
**Project, programme and portfolio
management — Context and concepts**

Management des projets, programmes et portefeuilles — Contexte et concepts

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ISO copyright office
CP 401 • Ch. de Blandonnet 8
CH-1214 Vernier, Geneva
Phone: +41 22 749 01 11
Email: copyright@iso.org
Website: www.iso.org

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Foreword

ISO (the International Organization for Standardization) is a worldwide federation of national standards bodies (ISO member bodies). The work of preparing International Standards is normally carried out through ISO technical committees. Each member body interested in a subject for which a technical committee has been established has the right to be represented on that committee. International organizations, governmental and non-governmental, in liaison with ISO, also take part in the work. ISO collaborates closely with the International Electrotechnical Commission (IEC) on all matters of electrotechnical standardization.

The procedures used to develop this document and those intended for its further maintenance are described in the ISO/IEC Directives, Part 1. In particular, the different approval criteria needed for the different types of ISO documents should be noted. This document was drafted in accordance with the editorial rules of the ISO/IEC Directives, Part 2 (see www.iso.org/directives).

Attention is drawn to the possibility that some of the elements of this document may be the subject of patent rights. ISO shall not be held responsible for identifying any or all such patent rights. Details of any patent rights identified during the development of the document will be in the Introduction and/or on the ISO list of patent declarations received (see www.iso.org/patents).

Any trade name used in this document is information given for the convenience of users and does not constitute an endorsement.

For an explanation of the voluntary nature of standards, the meaning of ISO specific terms and expressions related to conformity assessment, as well as information about ISO's adherence to the World Trade Organization (WTO) principles in the Technical Barriers to Trade (TBT), see www.iso.org/iso/foreword.html.

This document was prepared by Technical Committee ISO/TC 258, *Project, programme and portfolio management*.

This second edition, together with ISO 21502:2020, cancels and replaces the first edition (ISO 21500:2012), which has been technically revised. The main changes compared with the previous edition are as follows:

- this document provides an overview of the environment for project, programme and portfolio management, their governance, and the general factors impacting the broader environment;
- this document provides a high-level view of the relationships among the standards on project, programme and portfolio management prepared by ISO/TC 258, while guidance on project management is now given in ISO 21502.

Any feedback or questions on this document should be directed to the user's national standards body. A complete listing of these bodies can be found at www.iso.org/members.html.

Introduction

This document provides overarching guidance for the use of the standards on project, programme and portfolio management prepared by ISO/TC 258, and an overview of these disciplines and the related governance in an organization.

The audience for this document includes, but is not limited to:

- practitioners and professionals of project management, programme management and portfolio management;
- executives, senior management, sponsors and other governing bodies overseeing projects, programmes and portfolios;
- project, programme and portfolio stakeholders;
- academia;
- developers of national standards, organizational standards, industry standards and public policy;
- users of any of the standards on project, programme and portfolio management prepared by ISO/TC 258.

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Project, programme and portfolio management — Context and concepts

1 Scope

This document specifies the organizational context and underlying concepts for undertaking project, programme and portfolio management. It also provides guidance for organizations to adopt or improve project, programme and portfolio management using the standards prepared by ISO/TC 258.

This document is applicable to most organizations, including public and private organizations and it is not dependent on the size and type of the organization. It is also applicable to any project, programme and portfolio, regardless of complexity, size or duration.

Further guidance on project, programme and portfolio management, and the governance thereof, is given in ISO 21502, ISO 21503, ISO 21504 and ISO 21505.

2 Normative references

There are no normative references in this document.

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3 Terms and definitions (standards.iteh.ai)

For the purposes of this document, the following terms and definitions apply.

ISO and IEC maintain terminological databases for use in standardization at the following addresses:

- ISO Online browsing platform: available at <https://www.iso.org/obp>;
- IEC Electropedia: available at <http://www.electropedia.org/>.

3.1

benefit

created advantage, value or other positive effect

[SOURCE: ISO/TR 21506:2018, 3.6]

3.2

business case

documented justification to support decision making about the commitment to a *project* (3.15), *programme* (3.12) or *portfolio* (3.9)

[SOURCE: ISO/TR 21506:2018, 3.8]

3.3

deliverable

unique and verifiable element that is required to be produced by a *project* (3.15)

[SOURCE: ISO 21502:2020, 3.9]

3.4

governance

principles, policies and framework by which an organization is directed and controlled

[SOURCE: ISO/TR 21506:2018, 3.25]

3.5 governing body

person, group or entity accountable for the *governance* (3.4) of an organization, organizations or a part of an organization

[SOURCE: ISO/TR 21506:2018, 3.26]

3.6 opportunity

risk occurrence that would have a favourable impact

[SOURCE: ISO/TR 21506:2018, 3.36]

3.7 outcome

change resulting from the use of the *output* (3.8) from a *project* (3.15)

[SOURCE: ISO 21502:2020, 3.10]

3.8 output

aggregated tangible or intangible *deliverables* (3.3) that form the *project* (3.15) result

[SOURCE: ISO 21502:2020, 3.14]

3.9 portfolio

collection of *portfolio components* (3.10) grouped together to facilitate their management to meet strategic objectives

[SOURCE: ISO/TR 21506:2018, 3.42]

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3.10 portfolio component

project (3.15), *programme* (3.12), *portfolio* (3.9) or other related work

[SOURCE: ISO/TR 21506:2018, 3.43]

3.11 portfolio management

coordinated activities to direct and control the accomplishment of strategic objectives

[SOURCE: ISO/TR 21506:2018, 3.45]

3.12 programme

group of *programme components* (3.13) managed in a coordinated way to realize *benefits* (3.1)

[SOURCE: ISO/TR 21506:2018, 3.50]

3.13 programme component

project (3.15), *programme* (3.12) or other related work

[SOURCE: ISO/TR 21506:2018, 3.52]

3.14 programme management

coordinated activities to direct and control the realisation of identified *benefits* (3.1) and *deliverables* (3.3)

[SOURCE: ISO/TR 21506:2018, 3.54]

3.15**project**

temporary endeavour to achieve one or more defined objectives

[SOURCE: ISO 21502:2020, 3.20]

3.16**project management**

coordinated activities to direct and control the accomplishment of agreed objectives

[SOURCE: ISO 21502:2020, 3.24]

3.17**sponsor**

person responsible for obtaining the resources and executive decisions to enable success

[SOURCE: ISO/TR 21506:2018, 3.78]

3.18**stakeholder**

person, group or organization that has interests in, or can affect, be affected by, or perceive itself to be affected by, any aspect of the *project* (3.15), *programme* (3.12) or *portfolio* (3.9)

[SOURCE: ISO/TR 21506:2018, 3.79]

3.19**threat**

risk occurrence that would have a negative impact

[SOURCE: ISO/TR 21506:2018, 3.83]

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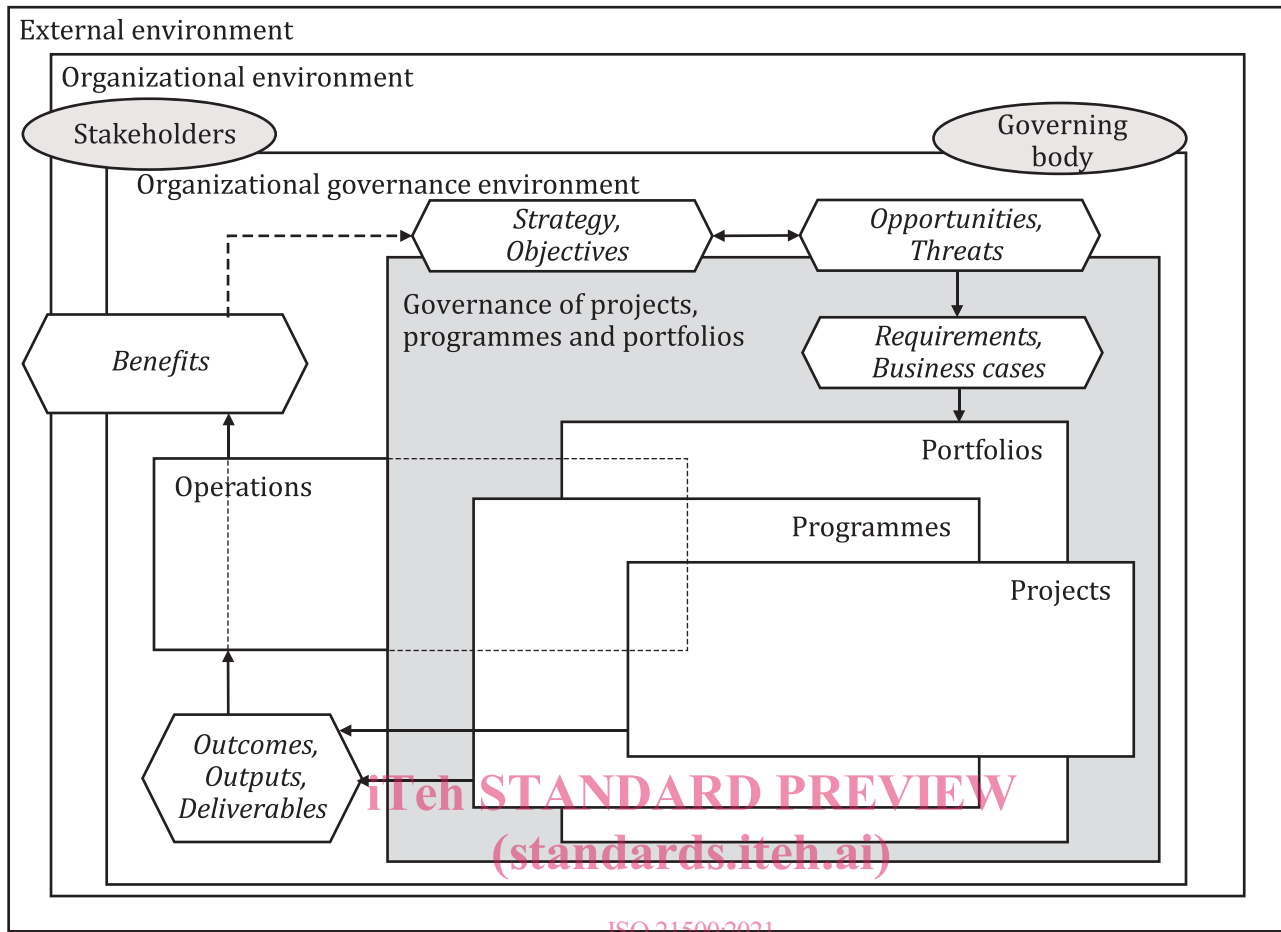
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4.1 General

This clause describes the overall context in which governance and management of projects, programmes and portfolios operate. In addition to ongoing operations, project, programme and portfolio management provide an integrated management framework to deliver value. Projects, programmes and portfolios exist within the organizational environment and the organization exists within the larger external environment.

[Figure 1](#) illustrates that opportunities and threats can be identified through organizational strategy and objectives. The opportunities and threats can be evaluated and further developed into requirements and business cases. Based on those business cases and using portfolio management or another management structure, the organization selects and authorizes projects and programmes that provide deliverables, outputs and outcomes to operations. When used in operations, deliverables, outputs and outcomes should contribute to realizing benefits for internal and external stakeholders. The benefits can also contribute to further development of the organization's strategy and objectives.



NOTE 1 Opportunities and threats are seen from a strategic perspective.

NOTE 2 The dashed lines of the operations box indicate that operations can stretch into projects, programmes and portfolios (refer to “other related work”).

Figure 1 — Example of the context of the governance and management of projects, programmes and portfolios

4.2 Projects, programmes and portfolios

Organizations perform work to achieve objectives. This work can be performed as ongoing operations, a project or a programme, or can be organized as a portfolio together with other related work. An example of the relationship among projects, programmes and portfolios is shown in [Figure 2](#). The focus of each of these organizational activities can be summarized as follows.

- Operations are conducted by relatively stable teams through ongoing and repetitive processes and are focused on sustaining the organization.
- Projects are performed by temporary teams and provide deliverables, outputs, outcomes and benefits. A project can be managed as a stand-alone work effort within an organization or as part of a larger programme or portfolio.
- Programmes are groups of programme components managed in a coordinated way to provide advantages and synergies, contribute to the achievement of common strategic and operational objectives, and realize benefits.
- Portfolios are the sets of projects, programmes and other related work undertaken to contribute to meeting an organization's strategic objectives.

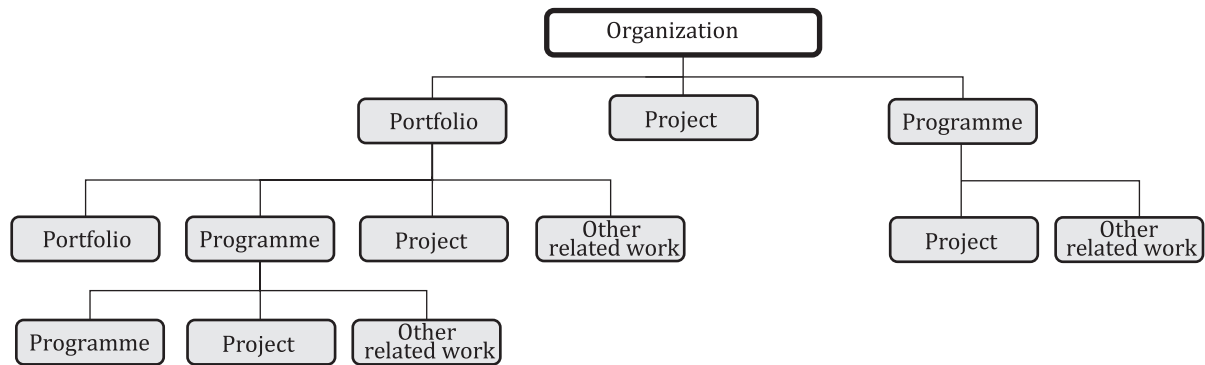


Figure 2 — Example of the relationship among projects, programmes and portfolios

4.3 Organizational environment

The organizational environment is affected by both internal and external factors influencing organizational activities and decision-making. An organization should consider internal influences regarding the governance and management of projects, programmes and portfolios. The internal environment consists of internal stakeholders and is influenced by the structure, culture and processes of the organization. Internal stakeholders include, but are not limited to:

- members of the governing body;
- managers in their role as resource owners or in other operational or functional roles;
- sponsors;
- project, programme and portfolio managers;
- employees of the organization impacted by the project, programme or portfolio.

The structure and culture of the organization will affect the way it makes decisions, communicates and empowers internal stakeholders and others involved in project, programme and portfolio management. The project, programme and portfolio governance reflects the structure and culture of the organizational governance and should empower internal stakeholders and provide support to manage engagement and expectations of internal stakeholders.

4.4 External environment

The external environment of the organization using project, programme and portfolio management affects the organization's ability to realize benefits. Factors to be considered in the external environment include, but are not limited to:

- opportunities and threats arising from economic, political, social, technological, legal and environmental constraints;
- expectations and requirements from government or public authorities, clients, suppliers, contractors, other business partners and the public;
- benefits realization from deliverables, outputs and outcomes produced by the projects and programmes for external stakeholders;
- projects involving multiple organizations as a means to collaborate with parts of the external environment.