



## Green Portfolio Management (Part 1)

### Recap of Green Project Management:

Green Project Management (GreenPM) integrates environmental thinking into all of the project management decisions. It is a way to ingrain “greenthink™” into every project management process.

The point about green project management is not that you make every decision in favor of the one that is most environmentally friendly. The point is that you start to take the environment into account during the decision-making process. You might make most decisions the same as you do today. But there might be some decisions you would make differently. Tens of thousands of projects, making hundreds of thousands of different decisions, could make a difference.

### “Normal” Portfolio Management

No organization or department has the resources to meet all of its business needs. This is true in the best of times. It certainly is even truer when times are tough. The typical response to managing scarce resources against an unlimited demand is to come up with some type of prioritization process to ensure that you approve and fund the work that will provide the most value. “Portfolio management” differs from traditional approaches in that it borrows ideas and approaches from the allocation and management of our financial portfolio and applies these to the allocation and management of our work.

### Green Portfolio Management

There are a number of ways that GreenThink can be deployed in the portfolio management process. Let’s first look at the processes associated with business planning – that is the process to determine what work is authorized and funded for the upcoming year.

- **Green customers and stakeholders.** You need to identify your customers and stakeholders when you are creating your portfolio management processes. Depending on your organization, it is possible that you may have a direct green customer. For instance, your environmental organization may be a direct customer of your organization. However, it is more likely that if you have such a focused group, they would be identified as a stakeholder. Of course, if you do not plan to apply any green concepts to your portfolio management process, then there would be no reason to identify a green stakeholder. However, if you are going to apply some green concepts, then there may be a green stakeholder.
- **Green categories.** Categories are ways that we balance the work. For example, you may create project categories of high, medium and low risk so that you can



determine the mix of high, medium and low risk projects. Likewise you might want to balance the money that you are spending on corporate projects with the money you are spending on projects that primarily benefit your field organization. You can now add a category for whether the project had green benefits. Perhaps you could have a company policy that 50% of your projects will have some (maybe not entirely) environmental benefit. Categories allow you to allocate funding based on a strategic mix.

- **Alignment.** All of the work for the coming year should be aligned to your organizational goals and strategies. Therefore if you really want to make sure that projects have a positive environmental impact, you should describe at least one goal or strategy that has an environmental component. It is not possible to achieve a goal or strategy without projects aligned to do the work. So, by making sure that the environment is a part of the organization goals and strategies, you are also making sure that at least some green projects are authorized and executed in the future.

Green project management is focused on the right way to manage projects. Green portfolio management will ensure that the right projects are authorized and executed. Together they can provide a powerful set of guiding forces to help a company become greener in the future.

Save the World – Use Green Project Management™ (and Green Portfolio Management!)

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