

## MoP® Glossary of Terms - English

<b>English Term</b>	<b>English Definition</b>
aggregated risk	The overall level of risk to the portfolio when all the risks are viewed as a totality rather than individually. This could include the outputs of particular scenarios or risk combinations.
assurance	All the systematic actions necessary to provide confidence that the target (system, process, organization, programme, project, outcome, benefit, capability, product output, deliverable) is appropriate. Appropriateness might be defined subjectively or objectively in different circumstances. The implication is that assurance will have a level of independence from that which is being assured.
benefit	The measurable improvement resulting from an outcome perceived as an advantage by one or more stakeholders.
business as usual (BAU)	The way the business normally achieves its objectives.
business change lifecycle	A generic name used to represent any organizational process or framework which helps to guide the delivery of programmes and projects using a collection of repeatable processes and decision points.
categorization	Splitting a portfolio into organizationally appropriate categories or segments — for example, by initiative type or investment objective. The organization's investment criteria can be tailored to suit each category of investment.
centre of excellence (CoE)	A coordinating function ensuring that change initiatives are delivered consistently and well, through standard processes and competent staff. It may provide standards, consistency of methods and processes, knowledge management, assurance and training. It may also provide strategic oversight, scrutiny and challenge across an organization's portfolio of programmes and projects. It may be a function within the wider scope of a portfolio office. This function provides a focal point for driving the implementation of improvements to increase the organization's capability and capacity in programme and project delivery.

MoP® Glossary of Terms English v1.1

© AXELOS Limited 2011

All rights reserved

Reproduction of this material requires the permission of AXELOS Limited

The swirl logo™ is a trade mark of AXELOS Limited

MoP® is a registered trade mark of AXELOS Limited

## MoP® Glossary of Terms - English

champion—challenger model	A technique whereby everyone is expected to comply with the defined portfolio processes (the current 'champion') but anyone can recommend a change (a 'challenger'). Once adopted, the 'challenger' becomes the new 'champion' process. Such challengers should be encouraged as a way of ensuring engagement across the organization, and the number of submissions received should be monitored on a regular basis.
clear line of sight	A technique that seeks to ensure a transparent chain from strategic intent through to benefits realization.
decision-conferencing	A technique whereby managers consider and debate in a facilitated workshop the relative weightings to attach to the organization's strategic objectives; the criteria to be used to assess strategic contribution in each case; and the scores to allocate to individual initiatives. In this way the portfolio governance body comes to a collective decision on the composition of the portfolio. This has been found to be very effective in terms of optimizing portfolio returns and also results in enhanced commitment to the portfolio and to the portfolio management processes.
design authority	A role or function (permanent, temporary or virtual) that provides expert specialist advice or owns some organizational function, service, standard or strategy that will be affected, or a major programme outcome or change that needs to be controlled. This could be an IT or property infrastructure design, or a major service contract; it could also be a business process model or the programme blueprint or corporate target operating model. The design authority provides expertise and guidance on a specific area to ensure that there is appropriate alignment and control when changes are being planned and implemented. At a programme level this role may advise or own the business blueprint management on behalf of the programme manager. At the enterprise level, this role may manage the enterprise architecture of the organization.
development pipeline	The initiatives under development, concept and feasibility testing, prior to formal inclusion in the portfolio as 'live' programmes and projects.
end project report	A report given by the project manager to the project board that confirms the handover of all products and provides an updated business case and an assessment of how well the project has performed against its project initiation documentation.

MoP® Glossary of Terms English v1.1

© AXELOS Limited 2011

All rights reserved

Reproduction of this material requires the permission of AXELOS Limited

The swirl logo™ is a trade mark of AXELOS Limited

MoP® is a registered trade mark of AXELOS Limited

## MoP® Glossary of Terms - English

gated review	A structured review of a project, programme or portfolio as part of formal governance arrangements carried out at key decision points in the lifecycle to ensure that the decision to invest as per agreed business cases and plans remains valid.
governance (portfolio)	Encompasses the structures, accountabilities and policies, standards and processes for decision-making within an organization in order to answer the key strategic questions 'Are we doing the right things?', 'Are we doing them the right way?' and 'Are we realizing the benefits?'
health check	A health check is a quality tool that provides a snapshot of the status of a project, programme or portfolio. The purpose of a health check is to gain an objective assessment of how well the project, programme or portfolio is performing relative to its objectives and any relevant processes or standards. A health check differs from a gated review in that it is a tool used for assurance purposes by the portfolio office to inform specific actions or capability maturity development plans, whereas a gated review is part of formal governance arrangements.
hurdle rate of return	The target rate of return set by an organization, which potential investments need to achieve in order to be considered for funding. Also used as the discount rate to convert future cash flows into the net present value.
initiative (change initiative)	A programme or project.
management board	Generic term used to describe either a project management board, programme management board or portfolio management board, or any combination based on the MoP context.
management by exception	A technique by which variances from plan that exceed a pre-set control limit are escalated for action — for example, where spends exceed budget by 10%.
<i>Managing Successful Programmes (MSP)</i>	An OGC publication/method representing proven programme management good practice in successfully delivering transformational change, drawn from the experiences of both public and private-sector organizations.

MoP® Glossary of Terms English v1.1

© AXELOS Limited 2011

All rights reserved

Reproduction of this material requires the permission of AXELOS Limited

The swirl logo™ is a trade mark of AXELOS Limited

MoP® is a registered trade mark of AXELOS Limited

## MoP® Glossary of Terms - English

one version of the truth	A technique whereby each element of portfolio progress reporting (costs, benefits, progress etc.) is derived from an agreed source managed by the portfolio office. Individual initiatives and other organizational functions will provide data inputs in relation to cost, benefit, delivery progress, resource requirements, dependency and risk status — and to an agreed schedule. The resulting consolidated data will be recognized as the authoritative source of information on portfolio progress used for monitoring, reporting and management decision-making.
optimism bias	Defined by the HM Treasury <i>Green Book</i> as the demonstrated systematic tendency for appraisers to be over-optimistic about key project parameters, including capital costs, operating costs, works duration and benefits delivery. To address this, adjustments should be made to the estimates of programme and project costs, benefits and works duration based on empirical data. Standard adjustments are included in the HMT <i>Green Book</i> and on the HMT website.
organizational energy	The extent to which an organization (division or team) has mobilized its emotional, cognitive and behavioural potential to pursue its goals.
P3M3	The portfolio, programme and project management maturity model, which provides a framework with which organizations can assess their current performance and put in place improvement plans.
Pareto rule	Also known as the '80:20 rule' which states that 80% of gains will come from 20% of study activity.
PESTLE	Acronym for 'political, economic, social, technological, legal and environmental'. A technique used generally in organizational change management to undertake an environmental scan at a strategic level.
pet project	A project that is championed by an executive in an organization that may be aligned to an individual goal or goals for a specific part of the business, but not necessarily aligned to the strategic imperatives of the organization as a whole.
portfolio	The totality of an organization's investment (or segment thereof) in the changes required to achieve its strategic objectives.

MoP® Glossary of Terms English v1.1

© AXELOS Limited 2011

All rights reserved

Reproduction of this material requires the permission of AXELOS Limited

The swirl logo™ is a trade mark of AXELOS Limited

MoP® is a registered trade mark of AXELOS Limited

## MoP® Glossary of Terms - English

portfolio dashboard	A technique to represent decision support information at an amalgamated level using tabular and graphical representation such as graphs and traffic lights.
portfolio definition cycle	One of the two continuous cycles within the portfolio management model containing portfolio management practices related to defining a portfolio, i.e. understand, categorize, prioritize, balance and plan.
portfolio delivery cycle	One of the two continuous cycles within the portfolio management model containing portfolio management practices related to delivering a portfolio, i.e. management control, benefits management, financial management, risk management, organizational governance, stakeholder engagement, and resource management.
portfolio delivery plan	A collection of tactical information regarding the planned delivery of the portfolio based on the overarching portfolio strategy. The portfolio delivery plan usually focuses on the forthcoming year in detail in terms of schedule, resource plans, costs, risks and benefits to be realized.
portfolio management	Portfolio management is a coordinated collection of strategic processes and decisions that together enable the most effective balance of organizational change and business as usual.
portfolio management framework	The central repository containing a description of the agreed portfolio management practices adopted by the organization and its governance arrangements.
portfolio management model	A logical diagram describing the relationship between the portfolio management principles, cycles and practices.
portfolio office	An office which is established centrally to manage the investment process, strategic alignment, prioritization and selection, progress tracking and monitoring, optimization and benefits achieved by an organization's projects and programmes on behalf of its senior management.

MoP® Glossary of Terms English v1.1

© AXELOS Limited 2011

All rights reserved

Reproduction of this material requires the permission of AXELOS Limited

The swirl logo™ is a trade mark of AXELOS Limited

MoP® is a registered trade mark of AXELOS Limited

## MoP® Glossary of Terms - English

portfolio principles	The portfolio management principles represent the foundations upon which effective portfolio management is built — by providing the organizational culture and environment in which the portfolio definition and delivery practices can operate effectively. They are senior management commitment; alignment with organizational strategy; alignment with the organizational governance framework; a portfolio office; and an energized change culture. These are generic principles — the way in which they are applied should be tailored to suit the organizational circumstances so long as the underlying rationale is maintained.
<i>Portfolio, Programme and Project Offices (P3O)</i>	The decision-enabling and support business model for all business change within an organization. This will include single or multiple physical or virtual structures, i.e. offices (permanent and/or temporary), providing a mix of central and localized functions and services, and integration with governance arrangements and the wider business such as other corporate support functions.
portfolio strategy	A collection of top-level strategic information that provides total clarity to all stakeholders regarding the content and long-term objectives of the portfolio. The portfolio strategy is an important communication tool and as such should be motivational to the reader.
PRINCE2	A method that supports some selected aspects of project management. The acronym stands for PProjects IN Controlled Environments.
reference class forecasting	A technique where forecasts of an initiative's duration, costs and benefits are derived from what actually occurred in a reference class of similar projects. Alternatively, estimates can be built up in the traditional manner and then adjusted by set percentages based on past performance — this is the approach used in the UK central government where a standard set of optimism bias adjustments are included in the HMT <i>Green Book</i> .
resource	An organization's physical or virtual entities (human or otherwise) that are of limited availability and can be used to undertake operations or business change.
senior responsible owner (SRO)	The single individual with overall responsibility for ensuring that a project or programme meets its objectives and delivers the projected benefits.

MoP® Glossary of Terms English v1.1

© AXELOS Limited 2011

All rights reserved

Reproduction of this material requires the permission of AXELOS Limited

The swirl logo™ is a trade mark of AXELOS Limited

MoP® is a registered trade mark of AXELOS Limited

## MoP® Glossary of Terms - English

stage/phase gate review	Structured reviews of a project, programme or portfolio as part of formal governance arrangements that are carried out at key decision points in the lifecycle to ensure that the decision to invest as per agreed business cases and plans remains valid.
start gate	A stage/phase gate review which applies at the early stages of the policy-to-delivery lifecycle. It offers departments the opportunity to gain independent assurance on how well practical delivery issues are being addressed in preparing for implementation.
strategic objectives	<p>The measurable outcomes that demonstrate progress in relation to organization's mission and to which the portfolio should contribute. According to Peter Drucker they fall into eight types:</p> <ul style="list-style-type: none"> <li>■ Market standing: desired share of the present and new markets</li> <li>■ Innovation: development of new goods and services, and of skills and methods required to supply them</li> <li>■ Human resources: selection and development of employees</li> <li>■ Financial resources: identification of the sources of capital and their use</li> <li>■ Physical resources: equipment and facilities and their use</li> <li>■ Productivity: efficient use of the resources relative to the output</li> <li>■ Social responsibility: awareness and responsiveness to the effects on the wider community of the stakeholders</li> <li>■ Profit requirements: achievement of measurable financial well-being and growth.</li> </ul>
strategy	The approach or line to take, designed to achieve a long-term aim. Strategies can exist at different levels in an organization — in <i>Managing Successful Programmes</i> there are corporate strategies for achieving objectives that will give rise to programmes. Programmes then develop strategies aligned with these corporate objectives against particular delivery areas.
SWOT analysis	Acronym for 'strengths, weaknesses, opportunities and threats'. A technique to determine favourable and unfavourable factors in relation to business change or current state.

MoP® Glossary of Terms English v1.1

© AXELOS Limited 2011

All rights reserved

Reproduction of this material requires the permission of AXELOS Limited

The swirl logo™ is a trade mark of AXELOS Limited

MoP® is a registered trade mark of AXELOS Limited

## MoP® Glossary of Terms - English

three-point estimating	A technique whereby project estimates are prepared on three bases: best-case scenario; worst case; and most likely. Estimates can then be calculated by multiplying the most likely estimate by 4, adding the best and worst case estimates, and dividing the total by 6.
zero-based budgeting	A technique for determining the next period's budget, whereby rather than adjusting the previous year's funding, all material activities are examined to justify the scale of funding for each, 'bottom-up' from a zero-base.

MoP® Glossary of Terms English v1.1

© AXELOS Limited 2011

All rights reserved

Reproduction of this material requires the permission of AXELOS Limited

The swirl logo™ is a trade mark of AXELOS Limited

MoP® is a registered trade mark of AXELOS Limited