

IBM Innovate 2010 IT Portfolio Management made easy with Rational Focal Point

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Agenda

- Business Today
- Challenges within IT portfolio management
- Rational PPM solutions
- Why do system deployments fail?
- How do I deploy successfully?
- Deployment roadmap – phased approach
- Focal Point IT portfolio management template
- Value of the IT portfolio management template
 - ▶ Get visibility
 - ▶ Collaboration
 - ▶ Increase portfolio value
 - ▶ Portfolio alignment
- Summary
- Questions?



Business Today

Global



Mandates



Increase software value



Reduce software cost



Predictability



Agility



Challenges in Product Portfolio Management

“Companies find that their greatest challenges are properly valuing product opportunities and making objective portfolio management decisions. **Unfortunately**, most companies are **focusing on project execution** as opposed to portfolio decision-making, despite having identified challenges in choosing and maximizing product portfolio value.”

Jim Brown

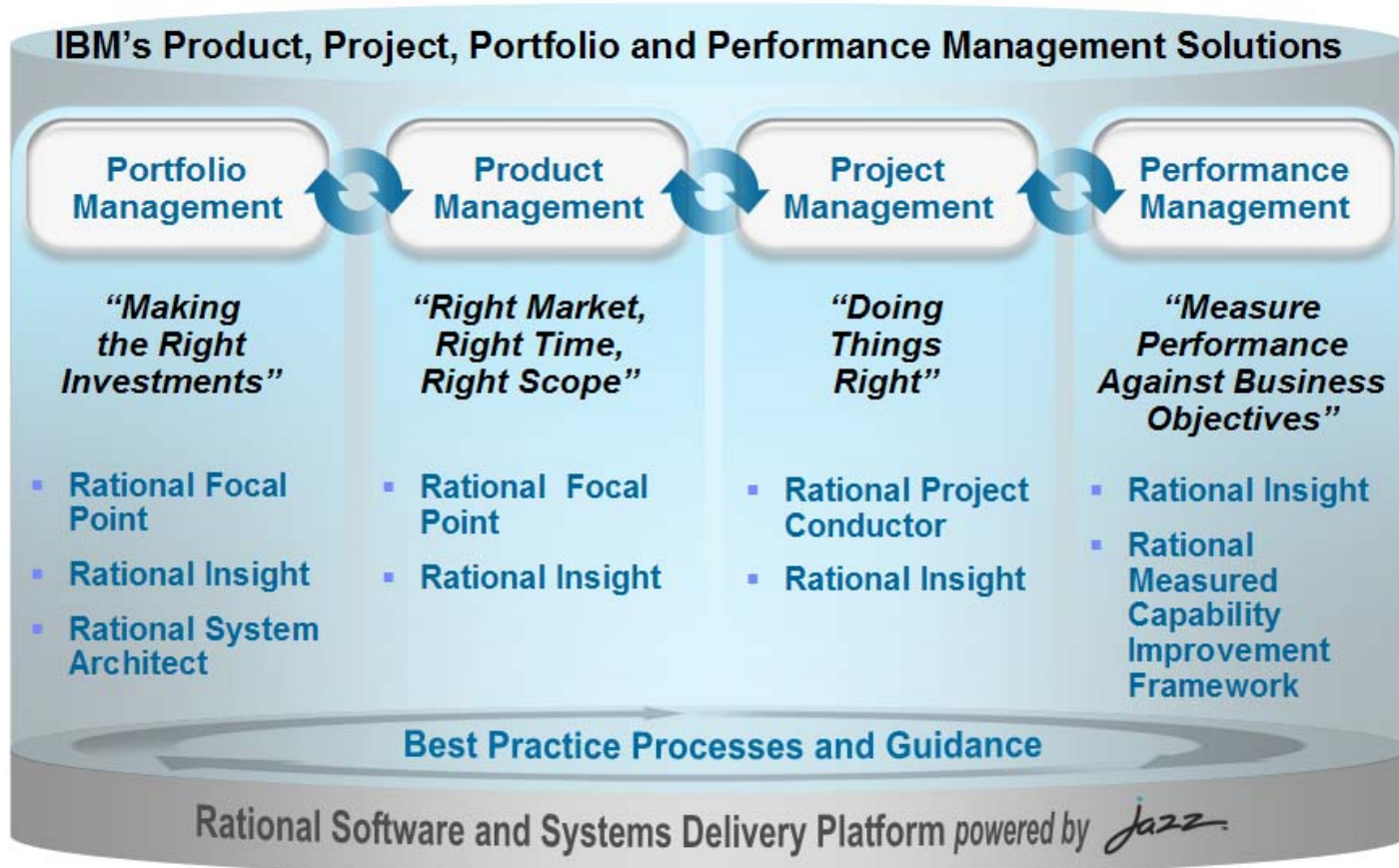
VP Global Product Innovation & Engineering Research

AberdeenGroup



Rational PPM Solutions

Link the business to planning and execution and improve reporting



What is Rational Focal Point?

- Rational Focal Point™ is a configurable Web-based decision support platform for:
 - ▶ Product management
 - ▶ Product portfolio management
 - ▶ IT Portfolio management (Project Portfolio, Application Portfolio)
- Focal Point reduces the chaos of managing information in e-mails, documents and spreadsheets by providing a collaborative environment for centralizing requirements, products and product data.



Develop the *right* thing at the *right* time for the *right* market

Automated Idea Capture

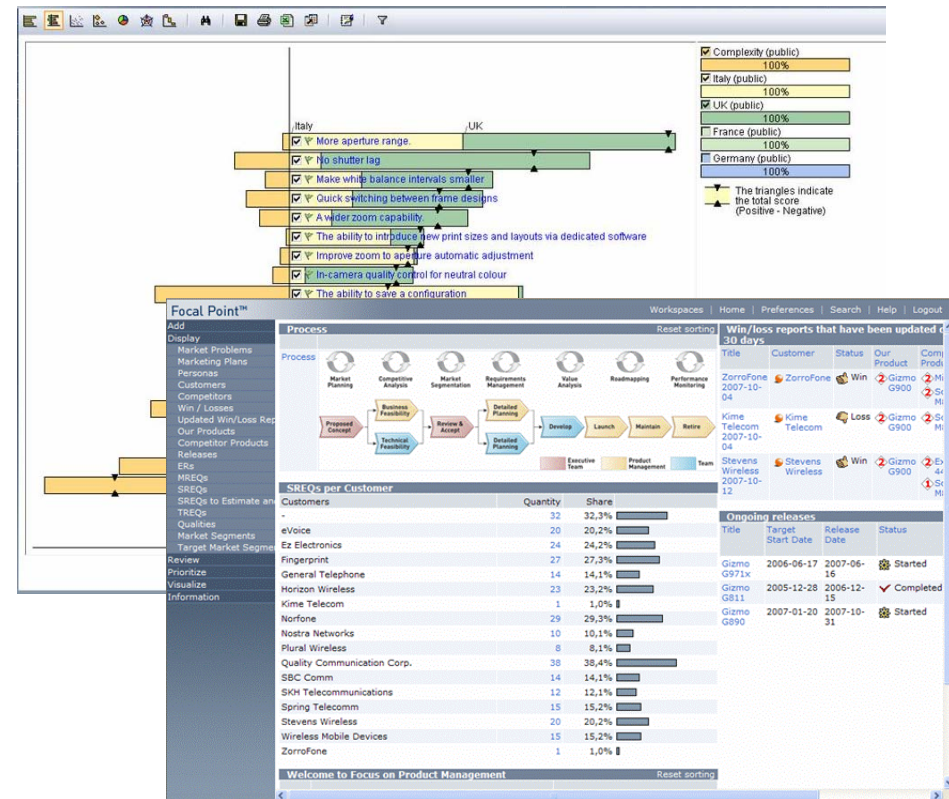
- Automate tactical activities like idea capture, and provide consistency to the evaluation and approval processes

Value-Based Selection

- Keep the focus of decisions on creating value for your customers and your business

Investment Visibility

- Manage and monitor your product, project, or application portfolio as investments



Target users

- Primary target audience:
 - Senior Executives, Directors (Development, PMO)
 - Product Managers, Marketing Managers
- Secondary target audience:
 - Program or Project Managers
 - Implementation Team Leads
 - Implementation Teams



What makes Rational Focal Point™ unique?

- A user friendly, 100% web based platform for requirements management, product management, and product portfolio management, project portfolio management
- Extremely flexible – configured with no programming involved.
- Is adapted to your process, methods and workflow – not the other way around.
- A Prioritisation engine with a top-down approach rather than bottom up
- Pair Wise Comparison Engine
- Designed to be used for the Business



Collaboration Challenges

- Time consuming to assemble management overviews.
- Many distributed information sources (Excel-mania, emails, etc.).
- Many formats for the same type of information.
- No central information repository.
- Difficult for key stakeholders to have visibility when necessary.
- Difficult to know when stakeholder input is beneficial or necessary.
- Many team members doing the same work, wasting resources and earned value.



The “Balancing Act” to making the right decision

- Cost to Complete
- Break Even Point
- One-Year Cost Benefit
- Business Operational Cost Impact
- Customer Retention
- Revenue Growth
- Time Criticality
- Information Availability
- Strategic Alignment
- Corporate Mandate
- Market Attractiveness
- Complexity/Sizing

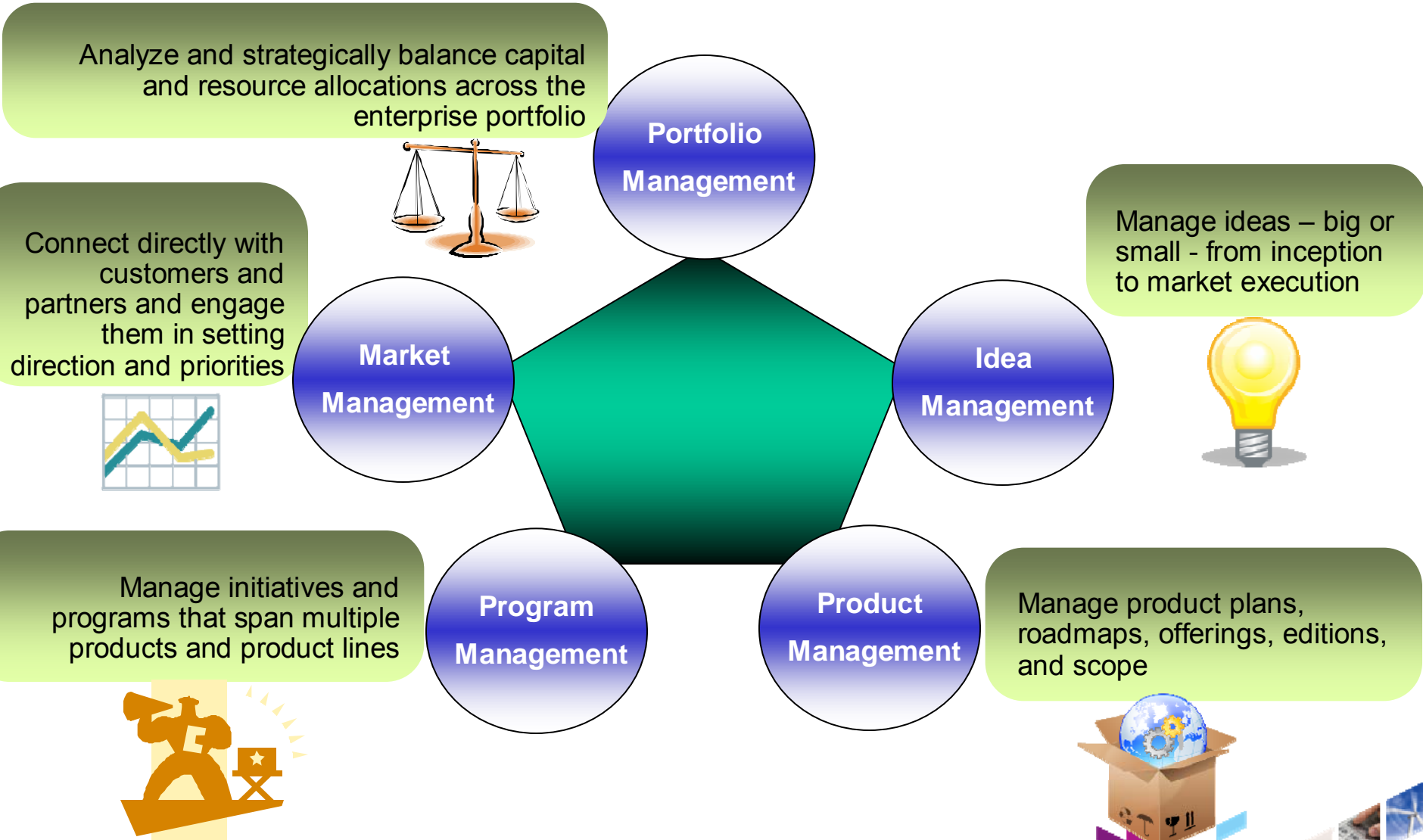


What information can be managed in Rational Focal Point™?

- Market Inputs
- Customer Requests
- Engineering Details
- Business Intelligence
- Competitive Analysis
- Market Launch Plan
- Requirements
- Surveys
- Win / Loss Data
- Voice of the Customer
- SWOT Analysis
- Product Specification Documents
- Use Cases
- Personas
- Regulations/Standards
- End User Manuals
- Cost Estimation Details
- Performance Metrics
- Test Cases
- Marketing Requirements Documents (MRDs)
- Product Requirements Documents (PRDs)
- Roadmaps / Releases
- Compliance Statements
- ...



Product Portfolio Management – Best Practices



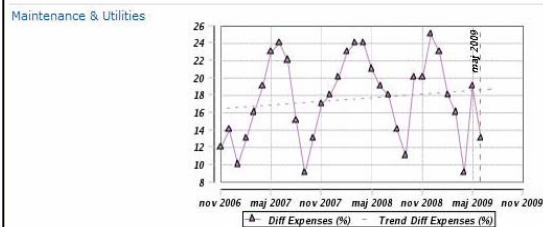
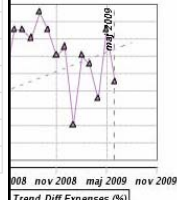
Product Portfolio Management with Focal Point

Analyze and strategically balance capital and resource allocations across the enterprise portfolio

Portfolio Management

- View the entire product portfolio, analyze specific product lines, or drill-down to details of a single product
- Include competitor products for easy analysis and comparison

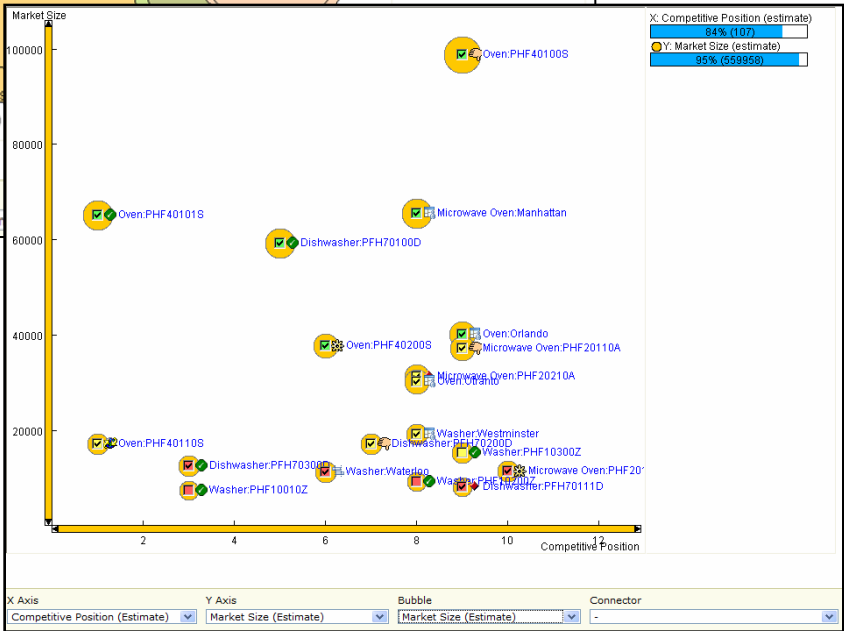
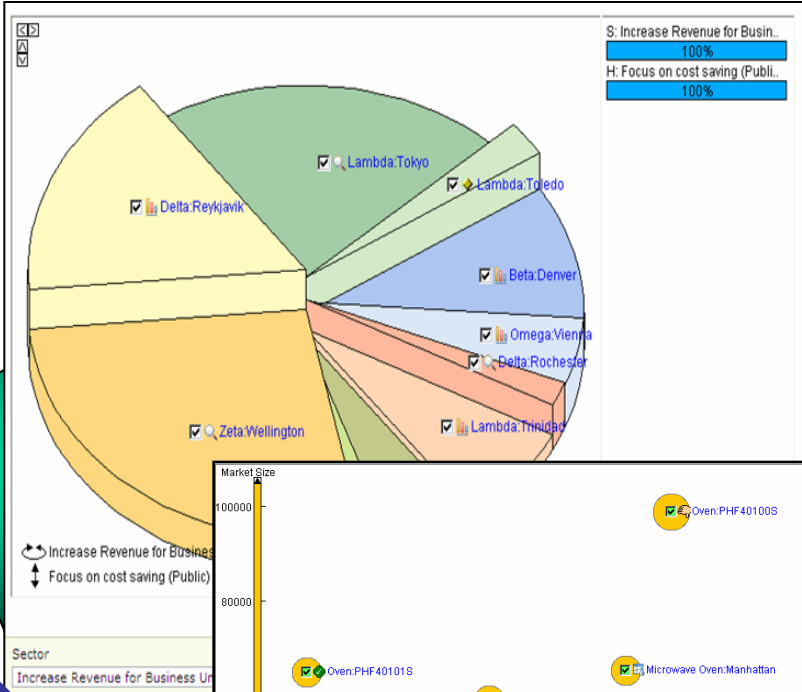
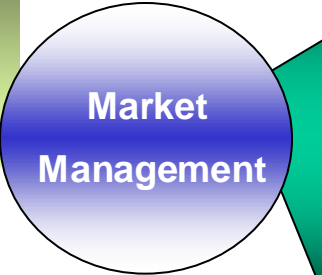
Status	Quantity	Share
NEW Product proposal	3	4,3%
Allocated to investigator	4	5,8%
Under investigation	3	4,3%
Ready for prioritization	4	5,8%
Approved for business case cre...	3	4,3%
Finalize business case	7	10,1%
Ready for review	8	11,6%
Approved for detailed planning	4	5,8%
Ready for funding decision	4	5,8%
Approved for development	4	5,8%
Under development	3	4,3%
Delivered	13	18,8%
Approved to be replaced	3	4,3%
Approved to be retired	3	4,3%
Taken off market	0	0,0%
End of maintenance	0	0,0%
Retired	2	2,9%
To be clarified	1	1,4%
Rejected	0	0,0%
-	0	0,0%
Sum: 69		



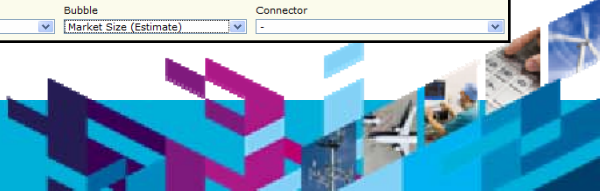
Project State	Quantity	Share
NEW Proposed	7	8,6%
Accepted	22	27,2%
Assessed	3	3,7%
Finalize business case	7	8,6%
Ready for prio	7	8,6%
Approved for development	5	6,2%
Delivered	3	3,7%
Business Requirement	7	8,6%
Backlog	6	7,4%
Duplicate	6	7,4%
To be clarified	2	2,5%
Rejected	6	7,4%
Sum: 81		

Product Portfolio Management with Focal Point

Connect directly with customers and partners and engage them in setting direction and priorities



- Capture competitive SWOT and other intelligence and link to specific products to analyze competitive position
- Collect Win/Loss reports and link to new requirements, customers, and competitors

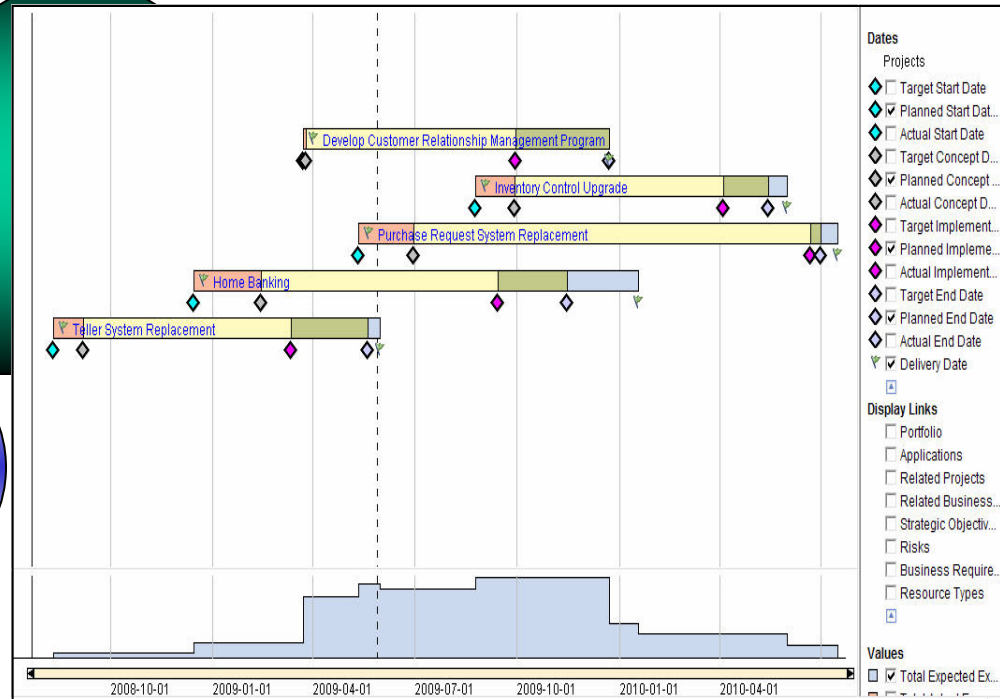


Product Portfolio Management with Focal Point

- Balance and sequence product releases to maximize value and meet strategic goals
- View stages, gates, milestones, requirements associated with each product in the pipeline

Manage initiatives and programs that span multiple products and product lines

Program Management



Product Portfolio Management with Focal Point

- Visualize the cost/benefit trade-off and see the impact on value delivered
- Include other criteria to build full picture of value

Releases

Release: **Gizmo G801**

7/12/08 10/16/08

Estimated to end earlier than end date
 Estimated to end later than end date

Locked end date in current release **10/16/08**

User Requirements in Gizmo G801

User Requirement	Total Estimated Time	Rank
Reduce storage capacity of contacts by 50%	72	1
Wireless connection to printer	175	2
Redial last call	141	3
Reduce power up time by 50%	610	4
Do Not Disturb	680	5
Zoom while in playback mode	50	6
Add 2 alarms to clock	280	7
Increase email storage capacity to 15 MB	350	8
Ergonomic design	194	10

Results

Title	Value
Cost	
Style	
Performance	
Mobile Comm.	
Usability	
Duration	
Price	
Camera	
Accessories	

Resources

Weekly Capacity	Allocated / Total Capacity
886 h	5902 h / 12227 h

Saved plan value

The resources are not fully utilized
 There is time left in the release
 The resources are over-utilized
 There are more user requirements allocated than the release can hold

Auto Allocate Save Revert Clear Activate

Product Management

Manage product plans, roadmaps, offerings, editions, and scope

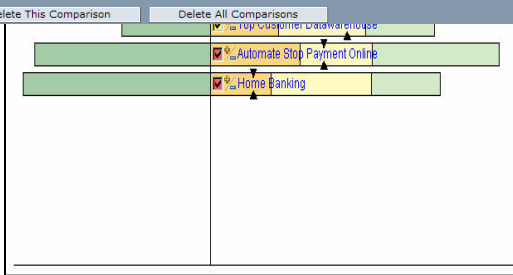


Product Portfolio Management with Focal Point

Which enhancement request is better with the product roadmap?

Add ability to open Excel file from email		Synchronize Calendar entries	
General Information		General Information	
ID	33	ID	SREQ0002
Title	Add ability to open Excel file from email	Title	Synchronize Calendar entries
Type	Enhancement Request	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.	Description	Synchronize Calendar entries via blueberry.
Justification		Justification	Need to be up to date
Background Information		Background Information	
Attachments		Attachments	
Illustration		Illustration	
Related URL		Related URL	
Internal Comments		Internal Comments	
Stakeholder Comments		Stakeholder Comments	
		Status and Planning	
		Links	

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



Strategic Objectives

- Risk (estimate) 100% (800)
- NPV (estimate) 100% (1421000)
- Payback Period (estimate) 100% (313)
- Strategic Objectives (Admin) 100%

▲ The triangles indicate the element's total score (Positive - Negative)

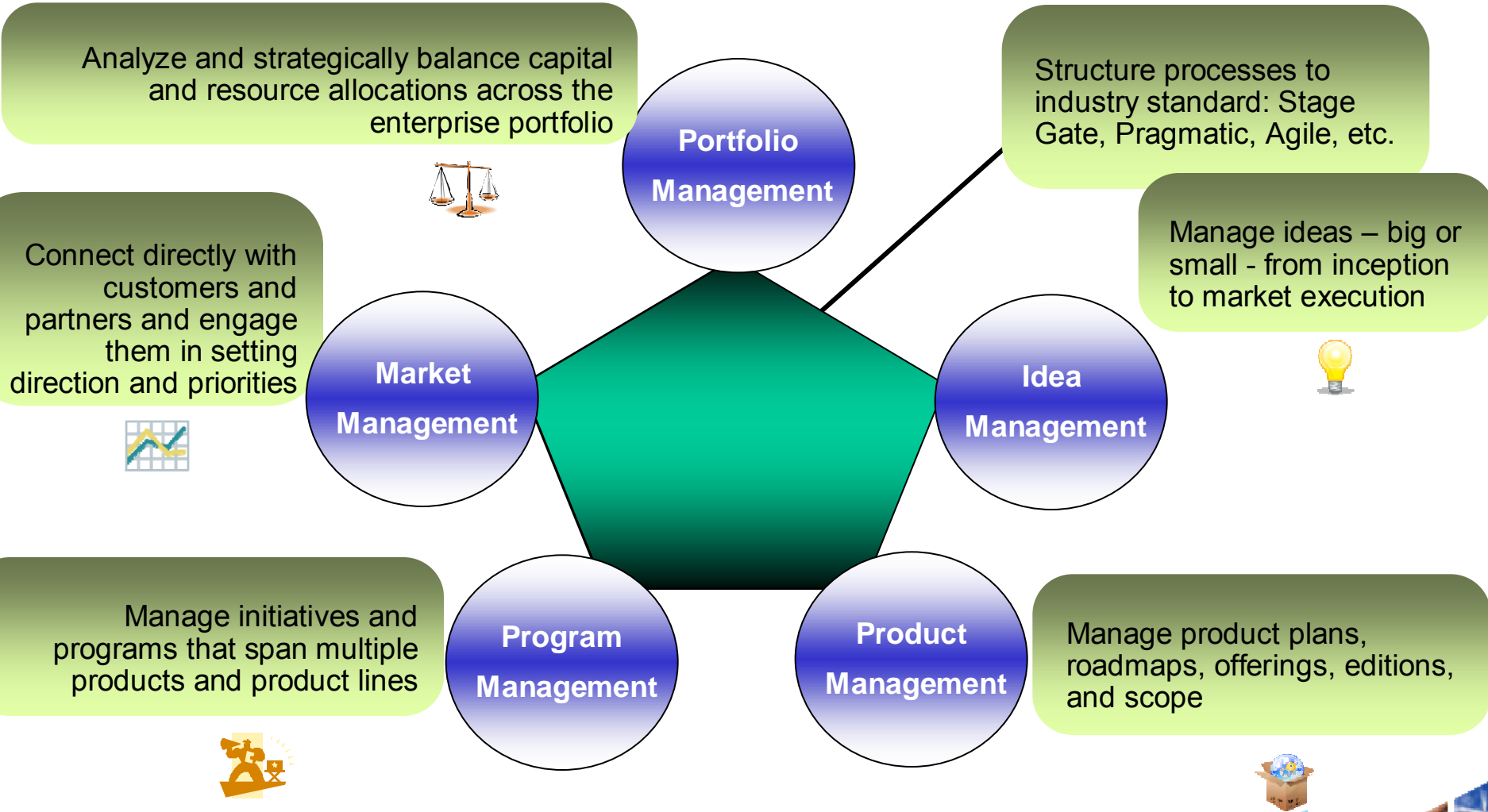
Idea Management

Manage ideas – big or small - from inception to market execution

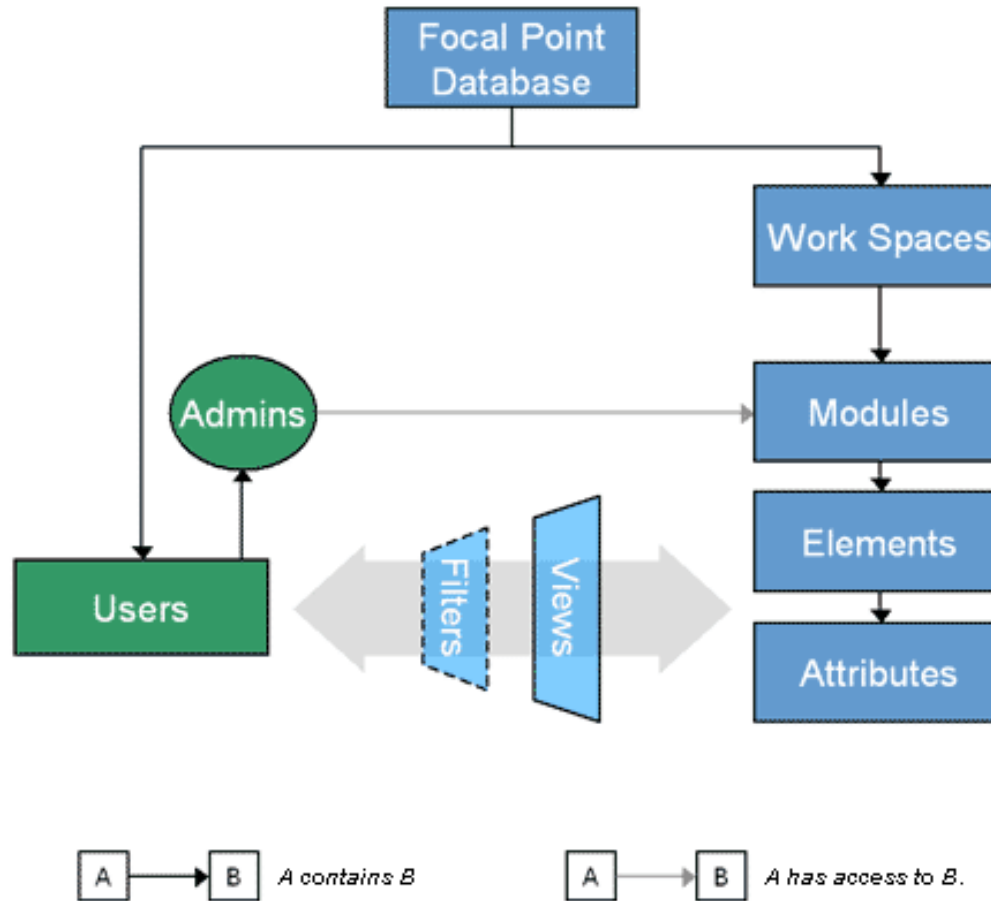
- Allow customers or internal stakeholders to vote on the value of features or products
- Compile the results of all votes to determine which products will be the "winners"



Product Portfolio Management with Focal Point



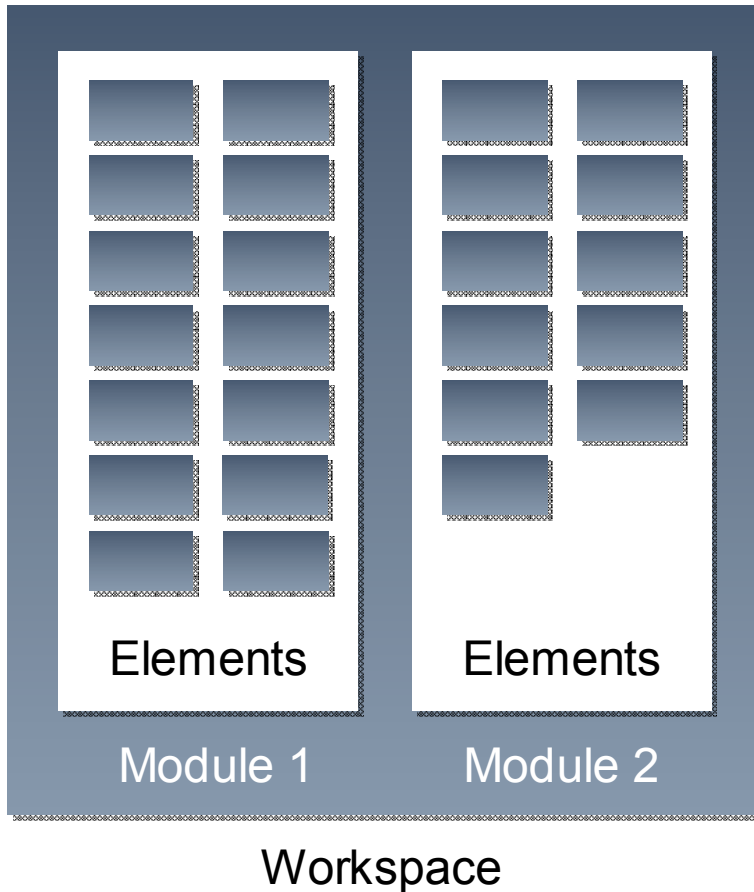
Database Structure and Relationships



A **Work Space** consists of a set of **Modules**. These **Modules (Tables)** each contain a structured set of **Elements (records)** with customized **Attributes (Fields)**



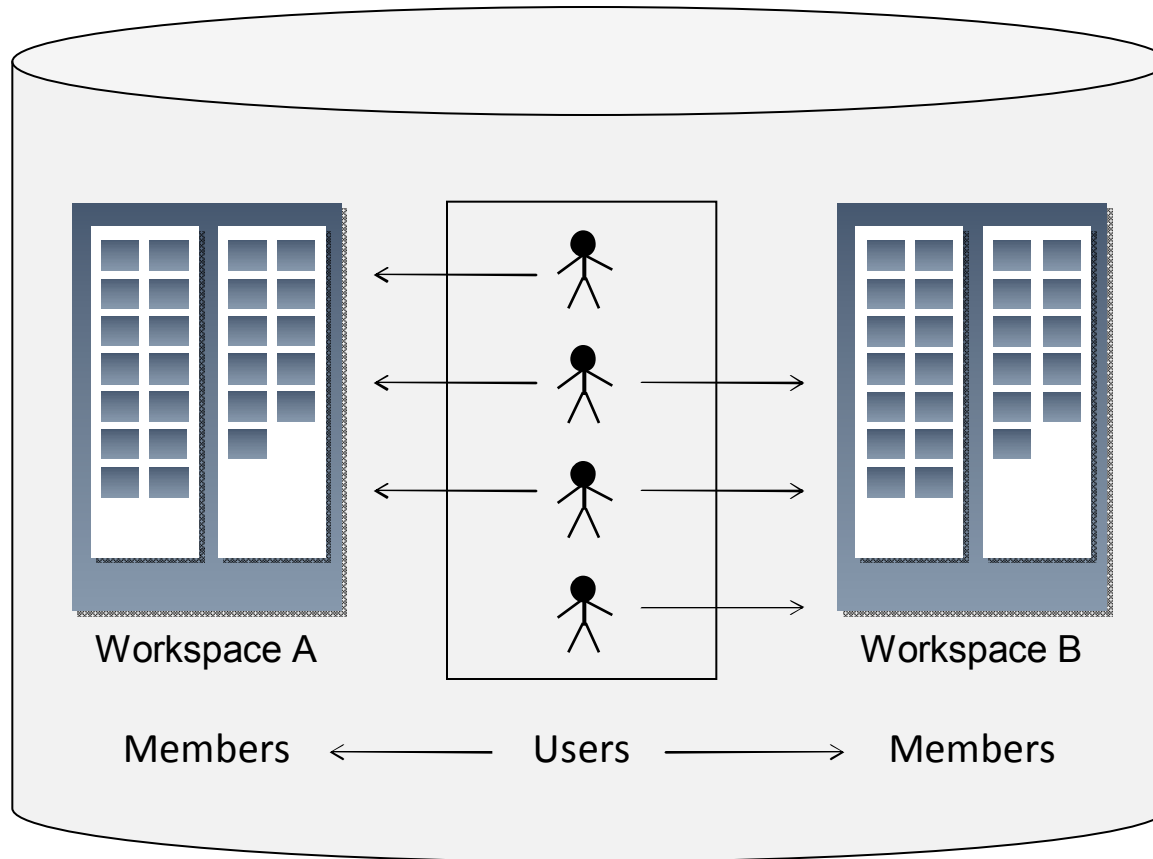
Workspaces, Modules, and Elements



- Examples of modules (like a table)
 - ▶ Requirements
 - ▶ Releases
 - ▶ Needs
 - ▶ Test Cases
 - ▶ Defects
- There are a number of special modules that always exist in an Focal Point installation, for example
 - ▶ Products
 - ▶ Releases
 - ▶ Requirements
 - ▶ Criteria



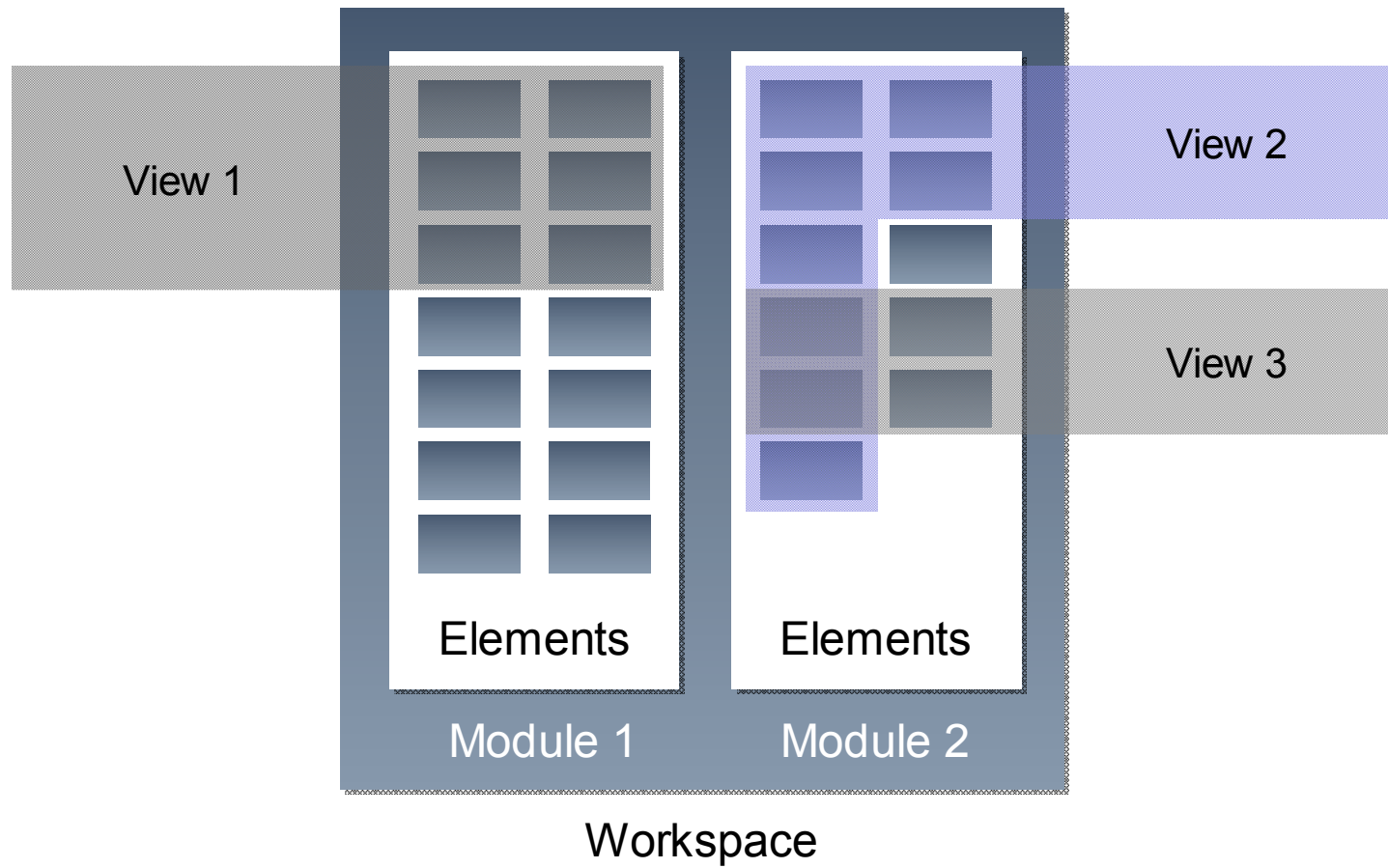
Users and Members



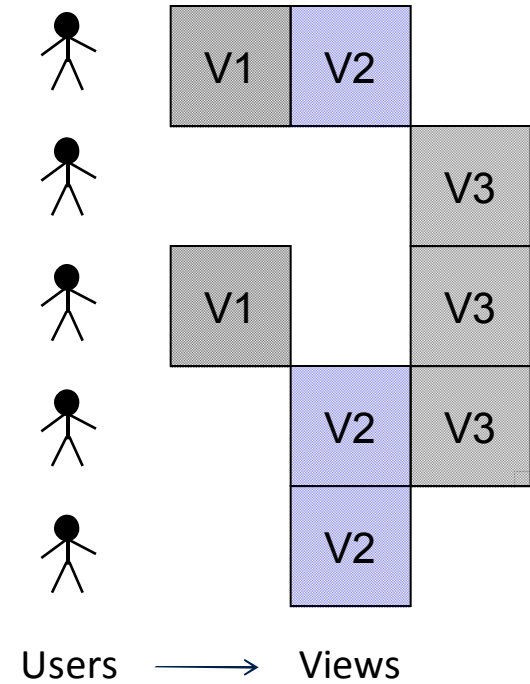
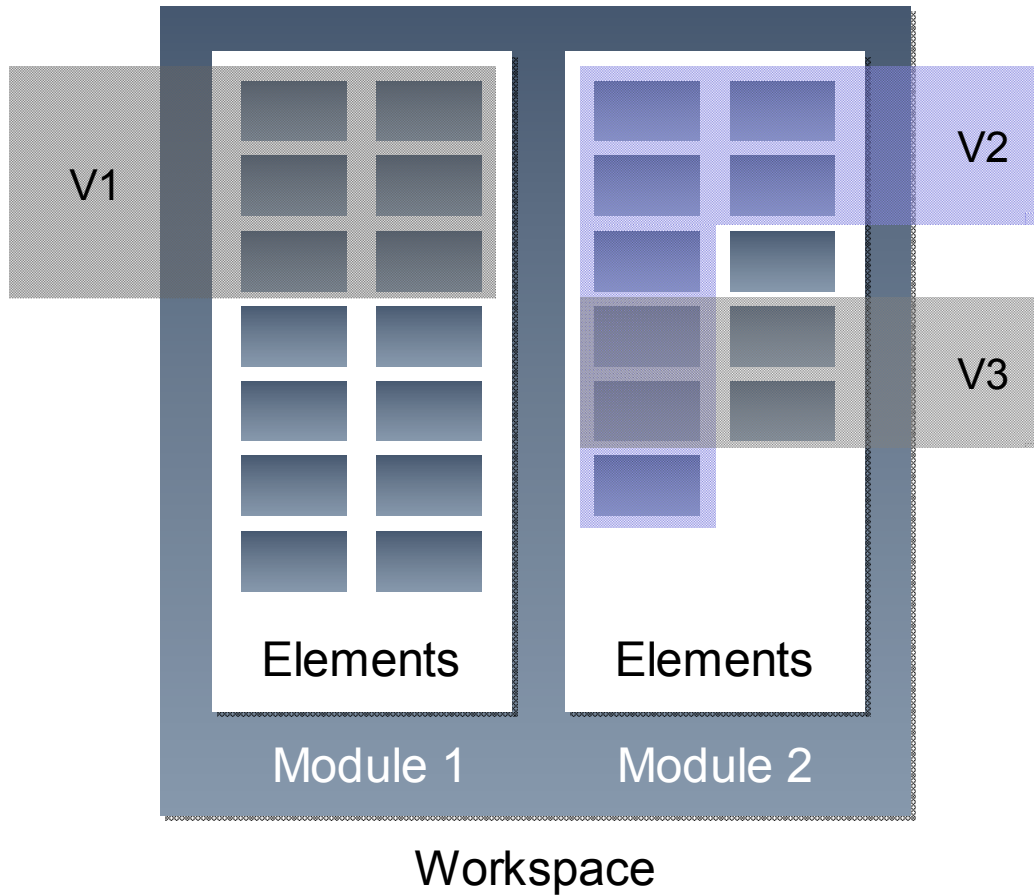
Users are added as Members in the workspaces



Views



View Access



IT Portfolio Management



Challenges within IT Portfolio Management

- Do you keep investing in projects that you know are **failing**?
- Do your executives have a **clear overview** of all the projects?
- Do you find it difficult to **select the right projects** to your portfolio?
- Do the project **priorities change** all the time?
- Do you not see a clear **link between the projects and the strategic goals**?
- Are your project teams **globally distributed**? Silos?



Why Do Deployments Fail?

- No clearly defined **goals**
- **Maximized scope** (not a phased approach)
- Changing or non-existing **priorities**
- **Missing a shared vision** for management and users (no user involvement)
- No defined **process** or **use cases**



How Do I Deploy Successfully?



- What are your **biggest pain** points?
- Focus on areas where **most benefit** can be achieved **relative effort**
- Identify **measurements of success**, for example
 - ▶ Visibility
 - ▶ Increased productivity
 - ▶ Improve collaboration between business and IT
 - ▶ Automate status reporting
 - ▶ Enable objective decision-making and prioritization
- Develop a **deployment roadmap**

Deployment Roadmap Example – Phased Approach



Focal Point IT Portfolio Management Template

- Benefits
 - ▶ Based on best practices
 - ▶ Get started quickly
 - ▶ Pre-defined process, roles, terminology
 - ▶ Tailor the template to your own usage model
- Documentation
 - ▶ Usage scenarios
 - ▶ Instructions on how to get started (preparations)
 - ▶ Instructions on how to tailor the template
- Available now
 - ▶ Published on developerWorks
 - (<http://www.ibm.com/developerworks/rational/downloads/09/focalpointconfigurationaddon.html>)
 - ▶ Planned to be shipped as templates with next version of Rational Focal Point



Value of the Focal Point IT Portfolio Management Template

- **Get Visibility**
 - ▶ Capture and create relationships between projects, risks, business needs, etc.
 - ▶ Create project business case
 - ▶ Analyze and monitor project portfolio health and project implementation.
- **Collaboration**
 - ▶ All in one place, always the latest version
 - ▶ Transfer responsibility to teams and team members (approval gates)
- **Increase Portfolio Value**
 - ▶ Analyze the value of projects with regards to benefits, risk, cost etc.
 - ▶ Pick your winners
 - ▶ Make informed and objective decisions about your portfolio.
- **Portfolio Alignment**
 - ▶ Align your project portfolio with your strategic objectives
 - ▶ Balance your portfolio



Get Visibility – Import Legacy Projects

The screenshot displays the Rational Focal Point interface. At the top, a blue arrow points from a spreadsheet-like view of project data to a more detailed project portfolio view. The main view is a table with columns for ID, Title, Project State, Type, Portfolio, Submitter, Business Units, Target Duration, Total Project Cost, and Business Feasibility. The sidebar on the left contains a navigation menu with options like 'Add', 'Display', 'Project Pre-Planning', 'Project Risks', 'Strategic Objectives', 'Portfolios', 'Project Business Cases To', 'Project Roadmap', 'Project Balance', 'Capacity Analysis', 'Resources - Current Demand', 'Projects to Approve for Implementation', 'Review Ongoing Projects (r-)', 'Stopped Projects', 'Application Life', 'Application Scorecard', 'Risks', 'Risk Scorecard - Project Level', 'Business Units', 'My Issues - Action Needed', 'My Reported Portfolio Issues', 'Open Portfolio Issues', 'Change Requests to Approve', 'Minutes for Meetings 1 After', 'Meeting Minutes (r-)', 'Edit Internal Rate', 'My Draft Project Proposals', 'My Suggested Projects', 'Delivered Projects', 'Rejected Projects', 'My Proposed Business Needs', 'Closed Change Requests', 'Process', 'All Workspace Administrator', 'Use Cases', 'Change Roles', 'Prioritize', 'Visualize', 'Reports', and 'Configure'.

ID*	Title	Project State	Type	Portfolio	Submitter	Business Units	Target Duration	Total Project Cost	Business Feasibility
002	ATM Accessibility Upgrades	Delivered	Cost reduction	Business Operation	Bill	Investments	10 months	\$100 000 - \$500 000	10 - Excellent
003	ATM Card Background	Ready for prio	Cost reduction	Business Operation	Peter	Commerce	10 months	\$500 000 - \$2 000 000	1 - Less suitable
004	Automated Clearing House (ACH)	Finalize business case	Cost reduction	External Applications	Bill	Investments	120 months	<\$100 000	10 - Excellent
005	Automated Phone Service	Finalize business case	Cost reduction	Infrastructure	Victor	Systems	0 months	<\$100 000	10 - Excellent
006	Automate Stop Payment Online	Under investigation	Cost reduction	External Applications	Bill	Systems	0 months	<\$100 000	10 - Excellent
007	Automatic Card Replacement Service	Approved for implementation	Strategic	Infrastructure	Victor	Investments	12 months	\$500 000 - \$2 000 000	10 - Excellent
009	Banking for Kids	Ready for prio	Cost reduction	Business Operation	Peter	Systems	19 months	\$500 000 - \$2 000 000	10 - Excellent
010	Business Insurance	Approved for implementation	Revenue generation	Infrastructure	Emma	Systems	12 months	\$500 000 - \$2 000 000	7 - Good
011	Cash Management System Maintenance	Approved for implementation	Cost reduction	Infrastructure	Isaac	Investments	18 months	\$500 000 - \$2 000 000	7 - Good
012	Company Antivirus Upgrade	Stopped	Revenue generation	Infrastructure	emma	Systems	0 months	\$2 000 000	10 - Excellent
013	Company Firewall Upgrade	Rejected	Revenue generation	Infrastructure	Pamela	Systems	0 months	-Select-	-Select-
014	Conference Room Planner	Ready for implementation approval	Cost reduction	Infrastructure	Peter	Investments	0 months	\$500 000 - \$2 000 000	10 - Excellent
015	Consolidate Check Processing Systems	Ready for prio	Cost reduction	Business Operation	Amir	Investments	13 months	\$500 000 - \$2 000 000	1 - Less suitable
016	Consolidated Banking Portfolio	Ready for prio	Strategic	Business Operation	Miguel	Systems	4 months	\$500 000 - \$2 000 000	4 - Reasonable
018	Currency calculator	Proposed	Revenue generation	External Applications	Giulia	Investments	0 months	-Select-	-Select-
019	Debit Card Renewal	Under investigation	Strategic	Infrastructure	Emma	Investments	0 months	-Select-	-Select-
020	Develop Customer Relationship Management Program	On hold	Revenue generation	Infrastructure	Amir	Systems	22 months	\$2 000 000	10 - Excellent
021	EDI Invoicing	Delivered	Cost reduction	Business Operation	Bill	Operations	16 months	<\$100 000	10 - Excellent
022	Educational Affiliation Program	On hold	Cost reduction	External Applications	Bill	Systems	10 months	\$500 000 - \$500 000	7 - Good
023	E-mail Alerts	Approved for implementation	Cost reduction	External Applications	Miguel	Systems	20 months	\$2 000 000	10 - Excellent

Get Visibility - Capture Project Proposals

- All users can propose new projects
- Standardized form gives consistent information about the proposal
- Support for creating multiple projects and creating projects from Rational System Architect
- Example of information to enter:
 - *Title*
 - *Description*
 - *Type*
 - *Portfolio*
 - *Business unit*
 - *Related applications*
 - *Related projects*
 - *Primary strategic objective*
 - *Project objectives*
 - *Business value*

Rational Focal Point

Workspaces | Home | Preferences | Giulia | Help | Log Out

Add > Project Proposal

IT Portfolio Management Conf

Enter information about the new Project, then click OK.

View to add project proposals.

Title: Enhancement of Fraud Detection Tool

Description: This project will do necessary upgrades to the fraud detection tool. We need real-time checks of risk factors. Automatic monitoring and alerts on suspect transactions is also important. Support for authentication of client data will be mandatory. In addition, the GUI needs a refresh and we also need to take a look at the access rights and user types.

Type: Strategic

Portfolio: Infrastructure

Submitter: Giulia Lookup

Business Units: BU2, BU3

Comments: We've seen how our current system has flaws that needs to be corrected in order to maintain high usability and value to our business.

Related Applications: Fraud Detection Tool

Related Projects: Diana

Primary Strategic Objective: Adapt to New Technologies

Project Objectives: Update the fraud detection system to latest technologies available.

Business Value: New technologies have occurred over the years. We need to stay up to date in order to prevent frauds. That will in turn save cost for us.

OK Cancel Add Multiple Projects

IBM Rational software

Get Visibility – Display Your Projects

- Display your projects
- Display relationships and dependencies to:
 - ▶ Applications
 - ▶ Business needs
 - ▶ Risks
 - ▶ Other projects
 - ▶ Etc

Projects (3/59)

- [-] Maintenance Program
 - ATM Accessibility Upgrades
 - [-] Automated Phone Service
 - [-] Automate Stop Payment Online
 - [-] Automatic Card Replacement Service
 - [-] Banking for Kids
 - [-] Business Insurance
 - [-] Company Firewall Upgrade
 - [-] Conference Room Planner
 - [-] Consolidate Check Processing Systems
 - [-] Enhancement of Fraud Detection Tool
 - [-] Online Insurance quotes
 - [-] Online Out-of-Bank Money Transfer
 - [-] Automated Clearing House (ACH)
 - [-] Cash Management System Maintenance
 - [-] Consolidated Banking Portfolio
 - [-] Debit Card Renewal
 - [-] Identity Protection 2
 - [-] Identity Protection 3
 - [-] Paperless Billing
 - [-] SMS Banking
 - [-] Time Management
 - [-] Top Customer Datawarehouse
 - [-] Web Forums
 - [-] Account Queries
 - [-] Automated Clearing House (ACH)
- [-] Development Program
 - [-] Currency calculator
 - [-] EDI Invoicing
 - [-] E-mail Alerts
 - [-] Home Banking
 - [-] Home Equity Sales Tracking
 - [-] Internet Labor Claiming System
 - [-] Inventory Control Upgrade
 - [-] Investment Planning System
 - [-] ATM Card Background
 - [-] Develop Customer Relationship Management Program
 - [-] Educational Affiliation Program
 - [-] Employee Timecard System
 - [-] Financial Learning Center
 - [-] Infrastructure
 - [-] Instant Check Clearing
 - [-] Instant Currency Exchange
 - [-] Instant Mortgage Quotes
 - [-] Liquidity Check Tool
 - [-] Personal Tax Services
 - [-] Purchase Request System Replacement

ATM Accessibility Upgrades

General Information

ID: 002

Title: ATM Accessibility Upgrades

Project State: Delivered

Description: Upgrade the software for ATM accessibility.

Type: Cost reduction

Portfolio: Business Operation

Submitter: Bill

Proposal Owner: Nathan

IT Analyst: John

Business Units: Investments

Comments: -

Links

Related Applications: E-Planner

Related Projects: Availability

Value Statements

Initial Estimations

Risk Assessment

Total Risk Score: 41

Risks

- 3rd party dependencies
- Changed scope
- Client not happy
- Hardware failure
- Information too late
- Lacking Skills
- Low motivation
- New business needs
- Project Delivery Not Accepted

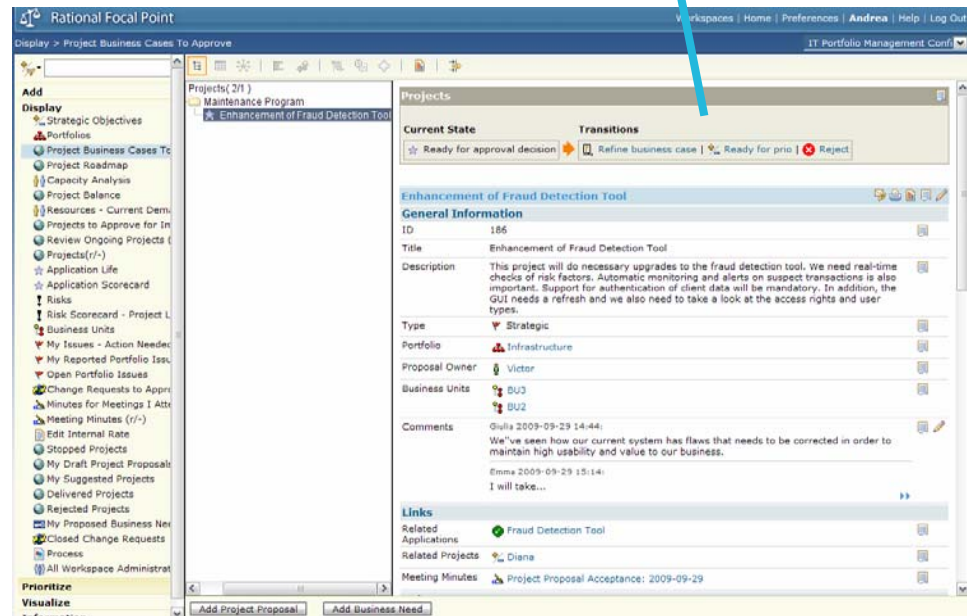
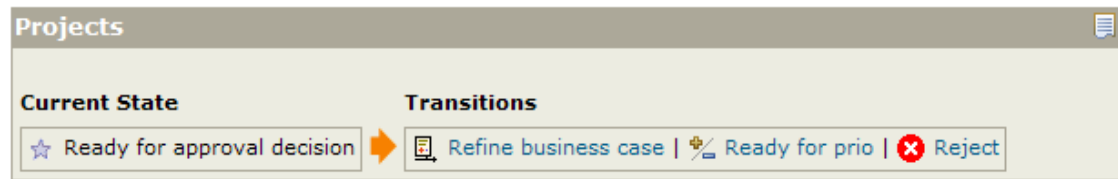
Risk Details

Risks	State	Classification	Probability	Consequence	Score	Priority
3rd party dependencies	Closed	Technical - Business Needs	4 - Medium	10 - Very High	40	2 - Medium
Changed scope	Open	Technical - Business Needs	7 - High	10 - Very High	70	1 - High
Client not happy	Open	Business	10 - Very High	7 - High	70	1 - High
Hardware	Open	Project	7 - High	7 - High	49	2 -



Collaboration – Transfer Responsibility

- Enforces the process
- Roles collaborate around the projects
- Access rights to control who can do what and when
- Approval gates
- Example: Approval of project business case



Portfolio Alignment - Project Business Case

- Risk assessment
 - ▶ Impact and probability
 - ▶ Priority
 - ▶ Classification
 - ▶ Mitigation strategy
- Financials
 - ▶ Budgeted benefits and costs
 - ▶ NPV, ROI, IRR
- Scope in form of high-level business needs
 - ▶ Cost estimate
 - ▶ Select among prioritized business needs raised against the application that the project targets.

Value Statements

Primary Strategic Objective: ↑ Adapt to New Technologies

Project Objectives: Update the fraud detection system to latest technologies available.

Business Value: New technologies have occurred over the years. We need to stay up to date in order to prevent frauds. That will in turn save cost for us.

Problem: We have on few occasions missed to detect some frauds that could easily have been detected if we had the new technology. This has caused us to lose approximately \$1500 000.

Solution: With the upgraded fraud detection tool that the project will provide, we will close up the holes and ensure that we don't lose money on the new type of frauds we've seen previously.

Initial Estimations

Risk Assessment

Total Risk Score: 34

Risks:

- ⚠ Lacking skills
- ⚠ Missing Software
- 🔒 Security

Risk Details:

Risks	State	Classification	Probability	Consequence	Score	Priority
Lacking skills	<input type="checkbox"/> Open	Technology	10 - Very High	7 - High	70	1 - High
Missing Software	<input type="checkbox"/> Open	Technology	4 - Medium	7 - High	28	1 - High
Security	<input type="checkbox"/> Open -Select-	-Select-	1 - Low	4 - Medium	4	1 - High

Financial Information

NPV: \$317,132

IRR: 14 %

ROI: 109 %

Financials:

Sheets	Time Span	Time Interval
Budget	2009 Q1 - 2014 Q4	Quarter
Planned	2009 Q1 - 2014 Q4	Quarter
Actual	2009 Q1 - 2014 Q4	Quarter

Scope

Business Needs:

- NEW 001:Real-Time Checks
- 002:Automatic monitoring and alerts
- 003:Authentication of client data
- NEW 004:GUI Refresh
- 005:Access Rights

Total Estimated Man Hours: 3,050 hours

Comparing (difference) Financials > Planned and Budget Last saved: Info: *

	A	2009 Q1 B	2009 Q1 C	2009 Q1 D	2009 Q2 E	2009 Q2
Enhancement of Fraud Detection Tool						
Expenditures	1	465000	450000	15000	355000	50000
Capital Expenditures	2	295000	275000	20000	100000	10000
Development	3	260000	350000	10000	40000	5000
Investments	4	35000	25000	10000	60000	5000
Operational Expenditures	5	170500	175000	-5000	235000	40000
Resources	6	130000	150000	-20000.0	200000	25000
Supplies	7	15000	20000	-5000.0	10000	12000
R&D	8	25000	5000	20000	45000	3000
Benefits	9	0	0	0	310000	36000
Cost Savings	10				310000	36000
Cost Avoidance	11					
New Income	12					
Net Cash Flow	13	-465000	-450000	-15000.0	-45000	-14000



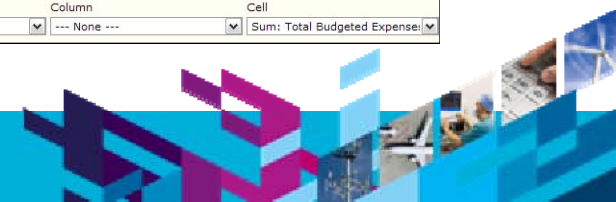
Portfolio Alignment - Project Balancing

- Analyze impact of projects on strategic objectives, portfolio, type etc.

Primary Strategic Objective	Quantity	Sum: NPV	Share
Adapt to New Technologies	1	1 206 121	39,0%
Innovation	1	1 106 225	35,7%
Manage Change	1	783 040	25,3%
Sum: 3		Sum: 3 095 386	

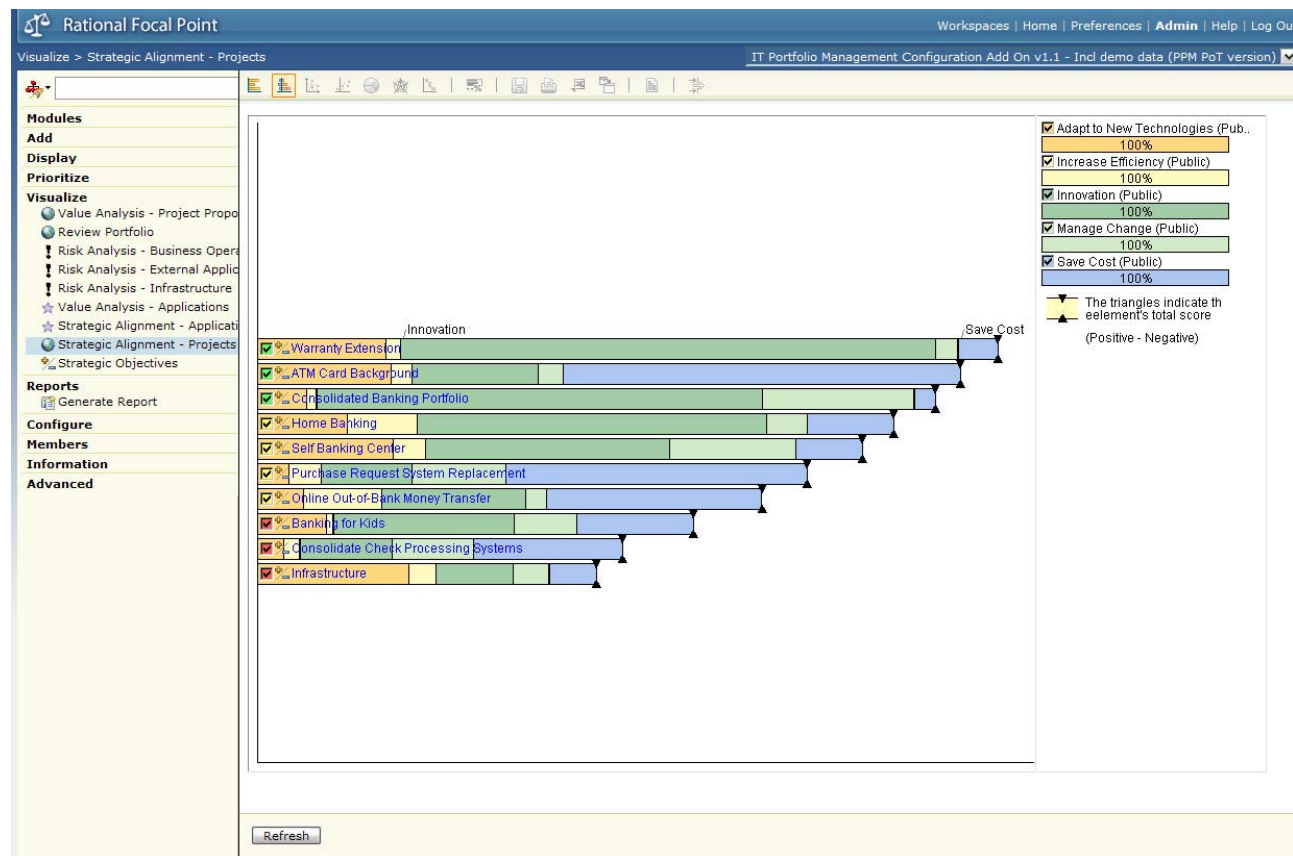
Portfolio	Quantity	Sum: NPV	Share
Business Operation	1	783 040	35,8%
Infrastructure	2	1 406 078	64,2%

Type	Quantity	Sum: Total Budgeted Expenses	Share
-Select-	0	0	0,0%
Strategic	2	2 214 300	62,7%
Cost reduction	1	1 320 000	37,3%
Revenue generation	0	0	0,0%
Mandatory	0	0	0,0%
Sum: 3		Sum: 3 534 300	



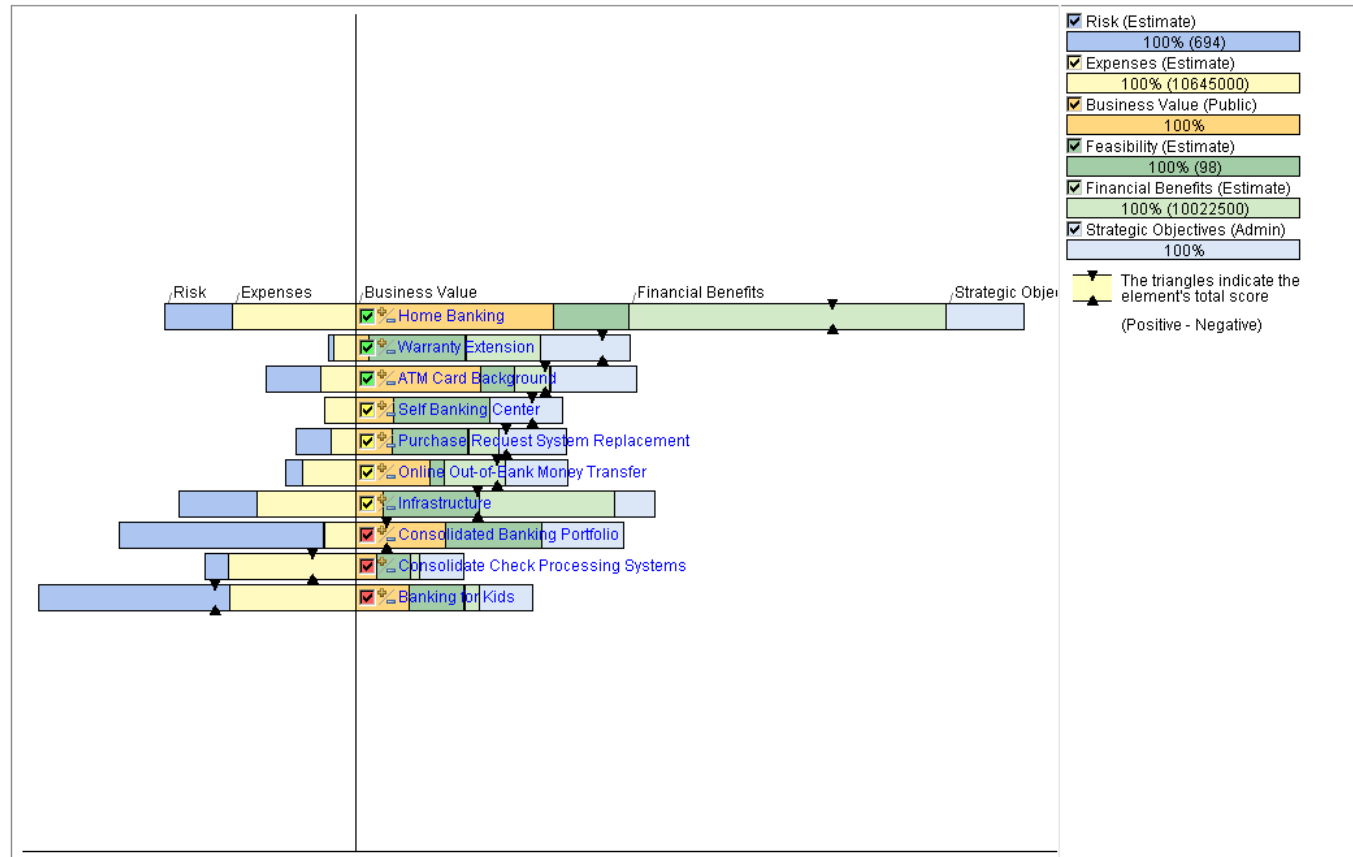
Portfolio Alignment - Align Projects with Strategy

- Compare project proposals against weighted strategic objectives
- Result is a ranked list of projects
- Top of the list – projects that align most with the strategy



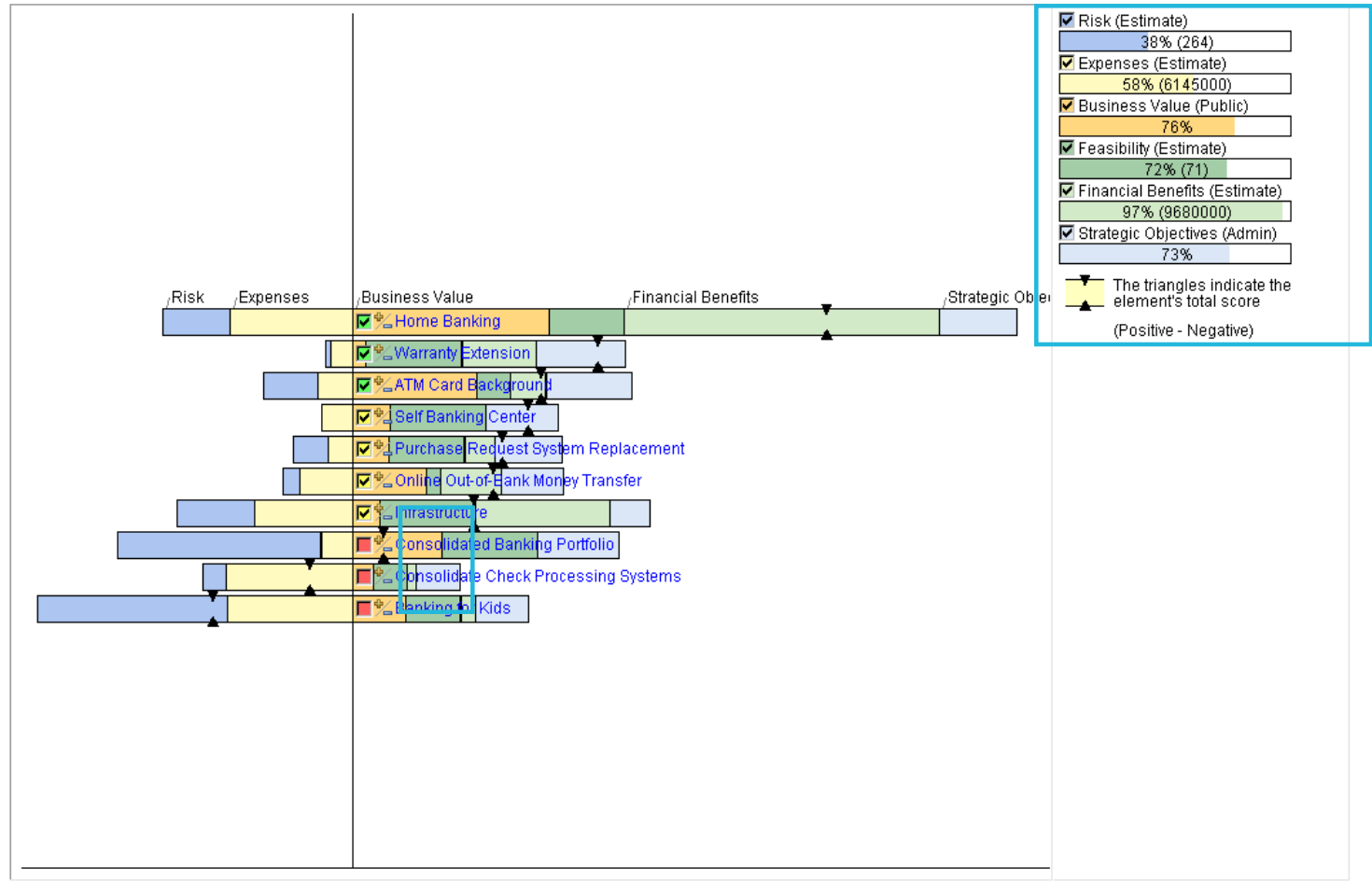
Increase Portfolio Value - Project Value Analysis

- Other factors than strategic alignment affect approval decision:
 - ▶ Risk
 - ▶ Expenses
 - ▶ Business value
 - ▶ Feasibility
 - ▶ Financial benefits
- New ranking of the projects
- Weighting considered



Increase Portfolio Value - Pick the Winners

- Deselect the bottom projects
- Reduced risk and expenses
- Maintained good value, feasibility, benefits and alignment



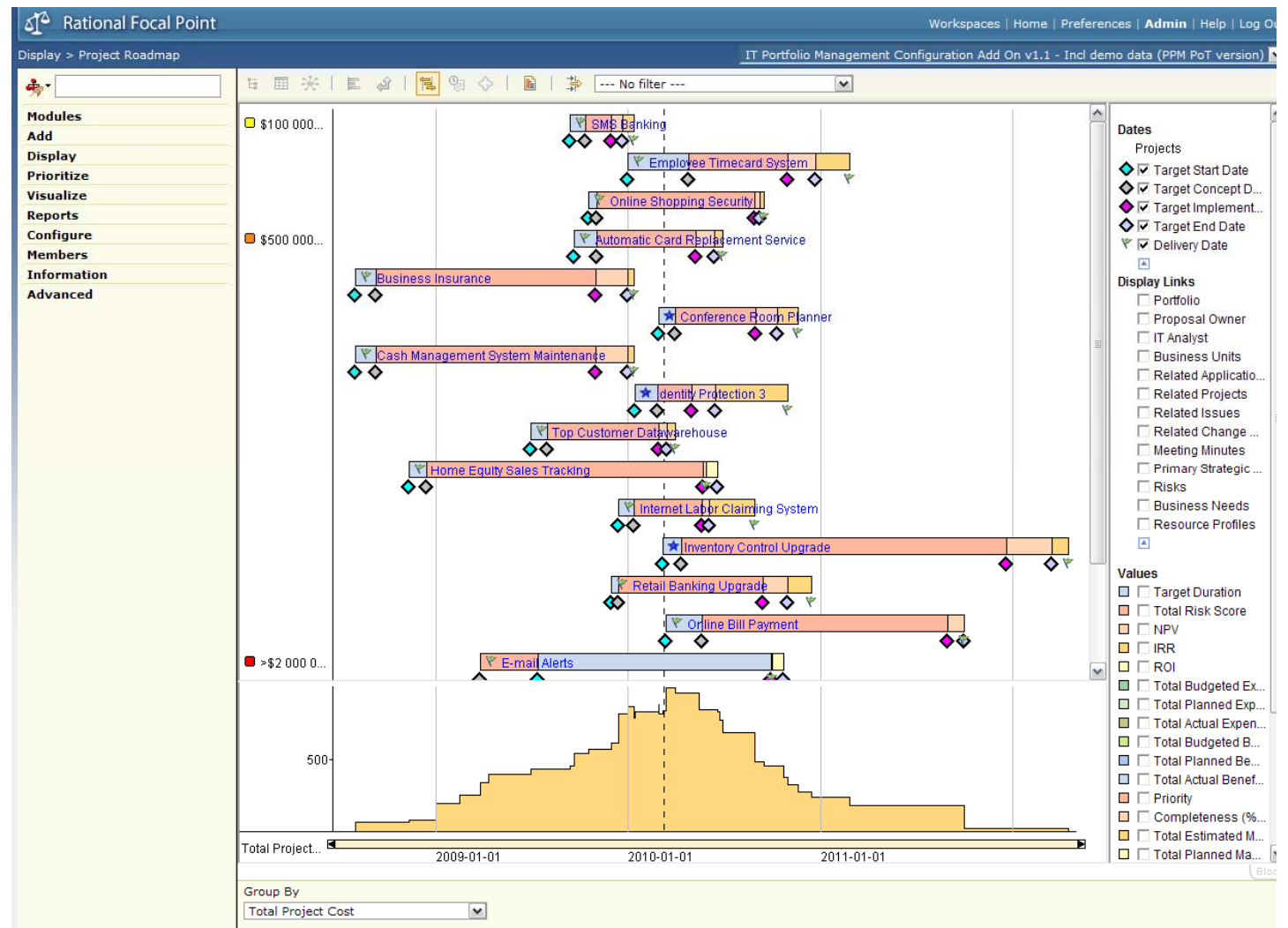
Increase Portfolio Value - Supply/Demand Analysis

- Resource profiles associated with project
- Demanded* man hours per month for a project compared to *available* man hours per month

16 Developers - Automatic Card Replacement Service						
General Information						
ID	019					
Title	16 Developers - Automatic Card Replacement Service					
Description						
Project	Automatic Card Replacement Service					
Resource Profile	Developers					
State	Booked					
Estimations						
Number of Resources	16					
Resource Start Date	2009-10-05					
Resource End Date	2010-05-10					
Days Per Week	5					
Hours Per Day	8					
Estimated Duration	149 work days					
Resource Rate	\$160					
Resource Cost	\$381 440					
Man Hours	13 623					
Resource Need Per Month						
Project Target Start Date	2009-09-21					
Project Delivery Date	2010-06-29					
Project Duration	9 Months					
Distributed Share	95 %					
Resource Distribution	2 009	2 010	2 011	2 012	2 013	2 014
January			2 000			
February			1 000			
March			1 000			
April			1 000			
May			1 000			
June						
July						
August						
September		1 000				
October		2 000				
November		2 000				
December		2 000				
Sum	0	7 000	6 000	0	0	0

Increase Portfolio Value - Project Roadmap

- Display relationships and dependencies
- Move projects in time to align with capacity
- Save to update the project schedule



Collaboration – Hand Over to Project Planning and Management

- 1 Select approved project
- 2 Login to Rational Project Conductor
- 3 Select program, owner and calendar
- 4 Create project
 - Title & description
 - Target dates
 - Business needs
 - Effort
- 5 Retrieve updates from Rational Project Conductor to monitor progress

The screenshot displays the Rational Focal Point Project Conductor interface. The main window shows a project tree on the left with 'Top Customer Datawarehouse' selected. The right pane displays the project details for 'Top Customer Datawarehouse' (ID: 210), including its current state (Approved for implementation) and transitions (Deliver, Place on hold, Stop). A 'Log In' button is highlighted in the 'IT Assets' section. A dialog box titled 'Specify Program, Owner and Calendar' is open, showing dropdown menus for Program (Financials), Owner (Kathy), and Calendar (Default), with a 'Create' button. The bottom of the interface features buttons for 'Add Project Proposal', 'Add Business Need', and 'Add Resource - Demand'.

Get Visibility - Monitor Progress of Project Implementation

- Review ongoing projects
- Overview
 - ▶ Business
 - ▶ Financial
 - ▶ Schedule
- Traffic lights

Overall							
Title	Type	Portfolio	Primary Strategic Objective	Total Risk Score	NPV	Completeness (%)	Planned Expenses Overrun
Automatic Card Replacement Service	Strategic	Infrastructure	Manage Change	20	\$15 064	45 %	
Business Insurance	Revenue generation	Infrastructure	Save Cost	70	\$0	45 %	
Cash Management System Maintenance	Cost reduction	Infrastructure	Save Cost	22	\$8 733	100 %	
E-mail Alerts	Cost reduction	External Applications	Increase Efficiency	16	\$122 076	60 %	
Employee Timecard System	Cost reduction	Infrastructure	Innovation	44	\$3 637 919	3 %	
Home Equity Sales Tracking	Strategic	Business Operation	Save Cost	4	\$2 749 791	80 %	
Internet Labor Claiming System	Strategic	Business Operation	Adapt to New Technologies	40	\$3 575 412	2 %	
No Fee Savings Accounts	Strategic	Infrastructure	Manage Change	36	\$800 089	55 %	
Online Bill Payment	Cost reduction	Business Operation	Innovation	55	\$-44 261	0 %	
Online Shopping Security	Revenue generation	External Applications	Adapt to New Technologies	43	\$680 104	10 %	
Personal Tax Services	Strategic	External Applications	Innovation	0	\$2 572 630	75 %	
Planned Expenses Overrun	Revenue generation	External Applications	Increase Efficiency	28	\$1 466 657	15 %	
Used Budget vs Completeness %	Strategic	External Applications	Innovation	22	\$7 021 895	75 %	
Number of Open High Priority Issues	Revenue generation	External Applications	Manage Change	37	\$204 064	24 %	
Project On Schedule	Revenue generation	External Applications	Save Cost	22	\$584 440	55 %	
Project Progress on Target							
Project Scope Delay							



Get Visibility - Monitor Portfolio Health

Welcome to IT Portfolio Management in Focal Point

IBM IBMers value...

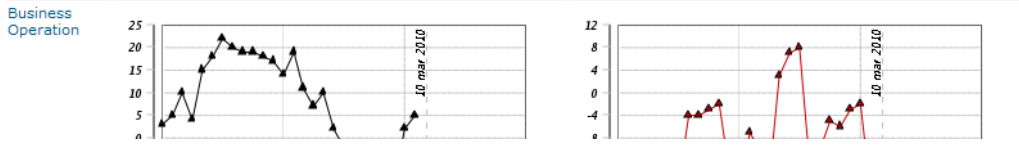
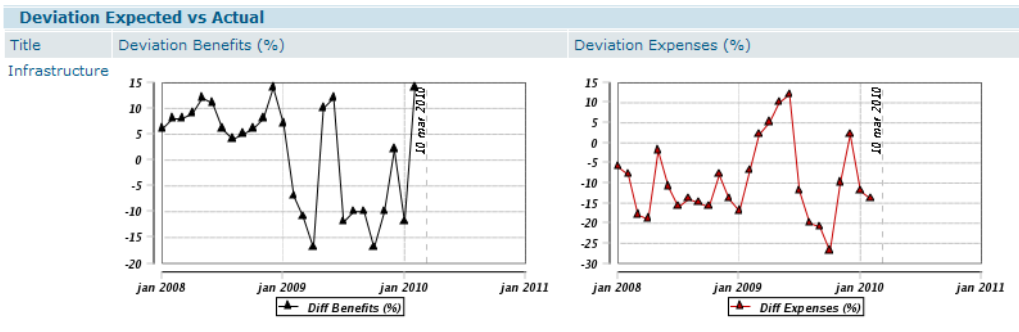
- Dedication to every client's success.
- Innovation that matters - for our company and for the world.
- Trust and personal responsibility in all relationships.

Portfolio Financials

Title	Accumulated Investments	Total NPV - Ongoing Projects	Projects - Budgeted Benefits	Projects - Planned Benefits	Projects - Actual Benefits	Projects - Budgeted Expenses	Projects - Planned Expenses	Projects - Actual Expenses
Infrastructure	\$14 416 254	\$4 461 805	\$26 072 480	\$21 820 460	\$474 850	\$15 077 920	\$18 598 725	\$7 526 275
Business Operation	\$38 378 691	\$6 280 942	\$22 518 000	\$18 768 000	\$2 740 000	\$11 966 900	\$12 016 500	\$5 248 000
External Applications	\$9 641 787	\$12 651 866	\$32 070 520	\$32 938 655	\$8 212 625	\$13 624 500	\$13 969 000	\$12 361 713

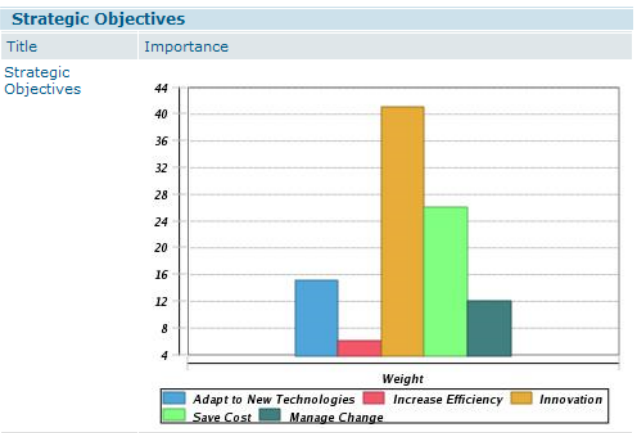
Portfolio Health

Title	Project Expenses Overrun	Red Lights in Ongoing Projects	Open High Priority Issues	Portfolio Level Risk Score	Project Level Risk Score
Infrastructure					
Business Operation					
External Applications					



Projects with Overrun Planned Expenses

Title	Project State	Portfolio	Implementation State	Planned Expenses Overrun
Develop Customer Relationship Management Program	On hold	Infrastructure	Stopped	
Rewards Program	Approved for implementation	External Applications	In Progress	
No Fee Savings Accounts	Approved for implementation	Infrastructure	In progress	



Size of Ongoing Projects (Total NPV) for Strategic Objectives

Title	Total NPV - Ongoing Projects
Adapt to New Technologies	4 255 516
Increase Efficiency	1 588 733
Innovation	13 188 183
Manage Change	1 019 217
Save Cost	3 342 964

Open High Priority Portfolio Risks

Title	Portfolios	Approach	Probability	Consequence
Budget overrun	Infrastructure	Mitigate	10 - Very High	7 - High
Errors from	Business	Mitigate	10 - Very High	7 - High



Summary

- How can IT portfolio management be made easy?
 - ▶ Template based on best practices
 - Import legacy projects
 - Process & roles
 - Use cases and documentation to help users learn Focal Point
 - ▶ Deployment roadmap with phased approach – get value and benefits quick
 - Examples of measurements of success:
 - Get visibility – capture projects, business case, clean up the portfolio, monitor
 - Start collaboration in the tool – all data in one place, hand over responsibility
 - Increase portfolio value – select winners, optimize, informed decisions
 - Align portfolio – align with strategy, balance portfolio



Questions





www.ibm.com/software/rational

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