

The Impact of Project Portfolio Management on Enterprise Strategic Objectives

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Abstract: In today's era, with the increase in the number of enterprise innovations, enterprises must adopt project portfolio management for various innovations, select alternative projects from the perspective of enterprise strategy. This paper primarily explores the use of project portfolio management in enterprise project management, hoping to improve the quality of enterprise project management and the utilization efficiency of project portfolio management in enterprise project management.

Keywords: Project portfolio management; Enterprise strategic objectives; Development strategy

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1. Introduction

Project portfolio management is a comprehensive management idea. It begins from the company's strategic objectives and carries out comprehensive evaluation of each project on this basis. The introduction of project portfolio management in the formulation of strategic objectives not only realizes the efficient allocation of resources, but also promotes the continuous and stable operation of the entire project, while maximizing the benefits. Project portfolio management first appeared in the field of computing and extended to the field of finance over time ^[1]. In recent years, with the emergence of various concepts, including industrial integration and global cooperation, the concept of project portfolio management has also penetrated into all facets of enterprise development. Under the direction of this concept, enterprises may acquire fresh ideas for development, gradually move closer to comprehensive management from single project management, and maximize the benefits of organizational objectives ^[2].

2. Advantages of project portfolio management

Project portfolio management has many advantages. First, it focuses on the overall benefits of enterprises. The fundamental purpose of an enterprise is to make profits. In the previous management concept, enterprise managers often focus on the implementation of specific projects rather than making long-term development plans. This separates the project from the overall development of the enterprise, which is not conducive to the sustainable development of the enterprise. The application of project portfolio management prevents the aforementioned situation, draws the attention of managers to each project of the enterprise to achieve a good fit between the project objectives and the enterprise's overall development objectives, and promotes the overall economic benefits of the enterprise ^[3].

Second, it improves the realizability of organizational goals. When formulating the project objectives, it is necessary for the project objectives to be in line with the actual situation. The application of project

portfolio management further refines enterprise management objectives, decentralizes management tasks, realizes top-down management, deals with the development risks from the root, and promotes a sound and rapid development ^[4].

3. Specific strategies to achieve the enterprise's strategic objectives from the perspective of project portfolio management

3.1. Strengthen personnel training and establish a good awareness of project portfolio management

Project portfolio management has become a general trend for enterprise development. In order to further improve the enterprise economy and achieve long-term development, enterprises should pay attention to the role of project portfolio management in the internal structure of enterprises, clarify the relationship between projects and enterprises, strengthen the training of managers to enhance their professional skills, ascertain the quality of work and projects, and establish a good awareness of project portfolio management in project management. Enterprises should begin from the following aspects: first, adjust the traditional personnel training structure, establish a hierarchical training mode based on the characteristics of project portfolio management and the ability and literacy of group managers, invite professionals of relevant fields to serve as instructors for them, record the actual learning of managers, and adjust the corresponding training programs and incentive policies to ensure learning and improve their project management awareness and ability ^[5]; second, formulate a capacity development blueprint based on enterprise development ^[5], raise awareness of the novel concept, encourage enterprise managers to weigh the current project management and project portfolio management, link the actual work content with project management, simplify and split the project management concept, and ensure that the training is consistent with the current work content of managers ^[6].

3.2. Improve the supervision system and adhere to the working principle of “quality first”

Compared with general management, project portfolio management involves many departments and various contents. Its system content needs to be determined in consideration of various contents. In order to further improve the supervision system and ensure the quality of the project, managers should start from each link of the project, improve the existing supervision system, and arrange corresponding supervisors for each stage to monitor the progress in real time. Moreover, managers should also report to the corresponding departments for treatment in case of emergencies, so as to ensure the overall quality of the project and improve the directivity of their management work ^[7]. Incentive policies should also be formulated based on the original supervision system; regular assessments on the work attitude and performance of managers should be carried out; and material rewards should be given accordingly, so as to further improve their work enthusiasm.

3.3. Build a scientific personnel distribution system and give full play to the effect of project portfolio management

In order to give full play to the effect of project portfolio management, we should build a scientific personnel distribution system based on the actual situation and implement it. First of all, the person-in-charge of the enterprise should improve their professional ability, learn professional managerial knowledge, make overall planning from the perspective of the overall development of the enterprise, and be highly consistent with the strategic objectives of the enterprise. At the same time, enterprises should strengthen the training of managers and grass-roots employees, improve their work ability, and establish a high-quality management team and work team on this basis to ensure a scientific and effective management process. Each enterprise should also formulate a practical employment mechanism, in which candidates are assessed prior to recruitment, improve the threshold of talent recruitment, and attract more high-quality talents. In

addition, the enterprise project manager should work closely with the senior management to ensure that all projects are in close cooperation, evaluate the utilization of resources, formulate a scientific resource allocation system, and effectively coordinate the relationship among financial, human, and material resources. Enterprise personnel can also gain more knowledge from project management and multiply benefits through knowledge sharing ^[8].

3.4. Establish a scientific evaluation system to improve work quality

Establishing an evaluation mechanism would allow for the effective evaluation of the relationship between enterprise project objectives and overall planning, thus enabling enterprises to develop in an established direction. To a certain extent, the project selection, priority determination, and effect guarantee in enterprise project management are inseparable from the project portfolio management evaluation mechanism. Therefore, in the process of enterprise development, it is necessary to establish a scientific evaluation system, which includes risk evaluation. This evaluation lists the relevant risks, including the risk of on-time project completion, the risk of multi-organization management, technical risk, project action risk, cost control risk, *etc.* Furthermore, it is also necessary to set weights in accordance with the actual situation to avoid risks. Enterprises should focus on quality and ensure good quality control. The quality of an enterprise should be evaluated from the pre-combination, combination and post-combination stages, so that the relevant personnel may come to understand the dynamic development process of the enterprise prior to making scientific decisions. In the process of project evaluation, we should begin with the commercial value and project budget to determine the action levels of the project (these levels mainly include “start,” “start after confirmation,” “need to be confirmed after research,” “will not start in the short term,” and “will not start in the long term”), locate the level based on the actual situation, and formulate scientific development objectives on this basis to optimize the effect of the project portfolio ^[9].

3.5. Relying on information technology to achieve overall consideration

Information technology plays an important role in improving the efficiency of project portfolio management. In this era, various technologies have emerged, such as big data and cloud computing. Introducing these technologies into project portfolio management allows us to fully utilize their advantages and improve the overall management effect. For example, big data can be utilized to collect project information. From that, the enterprise would be able to carry out analysis from both horizontal and vertical perspective to formulate optimization strategies. All enterprise personnel should also be proactive in communication, share information via internet platforms, analyze the advantages and disadvantages of projects, and adjust the implementation sequence and process of the combined project.

4. Project portfolio management considerations in enterprise project management objectives

4.1. Align portfolio management with the enterprise’s strategic objectives to improve the scientificity of project portfolio

Project portfolio management must be aligned with the enterprise’s strategic objectives to achieve the best results. In this context, project portfolio management can also provide continuous support for enterprise development. In the process of applying project portfolio management, enterprises should clarify their own management objectives with long-term development in mind and formulate practical development plans. In this way, they can enhance the enterprises’ core competitiveness. At the same time, senior managers should have a thorough understanding of the strategies and play the role of participants. In this way, they would be able to coordinate the external and internal environments and put forward enterprise development strategies that are viewed from a higher perspective. Compared with ordinary employees, senior managers have rich management experience; they are able to analyze the risks in the development process accurately

and subsequently deal with these risks. At the same time, the relevant managers should also optimize the operation state of the portfolio project to ensure that the enterprise operates normally ^[10].

4.2. Implement the people-oriented concept and strengthen the collection and adoption of employees' opinions

The majority of enterprises have recognized the importance of project portfolio management and applied these management methods to enterprise development. This effort has accelerated the pace of enterprise economic development to a certain extent. In the process of implementing project portfolio management, relevant enterprise managers also focus on analyzing the risks and listing various ambiguous factors. On this basis, the enterprise project cost and the development risks have reduced. In the actual development process, there are many factors that must be considered. It is necessary to consider the suggestions of employees and formulate a project management method to maximize benefits. This would stimulate the work enthusiasm of grass-roots employees and promote a steady overall development of the enterprise.

5. Conclusion

Project portfolio management focuses on the overall benefits of enterprises. It improves the realizability of organizational objectives and enhances the effectiveness of enterprise project management. In the actual development process, enterprises must determine the project implementation standards, the compatibility between the overall objectives and phased objectives, the application of various resources, and its income, so as to allocate resources reasonably, reduce its development cost, and improve its development efficiency.

Disclosure statement

The author declares no conflict of interest.

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