

Information Technology Portfolio Management

The IT portfolio presents the investment strategy for Information Technology in a corporation and is foundational to the corporate financial plan. IT project selection and capitalization, system retention or replacement, support of critical service levels, and options for sourcing IT can affect the agility of a company to scale and manage business change as well as the total cost of ownership of systems for years in the future.

Especially in turbulent times, it is critical to manage the IT portfolio with an investment orientation. Most CIOs are regularly asked to re-evaluate their roadmap to find short- and long-term savings; and, that means reviewing costs and paring in a strategic manner, weighing the options. Opportunities also open up in a downturn: market slowdowns may provide windows to introduce change that couldn't be managed before; "bargains" may present themselves as vendors and suppliers become more flexible in order to retain or add business partners; financial incentives emerge as environmental and energy conservation issues continue to mount.

Creating an IT portfolio and presenting a saleable package requires the ability to

- Analyze the existing state of IT systems
- Measure progress against existing plans and investments
- Represent future business requirements and gaps
- Define an approach for sourcing new development and support
- Incorporate business expectations about ROI
- Balance cost reduction and expenditure
- Present a year-over-year model and prerequisites
- Integrate key Enterprise Architecture decisions and directions
- Factor in appropriate compliance and risk management
- Scope the portfolio contents into actionable projects

The CIO normally positions the Information Technology department with a multi-year IT Plan or "roadmap" and budget. Some of these are more like project lists than investment strategies, and often they are subject to arbitrary cuts and changes because they are not constructed and presented as cohesive, strategically-managed portfolios.

Periodically, every portfolio, including the IT one, needs a recalibration based upon corporate goals and KPIs, industry baselines, progress to date, and knowledge of current and emerging trends. In addition, compliance with new financial controls, government requirements, security and privacy mandates, partner relationships and insurance, and risk management all must be addressed.

The StrataFusion Group has approaches for IT portfolio management which provides

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pragmatic solutions for your company. We have worked with a number of established businesses, CIOs and start-ups to evaluate existing IT plans and help turn them into strategic portfolios. This practice area is related to and complemented by our Program Management Office and IT Enterprise Architecture practices.

IT Portfolio Management Details

Maintaining a strategic IT portfolio is challenging today when leaders are faced with accelerating business demands and pressures to increase efficiency and scalability, coupled with tough decisions regarding downsizing and outsourcing. We offer a comprehensive service that helps establish your portfolio, provides a periodic review if it for progress and currency, and suggests recommendations that you can implement quickly. These services are ideal for CIOs and IT leaders who are:

- In need of a proactive program to manage major direction changes, M&A or expansion into new geographies
- Facing the need to cut back without sub-optimizing the future
- New to their role and need an assessment of their current IT portfolio
- Integrating an Enterprise Architectural direction with their year-over-year budget planning
- Concerned about planning and prioritizing internal and infrastructure IT project work, including security and disaster recovery, with business systems demands

What you can expect to achieve when you implement IT portfolio Management at your company:

- An integrated plan which addresses, from the business' perspective, critical systems direction and expected outcomes
- Plans which address scalability to allow the ability to offer new products, services, partners and customers
- A roadmap which includes management of key compliance, security and business continuity planning
- A portfolio that can be used to provide the business and the project management resources the guidelines needed for project prioritization and sequencing

Additional Benefits of Program:

- Regular schedule of follow-up and tuning if you desire

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- Benefit of industry knowledge and benchmarking regarding project approaches and sequencing, implementation partners and sourcing.
- Integration with your Enterprise Architecture, Security and PMO practices

Our program is based on principles developed by several StrataFusion Partners, including John Dick, Maureen Vavra, Steve Zoppi, and Mark Egan. Chapters in, CIO Wisdom, the book they and other Silicon Valley CIOs co-wrote, address related areas of IT Strategic Planning, IT Architecture, and IT Budgeting.

Portfolio Management Success Stories:

Defining or re-evaluating a strategic project roadmap requires depth, experience and good judgment. The StrataFusion team can provide the benefit of our joint expertise in creating and managing extensive portfolios, which have included:

- Multi-year growth projects and associated infrastructure for a dominant Internet provider
- Merger and integration of two >\$1B software companies
- 30% year-over-year growth of a major Security Software Product provider
- Phased delivery of a major new telecom billing system impacting > 10,000,00 customers
- “In-sourcing” all global systems back from a major consulting firm and rebuilding a 200-person IT staff