

Portfolio Management

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[Course/Number]

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According to the PMBOK (PMBOK® Guide) \" portfolio management refers to the centralized management of one or more portfolios to achieve strategic objectives.\" (Project Management Institute, 2017, p. 15)

- **Does portfolio management in projects apply to product and service selection and design? If so, how? If not, why?**

Projects portfolio management applies to product and service selection and design as it offers a better approach in ensuring the decisions made align with the strategic goals of the business. In portfolio management of projects, managers have the tools essential in organizing a series of projects into one portfolio. The process of product and service selection and design involves critical decisions that define the success of a project. Hence aligning these decisions to fit with the Portfolio management ensures that the choices are within business goals and allocation of resources can be tracked (Srivannaboon, & Munkongsujarit, 2016). Also applying portfolio management to these tasks ensures that identification and assessment of project risks and impacts and hence maximize control.

- **Is there a strategic benefit to using portfolio management to make product and service selection decisions? If so, how? If not, why?**

Yes, Portfolio management aligns one project with others and ensures that they adhere to the strategic plan of the company. Thus central decisions of project areas such as product selection are guided by data collected from correlating projects in the portfolio. Ideally, making right choices requires strategic and prospective data analysis. Kopmann, Kock, Killen, & Gemünden, (2017). Notes that through the project portfolio, a firm can look into the past project metrics and provide insights of the future based on this data. This assists in determining facts of resource utilization of a design or the effects of a specific product or service on the project.

Hence, portfolio management is a more natural way to ensure a project manager or firm can make right decisions through consistency. Consistency ensures working practices are maintained, and ineffective elements are noticed and not repeated within other projects.

References

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- Srivannaboon, S., & Munkongsujarit, S. (2016). Project management and project portfolio management in open innovation: Literature review. In *Management of Engineering and Technology (PICMET), 2016 Portland International Conference on* (pp. 2002-2007). IEEE.