

How do we grow and retain the portfolio managers and directors of the future?





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It is a truism repeated so much that it now borders on the mundane but ‘the pace of change has never been so rapid, and it’s only going to get faster’. When we say this, we are usually using it to point out that organisations need to be both constantly looking at new technologies, products and customer needs and that they need an efficient and effective project/product function to manage this constant flow of change. However, an equally valid area of focus has to be around recruiting, training and retaining the stars of the future to operate and lead in this constantly changing environment – and, by definition, if we’re hiring and training people for the roles of today, we won’t be equipping them for the roles of tomorrow – we’ll be setting them up for failure. And so, with this challenge in mind, on the 9 May 2024, 20 portfolio directors and transformation professionals gathered in a room just north of Kings Cross, in an area that, more than most, has seen constant change and reinvention, to discuss and debate the question ‘How do we grow and retain the portfolio managers and directors of the future?’.

In order to tackle this statement – we wanted to explore three specific questions.

1.

What skills do we look for in the up-and-coming portfolio manager and where do we find those skills?

2.

How do we grow our junior portfolio managers – what roles/tasks and activities do we give them?

3.

What will the portfolio manager in 10 years’ time need to know – how do we train to retain?

Each of which we dedicated a good hour of conversation to, under Chatham House rules. We’ve broken down the outputs into two key sections:

- 1) What does it take to be a good portfolio manager/director, and
- 2) How do we grow and retain the portfolio manager/directors of the future?

What does it take to be a good portfolio manager?

A big chunk of the early stage of the session was spent trying to vector in on the core capabilities and skills that make an effective programme manager. One of the points that the community kept returning to, time and again, was just how varied and multifaceted the role of portfolio manager was – as evidenced by the wide range of different skills that were required – both technically and people-oriented.

We have summarised them, grouped very roughly into technically-oriented and people-oriented where possible. Please note this is not an exhaustive list in the form of a complete portfolio office capability matrix – rather the ‘must-haves’ of a group of portfolio professionals:

Capability	Description	Orientation
Strategic understanding and portfolio optimisation	The ability to understand an organisation’s strategic goals and prioritise and optimise the portfolio based on that.	Technical
Intelligence gathering, analysis and presentation	The ability to ‘join the dots’, spot patterns and tell a compelling and convincing story from the data came up time and again as critical.	Technical
Project delivery and assurance	The ability to look at project data and engage with project stakeholders, talk to them peer to peer and identify upcoming challenges.	Technical
Benefits and value management	The ability to pull a ‘benefit/ value’ view from the organisation strategy, promote and implement it across the portfolio.	Technical
Business change management	Understanding and promoting the skills required to support the successful landing of projects into the business (both in terms of getting them bought in and not overwhelming them).	Technical
Influencing and diplomacy	Influencing and managing a complex senior stakeholder community often with varied goals and drivers.	People
Team building and management	No portfolio can be run by one person so understanding the portfolio office design and skills requirement and building and managing the team appropriately is key.	People
Patience, perseverance and planning	The three Ps of driving change – knowing what to implement when within the portfolio sphere and having the patience and perseverance to see it through despite the many set-backs that will occur.	People



Quick Quotes

“It’s a mix of ying and yang – influence and empathy.”

“It’s all about how you manage and respond to ambiguity. You need to be comfortable with ambiguity.”

“Portfolio management is not a process. You need to be able to think like a strategist but with the battle scars of delivery. Being able to join the dots is important.”

“Portfolio directors are the ‘canary in the coal mine’ – they need to be the conscience of the organisation.”

“The single most important skill is ‘to be brave’. “We need to treat AI as just another member of the team, not follow it blindly.”

“The role of portfolio director is a privilege – you get the insight and engagement and help drive the strategy of the organisation.”

It's worth digging into a few of these that received extra focus during the chat.

Firstly, the ability to 'join the dots' was probably the most universally raised capability. Portfolio directors will be awash with data (both hard and soft) and the ability to pick through this so see the wood from the trees (or what's about to go pop) and convince others of this is probably the pre-eminent requirement. This led to a really interesting discussion around data and AI and the criticality of the future portfolio director being able to use data-management and analytics systems to support them in finding these data nuggets. The ability to, then, story-tell with that data rounds out this capability with the consensus being this can only be taught through doing.

Secondly, influencing and stakeholder engagement came up time and again – the portfolio director role, probably uniquely in the change management space, will spend a disproportionate amount of time engaging with senior people from all areas of the business who are not project professionals and have their own drivers and agendas. Getting them to work in unison to a timetable and strategic alignment is hard but a core part of the job.

Thirdly, project delivery knowledge was discussed – essentially the question being 'does someone need to have been a project manager to be a good portfolio manager?' The majority consensus was no, however the portfolio director needs to understand all aspects of project management and be able to talk peer to peer to the project community – this ability can be gained through a number of routes.

Fourthly, it was agreed that benefits management and value management were at the core of good portfolio management (as ultimately portfolio management is about getting the most value from the transformation portfolio) and a firm grasp of the principles was key.

Finally, perseverance – it's a hard role with changing priorities and a diverse stakeholder community. The portfolio director needs a strategic vision for the portfolio function but also needs to the ability to flex, face set-backs, redesign the journey and push onwards. It is not a role for the perfectionist completer-finisher.

Appropriately for a portfolio office the ability to prioritise came up a number of times as a critical aspect to learn. The point was made that differentiating between what's 'important' and what's 'urgent' is a key skill for any portfolio director to develop given everything will have a certain level of importance.

Of course, the weighting we place on these different capabilities will shift depending on the maturity of the organisation and so the sensible portfolio manager needs to be aware of this. Benefits management was the classic example of this with a few people saying a focus on this when an organisation is at a fundamentally immature state could be at best a waste of time and at worst actively disruptive.

And finally it's worth bringing what many felt was the single most important trait of someone in the role -- the innate mind-set to 'be brave and courageous' in pushing back emphatically. It came up time and again portfolio directors need to understand and serve their stakeholders but also have the best interests of the organisation in mind which will lead to them needing to both steer and push back against some very senior people when necessary. The role is definitely not one for 'yes men' and so courage, conviction and commitment to the organisation has to be at the heart of the role – and is possibly not something that can be taught.



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How do we grow and retain the portfolio manager/directors of the future?



The group then moved onto discussing – ‘How do we grow our junior portfolio managers – what roles/tasks and activities do we give them?’ and ‘What will the portfolio manager in 10 years’ time need to know – how do we train to retain?’. These areas of discussion tended to blend together into the single point of ‘how do we find, grow and retain those top-class portfolio managers and directors?’ – which broke down into three specific areas:

1. Where do we find the next generation of portfolio manager?
2. How do we train and prepare them for success?
3. How does the role need to change and expand to keep those portfolio professionals interested and engaged?

Where do we find the next generation of portfolio manager?

What was really striking about this area of discussion was just how varied the routes into Portfolio Management had been for the vast majority of people around the table. The majority had, understandably, made a career in transformation but had tended to work over a wide range of transformation roles – project management, PMO, business change, business case shaping and so-on – rather than having stuck to one specific area of transformation (i.e. project manager to programme manager). It was jokingly agreed that most people probably found themselves in the portfolio office by accident.

The belief in a linear path from project management to programme management to portfolio management was roundly rejected even though it is

sometimes seen as ‘the pathway’. In reality some people suit projects but not portfolio management and vice-versa. It is definitely not just a route of increasing seniority and pay as some think.

It was also noticeable how many people had had roles that took them outside transformation management – whether that was working as chief of staff or in strategic roles or managing operational roles. So, it was agreed that there was no one obvious ‘career path’ that naturally led to portfolio management.

A fascinating part of the debate focused on the importance and relevance of having had a background in pure project delivery to be a good portfolio manager. The table debated if delivery experience is needed to be a successful portfolio director. Although opinions differed it was felt that a critical part of the role was to be able to understand the

challenges of project delivery with empathy, pragmatism and be able to speak to the project community peer to peer – clearly a background in project delivery is helpful here, but not essential if that skill can be gathered through other routes.

Similarly, we discussed the PMO role and how critical experience in this space was to the portfolio director. Again, it was felt that many of the requirements of a strong PMO match the requirements of a portfolio director (particularly around the portfolio assurance, governance and reporting skillsets) but again it was felt these skills could be gathered through different routes.

To summarise no specific career path seemed to dominate, although both project delivery and PMO skills provided a lot of the base capability. Far more important, though, was for the individual to:

- a) have had a varied mix of roles both in the transformation space and, potentially, in the operational/strategic space;
- b) demonstrate that critical ability to ‘join the dots’ and ‘spot the links’ across large groups of people and data. It was felt this was one of the hardest skills to teach and that most of the other skills could be taught. Therefore, prioritising this skill in a recruit was critical.

So, keep an eye out for those team members who have had what one contributor described, to general

nodding around the table, as ‘a zig-zag career’ as they are likely to have much of what the portfolio director needs.

How do we train and prepare them for success?

So, what areas do we need to focus on to really help our portfolio managers succeed? How do we train and support our portfolio managers to thrive and survive in the world of tomorrow? An interesting early observation was why are the necessary portfolio management skills not there now? The group debated whether this was a symptom of portfolio management not being promoted as a profession like project management is (which is obviously better known, promoted and recognised) or a symptom of the ‘linear career path view of project to programme to portfolio implying the skills were all the same just of a different intensity?

Unsurprisingly a large part of the discussion around building those skills focused on the three areas:

- 1) data and AI
- 2) emotional intelligence and people skills
- 3) strategic awareness, joining the dots and story-telling

Current and future portfolio directors will need to be far more comfortable with using machine learning and AI-driven tools to both drive efficiency within their portfolio offices and the effectiveness of their data analysis and decision making. The interesting point here is how new and cutting edge a lot of the tools and techniques within the transformation and portfolio

space are. It was generally agreed that the portfolio community is on the edge of a fairly radical change in how data is captured and used within the portfolio office but that we do not yet know what the ‘right answer’ looks like yet. But this is a key area to keep visibility on over the next few years.

Emotional intelligence and people skills are critical for all roles but excessively so for portfolio management given the requirement to engagement with a wide-range of stakeholders (many senior) and, more pertinently, the importance of influencing skills in the role. Often the portfolio director will not have directive powers, or at least the use of those directive powers requires the spending of considerable political capital, so the ability to subtly influence is critical. Many of these skills can only be developed through observing their use from role models and so this points to the portfolio director to take both a leadership and mentoring role for their up and coming team. Allowing them to observe them operating –in the creation of information and the presentation of that information at boards – as well as the thought-process behind their actions and key decisions.

Finally, strategic awareness, ‘joining the dots’ and turning the information gathered into a compelling story to help senior stakeholders make decisions was a consistent theme throughout the dinner. Data without an understanding of how it all connects or how to share that information to influence C-Suite is far less useful and can often be distracting. Again, allowing role-modelling and a safe place

“...for a portfolio office the ability to prioritise came up a number of times”

to experiment and fail are critical here, as well as investing in relevant 'storytelling' training.

A fascinating discussion was also held around the need to allow up-and-coming portfolio professionals the opportunity to practice the craft in a psychologically-safe and failure-free environment. It was observed that, given the nature of the very senior stakeholders the portfolio team regularly present to, it can be very hard to allow a junior portfolio member to practice their presentation and influencing skills in a venue where they can make mistakes and learn. However, this is critical – one of the excellent suggestions was to actively manage this with the senior stakeholders in question and ensure they understood where a more junior portfolio member was 'stretching their wings'.

In summary

- Data and AI awareness
- Active role-modelling and mentoring
- Storytelling training, and
- Pushing junior members but ensuring they can perform in a safe space.

How does the role need to change and expand to keep those portfolio professionals interested and engaged?

And finally, we turned to how do we retain the portfolio professional of the future – and this is where, I think, the conversation moved into two really fascinating areas. Take as established that we need to allow access to training, a

psychologically-safe environment to work in and appropriate remuneration and forward progression. The conversation also focused into two new areas:

- 1) opening up the role, and
- 2) expanding the role

Opening up the role – building on the previous discussion around the useful career path into consulting is a 'zig-zag career' given the large diversity of skills and experience required to be successful. One key suggestion was that we should be very relaxed about our portfolio professionals moving in and out of the portfolio space. Whether that's to deliver a project, assure a programme, act as chief of staff to the CEO or operate an area of the business – all those areas are incredibly valuable in the portfolio space. As one attendee said, slightly tongue-in-cheek, 'if you love them, let them go'. So, the willingness to allow them to come and go seems important, however a more structured way of doing this might be a semi-formal 'internship' programme where members of the portfolio team are actively encouraged to be 'loaned' out to different areas of the business for 3–6-month periods.

Expanding the role – the role of the portfolio manager has traditionally been around influencing senior stakeholders to ensure the portfolio delivers the most benefits aligned to the business strategy for the change budget. With that strategy invariably being heavily focused around either revenue increase or cost reduction. It was reflected by many around the table that this may not be enough to keep the portfolio professionals of the future engaged. One point was whether

having to constantly 'influence' would give enough authority and that the portfolio director role should move to genuinely owning the portfolio – i.e. having active authority to include or remove projects. But the second, more interesting, point was about how the scope of business strategy would need to shift to be far more proactive around environmental and social issues – and whether the portfolio director of the future should be empowered to drive those points. In other words, will the Millennial portfolio director require and insist on implementing a carbon lens as well as a cost lens over each new project – and reject those that do not actively support our environments and communities regardless of the 'cost/revenue benefit'.

Portfolio director as an environmental, social and governance (ESG) and business champion was both a powerful image of the future of the profession, and an inspiring idea, to end our dinner on.

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The APM and the Portfolio Management Interest Network once again would like to thank the attendees for the Portfolio Director's Dinner for giving up their time and expertise so generously to share with the wider APM community.

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