How the CIO Council defines the term

What portfolio management is:	What portfolio management is not:
“At its core, portfolio management describes the processes, practices and specific activities to continually and consistently evaluate, select, prioritize, budget for and plan those investments that offer the greatest value and contribution to the strategic interests of the organization.” “Its primary objective is to identify, select, finance, monitor and maintain the appropriate mix of projects and initiatives necessary to achieve organizational goals and objectives.” “Portfolio management involves the consideration of the aggregate costs, risks and returns of all projects within the portfolio as well as tradeoffs among them.”	“It is not about doing a series of project-specific calculations and analyses, such as return on investment, benefit-cost analysis, net present value, payback period, rate of return (internal or otherwise) and then adjusting them all to account for risk. These practices are all important. However, they are project-specific.” “It almost certainly is not about some after-the-fact effort to collect information on IT projects to produce a report that the organization hopes will satisfy some organization reporting requirement.” It is not project management. “Project management is an ongoing process that focuses on the extent to which a specific initiative establishes, maintains and achieves its intended objectives within cost, schedule and technical and performance baselines. Portfolio management focuses attention at a more aggregate level.”

Source: CIO Council’s **A Summary of First Practices and Lessons Learned in Information Technology Portfolio Management**