

IBM Software

UK Innovate 2010

The Rational Software Conference



Smarter software for a smarter planet.



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From ideas to delivery with Rational Focal Point and Jazz

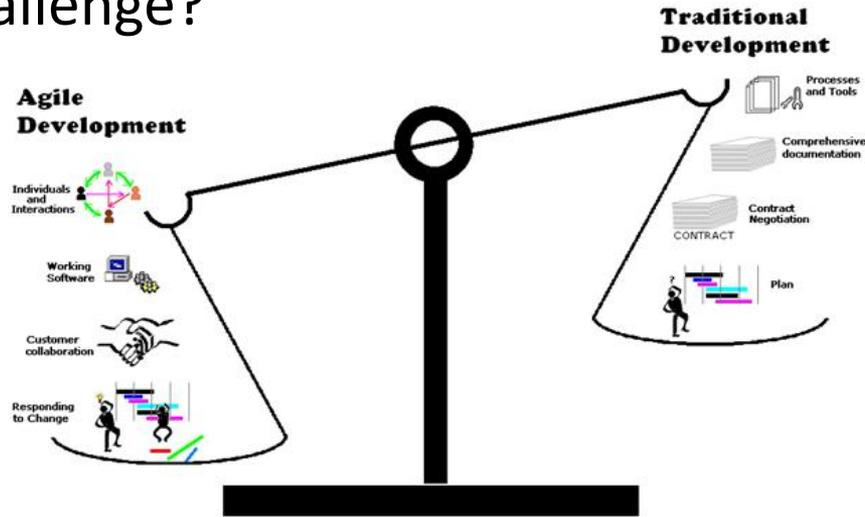
Andrew Wallace



Smarter software for a smarter planet.



What appears to be the challenge?



Many firms are adopting agile approaches and methods in development

- How do you effectively and formally collaborate with your customers
- The language and measures are inconsistent between development and management

Early stages of a project are often dependent on a traditional approach

- Requirements capture, necessary for cost estimation and business case
- Detailed delivery schedule, necessary for resource allocation and deadlines



When you only have a hammer...

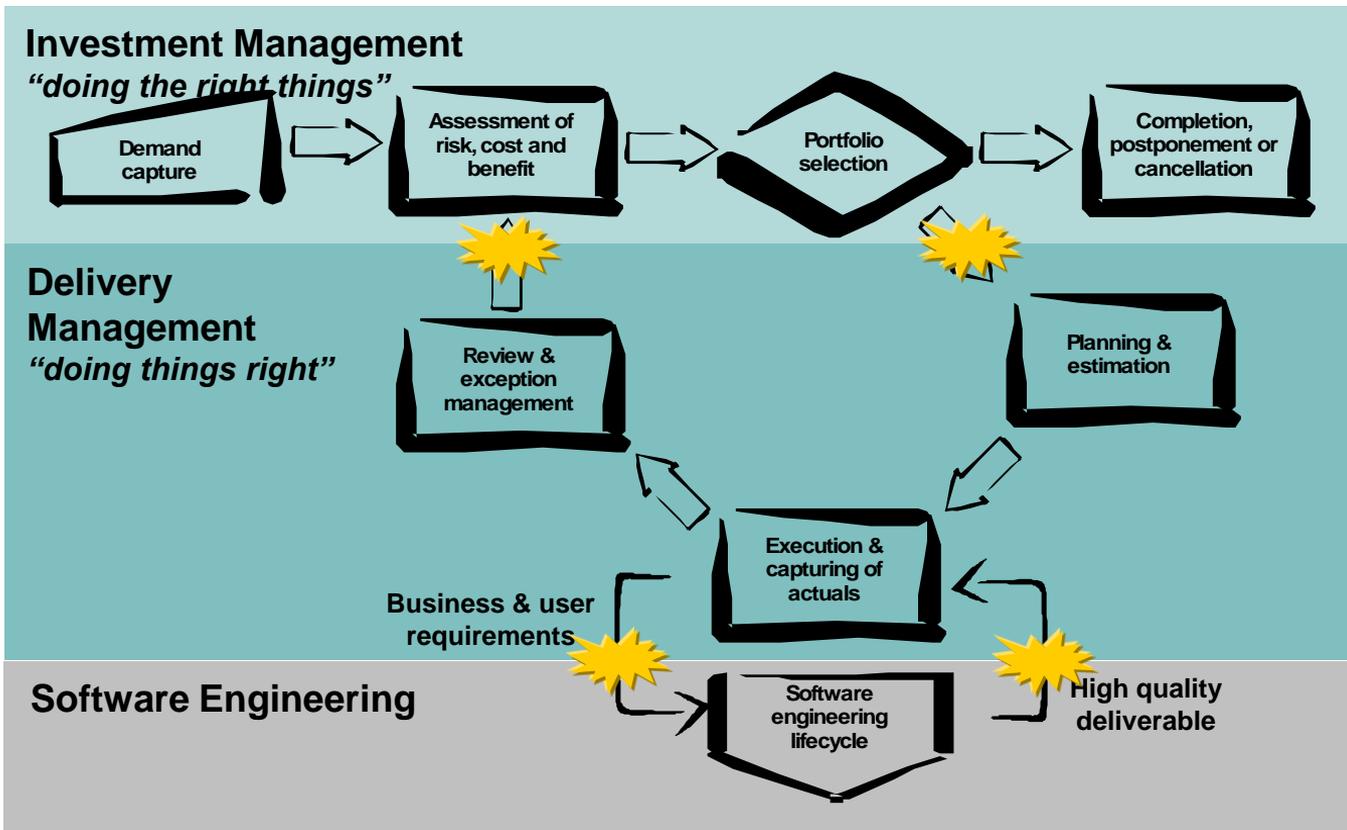


Is a project or program always the right delivery vehicle for change?

- In many organisations, teams are organised around business applications
- Business applications are frequently delivered as a continuous release stream
- Perhaps we can learn something from Product Lifecycle Management



Governance of the delivery process



Delivery management with Rational



Align investments with business objectives to maximize business value

- Automate request capture
- Make value-based selections and trade-offs
- Increase investment visibility

Access at-a-glance, high impact views of complex real-time information for improved decision-making at all levels

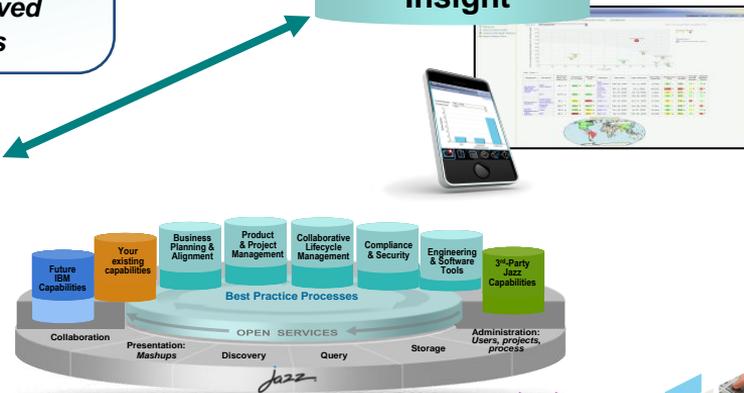
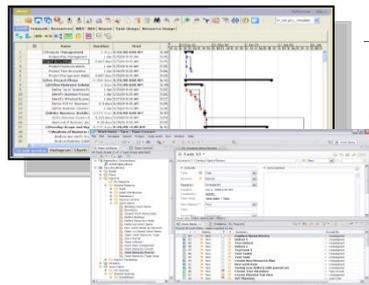
Rational Focal Point

Effectively execute projects and programs with improved visibility into outcomes

Rational Insight

Rational Project Conductor

Rational Team Concert



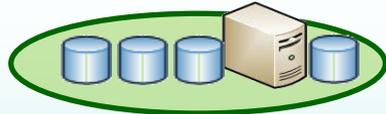
Portfolio management for development

Our customers face challenges when trying to match waterfall and agile methods

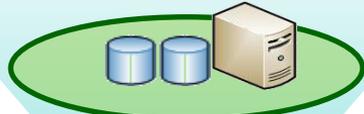
Problem: I have a development team that are rapidly adopting agile techniques, and a project management community that feels out of control. We want to become more flexible but not at the risk of introducing error and inefficiency into the process.

Our solution: Tightly coupled portfolio management and agile delivery

Portfolio
Management



Unifying traditional and
agile project management



Agile team work item
management



- Prioritize and execute projects that are aligned with business objectives
 - Focus on what matters most in driving business results
 - Organize work around value
 - Gather inputs in a single repository with consistent process
- Real-time, in-context collaboration with delivery teams
- Combine agile and traditional planning techniques
- Planning insight into development processes
- Holistic view of project delivery status
- Delivery team activities direct contribute to project plans
- Agile delivery process run with management oversight
- Backlog prioritized inline with business objectives
- Work products and activity status feed view of project progress

Measuring Cost, Benefit, and the Impact of Risk

*Companies that are best-in-class in portfolio management are 4 times more likely to achieve margin premiums of 75% or higher**

Gather all inputs into one place with consistent process

Capture market inputs, business needs and demands, customer feedback in one place to make sure the best ideas become reality

Analyze and prioritize enterprise architecture transition steps identified by Rational System Architect

Organize work around value

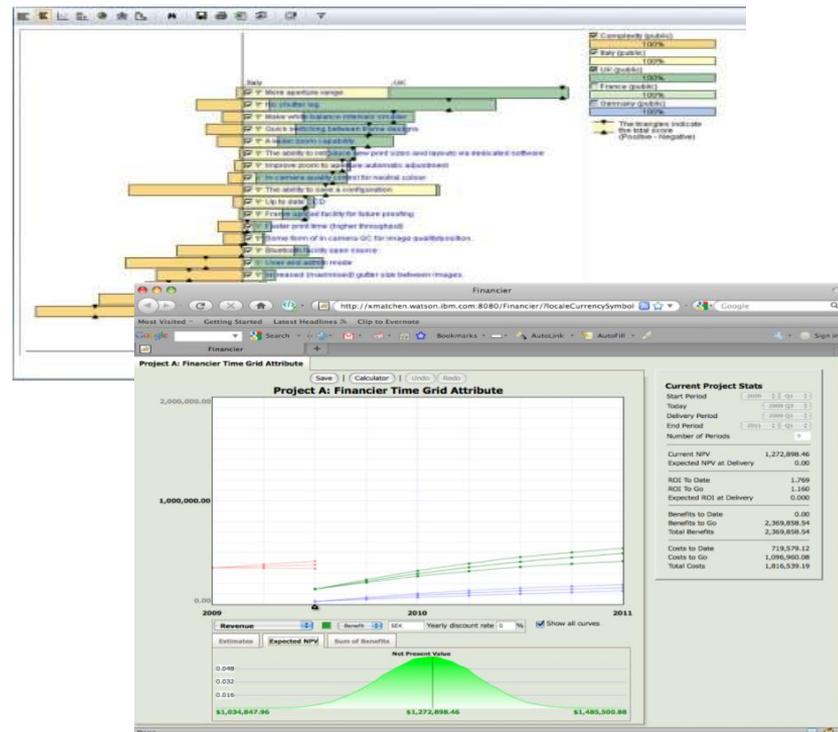
Capture tangible (cost, benefit) and intangible (benefit, risk) measures in a consistent way across the portfolio

Perform cost/benefit and trade-off analysis to make informed investment decisions

Identify and sequence activities and deliverables by the value they deliver

Assess the impact of risk

Improve cost and schedule estimations of investments by modelling financial and market impacts and by performing scenario, statistical and financial analysis



* Aberdeen whitepaper, "Managing the Innovation Portfolio: Ensuring Success to Boost Profits", July 2006

** IDC whitepaper, "How Project and Portfolio Management Solutions are Delivering Value to Organizations", September 2008

Working within Resource, Financial & Time Constraints

Setting yourself up for success

Capture existing commitments

The ability to adjust future plans will depend heavily on a knowledge of current plans and budgets

Estimate resource and cost profiles for planned investments

Create period based estimates for finances, required skills and deliverables

Capture dependencies between deliverables where appropriate as this will add an additional scheduling constraint

Base estimates on past performance where possible using more advanced estimating techniques (e.g. QSM, SEER)

Sequence work within constraints

Create a high level delivery plan that:

- Reflects business priorities and value creation
- Makes effective use of all available resources
- Recognises finance, resource, schedule constraints



Rational Team Concert integration

Direct connection with the delivery team, their planning and progress

Focal Point 6.5 provides Collaborative Lifecycle Management (CLM) integrations through its support of the Open Services Lifecycle Collaboration (OSLC) change management specification

Works with Change Management (OSLC-CM) providers, such as Rational Team Concert 3.0

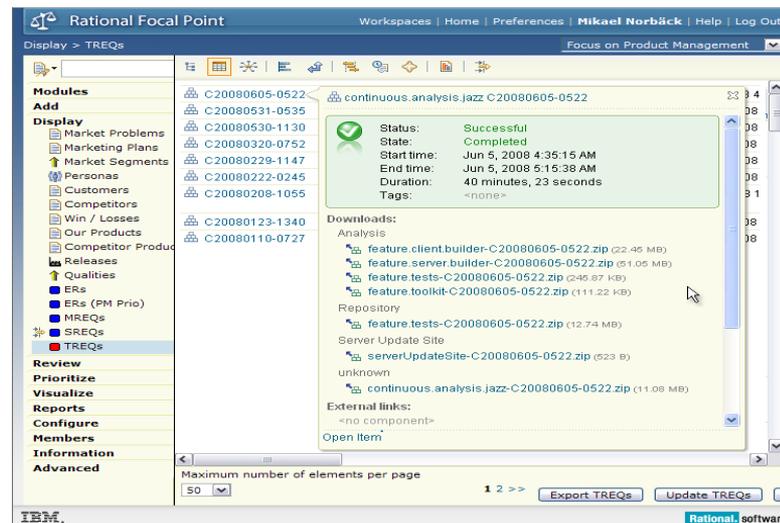
Use Focal Point to define release content and Rational Team Concert to support development

- Create RTC projects from Focal Point when new initiatives are undertaken

- Create plan items in RTC from Focal Point or link to existing plan items in RTC from Focal Point as new requirements arise or existing ones change

- Use Rich Hover links to explore RTC work item status directly in Focal Point

- Rollup and display RTC data in Focal Point to show progress and status



Rational Team Concert for team planning

Project managers now able to define plans, collaborate with teams and view status

Break plan items down into more detailed activities

Assign work items across the release plan

Distribute work among teams and individuals

Identify high risk plan items, and schedule the work items for these early in the delivery

Manage dependencies and milestones and deliverables

Track progress and handle exceptions as they happen

Project data rolls up to Focal Point

The screenshot displays the Rational Team Concert interface. On the left, the 'JUnit Sprint Backlog' is visible, showing a list of work items assigned to team members: Bill Cassavelli, Jason Mitchell, and Markus Kent. Each item includes a description, estimated points, and progress status. On the right, the 'Story 128' details are shown, including the summary 'Improve documentation for 4.4', assigned owner 'Bill Cassavelli', priority 'Unassigned', and planned for '4.4 s2'. The description field contains the text: 'We should do an documentation effort for 4.4.'

A Process of Continuous Portfolio Adjustment

Monitoring your investment is as important as deciding to invest

The screenshot displays the Rational Focal Point interface for IT Portfolio Management. It includes a navigation sidebar on the left, a main content area with several sections:

- Welcome to IT Portfolio Management in Focal Point:** Shows IBM logo and a message: "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:** A table with columns: Title, Accumulated Investments, Total NPV - Ongoing Projects, Projects - Budgeted Benefits, Projects - Actual Benefits, Projects - Planned Expenses, Projects - Actual Expenses, and Projects - Actual Expenses. Data rows include Business Operation, Infrastructure, and External Applications.
- Portfolio Health:** A table with columns: Title, Project Expenses Overrun, Red Lights in Ongoing Projects, Open High Priority Issues, Portfolio Level Risk Score, and Project Level Risk Score. Rows include Business Operation, Infrastructure, and External Applications.
- Deviation Expected vs Actual:** Four line charts showing deviation percentages for External Applications and Infrastructure over time (Jan 2009 to Jan 2010).
- Projects with Overrun Planned Expenses:** A table listing projects like Apollo, Epsilon, and Lambda with their status and planned expense overrun.
- Strategic Objectives:** A bar chart showing the weight of four strategic objectives.
- Project Pipeline Distribution: Strategic Objectives:** A table showing the quantity and share of various strategic objectives like "Adapt to New Technologies" and "Increase Efficiency".
- Open High Priority Portfolio Risks:** A table listing risks such as "Budget overrun" and "Poor project management" with their approach, probability, and consequence.

Investment portfolio needs to be monitored and adjusted like any other

Risk profile changes as requirements, technology and capabilities are better understood

Costs fluctuate as requirements and scope are refined by stakeholders

Benefits become more clear, tangible and measurable as business impacts unfold

Business case for individual investments require review, and portfolio needs adjusting as business priorities change

How can all of this help your business?

Organize work around customer value to drive success and profitability

Objectively evaluate investments to align to business priorities and reduce costs

$$\text{Value} = \left(\frac{\text{Benefits}}{\text{Total Asset Cost}} \right) (\text{Risk})$$

Measure project and process performance for continual improvements

Increased predictability through best practices and collaboration across disciplines

How can all of this help your business?

Improve investment strategy to drive 20% higher margin in the market

Avoid off-strategy projects that waste an average of 10% of IT budgets

$$\text{Value} = \left(\frac{\text{Benefits}}{\text{Total Asset Cost}} \right) (\text{Risk})$$

Automate project and process measurement to improve team productivity by 10-15%

Overcome issues that cause 59% of projects to fail to meet expectations



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