



Green Portfolio Management (Part 2)

“Normal” Portfolio Management

There are two main aspects to portfolio management. The first is the business planning process that ensures that the work that is funded is the most valuable and best aligned to your goals and strategies. This aspect of green portfolio management was explored in a prior article.

The second aspect of portfolio management is the ongoing management of the portfolio of work. Just as you need to understand how your financial portfolio is performing, so you also need to understand how your portfolio of work is progressing. This in turn involves two elements – the work that is going on at any given point of time and the resources that are being allocated at this same time.

Green Portfolio Management – Work and Resources

Green portfolio management still involves understanding the work and the resources, but with environmental input.

The work of the portfolio at any given time has already gone through a green filter. This includes not just project work, but all of the work of the portfolio – including operational, support, management, etc. This baseline of work is prioritized during the business planning process and new work is handled through similar processes throughout the year. We can ensure that “GreenThink” is applied to this work by including environmental cost/benefit (if any) in the Business Case. We can also add environmental statements in the company goals and strategies, which will influence how work is aligned.

The other side of the equation involves the resources that are applied to the work. Here we have an opportunity to apply traditional green thinking, including understanding the environmental impact of the resources we are using.

- **Employees.** I don't know that people can be considered green or non-green, but the way you utilize them can be. For instance if you are flying an employee into your headquarters on a weekly basis, you would have to say that this is not very environmentally friendly. On the other hand if your company has a policy of allowing all staff to work from home one or more days per week, this might be considered environmentally friendly.
- **Contractors.** Similarly, there may be ways to utilize contractors that are more environmentally friendly than other ways. In addition, your company can influence the environmental policies of the contracting companies. For example, you could require that each of your contract vendors develop an environmental policy.



- **Equipment/hardware.** The purchase of equipment or hardware could be greener by including environmental impact and sustainability into the purchasing process. This could include a percentage of the equipment being made from recycled material, or that the vendor has a program for recycling the equipment when it is no longer needed. Of course, the equipment must meet the business needs and be cost effective.
- **Supplies.** Supplies are usually seen as commodities. This includes paper, pens, ink, toner, etc. These supplied can also be very hard on the environment since they tend to be discarded to landfills. The good news is that with a little foresight and green thinking, most all supplies can be recycled and utilized in a very environmentally friendly manner.

This column provides some idea of how to apply green concepts to the management of the portfolio. It is important to remember the basic point about green portfolio management. All decisions are still based on business value and business needs. The green aspects of the decision are just one more element of the decision making process. It does not drive the process. It is likely that most of the decisions regarding the work and resources of the portfolio will be made the same way they are today. However, if you consider green aspects as an additional input to the decision making process it is likely that you will make some different decisions that are greener, while still meeting business needs and providing business value.

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

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