

Workbook

PROCESS FLOW DESIGN

Creating Business Technology Portfolios

MOST ENTERPRISES HAVEN'T MASTERED PORTFOLIO AND PROGRAM MANAGEMENT TO HOLISTICALLY PLAN AND MANAGE THEIR TECHNOLOGY INFRASTRUCTURE. HERE'S HOW TO FIX THAT.

BY FAISAL HOQUE

Most companies have not successfully used a portfolio approach to holistically manage business and technology. As a business technology management (BTM) capability, portfolio and program management (PPM) involves the enterprisewide focus on defining, gathering, categorizing, analyzing, and monitoring information on corporate assets and activities.

The portfolio management procedure is elemental: Discover what you have, sort it into logical piles and assess the value of the individual items against larger goals. It's widely applied through business in areas such as financial planning, strategic planning and product development. While many business executives practice portfolio management in some form, the process is not often granted the strategic role it deserves. Many companies don't reap the full rewards because they view PPM in financial terms only, or they think of it as a software tool or consider it a tactical approach for managing projects. Below is a suggested executive agenda for successful PPM implementations:



STEP 1: Educate senior executives and start small. Begin to teach business and technology executives about the benefits of a portfolio approach. Consider developing a PPM capability for a small slice of the business to demonstrate the benefits and to build consensus for embarking on an enterprisewide effort.



STEP 2: Establish management commitment and vision. Most PPM implementations aren't technical, but managerial. The commitment and strategic vision of top executives should be established and sustained. PPM involves many different people needing to do things differently within the organization, so it must be supported by senior management to achieve success.



STEP 3: Address new organizational structures early on. Create an enterprise program management office (EPMO), which, in most cases, owns PPM. The EPMO's responsibilities should include educating the company on PPM processes

and collaborating with key constituents to establish portfolio management approaches. This group will also provide the tools and information to analyze portfolios and gain access to the inventory of programs, initiatives and assets. You should also form a business technology council, or an upper-level strategic decision-making body.



STEP 4: Explicitly design information management processes. PPM will be an outright failure if the information gathering is not performed adequately from the outset and if information is not kept up to date. It's critical to have specific processes and responsibilities that relate to the creation, approval and updating of information.



STEP 5: Keep automation in perspective. Don't focus your entire efforts on a PPM tool. The organizational processes and responsibilities to support PPM are far more important. There are countless stories of companies that have failed in their implementation efforts of PPM tools, and executives at many of these companies are not even aware of the PPM tools they own. It is critical to treat the tool as just one dimension of what needs to be addressed during a PPM implementation.



STEP 6: Sustain a high degree of focus on PPM end users. More than any other implementation, PPM requires an intense end-user focus as it's an enabler of other activities. End users must have access to customized portfolios to support the activities they need to perform on a daily basis.

FAISAL HOQUE is chairman and CEO of the BTM Corp. (www.btmcorporation.com). BTM innovates business models and enhances financial performance by converging business and technology with its products and intellectual property.