

Strategic Technology and Innovation Management Programme 2018

Developing Project Portfolio Management Maturity Model

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Technology intensive firms often face a challenge of ineffective innovation project portfolio management. Drawing upon a vast literature on portfolio management in a structured way, this project aims to identify its critical success factors and tools for improving portfolio management quality or portfolio decision-making.

Aims

To develop diagnostic aid for assessing strengths and weaknesses of portfolio management practices.

Progress

A template-based portfolio management diagnostic tool has been developed and piloted with 8 large companies.

The application of tool involves scoring of 64 key portfolio management practices on four criteria: relevance, importance, consistency and execution quality by portfolio management stakeholders

These 64 practices are further categorised into 12 critical success factors (A-L) for portfolio management. The performance score of a portfolio management practice is the product of consistency and execution quality scores.

The tool is now has been further refined based on pilot insights and ready for use.

Example of Pilot Diagnostic



Top 10 High Performing Portfolio Management Practices

Portfolio Management Practice	Score
L3 Communicate project and portfolio updates to top management team	67
H1 Assess individual projects from multi-functional perspectives (e.g. technical, strategy)	60
H8 Communicate portfolio decisions with further guidance to project applicants	56
L1 Update portfolio strategy strategy, roadmaps and business cases	54
C3 Set direction and priorities for developing technology platforms and capabilities	53
G1 Identify and manage project level risks (e.g. market, technology, delivery)	53
K1 Portfolio management team or unit provide support to business lines and project managers	50
I3 Involve top management in termination decisions and communicate termination rationale	49
H6 Use Stage-Gate review to ensure validity of business over time	48
C1 Use strategic buckets to guide overall resource allocation	48

Top 10 Low Performing Portfolio Management Practices

Portfolio Management Practice	Score
K7 Formally manage portfolio data using IT tools and applications	10
G3 Leave slack resources or capacity to handle contingencies	15
H7 Identify warning signals for 'pet' projects	15
B4 Corporate functions together create, maintain and own technology and business roadmaps	21
K10 Synchronise portfolio decision-making with product and industry characteristics	22
H2 Use assessment methods and visuals which reveal merits/demerits of projects and portfolio	23
H4 Understand opportunity cost of projects that are not selected and discuss alternatives	23
B1 Govern portfolio management from different functional perspectives (financial, strategy)	24
A7 Analyse and prioritise micro/macro trends to identify business requirements	25
A4 Scan for opportunities for M&A (e.g. set up incubators)	28

If you are interested in self- assessment of portfolio management practices in your firm or comparison with other firms, please drop an e-mail at ng372@cam.ac.uk