



# Program Management versus Portfolio Management in Defense Acquisition

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# Introduction

- The FY21 NDAA established ***portfolio management*** as the required management process for the acquisition of defense weapons systems to reduce cost and increase acquisitions efficiency, with full implementation expected by 2023.
- Additionally, the FY2021 NDAA orders the secretary of defense to implement a “**third-party accredited [certification] program based on national or international recognized standards**” for all acquisition career fields.



# Research Questions

- **Challenge:** How does DoD acquisition move from a program-centric approach to a portfolio-centric approach?
- **Research Questions:**
  1. Are there gaps in the DoD PM competency standards that must be addressed before the DoD can fully implement portfolio management as directed in the NDAA of 2021?
  2. Where are the DoD and Project Management Institute (PMI) aligned regarding competency standards?
  3. What barriers exist regarding the implementation of portfolio management standards for Defense acquisitions?

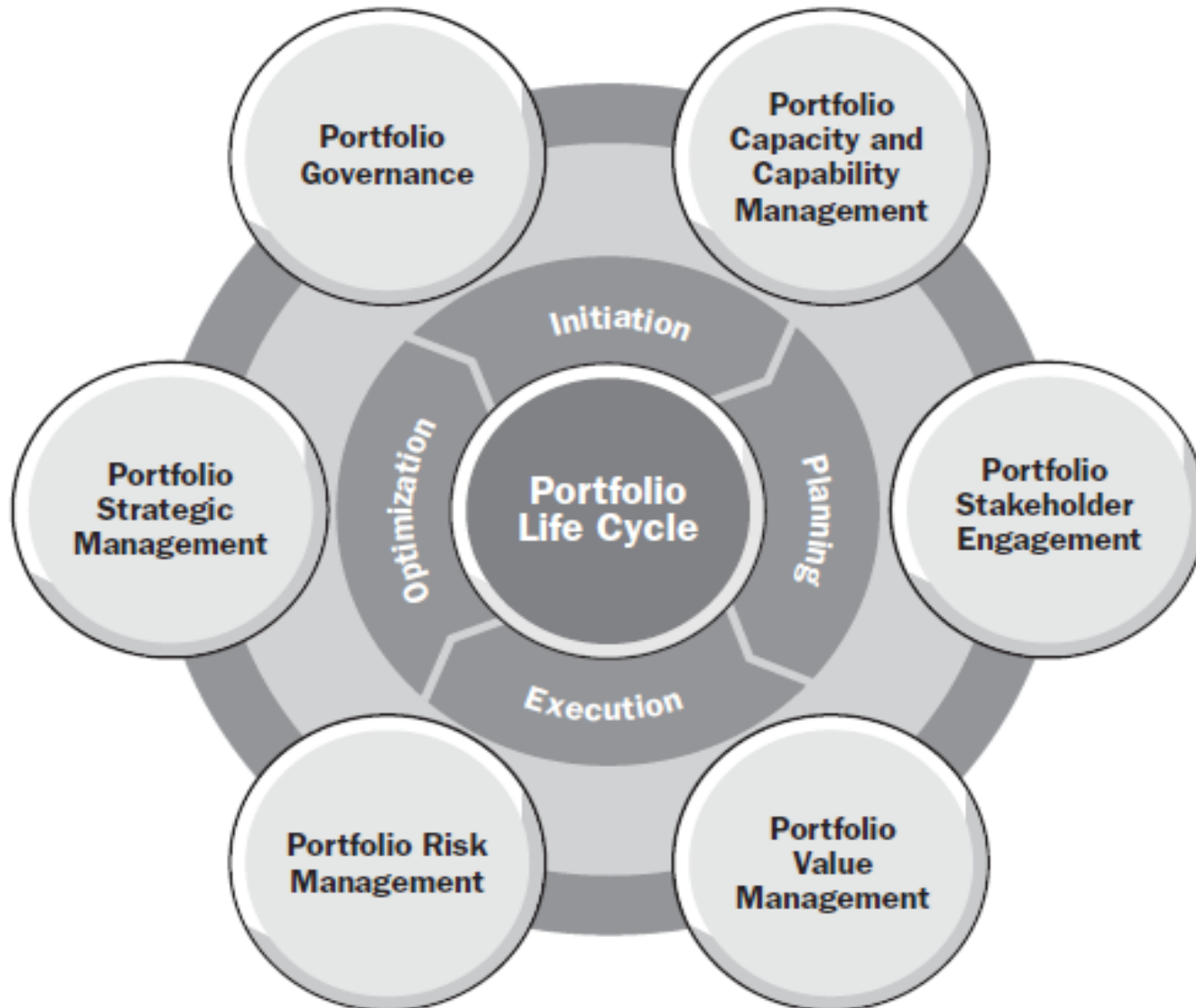


# Industry Standards

- **Project Management Institute (PMI)**
  - Project Management Professional (PMP): *Guide to the Project Management Body of Knowledge® (PMBOK Guide)*
  - Program Management Professional (PgMP): *The Standard for Program Management (TSPgM)*
  - **Portfolio Management Professional (PfMP):** *The Standard for Portfolio Management (TSPfM)*



# Industry *TSPfM* Standard





# Industry *TSPfM* Standard

Tasks	Communications Management (15%)
Task 1	Analyze internal and external stakeholders using techniques such as meetings, interviews, surveys/questionnaires, in order to identify stakeholder expectations, interests, and influence on the success of the portfolio.
Task 2	Create the aggregate communication strategy and plan, including methods, recipients, vehicles, timelines and frequencies in order to enable effective communication to stakeholders.
Task 3	Engage stakeholders, through oral and written communication, to ensure awareness, manage expectations, foster support, and build relationships and collaboration for the success of the portfolio roadmap.
Task 4	Maintain the communication strategy and plan by evaluating current communications capabilities, identifying gaps, and documenting communications plan to meet stakeholder requirements.
Task 5	Prepare and/or facilitate stakeholder understanding of portfolio management-related processes, procedures, and protocols using organizational assets (e.g., information systems, training delivery methods) in order to promote common understanding and application of the portfolio management process.
Task 6	Verify accuracy, consistency, and completeness of portfolio communication, utilizing governance guidelines, to maintain credibility and satisfaction with all stakeholders.



# DoD PM Competencies

- DoD Program Management functional career field categories:
  - Acquisition Management
  - Business Management
  - Technical Management
  - Executive Leadership
- 18 units of competency and 70 specific competencies

Acquisition Management		Technical Management
Capability Integration Planning	Program Execution	Engineering Management
Requirements Management (Mgmt)	Risk/Opportunity Mgmt	Technical Planning
Acquisition Program Strategic Planning	Program Planning	Requirements Decomposition
Business Case Development	Teaming	Technical Assessment
Acquisition Law and Policy	Program Oversight	Decision Analysis
Acquisition Policy and Best Practice	Resource Mgmt	Configuration Mgmt
Contractual Laws, Regulations, and Obligations	Technology Mgmt	Technical Data Mgmt
Financial Mgmt Laws, Directives, and Policies	Services Acquisition	Interface Mgmt
Program Support Laws, Directives, and Policies	Business Management	Defense Business Systems
Technical and Engineering Laws, Directives and Policies	Contract Management	DBS Certification
Information Technology Laws, Policy, Best Practices	Market Research	DBS Acquisition Approach Preparation
International Acquisition and Exportability	Pre-Solicitation Planning and Execution	Test and Evaluation Mgmt
International Cooperative Programs	Source Selection and Negotiations	Test Planning
Sales and Transfers	Contract Administration	Test Execution
Technology Security and Foreign Disclosure	Contract Closeout	Manufacturing Mgmt
Defense Exportability Integration	Financial Mgmt	Manufacturing Planning and Transition
	Financial Planning	Manufacturing Shutdown
Stakeholder Mgmt	Programming	Product Support Mgmt
Political Savvy	Budget Formulation	Product Support Planning
External Situational Awareness	Budget Execution	Product Support Mgmt
Media Relationships	Cost estimates	Supply Chain Mgmt
Executive Leadership		
Foundational Competencies	Leading Change	Results Driven
Interpersonal Skills	Creativity & Innovation	Accountability
Integrity / Honesty	Vision	Decisiveness
Communicate Effectively	Flexibility	Entrepreneurship
Continual Learning	Resilience	Customer Service
Public Service Motivation	Leading People	Problem Solving
Technical Credibility	Conflict Management	
Building Coalitions	Leveraging Diversity	
Influencing / Negotiating	Developing Others	
Partnering	Team Building	



# Research Results

Domain 5: Communications Management					100%
Task #	Task	UOC	Competency	Alignment Score	
1	Analyze internal and external stakeholders using techniques such as meetings, interviews, surveys/questionnaires, in order to identify stakeholder expectations, interests, and influence on the success of the portfolio.	AM3	Organize, manage, coach, lead and evaluate program teams (working groups, IPTs, project-oriented teams, support contractor teams, system integrator/supplier teams) to maximize efficiency within the program/portfolio.	1	
2	Create the aggregate communication strategy and plan, including methods, recipients, vehicles, timelines and frequencies in order to enable effective communication to stakeholders.	AM4	Maintain awareness of the environment external to an acquisition program simultaneously from (including) historical, current, and future perspectives. Apply the media related policies contained in Agency directives/publications in addressing public affairs.	1	
3	Engage stakeholders, through oral and written communication, to ensure awareness, manage expectations, foster support, and build relationships and collaboration for the success of the portfolio roadmap.	EL1	(Communicate Effectively) Plan for the dissemination of information both internally and externally with emphasis on ensuring all work groups, project oriented teams, IPPTs, PM Staff and several layers of contractor/sub-contractor employees have comprehensive macro view of the program priorities.. 1. Write in a clear, concise, organized, and convincing manner for the intended audience. 2. Make clear and convincing oral presentations. Listen effectively; clarify information as needed. 4. Share & communicate lessons learned. Explain how process improvements at the macro level translate into improved operational effectiveness. 5. Pursue chances to stretch skills to further professional growth to include using challenges as opportunities to improve and become more effective.	1	
4	Maintain the communication strategy and plan by evaluating current communications capabilities, identifying gaps, and documenting communications plan to meet stakeholder requirements.			1	
5	Prepare and/or facilitate stakeholder understanding of portfolio management[1]related processes, procedures, and protocols using organizational assets (e.g., information systems, training delivery methods) in order to promote common understanding and application of the portfolio management process.			1	
6	Verify accuracy, consistency, and completeness of portfolio communication, utilizing governance guidelines, to maintain credibility and satisfaction with all stakeholders.			1	





# Research Results

Domain	Alignment Score	Exam Weight
Strategic Alignment	19%	25%
Governance	0%	20%
Portfolio Performance	35%	25%
Portfolio Risk Management	50%	15%
Communications Management	100%	15%
<b>Average Alignment</b>	<b>41%</b>	<b>36%</b>



# Research Results

## Barrier to Implementation Rating





# Research Results

BTI Rating by Domain and Task					
Domain 1: Strategic Alignment			Domain 4: Risk Management		
Task #	Alignment Score	BTI Rating	Task #	Alignment Score	BTI Rating
1	50%	1	1	100%	1
2	0%	2	2	100%	1
3	0%	2	3	0%	2
4	50%	2	4	0%	1
5	0%	1	5	100%	1
6	0%	1	6	0%	2
7	0%	2	Average BTI Rating		1.33
8	50%	2	Domain 5: Communications		
Average BTI Rating		1.63	Task #	Alignment Score	BTI Rating
Domain 2: Governance			1	100%	0
Task #	Alignment Score	BTI Rating	2	100%	0
1	0%	3	3	100%	0
2	0%	3	4	100%	0
3	0%	3	5	100%	0
4	0%	3	6	100%	0
5	0%	3	Average BTI Rating		0.00
Average BTI Rating		3.00			
Domain 3: Portfolio Performance					
Task #	Alignment Score	BTI Rating			
1	0%	2			
2	50%	1			
3	100%	1			
4	100%	1			
5	100%	1			
6	0%	2			
7	0%	1			
8	0%	2			
9	0%	1			
10	0%	2			
Average BTI Rating		1.30			



# Conclusions

- 1. Are there gaps in the DoD PM competency standards that must be addressed before the DoD can fully implement portfolio management as directed in the NDAA of 2021?**
  - Significant gaps in *Governance Domain*
    - DoD has no definition of portfolio managers' authorities, roles, and responsibilities
    - Portfolio management plan includes authoritative thresholds, risk tolerance levels, key performance indicators, prioritization models, and escalation procedures within each portfolio



# Conclusions

**1. Are there gaps in the DoD PM competency standards that must be addressed before the DoD can fully implement portfolio management as directed in the NDAA of 2021?**

– Significant gaps in *Strategic Alignment*

- DoD has no structure, protocols, authorities, and procedures to align portfolios with organizational goals
- Portfolio managers to set prioritization criteria using analytical decision-making tools, resulting in a portfolio road map used to budget, plan, and execute.



# Conclusions

## 2. Where are the DoD and Project Management Institute (PMI) aligned regarding competency standards?

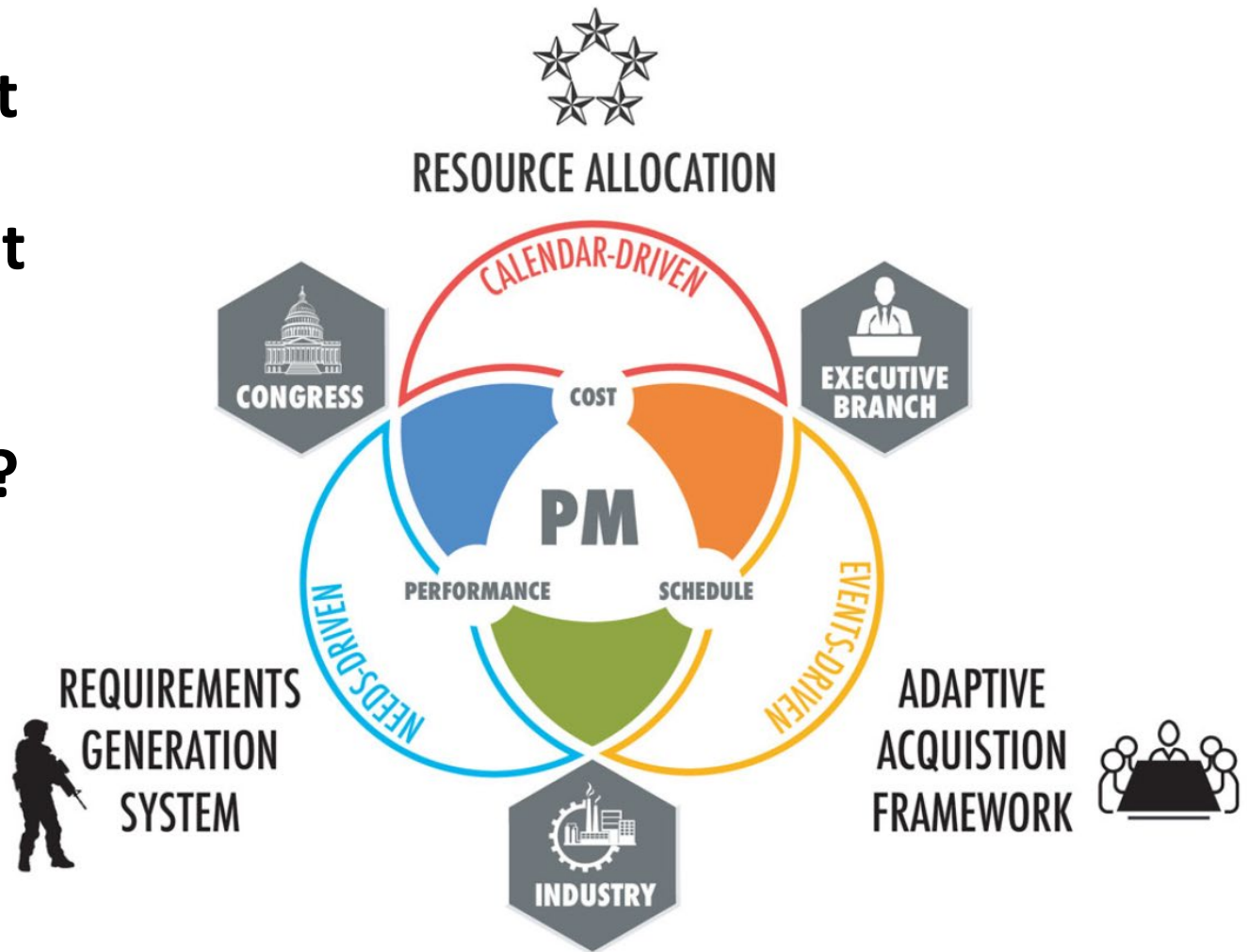
- The DoD and PMI standards were fully aligned in the domain of ***Communications Management***.
- ***Risk Management*** was partially aligned—DoD lacks standards for stove-piped programs to synchronize risk across adjacent programs.
- ***Portfolio Performance*** was partially aligned—DoD lacks portfolio road maps to balance and optimize resources and analyze portfolio performance against strategic goals.



# Conclusions

3. What barriers exist for portfolio management standards in Defense acquisitions?

*Governance Domain*





# Recommendations

1. Consider Portfolio Manager as a distinct career field requiring *PfMP* certifications.

2. Consider the following:

- Portfolio Acquisition Executive (PAE) Construct

PEO → PAE

- Acquisition Portfolio Baseline (APfB)

APB → APfB

- Program and budget to Portfolio Elements (PfE)

PE → PfE

- Portfolio Requirements Document (PfRD)

CDD → PfRD