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Ingenuity Meets Implementation

Fully Enabled Project Portfolio Management (PPM)

June 2009

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Webcast Agenda

- About Pcubed

Part I

- Overview of Project Portfolio Management (PPM)
- PPM evolution, challenges and efficient frontier
- PPM best practices

Part II

- Pcubed Delivery Hub demonstration
- Q&A

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About Pcubed

About Pcubed



- **Leading global provider of full-service project and portfolio management solutions**
- 15 offices and 300 people worldwide, supporting over 2,500 client initiatives since '94
- Involved in over \$55bn of client change portfolios
- Provide world-class methodology, tools and services to transform PPM processes
- Accelerate complex project / portfolio initiatives reducing the cost and risk of change
- Clients from over 100 of the Fortune 500



Program Leadership

- ✓ 2004 Athens Olympics
- ✓ 2006 World Cup
- ✓ 2012 London Olympics

Client	Portfolio Management Services
Fortune 5 Oil & Gas Company	Optimization of capital project portfolio – Global Refining
Global Speciality Chemicals Mfr.	Portfolio optimization, time to market improvements through PM process
UK Government Program	Optimization, Benefits management, performance management
International Investment Bank	Optimization & Portfolio Delivery Methodology
Fortune 15 Consumer Products	Optimization & Portfolio Delivery Methodology

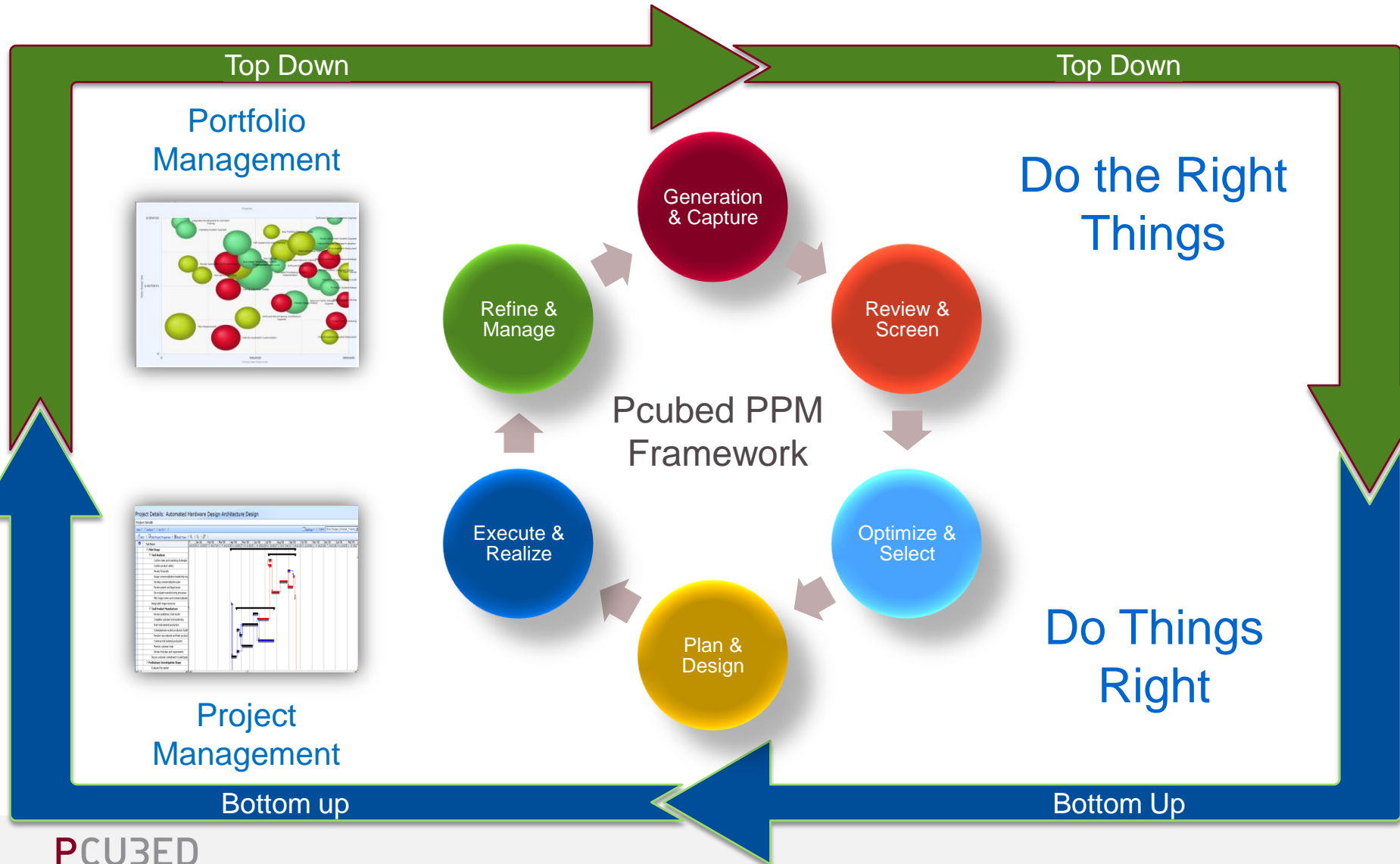
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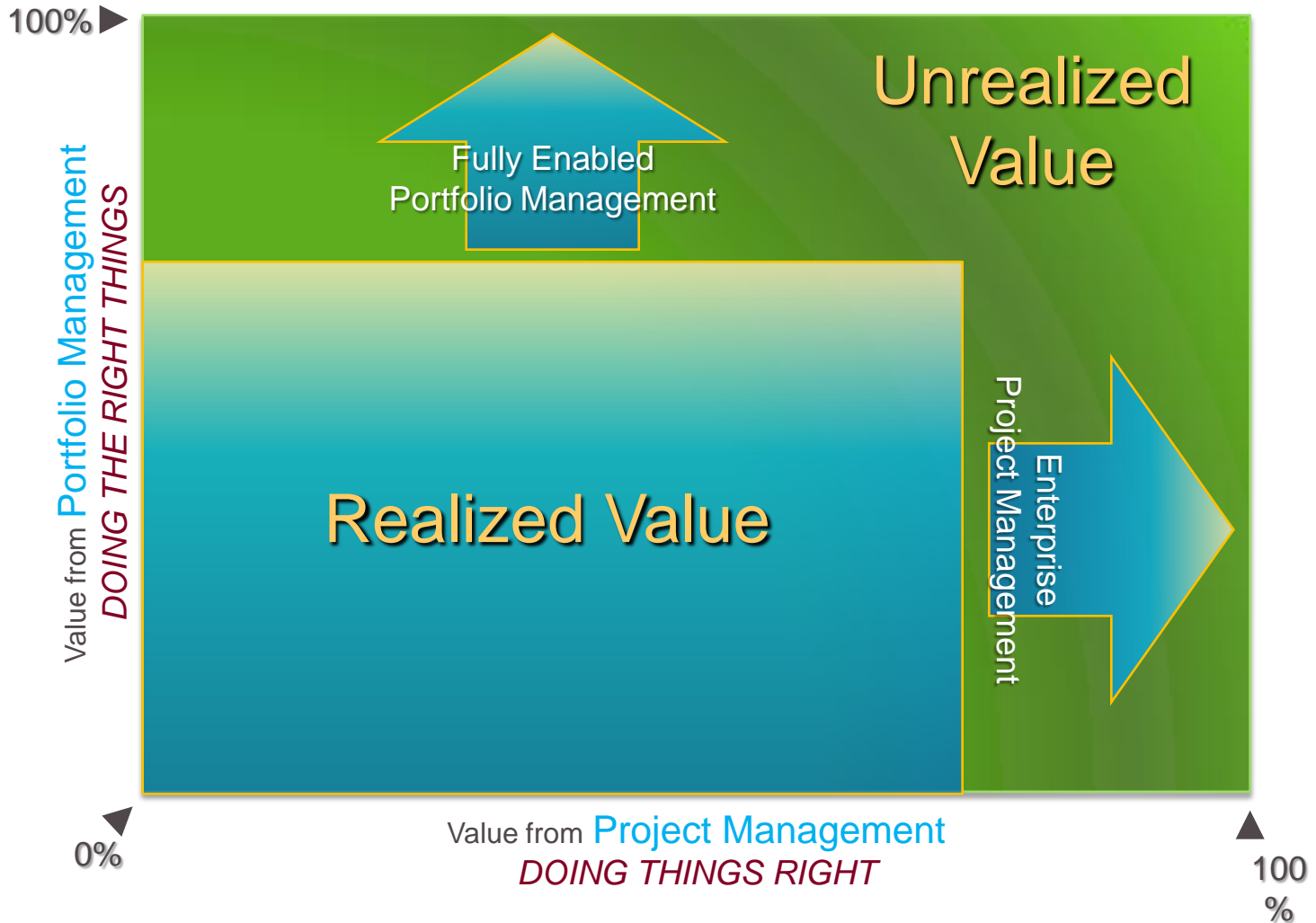
Overview of Project Portfolio Management (PPM)

What Is Project Portfolio Management?

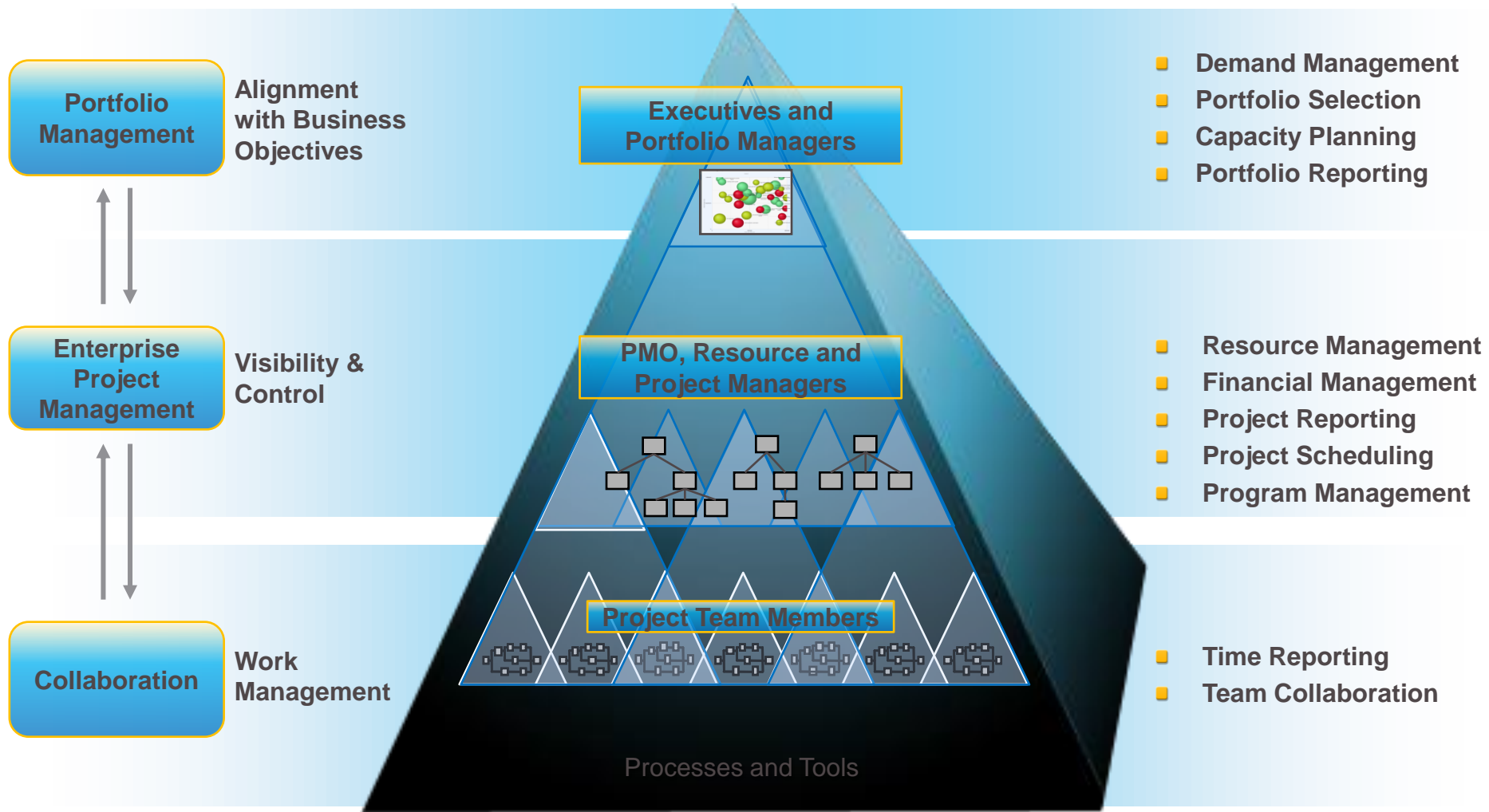
Project Portfolio Management is an **integrated**, continuous process of identifying, selecting and managing a portfolio of projects in alignment with key performance metrics and strategic business objectives



Unrealized Value Potential



How PPM Helps The Organization



Realized Benefits



Benefits of Portfolio Optimization - IDC

- A recent IDC Survey* of organizations successfully using Project Portfolio Management:
 - **Effective use of budget:** Cost per project reduced 37%
 - **Delivery of projects with real business value:** Redundant projects dropped 78%
 - **Effective use of staff resources:** Resource productivity increased 14%
 - **Improved project success:** Project failure rate dropped 59%
 - **Return on PPM investment:** Payback occurred in 7.4 months

**Measuring the ROI of PPM (Project and Portfolio Management): An IDC Report*

Benefits of Portfolio Optimization - Forrester

- Independent Analyst: Forrester*

In a ... number of firms today, IT management is using application portfolio management (APM) tools to shave 10% to 30% or more from the maintenance budget, achieving ROI within the first 12 months. These savings provide the opportunity to increase innovation capacity by 30% to 95%.

**Building The Business Case For APM, Forrester, October 2005*

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"Like dangerous curves on a racetrack, economic downturns create more opportunities for companies to move from the middle of the pack into leadership positions than any other time in business."

Wall Street Journal Sept 2008

PPM evolution, challenges and efficient frontier

Traditional PPM Pains

- Poor portfolio planning at a strategic level
- Managing too many of the wrong projects
- Unable to prioritize critical projects or kill the unnecessary ones
- No defined processes for reviewing ideas and business cases
- Senior executives driving personal agendas
- Attempting too many projects simultaneously
- No benefits realization processes
- Lack of overall visibility of risks, issues, and conflicts
- Inability to proactively manage the portfolio
- Lack of senior sponsorship



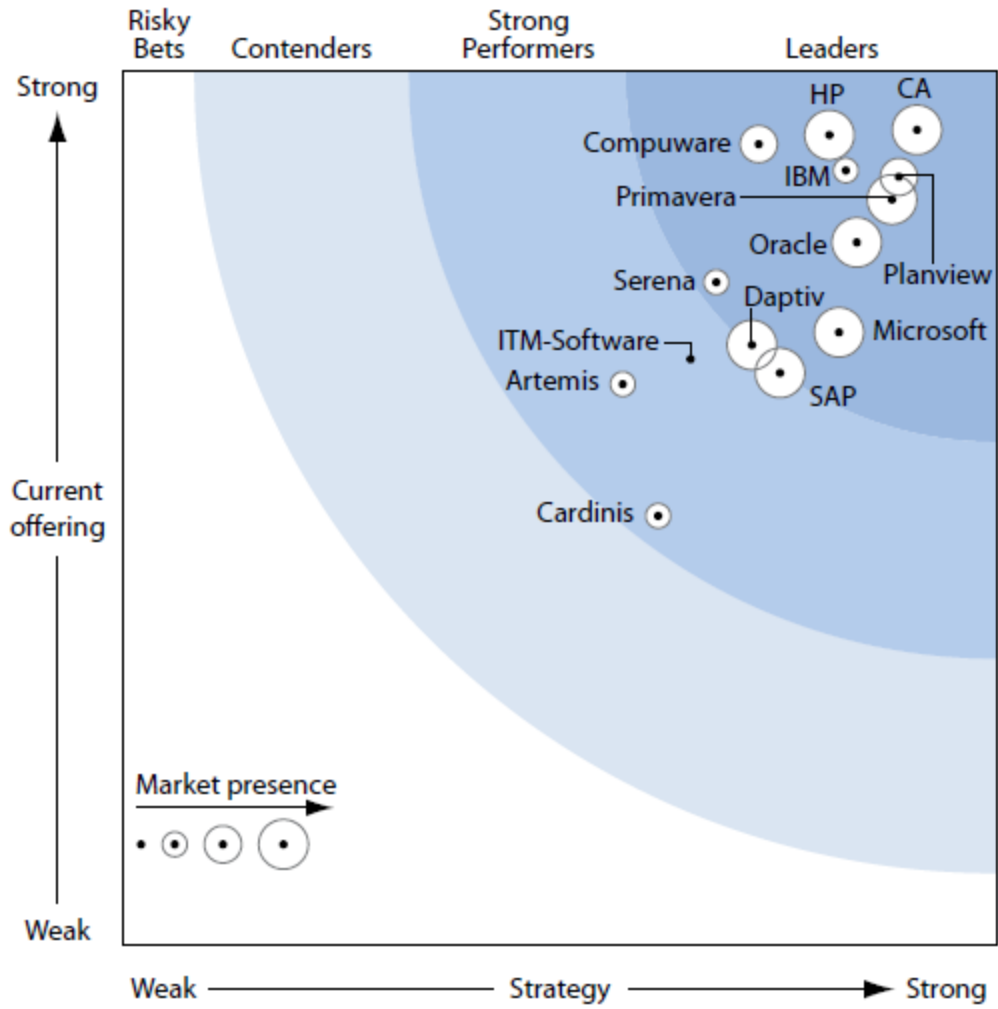
PPM Climbing the Executive Agenda

- In 2005, Aberdeen identified PPM solutions as a missed opportunity for almost 50% of manufacturing companies surveyed
- Overwhelmingly, project portfolios inconsistently addressed risk, resource constraints and were often not aligned with strategy or enabled by technology
- Project execution was ad hoc, there was little to no global planning, visibility, enterprise management or portfolio integration
- Today, the landscape is quickly changing – executive attention is driving widespread PPM adoption while enabling technologies are more accessible

Projected Growth*	2008	2010	Growth
Project / resource planning	57%	87%	52%
Project / program execution	58%	88%	52%
Portfolio management	48%	73%	53%

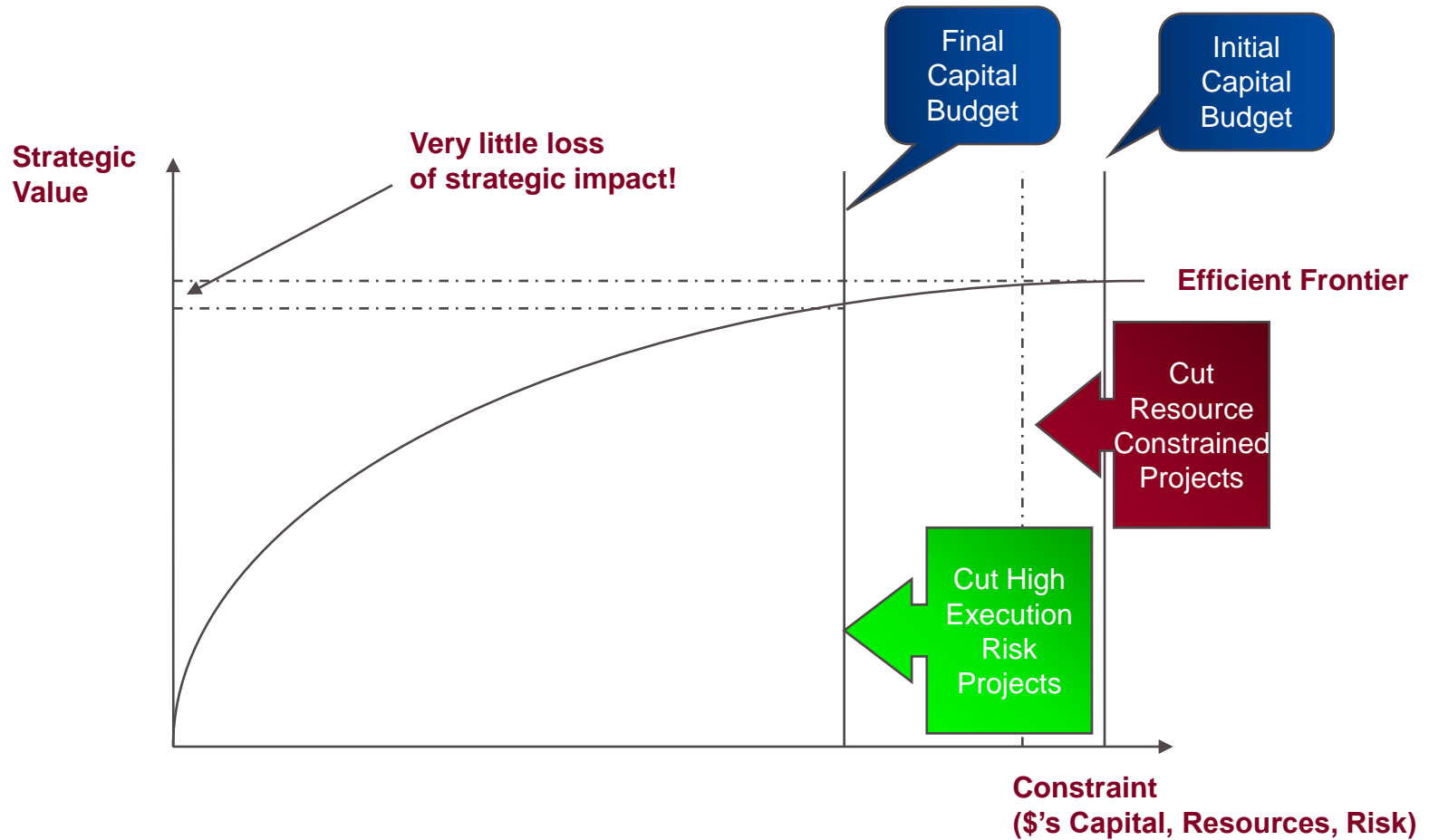
Source: Aberdeen Group, August 2008

Growing PPM Landscape



Source: Forrester Research, Inc.

PPM Well Executed



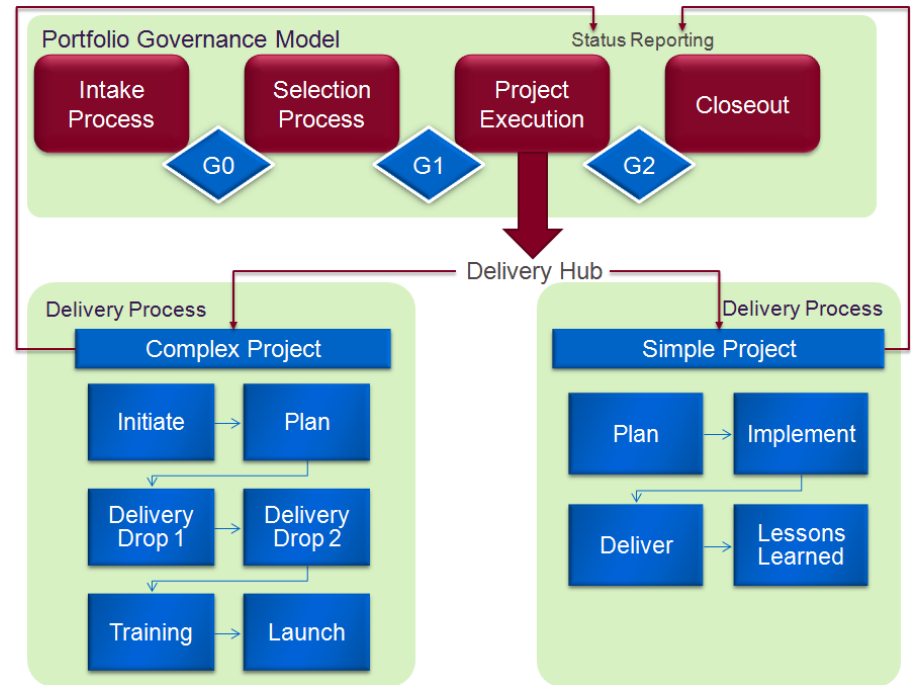
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PPM best practices

Establish Enterprise PPM Governance Model

- Establish enterprise governance framework that allows for any needed variability at division / business unit level
- Enforce enterprise process standardization to maximize efficiency and effectiveness of enterprise PPM life cycle
- Enforce enterprise technology standardization and use to minimize technology cost and maintenance
- Promote intra-company collaboration for knowledge sharing and continuous improvement
- Establish clear organizational roles / responsibilities for PPM execution at corporate and division / BU levels



“Firms with above-average IT governance following a specific strategy had more than 20 percent higher profits than firms with poor governance following the same strategy.”

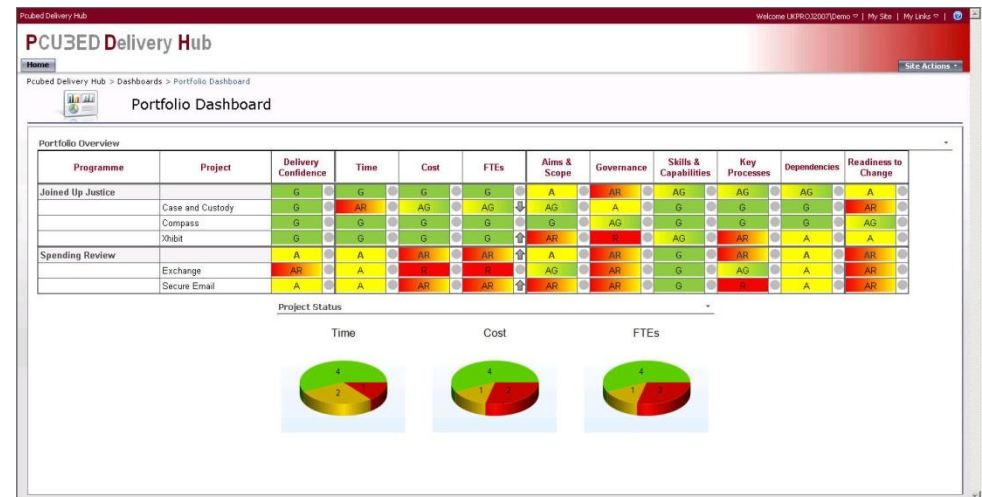
“IT Governance: How Top Performers Manage IT Decision Rights for Superior Results,”
Peter Weill and Jeanne W. Ross, Harvard Business School Press

“On average, when moving from poorest to best on corporate governance, firms could expect an increase of 10 to 12 percent in market value.”

The McKinsey Quarterly

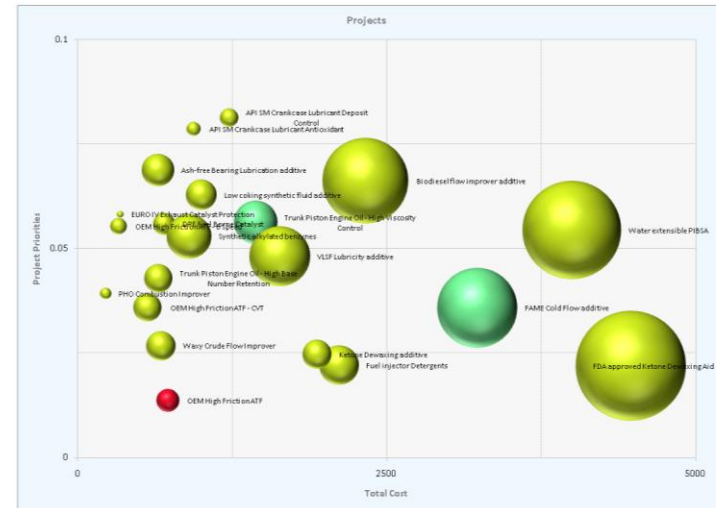
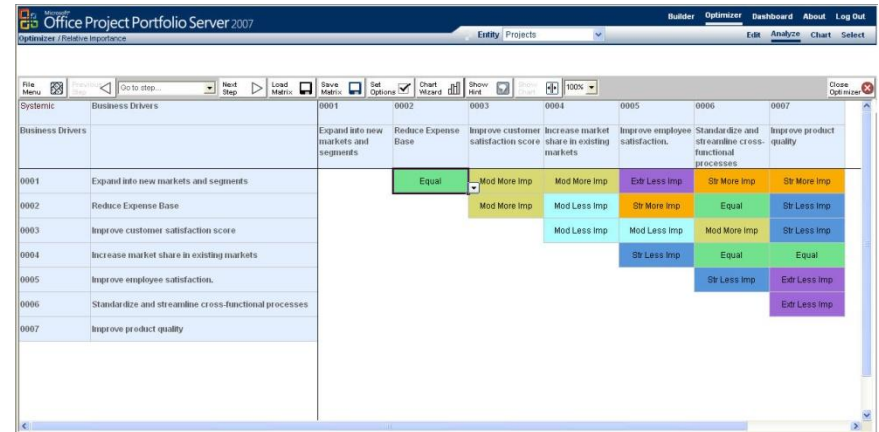
Enable PPM Governance & Execution with Integrated Technology

- Project planning & execution tools are fully integrated with portfolio management tools
- Project planning and resource allocation performed with real-time view of existing demands and constraints
- Enterprise project visibility and status are available real-time via management dashboards and reporting
- Enterprise drill down capability to the project level to assess risks, issues and status
- Real-time tracking and comparison of budget, actual and forecast data via ERP integration



Incorporate sophisticated, comprehensive analysis into portfolio prioritization and selection

- Stakeholders agree on key business drivers and derive their relative weightings via enabling technology
- Projects are initially prioritized based on their strategic value
- Project portfolios are then optimized based on financial, risk and other criteria
- Analysis capability should include
 - Strategic value
 - Financial value
 - Competitive & Market assessment
 - Development & Technical risk
 - Commercial risk
 - Budget & resource constraints
- Technology should allow rapid, real-time “what if” analysis
- Underperforming, non-strategic projects identified and eliminated



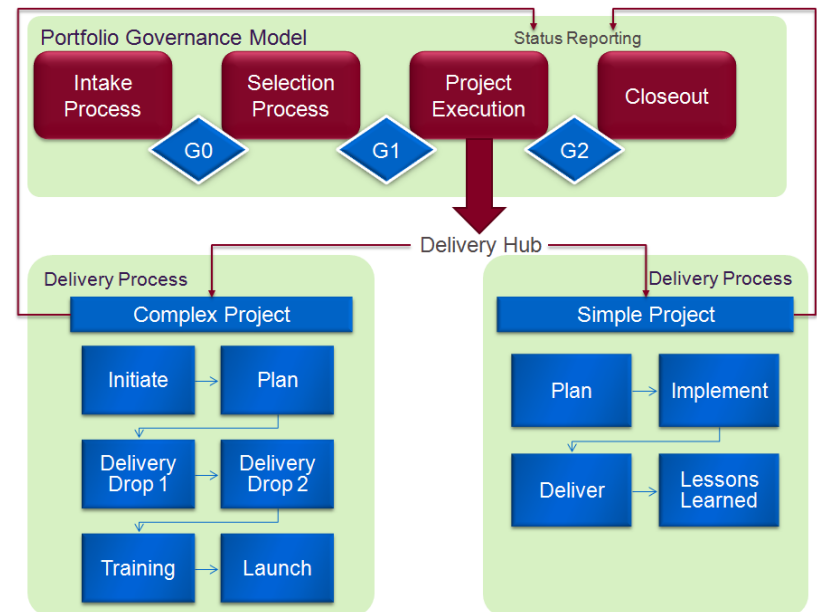
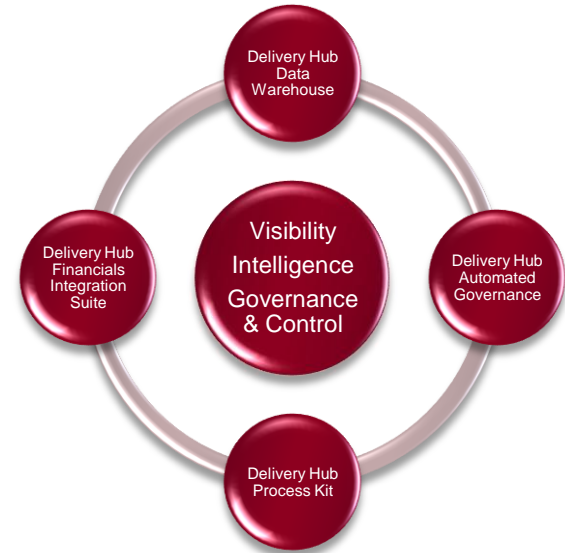
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Demo

Delivery Hub Value Proposition

- Enables web-based collaboration against a formal process using SharePoint
- Workflow will drive adherence to governance standards
- Centralized database to provide visibility via reports and dashboards
- Fully integrated with leading PPM technologies
- Simple implementation, rapid adoption



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Q & A

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