



IBM Rational Software Conference 2009
As Real as It Gets!



Introduction to IBM[®] Rational[®] Focal Point[™] for IT Portfolio Management

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Rational. software

iPPM06

IT Portfolio Management

Strategy Alignment



Application
Portfolio
Management

Project
Portfolio
Management

Well Balanced



Fullfill business
demands



Right Cost



Right Time



Typical business challenges

- Do you have many project requests?
- Do you have conflicting priorities?
- Do you have limited resources?
- What is the optimal selection of projects for a portfolio that maximize value in relation to cost?
- Is your project portfolio inline with your application portfolio?
- How do you make sure that you're doing the right things
- If you select this one project instead of these two, what are the consequences on business value for each of your market segments?
- Too much / too little information
- Right information to right person at right time

How Focal Point Addresses Customer Challenges

Challenge

Focal Point Solution

At least 50% of the total project time is spent in the early phases

Focal Point **supports the early phases** when when analysis needs are most critical

Difficult to coordinate technology project planning

Focal Point **supports coordination** with integration to **System Architect**

25% of all projects are commercial winners

Focal Point helps companies to **identify and focus on the winners.**

80% of delivered features are never used

Focal Point helps to understand which features are **demanded by the business**

Lack of communication between Business and Development

Focal Point **provides collaboration** between all organizations

No clear link between strategy and development

Focal Point **integrates business needs** with projects and development tools

2009 Trends

- "PPM is evolving and bringing greater order to **business-level decision making**. Robust portfolio management systems that offer collaboration tools, business-process support, advanced reporting capabilities and governance tools will expand in 2009" – *Baseline.com*
- " Back to Basics for Successful Project Portfolio Management. 2009 will be a critical time frame for ensuring project success. Project managers will increase their emphasis on the basics, taking a first-things-first approach and address fundamentals such as gaining and sustaining executive commitment; addressing gaps in the **alignment of organizational strategy and projects; project selection**; and **efficient measurement process** while leveraging existing resources to increase project success." - *ESI International*

IT Portfolio Management



Understanding business drivers and needs



Delivering the right projects, with the right scope, at the right time



Understanding what requirements are needed to return value to the business



Understanding the availability of key skills and resources

IBM Differentiators

- **Connect ALM:** Bring information already gathered in ALM solutions to the decision-making arena
- **Top-Down Portfolio Management:** Focus business direction and strategy, rather than resource utilization and efficiency
- **Demonstrate the Value of IT:** Keep the focus on creating value for the business
- **Smart Cost Management:** Prioritized Cost/Benefit trade-offs to focus financial resources
- **Stage-Gate Portfolio Review:** Manage and monitor your portfolio as investments at each gate and at portfolio reviews

Projects delivered must support business objectives and deliver business value



The Rational PPM Competitive Advantage

Portfolio Management

“Doing the Right Things”

- ▶ Solutions include *Focal Point, Insight, Tara, System Architect*
 - True enterprise portfolio management with product, project, application, and asset portfolio support in one solution

Product Management

“Right Scope, Right Market, Right Time”

- ▶ Solutions include *Focal Point, Insight*
 - Automated idea collection from customer, markets, sales and other market inputs
 - Integrations with product development tools to provide health and status information without introducing complexity to the development environment

Project Execution / Integrated Lifecycle Management

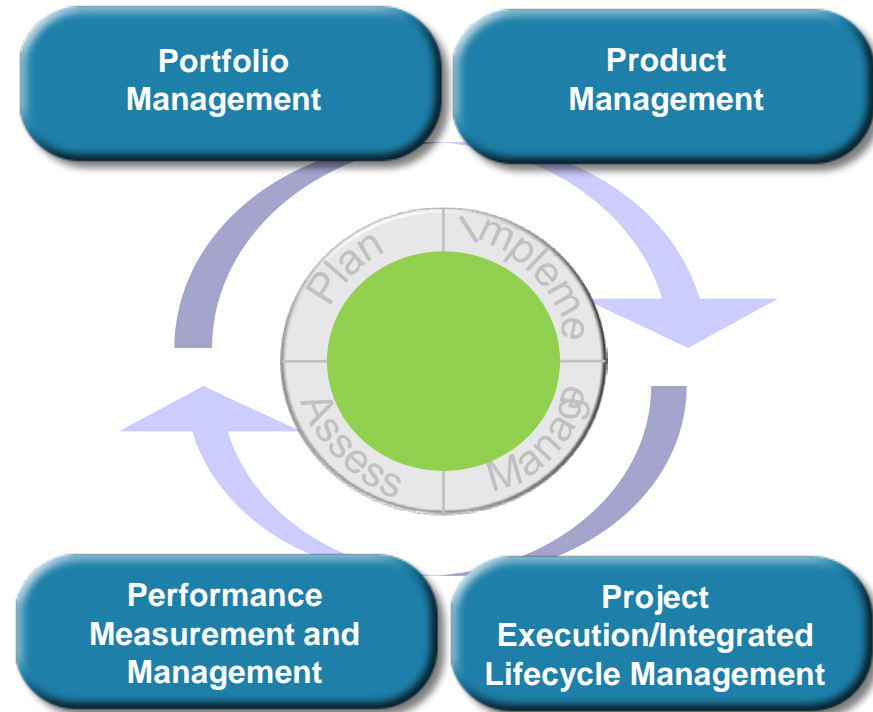
“Doing Things Right”

- ▶ Solutions include *Tara, RTC/CCM, ALM, Insight*
 - Consolidated and integrated project management across the complete application lifecycle
 - Improved decision-making with development intelligence

Performance Measurement and Management

“Measuring performance against business objectives”

- ▶ Solutions include *MCIF/RMC, Insight, Services, Cross-brand initiatives*
 - Assessment of both execution performance across the IT lifecycle as well as project performance based on business objectives

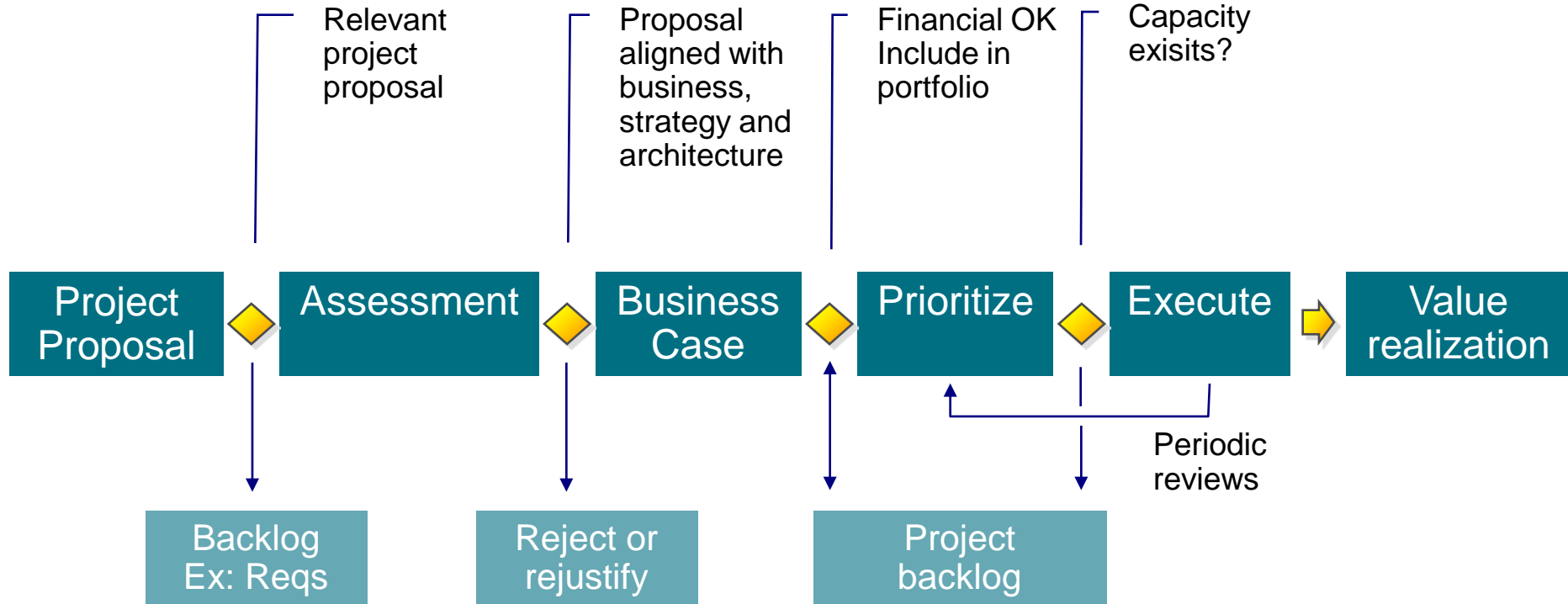


Enabling customers to predictably and consistently generate significant business value from their software and systems delivery investments based on open, integrated, role-based solutions that span the complete application lifecycle

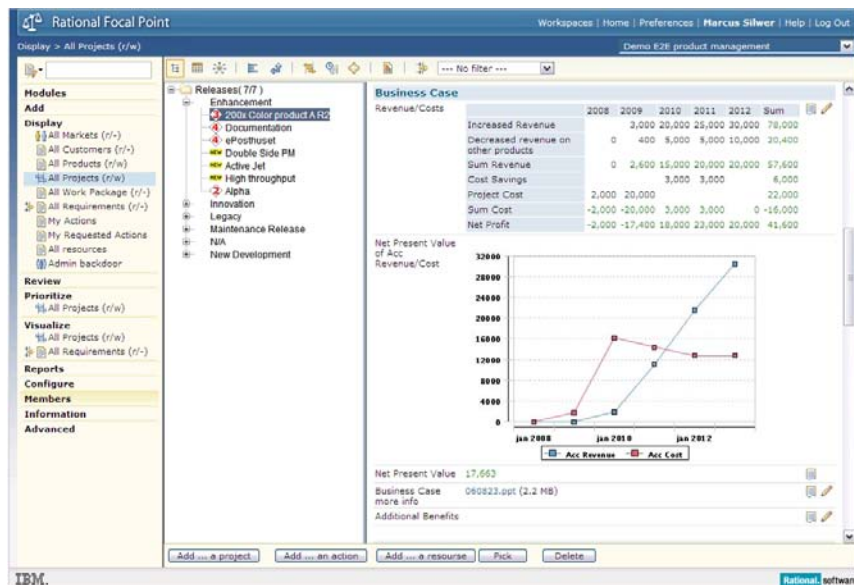
Customer requirements – A real example

1. All project proposal shall use the same template – focus on business, not technology
2. All project proposals shall be managed in one central database
3. All information shall be possible analyze in multiple dimensions
4. Fast and efficient feedback on project proposals – measure lead times
5. Project Portfolio must follow business rules
6. Workflow support
7. Right information to right user at right time
8. Prioritization and balance analysis
9. Support for value realization
10. Possibility to find bottlenecks in the process

A Process for Project Portfolio Management

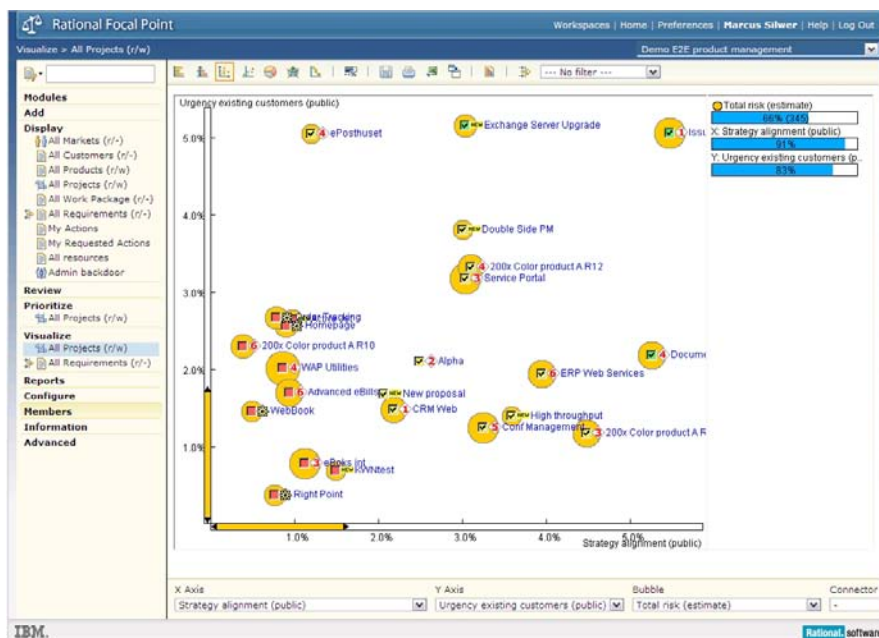


Repository for project portfolio information



- Escape chaos of spreadsheets, documents and emails
- Standardize 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?

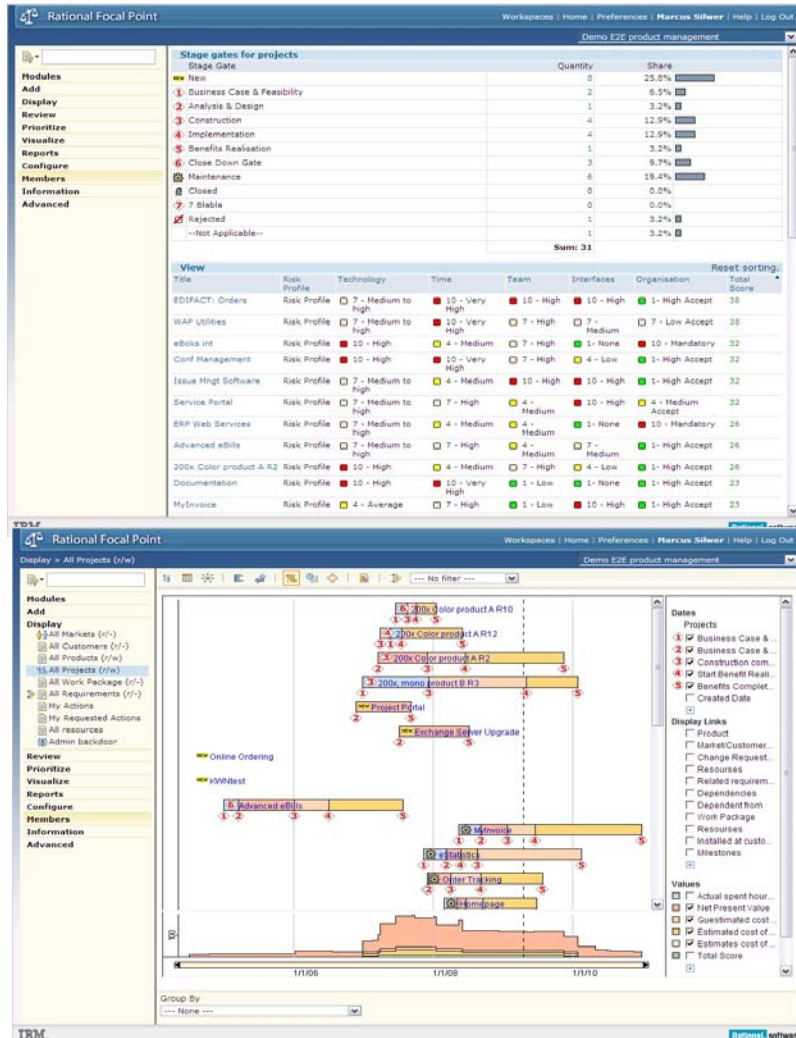
Evaluate & prioritize projects



- Evaluate new project requests against strategic objectives
- Prioritize projects by expected value, contribution to objectives
- Visualize trade-offs – value vs. cost vs. risk



Monitor & review portfolio

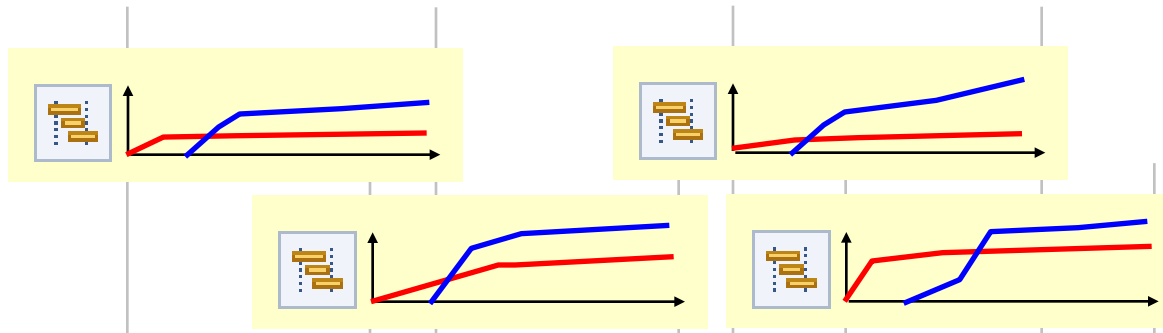


- Produce real-time portfolio status overviews
 - ▶ Reduces need for reporting
- Reprioritize or cancel failing projects sooner to reduce waste
- Maximize the business value of the portfolio in relation to IT costs

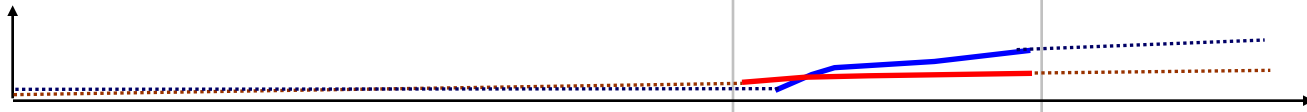
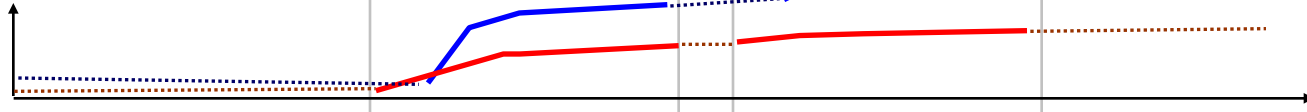
Value realization

Delivered projects shall deliver value to related applications as stated in the business case

Projects



Applications



Success Criteria

- Strategy of the organization should be the basis for project portfolio management
- Decisions should be based on objective negotiated criteria
- Both quantities and qualities factors has to be a part of the portfolio review
- Create metrics and foundation is several dimensions to support the decisions
- Business processes must be possible to manage changes in projects, strategy and business demands
- High executive involvement
- Implementation of project portfolio management should be done in collaboration with all affected stakeholders
- Terminate bad projects yesterday

Customer Case Story

Company Background:

- ▶ Headquartered in Stockholm, Sweden, is one of the largest banking groups in Scandinavia with well over nine million private customers and 500,000 corporate customers
- ▶ **Business Initiatives:**
 - ▶ Enhance overall decision making
 - ▶ Measure value
 - ▶ Maximize ROI

■ Solution:

- ▶ Swedbank selected Telelogic Focal Point for its integrated approach for supporting and automating the collection, revision, analysis, and overview of project information, and enhancing overall decision-making



*“We evaluated the most popular tools on the market today, and Focal Point **clearly stood out as the superior choice** not only for its traditional administration features, but also for its **focus on value and decision making.**”*

Bertil Lundberg, Senior VP, IT Control

Swedbank



Swedbank Case
Story

DEMO

QUESTIONS

Thank You

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