

# Project portfolio governance in Telenor Norway

Jan Arild Lyngstad, Director Portfolio Management  
Telenor Norway



**The 5th Concept Symposium on Project Governance**  
Valuing the Future - Public Investments and Social Return  
20. – 21. September 2012

Symposium web-site: <http://www.conceptsymposium.no/>  
Concept Research Programme: <http://www.concept.ntnu.no/english/>



## **Project portfolio governance in Telenor Norway**

Concept Symposium 2012

Jan Arild Lyngstad

Director Portfolio Management Telenor Norway

# Agenda

- **Telenor and Portfolio Management**
- **Aligning projects and investments to strategic priorities**
- **The build-up of strategic portfolios**
- **Prioritization as a part of the business governance**



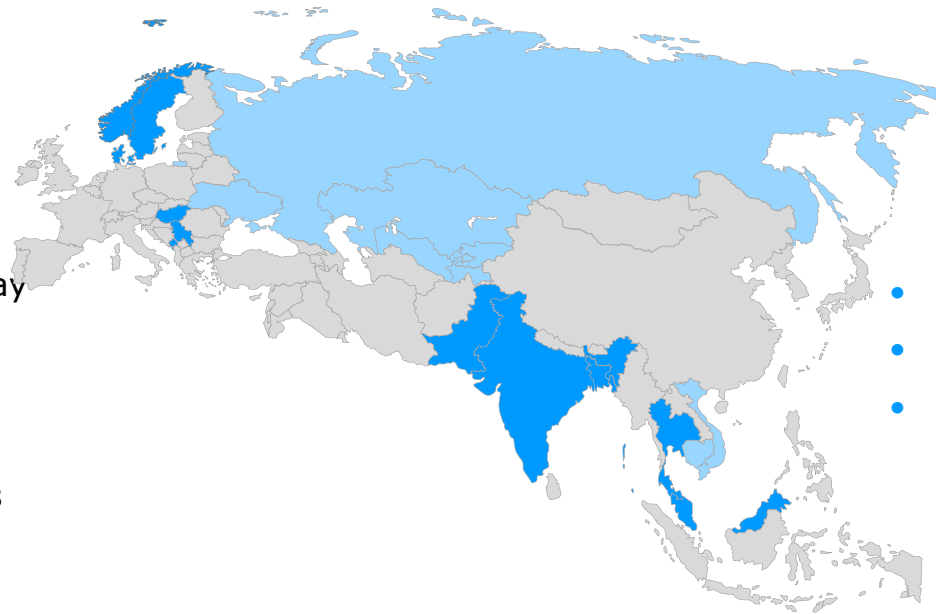
# Agenda

- **Telenor and Portfolio Management**
- Aligning projects and investments to strategic priorities
- The build-up of strategic portfolios
- Prioritization as a part of the business governance



Among the major mobile operators in the world  
more than 150 million mobile subscribers \*  
31 000 employees  
Present in markets with 1.6 billion people

- Mobile operations in 11 markets across the Nordic region, Central and Eastern Europe and Asia
- Headquartered in Norway
- An economic stake of 35.7 % and a voting stake 39.5 % in VimpelCom Ltd, operating in 18 markets



Among the top performers on Dow Jones Sustainability Indexes

- Revenues 2011: NOK 99 bn
- Market Cap: 157 bn
- Listed on the Oslo Stock Exchange

**Telenor Group is an international provider of tele, data and media communication services**

\*151 million customers in consolidated operations ; 360 million including VimpelCom Ltd (associated company)

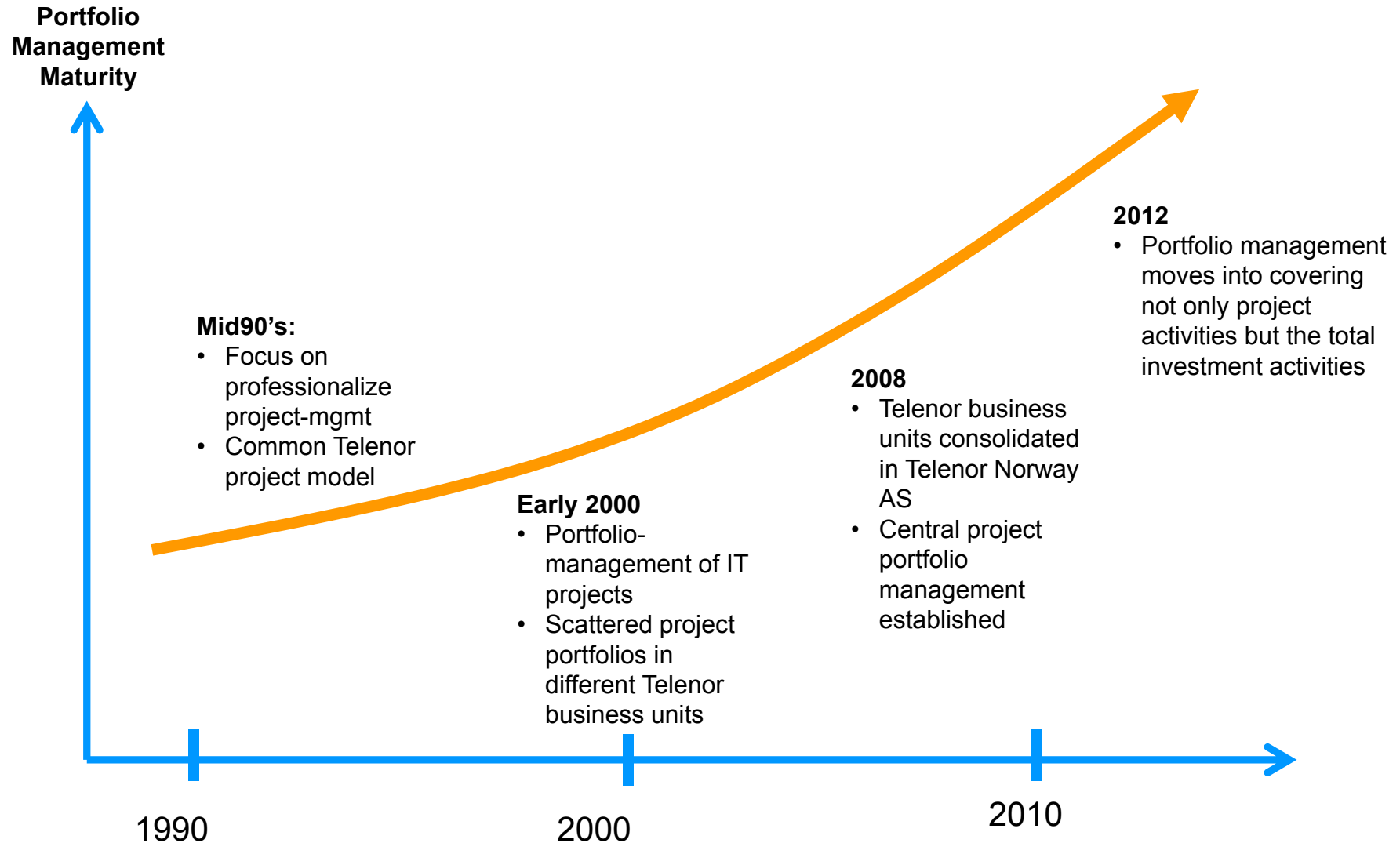


## Whohru@ruzd |

- More than 150 years' history in Norway
- About 5.000 employees in more than 30 locations across Norway (Spitsbergen included)
- A part of the Telenor Group, which has operations in 13 countries and about 40.000 employees
- Offers fixed line and mobile telephony, broadband, cable TV, Internet services, and coastal radio service

- Approx. 4 bill NOK in domestic investments
- Main investment areas are infrastructure rollout and IT/Technology development projects
- Strategic ambitions are executed by a combination of project and line activities
- Projects sizes ranges up to several 100 mill NOK budgets

# The Telenor-journey from standalone project management to business integrated portfolio management



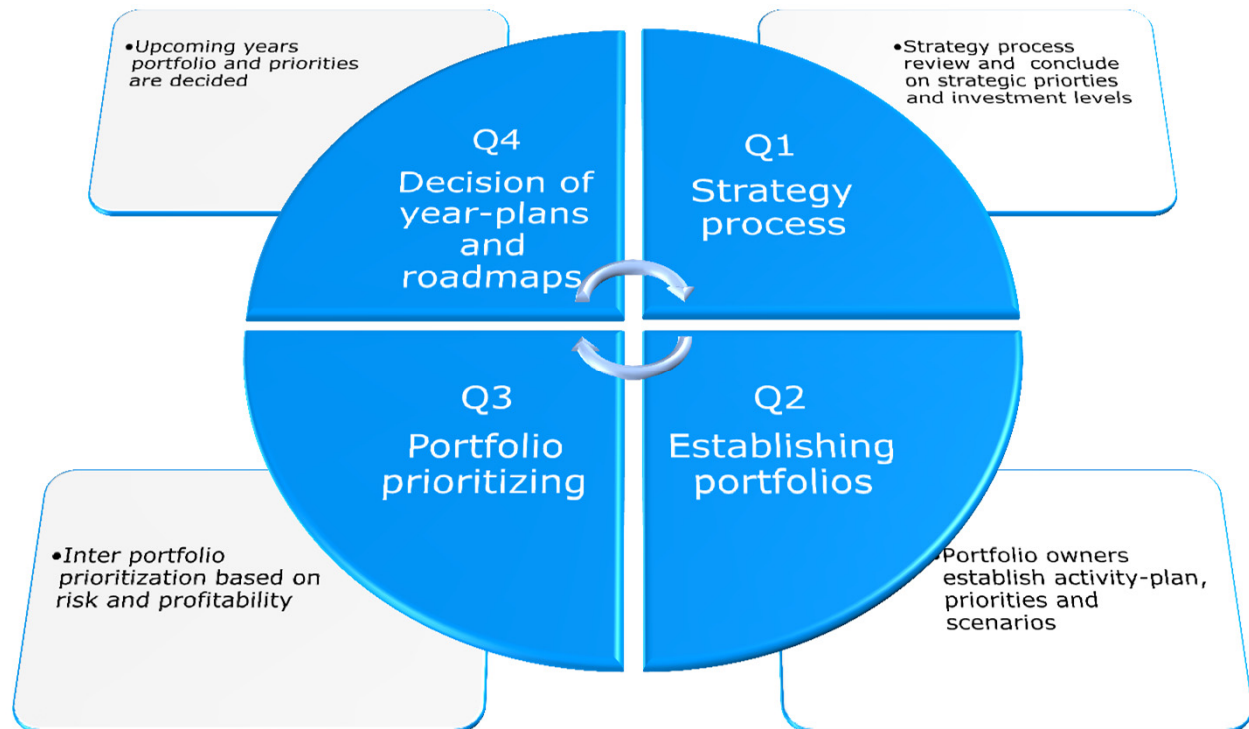
# Agenda

- **Telenor and Portfolio Management**
- **Aligning projects and investments to strategic priorities**
- The build-up of strategic portfolios
- Prioritization as a part of the business governance

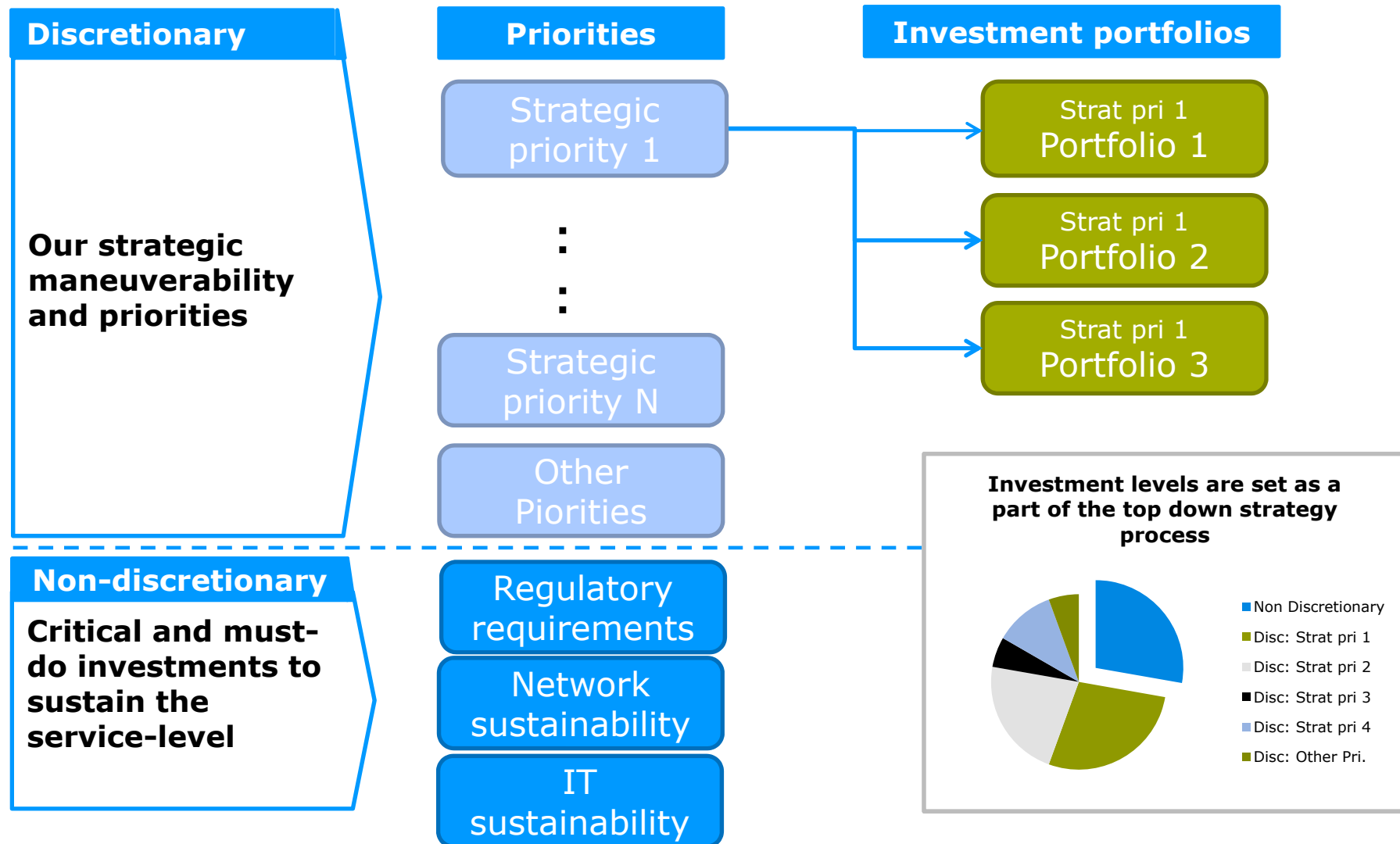


# Yearly portfolio management process in Telenor Norway

- **The portfolio management process establish plans and roadmaps for upcoming years**
- **Top-down strategy direction combined and aligned with bottom up activity-plans**
- **Competence needs and implementation capacity are taken into account when establishing the final year-plans**



# Strategic priorities are broken down into investment portfolios

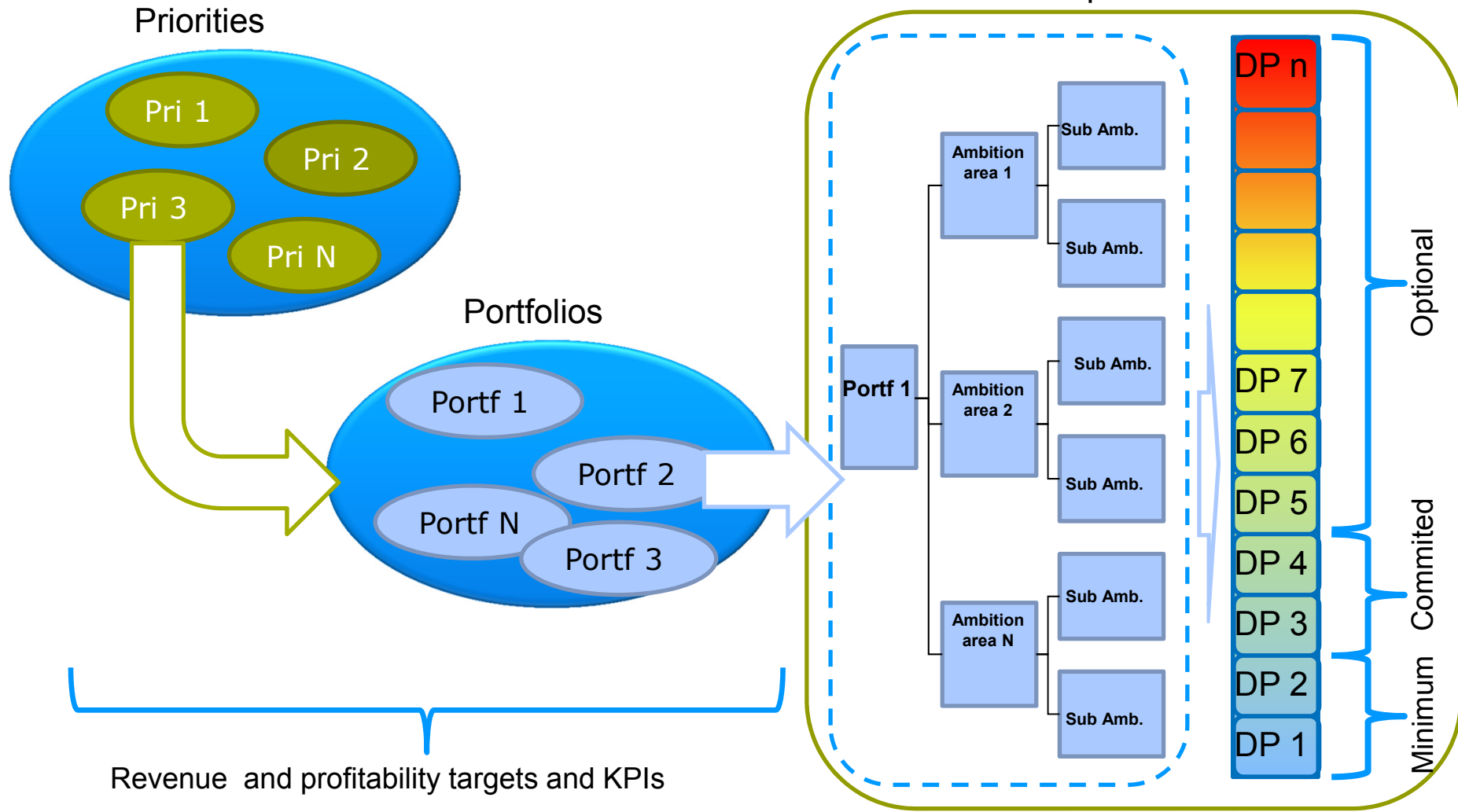


# Agenda

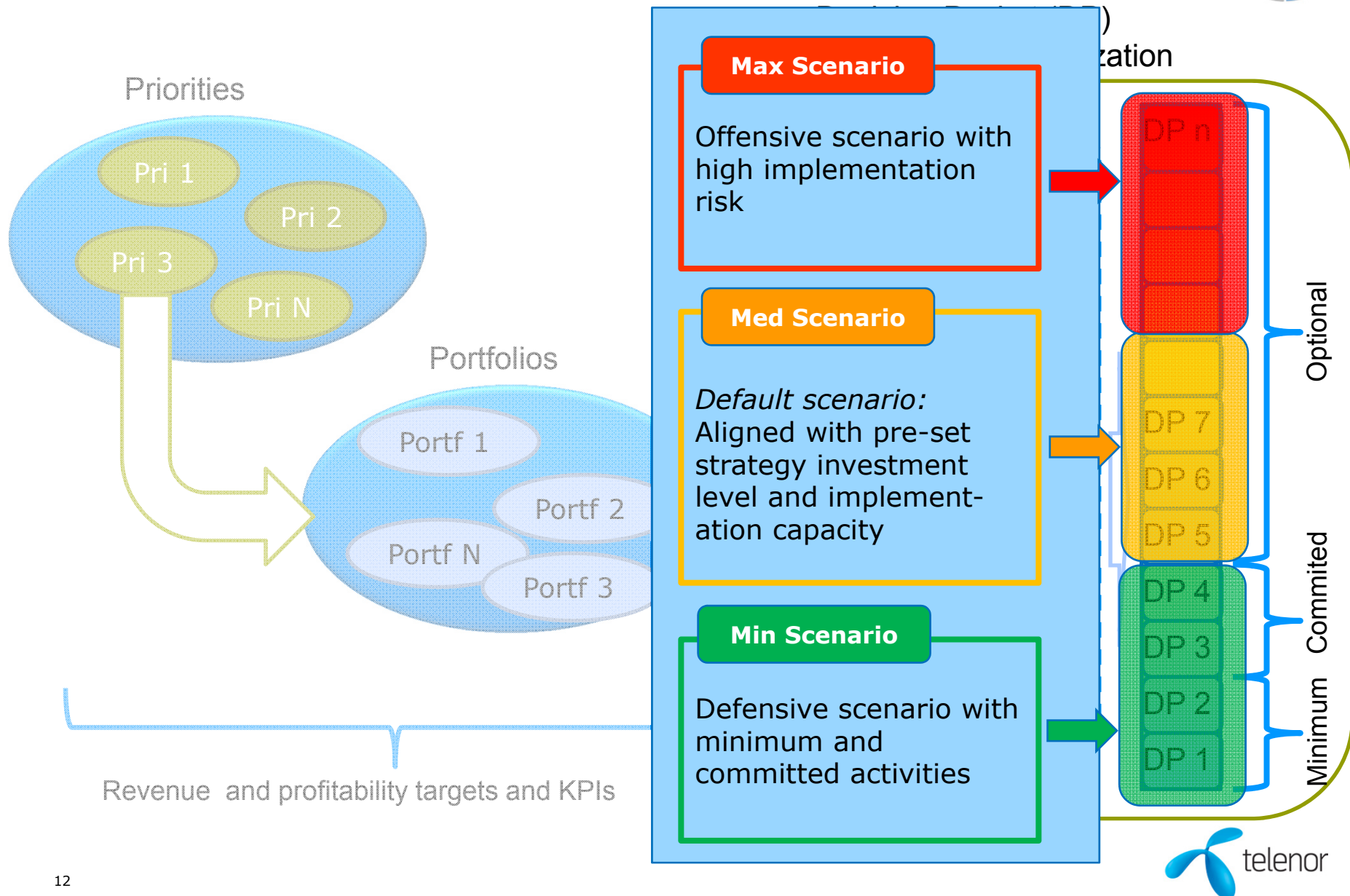
- **Telenor and Portfolio Management**
- **Aligning projects and investments to strategic priorities**
- **The build-up of strategic portfolios**
- **Prioritization as a part of the business governance**



# Within each portfolio a “zerobased” prioritisation is conducted to optimise resource utilisation



# Scenarios within each portfolio are defined as basis for prioritization and strategy revision



# Agenda

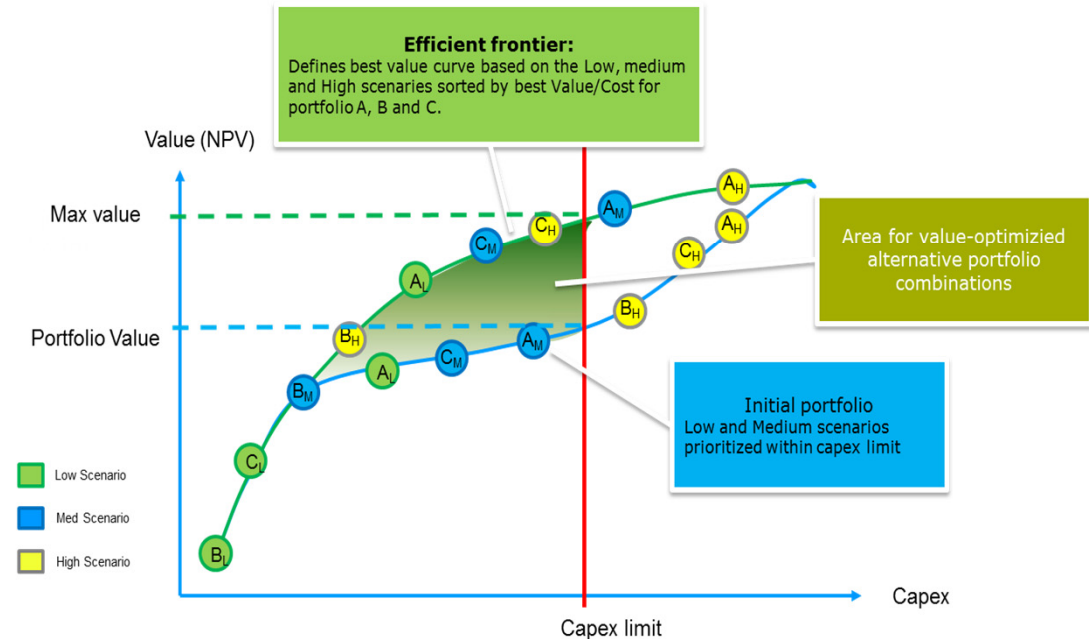
- **Telenor and Portfolio Management**
- **Aligning projects and investments to strategic priorities**
- **The build-up of strategic portfolios**
- **Prioritization as a part of the business governance**



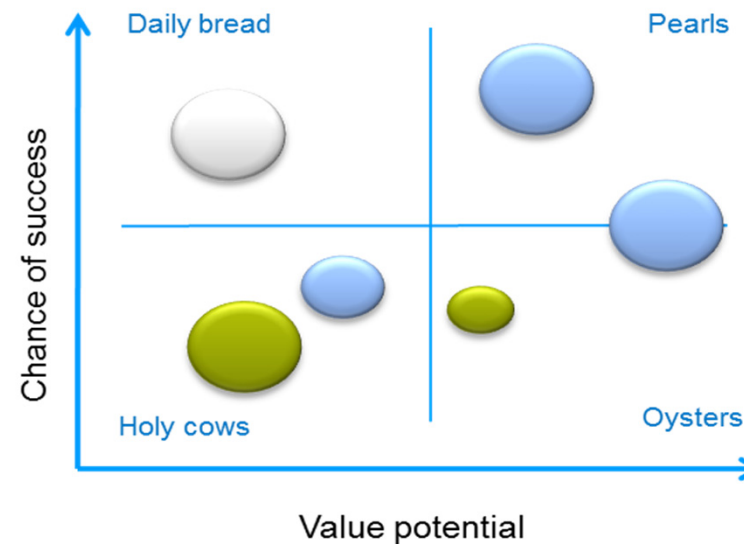
# High level portfolio prioritizing to optimize value vs risk



**Initial capex allocation and total portfolio balance from strategy is challenged by profitability-calculations in the capex portfolios**



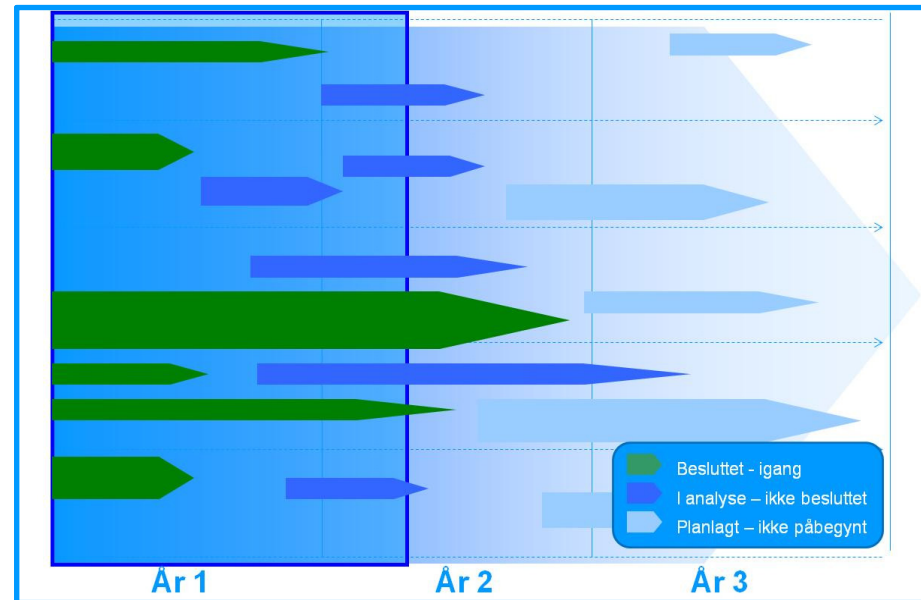
**Value-risk analysis to balance portfolio between short and long-term activities.**



# Final yearplan and roadmap are formally decided by top management team



- Yearplan serve as operationalization of the strategy upcoming year
- Baseline for review and revisions of the strategy execution
- Yearplan and roadmaps are input to upcoming year strategy revision



# Portfolio governance is an integrated part of the top-level business governance



- **Portfolio Management is governed by capex Board**
  - Meeting for portfolio investment decisions and portfolio follow up
  - Members form Telenor Norway Top Management team
  - Monthly meetings
- **Clear ownership of the investment portfolios**
  - Clear ownership of each of the portfolios by relevant head of division
  - Focus on targets, profitability and investment efficiency
- **Portfolio structure integrated in the overall business governance**
  - Financial reporting
  - Strategy process and follow up



# Summary

- Portfolio structure and governance integrated in the overall business management
- Centralized portfolio management anchored and lead by the top management team
- Investments split into discretionary and non discretionary investment portfolios to enhance transparency and focus on profitability and strategy execution
- Portfolio build-up and plans are aligned with available competence and implementation capacity



Wkdqnv#iru# rxu#lwhqwlrq\$



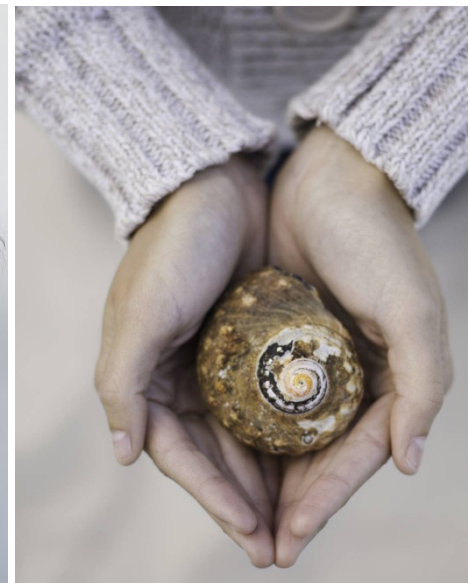
Make it easy



Keep promises



Be inspiring



Be respectful

T xhvwlrqvB