Portfolio Management

This presentation gives an introduction to the subject of Portfolio Management. It is designed for people oversee a large number of projects, but who are not familiar with formal portfolio management techniques.

Global Planning Cycle

	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun		Jul	Aug
		Prayer and God Dependence											
Executive Team		Gather Input	Set Global Direction						ETeam Plan	Entrust Ownership			Reflect on Results
Area Team								Area Plans					
National Team	Gather Input				Develop Local and National Plans					Global-to-Local		Reflect on Results	
Local Team and Volunteers													
	----------------------------------- FAITHFUL EXECUTION ---------------------------------->												

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We will look at how project planning relates to strategic planning, and how to manage multiple projects.
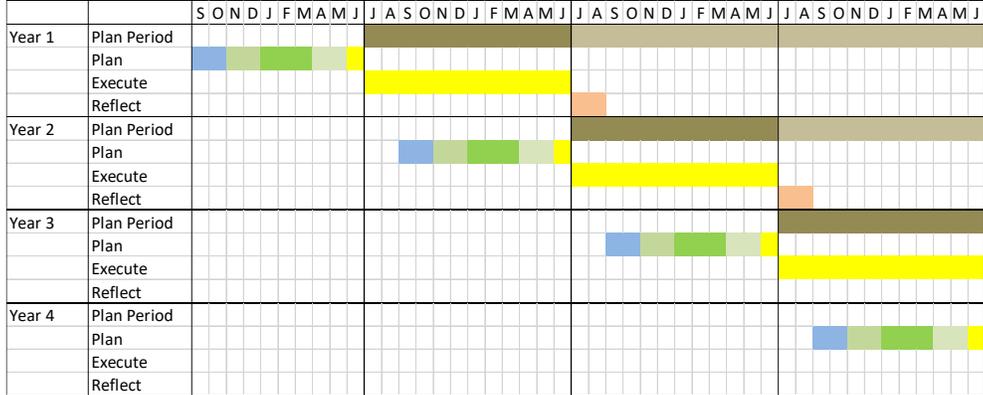
Management of multiple projects can be called program management.

Management of all of the projects across an organization can be called portfolio management – management of a portfolio of projects.

Corporately, and within many countries in CCCI, the Global Planning Cycle is used for setting and updating the strategic plans. The Global Planning Cycle shown here describes the process for planning in a single year.

The phases of the Global Planning Cycle are Gather Input, Set Global Direction, Develop Plans, Entrust Ownership, Faithful Execution, and Reflect on Results.

Three Year Planning Horizon

		S O N D J F M A M J	J A S O N D J F M A M J	J A S O N D J F M A M J	J A S O N D J F M A M J
Year 1	Plan Period				
	Plan				
	Execute				
	Reflect				
Year 2	Plan Period				
	Plan				
	Execute				
	Reflect				
Year 3	Plan Period				
	Plan				
	Execute				
	Reflect				
Year 4	Plan Period				
	Plan				
	Execute				
	Reflect				

The annual plans in the Global Planning Cycle are supposed to be written in the context of a rolling three year plan. Part of the reason for this is that many projects that are included in strategic plans take longer than the 1 year that the strategic plan covers.

This diagram shows the planning period for Year 1 in brown in the top line of the chart. The darker brown is the upcoming year, for which detailed plans are written. The lighter brown line shows that the plan developed in Year 1 extends for 3 years, albeit in lesser detail.

In the second year, the planning period moves out a year, and detail is added for the second year of implementation.
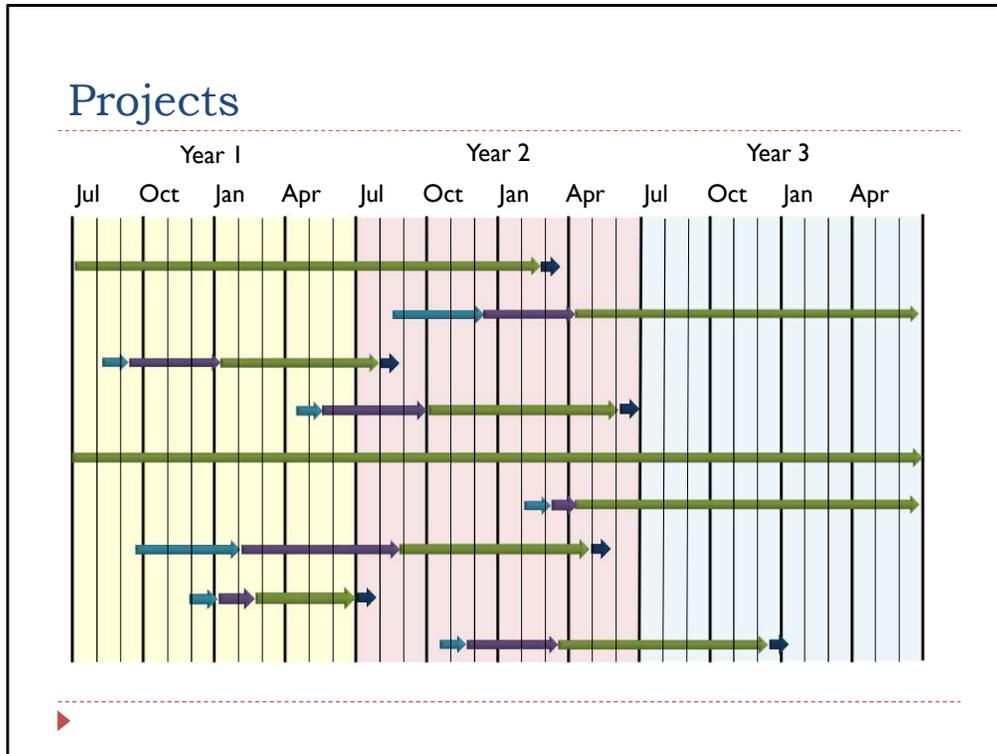
So, how do project plans relate to strategic plans?

This chart shows a three year slice of time, with many projects occurring in it.

Some projects enter the three year slice of time already in implementation, as shown by the top arrow line.

The second arrow line shows a project that is expected to start in year 2, and have implementation run beyond year 3.

The 5th arrow line is a long term project that is already being implemented and will continue throughout all three years.

The last arrow line is a project starting in year 2 and ending in year 3.

The role of the strategic planning process is to:
    - Review all existing projects and planned projects.
    - See what projects are not delivering optimal outcomes for the amount of resources that they are using.
    - See if new projects should be started that are not currently planned.

Prioritizing Projects

1. What is your overall most important goal in the context of CCCI's global objectives?

2. What resources do you have available for the coming year?

3. How much does each project contribute towards the goal?

4. How much resource does each project use?

5. How much contribution towards the overall goal does each project make per unit resource usage?

6. Order the projects by contribution / resource usage until you run out of resources

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The annual strategic planning process leads us to review the projects, either being implemented or planned, and determine if they are the best use of the organization's resources.

To do this, we need to compare the expected outcomes of the projects against the desired goals for the organization, given the amount of resources used for the projects.

This slide shows the questions to be asked in order to prioritize your projects.

Project Prioritization Example

- Main goal of ministry = Multiplying Disciples in 2nd MCC (GCM)
  - Existing movement in SLM
- Possible projects:
  - Catalytic campus outreach to 5 new campuses
  - Translation of Jesus Film for 2 new languages
  - Multiplicative church planting model in one province
  - Translation of Josh McDowell books
  - Family Life start new ministry in country
  - Send 5 staff to seminary for theological training
  - Send Jesus Film crew into new province with existing flims
  - Training in Orlando for 4 staff in MC^2 process
  - City outreach with BGEA
  - Well digging and micro loan ministry with GAiN Australia
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This slide shows an example for a national ministry with different possible projects. The main goal of the national ministry is to develop multiplying disciples in a second MCC, GCM, while it has existing movements in SLM.

In the annual strategic planning process the field staff and volunteers have identified the possible projects as listed.

Project Prioritization Example

	Cost ($)	No. GCM MDs	MDs/$K	Priority
Catalytic campus outreach	0	0	0.00	
Translation of Jesus Film	5,000	0	0.00	
Multiplicative church planting	2,000	6	3.00	1
Translation of Josh books	2,000	1	0.50	3
Family Life start new ministry	10,000	0	0.00	
Send 5 staff to seminary	20,000	-5	-0.25	
Send JF with existing films	10,000	4	0.40	4
Training in MC^2 process	20,000	15	0.75	2
City outreach with BGEA	30,000	0	0.00	
Well digging and loans	3,000	1	0.33	5

This chart compares the costs, number of multiplying disciples and prioritization for the projects.

The first column is the list of projects, taken from the previous slide.

The second column is the cost of the project, taken from the previous slide.

The third column is the expected number of multiplying disciples in the first year of implementation, taken from the previous slide.

The fourth column is calculated from the second and third column. The algorithm is "third column" / "second column" * 1000. The only reason for multiplying the result of the division by 1000 is to make the resulting number not too small. This step could be ignored or all projects.

The last column is the prioritization, based upon the number of multiplying disciples expected to be developed per $1000 dollars spent.

Notes:

- This process ignores staff labor costs – which is what we do in CCCI. To be the best stewards that we could we need to take into account staff labor costs.

- In this example the process only looks at the expected results after 1 year. Ideally, a 3 or 5 year view of the likely results should be taken