

RICARDO  
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# Portfolio Management Basic Concepts

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# Ricardo Viana Vargas, MSc, IPMA-B, PMP

Ricardo Viana Vargas is a project, portfolio and risk management specialist. During the past 15 years, he has been responsible for over **80 major projects** in various countries in the areas of petroleum, energy, infrastructure, telecommunications, information technology and finances, comprising an investment portfolio of over 18 billion dollars.

He was the first Latin American volunteer to be elected Chairman of the Board for the **Project Management Institute (PMI)**, the largest project management organization in the world with close to 500,000 members and certified professionals in 175 countries.

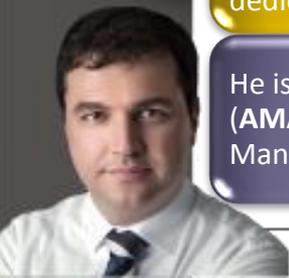
Ricardo Vargas has written **ten books** on project management, published in Portuguese and English, which have sold over 200,000 copies throughout the world. In 2005 he received the PMI Distinguished Award for his contribution to the development of project management and the PMI Professional Development Product of the Year award for the PMDome® workshop, considered the best project management training solution in the world.

He is a project management professor for various MBA courses, and actively participates on editorial boards for specialized journals in Brazil and the United States. Vargas is a recognized reviewer of the **PMBOK Guide**, the most important reference in the world for project management, and also chaired the official translation of PMBOK into Portuguese.

He is a chemical engineer and holds a master's degree in Industrial Engineering from UFMG (Federal University of Minas Gerais). Ricardo Vargas also holds a Master Certificate in Project Management from George Washington University and is certified both as a Project Management Professional (PMP) by PMI and as IPMA-B by the International Project Management Association. He attended the Program on Negotiation for Executives at **Harvard Law School**.

Over an eleven year timeframe, which began in 1995, Ricardo, in conjunction with two partners, established one of the most solid Brazilian businesses in the area of technology, project management and outsourcing, which had a staff of **4,000 collaborators** and an annual income of 50 million dollars in 2006, when Ricardo Vargas sold his share of the company to dedicate himself on a fulltime basis to the internationalization of his project management activities.

He is a member of the Association for Advancement of Cost Engineering (**AACE**), the American Management Association (**AMA**), the International Project Management Association (**IPMA**), the Institute for Global Ethics and the Professional Risk Management International Association (**PRMIA**).



# Portfolio Management

It means managing projects and programs as a whole

Not as a simple whole, but as a system with different grades of strategic contribution.

It requires grouping and separating all initiatives, allowing:

- a separate resource assignment,
- a timely assignment of the executive agenda,
- an optimal management of the investment in projects and programs.

# Portfolio Management x PMO

**Portfolio** – The management of a group of projects as an unique whole, aligned with organizational strategy

**PMO** – Project management office, where the project management best practices are put into practice to better assure the success rate of all projects.

The PMO is the “place” or “means” where the portfolio can be managed, when that is part of its scope.

# Portfolio Benefits

Allows to validate the corporate strategy.

Allows the implementation of strategies in different business levels.

Allows the management of the assigned resources.

Allows to develop a balance between the projects.

Ties the projects' results to organizational strategies.



# Portfolio Functions



Keeps visible all vital information about the projects.

Helps the alignment of projects' objectives with the business intentions.

Ease of access to communications.

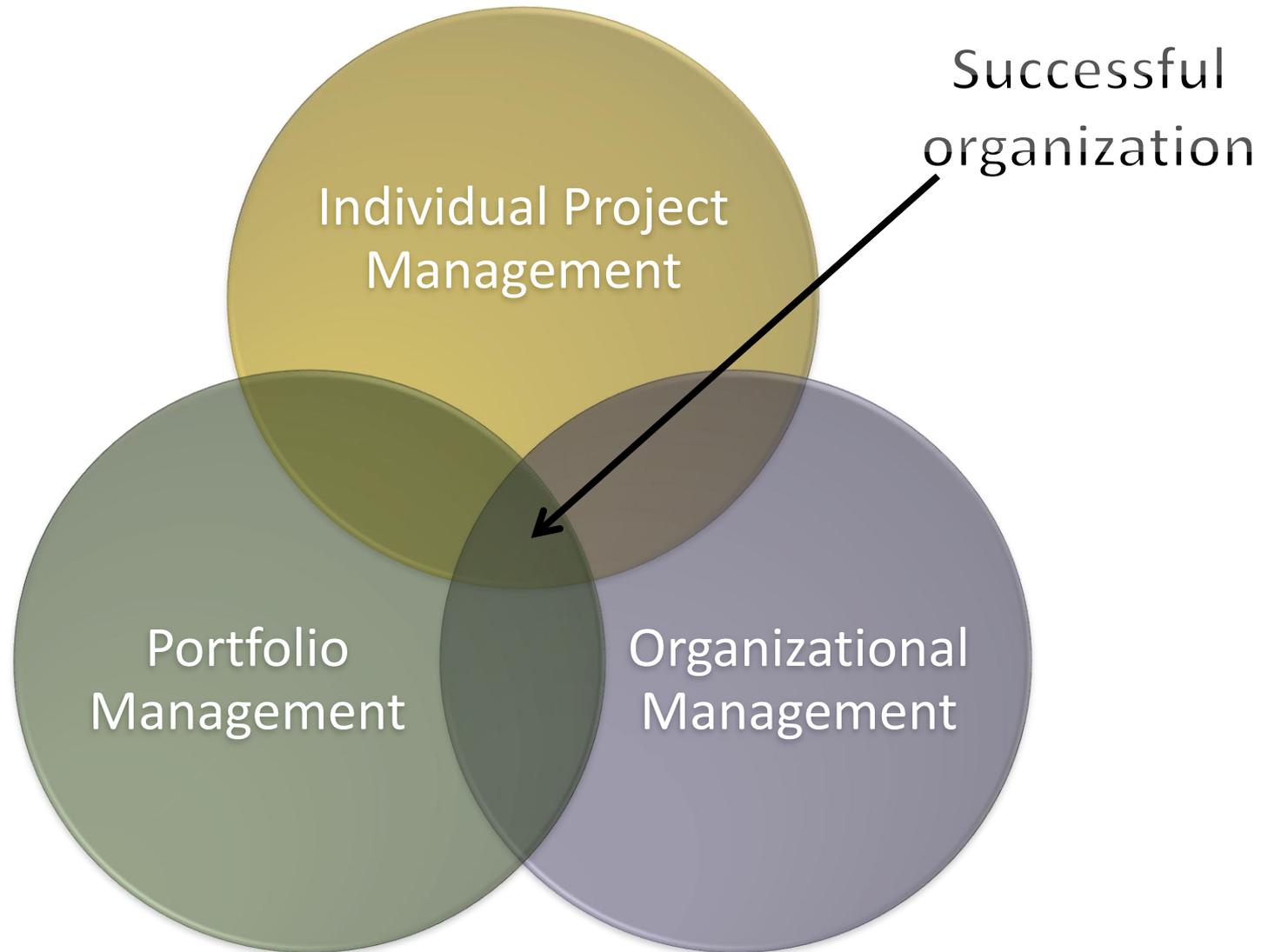
Helps decision making.

Establishes automatic alerts when the project reaches a critical condition in a portfolio.

# The Dimensions of Project Management



# The Profile of a Successful Organization



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