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Portfolio Management Competency Standards

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Portfolio Management Competency Standards

Dr. Robert F. Mortlock, COL, USA (Ret.)—is a professor of the practice and associate chair for acquisition sciences for the Department of Acquisition, Finance and Manpower at the Naval Postgraduate School in Monterey, CA. He holds a PhD in chemical engineering from the University of California, Berkeley, an MBA from Webster University, an MS in national resource strategy from ICAF, and a BS in chemical engineering from Lehigh University. [rfmortlo@nps.edu]

Michael S. Bobulinski, CDR, USN (Ret.)—is currently serving as the Embedded Training Readiness Project Manager at NSWC Dahlgren Division–Dam Neck Activity. He holds an MS in program management and an MS in computing technology both from the Naval Postgraduate School and a BS in aerospace engineering from Pennsylvania State University. [michael.s.bobulinski.civ@us.navy.mil]

Abstract

Department of Defense (DoD) acquisition programs and professionals have been under scrutiny for years. Direction has been provided, over time, to adopt civilian program management practices within the DoD. The Project Management Institute (PMI) sets and manages civilian project, program, and portfolio management standards and certifications. This study assesses DoD alignment with PMI standards and focuses on portfolio management competency standards. In both this study and previous research, gap analysis methodology (both qualitative and quantitative approaches) was applied. This research found a nearly 60% alignment between the DoD program management (PM) competency model and industry standards. The research recommends an alignment between DoD standards and the industry-accepted PMI standards for portfolio management.

Keywords: portfolio management, program management, gap analysis, NDAA acquisition guidance, acquisition reform and innovation

Introduction

The National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2021 established portfolio management as a management process for the acquisition of defense weapons systems to reduce costs, improve the optimization of the investments in weapons systems, and increase acquisitions efficiency (NDAA, 2021; Office of Congressman Wilson, 2020). Furthermore, the FY 2020 NDAA established the certification requirements for the members of the acquisition workforce based upon third-party accredited, internationally recognized standards (NDAA, 2020). This is a shift from the current strategy with program management (PM) focus within defense acquisition and necessitates study of the alignment between existing PM competency standards with portfolio management (PfM) competency standards. The FY2021 NDAA provides portfolio management guidance: "(b) Portfolio Management – The Secretary of Defense shall establish capabilities for robust, effective, and data-driven portfolio management described in subsection (a)(1)(C)" (NDAA, 2021).

Despite direction from the FY2021 NDAA for full implementation to be completed by 2023 (NDAA, 2021), the Department of Defense (DoD) has failed to do so. In contrast, the Project Management Institute (PMI) introduced a portfolio management certification in 2014, the Portfolio Management Professional (PfMP) certification (PMO Advisory, n.d.). Government Accountability Office (GAO) reports over the years have been critical of the DoD's project, program, and portfolio management. Some excerpts from several GAO reports follow:

- The Department of Defense (DoD) is not effectively using portfolio management to optimize its weapon system investments. (Sullivan, 2015, Highlights page)

- DoD does not have a policy to guide portfolio management across the department that fully reflects key best practices. The policy is also not current and DoD is not implementing it. (Sullivan, 2015, p. 15)
- In nearly all cases, the military services could improve their practices by learning from ideas and initiatives being used . . . by commercial companies and ensuring that civilian and military personnel have similar opportunities to develop. (Sullivan, 2018, p. 26)
- DoD partially concurred with our 2015 recommendation related to improving portfolio management. . . . However, DoD has yet to fully address the recommendation. (Oakley, 2021, p. 66)
- GAO has long reported on needed improvements to DoD's portfolio management practices. (Mak, 2022, Highlights page)

The Defense Acquisition Workforce Improvement Act (DAWIA) of 1990 requires the DoD to establish a professional acquisition workforce, and the DoD has focused on this requirement since 1992 (Gates et al., 2024, p. 1). In FY2021, the DoD consolidated 14 career fields into seven functional career fields; however, portfolio management was not recognized as a distinct career field (Gates et al., 2024, p. 2). An Acquisition Innovation Research Center study from the University of Maryland in September 2023 on Portfolio Performance Analysis and Visualization went as far as stating, "DoD is not following industry standards for portfolio management" (Driessnack & Johnson, 2023, p. 10, figure 3).

This study assesses the alignment of the DoD's general PM competency standards with the PMI's competency standards for portfolio management. A previous study from the Naval Postgraduate School (NPS), "Gap Analysis of Department of Defense Program Management Competency Standards in Preparation for the Shift to Portfolio Management in Defense Acquisitions," from December 2021 found that the DoD was roughly 41% aligned with industry standards. The authors of that study used gap analysis as their approach for determining alignment (Stewart et al., 2021). This study follows a similar research analysis methodology.

Primary Research Question: Is there alignment between DoD acquisition workforce PM competencies and PMI portfolio management professional standards?

The scope of this research was narrowed to the analysis of the competency standards required for acquisition professionals and the potential application of new standards to encompass PfM. Structural, budgetary, statutory, and design implications that require further research may materialize when implementing the shift from program-centric management to PfM. The shift in focus from program to portfolio management is a significant endeavor for the DoD that requires analysis of existing competency standards to determine the applicability of the existing standards and the requirement for developing new standards. Applying nationally accepted industry standards to PfM competencies in the DoD may be a vital component to improving the acquisition system.

Background and Literature Review

Understanding the definitions and basis for competency standards is critical to analyzing the DoD's alignment with industry standards. As previously mentioned, the GAO has been critical of the DoD and most federal agencies and organizations on their implementation of project, program, and now portfolio management. DoD Weapon System Acquisition has been on the GAO High-Risk List since 1990 and continues to struggle (Oakley, 2025).

Currently, acquisition career fields established by the DAWIA and managed by the Services' Directors of Acquisition Career Management (DACMs) do not formally recognize portfolio manager as a career field separate and distinct from a program manager, creating a potential gap between the competency standards and the requirement for PfM. While the Section 809 Panel, the Office of Management and Budget (OMB), and the GAO have advocated for PfM for years, change has been challenging to adopt (Ahern & Driessnack, 2019; Section 809 Panel, 2018a, 2018b, 2019a, 2019b, 2019c; Sullivan, 2015; Thompson & Johnson, 2019). In the private industry sector, an organization's shift from program-centric acquisition strategies to PfM strategies stems from two drivers: the need to make rational investment decisions that deliver organizational benefits and the need to optimize resources to ensure the efficient delivery of those benefits (Young & Conboy, 2013). PfM achieves these benefits by pooling resources and analyzing how decisions made about one product affect the other products in the portfolio and portfolio priorities writ large. Additionally, the defense acquisition enterprise comprises numerous commands with their own goals, agendas, and interpretations of policies (GAO, 2020). These organizations change leaders and priorities every three or four years. This "fragmented adhocracy" makes implementing change difficult (Young & Conboy, 2013, p. 1090). Finally, implementing PfM requires competent professionals. According to Young and Conboy (2013), competence is "the ability to do something well" (p. 1091). PfM requires a common competency standard as the metric to train and evaluate acquisition professionals. Identifying gaps in the competency standards assists in updating and codifying a standard that can be used as a common thread to synchronize PfM efforts across the defense acquisition enterprise.

Within the DoD, significant challenges exist preventing the full implementation of PfM. One reason for the absence of standards related to PfM is a lack of clarity. In the academic community and industry, there has been confusion as to what constitutes PfM. The term often gets used interchangeably with PM, project management, and multi-project management (Young & Conboy, 2013). This same confusion about what constitutes PfM exists within the DoD. In the private sector, corporate PfM practices and procedures have been undervalued and under-researched, leading to an identified gap between the direction and means available to implement PfM (Gutiérrez & Magnusson, 2014; Heising, 2012; Kock et al., 2020; Li et al., 2014; Petit, 2012). Despite many medium and large corporations applying PfM principles and tools to make strategic decisions, "academic research has not kept up with the realities and needs of the corporate world" (Nippa et al., 2011, p. 64). The lack of corporate PfM-focused research, combined with the NDAA statutory push to leverage PfM based on industry accepted standards within the DoD, presents a need to conduct focused PfM research to recognize its value.

PfM is an approach that commercial companies use to optimize investments (Sullivan, 2015). It starts with understanding customers' needs and desires and then prioritizing acquisition opportunities while accounting for resource constraints. Once the opportunities are prioritized, business cases are created, reviewed, and "assessed against others in the portfolio" (Sullivan, 2015, p. 5). Resources, established criteria, competing products, and the organization's strategic goals are all considered during the assessment. This process continues "until only those alternatives with the greatest potential to succeed" are added to the portfolio (Sullivan, 2015, p. 5). Therefore, the DoD would only create new programs through a holistic portfolio analysis process (Sullivan, 2015).

A PfM strategy improves the defense acquisition procedures in three significant ways. First, it requires acquisition professionals to assess investments collectively at the enterprise and component levels rather than as independent initiatives at the Service level. Second, it uses "an integrated approach to prioritize needs and allocate resources" to align with strategic goals (Sullivan, 2015, p. 7). Last, it empowers leaders to make investment decisions and provides a mechanism to hold them accountable for the outcome (Section 809 Panel, 2019a).

Current defense acquisition procedures measure success through cost, schedule, and performance metrics for individual programs with acquisition program baselines. However, these measures do not allow program managers to develop optimal solutions across a range of capabilities and customer needs. Therefore, at times, they can be detrimental to the larger, strategic mission. Additionally, they provide little insight into the value the program offers to the customer. Lastly, they do not allow flexibility because they incentivize stability and avoid new requirements. Instead, PfM should be judged on things such as "customer satisfaction, user acceptance or reject rates, user productivity improvements, mission effectiveness enhancements, and many others that relate to value and return on investment" (Shultz, 2020, p. 47). Additionally, there must be a mechanism to measure the success of things such as rapid prototyping. These may include metrics such as "time to deliver knowledge points, cycle time to build virtual prototypes, number of failures and lessons learned, and time to mature prototypes into fieldable capabilities" (Shultz, 2020, p. 47).

Defining PfM is of particular importance in the DoD because the terms *program*, *portfolio*, and *project* are often used interchangeably by defense acquisition professionals at all levels. The PMI defines a portfolio as "a collection of projects, programs, subsidiary portfolios, and operations managed as a group to achieve strategic objectives" (PMI, 2017b, p. 6). Figure 1 and Table 1 show the relationship and comparison between the definitions accepted for projects, programs, and portfolios and between the disciplines of project, program, and portfolio management.

Table 1. Comparative Overview of Portfolio Program, and Project Management (PMI, 2017b, p. 6)

Organizational Project Management			
	Projects	**Programs**	**Portfolios**
Definition	A project is a temporary endeavor undertaken to create a unique product, service, or result.	A program is a group of related projects, subsidiary programs, and program activities that are managed in a coordinated manner to obtain benefits not available from managing them individually.	A portfolio is a collection of projects, programs, subsidiary portfolios, and operations managed as a group to achieve strategic objectives.
Scope	Projects have defined objectives. Scope is progressively elaborated throughout the project life cycle.	Programs have a scope that encompasses the scopes of its program components. Programs produce benefits to an organization by ensuring that the outputs and outcomes of program components are delivered in a coordinated and complementary manner.	Portfolios have an organizational scope that changes with the strategic objectives of the organization.
Change	Project managers expect change and implement processes to keep change managed and controlled.	Programs are managed in a manner that accepts and adapts to change as necessary to optimize the delivery of benefits as the program's components deliver outcomes and/or outputs.	Portfolio managers continuously monitor changes in the broader internal and external environments.
Planning	Project managers progressively elaborate high-level information into detailed plans throughout the project life cycle.	Programs are managed using high-level plans that track the interdependencies and progress of program components. Program plans are also used to guide planning at the component level.	Portfolio managers create and maintain necessary processes and communication relative to the aggregate portfolio.
Management	Project managers manage the project team to meet the project objectives.	Programs are managed by program managers who ensure that program benefits are delivered as expected, by coordinating the activities of a program's components.	Portfolio managers may manage or coordinate portfolio management staff, or program and project staff that may have reporting responsibilities into the aggregate portfolio.
Monitoring	Project managers monitor and control the work of producing the products, services, or results that the project was undertaken to produce.	Program managers monitor the progress of program components to ensure the overall goals, schedules, budget, and benefits of the program will be met.	Portfolio managers monitor strategic changes and aggregate resource allocation, performance results, and risk of the portfolio.
Success	Success is measured by product and project quality, timeliness, budget compliance, and degree of customer satisfaction.	A program's success is measured by the program's ability to deliver its intended benefits to an organization, and by the program's efficiency and effectiveness in delivering those benefits.	Success is measured in terms of the aggregate investment performance and benefit realization of the portfolio.

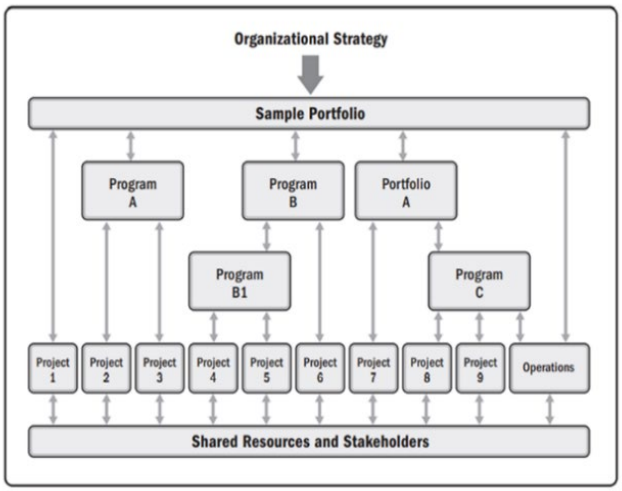

Figure 1. Portfolios, Programs, and Projects: High-Level View. (PMI, 2017b, p. 4)

A portfolio is a way to hedge against risk by pooling resources. Hence, a portfolio should be made with a clear strategy and priorities that the manager can use to make decisions. If portfolio managers are given a set of missions or capabilities they must meet, they can then analyze the assets, products, and programs within the portfolio available to fulfill that mission. The manager can then identify gaps in the portfolio where the DoD must allocate resources. These gaps inform how funding, personnel, and R&D should be allocated, all while keeping within the overarching strategy of the portfolio. Portfolio managers are not overly invested in the success or failure of any project or program but instead focus on how individual programs perform holistically within the portfolio (PMI, 2017b). Success is determined based on "aggregate investment performance and benefits realization of the portfolio" (PMI, 2017b, p. 6).

Within defense acquisition, portfolio management has technically been required since 2008 with the establishment of DoD Directive 7045.20, *Capability Portfolio Management*, and the framework for portfolio management has been in place since the establishment of Program Executives Officers (PEOs) in the 1990s (Office of the Under Secretary of Defense for Acquisition and Sustainment [OUSD(A&S)], 2023). However, "no substantial changes to the program approach have materialized," as the majority of projects maintained the program-centric model because the overall structure of the defense acquisition system "is not well suited for portfolio-based management" (Section 809 Panel, 2019a, p. 77). Despite the creation of PEOs in the 1990s and the direction for portfolio management, "PEOs were not assigned any additional duties in statute or DoDD 5000.01 to accomplish portfolio management. . . . Instead, they are midlevel managers," without being responsible or held accountable for a portfolio management baseline (Section 809 Panel, 2019a, p. 77).

Over the last several decades, the U.S. government sponsored numerous efforts, studies, panels, and reports regarding the requirement for defense acquisition to undergo significant reform, depart from the historical PM approach, and manage acquisitions in a portfolio-centric model (Anton et al., 2019; Biedenbach & Müller, 2012; Distel et al., 2020; Ewing et al., 2013). These efforts were codified by the Section 809 Panel on Streamlining and Codifying Acquisition Regulations as established by the direction contained in the FY2016 NDAA. The purpose of the Section 809 Panel was to "review the acquisition regulations . . . with a view toward streamlining and improving the efficiency and effectiveness of the Defense acquisition process" (Section 809 Panel, 2017, p. 5). The Section 809 Panel "identified portfolio management as a priority for reform, recommending not only a change in investment processes

but a shift away from the decades-old program-centric acquisition model" (Shultz, 2020, p. 44). Specifically, the Section 809 Panel's (2019a) Recommendation 38 is to "implement best practices for portfolio management" (p .17) and includes the following language:

> Moving defense acquisition from a highly centralized, program-centric model with stovepipe-driven requirements, budget, and acquisition processes to a collaborative, decentralized, portfolio-centric framework entails nothing more than implementing management best practices. The move would yield timely, flexible, agile, cost-effective, and technologically innovative weapon systems acquisition and sustainment. Portfolio management is no longer in its infancy; there are standards and best practices that [the] DOD can use while implementing the recommended multitiered capability portfolio framework. (Section 809 Panel, 2019a, p. 84)

While some acquisition professionals argue that PfM already occurs due to the previous instructions and directives, "each program navigates the acquisition life cycle independently [and] programs design, develop, test, and produce individual systems that meet a defined set of requirements within an allocated budget" (Janiga & Modigliani, 2014, p. 13) regardless of classification under a portfolio.

According to DoD Instruction 5000.66 *Defense Acquisition Workforce Education, Training, and Career Development Program*, a competency is a "measurable pattern of knowledge, skills, abilities, behaviors, and other characteristics that an individual needs to perform work roles or occupational functions successfully. Competencies are used to develop acquisition training and education standards" (OUSD[A&S], 2022). DoDD 7045.20 *Capability Portfolio Management* establishes the policy for using capability portfolio management (CPM) across the DoD. CPM is defined as "a disciplined management approach to align, prioritize, and optimize investments, requirements, risks, resources, research, and developments around a set of capabilities to achieve a set of mission objectives" (OUSD[A&S], 2023).

In December 2024, the acting assistant secretary of defense (ASD[A]) signed a memorandum titled "Program Management Functional Career Field Competencies" (Office of the Assistant Secretary of Defense [ASD], 2024). The ASD(A) memorandum details functional competency units with a listing of competencies within each unit (shown in Table 2). It is significant to note that this memorandum references DoDI 5000.66 but does not reference DoDD 7045.20. It is equally significant to point out that the memorandum does not address portfolio management, nor does it establish competencies specifically for portfolio management. Despite these disconnects, the competencies areas, units of competencies, and competencies in Table 2 form the basis for this research as the assumed DoD PM standard to compare to industry-accepted standards.

Table 2. Functional Competencies.
(OASD, 2024)

Management Competency Units and Competencies December 1, 2024

Acquisition Management	Business Management	Technical Management
Capability Integration Planning	**Contract Management**	**Engineering Management**
Requirements Management	Market Research	Technical Planning
Acquisition Program Strategic Planning	Pre-Solicitation Planning and Execution	Requirements Decomposition
Business Case Development	Source Selection & Negotiations	Decision Analysis
Acquisition Law and Policy	Contract Administration	Configuration Management
Acquisition Policy and Best Practices	Contracting Approaches	Digital Engineering
Contractual Laws, Regulations, and Obligations	**Financial Management**	**Digital Literacy**
Financial Mgmt Laws, Directives, and Policies	Financial Planning	Machine Learning
Stakeholder Management	Programming	Artificial Intelligence
Political Savvy	Budget Formulation	Software Acquisition
External Situational Awareness	Budget Execution	**Test and Evaluation Mgmt**
Program Execution	Cost estimates	Test Planning: Preparation, Integration, Analysis Reporting
Risk/Opportunity Management	**Business Acumen**	**Product Support Mgmt**
Teaming	Internal/External Politics	Product Support Planning
Program Oversight	Financial Terms, Motivations, Incentives	Product Support Management
Resource Management	Public/Private Industry Differences	Supply Chain Mgmt and Supply Chain Risk Mgmt
Technology Management	Challenges/Constraints & Competitive Environment	Diminishing Manufacturing Sources & Materiel Shortages
Program Planning	Business Capture	
Pathway Selection		
Tailoring Acquisition Approach		
Executive Leadership		
Foundational Competencies	**Leading Change**	**Results Driven**
Interpersonal Skills	Creativity & Innovation	Accountability
Integrity / Honesty	Vision	Decisiveness
Communicate Effectively	Flexibility & Resilience	Customer Service
Continual Learning	**Leading People**	Problem Solving
Public Service Motivation	Conflict Management	**Building Coalitions**
Technical Credibility	Developing Others	Influencing / Negotiating
Digital Literacy	Team Building	Partnering

For industry standards, the International Standards Organization (ISO) and American National Standards Institute (ANSI) provide for clarity on definitions of competencies and standards. The PMI publishes ANSI-accredited standards for project, program and portfolio management used as the industry standards (PMI, n.d.). The ISO is a global organization that defines and publishes standards across industries (International Standards Organization [ISO], n.d.-a), and ANSI is the United States's member body in the ISO. ANSI provides oversight and accredits standards within the United States across American industries to include the U.S. government (ANSI, n.d.-a.). ISO 9000 defines competence as the "ability to apply knowledge and skills to achieve intended results" (ISO, n.d.-b, section 3.10.4). ISO views a standard to be "a document established by consensus and approved by a recognized body that provides rules, guidelines, or characteristics for activities or their results, aiming for the optimum degree of order in a given context" (American Society for Quality, n.d.). Similarly, ANSI defines a standard as "a document that provides requirements, specifications, guidelines or characteristics that can be used consistently to ensure that materials, products, processes, and services are fit for their purpose" (ANSI, n.d.-b., What is a Standard?).

ANSI recognizes the PMI as the leading independent organization in developing the standards and certifications for program, project, and portfolio management (Karnes, 2020). The PMI Project Management Professional (PMP), Program Management Professional (PgMP), and Portfolio Management Professional (PfMP) credentials are widely accepted and recognized internationally throughout industry to demonstrate an individual's commitment to meeting the highest levels of professionalism. The PfMP certification is one of the most rigorous offered and requires an extensive amount of experience. PfMP applicants must have a minimum of eight years of professional business experience and four to seven years of unique, nonoverlapping professional portfolio management experience (PMI, 2017a). This does not mean that the applicant must be the senior portfolio manager but, instead, must just have worked in an organization that uses the PfM construct. *The Standard for Portfolio Management,* 4th edition, explains various tasks related to the six recognized performance domains shown in Figure 2 (PMI, 2017b).

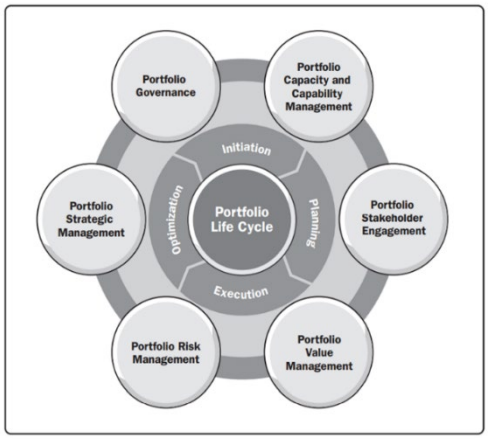

Figure 2. Portfolio Management Performance Domains. (PMI, 2017b, p. 10).

Data Sources and Methodology

This research incorporated mixed quantitative and qualitative methods that resulted in a competency gap analysis by mapping the alignment of the current DoD Program Management Functional Career Field Competencies (OASD, 2024) to the PMI (2013) *PfMP Examination Content Outline* domains and tasks, which aligns to *The Standard for Portfolio Management,* 4th edition (PMI, 2017b).

Shown in Table 2, the DoD Program Management Functional Career Field Competencies consist of four areas, including Acquisition Management (AM), Business Management (BM), Technical Management (TM), and Executive Leadership (EL; OASD, 2024). Within the four areas, there are 17 units of competency that contain 62 different competencies (OASD, 2024). The PMI (2013) *PfMP Examination Content Outline* served as the primary data source for industry PfM competency standards. The PMI designed the PfMP exam to reflect the required skills of portfolio management professionals (PMI, 2013). The PfMP exam "measures and evaluates appropriately the specific knowledge and skills required to function as a portfolio management professional" (PMI, 2013, p. 1). The purpose of the exam is to ensure that each required element of PfM is accurately measured to validate competency. This purpose aligns with the goal of the *DoD PM Career Field Competency Standards*. The exam outline lists five domains and weighs each in terms of importance for assessment. This weight is depicted by the percentage of questions on the exam, as outlined in Table 3. The five assessed domains are Strategic Alignment, Governance, Portfolio Performance, Portfolio Risk Management, and

Communications Management. Each of these domains includes subordinate tasks. The Appendix provides a detailed explanation of the tasks within the portfolio management domains. This research assumed that PMI's domains and DoD's functional areas were equivalent in nature, and that PMI's tasks within their domains and DoD's competencies and sub-competencies were equivalent in nature.

Table 3. Portfolio Management Professional Examination Domains and Weights. (PMI, 2013, p. 3).

Domain	Percentage of Items on Exam
Strategic Alignment	25%
Governance	20%
Portfolio Performance	25%
Portfolio Risk Management	15%
Communications Management	15%

A lexicographic analysis of keywords and the principal purpose of each DoD PM competency was matched to PMI PfMP domain tasks. The researchers created a competency alignment matrix with three classifications of alignment: No Discernible Alignment, Partial Alignment, or Full Alignment. The assessment of alignment was based on the following criteria:

- No Discernible Alignment indicated that no current DoD PM competency standard fit the description of a PMI-stated task.
- Partial Alignment indicated that one or more keywords or the general purpose of the DoD PM competency or sub-competencies related to the PMI stated task.
- Full Alignment indicated that an existing DoD PM competency standard matched the PMI stated task to the degree that included several exact word matches or clearly aligned descriptions, purposes, or applications.

To assess a quantitative measure of alignment, an Alignment Score scale was defined:

- No Discernible Alignment = 0
- Partial Alignment = 0.5
- Full Alignment = 1

Each PMI PfMP task was assigned an alignment score based on the qualitative assessment. Within each PfMP domain, the average score was calculated (i.e., the total score of all tasks divided by the total number of tasks within the domain). The average scores indicate the degree to which the DoD is already postured to transition to train and assess portfolio management skills based on its current PM competency standards.

After reviewing and matching all applicable DoD PM competency standards to the PMI domains and tasks, barriers to implementation (BTI) were identified. A shift from a PM-centric to a PfM-centric strategy will inherently require policy and organizational changes. The assessed barriers signal to defense acquisition decision-makers the areas where the researchers perceive that implementation would be the most challenging. The BTI approach used to analyze alignment included the following:

- No BTI as practices that already occur within the DoD
- Low BTI as changes that the DoD could implement immediately with little to no change in personnel structure or additional policy concerns

- Medium BTI as changes that would require either significant changes in policy or personnel structure
- High BTI as changes that would require both significant personnel structure and policy changes

To assess a quantitative measure of BTI, the following BTI rating scale was defined:

- No BTI = 0
- Low BTI = 1
- Medium BTI = 2
- High BTI = 3

Each PMI PfMP task was assigned a BTI rating using this scale based on the qualitative assessment. Within each PfMP domain, the average score was calculated (i.e., the total score of all tasks divided by the total number of tasks within the domain). This rating indicated the assessed degree of difficulty in implementing portfolio management standards based on current DoD acquisition practices, personnel, and policy.

Results

Figure 3 depicts the alignment between the PMI PfMP competency standards and the DoD competency standards broken down by PfMP domain. The overall average alignment of the two standards was nearly 60%. However, within each domain, those alignment scores vary significantly. In the domains of Strategic Alignment and Governance, the DoD is less than 50% aligned with PfMP standards, while in the domain of Communications Management, the two standards are 100% aligned. When evaluating the overall alignment score, it is important to recognize the weights of each domain from the *PfMP Examination Content Outline* (PMI, 2013). The most heavily weighted domains (Strategic Alignment and Portfolio Performance) exhibit 44% and 65% alignment percentages, respectively. This is significant because the weights from the exam represent the importance of the domain in evaluating competency.

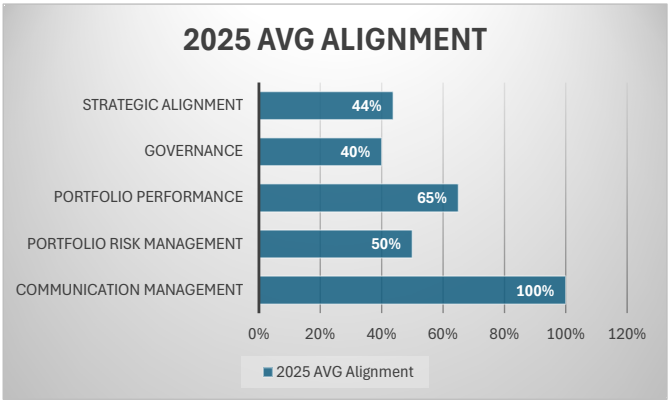

Figure 3. Average Alignment Scores

Table 4 depicts the detailed view of the analysis in the Strategic Alignment domain. Partial alignment existed in such tasks as evaluating organizational strategic goals, gathering data, and identifying potential portfolio components through business plans because those tasks must be done even in a program-centric model. There was no discernable alignment for two of the eight tasks because they spoke specifically to tasks carried out by an organization with the structure and policy to execute portfolio management.

Table 4. Strategic Alignment Domain Comparison

				2025	
Tasks	**Strategic Alignment (25%)**	**DOD UOC**	**DOD Competency**	**Alignment**	**BTI**
Task 1	Evaluate organizational strategic goals and objectives using document reviews, interviewing, and other information gathering techniques in order to understand the strategic priorities.	AM1, L2	Acquisition Program Strategic Planning (AM1); Vision (L2)	0.5	1
Task 2	Identify prioritization criteria (e.g., legislative, dependencies, ROI, stakeholder expectations, strategic fit) using information gathering and analysis techniques in order to create a basis for decision making.	AM2, AM4, TM1	Acquisition Policy and Best Practices (AM2); Political Savvy and External Situational Awareness (AM4); Decision Analysis (TM1)	0.5	1
Task 3	Rank strategic priorities working with key stakeholders and using qualitative and quantitative analyses in order to provide a guiding framework to operationalize the organizational strategic goals and objectives.			0	1
Task 4	Identify existing and potential portfolio components by reviewing documentation such as business plans/proposals in order to create portfolio scenarios.			0	1
Task 5	Create portfolio scenarios (what-if analysis) by reviewing components against prioritization criteria and using analysis techniques (e.g., options analysis, risk analysis, SWOT analysis, financial analysis) in order to evaluate and select viable options.	AM3, L4	Risk/Opportunity Management (AM3); Program Oversight (AM3); Decisiveness (L4)	0.5	1
Task 6	Recommend portfolio scenario(s) and related components, based on prioritization analysis/criteria, in order to provide governance with a rationale for decision making.	L4	Decisiveness (L4)	0.5	1
Task 7	Determine the impact to portfolio and portfolio components due to changes in strategic goals and objectives, in order to sustain strategic alignment.	AM1,BM2	Acquisition Program Strategic Planning (AM1); Financial Planning (BM2)	1	0
Task 8	Create high level portfolio roadmap working with key stakeholders using prioritization, interdependency analysis, and organizational constraints in order to confirm and communicate the portfolio components sequencing, dependencies, and strategic alignment.	AM3, AM4, L1, L2	Resource Management (AM3); Political Savvy and External Situational Awareness (AM4); Communicate Effectively (L1); Vision (L2); Flexibility (L2)	0.5	2
			Average Score	43.75%	1.00

The most significant gaps in the DoD competency standard regarding portfolio management are related to the Governance domain with a 40% alignment (as shown in Table 5). The tasks in this domain include establishing policies, procedures, authorities, and management models that align with portfolio management practices. Within the current DoD standards, these governance models either do not exist or, at the very least, are not codified in writing.

Table 5. Governance Domain Comparison

				2025	
Tasks	**Governance (20%)**	**DOD UOC**	**DOD Competency**	**Alignment**	**BTI**
Task 1	Define and establish a governance model including the structure (including but not limited to steering committees, governance boards), policies, and decision-making roles, responsibilities, rights and authorities in order to support effective decision-making and achieve strategic goals.			0	3
Task 2	Determine portfolio management standards, protocols, rules, and best practices, using organizational assets (such as information systems, subject matter experts) and industry standards in order to establish consistent portfolio management practices.	AM3, AM5	Program Oversight (AM3); Tailoring Acquisition Approach (AM5)	0.5	2
Task 3	Define and/or modify portfolio processes and procedures including but not limited to benefits realization planning, information management, performance, communication, risk management, stakeholder engagement, resource management, and change portfolio efficiently and effectively.management in order to manage the	AM5	Tailoring Acquisition Approach (AM5)	0.5	2
Task 4	Create the portfolio management plan including, but not limited to, roles and responsibilities, governance model, escalation procedures, risk tolerances, and governance thresholds, change control and management, key performance indicators, prioritization model, and communication procedures using standards, models, and other organizational assets in order to ensure effective and efficient portfolio management.	AM3	Program Oversight (AM3)	0.5	2
Task 5	Make recommendations and obtain approval regarding portfolio decisions (e.g, components, plans, budget, roadmap) through communication with key decision makers as defined by the governance model, in order to authorize the execution of the portfolio.	AM4, L1	Politial Savvy and External Situational Awareness (AM4); Pathway Selection and Tailoring Acquisition Approach (AM5); Communicate Effectively (L1)	0.5	2
			Average Score	40.00%	2.20

In the domain of Portfolio Performance, the DoD competency standard was 65% aligned with the PfMP standard. Full alignment was observed in four of the 10 tasks and partial alignment in five. As shown in Table 6, the places where the standards aligned include monitoring performance and ensuring strategic alignment with organizational goals. Moreover, they aligned in training personnel to escalate issues to appropriate decision-makers, propose solutions, and determine the decision's impacts on the organization. However, the standards did not align in one of the 10 tasks related to Portfolio Performance. Specifically, the PfMP standard calls for documenting portfolio artifacts. Since the DoD only trains personnel at the program level, portfolio-level documentation of approvals, prioritizations, and decisions remains a gap.

Table 6. Portfolio Performance Comparison

				2025	
Tasks	**Portfolio Performance (25%)**	**DOD UOC**	**DOD Competency**	**Alignment**	**BTI**
Task 1	Initiate the portfolio using the portfolio roadmap and supporting artifacts in order to authorize the portfolio structure and activate the components.	AM1, AM5	Acquisition Program Strategic Planning (AM1); Pathway Selection and Tailoring Acquisition Approach (AM5)	0.5	2
Task 2	Collect and consolidate key performance metric data, as defined by portfolio governance and using various techniques, in order to measure the health of the portfolio.	AM3	Program Oversight (AM3)	0.5	1
Task 3	Monitor the portfolio performance on an ongoing basis, using reports, conversations, dashboards, and auditing techniques in order to ensure portfolio effectiveness and efficiency and maintain strategic alignment.	AM3	Program Oversight (AM3)	1	0
Task 4	Manage and escalate issues by communicating recommended actions to appropriate decision makers for timely approval and implementation of proposed solution(s).	L1	Communicate Effectively (L1)	1	0
Task 5	Manage portfolio changes using change management techniques, in order to improve portfolio performance and maintain strategic alignment.	AM1, AM5, L2, L4	Requirements Management (AM1); Acquisition Program Strategic Planning (AM1); Tailoring Acquisition Approach (AM5); Flexibity (L2); Problem Solving (L4)	1	0
Task 6	Balance portfolio and prioritize portfolio components, using established criteria and methods in order to optimize resource utilization and achieve strategic portfolio objectives.	AM1, AM3, L2	Acquistion Program Strategic Planning (AM1); Program Oversight (AM3); Flexibility (L2)	0.5	2
Task 7	Analyze and optimize the consolidated allocation/reallocation of capacity (e.g., people, tools, materials, technology, facilities, financial) using supply/demand management and scenario analysis techniques to ensure portfolio efficiency and effectiveness.	AM3	Requirements Decomposition (AM3); Program Oversight (AM3)	1	0
Task 8	Update and refine existing portfolio road maps, using change analysis in order to facilitate re-allocation of organizational resources to the portfolio.	AM3, L2	Requirements Decomposition (AM3); Program Oversight (AM3); Flexibility (L3)	0.5	2
Task 9	Measure the aggregated portfolio performance results against the defined business or strategic goals and objectives in order to demonstrate progress toward the achievement of business or strategic goals.	BM2	Financial Planning (BM2); Programming (BM2)	0.5	2
Task 10	Maintain records by capturing portfolio artifacts, such as approvals, prioritizations, and other decisions, in order to ensure compliance with organizational policies, regulatory requirements, and portfolio management standards.			0	2
			Average Score	65.00%	1.10

As depicted in Table 7, the Portfolio Risk Management domain was 50% aligned. The DoD standard devotes significant time to outlining ways in which acquisitions personnel must identify and mitigate risk. However, in half of the tasks listed in the PfMP standard, the document speaks directly to processes and procedures unique to a portfolio management structure. These include tasks such as dependency analysis, portfolio-level risk registers, and analysis of portfolio management reserves. The DoD's program-centric training does not require similar practices.

Table 7. Portfolio Risk Management Comparison

				2025	
Tasks	**Portfolio Risk Management (15%)**	**DOD UOC**	**DOD Competency**	**Alignment**	**BTI**
Task 1	Determine acceptable level of risk for the portfolio, based on organizational and stakeholder risk tolerances, in order to provide input to governance.	AM3	Risk/Opportunity Management (AM3)	1	0
Task 2	Develop the portfolio risk management plan, using governance risk guidelines, processes, and procedures and other organizational assets in order to capitalize on opportunities, and respond to risks.	AM3	Risk/Opportunity Management (AM3)	1	0
Task 3	Perform dependency analysis to identify and monitor risks related to the interdependencies and intradependencies within or across portfolios in order to support decision-making.			0	1
Task 4	Develop, monitor, and maintain portfolio-level risk register, including risks to strategic goals and objectives, to business value, and escalated from portfolio components, using risk management processes in order to support decision making.	AM3	Risk/Opportunity Management (AM3)	1	0
Task 5	Promote common understanding and stakeholder ownership of portfolio risks, through communications with stakeholders, in order to facilitate risk response.			0	1
Task 6	Provide recommendation and obtain approval for a portfolio management reserve, based on aggregate portfolio risk exposure, in order to optimize portfolio strategic goals and objectives.			0	1
			Average Score	50.00%	0.50

Table 8 shows the alignment of the two standards in the domain of Communications Management with 100% alignment observed. The DoD standard goes to great lengths to describe the type of communication the DoD expects from its acquisition professionals. This training is easily transferrable to a portfolio management format. Moreover, in this section of the PfMP standard, there is less portfolio-specific verbiage used. Instead, the focus is on how portfolio managers engage stakeholders and communicate up and down the chain of command.

Table 8. Communications Domain Comparison

Tasks	Communications Management (15%)	DOD UOC	DOD Competency	2025 Alignment	2025 BTI
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.	AM3, AM4; L1	Program Oversight (AM3); Teaming (AM3); Political Savvy and External Situational Awareness (AM4); Communicate Effectively (L1)	1	0
Task 2	Create the aggregate communication strategy and plan, including methods, recipients, vehicles, timelines and frequencies in order to enable effective communication to stakeholders.	L1	Communicate Effectively (L1)	1	0
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.	AM3, AM4, L1	Program Oversight (AM3); Teaming (AM3); Political Savvy and External Situational Awareness (AM4); Communicate Effectively (L1)	1	0
Task 4	Maintain the communication strategy and plan by evaluating current communications capabilities, identifying gaps, and documenting communications plan to meet stakeholder requirements.	AM4; L1	Political Savvy and External Situational Awareness (AM4); Communicate Effectively (L1)	1	0
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.	AM4; L1	Political Savvy and External Situational Awareness (AM4); Communicate Effectively (L1)	1	0
Task 6	Verify accuracy, consistency, and completeness of portfolio communication, utilizing governance guidelines, to maintain credibility and satisfaction with all stakeholders.	AM4; L1	Political Savvy and External Situational Awareness (AM4); Communicate Effectively (L1)	1	0
			Average Score	100%	0.00

Figure 4 reflects the BTI rating for each domain of the PfMP standard. The average overall BTI score is 1, reflecting a low to medium BTI level for most gaps observed in the DoD standard. This means that many of the skills trained in the DoD PM standards are transferable to the PfM model with few modifications. However, one area where the transition will be difficult is in the domain of governance, where the researchers assessed a BTI rating of 2.2. Currently, DoD personnel structures, policies, and procedures are set for a program-centric model of governance. The DoD will need to modify personnel structure, current governance policies, and associated procedures toward a PfM-centric structure to transition to a PfM structure. Changes in the domain of governance will allow for changes across all domains analyzed in this research.

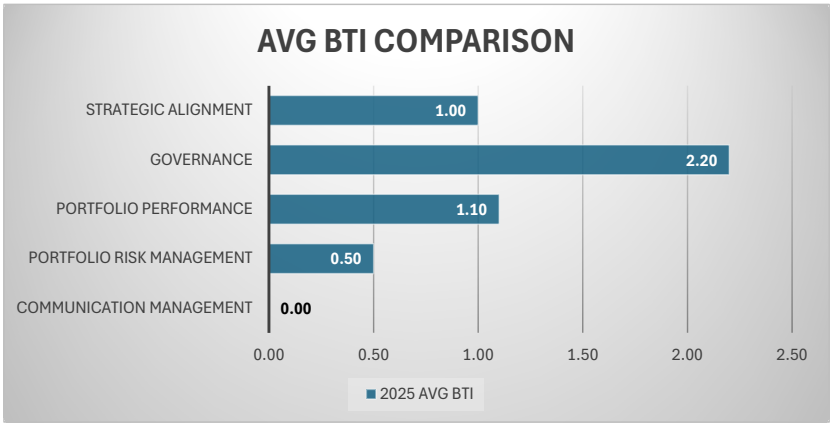

Figure 4. BTI Breakdown by PfMP Domain

Summary

The analysis indicates significant gaps in the DoD PM competency standards that must be addressed before the DoD can fully implement PfM. These findings are consistent with the recommendations from the Section 809 panel and GAO reports. Currently, DoD acquisition operates on a program-centric model that stovepipes funding into specific programs. Moreover, DoD PMs have little insight and influence into the acquisition program baselines of adjacent PMs within the same PEO or other PEOs (Shultz, 2020).

In the governance domain, the PfMP standard calls for personnel to "define and establish a governance model, policies, and decision-making roles" (PMI, 2013, p. 5). For the

DoD, this would require significant restructuring and policy reform. Most importantly, portfolio managers' authorities, roles, and responsibilities must be codified to incorporate the tasks outlined in the governance domain. Once the structure is in place, the PfMP standard outlines the need for each portfolio manager to enact a "portfolio management plan" (PMI, 2013, p. 5). This includes authoritative thresholds, risk tolerance levels, key performance indicators, prioritization models, and escalation procedures within each portfolio. While similar considerations exist inside many programs, the infrastructure does not currently exist at the portfolio level within the DoD.

The second domain in which the DoD has significant gaps in project management standards is strategic alignment. This PfMP domain calls for leaders to make and evaluate organizational goals and marry them to portfolios (PMI, 2013). Once the goals align with portfolios, the PfMP standard calls for portfolio managers to set prioritization criteria using analytical decision-making tools, resulting in a portfolio road map used to budget, plan, and execute. The PfMP standard calls for impact analysis of shortfalls within the portfolio road map (PMI, 2013).

Within the portfolio risk management domain, the current DoD competency standards capture the understanding, planning, and mitigating of risk thoroughly. However, adding the higher lens from the portfolio level is essential for effective portfolio risk management. In this regard, the DoD needs to continue to develop standards that capture this increased awareness of risk and how changes in one program can increase or decrease risks in an adjacent program within a portfolio. Under the current model, stove-piped programs often lack the proper coordination and awareness of adjacent programs.

Within the portfolio performance domain, some alignment was observed, specifically in tasks dealing with accountability, maintaining high standards, and making well-informed and timely decisions. These competencies are central to basic military standards and culture and are currently trained to and evaluated in PM competency standards. These tasks will carry over well to the PfM construct in the future.

The DoD and PMI standards were fully aligned in the domain of communications management. The tasks in this domain center around leadership, developing leaders, and developing rapport with vendors. Communications management competency is the strength that can enable forward momentum for the DoD to overcome BTIs to make swift and efficient progress towards transition.

Conclusions

The research and results show two significant conclusions:

- The DoD has yet to embrace portfolio management and meet the requirements laid out in FY2021 NDAA and several recommendations from the GAO and the Section 809 Panel.
- The DoD is more than capable of implementing portfolio management.

The research results suggest that the most significant BTIs reside in the governance domain. This is a result of the current program-centric construct called for by the Goldwater–Nichols Act that resulted in the basic governance construct still in place (Section 809 Panel, 2019a). It divides the acquisition governance into three decision support systems: requirements (formerly referred to as the Joint Capabilities Integration and Development System [JCIDS] for formal programs of record]; resourcing (Planning, Programming, Budgeting, and Execution [PPBE] system); and the Adaptive Acquisition Framework. Each of these decision support systems is fundamentally driven by different and often contradictory goals:

- The requirements generation system is driven primarily by a combination of capability needs and an evolving threat.
- The resource allocation system is calendar-driven, with an annual appropriations bill providing funding for acquisition efforts.
- The Adaptive Acquisition Framework is event-driven by milestones; it is based on commercial industry best practices of knowledge points and off-ramps supported by the design, development, and testing of the systems as technology, system design, and manufacturing processes mature.

The disjointed nature of this construct will be the most significant barrier to implementation of PfM. These findings are consistent with the Section 809 Panel's (2019a) analysis.

This analysis does not indicate that the DoD is incapable of conducting PfM. Instead, in conducting PfM, the DoD relies on PM competency standards that do not align with industry best practices. Defense acquisition is not currently structured to provide the appropriate training, evaluation, and feedback for proper job performance within a PfM-centric strategy. The establishment of PfM competencies remains a vital component to the successful implementation of congressional mandates to move toward a PfM-centric acquisition strategy.

The DoD should consider modifying its governance structure to recognize "portfolio manager" as an official career field. This is consistent with the Section 809 Panel recommendations, which assigned these responsibilities and authorities to portfolio acquisition executives (PAE; Section 809 Panel, 2019a). The PAE construct is analogous to the current PEO, except with expanded responsibilities and authorities. Concurrently, the Services should support acquisitions professionals obtaining PfMP certifications and include PfMP certification in the requirements for key acquisition positions.

Lastly, future research should address funding transfer authorities within defense acquisition and the establishment of portfolio elements for budgeting rather than program elements. Portfolio managers should be given milestone decision authority of assigned programs and projects and be allowed to manage cost, schedule, and performance within a portfolio acquisition baseline as opposed to acquisition program baselines.

This research indicates that the DoD may be able to implement changes necessary to implement portfolio management. This is supported by the BTI analysis of this study. Additionally, the Warfighting Acquisition University (WAU) course offerings are tailorable, and the PM competencies could be adjusted to align to PMI PfM standards. The DoD should consider adopting the PMI standards and certification processes as the baseline standards for the DoD, then make addendums or amendments to accommodate any differences between the DoD and industry when implementing changes.

Portfolio management requires a higher level of training and experience. For leaders to perform and be evaluated on PfM key domains properly, they must receive adequate training supported by clearly defined career-field competency models. Establishing PfMP competency standards will not fully resolve these shortfalls due to the various other policies and structural changes that require reform. However, training and evaluating acquisitions professionals on incorporating the proper aspects of PfMP competency domains will be essential to moving forward with a portfolio-centric approach.

The results of this research are aligned with recent Acquisition reform initiatives outlined the November 7, 2025, memorandum by the secretary of war titled, "Transforming the Defense Acquisition System into the Warfighting Acquisition System to Accelerate Fielding of Urgently Needed Capabilities to Our Warriors" (Office of the Secretary of War [OSW], 2025). In line with

previous Section 809 recommendations, the memorandum directs the under secretary of war for acquisition and sustainment (USW(A&S)) to establish PAEs (OSW, 2025). The Military Services, through their service acquisition executives, will establish PAEs as the single accountable official for portfolio outcomes with authority to do the following:

1. Structure programs as schedule-driven capability increments with aggressive production delivery schedules, unit-cost ceiling goals, and broad mission effectiveness goals. Make trade-offs throughout the development to permit iterative enhancement and rapid delivery of subsequent increments. Make prudent cost, schedule, and performance trades that prioritize time-to-field, including execution of portfolio-level programming within defined and authorized boundaries.
2. Implement capability trade councils, replacing configuration steering boards, to integrate operational and acquisition authorities and make requirement trade-offs, and waive technical standards and other certification requirements not mandated by statute or safety.
3. Maximize use of Modular Open System Architectures (MOSA) for development programs moving forward by obtaining delivery of critical system interfaces with government purpose rights enable modular competition and supply chain resiliency.
4. Organizationally align contracting officers to report directly to PAEs in the acquisition chain of command, to maintain responsiveness to the operational problems that materiel solutions are intended to address (Secretary of War, 2025).

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Appendix

PMI Portfolio Domain Tasks

Domain 1: Strategic Alignment. The purpose of the Strategic Alignment domain is to evaluate an individual's ability to align all components that make up a portfolio, including programs and projects, to the organization's overall strategic objectives and priorities (PMI, 2013). This highlights portfolio management's focus on strategic management. The Strategic Alignment and Portfolio Performance domains are the most heavily weighted portions of the exam at 25% each. The Strategic Alignment domain contains eight tasks, as listed in Table 9.

Table 9. Domain 1: Strategic Alignment Tasks.
(PMI, 2013, p. 4)

Tasks	Strategic Alignment (25%)
Task 1	Evaluate organizational strategic goals and objectives using document reviews, interviewing, and other information gathering techniques in order to understand the strategic priorities.
Task 2	Identify prioritization criteria (e.g., legislative, dependencies, ROI, stakeholder expectations, strategic fit) using information gathering and analysis techniques in order to create a basis for decision making.
Task 3	Rank strategic priorities working with key stakeholders and using qualitative and quantitative analyses in order to provide a guiding framework to operationalize the organizational strategic goals and objectives.
Task 4	Identify existing and potential portfolio components by reviewing documentation such as business plans/proposals in order to create portfolio scenarios.
Task 5	Create portfolio scenarios (what-if analysis) by reviewing components against prioritization criteria and using analysis techniques (e.g., options analysis, risk analysis, SWOT analysis, financial analysis) in order to evaluate and select viable options.
Task 6	Recommend portfolio scenario(s) and related components, based on prioritization analysis/criteria, in order to provide governance with a rationale for decision making.
Task 7	Determine the impact to portfolio and portfolio components due to changes in strategic goals and objectives, in order to sustain strategic alignment.
Task 8	Create high level portfolio roadmap working with key stakeholders using prioritization, interdependency analysis, and organizational constraints in order to confirm and communicate the portfolio components sequencing, dependencies, and strategic alignment.

Domain 2: Governance. The purpose of the Governance domain is to evaluate an individual's ability to oversee the portfolio; to create the overall management plan, including performance standards, best practices, processes and procedures, and overall management structure; and to manage decision-making elements to ensure proper authorization of portfolio execution (PMI, 2013). The Governance domain, weighted at 20%, is the third most important set of competencies behind Strategic Alignment and Portfolio Performance. It includes the five tasks listed in Table 10.

Table 10. Domain 2: Governance Tasks.
(PMI, 2013, p. 5)

Tasks	Governance (20%)
Task 1	Define and establish a governance model including the structure (including but not limited to steering committees, governance boards), policies, and decision-making roles, responsibilities, rights and authorities in order to support effective decision-making and achieve strategic goals.
Task 2	Determine portfolio management standards, protocols, rules, and best practices, using organizational assets (such as information systems, subject-matter experts) and industry standards in order to establish consistent portfolio management practices.
Task 3	Define and/or modify portfolio processes and procedures including but not limited to benefits realization planning, information management, performance, communication, risk management, stakeholder engagement, resource management, and change management in order to manage the portfolio efficiently and effectively.
Task 4	Create the portfolio management plan including, but not limited to, roles and responsibilities, governance model, escalation procedures, risk tolerances, and governance thresholds, change control and management, key performance indicators, prioritization model, and communication procedures using standards, models, and other organizational assets in order to ensure effective and efficient portfolio management.
Task 5	Make recommendations and obtain approval regarding portfolio decisions (e.g, components, plans, budget, roadmap) through communication with key decision makers as defined by the governance model, in order to authorize the execution of the portfolio.

Domain 3: Portfolio Performance. The purpose of the Portfolio Performance domain is to evaluate an individual's ability to oversee the execution of the portfolio within the established governance parameters set under the previous domain, to assess and balance the components of the portfolio based on performance and changes in strategic alignment, and to monitor the overall health of the portfolio (PMI, 2013). The Portfolio Performance domain, along with Strategic Alignment, is weighted at 25%. It includes the 10 tasks listed in Table 11.

Table 11. Domain 3: Portfolio Performance Tasks.
(PMI, 2013, p. 6)

Tasks	Portfolio Performance (25%)
Task 1	Initiate the portfolio using the portfolio roadmap and supporting artifacts in order to authorize the portfolio structure and activate the components.
Task 2	Collect and consolidate key performance metric data, as defined by portfolio governance and using various techniques, in order to measure the health of the portfolio.
Task 3	Monitor the portfolio performance on an ongoing basis, using reports, conversations, dashboards, and auditing techniques in order to ensure portfolio effectiveness and efficiency and maintain strategic alignment.
Task 4	Manage and escalate issues by communicating recommended actions to appropriate decision makers for timely approval and implementation of proposed solution(s).
Task 5	Manage portfolio changes using change management techniques, in order to improve portfolio performance and maintain strategic alignment.
Task 6	Balance portfolio and prioritize portfolio components, using established criteria and methods in order to optimize resource utilization and achieve strategic portfolio objectives.
Task 7	Analyze and optimize the consolidated allocation/reallocation of capacity (e.g., people, tools, materials, technology, facilities, financial) using supply/demand management and scenario analysis techniques to ensure portfolio efficiency and effectiveness.
Task 8	Update and refine existing portfolio road maps, using change analysis in order to facilitate re-allocation of organizational resources to the portfolio.
Task 9	Measure the aggregated portfolio performance results against the defined business or strategic goals and objectives in order to demonstrate progress toward the achievement of business or strategic goals.
Task 10	Maintain records by capturing portfolio artifacts, such as approvals, prioritizations, and other decisions, in order to ensure compliance with organizational policies, regulatory requirements, and portfolio management standards.

Domain 4: Portfolio Risk Management. The purpose of the Portfolio Risk Management domain is to evaluate an individual's ability to evaluate portfolio risk and align it with the risk appetite of the organization (PMI, 2013). It is weighted at 15% and includes the six tasks listed in Table 12.

Table 12. Domain 4: Portfolio Risk Management Tasks. (PMI, 2013, p. 7)

Tasks	Portfolio Risk Management (15%)
Task 1	Determine acceptable level of risk for the portfolio, based on organizational and stakeholder risk tolerances, in order to provide input to governance.
Task 2	Develop the portfolio risk management plan, using governance risk guidelines, processes, and procedures and other organizational assets in order to capitalize on opportunities, and respond to risks.
Task 3	Perform dependency analysis to identify and monitor risks related to the interdependencies and intradependencies within or across portfolios in order to support decision-making.
Task 4	Develop, monitor, and maintain portfolio-level risk register, including risks to strategic goals and objectives, to business value, and escalated from portfolio components, using risk management processes in order to support decision making.
Task 5	Promote common understanding and stakeholder ownership of portfolio risks, through communications with stakeholders, in order to facilitate risk response.
Task 6	Provide recommendation and obtain approval for a portfolio management reserve, based on aggregate portfolio risk exposure, in order to optimize portfolio strategic goals and objectives.

Domain 5: Communications Management. The purpose of the Communications Management domain is to evaluate an individual's ability to conduct activities including stakeholder management, conflict management, and stakeholder engagement (PMI, 2013). It is weighted at 15% and includes the six tasks listed in Table 13.

Table 13. Domain 5: Communications Management Tasks.
(PMI, 2013, p. 8)

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.


Acquisition Research Program
Department of Acquisition, Finance, and Manpower
Naval Postgraduate School
555 Dyer Road, Ingersoll Hall
Monterey, CA 93943

www.acquisitionresearch.net