

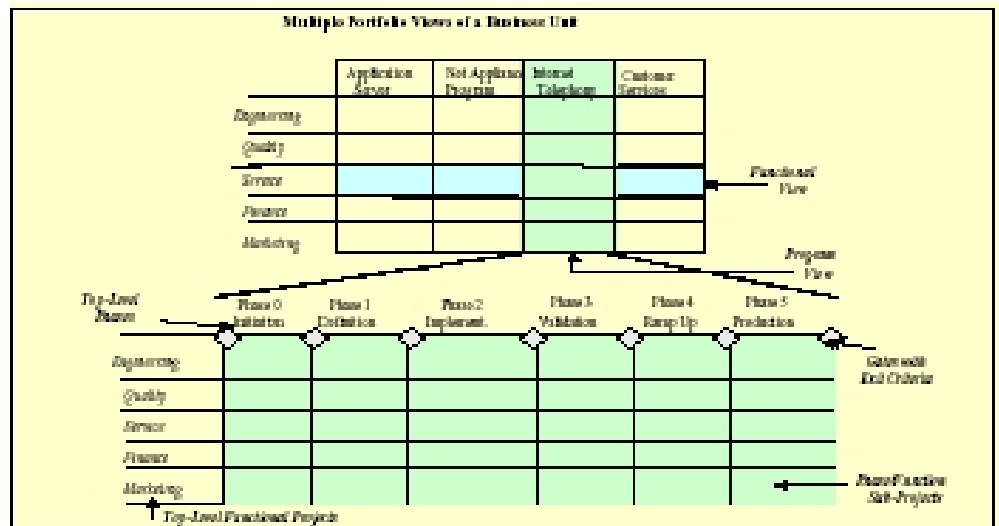
# Project Portfolio Management

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## Managing Portfolios in IT organizations

Portfolio management has become very popular recently, ever pondered why? In an attempt to remain competitive in unpredictable environments dominated by rapid market changes, an organization has lots of work to do and doesn't have generous budgets and resources and hence there is a need to prioritize and align the tasks based on the business objectives and value. There is a definite need for a solution that should allow them to slice and dice data, cutting across those projects, products, and functional areas before arriving at strategic decisions. Even though portfolio management can be used throughout an organization, it is the IT department that needs it the most seeing the way IT and technology is steering the way we do business. A recent study by Gartner group predicts that Project Portfolio Management (PPM) market is poised to grow by more than 20% and by 2009 most of the IT organization will have some set of PPM application managing their portfolios.

To succeed one must continually strive to maximize new product and services output in shorter time frames with existing, and often limited, resources. This challenge is further compounded by growing product/project complexity, a telecommuting work force, outsourcing / subcontracting and



the increasingly distributed nature of global development environments. Together these factors make a compelling demand on the use of best practices in mission critical aspects of a business. This need for multiple project views can be seen clearly in the following diagram:

An answer to this challenge lies in Project Portfolio Management – an end-to-end solution for managing all aspects of the development and deployment of technology projects, products and services. This solution addresses several of the issues and challenges inherent in managing multiple complex, interdependent projects and services in today's highly competitive technology industry:

### Process Eugenics and instilling Best Practices

Processes improve predictability and quality. Processes constrain innovation. Won't it be great if you can have one without sacrificing the other? You know that there is a better way of doing things. If only you can guide them through it...

One of the keys to achieving increased project throughput is leveraging an organization's collective "memory." Enhanced decision-making is possible if project members have clear access to relevant information on past projects. Project teams should be able to reuse past guidelines and practices, particularly if they have proven successful on similar projects. Organizations need to maintain a library of the best project templates, ensuring that developers will make fewer

mistakes because they will be less likely to overlook important tasks on complex projects. It is important to create a repository of best practices, corporate-standard documents and formats,

Templates, checklists, test plans, policy documents, market requirement documents, business plans, test cases, reference customer feed back, and drawings. Then, those items and the knowledge they represent must be available for the project team members through the life cycle of the project to keep them focused on their individual roles and overall goals.

### Managing Critical Milestones and Key Features

The common view of project development status should be configurable to the management review process in order to manage by phase-gate milestones, critical business decision points, or other critical milestones. Empowering yourself to win businesses is not just about delivering on time, but it is also about understanding your customer's needs well beyond the brief and delivering well beyond the expectations. Even with the best-defined requirements, many things can conspire along the way to compromise the original scope. Having a system that can help track scope changes visually is paramount in effective technology project management.

### Collaboration

Most activities in software development have a direct or indirect effect on the outcome of another. So, wouldn't it be great if you can predict how the dominos will fall..?

Software development is a unique mixture of individual brilliance and team knowledge. With the globally distributed team structure, the inherently creative nature of software development needs freedom to innovate without sacrificing the need to collaborate. Also, rapidly evolving technologies and an uneven distribution of resources are creating virtual teams that need to leverage each other's expertise in real-time. It helps teams and organizations manage, optimize and improve their processes. Project Portfolio Management solution is the tissue that holds the participants, tools and information together in a result-oriented framework.

### Managing Resources

Allocate optimally -- even the better-managed companies can miss opportunities because they mistakenly believe that certain resources are not available when they are, or are available when they're not.

Information that allows organizations to make better decisions is often unavailable or it is buried at the project level. It needs to be visible at a consolidated level across all programs and products so that decision-makers do not have to resort to guesswork. There are many dimensions to decision-making, but the resource dimension is the focus here. Projects are sometimes delayed because resources that managers assumed were available are actually assigned elsewhere. In addition, many companies launch more development projects than they can staff, which results in late and/or underdeveloped projects. Therefore, both executives approving new projects and managers staffing development projects need visibility into available resources. While management may have a general idea of which projects their staff is currently developing, they most likely will not know the length of these assignments. Therefore, managers require help to aggregate resource needs across all programs and projects and integrate those needs with the real-world resource pipeline.

### Visibility

Hundreds of software projects are kicked off every hour. Where is all that insight?

Managing a portfolio of projects in the pipeline requires an integrated feedback system that consistently consolidates the necessary information across projects, programs, and functions. Fact-based business decisions require top-to-bottom data integration and on-line analysis.

However, a common problem today is that decision data is fragmented, lacks integrity, is outdated, or is difficult to analyze. Management needs instant visibility into project status (i.e., “red-yellow-green” status), with the capability to drill deeper, as needed, to obtain additional information e.g., regarding critical activities or resources. Continuous monitoring of complex product and service, project parameters identifies problems on a real-time basis. Performance metrics include phase times, waterfall changes, scope modifications, resource utilization, cost, etc.

### Metrics

Numbers aren't good enough!

It has been an established fact that good metrics are a key to successful project portfolio management, however, the numbers itself cannot facilitate meticulous decision-making. Project evaluation has to be applied to a meaningful data that has been analyzed and structured based on the criteria important for project management.

### Risk Management

Most don't even understand their risks, others have ineffective risk management or no such processes.

Risk is an integral part of any business life. To be competitive and create profits, risks are taken -- only that it is usually not managed well.

IT industry typically struggles with operational risks where they suffer from losses due to inadequate internal processes and systems.

To mitigate risks properly, an organization needs to line up their major risks, understand their impact, achieve transparency by having an integrated view by risk category, articulate a risk strategy, segregate job description to set risk policy and monitor compliance and assume complete ownership and accountability for the risks.

### Digite's Project Portfolio Management

Time, cost and quality of software is determined by the infrastructure and development processes adopted. While businesses focus on software innovation, the robustness of their development processes is key to success. The new project portfolio management solution by Digite allows technology companies to accelerate time-to-market by 20-50 percent and improve throughput by 30 percent or more by giving decision-makers added visibility into project development status. Digite imposes discipline on your projects and develops a structure that makes you more effective in delivering on time and within budget. Digite PPM provides a configurable framework that allows teams to easily manage all the elements of project execution. It integrates the project management and operations management to align the projects with enterprise business objectives and optimize the use of available resources.

**Digité Enterprise can help ensure this success by providing best-in-class software development processes and metrics 'on tap'.**

Pre-built process templates can help businesses jump-start their software development organization. Quality Management module assists in implementing and monitoring CMM-i standards. Collaboration is inherent in the framework and flexible workflows empower the organization to steer the business processes at enterprise as well as project level. The personalized role-based portal and dashboard gives the required visibility into the projects. Project risk factors are measured, analyzed and reported to facilitate proactive decision-making. Also, the ability to track performance and benchmark the same across the community or industry makes it a valuable tool for process improvement.