done internally, outsourced, etc.)
- Major risks

A rough Business Case is usually enough for prioritizing the program or project in the portfolio, but when needed, the sponsor of the program or project may initiate it (form a team to create a high-level plan without executing it) and use that information to create a more refined Business Case.

Tailoring

As with other minimalist systems, it’s best not to tailor P5.express upfront. Instead, you should implement and use it as described in the manual and then customize it gradually, in activity Y3, only in response to feedback collected from the environment and with careful trial and error.

History

The private draft of the first edition of P5.express was published in November 2023, followed by its public draft in January 2024, and the final version on July 2024.

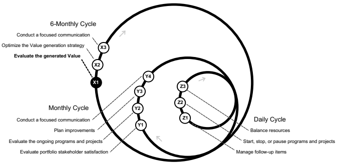
X — 6-Monthly Cycle

The management activities in this cycle are run every 6 months, or when an important decision has to be made with the involvement of all portfolio board members. These activities define and revise the Value generation strategy.

Management activities in this cycle are as follows:

communication

X1 — Evaluate the generated Value



What

This activity measures and records the actual benefits generated by ongoing and closed programs and standalone projects.

Why

Benefits are measurable improvements that are desirable for the organization. In this sense, benefits are *subjective*, meaning that something that would be considered a benefit for one organization may not be so for another. Therefore, benefits must be evaluated with a good understanding of the organization, in a holistic way, and in a high-level management layer such as portfolio management.

We should do this activity for the following reasons:

- It’s a reminder for everyone that programs and projects are done to generate Value, and that this should be considered when conducting them.
- It helps us understand our environment and make future programs and projects in the Value Generation Matrix more realistic.
- It can help us find ways to increase benefits with ad hoc tasks or structured changes (programs and projects).

Remember that it’s natural to have a

few programs and projects that don’t generate the expected Value. If they all work as planned, you’re probably losing opportunities by being too conservative. This is especially the case for internal projects.

Who

This activity is done by the sponsor of each program or project, under the supervision of the portfolio manager.

How

This evaluation starts for each program or standalone project when it’s finished or as soon as it starts generating benefits during the execution. It continues as long as there's a notable potential or actual benefit (usually, at least for a few years). The results of the measurement will be stored in the Value Generation Matrix. The measurement must include expected and unexpected benefits across all categories of Value in the matrix.

Your program and project management systems may have activities equivalent to this one and form a common task (e.g., G01 in P3.express). However, when multiple programs or projects have been done on the same product or on a set of related products that impact each other's performance, it's best to evaluate their generated benefits together in an integrated way.

There must be one and only one unit of measurement for investments and benefits for all programs and projects in the portfolio, to make it possible to compare them. When there are multiple sources of Value, they must be converted and combined into a single unit. It can be a monetary amount adjusted for the value of money at a specific time, grams of gold, number of lives saved, etc. When such objective measurements are not practical or possible, abstract, relative, semi-subjective units can be used along with vote-based measurement and estimation techniques (similar to the Planning Poker®).

Note that when it’s possible and justifiable to measure something objectively, it would be the preferred option because of its higher reliability. However, when objective measurement is not practical, forcing it would be harmful for multiple reasons, including that its reliability would be lower than that of a well-formed subjective measure.

The benefits of some programs and projects are semi-continuous rather than one-time. Those can be converted into one-time Values by considering a pre-agreed time window.

You should make sure you're not double-counting benefits. If multiple programs and projects enable a source of benefit, the resulting benefit should be divided among them based on their contributions.

Consider the following points in time for a program or project:

- T0: The start time
- T1: The finish time
- T2: The time when benefits are measured

All measurements are comparisons. The measurement of benefits should not be a comparison between T2 and

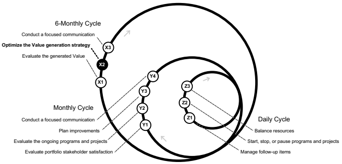
T0 because many other factors may have changed in that period. Instead, the benefits at T2 in the actual world should be compared to the benefits at T2 in a hypothetical world in which the program or project did not occur.

When the benefits of all items are measured, their Value can be calculated as follows:

Value = benefit ÷ investment

The Business Case of each program or project is helpful in evaluating its benefits. However, sponsors shouldn’t limit themselves to a mechanical evaluation based on the Business Case.

X2 — Optimize the Value generation strategy



What

This activity optimizes the Value generation strategy for the upcoming cycle by updating the Value Generation Matrix.

Why

This activity helps the organization in multiple ways by

- structured, proactive identification of Valuable programs and projects;
- absolute justification of ideas to ensure resources are not wasted;
- relative justification to ensure the most Valuable ideas are run first;
- balancing to ensure all categories of Value are served.

Who

This activity is done by the portfolio board members and carefully facilitated by the portfolio manager.

How

The activity is done in a workshop,

with all core portfolio board members or at least their proxies in attendance. One day is usually enough, but some organizations may need longer.

An example is available to show how documents can change in this activity.

1. Updating the Portfolio Description

The portfolio board members check to see whether anything in the Portfolio Description needs to be updated to match the current strategies, policies, and processes, or simply to improve how they work in the portfolio management system. Some changes to the Portfolio Description may require changing the Value Generation Matrix as well (e.g., targets for categories of value).

2. Adding new programs and projects

Portfolio board members bring their new program and project ideas to the workshop (e.g., those generated in activity G02 of P3.express). They review the output of activity X1 and use it as a source of inspiration for brainstorming and generating new ideas together. All ideas are recorded in the Value Generation Matrix.

Organizations that are focused on their internal projects can benefit from using all employees’ and even end users’ opinions to generate ideas. Each portfolio board member is responsible for seeking ideas from people related to their department and bringing them to the workshop. In addition to that, employees should have a direct channel to send program and project suggestions to the portfolio manager. Accepting anonymous submissions can help increase contributions.

In general, the portfolio board needs a holistic, top-down approach to identifying programs and projects. They shouldn’t limit themselves to the programs and projects suggested by the environment but always ask, “What other programs and projects can we have to improve our portfolio?”

Note that the number of items in the matrix reflects the organization’s options. The more options you have, the more flexibility and freedom you’ll have; that’s why bigger matrices are desirable. Remember that the matrix is not limited to what can be done in the next few cycles but contains everything you might want to do some day in the future.

3. Appointing sponsors

After adding a new item to the matrix, one of the portfolio board members should be assigned to it as the sponsor.

4. Introducing Business Cases

The sponsor makes sure that their program or project has at least a rough Business Case to describe its purpose and justification. When needed, the sponsor can initiate programs or projects (assign a team to create a high-level plan without executing it) and use the output to create a refined Business Case.

Sponsors may delegate the responsibility of preparing their Business Cases to specialized people, but they stay accountable.

Program and project managers may help in this process by providing some of the required information, but it’s best not to give them the whole responsibility of preparing the Business Cases because they usually don’t have the necessary background and strategic information.

5. Balancing sizes

Normally, programs and standalone projects in the matrix are of different sizes. However, having items that are vastly different in size would make it difficult to manage the matrix. Therefore, when possible, the portfolio board members must try to break down those that are too large into smaller ones and merge the ones that are too small and have similar goals into larger programs.

Remember that projects underneath a program won’t be directed in the portfolio management system directly.

6. Absolute justification

The portfolio board members need to estimate the expected benefits and required investment of new ideas and revise that of the old ones if needed. The Value Generation Matrix should be updated with these data.

Then, they should judge the absolute justification of each idea: Are the expected benefits higher than the required investment? Should we do this program/project at all? The status of the idea will be updated based on this decision. Note that rejected ideas must not be removed from the matrix, but rather marked as rejected and moved to the bottom of the matrix for future reference.

Sometimes, organizations have to accept programs or projects with benefits lower than their investment, because otherwise some of their capacity would remain unused, and some benefit may be better than no benefit at all. This situation should be considered in this step, but more importantly, the portfolio board should investigate this unhealthy situation to see how they can prevent it in the future.

The portfolio board members may estimate the required parameters and the final decision by voting using the method documented in the Portfolio Description.

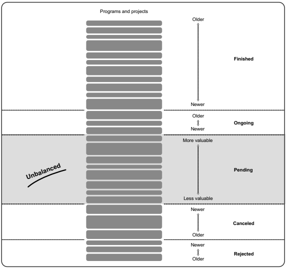
If an ongoing program or project loses its absolute justification, the board should cancel it in this activity. This can also be done in activity Y2, if the portfolio manager and the sponsor can agree on it.

7. Relative justification and initial ordering

The programs and projects on the

matrix will be sorted based on their status: finished → ongoing → pending → canceled → rejected

Items within each of the above statuses will be ordered based on date, except for pending ones that will be initially ordered based on their Value (the ratio between their expected benefits and estimated investment), so that the more Valuable ones are placed first.



The initial ordering of the Value Generation Matrix

If the relative justification of an

ongoing program or project decreases dramatically, the board may decide in this activity to pause it to free up capacity for more important ones. This can also happen in activity Y2, if the portfolio manager and the sponsor can agree on it.

8. Revising the total capacity

The board members discuss the idea of increasing or decreasing capacity (e.g., hiring more people in the organization) and evaluate its impact on the portfolio. This consideration covers the upcoming cycle on the one hand and the long-term capacity of the organization on the other.

9. Balancing and final prioritization

The matrix should have columns for various categories of Value:

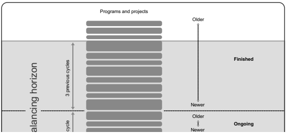
- General categories (necessary for all organizations)
    - Continuity (sustainer, diversifier)
    - Return on investment timeframe (short-term, medium-term, or long-term)
    - Overall risk (low, medium, high)
- Categories specific to the organization

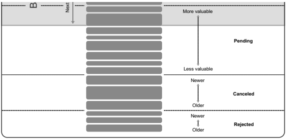
A “sustainer” is a program or project

that helps improve the existing services, whereas a “diversifier” is one that helps create new product or service channels. Some organizations are entirely focused on a single specialist field, but even they can and should consider diversifying their services in that field or related ones.

Each program or project has a contribution of between 0% and 100% in each category to indicate what portion of its benefits serves that category.

Each category should have a relative target, and the sum of the benefits of all programs and projects in a *balancing horizon* should more or less match that relative target. By default, the balancing horizon is the upcoming cycle plus the three previous cycles. The previous cycles are determined by facts. To determine the upcoming cycle, a rough estimate of how many of the programs and projects can be done in the cycle is necessary.

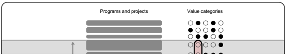


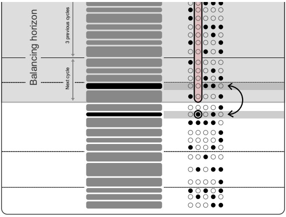


The balancing horizon for the upcoming cycle

To balance the portfolio, the order of pending items on the matrix should be manually adjusted so that their combined calculated benefits in each

Value category gets close to the relative targets. This means that the total Value of the balanced portfolio may be lower than the unbalanced one – that's the price we have to pay to have a balanced whole. However, in rare cases, we may sacrifice balance to gain exceptionally higher Values and then make up for it in future cycles.





Balancing the portfolio for the upcoming cycle

At this point, the matrix has an optimized list of pending programs and projects. When enough capacity is freed up in the organization, the highest pending program or project in the matrix that matches the available capacity can be started in activity Z2.

Some organizations may need to have extra balancing criteria; for example,

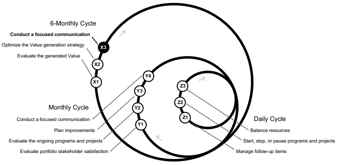
- When an external customer requests a proposal, it can’t be done at any desired time, but if you wish to proceed, it has to be done on a certain date, and the organization should be ready to start the project if the proposal is accepted.
- For organizations focused on

conducting their own projects, some of their projects may have dependencies with each other, which should be made visible in the matrix and considered when balancing. However, note that projects that have dependencies with each other usually belong to a program and won't be directed in the portfolio management system directly.

There are many uncertainties about how portfolios work. Therefore, the matrix can never be precise enough to be optimized mechanically based on calculations, and so the judgment of experienced portfolio board members is essential. As a result, it's important not to waste time and energy trying to make the numbers more precise than they should be. Instead, the portfolio manager should encourage collaboration, involvement, transparency, and critical thinking.

All portfolio board members should be involved in balancing the portfolio. When needed, they can combine their opinions by voting, following the voting method documented in the Portfolio Description.

X3 — Conduct a focused communication



What

This focused communication informs everyone in the organization of the Value we’ve recently generated and our strategy for generating Value in the future.

Why

This focused communication has multiple advantages, including the following:

- Everyone stays informed of the programs and projects that are being run or will be run in the near future, which reduces conflicts and surprises and generates useful ideas from a larger audience.
- It reminds everyone that programs and projects are done to generate Value and that their activities should be aligned with the defined purpose and contribute to the generation of Value.

Who

Focused communications in the portfolio management system are sent by the portfolio manager.

How

This focused communication sends the following information:

- A simplified copy of the Value Generation Matrix along with a short description
- A short report of the benefits realized from programs and projects (if not done in program or project levels, such as in activity G03 of P3.express)

The information can be emailed, or alternatively, the activity can be turned into an organizational event where everyone is gathered, the information is shared, and some extra exciting activities are added to celebrate the achievements and make it a pleasant experience for everyone.

If there are only a few active post-program and post-project cycles in the organization, their focused communications (e.g., activity G03 of P3.express) can be done in their layers. Otherwise, it’s usually best to bring their focused communications into the portfolio management layer and unify them to reduce the amount of communication and keep them more effective.

The portfolio manager should

encourage recipients to share their opinions after receiving the message.

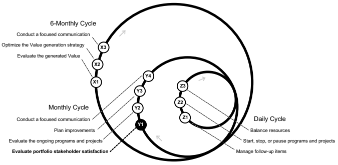
Remember that this communication targets a broad range of audiences in the organization. Therefore, it’s important to keep it simple, short, and non-technical.

Y — Monthly Cycle

The management activities in this cycle are run once a month to continuously improve how the portfolio management system works.

Management activities in this cycle are as follows:

Y1 — Evaluate portfolio stakeholder satisfaction



What

This activity evaluates the satisfaction of the portfolio board members and managers of programs and standalone projects.

Why

We want to discover dissatisfaction and similar problems as soon as possible and fix them before they pile up and harm programs and projects.

Who

It's the responsibility of the portfolio manager to evaluate the satisfaction of portfolio stakeholders.

How

The survey questions in the evaluation should be designed to address the needs and concerns of the organization and its people, and as a result, they may change as time passes. The following is an example set of questions for the portfolio board members:

- In your opinion, do all portfolio board members have the chance to be heard and understood correctly?
- Are you happy with how the workshops are facilitated?
- Are you satisfied with how your department’s needs and expectations are considered in the portfolio management system?
- Etc.

The following is an example set of questions for the program and project managers:

- Are you happy about your relationship with your sponsor?
- Is the organization’s strategy and its current portfolio clear and meaningful to you?
- In your opinion, does your program or project have a positive impact on the organization?
- Etc.

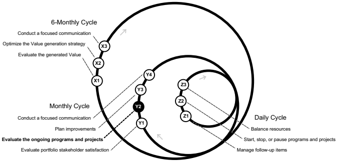
It’s a good idea to add an open question at the end of all surveys, asking the audience how they think the portfolio management system can help them more in their work.

It’s usually a good idea to conduct these evaluations anonymously so that people can express their opinions more comfortably.

Results of evaluations should be stored in the Global Health Register and will be used in activity Y3 to plan improvements.

The portfolio manager should also make sure that programs and projects continually evaluate the satisfaction of their team members and pay attention to their well-being.

Y2 — Evaluate the ongoing programs and projects



What

Measure the performance of ongoing programs and projects and re-estimate their expected benefits.

Why

As programs and projects are executed, we'll learn more about them and can make our assessment of their Value more realistic. This refinement can result in stopping programs and projects that lose their absolute justification or pausing those that have a significant decrease in their relative justification. Both actions help make a better use of our resources and opportunities.

On the other hand, this evaluation may show that the program or project has become more important than it was before and hence requires more support and a higher priority in the organization.

Who

The performance of programs and projects is measured by their managers, with supervision from the portfolio manager. The re-estimation of the expected benefits is done by program and project sponsors, with supervision from the portfolio manager.

How

This activity is connected to the cyclic program and project management measurement activities (e.g., activity C01 of P3.express). For program or project management systems that don't have such a cyclic measurement activity, it must be added.

Normally, we'd expect to have the following measurements:

- Overall progress (percentage)
- To-complete investment forecast (e.g., time and cost)

The portfolio manager is responsible for ensuring that the performance of programs and projects is measured correctly. They should also work with the sponsor of each program or project to re-estimate the expected benefits (e.g., activity B03 of P3.express). All data will be stored in the Value Generation Matrix.

The portfolio manager should avoid collecting unnecessary data and instead focus on data that serve a clear purpose and keep the system simple and purposeful.

After updating the investment forecast and estimated benefits, the portfolio manager can re-estimate the expected Value:

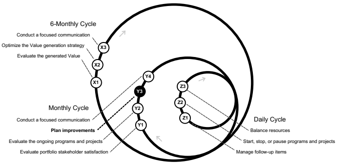
Value = benefits ÷ investment

Based on the new Value, if the

program or project loses its absolute justification or there’s a significant decrease in its relative justification, it may have to be canceled or paused. If the portfolio manager and the sponsor can agree on that decision according to the Value Generation Matrix, they will finalize it in this activity. Otherwise, the portfolio manager should run an exceptional 6-Monthly Cycle.

In this activity, the sponsor can update the Business Case with confirmation from the portfolio manager.

Y3 — Plan improvements



What

In this activity, we’ll plan improvements based on the evaluation of programs and projects and stakeholders’ satisfaction.

Why

There’s always room for improvement, and this is our attempt to improve our portfolio management system continuously. These improvements are mainly about how we work in the portfolio management system and will be the basis for the gradual tailoring of the system.

Besides its primary purpose, when done properly and with the involvement of program and project managers, it will create more buy-in and, as a result, can increase the chances of success.

Who

The portfolio manager facilitates a workshop for all program and project managers to brainstorm and plan improvements. Optionally, a similar workshop can be held with the portfolio board members, either in every cycle or once every few cycles.

How

It’s best to plan improvement in a facilitated workshop. Techniques such as Delphi can be helpful in such workshops. The portfolio manager acts as a facilitator and allows the participants to plan improvements.

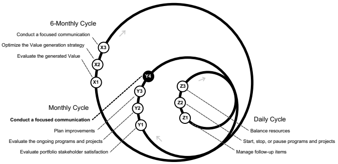
The latest evaluation of the programs and projects (activity Y2), stored in the Value Generation Matrix, and evaluation of the stakeholders satisfaction (activity Y1), stored in the Global Health Register, are the primary sources of inspiration for planning improvements. The Global Follow-Up Register can also be used as a secondary source of inspiration.

The portfolio manager should always consider the following topics as well:

- How can we improve people’s capabilities through training, coaching, etc.?
- How can we create a more pleasant working environment for everyone?

Planned improvements will be added to the Global Follow-Up Register, and a custodian (normally, one of the program or project managers, but sometimes one of the portfolio board members) will be assigned to each of them to follow up on and report back.

Y4 — Conduct a focused communication



What

This is the time to send a short message to everyone in the organization, informing them of the portfolio management highlights:

- Planned improvements (if relevant to the broader audience)
- Progress of the ongoing programs and standalone projects
- A list of programs and standalone projects that have started or stopped

Why

This focused communication keeps everyone in the organization up to date, which can help reduce conflicts and surprises and generate useful ideas from a larger audience.

Who

Focused communications in the portfolio management system are done by the portfolio manager.

How

The content of this focused communication can be sent via email.

This activity can be ignored if its content is communicated in the program and project layers (e.g., activities A10 and F06 of P3.express). However, when there are many ongoing programs and projects, it's usually better to move those focused communications into this layer and send a unified message to reduce the number of focused communications and keep them more effective.

The portfolio manager should encourage recipients to share their opinions after receiving the message.

Remember that this communication targets a broad range of audiences in the organization. Therefore, it should be kept simple, short, and non-technical.

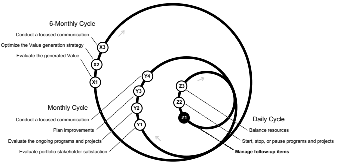
Z — Daily Cycle

The management activities in this cycle may be run any day to implement the Value generation strategy.

Management activities in this cycle are as follows:

Z1 — Manage follow-up items
Z2 — Start, stop, or pause programs and projects
Z3 — Balance resources

Z1 — Manage follow-up items



What

In this activity, we continuously manage global follow-up items (risks, issues, change requests, improvement plans, and lessons learned).

Why

Most follow-up items impact a single program or project and are managed locally. However, there are also global ones that impact multiple programs and projects and need to be managed in an integrated, holistic way in the portfolio management layer in order to be more effective.

Who

The portfolio manager is the main facilitator in this activity and works closely with custodians.

How

Program and project managers may identify global follow-up items (e.g., in activity D01 of P3.express). When this happens, they should immediately communicate it to the portfolio manager.

The portfolio manager should monitor the local registers continuously to find patterns that can lead to identification of global follow-up items.

When a new item is added to the

Global Follow-Up Register,

- one of the portfolio board members, program managers, or project managers should be assigned to it as its custodian to follow up on and update its status, and
- custodians should inform managers of all programs and projects that may be impacted by the item of its existence.

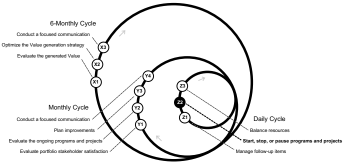
The portfolio manager should be in touch with custodians about the status of their follow-up items and ensure that all of them are followed up on until closed.

When the portfolio manager realizes

that a follow-up item can have a significant impact on the Value Generation Matrix, they should run an exceptional 6-Monthly Cycle. Otherwise, the portfolio manager is authorized to decide how to respond to those items. The portfolio manager may get help from program and project managers to design the responses.

The related organizational processes and policies documented in the Portfolio Description should be carefully followed in this activity.

Z2 — Start, stop, or pause programs and projects



What

This activity gives permission to sponsors to start, stop, or pause their programs or standalone projects based on the Value Generation Matrix.

Why

To ensure alignment, no program or standalone project may be started, stopped, or paused in the organization without the permission of the portfolio manager. Projects that are underneath programs will require permission from the program management system rather than the portfolio management system.

Who

The portfolio manager and the program or project sponsor work together in this activity.

How

Sponsors are allowed to initiate their programs and standalone projects (assign a team to create a high-level plan without executing it) if they need to create a precise Business Case (e.g., in response to requests for proposals from external clients), but they must receive the portfolio manager’s permission before starting the execution (e.g., activity A08 of P3.express). They should also ask for permission before beginning and ending the program or project's closure process. During program and project closure, the portfolio manager will ensure that the documents are archived properly, among other things.

Sometimes, such as during emergencies, the relative justification of programs and projects changes so dramatically that it makes sense to pause an ongoing program or project and start working on something else. The portfolio manager and the sponsor would discuss such cases in this activity.

When a decision is brought to this

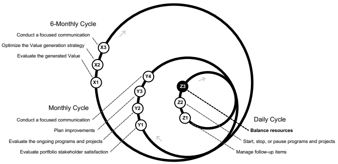
activity, the portfolio manager is allowed to make the decision along with the sponsor according to the Value Generation Matrix. If the prior decisions of the portfolio board, as reflected in the matrix, are not enough for making the decision, or the portfolio manager and the sponsor can't reach an agreement, the portfolio manager should run an exceptional 6-Monthly Cycle.

The portfolio manager must ensure that sponsors are not running too many programs and projects in parallel and are finishing the ongoing ones before starting the next ones in the matrix.

Minor changes in the organization may be best implemented by ad hoc tasks. However, the portfolio manager must ensure that there’s a reasonable number of such tasks and that they don’t replace structured changes (programs and projects).

The organizational processes and policies related to starting and stopping programs and projects, as documented in the Portfolio Description, should be carefully followed in this activity.

Z3 — Balance resources



What

This activity helps sponsors get resources for their programs and projects, especially when there’s competition among them.

Why

The portfolio management system should offer this help to sponsors from a holistic perspective to ensure

- they can get the resources required for their programs and projects, and
- if multiple programs and projects are competing for similar resources, allocations are aligned with the Value Generation Matrix.

Who

The portfolio manager and the program and project sponsors work together in this activity.

How

When there's competition among programs and projects, the portfolio manager should try to balance resource allocations based on the Value Generation Matrix. When there's disagreement among sponsors and the portfolio manager, the portfolio manager is allowed to make decisions up to the threshold documented in the Portfolio Description. If the decision passes the threshold, they should run an exceptional 6-Monthly Cycle.

Any organizational policies and processes related to resources, as documented in the Portfolio Description, should be carefully followed in this activity.