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SENSIBLE GUIDE TO

PASSING

THE PfMP℠ EXAM

INCLUDING 400 PRACTICE EXAM QUESTIONS

TE WU PfMP℠, PgMP® and PMP®

The Sensible Guide to Passing the PfMP℠ Exam - Including 400 Practice Exam Questions

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The Sensible Guide to Passing the PfMP℠ Exam

Including 400 Practice Exam Questions

First Edition

Te Wu

(PfMP℠, PgMP®, PMP®)

DEDICATION

This book is dedicated to all the project professionals who are working hard every day to success executive strategies and get things done.

About the Author

Te Wu is CEO of PMO Advisory LLC, a management consulting firm that specializes in Strategic Business Execution including portfolio, program, and project management. Te has more than 20 years of experience in management consulting, having worked with industry leaders including KPMG, Accenture, Oracle, Kraft, Standard and Poor's, Chase Bank, Corning Inc., and LexisNexis. He is a master at implementing transformative change, enterprise resource planning (ERP), master data management (MDM), data analysis, and process optimization and simulation. For the past 13 years, he also serves as a college professor at multiple universities in New Jersey and New York teaching international business, general management, organizational change, and project management. Te is one of few, estimated at less than 50 in the world (at the time of publishing this book), professionals certified in Portfolio (PfMP), Program (PgMP), Project Management (PMP), and ITIL Foundation. In his spare time, he is working to complete a doctoral dissertation and serving as a board or advisory member for multiple educational institutions.

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About This Book

This book is different than other exam preparation guides for two reasons: PfMP℠ exam is new and passing the exam requires a significant amount of portfolio management experience. At the time of this book's publication, the PfMP exam is still in pilot. This means that there is very precious little experience about the exam, and PMI® will likely make significant changes over the coming months. Therefore, to create an effective guide to help you, I took a different approach. In addition to providing exam tips, practice questions, and more sample deliverables, this book takes on a more Socratic approach of questions and answers. I hope through thinking and understanding the key challenges and issues, you will be more prepared for the experience-based questions that are prevalent on this exam.

Furthermore, this book does not claim to be an "all in one" guide. It is highly unrealistic for anyone interested in any of the PMI's certifications to go without a thorough understanding of its standards, whether it is the Project Management Body of Knowledge (PMBOK®), the Standard for Program Management®, or in this case, the Standard for Portfolio Management®. Therefore, this book is a companion guide to the Standard for Portfolio Management. It augments the Standard for Portfolio Management with additional clarifications, sample deliverables, and key questions and answers that every portfolio professional needs to know.

In short, this book is designed for busy professionals likely you whose responsibilities have taken them into the realm of coordinating, facilitating, managing, and leading project portfolios. As portfolio managers, you may be the decision maker or at the minimum with a high degree of influence on making sound project and program investment decisions for your organization. This book primarily addresses three concerns:

1. What are the essential concepts, processes, and tools that form the foundation of today's portfolio management?
2. Since portfolio management is still an emerging profession with professionals often working in different ways, what does this mean for a "standard" exam? More specifically, how does that impact your ability to pass the PfMP exam?
3. How best to prepare for the Portfolio Management Professional exam?

On the first concern, this book highlights the underlying rationale for project portfolio management: why it exists in organizations, why it is becoming ever more important, how to think like a portfolio manager (especially important since experience-based exam questions are difficult to predict) and what are the most important concepts, processes, and tools for this profession. This book attempts to simplify complex ideas and communicate them in plain English with relevant examples. The goal is not only to pass the PfMP exam but also to serve as an essential guide to portfolio managers.

On the second concern, this book differs from most other study guides by describing my experience as a portfolio manager and addressing the most pressing questions for each knowledge area in the Standard for Portfolio Management.

To address the third concern, this book provides six mechanisms to prepare for the exam including:

1. Studying for the PfMP exam. This is based on tried and true approaches (after all, the author of this book has passed the PMP, PgMP, and PfMP exam).
2. Practice questions and scenarios. This book contains 400 sample and practice questions.
3. Exam aids. This book contains four exam aids. A pull out is included in Chapter 10. All registered users will be able to receive the exam aids in editable Excel for free.
4. Support Group. All registered user of this book will be invited to an invitation-only moderated LinkedIn forum dedicated to users of this book and our products. Here, I and my team will regularly monitor the questions and provide answers to your questions. It is my hope that others in the Group will also provide peer support.
5. Discount to additional practice exam and real-time PfMP exam preparation courses.
6. Discount to our PfMP exam preparation course. Please visit us at http://www.pmoadvisory.com/pfmp_prep/ for more details. According to my research, my company is the first to offer extensive training and coaching programs for prospective certified portfolio professionals.

To qualify for the free exam aids in electronic format, support group, and discounts for practice exam and our training course, please complete our short registration form at https://www.surveymonkey.com/s/pmoadvisory. Upon registration, you will receive more information about these services. For more information on the specific discounts, go to the end of this book on "How to Contact the Author" to see the extensive discounts.

Plus, we are also offering our readers an extra bonus. My firm, PMO Advisory, is conducting an ongoing study of "strategic business execution". The survey takes roughly 15 minutes to complete. If you complete our strategic business survey, you will receive even a greater discount code for our online practice exams and PfMP exam preparation course. If you are interested, please complete the survey at www.surveymonkey.com/s/sbe01. Given your role as portfolio managers, I believe you will find the survey and the results fascinating. Please make sure you use the same name, address, and email in the survey as the book registration. Also, on the last question which asks "how did you hear about us", please check "Publication(s) by PMO Advisory or Te Wu". It will take us two business days to process the survey responses. So please be patient.

Core Principles

This book is based on three core principles that underpin all material in this book. These are designed to add tremendous value to you. This book assumes that you are highly intelligent, highly accomplished, and very busy. Therefore, where feasible this book will:

1. Use the simplest language possible to enable greater clarity
2. Provide the basic rationale to encourage deeper understanding
3. Refer to the Standard of Portfolio Management 3rd Edition, henceforth referred to as the "Standard" where this book cannot add significant value.

The last principle assumes an obvious fact. All prospective portfolios managers planning to take the PfMP exam should read and understand The Standard of Portfolio Management – 3rd Edition. The Project Management Institute made substantial improvements to this latest edition, and it is a worthy reference guide. I studied the 1st edition thoroughly back in 2010 when I prepared for the PgMP exam. I am pleasantly surprised at the improvements in the 3rd edition. While I may not necessarily agree with everything in the Standard, it is an excellent guide.

In this sense, this book should be viewed as a companion guide that advances the two concerns stated in the opening paragraph: highlighting of the core concepts and building the required mindset required for the portfolio professionals to pass the PfMP exam

Also, perhaps stating another obvious fact, this book is not designed for geniuses and people with a photographic memory. It is created for mere mortals like me who must struggle to remember and make connections among concepts. Therefore, I hope you find the four exam aids helpful.

Clarification: In common business language, the role of portfolio management can be ambiguous. The term is commonly used by the financial services industry in referring to the management of investment portfolios, which is a group of financial and investment instruments such as equities, bonds, funds, or even target companies. In this book, portfolio management refers solely to project or program portfolios, which are a collection of projects, programs, or other initiatives in which organizations can pursue in advancement of their organization goals. Portfolio management is the art and discipline of making sound investment choices of programs and projects for organizations that maximize the intended benefits and minimize the downside risks. How to best achieve this challenging endeavor is the role of a portfolio manager.

Organization of This Book

This book is presented in eight chapters. Each chapter is written so that they are largely independent, and you can easily jump from one section to another. Chapter 1 provides an overview of PfMP exam and test taking tips. Charter 2 provides the context of portfolio management, discusses a framework to look at the abstract level of organization activities, and starts to develop the necessary mindset of portfolio managers. Chapter 9 contains two full length practice exams. Chapters 3 to 8 are largely aligned with the Standard, and these chapters each contain five sections:

1. Overview
2. Inputs, Tools and Techniques, and Outputs (ITTO)
3. Key concepts and additional explanations (when applicable)
4. Additional example of portfolio management tools, techniques, and other assets
5. Ten practice questions

Chapter 1: Preparing for the PfMP℠ Exam

The first part of this chapter discusses the PfMP certification qualification, certification application process, and some of the likely challenges. The second part presents a study plan, exam aids, and test taking tips designed to ease anxiety and aid in the test taking process.

Chapter 2: Portfolio Management – What and Why

This chapter addresses the question of what are portfolio and portfolio management and their relationship between project management, program management, business strategy, and organization. This chapter will also describe the mindset of portfolio managers and how they should think.

Chapter 3: Understanding Portfolio Management Process Groups

PMI's current Portfolio Management Standard (3rd Edition) presents three process groups: defining, aligning, and authorizing. This chapter focuses on these process groups, inputs, outputs, techniques, and tools.

Chapter 4: Understanding Strategic Management

Portfolio strategic management is the first knowledge area in the Standard and it serves as the bridge between strategic planning and portfolio execution. This chapter will cover the major processes and key concepts.

Chapter 5: Understanding Governance

Perhaps what best differentiates program, project, and portfolio management is the emphasis on governance which is essential for decision-making. In addition to covering the key concepts, techniques, and tools, this chapter will discuss some practical examples of its application.

Chapter 6: Understanding Portfolio Performance

Managing portfolio performance is an essential responsibility for all portfolio managers. This chapter highlights the core concepts, tools and examples that help portfolio managers optimize the effectiveness of their portfolios.

Chapter 7: Understanding and Managing Communication

Like program and project management, communication is an important aspect of managing portfolios. But for portfolios, the audience, reports, and intended outcomes can differ. This chapter focuses on the selective key concepts that will help portfolio managers on both the exam and at work.

Chapter 8: Understanding and Managing Risk

From a business execution perspective, the ability to manage risk effectively is perhaps the single most important responsibility of portfolio managers. This is especially true in high stake and turbulent sectors in which the management of “down-side” far outweighs the “up-side”. Here, this chapter will introduce the tools, techniques, and concepts essential for portfolio managers.

Chapter 9: Practice Exams

This chapter contains two full-length exams with 170 questions each.

Chapter 10: Pullout of the Four Exam Aids

This chapter contains the four exam aids discussed in this book. The exam aids here are printed on one page, enabling you to make a copy and carry it with you for studying.

About Project Management Institute® and Portfolio Management Professional℠

i. About PMI®

The Project Management Institute (PMI®) is currently the world's large project management professional organization dedicated to advancing the project management profession. According to the June 2014 issue of PMI Today, there are 451,871 members around the world. Its most popular certification is the Project Management Professional (PMP®) with over 615 thousand credential holders. The Project Management Body of Knowledge (PMBOK®) has over 4.5 million copies in circulation today.

PMI currently has seven active certifications plus two certifications in pilot:

#	Certification Name	Number of Active Credential Holders
1	CAPM or Certified Associate in Project Management®	24,404*
2	PMP or Project Management Professional®	615,443*
3	PfMP or Portfolio Management Professional℠	121 (Pilot)**
4	PgMP or Program Management Professional®	1,036*
5	PMI-RMP or Risk Management Professional®	2,696*
6	PMI-SP or Scheduling Professional®	1,167*
7	PMI-ACP or Agile Certified Professional®	5,511*
8	OPM3 or Organization Project Management®	Uncertain
9	PMI-PBA or Professionals in Business Analysis℠	In Pilot

Table 1: PMI® Certifications

* According to PMI Fact File in PMI Today, June 2014 issue.
** According to PMI's Certification Registry, www.certification.pmi.org/registry.aspx on May 15th, 2014.

By becoming a certified professional, you are joining a growing family of project professionals.

ii. About Portfolio Management Professional (PfMP[SM])

Based on the increasing demand of project professionals, the Project Management Institute developed the new PfMP certification and initiated the PfMP credential process in 2013. The pilot program, which opened to the public in December 2013 and ended in first quarter of 2014, encouraged portfolio management professionals around the world to apply. Pilot participants took the pilot PfMP exam between December 2013 and February of 2014. (The first person who passed the exam took it on the first day in which the PfMP exam was available; I took it on January 4, 2014.) In May 2014, PMI formally informed the pilot participants of their status. I became one of the 121 newly minted PfMPs. (Note: This is an unofficial count derived from PMI's Credential Registry.)

According to the PMI's Credential Library on May 14th, 2014, there are 121 PfMPs. The PfMPs are distributed among 27 countries with the United States in the lead with 59 PfMPs. Of the PfMPs in the United States, Texas has the highest number (6), followed by New Jersey (5), Ohio (5) and Virginia (5). See the table and chart below for details.

Note: The inclusion in the Certification Registry is voluntary. Therefore, not all credential holders are listed. Also, based on this registry, I would be the 8th person in the world achieving the certification. My kudos to the other professionals completing earlier; clearly they spent their holidays studying.

Country	PfMPs
Australia	3
Brazil	4
Canada	7
Colombia	2
Egypt	1
Germany	1
India	11
Israel	1
Italy	2
Japan	1
Kuwait	1
Lebanon	2
Mexico	1
Nigeria	1
Pakistan	1
Peru	1
Philippines	1
Poland	2
Puerto Rico	2
Russian Federation	1
Saudi Arabia	3
South Africa	3
Sweden	1
Taiwan (Republic of China)	1
United Arab Emirates	2
United Kingdom	5
United States	59
(Blank)	1

Table 2: PfMPs by Countries

US State	PfMPs
AK	1
AR	1
AZ	1
CA	2
CO	2
CT	1
FL	4
GA	3
IN	1
MA	1
MD	2
MI	2
MN	1
NC	4
NJ	5
NY	3
OH	5
PA	3
SC	1
TN	2
TX	6
VA	5
WA	2
WI	1

Table 3: PfMPs in the United States

Note: The number of PfMPs is in accordance to PMI's certification registry on May 14, 2014.

iii. About The Standard for Portfolio Management – Third Edition

The Standard for Portfolio Management (the "Standard") is PMI's latest attempt to institutionalize and formalize the body of knowledge that is integral to project portfolio professionals around the world. Currently in the third edition, it is essential for you to carefully read and assimilate the knowledge and techniques in this guide in order to pass the PfMP exam.

To make this book truly easier for aspiring portfolio professionals, I have worked with PMI and received their permission to use the key concepts including the knowledge areas, process groups, processes, inputs, tools, techniques, and outputs. This is a significant advantage to you, who will be spending many hours studying for the exam. Unlike other guides who may not have the intellectual property rights, this book will use these key terms exactly the same as how would use them on exams. Not only will this save considerable effort, it will also reduce confusion.

The tables below outline the key terms required for passing the PfMP exam:

KA	Processes	Inputs	Tools & Techniques	Outputs
Portfolio Strategic Management	Develop Portfolio Strategic Plan	1. Org strategy and objectives 2. Inventory of work 3. P. Process Assets 4. Org Process Assets 5. Enterprise environmental factors	1. P. Component Inventory 2. Strategic Alignment Analysis 3. Prioritization Analysis	1. P. Strategic Plan 2. Portfolio
	Develop Portfolio Charter	1. P. Strategic Plan 2. P. processes assets 3. Enterprise environmental factors	1. Scenario Analysis 2. Capability and Capacity Analysis	1. P. Strategic Plan Updates 2. P. Charter 3. P. Process Assets Updates
	Define Portfolio Roadmap	1. P. Strategic Plan 2. P. Charter 3. Portfolio	1. Interdependency Analysis 2. Cost/benefit Analysis 3. Prioritization Analysis	1. P. Roadmap
	Manage Strategic Change	1. P. Strategic Plan 2. P. Charter 3. Portfolio 4. P. Roadmap 5. P. Management Plan 6. P. Process Assets	1. Stakeholder Analysis 2. Gap Analysis 3. Readiness Assessment	1. P. Strategic Plan Updates 2. P. Charter Updates 3. P. Updates 4. P. Roadmap Updates 5. P. Management Plan Updates 6. P. Process Assets Updates

KA	Processes	Inputs	Tools & Techniques	Outputs
Portfolio Governance Management	Develop Portfolio Management Plan	1. P. Strategic Plan 2. P. Charter 3. P. Roadmap 4. P. Process Assets 5. Org Process Assets 6. Enterprise environmental factors	1. Elicitation Techniques 2. P. or Org Structure Analysis 3. Integration of P. Management Plans	1. P. Strategic Plan Updates 2. P. Management Plan 3. P. Process Assets Updates
	Define Portfolio	1. P. Strategic Plan 2. P. Charter 3. Portfolio 4. P. Roadmap 5. P. Management Plan 6. P. Process Assets	1. P. Component Inventory 2. P. Component Categorization Techniques 3. Weighted Ranking and Scoring Techniques	1. P. Updates 2. P. Roadmap Updates 3. P. Management Plan Updates
	Optimize Portfolio	1. Portfolio 2. P. Roadmap 3. P. Management Plan 4. P. Reports 5. P. Process Assets	1. Capability and Capacity Analysis 2. Weighted Ranking and Scoring Techniques 3. Quantitative and Qualitative Analysis 4. Graphical Analytical Methods	1. P. Updates 2. P. Roadmap Updates 3. P. Management Plan Updates 4. P. Reports 5. P. Process Assets Updates
	Authorize Portfolio	1. Portfolio 2. P. Management Plan 3. P. Reports	1. P. Authorization Techniques 2. P. Management Information System	1. P. Updates 2. P. Management Plan Updates 3. P. Reports 4. P. Process Assets Updates
	Provide Portfolio Oversight	1. Portfolio 2. P. Roadmap 3. P. Management Plan 4. P. Reports 5. P. Process Assets	1. P. Review Meetings 2. Elicitation Techniques	1. P. Updates 2. P. Management Plan Updates 3. P. Reports 4. P. Process Assets Updates

KA	Processes	Inputs	Tools & Techniques	Outputs
Portfolio Performance Management	Develop Portfolio Performance Management Plan	1. P. Management Plan 2. P. Process Assets 3. Org Process Assets 4. Enterprise Environmental Factors	1. Elicitation Techniques 2. P. management Information System 3. Capability and Capacity Analysis	1. P. Management Plan Updates 2. P. Process Assets Updates
	Manage Supply and Demand	1. Portfolio 2. P. Management Plan 3. P. reports	1. Scenario Analysis 2. Quantitative and Qualitative Analysis 3. Capability and Capacity Analysis	1. P. Updates 2. P. Management Plan Updates 3. P. Reports
	Manage Portfolio Value	1. P. Roadmap 2. P. Management Plan 3. P. Reports	1. Elicitation Techniques 2. Value Scoring and Measurement Analysis 3. Benefits Realization Analysis	1. P. Management Plan Updates 2. P. Reports 3. P. Process Assets Updates
Portfolio Communication Management	Develop Portfolio Communication Management Plan	1. Portfolio 2. P. Roadmap 3. P. Management Plan 4. P. Reports 5. P. Process Assets	1. Stakeholder Analysis 2. Elicitation Techniques 3. Communication Requirement Analysis	1. P. Management Plan Updates 2. P. Process Assets Updates
	Management Portfolio Information	1. Portfolio 2. P. Management Plan 3. P. Reports 4. P. Component Reports 5. P. Process Assets	1. Elicitation Techniques 2. P. Management Information System 3. Communication Requirements Analysis 4. Communication Methods	1. P. Management Plan Updates 2. P. Reports 3. P. Process Assets Updates

KA	Processes	Inputs	Tools & Techniques	Outputs
Portfolio Risk Management	Develop Portfolio Risk Management Plan	1. P. Management Plan 2. P. Process Assets 3. Org Process Assets 4. Enterprise Environmental Factors	1. Weighted Ranking and Scoring Techniques 2. Graphical Analytical Methods 3. Quantitative and Qualitative Analysis	1. P. Management Plan Updates 2. Org Process Assets Updates 3. P. Assets Updates
	Manage Portfolio Risks	1. Portfolio 2. P. Management Plan 3. P. Reports 4. P. Process Assets 5. Org Process Assets 6. Enterprise Environmental Factors	1. Weighted Ranking and Scoring Techniques 2. Quantitative and Qualitative Analysis	1. P. Management Plan Updates 2. P. Reports 3. P. Process Assets 4. Org Process Assets Updates

Legend:	Define (No Shade)	Align (Light Gray)	Authorize & Control (Darker Gray)
Abbreviations used in the above table:	P. = Portfolio	Org = Organizational	KA = Knowledge Area

Table 4: Core Concepts from The Standard for Portfolio Management

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Notes:

1. The knowledge areas, process groups, processes, inputs, tools and techniques, and outputs listed used in this document are current as of this book's publication date. Project Management Institute® may change them at any time without prior notice. Please visit the PMI website for the most current information about PMI's Portfolio Management Professional (PfMP℠) credentials: http://www.pmi.org.

2. I know the table above is difficult to read as it is split across 3 pages. When you registered for the book, I will send everyone an Excel version of the above table. This way, you can print it on 1 piece of paper and carry it around with you as you study.

iv. Abbreviations and Acronyms

Throughout this book, we used abbreviations and acronyms for three reasons:

- Some tables are dense and place a heavy premium on the spacing
- Some concepts and names are long and used frequently
- Some of the acronyms have become a part of the natural language or commonly used by PMI. Therefore, they may appear on exams as acronyms.

Abbreviation or Acronym	Description
CCA	Capability and Capacity Analysis
ET	Elicitation techniques
ITTO	Input, tools and techniques, outputs (of portfolio processes)
PfMP	Portfolio Management Professional
PgMP	Program Management Professional
PMI	Project Management Institute
PMIS	Portfolio management information system
PMP	Project Management Professional
QQA	Quantitative and qualitative analysis
Standard	The Standard for Portfolio Management - 3rd Edition
SWOT	Strength, weakness, opportunity, and threat
WRS	Weighted ranking and scoring techniques

1.2.2. Count Down to the Exam (Five, Four, Three, Two, One, Zero…)

The final five days leading to the exam are especially important, and so use this time wisely. Ideally, you should spend an increasing amount of time to ensure retention of content and gain familiarity with the suggested exam aids. Realistically, however, most of us have to work or have other responsibilities. But please make sure you spend at least a minimum of three to five hours on Days 5 and 4 and then increase it to six hours or more on Days 3 and 2. On the final day before the exam, it is perhaps more important for you to relax and get enough sleep rather than last minute cramming. It is more optimal to have a sharp mind than to remember a bunch of facts but be too tired to process.

Here is my recommendation on how to best maximize the five days leading to the exam.

Day #	Key Objective	Description
5	Complete reading and reviewing of all content including study materials	If you have not done so, please make sure you are familiar with the key concepts in the Standard and this book. You do not need to memorize everything yet, but there should not be any questions about what they are and how they are used. Assuming the above is done, spend at least 1 to 2 hours to review the key concepts, review your study sheets, and manually create the exam aids mentioned throughout this book using paper and pen. Practice makes perfect, and it will save considerable time during the exam. You should also decide on the exam aids that you plan to use. What I offer in this book are my suggestions. You should customize them (or create new ones) so you are comfortable with them.
4	Re-create all the exam aids by heart.	Whether you use the exam aids from this book as-is or if you modify them, make sure you can re-create them manually by heart at this point. The exam aids offered in this book are designed to ease memorization, but feel free to modify them to suit your learning habits. You should also be able to complete most of the exam aids with the PfMP contents by heart. Mistakes at this stage are not ideal but there is still three days left to remedy.

Level	Pillars			Name	Description
10	Planning			Corporate or Enterprise Strategy	This is the highest level of business strategy and the focus is the entire enterprise. Questions at this level largely pertain to its identity, purpose, and direction.
9				Organization Strategy	Following the corporate or enterprise strategy, organization addresses the question of how an organization needs to evolve over time to meet its business objectives. While mostly internal focused, it is built upon a realistic assessment of external and internal environment.
8		Changing		Business Unit Strategy	Depending on the organization, a business unit can be a product line, a geography, or other profit centers. Here, the strategy is less about coordination among the operating units and more about developing and sustaining advantages to advance its products and services.
7			Operating	Functional Strategy	This is largely the realm of functional strategies including the specific business objectives for sales, marketing, operations, product management, information technology, etc.
6				Portfolio	Even though portfolios can exist at all levels of the organization, I am purposely putting it at Level 6 because this is where abstract planning starts to diminish and the hard work of getting things done starts. In addition, most portfolios exist cross-function and require the clear functional strategy.
5				Program	Programs can be seen as logical constructs of significant work components (other programs, projects, and operational initiatives) that require an organization to change. It is logical because of its relatedness and/or interdependencies. In PMI's definition, program focuses on delivering business benefits.
4				Project	Projects are typically more specific, concentrating on deliverables and outcomes. Portfolio, program, and projects are at the heart of the "changing" pillar.
3				Operational Initiatives	Operational initiatives are generally enhancement activities designed for the continuous improvement of operations. Occasionally, operational initiatives can be large and important to the overall business. In those cases, they are often managed as a part of programs.
2				Tracks	Tracks, are specific work units with specific expertise that is the building block for operational initiatives, projects, or programs. For example, a track in software development can be development, quality assurance, deployment, or business analysis.
1				Tasks and activities	These are specific tasks and activities that operate the business and its routine processes. For example, for Sales, it can be making cold calls. For Developers, it is coding.

Table 11: Organization Operating Level – An Abstract Depiction

- Leading – Portfolio managers can also be leaders. They set directions, maintain alignment with business objectives, ensure portfolio benefits are achieved, determine risk management strategies, and make difficult decisions, especially with the allocation of resources and budget.

Figure 4: Four Primary Skill Sets for Portfolio Managers

2.3.2. Standard Chapter 2: Overview and Organization of Portfolio Management

Chapter 2 of the Standard provides an overview of portfolio management and how it fits into the organization to help achieve business benefits. To expand on this book's Chapter 2.1, portfolio management is the discipline that enables organization leadership to effectively and efficiently make project and program decisions, allocate resources, align strategies with execution, and manage the upsides (benefits) and downsides (risks).

Chapter 2 of the Standard addresses these key questions:

1. How is portfolio management related to organizational strategy? (Standard: 2.1)
2. What is the process of implementing portfolio management process in organizations? (Standard: 2.2)
3. What is portfolio management information system (PMIS)? (Standard: 2.4)
4. What is portfolio governance and who are the stakeholders? (Standard: 2.5 and 2.6)
5. How does organizational maturity impact portfolio management? (Standard: 2.7)

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Preparing for the PfMP℠ certification exam can be exceedingly difficult for busy professionals for two reasons: 1) it is very new,which means there are limited resources and information and 2) more so than other PMI ® exams, the PfMP exam is more experiencebased than knowledge based. Even worse, professionals who qualify for the credential are seasoned and knowledgeable, meaning they may have more to"unlearn" before they can "learn" PMI's approach and standard for portfolio management.

This book is designed to address all of these concerns:

- The author is highly credible as he is one of the few professionals who are certified in PfMP, PgMP, and PMP with 20+ years of business experiences and 13+years of university teaching experiences.
- This book is one of the very few on the market that licensed intellectual property from the Project Management Institute ® so the terminologies and frameworks in this book are more consistent with PMI and its exam. For you, the benefit is simply – less confusionthat savesyou time.
- To prepare you for the experience-based questions, this book takes a novel approach. It attempts to train you how to think like a portfolio manager and how to address the top challenges and issues confronting portfolio professionals. By developing the right mindset, you will be far more prepared than if you rely on rote memorization of terminologies and processes.
- The author also shares his time tested approach to prepare for the exam, including his 30 days plan,5 days to exam plan, exam aids to simplify memorization, and 400 practice exam questions.
- Finally, this book is more than an exam preparation book.This is like a companion guide to The Standard for Portfolio Management – 3rd Edition®, which the author believes you MUST read and understand before you tackle the exam.

This book is part of an ecosystem designed to help project portfolio professionals. In addition to this book, the author and his management consulting firm offer additional PfMP practice questions, PfMP preparation courses, and a free Webinar. For more information, visit www.pmoadvisory.com/pfmp_training/. By purchasing this book and registering with the author, you will receive special discounts.

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