

IT Project Portfolio Management (ITPPM)



July 13, 2020
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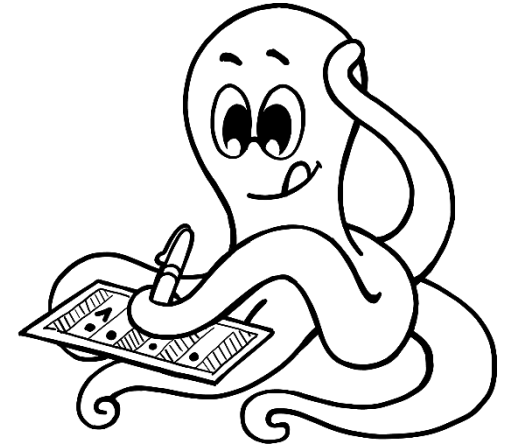


KNOW*Digital*





- The Project Portfolio
- From Demands to Projects
- Project Portfolio Matrix
- The Scaled Agile Approach





Single projects run in parallel

- Project Manager = lone fighter
- No coordination
- No active management of interdependencies

Project A

Project B

Project C

Multi-project management

- Projects are managed in a similar way
- Interdependencies are managed

Project A

Project B

Project C

Project Portfolio Management

- Portfolio Management = overall management layer
- Preparation phase before launching projects
- Active management of interdependencies and status reporting

Portfolio

Project A

Project B

Preparation

Project C

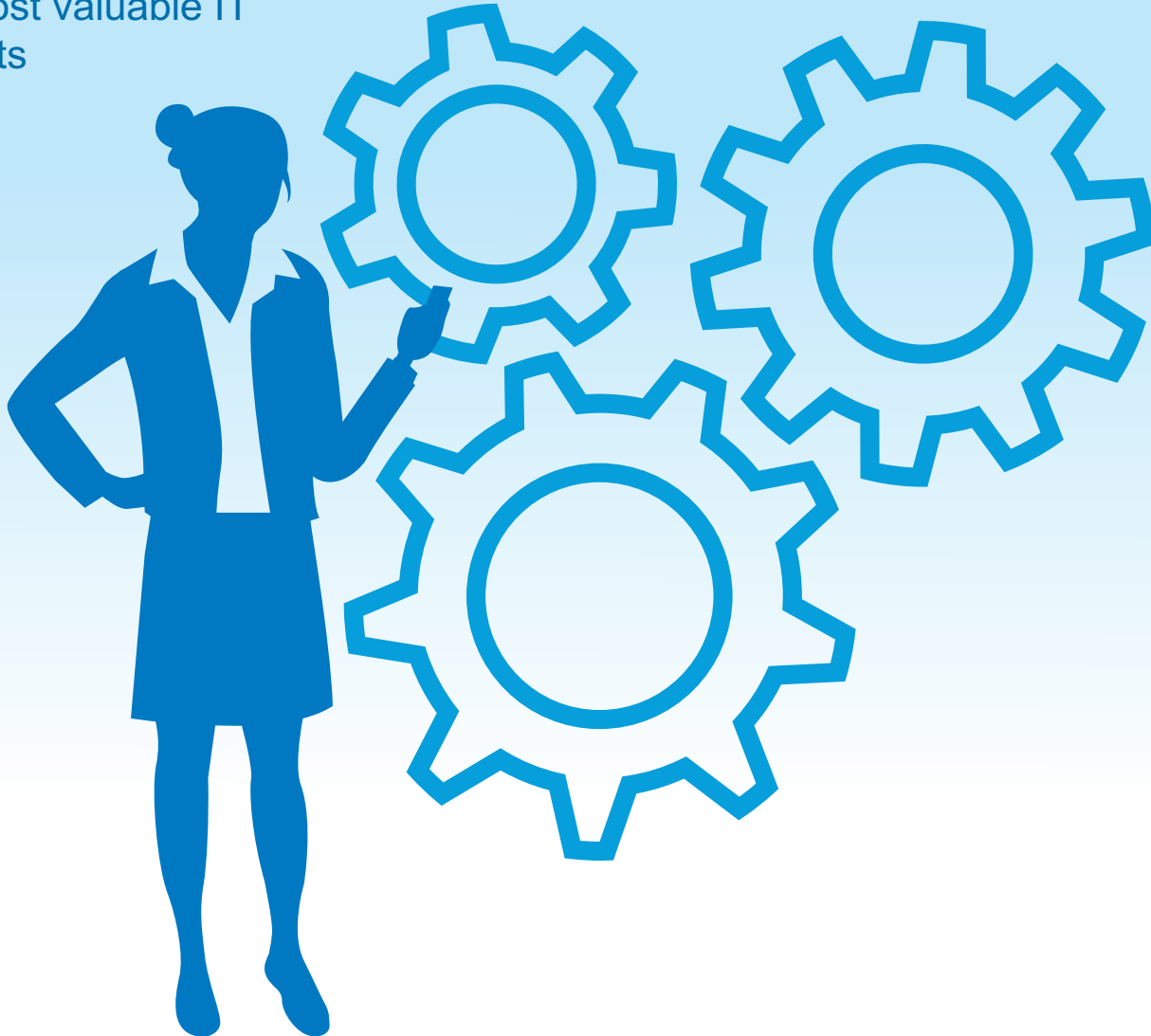
How many projects running in parallel?

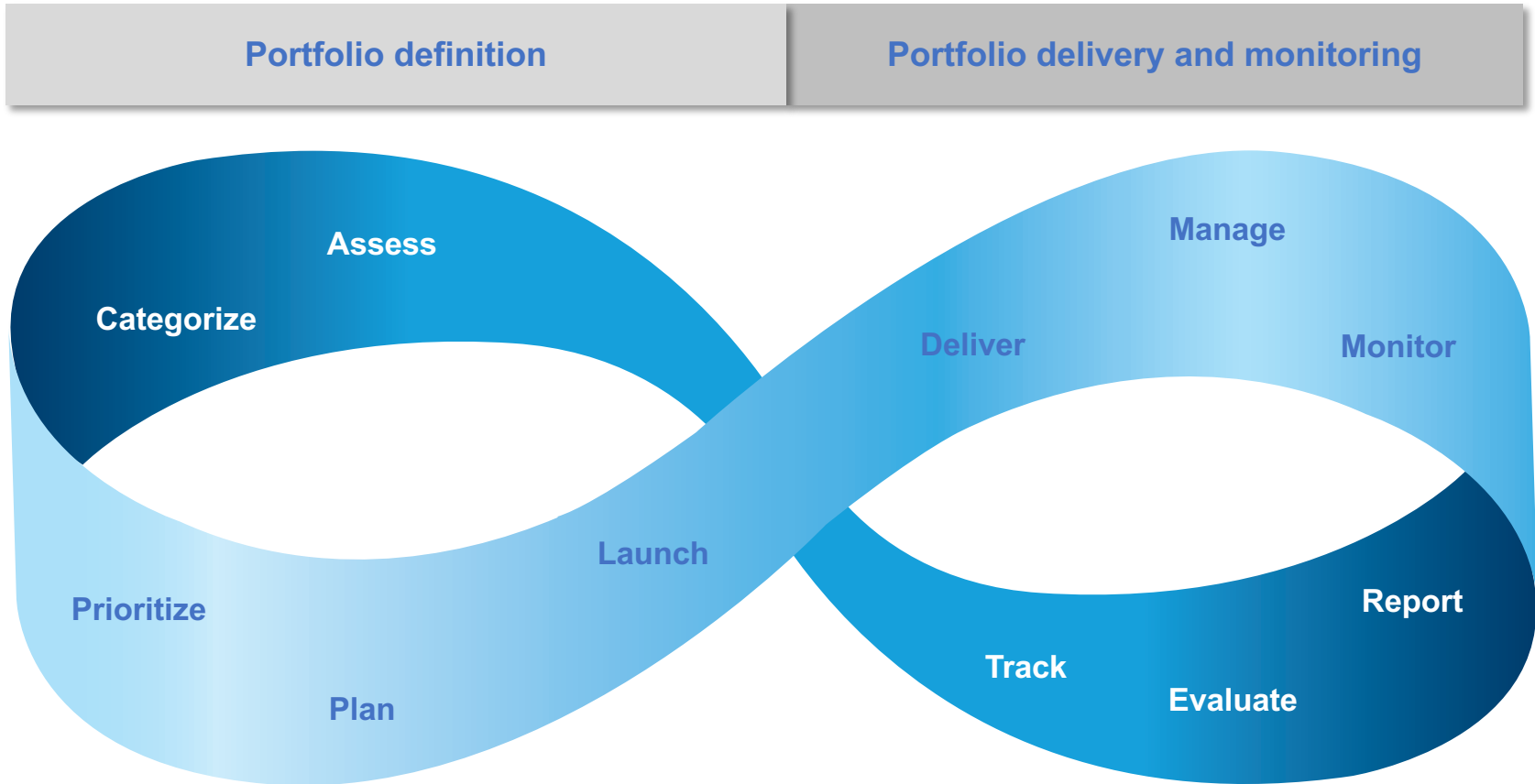


The Aim of the ITPPM is

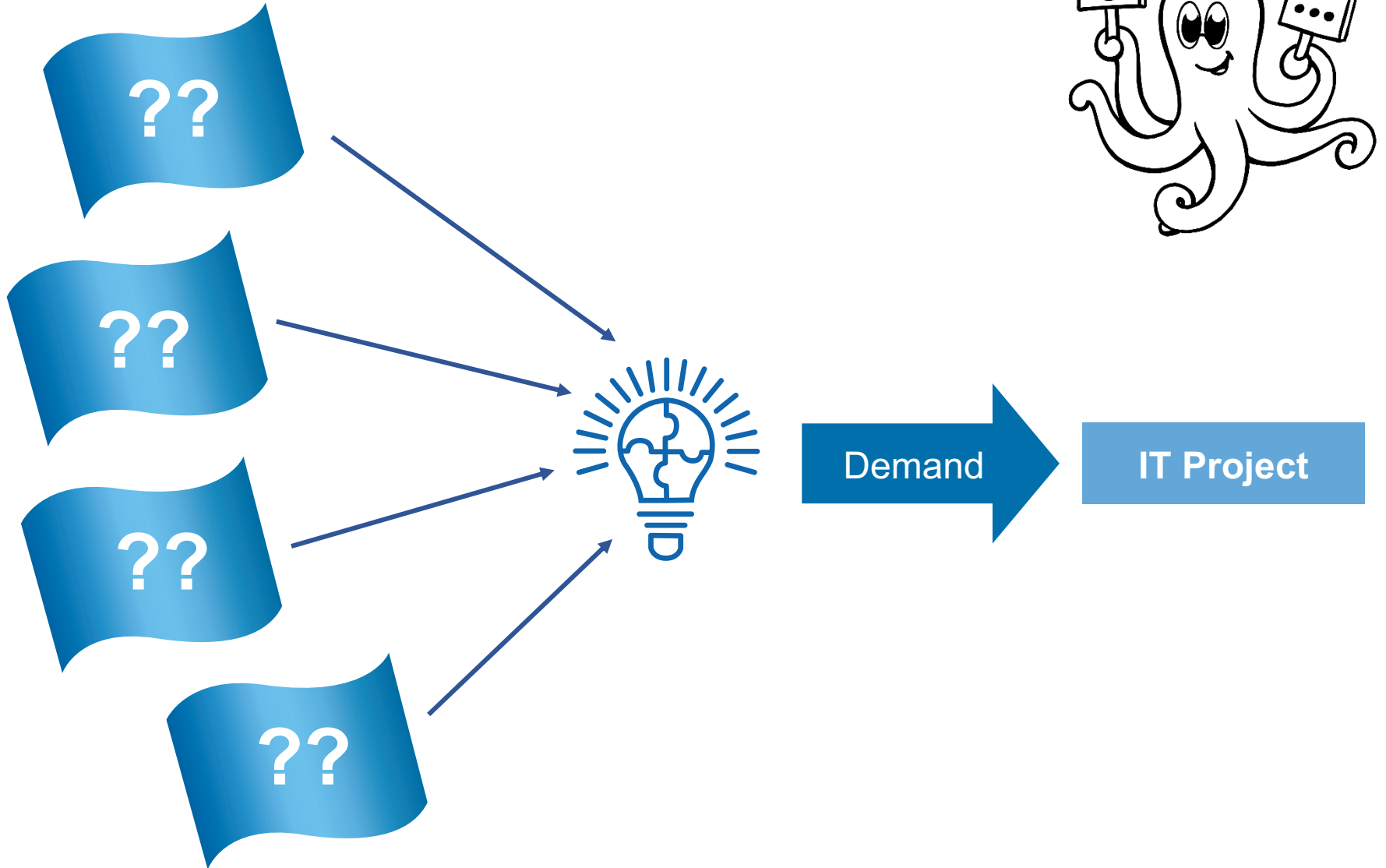


to ensure the selection of
the most valuable IT
projects





Where do projects come from?





Representation

IT project portfolio management process as a cycle

Main activities

1. Collect and select project ideas
2. Assess project request
3. Setup and launch project
4. Evaluate and track achievements

Main roles

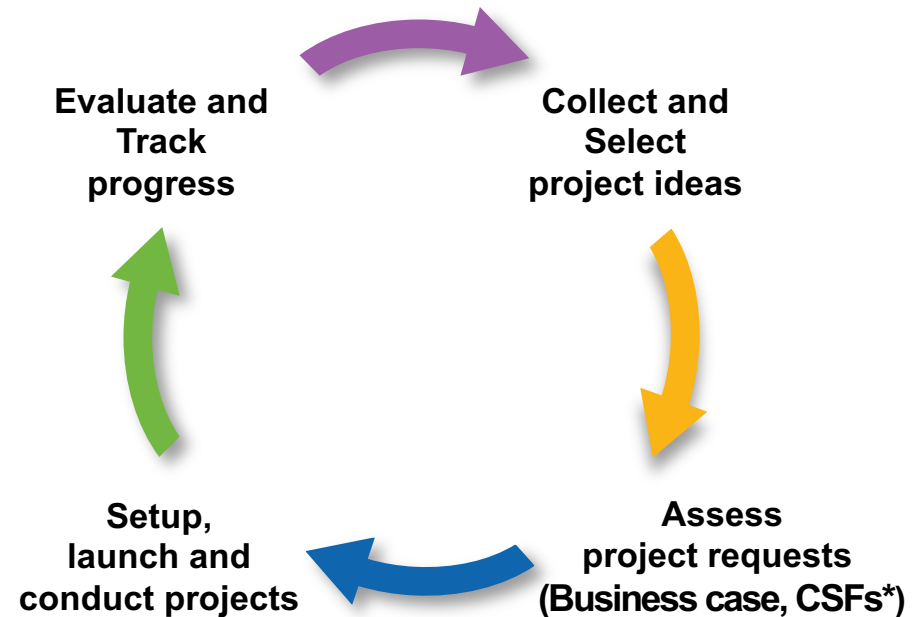
- Management Board
- IT Customer
- Portfolio manager
- Project leader
- Finance & Controlling

Trigger / Dependencies

- Trigger = IT Strategy
- Process dependencies = Requirement, Financial, Capacity, Project, Quality

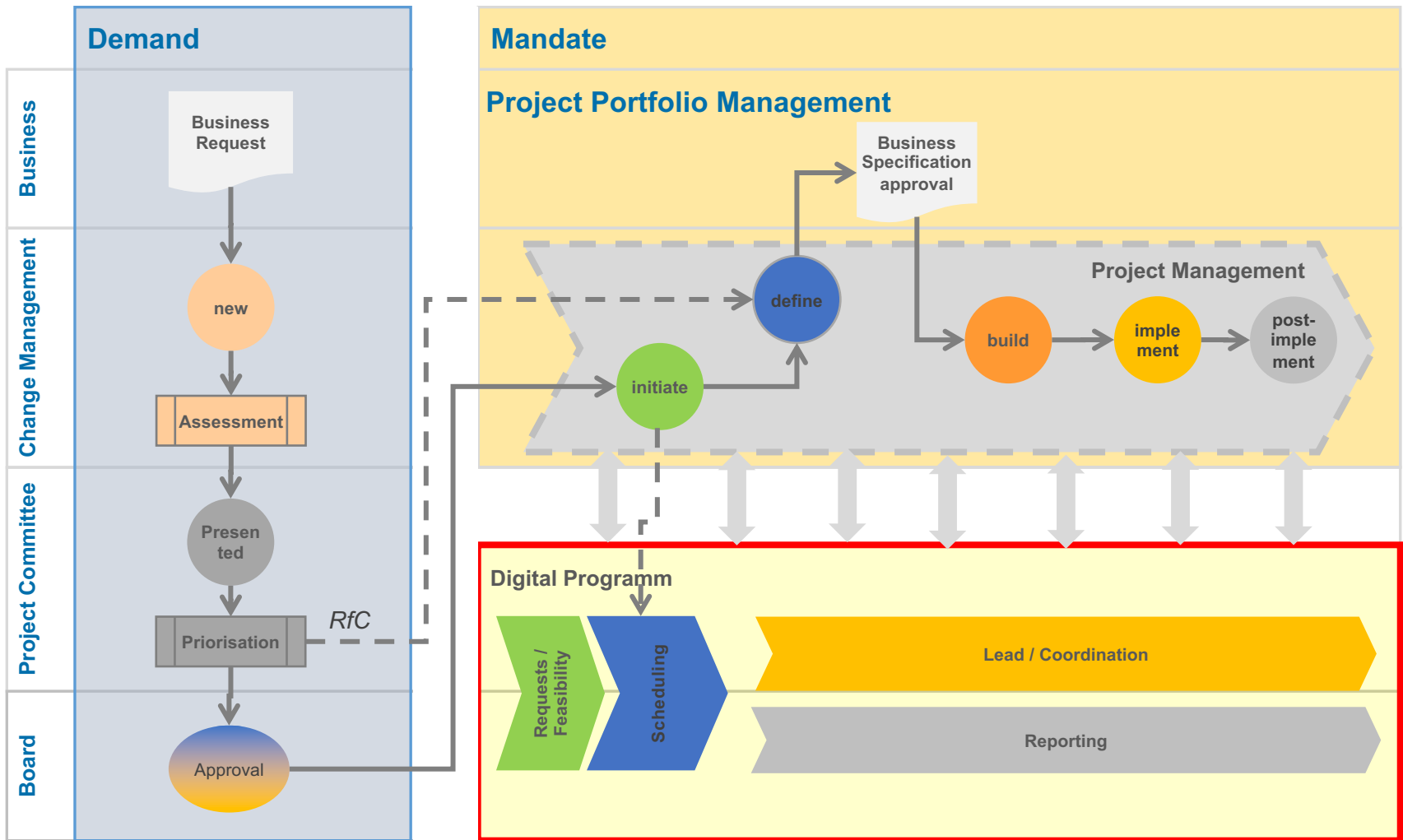
Main outputs

- Project request
- Management decisions
- Business case
- Project list
- Project status reporting

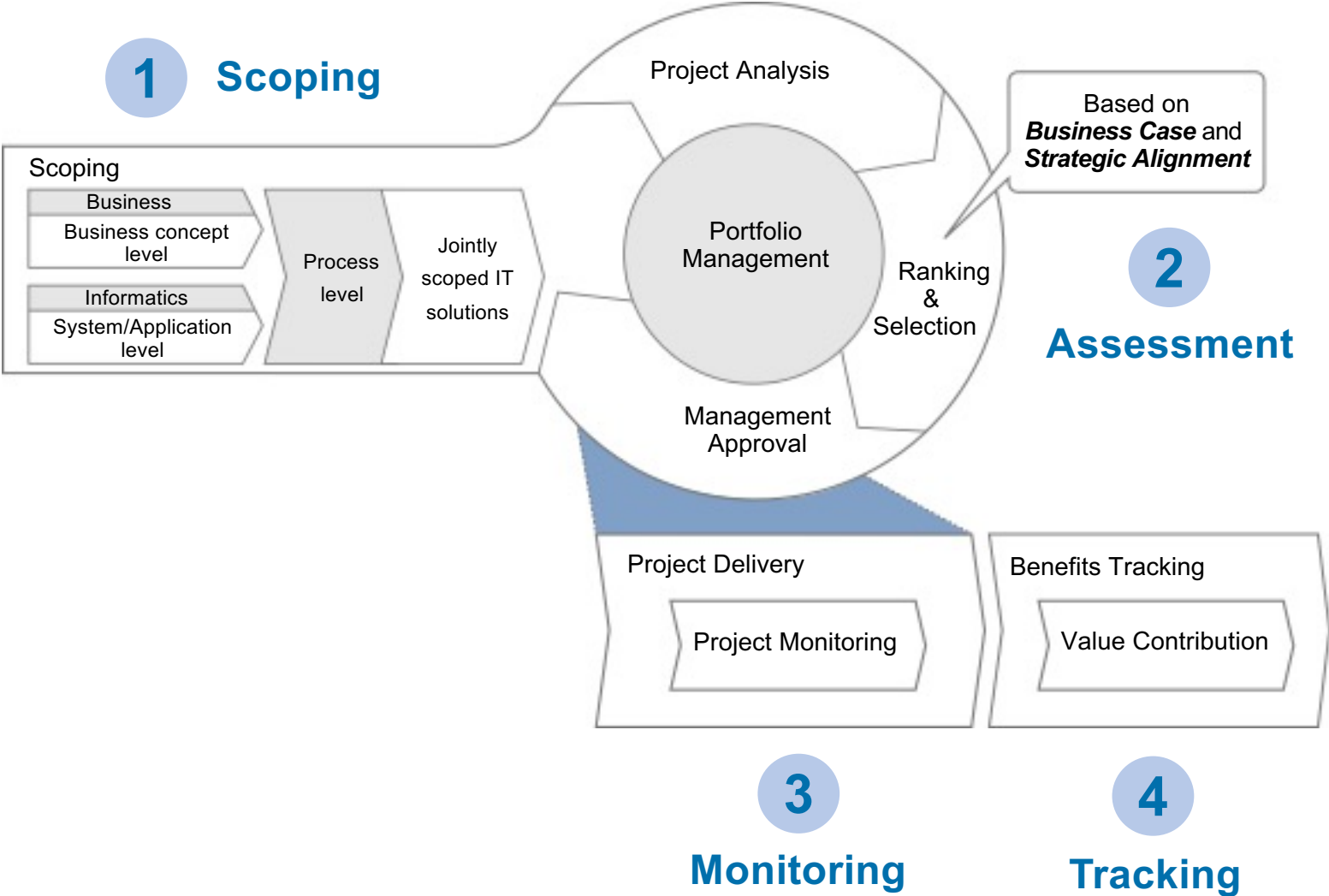


* (CSFs = Critical Success Factors)

Process example: from Demand to Project



RfC: Request for Change





Business Problem or Opportunity

- Description of current situation
- Description of the current problem and the potential impact on customers
- Indication about the quantitative magnitude of the improvement idea

Improvement Objectives

- Status to be achieved once the project is done
- Description of the new situation to be reached
- Impact on customers

Strategic relevance and potential benefits

- Link to the company strategy
- Benefits for the company and the implementation of the strategy

Project delivery and deliverables

- Design of the way to achieve the objectives
- Definition of the deliverables

Project boundaries

- Definition of the scope of the potential project
- Precise activities out-of-scope

Frame conditions

- Definition of the critical success factors

Financial analysis

- Estimation of savings or increase of revenues

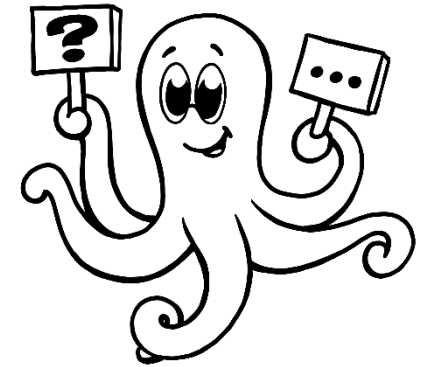
Stakeholders, Sponsor and competencies needed

- Persons or entities with a real interest for the improvement
- List of persons or entities to be involved

Deadlines

- Precise deadlines to be met

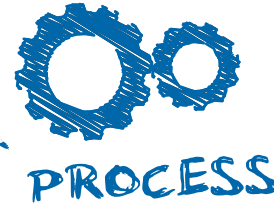




Assessment



- QUALITY
- QUANTITY



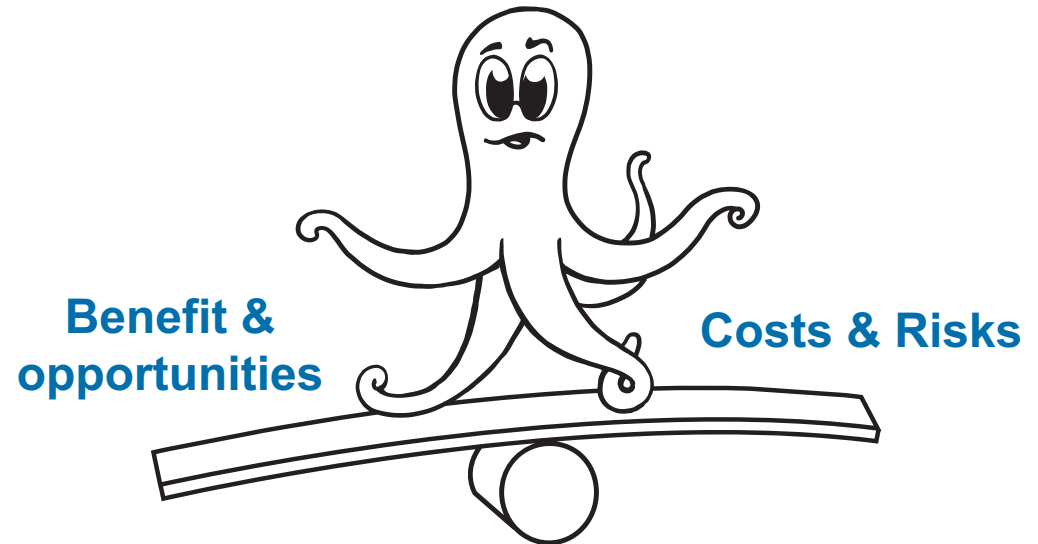


Business Case based on a financial analysis

- External Costs
Consultancy, SW, HW
- Internal Manpower versus
- IT Benefits
Headcount reduction, operating cost reduction
- Business Benefits
Profit generation, Headcount reduction

Strategic alignment to support the business strategy

- Company growth
new business, increased customer value
- Cost effectiveness



Business Case: Estimating costs



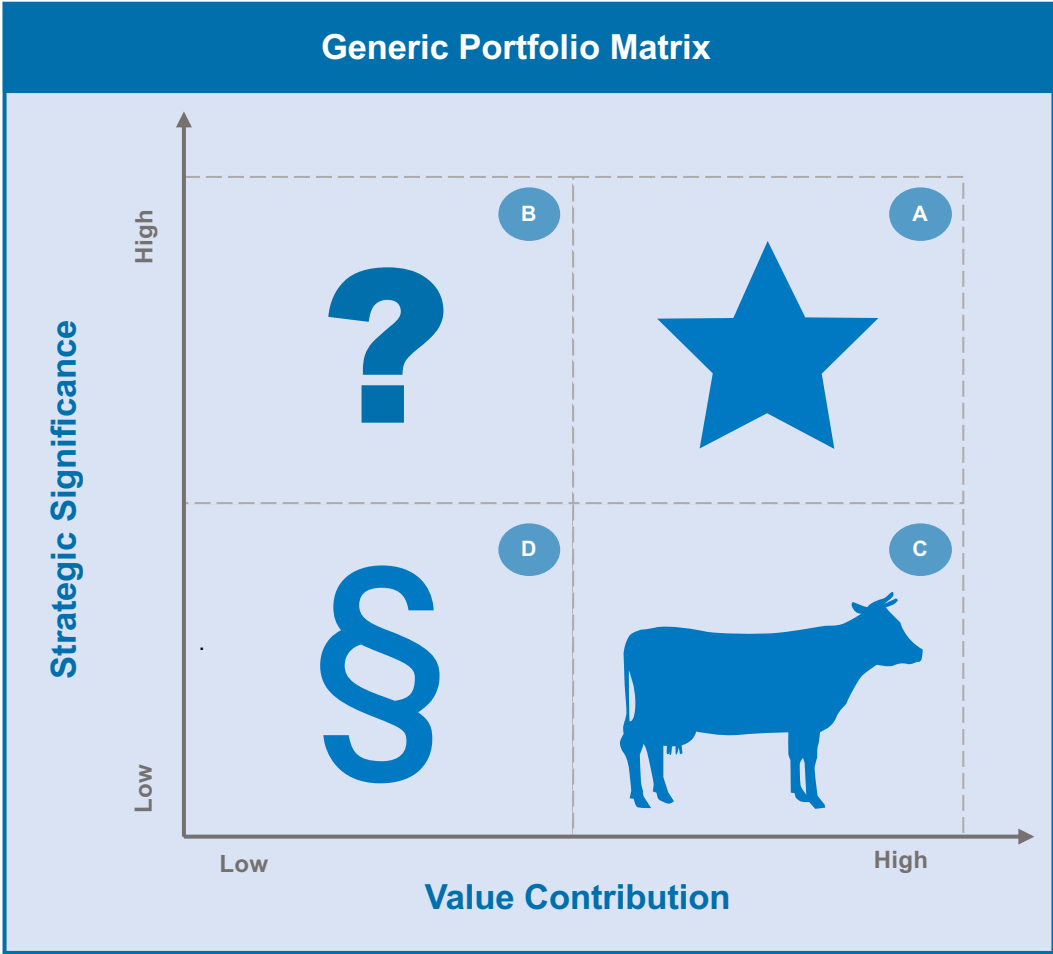
Project Costs	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Internal IT staff						-
Other internal staff						-
Total Secondary Costs	-	-	-	-	-	-
External IT Services						-
Hardware						-
Software Licences						-
Ext. business backfilling staff						-
Others (travel, expenses, ...)						-
Total Primary Costs	-	-	-	-	-	-
Project Budget	-	-	-	-	-	-
	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Investment (CAPEX)			-	-	-	0
Incremental Operational Costs (OPEX)	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Internal IT staff						-
External IT staff						-
Business staff						-
HW / SW depreciation from Investment	-	-	-	-	-	-
HW/SW Maintenance						-
Others						-
Total Incremental Operating Costs	-	-	-	-	-	-
Total Costs, with Depreciation	-	-	-	-	-	-
Total Costs, without Depreciation	-	-	-	-	-	-

Business Case: Estimating benefits



Tangible Benefits						
<u>Business Benefits</u>	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Headcount reduction						-
Operating Cost Reduction						-
Additional Profit Generation						-
Others						-
<u>IT Benefits</u>						
Headcount reduction						-
Operating Cost Reduction						-
System replacement						-
Others						-
Total Tangible Benefits	-	-	-	-	-	-
Cost avoidance						
	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Avoiding other investments						-
Others						-
Total Cost avoidance	-	-	-	-	-	-
Intangible Benefits:						
Total Benefits, without cost avoidance	-	-	-	-	-	-
Total Benefits, with cost avoidance	-	-	-	-	-	-

Step 3: the Portfolio Matrix



Example of a strategic portfolio planning



Projects		---- Costs [MCHF] ----				Timeline								
		Total	Yn	Yn+1	Yn+2	Yn	Year n+1				Year n+2			
Area	TOTAL	24.8	4.5	14.7	5.6	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	Program Management	1.5	0.2	0.9	0.4	[Timeline bar]								
	Program 1	6.5	0.9	3.2	2.4	[Timeline bar]								
	Sales reorganisation	2.4	0.6	1.8	-	[Timeline bar with checkmark]								
	SAP 3.1 Upgrade	0.8	0.3	0.5	-	[Timeline bar with checkmark]								
	Customer Service Optimisation	0.8	-	0.2	0.6	[Timeline bar with 'Feas.' label]								
	Operation Optimisation	1.2	-	0.3	0.9	[Timeline bar with 'Processes' label]								
	Inventory Optimisation	0.8	-	0.1	0.7	[Timeline bar with 'KPI' label]								
	SAP Rollout	0.4	-	0.4	-	[Timeline bar with 'RVE Rollout' label]								
	Program 2	8.0	0.3	5.0	2.7	[Timeline bar]								
	System Integration	0.3	0.3	-	-	[Timeline bar with checkmark]								
	Factory Implementation	3.6	-	3.4	0.2	[Timeline bar]								
	Emerging Markets	1.2	-	1.2	0.1	[Timeline bar]								
	New Plant	0.2	-	0.2	-	[Timeline bar with 'timing pending' label]								
	SAP Integration	2.5	-	-	2.5	[Timeline bar]								
	Euro Conversion	0.9	0.2	0.7	-	[Timeline bar]								
	SAP1	0.5	0.2	0.3	-	[Timeline bar with checkmark]								
	SAP2	0.4	-	0.4	-	[Timeline bar with checkmark]								
	e-Commerce	7.9	2.9	* 5.0	-	[Timeline bar with 'Phase II' label]								
Unit	TOTAL	1.7	0.1	1.6	-	[Timeline bar]								
	B2B Extension	1.4	0.1	1.3	-	[Timeline bar]								
	Business Warehouse Upgrade	0.8	-	0.8	-	[Timeline bar]								
	Delivery Pricing on SAP	0.1	-	0.1	-	[Timeline bar with 'timing pending' label]								



Performance Achievement Reporting

Monitor and feed back
Project results (actual
benefits vs. baseline
vs. target)

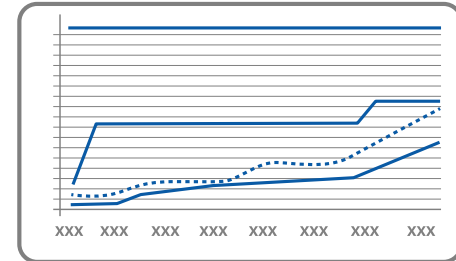


Financial Benefits Achievement Reporting

Converts the performance
improvement into financial
figures



Transforming operational
improvements into benefits

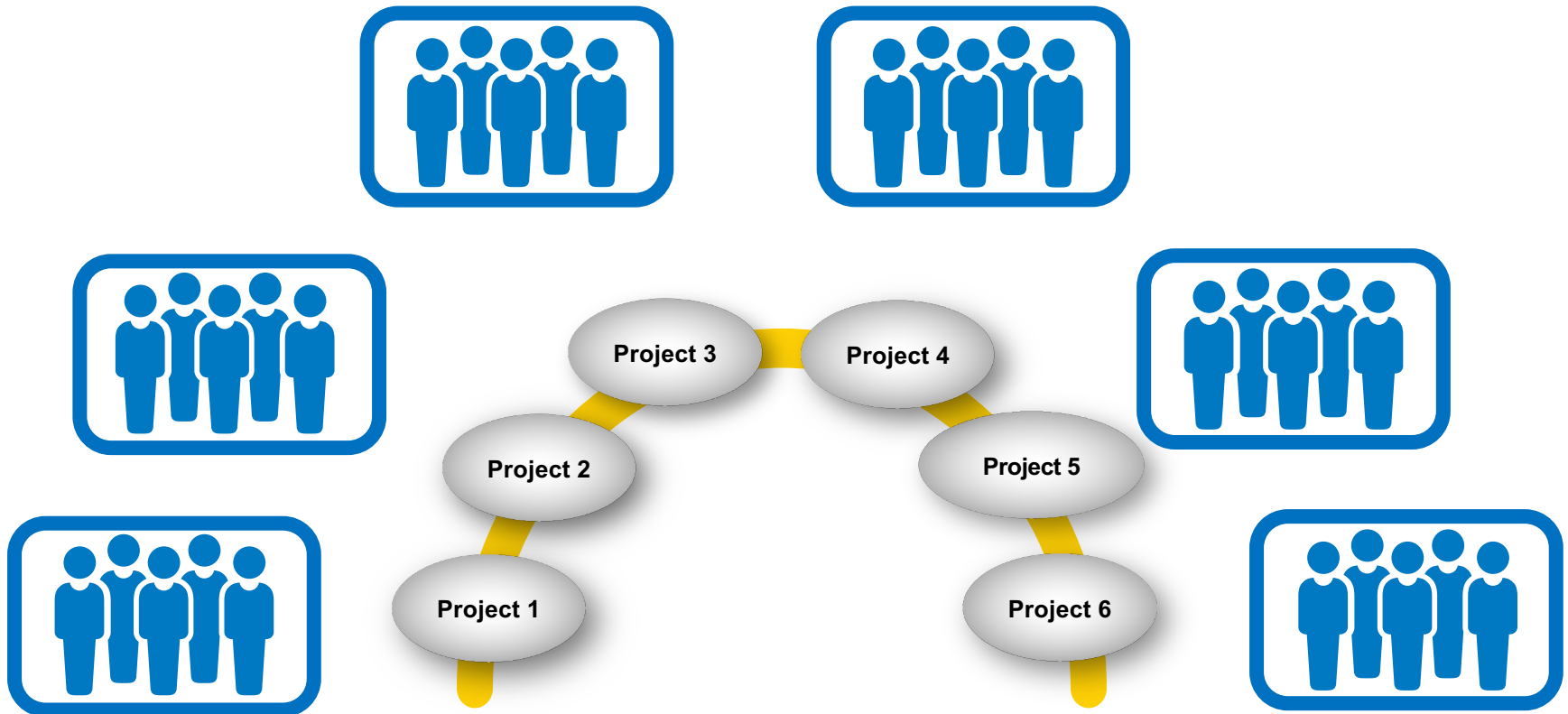


Giving some decision support
information

Defining the Portfolio Matrix



- Evaluate the business case
- Assess the strategic alignment
- Position the project on the portfolio matrix





Helpdesk Outsourcing

The company has different locations over 4 continents and wants to harmonize the helpdesk processes.

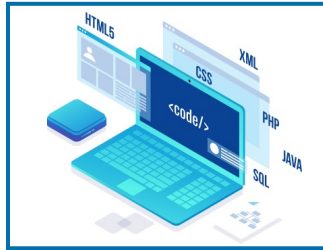
The IT Management asks you to investigate possibilities to reduce IT costs, especially by analyzing an outsourcing model in India. This should apply to IT Helpdesk and 1st Level Support.



Data Entry outsourcing

Outsource your data entry work, or hire entry agents.

[Learn More](#)



Web Development outsourcing

Outsource troubleshooting

[Learn More](#)



IT Support outsourcing

IT Support for your Business or for your customer. Build your team.

[Learn More](#)



Network Support outsourcing

Outsource troubleshooting

[Learn More](#)



Help Desk outsourcing

Outsource your help desk to our technical agents.





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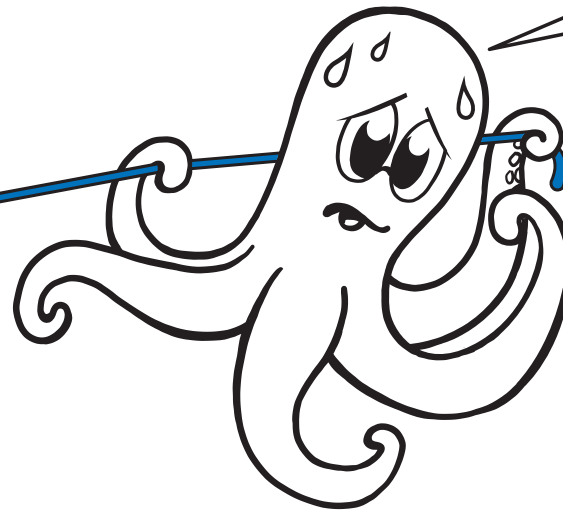


Global CRM

The company wants to have a global CRM system in place to manage local and international customers with the same platform.

The idea is to have a cloud solution in place so that customer data sets are available all over the world as some customers become global players.

	Multiple Vendors providing on premise CRM Solutions at various business locations
	Data management processes are not clearly defined, data duplication and redundancy Is a problem
	Maintaining multiple CRM systems is costly & inefficient; internal support needed
	Integration with marketing is not possible; no clear customer profiles & journeys are created



Existing CRM solutions are outdated and not able to support the needs of the growing global business.



eBilling

Saving time, paper and money...

- Send invoices electronically to our customers
- Direct delivery of e-bills from our software solutions
- No printing and shipping costs
- Better data quality: no need for subsequent credit data enquiries
- Higher delivery rate as there is no change of address and quicker payment receipt
- Unchanged credit processes



Go Green
Sign up for E-Billing



Cloud-based HR Management

Outsourcing of Payroll and Personnel Administration

- More time for core business?
- Cost effectiveness
- Need for clearly defined processes especially for the routine tasks
- No in-house skills in HR Management?
- Need for smart Engagement and Recruitment through leveraging social data



New data center

Many HW are end of life and the current data center is not compliant anymore as it does not fulfill the new security requirements. The idea is to move from the in-house infrastructure to a modern cloud infrastructure.

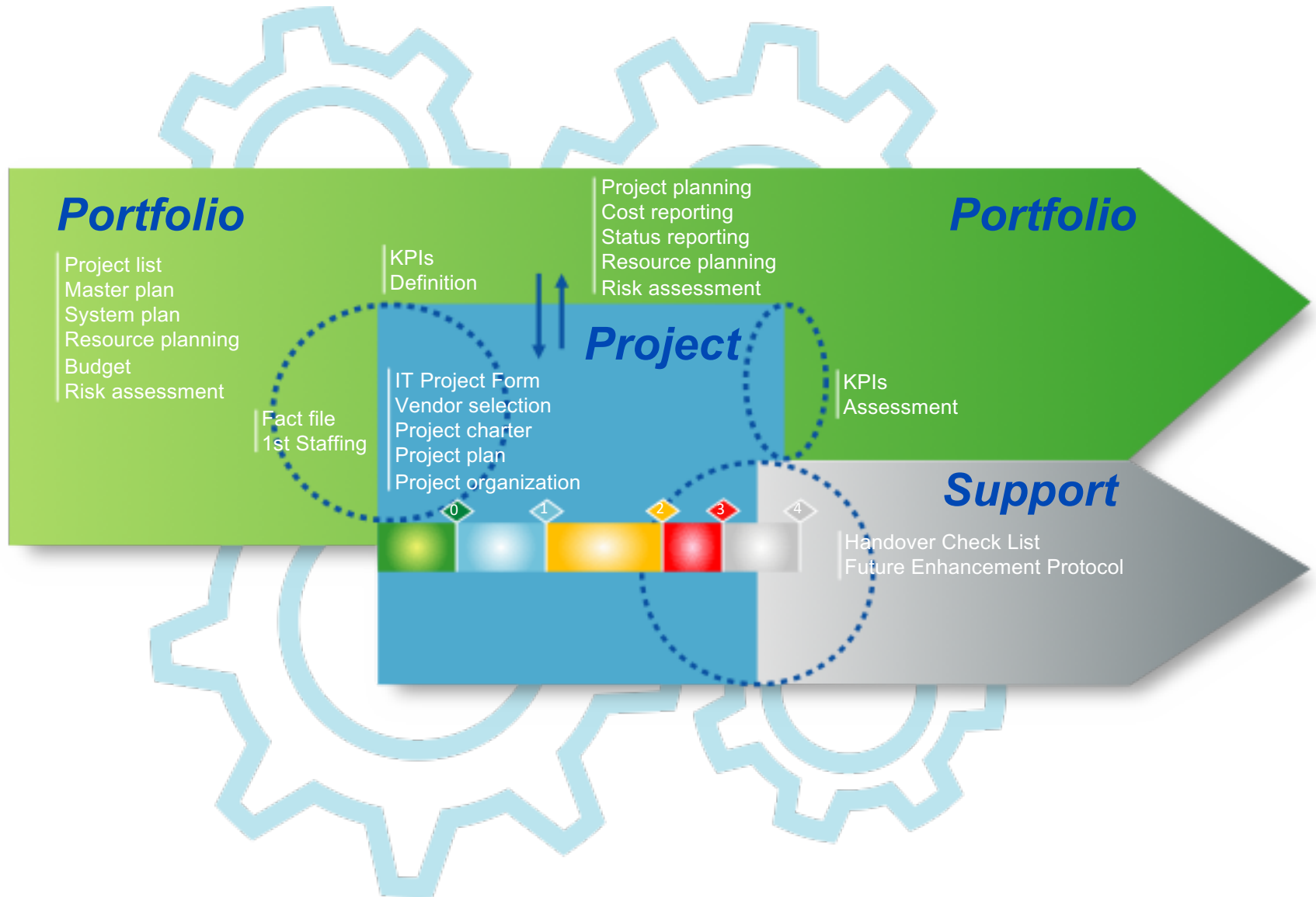




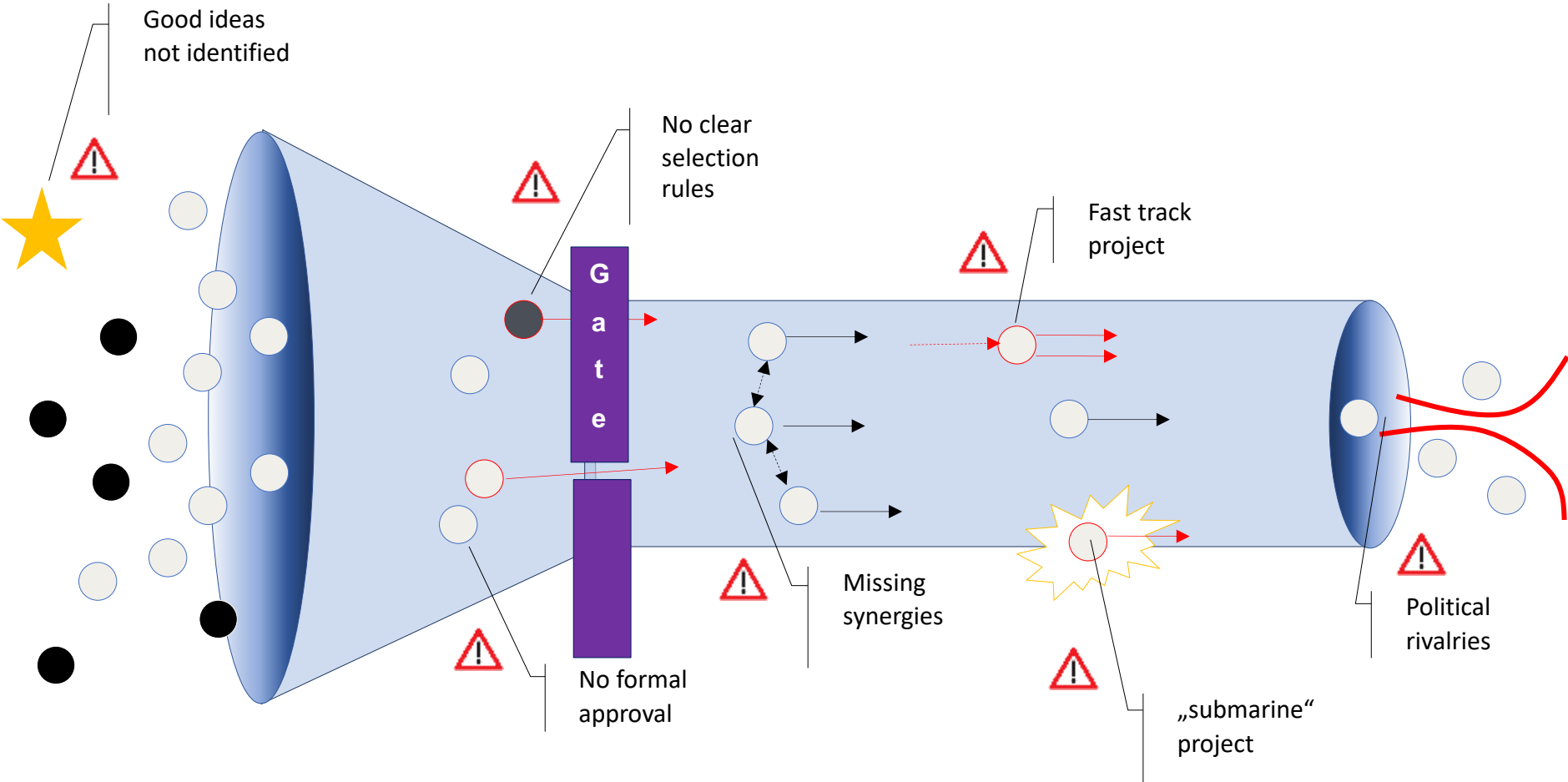
Data Management

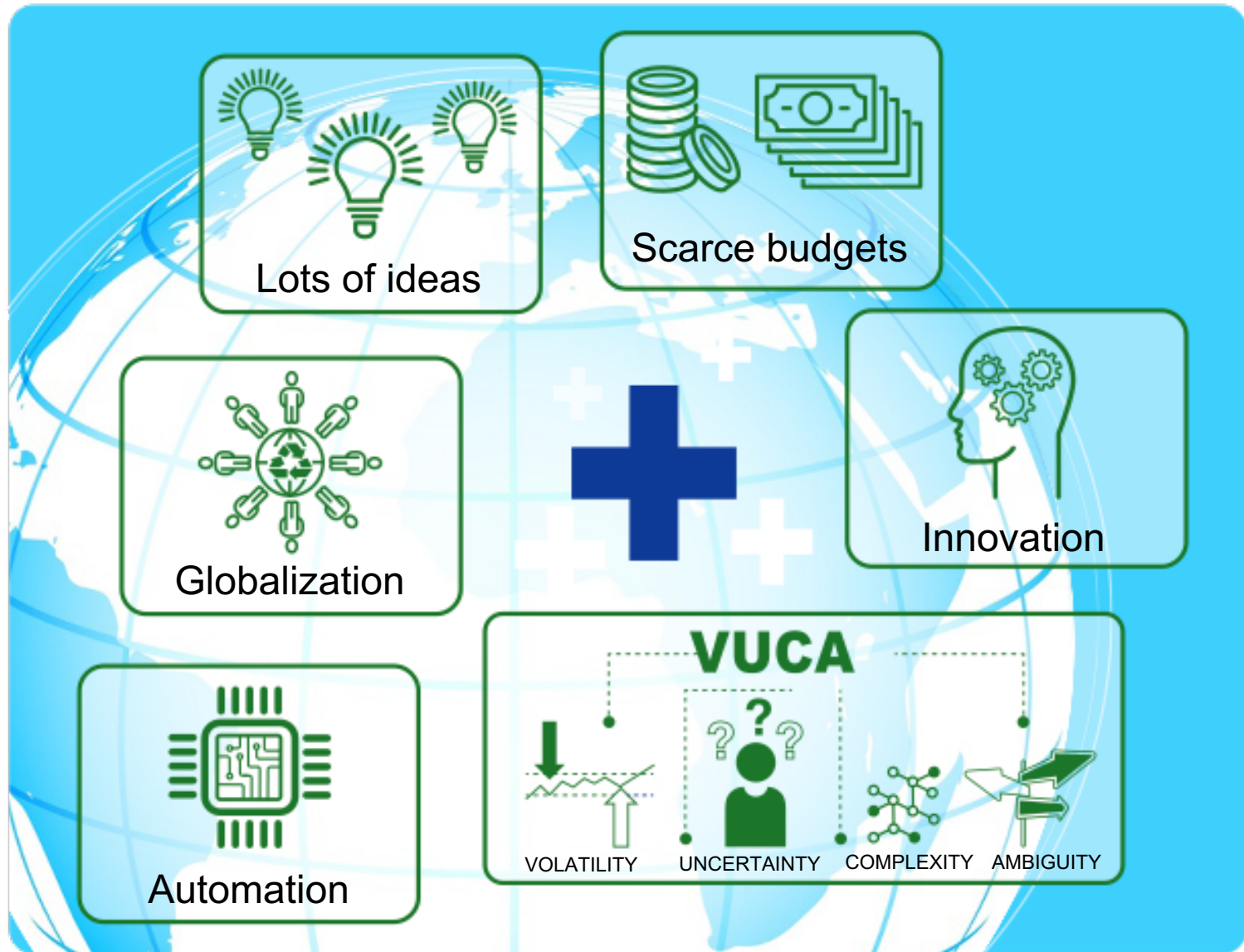
Within the digitalization, it has been noticed that the quality of data is not sufficient. The project should aim at identifying the major gaps, finding sustainable procedures and addressing the new GDPR requirements concerning data privacy.

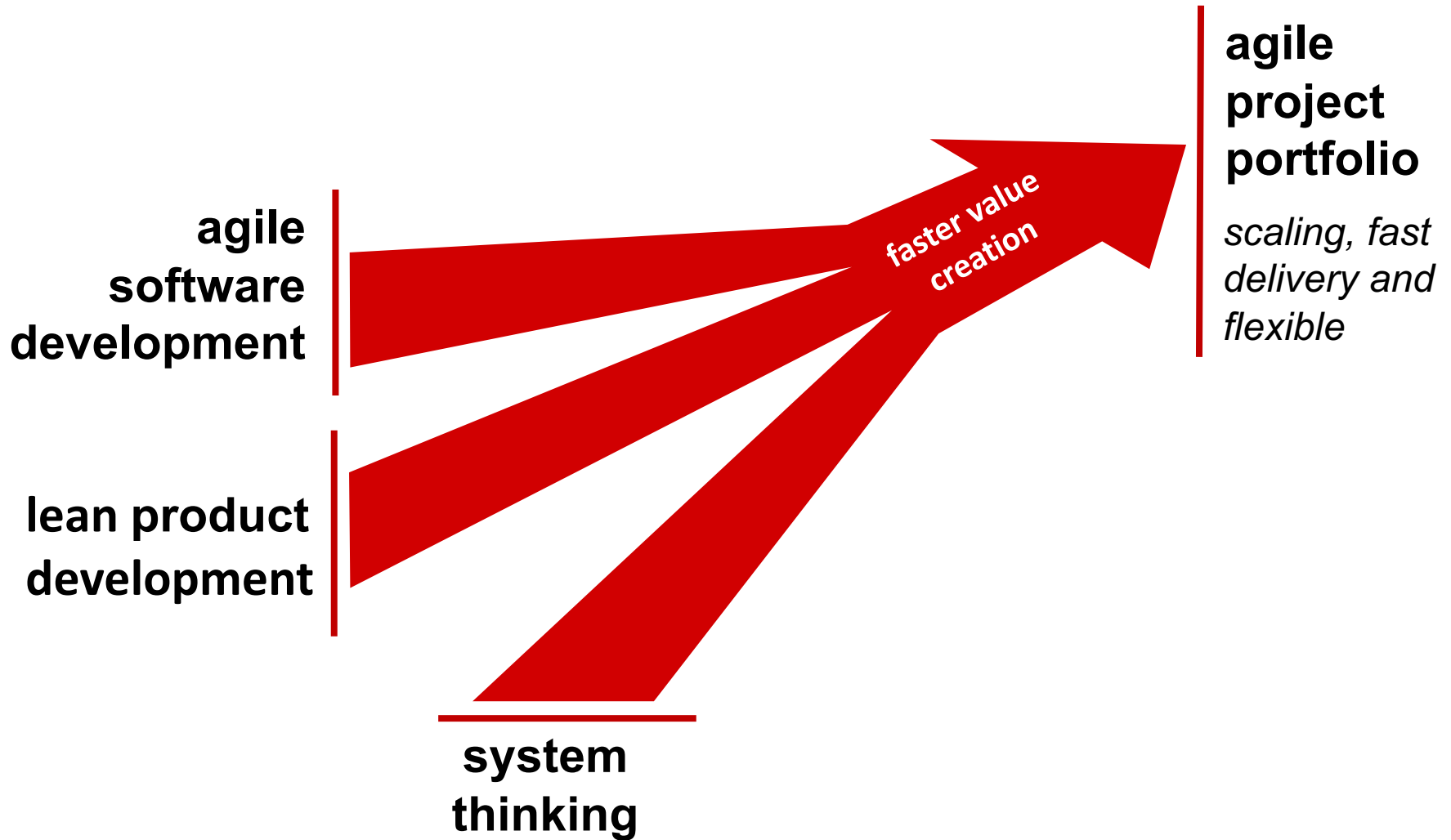




And of course keep the political dimension in mind









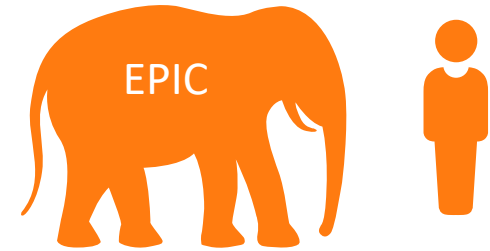
Scalable Agile Framework (SAFe)	<p>Framework for scaling Agile</p> <p>SAFe provides guidance for all the levels of the enterprise that are actively engaged in solution development: Team, Program, Large Solution, and Portfolio. The result is greater alignment and visibility across the organization, connecting the business strategy to execution, enabling better business results, faster, and with a higher degree of predictability and quality.</p> <p>Source: https://www.scaledagileframework.com/</p>
Scrum of Scrums (SoS)	<p>Scaling Agile with Scrum Of Scrums (SoS)</p> <p>The goal of Scrum of Scrums is to synchronize the work of the different Scrum teams and to identify team developments that influence other teams in implementing their requirements</p> <p>Source: https://www.agilest.org/scaled-agile/scrum-of-scrums/</p>
Disciplined Agile Delivery (DaD)	<p>Framework with three phases: Inception, construction, and transition</p> <p>DAD, with its four lifestyle models (Agile basic, Lean/advanced, Continuous delivery, and Exploratory) is more flexible than SAFe because it recognizes the differences in projects and allows teams more flexibility in process decisions.</p> <p>Source: https://www.agilest.org/scaled-agile/disciplined-agile-delivery-dad/</p>
Large Scale Scrum (LeSS)	<p>Large Scale Scrum</p> <p>LeSS is different with other scaling frameworks in the sense that it provides a very minimalistic framework that enables empiricism on a large-scale which enables the teams and organization to inspect-adapt their implementation based on their experiences and context. Source: https://less.works/</p>



EPIC

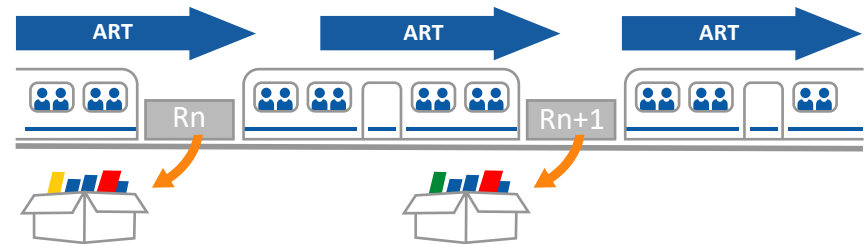
an epic represents a large requirement as a series of user stories to achieve a broader strategic objective

Example:
wish list for customers



Agile Release Train (ART)

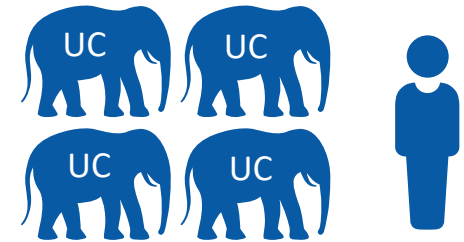
System implementation by integrating developments to productive systems



User Story / Use Case (UC)

individual feature or business requirement to be delivered within a single sprint

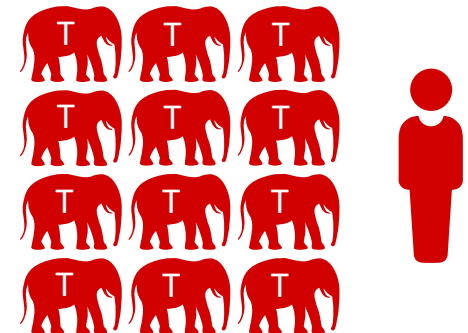
Example:
UC1: display existing wish list
UC2: add a new product to wish list



Task

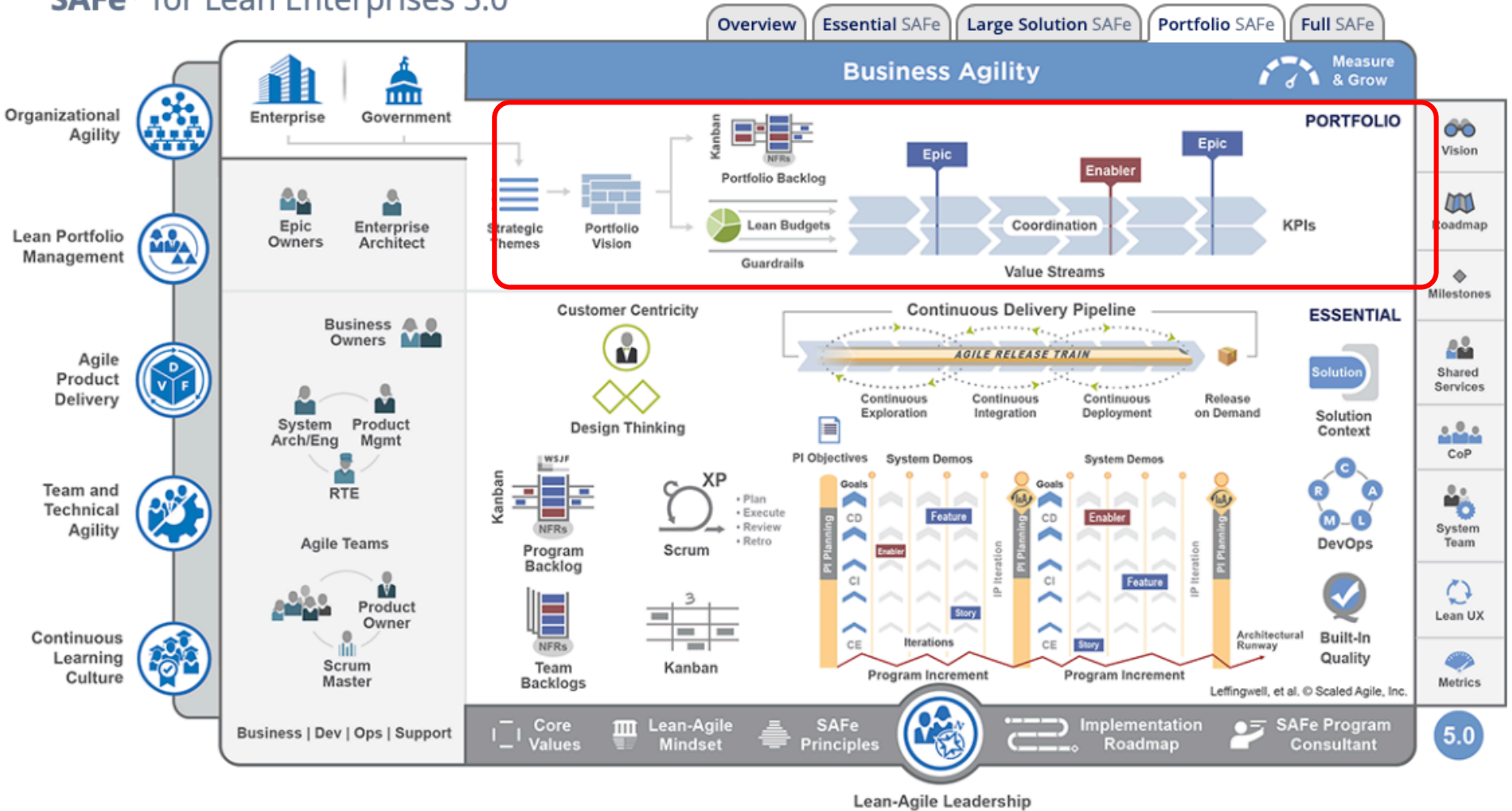
smallest unit used to track work; a task should be worked on by just one person

Example:
T1: wish button on all product pages
T2: add wish list to product view
T3: save new wish list
T4: view wish list

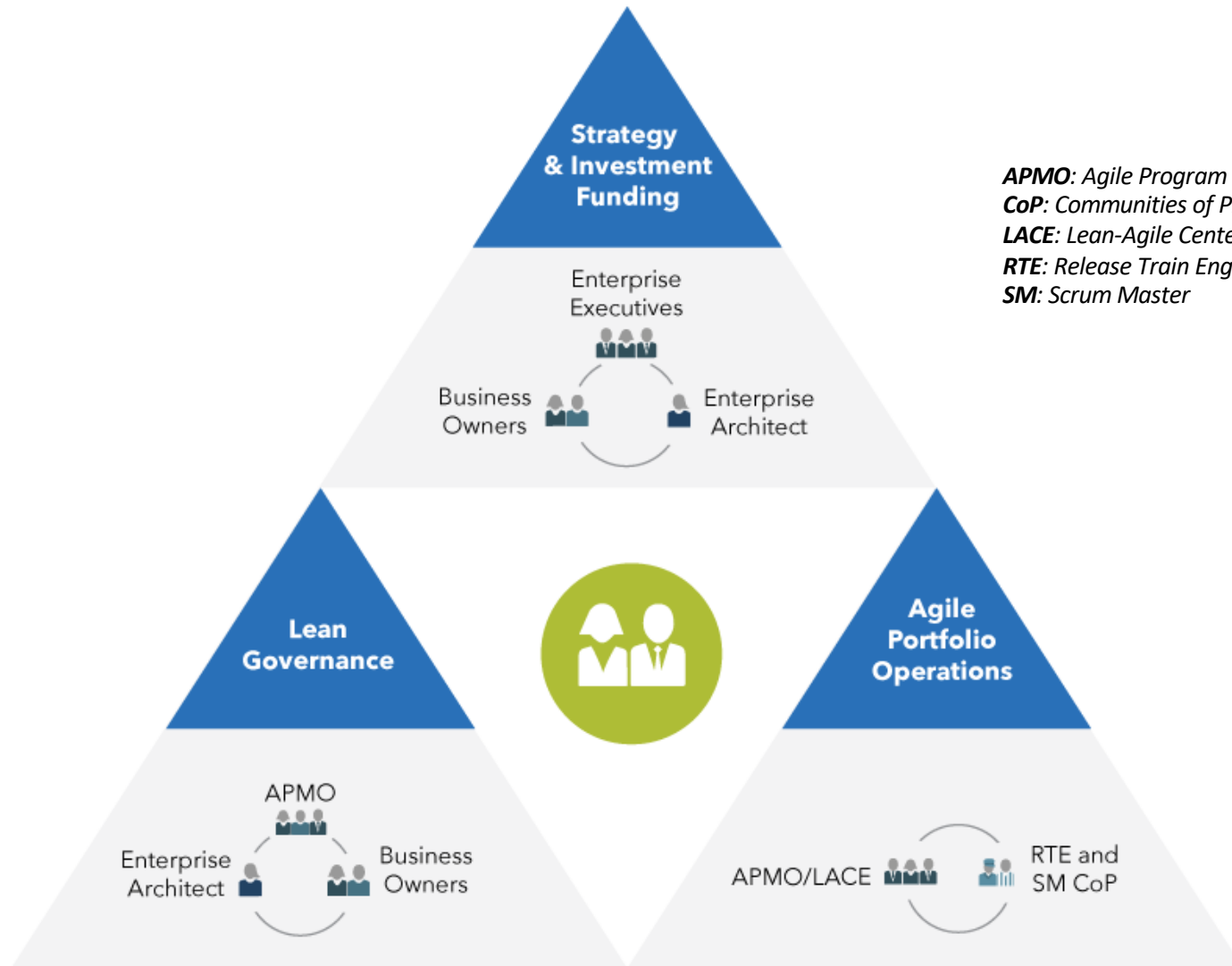




SAFe® for Lean Enterprises 5.0



The three dimensions of the Lean Portfolio Management

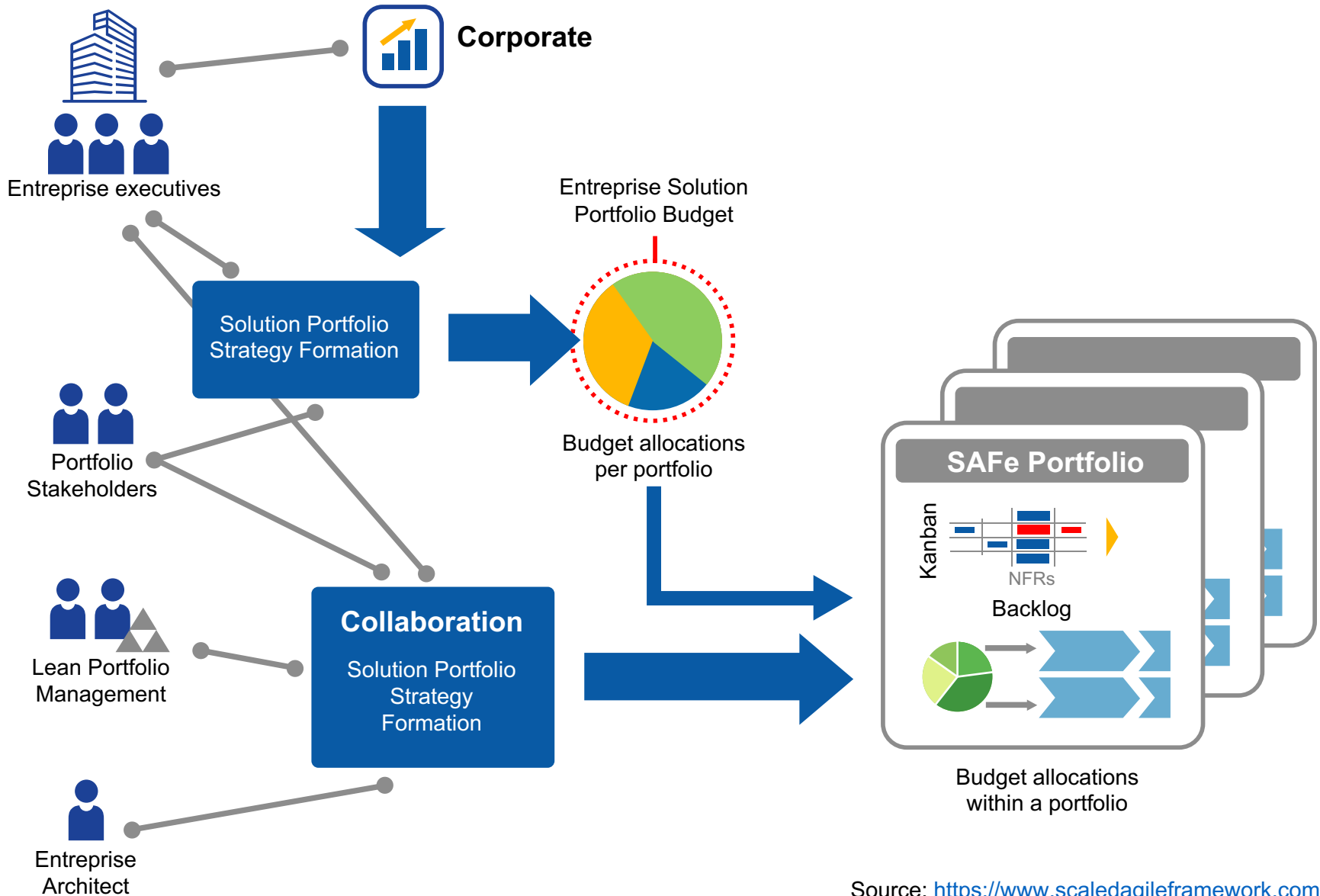


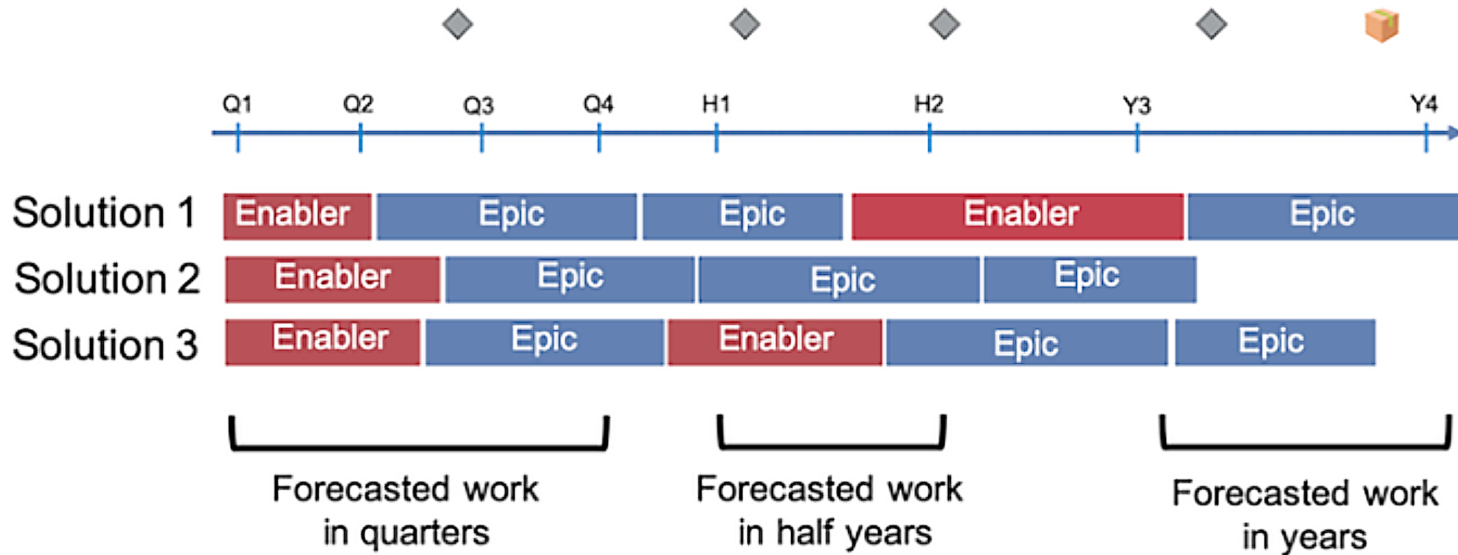
APMO: Agile Program Management Office
CoP: Communities of Practice
LACE: Lean-Agile Center of Excellence
RTE: Release Train Engineer
SM: Scrum Master

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Source: <https://www.scaledagileframework.com/>

Strategic Themes and Lean Budgets





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Enablers bring visibility to all the work necessary to support efficient development and delivery of future business requirements. Primarily, enablers are used for exploration, evolving the architecture, improving infrastructure and compliance activities.

Examples: documentation and signoffs, test automation, automated deployment, prototyping, regulatory approvals



A long view:

- ▶ How will our portfolio of future solutions solve the larger customer problems?
- ▶ How will these solutions differentiate us?
- ▶ What is the future context within which our solutions will operate?
- ▶ What is our current business context, and how must we evolve to meet this future state?



Strategic themes

specific driving elements that link the portfolio vision to the overall strategy of the company

Vision: A postcard from the future



- ▶ Aspirational, yet realistic and achievable
- ▶ Motivational enough to engage others on the journey

Result: Everyone starts thinking about how to apply their strengths in order to get there.

Switch: How to Change Things When Change is Hard, Heath and Heath, Broadway Books, 2010



Value streams

longer-term development projects that create a continuous flow of new products and services
















Portfolio Canvas

Portfolio Name:

Date:

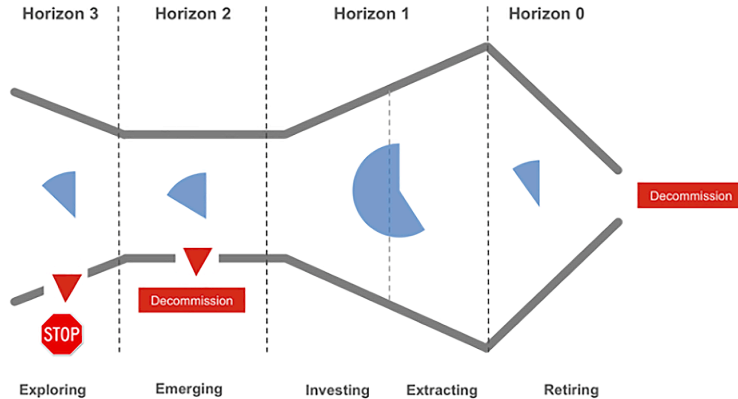
Version:

Value Propositions 						
Value Streams 	Solutions 	Customers 	Channels 	Customer Relationships 	Budget 	KPIs / Revenue 
Key Partners 		Key Activities 			Key Resources 	
Cost Structure 			Revenue Streams 			

The Portfolio Canvas is adapted from The Business Model Canvas (<http://www.businessmodelgeneration.com>).
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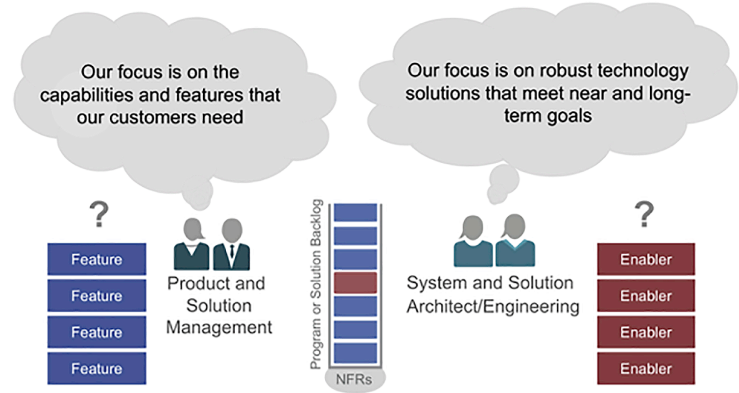


Guardrail 1: Guiding Investments by Horizon



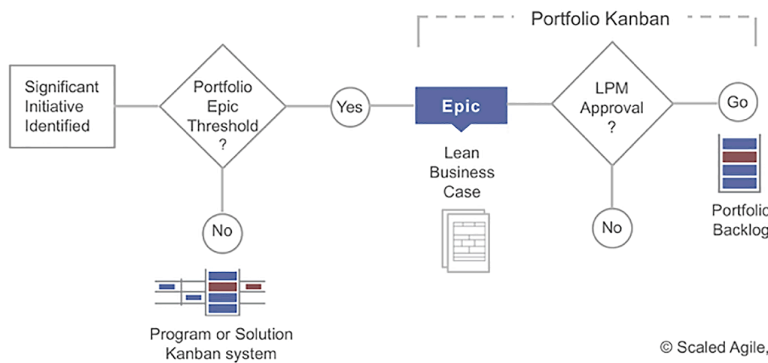
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Guardrail 2: Apply Capacity Allocation



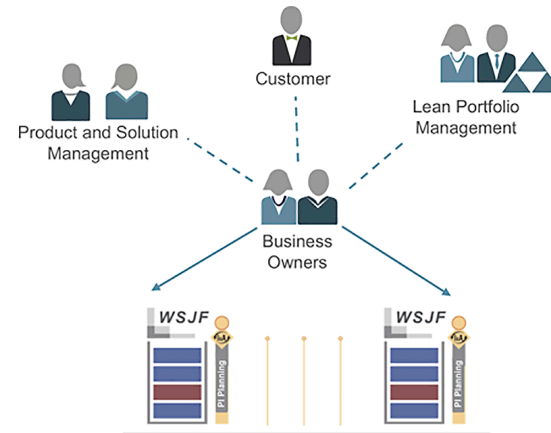
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Guardrail 3: Approving Significant Initiatives



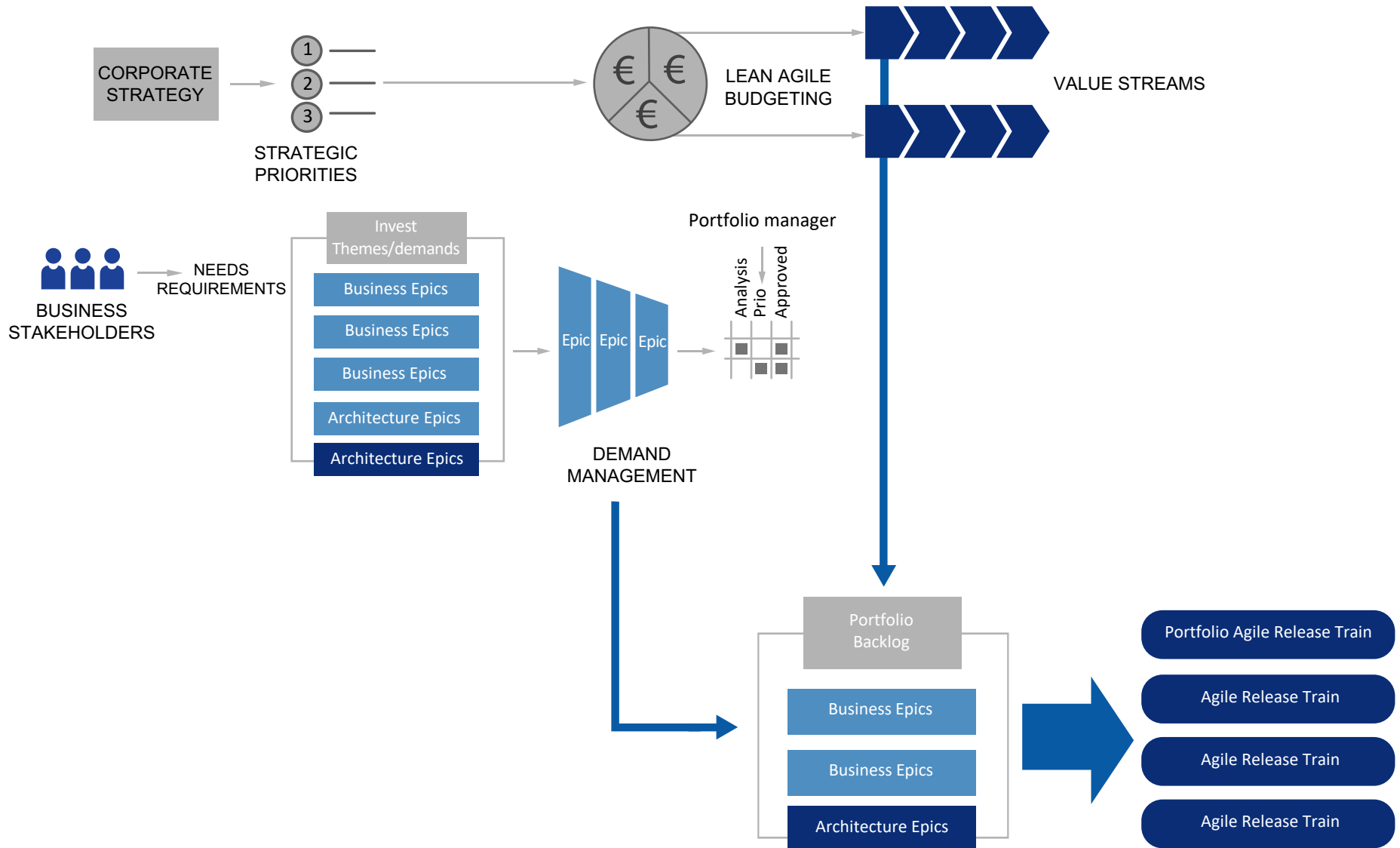
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Guardrail 4: Continuous Business Owner Engagement



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Simplified Process for Lean-Agile PPM



Differences “classic” vs “agile” Portfolio Management



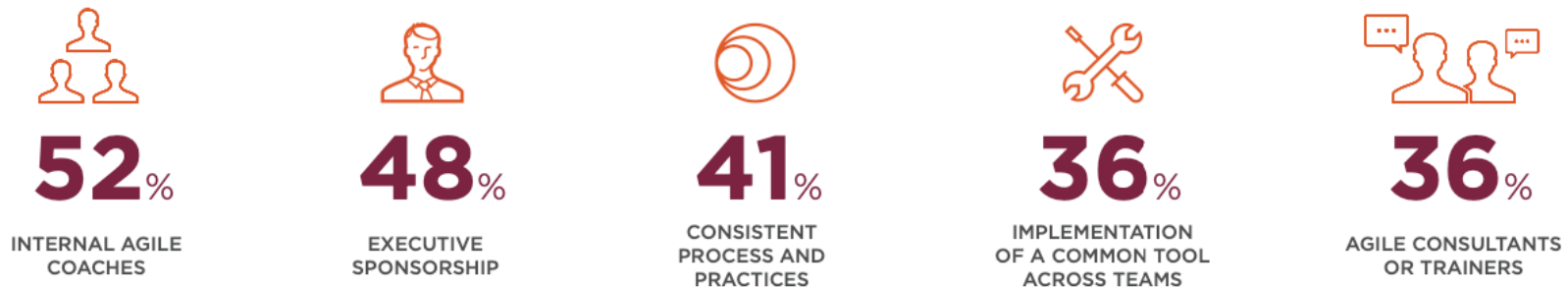
classic

agile

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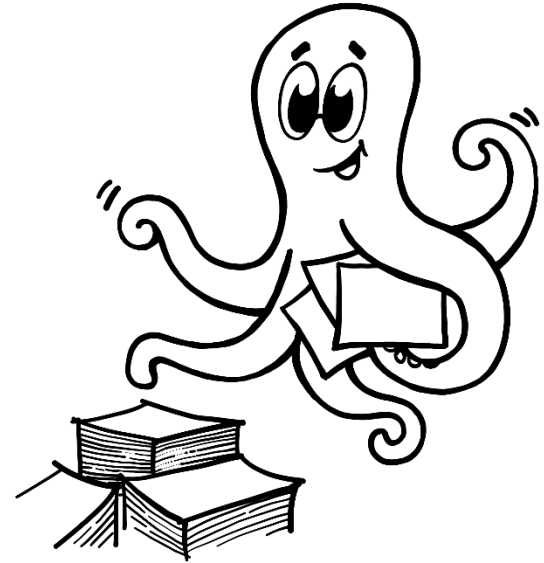
Executive sponsorship (48%), consistent process and practices (41%), implementation of a common tool across teams (36%), and agile consultants or trainers (36%) continue to be cited in the top five tips for successfully scaling agile for the past few years and likely points to the long-term importance of self-sufficiency when scaling agility. The top cited tip this year, internal agile coaches (52%), was a new entry into the top five.



- Which framework?
- Which balance between organisational structures and large-scale agile frameworks?
- How to introduce a new framework (top-down, bottom-up, big bang, incremental)?
- How to bring the evidence-based use of large-scale agile frameworks?



- The function of project portfolio
- The assessment criteria to select demands
- Calculation of a ROI
- The portfolio matrix
- The SAFe model





- Mathis C (2016) SAFe Das Scaled Agile Framework – Lean und Agile in Grossunternehmen skalieren. dpunkt, Heidelberg
- Pilorget L, Schell T (2018) IT Management. Springer, Wiesbaden





KNOWLEDGE

