

Driving Innovation & Business Value With True Portfolio Management

oday, more than ever, organizations need to align their investments and projects with the strategic objectives of the business to preserve their competitive advantage. To accomplish this, organizations need a defined portfolio of investments and the ability to prioritize and monitor their progress. Many organizations are making the most of product portfolio management (PPM) solutions by doing true top-down portfolio management.

The benefits can be huge. PPM tools can help organizations make smarter portfolio decisions; assure projects deliver desired results in line with market needs and business strategies; manage all financial aspects of a portfolio with accountability; gain better visibility and control of projects to speed delivery; and drive better project execution. Let's explore how prioritizing and driving your investment portfolio can help your business.

A Portfolio to Define Business Objectives

Technology continues to play an ever-increasing role in helping organizations gain a competitive edge, even if they're not running a technology company. Even traditional businesses (retail, manufacturing, and so on) need to manage their processes, resources, and technologies to ensure alignment with the business.

A complete project portfolio looks at many areas of the business to form a multi-dimensional matrix. This includes aligning business investments, business objectives, and business strategies. For instance, the portfolio should ensure that new goals are supported by proper investments in technology and resources, with a strategy for growth and return.

Additionally, execution priorities should be in line with these goals and investments, and shifted when any part of this matrix is adjusted. Business- and organization-level objectives should align with the priorities as a result, impacting projects, products, and the people working on them. Driven by the portfolio and its priorities, team leaders should find guidance to hire people with the proper skillsets and assign tasks that align with the top business objectives. This brings us back full-circle, where the right people work on the highest-priority tasks to support the top business objectives.

As new objectives replace older ones, existing investments may need to be reduced, resources shifted, and tasks reprioritized. Additionally, ongoing initiatives such as IT operations, research and development, manufacturing lines, and other areas of the business will need to be adjusted over time as well. Ensuring these initiatives, along with global and regional project work, are consistent with the overall business portfolio can be a challenge.

Take a Top-Down Approach to Business Planning

To effectively meet this challenge and coordinate corporate-wide efforts to meet the defined business objectives, an approach with two parallel efforts is suggested. The first is a top-down effort that looks at the high-level business objectives and all of its components. For this, you need to have well-defined priorities that are continuously adjusted according to changes in the market and competition.

The second approach looks at the detailed project data, including tasks, people, and finances. All of this data



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should be analyzed to ensure that prioritized investments are performing as expected. If they aren't – e.g., costs are too high, delivery is delayed, or the wrong resources are assigned – strategic decisions can be made at the portfolio level, with adjustments made in project execution.

Provide Business Guidance and Governance

Fed by the collected data, the portfolio is used to provide ongoing business guidance – forming a feedback loop. For example, it can help point out which investments aren't providing proper returns and areas where new innovation is needed, hence requiring additional investment. It also helps you define new strategies that align better to the organization as a whole, and determine which initiatives are most successful and why.

Other areas of guidance highlighted by the portfolio include the identification of efforts not aligned with business goals, projects requiring additional resources, and workers requiring additional training. Overall, the portfolio helps make the most efficient use of resources to meet top business objectives and goals.

PPM Roles and Responsibilities

A successful portfolio management effort involves contribution from all levels, from top executives to project leaders, but there are specific roles and key people involved. For instance, the project management office collects project data globally, the finance department compares the data to financial reports and forecasts, and various project stakeholders should have access to this data to some degree.

Individual business owners use this data to ensure proper investment within their respective projects, and C-level executives look at company-wide data such as R&D spending, global IT assets, and human resources to ensure they align with business priorities. Additionally, a view of this data can even be made available to key customers to prove commitment and investment in key areas of the business.

Drive Strategic Investments Regardless of Project Methodology

Most organizations quickly grow beyond the ability of spreadsheets to manage the associated company-wide data. To manage all of this properly, the data needs to be collected securely and analyzed quickly at a portfolio level. Portfolios must include project data regardless of project size or the methodology used. This data needs to include agile projects as well as traditional waterfall or hybrid methodologies.

Until recently, much of the data from agile projects hasn't rolled up into portfolios for most companies, and executives haven't had insight into them the same way they've had with traditional projects. New tools are required to ensure all of this data is captured in the investment portfolio. This includes the need to capture data from agile team stand-ups, white-board notes, and software release demonstrations.

Data Visualization for Maximum Value

Once the raw portfolio data is collected, the next step is to visualize it in a way that conveys the most value at a glance, with different views according to audience. This includes a view of financial activity, project status, regional investment reports, resource use, and a so on.

Data can be visualized in many ways, including Gantt charts, bubble charts, and pie charts. Often, the best way to visualize data for planning analysis is to use a water-line view. The visual water line can move up or down according to adjusted criteria to answer questions such as which investments have the highest potential returns or align best with investment parameters.

Delivering Strategic Business Value

Companies are maturing beyond project governance and are moving to true top-down portfolio management. Your PPM solution should help you drive your strategic plans across your entire portfolio of projects and investments. Merely governing project status is not enough. Projects should be prioritized according to business objectives, with resources and budgets aligned accordingly, while ongoing projects are monitored and adjusted as needed.

The CA Technologies Approach

The project and portfolio management solutions from CA Technologies enable you to define strategic plans, drive your investment portfolio, and ensure projects are properly prioritized and executed as planned, regardless of methodology. This will ensure that your investments are aligned with business objectives and deliver strategic business value.