



WHITE PAPER

# THE TOOLS OF THE TRADE: ENABLING SUCCESSFUL PORTFOLIO MANAGEMENT

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## Portfolio management defined

According to the [Project Management Institute \(PMI\)](#), project portfolio management is defined as follows:

**“Centralized management of one or more portfolios that enable executive management to meet organizational goals and objectives through efficient decision-making on portfolios, projects, programs and operations.”**

Formal portfolio management is the most effective means of implementing strategic initiatives because it bridges the gap between strategy and implementation. Portfolio Managers (PMs) align projects, programs and operations with strategic objectives, investing resources in the right work to deliver the expected value.

A Portfolio Management Professional (PfMP) designation from the PMI signifies advanced competency in the coordinated management of one or more portfolios to achieve strategic objectives.

Financial institutions can derive additional value from their core technology partnership by engaging the services and skill set of a senior-level portfolio management professional to manage expectations, optimize resource deployment and communicate with executives across organizations. A Portfolio Manager supplies ongoing guidance across a wide spectrum of critical projects and initiatives. Bankers can save on management overhead and drive greater value from their primary technology partner with a dedicated Portfolio Manager.

## Benefits a portfolio manager provides to a financial institution include:

- Improving the project selection process
- Providing a consistent and broad view of the bigger picture
- Maintaining a focus on the business requirements of initiatives
- Promoting collaboration
- Ensuring more efficient use of resources
- Providing accurate project performance data
- Mitigating program risk
- Informing decision-making

## Relevance to banking

To reap these benefits, organizations must leverage proven portfolio management practices and tools. When provided by a technology partner, a Portfolio Manager collaborating closely with personnel at a financial institution can drive additional efficiencies and provide other benefits including:

- Serve as the single point of contact for executive leadership, key banking IT and front-line department personnel and key third-party bank partners
- Offer deep knowledge of the bank’s environment, including third-party solutions
- Deliver Quality Assurance services and guidance
- Ensure a high-level of client satisfaction with the IT relationship and tools of their technology partner

High-performing financial institutions understand the need for planning to ensure complex initiatives fully deliver their intended value. The headlines are filled with development disasters that confirm a lack of proper project and portfolio planning within large, technology-driven initiatives. Consider the following.



As recently as 2017, the PMI [estimated](#) that organizations are wasting an average of \$97 million for every \$1 billion invested due to poor project performance.

## Traits of a successful portfolio manager

A Portfolio Manager blends people skills, seasoned management know-how and organizational dexterity – with a heavy dose of financial industry expertise – to ensure successful outcomes.

Teamwork is the watchword of these individuals as they guide projects and programs across silos and company borders to bring the initiatives and corporate endeavors to value-creating conclusions.

The following skill set establish the foundation necessary for a Portfolio Manager's success:

### Communicative

It is no secret that Portfolio Managers spend a lot of time working with complex initiatives. A successful Portfolio Manager can communicate his/her analysis and recommendations to business leaders in a way that is clear, well-reasoned and addresses the overarching purpose of the institution and goals of its leaders.

### Tenacity

Being a Portfolio Manager can be a challenging job. The hours can become long and managing high-profile initiatives can be demanding. It's usually challenging work staying well-informed on work streams and events. To do this job well, one must be persistent, have a great strong drive and a relentless desire to succeed.

### Anticipation

A Portfolio Manager's day often begins by checking statuses and trends within major developments. The ability to anticipate how new events will impact an initiative, along all "downstream" projects, is a critical and indispensable aspect of the job.

### Analytical ability

Portfolio Managers sift through masses of both related and disparate information every day. He or she must plan for a range of outcomes. To be a successful Portfolio Manager, one must be a natural problem-solver and have an analytical mind built for deconstructing problems, assembling flexible solutions and anticipating project trajectories.

### Decisiveness

Following data analysis and development of conclusions, one must take decisive action. Decision-making skills are critical in a Portfolio Manager career.

### Emotional control

An emotional decision-maker would be a disaster in the financial services industry. An even-keeled disposition – one that operates on logic rather than emotion – and not worrying too much about intra-day fluctuations, are keys to success.

### Humility

A successful Portfolio Manager must recognize the value of teamwork. This individual will lead an interdependent team that may represent many different organizations. Humility goes a long way toward building collaborative efforts.

Portfolio Managers who balance these traits with financial services industry experience become an extremely valuable component of the bank and vendor relationship.



## Tools of the trade

### Dashboards and calendars

A Portfolio Manager should distribute a portfolio dashboard to all stakeholders on a regular, bi-weekly basis.

The Portfolio Manager must set up biweekly joint governance meetings to review the portfolio dashboard along with a deployment calendar. This provides a high-level status view of all active projects or programs in the portfolio as well as their health and schedule.

The following provides examples of a portfolio dashboard and a deployment calendar:

Figure 1: Portfolio dashboard

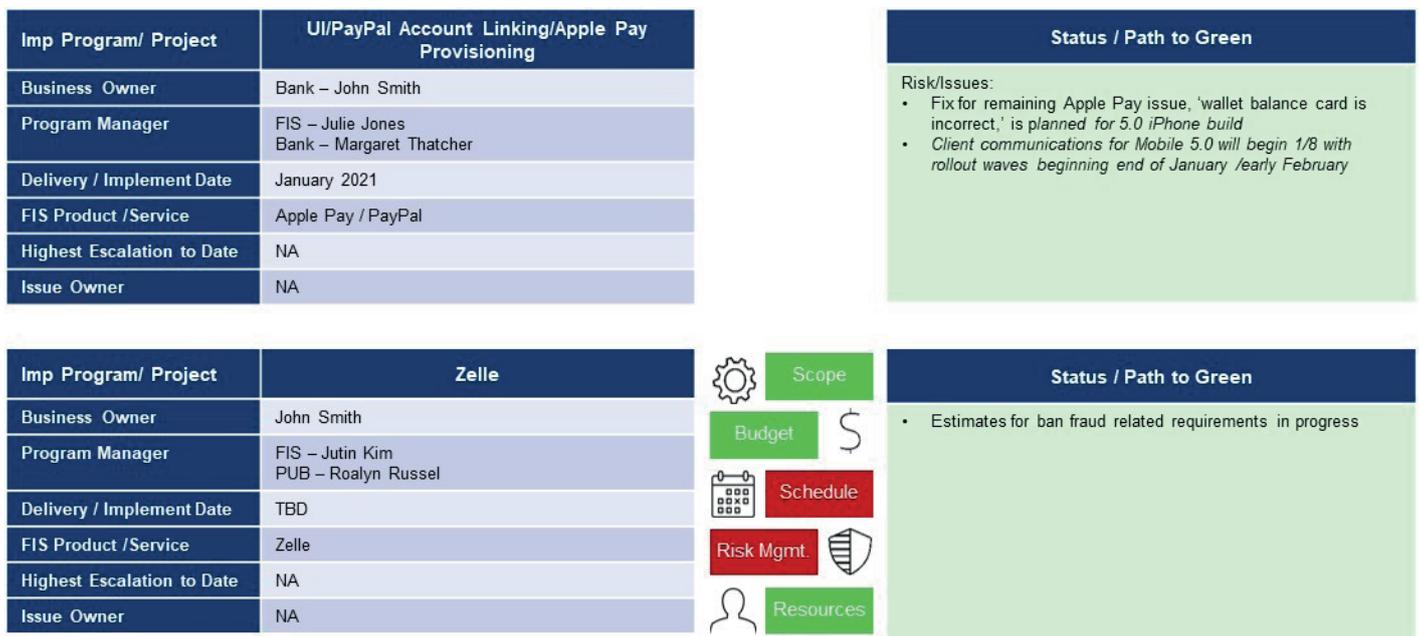
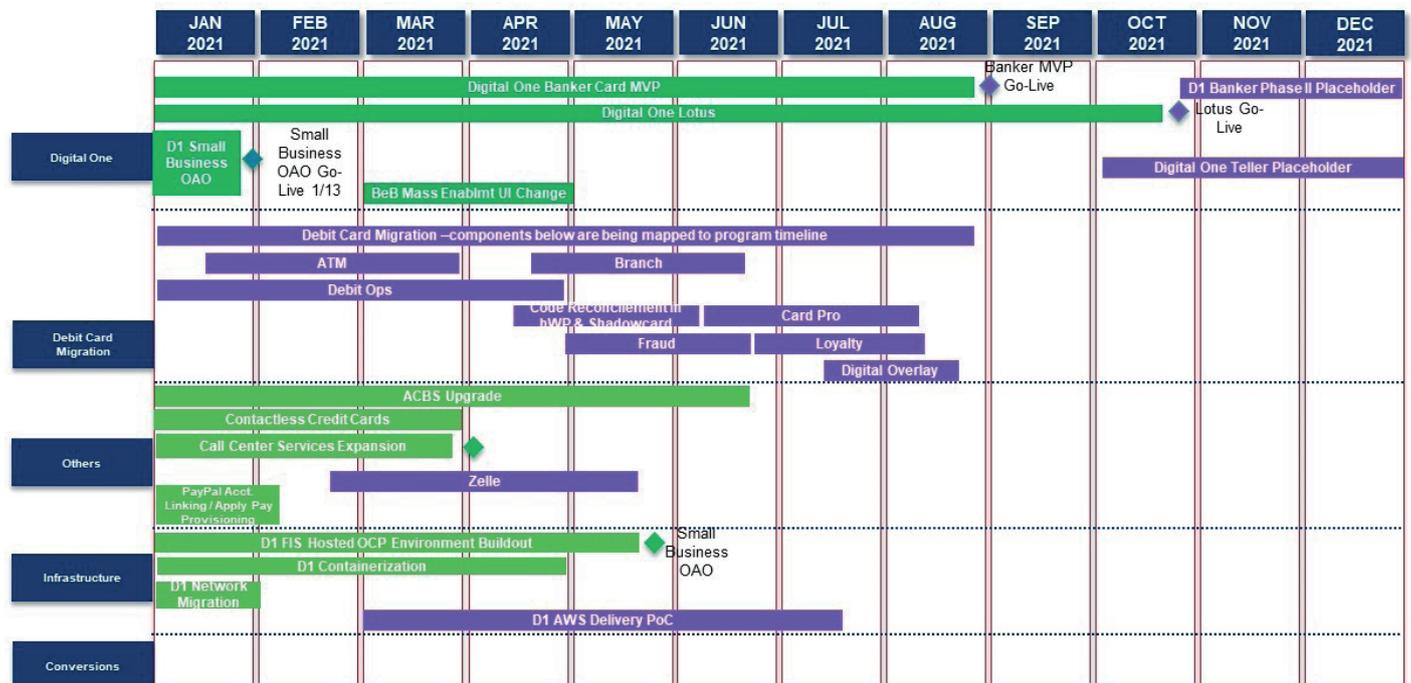


Figure 2: Rolling deployment calendar



### The ability to drill into needed details

The dashboard will quickly show the projects or programs in amber or red status; the go-to-green plan can be reviewed with key governance stakeholders.

The dashboard displays meaningful metrics for key initiatives' overall performance and progress – and can highlight problems requiring additional attention. This type of dashboard is ideal for bank executives who must monitor the progress of programs and key projects that can impact the performance of their financial institution.

### Communication tools

A large component of a Portfolio Manager's job is communications. Timely information provides the oil to keep a program's engine running smoothly. As a first step, the Portfolio Manager must determine who their counterpart is at the financial institution and align with their communication style and strategy. This peer counterpart could range from an executive in the IT staff to a senior leader in the bank's C-level suite. Financial institutions with a Program Management Office (PMO) often supply a leader from that team.

The working relationship between the Portfolio Manager and their peer at the bank will evolve based on the banker's job responsibilities. Key elements for the Portfolio Manager to determine include understanding that individual's authority level within their bank and the bank's preferred communication strategies. These must mesh with the Portfolio Manager's desire to raise and resolve key issues with the appropriate sense of urgency.

### Communication strategy

Once the joint communication strategy is set, the Portfolio Manager will create a custom, executive-level dashboard to highlight the status of the underlying projects' progress. This important and primary communication asset will help ensure all stakeholders within the bank and their technology partner are operating from the same updates and intelligence.

These stakeholders will get more deeply involved (as needed) to resolve issues and ensure the success of key initiatives. Successful Portfolio Managers are aware and cognizant of current challenges the bank and their technology partners face and maintain a deep understanding of the bank's strategic plans. At times, the Portfolio Manager may need to assert the need for a critical communication or a conversation the must occur in a timely manner.

### The art of escalation

During complex programs, deciding when or how to communicate becomes critical for continued progress. Often, knowing when and how to communicate issues is more of an art than an exact science. An experienced Portfolio Manager will ensure they follow their organization's – and in certain cases the client's – PMO standards and guidelines. They must also follow any procedures for standard activities – such as reporting defects or support requests. Before raising any flags, perceptive Portfolio Managers will ensure their own house is in order – helping to solidify their escalation case.

#### IMPORTANT PRINCIPLES TO FOLLOW WITHIN ANY COMMUNICATION ESCALATION INCLUDE:

- Follow sound PMO practices
- Leverage the knowledge of others
- Apply a personal touch when possible
- Use authority judiciously

### When to communicate

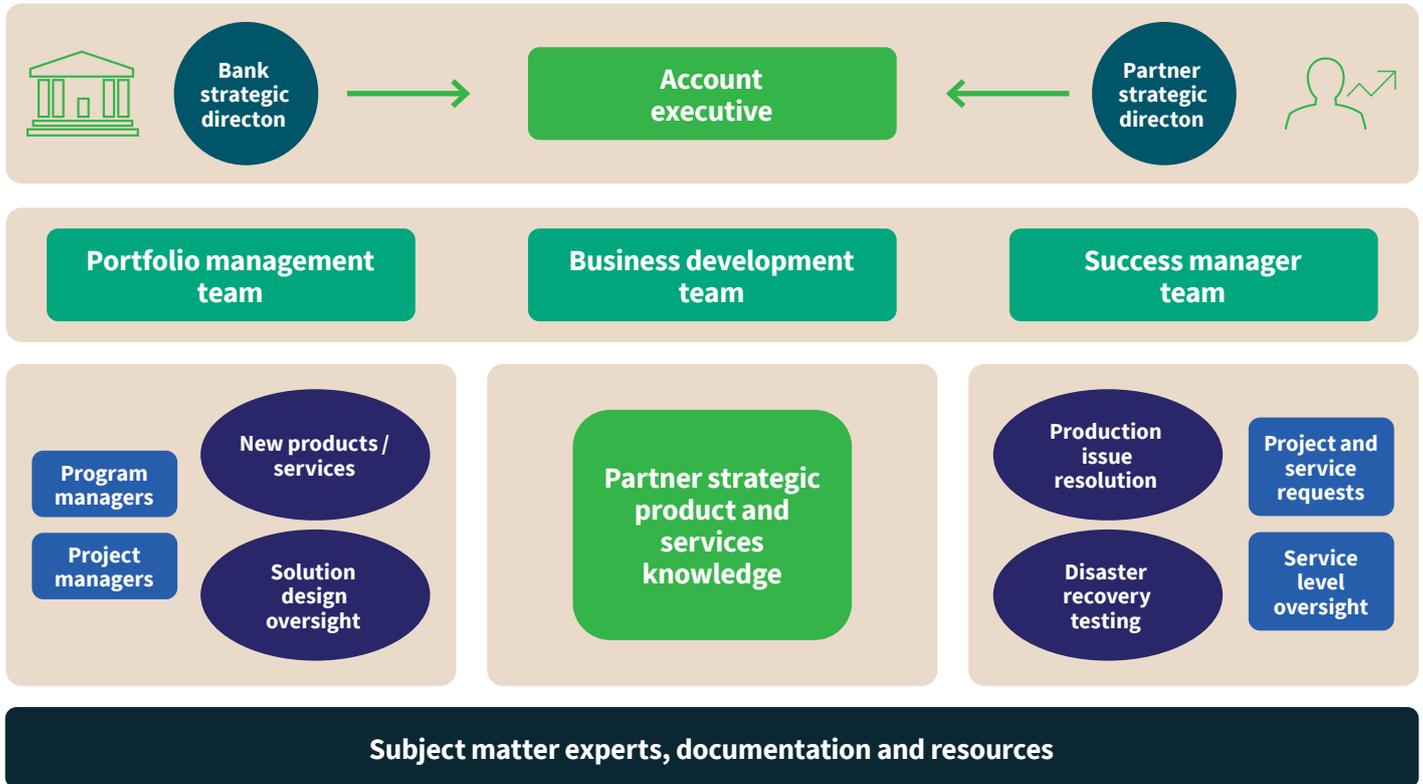
A savvy Portfolio Manager will best prove their value to a bank by serving as the right conduit at the right time to drive results and not project panic. It's strategically important to keep the right people engaged at the right time with just the needed amount of foundational background information. It becomes a careful balancing act not to "cry wolf," while ensuring genuine issues seldom escalate or become worse due to lack of attention.

### Establish appropriate internal governance

Early in the relationship with the financial institution, the Portfolio Manager must identify the key executive leaders needed to assist with critical communication and issue resolution.

Important roles from previous experience indicate the Line of Business executives from both the bank and third-party partner are crucial for long-term success, as well as Resource Managers, Client Service Managers and Business Development Managers on the partner's side. An overview of how these types of individuals interact and support each other is shown in the following graphic:

Figure 3: Overview of how the individuals interact and support



A best practice for larger, relationship-driven financial institutions, is to secure the services of a dedicated team within their technology partner, one that includes a Portfolio Manager, one or more Solution Architects and a Quality Manager(s).

**Training and onboarding to the initiative**

For a variety of reasons, it’s often the case a Portfolio Manager or other critical member of the bank/technology partnership must move to a different role. As a result, training key individuals becomes vital to long-term initiative success.

Formal training plans should be developed and adopted. The extent and importance of this training becomes apparent in the smooth transition to a new Portfolio Manager. A prepared Portfolio Manager will have the elements of a solid transition plan close to his or her vest and anticipate the training needs of any future leaders on the initiative.

The Portfolio Management methodology and standard documentation used by your team provide important assets to further the training of new resources.

**Continuous education**

The Portfolio Manager should strive to continually educate him- or herself not only on banking, but also regarding their professional development. The PMI offers a certification program for Portfolio Managers known as PfMP certification (mentioned at the beginning of this paper).

Agile Development Methodology provides another study track that’s especially important in new technology development efforts. Not all Agile (or even Waterfall) Methodologies are created equal and a Portfolio Manager must bridge gaps in knowledge, expectation and approach to lead technology-driven development efforts between a bank and potentially multiple third parties. Education should keep pace with the needs for change and innovation across the bank and within their technology partner.

**Summary**

A Portfolio Manager can add significant value to a bank and technology partner collaboration. Discerning bank executives realize this fact. One way for them to evaluate this potential long-term engagement is to consider the tools a Portfolio Manager brings to the proverbial table.

**Contact us**

For more information on FIS Consulting and a Portfolio Management engagement, contact your FIS account executive.

## About FIS

FIS is a leading provider of technology solutions for merchants, banks and capital markets firms globally. Our employees are dedicated to advancing the way the world pays, banks and invests by applying our scale, deep expertise and data-driven insights. We help our clients use technology in innovative ways to solve business-critical challenges and deliver superior experiences for their customers. Headquartered in Jacksonville, Florida, FIS is a Fortune 500® company and is a member of Standard & Poor's 500® Index.

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