Connecting PPM and software delivery

Efficiently deliver strategic, high-value, low-risk software projects

Contents

Analyst firm Gartner predicts that the project portfolio management (PPM) market is shifting from managing projects to actually managing value and change. In its November 2010 report *Predicts 2011: PPM Goes From Managing Projects to Managing Value and Change*, it states, "Results, value, and 'in time' to meet rapidly moving opportunities are the only PPM drivers that successful organizations will recognize."[1] But the status quo is that many organizations place their main focus on project execution, with little or no effort expended on ensuring that these projects are the correct projects.

The way in which PPM is addressed today is essentially equivalent to timesheet management. Much time is spent creating processes and installing complex tools that push projects through workflows but never help the organization determine whether the projects are worth the time or resources at any point in the process. This is, in part, because most PPM tools are not designed to be used in or connected to the delivery process—a critical stage in realizing value.

While efficiency is important, it's equally important to focus on projects that contribute high value to the organization. A project on its own is not likely to cut the biggest costs or deliver the greatest value to customers—projects are merely execution vehicles. Instead, organizations should focus on incorporating benefit and value realization into their PPM practice and considering other important aspects, such as vendor management and IT rationalization.

Software delivery in particular is a critical focus area for PPM. Software projects are not only different from other business projects, but they can also differ widely among themselves. For product and service providers, software is key to helping ensure that products are smarter and differentiated. For some organizations, software itself is the product, and for others software is what provides a competitive advantage.

The outdated approach to PPM

Many companies lack the ability to conceive, define, prioritize and launch projects that are coupled tightly with and support the strategic objectives of the business. And projects that are tightly coupled often lose that coupling during project execution because of a lack of ability to monitor the value-creation process. While business leaders want—and expect—software projects to align with business goals, most organizations do not have a mechanism in place to ensure that it happens. There is no transparent connection between a business strategy and a project.

Following the economic downturn, the importance of value-driven PPM became apparent to many organizations. One of the things that organizations faced was the urgent need to cut costs by closing down projects—often managed through timesheets. Because they had no insight into the value that any given project would deliver, many organizations closed down projects based solely on gut feel or the opinion of the loudest person in the room. With no alignment to strategy and the drastic change to cost cutting, these organizations could not reprioritize ongoing projects and pipeline projects to fit the new direction.

However, many organizations practicing value-driven PPM before the economic downturn may not have been as negatively affected as those practicing timesheet-management PPM. These value-driven organizations were likely able to stay on track and work on the projects that were most relevant to the business given the economic climate. Reprioritization of the project pipeline and of ongoing projects was made based on the new strategic direction that probably came from the CEO's office.

A better approach to PPM for software delivery

Managing the process of value creation and aligning it to marketplace needs and strategic objectives is key to building and maintaining a successful organization. The ability to map value to business needs, while at the same time keeping a close eye on risk mitigation plans in an environment where demand is evolving at a significantly rapid pace, is suddenly a fundamental requirement to remain relevant and drive revenue. Making the right decisions based on the right data—before even launching a project—is now of paramount importance.
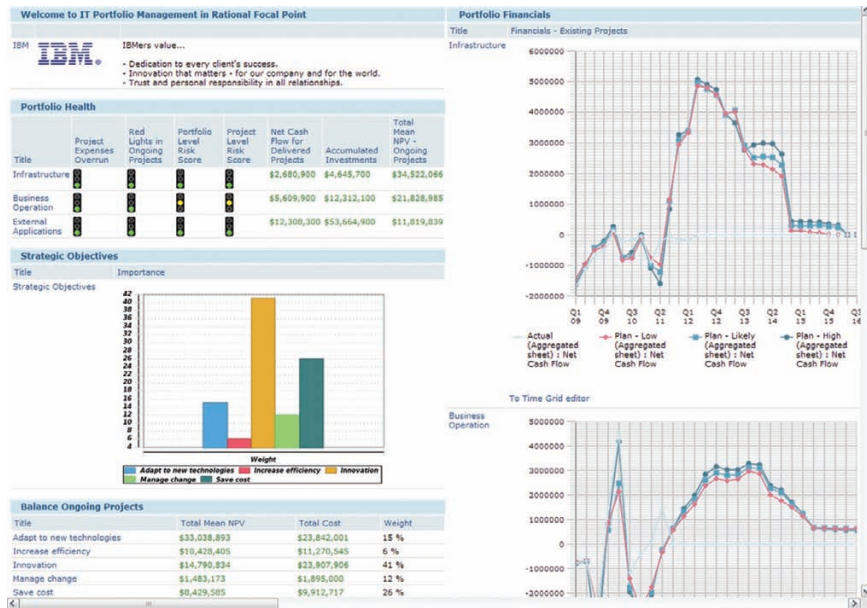

Figure 1: IBM Rational Focal Point software helps organizations stay focused on value and strategy-execution alignment.

Value-driven PPM relies on collaboration, agile planning, structure, guidance and visibility. Software delivery is often poorly aligned with the real-world nature of software delivery practices. Today, even with the recognition that software projects are very different in nature from other projects, many organizations are still using traditional, engineering-focused project management methods and tools. The uncertainty in software projects is usually much higher than in a typical business project. Organizations need to be better at handling these uncertainties and managing change.

To successfully run a high-value software delivery project, organizations must break down the silos that exist between roles, divisions and physical locations. Moreover, business and technology stakeholders need to be able to work together, and all stakeholders need visibility into the project.

How can you transform your PPM to drive high-value software delivery?

- Focus on value
- Make smarter decisions
- Connect strategy with the actual delivery
- Integrate teams and celebrate collaboration
- Perform real-time dynamic planning
- Use process guidance
- Deliver transparency and project status to all stakeholders
- Practice collaborative change management
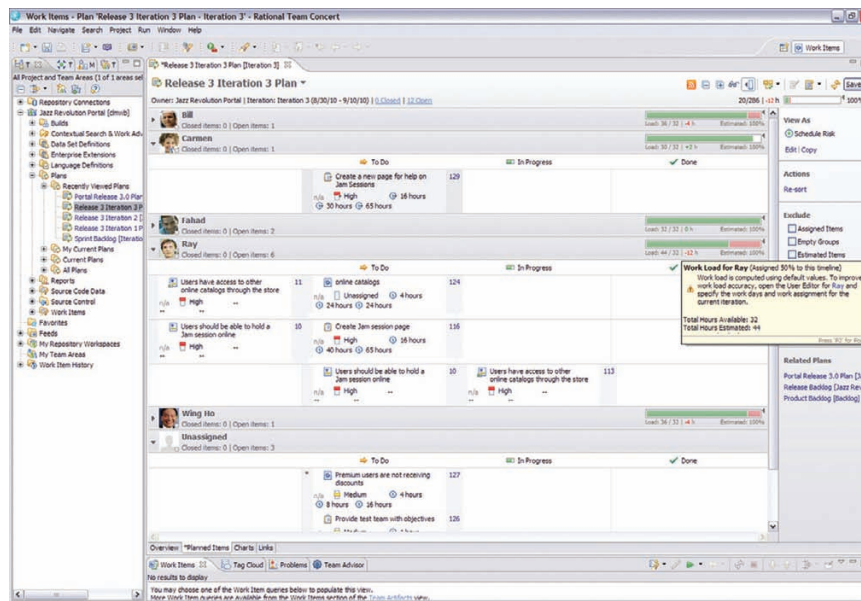- Leverage advanced source control

Figure 2: The IBM Rational Team Concert platform adds project planning, collaboration and project management capabilities to a PPM solution. Its interface helps organizations connect strategy with delivery and improve delivery capabilities.

Correct use of PPM in software delivery projects can, for example, result in the ability to connect the business need with the requirements and with the test case—that is, connect strategy with delivery. Well-executed PPM can provide full traceability to help ensure that value and benefits are realized, that correct IT rationalizations have been made, and more. Using PPM, as opposed to managing projects via timesheets, can help generate real value. Benefits include the following:

- Enabling the creation of realistic delivery plans and positioning them for success
- Effectively communicating business priorities, facilitating a shared vision and the delivery of higher value capabilities
- Getting it right the first time as a result of improved requirements definition, greater efficiency and faster time to market
- Increasing visibility into projects and releases and the status of delivery

Organizations need to invest in the right set of tools that will help them determine what software delivery projects will deliver the most value and facilitate collaboration and transparency in the different phases of software development.

IBM solutions for value-driven PPM

With the right solutions, you can determine which software delivery projects will most likely deliver the highest value at an acceptable risk level, enabling your organization to make better decisions about the projects that consume your resources.

IBM Rational® Focal Point™ software provides the foundation for value-driven PPM. It helps organizations optimize business value in relation to IT costs; govern the process of software and systems delivery while keeping projects aligned with evolving business priorities; and easily manage existing projects as opposed to newly requested projects, including who has requested the projects and why.

The Rational Focal Point tool supports the important early phases of the project life cycle to capture input from the marketplace, stakeholders and customers. It centralizes information for accurate and timely status reporting, speeding the ability to respond to changing marketplace and business conditions. Moreover, the software helps reduce risk and improve cost estimations of investments by modeling financial and marketplace impacts and performing scenario, statistical and financial analysis.

Rational Focal Point software features built-in simplicity and flexibility that allows you to connect different areas of your business. You are not limited to using the tool for value-based PPM; it can easily be connected to and used for your application portfolio, product portfolio or product management areas.

IBM Rational Team Concert™ software is a collaborative life-cycle management solution for teams. It can help you build better software and products with a comprehensive, lean development environment—which includes agile, formal and hybrid planning and reporting, all on a common platform.

IBM Rational Insight software, a performance measurement and management solution, helps you improve project and process performance. It delivers measurement best practices that can reduce time to market, improve quality, and give you greater control of software and systems development and delivery. It provides objective dashboards and measures that offer a transparent view into risks, status and trends.

For software developers, the Rational Focal Point and Rational Team Concert applications combine two world-class solutions. A constant focus on strategic alignment and value combined with the support from a robust development environment can help you connect strategy to delivery so you don't get stuck efficiently carrying out the wrong project. Traceability, collaboration and teamwork follow through to delivery for faster, more-accurate, value-based PPM efforts. This solution delivers insight and understanding across the delivery organization, enabling you to continually align work with strategic direction. It also shows why some projects are prioritized before others, further integrating into the everyday delivery process.

For more information

To learn more about IBM Rational Focal Point, IBM Rational Team Concert and IBM Rational Insight software, contact your IBM sales representative or IBM Business Partner, or visit: **ibm.com**/software/rational

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[1] Gartner, *Predicts 2011: PPM Goes From Managing Projects to Managing Value
and Change*, Audrey L. Apfel and others, November 15, 2010.

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