



Portfolio Management Competency Standards



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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.



Lit Review and Updates

- Previous NPS research (in 2021 and 2022) studied the alignment of DoD program management competencies to PMI Portfolio Management Standards (25% to 41% alignment).
- Significant Changes:
 - Implementation of “Back-to-Basics” changing to Program Management (PM) functional area with Practitioner level and Advanced level.
 - DoDD 7045.20 Capability Portfolio Management, September 25, 2023, establishes the policy for using capability portfolio management (CPM).
 - Updated “Program Management Functional Career Field Competencies” model in 2024.
 - SECWAR Memorandum, dated 7 Nov 2025, “Transforming the Defense Acquisition System into the Warfighting Acquisition System to Accelerate Fielding of Urgently Needed Capabilities to Our Warriors”



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?
 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?

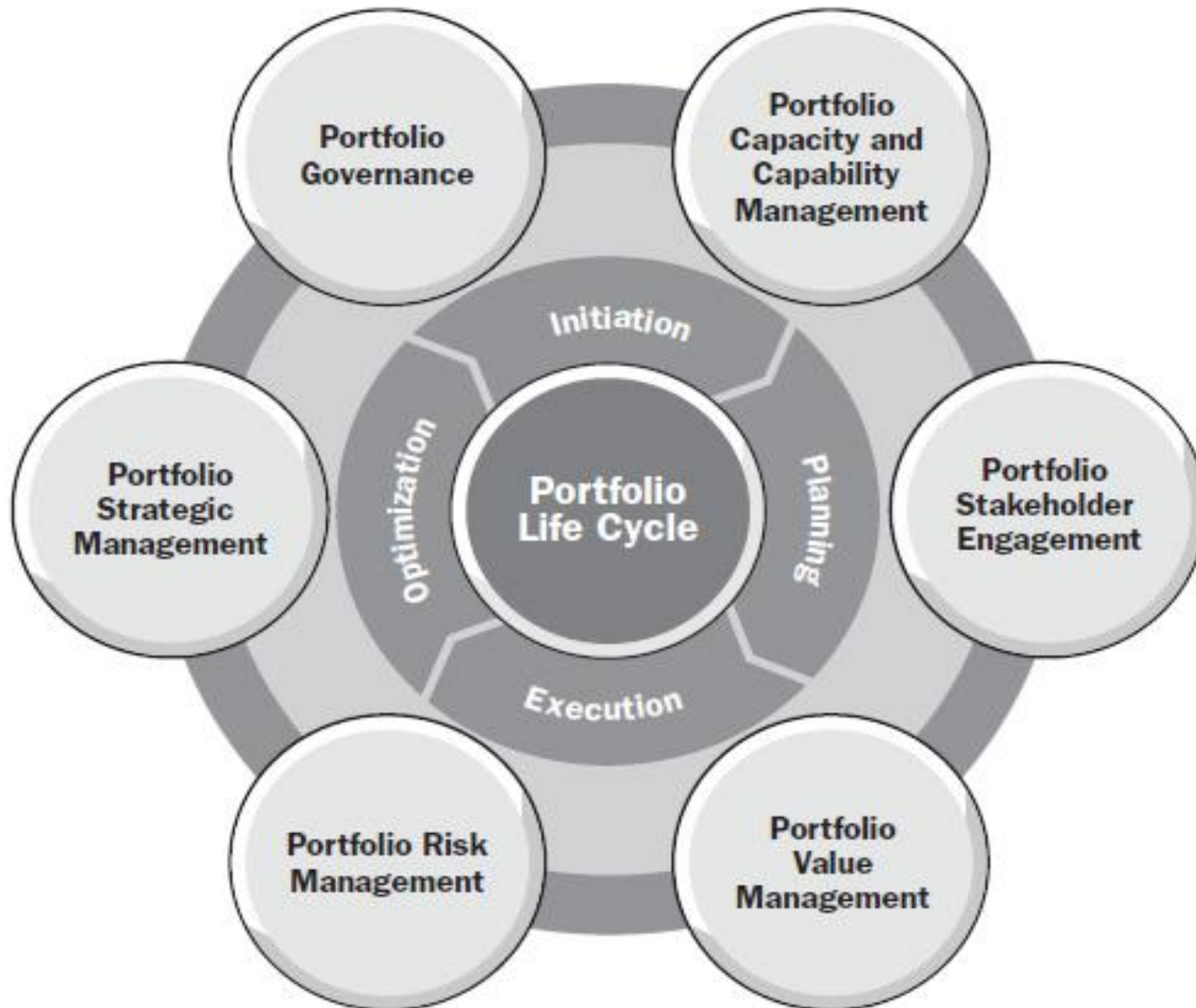


Industry Standards

- **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 competencies:
 - Acquisition Management
 - Business Management
 - Technical Management
 - Executive Leadership
- 17 competency units with 60 competencies

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



Research Methodology

- **35 TSPfM Standard Tasks → 60 DoD PM Competencies**
- **Qualitative Analysis:**
 1. Alignment: No, partial or full alignment
 2. Barrier to implementation (BTI): no, low, medium or high
- **Quantitative Analysis:**

Alignment		BTI	
No Discernible Alignment	0	No BTI	0
Partial Alignment	0.5	Low BTI	1
Full Alignment	1	Medium BTI	2
		High BTI	3



Research Results

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

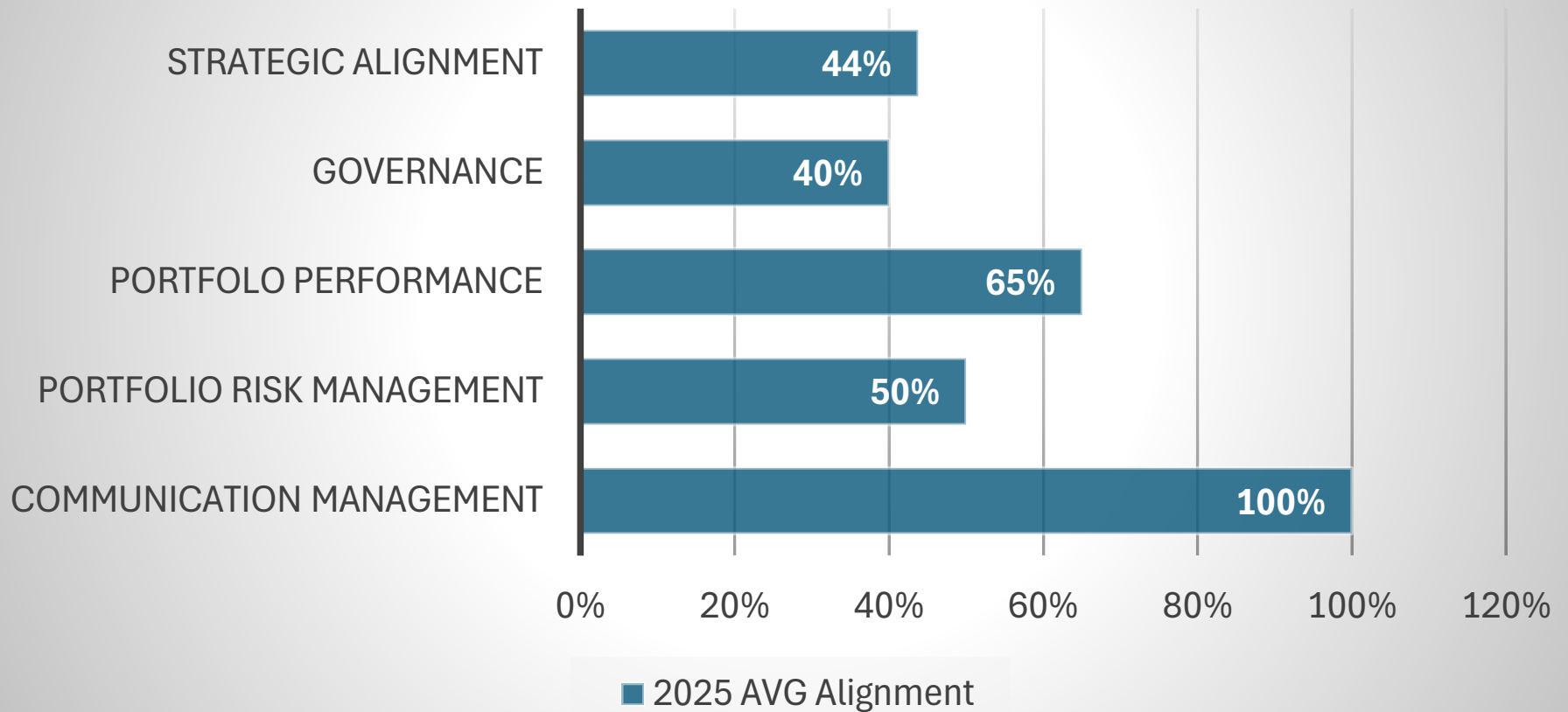
2025

Tasks	Communications Management (15%)	DOD UOC	DOD Competency	Alignment	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 response guidelines, to maintain credibility and satisfaction with all	AM4; L1	Political Savvy and External Situational Awareness (AM4); Communicate	1	0



Research Results

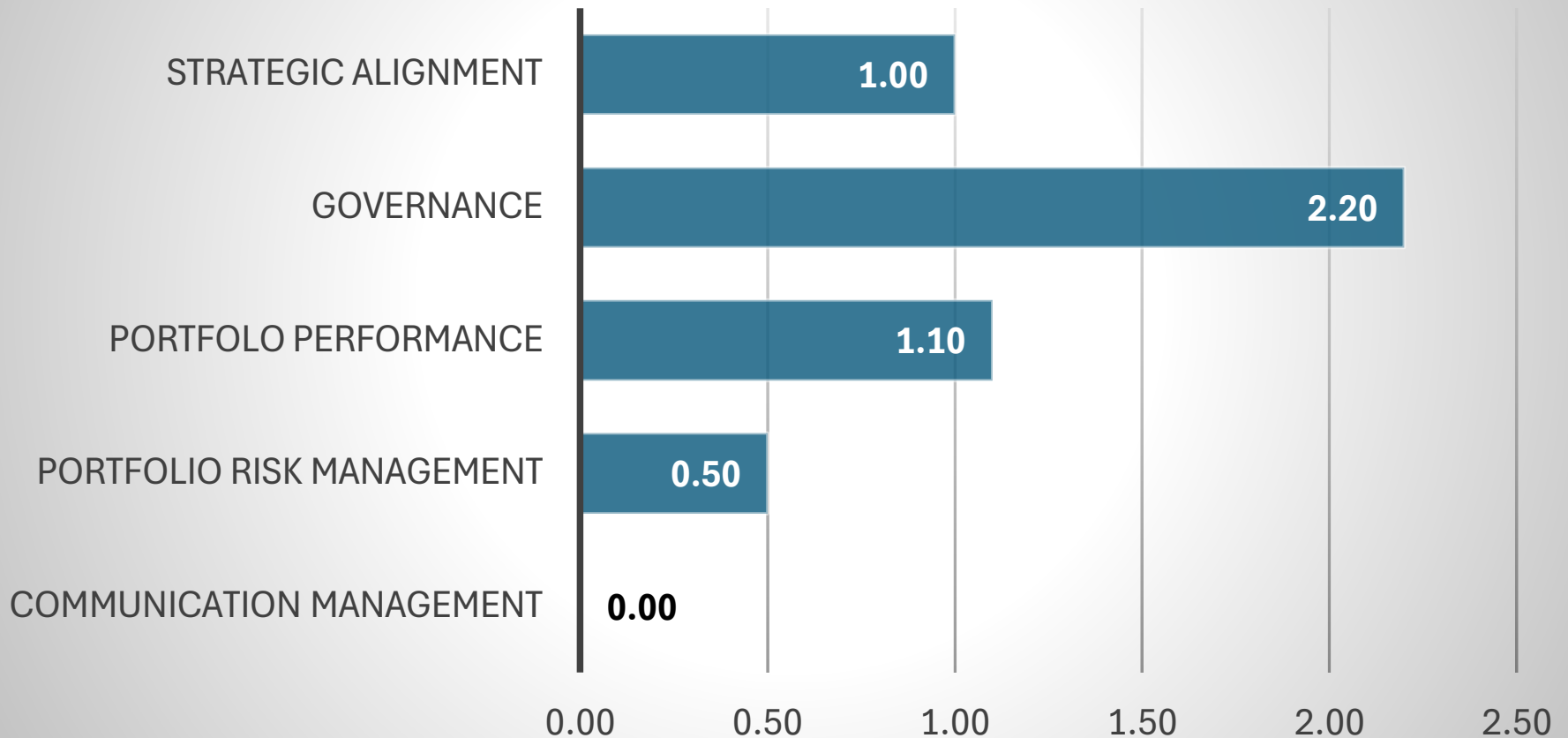
2025 AVG ALIGNMENT





Research Results

2025 AVG BTI





Conclusions

- **DoD PM competency standards are least aligned to the TSfPM Governance Domain tasks with medium to high barriers to implementation.**
 - Gaps in *Governance Domain*
 - DoD lacks a clear definition of portfolio managers' authorities, roles, and responsibilities
 - DoD doesn't currently develop portfolio management plans that include authoritative thresholds, risk tolerance levels, key performance indicators, prioritization models, and escalation procedures within each portfolio



Conclusions

- **DoD PM competency standards are partially aligned to the TSfPM Strategic Alignment Domain tasks with low barriers to implementation.**
 - Gaps in *Strategic Alignment*
 - DoD has no structure, protocols, authorities, and procedures to align portfolios with organizational goals
 - DoD doesn't currently empower portfolio managers to set prioritization criteria using analytical decision-making tools, resulting in a portfolio road map used to budget, plan, and execute.



Conclusions

- **DoD PM competency standards are partially aligned to the TSfPM Risk Management and Portfolio Performance Domain tasks with low barriers to implementation.**
 - ***Risk Management:*** DoD lacks standards for stove-piped programs to synchronize risk across adjacent programs.
 - ***Portfolio Performance:*** DoD lacks portfolio road maps to balance and optimize resources and analyze portfolio performance against strategic goals.



Recommendations

- 1. Consider requiring Portfolio Acquisition Executives (PAEs) and appropriate senior staff to obtain the *PfMP* certification.**
- 2. Consider establishing a distinct Portfolio Management Competency model based on the *TSPfM* Standard and augmented with DoD unique requirements like NDAA compliance, FMS, cyber/security, and systems with no commercial marketplace.**



Recommendations

3. Implement the following construct:

✓ **Portfolio Acquisition Executive (PAE)**

PEO  PAE


TBD **Acquisition Portfolio Baseline (APfB)**

APB  APfB

TBD **Program and budget to Portfolio Elements (PfE)**

PE  PfE

TBD **Portfolio Requirements Document (PfRD)**

CDD  PfRD