P3O®

The Practitioner Examination

PX11
Scenario Booklet
This is a 2½ hour objective test examination. This booklet contains the scenario upon which this exam paper is based. All questions are contained within the *Question Booklet*.

Additional information is provided within this *Scenario Booklet* for a number of questions. Where reference should be made to additional information, this is clearly stated within the question to which it is relevant. All information provided within a question must only be applied to that question.

Each of the 4 questions is worth 20 marks, giving a maximum of 80 marks in the paper. The pass mark is 50% (40 marks). Within each question the syllabus area to which the question refers is clearly stated. The exam is to be taken with the support of the P3O Guide only, i.e. no material other than the *Question Booklet,* the *Scenario Booklet*, the *Answer Booklet* and the P3O Guide is to be used.

Candidate Number: ....

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Scenario

(Note: The companies and people within the Scenario are fictional.)

BUYITALL

Buyitall is a national retailer of clothes and general household items and it owns 385 shops throughout the country. The headquarters (HQ) is in Northtown. Over the past year revenue from sales and overall profitability have been falling because Buyitall has been losing customers to competitors such as Cutprice and Sellmore. Buyitall previously attempted a rationalization exercise to reduce operating costs. Unfortunately, the benefits were never realized because the changes were inappropriate, poorly managed and resulted in a fragmented culture. A recent article in Retail World magazine noted that shops are laid out inconsistently and that staff morale is low. Disappointing trading results have meant that staff bonuses were not paid this year. As a result, Buyitall is losing some of its best staff, including some of its key managers - those best placed to make sure that the business is successful in the future. The accelerating rate of staff turnover has resulted in increased recruitment and training costs.

Governance

The Buyitall Corporate Board is located in the Northtown HQ and consists of the Chief Executive Officer, the Chief Financial Officer and all the directors of the company. Each director has one or more divisional managers reporting to them, and each of the 385 shop managers is responsible for the management of their own particular shop (**see Figure 1**). Strategic decisions are referred to the Corporate Board. Core services such as Human Resources (HR) and Finance are provided by centralized divisions, and resources are deployed from these as and when they are needed to meet business needs. Buyitall does not currently use the advice given in the P3O Guide. The company has historically relied on the expertise of its contractors and suppliers, sometimes buying in PPM expertise to manage its projects and programmes. This led to problems when the managers of change initiatives applied PPM practices either inconsistently or not at all.

The Rescue Package

The Chief Executive Officer has decided to bring together several of Buyitall's key programmes and projects into the Rescue Package. The objectives of the Rescue Package are to make Buyitall a market leader in sales, and to increase Buyitall's profitability by 50% over the next five years.

Scenario continued

The Rescue Package consists of the following programmes:

- **The Training Programme**

  To re-design Buyitall's training services in order to increase the number of staff taking up training to develop their product knowledge and so improve customer service.

  All internal training is currently carried out in two training centres: one in Southtown and one in the HQ in Northtown. The Training Programme will sell the Southtown Training Centre to part-fund other programmes within the Rescue Package, and will also arrange for external suppliers to supply training.

  This programme is dependent on the Retail Rationalization Programme.

- **The Retail Rationalization Programme**

  To carry out a comprehensive review of all 385 retail shops and make recommendations for closure of the lowest performing shops. Closing shops and laying off or redeploying staff.

- **The Shop Modernization Programme**

  To provide a common standard shop design and improve energy efficiency across all shops. Maximizing the benefits of new technology to improve in-shop security arrangements.

  This programme is heavily dependent on the Retail Rationalization Programme.

- **The Online Programme**

  To provide a comprehensive web-based retail capability. Customers will be able to shop online for home delivery.

- **The Information Technology (IT) Refresh Programme**

  To update Buyitall's ageing IT infrastructure. Ensuring the growth of the capability required to meet the anticipated additional demand for the network when the Online Programme is implemented.

Scenario continued

P3M3® Maturity Assessment

A P3M3 Maturity Assessment has been undertaken to identify any gaps or weaknesses in Buyitall's current PPM processes. The assessment found that Buyitall's portfolio and programme/project management was at maturity level 1 overall. Extracts from the review report are given in Tables 1 and 2 below.

Table 1: Extract from the portfolio management findings

P3M3 Area	Maturity level	Comment
Management Control	2	There is some prioritization of change initiatives, but there is no organization-wide knowledge of them
Organizational Governance	1	The information reaching the Corporate Board is not sufficient to enable strategic decisions to be made with any confidence
Resource Management	1	Finding enough people with the right skills to deliver current initiatives is always difficult

Table 2: Extract from the programme and project findings

P3M3 Area	Maturity level	Comment
Management Control	1	No repeatable or consistent PPM processes
Resource Management	1	No evidence of in-house expertise

Scenario continued

Current Situation

There is an existing Centre of Excellence (COE) but no other P3O functions formally exist. The Chief Executive Officer has proposed to the Corporate Board that Buyitall should initially aim for the Proposed Interim P3O Model **(see Figure 2)** consisting of an Organization Portfolio Office (Portfolio Office) and a separate COE providing the assurance function. The Chief Executive Officer will act as Senior Responsible Owner (SRO) for a programme being initiated to set up this P3O model. The existing Head of COE and a new post of Head of Portfolio Office will independently report to the Chief Executive Officer. The Corporate Board will undertake the role of a Corporate Portfolio Board, responsible for ensuring ongoing strategic alignment and prioritization across all initiatives throughout the organization. It is recognized that this is only an intermediate state and that the P3O model will then continue to evolve as the portfolio of work develops and the needs of Buyitall change. It is estimated that it will take Buyitall six months to establish the Portfolio Office and a further six months to set up the programme offices described **(see Figure 3)**.

The Training Programme

Background

This three-year programme has been set up to change the way Buyitall carries out the training of its 18,000 staff. The company aims to dramatically increase the amount of training it undertakes, and to improve its staff's knowledge of the business and the levels of customer service it provides. This programme consists of over 20 projects. Of these, the six largest projects are the most critical:

Project 1 (Southtown Training Centre)

To close and sell the current Southtown Training Centre and to redeploy all existing Southtown staff to other regional centres. A recent survey has reduced the expected sale price of the Southtown property, and this may result in a shortfall in funding to the Rescue Package.

Project 2 (Outsourcing)

To decide which courses will be outsourced, and to contract with a suitable supplier.

Project 3 (Training Design)

To review and update the current training catalogue.

Project 4 (Training Methods)

To develop new training delivery methods including distance learning.

Scenario continued

Project 5 (Working Practices)

To set up a new centralized booking system.
To determine the staff numbers required at each centre.
To create job descriptions for managers and staff to emphasize the new focus on training.
To revise working practices affected by the new ways of working.
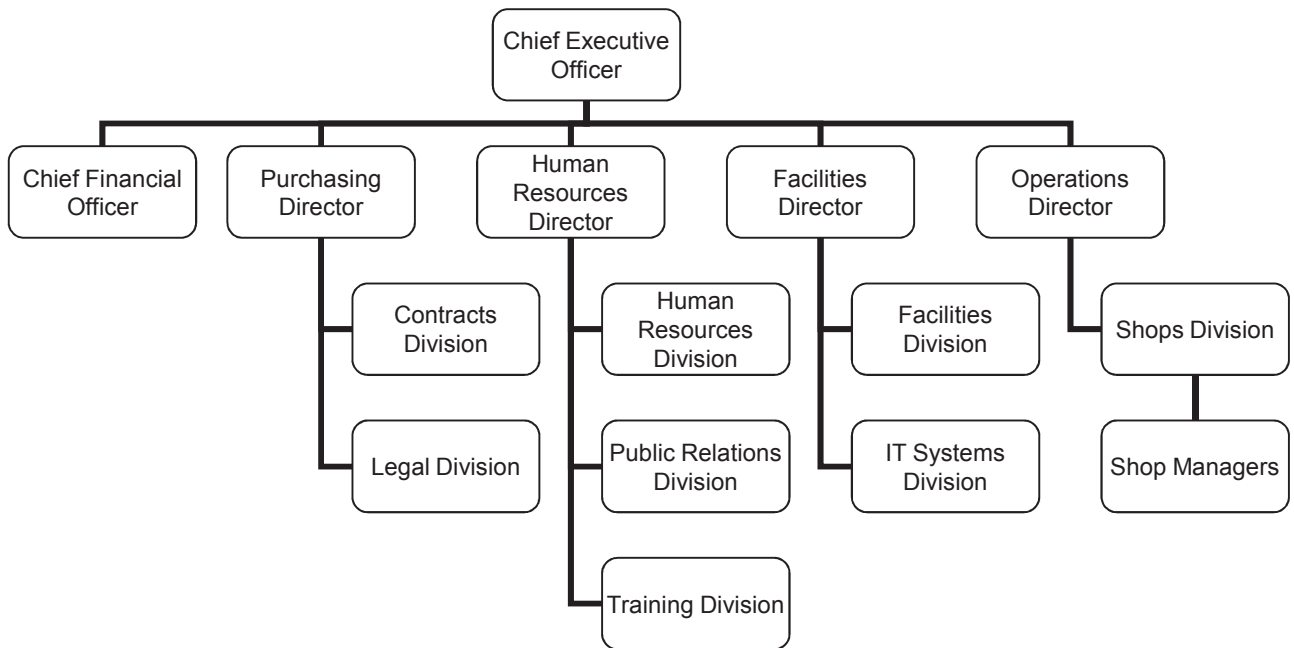
Project 6 (Regional Training Centres)

To lease or buy four new regional centres to give good geographical coverage of the country.
To equip the Northtown training centre and the four new regional centres with demonstration shop equipment.
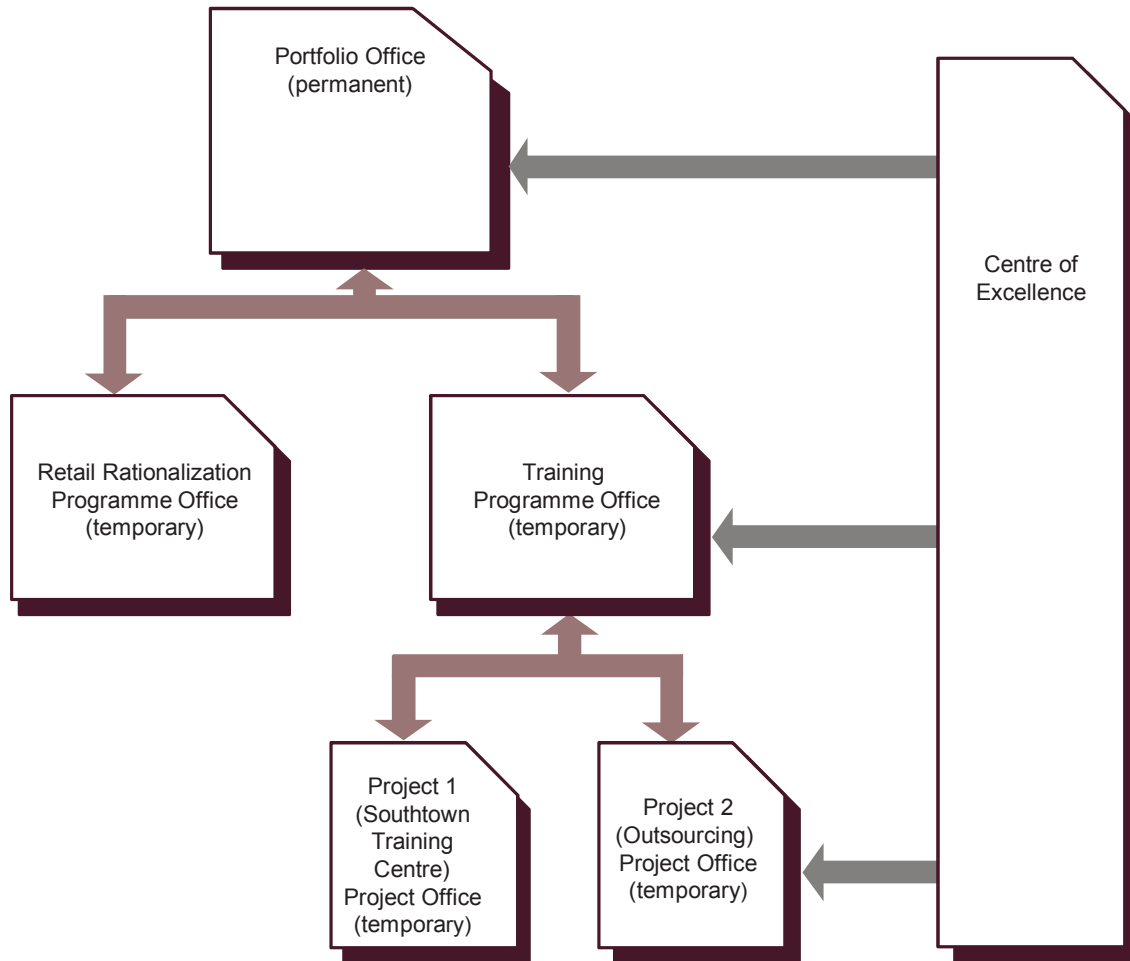
Scenario continued

Figure 1: Corporate Organization Structure

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                          │    Officer       │
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                         │Training Division│
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Scenario continued

Figure 2: Extract from Proposed Interim P3O Model

Scenario continues on the next page

Scenario continued

Figure 3: Timeline Diagram
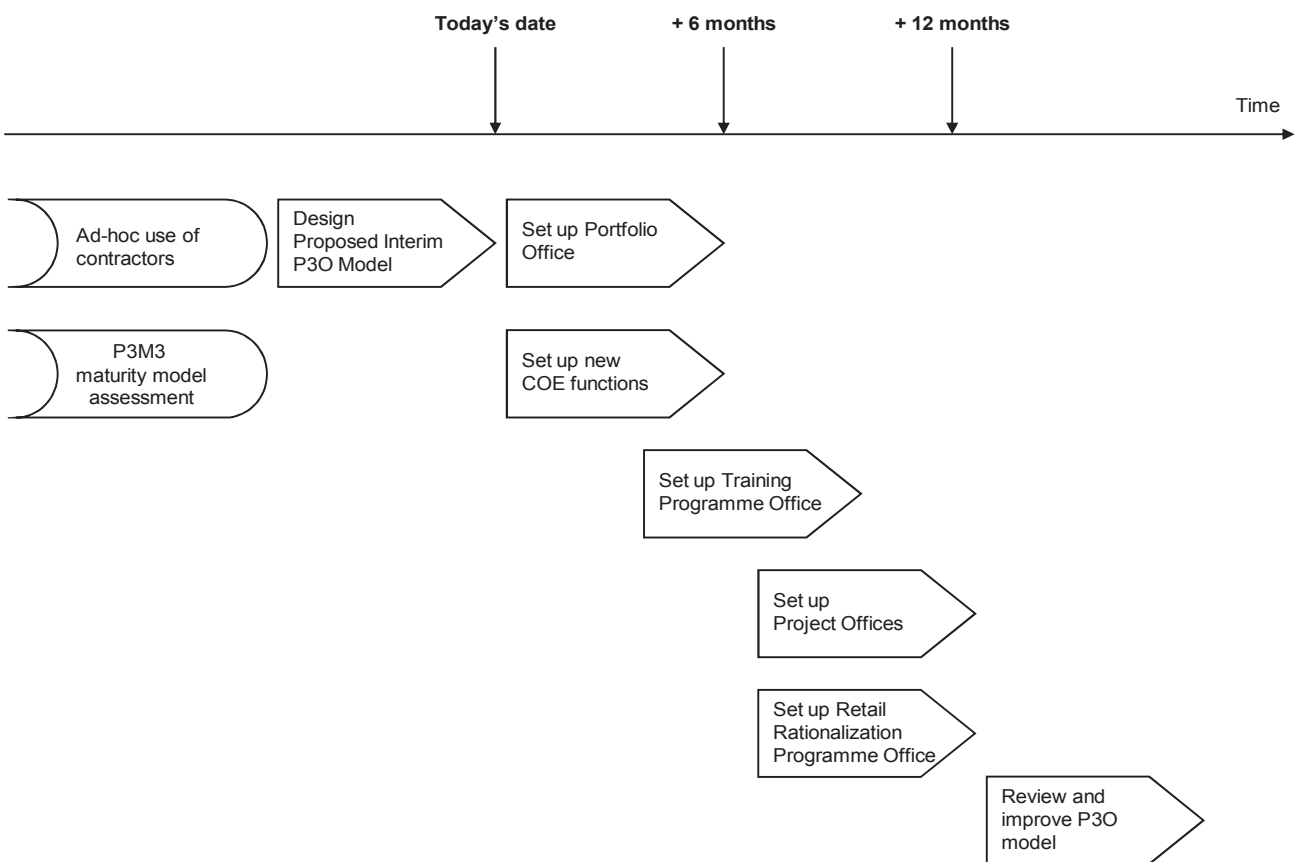
Question 1: Why have a P3O? - Additional Information

The programme to establish the Proposed Interim P3O Model has been underway for about eight months. The Portfolio Office was established two months ago. The P3O Sponsor ordered a further P3M3 assessment to determine how well the Portfolio Office is performing and what actions might be required to make sure that it meets its Business Case objectives.

The following is an extract from the report.

Extract from the Further P3M3 Assessment Report

1. A report by the Portfolio Office analysing the dependencies between projects in the Training Programme has been submitted and considered by the Corporate Portfolio Board.

2. The Portfolio Office has now obtained information on all of the projects and programmes that are being currently carried out within the organization.

3. The Portfolio Office has reviewed all of the benefits listed for the Rescue Package and has identified where there is overlap between improvements being claimed by the Online Programme and the Retail Rationalization Programme.

4. The Training and Retail Rationalization programme offices are assisting with the management of individual programme risks that do not require escalation to portfolio level.

Section A

Portfolio Prioritization and Optimization Report

Buyitall prioritization framework				
Risk assessment			**Effort requirement**	
3	High		**3**	> 180 person years
2	Medium		**2**	90 - 180 person years
1	Low		**1**	< 90 person years

Prioritization model				
Programme name	**Total risk rate**	**Investment driver priority weighting (1=low 15=high)**	**Effort required**	**Overall priority (1=low 15=high)**
Retail Rationalization	3	8	2	9
Shop Modernization	3	3	1	4
Online	1	10	3	15
IT Refresh	2	2	3	4
Training	1	8	1	11

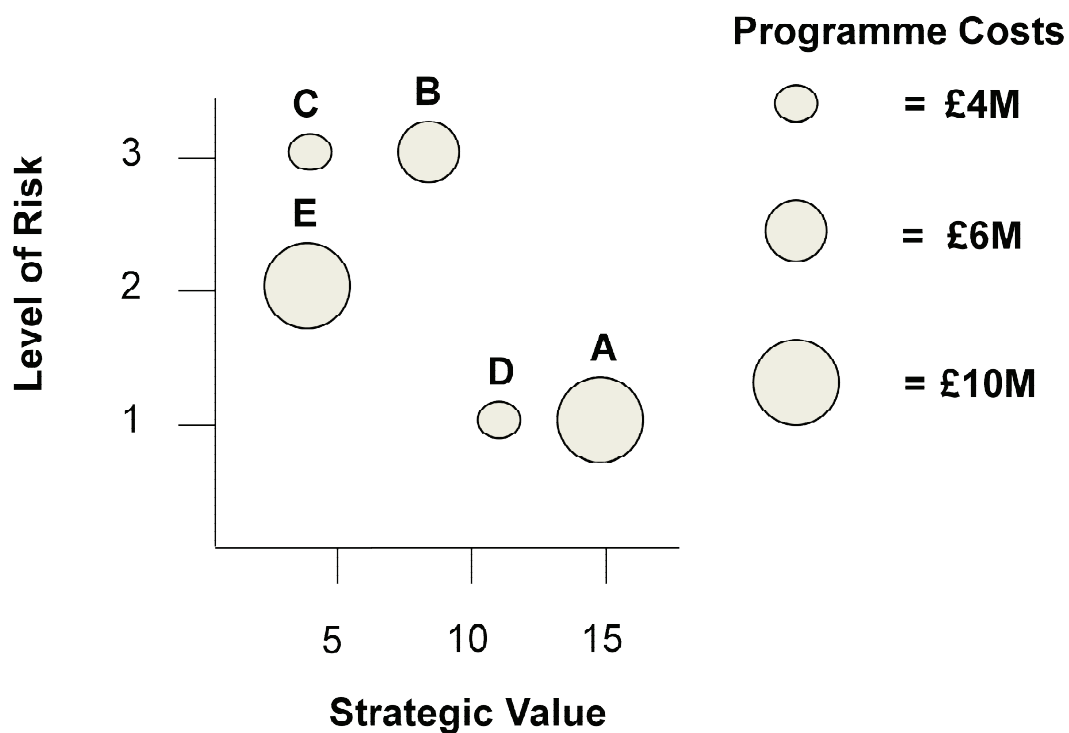Additional Information continues on the next page

Question 2: How to operate a P3O (including tools and techniques) - Additional Information

Continued

Section B

Strategic Alignment and Risk Level Diagram

Note: The legend identifying the five programmes labelled 'A' through to 'E' below is deliberately missing from this diagram. The identification of these programmes is part of the question.

Additional Information continues on the next page

Question 2: How to operate a P3O (including tools and techniques) - Additional Information

Continued

Section C

Rescue Package Management Dashboard

Distributed on paper to the Corporate Portfolio Board (6 months after Portfolio Office setup)

Retail Rationalization Programme

# Projects at each stage	Not started	Gate 1	Gate 2	Gate 3	Gate 4	Gate 5
	5	5	5	5	5	3

Projects at each status	Red	Amber	Green
	8 (35%)	10 (43%)	5 (22%)

Shop Modernization Programme

# Projects at each stage	Not started	Gate 1	Gate 2	Gate 3	Gate 4	Gate 5
	15	8	5	3	3	1

Projects at each status	Red	Amber	Green
	16 (81%)	1 (5%)	3 (14%)

Online Programme

# Projects at each stage	Not started	Gate 1	Gate 2	Gate 3	Gate 4	Gate 5
	8	4	3	0	0	0

Projects at each status	Red	Amber	Green
	0 (0%)	0 (0%)	7 (100%)

Additional Information continues on the next page

Question 2: How to operate a P3O (including tools and techniques) - Additional Information

Continued

IT Refresh Programme

# Projects at each stage	Not started	Gate 1	Gate 2	Gate 3	Gate 4	Gate 5
	10	3	4	0	0	0

Projects at each status	Red	Amber	Green
	4 (57%)	1 (14%)	2 (29%)

Training Programme

# Projects at each stage	Not started	Gate 1	Gate 2	Gate 3	Gate 4	Gate 5
	0	0	0	5	8	10

Projects at each status	Red	Amber	Green
	0 (0%)	8 (26%)	15 (74%)

Prioritization Model

Programme name	Total Risk Rating	Investment Driver Weighting	Effort	Priority
Retail Rationalization Programme	High	8	Medium	9
Shop Modernization Programme	High	3	Low	4
Online Programme	Low	10	High	15
IT Refresh Programme	Medium	2	High	4
Training Programme	Low	8	Low	11

Gate 1 = assurance review of the Strategic Business Case (Project Mandate)
Gate 2 = assurance review of the Outline Business Case (Project Brief)
Gate 3 = assurance review of Full Business Case (Project Initiation Document)
Gate 4 = assurance review of readiness of the project and operations to go live (readiness for service)
Gate 5 = confirms desired benefits are being achieved and business changes are operating smoothly (project closure)

Question 3: Implement and Re-energize - Additional Information

Interim Priorities

As an interim measure, the Corporate Portfolio Board has decided that Project 1 (Southtown Training Centre) and the Retail Rationalization Programme will be given priority over the other change initiatives in the Rescue Package because:

1. Funding is needed to support the remainder of the Rescue Package. The sale of Southtown Training Centre will provide this funding
2. Cutprice and Sellmore, two new entrants into the market, have very aggressive pricing strategies and Buyitall is continuing to lose customers to them. The Retail Rationalization Programme will reduce the cost base of Buyitall by disposing of the less profitable shops.

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The Practitioner Examination

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Question Booklet

Candidate Number: ....

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Syllabus areas covered:

Question 1 - Why have a P3O?

Question 2 - How to operate a P3O (including tools and techniques)

Question 3 - Implement and Re-energize

Question 4 - Models and Tailoring

Question Number 1

Syllabus Area   Why have a P3O?

Syllabus Area	Question Number	Part	Marks
Why have a P3O?	1	A	3

Using the Scenario, answer the following questions.

Remember to select 2 answers to each question.

1	Which **2** costs should be included in the Business Case for the Proposed Interim P3O Model?
A	Training staff in use of new software after the roll out of the IT Refresh Programme.
B	Planned staff lay offs as a result of shop closures.
C	Updating the current staff training catalogue.
D	Salaries for the P3O roles in future years after the Proposed Interim P3O Model has been implemented and is in operation.
E	Training members of staff working in the Training Programme Office in knowledge management techniques.
2	Which **2** costs should **NOT** be included in the Business Case for the Proposed Interim P3O Model?
A	The project investment appraisal for outsourcing staff training courses.
B	Assumptions about how quickly staff will be recruited to fill the three new Portfolio Office roles.
C	The Retail Rationalization Programme benefits of closing the lowest performing stores.
D	The implications of implementing a distributed P3O model instead of the Proposed Interim P3O Model.
E	The consequences if Buyitall were to continue at the current levels of P3M3 maturity.
3	Which **2** statements should **NOT** be included in the Vision Statement for the Proposed Interim P3O Model?
A	The COE will work closely with the providers of PPM training to make sure that training is tailored closely to Buyitall's needs.
B	Success of the Rescue Package will be measured by retail sales and profit margins.
C	The current Head of the Human Resources Division will be appointed as Head of the Proposed Interim P3O Model.
D	The Portfolio Office will provide a risk management service to projects across Buyitall.
E	The Portfolio Office will make sure that information reaching the Corporate Board is sufficient to allow it to make strategic decisions with confidence.

Syllabus Area	Question Number	Part	Marks
Why have a P3O?	1	B	3

Using the Scenario, answer the following question about the Business Case for the Proposed Interim P3O Model.

Column 1 is a list of statements included in the Business Case. Column 2 is a selection of headings from the Business Case. For each statement in Column 1, select from Column 2 the Business Case heading under which it should be recorded. Each selection from Column 2 can be used once, more than once or not at all.

	Column 1		Column 2
1	The establishment of the Proposed Interim P3O Model will enable Buyitall to focus its investment in the Rescue Package on the elements which offer the highest strategic value.	A	Aims/Objectives
2	Use of facilitated workshops at the start of each programme or project in the Rescue Package will reduce start-up timeframes by 10%.	B	Background/reasons
		C	Cost-benefit analysis
3	Within 24 months of implementing the Proposed Interim P3O Model, Buyitall will improve its portfolio maturity level.	D	High risks

Syllabus Area	Question Number	Part	Marks
Why have a P3O?	1	C	5

Using the Scenario, answer the following questions about Best Management Practice principles for extracting value from programme and project investment.

Each question provides a list of only **true statements** about the P3O, but only 2 statements are appropriate entries for the suggested Best Management Practice principle.

Remember to select 2 answers to each question.

1	Which **2** statements indicate that the P3O is adopting the principle 'govern effectively'?
A	The Programme Manager for the Training Programme has been given a minimum acceptable value for the sale of the Southtown Training Centre.
B	The Portfolio Office will produce a monthly management dashboard including performance statistics of the lowest performing shops.
C	All new initiatives within the IT Refresh Programme will be required to have a robust Business Case.
D	The Head of Portfolio Office is to be accountable to the Chief Executive Officer for the P3O Implementation Programme.
E	Objectives for regulatory compliance projects will be aligned to strategic objectives.

2	Which **2** statements indicate that the P3O is adopting the principle 'safeguard value'?
A	The COE is to run a workshop to tailor best practice benefits management for the Online Programme.
B	The Online Programme must demonstrate that the claimed increase in brand awareness can be quantified and validated.
C	The P3O will maintain a register to ensure that improvements in customer service are assigned to the correct programme.
D	The key benefit of the sale of the Southtown Training Centre will be owned by the SRO of the Training Programme.
E	The P3O will escalate, to the portfolio level, any delays from the Retail Rationalization Programme that may impact the Shop Modernization Programme.

3	Which **2** statements indicate that the P3O is adopting the principle 'invest in people and process' appropriately?
A	The COE is offering a mentoring service for Project Managers engaged on the Training Programme.
B	Project Managers will be required to use PRINCE2® to manage any project within Buyitall with immediate effect.
C	The Portfolio Office is to implement a clear escalation process for exception reporting from the Training Programme and the Retail Rationalization Programme.
D	The P3O will implement state of the art risk collection software across all programmes in the portfolio.
E	The P3O will develop a simple risk management model to be applied across the Retail Rationalization and Training Programmes.

Question continues on the next page

Question continued

4	Which **2** statements indicate that the P3O is adopting the principle 'hold people to account'?
A	The Human Resources Director's performance bonus will be directly linked to the operational performance of the department.
B	The P3O will produce a monthly management dashboard highlighting key risks for senior management attention.
C	The Human Resources Director will be accountable for ensuring the redeployment of staff from shop closures is carried out smoothly.
D	The Head of COE will be responsible for assurance of all programmes and projects in the portfolio.
E	All Programme Managers must hold current Best Practice PPM qualifications.

5	Which **2** statements indicate that the P3O is adopting the principle 'prioritize investment, align and adjust to business strategy'?
A	The P3O will escalate to the Head of Portfolio Office any major delays to the Retail Rationalization Programme which threaten the Training Programme.
B	The P3O will periodically review Business Cases of all projects within the Training Programme to ensure they still represent value for money.
C	The Head of Portfolio Office will review how well the Retail Rationalization Programme is delivering the objective of increased profitability.
D	The P3O will provide a fast track service for any new projects within the Training Programme to align them to the objective of increased sales.
E	All projects within the Retail Rationalization Programme must successfully pass through the gated reviews of the Business Case.

Syllabus Area	Question Number	Part	Marks
Why have a P3O?	1	D	5

Using the Scenario, answer the following questions about the Proposed Interim P3O Model.

1 | The Chief Executive Officer is to act as SRO for the programme being initiated to set up the P3O.
Is this an appropriate application of P3O for this portfolio?

A	No, because the P3O Sponsor should not be a member of the Corporate Board.
B	No, because senior managers will want to see some personal incentive for making the required change.
C	Yes, because a critical success factor is having a proactive senior manager as P3O sponsor.
D	Yes, because P3O sponsors should be members of the Corporate Board for all model types.

2 | The Chief Executive Officer intends to deliver the Proposed Interim P3O model without delay even if managers have not had time to reach a consensus.
Is this an appropriate application of P3O for this portfolio?

A	No, because the target level of PPM maturity should be realistic.
B	No, because a P3O Sponsor needs to understand differing business viewpoints to develop a common P3O vision.
C	Yes, because once managers understand the benefits they can champion the change.
D	Yes, because in any change programme there are likely to be both winners and losers.

3 | A P3O Value Matrix has been produced which shows the P3O costs versus benefits to be achieved through greater management control of the Retail Rationalization and Training Programmes.
Is this an appropriate application of P3O for this portfolio?

A	No, because the investment appraisal in the P3O Business Case should show costed options against expected benefits.
B	No, because the P3O Blueprint should show operational costs and processes.
C	Yes, because the P3O Value Matrix is used to demonstrate the scope of the P3O.
D	Yes, because the P3O Value Matrix provides validation of who will receive the benefits from the P3O.

4 | The COE has identified that the PPM community may resist the implementation of a P3O as initiatives within Buyitall are well underway. The initial roll-out of P3O services will, therefore, focus on providing templates and data collection services for the Retail Rationalization and Training Programmes.
Is this an appropriate application of P3O for this portfolio?

A	No, because an assurance function is required to get the full benefits of a P3O.
B	No, because those in the assurance function of existing programmes will require resource to be available when they need it.
C	Yes, because ensuring all projects adhere to agreed Business Case templates will allow optimization of investments.
D	Yes, because it is often beneficial to focus initially on support services to demonstrate the P3O's value.

Question continues on the next page

Question continued

5	The P3O Vision Statement includes a statement about how the P3O will support Buyitall's aim to increase profitability by 50% over the next 5 years. Is this an appropriate application of P3O for this portfolio?
A	No, because the aims of the P3O should be documented in the Business Case.
B	No, because the Blueprint will contain operational performance levels.
C	Yes, because the Vision Statement should describe the new business model.
D	Yes, because the Vision Statement should demonstrate the value that the P3O will provide to the business.

Syllabus Area	Question Number	Part	Marks
Why have a P3O?	1	E	4

Using the Scenario and the additional information provided for this question in the *Scenario Booklet*, answer the following question.

Lines 1 to 4 in the table below consist of an assertion statement and a reason statement. Each line relates to one of the items in the Extract from the Further P3M3 Assessment Report in the additional information. For each line identify the appropriate option, from options A to E, that applies. Each option can be used once, more than once or not at all.

Option	Assertion	Reason	
A	True	True	AND the reason explains the assertion
B	True	True	BUT the reason does not explain the assertion
C	True	False	
D	False	True	
E	False	False	

	Assertion		Reason
1	Entry 1 indicates that the Portfolio Office has set up correct processes regarding decision escalation.	BECAUSE	The Portfolio Office should decide which projects each programme should initiate.
2	Entry 2 indicates that the Portfolio Office is preparing for the process of prioritizing investment.	BECAUSE	Understanding all of the change initiatives is a key input to portfolio prioritization.
3	Entry 3 indicates that the Portfolio Office is adding value to the management of the change initiatives at Buyitall.	BECAUSE	An office within a P3O model can monitor benefits on behalf of the business owners.
4	Entry 4 indicates that the Portfolio Office is NOT operating effectively.	BECAUSE	A Portfolio Office should manage all the risks to an organization's change objectives.

Question Number 2

Syllabus Area   How to operate a P3O (including tools and techniques)

Syllabus Area	Question Number	Part	Marks
How to operate a P3O (including tools and techniques)	2	A	2

Answer the following questions.

Remember to select 2 answers to each question.

1	Which **2** factors should be taken into account when determining the governance and lifecycle for a project based on its complexity scoring?
A	How important it is to the organization.
B	The portfolio management level of maturity.
C	The programme management level of maturity.
D	The project management level of maturity.
E	Number of business functions involved in delivery.

2	Which **2** questions relating to strategic functions are **MOST** important when developing a tools requirements document for a PPM solution?
A	Will the PPM solution help Project Managers in delivery?
B	Will it be possible to validate the data that has been transferred into the PPM solution?
C	Will the tool be used to support strategic planning as well as PPM?
D	What risks need to be managed when implementing the PPM solution?
E	Will we need to appoint someone to maintain the PPM solution?

Syllabus Area	Question Number	Part	Marks
How to operate a P3O (including tools and techniques)	2	B	4

Using only Section A and Section B of the Portfolio Prioritization and Optimization Report provided as additional information for this question in the *Scenario Booklet*, answer the following question about the programmes in the Rescue Package.

Column 1 is a list of some of the programmes in the Rescue Package. For each programme in Column 1, select from Column 2 the appropriate letter which correctly represents the position of that programme in the Strategic Alignment and Risk Level Diagram.

Each selection in Column 2 can either be used once only or not at all.

	Column 1	Column 2
1	Retail Rationalization Programme	A
2	Shop Modernization Programme	B
3	Online Programme	C
		D
4	IT Refresh Programme	E

Syllabus Area	Question Number	Part	Marks
How to operate a P3O (including tools and techniques)	2	C	4

Using only Section A and Section B of the Portfolio Prioritization and Optimization Report provided as additional information for this question in the *Scenario Booklet*, answer the following questions.

The Buyitall Corporate Board has agreed that programmes should be prioritized based on their strategic value against level of risk.

1	With a total of £10m available for programmes in the Rescue Package, Buyitall intends to implement Programme A in preference to Programme E. Is this an appropriate application of P3O for this portfolio?
A	No, because the selected optimization technique should be validated by the Corporate Portfolio Board.
B	No, because programmes with a lower level of risk should be given higher priority for investment.
C	Yes, because organizations should seek to implement programmes that offer greater strategic value and lower risk.
D	Yes, because force ranking will indicate the overall priority of each programme.

2	With a total of £12m available for programmes in the Rescue Package, Buyitall intends to implement Programme B and Programme C in preference to Programme A. Is this an appropriate application of P3O for this portfolio?
A	No, because the investment decision should be based on how a programme aligns with strategic objectives.
B	No, because portfolio prioritization should be carried out quarterly.
C	Yes, because priority should be given to allocating available funds so that as many programmes as possible can be implemented.
D	Yes, because the average risk level of smaller programmes will be medium.

3	Buyitall intends to implement Programme C before any of the other programmes from the Rescue Package. Is this an appropriate application of P3O for this portfolio?
A	No, because programmes with a higher strategic value should be given a higher priority.
B	No, because lower cost programmes should be given a higher priority.
C	Yes, because programmes which have low cost should be given the highest priority.
D	Yes, because programme cost is one of the most common measures used in portfolio prioritization.

Question continues on the next page

Question continued

4	The Business Case contains an explanation of how the 'Strategic Alignment and Risk Level Diagram' should be used to best optimize cost against risk. Is this an appropriate application of P3O for this portfolio?
A	No, because the complexity model should explain how cost will be optimized against risk.
B	No, because the Blueprint should explain processes and techniques to be used by the P3O.
C	Yes, because the purpose of the Business Case is to clearly identify the benefits of the P3O model.
D	Yes, because the Business Case should show how the P3O will add value.

Syllabus Area	Question Number	Part	Marks
How to operate a P3O (including tools and techniques)	2	D	4

Using the Scenario and the Rescue Package Management Dashboard provided as Section C of the additional information provided for this question in the *Scenario Booklet*, answer the following questions about the information derived from the management dashboard.

1	Which statement **BEST DESCRIBES** the reporting provided by this summary management dashboard?
A	An overall assessment of the likely success of each programme.
B	Information on why projects are in red status.
C	Details of the risks facing the projects in the Shop Modernization Programme.
D	How many projects are about to go live.

2	Which statement **BEST DESCRIBES** the reporting provided by this summary management dashboard?
A	Summarises areas of concern.
B	Identifies how many projects are behind schedule.
C	Identifies which programmes are expected to contribute the most to delivering strategic objectives.
D	Provides information on whether the expected outcomes will be delivered.

3	Which programme would be **MOST LIKELY** to receive extra funding if the level of investment for the Rescue Package were increased?
A	Online Programme.
B	IT Refresh Programme.
C	Shop Modernization Programme.
D	Retail Rationalization Programme.

4	Which programme would be **MOST LIKELY** to be considered for early closure if the level of investment for the Rescue Package were decreased?
A	Online Programme.
B	IT Refresh Programme.
C	Training Programme.
D	Retail Rationalization Programme.

Syllabus Area	Question Number	Part	Marks
How to operate a P3O (including tools and techniques)	2	E	6

Using the Scenario and the Rescue Package Management Dashboard provided as additional information for this question in the *Scenario Booklet*, answer the following question.

Lines 1 to 6 in the table below consist of an assertion statement and a reason statement. For each line identify the appropriate option, from options A to E, that applies. Each option can be used once, more than once or not at all.

Option	Assertion	Reason	
A	True	True	AND the reason explains the assertion
B	True	True	BUT the reason does not explain the assertion
C	True	False	
D	False	True	
E	False	False	

	Assertion		Reason
1	The Corporate Portfolio Board should immediately focus attention on the Shop Modernization Programme.	BECAUSE	The viability of programmes with poor gated review assessment statuses should be reviewed.
2	The Online Programme appears to be the most advanced in terms of implementation.	BECAUSE	To achieve a gated review assessment of 'green' a project should be near to delivery.
3	There is evidence to suggest that the Training Programme has an appropriate risk rating.	BECAUSE	Programmes with a low effort rating should be rated as low risk.
4	There is sufficient information to determine that the risk rating of the Online Programme should be increased.	BECAUSE	If projects in a programme are progressing according to plan, this indicates a medium risk profile.
5	The Training Programme should be allocated resources ahead of the Retail Rationalization Programme.	BECAUSE	A programme which requires fewer resources to deliver and has a higher priority should typically have a higher priority in terms of resource allocation.
6	The Shop Modernization Programme should be the first to be considered for early closure if the level of investment in the Rescue Package needs to be reduced.	BECAUSE	Highly complex programmes often have a high risk rating.

Question Number 3

Syllabus Area   Implement and Re-energize

Syllabus Area	Question Number	Part	Marks
Implement and Re-energize	3	A	6

Answer the following question about the establishment of the Proposed Interim P3O Model.

The activities required as part of the 'Define' process to establish the Proposed Interim P3O Model need to be identified.

Column 1 is a list of the activities Buyitall is planning in order to establish the Proposed Interim P3O Model. For each statement in Column 1, select from Column 2 the appropriate definition activity. Each selection from Column 2 can be used once, more than once or not at all.

	Column 1		Column 2
1	Deciding how often the Head of Portfolio Office should meet with the Manager of the Contracts Division during the set-up of the Portfolio Office.	A	Establish the implementation team
2	Setting the frequency that capacity planning forecasts are published.	B	Identify and analyse stakeholders
3	Interviewing candidates to identify whether they have sufficient P3O expertise to prepare draft terms of reference for the Retail Rationalization Programme Office.	C	Refine the Vision Statement
4	Asking for the Chief Financial Officer's comments on the following statement: "The Portfolio Office will support the Corporate Board in its decision-making so that the Rescue Package will make Buyitall a market leader in terms of sales volume and profitability within five years."	D	Develop the P3O Blueprint
		E	Develop, model and validate the benefits
5	Defining the process that will be used to enable the Corporate Board to determine which shops are to be disposed of.	F	Develop and confirm the Business Case
6	Reviewing the P3M3 sssessment recommendations to identify appropriate methods and tools to improve portfolio prioritization.	G	Develop a Risk Management Strategy and Risk Register

Syllabus Area	Question Number	Part	Marks
Implement and Re-energize	3	B	4

Using the additional information provided for this question in the *Scenario Booklet*, answer the following question.

1 | Which should appear in the **Processes** section of the Blueprint for the Portfolio Office?

A | The Retail Rationalization Programme will alert the Portfolio Office when the closure of a shop is unlikely to yield a sufficient cost saving.

B | A timesheet will be made available to shop staff to record hours spent on Retail Rationalization Programme work.

C | The Portfolio Office will review the Retail Rationalization and Shop Modernization Programmes on a quarterly basis to identify interdependencies.

D | The Online Programme will deliver a 10% increase in sales.

2 | Which should appear in the **Organization** section of the Blueprint for the Proposed Interim P3O Model?

A | The activities of Cutprice and Sellmore will be reviewed on a quarterly basis to assess the possible impact on the Retail Rationalization Programme.

B | Issues relating to both the Training and the IT Programmes should be resolved by the Corporate Portfolio Board in line with its governance responsibilities.

C | All Programme Managers will be surveyed after 3 months to find out if the P3O is providing the right level of support.

D | The Retail Realization Programme will have access to a standard resource scheduling application.

3 | The following information flows had been set up as a short-term measure to communicate directly to the Corporate Board until the Portfolio Office is established and fully functioning.
Which information flow should the Corporate Portfolio Board continue to receive **AFTER** the Portfolio Office is established and functioning?

A | Updates to the Business Cases for the Retail Rationalization Programme and Project 1 (Southtown Training Centre).

B | Regular detailed progress reports from the Retail Rationalization Programme and Project 1 (Southtown Training Centre).

C | Plans showing how staff lay offs will be made on a shop-by-shop basis, including details of how staff wishing to transfer to other shops will be re-located.

D | Progress with contract negotiations between Buyitall and the estate agents who are supporting the sale of the Southtown Training Centre.

Question continued

4	The Chief Executive Officer wants a 'big bang' approach to the implementation of the Proposed Interim P3O Model in order to bring about rapid improvements to the way programmes and projects are being prioritized and implemented. Which action should an experienced Head of P3O recommend?
A	The Portfolio Office should be established and fully functioning before setting up the programme offices.
B	The Portfolio Office should focus on assisting the optimization of the delivery of the Retail Rationalization Programme.
C	The whole P3O structure should be set up at the same time.
D	All initiatives within Buyitall should be supported as soon as the Portfolio Office is setup.

Syllabus Area	Question Number	Part	Marks
Implement and Re-energize	3	C	5

Using the Scenario, answer the following questions about the implementation of the Proposed Interim P3O Model.

Each question provides a list of only **true statements** about activities undertaken within the P3O Implementation Programme, but only 2 statements are appropriate for that part of the implementation.

Remember to select 2 answers to each question.

1	Which **2** activities should be undertaken as part of the 'Identify' process?
A	Analyse the P3M3 assessment results showing a maturity level of 1 to identify an appropriate tranche-based plan.
B	Involve the Head of COE in initial problem identification workshops.
C	Produce new Business Case approval procedures based on processes followed by contractors in the past.
D	Identify the members of the COE as part of the team to implement the Proposed Interim P3O Model.
E	Involve the Purchasing Director in identifying the enabling and restraining governance that the P3O model should deliver.

2	Which **2** activities should be undertaken as part of the 'Define' process?
A	Analyse the P3M3 assessment results showing a maturity level of 1 to identify an appropriate tranche-based plan.
B	Produce a plan for communicating early successes of the P3O to the Human Resources and Purchasing Directors throughout the implementation.
C	Produce an initial P3O organization structure diagram showing the Retail Rationalization and Training Programme Offices reporting to the Portfolio Office.
D	Measure the effect of early delivery of the Training Programme.
E	Involve the Purchasing Director in identifying the enabling and restraining governance that the P3O model should deliver.

3	Which **2** activities should be undertaken as part of the 'Deliver New Capability' process?
A	Document that the COE will mandate the use of an EPM solution once the maturity level of 3 is achieved.
B	Bring in external PPM consultants to speed up the implementation.
C	Monitor the impact on the existing COE staff to ensure that they are adapting to the new processes as they are rolled out.
D	Ensure that external PPM contractors brought into fast track the P3O implementation transfer their knowledge to the P3O staff.
E	Discuss with the Contracts Division how they view the value being added by the P3O implementation.

Question continues on the next page

Question continued

4	Which **2** activities should be undertaken as part of the 'Realize Benefits' process?
A	Ensure that external PPM contractors brought into fast track the P3O implementation transfer their knowledge to the P3O staff.
B	Identify which COE services will be delivered first.
C	Measure the effectiveness of optimizing the portfolio and reducing the number of programmes being delivered at once.
D	Plan when further reviews should be conducted to see whether the Training Programme was delivered earlier than originally anticipated.
E	Evaluate whether the new Business Case approval procedures enabled faster approval of Business Cases.

5	Which **2** activities should be undertaken as part of the 'Close' process?
A	Measure whether the Training and Retail Rationalization Programmes were set up more effectively as a result of the new COE functions.
B	Convince the Facilities Director that the Proposed Interim P3O Model will assist Buyitall in delivering the required increase in profitability.
C	Manage the risk that existing Buyitall staff members do not have sufficient PPM skills to deliver an appropriate model.
D	Plan whether the Training Programme or the Retail Rationalization Programme will use the new COE services first.
E	Ensure that external PPM contractors brought into fast track the P3O implementation transfer their knowledge to the P3O staff before releasing them.

Syllabus Area	Question Number	Part	Marks
Implement and Re-energize	3	D	5

THE FOLLOWING QUESTION SHOULD BE ANSWERED IN RELATION TO THE IMPLEMENTATION OF THE PROPOSED INTERIM P3O MODEL AT PROGRAMME/PROJECT LEVEL.

Using the Scenario, answer the following question about the Training Programme Office.

Lines 1 to 5 in the table below consist of an assertion statement and a reason statement. For each line identify the appropriate option, from options A to E, that applies. Each option can be used once, more than once or not at all.

Option	Assertion	Reason	
A	True	True	AND the reason explains the assertion
B	True	True	BUT the reason does not explain the assertion
C	True	False	
D	False	True	
E	False	False	

	Assertion		Reason
1	The resourcing of the Training Programme Office should be the responsibility of the local line managers.	BECAUSE	A temporary Programme Office should only use internal resources.
2	A priority for the Training Programme Office should be to work with the COE to trial standard PPM processes.	BECAUSE	The COE should provide the Programme Office with standards and templates.
3	Contract resources should use their own templates to speed up the establishment of the Programme Office.	BECAUSE	Where there are no existing standards, adopting templates used on previous assignments should allow a team to get started quickly.
4	It would be appropriate to expect to spend more than 12 weeks setting up the Training Programme Office.	BECAUSE	Typically 10% of a programme lifecycle should be allocated to set up a Programme Office.
5	The Head of Programme Office should make appropriate procurement expertise available to deal with the outsourcing arrangements.	BECAUSE	A Programme Accountant should be engaged to deal with complex commercial arrangements.

Question Number 4

Syllabus Area   Models and Tailoring

Syllabus Area	Question Number	Part	Marks
Models and Tailoring	4	A	3

Using the Scenario, answer the following questions about the Proposed Interim P3O Model.

1	Which statement describes the **MOST LIKELY** potential relationship between existing corporate functions and the Proposed Interim P3O Model?
A	The COE should set the procurement standards for the Contracts Division.
B	The Portfolio Office should work with the Human Resources (HR) Division to understand the conflict between business as usual commitments and demands to deliver the Rescue Package.
C	The Portfolio Office should advise the Chief Executive Officer on the best international markets for Buyitall to expand into.
D	The Portfolio Office should assist a capacity planning exercise in the IT Systems Division to make sure that the Division has enough resources to meet its operational demands.

2	Which statement indicates that a P3O model with Hub Portfolio Offices may be more appropriate than the structure in the Proposed Interim P3O Model?
A	The IT Refresh Programme will deliver the technology that provides the services the Rescue Package requires.
B	Buyitall needs to recruit specialist staff to provide coaching and training in PPM areas.
C	As the overall director for business change, the Chief Executive Officer requires all the programme offices to be located in the Northtown HQ.
D	The IT Refresh and Online programmes will both be reporting to the IT Systems Division which is located in Southtown.

3	Which statement indicates that a P3O model with Hub Portfolio Offices may be more appropriate than the structure in the Proposed Interim P3O Model?
A	The Operations and the Facilities Divisions are working in silos, and co-ordination between the two should improve if centralized common standards are adopted.
B	The Chief Executive Officer has stated that divisions should have more autonomy to prioritize their own initiatives.
C	Buyitall wishes to achieve a P3M3 maturity level of 3 or above.
D	The Corporate Portfolio Board requires an integrated Management Dashboard report for the whole of the Rescue Package.

Syllabus Area	Question Number	Part	Marks
Models and Tailoring	4	B	7

Using the Scenario, answer the following question about the functions and services of the Proposed Interim P3O Model.

Column 1 is a list of potential services to be delivered by the Proposed Interim P3O Model. Column 2 is a selection of services that the P3O may provide. For each service in Column 1, decide if it is a valid P3O service and select the relevant key functional area from Column 2.

Each option can be used once, more than once or not at all .

	Column 1		Column 2
1	Analysing Buyitall's IT resource commitments across business as usual, the Online Programme and the IT Refresh programmes.	A	This is **NOT** a suitable function or service for the Proposed Interim P3O Model
2	Reviewing document templates introduced by external consultants on previous projects, to identify which templates to use across Buyitall's projects.	B	A strategic planning or portfolio support function or service
3	Advising the Facilities Director on possible job requirements when recruiting a replacement manager for the IT Systems Division.	C	A delivery support function or service
4	Assisting the Programme Manager in monitoring the impact of in-shop security requirements, when the Shop Modernization Programme is rolled out.	D	A COE function or service
5	Providing risk management training for the Programme Manager of the IT Refresh Programme.		
6	Providing model role descriptions for Project Managers for use across the Rescue Package.		
7	Delivering the required 50% increase in profitability from the Rescue Package over the next five years.		

Syllabus Area	Question Number	Part	Marks
Models and Tailoring	4	C	5

THE FOLLOWING QUESTION SHOULD BE ANSWERED IN RELATION TO THE IMPLEMENTATION OF THE PROPOSED INTERIM P3O MODEL AT PROGRAMME/PROJECT LEVEL.

Using the Scenario answer, the following questions about the Proposed Interim P3O Model.

1	A report explaining how problems encountered during the set-up of the new training centre were resolved has been passed to the COE. Is this an appropriate application of P3O for this programme?
A	No, because assisting the delivery of change is a delivery support function.
B	No, because each programme office is responsible for updating the risk management standards to be used in future projects.
C	Yes, because knowledge management is a COE responsibility.
D	Yes, because knowledge management is a strategic planning/portfolio support function.

2	The Head of the Project Office for Project 2 (Outsourcing) has run workshops to teach the Project Manager for Project 2 the process for identifying benefits. Is this an appropriate application of P3O for this programme?
A	No, because it is the responsibility of the COE to provide coaching in the use of the organization's PPM standards.
B	No, because it is the responsibility of the temporary project office to eliminate double counting of benefits.
C	Yes, because the multi-tasking project support officer should provide support on small projects.
D	Yes, because it is the responsibility of the Head of Project Office to promote PPM standards within the organization.

3	Which office should assist in tailoring standard risk management processes to meet the needs of Project 1 (Southtown Training Centre)?
A	COE, because delivery support is most needed during project start-up.
B	COE, because internal consultancy is most needed during project start-up.
C	Portfolio Office, because strategic planning services are most needed during project start-up.
D	Portfolio Office, because internal consultancy is most needed during project start-up.

4	The Contracts Division has to comply with specific external regulatory requirements relating to change initiatives. A Hub Portfolio Office has been set up to support the planned change initiatives in the Contracts Division. Is this an appropriate application of P3O for this programme?
A	No, because temporary programme offices should be set up for each of the planned initiatives.
B	No, because P3O functions should be carried out by each business unit across Buyitall.
C	Yes, because a Hub Portfolio Office supports local application of standards.
D	Yes, because a Hub Portfolio Office ensures that each new programme launched is staffed with local business managers.

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Question continued

5	A separate 'Strategic Portfolio Office' is to be established to carry out strategic planning functions. The existing Portfolio Office will be renamed the 'Delivery Portfolio Office' and will carry out delivery support functions. The new Strategic Portfolio Office is to track spend against budget for the Training Programme. Is this an appropriate application of P3O for this programme?
A	No, because a Portfolio Office should establish planning standards across the portfolio.
B	No, because tracking spend against budget is a delivery function and should be carried out by the Delivery Portfolio Office.
C	Yes, because monitoring the costs of resources against plans is a strategic planning function.
D	Yes, because establishing a framework for assessing the portfolio's projects against financial parameters is a strategic planning function.

Syllabus Area	Question Number	Part	Marks
Models and Tailoring	4	D	5

THE FOLLOWING QUESTIONS SHOULD BE ANSWERED IN RELATION TO THE IMPLEMENTATION OF THE PROPOSED INTERIM P3O MODEL AT PROGRAMME/PROJECT LEVEL.

Using the Scenario, answer the following questions about the Training Programme Office.

The Corporate Portfolio Board has given its approval to setting up a temporary Programme Office to support the Training Programme and its Programme Board. The Training Programme and all its projects will use common standards developed by the COE, which is to be set up as a separate function alongside the Portfolio Office.

1	The Training Programme Office will help to identify dependencies between the six critical projects in the Training Programme. Is this an appropriate application of P3O for this programme?
A	No, because identifying dependencies is the responsibility of the Programme Manager.
B	No, because defining planning standards should be carried out by the COE.
C	Yes, because the Programme Office should provide a resource tracking service across the programme.
D	Yes, because a key function of the Programme Office is to provide planning support for the programme and its projects.

2	The COE will provide a consultancy service on appropriate project reporting to the Training Programme Office throughout the Training Programme. Is this an appropriate application of P3O for this programme?
A	No, because the training provided at the start of the programme should reduce the continued need for support.
B	No, because it is important to maintain a minimum headcount in the programme office throughout its life.
C	Yes, because it is a key responsibility of the programme office to produce accurate reports on every project's progress.
D	Yes, because specialist PPM skills may need to be bought in.

3	At the end of the Training Programme, the Training Programme Office is to make resources available to oversee the embedding of the new working practices. Is this an appropriate application of P3O for this programme?
A	No, because any assistance with embedding should be delivered by internal consultants provided by the COE.
B	No, because experienced resources should be automatically allocated to another programme.
C	Yes, because additional support should be provided to operational staff going through the transformation.
D	Yes, because a programme office has responsibility for ensuring the risk of failing to embed the new practices does not materialize.

Question continues on the next page

4	Resources have been supplied to the Training Programme Office by the COE to verify that the new working practices are fit for purpose. These resources are to be reallocated fully once the programme is underway. Is this an appropriate application of P3O for this programme?	
	A	No, because during delivery a programme may require additional support.
	B	No, because the assurance role should continue as a programme progresses into delivery.
	C	Yes, because internal consultancy requirements should reduce as the programme moves into delivery.
	D	Yes, because a temporary programme office should ensure that resources are released when no longer required.
5	The Training Programme Office plans to run a workshop to identify aspects of the Regional Training Centres Project which may have a negative effect on the delivery of the programme. Is this an appropriate application of P3O for this programme?	
	A	No, because the COE should provide information on standards and processes to be adopted.
	B	No, because a temporary project office should track project issues.
	C	Yes, because a Programme Office should proactively seek out risks from projects which may threaten the programme.
	D	Yes, because a Programme Office should develop a risk management policy for compliance by programmes.