RegPM™ Certification

AIPM Professional Competency Standards
for
Project Management

Part F - Certified Practising Portfolio Executive (CPPE)

Document control

Document information

Document Title	AIPM Professional Competency Standards for Project Management – Portfolio Executive
Release Authority	AIPM

Version control

Version Number	Date	Nature of Change
Version 3.0	1 Feb 2024	2024 Update

Proposals for amendment

Proposals for amendments or additions to this document should be sent to: regpm@aipm.com.au

Table of Contents

Introduction

These Competency Standards provide the basis for the development and assessment of the Certified Practicing Portfolio Executive.

Applicants and assessors are to be familiar with the Introduction to these Standards contained in Part A.

These Standards have been developed as generic standards with the objective of applicability across a wide range of industries and enterprises. They may be used by industries/enterprises as they stand or they may be used as a basis from which each industry or enterprise may contextualise the project management standards.

These Standards are described in terms of the units of project portfolio management. Within each unit, the Standards detail the elements of competency and associated performance criteria, range indicators, knowledge and skills, and evidence guides.

The Units are:
- Unit 1 – Identify, Categorise and Prioritise Projects and Programs;
- Unit 2 – Assess and Select Opportunities and Balancing the Portfolio;
- Unit 3 – Manage and Review Portfolio Performance;
- Unit 4 – Govern the Portfolio;
- Unit 5 – Manage Portfolio Resource;
- Unit 6 – Manage Portfolio Communication and Change;
- Unit 7 – Manage Portfolio Risk; and
- Unit 8 – Lead the Portfolio.

Work Performed by the Certified Practicing Portfolio Executive

The Project Management Institute Portfolio Management Standard (2nd edition) defines Project Portfolio Management (PPM) as:

"the centralised management of one or more portfolios of projects, which includes identifying, prioritising, authorising, managing and controlling projects, programs and other related work, to achieve specific strategic business objectives."

Project Portfolio Management operates at the strategic level within the organisation. Unlike projects or programs, a portfolio does not have a finite life, instead it is a continuous process and requires regular tending to ensure the portfolio remains in balance and remains consistent with the organisation's strategic objectives.

Project Portfolio Management helps organisations to:
- Identify what projects they are working on;
- Identify what projects they should be working;
- Identify the priorities for limited and critical resources predominantly funding and personnel;
- Confirm how projects link to an organisation's strategic priority; and
- Manage strategic outcomes and benefits.

Project Portfolio Management is applied to a group of projects and programs that may not be related in a business sense, but draw upon a common set of constrained organisational resources. Project Portfolio Management is focussed on creating and continually reviewing and updating the selection of projects and programs under management within the organisation at any one time, as a continuous process, akin to line management of an operational area of the business.

The individual tasks performed in the Project Portfolio Management function may be performed by members of the organisations project/program management office (PMO), however, the focus is that of an executive, rather than a project/program manager. PMOs are typically focussed on tactical or administrative elements of projects and programs, such as methodology development and maintenance, reporting or resource management without authority over and accountability of the Portfolio. IT is acknowledged that with the introduction of standards for Project Offices ' PMOs' may take on a more strategic role.

Project Portfolio Management can be undertaken at various levels within the organisation and may consist of Projects and Programs across the entire organisation or as part of a specific business unit, such as IT or research and development. In addition, there may be more than one portfolio operating in an organisation.

In large organisations, a Project Portfolio Manager may only have responsibility for a subset of the organisation's Projects and Programs and their alignment to organisational strategic objectives. A Portfolio Manager may interact with senior managers, executives, and major stakeholders to establish strategic plans and objectives for an organisation.

Project Portfolio Management promotes executive managers to make decisions over resource priorities, to decide which Projects and Programs should start and when, and which Projects and Programs should be put on hold or cancelled all together.

Candidate profile

The following guidance is offered for both candidates and assessors to determine whether they are operating at the level required to achieve certification. The criteria below are NOT entry criteria, nor should they be treated as a checklist. They are merely guidance. It is expected that a candidate for CPPE would have the following profile:

- Business, management or extensive project management experience;
- Detailed knowledge of project and program management principles, concepts and techniques, or certified at CPPM or above;
- Experience managing cross organisational or cross industry Projects and Programs that have a significant impact on an organisation, industry sector or the public;
- Senior management experience or work as a senior consultant working to senior managers in organisations;
- experience is evaluating and reviewing project or program performance
- Demonstrated experience in organisational reviews, assessments, audits or analysis; and
- Demonstrated experience in contributing to and formulating the creation of project management capability, organisational strategies and priorities.

Whilst these are not mandatory criteria, they provide a general guidance for candidates and assessors to determine the applicability of this competency standard.

Assessment requirements for Certified Practicing Portfolio Executive

The Certified Practicing Portfolio Executive level will be assessed using the following methods:

- Development and preparation of a Portfolio of Evidence under guidance from an AIPM assessor;
- A series of interviews with the assessor to demonstrate the individual's role in managing the project portfolio; and
- Preparation of a document outlining their specific portfolio knowledge and experience and the application in at least one organisation.

Certified Practicing Portfolio Executive

Unit 1 - Identify, Categorise and Prioritise Projects and Programs

Definition: Project and Program Identification, Strategic Alignment and Prioritisation is centred on capturing all extant Projects and Programs regardless of the stage of the portfolio lifecycle and determining the alignment of each project and program to the organisations strategy. Projects and programs are categorised according to the organisation's schema and applied with a priority. It does not deal with the actual selection of the projects and programs to be included in the portfolio.

Element	Performance Criteria
1. Identification	1.1 A **regular census** is undertaken to identify and capture all ideas, proposed, planned, active or inactive projects and programs in the **organisation,** the project sponsor and project approval status, to ensure the project portfolio is complete and correct on an ongoing basis. 1.2 **Macro-level project and program information** is captured for every project and program within the project portfolio. 1.3 Formalised tools and processes are agreed with Executive management and are implemented to support the ongoing identification and capture of project and program information.
2. Strategic Alignment	2.1 Alignment of projects and programs to organisational strategic objectives is identified and objectively scored. 2.2 An assessment of internal and external environmental factors is undertaken to identify key drivers and sources of impact for projects and programs within the Portfolio. 2.3 Projects and programs are assessed to determine the degree of alignment with, and contribution to one or more **strategic objective**. 2.4 Projects and programs that do not align to one or more **strategic objective** are clearly highlighted and flagged for further analysis. 2.5 Projects and programs are **categorised** according to each **strategic objective**.
3. Prioritisation	3.1 **Organisational prioritisation methods** are identified, documented and reviewed to reflect changing organisational priorities. 3.2 Prioritisation criteria for project portfolio assessment are

Element	Performance Criteria
	agreed with Executive stakeholders. 3.3 Projects and programs are prioritised based on their alignment and contribution to organisational strategic objectives.

Range indicators

Regular Census may include an audit, review or health check of individual projects or programs

Organisation may be the entire company or business, or a single business unit.

Macro-level project information includes:

- high-level milestones;
- key deliverables;
- business benefit analysis;
- estimated resource requirements;
- risk profile; and
- cross-project dependencies.

Strategic Objectives may consist of a key strategic theme, objective or goal, the Mission and Vision or a strategic intent, as outlined in the organisations Strategic Plan or strategic statement. Strategies may include:

- Increased profitability and/or frequency of return;
- Market share increase;
- Reduce organisational risk exposure;
- Legal, regulatory or compliance obligations;
- Efficiency or process improvements; and
- Enabling initiatives.

Categorised may include identifying projects and programs against key business categories, for example:

- Supply vs demand driven;
- Development vs research based;
- Short term vs long term focus;
- Infrastructure vs applications;
- Resource constraints;
- Risk level; or
- Level of use of strategic assets.

Organisational Prioritisation Methods may include the development of a scoring system, schema or model. It may also include graphical and numerical representations to aid in decision making.

Underpinning knowledge and skills

General knowledge and understanding of:

- Organisational strategy and strategic planning;
- Internal and external environmental analysis;
- Financial, non-financial, tangible and intangible benefits identification and quantification;
- Project, Program and portfolio management artefacts;
- Audit and review techniques; and
- Multi-criteria analysis.

Skills:

- Organisational and project reviews and auditing;
- Interpretation of the organisational strategy;
- Strategic analysis of portfolio options, investments or project/program proposals; and
- Executive and/or Board level influencing.

Evidence guide

The following documentation or components of the documentation produced by, managed by or led by the individual, can provide supporting evidence:

- Project and program register demonstrating linkage to organisational objectives or categorised based on the organisations schema;
- Strategic plans listing aligned projects and programs;
- Auditing methodologies and outputs for establishing project and program status;
- Minutes of meetings demonstrating agreement to portfolio evaluation criteria;
- Portfolio Charter;
- Organisational prioritisation model for projects and programs; and
- Dependency mapping between projects and programs.

Assessment of this unit by the assessor should focus specifically on:

- How information on projects and programs are captured and collated and how each respective project and program is assigned a priority and category;
- The level of detail captured on each project and program and how it is recorded and managed;
- The organisational prioritisation method;
- How the Projects and Programs are reviewed and the decision making process to determine their alignment to various strategic themes; and
- How internal and external environmental factors are taken into account.

Unit 2 - Assess and Select Opportunities and Balancing the Portfolio

Definition*:* Project opportunity assessment, selection and portfolio balancing is focussed on the decision-making associated with ensuring the right Projects and Programs are continually selected and marked as a priority to use organisational resources, taking into account changing organisational strategies. Projects and Programs in progress are also considered in the mix and may be put on hold, cancelled or given a lower priority as part of the portfolio balancing process. Upon approval, Projects and Programs are initiated using the organisation's approved project initiation process, which may be administered or managed through an enterprise project management office.

Element	Performance Criteria
1. Screening	1.1 Business cases for each project/program are reviewed to capture interfaces, emergent risks, resource requirements and business benefits and their timings. 1.2 Dependencies between projects and programs are mapped to determine the resultant business benefits to be achieved. 1.3 **Mandatory projects** and programs are identified and added to the project portfolio, where appropriate.
2. Investment appraisal	2.1 The **desirability** of project and programs are identified based on their risk and projected benefits and business impacts assessment. 2.2 Projects and programs that deliver similar business benefits and outcomes are examined and adjusted to remove duplication and take advantage of synergies. 2.3 Feasibility studies are commissioned in instances where additional analysis is required to determine investment merit. 2.4 A comparative analysis is undertaken to determine the most appropriate projects and programs to receive organisational investment. 2.5 The budget or financial profile is determined for each project or program 2.6 Related projects are grouped for management as a program to ensure relevant efficiencies are captured.
3. Selection	3.1 A **project selection model** is used to select projects and programs that comprise the portfolio. 3.2 The organisations ideal project and program mix is regularly reviewed to calibrate the **project selection model.**

	3.3 Projects and programs are selected for inclusion in the portfolio based on the organisations project selection model. 3.4 Information is prepared and presented to Executive Management to solicit support and project selection decision-making.
4. Approval	4.1 The project and program approval process is reviewed and updated on a regular basis. 4.2 Recommendations are made to **Executive Management** as to the projects to be included in the portfolio. 4.3 Approval of projects/programs to be included in the portfolio by **Executive Management** is facilitated. 4.4 Projects and programs are allocated a **selection status**. 4.5 Approved projects and programs are provided with identified funding and resources. 4.6 Rejected, cancelled or on-hold projects and programs are identified with reasons for rejection. 4.7 Projects and programs currently underway that have been rejected from the portfolio are formally cancelled or put on-hold. 4.8 A list of approved and rejected projects and programs are communicated to stakeholders.

Range indicators

Mandatory Projects are projects that are being implemented to address changing legislative or regulatory requirements, or meet a mandated business requirement.

Desirability is used to describe the relative importance of the project/program to the organisation, expressed in a qualitative (eg a numerical score) or quantitative manner (eg a rating).

Project selection model includes a strategic decision by Executive management as to the target portfolio mix to be funded. This might include the allocation of priority or percentage of funding across each Strategic Objective or be focussed on threshold values based on an investment appraisal (eg if ROI is used as a calculation method). The model should consist of decision-making criteria, the project selection process and the standardised outcomes from the decision.

Executive Management include 'C-level' executives, general managers or senior managers in the organisation who are responsible for portfolio decision making.

Selection status is the nominated status of the project in terms of the follow-on action required. The project status may be, for example:

- Underway – delivery underway;
- Approved – proceed with detailed planning immediately;
- On hold – project selected, but on hold pending start date;
- Pending – project on hold pending additional information and further review ; or
- Cancelled – Project not selected and cancelled.

Underpinning knowledge and skills

General knowledge and understanding of:

- Criterion prioritisation models;
- Supply and demand concepts;
- Analysis methods and techniques, including:
  - Cost-benefit analysis;
  - Quantitative analysis;
  - Scenario planning;
  - Probability analysis; and
  - Graphical analysis methods.
- Representing multi-dimensional and complex information in creative ways:
  - Bubble charts;
  - Three-dimensional graphs;
  - Balanced score-card matrix; and
  - Pair-wise comparison. and,
- Business cases and feasibility studies.

Skills:

- Dependency mapping;
- Capacity analysis for:
    - Human resources;
    - Financials; and
    - Assets.
- Risk and opportunity analysis techniques, for example:
    - SWOT;
    - PESTLE;
    - Core Capabilities Analysis; and
    - Scenario Planning. and,
- Decision making models and strategies.

Evidence guide

The following documentation or components of the documentation produced by, managed by or led by the individual, can provide supporting evidence:

- Dependency mapping;
- Project selection processes and methods;
- A document that shows the projects that comprise the organisations portfolio; and
- Project or program approvals.

Assessment of this unit by the assessor should focus specifically on:

- How the preferred portfolio mix is determined;
- The decision making process to be used to select projects for inclusion in the portfolio; and
- Scenarios that explore 'what-if' analysis to determine the extent and depth of knowledge of the individual's ability to make 'trade-offs' and decision making based on management information.

Unit 3 - Manage and Review Portfolio Performance

Definition: Portfolio performance management and review is focussed on evaluation of the performance of the portfolio of projects, individually and collectively, and the benefits the portfolio of projects delivers to the organisation. It allows for evaluation of individual projects performance and achievement of the business value achieved by each and provides a feedback and input into portfolio balancing.

Element	Performance Criteria
1. Program and project delivery oversight	1.1 Appropriate project/program **review points** are identified and aligned to the portfolio review cycle. 1.2 Qualitative and quantitative data is continuously captured and reviewed to determine project and program performance against respective **plans.** 1.3 The portfolio is monitored to ensure that projects/programs are meeting their identified key objectives and benefits. 1.4 Projects and programs not achieving planned performance are flagged for review and further investigation. 1.5 Recommendations are made to **change** projects /programs included in the portfolio.
2. Portfolio continuous improvement	2.1 Project identification and approval processes are continuously reviewed and improved. 2.2 Portfolio value and contribution to strategic priorities is regularly assessed through the monitoring and review of **Key Performance Indicator** measures. 2.3 Lessons learned are fed into the project selection, prioritisation and portfolio balancing processes.
3. Benefits management and realisation	3.1 **Portfolio Delivery Map** is prepared and updated showing the key timings and inter-dependencies between projects and programs and the associated benefits to be produced. 3.2 The portfolio is actively managed to maximise achievement of organisational benefits.

Range indicators

Plans may include project, program, business or strategic plans

Review points may be gates reviews or milestones or be a more systematic approach, such as the OGC Gateway process

Change refers to either the addition or removal of projects or programs in the program, or putting such projects/programs on hold

Key Performance Indicators may include:

- Performance measures and metrics;
- Qualitative and quantitative factors; and
- Balanced scorecard.

Portfolio Delivery Map is the high-level plan or documenting outlining the relationship between any project/program in the portfolio and the timings for delivery of those projects/programs

Underpinning knowledge and skills

General knowledge and understanding of:
- Financial information analysis and trend analysis;
- Quality and continuous improvement;
- Process improvement;
- Metrics and key performance indicators as management tools; and
- Benefits management and realisation.

Skills:

- Creating, using and applying appropriate Key Performance Indicators;
- Identifying and documenting project and program benefits; and
- Determining project performance based on high-level information.

Evidence guide

The following documentation or components of the documentation produced by, managed by or led by the individual, can provide supporting evidence:

- Portfolio review matrix;
- Cross project/program dependency map;
- Portfolio review document;
- Project/Program performance report or audit;
- Portfolio delivery map;
- Evidence of continuous improvement;
- Evidence of a change in the portfolio and how such changed have been managed; and
- Benefits tracking or realisation report.

Assessment of this unit by the assessor should focus specifically on:

- How the portfolio can be continuously improved;
- The types of qualitative and quantitative data and other metrics that can be used to determine project performance;
- Determining and mapping cross project/program dependencies;
- Signs and symptoms of project/program failure and underperformance; and
- Lessons that the individual candidate has learned and recommendations made for improvement.

Unit 4 – Govern the portfolio

Definition*:* Portfolio governance is focussed on the roles and responsibilities for portfolio management and the ensuring appropriate decision making process and organisational controls are in place and functioning effectively and efficiently. It includes establishment and maintenance of structures, procedures and methods in order to ensure appropriate governance of projects and programs within the portfolio.

Element	Performance Criteria
1. Standards, models and approach	1.1 Legislative, regulatory or business requirements and changes are incorporated into portfolio management decisions and controls 1.2 **Disciplined governance arrangements**, supported by appropriate methods and controls, are applied to projects and programs within the portfolio 1.3 A coherent and supportive relationship is demonstrated between the overall business strategy and the project portfolio 1.4 All projects/programs within the portfolio have an approved plan containing **authorisation points** at which the business case is reviewed and approved on an ongoing basis to determine the continued validity of investment, organisational exposure and return 1.5 Decisions made at **authorisation points** are recorded and communicated 1.6 Members of **delegated authorisation bodies** have sufficient representation, competence, authority and resources to enable them to make appropriate decisions 1.7 **Executive Management** are supported to ensure appropriate independent assurance of projects/programs occurs 1.8 Criteria for reporting project status and for the escalation of risks and issues to the levels required by the organisation are clearly defined 1.9 Portfolio stakeholders are engaged at a level that is commensurate with their importance to the organisation and in a manner that fosters trust
2. Portfolio charter	2.1 A **portfolio charter** is prepared and regularly reviewed, which clearly establishes portfolio governance and management roles, authorities, approval limits, responsibilities and the scope of portfolio control

Range indicators

Disciplined governance arrangements may include terms of reference for all boards and steering committees

Authorisation points may be:
- Formal review points
- Stage / Phase Gates
- Critical design reviews

Delegated authorisation bodies may include:
- Project/program boards or steering committees
- Project/program offices

Executive Management are those senior managers in the organisation that are involved with decision making in the portfolio context.   Support in this context may include:
- Preparation of portfolio reports
- Preparation of minutes and agendas for portfolio board meetings

Portfolio charter is the overarching mandate and guidance document that details the operating instructions for the portfolio.

Underpinning knowledge and skills

General knowledge and understanding of:
- Corporate governance; and
- Project and program control and governance.

Skills:

- Strategic thinking and decision making;
- Advanced written and oral communications;
- Negotiation; and
- Preparation of reports for executive management and executive decision-making.

Evidence guide

The following documentation or components of the documentation produced by, managed by or led by the individual, can provide supporting evidence:

- Portfolio charter;
- Decision making matrix;
- Documented decision model;
- Delegation profiles; and
- Reporting guidelines.

Assessment of this unit by the assessor should focus specifically on:

- Governance mechanisms established in the portfolio;
- The link between portfolio governance mechanisms and those used in projects/programs;
- Methods used to communicate the governance requirements to subordinates; and
- How portfolio decisions are made and supported.

Unit 5 – Manage portfolio resources

Definition*:* Portfolio resource management is concerned with the assessment of the existing resource pool and skill sets available within the organisation and balancing the number and type of projects planned or currently being undertaken with the available resource supply. It also examines the resource forecast and the allocation of resources to ensure the business needs are met and organisational strategies are achieved.

Element	Performance Criteria
1. Portfolio resource assessment	1.1 Project and program **resources** are identified based on resource forecasts 1.2 A baseline of existing and proposed **resources** is captured 1.3 The resource capacity of the organisation is regularly reviewed and trends identified and assessed 1.4 A portfolio resource strategy is developed, reviewed and updated based on the status of projects and programs in the portfolio, taking into account the organisations resource constraints
2. Skills and experience assessment	2.1 Details of human resources skill sets and experience are captured and maintained 2.2 Human resource availability and utilisation information is captured and maintained 2.3 **Human resource deficiencies** and strengths are highlighted and factored into the organisational workforce and development plans 2.4 Strategies are implemented to resolve **human resource deficiencies** and imbalances. 2.5 Readiness for change is assessed and its impacts determined.
3. Project and program resource assignment	3.1 **Resources** are optimally allocated based on organisational strategic priority of projects and programs within the portfolio 3.2 Project/program resource allocation and utilisation against plans is reviewed to forecast the impact on the organisation 3.3 Resource gaps and conflicts are identified and investigated, and appropriate action is taken to resolve the identified resource constraints, in alignment with organisational strategic priorities.
4. Coordination and prioritisation of resources	4.1 Cross-organisational resource assignment is coordinated to support prioritised projects and programs, based on risk, quality

	and other requirements.
	4.2 **Resources** are reallocated from projects/programs cancelled or put on hold

Range indicators

Resources may be personnel, assets or financial resources, accommodation, test equipment, facilities

Human Resource Deficiencies might consist of resource and skills gaps

Underpinning knowledge and skills

General knowledge and understanding of:
- Resource allocation;
- Resource utilisation calculations and collection techniques;
- Strategic Human Resource Management;
- Supply and demand concepts;
- Workforce planning; and
- Strategic resource management and planning.

Skills:

- Resource planning, allocation and management; and
- Skills assessment.

Evidence guide

The following documentation or components of the documentation produced by, managed by or led by the individual, can provide supporting evidence:

- Resource plans and forecasts;
- Resource allocation models;
- Skills matrix showing current resources and their skills; and
- Documents outlining skills gaps and staff development requirements.

Assessment of this unit by the assessor should focus specifically on:

- The decision making associated with resource allocation to projects/programs within the portfolio; and
- Hypothetical discussions in respect to how the organisation deals with skills deficiencies and resource constraints.

Unit 6 – Manage portfolio communications and change

Definition*:* Communication management at the portfolio level is focussed on ensuring the rationale for project portfolio management is understood at all levels in the project organisation. This is particularly important given the dynamic and ongoing nature of the project selection and balancing functions being undertaken by the project portfolio manager.

Element	Performance Criteria
1. Portfolio metrics, measurement and reporting	1.1 A portfolio communications strategy is developed, used by portfolio staff, and regularly reviewed. 1.2 A **portfolio management information system** is used to dynamically capture and manage information on projects and programs that comprise the portfolio and their status 1.3 Reports are provided to Executive Management showing progress towards and achievement or non-achievement of **strategic objectives** 1.4 Project selection criteria and **project selection model** is communicated throughout the organisation 1.5 Portfolio data collection processes and systems are integrated into **organisational processes and systems**
2. Stakeholder engagement and management	2.1 Interaction with Executive Management and organisational strategic planning team occurs 2.2 Internal and external stakeholders needs are considered in the **ideal portfolio mix** 2.3 The organisation fosters a culture of continuous improvement and of open internal disclosure of appropriate portfolio information
3. Communication of portfolio review outcomes	3.1 Criteria to evaluate portfolio management success are identified and communicated 3.2 Key project stakeholders receive regular portfolio management reports containing strategic information of portfolio status and progress 3.3 Projects selected for inclusion in and rejection from the portfolio are communicated along with the rationale for the decision

Range indicators

A **portfolio management information system** may be paper-based, kept electronically or by an integrated computerised system

Strategic Objectives may consist of a key strategic theme, objective or goal, the Mission and Vision or a strategic intent, as outlined in the organisations Strategic Plan or strategic statement. Strategies may include:

- Increased profitability and/or frequency of return;
- Market share increase;
- Risk reduction to the organisation;
- Legal, regulatory or compliance obligations;
- Efficiency or process improvements; and
- Enabling initiatives.

Project selection model includes a strategic decision by Executive management as to the target portfolio mix to be funded. This might include the allocation of priority or percentage of funding across each Strategic Objective or be focussed on threshold values based on an investment appraisal (eg if ROI is used as a calculation method). The model should consist of decision making criteria, the project selection process and the standardised outcomes from the decision.

Organisational processes and systems may include the organisations:

- human resource management system;
- financial system; and
- project information management system.

The **ideal portfolio mix** is the optimised list of projects/programs to be delivered in order to best achieve the organisations **strategic objectives**.

Underpinning knowledge and skills

General knowledge and understanding of:
- Project, program and business level reporting;
- Organisational politics;
- Influencing and negotiation; and
- Transformational management.

Skills:

- Communicates using modes and techniques appropriate to the context; and
- Management of and chairing executive and high-level meetings.

Evidence guide

The following documentation or components of the documentation produced by, managed by or led by the individual, can provide supporting evidence:

- Executive briefings and presentations on the portfolio management approach;
- Executive briefings on the portfolio status;
- Portfolio reports showing component project/program performance;
- Minutes of portfolio review meetings; and
- Advice explaining why projects have been included/excluded from the portfolio.

Assessment of this unit by the assessor should focus specifically on:

- Formal information communications techniques;
- Examples where influencing skills have been demonstrated;
- Reporting on project/program status and performance and their contribution to strategic objectives; and
- How changes to the portfolio are communicated.

Unit 7 – Manage portfolio risk

Definition*:* Portfolio risk management is designed to focus on strategic business risk and is inherent in the overall project balancing process. The organisations risk appetite is assessed and appropriate ownership of risk management is embedded across the portfolio, ensuring the application of risk management techniques across portfolio/organisational boundaries.

Element	Performance Criteria
1. Identification of portfolio risks	1.1 Standards and procedures for portfolio risk management are established and continuously reviewed 1.2 The portfolio risk management approach is integrated with organisational risk management systems and strategies 1.3 Analysis is undertaken to determine the organisations risk appetite 1.4 Input on risks from stakeholders, Executive Management and other specialists is sought; 1.5 External and internal threats and opportunities are identified and their impact on the portfolio are assessed
2. Analysis of portfolio risks	2.1 Results from project and program risks analysis are captured to determine overall portfolio risk profile and organisational exposure 2.2 Executive Management determine the level of acceptable portfolio risk 2.3 Individual project/program risks are captured and reviewed on a regular basis to determine the potential impact on the organisation 2.4 Project and program risks are regularly audited and assessed to monitor risk management performance and assess the portfolio risk profile
3. Monitor and control portfolio risks	3.1 Organisational **risk reserves** are implemented and managed 3.2 Opportunities identified through risk analysis are explored 3.3 Portfolio risks are actively managed to minimise organisational impact

Range indicators

Other specialists might include representatives with expertise in:

- Security;
- Information Technology;
- Communications; or
- occupational health and safety.

Risk reserves are contingency funds allocated to the portfolio and are used in risk treatments or contingency plans in the event that specific risks are realised.

Underpinning knowledge and skills

General knowledge and understanding of:
- risk management theory;
- Australian and international risk management standards
- qualitative and quantitative risk techniques, including:
    - brain-storming;
    - cause and effect modelling;
    - risk probability and impact assessment;
    - probability and impact matrix;
    - risk data quality assessment;
    - risk categorization; and
    - risk urgency assessment. and,
- enterprise risk management approaches.

Skills:

- Highly developed verbal communication skills;
- Investigative skills;
- literacy skills to write risk management plans;
- communications skills to discuss risks and opportunities with stakeholders;
- problem-solving skills to control risks and issues;
- lateral thinking skills to identify potential business and portfolio risks;
- planning and organisational skills to monitor project/program/portfolio progress; and
- analytical skills to review portfolio outcomes in terms of risk management.

Evidence guide

The following documentation or components of the documentation produced by, managed by or led by the individual, can provide supporting evidence:

- demonstrate evidence of effectively planning, managing and reviewing risk through the knowledge and application of risk management methods, processes, strategies, techniques, and tools.

Assessment of this unit by the assessor should focus specifically on:

- How risks are assessed at project/program level and then examined in the context of the portfolio;
- the identification and prioritisation of risks;
- application of lessons learned from previous project(s) in planning new project;
- the analysis of risks and opportunities;
- communication of risk events, responses and results to stakeholders;
- lists of potential risk events;
- records of identification and prioritisation of risk events;
- risk management plans;
- reports of variance and recommendations for action;
- details of conduct of risk reappraisal;
- the effectiveness of risk management processes, procedures and tools, recommendations; and
- for improvements and risk management lessons learned.

Unit 8 – Lead the Portfolio

Definition*:* Project Portfolio leadership is rooted in organisational development and classic leadership theory and is aimed at ensuring tactical leadership of the portfolio management team and strategic leadership of the program and project managers operating within the portfolio. It involves establishment of the vision for ongoing portfolio success as well as ongoing portfolio leadership.

Element	Performance Criteria
1. Lead the portfolio team	1.1 Portfolio management is championed within the organisation
	1.2 Portfolio management resourcing is regularly justified and the associated value provided to the business is quantified and communicated
	1.3 **Project/program sponsors** are briefed and supported throughout the project/program lifecycles
	1.4 Performance of portfolio management office staff is regularly assessed and feedback is provided
	1.5 Internal and external stakeholders are influenced
2. Make strategic decisions	2.1 A **portfolio vision** is established and clearly communicated to stakeholders

Range indicators

The **Portfolio vision** is the strategic plan, vision statement, charter, business plan.

Project / Program sponsors may include project board or project steering committee members.

Underpinning knowledge and skills

General knowledge and understanding of:
- Understanding of financial principles and data;
- Managing people through recruitment and retention;
- Goal setting;
- Performance management;
- Employee development;
- Organisational politics;
- Influencing and negotiation;
- Transformational management; and
- Motivation and leadership theories.

Skills:

- Well developed communication, negotiation, conflict resolution facilitation and influencing skills;
- Ability to create, use and apply key performance indicators; and
- Adapting to divergent decision-making models.

Evidence guide

The following documentation or components of the documentation produced by, managed by or led by the individual, can provide supporting evidence:

- Portfolio vision statement
- Staff performance reviews

Assessment of this unit by the assessor should focus specifically on:

- The portfolio strategic vision; and
- How the portfolio is led and the portfolio team is managed.