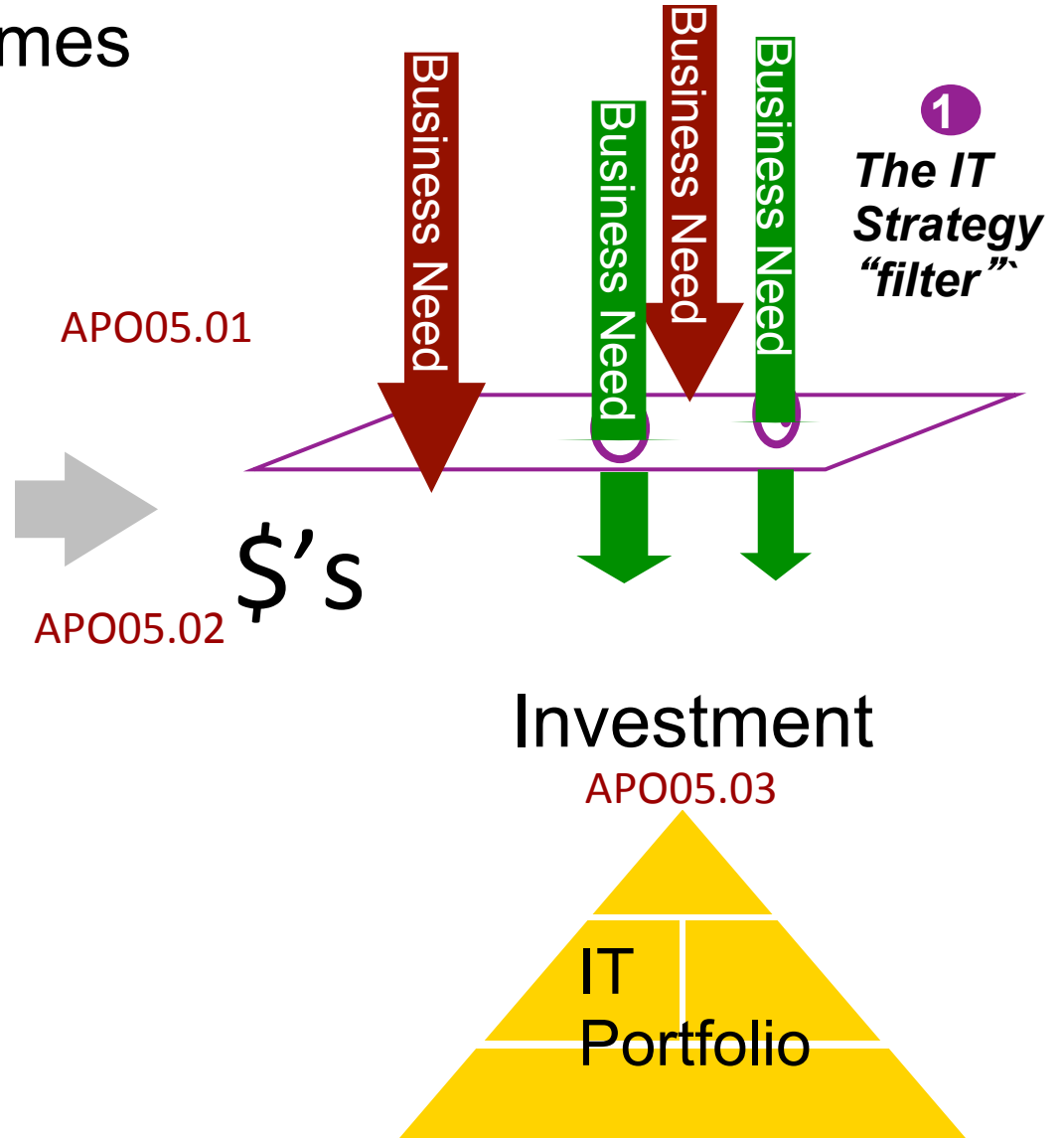
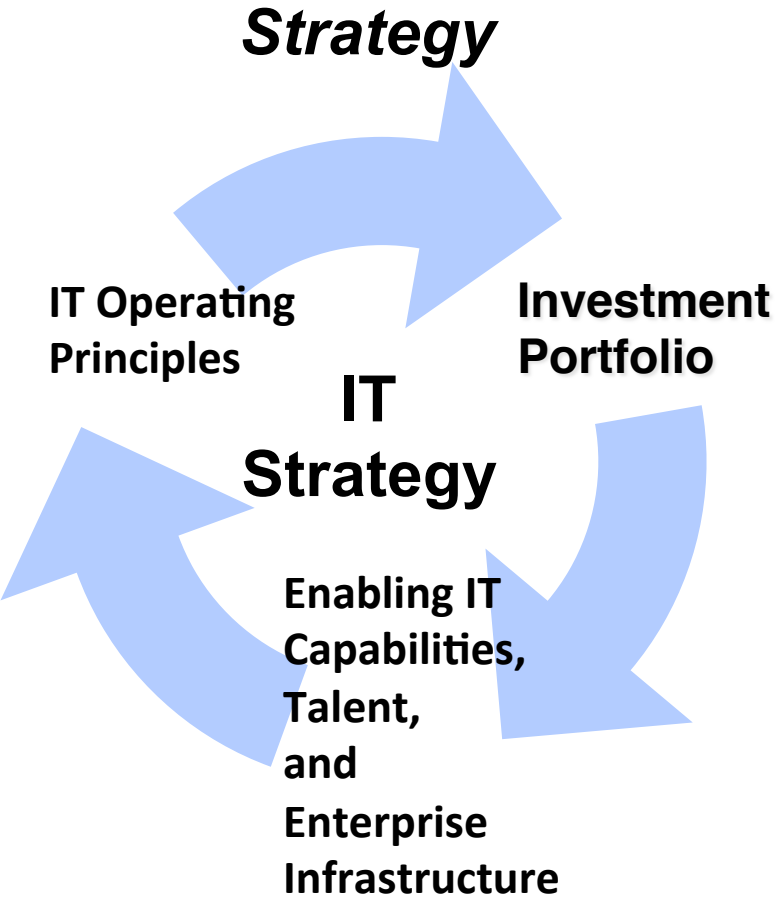


IT Portfolio Management

Week 4

Portfolio Uses Strategic Themes

Initiation Process



Initiate Process

- Input
 - Collect and Organize Ideas
- Understand Goals and Objectives
- Consider Alternative Solutions
- Create Project Business Case
 - Value
 - Cost
 - Risk
 - Return on Investment ROI, Payback period
- Output
 - Project Proposal Ready for Consideration by Decision Makers (Governance)

Who

Project Manager

Leaders

Sponsors

Stakeholders

What Makes Up a Good Business Case?

Executive Summary

Objectives

Scope

Deliverables

Value

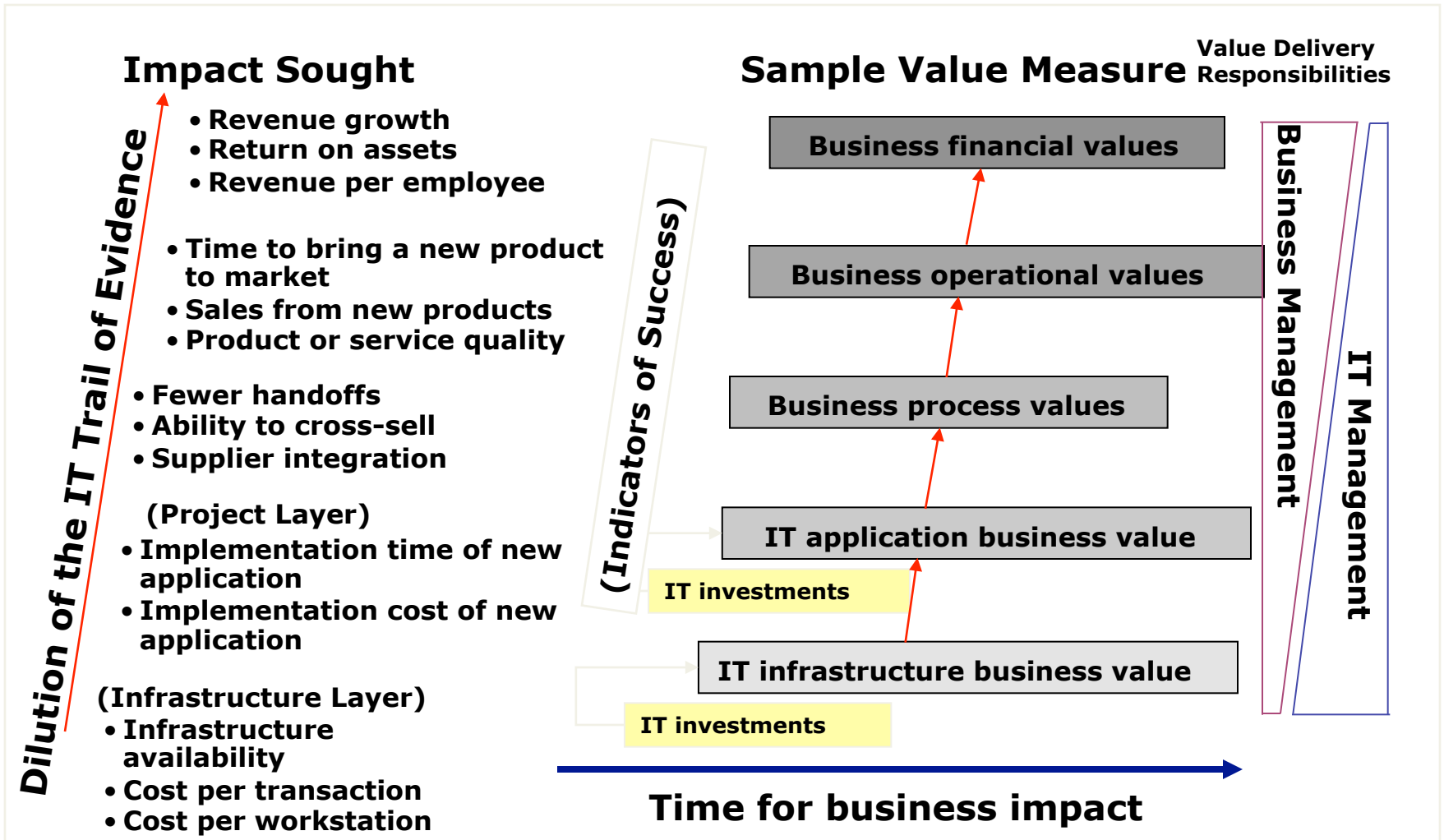
Cost

Risk

Assumptions

**SUPPORTING
DETAILS**

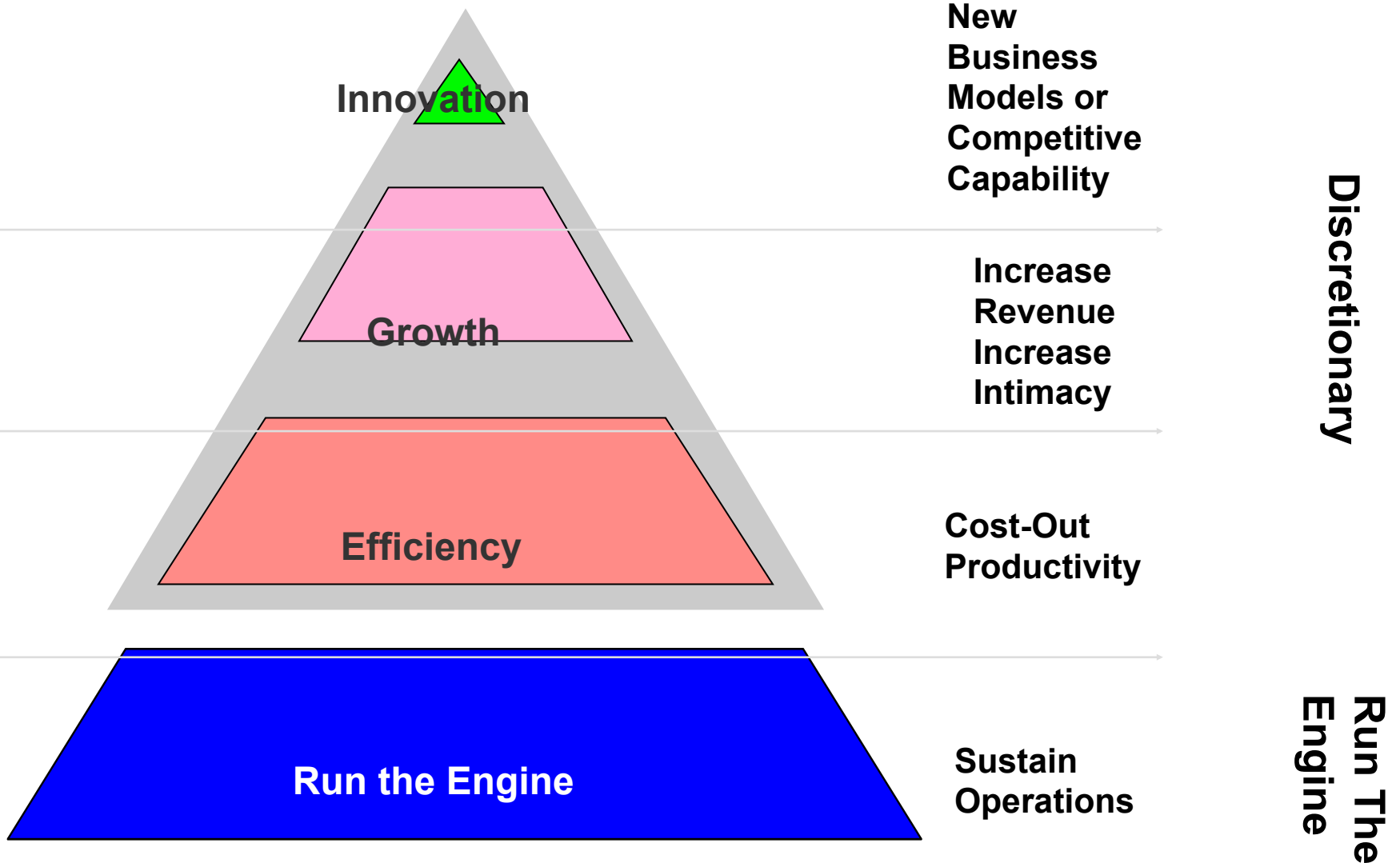
Hierarchy of Business Value Measures



Source: The New CIO Leader, Broadbent and Kitzis



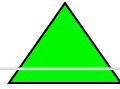
APO05.01 Target Mix



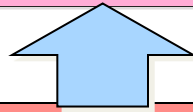
APO05.01 Target Mix

We can change the portfolio targets to shift investment to business opportunities.

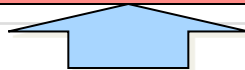
Innovation



Growth



Efficiency



Run the Engine

2%
\$0.5MM

Targets

1 Yr

3 Yr

30%
\$12MM

1 Yr

3 Yr

38%
\$15MM

1 Yr

3 Yr

30%
\$12MM

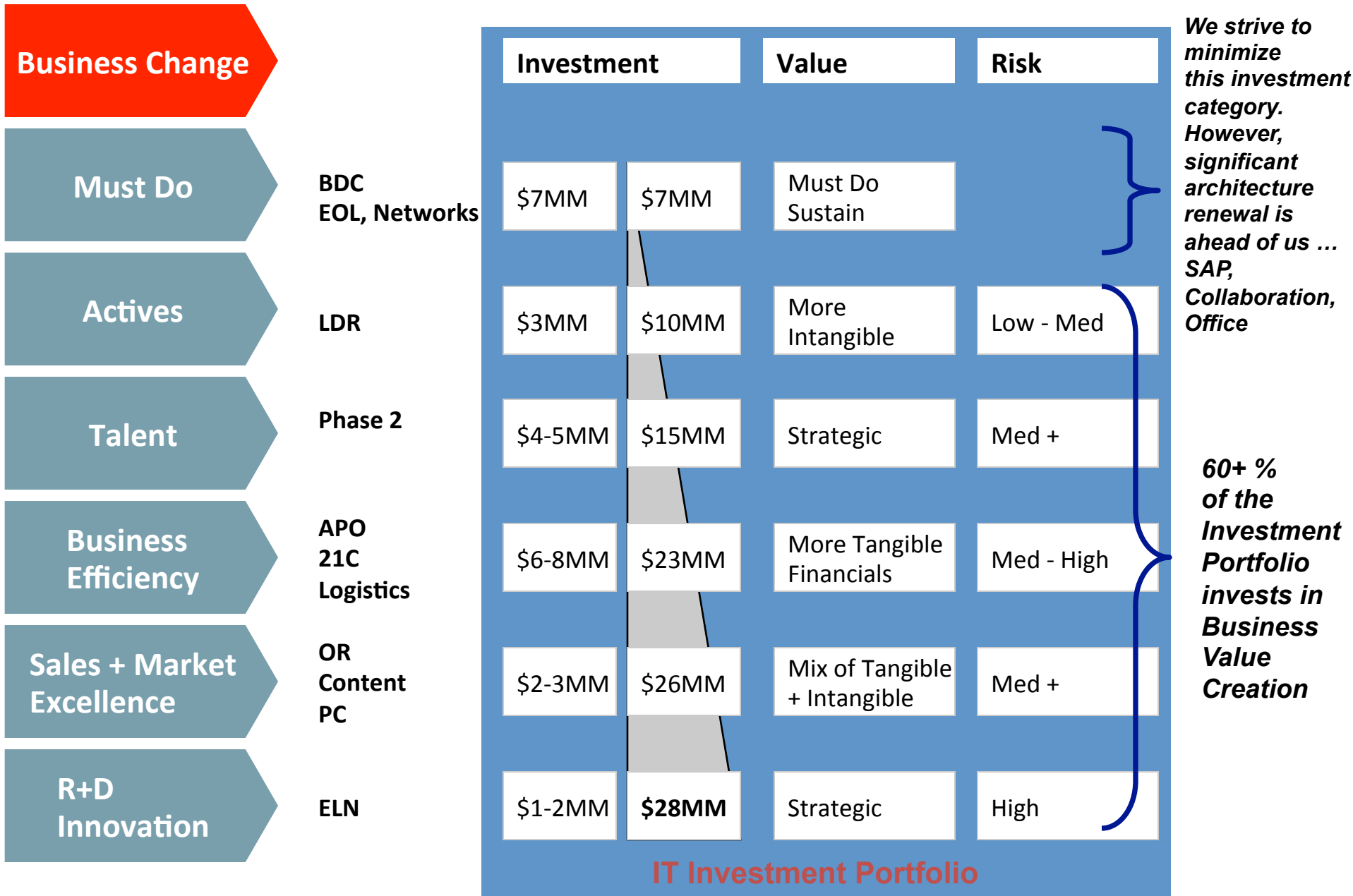
1 Yr

3 Yr

Discretionary

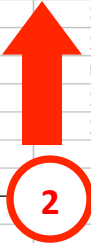
Run The Engine

Align Investment to Strategy ...



APO05.04 & APO05.06 Performance & Benefits

List	Gov	Project Name	Priority Rank	Risk Score	2006 Capex\$	2006 Capex\$ YTD	2006 Capex\$ Remaining	Total Capex\$	NPV\$
A	A	Project List	3.4	3.5	\$2,050,000	\$0	\$2,050,000	\$5,000,000	-\$5,000,000
			3.4	1.0	\$1,549,000	\$562,000	\$987,000	\$4,500,000	-\$4,100,000
			3.1	4.0	\$1,000,000	\$0	\$1,000,000	\$6,000,000	\$53,000,000
			3.1	1.0	\$720,000	\$130,276	\$589,724	\$1,100,000	\$3,840,000
			3.0	3.0	\$800,000	\$351,000	\$449,000	\$2,600,000	\$18,000,000
			2.9	3.0	\$540,000	\$30,000	\$510,000	\$540,000	\$4,000,000
			2.8	2.0	\$2,300,000	\$1,500,000	\$800,000	\$3,000,000	\$756,000
			2.7	5.0	\$500,000	\$0	\$500,000	\$7,000,000	-\$7,000,000
			2.5	2.0	\$1,100,000	\$236,000	\$864,000	\$3,000,000	\$3,000,000
			1.8	2.0	\$500,000	\$200,000	\$300,000	\$500,000	-\$500,000
			1.7	1.0	\$500,000	\$102,000	\$398,000	\$1,200,000	\$152,000
			1.0		\$1,000,000	\$700,000	\$300,000	\$1,000,000	-\$1,000,000
	Must				\$2,800,000	\$1,600,000	\$1,200,000	\$3,000,000	-\$3,000,000
				\$700,000	\$0	\$700,000	\$700,000	-\$700,000	
				\$2,500,000	\$1,200,000	\$1,300,000	\$7,500,000	-\$7,500,000	
				\$700,000	\$700,000	\$0	\$0	-\$700,000	
A Total			31.2	27.5	\$19,259,000	\$7,311,276	\$11,947,724	\$4,000,000	\$47,248,000
B	Pipe	Pipeline Projects	3.6	2.0	\$400,000				-\$400,000
			2.9	2.0	\$100,000				-\$100,000
			2.8	2.0	\$500,000				-\$500,000
			2.7	3.0	\$1,000,000				-\$1,000,000
			2.6	2.0	\$500,000				-\$500,000
			2.5	3.0	\$1,000,000				-\$1,000,000
			2.4	2.0	\$500,000				-\$500,000
			2.2	5.0	\$8,000,000				-\$8,000,000
			2.2	3.0	\$1,250,000				-\$1,250,000
			2.1	2.0	\$500,000				-\$500,000
			2.1	2.0	\$500,000				-\$500,000
			1.5	4.0	\$1,000,000				-\$1,000,000
	Recycle		3.0	2.0	\$500,000				-\$500,000
	Reject	2.1	2.0	\$500,000				-\$500,000	
		2.1	3.0	\$500,000				-\$500,000	
B Total			36.6	39.0	\$16,750,000				-\$16,750,000
Grand Total			67.7	66.5	\$36,009,000	\$7,311,276	\$11,947,724	\$47,340,000	\$30,498,000



Wow!

APO05, Manage Portfolio

1. Establishing the target mix
2. Determining funding
3. Evaluating & selecting programs
4. Monitoring investment performance
5. Maintaining their portfolios
6. Managing the achievement of benefits