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# Individual Competence Baseline for Portfolio Management



Version 4.0

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# Foreword

The profession of project management is changing rapidly. Organisations have evolved their ability to define and implement new areas of work, with more integration across projects and more focus on the long-term benefits. Therefore, project management is established as the preeminent method for implementing change in the world and project, programme and portfolio managers are leading the way. The professionals of tomorrow will work in distributed environments with overlapping and often conflicting stakeholder interests. They will be shaped by real-time data and performance management tools, challenged with too much information and not enough communication and judged by their ability to deliver products or services that align with short and long-term strategies, to deliver benefits. It is into these increasingly demanding challenges that the IPMA Individual Competence Baseline, Version 4.0 (IPMA ICB®) is introduced.

The IPMA ICB is a global standard that defines the competences required by individuals working in the fields of project, programme and portfolio management. The IPMA ICB builds upon the prior editions and presents new insights and directions for a wider range of purposes. It serves a broad range of audiences, including educators, trainers, practitioners, human resource (HR) professionals and assessors. Within the IPMA 4-Level-Certification system, the IPMA ICB serves also as the baseline for assessments.

The IPMA ICB represents a major advancement for successful and modern project, programme and portfolio management. This version describes three domains of expertise extant in business today – project management, programme management and portfolio management. The IPMA ICB describes individuals who work in these domains, while avoiding role-specific terminology because although a role name may change, the underlying concept remains valid.

The IPMA ICB takes the IPMA Eye of Competence (chapter 3, page 25) into the next generation, with a redefinition of the competence elements (CEs) required by the modern project manager.

29 CEs are organised in three competence areas:

- **People.** People CEs define the personal and interpersonal competences required to succeed in projects, programmes and portfolios;
- **Practice.** Practice CEs define the technical aspects of managing projects, programmes and portfolios;
- **Perspective.** Perspective CEs define the contextual competences that must be navigated within and across the broader environment.

The profession of project management has become a global profession. Organisations frequently engage in projects, programmes and portfolios that cross organisational, regional, national and international borders.

The modern manager must work with a wide range of partners outside of their organisation and with a broad array of factors including industry, culture, language, socio-economic status and organisation types. Project management has to be applied taking these contextual facets into consideration and often these broader contexts are seen as the most critical success factor. The IPMA ICB emphasises these challenges.

It took three years to produce this revised version, from defining the business needs, through architectural design, developing the content in a multi-dimensional manner to editing and layout. Four face-to-face workshops a year and a lot of homework took us where we are today. With the IPMA ICB, a new standard is available. But this is far from the end of the journey; in fact it is just the start. The project management community is invited to work with it and provide regular feedback to IPMA so that it can continuously be improved.

We want to thank the project team (Peter Coesmans (The Netherlands), Marco Fuster (Switzerland), Jesper Garde Schreiner (Denmark), Margarida Gonçalves (Portugal), Sven Huynink (The Netherlands), Tim Jaques (United States of America), Vytautas Pugacevskis (Lithuania), Dr. David Thyssen (Germany), Alexander Tovb (Russia), Dr. Mladen Vukomanovic (Croatia), Michael Young (Australia)) and more than 150 experts around the globe - researchers, educators, trainers, HR professionals, certification bodies and many practitioners - who provided valuable feedback during the development, the sounding or the review rounds. To work together across huge distances and multiple time zones - and all on a voluntary basis in addition to individuals' professional and personal lives - is quite an achievement. We are indebted to the effort that all contributors have put into the project and into IPMA.

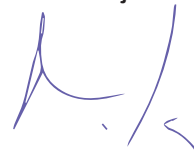
Thanks, too, for the deep friendship created through our deep debates.

The IPMA ICB will help us to achieve a world in which all projects succeed.

Reinhard Wagner  
IPMA President



Martin Sedlmayer  
IPMA ICB Project Manager



# Table of Contents

Foreword	5
Table of Contents	7
<b>1. Introduction</b>	<b>11</b>
<b>2. Purposes and intended users</b>	<b>15</b>
2.1. Definition of competence	15
2.2. Audiences and uses	17
2.3. Individual competence development	18
<b>3. The IPMA Individual Competence Baseline</b>	<b>25</b>
3.1. Framework of the IPMA ICB	26
3.2. Structure of the IPMA ICB	28
3.3. Overview of the competence elements	31
<b>4. The inventory of competences</b>	<b>35</b>
4.1. Managing portfolios	36
4.2. Competences overview	37
4.3. Perspective	39
4.4. People	67
4.5. Practice	115
Annex A: Cross reference to ISO21504: 2015	173
Annex B: Competence table	177
Annex C: Key Competence Indicator table	179





# 1. Introduction





# 1. Introduction

The IPMA Individual Competence Baseline (IPMA ICB®) is the global standard for individual competence in project, programme and portfolio management.

The IPMA ICB supports the development of individual competence through the presentation of a complete inventory of competence elements across projects, programmes and portfolios.

IPMA's goals with IPMA ICB are simple – to enrich and improve the individual's competence in project, portfolio and programme management and to provide an inventory of competences that, if fully realised, represent complete mastery of these management domains. Projects, programmes and portfolios are at the forefront of change in the world today. Projects drive the development of new products and services, investments and expansion, capabilities, the implementation of new strategies and a new generation of infrastructure. We recognise that projects begin and end with people and that competent execution is at the heart of every successful project.

The burden has never been higher for project, programme and portfolio managers to produce measurable results on time, on budget, within scope and while meeting the quality criteria. The IPMA ICB competence standard is intended to support the growth of individuals and also of organisations as they grapple with increasingly competitive project environments. The IPMA ICB describes a comprehensive inventory of competences that an individual needs to have or to develop to successfully master the work package, the project, the programme or the portfolio that the individual is tasked to manage.

However, the IPMA ICB is not a 'how to' guide or a cookbook for managing projects, programmes or portfolios. Therefore, it does not describe the processes or steps involved in project, programme or portfolio management. While it offers more in competence development of individuals involved in project, programme and portfolio management, it can be used alongside other global process-oriented standards.

To everyone who uses the IPMA ICB, we wish you a successful journey!



## **2. Purposes and intended users**





## 2. Purposes and intended users

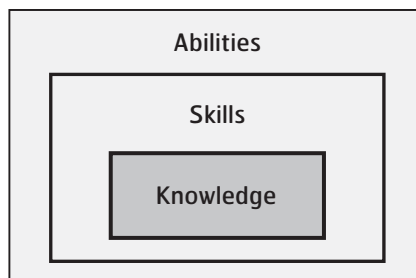
### 2.1. Definition of competence

There are many definitions of the term ‘competence’ around the world. The IPMA Individual Competence Baseline (IPMA ICB®) presents a plain English definition that is widely accepted by professionals and is intended to be recognisable and readily understood. This definition is not intended to minimise or supersede any other definition, but rather to provide guidance to the individual seeking improvement.

**Individual competence is the application of knowledge, skills and abilities in order to achieve the desired results.**

- **Knowledge** is the collection of information and experience that an individual possesses. For example, understanding the concept of a Gantt chart might be considered knowledge.
- **Skills** are specific technical capabilities that enable an individual to perform a task. For example, being able to build a Gantt chart might be considered a skill.
- **Ability** is the effective delivery of knowledge and skills in a given context. For example, being able to devise and successfully manage a project schedule might be considered ability.

These three terms are related in that having a skill presupposes some relevant knowledge. Having ability presupposes relevant skills and knowledge, but adds to that the use of these in practice, in the right manner and at the right time.



## **What about experience?**

Experience plays a significant, though indirect, role in competence.

Without experience, competence can neither be demonstrated nor improved. Experience is a key success factor to the growth of the individual. To successfully perform assigned roles, individuals need to accumulate sufficient experience and thus complement the potential for their competences.

Therefore, state of the art certification and assessment systems do not assess knowledge alone, but focus on competence together with experience gained. The IPMA ICB addresses - as a standard for competence - those factors that are directly correlated with competence.



## 2.2. Audiences and uses

The IPMA ICB is intended to support a wide range of audiences across many uses. It was developed and written with these audiences in mind. The following table describes the audiences and possible uses of the IPMA ICB. This list (in alphabetical order) is by no means exhaustive.

Audience	Possible uses
Assessors, certification boards, IPMA member associations	<ul style="list-style-type: none"> <li>• A baseline for assessment and certification</li> <li>• A new global standard to promote the member association and attract new members</li> <li>• New assessment and educational offerings with project, programme and portfolio domains</li> </ul>
Coaches, consultants	<ul style="list-style-type: none"> <li>• Accessible, individual standard to be applied to clients</li> <li>• Platform for the development of additional services and products</li> </ul>
Corporations, governments, business, not-for-profit organisations	<ul style="list-style-type: none"> <li>• One standard for running projects worldwide</li> <li>• Business does not have to reinvent a set of competence standards</li> <li>• International basis for staff development</li> <li>• A path to competent project managers and project success</li> </ul>
Educators, trainers	<ul style="list-style-type: none"> <li>• Updating the curriculum</li> <li>• Guidelines for teaching project, programme and portfolio management</li> <li>• Opportunity for better training, tailored to more specific roles</li> </ul>
Practitioners	<ul style="list-style-type: none"> <li>• Baseline for professional development</li> <li>• Basis on which to be assessed and certified</li> <li>• A common language for communities of practice</li> <li>• Competence development for a team</li> <li>• Easily readable baseline</li> <li>• Self-assessments</li> </ul>
Researchers	<ul style="list-style-type: none"> <li>• New standard for research development</li> <li>• Basis for papers and conferences</li> <li>• Platform for team-based research</li> </ul>

## 2.3. Individual competence development

### 2.3.1. Overview

The development of competences is both an individual journey and a societal need. IPMA recognises competence today as a function of the individual, the team and the organisation.

- **Individual competences** address the knowledge, skills and abilities through experience;
- **Team competences** address the collective performance of individuals joined toward a purpose;
- **Organisational competences** address the strategic capabilities of a self-sustaining unit of people.

Motivation theory and current research results show that individuals strive to develop their competences in order to perform better in their current position, to get more and more interesting tasks and to enhance their career opportunities. Project, programme or portfolio related work is based on collaboration with team members from all kinds of disciplines, internal and external parties (such as clients and suppliers), and therefore competence development happens in such collective settings. Project experience adds to the competence of every individual and also to the teams and organisations as social systems.

The focus of the IPMA ICB is the individual. Therefore, this document elaborates on developing individual competences. But there is no single way of developing competences. In fact, there are many approaches which could interact with each other. The interactions between individual, collective and organisational competence development offer different approaches to the development of individual competences together with stakeholders, prerequisites and requirements.

The IPMA ICB is neither a cookbook nor a textbook in the field of project, programme and portfolio management. It is a standard, defining the competences needed by an individual acting in a certain domain and performing the desired result. The target readership and stakeholders shall better understand the competences needed and derive actions on how to acquire, assess and develop such competences.

## 2.3.2. Individual, team and organisational competence development

Competence development is intermingled with the activities in the project, programme and portfolio itself and, of course, its context. Teams are social systems, as are the embedding organisations, as can be seen in the IPMA Organisational Competence Baseline (IPMA OCB®), the IPMA Project Excellence Baseline (IPMA PEB®) etc.

Competence development happens when individuals perform activities according to their specific roles and thus acquire new knowledge, skills and abilities. They interact with others and could share knowledge, could exchange experiences and/or support each other in performing the activities in a project, programme or portfolio. A community of practice is one example of individuals interacting in a formal or an informal way and collectively developing their competences. The individual could use a community of practice to facilitate learning through discussing, experimenting and reflecting on all kinds of practical issues. It is also a means to feed information back to the embedding organisation that could make use of the lessons learned in other projects.

Organisations could also make use of communities of practice on a corporate level and facilitate the development of individual competences through regular events. For example, a best practice in many organisations is to offer a project managers' round table. Project managers come together on a regular basis, exchange experiences from finished or actual projects and collect lessons learned to be used in future projects. More information on organisational learning and competence development is provided in the IPMA OCB.

### 2.3.3. Approaches to the development of individual competences

There are various approaches to the development of individual competences. Typically, it depends on the preferences of the individual or the organisation, the situation and the availability of resources, which one fits best and is chosen.

- **Self-development**, (e.g. reading books, standards, case studies and articles) helps to gain knowledge, reflect on the application in practical situations and derive learnings from that. Other ways of self-development are studying, experimenting, trying things out or learning by doing. The latter helps to gain experience in a certain context or to develop certain skills.
- **Peer-development**, (e.g. reflecting with colleagues on how things are going, asking for feedback on their own performance and ways to improve it). Learning partners from different disciplines could help to see a situation from a different angle and apply the development to the benefit of both peers (e.g. one through the questions asked and the other through the insights provided).
- **Education and training**, (e.g. attending a seminar, lectures and training sessions, where the trainer delivers specific know-how). This could be done through a presentation, interactions between the participants and the trainer as well as using case studies, group exercises and simulation games. The development of individual competences may depend on the number of participants, the mix of methods used or the duration of the sessions.
- **Coaching and mentoring**, (e.g. getting feedback, advice and support by a coach, leader or mentor whilst performing certain activities or striving to develop specific competences). Typically, a coach, leader or mentor is an experienced person that does not deliver direct answers, but challenges the individual through questions that draw the attention to certain aspects and requires finding an adequate answer.
- **Simulation and gaming**, (e.g. developing competences through case-based simulation games (board or computer games), reflecting on interactions and behaviours of individuals shown in such a setting). Often simulation games and other forms of game-based learning are a mix of approaches e.g. enabling self-development combined with peer-development and coaching in a training environment. It could also be helpful to combine these approaches based on previous experiences, the stage of development an individual is at or the possibilities of the organisation.

## 2.3.4. Competence development stakeholders

There are many stakeholders to consider for the development of individual competences, including but not limited to the following:

- **Teachers, educators and trainers:** their role is primarily to start the development during school, vocational and professional training as well as during graduate and postgraduate studies.
- **Top management, senior executives and heads of functional departments in organisations:** their primary role is to set goals for the development, to provide necessary resources and to support the individuals during their development (e.g. showing a good example and giving guidance).
- **Human resource (HR) department:** the role of this department is to define standards, (e.g. a competence model and competence profiles for project-related roles). The HR department plans and controls all activities regarding the recruitment of individuals with an adequate profile. It organises the process of competence assessments and all development activities.
- **The project management department or the project management office:** it defines the strategy and the goals for all project management-related development activities, supports the development through coaching, mentoring or training and enables the collective and organisational competence development through joint activities of all individuals involved in projects and programmes. External experts such as consultants and coaches could be involved to make the most out of existing experiences.
- **Standard-setting bodies, accreditation centres and certification bodies:** they set standards for the individual competences, the way in which competences are assessed against the standards, how trainers, coaches and assessors shall operate and which competences they require in order to act in a professional manner.
- **Assessors:** they assess individuals based on a standard, identifying the strengths, the gaps to a defined threshold and ways to develop the individual competences within defined rules.

### **2.3.5. Prerequisites for effective competence development**

Before starting with competence development, several prerequisites should be considered and if possible fulfilled. Firstly, the actual situation and the target state of the individual competences should be known and communicated to all stakeholders. Secondly, there should be access to expertise (e.g. know-how, experts) and sufficient resources (e.g. budget, time). It is important to create a culture in which the development of competences is perceived to have added value and moved an organisation forward. This added value could be proclaimed through a corporate culture, backed by the examples that leaders demonstrate and so contribute to the atmosphere in which the development activities take place.

Top management, together with the HR and project management department or project management office should define their vision and goals for the development of individual competences by defining the standards, processes and structures for the development of individual competences. This may include, but is not limited to, the assessment of the competences, the analysis of potential gaps to defined roles or profiles and the ways in which development activities are defined, agreed on between the stakeholders, planned, conducted, documented, monitored and controlled. Evaluations of all development activities should ensure effectiveness, efficiency and a continuous improvement. Individuals developing their competences on their own or in a peer setting should follow a similar path to fulfil the above-mentioned requirements.

The IPMA Competence Baseline is a comprehensive inventory of competences an individual needs to have or to develop to successfully realise projects, programmes or portfolios. The generic model is applicable to all sectors and industries although the importance of the various competences differs between types of projects (e.g. IT, production, research and development) and industries (e.g. construction, business services and government). Nevertheless, in every project, all competences are relevant.

The IPMA Individual Competence Baseline can be a faithful companion on the journey of lifelong individual progression, from self- or external assessment of actual competence level, through the definition of desired development steps to the evaluation of achievements.

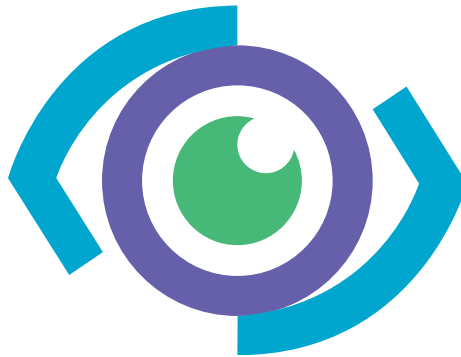
All the way – with you.

# **3. The individual competence baseline**









The Eye of Competence represents the universe of competences for project, programme and portfolio management. Competences are divided into three areas: Perspective, People and Practice. Areas provide focus for the aspects of competence and together create the whole, balanced individual.



Perspective



People



Practice

## 3. The IPMA Individual Competence Baseline

### 3.1. Framework of the IPMA ICB

The IPMA Individual Competence Baseline (IPMA ICB®) attempts to codify the many faces of competence. It was built around several key concepts, including:

- **Domains.** The IPMA ICB does not discuss competences in terms of specific roles (e.g. project manager), but rather in terms of domain (e.g. individuals working in project management). The rationale is that roles and role titles vary greatly by language, industry and focus. Therefore, the IPMA ICB presents competences important for project management, programme management, and portfolio management. Each of these domains may contain roles and titles that fit into the overall competence domain.
- **Competence areas.** The IPMA ICB contains three areas of competence that form the IPMA Eye of Competence. These areas apply equally to all three domains (project, programme and portfolio management).
- **The three competence areas are as follows:**
  - **People competences:** these consist of the personal and interpersonal competences required to successfully participate in or lead a project, programme or portfolio;
  - **Practice competences:** these are the specific methods, tools and techniques used in projects, programmes or portfolios to realise their success;
  - **Perspective competences:** under this heading come the methods, tools and techniques through which individuals interact with the environment, as well as the rationale that leads people, organisations and societies to start and support projects, programmes and portfolios.
- **KCIs and measures.** Within each competence area there are generic competence elements (CEs) that apply to all domains. CEs contain lists of the pieces of knowledge and skills required to master the CE. Key competence indicators (KCIs) provide the definitive indicators of successful project, programme and portfolio management for one, two or all three domains. Measures exist that describe highly detailed performance points within each KCI.

- **Project, programme, portfolio.**
  - **A project** is a unique, temporary, multi-disciplinary and organised endeavour to realise agreed deliverables within predefined requirements and constraints. Project management typically involves personnel from project management associates up to senior project managers.
  - **A programme** is set up to achieve a strategic goal. A programme is a temporary organisation of interrelated programme components managed in a coordinated way to enable the implementation of change and the realisation of benefits. Programme management typically involves senior project managers or project directors.
  - **A portfolio** is a set of projects and/or programmes, which are not necessarily related, brought together to provide optimum use of the organisation's resources and to achieve the organisation's strategic goals while minimising portfolio risk. Important issues on a portfolio level are reported to the senior management of the organisation by the portfolio manager, together with options to resolve the issues.

## 3.2. Structure of the IPMA ICB

Competence in the portfolio domain is broken down into 29 competence elements with one to many key competence indicators each.

- **Perspective competences** (5 elements);
- **People competences** (10 elements);
- **Practice competences** (14 elements).

The CEs presented in ICB4 have been structured as follows:



### Perspective competences

Every portfolio is setup, driven, supported and governed by external drivers. People, organisations and societies demand things, varying extraordinary. Somewhere along that line, realising what people want gets so complicated that portfolio is considered. It is rare that a portfolio is executed in a vacuum – they are influenced by their organisational, societal and political context.

The drivers for every portfolio can be roughly divided into the formal and explicit goals and needs of the organisation and/or society, and more informal and implicit motives and interests.

A clear example of a set of formal, explicit and present drivers of portfolios is the strategy of an organisation. The **Strategy (Perspective 1)** generally has clear goals and objectives and portfolios contribute to these goals and objectives, while project and programme are prioritised according to these goals and objectives.

Organisational and external **Governance, structures and processes (Perspective 2)** create the formal context of a portfolio. The amount and interdependency of the portfolio interfaces with this context defines an important part of the complexity. It may mean that a portfolio has to deal with legacy processes or structures that served clear goals when they were established but are cumbersome to use in the present situation.

**Compliance, standards and regulations (Perspective 3)** also contain relevant perspectives and drivers. They comprise the relevant laws, regulations, standards and tools that reflect priorities, best practices and demands of the organisation, industry, society and professional regulatory bodies.

The informal **Power and interest (Perspective 4)** of people within an organisation can have a huge influence on the success of any portfolio. This is the informal and implicit counterpart of the organisation's strategy. People are not just driven by the formal rules and objectives of an organisation; they also have personal goals and objectives.

The **Culture and values (Perspective 5)** of an organisation (or society) are by definition for the most part informal and implicit. Of course, an organisation may try to influence the informal culture by formal and explicit mission statements and corporate values. Yet the majority of cultural values remain implicit and informal, although they influence all other perspective elements – admissible strategies, rules and regulations, etc. Understanding the mores, customs, conventions and practices of an organisation or society is therefore an essential requisite for the success of any portfolio.



## People competences

This competence area describes the personal and social competences an individual working in a portfolio needs to possess to be able to realise success.

All personal competence starts with the ability to self-reflect. In the end, an individual's competence is proven by realising the agreed tasks successfully, that is, to the satisfaction of the stakeholders. Between these extremes eight other competence elements are defined.

Basic personal attributes are discussed in **Self-reflection and self-management (People 1)** and **Personal integrity and reliability (People 2)**.

Communicating with others is described in **Personal communication (People 3)**, and building relations in **Relations and engagement (People 4)**.

Portfolios increasingly rely on **Leadership (People 5)**. And two specific aspects of leadership are also presented: **Teamwork (People 6)** and how to handle **Conflict and crisis (People 7)**.

**Resourcefulness (People 8)** describes ways of thinking (conceptual and holistic) and sets of techniques (analytic and creative), but above all focuses on the ability to create an open and creative team environment, where each can work and contribute optimally. **Negotiation (People 9)** describes how to reach results that are both in the interest of the portfolio and acceptable to other parties; and **Results orientation (People 10)** describes the ways an individual can stimulate and steer his team to realise optimal results.



## Practice competences

All contextual influences and demands come together when the organisation initiates a portfolio. The individual working in portfolio management has to take into account all these influences and demands.

The individual prioritises and translates these into a **Portfolio design (Practice 1)**. The portfolio design is a 'charcoal sketch' that defines the high-level choices for this portfolio (e.g. make or buy, linear or iterative, possible funding or resourcing options, how to manage the portfolio). In the other technical competence elements, each of these basic decisions will be specified, implemented and managed.

**Benefits (Practice 2)** include the various demands and expectations regarding the outcomes and the benefits, and how these are prioritised. **Scope (Practice 3)** describes the specific boundaries of the portfolio.

**Time (Practice 4)** focuses on the order and planning of the delivery; **Organisation and information (Practice 5)** deals with the organisation of the portfolio and its internal information and communication flows; and **Quality (Practice 6)** describes the demands and organisation of both process and product quality and its controls.

Of course, portfolios are dependent on the input of people, material and money. These input constraints include money, **Finance (Practice 7)** and (human and other) **Resources (Practice 8)**. Often, acquiring resources requires **Procurement (Practice 9)**.

Integration and control of all activities is described in the competence element **Plan and control (Practice 10)**. Apart from that, the individual has to identify, prioritise and mitigate the main **Risk and opportunity (Practice 11)** and to assess, and engage with, **Stakeholders (Practice 12)**.

Another output is **Change and transformation (Practice 13)** – changes in the organisation necessary for, or part of, realising the benefits. And finally, the competence **Select and balance (Practice 14)** describes the selecting and balancing of components of portfolios.

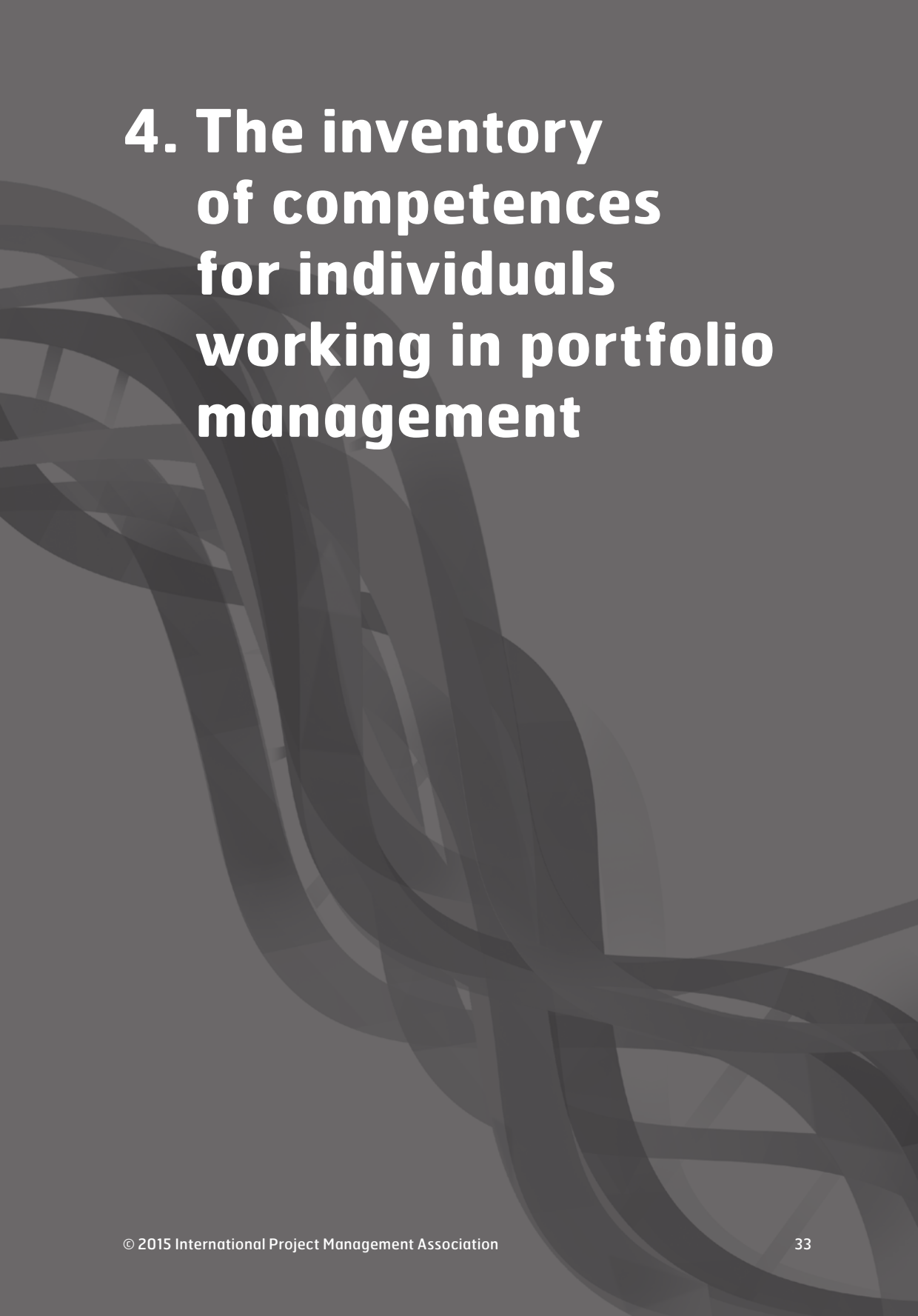
### 3.3. Overview of the competence elements

Chapter	Competence element	Page
<b>4.3.</b>	<b>Perspective</b>	<b>39</b>
4.3.1.	Strategy	40
4.3.2.	Governance, structures and processes	46
4.3.3.	Compliance, standards and regulations	52
4.3.4.	Power and interest	59
4.3.5.	Culture and values	63
<b>4.4.</b>	<b>People</b>	<b>67</b>
4.4.1.	Self-reflection and self-management	68
4.4.2.	Personal integrity and reliability	73
4.4.3.	Personal communication	76
4.4.4.	Relationships and engagement	80
4.4.5.	Leadership	85
4.4.6.	Teamwork	89
4.4.7.	Conflict and crisis	94
4.4.8.	Resourcefulness	99
4.4.9.	Negotiation	104
4.4.10.	Results orientation	109
<b>4.5.</b>	<b>Practice</b>	<b>115</b>
4.5.1.	Portfolio design	116
4.5.2.	Benefits	120

### 3 The individual competence baseline

4.5.3.	Scope	123
4.5.4.	Time	126
4.5.5.	Organisation and information	128
4.5.6.	Quality	133
4.5.7.	Finance	136
4.5.8.	Resources	140
4.5.9.	Procurement	143
4.5.10.	Plan and control	146
4.5.11.	Risk and opportunity	150
4.5.12.	Stakeholders	156
4.5.13.	Change and transformation	162
4.5.14.	Select and balance	166





# **4. The inventory of competences for individuals working in portfolio management**



## 4. The inventory of competences

The IPMA Individual Competence Baseline (IPMA ICB<sup>®</sup>) is a comprehensive inventory of competences that an individual needs to have or to develop to successfully manage portfolios. The generic model is applicable in all sectors and industries. However, it does not recommend or include specific methodologies, methods or tools. Appropriate methods and tools may be defined by the organisation, and the individual should choose from a wide range of available methodologies, methods and tools for a particular situation.

Of course, the weight of the various competences needed to successfully manage portfolios differs between types of portfolios (e.g. IT, production, research and development) and industries (e.g. construction, business services and government). Nevertheless, in every portfolio, all competences are relevant.

## 4.1. Managing portfolios

A portfolio is a set of projects and/or programmes, which are not necessarily related, brought together to provide optimum use of the organisation's resources and to achieve the organisation's strategic goals while minimising portfolio risk.

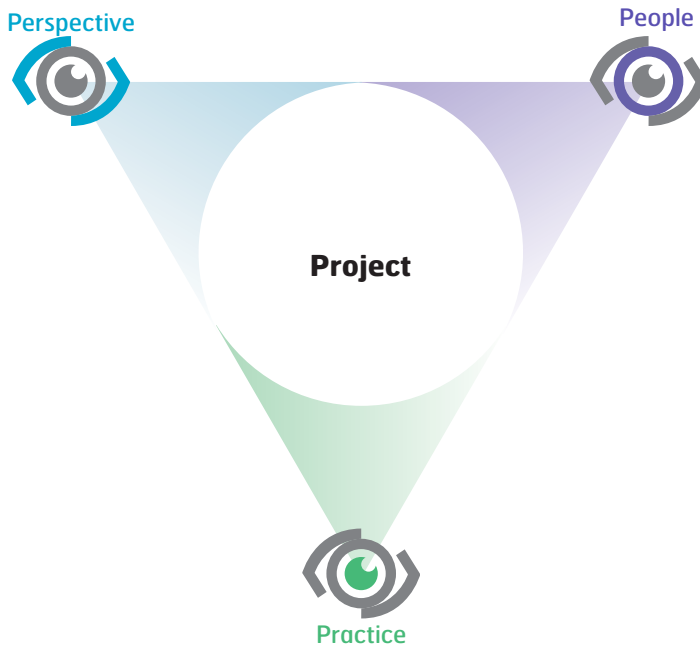
The portfolio may be implemented in a part of the organisation, such as a division, or may be enterprise-wide, or portfolios may be nested, in that there may be both a divisional and enterprise-wide portfolio. Regardless of the scale and scope of the portfolio and the location in which it occurs within the organisation, the use of portfolios allows organisations to make the most of their resources allowing the organisation to achieve its strategic purpose.

Portfolio management is a dynamic, decision-making process in which new projects and programmes are evaluated, selected, prioritised and balanced in the context of the existing projects and programmes within the portfolio. The goal of portfolio management is to align projects with strategy, to maintain a balance of various project types within the portfolio and to ensure that the portfolio fits with resource capability so that the organisation can sustain the maximum value from project investments.

Portfolio management is an organisational approach to the holistic management of a portfolio of projects. Project decisions, particularly resource allocation decisions, are most likely to increase overall portfolio value when made from a portfolio-level perspective rather than from the perspective of a single project. A range of processes, methods and tools are used in portfolio management approaches to prioritisation, resource allocation and ongoing resource reallocation among a portfolio of projects. High performing organisations employ high-level decision-making teams to align projects with strategy, achieve a balance in the portfolio and maximise the value of the portfolio. To maximise success portfolio management must be tailored to context.

## 4.2. Competences overview

The IPMA Eye of Competence is applicable for the three management domains of project management, programme management and portfolio management. Based on the generic model every individual has to have a specific set of competences to manage a portfolio of projects and/or programmes successfully. The individual has to have perspective competences that address the contexts of the portfolio, people competences that address personal and social topics and practice competences that address the specific technical competences for managing portfolios.



#### 4 The inventory of competences

## **4.3. Perspective**

**The competence area ‘perspective’ deals with the context of a portfolio.**

**It defines five competence elements:**

- **Strategy**
- **Governance, structure and processes**
- **Compliance, standards and regulations**
- **Power and interests**
- **Culture and values**

## 4.3.1. Strategy

### Definition

The strategy competence describes how strategies are understood and transformed into manageable elements using projects. This competence is therefore defining a performance management system in which projects are seen and managed in light of their alignment with the strategy and the vision, and ensuring it is highly correlated with the mission and the sustainability of the organisation.

### Purpose

The purpose of this competence element is to understand the strategy and its strategic processes, thus enabling a certain management domain (project, programme or portfolio) to manage their portfolio within the contextual aspects.

### Description

This competence element describes the formal justification of the portfolio goals as well as the realisation of benefits for the organisation's long-term goals. This encompasses the discipline of strategic performance management in which an organisation breaks up its strategic goals into manageable elements in order to:

- Achieve beneficial changes in the organisational culture, business systems and processes;
- Establish and pursue agreed strategic targets;
- Allocate and rank resources;
- Inform management of the need to change strategic objectives;
- Stimulate continuous improvement.

Strategic plans encompass long-term visions and mid- or short-term strategies and should be aligned with the mission, quality policy and corporate values of organisations. The strategy competence also includes the process of understanding the organisational environment, developing the desired state of benefits and making the right selection of projects and/or programmes within a portfolio. Strategy alignment should therefore convey the organisation's vision and strategy into project goals or programme benefits.

Throughout the strategic alignment processes, individuals may apply different models for disseminating and managing the strategic goals, (e.g. the balanced scorecard, performance matrix, environmental analyses, etc). Thus the individual sets a performance management system, usually run by critical performance variables, i.e. critical success factors (CSFs) and key performance indicators (KPIs). Hence, each portfolio is controlled through a set of CSFs and KPIs to assure the sustainability of an organisation.



## Knowledge

- Benefits realisation management;
- Critical success factors;
- Key performance indicators;
- Organisational mission;
- Organisational vision;
- Difference between tactic and strategy;
- Diagnostic and interactive control management systems;
- Strategic performance management;
- Benchmarking;
- Management control systems;
- Strategic schools of thought.

## Skills and abilities

- Analysis and synthesis;
- Entrepreneurship;
- Reflection of the organisation's goals;
- Strategic thinking;
- Sustainable thinking;
- Contextual awareness;
- Result orientation.

## Related competence elements

- All other perspective CEs;
- People 5: Leadership;
- People 9: Negotiation;
- People 10: Results orientation;
- Practice 1: Portfolio design;
- Practice 2: Benefits;
- Practice 11: Risk and opportunity;
- Practice 12: Stakeholders.

## Key competence indicators

### 4.3.1.1. Align with organisational mission and vision

#### Description

The individual knows and can translate the organisation's mission, vision and strategy into the key priorities and selection criteria to be used by the portfolio. The individual ensures that these criteria align with the organisation's mission, quality policy and values. If the relationship between the portfolio's benefits and

organisational purpose is vague, periodic checks are undertaken to ensure that the benefits have been derived from formal strategic documents. Alignment is verified and measured through the use of diagnostic management control systems and formal tools, such as critical success factors, success criteria or key performance indicators.

### Measures

- Reflects the mission and vision of the organisation;
- Aligns the portfolio with the mission, vision and strategy by using a specific management system (top-down approach and pre-set goals);
- Controls whether the objectives and planned benefits of the portfolio and its component projects and programmes are consistent with the mission, vision and strategy;
- Develops and implements measures of strategic alignment;
- Determines whether the portfolio is delivering benefits to the organisation.

#### 4.3.1.2. Identify and exploit opportunities to influence organisational strategy

### Description

The individual knows the organisation's strategy development process, which is often developed in a 'top-down' fashion by the executive board or management board of an organisation. Intended strategies are often not realised as the environment changes and, while pursuing a certain path, new opportunities and risks are emerging. Therefore, the individual not only needs to know the pre-set strategic goals, but also uses a range of tools and methods to question these goals and influence the board to make the necessary improvements or changes. These influences are managed through interactive control systems and by applying a 'bottom-up' approach.

### Measures

- Knows the strategy development process;
- Identifies new risks and opportunities which could alter the strategy;
- Engages co-workers in questioning the organisational strategy by implementing interactive control management systems;
- Identifies strategic improvements and communicates them to the organisation executive;
- Influences the strategy-making process by suggesting changes to strategy.

### 4.3.1.3. Develop and ensure the ongoing validity of the business/organisational justification

#### Description

The individual is able to provide a formal document which states the ongoing justification for business or organisational benefits delivered by the portfolio. This justification should demonstrate the relationship between components in the portfolio and should be the basis for the success criteria for the portfolio. The individual can create or facilitate, interpret, update and sometimes realise (parts of) the business justification, which should not be a static document, but should be periodically updated throughout the realisation and re-assessed for validity. Furthermore, the individual constantly monitors or controls the portfolio configuration to ensure components of the portfolio remain aligned to organisational strategy.

#### Measures

- Develops the business and/or organisational justification for the portfolio;
- Identifies objectives of the portfolio in order to generate the planned benefits;
- Sells the business and/or organisation justification to the sponsors and/or owners of the portfolio;
- Re-assesses and validates the justification to ensure ongoing alignment with the organisation's strategy;
- Defines and manages the portfolio configuration;
- Applies benefits realisation management to check whether the portfolio configuration is generating the desired results;
- Scans to determine whether there is a need to terminate the portfolio because of redundancy or obsolete strategic importance and change the configuration.

#### 4.3.1.4. Determine, assess and review critical success factors

##### Description

The individual is able to discern, define, interpret and prioritise critical success factors (CSFs) which directly relate to the portfolio. CSFs are directly connected with the organisational objectives and business objectives. Therefore by achieving the portfolio's benefits, the organisation fulfils strategic goals, tactical and operational objectives and ultimately organisational success. The individual can grasp both the formal and informal context of the factors and identifies their influence on the final outcome of each component. The relative importance of the success factors may change, due to both contextual factors and the dynamics of the portfolio itself. Personnel changes, both within and between portfolio components, may also influence these factors. Therefore the individual periodically checks and assesses the actuality and relative importance of the CSFs and, when necessary, make changes in order to sustain success, even if this means that a component is recommended for cancellation.

##### Measures

- Derives and/or develops a set of critical success factors (CSFs) for the portfolio based on the organisation's strategic objectives;
- Uses formal CSFs for strategic alignment;
- Acknowledges the informal context of CSFs;
- Involves peers to question the organisation strategy while developing CSFs;
- Uses the CSFs for determining the strategic alignment of a component within the portfolio;
- Refers to portfolio CSFs when engaging with stakeholders and managing their expectations;
- Uses the CSFs for developing incentives and rewards in order to create a motivated culture;
- Re-assesses CSF realisation within the higher strategic context.

#### 4.3.1.5. Determine, assess and review key performance indicators

##### Description

The individual is able to manage related key performance indicators (KPIs) for each CSF. KPIs are the core of many strategic performance management systems and are used for measuring or indicating the fulfilment of the CSF and achieving success. Usually KPIs are either pre-set by the organisation or developed by the individual using best practices or models, such as the balanced scorecard. KPIs can be used as leading measures (preceding a strategic event or

milestone), lagging measures (following a strategic event or milestone) or real-time dashboards. KPIs are identified for the portfolio and component projects and programmes. The KPIs of component projects and programmes may change, due to both contextual factors and the dynamics of the portfolio itself. Personnel changes, both within and between component projects and programmes, may also influence KPIs. Therefore the individual should periodically check and assess the relevance and relative importance of the KPIs and, when necessary, make the required changes in order to sustain success.

KPIs should also involve soft aspects, such as motivation, communication within the team, personal development of team members, etc. which reflects the strategic objective, i.e. the benefit one wants to achieve. Moreover, KPIs should cover a broad range of other aspects, varying from adhering to certain governance and support processes (for instance on decision-making, reporting, acquiring resources and administrative processes), meeting standards and regulations, to complying with cultural norms and values, both of the organisation and of the wider society.

### Measures

- Derives and/or develops a set of KPIs for each critical success factor;
- Decides on the use of leading, lagging and real-time measures when developing KPIs;
- Uses KPIs for managing strategic performance;
- Uses KPIs to influence stakeholders;
- Uses KPIs for developing personal development plans;
- Uses KPIs for developing an incentive/reward system;
- Re-assesses portfolio configuration by employing KPIs and performing benefits realisation management.

## 4.3.2. Governance, structures and processes

### Definition

The governance, structures and processes competence element defines the understanding of and the alignment with established structures, systems and processes of the organisation which provide support for portfolios and influence the way in which they are organised, implemented and managed. The governance, structures and processes of an organisation may comprise both temporary systems (projects and programmes) and permanent systems such as portfolio management systems, financial/administrative systems, supporting systems, reporting systems, decision-making and auditing systems. Sometimes these systems can even form the strategic reason for a project or programme, for example, when a project or programme is initiated for the purpose of improving business processes or establishing new systems.

### Purpose

The purpose of this competence element is to enable the individual to effectively participate in, and to manage the impact of, governance, structures and processes on portfolios.

### Description

Structures and processes form essential parts of the governance system of any organisation. To align with structures and processes means the ability to utilise value systems, roles and responsibilities, processes and policies established in an organisation to ensure that portfolios achieve their objectives and strategic corporate goals. To manage portfolios in line with the established organisational structures and processes requires a basic understanding of the various types of initiatives and how a project-oriented organisation works, as well as the benefits associated with management by projects. It includes the alignment with permanent processes related to the management of projects, programmes and portfolios. Most project-oriented organisations have various types of supporting structures and processes for projects, programmes and portfolios.

Examples of supporting structures and processes are line functions such as human resources (HR), finance and control, and information technology (IT). Mature organisations may also provide more dedicated support to project and programme management through a project management office (PMO).

To be competent in structures and processes also means the ability to review and apply feedback and lessons learned from other portfolios. A key challenge is to balance the use of compulsory and optional structures and processes for optimal effect and benefit to the portfolio.

## Knowledge

- Basic principles and characteristics of management by projects;
- Basics of programme management;
- Basics of organisational design and development;
- Formal organisation and informal interrelationships of project, programme and portfolio management (staff, line, etc) in the organisation;
- Governance;
- Organisation and business theories.

## Skills and abilities

- Leadership;
- Reporting, monitoring and control;
- Communication planning and executing;
- Design thinking;
- Contextual awareness;
- Values recognition;
- Organisational alignment and communication.

## Related competence elements

- All other perspective CEs;
- Practice 1: Portfolio design;
- Practice 5: Organisation and information;
- Practice 7: Finance;
- Practice 8: Resources;
- Practice 9: Procurement;
- Practice 10: Plan and control;
- Practice 13: Change and transformation.

## Key competence indicators

### 4.3.2.1. Know the principles of portfolio management and the way they are implemented and apply

#### Description

The individual knows the concepts of portfolio management, can explain the difference between different types of organisation settings, (e.g. functional, matrix and project-oriented organisation), and knows how to optimally align portfolios with existing organisational structures, such as boards and committees, in order to achieve success. The individual is knowledgeable about various portfolio

management concepts and the way portfolio management is implemented within a permanent organisation. Furthermore, the individual knows strategic performance management concepts and how they are implemented through portfolios and any component projects and programmes. Therefore the individual can define the portfolio criteria, required inputs and outputs and how the various projects and programmes impact on the portfolio output indicators (KPIs). The individual handles the interfaces and dependencies between the different projects and programmes and knows how to take them into consideration when balancing the portfolio. Therefore the individual can discover different constraints within the portfolio and can take these constraints into account to harmonise resource utilisation on programmes and projects within the portfolio. The individual also manages the vertical (for example, with the portfolio manager or board committee) and horizontal (for example, with other projects or portfolios) lines of communication as part of the overall coordination process within a portfolio.

### Measures

- Defines a portfolio and knows various principles of portfolio management;
- Defines characteristics of a portfolio – selection and prioritisation criteria, critical success factors (CSFs) and Key Performance Indicators (KPIs);
- Manages interfaces of different projects and programmes within a portfolio in order to balance the portfolio;
- Manages and maintains clear communication within a portfolio;
- Manages the line of communication between the portfolio and organisation boards and committees.

#### **4.3.2.2. Know and apply the principles of project and programme management and the way they are implemented**

##### Description

The individual knows the concepts of projects, programme management and management by projects. The individual can explain the characteristics and principles on which management by projects is based and can set up a project-oriented environment, as well as being able to set up a portfolio which supports it. Furthermore, the individual is aware of the concept and measurement of maturity in project-oriented organisations covering organisational competences, project, programme and portfolio competences and individual competences.



## Measures

- Explains the key concepts of project management;
- Explains the key concepts of programme management;
- Explains and practises the concept of management by projects;
- Perceives and establishes management by projects and programmes as a vital part of the portfolio organisation;
- Explains and identifies the current maturity level of an organisation with regard to managing portfolios.

### 4.3.2.3. Align the portfolio with the organisation's reporting and decision-making structures and quality management processes

#### Description

The success of a portfolio is very much dependent on the right decisions made at the right level of an organisation and at the right time. Every decision should be prepared, presented, accepted, recorded, communicated and finally implemented. Formal and informal routines and special rules for decision-making beyond the individuals' competence and responsibility exist in every organisation. Therefore, the individual requires knowledge of the decision-making structure and processes, and the ability to structure and manage the portfolio and the component projects and programmes accordingly. Periodic reporting of the actual status is essential for trust by its stakeholders and to assure traceability of the portfolio. Different stakeholders have different reporting needs (information requirements, method of delivery, reporting frequency), which the individual must take into account. The parent organisation will have different forms of quality assurance which relate to projects (system assurance, project assurance, finance assurance, technical assurance, security assurance, etc). It is important for the individual to take these into account in devising a quality assurance plan within a respective portfolio.

#### Measures

- Identifies the organisation's routine and special rules for decision-making in cases beyond his or her competence and responsibility;
- Aligns the communication of a portfolio according to the reporting governance in the permanent organisation;
- Applies reporting standards of the parent organisation to his or her portfolio;
- Applies the organisation's forms of quality assurance;
- Monitors and controls the communication within a portfolio and between the portfolio and the organisation.

#### **4.3.2.4. Align the portfolio with human resource processes and functions**

##### **Description**

The human resource function provides multifaceted support to the portfolio by way of team member contracts, temporary employment, training, salaries and performance incentives, as well as policies for managing stress, well-being and ethics, team entries and withdrawals. Following the human resource processes and functions can potentially increase resource availability and quality and will also help to identify the competences needed by all resources. To ensure the necessary support from the human resource function, the individual has to be able to establish and maintain relationships with relevant contact people within it.

##### **Measures**

- Uses the human resource function for acquiring staff with the required competences;
- Deals with the boundaries between the portfolio organisation and the human resource function;
- Establishes and maintains relationships with the human resource function;
- Uses human resource processes to provide training and individual competence development;
- Explains the characteristics of resource management and its value for portfolio management.

#### **4.3.2.5. Align the portfolio with finance and control processes and functions**

##### **Description**

The finance and control function of an organisation is often established as a line function providing mandatory rules, procedures and guidelines for the management, accounting and reporting of financial expenditure by the organisation. Knowing these rules and how to utilise them effectively and efficiently are crucial for the individual for successful funding, monitoring and/or reporting on financial aspects of the portfolio and component projects and programmes. The finance and control function of an organisation often serves as a support function, offering a variety of utility functions for the individual such as how to apply for, justify, manage and report on financial resources and how to administer, distribute, monitor and manage finances. The individual needs to understand various financial models for funding (e.g. public, private, public-private partnerships, subsidies, commercial, etc) endorsed by the permanent organisation. To ensure the necessary support from the finance and control function, the individual can benefit

from establishing and maintaining relationships with the relevant contact people within the finance and control function.

### Measures

- Knows the processes of a finance and control function;
- Distinguishes between the compulsory and optional utilities of the finance and control function;
- Monitors and controls whether rules, guidelines and other financial utilities are effectively and efficiently used in projects to the benefit of his or her portfolio;
- Communicates and reports the status and trends of financial tasks clearly and objectively.

### 4.3.3. Compliance, standards and regulations

#### Definition

The compliance, standards and regulations competence element describes how the individual interprets and balances the external and internal restrictions in a given area such as country, company or industry. Compliance is the process of ensuring adequate adherence to a given set of norms. Compliance requirements operate on a spectrum from voluntary and informal to mandatory and formal. Standards and regulations influence and define the way portfolios should be organised and managed to be feasible and successful. Standards and regulations address compliance with requirements that include legislation and regulations, contracts and agreements, intellectual property and patents, health, safety, security and environmental protection, and professional standards.

#### Purpose

The purpose of this competence element is to enable the individual to influence and manage the alignment of the relevant standards and regulations within the permanent organisation; the relevant sources of legislation and the standards and norms of both the organisation and the wider society; and to improve the organisation's approach to these areas.

#### Description

Projects, programmes and portfolios face different restrictions and requirements for developing a product or service apart from the effect of the production and project management processes. These restrictions correspond to the geographical, social and professional specifics of the portfolio and its external environment in the form of laws, standards and regulations. Regularly during the lifecycle of a portfolio, the individual needs to analyse or re-analyse the scope and configuration of the portfolio and seek out the relevant standards and regulations that will have a direct or indirect influence on it. The relevant standards and regulations should be considered as potential risks and opportunities that need management. Compliance with relevant standards and regulations may impact on the organisational structures, processes and culture. In the domain of portfolio management, the individual may be called upon to understand and integrate relevant standards and regulations within their portfolio.

This competence element includes benchmarking and improving the organisational portfolio management competences. Developing portfolio management competence is a constant process, a part of an organisation's continuous improvement strategy and the duty of every individual. It involves learning and improving strategies for influencing the project, programme and portfolio management cultures in organisations. The individual should use this competence

to demonstrate how all parts and layers of the management system might be improved. By increasing the portfolio management competence, the organisation increases its ability to choose and perform successful portfolios and thus achieve the sustainability of the organisation.

### Knowledge

- Legal concepts and understanding of contract law, trade practices and other relevant legislation;
- Legal and regulation systems;
- Autonomous profession regulation;
- Professional standards and norms, e.g. IPMA standards;
- ISO standards e.g. ISO21500 guidance on project management, ISO21504 guidance on portfolio management or other standards of ISO/TC258;
- Project, programme and portfolio management methodologies, tools and methods;
- Sustainability principles;
- Benchmarking theory;
- Benchmarking tools and methods;
- Knowledge management;
- Codes of ethics;
- Codes of business conduct;
- Differences between law theories.

### Skills and abilities

- Critical thinking;
- Benchmarking;
- Adapting standards to specific organisations;
- Communicating standards and regulations;
- Leading by example;
- Diligence and persuasiveness;
- Systems thinking;

### Related competence elements;

- All other perspective CEs;
- People 5: Leadership;
- People 9: Negotiation;
- Practice 1: Portfolio design;
- Practice 2: Benefits;
- Practice 5: Organisation and information;
- Practice 6: Quality;
- Practice 11: Risk and opportunity.

## Key competence indicators

### 4.3.3.1. Identify and ensure that the portfolio complies with all relevant legislation

#### Description

The individual knows the legal policies of an organisation and should be able to see them implemented in a portfolio and component projects and programmes. Furthermore the individual knows which legislation and regulations (e.g. civil, criminal, labour, intellectual property, etc) and common good practices are relevant to the portfolio and any component projects and programmes. The individual has to ensure that the portfolio organisation operates within the law and is able to determine which projects or activities have special legal requirements and identify the legal principles that may apply.

Furthermore, the individual is able to identify the requirements of regulatory agencies and their relevance to the portfolio, and implement appropriate review and inspection procedures to ensure ongoing compliance. This is especially important in portfolios that contain projects and programmes operating across different cultures or legal systems.

#### Measures

- Knows the legal context and its applications;
- Identifies and uses the relevant legislation or regulation;
- Identifies risks in the regulations in relation to the business and consults the experts;
- Acknowledges and manages the regulatory agencies as stakeholders;
- Controls whether procurement routes of a portfolio are aligned with the regulations;
- Monitors and controls whether the portfolio organisation is performing according to legislative context and can do proper adjustments.

### 4.3.3.2. Identify and ensure that the portfolio complies with all relevant health, safety, security and environmental regulations (HSSE)

#### Description

The individual should know the health, safety, security and environmental (HSSE) regulations and be able to identify the areas relevant to the portfolio. Furthermore, the individual is able to recognise any potential HSSE issues which require the engagement of external experts in order to manage them. The individual is able to determine how portfolio activities or portfolio products

can affect organisation members within the portfolio and the stakeholders, and will undertake regular health checks to see whether HSSE protective measures have been applied throughout the organisation.

The individual is able to guarantee the balance of the economic, social and environmental aspects of the portfolio and to meet the requirements for sustainable development.

The individual is also able to identify security and safety risks to the portfolio and any component project or programme and ensure these have been appropriately addressed to ensure ongoing security and safety levels of the portfolio and the wider organisation. This is especially important if the portfolio is being run across different countries/cultures.

### Measures

- Monitors whether HSSE regulations have been implemented;
- Checks whether the HSSE context has been implemented in the project and programme goals;
- Controls risks arising from implementing HSSE measures to the portfolio organisation;
- Provides a safe, secure and healthy environment for the portfolio organisation;
- Applies HSSE for portfolio sustainability;
- Monitors and controls whether the portfolio organisation is performing according to HSSE context.

#### **4.3.3.3. Identify and ensure that the portfolio complies with all relevant codes of conduct and professional regulation**

##### Description

The individual is able to assure portfolio integrity by conducting health checks to determine whether the relevant standards and regulations have been applied throughout the organisation. Furthermore, the individual implements a code of conduct across the portfolio organisation, based on the organisation mission, corporate values and quality policy. Sometimes the conduct and the trading customs are also prescribed by law, so the individual needs to integrate codes of conduct with the broader legislative context. Codes of conduct can often collide with procurement procedures and, if not understood well, could pose a high risk for the organisation. Therefore, by identifying and integrating codes of conduct with a higher regulation context and undertaking regular health checks, the individual assures the portfolio organisation runs with integrity within legal and regulatory boundaries.

## Measures

- Identifies the law of contract and fair trading legislation;
- Identifies different procurement methods and related policies;
- Identifies and reflects ethical principles and can define and implement appropriate codes of conduct within the portfolio organisation;
- Sustains professional integrity by ensuring ongoing use of the code of conduct throughout the organisation;
- Monitors and deals with breaches of the codes of conduct within the portfolio organisation.

### **4.3.3.4. Identify and ensure that the portfolio complies with relevant sustainability principles and objectives**

#### Description

The individual is able to assess the impact of the portfolio on the environment and society. Realising his or her responsibility, the individual researches, recommends and applies measures to limit or compensate negative consequences. The individual follows (or even exceeds) guidelines and rules on sustainable development coming from within the organisation and from the wider society, and is able to realise a workable balance between the demands of society, impacts to the eco-environment and the economy.

The individual takes into account that sustainability aspects, measures and attitudes often vary in different countries and cultures.

## Measures

- Identifies the social and environmental consequences of the portfolio;
- Defines and communicates the sustainability targets for the portfolio and its outcome;
- Aligns objectives with organisational strategy for sustainability;
- Balances the demands of society, the environment and the economy (people, planet, profit) with portfolio processes and products;
- Encourages the development and diffusion of environmentally friendly technologies.

### **4.3.3.5. Assess, use and develop professional standards and tools for the portfolio**

#### Description

The individual is able to identify key professional standards and regularly check whether the portfolio is being run in accordance with appropriate tools, methods



and practices, such as successful project, programme and portfolio management methodologies. In doing so, the individual takes into account the nature and peculiarities of the portfolio business. The individual takes into account that good practices are usually a combination of world-leading standards and a company's own developed tools and methods. Therefore the individual always tries to find the best recipe for managing the portfolio by utilising one or several top professional standards and starting an in-house development of the management approach. The individual usually engages in due diligence projects by doing external assessment, such as the IPMA International Project Excellence Award or IPMA Delta Assessment, in order to identify the current level of maturity of the organisation and define the further steps to improve that maturity.

### Measures

- Identifies and determines the relevant professional standards to be used within the portfolio and any component projects and programmes;
- Manages the risks arising from applying the standards across the portfolio;
- Benchmarks current project portfolio management practice with good practices;
- Engages in external assessments of the organisation's portfolio management practices and maturity;
- Identifies steps for further improvements;
- Initiates development of custom-made standards;
- Disseminates the acquired know-how throughout the organisation;
- Controls whether new improvements/developments are being practised within the portfolio organisation.

#### 4.3.3.6. Assess, benchmark and improve the organisational portfolio management competence

##### Description

The benchmarking portfolio management competence is a process of continuous improvement by comparing the organisation's portfolio management processes with those which are identified as good practice. The individual is striving to develop portfolio management competence. Individuals are also able to identify and benchmark the governing processes and structures supporting the portfolio management process.

Good practices can often be identified as those that apply in world-class organisations. Usually these organisations are promoted as top portfolio management performers and have been recognised by winning national or international project management awards. The purpose of the benchmarking process is to improve organisational performance by acquiring the know-how of a superior

organisation. Organisational benchmarks often follow a staged maturity or competence model of organisations defining what structures, processes, methods and individual skills an organisation has to fulfil to reach a certain maturity level or competence class. Benchmarking can be conducted on an internal basis, such as against different projects within an organisation; on a competitive basis, such as with a direct competitor; or on a functional or generic basis, such as with an organisation not competing in the same market or within the same industry. The Individual always tries to improve the ability to run and manage portfolios and component projects and programmes in a way that contributes to the organisation's strategic goals. Finally, the individual should constantly be checking whether predefined improvements are being integrated throughout the organisation.

### Measures

- Identifies and assesses the relevant deficient areas of organisational competence in project, programme or portfolio management;
- Sets relevant benchmarks for the deficient areas;
- Identifies the benchmarking basis and good practice;
- Benchmarks against the good practices;
- Identifies and integrates measures for the needed improvements;
- Monitors and controls implementation of the identified measures and assesses the benefits gained;
- Disseminates the acquired know-how throughout the organisation;
- Controls whether benchmarked improvements are being practised throughout the organisation.

## 4.3.4. Power and interest

### Definition

The power and interest competence element describes how the individual recognises and understands informal personal and group interests and the resulting politics and use of power. This competence element defines how individuals participating in portfolios should recognise how informal influences (resulting from personal and group ambitions and interests, and modified by personal and group relationships) relate with the portfolio context. These informal influences differ from formal interests (as for instance formalised in a business justification) that derive from the organisation's strategy or from standards, regulations, etc.

### Purpose

The purpose of this competence element is to enable the individual to use power and interest techniques to achieve stakeholder satisfaction and deliver the agreed outcomes within the agreed constraints.

### Description

Power is the ability to influence the behaviour of others. A substantial part of influence comes from informal power, that is, that part of power which is not 'solidified' into formal roles, structures or processes. This informal aspect of power is often motivated by personal ambitions and interests. Stakeholders usually also have personal ambitions and interests and they will often try to use their influence to suit the processes and/or outcomes of the portfolio to their interests. These actions may help or thwart the portfolio. Understanding and being able to influence and use these informal personal interests, and the resulting politics, is essential to arriving at project, programme or portfolio success.

Apart from cultural aspects and values, each person has his or her own style and personality. Individual approach will influence the way power is exercised. In the domain of portfolio management, the individual may be called upon to exert sufficient influence in order to realise the success of the portfolio. The individual may also need to recognise and prioritise the interests of key stakeholders.

Interest is an attraction to a specific topic or desired outcome, for instance a certain desire towards or away from an object, situation, position, outcome or opinion. People often try to realise their interests by exercising their influence. Interest is often pursued through formal and informal relationships, which can result in group influence. Groups may consist of informal groups of colleagues or friends, or formal structures such as departments, councils and boards. In formal groups, care should be taken to distinguish the formal role or power from the informal influence, which may come from other power sources. Examples of informal power include referent or expert power.

### Knowledge

- Formal organisation (staff, line, etc) and informal structures;
- Decision processes and informal decision-making;
- Formal and informal power and influence;
- Difference between power and authority;
- Reach of influence;
- Sources of interests;
- Compliance;
- Persuasion;
- Conformity;
- Bases of power;
- Project psychology;
- Organisational culture and decision-making;
- Power theories.

### Skills and abilities

- Understanding psychological processes;
- Recognising and using influence;
- Using power when appropriate;
- Personal and organisational values awareness;
- Understanding long-term stakeholder interests;
- Empathy.

### Related competence elements

- All other perspective CEs;
- People 2: Personal integrity and reliability;
- People 3: Personal communication;
- People 4: Relationships and engagement;
- People 5: Leadership;
- People 9: Negotiation;
- Practice 1: Portfolio design;
- Practice 12: Stakeholders.

## Key competence indicators

### 4.3.4.1. Assess the personal ambitions and interests of others and the potential impact of these on the portfolio

#### Description

People have goals and ambitions, for example career goals, or a desire to improve society or improve themselves. They also have interests that are related to these ambitions and influence the interests they have in the portfolio and any component projects and programmes and their success. Part of their ambitions and interests will often be congruent with their present formal position, that is, performing the tasks that they are formally required to do may help realise their ambitions and interests. Then again, their ambitions and interests may surpass or even be partly at odds with the formal interests of their formal position. Being able to recognise the ambitions and personal interests of people is often necessary in order to work with them (as stakeholder, team member or colleague) in an efficient and effective way.

#### Measures

- Acknowledges and assesses the personal ambitions and interests of relevant people or groups;
- Acknowledges and assesses the differences between personal and organisational interests and goals.

### 4.3.4.2. Assess the informal influence of individuals and groups and its potential impact on the portfolio

#### Description

Informal influence has to be distinguished from the formal influences as laid down in organisational structures, documents and processes. People may have influence for many reasons and through many different means. Apart from the legitimate power that is derived from a position in an organisation, (e.g. a department head, executives, judge or school teachers) there are many other power bases that individuals use, such as persuasion (coercive power), incentives and punishments (reward power), connections (referent power) and knowledge (expert power). Relationships are a strong base of power, too. Influencing decisions through use of personal relationships is a common and often effective way. There is often a marked difference in the ability of people or groups to influence certain kinds of decisions, or decisions taken in a specific knowledge area or part of the organisation ('reach' of influence). Every person and group influence has its own reach, and it is important to know this reach.

### Measures

- Acknowledges and can estimate the influence, power and reach of certain individuals in various settings;
- Discerns group affiliations and relationships in relation to the portfolio.

#### **4.3.4.3. Assess the personalities and working styles of others and employ them to the benefit of the portfolio**

### Description

Everybody is unique, and will act and operate in his or her specific way. Style is also influenced by cultural factors, as discussed in 'Culture and values'. Different people may have the same ambitions and/or interests, yet may use a different style in using their influence. Other people may display the same behaviour or style, yet differ in ambitions and/or interests. The individual has to acknowledge the differences while working with individuals and groups in an efficient and effective way.

### Measures

- Identifies and acknowledges the differences between behavioural style and personality;
- Identifies and Acknowledges the differences between cultural aspects and personality.

## 4.3.5. Culture and values

### Definition

The culture and values competence element describes the individual's approach to influence on the organisation's culture and values and the wider society in which the portfolio is situated. It also includes the acknowledgement by the individual participating in or leading a portfolio of the consequences of these cultural influences for the portfolio and how to incorporate this knowledge in the management of the portfolio. Culture may be defined as a set of related behaviours within a community and the importance that individuals within the community attach to it. Values may be defined as a set of concepts on which the individuals in the community base their actions. Explicit definitions of values might include codes of ethics. Many organisations also describe corporate values explicitly in their strategy.

### Purpose

The purpose of this competence element is to enable the individual to recognise and integrate the influence of internal and external cultural aspects on the portfolio approach, objectives, processes, sustainability of the outcomes, and agreed outcomes.

### Description

Organisations are social systems, where personal behaviour is embedded in a social context of shared values, visions, norms, symbols, beliefs, habits, goals, etc – in short, a culture. This culture has formal, explicit origins and aspects, such as the organisation's explicit mission and corporate values, as well as informal, more implicit aspects such as beliefs, common practices, etc. Moreover, every organisation operates in a society which also has a specific culture (and possibly subcultures). All these cultural aspects affect the way the people within that society or organisation interact with each other and all other internal and external stakeholders. Portfolios are integral parts of the parent organisation(s) though need their internal culture to be aligned with external cultures (external adaptation and internal integration). In the domain of portfolio management, the individual may be called upon to align the portfolio with the organisational culture and values that have been set. In a multi-cultural portfolio, the individual may need to navigate multiple cultural and value norms.

Culture and value alignment is even more crucial for portfolios that extend across different societies, organisations or groups, thereby forming a multi-cultural environment. During the whole lifecycle of a portfolio, the individual needs to acknowledge the relevant culture(s) within the internal and external context

of the portfolio and the organisation. The individual has to align, and periodically re-align, the portfolio's culture to these in order to reach the goals and objectives in the most effective and efficient way. If available, results of researches, internal or external standards, regulations or guidelines (e.g. governance principles, codes of conduct) for aligning the cultures may be used. Lessons learned from projects or programmes could be used to improve the culture alignment in future.

### Knowledge

- Relevant cultural traits, values, norms and admissible behaviour;
- Organisational mission and vision;
- Mission statements;
- Corporate values and policies;
- Quality policies;
- Ethics;
- Corporate social responsibility (CSR);
- Green project management;
- Theories about culture.

### Skills and abilities

- Values awareness;
- Cultural awareness;
- Respect for other cultures and values;
- Aligning to and working within different cultural environments;
- Dealing with issues related to cultural aspects;
- Bridging different cultures and values to achieve project, programme and portfolio objectives.

### Related competence elements

- All other contextual CEs;
- Practice 1: Portfolio design;
- Practice 6: Quality;
- People 2: Personal integrity and reliability;
- People 3: Personal communication;
- People 4: Relationships and engagement.



## Key competence indicators

### 4.3.5.1. Assess the culture and values of the society and their implications for the portfolio

#### Description

All portfolios are embedded in a society and frequently in more than one. A society's values and unwritten rules can deeply influence the way in which communication is executed and decisions are made. It can also influence how transgressions from the common norm are judged and dealt with. It can define or influence working hours and how, when, where and with whom information, office space and meals can be shared, etc. The individual needs a working knowledge of the cultural basis, values and norms of the society or societies in which the portfolio and all component projects and programmes take place. The individual should be able to discern the relevant implications of these cultural aspects for the portfolio, take these into account in the approach and periodically review them.

#### Measures

- Knows and acknowledges the cultural values, norms and demands of a society;
- Knows and acknowledges the implications of cultural values, norms and demands for the portfolio;
- Works according to societal cultural demands and values without compromising personal values.

### 4.3.5.2. Align the portfolio with the formal culture and corporate values of the organisation

#### Description

All portfolios need to be aligned with the values of the organisation and have to follow the formal cultural rules and demands of related functional departments or support units, and the culture of component projects and programmes and strategic decision-making bodies. Sometimes the espoused values are written down in one or more documents (e.g. mission statement, quality policy, corporate values). The individual should be able to discern the relevant implications of these cultural aspects for the portfolio and component projects and programmes and take these into account in the approach. Moreover, the individual needs to be sure that the portfolio supports the sustainable development of the organisation, which also includes corporate social responsibility (CSR). CSR is a lever of control in complying with legal and non-governmental regulations, professional standards and

other ethical and international norms. Through CSR an organisation encourages a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the society.

### Measures

- Acknowledges and respects the organisation's formal norms and demands;
- Acknowledge and respect the organisation's corporate values and mission;
- Works according to the quality policy of an organisation;
- Acknowledges the implications of formal norms, demands, corporate values and mission and quality policy on the portfolio;
- Acts sustainably by practising corporate social responsibility.

#### **4.3.5.3. Assess the informal culture and values of the organisation and their implications for the portfolio**

### Description

All portfolios and their component projects and programmes are linked to an organisation (or more than one) with its own informal culture. While the formal aspects of the organisational culture can have a significant influence, many more aspects also influence an organisation's culture or subcultures. These include its architecture, furniture, dress codes and office jokes. Assumptions are deeply embedded, usually unconscious behaviours, such as the way people address and treat each other (including subordinates and managers), how problems and challenges are dealt with and the tolerance for mistakes or irregular behaviour, all resulting from the history and cultural background of the organisation, its employees and its management. The individual should analyse the cultural basis of the organisation(s) for and in which the portfolio and component projects and programmes takes place. The individual should be able to discern the relevant implications of these cultural aspects for the portfolio and take these into account in the approach to the portfolio.

### Measures

- Acknowledges, analyses and respects the informal culture and values of the organisation(s);
- Acknowledges and respects the implications of the organisation's informal culture and values for the portfolio;
- Works in conformity with the organisation's informal values and norms.

## **4.4. People**

**The competence area ‘people’ deals with the personal and social competences of the individual.**

**It defines ten competence elements:**

- **Self-reflection and self-management**
- **Personal integrity and reliability**
- **Personal communication**
- **Relationships and engagement**
- **Leadership**
- **Teamwork**
- **Conflict and crisis**
- **Resourcefulness**
- **Negotiation**
- **Results orientation**

## 4.4.1. Self-reflection and self-management

### Definition

Self-reflection is the ability to acknowledge, reflect on and understand one's own emotions, behaviours, preferences and values and to understand their impact. Self-management is the ability to set personal goals, to check and adjust progress and to cope with daily work in a systematic way. It includes managing changing conditions and dealing successfully with stressful situations.

### Purpose

The purpose of this competence element is to enable the individual to control and direct his or her behaviour by acknowledging the influence of his or her personal set of emotions, preferences and values. This enables effective and efficient use of the individual's resources and leads to positive work energy and a balance between inside and outside work.

### Description

An intrinsic set of emotions, preferences and values guides all our decisions and actions. Being aware of and reflecting on this set and its impacts on behaviour offers you the opportunity to lead yourself. Reflecting on personal values and behaviour, seeking feedback and being aware of the individual natural primary reactions opens up the possibility of changing and improving behaviour. Being able to control primary reactions supports consistent behaviour, decision-making, communication and the leading of others. Adopting a systematic and disciplined approach to coping with daily work means managing how to spend time in order to accomplish prioritised objectives. Increasing the work efficiency does not mean working harder, but enables the individual to achieve results to a higher level of satisfaction and motivation. The individual works autonomously and independently from external influences, using opportunities to apply lessons learned.

### Knowledge

- Reflection and selfanalysis techniques;
- Stress management of self and others;
- Relaxation techniques and methods;
- Pace of work;
- Feedback rules and techniques;
- Prioritisation techniques;
- Personal time management;
- Checks of progress;
- Formulation of objectives (e.g. SMART method);
- Effectiveness theories.



### Skills and abilities

- Awareness of own work styles and preferences;
- Awareness of instances that lead to personal distractions;
- Self-reflection and self-analysis;
- Controlling emotions and focusing on tasks, even when provoked;
- Self-motivation;
- Delegating tasks;
- Setting meaningful and authentic individual goals;
- Carrying out regular checks of progress and results;
- Dealing with mistakes and failures.

### Related competence elements

- All other people CEs;
- Perspective 4: Power and interest;
- Perspective 5: Culture and values.

## Key competence indicators

### 4.4.1.1. Identify and reflect on the ways in which own values and experiences affect the work

#### Description

To identify and reflect personal values and passions, the individual has to acknowledge and reflect on his/her intrinsic set of opinions, standpoints, ideals and ethical values. This is the basis for consistent decisions and actions.

Personal experience has a strong influence on how the individual makes sense of situations and people. His or her personal experience of how the world works and how people behave influences the way the individual thinks and acts. By understanding the personal sense-making processes, the individual can identify why his or her interpretation might differ from someone else's, and so reduce the effect of bias. The opposite is to neglect the influence of experience and expect that everyone sees the 'reality' as the individual does.

#### Measures

- Reflects on own values;
- Uses own values and ideals to shape decisions;
- Communicates own principles and personal demands;
- Expresses and discusses own experience;
- Puts own experience in perspective;
- Uses own experience to build hypotheses about people and situations.

### **4.4.1.2. Build self-confidence on the basis of personal strengths and weaknesses**

#### **Description**

Being self-aware includes reflection on personal strengths and weaknesses. The individual is aware of what the individual is good at and passionate about and which tasks should be delegated or left to others. Knowing his or her personal talents and accepting limitations creates a feeling of personal worth. The individual demonstrates self-confidence by relying on personal capacities and capabilities. The opposite is to remain troubled about your person or personality, continuing to doubt your talents and potential and overreacting if others impose on your personal weaknesses.

#### **Measures**

- Identifies own strengths, talents, limits and weaknesses;
- Leverages strengths, talents and passions;
- Identifies solutions to overcoming personal weaknesses and limitations;
- Maintains eye contact even in stressful situations;
- Accepts setbacks without losing confidence.

### **4.4.1.3. Identify and reflect on personal motivations to set personal goals and keep focus**

#### **Description**

Knowing one's personal motivations enables the individual to set personal goals that give direction and release energy. The individual knows what drives him or her and can transform this into personal goals. The individual has control over his or her emotions, even when provoked. The opposite is to 'go with the flow', live life as it comes and refrain from giving a direction. Once the goals are set, the individual has a diligent approach to staying focused on the tasks. The individual is able to focus on tasks despite interruptions and is aware of the instances that lead to distraction. The individual avoids procrastination and postponement, which causes stress to the individual as well as to teams. This also includes the application of prioritisation techniques. Keeping focus includes the ability to cope with daily work as well as communications and relationships.

#### **Measures**

- Demonstrates knowledge of own motivations;
- Sets personal and professional goals and priorities;
- Selects actions that contribute to the personal goals;
- Names personal distractors;



- Regularly reflects in order to maintain focus on the goals;
- Delivers personal commitments on time;
- Focuses on tasks despite numerous distractions or interruptions;
- Provides own direction or seeks clarification in uncertain situations.

#### **4.4.1.4. Organise personal work depending on the situation and own resources**

##### **Description**

No two situations are the same. What works or worked in one situation may not work in another. The individual therefore strives to 'read' situations and people and adapts behaviour to the specific circumstances in order to realise the intended results and reach his or her goals. By choosing a personal organisation and managing his or her own resources, the individual shows the ability to prioritise and balance the various tasks in an effective and efficient way. Time-, money- and energy-wasting is avoided by prioritising responsibilities and performing value-adding tasks. The individual arranges his or her workload to avoid too much stress and includes relaxation when possible and necessary.

##### **Measures**

- Keeps record of own time planning;
- Prioritises competing demands;
- Says no when appropriate;
- Engages resources to maximise delivery;
- Adapts language;
- Develops tactics appropriate to the situation.

#### **4.4.1.5. Take responsibility for personal learning and development**

##### **Description**

The individual is focused on continuous learning and always strives to improve the quality of his or her work, actions and decisions. Accepting feedback and seeking consultation enables personal development and learning. If the individual understands and utilises the perceptions and views of others, including critical observations or remarks, personal positions and behaviour can be questioned and improved. The opposite is to remain unchanging, seeing all feedback as criticism, never accepting criticism and refusing to alter his or her ways. The individual strives to develop by leveraging all criticism and feedback as opportunities for growth.

### Measures

- Uses mistakes or bad results as an impulse for learning activities;
- Uses feedback as a chance for personal development;
- Seeks consultation;
- Measures own performance;
- Focuses on continuous improvement of own work and capacities.





## 4.4.2. Personal integrity and reliability

### Definition

The delivery of portfolio benefits involves making many individual commitments to get things done. Individuals must demonstrate personal integrity and reliability because a lack of these qualities may lead to a failure of the intended results. Personal integrity means the individual is acting in accordance with his or her own moral and ethical values and principles. Reliability is acting dependably, according to expectations and/or agreed behaviour.

### Purpose

The purpose of this competence is to enable the individual to make consistent decisions, take consistent actions and behave consistently in portfolios. Maintaining personal integrity supports an environment built on trust that makes others feel secure and confident. It enables the individual to support others.

### Description

Integrity and reliability are built on consistency of values, emotions, actions and outcomes, by saying what you do, doing what you say. By using ethical standards and moral principles as a basis for actions and decisions, and by taking responsibility for individual actions and decisions, confidence is enabled and promoted. The individual is a person to rely on.

### Knowledge

- Codes of ethics/codes of practice;
- Social equity and sustainability principles;
- Personal values and moral standards;
- Ethical systems;
- Universal rights;
- Sustainability.

### Skills and abilities

- Development of confidence and building of relationships;
- Following own standards under pressure and against resistance;
- Correcting and adjusting personal behaviour.

### Related competence elements

- All other people CEs;
- Perspective 3: Compliance, standards and regulations;
- Perspective 4: Power and interest;
- Perspective 5: Culture and values.

## Key competence indicators

### 4.4.2.1. Acknowledge and apply ethical values to all decisions and actions

#### Description

The individual should acknowledge his or her own values, as these values are the foundation for consistent decisions and actions. Understanding values includes being able to express opinions and positions on a variety of topics. The individual communicates his or her principles, thereby demonstrating what they stand for. The individual makes others feel secure by being predictable in decisions and actions. The individual is able to identify inconsistencies and to articulate reasons for discord between statements and actions.

#### Measures

- Knows and reflects own values;
- Uses own values and ideals to shape decisions;
- Communicates own principles.

### 4.4.2.2. Promote the sustainability of outputs and outcomes

#### Description

Promoting sustainability means focusing on the endurance of solutions even when engaged in time-limited tasks. Sustainability is not only about social equity, environment protection or economic results. It is the consideration of the long-term outcomes and effects of behaviour. The individual has the ability to keep the bigger picture in mind and act accordingly.

#### Measures

- Proactively addresses sustainability issues in solutions;
- Considers and incorporates long-term outcomes into the solution.

### 4.4.2.3. Take responsibility for own decisions and actions

#### Description

To take responsibility means the individual takes decisions and acts while keeping in mind that the individual is fully liable for the consequences – in both a positive and negative way. The individual sticks by decisions and agreements established with others. The individual feels responsible for the team success on behalf of all the interested parties.

### Measures

- Assumes full responsibility for own decisions and actions;
- Demonstrates ownership of both positive and negative results;
- Takes decisions and sticks to agreements established with others;
- Addresses personal and professional shortcomings that get in the way of professional success.

#### 4.4.2.4. Act, take decisions and communicate in a consistent way

##### Description

Consistency means that the individual makes sure that words, behaviour and actions match. By applying the same guiding principles throughout your actions, decisions and communication your behaviour is predictable and repeatable in a positive sense.

Being consistent does not exclude flexibility in revising plans, if the need for changes is indicated or to adapt to special situations.

##### Measures

- Demonstrates alignment between words and actions;
- Uses similar approaches to solve similar problems;
- Adjusts personal behaviour to the context of the situation.

#### 4.4.2.5. Complete tasks thoroughly in order to build confidence with others

##### Description

The individual completes tasks in a thorough and careful way. This inspires others to be confident, and make promises and agreements. The individual is recognised as someone on whom others rely. Work results would be characterised by others as consistently good quality.

##### Measures

- Completes work assignments thoroughly and carefully;
- Earns confidence through the delivery of complete and accurate work.

## 4.4.3. Personal communication

### Definition

Personal communication includes the exchange of proper information, delivered accurately and consistently to all relevant parties.

### Purpose

The purpose of this competence element is to enable the individual to communicate efficiently and effectively in a variety of situations, to different audiences and across different cultures.

### Description

Personal communication describes the essential aspects of effective communication. Both the content and the means of communication (tone of voice, channel and amount of information) have to be clear and appropriate for the target audience. The individual has to verify the understanding of messages by actively listening to the target audience and seeking feedback. The individual promotes open and sincere communication and is able to use various means for communication (e.g. presentations, meetings, written forms, etc) and acknowledge their value and limitations.

### Knowledge

- Differences between information and message;
- Different methods of communicating;
- Different questioning techniques;
- Feedback rules;
- Facilitation;
- Presentation techniques;
- Communication channels and styles;
- Rhetoric;
- Characteristics of body language;
- Communication technologies.

### Skills and abilities

- Use different ways of communicating and different styles for effective communication;
- Active listening;
- Questioning techniques;
- Empathy;
- Presentation and moderation techniques;
- Effective use of body language.

### Related competence elements

- All other people CEs;
- Perspective 4: Power and interest;
- Perspective 5: Culture and values;
- Practice 5: Organisation and information;
- Practice 12: Stakeholders.

## Key competence indicators

### 4.4.3.1. Provide clear and structured information to others and verify their understanding

#### Description

To give clear information means to structure and translate information in such a way that the receiver can understand and use it. The individual must utilise a logical and structured way of communicating in order to verify understanding. The individual must obtain confirmation that the receiver of information has understood the message as intended. That means focusing on the receiver, not on the information itself, and asking for validation when needed.

#### Measures

- Structures information logically depending on the audience and the situation;
- Considers using story-telling when appropriate;
- Uses language that is easy to understand;
- Leverages public speaking and presentations;
- Coaches and gives training;
- Leads and facilitates meetings;
- Uses visualisation, body language and intonation to support and emphasise messages.

### 4.4.3.2. Facilitate and promote open communication

#### Description

To facilitate and promote open communication means actively inviting others to give their input and opinions on relevant topics. This requires an atmosphere of confidence, so that people can express their ideas and opinions without being rebuffed, punished or ridiculed. It should be made clear when and how others are free and/or invited to propose ideas, emotions and/or opinions, and when the time is less appropriate. In the latter situations, people and their input should still be treated with respect.

To listen and give feedback is to seize opportunities for the exploration and exchange of opinions. The individual has a genuine interest in others' views and creates open and informal frameworks for feedback. The individual makes people feel they and their opinions are valued.

### Measures

- Creates an open and respectful atmosphere;
- Listens actively and patiently by confirming what has been heard, re-stating or paraphrasing the speakers' own words and confirming the understanding;
- Does not interrupt or start talking while others are talking;
- Is open and shows true interest in new ideas;
- Confirms message/information is understood or, when needed, asks for clarification, examples and/or details;
- Makes clear when, where and how ideas, emotions and opinions are welcome;
- Makes clear how ideas and opinions will be treated.

### **4.4.3.3. Choose communication styles and channels to meet the needs of the audience, situation and management level**

#### Description

The individual chooses the appropriate way of communicating for the target audience. The individual is able to communicate on different levels and through different channels. Formal or informal, neutral or emotional communication should all be considered, as well as whether written, oral or visual communication is most appropriate.

#### Measures

- Selects appropriate communication channels and style depending on the target audience;
- Communicates via selected channels according to the selected style;
- Monitors and controls communication;
- Changes the communication channels and style depending on the situation.

#### 4.4.3.4. Communicate effectively with virtual teams

##### Description

A virtual team consists of individuals who work across time zones, space and/or organisational boundaries. Communication within virtual teams is a challenge, as not all are located in the same environment and/or organisation, and they may be distributed over several organisations, cities, countries or continents.

Communication between virtual team members is often asynchronous and not face-to-face, and has to use modern communication technology. The communication procedures have to consider aspects such as language, channel, content and time zones.

##### Measures

- Uses modern communication technology, e.g. webinars, tele-conferences, chat, cloud computing;
- Defines and maintains clear communication processes and procedures;
- Promotes cohesion and team building.

#### 4.4.3.5. Employ humour and sense of perspective when appropriate

##### Description

Work in projects and programmes can often be stressful. Being capable of viewing situations, problems and even your own work from different viewpoints is an important asset. Humour enables individuals to acquire a sense of perspective – a way of judging how good, bad or important something is compared with other things. The release of tension through humour often facilitates cooperation and decision-making. Humour is a powerful tool to decrease tension in situations where conflicts threaten to arise. Provided it is used in the right way, at the right time and with respect, humour can also facilitate communication.

##### Measures

- Changes communication perspectives;
- Decreases tension by use of humour.

## 4.4.4. Relationships and engagement

### Definition

Personal relationships build the foundation for the productive collaboration, personal engagement and commitment of others. This includes one-to-one relationships as well as setting up a whole network of relationships. Time and attention have to be invested in establishing durable and robust relationships with individuals. The ability to form strong relationships is primarily driven by social competences such as empathy, trust, confidence and communication skills. Sharing visions and goals with individuals and the team drives others to engage in tasks and to commit to the common goals.

### Purpose

The purpose of this competence element is to enable the individual to build and maintain personal relationships and to understand that the ability to engage with others is a precondition for collaboration, commitment and, ultimately, performance.

### Description

Personal relationships are initiated by genuine interest in people. Building up relationships is twofold. It is about establishing one-to-one relationships, as well as creating and supporting social networks. In both situations, the individual has to be able to interact openly with others. Once established the relationships have to be maintained and improved by establishing and showing confidence, respectful interaction and open communication. Cultural differences can enhance interest and attractiveness as well as chances for misunderstandings that might endanger the quality of relationships. When personal relationships are established it is much easier to engage others when your own visions, goals and tasks are communicated in an enthusiastic way. Another way to engage others and get their commitment is to actively involve them in discussions, decisions and actions. In general, people tend to commit to goals and tasks more easily when asked in advance.

### Knowledge

- Intrinsic motivation;
- Motivation theories;
- Handling resistance;
- Values, traditions, individual requirements of different cultures;
- Network theory.





### Skills and abilities

- Use of humour as icebreaker;
- Appropriate ways of communicating;
- Respectful communication;
- Respecting others and being aware of ethnical and cultural diversity;
- Trusting own intuition.

### Related competence elements

- All other people CEs;
- Perspective 4: Power and interest;
- Perspective 5: Culture and values;
- Practice 5: Organisation and information;
- Practice 12: Stakeholders.

## Key competence indicators

### 4.4.4.1. Initiate and develop personal and professional relationships

#### Description

To initiate and develop personal relationships is to seek and make use of chances to establish contact with other people. The individual demonstrates interest in people and is ready to engage with them. The individual utilises possibilities and situations to create and maintain personal and professional contacts. The individual is present, available, open for dialogue and actively staying in contact. The individual is visible and accessible for team members, clients, customers or other stakeholders. The individual acts attentively, acknowledges others and keeps them informed.

#### Measures

- Actively seeks possibilities and situations to make new contacts;
- Demonstrates interest in meeting new people;
- Uses humour as an icebreaker;
- Is present, available and open for dialogue;
- Stays actively in contact, establishes a routine for bilateral meetings;
- Keeps others informed.

#### **4.4.4.2. Build, facilitate and contribute to social networks**

##### **Description**

Building, facilitating and contributing to social networks has various levels. On the lowest level, the individual joins, and contributes to, networks with interesting and/or useful others. By doing so, new relationships are established. On the second level, the individual creates new networks and circles of his or her own, and so opens up new communication flows between others. The individual thus acts as a facilitator or communication hub. The next level of social networking is to make one's own relationships available for others. This means enabling, enforcing and establishing relationships between others that are sustained even without the individual being engaged.

##### **Measures**

- Joins and contributes to social networks;
- Creates and facilitates social networks;
- Organises events for networking;
- Facilitates support for networking.

#### **4.4.4.3. Demonstrate empathy through listening, understanding and support**

##### **Description**

To demonstrate empathy means to show real interest and involvement with others and their well-being. The individual listens attentively to others and ensures understanding by asking questions for clarification or detail. The individual recognises emotions expressed or possibly just experienced by others. The individual relates and reacts to these emotions in a sympathetic or compassionate way. The individual offers support, even when it is not asked for.

##### **Measures**

- Listens actively;
- Makes others feel heard;
- Asks questions for clarification;
- Relates to the problems of others and offers help;
- Familiarises with the values and standards of others;
- Responds to communication within a reasonable time.

#### 4.4.4.4. Show confidence and respect by encouraging others to share their opinions or concerns

##### Description

Having confidence in someone means having belief in their future actions or decisions, and being convinced of their positive intentions. The individual does not have a hidden agenda but shares information with others. The individual also accepts that showing confidence is an investment with an insecure outcome.

The individual takes others, their talents and opinions seriously, and recognises that success also depends on their actions and commitment. To get optimal team performance it is crucial to understand the motivation of the team members.

To get there, the individual has to spend time with people in order to understand who they are and what makes them tick. The individual should keep in mind that the values, experiences and goals of others might be very different from his or her own. Acting respectfully means treating others in a respectful way, as you would like to be treated yourself. The individual takes others seriously by cherishing their opinions, their work and their person, regardless of gender, race, social status or background. Cultural diversity is respected. The individual considers codes of conduct as guidelines for decisions and behaviour.

##### Measures

- Relies on a given word;
- Assigns tasks to team members based on confidence;
- Expects others to act according to common values and agreements;
- Delegates work without monitoring and controlling every single step;
- Asks others for their ideas, wishes and concerns;
- Notices and respects differences between people;
- Embraces the importance of professional and personal variety.

#### 4.4.4.5. Share own vision and goals in order to gain the engagement and commitment of others

##### Description

To share a vision and goals implies acknowledging and demonstrating a positive and enthusiastic attitude towards a certain task, process or goal while showing a realistic optimism. To inspire others requires an ambitious yet clear vision, realistic objectives and the ability to achieve 'commitment' from the people concerned. Self-commitment is an important requirement for that.

Inspiration is often achieved through a shared vision – a view of the future that people can believe in and want to be part of. This vision can either be explicit (even written down) or implicit. The vision serves as a motivator for change.

To engage people and get their commitment means making them feel personally responsible for a good outcome. This can be done by various means – by asking their advice, by making them responsible for a task or by involving them in decisions.

The individual should make optimal use of the skills and experience of his or her co-workers. This means that people should be involved in decisions on the basis of what they can add to the existing knowledge. The same goes for sharing information, as this can enhance commitment. However, the individual must also be aware of the dangers of information overload. As every team member has their own tasks, in some cases it is better to share information on a 'need to know' basis.

### Measures

- Acts positively;
- Clearly communicates vision, goals and outcomes;
- Invites debate and critique of the vision, goals and outcomes;
- Involves people in planning and decision-making;
- Asks for commitment on specific tasks;
- Takes individual contributions seriously;
- Emphasises the commitment of all to realise success.



## 4.4.5. Leadership

### Definition

Leadership means providing direction and guidance to individuals and groups. It involves the ability to choose and apply appropriate styles of management in different situations. Besides displaying leadership with his or her team, the individual needs to be seen as a leader in representing the portfolio to senior management and other interested parties.

### Purpose

The purpose of this competence element is to enable the individual to lead, provide direction and motivate others, in order to enhance individual and team performance.

### Description

A leader has to be aware of different leadership styles and decide which is appropriate for his or her nature, for the portfolio, for the team being managed and for other interested parties, in all types of situations. The leadership style adopted includes patterns of behaviour, communication methods, attitudes towards conflicts, ways of controlling team members' behaviours, decision-making processes and the amount and type of delegation. Leadership is important throughout the full lifecycle of the portfolio, and becomes especially important when change is required or when there is uncertainty about a course of action.

### Knowledge

- Leadership models;
- Individual learning;
- Communication techniques;
- Coaching;
- Sense-making and sense-giving;
- Decision-taking, e.g. consensus, democratic/majority, compromise, authority, etc.

### Skills and abilities

- Personal self-awareness;
- Listening skills;
- Emotional strength;
- Capacity to express a set of values;
- Dealing with mistakes and failure;
- Sharing values;

- Creating team spirit;
- Methods and techniques for communication and leadership;
- Management of virtual teams.

### Related competence elements

- All other people CEs;
- All practice CEs;
- Perspective 4: Power and interest;
- Perspective 5: Culture and values.

## Key competence indicators

### 4.4.5.1. Initiate actions and proactively offer help and advice

#### Description

To take the initiative means having the tendency and ability to start an unrequested action, including coming up with a proposal or advice, taking the lead and/or giving or helping without first being invited to do so. Taking the initiative requires the ability to think ahead, both of possible situations and possible solutions.

Taking the initiative adds to one's influence and heightens one's visibility. On the other hand, if the initiative is not welcomed or turns out badly, there is a risk of losing influence or status. So every initiative should always be guided by a careful weighing of pros and cons.

#### Measures

- Proposes or exerts actions;
- Offers unrequested help or advice;
- Thinks and acts with a future orientation (i.e. one step ahead);
- Balances initiative and risk.

### 4.4.5.2. Take ownership and show commitment

#### Description

To take ownership means demonstrating personal buy-in. This commitment to the objectives of the portfolio makes people believe in its value. The individual acts as an entrepreneur by taking full responsibility for the process and by spotting opportunities for improvement. The individual constantly monitors processes and results to spot the right occasions for intervention and improvement and opens up possibilities for learning.

## Measures

- Demonstrates ownership and commitment in behaviour, speech and attitudes;
- Talks about the portfolio in positive terms;
- Rallies and generates enthusiasm for the portfolio;
- Sets up measures and performance indicators;
- Looks for ways to improve the portfolio processes;
- Drives learning.

### 4.4.5.3. Provide direction, coaching and mentoring to guide and improve the work of individuals and teams

#### Description

To give direction, coaching and mentoring means to give guidance and support to people and teams and establish conditions that engage people with their assignments. Coaching and mentoring is focused on improving the abilities and self-reliance of team members. Direction is guiding them in their activities. The individual creates and communicates personal and common objectives and acts from these. The individual creates and shares a vision that leads the portfolio. To give direction, coaching and mentoring requires the ability to keep a cool head in demanding and unclear situations. It also requires that the individual knows when and in what direction coaching or mentoring are needed and what form they should take. Sometimes it may be better to withhold a proposal or decision for a while to promote the self-reliance or creativity of teams or individuals.

#### Measures

- Provides direction for people and teams;
- Coaches and mentors team members to improve their capabilities;
- Establishes a vision and values and leads according to these principles;
- Aligns individual objectives with common objectives and describes the way to achieve them.

### 4.4.5.4. Exert appropriate power and influence over others to achieve the goals

#### Description

To exert power and influence means being visible as a leader and opening up the possibility for others to follow. Therefore one needs to understand the demands of colleagues, subordinates, clients and other interested parties, to respond to them and influence their expectations and opinions. To exert influence also means

directing other people's actions, whether or not one is in command. A leader actively shapes views and creates the perception of situations, results and relationships through words and actions. Sometimes the use of power is necessary to realise results or resolve deadlock; in other situations, a simple, well-placed word may be even more effective. The open use of power may create resentment or invite counter-power, so a leader should know when to use what means of power and in what way. The use and effectiveness of power and influence is always tightly linked to communication. A leader should know the possibilities and limits of each communication means and channel.

### Measures

- Uses various means of exerting influence and power;
- Demonstrates timely use of influence and/or power;
- Perceived by stakeholders as the leader of the portfolio or team.

#### 4.4.5.5. Make, enforce and review decisions

##### Description

Making decisions means being able to select a course of action based on several possible alternative paths. Often decisions are made with incomplete or even contradictory information and with uncertain consequences. Making decisions entails consciously selecting from alternatives and choosing the one that is most consistent and aligned with the objectives. Decisions should be taken based upon analysis of the facts and incorporating the views and opinions of others.

Sometimes the information quality is so poor that decisions are based on intuition. Reviewing and being prepared to change prior decisions based on new information is an essential part of the ability to take decisions. Decisions often have to be taken by others (for instance by line managers, steering committees, etc). The leader exerts his or her influence to have these others take the right decisions at the right time.

### Measures

- Deals with uncertainty;
- Invites opinion and discussion prior to decision-making in a timely and appropriate fashion;
- Explains the rationale for decisions;
- Influences decisions of stakeholders by offering analyses and interpretations;
- Communicates the decision and intent clearly;
- Reviews decisions and changes decisions according to new facts;
- Reflects on past situations to improve decision processes.



## 4.4.6. Teamwork

### Definition

Teamwork is about bringing people together to realise a common objective. Teams are groups of people working together to realise specific objectives. Portfolio teams are commonly multidisciplinary; specialists in different disciplines work together to realise complex outcomes. Teamwork is about building a productive team by forming, supporting and leading the team. Team communication and team relationships are among the most important aspects of successful teamwork.

### Purpose

The purpose of this competence element is to enable the individual to select the right team members, promote a team orientation and effectively manage a team.

### Description

Teamwork covers the complete lifecycle of teams. It starts with the initial phase of selecting the right team members. After that, the team has to be built, supported and steered. During the various phases of the portfolio, as the team members and the team as a whole acquire more maturity in their respective tasks, they can perform these tasks more independently and consequently are given more responsibility.

Team building is often done by the use of meetings, workshops and seminars that may include the individual leading the portfolio, team members and sometimes other interested parties. Team spirit (i.e. getting people to work well together) can be achieved through individual motivation, team goal-setting, social events, supporting strategies and others.

Problems may arise due to technical or economic difficulties or other kinds of stressful situations. Issues may also arise due to cultural and educational differences, different interests and/or ways of working, or members being located great distances apart. The individual leading the team needs to continually develop the team and its members throughout the lifecycle of the portfolio. During their time working for the portfolio, the performance of team members should be regularly reviewed by the individual leading the team in consultation with the line manager, to assess and respond to development, coaching and training needs. Where the performance of a team member is below the required standard, remedial action may be necessary.

Throughout the life of a team, personal involvement should be encouraged, networking stimulated, a productive work environment facilitated and communication and relationships supported.

## Knowledge

- Project, programme and portfolio organisation;
- Team role models;
- Team lifecycle models.

## Skills and abilities

- Recruiting and personnel selection skills;
- Interview techniques;
- Building and maintaining relationships;
- Facilitation skills.

## Related competence elements

- All other people CEs;
- Perspective 4: Power and interest;
- Perspective 5: Culture and values;
- Practice 5: Organisation and information;
- Practice 8: Resources;
- Practice 10: Plan and control.

# Key competence indicators

## 4.4.6.1. Select and build the team

### Description

To ensure successful teamwork, the right resources for the team have to be selected. Apart from ensuring that they have the necessary knowledge and skills, the individual leading the team also has to take care that the selected team members have the right 'chemistry' to be able to work together as a team. Before the chosen team can start performing, the individuals have to generate an understanding of themselves as a team. The role of the individual leading the team is to translate individual motivation into team performance. The members have to be enabled to learn about each other and the tasks they are facing. Team building is a continuous task, but as the team matures the necessary activities for the individual leading the team change accordingly.

### Measures

- Considers individual competences, strengths, weaknesses and motivation when deciding on team inclusion, roles and tasks;
- Clarifies objectives and creates a common vision;
- Sets the team objectives, agenda, and completion criteria;

- Negotiates common team norms and rules;
- Motivates individuals and builds team awareness.

#### **4.4.6.2. Promote cooperation and networking between team members**

##### **Description**

Stimulating cooperation means actively influencing team participants to work together and contribute with their experience, knowledge, opinions, ideas and concerns, for the sake of the agreed objectives. Discussions and disagreements are an unavoidable consequence of this, but as long as the individual leading the team makes sure that a productive and respectful atmosphere is maintained, team members can expect that conflict will lead to better performance. Whenever individual team members set out to disrupt cooperation by playing a divisive or counter-productive role, the individual leading the team needs to address this by correcting, and, in extreme cases, replacing the team member. The team leader can stimulate networking through physical and virtual activities where team members share their knowledge and motivate and inspire each other.

##### **Measures**

- Creates opportunities for team member discussions;
- Asks for opinions, suggestions and concerns from team members in order to improve performance;
- Shares successes with the team(s);
- Promotes cooperation with people both within and outside the team;
- Takes appropriate action when team cooperation is threatened;
- Uses tools for collaboration.

#### **4.4.6.3. Support, facilitate and review the development of the team and its members**

##### **Description**

Team development involves continuously developing the team, encouraging members to gain new knowledge and skills. The role of the individual leading the team is to support, enable and review these learning efforts as well as creating opportunities to share knowledge between team members, other teams and the organisation outside the portfolio.

## Measures

- Promotes continuous learning and knowledge sharing;
- Uses techniques to engage in development e.g. on-the-job training;
- Provides opportunities for seminars and workshops (on- and off-the-job);
- Plans and promotes 'lessons learned' sessions;
- Provides time and opportunity for self-development of team members.

### 4.4.6.4. Empower teams by delegating tasks and responsibilities

#### Description

Responsibility creates involvement. The individual leading the team increases involvement – and individual and collective empowerment – by delegating tasks and problems to teams or team members. Dependent on their team maturity, delegated tasks can be big, challenging and important. The output of delegated tasks to individuals and teams should be measured, with feedback cycles for the team to ensure learning occurs.

#### Measures

- Delegates tasks when and where appropriate;
- Empowers people and teams by delegating responsibility;
- Clarifies performance criteria and expectations;
- Provides reporting structures at team level;
- Provides individual and team feedback sessions.

### 4.4.6.5. Recognise errors to facilitate learning from mistakes

#### Description

The individual leading the team makes sure that the effect of errors and mistakes on the outcomes, processes and success of the portfolio are kept to a minimum. The individual is aware that mistakes can always happen and understands and accepts that people make errors. The individual analyses mistakes and facilitates learning from mistakes. Errors and mistakes are used as a platform for change and improvement so that there is less chance of future errors.

In some cases, the individual leading the team can even promote behaviour that increases the chance of errors, if the portfolio needs innovative ways to overcome problems and difficulties. Even then, the individual leading the team ensures that the final outcomes, processes and portfolio success are not affected negatively. The individual seeks root causes for mistakes and takes effective action to ensure that the same mistakes do not occur again.

## Measures

- As far as possible, avoids negative effects of errors on portfolio success;
- Realises that mistakes happen and accept that people make errors;
- Shows tolerance for mistakes;
- Analyses and discusses mistakes to determine improvements in processes;
- Helps team members to learn from their mistakes.

## 4.4.7. Conflict and crisis

### Definition

Conflict and crisis includes moderating or solving conflicts and crises by being observant of the environment, and noticing and delivering a remedy for disagreements. Conflicts and crises may include events and situations, character conflicts, stress levels and other potential dangers. The individual must handle these scenarios appropriately and stimulate a learning process for future conflicts and crises.

### Purpose

The purpose of this competence element is to enable the individual to take effective action when a crisis or clash of opposing interests/incompatible personalities occurs.

### Description

Conflicts may occur between two or more people and/or parties. Very often, a conflict erodes a good working environment and may result in a negative effect for the parties involved. A crisis may be the outgrowth of a conflict, or it may be the result of a sudden, abrupt or decisive change in a situation that threatens to thwart the realisation of the goals of the portfolio, either direct or indirect. At such times, a rapid response is required and skilled judgment needs to be applied to assess the crisis, define scenarios to solve the crisis and secure the portfolio and to decide whether to escalate the issue and how high this needs to go in the organisation.

The ability to identify potential conflicts and crises and to react accordingly needs an understanding of the fundamental mechanisms. The individual can use a variety of means for reacting to potential or actual conflict and crisis, for example collaboration, compromise, prevention, persuasion, escalation or the use of power. Each depends on achieving a balance between interests. Transparency and integrity shown by the individual, acting as an intermediary between parties in conflict, will help in finding acceptable solutions. However, sometimes conflicts cannot be solved from within the team or the portfolio but only by calling in independent mediating or deciding parties.

### Knowledge

- De-escalation techniques;
- Creativity techniques;
- Moderation techniques;
- Scenario techniques;
- Conflict stage models;

- Value of conflicts in team building;
- Crisis plan;
- Worst case scenarios.

### Skills and abilities

- Diplomatic skills;
- Negotiation skills, finding a compromise;
- Moderation skills;
- Persuasiveness;
- Rhetorical skills;
- Analytical skills;
- Stress resistance.

### Related competence elements

- All other people CEs;
- Perspective 4: Power and interest;
- Perspective 5: Culture and values;
- Practice 8: Resources;
- Practice 10: Plan and control;
- Practice 11: Risk and opportunity.

## Key competence indicators

### 4.4.7.1. Anticipate and possibly prevent conflicts and crises

#### Description

To be aware of potential conflicts and crises means being alert and observant of situations that might lead to disagreements. Possible conflicts are ideally identified and prevented or tackled at an early stage, before they expand. Prevention includes pre-empting conflict topics, keeping team members with conflicting characters or interests in separate teams and/or delegating conflict-sensitive items to specific people. Stress is a very likely factor in potential conflicts or crises, as people tend to get irritable under pressure. The individual leading the team should therefore be able to recognise, assess and reduce individual stress levels.

#### Measures

- Analyses potentially stressful situations;
- Keeps conflicting characters or interests in separate tasks/teams;
- Delegates conflict-sensitive items to specific people;

- Implements preventive measures;
- Takes stress-reducing measures;
- Reflects on stressful situations in a team.

#### 4.4.7.2. Analyse the causes and consequences of conflicts and crises and select appropriate response(s)

##### Description

Conflicts pass through various stages. These stages can be summarised in three broad categories:

- **Latent** (potential, slumbering, but not yet visible or acknowledged). This exists whenever individuals or groups have differences that bother one or the other, but the differences are not great enough to cause one side to act to alter the situation
- **Emergent** (visible but still rational). This may happen when a ‘triggering event’ happens, for instance an open disagreement on a topic. This topic is either the real cause of the conflict, or a pretext for another conflict of interest or character. When the conflict is emergent, the involved parties are still on speaking terms and can discuss rational solutions.
- **Escalated** (open conflict). In this phase the parties are openly and emotionally at odds with each other and are not able or willing any more to discuss solutions calmly and rationally. Other people are tending to take sides, or they are urged to. In some situations legal steps may be taken or considered.

Crises, by contrast, jump immediately to the third level without acknowledged intermediary steps. However, they are often not the result of conflict situations, but may arise because of a sudden or suddenly discovered issue – a major risk occurring, an outside event with great impact, etc. The art of conflict and crisis management is to assess causes and consequences and obtain additional information for use in the decision-making process to define possible solutions.

Conflicts and crises can have very different causes, varying from factual disagreements to character conflicts, and they may have origins that are external to the portfolio or even the organisation. Depending on the causes, different solutions may be possible.

Crises can also be differentiated by their potential impacts. Depending on the specific stage, different approaches to soothe, solve or escalate the conflict or crisis can be chosen.

##### Measures

- Assesses conflict stage;
- Analyses causes of a conflict or crisis;



- Analyses potential impact of a conflict or crisis;
- Has different conflict or crisis approaches available to choose from.

#### **4.4.7.3. Mediate and resolve conflicts and crises and/or their impact**

##### **Description**

Often conflict or crisis management has to be performed against a background of individuals and/or groups who are angry or in panic mode. In a minimum amount of time, the individual has to pull the information together, weigh the options, aim for a positive and preferably synergistic solution and, most importantly, stay calm and in control. In these circumstances, relaxation and balanced judgment are important qualities. In situations of crisis the ability to act decisively is most important.

The potential means of resolving conflicts involve collaboration, compromise, prevention or use of power. Each depends on achieving a balance between one's own and others' interests. Cooperative conflict management requires willingness to compromise among all parties. At early stages of conflicts the individual can act as a moderator/mediator – at least when the individual is not directly involved. The individual brings the conflicting parties together and enables communication without being too judgmental. In later stages the options may include use of power, escalation to higher management, professional mediation and/or legal measures.

##### **Measures**

- Addresses issues openly;
- Creates an atmosphere of constructive debate;
- Selects and uses the right method to solve the conflict or crisis;
- Takes disciplinary or legal measures when appropriate.

#### **6.4.7.4. Identify and share learning from conflicts and crises in order to improve future practice**

##### **Description**

Once a conflict has been resolved, it is important to restore a sense of harmony and equilibrium to the environment. Stimulating learning from conflicts and crises means the individual leading the team of the portfolio can question the origins and causes of a conflict on a meta-level. Furthermore the individual can differentiate between environmental coincidences and true causes of a conflict or crisis, learn from them and encourage the team to do the same, so that they cope better with similar situations in the future.

### Measures

- Restores the team environment;
- Motivates the team to acknowledge and learn from their own part in the conflict;
- Uses conflicts in a positive way to progress;
- Strengthens the team cohesion and solidity with regard to potential future conflicts and crises.



## 4.4.8. Resourcefulness

### Definition

Resourcefulness is the ability to apply various techniques and ways of thinking to defining, analysing, prioritising, finding alternatives for and dealing with or solving challenges and problems. It often requires thinking and acting in original and imaginative ways and stimulating the creativity of individuals and the collective creativity of the team. Resourcefulness is useful when risks, opportunities, problems and difficult situations arise.

### Purpose

The purpose of this competence element is to enable the individual to effectively handle uncertainty, problems, changes, limitations and stressful situations by systematically and continuously searching for new, better and more effective approaches and/or solutions.

### Description

Resourcefulness is about making optimal use of what to work with. It is not just about creating something new; it also applies to making existing things work better, faster or cheaper. The individual acquires capable resources and fosters an attitude of resourcefulness within the team to stimulate, evaluate and act upon ideas that can benefit the process, results or goals. Ideas must often be 'sold' to the team before they are accepted. A team atmosphere that is open to creativity and innovation is a prerequisite for acceptance. Others in the team will then often champion the idea and refine it so that it gains greater acceptance.

Resourcefulness is one of the prime competences for portfolio success. Resourcefulness helps to overcome problems and motivates the team to work together in developing the idea into a workable solution. Creativity must be used with care in the team, so that the focus on realising the agreed results of the project, programme or portfolio is not lost. Conceptual and analytic techniques are also of utmost importance to deal with the information overflow that many portfolios and organisations face. Being able to extract, present or report the right information in a timely manner is crucial for success.

### Knowledge

- Techniques to solicit views of others;
- Conceptual thinking;
- Abstraction techniques;
- Strategic thinking methods;
- Analytic techniques;

- Convergent and divergent thinking;
- Creativity methods;
- Innovation processes and techniques;
- Coping methods;
- Lateral thinking;
- Systems thinking;
- Synergy and holistic thinking;
- Scenario analysis;
- SWOT technique;
- PESTLE analysis;
- Creativity theories;
- Brainstorming techniques, e.g. lateral thinking;
- Converging techniques (comparative analysis, interview techniques).

### Skills and abilities

- Analytical skills;
- Facilitating discussions and group working sessions;
- Choosing appropriate methods and techniques to communicate information;
- Thinking ‘outside the box’ – new ways of doing things;
- Imagining an unknown future state;
- Being resilient;
- Dealing with mistakes and failure;
- Identifying and seeing different perspectives.

### Related competence elements

- All other people CEs;
- Practice 1: Portfolio design;
- Practice 2: Benefits;
- Practice 10: Plan and control;
- Practice 11: Risk and opportunity.

## Key competence indicators

### 4.4.8.1. Stimulate and support an open and creative environment

#### Description

The individual creates a work environment that encourages people to share their knowledge and contribute their ideas and opinions. To stimulate and support creativity and innovation, the individual needs to be open to original and imaginative ways to overcome obstacles. These ways may include new

products, processes or procedures or could involve revising specific tasks or roles and responsibilities. The individual can make others feel they are welcome to express themselves, so that the portfolio can benefit from their input, suggestions, ideas and concerns. This is necessary as a means of benefiting from others' knowledge and experience. Since in every portfolio, professionals with various backgrounds and abilities have to work together, openness is important. Most of the team members have an area of expertise where they are more knowledgeable than the individual leading the portfolio. The relationships in the team are built on mutual respect, trust and reliability. So the individual leading the portfolio should regularly ask people for their input and show willingness to understand and possibly adopt their ideas. Of course there is a time and place for everything, so the individual should also make clear when there is time for creative input and when not.

### Measures

- Encourages people to share their knowledge and contribute their opinions;
- Stimulates and supports creativity when appropriate;
- Uses and stimulates original and imaginative ways to overcome obstacles;
- Seeks input from others and shows willingness to consider and/or adopt their ideas;
- Considers the perspectives of others.

## 4.4.8.2. Apply conceptual thinking to define situations and strategies

### Description

Every portfolio is unique. This requires the abilities of abstraction and conceptualisation, that is, of breaking down or reducing the subject in question (be it an outcome, plan, requirement, risk, situation or problem) into smaller parts and integrating these into new and useable ideas. The individual must apply conceptual thinking, and also leverage able team members. Conceptual thinking also means bearing in mind that problems regularly have multiple causes that relate to each other within a general context, and that different ways of solving problems have different effects on other parts, both in and outside the portfolio.

### Measures

- Uses or promotes conceptual thinking when appropriate;
- Knows that problems often have multiple causes and that solutions often have multiple effects;
- Applies systemic thinking.

### **4.4.8.3. Apply analytic techniques to analysing situations, financial and organisational data and trends**

#### **Description**

The individual leading the portfolio team is able to analyse (or delegate the analysis of) complex situations or problems and find solutions and alternatives. The individual can also analyse and derive useful information and trends from complex sets of data and present or report the findings clearly. Analytical dexterity means having different methods at disposal for detecting a problem's actual causes and implementing or proposing the correct measures to solve it.

#### **Measures**

- Applies various analytic techniques;
- Analyses problems to detect causes and possible solutions;
- Analyses complex sets of data and extracts relevant information;
- Clearly reports and presents data conclusions, summaries and trends.

### **4.4.8.4. Promote and apply creative techniques to find alternatives and solutions**

#### **Description**

Creative techniques should be used to identify solutions. These techniques can be divided into 'diverging' techniques and 'converging' techniques. When problems arise in the portfolio or in its components, the individual leading the team needs to judge whether a creative approach is appropriate or not. Where a creative approach is appropriate, the individual needs to decide which methods to use.

After the problem or issue is defined (possibly by using conceptual thinking and/or analytic techniques) there follows a diverging creative stage to gather possible solutions. A brainstorming session may be appropriate, where members of the team and others in the organisation who might be able to contribute meet to have their ideas captured. Other much-used techniques include mind mapping, storyboarding, visualising, etc. Whatever method is used in finding a creative solution, it involves looking at the issue from different perspectives, combining tools, knowledge, common sense, intuition and experience and applying them.

In the following, more analytic, converging stage, possible solutions and their effect on the problem or issue in question are analysed. Converging techniques include weighted selection, force-field analysis, etc. The most promising ideas are then further refined and finally the best concepts/solutions are chosen.

## Measures

- Uses creative techniques when appropriate;
- Applies diverging techniques;
- Applies converging techniques;
- Engages multiple views and skills;
- Identifies interdependencies.

### 4.4.8.5. Promote a holistic view of the portfolio and its context to improve decision-making

#### Description

To promote holistic views means considering a current situation in relation to the full context of the portfolio, such as the enterprise strategies and concurrent activities, project or programmes. The individual leading the portfolio team uses multiple perspectives to judge and deal with situations. The individual recognises the significance of details and can separate the details from the bigger picture. The individual understands the connection between the situation and its context and can make or promote decisions based on understanding of a wide array of influences, interests and possibilities. The individual is also able to explain these holistic views to others, both inside and outside the portfolio.

#### Measures

- Demonstrates holistic thinking and can explain the bigger picture;
- Uses multiple perspectives to analyse and deal with the current situation;
- Makes connections between the portfolio and the larger context and takes appropriate action.

## 4.4.9. Negotiation

### Definition

Negotiation is the process between two or more parties that aims to balance different interests, needs and expectations in order to reach a common agreement and commitment while maintaining a positive working relationship. Negotiation includes both formal and informal processes such as buying, hiring or selling or regarding requirements, budget and resources in portfolios.

### Purpose

The purpose of this competence element is to enable the individual to reach satisfactory agreements with others by using negotiation techniques.

### Description

Agreements are based on positions that will satisfy the interests, needs and expectations of all parties. Negotiations can be political or commercial and can often entail reaching compromises that do not leave all parties very satisfied. Interests, needs and expectations often involve emotions and feelings as well as facts, and the full picture may not be easy to identify. The negotiating process is often influenced by the relative power of the parties, and by situational factors that may be called 'leverage'.

Negotiators need to research these issues and, when full information is not available, make assumptions about them. Successful negotiation is facilitated by developing a number of options, each of which has the potential to satisfy different interests, needs and expectations. Negotiation may involve the use of different techniques, tactics and strategies.

### Knowledge

- Negotiation theories;
- Negotiation techniques;
- Negotiation tactics;
- Phases in negotiations;
- BATNA (best alternative to a negotiated agreement);
- Contract templates and types;
- Legal and regulatory provisions associated with contracts and agreements;
- Analysis of cultural aspects and tactics.

### Skills and abilities

- Identification of the desired outcomes;
- Assertiveness and drive to reach desired outcomes;
- Empathy;
- Patience;





- Persuasion;
- Establishing and maintaining trust and positive working relationships.

### Related competence elements

- All other people CEs;
- Practice 1: Portfolio design;
- Practice 2: Benefits;
- Practice 9: Procurement;
- Practice 10: Plan and control.

## Key competence indicators

### 4.4.9.1. Identify and analyse the interests of all parties involved in the negotiation

#### Description

Understanding the priorities of the parties to the negotiation is a prerequisite to generating a successful outcome. The individual leading or participating in the negotiations should begin by gathering hard and soft information about interests, needs and expectations of all parties by whatever means are available. Analysis of this information should reveal both priorities and gaps for further research. Priorities of other parties may often have to be assumed.

#### Measures

- Knows and reflects own interests, needs and constraints;
- Gathers and documents relevant hard and soft information about interests, needs and expectations of all parties involved;
- Analyses and documents available information to identify own priorities and likely priorities for other parties.

### 4.4.9.2. Develop and evaluate options and alternatives with the potential to meet the needs of all parties

#### Description

The individual identifies trade-offs, options and alternative negotiation solutions. They are developed during the preparation for negotiation and may be modified during the negotiations as opportunities emerge and the situation changes. The trade-offs, options and alternatives should be tuned to the interests of the negotiating parties, to be useable during the negotiation process. A best alternative to a negotiated agreement (BATNA) should also be identified.

### Measures

- Identifies trade-offs, options and alternative solutions based on the analysis of interests, needs and priorities of all parties;
- Proposes the right option at the right time in the right way.

#### **4.4.9.3. Define a negotiation strategy in line with own objectives that is acceptable to all parties involved**

### Description

The negotiation strategy focuses on what the individual thinks is essential for a successful outcome. Before starting the negotiation, the individual must select the strategy, techniques and tactics that will enable him or her to reach an optimal outcome for the portfolio. The strategy may depend upon factors such as the power balance between the parties, the stakes involved, budgetary conditions, politics, cultural aspects, and the capability of the negotiators. The selected strategy should be appropriate to the interests of the portfolio and not detrimental to relationships with the stakeholders involved. The individual should also consider secondary strategies that cover 'what if' scenarios.

The strategy also includes who the negotiators will be and what will be their mandate (negotiation scope, freedom, roles and responsibilities). In some cases a choice is also possible about the other party and/or negotiation scope (with whom to negotiate over what). This option should be carefully considered, as this choice might have negative or positive repercussions later on.

### Measures

- Identifies possible negotiation strategies in order to achieve the desired outcome;
- Identifies secondary strategies and alternative options to address 'what if' scenarios;
- Selects a negotiation strategy and can explain why it has been chosen;
- Analyses and selects negotiation techniques and tactics to support the desired negotiation strategy;
- Identifies key parties to participate in the negotiation and clearly articulates their mandate.

#### 4.4.9.4. Reach negotiated agreements with other parties that are in line with own objectives

##### Description

An agreement is reached through negotiation using the identified strategies, tools and tactics without alienating the other parties involved. Negotiation may occur over an extended timeframe and may proceed in phases. A satisfactory agreement is one in which all parties are reasonably satisfied with the result, will honour their commitments, think the other parties negotiated fairly, feel respected and will negotiate again. If an agreement is not achievable or the possible outcomes are not acceptable, the BATNA is implemented.

The best possible solution is often one that is sustainable and provides the best long-term results for all parties. There may be specific situations where this is not possible or preferable and a compromise may be required to meet one's desired outcome. In many situations, the agreed outcomes are documented for future reference.

##### Measures

- Negotiates using techniques and tactics appropriate to the circumstances to achieve the desired outcome;
- Negotiates to achieve a sustainable agreement;
- Demonstrates patience and drive to realise a sustainable agreement;
- Implements BATNA if a sustainable outcome is not possible;
- Documents the outcomes of the negotiation.

#### 4.4.9.5. Detect and exploit additional selling and acquisition possibilities

##### Description

The individual leading the portfolio is constantly striving to realise the processes and agreed outcomes faster, better and/or cheaper. This means that the individual has to have a keen eye for opportunities to realise this aim. Depending on the situation, this may for instance mean searching for new suppliers or renegotiating old agreements, looking for ways to offer services to new clients, negotiating better conditions with stakeholders or inviting teams or team members to realise tasks sooner, better and/or cheaper.

Negotiating will occur after the new opportunities are identified. The desired state should be seen in the light of the best interests of the portfolio and the organisation. Is the organisation best served with the present situation or with efforts to improve it? In considering this, the individual is aware that negotiations

also take up time and effort and that present relationships with negotiation partners may be affected.

### Measures

- Seeks ways to deliver the agreed outcomes sooner, better and/or cheaper;
- Weighs alternatives to the current situation and agreements;
- Considers the impact of alternatives on current relationships.

## 4.4.10. Results orientation

### Definition

Results orientation is the critical focus maintained by the individual on the outcomes of the portfolio. The individual prioritises the means and resources to overcome problems, challenges and obstacles in order to obtain the optimum outcome for all the parties involved. The results are continuously placed at the forefront of the discussion and the team drives toward these outcomes. One critical aspect of results orientation is productivity, which is measured as a combination of effectiveness and efficiency. The individual needs to plan and deploy resources efficiently to realise the agreed results and be effective.

### Purpose

The purpose of this competence element is to enable the individual to focus on the agreed outcomes and drive towards making the portfolio a success.

### Description

Most of the work in the lifecycle of portfolios deals with the definition and management of tasks and the resolution of smaller or bigger problems. In this definition, choices have to be made repeatedly, about priorities, allocation, to-be-used techniques, etc. Results orientation eases these choices by defining a basic criterion: Will the present work realise the desired results or make the process faster, cheaper and/or better?

Results orientation means focusing the attention of the individual and the team on key objectives to obtain the optimum outcome for all the parties involved. The individual has to ensure that the agreed outcomes satisfy the relevant stakeholders. This also applies to any changes agreed during the lifecycle of the portfolio. While focusing his or her attention on the outcomes, the individual still needs to maintain an awareness of and react to any ethical, legal or environmental issues that affect the portfolio. Results orientation also includes focusing the team and relevant stakeholders on delivering the requested outcomes, including identifying problems, using techniques to locate their causes and to find and implement solutions.

To deliver the outcomes required by and agreed with the relevant stakeholders, the individual must find out what the different participants in the portfolio would like to get out of it for themselves. The individual must manage the deployment and development of the team members taking their expectations into account.

## Knowledge

- Organisation theories;
- Efficiency principles;
- Effectiveness principles;
- Productivity principles.

## Skills and abilities

- Delegation;
- Efficiency, effectiveness and productivity;
- Entrepreneurship;
- Integration of social, technical and environmental aspects;
- Sensitivity to organisational do's and don'ts;
- Management of expectations;
- Identifying and assessing alternative options;
- Combining helicopter view and attention to essential details;
- Total benefit analysis.

## Related competence elements

- All other people CEs;
- Perspective 1: Strategy;
- Practice 1: Portfolio design;
- Practice 2: Benefits;
- Practice 6: Quality;
- Practice 10: Plan and control;
- Practice 11: Risk and opportunity;
- Practice 12: Stakeholders.

## Key competence indicators

### **4.4.10.1. Evaluate all decisions and actions against their impact on portfolio success and the objectives of the organisation**

#### **Description**

In everything the individual does, he or she is guided by the goal of the portfolio, which is to achieve success. This goal underpins all the individual's decisions and actions. Every choice may have negative or positive repercussions later on, so it needs to be carefully considered. The individual will judge new developments by the following criteria: Will this realise (or threaten) the objective or result, or make the process faster, cheaper and/or better, and so more of a success?

## Measures

- Considers the objectives and agreed outcomes of the portfolio as leading all actions;
- Formulates own goals based on the objectives and outcomes;
- Derives the strategy of the portfolio from the goals;
- Judges all decisions and actions by their impact on the success of the portfolio.

### 4.4.10.2. Balance needs and means to optimise outcomes and success

#### Description

Every choice entails allocating or denying means (resources, money, time, attention) to certain actions (e.g. tasks, decisions, questions, problems, etc), based on perceived needs. In order to optimise means allocation the individual must have a clear picture of the priorities of the portfolio. Based on that, the individual must prioritise the various needs and balance the allocation of means based on the priorities. This may mean giving no attention or means at this stage to perceived challenges or problems, as the individual judges other needs to have more priority.

#### Measures

- Assesses and prioritises various needs;
- Explains why certain actions get more priority;
- Uses the results orientation as a means to say 'no' (and explain why).

### 4.4.10.3. Create and maintain a healthy, safe and productive working environment

#### Description

Ensuring a healthy, safe and productive working environment means providing the team with all means and limiting distractions so that the team can focus on working efficiently. The individual leading a portfolio acts as a filter and a buffer between the environment and the team members to absorb uncertainties and ambiguities that could disturb the progress and their results orientation. In addition, the individual facilitates the team with the necessary infrastructure and resources.

#### Measures

- Shields the team from outside interference;
- Creates healthy, safe and stable working conditions;

- Provides a clear set of work for team members on which to operate;
- Provides the necessary resources and infrastructure.

#### **4.4.10.4. Promote and 'sell' the portfolio, its processes and outcomes**

##### **Description**

The individual often has to act as an ambassador and advocate for the portfolio, explaining the why, how and what (its objectives, approach, processes and agreed outcomes) to all concerned parties. The promotion reinforces the results orientation by making the outcomes clear and the need for the outcomes. This can be done by regular reporting and stakeholder engagement, but at least as often is achieved by formal and informal communication and marketing, varying from coffee corner talks with team members to formal presentations. This marketing or 'selling' the portfolio is part and parcel of every communication made by the individual leading it. The individual preferably also invites team members, the owner(s) and others to join in the marketing effort.

##### **Measures**

- Defends and promotes the objectives, approach, processes and agreed outcomes;
- Seeks openings and venues to promote the portfolio;
- Invites others to join in with marketing the portfolio.

#### **4.4.10.5. Deliver results and get acceptance**

##### **Description**

The litmus test of every individual leading a portfolio is whether they can deliver, or realise what was promised, to get results. This quality requires a clear resource plan, planned outcomes, a strong belief in personal capacity and that of the team to overcome obstacles and problems, plus the overarching desire to deliver.

The individual knows that being effective is not the same as being efficient. Effectiveness is realising the planned goals (e.g. realising the agreed outcomes within agreed deadlines, budget, quality, etc), while efficiency is doing so with the least necessary cost and time (measured, for instance, by comparing the planned number of people against the actual number). Therefore the individual needs to constantly search for means to realise the agreed results faster, cheaper or better. Finally, the individual needs to be able to rally people to the cause while keeping to the planned level of productivity, knows what the individual can and





cannot do (and get away with) in a specific situation and organisation and what is politically appropriate.

### Measures

- Differentiates the concepts of efficiency, effectiveness and productivity;
- Plans and sustains planned levels of efficiency, effectiveness and productivity;
- Demonstrates the ability to get things done;
- Focuses on and shows continuous improvement;
- Thinks in solutions, not in problems;
- Overcomes resistance;
- Recognises limitations to getting results and addresses these shortcomings.



## 4.5. Practice

The competence area 'practice' deals with the core portfolio competences.

It defines fourteen competence elements:

- **Portfolio design**
- **Benefits**
- **Scope**
- **Time**
- **Organisation and information**
- **Quality**
- **Finance**
- **Resources**
- **Procurement**
- **Plan and control**
- **Risk and opportunities**
- **Stakeholder**
- **Change and transformation**
- **Select and balance**

## 4.5.1. Portfolio design

### Definition

Design describes how the demands, wishes and influences of the organisation(s) are interpreted and weighed by the individual and translated into a high-level design of the portfolio to ensure the highest probability of success. Derived from this outer context, design drafts a ‘charcol sketch’ - a blueprint or overall architecture of how the portfolio should be set up, laid out and managed. This considers resources, funds, stakeholders’ objectives, benefits and organisational change, risks and opportunities, governance, delivery, priorities and urgency. Because all outer factors and success criteria (and/or the perceived relevance of these) often change over time, this design needs to be evaluated periodically and, if necessary, adjusted.

### Purpose

The purpose of this competence element is to enable the individual to successfully integrate all contextual and social aspects, and derive the most advantageous approach for a portfolio lifecycle to ensure buy-in and success.

### Description

Design addresses the development, implementation and maintenance of an approach that best serves the organisational objectives, and takes into account all formal and informal factors that help or hinder the goals and the success or failure of the specific portfolio. Design includes taking into account the intent, governance, structures and processes, relevant standards and regulations, cultural aspects and personal and group interests in the organisation (or organisations) and the wider society. In selecting the choice for the approach, lessons learned from other portfolios within the organisation, the industry or from outside, and the specifics of this portfolio, also play an important role.

Design addresses a broad range of aspects, including governance and decision-making, reporting and resources, as well as meeting standards and regulations and complying with cultural norms and values (within the organisation and of the wider society). Aspects such as perceived benefits, motivation, team and stakeholder communication, etc have also to be taken into account. Defining these objectives, factors and criteria distinctly and clearly is a major requirement from the outset and during the execution of the portfolio. This activity results in a thoroughly situational high-level sketch that will later be translated into specific actions that should lead to success for the portfolio.

The chosen approach also includes the management and control philosophy. The architecture reflects rhythm, balance and commitment and provides guidance to the component tasks and their place in the portfolio. It also takes



into account the relationships between projects and programmes in the portfolio and where they are linked together to achieve a strategic objective of the organisation.

The selection of the approach and the design activities have to be performed before jumping into planning, organising and executing the portfolio. Furthermore, during the portfolio's lifecycle this chosen approach should be regularly 're-thought' and challenged, as circumstances change both from within the portfolio and from the larger context.

### Knowledge

- Critical success factors;
- Success criteria;
- Lessons learned;
- Benchmarking;
- Complexity;
- Project, programme and portfolio success;
- Project, programme and portfolio management success;
- Project, programme and portfolio management tools;
- Leadership styles;
- Knowledge management;
- Strategy;
- Performance management;
- Specific methodologies related to the line of business and context;
- Organisational models, e.g. contingency theory;
- Theory of change.

### Skills

- Contextual and value awareness;
- Goal and objective setting;
- System thinking;
- Results orientation;
- Improvements/incorporation of lessons learned;
- Structure decomposition;
- Analysis and synthesis.

### Related competence elements

- All other practice CEs;
- All perspective CEs;
- People 5: Leadership;
- People 8: Resourcefulness;
- People 9: Negotiation;
- People 10: Results orientation.

## Key competence indicators

### 4.5.1.1. Acknowledge, prioritise and review success criteria

#### Description

Success criteria are measures that stakeholders use to rate and judge the success of the portfolio. These criteria can be both formal and informal. Formal criteria address the stated outcomes of the portfolio. To achieve them within the agreed constraints (e.g. strategic goals, tactical and operational objectives) is one – but just one – part of success. Informal criteria by which interested parties evaluate the outcome or the performance are also important. These factors may include the true reasons why portfolio management is implemented, supported or thwarted. Success criteria also address the interaction with the larger context – personal or group interests that are influenced by the management of the portfolio or its results.

The individual collects, acknowledges, prioritises and completes both formal and informal success criteria for the portfolio. Not only the formal criteria, but also the informal ones, need to be taken seriously by the individual, as they will significantly influence the willingness of interested parties to support and cooperate with the portfolio and so directly influence its success. The success criteria play a crucial role in defining the approach.

Success factors are elements that individuals can incorporate to increase the likelihood of meeting the success criteria and achieving a successful outcome. These factors may be of very different sources and shapes. They vary from using (or avoiding) specific tools, methods or techniques, to selecting specific resources, organisation set-up, stages, reporting and communication means and styles, quality methods, etc. Over time, the relative importance of success factors and criteria may change, due to contextual or social aspects or the dynamics of the portfolio management itself. Therefore the individual periodically checks and assesses the actuality and relative importance of the success criteria and – when necessary – makes due changes in the approach in order to attain success.

#### Measures

- Identifies, evaluates and prioritises influences from each of the five perspective aspects relevant for success;
- Recognises and assesses both formal and informal influencing elements;
- Evaluates and prioritises success criteria from each of the five perspective aspects;
- Acknowledges and assesses both formal and informal success criteria;
- Acknowledges and uses relevant success factors;
- Performs periodic re-assessments of the relevance of success criteria and factors.



### 4.5.1.2. Review, apply and exchange lessons learned from and with other portfolios

#### Description

Lessons learned are gathered from other portfolios (most often from the wider community, including research and benchmarks) and relevant lessons are applied in the portfolio. Periodically the individual (with the team and relevant stakeholders) evaluates the approach and gathers lessons learned from the work performed in portfolio management, which are then shared within the management of the organisation and, as far as is practicable, to the world outside the organisation(s). In addition, the individual makes sure that relevant lessons learned are gathered in the projects and programmes of the portfolio, shared between the different component projects and programmes and applied where appropriate. This is particularly important for component projects and programmes in early phases, during the set-up. The individual knows and uses the different ways and tools for distributing lessons learned in the organisation (e.g. strategic project office, knowledge base, internal social network, etc).

#### Measures

- Acknowledges and gathers lessons learned from previous portfolio cycles;
- Applies relevant lessons learned;
- Acknowledges and uses research and benchmarking methods for improving the performance of the portfolio;
- Identifies and shares lessons learned.

## 4.5.2. Benefits

### Definition

Every portfolio is undertaken because internal and external stakeholders want to achieve something. This competence element describes the 'why' - which goals are to be achieved, which benefits are to be realised, which objectives are to be reached and which stakeholders' requirements to be fulfilled. They are derived from needs, expectations, requirements and strategic organisational goals from the stakeholders.

### Purpose

The purpose of this competence element is to enable the individual to see the relationship between what stakeholders want to achieve and what the portfolio and components are going to accomplish.

### Description

The individual will come across many definitions of requirements, objectives, benefits, effects, deliverables, value, requirements, output and outcome and how they relate to each other. They all present different views of (and sometimes different levels of) the bridge between what stakeholders want to achieve and what a project or programme is going to deliver. The individual is aware of this and will clearly define, for the purpose of the portfolio, what is needed in order to answer the 'why-how-what-when-who-where-and-for-whom' questions. The individual will embark on a process with all stakeholders to come to a good definition of what the portfolio and components are going to achieve for them. These then have to be transformed into clearly defined outcomes and outputs, which again are communicated back to stakeholders in order to define and manage expectations. This process is conducted iteratively.

Changes to both the stakeholders' views and the outputs and outcomes will occur, requiring regular updates. This process is therefore executed initially and will be repeated on a regular basis. Communication, negotiation and analytical skills are crucial. In order to achieve balance between stakeholders, the use of workshops instead of one-on-one interviews is very common. Stakeholders' needs and requirements need to be elicited and prioritised, clearly defining what the portfolio will have to realise and for what reasons.

In the case of portfolios, stakeholders' needs and requirements are elicited and prioritised. These then serve as input for the decision on which components are to be taken on by the organisation, given what it wants to achieve.

Benefits may be quantified as either financial or non-financial. Non-financial benefits are all the benefits that cannot be easily expressed as a monetary value. This might include improvements in customer satisfaction, increased consumer awareness or improved health.





Benefits may also be considered as tangible or non-tangible. Benefits are often tangible business improvements that support an organisation's strategic objective and are assured. What constitutes benefits with positive value for some might constitute benefits with negative value (sometimes called dis-benefits) for others.

Balancing these so that the portfolio achieves outcomes that are beneficial for all stakeholders is one of the key aspects in portfolio management. A portfolio comprises projects and programmes, each of which delivers multiple capabilities and/or benefits with each deliverable or output from components making a contribution. As a result the development of a benefits map or chain (sometimes called a benefits breakdown structure) is often required, showing how each component contributes to achievement of the overall benefit detailed at the portfolio level.

### Knowledge

- Temporary and permanent organisation;
- Expectations, needs and requirements of stakeholders;
- Success criteria;
- Project and programme charters;
- Project and programme sponsors (owners);
- Fit for use and fit for purpose;
- Value management;
- Acceptance criteria;
- Benefits mapping;
- Goal analysis;
- Strategy setting.

### Skills and abilities

- Corporate strategy;
- Stakeholder relationships;
- Knowledge elicitation;
- Workshop facilitation;
- Interviewing;
- Formulation of objectives e.g. SMART- method;
- Synthesis and prioritisation.

### Related competence elements

- All other practice CEs;
- Perspective 1: Strategy;
- Perspective 2: Governance, structures and processes;
- Perspective 3: Compliance, standards and regulations;
- People 3: Personal communication;

- People 5: Leadership;
- People 8: Resourcefulness;
- People 9: Negotiation.

## Key competence indicators

### 4.5.2.1. Define and develop the organisational goals hierarchy

#### Description

A portfolio constantly measures whether the component projects and programmes are well balanced against what the organisation wants to achieve. These organisational goals are elicited and priorities are established. If necessary, the organisational goals are further articulated to ensure they can be more easily measured, or sequenced over time into short-term goals and mid-term goals. These are communicated with the relevant stakeholders and a commitment is then established. The organisational goals and the contribution that the portfolio makes to achieving these may be re-assessed at each selection round. These may take place monthly, quarterly or annually.

#### Measures

- Defines a prioritised set of organisational goals for the portfolio;
- Establishes a set of goals to be achieved in the shorter and longer term;
- Achieves commitment on this set of goals;
- Identifies key priorities for selection based on the organisation's goals.



### 4.5.3. Scope

#### Definition

Scope defines the specific focus or content of the portfolio and component projects and programmes. It describes the outputs, outcomes and benefits and the work required to produce them. It also deals with the counterpart – describing what is not contained in or part of the portfolio. In essence, scope defines the boundaries of the portfolio. The interest from a portfolio management perspective is to ensure that scope configuration of all components is maintained and the portfolio remains balanced.

#### Purpose

The purpose of this competence element is to enable the individual to acquire insight into what the boundaries of the portfolio scope are, to manage this scope; and to understand how scope influences (and is influenced by) decisions regarding the management and execution of the projects and programmes so that the portfolio remains balanced.

#### Description

Scope covers the process of understanding, defining and managing the specific contents of all portfolio components. Scope defines all boundaries – which are often crucial to understanding and making decisions about what is to be contained within the portfolio and what is not. In the case of portfolios, scope operates at two separate levels. The first is the portfolio level in which the portfolio scope is defined as a result of the project and programme selection process. The second is at the project and programme level, in which case the scope covers the definition of the project or programme deliverables, the creation of a scope-defining structure (a work breakdown structure) and, derived from this, the definition of work packages.

Scope also includes the development of scope configuration control to ensure and support the continuous management of the scope. Most portfolios operate in a dynamic environment and consequently scope will not be static. To ensure continuing relevance to the permanent organisation, a sustainable scope is maintained through ongoing monitoring and controlling of the needs, desires and expectations of (key) stakeholders.

#### Knowledge

- Configuration management;
- Hierarchical and non-hierarchical structures;
- Planning packages;
- Scope definition (with exclusions);

- Scope creep;
- Constraints;
- Deliverable design and control methods;
- Work breakdown structure (WBS);
- Product breakdown structure (PBS);
- Work packages;
- WBS dictionary.

### Skills and abilities

- Scope configuration;
- Prioritisation of projects and resources;
- Defining a WBS;
- Defining a PBS;
- Using a WBS dictionary;
- Agile portfolio scope management.

### Related competence elements

- All other practice CEs;
- Perspective 1: Strategy;
- Perspective 2: Governance, structures and processes;
- Perspective 3: Compliance, standards and regulations;
- People 5: Leadership;
- People 8: Resourcefulness;
- People 9: Negotiation;
- People 10: Results orientation.

## Key competence indicators

### 4.5.3.1. Establish and maintain the scope of the portfolio

#### Description

The scope of a portfolio is defined by the projects and programmes in the portfolio. Every portfolio has a focus area, defined by management. This focus area can be defined in various ways, such as functionally (for instance all marketing projects or programmes), geographically (all projects or programmes for, in or related to a geographical area), or simply all projects or programmes of a department or organisation.

However, interfaces with other programmes or projects outside of the focus area may blur the scope borders of a portfolio. This includes consequences of



portfolios outside of their focus area (e.g. of resource claims, effects of outcomes). The individual has to be able to assess these consequences and to maintain the agreed scope of the portfolio.

### Measures

- Identifies and maintains the scope of the portfolio;
- Assesses and manages the interfaces with other portfolios;
- Adapts the scope when needed in order to remain effective.

## 4.5.3.2. Control scope configuration of projects and programmes

### Description

Scope configuration management helps minimise deficiencies, errors and unintended scope creep in component projects and programmes. Scope configuration management is meant to ensure that the scope is aligned with agreed stakeholder needs and requirements. The component projects and programmes operate within a dynamic environment with many interfaces. Scope configuration management is often a continuous process. The portfolio management feeds scope changes into the portfolio balancing process. This may result in component projects and programmes being put on hold or cancelled.

### Measures

- Assesses and manages the scope of component programmes and projects;
- Defines roles and responsibilities related to scope configuration management;
- Adapts the scope of projects or programmes when needed in order to remain effective.

## 4.5.4. Time

### Definition

Time includes the identification and structuring of all components of a portfolio (projects and programmes) in time in order to optimise the execution.

### Purpose

The purpose of this competence element is to enable the individual to define, sequence, optimise, monitor and control all the components necessary to delivering the agreed results of the projects and programmes within the portfolio.

### Description

The aim of time scheduling is to determine what activities need to be carried out when, in order to optimise the execution. Given that portfolios are aligned to achieve strategic organisational goals, therefore the portfolio component timing is based on short- and long-term goals and given a time period to achieve them. A portfolio schedule contains the key milestones and dependencies of all projects and programmes within the portfolio.

### Knowledge

- Planning approaches;
- Estimation methods and techniques;
- Resource levelling;
- Scheduling methods, e.g. Gantt chart, PERT, Kanban charts;
- Resource allocation;
- Network analysis;
- Baselines;
- Critical path planning;
- Time boxing;
- Phases;
- Milestones;
- Fast modelling and prototyping;
- Spiral, iterative and agile development processes.

### Skills and abilities

- Defining activities from work packages;
- Defining dependencies;
- Sequencing components;
- Estimating activity resources and duration.



### Related competence elements

- All other practice CEs;
- Perspective 2: Governance, structures and processes;
- Perspective 3: Compliance, standards and regulations;
- People 3: Personal communication;
- People 5: Leadership;
- People 8: Resourcefulness;
- People 9: Negotiation.

## Key competence indicators

### 4.5.4.1. Establishes the portfolio decision-making cycle

#### Description

The management of a portfolio and all related project and programme selection processes operate on a regular cycle of meetings and decision points. This selection cycle may occur monthly, quarterly or annually, often in line with the corporate planning cycle. The component projects and programmes may be delivered over the coming year, perhaps with a forward view of several years, depending on the type of business or organisation. The portfolio will also have review points during the current delivery cycle to ensure that the overall portfolio of projects is on track, that resources are properly allocated and to allow remedial action to be taken when necessary.

#### Measures

- Determines and applies the portfolio decision-making cycle;
- Connects portfolio management with the meeting routine;
- Identifies key decision points for component projects and programmes;
- Identifies and manages dependencies between all component projects and programmes.

## 4.5.5. Organisation and information

### Definition

Organisation and information includes the definition, implementation and management of the temporary project or programme organisation, and of the permanent organisation of the portfolio. Clear and commonly agreed to boundary descriptions between the permanent and the temporary organisations are important. Organisation and information also includes the definitions of required roles and responsibilities as well as effective information exchange for the temporary or permanent organisation. This competence element encompasses the creation and storage of documentation, reporting structures and the general project, programme or portfolio internal communication flows.

### Purpose

The purpose of this competence element is to enable the individual to ensure a high-performing temporary (project or programme) or permanent (portfolio) organisation which also includes the inseparable link between organisational structure and communication processes.

### Description

Projects and programmes are temporary, while the portfolio exists as a permanent function established within an existing organisation to carry out a dedicated assignment. One goal of a temporary organisation is to complete the assignments and deliver the anticipated results. Another goal of the temporary organisation is to achieve the larger purpose of the project or programme and to ensure the success of the portfolio. The permanent portfolio organisation analyses and collectively manages current and proposed components based on numerous characteristics to best achieve an organisation's operational and financial goals. For a portfolio, goals are set on an iterative basis and do not end at a predefined state.

The organisation and information competence embraces both human resources and associated communication processes. Moreover, the organisation covers roles represented by tasks, responsibilities and levels of authority within the organisation itself and between the organisation of the portfolio and the organisational entities in which the portfolio is embedded. Relationships and coalitions between members of the portfolio and stakeholders in the permanent organisation or the environment surrounding the portfolio are also part of the organisation and information competences. Internal information, documentation and communication are closely related to the management of the organisation and encompass identifying the information needs, establishing the required





processes and information infrastructures and finally monitoring the internal and external information flow.

### Knowledge

- Organisational models;
- Decision models;
- WBS as a base for project organisation;
- Document management systems;
- Information and documentation systems;
- Information and communications planning;
- Regulatory requirements;
- Information security;
- Project and programme governance arrangements.

### Skills and abilities

- Involving and convincing others;
- Staffing of the organisation;
- Task delegation techniques;
- Management of interfaces to other parts of the organisation;
- Use of office productivity software;
- Preparation techniques for official documents;
- Information management planning.

### Related competence elements

- All other practice CEs;
- Perspective 2: Governance, structures and processes;
- Perspective 3: Compliance, standards and regulations;
- People 3: Personal communication;
- People 5: Leadership;
- People 6: Teamwork;
- People 8: Resourcefulness;
- People 9: Negotiation.

## Key competence indicators

### 4.5.5.1. Assess and determine the needs of stakeholders relating to information and documentation

#### Description

The individual knows about the close link between information and organisation, and that need for information may also determine the need for specific

organisational structures. For example, in organisations practising outsourcing with one or more virtual teams the need for a high level of information is evident. Care must be taken in deciding who gets what information – overwhelming people with too much information must be avoided. Interested parties in general should receive only the information they need and in a suitable form. The individual must discern the needs for formal and informal information/documentation. Knowing the corporate structures and processes will automatically outline part of the formal information and documentation (specifications, plans, budgets, reports and more). It is the responsibility of the individual to ensure that the information and organisational needs are defined.

### Measures

- Assesses and documents the information and documentation needs of the portfolio and component projects and programmes;
- Establishes various modes of communication, including formal and informal;
- Determines the characteristics of the portfolio and component projects and programmes influencing the organisational needs.

## 4.5.5.2. Define the structure, roles and responsibilities within the portfolio and component projects and programmes

### Description

The individual can structure the permanent (portfolio) and temporary (project and programme) organisation in various ways and is aware of the influences from governance and contextual characteristics such as strategy, structures and processes, power and interest, standards and regulations, culture and values. Applied technologies, anticipated solutions, required competences and the geographical location of the participant will also have a high impact on the design of the organisational structure. The individual knows about the advantages and disadvantages of different structures and is also capable of designing, staffing and implementing the temporary organisation. If necessary, an appropriate governance framework and structure will be established for the portfolio as well as for all component projects and programmes. As part of this framework, roles and responsibilities are clearly defined and decision-making authorities and delegation levels are also identified.

### Measures

- Explains some fundamental ways to structure a permanent (portfolio) organisation;
- Explains how the permanent (portfolio) organisation interacts with the temporary (project and programme) organisation;
- Designs and develops governance framework and structure;



- Defines the responsibilities of the various key personnel for the portfolio and all component projects and programmes;
- Identifies links to and interfaces with corporate governance arrangements;
- Identifies and records the differences between the organisation's functional authorities, and those of the portfolio and component projects and programmes.

#### **4.5.5.3. Establish infrastructure, processes and systems for information flow**

##### **Description**

The individual knows how to establish communication processes, including roles and responsibilities and all rules and guidelines for what internal information to communicate and how. Additionally, appropriate systems and methods are implemented to support the governance arrangements. How to limit and/or prevent redundant information is a key success criterion for establishing efficient information processes, and information must be consistent and unambiguous.

Information infrastructures cover the systems, means and methods required for documenting, storing and communicating the internal information. Information infrastructures and IT are inseparable in a modern organisation and, consequently, being aware of the corporate IT systems and policies is important for the individual.

##### **Measures**

- Explains the purpose and contents of information processes;
- Communicates internal information;
- Ensures redundant information is limited and/or prevented;
- Explains the benefits of different types of meetings;
- Explains what is covered by an infrastructure for communication;
- Establishes planning and control mechanisms (e.g. documentation of key decisions).

#### **4.5.5.4. Implement, monitor and maintain the organisation of the portfolio and component projects and programmes**

##### **Description**

The individual knows how to manage the component's organisation, including implementation, monitoring and maintenance of all temporary organisations. Implementation means to make the initially-defined organisational structure operational – to make it work. However, implementation also includes changes to the organisation when necessary.

The need for changes to the temporary organisation should be anticipated as component projects and programmes evolve. Any given structure of an organisation is valid only for a limited period of time. In particular, changes in contextual factors (e.g. strategy and/or power and interest) tend to influence the temporary organisation and call for changes or minor adjustments. Through the ongoing monitoring of the environment, the individual has to proactively envisage the need for changes to the temporary organisation.

### Measures

- Implements new organisational structures to ensure efficient management of resources;
- Monitors the organisation including the roles involved;
- Adjusts the organisation including the roles involved.



## 4.5.6. Quality

### Definition

Quality in a portfolio context has two key drivers. On the one hand, it is about the quality of the process, the way in which the components are organised. This is about developing, implementing and reviewing standards for the way quality is addressed in components. On the other hand, quality is about managing, assuring and controlling the quality of the output and outcome of each component. Quality encompasses the entire portfolio.

### Purpose

The purpose of this competence element is to enable the individual to establish and manage the quality of the services/products to be delivered and the delivery process being managed, and to recognise quality as an invaluable tool for the benefits realisation management process.

### Description

Quality in projects, programmes and portfolios is on the one hand about ensuring the right quality of (intermediate) services or products are delivered to projects. On the other hand it is about ensuring that quality processes are well implemented throughout the portfolios and its components. Ensuring quality processes are well implemented means setting a standard. Usually this is based upon what the organisations behind the portfolio, as sponsor or as supplier, have as quality methods, then tailored towards what this portfolio really needs, and subsequently implemented, measured and adapted. In a portfolio context the focus is on assuring that quality of outputs is achieved by all components.

### Knowledge

- Verification and validation;
- Process quality management techniques (e.g. Lean, Six Sigma, Kaizen);
- Product quality management;
- Quality management standards and methods such as TQM, EFQM, Theory of Constraints, Deming Cycle;
- Organisational quality analysis tools;
- Standard operating procedures;
- Policies implementation;
- Design for testing;
- Utilising indicators;
- Inspection methods and techniques;
- Risk-based testing;

- Testing techniques, including, for example, automated testing;
- Continuous integration;
- Software application for handling and managing tests and defects.

### Skills and abilities

- Understanding quality management and its impact on portfolios and people;
- Implementing a standard (process and people);
- Evolving and adapting a standard;
- Correcting people's and group's behaviours with a wide variety of interventions;
- Developing and executing quality plans;
- Conducting quality assurance procedures;
- Performing quality audits and interpreting their results;
- Design of test plans.

### Related competence elements

- All other practice CEs;
- Perspective 2: Governance, structures and processes;
- Perspective 3: Compliance, standards and regulations;
- Perspective 5: Culture and values;
- People 6: Teamwork;
- People 8: Resourcefulness;
- People 10: Results orientation.

## Key competence indicators

### 4.5.6.1. Ensure quality throughout portfolio component projects and programmes

#### Description

Based upon the quality procedures both of the organisations and the suppliers, a quality approach for the portfolio is chosen and implemented throughout all component project and programmes. It should be fit for purpose and implementable with relative ease. Adaptation, integration and implementation will require dealing with several organisations (or parts of organisations), who all prefer doing it their own way. Once implemented, regular check-ups and improvements need to take place, to maintain the fitness for purpose. Since quality is about people, not just about processes, special attention should be paid to quality awareness.



## Measures

- Assesses, adapts and integrates quality standards being used by organisations;
- Implements quality processes in the portfolio and all component projects and programmes;
- Conducts regular assessments of the implemented processes and improves them when needed;
- Implements quality awareness in the portfolio and each component project and programme, so that everyone involved knows what quality is required;
- Conducts regular assessments of the quality awareness and takes corrective action when needed.

## 4.5.7. Finance

### Definition

Finance includes all activities required for estimating, planning, gaining, spending and controlling financial resources, both the inflow and outflow, for the portfolio and all components. Finance therefore includes the cost management (outflow often related to a budget) as well as the financing (inflow external to the organisation) and/or funding (inflow from within the organisation) required for the achievement of portfolio outcomes as well as the successful completion of all components.

### Purpose

The purpose of this competence element is to enable the individual to ensure that enough financial resources are provided to the portfolio and all components at any time, that the financial targets of all components can be met and that the financial status is monitored, reported and properly used for adequate management of the financial resources.

### Description

Initially the individual has to make an estimate of the costs that are necessary to execute the portfolio – i.e. define the available budgets. The individual also has to take actions related to the way the projects, programmes and portfolios are financed or funded. Therefore the individual has to know what the planned (or expected) and actual costs of the projects and programmes are and how they relate to the progress of the work done and the objectives achieved.

In addition, cost management systems have to be established within the organisation of the portfolio. These are used to monitor the financial status and provide a forecast on financial and performance issues so the individual can make appropriate decisions.

The individual needs to know what funding is contracted and what funding is expected. In this way, the individual can use the performance indicators to make forecasts of the future performance of the portfolio and, if cost breaches are signalled, reports according to the portfolio's organisation and governance and suggest appropriate mitigation plans. The term 'funding' is used when an organisation finances the portfolio internally; the term 'financing' is used when the organisation acquires funds for the portfolio from external sources, (e.g. loans, joint ventures, etc).

For the portfolio and each component project and programme, the proper management of cash flow in terms of expenditure and income is crucial.

The cash inflows and outflows must be calculated and evaluated regularly so the appropriate actions can be taken to ensure sufficient financial resources.





The set-up of the financial management system has to be made in cooperation with the financial and/or treasury department and the other relevant parts of the permanent organisation.

### Knowledge

- Financial accounting basics (cash flow, chart of accounts, cost structures);
- Cost estimating methods (single or multi-expert estimations (Delphi method), historical data, analogies, effort models, parametric estimations (function point method), three point estimation);
- Cost calculation techniques (e.g. direct, indirect calculation, activity-based costing);
- Design-to-cost/target costing;
- Processes and governance for cost management;
- Methods for monitoring and controlling expenditures;
- Performance indicators (earned value);
- Reporting standards;
- Forecasting methods (linear, parametric, scrum velocity analysis);
- Financing options;
- Funding sources;
- Financial management concepts and terms such as (but not limited to) cash flow, debt-asset ratio, return on investment, rates of return;
- Contingency approaches;
- Relevant conventions, agreements, legislation and regulations, including (but not limited to) taxation, currency exchange, bilateral or regional trade agreements, international commercial terms, World Trade Organisation determinations.

### Skills and abilities

- Analytical skills;
- Convincing and negotiating with sponsors;
- Scenario techniques;
- Interpreting and communicating the actual cost situation;
- Developing financial forecasts and models;
- Writing skills;
- Presentation skills;
- Reading financial statements;
- Interpreting financial data and identifying trends;
- Financial management approach analysis;
- Developing a portfolio budget;
- Setting frameworks for resource portfolio cost estimation;
- Directing and authorising cost strategies and cost management plans;

- Developing and maintaining cost management systems;
- Conducting analysis, evaluating options and implementing responses to project or programme cost variations.

### Related competence elements

- All other practice CEs;
- Perspective 2: Governance, structures and processes;
- Perspective 3: Compliance, standards and regulations;
- People 5: Leadership;
- People 8: Resourcefulness;
- People 9: Negotiation;
- People 10: Results orientation.

## Key competence indicators

### 4.5.7.1. Determine and establish the portfolio budget

#### Description

Based upon the components running under the portfolio and the activities that are planned and executed by the portfolio organisation itself, a periodic (usually annual) budget of the portfolio is determined. The budget and the assumptions that underpin it are monitored regularly, on the one hand to deal with changes within the projects and programmes, and on the other hand to harden assumptions, thereby enabling the individual to reduce slack budget.

#### Measures

- Determines the portfolio budget for the respective time frame e.g. annual, bi-annual etc;
- Develops budget scenarios based on the current and future components;
- Monitors the performance of the budget spending.

### 4.5.7.2. Develop, establish and govern a financial performance and reporting system for the portfolio

#### Description

A financial governance system has to be established, maintained or developed to ensure an overview of the financial situation and the financial performance of the portfolio is available at any time. The individuals must make sure that every project and programme running under the respective portfolio either uses mandatory financial methods and instruments to monitor, control and report



the financial performance or adapts to the specific needs of the portfolio. The individual must also make sure that each component has been granted by the organisational approval processes (if in place). Furthermore, the individual should establish, maintain, further develop and govern performance management indicators to monitor the relationships between projects and programmes (e.g. earned value or critical chain reporting). The performance management system should be closely linked to organisational accounting and controlling processes.

### Measures

- Defines and maintains governance of the portfolio for financial management;
- Disseminates financial performance indicators on to the lower levels;
- Integrates the financial performance indicators with the permanent organisation structure and processes;
- Develops appropriate reports standards for reporting, monitoring and decision-taking.

## 4.5.8. Resources

### Definition

The resources competence element includes defining, acquiring, controlling and developing the resources that are necessary to realising the portfolio's outcomes. Resources include people, expertise, facilities, equipment, materials, infrastructure, tools and other assets required to carry out the activities according to the objectives. This competence element includes defining a strategy for acquiring and utilising the resources for the best performance of the portfolio, optimising the utilisation of the resources given the time and financial constraints, and the continuous monitoring and control of these.

### Purpose

The purpose of this competence element is to enable the individual to ensure that the resources required are available and assigned as needed in order to meet the objectives.

### Description

To realise its objectives, the projects and programmes in a portfolio need resources. Managing resources means applying a proper approach to defining and obtaining these resources. Resource allocation must be prepared during the planning phase and should be continuously monitored and adjusted throughout the whole lifecycle of the components of the portfolio. The individual makes sure that the personnel have the necessary competences and that they are provided with adequate information, tools and training to perform the required tasks successfully. Since resource needs and availability change regularly, for both controllable and uncontrollable reasons, resourcing is a continuous or regular process.

The availability of resources is the largest constraint in projects and programmes and must be considered as part of the portfolio, not only at the time of selection but also on an ongoing basis. To do so, project and programme resource forecasts are developed and compared with the current resourcing levels in the organisation. A portfolio resource strategy is identified based on trends, forecasts and current capacity. Subsequent plans are developed to ensure the components have the resources needed when they are required. Where gaps exist, hiring of new staff or external parties (e.g. contractors or consultants) may be required.

### Knowledge

- Resource allocation methods;
- Resource assessment;
- Resource utilisation calculations and collection techniques;



- Strategic human resource management;
- Procurement processes;
- Supply and demand concepts;
- Competence management;
- Workforce planning;
- Training.

### Skills and abilities

- Resource planning, allocation and management;
- Developing a portfolio resource forecast;
- Developing a portfolio-wide skills matrix showing current resources and their skills;
- Prioritising and allocating resources, given multiple competing priorities.

### Related competence elements

- All other practice CEs;
- Perspective 2: Governance, structures and processes;
- Perspective 3: Compliance, standards and regulations;
- Perspective 5: Culture and values;
- People 5: Leadership;
- People 6: Teamwork;
- People 8: Resourcefulness;
- People 9: Negotiation.

## Key competence indicators

### 4.5.8.1. Develop strategic resource plan to deliver portfolio component projects and programmes

#### Description

The strategic resource plan stipulates who is responsible for which part of the resource definition, resource allocation, resource development, resource distribution and resource freeing. Responsibilities may lie with the constituent organisations, with resource managers or with the component. The strategic resource plan needs to be in line with the schedule. The individual develops, organises and assesses a plan and adapts it to changes whenever needed.

#### Measures

- Identifies project and programme resource requirements based on resource forecasts;
- Captures baseline of existing and proposed resources;

- Reviews and analyses the resource capacity of the organisation and identifies trends;
- Develops a portfolio resource strategy to inform component project and programme resource plans;
- Coordinates with portfolio management processes.

#### **4.5.8.2. Identify the quantity of required and available resources for running portfolio component projects and programmes**

##### **Description**

The required and available numbers of project and programme staff are identified and any gaps between the resource demands and resource supply are determined. A plan is put into place to ensure all projects and programmes within the portfolio are appropriately resourced to deliver within their planned schedule.

##### **Measures**

- Captures and maintains human resource availability and utilisation information;
- Assesses human resource deficiencies and strengths and integrates these into the organisational workforce development plans;
- Identifies and investigates resource gaps and conflicts.

#### **4.5.8.3. Identify the skills of the required resources for running portfolio component projects and programmes**

##### **Description**

The skills and experience of all project and programme members is assessed to determine the current state. The needs of the portfolio are assessed and gaps between the current and required skills and experience are identified. Plans are developed to resolve these gaps. Strategies might include use of consultants or contractors, training, coaching and mentoring or taking on new staff.

##### **Measures**

- Captures and maintains skill sets and experience;
- Develops and implements plans to resolve the identified resource constraints and skills gaps.



## 4.5.9. Procurement

### Definition

Procurement is a process of buying or obtaining goods and/or services from external parties. It includes all processes, from purchase planning to making the purchase and contract administration. Because procurement focuses on the suppliers outside the parent organisation, it procures resources (people, tools, materials and sub-deliverables) that are not available from within the organisation. This competence element also includes choosing or taking the optimal procurement routes, which should fit the long-term objective of the client but also the organisation (e.g. partnership, joint ventures, etc). These routes can mean sharing funding, expertise, etc, but also entail the risks of failing on the market.

### Purpose

The purpose of this competence element is to enable the individual to obtain the best value possible from the chosen suppliers or partners, and thus deliver the best value for the buyer and the organisation.

### Description

The process of procurement enables organisations to acquire the necessary resources that these organisations do not possess or produce themselves, at least in the amounts needed. Organisations' procurement policies are often imposed top-down. When procurement aspects involve a substantial portion, or when there are multiple procurement items, the procurement approach should be documented in a procurement plan covering at least:

- Types of contracts to be used;
- Roles and responsibilities;
- Supplier selection procedures;
- Subcontracting rules.

The management of procurement is either performed by individuals assigned to component projects, delegated to specialists or departments (e.g. legal department, financial department), directed by the responsible for organisation-wide procurement and strategic partnerships, or even influenced by the portfolio level itself. Strategic considerations such as sustainability, lifecycle costs and reduced overhead from the development of positive relationships with suppliers, partners or buyers, and the risks connected with them, must also be taken into account. For each item to be acquired, the basic process includes defining needs, identifying potential suppliers or partners, obtaining technical and financial proposals, selecting a preferred supplier or partner and negotiating an agreement with the preferred supplier, making the purchase and contract administration.

The inventory, disposals and other relevant functions are often considered as indirect procurement. The amount of effort devoted to each step should correspond to the size and complexity of the item being procured.

An exchange of goods or services between units of the same legal entity may sometimes be treated as procurement. In such cases, the procurement should be treated as if it were between independent parties and subjected to the same degree of control.

In the case of portfolios, one way of ensuring resources in a network of stakeholders and organisations, is to develop formal partnerships based on formal agreements. These partnerships are either existing (from strategic choices made by the organisation(s), or from previous cooperation), or have to be defined and organised as part of the portfolio.

### Knowledge

- Sourcing strategies;
- Make/buy analysis;
- Supplier development methodologies;
- Organisational procurement policies, procedures and practices;
- Procurement methods e.g. RFI, RFP, RFQ;
- Contract types e.g. firm fixed price, time and materials, cost plus;
- Claim management processes, methods and tools;
- Tender procedures and practices;
- Contractual judicial knowledge;
- Contractual terms and conditions;
- Supply chain management.

### Skills and abilities

- Tactical know-how;
- Presentation;
- Contract administration.

### Related competence elements

- All other practice CEs;
- Perspective 2: Governance, structures and processes;
- Perspective 3: Compliance, standards and regulations;
- Perspective 5: Culture and values;
- People 4: Relationships and engagement;
- People 5: Leadership;
- People 8: Resourcefulness;
- People 9: Negotiation.





## Key competence indicators

### 4.5.9.1. Maintain and govern the procurement system for the portfolio

#### Description

The individual must ensure that the portfolio organisation has integrity in procuring goods and services. Therefore, a procurement governance system has to be established that ensures that there is a complete overview of the procurement routes pursued within the portfolio at any time. The individual must make sure that every project and programme running under the respective portfolio uses mandatory procurement methods and aligns with internal (i.e. organisation-tailored) and external (i.e. regulation) rules. The individual must also make sure that each component project and programme has been granted approval by the respective organisational function/processes. Although procurement often happens at project level and should be conducted by the project team, some procurement-related decisions may need to be taken at the portfolio level (e.g. making synergies within the portfolio by merging procurement routes). The individual should implement a system that allows him or her to track and influence these decisions. Furthermore, the individual maintains, develops and governs the procurement process by monitoring the obligations arising out of the projects and programmes (e.g. by defining starting and ending milestones and/or tasks for significant procurements within the portfolio).

#### Measures

- Defines and maintains governance of the portfolio procurement;
- Controls the portfolio procurement routes against the internal and external rules;
- Assesses the specifics of the procured goods and services and suggests partnership models e.g. joint ventures, long-term partnerships, etc.

## 4.5.10. Plan and control

### Definition

Based on the design, all elements come together in a balanced plan, the execution of which is controlled. The plan is of course regularly updated, based on changes happening within the portfolio, its components (projects and programmes) and/or its context. Control is also regularly adapted and improved, so that the individual remains in control.

### Purpose

The purpose of this competence element is to enable the individual to establish and maintain a balanced and integrated view over the management of a portfolio. Maintaining the balance, consistency and performance is crucial in order to achieve the agreed outcomes.

### Description

The plan and control competence is where all information comes together, and decisions are prepared or taken. Many processes and activities are described (and managed) in detail in the other competence elements. In this competence element they are viewed and managed in combination, as stipulated in the architecture document developed in design. The basic, cyclical process is plan, execute, monitor, adjust plan or adjust execution.

The focus from a portfolio management point of view is on planning and monitoring. Information has to be acquired and combined, the organisation and its teams have to be selected and choices have to be made. The individual must determine how to plan and scale the portfolio management effort and the way to manage the portfolio. This includes choosing the right management style, how much and what to delegate, etc. All this is laid down in one or more decision documents (vision, roadmap, plan, etc) that need discussion and agreement.

Once the portfolio is established, monitoring processes need to be in place. These processes regularly gather information on progress, finances and utilisation of resources compared with baselines, adherence to quality and other standards, stakeholder satisfaction, etc. Regular reporting, both by lower levels to the portfolio manager and by the portfolio manager to stakeholders, is an essential part of the competences.

To support the continuous learning process, the performed management effort should also be evaluated on a regular basis. Based on this information, changes may be required. A predefined and transparent change management process is another essential element of portfolio control. At the orderly conclusion of every portfolio cycle, an evaluation should take place and a report is prepared stating the portfolio status, outcomes, success and lessons learned.



## Knowledge

- Phase/stage transitions;
- Reporting;
- Portfolio office;
- Deming cycle (plan-do-check-act);
- Request for change;
- Management by objectives;
- Management by exception;
- Lessons learned report;
- Phase/stage/sprint/release planning;
- Request for change;
- Decision to fund and make or buy;
- Exception reports;
- Issue reports;
- Project and programme management plans;
- Discharge;
- Decision-making authority.

## Skills and abilities

- Progress control meetings;
- Change management;
- Reporting;
- Negotiation of change requests;
- Issue management;
- Change management;
- Earned value analysis;
- Slip charts.

## Related competence elements

- All other practice CEs;
- Perspective 1: Strategy;
- Perspective 2: Governance, structures and processes;
- Perspective 3: Compliance, standards and regulations;
- People 5: Leadership;
- People 7: Conflict and crisis;
- People 8: Resourcefulness;
- People 9: Negotiation.

## Key competence indicators

### 4.5.10.1. Establish the portfolio system

#### Description

In general, there are two ways portfolios are established – ‘bottom up’ or ‘top-down’. ‘Bottom-up’ is achieved by clustering already running components together and adding the benefits steering them. ‘Top-down’ is created by design, involving an analysis period in which the portfolio is created, based on projected goals and on an initial architecture.

As part of the portfolio establishment, the required infrastructure must be established. This may include office space, technology infrastructure, a portfolio management or administration team and any supporting policies, procedures, tools or systems.

#### Measures

- Analyses the approach to creating a portfolio (bottom-up, top-down combination);
- Identifies the (possible) component projects and programmes;
- Identifies and develops the portfolio infrastructure;
- Develops the portfolio control plan.

### 4.5.10.2. Establish and maintain the portfolio cycle

#### Description

The individual must determine how to plan and scale the portfolio management effort, and the way to manage the portfolio cycle. The portfolio needs to be regularly updated on the status and progress of component projects and programmes. Therefore, monitoring processes should be in place to gather information on a regular basis about progress, finances and the utilisation of resources, with the intention of comparing with baselines, adherence to quality and other standards, stakeholder satisfaction and the like. On top of that, a control plan

to measure KPIs is developed and implemented.

In organisations that are accustomed to running portfolios, these basic elements are commonly laid down in manuals or portfolio-specific instructions. To support the continuous learning process, the performed management effort should also be evaluated on a regular basis. Based on this information, changes may be required. A predefined and transparent change management process is another essential element of project control. At the orderly conclusion of every



portfolio cycle, an evaluation should take place and a report is prepared stating the portfolio status, outcomes, success and lessons learned.

### Measures

- Organises the management and control of the portfolio process;
- Defines the achievements for the following cycle(s);
- Manages the portfolio control cycle.

## 4.5.10.3. Report on the portfolio

### Description

Regular reporting is an essential part of portfolio management. Reporting provides information and communication about the status of the portfolio in the current and previous phases, and forecasts developments for the current phase. Reporting includes both periodic verbal and written status updates and forecasts. Reporting also includes financial audits and reviews of the portfolio. Where the individual and/or team are very experienced, it may be sufficient and acceptable for stakeholders to 'report only by exception'. This means only issuing a report when there is something significant that needs to be reported, rather than being monitored via regular status or update reports.

### Measures

- Defines a reporting schedule and structure (what, when, how often, how, etc);
- Periodically issues general progress reports;
- Periodically issues general forecast reports.

## 4.5.11. Risk and opportunity

### Definition

Risk and opportunity includes the identification, assessment, response planning and implementation and control of risks and opportunities around projects, programmes and portfolios. Risk and opportunity management helps decision-makers to make informed choices, prioritise actions and distinguish among alternative courses of action. Risk and opportunity management is an ongoing process taking place during the lifecycle of the portfolio and is regularly reviewed at key portfolio decision points. Risk is also a key consideration as part of the selection process for projects and programmes.

### Purpose

The purpose of this competence element is to enable the individual to understand and effectively handle risks and opportunities, including responses and overall strategies.

### Description

Risk (negative effects) and opportunity (positive effects) are always viewed in their relation to and consequences of realising the objectives of the portfolio. It is advisable as a first step to consider which overall strategies would best serve the handling of risks and opportunities relative to the corporate strategies and the portfolio. After that, the risk and opportunity management process is characterised by first identifying and assessing risks and opportunities, followed by the development and implementation of a response plan covering the intended and planned actions for dealing with identified risks and opportunities. The response plan should be developed and implemented in line with the chosen overall risk and opportunity strategies.

The individual is responsible for involving team members and keeping the team committed to the risk and opportunity management process; for making the team alert to risks and opportunities; for involving other stakeholders in the process and for involving the appropriate subject matter experts whenever necessary.

Risk is also a key consideration when identifying projects and programmes for selection in the portfolio. When a portfolio is 'balanced', the overall risk level is minimised for any given set of projects and programmes.

### Knowledge

- Strategies for managing risk and opportunity;
- Contingency plans and fallback plans;
- Cost and duration contingency reserves;



- Expected monetary value;
- Qualitative risk assessment tools and techniques;
- Quantitative risk assessment tools and techniques;
- Risk and opportunity response strategies and plans;
- Risk identification techniques and tools;
- Scenario planning;
- Sensitivity analysis;
- Strengths, weaknesses, opportunities, threats analysis (SWOT);
- Risk exposure, appetite, aversion, tolerance;
- Project or programme risks and business risks (and opportunities);
- Residual risk;
- Risk and opportunity probability, impact and proximity;
- Risk and opportunity owner;
- Risk and opportunity register;
- Sources of risk and opportunity.

### Skills and abilities

- Risk and opportunity identification techniques;
- Risk and opportunity assessment techniques;
- Developing risk and opportunity response plans;
- Implementing, monitoring and controlling risk and opportunity response plans;
- Implementing, monitoring and controlling overall strategies; for risk and opportunity management;
- Monte Carlo analysis;
- Decision trees, e.g. Ishikawa analysis.

### Related competence elements

- All other practice CEs;
- Perspective 1: Strategy;
- Perspective 2: Governance, structures and processes;
- Perspective 3: Compliance, standards and regulations;
- Perspective 4: Power and interest;
- People 5: Leadership;
- People 7: Conflict and crisis;
- People 8: Resourcefulness.

## Key competence indicators

### 4.5.11.1. Develop and implement a risk management framework

#### Description

The individual designs, develops and implements a risk management framework to be used by component projects and programmes in order to ensure that risks and opportunities are consistently and systematically managed throughout the lifecycle of the portfolio. The risk management framework includes the definition of the methods to be used to identify, categorise, evaluate, assess and treat risks and should link to the organisation's risk management policy and international, national or industry standards. The risk management framework also describes who is responsible for handling which risks and opportunities, and what kind of escalation paths there are (upwards, downwards, sideways).

#### Measures

- Identifies a range of potential risk management models;
- Develops a risk management framework consistent with organisational policy and international standards;
- Ensures the consistent application of the risk management framework.

### 4.5.11.2. Identify risks and opportunities

#### Description

The individual is responsible for the ongoing task of identifying all sources of risks and opportunities and involving others in this process. There are various sources of risks and opportunities, both internal to the portfolio and external. The individual can make use of various techniques and sources to identify risks and opportunities, (e.g. from lessons learned from other portfolios, literature, risk and opportunity breakdown structures and interactive sessions with team members, stakeholders and subject matter experts). The identification process is not only about identifying risks but also about opportunities that could, for instance, make the deliverables cheaper, or make the components run faster, less prone to risks or simply better from a quality perspective. Because the influences coming from the environment do change over time, risk and opportunity identification should be a continuous and ongoing process.





## Measures

- Names and explains various sources of risk and opportunity and the differences between them;
- Identifies risks and opportunities;
- Documents risks and opportunities in a register.

### 4.5.11.3. Assess the probability and impact of risks and opportunities

#### Description

The individual is responsible for the ongoing task of assessing identified risks and opportunities. Risk and opportunity assessment can be done qualitatively and quantitatively. The best approach is to do both, and to regularly re-assess both risks and opportunities. The qualitative assessment could cover a more in-depth analysis of the sources behind identified risks and/or opportunities; it also deals with conditions and impacts. An example is scenario planning.

The quantitative assessment deals with probabilities and estimates and it also translates probabilistic impacts into quantifiable measures. Quantitative assessment provides numerical values measuring probability and the impact expected from risks and opportunities. Monte Carlo analysis and decision trees are examples of powerful quantitative risk assessment techniques.

#### Measures

- Engages in qualitative risk and opportunity assessment;
- Engages in quantitative risk and opportunity assessment;
- Makes and interprets a risk or opportunity decision tree, with outcomes.

### 4.5.11.4. Select strategies and implement treatment plans to address risks and opportunities

#### Description

The individual is responsible for the ongoing process of selecting and implementing optimal responses to any identified risk or opportunity. This process entails assessing various possible types of responses and finally selecting the ones that are optimal or most appropriate. For each risk the response options may include:

- Avoiding the risk by deciding not to start or continue with the activity that gives rise to the risk;
- Accepting or increasing the risk in order to pursue an opportunity;
- Removing the risk source;
- Changing the likelihood;

- Changing the consequences;
- Sharing the risk with another party or parties (including contracts and risk financing);
- Accepting the risk by informed decision;
- Preparing and implementing a contingency plan.

Similar response options apply to opportunities:

- Eliminating the uncertainty by making the opportunity definitely happen (exploit);
- Allocating ownership to a third party who is best able to handle it (share);
- Increasing probability and/or impact, by identifying and maximising key opportunity drivers (enhance);
- Taking no special measures to address the opportunity (ignore).

Those risks that are not acceptable and those opportunities that are to be pursued require an appropriate response plan. Often, even after implementing risk responses, there is a residual risk that still has to be managed.

### Measures

- Explains various means and methods for implementing a chosen overall strategy for the risk and opportunity management process;
- Evaluates responses to risks and opportunities, including their strengths and weaknesses;
- Evaluates alternative means and methods for implementing a risk and opportunity response plan;
- Influences the plan for resources and competences required to implement responses;
- Implements and communicates a risk and opportunity response plan.

#### 4.5.11.5. Evaluate and monitor risks, opportunities and implemented responses

##### Description

After the appropriate risk and opportunity responses have been implemented (this may include appointing risk owners for certain or all risks), the risks and opportunities will need to be monitored. The risks and opportunities and the appropriateness of the selected treatments should be re-assessed periodically. Risk and opportunity probabilities and/or impacts may change, new information may become available, new risks and opportunities may arise, and the responses may no longer be appropriate. The overall strategies may also need to be evaluated. In fact, risk and opportunity management is not just a periodic process, but should take place continuously, as all actions may carry a risk aspect.



## Measures

- Monitors and controls the implementation and execution of a risk and opportunity treatment plan;
- Communicates the risks and opportunities and the appropriateness of the selected responses.

## 4.5.12. Stakeholders

### Definition

The stakeholders competence element includes identifying, analysing, engaging and managing the attitudes and expectations of all relevant stakeholders. All individuals, groups or organisations participating in, affecting, being affected by, or interested in the execution or the result of the portfolio can be seen as stakeholders. This may include sponsors, clients and users, suppliers/subcontractors, alliances and partners and other projects, programmes or portfolios. Stakeholder engagement includes constantly revising, monitoring and acting upon their interests and influence on the programme. Stakeholder engagement may also involve building strategic alliances that create organisational capacities and capabilities where both risks and rewards are shared.

### Purpose

The purpose of this competence element is to enable the individual to understand stakeholder interests and influence, to engage stakeholders and to effectively manage their expectations.

### Description

Stakeholder engagement is an ongoing process, taking place throughout the lifecycle of the portfolio. Stakeholders are the partners for and through whom the portfolio will achieve success. Stakeholders' expectations, needs and ideas create the need and form the basis for the programme; stakeholders' money and resources are necessary inputs and the outcomes are used by stakeholders.

Stakeholders come in various forms and groupings (higher management, users, suppliers, partners, pressure and special interest groups, etc) and have varying attitudes, interests and influence. So each stakeholder or stakeholder group has different information needs. An engagement strategy (often laid down in a communication plan) is therefore essential. This strategy might be executed by focusing on both formal and informal communication channels as well as more involving forms such as alliances, collaboration or networks. Alliances are often documented and formalised through a formal contract document, such as an alliance contract, or through the establishment of a joint venture entity. Collaborators may often be from separate parts within an organisation, or may comprise one or more different organisations. Networks have no clear power structure and hence form a more difficult force-field to engage with. During the execution of the engagement strategy the stakeholder environment should be constantly monitored for changes to ensure continuous alignment and improvement.



## Knowledge

- Stakeholder interests;
- Stakeholder influence;
- Engagement strategies;
- Communication plan;
- Types of collaborative agreements;
- External environment scanning relating to social, political, economic and technological developments.

## Skills and abilities

- Stakeholder analysis;
- Understanding contextual pressures;
- Demonstrating strategic communication skills;
- Expectations management;
- Formal and informal communication;
- Presentation skills;
- Networking skills to identify potential collaborators;
- Contextual awareness;
- Motivational techniques;
- Undertaking conflict resolution.

## Related competence elements

- All other practice CEs;
- All perspective CEs;
- People 3: Personal communication;
- People 4: Relationships and engagement;
- People 5: Leadership;
- People 8: Resourcefulness.

## Key competence indicators

### 4.5.12.1. Identify stakeholders and analyse their interests and influence

#### Description

The individual identifies all individuals, groups and organisations relevant to the portfolio. The individual first has to analyse the attitudes of each stakeholder group and find out the reasons for these attitudes (the interests of the stakeholder regarding outcome or process). Secondly, the individual needs to know the potential beneficial or harmful effect (influence) this stakeholder group can

have on the portfolio or any component. Their interests can come from various sources, for instance because they want to, or have to, use the portfolio component's deliverables or because they are competing for scarce resources or budget. They can be large or small, and either positive or negative.

A stakeholder's influence can also be greater or smaller, and may be concentrated in one or more areas (e.g. being able to supply or withhold funding, resources, office space and equipment, priority, access, etc). During the portfolio lifecycle, the individual maintains an active analysis of the environment of the portfolio to identify new stakeholders, changed interests or changed influences. These changes in the stakeholder environment can be the result of changes in portfolio components themselves (e.g. going from a design to an execution phase). More often they are the result of changes in the context of the portfolio (organisational changes, personal changes in management, change in the economy, new regulations, etc). The individual analyses the relevance of these changes for the portfolio.

### Measures

- Identifies the major stakeholder (categories);
- Identifies and names various stakeholders' interests;
- Identifies and evaluates stakeholders' influence;
- Identifies relevant changes in or around the portfolio;
- Analyses the consequences of changes for the portfolio;
- Takes actions in order to manage stakeholders.

## 4.5.12.2. Develop and maintain a stakeholder strategy and communication plan

### Description

The individual will devise a stakeholder strategy – how to engage, keep informed, involve and commit the various stakeholders to the portfolio, its strategy and its objectives. This can be done by approaching each stakeholder, or group of stakeholders, differently, depending on their interest and influence. To make it manageable, stakeholders with similar interests and influence can be grouped together. The stakeholder strategy is often laid down in a communication plan, which describes for each stakeholder or group the why, what, when (and how often), how (through which communication channel), who (should communicate) and the level of detail of the communication. The 'what' is essential; the message should be tuned to the specific stakeholders' expectations and should be aimed at committing each stakeholder to supporting (or at least not thwarting) the portfolio.



The communication plan is central to expectation management. This can be summed up as the efforts of the individual to influence the expectations of the various stakeholders so that these come to expect and appreciate what (and when) the portfolio can and will deliver, and not become disappointed because of wrongly-held expectations about the project's progress and outcomes.

Of course every communication is at least two-sided, so attention and care should be given to whether and how the sent communication was received and follow-up should be given to feedback and other incoming communication.

As circumstances change, the communication plan should be regularly revised and updated. Potential alliances are developed and potential collaborators are identified. The benefits and outcomes of the potential partnership or alliance are identified for all parties. A relationship is established and developed with potential collaborators.

### Measures

- Describes the importance of a stakeholder strategy;
- Prepares a communication plan;
- Explains the why, what, when, how, who and level of detail necessary for a specific stakeholder or group;
- Adjusts the communication plan and/or strategy based on changed circumstances;
- Explains reasons for changing a communication plan;
- Identifies and evaluates opportunities for alliances and partnerships;
- Identifies and evaluates potential collaborators.

#### 4.5.12.3. Engage with the executive, sponsors and higher management to gain commitment and to manage interests and expectations

##### Description

For portfolios and almost all components the most important stakeholders are executives and sponsors. Often the executive is the supplier of funds (budget) and/or can decide on resources, priority of requirements, definition of scope, etc. With these primary stakeholders, expectation management is of the utmost importance. The commitment and confidence of the executive, higher management and/or sponsor(s) is of great benefit both to the success of the portfolio and components and that of management. A good working relationship and open communication should be established.

Sometimes the roles are combined in one person; more often different people fulfil one or more of these roles. They all have their own expectations,

interests and influence. Depending on the portfolio, the components and the context, the executive and/or sponsor(s) can play their part in the stakeholder management and act as ambassadors, as they often have status and connections that the individual manager lacks.

### Measures

- Engages management and/or sponsor(s)
- Manages expectations of the executives, higher management and/or sponsor(s)
- Employs the executive and/or sponsor(s) to act as ambassadors

#### **4.5.12.4. Engage with users, partners, suppliers and other stakeholders to gain their cooperation and commitment**

### Description

For portfolios and each component, early and thorough involvement of users is a prerequisite for success. Users or their representatives can provide information such as needs and requirements and how the outcome will be used. This is often essential to the definition of each component and its deliverables. Users or user groups may also provide resources.

Suppliers can provide the portfolio or a component with resources, knowledge, sub-products, etc. Care should be taken in choosing the best providers, especially if the knowledge, resources and/or sub-products can only be obtained from outside the organisation and formal contracts have to be closed to obtain these.

Partners are people, groups or organisations that cooperate to jointly deliver part of the portfolio's outcomes, or they may make a broader contribution to achieving portfolio objectives. These partners may only join efforts for a specific component, or they may work together on a more permanent alliance basis. Partners may also be other managers with whom the pace, or deliverable content, of this portfolio has to be tuned to optimise the benefit for the organisation.

When the portfolio has a steering committee, one or more senior users (user representatives) and senior suppliers (supplier representatives) are part of that committee. Users and other stakeholders may be part of a sounding board that advises the executive or steering committee. The individual has to focus on these stakeholder groups from very early on in the portfolio, and use his or her influence to select the right user representatives and suppliers.





## Measures

- Engages users and commits them to the portfolio and relevant components;
- Commits suppliers to the portfolio and relevant components;
- Cooperates with partners to deliver the optimal result for the organisation.

### 4.5.12.5. Organise and maintain networks and alliances

#### Description

As part of the stakeholder strategy, networks and alliances can be implemented. These can be both formal and informal. When they are formal, agreements are negotiated and documented and a plan for ongoing cooperation is developed and implemented. As part of this plan, performance measures are identified and an exit strategy is developed.

All networks and alliances should be evaluated frequently and improved when necessary. Alliances can be ended by design, or because the formal relationship is no longer beneficial to the constituent organisations or stakeholders. Often, the organisation is quite likely to want to make alliances with the same partners for new ventures in the future, so the ending of a formal relationship needs to be handled carefully.

Networks are more informal and generally need to be maintained over the lifecycle of the portfolio or, in the case of a portfolio, for a specific timeframe.

#### Measures

- Negotiates and documents the alliance agreement;
- Develops and implements a plan for cooperation;
- Develops and evaluates measures for success;
- Maintains key partnership agreements;
- Closes all formal contractual agreements.

## 4.5.13. Change and transformation

### Definition

Newly developed capabilities only deliver benefits when they are put to use, and when they are supported by the organisations and people receiving them. Change (improvement of a current situation, keeping the past in mind) and transformation (the emerging development of new situations, based on a vision of the future) provides the process, tools and techniques that can be utilised to help individuals and organisations make successful personal and organisational transitions resulting in the adoption and realisation of change.

### Purpose

The purpose of this competence element is to enable the individual to help societies, organisations and individuals to change or transform their organisation, thereby achieving projected benefits and goals.

### Description

Portfolios are organised in order to achieve improvements. In many cases, these improvements are not only achieved by delivering an outcome, but also require small or large changes in the behaviour of the organisation.

People usually do not object to change – they object to being changed. Successfully addressing their objections can be done by, for example, building support, addressing resistance and developing the required knowledge and ability to implement the change. More strategic change will also encompass influencing a leading coalition and other psychological and psychosocial interventions. When change management is done well, people feel engaged in the change process and work collectively towards a common objective, realising benefits and delivering results.

Transformation occurs when, based on a vision, behaviour is changed because there is a will to do things differently. Transformation is vision-led, and depends largely on the strength of the vision and the willingness of the people who share the vision to really put their energy into making it happen.

The level of change and transformation management required by a portfolio will largely depend on the amount of disruption created in individuals' and groups' day-to-day lives, plus attributes such as culture, value system and history with past changes. Change and transformation do not primarily happen 'by design' and are not usually a linear process. The individual needs to regularly monitor and evaluate the effectiveness of the changes and adapt the change or transformation strategy. The individual also needs to take into account the change capacity and capabilities of people, groups or organisations in order to help them successfully adapt or transform.



Portfolios usually deliver new capabilities. However, it is only when these capabilities are put to use that value is added and benefits can be achieved. Organisational or business changes often affect or alter processes, systems, organisational structure and job roles, but most of all they influence people's behaviour. Changes can be quite small, or they can require a complete transformation. Sometimes they can even be disruptive, which means special skills are needed to bring them about.

### Knowledge

- Learning styles for individuals, groups and organisations;
- Organisational change management theories;
- Impact of change on individuals;
- Personal change management techniques;
- Group dynamics;
- Impact analysis;
- Actor analysis;
- Motivation theory;
- Theory of change.

### Skills

- Assessing an individual's, group's or organisation's change capacity and capability;
- Interventions on behaviour of individuals and groups;
- Dealing with resistance to change.

### Related competence elements:

- All other practice CEs;
- Perspective 1: Strategy;
- Perspective 2: Governance, structures and processes;
- Perspective 4: Power and interest;
- Perspective 5: Culture and values;
- People 3: Personal communication;
- People 5: Leadership;
- People 8: Resourcefulness.

## Key competence indicators

### 4.5.13.1. Assess and review the impacts of changes affecting the portfolio

#### Description

Organisations and people have limited capacity, capability and willingness to change. This is influenced, among other factors, by the success of earlier changes, stress and pressure, the understood need for this particular change, culture and atmosphere and seeing good or facing bad perspectives. There might also be resistance to the proposed change, either openly or hidden, which negatively influences the adaptability to change. In many cases, opposition does not come from those people who are directly affected by the change, but from those who manage them. The adaptability to change is not fixed but will be influenced by factors both inside and outside. The portfolio itself does not deliver the change. However it gets affected by one and therefore individual needs to assess and review the possible impacts affecting the portfolio.

#### Measures

- Analyses the adaptability to the required change, based on previous successful and unsuccessful changes in the organisation;
- Assesses possible areas (topics, people) for resistance to the change;
- Recognises and influences circumstances which can improve the adaptability.

### 4.5.13.2. Develop change or transformation strategy for the portfolio

#### Description

A change strategy is developed by the individual (or emerges and therefore is put together by the individual) to address the envisioned changes or transformations. It takes into account the ability to change or the willingness to transform. The transformation plan is developed and validated by relevant individuals and groups.

Changes and transformation do not happen overnight, but usually take a while before value is added.

#### Measures

- Identifies transformation strategies;
- Collaborates with others to validate strategies;
- Documents strategies.



### 4.5.13.3. Sustain the change process

#### Description

Once a change is induced, measures should be taken to sustain the change. The individual should constantly monitor and assess what activities are contributing to the desired change. Successful activities are documented in a lessons learned database.

#### Measures

- Monitors and addresses resistance to change;
- Implements selected interventions;
- Leads or organises workshops and training;
- Regularly adapts the change or transformation plan to incorporate lessons learned and changes in the portfolio.

## 4.5.14. Select and balance

### Definition

Select and balance focuses on the assessment, selection and performance monitoring of projects and programmes within the portfolio scope, and on the balancing of the portfolio, that is, making sure that the portfolio as a whole creates optimal benefit for the organisation.

### Purpose

The purpose of this competence element is to enable the individual to prioritise, select and reassess all projects and programmes within the portfolio scope, based on clear criteria. Maintaining the balance, consistency and performance is crucial in order to achieve the outputs and outcomes.

### Description

This competence element is at the core of the management of the portfolio's component projects and programmes. The 'select and balance' process involves selecting projects and programmes on a cyclical basis to ensure the portfolio remains balanced.

Project and programme selection is an ongoing and iterative process, in which a portfolio is populated with both new and existing projects and programmes and those that have been completed are removed from the portfolio. Some projects or programmes may be cancelled or put on hold, and, while they may remain within the portfolio, they are not 'active'. The selection activity itself may occur at regular intervals, such as once or twice a year (up to quarterly), taking into account changing organisational needs and priorities. The selection process may be associated with the organisation's budget process or may occur separately from it. Proposals or business cases for new projects and programmes may be put forward for consideration and potential selection. These proposals are reviewed to ensure that they align with the needs and priorities of the organisation. Constraints such as time, cost or resource availability are also considered. The selection process itself may also result in existing projects and programmes being put on hold, cancelled outright or being given a lower priority.

Upon approval, projects and programmes are initiated using the organisation's approved initiation process, which may be administered or managed through a portfolio management office. Balancing a portfolio is the process of making sure the portfolio is actually delivering the projected organisational goals in the right way, and in line with the right organisational priorities. It is the process of monitoring the progress of components, the impact they have on the organisation and the achievement of the organisational goals. Based on this monitoring, future performance is predicted. If and when necessary, changes to



the portfolio are proposed to the decision-making body. Possible changes could be to slow down or speed up components, to relocate strategic resources from one component to the other, or even (sometimes temporarily) to stop components. This process is regular, usually taking place monthly.

While this is a planned and usually stable process, sudden changes may arise, usually because of a sudden change in priorities or in the environment of the organisation. In these cases, the entire portfolio needs to be re-assessed and acknowledged.

### Knowledge

- Supply and demand concepts;
- Analysis methods and techniques, including:
  - Cost-benefit analysis
  - Quantitative analysis
  - Multi-criteria analysis
  - Scenario planning
  - Probability analysis
  - Graphical analysis methods;
- Presenting multi-dimensional and complex information in creative ways, including:
  - Bubble charts
  - Three-dimensional graphs
  - Balanced scorecard matrix
  - Pair-wise comparison;
- Business cases and feasibility studies;
- Financial information analysis and trend analysis;
- Quality and continuous improvement;
- Process improvement;
- Metrics and key performance indicators as management tools.

### Skills and abilities

- Progress control;
- Change management;
- Reporting;
- Negotiation;
- Start-up workshop;
- Kick-off meeting;
- Dependency mapping;

- Capacity analysis for:
  - Human resources
  - Financials
  - Assets;
- Risk and opportunity analysis techniques, for example:
  - SWOT
  - PESTLE
  - Core capabilities analysis
  - Scenario planning;
- Decision-making models and strategies;
- Ability to determine the organisation's preferred portfolio mix;
- Ability to make 'trade-offs' where no perfect solution exists;
- Ability to use multiple criteria to make management decisions;
- Creating, using and applying appropriate key performance indicators;
- Identifying and documenting project and programme benefits;
- Determining project and programme performance based on high-level information.

### Related competence elements

- All other practice CEs;
- Perspective 1: Strategy;
- Perspective 2: Governance, structures and processes;
- Perspective 3: Compliance, standards and regulations;
- People 5: Leadership;
- People 7: Conflict and crisis;
- People 8: Resourcefulness;
- People 9: Negotiation.

## Key competence indicators

### 4.5.14.1. Identify programmes or projects or ideas that could be included in the portfolio

#### Description

Projects and programmes are identified by initially capturing them in a list, and then regularly updating the list. This list may include ideas, proposed projects and programmes, or projects and programmes at various stages of their delivery lifecycle. Projects and programmes may also be listed as inactive or on hold. Dependencies between projects and programmes are mapped to determine the





resultant business benefits to be achieved. Mandatory projects and programmes are identified and added to the project portfolio, where appropriate.

### Measures

- Undertakes a census to identify and capture all ideas; proposed, planned, active or inactive projects and programmes in the organisation;
- Captures and documents issues and their status;
- Maintains inventory and reviews with appropriate individuals/teams.

## 4.5.14.2. Analyse the characteristics of programmes and projects

### Description

All projects and programmes are analysed to determine their feasibility, plus their resource, time and cost profile. The analysis also looks for any interdependencies, and determines how each programme and project is aligned with strategic goals and objectives. The desirability of projects and programmes is assessed based on their risk, projected benefits and business impacts assessment. Where the benefits and business impacts are not clear or definable, a feasibility study may be commissioned to determine investment merit. Mandatory projects and programmes associated with the need to implement legislative, regulatory or compliance requirements, for example, are identified for inclusion in the portfolio.

The appraisal and prioritisation of the projects and programmes is focused on ensuring that they are aligned to the needs and priorities of the organisation. Projects and programmes are compared and prioritised. The portfolio is also examined to ensure there are no duplicate projects and programmes. Consideration is also given to how the projects and programmes may potentially be delivered, with recommendations for grouping or clustering to improve efficiency.

### Measures

- Captures information about project and programme interfaces, emergent risks, resource and cost requirements and business benefits and their timings;
- Maps dependencies between projects and programmes;
- Identifies mandatory projects and programmes and flags them for inclusion in the portfolio;
- Undertakes comparative analysis to determine the most appropriate projects and programmes to receive organisational investment;
- Projects and programmes are prioritised based on the comparative analysis;

- Projects and programmes that deliver similar business benefits and outcomes are examined and adjusted to remove duplication and take advantage of synergies;
- Related projects are grouped for management as a programme to ensure relevant efficiencies are captured.

#### **4.5.14.3. Prioritise programmes and projects based on the organisation's priorities**

##### **Description**

The organisation determines the criteria it will use to prioritise projects and programmes. These criteria may include risk, project size, project type or strategic importance. The priorities may be reviewed and changed over time due to organisational needs, market changes or changes in strategic goals. The prioritisation criteria for portfolio assessment are agreed with executive stakeholders.

Projects and programmes are prioritised based on these criteria with a rank order list of components being created. This list of components is then fed into the resourcing, funding and selection processes to ensure that these factors are considered. Project and programme managers are also able to determine critical success factors and KPIs based on the organisation's prioritisation criteria.

##### **Measures**

- Identifies, documents and reviews methods and criteria to reflect changing organisational priorities for prioritising projects and programmes;
- Ensures agreement on prioritisation criteria for the project portfolio with executive stakeholders;
- Supports executive review and prioritisation process;
- Supports the resourcing, funding, and selection processes;
- Prioritises projects and programmes based on their alignment and contribution to organisational strategic objectives.

#### **4.5.14.4. Programme and project delivery oversight**

##### **Description**

The individual is required to manage the portfolio and provide oversight of the programmes and projects being undertaken within the portfolio. It is important for him or her to be aware of the status of the components, how they are progressing (schedule and budget) and of any potential risks. The individuals may recommend that components should be reviewed, or that specific components be put on hold, cancelled, or have their scope modified if they no longer meet



their identified objectives or benefits. These recommendations should be fed into the project selection process from time to time.

### Measures

- Aligns portfolio based on appropriate review points in the portfolio review cycle;
- Captures and reviews qualitative and quantitative data to determine project and programme performance against respective plans;
- Monitors the portfolio to ensure that programmes and projects are meeting their identified key objectives and benefits;
- Identifies and flags for further investigation projects and programmes not achieving planned performance;
- Identifies and recommends changes to components in the portfolio.

#### 4.5.14.5. Analyse and predict the future performance of a portfolio

### Description

In managing the portfolio, the individual is required to analyse and predict its future performance. This may be an ongoing process for the purpose of reporting to senior management or as part of the day-to-day management function in the organisation.

As part of managing portfolio performance, the value and contribution to strategic priorities must be regularly assessed to determine whether the components within the portfolio are delivering as intended and to ensure that the overall portfolio remains balanced and strategically aligned. The individual may also identify lessons learned and feed any recommendations into the component identification, prioritisation or selection processes.

### Measures

- Reviews and improves project identification and approval processes;
- Assesses portfolio value and contribution to strategic priorities through the monitoring and review of key performance indicator measures;
- Identifies and assigns lessons learned into the project selection, prioritisation and portfolio balancing processes.

#### 4.5.14.6. Prepare and facilitate portfolio decisions

##### Description

The individual identifies and documents the methods to be used to select projects and programmes, taking into account the organisation's desired mix. This mix may be based on risk, technical domain and/or some other criterion. All mandatory projects (e.g. compliance or legislation change) are identified and added to the portfolio irrespective of their ranking or priority.

Some projects and programmes may not be approved or may be rejected. Existing projects and programmes may be cancelled or put on hold.

Recommendations for components to be included in the portfolio are passed to the executive approving body (e.g. senior management, investment committee, etc) for approval. Where projects and programmes are approved, the funding and resources are allocated. The decisions of the approving body are communicated to stakeholders to ensure awareness and clarity.

##### Measures

- Identifies and documents the organisation's ideal project and programme mix;
- Selects projects and programmes for inclusion in the portfolio based on the organisation's approved selection approach;
- Prepares project and programme selection recommendations for approval;
- Communicates the results of project and programme selection to stakeholders.



# **Annex A:**

## **Cross reference to ISO21504: 2015**

These correspondence tables show the equivalent IPMA Individual Competence Baseline (IPMA ICB®) competence element(s) and/or key competence indicator(s) for each ISO21504 element. The correspondence is only shown for the IPMA ICB portfolio management elements, as ISO21504 only applies to portfolio management and not to programme management or project management.

It should also be noted that ISO21504 is a process based standard, whereas IPMA ICB is an individual competence based standard. The table below identifies the corresponding aspects between IPMA ICB and ISO21504. However these are not necessarily the same but instead are considered 'similar', given the inherent differences between a process described in a process standard (ISO21504) and the knowledge, skills and abilities as described in an individual competence standard (IPMA ICB).

Where the IPMA ICB competence element or key competence indicator is in brackets, it shows a partial correspondence. Where the ISO21504 correspondence states 'not addressed', there is no corresponding ISO21504 content.

## IPMA ICB People competence elements

IPMA ICB competence elements	ISO21504 correspondence
<b>People 1:</b> Self-reflection and self-management	Not addressed in ISO21504
<b>People 2:</b> Personal integrity and reliability	Not addressed in ISO21504
<b>People 3:</b> Personal communication	Not addressed in ISO21504
<b>People 4:</b> Relationships and engagement	Not addressed in ISO21504
<b>People 5:</b> Leadership	Not addressed in ISO21504
<b>People 6:</b> Teamwork	Not addressed in ISO21504
<b>People 7:</b> Conflict and crisis	Not addressed in ISO21504
<b>People 8:</b> Resourcefulness	Not addressed in ISO21504
<b>People 9:</b> Negotiation	Not addressed in ISO21504
<b>People 10:</b> Results orientation	Not addressed in ISO21504

## IPMA ICB Practice competence elements

IPMA ICB competence elements	ISO21504 correspondence
<b>Practice 1:</b> Portfolio design	4.3. Portfolio management framework 4.5. Criteria for selecting and prioritising portfolio components
<b>Practice 2:</b> Benefits	5.7.5. Managing the integration of benefits
<b>Practice 3:</b> Scope	Not addressed in ISO21504
<b>Practice 4:</b> Time	Not addressed in ISO21504
<b>Practice 5:</b> Organisation and information	4.7. Visibility of the portfolio 4.8. Portfolio performance reporting structure 5.7.4. Reporting portfolio performance
<b>Practice 6:</b> Quality	Not addressed in ISO21504
<b>Practice 7:</b> Finance	Not addressed in ISO21504
<b>Practice 8:</b> Resources	5.8.4. Optimising resources
<b>Practice 9:</b> Procurement	Not addressed in ISO21504
<b>Practice 10:</b> Plan and control	5.7.2. Establishing the portfolio performance measurement baseline 4.9 Improving portfolio management
<b>Practice 11:</b> Risk and opportunity	5.8.5. Managing portfolio risks

IPMA ICB competence elements	ISO21504 correspondence
<b>Practice 12:</b> Stakeholders	3.4. Stakeholder engagement and management
<b>Practice 13:</b> Change and transformation	Not addressed in ISO21504
<b>Practice 14:</b> Select and balance	5.5. Assessing and selecting portfolio components 5.7.3. Managing portfolio performance 5.8.2. Optimising portfolio components 5.8.3. Maintaining the portfolio

## IPMA ICB Perspective competence elements

IPMA ICB competence elements	ISO21504 correspondence
<b>Perspective 1:</b> Strategy	3.1. Context and need for portfolio management 3.2.4. Opportunities and threats 5.6. Validating portfolio alignment to strategic objectives
<b>Perspective 2:</b> Governance, structures and processes	3.3.2. Defining decision rights for portfolio content (4.6. Alignment with organisational processes and systems) 4.10. Governance of portfolios
<b>Perspective 3:</b> Compliance, standards and regulations	Not addressed in ISO21504
<b>Perspective 4:</b> Power and interest	Not addressed in ISO21504
<b>Perspective 5:</b> Culture and values	Not addressed in ISO21504



# Annex B:

## Competence table

To apply the IPMA ICB for individual competence evaluation and development, a comprehensive table with the competence elements described in the IPMA ICB and Bloom's taxonomy can be used.

The different levels of competence include:

- **Knowledge:** Exhibit memory of learned materials by recalling facts, terms, basic concepts and answers;
- **Comprehension:** Demonstrate understanding of facts and ideas by organizing, comparing, translating, interpreting, giving descriptions and stating the main ideas;
- **Application:** Using acquired knowledge to solve problems in new situations by applying acquired knowledge, facts, techniques and rules;
- **Analysis:** Examine and break information into parts by identifying motives or causes, make inferences and find evidence to support generalisations;
- **Synthesis:** Build a structure or pattern from diverse elements and act of putting parts together to form a whole; compile information together in a different way by combining elements in a new pattern or proposing alternative solutions;
- **Evaluation:** Present and defend opinions by making judgments about information, validity of ideas or quality of work based on a set of criteria.

Annex B: Competence table

		Knowledge	Comprehension	Application	Analysis	Synthesis	Evaluation
<b>Perspective</b>	Strategy						
	Governance, structures and processes						
	Compliance, standards and regulations						
	Power and interest						
	Culture and values						
<b>People</b>	Self-reflection and self-management						
	Personal integrity and reliability						
	Personal communication						
	Relationships and engagement						
	Leadership						
	Teamwork						
	Conflict and crisis						
	Resourcefulness						
	Negotiation						
	Result orientation						
<b>Practice</b>	Portfolio design						
	Benefits						
	Scope						
	Time						
	Organisation and information						
	Quality						
	Finance						
	Resources						
	Procurement						
	Plan and control						
	Risk and opportunities						
	Stakeholders						
	Change and transformation						
Select and balance							

# **Annex C:**

## **Key Competence Indicator table**

Annex C: Key Competence Indicator table

<b>4.3.</b>	<b>Perspective</b>	<b>39</b>
4.3.1.	Strategy	40
4.3.1.1.	Align with organisational mission and vision	41
4.3.1.2.	Identify and exploit opportunities to influence organisational strategy	42
4.3.1.3.	Develop and ensure the ongoing validity of the business/organisational justification	43
4.3.1.4.	Determine, assess and review critical success factors	44
4.3.1.5.	Determine, assess and review key performance indicators	44
4.3.2.	Governance, structures and processes	46
4.3.2.1.	Know the principles of portfolio management and the way they are implemented and apply	47
4.3.2.2.	Know and apply the principles of project and programme management and the way they are implemented	48
4.3.2.3.	Align the portfolio with the organisation's reporting and decision-making structures and quality management processes	49
4.3.2.4.	Align the portfolio with human resource processes and functions	50
4.3.2.5.	Align the portfolio with finance and control processes and functions	50
4.3.3.	Compliance, standards and regulations	52
4.3.3.1.	Identify and ensure that the portfolio complies with all relevant legislation	54
4.3.3.2.	Identify and ensure that the portfolio complies with all relevant health, safety, security and environmental regulations (HSSE)	54
4.3.3.3.	Identify and ensure that the portfolio complies with all relevant codes of conduct and professional regulation	55
4.3.3.4.	Identify and ensure that the portfolio complies with relevant sustainability principles and objectives	56

4.3.3.5.	Assess, use and develop professional standards and tools for the portfolio	56
4.3.3.6.	Assess, benchmark and improve the organisational portfolio management competence	57
<b>4.3.4.</b>	<b>Power and interest</b>	<b>59</b>
4.3.4.1.	Assess the personal ambitions and interests of others and the potential impact of these on the portfolio	61
4.3.4.2.	Assess the informal influence of individuals and groups and its potential impact on the portfolio	61
4.3.4.3.	Assess the personalities and working styles of others and employ them to the benefit of the portfolio	62
<b>4.3.5.</b>	<b>Culture and values</b>	<b>63</b>
4.3.5.1.	Assess the culture and values of the society and their implications for the portfolio	65
4.3.5.2.	Align the portfolio with the formal culture and corporate values of the organisation	65
4.3.5.3.	Assess the informal culture and values of the organisation and their implications for the portfolio	66
<b>4.4.</b>	<b>People</b>	<b>67</b>
<b>4.4.1.</b>	<b>Self-reflection and self-management</b>	<b>68</b>
4.4.1.1.	Identify and reflect on the ways in which own values and experiences affect the work	69
4.4.1.2.	Build self-confidence on the basis of personal strengths and weaknesses	70
4.4.1.3.	Identify and reflect on personal motivations to set personal goals and keep focus	70
4.4.1.4.	Organise personal work depending on the situation and own resources	71
4.4.1.5.	Take responsibility for personal learning and development	71
<b>4.4.2.</b>	<b>Personal integrity and reliability</b>	<b>73</b>

Annex C: Key Competence Indicator table

4.4.2.1.	Acknowledge and apply ethical values to all decisions and actions	74
4.4.2.2.	Promote the sustainability of outputs and outcomes	74
4.4.2.3.	Take responsibility for own decisions and actions	74
4.4.2.4.	Act, take decisions and communicate in a consistent way	75
4.4.2.5.	Complete tasks thoroughly in order to build confidence with others	75
<b>4.4.3.</b>	<b>Personal communication</b>	<b>76</b>
4.4.3.1.	Provide clear and structured information to others and verify their understanding	77
4.4.3.2.	Facilitate and promote open communication	77
4.4.3.3.	Choose communication styles and channels to meet the needs of the audience, situation and management level	78
4.4.3.4.	Communicate effectively with virtual teams	79
4.4.3.5.	Employ humour and sense of perspective when appropriate	79
<b>4.4.4.</b>	<b>Relationships and engagement</b>	<b>80</b>
4.4.4.1.	Initiate and develop personal and professional relationships	81
4.4.4.2.	Build, facilitate and contribute to social networks	82
4.4.4.3.	Demonstrate empathy through listening, understanding and support	82
4.4.4.4.	Show confidence and respect by encouraging others to share their opinions or concerns	83
4.4.4.5.	Share own vision and goals in order to gain the engagement and commitment of others	83
<b>4.4.5.</b>	<b>Leadership</b>	<b>85</b>
4.4.5.1.	Initiate actions and proactively offer help and advice	86
4.4.5.2.	Take ownership and show commitment	86
4.4.5.3.	Provide direction, coaching and mentoring to guide and improve the work of individuals and teams	87

4.4.5.4.	Exert appropriate power and influence over others to achieve the goals	87
4.4.5.5.	Make, enforce and review decisions	88
<b>4.4.6.</b>	<b>Teamwork</b>	<b>89</b>
4.4.6.1.	Select and build the team	90
4.4.6.2.	Promote cooperation and networking between team members	91
4.4.6.3.	Support, facilitate and review the development of the team and its members	91
4.4.6.4.	Empower teams by delegating tasks and responsibilities	92
4.4.6.5.	Recognise errors to facilitate learning from mistakes	92
<b>4.4.7.</b>	<b>Conflict and crisis</b>	<b>94</b>
4.4.7.1.	Anticipate and possibly prevent conflicts and crises	95
4.4.7.2.	Analyse the causes and consequences of conflicts and crises and select appropriate response(s)	96
4.4.7.3.	Mediate and resolve conflicts and crises and/or their impact	97
6.4.7.4.	Identify and share learning from conflicts and crises in order to improve future practice	97
<b>4.4.8.</b>	<b>Resourcefulness</b>	<b>99</b>
4.4.8.1.	Stimulate and support an open and creative environment	100
4.4.8.2.	Apply conceptual thinking to define situations and strategies	101
4.4.8.3.	Apply analytic techniques to analysing situations, financial and organisational data and trends	102
4.4.8.4.	Promote and apply creative techniques to find alternatives and solutions	102
4.4.8.5.	Promote a holistic view of the portfolio and its context to improve decision-making	103
<b>4.4.9.</b>	<b>Negotiation</b>	<b>104</b>
4.4.9.1.	Identify and analyse the interests of all parties involved in the negotiation	105

Annex C: Key Competence Indicator table

4.4.9.2.	Develop and evaluate options and alternatives with the potential to meet the needs of all parties	105
4.4.9.3.	Define a negotiation strategy in line with own objectives that is acceptable to all parties involved	106
4.4.9.4.	Reach negotiated agreements with other parties that are in line with own objectives	107
4.4.9.5.	Detect and exploit additional selling and acquisition possibilities	107
<b>4.4.10.</b>	<b>Results orientation</b>	<b>109</b>
4.4.10.1.	Evaluate all decisions and actions against their impact on portfolio success and the objectives of the organisation	110
4.4.10.2.	Balance needs and means to optimise outcomes and success	111
4.4.10.3.	Create and maintain a healthy, safe and productive working environment	111
4.4.10.4.	Promote and 'sell' the portfolio, its processes and outcomes	112
4.4.10.5.	Deliver results and get acceptance	112
<b>4.5.</b>	<b>Practice</b>	<b>115</b>
4.5.1.	Portfolio design	116
4.5.1.1.	Acknowledge, prioritise and review success criteria	118
4.5.1.2.	Review, apply and exchange lessons learned from and with other portfolios	119
4.5.2.	Benefits	120
4.5.2.1.	Define and develop the organisational goals hierarchy	122
4.5.3.	Scope	123
4.5.3.1.	Establish and maintain the scope of the portfolio	124
4.5.3.2.	Control scope configuration of projects and programmes	125
4.5.4.	Time	126
4.5.4.1.	Establishes the portfolio decision-making cycle	127



4.5.5.	Organisation and information	128
4.5.5.1.	Assess and determine the needs of stakeholders relating to information and documentation	129
4.5.5.2.	Define the structure, roles and responsibilities within the portfolio and component projects and programmes	130
4.5.5.3.	Establish infrastructure, processes and systems for information flow	131
4.5.5.4.	Implement, monitor and maintain the organisation of the portfolio and component projects and programmes	131
4.5.6.	Quality	133
4.5.6.1.	Ensure quality throughout portfolio component projects and programmes	134
4.5.7.	Finance	136
4.5.7.1.	Determine and establish the portfolio budget	138
4.5.7.2.	Develop, establish and govern a financial performance and reporting system for the portfolio	138
4.5.8.	Resources	140
4.5.8.1.	Develop strategic resource plan to deliver portfolio component projects and programmes	141
4.5.8.2.	Identify the quantity of required and available resources for running portfolio component projects and programmes	142
4.5.8.3.	Identify the skills of the required resources for running portfolio component projects and programmes	142
4.5.9.	Procurement	143
4.5.9.1.	Maintain and govern the procurement system for the portfolio	145
4.5.10.	Plan and control	146
4.5.10.1.	Establish the portfolio system	148
4.5.10.2.	Establish and maintain the portfolio cycle	148
4.5.10.3.	Report on the portfolio	149

Annex C: Key Competence Indicator table

4.5.11.	Risk and opportunity	150
4.5.11.1.	Develop and implement a risk management framework	152
4.5.11.2.	Identify risks and opportunities	152
4.5.11.3.	Assess the probability and impact of risks and opportunities	153
4.5.11.4.	Select strategies and implement treatment plans to address risks and opportunities	153
4.5.11.5.	Evaluate and monitor risks, opportunities and implemented responses	154
4.5.12.	Stakeholders	156
4.5.12.1.	Identify stakeholders and analyse their interests and influence	157
4.5.12.2.	Develop and maintain a stakeholder strategy and communication plan	158
4.5.12.3.	Engage with the executive, sponsors and higher management to gain commitment and to manage interests and expectations	159
4.5.12.4.	Engage with users, partners, suppliers and other stakeholders to gain their cooperation and commitment	160
4.5.12.5.	Organise and maintain networks and alliances	161
4.5.13.	Change and transformation	162
4.5.13.1.	Assess and review the impacts of changes affecting the portfolio	164
4.5.13.2.	Develop change or transformation strategy for the portfolio	164
4.5.13.3.	Sustain the change process	165
4.5.14.	Select and balance	166
4.5.14.1.	Identify programmes or projects or ideas that could be included in the portfolio	168
4.5.14.2.	Analyse the characteristics of programmes and projects	169
4.5.14.3.	Prioritise programmes and projects based on the organisation's priorities	170

4.5.14.4.	Programme and project delivery oversight	170
4.5.14.5.	Analyse and predict the future performance of a portfolio	171
4.5.14.6.	Prepare and facilitate portfolio decisions	172

## The International Project Management Association Individual Competence Baseline for Portfolio Management, Version 4.0.1

Project, programme and portfolio managers face larger, more complex challenges today than ever before. From manufacturing and construction to information technology, pharmaceuticals, and space exploration, to mention a few, the need for highly qualified project managers and leaders is essential. The IPMA Individual Competence Baseline Version 4.0.1 (IPMA ICB®) presents a comprehensive inventory of competences for individuals to use in career development, certification, training, education, consulting, research, and more. Once again, IPMA is leading the way by presenting the first ever Global Standard for individual competences in project, programme and portfolio management. This standard was created in consultation with more than 150 practitioners and thought leaders across 60 IPMA member associations. This standard is designed to help the individuals recognize the competences needed for performing in projects, programmes and portfolio. With the IPMA ICB, there are limitless routes to competence on the roadmap to becoming competent in project, programme and portfolio management. The standard is designed to help individuals find the correct path to achieve their goals. IPMA envisions that organisations, teams, and, of course, individuals will use this standard as an everyday tool for success. As the world grows more complex, we wish for all individuals in this field to become more efficient and effective in achieving the desired results on projects, programmes and portfolios. And thus, we will enable a world where every project succeeds!