



Portfolio Management - The key to successful business

A longitudinal case study of a construction company

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Managing product portfolios in today's business environment is highly complex; there are a number of orthogonal dimensions to consider in order being successful. Theories within the area of portfolio management are often single tracked and lack the comprehensive picture of what vital aspects to consider to achieve portfolio management excellence.

The purpose of the study is to increase the understanding of the mechanisms impacting portfolio management in an increasingly complex competitive and corporate environment.

The output accentuates an amplified importance of internal company-specific processes, intrinsic barriers and driving forces to consider when managing product portfolios in an increasingly complex competitive and corporate environment. Further, deep understanding of the company's internal and external market environment is required. Depending on the company's portfolio management prerequisites, different aspects of the environment and the corporate processes have to be considered when striving for enhanced portfolio performance. To visualize the logic of the impacting mechanisms, the generic portfolio management framework Cheez has been developed (see figure), applicable on acquisition focused, capital and technology intensive industry companies operating within multinational B2B contexts (see figure).

A longitudinal case study was chosen as research design since the authors aimed for a thorough and deep understanding of the case company's strategic portfolio management over time.

Initially, a literature review was conducted to increase the knowledge of portfolio management and the surrounding context of internal processes and the external environment. The chosen theories were then composed into a unique theoretical framework. In the next step, empirical data from the case company was gathered through interviews, questionnaires, databases, observations and following of relevant employees. Finally, the theoretical framework and empirical conclusions were synchronized by using pattern matching.

The conclusions drawn resulted in an increased understanding of the mechanisms impacting portfolio management in an increasingly complex competitive and corporate environment. The findings were visualized in Cheez - a generic portfolio management framework applicable in acquisition focused, capital and technology intensive industry companies operating within multinational B2B contexts (see figure).

