



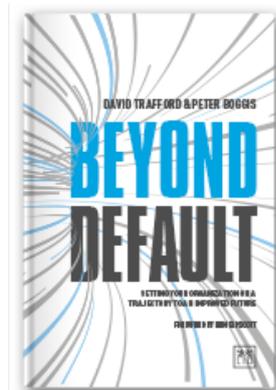
Welcome to our latest bulletin in which we focus on project portfolio management.

In our lead article my colleague and I argue that project portfolio management is an organisational capability that needs to be developed if organisations are serious about changing their trajectory – to one that leads to a better future.

Our second piece features an article written by Joe Peppard in which he presents a tool for balancing your company's digital investments.

Our featured book is *Managing Your Project Portfolio* by Johanna Rothman, which provides a useful source of reference on every aspect of project portfolio management.

Finally, I'm delighted to say that Don Tapscott has written the foreword to our book **Beyond Default**. It will be published in the UK on 7 September 2017, and in the USA a month later. You can pre-order the book [here](#) and download a copy of the Introduction at www.Beyond-Default.com.



An Organisational Capability for Changing Your Trajectory

All organisations are on a trajectory, a path that's taking them to a future. For some this will be their default future, which is the place they will end up if they take no action other than that currently planned. Other organisations will be aiming for a different future, one that is considered a more attractive place to be.

But changing an organisation's trajectory is not easy, with research showing that most strategies and transformation programmes fail to deliver their intended outcomes. Some figures suggest that the true success rate is less than 5%. If this figure is true, and even if it was 10 times greater, it is not what it should be. So, what can be done to increase the chances of success?

While there is no easy answer, [Peter Boggis](#) and [David Trafford](#) argue that changing an organisation's trajectory – to one that leads to a better future – essentially involves three challenges. Firstly, deciding what future to aim for or, to put it another way, deciding on your strategic intent. Secondly, deciding the actions needed to change the current trajectory and translating them into a coherent and balanced set of change initiatives. And thirdly, managing the delivery of the change initiatives – usually in the form of programmes, projects and operational changes over time. If programme and project management is a tool for managing the delivery of the change initiatives, the tool for managing the collection of change programmes and projects is portfolio management.

While project portfolio management is something all organisations understand at a conceptual level, few have actually mastered its application. Why is this? Boggis and Trafford offer seven reasons why it remains a challenge for most organisations, and why project portfolio management needs to be developed as an organisational capability.

Read the full article [here](#).

Balancing Your Company's Digital Investments

Digital investments should be planned and managed according to their current and future contribution to business performance argues Joe Peppard, professor at the European School of Management and Technology in Berlin. In his recent HBR [article](#) he offers a tool for balancing your company's digital investments that classifies all existing, planned and future potential digital investments into four categories, namely:

Strategic: these create or support a transformation in how the organisation conducts its business, with the aim of providing competitive advantage. These investments are critical to future business success.

As always, we welcome your feedback.

Best regards
[David Trafford](#)

About Formicio

We work with people who want to change their organisation's trajectory, to one that takes it beyond its default future.

Specifically we can help you **assess** your current strategy and the default future it will deliver, **develop** new strategies that reflect strategic opportunity, and create the conditions to successfully **operationalise** your chosen strategy.

Our approach is to help you find a strategy that works for your organisation, while keeping you true to your strategic intent.

More details can be found on our [website](#).

Parting thought

"If the choice is difficult, then the decision is easy – pick any."

Anon

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Key operational: these sustain existing business operations and those upon which the organisation currently depends for success.

Support: these provide business efficiency and management effectiveness but, in themselves, do not sustain the business or provide a competitive advantage.

High potential: these are essentially R&D investments in unproven ways to use digital technologies, which are driven by novel ideas or new technologies – for example blockchain.

Peppard also argues that potential investments in each of these four categories need to be considered differently from a number of perspectives, including investment appraisal, implementation criteria, development approaches, project management and life-cycle management. In essence, not all digital investments are the same as their contribution differs according to their type, and to think otherwise will result in a digital portfolio that is neither balanced nor achievable.

Read the full article [here](#).

Managing Your Project Portfolio

Whether you're new to project portfolio management or have years of experience in balancing your organisation project portfolio, it's always useful to have a source of reference. Something you can refer to for ideas and inspiration. [Managing Your Project Portfolio](#) by Johanna Rothman is that source.

Not only is the book full of examples, frameworks and templates, it's predicated on the view that "project portfolio management is not a one person decision". As Rothman states from the outset, "It doesn't matter what you think. It matters that all of you across the organization agree on the project portfolio." Not only does the author advocate a collaborative approach to making the difficult choices that need to be made in balancing the portfolio, she recognises that people cannot make these choices unless they are presented with meaningful information that can be readily understood. And this requires clarity of approach, based upon the application of proven principles.

The book is more than a handbook describing the things that need to be done to get your portfolio in order, it also explains the dilemmas we face. In doing so, it helps the reader understand that what they are trying to do may be new to them, but it has been faced many times before. It also gives confidence, as the more you persevere the easier it gets.

More information on *Managing Your Project Portfolio* can be found [here](#).
