# *«I want to prioritize IT projects which really contribute to the company's strategy.»*

*«Portfolio management establishes IT within the company as a business partner in an administrative sense… It allows companies to save, on average, 7% of their IT budget and around 20% of their IT investment volume.»*

*Bearing Point*

## The Dilemma

Enterprise project portfolio management covers the whole life-cycle of the project, from the initial vision to the executive floor, from managing projects right up to actually realizing their benefits. For this reason, it plays a decisive role in ensuring the company's success in a competitive market. The key to project portfolio thinking is, first and foremost, selecting the right projects whilst balancing limited funds and resources.

The second critical point is that, in this field, we are dealing with three different groups of people who don't speak the same language. There is a governance group, which performs strategic leadership functions: it includes CEOs, COOs, CFOs and line managers or strategic planners. These are the people who run a company for which projects play a vital role, and they are all responsible for making sure that the company continues to develop. They consequently need to manage IT in terms of value-based criteria and make sure that their business and IT strategies complement each other.

At the other end of the spectrum, we have the programming and project work groups, which deal with the planning and implementation of projects, and the operative teams, which keep production and «business-as-usual» practices moving, and therefore have a handle on the company's organization.

Each group has a different mindset and a different vocabulary – especially when it comes to IT.

Senior executives are interested in achieving successful products and services. The program management group wants to see successful projects and the operative teams combat resource bottlenecks and aim for efficient, cost-effective and sustainable service agreements.

So the biggest problem in IT management isn't whether their project is within time and budget constraints, important as that might be, but rather, they ask themselves: **«How does this IT project benefit the company's development, when, and how risky is it?»**

IT project management focuses on the process of making IT investment choices. Key elements here are evaluating, choosing and prioritizing IT investments as well as allocating them to an IT portfolio. The gains and risks of individual IT projects are evaluated against a framework of value-oriented portfolio management. A requirement of suitable support software for this process is that quantitative decision models are available for assessing IT investments throughout the portfolio, all the while taking corporate constraints into consideration.
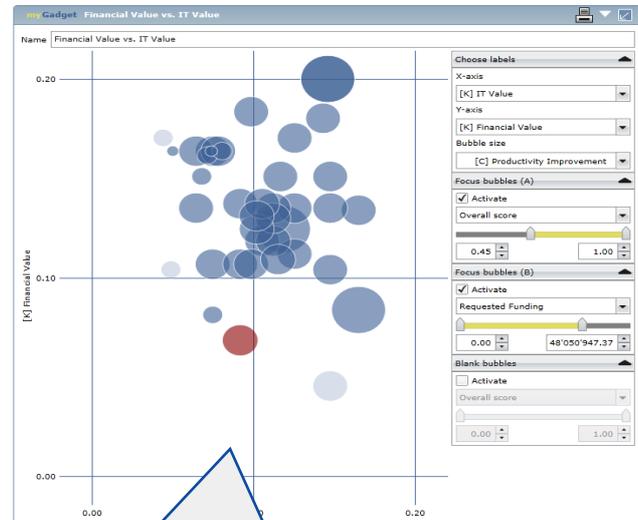
Selected projects run according to the «normal» life cycle of (internal) projects. Particular attention must be paid to resource management, as performance in the IT field relies heavily on the skills of specially trained staff.
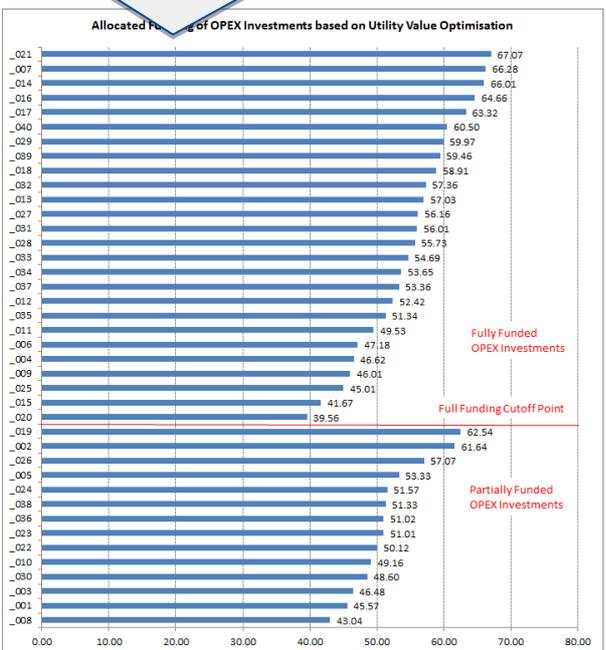
# «This is how we fix the problem.»



**Governance Level.**
Your critical enterprise perspectives, goals and KPIs together with trend indicators
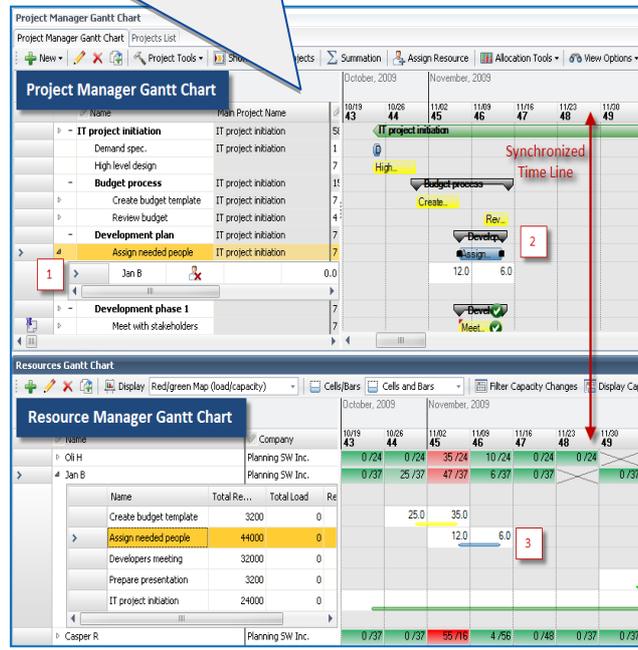


**Enterprise Project Portfolio.**
Multiple objective decision analysis (CAPEX / OPEX)



**Selection and Optimisation.**
Selected projects based on the Monte Carlo simulation



**Project Execution.**
Resource allocation as a main issue

## Further information

Do you have any questions or would like further information on the application?

Eduard Pfister will be pleased to give you a personal consultation and tell you more

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