Strategy Drift in Software Project Portfolios

Research Problem
- Project Portfolio Management (PPM) aligns projects to strategy
- Project success may not result in realisation of intended strategy
- Absence of research or tools to measure strategic alignment
- Further complicated by the flexibility introduced by contemporary methodologies and philosophies like agile and Lean which encourage projects to embrace customer driven change

Research Question and Objectives
- How can we measure the alignment of complex dynamic projects to strategic portfolio goals?
  - Identify appropriate metrics to measure strategic alignment at project and portfolio level (RQ1)
  - Identify and adapt an appropriate financial portfolio framework to measure project portfolio alignment (RQ2)
  - Validate framework for software portfolios (RQ3)

Financial Models Applicability in Software PPM*
- Modern Portfolio Theory (Markowitz 1952) – maximise performance for an acceptable level of risk
- Options Theory (Black et al 1973) – pricing options and liabilities
- Share price as a random walk (Cootner, 1964) – share prices cannot be predicted by past performance
- Style Theory (Sharpe 1992) – Balancing portfolios using asset classes
- Style Drift Score (Idzorek & Bertsch 2004) A properly balanced portfolio has a drift score of 0.

Methodology
- Archival Research
- Interviews
- Explorative Case Study
- Survey
- Case Studies

Selected Outputs