

Contents

Introduction	5
Chapter 1. Project Portfolio Management Concept	7
1.1. Project's Portfolio versus Project Management	7
1.2. Portfolio Stability Based on Economic Capital	15
1.3. Real Options Applied for the Project's Portfolio	22
Chapter 2. Determinants of Portfolio Development	29
2.1. Strategic Goals	29
2.2. Life Cycle of the Portfolio Development	30
2.3. Impact of the Strategy on the Portfolio Development	33
Chapter 3. Principles and Decision's Criteria of Portfolio Development	57
3.1. Process of Project Screening	57
3.2. Selecting Projects to the Portfolio	60
3.3. Financial and Non-Financial Criteria of Project Selection	63
Chapter 4. Securing the Value of Portfolio	67
4.1. Loss of Portfolio's Value Measured by Value at Risk	67
4.2. Allocating the Capital on Risk.	75
4.3. Mitigating Risk Factors	87
Summary and References	99