

Information Technology Portfolio Management

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1

Coming up...

- What is IT portfolio management?
- IT Portfolio Management Maturity
- Next steps
- Conclusion and questions

2

What is portfolio management?

- Well-developed concept in financial industry
- Focus on
 - Asset allocation
 - Performance measurement
 - Market trends
 - Risk management
 - Portfolio optimization

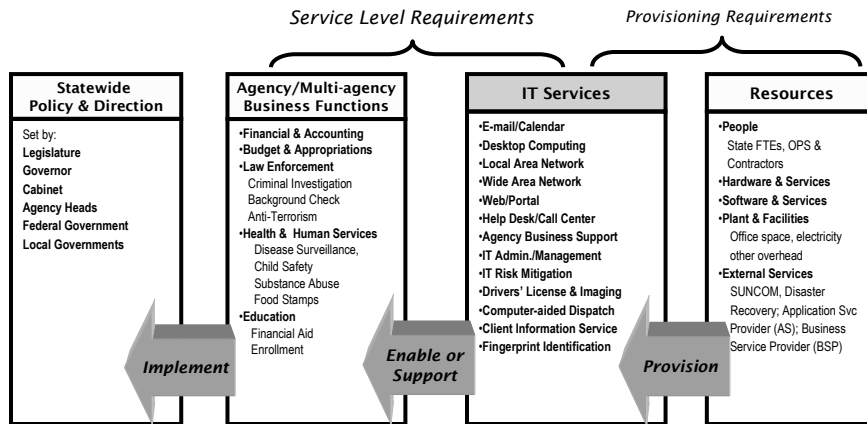
3

IT Portfolio Management

- The use of processes, tools and governance to achieve desired goals
 - Asset allocation
 - Balancing strategic and operational needs
 - Performance assessment
 - Managing associated risk
 - Communication
- Applies to portfolios of IT projects, IT services and IT assets

4

IT Service Level Management Policy Implementation Model



IT Service is one or more applications that enable a business process.

5

Portfolio Management Maturity Model¹

- **Stage 0 - Nonexistent**
- **Stage 1 - Initial** processes and standards
- **Stage 2 - Developing** standards processes and evaluation criteria
- **Stage 3 - Defined** enterprise-wide processes; investments reviewed against criteria
- **Stage 4 - Managed** processes to capture lessons-learned and improve portfolio management and performance
- **Stage 5 - Optimizing** portfolio management and performance

¹Gartner, *Mastering IT Portfolio Management*, March 2007.

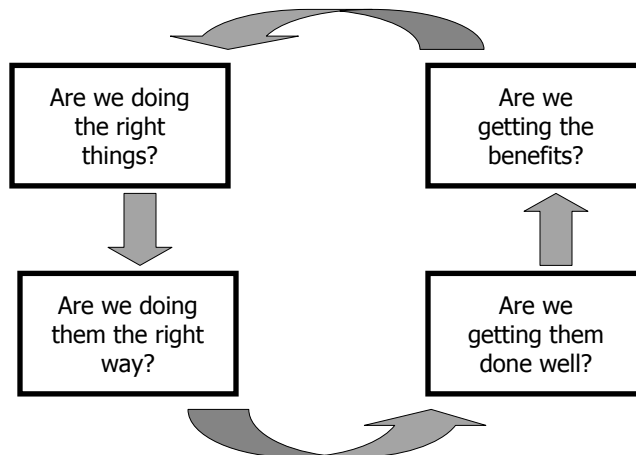
6

Challenges of Portfolio Management Maturity

- *Individual projects vs. overall portfolio*
- *Prioritization of demand*
- *Compliance vs. value*
- *Concern that visibility to costs will result in reduced IT budgets*
- *Articulated business strategy*

7

There is no such thing as IT governance!²



² "The Rule of Four of IT Governance," Erik Guldentops, *Information Systems Control Journal*, Volume 6, 2007.

8

CobiT Governance Framework

- IT Governance Focus Areas
 - Strategic alignment
 - Value delivery
 - Resource management
 - Risk management
 - Performance measurement
- IT resources are managed through a structured set of processes to provide the IT services that deliver the required enterprise information.

³<http://www.isaca.org>

9

Organizational steps toward IT portfolio management

- Develop portfolios of IT services and projects that align with specific business needs and deliver value to the organization.
- Identify and quantify project benefits and ensure they are realistic and achievable.
- Secure executive management commitment, especially when undertaking projects that require business process reengineering.

10

What you can do...

- Understand the fundamentals of your environment
- Determine the number of IT initiatives that can be implemented with available resources
- Manage fiscal, operational, technical and political risk
- Establish performance metrics; measure and communicate / modify performance

11

*IT projects don't end when
the systems are delivered;
they end when the
benefits are realized.*

12

Conclusion and Questions

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