Reviewers' Guide

FOR PORTFOLIO MANAGEMENT SOFTWARE

ProSight

Claiming your software is capable of portfolio management won't solve your organization's problems.

There is a growing acceptance of portfolio management software as a means of managing information technology decisions and performance to drive business value. In a time of corporate consolidation and rapidly implemented cost containment, portfolio management software equips organizations with an application for communicating the strategic value of technology and supporting governance throughout the enterprise.

It is critical that comprehensive portfolio management software be capable of assisting individual corporate departments or the enterprise as a whole. It must take into consideration that technology and business units operate in an integrated environment. And, it must have the flexibility to work with a wide variety of investments.

Portfolio management software requirements

A portfolio management tool must support two interrelated components: choosing and executing.

On the choosing side, portfolio management software must enable the organization to select the right portfolio of investments and ensure that the right investments are being pursued.

On the executing side, the software must enable the organization to communicate in a language everyone can understand, to regularly provide status of investments, and to facilitate changes to the investments as needed.

These two critical components can be broken down into six distinct areas that define the process of portfolio management: clarifying, prioritizing, selecting, communicating, reviewing, and adjusting.

Choosing

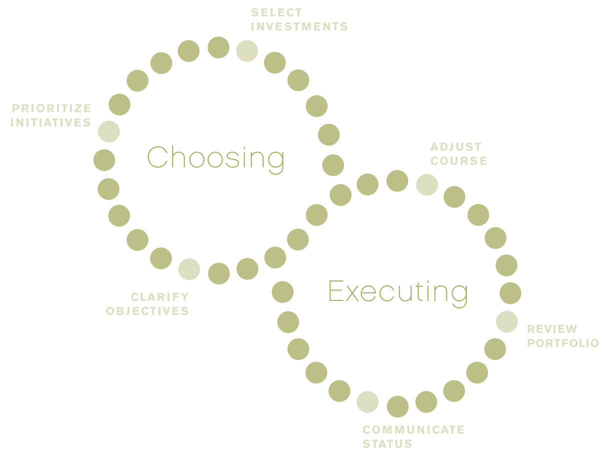
To fulfill the requirements for measuring and choosing investments, portfolio management software must support three critical activities while integrating with current business processes. These activities are:

- CLARIFYING key business objectives by defining them in an objective and measurable way.
- PRIORITIZING investments within the portfolio by ranking existing and potential investments.
- SELECTING investments based on limitations of funding, staffing, regulatory requirements, dependencies and other investments.

Executing

Portfolio management software must enable the management team to collaborate, highlighting how things "are going" as opposed to how things "went." It must provide functions for:

- COMMUNICATING status of investments consistently, highlighting the latest performance results.
- REVIEWING portfolio performance in real-time at levels that enable investment gaps to be identified.
- ADJUSTING course with decisive, corrective action to stop problems early.



Review criteria

Thoroughly understanding and reviewing a software product can require significant time and resources. The following criteria provide features our customers deem necessary in portfolio management software. We encourage you to use this worksheet to compare your portfolio management software choices.

Overarching criteria

Support: ● Full ⦿ Partial ○ No support

Product A = ______________________ Product B = ______________________

ProSight	A	B	
●	☐	☐	Is the software capable of accepting multiple portfolio management methodologies that allow the company to work the way they want to work?
●	☐	☐	Does the software allow for the management of investment items from a top-down approach, a bottom-up approach, or both?
●	☐	☐	Is the software able to organize portfolios for different organizational and business needs? e.g., business units, executive sponsors, product managers, markets, corporate strategies.
●	☐	☐	Does the software support internal business processes and approval cycles for commonly used forms and documents, like business cases, status reports, and staffing requirements?

ProSight	A	B	
●	☐	☐	Is the software end-user configurable to an organization's unique needs?
●	☐	☐	Does the vendor have a history of providing portfolio management solutions?
●	☐	☐	Do industry analysts recognize the vendor as a leader in portfolio management software?
●	☐	☐	Have consulting services selected the software vendor as their partner for providing portfolio management software to their clients?
●	☐	☐	Does every member of the vendor's professional services team fully understand portfolio management and what it takes to make an organization successful?
●	☐	☐	Can the software manage the overall governance and value management processes of the organization?
●	☐	☐	Is the software designed to manage the entire IT portfolio, including, but not limited to, applications, infrastructure, customers, vendors, assets, and projects?
●	☐	☐	Does the software allow one investment to reside in multiple portfolios simultaneously?
●	☐	☐	Does the software allow the user to specify their own company-specific formulas for computing priority, risk, quality, SLA, ROI, EVA, NPV, or RONA?
●	☐	☐	Does the system allow viewing information from multiple sources with all its modules and views?

ProSight	A	B	
●	☐	☐	Is the software flexible, enabling use and collaboration across geographic and business-unit boundaries?
●	☐	☐	Does the software provide visualization that is dynamic and easy to understand?
●	☐	☐	Does the software provide an open-architecture that leverages the investments already made in existing systems (including multiple project management tools, workforce automation, quality, help desk, financial, operational systems)?
●	☐	☐	Is the software pure Internet, (i.e., requiring no code on the client) reducing the cost of installation, maintenance, and upgrade?
●	☐	☐	Does the software harness Web services capabilities?

Negative criteria

Support: ● Full ⊙ Partial ○ No support

Product A = ____________________ Product B = ____________________

ProSight	A	B	
○	☐	☐	Is the software simply a reporting tool for project-specific data?
○	☐	☐	Does the software require the replacement of software, systems, or other investments?
○	☐	☐	To use the portfolio management solution, do you need to deploy another solution across the enterprise first?
○	☐	☐	Is the software Microsoft-centric?

Product criteria

Support: ● Full ⊙ Partial ○ No support

Product A = ____________________ Product B = ____________________

Does the software assist the user in clarifying key business objectives (KBOs)?

ProSight	A	B	
●	☐	☐	Can users across the organization use the software to collaborate on key business objectives and investments?
●	☐	☐	Does the system allow investments to be managed based on relative priorities to the key business objectives that they support?

Does the software support a process that prioritizes and ranks new and existing investments against prioritized KBOs?

ProSight	A	B	
●	☐	☐	Does the software allow investments to be evaluated for selection or cancellation before, during, and after the funding decision?
●	☐	☐	Does the software allow reviewing investments multi-dimensionally by health, risk, value, alignment, or any other factors to determine where investment gaps exist?
●	☐	☐	Does the software allow the prioritization of investments based on specified prioritization criteria and analytics?

ProSight	A	B	
●	☐	☐	Does the software help identify both those investments that drive the success of the business and those investments that need to be canceled based on their relation to key business objectives?
●	☐	☐	Does the software help categorize the investments and show where there are redundancies?

Does the software assist in selecting investment levels based on any number of criteria?

ProSight	A	B	
●	☐	☐	Does the software allow the user to select the highest value or most critical investments based on any number of company-identified constraints?
●	☐	☐	Does the software allow the user to specify the key performance categories that drive the axis, bubble size, and color of their investor maps?
●	☐	☐	Does the software allow the user to set specific portfolio goals that are consistently retained for multi-dimensional analysis during portfolio analysis?
●	☐	☐	Does the software allow the user to utilize multiple methods of gap analysis to determine the balance of investments within the portfolio and how well they align to goals?
●	☐	☐	Does the software allow for “what if” analysis and modeling to show the outcome of changes in assumptions before funding decisions are made?
●	☐	☐	Does the software allow the user to add candidate investments to the system with the same analytic characteristics of an active investment to analyze the candidate’s effect on the portfolio?
●	☐	☐	Can the user control what investment items (candidate, active, closed) they want to aid in the selection of the portfolio?
●	☐	☐	Does the software allow the user to drill down on any investment or investment candidate to get more detail?

Does the software enable collaboration on the status of activities, highlighting the latest performance result?

ProSight	A	B	
●	☐	☐	Does the software provide an intuitive interface to create and update commonly used forms, facilitating collaboration and data collection for tracking performance against high-level goals?
●	☐	☐	Does the software provide all the information the user needs to do fast and effective status reporting?
●	☐	☐	Does the software easily leverage data from other systems? (e.g., project management, quality, financial, human resources, operations, or other performance criteria)
●	☐	☐	Does the software allow the user to collaborate with other team members using embedded collaboration features?
●	☐	☐	Does the software provide a specific URL of each page for use in documents, presentations, e-mails or Web pages?
●	☐	☐	Does the software allow the user to obtain URLs to various pages and save them as favorites in their browser?
●	☐	☐	Does the software provide the flexibility to measure the performance of investments based on criteria that is unique to circumstances?
●	☐	☐	Does the software allow the user to define analytics and cross correlation of key performance criteria?

ProSight	A	B	
●	☐	☐	Can the user modify analytics or add their own?
●	☐	☐	Does the software allow algorithmic, script-based user defined analytics?
●	☐	☐	Does the software allow criteria to be weighted, providing management of the investments based on the user's unique requirements?
◉	☐	☐	Does the software remind the user when they should provide information to the system?
●	☐	☐	Does the software provide an early warning system, highlighting when investments are exceeding performance boundaries?
●	☐	☐	Does the software allow the user to manage their portfolio of investment items using their own lifecycles, action items, deliverables, links, and contacts?
●	☐	☐	Does the software allow the user to drill down into an investment to make a change at a tactical level, and have that change immediately reflected at the strategic level?
●	☐	☐	Does the software provide the ability to retain and access historic information for trend analysis?
●	☐	☐	Can the user enter annotations about information to document assumptions and other comments?

What defines a comprehensive portfolio management solution?

Take the time to review.

To understand. To compare.

Does the software assist in reviewing performance, enabling investment gaps to be identified?

ProSight	A	B	
●	☐	☐	Can the software manage risk/reward trade-offs?
●	☐	☐	Does the software allow the user to review the performance of multiple investments and cross correlate the data?
●	☐	☐	Can the user select subjective ratings and specify criteria functions, and analytics?
●	☐	☐	Can the user set up their own key performance categories and indicators as well as their own scorecards, investor maps, forms, and dashboards?
●	☐	☐	Can users override the default calculations to handle unique situations?
●	☐	☐	Can users easily toggle among portfolios that address different domains like applications, systems, projects, initiatives, programs, vendors, and customers?
●	☐	☐	Can users easily toggle among key performance categories for color and size in a bubble chart?
●	☐	☐	Does the software allow the user to automatically send an e-mail message to the manager of the investment when it is not performing according to plan?

Does the software allow the user to adjust course by taking decisive, corrective action in response to problems or changes in business climate?

ProSight	A	B	
●	☐	☐	Does the software help balance the portfolio when adjustments are required?
●	☐	☐	If a key business objective changes, or the priority between objectives change, can the portfolios be re-evaluated immediately?
●	☐	☐	Does the software allow for collaboration in a common language that everyone understands in order to make adjustments due to rapidly changing business conditions?
●	☐	☐	Is it possible to add new metrics and change the prioritization model with minimum effort?
●	☐	☐	Does the software provide an automated way to update portfolios dynamically, keeping the emphasis on interpreting and evaluating the portfolio?
●	☐	☐	Does the software allow for a comparison of promised ROI versus the delivered ROI?
●	☐	☐	Does the software allow the user to easily spot deviations from goals by setting thresholds for balance and capacity based on red, yellow, and green indicators?
●	☐	☐	Does the software automatically highlight deviations from goals?

A comprehensive portfolio management solution must fulfill the necessary requirements for choosing and measuring investments, facilitating change, and enabling communication throughout the enterprise.

A comprehensive solution

Comprehensive portfolio management software is composed of interactive capabilities that allow for collaboration and management of portfolios both vertically and horizontally, depending upon the needs and motivations of the user. In addition, the software must provide for the specific needs of varying management levels throughout the organization.

The ideal portfolio management software should provide the following functions:

VISUALIZATION TOOLS help executives in the organization collaborate on choosing the investments that satisfy corporate goals. Using corporate data and other systems, the visualization tools must clearly convey the investment strategy. Visualizations should include the ability to evaluate technology investments in relationship to business parameters and set goals to dynamically assess the portfolio mix. Ideally, users will have the ability to access additional information by drilling down into investments. Equally critical is the ability to perform dynamic “what-if” scenario planning and gap analysis to determine the optimal portfolio mix.

COLLABORATION AND DATA-ENTRY TOOLS facilitate collaboration and data collection for reviewing and tracking investment performance against goals. These tools allow managers and team members to emulate their unique internal business processes and approval cycles for their most commonly used data entry and reporting mechanisms, such as business cases, status reports, staffing requirements, capital requests, and more. These tools should allow for the easy creation and updating of commonly used forms and documents.

SCORECARD TOOLS provide an interactive means for directors and managers to better analyze and manage investment performance through the use of categories that measure various attributes like business value, risk, budget, service level agreements, and more. With scorecards, each of these factors should be available to be compared and its portfolio impact assessed. Scorecards should provide an early warning system, indicating when a specific category falls outside of the predetermined acceptable level of performance.

LIFE-CYCLE MANAGEMENT TOOLS allow managers and team members to manage investment information and annotations for specific investments or portfolios of investments. This feature should allow for easy updating for spur-of-the-moment status reports.

TRENDING GRAPHS provide a broad and comprehensive view of select performance criteria trends for a specific investment. Historic trends provide exceptional insight into the life of an investment while distribution charts provide a quick assessment of investment allocation. These graphs should be as flexible as other capabilities, allowing for users to remove and add graphs and choose between pie, bar, line and chart graphs. Color-coding should highlight when an investment has moved out of the acceptable range of performance.

KNOWLEDGE MANAGEMENT TOOLS facilitate the exchange of best practices to help focus on the specific needs of leaders and managers involved in managing business and technology investments.

Let's get started

We hope that this guide has served as a valuable resource for your portfolio management software comparison. We believe you'll come away understanding that ProSight™ Portfolios works the way you work, instituting the processes and utilizing the tools necessary for helping your organization choose the right investments and execute them well. All while steering you clear of the pitfalls of managing too many investments with too few resources. Instituting the portfolio management process with ProSight Portfolios will ensure that you:

- Focus on supporting strategic objectives
- Improve employee productivity and accountability
- Reduce initiative failure rates
- Increase profitability potential

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About ProSight

ProSight, Inc., the experts in portfolio management, combines software with services and knowledge resources to equip companies with more effective management of investments, resources, and performance, enhancing business results and strategic collaboration throughout the enterprise. ProSight is headquartered in Portland, Oregon.

For more information,
please visit www.prosight.com.
For more information on portfolio management, visit www.portfoliomgt.org.