

IBM.

IBM Software

Innovate2011

The Premier Event for Software and Systems Innovation



Software. Everywhere.

19- July, Sydney, Australia

21- July, Melbourne, Australia



Business and IT alignment through effective Project & Program Portfolio Management

John MacLeod
Alan Kan



Benefits we will see today

- **Centralised** project status **repository**
- Provide **visibility** to business **priorities**, business **value** of scope/requirements, business value and performance of projects
- **Automate** the **workflow** of projects through the pipeline
- **Automate** the **pipeline prioritisation process** and focus on high-value projects
- Enable business leaders to **understand value** of project scope and **impacts** on **other projects** when planning project pipeline/roadmap
- Provide support to **re-evaluate project priorities** in the light of a changed business environment
- Reduce time to market
- Identify requirements that need resources but **don't generate any customer or market value**
- Provides a mechanism to **capture requirements** much earlier in the process



What is the Rational Solution?

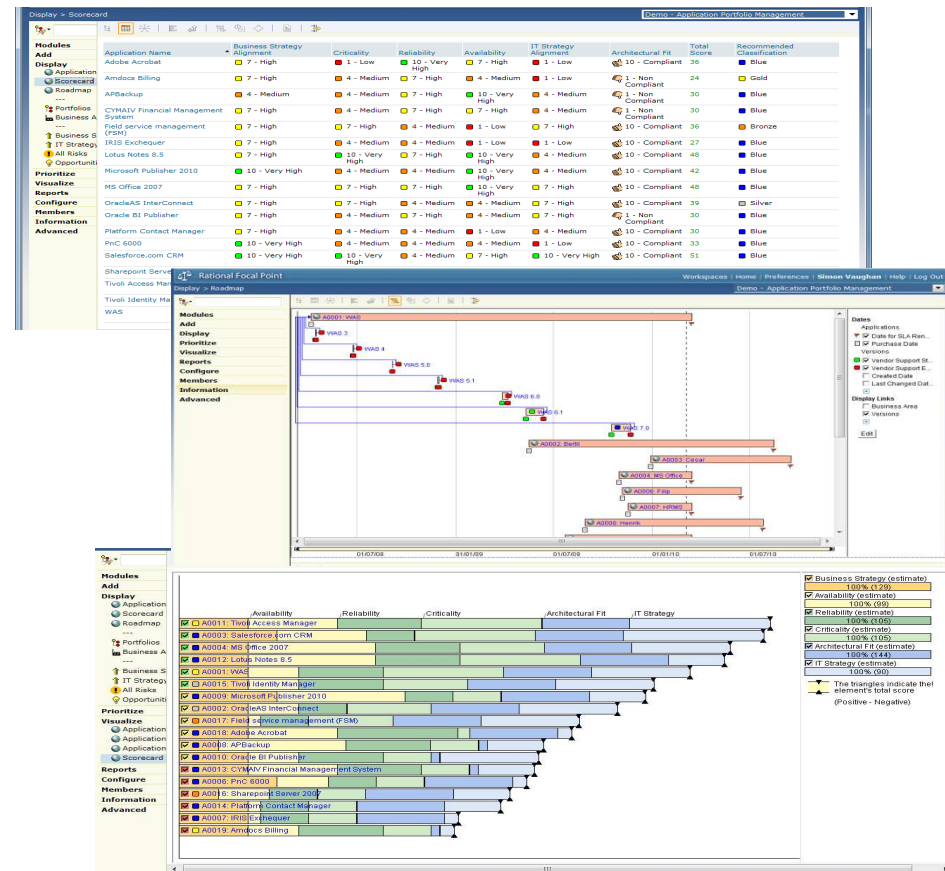
- Unique, web based visual data management that automates, improves and supports:
 - Product Management
 - Product Portfolio Management
 - IT Project Portfolio Management

- A collaboration platform where all users see the “single truth” and the business has clear visibility of the “road ahead”.

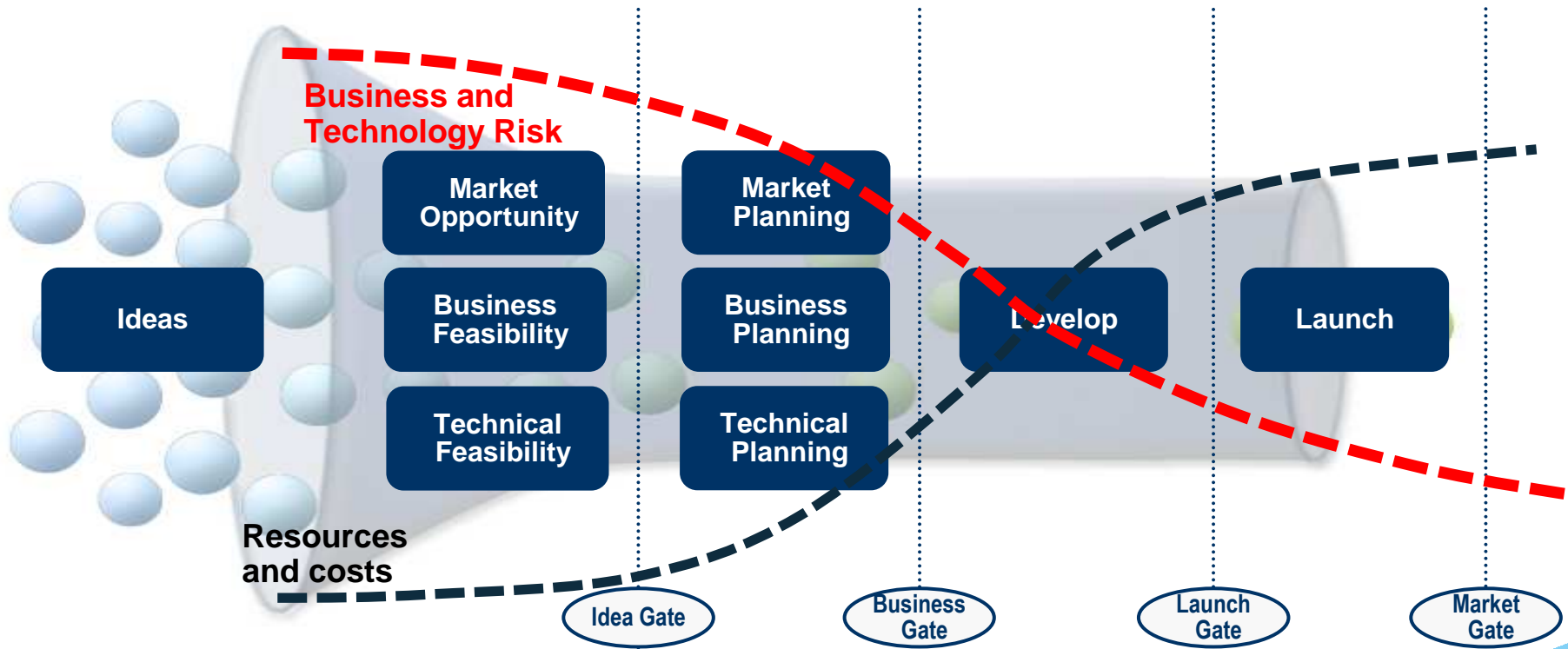
- Provides built-in decision and business scenario analysis support.

- Is adapted to your process, methods and workflow – not the other way around.

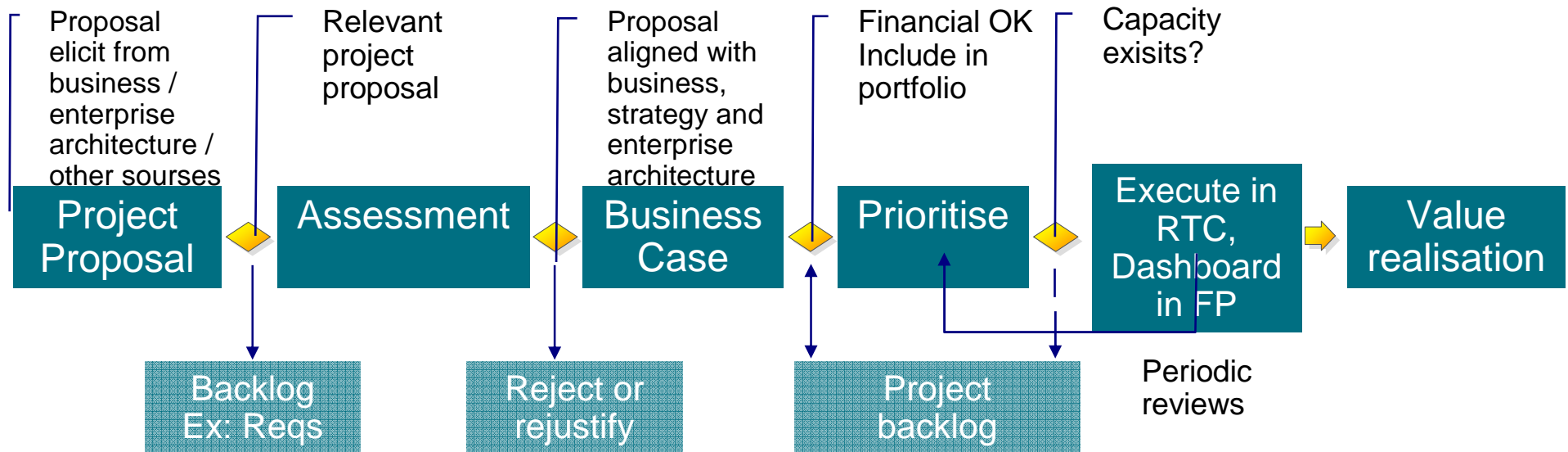
- User friendly, 100% web-based platform design to be used by business people



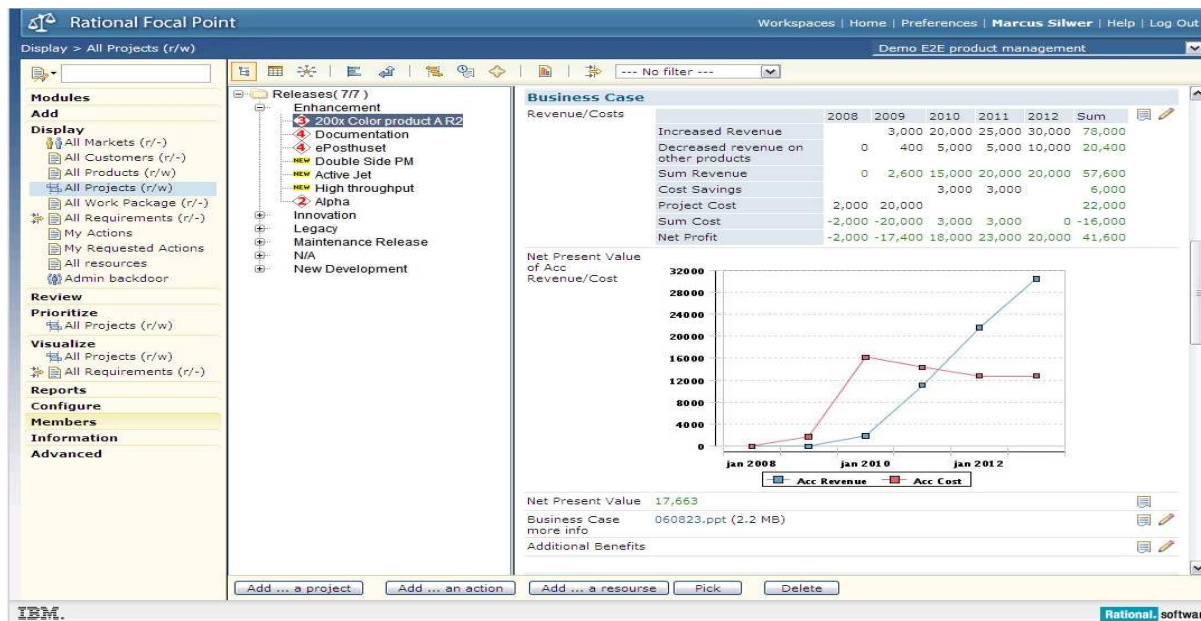
Value-Driven Development



A Process for Project Portfolio Management



Repository for Project Portfolio information



- Escape chaos of spreadsheets, documents and emails
- Standardise submission of new project requests
- Easily answer questions like:
 - what projects are running?
 - what new projects are being requested?
 - who is asking for them and why?



Dashboards - Focal Point – Executive Overview

Rational Focal Point
Workspaces | Home | Preferences | Admin | Help |

IT Portfolio Management Demo v1.0

Modules

- Portfolios
- Projects
- Applications
- Business Units
- Risks
- Business Requirements
- Issues
- Change Requests
- Resource Types
- Meeting Minutes
- Criteria
- Administration
- Images

Add

Display

- Project Proposals
- Review Ongoing Projects
- Project Roadmap

- All Projects
- Applications

Prioritize

Visualize

- Strategic Objectives
- Strategic Alignment - P
- Value Analysis - Project

Reports

Configure

Members

Information

Advanced

Portfolio Financials

Title	Portfolio Expected Benefits	Portfolio Actual Benefits	Portfolio Expected Expenses	Portfolio Actual Expenses	Total NPV	Portfolio Risk Score
Maintenance & Utilities	15 016 000	2 254 000	15 016 000	2 659 000	\$1 273 000	18
Enhancements & Improvements	4 433 300	130 000	4 433 300	144 000	\$634 000	26
Transformational	16 875 000	426 000	16 875 000	1 997 000	\$1 759 000	21

Deviation Expected vs Actual

Title	Deviation Expenses (%)
Maintenance & Utilities	
Enhancements & Improvements	
Transformational	

Strategic Objectives Weight

Title	Importance
Strategic Objectives	

Strategic Objectives - Project Distribution

Strategic Objectives	Quantity	Share
-	28	34,6%
Adapt To New Technologies	29	35,8%
Increase Efficiency	12	14,8%
Innovation	7	8,6%
Manage Change	13	16,0%
Save Cost	24	29,6%

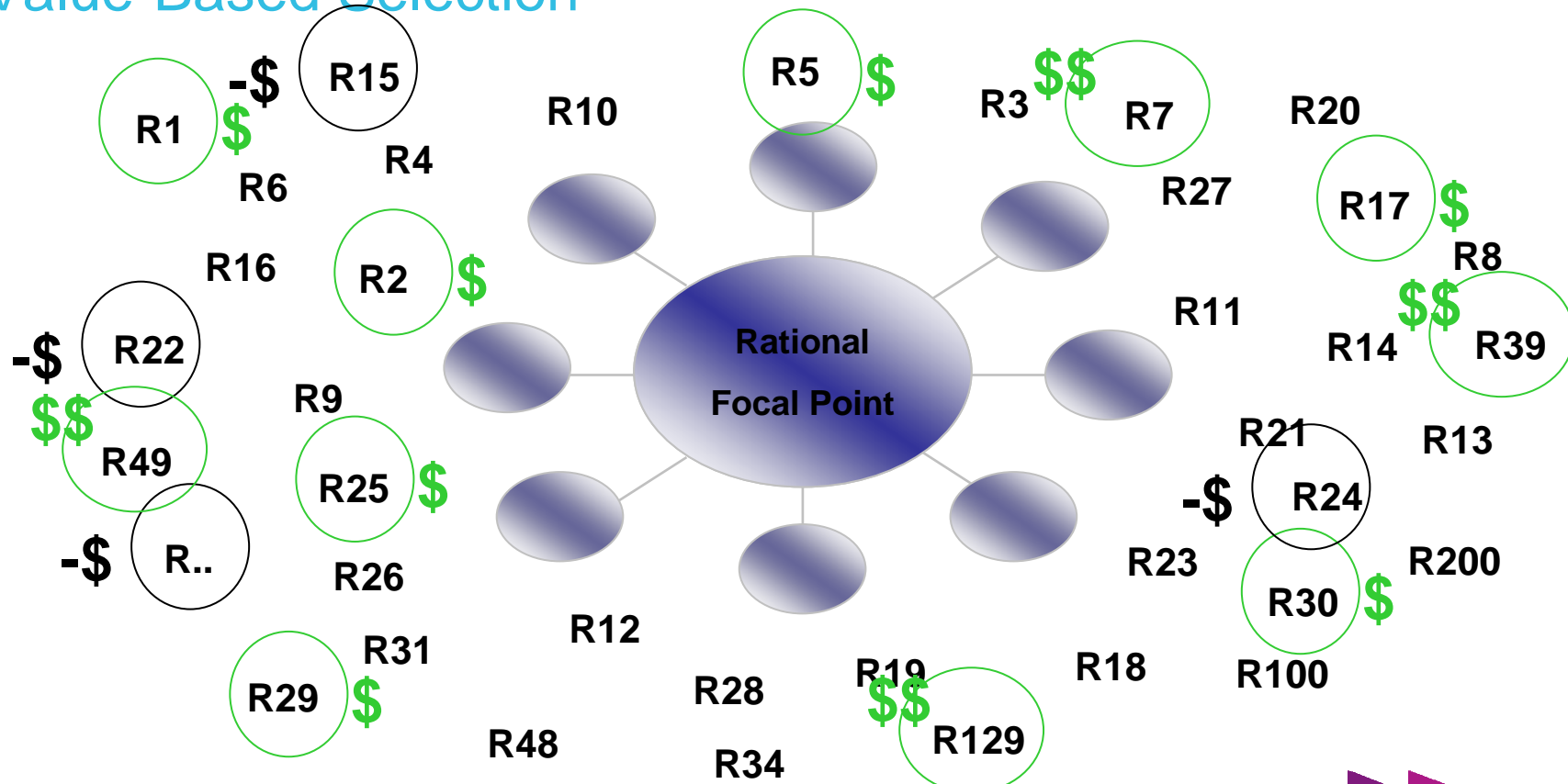
Project Portfolio

Project State	Quantity	Share
Proposed	7	8,6%
Accepted	22	27,2%
Assessed	3	3,7%
Finalize business case	7	8,6%
Ready for prio	7	8,6%
Approved for development	5	6,2%
Delivered	3	3,7%
Business Requirement	7	8,6%
Backlog	6	7,4%
Duplicate	6	7,4%
To be clarified	2	2,5%

See it in action



Value-Based Selection



"Management is doing things right, leadership is doing the right things" Peter Drucker

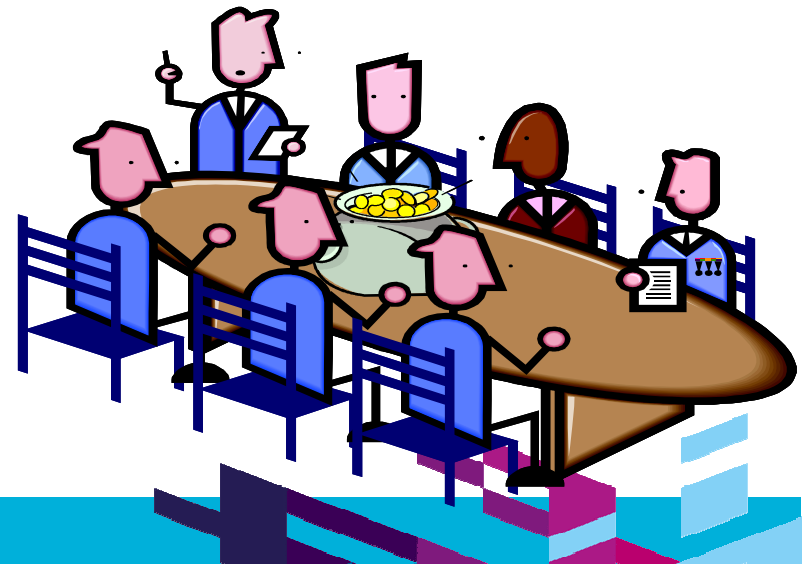


How do you make decisions today?

There are basically 2 approaches to decision making:

- ad-hoc, informal, intuitive reactions to immediate or relatively short term conditions – or,
- calculated, formal decisions based on on critical business issues such as market size, competitive landscape, time to market and customer value.

What separates tomorrow's winners from losers is a superior decision-making capability that lets them navigate swiftly through features, release time, and resources to deliver surpassing customer value.



We humans have limitations when it comes to decision-making

- Humans are good at comparing two alternatives according to one criterion
 - Which one is cheapest? The apple or the orange?
 - Which one is more nutritious?
 - Which one is simpler to peel?
 - Which one goes best with icecream?
- But we have trouble dealing with all criteria at the same time
 - Which one is best? Apple or orange?
- And when we have more than two alternatives it gets worse
 - Rank: Apple, banana, orange, carrot, pear, pine...
- Not to mention if they have dependencies
 - You can only get an apple if you have eaten your potatoes.
 - You can have a carrot even if you didn't eat your potatoes.
- Or if there is more than one opinion
 - We'll only serve one of the fruits/vegetables to all of you.



The basis: pairwise comparison

Which enhancement request is better with the product roadmap?

Add ability to open Excel file from email	
General Information	
ID:	33
Title:	Add ability to open Excel file from email
Type:	Enhancement Request
Description:	Many of our user receive Excel file via email. They should be able to open these files directly from their mobile phone.
Justification:	
Background Information:	
Attachments:	
Illustration:	
Related URL:	
Internal Comments:	-
Stakeholder Comments:	-

Synchronize Calendar entries	
General Information	
ID:	SREQ0002
Title:	Synchronize Calendar entries
Type:	Enhancement Request
Description:	Synchronize Calendar entries via blueberry.
Justification:	Need to be up to date
Background Information:	
Attachments:	
Illustration:	
Internal Comments:	
Stakeholder Comments:	
Status and Planning	
Links	

Compare two alternatives at a time

Advanced algorithm to minimise # of comparisons

One criterion at a time

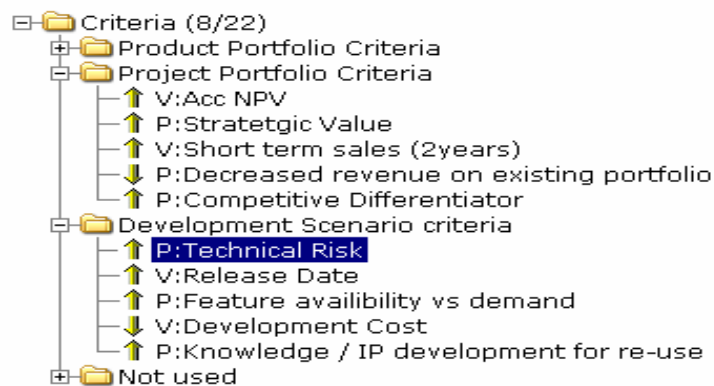
Relative comparison

Completed: 9. Required: 10. Recommended: 15. Number of elements: 8. Comparison: 10.

Criterion: Roadmap Match (public) Delete This Comparison Delete All Comparisons



Example of evaluation criteria



Technical Risk

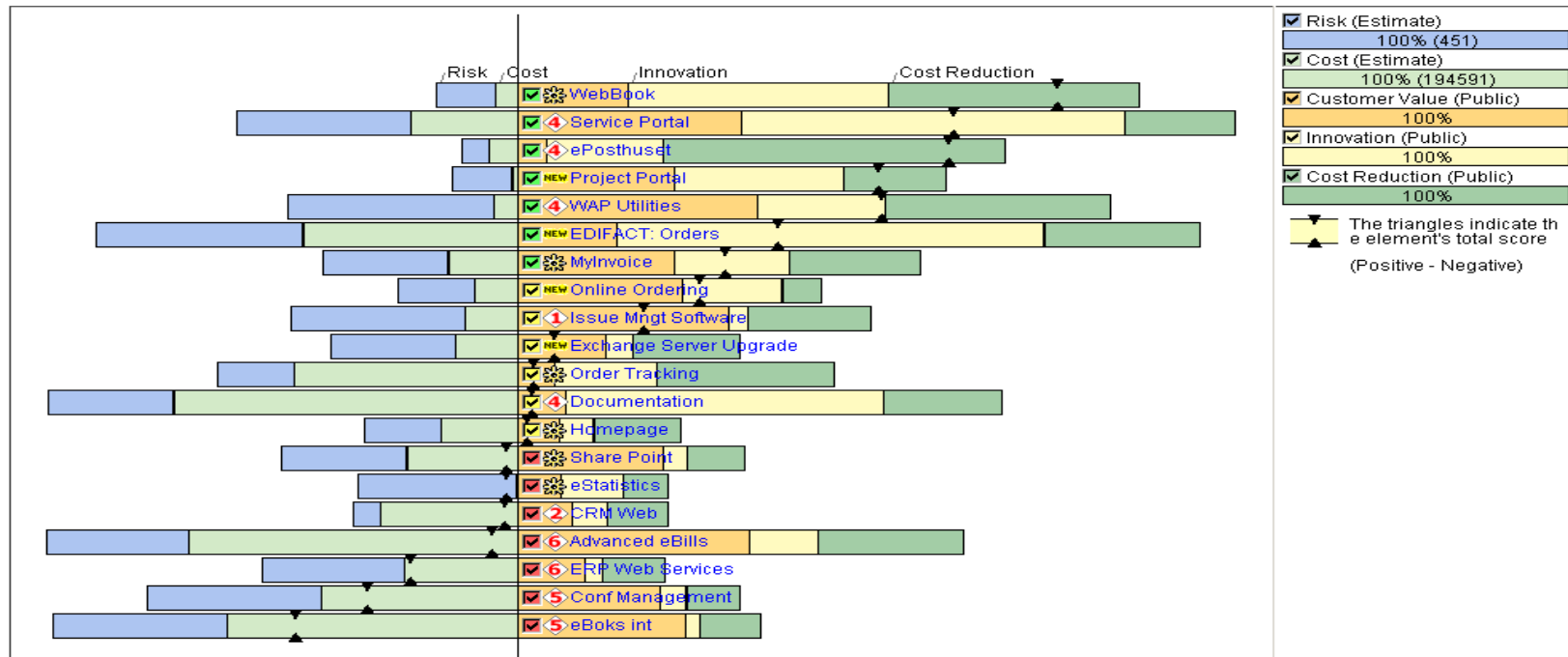
Prefix	P
Title	Technical Risk
Description	<p>Probability of a successful launch of the product, against specification, in time, against expected price and cost).</p> <p>Probability Technical Success (PTS) is determined by three factors:</p> <ul style="list-style-type: none"> - Cost price - Time to market - Technical Performance risk
Mandatory Attributes	
Objective	↑ Maximize
Question	Which Implementation proposal has higher technical success?
Estimate	-
Type	Public
Include	Yes



See it in action



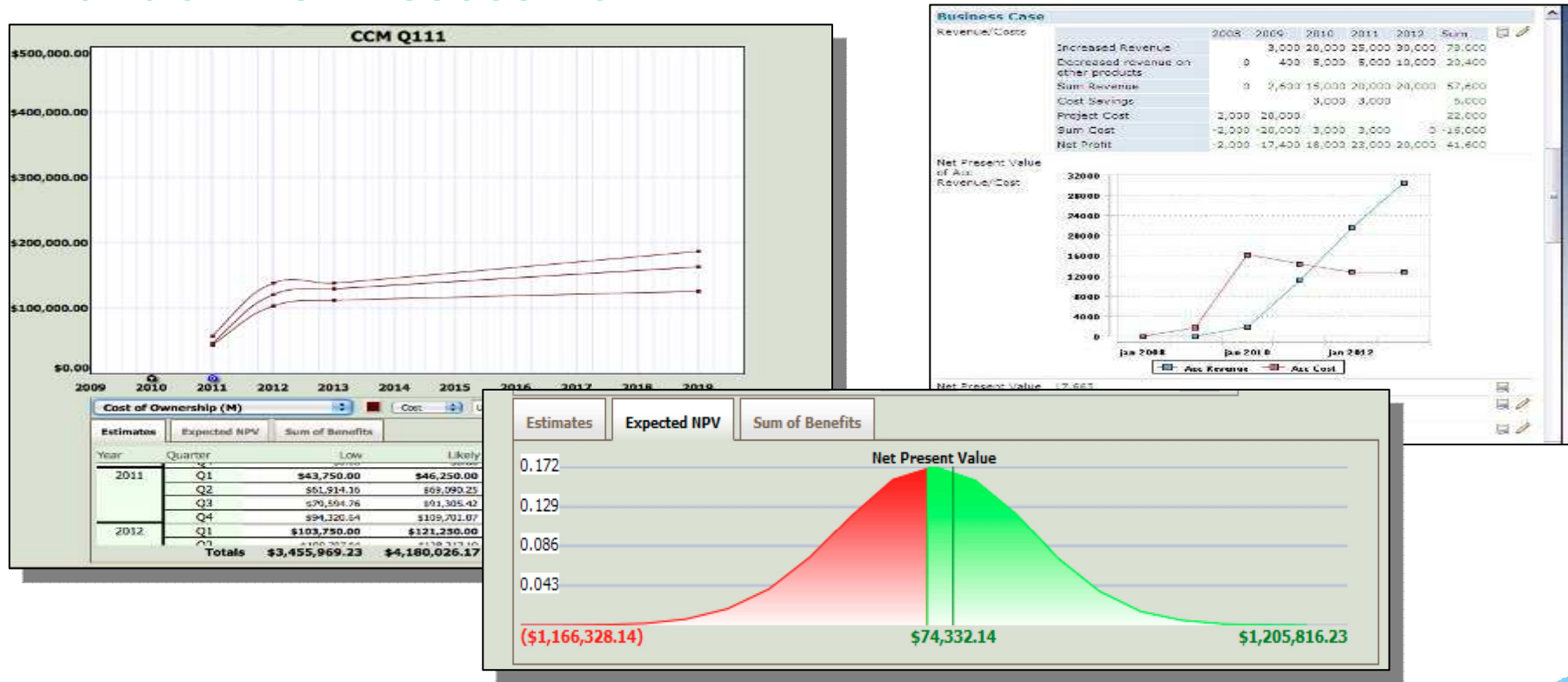
View the Results



See it in action



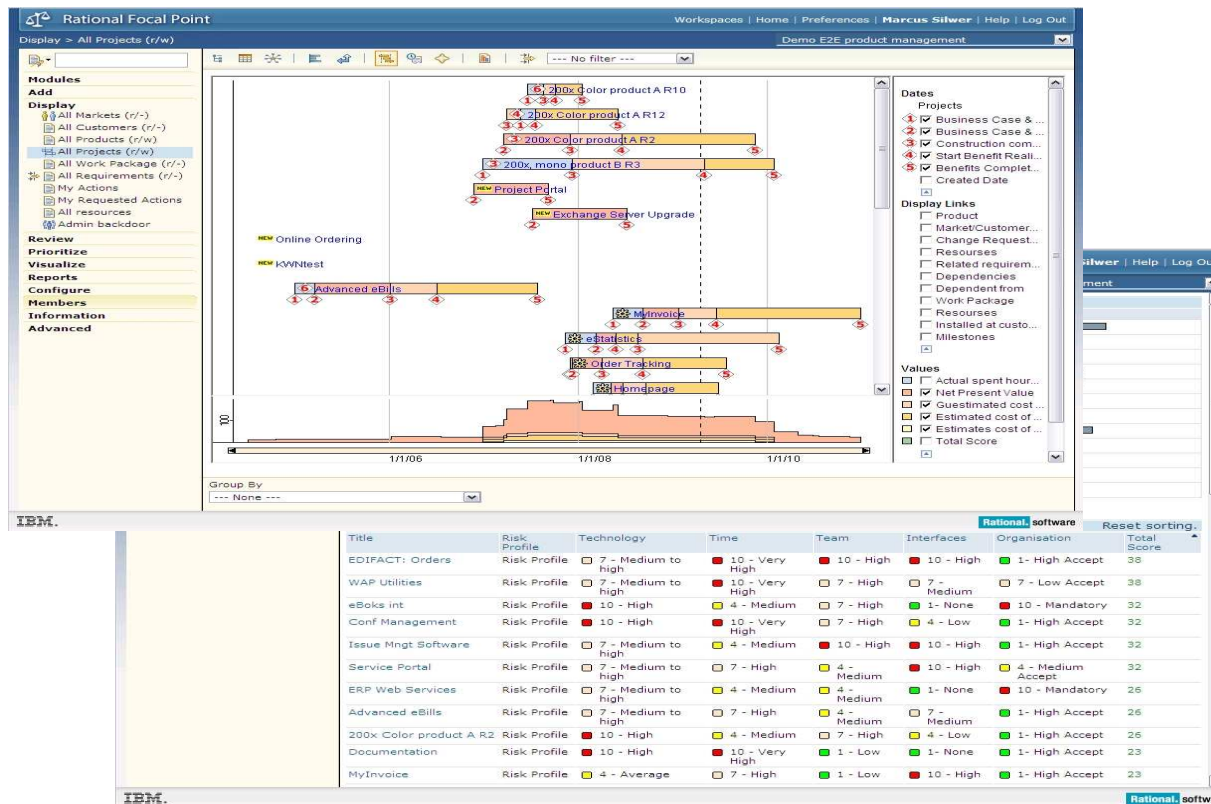
Financial Risk Assessment



Statistically analyses investments to ensure financial due diligence



Monitor & Review Portfolio



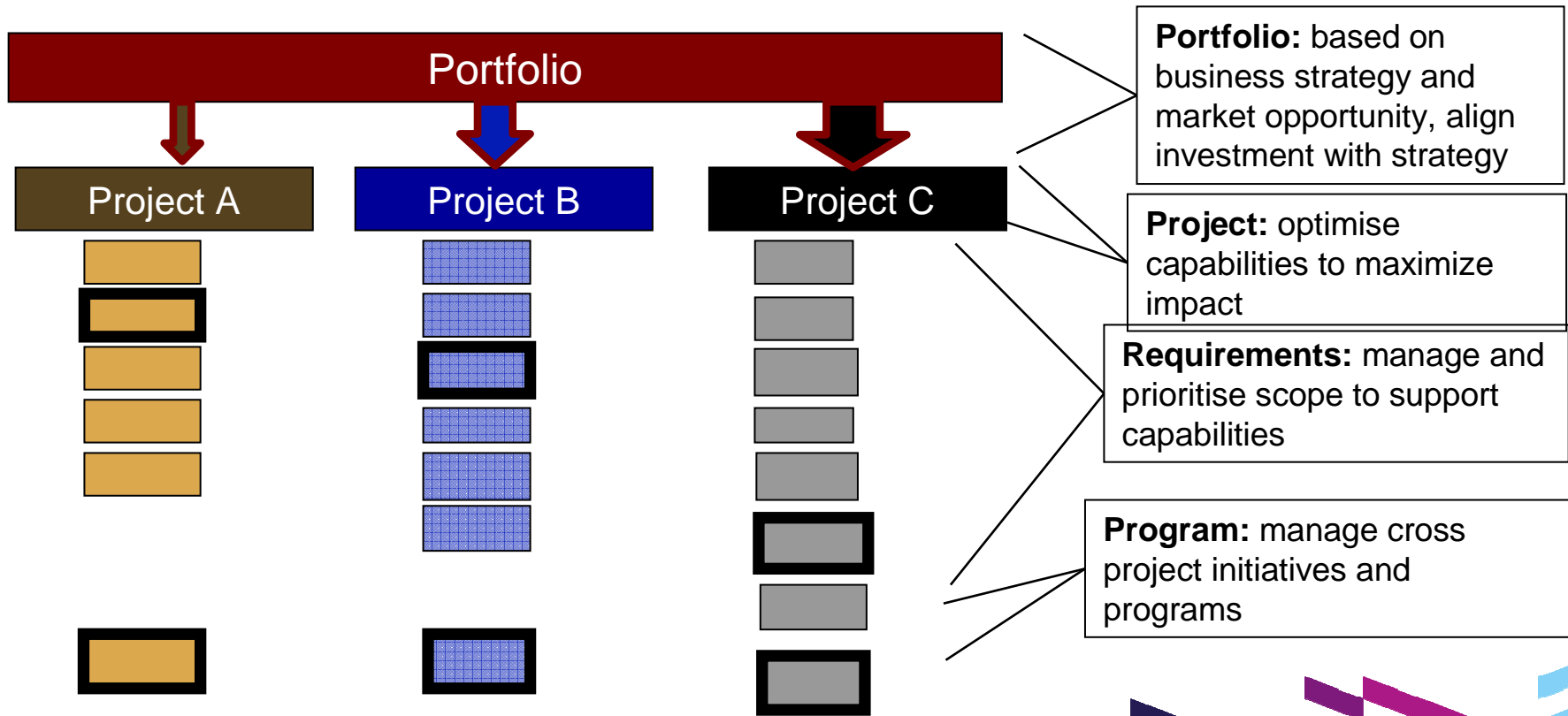
- Produce real-time portfolio status overviews
 - Reduces need for reporting
- Reprioritise or cancel failing projects sooner to reduce waste
- Maximize the business value of the portfolio in relation to IT costs



See it in action

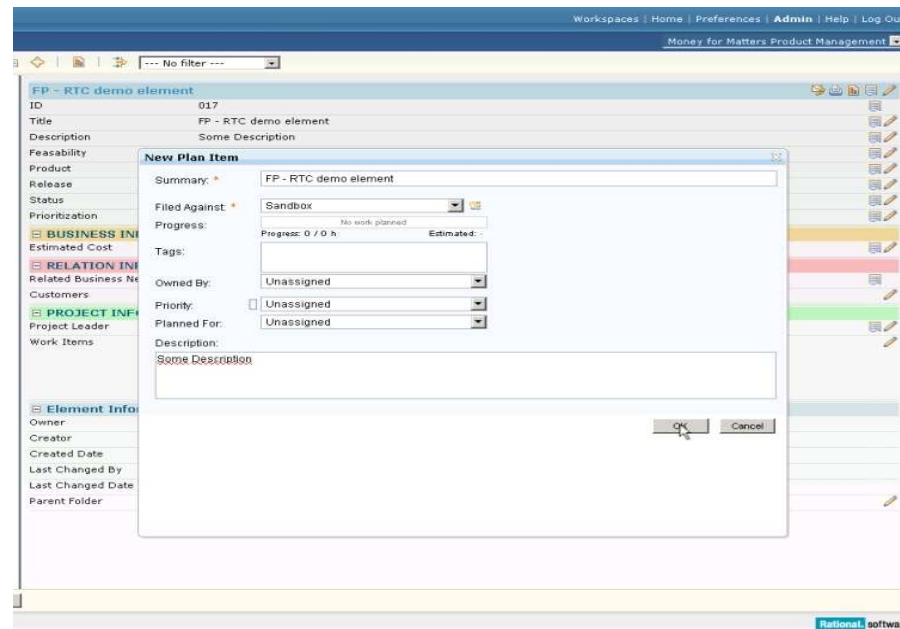


All The Pieces Are Critical



Rational Team Concert integration

- Use Focal Point to define release content and Rational Team Concert to support development
 - Create work items in RTC from Focal Point
 - Link to existing work items in RTC from Focal Point
 - Use Rich Hover links to explore RTC data directly in Focal Point
 - Rollup and display RTC data in Focal Point attributes (Integer, Float, Text)



Project & Program Portfolio Management

IBM Software

Innovate2011

The Premier Event for Software and Systems Innovation



19-July Sydney, Australia

