A Comparison of Project, Program & Portfolio Management Responsibilities – and who should be responsible for what.
By R. Max Wideman

This analysis was inspired by Darren Radford, coauthor of *Going Beyond The Waterfall*,
published by J. Ross Publishing © 2014, in Table 1.1 on p6, titled:
"Differences between project, program and portfolio management"
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Introduction

In a corporate context, many people use the term "Project Management" in the broader sense of deploying projects in the corporate environment. That is, instead of meaning the conduct of a single project. These projects quite often span across, or are based in, multiple divisions and/or departments of the organization as a whole. So if a broader definition is accepted, then for purposes of managing a significant number of projects, we can visualize project management as a tiered management structure.

Each level up this structure represents a progressive order of magnitude in management responsibility. Such a scenario necessarily involves a considerable number of people, often with conflicting concerns, interests, priorities and demands that need managing. Hence, the need for a strong and clear management structure from the corporate executive level down to those working at the activity level.

In the last couple of decades, four project "responsibility" levels have come to be recognized, that is, from the project level up: Project; Program; Portfolio; and Executive (at the corporate level). So, for purposes of clarification, these "levels" may be defined as:

Project: A temporary endeavor undertaken to create a unique product, service or result.[1] (That is to say, for a single project);
Program: A group of related projects, subprograms, and program activities managed in a coordinated way to obtain benefits not available from managing them individually.[2]
Portfolio: Projects, programs, sub-portfolios, and operations managed as a group to achieve strategic objectives.[3]
Executive: The senior level of management of a corporation having the power to direct, authorize, and give high level approvals.

The Tables that follow summarize the findings of our study.

Assumptions:

1. The organization in question is large, with a significant number of projects in play
2. Top management is focused on remaining competitive, maintaining technological efficiency, and/or improving services to customers
3. The number of projects at play exceeds the resources available.
4. The organization as a whole has an assessed project management maturity level of 3/5 or higher.
5. "Project management" is more than "The application of knowledge, skills, tools, and techniques to project activities to meet *the project* requirements."[4] (Emphasis on single project added.) Instead, "Project Management is the totality of managing projects throughout the organization and at all levels."[5]

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[1] *A Guide to the Project Management Body of Knowledge*, Fifth Edition, PMI®, PA, 2013, Glossary, p553
[2] Ibid
[3] Ibid, p551
[4] Ibid, p554
[5] R. Max Wideman, October, 2014.

Email: maxwideman@shaw.ca

For the project management domains shown, responsibilities are tabulated briefly for each project management level. The entries demonstrate the changes in focus between the management levels.

Project Management Generally

Domain	Level	Comparative Responsibilities	
Contextual Environment	**Project**	Objectives driven; tactical, predictable, reliable, performance-based tools and techniques; time limited. Target is product completion; awareness of stakeholder involvement.	
	Program	Overall program goals driven; generally complex and uncertain; requires flexibility and responsive, learning-based approach; time is indefinite. Target is overall program progress; cultivation of stakeholder support.	
	Portfolio	Corporate vision and strategy driven; tools to identify, select, prioritize, balance, and initiate the right mix of projects; effectively a part of permanent corporate management. Target is realizing benefits; coordination of stakeholder commitment.	
Governance	**Project**	"Rules of engagement" set by Program Management Office, if present. If not then by Project Portfolio Management Office, if present. If not then by corporate policies and procedures.	
	Program	"Rules of engagement" set by Project Portfolio Management Office, if present. If not then by corporate policies and procedures.	
	Portfolio	"Rules of engagement" set by corporate policies and procedures, consistent with corporate vision, strategies and culture.	
	Executive	"Rules of engagement" set by Board of Directors and related corporate stakeholders.	
Management	**Project**	Business-like agreements; authority-based directive style; conflict resolution; single purpose and rational decision-making; activity authorization. Focus is on project objectives. Style: authoritarian.	
	Program	Exploratory change for the better – providing vision and leadership; management of powerful stakeholders, including sponsor engagement; intuitive decision-making. Focus is on program goals. Style: facilitation.	
	Portfolio	Management, coordination and accounting for business benefit. Focus is on corporate portfolio strategies; Business Case acceptance; and program authorization. Style: Stakeholder leadership, administration.	

Stakeholders	Project	Primarily: Program Office, project's client, sponsor, team members, and hired resources. Clear and concise, two-way.	
	Program	A broader range of stakeholders who have an interest in the project, e.g. Project Portfolio Management Office, members of the public benefitting or impacted by the project, media and related actors. Public relations style.	
	Portfolio	Corporate office, investors, politicians, public at large. Communicate with stakeholders relative to the overall portfolio. Political style.	
Planning	Project	Standard approach: What must be done to reach a future objective, how, who and when. Detailed delivery plans created.	
	Program	Overall program plan to drive stakeholder engagement; establish milestone sequence and pacing; allocation of internal resources and overview of external resources; and benefits realization planning.	
	Portfolio	Convert corporate vision into a viable selection of projects; maintain executive support; scan the internal and external environments for changes impacting the portfolio; modify the portfolio accordingly; create and maintain necessary standardized reporting practices suited to this level; ensure optimum benefits reaping.	

Body of knowledge domains – Core project management functions

Scope	Project	Project scope boundaries clearly limited; deliverables clearly defined, or set within rolling wave planning.	
	Program	Broad scope with flexible boundaries; multiple deliverables; alignment with strategic goals. Custodian of metrics, benchmarking and lessons learned.	
	Portfolio	Evolving scope consistent with corporate vision and strategies. Creation of one or more project portfolios accordingly, optimized for effectiveness and efficiency. Maintain vigilance for internal and external changes and risks and obtain executive approval for necessary redirection.	
Quality	Project	Grade clearly specified; testing to ensure compliance.	
	Program	Establish required quality grade across a program; testing criteria and frequency. Custodian of recommended practices.	
	Portfolio	Provide overview of overall quality approach; requirements and standards for each portfolio.	

Time	Project	Clear and controlled life span to meet project objectives.	
	Program	Planning of project activation to establish required sequencing of deliverables to satisfy program goals.	
	Portfolio	Interpreting corporate strategies into portfolios. Obtaining corporate approvals for activation of major portfolios, programs and projects. Prioritizing, aligning and sequencing the required portfolio program-level components for maximum effect and resource efficiency.	
Cost	Project	Analyzing and costing work for purposes of estimating for project budget. Capturing project costs, and comparing to approved budget; estimating costs to complete; reporting forecasts over or under project budget.	
	Program	Assembling actual and forecast program costs-at-completion; planning and deploying projects within programs to best advantage of corporate resources and cost.	
	Portfolio	Broad costing of proposed corporate strategy initiatives to assess relevance, expected benefits, hence ROI, and unexpected consequences; advising on most cost effective compositions; recommending alternatives.	

Body of knowledge domains – Facilitating functions

Risk	Project	Generally specific, internal and local, impacting project performance with respect to product delivery.	
	Program	Assessing collective risks arising from multiple projects, perhaps acting on each other. Scanning the contextual environment for potential risks to a whole program; resolving conflicts at the project level.	
	Portfolio	Promoting a corporate environment that minimizes risks to individual programs and projects; removing corporate roadblocks; resolving conflicts at the program level; managing reserves for major unexpected risk events.	

Resources	**Project**	Estimating timing and extent of required resources, and resulting cost; organizing efficient hand-on and hand-off of resources at start and finish of each corresponding activity.	
	Program	Planning and scheduling of project initiations in a program to minimize demand conflicts between its projects.	
	Portfolio	General assessment of overall resource requirements for a given corporate initiative. Acquiring additional resources where necessary, including make-or-buy decisions.	
Procurement	**Project**	Obtaining bought-in resources as and when required by the project in question; sourcing of resources; recommending best-buy decisions (not necessarily at lowest cost.)	
	Program	Identifying those resources required by multiple projects in the program and either modifying the program to improve efficiency, and/or arranging bulk purchases accordingly across several projects. Managing the distribution across several projects.	
	Portfolio	Where appropriate, integrating portfolio requirements with corporate purchasing, or authorizing independent contracting and purchasing at the program/project level. **Note**: The closer the procurement arrangement is to the project level, the more effective will be the supply and delivery.	
Communi-cations	**Project**	Planning and organizing delivery of instructions at the project level. Regular progress reporting to project stakeholders and the Program management level, suitably packaged for each (e.g. forecast final delivery, forecast final cost, urgent risks, roadblocks and issues).	
	Program	Review project reports with view to resolving roadblocks and issues; rescheduling the program if appropriate; or escalating to Portfolio level for resolution.	
	Portfolio	Reviewing program reports for appropriate action; modifying portfolio plan to minimize impacts. Consolidating program/project reports for corporate consumption.	

Project implementation

Monitoring & Control	Project	Monitor and control the work of producing the products the project was undertaken to deliver.	
	Program	Monitor the progress of program components to ensure overall goals; schedules; budget; benefits; of the programs are all contained. Provide governance to projects in the programs.	
	Portfolio	Monitor aggregate benefit realization performance; and cost-to-value indicators. Provide governance to program management.	
Change Management	Project	Changes are to be avoided or minimized if possible; processes in place to keep changes managed, and controlled. **Note**: "Change Management" is the business of administering changes to scope, time, cost, etc. This is not to be confused with "Management of Change" meaning, for example, organizational change as a project.	
	Program	Expected from inside and outside the program; generally seen as opportunities.	
	Portfolio	Changes in the broader external environment continually assessed. Overall portfolio managed accordingly.	
Success	Project	Measured by process compliance and product quality; timeliness; adherence to budget; customer satisfaction with product.	
	Program	Measured by the degree to which the products of the projects in the program create value, and/or deliver benefits from the capability created, and for clients served.	
	Portfolio	Measured in terms of aggregate performance of business divisions and departments, and/or satisfies corporate vision and strategies, and/or lays the groundwork for future development.	

Conclusions

When the different levels described are examined in the light of the various domains of project management, the responsibilities at each level become much clearer and should prove helpful. Without carefully documented clarification and structure, there is every possibility that overlap and competition for control will emerge with inevitable added cost. Hence, it is important to agree the division of responsibilities and corresponding boundaries between the parties. It is hoped that these tables will help.

Note that the costs of Portfolio and Program Management are corporate overheads and not project costs. It is also worth noting that we first talked about "Governance in the Project Management World" in January, 2013. Since then we have somewhat modified our view as shown in this current work.

R. Max Wideman, Fellow PMI