

Portfolio Management: Art or Science?

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INTRODUCTION

Portfolio management asks the question ‘Are we doing the right mix of projects?’ How do we identify the projects most ‘worthy’ of resource allocation? In practice, the answers can be creative –even artfully provided using coffee, beer, or strong arm tactics, rather than any scientific basis. Is using intuition to determine what projects deserve to be initiated a bad thing? In attempting to apply a scientific basis, are we implying that something as complex as portfolio management can be easily resolved with a few scoring tables and resource plans?

Even once the ‘right mix’ is identified, how do you know when a portfolio is balanced, and what can take it out of balance?

PORTFOLIO MANAGEMENT

The University of Auckland’s Strategic Programme Office (USPO) is implementing a stage gate approach to portfolio, programme and project management, starting with the first gate – portfolio management and selecting the right projects.

Our approach has not been to implement expensive portfolio tools. Instead a portfolio methodology has been developed that ‘fits’ our university culture – where there are disparate views on what is most important, and where resources ought to be allocated. The methodology has been built with scalability and flexibility in mind, providing supportive information, rather than being a constraint in the process.

This presentation will explain the journey to date, what has worked, what we have learned and what we would change with hindsight.

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