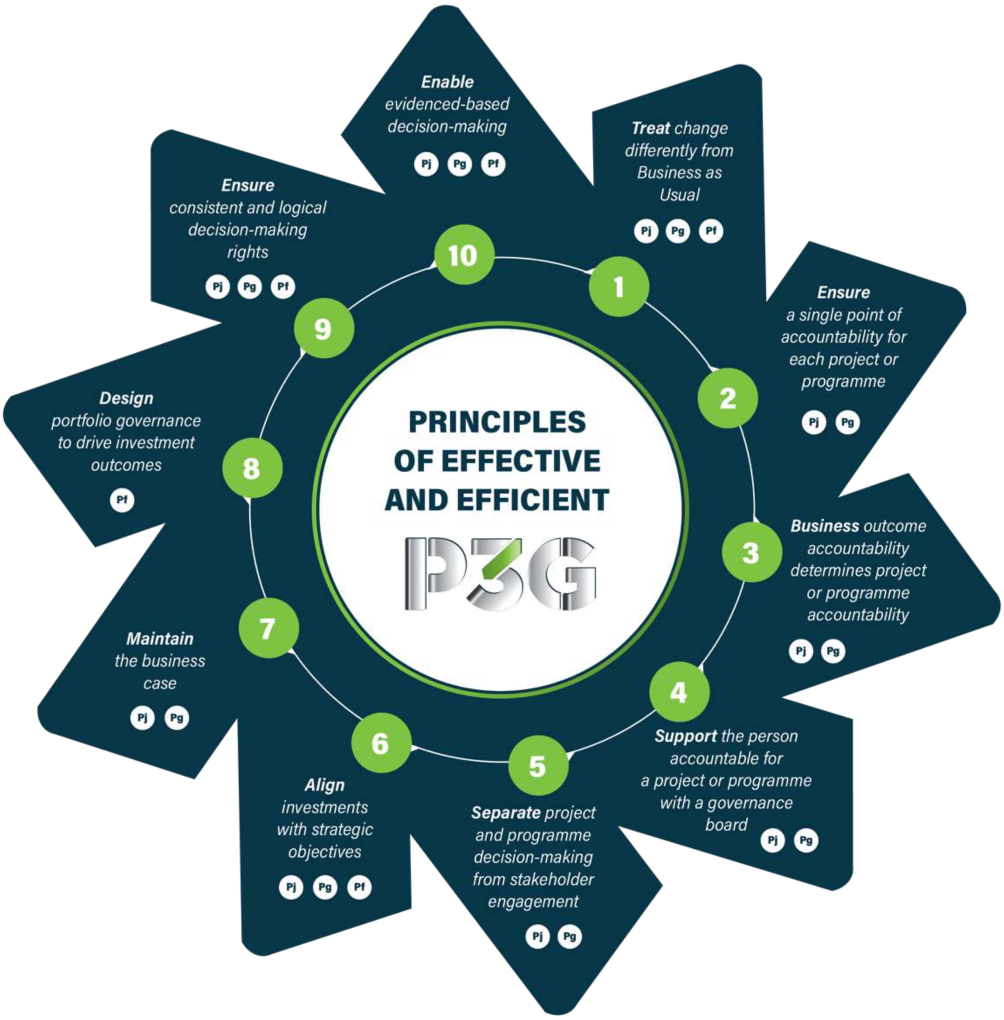

This section of the P3GP® course provides the theory that underpins P3G and derives the key principles that form the foundation for effective P3G governance frameworks.

Defining P3G

Defines P3G and discusses its fundamental components.

The importance of P3G

Explains why project, programme and portfolio governance is so important including:

- The **importance** of governance to project success;
- What **research** says about the importance of P3G;
- Why it is so important to **senior management.**

128 CITY ROAD, LONDON, EC1V 2NX
+442081235088
P3GQA LTD
Company Number 13351575
England and Wales

Principle 1: Treat Change differently from Business as Usual

Projects and programmes require their own governance structure. The organisation structure is generally not designed to deliver change. This principle makes decision making faster and more efficient.

Principle 2: Ensure a single point of accountability for each project or programme

This ensures clarity of decision making and empowers the accountable person.

Principle 3: Business outcome accountability determines project or programme accountability

The person who owns a business outcome in an organisation must own the project or programme that enables that business outcome. This places business interests at the heart of project delivery.

Principle 4: Support the person accountable for a project or programme with a governance board

Choosing the right people to support the accountable person is critical. Whereas some stakeholders will be so central to the initiative they must be part of the decision - making board, others can be considered as decision influencers or even non-core stakeholders and do not need to be part of the decision making group.

Principle 5: Separate project and programme decision making from stakeholder engagement

This prevents decision making boards becoming clogged with stakeholders, resulting in slow and inefficient decision making. Mechanisms are established to support influential stakeholders who are not part of decision making boards.

Principle 6: Align investments with strategic objectives.

In order to derive the maximum value from its investment in change, an organization must ensure that projects and programmes align with its organizational strategic objectives. The main board, portfolio committee, SROs and project sponsors must understand their responsibilities in ensuring alignment.

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Principle 7: Maintain the business case

The business case is the key governance document and should be used to assess the impact of project and programme changes, both pre and post implementation.

Principle 8: Design portfolio governance to drive investment outcomes

For effective portfolio decision making, an organisation requires the right portfolio governance arrangements populated by the right people undertaking the right activities.

Principle 9: Ensure consistent and logical decision – making rights

All stakeholders should be clear who makes what decisions and why. The Project Sponsor/SRO and Project/Programme Board make any decisions on matters that may have a material impact on the business case, where materiality is defined by tolerances.

Principle 10: Enable evidenced-based decision – making

Decisions made can only be as good as the information on which they were based. This requires that decisions are based on the best information available at that time and that the information is evidence-based. This provides improved transparency and defensibility of decision-making, improved assessment of performance and increased ability to demonstrate the effectiveness of past decisions.