

Impact of Portfolio Management to Balance the Implementation of Change Initiatives and the Maintenance of Business-as-Usual, While Optimizing Return on Investment

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Abstract

The industrial pace is changing very rapidly, and the competitiveness is increasing too with globalization. Each business organization is finding a solution to find the best measure to gain the best potential profit of the business ignoring the obstacles. The research article has highlighted major issues related to the Portugal management. The aim of this study is to guide the potential benefit of the business through portfolio management. Purpose of this article has highlighted the impact and implementation process giving the best solution to the business organizations.

Keywords

Impact, Portfolio management (PPM), PPM implementation

INTRODUCTION

The selection, control and prioritization of business programs are referred to as portfolio management. It is the thread to bind the strategic objectives and deliver capacity of the product. The goal of portfolio management is to balance the change initiatives and strategy implementation to gain the return. Here, in this study the concept of portfolio management and its impact has been described. The study has further elaborated the goal and implementation of portfolio management indicating the potential benefit which may be helpful to get the understanding about PPM (portfolio management).

Concept of portfolio management in business

Portfolio management in business is defined as the scientific art of identifying, selecting and observing a set of investments which consists of the long-term financial aims and objectives of the business, and risk tolerance in an organization. Portfolio management engages in finding the investment variables. While the active portfolio management needs strategically purchasing and selling stocks, and also the needful assets in order to tackle the broader market, on the other side the passive portfolio management finds to meet there turns by mimicking a particular index. Professional licensed manager's act from behalf of their clients, while individuals can select to build and control their portfolios [2]. In both cases, the ultimate goal is to maximize the expected return of the investment within suitable risk exposure. This portfolio management has to acquire the ability to measure the weaknesses, and strength along with the opportunities and threats across entire spectrum investment.

The selection includes trade-offs from domestic-international parity to the debt-equity variables of the business investment. Potential growth is also measured enlist listing the risk factors irrespective of active or passive portfolio. Passive portfolio indicates the set-it and ignore-it for some while in the long-term strategy. Usually it is referred to as index investing to optimize the growth of business. Any kind of quantitative or qualitative management is done by the active portfolio managers [4]

Impacts of the usage of portfolio management in business

Portfolio management creates disciples in the business where all the potential successive projects are selected under this management. This managerial is important for the improved selection process of the projects as it emphasizes the right selection process setting specific business goals. Availability of resources, risk assessment, goals, and several other criteria are measured under the portfolio management. By implementing a set of quantitative or qualitative techniques like the scoring method, it ensures the decisions which are taken under this management. The management is beneficial to get the broad view of the business visions [5]. The anonymous and ambiguous factors can be eliminated by arranging the portfolio management in the organization. It helps to focus on the business goals and objectives in linear way. According to [6], this management system establishes an open culture. Very often, many business organizations tend to lose their focus on the outcome, hence predetermining the risk factors the portfolio helps to manage the final outcome. It is helpful getting the broad vision of the business without any interruption. Undoubtedly, the assumption is relevant to the business procedure and type. PPM arranges the things in perspective and provides support in making tough decisions for the long-term goal of the business [7].

METHODS AND TECHNIQUES

The study was done by following secondary data collection method and various resources are used by the researcher in order to provide proper data in this study. Addition of qualitative data in this study helped the researcher to provide valid and detailed information related with the concerned topic of the research. Apart from that, deductive approach and descriptive design is followed by the researcher to arrange the data in a systematic manner. All of these methods helped the researcher to share effective information based on the research topic. Direct attempt beating the performance relates to the active portfolio indicating the contrast with the passive management, which has differentiated by the qualitative discussion. It has compared the active-passive form of PPM. It is instant and more effective actively relates to the purchasing and selling of stocks and assets. Generally, the closed-end funds are developed through active portfolio management.

RESULTS AND DISCUSSION

Development of portfolio management

A centralized solution simplifies interaction and removes interaction hurdles so that teams are more productive. If poor performance goods are part of the public payroll, the ability to trust figures and one another becomes important. In the context of the overall portfolio, there exists a product master plan to allocate relative value and priority. Before they deplete their resources, the team may work collaboratively to balance KPIs against strategic goals and abolish poor value goods. Combined with one purpose-built system, these solutions achieve a better accuracy rate for goods with more value. As mentioned by [10], they fight losing battles over their IT project portfolios. A recent AMR Research report states that up to **75% of IT** companies have little control and employ irreparable, chaotic decision making on their project portfolio management. Product portfolio management centrally identifies, prioritizes and manages the information and processes that a company needs to identify.



Figure 1: Portfolio management process and description
(Source: Influenced by – Ziakas, 2021)

Gartner supports this statistics production portfolio management approach, concluding that PPM provides decision-makers with an organized, 's adjustment for defining and adhering to company culture, as PPM may improve product and organizational strategic alignment to achieve greater success. The product managers must need to develop design and development initiatives that are simply based on their respective expenses and prospective profits by categorizing the goods into strategic buckets. As suggested by [3], alignment with strategic goals, appropriate risks and network resources that simply support the make proper rebalance business portfolio. Moreover, the automation of these processes gives business the clarity and insight to make sound decisions on product mix, the allocation of resources, capital and scale. On the other hand, the priority of the product line and the choices on the road-map are simply based on reliable data to enhance market time and differentiation in a logical manner.

Successful portfolio management may be described as using the most lucrative goods for company people and company money. This implies that not every concept passes through the funnel, but not every invention lives its commercial life cycle. In this case, customers may then support the victors and extend the scope. Companies that use Product Portfolio Management claim steadily increasing revenues linked to the effective selection of strategically aligned goods. The final advantage is the combination of increasing income from greater volumes of sales and the margin lift together with decreased expenses and a better utilization of resources, stated Tech-Clarity, an autonomous research organization.

Implementation

- **Concentrate on measurable business objectives**

Portfolio management is an effective way for businesses to manage their goods via release cycle, prioritization, quality assurance and consistent techniques. However, certain difficulties may be solved by new methods and a change in culture and including the availability of resources and the risk assessment, a balanced portfolio. During the development cycle, a strong review mechanism is necessary. Long-term judgments are one of the major problems of portfolio management. In addition to supporting management decisions, it is necessary to make portfolio practice better. As per the words of [1], eventual implementation of project portfolio management is required, or perhaps crucial, by every organization running projects. As the project activities get increasingly complicated, demand and funds need to be priorities, conflicts within tasks need to be identified, work plans and resource plans need to be defined more precisely. The creation of Project Portfolio Management helps to increase their visibility and give insight into how the program and portfolio operations are aligned with organizational plans.



Figure 2: Implementation
(Source: Doorasamy, 2017)

- **Collaboration over competition**

Under stress, project directors often try to accomplish more than they can so end up with a glut of projects owing to a lack of resources. This typically leads to substantial delays and time overrun in critical projects and ultimately affects company customer service capability and fulfils overall goal. In order to stabilize project management and achieve more consistent rules, enterprises are implementing adequate project portfolio management capacity. PPM helps improve and priorities the link between the company's objectives and the achievement of benefits via projects. As mentioned by [8], in order to understand the demands the first stage is a review of the existing and in use projects and asset management processes, systems and technologies. Take an objective picture of how things operate and how things work, and see what needs to be adjusted or rebuilt. The company should examine the specifics to link issue symptoms with their likely fundamental causes.

Benefits

- **Better precise project performance information**

The Professional Pulse PMI report states that businesses who invest in proven project administration are saving 28 times over since they have effectively finished more of their key objectives. It is therefore no surprise that in the past

decade, project portfolio management (PPM) has been one of the primary tasks of the PMO. As mentioned by [9], a total of 37% of managers perceive a lack of predetermined objectives without the objectives and stages essential to assess progress to be a main factor for organizational failure. The financial revenue or uncertain strategy of the firm may indicate that if the company is diverted by a pet project or the hoopla around an attractive, but eventually futile industry tendency. Therefore, one of the reasons given in the study is that effective organizations seek to link strategy development and implementation, one of the key concepts of PPM.

- **Enhanced timely delivery of projects**

Distinct project groups with different goals might finally act as competing entities for human and financial resources inside major companies. One group might focus, for example, on study and the other can concentrate on the implementation of continuous initiatives. PPM addresses this problem by bringing projects into line with global strategies and utilizing a careful, systematic methodology to assess requests from various areas. It reduces redundancy in projects and enables project managers to work together with each other in a more cooperative atmosphere. However, though project management considers the hazards of a particular project, PPM provides a more holistic picture of the risk and return profile of the whole project portfolio. This guarantees that companies may prepare with backup strategies for emergencies as this helps to set the basis for an evolving risk management approach.

CONCLUSION

Observing the impacts and diverse factors of portfolio management in the business, it can be concluded that, in modern day business procedures, each and every organization must manage their own portfolio to get the exemplified vision of their business. It works towards the success in a much disciplined manner, and as a result of that the business organization can mitigate the risks and challenges very easily and instantly without less interruption. The project portfolio managers set the unambiguous culture where the investment, purchasing at the selling feature can be related in an open culture. The finding in this article is hopeful about giving better understanding about the subject of discussion, and also in giving guidance about the portfolio management.

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