

# Fifteen Points for Effective Portfolio Management

## At A Glance

Effective portfolio management can make or break an organization's ability to deliver on strategy. Where does one find this perfect portfolio manager? What are the right skills or experience to fill the role? How does the portfolio manager need to fit in with the rest of strategy delivery? What tools does a portfolio manager need to allow them to be "perfect"? We answer all those questions and more in our review of the 15 most important points for effective portfolio management.

### 1. Astute business skills

Portfolio management is a business discipline—success comes from achieving organizational goals. A portfolio manager must not only understand that but also recognize the threats and opportunities that impact goals and know how to leverage them. Project management skills are important, but they can be taught if not developed enough. Business acumen is much harder to develop.

### 2. Broad experience

Portfolio management requires effective management of work across all business areas. The perfect portfolio manager will have experience in a number of different areas and will have worked on a number of cross-department initiatives to enhance their understanding of those business areas where they don't have direct experience. The portfolio manager doesn't have to be an expert in these areas, but they do need to understand the needs and concerns of each.

### 3. A track record of success

Skills and experience are crucial, but they aren't enough. A portfolio manager must also have a demonstrated record of having delivered results. Whether it was in a business-focused general management role, a project or program management role or (ideally) both scenarios, a portfolio manager must be able to show that he or she can get the right outcomes. That will build a foundation of trust and confidence in the ability to deliver a successful portfolio, and that in turn will allow a portfolio manager to act without being second-guessed.

### 4. Political intelligence

A portfolio manager is going to be making a lot of unpopular decisions. By focusing on what is best for the organization as a whole, he or she will be impacting the ability of individual departments to achieve their own goals. If a portfolio manager is not able to manage those situations without compromising the ability of the organization to perform, he or she will lose the trust of department heads and will ultimately fail. Portfolio managers must be able to manage those relationships, not be managed by them, and that requires a degree of political sensitivity and understanding that not everyone possesses.

### 5. Exceptional leadership

During the course of a portfolio cycle, portfolio managers are going to be acting as leaders for virtually every role in the organization. From leading project managers and teams to deliver effective results against benefit targets to leading c-suite executives through the selection of an optimal portfolio mix, a portfolio manager must always be a trusted and respected leader. To achieve that consistently requires a degree of leadership ability that is rare.

### 6. Superlative communication

Portfolio managers are communicating constantly. They are collaborating with all organizational stakeholders on a broad range of topics. They must be able to convey their message to individuals with a broad range of skills, experiences and interests concisely and clearly. They must also be able to process and interpret similar messages from each of those stakeholder groups, quickly assessing the implications for the portfolio.

### 7. Unmatched decisiveness

Optimizing business performance requires the ability to pivot quickly and with minimal disruption, taking advantage of opportunities or responding to threats before your rivals have even identified them. That requires not just awareness of what's happening but decisiveness when making the decisions that will determine whether your response is right or wrong. That falls on portfolio management, and a perfect portfolio manager will embrace the challenge, making decisions decisively and effectively while getting it right the majority of the time.

### 8. Ruthless focus

Portfolio managers are bombarded with information and requests from every area of the organization. On any given day they may be dealing with several different business areas, confronting issues on multiple projects and meeting with executives and project team members. A portfolio manager must always remain totally focused on the primary purpose of their role: ensuring organizational strategy is executed in such a way as to optimize the ability to achieve the goals and objectives. A portfolio manager must be able to cut through the noise and determine what is important and what should be ignored.

**9. Continuously calm demeanor**

Portfolio managers are always in the spotlight. Leaders are looking to them for reassurance that the organizational goals will be met, stakeholders are concerned that their individual needs won't be prioritized, and project managers and teams are trusting them to provide the best guidance and advice. That creates a lot of pressure on a portfolio manager, and they must never let that pressure show. If a portfolio manager is unable to remain calm in the most stressful situations, not only will it undermine the confidence of everyone else, but it will reduce their ability to make the best decisions.

**10. Comfort with all project delivery methods**

Portfolio success requires the ability to deliver projects using the most appropriate approach. At any point in time, projects using traditional waterfall, agile and hybrid approaches will be underway. A portfolio manager must be not only comfortable with each of these approaches but must be able to assess performance, determine courses of action and identify challenges. They can, and should, leverage the expertise of the teams delivering those projects, but they must have sufficient comfort with different project delivery approaches to be credible leaders of them.

**11. The right organizational structure**

One of the most important aspects of the perfect portfolio manager is the right support structure. They must report to the right level of the organization—ideally directly to a chief strategy officer (CSO) or through a strategic/enterprise PMO. If they are reporting elsewhere, it must be a general business vertical, not a specific department like IT—that undermines the necessary neutrality. And if they report at too low a level, they will lack credibility.

**12. The right tools and processes**

No matter how good a portfolio is, if they aren't given the right tools and processes, a portfolio manager will be stifled in his or her ability to deliver. They need an organizational approach that recognizes the importance of portfolio management discipline from idea generation to benefits delivery, they need leadership that is committed to business agility, and they need technology platforms that support top-down, investment-management-focused portfolio management.

**13. The right authority**

Portfolio management can only succeed if a portfolio manager has real authority to deliver. Leaders must recognize that a portfolio manager owns all strategic execution and must empower him or her accordingly. Optimal performance requires a portfolio manager to be able to act without formal approval based on their understanding of the situation they face. If the organization doesn't support that, or if a portfolio manager can't embrace it, portfolio management will fail.

**14. A credible career path**

The role of portfolio manager may be the pinnacle of an individual's career, but for most individuals it will be a stepping stone to something else. Portfolio management is an opportunity to manage a business in microcosm, and portfolio managers gain invaluable experience for other leadership roles. Organizations must work with a portfolio manager to identify career options and develop him or her to progress further in the organization's leadership. This not only provides motivation to a portfolio manager, but it increases loyalty and commitment, benefiting the organization both now and in the future.

**15. Integration of all of the above**

The 14 points above highlight the key skills, attributes and circumstances required to create the perfect portfolio manager. Each of these is important, but when all of them are brought together and integrated into a single, cohesive portfolio environment, the organization's performance can improve immensely. To achieve that requires organizational commitment to the model, a portfolio manager with the skills and experience to take advantage of the opportunity, and a support infrastructure designed to enable strategic success. That's where CA Project & Portfolio Management (CA PPM), a solution built around enabling success through effective management of all elements of strategic execution, excels. It provides unprecedented levels of insight into what is happening in your organization, partners with you to help you make the right decisions, and informs the value of those decisions. All of that is delivered in an intuitive platform that can be tailored to the needs of each stakeholder and that integrates seamlessly with the rest of your enterprise technology. CA PPM is the glue that brings all of the other pieces together and creates the perfect portfolio manager.

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